



What is our strategy in upstream operations?

*Mike Tanchuk
Ormet Corporation
President & CEO*



Preliminary Matters

Forward-Looking Statements

- This Statement contains forward-looking statements that can be identified by use of words like “anticipates,” “believes,” “estimates,” “expects,” “hopes,” “targets,” “should,” “will,” “will likely result,” “forecast,” “outlook,” “projects” or other words of similar meaning. All statements that address the Company’s expectations or projections about the future, including statements about the Company’s strategy for growth, cost reduction goals, expenditures, financial results, liquidity and capital needs, are forward-looking statements. Forward-looking statements are based on the Company’s estimates, assumptions and expectations of future events and are subject to a number of risks and uncertainties and may or may not be realized. The Company disclaims any intention or obligation (other than as required by law) to update or revise any forward-looking statements.
- Although the Company believes the expectations reflected in its forward-looking statements are reasonable, the Company cannot guarantee its future performance or results of operations. All forward-looking statements in this Statement are based on information available to the Company on the date hereof; however, the Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. When reading any forward-looking statements, the reader should consider the risks and uncertainties referenced above as well the other disclosures contained in this Statement. Given the significant uncertainties and risks to which the Company is subject (a) the reader should not place undue reliance on these forward-looking statements and (b) the Company’s future results could differ materially from the Company’s current results and from those anticipated in the Company’s forward-looking statements.

Market and Industry Data

- The market and industry data contained in this presentation are based on management’s own estimates, internal company research, surveys and studies conducted by third parties and industry and general publications, and in each case, are believed by management to be reasonable estimates. The Company has not independently verified market and industry data from third party sources. This data is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market and industry data. As a result, you should be aware that market and industry data set forth herein, and estimates and beliefs based on such data, may not be reliable.

Ormet History



2007:

- Completion of smelter start-up
- \$175 million credit facilities established
- \$30 million equity raised
- \$35 million convertible note
- New management team put in place
- Shutdown of casting operations

2008-2009:

- Sale of parcels of land surrounding Burnside Alumina Refinery - \$11 million

2010:

- Complete Refinancing
- Tolling Agreements – Dec 2010

4th Qtr 2010 & 1st Qtr 2011:

- Restart of 2 idled potlines

2008:

- \$10 million subnote
- Tolling Agreement

2009:

- Final Power Agreement
- Arbitration Award
- Idled 2 potlines

2011:

- Burnside Restart Announcement
- Term loan B \$30 million and \$10mm increase to ABL
- Sale of Burnside Terminal for \$26 million net



1958 2007 2008 2009 2010 2011

Experienced Management Team

Michael Tanchuk

*President, Director and
Chief Executive Officer*

- President, Director and Chief Executive Officer since May 2007
- Previously with Nordural, Century Aluminum, Alcoa and Reynolds Metals
- B.S. Civil Engineering, Bucknell University
- Executive Business Certificate, University of Washington

James Riley

*Chief Financial Officer,
Secretary and Treasurer*

- CFO, Treasurer and Secretary since July 2007
- Previously Chief Financial Officer of CSK Auto Corp., Chiquita Brands International Inc., Elliott Company, and Republic Engineered Steels Inc.
- Director of Wheeling-Pittsburgh Corp. 2003 – 2006, Entegra Power 2005 – 2006, Republic Engineered Steels Inc. 1989 – 1998
- BBA, University of Cincinnati; MBA, Miami of Ohio

Michael Griffin

Vice President of Operations

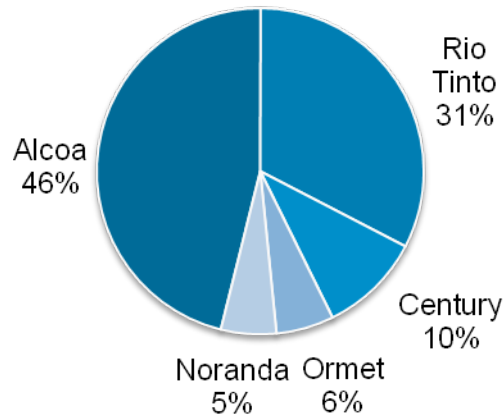
- Vice President of Operations of Ormet since June 2007
- Previously with Alcoa and Reynolds Metals
- B. S., Electrical Engineering, Clarkson University

