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 earnings release for the quarter ended September 30, 2008, and reports filed with the Securities and Exchange Commission. 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 to us are items that, while they may recur from period to period, are (1) particularly material to results, (2) impact costs as a result of external market factors and (3) may not recur in future periods if the same level of underlying performance were to occur. These are certainly part of our business and operating environment but are worthy of being highlighted for the benefit of the users of our financial statements.

Management’s intent is to neutralize the Fabricated Products segment from fluctuations in underlying metal prices. We characterize “metal profits” and LIFO charges as non-run-rate items that eventually offset to a great extent over the course of a full year.

Further, presentations including such terms as net income or operating income “before non-run-rate” or “after adjustments” 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.
Jack Hockema
President, CEO and Chairman
Third Quarter ’08 Highlights

Overall Operating Performance in Line with Expectations

• Consolidated operating income of $30 million after adjustment for non-run-rate items and Anglesey outage

• Fabricated Products 3Q results reflected anticipated market trends and operating performance

• Primary Products results continued to be negatively impacted by lower volume as a result of the Anglesey outage and timing of the insurance reimbursement

• Strategic investment initiatives proceeded as planned
  Trentwood heat treat plate expansion completed

• Returned cash to shareholders through share repurchases
Dan Rinkenberger
Senior Vice President and Chief Financial Officer
Financial Highlights – Consolidated

Mark-to-Market Loss and Anglesey Outage Impact Results

- Operating income of $30 million adjusted for:
  - Mark-to-market loss of $44 million in 3Q08, off-setting sizeable gains in the first half of 2008
  - Anglesey outage – estimated $20 million pretax third quarter impact; insurance reimbursement not yet collected
- Net Income reflects these unusual items
- 3Q08 EPS impact of non-run-rate items and Anglesey outage: $1.88/share

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Year-To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$369</td>
<td>$367</td>
</tr>
<tr>
<td>% change from prior yr</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>($37)</td>
<td>$44</td>
</tr>
<tr>
<td>Anglesey fire impact</td>
<td>($20)</td>
<td>$0</td>
</tr>
<tr>
<td>NRR Mark-to-Market</td>
<td>($44)</td>
<td>$5</td>
</tr>
<tr>
<td>Other NRR items</td>
<td>($2)</td>
<td>$3</td>
</tr>
<tr>
<td>Adjusted Oper Income</td>
<td>$30</td>
<td>$37</td>
</tr>
<tr>
<td>Net Income</td>
<td>($22)</td>
<td>$25</td>
</tr>
<tr>
<td>EPS (diluted, GAAP)</td>
<td>($1.11)</td>
<td>$1.22</td>
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<tr>
<td>Adj. EPS</td>
<td>$0.77</td>
<td></td>
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</table>

1. NRR is an abbreviation for Non-Run-Rate
2. Includes other operating charges. See appendix pages 24-25 for more details on non-run-rate items
3. Totals may not sum due to rounding
4. Adjusted for non-run-rate items and the Anglesey outage (diluted shares)
Fabricated Products

Cost Pressures Offset the Impact of Higher Value-Added Sales

- Quarterly shipments flat to prior year quarter
  - Heat treat plate shipments up despite planned production outage
  - Rod & bar shipments down

- 3Q08 operating income (before non-run-rate) of $33 million, down $6 million:
  - $10 million – value-added sales
  - ($5) million – energy, freight & currency
  - ($7) million – manufacturing costs
  - ($2) million – major maintenance

- Non-run-rate includes mark-to-market losses of $10 million for the 3rd quarter

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Year-To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipments (lbs, mm)</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>% change from prior yr</td>
<td>0%</td>
<td>5%</td>
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<tr>
<td>Revenue (in $mm)</td>
<td>$335</td>
<td>$316</td>
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<tr>
<td>% change from prior yr</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Avg. Realized Price / Lb.</td>
<td>$2.48</td>
<td>$2.34</td>
</tr>
<tr>
<td>Operating Income ($ mm)</td>
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<td></td>
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<tr>
<td>Reported oper income</td>
<td>$20</td>
<td>$40</td>
</tr>
<tr>
<td>NRR, Mark-to-Market</td>
<td>($10)</td>
<td>$0</td>
</tr>
<tr>
<td>Other NRR items</td>
<td>($4)</td>
<td>$1</td>
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<tr>
<td>Oper Income before NRR</td>
<td>$33</td>
<td>$39</td>
</tr>
</tbody>
</table>

