

Contact Info:
James B. Riley
740-483-2602

Ormet announces a net loss of \$6.7 million and a net profit \$93.8 million for the third quarter of 2011 and first nine months of 2011, respectively. Net loss per common share outstanding was \$0.36 for the third quarter and net income per common share was \$5.04 the first nine months of 2011.

These results were significantly influenced by:

- Burnside alumina refinery restart expenses of \$22.0 million in the third quarter of 2011 associated with the November 1, 2011 restart of the facility.
- Excluding these restart costs net of taxes, the results would have been net income of \$7.7 million (\$0.41 per share) for the third quarter of 2011.
- For the first nine months 2011, results were also influenced by a gain on sale of land and marine terminal assets in Louisiana in the second quarter of 2011 totaling \$14.9 million (net of taxes) and the non-cash favorable effect of the reversal of tax valuation allowances of \$75.2 million, all recorded in the second quarter of 2011. Excluding these items and the nine month refinery restart costs of \$26.7 million (\$17.4 million after taxes), the nine month 2011 results would have been net income of \$21.1 million (\$1.13 per share).
- EBITDA was \$2.3 million and \$65.3 million for the third quarter of 2011 and first nine months of 2011, respectively. Adjusted EBITDA was \$24.6 million and \$70.0 million for the third quarter 2011 and first nine months of 2011, respectively. See below for the reconciliation of EBITDA and Adjusted EBITDA to net income or net loss.

Results of Operations for the three months ended September 30, 2011

Net Sales from Continuing Operations- Net sales from continuing operations for the three months ended September 30, 2011 were \$147.2 million compared to \$111.1 million for the same period in 2010. As a result of the completion of the restarting of the two idled potlines in the 2011 first quarter, shipments in the third quarter of 2011 increased to 66,285 metric tons ("tons") from 45,713 tons for the same period in 2010. Toll volume (absent in the 2010 period) was 39,833 tons in 2011. Selling prices associated for non toll shipments increased by \$168 per ton for the third quarter 2011 vs. the third quarter 2010. The monthly average cash settlement price on the LME including the Midwest premium was \$2,669/ton and \$2,231/ton during the third quarters of 2011 and 2010, respectively.

Gross Profit- The gross profit for the three months ended September 30, 2011 was break even compared to a gross profit of \$12.9 million for the same period in 2010. Cost of sales for the three month period ended September 30, 2011 was \$147.1 million compared to \$98.2 million in 2010. Cost of sales in the 2011 period included \$22.0 million for expenses associated with the restart of the alumina refinery.

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Operating Expenses- Operating expenses for the three months ended September 30, 2011 included general and administrative expenses of \$4.9 million, an increase of \$0.3 million from the same period in 2010.

Operating Income- For the three months ended September 30, 2011, the Company reported a \$4.9 million operating loss compared to an operating profit of \$8.3 million in the same period of 2010.

Non Operating Expense- Non operating expense totaled \$5.4 million versus of \$4.5 million for the three months ended September 30, 2011 and 2010, respectively, reflecting increased Term Loan interest expense in the 2011 period as a result of the higher loan balance from the financing for the restart of the alumina refinery.

Income Tax Provision- The Company recorded an income tax benefit (based on a statutory rate of 35 percent) of \$3.6 million from continuing operations for the three months ended September 30, 2011.

Discontinued Operations- As a result of the sale of the marine terminal assets in the second quarter of 2011, there was no income or loss from discontinued operations for the three months ended September 30, 2011 compared to \$1.1 million cost for the same period in 2010.

Net Income Per Share- The average number of shares of common stock issued and outstanding during the three months ended September 30, 2011 and 2010 was 18,662,272 and 18,503,154, respectively. The resulting loss from continuing operations for the three month period ended September 30, 2011 was \$0.36 per share compared to a net income from continuing operations for the three month period ended September 30, 2010 of \$0.20 per share. Net loss per share was \$0.36 during the three month period ended September 30, 2011 compared to a net income for the three month period ended September 30, 2010 of \$0.15 per share.

