

**United States Bankruptcy Court  
District of Delaware**

In re Aleris International, Inc. et al.,  
Debtor

Case No. 09-10478 (BLS)  
Chapter 11 (Jointly Administered)

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF ENTITIES  
IN WHICH THE ESTATE OF ALERIS INTERNATIONAL, INC.  
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

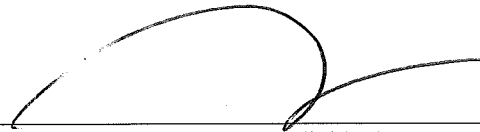
This is the report as of December 31, 2009 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of Aleris International, Inc. holds a substantial or controlling interest in the following entities:

<b>Name of Entity</b>	<b>Interest of the Estate</b>	<b>Tab #</b>
Dutch Aluminum C.V.	100%	1
Solar Aluminum Technologies Services	50%	2
Granular Aluminum Products, Inc.	100%	3
H.T. Aluminum Specialties, Inc.	100%	4
IMSAMET of Arizona	70%	5
Aleris Hold Lux S.a.r.l.	100%	6

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

The undersigned, having reviewed the above listing of entities in which the estate of Aleris International, Inc. holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his knowledge.

Date: April 15, 2010



\_\_\_\_\_  
Signature of Authorized Individual

\_\_\_\_\_  
Sean M. Stack  
Name of Authorized Individual

\_\_\_\_\_  
Chief Financial Officer  
Title of Authorized Individual



0910478100416000000000002

**TAB 1**

**Dutch Aluminum C.V.**

Form 26 Entity Report

As of and for the six months ended December 31, 2009

**Exhibit A**

**Valuation Estimate for Dutch Aluminum C.V.**

Dutch Aluminum C.V. had no property, plant or equipment at December 31, 2009.

**Exhibit B**  
**Financial Statements for Dutch Aluminum C.V.**

**Exhibit B-1**  
**Balance Sheet for Dutch Aluminum C.V.**

		<b>December 31,</b>	
		<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$	153,393	\$ 153,393
Accounts receivable		16,830	16,830
<b>Total Current Assets</b>		170,223	170,223
Equity investments		524,796,232	479,547,401
Intercompany receivable		294,015,078	283,056,942
<b>Total Assets</b>	\$	818,981,533	\$ 762,774,566
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
<b>Current Liabilities</b>			
Intercompany payable	\$	42,765	\$ 101,092
<b>Total Current Liabilities</b>		42,765	101,092
Long-term intercompany payable		131,675,607	136,151,291
Shareholder's equity		687,263,161	626,522,183
<b>Total Liabilities and Shareholder's Equity</b>	\$	818,981,533	\$ 762,774,566

**Exhibit B-2**  
**Statement of Operations for Dutch Aluminum C.V.**

	<b>For the six months ended December 31, 2009</b>
Interest income	<u>\$ 6,404,807</u>
<b>Net income</b>	<u><u>\$ 6,404,807</u></u>

**Exhibit B-3**  
**Statement of Cash Flows for Dutch Aluminum C.V.**

	<u>For the six months ended Decemeber 31, 2009</u>
<b>Operating Activities</b>	\$ -
<b>Investing Activities</b>	-
<b>Financing Activities</b>	-
Cash at beginning of period	153,393
<b>Cash at end of period</b>	<u><u>\$ 153,393</u></u>



**Exhibit B-4**

**Statement of Changes in Shareholder's Equity for Dutch Aluminum C.V.**

**For the six months ended December 31, 2009**

	<u>Retained Earnings</u>	<u>Additional Paid- in Capital</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Shareholder's Equity</u>
Balance at June 30, 2009	\$ 32,967,592	\$ 649,398,581	\$ (1,507,819)	\$ 680,858,354
Net income	6,404,807	-	-	6,404,807
Balance at December 31, 2009	<u>\$ 39,372,399</u>	<u>\$ 649,398,581</u>	<u>\$ (1,507,819)</u>	<u>\$ 687,263,161</u>

**Dutch Aluminum C.V.**  
**Notes to Financial Statements**

**1. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared for the sole purpose of complying with this form 26 and do not reflect all of the adjustments necessary to present financial statements in conformity with U.S. Generally Accepted Accounting Principles.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash Equivalents***

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those instruments.

