

IMCO RECYCLING INC
Form S-4/A
September 02, 2004
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As filed with the Securities and Exchange Commission on September 2, 2004

Registration No. 333-117548

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

IMCO Recycling Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3341
(Primary Standard Industrial
Classification Code Number)

75-2008280
(I.R.S. Employer
Identification No.)

5215 North O Connor Blvd., Suite 1500

Central Tower at Williams Square

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Irving, Texas 75039

(972) 401-7200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jeffrey S. Mecom

Vice President, Legal and Secretary

IMCO Recycling Inc.

5215 North O Connor Blvd., Suite 1500

Central Tower at Williams Square

Irving, Texas 75039

(972) 401-7200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Marc H. Folladori

Fulbright & Jaworski L.L.P.

1301 McKinney, Suite 5100

Houston, Texas 77010

(713) 651-5151

Christopher R. Clegg

Vice President, General Counsel and
Secretary

Commonwealth Industries, Inc.

PNC Plaza 19 Floor

500 West Jefferson Street
Louisville, Kentucky 40202

(502) 589-8100

Eric M. Krautheimer

Sullivan & Cromwell LLP

125 Broad Street

New York, NY 10004

(212) 558-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, please check the following box. "

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. IMCO may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated September 2, 2004

JOINT PROXY STATEMENT/PROSPECTUS

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

IMCO Recycling Inc. and Commonwealth Industries, Inc. have agreed to the terms of a merger combining these companies and their management. The merger will give IMCO and Commonwealth approximately equal representation on the combined company's board of directors and Commonwealth's stockholders will own approximately 46% and IMCO's stockholders will own approximately 54% of the combined company upon completion of the merger. Before we can complete the merger, we must obtain the approval of both companies' stockholders as described herein. We intend to rename IMCO promptly following the merger.

In the merger, Commonwealth stockholders will be entitled to receive 0.815 of a share of IMCO common stock for each share of Commonwealth common stock that they own at the effective time of the merger. This exchange ratio is fixed and will not be adjusted to reflect increases or decreases in stock prices prior to the closing. As an example, on September 1, 2004, the closing price of IMCO common stock on the New York Stock Exchange was \$10.37 which, based on the exchange ratio of 0.815, would result in an equivalent share price as of that date for the shares of Commonwealth common stock of \$8.45 (on June 16, 2004 the closing price of the IMCO common stock was \$13.43, the equivalent share price of Commonwealth common stock was \$10.95 and the aggregate equivalent price of the total number of shares to be received in the merger was \$177,174,000). Commonwealth stockholders are expected to receive an aggregate of approximately 13,192,405 shares of IMCO common stock in the merger, which will represent approximately 46% of the total number of outstanding shares of IMCO common stock upon completion of the merger. We urge Commonwealth and IMCO stockholders to obtain current market quotations for both the Commonwealth common stock and the IMCO common stock. Commonwealth stockholders are not entitled to dissenters' rights of appraisal in connection with the merger.

Each company is scheduled to hold a special meeting of its stockholders on [October 20], 2004 to consider and vote on the proposals described in this joint proxy statement/prospectus. **Commonwealth stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Commonwealth common stock for IMCO common stock in the merger, except with respect to cash received in lieu of a fractional share of IMCO common stock.**

This joint proxy statement/prospectus contains answers to frequently asked questions and a summary description of the merger, followed by a more detailed discussion of the merger and related matters. **In particular, we urge you to consider the matters discussed under Risk Factors beginning on page 26 of this joint proxy statement/prospectus.**

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This joint proxy statement/prospectus is dated _____, 2004, and is first being mailed to IMCO and Commonwealth stockholders on or about _____, 2004.

Your vote is very important. If you do not submit your proxy over the Internet, by telephone or by completing and returning the enclosed proxy card, or if you do not instruct your broker how to vote any shares held for you in _____ street name _____, your shares will not be voted at your special meeting. An abstention or broker non-vote by a Commonwealth stockholder will have the effect of a vote against adoption of the merger agreement.

See the notices of the special meetings elsewhere in this joint proxy statement prospectus for information on the dates, times, and places of the special meetings.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about IMCO and Commonwealth from documents that each company has filed with the Securities and Exchange Commission but that have not been included in or delivered with this joint proxy statement/prospectus. For a listing of documents incorporated by reference into this joint proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus.

IMCO will provide you with copies of this information relating to IMCO, without charge, if you request it in writing or by telephone from:

IMCO Recycling Inc.

5215 North O'Connor Blvd., Suite 1500

Central Tower at Williams Square

Irving, Texas 75039

(972) 401-7200

Attention: Secretary

In order for you to receive timely delivery of the documents in advance of the IMCO special meeting, IMCO must receive your request no later than _____, 2004.

Commonwealth will provide you with copies of this information relating to Commonwealth, without charge, if you request it in writing or by telephone from:

Commonwealth Industries, Inc.

PNC Plaza 19th Floor

500 West Jefferson Street

Louisville, Kentucky 40202-2823

Telephone: (502) 589-8100

Attention: Secretary

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In order for you to receive timely delivery of the documents in advance of the Commonwealth special meeting, Commonwealth must receive your request no later than , 2004.

IMCO has supplied all information contained in or incorporated by reference in this joint proxy statement/prospectus relating to IMCO, and Commonwealth has supplied all information contained in or incorporated by reference in this joint proxy statement/prospectus relating to Commonwealth. IMCO and Commonwealth have both contributed to information relating to the merger.

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IMCO Recycling Inc.

5215 North O Connor Blvd., Suite 1500

Central Tower at Williams Square

Irving, Texas 75039

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD [OCTOBER 20], 2004

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of IMCO Recycling Inc., a Delaware corporation (**IMCO**), will be held at a.m., local time, on [October 20], 2004, at the Central Tower at Williams Square, Twenty-Sixth Floor, La Cima Club, 5215 North O Connor Blvd., Irving, Texas. The special meeting will be held for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of IMCO common stock pursuant to and in accordance with the Agreement and Plan of Merger, dated as of June 16, 2004, among IMCO, Silver Fox Acquisition Company, an indirect wholly owned subsidiary of IMCO (**Merger Sub**), and Commonwealth Industries, Inc. (**Commonwealth**). As further described in this joint proxy statement/prospectus, the merger agreement provides for the merger of Merger Sub with and into Commonwealth pursuant to which each outstanding share of Commonwealth common stock (other than shares held in the treasury of Commonwealth or owned by Merger Sub, IMCO or any direct or indirect wholly owned subsidiary of IMCO or Commonwealth immediately prior to the time of the merger) will be converted into the right to receive 0.815 of a share of IMCO common stock at the time of the merger.
2. To consider and vote upon a proposal to amend IMCO's certificate of incorporation to increase the number of authorized shares of capital stock of IMCO from 48 million to 88 million to increase the number of authorized shares of IMCO common stock from 40 million to 80 million.
3. To consider and vote on a proposal to approve the IMCO Recycling Inc. 2004 Equity Incentive Plan.
4. To consider and vote on a proposal to approve the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan.
5. To consider and vote on a proposal to adjourn or postpone the meeting, if necessary, to permit further solicitation of proxies, if proposed by the board of directors of IMCO.
6. To consider and take action on any other business that may properly come before the special meeting, or any reconvened meeting following an adjournment thereof.

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The board of directors of IMCO has carefully considered the terms of the merger agreement and the merger and believes that the merger is in the best interests of IMCO and its stockholders. The board of directors has unanimously approved the stock issuance and unanimously recommends that stockholders vote FOR approval of the stock issuance.

The board of directors of IMCO has unanimously approved the amendment to IMCO's certificate of incorporation, the IMCO Recycling Inc. 2004 Equity Incentive Plan and the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan, and unanimously recommends that stockholders vote FOR the approval of the amendment to IMCO's certificate of incorporation, FOR the approval of the 2004 Equity Incentive Plan and FOR the approval of the Amended and Restated Annual Incentive Compensation Plan. The merger is not contingent on the approval of any of these proposals.

The board of directors of IMCO has fixed the close of business on September 15, 2004 as the record date for the determination of stockholders entitled to notice of, and to vote at, the IMCO special meeting or any reconvened meeting following an adjournment or postponement thereof. Only stockholders of record at the close

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of business on the record date are entitled to notice of and to vote at such meeting. A complete list of such stockholders will be available for examination at the IMCO special meeting and at IMCO's offices at 5215 North O'Connor Blvd., Suite 1500, Central Tower at Williams Square, Irving, Texas 75039 during ordinary business hours, after _____, 2004, for the examination by any such stockholder for any purpose germane to the special meeting.

It is important that your stock be represented at the special meeting regardless of the number of shares you hold. Whether or not you plan to attend the special meeting, please submit your proxy promptly over the Internet or by telephone in accordance with the instructions on the accompanying proxy card, or by completing, signing, dating and returning your proxy card in the enclosed prepaid envelope. If you are a registered stockholder, you may vote over the Internet or by telephone by following the instructions on the accompanying proxy card. If your shares are held in street name, please check your proxy card or contact your broker or nominee to determine whether you will be able to vote over the Internet or by telephone. Until your proxy is voted, you can revoke it at any time by a later dated proxy or by attending the special meeting and voting in person. Additionally, if you voted by telephone or Internet and want to change your vote by telephone or Internet, by submitting alternative voting instructions prior to 5:00 p.m. on the day prior to the IMCO special meeting. See Voting by Proxy beginning on page 40. The proxy is revocable at any time prior to its use at the special meeting.

By order of the Board of Directors,

Jeffrey S. Mecom

Vice President, Legal

and Secretary

, 2004

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Commonwealth Industries, Inc.

PNC Plaza 19th Floor

500 West Jefferson Street

Louisville, Kentucky 40202-2823

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD [OCTOBER 20], 2004

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Commonwealth Industries, Inc., a Delaware corporation (Commonwealth), will be held at _____ a.m., local time, on [October 20], 2004, at the PNC Plaza, 29th Floor, The Jefferson Club, 500 West Jefferson Street, Louisville, Kentucky. The special meeting will be held for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of June 16, 2004, among IMCO Recycling Inc. (IMCO), Silver Fox Acquisition Company, an indirect wholly owned subsidiary of IMCO (Merger Sub), and Commonwealth. As further described in this joint proxy statement/prospectus, the merger agreement provides for the merger of Merger Sub with and into Commonwealth pursuant to which each outstanding share of Commonwealth common stock (other than shares held in the treasury of Commonwealth or owned by Merger Sub, IMCO or any direct or indirect wholly owned subsidiary of IMCO or Commonwealth immediately prior to the time of the merger) will be converted into the right to receive 0.815 of a share of IMCO common stock at the time of the merger.
2. To consider and vote on a proposal to adjourn or postpone the meeting, if necessary, to permit further solicitation of proxies, if proposed by the board of directors of Commonwealth.
3. To consider and take action on any other business that may properly come before the special meeting, or any reconvened meeting following an adjournment thereof.

