

Cowen and Company 31st Annual Aerospace/Defense Conference

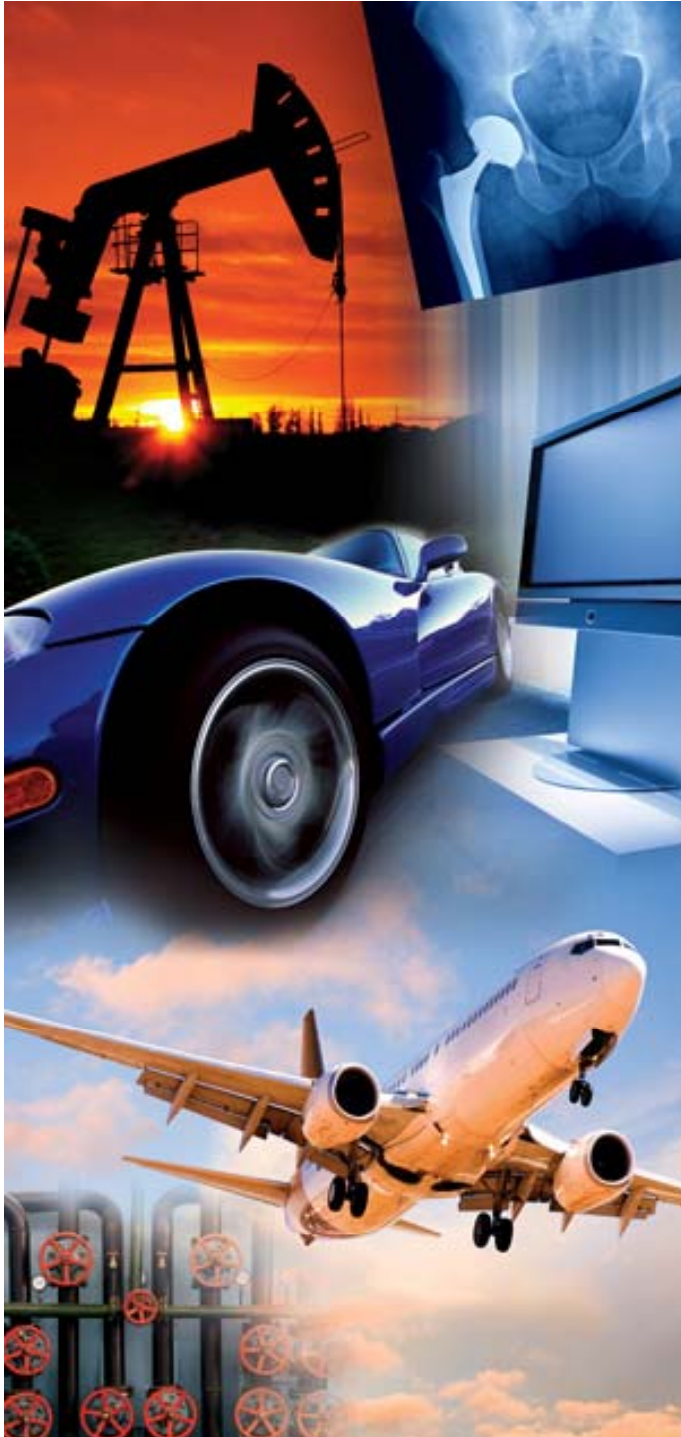


Carpenter Technology Corporation

February 11, 2010

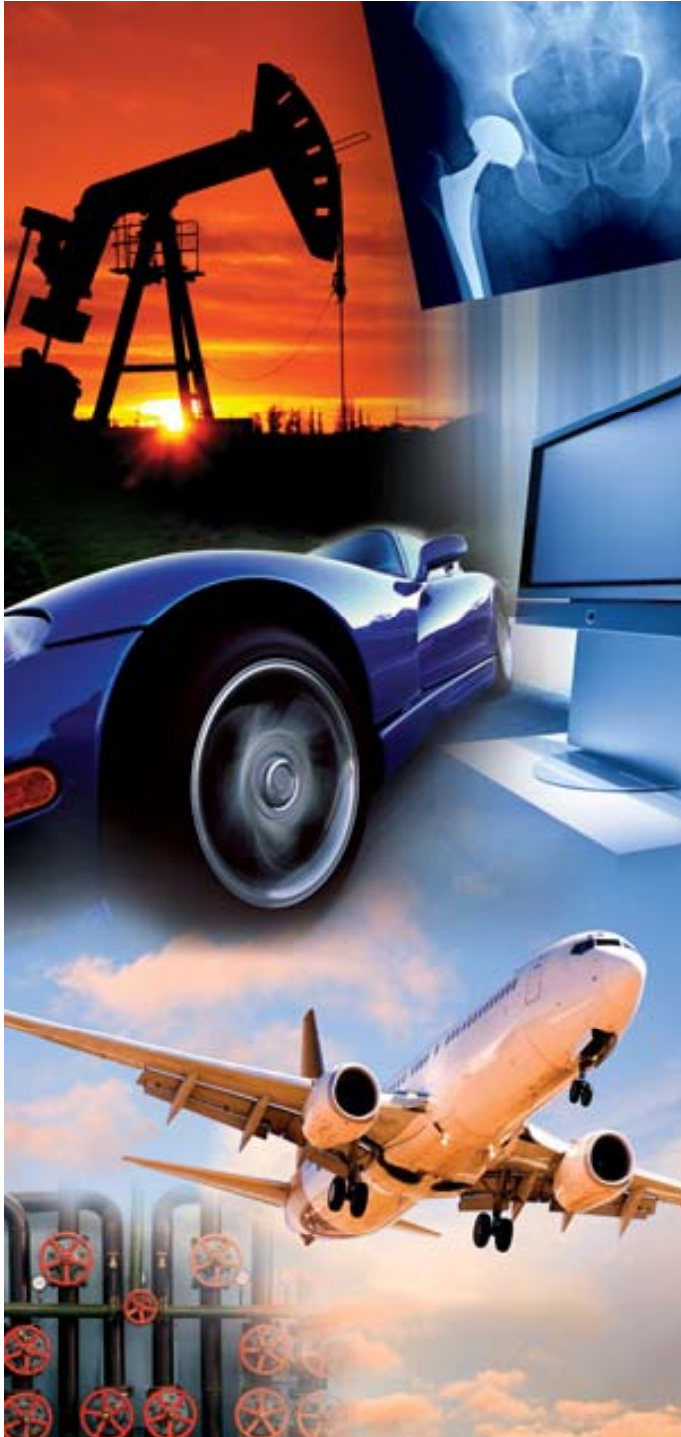
FORWARD-LOOKING STATEMENTS

Some of Carpenter's statements will be forward-looking statements, which are based on current expectations. Risk factors that could cause actual results to differ materially from these forward-looking statements can be found in Carpenter's recent SEC filings.



Highlights

- Momentum is building in our business
 - sequential improvement in shipment volumes, revenues and margins
 - Encouraging signs in aerospace engines
 - Energy showing a “pulse”
- Expect improvement trend will continue in 2H FY10
- We are well positioned as recovery unfolds
 - Improved market share with key customers
 - “World Class” premium melt capacity
- Continue to focus on new product and new market opportunities for longer term growth
- CEO search proceeding according to plan
 - In the meantime, business is executing seamlessly



CARPENTER TECHNOLOGY OVERVIEW

Leader in Specialty Metals for Critical Applications

- 120 Years of metallurgical and manufacturing expertise
- Premium alloys satisfying customers' critical needs
 - Focused on highly differentiated, niche materials, not large volumes
- Reputation for quality, consistency and high value
 - Alloy properties more important than price/lb.
- Attractive end-use markets and strong customer relationships

