



**Fourth Quarter and Full Year 2012**  
**Earnings Conference Call**

February 20, 2013

# Forward Looking Statements

The information contained in this presentation includes statements based on management's current expectations, estimates and projections that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include statements regarding the company's anticipated financial and operating performance, relate to future events and expectations and involve known and unknown risks and uncertainties. For a summary of specific risk factors that could cause results to differ materially from those expressed in the forward-looking statements, please refer to the company's reports filed with the Securities and Exchange Commission, including the company's most recent Form 10-K. All information in this presentation is as of the date of the presentation. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

# Non-Run-Rate Items

Non-run-rate items to us are items that, while they may recur from period to period, (1) are particularly material to results, (2) impact costs as a result of external market factors and (3) may not recur in future periods if the same level of underlying performance were to occur. These are certainly part of our business and operating environment but are worthy of being highlighted for the benefit of the users of our financial statements.

Further, presentations including such terms as net income, operating income, or earnings before interest, tax, depreciation and amortization (“EBITDA”) “before non-run-rate”, “after adjustments” or “adjusted”, are not intended to be (and should not be relied on) in lieu of the comparable caption under generally accepted accounting principles (“GAAP”) to which it is reconciled. Such presentations are solely intended to provide greater clarity of the impact of certain material items on the GAAP measure and are not intended to imply such items should be excluded.

# Non-GAAP Financial Measures

This information contains certain non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. The Company has provided a reconciliation of non-GAAP financial measures to the most directly comparable financial measure in the accompanying tables.

The non-GAAP financial measures used within this earnings release are value added revenue, EBITDA, Adjusted EBITDA, operating income excluding non-run-rate items, adjusted net income and earnings per diluted share, excluding non-run-rate items and ratios related thereto. These measures are presented because management uses this information to monitor and evaluate financial results and trends and believes this information to also be useful for investors.

# Record 2012 Results

## Results Year-over-Year

Value Added Revenue<sup>1</sup>

**+14%**

Adjusted EBITDA<sup>2</sup>

**+56%**

Adjusted Net Income<sup>3</sup>

**+76%**

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 25-26

<sup>2</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 27-28

<sup>3</sup> Adjusted Net Income = Reported Net Income, excluding Total Non-Run-Rate items; refer to slides 29-30

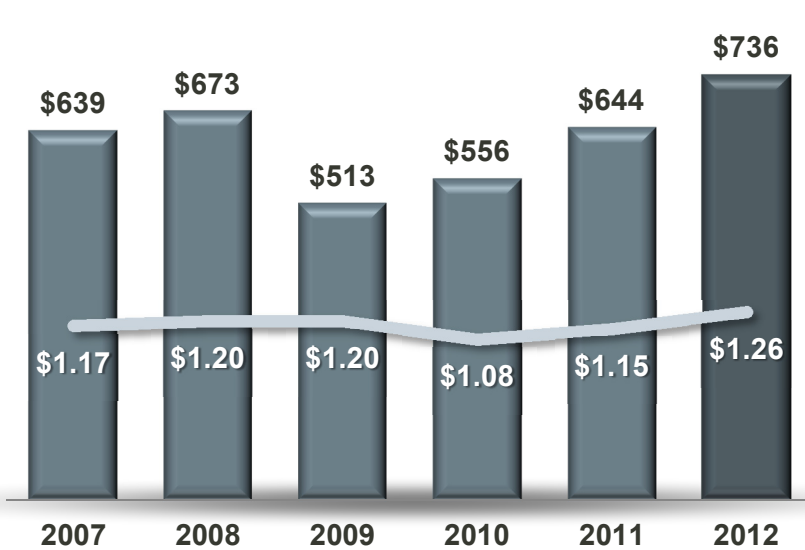
# Bright Long-term Outlook

- **Expect long-term growth building from record 2012 results**
  - Growing commercial aerospace builds from record 2012 pace
  - Continued growth in automotive builds and aluminum extrusion content
  - Growing manufacturing efficiencies from
    - Operating leverage
    - Investments (both planned and completed)
    - Continuous improvement initiatives
- **Increased quarterly dividend reflects confidence in future**

# Record 2012 Results

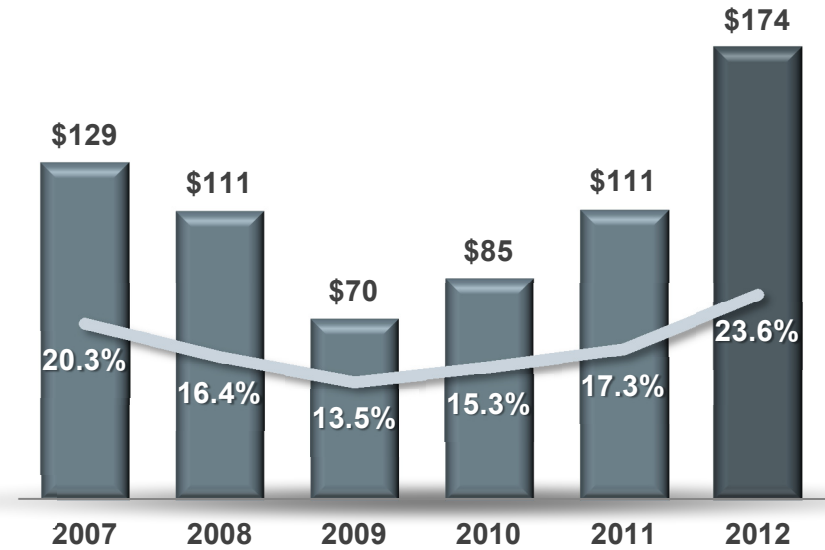
## VAR<sup>1</sup> - Annual

— \$millions — \$/pound



## Adjusted EBITDA<sup>2</sup> - Annual

— \$millions — % of VAR



### Record VAR in 2012

- Strong aerospace demand
- Improved pricing environment

### Record Adjusted EBITDA and margin<sup>3</sup>

- Strong shipments and operating leverage
- Improved pricing environment
- Improved underlying cost structure

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 25-26

<sup>2</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 27-28

<sup>3</sup> Adjusted EBITDA margin = Adjusted EBITDA as a percent of Value Added Revenue (VAR)

# Consolidated Financial Highlights

*(in \$millions except EPS)*

	<u>FY2011</u>	<u>FY2012</u>	<u>YoY Increase</u>
<b>Net Sales</b>	<b>\$1,301</b>	<b>\$1,360</b>	<b>5%</b>
<b>Value Added Revenue <sup>1</sup></b>	<b>\$644</b>	<b>\$736</b>	<b>14%</b>
<b>Adjusted:</b>			
<b>Operating Income <sup>2</sup></b>	<b>\$86</b>	<b>\$147</b>	<b>71%</b>
<b>EBITDA <sup>3</sup></b>	<b>\$111</b>	<b>\$174</b>	<b>56%</b>
<b>Net Income <sup>4</sup></b>	<b>\$42</b>	<b>\$74</b>	<b>76%</b>
<b>EPS <sup>5</sup></b>	<b>\$2.20</b>	<b>\$3.82</b>	<b>74%</b>
<b>As Reported:</b>			
<b>Operating Income</b>	<b>\$55</b>	<b>\$166</b>	<b>202%</b>
<b>Net Income</b>	<b>\$25</b>	<b>\$86</b>	<b>242%</b>
<b>EPS <sup>6</sup></b>	<b>\$1.32</b>	<b>\$4.45</b>	<b>237%</b>

<sup>1</sup> Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 25-26

<sup>2</sup> Adjusted Operating Income = Consolidated Operating Income excluding Operating Non-Run-Rate items; refer to slides 27-28