1 Primarily natural gas hedge positions
2 See appendix pages 24-25 for more details on non-run-rate items
3 Totals may not sum due to rounding
### Primary Aluminum

**Anglesey Outage and Non-Cash Mark-to-Market Loss Impact 3Q08**

- Sales and operating income negatively impacted by the Anglesey outage as expected.
- Non-cash mark-to-market loss of $34 million reverses a mark-to-market gain of first half of 2008.
- Operating Income before non-run-rate and the Anglesey outage was flat with prior year quarter.
- Insurance claim remains in process.\(^4\)

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter 2008</th>
<th>Year-To-Date 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shipments (lbs, mm)</strong></td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>% change from prior yr</td>
<td>-40%</td>
<td>-17%</td>
</tr>
<tr>
<td><strong>Revenue (in $mm)</strong></td>
<td>$34</td>
<td>$51</td>
</tr>
<tr>
<td>% change from prior yr</td>
<td>-32%</td>
<td>-13%</td>
</tr>
<tr>
<td><strong>Avg. Realized Price / Lb.</strong></td>
<td>$1.42</td>
<td>$1.26</td>
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<tr>
<td><strong>Operating Income ($ mm)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported oper income</td>
<td>($45)</td>
<td>$13</td>
</tr>
<tr>
<td>Anglesey fire impact (^1)</td>
<td>($20)</td>
<td>$0</td>
</tr>
<tr>
<td>NRR, Mark-to-Market (^2)</td>
<td>($34)</td>
<td>$4</td>
</tr>
<tr>
<td><strong>Adjusted Oper Income (^3)</strong></td>
<td>$9</td>
<td>$9</td>
</tr>
</tbody>
</table>

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1. For additional details, please refer to the 10-Q.
2. NRR = Non Run Rate, see appendix pages 24-25 for more details on NRR items.
3. Totals may not sum due to rounding.
4. Timing and amount of final settlement remain uncertain.
Third Quarter Cash Sources and Uses

Cash Sources & Uses ($M)

- Stock repurchases of $28 million
- Inventory increase from
  - Fabricated Products: $19 million
  - Primary Products: $12 million
- $23 million to fund strategic capital programs – primarily on final phase of Trentwood expansion and Kalamazoo
- Revolver accessed to fund daily cash requirements

Third Quarter 2008
Cash Sources & Uses ($M)

- Beginning Cash $27
- Fab & Corp Op Inc *
- Depreciation
- Dividends
- Stock repurchases
- Inventory
- Capex
- Other
- Revolver
- Ending Cash $1

* Before non-run-rate
Cash and Liquidity Management

Maintain Balance Sheet Strength

- Current credit market conditions severely limit access to new capital

- Committed $265 million Revolving Credit Facility provides borrowing capacity to operate through economic cycles
  - Provide a prudent liquidity cushion to manage through an economic downturn
  - Fund operations and value-creating investments
Jack Hockema
President, CEO and Chairman
Historical Perspective on Market Cyclicality

Long Term Contracts Mitigate Effect of Potential Downturn

- Served market segments contracted ~30% from peak to trough in the post 9/11 deep and long recession

- Kaiser’s enriched product mix and book of heat treat plate contracts should mitigate the effect of an economic downturn

Source: Aluminum Association, Kaiser estimates
‘Core’ served market segments account for ~ 85% of Kaiser sales
Market Outlook

Significant Economic Uncertainty

- Aerospace – expect continuing strong demand

- Defense
  - Expect continuing strong demand for military aerospace applications
  - Continued strong armor plate demand although lower than the record levels in 2008

- General Engineering
  - Significant uncertainty regarding demand from US industrial markets
  - Fourth quarter demand further impacted by aggressive service center de-stocking and normal seasonal weakness

- Automotive – N.A. build rates at 15 year lows with potential for further reduction
Managing through Economic Uncertainty

Taking Prudent Actions to Preserve Financial Strength

- Maintain strong balance sheet
  - Review all capital spending
  - Temporarily defer acquisition initiatives
  - Temporary suspension of share repurchases

- Continue strategic investments
  - Kalamazoo project remains a core component of our business strategy
  - Priority on projects for cost reduction and improved operating efficiency

- Aggressively manage costs in line with changing market conditions
Summary

• Fabricated Products business is well-positioned to manage through market cycles
  o Customer contracts should mitigate the effect of a potential downturn
  o Strong balance sheet and committed bank financing

• Taking prudent actions to preserve financial strength
  o Review all capital spending
  o Temporarily defer acquisition initiatives
  o Temporary suspension of share repurchases

• Prioritizing investments that improve operating efficiency
Q&A
Closing Comments

- Long-term fundamentals remain positive
- Well positioned in the market segments we serve
- Financial strength and flexibility
Appendix
**Company Summary**

**A Leader in Fabricated Aluminum Products**

- Leading independent fabricated aluminum products manufacturing company
- Annually produce over 500 million pounds fabricated products
- Reputation for Best In Class customer satisfaction
- Broad product offering of sheet, plate, rod, bar, tube, extrusions and forgings
- Emphasis on highly engineered specifications for the transportation and industrial markets
- Applications: aerospace/high strength, general engineering and custom automotive and industrial products
- 11 N.A. manufacturing facilities; own 49% interest in Anglesey smelter
- Financial strength and flexibility
- Platform for organic and acquisition growth
- $263 million in organic growth initiatives
Served Market Segments

**Last Twelve Months (LTM) Sales by End Use**

- **Aerospace / High Strength**: 36%
- **General Engineering**: 42%
- **Cast Billet**: 3%
- **Other Custom**: 11%
- **Automotive Extrusions**: 8%
- **Other**

Kaiser ‘Non-Core’ Served Market Segments

Kaiser ‘Core’ Served Market Segments
## Corporate & Other

<table>
<thead>
<tr>
<th>Corporate and Other</th>
<th>Third Quarter</th>
<th>Year-To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate expenses</td>
<td>($10)</td>
<td>($9)</td>
</tr>
<tr>
<td>Non-cash expenses(^1)</td>
<td>($3)</td>
<td>($2)</td>
</tr>
<tr>
<td>Before non-run-rate(^2)</td>
<td>($13)</td>
<td>($11)</td>
</tr>
<tr>
<td>NRR income/(expense)(^3,4)</td>
<td>$0</td>
<td>$1</td>
</tr>
<tr>
<td>Reported corp expenses(^2)</td>
<td>($13)</td>
<td>($11)</td>
</tr>
</tbody>
</table>

\(^1\) Primarily reflects amortization of the fair value of equity-based compensation
\(^2\) Totals may not sum due to rounding
\(^3\) Reflects non-cash net periodic VEBA benefit income (expense)
\(^4\) NRR is an abbreviation for Non-Run-Rate
# Reported to Adjusted Operating Income Bridge