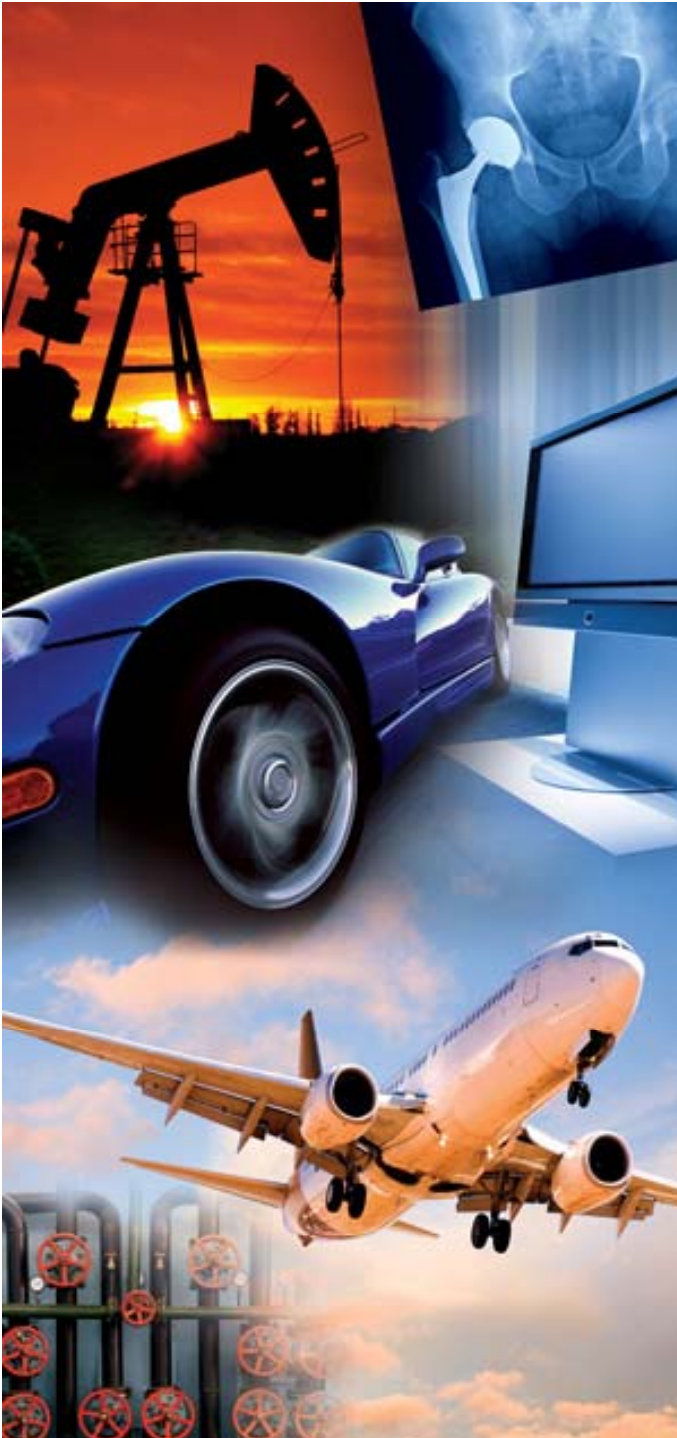
STRATEGIC PRIORITIES

Growth

- High-value, differentiated products
- New markets and product applications
- International expansion
- Disciplined, strategic external expansion

Operational Improvement

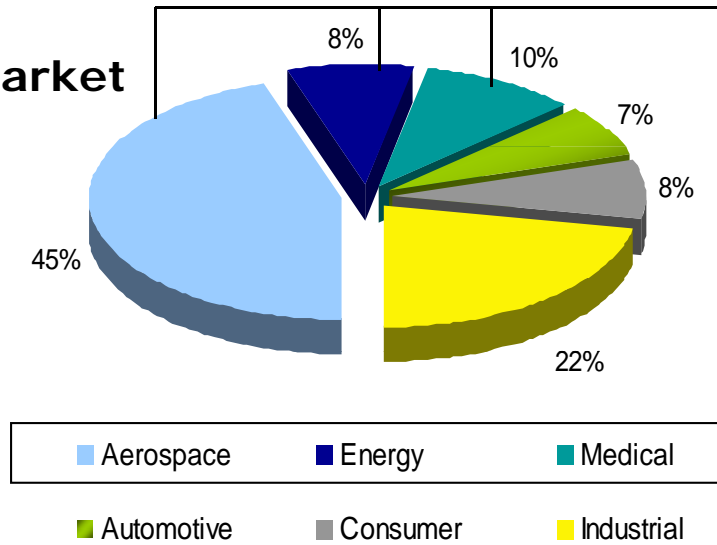
- Reduce costs
- Improve basic systems and processes
- Focus on customer satisfaction (quality and delivery)



