Electronic Components
KEMET
CHARGED.®

Earnings Conference Call
July 25, 2013

Quarter Ended June 30, 2013

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal securities laws about KEMET Corporation's (the "Company") financial condition and results of operations that are based on management's current expectations, estimates and projections about the markets in which the Company operates, as well as management's beliefs and assumptions. Words such as "expects," "anticipates," "believes," "estimates," variations of such words and other similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of the date hereof. The Company undertakes no obligation to update publicly any of these forward-looking statements to reflect new information, future events or otherwise.

Factors that may cause the actual outcome and results to differ materially from those expressed in, or implied by, these forward-looking statements include, but are not necessarily limited to the following: (i) adverse economic conditions could impact our ability to realize operating plans if the demand for our products declines, and such conditions could adversely affect our liquidity and ability to continue to operate; (ii) adverse economic conditions could cause the write down of long-lived assets or goodwill; (iii) an increase in the cost or a decrease in the availability of our principal or single-sourced purchased materials; (iv) changes in the competitive environment; (v) uncertainty of the timing of customer product qualifications in heavily regulated industries; (vi) economic, political, or regulatory changes in the countries in which we operate; (vii) difficulties, delays or unexpected costs in completing the restructuring plan; (viii) equity method investments expose us to a variety of risks; (ix) acquisitions and other strategic transactions expose us to a variety of risks; (x) inability to attract, train and retain effective employees and management; (xi) inability to develop innovative products to maintain customer relationships and offset potential price erosion in older products; (xii) exposure to claims alleging product defects; (xiii) the impact of laws and regulations that apply to our business, including those relating to environmental matters; (xiv) the impact of international laws relating to trade, export controls and foreign corrupt practices; (xv) volatility of financial and credit markets affecting our access to capital; (xvi) the need to reduce the total costs of our products to remain competitive; (xvii) potential limitation on the use of net operating losses to offset possible future taxable income; (xviii) restrictions in our debt agreements that limit our flexibility in operating our business; and (xix) additional exercise of the warrant by K Equity which could potentially result in the existence of a significant stockholder who could seek to influence our corporate decisions.

