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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________________________ to____

Commission File Number: 0-52105

KAISER ALUMINUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-3030279**
(State of incorporation)	(I.R.S. Employer Identification No.)
27422 Portola Parkway, Suite 200 Foothill Ranch, California	**92610-2831**
(Address of principal executive offices)	(Zip Code)

(949) 614-1740

(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of April 19, 2013, there were 18,902,523 shares of the Common Stock of the registrant outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. ***Financial Statements***

CONSOLIDATED BALANCE SHEETS

	March 31, 2013	December 31, 2012
	(Unaudited)	
	(In millions of dollars, except share and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 248.0	$ 273.4
Short-term investments	85.6	85.0
Receivables:		
Trade, less allowance for doubtful receivables of $0.8 at March 31, 2013 and December 31, 2012	141.8	123.8
Other	11.8	3.4
Inventories	199.3	186.0
Prepaid expenses and other current assets	71.0	70.1
Total current assets	757.5	741.7
Property, plant, and equipment – net	386.4	384.3
Net asset in respect of VEBA	372.5	365.9
Deferred tax assets – net (including deferred tax liability relating to the VEBAs of $139.5 at March 31, 2013 and $136.9 at December 31, 2012)	87.0	102.0
Intangible assets – net	35.0	35.4
Goodwill	37.2	37.2
Other assets	88.8	86.0
Total	$ 1,764.4	$ 1,752.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 73.2	$ 62.5
Accrued salaries, wages, and related expenses	33.1	39.3
Other accrued liabilities	38.4	51.8
Payable to affiliate	12.3	7.9
Short-term capital lease	0.2	0.1
Total current liabilities	157.2	161.6
Net liability in respect of VEBA	4.9	5.3
Long-term liabilities	135.2	134.5
Long-term debt	382.3	380.3
Total liabilities	679.6	681.7
Commitments and contingencies – Note 7		
Stockholders' equity:		
Preferred stock, 5,000,000 shares authorized at both March 31, 2013 and December 31, 2012; no shares were issued and outstanding at March 31, 2013 and December 31, 2012	—	—
Common stock, par value $0.01, 90,000,000 shares authorized at both March 31, 2013 and at December 31, 2012; 21,093,816 shares issued and 19,109,614 shares outstanding at March 31, 2013; 21,037,841 shares issued and 19,313,235 shares outstanding at December 31, 2012	0.2	0.2
Additional paid in capital	1,018.9	1,017.7
Retained earnings	179.0	151.2
Treasury stock, at cost, 1,984,202 shares at March 31, 2013 and 1,724,606 shares at December 31, 2012, respectively	(88.5)	(72.3)
Accumulated other comprehensive loss	(24.8)	(26.0)
Total stockholders' equity	1,084.8	1,070.8
Total	$ 1,764.4	$ 1,752.5

The accompanying notes to consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED INCOME

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
	(Unaudited) (In millions of dollars, except share and per share amounts)	
Net sales	$ 337.4	$ 365.4
Costs and expenses:		
Cost of products sold:		
Cost of products sold, excluding depreciation and amortization and other items	263.6	298.1
Unrealized losses (gains) on derivative instruments	0.7	(3.1)
Depreciation and amortization	7.0	6.3
Selling, administrative, research and development, and general (includes $1.4 and $1.8 accumulated other comprehensive income reclassifications related to VEBA adjustments for the quarters ended March 31, 2013 and March 31, 2012, respectively)	16.1	17.9
Total costs and expenses	287.4	319.2
Operating income	50.0	46.2
Other (expense) income:		
Interest expense	(9.3)	(4.1)
Other income, net (includes $0.4 accumulated other comprehensive income reclassifications for realized gains on available for sale securities for the quarter ended March 31, 2013)	1.0	0.7
Income before income taxes	41.7	42.8
Income tax provision (includes ($0.4) and ($0.7) of aggregate income tax expense from reclassification items for the quarters ended March 31, 2013 and March 31, 2012, respectively)	(8.2)	(16.3)
Net income	$ 33.5	$ 26.5
Earnings per common share, Basic:		
Net income per share	$ 1.75	$ 1.39
Earnings per common share, Diluted:		
Net income per share	$ 1.73	$ 1.38
Weighted-average number of common shares outstanding (in thousands):		
Basic	19,143	19,059
Diluted	19,366	19,161

The accompanying notes to consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME

	Quarter Ended March 31,	
	2013	2012
	(Unaudited) (In millions of dollars)	
Net income	$ 33.5	$ 26.5
Other comprehensive income:		
Reclassification adjustments:		
Amortization of net actuarial loss relating to VEBAs	0.3	0.8
Amortization of prior service cost relating to VEBAs	1.1	1.0
Reclassification of unrealized gain upon sale of available for sale securities	(0.4)	—
Unrealized gain on available for sale securities	0.3	0.3
Foreign currency translation adjustment	0.4	(0.3)
Other comprehensive income, before tax	1.7	1.8
Income tax expense related to items of other comprehensive income	(0.5)	(0.7)
Other comprehensive income, net of tax	1.2	1.1
Comprehensive income	$ 34.7	$ 27.6

The accompanying notes to consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENT OF CONSOLIDATED STOCKHOLDERS' EQUITY

(Unaudited)
(In millions of dollars, except for shares)

	Common Shares Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total
BALANCE, December 31, 2012	19,313,235	$ 0.2	$ 1,017.7	$ 151.2	$ (72.3)	$ (26.0)	$ 1,070.8
Net income	—	—	—	33.5	—	—	33.5
Other comprehensive income, net of tax	—	—	—	—	—	1.2	1.2
Issuance of non-vested shares to employees	57,190	—	—	—	—	—	—
Issuance of common shares to employees upon vesting of restricted stock units and performance shares	34,623	—	—	—	—	—	—
Cancellation of shares to cover employees' tax withholdings upon vesting of non-vested shares	(35,838)	—	(2.2)	—	—	—	(2.2)
Repurchase of common stock	(259,596)	—	—	—	(16.2)	—	(16.2)
Cash dividends on common stock ($0.30 per share)	—	—	—	(5.9)	—	—	(5.9)
Excess tax benefit upon vesting of non-vested shares and dividend payment on unvested shares expected to vest	—	—	0.8	—	—	—	0.8
Amortization of unearned equity compensation	—	—	2.6	—	—	—	2.6
Dividends on unvested equity awards that canceled	—	—	—	0.2	—	—	0.2
BALANCE, March 31, 2013	19,109,614	$ 0.2	$ 1,018.9	$ 179.0	$ (88.5)	$ (24.8)	$ 1,084.8

The accompanying notes to consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENT OF CONSOLIDATED CASH FLOWS

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
	(Unaudited) (In millions of dollars)	
Cash flows from operating activities:		
Net income	$ 33.5	$ 26.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	6.6	5.9
Amortization of definite-lived intangible assets	0.4	0.4
Amortization of debt discount and debt issuance costs	2.7	2.3
Deferred income taxes	15.3	16.0
Excess tax benefit upon vesting of non-vested shares and dividend payment on unvested shares expected to vest	(0.8)	(1.3)
Non-cash equity compensation	2.6	2.5
Net non-cash LIFO benefit	(3.7)	(2.9)
Non-cash unrealized losses (gains) on derivative positions	0.3	(3.6)
Amortization of option premiums paid	—	0.1
Gain on sale of available for sale securities	(0.5)	—
Non-cash net periodic pension benefit income relating to VEBAs	(5.6)	(3.0)
Other non-cash (benefit) charges	(2.4)	0.8
Changes in operating assets and liabilities:		
Trade and other receivables	(23.6)	(31.3)
Inventories (excluding LIFO benefit/charge)	(9.6)	10.4
Prepaid expenses and other current assets	(2.3)	(1.9)
Accounts payable	9.9	3.3
Accrued liabilities	(19.5)	4.3
Payable to affiliate	4.4	8.0
Long-term assets and liabilities, net	(1.4)	(1.5)
Net cash provided by operating activities	6.3	35.0
Cash flows from investing activities:		
Capital expenditures	(9.3)	(9.0)
Purchase of available for sale securities	(85.6)	—
Proceeds from sale of available for sale securities	85.2	—
Change in restricted cash	—	7.2
Net cash used in investing activities	(9.7)	(1.8)
Cash flows from financing activities:		
Excess tax benefit upon vesting of non-vested shares and dividend payment on unvested shares expected to vest	0.8	1.3
Cancellation of shares to cover employees' tax withholdings upon vesting of non-vested shares	(2.2)	(2.1)
Repurchase of common stock	(14.7)	—
Cash dividend paid to stockholders	(5.9)	(4.9)
Net cash used in financing activities	(22.0)	(5.7)
Net (decrease) increase in cash and cash equivalents during the period	(25.4)	27.5
Cash and cash equivalents at beginning of period	273.4	49.8
Cash and cash equivalents at end of period	$ 248.0	$ 77.3

See Note 12 for supplemental cash flow information.

The accompanying notes to consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(In millions of dollars, except share and per share amounts and as otherwise indicated)

1. Summary of Significant Accounting Policies

This Quarterly Report on Form 10-Q (this "Report") should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Organization and Nature of Operations. Kaiser Aluminum Corporation (together with its subsidiaries, unless the context otherwise requires, the "Company") specializes in the production of semi-fabricated specialty aluminum products, such as aluminum sheet and plate and extruded and drawn products, primarily used in aerospace/high strength, general engineering, automotive, and other industrial end market applications. The Company has one operating segment, Fabricated Products. See Note 11 for additional information regarding the Company's reportable segment and its other business units.

Principles of Consolidation and Basis of Presentation. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and are prepared in accordance with United States generally accepted accounting principles ("GAAP") and the rules and regulations of the Securities and Exchange Commission (the "SEC") applicable for interim periods and therefore, do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows. The results of operations for the Company's interim periods are not necessarily indicative of the results of operations that may be achieved for the entire 2013 fiscal year. The financial information as of December 31, 2012 is derived from the Company's audited consolidated financial statements and footnotes for the year ended December 31, 2012 included in our Annual Report on Form 10-K.

Use of Estimates in the Preparation of Financial Statements. The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's consolidated financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of the Company's consolidated financial position and results of operations.

Inventories. Inventories are stated at the lower of cost or market value. Finished products, work-in-process and raw material inventories are stated on the last-in, first-out ("LIFO") basis. The Company recorded net non-cash LIFO benefits of approximately $3.7 and $2.9 during the quarters ended March 31, 2013 and March 31, 2012, respectively. These amounts are primarily a result of changes in metal prices and changes in inventory volumes. The excess of current cost over the stated LIFO value of inventory at March 31, 2013 and December 31, 2012 was $20.8 and $24.5, respectively. Other inventories, principally operating supplies and repair and maintenance parts, are stated at average cost. Inventory costs consist of material, labor and manufacturing overhead, including depreciation. Abnormal costs, such as idle facility expenses, freight, handling costs and spoilage, are accounted for as current period charges. All of the Company's inventories at March 31, 2013 and December 31, 2012 were included in the Fabricated Products segment (see Note 2 for the components of inventories).

Property, Plant, and Equipment – Net. Property, plant and equipment is recorded at cost (see Note 2). Construction in progress is included within Property, plant, and equipment – net on the Consolidated Balance Sheets. Interest related to the construction of qualifying assets is capitalized as part of the construction costs. The aggregate amount of interest capitalized is limited to the interest expense incurred in the period. The amount of interest expense capitalized as construction in progress was $0.4 and $0.6 during the quarters ended March 31, 2013 and March 31, 2012, respectively.

Depreciation is computed using the straight-line method at rates based on the estimated useful lives of the various classes of assets. Capital lease assets and leasehold improvements are depreciated on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. Depreciation expense is not included in Cost of products sold, excluding depreciation and amortization, but is included in Depreciation and amortization on the Statements of Consolidated Income. For the quarters ended March 31, 2013 and March 31, 2012, the Company recorded depreciation expense of $6.5 and $5.8, respectively, relating to the Company's operating facilities in its Fabricated Products segment. An immaterial amount of depreciation expense was also recorded relating to the Company's Corporate and Other business unit for all periods presented in this Report.

New Accounting Pronouncements.

Accounting Standards Update ("ASU") No. 2013-01, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* ("ASU 2013-01"), was issued in January 2013. ASU 2013-01 clarifies that ordinary trade receivables and receivables are not in the scope of ASU No. 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities* (" ASU 2011-11"). Specifically, ASU 2011-11 applies only to derivatives, repurchase agreements and

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
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(In millions of dollars, except share and per share amounts and as otherwise indicated)

reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in the FASB Accounting Standards Codification or subject to a master netting arrangement or similar agreement. The Company is required to apply the amendments in ASU 2013-01 beginning first quarter of 2013. The adoption of ASU 2013-01 by the Company did not have a material impact on the consolidated financial statements.

ASU No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"), was issued in February 2013. This ASU does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, ASU 2013-02 requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about those amounts. The adoption of ASU 2013-02 by the Company in the first quarter of 2013 did not have a material impact on the consolidated financial statements.

2. Supplemental Balance Sheet Information

	March 31, 2013	December 31, 2012
Cash and Cash Equivalents.		
Cash and money market funds	$ 82.9	$ 107.9
Commercial paper	165.1	165.5
Total	$ 248.0	$ 273.4
Trade Receivables.		
Billed trade receivables	$ 140.1	$ 124.4
Unbilled trade receivables	2.5	0.2
Trade receivables, gross	142.6	124.6
Allowance for doubtful receivables	(0.8)	(0.8)
Trade receivables, net	$ 141.8	$ 123.8
Inventories.		
Finished products	$ 61.2	$ 59.9
Work-in-process	68.0	55.5
Raw materials	52.8	53.9
Operating supplies and repair and maintenance parts	17.3	16.7
Total	$ 199.3	$ 186.0
Prepaid Expenses and Other Current Assets.		
Current derivative assets – Notes 8 and 9	$ 1.5	$ 3.0
Current deferred tax assets	59.5	59.5
Current portion of option premiums paid – Notes 8 and 9	0.1	0.1
Short-term restricted cash	1.3	1.3
Prepaid taxes	4.7	2.1
Prepaid expenses	3.9	4.1
Total	$ 71.0	$ 70.1

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(In millions of dollars, except share and per share amounts and as otherwise indicated)

Property, Plant and Equipment - Net.		
Land and improvements	$ 22.6	$ 22.6
Buildings and leasehold improvements	51.7	50.9
Machinery and equipment	403.5	400.4
Construction in progress	25.6	20.8
Active property, plant and equipment, gross	503.4	494.7
Accumulated depreciation	(118.0)	(111.4)
Active property, plant and equipment, net	385.4	383.3
Idled equipment	1.0	1.0
Total	$ 386.4	$ 384.3

Other Assets.		
Derivative assets – Notes 8 and 9	$ 61.8	$ 55.5
Restricted cash	10.0	10.0
Long-term income tax receivable	—	2.9
Deferred financing costs	11.0	11.7
Available for sale securities	5.8	5.6
Other	0.2	0.3
Total	$ 88.8	$ 86.0

Other Accrued Liabilities.		
Current derivative liabilities – Notes 8 and 9	$ 3.1	$ 3.1
Current portion of option premiums received – Notes 8 and 9	0.1	0.1
Accrued book overdraft (uncleared cash disbursement)	5.7	4.7
Accrued income taxes and taxes payable	5.4	3.1
Accrued annual VEBA contribution	—	20.0
Short-term environmental accrual – Note 7	4.7	3.0
Accrued interest	10.3	3.7
Short-term deferred revenue	4.6	6.7
Other	4.5	7.4
Total	$ 38.4	$ 51.8

Long-term Liabilities.		
Derivative liabilities – Notes 8 and 9	$ 68.8	$ 63.5
Income tax liabilities	11.9	15.1
Workers' compensation accruals	23.5	24.0
Long-term environmental accrual – Note 7	17.3	18.7
Long-term asset retirement obligations	3.9	3.8
Deferred compensation liability	6.2	5.8
Long-term capital lease	0.2	0.2
Other long-term liabilities	3.4	3.4
Total	$ 135.2	$ 134.5

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(In millions of dollars, except share and per share amounts and as otherwise indicated)

Long-term Debt. — Note 3				
Senior notes	$	225.0	$	225.0
Cash convertible senior notes		157.3		155.3
Total	$	382.3	$	380.3

3. Long-Term Debt and Credit Facility

Senior Notes

On May 23, 2012, the Company issued $225.0 principal amount of 8.250% Senior Notes due June 1, 2020 (the "Senior Notes") at par. Interest expense, including amortization of deferred financing costs, relating to the Senior Notes was $4.8 for the quarter ended March 31, 2013. See Note 3 of Notes to Consolidated Financial Statements included in Part II, Item 8. "Financial Statements and Supplementary Data" in the Company's Annual Report Form 10-K for the year ended December 31, 2012 for additional information regarding the Senior Notes.

Cash Convertible Senior Notes

Convertible Notes. In March 2010, the Company issued $175.0 principal amount of 4.5% Cash Convertible Senior Notes due April 1, 2015 (the "Convertible Notes"). The Convertible Notes are not convertible into the Company's common stock or any other securities, but instead will be settled in cash. The Company accounts for the cash conversion feature of the Convertible Notes as a separate derivative instrument (the "Bifurcated Conversion Feature") with the fair value on the issuance date equaling the original issue discount for purposes of accounting for the debt component of the Convertible Notes. The following tables provide additional information regarding the Convertible Notes:

	March 31, 2013		December 31, 2012	
Principal amount	$	175.0	$	175.0
Less: unamortized issuance discount		(17.7)		(19.7)
Carrying amount, net of discount	$	157.3	$	155.3

	Quarter Ended March 31,			
	2013		2012	
Contractual coupon interest	$	2.0	$	2.0
Amortization of discount and deferred financing costs		2.2		2.0
Total interest expense[1]	$	4.2	$	4.0

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1 A portion of the interest relating to the Convertible Notes is capitalized as Construction in progress.

Holders may convert their Convertible Notes at any time on or after January 1, 2015. The Convertible Notes' conversion rate is subject to adjustment based on the occurrence of certain events. As of March 31, 2013, the conversion rate was 20.7309 shares per $1,000 principal amount of the Convertible Notes and the equivalent conversion price was approximately $48.24 per share, reflecting cumulative adjustments for quarterly dividends paid in excess of $0.24 per share.

Convertible Note Hedge Transactions. In March 2010, the Company purchased cash settled call options (the "Call Options") that have an exercise price equal to the conversion price of the Convertible Notes and an expiration date that is the same as the maturity or earlier conversion date of the Convertible Notes. If the Company exercises the Call Options, the aggregate amount of cash it would receive from the counterparties to the Call Options would equal the aggregate amount of cash that the Company would be required to pay to the holders of the converted Convertible Notes, less the principal amount thereof. Contemporaneous with the purchase of the Call Options, the Company also sold net-share-settled warrants (the "Warrants") with an exercise date of July 1, 2015 relating to approximately 3.6 million shares of the Company's common stock. At March 31, 2013, the exercise prices were $48.24 per share and $61.25 per share for the Call Options and the Warrants, respectively, reflecting cumulative adjustments for quarterly dividends paid in excess of $0.24 per share.

(In millions of dollars, except share and per share amounts and as otherwise indicated)

See Note 3 of Notes to Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 for additional information regarding the Convertible Notes, the Call Options and the Warrants.

See “*Fair Values of Financial Assets and Liabilities - All Other Financial Assets and Liabilities*” in Note 9 for information relating to the estimated fair value of the Senior Notes and Convertible Notes.

Revolving Credit Facility

The Company’s credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions party thereto (the “Revolving Credit Facility”) provides the Company with a $300.0 funding commitment through September 30, 2016. The Company had $286.0 of borrowing availability under the Revolving Credit Facility at March 31, 2013, based on the borrowing base determination then in effect. At March 31, 2013, there were no borrowings under the Revolving Credit Facility and $6.9 was being used to support outstanding letters of credit, leaving $279.1 of net borrowing availability. The interest rate applicable to any overnight borrowings under the Revolving Credit Facility would have been 4.0% at March 31, 2013.

See Note 4 of Notes to Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 for additional information regarding the Revolving Credit Facility.

4. Income Tax Matters

Tax Provision. The provision for incomes taxes, for each period presented, consisted of the following:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Domestic	$ 15.4	$ 15.6
Foreign	(7.2)	0.7
Total	$ 8.2	$ 16.3

The income tax provision for the quarters ended March 31, 2013 and March 31, 2012 was $8.2 and $16.3, reflecting an effective tax rate of 19.7% and 38.1%, respectively. The difference between the effective tax rate and the projected blended statutory tax rate for the quarter ended March 31, 2013 was the result of a decrease in unrecognized tax benefits, including interest and penalties, of $7.5, resulting in a 17.9% decrease in the effective tax rate. The decrease in unrecognized tax benefits was a result of an audit settlement with the Canada Revenue Agency Competent Authority on February 28, 2013 for the 1998-2004 tax years. As a result of the settlement, a refund of $7.9 which represents amounts previously paid against the accrued tax reserve is expected. Such amount was included in Other receivables at March 31, 2013. The difference between the effective tax rate and the projected blended statutory tax rate for the quarter ended March 31, 2012 was primarily the result of an increase in unrecognized tax benefits, including interest and penalties, of $0.1, resulting in a 0.3% increase in the effective tax rate.