**Exhibit C**  
**Description of Operations for Dutch Aluminum C.V.**

Dutch Aluminum C.V. (Dutch C.V.) is a holding company 94.9% owned by IMCO International, Inc. and 5.1% owned by Aleris International, Inc. The Dutch C.V. owns 100% of Dutch Aluminum B.V., a holding company which owns the majority of Aleris International, Inc.'s non-U.S. subsidiaries.

**TAB 2**

**Solar Aluminum Technologies Services**  
Form 26 Entity Report  
As of and for the six months ended December 31, 2009

## Exhibit A

### Valuation Estimate for Solar Aluminum Technologies Services

Property is stated at cost, net of any asset impairments. Property as of December 31, 2009 and 2008 is as follows:

	December 31,	
	2009	2008
Land	\$ 2,000	\$ 2,000

**Exhibit B**  
**Financial Statements for Solar Aluminum Technologies Services**

**Exhibit B-1**  
**Balance Sheet for Solar Aluminum Technologies Services**

	<u>December 31,</u>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 387,523	\$ 394,730
Property	2,000	2,000
<b>Total Assets</b>	<u>\$ 389,523</u>	<u>\$ 396,730</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 486,550	\$ 486,550
<b>Total Current Liabilities</b>	486,550	486,550
Shareholders' Deficit	(97,027)	(89,820)
<b>Total Liabilities and Shareholders' Deficit</b>	<u>\$ 389,523</u>	<u>\$ 396,730</u>



**Exhibit B-2**

**Statement of Operations for Solar Aluminum Technologies Services**

	<b>For the six months ended December 31, 2009</b>
Selling, general and administrative expenses	<u>\$ 7,207</u>
Net loss	<u><u>\$ (7,207)</u></u>

**Exhibit B-3**

**Statement of Cash Flows for Solar Aluminum Technologies Services**

	<b>For the six months ended December 31, 2009</b>	
<b>Operating Activities</b>		
Cash used by operating activities	\$	(7,362)
<b>Investing Activities</b>		-
<b>Financing Activities</b>		-
Cash at beginning of period		394,885
<b>Cash at end of period</b>	<b>\$</b>	<b>387,523</b>

**Exhibit B-4**

**Statement of Changes in Shareholders' Deficit for Solar Aluminum Technologies Services**

**For the six months ended December 31, 2009**

	<b>Additional Paid in Capital</b>	<b>Retained Earnings</b>	<b>Total Shareholders' Deficit</b>
Balance at June 30, 2009	<u>\$ (2,520,000)</u>	<u>\$ 2,430,335</u>	<u>\$ (89,665)</u>
Net loss	-	(7,362)	(7,362)
Balance at December 31, 2009	<u><u>\$ (2,520,000)</u></u>	<u><u>\$ 2,422,973</u></u>	<u><u>\$ (97,027)</u></u>

**Solar Aluminum Technologies Services**  
**Notes to Financial Statements**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash Equivalents***

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those instruments.

## **Exhibit C**

### **Description of Operations for Solar Aluminum Technologies Services**

Solar Aluminum Technology Services ("SALTS"), a general partnership formed under the laws of Utah, was created in February 1991 between Reilly Industries, Inc. (n/k/a Vertellus Specialties Inc.) and EnviroSource, Inc. SALTS purchased approximately 40 acres of property near Wendover, Utah for its facility. SALTS processed salt cake from the aluminum industry which contained aluminum oxide, metal recovery salts, and aluminum metal. Processing ceased in January 2005 and all employees were terminated. Most of the equipment was dismantled in 2006 and 2007.

