

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-07-27** | Period of Report: **1999-06-30**
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CORDANT TECHNOLOGIES INC

CIK: **68366** | IRS No.: **362678716** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-06179** | Film No.: **99670496**
SIC: **3760** Guided missiles & space vehicles & parts

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission file number 1-6179

CORDANT TECHNOLOGIES INC.

Incorporated in the State of Delaware

IRS Employer Identification
No. 36-2678716

15 West S. Temple, Suite 1600, Salt Lake City, Utah 84101-1532

Telephone Number: (801) 933-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$1.00 par value, outstanding at June 30, 1999: 36,673,270

CORDANT TECHNOLOGIES INC.
QUARTERLY REPORT ON FORM 10-Q
June 30, 1999

INDEX

	Page
PART I. FINANCIAL INFORMATION	
ITEM 1. Financial Statements	
Consolidated Statements of Income - Three months ended and Six months ended June 30, 1999 and 1998	3
Consolidated Balance Sheets - June 30, 1999 and December 31, 1998	4-5
Consolidated Statements of Cash Flows - Six months ended June 30, 1999 and 1998	6
Consolidated Statements of Stockholders' Equity- Three months ended and Six months ended June 30, 1999 and 1998	7
Notes to Consolidated Financial Statements	8-14
ITEM 2. Management's Discussion and Analysis of Financial	

ITEM 3. Quantitative and Qualitative Disclosure about Market Risk 32

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings 33

ITEM 4. Submission of Matters to a Vote of Security Holders 33

ITEM 5. Other Information 33-40

ITEM 6. Exhibits and Reports on Form 8-K 41

SIGNATURES 41

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)
<TABLE>
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CORDANT TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN MILLIONS, EXCEPT PER SHARE DATA)

	Three Months Ended June 30		Six Months Ended June 30	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 641.9	\$ 628.6	\$ 1,276.0	\$ 1,191.3
Operating expenses:				
Cost of sales	498.6	491.8	989.2	928.5
Selling, general and administrative	56.4	46.9	107.8	92.9
Research and development	8.3	8.1	16.5	16.5
Total operating expenses	563.3	546.8	1,113.5	1,037.9
Income from operations	78.6	81.8	162.5	153.4
Interest income	2.1	3.8	4.7	6.5
Interest expense	(10.7)	(6.9)	(20.2)	(12.7)
Other, net	(.5)	(.3)	(.7)	(1.2)
Income before income taxes and minority interest	69.5	78.4	146.3	146.0
Income taxes	(26.2)	(27.4)	(48.7)	(53.4)
Income before minority interest	43.3	51.0	97.6	92.6
Minority interest	(4.8)	(9.9)	(11.9)	(18.7)
Net income	\$ 38.5	\$ 41.1	\$ 85.7	\$ 73.9
Net income per share:				
Basic	\$ 1.05	\$ 1.13	\$ 2.34	\$ 2.03
Diluted	\$ 1.03	\$ 1.09	\$ 2.29	\$ 1.96
Dividends per share	\$.10	\$.10	\$.20	\$.20

<FN>

See notes to consolidated financial statements.

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<CAPTION>

CORDANT TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	June 30 1999 (Unaudited)	December 31 1998
<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	\$ 17.8	\$ 45.3
Receivables	294.1	240.0
Inventories	258.4	252.3
Deferred income taxes and prepaid expenses	55.1	60.8
Restricted Trust (a)		716.4
<hr/>		
Total current assets	625.4	1,314.8
Property, plant and equipment, at cost less allowances for depreciation	702.6	672.3
Other assets		
Costs in excess of net assets of businesses acquired, net	850.1	561.7
Patents and other intangible assets, net	119.8	128.3
Other noncurrent assets	132.0	132.8
<hr/>		
Total other assets	1,101.9	822.8
<hr/>		
Total assets	\$ 2,429.9	\$ 2,809.9

<FN>

(a) The Restricted Trust held a note receivable from Pechiney S.A. and related letters of credit that secured Pechiney S.A.'s agreement to repay the Pechiney Notes. Pechiney S.A. (Howmet's previous owner) paid the notes on January 4, 1999, and the Restricted Trust was terminated. No Howmet or Cordant funds were used in the payment of the Notes.

See notes to consolidated financial statements.

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CORDANT TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	June 30 1999 (Unaudited)	December 31 1998
<S>	<C>	<C>
Liabilities and stockholder's equity		
Current liabilities		
Short-term debt	\$ 128.7	\$ 80.1
Accounts payable	139.7	139.8
Accrued compensation	97.0	81.6
Other accrued expenses	201.1	202.1
Pechiney Notes (a)		716.4
<hr/>		
Total current liabilities	566.5	1,220.0
Noncurrent liabilities		
Accrued retiree benefits	172.1	169.0
Deferred income taxes	50.3	52.3
Accrued interest and other noncurrent liabilities	233.2	234.2
Long-term debt	604.1	324.5
<hr/>		
Total noncurrent liabilities	1,059.7	780.0
Minority interest	65.1	142.0
Stockholders' equity		
Common stock (par value \$1.00 per share)		
Authorized - 200 shares		
Issued - 41.1 shares at June 30, 1999 and December 31, 1998 (includes treasury shares)	41.1	41.1

Additional paid-in capital	47.5	47.4
Retained earnings	737.2	658.8
Accumulated other comprehensive income (loss)	(15.1)	(3.9)
	810.7	743.4
Less common stock in treasury, at cost		
4.4 shares, June 30, 1999 and		
4.6 shares, December 31, 1998	(72.1)	(75.5)
Total stockholders' equity	738.6	667.9
Total liabilities and stockholders' equity	\$ 2,429.9	\$ 2,809.9

<FN>

(a) The Restricted Trust held a note receivable from Pechiney S.A. and related letters of credit that secured Pechiney S.A.'s agreement to repay the Pechiney Notes. Pechiney S.A. (Howmet's previous owner) paid the notes on January 4, 1999, and the Restricted Trust was terminated. No Howmet or Cordant funds were used in the payment of the Notes.

See notes to consolidated financial statements.

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CORDANT TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(IN MILLIONS)

	Six Months Ended June 30	
	1999	1998
<S>	<C>	<C>
Operating Activities		
Net income	\$ 85.7	\$ 73.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	11.9	18.7
Depreciation	39.5	34.6
Amortization	19.3	15.1
Changes in operating assets and liabilities:		
Receivables	(62.3)	(21.4)
Inventories	(9.5)	(3.9)
Accounts payable and accrued expenses	8.7	(4.0)
Income taxes	11.4	18.6
Other	6.3	.7
Net cash provided by operating activities	111.0	132.3
Investing Activities		
Acquisitions	(385.0)	(273.6)
Purchases of property, plant and equipment	(76.0)	(50.1)
Proceeds from disposal of assets	1.0	4.8
Net cash used for investing activities	(460.0)	(318.9)
Financing Activities		
Net change in short-term debt	49.6	35.5
Issuance of long-term debt	450.0	306.4
Repayment of long-term debt	(170.1)	(168.9)
Purchase of common stock for treasury		(10.8)
Stock option transactions	3.5	3.6
Dividends paid	(7.3)	(7.3)
Net cash provided by financing activities	325.7	158.5
Foreign currency rate changes	(4.2)	(.1)
Decrease in cash and cash equivalents	(27.5)	(28.2)
Cash and cash equivalents at beginning of year	45.3	45.6
Cash and cash equivalents at end of period	\$ 17.8	\$ 17.4

<FN>

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(IN MILLIONS)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total Stockholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Three months ended June 30						
Balance, March 31, 1998	\$ 41.1	\$ 46.9	\$ 560.6	\$ (73.5)	\$ (3.4)	\$ 571.7
Comprehensive income						
Net income			41.1			41.1
Other comprehensive income						
Cumulative translation adjustment					(.5)	(.5)
Total comprehensive income						40.6
Dividends paid			(3.7)			(3.7)
Stock options exercised and related income tax benefits (.1 shares)		(.1)		1.0		.9
Balance, June 30, 1998	\$ 41.1	\$ 46.8	\$ 598.0	\$ (72.5)	\$ (3.9)	\$ 609.5
Balance, March 31, 1999						
Balance, March 31, 1999	\$ 41.1	\$ 46.9	\$ 702.3	\$ (73.7)	\$ (10.1)	\$ 706.5
Comprehensive income						
Net income			38.5			38.5
Other comprehensive income						
Cumulative translation adjustment					(5.0)	(5.0)
Total comprehensive income						33.5
Dividends paid			(3.6)			(3.6)
Stock options exercised and related income tax benefits (.1 shares)		.6		1.6		2.2
Balance, June 30, 1999	\$ 41.1	\$ 47.5	\$ 737.2	\$ (72.1)	\$ (15.1)	\$ 738.6
Six months ended June 30						
Balance, December 31, 1997	\$ 20.5	\$ 46.0	\$ 552.0	\$ (64.5)	\$ (3.5)	\$ 550.5
Comprehensive income						
Net Income			73.9			73.9
Other comprehensive income						
Cumulative translation adjustment					(.4)	(.4)
Total comprehensive income						73.5
Dividends paid			(7.3)			(7.3)
Stock Split (2.2 treasury shares and 20.6 common shares)	20.6		(20.6)			
Treasury stock purchases (.3 shares)				(10.8)		(10.8)
Stock options exercised and related income tax benefits (.1 shares)		.8		2.8		3.6
Balance, June 30, 1998	\$ 41.1	\$ 46.8	\$ 598.0	\$ (72.5)	\$ (3.9)	\$ 609.5
Balance, December 31, 1998						
Balance, December 31, 1998	\$ 41.1	\$ 47.4	\$ 658.8	\$ (75.5)	\$ (3.9)	\$ 667.9
Comprehensive income						
Net income			85.7			85.7
Other comprehensive income						
Minimum pension liability					.9	.9
Cumulative translation adjustment					(12.1)	(12.1)

Total comprehensive income						74.5
						=====
Dividends paid			(7.3)			(7.3)
Stock options exercised and related income tax benefits (.2 shares)		.1		3.4		3.5

Balance, June 30, 1999	\$ 41.1	\$ 47.5	\$ 737.2	\$ (72.1)	\$ (15.1)	\$ 738.6
						=====

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Basis of Presentation

The accompanying interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The balance sheet at December 31, 1998 reflects the Company's audited consolidated balance sheet at that date. In management's opinion, all adjustments considered necessary for a fair presentation have been included. Operating results for the six-months ended June 30, 1999 are not necessarily indicative of the results to be expected for the year ending December 31, 1999. The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1999 Notice of Annual Meeting and Proxy Statement, Financial Information, incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

Certain reclassifications were made to the 1998 financial statements to conform to the 1999 presentation.

Receivables

<TABLE>

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The components of receivables are as follows:

(in millions)	June 30 1999 (Unaudited)	December 31 1998
	<C>	<C>
Trade Receivables:		
Trade accounts receivable	\$ 164.4	\$ 159.0
Retained receivables	53.0	32.0
Allowance for doubtful accounts	(7.6)	(7.8)
	-----	-----
Total Trade Receivables	209.8	183.2
Receivables under U.S. Government contracts and subcontracts	84.3	56.8
	-----	-----
	\$ 294.1	\$ 240.0
	=====	=====

</TABLE>

Receivables under government contracts and subcontracts include unbilled costs and accrued profits. Such amounts are billed based on contract terms and delivery schedules.

Cost and incentive-type contracts and subcontracts are subject to government audit and review. It is anticipated that adjustments, if any, will not have a material effect on the Company's results of operations or financial condition.

Cost management award fees totaling \$138.7 million, at June 30, 1999, have been recognized on the current Buy 3 Space Shuttle Reusable Solid Rocket Motor (RSRM) contract. Realization of such fees is reasonably assured based on actual and anticipated contract cost performance. However, all cost management award fees remain at risk until contract completion and final NASA review. The Buy 3 RSRM contract is expected to be completed during 2001. Unanticipated program problems which erode cost management performance could cause some or all of the recognized cost management award fees to be reversed and would be offset against receivable amounts from the government or may be directly reimbursed. Circumstances which could erode cost management performance, and materially impact Company profitability and cash flow, include failure of a Company-supplied component, performance problems with the RSRM leading to a major redesign and/or requalification

effort, manufacturing problems, including supplier problems which result in RSRM production interruptions or delays, and major safety incidents.

Trade accounts receivable primarily relate to sales to well established corporations and historically, bad debt expense has been minor.

Howmet has an agreement to sell, on a revolving basis, an undivided interest in a defined pool of accounts receivable. Howmet has received \$55 million from the sale of such receivables and has deducted this amount from accounts receivable at June 30, 1999. The \$53 million retained receivables, represents the receivables set aside to replace sold receivables in the event they are not fully collected.

