The future is already in view.
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>01</td>
</tr>
<tr>
<td>Annual Highlights</td>
<td>02</td>
</tr>
<tr>
<td>MTI’s Vision</td>
<td>06</td>
</tr>
<tr>
<td>Benefits of Membership</td>
<td>06</td>
</tr>
<tr>
<td>MTI’s Mission</td>
<td>06</td>
</tr>
<tr>
<td>Report of the Chair – Board of Directors</td>
<td>07</td>
</tr>
<tr>
<td>Report of the AmeriTAC Chair</td>
<td>08</td>
</tr>
<tr>
<td>Report of the AsiaTAC Chair</td>
<td>09</td>
</tr>
<tr>
<td>Member Companies &amp; Designated Representatives</td>
<td>10</td>
</tr>
<tr>
<td>Report of the EuroTAC Chair</td>
<td>12</td>
</tr>
<tr>
<td>Executive Director’s Letter</td>
<td>13</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>14</td>
</tr>
<tr>
<td>Directors</td>
<td>15</td>
</tr>
<tr>
<td>St. Louis Staff</td>
<td>15</td>
</tr>
<tr>
<td>Technical Advisory Council</td>
<td>16</td>
</tr>
<tr>
<td>Financial Statements</td>
<td>18</td>
</tr>
<tr>
<td>Membership Dues Information</td>
<td>21</td>
</tr>
</tbody>
</table>
Even in the current economic climate, we cannot afford to stop preparing our members for the future.

Fortunately, MTI itself is well-prepared to do that. We are financially sound, our membership is both stable and global. Our Strategic Plan provides us a guide to the road ahead. And new staff and new participants are bringing fresh ideas to bolster our efforts.

We will continue to leverage our strong organization, to use new technologies to make collaboration easier, and fund research to expand our knowledge base.

To accomplish all this has taken many years. And thanks to the efforts of many people, it’s all here, ready and waiting, to help make you ready for the future that is now upon us.
MTI Scholarship
The winner of the 2010 Bert Krisher Memorial Scholarship is Samantha Lawrence of the Colorado School of Mines. Having studied corrosion through science projects and summer jobs since fifth grade, Samantha has clear goals of a career in metallurgical engineering after completing her PhD. Samantha was able to attend AmeriTAC 102, and facilitated a tour of the Colorado School of Mines for MTI members. She also attended NACE CORROSION 2010, where she was awarded the $10,000 scholarship in person by Ed Naylor/AkzoNobel and Gene Liening/Dow as MTI representatives.

Stainless Steel World – 2010
MTI conducted a seminar at the Stainless Steel World Conference in The Woodlands, Texas in October on practical strategies and developments to help end users control the cost of new equipment by addressing issues related to design and fabrication, engineering, alternative material use, and much more. The conference was chaired and conducted entirely by representatives of MTI Member companies. The seminar consisted of three separate sessions dealing with Global Sourcing, Approved Supplier Lists, and Materials and Fabrication. The Stainless Steel World Conference included people from all over the world and was attended by more than 200 people from more than 20 countries.

Fontana Conference
MTI was a proud sponsor of the 2010 Spring International Society of Electrochemistry Mars Fontana Memorial Conference held at The Ohio State University in Columbus, Ohio. The meeting was focused on corrosion and celebrated the 100th anniversary of the birth of Mars Fontana, the first Executive Director of MTI and considered by many to be the father of corrosion engineering. All of Fontana’s children and their spouses were there, in addition to 154 attendees from 28 countries. Randy John/Shell also assisted in organizing a session on High Temperature Corrosion on MTI’s behalf. MTI’s support was very much appreciated and went a long way to making the event so successful.

(Left) Samantha Lawrence, winner of the 2010 Bert Krisher Memorial Scholarship, with MTI representatives, Ed Naylor/AkzoNobel and Gene Liening/Dow. (Above) Samantha Lawrence leads a MTI tour of the Colorado School of Mines at AmeriTAC 102.
**Metals PDC Brainstorming**

The Metals Project Development Committee (PDC) held an evening Brainstorming Session at AmeriTAC 101 in February, 2010. Cheryl Botti/ATI led the 30 participants in the two hour session using survey results to facilitate idea generation. Approximately 12 project ideas were initiated and discussed. All project teams have since met, and after discussing the developments at AmeriTAC 102, approximately five solid potential projects have emerged that are currently under development. This successful session increased participation and project generation that will bring direct value to MTI member companies.

**Advanced Metal Dusting Resistant Alloy**

Work continued on evaluation of a metal dusting resistant alloy identified in a DOE funded project conducted at Argonne. Three 50lbs heats of the alloy were prepared by Special Metals Corp. The alloy was successfully hot and cold rolled into strip for evaluation. Coupons of the “scaled up” alloy were tested under commercial process conditions at three sites. The “scaled up” alloy was also evaluated in a small scale welding test, Varestraint, to assess its weldability. The results of these tests were summarized in a paper given at Stainless Steel World in October 2010.

**Data Retrieval Services**

A searchable system was developed for members to search MTI documents in a user friendly way. The system developed by Granta is available to MTI members online through the MTI web site. The project team selected 16 additional documents for inclusion in the Granta system and those are expected to be available to MTI members in the first half of 2011.

**EuroTAC**

The seventh annual EuroTAC meeting was held in Frankfurt, Germany on March 29 and 30, 2010. The meeting was held at the DECHEMA offices. The full 2 day schedule included about 44 attendees who participated in these discussions:

- Neural Networks for Corrosion Prediction
- Terahertz Imaging for Detection of Flaws
- Inspection and Lifetime Prediction of Reformer Tubes
- Metallic Coatings for Corrosion Control.
- Discussion of EuroTAC Structure for the Future
- Training of the members in the use of ASSET software for the prediction of high temperature corrosion of austenitic stainless steels.
- A tour of the World Famous DECHEMA Facilities.