The board of directors of Commonwealth has carefully considered the terms of the merger agreement and the merger and believes that the merger is advisable and fair to and in the best interests of Commonwealth and its stockholders. The board of directors has unanimously approved the merger agreement and the merger and unanimously recommends that stockholders vote FOR adoption of the merger agreement.

The board of directors of Commonwealth has fixed the close of business on September 15, 2004 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Commonwealth special meeting or any reconvened meeting following an adjournment or postponement thereof. Only stockholders of record at the close of business on such record date are entitled to notice of and to vote at such meeting. A complete list of such stockholders will be available for examination at the Commonwealth special meeting and at Commonwealth's offices at PNC Plaza 19th Floor, 500 West Jefferson Street, Louisville, Kentucky 40202-2823, during ordinary business hours, after _____, 2004, for the examination by any such stockholder for any purpose germane to the special meeting.

It is important that your stock be represented at the special meeting regardless of the number of shares you hold. Whether or not you plan to attend the special meeting, please submit your proxy promptly over the Internet or by telephone in accordance with the instructions on the accompanying proxy card, or by completing, signing, dating and returning your proxy card in the enclosed prepaid envelope. If you are a registered stockholder, you may vote over the Internet or by telephone by following the instructions on the accompanying proxy card. If your shares are held in street name, please check your proxy card or contact your broker or nominee to determine whether you will be able to vote over the Internet or by telephone. Until your proxy is voted, you can revoke it at any time by a later dated proxy or by attending the special meeting and voting in person. Additionally, if you voted by telephone or Internet and want to change your vote by telephone or Internet, by submitting alternative voting instructions prior

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to 5:00 p.m. on the day prior to the Commonwealth special meeting. See **Voting by Proxy** beginning on page 40. The proxy is revocable at any time prior to its use at the special meeting.

You should not return certificates for Commonwealth common stock with the enclosed proxy. After the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

By order of the Board of Directors,

Christopher R. Clegg

Vice President, General Counsel

and Secretary

, 2004

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ANNEXES

Annex A	<u>Agreement and Plan of Merger, dated as of June 16, 2004, among IMCO Recycling Inc., Silver Fox Acquisition Company and Commonwealth Industries, Inc.</u>
Annex B	<u>Opinion of Citigroup Global Markets Inc.</u>
Annex C	<u>Opinion of Morgan Stanley & Co. Incorporated</u>
Annex D	<u>Amendment to IMCO Bylaws</u>
Annex E	<u>Amendment to IMCO's Certificate of Incorporation</u>
Annex F	<u>IMCO Recycling Inc. 2004 Equity Incentive Plan</u>
Annex G	<u>IMCO Recycling Inc. Amended and Restated Annual Incentive Compensation Plan</u>

No person is authorized to give any information or to make any representation with respect to the matters described in this joint proxy statement/prospectus other than those contained herein or in the documents incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been authorized by IMCO or Commonwealth. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy the securities offered by this joint proxy statement/prospectus or a solicitation of a proxy in any jurisdiction where, or to any person whom, it is unlawful to make such an offer or solicitation. Neither the delivery hereof nor any distribution of securities made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of IMCO or Commonwealth since the date hereof or that the information contained or incorporated by reference in this joint proxy statement/prospectus is correct as of any time subsequent to the date hereof.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers briefly address some commonly asked questions about the special meetings and the merger. They may not include all the information that is important to you. We urge you to read carefully this entire joint proxy statement/prospectus, including the annexes and the other documents we refer to in this joint proxy statement/prospectus. In addition, the merger agreement is attached to this joint proxy statement/prospectus as Annex A. We encourage you to read the merger agreement carefully and in its entirety. The merger agreement is the legal document setting forth the parties' rights with respect to the merger.

The Merger

Q1: Why am I receiving this proxy statement?

A1: IMCO and Commonwealth have agreed to the combination of IMCO and Commonwealth under the terms of the merger agreement which is described in this joint proxy statement/prospectus. This joint proxy statement/prospectus contains important information about the merger and the special meetings. We are sending you this joint proxy statement/prospectus to ask IMCO stockholders to approve the issuance of IMCO shares pursuant to and in accordance with the merger agreement, among other matters, and to ask Commonwealth stockholders to adopt the merger agreement.

Q2: What will I receive in the merger?

A2: If you are a Commonwealth stockholder, at the effective time of the merger, each outstanding share of your Commonwealth common stock will be converted into the right to receive 0.815 of a share of IMCO common stock. The number of shares of IMCO common stock is fixed and will not be adjusted based on increases or decreases in IMCO's stock price prior to completing the merger. You will receive cash in lieu of any fraction of a share of IMCO common stock that results following the exchange of your Commonwealth common stock. This cash amount will be determined by multiplying the fraction of an IMCO share by the average price of a share of IMCO common stock for the ten consecutive trading days ending immediately prior to the closing date of the merger and will be paid without interest. For example, if you own 100 shares of Commonwealth common stock and the average price of IMCO common stock as of the date of the merger is \$10.00, you will receive a total of 81 shares of IMCO common stock and \$5.00 in cash. If you are an IMCO stockholder, your shares of IMCO common stock will not be affected in the merger. Each outstanding share of IMCO common stock will remain outstanding as a share of IMCO common stock.

Q3: Will the rights of a Commonwealth stockholder change as a result of the merger?

A3: Yes. Through the date of the merger, IMCO stockholder rights will continue to be governed by IMCO's certificate of incorporation and bylaws and by the Delaware General Corporation Law (DGCL), and Commonwealth stockholder rights will continue to be governed by Commonwealth's certificate of incorporation and bylaws and by the DGCL. Upon completion of the merger, Commonwealth stockholders will become IMCO stockholders and their rights will then be governed by the certificate of incorporation and bylaws of IMCO. Please read carefully the summary of the material differences between the rights of IMCO stockholders and Commonwealth stockholders under "Comparison of Stockholders' Rights" beginning on page 104 of this joint proxy statement/prospectus.

Q4: When do you expect to complete the merger?

A4: IMCO and Commonwealth expect to complete the merger during the fourth quarter in 2004 and promptly following the special meetings. However, there can be no assurance that the merger will be completed at that time or at all.

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Q5: Will Commonwealth stockholders be able to trade the IMCO common stock that they receive in the merger?

A5: The shares of IMCO common stock issued in connection with the merger will be listed on the New York Stock Exchange under the symbol **IMR**, and will be freely tradable, unless you are an affiliate of Commonwealth on the date of the Commonwealth special meeting or an affiliate of IMCO after the merger. Commonwealth and IMCO expect to change IMCO's symbol on the New York Stock Exchange at the same time as IMCO's name is changed.

Special Meetings; Votes Required

Q6: When and where are the special meetings?

A6: The special meetings are expected to each take place on [October 20, 2004]. The time and location of each special meeting is specified on the notices of the special meetings contained in this joint proxy statement/prospectus.

Q7: What will happen at the special meetings?

A7: At the Commonwealth special meeting, Commonwealth stockholders will vote on a proposal to adopt the merger agreement.

At the IMCO special meeting, IMCO stockholders will vote on the issuance of IMCO common stock to Commonwealth stockholders pursuant to and in accordance with the merger agreement. We cannot complete the merger unless, among other things, Commonwealth's stockholders adopt the merger agreement and IMCO's stockholders approve the stock issuance.

In addition, at the IMCO special meeting, IMCO stockholders will vote on a proposal to amend IMCO's certificate of incorporation to increase the authorized shares of IMCO's common stock from 40 million to 80 million and will vote on proposals to adopt the IMCO Recycling Inc. 2004 Equity Incentive Plan and to approve the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan and, if necessary, to adjourn or postpone the meeting to permit the further solicitation of proxies. **The approval of (i) the amendment to IMCO's certificate of incorporation to increase the authorized number of shares of IMCO common stock, (ii) the 2004 Equity Incentive Plan and (iii) the Amended and Restated Annual Incentive Compensation Plan are not related to and are not necessary to permit completion of the merger; the completion of the merger is independent of the approval of these proposals.**

Q8: Who is entitled to vote at the special meetings and how many shares can vote?

A8: Commonwealth's stockholders of record as of the close of business on September 15, 2004 will be entitled to notice of and to vote at the Commonwealth special meeting. On the record date, Commonwealth had outstanding _____ shares of common stock, which constitute Commonwealth's only outstanding voting securities. Each Commonwealth stockholder is entitled to one vote for each share of Commonwealth common stock held as of the record date.

IMCO's stockholders of record as of the close of business on September 15, 2004 will be entitled to notice of and to vote at the IMCO special meeting. On the record date, IMCO had outstanding _____ shares of common stock, which constitute IMCO's only outstanding voting securities. Each IMCO stockholder is entitled to one vote on each proposal for each share of IMCO common stock held as of the record date.

Q9: What vote is required?

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A9: The affirmative vote of the holders of a majority of the outstanding shares of Commonwealth common stock entitled to vote at the Commonwealth special meeting is required to adopt the merger agreement.

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The approval of the IMCO share issuance pursuant to the merger agreement requires the affirmative vote of the holders of a majority of the total votes cast at the IMCO special meeting on this proposal in person or by proxy, so long as the total vote cast on the proposal exceeds 50% of the shares of common stock of IMCO outstanding.

The approval of the amendment to IMCO's certificate of incorporation to increase its authorized shares of common stock requires the affirmative vote of the holders of a majority of the outstanding shares of IMCO common stock. The proposals to approve IMCO's 2004 Equity Incentive Plan and its Amended and Restated Annual Incentive Compensation Plan each require the approval of a majority of the votes cast at the IMCO special meeting on the proposal in person or by proxy, so long as the total vote cast on each such proposal exceeds 50% of the shares of common stock of IMCO outstanding.