Hannibal, OH Smelter

- 270,000 mt / year capacity
 - 2nd largest operating smelter in the U.S.
- 6 potlines
- ~1,000 employees
- Access to river transportation, close to customers
- Midwest premium (~\$0.08/ lb)
- Operating at high efficiency



2010 NA Production (1)



Source: Company filings, Company websites and HARBOR Intelligence.
 (1) CRU estimates and forecasts of world smelting production.

Burnside, Louisiana

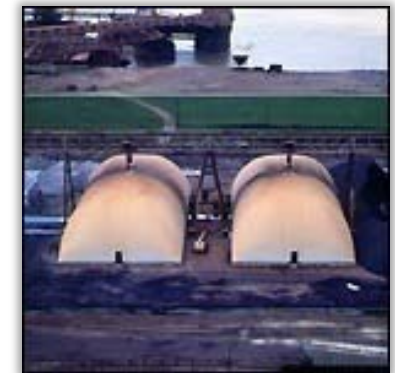
Alumina Refinery

- Idled in late 2006
- Capacity: 540,000 MT / year
- 2,200 acres (includes ~1,000 acres unused land)
- Sold approx. 315 acres for \$11mm from 2008 - 2010
- Start-up underway
- First product expected Q4 2011



Bulk Marine Terminal

- Idled in 2007
- Capacity: 5,000,000 dry bulk MT / year
- Handles shipments of aluminum, alumina and other bulk commodities
- Sold to Impala Warehousing which will provide services – June 2011



Company Focus

- Reduce raw material costs
 - Alumina - Start-up Burnside refinery on plan and budget
 - Anodes
- Continue to improve productivity of smelter
- Manage metal price risk

Company Focus

- Grow profitably upstream
 - Bauxite
 - Higher cost smelters
 - Alumina refineries
- Use unique skills to grow
 - Adapting to change
 - Metal risk control
 - Improve operations of older assets
 - Government relations to obtain attractive support incentives
 - Sound and realistic union relations

Ormet Financial Performance

	2008	2009	2010
Gross Profit as % of Revenue	5.0%	10.7 %	9.3%
Operating Income as % of Revenue	2.1 %	4.0%	5.1%

Key Elements to Ormet's Success

- People
- Operations and cost performance
- Nontraditional financial alternatives
- Government relations
- Metal price risk management (Today's focus)

