Business Update

February 2018

Refer to kaiseraluminum.com

Forward looking statements

Our earnings release and reports filed with the SEC, including the Company's most recent Form 10-K and Form 10-Q, provide a summary of the risk factors that could cause results to be materially different than any forward-looking statements in this presentation.

Non-GAAP financial measures

Reconciliations of the non-GAAP financial information in our discussion to the most comparable GAAP financial measures are included in our earnings release and in the investor presentation on our website kaiseraluminum.com.

KAISER ALUMINUM

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Company Overview

Key facts

Market cap[1]	$1.8B
Revenue	$1.4B
Shipments	0.6B#

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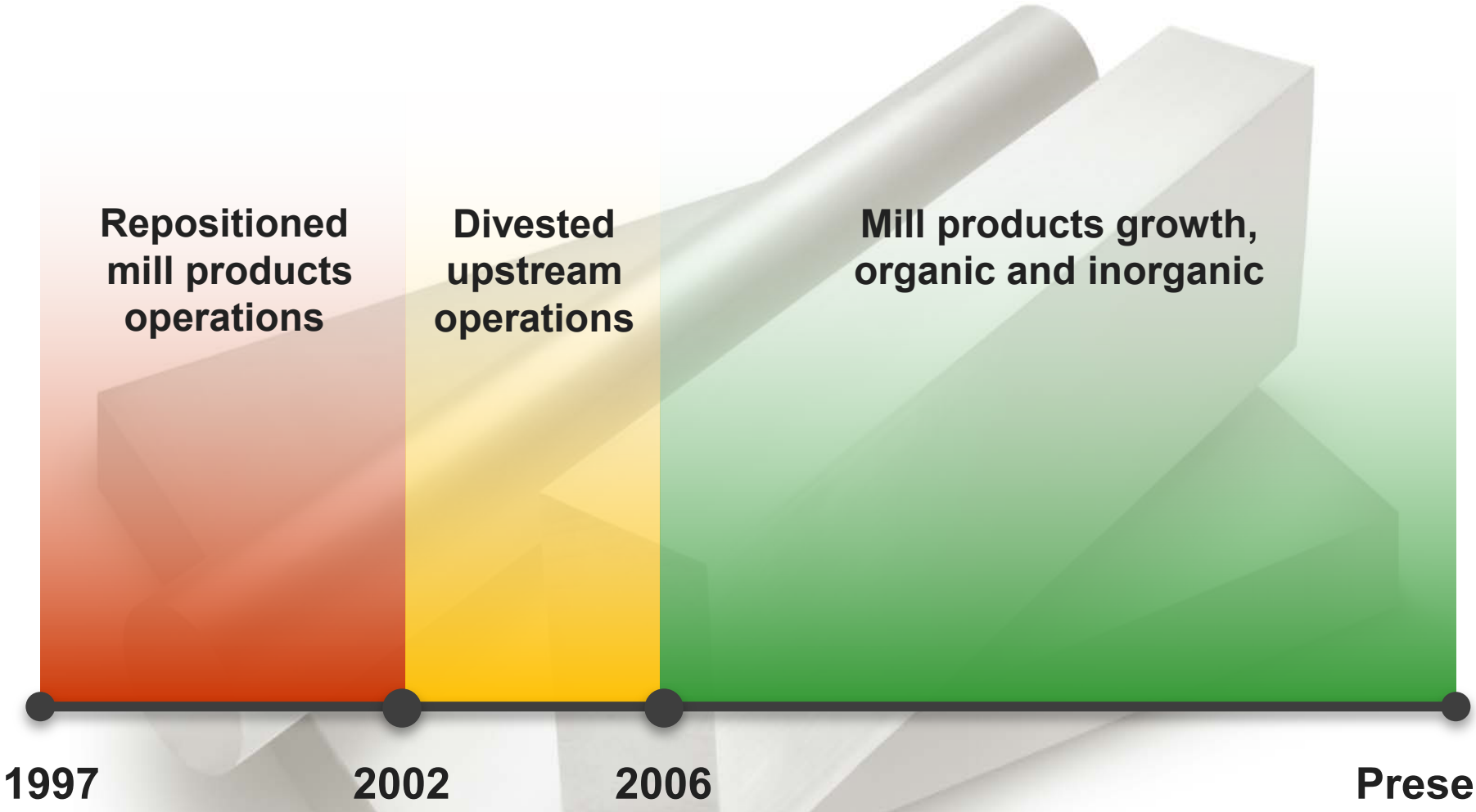
[1] As of December 31, 2017

Management & strategic continuity



Investment considerations

Leading positions in attractive, growing market segments

- Demanding applications
- Strong market presence
- Competitive strength

Excellent earnings growth potential

- Attractive, growing market segments
- Significant investments
- Platform for organic and acquisition growth

Financial strength and flexibility to support continued growth

- Strong Liquidity
- Moderate leverage
- Significant tax attributes
- Consistent cash flow generation

Strong track record of growth and performance

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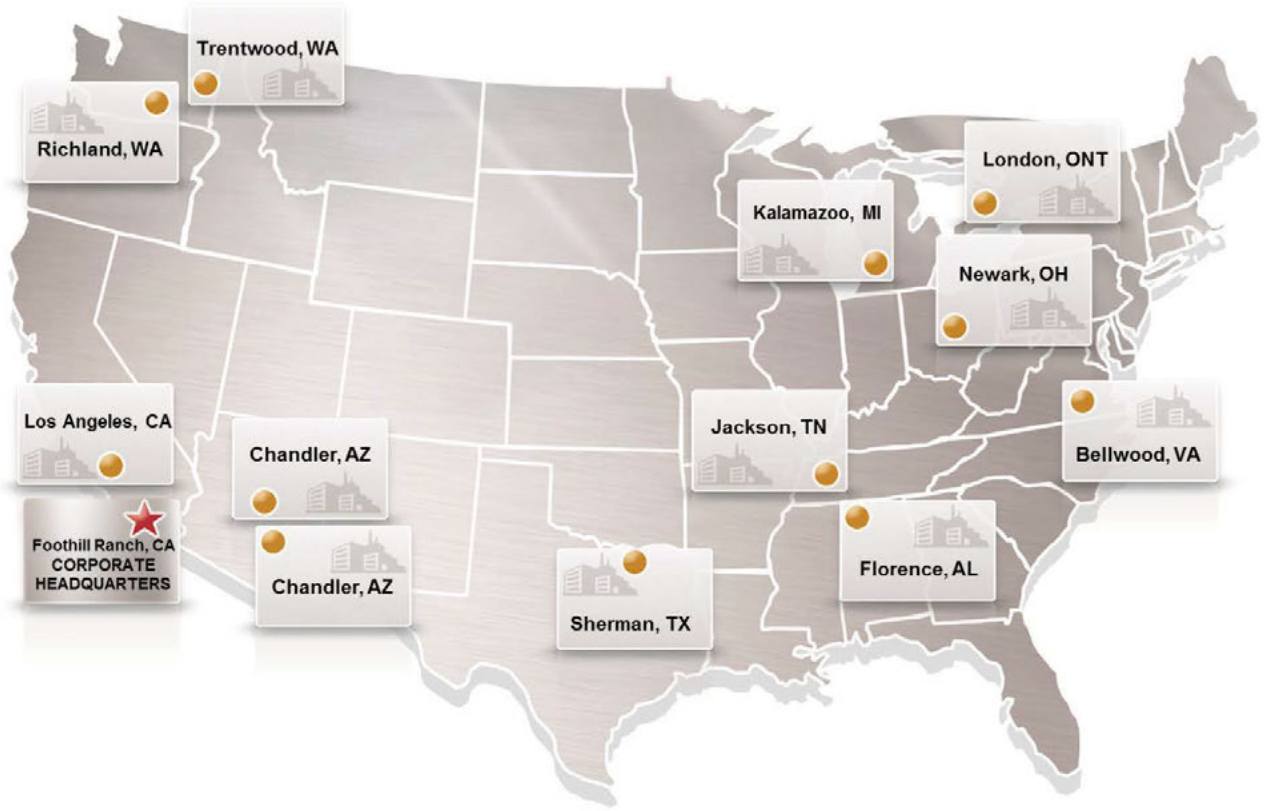
Leading North American semi-fabricated specialty aluminum mill products company

Twelve North American manufacturing locations



Flat rolled products

Extrusions

Drawn products

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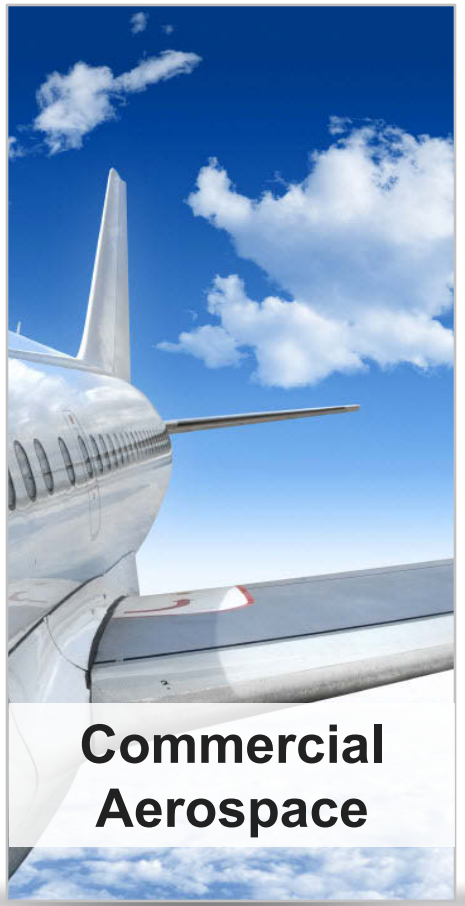
Focused on strategic applications



Commercial Aerospace

Other Aerospace

Automotive

General Engineering

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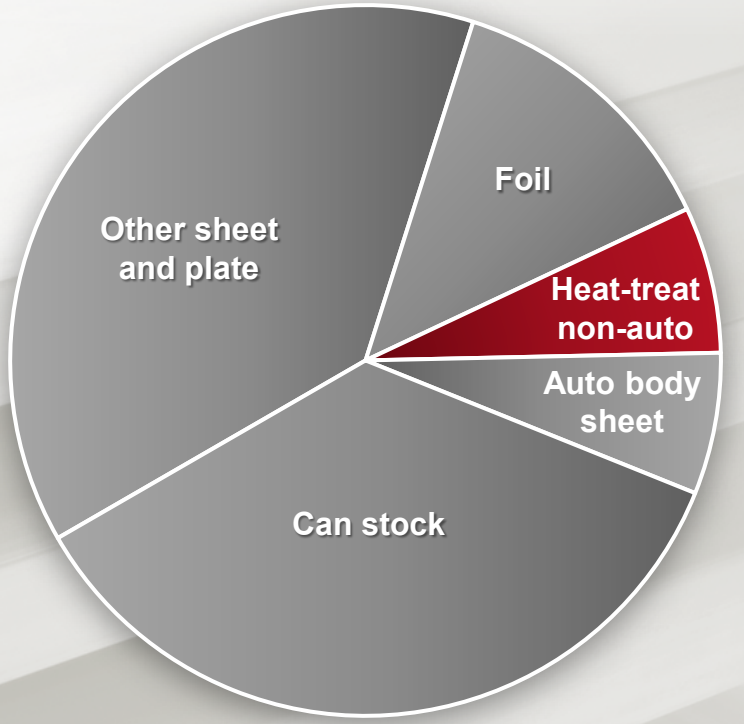
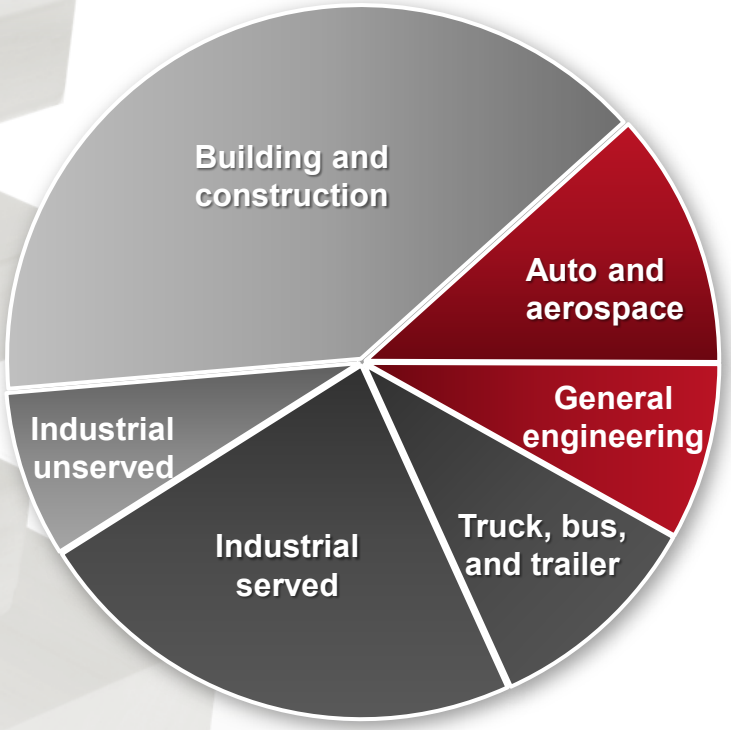
Focused on demanding applications where we have competitive strength

Global flat rolled products market
Market size >50B#



North American extrusion market
Market size >5B#



Kaiser 'core' served market segments | Kaiser 'non- core' served market segments | Kaiser unserved markets

Source: Typical market size estimates from CRU, Aluminum Association, and Kaiser (based on industry shipments)

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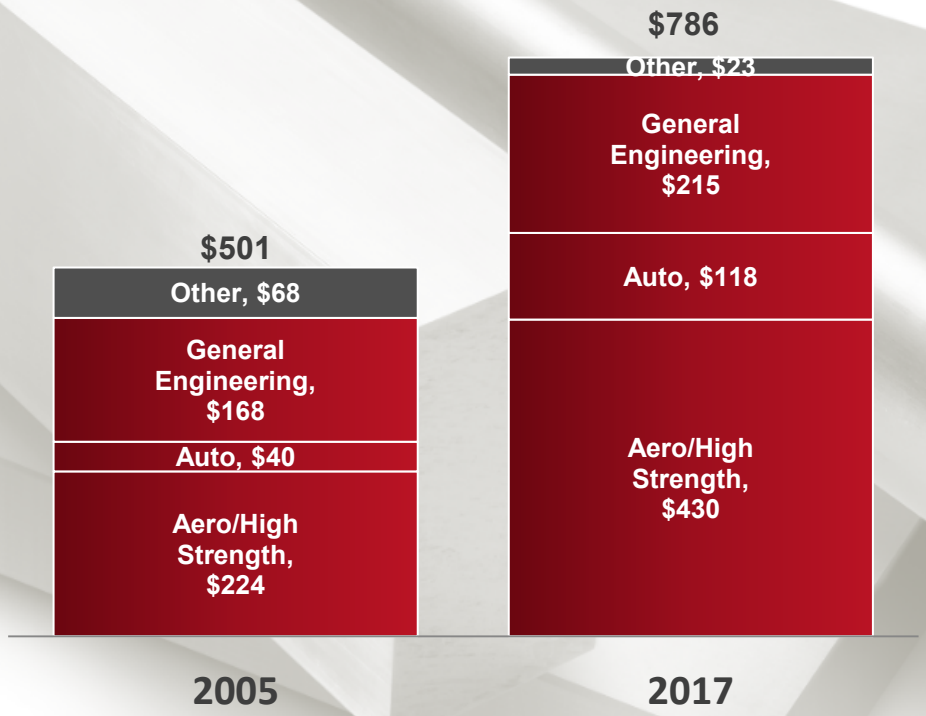
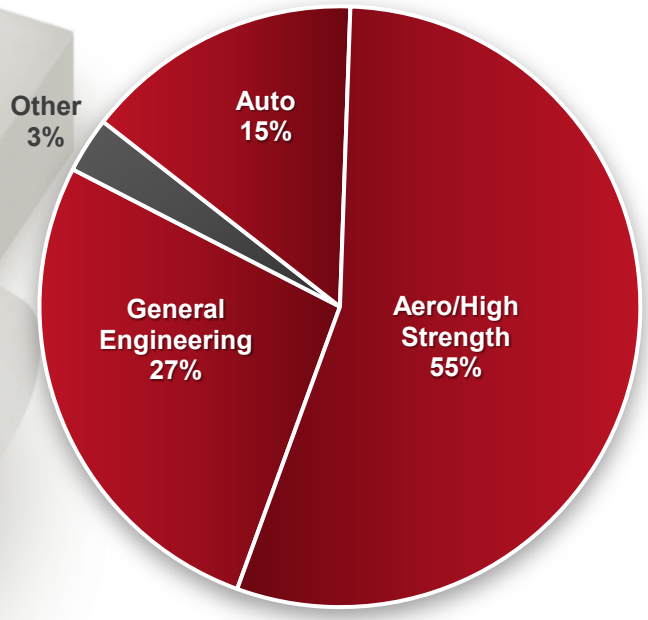
Focus on demanding applications where we have competitive strength

Value added revenue[1] ($millions)

4% CAGR[2] since 2005



2017 value added revenue mix



Kaiser 'core' served market segments

Kaiser 'non- core' served market segments

[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

[2] CAGR = compound annual growth rate

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Blue chip customer base

Original equipment manufacturers

Service centers

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Creating differentiation and value with KaiserSelect® processes & products

Differentiate with KaiserSelect®

- Kaiser deploys product & process development and disciplined process control to create superior product performance branded as **Kaiser**Select®
- **Kaiser**Select® products have characteristics that create demonstrable value for customers by improving their manufacturing processes and profitability

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Fabricated products value added revenue growth

Annual value added revenue[1] ($mm)

Positioned for continued growth

- Strong aerospace and automotive demand growth
- General engineering growth tied to U.S. industrial economy
- Platform suitable for additional expansion
- Strong historic growth trend
  - 9% automotive CAGR[2] from 2005
  - 6% aerospace CAGR
  - 2% general engineering CAGR
  - (9%) other applications CAGR
  - 4% total CAGR

[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.
[2] CAGR = compound annual growth rate

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Consolidated EBITDA

EBITDA ($mm) and EBITDA margin[1,2]

Strong cyclic growth trend

Adjusted EBITDA and margin growth:

- Strong EBITDA through recession
- Strong secular demand growth
- Continued organic investment for capacity, quality and efficiency
- Highly variable cost structure
- Expanding margin despite heat treat plate price reductions

[1] EBITDA = For comparability, prior to 2010 defined as Fabricated Products Operating Income less corporate expenses before non-run-rate items plus Depreciation and Amortization. For 2010 and later, defined as Consolidated Net Income (Loss) before Interest, Other Income (Expense), Income Tax and non-run-rate items plus Depreciation and Amortization; refer to appendix

[2] EBITDA margin = EBITDA as a percent of Value Added Revenue (VAR); VAR = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

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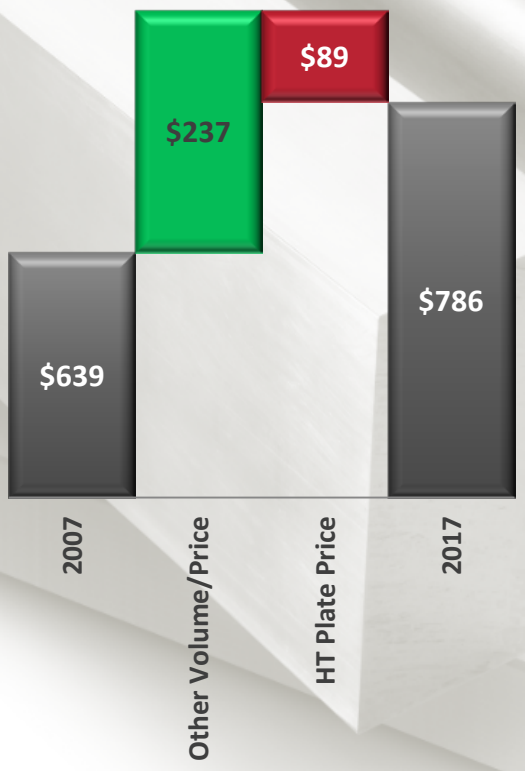
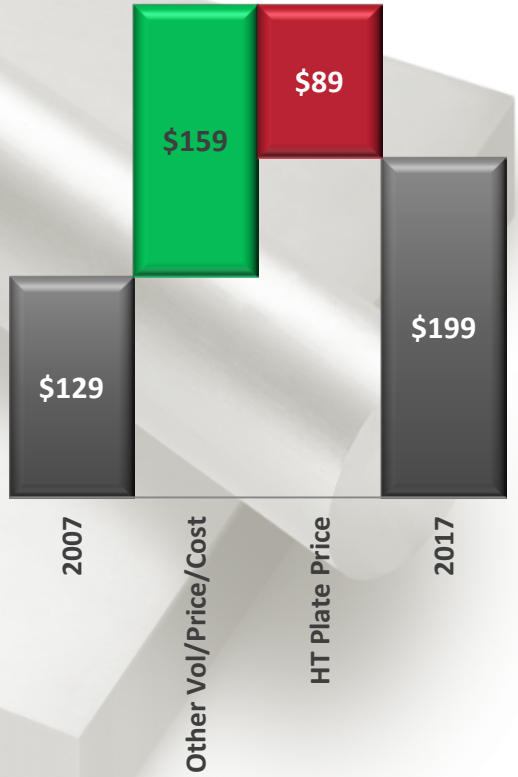
VAR, EBITDA & margin walk

Lower HT plate prices more than offset by volume, cost efficiency and other price/cost

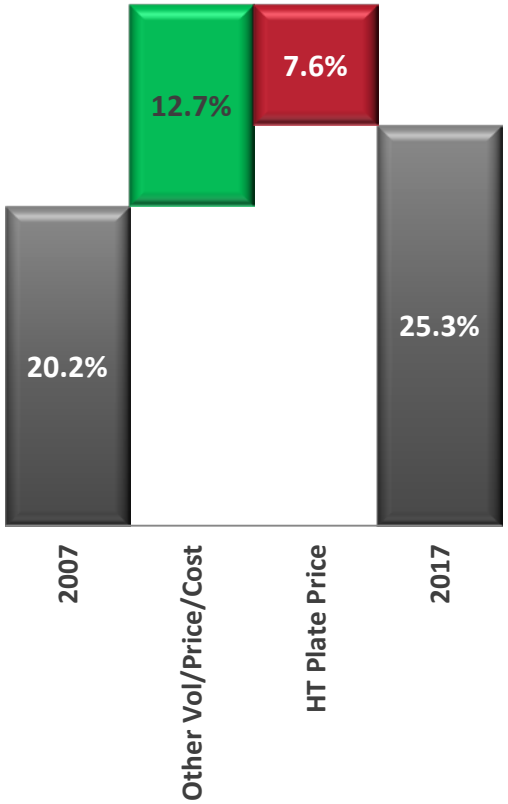
VAR[1] Walk
(in $millions)



EBITDA[2] Walk
(in $millions)



Margin[3] Walk



[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.