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EBITDA and Adjusted EBITDA- EBITDA for the three months ended September 30, 2011 and 2010 was \$2.3 million and \$13.3 million, respectively. Adjusted EBITDA was \$24.6 million and \$13.6 million for the three months ended September 30, 2011 and 2010, respectively. Below is the reconciliation of EBITDA and Adjusted EBITDA to net income for the three months ended September 30, 2011 and 2010:

(000's omitted)	Unaudited	
	9/30/2011	9/30/2010
Consolidated net income (loss)	\$ (6,659)	\$ 2,729
Depreciation	5,143	4,113
Amortization of financing fees	242	205
Amortization of pension actuarial loss	1,764	1,675
Interest expense	5,418	4,575
Taxes	(3,603)	-
EBITDA	2,305	13,297
Gain on asset sales	-	-
Alumina refinery start up costs	22,036	-
Deferred compensation/ stock option expense	94	234
Additional accretion & imputed interest expense	121	47
Adjusted EBITDA	\$ 24,556	\$ 13,578

The Company's definition of EBITDA (Earnings before interest, taxes, depreciation, and amortization) is consolidated net income or loss plus an add-back for depreciation, interest expense, taxes and amortization of financing fees and pension plan actuarial loss. The Company's definition of Adjusted EBITDA is EBITDA minus the effect of any gains and losses on asset sales, adding back stock compensation expense, Burnside alumina refinery start up costs and imputed interest expense. EBITDA and Adjusted EBITDA are non-GAAP financial measures. Management believes that these measures are meaningful to investors because EBITDA and Adjusted EBITDA provide additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The EBITDA and Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

Capital Expenditures- The Company spent \$10.9 million on capital expenditures during the three months ended September 30, 2011 including \$3.4 million for relining 43 pots at the Hannibal smelter during the period and \$5.0 million associated with the restart of the Burnside alumina refinery. The ABL Facility limits the Company's ability to make capital expenditures at its facilities. The limit for the year 2011 is \$55.0 million.

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Results of Operations for the nine months ended September 30, 2011

Net Sales from Continuing Operations- Net sales from continuing operations for the nine months ended September 30, 2011 were \$419.4 million compared to \$319.6 million for the same period in 2010. As a result of the completion of the restarting of the two idled potlines in the 2011 first quarter, shipments in the first nine months of 2011 increased to 190,814 tons from 134,747 tons for the same period in 2010. Toll volume (absent in the 2010 period) was 78,682 tons in 2011. Selling prices associated for non toll shipments increased by \$305 per ton for the first half 2011 vs. the first half 2010. The monthly average cash settlement price on the LME including the Midwest premium was \$2,580/ton and \$2,254/ton during the first nine months of 2011 and 2010, respectively.

Gross Profit- The gross profit for the nine months ended September 30, 2011 was \$34.5 million compared to a gross profit of \$35.9 million for the same period in 2010. Cost of sales in the 2011 period included \$26.7 million for expenses associated with the restart of the alumina refinery.

Operating Expenses- Operating expenses for the nine months ended September 30, 2011 include general and administrative expenses of \$13.2 million, a decrease of \$0.8 million from the \$14.0 million for the same period in 2010 and a gain of \$5.8 million on the sale of vacant alumina refinery land (including a nominal purchase option for approximately 490 acres of additional land) included in the marine terminal asset sale. The decrease in general and administrative expenses was primarily driven by lower amortization of deferred financing fees and lower legal expenses associated with the refinancing of the Company's long term debt and amended ABL Facility in 2010.

Operating Income- For the nine months ended September 30, 2011, the Company reported a \$27.1 million operating profit compared to an operating profit of \$21.9 million in the same period of 2010.

Non Operating Expense- Non operating expense totaled \$15.4 million versus non operating expenses of \$12.1 million for the nine months ended September 30, 2011 and 2010, respectively. The increase was due to the absence in 2011 of the 2010 contingent litigation liability reversal of \$3.2 million and interest income from the refunded power security deposit of \$1.2 million that was partially offset in 2010 by the prepayment premium of \$2.7 million for the 2010 refinancing.

Income Tax Provision- For the nine months ended September 30, 2011, the Company recorded an income tax benefit of \$71.1 million which includes the effect of the reversal of the valuation of allowance in June of \$75.2 million net of income tax expense (based on a statutory rate of 35 percent) totaling \$4.1 million from continuing operations.