Leverage to Aluminum Prices

High LME Price Environments

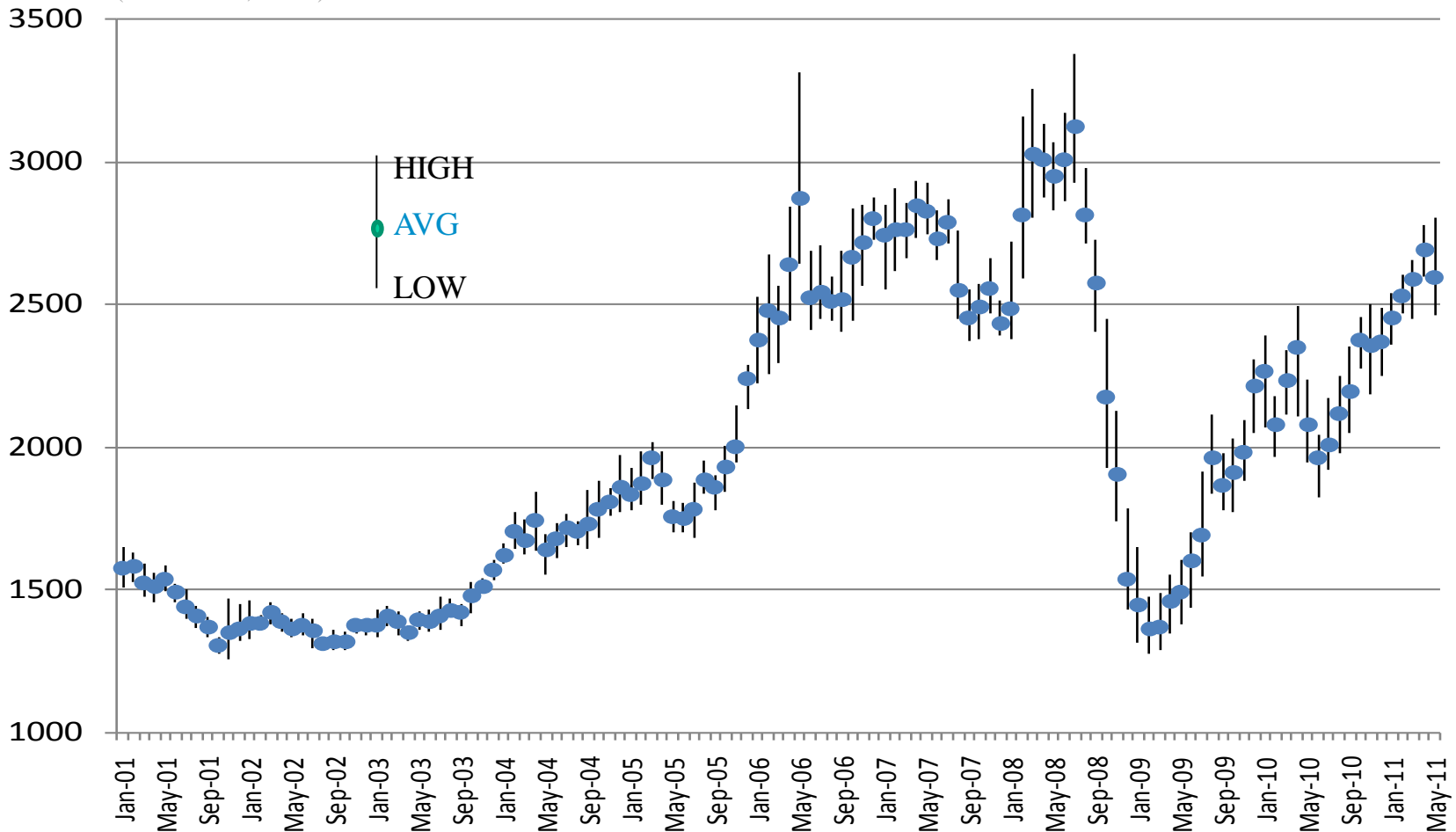
- \$100/MT = ~\$23mm EBITDA delta
- Flexibility to hedge through physical contracts
- Power contract based on average LME
- Operate 6 pot lines
 - Increased annual production from 180,000 MT to 270,000 MT

Difficult LME Price Environments

- Reduce production
- Up to \$60 million in reduced power costs
- Anode pricing and alumina costs decline
- Workforce reduction
- Defer non-essential maintenance and relines
- Put in place tolling agreements

Price volatility increased considerably since 2005

LME 3M AVERAGE MONTHLY PRICE VS HIGH AND LOW
(2001-2011; \$/ton)



Ormet's Metal Risk Strategy

- Only product is commodity metal
- Clearly understand financial targets and goals
- Protect downside risk
- Forward pre-pricing arrangements and/or put strategies and collars depending on market
- No margin requirements due to physical contracts
- Quick market decisions – nimble strategic committee
- Size provides opportunity to hedge up to full production
- 2009 - 2011 performance positively impacted

Ormet Performance vs. Market

MITIGATED RISK



Source: Bloomberg, London Metals Exchange Primary Aluminum 3-month forward contract (realized prices)

