

KAISER ALUMINUM CORP

Form S-1/A

November 21, 2006

As filed with the Securities and Exchange Commission on November 21, 2006

Registration No. 333-137623

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Pre-Effective Amendment No. 1

to

Form S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

KAISER ALUMINUM CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

3334

*(Primary Standard Industrial
Classification Code Number)*

94-3030279

*(I.R.S. Employer
Identification Number)*

27422 Portola Parkway, Suite 350
Foothill Ranch, California 92610-2831
(949) 614-1740

*(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive
Offices)*

John M. Donnan
Vice President, General Counsel and Secretary
Kaiser Aluminum Corporation
27422 Portola Parkway, Suite 350
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Approximate date of commencement of proposed sale to the public: As soon as practicable on or after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the Securities Act), check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. _____

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o _____

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to Completion

November 21, 2006

**2,517,955 Shares
Common Stock**

This is an offering of common stock of Kaiser Aluminum Corporation. All of the shares of common stock are being sold by the selling stockholder named in this prospectus. We will not receive any proceeds from the sale of the shares by the selling stockholder.

Our common stock is traded on the Nasdaq Global Market under the symbol KALU. On November 20, 2006, the last reported sales price of our common stock on the Nasdaq Global Market was \$49.60 per share. Our common stock is subject to certain transfer restrictions that potentially prohibit or void transfers by any person or group that is, or as a result of such a transfer would become, a 5% stockholder.

Investing in our common stock involves risks. Before buying any shares you should carefully read the discussion of material risks of investing in our common stock contained in Risk Factors beginning on page 10 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to the selling stockholder	\$	\$

The underwriters may also purchase up to an additional 377,693 shares of common stock from the selling stockholder at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus to cover over-allotments, if any. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be \$ _____ and total proceeds, before expenses, to the selling stockholder will be \$ _____.

Delivery of the shares of common stock will be made on or about _____, 2006.

The underwriters are offering the common stock as set forth under _____ Underwriting.

UBS Investment Bank

Bear, Stearns & Co. Inc.

Lehman Brothers

Lazard Capital Markets

The date of this prospectus is _____, 2006

You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell our common stock. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our common stock.

TABLE OF CONTENTS

<u>Prospectus summary</u>	1
<u>Risk factors</u>	10
<u>Special note regarding forward-looking statements</u>	23
<u>Use of proceeds</u>	24
<u>Dividend policy</u>	24
<u>Price range of common stock</u>	24
<u>Capitalization</u>	25
<u>Selected historical consolidated financial data</u>	26
<u>Management's discussion and analysis of financial condition and results of operations</u>	29
<u>Recent reorganization</u>	60
<u>Industry overview</u>	63
<u>Business</u>	67
<u>Management</u>	76
<u>Principal and selling stockholders</u>	99
<u>Certain relationships and related transactions</u>	101
<u>Description of capital stock</u>	102
<u>Shares eligible for future sale</u>	111
<u>U.S. federal tax consequences to non-U.S. holders of common stock</u>	113
<u>Underwriting</u>	116
<u>Notice to investors</u>	119
<u>Legal matters</u>	120
<u>Experts</u>	120
<u>Where you can find more information</u>	120
<u>Index to consolidated financial statements</u>	F-1

Kaiser Aluminum, Kaiser Select™, Kaiser Precision Select™, Kaiser Precision Rod™, our logo and certain other names of our products are our trademarks, trade names or service marks. Each trademark, trade name or service mark of any other company appearing in this prospectus belongs to its holder.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the risks discussed under Risk factors and the financial statements and notes thereto included elsewhere in this prospectus. In this prospectus, all references to (1) Kaiser, we, us, the company and our refer to Kaiser Aluminum Corporation and its subsidiaries unless the context otherwise requires or where otherwise indicated; (2) the Union VEBA Trust refers to the voluntary employees beneficiary association trust, or VEBA, that provides benefits for certain eligible retirees represented by certain unions and their spouses and eligible dependents; and (3) the Salaried Retiree VEBA Trust refers to the VEBA that provides benefits for certain other eligible retirees and their surviving spouses and eligible dependents.