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Year-To-Date</th>
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</thead>
<tbody>
<tr>
<td><strong>Consolidated - Reported Operating Income</strong></td>
<td>($36.5)</td>
<td>$44.0</td>
</tr>
<tr>
<td><strong>Fabricated Products Segment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported Operating Income</td>
<td>$19.5</td>
<td>$39.8</td>
</tr>
<tr>
<td>Metal profits (losses)</td>
<td>($3.2)</td>
<td>($9.7)</td>
</tr>
<tr>
<td>LIFO adjustment</td>
<td>($0.7)</td>
<td>$10.2</td>
</tr>
<tr>
<td>Mark-to-Market</td>
<td>($9.7)</td>
<td>$0.4</td>
</tr>
<tr>
<td>Operating Income before NRR ¹</td>
<td>$33.1</td>
<td>$38.9</td>
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<tr>
<td><strong>Primary Aluminum Segment</strong></td>
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</tr>
<tr>
<td>Reported Operating Income</td>
<td>($44.9)</td>
<td>$13.4</td>
</tr>
<tr>
<td>Angelsey Fire Impact</td>
<td>($20.1)</td>
<td>$0.0</td>
</tr>
<tr>
<td>Mark-to-Market</td>
<td>($34.1)</td>
<td>$4.3</td>
</tr>
<tr>
<td>Adjusted Operating Income ¹</td>
<td>$9.3</td>
<td>$9.1</td>
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<tr>
<td><strong>Corporate &amp; Other Segment</strong></td>
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<tr>
<td>Reported Operating Income</td>
<td>($12.5)</td>
<td>($10.6)</td>
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<tr>
<td>NRR - VEBA Benefit</td>
<td>$0.2</td>
<td>$0.6</td>
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<tr>
<td>Operating Income before NRR ¹</td>
<td>($12.7)</td>
<td>($11.2)</td>
</tr>
<tr>
<td><strong>Other Operating Benefits / (Charges)</strong> ²</td>
<td>$1.4</td>
<td>$1.4</td>
</tr>
<tr>
<td><strong>Consolidated - Adjusted Operating Income ¹</strong></td>
<td>$29.7</td>
<td>$36.8</td>
</tr>
</tbody>
</table>

¹ Totals may not sum due to rounding
² Refer to Note 13 for the most recent 10-Q for a detailed breakdown of 'Other Operating Benefits / (Charges)'
### Mark-to-Market

**Applies to Hedging-Related Derivatives**

- Derivatives are being marked-to-market (versus deferred and recognized at the same time as when the underlying products are purchased or sold)

- The impact in Fabricated Products was driven primarily by natural gas positions

- The impact in Primary Aluminum was driven by metal and currency positions

### Metal Profits & LIFO

**Metal Profits & LIFO are Closely Related**

- The company applies the LIFO inventory valuation method quarterly on a year-to-date basis
  - We define metal profits/losses generally as the impact to FIFO value of metal inventory as a result of changing metal prices
  - The LIFO impact of volatility in metal prices is reflected quarterly and thus metal profits/losses are largely offset in earnings
Operating Margin Trends – Fabricated Products

Operating Margin Notes

- We manage the business using EVA not margins
- Decisions to optimize EVA may reduce margins in the future
- When measuring margin, operating income per pound before NRR is a better metric than margin as % of sales
- LTM drivers vs. 2007:
  - Unfavorable trends in energy costs, planned major maintenance, and Canadian currency exchange rates
  - Increased depreciation from organic growth investments

Operating Income Margin ($/lb) ¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$0.19</td>
</tr>
<tr>
<td>2006</td>
<td>$0.24</td>
</tr>
<tr>
<td>2007</td>
<td>$0.30</td>
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<tr>
<td>LTM (Sep08)</td>
<td>$0.27</td>
</tr>
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</table>

¹ before non-run-rate items
$139 Million Heat Treat Plate Expansion Program

Directional EBITDA Impact of HT Plate Volume & Price/Mix (Benchmark = 2006)

- High steady-state capacity utilization anticipated
- The chart depicts price/mix scenarios based on actual 2005 and 2007 experience
- See footnotes below for additional factors that could affect impact from HT plate

Notes:
1. The chart illustrates a pro forma estimate of the annual incremental impact on EBITDA compared to 2006 for various scenarios of aerospace and general engineering HT plate volume, price and product/customer mix. Actual HT plate volume, price and product/customer mix may fall outside the range displayed in the table. Market conditions, including energy costs, plus other cost factors will also influence the actual results.
2. Pricing conditions represent the net HT plate incremental impact of selling price, product/customer mix and contained metal cost under actual conditions present in 2005 and 2007. Actual conditions may fall outside the range displayed in the table.
KAISER
ALUMINUM