



Third Quarter 2015
Earnings Conference Call

October 22, 2015

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 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.

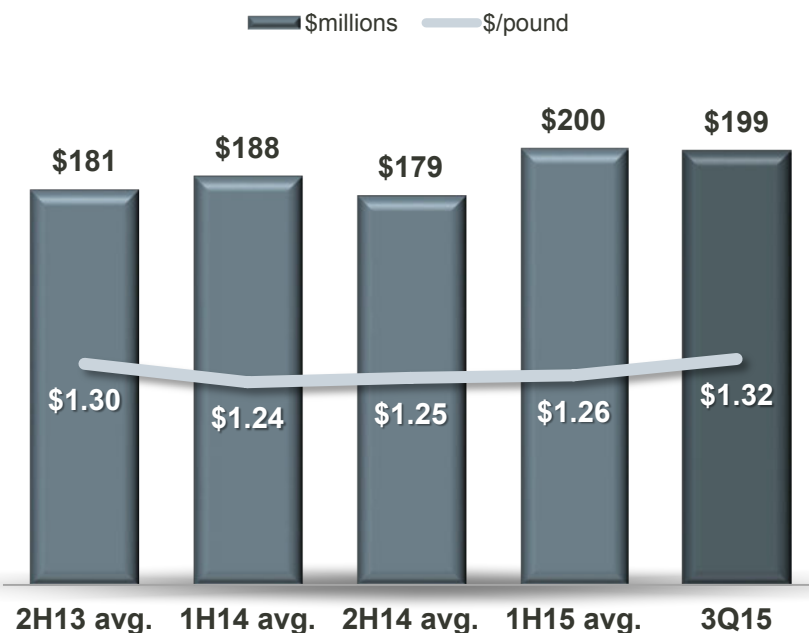
The non-GAAP financial measures used within this earnings release are value added revenue, EBITDA, Adjusted EBITDA, operating income excluding non-run-rate items, adjusted net income and earnings per diluted share, excluding non-run-rate items and ratios related thereto. These measures are presented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

Third Quarter Overview

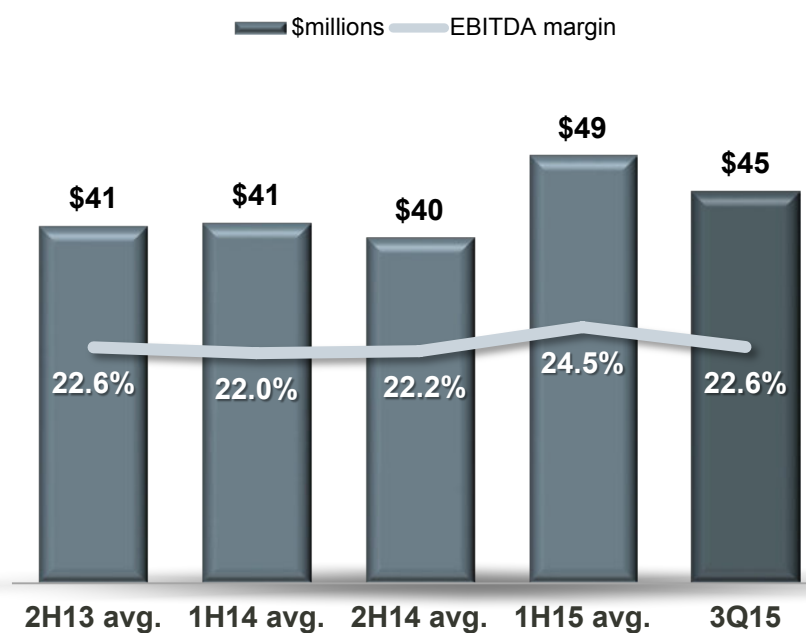
- Strong results in line with our 2H 2015 outlook
- Solid demand and improved sales margins
 - Continued strength in underlying aerospace demand
 - Auto demand fueled by growing content and large vehicle mix
 - Normal seasonal weakness in general engineering and industrial products
 - Improved pricing, lower contained metal costs
- Higher costs
 - Planned Trentwood maintenance outage, related expense and inefficiencies
 - Growth-related inefficiencies in the auto supply chain and our operations

2015 Third Quarter

Value Added Revenue¹



EBITDA² and EBITDA Margin³



3Q15 VAR:

- Aero/HS and GE: favorable spot pricing, metal cost, and mix
- Aero/HS volume down due to Trentwood outage
- GE volume down due to normal seasonality
- Auto: new programs, higher large vehicle builds

3Q15 EBITDA:

- Strong sales volume, favorable price / mix
- Trentwood outage: higher maintenance costs, temporarily lower throughput / efficiency
- Auto ramp ups: temporary cost inefficiencies responding to supply chain demands

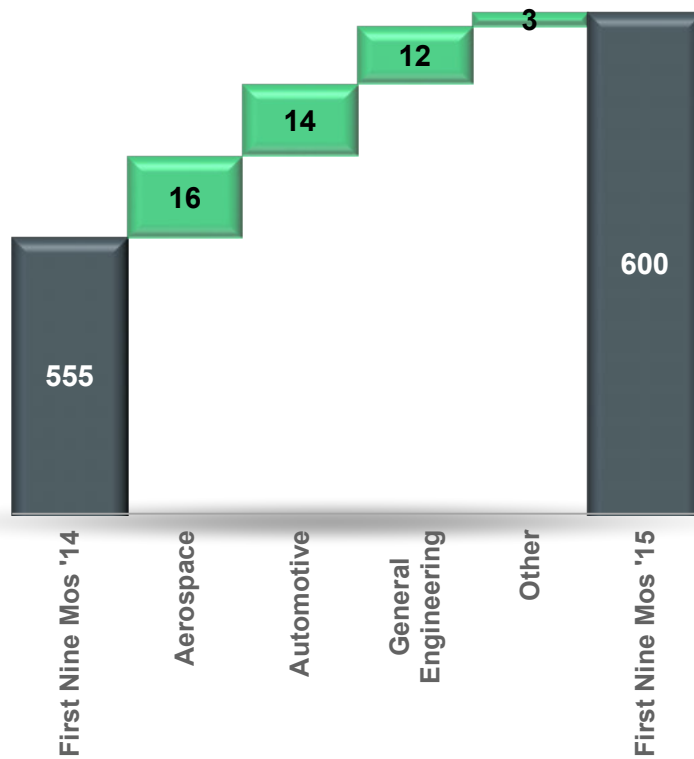
¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 23-24