<sup>3</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 27-28

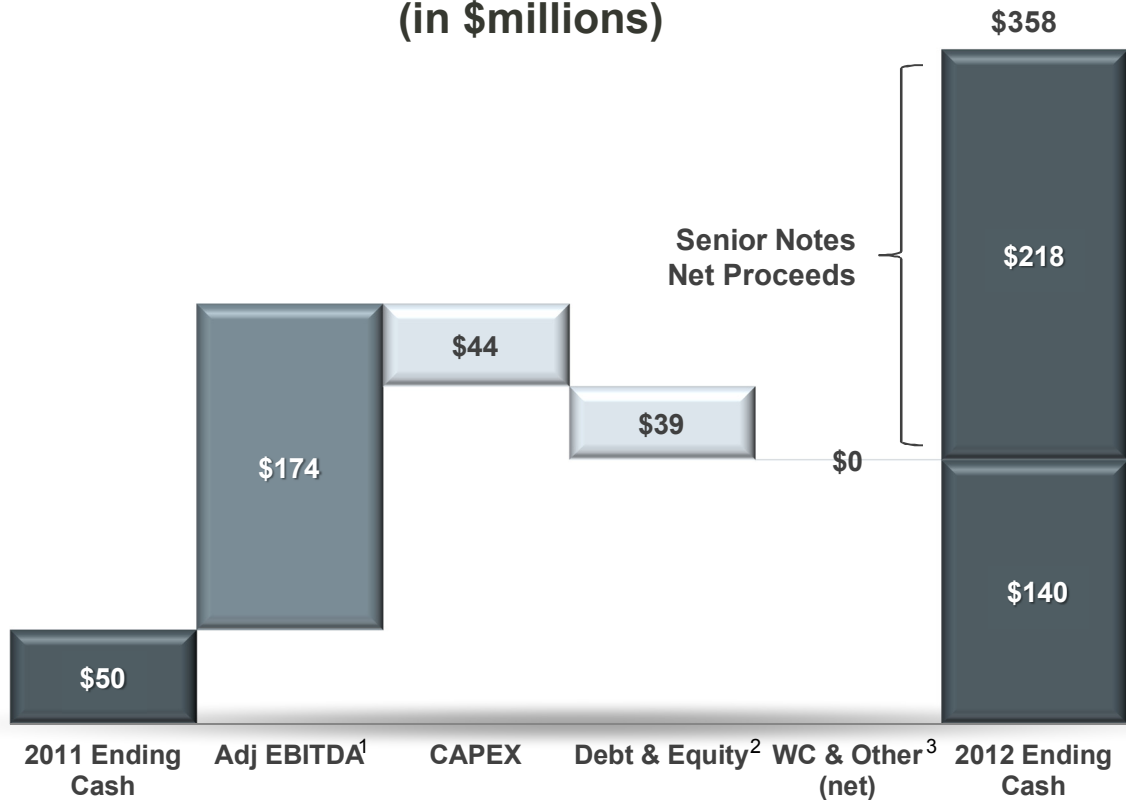
<sup>4</sup> Adjusted Net Income = Reported Net Income excluding Total Non-Run-Rate items; refer to slides 29-30

<sup>5</sup> Adjusted EPS = Reported Earnings Per Share excluding Total Non-Run-Rate items; refer to slides 29-30

<sup>6</sup> As Reported EPS = Reported Earnings Per Share; refer to slides 29-30

# Strong 2012 Cash Flow Generation

(in \$millions)



- **Record EBITDA:**
  - Funded operating, financial, and investment requirements
  - Net \$90 million increase in cash
- **Financial strength and flexibility further enhanced with proceeds from Senior Notes**

<sup>1</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; for details refer to our reconciliation to Consolidated operating income on slides 27-28

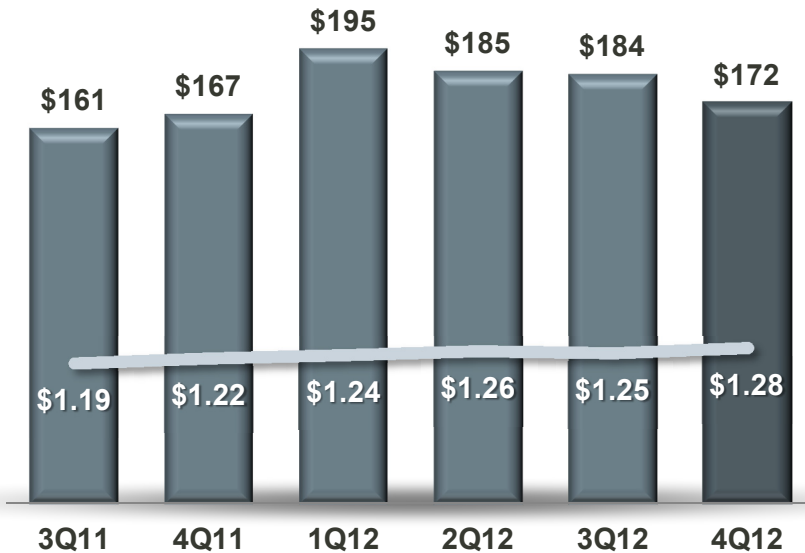
<sup>2</sup> Debt & Equity = Dividends + Debt Service

<sup>3</sup> WC & Other (net) = Working Capital and Other Items (net)

# Quarterly Trend Information

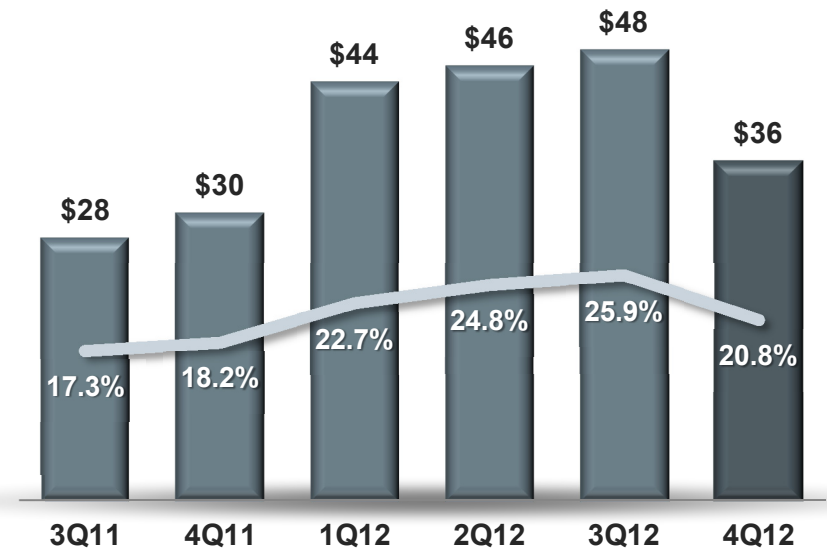
## VAR<sup>1</sup>

■ \$millions    — \$/pound



## Adjusted EBITDA<sup>2</sup>

■ \$millions    — % of VAR



### 4Q12 VAR declined sequentially

- Seasonal weakness across end markets, especially service center applications

### 4Q12 EBITDA declined sequentially

- Lower VAR and operating leverage
- Higher planned major maintenance

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 25-26

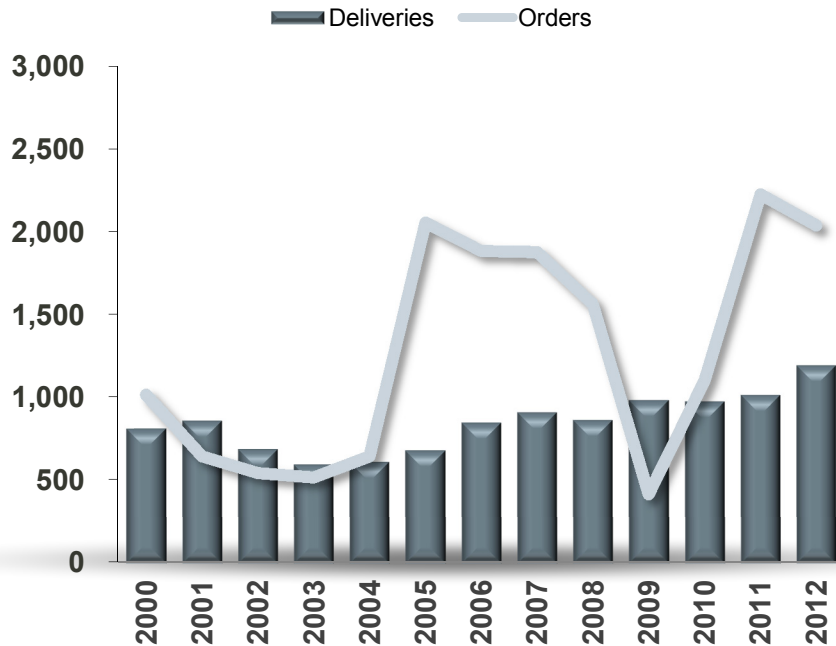
<sup>2</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 27-28

