



First Quarter 2014
Earnings Conference Call

April 24, 2014

Forward Looking Statements

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

Non-Run-Rate Items

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

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

Non-GAAP Financial Measures

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

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

2014 First Quarter

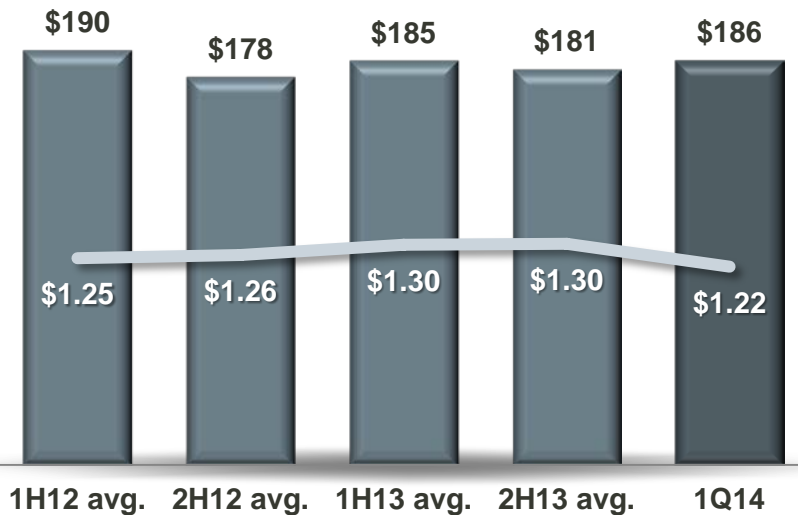
- **Underlying sales and manufacturing efficiency similar to 2H13 run-rate**
 - Record heat treat plate and automotive extrusion shipments
 - Higher volume and improved underlying costs offset lower heat treat plate prices
- **1Q Adj. EBITDA¹ negatively impacted by ~\$5M costs vs. 2H13 run-rate**
 - Full year accruals for certain employee benefits
 - Higher energy costs related to severe winter weather
- **Outlook unchanged**
 - Expect 2Q14 similar to 2H13 run-rate
 - Expect full year 2014 results similar to 2013 and 2012

¹ Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 21-22

VAR¹ and Adjusted EBITDA²

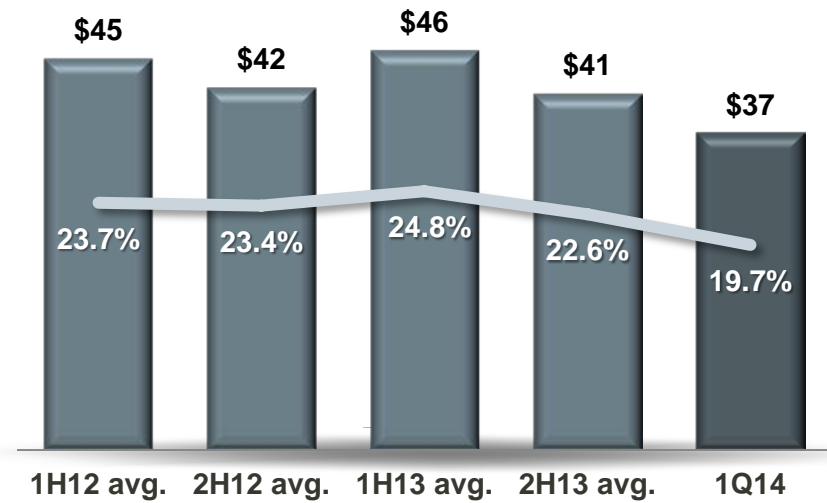
Quarterly Value Added Revenue

■ \$millions ■ \$/pound



Quarterly Adjusted EBITDA

■ \$millions ■ % of VAR³



1Q14 Compared to 2H13

- Higher VAR reflects strong heat treat plate shipments, continued ramp up of automotive extrusion programs, and seasonal improvement in general engineering
- Lower Adjusted EBITDA primarily reflects the impact of annual employee benefits accruals and increased weather related energy costs

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 19-20

² Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 21-22

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

Consolidated Financial Highlights

(in \$millions except EPS)