Income Statement Highlights

U.S. GAAP

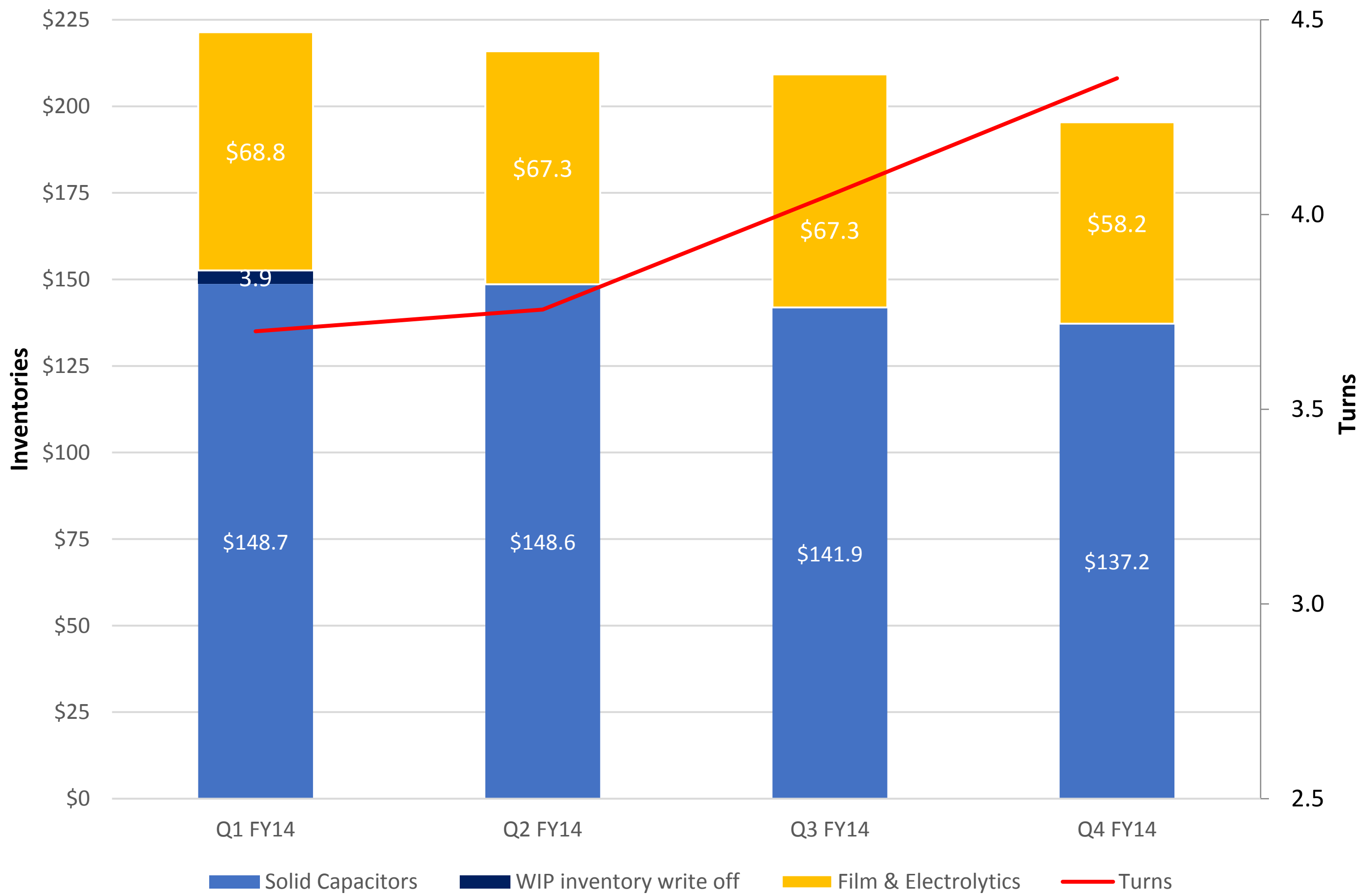
(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Jun-13	Mar-13
Net sales	**$ 202,723**	**$ 203,034**
Gross margin	**$ 17,534**	**$ 27,167**
Gross margin as a percentage of net sales	*8.6%*	*13.4%*
Selling, general and administrative	**$ 26,502**	**$ 30,913**
SG&A as a percentage of net sales	*13.1%*	*15.2%*
Operating loss	**$ (19,958)**	**$ (15,927)**
Net loss	**$ (35,139)**	**$ (25,251)**
Loss per share - basic	$ (0.78)	$ (0.56)
Loss per share - diluted	$ (0.78)	$ (0.56)
Weighted avg. shares - basic	45,022	44,953
Weighted avg. shares - diluted	45,022	44,953

Income Statement Highlights
Non-GAAP

Electronic Components KEMET CHARGED®

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended	
	Jun-13	**Mar-13**
Net sales	**$ 202,723**	**$ 203,034**
Adjusted gross margin	**$ 22,867**	**$ 28,802**
Gross margin as a percentage of net sales	*11.3%*	*14.2%*
Adjusted selling, general and administrative	**$ 23,590**	**$ 23,426**
SG&A as a percentage of net sales	*11.6%*	*11.5%*
Adjusted operating loss	**$ (7,044)**	**$ (1,321)**
Adjusted net loss	**$ (17,023)**	**$ (9,801)**
Loss per share - basic	$ (0.38)	$ (0.22)
Loss per share - diluted	$ (0.38)	$ (0.22)
Weighted avg. shares - basic	45,022	44,953
Weighted avg. shares - diluted	45,022	44,953

Projected Inventories



Adjusted Gross Margin

(Amounts in thousands, except percentages)	For the Quarters Ended Jun-13	For the Quarters Ended Mar-13
Net sales	**$ 202,723**	**$ 203,034**
Gross margin	**$ 17,534**	**$ 27,167**
Adjustments:		
Inventory write down	3,886	-
Plant start-up costs	1,133	1,307
Stock-based compensation	314	328
Adjusted gross margin	**$ 22,867**	**$ 28,802**
Adjusted gross margin as a percentage of net sales	*11.3%*	*14.2%*

Adjusted Selling, General & Administrative Expenses

Electronic Components KEMET CHARGED.

