Electronic Components

KEMET

CHARGED.®

Earnings Conference Call
January 30, 2014

Quarter Ended December 31, 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 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) continued net losses could impact our ability to realize current operating plans and could materially adversely affect our liquidity and our ability to continue to operate; (iii) adverse economic conditions could cause the write down of long-lived assets or goodwill; (iv) an increase in the cost or a decrease in the availability of our principal or single-sourced purchased materials; (v) changes in the competitive environment; (vi) uncertainty of the timing of customer product qualifications in heavily regulated industries; (vii) economic, political, or regulatory changes in the countries in which we operate; (viii) difficulties, delays or unexpected costs in completing the restructuring plan; (ix) equity method investments expose us to a variety of risks; (x) acquisitions and other strategic transactions expose us to a variety of risks; (xi) inability to attract, train and retain effective employees and management; (xii) inability to develop innovative products to maintain customer relationships and offset potential price erosion in older products; (xiii) exposure to claims alleging product defects; (xiv) the impact of laws and regulations that apply to our business, including those relating to environmental matters; (xv) the impact of international laws relating to trade, export controls and foreign corrupt practices; (xvi) volatility of financial and credit markets affecting our access to capital; (xvii) the need to reduce the total costs of our products to remain competitive; (xviii) potential limitation on the use of net operating losses to offset possible future taxable income; (xix) restrictions in our debt agreements that limit our flexibility in operating our business; and (xx) 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 Dec-13	Sep-13
Net sales	**$ 207,339**	**$ 208,449**
Gross margin	**$ 37,662**	**$ 30,917**
Gross margin as a percentage of net sales	*18.2%*	*14.8%*
Selling, general and administrative	**$ 22,431**	**$ 22,315**
SG&A as a percentage of net sales	*10.8%*	*10.7%*
Operating income	**$ 3,623**	**$ 1,583**
Loss from continuing operations	**$ (4,746)**	**$ (11,947)**
Loss from discontinued operations	**$ (1,076)**	**$ (1,151)**
Net loss	**$ (5,822)**	**$ (13,098)**
Loss per share - basic	$ (0.13)	$ (0.29)
Loss per share - diluted	$ (0.13)	$ (0.29)
Weighted avg. shares - basic	45,120	45,092
Weighted avg. shares - diluted	45,120	45,092

Income Statement Highlights
Non-GAAP

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Dec-13	For the Quarters Ended Sep-13
Net sales	**$ 207,339**	**$ 208,449**
Adjusted gross margin	**$ 38,412**	**$ 32,180**
Gross margin as a percentage of net sales	*18.5%*	*15.4%*
Adjusted selling, general and administrative	**$ 20,795**	**$ 20,741**
SG&A as a percentage of net sales	*10.0%*	*10.0%*
Adjusted operating income	**$ 11,621**	**$ 5,881**
Adjusted net income (loss) from continuing operations	**$ 892**	**$ (4,582)**
Income (loss) per share from continuing operations - basic	$ 0.02	$ (0.10)
Income (loss) per share from continuing operations - diluted	$ 0.02	$ (0.10)
Adjusted EBITDA from continuing operations	**$ 23,223**	**$ 17,784**
Weighted avg. shares - basic	45,120	45,092
Weighted avg. shares - diluted	52,494	45,092

Adjusted Gross Margin

(Amounts in thousands, except percentages)	For the Quarters Ended Dec-13	Sep-13
Net sales	**$ 207,339**	**$ 208,449**
Gross margin	**$ 37,662**	**$ 30,917**
Adjustments:		
Stock-based compensation	265	213
Plant start-up costs	485	1,050
Adjusted gross margin	**$ 38,412**	**$ 32,180**
Adjusted gross margin as a percentage of net sales	*18.5%*	*15.4%*

Adjusted Selling, General & Administrative Expenses

(Amounts in thousands, except percentages)	For the Quarters Ended Dec-13	Sep-13
Net sales	**$ 207,339**	**$ 208,449**
Selling, general and administrative expenses	**$ 22,431**	**$ 22,315**
Adjustments:		
NEC TOKIN investment related expenses	(249)	(125)
ERP integration costs	(994)	(1,072)
Stock-based compensation	(393)	(377)
Adjusted selling, general and administrative expenses	**$ 20,795**	**$ 20,741**
Adjusted selling, general and administrative as a percentage of net sales	*10.0%*	*10.0%*

Financial Highlights

Electronic Components KEMET CHARGED.

