



Commonwealth of Kentucky
Office of the Governor

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**Governor Beshear Promotes Kentucky's Aluminum Industry,
Announces Incentive Approval for Rio Tinto Alcan in Sebree**
*Incentives demonstrate Kentucky's commitment to creating future growth opportunities
in the state's aluminum industry*

FRANKFORT, Ky. (Feb. 26, 2010) – Gov. Steve Beshear today visited Rio Tinto Alcan's aluminum smelter in Sebree to tout the state's aluminum industry and promote future opportunities for the industry in Kentucky. Gov. Beshear was joined by officials from Rio Tinto Alcan, one of only a handful of aluminum smelters remaining in the United States, and representatives of the Kentucky Aluminum Network, a not-for-profit membership organization of Kentucky aluminum producers.

Kentucky is one of the top aluminum producing states, employing more than 13,500 Kentuckians and generating \$100 million in state and local tax revenue each year. The average annual wage for a primary metals job in Kentucky is more than \$52,000. In 2005, more than \$4.3 billion of primary aluminum products were shipped outside the state. Transportation, containers and packaging industries make up the largest markets for Kentucky aluminum establishments.

"The aluminum industry in Kentucky is a critical piece of the industrial landscape," said Gov. Beshear. "Stabilizing our existing industries and creating opportunities for growth and expansion in aluminum are key to Kentucky's short and long-term economic future."

To compete on a global basis with newer, more efficient facilities around the world, many of Kentucky's larger industrial aluminum plants are seeking ways to invest and

reinvent their processes. To help facilitate this goal, Gov. Beshear announced the approval of up to \$15 million in total state tax incentives for Rio Tinto Alcan to encourage the Sebree facility to make long-term investments in order to remain sustainable and globally competitive.

Rio Tinto Alcan is evaluating the installation of equipment to increase Potline amperage, thereby allowing the plant to be more efficient in aluminum production. Additionally, the plant is considering the construction of a new Bake Furnace that would be more environmentally friendly and efficient in baking anodes that are utilized in Potlines.

“The state incentive package is another important step in our effort to acquire corporate approval for these two projects,” said Stephane Leblanc, plant manager of Rio Tinto Alcan. “The improvements are important components for the longevity of the Sebree operation in western Kentucky.”

Rio Tinto Alcan currently employs 500 Kentuckians and is one of the largest employers in the Henderson County community.

“The Sebree smelter is one of our premier employers in the region, with high-paying jobs and steady employment,” said Henderson County Judge Executive Sandy Watkins. “Furthermore, the plant is part of the world renowned mining giant Rio Tinto. We are very happy to assist them in remaining sustainable and competitive.”

Kentucky is home to over 120 aluminum-related facilities in all, including, Logan Aluminum in Russellville, Aleris Rolled Products in Lewisport, Gibbs Die Casting Corp. in Henderson, Century Aluminum of Kentucky in Hawesville, Aisin Automotive Casting in London, Cardinal Aluminum Company in Louisville, and many more.

Kentucky offers several advantages to firms in the aluminum industry, including: low utility costs, central location, a quality workforce, and ports along the Ohio and Mississippi rivers. In fact, the Owensboro Riverport is one of only two licensed warehouses approved by the New York Mercantile Exchange to serve as the delivery point of primary aluminum traded on its COMEX Division aluminum futures contract.

“Aluminum is important to Kentucky and today’s announcement demonstrates that importance,” said Kentucky Aluminum Network board member Kenny Barkley. “Kentucky produces nearly one-third of the nation’s aluminum and it is because of the state’s commitment to growing this signature industry that aluminum can continue to grow in Kentucky.”

The Commonwealth’s strong automotive industry is also an advantage to the aluminum industry. Aluminum usage in automobiles has increased dramatically in recent years, and is now only behind iron and steel in average vehicle content. Kentucky is currently ranked 3rd among the states in light vehicle production, and is home to nearly 450 motor vehicle-related suppliers.

“As more motor vehicle-related firms move to Kentucky and automobile manufacturers increase their use of aluminum, Kentucky becomes a natural home for aluminum-related companies,” added Gov. Beshear.

A profile of Kentucky’s aluminum industry is available on the Cabinet for Economic Development’s website at http://thinkkentucky.com/kyedc/pdfs/Aluminum_Report.pdf. Additional information is available by contacting the Kentucky Aluminum Network at 877.434.3766.

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