

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 15, 2007

Brush Engineered Materials Inc.

(Exact name of registrant as specified in its charter)

| | | |
|--|---|---|
| <u>Ohio</u> (State or other jurisdiction of incorporation) | <u>001-15885</u> (Commission File Number) | <u>34-1919973</u> (IRS Employer Identification No.) |
| <u>17876 St. Clair Avenue, Cleveland, Ohio</u> (Address of principal executive offices) | | <u>44110</u> (Zip Code) |
| Registrant's telephone number, including area code | | 216-486-4200 |

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 7.01 Regulation FD Disclosure

On November 15, 2007, Brush Engineered Materials Inc., an Ohio corporation (the “Company”), updated its website with materials that will be presented by Richard J. Hipple, Chairman of the Board, President and Chief Operating Officer and John Grampa, Vice President Finance and Chief Financial Officer, to investors in February. A copy of the presentation is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

Exhibits:

| <u>Exhibit Number</u> | <u>Description of Exhibit</u> |
|-----------------------|-------------------------------------|
| 99.1 | February 2007 Investor Presentation |

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 hereunto duly authorized.

Brush Engineered Materials Inc.

February 15, 2007

By: Michael C. Hasychak
Michael C. Hasychak
Vice President, Treasurer and Secretary



... creating innovative engineered material solutions and services to make our customers competitive on a global basis

... while enhancing earnings growth and stability by broadening technology, market, and geographic reach

Investor Presentation

February, 2007

Forward-Looking Statements

These slides contain (and the accompanying oral discussion will contain) “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by these statements, including health issues, litigation and regulation relating to our business, our ability to achieve profitability, significant cyclical fluctuations in our customers’ businesses, competitive substitutes for our products, risks associated with our international operations, including foreign currency rate fluctuations, energy costs and the availability and prices of raw materials and other factors disclosed in periodic reports filed with the Securities and Exchange Commission. Consequently these forward looking statements should be regarded as the Company’s current plans, estimates and beliefs.

The Company does not undertake and specifically declines any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Brush Engineered Materials Inc. Profile

We work with our customers to design materials for them

- A leading manufacturer of high performance specialty engineered materials and services ... *an enabling materials technology company*
- Operations, service centers and major office locations in North America, Europe and Asia
- Serving long-term growth oriented global markets from consumer electronics to heavy mining equipment



Brush Engineered Materials

A common culture across our operating companies

- Working with customers worldwide to solve material application challenges ... *with a focus on enabling technology and services*
- "Own" a Niche orientation ... non-commodity
- Focus on global growth and service
- Realigning product and service portfolios towards favorable trends ... targeted to achieve strong profitable growth

Overview

- **Company:** **Brush Engineered Materials Inc.**
founded 1931, publicly traded since 1956
- **NYSE Ticker:** **BW**
- **Shares Outstanding:** **Approximately 20.0 million at 12/31/06**
- **Market Cap:** **Approximately \$670 million at 12/31/06**
- **Component of:** **S&P Super Composite 1500**
Russell 2000
S&P Small Cap 600
- **Annual Revenue:** **\$763 million @ 12/31/06...\$950 million to \$1.0 billion expected in 2007**
- **Diluted EPS:** **\$2.45 for 2006 which includes a favorable tax valuation allowance benefit of \$1.07, or \$1.38 excluding the allowance**
- **Debt to Total Capitalization:** **15% at 12/31/06**

2006 Recap

- Sixteen consecutive quarters of sales growth
- Sales up 41% to \$763 million
- A new sales high, even after adjusting for metal price inflation
- Sales growth, adjusting for metal price increased 28%
- Pretax profit triples ... from \$13.1 million to \$39.7 million
- Earnings per share of \$2.45 compares to prior year's \$.92

Stronger conditions in most of our markets driving solid sales growth

- Strong sales growth driven by
 - Broad based demand increase and new products
 - Added sales from acquisitions
 - Higher metal prices
- Consumer electronics a primary factor
 - Cell phones
 - Hard disk drives
 - Disk drive arms
- Industrial products growth another important factor
 - Oil and gas
 - Heavy equipment
 - Aerospace

Advancing the World's Technologies

- Strong customer collaboration ... providing enabling technology solutions and service
- Materials that meet design challenges requiring
 - Strength
 - Reliability
 - Electrical conductivity
 - Miniaturization
 - Weight reduction
 - Corrosion resistance
 - Reflectivity
 - Thermal conductivity
- Targeting growth applications in growing markets