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 25-26

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

2015 First Nine Months

Value Added Revenue¹
(in \$millions)



EBITDA²
(in \$millions)



¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 23-24

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 25-26

Consolidated Financial Highlights

(in \$millions except Shipments & EPS)	Quarterly				Nine Months		
	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>2014</u>	<u>2015</u>
Shipments (in millions of lbs)	144	141	158	160	151	448	468
Net Sales	\$339	\$338	\$372	\$367	\$336	\$1,018	\$1,075
Value Added Revenue ¹	\$180	\$178	\$197	\$203	\$199	\$555	\$600
Adjusted:							
Operating Income ²	\$33	\$30	\$38	\$44	\$37	\$101	\$119
EBITDA ³	\$41	\$39	\$46	\$52	\$45	\$124	\$143
EBITDA margin ⁴	22.7%	21.7%	23.3%	25.8%	22.6%	22.3%	23.9%
Net Income ⁵	\$15	\$16	\$18	\$23	\$19	\$47	\$61
EPS ⁶	\$0.79	\$0.85	\$1.01	\$1.27	\$1.07	\$2.54	\$3.33
As Reported:							
Operating Income (Loss)	\$33	\$27	(\$459)	\$37	\$41	\$111	(\$381)
Net Income (Loss)	\$16	\$16	(\$292)	\$20	\$22	\$56	(\$250)
EPS ⁷	\$0.85	\$0.85	(\$16.85)	\$1.11	\$1.21	\$3.02	(\$14.55)

¹ Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 23-24

² Adjusted Operating Income = Consolidated Operating Income before non-run-rate; refer to slides 25-26

³ EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 25-26

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

⁵ Adjusted Net Income = Reported Net Income excluding non-run-rate items; refer to slides 27-28

⁶ Adjusted EPS = Reported Earnings Per diluted Share excluding non-run-rate items; refer to slides 27-28

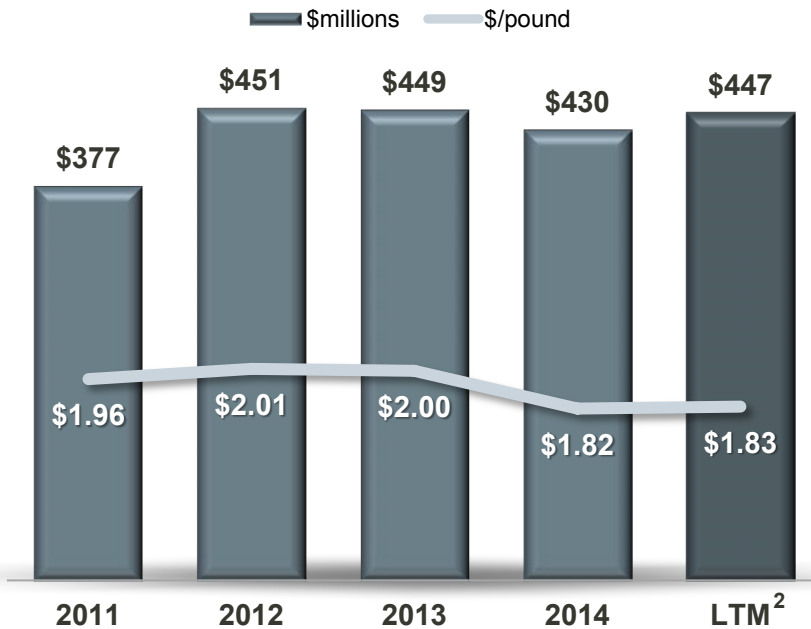
⁷ As Reported EPS = Reported Earnings Per diluted Share; refer to slides 27-28

Totals may not sum due to rounding

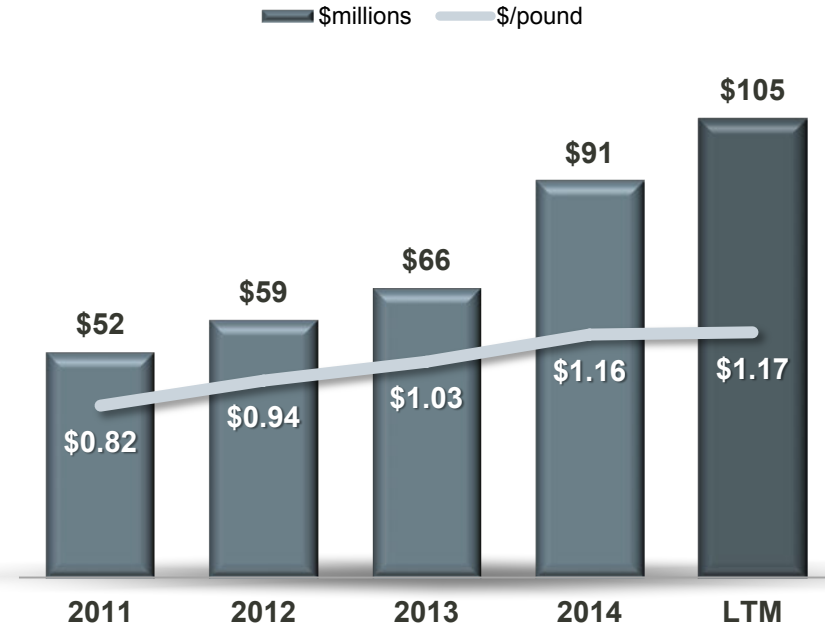
2015 Outlook

Aero/High Strength & Automotive

Aerospace / High Strength Value Added Revenue¹



Automotive Value Added Revenue



Aerospace/HS 2015 outlook:

- Expect ~6%-8% y/y VAR growth driven by builds
- Supply chain inventory has reached equilibrium
- Prices have stabilized with potential for further improvement; lower avg. unit price reflects mix

Automotive extrusions 2015 outlook:

- Expect ~20% y/y VAR growth driven by increasing content and strong demand for large vehicle components
- Improving long-term avg. unit price trend reflects favorable sales mix changes

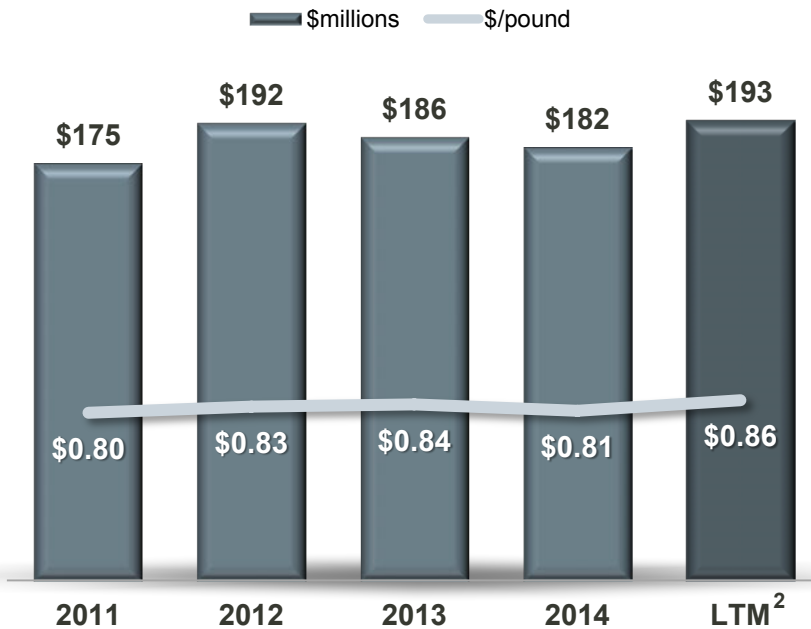
¹ Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 23-24

² LTM = Last Twelve Months, as of September 30, 2015

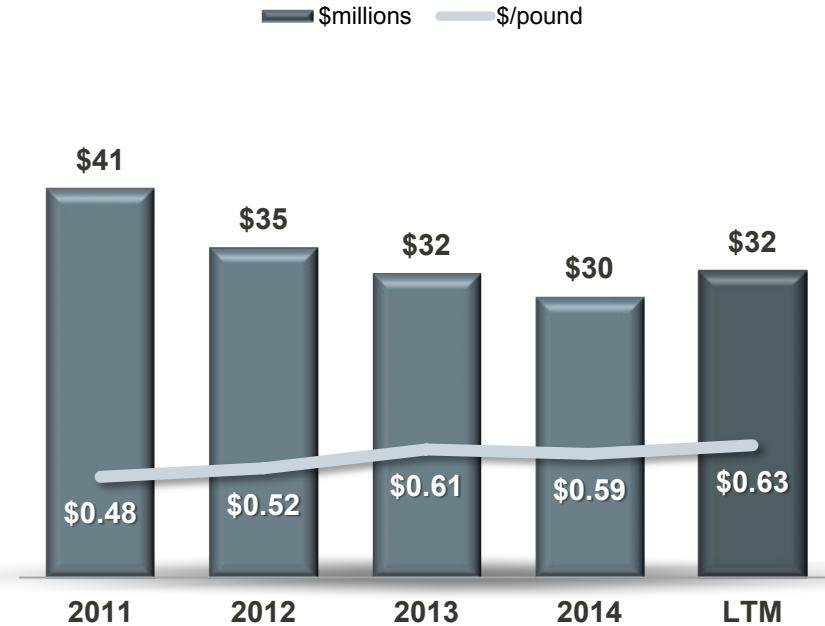
2015 Outlook

General Engineering & Other

General Engineering Value Added Revenue¹



Other Applications Value Added Revenue



General engineering 2015 outlook:

- Anticipate shipment growth of 2%-3% y/y with normal second half seasonal weakness
- Pricing environment is improving; VAR improvement y/y reflects favorable mix and price

Other applications outlook:

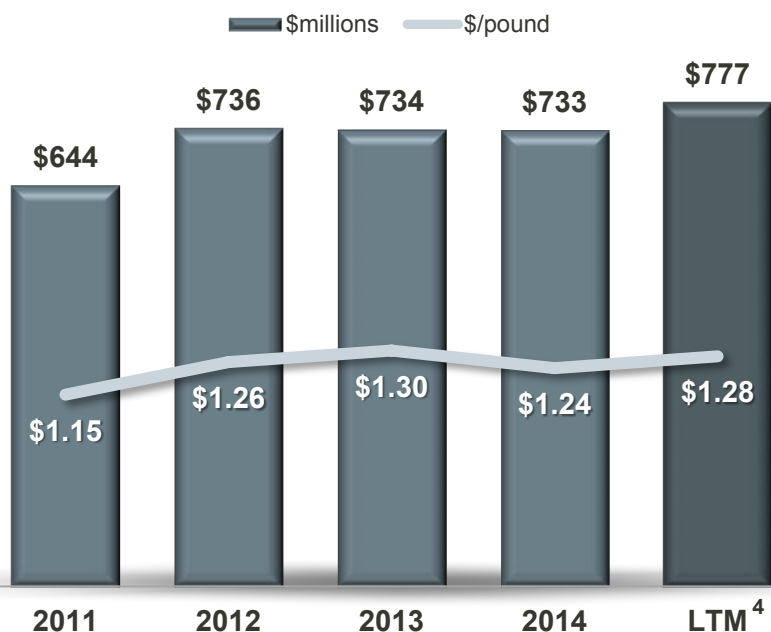
- VAR for these non-core applications has steadily declined as capacity is redirected to key strategic applications
- Anticipate 2015 VAR similar to prior year

¹ Value Added Revenue (VAR) = Net sales less hedged cost of alloyed metal; refer to slides 23-24

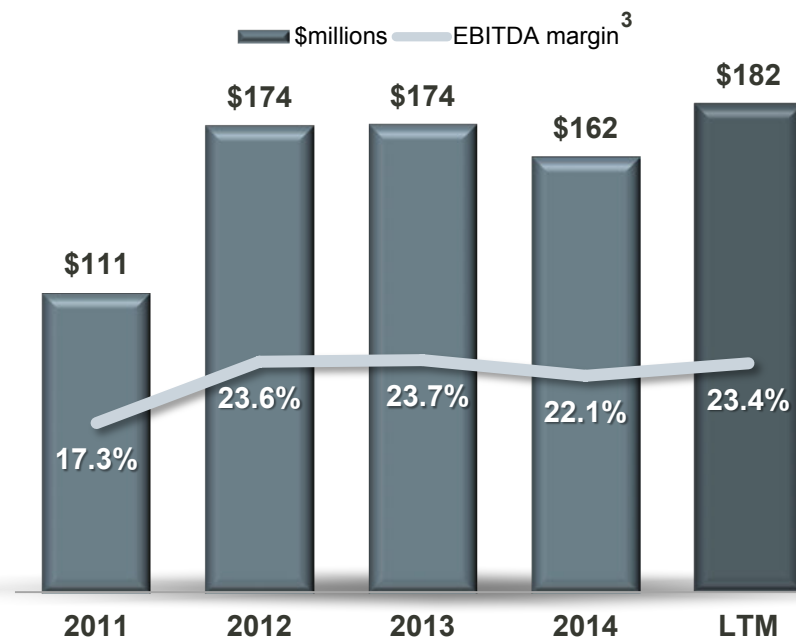
² LTM = Last Twelve Months, as of September 30, 2015