(Amounts in thousands, except percentages)	For the Quarters Ended Jun-13	Mar-13
Net sales	**$ 202,723**	**$ 203,034**
Selling, general and administrative expenses	**$ 26,502**	**$ 30,913**
Adjustments:		
NEC TOKIN investment related expenses	(1,307)	(3,009)
ERP integration costs	(1,010)	(2,469)
Stock-based compensation	(595)	(655)
Net curtailment and settlement gain on benefit plans	-	(1,354)
Adjusted selling, general and administrative expenses	**$ 23,590**	**$ 23,426**
Adjusted selling, general and administrative as a percentage of net sales	*11.6%*	*11.5%*

Adjusted Operating Loss

Electronic Components KEMET CHARGED®

(Amounts in thousands)	For the Quarters Ended Jun-13	Mar-13
Operating loss	**$ (19,958)**	**$ (15,927)**
Adjustments:		
Restructuring charges	4,610	5,047
Inventory write down	3,886	-
NEC TOKIN investment related expenses	1,307	3,009
Plant start-up costs	1,133	1,307
ERP integration costs	1,010	2,469
Stock-based compensation	968	1,015
Net curtailment and settlement gain on benefit plans	-	1,354
Write down of long-lived assets	-	264
Net loss on sales and disposals of assets	-	141
Adjusted operating loss	**$ (7,044)**	**$ (1,321)**

Adjusted Net Loss and Adjusted EBITDA

Electronic Components KEMET CHARGED®

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Jun-13	Mar-13
Net loss	**$ (35,139)**	**$ (25,251)**
Adjustments:		
Restructuring charges	4,610	5,047
Inventory write down	3,886	-
Equity loss from NEC TOKIN	3,377	1,254
NEC TOKIN investment related expenses	1,307	3,009
Long-term receivable write down	1,444	-
Plant start-up costs	1,133	1,307
Amortization included in interest expense	1,014	1,092
ERP integration costs	1,010	2,469
Stock-based compensation	968	1,015
Net foreign exchange (gain) loss	(577)	(911)
Net curtailment and settlement gain on benefit plans	-	1,354
Write down of long-lived assets	-	264
Net loss on sales and disposals of assets	-	141
Income tax effect of non-U.S. GAAP adjustments	(56)	(591)
Adjusted net loss	**$ (17,023)**	**$ (9,801)**
Adjusted EPS before equity loss from NEC TOKIN - basic	$ (0.38)	$ (0.22)
Adjusted EPS before equity loss from NEC TOKIN - diluted	$ (0.38)	$ (0.22)
Adjusted EBITDA	**$ 7,200**	**$ 11,386**
Weighted avg. shares - basic	45,022	44,953
Weighted avg. shares - diluted	45,022	44,953

Adjusted Operating Income

Solid Capacitors

(Amounts in thousands)	For the Quarters Ended Jun-13	Mar-13
Operating income	**$ 12,808**	**$ 23,632**
Adjustments:		
Inventory write down	3,886	-
Restructuring charges	3,045	1,946
ERP integration costs	622	1,946
Stock-based compensation	177	171
Net curtailment and settlement gain on benefit plans	-	903
Write down of long-lived assets	-	264
Net loss on sales and disposals of assets	-	18
Adjusted operating income	**$ 20,538**	**$ 28,880**

Adjusted Operating Loss
Film & Electrolytics

Electronic Components KEMET CHARGED®

(Amounts in thousands)	For the Quarters Ended Jun-13	For the Quarters Ended Mar-13
Operating loss	**$ (8,043)**	**$ (8,774)**
Adjustments:		
Restructuring charges	1,410	1,339
Plant start-up costs	1,133	1,307
ERP integration costs	389	523
Stock-based compensation	137	155
Net curtailment and settlement gain on benefit plans	-	451
Net loss on sales and disposals of assets	-	123
Adjusted operating loss	**$ (4,974)**	**$ (4,876)**