**TAB 3**

**Granular Aluminum Products, Inc.**

Form 26 Entity Report

As of and for the six months ended December 31, 2009

**Exhibit A**

**Valuation Estimate for Granular Aluminum Products, Inc.**

Granular Aluminum Products, Inc. had no property, plant or equipment at December 31, 2009.



**Exhibit B**  
**Financial Statements for Granular Aluminum Products, Inc.**

**Exhibit B-1**

**Balance Sheet for Granular Aluminum Products, Inc.**

		<b>December 31,</b>	
		<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 1,639	
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,639</b>	
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			
<b>Current Liabilities</b>			
Other liabilities	\$ -	\$ 173	
<b>Total Current Liabilities</b>	<b>-</b>	<b>173</b>	
Long-term intercompany payable	34,089	35,505	
Shareholders' Deficit	(34,089)	(34,039)	
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ -</b>	<b>\$ 1,639</b>	

**Exhibit B-2**

**Statement of Operations for Granular Aluminum Products, Inc.**

	<b>For the six months ended December 31, 2009</b>
Provision for income taxes	<u>\$ 50</u>
Net loss	<u><u>\$ (50)</u></u>

**Exhibit B-3**  
**Statement of Cash Flows for Granular Aluminum Products, Inc.**

	<b>For the six months ended December 31, 2009</b>
<b>Operating Activities</b>	-
<b>Investing Activities</b>	-
<b>Financing Activities</b>	-
Cash at beginning of period	-
<b>Cash at end of period</b>	<u><u>\$ -</u></u>

**Exhibit B-4**

**Statement of Changes in Shareholders' Deficit for Granular Aluminum Products, Inc.**

**For the six months ended December 31, 2009**

	<u>Retained Deficit</u>
Balance at June 30, 2009	<u>\$ (34,039)</u>
Net Loss	(50)
Balance at December 31, 2009	<u><u>\$ (34,089)</u></u>

**Granular Aluminum Products, Inc.**  
**Notes to Financial Statements**

**1. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared for the sole purpose of complying with this form 26 and do not reflect all of the adjustments necessary to present financial statements in conformity with U.S. Generally Accepted Accounting Principles.

## **Exhibit C**

### **Description of Operations for Granular Aluminum Products, Inc.**

Granular Aluminum Products, Inc. was a producer of aluminum and other composite mineral briquettes, along with blended and shredded products used for the removal of oxygen in the production process by the steel and ferro alloy industries. On February 6, 2008, Rock Creek Aluminum, Inc., acquired all the outstanding shares of GAP. GAP production equipment acquired by Rock Creek Aluminum was relocated to another Aleris facility following the acquisition, and the prior owner permanently closed the facility.

**TAB 4**



**H.T. Aluminum Specialties, Inc.**

Form 26 Entity Report

As and for the six months ended December 31, 2009

## Exhibit A

### Valuation Estimate for H.T. Aluminum Specialties, Inc.

Property plant and equipment is stated at cost, net of any asset impairments and depreciation. Detail of property, plant and equipment as of December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
Land and land improvements	\$ 30,855	\$ 81,265
Buildings	134,802	142,997
Machinery and equipment	227,945	368,414
Office furniture and equipment	11,185	10,273
Construction in process	102,500	-
Property, plant and equipment	507,287	602,949
Accumulated depreciation	(10,414)	(108,082)
Property, plant and equipment, net	<u>\$ 496,873</u>	<u>\$ 494,867</u>