OUR COMPANY

We are a leading independent fabricated aluminum products manufacturing company with 2005 net sales of approximately \$1.1 billion. We were founded in 1946 and operate 11 production facilities in the United States and Canada. We manufacture rolled, extruded, drawn and forged aluminum products within three product categories consisting of aerospace and high strength products (which we refer to as Aero/ HS products), general engineering products and custom automotive and industrial products.

We produced and shipped approximately 482 million pounds of fabricated aluminum products in 2005, which comprised 86% of our total net sales. Of our total fabricated product shipments in 2005, approximately 29% were Aero/ HS products, approximately 44% were general engineering products and the remaining approximately 27% consisted of custom automotive and industrial products. Of our total fabricated products net sales in 2005, approximately 38% were Aero/ HS products, approximately 38% were general engineering products and the remaining approximately 24% consisted of custom automotive and industrial products.

In order to capitalize on the significant growth in demand for high quality heat treat aluminum plate products in the market for Aero/ HS products, we have begun a major expansion at our Trentwood facility in Spokane, Washington. We anticipate that the Trentwood expansion will significantly increase our aluminum plate production capacity and enable us to produce thicker gauge aluminum plate. The \$105 million expansion will be completed in phases, with one new heat treat furnace currently operational and expected to reach full production in the fourth quarter of 2006, a second such furnace currently operational and expected to reach full production no later than early 2007 and a third such furnace becoming operational in early 2008. A new heavy gauge stretcher, which will enable us to produce thicker gauge aluminum plate, will also become operational in early 2008.

We have long-standing relationships with our customers, which include leading aerospace companies, automotive suppliers and metal distributors. We strive to tightly integrate the management of our fabricated products operations across multiple production facilities, product lines and target markets in order to maximize the efficiency of product flow to our customers. In our served markets, we seek to be the supplier of choice by pursuing best-in-class customer satisfaction and offering a product portfolio that is unmatched in breadth and depth by our competitors.

The price we pay for primary aluminum, the principal raw material for our fabricated aluminum products business, consists of two components: the price quoted for primary aluminum ingot on the London Metals Exchange, or the LME, and the Midwest Transaction Premium, a premium to LME reflecting domestic market dynamics as well as the cost of shipping and warehousing. Because aluminum prices are volatile, we manage the risk of fluctuations in the price of primary aluminum

through a combination of pricing policies, internal hedging and financial derivatives. Our three principal pricing mechanisms are as follows:

Spot price. Some of our customers pay a product price that incorporates the spot price of primary aluminum in effect at the time of shipment to a customer. This pricing mechanism typically allows us to pass commodity price risk to the customer.

Index-based price. Some of our customers pay a product price that incorporates an index-based price for primary aluminum such as Platt's Midwest price for primary aluminum. This pricing mechanism also typically allows us to pass commodity price risk to the customer.

Fixed price. Some of our customers pay a fixed price. During 2003, 2004, 2005 and the nine months ended September 30, 2006, approximately 97.6 million pounds (or approximately 26%), 119.0 million pounds (or approximately 26%), 155.0 million pounds (or approximately 32%) and 153.0 million pounds (or approximately 38%), respectively, of our fabricated products were sold at a fixed price. We bear commodity price risk on fixed-price contracts, which we normally hedge through a combination of financial derivatives and production from Anglesey Aluminium Limited, described below.

In addition to our core fabricated products operations, we have a 49% ownership interest in Anglesey Aluminium Limited, an aluminum smelter based in Holyhead, Wales. Anglesey has produced in excess of 140,000 metric tons for each of the last three fiscal years, of which 49% is available to us. We sell our portion of Anglesey's primary aluminum output to a single third party at market prices. During 2005, sales of our portion of Anglesey's output represented 14% of our total net sales. Because we also purchase primary aluminum for our fabricated products at market prices, Anglesey's production acts as a natural hedge for our fabricated products operations. Please see "Risk factors" The expiration of the power agreement for Anglesey may adversely impact our cash flows and impact our hedging programs for a discussion regarding the potential closure of Anglesey, which could occur as soon as 2009.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths will enable us to enhance our position as one of the leaders in the fabricated aluminum products industry:

Leading market positions in value-added niche markets for fabricated products. We have repositioned our business to concentrate on products in which we believe we have strong production capability, well-developed technical expertise and high product quality. We believe that we hold a leading market share position in niche markets that represented approximately 85% of our 2005 net sales from fabricated aluminum products. Our leading market position extends throughout our broad product offering, including plate, sheet, seamless extruded and drawn tube, rod, bar, extrusions and forgings for use in a variety of value-added aerospace, general engineering and custom automotive and industrial applications.