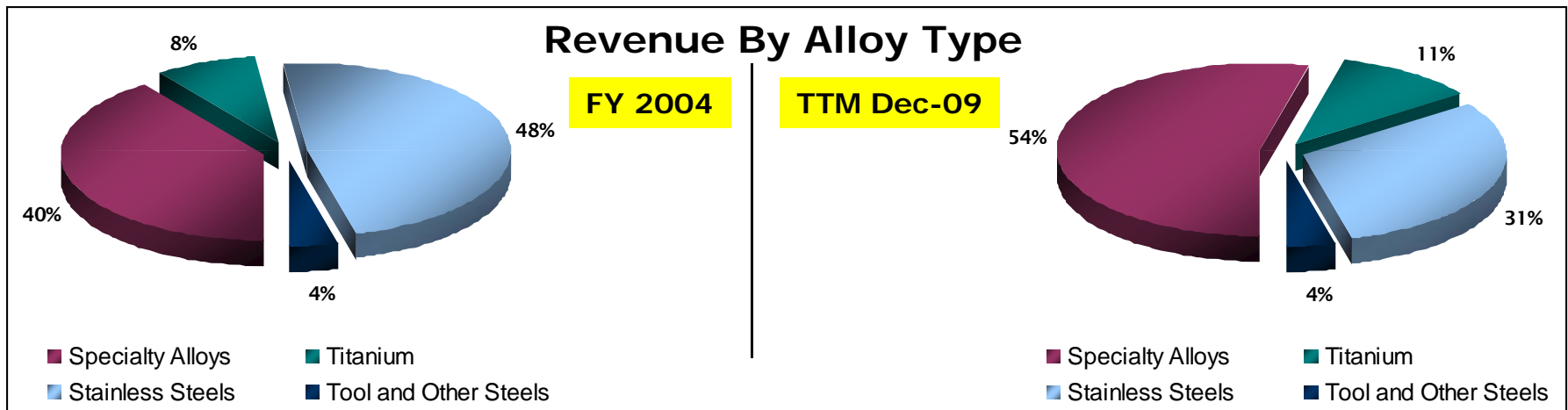
HIGH VALUE PRODUCTS FOR NICHE MARKETS

TTM 12-31-09 REVENUES - \$1.1 BILLION

Revenue by End-Use Market



Key Growth Markets



ENGINEERED MATERIALS FOR AEROSPACE

\$485 Million
45% of TTM 12-31-09 Revenues



AVIONICS / APU

- Hiperco® 50 alloy

AIRFRAME FASTENERS

- Titanium
- Pyromet® A-286 alloy
- Carpenter 15-7PH

FLAPTRACK / SLAT TRACK COMPONENTS

- Custom 465® stainless
- 17-4 PH

LANDING GEAR COMPONENTS

- AerMet® 100 alloy
- Custom 465® stainless

ENGINE COMPONENTS

- Pyromet® 718 alloy
- Waspaloy
- Pyromet® 355 alloy
- Pyromet® 901 alloy
- Controlled Expansion Superalloys
- NiMark® 250 alloy