	<u>1Q14</u>	<u>4Q13</u>	<u>3Q13</u>	<u>2Q13</u>	<u>1Q13</u>
Net Sales	\$335	\$311	\$320	\$329	\$337
Value Added Revenue ¹	\$186	\$181	\$182	\$184	\$187
Adjusted:					
Operating Income ²	\$29	\$34	\$34	\$37	\$41
EBITDA ³	\$37	\$42	\$40	\$44	\$48
EBITDA margin ⁴	19.7%	23.0%	22.2%	24.0%	25.6%
Net Income ⁵	\$13	\$16	\$17	\$17	\$20
EPS ⁶	\$0.72	\$0.85	\$0.90	\$0.91	\$1.03
As Reported:					
Operating Income	\$32	\$42	\$42	\$40	\$50
Net Income	\$16	\$27	\$25	\$19	\$34
EPS ⁷	\$0.85	\$1.44	\$1.34	\$0.98	\$1.73

1 Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 19-20

2 Adjusted Operating Income = Consolidated Operating Income excluding Operating Non-Run-Rate items; refer to slides 21-22

3 Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 21-22

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

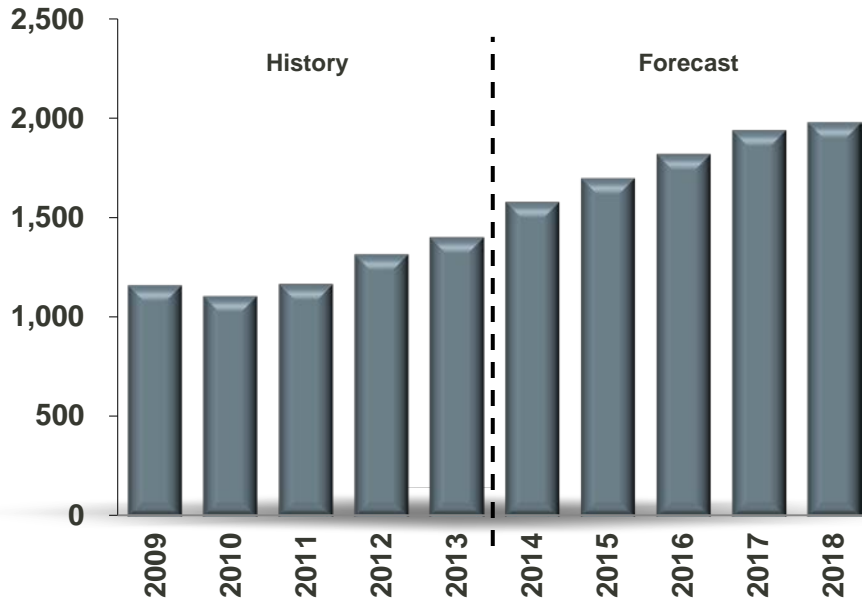
5 Adjusted Net Income = Reported Net Income excluding Total Non-Run-Rate items; refer to slides 23-24

6 Adjusted EPS = Reported Earnings Per Share excluding Total Non-Run-Rate items; refer to slides 23-24

7 As Reported EPS = Reported Earnings Per Share; refer to slides 23-24

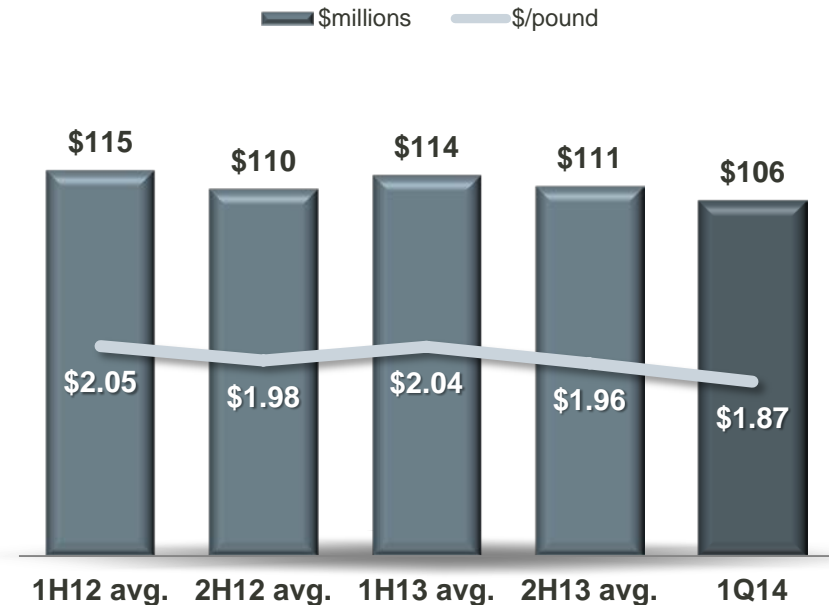
Outlook – Aerospace & High Strength

Global Commercial Airframe Builds



Source: Airline Monitor

Quarterly Value Added Revenue¹



Robust long-term aerospace demand...

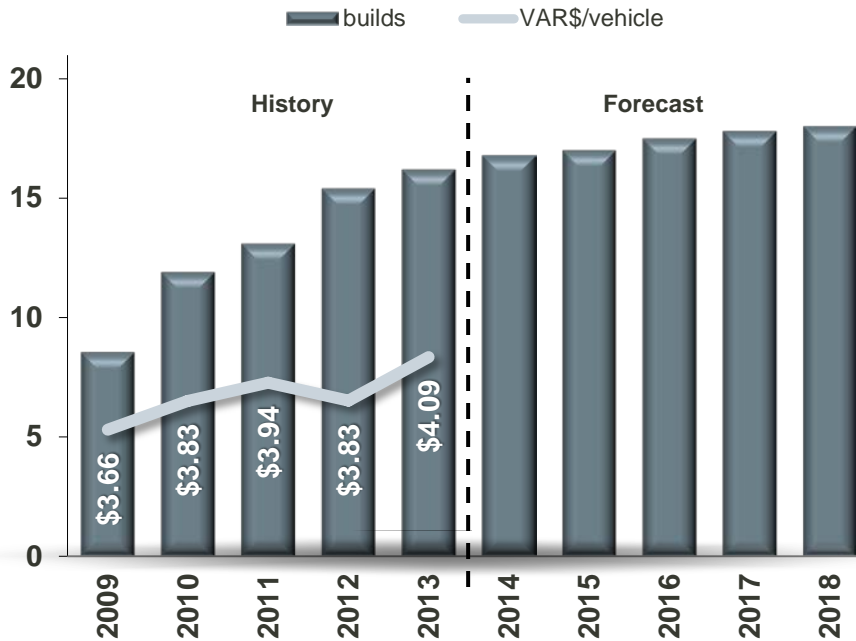
- Increasing build rates
- Larger airframes
- Monolithic design

...current excess supply chain inventory

- Anticipate strong heat treat plate volume and continued competitive price pressure
- Slowly improving demand for all other aero products, with exception of aero extrusions where overhang continues

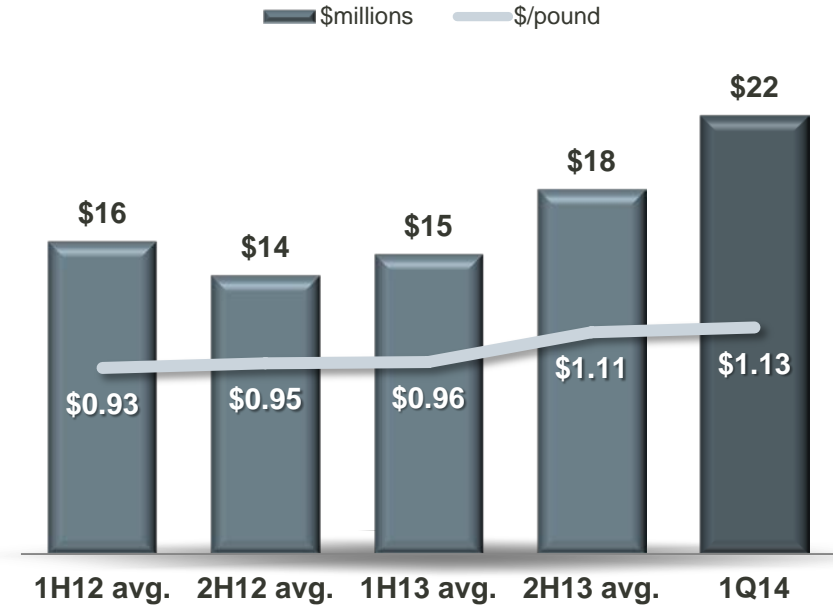
Outlook – Automotive

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



Source: IHS Automotive

Quarterly Value Added Revenue¹



Growing automotive demand...