Summary 2015 Outlook

Value Added Revenue¹



EBITDA²



VAR 2015 outlook:

- Expect ~7%-9% y/y VAR growth driven by continued improvement in shipments for aero/HS and automotive applications, some benefits from pricing and lower contained metal cost

EBITDA 2015 outlook:

- Sales growth and manufacturing cost efficiencies drive improved EBITDA and margin
- Normal seasonal demand weakness and higher planned major maintenance costs in 2H

¹ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal; refer to slides 23-24

² EBITDA = Consolidated Operating Income before non-run-rate plus Depreciation and Amortization; refer to slides 25-26

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

⁴ LTM = Last Twelve Months, as of September 30, 2015

Summary

- 3Q results reflected strong underlying demand and improved sales margins offset in part by Trentwood planned maintenance / related costs
- Optimistic full year 2015 outlook: anticipate y/y sales growth, improved cost efficiencies
- Long-term outlook: well-positioned for profitable growth and shareholder value creation
 - Secular growth prospects for automotive and aerospace / HS
 - Further capacity, quality, and efficiency benefits
 - Strong balance sheet and cash flow generation

KAISER
ALUMINUM

A photograph of several aluminum extrusions, including a round rod and several rectangular bars, arranged in a stack. A semi-transparent white rectangular box is overlaid on the center of the image, containing the word "Appendix".

Appendix

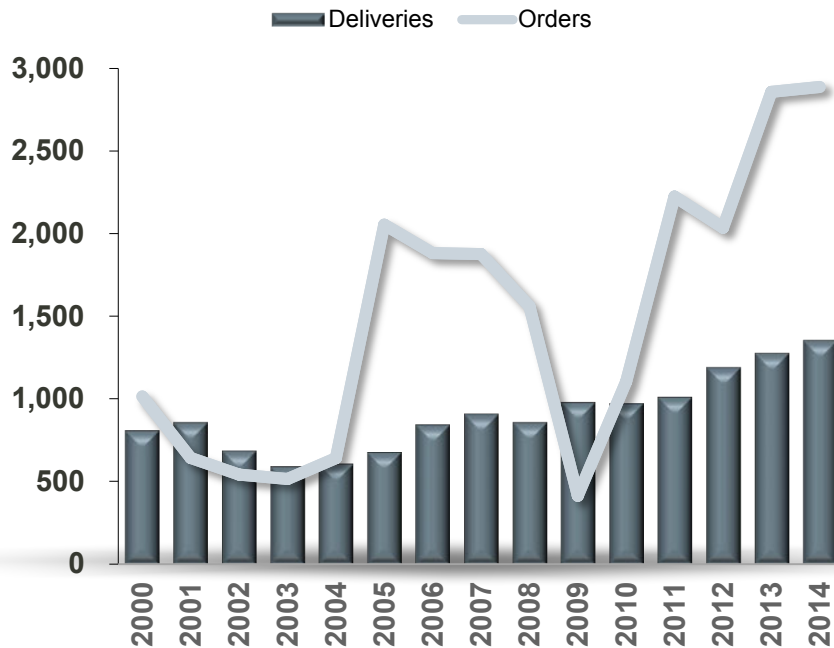
Company Summary

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
- Significant investments made for growth and competitive strength
- Solid platform and market presence for further value creation in strategic end market applications

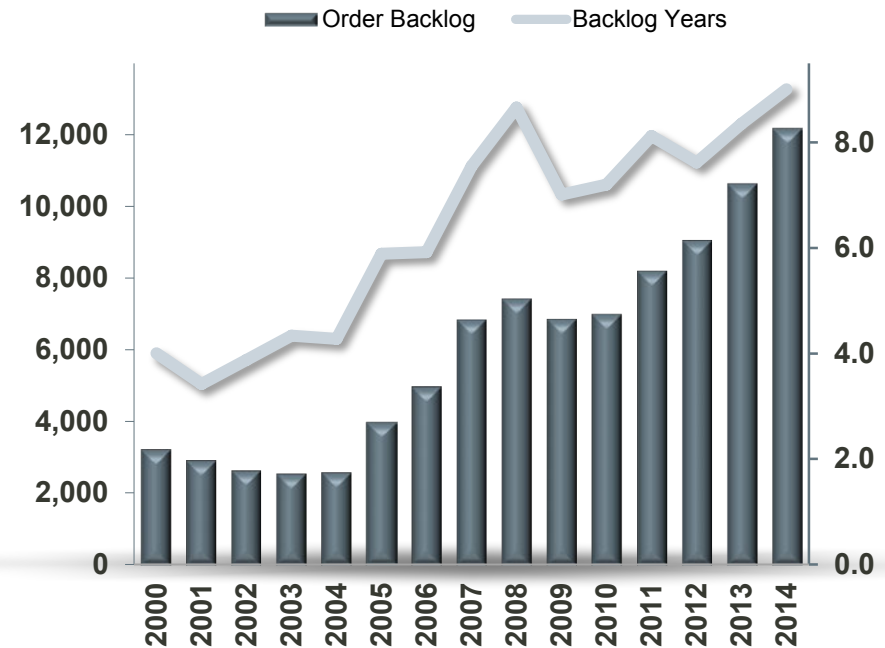
Boeing/Airbus Commercial Airframe Deliveries & Backlog

Boeing/Airbus Commercial Airframe Orders/Deliveries



- Boeing/Airbus record 2014 deliveries were up 6%
- Record 2014 orders equate to 2.1 years of production

