ASSETS OF Aleris Aluminum Canada L.P.

ASSETS FOR SALE

Aleris Aluminum Canada L.P. (“Aleris Canada” or the “Company”) operated an aluminum sheet rolling mill that specialized in the production of bare and clad aluminum strip material sold to heat exchanger manufacturers for the automobile industry. Other specialty aluminum products for the construction industry were manufactured using brazing scrap material. In addition, the plant has the capability to produce specialty and converter foils and other thin gauge aluminum products.
PLANT OVERVIEW

The assets for sale include manufacturing equipment, land and building located in Trois-Rivières, Québec, Canada, approximately 80 miles north-east of Montreal.

The building covers 677,000 sq. ft. and the land totals more than two million sq. ft.

The total annual plant capacity is approximately 150 million pounds of aluminum foil and sheet products.

In 2007, Aleris Canada produced 103 million pounds of aluminum foil and sheet products and generated gross revenues of approximately CA$185 million. In 2007, the Company’s products fell into the following categories: bare fin, clad sheet, specialty foil, converter foil (production for converter foil ceased in March 2007) and building and construction sheet. Sales in 2007 were broken down as follows:

In November 2008, Aleris Canada ceased its manufacturing activities. Shutdown procedures were carefully planned and executed in order to enable production to resume with minimal efforts. While the plant has not been operating since November 2008, the equipment is secured and maintained, and environmental monitoring is ongoing.
KEY INVESTMENT CONSIDERATIONS

Leading Producer of High Quality Products Targeting Niche Markets

• Leading North American producer of aluminum bare and brazing fin and sheet products for automotive heat exchangers.

• Product specifically developed for the building and construction industry using brazing scrap material.

• Capability to produce converter foil for the flexible packaging industry.

• Capability to produce thin gauge aluminum products (rolling and slitting).

Longstanding Customer Relationships with Industry Leaders

• Through its history, the Company enjoyed strong relationships with major heat exchanger manufacturers for the automotive industry.

• In recent years, approximately 65% of the Company’s third party sales were made to its top five customers.

Experts in Scrap Utilization

• The operations included the recycling of internally generated brazing scrap which is an important element to control costs.

Well-Maintained Facility and Equipment

• 677,000 sq. ft. building on land totaling more than two million sq. ft.

• Manufacturing operations included Direct Chill (DC) casting station, a hot mill line, a cold mill and slitting operations. The production capabilities provide an important advantage in meeting the increasing customer demand for lighter gauge finished products.

• Approximately $80 million has been invested in the last decade to upgrade the manufacturing facility.
PRODUCTION FACILITY AND EQUIPMENT

General

The plant was originally established as a munitions manufacturing facility in 1939 and aluminum foil production started in 1945. Over the years, the plant went through many expansion phases while under the ownership of either Reynolds, Corus Group or other groups. In the past decade, significant investments have been made, with over $80 million having been spent to upgrade the facility, primarily to support the automotive heat exchanger business. As a result, much of the equipment is extremely competitive for meeting the needs of today’s customers.

The facility operates one Direct Chill casting station, a hot mill line, cold mill lines, annealing furnaces, trimming and slitting equipment and foil mills.

Casthouse

Facilities include four melting furnaces connected to one vertical Direct Chill casting unit allowing for the production of standard and specialty alloys and the recycling of scrap aluminum. These furnaces have a capacity varying from 45,000 to 77,000 pounds per batch with melting rates varying from 10,000 to 25,000 pounds per hours.

Ingot Transformation and Hot Mill Line

The hot mill line has an associated vertical scalper with a capacity of 55,000 pounds per hour, three soaking pits each with a capacity of 235,000 pounds per batch and push type furnace installed in 1999 that feeds into a 64” wide, four high reversing hot mill with a maximum capacity of 19 million pounds per month.

The plant also has an automated cladding line enabling the assembly of clad liners to scalped core ingots. This line was installed in 2003 and provides high quality brushed and welded assembly for subsequent hot rolling.

Cold Mill Lines

The Company has four cold mill lines. After having gone through the hot mill line, aluminum sheets can be laminated on various cold mill lines, including:

• Breakdown cold mill: Thickness range is from 0.400” on unwind to 0.035” on rewind with a maximum speed of 656 feet per minute.
• Intermediate cold mill: Thickness range is from 0.080” on unwind to 0.007” on rewind with a maximum speed of 2,500 feet per minute. This mill is equipped with an automated drive control with shape and gauge control, feed forward and mass flow control systems.

• Finishing cold mill: Thickness range is from 0.042” on unwind to 0.001” on rewind. This state-of-the-art Achenbach mill was installed in 2001. The maximum speed of the Achenbach mill is approximately 5,000 feet per minute and it is equipped with automatic gauge and shape control, feed forward and mass flow control systems. The gauge capabilities of this mill provide a significant advantage in meeting the continuing demand for lighter gauge finished products. This mill has a maximum monthly capacity of 24 million pounds.

• Finishing cold mill and breakdown foil mill: An earlier Achenbach mill, itself a high quality piece of equipment with a gauge capability down to 0.0003” and a maximum speed of 4,900 feet per minute.

Annealing

The Production equipment includes 11 batch annealing furnaces with a capacity ranging from 8,000 to 250,000 pounds, and one continuous annealing line. Three annealing furnaces have been manufactured by Junker and have associated cooling units (installed in 1998 and 2004).

Slitters

The Company operated a total of six slitters including two Kampf slitters for fin products, specifically designed for automotive applications with superior capabilities in the areas of coil size and width, close tolerances and edge quality, and one heavy gauge Stamco slitter used for industrial products. In addition, the equipment includes a tension leveler for heavier gauge building and construction products.

Foil Mills

Three foil mills can produce converter foil products (gauges down to 0.00027” and widths between 32” and 58”). Foil mill equipment includes one Kampf foil doubling machine (installed in 2003) and three foil separator machines (including one Kampf installed in 1998).