EuroTAC approved its first MTI project on metal dusting. The MTI BOD approved the project and the two year project on Metal Dusting is now underway at DECHEMA in Frankfurt, Germany. This project continues MTI’s long interest in metal dusting.

**Terahertz Imaging**

The first phase of the Terahertz Imaging project to detect defects in FRP structures, corrosion under insulation and corrosion behind refractory was completed. The results were mixed indicating the technology needed further development and refinement. Limited additional testing is underway in Germany to determine whether a phase II project is justified.
ANNUAL HIGHLIGHTS

Statistical Analysis of NDE Data
Becht Engineering completed development of a spreadsheet/statistical tool for analyzing thickness readings taken on process equipment such as piping, reactors, etc. This tool will enable operators to assess the current state of the equipment and permit the development of optimum future inspection schedules. MTI members received training on the use of the tool at the October 2010 MTI meeting, and the training videos are available on the MTI website.

Guidelines for Demolition of Obsolete Equipment
MTI contracted with Prof. Mark Shaurette of Purdue University to develop guidelines for the demolition of obsolete equipment in chemical plants and refineries. These guidelines will complement MTI’s existing guidelines for mothballing equipment. PIP is partnering with MTI in the project.

Positive Identification of Black Elastomeric O-Rings
The non-destructive identification of elastomers and plastics that are about to be put into service is almost impossible to do. MTI believes that we have identified a technique and tool that will allow for the identification of both plastics and elastomers. The most difficult elastomers to identify are those that are carbon filled. To test the proposed technique, MTI is currently building a certified library of carbon filled o-rings that can be used to verify the technique. In case the proposed tool does not work, this certified database of o-rings will be available for other MTI members to use for the testing of alternative technologies.

Glass Lined Equipment Training Program
MTI conducted a bilingual training program in Shanghai in April 2010 that passed on public domain knowledge regarding quality in glass lined equipment. The program was attended by 53 engineers in addition to two people from the MTI Staff. The course evaluation showed the audience was enthusiastic about the program, and a second course will be considered by the MTI members who operate in China.

AsiaTAC 2010
The fourth annual AsiaTAC was held in Shanghai, China on 15 – 17 September 2010. The first day was devoted to a training course on Corrosion and Prevention with special emphasis on the process industries. The course materials were in Chinese and English. The training included Corrosion Concepts, Corrosion Types, Materials Properties, Corrosion Resistance, and Case studies from the process industries. The Trainers were Zhao Zhinong and Wei Wei, both from Bayer. Bayer also graciously provided the training materials modified from an internal Bayer training program.

The second and third days included panel discussions concerning topics of interest to MTI Asian members. These panel discussions included the following subjects:

- Non Destructive Testing – Understanding the common NDT techniques including PT, MT, RT, and UT and their applications.
- Welding and Equipment Fabrication – Understanding welding procedure specification (WPS/PQR).
- Physical Failure Analysis and Metallography – Using microscopy as a tool to understand the root cause of the equipment failures and possible solutions.
- Corrosion and Prevention – Reporting successful case histories based on inspection and corrosion analysis and the lessons learned.
- Piping and Fittings – Applying inspection, flexibility, and stress analysis to metal and nonmetal piping systems.


Project Teams worked on four AsiaTAC projects:

- Fastener Qualification in Asia.
- Glass Lined Equipment Qualification in Asia.
- Planning for 2nd FRP Training

AsiaTAC 2011 is being planned for September, 2011 in Shanghai.
Corrosion in Organic Solvents
Dr. Sheldon Dean, MTI Fellow, finished the latest book in the MTI Materials Selector series – MS-8 Corrosion in Organic Solvents. This book will soon be published and available for our members. The book covers 16 families of solvents and 60 particular solvents. The list of solvents was selected to allow members to use the data presented to predict attack by analogous solvents. Metals, plastics and elastomers are covered.

ASSET Final Version
The final version of ASSET (Alloy Selection System for Elevated Temperatures), software version 12.0, has been delivered to MTI members. ASSET was produced by a team including MTI member companies, Shell, the US Department of Energy, universities, software developer and alloy suppliers. ASSET enables members to predict equipment corrosion in high temperature, gaseous environments found in chemicals processes and supporting facilities. ASSET uses a collection of over 10,000 measurements representing over 15.4 million hours for over 100 commercial alloys in conditions representing process operating environments to predict corrosion and an extensive thermochemical capability to predict corrosion behavior. MTI members have had access to versions of ASSET since 2000.

Completed Project – Specification of Elastomeric (Rubber) Materials
MTI members have found that various suppliers of elastomeric components report the same property information despite significant differences in performance. This occurs because the current standards are not sufficiently specific to meet the needs of operating plants in many applications. The MTI project team, with the assistance of an experienced contractor, developed a way to specify elastomers that will improve their consistency and reliability. It can be done using industry standards and specifications for the manufacture of elastomeric components. The final report is being printed and will be available to the public in 2011.

Completed Project – FRP and Lined Equipment Repair Manuals
MTI has completed two manuals that guide owners and end-users in the assessment, repair, and alteration of FRP, dual laminate equipment, and lined equipment. It provides a basis for owners to determine whether a proposed repair procedure is realistic. These manuals should be published in 2011. The photo above shows the repair and replacement of an FRP head.

Hydride Formation in Titanium and Alpha Titanium Alloys
This project is complete and is providing a better understanding of the conditions under which hydriding can occur as well as the conditions under which it can be controlled and monitored. MTI will evaluate the results of this study and determine if a follow-up project can and should be created.

Supply Chain for Elastomer Sealing Products

- Manufacture
- Distribute
- Purchase, Install and Use

Arrow towards the right indicates flow of elastomer sealing products
Arrows towards the left indicate inquiries about elastomer seal technology
MTI’s Vision: By 2015, MTI will operate a robust global network recognized as the preferred source for materials technology solutions that enhance processing safety, reliability, profitability, and sustainability.