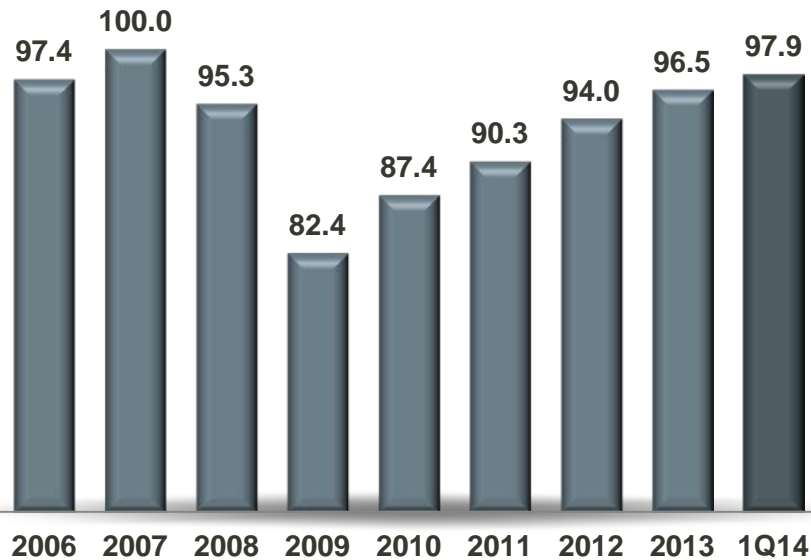
- Increasing long-term build rates
- Increasing aluminum extrusion content in pursuit of lightweighting

...and positive outlook

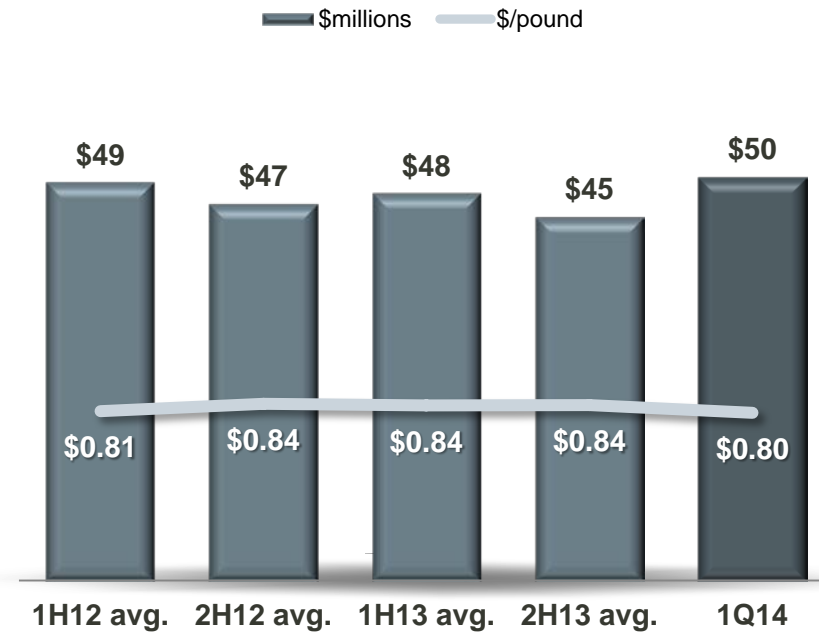
- Expect 2Q14 VAR similar to record 1Q14
- Numerous new product launches planned throughout 2014

Outlook – General Engineering

Index of Industrial Production – Manufacturing¹



Quarterly Value Added Revenue²



Continued weak U.S. industrial demand...

...economic uncertainty clouds visibility

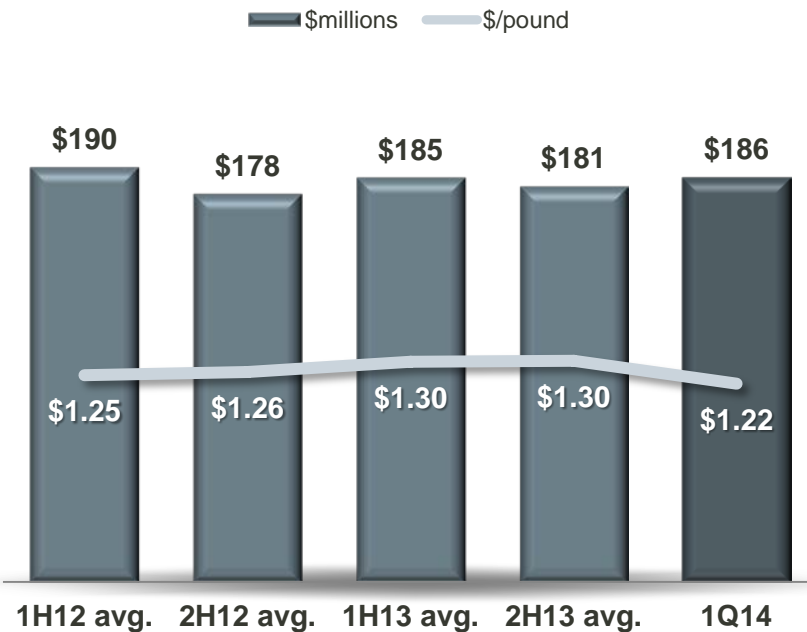
- Expect 2Q14 demand similar to 1Q14 with continuing competitive price pressure on plate products