Boeing/Airbus Commercial Airframe Backlog



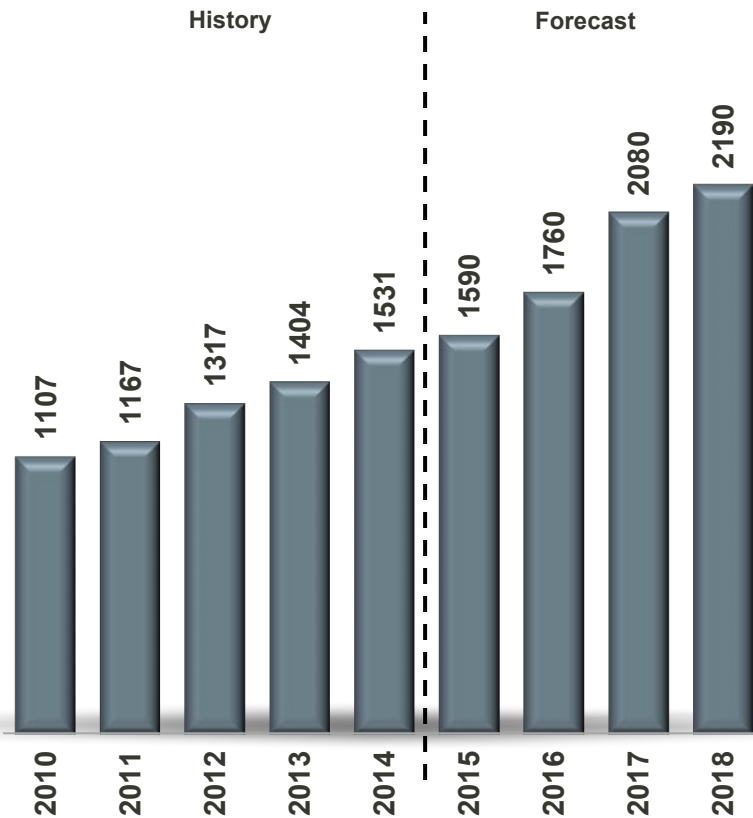
Record backlog ~9 years at 2014 production

Source: Boeing & Airbus

KAISER
ALUMINUM

Total Commercial Airframe Deliveries

Global Commercial Airframe Builds



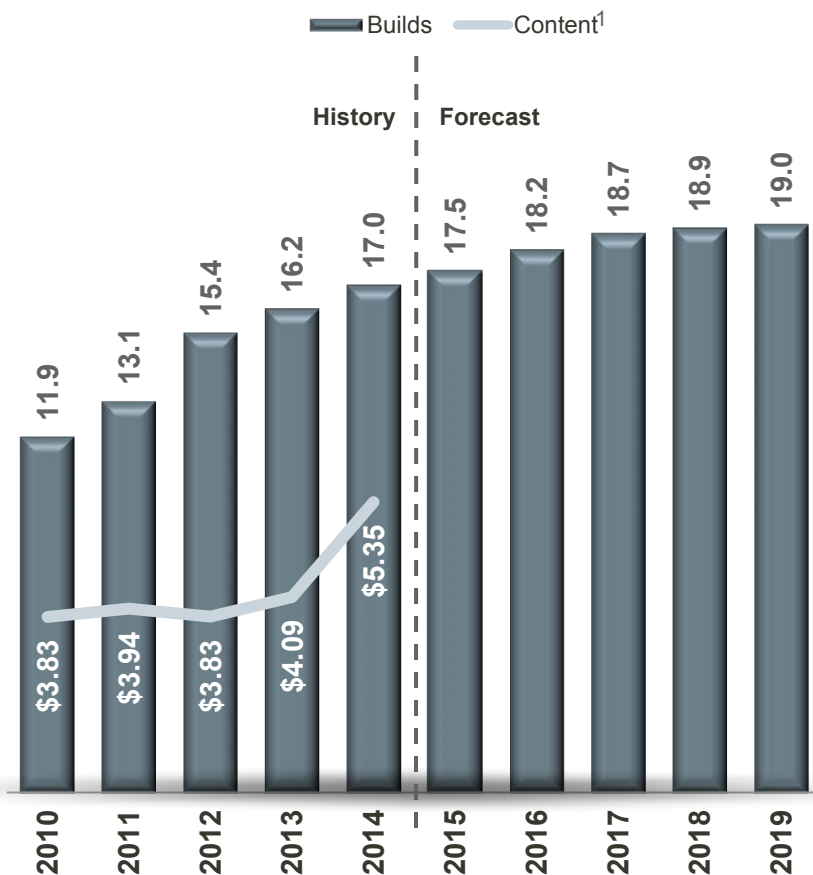
Source: June '15 Airline Monitor

Robust secular growth trend

- Driven by global air travel growing at 5% CAGR (revenue passenger miles) over several decades
- Record order backlog for airframes and growing demand
- Increasing aluminum plate content driven by:
 - Growing use of monolithic design in airframe construction
 - Larger airframes (longer and wider)

Automotive Demand Trend

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



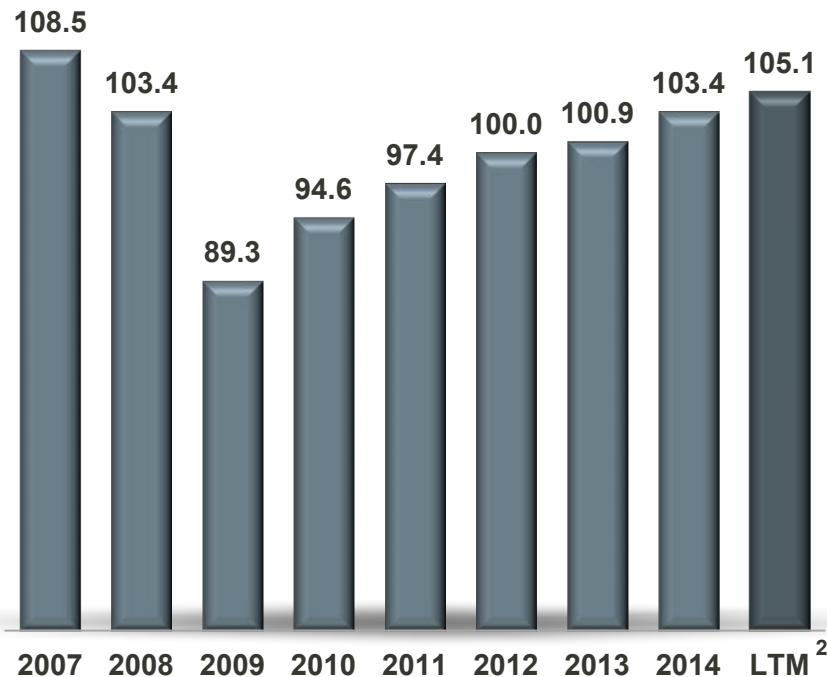
Robust secular growth trend

- Driven by growing build rates and aluminum extrusion content
- Content increasing as OEMs seek weight savings to achieve more fuel efficient vehicles
- Kaiser is well-positioned
 - Strong market presence, reputation for performance
 - Market focused technical sales and engineering teams
 - Premier automotive extrusion focused facilities (London, ONT, Bellwood, VA, Kalamazoo, MI, Sherman, TX)