The Company’s gross unrecognized benefits relating to uncertain tax positions were $8.8 and $15.7 at March 31, 2013 and December 31, 2012, respectively, of which, $7.7 and $14.6 would impact the effective tax rate at March 31, 2013 and December 31, 2012, respectively, if and when the gross unrecognized tax benefits are recognized.

The Company expects its gross unrecognized tax benefits to be reduced by $3.5 within the next 12 months.

See Note 7 of Notes to Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 for additional information regarding income taxes.

5. Employee Benefits

Pension and Similar Benefit Plans. The Company has provided contributions to (i) multi-employer pension plans sponsored by the United Steel, Paper and Foresting, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union AFL-CIO, CLC (“USW”) and International Association of Machinists and certain other unions at certain of the Company’s production facilities, (ii) defined contribution 401(k) savings plans for hourly bargaining unit employees and salaried and certain hourly non-bargaining unit employees, (iii) a defined benefit plan for salaried employees at the Company's London, Ontario facility, and (iv) a non-qualified, unfunded, unsecured plan of deferred compensation for key employees who would otherwise suffer a loss of benefits under the Company's defined contribution plan. See Note 8 and Note 9 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information with respect to the Company's benefit plans.

(In millions of dollars, except share and per share amounts and as otherwise indicated)

VEBA Postretirement Medical Obligations. Certain retirees receive medical coverage through participation in a voluntary employee's beneficiary association ("VEBA") for the benefit of certain union retirees, their surviving spouses and eligible dependents (the "Union VEBA") or a VEBA that provides benefits for certain other eligible retirees, their surviving spouse and eligible dependents (the "Salaried VEBA" and, together with the Union VEBA, the "VEBAs"). The Union VEBA is managed by four trustees, two of which are appointed by the Company. Its assets are managed by an independent fiduciary. The Salaried VEBA is managed by trustees who are independent of the Company.

The Company has no claim to the plan assets of the VEBAs nor obligation to fund the liability. The benefits paid by the VEBAs are at the sole discretion of the respective VEBA trustees and are outside the Company's control. The Company's only financial obligations to the VEBAs are (i) to make an annual variable cash contribution (described below) and (ii) to pay up to $0.3 of the annual administrative expenses of the VEBAs. Nevertheless, the Company accounts for the VEBAs as defined benefit postretirement plans with the current VEBA assets and future variable contributions from the Company, and earnings thereon, operating as a cap on the benefits to be paid.

Under this accounting treatment, the funding status of the VEBAs could result in a liability or asset position on the Company's Consolidated Balance Sheets, but such liability or asset has no impact on the Company's cash flow or liquidity. Only the Company's obligation to make an annual variable cash contribution can have a material impact to the Company's cash flow or liquidity. The formula determining the annual variable contribution amount is 10% of the first $20.0 of annual cash flow (as defined; in general terms, the principal elements of cash flow are earnings before interest expense, provision for income taxes, and depreciation and amortization less cash payments for, among other things, interest, income taxes, and capital expenditures), plus 20% of annual cash flow, as defined, in excess of $20.0. Such payments may not exceed $20.0 annually, and payments are allocated between the Union VEBA and the Salaried VEBA at 85.5% and 14.5%, respectively. Amounts owing by the Company to the VEBAs are recorded on the Company's Consolidated Balance Sheets under Other accrued liabilities (until paid in cash), with a corresponding increase in Net assets in respect of VEBA, a decrease in Net liability in respect of VEBA, or a combination thereof. The variable contributions with respect to 2012 totaled the maximum of $20.0 and were paid during the first quarter of 2013.

Components of Net Periodic Pension Benefit (Income) Cost. The Company's results of operations included the following impacts associated with the Canadian defined benefit plan and the VEBAs: (a) charges for service rendered by employees; (b) a charge for accretion of interest; (c) a benefit for the return on plan assets; and (d) amortization of net gains or losses on assets, prior service costs associated with plan amendments and actuarial differences. Net periodic pension benefit cost related to the Canadian defined benefit plan was not material for the quarters ended March 31, 2013 and March 31, 2012. The following table presents the components of net periodic pension benefit income for the VEBAs and charges relating to all other employee benefit plans for the quarters ended March 31, 2013 and March 31, 2012:

	Quarter Ended March 31,	
	2013	**2012**
VEBAs:		
Service cost	$ 0.6	$ 0.8
Interest cost	3.6	4.5
Expected return on plan assets	(11.2)	(10.1)
Amortization of prior service cost	1.1	1.0
Amortization of net actuarial loss	0.3	0.8
Total net periodic pension benefit income relating to VEBAs	(5.6)	(3.0)
Deferred compensation plan	0.4	0.4
Defined contribution plans	4.0	3.4
Multiemployer pension plans	0.8	0.8
Total	$ (0.4)	$ 1.6

(In millions of dollars, except share and per share amounts and as otherwise indicated)

The following table presents the allocation of the (income) charges detailed above, by segment (see Note 11):

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Fabricated Products	$ 4.6	$ 4.0
All Other	(5.0)	(2.4)
Total	$ (0.4)	$ 1.6

For all periods presented, the net periodic pension benefit income relating to the VEBAs are included as a component of Selling, administrative, research and development and general expense within All Other. Further, substantially all of the Fabricated Products segment's employee benefits related charges are in Cost of products sold, excluding depreciation and amortization and other items with the balance in Selling, administrative, research and development, and general.

See Note 8 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information with respect to the VEBAs and key assumptions used with respect to the Company's pension plans and key assumptions made in computing the net obligation of each VEBA.

6. Employee Incentive Plans

Short-term Incentive Plans ("STI Plans")

The Company has a short-term incentive compensation plan for senior management and certain other employees payable at the Company's election in cash, shares of common stock, or a combination of cash and shares of common stock. Amounts earned under the plan are based primarily on economic value added ("EVA") of the Company's Fabricated Products business, adjusted for certain safety and performance factors. EVA, as defined by the Company's STI Plans, is a measure of the excess of the Company's adjusted pre-tax operating income for a particular year over a pre-determined percentage of the adjusted net assets of the immediately preceding year, measured over a one-year period. Most of the Company's production facilities have similar programs for both hourly and salaried employees.

Total costs relating to STI Plans were recorded as follows, for each period presented:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Cost of products sold, excluding depreciation and amortization and other items	$ 1.1	$ 1.2
Selling, administrative, research and development, and general	3.0	2.7
Total costs recorded in connection with STI Plans	$ 4.1	$ 3.9

The following table presents the allocation of the charges detailed above, by segment:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Fabricated Products	$ 2.9	$ 2.7
All Other	1.2	1.2
Total costs recorded in connection with STI Plans	$ 4.1	$ 3.9

Long-term Incentive Programs ("LTI Programs")

General. Officers and other key employees of the Company or one or more of its subsidiaries, as well as directors of the Company, are eligible to participate in the Kaiser Aluminum Corporation 2006 Equity and Performance Incentive Plan (as amended, the "Equity Incentive Plan"). Subject to certain adjustments that may be required from time to time to prevent dilution or enlargement of the rights of participants under the Equity Incentive Plan, a total of 2,722,222 common shares have been authorized for issuance under the Equity Incentive Plan. At March 31, 2013, 865,562 common shares were available for additional awards under the Equity Incentive Plan.

Non-vested Common Shares, Restricted Stock Units and Performance Shares. The Company grants non-vested common shares to its non-employee directors, executive officers and other key employees. The Company also grants restricted stock units to certain employees. The restricted stock units have rights similar to the rights of non-vested common shares, and the employee will receive one common share for each restricted stock unit upon the vesting of the restricted stock unit. In addition to non-vested common shares and restricted stock units, the Company also grants performance shares to executive officers and other key employees. Such awards are subject to performance requirements pertaining to the Company's EVA performance (as set forth in each year's LTI Program), measured over the applicable three-year performance period. EVA is a measure of the excess of the Company's adjusted pre-tax operating income for a particular year over a pre-determined percentage of the adjusted net assets of the immediately preceding year. The number of performance shares, if any, that will ultimately vest and result in the issuance of common shares depends on the average annual EVA achieved for the specified three-year performance periods.

(In millions of dollars, except share and per share amounts and as otherwise indicated)

See Note 10 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information with respect to the Equity Incentive Plan and the detailed vesting requirements for the different types of equity awards described above.

Non-cash Compensation Expense. Compensation expense relating to all awards under the Equity Incentive Plan are included in Selling, administrative, research and development, and general. Recorded non-cash compensation expense by type of award under LTI Programs were as follows, for each period presented:

	Quarter Ended March 31,	
	2013	**2012**
Service-based non-vested common shares and restricted stock units	$ 1.7	$ 1.7
Performance shares	0.9	0.8
Total non-cash compensation expense	$ 2.6	$ 2.5

The following table presents the allocation of the charges detailed above, by segment:

	Quarter Ended March 31,	
	2013	**2012**
Fabricated Products	$ 0.6	$ 0.7
All Other	2.0	1.8
Total non-cash compensation expense	$ 2.6	$ 2.5

Unrecognized Gross Compensation Cost Data. The following table presents unrecognized gross compensation cost data as of March 31, 2013:

	Unrecognized gross compensation costs, by award type	**Expected period (in years) over which the remaining gross compensation costs will be recognized, by award type**
Service-based non-vested common shares and restricted stock units	$ 5.2	2.0
Performance shares	$ 9.3	2.5

(In millions of dollars, except share and per share amounts and as otherwise indicated)

Summary of Activity. A summary of the activity with respect to non-vested common shares, restricted stock units and performance shares for the quarter ended March 31, 2013 is as follows:

	Non-Vested Common Shares		Restricted Stock Units		Performance Shares	
	Shares	Weighted-Average Grant-Date Fair Value per Share	Units	Weighted-Average Grant-Date Fair Value per Unit	Shares	Weighted-Average Grant-Date Fair Value per Share
Outstanding at December 31, 2012	158,684	$ 42.47	5,183	$ 43.99	583,950	$ 41.78
Granted	57,190	57.54	2,333	57.54	167,312	57.54
Vested	(65,646)	40.29	(2,311)	42.74	(32,312)	34.13
Forfeited	—	—	—	—	—	—
Canceled	—	—	—	—	(157,876)	34.13
Outstanding at March 31, 2013	150,228	$ 49.16	5,205	$ 50.62	561,074	$ 49.08

A summary of select activity with respect to non-vested common shares, restricted stock units and performance shares for the quarter ended March 31, 2012 is as follows:

	Non-Vested Common Shares		Restricted Stock Units		Performance Shares	
	Shares	Weighted-Average Grant-Date Fair Value per Share	Units	Weighted-Average Grant-Date Fair Value per Unit	Shares	Weighted-Average Grant-Date Fair Value per Share
Granted	72,859	$ 44.46	2,486	$ 44.46	211,900	$ 44.46
Vested	(119,413)	$ 21.09	(3,375)	$ 25.77	(7,952)	$ 18.89

Stock Options. The Company has fully-vested stock options from a one-time issuance in 2007. As of both March 31, 2013 and December 31, 2012, 20,791 fully-vested options were outstanding, in each case exercisable to purchase common shares at $80.01 per share and having a remaining contractual life of 4.0 and 4.25 years, respectively. The average fair value of the options granted was $39.90. No new options were granted and no existing options were forfeited or exercised during the quarter ended March 31, 2013.

Vested Stock. From time to time, the Company issues common shares to non-employee directors electing to receive common shares in lieu of all or a portion of their annual retainer fees. The fair value of these common shares is based on the fair value of the shares at the date of issuance and is immediately recognized in earnings as a period expense. Such shares are generally issued during the second quarter of each fiscal year.

Under the Equity Incentive Plan, participants may elect to have the Company withhold common shares to satisfy minimum statutory tax withholding obligations arising in connection with the exercise of stock options and vesting of non-vested shares, restricted stock units and performance shares. Any such shares withheld are canceled by the Company on the applicable vesting dates, which correspond to the times at which income to the employee is recognized. When the Company withholds these common shares, the Company is required to remit to the appropriate taxing authorities the fair value of the shares withheld as of the vesting date. During the quarters ended March 31, 2013 and March 31, 2012, 35,838 and 45,128 common shares, respectively, were withheld and canceled for this purpose.

7. Commitments and Contingencies

Commitments. The Company has a variety of financial commitments, including purchase agreements, forward foreign exchange and forward sales contracts, indebtedness (and related Call Options and Warrants) and letters of credit (see Note 3 and Note 8).

Refer to Note 11 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for information relating to minimum rental commitments under operating leases. There have been no material changes to such scheduled rental commitments as of the filing of this Report.

Environmental Contingencies. The Company is subject to a number of environmental laws and regulations, to potential fines or penalties assessed for alleged breaches of the environmental laws and regulations, and to potential claims based upon such laws and regulations.

The Company has established procedures for regularly evaluating environmental loss contingencies. The Company's environmental accruals represent the Company's undiscounted estimate of costs reasonably expected to be incurred based on presently enacted laws and regulations, existing requirements, currently available facts, existing technology, and the Company's assessment of the likely remediation actions to be taken.

The Company submitted a final feasibility study, after public comment and agency review, to the Washington State Department of Ecology ("Washington State Ecology") which included recommendations for remediation alternatives to primarily address the historical use of oils containing polychlorinated biphenyls, or PCBs, at the Company's Trentwood facility in Spokane, Washington. During the third quarter of 2012, Washington State Ecology and the Company signed an amended work order allowing certain remediation activities to begin and to initiate a treatability study in regards to proposed PCB remediation methods. The Company continues to work with Washington State Ecology in developing the implementation work plans, which are subject to Washington State Ecology approval. The Company expects to begin implementation of approved work plans sometime in 2013.

At March 31, 2013, the Company's environmental accrual of $22.0 represented the Company's best estimate of the incremental cost based on proposed alternatives in the final feasibility study related to the Company's Trentwood facility in Spokane, Washington and on investigational studies and other remediation activities occurring at certain other locations owned by the Company. The Company expects that these remediation actions will be taken over the next 30 years.

As additional facts are developed, feasibility studies are completed, draft remediation plans are modified, necessary regulatory approvals for the implementation of remediation are obtained, alternative technologies are developed, and/or other factors change, there may be revisions to management's estimates, and actual costs may exceed the current environmental accruals. The Company believes at this time that it is reasonably possible that undiscounted costs associated with these environmental matters may exceed current accruals by amounts that could be, in the aggregate, up to an estimated $19.1 over the next 30 years. It is reasonably possible that the Company's recorded estimate may change in the next 12 months.

Other Contingencies. The Company is party to various lawsuits, claims, investigations, and administrative proceedings that arise in connection with past and current operations. The Company evaluates such matters on a case-by-case basis, and its policy is to vigorously contest any such claims it believes are without merit. The Company accrues for a legal liability when it is both probable that a liability has been incurred and the amount of the loss is reasonably estimable. Quarterly, in addition to when changes in facts and circumstances require it, the Company reviews and adjusts these accruals to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information, and events pertaining to a particular case. While uncertainties are inherent in the final outcome of such matters and it is presently impossible to determine the actual cost that may ultimately be incurred, management believes that it has sufficiently reserved for such matters and that the ultimate resolution of pending matters will not have a material adverse impact on its consolidated financial position, operating results, or liquidity.

8. Derivative Financial Instruments and Related Hedging Programs

Overview. In conducting its business, the Company, from time to time, enters into derivative transactions, including forward contracts and options, to limit its economic (i.e., cash) exposure resulting from (i) metal price risk related to its sale of fabricated aluminum products and the purchase of metal used as raw material for its fabrication operations, (ii) energy price risk relating to fluctuating prices of natural gas and electricity used in its production processes, and (iii) foreign currency requirements with respect to its foreign subsidiaries, investment and cash commitments for equipment purchases. Additionally, in connection with the issuance of the Convertible Notes, the Company purchased cash-settled Call Options relating to the Company's common stock to limit its exposure to the cash conversion feature of the Convertible Notes (see Note 3).

Hedges of Operational Risks. The Company's pricing of fabricated aluminum products is generally intended to lock in a conversion margin (representing the value added from the fabrication process(es)) and to pass metal price fluctuations to its customers. However, in certain instances the Company enters into firm-price arrangements with its customers and incurs price risk on its anticipated aluminum purchases in respect of such customer orders. The Company uses third-party hedging instruments to limit exposure to metal price risks related to firm-price customer sales contracts. See Note 9 for additional information regarding the Company’s material derivative positions relating to hedges of operational risks, and their respective fair values.

A majority of the Company's derivative contracts relating to hedges of operational risks contain credit risk-related contingencies. The Company regularly reviews the creditworthiness of its derivative counterparties and does not expect to incur significant loss from the failure of any counterparties to perform under any agreements. To minimize the potential of posting margin related to our liability hedge positions, the Company allocates hedging transactions among its counterparties, uses options as part of the hedging activities, or both. The aggregate fair value of derivative instruments that contain credit-risk-related contingent features that were in a net liability position at March 31, 2013 was $2.8.

During the quarters ended March 31, 2013 and March 31, 2012, total fabricated products shipments that contained fixed price terms were (in millions of pounds) 29.8 and 46.1, respectively. At March 31, 2013, the Fabricated Products segment held contracts for the delivery of fabricated aluminum products that had the effect of creating price risk on anticipated purchases of aluminum for the remainder of 2013, 2014 and 2015 and thereafter, totaling approximately (in millions of pounds) 58.6, 2.5 and 1.3, respectively.

Hedges Relating to the Convertible Notes. As described in Note 3, the Company issued Convertible Notes in the aggregate principal amount of $175.0 in March 2010. The conversion feature of the Convertible Notes can only be settled in cash and is required to be bifurcated from the Convertible Notes and treated as a separate derivative instrument. In order to offset the cash flow risk associated with the Bifurcated Conversion Feature, the Company purchased Call Options, which are accounted for as derivative instruments. The Company expects that the realized gain or loss from the Call Options will substantially offset the realized loss or gain of the Bifurcated Conversion Feature upon maturity of the Convertible Notes. However, because valuation assumptions for the Bifurcated Conversion Feature and the Call Option are not identical, over time the Company expects to record net unrealized gains and losses due to mark-to-market adjustments to the fair values of the two derivatives. See Note 9 for additional information regarding the fair values of the Bifurcated Conversion Feature and the Call Options.

Realized and Unrealized Gains and Losses. Realized and unrealized (losses) gains associated with all derivative contracts consisted of the following, for each period presented:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Realized losses:		
Aluminum	$ —	$ (0.2)
Natural Gas	(0.7)	(1.8)
Electricity	—	(0.7)
Total realized losses	$ (0.7)	$ (2.7)
Unrealized (losses) gains:		
Aluminum	$ (4.4)	$ 5.2
Natural Gas	2.7	(1.2)
Electricity	1.2	(0.9)
Foreign Currency	(0.2)	—
Call Options relating to the Convertible Notes	6.0	(8.8)
Bifurcated Conversion Feature of the Convertible Notes	(5.6)	9.3
Total unrealized (losses) gains	$ (0.3)	$ 3.6

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The following table summarizes the Company's material derivative positions at March 31, 2013:

Commodity	**Maturity Period (month/year)**	**Notional Amount of contracts (mmlbs)**
Aluminum —		
Fixed priced purchase contracts	4/13 through 12/15	53.6
Fixed priced sales contracts	4/13 through 11/13	1.2
Midwest premium swap contracts[1]	4/13 through 12/14	51.3

Energy	**Maturity Period (month/year)**	**Notional Amount of contracts (mmbtu)**
Natural gas —[2]		
Call option purchase contracts	4/13 through 12/13	690,000
Put option sales contracts	4/13 through 12/13	690,000
Fixed priced purchase contracts	4/13 through 12/15	7,160,000

Electricity	**Maturity Period (month/year)**	**Notional Amount of contracts (Mwh)**
Fixed priced purchase contracts	4/13 through 12/14	384,025

Foreign Currency	**Maturity Period (month/year)**	**Notional Amount of contracts (as shown)**
Euro —		
Fixed priced purchase contracts	5/13 through 1/14	€ 3,902,297
GBP —		
Fixed priced purchase contracts	6/13 through 5/14	£ 264,633

Hedges Relating to the Convertible Notes	**Contract Period (month/year)**	**Notional Amount of contracts (Common Shares)**
Bifurcated Conversion Feature[3]	3/10 through 3/15	3,627,908
Call Options[3]	3/10 through 3/15	3,627,908

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1 Regional premiums represent the premium over the London Metal Exchange price for primary aluminum which is incurred on the Company's purchases of primary aluminum.

2 As of March 31, 2013, the Company's exposure to fluctuations in natural gas prices had been substantially reduced for approximately 88%, 83% and 48% of the expected natural gas purchases for the remainder of 2013, 2014 and 2015, respectively.

3 The Bifurcated Conversion Feature represents the cash conversion feature of the Convertible Notes. The Call Options expire on the maturity of the Convertible Notes and have an exercise price equal to the conversion price of the Convertible Notes, subject to anti-dilution adjustments substantially similar to the anti-dilution adjustments for the Convertible Notes. Although the fair value of the Call Options is derived from a notional number of shares of the Company's common stock, the Call Options may only be settled in cash.

(In millions of dollars, except share and per share amounts and as otherwise indicated)

The Company enters into derivative contracts with counterparties, some of which are subject to enforceable master netting arrangements and some of which are not. The Company reflects the fair value of its derivative contracts on a gross basis on the Consolidated Balance Sheets (see Note 2).