# 2013 Market Outlook

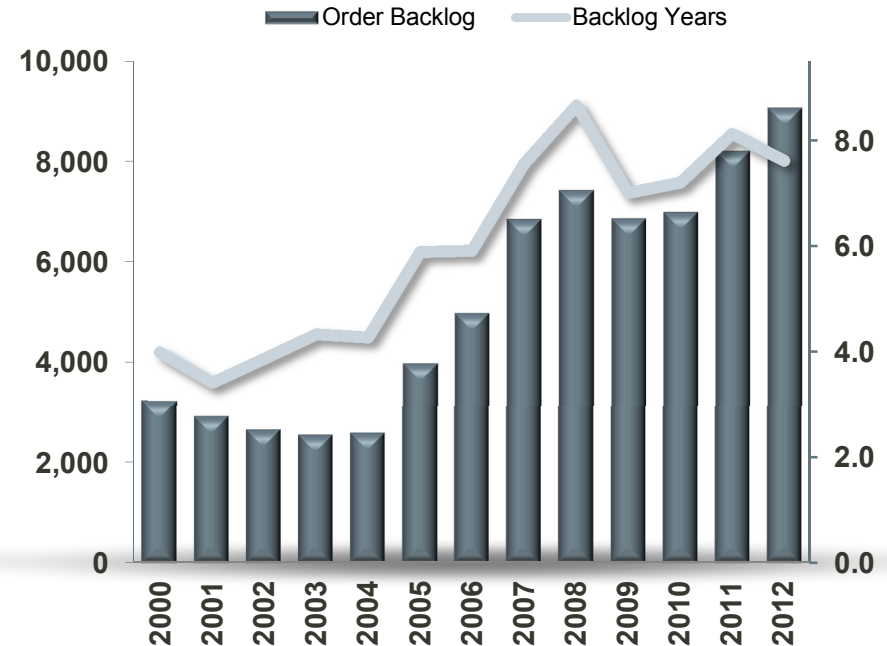
- **Modest demand growth from record 2012**
- **Positive outlook for aerospace and automotive end markets**
  - 12% increase in commercial airframe builds from record 2012 builds
  - 2% increase in automotive builds with continuing content growth
- **Uncertain outlook for US manufacturing economy**

# Record 2012 Commercial Airframe Builds & Backlog

Boeing/Airbus Commercial Airframe Orders/Deliveries



Boeing/Airbus Commercial Airframe Backlog

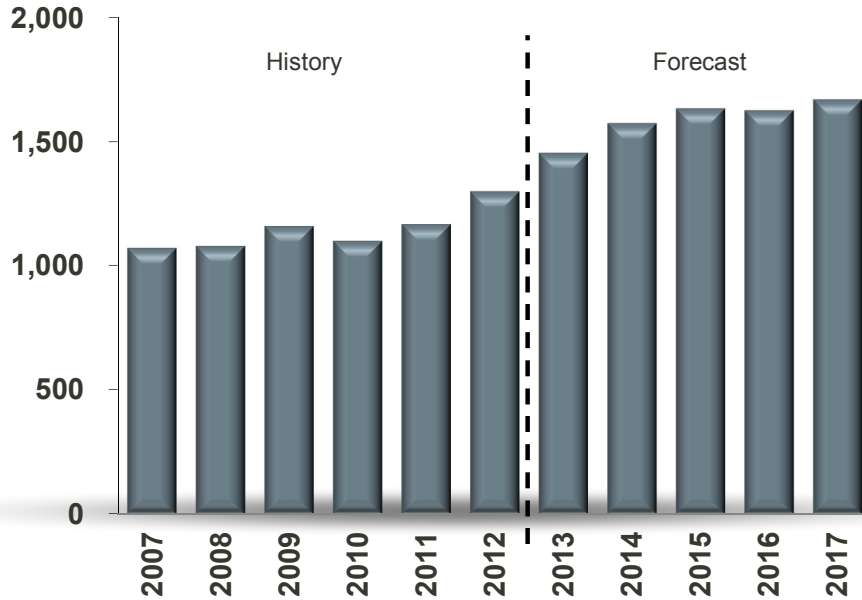


- Boeing/Airbus record 2012 deliveries were up 18%
- Orders exceeded deliveries for 7 of the past 8 years

- Record backlog represents ~8 years at 2012 production rate

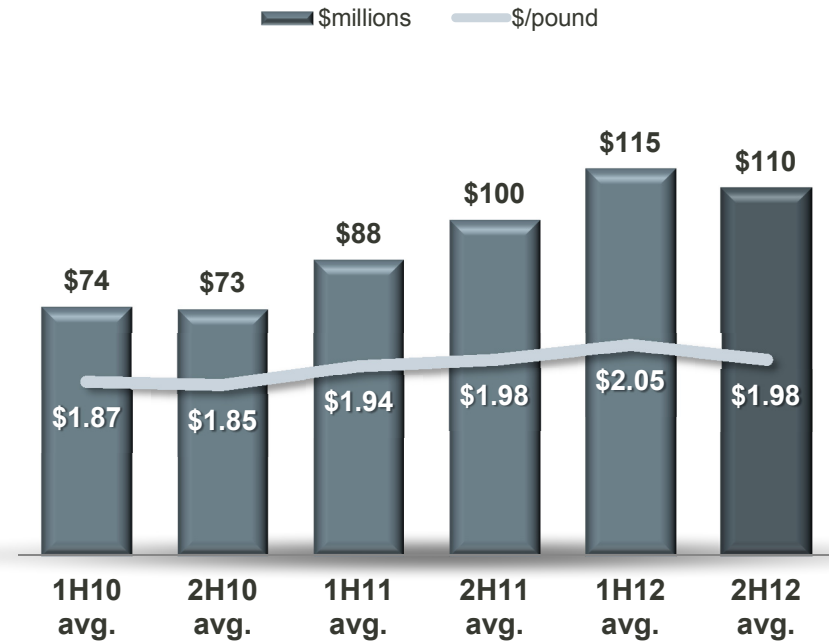
# Outlook – Aerospace & High Strength

Global Commercial Airframe Builds



Sources: Airline Monitor, Boeing, Airbus, Kaiser

Quarterly Value Added Revenue<sup>1</sup>



## Robust long-term aerospace demand...

- Increasing build rates
- Larger airframes
- Monolithic design

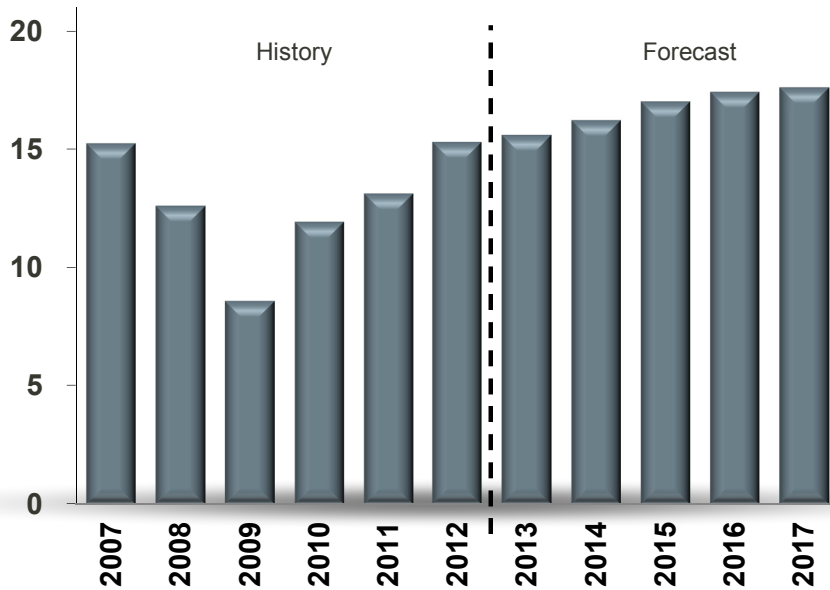
## ... expect 2H13 stronger than 1H13

- Steady growth in aerospace plate shipments
- Partially offset by inventory overhang in supply chain for aerospace extruded & drawn products