It is very important that you vote. The failure of a Commonwealth stockholder to vote on the proposal to adopt the merger agreement, the failure of an IMCO stockholder to vote on the proposal to amend IMCO's certificate of incorporation to increase its authorized shares of common stock, and abstentions on these two proposals, will have the effect of votes against those proposals.

Q10: What do I need to do to vote?

A10: After carefully reading and considering the information contained in this proxy statement/prospectus, please submit your proxy by telephone or Internet in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares may be voted at the special meeting. See "Voting by Proxy" beginning on page 40. To ensure that we obtain your vote, please vote as instructed on your proxy card even if you currently plan to attend your special meeting in person.

The enclosed proxy card contains instructions for voting by telephone, Internet or mail. Please follow these instructions carefully. The proxies identified on the proxy card will vote the shares of which you are stockholder of record in accordance with your instructions. If you sign, date and return your proxy without giving specific voting instructions, the proxies will vote your shares FOR the proposals. If you do not return your proxy or vote in person, your shares will not be voted at your special meeting.

Q11: How do I vote my shares if my shares are held in street name ?

A11: You should vote this proxy in accordance with the instructions provided to you by your bank, broker or nominee. If your shares are held in a stock brokerage account, your broker will not vote your shares unless the broker receives appropriate instructions from you.

A number of banks and brokerage firms participate in a program that also permits stockholders whose shares are held in street name to direct their vote by the Internet or telephone. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this joint proxy statement/prospectus. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by the Internet or telephone by following the voting instructions enclosed with the proxy from the bank or brokerage firm. Votes directed by the Internet or telephone through such a program must be received by 5:00 p.m., E.T., on . Directing the voting of your shares will not affect your right to vote in person if you decide to attend the meeting; however, you must first obtain a signed and properly executed proxy from your bank, broker or nominee to vote your shares held in street name at the special meeting. Requesting a proxy prior to the deadlines described above will automatically cancel any voting directions you have previously given by the Internet or by telephone with respect to your shares. The Internet and telephone proxy procedures are designed to authenticate stockholders' identities, to allow stockholders to give their proxy instructions and to confirm that those instructions have been properly recorded.

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Q12: What does IMCO's board of directors recommend?

A12: IMCO's board of directors has unanimously approved the merger agreement and determined that the issuance of IMCO common stock in the merger, the amendment to IMCO's certificate of incorporation to increase the number of authorized shares of common stock of IMCO from 40 million to 80 million, the approval of the 2004 Equity Incentive Plan and the approval of the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan are in the best interests of IMCO, and unanimously recommends that IMCO stockholders approve the issuance of IMCO common stock pursuant to and in accordance with the merger agreement, the amendment to the IMCO certificate of incorporation to increase the number of authorized shares of common stock of IMCO, the 2004 Equity Incentive Plan and the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan. **Completion of the merger is not conditioned on approval of the proposals regarding the amendment to the certificate of incorporation and the approval of the incentive plans.**

Q13: What does Commonwealth's board of directors recommend?

A13: Commonwealth's board of directors has unanimously approved the merger agreement and determined that the transactions contemplated by the merger agreement are advisable and in the best interests of the Commonwealth stockholders. Commonwealth's board of directors unanimously recommends that Commonwealth stockholders adopt the merger agreement.

Q14: May I change my vote after I have submitted a proxy by telephone, Internet, or by completing and mailing a proxy card?

A14: Yes. You may change your vote at any time before your proxy is voted at the relevant special meeting. You can do this in several ways. You can send a written notice stating that you want to revoke your proxy, or you can complete and submit a new proxy card. If you choose either of these methods, you must submit your notice of revocation or your new proxy card to:

IMCO

c/o Mellon Investor Services LLC

telephone: 1-800-635-9270

Commonwealth

c/o National City Bank

telephone: 1-800-622-6757

You can also change your vote by submitting a proxy at a later date by telephone or Internet, in which case your later-submitted proxy will be recorded and your earlier proxy revoked. You can also attend the applicable special meeting and vote in person. Simply attending the special meeting, however, will not revoke your proxy; you must vote at the special meeting.

If you have instructed a bank, broker or nominee to vote your shares, you must follow the voting procedures received from your bank, broker or nominee to change your vote.

Q15: What is a broker non-vote?

A15: A broker non-vote occurs when a bank, broker or other nominee submits a proxy that indicates that the broker does not vote for some or all of the proposals, because the broker has not received instructions from the beneficial owners on how to vote on these proposals and does not have discretionary authority to vote in the absence of instructions.

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Q16: Will broker non-votes or abstentions affect the results?

A16: If you are an IMCO stockholder, broker non-votes will have no effect on the outcome of the proposals relating to the issuance of IMCO common stock pursuant to the merger agreement, or the approval of the 2004 Equity Incentive Plan or the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan, so long as the total votes cast on each of these proposals exceed 50% of the shares of IMCO common stock outstanding. Abstentions on these proposals will be counted as votes cast, and will have the effect of negative votes. In addition, broker non-votes and abstentions will have no effect on the outcome of any proposal to adjourn or postpone the special meeting, if necessary, to permit further solicitation of proxies. Broker non-votes and abstentions would not be counted as votes cast on this proposal, if any. Broker non-votes and abstentions, however, will have the same effect as a vote against the proposal relating to the amendment to IMCO's certificate of incorporation. If you are a Commonwealth stockholder, broker non-votes and abstentions will have the same effect as a vote against the proposal to adopt the merger agreement. If your shares are held in street name, we urge you to instruct your bank, broker or nominee on how to vote your shares for those proposals on which you are entitled to vote.

Q17: Should I submit a proxy even if I plan to attend the meeting in person?

A17: Yes. To ensure that your vote is accounted for, please submit your proxy even if you are planning to attend the applicable special meeting.

General

Q18: Should I send in my Commonwealth stock certificates now?

A18: No. Promptly after closing, Commonwealth stockholders will be sent a letter of transmittal. After you return that letter, together with your Commonwealth stock certificates, to the exchange agent, Mellon Investor Services LLC, you will receive stock certificates representing the shares of IMCO common stock that you are entitled to and cash in lieu of a fraction of an IMCO share.

Q19: If I have more questions about the merger or the two companies, where can I find answers?

A19: In addition to reading this document, its annexes, and the documents we have incorporated in this document by reference, you can find more information about the merger or about the two companies in our companies' filings with the Securities and Exchange Commission or IMCO's filings with the New York Stock Exchange. Please see "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus. If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

if you are an IMCO stockholder:

Jeffrey S. Mecom

IMCO Recycling Inc.

5215 North O'Connor Blvd., Suite 1500

Central Tower at Williams Square

Irving, TX 75039

if you are a Commonwealth stockholder:

Christopher R. Clegg

Commonwealth Industries, Inc.

PNC Plaza 19th Floor

500 West Jefferson Street

Louisville, Kentucky 40202-2823

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Telephone: (972) 401-7200

Telephone: (502) 589-8100

or in lieu of IMCO and Commonwealth:

Georgeson Shareholder Communications, Inc.

17th Street, 10th Floor

New York, New York

Telephone:

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SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus, including material terms of the merger, and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, we urge you to carefully read this entire joint proxy statement/prospectus and the other documents to which we refer you. See **Where You Can Find More Information** beginning on page 124 of this joint proxy statement/prospectus.*

The Companies

IMCO Recycling Inc.

5215 North O Connor Blvd., Suite 1500

Central Tower at Williams Square

Irving, Texas 75039

(972) 401-7200

IMCO is the largest recycler of aluminum and zinc in the United States and believes it is the largest aluminum recycler in the world, with total annual processing capacity of approximately 4.0 billion pounds. IMCO offers its customers a wide range of metals recycling services and specialty alloy products. IMCO's aluminum production network includes a domestic recycling division, a domestic specialty alloys division and an international division that represent 48%, 21% and 23%, respectively, of IMCO's overall capacity. IMCO's domestic aluminum recycling division converts customer owned scrap and dross (a by-product of the aluminum melting process) and delivers recycled aluminum to IMCO's customers in molten or ingot form for a fee. IMCO's domestic specialty alloys division converts purchased aluminum scrap and other metals into molten or ingot form and then sells it to customers. IMCO's international division includes both aluminum recycling and specialty alloys operations. IMCO's three largest aluminum end-use industries are transportation, containers and packaging, and building and construction industries. IMCO's zinc division, which represents approximately 8% of its overall capacity, includes facilities dedicated to the production of zinc oxide, zinc dust and zinc metal. IMCO's manufacturing and distribution network consists of 26 strategically located production plants; 21 are located in the United States, two in Germany, and one each in Brazil, Mexico and Wales.

Silver Fox Acquisition Company

5215 North O Conner Blvd., Suite 1500

Central Tower at Williams Square

Irving, Texas 75039

(972) 401-7200

Silver Fox Acquisition Company is a corporation organized under the laws of the State of Delaware and an indirect wholly owned subsidiary of IMCO formed by IMCO for the sole purpose of effecting the merger. This is the only business of Silver Fox Acquisition Company.

Commonwealth Industries, Inc.

PNC Plaza 19th Floor

500 West Jefferson Street

Louisville, Kentucky 40202-2823

Telephone: (502) 589-8100

Commonwealth is one of North America's leading manufacturers of aluminum sheet. Commonwealth's aluminum sheet products are produced using the conventional, direct-chill rolling ingot casting process, and by continuous casting. The aluminum sheet products manufactured by Commonwealth are generally referred to as common alloy products. They are produced in a number of aluminum common alloys with thickness (gauge) of 0.008 to 0.250 inches, widths of up to 72 inches, and a variety of physical properties and packaging, in each case.

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to meet customer specifications. These products are sold to distributors and end-users, principally for use in building and construction products such as roofing, siding, windows and gutters; transportation equipment such as truck trailers and bodies and automotive parts; and consumer durables such as cookware and appliances. Other than for Rapid Response Depot sales, which are for standard size products, substantially all of Commonwealth's aluminum sheet products are produced in response to specific customer orders. Production of aluminum sheet products in 2003 was 773 million pounds or about 72% of capacity compared to 925 million pounds or about 86% of capacity in 2002. In 2003, North American sales of aluminum sheet products, excluding rigid container sheet, foil and exports, were approximately 3.6 billion pounds.

On July 30, 2004, Commonwealth sold Alflex Corporation, a significant subsidiary of Commonwealth, to Southwire Company for cash consideration of approximately \$64.0 million. Alflex's net sales accounted for approximately 11% of Commonwealth's total net sales for 2003. Commonwealth used \$50.0 million of the net proceeds from this sale to purchase a portion of its previously sold accounts receivable under its receivables purchase facility, \$6.2 million to repay amounts outstanding under its credit facility and the remainder for working capital.

The Merger (page 43)

General

On June 16, 2004, IMCO, Commonwealth and Merger Sub agreed to the terms of the merger agreement described in this joint proxy statement/prospectus and attached as *Annex A*. The merger agreement is the legal document that governs the merger, and we urge you to read that agreement carefully.

At the effective time of the merger, Merger Sub will merge with and into Commonwealth. Commonwealth will be the surviving company and become an indirect wholly owned subsidiary of IMCO. The separate corporate existence of Merger Sub will cease at the effective time of the merger. IMCO and Commonwealth expect that IMCO will change its name promptly following the merger.

Each Commonwealth share will be converted into 0.815 of a share of IMCO (page 72)

At the effective time of the merger, each outstanding share of Commonwealth common stock (other than any shares owned directly or indirectly by Commonwealth or IMCO) will be converted into the right to receive 0.815 of a share of IMCO common stock. The number of shares of IMCO common stock is fixed and will not be adjusted based on increases or decreases in IMCO's stock price.

IMCO shares are listed on the New York Stock Exchange under the symbol *IMR*, and Commonwealth shares are traded on the Nasdaq National Market under the symbol *CMIN*.

On June 16, 2004, the last full trading day prior to public announcement of the merger, the closing price of a share of IMCO common stock was \$13.43. The per share closing price for the Commonwealth common stock was \$8.60. The Commonwealth common stock had an implied equivalent price per share of \$10.95 based on the closing price of the IMCO common stock and the exchange ratio of 0.815. On September 1, 2004, the closing prices of the IMCO shares and the Commonwealth shares were \$10.37 and \$8.44, respectively, and the equivalent price per

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share of Commonwealth common stock, based on the exchange ratio of 0.815, was \$8.45.

Because the exchange ratio is fixed under the merger agreement and neither IMCO nor Commonwealth has the right to terminate the merger agreement based solely on changes in either party's stock price, **the market price of the IMCO common stock that Commonwealth stockholders receive in the merger may vary significantly from its current price and from its price on the date of the merger agreement.** You should obtain current market quotations for the shares of both companies from a newspaper, the Internet or your broker.

The table below shows the per share closing prices of IMCO common stock and Commonwealth common stock, and the pro forma equivalent price per share of Commonwealth common stock at the close of regular

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trading on June 16, 2004, the last trading day before our public announcement of the merger, and _____, 2004, the most recent trading day for which that information was available prior to the mailing of this document.

Date	IMCO Closing Price	Commonwealth	Commonwealth Pro
		Closing Price	Forma Equivalent
June 16, 2004	\$ 13.43	\$ 8.60	\$ 10.95
_____, 2004			

(a) The pro forma equivalent per share price of Commonwealth common stock is calculated by multiplying the IMCO closing price by the exchange ratio of 0.815.

The table below shows the implied equivalent share price of Commonwealth common stock based on a range of hypothetical prices of IMCO common stock. This table is for illustrative purposes only, and the actual prices at which shares of IMCO common stock may trade between the date of this document and the closing of the merger and thereafter may be above or below the range set forth below.

Hypothetical Price of IMCO Common Stock	Implied Equivalent Share Price of Commonwealth Common Stock
\$ 9.50	\$7.74
\$10.00	\$8.15
\$10.50	\$8.56
\$11.00	\$8.97

No fractional shares of IMCO common stock will be issued in the merger and cash will be paid in lieu of a fraction of a share. The amount of cash paid will be an amount equal to the resulting fraction multiplied by the average of the per share closing prices on the New York Stock Exchange of shares of IMCO common stock during the ten consecutive trading days ending on (and including) the trading day immediately preceding the closing date of the merger and will be paid without interest.

Treatment of Commonwealth Stock Options (page 73)

Pursuant to separate agreements, the vesting of all stock options awarded to Steven J. Demetriou, Michael D. Friday, Christopher R. Clegg and Sean M. Stack under Commonwealth's 1997 Equity Incentive Plan, as amended and restated, will not accelerate as a result of the merger. These options will remain outstanding following the merger and will be subject to the same terms, conditions and vesting periods as before the merger. All other options outstanding under Commonwealth's 1995 Stock Incentive Plan, as amended and restated, and its 1997 Stock Incentive Plan, whether or not exercisable and whether or not vested at the effective time of the merger, will be fully vested and be fully exercisable upon, and shall remain outstanding following the effective time of the merger in accordance with the terms of the plans under which they were issued. Each option will be exercisable for and represent the right to acquire that whole number of shares of IMCO common stock, rounded down to the nearest whole share, equal to the number of shares of Commonwealth common stock subject to that option immediately prior to the effective time of the merger, multiplied by 0.815. The exercise price per share of IMCO common stock will be an amount equal to the exercise price per share of Commonwealth common stock subject to the option in effect immediately prior to the effective time of the merger, divided by 0.815. From and after the effective time of the merger, each option will be exercisable, except as described above, on the same terms and conditions as were applicable under the applicable Commonwealth stock incentive plan and the applicable option agreement immediately prior to the effective time of the merger.

Fairness Opinion of IMCO's Financial Advisor (page 48)

IMCO's board of directors received a written opinion, dated June 16, 2004, from its financial advisor, Citigroup Global Markets Inc., to the effect that, as of the date of the opinion and subject to the factors, assumptions, qualifications and limitations set forth therein, the exchange ratio in the merger is fair to IMCO

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from a financial point of view. This opinion is attached to this joint proxy statement/prospectus as *Annex B*. We encourage you to read this opinion carefully to understand the assumptions made, procedures followed, matters considered and limitations of the scope of the review undertaken. **Citigroup's opinion was provided to IMCO's board of directors in connection with its evaluation of the exchange ratio, does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how any such stockholder should vote in connection with the merger or the issuance of IMCO common stock pursuant to and in accordance with the merger agreement.**

Fairness Opinion of Commonwealth's Financial Advisor (page 55)

In connection with the proposed merger, Commonwealth's financial advisor, Morgan Stanley & Co. Incorporated, delivered a written opinion, dated June 16, 2004, to Commonwealth's board of directors as to the fairness, from a financial point of view, of the merger consideration to the holders of Commonwealth common stock. The full text of Morgan Stanley's written opinion is attached to this joint proxy statement/prospectus as *Annex C*. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of the review undertaken. **Morgan Stanley's opinion was provided to Commonwealth's board of directors in connection with its evaluation of the merger consideration, does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote in connection with the merger or the issuance of IMCO common stock pursuant to and in accordance with the merger agreement.**

Management of IMCO Following the Merger (page 87)

Following the merger, the board of directors of IMCO will consist of nine members. Steven Demetriou, currently Commonwealth's president, chief executive officer and a member of the Commonwealth board, will be elected as chairman of the board and chief executive officer of IMCO, four other directors will come from the existing Commonwealth board and four other directors will come from the existing IMCO board.

Shares Owned by IMCO and Commonwealth Directors and Executive Officers (page 9)

At the close of business on the record date for the IMCO special meeting, directors and executive officers of IMCO and their affiliates were entitled to vote approximately % of the shares of IMCO common stock outstanding on that date.

At the close of business on the record date for the Commonwealth special meeting, directors and executive officers of Commonwealth and their affiliates were entitled to vote approximately % of the shares of Commonwealth common stock outstanding on that date.

Interests of Directors and Executive Officers in the Merger (page 62)

In considering the recommendation of the Commonwealth board of directors, you should be aware that certain members of Commonwealth's management and the Commonwealth board of directors have interests in the transaction that are or may be different from, or in addition to, your interests as a Commonwealth stockholder. These interests include, among other things, the following:

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Under the terms of the merger agreement, Mr. Demetriou, currently Commonwealth's president and chief executive officer and a member of the board of directors of Commonwealth, who will be appointed chief executive officer and chairman of the board of IMCO after the merger, and four other members of the Commonwealth board, Messrs. C. Frederick Fetterolf, Larry E. Kittelberger, Paul E. Lego and John E. Merow, will be appointed directors of IMCO after the merger;

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Commonwealth option holders (a group which includes many officers and directors of Commonwealth) will have all of their stock options vest at the effective time of the merger. However, options held by Messrs. Demetriou, Friday, Clegg and Stack will not vest at that time and will remain subject to their usual vesting schedule;

Under the terms of the severance agreements between Commonwealth and certain of its officers, if an officer's employment with Commonwealth (or its successor) is terminated during the two year period following the merger, that officer will be entitled to severance benefits, including excise tax gross-up payments. See "The Merger - Certain Persons May Have Interests in the Merger that are Different from Stockholders - Interests Generally - Commonwealth Severance Agreements" on page 63;

Under the merger agreement, IMCO has agreed to indemnify and hold harmless all past and present officers and directors of Commonwealth for matters existing or occurring at or prior to the effective time of the merger and to advance litigation expenses incurred by these officers and directors in connection with these matters;

For a period of six years after the effective time of the merger, IMCO has agreed that it will provide Commonwealth's current officers and directors with a liability insurance policy that provides for coverage of matters occurring prior to the effective time that is no less favorable than the policy in place immediately prior to the merger or, if substantially equivalent insurance coverage is unavailable, the best available coverage. IMCO will not be required to pay an annual premium for this insurance in excess of \$1.6 million; and

Four former officers of Commonwealth who were involved in discussions culminating in the merger agreement have received severance payments of approximately \$6.3 million in the aggregate, following their resignation as officers of Commonwealth. Additionally, Commonwealth is responsible for excise tax gross-up payments, if any, in connection with these severance payments.

In considering the recommendation of the IMCO board of directors, you should be aware that certain members of IMCO's management and the IMCO board of directors also have interests in the transaction that are or may be different from, or in addition to, your interests as a IMCO stockholder. These interests include, among other things, the following:

Under the terms of the merger agreement, four of the five members of the IMCO board, Messrs. John E. Balkcom, John E. Grimes, Dale V. Kesler and Hugh G. Robinson, will continue as directors of IMCO following the merger;

IMCO and Commonwealth intend that the lead independent director (the director who shall preside over the meeting in the absence of the chairman) of the combined company will be one of the four members of the IMCO board who continues as a director of IMCO following the merger;

Richard L. Kerr, IMCO's current chief executive officer, and Paul V. Dufour, IMCO's chief financial officer, have agreed to retire effective upon completion of the merger and to serve as consultants for a limited period after the merger. Under their arrangements, Messrs. Kerr and Dufour would be entitled to receive severance pay and vesting of their restricted stock and stock options; and

Under the terms of employment agreements between IMCO and certain of its officers, if an officer's employment with IMCO is terminated during a period following completion of the merger (as defined in the officer's employment agreement), that officer will be entitled to certain severance benefits.