The following tables present offsetting information regarding the Company's derivatives by type of counterparty as of March 31, 2013:

Derivative Assets and Collateral Held by Counterparty

				Gross Amounts Not Offset in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
Counterparty (with Netting Agreements)	$ 1.1	$ —	$ 1.1	$ 1.1	$ —	$ —
Counterparty (without Netting Agreements)[1]	61.4	—	61.4	—	—	61.4
Counterparty (with partial Netting Agreements)	0.9	—	0.9	0.9	—	—
Total	$ 63.4	$ —	$ 63.4	$ 2.0	$ —	$ 61.4

Derivative Liabilities and Collateral Held by Counterparty

				Gross Amounts Not Offset in the Consolidated Balance Sheets		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Pledged	Net Amount
Counterparty (with Netting Agreements)	$ (2.1)	$ —	$ (2.1)	$ (1.1)	$ —	$ (1.0)
Counterparty (without Netting Agreements)[1]	(68.6)	—	(68.6)	—	—	(68.6)
Counterparty (with partial Netting Agreements)	(1.3)	—	(1.3)	(0.9)	—	(0.4)
Total	$ (72.0)	$ —	$ (72.0)	$ (2.0)	$ —	$ (70.0)

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1 Such amounts include the fair value of the Company's Call Options and Bifurcated Conversion Feature at March 31, 2013 (Note 9).

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The following tables present offsetting information regarding the Company's derivatives by type of counterparty as of December 31, 2012:

Derivative Assets and Collateral Held by Counterparty

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets: Financial Instruments	Gross Amounts Not Offset in the Consolidated Balance Sheets: Cash Collateral Received	Net Amount
Counterparty (with Netting Agreements)	$ 1.7	$ —	$ 1.7	$ 1.7	$ —	$ —
Counterparty (without Netting Agreements)[1]	55.9	—	55.9	—	—	55.9
Counterparty (with partial Netting Agreements)	0.9	—	0.9	0.9	—	—
Total	$ 58.5	$ —	$ 58.5	$ 2.6	$ —	$ 55.9

Derivative Liabilities and Collateral Held by Counterparty

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets: Financial Instruments	Gross Amounts Not Offset in the Consolidated Balance Sheets: Cash Collateral Pledged	Net Amount
Counterparty (with Netting Agreements)	$ (1.9)	$ —	$ (1.9)	$ (1.7)	$ —	$ (0.2)
Counterparty (without Netting Agreements)[1]	(63.8)	—	(63.8)	—	—	(63.8)
Counterparty (with partial Netting Agreements)	(1.0)	—	(1.0)	(0.9)	—	(0.1)
Total	$ (66.7)	$ —	$ (66.7)	$ (2.6)	$ —	$ (64.1)

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1 Such amounts include the fair value of the Company's Call Options and Bifurcated Conversion Feature at December 31, 2012 (Note 9).

9. Fair Value Measurements

Overview

The Company applies the fair value hierarchy established by GAAP for the recognition and measurement of assets and liabilities. An asset or liability's fair value classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers counterparty risk in its assessment of fair value.

The fair values of financial assets and liabilities are measured on a recurring basis. The Company has elected not to carry any financial assets and liabilities at fair value, other than as required by GAAP. Financial assets and liabilities that the Company carries at fair value, as required by GAAP include: (i) its derivative instruments, (ii) the plan assets of the VEBAs and the Company's Canadian defined benefit pension plan, and (iii) available for sale securities, consisting of commercial paper and investments related to the Company's deferred compensation plan (see Note 5). The Company records certain other financial assets and liabilities at carrying value (see the tables below for the fair value disclosure of those assets and liabilities).

(In millions of dollars, except share and per share amounts and as otherwise indicated)

The majority of the Company's non-financial assets and liabilities, which include goodwill, intangible assets, inventories and property, plant, and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually for goodwill), an evaluation of a non-financial asset or liability is required, potentially resulting in an adjustment to the carrying amount of such asset or liability. For the three months ended March 31, 2013 and March 31, 2012, the Company concluded that none of its non-financial assets and liabilities subject to fair value assessments on a non-recurring basis required a material adjustment to the carrying amount of such assets and liabilities.

Fair Values of Financial Assets and Liabilities

Fair Values of Derivative Assets and Liabilities. The Company's derivative contracts are valued at fair value using significant observable and unobservable inputs.

Commodity, Foreign Currency and Energy Hedges - The fair values of a majority of these derivative contracts are based upon trades in liquid markets. Valuation model inputs can generally be verified, and valuation techniques do not involve significant judgment. The Company has some derivative contracts, however, that do not have observable market quotes. For these financial instruments, management uses significant other observable inputs (e.g., information concerning regional premiums for swaps). Where appropriate, valuations are adjusted for various factors, such as bid/offer spreads.

Bifurcated Conversion Feature and Call Options - The fair value of the Bifurcated Conversion Feature is measured as the difference in the estimated fair value of the Convertible Notes and the estimated fair value of the Convertible Notes without the cash conversion feature. The Convertible Notes are valued based on the trading price of the Convertible Notes each period-end (see "*All Other Financial Assets and Liabilities"* below). The fair value of the Convertible Notes without the cash conversion feature is the present value of the series of the remaining fixed income cash flows under the Convertible Notes, with a mandatory redemption in 2015.

The Company determines the fair value of the Call Options using a binomial lattice valuation model. The inputs to the model at March 31, 2013 were as follows:

The Company's stock price at March 31, 2013	$	64.65
Quarterly dividend yield (per share) upon purchase of the Call Option[1]	$	0.24
Risk-free interest rate[2]		0.25%
Credit spread (basis points)[3]		220
Expected volatility rate[4]		17.2%

———————————————

1 The quarterly dividend in the first quarter of 2013 was $0.30 per share, but the model assumes a $0.24 per share quarterly dividend as was paid at the inception of the Call Options. Quarterly dividends in excess of $0.24 per share do not affect the Call Options' value due to anti-dilution adjustments.

2 The risk-free rate was based on the 2-year Constant Maturity Treasury rate on March 31, 2013.

3 The credit spread is based on the Company's long-term credit rating of BB- issued by Standard & Poor's and a senior unsecured credit rating of Ba3 issued by Moody's.

4 The volatility rate was based on both observed volatility, which is based on the Company's historical stock price, and implied volatility from the Company's traded options. Such volatility was further adjusted to take into consideration market participant risk tolerance.

VEBA and Canadian Pension Plan Assets. The fair value of the plan assets of the VEBAs and the Company's Canadian pension plan is measured annually on December 31. In determining the fair value of the plan assets at each annual period end, the Company utilizes primarily the results of valuations supplied by the investment advisors responsible for managing the assets of each plan. See Note 13 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information with respect to the fair value of the plan assets of the VEBAs and the Company's Canadian pension plan.

Available for sale securities. The Company holds assets in various investment funds at certain registered investment companies in connection with its deferred compensation program (see Note 5). Such assets are accounted for as available for sale securities and are measured and recorded at fair value based on the net asset value of the investment funds on a recurring basis. Such fair value input is considered either a Level 1 or Level 2 input depending on whether the investment fund is traded on a public exchange. In addition to investment funds, the Company also holds short-term commercial paper. The fair value of the commercial paper is determined based on valuation models that use observable market data. Such fair value input is considered a Level 2 input. The amortized cost for available for sale securities approximates its fair value. At March 31, 2013, the remaining maturity period with respect to commercial paper ranges from 10 days to approximately 5 months.

All Other Financial Assets and Liabilities. The Company believes that the fair value of its cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their respective carrying values due to their short maturities and nominal credit risk.

The fair value of the Convertible Notes and Senior Notes are based on the trading prices of the notes and are considered a Level 1 input in the fair value hierarchy (see Note 3 for the carrying value of the Convertible Notes and the Senior Notes).

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The following table presents the Company's financial instruments, classified under the appropriate level of the fair value hierarchy, as of March 31, 2013:

	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS:				
Derivative instruments:				
Aluminum -				
Fixed priced sales contracts	$ —	$ 0.1	$ —	$ 0.1
Midwest premium swap contracts	—	—	0.4	0.4
Natural Gas -				
Fixed priced purchase contracts	—	1.0	—	1.0
Electricity -				
Fixed priced purchase contracts	—	0.6	—	0.6
Hedges Relating to the Convertible Notes -				
Call Options	—	61.3	—	61.3
All Other Financial Assets:				
Cash and cash equivalents	82.9	165.1	—	248.0
Short-term investments	—	85.6	—	85.6
Available for sale securities	—	5.8	—	5.8
Total	$ 82.9	$ 319.5	$ 0.4	$ 402.8
FINANCIAL LIABILITIES:				
Derivative instruments:				
Aluminum -				
Fixed priced purchase contracts	$ —	$ (2.4)	$ —	$ (2.4)
Natural Gas -				
Put option sales contracts	—	(0.1)	—	(0.1)
Fixed priced purchase contracts	—	(1.1)	—	(1.1)
Electricity -				
Fixed priced purchase contracts	—	(0.5)	—	(0.5)
Foreign Currency -				
Euro				
Fixed priced purchase contracts	—	(0.2)	—	(0.2)
Hedges Relating to the Convertible Notes -				
Bifurcated Conversion Feature	—	(67.7)	—	(67.7)
All Other Financial Liabilities:				
Senior Notes	(253.1)	—	—	(253.1)
Convertible Notes	(244.3)	—	—	(244.3)
Total	$ (497.4)	$ (72.0)	$ —	$ (569.4)

(In millions of dollars, except share and per share amounts and as otherwise indicated)

The following table presents the Company's financial instruments, classified under the appropriate level of the fair value hierarchy, as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS:				
Derivative instruments:				
Aluminum -				
Fixed priced purchase contracts	$ —	$ 2.6	$ —	$ 2.6
Midwest premium swap contracts	—	—	0.4	0.4
Natural Gas -				
Fixed priced purchase contracts	—	0.2	—	0.2
Hedges Relating to the Convertible Notes -				
Call Options	—	55.3	—	55.3
All Other Financial Assets:				
Cash and cash equivalents	107.9	165.5	—	273.4
Short-term investments	—	85.0	—	85.0
Available for sale securities	—	5.6	—	5.6
Total	$ 107.9	$ 314.2	$ 0.4	$ 422.5
FINANCIAL LIABILITIES:				
Derivative instruments:				
Aluminum -				
Fixed priced purchase contracts	$ —	$ (0.5)	$ —	$ (0.5)
Natural Gas -				
Put option sales contracts	—	(0.5)	—	(0.5)
Fixed priced purchase contracts	—	(2.6)	—	(2.6)
Electricity -				
Fixed priced purchase contracts	—	(1.0)	—	(1.0)
Hedges Relating to the Convertible Notes -				
Bifurcated Conversion Feature	—	(62.1)	—	(62.1)
All Other Financial Liabilities:				
Senior Notes	(250.0)	—	—	(250.0)
Convertible Notes	(240.1)	—	—	(240.1)
Total	$ (490.1)	$ (66.7)	$ —	$ (556.8)

Financial instruments classified as Level 3 in the fair value hierarchy represent derivative contracts in which management has used at least one significant unobservable input in the valuation model. The following table presents a reconciliation of activity for the Midwest premium derivative contracts on a net basis:

	Level 3
Balance at December 31, 2012	$ 0.4
Total realized/unrealized gains included in:	
Cost of goods sold excluding depreciation and amortization and other items and Unrealized losses (gains) on derivative instruments	0.1
Transactions involving Level 3 derivative contracts:	
Purchases	—
Sales	—
Issuances	—
Settlements	(0.1)
Transactions involving Level 3 derivatives — net	(0.1)
Transfers in and (or) out of Level 3 valuation hierarchy	—
Balance at March 31, 2013	$ 0.4
Total gains included in Unrealized (gains) losses on derivative instruments, attributable to the change in unrealized gains/losses relating to derivative contracts held at March 31, 2013:	$ —

Fair Values of Non-financial Assets and Liabilities

See Note 13 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for additional information with respect to the fair value of the Company's non-financial assets and liabilities.

10. Earnings Per Share

Basic and diluted earnings per share were calculated as follows, for each period presented:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Numerator:		
Net income	$ 33.5	$ 26.5
Denominator — Weighted-average common shares outstanding (in thousands)[1]:		
Basic	19,143	19,059
Diluted	19,366	19,161
Earnings per common share, Basic:		
Net income per share	$ 1.75	$ 1.39
Earnings per common share, Diluted:		
Net income per share	$ 1.73	$ 1.38

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1 The basic weighted-average number of common shares outstanding during the period excludes unvested share-based payment awards. The diluted weighted-average number of common shares outstanding during the period is calculated using the treasury method.

Options to purchase 20,791 common shares at an average exercise price of $80.01 per share were outstanding at both March 31, 2013 and December 31, 2012. The potential dilutive effect of options outstanding was zero for each of the periods presented. Warrants relating to approximately 3.6 million common shares at an average exercise price of approximately $61.25 per share at March 31, 2013 were outstanding. The potential dilutive effect of shares underlying the Warrants was 91,779 shares for the quarter ended March 31, 2013.

During the quarters ended March 31, 2013 and March 31, 2012, the Company paid approximately $5.9 ($0.30 per common share) and $4.9 ($0.25 per common share), respectively, in cash dividends to stockholders, including the holders of restricted stock, and dividend equivalents to the holders of restricted stock units and to the holders of performance shares with respect to approximately one-half of the performance shares.

At March 31, 2013 and December 31, 2012, $30.7 and $46.9, respectively, were available for repurchases of the Company's common shares under an outstanding stock repurchase authorization by the Company's Board of Directors. The Company repurchased 259,596 shares of common stock at a weighted-average price of $62.62 per share pursuant to this authorization during the quarter ended March 31, 2013. The total cost of $16.2 was recorded as Treasury Stock.

11. Segment and Geographical Area Information

The Company's primary line of business is the production of semi-fabricated specialty aluminum products, such as aluminum sheet and plate and extruded and drawn products, primarily used in aerospace/high strength, general engineering, automotive, and other industrial end market applications. The Company operates 11 focused production facilities in the United States and one in Canada. Consistent with the manner in which the Company's chief operating decision maker reviews and evaluates the Company's business, the Fabricated Products business is treated as a single operating segment.

In addition to the Fabricated Products segment, the Company has two business units, Secondary Aluminum and Corporate and Other. The Secondary Aluminum business unit sells value added products, such as ingot and billet, produced at Anglesey Aluminium Limited ("Anglesey"), a secondary aluminum remelt and casting facility in Holyhead, Wales in which the Company owns a 49% non-controlling interest. The Corporate and Other business unit provides general and administrative support for the Company's operations.

For purposes of segment reporting under GAAP, the Company treats the Fabricated Products segment as a reportable segment and combines the two other business units, Secondary Aluminum and Corporate and Other, into one category, which is referred to as All Other. All Other is not considered a reportable segment.

The board of Anglesey recently announced the closure of Anglesey's secondary aluminum remelt and casting operations which the Company expects to be completed by the second quarter of 2013. The Company's investment in Anglesey is valued at zero on the balance sheet, and the Company has no financial obligation with respect to any liability of Anglesey. Accordingly, the Company does not expect the closure of Anglesey's operations to have any financial impact. See Note 3 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010 for additional details on our investment in Anglesey and the suspension of equity method of accounting with respect to our ownership in Anglesey.

The accounting policies of the Fabricated Products segment are the same as those described in Note 1. Segment results are evaluated internally by management before any allocation of corporate overhead and without any charge for income taxes, interest expense, or Other operating charges, net.

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The following tables provide financial information by reporting segment for each period or as of each period-end, as applicable:

	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Net Sales:		
Fabricated Products	$ 337.4	$ 365.4
Segment Operating Income (Loss):		
Fabricated Products [1,2]	$ 55.2	$ 54.1
All Other[3]	(5.2)	(7.9)
Total operating income	$ 50.0	$ 46.2
Interest expense	(9.3)	(4.1)
Other income, net	1.0	0.7
Income before income taxes	$ 41.7	$ 42.8
Depreciation and Amortization:		
Fabricated Products	$ 6.9	$ 6.2
All Other	0.1	0.1
Total depreciation and amortization	$ 7.0	$ 6.3
Capital expenditures:		
Fabricated Products	$ 8.9	$ 8.8
All Other	0.4	0.2
Total capital expenditures	$ 9.3	$ 9.0
Income Taxes Paid:		
Fabricated Products —		
United States	$ 0.4	$ —
Canada	0.3	0.2
Total income taxes paid	$ 0.7	$ 0.2

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1. Operating results in the Fabricated Products segment for the quarters ended March 31, 2013 and March 31, 2012 included net non-cash LIFO benefits of $3.7 and $2.9, respectively.
2. Fabricated Products segment results include non-cash mark-to-market (losses) gains on primary aluminum, natural gas, electricity and foreign currency hedging activities totaling $(0.7) and $3.1 for the quarters ended March 31, 2013 and March 31, 2012, respectively. For further discussion regarding mark-to-market matters, see Note 8.
3. Operating results in All Other represent operating expenses in the Corporate and Other business unit. Operating results of All Other include VEBA net periodic pension benefit income of $5.6 and $3.0 for the quarters ended March 31, 2013 and March 31, 2012, respectively.

	March 31, 2013	December 31, 2012
Assets:		
Fabricated Products	$ 812.9	$ 771.2
All Other[1]	951.5	981.3
Total assets	$ 1,764.4	$ 1,752.5

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1. Assets in All Other represent primarily all of the Company's cash and cash equivalents, short-term investments, financial derivative assets, net assets in respect of VEBA(s) and net deferred income tax assets.

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Net sales by product categories, which are based on end market applications, for the Fabricated Products segment are as follows:

	Quarter Ended March 31,	
	2013	2012
Net Sales:		
Aero/HS Products	$ 179.6	$ 184.7
GE Products	105.8	119.2
Automotive Extrusions	30.8	34.4
Other Products	21.2	27.1
Total Net Sales	$ 337.4	$ 365.4

12. Supplemental Cash Flow Information

	Quarter Ended March 31,	
	2013	2012
Supplemental disclosure of cash flow information:		
Interest paid	$ 0.4	$ 0.4
Income taxes paid	$ 0.7	$ 0.2
Supplemental disclosure of non-cash transactions:		
Stock repurchases not yet settled (accrued in accounts payable)	$ 1.5	$ —
Non-cash capital expenditures	$ 2.7	$ 1.8
Capital leases acquired	$ 0.1	$ —

13. Other Income (Expense), Net

Other income (expense), net consisted of the following, for each period presented:

	Quarter Ended March 31,	
	2013	2012
Interest income	$ 0.1	$ 0.1
Unrealized gains on financial derivatives[1]	0.4	0.5
Realized gains on investments	0.5	—
All other, net	—	0.1
Other non-operating income, net	$ 1.0	$ 0.7

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1 See "*Hedges Relating to the Convertible Notes*" in Note 8 for discussion of such instruments.

(In millions of dollars, except share and per share amounts and as otherwise indicated)

14. Other Comprehensive Income

The following table presents the tax effect allocated to each component of Other comprehensive income for each period presented:

	Before-Tax Amount	Income Tax (Expense) Benefit[3]	Net-of-Tax Amount
Quarter Ended March 31, 2013			
Reclassification adjustments:			
Amortization of net actuarial loss relating to VEBAs[1]	$ 0.3	$ (0.1)	$ 0.2
Amortization of prior service cost relating to VEBAs[1]	1.1	(0.4)	0.7
Reclassification of unrealized gain upon sale of available for sale securities[2]	(0.4)	0.1	(0.3)
Unrealized gain on available for sale securities	0.3	(0.1)	0.2
Foreign currency translation adjustment	0.4	—	0.4
Other comprehensive income	$ 1.7	$ (0.5)	$ 1.2
Quarter Ended March 31, 2012			
Reclassification adjustments:			
Amortization of net actuarial loss relating to VEBAs[1]	$ 0.8	$ (0.3)	$ 0.5
Amortization of prior service cost relating to VEBAs[1]	1.0	(0.4)	0.6
Unrealized gain on available for sale securities	0.3	—	0.3
Foreign currency translation adjustment	(0.3)	—	(0.3)
Other comprehensive income	$ 1.8	$ (0.7)	$ 1.1

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1 Amounts reclassified out of Accumulated other comprehensive income relating to VEBA adjustments were included as a component of Selling, administrative, research and development and general expense.

2 Amounts reclassified out of Accumulated other comprehensive income relating to sales of available for sale securities were included as a component of Other income, net.

3 Income tax amounts reclassified out of Accumulated other comprehensive income relating to VEBA adjustments and sales of available for sale securities were included as a component of Income tax provision.

15. Condensed Guarantor and Non-Guarantor Financial Information

The Company issued $225.0 aggregate principal amount of its Senior Notes pursuant to an indenture dated May 23, 2012 (the “Indenture”), among Kaiser Aluminum Corporation (the “Parent’), the subsidiary guarantors party thereto (the “Guarantor Subsidiaries”) and Wells Fargo Bank, National Association, as trustee (the “Trustee”). The Guarantor Subsidiaries currently include Kaiser Aluminum Investments Company, Kaiser Aluminum Fabricated Products, LLC, Kaiser Aluminum Mill Products Inc., Kaiser Aluminum Washington, LLC and Kaiser Aluminum Alexco, LLC, all of which are 100% owned by the Parent. The guarantees are full and unconditional and joint and several.