Well-positioned growth platform. We have substantial organic growth opportunities in the production of aluminum plate, extrusions and forgings. We are in the midst of a \$105 million expansion of our Trentwood facility that will allow us to significantly increase production capacity and enable us to produce thicker gauge aluminum plate. We also have the ability to add presses and other manufacturing equipment at several of our current facilities in order to increase extrusion and forging capacity. Additionally, we believe our platform provides us with flexibility to create additional stockholder value through selective acquisitions.

Supplier of choice. We pursue "best-in-class" customer satisfaction through the consistent, on-time delivery of high quality products on short lead times. We offer our customers a portfolio of both highly engineered and industry standard products that is unmatched in breadth and depth by most of our competitors. Our continuous improvement culture is grounded in our production system, the Kaiser Production System, which involves an integrated utilization of application and advanced process engineering and business improvement methodologies such as lean enterprise, total

productive maintenance and six sigma. We believe that our broad product portfolio of highly engineered products and the Kaiser Production System, together with our established record of product innovation, will allow us to remain the supplier of choice for our customers and further enhance our competitive position.

Blue-chip customer base and diverse end markets. Our fabricated products customers include leading aerospace companies, automotive suppliers and metal distributors, such as A.M. Castle-Raytheon, Airbus Industrie, Boeing, Bombardier, Eclipse Aviation, Reliance Steel & Aluminum and Transtar-Lockheed Martin. We have long-term relationships with our top customers, many of which we have served for decades. Our customer base spans a variety of end markets, including aerospace and defense, automotive, consumer durables, machinery and equipment, and electrical.

Financial strength. We have little debt and significant liquidity as a result of our recent reorganization. We also have net operating loss carry-forwards and other significant tax attributes that we believe could together offset in the range of \$550 to \$900 million of otherwise taxable income and accordingly may reduce our future cash payments of U.S. income tax.

Strong and experienced management. The members of our senior management team have, on average, 20 years of industry work experience, particularly within the areas of operations, technology, marketing and finance. Our management team has repositioned our fabricated products business and led us through our recent reorganization, creating a focused business with financial and competitive strength.

OUR STRATEGY

Our principal strategies to increase stockholder value are to:

Pursue organic growth. We will continue to utilize our manufacturing platform to increase growth in areas where we are well-positioned such as aluminum plate, forgings and extrusions. For instance, we anticipate that the expansion of our Trentwood facility will enable us to significantly increase our production capacity and enable us to produce thicker gauge aluminum plate, allowing us to capitalize on the significant growth in demand for high quality heat treat aluminum plate products in the market for Aero/ HS products. Further, our well-equipped extrusion and forging facilities provide a platform to expand production as we take advantage of opportunities and our strong customer relationships in the aerospace and industrial end markets.

Continue to differentiate our products and provide superior customer support. As part of our ongoing supplier of choice efforts, we will continue to strive to achieve best-in-class customer satisfaction. We will also continue to offer a broad portfolio of differentiated, superior-quality products with high engineering content, tailored to the needs of our customers. For instance, our unique T-Form[®] sheet provides aerospace customers with high formability as well as requisite strength characteristics, enabling these customers to substantially lower their production costs. Additionally, we believe our Kaiser Select[®] Rod established a new industry benchmark for quality and performance in automatic screw applications. By continually striving for best-in-class customer satisfaction and offering a broad portfolio of differentiated products, we believe we will be able to maintain our premium product pricing, increase our sales to current customers and gain new customers, thereby increasing our market share.

Continue to enhance our operating efficiencies. During the last five years, we have significantly reduced our costs by narrowing our product focus, strategically investing in our production facilities and implementing the Kaiser Production System. We will continue to implement additional measures to enhance our operating efficiency and productivity, which we believe will further decrease our production costs.

Maintain financial strength. We intend to employ debt judiciously in order to remain financially strong throughout the business cycle and to maintain our flexibility to capitalize on growth opportunities.

Enhance our product portfolio and customer base through selective acquisitions. We may seek to grow through acquisitions and strategic partnerships. We will selectively consider acquisition opportunities that we believe will complement our product portfolio and add long-term stockholder value.

REORGANIZATION

Between the first quarter of 2002 and the first quarter of 2003, Kaiser and 25 of our then-existing subsidiaries filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code. Pursuant to our plan of reorganization, we emerged from chapter 11 bankruptcy on July 6, 2006. Our plan of reorganization allowed us to shed significant legacy liabilities, including long-term indebtedness, pension obligations, retiree medical obligations and liabilities relating to asbestos and other personal injury claims. In addition, prior to our emergence from chapter 11 bankruptcy, we sold all of our interests in bauxite mining operations, alumina refineries and aluminum smelters, other than our interest in Anglesey, in order to focus on our fabricated aluminum products business, which we believe maintains a stronger competitive position and presents greater opportunities for growth.

INDUSTRY OVERVIEW

The aluminum fabricated products market is broadly defined as the markets for flat-rolled, extruded, drawn, forged and cast aluminum products, which are used in a variety of end-use applications. We participate in certain portions of the markets for flat-rolled, extruded/drawn and forged products focusing on highly engineered products for aerospace and high strength, general engineering and custom automotive and industrial applications. The portions of markets in which we participate accounted for an estimated 20% of total North American shipments of aluminum fabricated products in 2005.

We have chosen to focus on the manufacture of aluminum fabricated products primarily for aerospace and high strength, general engineering and custom automotive and industrial applications.

Products sold for aerospace and high strength applications represented 29% of our 2005 fabricated products shipments. We offer various aluminum fabricated products to service aerospace and high strength customers, including heat treat plate and sheet products, as well as cold finish bars and seamless drawn tubes. Heat treated products are distinguished from common alloy products by higher strength, fracture toughness and other desired product attributes.

Products sold for general engineering applications represented 44% of our 2005 fabricated products shipments. This market consists primarily of transportation and industrial end customers who purchase a variety of extruded, drawn and forged fabricated products through large North American distributors.

Products sold for custom automotive and industrial applications represented 27% of 2005 fabricated products shipments. These products include custom extruded, drawn and forged aluminum products for a variety of applications. While we are capable of producing forged products for most end use applications, we concentrate our efforts on meeting demand for forged products, other than wheels, in the automotive industry.

We have elected not to participate in certain end markets for fabricated aluminum products, including beverage and food cans, building and construction materials, and foil used for packaging, which represented approximately 95% of the North American flat-rolled products market and approximately 45% of the North American extrusion market in 2005. We believe our chosen end markets present better opportunities for sales growth and premium pricing of differentiated products.

Aerospace and defense applications

We are a leading supplier of high quality sheet, plate, drawn tube and bar products to the global aerospace and defense industry. Our products for these end-use applications are heat treat plate and sheet, as well as cold finish bar and seamless drawn tube that are manufactured to demanding specifications. The aerospace and defense market's consumption of fabricated aluminum products is driven by overall levels of industrial production, cyclical airframe build rates and defense spending, as well as the potential availability of competing materials such as composites. According to Airline Monitor, the global build rate of commercial aircraft over 50 seats is expected to rise at a 4.6% compound annual growth rate through 2025. Additionally, demand growth is expected to increase for thick plate with growth in monolithic construction of commercial and other aircraft. In monolithic construction, aluminum plate is heavily machined to form the desired part from a single piece of metal (as opposed to creating parts using aluminum sheet, extrusions or forgings that are affixed to one another using rivets, bolts or welds). In addition to commercial aviation demand, military applications for heat treat plate and sheet include aircraft frames and skins and armor plating to protect ground vehicles from explosive devices.

General engineering applications

General engineering products consist primarily of standard catalog items sold to large metal distributors. These products have a wide range of uses, many of which involve further fabrication for numerous transportation and industrial end-use applications where machining of plate, rod and bar is intensive. Demand growth and cyclicity for general engineering products tend to mirror broad economic patterns and industrial activity in North America. Demand is also impacted by the destocking and restocking of inventory in the full supply chain.