Benefits of Membership

MTI membership provides a variety of benefits that include:

• Access to a network of materials engineering specialists with many years of experience in all facets of process industry materials engineering. The leverage provided by this network multiplies the capability of the members’ engineering staff for a fraction of the cost of a single engineer.

• Members actively participate in the selection and definition of MTI projects. This participation provides members an opportunity to ensure that the project meets their needs. This leveraged project system provides the member with access to projects in a variety of materials related fields and gives members a development capability they would not otherwise have.

• Members have immediate access to information being developed by MTI projects that is not available to non-members.

• Participation in the Technical Advisory Council meetings held each year is an excellent source of practical training for engineers new to the process industry as well as for veterans who learn from each other during both project and forum discussions.

MTI’s Mission

MTI maximizes member asset performance by providing global leadership in materials technology to improve safety, reliability, and profitability.

MTI accomplishes its mission by meeting the following objectives:

1. Serve the needs of our members in key processing industries, such as: refining, mining, energy production, food processing, semi-conductor manufacturing, chemical production, pulp and paper, pharmaceuticals, and other processing industries.

2. Sponsor R&D that matters to our members:
   • Develop valuable new technologies.
   • Incorporate new knowledge into operating practices.

3. Provide networking opportunities so members can achieve the associated benefits:
   • Exchange of non-proprietary information.
   • Leveraging of resources among technical organizations, universities, and consortia.

4. Identify, develop, and disseminate information on state-of-the-art technologies that offer clear benefits to processing facilities and operations.

5. Provide continuing professional education opportunities in materials technology.

6. Influence the development and appropriate use of pertinent codes, standards, and regulations.
The typical Chair’s Annual Report message includes a list of the year’s highlights, a 40,000-foot glimpse at the financial landscape, and a brief examination of the organization’s overall health. To get to the bigger picture, it’s sometimes necessary to look from a viewpoint that stretches longer than 12 months: 365 days that seem to fly by so quickly.

So as we close out 2010, I’ll step back and recount some of the events that occurred during my last three years as MTI’s Chair of the Board. That perspective gives us a broader view of what we have accomplished and what we still need to complete.

Beginning with the worldwide economic slowdown in 2008, many MTI member companies embraced new technologies allowing representatives to actively participate in meetings from anywhere in the world. While the stormy business climate brought about near-term challenges and plenty of change, our organization strived to stay on its plotted course. We remained focused on the Strategic Plan and pursued growth opportunities for a better future.

In fact, it wasn’t long before MTI expanded its possibilities. In 2009, bylaw changes yielded two new organizations, AsiaTAC and EuroTAC, making the institute a truly global organization. MTI had plenty to celebrate last year, including its 100th TAC meeting in San Francisco, California, the site of the very first Technical Advisory Committee meeting in 1977.

Despite challenging economic headwinds, we have launched new TACs on two continents, completed projects leading technology into new frontiers, and answered some of our members most pressing technical questions, all while continuing to operate within the highest standards of organizational excellence.

This year has been no different. In 2010, MTI’s many leaders have continued to focus on delivering value to their companies. Collaborative research has saved members time and money. Studies, like the recently completed Castings Quality Prediction Final Report, continue to push materials knowledge boundaries and improve industry’s best practices.

New companies have joined us in these efforts, replenishing the organization and bringing their energy as well as fresh perspectives.

MTI members should continue to leverage their investment, now more than ever. In troubling financial times, membership is an extremely valuable asset because of the cost-sharing, problem-solving engineering opportunities that the organization provides, from design to mothballing. MTI is indeed an opportunity, not an expense.

As we look ahead, the three TACs, project teams, and Strategic Plan will continue to push our progress. There is much to be done, but I am confident that our fundamental operational strengths, our member-focused mission, the high caliber of our people, and the dedication of our staff will enable MTI continue to achieve impressive results for the companies it serves. We have a clear long-term strategy and a strong organization to support it — one that I have been honored to lead for the last three years.

Dale Heffner
Chair, Board of Directors
Report of the AmeriTAC Chair—Technical Advisory Council

AmeriTAC had a very successful year in 2009, and 2010 promises similar results. Eighteen funded projects are in progress and include new or updated books, training programs and analysis of failure mechanisms. This research will result in improved understanding of materials of construction valuable to members. In addition to the current studies, there are another 18 potential projects being scoped and prepared for funding request. AmeriTAC members continue to drive these important efforts, many of which save their companies operating costs, educate work forces, and enhance safety programs.

A few years ago, a successful brainstorming session developed a list of projects that were of interest to people working with polymers. This session set an agenda that has led to a series of successful studies. This model has now been extended to two others areas: condition assessment and metals. These two groups have developed a list of projects that will guide them in the coming year. It’s a proven approach that enhances MTI’s ability to define common member interests and develop ideas for the future.

Training and education are at the core of MTI’s mission. AmeriTAC has a long history of developing training provided in a seminar format. Member companies have been able to use this material within their organizations to teach employees who could not attend in person. For example, MTI has recently offered courses on Selecting Elastomers, Reactive Metals and Stainless Steels. Updates of these popular seminars are being prepared, and new topics are already being developed.

At each AmeriTAC meeting, MTI offers another type of presentation, one geared to introduce new concepts in materials science. This year’s presentations on Microtechnology, Nanotechnology and Superhydrophobic Coatings introduced members to new technologies that will likely see expanded use in the coming years. These and other leading-edge sessions could spawn new projects to develop specific applications of interest to members.

The MTI network of experts continues to be a powerful resource. Challenging questions are regularly answered in our online forum, and all posts are reviewed at the AmeriTAC meetings. This is often vital information that members depend on to solve daily problems.

Interactive discussion of the questions at AmeriTAC meetings frequently leads to further understanding of issues and more complete answers. It is not uncommon for these debates to lead to a potential project that further explores an initial question asked in the online forum.