Pursuant to the requirements of Section 210.3-10(f) of Regulation S-X, the following condensed consolidating balance sheet as of March 31, 2013 and December 31, 2012, condensed consolidating statements of comprehensive income for the quarters ended March 31, 2013 and March 31, 2012 and condensed consolidating statements of cash flow for the quarters ended March 31, 2013 and March 31, 2012 present (i) the financial position, results of operation and cash flows for each of (a) the Parent, (b) the Guarantor Subsidiaries on a combined basis, and (c) the Non-Guarantor Subsidiaries (as defined below) on a combined basis, (ii) the adjustments necessary to eliminate investments in subsidiaries and intercompany balances and transactions among the Parent, the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries, and (iii) the resulting totals, reflecting information for the Company on a consolidated basis, as reported. In the following tables, “Non-Guarantor Subsidiaries” refers to Kaiser Aluminum Canada Limited, Trochus Insurance Company, DCO Management, LLC, Kaiser Aluminum France, S.A.S. and Kaiser Aluminum Beijing Trading Company; and “Consolidating Adjustments” represent the

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adjustments necessary to eliminate the investments in the Company's subsidiaries and other intercompany sales and cost of sales transactions. The condensed consolidating financial information should be read in conjunction with the consolidated financial statements herein.

CONDENSED CONSOLIDATING BALANCE SHEET

March 31, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 5.0	$ 241.6	$ 1.4	$ —	$ 248.0
Short-term investments	—	85.6	—	—	85.6
Receivables:					
Trade, less allowance for doubtful receivables	—	137.8	4.0	—	141.8
Intercompany receivables	—	0.2	0.3	(0.5)	—
Other	—	1.6	10.2	—	11.8
Inventories	—	193.0	6.6	(0.3)	199.3
Prepaid expenses and other current assets	—	68.9	2.1	—	71.0
Total current assets	5.0	728.7	24.6	(0.8)	757.5
Investments in and advances to unconsolidated affiliates	1,331.5	15.8	—	(1,347.3)	—
Property, plant, and equipment — net	—	373.9	12.5	—	386.4
Long-term intercompany receivables	140.4	0.9	8.9	(150.2)	—
Net asset in respect of VEBA	—	372.5	—	—	372.5
Deferred tax assets — net	—	78.7	(1.0)	9.3	87.0
Intangible assets — net	—	35.0	—	—	35.0
Goodwill	—	37.2	—	—	37.2
Other assets	69.5	19.2	0.1	—	88.8
Total	$ 1,546.4	$ 1,661.9	$ 45.1	$ (1,489.0)	$ 1,764.4
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 1.5	$ 64.7	$ 7.0	$ —	$ 73.2
Intercompany payable	—	3.2	0.2	(3.4)	—
Accrued salaries, wages, and related expenses	—	30.3	2.8	—	33.1
Other accrued liabilities	10.1	27.0	1.3	—	38.4
Payable to affiliate	—	12.3	—	—	12.3
Short-term capital lease	—	0.2	—	—	0.2
Total current liabilities	11.6	137.7	11.3	(3.4)	157.2
Net liability in respect of VEBA	—	4.9	—	—	4.9
Long-term intercompany payable	—	149.3	0.9	(150.2)	—
Long-term liabilities	67.7	48.0	19.5	—	135.2
Long-term debt	382.3	—	—	—	382.3
Total liabilities	461.6	339.9	31.7	(153.6)	679.6
Total stockholders' equity	1,084.8	1,322.0	13.4	(1,335.4)	1,084.8
Total	$ 1,546.4	$ 1,661.9	$ 45.1	$ (1,489.0)	$ 1,764.4

(In millions of dollars, except share and per share amounts and as otherwise indicated)

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	$ 5.0	$ 266.0	$ 2.4	$ —	$ 273.4
Short-term investments	—	85.0	—	—	85.0
Receivables:					
Trade, less allowance for doubtful receivables	—	121.5	2.3	—	123.8
Intercompany receivables	—	(10.3)	0.4	9.9	—
Other	—	1.3	2.1	—	3.4
Inventories	—	178.7	7.3	—	186.0
Prepaid expenses and other current assets	—	68.1	2.0	—	70.1
Total current assets	5.0	710.3	16.5	9.9	741.7
Investments in and advances to unconsolidated affiliates	1,284.1	7.4	—	(1,291.5)	—
Property, plant, and equipment — net	—	371.8	12.5	—	384.3
Long-term intercompany receivables	163.7	0.4	6.4	(170.5)	—
Net asset in respect of VEBA	—	365.9	—	—	365.9
Deferred tax assets — net	—	93.4	(0.8)	9.4	102.0
Intangible assets — net	—	35.4	—	—	35.4
Goodwill	—	37.2	—	—	37.2
Other assets	64.0	19.2	3.0	(0.2)	86.0
Total	$ 1,516.8	$ 1,641.0	$ 37.6	$ (1,442.9)	$ 1,752.5
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 0.1	$ 56.5	$ 5.9	$ —	$ 62.5
Intercompany payable	—	0.3	0.2	(0.5)	—
Accrued salaries, wages, and related expenses	—	36.7	2.6	—	39.3
Other accrued liabilities	3.5	47.8	0.5	—	51.8
Payable to affiliate	—	7.9	—	—	7.9
Short-term capital lease	—	0.1	—	—	0.1
Total current liabilities	3.6	149.3	9.2	(0.5)	161.6
Net liability in respect of VEBA	—	5.3	—	—	5.3
Long-term intercompany payable	—	170.0	0.5	(170.5)	—
Long-term liabilities	62.1	49.6	22.8	—	134.5
Long-term debt	380.3	—	—	—	380.3
Total liabilities	446.0	374.2	32.5	(171.0)	681.7
Total stockholders' equity	1,070.8	1,266.8	5.1	(1,271.9)	1,070.8
Total	$ 1,516.8	$ 1,641.0	$ 37.6	$ (1,442.9)	$ 1,752.5

(In millions of dollars, except share and per share amounts and as otherwise indicated)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHESIVE INCOME

Quarter Ended March 31, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ —	$ 331.8	$ 30.4	$ (24.8)	$ 337.4
Costs and expenses:					
Cost of products sold:					
Cost of products sold, excluding depreciation and amortization and other items	—	259.7	27.0	(23.1)	263.6
Unrealized losses on derivative instruments	—	0.7	—	—	0.7
Depreciation and amortization	—	6.7	0.3	—	7.0
Selling, administrative, research and development, and general	0.4	14.8	2.4	(1.5)	16.1
Total costs and expenses	0.4	281.9	29.7	(24.6)	287.4
Operating (loss) income	(0.4)	49.9	0.7	(0.2)	50.0
Other (expense) income:					
Interest expense	(9.1)	(0.3)	—	0.1	(9.3)
Other income, net	0.4	0.6	0.1	(0.1)	1.0
(Loss) income before income taxes	(9.1)	50.2	0.8	(0.2)	41.7
Income tax (provision) benefit	—	(19.0)	7.2	3.6	(8.2)
Earnings in equity of subsidiaries	42.6	7.8	—	(50.4)	—
Net income	$ 33.5	$ 39.0	$ 8.0	$ (47.0)	$ 33.5
Comprehensive income	$ 34.7	$ 39.8	$ 8.4	$ (48.2)	$ 34.7

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CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

Quarter Ended March 31, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ —	$ 355.5	$ 32.6	$ (22.7)	$ 365.4
Costs and expenses:					
Cost of products sold:					
Cost of products sold, excluding depreciation and amortization and other items	—	290.5	29.9	(22.3)	298.1
Unrealized gains on derivative instruments	—	(3.1)	—	—	(3.1)
Depreciation and amortization	—	6.1	0.2	—	6.3
Selling, administrative, research and development, and general	0.5	17.7	—	(0.3)	17.9
Total costs and expenses	0.5	311.2	30.1	(22.6)	319.2
Operating (loss) income	(0.5)	44.3	2.5	(0.1)	46.2
Other (expense) income:					
Interest expense	(4.0)	(0.1)	—	—	(4.1)
Other income, net	0.5	0.2	—	—	0.7
(Loss) income before income taxes	(4.0)	44.4	2.5	(0.1)	42.8
Income tax provision	—	(16.8)	(0.7)	1.2	(16.3)
Earnings in equity of subsidiaries	30.5	1.7	—	(32.2)	—
Net income	$ 26.5	$ 29.3	$ 1.8	$ (31.1)	$ 26.5
Comprehensive income	$ 27.6	$ 30.7	$ 1.5	$ (32.2)	$ 27.6

(In millions of dollars, except share and per share amounts and as otherwise indicated)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Quarter Ended March 31, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash flows from operating activities:					
Net cash (used in) provided by operating activities	$ (0.5)	$ 5.4	$ 1.4	$ —	$ 6.3
Cash flows from investing activities:					
Capital expenditures	—	(9.0)	(0.3)	—	(9.3)
Purchase of available for sale securities	—	(85.6)	—	—	(85.6)
Proceeds from sale of available for sale securities	—	85.2	—	—	85.2
Net cash used in investing activities	—	(9.4)	(0.3)	—	(9.7)
Cash flows from financing activities:					
Excess tax benefit upon vesting of non-vested shares and dividend payment on unvested shares expected to vest	—	0.8	—	—	0.8
Cancellation of shares to cover employees' tax withholdings upon vesting of non-vested shares	(2.2)	—	—	—	(2.2)
Cash dividend paid to stockholders	(5.9)	—	—	—	(5.9)
Repurchase of common stock	(14.7)	—	—	—	(14.7)
Intercompany loan	23.3	(21.2)	(2.1)	—	—
Net cash provided by (used in) financing activities	0.5	(20.4)	(2.1)	—	(22.0)
Net decrease in cash and cash equivalents during the period	—	(24.4)	(1.0)	—	(25.4)
Cash and cash equivalents at beginning of period	5.0	266.0	2.4	—	273.4
Cash and cash equivalents at end of period	$ 5.0	$ 241.6	$ 1.4	$ —	$ 248.0

(In millions of dollars, except share and per share amounts and as otherwise indicated)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Quarter Ended March 31, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities[1]	$ 0.1	$ 36.0	$ (1.1)	$ —	$ 35.0
Cash flows from investing activities:					
Capital expenditures	—	(8.7)	(0.3)	—	(9.0)
Change in restricted cash	6.9	0.3	—	—	7.2
Net cash used in investing activities	6.9	(8.4)	(0.3)	—	(1.8)
Cash flows from financing activities:					
Excess tax benefit upon vesting of non-vested shares and dividend payment on unvested shares expected to vest	—	1.3	—	—	1.3
Cancellation of shares to cover employees' tax withholdings upon vesting of non-vested shares	(2.1)	—	—	—	(2.1)
Cash dividend paid to stockholders	(4.9)	—	—	—	(4.9)
Intercompany loan	—	(0.3)	0.3	—	—
Net cash (used in) provided by financing activities	(7.0)	1.0	0.3	—	(5.7)
Net increase (decrease) in cash and cash equivalents during the period	—	28.6	(1.1)	—	27.5
Cash and cash equivalents at beginning of period	5.0	43.0	1.8	—	49.8
Cash and cash equivalents at end of period	$ 5.0	$ 71.6	$ 0.7	$ —	$ 77.3

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1 The Company treats changes in long-term intercompany balances that relate to financing activities as cash flow from financing activities. In the above table, the Company has revised the previous classification of the changes in such intercompany balances during the quarter ended March 31, 2012 from cash flows from operating activities to a separate line item in cash flows from financing activities captioned "intercompany loan".

16. Subsequent Events

Dividend Declaration. On April 15, 2013, the Company announced that its Board of Directors declared a cash dividend of $0.30 per common share or $5.8 (including dividend equivalents), which will be paid on or about May 15, 2013 to stockholders of record at the close of business on April 25, 2013.

Anti-dilution Adjustments to Convertible Notes and Convertible Note Hedge Transactions. Upon the payment of the quarterly dividend declared on April 15, 2013, (a) the Convertible Notes' conversion rate will be 20.7522 shares per $1,000 principal amount of the Convertible Notes and the equivalent conversion price will be $48.19 per share, (b) the Call Options' exercise price will be approximately $48.19 per share, and (c) the Warrants' exercise price will be $61.19 per share.

Stock Repurchase Authorization. In April 2013, the Company's Board of Directors authorized an additional $75.0 for stock repurchases under the existing stock repurchase program. Subsequent to March 31, 2013 and through April 19, 2013, the Company repurchased 210,835 shares of its common stock at a weighted average price of $60.94 per share. On April 19, 2013, $92.8 remained available for future repurchases under the stock repurchase program.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Item should be read in conjunction with Part I, Item 1. "Financial Statements" of this Quarterly Report on Form 10-Q (this "Report").

This Report contains statements which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this Report and can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "estimates," "will," "should," "plans," or "anticipates" or comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. These factors include: the effectiveness of management's strategies and decisions; general economic and business conditions including cyclicality and other conditions in the aerospace, automobile and other end market segments we serve; developments in technology; new or modified statutory or regulatory requirements; and changing prices and market conditions. Part I, Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2012 identifies other factors that could cause actual results to vary. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Management's discussion and analysis of financial condition and results of operations ("MD&A") is designed to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

- Overview;
- Results of Operations;
- Liquidity and Capital Resources;
- Contractual Obligations, Commercial Commitments, and Off-Balance-Sheet and Other Arrangements;
- Critical Accounting Estimates and Policies;
- New Accounting Pronouncements; and
- Available Information.

We believe our MD&A should be read in conjunction with the consolidated financial statements and related notes included in Part II, Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2012.

In the discussion of operating results below, certain items are referred to as non-run-rate items. For purposes of such discussion, non-run-rate items are items that, while they may recur from period-to-period, (i) are particularly material to results, (ii) affect costs primarily as a result of external market factors, and (iii) may not recur in future periods if the same level of underlying performance were to occur. Non-run-rate items are part of our business and operating environment but are worthy of being highlighted for the benefit of readers of our financial statements. Our intent is to allow readers of the financial statements to consider our results both in light of and separately from items such as fluctuations in underlying metal prices, energy prices, our stock price and currency exchange rates.

In addition, we provide information regarding value added revenue. Value added revenue represents net sales less the hedged cost of alloyed metal. As discussed further below, (i) a fundamental part of our business is to mitigate the impact of metal price volatility through pricing policies that pass metal cost fluctuations through to our customers and a hedging program that addresses metal price exposure in circumstances in which we are unable to pass metal cost fluctuations through to our customers and (ii) as a result of our pricing policies and hedging program, fluctuations in underlying metal price do not directly impact our profitability. Accordingly, value added revenue is worthy of being highlighted for the benefit of users of our financial statements. Our intent is to allow readers of the financial statements to consider our net sales information both with and without the metal cost component thereof. For a reconciliation of valued added revenue to net sales, see "Results of Operations-Segment and Business Unit Information" below.

Overview

We are a leading North American manufacturer of semi-fabricated specialty aluminum products for aerospace / high strength, general engineering, automotive, and other industrial applications.

At March 31, 2013, we operated 11 focused production facilities in the United States and one facility in Canada that produce rolled, extruded, and drawn aluminum products used principally for aerospace and defense, automotive, consumer durables, electronics, electrical, and machinery and equipment end market applications. Through these facilities, we produced and shipped approximately 140.0 million pounds of semi-fabricated aluminum products, which comprised effectively all of our total consolidated net sales of approximately $337.4 million, during the quarter ended March 31, 2013.

We have long-standing relationships with our customers, which consist primarily of blue-chip companies including leading aerospace companies, automotive suppliers and metal distributors. In our served markets, we seek to be the supplier of choice by providing “Best in Class” customer satisfaction and offering a broad product portfolio. We have a culture of continuous improvement that is facilitated by the Kaiser Production System (“KPS”), an integrated application of continuous improvement tools such as, among others, Lean Manufacturing, Six Sigma and Total Productive Manufacturing. We believe KPS enables us to continuously reduce our own manufacturing costs, eliminate waste throughout the value chain, and deliver “Best in Class” customer service through consistent, on-time delivery of superior quality products on short lead times. We strive to tightly integrate the management of our operations across multiple production facilities, product lines and our served markets in order to maximize the efficiency of product flow to our customers.

A fundamental part of our business model is to mitigate the impact of aluminum price volatility on our cash flow. We manage the risk of fluctuations in the price of primary aluminum through either (i) pricing policies that allow us to pass the underlying cost of metal onto customers or (ii) hedging by purchasing financial derivatives to shield us from exposure related to firm-price sales contracts that specify the underlying metal price plus a conversion price. While we can generally pass metal price movement through to customers, for some of our higher value added products sold on a spot basis, the pass through of metal price movements can sometimes lag by as much as several months, with a favorable impact to us when metal prices decline and an adverse impact to us when metal prices increase. The average London Metal Exchange (“LME”) transaction price per pound of primary aluminum for the quarters ended March 31, 2013 and March 31, 2012 were $0.91 and $0.99, respectively. At April 19, 2013, the LME transaction price per pound was $0.85.

Our highly engineered products are manufactured to meet demanding requirements of aerospace and defense, general engineering, automotive and other industrial applications. We have focused our business on select end market applications where we believe we have sustainable competitive advantages and opportunities for long-term profitable growth. We believe that we differentiate ourselves with “Best in Class” customer satisfaction and a broad product offering, including superior products in our KaiserSelect® product line. Our KaiserSelect® products are manufactured to deliver enhanced product characteristics with improved consistency which results in better performance, lower waste, and, in many cases, lower cost for our customers.

In the commercial aerospace sector, we believe that global economic growth and development will continue to drive growth in airline passenger miles. In addition, trends such as longer routes and larger payloads and a focus on fuel efficiency have increased the demand for new and larger aircraft. We believe that the long-term demand drivers, including growing build rates, larger airframes and increased use of monolithic design (where aluminum plate is heavily machined to form the desired part from a single piece of metal as opposed to using aluminum sheet, extrusions or forgings that are affixed to one another using rivets, bolts or welds) throughout the industry will continue to increase demand for our high strength aerospace plate. We believe the strength of demand is demonstrated by the current eight-year backlog for the two primary manufacturers of commercial aircraft.

Our products are also sold into defense end market applications. Ongoing requirements of active military engagements continue to drive demand for our products. Longer term, we expect the production of the *F-35*, or Joint Strike Fighter, to also drive demand for our high strength products.

Commercial aerospace and defense applications have demanding customer requirements for quality and consistency. As a result, there are a very limited number of suppliers worldwide who are qualified to serve these market segments. We believe barriers to entry include significant capital requirements, technological expertise and a rigorous qualification process for safety-critical applications.

We expect the 2013 North American automotive sector build rates to increase approximately 4% over 2012 based on data from IHS, a provider of technical information. Our automotive products typically have specific performance attributes in terms of machinability and/or mechanical properties for specific applications across a broad mix of North American original equipment manufacturers (“OEMs”) and automotive platforms. We believe that these attributes are not easily replicated by our competitors and are important to our customers, who are typically first tier automotive suppliers. Additionally, we believe that in North America, from 2001 to 2011, the aluminum extrusion content per vehicle grew at a compound annual growth rate of 3.2% based on data provided by the Aluminum Association and IHS, as automotive OEMs and their suppliers found opportunities to decrease weight without sacrificing structural integrity and safety performance. We also believe the United States’ Corporate Average Fuel Economy (“CAFE”) regulations, which increase fuel efficiency standards on an annual basis, will continue to drive growth in demand for aluminum extruded components in passenger vehicles as a replacement for the heavier weight of steel components.

Our general engineering products serve the North American industrial market segments, and demand for these products generally tracks the broader economic environment.

For purposes of segment reporting under United States generally accepted accounting principles ("GAAP"), we treat our Fabricated Products segment as its own reportable segment. We combine our two other business units, Secondary Aluminum and Corporate and Other into one category, which we refer to as All Other. All Other is not considered a reportable
segment (see Note 11 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. "Financial Statements" of this Report).

Highlights of the quarter ended March 31, 2013 include:

- Fabricated Products segment shipments of 140.0 million pounds, an 11% decrease from the first quarter of 2012, resulting primarily from slow general manufacturing economy and inventory overhang with certain aerospace extrusion products despite a strong aerospace end market;
- Consolidated net income of $33.5 million and earnings per diluted share of $1.73, including revenue relating to a $4.5 million payment from a customer in lieu of fulfilling minimum volume obligations under a multi-year contract and the favorable impact of an expected income tax refund of $7.9 million;
- Repurchase of 259,596 shares of our common stock at the weighted average price per share of $62.62.
- Combined cash balances, short term investments, and net borrowing availability under our revolving credit facility of approximately $612.7 million, with no borrowings thereunder as of March 31, 2013;
- Declaration and payment of a regular dividend of $0.30 per common share, or $5.9 million.

Results of Operations

Consolidated Results of Operations

Net Sales. Net sales for the quarter ended March 31, 2013 of $337.4 million compared to $365.4 million for the quarter ended March 31, 2012. As more fully discussed below, the decrease in Net sales was primarily due to a decrease in Fabricated Products segment shipments partially offset by higher average realized price per pound as a result of higher average value added revenue per pound. Included in Net sales for the quarter ended March 31, 2013 was a $4.5 million payment from a customer in lieu of fulfilling minimum volume obligations under a multi-year contract which contributed to higher value added revenue per pound. Fluctuation in underlying primary aluminum market prices does not necessarily directly impact profitability because (i) a substantial portion of the business conducted by the Fabricated Products segment passes primary aluminum price changes directly onto customers and (ii) our hedging activities in support of the Fabricated Products segment's firm price sales agreements limit our losses, as well as gains, from primary metal price changes.