Inventories

Inventories are stated at the lower of cost or market. Inventories for the fastening systems segment are determined by the first-in, first-out (FIFO) method. Inventories for the investment castings segment are determined by both the FIFO and last-in, first-out (LIFO) method.

Propulsion Systems inventories include estimated recoverable costs related to long-term fixed price contracts including direct production costs and allocable indirect costs, less related progress payments received. In accordance with industry practice, such costs include amounts that are not expected to be realized within one year. The government may acquire title to, or a security interest in, certain inventories as a result of progress payments made on contracts and programs.

<TABLE>
<CAPTION>

The components of inventories are as follows:

(in millions)	June 30 1999 (Unaudited)	December 31 1998
<S>	<C>	<C>
Raw materials and work-in-process	\$ 189.8	\$ 161.8
Finished Goods	62.6	87.6
Inventoried costs related to U.S. Government and other long-term contracts	31.8	28.8
Progress payments received on long-term contracts	(22.5)	(22.6)
LIFO valuation adjustment	(3.3)	(3.3)
	\$ 258.4	\$ 252.3

</TABLE>

At June 30, 1999 and December 31, 1998, inventories include \$115.7 and \$111.8 million, respectively, that are valued using LIFO. The LIFO valuation adjustment approximates the difference between the LIFO carrying value and current replacement cost.

Purchase of Additional Howmet International Inc. Common Stock

On February 8, 1999, the Company acquired the remaining 22.65 million shares of Howmet International Inc. common stock owned by Carlyle Blade Acquisition Partners, L.P. (Carlyle) for \$385 million and entered into a new Standstill Agreement and extended an existing covenant not to compete. With this purchase of the Carlyle shares, the Company's ownership of Howmet International Inc. common stock increases to approximately 84.6 million shares representing 84.6 percent of Howmet's outstanding voting common stock. The remaining 15.4 percent of Howmet common stock is publicly owned. The acquisition was financed with borrowings under an unsecured bank line of credit established in conjunction with the stock purchase. The interest rate on this facility is based on LIBOR plus a spread, and was 5.75 percent at the time of the transaction. As a result of this acquisition, a one-time tax adjustment was recorded in the first quarter of 1999 reversing \$7.1 million or \$.19 per share of a previously accrued accumulated dividend tax.

Additional detailed financial information on Howmet is available in it's current Form 10-Q and in Howmet's Notice of 1999 Annual Meeting and Proxy Statement, Exhibit B, incorporated by reference in Howmet's Annual Report on Form 10-K for the year ended December 31, 1998.

<TABLE>
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FINANCING ARRANGEMENTS

Long term debt is summarized as follows:

(in millions)	June 30 1999 (Unaudited)	December 31 1998
<S>	<C>	<C>
Cordant Technologies 6.625% senior notes	\$ 150.0	\$ 150.0
Cordant Technologies senior revolving credit facilities	380.0	110.0
Howmet senior revolving credit facility	70.0	60.0
Other	12.0	13.1
	612.0	333.1
Less current portion	7.9	8.6
	\$ 604.1	\$ 324.5

</TABLE>

The Company, excluding Howmet, has credit commitments from a group of banks aggregating \$500 million under revolving credit facilities, of which \$120 million was available at June 30, 1999. The funds available under the credit facilities may be used for any corporate purpose and are available through November 1999 (\$300 million), February 2000 (\$50 million), and May 2001 (\$150 million). The Company has the option to extend the November 1999 facility for an additional nine months. The interest rate on the revolving credit facilities is based on LIBOR plus a spread, and was 5.7 and 5.9 percent at June 30, 1999 and December 31, 1998, respectively. The credit agreements and senior notes contain covenants restricting, among other things, the Company's ability to incur funded debt, limitations on liens, sale and leaseback transactions, and the sale of assets.

Howmet has credit commitments from a group of banks aggregating \$300 million under a revolving credit agreement, of which \$222.4 million was available at June 30, 1999. Howmet had \$7.6 million in Letters of Credit outstanding at June 30, 1999 under the revolving credit facility. The funds available under the credit facility may be used for any corporate purpose and are available through December 2002. The interest rate on the facility is based on LIBOR plus a spread, and was 5.3 and 5.8 percent at June 30, 1999 and December 31, 1998, respectively. Terms of the revolving credit facility require Howmet to meet certain interest coverage and leverage ratios and maintain certain minimum net worth amounts. In addition, there are restrictions that limit indebtedness, the sale of assets, and payments for acquisitions or investments.

Cordant Technologies does not have access to Howmet cash balances except through Howmet's declaring a cash dividend to its shareholders, which availability may be restricted under the terms of Howmet's revolving credit facility. Howmet does not currently intend to pay dividends.

On February 17, 1999, Howmet paid \$66.4 million to redeem all of its 9 percent preferred stock. The payment was made to Cordant Technologies, the sole preferred stockholder. Howmet borrowed under its existing revolving credit facility to make this payment and Cordant Technologies used the proceeds to reduce debt under its revolving credit facilities.

The current portion of long-term debt is classified in "short-term debt" on the balance sheets.

<TABLE>
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Earnings per share

The following unaudited table sets forth the computation of basic and diluted earnings per share:

(In millions, except per share data)	Three-Months Ended June 30		Six-Months Ended June 30	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Numerator for basic and diluted earnings per share:				
Net Income	\$ 38.5	\$ 41.1	\$ 85.7	\$ 73.9

Denominator

Denominator for basic earnings per share--weighted-average shares	36.6	36.5	36.6	36.5
Effect of dilutive securities employee stock options	1.0	1.1	.9	1.1

Denominator for diluted earnings per share--weighted-average shares and assumed exercises	37.6	37.6	37.5	37.6

Net income per share:				
Basic	\$ 1.05	\$ 1.13	\$ 2.34	\$ 2.03
Diluted	\$ 1.03	\$ 1.09	\$ 2.29	\$ 1.96
=====				

</TABLE>

Lakewood Closure and Relocation

The Company announced the closing and relocation of assets at its Lakewood, California, aerospace fastener manufacturing plant to the Company's nearby Carson, California, plant. The Lakewood closure will result in reduced fixed costs of approximately \$6 million pre-tax annually and allow utilization of available capacity at Carson. The consolidated plant will be able to support customers at the peak production rates experienced during 1998. The Company's second quarter results include a \$5 million pre-tax charge for the plant closing. The Company expects to receive savings of approximately \$1.5 million in the fourth quarter of 1999. The relocation will result in the elimination of approximately 115 jobs. The Lakewood plant is expected to close on September 1, 1999.

Accounting Standards

In June 1999, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 137 "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133." SFAS No. 137 delays the effective date of SFAS 133 to fiscal years beginning after June 15, 2000. The Company will adopt the new statement beginning on January 1, 2001. The Company does not believe that SFAS 137 will have a significant effect on the earnings and financial position of the Company.

Segment Information

The Company has three reportable segments: Investment Castings, Fastening Systems, and Propulsion Systems. The Company's reportable segments manufacture and distribute distinct products with different production processes.

The Company evaluates performance and allocates resources based on operating income, which is pre-tax income before interest income and expense, and excludes any equity income and other non-operating expenses. In accordance with industry practice, a proportionate share of Corporate general and administrative expense is allocated and reimbursed through Propulsion Systems contracts. Intersegment sales and transfers are not significant.

<TABLE>

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Summary unaudited segment information for the three months and six months ended June 30 follows:

	Three Months Ended June 30		Six months Ended June 30	
(in millions)	1999	1998	1999	1998

<S>	<C>	<C>	<C>	<C>
Sales:				
Investment Castings	\$ 369.7	\$ 335.7	\$ 742.4	\$ 664.1

Fastening Systems	116.0	100.7	237.1	190.8
Propulsion Systems	156.2	192.2	296.5	336.4
Total sales	\$ 641.9	\$ 628.6	\$ 1,276.0	\$ 1,191.3
Operating income:				
Investment Castings	\$ 48.8	\$ 48.8	\$ 103.8	\$ 92.6
Fastening Systems	12.4	16.7	30.7	29.9
Propulsion Systems	25.1	22.9	42.9	41.3
Unallocated corporate expense	(7.7)	(6.6)	(14.9)	(10.4)
Total operating income	78.6	81.8	162.5	153.4
Interest income	2.1	3.8	4.7	6.5
Interest expense	(10.7)	(6.9)	(20.2)	(12.7)
Other, net	(.5)	(.3)	(.7)	(1.2)
Consolidated income before income taxes and minority interest	\$ 69.5	\$ 78.4	\$ 146.3	\$ 146.0

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED)

Results of Operations

All of the following discussion reflects diluted earnings per share.

Income for the Second Quarter

Net income for the second quarter ended June 30, 1999, was \$38.5 million, or \$1.03 per share, a decrease of 6 percent, compared to the prior year's quarter net income of \$41.1 million or \$1.09 per share. The current quarter's net income included a \$3.1 million or \$.08 per share charge in the fastener segment for the closure and relocation of the Lakewood, California aerospace fastener facility. Net income for the current quarter also included the reversal of the first quarter Stock Appreciation Rights (SAR) benefit at Howmet of \$1.3 million or \$.03 per share. This expense resulted from Howmet's stock price increasing above the \$15 per share ceiling at the end of the quarter. Net income for the prior year's quarter included a \$2.6 million or \$.07 per share tax refund. Excluding the unusual items listed above, income of \$42.9 million or \$1.14 per share increased 12 percent over the prior year's quarter.

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Summary unaudited financial information for the three-months ended June 30 follows:

(in millions, except per share data)	1999	1998	Better (Worse)	Percent
<S>	<C>	<C>	<C>	<C>
Sales:				
Investment Castings	\$ 369.7	\$ 335.7	\$ 34.0	10
Fastening Systems	116.0	100.7	15.3	15
Propulsion Systems	156.2	192.2	(36.0)	(19)
Total sales	\$ 641.9	\$ 628.6	\$ 13.3	2
Operating income:				
Investment Castings (1)	\$ 48.8	\$ 48.8		
Fastening Systems	12.4	16.7	\$ (4.3)	(26)
Propulsion Systems	25.1	22.9	2.2	10
Unallocated corporate expense	(7.7)	(6.6)	(1.1)	(17)
Total operating income	78.6	81.8	(3.2)	(4)
Interest income	2.1	3.8	(1.7)	(45)
Interest expense	(10.7)	(6.9)	(3.8)	(55)

Other, net	(.5)	(.3)	(.2)	(67)
Income taxes	(26.2)	(27.4)	1.2	4

Income before minority interest	43.3	51.0	(7.7)	(15)
Minority interest	(4.8)	(9.9)	5.1	52

Net income	\$ 38.5	\$ 41.1	\$ (2.6)	(6)
=====				
Net income per share:				
Basic	\$ 1.05	\$ 1.13	\$ (.08)	(7)
Diluted	\$ 1.03	\$ 1.09	\$ (.06)	(6)

<FN>

(1) Investment Castings operating income includes goodwill amortization of \$2.9 and \$1 million in 1999 and 1998, respectively, associated with the Howmet common stock purchases in December 1997 and February 1999.

</FN>

</TABLE>

<TABLE>

<CAPTION>

Selected Unaudited Financial Data

(in millions)	Three Months Ended June 30					
	1999			1998		
	Cordant	Howmet	Consolidated	Cordant	Howmet	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net cash provided by operating activities	\$ 38.0	\$ 49.0	\$ 87.0	\$ 64.7	\$ 41.4	\$ 106.1
Capital expenditures	(10.9)	(34.0)	(44.9)	(7.6)	(19.2)	(26.8)
Dividends	(3.6)		(3.6)	(3.7)		(3.7)

	\$ 23.5	\$ 15.0	\$ 38.5	\$ 53.4	\$ 22.2	\$ 75.6
=====						

</TABLE>

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BUSINESS SEGMENT SALES AND INCOME FOR THE QUARTER

Investment Castings

The following unaudited information summarizes Howmet's results, as separately reported to its shareholders, for the three-months ended June 30:

(in millions)	1999	1998
<S>	<C>	<C>
Net sales	\$ 369.7	\$ 335.7
Cost of goods sold	283.3	257.4
Gross profit	86.4	78.3
Operating income	51.7	49.8
Net income	\$ 31.3	\$ 27.4

</TABLE>

<TABLE>

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Following is a reconciliation of Howmet's contribution to the Company's income for the three-months ended June 30:

(in millions)	1999	1998
<S>	<C>	<C>
Howmet net income	\$ 31.3	\$ 27.4
Less preferred paid-in-kind dividend (1)		(1.4)

Income available to common shareholders	31.3	26.0

Company's interest in Howmet income (2)	26.5	16.1

Add preferred paid-in-kind dividend		1.4
Howmet's contribution to the Company's income	26.5	17.5
Less the Company's 7 percent tax on Howmet income		(1.2)
Howmet's total after-tax contribution to the Company's income	\$ 26.5	\$ 16.3

<FN>

(1) Howmet's 9 percent paid-in-kind preferred stock owned by the Company was redeemed on February 17, 1999 for \$66.4 million.