The ongoing use of virtual- and real-world paths to identify members’ unmet needs and develop dependable resources is key to MTI’s success. Feedback indicates that we are on the right track. From my seat as the AmeriTAC Chair, that won’t change. Today’s significant work in progress will pave the way for another productive year in 2011.

Randy Scheel  
AmeriTAC Chair
Although the global economic recession continued through the year of 2009 and 2010, the growth of AsiaTAC did not slow down. During the past year, we have made a number of steady progressions in both organizational development and project development.

As a result of organizational development, MTI AsiaTAC keeps updating its representative list. The latest list shows that 15 representatives have been selected from the member companys’ local employees. This number is almost doubled in comparison with last year (8 local representatives). I see this as an important sign that the local employees have become more active and more willing to contribute to MTI.

One new member, Zhejiang Jiuli Hi-Tech Metal Company, officially joined AsiaTAC this year. This is the first China-based MTI member company. Several other Asia companies show strong interest in joining MTI as well.

Another important development is that MTI has set up an Asia office with the support of MCI group, an international association management company. This Asia office is located in Shanghai and has already provided important support to all AsiaTAC activities.

During the past year, AsiaTAC successfully organized a training course on “Quality Control of Glass Lined Equipment produced in China” in April 2010. The course was provided by Bert Moniz, DuPont principal materials consultant, and Sang Linchun, General Secretary of the Chinese National Glass Lined Equipment Technical Standardization Committee. Judy Yang was the project champion. 53 people came from 24 companies to attend this training, representing the major chemical production companies and glass lined equipment fabricators in the region.

AsiaTAC arranged monthly steering team meetings through the internet to discuss the preparation of the annual conference and other important topics related to the development and growth of AsiaTAC. At the same time, AsiaTAC arranged bi-monthly face-to-face meetings in Shanghai to bring the individual members together and discuss MTI projects, exchange technical information and solve problems. All these meetings strengthen the communications and the connection of the member companies.

So far, AsiaTAC has built up the connection with a number of local technical associations, including a Chinese corrosion society, a stainless steel society, a glass lining association, a fastener association, and a FRP association. It is expected that during the upcoming annual conference, we will build up the connection with the Japanese corrosion society.

My view of the future of MTI AsiaTAC is very positive. As I mentioned in the last year’s annual report, MTI AsiaTAC is the only association in Asia which can combine so many world-class chemical companies together. All these companies are facing similar problems and challenges in Asia. MTI can provide such a unique platform for these companies to sit together talking about these problems and solutions. And the MTI projects can combine the efforts of each company so that we can influence the local industry in a more effective and powerful way. The successful FRP training and glass lining training and their impact on the improvement of local product quality are good examples of how MTI can influence and even lead local materials industry.

Henry Ye
AsiaTAC Chair
Member Companies & Designated Representatives

Air Liquide
Paris, France
J. Furtado

Bayer
Bayer Technology Services GmbH
Leverkusen, Germany
M. H. Renner

Corrosion Materials
Baker, Louisiana
R. A. Muro

Eastman Chemical Company
Kingsport, Tennessee
G. S. Whittaker

Alegheny Technologies
Incorporated
Allentown, Pennsylvania
J. Hoffman

Celanese
Celanese Corporation
Dallas, Texas
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Cytec Industries
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D. McIntyre

Eli Lilly and Company
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B. Dalder

AkzoNobel
Amsterdam, The Netherlands
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Boulder, Colorado
J. Banker
“Many hands make light work” is a well known saying and is certainly true in the case of the 2010 EuroTAC meeting. This was the first European meeting that was organized by a steering team of members, Maria Østergård (Haldor Topsøe), Natalie Gelder (BASF) & Andrew Kelleher (Bayer) together with much help from staff, put together a diverse and interesting program and I would like to thank all those concerned. For the next meeting the “team” has been enlarged, Bernhard Rijpkema (AkzoNobel) & Dietlinde Jakobi (Schmidt & Clemens) have been added to include the polymer and fabricator points of views respectively, all in a continuing effort to raise the visibility and to be able to cover all the needs of MTI members in Europe.

As with MTI as a whole, we need to continue to find ways to provide value to member companies and there are still a number of challenges that need to be addressed. One that continues to be important is how can we make MTI more relevant for European companies? In many European countries there are a number of well established peer networks, so MTI must offer members something different and additional to those existing networks. We are continuing to develop a number of themes which hopefully will meet and exceed the wishes and requirements of the European Members.

A topic that is often mentioned is one of “training the younger generation”. With fewer materials experts and the increasing requirement for quicker answers, many companies these days do not have the time or the procedures in place to be able to accommodate these needs. This is possibly an area where MTI can play an important role.

Although various surveys have indicated that personal attendance at TAC meetings is extremely valuable, being able to travel to the meetings is becoming more challenging. It is therefore only appropriate that Europe too should look closely at internet options such as GoToMeeting. This could provide an alternative when the choice is not participating or participating online.

The recently created autonomy of the regional TAC’s provides a great deal of freedom but with that freedom also comes responsibility. Part of that responsibility requires that the MTI by-laws are followed. At the 2010 meeting, procedures for project identification and development were discussed and the MTI culture, rules and responsibilities for voting were explained. This was immediately put into effect and not only were both Maria and I elected as Vice and Chair respectively but a (European) MTI project was also unanimously approved entitled Surface Modification for Poisoning of Metal Dusting. Although initiated and to be carried out in Europe, the results will of course be of interest and benefit to the whole of MTI.

Michael Turner
EuroTAC Chair
MTI has been weathering the current global financial situation very well indeed. This is in spite of travel restrictions and budget restrictions of member companies. The leadership of MTI has stayed focused on implementing its strategic plan, generating new projects, and providing value for members.