PYLON FASTENERS

- Pyromet® 718 alloy
- Pyromet® A-286 alloy

ENGINEERED MATERIALS FOR ENERGY

\$91 Million
8% of TTM 12-31-09 Revenues

OIL AND GAS EXPLORATION

WELLHEAD EQUIPMENT

- Carpenter Alloy 925

PRESSURE VESSELS

- Carpenter MP35N

MEASUREMENT WHILE DRILLING HOUSINGS

- Custom Age 625 PLUS® Stainless

NON-MAGNETIC DRILL COLLARS

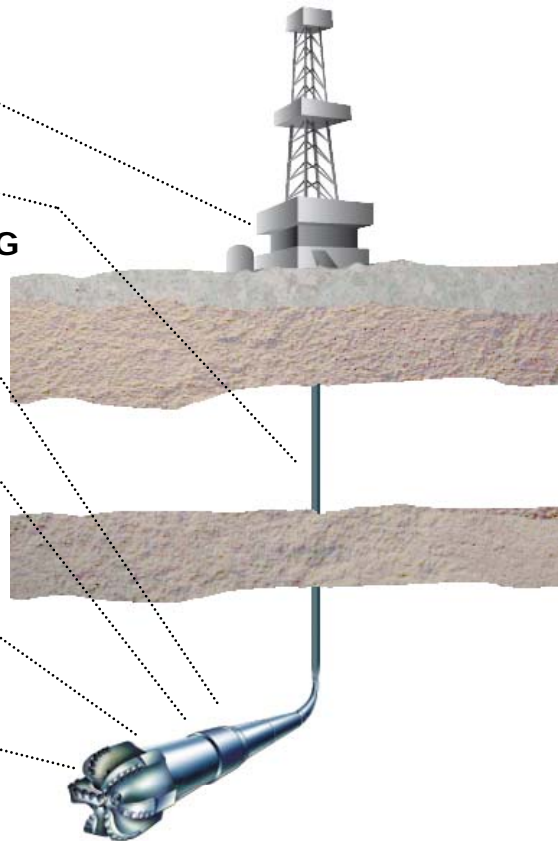
- 15-15HS® Max Stainless
- 15-15LC® Mod

PUMP & MOTOR ASSEMBLIES

- Custom 465® Stainless
- Pyromet® Alloy 718

ROTARY STEERABLE TOOLS

- Pyromet® Alloy 718
- Pyromet® Alloy 625



POWER GENERATION

SHAFTS AND DISKS

- Pyromet® Alloy 706

GAS TURBINE ENGINE DUCTING

- Pyromet® Alloy 625

BOLTING

- Pyromet® Alloy 718



ENGINEERED MATERIALS FOR MEDICAL MARKET APPLICATIONS

\$104 Million
10% of TTM 12-31-09
Revenues

FRACTURE FIXATION

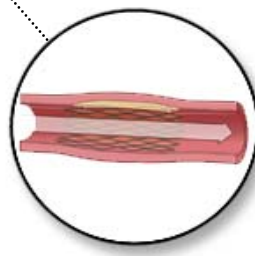
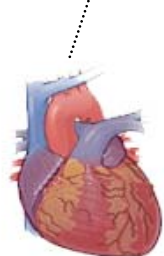
- Carpenter Stainless Type 316/316L
- Ti 6Al-4V ELI
- BioDur® 108 Alloy

HIP AND KNEE REPLACEMENTS

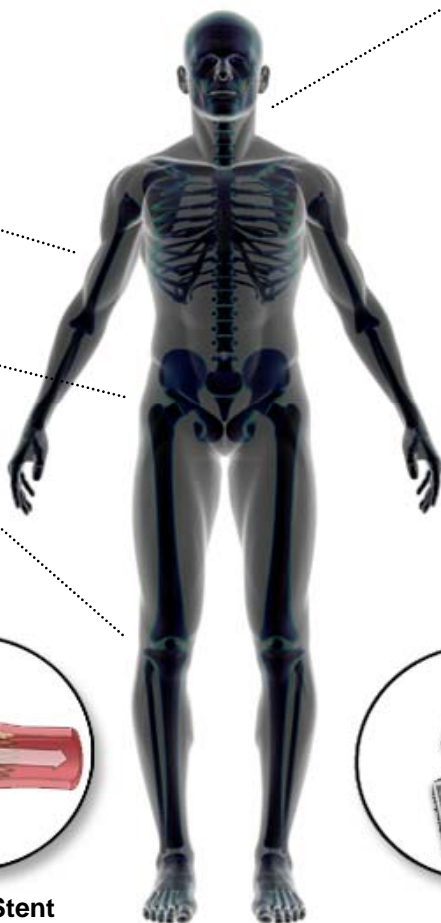
- BioDur® Carpenter CCM® Alloy
- BioDur® CCM Plus® Alloy

VASCULAR DEVICES (stents)

- Carpenter MP35N Alloy
- Carpenter L-605 Alloy



Arterial Stent



ARTIFICIAL DISCS AND SPINAL FIXATION

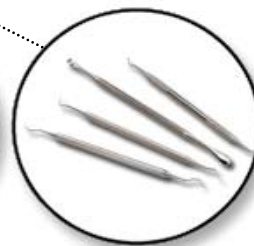
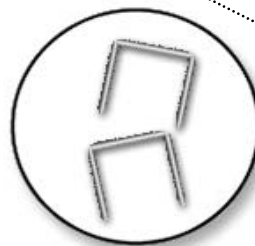
- Micro-Melt® BioDur®
- Carpenter CCM® Alloy
- BioDur® CCM Plus® Alloy