(2) On February 8, 1999, the Company increased its ownership in Howmet from 62 percent to 84.6 percent.

</FN>

</TABLE>

Howmet's sales increased \$34 million or 10 percent over the prior year's quarter, due to increased demand for components for large Industrial Gas Turbines (IGT's) used for electrical power generation. Strong demand for additional electrical power generation capacity is expected to continue for the next few years, resulting in substantial growth for the Company's products. The sales increase came from the IGT market. Sales to the aerospace market were approximately 6 percent lower than the prior year's quarter with approximately one-third of the decrease due to price reductions. Such price reductions, as well as similar reductions for the IGT Market, were a function of sharing cost savings with customers.

Howmet's net income was \$31.3 million for the quarter, a 14 percent increase from \$27.4 million in the prior year's quarter. The higher income resulted primarily from the increased IGT revenue. The current quarter also includes the aforementioned \$1.3 million after-tax SAR expense which was the reversal of the benefit recorded in the first quarter. Interest expense was \$1.5 million lower than the prior year's quarter due to lower debt levels.

Fastening Systems

Fastening systems sales for the quarter increased \$15.3 million or 15 percent over last year. This increase reflects both the addition of Jacobson Manufacturing's results for an entire quarter in the current year and continued strength in the industrial markets. During the quarter, a \$5 million pre-tax charge was taken to close and relocate the aerospace fastener operations at Lakewood, California to Huck's nearby Carson, California facility. The Lakewood closure will result in reduced fixed costs of approximately \$6 million pre-tax annually and allow utilization of available capacity at Carson. Operating income increased \$.7 million or 4 percent over last year excluding the Lakewood relocation charge. The quarter also included a \$1.4 million pre-tax, non-cash charge to write-off an unused automotive fastener patent. Operating margins for the quarter, excluding the Lakewood charge and the patent write-off, were 16.1 percent, compared to 16.6 percent last year. Aircraft fastener sales declined 33 percent from the prior year's quarter primarily as a result of weak domestic aerospace demand. Excluding Jacobson's results, the patent write-off and the Lakewood relocation charge, Huck's sales and operating income decreased 12 and 14 percent, respectively, from the prior year.

Fastening systems book-to-bill ratios, defined as period orders divided by period shipments, for the three months ended June 30, were as follows:

<TABLE>

<CAPTION>

	1999	1998
<S>	<C>	<C>
Aerospace	.82	.89
Industrial	.99	.98
Fastening Systems Total	.94	.93

</TABLE>

Book to bill ratios are used as an indicator of future sales, but as with all indicators, such ratios have inherent limitations and actual results may be different. Since the book to bill ratio is not a generally accepted accounting principle disclosure, other companies may calculate this ratio differently and utilize the ratio for different purposes.

Propulsion Systems

Propulsion Systems sales for the quarter decreased 19 percent compared to the prior year primarily from lower activity in the commercial launch motor and Space Shuttle Reusable Solid Rocket Motor (RSRM) programs. Propulsion Systems operating income increased 10 percent from the prior year's quarter due primarily to a retroactive increase in the fee booking rate in the RSRM program. Income from commercial launch motor programs decreased from the prior year. Operating margins were 16.1 percent in the current quarter compared to 11.9 percent in 1998.

During the quarter, the RSRM contract accounted for approximately 16 percent of the Company's consolidated net sales and 25 percent of consolidated operating income. Current year RSRM sales are expected to decline compared to prior year's sales. The current NASA Buy 3 cost-plus-award-fee contract provides for Company production of the Space Shuttle solid rocket motors through 2001. Buy 3 profit margins are expected to improve through 2001 as the contract approaches completion.

RSRM Buy 4

In December 1998, an agreement was reached with NASA outlining all significant contractual issues for the RSRM Buy 4 contract. The final contract signing is expected in the third quarter of 1999. The Buy 4 contract type is a cost-plus-incentive/performance/award-fee. The Buy 4 contract includes 35 flight sets, or 70 motors, and three flight support motors. Contract completion is expected during 2005. Currently, the Company anticipates follow-on contracts for RSRM motors through the life of the Space Shuttle program. The Space Shuttle program is expected to continue in service through approximately 2010. Long lead material procurement and production has begun under the Buy 4 agreement. The contract is subject to annual Congressional funding. While the Buy 4 agreement is similar in structure and profit potential to the Buy 3 contract, until performance incentives are met, Buy 4 profit margins will be lower than margins currently being recognized on Buy 3.

On February 9, 1999 the Company was notified that NASA intends to consolidate the Company's RSRM contract into the Space Flight Operations Contract with United Space Alliance (U.S.A.). This change will mean the Company will perform RSRM activities under a subcontract to U.S.A. instead of as a prime contractor to NASA. The target date established by NASA for the transition is October 1, 2000. The Company does not anticipate any significant change to its RSRM contract terms or profit potential as a result of the change.

Income Year-to-Date

Net income for the six-months ended June 30, 1999, was \$85.7 million, or \$2.29 per share, a 16 percent increase, compared to the prior year's period net income of \$73.9 million or \$1.96 per share. Net income for the six-month period included a \$7.1 million or \$.19 per share tax benefit from reversing a dividend tax previously recorded on the Company's share of Howmet's income. The current six month period's results also included a \$3.1 million or \$.08 per share charge for the closure and relocation of the Lakewood, California aerospace fastener facility. Net income for the prior year period included a \$2.6 million or \$.07 per share tax refund. Excluding the unusual items listed above, net income of \$81.7 million or \$2.18 per share increased 15 percent over the prior year period.

<TABLE>

<CAPTION>

Summary unaudited financial information for the six-months ended June 30 follows:

(in millions, except per share data)	1999	1998	Better (Worse)	Percent
<S>	<C>	<C>	<C>	<C>
Sales:				
Investment Castings	\$ 742.4	\$ 664.1	\$ 78.3	12
Fastening Systems	237.1	190.8	46.3	24
Propulsion Systems	296.5	336.4	(39.9)	(12)
Total sales	\$ 1,276.0	\$ 1,191.3	\$ 84.7	7

Operating income:				
Investment Castings (1)	\$ 103.8	\$ 92.6	\$ 11.2	12
Fastening Systems	30.7	29.9	.8	3
Propulsion Systems	42.9	41.3	1.6	4
Unallocated corporate expense	(14.9)	(10.4)	(4.5)	(43)
Total operating income	162.5	153.4	9.1	6
Interest income	4.7	6.5	(1.8)	(28)
Interest expense	(20.2)	(12.7)	(7.5)	(59)
Other, net	(.7)	(1.2)	.5	42
Income taxes	(48.7)	(53.4)	4.7	9
Income before minority interest	97.6	92.6	5.0	5
Minority interest	(11.9)	(18.7)	6.8	36
Net income	\$ 85.7	\$ 73.9	\$ 11.8	16
Net income per share:				
Basic	\$ 2.34	\$ 2.03	\$.31	15
Diluted	\$ 2.29	\$ 1.96	\$.33	17

<FN>

(1) Investment Castings operating income includes goodwill amortization of \$5.1 and \$2 million in 1999 and 1998, respectively, associated with the Howmet common stock purchases in December 1997 and February 1999.

</FN>

</TABLE>

<TABLE>

<CAPTION>

Selected Unaudited Financial Data

(in millions)	Six Months Ended June 30					
	1999			1998		
	Cordant	Howmet	Consolidated	Cordant	Howmet	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net cash provided by operating activities	\$ 51.9	\$ 59.1	\$ 111.0	\$ 96.3	\$ 36.0	\$ 132.3
Capital expenditures	(18.7)	(57.3)	(76.0)	(14.3)	(35.8)	(50.1)
Dividends	(7.3)	-	(7.3)	(7.3)	-	(7.3)
	\$ 25.9	\$ 1.8	\$ 27.7	\$ 74.7	\$.2	\$ 74.9
Total Debt (a)	\$ 601.4	\$ 131.4	\$ 732.8	\$ 333.3	\$ 172.9	\$ 506.2
Less cash & cash Equivalents	8.2	9.6	17.8	7.3	10.1	17.4
	\$ 593.2	\$ 121.8	\$ 715.0	\$ 326.0	\$ 162.8	\$ 488.8

<FN>

(a) Excludes Pechiney note payable in 1998 data.

</FN>

</TABLE>

<TABLE>

<CAPTION>

Investment Castings

The following unaudited information summarizes Howmet's results, as separately reported to its shareholders, for the six-months ended June 30:

(in millions)	1999	1998
<S>	<C>	<C>
Net sales	\$ 742.4	\$ 664.1
Cost of goods sold	567.9	510.1
Gross profit	174.5	154.0

Operating income	108.9	94.6
Net income	\$ 66.1	\$ 51.9

</TABLE>

<TABLE>
<CAPTION>

Following is a reconciliation of Howmet's contribution to the Company's income for the six-months ended June 30:

(in millions)	1999	1998
<S>	<C>	<C>
Howmet net income	\$ 66.1	\$ 51.9
Less preferred paid-in-kind dividend (1)	(.8)	(2.7)
Income available to common shareholders	65.3	49.2
Company's interest in Howmet income (2)	53.3	30.5
Add preferred paid-in-kind dividend	.8	2.7
Howmet's contribution to the Company's income	54.1	33.2
Less the Company's 7 percent tax on Howmet income		(2.3)
Howmet's total after-tax contribution to the Company's income	\$ 54.1	\$ 30.9

<FN>

(1) Howmet's 9 percent paid-in-kind preferred stock owned by the Company was redeemed on February 17, 1999 for \$66.4 million.

(2) On February 8, 1999, the Company increased its ownership in Howmet from 62 percent to 84.6 percent.

</FN>

</TABLE>

Howmet's sales for the current six-month period increased \$78.3 million or 12 percent over the prior year period. The 1999 sales increase is due to volume increases in the IGT market. Sales to the aerospace market were approximately 3 percent lower than 1998, with approximately one-third of the decrease due to price reductions. Such price reductions, as well as similar reductions for the IGT market were a function of sharing cost savings with customers.

Howmet's net income was \$66.1 million for the six-month period, a 27 percent increase from \$51.9 million in the prior year period. The principle reason for the higher income was the increased revenue in the IGT market and improved operating margins. Interest expense was \$3.3 million lower than the prior year period due to lower debt levels.

Starting in late 1998, Howmet discovered certain product testing and specification non-compliance issues at two of Cercast's facilities. Howmet notified customers, is actively cooperating with them and government agencies in the investigation of these matters, and is implementing remedial action. In addition, Cercast has been, and expects to continue for some time to be, late in delivery of products to certain customers. A definitive estimate of Howmet's cost to resolve these matters cannot be made until all claims have been received and analyzed. Howmet knows of no in-service problems associated with these issues. Based on preliminary evaluation, however, Howmet recorded an estimated loss of \$4 million in its consolidated statement of income for the year ended December 31, 1998. On July 23, 1999, Howmet received a customer claim, which was significantly higher than, and which could possibly be resolved for an amount in excess of amounts accrued. Howmet is in the very early stages of evaluating this claim but believes it is excessive. Based on currently known facts, the Company believes that additional cost to Howmet beyond amounts accrued, would not have a material adverse effect on the Company's financial position, cash flow, or annual operating results. However, additional cost when and if accrued may have a material adverse impact on the quarter in which it may be accrued.

On March 3, 1999, Howmet received from the U.S. Air Force a Notice of Proposed Debarment from future U.S. government contracts and subcontracts directed at Howmet Corporation and its Cercast Canadian subsidiary. The Air Force terminated the proposed debarment with respect to Howmet Corporation by letter to it on March 10, 1999, thus permitting Howmet Corporation to resume accepting U.S. government contracts and subcontracts. The continuing

proposed debarment with respect to Howmet's Cercast Canadian subsidiary is based on the product testing and specification non-compliance issues discussed above, and improper vendor payments previously disclosed. Debarment does not affect existing Cercast contracts, other than extensions. Howmet is negotiating an Administrative Agreement with the Air Force under which the Notice of Proposed Debarment would be terminated. In the unlikely event a debarment were imposed for an extended period of time, such action would negatively impact sales and profits in future periods. However, the Company believes that such impact would be immaterial to Howmet's results of operations.