Custom automotive and industrial applications

We manufacture custom extruded/drawn and forged aluminum products for many automotive and industrial end uses, including consumer durables, electrical, machinery and equipment, automobile, light truck, heavy truck and truck trailer applications. Examples of the wide variety of custom products that we supply to the automotive industry are extruded products for anti-lock braking systems, drawn tube for drive shafts and forgings for suspension control arms and drive train yokes. Demand growth and cyclicity tend to mirror broad economic patterns and industrial activity in North America, with specific individual market segments such as automotive, heavy truck and truck trailer applications tracking their respective build rates.

RISK FACTORS

Investing in our common stock involves risk. Before you invest in our common stock, you should carefully consider the matters discussed under the headings "Risk factors" and "Special note regarding forward-looking statements" and all other information contained in this prospectus.

OUR CORPORATE INFORMATION

We were incorporated in February 1987 under Delaware law. Our principal executive offices are located at 27422 Portola Parkway, Suite 350, Foothill Ranch, California 92610-2831, and our telephone number at this address is (949) 614-1740. Our website is www.kaiseraluminum.com. Information on, or accessible through, our website is not a part of, and is not incorporated into, this prospectus.

The offering

Common stock offered by the selling stockholder 2,517,955 shares

Common stock outstanding before and after the offering 20,525,660 shares

Over-allotment option The selling stockholder has granted the underwriters a 30-day option to purchase up to 377,693 additional shares of our common stock to cover over-allotments.

Nasdaq Global Market symbol KALU

Use of proceeds We will receive no proceeds from the sale of common stock by the selling stockholder.

Transfer restrictions Our common stock is subject to certain transfer restrictions that potentially prohibit or void transfers by any person or group that is, or as a result of such transfer would become, a 5% stockholder. See Description of capital stock Restrictions on Transfer of Common Stock.

Risk factors You should carefully read and consider the information set forth under Risk factors, together with all of the other information set forth in this prospectus, before deciding to invest in shares of our common stock.

Unless we indicate otherwise, the number of shares of common stock shown to be outstanding before and after the offering is based on shares outstanding on October 31, 2006 and excludes 1,696,562 shares of common stock reserved and available for issuance under our equity incentive plan.

Summary consolidated financial and operating data

The following tables set forth our summary consolidated financial and operating data as of the dates and for the periods indicated below. The summary consolidated statement of income data for the three years ended December 31, 2003, 2004 and 2005 are derived from our audited consolidated financial statements included elsewhere in this prospectus.

As a result of the effectiveness of our plan of reorganization on July 6, 2006, we adopted fresh start accounting in accordance with American Institute of Certified Professional Accountants Statement of Position 90-7, *Financial Reporting by Entities in Reorganization Under the Bankruptcy Code*, or SOP 90-7, as of July 1, 2006. Because SOP 90-7 requires us to restate our stockholder's equity to our reorganization value and to allocate such value to our assets and liabilities based on their fair values, our financial condition and results of operations after June 30, 2006 will not be comparable in some material respects to the financial condition or results of operations reflected in our historical financial statements at dates or for periods prior to July 1, 2006. This makes it difficult to assess our future prospects based on historical performance.

Our emergence from chapter 11 bankruptcy and adoption of fresh start accounting resulted in a new reporting entity for accounting purposes. Although we emerged from chapter 11 bankruptcy on July 6, 2006, we adopted fresh start accounting under the provisions of SOP 90-7 effective as of the beginning of business on July 1, 2006. As such, it was assumed that the emergence was completed instantaneously at the beginning of business on July 1, 2006 such that all operating activities during the three months ended September 30, 2006 are reported as applying to the new reporting entity. We believe that this is a reasonable presentation as there were no material transactions between July 1, 2006 and July 6, 2006 other than plan of reorganization-related transactions.

The accompanying financial statements include our financial statements for both before and after emergence. Financial information related to the newly emerged entity is generally referred to throughout this prospectus as successor information and financial information related to the pre-emergence entity is generally referred to as predecessor information. The financial information of the successor entity is not comparable to that of the predecessor given the effect of the plan of reorganization, implementation of fresh start reporting and other factors.