¹ Content = Kaiser's Automotive Value Added Revenue dollars per North American vehicle build; Builds Source is IHS Automotive

U.S. Manufacturing Trends

Index of Industrial Production – Manufacturing¹



Slow, steady economic recovery

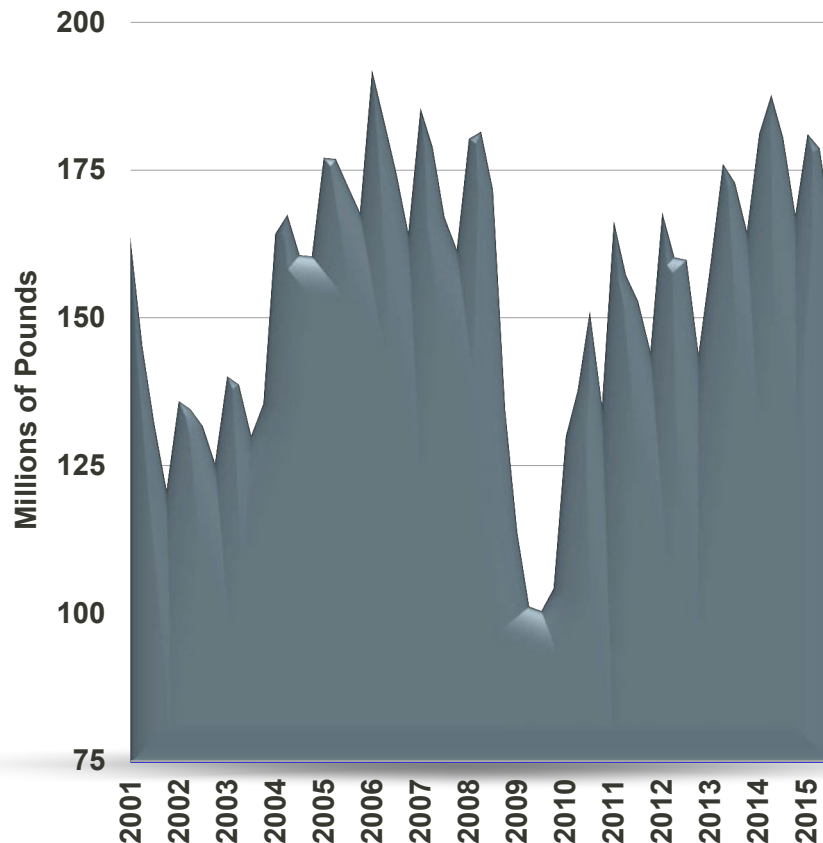
- U.S. manufacturing activity returning to pre-recession levels
- Kaiser supplies a broad portfolio of general engineering products to the industrial sector that includes:
 - Sheet & plate
 - Rod, bar & wire
 - Seamless & structural tube
 - Extruded forge stock
 - Redraw rod
- Anticipate ~3% year-over-year demand growth in 2015

¹ Represents Annual Averages indexed to 2012; Source: Federal Reserve statistics for U.S. manufacturing

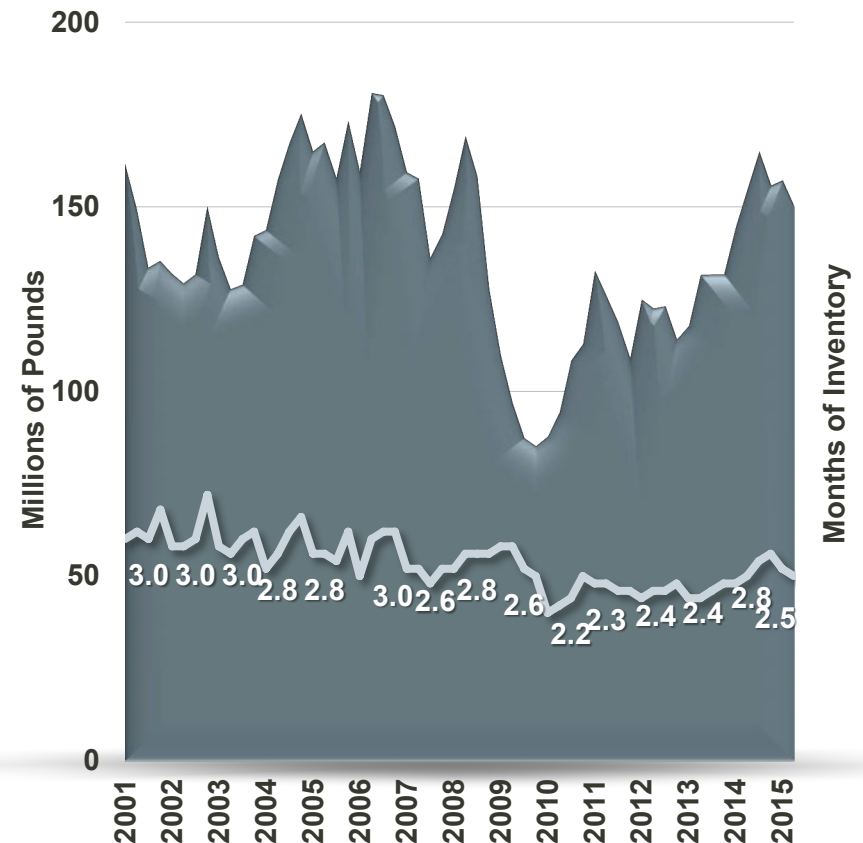
² LTM = Last Twelve Months, as of September 30, 2015

MSCI Aluminum Rod & Bar Shipments & Inventory

Quarterly MSCI Shipments



Quarterly MSCI Inventory



Non-run-rate Adjustments

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

Definitive Termination Date for Annual Contributions to Union VEBA

Condensed Balance Sheet

(in millions)

	<u>Dec. 31, 2014</u>	<u>Sept. 30, 2015</u>	<u>change</u>	<u>Union VEBA related change (pre-tax)</u>	<u>Union VEBA related change (tax impacts)</u>	<u>Union VEBA related change (post-tax)</u>
Cash and ST Investments	\$ 292	\$ 113	\$ (179)	\$ -	\$ -	\$ -
Net Assets of Union VEBA	340	-	(340)	(340)	-	(340) (a)
Deferred Tax Assets (net)	31	136	105	-	143	143 (b)
Other Assets	1,081	1,014	(67)	-	-	-
Total Assets	\$ 1,744	\$ 1,263	\$ (481)	\$ (340)	\$ 143	\$ (197)
Total Liabilities	\$ 728	\$ 491	\$ (237)	\$ 44	\$ -	\$ 44 (c)
Additional Paid in Capital	1,029	1,034	5	-	-	-
Treasury Stock	(197)	(243)	(46)	-	-	-
Accum. Other Compr. Inc.	(96)	(29)	67	107	(40)	66 (d)
Retained Earnings	280	10	(270)	(491) (e)	184 (f)	(307) (g)
Total Liabilities & Equity	\$ 1,744	\$ 1,263	\$ (481)	\$ (340)	\$ 143	\$ (197)