# Outlook – Automotive

N.A. Light Vehicle Production

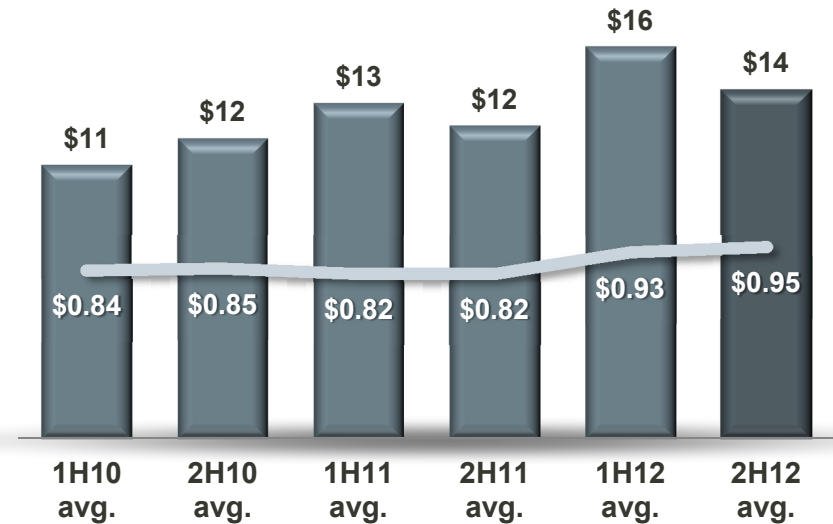
(Millions of vehicles)



Source: IHS Automotive

Quarterly Value Added Revenue<sup>1</sup>

■ \$millions    — \$/pound



## Growing automotive demand...

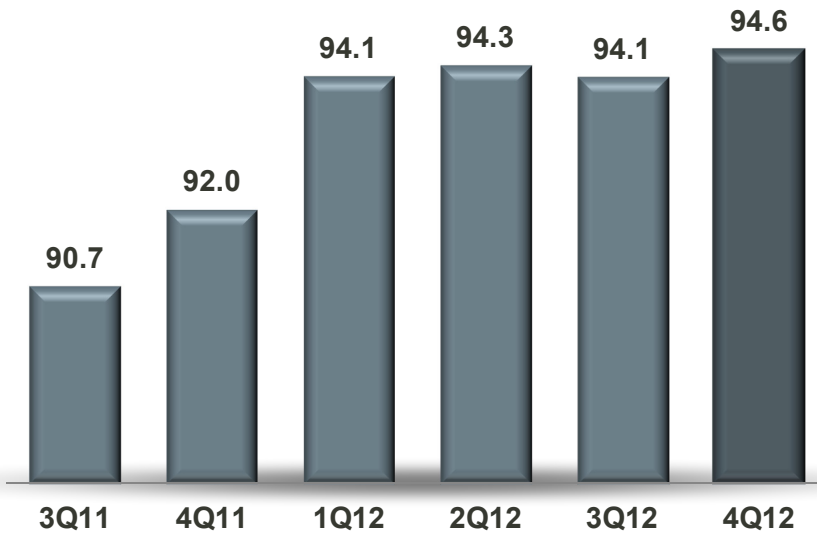
- Increasing long-term build rates
- Increasing aluminum extrusion content

## ...and positive outlook

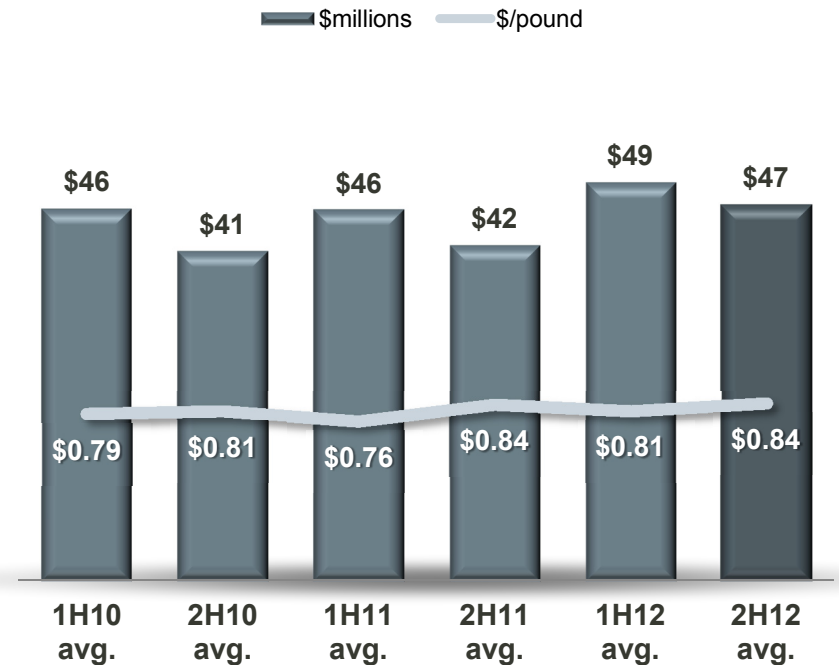
- 1H13 build rates similar to 1H12 rates
- Expect growing aluminum extrusion content throughout 2013

# Outlook – General Engineering

Index of Industrial Production – Manufacturing<sup>1</sup>



Quarterly Value Added Revenue<sup>2</sup>



Weak 2H12 U.S. industrial demand...

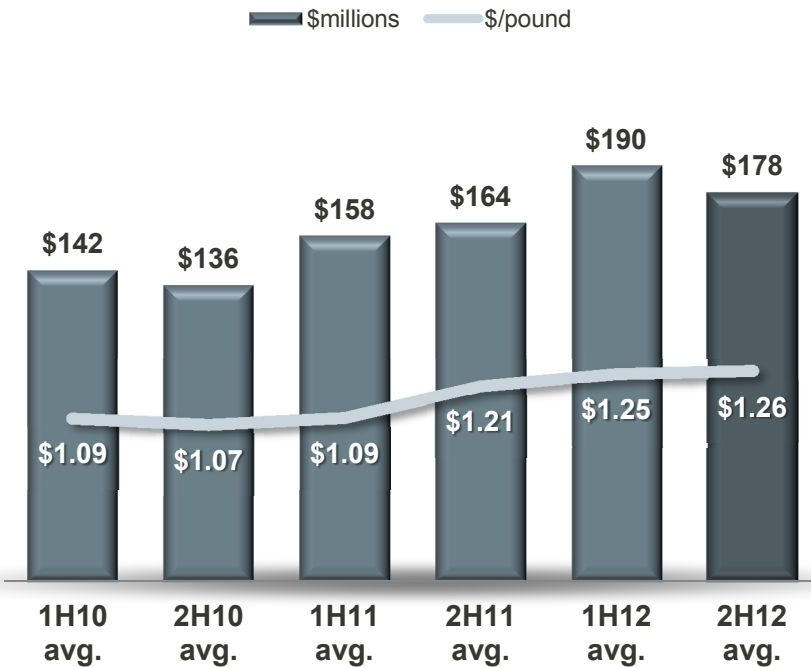
...economic uncertainty clouds visibility

<sup>1</sup> Represents Quarterly Averages; Source: Federal Reserve statistics for U.S. manufacturing

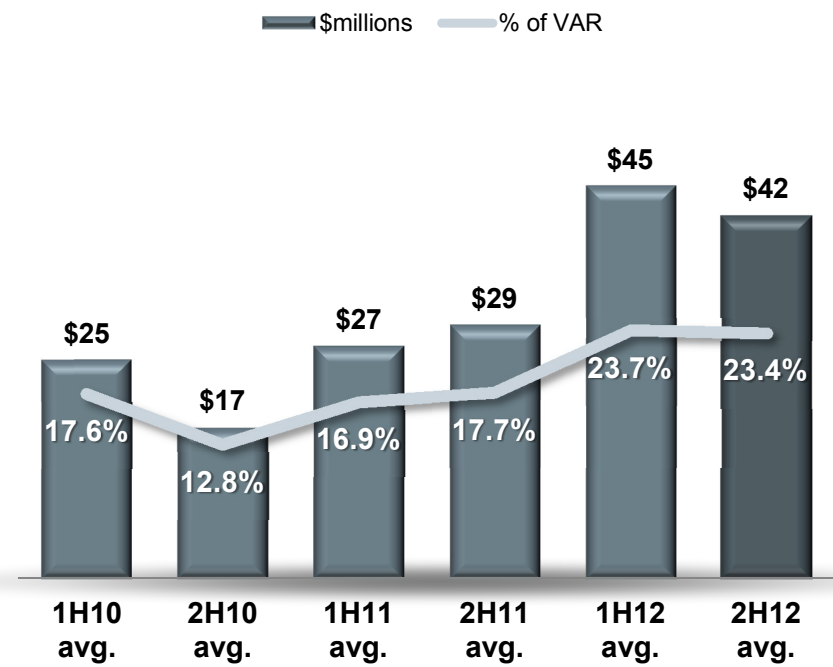
<sup>2</sup> Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 25-26

# Short-term Outlook Summary

Quarterly Value Added Revenue<sup>1</sup>



Quarterly Adjusted EBITDA<sup>2</sup>



## Limited visibility

- Expect 1H13 VAR similar to or slightly better than 1H12 pace

## EBITDA Margin

- Expect 1H13 EBITDA margin<sup>3</sup> similar to or slightly better than 1H12

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 25-26

<sup>2</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 27-28

<sup>3</sup> Adjusted EBITDA margin = Adjusted EBITDA as a percent of Value Added Revenue (VAR)

# Investing for Future Growth

- **Expect 2013-16 capex to average ~\$70 million annually**
- **Expect 2013 capital spending of \$50-\$80 million**
  - ~\$35 million investment in casting unit at Trentwood to replace outsourcing
  - Phase 5 expansion of heat treat plate capacity (TBD)
  - Additional projects: automotive growth, quality, efficiency and sustaining

# Summary

- **Record 2012 results**
  - Record aerospace, automotive, and total VAR<sup>1</sup>
  - Record adjusted EBITDA<sup>2</sup>, EBITDA margin<sup>3</sup>, Net Income<sup>4</sup>, and EPS<sup>5</sup>
- **Positioned for long-term growth**
  - Robust growth prospects for aerospace and automotive applications
  - Additional benefits from previous investments in capacity, quality, efficiency
  - Anticipate significant organic investments in next five years
  - Financial flexibility for additional organic & acquisition growth opportunities

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 25-26

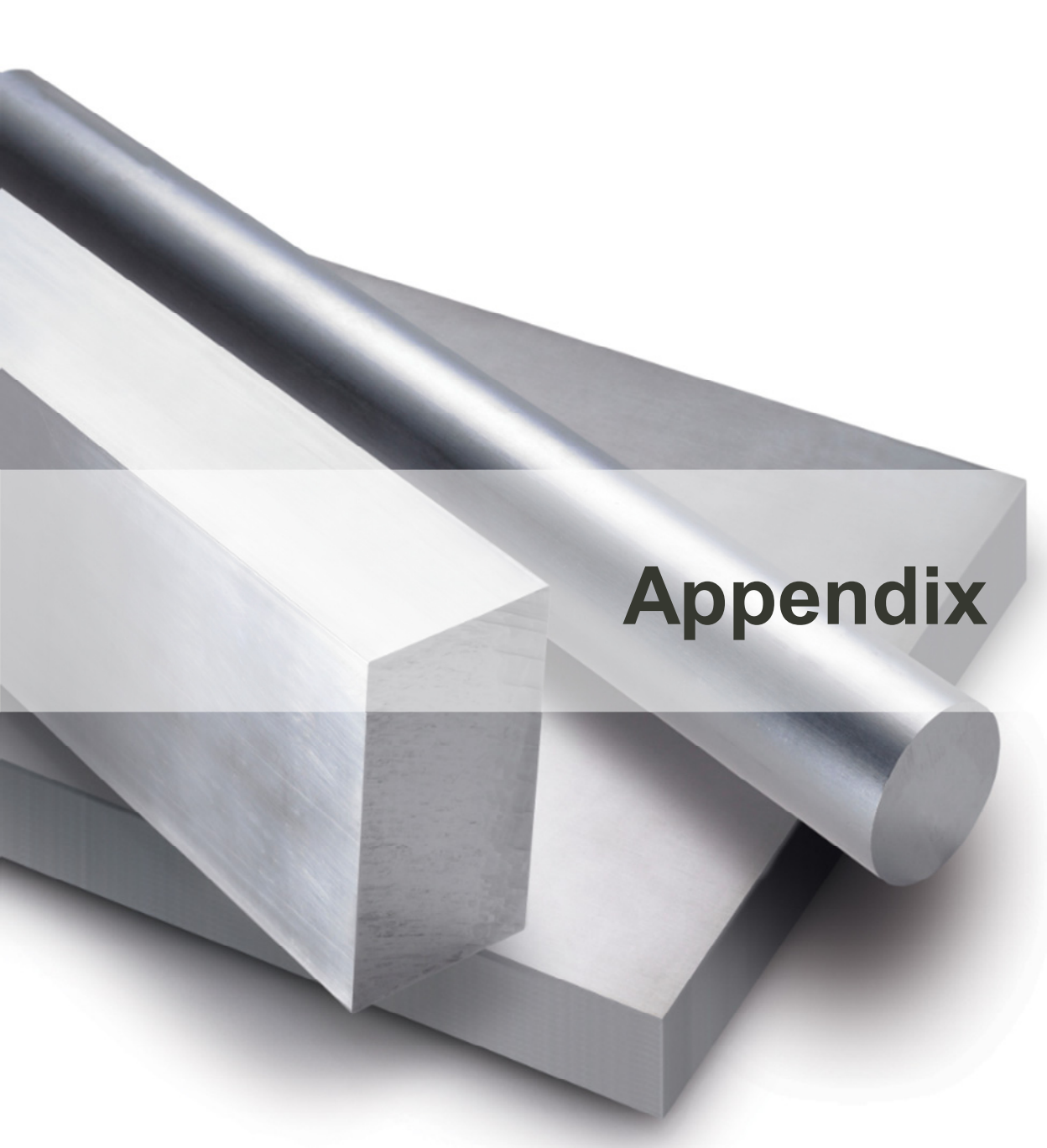
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<sup>3</sup> Adjusted EBITDA margin = Adjusted EBITDA as a percent of Value Added Revenue (VAR)

<sup>4</sup> Adjusted Net Income = Reported Net Income, excluding Total non-run-rate items; refer to slides 29-30

<sup>5</sup> Adjusted EPS = Earnings per diluted share, excluding Total non-run-rate items; refer to slides 29-30

***KAISEER***  
***ALUMINUM***



# Appendix

# Company Summary

## A leader in fabricated aluminum products

- Leading North American semi-fabricated specialty aluminum products manufacturing company serving global markets
- Emphasis on highly engineered specifications for aerospace, defense, automotive, and general engineering applications
- Broad product offering of sheet, plate, rod, bar, wire, tube, and custom extrusions
- Reputation for Best In Class customer satisfaction
- Financial strength and flexibility
- More than \$400 million invested for organic and acquisition growth since 2006
- Solid platform and market presence for further value creation in strategic end market applications

## Mark-to-market

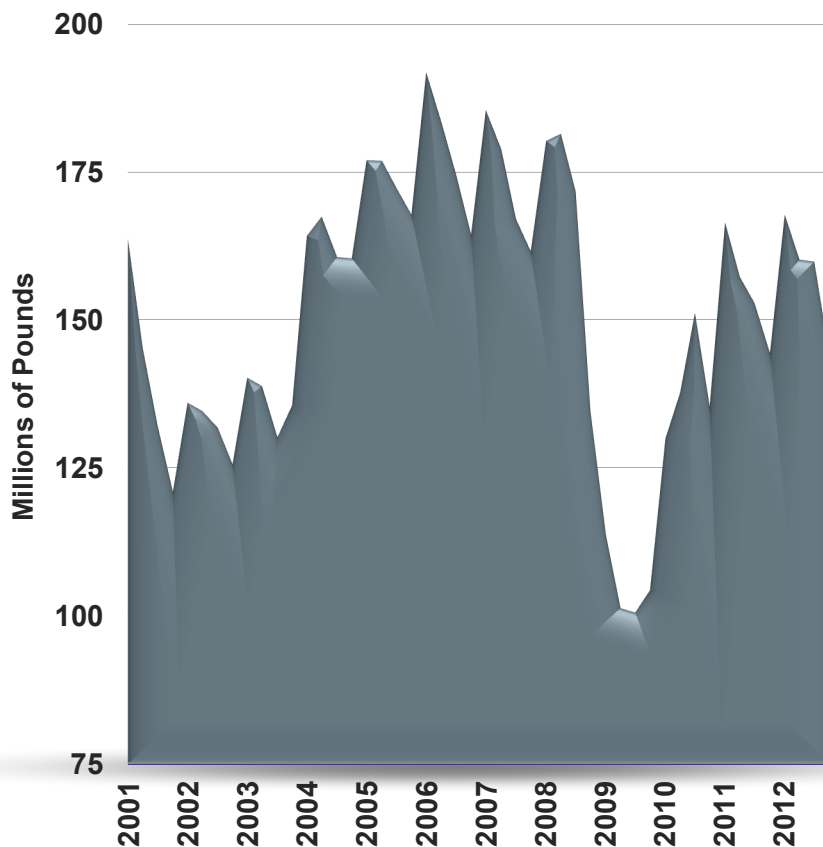
- Hedging-related derivatives are marked-to-market with non-cash gains and losses recognized in income (versus recognized in income on the cash settlement date of the derivative contracts). These are predominately related to:
  - Metal
  - Energy (Natural Gas, Electricity)
  - Options in financing transactions

## Consolidated LIFO to Plant LIFO Adjustment

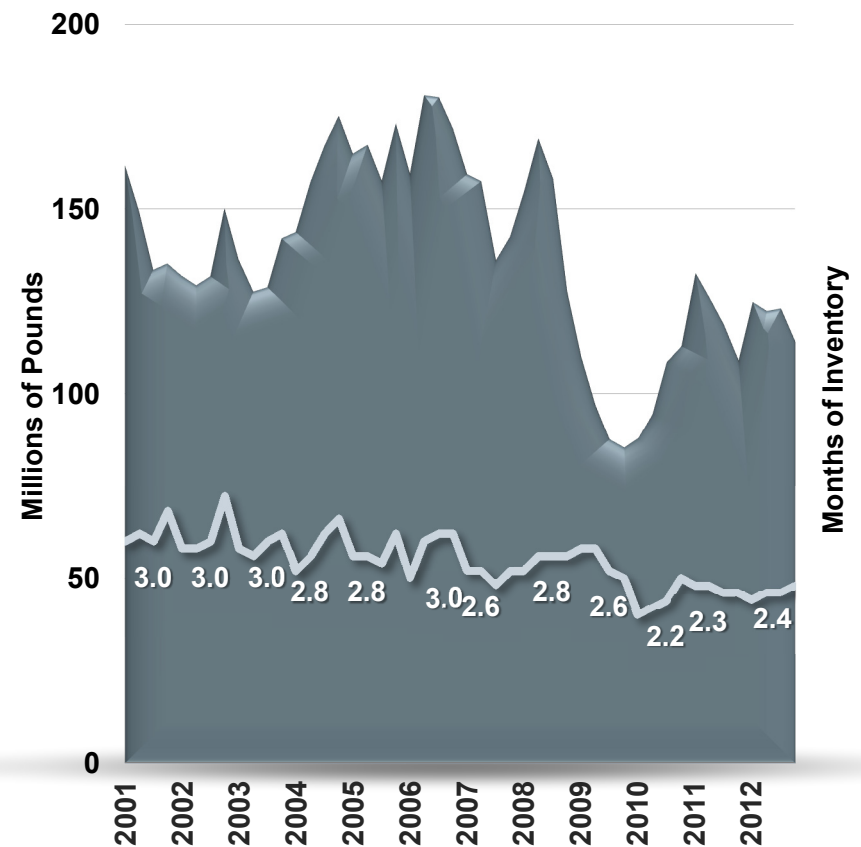
- We report externally using the LIFO inventory valuation method on a *consolidated* basis
- We manage our business using the LIFO inventory valuation method on a *plant-by-plant* basis
- The adjustment from consolidated to plant LIFO adjusts our COGS to the LIFO methodology we use to manage our business

# MSCI Aluminum Rod & Bar Shipments & Inventory

## Quarterly MSCI Shipments



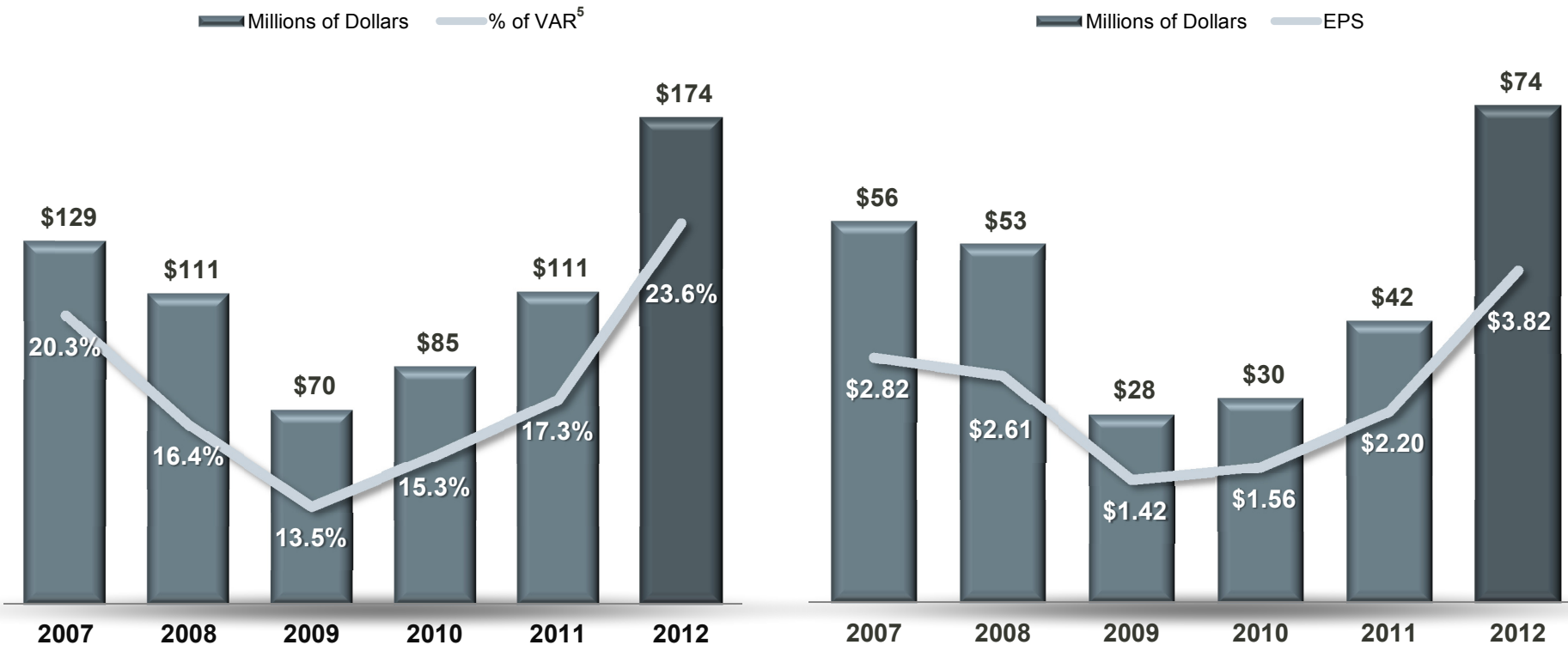
## Quarterly MSCI Inventory



# Annual Financial Results

## Adjusted EBITDA<sup>1</sup> and EBITDA margin<sup>2</sup>

## Adjusted Net Income<sup>3</sup> and EPS<sup>4</sup>



<sup>1</sup> Adjusted EBITDA = For comparability, prior to 2010 defined as Fabricated Products and Corporate Operating Income before non-run-rate, excluding metal and GBP hedging, plus Consolidated Depreciation and Amortization. For 2010 and later, defined as Consolidated Operating Income before non-run-rate plus Consolidated Depreciation and Amortization; for details refer to the reconciliation to Consolidated Operating Income at the end of this presentation. <sup>2</sup> Adjusted EBITDA margin = Adjusted EBITDA as a percent of Value Added Revenue (VAR). <sup>3</sup> Adjusted Net Income = Reported Net Income, excluding Total non-run-rate items (net of tax) and excluding Anglesey and Hedging from 2007-2009. <sup>4</sup> Adjusted EPS = Earnings per diluted share, excluding Total non-run-rate items and excluding Anglesey and Hedging from 2007-2009. <sup>5</sup> Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal.



# Sales Analysis By Application - Quarterly

	<u>1Q10</u>	<u>2Q10</u>	<u>3Q10</u>	<u>4Q10</u>	<u>1Q11</u>	<u>2Q11</u>	<u>3Q11</u>	<u>4Q11</u>	<u>1Q12</u>	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>
<b>Shipments</b> (lbs, mm)												
Aero & High Strength	37.6	42.0	39.4	39.9	45.8	45.0	49.0	52.2	59.0	53.7	54.5	56.7
General Engineering	59.6	56.4	51.9	49.5	61.2	59.8	50.4	48.8	63.3	58.8	61.4	49.2
Automotive Extrusions	12.5	13.5	14.1	14.1	16.1	16.4	15.7	14.6	17.0	16.6	15.2	14.0
Other Applications <sup>1</sup>	<u>18.3</u>	<u>20.8</u>	<u>23.9</u>	<u>20.8</u>	<u>21.0</u>	<u>24.0</u>	<u>19.7</u>	<u>21.2</u>	<u>17.4</u>	<u>18.1</u>	<u>16.4</u>	<u>14.6</u>
<b>Total</b>	<b>128.0</b>	<b>132.7</b>	<b>129.3</b>	<b>124.3</b>	<b>144.1</b>	<b>145.2</b>	<b>134.8</b>	<b>136.8</b>	<b>156.7</b>	<b>147.2</b>	<b>147.5</b>	<b>134.5</b>
<b>Value Added Revenue</b> <sup>2</sup> (\$mm)												
Aero & High Strength	\$70.1	\$78.5	\$73.5	\$73.3	\$88.4	\$88.1	\$96.3	\$103.7	\$119.0	\$111.8	\$109.7	\$110.0
General Engineering	\$45.9	\$46.3	\$42.1	\$39.7	\$45.7	\$46.3	\$41.6	\$41.6	\$49.9	\$48.8	\$51.8	\$41.5
Automotive Extrusions	\$10.3	\$11.5	\$12.2	\$11.7	\$13.1	\$13.6	\$13.2	\$11.7	\$16.0	\$15.2	\$14.6	\$13.2
Other Applications	<u>\$10.9</u>	<u>\$11.3</u>	<u>\$9.7</u>	<u>\$8.9</u>	<u>\$9.3</u>	<u>\$11.8</u>	<u>\$9.9</u>	<u>\$9.9</u>	<u>\$9.9</u>	<u>\$9.6</u>	<u>\$7.9</u>	<u>\$7.3</u>
<b>Total</b>	<b>\$137.2</b>	<b>\$147.6</b>	<b>\$137.5</b>	<b>\$133.6</b>	<b>\$156.5</b>	<b>\$159.8</b>	<b>\$161.0</b>	<b>\$166.9</b>	<b>\$194.8</b>	<b>\$185.4</b>	<b>\$184.0</b>	<b>\$172.0</b>
<b>Value Added Revenue</b> (\$/lb.)												
Aero & High Strength	\$1.86	\$1.87	\$1.87	\$1.84	\$1.93	\$1.96	\$1.97	\$1.99	\$2.02	\$2.08	\$2.01	\$1.94
General Engineering	\$0.77	\$0.82	\$0.81	\$0.80	\$0.75	\$0.77	\$0.83	\$0.85	\$0.79	\$0.83	\$0.84	\$0.84
Automotive Extrusions	\$0.82	\$0.86	\$0.87	\$0.83	\$0.81	\$0.83	\$0.84	\$0.80	\$0.94	\$0.92	\$0.96	\$0.94
Other Applications	<u>\$0.60</u>	<u>\$0.54</u>	<u>\$0.41</u>	<u>\$0.43</u>	<u>\$0.44</u>	<u>\$0.49</u>	<u>\$0.50</u>	<u>\$0.47</u>	<u>\$0.57</u>	<u>\$0.53</u>	<u>\$0.48</u>	<u>\$0.50</u>
<b>Overall</b> <sup>3</sup>	<b>\$1.07</b>	<b>\$1.11</b>	<b>\$1.06</b>	<b>\$1.07</b>	<b>\$1.09</b>	<b>\$1.10</b>	<b>\$1.19</b>	<b>\$1.22</b>	<b>\$1.24</b>	<b>\$1.26</b>	<b>\$1.25</b>	<b>\$1.28</b>

<sup>1</sup> Includes custom industrial products and billet

<sup>2</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

<sup>3</sup> Total VAR / Total Shipments

# Sales Analysis By Application - Annual

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
<b><u>Shipments</u></b> (lbs, mm)						
Aero & High Strength	155	158	145	159	192	224
General Engineering	246	258	189	217	220	233
Automotive Extrusions	54	50	36	54	63	63
Other Applications <sup>1</sup>	93	93	59	84	86	67
<b>Total</b>	<b>548</b>	<b>559</b>	<b>429</b>	<b>514</b>	<b>561</b>	<b>586</b>
<b><u>Value Added Revenue</u></b> <sup>2</sup> (\$mm)						
Aero & High Strength	\$297	\$324	\$278	\$295	\$377	\$451
General Engineering	\$225	\$249	\$165	\$174	\$175	\$192
Automotive Extrusions	\$51	\$42	\$31	\$46	\$52	\$59
Other Applications	\$66	\$58	\$39	\$41	\$41	\$35
<b>Total</b>	<b>\$639</b>	<b>\$673</b>	<b>\$513</b>	<b>\$556</b>	<b>\$644</b>	<b>\$736</b>
<b><u>Value Added Revenue</u></b> (\$/lb.)						
Aero & High Strength	\$1.92	\$2.05	\$1.92	\$1.86	\$1.96	\$2.01
General Engineering	\$0.91	\$0.96	\$0.87	\$0.80	\$0.80	\$0.83
Automotive Extrusions	\$0.94	\$0.84	\$0.86	\$0.84	\$0.82	\$0.94
Other Applications	\$0.71	\$0.63	\$0.67	\$0.49	\$0.48	\$0.52
<b>Overall</b> <sup>3</sup>	<b>\$1.17</b>	<b>\$1.20</b>	<b>\$1.20</b>	<b>\$1.08</b>	<b>\$1.15</b>	<b>\$1.26</b>