The total membership has remained above 50 for many years. During 2010, we lost two members due to financial situations, but gained three new producer members, with at least one more company’s membership pending. The net dues effect of the membership changes is plus $69,000. Because MTI is financially sound, we have been able to further develop EuroTAC and AsiaTAC while still fully supporting AmeriTAC activities and projects created in all three TACs. The attendance in AsiaTAC actually exceeded the most recent June AmeriTAC meeting in Denver. EuroTAC and AsiaTAC have developed and approved projects that the BOD has funded. Each of these organizations grow stronger by the year.

MTI has funded projects totaling over a million dollars during 2008 and 2009. During 2010, MTI funded an additional half million dollars in new research. The combination of the three TACs developing projects, the PDCs identifying new projects, and the staff supporting and facilitating these member-led activities has become very effective.

Participation in MTI projects is frequently more valuable to member company employees than the final product. To facilitate this valuable participation, MTI has provided Internet meeting services for remote participation as well as teleconferences, depending on the need. We have found that project team meetings held in hotel conference rooms seem to function better using high quality telephone participation rather than Internet meetings. This does require that all slides and exhibits be provided to remote participants before the meeting. We will continue making communication a priority using the latest tools.

MTI has experienced a loss in the last year. Associate Director and MTI Fellow Galen Hodge retired in 2010 after more than 30 years of contributions to the organization as a company representative, BOD member and Chair, and Associate Director. Though there is no replacing Galen, the organization gained two talented Associate Directors in 2010 with the additions of Bill Watkins and Jesse Chen. Both bring new perspectives and deep experience to the MTI staff. In addition, I’m encouraged to see a new generation of representatives actively participating in AmeriTAC, AsiaTAC, and EuroTAC. We need “new blood” for fresh ideas and to succeed in 2011 and beyond.

As times change, MTI adjusts, adding new expertise through members, staff, and contractors, meeting new member needs for non-traditional virtual meetings, and developing Technical Advisory Councils in new regions around the world. We are on the verge of rebuilding the MTI web site, an effort that will integrate today’s popular directory, project and forum features with tomorrow’s web technology. We continue to adapt to the world around us, meeting changing member needs and achieving the steady stream of successes that have made MTI a valuable asset to the industry for more than 33 years.

James M. Macki
Executive Director
Board of Directors

The Board of Directors, elected by the Member Representatives, manages the business of MTI. The four critical functions of the Board of Directors include planning, organization, leadership, and control.

Seated, Left to Right:

Randy L. Scheel, TAC Chair, Ex Officio
Director of Chemical Operations
Allegheny Technologies
Pittsburgh, Pennsylvania

Dale K. Heffner, BOD Chair
Vice President
Electro Chemical Engineering & Manufacturing Co.
Emmaus, Pennsylvania

Edward R. Naylor, BOD Vice-Chair
Senior Materials Engineering Associate
AkzoNobel
Amsterdam, The Netherlands

Eugene L. Liening
Senior Materials Engineering Associate
The Dow Chemical Company
Midland, Michigan

Standing, Left to Right:

William R. Watkins
Engineering Associate,
Global Technology Center
Air Products & Chemicals, Inc.
Allentown, Pennsylvania

Maria Jose Landeira Oestergaard
Senior Materials Specialist
Haldor Topsoe A/S
Lyngby, Denmark

Pradip R. Khaladkar
Principal Consultant
DuPont Company
Wilmington, Delaware

Kelly E. Wyrrough
Technical Services/Sales
Roben Manufacturing, Inc.
Lakewood, New Jersey

Robert Sinko, TAC Vice Chair, Ex Officio
Associate Materials Engineer
Eastman Chemical Company
Kingsport, Tennessee

Not Pictured:

William C. Fort, III
Principal Engineer
Shell Global Solutions (US), Inc.
Houston, Texas

Srini Kesavan
Principal Engineer
FMC Corporation
Philadelphia, Pennsylvania

Michael Turner, EuroTAC Chair, Ex Officio
Senior Consultant – Materials Technology
AkzoNobel
Amsterdam, The Netherlands

Henry Ye, AsiaTAC Chair, Ex Officio
Materials Engineering Consultant
DuPont Engineering and Technology
Wilmington, Delaware

Paul K. Whitcraft
Director of Quality Safety & Engineering
Rolled Alloys
Temperance, Michigan

Paul E. Manning
Senior Market Manager & Metallurgist
Haynes International, Inc.
Kokomo, Indiana
Directors & St. Louis Staff

Seated Left to Right:
- **Heather Stine**  
  Associate Director
- **Emory Ford**  
  Associate Director
- **Debby Ehret**  
  Operations Director
- **James Macki**  
  Executive Director

Standing Left to Right:
- **Tony Scribner**  
  Associate Director
- **Jesse Chen**  
  Associate Director
- **Bill Watkins**  
  Associate Director
- **Lori Elgin**  
  Administrative Assistant
- **Katherine Reinecke**  
  Administrative Assistant
- **Barry Greene**  
  Associate Director
Technical Advisory Councils

The Technical Advisory Councils, composed of one representative of each member company, solicit project ideas, define projects, and recommend projects for approval by the Board of Directors.

Randy Scheel, AmeriTAC Chair 1,2,3
Director of Chemical Operations
Allegheny Technologies Incorporated

Robert J. Sinko, AmeriTAC Vice Chair 1,2,3
Associate Materials Engineer
Eastman Chemical Company

Henry Ye, AsiaTAC Chair 2
Materials Engineering Consultant
DuPont Engineering and Technology

Albrecht Girgensohn, AsiaTAC Vice Chair 2
Head of Mechanical Integrity
Mechanical Integrity Department
Bayer Technology and Engineering (Shanghai) Co., Ltd.

Michael Turner, EuroTAC Chair 3
Senior Consultant – Materials Technology
AkzoNobel

Maria Jose Landeira Oestergaard, EuroTAC Vice Chair 1,2,3
Senior Materials Specialist
Haldor Topsoe A/S

Michael Anderson 1,2,3
Research Associate Metallurgical Engineer
Syncrude Canada Ltd.