**Exhibit B**  
**Financial Statements for H.T. Aluminum Specialties, Inc.**

**Exhibit B-1**  
**Balance Sheet for H.T. Aluminum Specialties, Inc.**

		December 31,	
		2009	2008
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$	-	\$ 202,381
Accounts receivable		2,267,266	900,837
Inventories:			
Raw materials		968,585	717,601
Finished goods		103,760	453,029
Supplies		40,524	34,999
Inventory reserves		-	(115,953)
Net inventories		1,112,869	1,089,676
Prepaid expenses and other current assets		203,089	101,591
<b>Total Current Assets</b>		1,315,958	2,294,485
Property, plant and equipment, net		496,873	494,867
Long-term receivable from Aleris International, Inc.		927,835	1,352,304
<b>Total Assets</b>	\$	5,007,932	\$ 4,141,656
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable	\$	665,592	\$ 795,781
Accrued liabilities		159,801	-
<b>Total Current Liabilities</b>		825,393	795,781
Shareholder's Equity		4,182,539	3,345,875
<b>Total Liabilities and Shareholder's Equity</b>	\$	5,007,932	\$ 4,141,656

**Exhibit B-2**  
**Statement of Operations for H.T. Aluminum Specialties, Inc.**

	<b>For the six months ended December 31, 2009</b>
Revenues	\$ 9,147,442
Cost of sales	<u>7,439,014</u>
Gross profit	1,708,428
Selling, general and administrative expense	<u>110,487</u>
Operating income	1,597,941
Interest expense	326,713
Management fee expense	<u>237,896</u>
Income before provision for income	1,033,332
Provision for income taxes	<u>85,545</u>
Net income	<u><u>\$ 947,787</u></u>

**Exhibit B-3**

**Statement of Cash Flows for H.T. Aluminum Specialties, Inc.**

	<b>For the six months ended December 31, 2009</b>
<b>Operating Activities</b>	\$ 102,500
<b>Investing Activities</b>	
Payments for property, plant and equipment	(102,500)
<b>Financing Activities</b>	-
Cash at beginning of period	-
<b>Cash at end of period</b>	<u><u>\$ -</u></u>

**Exhibit B-4**

**Statement of Changes in Shareholder's Equity for H.T. Aluminum Specialties, Inc.**

**For the six months ended December 31, 2009**

	<b>Additional Paid- in Capital</b>	<b>Retained Deficit</b>	<b>Total Shareholder's Equity</b>
Balance at June 30, 2009	\$ 5,872,000	\$ (2,637,248)	\$ 3,234,752
Net income	-	947,787	947,787
Balance at December 31, 2009	<u>\$ 5,872,000</u>	<u>\$ (1,689,461)</u>	<u>\$ 4,182,539</u>

## **H.T. Aluminum Specialties, Inc.**

### **Notes to Financial Statements**

#### **1. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared for the sole purpose of complying with this form 26 and do not reflect all of the adjustments necessary to present financial statements in conformity with U.S. Generally Accepted Accounting Principles.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Revenue Recognition and Shipping and Handling Costs**

Revenues are recognized when title transfers and risk of loss passes to the customer in accordance with the provisions of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition." Shipping and handling costs are included within "Cost of sales" in the Statement of Operations.

##### **Cash Equivalents**

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those instruments.

##### **Accounts Receivable Allowances and Credit Risk**

We extend credit to our customers based on an evaluation of their financial condition; generally, collateral is not required.

##### **Inventories**

Our inventories are stated at the lower of cost or net realizable value. Cost is determined primarily on the average cost or specific identification method and includes material, labor and overhead related to the manufacturing process.

##### **Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of asset impairments.

##### **Income Taxes**

We account for income taxes using the asset and liability method, whereby deferred income taxes reflect the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In valuing deferred tax assets, we use judgment in determining if it is more likely than not that some portion or all of a deferred tax asset will not be realized and the amount of the required valuation allowance.



**H.T. Aluminum Specialties, Inc.**  
**Notes to Financial Statements**  
**(Continued)**

**3. PROPERTY, PLANT AND EQUIPMENT**

The components of our Property, plant and equipment are:

	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>
Land and land improvements	\$ 30,855	\$ 81,265
Buildings	134,802	142,997
Machinery and equipment	227,945	368,414
Office furniture and equipment	11,185	10,273
Construction in process	102,500	-
Property, plant and equipment	507,287	602,949
Accumulated depreciation	(10,414)	(108,082)
Property, plant and equipment, net	<u>496,873</u>	<u>494,867</u>

Depreciation expense was \$46,143 for the the six months ended December 31, 2009.