See "The Merger - Certain Persons May Have Interests in the Merger that are Different from Stockholders - Interests Generally - IMCO Severance Arrangements" on page 65.

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The IMCO and Commonwealth boards of directors were aware of these arrangements during their respective deliberations on the merits of the merger and in deciding to recommend that you vote for the approval of their respective proposals.

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Conditions to Completion of the Merger (page 80)

Completion of the merger depends on a number of conditions being satisfied or waived. In addition to customary conditions relating to the accuracy of representations and warranties and compliance with the terms of the merger agreement, these conditions include the following:

continued effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

adoption of the merger agreement by the holders of a majority of the outstanding Commonwealth shares entitled to vote at the Commonwealth special meeting;

approval of the stock issuance pursuant to and in accordance with the merger agreement by the holders of a majority of the votes cast by holders of IMCO common stock entitled to vote at the IMCO special meeting, provided that the total vote cast on the stock issuance proposal represents in excess of 50% of the total shares of IMCO common stock outstanding and entitled to vote;

absence of any law, rule, regulation, judgment, decree, executive order or award prohibiting the consummation of the merger;

the receipt of consents or approvals under foreign antitrust laws required to consummate the transactions contemplated by the merger agreement, except where the failure to obtain such consents and approvals from a foreign governmental authority would not have a material adverse effect on IMCO and Commonwealth as a combined company following the closing;

approval for listing of the IMCO shares to be issued in the merger on the New York Stock Exchange, subject to official notice of issuance;

either (1) a commitment letter contemplating a financing in an amount sufficient to fully redeem Commonwealth's 104% Senior Subordinated Notes due 2006 and refinance in full IMCO's and Commonwealth's credit facilities shall have been obtained and all conditions (other than the consummation of the merger and bring-down conditions that we reasonably believe will be satisfied or waived) shall have been satisfied or waived, or (2) all conditions (other than the consummation of the merger and bring-down conditions that we reasonably believe will be satisfied or waived) to obtaining the agreed financing shall have been satisfied or waived; and

receipt of opinions to the effect that, if the merger is consummated in accordance with the terms of the merger agreement, the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

No Solicitation of Alternative Proposals (page 81)

IMCO and Commonwealth each agreed that neither it, nor any of its subsidiaries, nor any of its officers, directors, employees or representatives, nor any officers, directors, employees or representatives of its subsidiaries, will, directly or indirectly:

initiate, solicit or encourage any inquiries or the making of any proposal or offer that constitutes a third party competing proposal (of the type described in this joint proxy statement/prospectus);

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engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to a competing proposal; however, nothing will prevent either Commonwealth or IMCO or their respective boards of directors from:

complying with its disclosure obligations pursuant to Sections 14(a), 14(d) or 14(e) of the Securities Exchange Act of 1934; and

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at any time prior to, but not after, the time the merger agreement is adopted at the Commonwealth special meeting or the share issuance is approved at the IMCO special meeting, as applicable:

providing information in response to an unsolicited bona fide written competing proposal under the terms of a confidentiality agreement that contains substantially the same terms as the confidentiality agreements applicable to IMCO or Commonwealth, as the case may be;

engaging in any negotiations or discussions with any person who has made an unsolicited bona fide written competing proposal; or

recommending such a competing proposal to the stockholders of Commonwealth or IMCO, as the case may be.

Commonwealth and IMCO may only take these actions if, and only to the extent that, the applicable board of directors determines in good faith after consultation with outside legal counsel that such action, in light of the competing proposal and the terms of the merger agreement, is necessary to comply with the board's fiduciary duties, and in cases of engaging in any negotiations or discussions or making such a recommendation, Commonwealth or IMCO, as the case may be, is in compliance with the merger agreement and the board of directors determines in good faith that such competing proposal, if accepted, is reasonably likely to be consummated, and if consummated, would constitute a superior proposal (as described elsewhere in this joint proxy statement/prospectus).

Commonwealth and IMCO have agreed to promptly notify the other if any such inquiries, proposals or offers are received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, any of its representatives, to provide the name of such person and the material terms and conditions of any proposals or offers, and thereafter shall keep the other informed, on a current basis, on the status and terms of any such proposals or offers and the status of any such discussions or negotiations.

Each of Commonwealth and IMCO agrees that, during the five business day period prior to recommending a competing proposal to its stockholders, it and its outside legal counsel and financial advisors will negotiate in good faith with the other party regarding any proposed revisions to the terms of the transactions contemplated by the merger agreement. The competing proposal may only be recommended to the appropriate stockholders if the IMCO or Commonwealth board of directors, as the case may be, determines in good faith that such competing proposal continues to be a superior proposal in light of any revisions to the merger agreement to which the parties have agreed prior to the expiration of such five business day period. A new notice will be delivered with respect to each competing proposal that has been materially revised or modified prior to taking any action to recommend such competing proposal to the appropriate stockholders and a new five business day period will commence from the time of this notice. The IMCO or Commonwealth board of directors, as the case may be, however, may make a change in recommendation in respect of a competing proposal that is received 10 days or less prior to the Commonwealth special meeting or the IMCO special meeting, as the case may be, so long as the party making such change in recommendation is in compliance with the terms of the merger agreement and provides notice to the other party before making that change.

The Merger Agreement May Be Terminated in Certain Circumstances (page 83)

Before the effective time of the merger, the merger agreement may be terminated:

by mutual written consent of IMCO and Commonwealth duly authorized by their respective boards of directors;

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by either IMCO or Commonwealth, if:

the merger has not occurred on or before December 15, 2004, unless the failure is the result of a breach of the merger agreement by the party seeking the termination;

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any governmental entity has issued a final and nonappealable injunction, order, decree or ruling or has taken any other final and nonappealable action that makes the consummation of the merger illegal or otherwise prevents or prohibits the consummation of the merger;

adoption by the Commonwealth stockholders of the merger agreement by the vote of holders of a majority of the outstanding shares of Commonwealth common stock has not been obtained at the Commonwealth special meeting or any adjournment or postponement thereof; or

approval by the IMCO stockholders of the issuance of shares of IMCO common stock pursuant to the merger agreement has not been obtained by the affirmative vote of a majority of the votes cast at the IMCO special meeting or any adjournment or postponement thereof, with the total votes cast on that proposal exceeding 50% of the shares of IMCO common stock outstanding.

by IMCO, if:

Commonwealth's board of directors or any committee thereof, at any time prior to the adoption of the merger agreement by the Commonwealth stockholders, withdraws, modifies or changes, in any way adverse to IMCO, its recommendation of the merger agreement;

either (1) Commonwealth breaches any representation, warranty, covenant or agreement under the merger agreement, or (2) any of Commonwealth's representations or warranties in the merger shall become untrue, in either case such that the condition to closing relating to representations, warranties, covenants and agreements would not be satisfied, if the inaccuracy or breach cannot be or has not been cured within 30 days following receipt of notice of the inaccuracy or failure; or

the Commonwealth special meeting is not held by December 10, 2004, unless the failure is the result of IMCO's failure to fulfill any obligations under the merger agreement.

by Commonwealth, if:

IMCO's board of directors or any committee thereof, at any time prior to the approval of the share issuance by the IMCO stockholders, withdraws, modifies or changes, in any way adverse to Commonwealth, its recommendation of the merger agreement or the issuance of IMCO shares;

either (1) IMCO breaches any representation, warranty, covenant or agreement under the merger agreement, or (2) any of IMCO's representations or warranties in the merger agreement shall become untrue, in either case such that the condition to closing would not be satisfied, if the inaccuracy or breach cannot be or has not been cured within 30 days following receipt of notice of the inaccuracy or failure; or

the IMCO special meeting is not held by December 10, 2004, unless the failure is the result of Commonwealth's failure to fulfill any obligations under the merger agreement.

Fees and Expenses Following a Termination of the Merger Agreement (page 84)

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Commonwealth is liable to IMCO, or IMCO is liable to Commonwealth, to pay a termination fee of \$3.5 million, together with all of the other party's reasonably documented expenses related to the merger and the merger agreement through the date of termination, up to a maximum of \$2.0 million, if the merger agreement is terminated under certain circumstances.

Whether or not the merger is consummated, each of IMCO, Merger Sub and Commonwealth will bear its own expenses in connection with the merger agreement and the related transactions, except that IMCO and Commonwealth will share equally the expenses relating to printing, filing and mailing this joint proxy statement/prospectus.

Accounting Treatment (page 66)

The merger will be accounted for as a business combination using the purchase method of accounting. IMCO will be the acquirer for financial accounting purposes.

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Anticipated Financing Necessary to Complete the Merger (page 66)

IMCO and Commonwealth expect to refinance certain existing indebtedness simultaneously with the completion of the merger with approximately \$244 million in new indebtedness, which is anticipated to include a combination of \$125 million in proposed new senior unsecured notes of IMCO and approximately \$119 million of borrowings under a proposed new \$325 million IMCO revolving credit facility. IMCO and Commonwealth have agreed to use their reasonable best efforts to complete a financing or financings in sufficient amounts so that upon completion of the merger, Commonwealth will be able to fully refinance the indebtedness under its outstanding 10³/₄% senior subordinated notes due 2006, refinance in full all outstanding indebtedness under its existing credit facility and repurchase all outstanding accounts receivable previously sold under its receivables purchase agreement, and IMCO will be able to refinance in full its existing credit facility. IMCO and Commonwealth have agreed to use their reasonable best efforts to obtain, prior to closing, commitment letters indicating that upon completion of the merger, sufficient funds to accomplish the refinancings contemplated above will be available and not subject to non-waivable conditions other than the occurrence of the merger.

