



Second Quarter 2014
Earnings Conference Call

July 24, 2014

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 Forms 10-Q and 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 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.

2014 Second Quarter

- **Strong 2Q results**
 - **\$190 million VAR¹**
 - **\$46 million EBITDA²**
 - **24% EBITDA margin³**
- **Third consecutive quarterly record for heat treat plate shipments**
- **Second consecutive quarterly record for automotive shipments**
- **Strategic investments driving improved manufacturing efficiency**
 - **Trentwood Phase 5 expansion project**
 - **Trentwood new casting complex**

1 Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 20-21

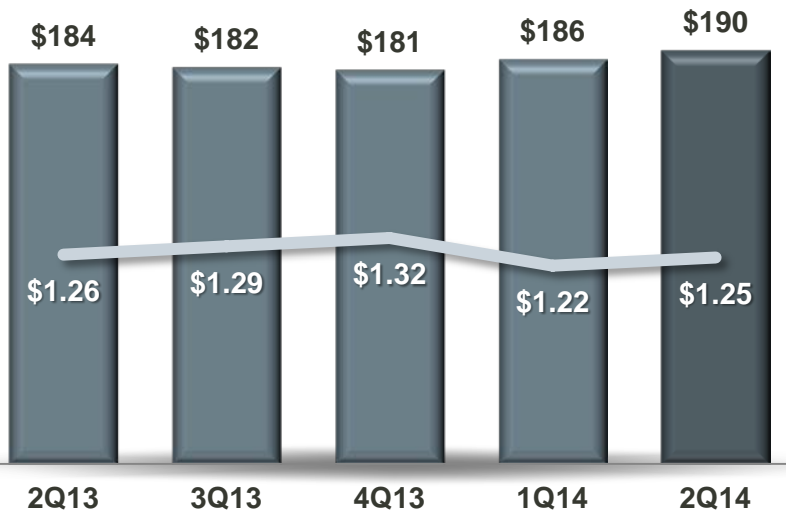
2 EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22-23

3 EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

2014 Second Quarter

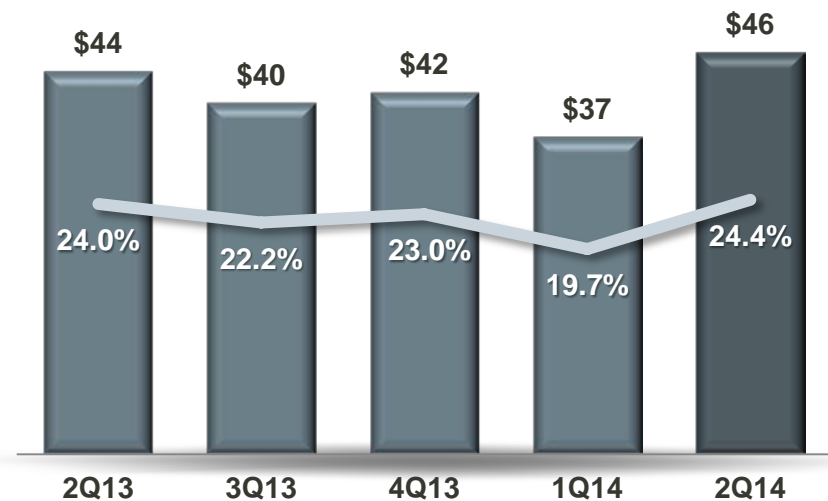
Value Added Revenue¹

■ \$millions ▲ \$/pound



EBITDA² and EBITDA Margin³

■ \$millions ▲ EBITDA margin



Strong 2Q14 VAR

- Record HT plate shipments
- Record automotive extrusions shipments
- Automotive VAR up ~59% over 2Q13

Sequential and year-over-year EBITDA improvement

- Improving manufacturing efficiencies
- Strong HT plate and auto shipments

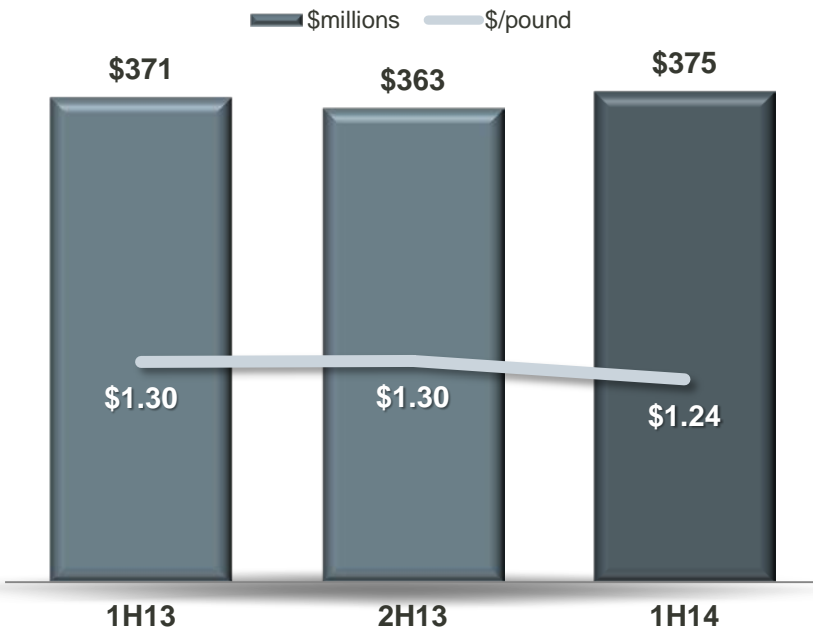
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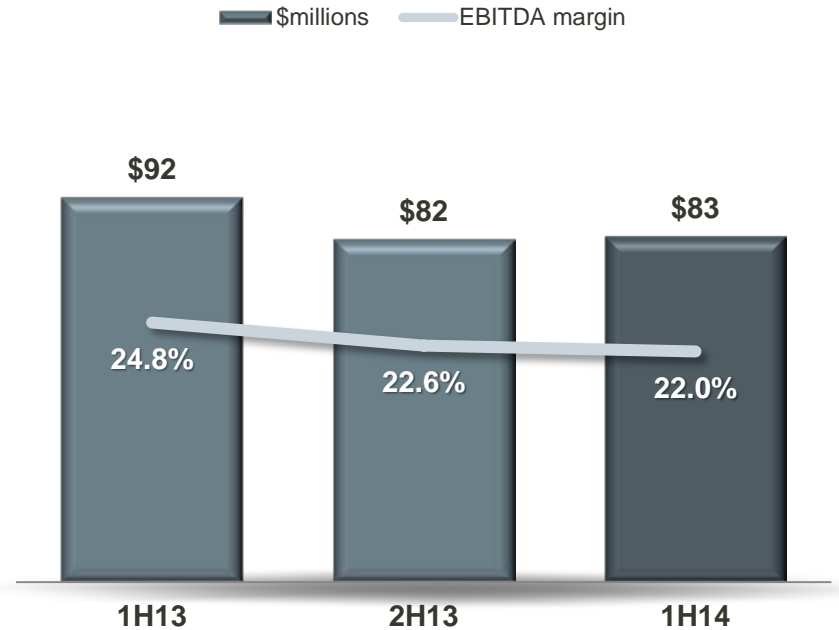
³ EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

