

Brush Wellman Inc. Signs Technology Investment Agreement with U.S. Department of Defense for Construction and Start Up of Primary Beryllium Facility

CLEVELAND, Jun 20, 2008 (BUSINESS WIRE) -- Brush Wellman Inc. announced today that it has signed a Phase II Technology Investment Agreement (TIA) with the U.S. Department of Defense (DOD) for the construction and start up of the \$90.4 million primary beryllium facility at the Company's Elmore, Ohio production facility. The Phase I TIA previously provided for \$14 million in engineering and design for the facility.

The primary beryllium facility is being funded by an innovative public-private partnership between Brush Wellman and the U.S. government through the DOD's Defense Production Act, Title III Program. Under the Program, Brush Wellman contributes technology, land, buildings and an ongoing operation for the facility, while the government funds engineering, design and equipment. The new facility will produce primary beryllium, the feedstock material used to produce beryllium metal products.

In total, Brush Wellman's contribution, including the research and development, technology, land, buildings and ongoing operations, is valued at \$23.2 million. The building will be financed through taxable revenue bonds issued by the Cleveland-Cuyahoga Port Authority and a research and development loan from the Ohio Department of Development. These total approximately \$10.5 million. Additionally, Ottawa County, Ohio provided tax abatement on new real property improvements and a contribution toward workforce development.

Ground breaking is expected this summer. Construction is expected to be completed in April 2010. Approximately 25 additional jobs are expected to be created to operate and maintain the facility. A significant number of construction and support positions related to the project will be created outside of Brush Wellman.

The awarding of the contract represents a key step toward maintaining a sustainable domestic supply of primary beryllium, a material critical to the nation's strategic interests.

The Defense Production Act is the primary legislation for ensuring domestic availability of industrial resources and critical technology items essential for national defense. The Title III Program provides a vehicle to create, maintain, modernize or expand domestic production capability for technology items, components and resources essential for national defense and for which there is insufficient production capacity to meet those needs. Title III stimulates investments in key production resources to increase the supply, improve the quality and reduce the cost of advanced technology and reduces U.S. dependency on foreign sources of supply for critical materials.

BACKGROUND:

Since 2000, most of Brush Wellman's metallic beryllium requirements have been supplied from cast beryllium ingot acquired under long-term contract from the National Defense Stockpile and small quantities of beryllium feedstock material purchased internationally.

Beryllium is a strategic material and has no viable substitute in a number of DOD and Department of Energy applications ranging from weapons systems and missile defense to surveillance satellites and jet fighter optical targeting devices. The material offers the best technical solution in a number of other critical applications from high resolution X-ray imaging for mammography to particle physics research, electronic countermeasures and avionics for combat helicopters and fighter aircraft, and commercial telecommunications.

Brush Wellman Inc. is a wholly-owned subsidiary of Brush Engineered Materials Inc. (NYSE-BW). Through its subsidiaries, Brush Engineered Materials supplies worldwide markets with beryllium products, alloy products, electronic products, precious metal products, and engineered material systems. Around the world, the Company's engineered materials can be found in technically demanding end-use products with the telecommunications and computer, data storage, aerospace and defense, industrial components, medical and appliance markets.

SOURCE: Brush Wellman Inc.

Investors: Michael C. Hasychak, 216-383-6823
Media: Patrick S. Carpenter, 216-383-6835

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