Fastening Systems

Fastening Systems sales for the six-months ended June 30, 1999 increased \$46.3 million or 24 percent over the prior year period, reflecting both the addition of Jacobson Manufacturing's results and continued strength in industrial markets. During the current period, a \$5 million pre-tax charge was taken to close and relocate the aerospace fastener operations at Lakewood California to Huck's nearby Carson, California facility. The Lakewood closure will result in reduced fixed costs of approximately \$6 million pre-tax annually and allow utilization of available capacity at Carson. Operating income increased \$5.7 million or 19 percent over last year excluding the Lakewood relocation charge. The six-month period also included a \$1.4 million pre-tax, non-cash charge to write-off an unused automotive fastener patent. Operating margins for the current period excluding the Lakewood charge and patent write-off were 15.6 percent, compared to 15.7 percent last year. Aircraft fastener sales declined 26 percent from the prior year period primarily as a result of weak domestic aerospace demand. Excluding Jacobson's results and the Lakewood relocation charge, Huck's sales and operating income decreased 9 and 16 percent, respectively, from the prior year. The Fastening Systems plastics operations are experiencing low margins in a highly competitive market. Such low margins are expected to continue.

<TABLE>
<CAPTION>

Fastening systems book-to-bill ratios, defined as period orders divided by period shipments, for the six months ended June 30, were as follows:

	1999	1998
<S>	<C>	<C>
Aerospace	.70	.97
Industrial	1.03	1.02
Fastening Systems Total	.92	.99

<FN>

Book to bill ratios are used as an indicator of future sales, but as with all indicators, such ratios have inherent limitations and actual results may be different. Since the book to bill ratio is not a generally accepted accounting principle disclosure, other companies may calculate this ratio differently and utilize the ratio for different purposes.

</FN>
</TABLE>

Propulsion Systems

Propulsion Systems sales decreased \$39.9 million or 12 percent for the six-month period ended June 30, 1999, compared to the prior year due primarily to lower activity in the commercial launch motor and RSRM programs. Operating income increased 4 percent for the same period due primarily to a retroactive increase in the fee-booking rate in the RSRM program and nonrecurring costs in 1998. Operating income from commercial launch motor programs decreased from the prior year. Propulsion systems operating margins were 14.5 percent compared to 12.3 percent in 1998.

OTHER MATTERS

Selling, general and administrative

For the quarter and six-months ended June 30, 1999, selling, general and administrative expenses increased \$9.5 and \$14.9 million, respectively, compared to the prior year. Goodwill amortization increased \$3 and \$5.3 million for the quarter and six-month period, respectively, due to the purchase of an additional 22.6 percent of Howmet common stock in February 1999, and the purchase of Jacobson in mid-June 1998. Howmet's general and administrative expenses increased \$5.6 and \$5.8 million for the quarter and six-month period, respectively, due to increased costs necessary to support

Howmet's higher sales volume. The increase in the second quarter also included the \$2.6 million SAR reversal due to the increase in Howmet's stock price. Selling, general and administrative expenses for the quarter and six-month period increased \$.6 and \$3.5 million, respectively due to the addition of Jacobson's selling, general and administrative expenses and to increased corporate costs and marketing efforts. Corporate unallocated costs increased due to increased costs noted above and fewer costs being allocated to Propulsion systems contracts. Increased sales in the commercial segments reduced the amount of corporate costs allocable to Propulsion systems.

Interest Expense

Interest expense increased \$3.8 and \$7.5 million for the quarter and six-month period, respectively, due to the Company's increased borrowings related to the 22.6 percent purchase of Howmet and the Jacobson acquisition.

Income Taxes

The Company had an effective income tax rate of 33 percent, compared with 37 percent for the same six-month period in the prior year. The effective income tax rate for the six-month period was 38.5 percent before reversal of the \$7.1 million or \$.19 per share dividend tax previously recorded on the Company's share of Howmet income. Beginning in February 1999, Howmet's taxable income will be included in the Company's consolidated Federal income tax return, and a dividend tax will no longer be required on the Company's share of Howmet results. The Company's effective tax rate for the prior year period would have been higher if not for a \$2.6 million tax refund in the second quarter.

YEAR 2000 REMEDIATION

The Company has a decentralized Information Systems (I.S.) function, wherein each of its three business segments operates autonomously with its own I.S. organization. Accordingly, each segment is conducting its own Year 2000 project that is unique to its particular operating environment. Each of the business segment projects is similarly organized into four distinct categories of effort. These four categories include the following: Business Information Systems Remediation; Embedded Processor Systems Remediation; Customer and Supplier Readiness; and Risk Assessment, Worst Case Scenarios and Contingency Planning.

Investment Castings

Business Information Systems Remediation: Investment Castings I.S. organization has identified all date logic problems on its central mainframe and distributed server production systems and remediation is currently in process. This portion of the Year 2000 remediation project, which began in 1996, has been, with minor exceptions, completed as of June of 1999. All central systems have now been placed under restrictive change control procedures to ensure that corrected systems are not inadvertently impacted by further changes. System-wide testing activity will be conducted periodically throughout 1999. The central I.S. Year 2000 project team also provides oversight for the sixteen small, local I.S. groups located at Howmet plant facilities. These plant teams have each completed a Year 2000 readiness assessment that identified all local business systems and equipment requiring corrective action or replacement. This remediation work is complete for 97 percent of the critical systems at all plants. Work on the remaining critical systems and devices is being closely monitored by the central I.S. Year 2000 project team, with completion planned in the third quarter of 1999.

Embedded Processor Systems Remediation: The central I.S. organization provided each plant facility with guidance and support for embedded processor identification, evaluation, testing and remediation, where required. The plant teams have tested and/or corrected all of their critical embedded systems.

Customer and Supplier Readiness: Howmet I.S. and procurement personnel have communicated with several hundred of their key customers, suppliers and third parties regarding their respective Year 2000 readiness status and plans. These communications have included written inquiries or questionnaires and, in some instances, on-site meetings. Any electronic

interfaces with individual business associates are being addressed on a case-by-case basis. Management has also responded appropriately to Year 2000 readiness inquiries from Howmet customers, suppliers and third parties. Howmet is not aware of any significant readiness issues at this time.

Risk Assessment, Worst Case Scenarios and Contingency Planning: Howmet Castings management believes the most likely worst case scenario would be a one or two week shutdown of individual pieces of critical equipment or computer systems at one or two manufacturing facilities, disrupting but not totally eliminating production at those plants. Workaround procedures would be established by the end of that period. Total remediation of the underlying problem could stretch over a six-month period. Management further believes that this is more likely to occur at its foreign facilities than its U.S. plants. Even in this eventuality, management believes that any loss of revenue during the period involved would be substantially recovered in later periods due to deferral rather than cancellation of orders or deliveries.

Howmet is currently developing Year 2000 Contingency Plans in three areas: 1) business systems processing at Howmet's primary data center; 2) procurement activities for critical raw materials and services, including transportation; and 3) local manufacturing processes and systems at each facility. These plans are expected to be completed during the third quarter of 1999. Howmet expects to employ various methods of risk mitigation such as: devising alternate manual processes for critical applications; installing a generator at Howmet's central computing facility; establishing a corporate command post and providing full staffing of I.S. and plant maintenance personnel during the year-end weekend; conducting extensive future date testing; developing an inventory build-up strategy; imposing extra product quality testing during the new year; validating customer and supplier electronic interfaces; scheduling shutdowns of critical equipment on December 31, 1999; and active monitoring, measuring, and auditing of plant compliance.

Cost Information: The estimated cost at completion for all phases of the Howmet Castings project is \$16.3 million. An estimated \$6.7 million (41 percent) of this amount is for I.S. labor and miscellaneous project costs; these costs are being expensed as routine I.S. systems maintenance as incurred over the three-year duration of the project. Another \$7 million (43 percent) is for software package purchase and implementation costs for applications that were installed or expedited for Year 2000 purposes. An additional \$2.6 million (16 percent) has been spent for infrastructure upgrades or replacement. Approximately \$13.9 million (85 percent) had been expended as of June 30, 1999; the estimated \$2.4 million (15 percent) in remaining costs will be expended during the remainder of 1999 and early 2000. No major information systems initiatives have been adversely affected due to staffing constraints or expenditures needed to remedy Year 2000 issues. Management has concluded that it will substantially benefit from these efforts because of the elimination of numerous old systems, implementation of several new state-of-the-art applications, new and thorough documentation of many older systems, and the creation of updated and improved business continuity plans.

Propulsion Systems

Business Information Systems Remediation: Thiokol Propulsion has completed its renovation on all major production applications. The objective of the project, which began in early 1996, was to identify all date-related program logic, to renovate, replace or eliminate all date processing problems, to validate the results via integrated system testing, and to implement into production the corrected application software. All systems that were replaced or renovated have been moved into production operation. The production environment will be maintained under restrictive change control procedures to ensure that corrected systems are not inadvertently impacted by further changes. System-wide testing activity will be conducted periodically throughout 1999. Additionally, all computer and internal telecommunications hardware systems have been evaluated, upgraded and tested, as required, and placed into production operation.

Embedded Processor Systems Remediation: Cross-functional teams at each Thiokol Propulsion facility have inventoried, evaluated, replaced or renovated, and tested all embedded processor systems with potential Year 2000 readiness risks. The systems evaluated include programmable process controllers, recording devices, data collection devices, security and alarm systems, pumps and pumping stations, power metering systems, elevators, HVAC timers, protective relays and card readers. To date, 99 percent have been corrected or replaced with only minor issues remaining to be resolved

during the third quarter.

Customer and Supplier Readiness: Thiokol Propulsion is actively communicating with its key customers, suppliers and third parties to help ensure that its supply chain dependencies and interfaces are or will be Year 2000 ready. This initiative, which will continue throughout 1999, involves written inquiries or questionnaires to these business associates regarding the status of their respective Year 2000 readiness efforts. For certain key customers, critical suppliers (i.e. railways, sole sources, critical materials and utilities) and third parties, on-premise meetings have been conducted to review detailed project plans and timetables. Thiokol has also responded appropriately upon receipt of such inquiries from its customers, suppliers and third parties. Management is not aware of any significant readiness issues at this time.

Risk Assessment, Worst Case Scenarios and Contingency Planning: Risk assessment and contingency planning for the Company's business information systems and embedded processor systems are expected to be completed by September 1999. Additional categories of risk assessment and contingency planning focus on the external influences that the Company does not directly control. The outcomes of ongoing external renovation activities will be rigorously monitored with risks assessed and contingency plans put in place as required. The critical supplier chain has been addressed and contingency plans put into place, mitigating the risk of disruption to manufacturing operations for lack of materials or finished components. The NASA-critical solid rocket motor program risk has been assessed as minimal. With five flights planned for 1999 and ongoing production, five flight sets of hardware will be in inventory at Kennedy Space Flight Center by December 1999. This inventory will support the shuttle launch schedule through August 2000. Additionally, in December 1999, 3.6 flight sets of hardware will be in inventory at Thiokol Propulsion facilities. Risk assessment and contingency planning will be a dynamic activity and as such will be monitored and acted upon on a continual basis as risks are identified.

Cost Information: The estimated cost at completion for all phases of the Thiokol Propulsion project is \$9 million. These costs are recorded as incurred over the three-year duration of the project. Approximately \$8.8 million (98 percent) had been expended through June 30, 1999, and the \$0.2 million (2 percent) in estimated remaining costs will be expended during the remainder of 1999. Of the total estimated project cost, 58 percent is labor and miscellaneous project-related expense, 12 percent is for I.S. infrastructure upgrades and replacement, and 30 percent is for software package implementations that were performed or expedited to address Year 2000 issues. No major information systems initiatives have been adversely affected due to staffing constraints or expenditures needed to remedy Year 2000 issues. On average, Year 2000 project spending has consumed only 7.5 percent of the annual I.S. budget and 10-12 percent of I.S. staffing. Thiokol Propulsion management has concluded that it will substantially benefit from these efforts because of the elimination of several old systems, the implementation of new state-of-the-art applications, new and thorough documentation of many older systems, and the creation of updated and improved business continuity plans.

Fastening Systems

Business Information Systems Remediation: Huck Fasteners is employing a dual approach to Year 2000 readiness for its business information systems. For many years most Huck locations have used standard commercial, vendor-supported application software products. As of June 30, 1999, seven of those locations had been upgraded to versions of these software products that address virtually all Year 2000 readiness issues. All remaining Huck locations, including its international sites and headquarters offices, are implementing a recently purchased Enterprise Resource Planning (ERP) software product that is both Year 2000 and Euro ready. Of the eight sites scheduled for implementation of this ERP system, six were in production operation as of June 30, 1999, and the remaining two sites will be operational by September 1999. Additional local and system-wide testing activity is being conducted during the remainder of 1999.