2014 First Half

Value Added Revenue¹



EBITDA² and EBITDA Margin³



Record Automotive Extrusions VAR

- Up ~55% year-over-year
- Up ~27% over 2H13

Partially offset by slightly lower aerospace VAR year-over-year and sequentially

Year-over-year EBITDA decline reflects

- \$4.5 million 1Q13 customer payment
 - Higher major maintenance
 - Higher energy and weather related costs
- 1H14 EBITDA and margin comparable to 2H13**

1 Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 20-21

2 EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22-23

3 EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

Consolidated Financial Highlights

<i>(in \$millions except EPS)</i>	Quarterly				Six Months		
	<u>2Q13</u>	<u>3Q13</u>	<u>4Q13</u>	<u>1Q14</u>	<u>2Q14</u>	<u>1H13</u>	<u>1H14</u>
Net Sales	\$329	\$320	\$311	\$335	\$344	\$666	\$679
Value Added Revenue ¹	\$184	\$182	\$181	\$186	\$190	\$371	\$375
Adjusted:							
Operating Income ²	\$37	\$34	\$34	\$29	\$39	\$78	\$68
EBITDA ³	\$44	\$40	\$42	\$37	\$46	\$92	\$83
EBITDA margin ⁴	24.0%	22.2%	23.0%	19.7%	24.4%	24.8%	22.0%
Net Income ⁵	\$17	\$17	\$16	\$13	\$19	\$37	\$33
EPS ⁶	\$0.91	\$0.90	\$0.85	\$0.72	\$1.05	\$1.93	\$1.76
As Reported:							
Operating Income	\$40	\$42	\$42	\$32	\$46	\$90	\$79
Net Income	\$19	\$25	\$27	\$16	\$25	\$52	\$40
EPS ⁷	\$0.98	\$1.34	\$1.44	\$0.85	\$1.33	\$2.70	\$2.18

1 Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 20-21

2 Adjusted Operating Income = Consolidated Operating Income before non-run-rate; refer to slides 22-23

3 EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22-23

4 EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

5 Adjusted Net Income = Reported Net Income excluding non-run-rate items; refer to slides 24-25

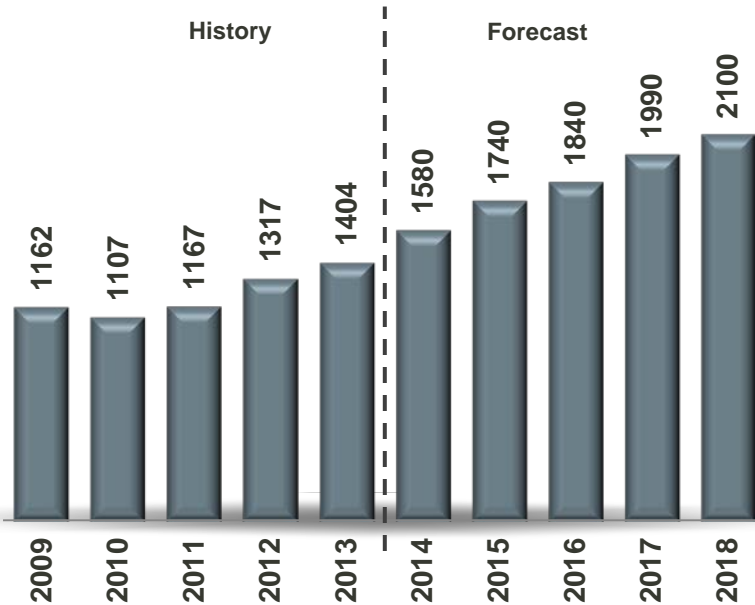
6 Adjusted EPS = Reported Earnings Per Share excluding non-run-rate items; refer to slides 24-25