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

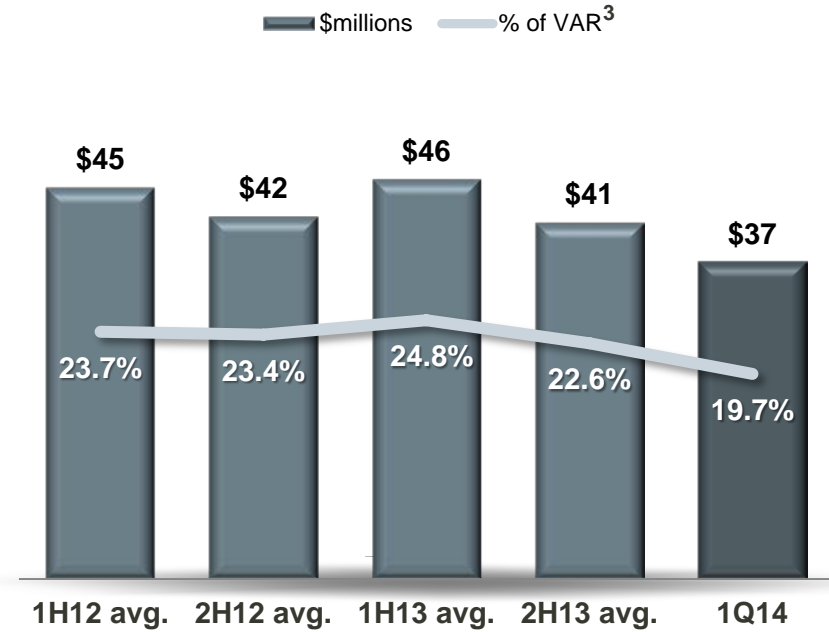
² Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 19-20

Short-term Outlook Summary

Quarterly Value Added Revenue¹



Quarterly Adjusted EBITDA²



Expect 2Q14 VAR similar to 1Q14

Expect 2Q14 EBITDA better than 1Q14

- Reduction of costs related to 1Q14 winter weather and benefits accruals
- Begin to benefit from completion of Trentwood's Phase 5 and casting complex

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 19-20

² Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 21-22

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

Summary

- **1Q14 results**
 - Record heat treat plate and automotive extrusion shipments
 - Full year benefits accruals and weather related energy costs
- **Expect full year 2014 results similar to 2012-2013**
- **Positioned for long-term growth**
 - Aerospace supply chain inventory overhang dissipating in 2014
 - Robust growth prospects for aerospace and automotive applications
 - Additional benefits from investments in capacity, quality, and efficiency
 - Strong balance sheet and solid cash flow generation

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ALUMINUM

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

Appendix

Company Summary

A leader in fabricated aluminum products

- Leading North American semi-fabricated specialty aluminum products manufacturing company serving global markets
- Emphasis on highly engineered specifications for aerospace, defense, automotive, and general engineering applications
- Broad product offering of sheet, plate, rod, bar, wire, tube, and custom extrusions
- Reputation for Best In Class customer satisfaction
- Financial strength and flexibility
- More than \$500 million invested for growth and competitive strength since 2006
- Solid platform and market presence for further value creation in strategic end market applications

