

Expansion of the segment occurred with the fourth quarter acquisition of Alumitech, Inc., a Cleveland-based recycling operation, and the purchase of certain assets from Ormet Corporation which included recycling operations which are reported in this segment. The acquisition of Alumitech is an excellent strategic fit with Aleris's existing recycling operations. This transaction provides outstanding opportunities to optimize processing capabilities between both organizations.

In addition, the Company invested significant capital during the year to improve existing furnace operations and upgrade our existing technology.

These and other actions taken in 2005 have strengthened the aluminum recycling segment's position for improved profitability in 2006 and beyond. The segment will maintain the relentless pursuit of its strategic goals, including best-in-class safety and environmental performance, continuous improvement in all operations and ongoing investment in growth and industry-leading technology.

*The Alumitech acquisition enhances our ability to process salt cake, a by-product of aluminum recycling.*