Typical End Uses



Notebook and
network computers

Cellular phones, I-Pods and other
wireless communication devices



Defense



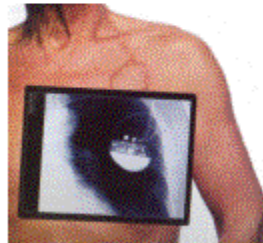
Electronic components
in cars and trucks



Commercial
Aerospace

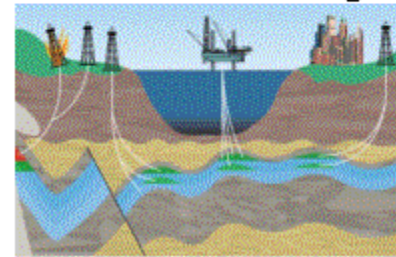


Medical
Devices



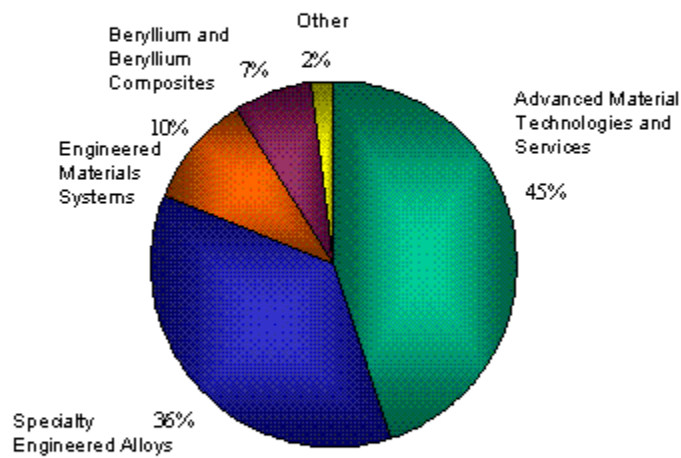
Magnetic Data Storage
for hard disk drives