[2] EBITDA = For comparability, prior to 2010 defined as Fabricated Products Operating Income less corporate expenses before non-run-rate items plus Depreciation and Amortization. For 2010 and later, defined as Consolidated Net Income before Interest, Other Income (Expense), Income Tax and non-run-rate items plus Depreciation and Amortization; refer to appendix

[3] Margin = EBITDA as a percent of Value Added Revenue (VAR)

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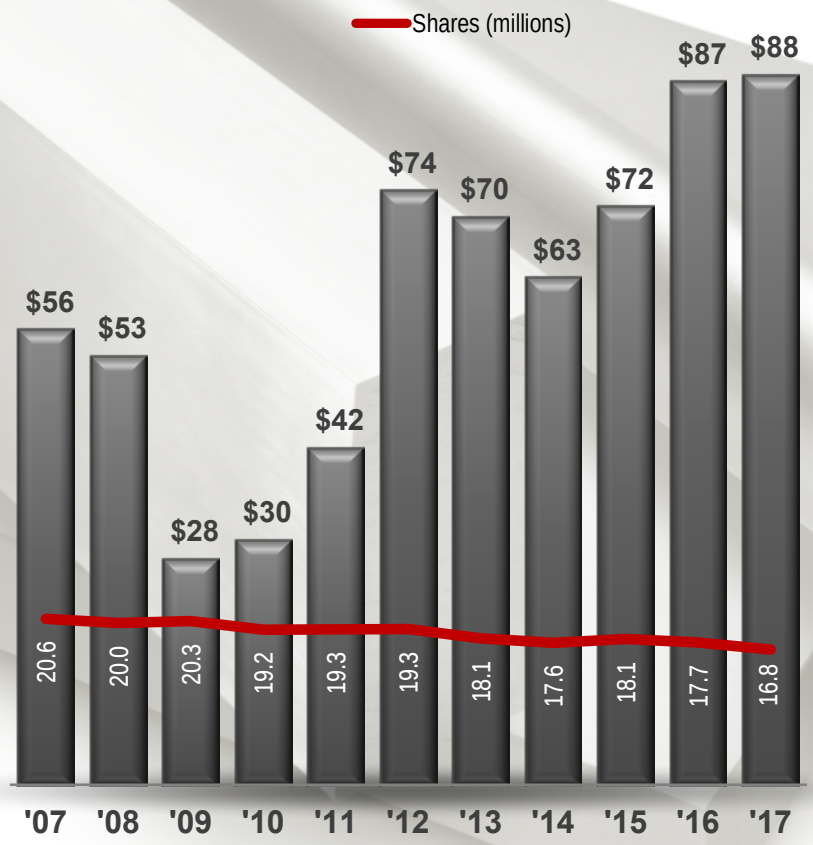
Consolidated net income and EPS

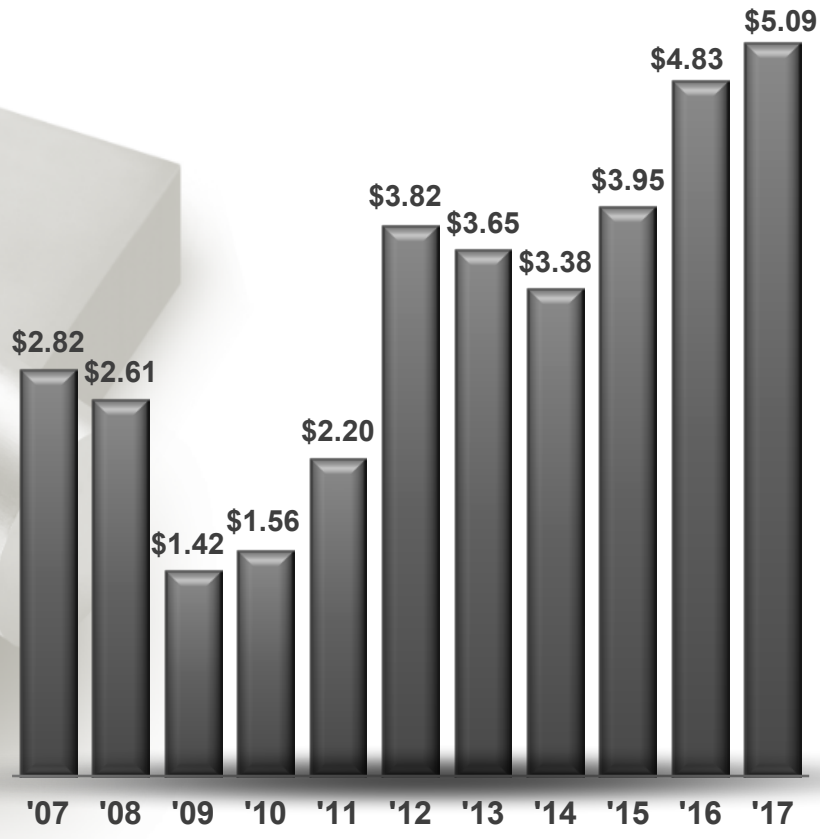
Adjusted net income[1]

(in $millions)



Adjusted EPS[2]

($ per share)



[1] Adjusted Net Income = Reported Net Income excluding non-run-rate items; refer to appendix

[2] Adjusted EPS = Reported Earnings Per diluted Share excluding non-run-rate items; refer to appendix

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Financial guidelines

Liquidity

Proactively plan and maintain strong liquidity through economic downturns and contraction of borrowing capacity to continue to pursue strategic growth

Leverage

Leverage guideline: 1.5x to 2.0x net debt to normalized forward-looking EBITDA

Opportunistic debt level: can exceed 2.0x normalized pro forma EBTIDA if there is a clear plan to achieve 2.0x net debt / normalized EBITDA within 2 years

Priorities for Cash

Invest for competitive strength and organic/inorganic growth: positive EVA; investments must pass company's strategic filter

Maintain long-term track record of quarterly dividends; increasing steadily with earnings growth

Return excess cash to shareholders through dividends and/or repurchases

Maintain financial strength and flexibility throughout the business cycle

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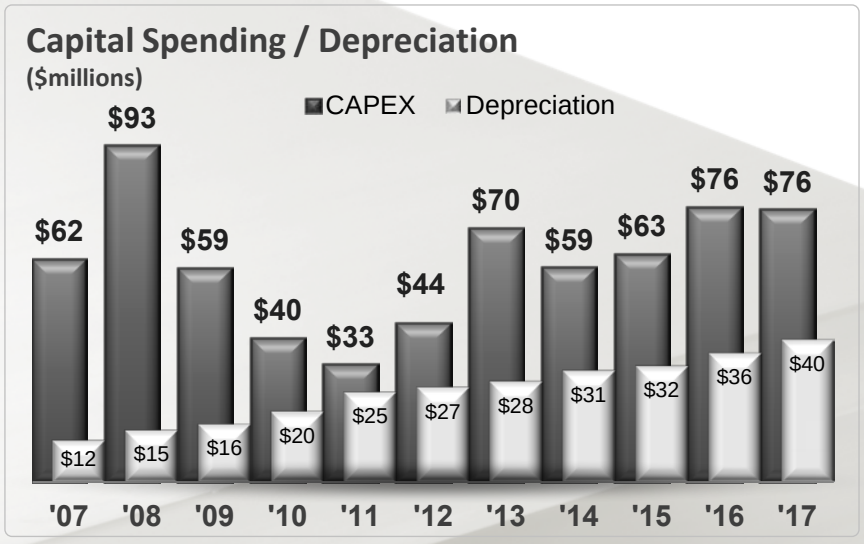
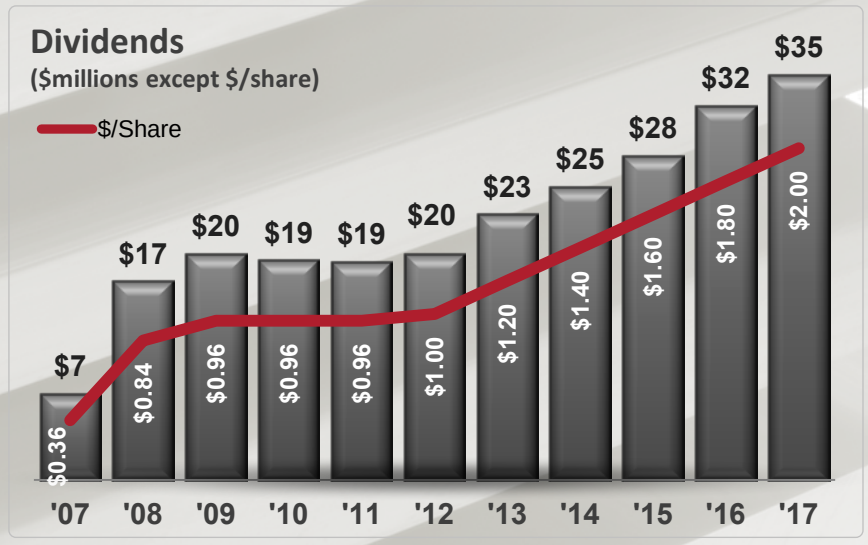
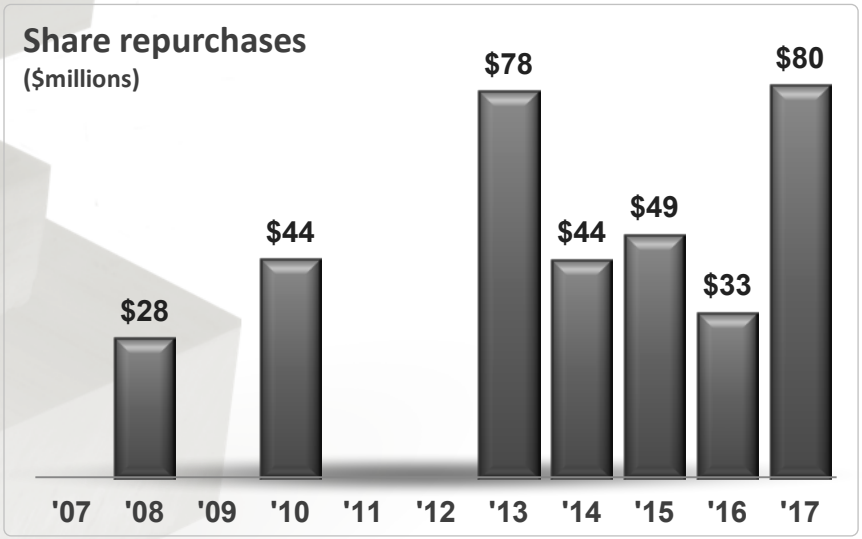
Effective, balanced capital allocation



Clear priorities for cash deployment, consistently applied

- Invested ~$675M in our business since 2007
  (2x depreciation, sustaining ~75% of depreciation)
- Distributed >$600M to shareholders since 2007
  - Dividends increased each year since 2011
  - ~5.6 million shares repurchased at an average price of $63.81





Financial flexibility and conservative capital structure

Financial data as of 12/30/17 [1]		
Cash & Short-term investments	$	235
ABL revolver ($300 million) due Dec 1, 2020		-
5.875% Senior Unsecured Notes due May 15, 2024		375
Total Debt	$	375
Net Debt	$	140
Book Equity		746
Total Capitalization	$	1,121
Total Debt / Total Capitalization		33.4%
EBITDA[2]	$	199
Total Debt / EBITDA		1.9x
Net Debt / EBITDA		0.7x

[1] Balance Sheet data in millions of dollars, except for percentages and ratios
[2] EBITDA = Twelve Months ended December 31, 2017 Consolidated Net Income before Interest, Other Income (Expense), Income Tax and non-run-rate items plus Depreciation and Amortization; refer to appendix

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Additional financial considerations

Significant tax attributes[1]

- Approximately $275 million of Net Operating Loss carry-forwards as of December 31, 2017
- Applies to US Federal pretax income
- Single-digit percentage cash tax rate (lower than book tax rate)

VEBA[2] obligations

- Annual variable contribution based on a % of pre-tax cash flow (primarily consolidated EBITDA less capex and cash interest)
- Agreement with Union VEBA to make variable contributions expired in September 2017
- Final variable cash contribution to Union VEBA to be made in 1Q18, not to exceed $12.8 million
- Contributions to Salaried VEBA are ongoing, not to exceed $2.9 million per year

[1] Refer to Kaiser's most recently filed Form 10-K for additional detail regarding tax attributes
[2] Voluntary Employee Beneficiary Association (Salaried and Union VEBAs)

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Metal price neutrality

Pricing Mechanism	How it works	Effect
Spot	Kaiser can change selling price up to the point of shipment	Metal pass-through
Index-based	Price is a contractually negotiated conversion spread that "floats" over a published index	Metal pass-through
Firm	Kaiser and customer agree to firm contained metal volume and price per pound	Requires back-to-back hedge[1]

[1] Refer to Kaiser's most recently filed Forms10-K and 10Q for additional detail on hedging transactions and reported non-cash mark-to-market gains or losses resulting from changes in underlying metal prices

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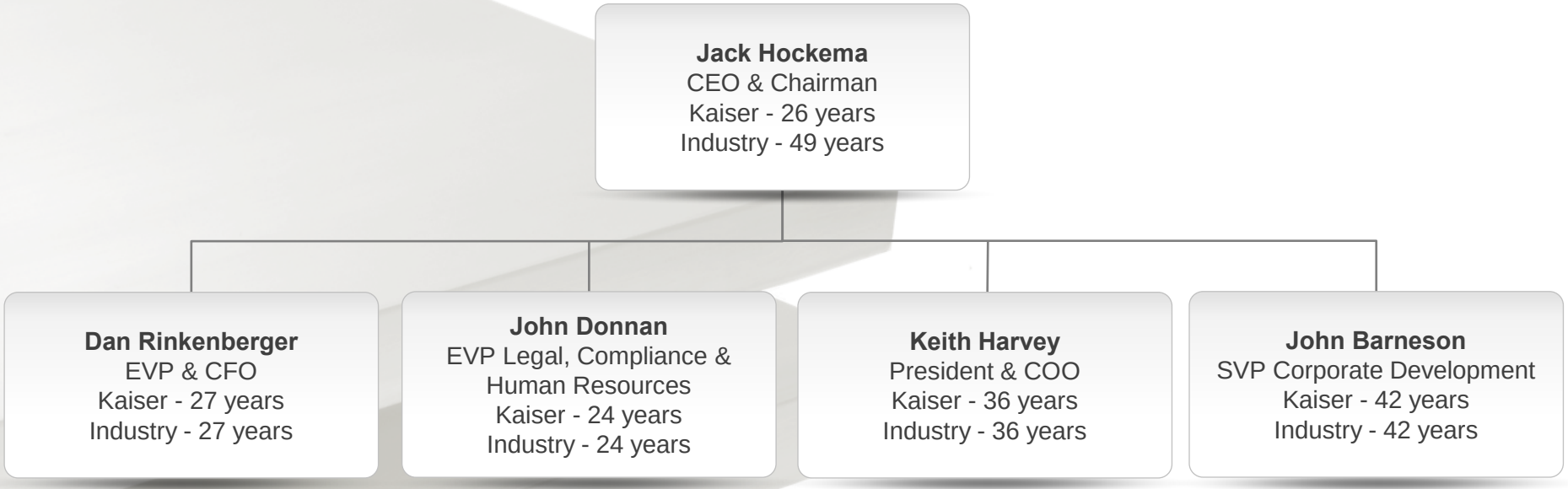
Experienced management team



Senior management team has been together more than 20 years; supported by a deep, strong organization

First 10 years: restructured and repositioned the company and business model

Past 10 years: achieved steady, long-term growth facilitated by the strong business model

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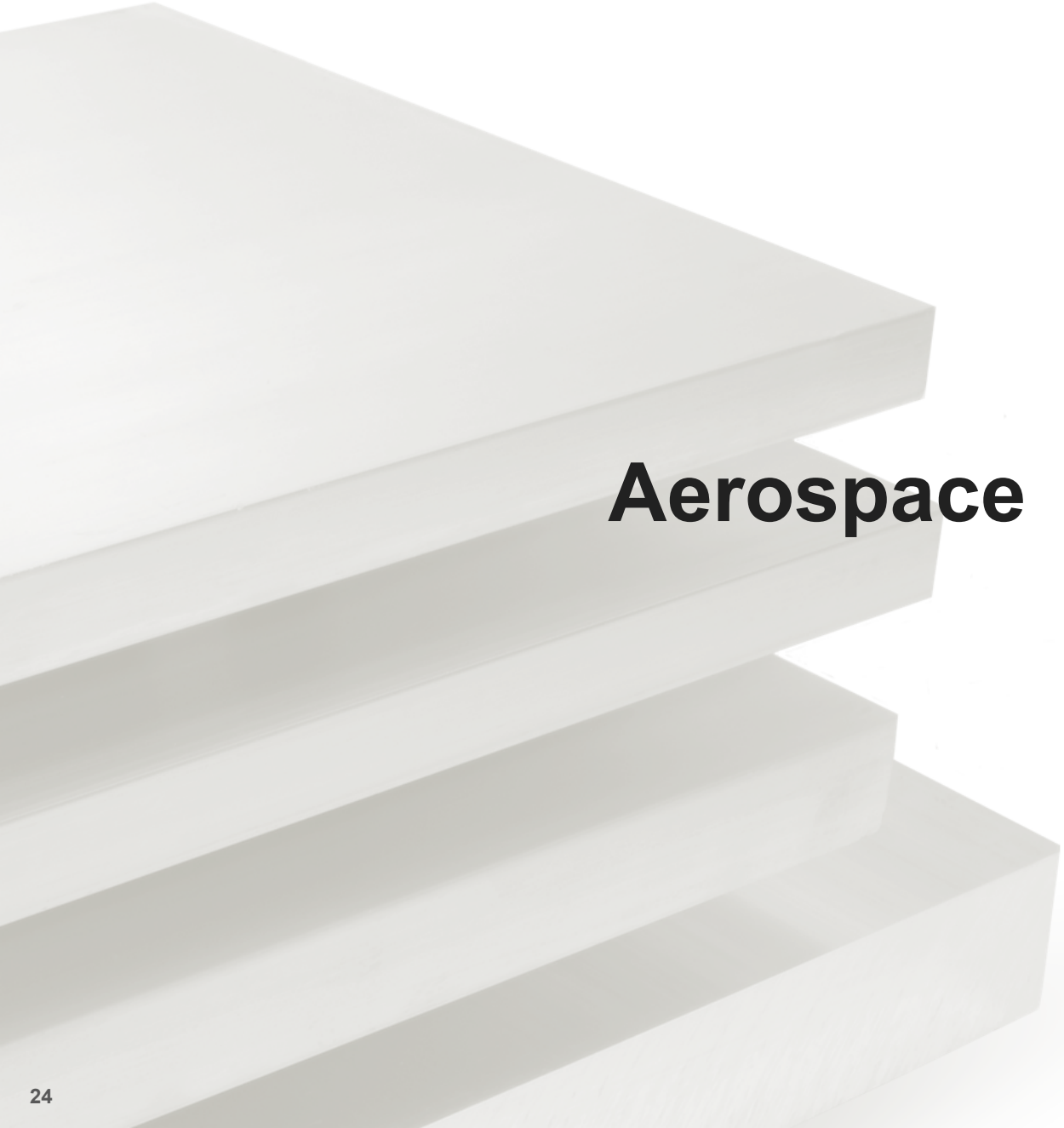

Aerospace

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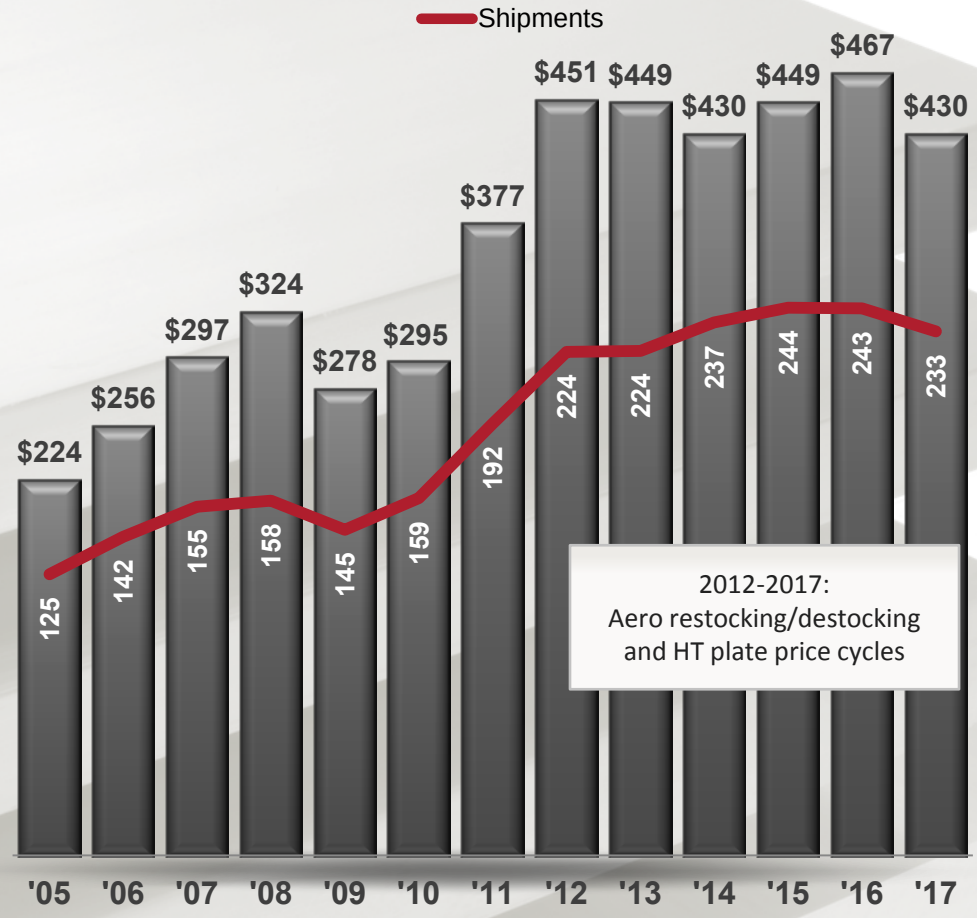
Kaiser aerospace / high strength

Annual value added revenue[1] ($mm)



Positioned for growth

- 6% CAGR[2] from 2005
- Strong market presence, broad product offering
- Trentwood investments
  - More than doubled HT plate capacity
  - Expanded capabilities for thick plate
  - Improved quality
  - Enhanced cost efficiency
  - $150 million multi-year investment to enhance quality/efficiency and further expand capacity