## **Exhibit C**

### **Description of Operations for H.T. Aluminum Specialties, Inc.**

H.T. Aluminum Specialties (HTAS) is a producer of aluminum and other composite mineral briquettes, along with blended and shredded products used for the removal of oxygen in the production process by the steel and ferro alloy industries. On February 6, 2008, Rock Creek Aluminum, Inc. acquired all the shares of HTAS. HTAS has two production facilities located in Hammond, Indiana and LaPorte, Indiana. Production at the LaPorte, Indiana facility is currently idled due to economic downturn.

**TAB 5**

**IMSAMET of Arizona**

Form 26 Entity Report

As of and for the six months ended December 31, 2009

## Exhibit A

### Valuation Estimate for IMSAMET of Arizona

Property plant and equipment is stated at cost, net of any asset impairments and depreciation. Plant and equipment as of December 31, 2009 and 2008 is as follows:

	December 31,	
	2009	2008
Land and land improvements	\$ -	\$ 451,195
Buildings	113,105	26,900
Machinery and equipment	416,924	3,733,724
Office furniture and equipment	10,154	58,644
Property, plant and equipment	540,183	4,270,463
Accumulated depreciation	(23,049)	(3,410,799)
Property, plant and equipment, net	\$ 517,134	\$ 859,664

**Exhibit B**  
**Financial Statements for IMSAMET of Arizona**

**Exhibit B-1**  
**Balance Sheet for IMSAMET of Arizona**

	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,147,961	\$ 588,595
Accounts receivable (net of allowances)	2,192,429	2,730,258
Inventories:		
Raw materials	284,783	222,162
Finished goods	175,035	800,677
Supplies	179,162	149,526
Net Inventories	638,980	1,172,365
Prepaid expenses and other current assets	31,247	116,626
<b>Total Current Assets</b>	4,010,617	4,607,844
Other long-term assets	-	66,500
Property, plant and equipment, net	517,134	859,664
<b>Total Assets</b>	<u>\$ 4,527,751</u>	<u>\$ 5,534,008</u>
<b>LIABILITIES AND SHAREHOLDER'S DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 466,925	\$ 612,813
Accrued liabilities and other current liabilities	2,458,144	1,798,845
<b>Total Current Liabilities</b>	2,925,069	2,411,658
Long-term payable to Aleris International, Inc.	1,067,964	955,761
Other long-term liabilities	5,664,855	6,653,229
Shareholder's Deficit	(5,130,137)	(4,486,640)
<b>Total Liabilities and Shareholder's Deficit</b>	<u>\$ 4,527,751</u>	<u>\$ 5,534,008</u>

**Exhibit B-2**  
**Statement of Operations for IMSAMET of Arizona**

	<b>For the six months ended December 31, 2009</b>
Revenues	\$ 5,783,016
Cost of sales	5,110,745
Gross profit	<u>672,271</u>
Selling, general and administrative expense	143,306
Impairment of property, plant and equipment	<u>102,519</u>
Operating income	426,446
Interest income	(89)
Management fee expense	25,000
Other expense, net	<u>5,788</u>
Income before provision for income taxes	395,747
Provision for income taxes	<u>13,591</u>
Net income	<u><u>\$ 382,156</u></u>



**Exhibit B-3**  
**Statement of Cash Flows for IMSAMET of Arizona**

	<b>For the six months ended December 31, 2009</b>
<hr/>	
<b>Operating Activities</b>	
Cash provided by operating activities	\$ 272,966
<b>Investing Activities</b>	
Payments for property, plant and equipment	-
<b>Financing Activities</b>	-
Cash at beginning of period	874,995
<b>Cash at end of period</b>	<u><u>\$ 1,147,961</u></u>