Financial Highlights

Electronic Components KEMET CHARGED®

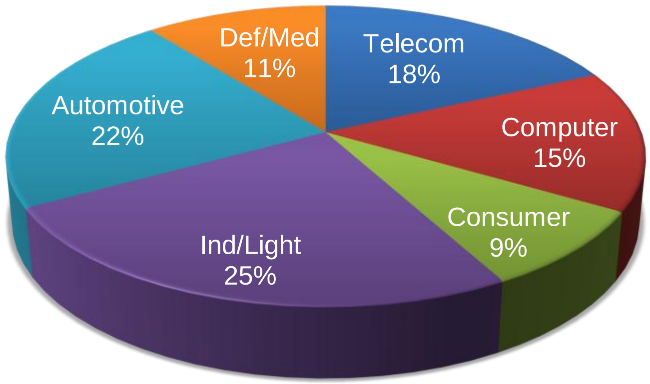
(Amounts in millions, except DSO and DPO)	Jun-13	Mar-13	FX Impact
Cash, cash equivalents and restricted cash	$ 69,006	$ 113,375	$ 189
Capital expenditures	$ 15,481	$ 7,825	
Short-term debt	$ 7,648	$ 10,793	
Long-term debt	372,865	369,990	
Debt premium	2,780	2,717	
Total debt	$ 383,293	$ 383,500	
Equity	$ 244,369	$ 276,916	$ 2,272
Net working capital (1)	$ 228,943	$ 228,510	$ 990
Days in receivables (DSO)(2)	45	43	
Days in payables (DPO)(2)	44	34	

(1) Calculated as accounts receivable, net, plus inventories, net, less accounts payable
(2) Calculated by annualizing the current quarter's Net sales and Cost of sales