Poul-Erik Arnvig 1,3
Vice President Market Development
Outokumpu Stainless - North America

David Barber 1
Materials Engineering Associate
The Dow Chemical Company

Sascha Bergamin 1
Asia Pacific Business Development Manager
Sandvik Materials Technology

Albert Biggs 1,2,3
General Manager, Maintenance & Technical Services
Saudia International
Petrochemical Company

Michael Blakely 1,2,3
Director of Market Development
Dynamic Materials

W. Keith Blanchard 1
Senior Corrosion/Materials Advisor
BP

Clive Breeden 2
Metallurgist
BP

Eileen Chant 1,2,3
Manager of Technology Development & Support
Bcht Engineering Co., Inc.

Daniel D. Christian 3
Director – Power Market Sales
Europe – Middle East – India
Victaulic

Gary Coates 1
Consultant
Nickel Institute

Marc Cook 1,2,3
Reliability Engineer
Dow Corning

Peter Cutler 3
Manager of Technology Development
Becht Engineering Co., Inc.

Brian Dalder 1,2,3
Engineering Consultant
Eli Lilly and Company

George Donald 1,2,3
Mechanical Engineer, Regional Metallurgy
NOVA Chemicals Corporation

François Dupoirson 1,2,3
Materials and Corrosion Expert
TOTAL Petrochemicals

Hasse Eriksson 1
Global Product Certification Manager
Det Norske Veritas

Milton Eshelman 1,2,3
Senior Design Engineer
The Roberts Company

Brian J. Fitzgerald 1,2,3
Senior Engineering Associate
ExxonMobil Chemical Company

Jader Furtado 1,2,3
Air Liquide International
Expert-R&D: Physical Metallurgy
Air Liquide

Andreas Furu Krona 3
EMEA Business Development Manager
Sandvik Materials Technology

Otis Galloway 1,2,3
President
P.A., Inc.

Robert D. Gill 1,2,3
Vice President, Sales
ELLETT Industries Ltd.

Dale K. Heffner 1,2,3
Vice President
Electro Chemical Engineering & Manufacturing Co.

John J. Hoffman 1,3
Materials Engineering Community Lead
Air Products & Chemicals, Inc.

Patrice Houille 1
Director Europe, Business Development and Technical Marketing
Haynes International

Bob Hurst 1,2,3
Senior Engineer Corrosion and Materials Management
Shell Global Solutions

Dietlindte Jakobi 1,2,3
General Manager - Research & Development Services Centrifugal Casting Division
Schmidt + Clemens GmbH + Co

Carl E. Jaske 1
Senior Principal Engineer
Det Norske Veritas (USA), Inc.

Dan E. Kaye 1,2,3
Staff Engineer – Reliability
Honeywell

Srini Kesavan 1,2,3
Principal Engineer
FMC Corporation

Pradip Khaladkar 3
Principal Consultant
DuPont Company
V. R. Krishnan\(^1,2,3\)
  DY; Chief Consultant
  Engineers India Limited

Greg J. Kusinski\(^1,2,3\)
  Advanced Materials Research and Development Engineer
  Chevron Energy Technology Company

Rocky Kuykendall\(^1,2,3\)
  Vice President of Engineering
  Titanium Fabrication Corp.

Denny Lee\(^2\)
  Deputy G. Manager
  Jiuli Hi-Tech Metals

John Leonard\(^1\)
  Sales Director
  JIULI USA, INC.

Zhou Ling\(^2\)
  PCE Engineering Specialist
  The Dow Chemical Company

Jan Links\(^1\)
  Senior Materials Specialist
  The Dow Chemical Company

Steven Linnemann\(^1,2,3\)
  President
  RL Industries

Hiroyasu Matsuda\(^1,2,3\)
  Director, Production & Technology Center
  Mitsui Chemicals, Inc.

Satoshi “Toshi” Matsumoto\(^1,2,3\)
  Manager of Technical Service
  Sumitomo Metal Industries, Ltd.

Ben McCurry\(^1,2,3\)
  Materials & Inspection Engineer
  BASF Corporation

Dale McIntyre\(^1,2,3\)
  Consultant Metallurgy
  ConocoPhillips

Zha Xiaochun\(^2\)
  Sales Representative
  Jiuli Europe Office

Kelly Wyroug\(^1,2,3\)
  Technical Services/Sales
  Roben Manufacturing, Inc.

Ryan Yang\(^2\)
  Materials Engineer, Asia
  Air Products & Chemicals, Inc.

Licheng Zhang\(^2\)
  Managing Director China
  Nickel Institute

1 AmeriTAC          2 AsiaTAC          3 EuroTAC
## Financial Statements – June 30, 2010 and 2009

### Statements of Financial Position
**June 30, 2010 and 2009**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,163,772</td>
<td>$840,220</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>$1,809,249</td>
<td>$2,320,522</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$37,800</td>
<td>—</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>$29,161</td>
<td>$34,896</td>
</tr>
<tr>
<td>Prepaid and deposits</td>
<td>$41,934</td>
<td>$38,858</td>
</tr>
<tr>
<td>Publications inventory</td>
<td>$107,385</td>
<td>$109,767</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$3,189,301</td>
<td>$3,344,263</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$88,792</td>
<td>$84,590</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td>$76,615</td>
<td>$69,008</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>$12,177</td>
<td>$15,582</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$3,201,478</td>
<td>$3,359,845</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS |            |           |
| **CURRENT LIABILITIES** |            |           |
| Accounts payable | $73,733    | $74,259   |
| **Total Current Liabilities** | $73,733   | $74,259   |
| **DEFERRED REVENUE** | $759,350   | $690,800  |
| **Total Liabilities** | $833,083   | $765,059  |
| **NET ASSETS** | $2,368,395 | $2,594,786|