Industrial products For
Oil & Gas and Mining

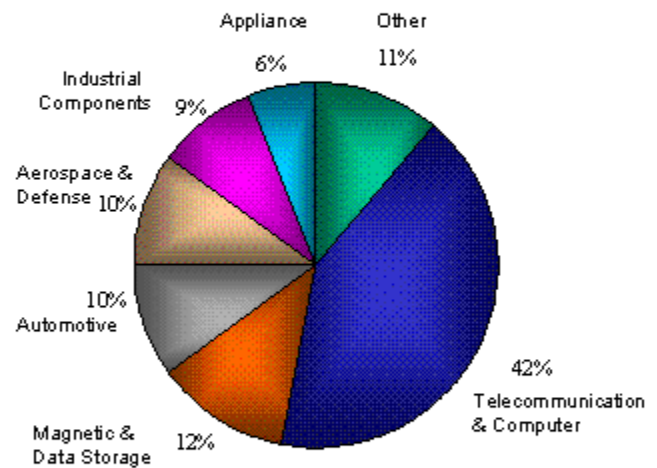


Global Leader in High Performance Engineered Materials

2006 Revenue by Segment



2006 Revenue by Market

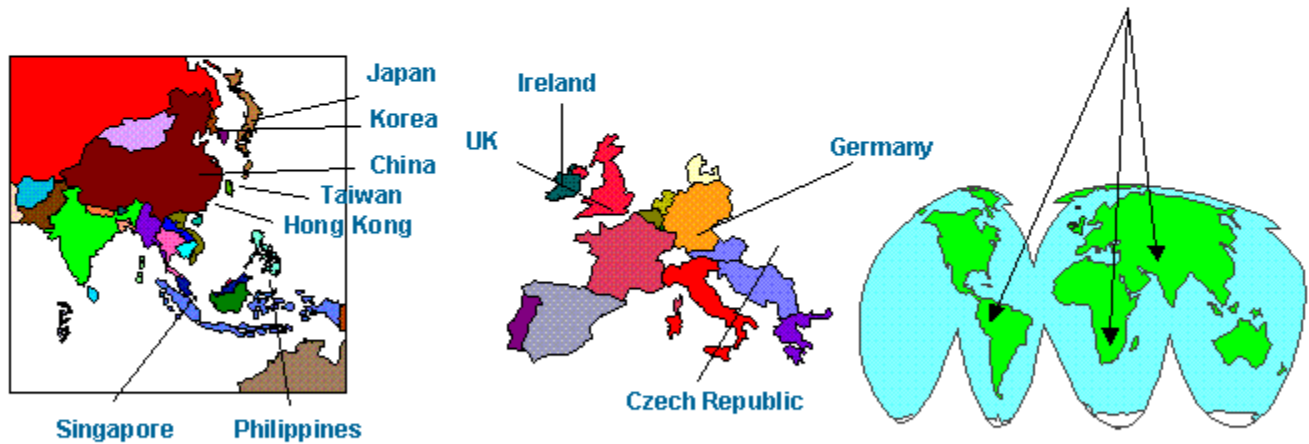


Note: Total 2006 revenues were \$763.1 million

Global Sales and Distribution Network

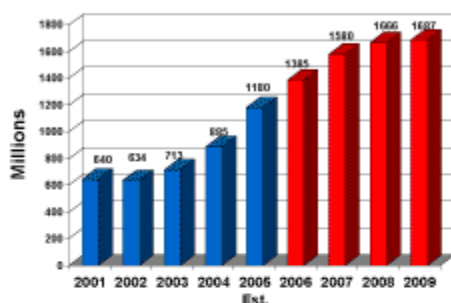
- Operations in the U.S. and eleven foreign countries
- 2006 International sales were 35% and growing
- Act globally ... service locally!