Status of Regulatory Approvals (page 67)

The merger is subject to various laws regulating competitive activities. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act), the parties cannot complete the merger until they have notified and furnished information to the U.S. Federal Trade Commission and the Antitrust Division of the United States Department of Justice and the specified waiting period expires or is earlier terminated. IMCO and Commonwealth filed the information required under the HSR Act on July 21, 2004. IMCO and Commonwealth have been notified that their requests for early termination of the waiting period under the HSR Act had been granted. IMCO and Commonwealth also submitted required filings to the German Federal Cartel Office on August 20, 2004. On September 1, 2004, IMCO and Commonwealth received clearance from the German Federal Cartel Office. Each state and foreign country in which IMCO or Commonwealth has operations also may review the merger under state or foreign antitrust laws.

Material United States Federal Income Tax Consequences of the Merger (page 69)

The completion of the merger is conditioned on the receipt by IMCO and Commonwealth of tax opinions from Fulbright & Jaworski L.L.P., counsel to IMCO, and Sullivan & Cromwell LLP, counsel to Commonwealth, dated as of the date of the merger, to the effect that the merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). In a merger that qualifies as a reorganization under Section 368(a) of the Code, the U.S. federal tax consequences will include the following, among other things:

No gain or loss will be recognized by IMCO or Commonwealth as a result of the merger;

No gain or loss will be recognized by Commonwealth stockholders who exchange all of their Commonwealth shares for IMCO shares in the merger;

The tax basis of the IMCO shares received by a Commonwealth stockholder in the merger (including any fractional share not actually received) will be the same as the tax basis of the Commonwealth shares surrendered in exchange therefor;

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The holding period of the IMCO shares received by a Commonwealth stockholder in the merger will include the holding period of the Commonwealth shares surrendered in exchange therefor, provided that such Commonwealth shares are held as capital assets at the effective time of the merger; and

A cash payment in lieu of a fraction of a share will be treated as if a fractional share of IMCO common stock had been received in the merger and then redeemed by IMCO.

For further information concerning U.S. federal income tax consequences of the merger, please see **Material United States Federal Income Tax Consequences** beginning on page 69 of this joint proxy statement/prospectus.

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Tax matters are very complicated and the consequences of the merger to any particular Commonwealth stockholder will depend on that stockholder's particular facts and circumstances. Commonwealth stockholders should consult their own tax advisors to determine their own tax consequences from the merger in light of their particular facts and circumstances.

Appraisal and Dissenters' Rights are not Available (page 68)

Neither IMCO stockholders nor Commonwealth stockholders will be entitled to dissenters' appraisal rights as result of the merger. For further information concerning dissenters' and appraisal rights, please see "The Merger: Appraisal and Dissenters' Rights are not Available in Connection with the Merger" beginning on page 68 of this joint proxy statement/prospectus.

Table of Contents**SELECTED IMCO CONSOLIDATED FINANCIAL DATA**

The following selected financial data as of and for the years ended December 31, 2003, 2002, 2001, 2000, and 1999 have been derived from IMCO's audited consolidated financial statements. The following selected financial data for the six-month periods ended June 30, 2004 and 2003 have been derived from IMCO's unaudited consolidated financial statements which include, in the opinion of IMCO's management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations and the financial position of IMCO for the periods and dates presented.

The selected financial data of IMCO set forth below should be read in connection with IMCO's financial statements and the related notes, Management's discussion and analysis of financial condition and results of operations, and the other financial information included elsewhere or incorporated by reference in this joint proxy statement/prospectus. Historical results are not necessarily indicative of results that may be expected for any future period.

The consolidation of the financial condition and results of operations of IMCO's German subsidiary, VAW-IMCO Guss and Recycling GmbH (VAW-IMCO), into IMCO's consolidated financial statements effective March 1, 2003 affects the comparability of certain information for the periods presented.

	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
(Dollars in thousands, except per share information)							
Statement of operations data (1):							
Revenues	\$ 764,831	\$ 846,939	\$ 689,337	\$ 687,168	\$ 892,015	\$ 434,535	\$ 570,947
Cost of sales	694,193	799,586	656,013	640,696	837,428	404,789	525,384
Gross profit	70,638	47,353	33,324	46,472	54,587	29,746	45,563
Selling, general and administrative expense	24,924	27,334	22,686	26,549	38,242	17,457	26,648
Amortization expense (2)	4,653	4,374	4,299				
Fees on receivables sale		1,082	3,372	1,698	843	581	
Interest expense (3)	12,478	17,490	11,038	9,727	15,806	6,053	13,305
Other (income) expense, net	(1,456)	(278)	(301)	(367)	(4,017)	22	184
Equity in net loss (earnings) of affiliates	(2,265)	(3,060)	(3,131)	(2,403)	(789)	(911)	45
Earnings (loss) before income taxes, minority interest and cumulative effect of accounting change	32,304	411	(4,639)	11,268	4,502	6,544	5,381
Provision for (benefit from) income taxes	11,162	(424)	(2,243)	3,843	(1,029)	2,493	2,295
Earnings (loss) before minority interest and cumulative effect of accounting change, net of tax benefit	21,142	835	(2,396)	7,425	5,531	4,051	3,086
Minority interest, net of provision for income taxes	346	552	326	561	560	265	87
Earnings (loss) before cumulative effect of accounting change	20,796	283	(2,722)	6,864	4,971	3,786	2,999
Cumulative effect of accounting change, net of tax benefit (2)				(58,730)			
Net earnings (loss)	\$ 20,796	\$ 283	\$ (2,722)	\$ (51,866)	\$ 4,971	\$ 3,786	\$ 2,999

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Net earnings (loss) per common share:							
Basic before accounting change	\$ 1.26	\$ 0.02	\$ (0.18)	\$ 0.47	\$ 0.34	\$ 0.26	\$ 0.20
Cumulative effect of accounting change				(4.04)			
Basic earnings (loss) per share	\$ 1.26	\$ 0.02	\$ (0.18)	\$ (3.57)	\$ 0.34	\$ 0.26	\$ 0.20
Diluted before accounting change							
Diluted before accounting change	\$ 1.26	\$ 0.02	\$ (0.18)	\$ 0.47	\$ 0.33	\$ 0.26	\$ 0.20
Cumulative effect of accounting change				(4.01)			
Diluted earnings (loss) per share	\$ 1.26	\$ 0.02	\$ (0.18)	\$ (3.54)	\$ 0.33	\$ 0.26	\$ 0.20
Weighted average shares outstanding:							
Basic	16,448	15,353	14,978	14,548	14,473	14,480	14,658
Diluted	16,555	15,436	14,978	14,655	15,011	14,533	15,097
Dividends declared per common share	\$ 0.24	\$ 0.24	\$	\$	\$	\$	\$

(Footnotes on following page)

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	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
(Dollars in thousands)							
Balance sheet data (at end of period)(1):							
Cash	\$ 2,578	\$ 5,014	\$ 3,301	\$ 6,875	\$ 14,760	\$ 24,331	\$ 13,934
Current assets, including cash	215,299	96,737	80,533	90,671	228,769	174,698	273,415
Property and equipment, net	189,987	196,133	186,931	187,451	219,668	215,788	212,829
Total assets	543,637	433,671	406,954	351,410	556,517	466,609	570,539
Current maturities of long-term debt (4)	181	112	75	94,075	26	105,618	30
Long-term debt (excluding current maturities) (4)	214,993	128,786	125,314	14,550	256,167	56,591	266,516
Stockholders' equity	195,656	181,857	168,893	116,864	127,528	125,041	131,416
Statement of cash flows data:							
Net cash from (used by) operating activities	\$ 18,233	\$ 140,938	\$ 21,003	\$ 38,443	\$ (8,252)	\$ 6,251	\$ (2,562)
Net cash from (used by) investing activities	(54,139)	(39,115)	(13,998)	(16,344)	(30,068)	8,432	(8,493)
Net cash from (used by) financing activities	32,405	(99,248)	(8,598)	(18,381)	45,557	2,178	10,407
Payments for property and equipment	(30,856)	(37,701)	(9,858)	(19,313)	(20,807)	(7,723)	(12,563)
Other financial data:							
EBITDA (5)	\$ 71,474	\$ 46,235	\$ 34,202	\$ 44,080	\$ 53,375	\$ 25,623	\$ 32,796
Receivables sold under receivable sale facility		90,000	65,300	61,300		56,300	

- (1) IMCO's financial condition and results of operations have been affected by acquisitions of facilities and companies during certain of the periods presented. Statement of operations data and balance sheet data as of and for the six months ended June 30, 2003 reflects the consolidation of results of operations and financial condition of IMCO's former 50%-owned joint venture, VAW-IMCO, which prior to March 1, 2003 had been accounted for under the equity method of accounting.
- (2) See Note K Impact of recently adopted accounting standards of the notes to IMCO's historical consolidated financial statements incorporated by reference in this joint proxy statement/prospectus regarding the goodwill impairment charge recorded as a cumulative effect of an accounting change and the discontinuance of goodwill amortization expense.
- (3) Certain amounts have been reclassified from amortization expense to interest expense for the years ended December 31, 2000 and 2001.
- (4) See Note G Long-term debt of the notes to IMCO's historical consolidated financial statements incorporated by reference in this joint proxy statement/prospectus regarding the classification of \$94,000 and \$118,300 of indebtedness as of December 31, 2002 and June 30, 2003, respectively, in debt as current due to the expiration of IMCO's former senior credit facility on December 31, 2003.
- (5) EBITDA is defined as net earnings (loss) before cumulative effect of accounting change, income tax expense, interest (income) expense, depreciation and amortization. EBITDA is a non-GAAP financial measure which is presented because IMCO considers it an important supplemental measure of its performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in IMCO's industry, many of which present EBITDA when reporting their results.