Mark-to-market

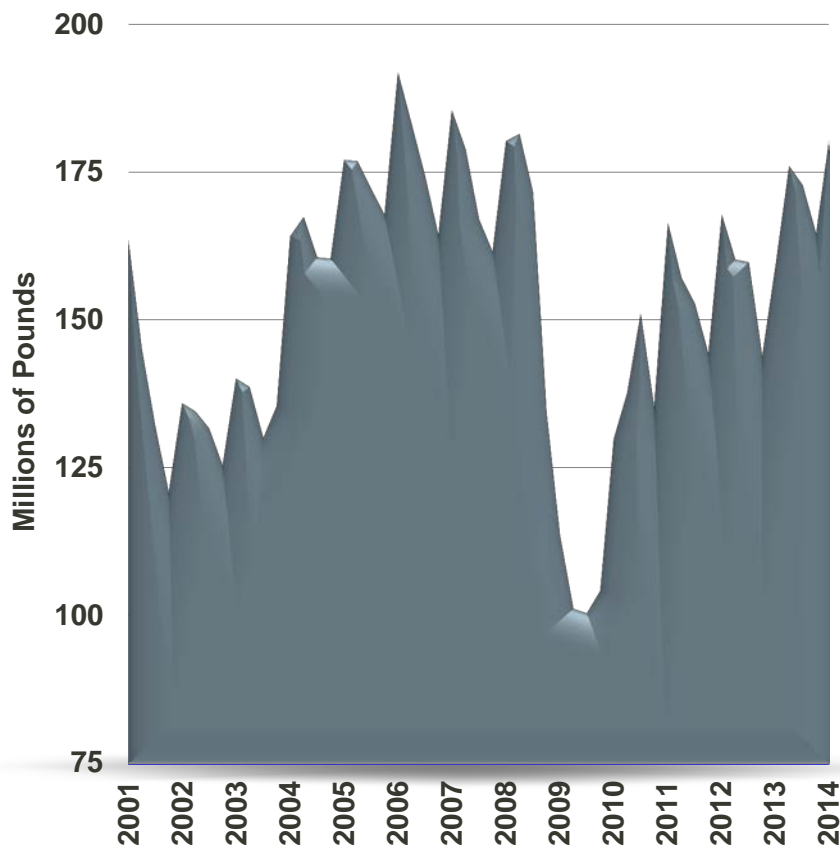
- Hedging-related derivatives are marked-to-market with non-cash gains and losses recognized in income (versus recognized in income on the cash settlement date of the derivative contracts). These are predominately related to:
 - Metal
 - Energy (Natural Gas, Electricity)
 - Options in financing transactions

Consolidated LIFO to Plant LIFO Adjustment

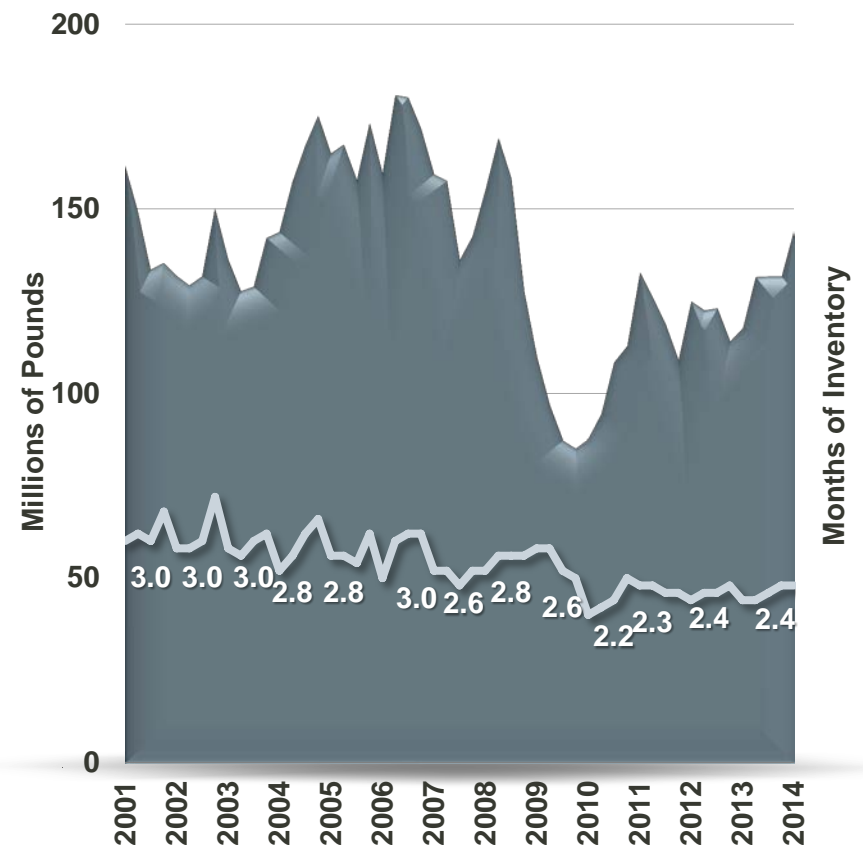
- We report externally using the LIFO inventory valuation method on a *consolidated* basis
- We manage our business using the LIFO inventory valuation method on a *plant-by-plant* basis
- The adjustment from consolidated to plant LIFO adjusts our COGS to the LIFO methodology we use to manage our business