**See notes to the financial statements.**

### Statements of Activities
**For the Years Ended June 30, 2010 and 2009**

<table>
<thead>
<tr>
<th>UNRESTRICTED NET ASSETS</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>$1,450,150</td>
<td>$1,442,150</td>
</tr>
<tr>
<td>Interest</td>
<td>$108,886</td>
<td>$121,367</td>
</tr>
<tr>
<td>Investment income</td>
<td>$3,727</td>
<td>$58,324</td>
</tr>
<tr>
<td>Publication income</td>
<td>$18,161</td>
<td>$32,507</td>
</tr>
<tr>
<td>Meeting fees</td>
<td>$21,875</td>
<td>$25,492</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$1,602,799</td>
<td>$1,679,840</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China operations</td>
<td>$37,173</td>
<td>$36,220</td>
</tr>
<tr>
<td>Cost of publications</td>
<td>$11,946</td>
<td>$16,442</td>
</tr>
<tr>
<td>Insurance</td>
<td>$30,120</td>
<td>$29,938</td>
</tr>
<tr>
<td>Meeting expenses</td>
<td>$120,652</td>
<td>$100,703</td>
</tr>
<tr>
<td>Membership development &amp; retention</td>
<td>$64,565</td>
<td>$53,458</td>
</tr>
<tr>
<td>Salaries</td>
<td>$405,416</td>
<td>$434,600</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$1,829,190</td>
<td>$1,664,745</td>
</tr>
<tr>
<td><strong>Increase (Decrease) in Unrestricted Net Assets</strong></td>
<td>$(226,391)</td>
<td>$15,095</td>
</tr>
</tbody>
</table>

**Net Assets – Beginning** | $2,594,786 | $2,579,691|

**Net Assets – Ending** | $2,368,395 | $2,594,786|

**See notes to the financial statements.**
Independent Auditor’s Report

To the Board of Directors
Materials Technology Institute, Inc.

We have audited the accompanying statements of financial position of Materials Technology Institute, Inc. (a non-profit organization) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 financial position of Materials Technology Institute, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

WRIGHT, CRISCIONE & COMPANY, LLC
Certified Public Accountants
St. Louis, Missouri
September 27, 2010
NOTE 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of management who is responsible for their integrity and objectivity. These accounting policies, unless otherwise noted, conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations: The Organization was incorporated under the name Materials Technology Institute of the Chemical Process Industries, Inc. on December 13, 1976 pursuant to the laws of the State of New York as a tax exempt organization under IRS Code Section 501(c)(6) to engage principally in the business of sponsoring research projects for the chemical process industries. Effective December 4, 2003, the Organization changed the name of the Organization to Materials Technology Institute, Inc. The Organization extends credit to its members for sales of publications. The member companies are located in various countries.

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of twelve months or less to be cash equivalents. Certificates of Deposits totaling $861,000 bearing interest at 4.45% to 6.55% are included in cash equivalents in the financial statements.

Employee Benefit Plan: The Organization maintains a qualified savings plan under Internal Revenue Code section 401(k) for employees who meet certain age and length-of-service requirements. Subject to statutory limits, qualifying employees may elect to defer a portion of their salary. The Organization currently matches 100% of employee deferrals not to exceed 5% of compensation. Matching contribution expense totaled $30,072 and $29,596 for the years ended June 30, 2010 and 2009.

Prepaid Expenses: Prepayments of expenses clearly related to future periods are considered as deferred charges and are not charged against current earnings.

Deferred Income: Membership income is received in advance. Accordingly, membership income is earned ratably over the period, with the unearned portion shown as deferred income at the balance sheet date.

Property and Equipment: Property and equipment are recorded at cost. Depreciation is provided using the straight line method. Repairs and maintenance, which do not improve or extend the useful life of the asset, are expensed in the year incurred.

The useful lives of property and equipment for the purposes of computing depreciation are:

- Equipment: 5 – 7 years

Depreciation expense for the years ended June 30, 2010 and 2009 was $7,607 and $6,910, respectively.

Inventories: The Organization maintains an inventory of publications which report the results of its research projects. Direct costs of editing and production are capitalized and a unit value is established for each publication. Inventories are stated at the lower of cost or market with cost being determined by the first-in, first-out method. Company management has ascertained that the inventory of publications is subject to obsolescence due to advances in technology and other factors affecting the industries it serves. Accordingly, management has elected to establish a reserve for obsolescence with respect to ascertaining the realizable fair market value of its publications. The Organization took a charge against income of $695 in the year ended June 30, 2010 to increase this reserve.

Inventories at June 30, 2010 and 2009 consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished publication inventory</td>
<td>$169,549</td>
<td>$172,236</td>
</tr>
<tr>
<td>Less reserve for obsolescence</td>
<td>(63,164)</td>
<td>(62,469)</td>
</tr>
<tr>
<td>Publications in progress</td>
<td>1,000</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Inventories</strong></td>
<td><strong>$107,385</strong></td>
<td><strong>$109,767</strong></td>
</tr>
</tbody>
</table>

Allowance for Doubtful Accounts: An allowance for doubtful accounts has not been established as it is the Organization’s policy to use the direct write-off method for accounts deemed uncollectible. This method is not in conformity with generally accepted accounting principles, but this departure does not materially affect operating results, and accordingly, the Organization has not provided for anticipated losses.