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[2] CAGR = compound annual growth rate

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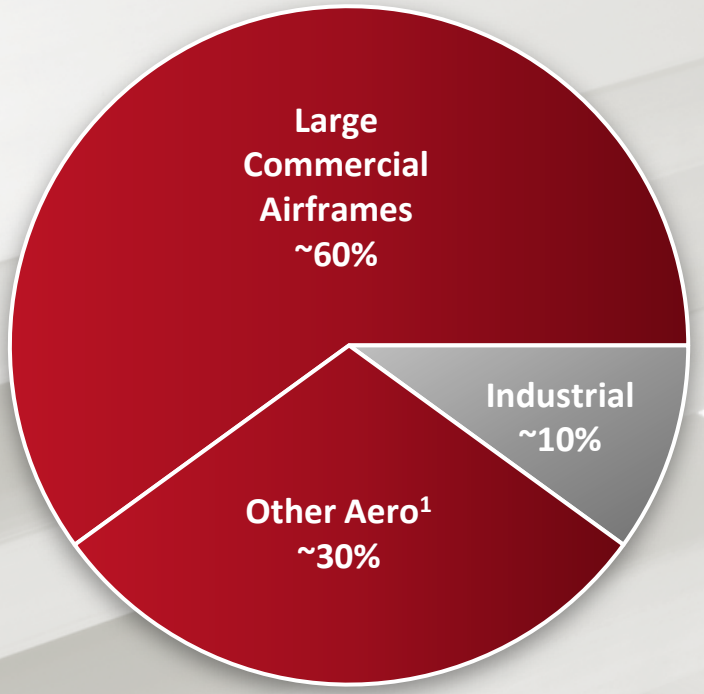
Outlook – aerospace / high strength

Kaiser's Served Market Demand



Positioned for continued growth

- Large commercial aerospace: growing builds, larger airframes, monolithic design conversions
- Other aerospace: military, regional jets, business jets and other applications
- Industrial: various low growth applications
- Industry demand outlook:
  - Expect y/y demand growth in both 2018 and 2019 despite modest destocking continuing in 2018

[1] Includes regional jets, business jets, military and other aircraft

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Strong outlook for commercial aerospace demand

Commercial aerospace attributes

- Broad product offering
- High barriers to entry
- Growth drivers

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Aluminum demand drivers for commercial aerospace applications

Build rates

Aluminum content

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Airframe build rates expected to grow

Build rates

- Increasing global travel
- Need for more fuel efficient aircraft

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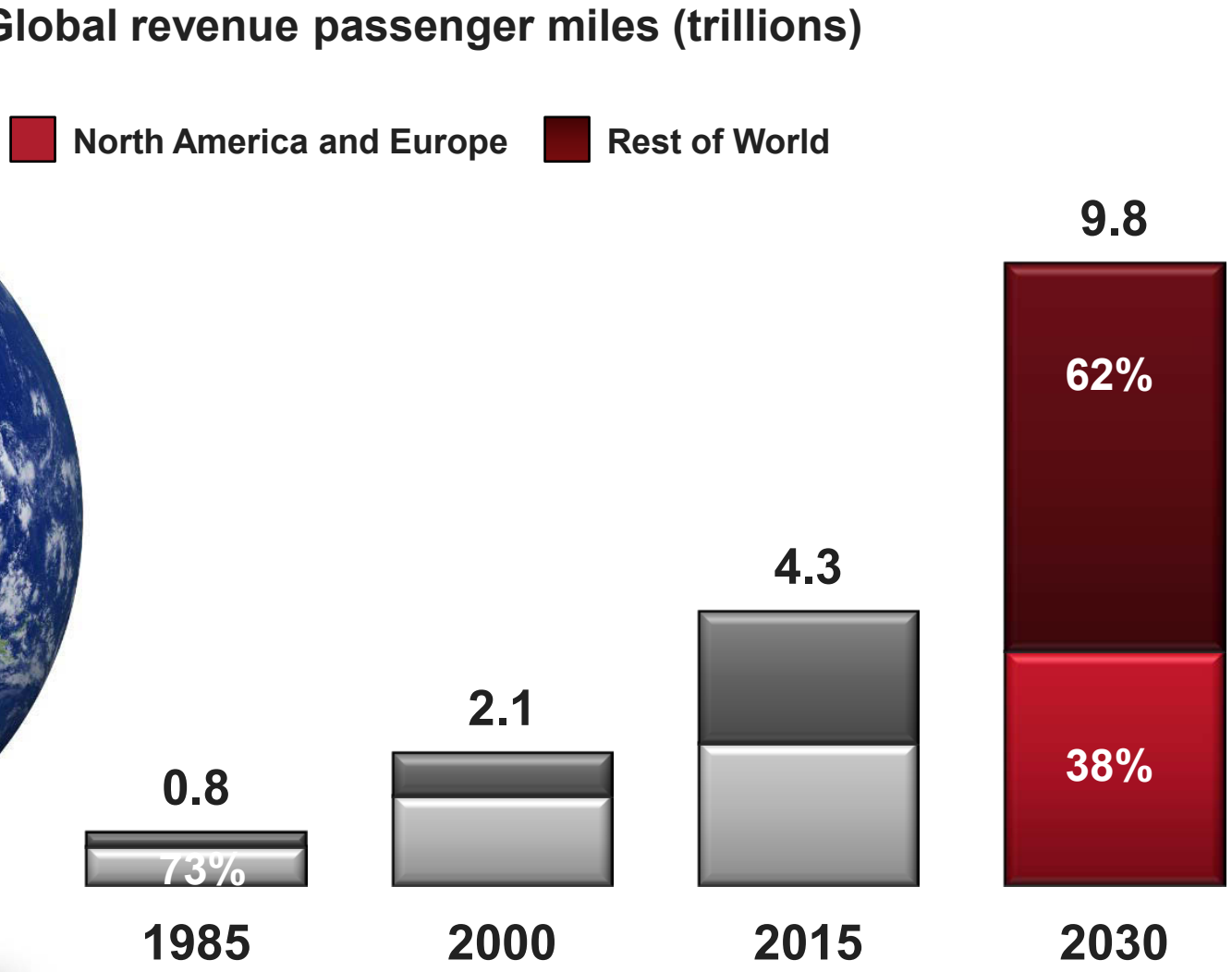
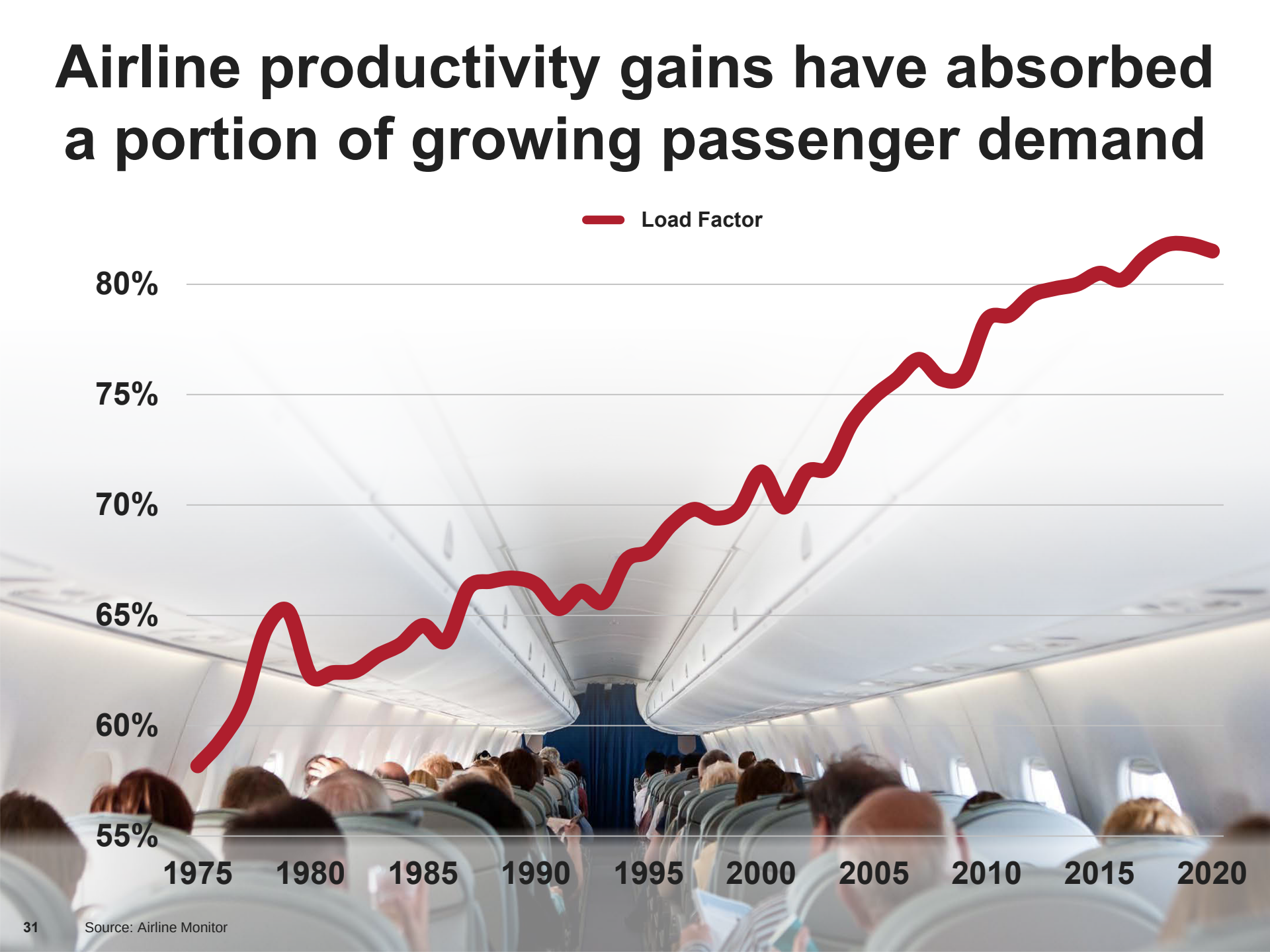
Global air travel doubles every 15 years



Source: Airline Monitor February 2018, Kaiser estimate

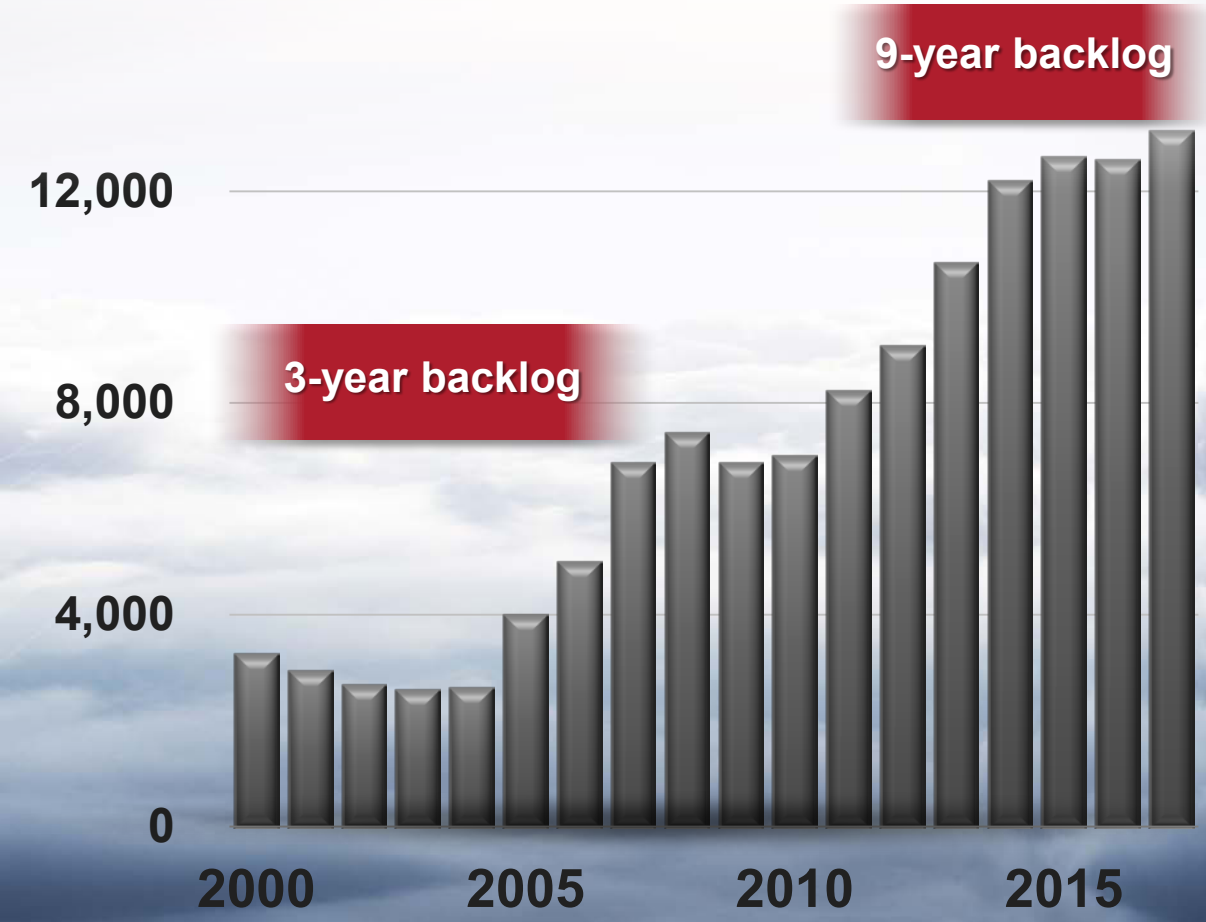
Airline productivity gains have absorbed a portion of growing passenger demand



Source: Airline Monitor

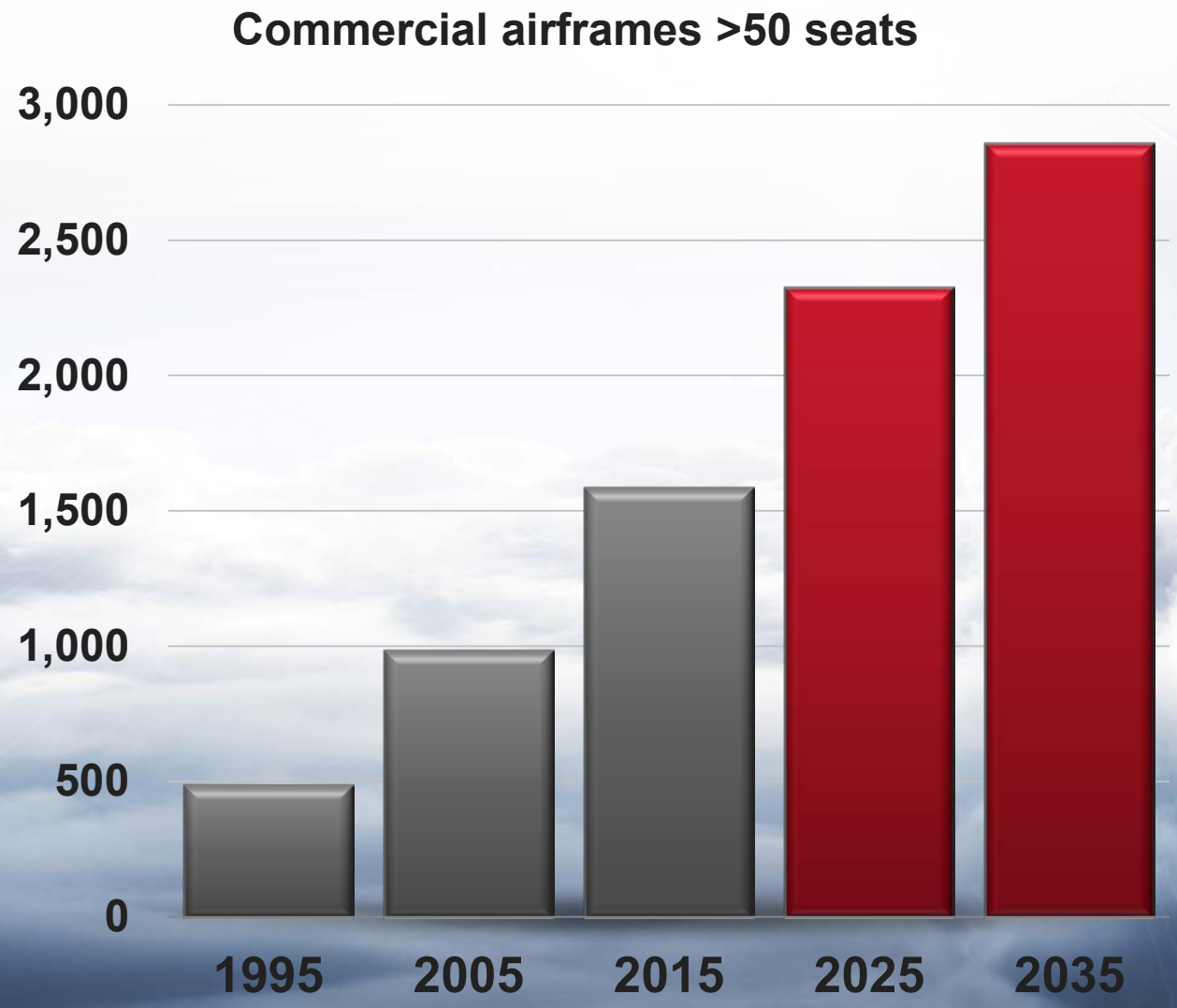
Commercial airframe order backlog has quadrupled since 2000

Boeing / Airbus order backlog



Sources: Boeing, Airbus

Build rates expected to grow at 3%-4% CAGR next 20 years



Sources: Airline Monitor, Boeing, Airbus, Kaiser

Several factors influence airframe aluminum content

- Size of airframes
- Monolithic design
- Material selection

Aluminum content

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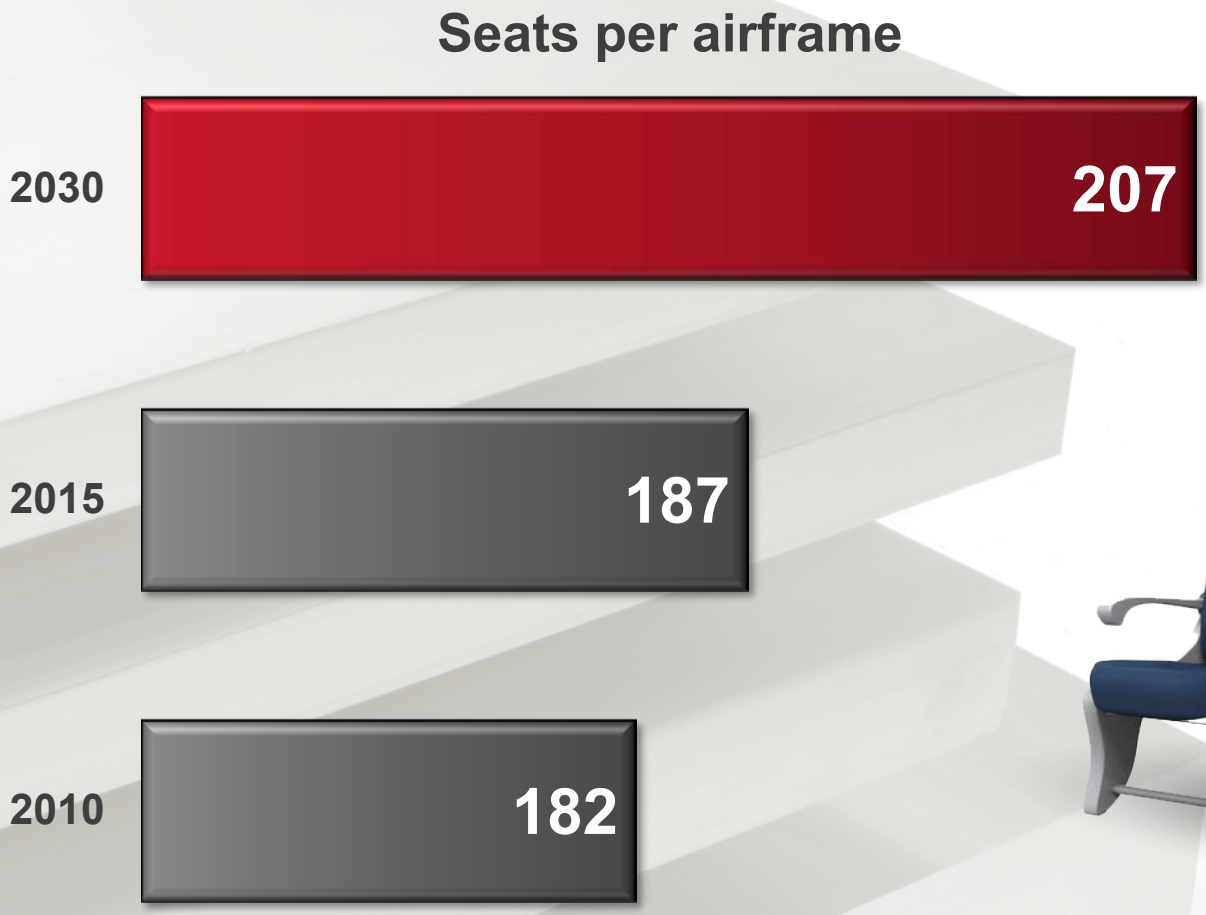
Airlines are ordering larger airframes



- Increased fuel efficiency
- Longer hauls

Source: June 2017 Airline Monitor

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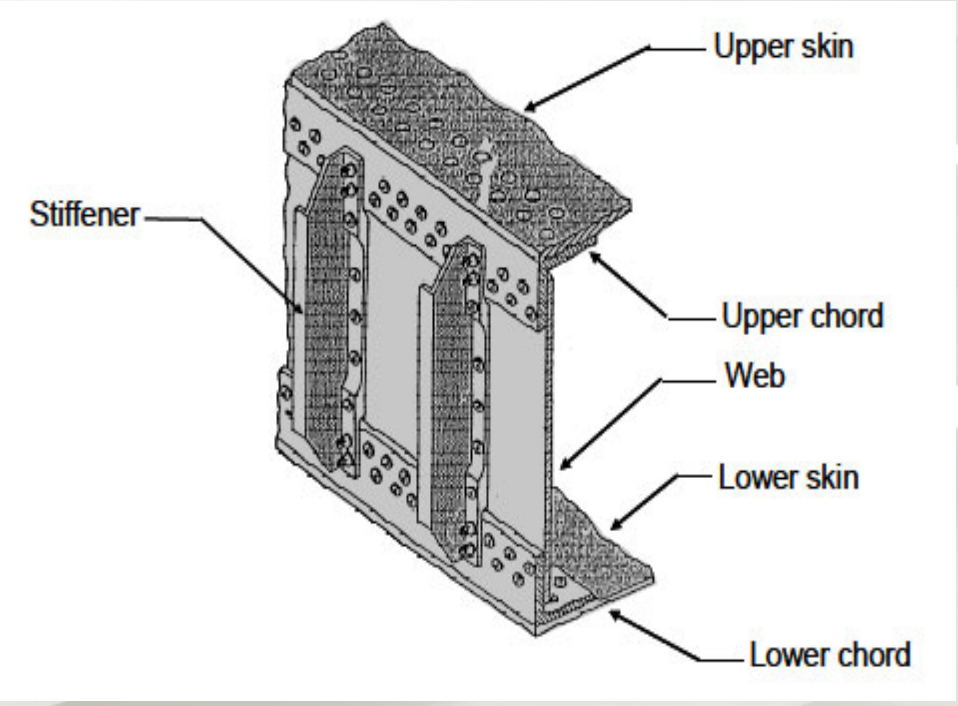
Manufacturing choices

