

**BOARD OF TRUSTEES
KAISER ALUMINUM SALARIED RETIREES VEBA TRUST**

June, 2009

Dear Fellow Retiree or Surviving Spouse and Family:

We are pleased to enclose a copy of our 2008 Summary Annual Report for the Kaiser Aluminum Salaried Retirees VEBA Plan (Plan). Returns for 2008 on invested assets were very disappointing due to the nearly unprecedented worldwide decline in the market value of equity and fixed income securities. The decline in market value of the Plan's assets over the year amounted to approximately 20%. Although signs of an economic recovery from the current recession are beginning to appear, a full recovery appears likely to be slow in coming. The Plan paid out \$5,927,017 in benefits during the year, up slightly from \$5,753,658 in 2007.

The amount of benefits paid out during the year was lower than allowed, as a number of enrolled retirees and surviving spouses did not claim all of the 2007 benefits to which they were entitled prior to the December 31, 2008 deadline for doing so. **A number of retirees and surviving spouses who were enrolled in the Plan prior to December 31, 2008 and are entitled to claim the \$2,000 benefit for the 2008 Plan year have not yet done so. The 2008 Plan year benefit must be claimed before the December 31, 2009 deadline in order for it to be paid. Please check your records to be sure that you claim your benefit before this deadline, if you have not already done so.**

Enrollment in the Plan during the year increased to over 92% of eligible retirees and surviving spouses. From time to time we receive inquiries concerning the eligibility of a retiree or surviving spouse to participate in the Plan. Because eligibility depends upon the length of a retiree's service with Kaiser Aluminum, we must rely upon the information provided by Kaiser. We continue to work on resolving eligibility issues with Kaiser so that everyone who is eligible to participate in the Plan has an opportunity to do so and to receive the benefits to which they are entitled.

If you have questions concerning the Plan or require an enrollment or benefit claim form or additional information concerning the Plan, please contact the Plan's Third Party Administrator at the following mailing address, telephone number or e-mail address:

Delta Health Systems¹
P.O. Box 4026
Concord, CA 94520
Telephone: Toll Free (888) 344-8322
E-Mail: vebaplan@proadministrators.com

One final point. When you move, please remember to notify the Third Party Administrator of your change of address so that you receive timely information concerning the Plan. A number of retirees and surviving spouses have forgotten to do so and have left no forwarding address with the Post Office. If we cannot locate you, the Plan will not be able pay benefits to you.

Sincerely,

The Board of Trustees of the Kaiser Aluminum Salaried Retirees VEBA Trust

Douglas G. Allen,
Trustee

Arthur S. Donaldson,
Trustee

David L. Perry,
Trustee

¹ In July, 2008, Professional Administrators, Inc. was acquired by Delta Health Systems of Stockton, California and Delta became the Third Party Administrator for the VEBA Plan. The VEBA Plan is being administered by the same personnel as before and the mailing address, telephone number and e-mail address remain the same.