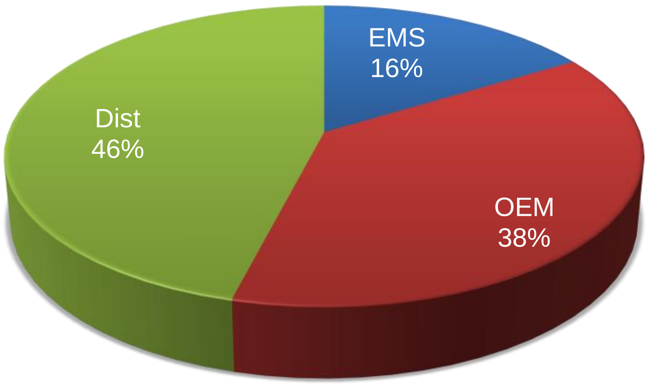
Sales Summary
Q1 FY14

Electronic Components KEMET CHARGED®

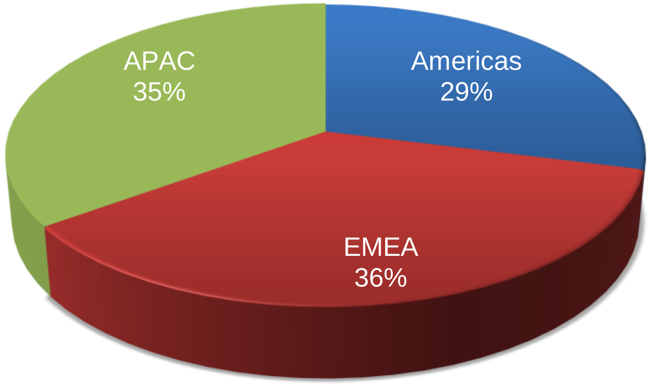
Industry



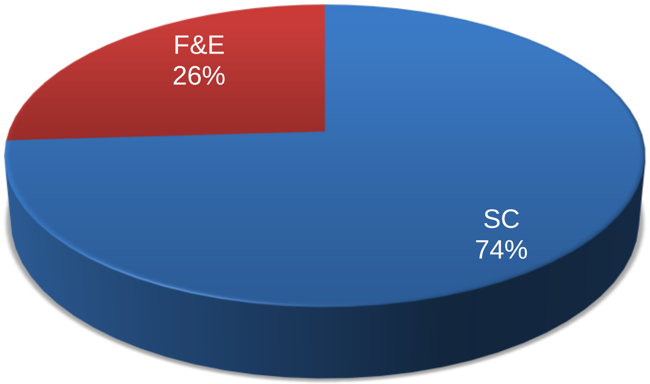
Channel



Region



Business Group



Adjusted EBITDA Reconciliation

(Amounts in thousands)	For the Quarters Ended Jun-13	Mar-13
GAAP		
Net loss	$ (35,139)	$ (25,251)
Interest expense, net	9,870	10,463
Income tax expense (benefit)	1,580	(655)
Depreciation and amortization	13,731	11,880
EBITDA	(9,958)	(3,563)
Excluding the following items (Non-GAAP)		
Restructuring charges	4,610	5,047
Inventory write down	3,886	-
Equity loss from NEC TOKIN	3,377	1,254
NEC TOKIN investment related expenses	1,307	3,009
Long-term receivable write down	1,444	-
Plant start-up costs	1,133	1,307
ERP integration costs	1,010	2,469
Stock-based compensation	968	1,015
Net foreign exchange (gain) loss	(577)	(911)
Net curtailment and settlement gain on benefit plans	-	1,354
Write down of long-lived assets	-	264
Net loss on sales and disposals of assets	-	141
Adjusted EBITDA	**$ 7,200**	**$ 11,386**

Non-GAAP Financial Measures

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors.

Adjusted gross margin

Adjusted gross margin represents net sales less cost of sales excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted gross margin to facilitate our analysis and understanding of our business operations and believes that Adjusted gross margin is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted gross margin should not be considered as an alternative to gross margin or any other performance measure derived in accordance with GAAP.

Adjusted selling, general and administrative expenses

Adjusted selling, general and administrative expenses represents selling, general and administrative expenses excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted selling, general and administrative expenses to facilitate our analysis and understanding of our business operations and believes that Adjusted selling, general and administrative expenses is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted selling, general and administrative expenses should not be considered as an alternative to selling, general and administrative expenses or any other performance measure derived in accordance with GAAP.

Adjusted operating income

Adjusted operating income (loss) represents operating loss, excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted operating income (loss) to facilitate our analysis and understanding of our business operations and believes that Adjusted operating income (loss) is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted operating income (loss) should not be considered as an alternative to operating loss or any other performance measure derived in accordance with GAAP.

Non-GAAP Financial Measures
Continued

Adjusted net income (loss) and Adjusted EPS

Adjusted net income and Adjusted EPS represent net income (loss) and EPS, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted net income and Adjusted EPS to evaluate the Company's operating performance and believes that Adjusted net income and Adjusted EPS are useful to investors because they provide a supplemental way to possibly better understand the underlying operating performance of the Company. Adjusted net income and Adjusted EPS should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA represents net loss before income tax expense (benefit), interest expense, net, and depreciation and amortization expense, adjusted to exclude the following: restructuring charges, inventory write down, equity loss from NEC TOKIN, write down of long-lived assets, ERP integration costs, long-term receivable write down, plant start-up costs, stock-based compensation, NEC TOKIN investment related expenses, net curtailment and settlement gain (loss) on benefit plans, net foreign exchange (gain) loss, registration related fees, and net (gain) loss on sales and disposals of assets. We present Adjusted EBITDA as a supplemental measure of our performance and ability to service debt. We also present Adjusted EBITDA because we believe such measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

We believe Adjusted EBITDA is an appropriate supplemental measure of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges. The other items excluded from Adjusted EBITDA are excluded in order to better reflect our continuing operations.

In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these types of adjustments. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Non-GAAP Financial Measures

Continued

Our Adjusted EBITDA measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payment on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and our Adjusted EBITDA measure does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- it does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally.