First Quarter 2010 Earnings Conference Call

April 29, 2010

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 first quarter of 2010 and reports filed with the Securities and Exchange Commission, including the company's Form 10-K for the full-year ended December 31, 2009 and Current Report on Form 8-K filed with the Securities and Exchange Commission on March 29, 2010. 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, (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 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 significantly 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, operating income "before non-run-rate" or "after adjustments", or earnings before interest, tax, depreciation and amortization ("EBITDA") 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

First Quarter 2010 Overview

Improving Results Attributable to Higher Value Added Revenue[2] and Lower Costs

- **Fabricated Products underlying operating income[1] improved ~30% compared to the trend of prior three quarters**
  - **Value added revenue improved more than 10% from prior three quarters**
  - **Manufacturing efficiencies continued trend of steady improvement**

- **Startup of new Kalamazoo extrusion facility proceeding on schedule**

- **Completed new financing structure to further enhance financial strength and flexibility**

[1] Excludes Non-Run-Rate items
[2] Value added revenue = Net Sales less hedged cost of alloyed metal

Dan Rinkenberger

Senior Vice President and Chief Financial Officer

Financial Highlights – Consolidated

Sequential Improvement in Operating Income[4]

- **Solid first quarter results:**
  - **Fabricated Products operating income[4] of $27 million; up $4 million, or 17%, sequentially on higher valued added revenue**
  - **Consolidated operating income[4] of $16 million; up $7 million sequentially**
- **Completed new financing: $200 million revolver and $175 million convertible debt offering**

(in $millions except EPS)	Quarter		
	1Q10	4Q09	1Q09
Net Sales	$268	$237	$266
Value Added Revenue [1]	$137	$129	$147
Operating Income (Loss) before NRR [2]			
Fabricated Products	$27	$23	$28
All Other [3]			
Anglesey-related / Hedging	($0)	($5)	$9
Corporate	($11)	($9)	($10)
Consolidated Operating Income [4]	$16	$9	$28
Non-Run-Rate Items [5]	($1)	$25	($20)
Reported Operating Income [6]	$15	$34	$7
Net Income	$9	$24	$4
EPS (diluted, GAAP)	$0.44	$1.19	$0.19
Adjusted EPS [7]	$0.47	$0.35	$0.81

1 Value Added Revenue = Fabricated Products net sales less hedged cost of alloyed metal, [2] NRR = Non-Run-Rate, [3] Refer to slide 22 for more details, [4] excludes non-run-rate items which are shown pre-tax, [5] Refer to slides 28-29 and Form 10-Q for more details, [6] Totals may not sum due to rounding, [7] Estimated EPS excluding the impact of NRR items, net of tax

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Fabricated Products

Improving Value Added Revenue and Manufacturing Efficiencies

- **First quarter value added revenue[1] up $8 million or 6% from 4Q09**
- **Sequential operating income[4] increased $4 million or 17% from 4Q09**
- **Higher value added revenue[1] and improved manufacturing efficiencies partly offset by Kalamazoo start up costs and one-time signing bonus from the new USW contract**

(in $millions, except as noted)	Quarter		
	1Q10	4Q09	1Q09
Shipments (lbs, mm)	128	112	109
Net Sales	$267	$236	$241
Value Added Revenue [1]	$137	$129	$147
Average Realized Price ($/lb)			
Metal Price	$1.02	$0.97	$0.86
Value Added Revenue [1]	$1.07	$1.14	$1.35
Total	$2.09	$2.11	$2.21
Operating Income			
Operating Income before NRR [2]	$27	$23	$28
Non Run Rate Items [3]	($4)	($4)	($14)
Reported Operating Income	$23	$19	$14

[1] Value Added Revenue = Net Sales less hedged cost of alloyed metal
[2] NRR is an abbreviation for Non-Run-Rate; NRR items are pre-tax
[3] Refer to slides 28-29 and Form 10-Q for more details
[4] Excludes Non-run-rate items which are shown pre-tax

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Sales Analysis By Application

- Sequential increase in value added revenue[3] and shipments across end market applications driven by reduced destocking throughout the supply chain

- Overall value added revenue[3] per pound decreased due to change in sales mix

	Quarter		
	1Q10	4Q09	1Q09
Shipments (lbs, mm)			
Aero & High Strength	38	36	46
General Engineering	60	51	41
Automotive Extrusions	13	11	8
Other Applications [1]	18	15	14
Total [2]	128	112	109
Value Added Revenue [3] ($mm)			
Aero & High Strength	$70	$67	$91
General Engineering	$46	$42	$39
Automotive Extrusions	$10	$9	$8
Other Applications [1]	$11	$11	$9
Total [2]	$137	$129	$147
Value Added Revenue [3] ($/lb.)			
Aero & High Strength	$1.86	$1.87	$1.98
General Engineering	$0.77	$0.82	$0.96
Automotive Extrusions	$0.82	$0.85	$0.97
Other Applications [1]	$0.60	$0.72	$0.61
Overall [2]	$1.07	$1.14	$1.35

[1] Includes custom industrial products and billet

[2] Totals may not sum due to rounding

[3] Value Added Revenue = Net sales less hedged cost of alloyed metal

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First Quarter Financing Activities

Financing Strategy

Extend revolving credit maturity beyond 2011

Enhance financial strength and flexibility to support current business needs and strategic growth opportunities

- Flexible covenant structure
- Efficiently utilize asset collateral

Maintain / enhance total liquidity

Access capital markets for funded debt

- Diversify funding sources
- Attractive cost of financing
- Moderate level of debt and leverage

Financing Highlights[1]

$200 million revolving credit facility

- Matures March 2014
- Secured by working capital assets
- Significantly improved covenant flexibility

$175 million convertible note transactions

- Matures April 2015
- Cash coupon 4.50%
- Stated conversion premium 26% or $48.32/sh
- Effective conversion premium 60% or $61.36/sh achieved with concurrent option transactions

1.15 million shares repurchased at $44 million, concurrent with note issuance

[1] Refer to Slides 24 and 25 for GAAP impact of financing transactions

Jack Hockema

President, CEO and Chairman

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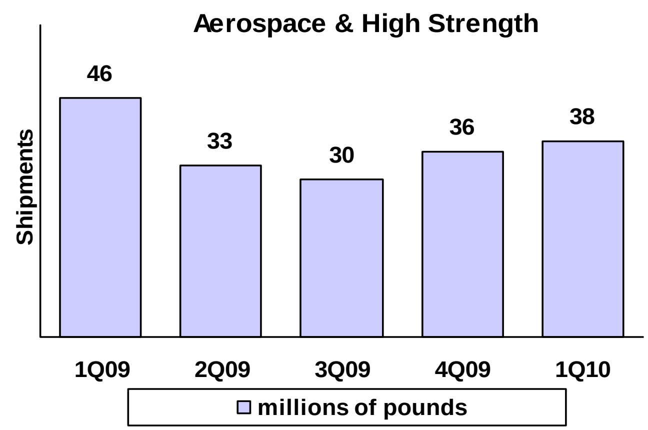
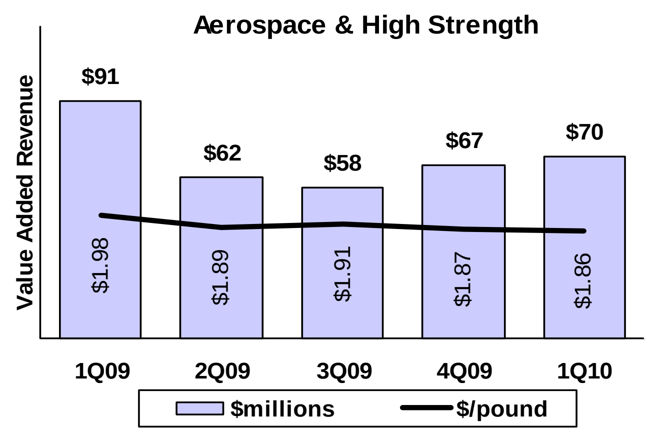
Aerospace & High Strength Outlook

2Q10 Outlook is Similar to 1Q10

- **Kaiser supplies sheet, plate, extruded and drawn products for aerospace and high strength applications**
- **Long-term outlook remains positive:**
  - **Service center destocking continues to abate for aerospace and high strength products**
  - **Airframe manufacturers' destocking expected to abate in 2011**
- **Outlook for 2Q10 aerospace and high strength shipments and value added revenue is similar to 1Q10**

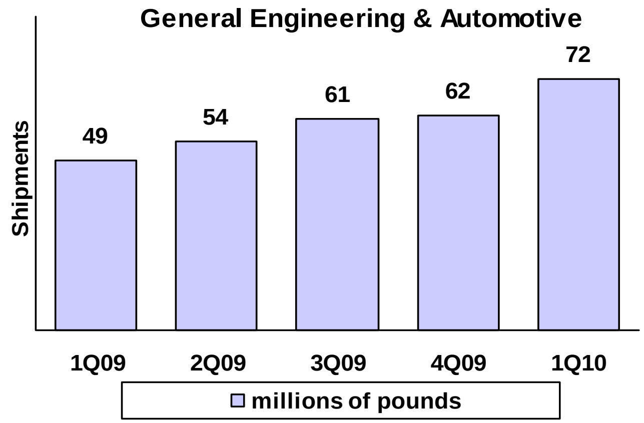


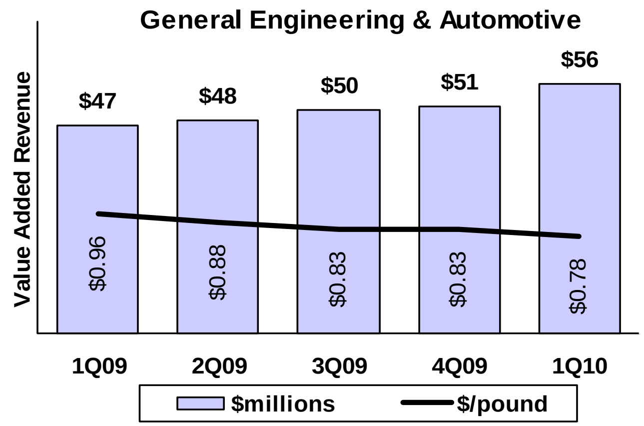


General Engineering & Automotive Outlook

2Q10 Outlook is Similar to 1Q10

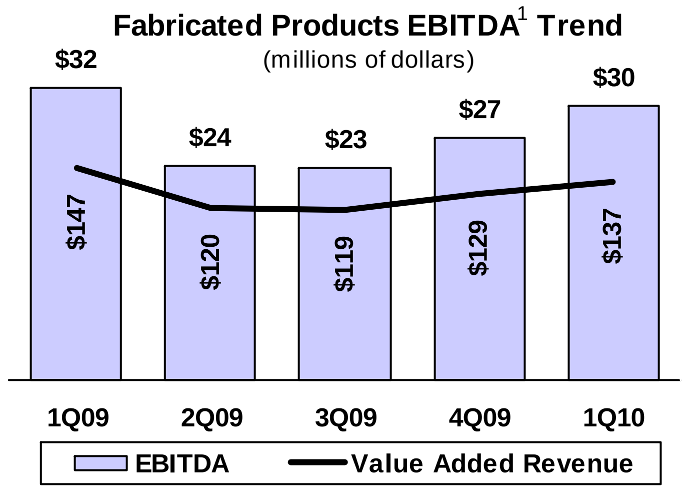
- **Service center inventories have stabilized for our general engineering products**
- **Automotive builds are improving; expect strong long-term demand growth for aluminum extrusions driven by light weighting to meet CAFE regulations**
- **Outlook for 2Q10 shipments and value added revenue is similar to 1Q10 for general engineering and automotive applications**





Summary Outlook — Fabricated Products

- **Shipments and value added revenue**[2] **in 2Q10 expected to be similar to the strong 1Q10**
- **Kalamazoo start-up costs in 2Q10 expected to be similar to 1Q10**
  - **On track for full production late 2010**
  - **Related depreciation expense will increase ~$1 million in 2Q10**



[1] Adjusted EBITDA = Operating Income (before NRR items) + depreciation and amortization where NRR is an abbreviation for Non-Run-Rate and is shown pre-tax
[2] Value added revenue = Net sales less hedged cost of alloyed metal

Prospects for Profitable Long-Term Growth

- **Strong long-term underlying demand for aerospace and automotive applications**
- **Full potential of capital investments yet to be realized – Trentwood expansion and Kalamazoo facility**
- **Strong operational and financial platform for value-creating internal and external growth opportunities**

Q&A

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Closing Comments

- **Long-term market fundamentals remain positive**
- **Investment for long-term growth and profitability continues**
- **Well positioned to capitalize on new opportunities**

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Appendix

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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/high strength, general engineering, and custom automotive and industrial applications
- Broad product offering of sheet, plate, rod, bar, tube, extrusions and forgings
- Reputation for Best In Class customer satisfaction
- Financial strength and flexibility
- Significant organic growth initiatives for aerospace, defense, and general engineering applications
- Platform for organic and acquisition growth

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Mark-to-Market

Applies to Hedging-Related Derivatives

- **Derivatives are being marked-to-market with non-cash gains and losses recognized in income (versus deferred and recognized at the same time as when the underlying products are purchased or sold). These are predominately related to:**
  - **Metal**
  - **Natural gas**
  - **Options in financing transactions**

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**

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All Other

- Anglesey ceased smelting operations at the end of 3Q09; commenced casting and remelt operations in 4Q09
- Corporate & other before NRR
  - $11 million in 1Q10
  - Up $2 million from quarterly trend due to various non-cash reserve adjustments

(in $millions)	Quarter		
	1Q10	4Q09	1Q09
All Other			
Anglesey-related	$0	$0	$0
Hedging	($0)	($5)	$9
Corporate & other	($11)	($9)	($10)
Operating Income (Loss) before NRR[1]	($11)	($14)	($1)
Non-Run-Rate Items[2]	$3	$29	($6)
Reported Operating Income (Loss)	($8)	$15	($7)

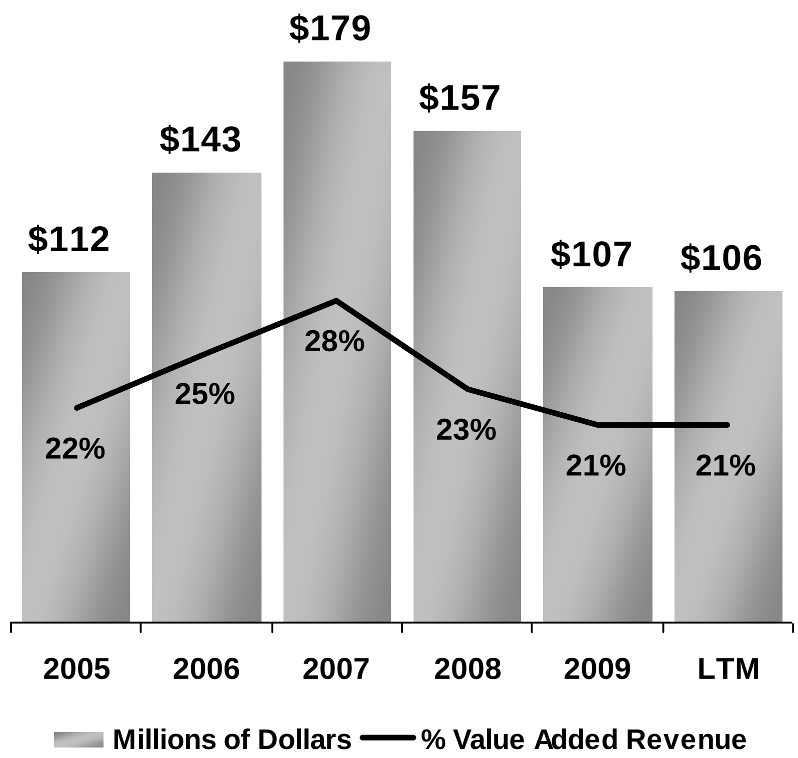
[1] NRR is an abbreviation for Non-Run-Rate; NRR items are shown pre-tax
[2] See slides 28-29 and Form 10-Q for more details

Fabricated Products EBITDA Margin Trend

Adjusted EBITDA[1] Margin Notes

- Our objective is to grow EVA; decisions to optimize EVA may dilute margins
- EBITDA margin as % of value-added revenue is a more meaningful metric than margin as % of sales revenue which is impacted by metal price volatility
- 2009 and LTM % margin impacted by:
  - Fixed costs spread across a smaller volume base
  - Cost inefficiencies while ramping down operations to lower production volumes
  - Downward price pressure on general engineering plate products

Adjusted EBITDA[1]



[1] Adjusted EBITDA = Operating Income (before non-run-rate items) plus depreciation and amortization

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1Q10 Financing Transactions – Balance Sheet Impact

Balance Sheet Account	Assets	Liabilities & Equity	Comments
	($ millions)		
Assets			
Cash and cash equivalents	105.3		
Other assets			
Deferred financing costs - Revolver	2.6		Fees paid for revolver; amortize over 4 years
Deferred financing costs - Notes	5.8		Fees paid for note issuance; amortize over 5 years
Purchased options (26% conversion premium)	31.4		Offsets option liability embedded in the cash convertible notes
Liabilities			
Long-term liabilities			
Option liability (26% conversion premium)		38.1	Offset by the purchased option
Cash convertible senior notes		136.9	$175 million face less original issue discount of $38.1 million
Equity			
Additional capital			
Warrants (60% conversion premium)		14.3	In conjunction with the embedded option in the convertible notes and the purchased options, warrants effectively increase the conversion feature to Kaiser to 60%
Treasury shares		(44.2)	1.15 million shares purchased with note proceeds
	145.1	145.1	

These offsetting derivatives will be marked to market.

Two parts of the same security; bifurcated presentation required

1Q10 Financing Transactions – Income Statement Impact

Interest on $175 million Notes *

($ millions)

	2Q-4Q, 2010	2011	2012	2013	2014	1Q 2015	Comment
Cash	5.9	7.9	7.9	7.9	7.9	2.0	Cash coupon of 4.5% p.a. on $175 million face amount
Non-cash	4.6	6.6	7.3	8.1	9.0	2.4	Amortization of discount on Notes
Total	10.5	14.5	15.2	16.0	16.9	4.4	Total excludes amortization of deferred financing costs

* For illustrative purposes only. Actual interest expense will depend on amount of Notes outstanding, interest capitalized in CIP, and other issues.

Mark-to-market (MTM)

		Option Asset	Option Liability
MTM both the option asset and option liability →	Initial value ($ millions)	31.4	(38.1)

MTM gains and losses (non-cash) shown in other income and expense

MTM gains and losses on the two derivatives largely offset →

- Option value increases: GAIN offet by LOSS
- Option value decreases: LOSS offet by GAIN

Earnings per share (EPS)

Due to	Directional EPS Impact	Comment
Share repurchase	INCREASE	Purchased 1.15 million shares (5.6% of outstanding shares); full impact starts in 2Q10
Interest expense	DECREASE	Lower income
Option asset and option liability	~ NEUTRAL	No equity dilution effect; MTM income generally offets concurrent MTM loss
Warrants (above conversion price)	DECREASE	Above $61.36 / share, EPS reflects dilutive impact of net share settled warrants

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Sales Analysis By Application

Quarterly Trend

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10
Shipments									
Aero & High Strength	39.3	37.3	37.0	44.1	46.0	33.0	30.2	35.6	37.6
General Engineering	71.7	73.5	60.8	52.1	41.0	46.4	50.5	51.1	59.6
Automotive Extrusions	14.7	12.5	12.8	9.7	7.7	7.7	10.2	10.6	12.5
Other Applications [1]	26.1	25.1	24.7	17.1	14.3	14.3	14.8	15.1	18.3
Total [2]	151.8	148.4	135.3	123.0	109.0	101.4	105.7	112.4	128.0
Value Added Revenue [3]									
Aero & High Strength	$80.9	$77.6	$77.4	$87.9	$91.2	$62.3	$57.8	$66.7	$70.1
General Engineering	$66.4	$66.7	$60.1	$55.7	$39.3	$41.6	$41.8	$42.0	$45.9
Automotive Extrusions	$12.5	$10.4	$10.0	$8.7	$7.5	$6.3	$8.5	$9.0	$10.3
Other Applications [1]	$16.5	$15.7	$15.0	$11.0	$8.7	$9.4	$10.5	$10.8	$10.9
Total [2]	$176.3	$170.4	$162.4	$163.4	$146.7	$119.6	$118.6	$128.5	$137.2
Value Added Revenue / Lb									
Aero & High Strength	$2.06	$2.08	$2.09	$1.99	$1.98	$1.89	$1.91	$1.87	$1.86
General Engineering	$0.93	$0.91	$0.99	$1.07	$0.96	$0.90	$0.83	$0.82	$0.77
Automotive Extrusions	$0.85	$0.83	$0.78	$0.90	$0.97	$0.82	$0.83	$0.85	$0.82
Other Applications [1]	$0.63	$0.63	$0.61	$0.64	$0.61	$0.66	$0.71	$0.72	$0.60
Overall [4]	$1.16	$1.15	$1.20	$1.33	$1.35	$1.18	$1.12	$1.14	$1.07

[1] Includes custom industrial products and billet
[2] Totals may not sum due to rounding
[3] Value Added Revenue = Net Sales less hedged cost of alloyed metal
[4] Total Value Added Revenue / Total Shipments

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Sales Analysis By Application

Annual Trend

	FY 2006	FY 2007	FY2008	FY2009	LTM
Shipments					
Aero & High Strength	142	155	158	145	136
General Engineering	227	246	258	189	208
Automotive Extrusions	50	54	50	36	41
Other Applications [1]	105	93	93	59	63
Total [2]	523	548	559	429	448
Value Added Revenue [3]					
Aero & High Strength	$256	$297	$324	$278	$257
General Engineering	$191	$225	$249	$165	$171
Automotive Extrusions	$39	$51	$42	$31	$34
Other Applications [1]	$80	$66	$58	$39	$42
Total [2]	$565	$639	$673	$513	$504
Value Added Revenue / Lb					
Aero & High Strength	$1.80	$1.92	$2.05	$1.92	$1.88
General Engineering	$0.84	$0.92	$0.96	$0.87	$0.83
Automotive Extrusions	$0.78	$0.94	$0.84	$0.86	$0.83
Other Applications [1]	$0.76	$0.71	$0.63	$0.67	$0.67
Overall [4]	$1.08	$1.17	$1.20	$1.20	$1.13

[1] Includes custom industrial products and billet
[2] Totals may not sum due to rounding
[3] Value Added Revenue = Net Sales less hedged cost of alloyed metal
[4] Total Value Added Revenue / Total Shipments

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Reconciliation of Reported Operating Income to Adjusted EBITDA[1]

(in $ millions)

	Last Five Quarters				
	1Q09	2Q09	3Q09	4Q09	1Q10
Consolidated - Reported Operating Income (Loss)	$7.2	$35.0	$42.6	$33.9	$14.8
Fabricated Products					
Reported Operating Income (Loss)	14.0	18.6	26.4	19.2	23.0
Non-run-rate items:					
Metal Profits (Losses)	(15.5)	(1.0)	11.2	10.8	8.2
LIFO Adjustment	11.2	2.1	(6.9)	(15.1)	(9.2)
Mark-to-Market Gains (Losses)	0.5	2.2	2.6	(0.5)	(3.2)
Lower of Cost or Market Write-down	(9.3)	-	-	-	-
Restructuring Charges	(1.2)	(4.2)	(0.1)	0.9	0.6
DCO / Legacy Environmental	-	(0.5)	(0.1)	(0.0)	(0.4)
Operating Income before NRR [2,3]	28.3	20.0	19.7	23.1	27.0
Depreciation & Amortization - Fab Products	4.1	4.2	3.9	4.0	4.0
Fabricated Products - Adjusted EBITDA [1]	32.4	24.2	23.6	27.1	31.0
All Other					
Reported Operating Income (Loss)	(6.8)	16.4	16.2	14.7	(8.2)
Non-run-rate items:					
Anglesey Impairment	-	-	-	-	-
Mark-to-Market Gains (Losses)	(4.8)	24.4	24.4	31.6	3.4
VEBA Benefit (Expense)	(1.3)	(1.3)	(1.3)	(1.3)	(0.4)
Restructuring Charges	-	(0.9)	-	-	-
DCO / Legacy Environmental	-	-	-	(1.7)	-
Other Operating Benefits, Net	-	0.9	-	-	-
Operating Income (Loss) before NRR [2,3]	(0.7)	(6.7)	(6.9)	(13.9)	(11.2)
Consolidated Operating Income before NRR [2,3]	27.6	13.3	12.8	9.2	15.8
Total Non-Run-Rate	(20.4)	21.7	29.8	24.7	(1.0)
Depreciation & Amortization - Consolidated	4.1	4.3	3.9	4.1	4.0
Consolidated - Adjusted EBITDA [1]	$31.7	$17.6	$16.7	$13.3	$19.8

[1] Adjusted EBITDA = Operating Income (before non-run-rate items) plus depreciation and amortization
[2] Totals may not sum due to rounding, [3] NRR = non-run-rate items

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Reconciliation of Reported Operating Income to Adjusted EBITDA[1]

(in $ millions)

	Full Year Results				
	2005 [4]	2006 [4]	2007	2008	2009
Consolidated - Reported Operating Income (Loss)	$59.8	$100.7	$182.0	($91.0)	$118.7
Fabricated Products					
Reported Operating Income (Loss)	87.2	122.0	169.0	53.5	78.2
Non-run-rate items:					
Metal Profits (Losses)	4.6	20.8	(13.1)	(11.4)	5.5
LIFO Adjustment	(9.3)	(25.0)	14.0	7.5	(8.7)
Mark-to-Market Gains (Losses)	-	(2.2)	1.7	(5.7)	4.9
Lower of Cost or Market Write-down	-	-	-	(65.5)	(9.3)
Restructuring Charges	-	-	-	(8.8)	(4.5)
DCO / Legacy Environmental	-	-	(0.9)	(5.0)	(0.7)
Operating Income before NRR [2,3]	91.9	128.4	167.3	142.4	91.0
Depreciation & Amortization - Fabricated Products	19.6	14.9	11.8	14.6	16.2
Fabricated Products - Adjusted EBITDA [1]	111.5	143.3	179.1	157.0	107.2
All Other					
Reported Operating Income (Loss)	(27.4)	(21.3)	13.0	(144.5)	40.5
Non-run-rate items:					
Anglesey Impairment	-	-	-	(37.8)	-
Mark-to-Market Gains (Losses)	(4.1)	17.3	8.0	(81.4)	75.6
VEBA Benefit (Expense)	-	(0.6)	2.6	0.6	(5.3)
Restructuring Charges	-	-	-	-	(0.9)
DCO / Legacy Environmental	-	-	-	(0.5)	(1.7)
Other Operating Benefits, Net	(8.0)	1.3	13.6	1.4	0.9
Operating Income (Loss) before NRR [2,3]	(15.3)	(39.3)	(11.2)	(26.8)	(28.1)
Consolidated Operating Income before NRR [2,3]	76.6	89.1	156.1	115.6	62.9
Total Non-run-rate items	(16.8)	11.6	25.9	(206.6)	55.8
Depreciation & Amortization - Consolidated	19.9	15.3	11.9	14.7	16.4
Consolidated - Adjusted EBITDA [1]	$96.5	$104.4	$168.0	$130.3	$79.3

[1] Adjusted EBITDA = Operating Income (before non-run-rate items) plus depreciation and amortization
[2] Totals may not sum due to rounding, [3] NRR = Non-Run-Rate, [4] Full Year 2005 and 1H 2006 results were pre-emergence

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