SURGICAL NEEDLES AND STAPLES

- Custom 475® Stainless
- Carpenter Stainless Type 420
- Ti 6Al-4V ELI

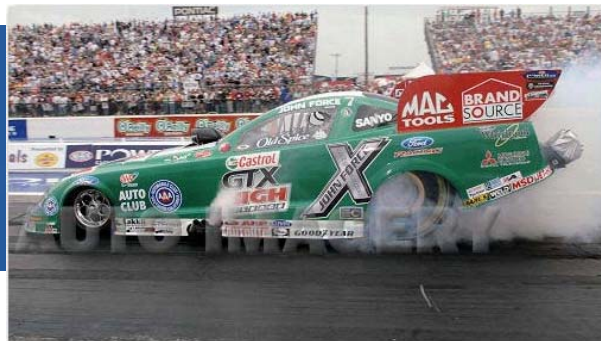
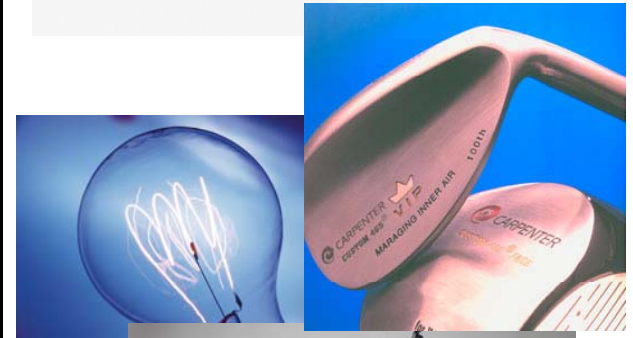
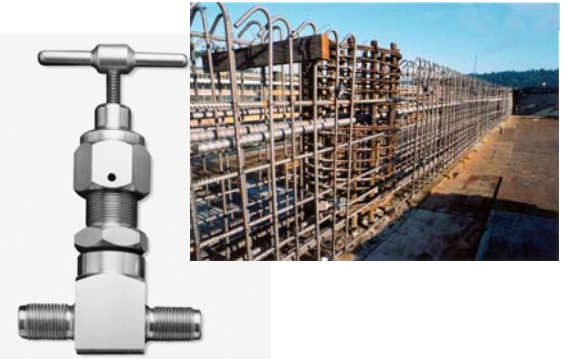
DENTAL INSTRUMENTS AND IMPLANTS

- Carpenter Stainless Type 440A
- Custom 465® Stainless
- Ti 6Al-4V ELI



OTHER END MARKETS

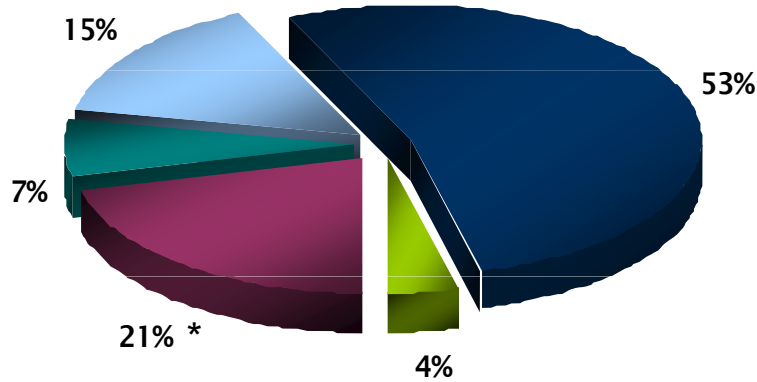
(millions)	Revenue TTM 12-31-09 %	
Industrial	\$239 / 22%	<ul style="list-style-type: none"> • Valves and fittings • Welding
Consumer	\$89 / 8%	<ul style="list-style-type: none"> • Housing • Electronics • Sports
Automotive	\$77 / 7%	<ul style="list-style-type: none"> • Fuel injectors • Engine valves • Safety applications



