ALLEGHENY TECHNOLOGIES INC
Form 11-K
June 25, 2004

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

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM ___________ TO _____________

COMMISSION FILE NUMBER 1-12001

THE 401(K) PLAN
(Title of Plan)

ALLEGHENY TECHNOLOGIES INCORPORATED
(Name of Issuer of securities held pursuant to the Plan)

1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479
(Address of Plan and principal executive offices of Issuer)

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
The 401(k) Plan
Years ended December 31, 2003 and 2002
with Report of Independent Registered Public Accounting Firm

The 401(k) Plan

Audited Financial Statements
and Supplemental Schedule

Years ended December 31, 2003 and 2002

CONTENTS

Report of Independent Registered Public Accounting Firm

Allegheny Technologies Incorporated

We have audited the accompanying statements of net assets available for benefits of The 401(k) Plan as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

June 18, 2004
Pittsburgh, Pennsylvania

The 401(k) Plan

Statements of Net Assets Available for Benefits

	DECEMBER 3
	2003
Investments:	
Interest in Allegheny Technologies Incorporated Savings Plan Trust	$ 63,656,539 $
Interest in registered investment companies	53,795,031
Corporate common stocks	7,643,532
Participant loans	5,162,484
Interest in common collective trusts	124,428
Total investments	130,382,014
Other payables, net	(116,099)
Net assets available for benefits	$ 130,265,915 $

See accompanying notes.

The 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	YEARS ENDED DE
	2003
Contributions:	
Employer	$ 3,496,473
Employee	8,907,333
Total contributions	12,403,806
Investment income (loss):	
Net gain (loss) from interest in Allegheny Technologies Incorporated Savings Plan Trust	8,672,796
Net gain (loss) from interest in registered investment companies	8,297,937
Net unrealized/realized gain (loss) on corporate common stocks	4,662,239
Net gain (loss) from interest in common collective trusts	1,998,905
Interest income	327,889
Dividend income	141,650

Total investment gain (loss)	24,101,416
	36,505,222
Distributions to participants	(9,094,657)
Plan transfers, net	(121,067)
Administrative expenses and other, net	(38,862)
	(9,254,586)
Net increase (decrease) in net assets available for benefits	27,250,636
Net assets available for benefits at beginning of year	103,015,279
Net assets available for benefits at end of year	$ 130,265,915

See accompanying notes.

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The 401(k) Plan

Notes to Financial Statements

Years ended December 31, 2003 and 2002

1. SIGNIFICANT ACCOUNTING POLICIES

Investments are valued as follows:

Bank and insurance investment contracts (investment contacts) with varying contract rates and maturity dates are stated at contract value.

Although it is management's intention to hold the investment contracts in the Fixed Income Master Trust until maturity, certain investment contracts provide for adjustments to contract value for withdrawals made prior to maturity.

All other investments are stated at their net asset value, based on the quoted market prices of the securities held in such funds on applicable exchanges.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. DESCRIPTION OF THE PLAN

The 401(k) Plan (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The purpose of the Plan is to provide retirement benefits to eligible employees through company contributions and to encourage employee thrift by permitting eligible employees to defer a part of their compensation and contribute such deferral to the Plan. The Plan allows employees to contribute a portion of eligible wages each pay period through payroll deductions subject to Internal Revenue Code limitations. Qualifying employee contributions are partially matched by the respective employing companies which are affiliates of Allegheny

Technologies Incorporated (ATI, the Plan Sponsor), up to the lesser of a maximum of $1,000 annually for each participant, or 50% of participants' deferrals up to a maximum of 3.5% of total eligible wages (except for Allvac and Wah Chang). For the Allvac and Wah Chang operations, effective January 1, 2002, the $1,000 maximum limit on matching contributions was removed.

In addition, annual flat dollar contributions will be paid into the Plan at the end of each year provided the following criteria are met: the employee must have contributed a minimum of 2% of their total earnings for the year into the Plan; the employee must have completed a minimum

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The 401(k) Plan

Notes to Financial Statements (continued)

2. DESCRIPTION OF THE PLAN (CONTINUED)

of 1,000 hours during the calendar year; and the employee must be an active, nonunion employee as of December 31st of that year. The exception to this rule is that employees who retire during the calendar year will remain eligible for this contribution, so long as they meet the 1,000-hour rule. Such retirees will receive a prorated contribution, based on the number of months they worked in the year. However, an employee who terminates (not retires) prior to December 31st will not be eligible for this flat dollar contribution, regardless of the number of hours worked.

The flat dollar contribution amounts are based on the employee's years of service, as follows:

YEARS	AMOUNT OF CONTRIBUTION
0 to 4	$ 100
5 to 9	500
10 to 14	600
15 to 19	700
20 to 24	800
25 to 29	1,000
30 to 34	1,500
35 or more	2,000

The Plan allows participants to direct their contributions, and contributions made on their behalf, to any of the investment alternatives. Unless otherwise specified by the participant, employer contributions are made to the Fixed Income Master Trust. Separate accounts are maintained by the Plan Sponsor for each participating employee. Trustee fees and asset management fees charged by the Plan's trustee, Mellon Bank, N.A., for the administration of all funds are charged against net assets available for benefits of the respective fund. Certain other expenses of administering the Plan are paid by the Plan Sponsor.

Participants may make "in-service" and hardship withdrawals as outlined in the plan document.

Active employees can borrow up to 50% of their vested account balances minus any outstanding loans. The loan amounts are further limited to a minimum of $1,000 and a maximum of $50,000, and an employee can obtain no more than three loans at one time. Interest rates are determined based on commercially accepted criteria, and payment schedules vary based on the type of the loan. General-purpose loans are repaid over 6 to 60 months, and primary residence loans are repaid over periods up to 180 months. Payments are made by payroll deductions.

The 401(k) Plan

Notes to Financial Statements (continued)

2. DESCRIPTION OF THE PLAN (CONTINUED)

Further information about the Plan, including eligibility, vesting, contributions, and withdrawals, is contained in the plan document, summary plan description, and related contracts. These documents are available from the Plan Sponsor.

3. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2003 and 2002.

	DECEMBER 31 2003	
Allegheny Technologies Disciplined Stock Fund Master Trust	$ 40,044,975	$
Fixed Income Master Trust	22,728,876	
Oakmark Balanced Fund	19,706,939	
Prudential Jennison Growth Fund, Class A Shares	9,330,003	
Dreyfus Bond Market Index Fund	8,911,329	
Allegheny Technologies Incorporated common stock	7,643,532	
Dreyfus Lifestyle Growth and Income Fund	-*	
Dreyfus Lifestyle Growth Fund	-*	

*Shown for comparative purposes.

Certain of the Plan's investments are in the Allegheny Technologies Incorporated Savings Plan Trust, which has three subsidiary Master Trusts: the Allegheny Technologies Disciplined Stock Fund Master Trust, the Alliance Equity Master Trust, and the Fixed Income Master Trust, which are institutional separate accounts valued on a unitized trust basis (collectively, the "Master Trust"). The Master Trust was established for the investment of assets of the Plan, and several other ATI sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. At December 31, 2003 and 2002, the Plan's interest in the net assets of the Allegheny Technologies Disciplined Stock Fund Master Trust, the Fixed Income Master Trust, and the Alliance Equity Master Trust was as follows:

	2003	2
Allegheny Technologies Disciplined Stock Fund Master Trust	51.45%	5
Fixed Income Master Trust	11.86	1
Alliance Equity Master Trust	2.48	

Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

The 401(k) Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of the net assets of the Fixed Income Master Trust at December 31, 2003 and 2002 was as follows:

	2003	2002
Guaranteed investment contracts:		
Canada Life	$ 2,757,412	$ 2,757,41
GE Life and Annuity	9,583,804	10,420,32
Hartford Life Insurance Company	10,939,222	10,460,18
John Hancock Life Insurance Company	8,848,178	9,854,98
Monumental Life Insurance Company	2,353,862	2,363,42
New York Life Insurance Company	6,814,589	7,808,95
Ohio National Life	4,652,712	5,976,90
Pacific Mutual Life Insurance Company	6,075,054	6,074,43
Principal Life	1,187,962	1,134,63
Protective Life Insurance Company	1,006,456	1,006,46
Pruco Pace Credit Enhanced	8,947,069	8,689,22
Safeco Life Insurance	-	1,973,29
Security Life of Denver	6,737,205	6,465,13
Sun America, Inc.	-	2,988,02
United of Omaha	7,226,335	7,226,33
	77,129,860	85,199,72
Synthetic guaranteed investment contracts:		
Caisse des Depots et Consignations	1,999,995	4,953,21
CIT Equipment	-	996,92
Common Wealth Edison	-	2,999,98
Commit to purchase FNMA 02-74 LC	-	3,071,97
Conn RRB Spec Trust	-	2,948,43
Detroit Edison	-	2,027,94
FHLMC	-	5,977,22
Illinois Power Sp Trust	-	1,971,07
MBNA Master CC Trust	-	1,993,49
MDA Monumental BGI Wrap	33,990,199	41,868,72
Peco Energy Company	-	1,970,89
Peoples Security Life Insurance Company	-	2,491,60
Public Service	-	2,036,62
Bank of America	17,803,044	
Rabobank	36,635,330	
Transamerica Occidental	-	6,568,30
Union Bank of Switzerland	14,768,321	174,68
Westdeutsche Landesbank Girozentrale	-	3,556,46
	105,196,889	85,607,57

Interest in common collective trusts	8,515,369	7,972,25
Interest-bearing cash	-	212,16
Other	764,537	1,817,66
Total net assets	$ 191,606,655	$ 180,809,38

The 401(k) Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The Fixed Income Fund (the Fund) invests in guaranteed investment contracts (GICs) and actively managed structured or synthetic investment contracts (SICs). The GICs are promises by a bank or insurance company to repay principal plus a fixed rate of return through contract maturity. SICs differ from GICs in that there are specific assets supporting the SICs, and these assets are owned by the Master Trust. The bank or insurance company issues a wrapper contract that allows participant-directed transactions to be made at contract value. The assets supporting the SICs are comprised of government agency bonds, corporate bonds, asset-backed securities (ABOs), and collateralized mortgage obligations (CMOs) with fair values of $107,926,162 and $88,750,762 at December 31, 2003 and 2002, respectively.

Interest crediting rates on the GICs in the Fund are determined at the time of purchase. Interest crediting rates on the SICs are either: (1) set at the time of purchase for a fixed term and crediting rate; (2) set at the time of purchase for a fixed term and variable crediting rate, or (3) set at the time of purchase and reset monthly within a "constant duration." A constant duration contract may specify a duration of 2.5 years and the crediting rate is adjusted monthly based upon quarterly rebalancing of eligible 2.5 year duration investment instruments at the time of each resetting; in effect the contract never matures. At December 31, 2003 and 2002, the interest crediting rates for GICs and Fixed Maturity SICs ranged from 3.58% to 8.02% and 3.27% to 8.05%, respectively.

For the years ended December 31, 2003 and 2002, the average annual yield for the investment contracts in the Fund was 5.31% and 5.74%, respectively. Fair value of the GICs was estimated by discounting the weighted average of the Fund's cash flows at the then-current, interest crediting rate for a comparable maturity investment contract. Fair value for the SICs was estimated based on the fair value of each contract's supporting assets at December 31, 2003 and 2002.

The 401(k) Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of net assets of the Alliance Equity Master Trust at December 31, 2003 and 2002 was as follows:

	2003	2002
Investment in pooled separate accounts:		
Alliance Equity Fund S.A. #4	$ 35,666,427	$ 26,60
Operating payables	(10,616)	(4
Total net assets	$ 35,655,811	$ 26,55

The composition of net assets of the Allegheny Technologies Disciplined Stock Fund Master Trust at December 31, 2003 and 2002 was as follows:

	2003	200
Corporate common stocks	$ 77,259,404	$ 53,
Interest in common collective trusts	337,451	1,
Receivables	283,072	
Payables	(42,301)	
Total net assets	$ 77,837,626	$ 54,

The 401(k) Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of the changes in net assets of the various master trusts is as follows:

	FIXED INCOME MASTER TRUST		ALLIANCE EQUITY MASTER TRUST		ALLEG DISCIPLI
	YEARS ENDED DECEMBER 31				
	2003	2002	2003	2002	20
Investment income (loss):					
Interest income	$ 9,953,790	$ 9,786,577	$ -	$ -	$ 21
Net realized/ unrealized gain (loss) on corporate common stocks	-	1,528	-	-	13,69
Dividends	-	-	-	-	1,07
Net gain (loss), registered invest- ment companies	45,315	-	-	-	

Net gain (loss), pooled separate accounts	-	-	9,614,660	(10,652,634)	
Net gain, common collective trusts	111,616	172,081	-	-	1
Other income	-	69,815	-	-	
Administrative expenses	(201,917)	(236,944)	(72,409)	(118,618)	(66
Transfers	888,462	5,374,077	(440,184)	(2,634,913)	8,57
Net increase (decrease)	10,797,266	15,167,134	9,102,067	(13,406,165)	22,90
Total net assets at beginning of year	180,809,389	165,642,255	26,553,744	39,959,909	54,92
Total net assets at end of year	$191,606,655	$ 180,809,389	$35,655,811	$26,553,744	$77,83

Interest, realized and unrealized gains and losses, and management fees from the master trusts are included in the net gain (loss) from interest in Allegheny Technologies Incorporated Savings Plan Trust on the statements of changes in net assets available for benefits.

4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated July 12, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. The determination letter does not include Plan amendments subsequent to December 31, 2001. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

5. PARTIES-IN-INTEREST

Dreyfus Corporation is the manager of the Dreyfus Mutual Funds that are offered as investment options under this Plan. Dreyfus Service Corporation is the funds' distributor. Dreyfus Corporation and Dreyfus Service Corporation are both wholly owned subsidiaries of Mellon Financial Corporation. Mellon Financial Corporation also owns Mellon Bank, N.A., the trustee for this Plan. Therefore, transactions with these entities qualify as party-in-interest transactions.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the employing companies have the right under the Plan to discontinue their contributions at any time and to terminate their respective participation in the Plan subject to the provisions of ERISA.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risk such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

The 401(k) Plan

EIN: 25-1792394 Plan: 098

Schedule H, Line 4i--Schedule of Assets (Held at End of Year)

December 31, 2003

DESCRIPTION	UNITS/SHARES	CURRENT VA
Registered Investment Companies		
Dreyfus Bond Market Index Fund*	860,166.905	$ 8,91
Prudential Jennison Growth Fund, Class A Shares	714,395.334	9,33
Dreyfus Emerging Leaders Fund*	81,775.671	3,16
PIMCO NFJ Funds	13,695.854	34
Morgan Stanley Small Co Growth Funds	50,787.789	54
MFS Value Fund	8,852.876	18
Artisan Funds	171,930.462	4,43
Dreyfus Appreciation Fund*	6,730.891	24
Dreyfus Premier International Fund*	281,831.035	4,65
Hartford Midcap Fund	55,037.669	1,35
Lord, Abbett Midcap Fund	17,441.514	32
Oakmark Balanced Fund	894,956.375	19,70
		53,21
Self-directed accounts		
Wasatch Funds - Global Tech	1,895.167	2
Vanguard/Windsor Fd II Portfolio	227.885	
Dreyfus Premier Emerging Mkts Fd - C1.A*	113.218	
AIM Equity Funds Large Cap	1,012.033	
AIM Equity Funds LC - Basic Value	725.32	
Dreyfus 100% US Treasury MM Funds*	18,840.860	1
Dreyfus Midcap Value Fund*	42.997	
Oakmark International Fund	66.224	
Longleaf Partners Fund	975.419	2
PIMCO Funds Pacific Inv Mgmt.	39,211.329	41
Vanguard Specialized Portfolio - Health Care	252.259	3
Vanguard Primecap Fund	561.685	2
Dreyfus Technology Growth Fund*	110.131	
Strong Equity Fds - Technology 100 Fd	115.155	
Ryder Ser Tr Dynamic Velocity 100 Fd	7.977	
Total self-directed accounts		58
Total registered investment companies		$ 53,79

Corporate Common Stocks

Allegheny Technologies Incorporated common stock*	578,179.431	$ 7,64
Participant loans* (5.0% to 10.5%, with maturities through 2017)		$ 5,16
Common Collective Trusts		
Dreyfus-Short Term Investment Fund*	124,428.070	$ 12

*Party-in-interest

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrators of the Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ALLEGHENY TECHNOLOGIES INCORPORATED
THE 401(K) PLAN

By: /s/ Richard J. Harshman

Date: June 25, 2004

Richard J. Harshman
Executive Vice President-Finance and
Chief Financial Officer
(Principal Financial Officer and Duly
Authorized Officer)