With respect to the nine months ended September 30, 2006, the successor's operating data for the period from July 1, 2006 through September 30, 2006 have been combined with the predecessor's results for the period from January 1, 2006 to July 1, 2006 and are compared to the predecessor's operating data for the nine months ended September 30, 2005. Differences between periods due to fresh start accounting are explained when material.

The summary consolidated financial data as of and for the nine months ended September 30, 2005 and 2006 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. We have prepared our unaudited consolidated financial statements on the same basis as our audited consolidated financial statements (except as set forth in Note 2 of our interim consolidated financial statements) and have included all adjustments, consisting of normal and recurring adjustments, that we consider necessary for a fair presentation of our financial position and operating results for the unaudited period. The summary consolidated financial and operating data as of and for the nine months ended September 30, 2006 are not necessarily indicative of the results that may be obtained for a full year.

The information presented in the following tables should be read in conjunction with Capitalization, Selected historical consolidated financial data, Management's discussion and analysis of financial condition and results of operations and the consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	Nine months ended September 30, 2006					
	Predecessor year ended December 31,			Predecessor nine months ended September 30,	Predecessor period from January 1, 2006 to July 1, 2006	Period from July 1, 2006 through September 30, 2006
Statements of income data:	2003	2004	2005	2005		
(dollars in millions)				(unaudited) (restated) ⁽¹⁾	(unaudited)	(unaudited)
Net sales	\$ 710.2	\$ 942.4	\$ 1,089.7	\$ 815.9	\$ 689.8	\$ 331.4
Costs and expenses:						
Cost of products sold	681.2	852.2	951.1	710.9	596.4	291.8
Depreciation and amortization	25.7	22.3	19.9	15.0	9.8	2.8
Selling, administrative, research and development, and general	92.5	92.3	50.9	38.0	30.3	18.0
Other operating charges (credits), net ⁽²⁾	141.6	793.2	8.0	6.5	0.9	(2.9)
Total costs and expenses	941.0	1,760.0	1,029.9	770.4	637.4	309.7
Operating income (loss)	(230.8)	(817.6)	59.8	45.5	52.4	21.7
Other income (expense):						
Interest expense ⁽³⁾	(9.1)	(9.5)	(5.2)	(4.2)	(0.8)	
Reorganization items ⁽⁴⁾	(27.0)	(39.0)	(1,162.1)	(25.3)	3,093.1	
Other, net	(5.2)	4.2	(2.4)	(1.5)	1.2	0.9
Income (loss) before income taxes and discontinued operations	(272.1)	(861.9)	(1,109.9)	14.5	3,145.9	22.6
Provision for income taxes	(1.5)	(6.2)	(2.8)	(6.0)	(6.2)	(8.3)
Income (loss) from continuing operations	(273.6)	(868.1)	(1,112.7)	8.5	3,139.7	14.3
Discontinued operations:						
Income (loss) from discontinued operations, net of income taxes, including minority interests	(514.7)	(5.3)	(2.5)	21.3	4.3	

Gain from sale of commodity interests		126.6	366.2	365.6		
Income (loss) from discontinued operations ⁽⁵⁾	(514.7)	121.3	363.7	386.9	4.3	
Cumulative effect on years prior to 2005 of adopting accounting for conditional asset retirement obligations			(4.7)	(4.7)		
Net income (loss)	\$ (788.3)	\$ (746.8)	\$ (753.7)	\$ 390.7	\$ 3,144.0	\$ 14.3

Operating data (unaudited):	Year ended December 31,			Nine months ended September 30,	
	2003	2004	2005	2005	2006
Shipments (millions of pounds):					
Fabricated products	372.3	458.6	481.9	365.2	399.7
Primary aluminum	158.7	156.6	155.6	115.7	117.1
Total	531.0	615.2	637.5	480.9	516.8
Average realized third-party sales price (per pound):					
Fabricated products ⁽⁶⁾	\$ 1.61	\$ 1.76	\$ 1.95	\$ 1.94	\$ 2.18
Primary aluminum ⁽⁷⁾	\$ 0.71	\$ 0.85	\$ 0.95	\$ 0.93	\$ 1.27
Capital expenditures, net of accounts payable (excluding discontinued operations) (in millions)	\$ 8.9	\$ 7.6	\$ 31.0	\$ 20.4	\$ 39.7

(footnotes on following page)