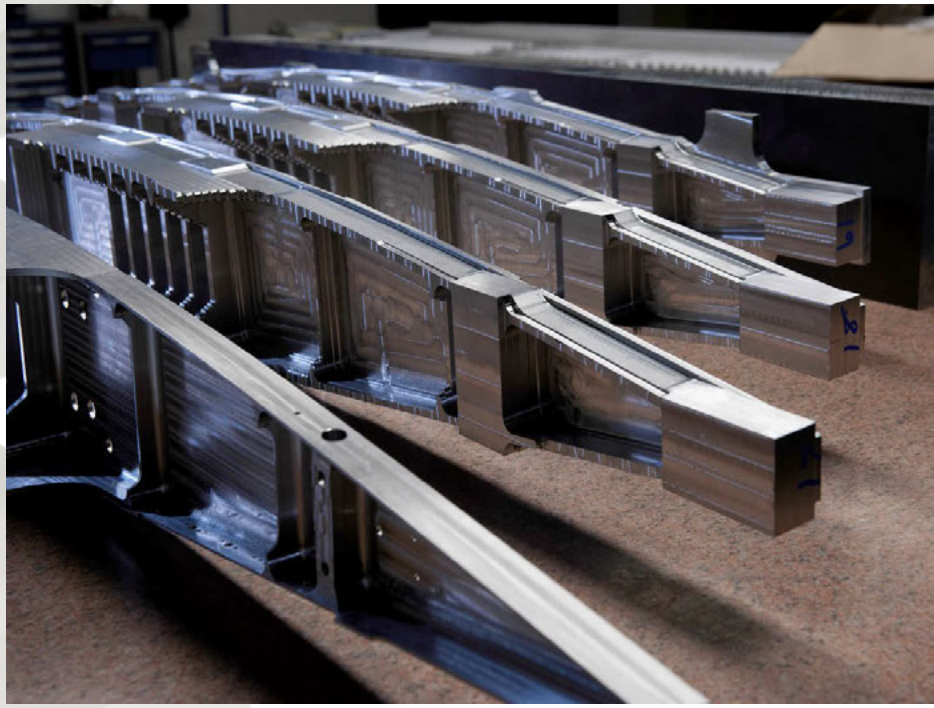
Traditional Sheet & Extrusion Build-Up

Example: Wing Spar Shear Beam



Monolithic Design

Example: Wing Rib



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Monolithic design has created a step-change increase in aluminum plate buy-to-fly ratio

Source: Kaiser estimates

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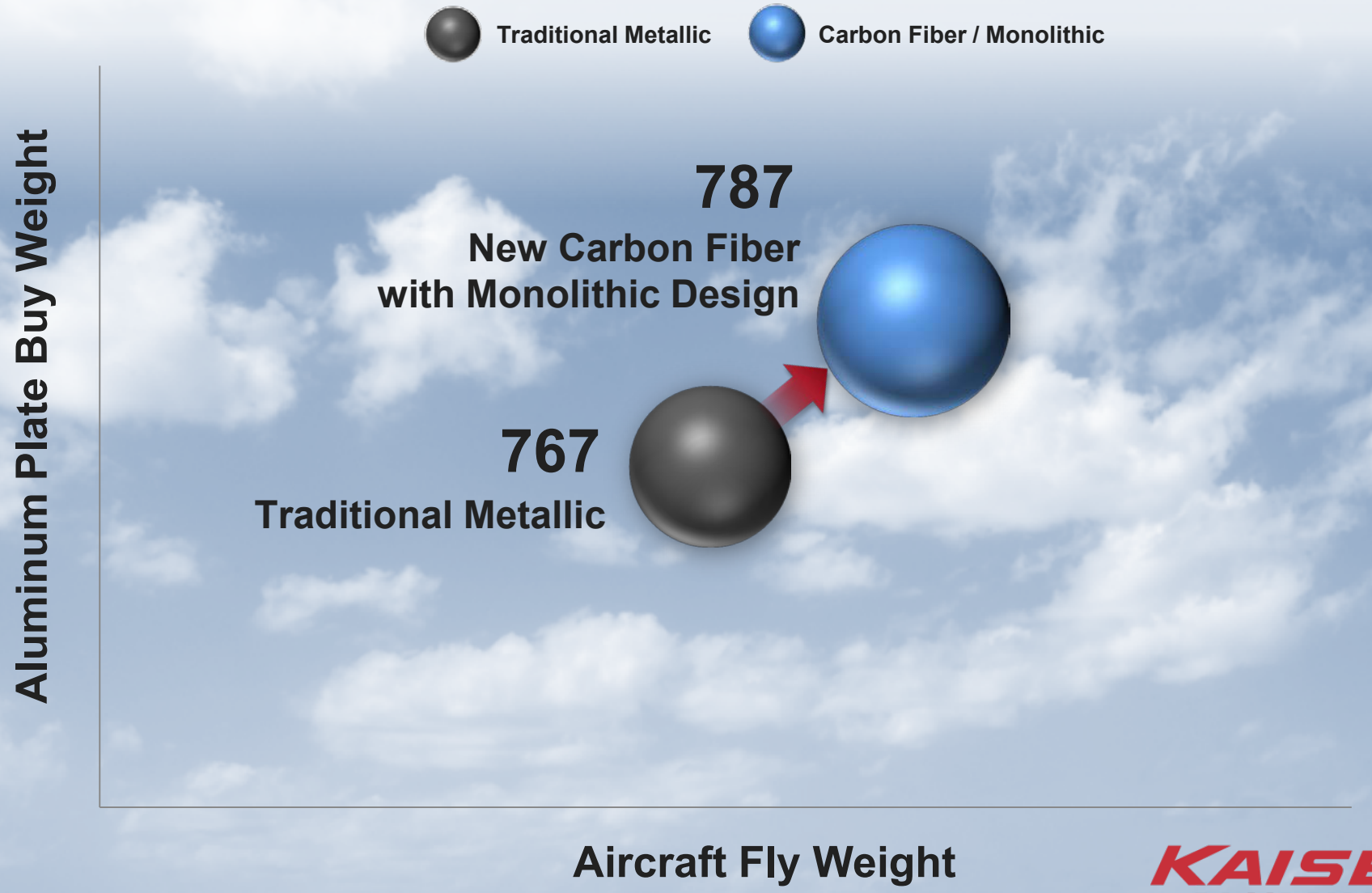
Carbon fiber airframes require substantial aluminum buy weight



Source: Kaiser estimates

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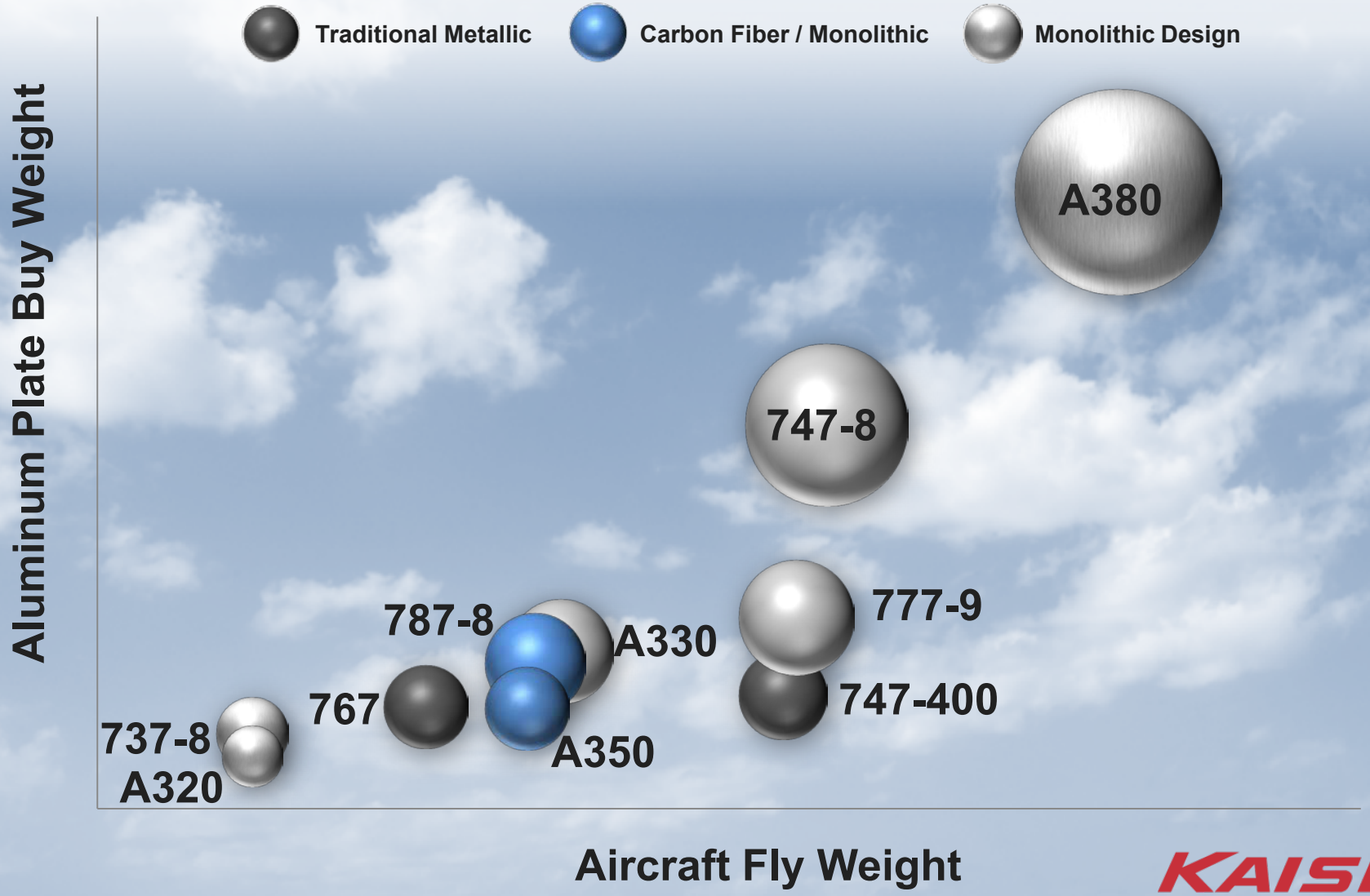
Growing aluminum plate buy weight

larger airframes and monolithic design



Source: Kaiser estimates

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Aerospace aluminum mill products expected to grow at 2.5%-3.5% CAGR for next 10 years

A380, B747 in decline

Twin aisles

- A350 & B787 ramping up
- B777 ➔ B777-X
- Boeing “mid-market”?

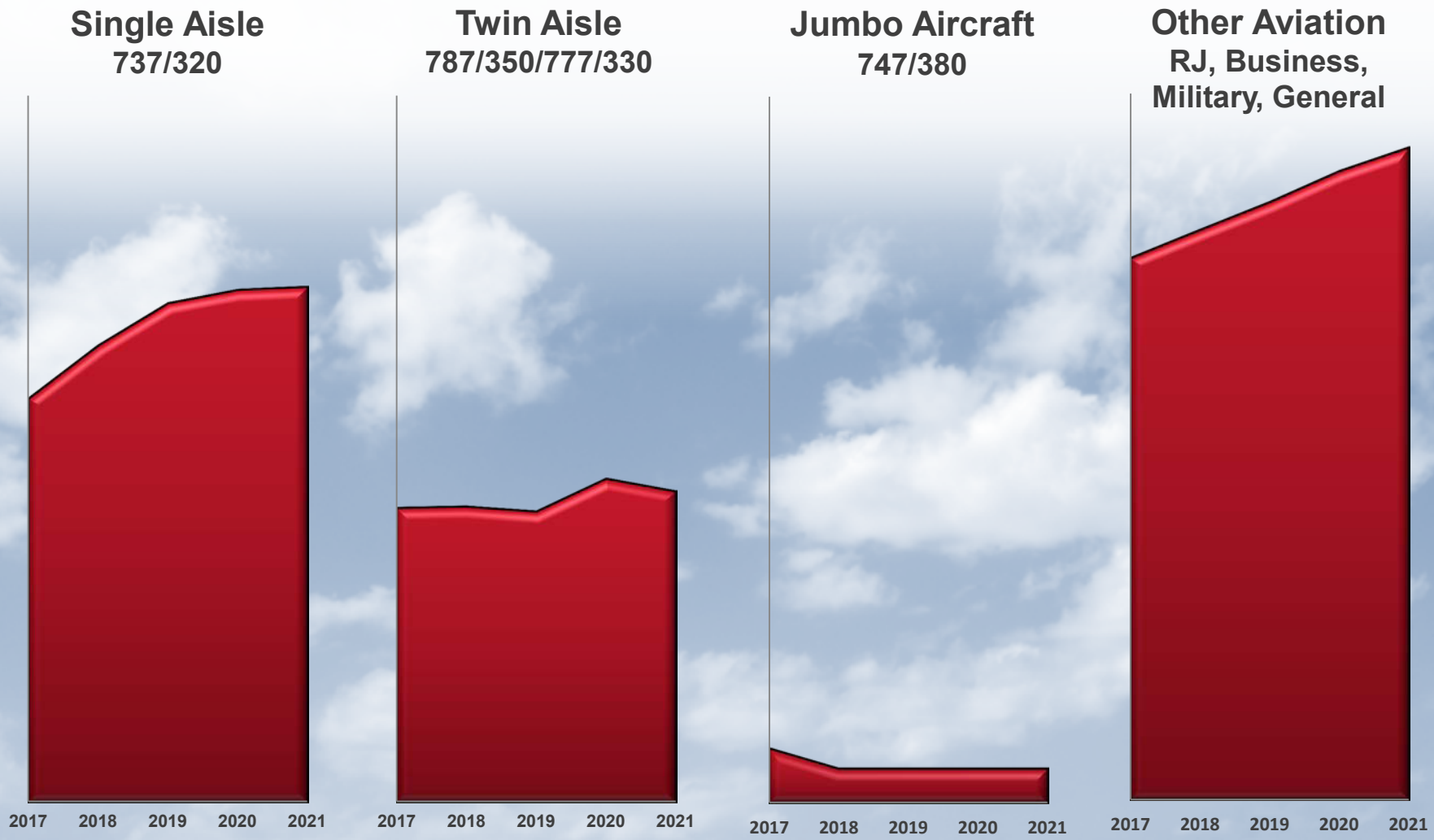
Single aisles

- B737-Max, A320-NEO
- New airframes late 2020s?

F-35 JSF ramping up

Relative aluminum plate consumption

Commercial, Business, Military & General Aviation



Sources: Kaiser estimate

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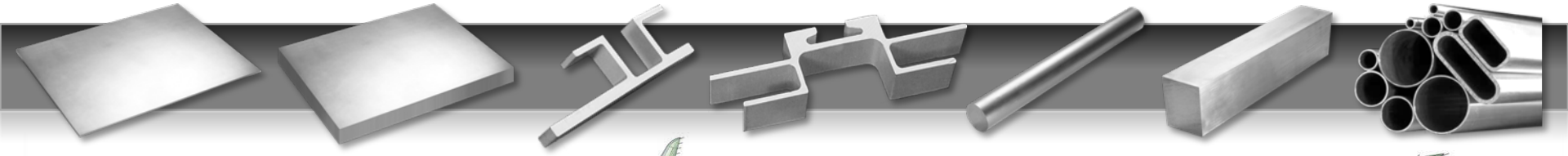
KaiserLiner aircraft applications



PLATE

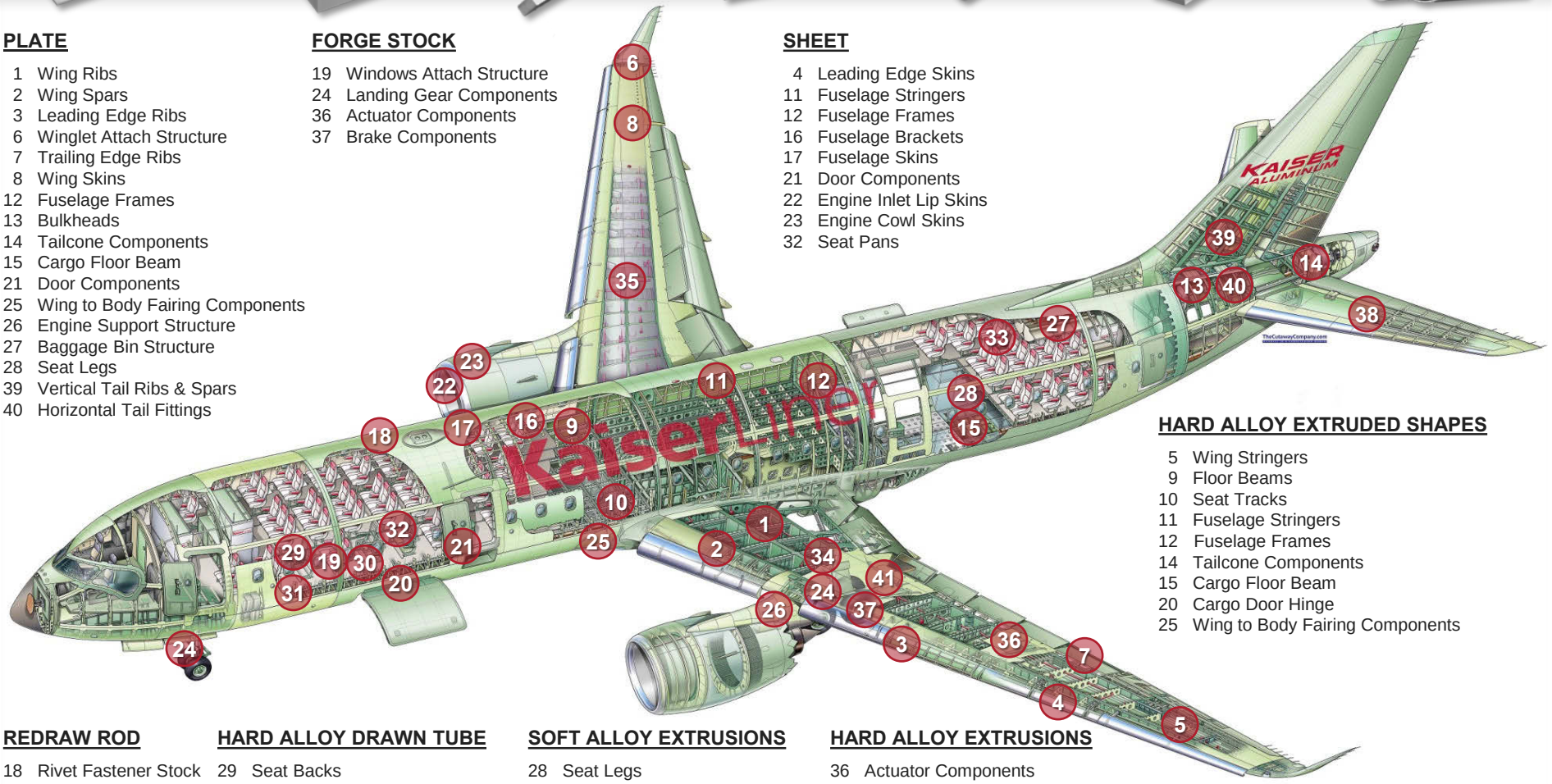
1 Wing Ribs
2 Wing Spars
3 Leading Edge Ribs
6 Winglet Attach Structure
7 Trailing Edge Ribs
8 Wing Skins
12 Fuselage Frames
13 Bulkheads
14 Tailcone Components
15 Cargo Floor Beam
21 Door Components
25 Wing to Body Fairing Components
26 Engine Support Structure
27 Baggage Bin Structure
28 Seat Legs
39 Vertical Tail Ribs & Spars
40 Horizontal Tail Fittings

FORGE STOCK

19 Windows Attach Structure
24 Landing Gear Components
36 Actuator Components
37 Brake Components

SHEET

4 Leading Edge Skins
11 Fuselage Stringers
12 Fuselage Frames
16 Fuselage Brackets
17 Fuselage Skins
21 Door Components
22 Engine Inlet Lip Skins
23 Engine Cowl Skins
32 Seat Pans



HARD ALLOY EXTRUDED SHAPES

5 Wing Stringers
9 Floor Beams
10 Seat Tracks
11 Fuselage Stringers
12 Fuselage Frames
14 Tailcone Components
15 Cargo Floor Beam
20 Cargo Door Hinge
25 Wing to Body Fairing Components

REDRAW ROD

18 Rivet Fastener Stock

HARD ALLOY DRAWN TUBE

29 Seat Backs
30 Seat Beams
31 Seat Baggage Bars
33 Air Ducts
34 Hydraulic Tubing
35 Fuel Lines
38 Torque Tubes

SOFT ALLOY EXTRUSIONS

28 Seat Legs

HARD ALLOY EXTRUSIONS

36 Actuator Components
41 Hydraulic Manifolds

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Automotive

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Strong outlook for automotive extrusion demand