The impact of ending defined benefit accounting for the Union VEBA:

- (a) Remove net assets of the Union VEBA
- (b) Remove net deferred tax liability related to the Union VEBA
- (c) Establish a liability for estimated future annual Union VEBA payments through September 2017
- (d) Clear accumulated other comprehensive income related to Union VEBA
- (e) Pre-tax Union VEBA non-run-rate charge
- (f) Tax impact of Union VEBA non-run-rate charge
- (g) Non-cash, non-run-rate, after-tax Union VEBA charge

Sales Analysis By Application - Quarterly

	<u>1Q13</u>	<u>2Q13</u>	<u>3Q13</u>	<u>4Q13</u>	<u>1Q14</u>	<u>2Q14</u>	<u>3Q14</u>	<u>4Q14</u>	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>
Shipments (lbs, mm)											
Aero & High Strength	56.7	54.8	55.3	57.5	56.7	60.5	58.9	60.8	61.9	62.8	58.9
General Engineering	54.8	60.1	56.6	51.0	62.5	58.4	54.2	48.3	60.4	59.4	55.8
Automotive Extrusions	15.3	15.9	16.1	16.8	19.5	20.2	19.6	19.2	22.1	24.4	24.3
Other Applications ¹	<u>13.2</u>	<u>14.6</u>	<u>13.1</u>	<u>11.9</u>	<u>13.1</u>	<u>12.6</u>	<u>11.6</u>	<u>12.7</u>	<u>13.5</u>	<u>13.2</u>	<u>11.5</u>
Total	140.0	145.4	141.1	137.2	151.8	151.7	144.3	141.0	157.9	159.8	150.5
Value Added Revenue ² (\$mm)											
Aero & High Strength	\$118.7	\$109.3	\$108.9	\$112.3	\$106.4	\$110.2	\$106.6	\$107.0	\$111.2	\$115.0	\$ 113.3
General Engineering	\$ 46.4	\$ 49.6	\$ 46.9	\$ 43.2	\$ 50.1	\$ 47.6	\$ 43.2	\$ 41.0	\$ 51.6	\$ 50.7	\$ 50.1
Automotive Extrusions	\$ 14.6	\$ 15.3	\$ 18.2	\$ 18.2	\$ 21.9	\$ 24.3	\$ 22.6	\$ 22.1	\$ 25.7	\$ 29.0	\$ 28.4
Other Applications	<u>\$ 7.7</u>	<u>\$ 9.3</u>	<u>\$ 7.9</u>	<u>\$ 7.1</u>	<u>\$ 7.2</u>	<u>\$ 7.5</u>	<u>\$ 7.4</u>	<u>\$ 7.4</u>	<u>\$ 8.7</u>	<u>\$ 8.7</u>	<u>\$ 7.5</u>
Total	\$187.4	\$183.5	\$181.9	\$180.8	\$185.6	\$189.6	\$179.8	\$177.5	\$197.2	\$203.4	\$ 199.3
Value Added Revenue (\$/lb.)											
Aero & High Strength	\$ 2.09	\$ 2.00	\$ 1.97	\$ 1.95	\$ 1.87	\$ 1.82	\$ 1.81	\$ 1.76	\$ 1.80	\$ 1.83	\$ 1.92
General Engineering	\$ 0.85	\$ 0.82	\$ 0.83	\$ 0.85	\$ 0.80	\$ 0.81	\$ 0.80	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.90
Automotive Extrusions	\$ 0.95	\$ 0.97	\$ 1.13	\$ 1.08	\$ 1.13	\$ 1.20	\$ 1.15	\$ 1.15	\$ 1.16	\$ 1.19	\$ 1.17
Other Applications	<u>\$ 0.58</u>	<u>\$ 0.64</u>	<u>\$ 0.61</u>	<u>\$ 0.60</u>	<u>\$ 0.55</u>	<u>\$ 0.60</u>	<u>\$ 0.64</u>	<u>\$ 0.58</u>	<u>\$ 0.64</u>	<u>\$ 0.66</u>	<u>\$ 0.65</u>
Overall ³	\$ 1.34	\$ 1.26	\$ 1.29	\$ 1.32	\$ 1.22	\$ 1.25	\$ 1.25	\$ 1.26	\$ 1.25	\$ 1.27	\$ 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

Totals may not sum due to rounding

Sales Analysis By Application - Annual

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>LTM¹</u>
<u>Shipments</u> (lbs, mm)					
Aero & High Strength	192.0	223.9	224.3	236.9	244.4
General Engineering	220.2	232.7	222.5	223.4	223.9
Automotive Extrusions	62.8	62.8	64.1	78.5	90.0
Other Applications ²	85.9	66.5	52.8	50.0	50.9
Total	560.9	585.9	563.7	588.8	609.2
<u>Value Added Revenue</u> ³ (\$mm)					
Aero & High Strength	376.5	450.5	449.2	430.2	446.5
General Engineering	175.2	192.0	186.1	181.9	193.4
Automotive Extrusions	51.6	59.0	66.3	90.9	105.2
Other Applications	40.9	34.7	32.0	29.5	32.3
Total	644.2	736.2	733.6	732.5	777.4
<u>Value Added Revenue</u> (\$/lb.)					
Aero & High Strength	\$1.96	\$2.01	\$2.00	\$1.82	\$1.83
General Engineering	\$0.80	\$0.83	\$0.84	\$0.81	\$0.86
Automotive Extrusions	\$0.82	\$0.94	\$1.03	\$1.16	\$1.17
Other Applications	\$0.48	\$0.52	\$0.61	\$0.59	\$0.63
Overall⁴	\$1.15	\$1.26	\$1.30	\$1.24	\$1.28

