



**Fourth Quarter and Full Year 2013**  
**Earnings Conference Call**

February 18, 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 Form 10-K. All information in this presentation is as of the date of the presentation. The company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

# Non-Run-Rate Items

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

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

# Non-GAAP Financial Measures

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

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

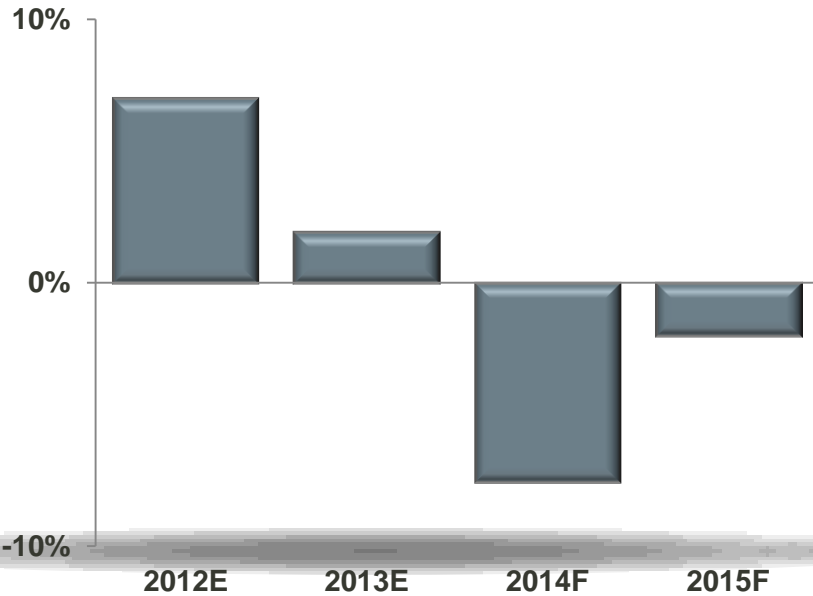
# 2013 Review

- Full year 2013 results similar to record 2012
- Record aerospace plate shipments offset by inventory overhang in non-plate aerospace applications
- Record automotive VAR<sup>1</sup> and \$/vehicle
- ~\$70 million in strategic investments focused on driving future growth and efficiency
  - Trentwood Phase 5 plate capacity expansion completed 4Q13
  - Trentwood casting complex on track for start-up in 2Q14
  - Continued investment in projects to support new automotive programs
- ~\$100 million returned to shareholders via quarterly dividends and share repurchases

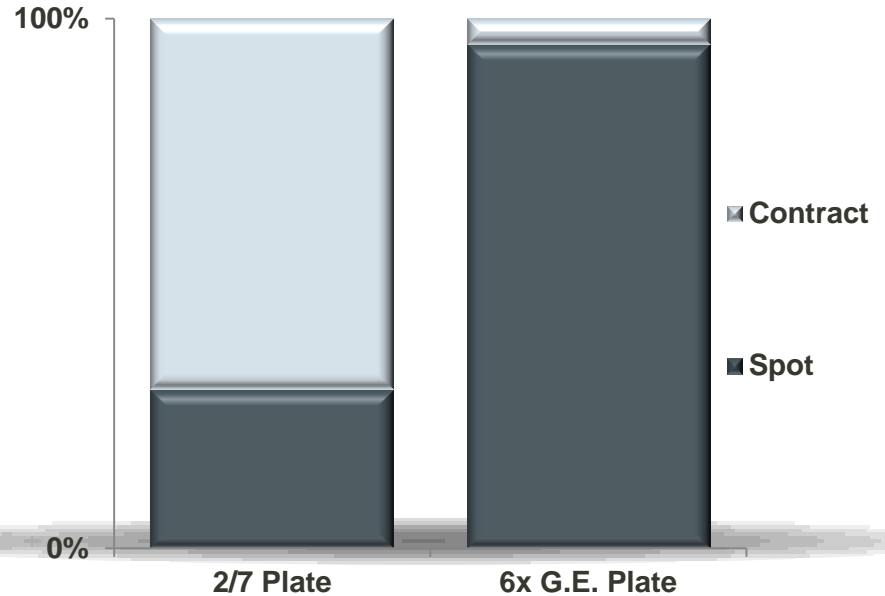
<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 24-25

# Heat Treat Plate Considerations

**Industry-wide inventory change<sup>1</sup>**  
 % of “real” 2/7 global plate demand



**Kaiser’s HT Plate Pricing Mix**



**2/7 plate supply chain inventory**

- Industry experienced significant supply chain **re-stocking** in 2012
- Expect significant **de-stocking** in 2014, with potential for modest de-stocking in 2015 as the system reaches equilibrium

**Kaiser's mix of spot vs. contract pricing**

- Business model uniquely focused on selling through service centers on a **spot price basis**
  - Portion of total 2/7 aerospace plate
  - Majority of general engineering plate

<sup>1</sup> Source: Kaiser estimates

# 2014 Preview

- **Strong airframe builds; temporary supply chain inventory surplus**
- **Strong automotive demand; growing Kaiser \$/vehicle**
- **Intensifying competitive pressure on GE & aero plate spot prices**
- **1H costs and inefficiencies associated with installation of Trentwood's casting complex and launch of new automotive programs**
- **2H benefits from completion of Trentwood's Phase 5 and casting complex**
- **17% increase in quarterly dividend; share repurchase authorization increased (\$109 million remains under current authorization<sup>2</sup>)**

<sup>1</sup> Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 24-25

<sup>2</sup> ~\$109 million remains under the share repurchase Board authorization as of February 11, 2014

# Bright Outlook Beyond 2014

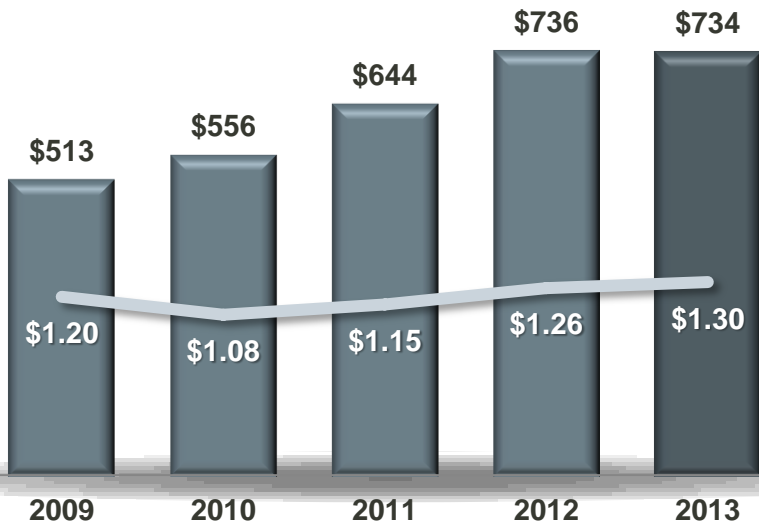
- **Strong long-term growth drivers**
  - Growing airframe build rates supported by 8+ year backlog
  - Growing automotive content driven by pursuit of greater fuel efficiency
- **Positioned for long-term manufacturing efficiencies**
  - Greater operating leverage
  - Investments (both planned and completed)
  - Continuous improvement initiatives
- **Increased capacity to support growth**



# Continued Strong Results in 2013

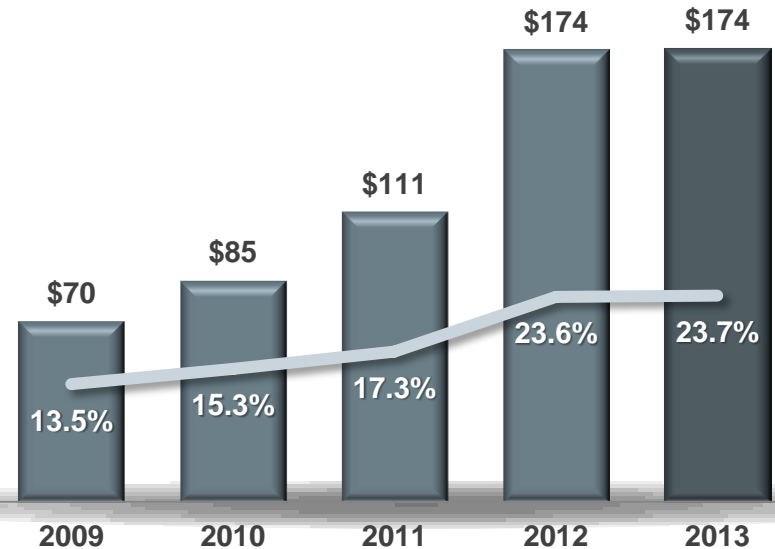
## VAR<sup>1</sup> - Annual

■ \$millions    ▲ \$/pound



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

■ \$millions    ▲ % of VAR<sup>3</sup>



1 Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 24-25

2 Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 26-27

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

# Consolidated Financial Highlights

<i>(in \$millions except EPS)</i>	Quarterly			Annual	
	<u>4Q13</u>	<u>3Q13</u>	<u>4Q12</u>	<u>2013</u>	<u>2012</u>
<b>Net Sales</b>	\$311	\$320	\$314	\$1,298	\$1,360
<b>Value Added Revenue <sup>1</sup></b>	\$181	\$182	\$172	\$734	\$736
<b>Adjusted:</b>					
<b>Operating Income <sup>2</sup></b>	\$34	\$34	\$29	\$146	\$147
<b>EBITDA <sup>3</sup></b>	\$42	\$40	\$36	\$174	\$174
<b>EBITDA margin <sup>4</sup></b>	23%	22%	21%	24%	24%
<b>Net Income <sup>5</sup></b>	\$16	\$17	\$13	\$70	\$74
<b>EPS <sup>6</sup></b>	\$0.85	\$0.90	\$0.65	\$3.65	\$3.82
<b>As Reported:</b>					
<b>Operating Income</b>	\$42	\$42	\$24	\$173	\$166
<b>Net Income</b>	\$27	\$25	\$9	\$105	\$86
<b>EPS <sup>7</sup></b>	\$1.44	\$1.34	\$0.47	\$5.44	\$4.45

1 Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 24-25

2 Adjusted Operating Income = Consolidated Operating Income excluding Operating Non-Run-Rate items; refer to slides 26-27

3 Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 26-27

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

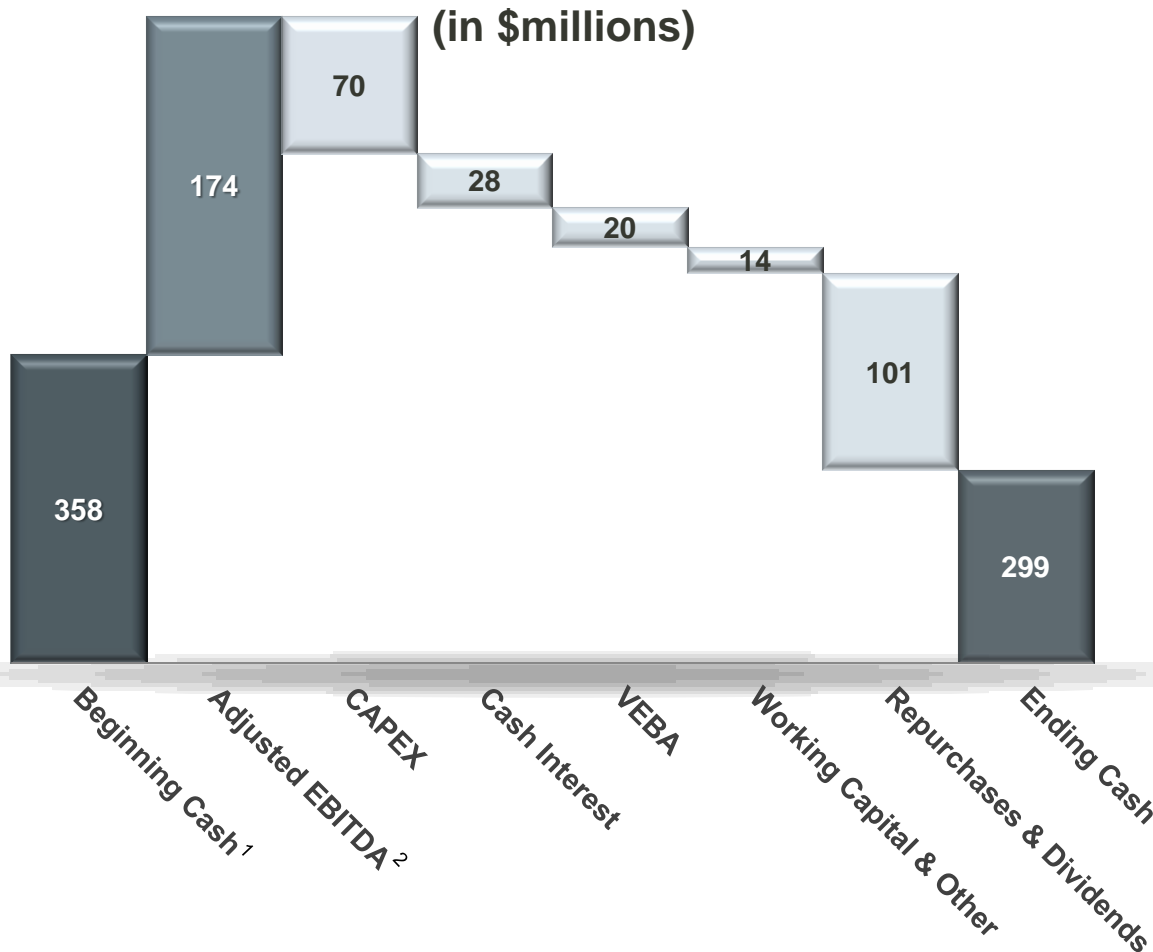
5 Adjusted Net Income = Reported Net Income excluding Total Non-Run-Rate items; refer to slides 28-29

6 Adjusted EPS = Reported Earnings Per Share excluding Total Non-Run-Rate items; refer to slides 28-29

7 As Reported EPS = Reported Earnings Per Share; refer to slides 28-29

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# Strong 2013 Cash Flow Generation



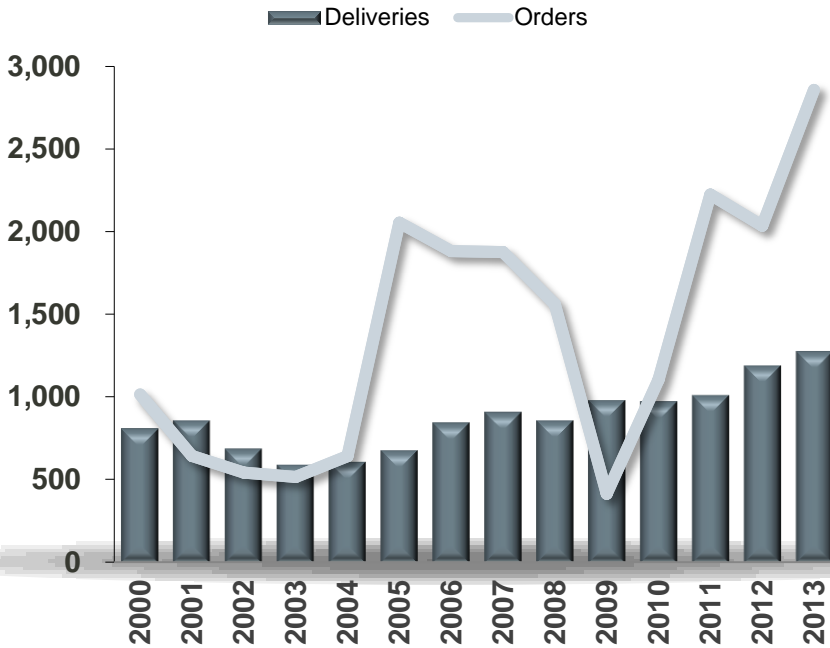
- \$174 million Adjusted EBITDA
- ~ \$70 million invested in growth initiatives
  - Trentwood casting complex
  - Trentwood Phase 5 plate capacity expansion
  - Automotive growth programs
- ~ \$100 million of cash returned to shareholders through quarterly dividends and share repurchases

<sup>1</sup> Cash = Cash and cash equivalents as well as Short-term investments

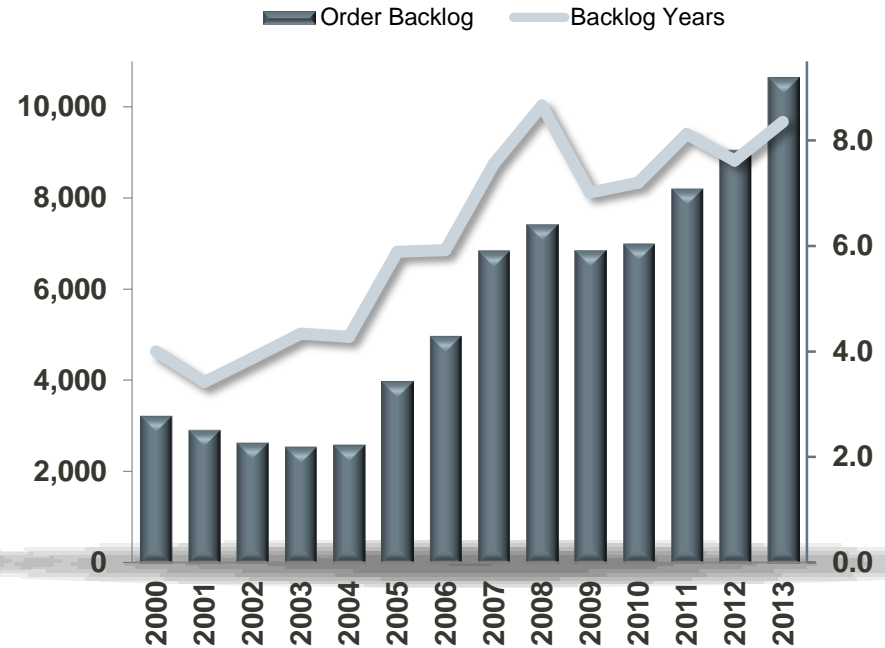
<sup>2</sup> Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 26-27

# Record 2013 Commercial Airframe Builds & Backlog

Boeing/Airbus Commercial Airframe Orders/Deliveries



Boeing/Airbus Commercial Airframe Backlog



- Boeing/Airbus record 2013 deliveries were up 7%
- Record 2013 orders equal to 2.2 years of production

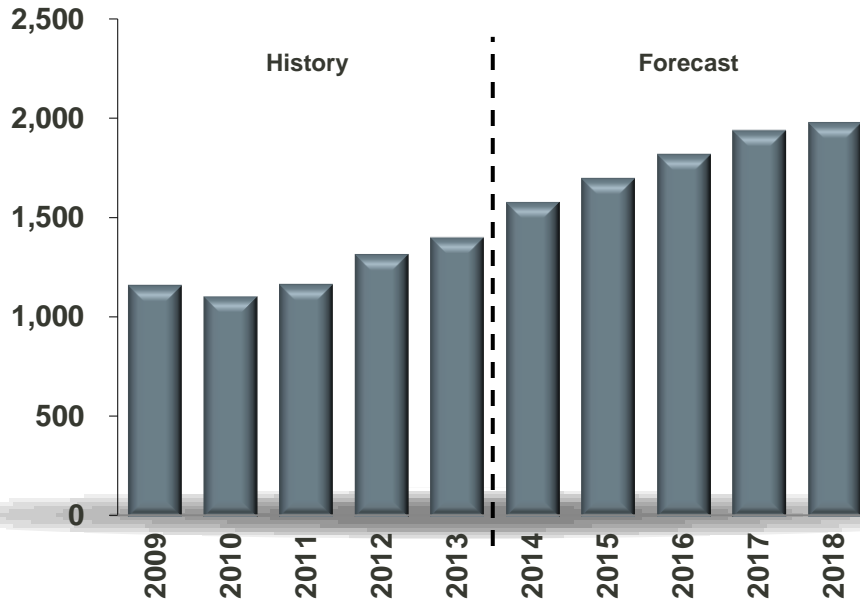
Backlog >8 years at 2013 production rate

Source: Boeing & Airbus

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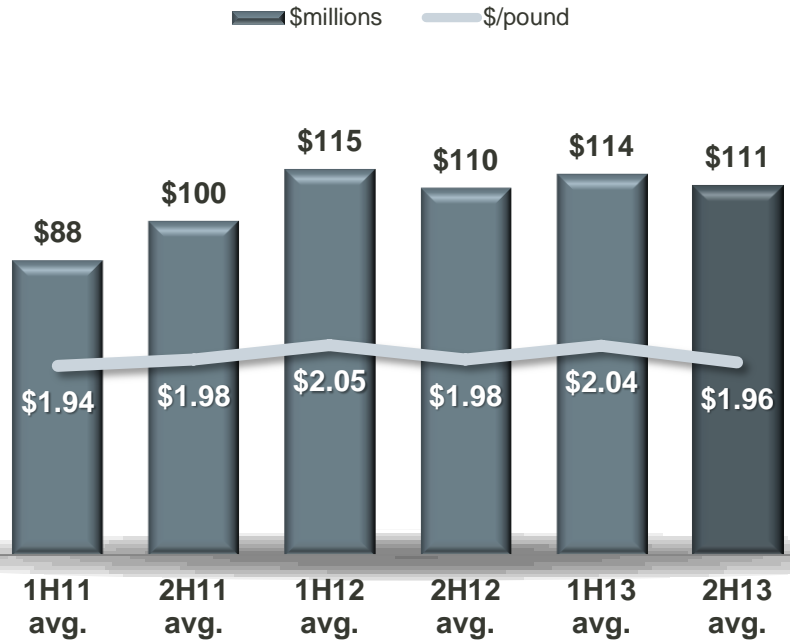
# Outlook – Aerospace & High Strength

Global Commercial Airframe Builds



Source: Airline Monitor

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



## Robust long-term aerospace demand...

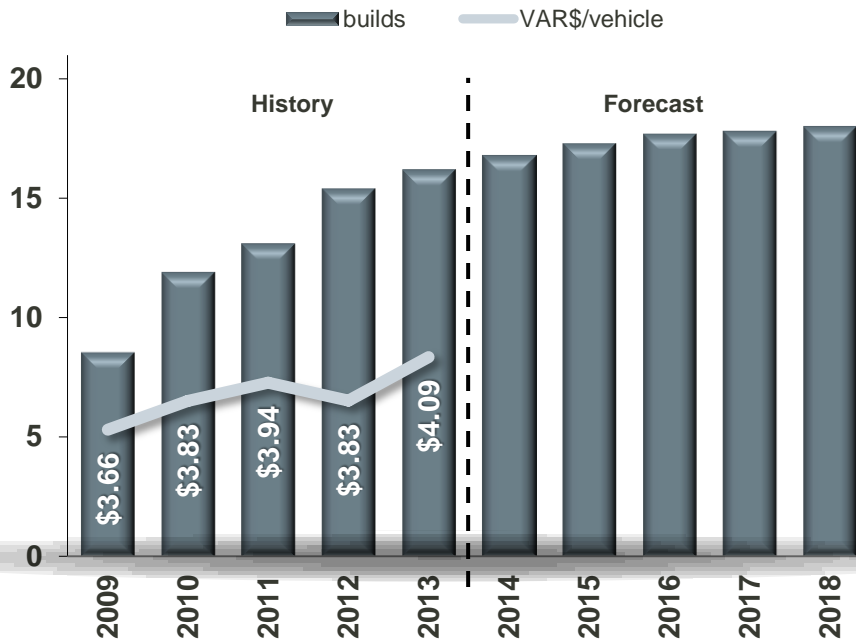
- Increasing build rates
- Larger airframes
- Monolithic design

## ...expect 1H14 VAR similar to 2H13 pace

- Headwinds from excess supply chain inventory
- Benefit from increased volume offset by competitive price pressure

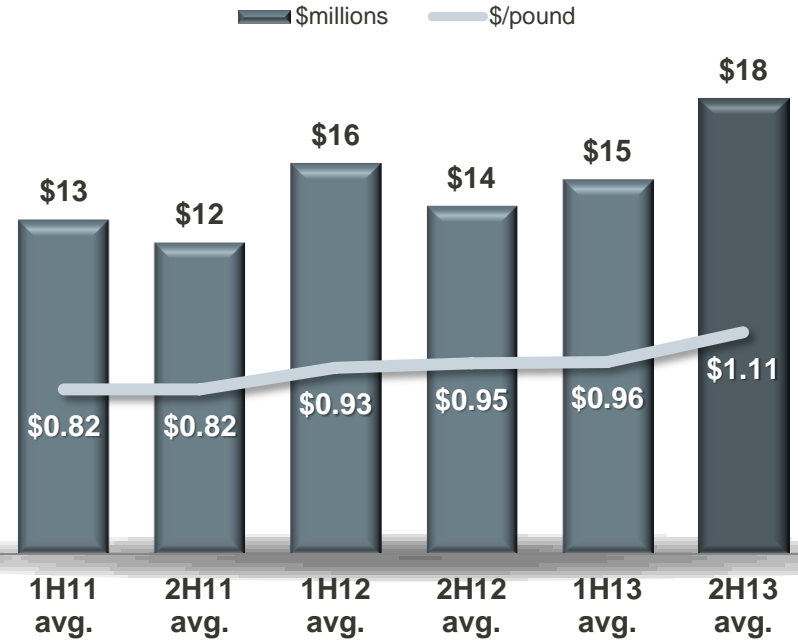
# Outlook – Automotive

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



Source: IHS Automotive

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



## Growing automotive demand...

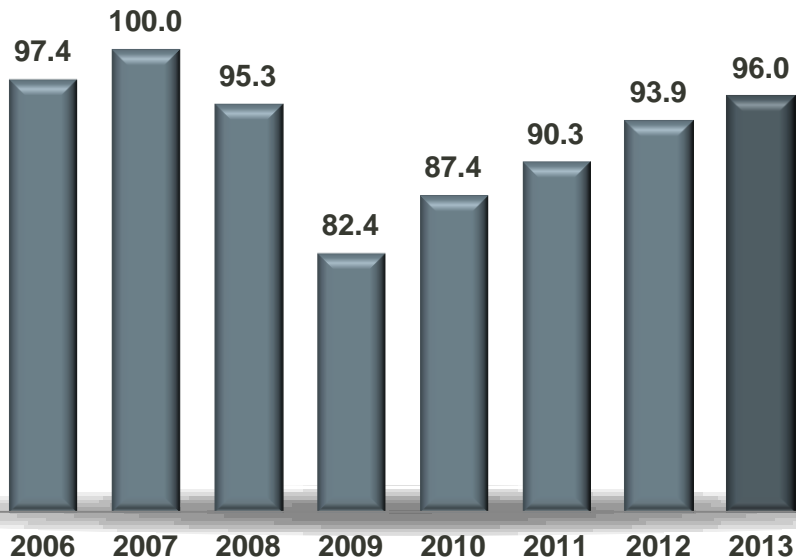
- Increasing long-term build rates
- Increasing aluminum extrusion content

## ...and positive outlook

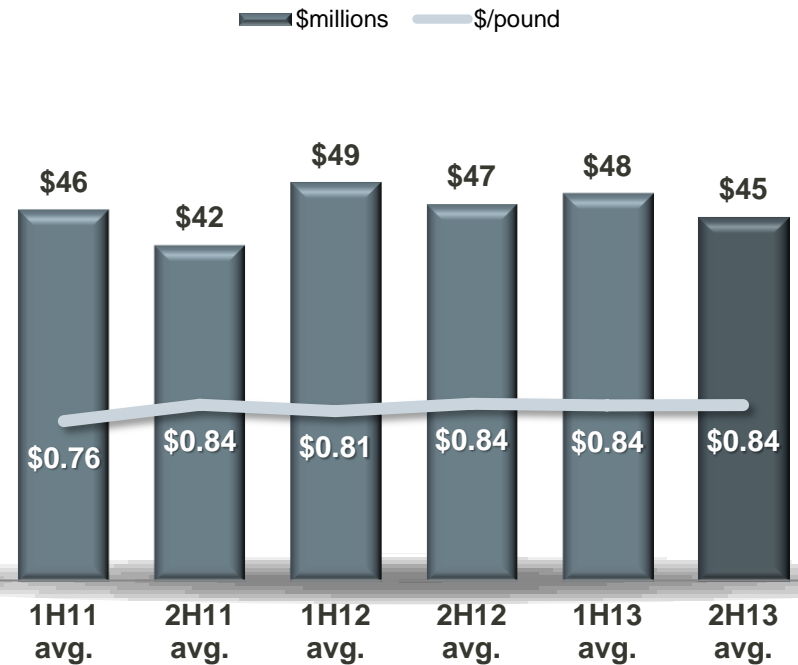
- Expect improved 1H14 VAR vs. record 2H13
- Numerous new product launches planned in 2014 with anticipated benefits later in the year

# Outlook – General Engineering

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



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



Continued weak U.S. industrial demand...

...economic uncertainty clouds visibility

- Significant competitive price pressure on general engineering plate

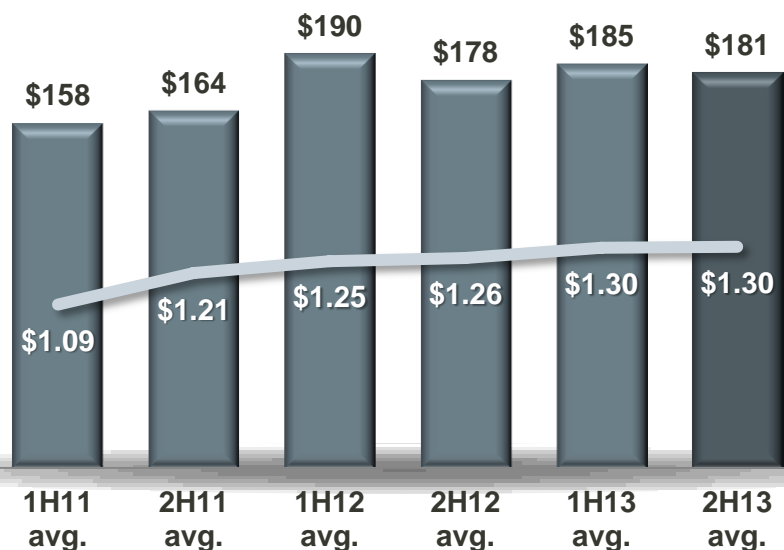
<sup>1</sup> Represents Annual Averages; Source: Federal Reserve statistics for U.S. manufacturing

<sup>2</sup> Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 24-25

# Short-term Outlook Summary

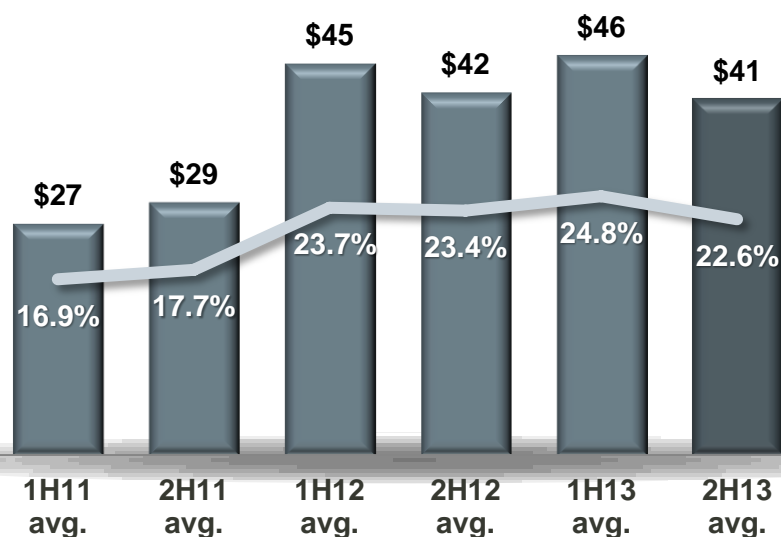
Quarterly Value Added Revenue<sup>1</sup>

■ \$millions    ▲ \$/pound



Quarterly Adjusted EBITDA<sup>2</sup>

■ \$millions    ▲ % of VAR<sup>3</sup>



Expect growth in 1H14 VAR compared to 2H13

Expect 1H14 EBITDA weaker than 2H13

- Anticipate competitive price pressure to mitigate benefit from higher VAR
- Higher costs, inefficiencies from equipment installations, ramp ups and auto launches

1 Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 24-25

2 Adjusted EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 26-27

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



# Summary

- Full year 2013 results similar to record 2012
- Expect 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 previous investments in capacity, quality, and efficiency
  - Strong balance sheet and solid cash flow generation

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# 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

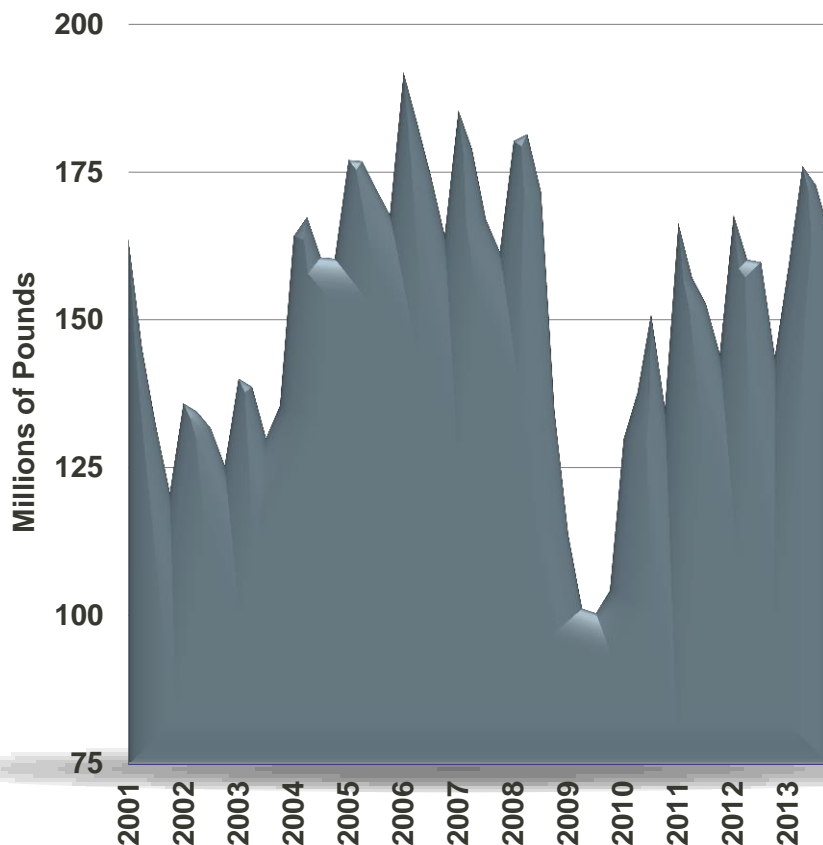
- Hedging-related derivatives are marked-to-market with non-cash gains and losses recognized in income (versus recognized in income on the cash settlement date of the derivative contracts). These are predominately related to:
  - Metal
  - Energy (Natural Gas, Electricity)
  - Options in financing transactions

## Consolidated LIFO to Plant LIFO Adjustment

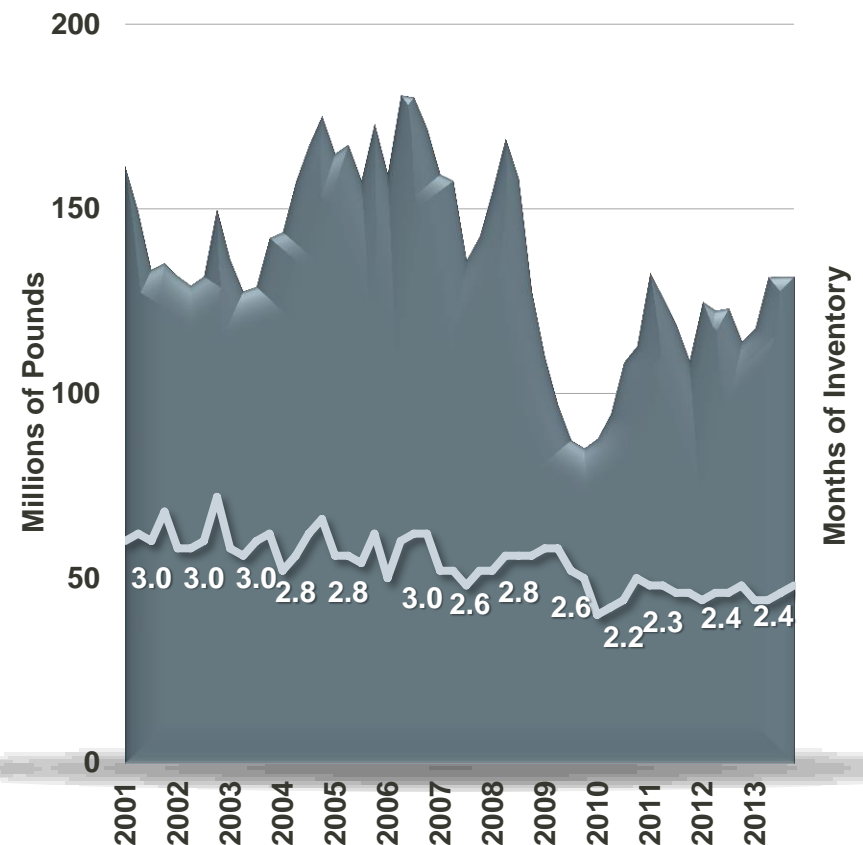
- We report externally using the LIFO inventory valuation method on a *consolidated* basis
- We manage our business using the LIFO inventory valuation method on a *plant-by-plant* basis
- The adjustment from consolidated to plant LIFO adjusts our COGS to the LIFO methodology we use to manage our business

# MSCI Aluminum Rod & Bar Shipments & Inventory

## Quarterly MSCI Shipments

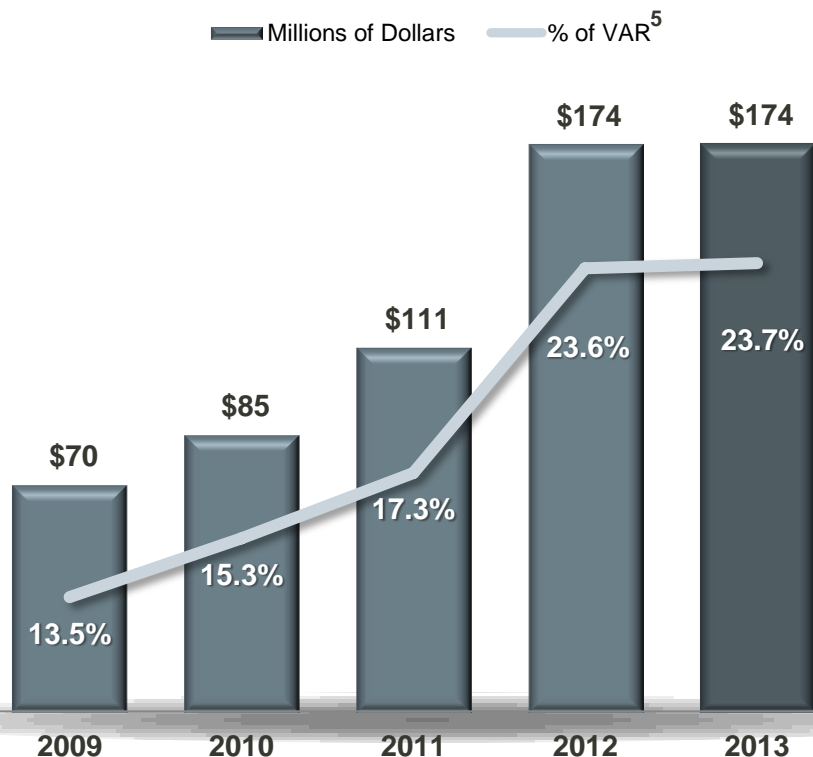


## Quarterly MSCI Inventory

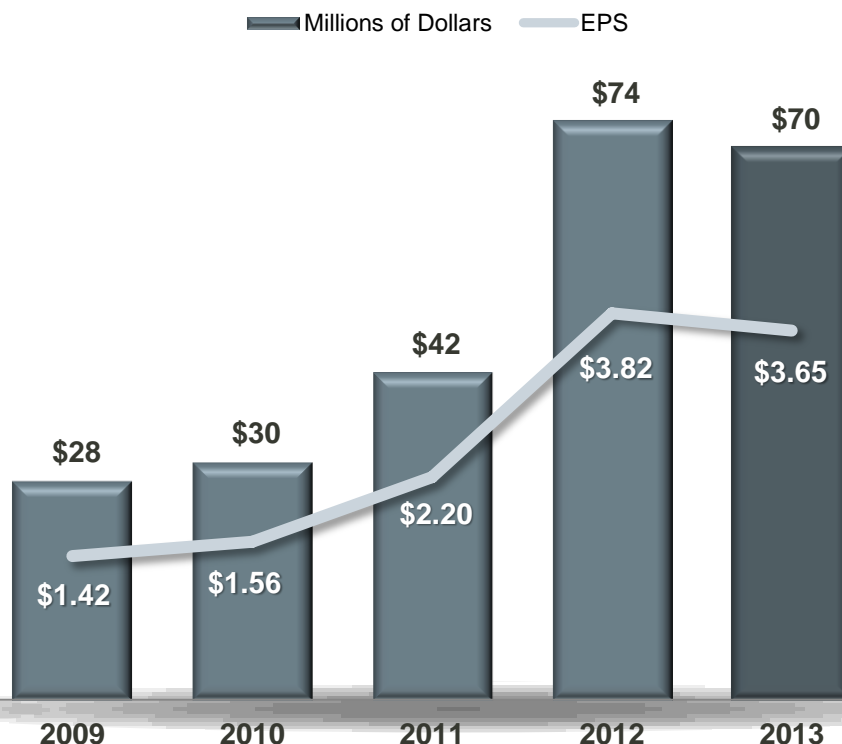


# Annual Financial Results

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



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



1 Adjusted EBITDA = For comparability, 2009 defined as Fabricated Products and Corporate Operating Income before non-run-rate, excluding metal and GBP hedging, plus Consolidated Depreciation and Amortization. For 2010 and later, defined as Consolidated Operating Income before non-run-rate plus Consolidated Depreciation and Amortization; for details refer to the reconciliation to Consolidated Operating Income at the end of this presentation.

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

3 Adjusted Net Income = Reported Net Income, excluding non-run-rate items (net of tax), and excluding Anglesey and Hedging in 2009.

4 Adjusted EPS = Earnings per diluted share, excluding Total non-run-rate items, and excluding Anglesey and Hedging in 2009.

5 Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal.

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# Sales Analysis By Application - Quarterly

	<u>1Q11</u>	<u>2Q11</u>	<u>3Q11</u>	<u>4Q11</u>	<u>1Q12</u>	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>	<u>3Q13</u>	<u>4Q13</u>
<b>Shipments</b> (lbs, mm)												
Aero & High Strength	45.8	45.0	49.0	52.2	59.0	53.7	54.5	56.7	56.7	54.8	55.3	57.5
General Engineering	61.2	59.8	50.4	48.8	63.3	58.8	61.4	49.2	54.8	60.1	56.6	51.0
Automotive Extrusions	16.1	16.4	15.7	14.6	17.0	16.6	15.2	14.0	15.3	15.9	16.1	16.8
Other Applications <sup>1</sup>	<u>21.0</u>	<u>24.0</u>	<u>19.7</u>	<u>21.2</u>	<u>17.4</u>	<u>18.1</u>	<u>16.4</u>	<u>14.6</u>	<u>13.2</u>	<u>14.6</u>	<u>13.1</u>	<u>11.9</u>
Total	144.1	145.2	134.8	136.8	156.7	147.2	147.5	134.5	140.0	145.4	141.1	137.2
<b>Value Added Revenue</b> <sup>2</sup> (\$mm)												
Aero & High Strength	\$ 88.4	\$ 88.1	\$ 96.3	\$ 103.7	\$ 119.0	\$ 111.8	\$ 109.7	\$ 110.0	\$ 118.7	\$ 109.3	\$ 108.9	\$112.3
General Engineering	\$ 45.7	\$ 46.3	\$ 41.6	\$ 41.6	\$ 49.9	\$ 48.8	\$ 51.8	\$ 41.5	\$ 46.4	\$ 49.6	\$ 46.9	\$ 43.2
Automotive Extrusions	\$ 13.1	\$ 13.6	\$ 13.2	\$ 11.7	\$ 16.0	\$ 15.2	\$ 14.6	\$ 13.2	\$ 14.6	\$ 15.3	\$ 18.2	\$ 18.2
Other Applications	<u>\$ 9.3</u>	<u>\$ 11.8</u>	<u>\$ 9.9</u>	<u>\$ 9.9</u>	<u>\$ 9.9</u>	<u>\$ 9.6</u>	<u>\$ 7.9</u>	<u>\$ 7.3</u>	<u>\$ 7.7</u>	<u>\$ 9.3</u>	<u>\$ 7.9</u>	<u>\$ 7.1</u>
Total	\$ 156.5	\$ 159.8	\$ 161.0	\$ 166.9	\$ 194.8	\$ 185.4	\$ 184.0	\$ 172.0	\$ 187.4	\$ 183.5	\$ 181.9	\$180.8
<b>Value Added Revenue</b> (\$/lb.)												
Aero & High Strength	\$ 1.93	\$ 1.96	\$ 1.97	\$ 1.99	\$ 2.02	\$ 2.08	\$ 2.01	\$ 1.94	\$ 2.09	\$ 2.00	\$ 1.97	\$ 1.95
General Engineering	\$ 0.75	\$ 0.77	\$ 0.83	\$ 0.85	\$ 0.79	\$ 0.83	\$ 0.84	\$ 0.84	\$ 0.85	\$ 0.82	\$ 0.83	\$ 0.85
Automotive Extrusions	\$ 0.81	\$ 0.83	\$ 0.84	\$ 0.80	\$ 0.94	\$ 0.92	\$ 0.96	\$ 0.94	\$ 0.95	\$ 0.97	\$ 1.13	\$ 1.08
Other Applications	<u>\$ 0.44</u>	<u>\$ 0.49</u>	<u>\$ 0.50</u>	<u>\$ 0.47</u>	<u>\$ 0.57</u>	<u>\$ 0.53</u>	<u>\$ 0.48</u>	<u>\$ 0.50</u>	<u>\$ 0.58</u>	<u>\$ 0.64</u>	<u>\$ 0.61</u>	<u>\$ 0.60</u>
Overall <sup>3</sup>	\$ 1.09	\$ 1.10	\$ 1.19	\$ 1.22	\$ 1.24	\$ 1.26	\$ 1.25	\$ 1.28	\$ 1.34	\$ 1.26	\$ 1.29	\$ 1.32

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 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
<b><u>Shipments</u></b> (lbs, mm)					
Aero & High Strength	145	159	192	224	224
General Engineering	189	217	220	233	223
Automotive Extrusions	36	54	63	63	64
Other Applications <sup>1</sup>	59	84	86	67	53
<b>Total</b>	<b>429</b>	<b>514</b>	<b>561</b>	<b>586</b>	<b>564</b>
<b><u>Value Added Revenue</u></b> <sup>2</sup> (\$mm)					
Aero & High Strength	\$278	\$295	\$377	\$451	\$449
General Engineering	\$165	\$174	\$175	\$192	\$186
Automotive Extrusions	\$31	\$46	\$52	\$59	\$66
Other Applications	\$39	\$41	\$41	\$35	\$32
<b>Total</b>	<b>\$513</b>	<b>\$556</b>	<b>\$644</b>	<b>\$736</b>	<b>\$734</b>
<b><u>Value Added Revenue</u></b> (\$/lb.)					
Aero & High Strength	\$1.92	\$1.86	\$1.96	\$2.01	\$2.00
General Engineering	\$0.87	\$0.80	\$0.80	\$0.83	\$0.84
Automotive Extrusions	\$0.86	\$0.84	\$0.82	\$0.94	\$1.03
Other Applications	\$0.67	\$0.49	\$0.48	\$0.52	\$0.61
<b>Overall</b> <sup>3</sup>	<b>\$1.20</b>	<b>\$1.08</b>	<b>\$1.15</b>	<b>\$1.26</b>	<b>\$1.30</b>