Federal Income Taxes: The Internal Revenue Service has ruled that the Organization is a tax exempt organization as defined under Section 501(c)(6) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

 Marketable Securities: The Organization’s Board of Directors maintains a policy of limiting its investments to certificates of deposit. Marketable securities consist of certificates of deposit with maturities of one year or longer. Marketable securities are presented in the statements of financial position at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

NOTE 2) FINANCIAL INSTRUMENTS

Concentrations of Credit Risk Due to Temporary Cash Investments: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash and long term investments with financial institutions and limits the amount of credit exposure to any one financial institution. As of June 30, 2010 and 2009, the organization had no concentration of credit risk.
NOTE 3) FAIR VALUE MEASUREMENTS

Fair Values Measured on Recurring Basis: Fair values of assets measured on a recurring basis at June 30, 2010 and 2009 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted Prices in Active Markets for Identical Assets</td>
<td>Fair Value (Level 1)</td>
<td>Fair Value (Level 1)</td>
</tr>
<tr>
<td>Investments in debt securities - certificates of deposit</td>
<td>$2,320,500</td>
<td>$2,320,500</td>
</tr>
<tr>
<td>Total assets</td>
<td>$2,320,500</td>
<td>$2,320,500</td>
</tr>
</tbody>
</table>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The Organization adopted FASB ASC 820.10 for the year ended June 30, 2009. Cumulative fair value adjustment for prior years of $13,200 is included in net unrestricted assets in the financial statements.

NOTE 4) LEASE OBLIGATIONS

At June 30, 2010, the Organization was obligated under non-cancelable operating leases for its office facilities and certain office equipment which expire in June, 2012 and June, 2015, respectively. The future minimum rental payments under the leases are as follows:

<table>
<thead>
<tr>
<th>Year ended June 30,</th>
<th>Offices</th>
<th>Office Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$22,192</td>
<td>$3,398</td>
<td>$25,590</td>
</tr>
<tr>
<td>2012</td>
<td>22,776</td>
<td>3,398</td>
<td>26,174</td>
</tr>
<tr>
<td>2013</td>
<td>—</td>
<td>3,398</td>
<td>3,398</td>
</tr>
<tr>
<td>2014</td>
<td>—</td>
<td>3,398</td>
<td>3,398</td>
</tr>
<tr>
<td>2015</td>
<td>—</td>
<td>3,398</td>
<td>3,398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$44,968</td>
<td>$16,990</td>
<td>$61,958</td>
</tr>
</tbody>
</table>

NOTE 5) COMMITMENTS

The Organization is a party to several research projects requiring payments of approximately $905,000 over the life of existing projects.

NOTE 8) SUBSEQUENT EVENTS

There were no significant subsequent events to report through September 27, 2010 which is the date the financial statements were available to be issued.

Schedule of Annual Membership Dues for 2011

<table>
<thead>
<tr>
<th>Annual Sales (US$ Billions)</th>
<th>Year 2011 Dues – US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales &lt; 0.2</td>
<td>$10,800</td>
</tr>
<tr>
<td>0.2 &lt; Sales &lt; 0.4</td>
<td>$14,800</td>
</tr>
<tr>
<td>0.4 &lt; Sales &lt; 0.8</td>
<td>$18,700</td>
</tr>
<tr>
<td>0.8 &lt; Sales &lt; 1.5</td>
<td>$22,800</td>
</tr>
<tr>
<td>1.5 &lt; Sales &lt; 3.0</td>
<td>$26,900</td>
</tr>
<tr>
<td>3.0 &lt; Sales &lt; 6.0</td>
<td>$30,900</td>
</tr>
<tr>
<td>6.0 &lt; Sales &lt; 12.0</td>
<td>$34,900</td>
</tr>
<tr>
<td>12 &lt; Sales &lt; 25</td>
<td>$38,900</td>
</tr>
<tr>
<td>25 &lt; Sales &lt; 50</td>
<td>$43,000</td>
</tr>
<tr>
<td>50 &lt; Sales &lt; 100</td>
<td>$47,000</td>
</tr>
<tr>
<td>100 &lt; Sales &lt; 200</td>
<td>$51,100</td>
</tr>
<tr>
<td>200 &lt; Sales &lt; 400</td>
<td>$55,100</td>
</tr>
<tr>
<td>400 &lt; Sales &lt; 800</td>
<td>$59,100</td>
</tr>
<tr>
<td>800 &lt; Sales &lt; 1,500</td>
<td>$63,100</td>
</tr>
</tbody>
</table>

A formula is used to determine the annual dues for engineering, design, and construction firms. Please contact the MTI office for specific information.

Basis for Assessing Company’s Membership Dues

Dues for membership are generally based upon the total sales of the member company and its affiliates. Dues for specific classes of members are as follows:

Producers: Dues for Producer members will be determined from the established dues schedule and will be calculated on the basis of the most recent audited Corporate CPI sales. For privately held corporations, the total corporate sales of units related to the CPI must be certified by an officer.

Suppliers: Dues for Supplier members will be determined from the established dues schedule and will be based on the most recently audited total sales of the corporation, or portion of the corporation, which could in theory benefit from MTI membership. For privately held corporations, the total corporate sales of units related to the CPI must be certified by an officer.

The Board of Directors may make exceptions to this policy in cases where, in its judgement, the affiliates of the applicant, even though they are related to the chemical processing industry, cannot reasonably be expected to benefit from the membership in MTI.

Association memberships will be considered on a case-by-case basis, with regard to acceptance, dues levels, and conditions of membership.
About Materials Technology Institute

The Materials Technology Institute, founded in 1977, is a unique, not-for-profit technology development organization representing private industry. It sponsors projects focused on both developing new technology and transferring existing knowledge to day-to-day practice. Practical, generic, nonproprietary studies are conducted on the selection, design, fabrication, testing, inspection, and performance of materials of construction used in the process industries. The scope of work includes evaluation of metallic, and non-metallic materials, optimum design applications, fitness-for-service, mechanical integrity and life cycle determinations, and economic factors affecting performance of vessels, tanks, piping and other components.

Through membership and networking within MTI, companies can access solutions to nonproprietary problems of major concern to the process industries. Members can capitalize on the extensive expertise of member company representatives, leverage their technology investment by participating in the direction and results of MTI projects, and utilize MTI’s books, reports, software and video training programs immediately as needed. Benefits to member companies are increased plant integrity, reliability and profitability.