IMCO also uses EBITDA because its revolving credit agreement and senior secured notes indenture use EBITDA with additional adjustments to measure IMCO's compliance with its covenants under those instruments. IMCO's senior secured notes indenture requires a consolidated coverage ratio of at least 2.0 to 1.0 in order for IMCO to incur certain additional indebtedness or to make certain restricted payments or investments. The consolidated coverage ratio is the ratio of consolidated EBITDA for the most recent consecutive four fiscal quarters, to consolidated interest expense for that same period, as those terms are defined in the indenture senior secured notes. IMCO's revolving credit facility currently requires IMCO to maintain a fixed charge ratio of at least 1.0 to 1.0 as calculated over the last four consecutive completed fiscal quarters. The fixed charge ratio is defined to mean EBITDA minus capital expenditures and cash taxes paid, to fixed charges (interest expense, scheduled principal payments and dividends and distributions), as those terms are described in the revolving credit agreement. A violation of this covenant under IMCO's revolving credit facility would constitute a breach of the agreement and an event of default. If IMCO were not able to meet the incurrence tests under the covenants of its senior secured notes indenture, its ability to incur additional indebtedness and to make certain payments and investments would be restricted.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of IMCO's financial results prepared in accordance with generally accepted accounting principles, or GAAP. Some of these limitations are:

EBITDA does not reflect IMCO's cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, IMCO's working capital needs;

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EBITDA does not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on indebtedness;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

other companies in IMCO's industry may calculate EBITDA differently than IMCO does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to IMCO to invest in the growth of its business. IMCO compensates for these limitations by relying primarily on IMCO's GAAP results and using EBITDA only supplementally. See the Consolidated Statement of Cash Flows included in IMCO's consolidated financial statements incorporated by reference in this joint proxy statement/prospectus.

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IMCO's reconciliation of EBITDA to net earnings (loss) and net cash from (used by) operating activities is as follows:

	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
	(Dollars in thousands)						
EBITDA reconciliation:							
EBITDA	\$ 71,474	\$ 46,235	\$ 34,202	\$ 44,080	\$ 53,375	\$ 25,623	\$ 32,796
Interest expense	12,478	16,668	9,970	9,727	15,806	6,053	13,305
Provision for (benefit from) income taxes	11,162	(424)	(2,243)	3,843	(1,029)	2,493	2,295
Depreciation and amortization	27,038	29,708	29,197	23,646	33,627	13,291	14,197
Cumulative effect of accounting change, net of tax benefit				(58,730)			
Net earnings (loss)	20,796	283	(2,722)	(51,866)	4,971	3,786	2,999
Cumulative effect of accounting change, net of tax benefit				58,730			
Depreciation and amortization	27,038	29,708	29,197	23,646	33,627	13,291	14,197
Provision for (benefit from) deferred income taxes	3,369	76	2,106	(962)	(3,851)	331	(2,134)
Equity in earnings of affiliates	(2,265)	(3,060)	(3,131)	(2,403)	(789)	(911)	45
Other non-cash charges	2,370	5,349	3,390	5,095	349	2,869	5,035
Net changes in working capital	(33,075)	108,582	(7,837)	6,203	(42,559)	(13,115)	(22,704)
Net cash from (used by) operating activities	\$ 18,233	\$ 140,938	\$ 21,003	\$ 38,443	\$ (8,252)	\$ 6,251	\$ (2,562)

Table of Contents**SELECTED COMMONWEALTH CONSOLIDATED FINANCIAL DATA**

The following selected financial data as of and for the years ended December 31, 2003, 2002 and 2001 have been derived from Commonwealth's audited consolidated financial statements and the years ended December 31, 2000 and 1999 have been derived from Commonwealth's audited consolidated financial statements that have been restated to reflect the presentation of Commonwealth's Alflex subsidiary as discontinued operations. The restated consolidated financial statements for 2000 and 1999 have not been audited. The following selected financial data for the six-month periods ended June 30, 2004 and 2003 have been derived from Commonwealth's unaudited condensed consolidated financial statements which include, in the opinion of Commonwealth's management, all adjustments, consisting of normal recurring adjustments, necessary to present fairly the results of operations and the financial position of Commonwealth for the periods and dates presented.

The selected financial data set forth below should be read in connection with Commonwealth's financial statements and the related notes, Management's discussion and analysis of financial condition and results of operations, and the other financial information included elsewhere or incorporated by reference in this joint proxy statement/prospectus. Historical results are not necessarily indicative of results that may be expected for any future period.

	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
(Dollars in thousands, except per share information)							
Statement of operations data:							
Net sales	\$ 951,321	\$ 990,961	\$ 801,786	\$ 853,849	\$ 817,711	\$ 377,385	\$ 525,888
Cost of goods sold	890,827	923,977	774,895	804,637	769,402	361,020	506,722
Gross profit	60,494	66,984	26,891	49,212	48,309	16,365	19,166
Selling, general and administrative expense	37,769	38,703	41,187	34,428	34,317	17,004	20,911
Amortization of goodwill (1)	2,736	2,736	2,248				
Interest expense	21,390	21,499	16,635	15,854	15,506	7,754	8,553
Other (income) expense, net	(2,868)	(1,975)	(907)	(1,636)	(1,771)	(908)	(869)
Restructuring charges (2)							13,337
Asset impairment charges (3)			167,267				
Earnings (loss) from continuing operations before provision for (benefit from) income taxes and cumulative effect of accounting change	1,467	6,021	(199,539)	566	257	(7,485)	(22,766)
Provision for (benefit from) income taxes	824	311	135	(2,357)	115	67	43
Earnings (loss) from continuing operations before cumulative effect of accounting change, net of tax benefit	643	5,710	(199,674)	2,923	142	(7,552)	(22,809)
Discontinued operations:							
Income (loss) from operations before income taxes	10,501	(2,184)	6,187	6,258	(29,007)	(779)	5,164
(Loss) on disposition							(1,570)
Income tax expense (benefit)	133	35	65	65	69	33	1,012
Income (loss) from discontinued operations	10,368	(2,219)	6,122	6,193	(29,076)	(812)	2,582
Cumulative effect of accounting change, net of tax benefit (1)				(25,327)			
Net earnings (loss)	\$ 11,011	\$ 3,491	\$ (193,552)	\$ (16,211)	\$ (28,934)	\$ (8,364)	\$ (20,227)

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Net earnings (loss) per common share:							
Basic before discontinued operations and accounting change	\$ 0.04	\$ 0.34	\$ (12.15)	\$ 0.18	\$ 0.01	\$ (0.47)	\$ (1.42)
Income (loss) from discontinued operations	0.64	(0.13)	0.37	0.39	(1.82)	(0.05)	0.16
Cumulative effect of accounting change				(1.58)			
Basic earnings (loss) per share	\$ 0.68	\$ 0.21	\$ (11.78)	\$ (1.01)	\$ (1.81)	\$ (0.52)	\$ (1.26)
Diluted before discontinued operations and accounting change							
Diluted before discontinued operations and accounting change	\$ 0.04	\$ 0.34	\$ (12.15)	\$ 0.18	\$ 0.01	\$ (0.47)	\$ (1.42)
Income (loss) from discontinued operations	0.64	(0.13)	0.37	0.38	(1.81)	(0.05)	0.16
Cumulative effect of accounting change				(1.57)			
Diluted earnings (loss) per share	\$ 0.68	\$ 0.21	\$ (11.78)	\$ (1.01)	\$ (1.80)	\$ (0.52)	\$ (1.26)
Weighted average shares outstanding:							
Basic	16,224	16,567	16,428	15,994	16,011	16,011	16,045
Diluted	16,281	16,573	16,428	16,097	16,075	16,011	16,045
Dividends declared per common share	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.10	\$ 0.10	\$

(Footnotes on following page)

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	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
	(Dollars in thousands)						
Balance sheet data (at end of period):							
Cash	\$ 141	\$ 11,126	\$ 6,292	\$ 13,199	\$	\$ 6,583	\$ 2,246
Current assets, including cash	262,530	233,468	211,709	227,207	211,014	197,108	236,451
Property and equipment, net	253,345	239,042	134,302	131,038	127,610	128,534	120,611
Total assets	707,500	655,768	440,289	429,158	380,116	395,238	399,534
Current maturities of long-term debt							8,588
Long-term debt (excluding current maturities)	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Stockholders' equity	336,676	338,393	134,166	107,187	78,138	99,563	64,004
Statement of cash flows data:							
Net cash from (used by) operating activities	\$ 47,753	\$ 27,949	\$ (17,298)	\$ 4,378	\$ (655)	\$ (641)	\$ (1,285)
Net cash from (used by) investing activities	(26,445)	(18,232)	(8,697)	(15,952)	(15,958)	(6,668)	(4,094)
Net cash from (used by) financing activities	(3,256)	(1,887)	556	(1,638)	(654)	(1,601)	7,641
Payments for property and equipment	(26,445)	(18,282)	(8,797)	(15,975)	(16,116)	(6,823)	(4,226)
Other financial data:							
EBITDA (4)	\$ 54,573	\$ 61,503	\$ 14,471	\$ 23,454	\$ 34,595	\$ 9,401	\$ (3,612)
Receivables sold under receivable sale facility	106,000	69,000	20,000	24,000	60,000	70,000	100,000

- (1) See Note 3 "Goodwill" of the notes to Commonwealth's historical consolidated financial statements incorporated by reference in this joint proxy statement/prospectus regarding the goodwill impairment charge recorded as a cumulative effect of an accounting change and the goodwill impairment charge recorded as part of operations and the discontinuance of goodwill amortization.
- (2) See Note 18 "Restructuring Charges" of the notes to Commonwealth's historical consolidated financial statements incorporated by reference in this joint proxy statement/prospectus regarding the restructuring charges.
- (3) See Note 2 "Asset Impairment Charges" of the notes to Commonwealth's historical consolidated financial statements incorporated by reference in this joint proxy statement/prospectus regarding the asset impairment charge.
- (4) EBITDA is defined as net earnings (loss) before cumulative effect of accounting change, income tax expense, interest (income) expense, depreciation and amortization. EBITDA is a non-GAAP financial measure which is presented because Commonwealth considers it an important supplemental measure of performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in Commonwealth's industry, many of which present EBITDA when reporting their results.

Commonwealth also uses EBITDA because its revolving credit agreement and indenture use EBITDA with additional adjustments to measure its compliance with covenants such as interest coverage (EBITDA to interest expense as defined in the credit agreement must be greater than 2.50 to 1.0), leverage ratio (total debt to EBITDA as defined in the credit agreement must be less than 3.25 to 1.0), fixed charge ratio (EBITDA to fixed charges as defined in the credit agreement must be greater than 1.10 to 1.0) and debt incurrence (EBITDA to fixed charges as defined in the indenture must be greater than 2.5 to 1.0 in order to incur additional indebtedness, other than permitted indebtedness as defined in the indenture). A violation of the covenants in its revolving credit facility would constitute a breach of the agreement and an event of default. If Commonwealth were not able to meet the incurrence tests under the covenants of its indenture, its ability to incur additional indebtedness would be restricted.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of Commonwealth's financial results prepared in accordance with generally accepted accounting principles, or GAAP. Some of these limitations are:

EBITDA does not reflect Commonwealth's cash expenditures, or future requirements, for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, Commonwealth's working capital needs;

EBITDA does not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on indebtedness;

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although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and

other companies in Commonwealth's industry may calculate EBITDA differently than Commonwealth does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to Commonwealth to invest in the growth of Commonwealth's business. Commonwealth compensates for these limitations by relying primarily on Commonwealth's GAAP results and using EBITDA only supplementally. See the Consolidated Statement of Cash Flows included in Commonwealth's financial statements incorporated by reference in this joint proxy statement/prospectus.