◀ ----- Asia / Pacific ----- ▶ ◀ ----- Europe ----- ▶ ◀ - Exports from USA - ▶



BEM – Targeting Growth Applications in Growing Markets

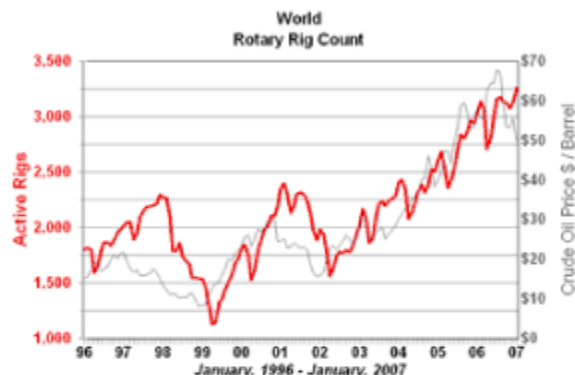
Disk Drive Head Demand



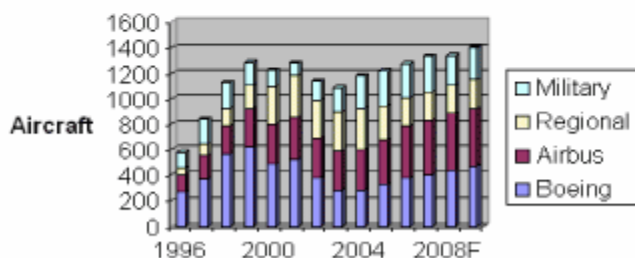
Mobile Telecommunications



Oil & Gas

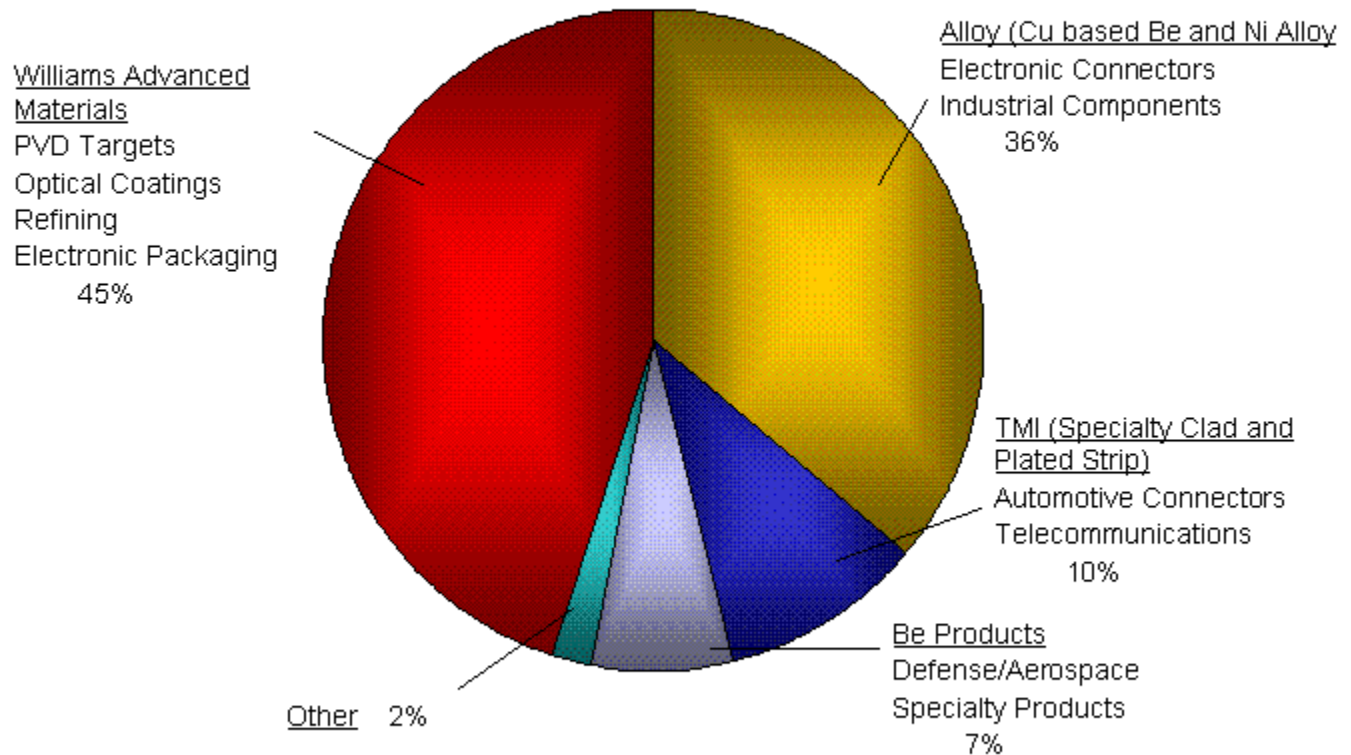


Commercial and Military New Jet Aircraft Forecast



Brush Engineered Materials – Major Business Units

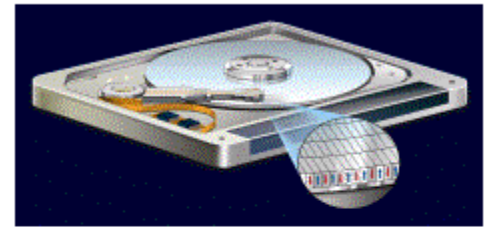
2006 Revenue



Williams Advanced Materials also has broad capabilities in precious and non-precious materials

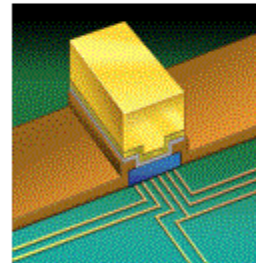
- **Comprehensive product line**

- High purity / proprietary PVD targets
- Micro-electronic packaging materials
- Specialty inorganic chemicals



- **Strong end use markets**

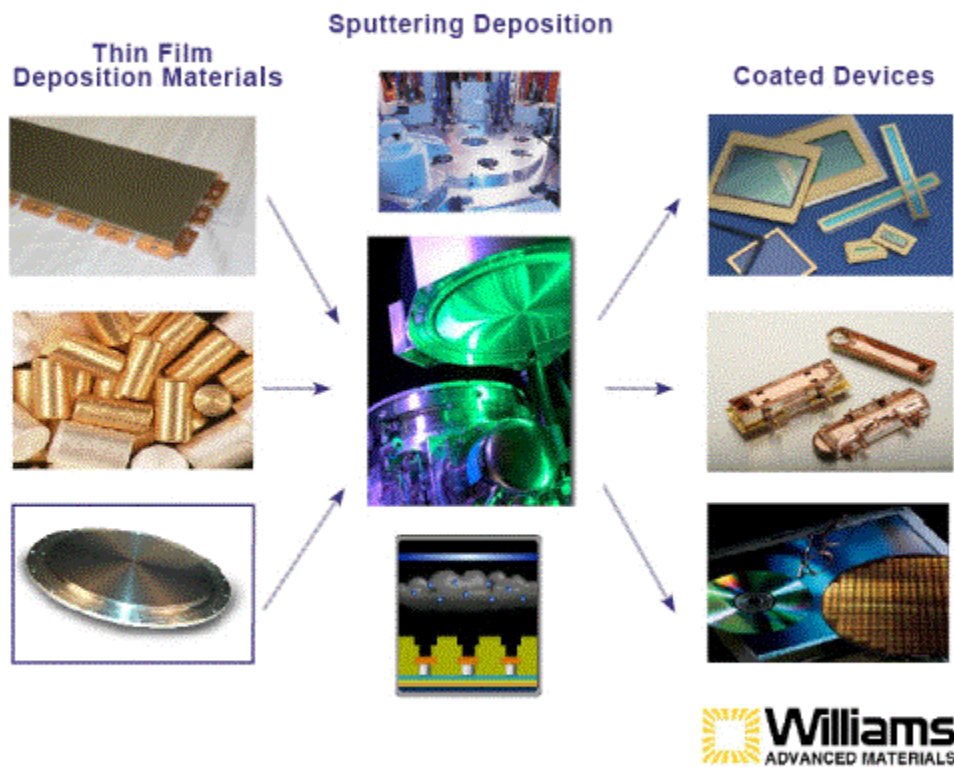
- Data storage
- Wireless/handsets
- semiconductor
- Optical media
- Optics