Embedded Processor Systems Remediation: Huck Fasteners has a dedicated Year 2000 program office that supports each site in establishing a cross-functional team to identify, evaluate, test and, where needed, to modify or replace embedded processor systems. To date, formal inventories have been completed, criticality assessments have been made and evaluations of individual devices have been completed. Less than 5% of the production equipment required remediation efforts and 50% of that has been completed.

Remediation work on the remaining equipment is scheduled for completion by September 1999.

Customer and Supplier Readiness: Huck Fasteners has submitted written inquiries or questionnaires to all major customers, critical suppliers and certain third parties to determine their respective Year 2000 readiness status and plans. Any electronic interfaces will be coordinated with these business associates on a case-by-case basis. Huck's electronic data interchange (EDI) systems have been replaced with Year 2000 ready products and were operational as of June 30, 1999. Management has responded appropriately to Year 2000 inquiries made by any of its customers, suppliers and third parties. Huck is not aware of any significant Year 2000 readiness issues at this time.

Risk Assessment, Worst Case Scenarios and Contingency Planning: Using the approach of certain major Huck customers, management has contracted with independent assessors to audit its progress against plan and with respect to industry benchmarks. Additionally, several customers have provided assessment teams to evaluate individual sites and Huck's overall Year 2000 readiness and plans. These assessments are being used to refine Huck's approach to risk assessment and contingency planning. Huck headquarters has completed a basic contingency planning approach and is working with individual sites to ensure completion of their respective plans by September 1999.

Cost Information: The estimated total cost at completion for all phases of the Huck Year 2000 project is \$12.9 million. Approximately \$8.7 million (67 percent) of that total amount will be capitalized. The estimated \$4.2 million (33 percent) in remaining cost is classified as routine I.S. maintenance and is being expensed as incurred over the three-year life of the project. Approximately \$8.8 million (68 percent) had been expended as of June 30, 1999, and the estimated \$4.1 million (32 percent) in remaining costs will be expended in 1999 and during the first quarter of 2000. No major I.S. initiatives have been adversely affected due to staffing constraints or expenditures needed to remedy Year 2000 issues. Huck management has concluded that it will substantially benefit from these efforts because of the elimination of several old systems, the implementation of new state-of-the-art applications, and the creation of updated and improved business continuity plans.

Euro Conversion

The Company is assessing the impact of the Euro conversion on its business operations and is currently implementing a strategy which will allow it to operate in a Euro environment during the transition period, January 1, 1999 through December 31, 2001, and after full Euro conversion post July 1, 2002. The Company does not anticipate any material impact from the Euro conversion on its computer software plans. Computer software changes necessary to comply with the Year 2000 issue are generally compliant with the Euro conversion issue. Enterprise Resource Planning (ERP) software being implemented at Huck as a part of Year 2000 readiness will be Euro compliant. No additional costs related to Euro compliance are expected for the ERP software. Some expense is anticipated for minor system modifications, but is not expected to be significant. The Company's payroll system has not yet been examined and will require modifications to be Euro compliant. The cost of payroll systems modifications is also undetermined. The Company expects no Euro conversion impact to its Thiokol Propulsion business segment. The Company expects no significant impact to its contracting policies or competitive position related to its three business segments as a result of the Euro conversion. The Company is reviewing the impact of the Euro conversion on its foreign exchange exposure and has determined a modest increase in this exposure due to the Company's United Kingdom operation's acceptance of Euro denominated contracts. The Company does not expect any significant changes to its current hedging policy and does not expect any significant increases in its foreign exchange exposure.

Liquidity and Capital Resources

For the current six-month period, consolidated net cash flows from operating activities were \$111 million compared to \$132.3 million last year. Compared to the prior year, the higher net income in the current period was offset by an increase in receivables. The increase in receivables resulted from collection timing issues related to both Investment Castings and Propulsion Systems receivables balances. The increase in inventories was primarily from the Investment Castings segment.

Acquisition activity included \$385 million for the remaining 22.65 million shares of Howmet International Inc. common stock owned by Carlyle Blade Acquisition Partners, L.P. The acquisition amount included entering into a new Standstill Agreement and extending an existing covenant not to compete. Consolidated capital spending on property, plant and equipment used \$76 million in the current period compared to \$50.1 million in the prior year. Howmet used \$57.3 million in capital expenditures, mainly for capacity expansions to serve the core business as well as additional expenditures to support new products and process enhancement activities.

Financing activities for the six-month period provided \$325.7 million of cash compared to \$158.5 million of cash provided in the prior year period. In February, the Company borrowed \$385 million to finance the Howmet common stock purchase. During the period the Company repaid a total of \$170.1 million of debt, \$55 million being repaid by Howmet.

On February 17, 1999, Howmet paid \$66.4 million to redeem all of its 9 percent paid-in-kind preferred stock. The payment was made to Cordant Technologies, the sole preferred stockholder. Howmet borrowed under its existing senior revolving credit facility to make this payment and Cordant Technologies used the proceeds to reduce debt under its senior revolving credit facilities.

During the six-month period, Cordant did not repurchase any shares of common stock. In the prior year period, Cordant repurchased 265,200 shares of its common stock for \$10.8 million. There are approximately 2.4 million shares available for repurchase under the current share repurchase authorization. Cordant will repurchase shares when, and in amounts as it deems appropriate.

Cordant does not have access to Howmet cash balances except through Howmet declaring a cash dividend to its shareholders. Howmet is limited as to the amount of dividends it can declare under the terms of Howmet's financing agreements. Howmet does not currently intend to pay dividends.

At December 31, 1998, the Company's balance sheet includes \$716.4 million of Pechiney Notes and a related \$716.4 million Restricted Trust asset. On January 4, 1999, Pechiney, S.A. (Howmet's previous owner) repaid the Pechiney Notes in full. As a result, the Restricted Trust, which secured Pechiney, S.A.'s agreement to repay the notes was terminated. No Howmet or Cordant funds were used in the payment of the Notes.

At June 30, 1999, Cordant had \$500 million in revolving credit facilities with \$120 million available for additional use. In addition, on June 30, 1999, Howmet had a \$300 million revolving credit facility with \$222.4 million available for additional borrowing and/or letters of credit.

The Company is considering refinancing some of its outstanding bank debt through a public debt offering. The Company has \$150 million remaining under a \$300 million shelf registration filed in October 1996.

Howmet has an agreement to sell, on a revolving basis, an undivided interest in a defined pool of accounts receivable. Howmet has received \$55 million from the sale of such receivables and has deducted this amount from accounts receivable at June 30, 1999. The \$53 million retained receivables represents the receivables set aside to replace sold receivables in the event they are not fully collected.

<TABLE>
<CAPTION>

The Company's liquidity ratio's were as follows:

	June 30 1999	December 31 1998
<S>	<C>	<C>
Working Capital (in millions)	\$ 58.9	\$ 94.8
Current Ratio	1.1	1.2
Debt-to-equity	99.2%	60.6%
Debt-to-total capital	51.6%	40.8%

</TABLE>

All of the above ratios for 1998 exclude the Pechiney Notes and the Restricted Trust terminated with Pechiney S.A.' payment of its Notes on January 4, 1999. The debt-to-total-capital ratio includes the \$55 million receivable facility at Howmet. The current ratio and working capital decreases resulted primarily from increased short-term debt levels.

Estimated future cash flows from operations, current financial resources, and available credit facilities are expected to be adequate to fund the Company' anticipated working capital requirements, capital expenditures, dividend payments, and stock repurchase program on both a short and long-term basis. The Company expects that its senior revolving credit facilities will be renegotiated, restructured, or replaced and continually reviews its options for other types of long-term financing.

Since December 31, 1998, the cumulative translation adjustment, which is included in stockholder's equity, changed by \$12.1 million. The change is primarily due to the strengthening of the U.S. dollar relative to the French franc and United Kingdom pound.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

There have been no significant changes in market risks since the end of the Company's December 31, 1998 year. For more information, please read the consolidated financial statements and notes thereto included in the Company's 1999 Notice of Annual Meeting and Proxy Statement, Financial Information, incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 1998.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Investment Castings under the Income Year-to-Date section of Management's Discussion and Analysis for information relating to the proposed debarment proceedings pending against the Montreal, Quebec facility of Howmet Cercast (Canada), Inc. and the Bethlehem, Pennsylvania facility of Howmet Cercast (U.S.A.), Inc. which discussion is incorporated herein by reference.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

<TABLE>
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The Annual Meeting of Stockholders of the Company was held on May 13, 1999. The results of the following matters presented to stockholders for vote in person or by proxy were as follows:

- 1) The election of three directors to serve for three-year terms expiring at the 2002 Annual Meeting.

Name	For	Withheld
<S>	<C>	<C>
Neil A. Armstrong	33,948,416	211,615
William O. Studeman	33,952,803	207,228
Donald C. Trauscht	33,949,268	210,763

- 1) Ratification of appointment of Ernst & Young, LLP as the independent auditors for the Company for the fiscal year December 31, 1999.

For	Against	Abstain
34,092,327 shares	32,689 shares	35,015 shares

</TABLE>

ITEM 5. OTHER INFORMATION

By-Law Amendments

On July 22, 1999 the Board of Directors amended the By-Laws of the Company to require notice of stockholder proposals at least 90 days (but in no event more than 120 days) in advance of the anniversary of the prior year's Annual Meeting.

FORWARD-LOOKING STATEMENTS

This Form 10-Q includes or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements, which are based on assumptions and describe our future plans, strategies and expectations, are generally identifiable by the use of the words "anticipate," "believe," "estimate," "expect," "intend," "project," or similar expressions. These forward-looking statements are subject to risks, uncertainties, and assumptions about us. Important factors that could cause

actual results to differ materially from the forward-looking statements we make are set forth under the caption "Risk Factors" and elsewhere in filing and the documents incorporated by reference. If one or more of these risks or uncertainties materialize, or if any underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph. We undertake no obligation to publicly update or revise any forward-looking statements to reflect future events or developments.

RISK FACTORS

Risks which may impact the accuracy of the Company's forward-looking statements include, but are not necessarily limited to:

Our RSRM contracts with NASA for the space shuttle program may be terminated or changed by the U.S. government

Our RSRM contracts for NASA's space shuttle program are subject to substantial performance and financial risks. Approximately 15 percent of our current revenues are derived from the reusable solid rocket motor (or RSRM) contracts. Therefore, any change in, or discontinuance of, our RSRM contracts or the benefits we receive under those contracts could have a material adverse effect on us. The U.S. government may terminate the contracts for any reason, or Congress may change the funding available to the contracts. The U.S. government may also delay or extend deliveries under the contracts at will. For example, future space shuttle launches depend upon the status of the international space station. Delays in space station components may delay launches and affect the RSRM production rates. Our RSRM contracts are dependent upon NASA's Space Shuttle program, which is highly dependent upon the viability of the International Space Station. Should the International Space Station be cancelled, NASA's Space Shuttle program and our RSRM contracts would likely be cancelled as well. NASA has also shown initial interest in developing a liquid fly back booster as an alternative propulsion source or as a replacement for our RSRM motors, and any development of this or other alternative propulsion sources would adversely impact us in the future. Additionally, actions by the U.S. government or us may make the amount of the contract fee already booked inappropriate, which might cause a retroactive award fee adjustment that could include reimbursement to the government of fees the government has paid to us.

Our current space and defense propulsion contracts as well as our future propulsion programs with the United States government and prime contractors may be terminated, renegotiated or not funded

The U.S. government and prime contractors may terminate, renegotiate or not fund our non-RSRM space and defense contracts, including the Minuteman regain and commercial launch vehicle programs, and may not provide additional contracts or programs in the future. For example, international treaty negotiations limiting the deployment of ICBM's may impact the level of Minuteman production. The termination or discontinuance of funding of a substantial portion of this business could have a material adverse effect on us.

We cannot assure that we will successfully win new programs or retain current programs and the failure to do so could have a material adverse effect on us. Our ability to successfully compete for and win new programs or retain current programs may be affected by:

- o the availability of program funding;
- o competition by others with us for such programs on price, quality, technology, facilities, delivery, and product performance;
- o changes in Congressional funding objectives;
- o federal agency demand and program management, including program termination, consolidation or privatization; and
- o the degree we successfully manage current programs.

The profitability of such programs with satisfactory return on investment on lower prices, costs and unit volumes in a shrinking and competitive government procurement environment may also adversely affect us.

The cyclical nature of the aerospace market may materially and adversely affect us

Sales of our products and services to the domestic and international commercial aerospace markets are subject to the risks of the cyclical

nature of these markets and the phase of this cycle at any point in time. Fluctuations in demand for our products in the aerospace industry could have a material adverse effect on us. Delay or changes in aircraft and component orders and build schedules may impact the future demand for our products and our profitability. We cannot assure that there will not be declines in these markets impacting the demand for our products or the delivery schedule for existing orders.