As a result of the Company's estimation that it will now likely be able to fully utilize its deferred tax assets, the remaining valuation allowance was reversed on June 30, 2011 and an income tax benefit of \$67.5 million (net of the 2011 six month income tax provision) was recorded. As of December 31, 2010, the Company had approximately \$217.5 million of NOL to carry-forward and apply to income tax liabilities in future years. Due to the uncertainty of realizing the full benefit of the NOL, the Company had recorded certain valuation reserves of \$117.2 million as of December 31, 2010. Upon reversal of the

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remaining valuation reserve noted above, the Company has a total net deferred tax asset as of September 30, 2011 of \$138.3 million on the balance sheet. As a result of a change of control, as defined in Section 382 of the Internal Revenue Code in May 2007, NOL of \$87.1 million were estimated to be subject to an annual Section 382 limitation of \$12.6 million as of September 30, 2011.

Discontinued Operations- The income of \$11.0 million (net of an income tax provision of \$5.9 million at 35 percent) for the nine months ended September 30, 2011 compared to a cost of \$1.9 million for the same period in 2010 principally reflects the gain on the sale of the marine terminal assets of \$11.1 million (\$17.1 million before tax provision) on June 2, 2011.

Net Income Per Share- The average number of shares of common stock issued and outstanding during the nine months ended September 30, 2011 and 2010 was 18,593,636 and 18,475,837, respectively. The resulting income from continuing operations for the nine month period ended September 30, 2011 was \$4.45 per share compared to a net income from continuing operations for the nine month period ended September 30, 2010 of \$0.53 per share. Net income per share was \$5.04 during the nine month period ended September 30, 2011 compared to a net income for the nine month period ended September 30, 2010 of \$0.43 per share.

EBITDA and Adjusted EBITDA- EBITDA for the nine months ended September 30, 2011 and 2010 was \$65.3 million and \$43.5 million, respectively. Adjusted EBITDA was \$70.0 million and \$43.9 million for the nine months ended September 30, 2011 and 2010, respectively. Below is the reconciliation of EBITDA and Adjusted EBITDA to net income for the nine months ended September 30, 2011 and 2010:

(000's omitted)	Unaudited nine months ended	
	9/30/2011	9/30/2010
Consolidated net income	\$ 93,795	\$ 7,978
Depreciation	14,955	12,096
Amortization of financing fees	760	1,668
Amortization of pension actuarial loss	5,293	5,027
Interest expense	15,738	16,683
Taxes	(65,229)	-
EBITDA	65,312	43,452
Gain on asset sales	(22,891)	(478)
Alumina refinery start up costs	26,691	-
Deferred compensation/ stock option expense	453	759
Additional accretion & imputed interest expense	386	162
Adjusted EBITDA	<u>\$ 69,951</u>	<u>\$ 43,895</u>

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The Company's definition of EBITDA (Earnings before interest, taxes, depreciation, and amortization) is consolidated net income plus an add-back for depreciation, interest expense, taxes and amortization of financing fees and pension plan actuarial loss. The Company's definition of Adjusted EBITDA is EBITDA minus the effect of any gains and losses on asset sales, adding back stock compensation expense, Burnside alumina refinery plant start up costs and imputed interest expense. EBITDA and Adjusted EBITDA are non-GAAP financial measures. Management believes that these measures are meaningful to investors because EBITDA and Adjusted EBITDA provide additional information with respect to the Company's operating performance and the Company's ability to meet its financial obligations. The EBITDA and Adjusted EBITDA presented may not be comparable to similarly titled measures of other companies.

Capital Expenditures- The Company spent \$24.6 million on capital expenditures during the nine months ended September 30, 2011 including \$12.5 million for relining 172 pots at the Hannibal smelter and \$7.6 million of capital expenditures related to the restart of the Burnside alumina refinery. The ABL Facility limits the Company's ability to make capital expenditures at its facilities. The limit for the year 2011 is \$55.0 million and the limit for 2012 and all succeeding years until the maturity of the Term Loan is \$35.0 million plus up to \$10.0 million of the unused amount from the prior year.