**Exhibit B-4**

**Statement of Changes in Shareholder's Deficit for IMSAMET of Arizona**

**For the six months ended December 31, 2009**

	<u>Retained Deficit</u>	<u>Additional Paid in Capital</u>	<u>Total Shareholder's Deficit</u>
Balance at June 30, 2009	\$ (4,872,690)	\$ (639,603)	\$ (5,512,293)
Net Income	382,156	-	382,156
Balance at December 31, 2009	<u>\$ (4,490,534)</u>	<u>\$ (639,603)</u>	<u>\$ (5,130,137)</u>

**IMSAMET of Arizona**  
**Notes to Financial Statements**

**1. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared for the sole purpose of complying with this form 26 and do not reflect all of the adjustments necessary to present financial statements in conformity with U.S. Generally Accepted Accounting Principles.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Revenue Recognition and Shipping and Handling Costs***

Revenues are recognized when title transfers and risk of loss passes to the customer in accordance with the provisions of the Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition".

***Cash Equivalents***

All highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of those instruments.

***Accounts Receivable Allowances and Credit Risk***

We extend credit to our customers based on an evaluation of their financial condition; generally, collateral is not required.

***Inventories***

Our inventories are stated at the lower of cost or net realizable value. Cost is determined primarily on the average cost or specific identification method and includes material, labor and overhead related to the manufacturing process.

***Property, Plant and Equipment***

Property, plant and equipment is stated at cost, net of asset impairments.

***Income Taxes***

We account for income taxes using the asset and liability method, whereby deferred income taxes reflect the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. In valuing deferred tax assets, we use judgment in determining if it is more likely than not that some portion or all of a deferred tax asset will not be realized and the amount of the required valuation allowance.

**IMSAMET of Arizona**  
**Notes to Financial Statements (continued)**

**3. PROPERTY, PLANT AND EQUIPMENT**

The components of our property, plant and equipment are:

	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>
Land and land improvements	\$ -	\$ 451,195
Buildings	113,105	26,900
Machinery and equipment	416,924	3,733,724
Office furniture and equipment	10,154	58,644
Property, plant and equipment	540,183	4,270,463
Accumulated depreciation	(23,049)	(3,410,799)
Property, plant and equipment, net	<u>\$ 517,134</u>	<u>\$ 859,664</u>

In accordance with Accounting Standards Codification (“ASC”) 360 (formerly SFAS No. 144) “Property, Plant, and Equipment,” we review our long-lived assets for impairment when changes in circumstances indicate the carrying amount may not be recoverable. Once an impairment indicator has been identified, the asset impairment test is a two-step process. The first step consists of determining whether the sum of the estimated undiscounted future cash flows attributable to the specific asset being tested is less than its carrying value. Estimated future cash flows used to test for recoverability include only the future cash flows that are directly associated with and are expected to arise as a direct result of the use and eventual disposition of the relevant asset. If the carrying value of the asset exceeds the future undiscounted cash flows expected from the asset, a second step is performed to compute the extent of the impairment. Impairment charges are determined as the amount by which the carrying value of the asset exceeds the estimated fair value of the asset.

In accordance with ASC 360, several indicators of impairment were identified in the fourth quarter of 2009, including the finalization of the forecast model developed by the Company and its financial advisors to determine the initial plan of reorganization value. The results of the forecast identified a deficiency in the fair value of the business compared to its carrying value, and therefore, we determined that the associated long-lived assets were required to be tested for impairment. These impairment tests resulted in the Company recording impairment charges totaling \$102,519 related to the property, plant, and equipment of IMSAMET of Arizona. Depreciation expense was \$126,745 for the six months ended December 31, 2009.