Our failure to satisfy the demands of major customers in the aerospace market could have a material adverse effect on us

Our major aerospace customers are large and may exercise their market power among a number of suppliers, including us, competing for their business by exerting pricing pressure and delivery, inventory, and unit volume requirements. Our ability to maintain both product and manufacturing qualifications, meet the needs of our major customers and regulatory agencies and maintain or improve margins and return on investment in light of competitive pricing pressures, unit demand, product qualification and product substitutions by major customers, will be important to our success in the aerospace market. Our inability to maintain product pricing, as well as availability, delivery, quality, and service could result in decreased sales or profitability for us in the aerospace market.

General economic activity and mature industrial markets may negatively affect our ability to sell our products and services

The products and services sold by us for domestic and international, and industrial commercial markets, primarily through our Fastening Systems and Investment Castings segments are subject to the risks of the level of general economic activity and industry capacity in mature industrial markets, product applications and technology associated primarily with aircraft, automotive, transportation, power generation, construction and other industrial applications. Our Fastening Systems segment is subject to the cyclical and economic nature of the automotive industry and the market power of large automotive original equipment manufacturers as to competition among vendors for pricing, delivery, inventory and unit volumes. The Fastening Systems plastics operations acquired in the Jacobson Manufacturing acquisition are subject to major customer turnover and operate in a highly competitive and fragmented industry.

Our business can also be affected by factors such as management's ability to:

- o successfully react to changes in market conditions and demand;
- o expand new and existing product lines;
- o Compete successfully with the consolidation of suppliers by major Fastener Systems customers; and
- o improve margins and returns on investment by successfully implementing asset management, pricing and cost reduction strategies.

Our ability to maintain competitive products, pricing, availability, delivery and service are also important factors in maintaining customer relationships and competing effectively with other manufacturers.

There are risks associated with our ownership of Howmet

The value of Howmet's assets includes significant goodwill. This value may not be realized by stockholders, including us, if Howmet were sold or liquidated. In addition, financial covenants and restrictions contained in certain Howmet credit agreements restrict Howmet's ability to pay cash dividends to stockholders, including us. As a result, we are restricted in our access to Howmet's cash flows and other resources. If we are unable to generate sufficient cash flows from other sources, our ability to repay amounts due on indebtedness would be materially adversely affected.

Our loss or failure to maintain product quality or manufacturing qualifications may result in our loss of markets and business

Supplier and customer product qualifications and product quality are important to us as a purchaser and as a supplier. As a supplier, loss or failure to maintain product quality or manufacturing qualifications from major customers including the U.S. government and major commercial aerospace and aircraft manufacturers and automotive original equipment manufacturers may result in loss of markets and business, which could have a material adverse effect on us.

Starting in late 1998, Howmet discovered certain product testing and specification non-compliance issues at two of its Cercast aluminum casting operations. Howmet notified customers and is actively cooperating with them and government agencies in the investigation of these matters and is implementing remedial action. Howmet does not know of any in-service problems associated with these products. On July 23, 1999, Howmet received a customer claim, which was significantly higher than, and which could possibly be resolved for an amount in excess of amounts accrued. Howmet is in the very early stages of evaluating this claim but believes it is excessive. Based on currently known facts, Howmet believes that additional cost beyond amounts accrued would not have a material adverse effect on Howmet's financial position, cash flow, or annual operating results. However, additional cost when and if accrued may have a material adverse impact on Howmet's operating results in the particular quarter in which they occur.

On March 3, 1999, Howmet received from the U.S. Air Force a Notice of Proposed Debarment from future U.S. government contracts and subcontracts directed at Howmet Corporation, its principal operating subsidiary, and Howmet Cercast (Canada), Inc. The Air Force unilaterally terminated the proposed debarment with respect to Howmet Corporation by letter to Howmet on March 10, 1999, thus permitting Howmet Corporation to resume accepting U.S. government contracts and subcontracts. The continuing proposed debarment with respect to Howmet's Cercast Canadian subsidiary is based on the above testing issues and improper vendor payments that took place at the Cercast Canadian operations. Debarment does not affect existing Cercast contracts, other than extensions. Although Howmet is taking steps to have the proposed Cercast debarment withdrawn, it cannot assure that these steps will be successful. If a debarment were imposed for an extended period of time, such action would negatively impact Howmet's sales and profits in future periods.

Qualified vendors, component parts, and raw materials qualifications are important to us in the manufacture of our products, including major propulsion systems such as the RSRM. Sources, component parts and raw materials may be limited, and the loss of a major vendor as a supplier, has the potential to cause a major and material delay in production or program performance.

Shortages or significant price fluctuations of raw materials used by us could have a material adverse effect on us

Raw materials that our Investment Castings and Fastening Systems segments use include a number of metals and minerals, including titanium, hafnium, aluminum, nickel, cobalt, molybdenum and chromium, among others. Although we have not experienced significant shortages of our supplies and raw materials, we cannot assure that shortages will not occur in the future. Any such shortages could have a material adverse effect on us.

Our Propulsion segment relies upon a number of raw materials specifically qualified to customer requirements such as, but not limited to, ammonium perchlorate, aluminum powder, polymers, and insulating materials that are produced by a limited number of suppliers; and in many cases by sole source or single source suppliers. Shortages of these materials could adversely impact the Company.

Prices of raw materials can be volatile, and we ordinarily do not hedge the price risk of our raw materials. Significant raw materials price fluctuations could have a material adverse effect on us. For some of the supplies and raw materials we purchase, including certain metals, we have no fixed price contracts or arrangements. Commercial deposits of certain metals, such as cobalt, nickel, titanium, and molybdenum, that are required for the alloys used in precision castings and aircraft structurals, are found in only a few parts of the world, and for certain materials only single sources are readily available. The availability and prices of these metals and other materials may be influenced by private or governmental cartels, changes in world politics, unstable governments in exporting nations, production interruptions, inflation and other factors.

We do not hedge the risk of net asset value fluctuations of our foreign investments valued in local currencies and therefore may be exposed to adverse foreign currency rate changes

We do not hedge against net asset values for our foreign investments attributed to our foreign subsidiaries valued in local currencies. To the

extent our foreign revenue base grows and net asset base expands as the result of our increased foreign business activity, our exposure to adverse foreign currency rate movement increases. Our foreign currency risk exposure is also subject to the stability of the foreign currency of the country where we maintain foreign operations or do business.

Year 2000 related problems may disrupt our business information systems, production or business operations

We have implemented a formal Year 2000 program to address required remedial action and readiness with respect to our business information and systems with embedded processors to minimize the risk of business information, production and business operation disruptions resulting from Year 2000 date logic problems. Our Year 2000 readiness program also includes an assessment of the Year 2000 preparedness of major customers, suppliers and critical third party support. Developing worst case scenarios and contingency planning are also a part of this program. Although we believe there will be no material adverse disruptions to our business information systems, production or business operations, we can not give assurances there will not be localized business interruption or disruptions within a business segment as the result of Year 2000 related problems. Such Year 2000 disruptions or interruptions, should they occur, are most likely to impact foreign operations or result from a Year 2000 related failure at a supplier or third party providing raw materials, component parts or services that are required for continuing or supporting our production, business operations and business information systems. Our management believes the likelihood of a major or material Year 2000 problem to be remote. Year 2000 problems, if they should occur, however, may disrupt or delay production, business operations or business information systems at a particular location of one of our business segments. Such disruption may have a material and adverse impact on us in the quarter in which the Year 2000 failure occurs.

Environmental issues could have a material adverse effect on us

We are subject to comprehensive and changing federal, state, local and foreign laws, regulations and ordinances that:

- o govern activities or operations that may have adverse environmental effects such as discharges to air and water, as well as handling and disposal practices for hazardous materials and wastes, and
- o impose liability for the costs of cleaning up, and certain damages resulting from, sites of past spills, disposals or other releases of hazardous substances and materials, including liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and similar state statutes for the investigation and remediation of environmental contamination at properties owned and/or operated by us and at off-site locations where we have arranged for the disposal of hazardous substances.

We are involved from time to time in legal proceedings involving remediation of environmental contamination from past or present operations, as well as compliance with environmental requirements applicable to ongoing operations. We cannot assure that material costs or liabilities will not be incurred in connection with any such proceedings, claims or compliance requirements or in connection with currently unknown environmental liabilities.

We have not completely assessed the impact of the Euro conversion on our operations

We are currently assessing the impact of the Euro conversion on our business operations and are currently implementing a strategy intended to allow us to operate in the Euro environment during the transition period, January 1, 1999 - December 31, 2001, and after full Euro conversion, post July 1, 2002. Until we complete our assessment of the Euro conversion impact, we cannot assure that the Euro conversion will not have a material adverse effect on our overall business operations.

Our European operations began transacting in Euro denominated contracts requested by customers and suppliers beginning January 1, 1999. We do not anticipate any material impact from the Euro conversion on our computer software plans. Computer software changes necessary to comply with the Year 2000 issue generally include compliant with the Euro conversion. We do not expect additional costs related to Euro conversion for the Enterprise Resource Planning software being implemented at Huck and Howmet, but we anticipate some immaterial expense for minor system modifications. Our payroll system has not yet been examined and will require modifications to

be Euro-compliant. We have not determined the costs of payroll systems modifications but we expect those costs to be immaterial. We expect no Euro conversion impact to the Thiokol Propulsion segment. We do not expect any material impact to our contracting policies or competitive position on our three business segments as a result of the Euro conversion. We are reviewing the impact of the Euro conversion on our foreign exchange exposure and have determined there will be a modest increase in this exposure as the result of our United Kingdom operation's acceptance of Euro-denominated contracts. We do not expect any significant increases in our foreign exchange exposure except for our United Kingdom operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

Exhibit 3(ii)	Amended and Restated By-Laws of Cordant Technologies Inc., July 22, 1999.
Exhibit 10	Material Contracts
10.1	Form of Cordant Technologies Inc., Executive Employment Agreement adopted by the Board of Directors July 22, 1999 covering certain executives of the Company including three executive officers of the Company.

Reports on Form 8-K

On June 25, 1999 a Form 8-K was filed. Included therein was Item 5, "Other Events" disclosing the Company's consideration of Huck International, Inc.'s aerospace fastener operations at Lakewood, California into the Carson, California operations. No financial statements were included.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORDANT TECHNOLOGIES INC.
(Registrant)

Date: July 27, 1999.

/s/ Richard L. Corbin _____
Richard L. Corbin, Executive Vice
President and Chief Financial Officer
(Principal Financial Officer)

/s/ Michael R. Ayers _____
Michael R. Ayers,
Vice President and Controller
(Principal Accounting Officer)

BY-LAWS
OF
THIOKOL CORPORATION

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

ARTICLE I

OFFICES AND RECORDS

Section 1.1. DELAWARE OFFICE. The principal office of the Corporation in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware.

Section 1.2. OTHER OFFICES. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

Section 1.3. BOOKS AND RECORDS. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

Section 2.1. ANNUAL MEETING; NO ACTION BY WRITTEN CONSENT. The annual meeting of the stockholders of the Corporation shall be held on such date and at such place and time as may be fixed by resolution of the Board of Directors adopted at least ten (10) days prior to the date so fixed, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting. Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation ("Preferred Stock"), any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 2.2. SPECIAL MEETING. Subject to the rights of the holders of

any class of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board

or by the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board (as such term is defined in Article EIGHTH of the Corporation's Restated Certificate of Incorporation (the "Certificate of Incorporation")).

Section 2.3. PLACE OF MEETING. The Board of Directors may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors. If no designation is made by the Board of Directors, the place of meeting shall be the principal executive office of the Corporation.

Section 2.4. NOTICE OF MEETING; POSTPONEMENTS. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Business transacted at any special meeting shall be confined to the purpose or purposes stated in the notice of such special meeting. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

Section 2.5. QUORUM. Except as otherwise provided by law or by the Certificate of Incorporation, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly organized meeting may continue to transact business until adjournment,

notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 2.6. PROXIES. At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder, or by his duly authorized attorney in fact. Such proxy must be filed with the Secretary of the Corporation or his representative at or before the time of the meeting. No proxy shall be valid after three (3) years from the date of its execution, unless the proxy shall otherwise provide.