¹ LTM = Last Twelve Months, as of September 30, 2015

² Includes custom industrial products and billet

³ Value Added Revenue (VAR) = Net Sales less hedged cost of alloyed metal

⁴ Total VAR / Total Shipments

Totals may not sum due to rounding

Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)	Quarterly										
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Consolidated - Reported Operating Income (Loss)	\$50.0	\$40.1	\$41.6	\$41.6	\$32.1	\$46.4	\$32.6	\$26.8	(\$458.6)	\$37.0	\$40.5
Operating NRR ¹ items:											
Mark-to-Market (Losses) Gains	(0.7)	(4.2)	1.5	4.1	2.0	1.5	(3.5)	(10.4)	(4.5)	(1.5)	(1.7)
Consolidated LIFO to Plant LIFO Adjustment	4.7	0.7	1.4	0.6	(4.6)	0.5	(1.4)	1.5	1.3	(2.8)	2.6
Workers' Compensation Discount Rate Effect	—	0.9	—	0.4	0.2	0.1	(0.1)	(0.2)	(0.1)	—	(0.1)
Impairment Losses	—	—	—	—	—	(0.2)	(1.3)	—	—	—	—
Legacy Environmental	(0.6)	—	(0.4)	(3.5)	(0.2)	(0.1)	—	(0.5)	(0.4)	(0.8)	0.4
Restructuring Charges	—	—	—	—	—	—	—	—	—	—	—
Union VEBA Net Periodic Benefit Income (Cost)	5.9	6.0	5.9	5.9	5.8	6.3	6.2	6.2	(492.2)	(1.6)	2.9
Salaried VEBA Net Periodic Benefit Cost	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)	(0.6)	(0.6)
Total Operating NRR Items	9.0	3.1	8.1	7.2	3.0	7.9	(0.3)	(3.6)	(496.5)	(7.3)	3.5
Consolidated Operating Income before operating NRR	41.0	37.0	33.5	34.4	29.1	38.5	32.9	30.4	37.9	44.3	37.0
Depreciation & Amortization - Consolidated	7.0	7.0	6.9	7.2	7.4	7.7	8.0	8.0	8.0	8.1	8.1
Consolidated - Adjusted EBITDA	\$48.0	\$44.0	\$40.4	\$41.6	\$36.5	\$46.2	\$40.9	\$38.5	\$45.9	\$52.4	\$45.1

¹ NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax
Totals may not sum due to rounding

Reconciliation of Reported Operating Income to Adjusted EBITDA

(in \$ millions)	Annual				
	2011	2012	2013	2014	LTM ¹
Consolidated - Reported Operating Income (Loss)	\$55.0	\$165.9	\$173.3	\$137.9	(\$354.3)
Operating NRR ² items:					
Mark-to-Market (Losses) Gains	(29.9)	15.2	0.7	(10.4)	(18.1)
Consolidated LIFO to Plant LIFO Adjustment	(0.2)	(2.3)	7.4	(4.0)	2.6
Workers' Compensation Discount Rate Effect	(3.8)	(0.2)	1.3	—	(0.4)
Impairment Losses	—	(4.4)	—	(1.5)	—
Legacy Environmental	(3.9)	(1.3)	(4.5)	(0.8)	(1.3)
Restructuring Benefits	0.3	—	—	—	—
Union VEBA Net Periodic Benefit Income (Cost)	6.7	14.8	23.7	24.5	(484.7)
Salaried VEBA Net Periodic Benefit Cost	(0.7)	(2.9)	(1.2)	(0.8)	(2.0)
Other Operating Benefits	0.3	—	—	—	—
Total Operating NRR Items	(31.2)	18.9	27.4	7.0	(503.9)
Consolidated Operating Income before operating NRR	86.2	147.0	145.9	130.9	149.6
Depreciation & Amortization - Consolidated	25.2	26.5	28.1	31.1	32.2
Consolidated - Adjusted EBITDA	\$111.4	\$173.5	\$174.0	\$162.0	\$181.9

¹ LTM = Last Twelve Months, as of September 30, 2015

² NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax
Totals may not sum due to rounding

Adjusted Net Income and EPS

(in \$ millions except EPS)

	Quarterly								
	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
GAAP Net Income (Loss)	\$ 25.4	\$ 27.3	\$ 15.8	\$ 24.5	\$ 15.9	\$ 15.6	\$ (292.2)	\$ 20.2	\$ 22.1
Operating NRR ¹ Items	(8.1)	(7.2)	(3.0)	(7.9)	0.3	3.6	496.5	7.3	(3.5)
Non-Operating NRR Items ²	(2.2)	(2.1)	(0.9)	(0.5)	(2.2)	-	-	-	-
Tax impact of above NRR items	3.9	3.5	1.4	3.2	0.6	(1.3)	(184.5)	(2.6)	1.5
NRR tax benefit	(1.9)	(5.4)	-	-	-	(2.4)	(1.5)	(1.8)	(0.7)
Adjusted Net Income	\$ 17.1	\$ 16.1	\$ 13.3	\$ 19.3	\$ 14.6	\$ 15.5	\$ 18.3	\$ 23.1	\$ 19.4
GAAP earnings per diluted share ³	\$ 1.34	\$ 1.44	\$ 0.85	\$ 1.33	\$ 0.85	\$ 0.85	\$ (16.85)	\$ 1.11	\$ 1.21
Adjusted earnings per diluted share³	\$ 0.90	\$ 0.85	\$ 0.72	\$ 1.05	\$ 0.79	\$ 0.85	\$ 1.01	\$ 1.27	\$ 1.07

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

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

³ Diluted shares for EPS calculated using treasury method

Totals may not sum due to rounding

Adjusted Net Income and EPS

(in \$ millions except EPS)

	Annual				
	2011	2012	2013	2014	LTM ¹
GAAP Net Income (Loss)	\$ 25.1	\$ 85.8	\$104.8	\$ 71.8	\$(234.3)
Operating NRR ² Items	31.2	(18.9)	(27.4)	(7.0)	503.9
Non-Operating NRR Items ³	(4.0)	(0.8)	(3.8)	(3.6)	—
Tax impact of above NRR items	(10.6)	7.5	11.8	4.0	(186.9)
NRR tax benefit	-	-	(15.1)	(2.4)	(6.4)
Adjusted Net Income	\$ 41.7	\$ 73.6	\$ 70.3	\$ 62.8	\$ 76.3
GAAP earnings per diluted share ⁴	\$ 1.32	\$ 4.45	\$ 5.44	\$ 3.86	\$(13.68)
Adjusted earnings per diluted share⁴	\$ 2.20	\$ 3.82	\$ 3.65	\$ 3.38	\$ 4.20

¹ LTM = Last Twelve Months, as of September 30, 2015

² NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax

³ 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

⁴ 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

KAISER
ALUMINUM