Cost of Products Sold Excluding Depreciation and Amortization and Other Items. Cost of products sold, excluding depreciation and amortization and other items in the quarter ended March 31, 2013 totaled $263.6 million, or 78% of Net sales, compared to $298.1 million, or 82% of Net sales, in the quarter ended March 31, 2012. Cost of products sold, excluding depreciation and amortization and other items as a percentage of Net sales decreased primarily due to the $4.5 million payment recognized as revenue (see Net sales discussion above). Also included in Cost of products sold, excluding depreciation and amortization and other items for the quarters ended March 31, 2013 and March 31, 2012 are non-cash last-in, first-out ("LIFO") inventory benefits of $3.7 million and $2.9 million, respectively.

Selling, Administrative, Research and Development, and General. Selling, administrative, research and development, and general expense totaled $16.1 million in the quarter ended March 31, 2013 compared to $17.9 million in the quarter ended March 31, 2012. The decrease during the quarter ended March 31, 2013 was primarily due to (i) a $2.6 million increase in periodic pension benefit income with respect to two voluntary employee's beneficiary associations that provide benefits for certain eligible retirees, their surviving spouses and eligible dependents (together, the "VEBAs"), offset by (ii) a $0.3 million increase in workers' compensation expense due primarily to higher estimated incurred but not reported reserve in 2013, (iii) a $0.3 million increase in environmental expense in the first quarter of 2013 and (iv) a $0.3 million increase in research and development expense.

Interest Expense. Interest expense of $9.3 million in the quarter ended March 31, 2013 was primarily related to interest expense incurred on our 4.5% Cash Convertible Senior Notes due April 1, 2015 (the "Convertible Notes"), and interest expense on our 8.250% Senior Notes due June 1, 2020 (the "Senior Notes") issued on May 23, 2012, net of $0.4 million of interest capitalization as part of Construction in progress. Interest expense of $4.1 million in the quarter ended March 31, 2012 was primarily related to interest expense incurred on the Convertible Notes, net of $0.6 million of interest costs capitalized as part of Construction in progress.

Income Tax Provision. The income tax provision for the quarter ended March 31, 2013 was $8.2 million, reflecting an effective tax rate of 19.7%. The difference between the effective tax rate and the projected blended statutory tax rate for the quarter ended March 31, 2013 was the result of a decrease in unrecognized tax benefits, including interest and penalties, of $7.5 million, resulting in a 17.9% decrease in the effective tax rate. The decrease in unrecognized tax benefits is a result of an audit settlement with the Canada Revenue Agency Competent Authority on February 28, 2013 for the 1998-2004 tax years. As a result of the settlement, a refund of $7.9 million which represents amounts previously paid against the accrued tax reserve is expected.

Segment and Business Unit Information

Consistent with the manner in which our chief operating decision maker reviews and evaluates our business, we have one operating segment, which we refer to as Fabricated Products, that produces semi-fabricated specialty aluminum products, such as aluminum sheet and plate and extruded and drawn products, primarily used in aerospace/high strength, general engineering, automotive and other industrial end market applications. We categorize our products by these end market applications as follows: aerospace/high strength products (which we refer to as Aero/HS products), general engineering products (which we refer to as GE products), extrusions for automotive applications (which we refer to as Automotive Extrusions), and other industrial products (which we refer to as Other products). We also have two other business units, Secondary Aluminum and Corporate and Other. The Secondary Aluminum business unit sells value added products, such as ingot and billet, produced by Anglesey Aluminium Limited ("Anglesey') in which we own a 49% interest. The Corporate and Other business unit provides general and administrative support for our operations.

For purposes of segment reporting under GAAP, we treat the Fabricated Products segment as a reportable segment and combine the two other business units, Secondary Aluminum and Corporate and Other, into one category, which we refer to as All Other. All Other is not considered a reportable segment.

Anglesey, which owns and operates a secondary aluminum remelt and casting facility in Holyhead, Wales. Anglesey sells 49% of the secondary aluminum ingot and billet it produces to us, which we resell to a third party, receiving a portion of a premium over normal commodity market prices in transactions structured to largely eliminate our metal price and currency exchange rate risks with respect to our income and cash flow related to Anglesey. Because we in substance act as an agent in connection with sales of secondary aluminum produced by Anglesey, our secondary aluminum sales are presented net of the cost of sales. Accordingly, our net sales and operating income from such activities in the quarters ended March 31, 2013 and March 31, 2012 were both zero.

The board of Anglesey recently announced the closure of Anglesey's secondary aluminum remelt and casting operations which we expect to be completed by the second quarter of 2013. Our investment in Anglesey is valued at zero on our balance sheet, and we have no financial obligation with respect to any liability of Anglesey. Accordingly, we do not expect the closure of Anglesey's operations will have any financial impact to us. See Note 3 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010 for additional details on our investment in Anglesey and the suspension of equity method of accounting with respect to our ownership in Anglesey.

The accounting policies of the segment and business units are the same as those described in Note 1 of Notes to Interim Consolidated Financial Statements in Part I, Item 1. "Financial Statements" of this Report. Segment results are evaluated internally before interest expense, other expense (income) and income taxes.

Fabricated products

The table below provides selected operational and financial information (in millions of dollars except shipments and average realized sales price) for our Fabricated Products segment, for each period presented.

The following data should be read in conjunction with our consolidated financial statements and the notes thereto included in Part I, Item 1. "Financial Statements" of this Report. See Note 11 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. "Financial Statements" of this Report for further information regarding segments. Interim results are not necessarily indicative of those for a full year.

	Quarter Ended March 31, 2013	2012
Shipments (mm lbs)	140.0	156.7
Composition of average realized third-party sales price (per pound):		
Average realized third-party sales price[1]	$ 2.41	$ 2.33
Less: hedged cost of alloyed metal price	(1.07)	(1.09)
Average realized third-party value added revenue	$ 1.34	$ 1.24
Composition of net sales:		
Net sales	$ 337.4	$ 365.4
Less: hedged cost of alloyed metal	(150.0)	(170.6)
Third party value added revenue	$ 187.4	$ 194.8
Segment Operating Income	$ 55.2	$ 54.1
Impact to operating income of non-run-rate items:		
Adjustments to plant-level LIFO[2]	$ 4.7	$ 2.0
Mark-to-market (losses) gains on derivative instruments	(0.7)	3.1
Workers' compensation cost due to discounting	—	0.1
Environmental expenses	(0.3)	—
Total non-run-rate items	3.7	5.2
Operating income excluding non-run-rate items	$ 51.5	$ 48.9

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1 Average realized prices for our Fabricated Products segment are subject to fluctuations due to changes in product mix and underlying primary aluminum prices, and are not necessarily indicative of changes in underlying profitability.

2 We manage our Fabricated Products segment business on a monthly last-in, first-out ("LIFO") basis at each plant, but report inventory externally on an annual LIFO basis in accordance with GAAP on a consolidated basis. This amount represents the conversion from GAAP LIFO applied on a consolidated basis for the Fabricated Products segment to monthly LIFO applied on a plant-by-plant basis.

As noted above, operating income excluding identified non-run-rate items for the quarter ended March 31, 2013 was $2.6 million higher than operating income excluding such items for the quarter ended March 31, 2012. Higher operating income in the quarter ended March 31, 2013 reflected primarily the impact of (i) revenue recognized relating to a $4.5 million payment from a customer in lieu of fulfilling minimum volume obligations under a multi-year contract, (ii) favorable energy costs and (iii) lower major maintenance costs, partially offset by (iv) manufacturing inefficiencies as a result of adjusting to a more complex product mix and lower volumes.

The table below provides shipment and value added revenue information (in millions of dollars except shipments and value added revenue per pound) for each of the primary end-market segment applications of our Fabricated Products segment, for each period presented:

	Quarter Ended March 31,			
	2013		2012	
Aero/HS Products:				
Shipments (mmlbs)	56.7		59.0	
	$	$ / lb	$	$ / lb
Sales	$ 179.6	$ 3.17	$ 184.7	$ 3.13
Less: hedged cost of alloyed metal	(60.9)	(1.08)	(65.7)	(1.11)
Value added revenue	$ 118.7	$ 2.09	$ 119.0	$ 2.02
GE Products:				
Shipments (mmlbs)	54.8		63.3	
	$	$ / lb	$	$ / lb
Sales	$ 105.8	$ 1.93	$ 119.2	$ 1.88
Less: hedged cost of alloyed metal	(59.4)	(1.08)	(69.3)	(1.09)
Value added revenue	$ 46.4	$ 0.85	$ 49.9	$ 0.79
Automotive Extrusions:				
Shipments (mmlbs)	15.3		17.0	
	$	$ / lb	$	$ / lb
Sales	$ 30.8	$ 2.01	$ 34.4	$ 2.02
Less: hedged cost of alloyed metal	(16.2)	(1.06)	(18.4)	(1.08)
Value added revenue	$ 14.6	$ 0.95	$ 16.0	$ 0.94
Other Products:				
Shipments (mmlbs)	13.2		17.4	
	$	$ / lb	$	$ / lb
Sales	$ 21.2	$ 1.61	$ 27.1	$ 1.56
Less: hedged cost of alloyed metal	(13.5)	(1.03)	(17.2)	(0.99)
Value added revenue	$ 7.7	$ 0.58	$ 9.9	$ 0.57
Total:				
Shipments (mmlbs)	140.0		156.7	
	$	$ / lb	$	$ / lb
Sales	$ 337.4	$ 2.41	$ 365.4	$ 2.33
Less: hedged cost of alloyed metal	(150.0)	(1.07)	(170.6)	(1.09)
Value added revenue	$ 187.4	$ 1.34	$ 194.8	$ 1.24

For the quarter ended March 31, 2013, Net sales of fabricated products decreased by 8% to $337.4 million, as compared to the quarter ended March 31, 2012, due primarily to an 11% decrease in shipments, offset by an increase in average realized sales price. The decrease in shipments was comprised of (i) a 4% decrease in Aero/HS products shipments primarily due to inventory overhang in certain products despite strong aerospace end market demand, (ii) a 10% decrease in Automotive Extrusion shipments due to flat automotive build rates compared to the prior year period, a trend toward smaller anti-lock braking system parts and reduced exports of anti-lock braking system parts, (iii) a 13% decrease in GE products shipments due to a slow manufacturing economy and (iv) a 24% decrease in shipments of Other products primarily reflecting the Company's focus on higher value added products.

Outlook

We anticipate continuing demand headwinds across our end market applications during second quarter in addition to higher planned capital and project expense. However, we anticipate value added revenue and adjusted EBITDA margins for the first half 2013 will be comparable to the first half 2012. We remain very positive in our long-term outlook for the Company and anticipate continued long-term growth in our overall value added revenue and adjusted EBITDA margin driven by strong demand for aerospace and automotive applications. Our focus on organic investments in capacity, capability, quality and enhanced operating efficiencies will continue to serve us well to capture further opportunities for profitable growth in these end market applications. Longer-term, we remain committed to maintaining financial strength and flexibility to continue to invest and capitalize on organic and acquisition opportunities to further enhance shareholder returns.

Corporate and Other

Operating expenses within the Corporate and Other business unit represent general and administrative expenses that are not allocated to other business units or segments. The table below presents non-run-rate items within the Corporate and Other business unit, operating expense and operating expense excluding non-run-rate items (in millions of dollars):

	Quarter Ended March 31,	
	2013	**2012**
Operating expense	$ (5.2)	$ (7.9)
Impact to operating expense of non-run-rate items:		
VEBA net periodic benefit income	5.6	3.0
Environmental expense	(0.3)	—
Workers' compensation benefit due to discounting	—	0.1
Operating non-run-rate items	5.3	3.1
Operating expense excluding non-run-rate items	$ (10.5)	$ (11.0)

Corporate operating expenses excluding non-run-rate items for the quarter ended March 31, 2013 were $0.5 million lower than such expenses for the comparable period in 2012, reflecting primarily (i) a $0.6 million decrease in professional fees, (ii) a $0.4 million decrease in employee salaries and incentive compensation expense, partially offset by (iii) a $0.3 million increase in workers' compensation expense primarily due to higher incurred but not reported reserve estimates.

Derivatives

From time to time, we enter into derivative transactions, including forward contracts and options, to limit our economic (i.e., cash) exposure resulting from (i) metal price risk related to our sale of fabricated aluminum products and the purchase of metal used as raw material for our fabrication operations, (ii) energy price risk relating to fluctuating prices of natural gas and electricity used in our production processes, and (iii) foreign currency requirements with respect to our foreign subsidiaries, investment, and cash commitments for equipment purchases. Additionally, in connection with the issuance of the Convertible Notes, we purchased cash-settled call options (the "Call Options") relating to our common stock to limit our exposure to the cash conversion feature of the Convertible Notes (see Note 3 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. "Financial Statements" of this Report).

The aggregate fair value of our derivatives, recorded on the Consolidated Balance Sheets at March 31, 2013 and December 31, 2012, was a net liability of $8.6 million and $8.2 million, respectively. The increase in net liability during the quarter ended March 31, 2013 was primarily due to changes in the underlying commodity prices during such quarter. Changes in the fair value of our derivative contracts that relate to operational hedging activities are reflected in operating income (see Note 1 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. "Financial Statements" of this Report). Such changes in the fair value of these contracts resulted in the recognition of a $0.7 million unrealized mark-to-market loss during the quarter ended March 31, 2013. We consider this loss to be a non-run-rate item.

Deferred Tax Asset - Net

Deferred tax asset, net was $87.0 million at March 31, 2013, compared to $102.0 million at December 31, 2012. The decrease of $15.0 million primarily reflects the expected utilization of the net operating loss carryforward for the quarter ended March 31, 2013. See "Results of Operations - *Deferred Tax Asset*" included in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations ” in our Annual Report on Form 10-K for the year ended December 31, 2012 for additional information.

Fair Value Measurement

We apply the fair value hierarchy for the recognition and measurement of assets and liabilities. An asset or liability’s fair value classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. We also consider counterparty risk in our assessment of fair value.

The fair values of financial assets and liabilities are measured on a recurring basis. We have elected not to carry all financial assets and liabilities at fair value, other than as required by GAAP. Financial assets and liabilities that we carry at fair value, as required by GAAP, include (i) our derivative instruments, (ii) the plan assets of the VEBAs and our Canadian defined benefit pension plan, and (iii) available for sale securities, consisting of commercial paper and the investments related to our deferred compensation plan.

The majority of our non-financial assets and liabilities, which include goodwill, intangible assets, inventories and property, plant, and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur (or at least annually for goodwill), an evaluation of a non-financial asset or liability is required, potentially resulting in an adjustment to the carrying amount of such asset or liability.

See “Results of Operations - *Fair Value Measurement*” included in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations ” in our Annual Report on Form 10-K for the year ended December 31, 2012 for additional information regarding fair value inputs to our material financial assets and liabilities.

Liquidity and Capital Resources

Summary

The following table summarizes our liquidity at the end of the periods presented (in millions of dollars):

	March 31, 2013	December 31, 2012
Available cash and cash equivalents	$ 248.0	$ 273.4
Short-term investments	85.6	85.0
Net borrowing availability on Revolving Credit Facility after borrowings and letters of credit	279.1	259.8
Total liquidity	$ 612.7	$ 618.2

Cash and cash equivalents were $248.0 million at March 31, 2013, compared to $273.4 million at December 31, 2012. The decrease in cash and cash equivalents was primarily driven by the payment of the $20.0 million variable contribution with respect to 2012 to the VEBAs, repurchases of our common stock, the payment of quarterly dividends and capital expenditures, partially offset by cash inflow from operations. Cash equivalents consist primarily of money market accounts and investments with an original maturity of 90 days or less when purchased. We place our cash in bank deposits and money market funds with high credit quality financial institutions which invest primarily in commercial paper and time deposits of prime quality, short-term repurchase agreements, and U.S. government agency notes. Additionally, some of our cash equivalents and all of our short-term investments are invested in commercial paper.

In addition to our unrestricted cash and cash equivalents described above, we have restricted cash that is pledged or held as collateral in connection with workers’ compensation requirements and certain other agreements. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash (see Note 2 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. “Financial Statements” of this Report).

We and certain of our subsidiaries have a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions party thereto (the “Revolving Credit Facility”) (see Note 3 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. “Financial Statements” of this Report). There were no borrowings under the Revolving Credit Facility as of March 31, 2013, or as of December 31, 2012.

Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for each of the periods presented (in millions of dollars):

	Quarter Ended March 31,	
	2013	**2012**
Total cash provided by (used in):		
Operating activities:		
Fabricated Products	$ 35.5	$ 52.5
All Other	(29.2)	(17.5)
Total cash flow from operating activities	$ 6.3	$ 35.0
Investing activities:		
Fabricated Products	$ (8.9)	$ (8.8)
All Other	(0.8)	7.0
Total cash flow from investing activities	$ (9.7)	$ (1.8)
Financing activities:		
Fabricated Products	$ —	$ —
All Other	(22.0)	(5.7)
Total cash flow from financing activities	$ (22.0)	$ (5.7)

Operating Activities

Fabricated Products — For the quarter ended March 31, 2013, Fabricated Products segment operating activities provided $35.5 million of cash. Cash provided in the quarter ended March 31, 2013 was primarily related to operating income excluding non-run-rate items and depreciation and amortization of $58.4 million, an increase in accounts payable of $9.5 million due to increase in general business activities including inventory purchases, partially offset by an increase in inventory of $8.6 million primarily as a result of inventory build in response to production requirement and anticipation of equipment outages at certain production facilities and an increase in accounts receivable of $24.6 million primarily due to (i) increase in sales compared to the fourth quarter of 2012 and (ii) recognition of a $7.9 million receivable relating to a tax refund from the Canada Revenue Agency.

Fabricated Products segment operating activities provided $52.5 million of cash during the quarter ended March 31, 2012. Cash provided in the quarter ended March 31, 2012 was primarily related to operating income excluding non-run-rate items and depreciation and amortization of $55.1 million, a decrease in inventory of $9.5 million as a result of inventory reduction efforts and an increase in accounts payables of $3.6 million, partially offset by an increase in accounts receivable of $15.7 million due to increase in sales.

For additional information regarding Fabricated Products operations income excluding non-run-rate items, see “Results of Operations — *Segment and Business Unit Information*” above.

All Other — Cash used in operations in All Other is comprised of (i) cash used in corporate and other activities and (ii) cash flows from Anglesey-related operating activities.

Corporate and other operating activities used $34.7 million and $10.5 million of cash during the quarter ended March 31, 2013 and March 31, 2012, respectively. Cash outflow from corporate and other operating activities in the quarter ended March 31, 2013 consisted primarily of payments relating to (i) general and administrative costs of $6.9 million, (ii) annual variable VEBA contribution of $20.0 million with respect to the 2012 year, (iii) our short-term incentive program in the amount of $4.5 million, and (iv) interest on the Revolving Credit Facility of $0.4 million. Cash outflow from corporate and other operating activities in the quarter ended March 31, 2012 consisted primarily of payments relating to (i) general and administrative costs of $7.4 million, (ii) our short-term incentive program in the amount of $2.4 million, and (iii) interest on the Revolving Credit Facility of $0.4 million.

Anglesey-related activities provided (used) $5.5 million and $(7.0) million of cash for the quarters ended March 31, 2013 and March 31, 2012. Operating cash flows were primarily related to changes in working capital in both periods. As discussed in "Results of Operations" above, Anglesey sells 49% of the secondary aluminum ingot and billet it produces to us, which we resell to a third party, receiving a portion of a premium over normal commodity market prices in transactions structured to largely eliminate our metal price and currency exchange rate risks with respect to our income and cash flow related to Anglesey. As such, cash flows generated or used by Anglesey-related activities reflect only timing differences relating to the collection of accounts receivable and payment to Anglesey and have no impact on our long-term liquidity. The board of Anglesey recently announced the closure of Anglesey's secondary aluminum remelt and casting operations which we expect to be completed by the second quarter of 2013. Upon closure of the its operations, the short term liquidity fluctuations from Anglesey activities will be eliminated.

Investing Activities

Fabricated Products — Cash used in investing activities for the Fabricated Products segment during the quarter ended March 31, 2013 was $8.9 million, compared to $8.8 million of cash used during the quarter ended March 31, 2012. Cash used during the quarters ended March 31, 2013 and March 31, 2012 is primarily related to capital expenditures.

All Other — Cash used by investing activities for All Other during the quarter ended March 31, 2013 was $0.8 million which represents a $0.4 million net cash outflow in conducting investment activities with respect to commercial paper and $0.4 million of capital expenditures. Cash provided by investing activities for All Other during the quarter ended March 31, 2012 was $7.0 million which primarily represents the return of $7.2 million restricted cash, partially offset by $0.2 million used for capital expenditures.

Financing Activities

All Other — Cash used in financing activities during the quarter ended March 31, 2013 was $22.0 million, representing (i) $14.7 million of cash used to repurchase our common stock under our stock repurchase program, (ii) $5.9 million of cash dividends paid to our stockholders, including holders of restricted stock, and dividend equivalents paid to holders of restricted stock units and to holders of performance shares with respect to approximately one-half of the performance shares, (iii) $2.2 million of cash used to repurchase our common stock to satisfy withholding taxes resulting from the vesting of employee restricted stock, restricted stock units and performance shares, partially offset by (iv) $0.8 million of additional tax benefit in connection with the vesting of employee restricted stock, restricted stock units and performance shares.

Cash used in financing activities during the quarter ended March 31, 2012 was $5.7 million, representing (i) $4.9 million of cash dividends paid to our stockholders, including holders of restricted stock, and dividend equivalents paid to holders of restricted stock units and to holders of performance shares with respect to approximately one-half of the performance shares and (ii) $2.1 million of cash used to repurchase our common stock to satisfy employees' minimum statutory withholding taxes resulting from the vesting of employee restricted stock, restricted stock units and performance shares, partially offset by (iii) $1.3 million of additional tax benefit upon vesting of employee restricted stock, restricted stock units and performance shares.

See "*Repurchases of Common Stock*" below and Part II, Item 2. "Unregistered Sales of Equity Securities and Use of Proceeds" of this Report.

Sources of Liquidity

We believe our available cash and cash equivalents, short-term investments, borrowing availability under the Revolving Credit Facility, and funds generated from the expected results of operations are our most significant sources of liquidity. We believe these sources will be sufficient to finance our cash requirements, including those associated with our planned capital expenditures and investments, for at least the next 12 months. Nevertheless, our ability to fund our working capital requirements, debt service obligations, the full amount of any VEBA variable contribution, and planned capital expenditures and investments will substantially depend upon our future operating performance (which will be affected by prevailing economic conditions) and financial, business and other factors, some of which are beyond our control.

The Revolving Credit Facility matures in September 2016 and provides for borrowings up to $300.0 million (subject to borrowing base limitations), of which up to a maximum of $60.0 million may be utilized for letters of credit. The Revolving Credit Facility may, subject to certain conditions and the agreement of lenders thereunder, be increased up to $350.0 million.

The table below summarizes recent availability and usage of the Revolving Credit Facility (in millions of dollars except for borrowing rate):

	March 31, 2013	April 19, 2013
Revolving Credit Facility borrowing commitment	$ 300.0	$ 300.0
Borrowing base availability	286.0	283.6
Outstanding borrowings under Revolving Credit Facility	—	—
Outstanding letters of credit under Revolving Credit Facility	6.9	6.9
Net remaining borrowing availability	$ 279.1	$ 276.7
Borrowing rate (if applicable)[1]	4.0%	4.0%

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[1] Such borrowing rate, if applicable, represents the interest rate for any overnight borrowings under the revolving credit facility.

We do not believe that covenants contained in the Revolving Credit Facility are reasonably likely to limit our ability to raise additional debt or equity should we choose to do so during the next 12 months, nor do we believe it is likely that during the next 12 months we will trigger the availability threshold that would require measuring and maintaining a fixed charge coverage ratio.

See Note 4 of Notes to Consolidated Financial Statements included in Part II, Item 8. "Financial Statements and Supplementary Data" in the Form 10-K for the year ended December 31, 2012 for information regarding the Revolving Credit Facility.

Debt

We have mandatory principal and cash interest payments on the outstanding borrowings under the Convertible Notes and the Senior Notes. As of March 31, 2013, the Convertible Notes were not convertible. We do not expect the Convertible Notes to be converted by investors prior to the first quarter of 2015 (if at all). See Note 3 of Notes to Consolidated Financial Statements included in Part II, Item 8. "Financial Statements and Supplementary Data" in the Form 10-K for the year ended December 31, 2012 for further details of the Convertible Notes and the Senior Notes.

We do not believe that covenants in the indentures governing the Convertible Notes and the Senior Notes are reasonably likely to limit our ability to obtain additional debt or equity financing should we choose to do so during the next 12 months.

Capital Expenditures and Investments

A component of our long-term strategy is our capital expenditure program, including organic growth initiatives and value-creating acquisitions. Total capital expenditures were $9.3 million and $9.0 million for the quarters ended March 31, 2013 and March 31, 2012, respectively.

Capital spending during the quarter ended March 31, 2013 included spending at our Trentwood facility in Spokane, Washington and other projects spread among most of our manufacturing locations to reduce operating costs, improve product quality, increase capacity and/or enhance operational security.

In 2013, we anticipate significant capital spending, including a new $35.0 million casting unit at our Trentwood facility in Spokane, Washington to expand our rolling ingot capacity as well as sizable capital projects that will further expand heat treat plate capacity, enhance operational efficiency and flexibility, and support new automotive programs that launch over the next few years. In total, we expect capital expenditures and investments in 2013 for Fabricated Products will be approximately $80.0 million. Capital investment will be funded using cash generated from operations, available cash and cash equivalents, short-term investments, borrowings under the Revolving Credit Facility and/or other third-party financing arrangements.

The level of anticipated capital expenditures may be adjusted from time to time depending on our business plans, our price outlook for fabricated aluminum products, our ability to maintain adequate liquidity and other factors. No assurance can be provided as to the timing of any such expenditures or the operational benefits expected therefrom.

Dividends

During the quarters ended March 31, 2013 and March 31, 2012, we paid a total of $5.9 million and $4.9 million, or $0.30 and $0.25 per common share, respectively, in cash dividends to our stockholders, including the holders of restricted stock, and in dividend equivalents to the holders of restricted stock units and the holders of performance shares with respect to approximately one half of the performance shares issued under our equity and performance incentive plan.

On April 15, 2013, we announced that our Board of Directors declared a cash dividend of $0.30 per share on our common stock to be paid on May 15, 2013 to stockholders of record at the close of business on April 25, 2013.

The future declaration and payment of dividends, if any, will be at the discretion of our Board of Directors and will depend on a number of factors, including our financial and operating results, financial condition, and anticipated cash requirements and contractual restrictions under the Revolving Credit Facility and the indenture for our Senior Notes, or other indebtedness we may incur in the future. We can give no assurance that dividends will be declared and paid in the future.

Repurchases of Common Stock

During the quarter ended March 31, 2013, we purchased 259,596 shares under our existing share repurchase program authorized by our Board of Directors. In April 2013, our Board of Directors approved an additional $75.0 million for stock repurchases under the existing stock repurchase program. Reflecting the authorization increase and 210,835 shares repurchased after the end of the first quarter, as of April 19, 2013, $92.8 million remained available under this repurchase authorization. The program may be modified or terminated by our Board of Directors at any time. All shares repurchased under this stock repurchase program have been treated as treasury shares. The indenture governing our Senior Notes and the Revolving Credit Facility place limitations on, among other things, our ability to repurchase common stock.

Under our Amended and Restated 2006 Equity and Performance Incentive Plan, participants may elect to have us withhold common shares to satisfy minimum statutory tax withholding obligations arising in connection with the vesting of non-vested shares, restricted stock units and performance shares. Any such shares withheld are canceled by us on the applicable vesting dates, which correspond to the times at which income to the employee is recognized. When we withhold these common shares, we are required to remit to the appropriate taxing authorities the fair value of the shares withheld as of the vesting date. The number of shares withheld is determined based on the closing price per common share as reported on the Nasdaq Global Select Market on such dates. During the quarters ended March 31, 2013 and March 31, 2012, we withheld 35,838 shares and 45,128 shares of common stock to satisfy employee tax withholding obligations. The withholding of common shares by us could be deemed a purchase of the common shares.

Restrictions Related to Equity Capital

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2012, there are restrictions on the transfer of our common shares. These restrictions are intended to reduce the risk that an ownership change within the criteria under Section 382 of the Internal Revenue Code of 1986 would jeopardize our ability to fully use our federal income tax attributes.

Environmental Commitments and Contingencies

We are subject to a number of environmental laws and regulations, to potential fines or penalties assessed for alleged breaches of the environmental laws and regulations, and to potential claims and litigation based upon such laws and regulations. We have established procedures for regularly evaluating environmental loss contingencies, including those arising from environmental reviews and investigations and any other environmental remediation or compliance matters. Our environmental accruals represent our undiscounted estimate of costs reasonably expected to be incurred based on presently enacted laws and regulations, existing requirements, currently available facts, existing technology, and our assessment of the likely remediation actions to be taken.

We submitted a final feasibility study, after public comment and agency review, to the Washington State Department of Ecology ("Washington State Ecology") which included recommendations for remediation alternatives to primarily address the historical use of oils containing polychlorinated biphenyls, or PCBs, at our Trentwood facility in Spokane, Washington. During the third quarter of 2012, we signed an amended work order with Washington State Ecology allowing certain remediation activities to begin and to initiate a treatability study in regards to proposed PCB remediation methods. We continue to work with Washington State Ecology in developing the implementation work plans, which are subject to Washington State Ecology approval. We expect to begin implementation of approved work plans sometime in 2013.

At March 31, 2013, our environmental accrual of $22.0 million represented our best estimate of the incremental cost based on proposed alternatives in the final feasibility study relating to our Trentwood facility in Spokane, Washington and on investigational studies and other remediation activities occurring at certain other locations owned by us. We expect that these remediation actions will be taken over the next 30 years.

As additional facts are developed, feasibility studies at various facilities are completed, draft remediation plans are modified, necessary regulatory approval for the implementation of remediation are obtained, alternative technologies are developed, and/or other factors change, there may be revisions to management's estimates, and actual costs may exceed the current environmental accruals. We believe at this time that it is reasonably possible that undiscounted costs associated with these environmental matters may exceed current accruals by amounts that could be, in the aggregate, up to an estimated $19.1 million over the next 30 years. It is reasonably possible that our recorded estimate of our obligation may change in the next 12 months.

Contractual Obligations, Commercial Commitments, and Off-Balance Sheet and Other Arrangements

During the quarter ended March 31, 2013, we granted additional stock-based awards to certain members of management and our non-employee directors, under our stock-based long-term incentive plan (see Note 6 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. “Financial Statements” of this Report). Additional awards are expected to be made in future years.

In accordance with our VEBA funding obligation (see Note 5 of Notes to Interim Consolidated Financial Statements included in Part 1, Item 1. “Financial Statements” of this Report), we paid $20.0 million to the VEBAs during the quarter ended March 31, 2013 with respect to 2012.

With the exception of the above-mentioned transactions and as otherwise disclosed herein, there has been no material change in our contractual obligations other than in the ordinary course of business since the end of fiscal 2012. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2012 for additional information regarding our contractual obligations, commercial commitments, and off-balance-sheet and other arrangements.

Critical Accounting Estimates and Policies

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 1 of Notes to Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” of our Annual Report on Form 10-K for the year ended December 31, 2012. We discuss our critical accounting estimates in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2012. There has been no material change in our critical accounting estimates since December 31, 2012.

New Accounting Pronouncements

For a discussion of all recently adopted and recently issued but not yet adopted accounting pronouncements, see “*New Accounting Pronouncements*” in Note 1 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. “Financial Statements” of this Report.

Available Information

Our website is located at *www.kaiseraluminum.com.* The website includes a section for investor relations under which we provide notifications of news or announcements regarding our financial performance, including Securities and Exchange Commission (the “SEC”) filings, investor events, and press and earnings releases. In addition, all Kaiser Aluminum Corporation filings submitted to the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and Proxy Statements for our annual meeting of stockholders, as well as other Kaiser Aluminum Corporation reports and statements, are available on the SEC’s web site at *www.sec.gov*. Such filings are also available for download free of charge on our website. In addition, we provide and archive on our website webcasts of our quarterly earnings calls and certain events in which management participates or hosts with members of the investment community, and related investor presentations. The contents of the website are not intended to be incorporated by reference into this Report or any other report or document filed by us, and any reference to the websites are intended to be inactive textual references only.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Our operating results are sensitive to changes in the prices of primary aluminum and fabricated aluminum products, and also depend to a significant degree upon the volume and mix of all products sold. As discussed more fully in Note 8 of Notes to Interim Consolidated Financial Statements included in Part I, Item 1. “Financial Statements” of this Report, we have historically utilized hedging transactions to lock in a specified price or range of prices for certain products which we sell or consume in our production process and to mitigate our exposure to changes in energy prices and foreign currency exchange rates.

Sensitivity

Aluminum. Our pricing of fabricated aluminum products is generally intended to lock in a conversion margin (representing the value added from the fabrication process(es)) and to pass metal price fluctuations to our customers. However, in certain instances we enter into firm-price arrangements with our customers and incur price risk on our anticipated primary aluminum purchases in respect of such customer orders. We use third-party hedging instruments to limit exposure to metal price risks related to firm-price customer sales contracts.

Total fabricated products shipments during the quarters ended March 31, 2013 and March 31, 2012 for which we had price risk were (in millions of pounds) 29.8 and 46.1, respectively. At March 31, 2013, we had sales contracts for the delivery of fabricated aluminum products that have the effect of creating price risk on anticipated primary aluminum purchases for the remainder of 2013, 2014 and 2015 and thereafter totaling approximately (in millions of pounds) 58.6, 2.5, and 1.3, respectively.

Foreign Currency. We, from time to time, enter into forward exchange contracts to hedge material exposures for foreign currencies. Our primary foreign exchange exposure is our operating costs of our London, Ontario facility and for cash commitments for equipment purchases.

Energy. We are exposed to energy price risk from fluctuating prices for natural gas and electricity. We estimate that, before consideration of any hedging activities and the potential to pass through higher natural gas and electricity prices to customers, each $1.00 change in natural gas prices (per mmBtu) and electricity prices (per mwh) impact our 2013 annual operating costs by approximately $4.0 million and $0.3 million, respectively.

We, from time to time, in the ordinary course of business, enter into hedging transactions with major suppliers of energy and energy-related financial investments. As of March 31, 2013, our exposure to fluctuations in natural gas prices had been substantially reduced for approximately 88%, 83% and 48% of the expected natural gas purchases for the remainder of 2013, 2014 and 2015, respectively.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 is processed, recorded, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was performed as of the end of the period covered by this Report under the supervision of and with the participation of our management, including the principal executive officer and principal financial officer. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2013 at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting. We had no changes in our internal control over financial reporting during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFOMRATION

Item 1. *Legal Proceedings.*

Reference is made to Part I, Item 3. "Legal Proceedings" included in our Annual Report on Form 10-K for the year ended December 31, 2012 for information concerning material legal proceedings with respect to the Company. There have been no material developments since December 31, 2012.

Item 1A. *Risk Factors.*

We may be subject to risks relating to our information technology systems.

We rely on information technology systems to process, transmit and store electronic information and manage and operate our business. A breach in cyber security could expose us and our customers and suppliers to risks of misuse of confidential information, manipulation and destruction of data, production downtimes and operations disruptions, which in turn could adversely affect our reputation, competitive position, business or results of operations. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

In addition, from time to time we may replace and/or upgrade our current information technology systems. These activities subject us to inherent costs and risks associated with replacing and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into our current systems. Our systems implementations and upgrades may not result in productivity improvements at the levels anticipated, or at all. In addition, the implementation of new technology systems may cause disruptions in our business operations. Such disruption and any other information technology system disruptions, and our ability to mitigate those disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on us.

With the exception of the above-mentioned risk, there has been no material change in our risk factors since December 31, 2012. See Part I, Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2012.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

The following table provides information regarding our repurchases of our common shares during the quarter ended March 31, 2013:

	Amended and Restated 2006 Equity and Performance Incentive Plan		Stock Repurchase Plan		
	Total Number of Shares Purchased[1]	Average Price per Share	Total Number of Shares Purchased[2]	Average Price per Share	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs (millions)[2]
January 1, 2013 - January 31, 2013	—	—	—	—	$ 46.9
February 1, 2013 - February 28, 2013	—	—	45,561	$ 61.84	$ 44.1
March 1, 2013 - March 31, 2013	35,838	$ 61.12	214,035	$ 62.78	$ 30.7
Total	35,838	$ 61.12	259,596	$ 62.62	N/A

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1 Under our Amended and Restated 2006 Equity and Performance Incentive Plan, we allow participants to elect to have us withhold common shares to satisfy minimum statutory tax withholding obligations arising from the recognition of income and the vesting of restricted stock, restricted stock units and performance shares. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld, which could be deemed a purchase of the common shares by us on the date of withholding. During the quarter ended March 31, 2013, we withheld 35,838 shares of common stock to satisfy employee tax withholding obligations. All such shares were withheld and canceled by us on the applicable vesting dates or dates on which income to the employees was recognized, and the number of shares

withheld was determined based on the closing price per common share as reported on the Nasdaq Global Select Market on such dates.

[2] In June 2008, our Board of Directors authorized the repurchase of up to $75.0 million of our common shares of which $46.9 million remained available at December 31, 2012. Our Board of Directors authorized an additional $75.0 million under this program in April 2013. Repurchase transactions will occur at such times and prices as management deems appropriate and will be funded with the Company's excess liquidity after giving consideration to internal and external growth opportunities and future cash flows. Repurchases may be in open-market transactions or in privately negotiated transactions, and the program may be modified, extended, or terminated by the Company's Board of Directors at any time.

Item 3. *Defaults Upon Senior Securities.*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. ***Other Information.***

None.

Item 6. ***Exhibits.***

Exhibit Number	Description
10.1	Kaiser Aluminum Fabricated Products 2013 Short-Term Incentive Plan For Key Managers Summary (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.2	2013 Form of Executive Officer Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.3	2013 Form of Executive Officer Performance Shares Award Agreement (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.4	Kaiser Aluminum Corporation 2013 - 2015 Long-Term Incentive Plan Management Objectives and Formula for Determining Performance Shares Earned Summary (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
*10.5	Description of 2013 Short-Term Incentive Umbrella Plan under the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.
*10.6	Description of 2013 Long-Term Incentive Umbrella Plan under the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.
*10.7	Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan effective April 9, 2013.
*31.1	Certification of Jack A. Hockema pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Daniel J. Rinkenberger pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Jack A. Hockema pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Daniel J. Rinkenberger pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
* 101.INS	XBRL Instance
* 101.SCH	XBRL Taxonomy Extension Schema
* 101.CAL	XBRL Taxonomy Extension Calculation
* 101.DEF	XBRL Taxonomy Extension Definition
* 101.LAB	XBRL Taxonomy Extension Label
* 101.PRE	XBRL Taxonomy Extension Presentation

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

KAISER ALUMINUM CORPORATION

/s/ Daniel J. Rinkenberger

Daniel J. Rinkenberger
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Neal West

Neal West
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Date: April 24, 2013

INDEX TO EXHIBITS

Exhibit Number	Description
10.1	Kaiser Aluminum Fabricated Products 2013 Short-Term Incentive Plan For Key Managers Summary (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.2	2013 Form of Executive Officer Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.3	2013 Form of Executive Officer Performance Shares Award Agreement (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
10.4	Kaiser Aluminum Corporation 2013 - 2015 Long-Term Incentive Plan Management Objectives and Formula for Determining Performance Shares Earned Summary (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K, filed by the Company on March 8, 2013, File No. 000-52105).
*10.5	Description of 2013 Short-Term Incentive Umbrella Plan under the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.
*10.6	Description of 2013 Long-Term Incentive Umbrella Plan under the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.
*10.7	Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan effective April 9, 2013.
*31.1	Certification of Jack A. Hockema pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Daniel J. Rinkenberger pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of Jack A. Hockema pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of Daniel J. Rinkenberger pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
* 101.INS	XBRL Instance
* 101.SCH	XBRL Taxonomy Extension Schema
*101.CAL	XBRL Taxonomy Extension Calculation
* 101.DEF	XBRL Taxonomy Extension Definition
* 101.LAB	XBRL Taxonomy Extension Label
* 101.PRE	XBRL Taxonomy Extension Presentation

* Filed herewith.

Exhibit 10.5

Description of 2013 Short-Term Incentive Umbrella Plan

Under the Amended and Restated 2006 Equity and Performance Incentive Plan

2013 Performance Goal and Bonus Pool

The performance goal for the STI Performance Period shall be $5.0 million in Net cash provided by operating activities, as reported in the Company's Statements of Consolidated Cash Flows (“Cash Flow”). The bonus pool, representing the amount available for payment of bonuses, shall equal 15% of Cash Flow.

The purpose of establishing the maximum pool under the Company's 2013 Short-Term Incentive Umbrella Plan (the "2013 STI Umbrella Plan") is to improve tax efficiency with respect to the Company's incentive programs and achieve an Internal Revenue Code Section 162(m) "performance based" exemption for annual bonus amounts earned by the designated participants identified below, during the STI Performance Period. The 2013 STI Umbrella Plan is authorized by and subject to the terms of the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.

The specified maximum pool allocations, as established and defined below are subject to the Company's Compensation Committee's authority to reduce, but not increase, the amount of the actual bonus earned and payable to each designated participant under the 2013 STI Umbrella Plan. It is anticipated that the payouts to the covered employees under the 2013 STI Umbrella Plan will be reduced by the Company's Compensation Committee through the exercise of negative discretion, which is permitted under Section 162(m). The Company's Compensation Committee's exercise of negative discretion with respect to one participant's award under the bonus pool shall not result in an increase in the amount payable to another participant under the bonus pool.

Allocation of Bonus Pool to Executives

Executive Name	Executive Title	Percent of Pool Allocated to Executive[1]
Jack A. Hockema	Chief Executive Officer	38.927%
John Barneson	SVP - Corporate Development	10.256%
John M. Donnan	EVP - Legal, Compliance and Human Resources	17.105%
[Other Designated Participant]	[Designated Participant Title]	[Percentage]
[Other Designated Participant]	[Designated Participant Title]	[Percentage]

[1] Subject to an aggregate maximum bonus opportunity per executive of $5.0 million per calendar year, pursuant to the Equity Incentive Plan.

Administrative Provisions

The 2013 STI Umbrella Plan only applies to the calculation and award of incentive awards, if any. There will be no duplication of benefits created by the 2013 STI Umbrella Plan.
The 2013 STI Umbrella Plan will not increase any benefits that may be payable under any severance and/or change in control agreements

Exhibit 10.6

Description of 2013 Long-Term Incentive Umbrella Plan

Under the Amended and Restated 2006 Equity and Performance Incentive Plan

2013-2015 Performance Goal and Award Pool

The performance goal for the LTI Performance Period shall be an average of $5.0 million per year over the LTI Performance Period in Net cash provided by operating activities, as reported in the Company's Statements of Consolidated Cash Flows (“Cash Flow”). The maximum value of shares of common stock issuable upon reaching performance goal shall equal 15% of the aggregate Cash Flow over the LTI Performance Period.

The purpose of establishing the maximum pool under Company's 2013-2015 Long-Term Incentive Umbrella Plan (the "2013-2015 LTI Umbrella Plan") is to improve tax efficiency with respect to the Company's incentive programs and achieve an Internal Revenue Code Section 162(m) "performance based" exemption for annual bonus amounts earned by the designated participants identified below, during the LTI Performance Period. The 2013-2015 LTI Umbrella Plan is authorized by and subject to the terms of the Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.

The specified maximum pool allocations, as established and defined below are subject to the Company's Compensation Committee's authority to reduce, but not increase, the amount of the actual bonus earned and payable to each designated participant under the 2013-2015 LTI Umbrella Plan. It is anticipated that the payouts to the covered employees under the 2013-2015 LTI Umbrella Plan will be reduced by the Company's Compensation Committee through the exercise of negative discretion, which is permitted under Section 162(m). The Company's Compensation Committee's exercise of negative discretion with respect to one participant's award under the bonus pool shall not result in an increase in the amount payable to another participant under the bonus pool.

Allocation of Award Pool to Executives

Executive Name	**Executive Title**	**Percent of Pool Allocated to Executive**[1]
Jack A. Hockema	Chief Executive Officer	56.15%
John Barneson	SVP, Corporate Development	9.53%
John M. Donnan	EVP - Legal, Compliance and Human Resources	11.63%
[Other Designated Participant]	[Designated Participant Title]	[Percentage]
[Other Designated Participant]	[Designated Participant Title]	[Percentage]

[1] Subject to an aggregate maximum value per executive of $5.0 million and an aggregate maximum of 500,000 shares of common stock per executive per calendar year, pursuant to the Equity Incentive Plan.

Administrative Provisions

The 2013 LTI Umbrella Plan only applies to the calculation and award of incentive awards, if any. There will be no duplication of benefits created by the 2013 LTI Umbrella Plan.
The 2013 LTI Umbrella Plan will not increase any benefits that may be payable under any severance and/or change in control agreements

Exhibit 10.7

KAISER ALUMINUM CORPORATION

Amended and Restated

2006 Equity and Performance Incentive Plan

1. **Purpose**. The purpose of the 2006 Equity and Performance Incentive Plan is to attract and retain directors, officers and other employees of Kaiser Aluminum Corporation, a Delaware corporation, and its Subsidiaries and to provide to such persons incentives and rewards for superior performance.

2. **Definitions**. As used in this Plan,

(a) "Appreciation Right" means a right granted pursuant to Section 6 or Section 10 of this Plan, and will include both Tandem Appreciation Rights and Free-Standing Appreciation Rights.

(b) "Award" means any award granted pursuant to the Plan.

(c) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right and a Tandem Appreciation Right.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" has the meaning provided in an Evidence of Award.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(g) "Committee" means the committee of Non-Employee Directors appointed by the Board to administer the Plan and, to the extent of any delegation by the Committee to a subcommittee pursuant to Section 18 of this Plan, such subcommittee.

(h) "Common Shares" means the shares of common stock, par value $0.01 per share, of the Company or any security into which such Common Shares may be changed by reason of any transaction or event of the type referred to in Section 13 of this Plan.

(i) "Company" means Kaiser Aluminum Corporation, a Delaware corporation.

(j) "Covered Employee" means a Participant who is, or is determined by the Committee to be likely to become, a "covered employee" within the meaning of Section 162(m) of the Code (or any successor provision).

(k) "Date of Grant" means the date specified by the Committee on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units or other Awards contemplated by Section 11 of this Plan, or a grant or sale of Restricted Stock, Restricted Stock Units or other Awards contemplated by Section 11 of this Plan, will become effective (which date will not be earlier than the date on which the Committee takes action with respect thereto).

(l) "Detrimental Activity" means any conduct or act determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of the Company or any Subsidiary, including, without limitation, any one or more of the following types of activity:

(i) Conduct resulting in an accounting restatement due to material noncompliance with any financial reporting requirement under the U.S. federal securities laws.

(ii) Engaging in any activity, as an employee, principal, agent, or consultant for another entity that competes with the Company in any actual, researched, or prospective product, service, system, or business activity for which the Participant has had any direct responsibility during the last two years of his or her employment with the Company or a Subsidiary, in any territory in which the Company or a Subsidiary manufactures, sells, markets, services, or installs such product, service, or system, or engages in such business activity.

(iii) Soliciting any employee of the Company or a Subsidiary to terminate his or her employment with the Company or a Subsidiary.

(iv) The disclosure to anyone outside the Company or a Subsidiary, or the use in other than the Company's or a Subsidiary's business, without prior written authorization from the Company, of any confidential, proprietary or trade secret information or material relating to the business of the Company and its Subsidiaries acquired by the Participant during his or her employment with the Company or its Subsidiaries or while acting as a consultant for the Company or its Subsidiaries.

(v) The failure or refusal to disclose promptly and to assign to the Company upon request all right, title and interest in any invention or idea, patentable or not, made or conceived by the Participant during employment by the Company or any Subsidiary, relating in any manner to the actual or anticipated business, research or development work of the Company or any Subsidiary or the failure or refusal to do anything reasonably necessary to enable the Company or any Subsidiary to secure a patent where appropriate in the United States and in other countries.

(vi) Activity that results in Termination for Cause.

(m) "Director" means a member of the Board of Directors of the Company.

(n) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of the Awards granted. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, with the approval of the Committee, need not be signed by a representative of the Company or a Participant.

(o) "Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

(p) "Free-Standing Appreciation Right" means an Appreciation Right granted pursuant to Section 6 or Section 10 of this Plan that is not granted in tandem with an Option Right.

(q) "Incentive Stock Option" means an Option Right that is intended to qualify as an "incentive stock option" under Section 422 of the Code or any successor provision.

(r) "Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares or Performance Units or, when so determined by the Committee, Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units and other Awards pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or in terms of objectives that are related to the performance of the individual Participant or of the Subsidiary, division, department, region or function within the Company or Subsidiary in which the Participant is employed or on which the Participant's efforts have the most influence. The Committee may provide, in connection with the establishment of the Management Objectives, that any evaluation of performance may include or exclude certain items that may occur during any fiscal year, including, but not limited to the following: (i) asset write downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in Financial Accounting Standard Board Accounting Standards Codification 225-20-20 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to stockholders for the applicable year; (vi) acquisitions or divestitures; and (vii) foreign exchange gains and losses. To the extent such inclusions or exclusions affect awards to Covered Employees that are intended to qualify as performance-based compensation under Section 162(m) of the Code, they shall be prescribed in a form that meets the requirements of Section 162(m) of the Code for deductibility. The Management Objectives may be made relative to the performance of other companies. The Management Objectives applicable to any Award to a Covered Employee that is intended to qualify as performance-based compensation under Section 162(m) of the Code will be based on specified levels of, growth in or performance relative to peer company performance in, one or more of the following criteria, either alone or in any combination:

(i) Earnings per share;

(ii) Net income (before or after taxes);

(iii) Cash flow;

(iv) Return measures (including, but not limited to, return on assets, revenue, equity or sales);

(v) Cash flow return on investments;

(vi) Earnings before or after taxes, interest, depreciation and amortization;

(vii) Growth in sales or revenues;

(viii) Share price (including, but not limited to, growth measures and total shareholder return);

(ix) Operating measures (including, but not limited to, operating margin and operating costs); and

(x) Any of the above criteria as compared to the performance of a published or a special index deemed applicable by the Committee, including, but not limited to, the Standard & Poor's 500 Stock Index.

If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Committee may in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as the Committee deems appropriate and equitable, except in the case of a Covered Employee where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the Management Objectives or minimum acceptable level of achievement with respect to such Covered Employee.

(s) "Market Value per Share" means, as of any particular date, (i) the closing sale price per Common Share as reported on the principal securities exchange, association or quotation system on which Common Shares are then trading, or if there are no sales on such day, on the next preceding trading day during which a sale occurred, or (ii) if clause (i) does not apply, the fair market value of the Common Shares as determined by the Board.

(t) "Non-Employee Director" means a Person who is a "non-employee director" of the Company within the meaning of Rule 16b-3 of the Securities and Exchange Commission promulgated under the Exchange Act.

(u) "Non-Qualified Stock Option" means an Option Right that is not an Incentive Stock Option.

(v) "Option" means an Incentive Stock Option or a Non-Qualified Stock Option.

(w) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(x) "Option Price" means the purchase price payable on exercise of an Option Right.

(y) "Option Right" means the right to purchase Common Shares upon exercise of an Option granted pursuant to Section 5 or Section 10 of this Plan.

(z) "Participant" means a person who is selected by the Committee to receive benefits under this Plan and who is at the time an officer or other key employee of the Company or any one or more of its Subsidiaries, or who has agreed to commence serving in any of such capacities within 90 days of the Date of Grant, and will also include each Non-Employee Director who receives Common Shares or an award of Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units or other Awards under this Plan. The term "Participant" shall also include any director emeritus and any person who provides services to the Company or a Subsidiary that are equivalent to those typically provided by an employee and who is selected by the Committee to receive benefits under the Plan.

(aa) "Performance Period" means, in respect of a Performance Share or Performance Unit, a period of time established pursuant to Section 9 of this Plan within which the Management Objectives relating to such Performance Share or Performance Unit are to be achieved.

(ab) "Performance Share" means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to Section 9 of this Plan.

(ac) "Performance Unit" means a bookkeeping entry awarded pursuant to Section 9 of this Plan that records a unit equivalent to $1.00 or such other value as is determined by the Committee.

(ad) "Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

(ae) "Plan" means this Kaiser Aluminum Corporation Amended and Restated 2006 Equity and Performance Incentive Plan.

(af) "Restricted Stock" means Common Shares granted or sold pursuant to Section 7 or Section 10 of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfers has expired.

(ag) "Restriction Period" means the period of time during which Restricted Stock Units are subject to a substantial risk of forfeiture (based on the passage of time, the achievement of Management Objectives, or upon the occurrence of other events as determined by the Committee, in its discretion), as provided in Section 8 or Section 10 of this Plan.

(ah) "Restricted Stock Unit" means an Award made pursuant to Section 8 or Section 10 of this Plan of the right to receive Common Shares or cash at the end of a specified period.

(ai) "Spread" means the excess of the Market Value per Share on the date when an Appreciation Right is exercised, or on the date when Option Rights are surrendered in payment of the Option Price of other Option Rights, over the Option Price or Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.

(aj) "Subsidiary" means a corporation, company or other entity (i) more than 50 percent of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture or unincorporated association), but more than 50 percent of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company, except that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, "Subsidiary" means any corporation in which at the time the Company owns or controls, directly or indirectly, more than 50 percent of the total combined voting power represented by all classes of stock issued by such corporation.

(ak) "Tandem Appreciation Right" means an Appreciation Right granted pursuant to Section 6 or Section 10 of this Plan that is granted in tandem with an Option Right.

3. **Effective Date**.

The Plan was originally effective as of July 6, 2006 (the "Effective Date"), which was the effective date for the Second Amended Joint Plan of Reorganization of Kaiser Aluminum Corporation, Kaiser Aluminum & Chemical Corporation and Certain of Their Debtor Affiliates, as modified. Following the Effective Date, the Board amended and restated the Plan in its entirety effective as of February 6, 2008, again effective as of June 2, 2009 and again effective as of March 1, 2010. On June 1, 2010, the Board amended and restated the Plan in its entirety, with such amendment and restatement effective as of June 8, 2010, the date the Plan as so amended and restated was approved by the Company's stockholders. Following the stockholders' approval of the Plan, the Board amended and restated the Plan in its entirety effective as of February 8, 2012 and again amended and restated the Plan in its entirety, to read as set forth herein, effective April 10, 2013.

4. **Shares Available Under the Plan**.

(a) Subject to adjustment as provided in Section 13 of this Plan, the number of Common Shares that may be issued or transferred (i) upon the exercise of Option Rights or Appreciation Rights, (ii) as Restricted Stock and released from substantial risks of forfeiture thereof, (iii) as Restricted Stock Units, (iv) in payment of Performance Shares or Performance Units that have been earned, (v) as Awards to Non-Employee Directors, or (vi) as Awards contemplated by Section 11 of this Plan will not exceed in the aggregate 2,722,222 shares. Any shares relating to Awards that expire or are forfeited or are cancelled shall again be available for issuance under the Plan. Common Shares covered by an Award granted under the Plan shall not be counted as used unless and until they are actually issued and delivered to a Participant. Without limiting the generality of the foregoing, upon payment in cash of the benefit provided by any Award granted under the Plan, any Common Shares that were covered by that Award will be available for issue or transfer hereunder. Notwithstanding anything to the contrary contained herein: (a) shares tendered in payment of the Option Price of an Option Right shall not be added to the aggregate plan limit described above; (b) shares withheld by the Company to satisfy the tax withholding obligation shall not be added to the aggregate plan limit described above; (c) shares that are repurchased by the Company with Option Right proceeds shall not be added to the aggregate plan limit described above; and (d) all shares covered by an Appreciation Right, to the extent that it is exercised and whether or not shares are actually issued to the Participant upon exercise of the right, shall be considered issued or transferred pursuant to the Plan. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(b) If, under this Plan, a Participant has given up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will count against the number of shares available in Section 4(a) above.

(c) Notwithstanding anything in this Section 4 or elsewhere in this Plan to the contrary and subject to adjustment as provided in Section 13 of this Plan, (i) the aggregate number of Common Shares actually issued or transferred by the Company upon the exercise of Incentive Stock Options will not exceed 2,722,222 Common Shares; (ii) no Participant will be granted Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units or other Awards under Section 11 of this Plan, in the aggregate, for more than 500,000 Common Shares during any calendar year; (iii) the number of shares issued as Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units and other Awards under Section 11 of this Plan (after taking into account any forfeitures and cancellations) will not in the aggregate exceed 2,722,222 Common Shares.

(d) Notwithstanding any other provision of this Plan to the contrary, in no event will any Participant in any calendar year receive an Award of Performance Shares, Performance Units or other Awards under Section 11 of this Plan having an aggregate maximum value, determined as of their respective Dates of Grant, in excess of $5 million.

5. **Option Rights**. The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of options to purchase Common Shares. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of Common Shares to which it pertains, subject to the limitations set forth in Section 4 of this Plan.

(b) Each grant will specify an Option Price per share, which may not be less than the Market Value per Share on the Date of Grant; provided, however, in the case of Incentive Stock Options granted to an employee owning stock possessing more than 10% of the total combined voting power of all classes of shares of the Company or one of its Subsidiaries (a “10% Shareholder”) the Option Price per share shall not be less than 110% of the Market Value per Share on the Date of Grant. Notwithstanding any other provision of this Plan to the contrary, no grant of an Option will specify an Option Price per share that is less than the par value of the Common Shares for which such Option is exercisable.

(c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Shares owned by the Optionee for at least 6 months (or other consideration authorized pursuant to Section 5(d)) having a value at the time of exercise equal to the total Option Price, (iii) by a combination of such methods of payment, or (iv) by such other methods as may be approved by the Committee; provided, however, that the payment method described in clause (ii) will not be available at any time that the Company is prohibited from purchasing or otherwise acquiring Common Shares.

(d) The Committee may determine, at or after the Date of Grant, that payment of the Option Price of any Option Right (other than an Incentive Stock Option) may also be made in whole or in part in the form of Restricted Stock or other Common Shares that are forfeitable or subject to restrictions on transfer, or in the form of Restricted Stock Units; provided, however, that this payment method will not be available at any time that the Company is prohibited from purchasing or otherwise acquiring Common Shares. Unless otherwise determined by the Committee at or after the Date of Grant, whenever any Option Price is paid in whole or in part by means of any of the forms of consideration specified in this Section 5(d), the Common Shares received upon the exercise of the Option Rights will be subject to such risks of forfeiture or restrictions on transfer as may correspond to any that apply to the consideration surrendered, but only to the extent, determined with respect to the consideration surrendered, of (i) the number of shares or Performance Shares, (ii) the Spread of any unexercisable portion of Option Rights, or (iii) the stated value of Performance Units.

(e) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to the Company of some or all of the shares to which such exercise relates.

(f) Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

(g) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that is necessary before the Option Rights or installments thereof will become exercisable and may provide for the earlier exercise of such Option Rights in the event of termination of employment of the Participant, whether by retirement, death, disability or otherwise, or a Change in Control.

(h) Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights.

(i) Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options that are intended to qualify under particular provisions of the Code, (ii) options that are not intended to so qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code.

(j) The Committee may, at or after the Date of Grant of any Option Rights (other than Incentive Stock Options), provide for the payment of dividend equivalents to the Optionee on either a current or deferred or contingent basis or may provide that such equivalents will be credited against the Option Price.

(k) The exercise of an Option Right will result in the cancellation on a share-for-share basis of any Tandem Appreciation Right authorized under Section 6 of this Plan.

(l) No Option Right will be exercisable more than 10 years from the Date of Grant; provided that, in the case of Incentive Stock Options granted to 10% Shareholders, no such Option Right shall be exercisable more than 5 years from the Date of Grant.

(m) The Committee reserves the discretion at or after the Date of Grant to provide for (i) the payment of a cash bonus at the time of exercise; and (ii) the right to tender in satisfaction of the Option Price nonforfeitable, unrestricted Common Shares, which are already owned by the Optionee for a period of at least 6 months and have a value at the time of exercise that is equal to the Option Price.

(n) The Committee may substitute, without receiving Participant permission, Appreciation Rights paid only in Common Shares (or Appreciation Rights paid in Common Shares or cash at the Committee's discretion) for outstanding Options; provided, however, that the terms of the substituted Appreciation Rights are the same as the terms for the Options and the difference between the Market Value per Share of the underlying Common Shares and the Base Price of the Appreciation Rights is equivalent to the difference between the Market Value per Share of the underlying Common Shares and the Option Price of the Options.

(o) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award shall be subject to the Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

6. **Appreciation Rights**.

(a) The Committee may authorize the granting (i) to any Optionee, of Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, of Free-Standing Appreciation Rights. A Tandem Appreciation Right will be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise. Tandem Appreciation Rights may be granted at any time prior to the exercise or termination of the related Option Rights; provided, however, that a Tandem Appreciation Right awarded in relation to an Incentive Stock Option must be granted concurrently with such Incentive Stock Option. A Free-Standing Appreciation Right will be a right of the Participant to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise.

(b) Each grant of Appreciation Rights may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(i) Any grant may specify that the amount payable on exercise of an Appreciation Right may be paid by the Company in cash, in Common Shares or in any combination thereof and may either grant to the Participant or retain in the Committee the right to elect among those alternatives.

(ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Committee at the Date of Grant.

(iii) Any grant may specify waiting periods before exercise and permissible exercise dates or periods.

(iv) Any grant may specify that such Appreciation Right may be exercised only in the event of, or earlier in the event of, termination of employment of the Participant, whether by retirement, death, disability or otherwise, or a Change in Control.

(v) Any grant may provide for the payment to the Participant of dividend equivalents thereon in cash or Common Shares on a current, deferred or contingent basis.

(vi) Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition of the exercise of such Appreciation Rights.

(vii) Each grant of Appreciation Rights will be evidenced by an Evidence of Award, which Evidence of Award will describe such Appreciation Rights, identify the related Option Rights (if applicable), and contain such other terms and provisions, consistent with this Plan, as the Committee may approve.

(c) Any grant of Tandem Appreciation Rights will provide that such Tandem Appreciation Rights may be exercised only (i) at a time when the related Option Right is also exercisable and the Spread is positive and (ii) by surrender of the related Option Right for cancellation.

(d) Regarding Free-Standing Appreciation Rights only:

(i) Each grant will specify in respect of each Free-Standing Appreciation Right a Base Price, which will be equal to or greater than the Market Value per Share on the Date of Grant;

(ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; and

(iii) No Free-Standing Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant.

7. **Restricted Stock**. The Committee may also authorize the grant or sale of Restricted Stock to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant. Notwithstanding any other provision of this Plan to the contrary, each grant or sale of Restricted Stock to a Participant will be made for such consideration as is required by applicable law in order to ensure that such Restricted Stock is validly issued, fully paid and nonassessable upon such grant or sale.