MSCI Aluminum Rod & Bar Shipments & Inventory

Quarterly MSCI Shipments

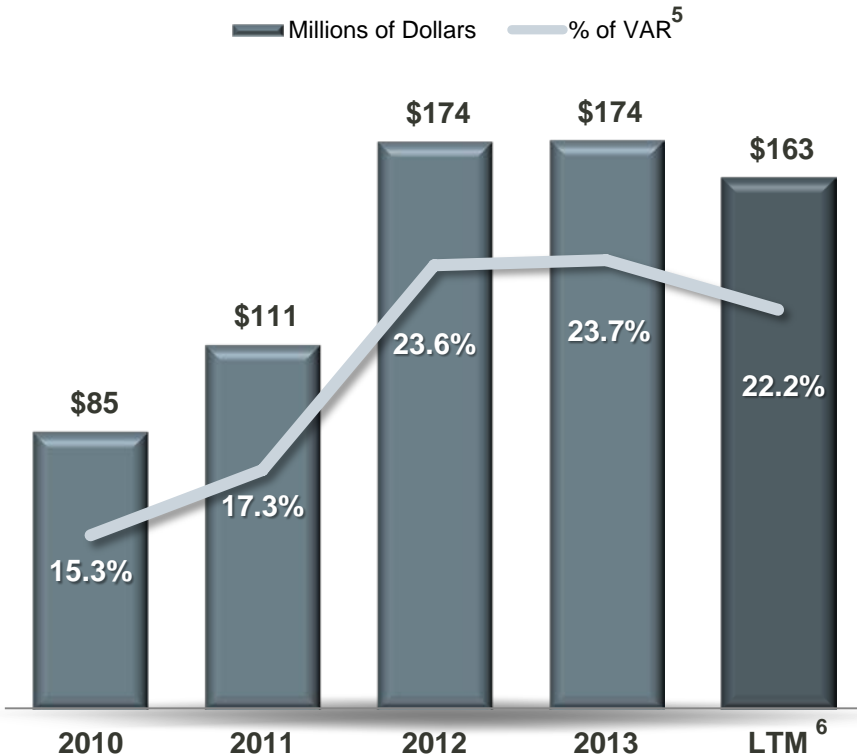


Quarterly MSCI Inventory

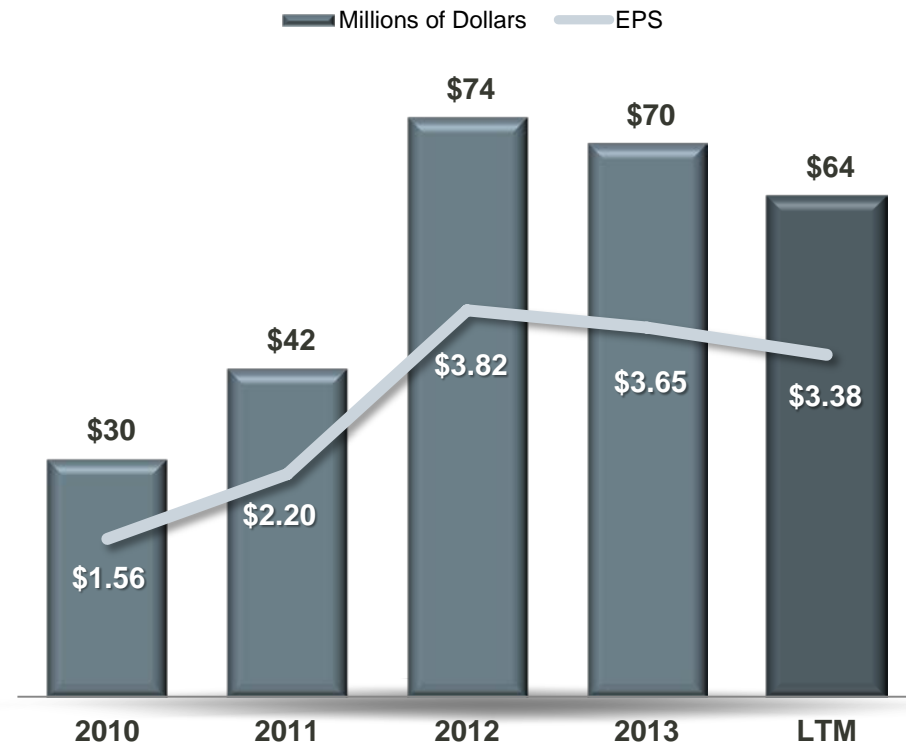


Annual Financial Results

Adjusted EBITDA¹ and EBITDA margin²



Adjusted Net Income³ and EPS⁴



1 Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 21-22

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

3 Adjusted Net Income = Reported Net Income excluding Total Non-Run-Rate items; refer to slides 23-24

4 Adjusted EPS = Reported Earnings Per Share excluding Total Non-Run-Rate items; refer to slides 23-24

5 Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 19-20

6 LTM = Last Twelve Months as of March 31, 2014

Sales Analysis By Application - Quarterly

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

1 Includes custom industrial products and billet

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

3 Total VAR / Total Shipments

Sales Analysis By Application - Annual

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>LTM⁴</u>
<u>Shipments</u> (lbs, mm)					
Aero & High Strength	159	192	224	224	224
General Engineering	217	220	233	223	230
Automotive Extrusions	54	63	63	64	68
Other Applications ¹	84	86	67	53	53
Total	514	561	586	564	576
<u>Value Added Revenue</u> ² (\$mm)					
Aero & High Strength	\$295	\$377	\$451	\$449	\$437
General Engineering	\$174	\$175	\$192	\$186	\$190
Automotive Extrusions	\$46	\$52	\$59	\$66	\$74
Other Applications	\$41	\$41	\$35	\$32	\$32
Total	\$556	\$644	\$736	\$734	\$732
<u>Value Added Revenue</u> (\$/lb.)					
Aero & High Strength	\$1.86	\$1.96	\$2.01	\$2.00	\$1.95
General Engineering	\$0.80	\$0.80	\$0.83	\$0.84	\$0.82
Automotive Extrusions	\$0.84	\$0.82	\$0.94	\$1.03	\$1.08
Other Applications	\$0.49	\$0.48	\$0.52	\$0.61	\$0.60
Overall³	\$1.08	\$1.15	\$1.26	\$1.30	\$1.27

1 Includes custom industrial products and billet

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

3 Total VAR / Total Shipments

4 LTM = Last Twelve Months as of March 31, 2014

Totals may not sum due to rounding

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Reconciliation of Reported Operating Income to Adjusted EBITDA

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