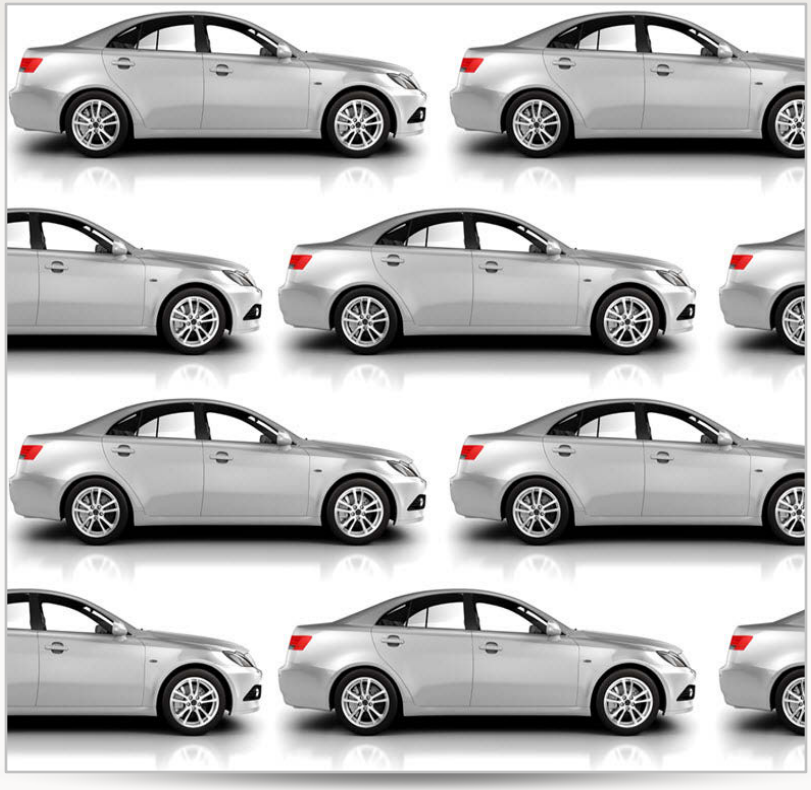
Automotive extrusion attributes

Demanding applications

Key factors for success

Growth drivers

Aluminum demand drivers for automotive applications



Build rates

Aluminum content

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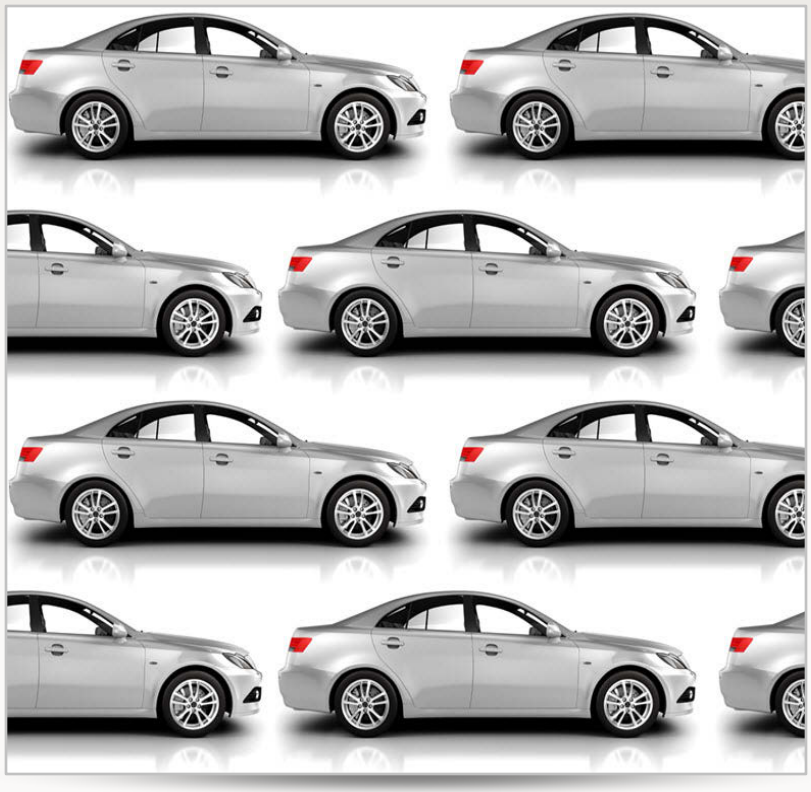
Increasing N.A. vehicle build rates



Build rates

- Vehicle production

Sales

− Imports

+ Exports

Vehicle production

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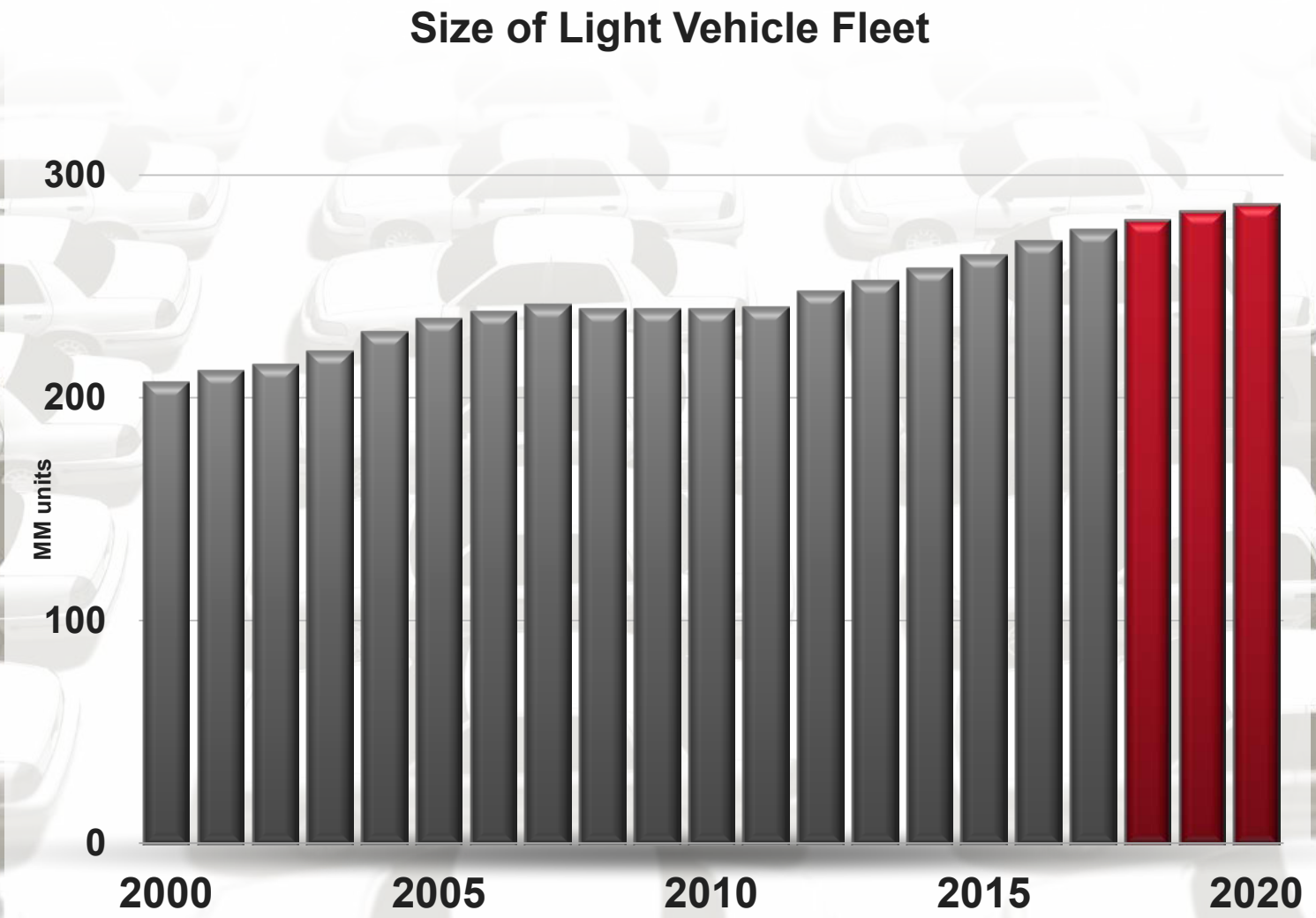
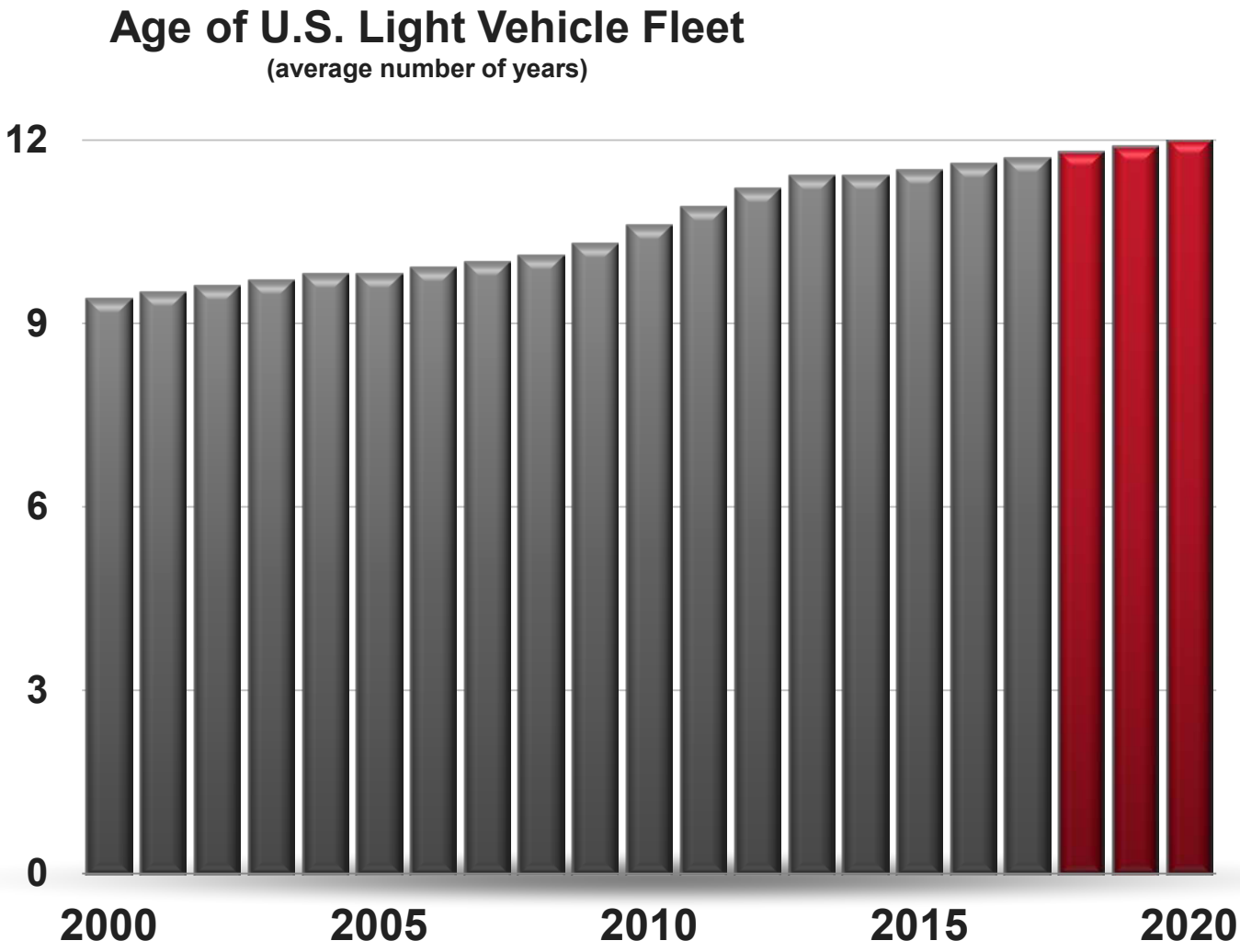
U.S. fleet is growing



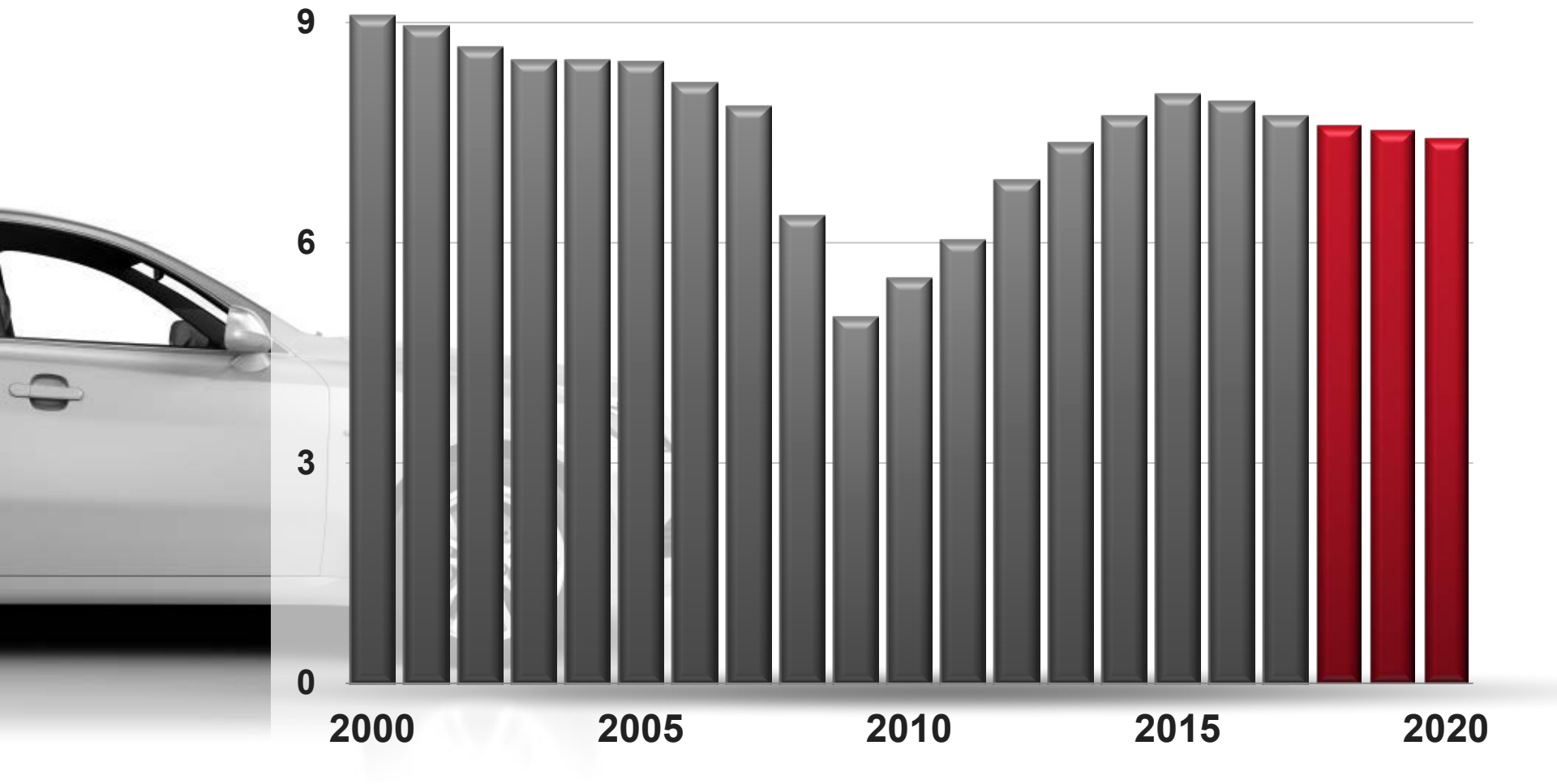
Source: IHS Global Insight

Vehicle life is increasing



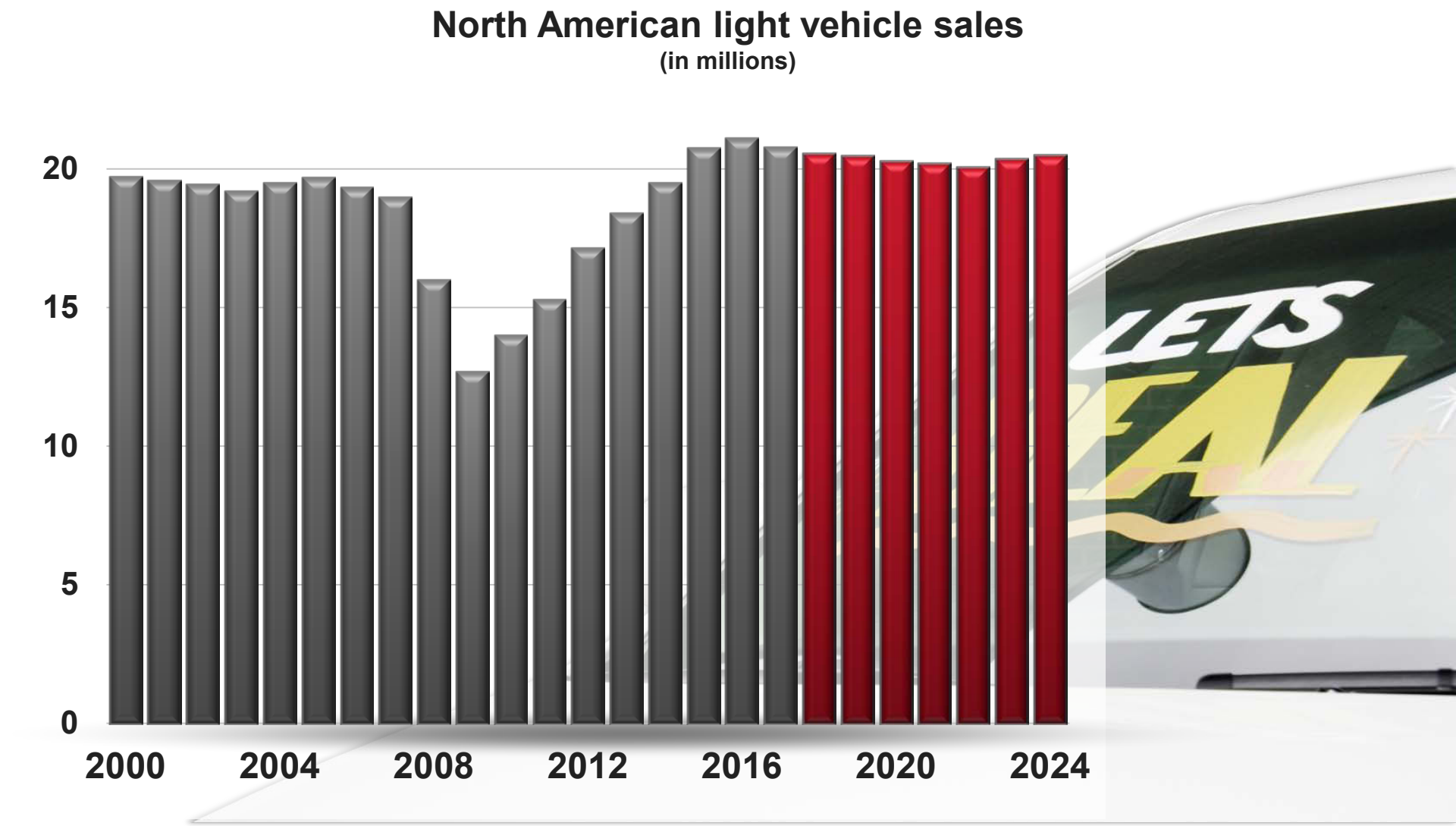
Sources: IHS Automotive, U.S. Department of Transportation, Kaiser estimate