Liquidity and Capital Resources

Sources and Uses of Cash- The net cash provided by operating activities was \$12.3 million for the nine months ended September 30, 2011. The source of cash was principally caused by net income reduced by the unrealized income tax benefit of \$65.2 million and pension and post retirement expenses of \$27.1 partially offset by a working capital decrease of \$1.7 million

Net cash provided from investing activities was \$2.3 million due to the net proceeds of \$26.9 million from the sale of the marine terminal less capital expenses primarily from the relining of certain "pots" at the aluminum smelter and capital expenditures related to restarting the Burnside alumina refinery.

Net cash provided from financing activities was \$18.5 million, which were the net proceeds from the new Term B Loan described below.

The Company's cash balance at September 30, 2011 was \$36.2 million, an increase of \$33.1 million from the \$3.1 million balance at December 31, 2010.

Liquidity- The ongoing sources of liquidity for the Company are existing cash balances, cash flows from continuing operations and available borrowings under the new ABL Facility. As of September 30, 2011, there were no outstanding borrowings under the ABL Facility; outstanding letters of credit were \$6.1 million with remaining availability at \$46.3 million and an unrestricted cash balance of \$36.2 million. As of November 25, 2011, there was a cash balance of \$10.6 million, no outstanding balance on the ABL Facility, outstanding letters of credit were \$6.1 million, and remaining borrowing availability was \$46.3 million.

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Primary uses of cash are for funding the aluminum smelter operations, including raw material purchases, electricity costs increases in working capital, capital expenditures (including the restarting of the alumina smelter), labor costs and funding of the Ormet pension plan and contractual payments to the VEBA Benefit Trusts. For the nine months ended September 30, 2011, the restart of the alumina refinery consumed \$31.3 million in restart costs, as well as an additional \$7.6 million and \$1.9 million in associated capital expenditures and asbestos remediation expenditures, respectively.

Total inventory at September 30, 2011 of \$137.3 million was \$13.3 million higher than the \$124.0 million at December 31, 2010. The increase was principally due to in the acquisition of raw materials at the alumina refinery in the first nine months of 2011. The inventory at September 30, 2011 is principally composed of anodes totaling \$62.2 million, alumina of \$38.2 million and finished goods, operating materials and supplies (bath, molten pad, pot lining material, copper bars, stores and other operating supplies) totaling \$36.9 million.

Mike Tanchuk, Ormet's President and CEO commented, "We have focused in the third quarter on bringing our Burnside alumina refinery back into operation after an extended idle period. We commenced production on November 1st and are currently at approximately 40% of rated capacity and expect to ramp up to the full capacity by second quarter 2012. The Burnside start-up is part of our strategic objective to have a level of control over our key raw materials. I want to thank all of our people at the Burnside operation for their hard work to bring the plant back into operation. During this quarter, we also saw the continuing financial advantage of our metal price risk management program."

The complete Rule 15c2-11 Information and Disclosure Statement for the Nine Months Ended September 30, 2011 is available on the Company's website. Please visit the Investor section of the website at www.ormet.com.

Cautionary Statement

This Statement contains forward-looking statements that can be identified by use of words such as "anticipates," "believes," "estimates," "expects," "hopes," "targets," "should," "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 cannot guarantee its future performance or results of operations. All forward-looking statements in this press release are based on information available to the Company on the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking statements, except as may be required by law. The Company's business is subject to a number of significant risks and uncertainties. Reference is made to the risk factors and other disclosures contained in the Company's Information and Disclosure Statements for three month period ended March 31, 2011, which is available on the Company's website at www.ormet.com. Given the significant uncertainties and risks to which the Company is subject (a) the reader should not place undue reliance on forward-looking statements contained in this press release and (b) the Company's future results could differ materially

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from the Company's current results and from those anticipated in the Company's forward-looking statements.

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Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people. For more information, visit the Company's website at www.ormet.com.