Understanding the Market

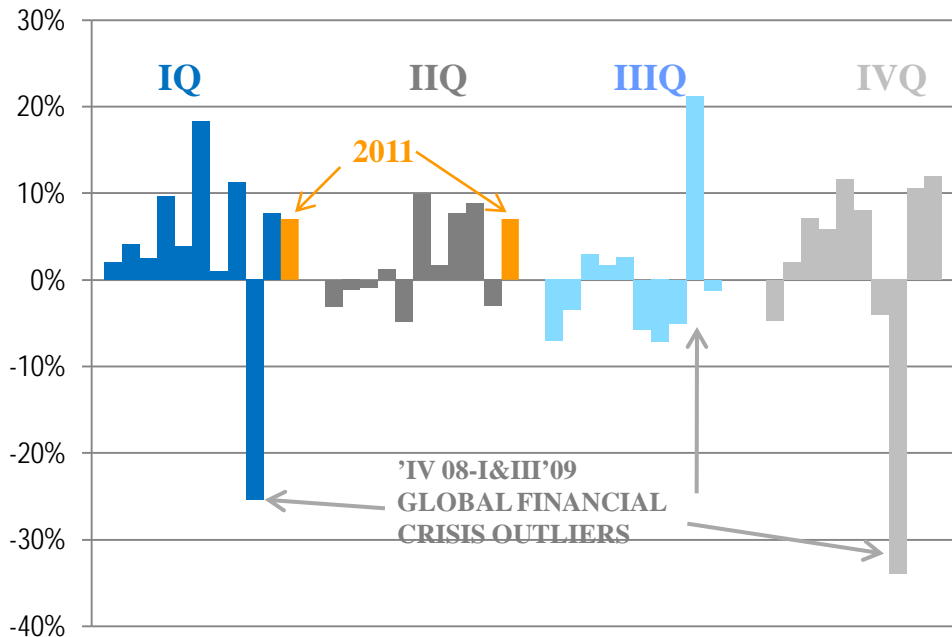
- Closely follow short term trends
 - Technicals
 - Market sentiment
 - Financial flows
 - Seasonality
- Watch macro trends
 - Political
 - Middle East
 - Chinese government approach to growth and currency
 - Energy
 - Euro/Dollar
 - The unexpected i.e. Japan

Understanding the Market

- Be on the ground in regions that affect you
- Prepare for rapid change
- Embrace and use the volatility
- Don't forget the past
- Don't get greedy
- Accept that no one really knows what future will be

Example of market factors – Seasonality High odds of lower prices in IIIQ

LME 3M AVERAGE PRICE QUARTERLY % CHANGE
(2001-2011 for every quarter)



	IQ	IIQ	IIIQ	IVQ
2001	2.0%	-3.1%	-7.1%	-4.7%
2002	4.1%	-1.2%	-3.5%	2.1%
2003	2.5%	-0.9%	3.0%	7.1%
2004	9.6%	1.2%	1.7%	5.9%
2005	3.9%	-4.9%	2.6%	11.6%
2006	18.3%	9.9%	-5.7%	8.1%
2007	1.0%	1.6%	-7.2%	-4.0%
2008	11.3%	7.7%	-5.0%	-34.0%
2009	-25.4%	8.9%	21.1%	10.6%
2010	7.7%	-3.0%	-1.3%	12.0%
2011	7.0%	7.0%		
AVG	3.8%	2.1%	-0.1%	1.5%
without IV'08-I and III'09*	7%	2%	-3%	5%
odds of increase	91%	55%	40%	70%
without IV'08-I and III'09*	100%	50%	33%	80%

Source: HARBOR Intelligence with LME data

*quarters not taken into account given outlier position

What we have learned????

- Need to be flexible and nimble to react quickly to change
- Actively manage cash and suppliers terms – never forget the basics
- Always improve operations
- Manage enterprise risk
- Accept mistakes and get stronger
- Don't let egos get in the way and always fight internal bureaucracy
- Grow smart
- Do what you say

Thank You