(c) Except as provided in Section 10, each such grant or sale will provide that the Restricted Stock covered by such grant or sale will be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period of not less than one year to be determined by the Committee at the Date of Grant and may provide for the earlier lapse of such substantial risk of forfeiture in the event of termination of employment of the Participant, whether by retirement, death, disability or otherwise, or a Change in Control.

(d) Each such grant or sale will provide that during the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Stock will be prohibited or restricted in the manner and to the extent prescribed by the Committee at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee).

(e) Subject to Section 7(c) of this Plan, any grant of Restricted Stock may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such Restricted Stock. Each grant may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of shares of Restricted Stock on which restrictions will terminate if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives.

(f) Any such grant or sale of Restricted Stock may require that any or all dividends or other distributions paid thereon during the period of such restrictions be automatically reinvested in additional shares of Restricted Stock, which may be subject to the same restrictions as the underlying Award.

(g) Each grant or sale of Restricted Stock will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Committee may approve. Unless otherwise directed by the Committee, all certificates representing shares of Restricted Stock will be held in custody by the Company until all restrictions thereon have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares.

8. **Restricted Stock Units**. The Committee may also authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Shares or cash to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of Management Objectives) during the Restriction Period as the Committee may specify. Each grant may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of Restricted Stock Units on which restrictions will terminate if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant. Notwithstanding any other provision of this Plan to the contrary, each grant or sale of Restricted Stock Units to a Participant will be made for such consideration as is required by applicable law in order to ensure that any Common Shares delivered by the Company pursuant thereto are validly issued, fully paid and nonassessable when so delivered.

(c) Except as provided in Section 10, each such grant or sale will be subject to a Restriction Period of not less than one year, as determined by the Committee at the Date of Grant, and may provide for the earlier lapse or other modification of such Restriction Period in the event of termination of employment of the Participant, whether by retirement, death, disability or otherwise, or a Change in Control.

(d) During the Restriction Period, the Participant will have no right to transfer any rights under his or her Award and will have no rights of ownership in the Restricted Stock Units and will have no right to vote them, but the Committee may, at or after the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current or deferred or contingent basis, either in cash or in additional Common Shares.

(e) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

9. **Performance Shares and Performance Units**. The Committee may also authorize the granting of Performance Shares and Performance Units that will become payable to a Participant upon achievement of specified Management Objectives during the Performance Period. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of Performance Shares or Performance Units to which it pertains, which number may be subject to adjustment to reflect changes in compensation or other factors, provided, however, that no such adjustment will be made in the case of a Covered Employee where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code.

(b) The Performance Period with respect to each Performance Share or Performance Unit will be such period of time (not less than one year) as will be determined by the Committee at the time of grant, which may be subject to earlier lapse or other modification in the event of termination of employment of the Participant, whether by retirement, death, disability or otherwise, or a Change in Control.

(c) Each grant of Performance Shares or Performance Units will specify Management Objectives which, if achieved, will result in payment or early payment of the Award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level or levels of achievement and will set forth a formula for determining the number of Performance Shares or Performance Units that will be earned if performance is at or above the minimum level, but falls short of maximum achievement of the specified Management Objectives. The grant of Performance Shares or Performance Units will specify that, before the Performance Shares or Performance Units will be earned and paid, the Committee must certify that the Management Objectives have been satisfied.

(d) Each grant will specify the time and manner of payment of Performance Shares or Performance Units that have been earned. Any grant may specify that the amount payable with respect thereto may be paid by the Company in cash, in Common Shares or in any combination thereof and may either grant to the Participant or retain in the Committee the right to elect among those alternatives.

(e) Any grant of Performance Shares may specify that the amount payable with respect thereto may not exceed a maximum specified by the Committee at the Date of Grant. Any grant of Performance

Units may specify that the amount payable or the number of Common Shares issued with respect thereto may not exceed maximums specified by the Committee at the Date of Grant.

(f) The Committee may, at or after the Date of Grant of Performance Shares, provide for the payment of dividend equivalents to the holder thereof on either a current or deferred or contingent basis, either in cash or in additional Common Shares.

(g) Each grant of Performance Shares or Performance Units will be evidenced by an Evidence of Award and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

10. **Awards to Non-Employee Directors**. The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Non-Employee Directors of Option Rights, Appreciation Rights or other Awards contemplated by Section 11 of this Plan and may also authorize the grant or sale of Common Shares, Restricted Stock or Restricted Stock Units to Non-Employee Directors.

(a) Each grant of Option Rights awarded pursuant to this Section 10 will be upon terms and conditions consistent with Section 5 of this Plan and will be evidenced by an Evidence of Award in such form as will be approved by the Board. Each grant will specify an Option Price per share, which will not be less than the Market Value per Share on the Date of Grant. Each such Option Right granted under the Plan will expire not more than 10 years from the Date of Grant and will be subject to earlier termination as hereinafter provided. Unless otherwise determined by the Board, such Option Rights will be subject to the following additional terms and conditions:

(i) Each grant will specify the number of Common Shares to which it pertains, subject to the limitations set forth in Section 4 of this Plan.

(ii) If a Non-Employee Director subsequently becomes an employee of the Company or a Subsidiary while remaining a member of the Board, any Option Rights held under the Plan by such individual at the time of such commencement of employment will not be affected thereby.

(iii) Option Rights may be exercised by a Non-Employee Director only upon payment to the Company in full of the Option Price of the Common Shares to be delivered. Such payment will be made in cash or in Common Shares then owned by the Optionee for at least 6 months, or in a combination of cash and such Common Shares.

(b) Non-Employee Directors, pursuant to this Section 10, may be awarded, or may be permitted to elect to receive, pursuant to procedures established by the Board, all or any portion of their annual retainer, meeting fees or other fees in Common Shares in lieu of cash.

(c) Each grant or sale of Appreciation Rights pursuant to this Section 10 will be upon terms and conditions consistent with Section 6 of this Plan.

(d) Each grant or sale of Restricted Stock pursuant to this Section 10 will be upon terms and conditions consistent with Section 7 (other than in Section 7(c) thereof) of this Plan.

(e) Each grant or sale of Restricted Stock Units pursuant to this Section 10 will be upon terms and conditions consistent with Section 8 (other than Section 8(c) thereof) of this Plan.

(f) Non-Employee Directors may be granted, sold, or awarded other Awards as contemplated by Section 11 of this Plan; provided that such other Awards are granted by the Board.

11. **Other Awards**.

(a) The Committee may, subject to limitations under applicable law, grant to any Participant such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Shares, or Management Objectives or other factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares, Awards with value and payment contingent upon performance of the Company or specified Subsidiaries, affiliates or other business units thereof, achievement of Management Objectives or other factors designated by the Committee, and Awards valued by reference to the book value of Common Shares or the value of securities of, or the performance of specified Subsidiaries or affiliates or other business units of the Company or the achievement of Management Objectives. The Committee shall determine the terms and conditions of such Awards. Common Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 11 shall be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, cash, Common Shares, other Awards, notes or other property, as the Committee shall determine.

(b) Cash awards, as an element of or supplement to any other Award granted under this Plan, may also be granted pursuant to this Section 11.

(c) The Committee may grant Common Shares as a bonus, or may grant other Awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Committee.

12. **Transferability**.

(a) Except as provided in Section 12(b) and 12(c) below, no Option Right, Appreciation Right or other derivative security or Award granted under the Plan shall be transferable by the Participant except by will or the laws of descent and distribution. Except as otherwise determined by the Committee, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law and/or court supervision.

(b) Notwithstanding Section 12(a) above, to the extent authorized in an Evidence of Award, an Option Right (excluding Incentive Stock Options), Appreciation Right or other derivative security or Award granted under the Plan may be transferable upon the death of the Participant, without payment of consideration therefor, to any one or more family members (as defined in the General Instructions to Form S-8 under the Securities Act of 1933, as amended) of the Participant, as may have been designated in writing by the Participant by means of a form of beneficiary designation approved by the Company. Such beneficiary designation may be made at any time by the Participant and shall be effective when it is filed, prior to the death of the Participant, with the Company. Any beneficiary designation may be changed by the filing of a new beneficiary designation, which will cancel any beneficiary designation previously filed with the Company.

(c) Notwithstanding Section 12(a) above, to the extent authorized in an Evidence of Award, an Option Right (excluding Incentive Stock Options), Appreciation Right or other derivative security or Award granted under the Plan may be transferable by the Participant without payment of consideration therefor, to any one or more family members (as defined in the General Instructions to Form S-8 under the Securities Act of 1933, as amended) of the Participant; provided, however, that such transfer will not be effective until notice of such transfer is delivered to the Company; and provided, further, however, that any such transferee is subject to the same terms and conditions hereunder as the Participant.

(d) The Committee, or the Board in the case of Awards under or governed by Section 10 of this Plan, may specify at the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 7 of this Plan, will be subject to further restrictions on transfer.

13. **Adjustments**.

(a) The Committee will make or provide for such adjustments in the numbers of Common Shares covered by outstanding Option Rights, Appreciation Rights, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of Common Shares covered by other Awards granted pursuant to Section 11 hereof, in the Option Price and Base Price provided in outstanding Appreciation Rights, and in the kind of shares covered thereby, as the Committee, in its sole discretion, exercised in good faith, determines is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, extraordinary cash dividend, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing (collectively, an "Event"). Moreover, in the case of such an Event, the Committee, in its discretion and without the consent of any Participant, may provide in substitution for any or all outstanding Awards under this Plan such alternative consideration (including cash) or take such other action as it, in good faith, may determine to be equitable in the circumstances, including, but not limited to, causing such Awards to become exercisable (whether or not vested) as to all shares covered thereby for at least ten (10) days prior to any such Event, and may require in connection with any such substitution the surrender of all replaced Awards. The Committee will also make or provide for such adjustments in the numbers of shares specified in Section 4 of this Plan as the Committee, in its sole discretion, exercised in good faith, determines is appropriate to reflect any Event described in this Section 13; provided, however, that any such adjustment will be made in accordance with Section 409A of the Code and, with respect to Incentive Stock Options, any such adjustment shall be made only if and to the extent that such adjustment would not cause any Option Right intended to qualify as an Incentive Stock Option to fail so to qualify.

(b) The existence of the Plan, the Evidence of Award agreements and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Shares or the rights thereof or which are convertible into or exchangeable for Common Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

14. **Change in Control**. The Committee may prescribe in an Evidence of Award that (a) a "Change in Control" will result in acceleration of the time at which (b) an Option Right, Appreciation Right or other Award may be exercised, (c) the substantial risk of forfeiture or prohibition or restriction on transfer will lapse, (d) the Restriction Period will end, (e) Performance Shares or Performance Units will be deemed to have been fully earned, or (f) a transfer restriction will terminate.

15. **Fractional Shares**. The Company will not be required to issue any fractional Common Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

16. **Withholding Taxes**. To the extent that the Company is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit, provided that the number of shares relinquished shall not exceed the minimum number of shares required to satisfy the payment of the statutory minimum amount of taxes that the Company is required to withhold in connection with the realization of such benefit.

17. **Foreign Employees**. In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for Awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or amendments, restatements or alternative

versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the shareholders of the Company.

18. **Administration of the Plan**.

(a) This Plan will be administered by the Committee, which may from time to time delegate all or any part of its authority under this Plan to a subcommittee of the Committee, as constituted from time to time. To the extent of any such delegation, references in this Plan to the Committee will be deemed to be references to such subcommittee. A majority of the Committee (or subcommittee) will constitute a quorum, and the action of the members of the Committee (or subcommittee) present at any meeting at which a quorum is present, or acts unanimously approved in writing, will be the acts of the Committee (or subcommittee).

(b) The interpretation and construction by the Committee of any provision of this Plan or of any agreement, notification or document evidencing the grant of Option Rights, Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units or other Awards pursuant to Section 11 of this Plan and any determination by the Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive. Members of the Committee and any officer or employee of the Company or any Subsidiary acting at the direction of, or on behalf of, the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan and shall, to the extent permitted by law, be fully indemnified by the Company with respect to any such action or determination.

(c) The Committee or, to the extent of any delegation as provided in Section 18(a), a subcommittee, may delegate to one or more of its members or to one or more officers of the Company, or to one or more agents or advisors, such administrative duties or powers as it may deem advisable, and the Committee, the subcommittee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee, the subcommittee or such person may have under the Plan. To the extent permitted by applicable law, the Committee or the subcommittee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Committee or the subcommittee: (i) designate employees to be recipients of Awards under this Plan; and (ii) determine the size of any such Awards; provided, however, that (A) the Committee or the subcommittee shall not delegate such responsibilities to any such officer for Awards granted to an employee who is an officer, Director, or more than 10% beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act; (B) the resolution providing for such authorization sets forth the total number of Common Shares such officer(s) may grant; and (C) the officer(s) shall report periodically to the Committee or the subcommittee, as the case may be, regarding the nature and scope of the Awards granted pursuant to the authority delegated.

19. **Amendments, Etc**.

(a) The Board may at any time and from time to time amend the Plan in whole or in part; provided, however, that any amendment which must be approved by the shareholders of the Company in order to comply with applicable law or the rules of the principal securities exchange, association or quotation system upon which the Common Shares are traded or quoted will not be effective unless and until such approval has been obtained.

(b) The Committee will not, without the further approval of the shareholders of the Company: (i) amend any outstanding Option Right or Appreciation Right to reduce the Option Price or Base Price of such outstanding Option Right or Appreciation Right; (ii) cancel any outstanding Option Right or Appreciation Right in exchange for an Award with an Option Price or Base Price that is less than the Option Price or Base Price of the original Option Right or Appreciation Right; or (iii) cancel any outstanding Option

Right or Appreciation Right with an Option Price or Base Price that is greater than the then-current Market Value per Share in exchange for cash or other property; provided however, that this Section 19(b) is intended to prohibit the "repricing" of "underwater" Option Rights and Appreciation Rights, will not be construed to prohibit any adjustment or other action contemplated by Section 13 of this Plan in connection with an Event.

(c) The Committee may condition the grant of any Award or combination of Awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(d) If permitted by Section 409A of the Code, in case of termination of employment by reason of death, disability or normal or early retirement, or in the case of unforeseeable emergency or other special circumstances, of a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any shares of Restricted Stock as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Performance Shares or Performance Units which have not been fully earned, or any other Awards made pursuant to Section 11 subject to any vesting schedule or transfer restriction, or who holds Common Shares subject to any transfer restriction imposed pursuant to Section 12 of this Plan, the Committee may, in its sole discretion, accelerate the time at which such Option Right, Appreciation Right or other Award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Performance Shares or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such Award.

(e) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(f) To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision will be null and void with respect to such Option Right. Such provision, however, will remain in effect for other Option Rights, and there will be no further effect on any provision of this Plan.

(g) Subject to Section 19(b) hereof, the Committee may amend the terms of any Award theretofore granted under this Plan prospectively or retroactively, but subject to Section 13 above no such amendment shall impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any Awards outstanding hereunder and not exercised in full on the date of termination.

20. **Detrimental Activity**. Any Evidence of Award may provide that if a Participant, either during employment by the Company or a Subsidiary or within a specified period after termination of such employment, shall engage in any Detrimental Activity, and the Committee shall so find, forthwith upon notice of such finding, the Participant shall:

(a) Forfeit any Award granted under this Plan then held by the Participant;

(b) Return to the Company, in exchange for payment by the Company of any cash amount actually paid therefor by the Participant (unless such payment is prohibited by law), all Common Shares that the Participant has not disposed of that were acquired pursuant to this Plan within a specified period prior to the date of the commencement of such Detrimental Activity; and

(c) With respect to any Common Shares so acquired that the Participant has disposed of, pay to the Company in cash the difference between:

(i) any amount actually paid therefor by the Participant pursuant to this Plan, and

(ii) the Market Value per Share of the Common Shares on the date of such acquisition.

To the extent that such amounts are not paid to the Company, the Company may set off the amounts so payable to it against any amounts that may be owing from time to time by the Company or a Subsidiary to the Participant, whether as wages, deferred compensation or vacation pay or in the form of any other benefit or for any other reason. For purposes of this Section 20, Common Shares that are Restricted Stock will be deemed to be acquired pursuant to this Plan at such time as the prohibition on transfer thereof expires and Common Shares that are issued or delivered in respect of any other Award will be deemed to be acquired pursuant to this Plan at such time as they are actually issued or delivered to the Participant.

21. **Compliance with Section 409A of the Code**.

(a) To the extent applicable, this Plan is intended to comply with Section 409A of the Code and shall be administered, construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. To the extent that an Award, issuance and/or payment is subject to Section 409A of the Code, it shall be awarded and/or issued or paid in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto.

(b) Notwithstanding any provision of this Plan to the contrary, to the extent an award is subject to Section 409A of the Code and such award shall be deemed to be vested or restrictions lapse, expire or terminate, and payment made, upon the occurrence of a Change in Control and such Change in Control does not constitute a "change in the ownership or effective control" or a "change in the ownership or a substantial portion of the assets" of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code, then even though such award may be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of the Change in Control or any other provision of this Plan, payment will be made, to the extent necessary to comply with the provisions of Section 409A of the Code, to the Participant on the earliest of (i) the Participant's "separation from service" with the Company (determined in accordance with Section 409A of the Code); provided, however, that if the Participant is a "specified employee" (within the meaning of Section 409A of the Code), the payment date shall be the first business day of the seventh month after the date of the Participant's separation from service with the Company, (ii) the date payment otherwise would have been made in the absence of any provisions in the Plan to the contrary (provided such date is permissible under Section 409A of the Code), or (iii) the Participant's death.

22. **Governing Law**. The Plan and all grants and Awards and actions taken thereunder shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

23. **Termination**. No Award will be made under this Plan more than 10 years after the Effective Date (as defined in Section 3 of this Plan), but all Awards made on or prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan.

24. **Section 16**. It is the intent of the Company that the Plan satisfy, and be interpreted in a manner that satisfies, the applicable requirements of Rule 16b-3 as promulgated under Section 16 of the Exchange Act so that Participants will be entitled to the benefit of Rule 16b-3, or any other rule promulgated under Section 16 of the Exchange Act, and will not be subject to short-swing liability under Section 16 of the Exchange Act. Accordingly, if the operation of any provision of the Plan would conflict with the intent expressed in this Section 24, such provision to the extent possible shall be interpreted and/or deemed amended so as to avoid such conflict.

25. **Section 162(m)**. To the extent the Committee issues any Award which is intended to be exempt from the application of Section 162(m) of the Code, the Committee may, without shareholder or grantee approval, amend the Plan (subject to Section 19(a)) or the relevant Award agreement retroactively or prospectively to the extent it determines necessary in order to comply with any subsequent clarification of Section 162(m) of the Code required to preserve the Company's federal income tax deduction for compensation paid pursuant to any such Award.

26. **General Provisions**.

(a) No Award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or stock thereunder, would be, in the opinion of counsel selected by the Committee, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan. Notwithstanding any other provision of this Plan to the contrary, each issuance of Common Shares to a

Participant pursuant to the provisions of Section 7, 8, 9, 10 or 11 of this Plan will be made for such consideration having a value that is not less than the par value of such Common Shares as is required by law in order to ensure that such Common Shares are validly issued, fully paid and nonassessable on such issuance.

(b) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries shall not be considered interruption or termination of service of any employee for any purposes of this Plan or Awards granted hereunder, except that no Awards may be granted to an employee while he or she is absent on leave.

(c) No Participant shall have any rights as a shareholder with respect to any shares subject to Awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such shares upon the stock records of the Company.

(d) If any provision of this Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provisions shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Jack A. Hockema, certify that:

1. I have reviewed this report on Form 10-Q of Kaiser Aluminum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jack A. Hockema

Jack A. Hockema

President and Chief Executive Officer

Date: April 24, 2013

A signed original of this written statement required by Section 302 has been provided to Kaiser Aluminum Corporation and will be retained by Kaiser Aluminum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302

OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel J. Rinkenberger, certify that:

1. I have reviewed this report on Form 10-Q of Kaiser Aluminum Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Daniel J. Rinkenberger

Daniel J. Rinkenberger

Executive Vice President and Chief Financial Officer

Date: April 24, 2013

A signed original of this written statement required by Section 302 has been provided to Kaiser Aluminum Corporation and will be retained by Kaiser Aluminum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

April 24, 2013

In connection with the Quarterly Report on Form 10-Q by Kaiser Aluminum Corporation, a Delaware corporation (the "Company"), for the quarter ended March 31, 2013 (the "Report"), as filed on the date hereof with the Securities and Exchange Commission, the undersigned, Jack A. Hockema, President and Chief Executive Officer of the Company, does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the date first above written.

/s/ Jack A. Hockema

Jack A. Hockema
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Kaiser Aluminum Corporation and will be retained by Kaiser Aluminum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

April 24, 2013

In connection with the Quarterly Report on Form 10-Q by Kaiser Aluminum Corporation, a Delaware corporation (the "Company"), for the quarter ended March 31, 2013 (the "Report"), as filed on the date hereof with the Securities and Exchange Commission, the undersigned, Daniel J. Rinkenberger, Executive Vice President and Chief Financial Officer of the Company, does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the date first above written.

/s/ Daniel J. Rinkenberger

Daniel J. Rinkenberger

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Kaiser Aluminum Corporation and will be retained by Kaiser Aluminum Corporation and furnished to the Securities and Exchange Commission or its staff upon request.