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Ormet Corporation
Consolidated Financial Statements

Consolidated Balance Sheet
(Dollars in thousands)

	Unaudited	
	<u>9/30/2011</u>	<u>12/31/2010</u>
ASSETS		
Cash	\$ 36,210	\$ 3,085
Trade accounts receivable, net	13,993	11,422
Inventories	137,251	124,041
Prepaid expense and other current assets	23,094	3,468
Total current assets	<u>210,548</u>	<u>142,016</u>
Property and equipment	62,714	53,433
Goodwill	42,284	42,284
Deferred income tax asset	129,653	34,434
Assets held for sale	-	3,016
Other assets	4,414	2,359
TOTAL ASSETS	<u>\$ 449,613</u>	<u>\$ 277,542</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Accounts payable	\$ 65,752	\$ 47,748
Bank line of credit	-	-
Accrued compensation	16,492	14,382
Accrued interest	4,622	3,922
Postretirement obligations	9,857	9,544
Other accrued liabilities	18,478	6,872
Total current liabilities	<u>115,201</u>	<u>82,468</u>
Long term debt	123,740	102,919
Other liabilities:		
Pension obligations	104,188	126,261
Postretirement obligations	39,350	44,715
Other liabilities	7,223	8,479
STOCKHOLDERS' EQUITY (DEFICIT)	<u>59,911</u>	<u>(87,300)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 449,613</u>	<u>\$ 277,542</u>

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Ormet Corporation
Consolidated Financial Statements

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

(Amounts in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Net sales from continuing operations	\$ 147,172	\$ 111,056	\$ 419,452	\$ 319,603
Cost of sales				
Production costs	125,104	98,155	358,251	283,677
Alumina refinery start up costs	22,036	-	26,691	-
Total cost of sales	147,140	98,155	384,942	283,677
Gross profit	32	12,901	34,510	35,926
Operating expenses (income)				
General and administrative expenses	4,934	4,575	13,248	14,481
Gain on sale of assets	-	-	(5,827)	(478)
Operating income (loss)	(4,902)	8,326	27,089	21,923
Non-operating (expenses) income				
Other income (expense), net	58	30	331	4,631
Interest expense	(5,418)	(4,575)	(15,738)	(16,683)
Total non-operating expenses	(5,360)	(4,545)	(15,407)	(12,052)
Income (loss) before income tax	(10,262)	3,781	11,682	9,871
Income tax benefit	(3,603)	-	(71,142)	-
Income (loss) from continuing operations	(6,659)	3,781	82,824	9,871
Income (loss) from discontinued operations	-	(1,052)	10,971	(1,893)
Net income (loss)	\$ (6,659)	\$ 2,729	\$ 93,795	\$ 7,978
Shares outstanding:				
Average during period	18,662	18,503	18,594	18,476
As of September 30, 2011	18,662	18,510	18,662	18,510
Net income (loss) per share from continuing operations	\$ (0.36)	\$ 0.20	\$ 4.45	\$ 0.53
Net income (loss) per share	\$ (0.36)	\$ 0.15	\$ 5.04	\$ 0.43

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Ormet Corporation
Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in thousands)

Unaudited

Nine Months Ended September 30,

	2011	2010
Cash flows from operating activities		
Net income	\$ 93,795	\$ 7,978
Adjustments to reconcile net income to net cash from:		
Depreciation and amortization	14,955	12,096
Bad debt expense	-	11
Non cash interest	2,928	3,476
Amortization of pension plan loss	5,293	5,027
Compensation expense related to options	453	759
Unrealized income tax benefit	(65,229)	-
Amortization of deferred financing costs	760	1,668
Gain on sale of property and equipment	(22,891)	(478)
Net change in:		
Trade accounts receivable	(2,571)	699
Inventory	(13,210)	(22,412)
Prepaid & other current assets	(3,909)	(5,789)
Accounts payable	18,004	1,913
Accrued liabilities & other assets	11,071	14,889
Pension and postretirement	(27,125)	(42,917)
Net cash provided (used) in operating activities	12,324	(23,080)
Cash flows from investing activities		
Proceeds from asset sales	26,891	516
Capital spending	(24,607)	(5,096)
Net cash provided by (used) in investing activities	2,284	(4,580)
Cash flows from financing activities		
Repayment of long term loan	(10,000)	(54,035)
Proceeds from long term debt	28,500	104,500
Proceeds from exercised stock options	457	-
Repayment on bank line of credit - net	-	(4,061)
Payment of financing fees	(440)	(2,618)
Net cash provided by financing activities	18,517	43,786
Net increase in cash	33,125	16,126
Cash - beginning of period	3,085	4,035
Cash - end of period	\$ 36,210	\$ 20,161

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