- **Industry leading service and support**

- Global sales and applications support
- "Best-in-class" response times
- Growing business in chamber services
- Low-cost operations in Singapore, Taiwan and the Philippines
- New offices in Korea, Japan, Shanghai, Czech Republic

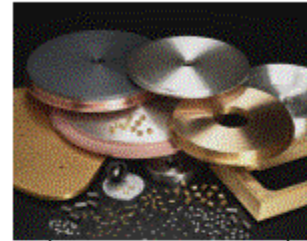
Physical Vapor Deposition (PVD) Process



Williams Advanced Materials - Physical Vapor Deposition(PVD) Products



Cellular Phone (wireless)



Sputtering Targets

➤ **Markets**

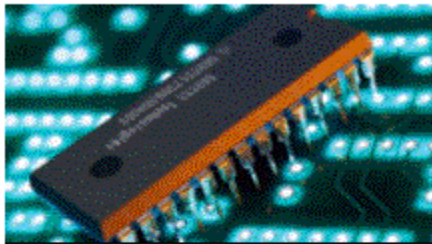
Wireless ICs, semiconductor, optical media, photonics, hard disk drives (disc & thin film heads) and performance films

➤ **Typical End-uses**

RF power amplifiers, LEDs, laser diodes, fiber optic components, integrated circuits, DVDs, hard disks, medical devices, MP3 players, mobile electronics, optical devices

- **Precious Metal Sputtering Targets and Evaporation Materials**
- **Precious Metal Refining and Chamber Services**
- **Non-precious Metal Sputtering Targets and Evaporation Materials**
- **Inorganic chemical targets**

Williams Advanced Materials - Packaging Material Products



Hybrid Microelectronic Device



Solder preforms and clad materials

- **Markets**

- Wireless, Photonics and Hybrid/
Traditional Microelectronic Devices

- **Typical End-uses**

- Cell phones, LEDs, fiber-optic
networks, PC's, military
electronics, avionics, medical
electronics, mobile appliances

- **Combo-Lids® - Frame/lid assembly**

- Hermetic sealing

- **Clad Materials**

- Thermal management

- **Bonding Wire**

- Electronic interconnect

- **Solder Preforms**

- Component attachment

- **Refining**

- Scrap recovery

World's only Fully Integrated Beryllium Producer

**Bertrandite Ore
Mining & Extraction**



Delta, UT

**Casting, Rolling
& Finishing**



Elmore, OH

**Thin Gauge Rolling
& Finishing**



Reading, PA

**Service &
Distribution Centers**



Global Network

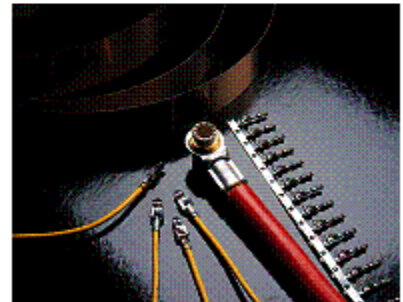
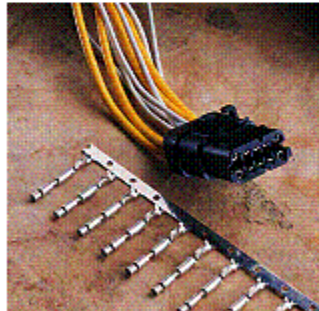
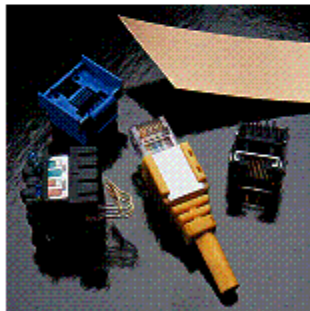
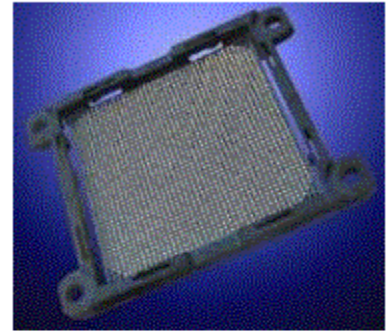
Also, new High Be Pebbles Plant underway with DOD Title III funding