(Amounts in millions, except DSO and DPO)	**Dec-13**	**Sep-13**
Cash, cash equivalents and restricted cash	$ 69,622	$ 72,339
Capital expenditures (for the qtrs ended)	$ 6,656	$ 8,663
Short-term debt	$ 27,672	$ 29,772
Long-term debt	371,388	370,684
Debt premium	2,835	2,822
Total debt	$ 401,895	$ 403,278
Equity	$ 237,827	$ 237,907
Net working capital (1)	$ 222,797	$ 223,366
Days in receivables (DSO)(2)	41	44
Days in payables (DPO)(2)	32	35

(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

Adjusted Operating Income

(Amounts in thousands)	For the Quarters Ended Dec-13	For the Quarters Ended Sep-13
Net sales	**$ 207,339**	**$ 208,449**
Operating income	**3,623**	**1,583**
Adjustments:		
Write down long-lived assets	3,358	-
Restructuring charges	2,194	1,365
ERP integration costs	994	1,072
Plant start-up costs	485	1,050
Stock-based compensation	689	644
NEC TOKIN investment related expenses	249	125
Net loss on sales and disposals of assets	29	42
Adjusted operating income	**$ 11,621**	**$ 5,881**

Adjusted Net Income (Loss) From Continuing Operations and Adjusted EBITDA

Electronic Components KEMET CHARGED.

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Dec-13	Sep-13
Loss from continuing operations	**$ (4,746)**	**$ (11,947)**
Adjustments:		
Write down of long-lived assets	3,358	-
Restructuring charges	2,194	1,365
Equity (income) loss from NEC TOKIN	(1,657)	1,243
ERP integration costs	994	1,072
Change in value of NEC TOKIN options	(1,716)	383
Plant start-up costs	485	1,050
Amortization included in interest expense	858	945
Stock-based compensation	689	644
Net foreign exchange loss	207	514
NEC TOKIN investment related expenses	249	125
Net loss on sales and disposals of assets	29	42
Income tax effect of non-U.S. GAAP adjustments	(52)	(18)
Adjusted net income (loss) from continuing operations	**$ 892**	**$ (4,582)**
Adjusted EPS from continuing operations - basic	$ 0.02	$ (0.10)
Adjusted EPS from continuing operations - diluted	$ 0.02	$ (0.10)
Adjusted EBITDA from continuing operations	**$ 23,223**	**$ 17,784**
Weighted avg. shares - basic	45,120	45,092
Weighted avg. shares - diluted	52,494	45,092

Adjusted Operating Income
Solid Capacitors

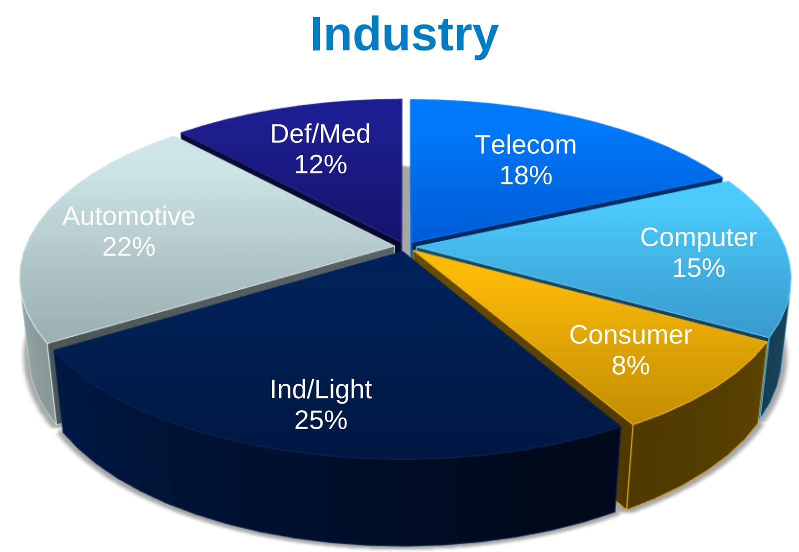
	For the Quarters Ended	
(Amounts in thousands)	Dec-13	Sep-13
Net sales	**$ 156,082**	**$ 157,714**
Operating income	**27,616**	**25,387**
Adjustments:		
Write down of long-lived assets	2,802	-
Restructuring charges	91	99
Net loss on sales and disposals of assets	(8)	60
ERP integration costs	12	18
Stock-based compensation	118	39
Adjusted operating income	**$ 30,631**	**$ 25,603**