7 As Reported EPS = Reported Earnings Per Share; refer to slides 24-25

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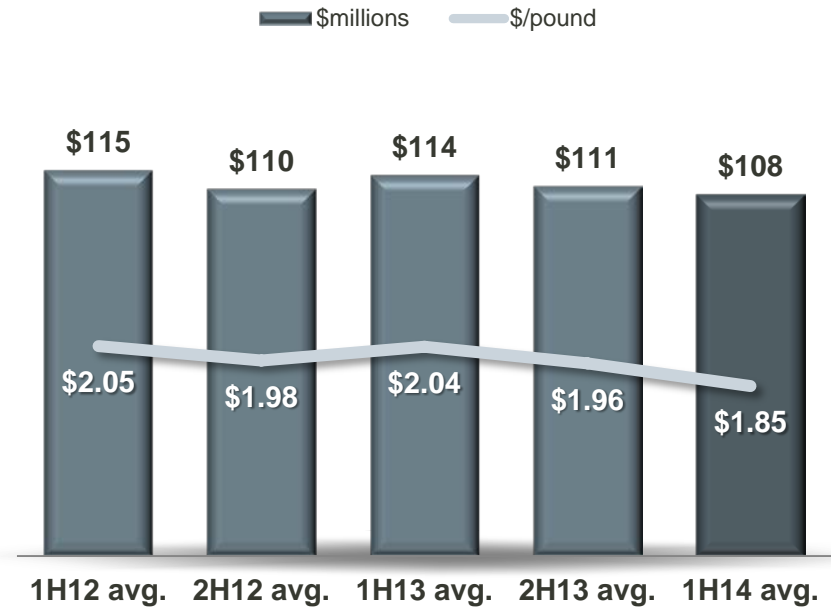
Outlook – Aerospace & High Strength

Global Commercial Airframe Builds



Source: Airline Monitor

Quarterly Value Added Revenue¹



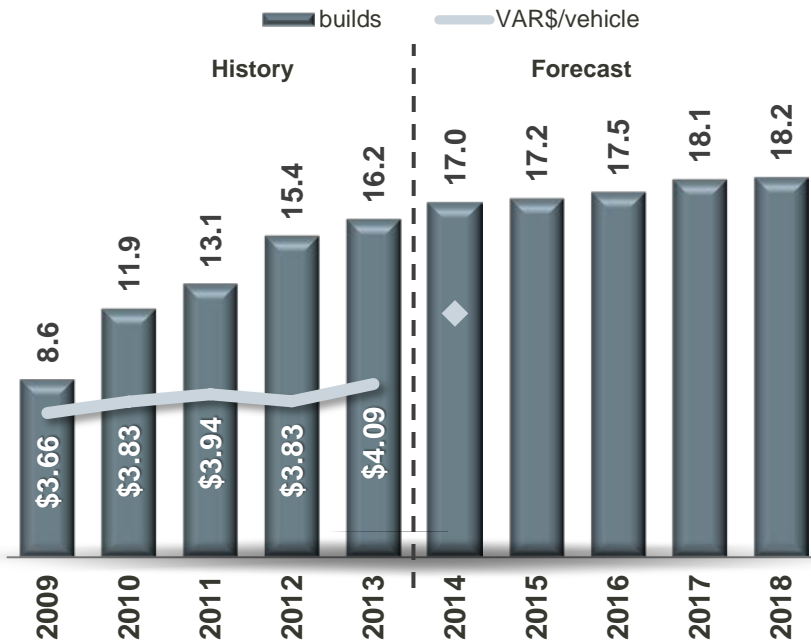
Robust long-term aerospace demand

- Increasing build rates
- Larger airframes
- Monolithic design

Expect 2H14 aero/high strength VAR similar to 2H13 despite competitive price pressure and continued aero destocking

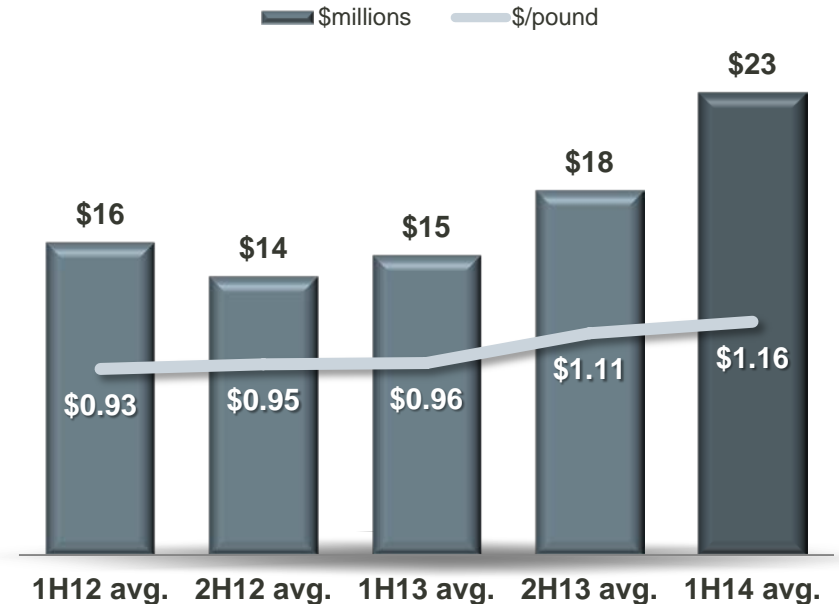
Outlook – Automotive

N.A. Light Vehicle Production
(Millions of vehicles)



Source: IHS Automotive

Quarterly Value Added Revenue¹



Growing automotive demand...

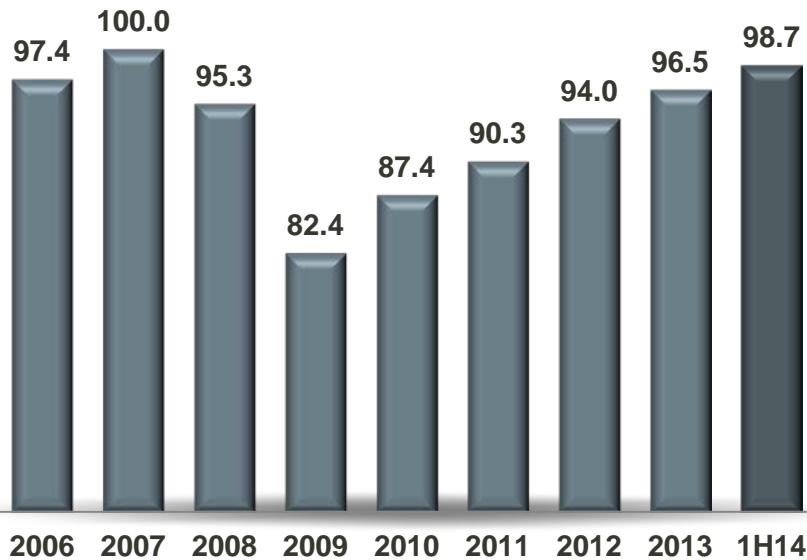
- Increasing long-term build rates
- Increasing aluminum extrusion content in pursuit of lightweighting
- Our 2014 VAR\$/vehicle content trending >\$5.00

...and positive outlook

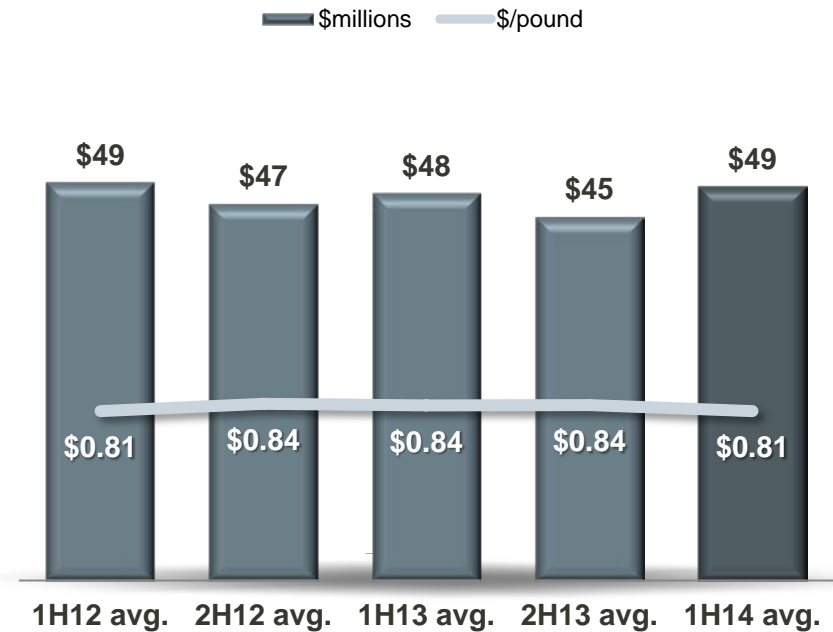
- Expect 2H14 VAR similar to record 1H14 pace as content growth offsets seasonally weaker demand
- Continuing new product launches planned throughout 2014 and into 2015

Outlook – General Engineering

Index of Industrial Production – Manufacturing¹



Quarterly Value Added Revenue²



Continued slow U.S. industrial recovery...

...with 2H seasonal demand weakness

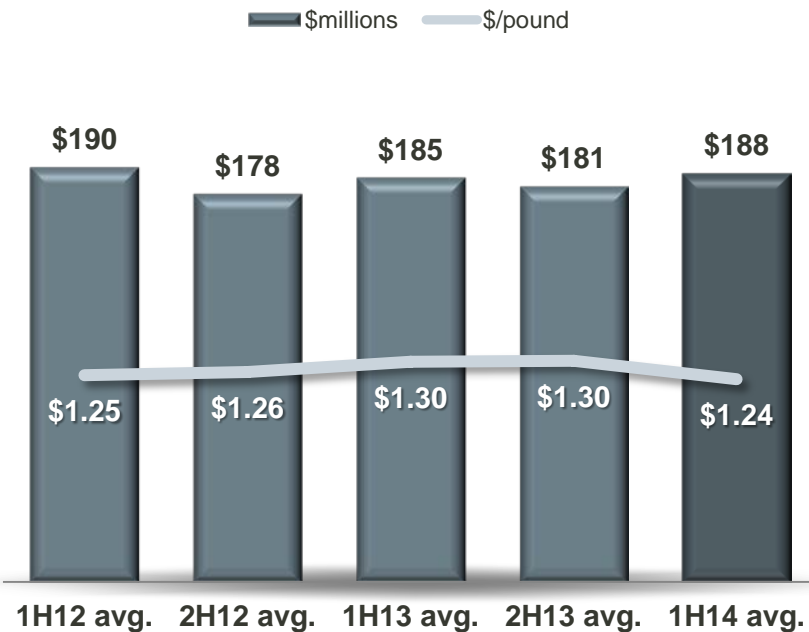
- Expect 2H14 VAR similar to 2H13 with continuing competitive price pressure on plate products

¹ Represents Annual Averages; Source: Federal Reserve statistics for U.S. manufacturing

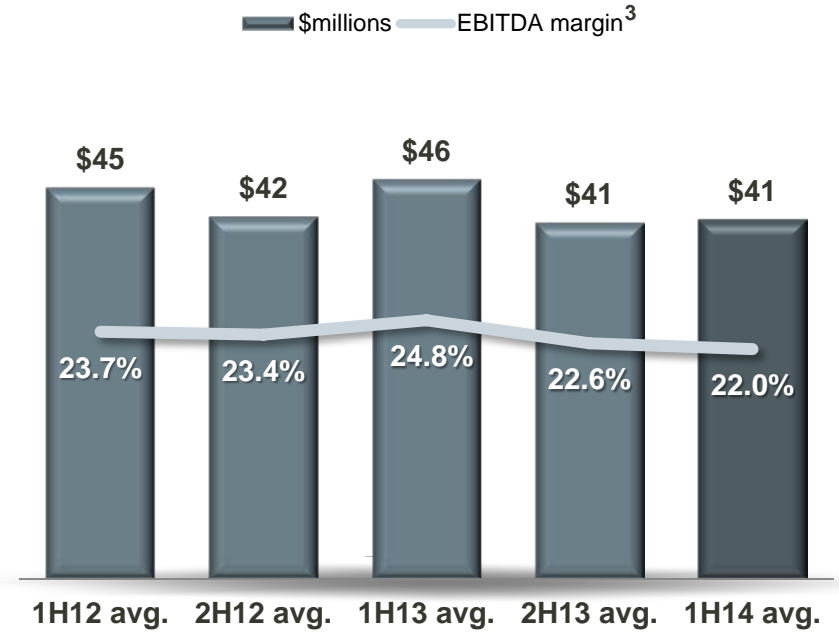
² Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 20-21

Short-term Outlook Summary

Quarterly Value Added Revenue¹



Quarterly EBITDA²



Typical 2H seasonal demand weakness

- Expect higher 2H14 VAR vs. 2H13
- Underlying strength in HT plate and automotive extrusions expected to offset lower HT plate prices relative to 2H13

Expect strong EBITDA and EBITDA margin in 2H14

- Similar to 2012 and 2013 full year averages

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 20-21

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22-23

³ EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR)

Summary

- **Strong 2Q14 results**
 - Record heat treat plate and automotive extrusion shipments
 - Improving manufacturing cost efficiency, driven by Trentwood investments
- **Continue to expect full year 2014 results similar to 2012-2013**
- **Positioned for long-term growth**
 - Expect aerospace supply chain inventory overhang to dissipate in 2015
 - Robust growth prospects for aerospace and automotive applications
 - Additional benefits from investments in capacity, quality, and efficiency
 - Strong balance sheet and solid cash flow generation

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A collection of various aluminum extrusions, including a long cylindrical rod, several rectangular bars of different sizes, and a large L-shaped profile, all arranged in a stack. The metal has a brushed, matte finish and is set against a plain white background with soft shadows.

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 \$500 million invested for growth and competitive strength since 2006
- Solid platform and market presence for further value creation in strategic end market applications

Mark-to-market

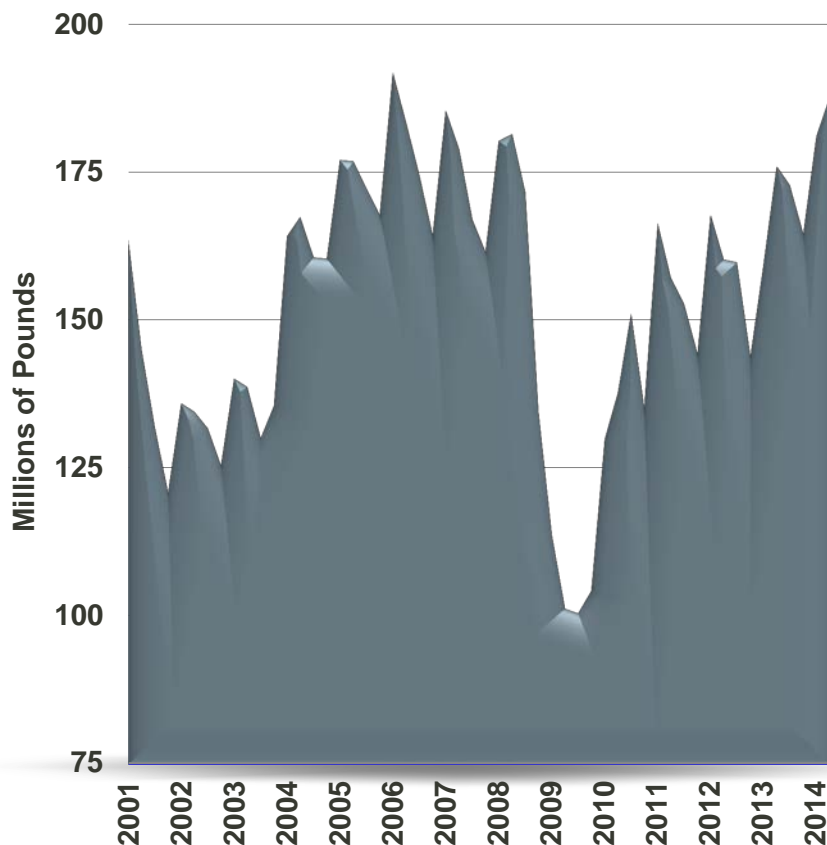
- Hedging-related derivatives are marked-to-market with non-cash gains and losses recognized in income (versus recognized in income on the cash settlement date of the derivative contracts). These are predominately related to:
 - Metal
 - Energy (Natural Gas, Electricity)
 - Options in financing transactions

Consolidated LIFO to Plant LIFO Adjustment

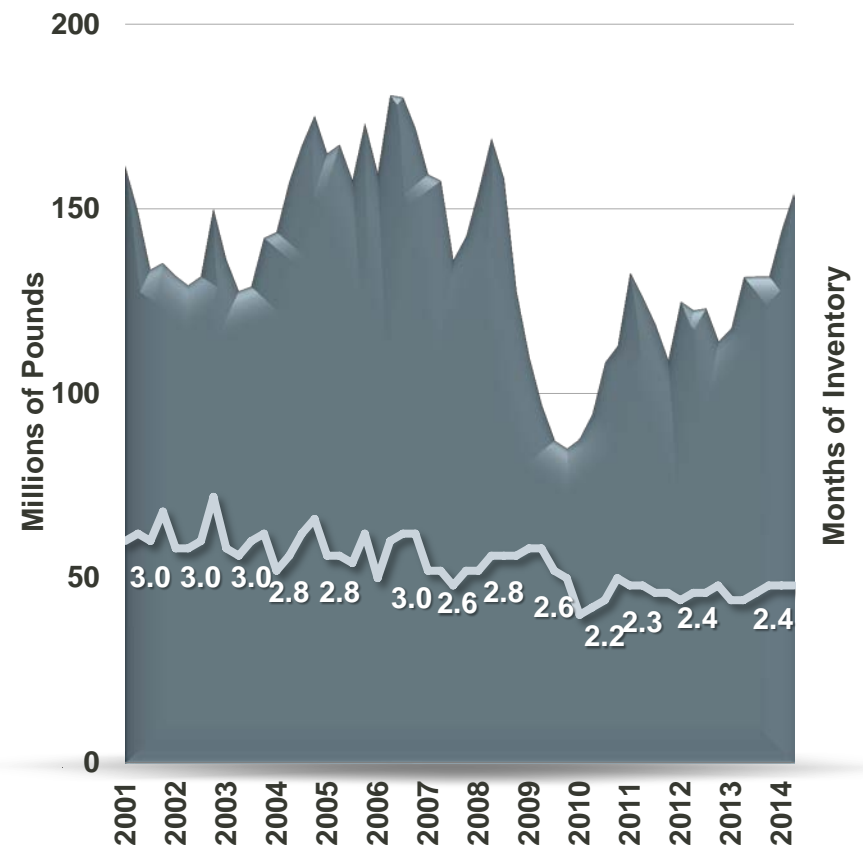
- We report externally using the LIFO inventory valuation method on a *consolidated* basis
- We manage our business using the LIFO inventory valuation method on a *plant-by-plant* basis
- The adjustment from consolidated to plant LIFO adjusts our COGS to the LIFO methodology we use to manage our business

MSCI Aluminum Rod & Bar Shipments & Inventory

Quarterly MSCI Shipments



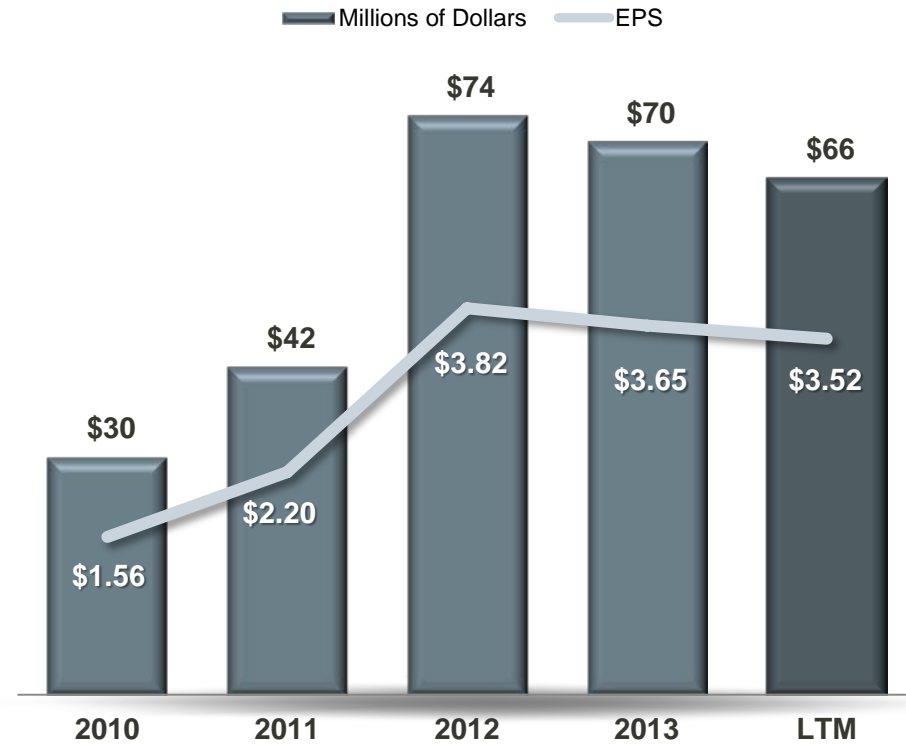
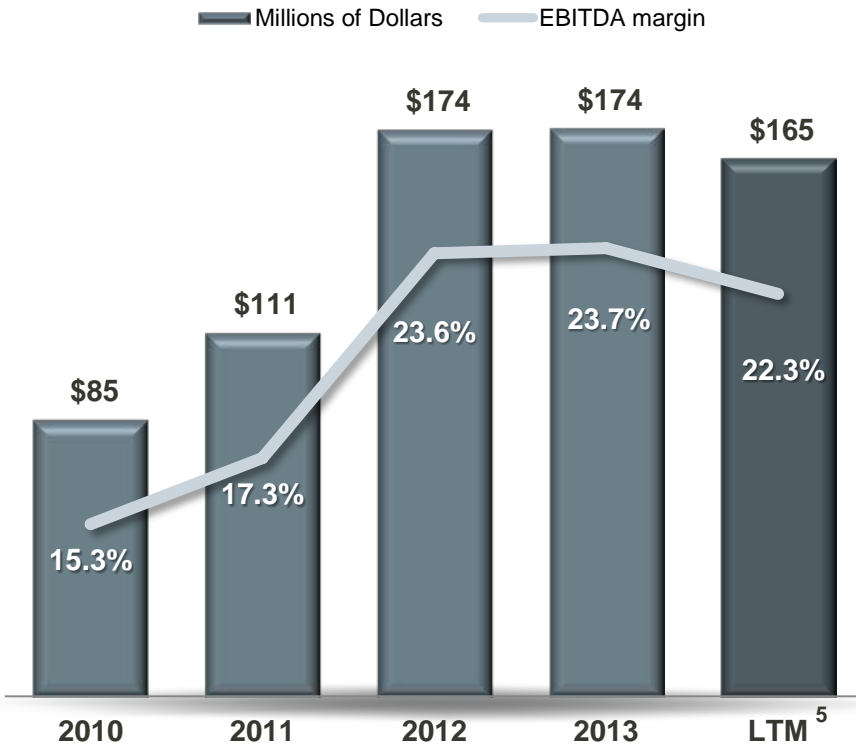
Quarterly MSCI Inventory



Annual Financial Results

EBITDA¹ and EBITDA margin²

Adjusted Net Income³ and EPS⁴



1 EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 22-23

2 EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR); VAR equals Net Sales less hedged cost of alloyed metal

3 Adjusted Net Income = Reported Net Income excluding non-run-rate items; refer to slides 24-25

4 Adjusted EPS = Reported Earnings Per Share excluding non-run-rate items; refer to slides 24-25

5 LTM = Last Twelve Months as of June 30, 2014

Sales Analysis By Application - Quarterly

	<u>1Q12</u>	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>	<u>3Q13</u>	<u>4Q13</u>	<u>1Q14</u>	<u>2Q14</u>
Shipments (lbs, mm)										
Aero & High Strength	59.0	53.7	54.5	56.7	56.7	54.8	55.3	57.5	56.7	60.5
General Engineering	63.3	58.8	61.4	49.2	54.8	60.1	56.6	51.0	62.5	58.4
Automotive Extrusions	17.0	16.6	15.2	14.0	15.3	15.9	16.1	16.8	19.5	20.2
Other Applications ¹	<u>17.4</u>	<u>18.1</u>	<u>16.4</u>	<u>14.6</u>	<u>13.2</u>	<u>14.6</u>	<u>13.1</u>	<u>11.9</u>	<u>13.1</u>	<u>12.6</u>
Total	156.7	147.2	147.5	134.5	140.0	145.4	141.1	137.2	151.8	151.7
Value Added Revenue ² (\$mm)										
Aero & High Strength	\$ 119.0	\$ 111.8	\$ 109.7	\$ 110.0	\$ 118.7	\$ 109.3	\$ 108.9	\$ 112.3	\$ 106.4	\$110.2
General Engineering	\$ 49.9	\$ 48.8	\$ 51.8	\$ 41.5	\$ 46.4	\$ 49.6	\$ 46.9	\$ 43.2	\$ 50.1	\$ 47.6
Automotive Extrusions	\$ 16.0	\$ 15.2	\$ 14.6	\$ 13.2	\$ 14.6	\$ 15.3	\$ 18.2	\$ 18.2	\$ 21.9	\$ 24.3
Other Applications	<u>\$ 9.9</u>	<u>\$ 9.6</u>	<u>\$ 7.9</u>	<u>\$ 7.3</u>	<u>\$ 7.7</u>	<u>\$ 9.3</u>	<u>\$ 7.9</u>	<u>\$ 7.1</u>	<u>\$ 7.2</u>	<u>\$ 7.5</u>
Total	\$ 194.8	\$ 185.4	\$ 184.0	\$ 172.0	\$ 187.4	\$ 183.5	\$ 181.9	\$ 180.8	\$ 185.6	\$189.6
Value Added Revenue (\$/lb.)										
Aero & High Strength	\$ 2.02	\$ 2.08	\$ 2.01	\$ 1.94	\$ 2.09	\$ 2.00	\$ 1.97	\$ 1.95	\$ 1.87	\$ 1.82
General Engineering	\$ 0.79	\$ 0.83	\$ 0.84	\$ 0.84	\$ 0.85	\$ 0.82	\$ 0.83	\$ 0.85	\$ 0.80	\$ 0.81
Automotive Extrusions	\$ 0.94	\$ 0.92	\$ 0.96	\$ 0.94	\$ 0.95	\$ 0.97	\$ 1.13	\$ 1.08	\$ 1.13	\$ 1.20
Other Applications	<u>\$ 0.57</u>	<u>\$ 0.53</u>	<u>\$ 0.48</u>	<u>\$ 0.50</u>	<u>\$ 0.58</u>	<u>\$ 0.64</u>	<u>\$ 0.61</u>	<u>\$ 0.60</u>	<u>\$ 0.55</u>	<u>\$ 0.60</u>
Overall ³	\$ 1.24	\$ 1.26	\$ 1.25	\$ 1.28	\$ 1.34	\$ 1.26	\$ 1.29	\$ 1.32	\$ 1.22	\$ 1.25

1 Includes custom industrial products and billet

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

3 Total VAR / Total Shipments

Sales Analysis By Application - Annual

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>LTM⁴</u>
<u>Shipments</u> (lbs, mm)					
Aero & High Strength	159	192	224	224	230
General Engineering	217	220	233	223	229
Automotive Extrusions	54	63	63	64	73
Other Applications ¹	84	86	67	53	51
Total	514	561	586	564	582
<u>Value Added Revenue</u> ² (\$mm)					
Aero & High Strength	\$295	\$377	\$451	\$449	\$438
General Engineering	\$174	\$175	\$192	\$186	\$188
Automotive Extrusions	\$46	\$52	\$59	\$66	\$83
Other Applications	\$41	\$41	\$35	\$32	\$30
Total	\$556	\$644	\$736	\$734	\$738
<u>Value Added Revenue</u> (\$/lb.)					
Aero & High Strength	\$1.86	\$1.96	\$2.01	\$2.00	\$1.90
General Engineering	\$0.80	\$0.80	\$0.83	\$0.84	\$0.82
Automotive Extrusions	\$0.84	\$0.82	\$0.94	\$1.03	\$1.14
Other Applications	\$0.49	\$0.48	\$0.52	\$0.61	\$0.59
Overall³	\$1.08	\$1.15	\$1.26	\$1.30	\$1.27

1 Includes custom industrial products and billet

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

3 Total VAR / Total Shipments

4 LTM = Last Twelve Months as of June 30, 2014

Totals may not sum due to rounding

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Reconciliation of Reported Operating Income to EBITDA

(in \$ millions)

	Quarterly									
	<u>1Q12</u>	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>	<u>3Q13</u>	<u>4Q13</u>	<u>1Q14</u>	<u>2Q14</u>
Consolidated - Reported Operating Income	\$46.2	\$39.6	\$56.2	\$23.9	\$50.0	\$40.1	\$41.6	\$41.6	\$32.1	\$46.4
Operating NRR ¹ items:										
Mark-to-Market Gains (Losses)	3.1	(0.1)	12.3	(0.1)	(0.7)	(4.2)	1.5	4.1	2.0	1.5
Consolidated LIFO to Plant LIFO Adjustment	2.0	(1.5)	0.4	(3.2)	4.7	0.7	1.4	0.6	(4.6)	0.5
Workers' Compensation Discount Rate Effect	0.2	(0.4)	—	—	—	0.9	—	0.4	0.2	0.1
Impairment Loss	—	—	—	—	—	—	—	—	—	(0.2)
Legacy Environmental	—	(0.7)	(0.3)	(0.3)	(0.6)	—	(0.4)	(3.5)	(0.2)	(0.1)
Restructuring Charges	—	—	—	(4.4)	—	—	—	—	—	—
VEBA Net Periodic Benefit Income	3.0	3.0	2.9	3.0	5.6	5.7	5.6	5.6	5.6	6.1
Total Operating NRR Items	8.3	0.3	15.3	(5.0)	9.0	3.1	8.1	7.2	3.0	7.9
Consolidated Operating Income before operating NRR	37.9	39.3	40.9	28.9	41.0	37.0	33.5	34.4	29.1	38.5
Depreciation & Amortization - Consolidated	6.3	6.6	6.7	6.9	7.0	7.0	6.9	7.2	7.4	7.7
Consolidated - EBITDA	\$44.2	\$45.9	\$47.6	\$35.8	\$48.0	\$44.0	\$40.4	\$41.6	\$36.5	\$46.2

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

Reconciliation of Reported Operating Income to EBITDA

(in \$ millions)

	Annual				
	2010	2011	2012	2013	LTM ²
Consolidated - Reported Operating Income	\$41.1	\$55.0	\$165.9	\$173.3	\$161.7
Operating NRR ¹ items:					
Mark-to-Market (Losses) Gains	(0.7)	(29.9)	15.2	0.7	9.1
Consolidated LIFO to Plant LIFO Adjustment	(0.6)	(0.2)	(2.3)	7.4	(2.1)
Workers' Compensation Discount Rate Effect	—	(3.8)	(0.2)	1.3	0.7
Impairment Loss	—	—	—	—	(0.2)
Legacy Environmental	(13.9)	(3.9)	(1.3)	(4.5)	(4.2)
Restructuring (Charges) Benefits	(3.6)	0.3	(4.4)	—	—
VEBA Net Periodic Benefit (Cost) Income	(5.1)	6.0	11.9	22.5	22.9
Other Operating (Charges) Benefits	(0.1)	0.3	—	—	—
Total Operating NRR Items	(24.0)	(31.2)	18.9	27.4	26.2
Consolidated Operating Income before operating NRR	65.1	86.2	147.0	145.9	135.5
Depreciation & Amortization - Consolidated	19.8	25.2	26.5	28.1	29.2
Consolidated - EBITDA	\$84.9	\$111.4	\$173.5	\$174.0	\$164.7

1 NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

2 LTM = Last Twelve Months as of June 30, 2014

Adjusted Net Income and EPS

(in \$ millions except EPS)

	Quarterly									
	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
GAAP net income	\$26.5	\$21.0	\$29.2	\$ 9.1	\$33.5	\$18.6	\$25.4	\$27.3	\$15.8	\$24.5
Operating NRR ¹ Items	(8.3)	(0.3)	(15.3)	5.0	(9.0)	(3.1)	(8.1)	(7.2)	(3.0)	(7.9)
Non-Operating NRR Items ²	(0.5)	(0.7)	0.1	0.3	(0.4)	0.9	(2.2)	(2.1)	(0.9)	(0.5)
Tax impact of above NRR items	3.2	0.4	5.7	(1.9)	3.6	0.8	3.9	3.5	1.4	3.2
NRR tax benefit	-	-	-	-	(7.8)	-	(1.9)	(5.4)	-	-
Adjusted net income	\$20.9	\$20.4	\$19.7	\$12.5	\$19.9	\$17.2	\$17.1	\$16.1	\$13.3	\$19.3
GAAP earnings per diluted share ³	\$1.38	\$1.09	\$1.51	\$0.47	\$1.73	\$0.98	\$1.34	\$1.44	\$0.85	\$1.33
Adjusted earnings per diluted share³	\$1.09	\$1.06	\$1.02	\$0.65	\$1.03	\$0.91	\$0.90	\$0.85	\$0.72	\$1.05

1 NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

2 Non-Operating NRR Items do not contribute to Reported Operating Income and represent the mark-to-market of convertible bond related financial derivatives as well as income from a one-time bankruptcy trust share distribution in 3Q13

3 Diluted shares for EPS calculated using treasury method

Totals may not sum due to rounding

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Adjusted Net Income and EPS

	Annual				
	2010	2011	2012	2013	LTM ⁴
<i>(in \$ millions except EPS)</i>					
GAAP net income	\$ 12.0	\$ 25.1	\$ 85.8	\$104.8	\$ 93.0
Operating NRR ¹ Items	24.0	31.2	(18.9)	(27.4)	(26.2)
Non-Operating NRR Items ²	4.9	(4.0)	(0.8)	(3.8)	(5.7)
Tax impact of above NRR items	(10.6)	(10.6)	7.5	11.8	12.0
NRR tax benefit	-	-	-	(15.1)	(7.3)
Adjusted net income	\$ 30.3	\$ 41.7	\$ 73.6	\$ 70.3	\$ 65.8
GAAP earnings per diluted share ³	\$ 0.61	\$ 1.32	\$ 4.45	\$ 5.44	\$ 4.96
Adjusted earnings per diluted share³	\$ 1.56	\$ 2.20	\$ 3.82	\$ 3.65	\$ 3.52

1 NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

2 Non-Operating NRR Items do not contribute to Reported Operating Income and represent the mark-to-market of convertible bond related financial derivatives as well as income from a one-time bankruptcy trust share distribution in 3Q13

3 Diluted shares for EPS calculated using treasury method for 2012 and onward; 2011 and prior calculated using two-class method

4 LTM = Last Twelve Months as of June 30, 2014

Totals may not sum due to rounding

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