Strip Alloy Applications

(strength, conductivity, spring characteristics ... typically 1 % to 2 % Beryllium)

Reliability and Miniaturization

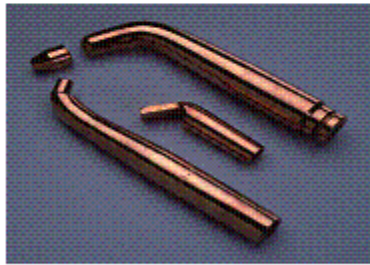
- Current Carrying Springs and Relays
- Integrated Circuitry Sockets
- Electrical and Electronic Connectors
- Air Bag Sensors
- Pressure Responsive Devices
- Fire Extinguisher Sprinkler Heads



Bulk Alloy Applications

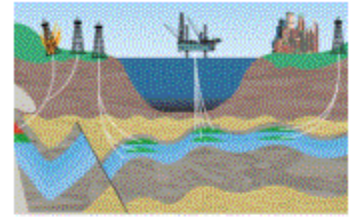
(strength, corrosion resistance, non-galling, conductivity ... typically 1% to 2% Beryllium)

- Aircraft Bushings
- Heavy Equipment Bearing and Wear Applications
- Oilfield well drilling, completion and production equipment
- Plastic Injection & Blow Molds
- Power Generation
- Undersea/Marine Housings for Telecom & Instrumentation
- Welding Electrodes & Dies



Toughmet – a new unique solution for the most challenging wear and load conditions

- **Oil & Gas...deeper drilling...tougher conditions**
 - Rotary steering drills
 - Sour well drilling and completion tools
 - Sub-sea control valves
 - Blow-out preventions
- **Heavy equipment ... larger equipment ... critical uptime**
 - Heavily loaded bushings in mining and construction
 - On highway drive trains
 - Heavy pumps
 - On highway opportunities
- **Aero ... larger planes ... tougher conditions**
 - Landing gear, wheels, and brakes
 - Airframe attachments
 - Fluid power systems
 - Boeing 777, 787; Airbus 380, 350
 - Military

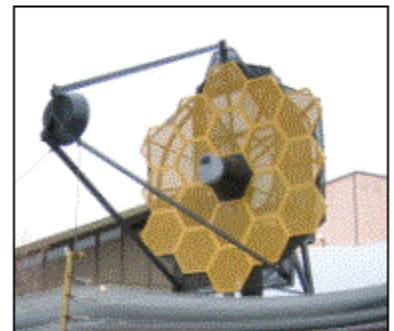
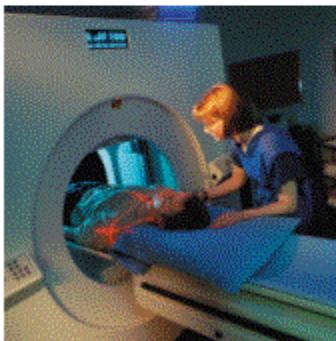


Replacing bronze, stainless, and nickel alloys

Beryllium Products – Applications

(lightweight, strength, dimensional, stability...typically 40% to 100% Beryllium)

- Optical mirrors for NASA space-based telescopes
- Infrared sensors for fighter jet optical targeting, radar and navigation/guidance systems and special ops (FLIR)
- Structural and electronic components for satellites
- X-ray windows in medical, security and commercial imaging systems
- Diaphragms for commercial and concert quality speaker systems



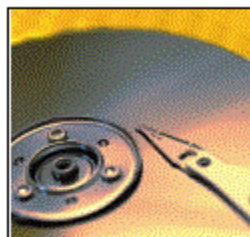
Technical Materials Inc. – solving customers' problems with engineered strip metals

Mill Products

- Specialty cladding and inlay
- Electron beam welding of dissimilar materials
- Profiling shapes by milling and/or grinding
- Close tolerance rolling