Section 2.7. INSPECTORS OF ELECTIONS; OPENING AND CLOSING THE POLLS. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

Section 2.8. NOTICE OF STOCKHOLDER BUSINESS. (a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder entitled to vote at the meeting. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 60th day nor earlier than the opening of business on the 90th day prior to the first anniversary of the preceding year's

annual meeting; provided that in the event that the date of the annual meeting (other than the 1999 Annual Meeting) is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the opening of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation; and provided, further, that with respect to the Corporation's 1999 Annual Meeting, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on February 20, 1999 and not earlier than the opening of business on January 20, 1999. In no event shall the public announcement of an adjournment of a stockholder meeting commence a new time period for the giving of a stockholder's notice as described above. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and record address of such stockholder proposing such business and such beneficial owner, (ii) the class and number of shares of the Corporation which are beneficially owned by such stockholder and such beneficial owner, and (iii) any material interest of such stockholder and such beneficial owner in such business. The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 2.8, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. At any special meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting by or at the direction of the Board of Directors.

(b) For purposes of this Section 2.8 and Section 2.9, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

4

(c) Notwithstanding the provisions of Section 2.8 and Section 2.9, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in these By-Law shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the

Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

Section 2.9. NOTICE OF STOCKHOLDER NOMINEES. Only persons who are nominated in accordance with the procedures set forth in this Section 2.9 shall be eligible for election as Directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of Directors at the meeting who complies with the notice procedures set forth in this Section 2.9. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the opening of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of a stockholder meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a Director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act and Rule 14a-11 thereunder (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); and (b) as to the stockholder

giving the notice and the beneficial owner, if any, on whose behalf the nomination is made (i) the name and record address of such stockholder and such beneficial owner and (ii) the class and number of shares of the Corporation which are beneficially owned by such stockholder and such beneficial owner. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the By-Laws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. Notwithstanding anything in the second sentence of this paragraph to the contrary, in the event that the number of directors to be elected to the Board of directors of the Corporation is

increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

Section 2.10. PROCEDURE FOR ELECTION OF DIRECTORS. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, except as otherwise set forth in any Preferred Stock Designation (as defined in Article FOURTH of the Certificate of Incorporation) with respect to the right of the holders of any class or series of Preferred Stock to elect additional directors under specified circumstances, a plurality of the votes cast thereat shall elect. Except as otherwise provided by law, the Certificate of Incorporation, any Preferred Stock Designation, the By-Laws of the Corporation or resolution adopted by the Whole Board, all matters other than the election of directors submitted to the stockholders at any meeting shall be decided by the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by or under the direction of its Board of

6

Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 3.2. NUMBER, TENURE AND QUALIFICATIONS. Subject to the rights of the holders of any class or series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Whole Board. Commencing with the 1989 annual meeting of stockholders of the Corporation, the directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided, with respect to the time for which they severally hold office, into three classes, with the term of office of the first class to expire at the 1990 annual meeting of stockholders, the term of office of

the second class to expire at the 1991 annual meeting of stockholders and the term of office of the third class to expire at the 1992 annual meeting of stockholders, with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, commencing with the 1990 annual meeting, (i) directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified, and (ii) if authorized by a resolution of the Board of Directors, directors may be elected to fill any vacancy on the Board of Directors, regardless of how such vacancy shall have been created. In order to be qualified to serve as a director, a person must (a) not have attained the age of seventy (70) years and (b) either (i) be an officer or employee of the Corporation and not (A) have voluntarily resigned from the position or office he held at the time of his election as a director, (B) have retired or been retired pursuant to the requirements of a pension, profit sharing, or similar plan or (C) have, at the time of his election as a director, held a position or office in the Corporation which has been changed, other than by an upward or expanded promotion or (ii) in the case of any person who is not an officer or employee of the Corporation, not (A) have retired from or severed his connection with the organization with which he was affiliated at the time of his election as a director or (B) have held a position or office with an organization with which he was affiliated at the time of his election as a director which has been changed, other than by an upward or expanded promotion. Whenever any director shall cease to be qualified to serve as a director his term shall expire, but

7

he shall continue to serve until his successor is elected and qualified; provided, however, that no director's term shall so expire if the Board of Directors shall have waived such qualification.

Section 3.3. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the Annual Meeting of Stockholders. The Board of Directors may, by resolution, provide the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 3.4. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be called at the request of the Chairman of the Board, the President or a majority of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

Section 3.5. NOTICE. Notice of any special meeting shall be given to each director at his business or residence in writing, by hand delivery, first-class or overnight mail, telegram or facsimile transmission, or orally by telephone. If by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram or overnight mail, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail delivery company at least forty-eight (48) hours before such meeting. If by facsimile transmission or by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Article VII, Section 7.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing, either before or after such meeting.

Section 3.6. QUORUM. A whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The directors

8

present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

Section 3.7. VACANCIES. Subject to the rights of the holders of any class or series of Preferred Stock, and unless the Board of Directors otherwise determines, vacancies resulting from death, resignation, retirement, disqualification, removal from office or other cause, and newly created directorships resulting from any increase in the authorized number of directors may be filled, only by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors constituting the Whole Board shall shorten the term of any incumbent director.

Section 3.8. EXECUTIVE AND OTHER COMMITTEES. The Board of Directors, immediately following each annual meeting of stockholders or a special meeting of the same held for the election of a majority of directors, shall

immediately meet and shall appoint from its number by a majority vote of the Whole Board an Executive Committee of such number of members as from time to time may be selected by the Board, to serve until the next annual or special meeting at which a majority of directors is elected or until the respective successor of each is duly appointed. The Executive Committee shall possess and may exercise all the powers and authority of the Board of Directors in the management and direction of the business and affairs of the Corporation, except as limited by law and except for the power to change the membership or to fill vacancies in the Board or any committee of the Board. The Board of Directors, by majority vote of the Whole Board, may designate one or more additional committees with such powers and responsibilities as shall be specified in the designating resolution, subject to applicable law. The Board shall have the power at any time to change the membership of any committee, to fill vacancies in any such committees, to make rules for the conduct of business of such committees, or to dissolve any of such committees.

Section 3.9. REMOVAL. Subject to the rights of the holders of any class or series of Preferred Stock, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80 percent of the voting power of all of the then-outstanding shares of capital stock of the Corporation

9

entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class.

ARTICLE IV

OFFICERS

Section 4.1. ELECTED OFFICERS. The elected officers of the Corporation shall be a Chairman of the Board of Directors, a Secretary, a Treasurer, and such other officers (including, without limitation, a President) as the Board of Directors from time to time may deem proper. The Chairman of the Board of Directors shall be chosen from the directors. All officers chosen by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any Committee thereof.

Section 4.2. ELECTION AND TERM OF OFFICE. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers shall not be held at such meeting such election shall be held as soon thereafter as convenient. Each

officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign, but any officer may be removed from office at any time by the affirmative vote of a majority of the members of the Whole Board.

Section 4.3. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall have the general management of the affairs of the Corporation and shall perform all duties incidental to his office which may be required by law and all such other duties as are properly required of him by the Board of Directors. Except where by law the signature of the President (if any) is required, the Chairman of the Board shall possess the same power as the President to sign all certificates, contracts, and other instruments of the Corporation which may be authorized by the Board of Directors. He shall make reports to the Board of Directors and the stockholders, and shall perform all such other duties as are properly required of him by the Board of Directors. He shall see that all orders and resolutions of the Board of Directors and of any committee thereof are carried into effect.

10

Section 4.4. PRESIDENT. The President (if one shall have been chosen by the Board of Directors) shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The President shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board of Directors. The President may sign with the Secretary, or an Assistant Secretary, or any other proper officer of the Corporation authorized by the Board of Directors, certificates, contracts, and other instruments of the Corporation as authorized by the Board of Directors. In the event of the death, inability or refusal to act of the President, the Board of Directors shall promptly meet for the purpose of electing his successor.

Section 4.5. REMOVAL. Any officer elected by the Board of Directors may be removed by a majority of the members of the Whole Board whenever, in their judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

Section 4.6. VACANCIES. A newly created office and a vacancy in any office because of death, resignation, or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

ARTICLE V

STOCK CERTIFICATES AND TRANSFERS

Section 5.1. STOCK CERTIFICATES AND TRANSFERS. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by his attorney, upon surrender for cancellation of certificates for the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require.

11

The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. FISCAL YEAR. Until June 30, 1998, the fiscal year of the Corporation shall begin on the first day of July and end on the thirtieth day of June of each year. The period from July 1, 1998 until December 31, 1998 shall constitute a transitional fiscal period, with the Corporation thereafter having a fiscal year beginning on the first day of January and ending on the last day of December of each year.

Section 6.2. DIVIDENDS. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Certificate of Incorporation.

Section 6.3. SEAL. The corporate seal may bear in the center the emblem of some object, and shall have enscribed thereunder the words "Corporate Seal" and around the margin thereof the words "Thiokol Corporation -- Delaware 1969."

Section 6.4. WAIVER OF NOTICE. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors need be specified in any waiver of notice of such meeting.

Section 6.5. AUDITS. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, and it shall be the duty of the Board of Directors to cause such audit to be made annually.

12

Section 6.6. RESIGNATIONS. Any director or any officer, whether elected or appointed, may resign at any time by serving written notice of such resignation on the Chairman of the Board, the President, or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the President, or the Secretary. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

Section 6.7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS. The Corporation shall provide indemnification as set forth in Article NINTH of the Certificate of Incorporation.

ARTICLE VII

AMENDMENTS

Section 7.1. AMENDMENTS. These By-Laws may be amended, added to, rescinded or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given not less than two days prior to the meeting; provided, however, that, in the case of amendments by stockholders notwithstanding any other provisions of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, the Certificate of Incorporation, any Preferred Stock Designation or these By-Laws, the affirmative vote of the holders of at least 80 percent of the voting power of all the then outstanding shares of the Voting Stock, voting together as a single class,

shall be required to alter, amend or repeal any provision of these By-Laws.

CORDANT TECHNOLOGIES INC.

EXECUTIVE EMPLOYMENT AGREEMENT

Effective July 22, 1999

Section		Page
-----		-----
1	Change of Control Date	1
2	Change of Control	2
3	Employment Period	4
4	Terms of Employment	4
	(a) Position and Duties	4
	(b) Compensation, Benefits and Support Staff	5
	(i) Base salary	5
	(ii) Bonus	6
	(iii) Incentives, Savings and Retirement Plan	6
	(iv) Welfare Benefit Plans	7
	(v) Expenses	7
	(vi) Other Executive Benefits	7
	(vii) Office and Support Staff	8
	(viii) Vacation	8

5	Termination of Employment	8
	(a) Death or Disability	9
	(b) Cause	9
	(c) Good Reason	10
	(d) Notice of Termination	11
	(e) Date of Termination	

i

6	Obligations of the Company upon Termination	12
	(a) Death	12
	(b) Disability	13
	(c) Cause, Other Than For Good Reason	13
	(d) Good Reason; Other than for Cause or Disability(1)	13
7	Non-exclusivity of Rights	15
8	Full Payments	15
9	Certain Additional Payments by the Company	16
10	Confidential Information	20
11	Successors	21
12	Miscellaneous	22

(1) the severance benefit formula.

ii

CORDANT TECHNOLOGIES INC.
EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement is made by and between CORDANT TECHNOLOGIES INC. (the "Company") and _____ (the "Executive"), and is dated as of the 22nd day of July 1999.

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control (as defined below) of the Company. The Board believes it

is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Amended and Restated Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1 . CHANGE OF CONTROL DATE. The "Change of Control Date" shall be the first date on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and the Company has terminated the Executive's employment (other than under circumstances which would constitute Cause or Disability (as defined below)) or the Executive has terminated his employment under circumstances which would constitute Good Reason

1

hereunder if such termination occurred the day after the Change of Control Date, and if (A) it is reasonably demonstrated by the Executive (i) that such termination of employment was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control or (ii) that the Company's actions otherwise arose in connection with or anticipation of the Change of Control or (B) such termination is within six months of the Change of Control Date, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

2. CHANGE OF CONTROL. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) the acquisition by any individual, entity or group (within the meaning of sections 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "exchange act")) (a "person") of beneficial ownership (within the meaning of rule 13d-3 promulgated under the exchange act) of 20% or more of either (i) the then outstanding shares of common stock of the company (the "outstanding company common stock") or (ii) the combined voting power of the then outstanding voting securities of the company entitled to vote generally in the election of directors (the "outstanding company voting securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a change of control: (i) any acquisition directly from the company, (ii) any acquisition by the company, (iii) any acquisition by any employee

benefit plan (or related trust) sponsored or maintained by the company or any corporation controlled by the company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this section 2; or

(b) individuals who, as of the date hereof, constitute the board (the "incumbent board") cease for any reason to constitute at least a

2

majority of the board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the company's shareholders, was approved by a vote of at least a majority of the directors then comprising the incumbent board shall be considered as though such individual were a member of the incumbent board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the board; or

(c) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the company (a "business combination"), in each case, unless, following such business combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding company common stock and outstanding company voting securities immediately prior to such business combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such business combination (including, without limitation, a corporation which as a result of such transaction owns the company or all or substantially all of the company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such business combination of the outstanding company common stock and outstanding company voting securities, as the case may be, (ii) no person (excluding any corporation resulting from such business combination or any employee benefit plan (or related trust) of the

3

company or such corporation resulting from such business combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such business combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the business combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such business combination were members of the incumbent board at the time of the execution of the initial agreement, or of the action of the board, providing for such business combination; or

(d) approval by the shareholders of the company of a complete liquidation or dissolution of the company.