New car sales per driver are declining



Sources: IHS Automotive, U.S. Department of Transportation, Kaiser estimate

Expect NAFTA vehicle sales 20M–21M



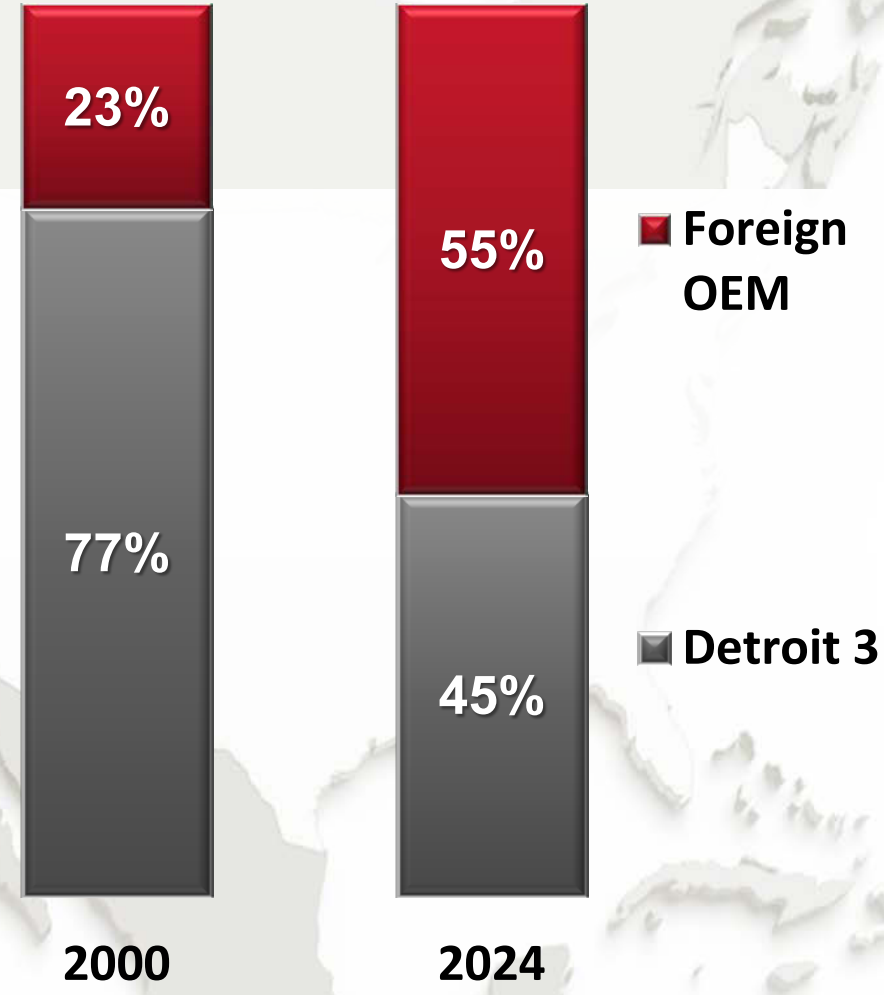
Sources: IHS Automotive

Foreign OEMs onshoring NA production

2017	2018	2019
Volkswagen	Hyundai	Toyota
Subaru	Volvo	BMW
Infiniti	Mercedes-Benz	

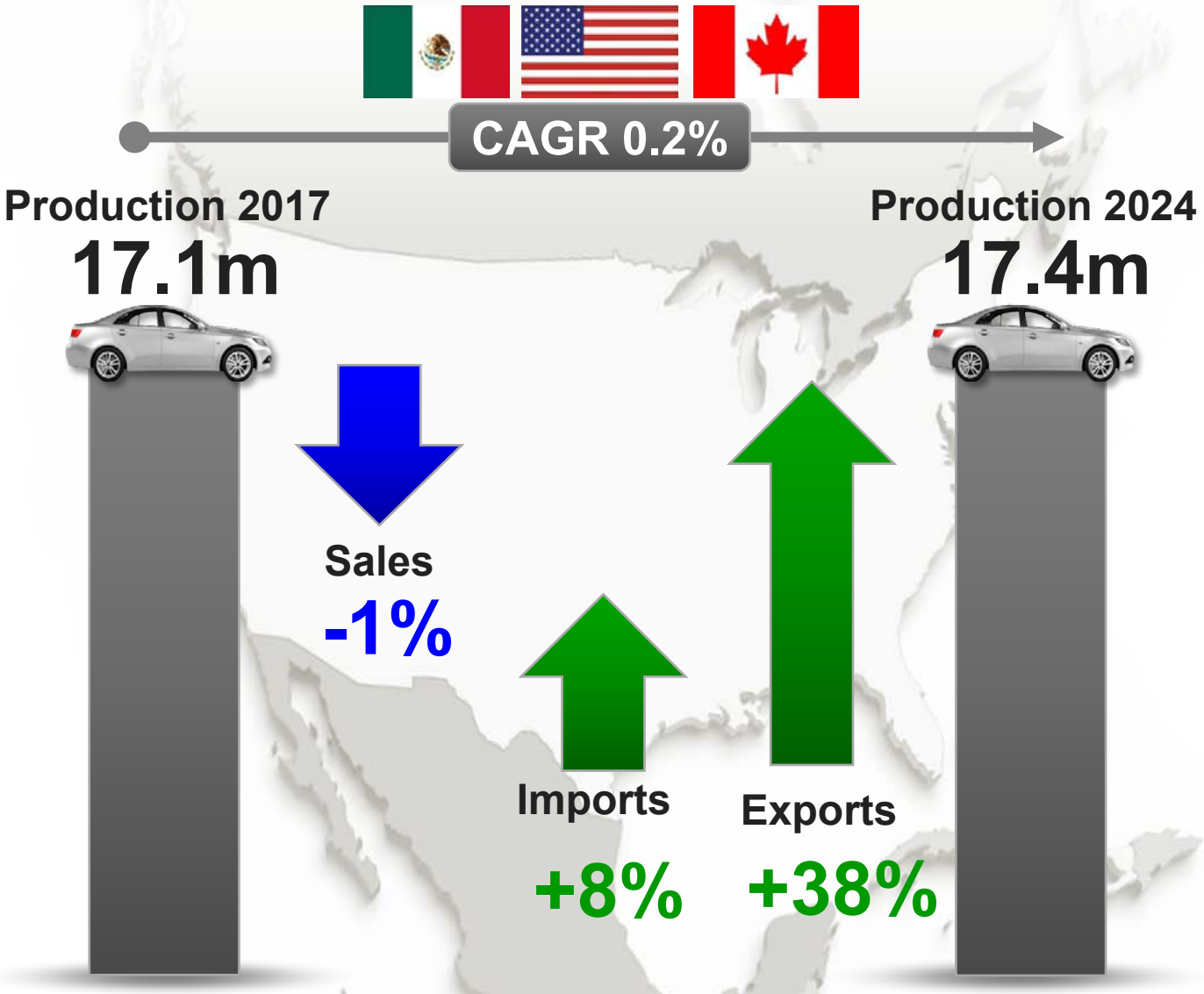
Sources: IHS Automotive, Kaiser

Increasing foreign OEM NAFTA production



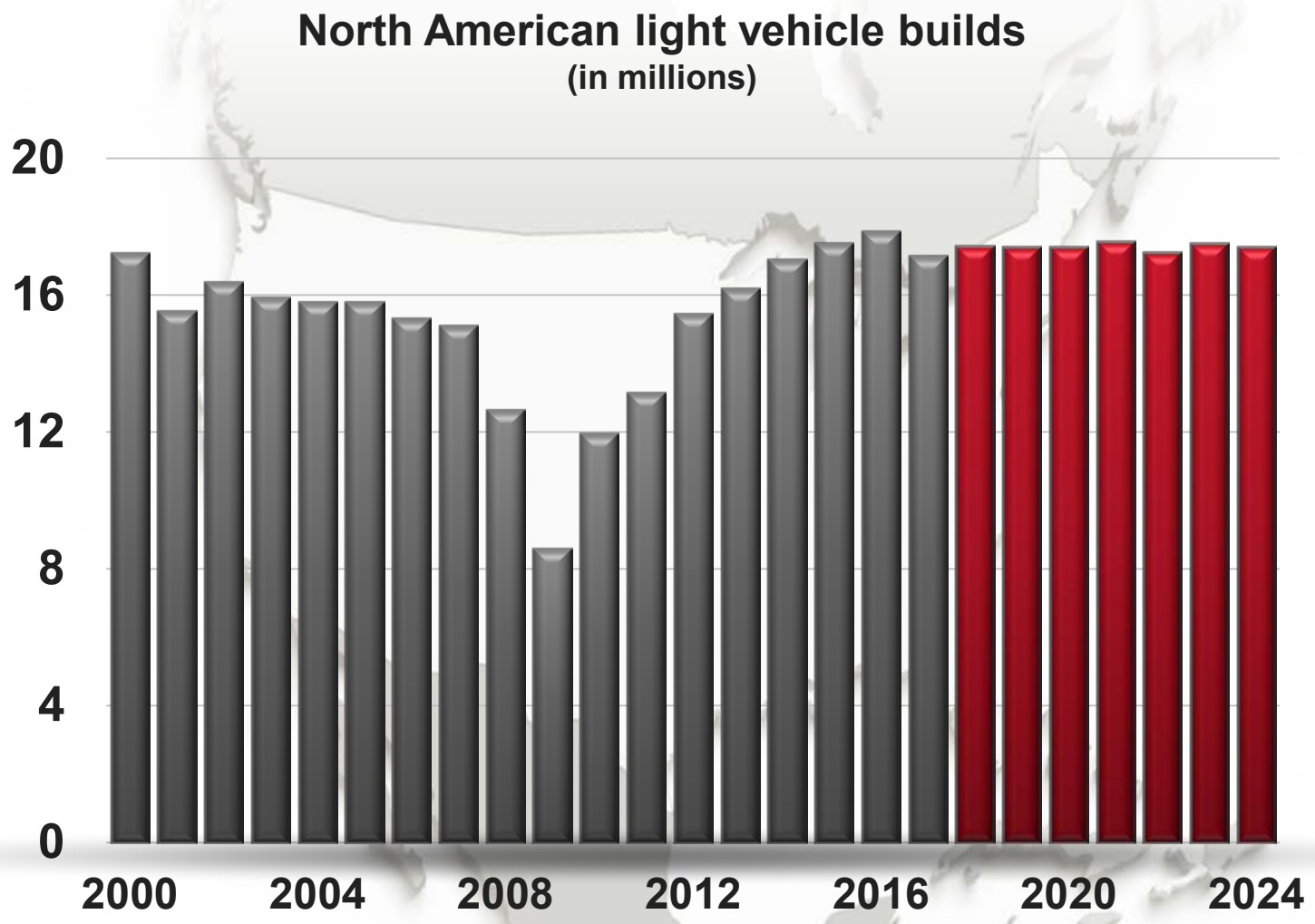
Sources: IHS Markit

Expect growing NAFTA exports/imports



Sources: IHS Markit

Expect NAFTA build rates of ~17.5M



Sources: IHS Automotive

Auto aluminum content is growing

- CAFE regulations
- Light weighting with aluminum

Aluminum content

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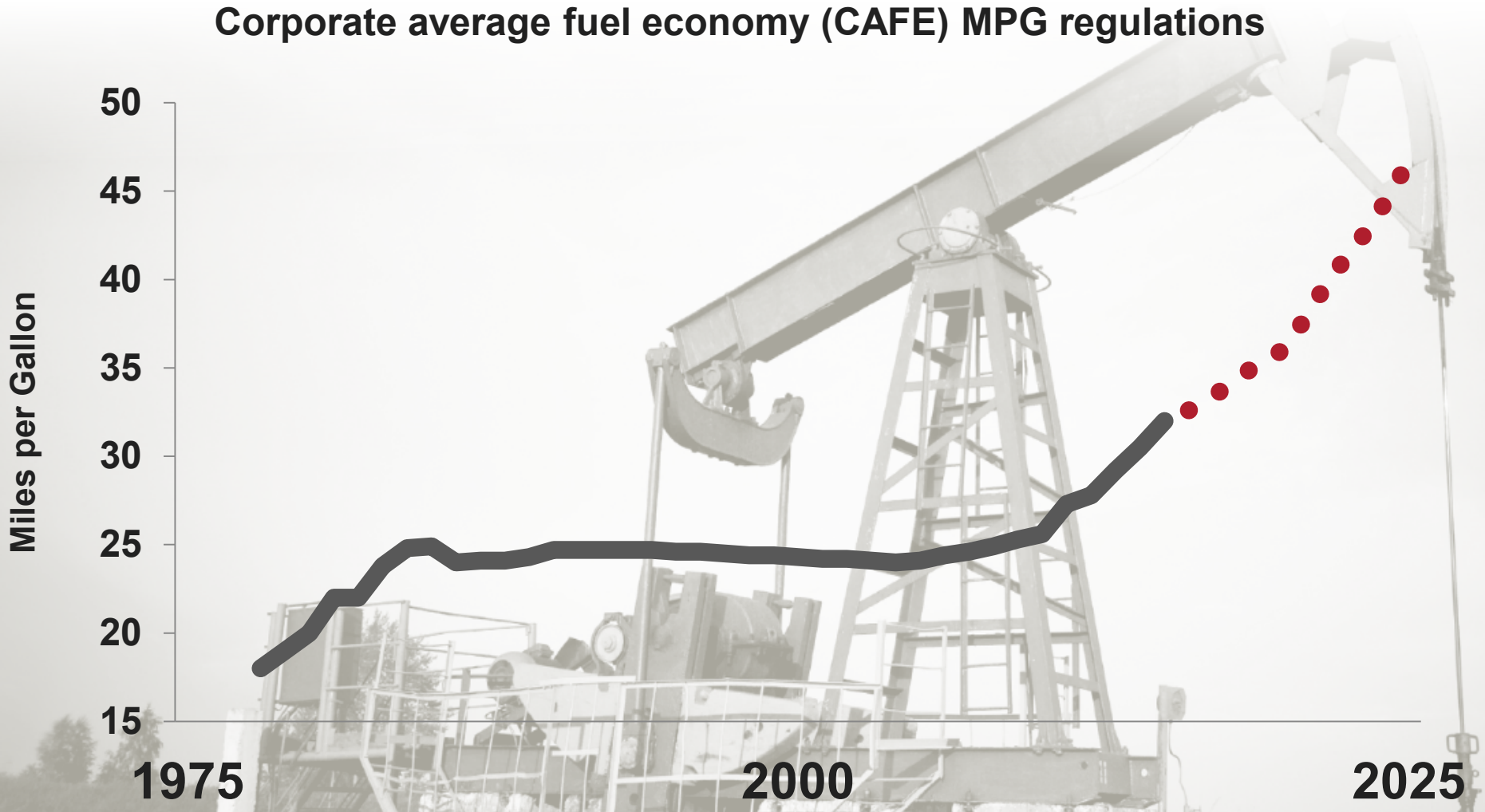
CAFE is a significant driver for improved automotive fuel economy



Source: U.S. Department of Transportation NHTSA

Initiatives to improve fuel economy

Engine Technology

Drivetrain Technology

Multi-Material Lightweighting

Aerodynamics

Electrification

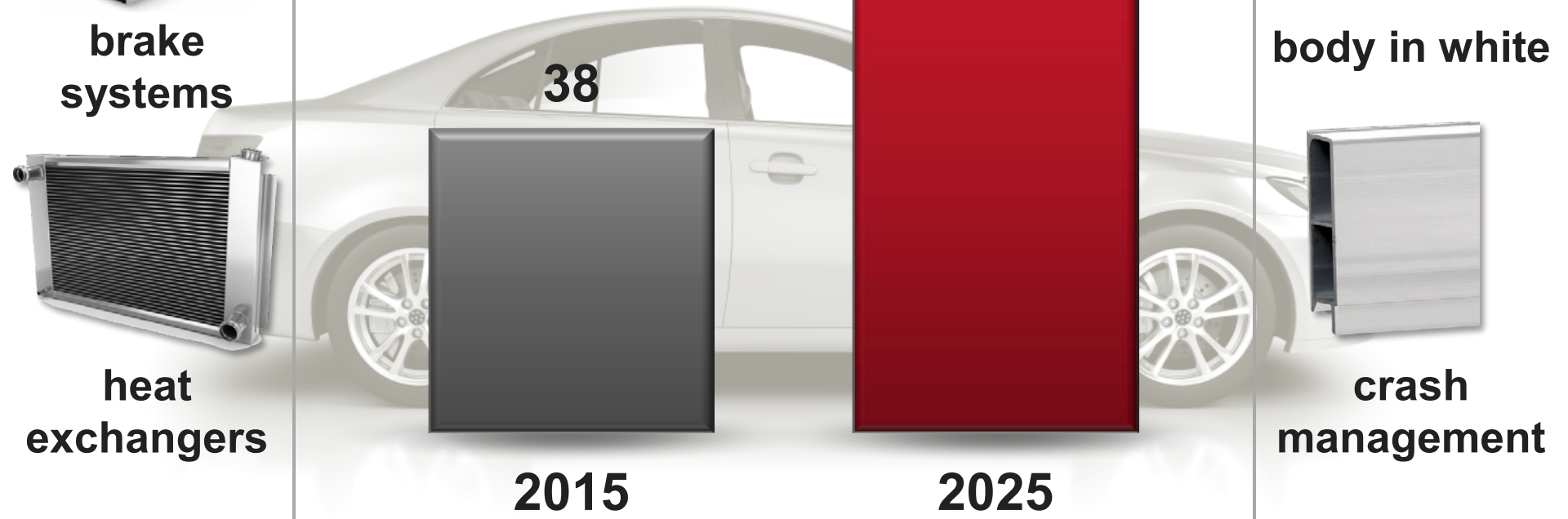
Aluminum extrusion content expected to grow at 5.5% CAGR

Historic Applications

brake systems

heat exchangers

Aluminum pounds per U.S. light vehicle



Future Applications

body in white

crash management

Sources: Ducker July 2017, Aluminum Association Transportation Group

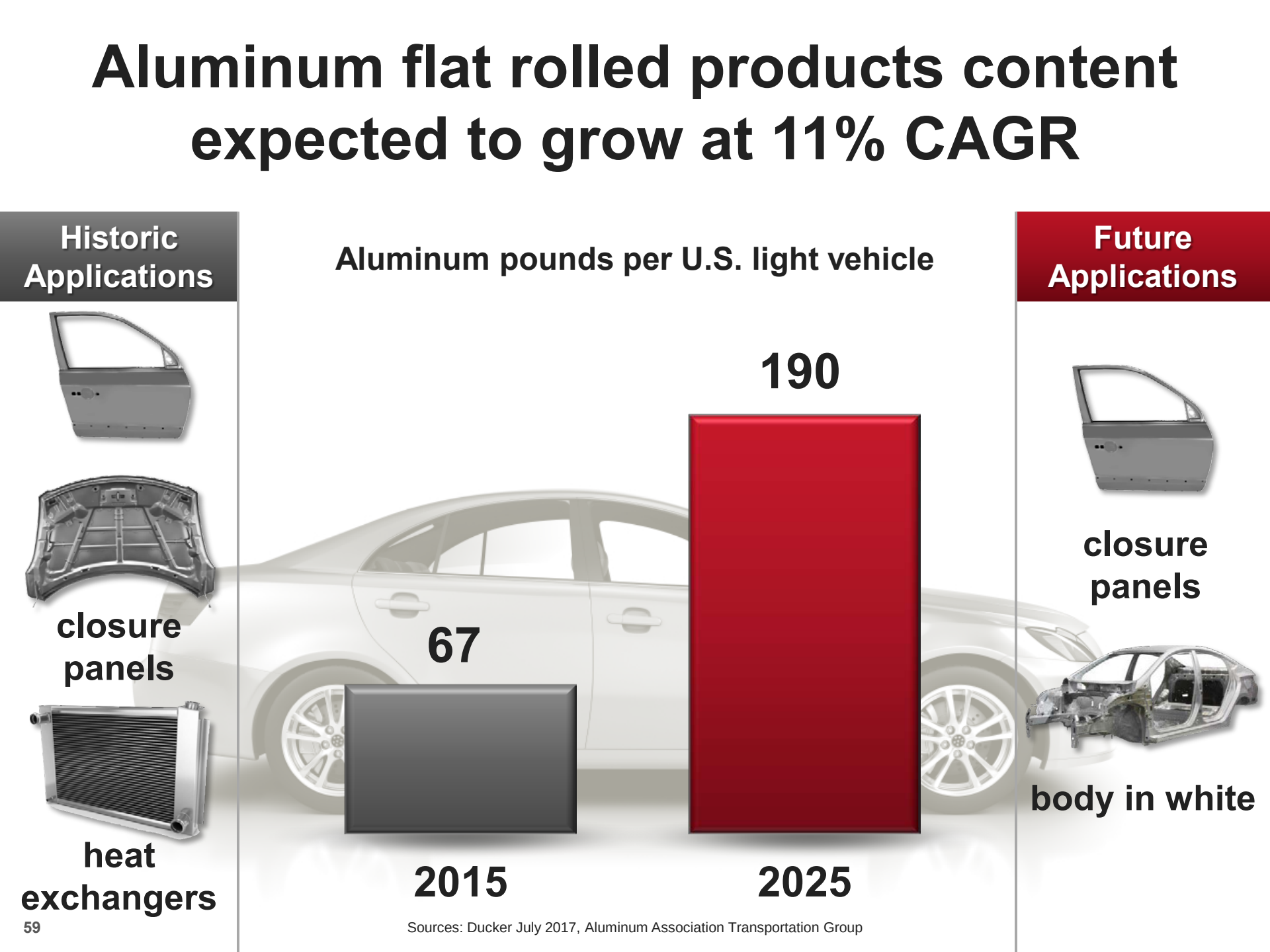
Aluminum flat rolled products content expected to grow at 11% CAGR

Historic Applications

closure panels

heat exchangers

Aluminum pounds per U.S. light vehicle



Future Applications

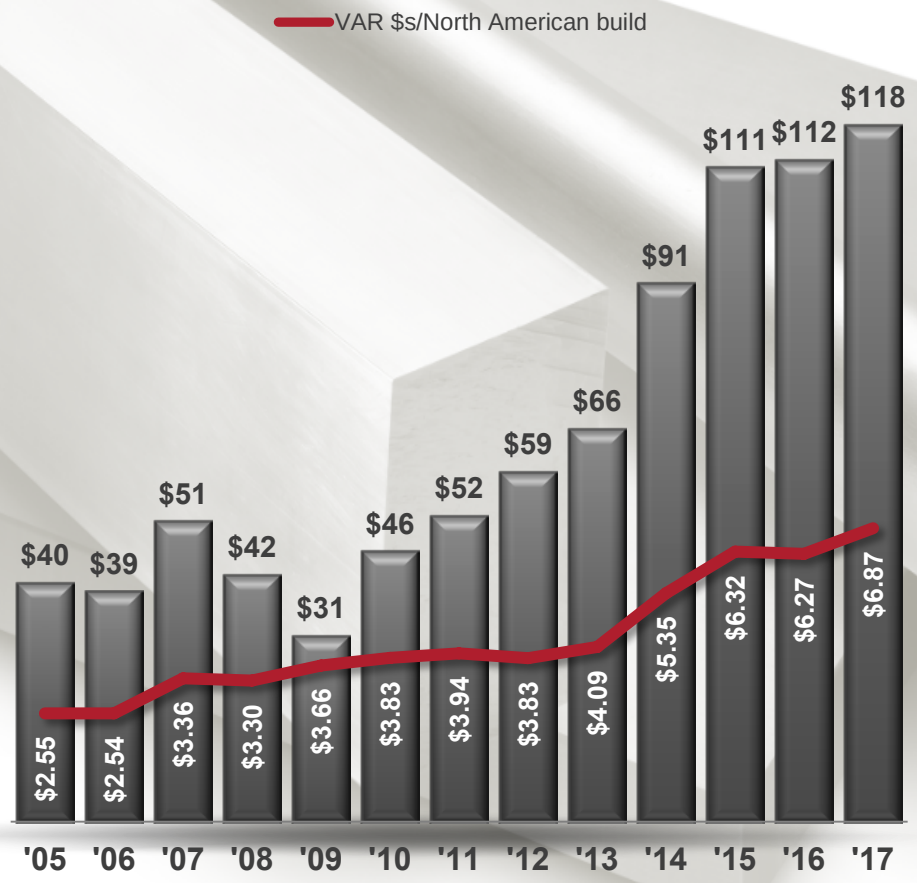
closure panels

body in white

Sources: Ducker July 2017, Aluminum Association Transportation Group

Kaiser automotive extrusions

Annual value added revenue[1] ($mm)



Positioned for continued growth

- 9% CAGR[2] from 2005
- Strong market presence, reputation for performance; market focused technical sales and engineering teams
- Growing vehicle content with increasing aluminum applications
- Platform for additional capacity expansion

[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.
[2] CAGR = compound annual growth rate

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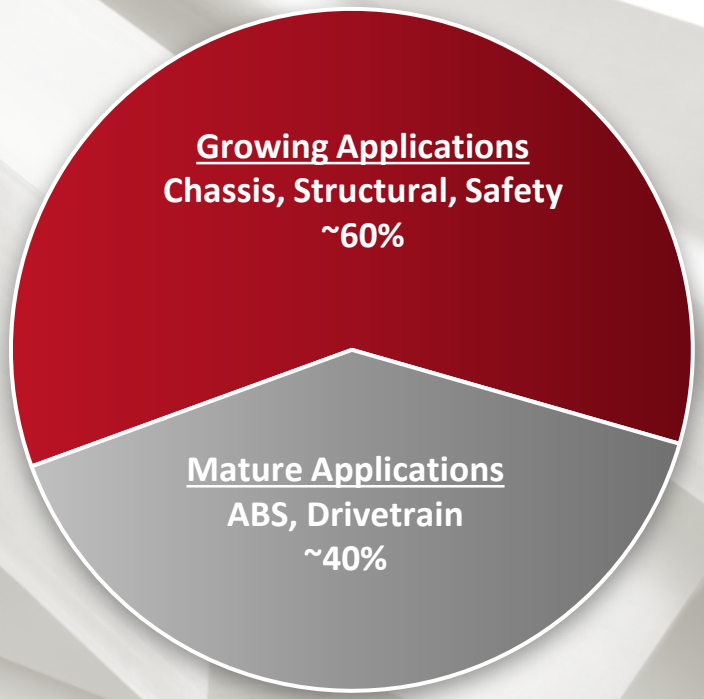
Outlook – automotive extrusions

Kaiser's Served Market Applications



Positioned for continued growth

- Kaiser content is becoming more vehicle-specific with growth in crash management systems, chassis and structural applications including BiW[1]
- Mature applications: Anti-lock brake systems, drivetrain components
- Industry demand outlook:
  - Aluminum extrusion content per vehicle increasing at 6% CAGR[2]
  - Annual N.A. build rates expected to maintain a pace of ~17.5 million vehicles