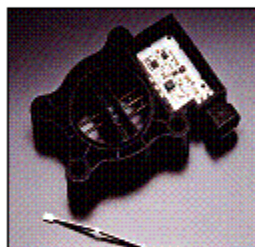
Electroplating

- Precious and non-precious metals
- Overall and selective stripe capabilities
- Combination with current TMI technologies



Disk Drive
Arms

Automotive
Control
Components



Specialty
Electronic
Connectors

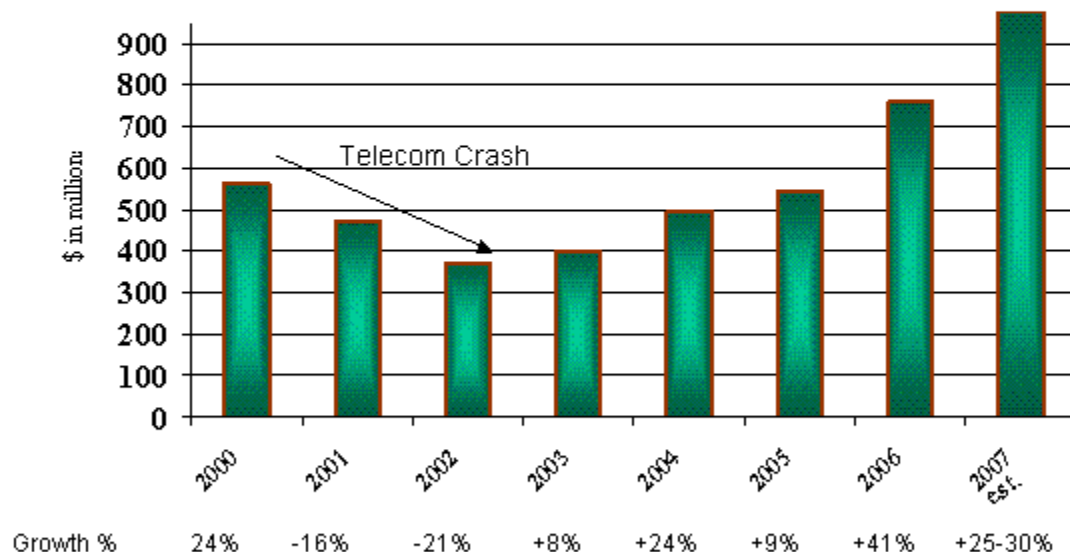
Automotive, Telecom/Computer, Medical, Energy

New Products – Growing Applications in Growing Markets (all >10% annual growth expected) ... examples

| Product | Market | Driver | Division |
|---------------------------------|-----------------------------------|---------------------------|----------|
| PVD Magnetic Media | Hard Disk Drive | Increase storage capacity | WAM |
| PVD - UMB | Consumer Electronics | Miniaturization | WAM |
| PVD – Evap Pro | Compound Semiconductor | Miniaturization | WAM |
| Chamber Service | PVD Customers | Service demands | WAM |
| PVD - Visilid | Optics | IR Wavelength | WAM |
| Alloy 290B Strip | Portable Elec – i.e., Cell phones | Miniaturization | Alloy |
| Alloy 390 Strip | Portable Elec | Miniaturization and Power | Alloy |
| ToughMet | O&G, Aerospace, Heavy Equipment | Reliability | Alloy |
| Clad Stainless – Aluminum Strip | Hard Disk Drive | Increase storage capacity | TMI |

Annual Revenue: Historical

In 2001, the telecommunications and computer market declined; In 2003, our revenue growth began to return to historical rates



Our on-going value creation initiatives are focused in three key areas

Growth

- Expanding and diversifying the revenue base
 - Targeting niche growth applications in growing markets
 - New product innovation and service
- Ongoing global expansion
- Strategic acquisitions