3. EMPLOYMENT PERIOD. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, for the period commencing on the Change of Control Date and ending on the third anniversary of such date (the "Employment Period").

4. TERMS OF EMPLOYMENT. (a) POSITION AND DUTIES. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting relationships), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately preceding the Change of Control Date and (B) the Executive's services shall be performed at the location (the "Principal Business Location") where the Executive was employed immediately preceding the Change of Control Date or at any office or location which does not result in a material increase in the distance or time of commutation between the Executive's place of primary residence at the Change of Control Date and the Executive's Principal Business Location, or materially adversely affect the mode of such commutation.

4

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours

to the business and affairs of the Company and, to the extent necessary to Discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Change of Control Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Change of Control Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) COMPENSATION, BENEFITS AND SUPPORT STAFF. (i) BASE SALARY. During the Employment Period, the Executive shall receive in accordance with the Company's payroll practices at the Change of Control Date an annual base salary ("Annual Base Salary"), at least equal to twelve times the highest monthly base salary paid or payable to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Change of Control Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed at least annually and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded in the ordinary course of business to other peer executives of the Company and its affiliated companies but in no event shall the annual increase in Base Salary be less than a percentage at least equal to the increase, if any, in the cost-of-living shown on the

5

Consumer Price Index for the area in which the Principal Business Location is located, published by the Bureau of Labor Statistics of the United States Department of Labor for the immediately preceding twelve-month period (or, if no such Consumer Price Index is then published, any successor index thereto). Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" includes any company controlled by, controlling or under common control with the Company.

(ii) BONUS. In addition to Annual Base Salary, the Executive shall be

awarded, for each fiscal year beginning or ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the highest annualized (for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) bonus paid or payable (including any amount subject to a deferral election) to the Executive by the Company and its affiliated companies in respect of the three fiscal years immediately preceding the fiscal year in which the Change of Control Date occurs (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) INCENTIVE, SAVINGS AND RETIREMENT PLANS. In addition to Annual Base Salary, and Annual Bonus payable as herein above provided, the Executive shall be entitled to participate during the Employment Period in all other incentive, savings and retirement plans, practices, policies and programs applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive, savings and retirement benefits opportunities, in each case, less favorable, in the

6

aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 90-day period immediately preceding the Change of Control Date.

(iv) WELFARE BENEFIT PLANS. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) and applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect at any time during the 90-day period immediately preceding the Change of Control Date.

(v) EXPENSES. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses

incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect at any time during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect at ANY time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) OTHER EXECUTIVE BENEFITS. During the Employment Period, the Executive shall be entitled to other executive benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect at any time during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect at any time

7

thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) OFFICE AND SUPPORT STAFF. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, to exclusive personal secretarial and other assistance at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as provided at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) VACATION. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect at any time during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies with similar lengths of service.

5. TERMINATION OF EMPLOYMENT. (a) DEATH OR DISABILITY. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of "Disability" set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate the Executive's employment. In such

event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Change of Control Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the

8

Executive's duties. For purposes of this Agreement, "Disability" means the absence of the Executive from the Executive's duties with the Company on a Full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for "Cause." For purposes of this Agreement, "Cause" means (i) an act or acts of personal dishonesty taken by the Executive and intended to result in substantial personal enrichment of the Executive at the expense of the Company, (ii) repeated violations by the Executive of the Executive's obligations under Section 4(a) of this Agreement which are demonstrably willful and deliberate on the Executive's part and which are not remedied in a reasonable period of time after receipt of written notice from the Company or (iii) the conviction of the Executive of a felony involving moral turpitude. For purposes of this Section 5(b), no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a resolution, duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to the Executive and an opportunity for him, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board, the Executive was guilty of conduct set forth above in clause (i), (ii), or (iii) of the second sentence of this Section 5(b) and specifying the particulars thereof in detail.

9

(c) GOOD REASON. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" means:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting relationships), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than that described in Section 4(a)(i)(B) hereof;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. Anything in this Agreement to the

contrary notwithstanding, a termination by the Executive for any reason during the 30-day period immediately following the first anniversary of the Change of Control Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

(d) NOTICE OF TERMINATION. Any termination by the Company for Cause or by the Executive for Good Reason shall be communicated by Notice of

Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen days after the giving of such notice). The failure by the Executive to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of the Executive hereunder or preclude the Executive from asserting such fact or circumstance in enforcing the Executive's rights hereunder.

(e) DATE OF TERMINATION. "Date of Termination" means the date of receipt of the Notice of Termination or any later date specified therein, as the case may be; provided, however, that (i) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Change of Control Date, as the case may be.

6. OBLIGATIONS OF THE COMPANY UPON TERMINATION.

(a) DEATH. If the Executive's employment terminates by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than the following obligations: (i) the Executive's Annual Base Salary through the Date of Termination, to the extent not theretofore paid, (ii) any amount payable to the Executive pursuant to Section 4(b)(ii) hereof in respect of the most recently completed fiscal year, to the extent not theretofore paid, (iii) if the Change of Control Date occurred after the end of the most recently completed fiscal year and no Annual Bonus was paid to the Executive in respect of such period, an amount equal to the Recent Annual Bonus, (iv) the product of the greater of the Annual Bonus paid or payable (and annualized for any fiscal year consisting of less than twelve full months or for which the Executive has been employed for less than twelve full months) to the Executive for the most recently completed fiscal year during the Employment Period, if any, or the Recent Annual Bonus (such greater amount hereafter referred to as the "Highest Annual Bonus") and a fraction,

the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, and (v) any accrued vacation pay not yet paid by the Company (the amounts described in paragraphs (i) through (v) hereof are hereinafter referred to as "Accrued Obligations"). All Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. Anything in this Agreement to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided by the Company and any of its affiliated companies to surviving families of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to family death benefits, if any, as in effect with respect to other peer executives and their families at any time during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive and/or the Executive's family, as in effect on the date of the

12

Executive's death with respect to other peer executives of the Company and its affiliated companies and their families.

(b) DISABILITY. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations. All Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. Anything in this Agreement to the contrary notwithstanding, the Executive shall be entitled after the Disability Change of Control Date to receive disability and other benefits at least equal to the most favorable of those provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect with respect to other peer executives and their families at any time during the 90-day period immediately receding the Change of Control Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families.

(c) CAUSE; OTHER THAN FOR GOOD REASON. If the Executive's employment shall be terminated for Cause during the Employment Period or if the Executive terminates employment during the Employment Period other than for Good Reason, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive Annual Base Salary through the Date of Termination and accrued vacation pay, in each

case to the extent theretofore unpaid.

(d) GOOD REASON; OTHER THAN FOR CAUSE OR DISABILITY. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability, or if the Executive shall terminate employment under this Agreement for Good Reason:

13

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the product of (x) one and (y) the sum of (i) Annual Base Salary, and (ii) the Highest Annual Bonus; and

B. all Accrued Obligations; and

C. the Executive shall be entitled to receive a lump-sum retirement benefit equal to the difference between (a) the actuarial equivalent of the benefit under the Cordant Technologies Inc. Pension Plan and the Cordant Technologies Inc. Excess Pension Plan as in effect on the Change of Control Date or any successor plan which provides more favorable benefits to the Executive (the "Retirement Plans") which the Executive would receive if the Executive's employment continued at the compensation level provided for in Sections 4(b)(i) and 4(b)(ii) of this Agreement for one year, assuming for this purpose that all accrued benefits are fully vested, and (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plans; and

(ii) for the remainder of the Employment Period, or such longer period as any plan, program, practice or policy may provide, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) and (vi) of this Agreement if the Executive's employment had not been terminated in accordance with the most favorable plans, practices, programs or policies of the Company and its affiliated companies applicable to other peer executives and their families during the 90-day period immediately preceding the Change of Control Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its

affiliated companies and their families. For purposes of determining the Executive's age and length of service at the time of his termination of employment in order to determine eligibility of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until the end of the Employment Period and to have terminated employment on the last day of such period; provided, however, that the Executive shall be entitled to the more favorable of the retiree benefits in effect on the Date of Termination or the retiree benefits in effect on the date that would have been the last date of the Employment Period if the Executive had remained employed.

7. NON-EXCLUSIVITY OF RIGHTS. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices, provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other agreements with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

8. FULL PAYMENTS. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement. The Company agrees to pay, from time to time promptly upon invoice, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest, question or controversy (regardless of the

outcome thereof and whether or not litigation is involved) by the Company, the Executive or others over the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to Section 9 of this Agreement).

9. CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or any other compensation plan, program or arrangement including but not limited to the proceeds from the exercise of stock option grants the Executive is entitled to receive on the date of a Change of Control or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 9(c) below, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions

to be utilized in arriving at such determination, shall be made by Ernst & Young (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving (or has, during the three years preceding the Effective Date, served) as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the

Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing

of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the

Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any Proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and

conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or Penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject

to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. CONFIDENTIAL INFORMATION. (a) During the period of his employment hereunder, the Executive shall not, without the written consent of the Chief Executive Officer, disclose to any person, other than an employee of the Company or another person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of his duties as an executive of the Company, any material confidential information obtained by him while in the employ of the Company with respect to any of the Company's products, improvements, formulas, designs or styles, processes, customers, methods of distribution or methods of manufacture, the disclosure of which he knows will be materially damaging to the Company; provided, however, that confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by the Executive) or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Company. For the period ending two years following the Date of Termination, the Executive shall not disclose any confidential information of the type described above except as determined by him to be reasonably necessary in connection with any business or activity in which he is then engaged.

(b) Any and all inventions made, developed or created by the Executive (whether at the request or suggestion of the Company or otherwise, whether alone or in conjunction with others, and whether during regular hours of work or otherwise) during the period of his employment by the Company, which may be directly or indirectly useful in, or relate to, the business of or research and development being carried out by the Company or any of its subsidiaries or affiliates, will be promptly and fully disclosed by the Executive to an appropriate executive officer of the Company and shall be the Company's exclusive property as against the Executive, and the Executive will promptly deliver to an appropriate executive officer of the Company all papers, drawings, models, data and other material relating to any invention made, developed or created by him as aforesaid.

(c) The Executive will, upon the Company's request and without any payment therefor, execute any documents necessary or advisable in the opinion of the Company's counsel to direct issuance of patents to the Company with respect to such inventions as are to be the Company's exclusive property as against the Executive under Section 10(b) above or to vest in the Company title to such inventions as against the Executive, provided, however, that the expense of securing any such patent will be borne by the Company.

(d) The foregoing provisions of this Section 10 shall be binding upon the Executive's heirs, successors and legal representatives.

(e) In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. SUCCESSORS. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this

Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. MISCELLANEOUS. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Home address as currently shown on Human Resources Department records of the Company's Corporate Office or the Executive's business unit as the case may be.

If to the Company:

Cordant Technologies Inc.
15 W. South Temple, Suite 1600
Salt Lake City, UT 84101-1532
Attention: Corporate Secretary

22

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's failure to insist upon strict compliance with any provision hereof shall not be deemed to be a waiver of such provision or any other provision thereof.

(f) This Agreement contains the entire understanding of the Company and the Executive with respect to the subject matter hereof.

(g) Anything in this Agreement to the contrary notwithstanding, the Executive and the Company acknowledge that the employment of the Executive by the Company is "at will", and, except as provided in Section 1 hereof, prior to the Change of Control Date, the employment of the Executive may be terminated by either the Executive or the Chief Executive Officer of the Company at any time. Upon a termination of the Executive's employment prior to the Change of Control Date, except as provided in Section 1 hereof, there shall be no further rights under this Agreement.

23

IN WITNESS WHEREOF, the Executive has hereunto set his hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written. CORDANT TECHNOLOGIES INC.

by _____
James R. Wilson
Chairman of the Board, President, and
Chief Executive Officer

by: _____
(name)

24

Financial Data Schedule

[ARTICLE]

[LEGEND]

This Schedule contains summary financial information extracted from Cordant Technologies Inc. unaudited financial statements for the six months ended June 30, 1999 and is qualified in its entirety by reference to such financial statements.

[LEGEND]

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