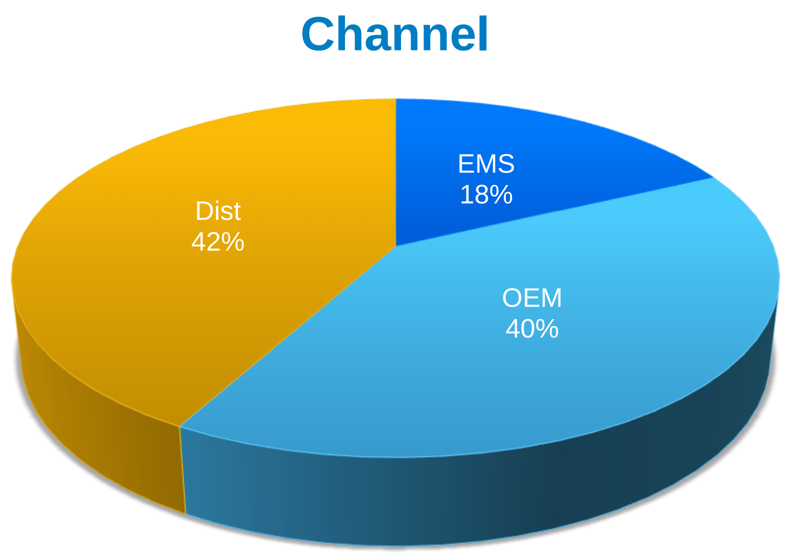
Adjusted Operating Income

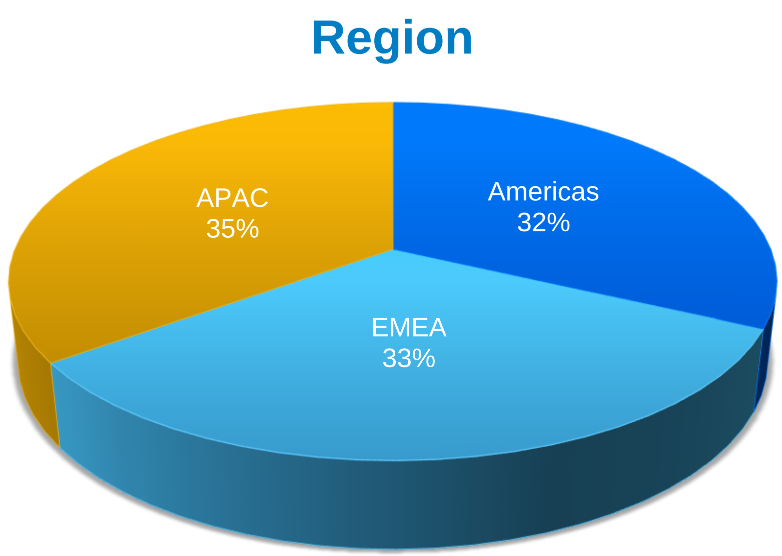
Film & Electrolytics

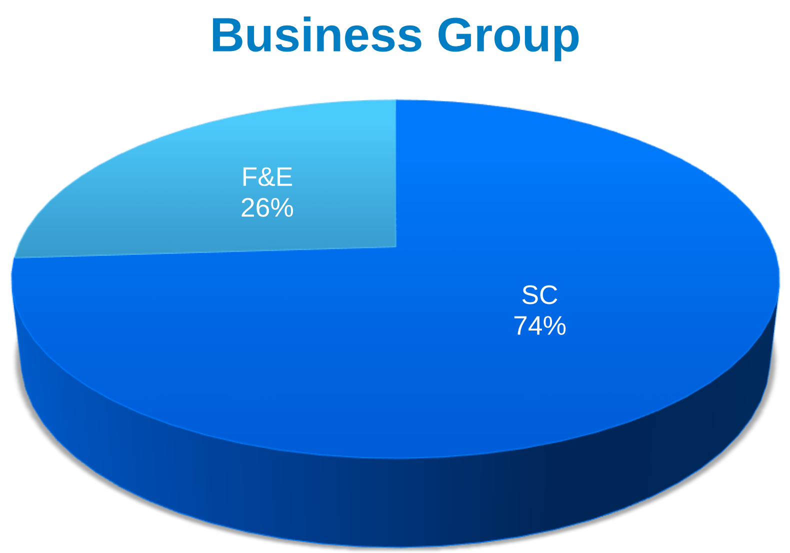
(Amounts in thousands)	For the Quarters Ended Dec-13	For the Quarters Ended Sep-13
Net sales	**$ 51,257**	**$ 50,735**
Operating loss	**(2,374)**	**(2,212)**
Adjustments:		
Write down of long-lived assets	556	-
Restructuring charges	2,100	1,062
Plant start-up costs	485	1,050
Stock-based compensation	147	173
ERP integration costs	80	74
Net gain on sales and disposals of assets	19	(66)
Adjusted operating income	**$ 1,013**	**$ 81**

Sales Summary
Q3 FY14









Adjusted EBITDA From Continuing Operations Reconciliation

(Amounts in thousands)	For the Quarters Ended Dec-13	For the Quarters Ended Sep-13
GAAP		
Loss from continuing operations	$ (4,746)	$ (11,947)
Depreciation and amortization	11,762	11,952
Interest expense, net	10,342	9,897
Income tax expense	1,033	1,444
EBITDA from continuing operations	18,391	11,346
Excluding the following items (Non-GAAP)		
Write down of long-lived assets	3,358	-
Restructuring charges	2,194	1,365
Equity (income) loss from NEC TOKIN	(1,657)	1,243
ERP integration costs	994	1,072
Change in value of NEC TOKIN options	(1,716)	383
Plant start-up costs	485	1,050
Stock-based compensation expense	689	644
Net foreign exchange (gain) loss	207	514
NEC TOKIN investment related expenses	249	125
Net loss on sales and disposals of assets	29	42
Adjusted EBITDA from continuing operations	**$ 23,223**	**$ 17,784**

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 represents operating income (loss), excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted operating income to facilitate our analysis and understanding of our business operations and believes that Adjusted operating income is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted operating income 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 from continuing operations

Adjusted net income (loss) and Adjusted EPS from continuing operations represent net income (loss) and EPS from continuing operations, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted net income and Adjusted EPS from continuing operations to evaluate the Company's operating performance and believes that Adjusted net income and Adjusted EPS from continuing operations 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 from continuing operations should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with GAAP.

Adjusted EBITDA from continuing operations

Adjusted EBITDA from continuing operations represents net loss from continuing operations before income tax expense (benefit), interest expense, net, and depreciation and amortization expense, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. We present Adjusted EBITDA from continuing operations as a supplemental measure of our performance and ability to service debt. We also present Adjusted EBITDA from continuing operations 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 from continuing operations 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 from continuing operations are excluded in order to better reflect our continuing operations.

In evaluating Adjusted EBITDA from continuing operations, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA from continuing operations should not be construed as an inference that our future results will be unaffected by these types of adjustments. Adjusted EBITDA from continuing operations 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 from continuing operations 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 from continuing operations 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 from continuing operations only supplementally.