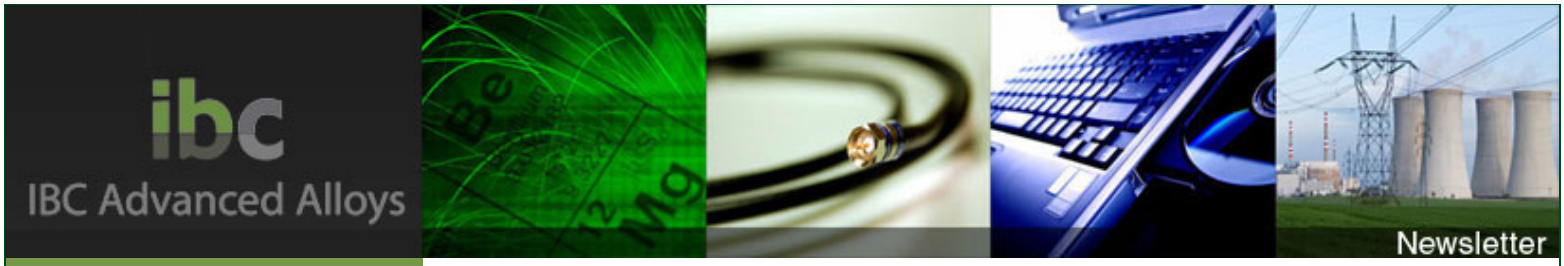

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October 2009 Newsletter

UPCOING EVENTS

October 27 – 29, 2009
Louisiana Gulf Coast Oil Exposition 2009
LAGCOE is one of the two largest petroleum industry conference in the US focusing on state-of-the-art technologies and the very latest in offshore and onshore drilling capabilities.
Lafayette, Louisiana

May 3 – 6, 2010
OTC Conference 2010
Offshore Technology Conference (OTC) is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection.
Houston, Texas

2011
IEA International Workshop on Beryllium Technology
Vancouver, British Columbia

President's Message

The big topic of conversation at IBC, and everywhere, over the last few months has been the economy. Everyone wants to know how we are dealing with the recession, or the economic tsunami, as some prefer to call it, and if we have a clear picture of the future. In terms of dealing with the crisis I have been very pleased with IBC's response. Like virtually all companies with a manufacturing focus, IBC has faced challenges, but we have been able to weather the storm with minimal disruptions to our staff and customers.

As to the future, IBC is cautiously optimistic, and sees growing evidence that the worst may be behind us. The main question dividing economic commentators is whether or not fundamental economic health is being restored or if we are simply witnessing the trickle down effect of the various government stimulus packages. In other words, are we at the beginning of a sustained recovery, or are we merely enjoying a temporary blip while the stimulus cash still flows?

There are many voices participating in this debate and it is hard to separate the serious and informed opinions from the soapbox blowhards trying to score points, political or otherwise. From IBC's perspective, I believe that we are experiencing the beginning of a sustained recovery and that the foundations of the economy, both domestic and globally, are stronger than many would have us believe. Why do I think this? Primarily because IBC's customer base and order flow are from sectors that have not received large government checks. Our customers are ramping up their orders because they see an improved economic climate and not because they are getting government handouts.

In addition to a growing order book and several new accounts at both IBC's Freedom Alloys and Nonferrous divisions, IBC has also been making excellent progress in several other areas. We are very pleased to have been accepted as associate members of the Aerospace Industries Association as it will expose IBC and our advanced alloy capabilities to the leaders of the aerospace industry, an increasingly important sector for our company. David Brown, IBC's Vice President of Marketing managed this process and writes about IBC and the AIA later in this newsletter.

IBC has also been continuing its support of a variety of beryllium research initiatives and demonstrated its commitment by recently attending the 9th IEA International Workshop on Beryllium Technology where Dr. Solomon, the head of IBC's nuclear fuels advisory board, was a featured speaker. The workshop was extremely useful with widespread participation from leaders across the industry who are now looking forward to the next international workshop to be hosted by IBC and held in Vancouver, Canada in 2011.

There is no getting away from the fact that the last few quarters have been a period most of us would rather forget. But at the same time, there are a lot of lessons to be learned about managing a business, dealing with adversity, adapting to rapidly changing circumstances and seeing beyond the immediate to the next opportunity. I am very proud that IBC has been able to work together as team, both internally and with our customers, to make the best of the situation and to strengthen the company for the benefit of our shareholders, employees and customers.

Anthony Dutton
President and CEO

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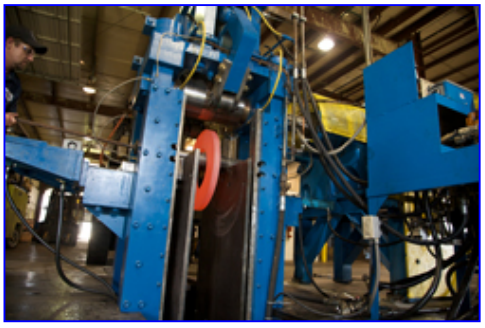
Rolling Forward with Production Expansion Plan:

IBC's Newest Manufacturing Addition

IBC Advanced Alloys' manufacturing expansion program is in full force. A recent capital investment of a large scale ring rolling mill at IBC Nonferrous Division

has led to an increase in production capacities and expanded the scope of potential markets.



This significant addition allows for IBC Nonferrous Division to produce copper and copper alloy rings including beryllium copper and aluminum bronze alloys more effectively and efficiently by use of a singular comprehensive machine. Prior to the installation of the ring rolling mill, IBC Nonferrous Division depended on its manual forge hammers and hydraulic press for the production of rings, which now can be devoted to press-forged products such as plates, blocks, discs and rods. The ring roller was customized to meet Nonferrous' manufacturing requirements and can produce rings up to 2,000 lbs. and up to 60- inches in diameter, based on the alloy and wall thickness.

The addition of the ring rolling mill allows for better production economy; however, the most important aspect is expanded capacity available to markets including electric motors, heat exchangers for oil and gas, as well as providing crucial components for marine and aerospace sectors. IBC's continued expansion into these markets establishes Nonferrous Division as a one-stop forging plant for rolled ring products. Andy Freeberg, Managing Director of Duenner Supply, based in Tulsa, Oklahoma, a long-time customer of IBC Nonferrous Division, attests that the "ring roller addition significantly adds to Duenner's product offering to heat exchangers in the petro-chemical and refinery industries."

The market for forged copper and beryllium copper alloy rings is evidently thriving; IBC Nonferrous Division booked orders for forged rings even before installation was complete. IBC Nonferrous Division offers customers the complete package when it comes to ordering forged rings - expertise, efficiency and knowledge of producing superior products for markets requiring high reliability copper alloy precision forged rings.

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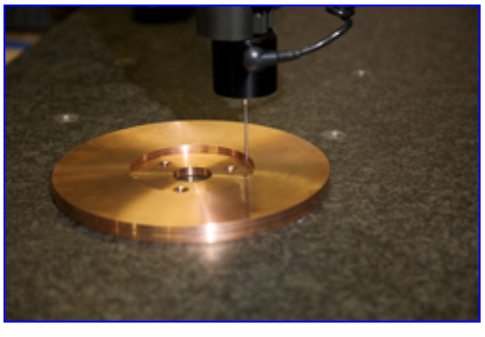
FA 230 BeNi Solves Tough Glass Forming Applications



When a major electronics manufacturer had a difficult application using glass encapsulation of electronic components, IBC Freedom Alloys Division's 230 Beryllium Nickel (FA230 BeNi) alloy was the solution. When a manufacturer of glass light bulbs and glass lenses had poor mold tooling life and glass sticking problems with some tough components, FA230 BeNi alloy solved the problem.

FA230 BeNi is a proprietary alloy that was developed for extreme mold tooling applications. One of toughest molding and forming applications is glass. Materials used in this application have to face a very harsh environment. This environment demands that materials used in the application have high strength, high hardness, high temperature stability, good thermal characteristics and high temperature corrosion resistance to avoid glass sticking.

FA230 BeNi has excellent strength, hardness of HRc 50+ and can maintain mechanical properties and corrosion resistance when operating at up to 950º F. Additionally, the thermal conductivity increases significantly at high temperatures allowing more uniform cooling and the elimination of thermal fatigue and surface checking. Most importantly this material is inherently non-stick when touching glass.

Inconel has been a common high performance material used in many of these applications. However, with Inconel, the mold components are machined from forged blocks requiring significant material removal and machining time, and the material is still prone to thermal fatigue, and surface corrosion leading to glass sticking.

FA230 BeNi can be investment cast to standard sizes or near net shapes allowing better material economy, while significantly reducing machining hours, thus reducing costs. And, unlike any other currently used material, glass will not stick to FA230 BeNi.

Combined, these properties can dramatically reduce the rejection rates of difficult to form glass components while significantly outlasting other mold materials. The result: increased production, longer tooling life, reduced tooling costs, increased profits. IBC Freedom Alloys Division has been working with a number of clients to explore how FA230 BeNi can be used to improve their manufacturing and looks forward to answering any questions you may have.

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Boeing Hosts AIA Meeting at Seattle Headquarters

IBC Advanced Alloys Corp.'s Freedom Alloys Division has recently been accepted as an associate member of the Aerospace Industries Association (AIA). The AIA was founded in 1919 by the leading aerospace pioneers of the time (Orville Wright being one of them) to promote and advance aviation. Today, the AIA is the premier trade association representing all major aerospace and defense manufacturers in the United States. The AIA has approximately 300 members representing the breadth and depth of America's leading aerospace prime contractors and their critical suppliers.

IBC's first official function as an AIA member was to participate in the AIA Northwest Regional Meeting in Seattle hosted by The Boeing Company. IBC met with a wide range of senior engineering, design and procurement specialists from a variety of leading aerospace contractors to discuss material performance issues in the aerospace and defense sectors.

The AIA gave a tour of Boeing's 737 aircraft manufacturing facilities in Renton, Washington (where 31 new 737's are built and rolled out for delivery each month), and it was mentioned that 36 miles of special copper wire is used for each of the 737's electronic systems. IBC is proud to be the production stem for this high performance - high reliability copper alloy wire. IBC annually produces over one million pounds of semi-continuous precision cast copper alloy input billets, which facilitates the wire production supply chain that ultimately is utilized onboard each of Boeing's workhorse 737 aircraft.

IBC is focused on expanding business opportunities for its advanced beryllium materials and high performance beryllium copper alloys in the growing aerospace sector as beryllium's high strength, light weight, stiffness and thermal conductivity are increasingly important. In many aerospace applications there are no economic or performance proven substitutes for beryllium containing materials and IBC is committed to working with end users as a solutions-based materials provider to grow its market.

"We are very pleased to have been accepted as an associate member of the AIA," said Anthony Dutton, President and CEO of IBC. "We are focused on growing our aerospace business and in spite of a difficult economy have made significant strides in developing new alloys and acquiring some important accounts in 2009.

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