INTERNATIONAL SALES

\$352 Million
32% of TTM 12-31-09
Revenues

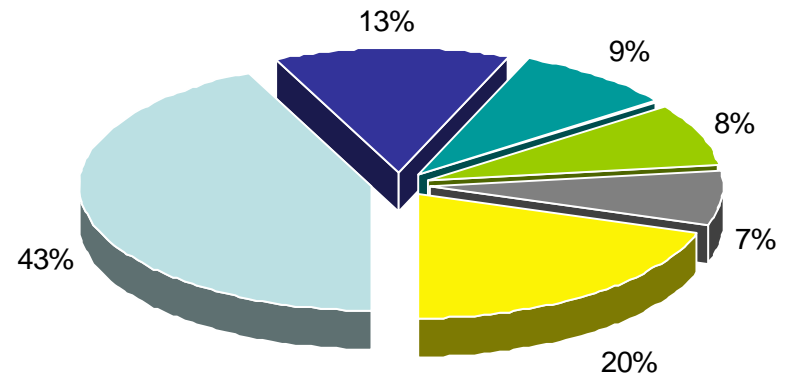
By Region



■ Asia Pacific* ■ Canada ■ Mexico ■ Europe ■ Other

*Focus Area: China vs. prior year
 1H Revenue: +32%
 1H Volume: +60%

By End-Use Market



■ Aerospace ■ Energy ■ Medical
 ■ Automotive ■ Consumer ■ Industrial

BROAD R&D APPROACH TO NEW PRODUCT AND PROCESS DEVELOPMENT

- **Increasing R&D Investment**

- Broad based program focusing on both product and process development

- **Enhanced Modeling Capabilities**

- Design and analysis of new materials through computer simulation

- **Licensing New Technology and Alloys**

- Ultra high strength alloys – (e.g., Manhattan Scientifics)

- Improved toughness and other metallurgical properties (e.g., PremoMet™)

- **Connection to External Developments**

- Partnerships with AMRC (aerospace), EPRI (energy), Teaching Hospitals (medical)

- Strategic Alliances with Oak Ridge National Laboratory, Ames National Laboratory, and selected Universities

Drive Growth From New Products and New Markets

FINANCIAL SUMMARY

1. Managed Effectively Through the Downturn

- Generated Positive FCF; Preserved strong balance sheet
- Aggressive cost management
- Retained shareholder dividend

2. Maintained Strong Financial Position

- \$379 million of cash; \$100 million of net cash
- New \$200 million 3-year revolver

3. Expect Qtr to Qtr Improvement in Business

• Profit/Margin Progress Going Forward Driven By:

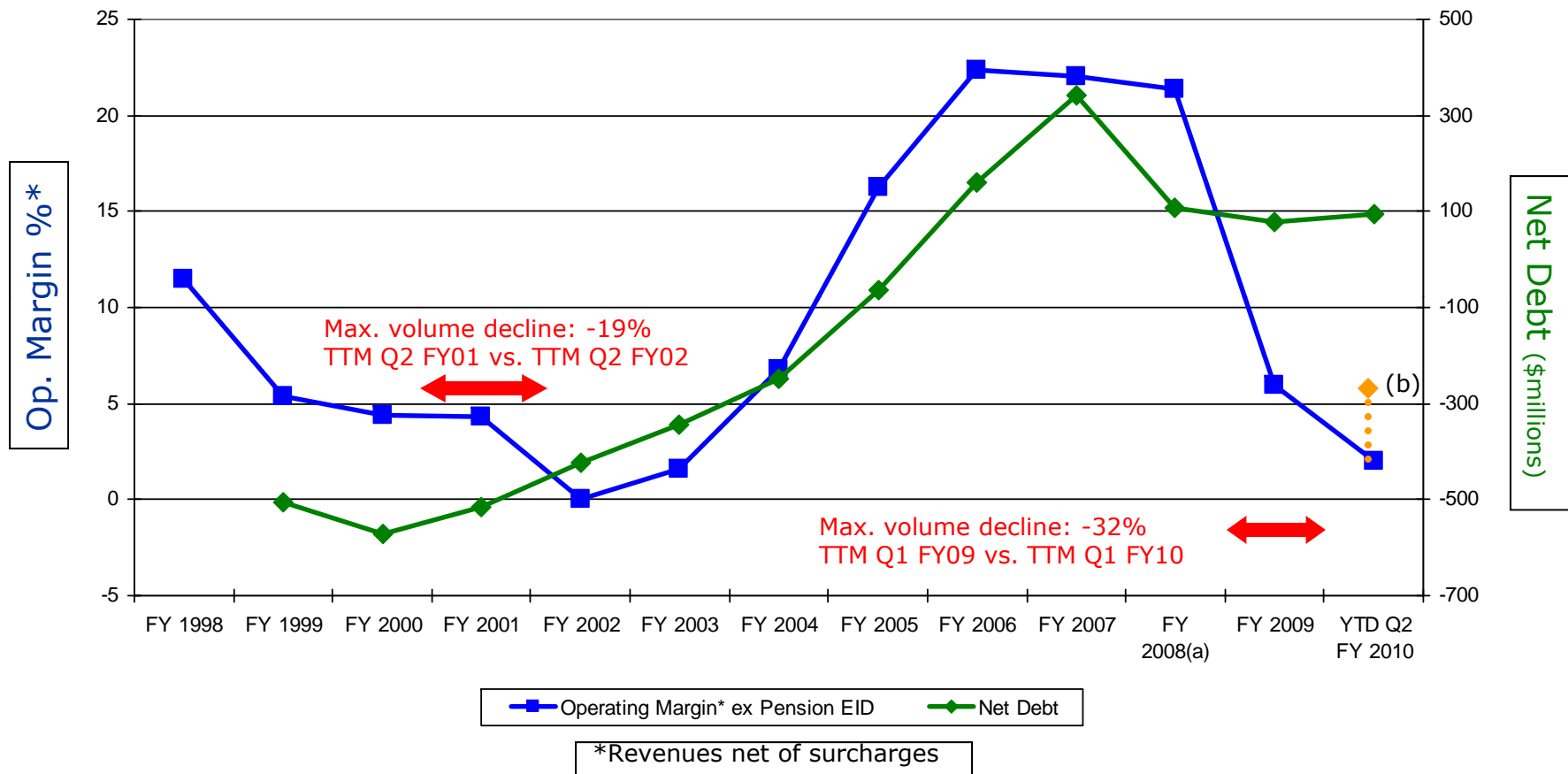
- Volume
- Mix
- Cost Savings

FINANCIAL HIGHLIGHTS

\$ IN MILLIONS	FY 2008 ^(a)	FY 2009	FY 2010 Q1	FY 2010 Q2
SALES	\$1,954	\$1,362	\$234	\$264
SALES ex. surcharge	\$1,369	\$1,055	\$188	\$207
% change from prior year	4%	(23%)	(38%)	(24%)
OP. INCOME ex. pension EID	\$293	\$64	\$(4)	\$11.5
% of sales ex. surcharge	21.4%	6.1%	(2.0%)	5.5%
DILUTED EPS (Reported)	\$4.38	\$1.26	\$(0.21)	\$0.08
Pension effects (EID plus service cost)	\$0.03	\$(0.25)	\$(0.21)	\$(0.21)
EPS adjusted for pension effects	\$4.35	\$1.51	-	\$0.29
EBITDA	\$361	\$148	\$20	\$31

(a) Excludes special environmental litigation reserve in Q4 2008 of \$21 million or \$0.26/share

HISTORICAL OPERATING MARGINS



(a) Excludes \$21 million special litigation reserve
 (b) Projected FY 2010 operating margin

FY 2010 EXPECTATIONS

Volumes/Revenues

- Believe we saw bottom in Q1
- Gradual growth through year
- FY 2010 revenues expected to be less than FY 2009

Earnings

- Sequential improvement off of Q1 net loss
- Still forecast positive EPS for fiscal year
- Targeting 6% full year operating margin (ex. Pension EID)

Cash Flow

- Goal – Positive free cash flow for fiscal year
(Cash flow net of capex and dividends)

Capital Expenditures

- Approx. \$50 million

Pension

- \$61 million net pension expense (non-cash)
 - \$0.83 per share spread evenly through fiscal year
- No required cash funding in CY10

Summary

- Leading Innovator Providing Critical Materials for the Most Difficult Customer Requirements
- Well Positioned in Attractive End Markets
- Investing in R&D, Marketing and International to Drive Growth
- Effectively Managed Through Downturn
- Strong Balance Sheet
- Maintaining Constant Dividend Rate for Shareholders