<sup>1</sup> Includes custom industrial products and billet

<sup>2</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

<sup>3</sup> Total VAR / Total Shipments

# Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)	Quarterly											
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
<b>Consolidated - Reported Operating Income</b>	<b>\$14.0</b>	<b>\$3.2</b>	<b>\$12.4</b>	<b>\$11.6</b>	<b>\$19.8</b>	<b>\$14.7</b>	<b>\$4.9</b>	<b>\$15.6</b>	<b>\$46.2</b>	<b>\$39.6</b>	<b>\$56.2</b>	<b>\$23.9</b>
Operating NRR <sup>1</sup> items:												
Mark-to-Market Gains (Losses)	0.2	(19.0)	14.7	3.3	4.3	(9.5)	(16.8)	(7.9)	3.1	(0.1)	12.3	(0.1)
Consolidated LIFO to Plant LIFO Adjustment	(1.0)	0.1	(2.0)	2.3	(2.5)	1.0	(1.6)	2.9	2.0	(1.5)	0.4	(3.2)
Workers' Compensation Discount Rate Effect	—	—	—	—	—	—	—	(3.8)	0.2	(0.4)	—	—
Legacy Environmental	(0.4)	—	(13.6)	0.1	(0.2)	(2.5)	(0.1)	(1.1)	—	(0.7)	(0.3)	(0.3)
Restructuring Charges	0.6	(2.0)	0.4	(2.6)	—	—	0.3	—	—	—	—	(4.4)
VEBA Benefit (Expense)	(1.2)	(1.3)	(1.2)	(1.3)	1.5	1.5	1.5	1.4	3.0	3.0	2.9	3.0
Other Operating Benefits, Net	—	(0.1)	—	—	—	0.3	—	—	—	—	—	—
<b>Total Operating NRR Items</b>	<b>(1.8)</b>	<b>(22.3)</b>	<b>(1.7)</b>	<b>1.8</b>	<b>3.1</b>	<b>(9.2)</b>	<b>(16.7)</b>	<b>(8.5)</b>	<b>8.3</b>	<b>0.3</b>	<b>15.3</b>	<b>(5.0)</b>
Consolidated Operating Income before operating NRR	15.7	25.5	14.1	9.8	16.7	23.9	21.6	24.1	37.9	39.3	40.9	28.9
Depreciation & Amortization - Consolidated	4.0	5.0	4.8	6.0	6.3	6.4	6.2	6.3	6.3	6.6	6.7	6.9
<b>Consolidated - Adjusted EBITDA</b>	<b>\$19.7</b>	<b>\$30.5</b>	<b>\$18.9</b>	<b>\$15.8</b>	<b>\$23.0</b>	<b>\$30.3</b>	<b>\$27.8</b>	<b>\$30.4</b>	<b>\$44.2</b>	<b>\$45.9</b>	<b>\$47.6</b>	<b>\$35.8</b>

# Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)

	Annual					
	2007	2008	2009	2010	2011	2012
<b>Consolidated - Reported Operating Income</b>	<b>\$182.0</b>	<b>(\$91.0)</b>	<b>\$118.7</b>	<b>\$41.1</b>	<b>\$55.0</b>	<b>\$165.9</b>
Operating NRR <sup>1</sup> items:						
Mark-to-Market Gains (Losses)	9.7	(87.1)	80.5	(0.7)	(29.9)	15.2
Consolidated LIFO to Plant LIFO Adjustment	0.9	(3.9)	(3.2)	(0.6)	(0.2)	(2.3)
Workers' Compensation Discount Rate Effect	—	—	—	—	(3.8)	(0.2)
Legacy Environmental	(0.9)	(5.5)	(2.4)	(13.9)	(3.9)	(1.3)
Restructuring Charges	—	(8.8)	(5.4)	(3.6)	0.3	(4.4)
VEBA Benefit (Expense)	2.6	0.6	(5.3)	(5.1)	6.0	11.9
Lower of Cost or Market Write-down	—	(65.5)	(9.3)	—	—	—
Anglesey Impairment	—	(37.8)	—	—	—	—
Other Operating Benefits, Net	13.6	1.4	0.9	(0.1)	0.3	—
<b>Total Operating NRR Items</b>	<b>25.9</b>	<b>(206.6)</b>	<b>55.8</b>	<b>(24.0)</b>	<b>(31.2)</b>	<b>18.9</b>
Consolidated Operating Income before operating NRR	156.1	115.6	62.9	65.1	86.2	147.0
Depreciation & Amortization - Consolidated	11.9	14.7	16.4	19.8	25.2	26.5
<b>Consolidated - Adjusted EBITDA</b>	<b>168.0</b>	<b>130.3</b>	<b>79.3</b>	<b>\$84.9</b>	<b>\$111.4</b>	<b>\$173.5</b>
Less Anglesey JV, Anglesey related, metal & GBP hedging Oper. Inc. before NRR	38.6	19.6	9.8			
<b>Fab. Prod. &amp; Corp. OI before oper. NRR, excluding metal &amp; GBP hedging</b>						
<b>+ Consolidated Depreciation &amp; Amortization</b>	<b>\$129.4</b>	<b>\$110.7</b>	<b>\$69.5</b>			

# Adjusted Net Income and EPS

(in \$ millions except EPS)

	Quarterly											
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
<b>GAAP net income</b>	\$ 8.3	\$ (0.4)	\$ 5.0	\$ (0.9)	\$10.8	\$ 4.1	\$ 4.1	\$ 6.1	\$26.5	\$21.0	\$29.2	\$ 9.1
Operating NRR <sup>1</sup> Items	1.8	22.3	1.7	(1.8)	(3.1)	9.2	16.7	8.5	(8.3)	(0.3)	(15.3)	5.0
NRR mark-to-market on convertible bond & related call option	-	(0.9)	3.8	2.0	(1.7)	3.6	(4.1)	(1.8)	(0.5)	(0.7)	0.1	0.3
Tax impact of Total NRR Items	(0.7)	(8.1)	(2.2)	0.7	1.9	(4.9)	(4.8)	(2.9)	3.2	0.4	5.7	(1.9)
<b>Net income, excluding Total NRR Items</b>	\$ 9.4	\$ 12.9	\$ 8.3	\$ -	\$ 7.9	\$12.0	\$11.9	\$ 9.9	\$20.9	\$20.4	\$19.7	\$12.5
Earnings per diluted share (GAAP) <sup>2</sup>	\$0.41	\$ (0.02)	\$0.26	\$ (0.05)	\$0.57	\$0.22	\$0.21	\$0.33	\$1.38	\$1.09	\$1.51	\$0.47
<b>Earnings per diluted share, excluding Total NRR items<sup>2</sup></b>	\$0.47	\$ 0.68	\$0.44	—	\$0.42	\$0.63	\$0.63	\$0.52	\$1.09	\$1.06	\$1.02	\$0.65

<sup>1</sup> NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

<sup>2</sup> Diluted shares for EPS calculated using treasury method for 2012; 2011 and prior calculated using two-class method

# Adjusted Net Income and EPS

(in \$ millions except EPS)

	Annual					
	2007	2008	2009	2010	2011	2012
<b>GAAP net income</b>	\$ 101.0	\$ (68.5)	\$ 70.5	\$ 12.0	\$ 25.1	\$ 85.8
Operating NRR <sup>1</sup> Items	(25.9)	206.6	(55.8)	24.0	31.2	(18.9)
NRR mark-to-market on convertible bond and related call option	-	-	-	4.9	(4.0)	(0.8)
Less Anglesey JV, Anglesey related, Hedging Oper. Inc. before NRR (2007-2009 only)	(38.6)	(19.6)	(9.8)	-	-	-
Tax impact	19.9	(65.4)	23.0	(10.6)	(10.6)	7.5
<b>Net income, excluding Total NRR Items</b>	\$ 56.4	\$ 53.1	\$ 27.9	\$ 30.3	\$ 41.7	\$ 73.6
Earnings per diluted share (GAAP) <sup>2</sup>	\$ 4.91	\$ (3.45)	\$ 3.51	\$ 0.61	\$ 1.32	\$ 4.45
<b>Earnings per diluted share, excluding Total NRR items<sup>2</sup></b>	\$ 2.82	\$ 2.61	\$ 1.42	\$ 1.56	\$ 2.20	\$ 3.82

<sup>1</sup> NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

<sup>2</sup> Diluted shares for EPS calculated using treasury method for 2012; 2011 and prior calculated using two-class method

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