[1] BiW = Body in White
[2] CAGR = compound annual growth rate

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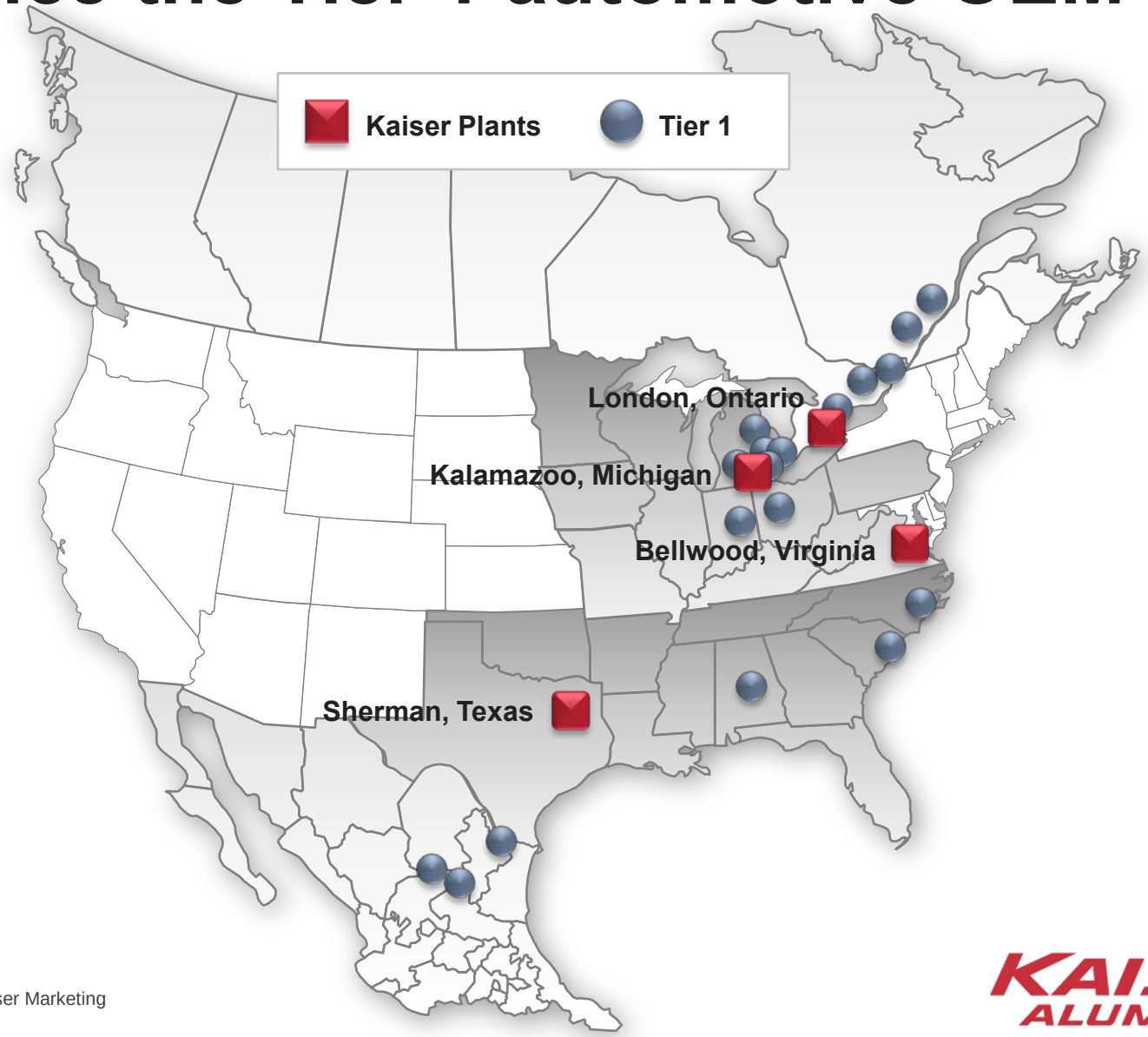
Kaiser is strategically located to service the Tier 1 automotive OEM's



Tier 1 locations source: Kaiser Marketing

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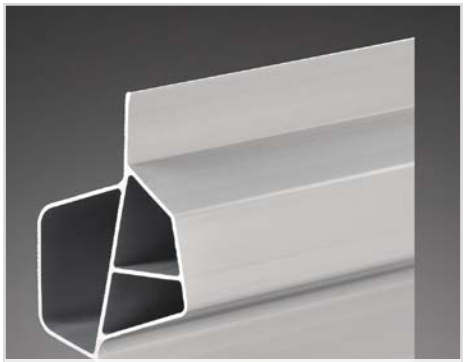
Kaiser light vehicle extrusions



Rocker (structural)

Control Arm[1] (chassis)

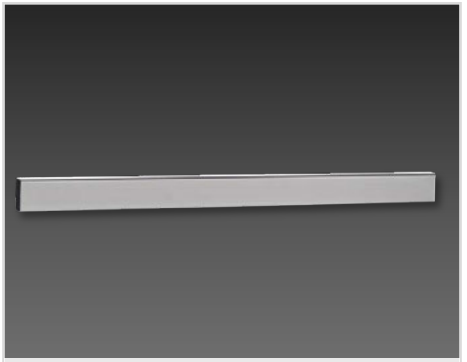
6xxx 7xxx Bumpers

ABS Valve Body

Driveshaft

Roof Header

Shotgun (structural)



Radiator Support

[1] Control arm designed and produced by Raufoss Neuman

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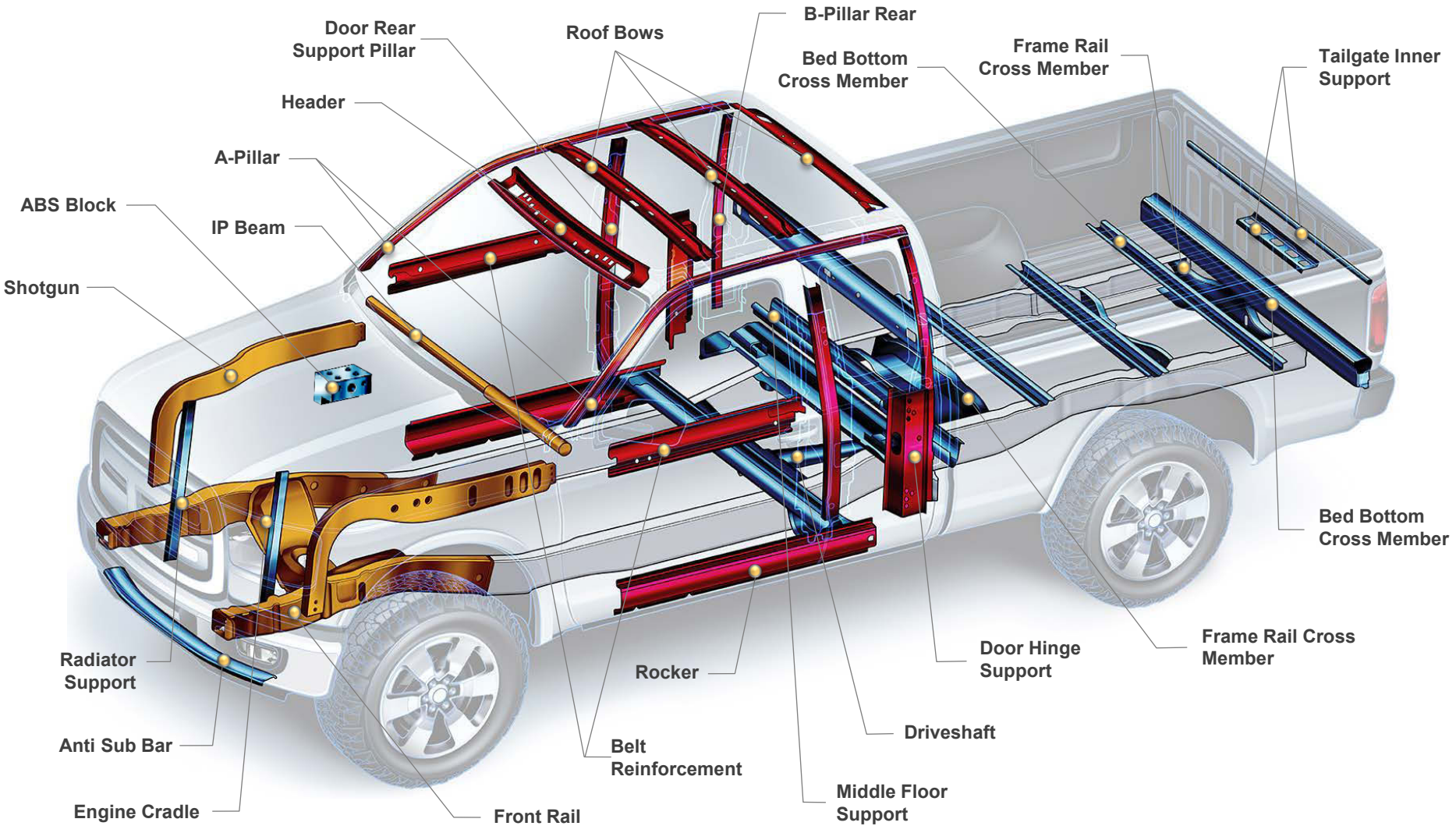
Kaiser Aluminum Light Vehicle Extrusion Applications PICKUP TRUCKS

Recommended Aluminum Grade

- High Strength, Safety Critical
- High Strength, Structural
- High Strength, Crush Quality



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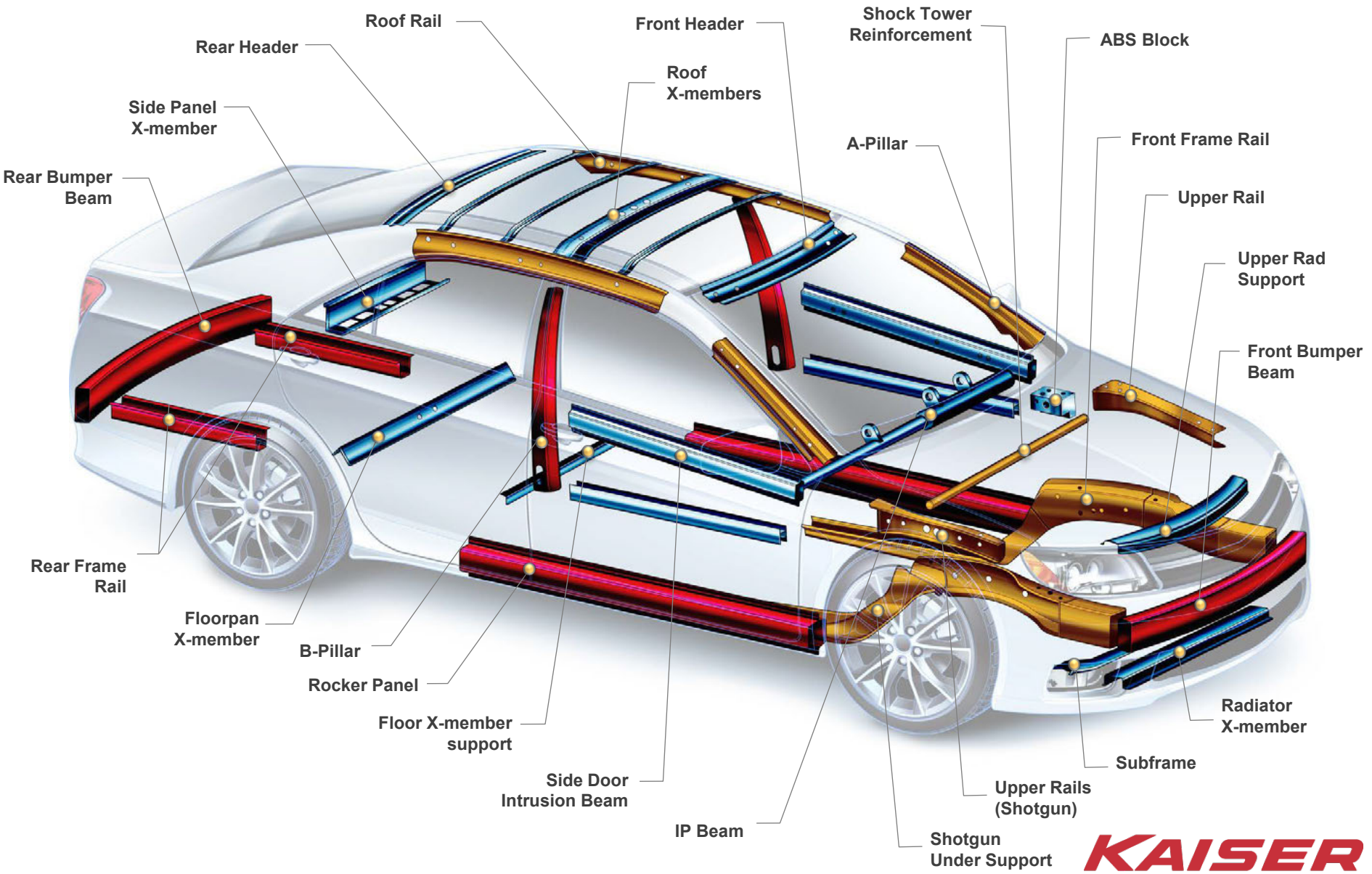
Kaiser Aluminum Light Vehicle Extrusion Applications SEDANS

Recommended Aluminum Grade

- High Strength, Safety Critical
- High Strength, Structural
- High Strength, Crush Quality



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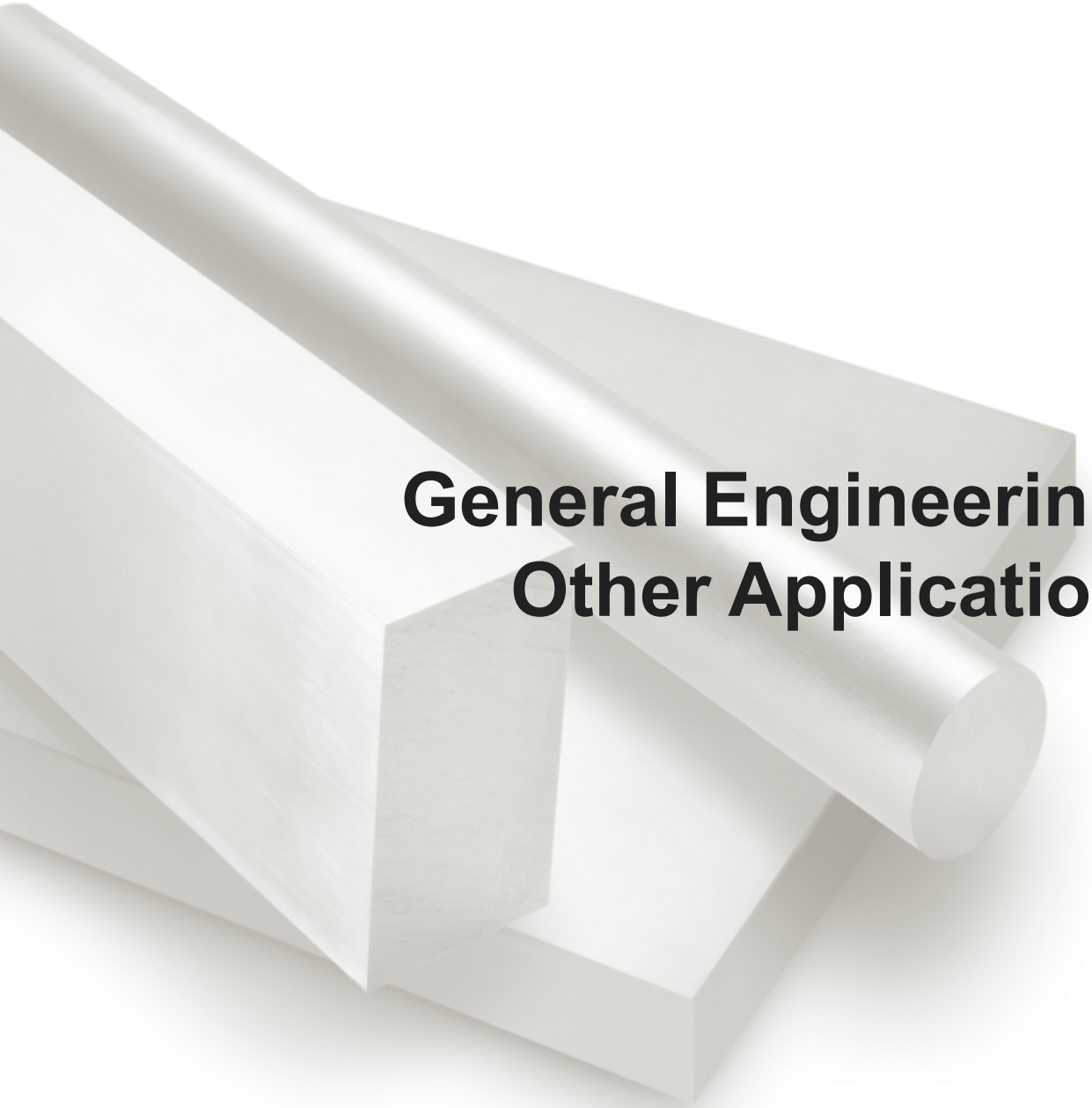

General Engineering and Other Applications

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General engineering product offering

General engineering attributes

Broad product offering

Performance attributes

Growth drivers

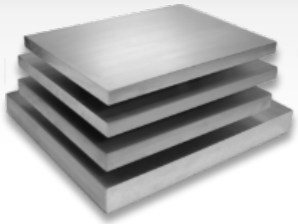

Plate and sheet

Rod and bar

Pipe and Tube

Seamless and structural extruded tube

Standard shapes (angles, channels, T, I)

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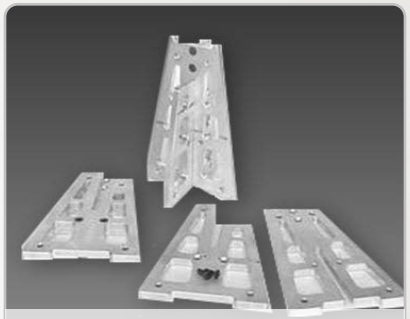
General engineering applications and performance attributes



Tooling plate

Semi-conductor vacuum chambers

Armored vehicles

Parts from Kaiser Select® Precision Rod®

Air cylinder tubes

Machine tool parts

Performance attributes

- Machinability
- Mechanical properties
- Ballistics properties
- Structural strength

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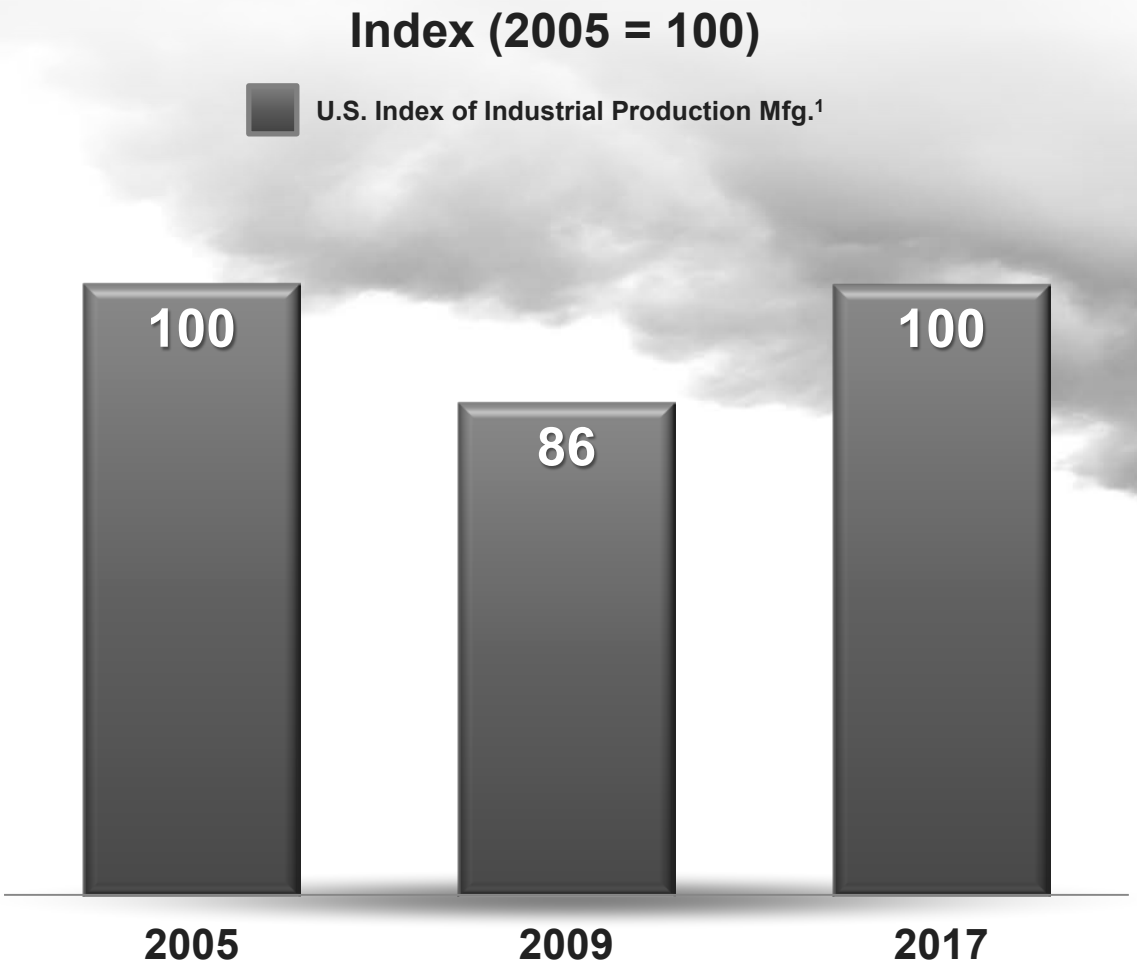
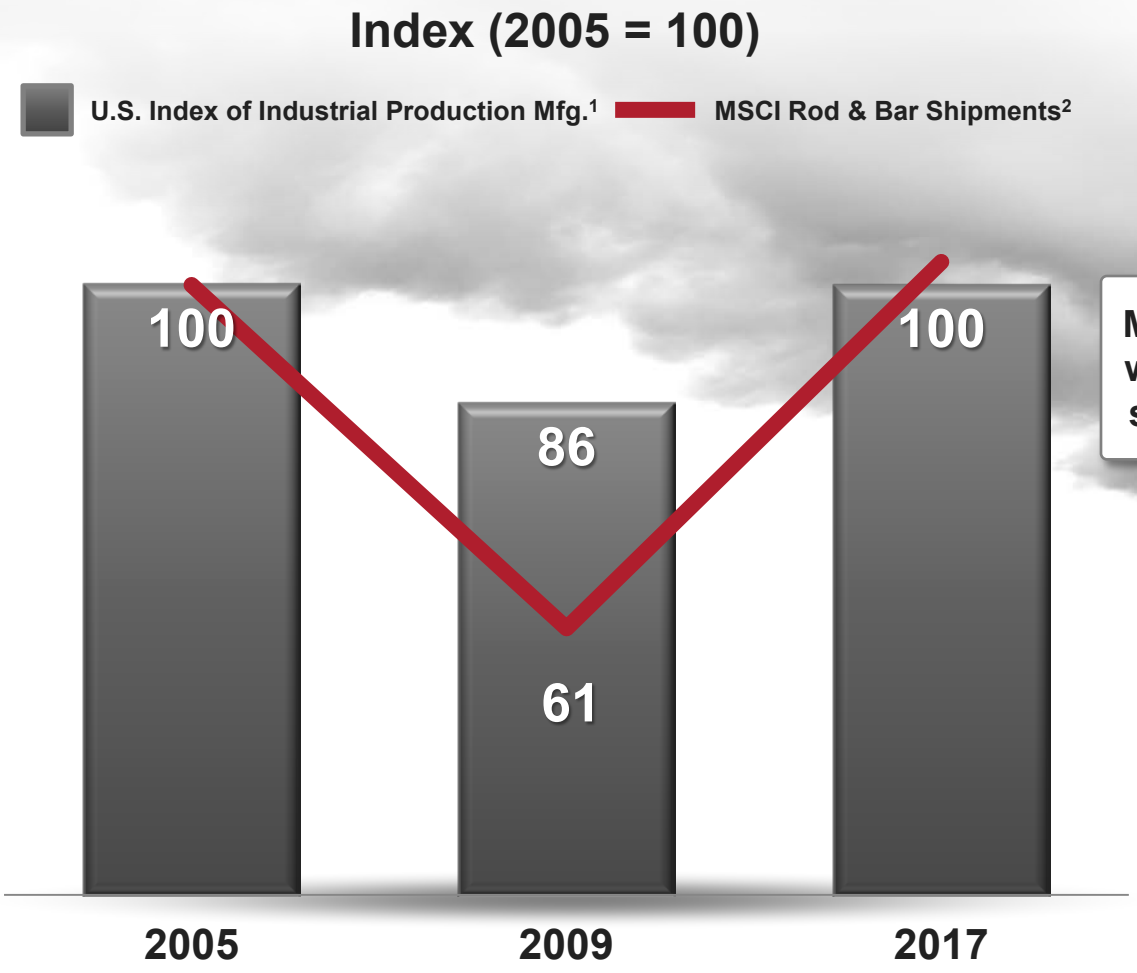
U.S. manufacturing has not grown