Margin Improvement

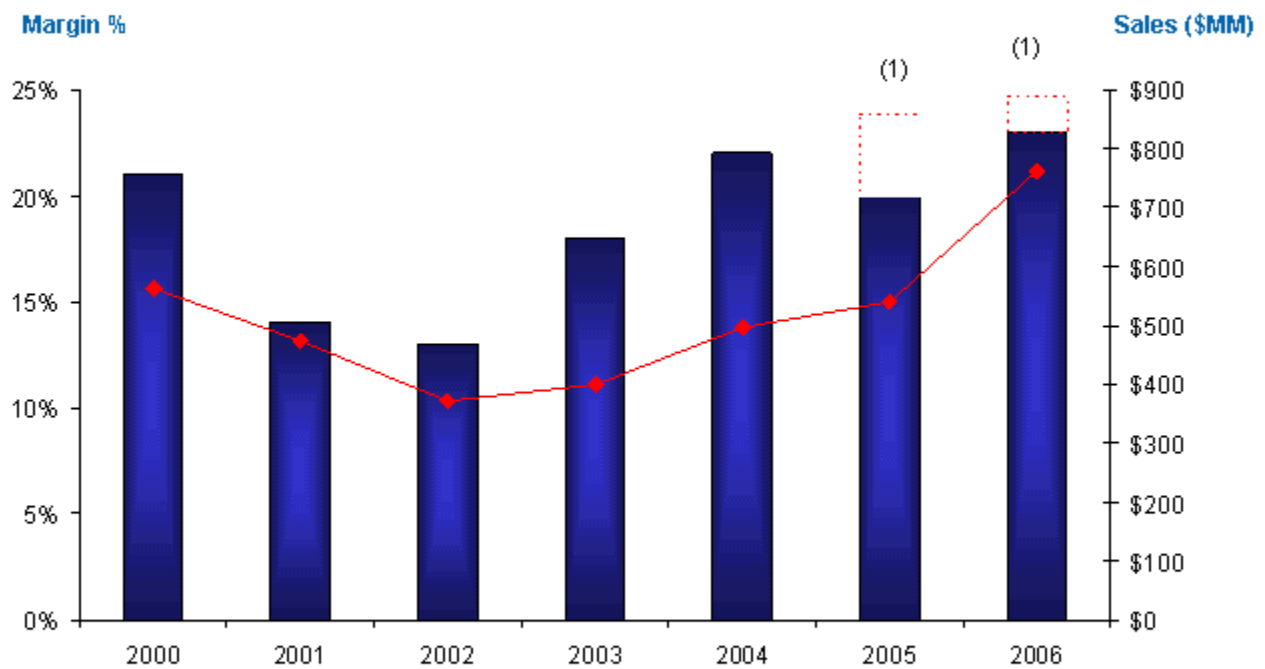
- Lean sigma-driven operating efficiency improvement
- New higher value add products
- Cost reductions

Fixed and Working Capital Utilization

- Inventory turn improvement
- Lean sigma-driven factory utilization gains

Margins have improved through cost reduction and productivity improvement initiatives

Historical Gross Margin Trends



(1) Represents approximate G.P.% at 2004 metal prices

Outlook for 2007

Assuming no change in recent market trends or metal prices, sales for 2007 are currently expected to be in the range of \$950 million to \$1.0 billion ... up 25% to 30%

Order book remains strong across key sectors

- Consumer electronics ... steady growth
- Telecom infrastructure seems to be solid ... driven by Asia build outs ... modest growth
- Magnetic media is healthy and growing ... strong growth, new applications
- Industrial components ... strong growth
- Defense appears to be healthy ... steady growth

Other positive factors playing an important role

- New products adding to our base
- Acquisitions adding to growth and profitability
- Gross margins are improving

Concerns or issues... macro economic and new product ramp-up related

- Inventory corrections ... seasonal factors
- New product launches ... timing, yields, etc.

Outlook for 2007 (continued)

Assuming no change to the recent projected sales range for the year, earnings in 2007 are expected to be in the range of \$3.00 to \$3.75 per share. This includes an additional \$1.00 per share from an increase in the value of inventory that was in the production system to support the initial ramp-up of new ruthenium media related products

Q-1 2007 Outlook

- First quarter 2007 sales are expected to be in the range of \$250.0 to \$265.0 million
- First quarter 2007 earnings are expected to be in the range of \$1.35 to \$1.50 per share. Included in these amounts is approximately \$.75 per share from the sale of inventory that was in the production system to support the initial ramp-up of the new media related ruthenium products

In Summary, we are ...

- Encouraged by conditions in our key markets and our initiatives to grow sales
- Confident about progress we're making with our margin improvement initiatives
- See a strong 2007

Strategic Highlights

- **Strong, diverse set of markets served**
- **Global market reach**
- **New products and services ... a culture of innovation**
- **Niche oriented product offerings**
- **Acquisitions adding to growth and earnings**
- **Focus on operational excellence paying dividends**
- **Strong cash flow**
- **Strong balance sheet provides liquidity to support growth**

Brush Engineered Materials – Material Solutions for the World's Leading Companies