## **Exhibit C**

### **Description of Operations for IMSAMET of Arizona**

The IMSAMET of Arizona aluminum recycling facility is a joint venture between Aleris International, Inc. and the Magna Aluminum Refining Co. Aleris' ownership interest is 70% while Magna holds the remaining 30%. The plant is located in Goodyear Arizona on a parcel of land approximately 38 acres in size encompassing the northeast corner of Estrella Parkway and County Road MC-85. The plant has two natural gas fueled furnaces which are used to melt aluminum scrap, one wet mill for the processing of aluminum dross and an ACA, Alternative Cement Additive, process which removes aluminum content from aluminum oxide sand. The plant currently has 48 hourly and salaried employees operating in multiple shifts. The plant currently serves the southwestern United States and Mexico with aluminum remelt secondary ingots.

**TAB 6**

**Aleris Hold Lux S.a.r.l.**

Form 26 Entity Report

As of and for the six months ended December 31, 2009

**Exhibit A**

**Valuation Estimate for Aleris Hold Lux S.a.r.l.**

Aleris Lux S.a.r.l. had no property plant or equipment at December 31, 2009.



**Exhibit B**  
**Financial Statements for Aleris Hold Lux S.a.r.l.**

**Exhibit B-1**

**Balance Sheet for Aleris Hold Lux S.a.r.l.**

		<b>December 31,</b>	
		<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
Intercompany receivable	\$	439,536,882	\$ 399,060,743
Equity investments		50,567,173	50,567,173
<b>Total Assets</b>	\$	<u>490,104,055</u>	<u>\$ 449,627,916</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Long-term intercompany payable	\$	36,330	\$ 10,675
Shareholder's Equity		490,067,725	449,617,241
	\$	<u>490,104,055</u>	<u>\$ 449,627,916</u>

**Exhibit B-2**

**Statement of Operations for Aleris Hold Lux S.a.r.l.**

	<b>For the six months ended December 31, 2009</b>
Selling, general and administrative expense	<u>\$ (1,355)</u>
Interest income	<u>15,229,966</u>
<b>Net income</b>	<u><u>\$ 15,228,611</u></u>

**Exhibit B-3**  
**Statement of Cash Flows for Aleris Hold Lux S.a.r.l.**

	For the six months ended December 31, 2009
<b>Operating Activities</b>	-
<b>Investing Activities</b>	-
<b>Financing Activities</b>	-
Cash at beginning of period	-
<b>Cash at end of period</b>	<b>\$ -</b>

**Exhibit B-4**

**Statement of Changes in Shareholder's Equity for Aleris Hold Lux S.a.r.l.**

**For the six months ended December 31, 2009**

	<b>Retained Earnings</b>	<b>Additional Paid- in Capital</b>	<b>Accumulated Other Comprehensive Income</b>	<b>Total Shareholder's Equity</b>
<b>Balance at June 30, 2009</b>	<b>\$ 73,524,277</b>	<b>\$ 360,983,837</b>	<b>\$ 31,806,190</b>	<b>\$ 466,314,304</b>
Net Income	15,228,611	-	-	15,228,611
Currency translation adjustments	-	-	8,561,140	8,561,140
<b>Balance at December 31, 2009</b>	<b><u>\$ 88,752,888</u></b>	<b><u>\$ 360,983,837</u></b>	<b><u>\$ 40,367,330</u></b>	<b><u>\$ 490,104,055</u></b>

**Aleris Hold Lux S.a.r.l.**  
**Notes to Financial Statements**

**1. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared for the sole purpose of complying with this form 26 and do not reflect all of the adjustments necessary to present financial statements in conformity with U.S. Generally Accepted Accounting Principles.

## **Exhibit C**

### **Description of Operations for Aleris Hold Lux S.a.r.l.**

Aleris Hold Lux S.a.r.l. is a holding company owned 100% by IMCO International, Inc. Aleris Hold Lux S.a.r.l. owns 100% of Aleris Global Lux S.a.r.l. which is a holding company with indirect ownership of Aleris International, Inc.'s Canadian entities.