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

Totals may not sum due to rounding

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# Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)	Quarterly											
	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
<b>Consolidated - Reported Operating Income</b>	\$19.8	\$14.7	\$4.9	\$15.6	\$46.2	\$39.6	\$56.2	\$23.9	\$50.0	\$40.1	\$41.6	\$41.6
Operating NRR <sup>1</sup> items:												
Mark-to-Market Gains (Losses)	4.3	(9.5)	(16.8)	(7.9)	3.1	(0.1)	12.3	(0.1)	(0.7)	(4.2)	1.5	4.1
Consolidated LIFO to Plant LIFO Adjustment	(2.5)	1.0	(1.6)	2.9	2.0	(1.5)	0.4	(3.2)	4.7	0.7	1.4	0.6
Workers' Compensation Discount Rate Effect	—	—	—	(3.8)	0.2	(0.4)	—	—	—	0.9	—	0.4
Legacy Environmental	(0.2)	(2.5)	(0.1)	(1.1)	—	(0.7)	(0.3)	(0.3)	(0.6)	—	(0.4)	(3.5)
Restructuring Benefits (Charges)	—	—	0.3	—	—	—	—	(4.4)	—	—	—	—
VEBA Net Periodic Benefit Income	1.5	1.5	1.5	1.4	3.0	3.0	2.9	3.0	5.6	5.7	5.6	5.6
Other Operating Benefits	—	0.3	—	—	—	—	—	—	—	—	—	—
<b>Total Operating NRR Items</b>	<b>3.1</b>	<b>(9.2)</b>	<b>(16.7)</b>	<b>(8.5)</b>	<b>8.3</b>	<b>0.3</b>	<b>15.3</b>	<b>(5.0)</b>	<b>9.0</b>	<b>3.1</b>	<b>8.1</b>	<b>7.2</b>
Consolidated Operating Income before operating NRR	16.7	23.9	21.6	24.1	37.9	39.3	40.9	28.9	41.0	37.0	33.5	34.4
Depreciation & Amortization - Consolidated	6.3	6.4	6.2	6.3	6.3	6.6	6.7	6.9	7.0	7.0	6.9	7.2
<b>Consolidated - Adjusted EBITDA</b>	<b>\$23.0</b>	<b>\$30.3</b>	<b>\$27.8</b>	<b>\$30.4</b>	<b>\$44.2</b>	<b>\$45.9</b>	<b>\$47.6</b>	<b>\$35.8</b>	<b>\$48.0</b>	<b>\$44.0</b>	<b>\$40.4</b>	<b>\$41.6</b>

# Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)

	Annual				
	2009	2010	2011	2012	2013
<b>Consolidated - Reported Operating Income</b>	<b>\$118.7</b>	<b>\$41.1</b>	<b>\$55.0</b>	<b>\$165.9</b>	<b>\$173.3</b>
Operating NRR <sup>1</sup> items:					
Mark-to-Market Gains (Losses)	80.5	(0.7)	(29.9)	15.2	0.7
Consolidated LIFO to Plant LIFO Adjustment	(3.2)	(0.6)	(0.2)	(2.3)	7.4
Workers' Compensation Discount Rate Effect	—	—	(3.8)	(0.2)	1.3
Legacy Environmental	(2.4)	(13.9)	(3.9)	(1.3)	(4.5)
Restructuring (Charges) Benefits	(5.4)	(3.6)	0.3	(4.4)	—
VEBA Net Periodic Benefit (Cost) Income	(5.3)	(5.1)	6.0	11.9	22.5
Lower of Cost or Market Write-down	(9.3)	—	—	—	—
Other Operating Benefits (Charges)	0.9	(0.1)	0.3	—	—
<b>Total Operating NRR Items</b>	<b>55.8</b>	<b>(24.0)</b>	<b>(31.2)</b>	<b>18.9</b>	<b>27.4</b>
Consolidated Operating Income before operating NRR	62.9	65.1	86.2	147.0	145.9
Depreciation & Amortization - Consolidated	16.4	19.8	25.2	26.5	28.1
<b>Consolidated - Adjusted EBITDA</b>	<b>79.3</b>	<b>\$84.9</b>	<b>\$111.4</b>	<b>\$173.5</b>	<b>\$174.0</b>
Less Anglesey JV, Anglesey related, metal & GBP hedging Oper. Inc. before NRR	9.8				
<b>Fab. Prod. &amp; Corp. OI before oper. NRR, excluding metal &amp; GBP hedging</b>					
<b>+ Consolidated Depreciation &amp; Amortization</b>	<b>\$69.5</b>				

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

# Adjusted Net Income and EPS

(in \$ millions except EPS)

	Quarterly											
	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
<b>GAAP net income</b>	\$10.8	\$ 4.1	\$ 4.1	\$ 6.1	\$26.5	\$21.0	\$29.2	\$ 9.1	\$33.5	\$18.6	\$25.4	\$27.3
Operating NRR <sup>1</sup> Items	(3.1)	9.2	16.7	8.5	(8.3)	(0.3)	(15.3)	5.0	(9.0)	(3.1)	(8.1)	(7.2)
Non-Operating NRR Items <sup>2</sup>	(1.7)	3.6	(4.1)	(1.8)	(0.5)	(0.7)	0.1	0.3	(0.4)	0.9	(2.2)	(2.1)
Tax impact of above NRR items	1.9	(4.9)	(4.8)	(2.9)	3.2	0.4	5.7	(1.9)	3.6	0.8	3.9	3.5
NRR tax benefit	-	-	-	-	-	-	-	-	(7.8)	-	(1.9)	(5.4)
<b>Adjusted net income</b>	\$ 7.9	\$12.0	\$11.9	\$ 9.9	\$20.9	\$20.4	\$19.7	\$12.5	\$19.9	\$17.2	\$17.1	\$16.1
GAAP earnings per diluted share <sup>3</sup>	\$0.57	\$0.22	\$0.21	\$0.33	\$1.38	\$1.09	\$1.51	\$0.47	\$1.73	\$0.98	\$1.34	\$1.44
<b>Adjusted earnings per diluted share<sup>3</sup></b>	\$0.42	\$0.63	\$0.63	\$0.52	\$1.09	\$1.06	\$1.02	\$0.65	\$1.03	\$0.91	\$0.90	\$0.85

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 2013; 2011 calculated using two-class method

Totals may not sum due to rounding

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# Adjusted Net Income and EPS

(in \$ millions except EPS)	Annual				
	2009	2010	2011	2012	2013
<b>GAAP net income</b>	\$ 70.5	\$ 12.0	\$ 25.1	\$ 85.8	\$104.8
Operating NRR <sup>1</sup> Items	(55.8)	24.0	31.2	(18.9)	(27.4)
Non-Operating NRR Items <sup>2</sup>	-	4.9	(4.0)	(0.8)	(3.8)
Less Anglesey JV, Anglesey related, Hedging Oper. Inc. before NRR	(9.8)	-	-	-	-
Tax impact of above NRR items and Anglesey items	23.0	(10.6)	(10.6)	7.5	11.8
NRR tax benefit	-	-	-	-	(15.1)
<b>Adjusted net income</b>	\$ 27.9	\$ 30.3	\$ 41.7	\$ 73.6	\$ 70.3
GAAP earnings per diluted share <sup>3</sup>	\$ 3.51	\$ 0.61	\$ 1.32	\$ 4.45	\$ 5.44
<b>Adjusted earnings per diluted share<sup>3</sup></b>	\$ 1.42	\$ 1.56	\$ 2.20	\$ 3.82	\$ 3.65

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 2013; 2011 and prior calculated using two-class method

Totals may not sum due to rounding



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