[1] Represents Annual Averages indexed to 2005; Source: Federal Reserve statistics for U.S. manufacturing

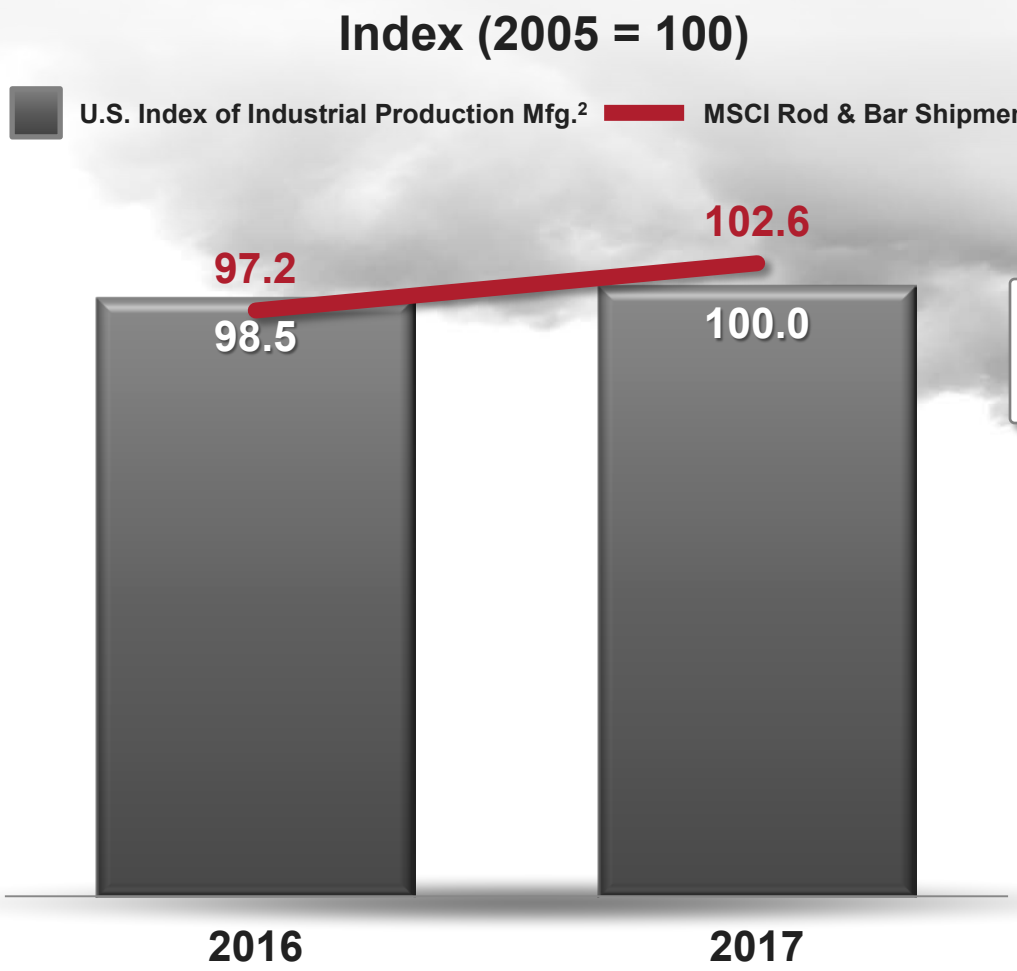
MSCI Rod/Bar demand correlates to IIP



MSCI rod and bar demand coincides with U.S. manufacturing activity and supply chain restocking/destocking

[1] Represents Annual Averages indexed to 2005; Source: Federal Reserve statistics for U.S. manufacturing
[2] Represents Annual Averages indexed to 2005; Source: Metal Service Center Institute (MCSI)

Industrial demand gaining strength IIP 1.5%, MSCI 5.5% growth LTM[1]

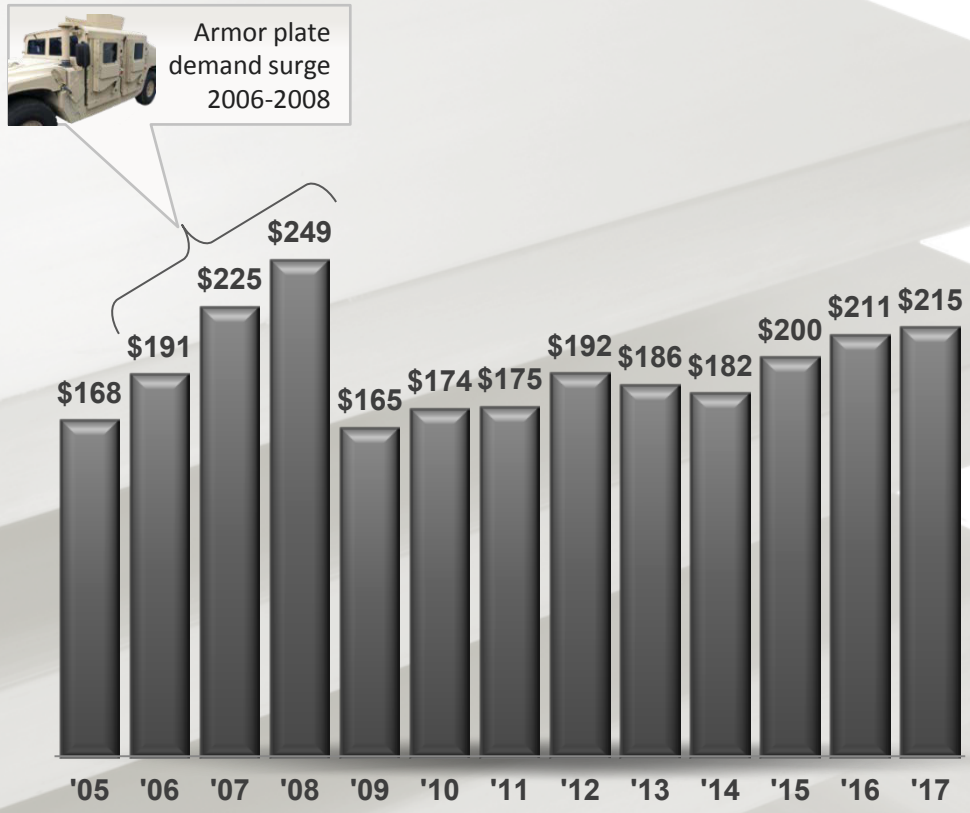


Strong MSCI demand indicates strength in Kaiser's core market segments

[1]LTM = Last Twelve Months as of December 31, 2017
[2]Represents Annual Averages indexed to 2005; Source: Federal Reserve statistics for U.S. manufacturing
[3] Represents Annual Averages indexed to 2005; Source: Metal Service Center Institute (MCSI)

Kaiser general engineering

Annual value added revenue[1] ($mm)



Growth tied to U.S. industrial economy

- 2% CAGR[2] from 2005
- Highly recognized name brand
- Differentiated KaiserSelect® quality
- Broad product offering
- Commitment and infrastructure to support national service centers

[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.
[2] CAGR = compound annual growth rate

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Kaiser other applications

Annual value added revenue[1] ($mm)

Non-core applications

- -9% CAGR[2] from 2005
- Non-automotive extrusions and extrusion billet
- Steady decline as production capacity is redirected to more strategic applications

[1] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.
[2] CAGR = compound annual growth rate

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Investment considerations

- Leading positions in attractive, growing market segments
- Strong track record of growth and performance
- Excellent earnings growth potential
- Financial strength and flexibility to support continued growth

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Well positioned for further growth

Appendix – Forward Looking Statements and Financial Reconciliations

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. The Company cautions that such forward-looking statements are not guarantees of future performance or events and involve significant risks and uncertainties and actual events may vary materially from those expressed or implied in the forward-looking statements as a result of various factors. 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 except as may be required by law.

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Non-run-rate items

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

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

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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 presentation 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.

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Sales analysis by application - annual

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Shipments (lbs, mm)													
Aero & High Strength	124.9	141.7	155.0	158.0	144.8	158.9	192.0	223.9	224.3	236.9	243.5	243.2	233.0
General Engineering	206.8	226.6	246.0	258.4	189.0	217.4	220.2	232.7	222.5	223.4	231.4	249.9	264.7
Automotive Extrusions	54.0	49.6	54.0	50.0	36.2	54.2	62.8	62.8	64.1	78.5	93.5	92.9	101.0
Other Applications [1]	101.1	108.2	93.0	92.5	58.5	83.7	85.9	66.5	52.8	50.0	47.0	28.3	27.0
Total	486.7	526.1	548.0	558.9	428.5	514.2	560.9	585.9	563.7	588.8	615.4	614.3	625.7
Value Added Revenue [2] ($mm)													
Aero & High Strength	$223.6	$255.6	$297.0	$324.0	$278.0	$295.4	$376.5	$450.5	$449.2	$430.2	$449.1	$466.9	$430.3
General Engineering	168.2	191.4	225.0	249.0	164.7	174.0	175.2	192.0	186.1	181.9	200.0	211.2	215.0
Automotive Extrusions	40.3	38.8	51.0	42.0	31.3	45.6	51.6	59.0	66.3	90.9	110.5	111.8	117.7
Other Applications	68.5	79.5	66.0	58.0	39.4	40.9	40.9	34.7	32.0	29.5	30.3	23.1	23.3
Total	$500.6	$565.2	$639.0	$673.0	$513.4	$555.9	$644.2	$736.2	$733.6	$732.5	$789.9	$813.0	$786.3
Value Added Revenue ($/lb.)													
Aero & High Strength	$1.79	$1.80	$1.92	$2.05	$1.92	$1.86	$1.96	$2.01	$2.00	$1.82	$1.84	$1.92	$1.85
General Engineering	0.81	0.84	0.91	0.96	0.87	0.80	0.80	0.83	0.84	0.81	0.86	0.85	0.81
Automotive Extrusions	0.75	0.78	0.94	0.84	0.86	0.84	0.82	0.94	1.03	1.16	1.18	1.20	1.17
Other Applications	0.68	0.76	0.71	0.63	0.67	0.49	0.48	0.52	0.61	0.59	0.64	0.82	0.86
Overall [3]	$1.03	$1.08	$1.17	$1.20	$1.20	$1.08	$1.15	$1.26	$1.30	$1.24	$1.28	$1.32	$1.26

[1] Includes custom industrial products and billet
[2] Value Added Revenue (VAR) = net sales less hedged cost of alloyed metal. Hedged cost of alloyed metal = Midwest transaction price plus the cost of alloying elements plus any realized gains and/or losses on settled hedges, related to metal sold in the referenced period.
[3] Total VAR / Total Shipments
Totals may not sum due to rounding

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Reconciliation of reported net income to adjusted EBITDA

(in $ millions)	Annual												
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Consolidated - Reported Net Income (Loss) from Continuing Operations	($1,112.7)	$3,163.1	$101.0	($68.5)	$70.5	$12.0	$25.1	$85.8	$104.8	$71.8	($236.6)	$91.7	$45.4
Interest Expense	5.2	1.9	4.3	1.0	-	11.8	18.0	29.1	35.7	37.5	24.1	20.3	22.2
Reorganization Items	1,162.1	(3,090.3)	-	-	-	-	-	-	-	-	-	-	-
Other Income (Expense)	2.4	(3.9)	(4.7)	(0.7)	0.1	4.2	(4.3)	(2.8)	(5.6)	(6.7)	1.8	10.3	(4.5)
Income Tax Provision	2.8	29.9	81.4	(22.8)	48.1	13.1	16.2	53.8	38.4	35.3	(135.2)	55.5	87.6
Consolidated - Reported Operating Income (Loss)	$59.8	$100.7	$182.0	($91.0)	$118.7	$41.1	$55.0	$165.9	$173.3	$137.9	($345.9)	$177.8	$150.7
Operating NRR[1] items:													
Mark-to-Market Losses (Gains)	4.1	(15.1)	(9.7)	87.1	(80.5)	0.7	29.9	(15.2)	(0.7)	10.4	3.4	(18.7)	(19.4)
Consolidated LIFO to Plant LIFO Adjustment	4.7	4.2	(0.9)	3.9	3.2	0.6	0.2	2.3	(7.4)	4.0	(7.0)	0.6	3.8
Lower of Cost or Market Write-down	-	-	-	65.5	9.3	-	-	-	-	-	2.6	4.9	-
Workers' Compensation Discount Rate Effect	-	-	-	-	-	-	3.8	0.2	(1.3)	-	0.2	(0.3)	-
Goodwill Impairment	-	-	-	-	-	-	-	-	-	-	-	-	18.4
Impairment Losses	-	-	-	-	-	-	-	4.4	-	1.5	0.1	2.8	0.8
Legacy Environmental	-	-	0.9	5.5	2.4	13.9	3.9	1.3	4.5	0.8	1.3	0.1	0.3
Restructuring Benefits	-	-	-	8.8	5.4	3.6	(0.3)	-	-	-	-	-	-
VEBA Net Periodic Benefit (Income) Cost	-	0.6	(2.6)	(0.6)	5.3	5.1	(6.0)	(11.9)	(22.5)	(23.7)	2.4	3.4	4.5
Loss (Gain) on Settlement Activity of Union VEBA[2]	-	-	-	-	-	-	-	-	-	-	493.4	(0.1)	-
Anglesey Impairment	-	-	-	37.8	-	-	-	-	-	-	-	-	-
Other Operating Benefits	8.0	(1.3)	(13.6)	(1.4)	(0.9)	0.1	(0.3)	-	-	-	-	-	-
Total Operating NRR Items	16.8	(11.6)	(25.9)	206.6	(55.8)	24.0	31.2	(18.9)	(27.4)	(7.0)	496.4	(7.3)	8.4
Consolidated Operating Income before operating NRR	76.6	89.1	156.1	115.6	62.9	65.1	86.2	147.0	145.9	130.9	150.5	170.5	159.1
Depreciation & Amortization - Consolidated	19.9	15.3	11.9	14.7	16.4	19.8	25.2	26.5	28.1	31.1	32.4	36.0	39.7
Consolidated - Adjusted EBITDA	$96.5	$104.4	$168.0	$130.3	$79.3	$84.9	$111.4	$173.5	$174.0	$162.0	$182.9	$206.5	$198.8
Less Anglesey JV, Anglesey related, Hedging Oper. Inc. before NRR	(20.7)	(5.9)	(38.6)	(19.6)	(9.8)								
Fabricated Products and Corporate Operating Income beore NRR + Consolidated Depreciation & Amortization	$75.8	$98.5	$129.4	$110.7	$69.5								

[1] NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax
[2] Includes effect of terminating the defined benefit accounting for the Union VEBA, and related accrual adjustments
Totals may not sum due to rounding

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Adjusted net income and EPS

(in $ millions except EPS)	Annual										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GAAP Net Income (Loss)	$ 101.0	$ (68.5)	$ 70.5	$ 12.0	$ 25.1	$ 85.8	$ 104.8	$ 71.8	$ (236.6)	$ 91.7	$ 45.4
Operating NRR[1] Items	(25.9)	206.6	(55.8)	24.0	31.2	(18.9)	(27.4)	(7.0)	496.4	(7.3)	8.4
Non-Operating NRR Items[2]	-	-	-	4.9	(4.0)	(0.8)	(3.8)	(3.6)	-	-	-
Less Anglesey JV, Anglesey related, Hedging Oper. Inc. before NRR	(38.6)	(19.6)	(9.8)	-	-	-	-	-	-	-	-
Tax impact of above NRR items	19.9	(65.4)	23.0	(10.6)	(10.6)	7.5	11.8	4.0	(186.0)	2.7	(3.1)
NRR tax (benefit) charge	-	-	-	-	-	-	(15.1)	(2.4)	(2.2)	-	37.2
Adjusted Net Income	$ 56.4	$ 53.1	$ 27.9	$ 30.3	$ 41.7	$ 73.6	$ 70.3	$ 62.8	$ 71.6	$ 87.1	$ 87.9
GAAP earnings (losses) per diluted share[3]	$ 4.91	$ (3.45)	$ 3.51	$ 0.61	$ 1.32	$ 4.45	$ 5.44	$ 3.86	$ (13.76)	$ 5.09	$ 2.63
Adjusted earnings per diluted share[3]	$ 2.82	$ 2.61	$ 1.42	$ 1.56	$ 2.20	$ 3.82	$ 3.65	$ 3.38	$ 3.95	$ 4.83	$ 5.09

[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 calculated using two-class method
Totals may not sum due to rounding

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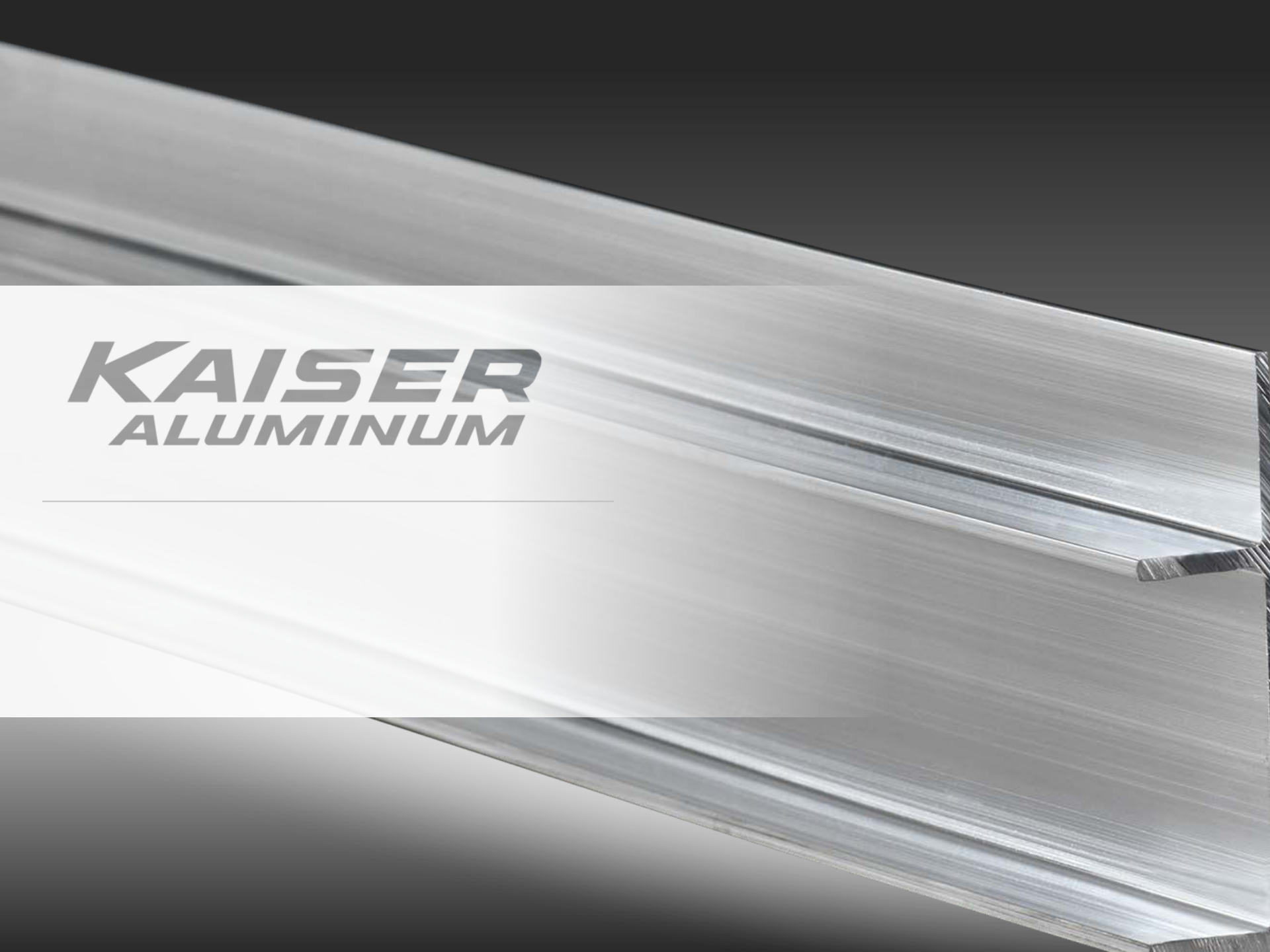
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