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

Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)

	Annual				
	2010	2011	2012	2013	LTM ²
Consolidated - Reported Operating Income	\$41.1	\$55.0	\$165.9	\$173.3	\$155.4
Operating NRR ¹ items:					
Mark-to-Market Gains (Losses)	(0.7)	(29.9)	15.2	0.7	3.4
Consolidated LIFO to Plant LIFO Adjustment	(0.6)	(0.2)	(2.3)	7.4	(1.9)
Workers' Compensation Discount Rate Effect	—	(3.8)	(0.2)	1.3	1.5
Legacy Environmental	(13.9)	(3.9)	(1.3)	(4.5)	(4.1)
Restructuring (Charges) Benefits	(3.6)	0.3	(4.4)	—	—
VEBA Net Periodic Benefit (Cost) Income	(5.1)	6.0	11.9	22.5	22.5
Other Operating Benefits (Charges)	(0.1)	0.3	—	—	—
Total Operating NRR Items	(24.0)	(31.2)	18.9	27.4	21.4
Consolidated Operating Income before operating NRR	65.1	86.2	147.0	145.9	134.0
Depreciation & Amortization - Consolidated	19.8	25.2	26.5	28.1	28.5
Consolidated - Adjusted EBITDA	\$84.9	\$111.4	\$173.5	\$174.0	\$162.5

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

2 LTM = Last Twelve Months as of March 31, 2014

Adjusted Net Income and EPS

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

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

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

3 Diluted shares for EPS calculated using treasury method

Totals may not sum due to rounding



Adjusted Net Income and EPS

	Annual				
	2010	2011	2012	2013	LTM ⁴
<i>(in \$ millions except EPS)</i>					
GAAP net income	\$ 12.0	\$ 25.1	\$ 85.8	\$104.8	\$ 87.1
Operating NRR ¹ Items	24.0	31.2	(18.9)	(27.4)	(21.4)
Non-Operating NRR Items ²	4.9	(4.0)	(0.8)	(3.8)	(4.3)
Tax impact of above NRR items	(10.6)	(10.6)	7.5	11.8	9.6
NRR tax benefit	-	-	-	(15.1)	(7.3)
Adjusted net income	\$ 30.3	\$ 41.7	\$ 73.6	\$ 70.3	\$ 63.7
GAAP earnings per diluted share ³	\$ 0.61	\$ 1.32	\$ 4.45	\$ 5.44	\$ 4.61
Adjusted earnings per diluted share³	\$ 1.56	\$ 2.20	\$ 3.82	\$ 3.65	\$ 3.38

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

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

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

4 LTM = Last Twelve Months as of March 31, 2014

Totals may not sum due to rounding

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