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Commonwealth's reconciliation of EBITDA to income (loss) from continuing operations before cumulative effect of accounting change and net cash from (used by) continuing operations is as follows:

	Year ended December 31,					Six months ended June 30,	
	1999	2000	2001	2002	2003	2003	2004
(Dollars in thousands)							
EBITDA reconciliation:							
EBITDA	\$ 54,573	\$ 61,503	\$ 14,471	\$ 23,454	\$ 34,595	\$ 9,401	\$ (3,612)
Interest expense	21,390	21,499	16,635	15,854	15,506	7,754	8,553
Provision for (benefit from) income taxes	824	311	135	(2,357)	115	67	43
Depreciation and amortization (1)	31,716	33,983	30,108	18,891	18,832	9,132	10,601
Goodwill impairment charges				13,470			
Asset impairment charges			167,267				
Cumulative effect of accounting change, net of tax benefit				(25,327)			
Income (loss) from continuing operations before cumulative effect change in accounting principle	643	5,710	(199,674)	2,923	142	(7,552)	(22,809)
Cumulative effect of accounting change, net of tax benefit				(25,327)			
Depreciation and amortization	32,916	35,183	31,389	19,875	19,727	9,576	11,119
Goodwill impairment charges				13,470			
Asset impairment charges			167,267				
Other non-cash charges	432	1,401	370	495	644	130	784
Net changes in working capital	13,762	(14,345)	(16,650)	(7,058)	(21,168)	(2,795)	9,621
Net cash from (used by) continuing operations	\$ 47,753	\$ 27,949	\$ (17,298)	\$ 4,378	\$ (655)	\$ (641)	\$ (1,285)

(1) Amortization of financing costs has been excluded as it is included in interest expense in this part of the calculation.

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SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following unaudited pro forma condensed combined financial data for the year ended December 31, 2003, and as of and for the six months ended June 30, 2004, are derived from IMCO's audited and unaudited consolidated financial statements and Commonwealth's audited and unaudited consolidated financial statements. This data should be read in conjunction with the respective audited and unaudited consolidated financial statements of IMCO and Commonwealth.

The unaudited pro forma condensed combined financial data reflect the pro forma adjustments relating to the proposed merger, including the value of the consideration of the IMCO common stock subject to this exchange and the estimated values and amounts based on available information regarding Commonwealth's assets and liabilities. The actual adjustments that will result from the merger will be based on further evaluations and may differ substantially from the adjustments reflected herein. The pro forma financial data also reflect the effect of the sale of Alflex as if it had been effected at January 1, 2003 and, therefore, Alflex's revenues and other results of operations have been eliminated. Finally, the pro forma financial data reflect the refinancing of a significant portion of the companies' indebtedness. As a condition to closing, the merger agreement requires:

the refinancing of all of Commonwealth's 10~~4~~4% senior subordinated notes together with accrued and unpaid interest,

the repurchase of Commonwealth's existing receivables sold under its receivables purchase agreement, and

the refinancing of amounts outstanding under Commonwealth's revolving credit facility and IMCO's revolving credit facility.

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The unaudited pro forma operating data set forth below is not necessarily indicative of the results that actually would have been achieved had the proposed merger, the sale by Commonwealth of Alflex and the other currently contemplated financing transactions related to the merger been consummated on January 1, 2003 for results of operations and as of June 30, 2004 for the balance sheet data, or that may be achieved in the future. The unaudited pro forma condensed combined financial statements do not include any adjustments related to any restructuring charges, profit improvements, potential cost savings or one-time charges which may result from the proposed merger. The unaudited pro forma condensed combined financial statements also do not include any adjustments as a result of final valuations of tangible and intangible assets and liabilities. We urge you to read this information in conjunction with IMCO's Management's discussion and analysis of financial condition and results of operations, IMCO's consolidated financial statements and the notes thereto, Commonwealth's Management's discussion and analysis of financial condition and results of operations, Commonwealth's consolidated financial statements and notes thereto and Unaudited Pro Forma Condensed Combined Financial Statements included in this joint proxy statement/prospectus or included in IMCO's and Commonwealth's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q incorporated by reference in this joint proxy statement/prospectus.

	Year ended December 31, 2003	Six months ended June 30, 2004
	(in thousands, except per share amounts)	
Results of operations:		
Revenues	\$ 1,690,290	\$ 1,083,049
Cost of sales	1,582,769	1,003,348
Gross profit	107,521	79,701
Selling, general and administrative expense	72,559	47,559
Restructuring charges		13,337
Fees on receivables sale	843	
Interest expense	31,509	21,956
Other (income) expense net	(5,788)	(685)
Equity in net earnings of affiliates	(789)	45
Earnings (loss) from continuing operations before provision for income taxes and minority interest	9,187	(2,511)
(Benefit from) provision for income taxes	(914)	2,338
Earnings (loss) from continuing operations before minority interest	10,101	(4,849)
Minority interest, net of provision for income taxes	560	87
Earnings (loss) from continuing operations	\$ 9,541	\$ (4,936)
Earnings (loss) from continuing operations per common share:		
Basic	\$ 0.35	\$ (0.18)
Diluted	\$ 0.34	\$ (0.18)
Weighted average shares outstanding:		
Basic	27,522	27,735
Diluted	28,112	27,735

**At June 30,
2004**

(in thousands)

Balance sheet data:

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Cash	\$ 17,165
Current assets, including cash	587,282
Property and equipment, net	333,440
Total assets	1,124,323
Current maturities of long-term debt	30
Long-term debt (excluding current maturities)	446,944
Stockholders' equity	312,185

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The following table presents earnings, cash dividends declared per share and book value per share data separately for IMCO and Commonwealth on a historical basis, and for IMCO and Commonwealth on an unaudited pro forma combined basis per IMCO share and unaudited pro forma combined basis per Commonwealth equivalent share. The unaudited pro forma earnings per share data for the six months ended June 30, 2004 and the year ended December 31, 2003 reflect the assumption that the merger was effective as of January 1, 2003. The unaudited pro forma per share data gives effect to the proposed merger as a purchase under generally accepted accounting principles in the United States.

The unaudited pro forma IMCO earnings (loss) per share data is based upon the historical weighted average number of shares of IMCO common stock outstanding, adjusted to include the number of shares of IMCO common stock that would be issued in the proposed merger based upon the exchange ratio of 0.815.

We urge you to read the information below together with the historical financial statements and related notes of IMCO and Commonwealth contained in each company's periodic filings with the Securities and Exchange Commission and incorporated in this joint proxy statement/prospectus by reference. See "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus. The unaudited pro forma combined data below is presented for illustrative purposes only. The companies may have performed differently had they actually been combined during the periods presented below. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the proposed merger.

	IMCO	Commonwealth	Pro Forma
		Adjusted	
	Historical	Historical	per
	Per Share	Per Share	IMCO
	Data	Data (1)	Share
	Data	Data (1)	Data (2)
At or for the Six Months ended June 30, 2004			
Net earnings (loss) per share:			
Basic	\$ 0.20	\$ (1.42)	\$ (0.18)
Diluted	0.20	(1.42)	(0.18)
Cash dividends declared per share			
Book value per common share	8.97	3.94	11.26
At or for the Year Ended December 31, 2003			
Net earnings per share:			
Basic	\$ 0.34	\$ 0.01	\$ 0.35
Diluted	0.33	0.01	0.34
Cash dividends declared per share			
Book value per common share	8.81	4.88	N/A

- (1) Commonwealth adjusted historical data reflects the July 30, 2004 disposition of Alfex Corporation. All operating data related to the Alfex discontinued operations has been excluded from the per share data presented above.
- (2) The pro forma combined data per Commonwealth equivalent share is calculated by multiplying the pro forma combined data on an IMCO share basis by the exchange ratio of 0.815.

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RISK FACTORS

In deciding whether to approve the stock issuance or the merger, we urge you to carefully consider all of the information we have included in this joint proxy statement/prospectus and its annexes and all of the information we have included in the documents we have incorporated by reference. See *Where You Can Find More Information* beginning on page 124 of this joint proxy statement/prospectus. In addition, we encourage you to pay particular attention to the following risks related to the merger and the business of IMCO and Commonwealth as a combined company following the merger:

Risks of the Merger

IMCO and Commonwealth may fail to obtain adequate financing for the combined company, which is a condition to the completion of the merger, and as a result the merger may not be consummated, or if consummated, may contain refinancing terms less favorable than anticipated.

As a condition to the completion of the merger, we are required to obtain adequate financing to, among other things, pay for the costs of the merger and refinance significant portions of each company's outstanding debt obligations, including to refinance Commonwealth's \$125.0 million senior subordinated notes, repurchase accounts receivable previously sold under Commonwealth's receivables purchase agreement (\$100 million outstanding as of June 30, 2004) and refinance all amounts outstanding under IMCO's existing revolving credit facility (\$43.3 million outstanding as of June 30, 2004) and Commonwealth's revolving credit facility (\$8.6 million outstanding as of June 30, 2004, in addition to outstanding letters of credit of \$3.1 million). We currently expect the financing to consist of a combination of up to \$125 million in senior unsecured notes of IMCO and borrowings under a new \$325 million IMCO revolving credit facility.

The companies may be unable to successfully obtain the financing necessary to consummate the merger, or, if obtained, such financing may be on terms unfavorable to the combined company. If we are unable to obtain the necessary financing to consummate the merger, the businesses, prospects, and future results of operations and financial condition of both IMCO and Commonwealth could be impacted negatively by the resulting market reaction as well as the time and effort expended by management of both IMCO and Commonwealth to complete the merger, and the prices of their common stock could decline as a result.

We may face difficulties in achieving the expected benefits of the merger.

IMCO and Commonwealth currently operate as separate companies. We may not be able to realize the operating efficiencies, synergies, cost savings or other benefits expected from the merger, which we believe will be approximately \$25.0 million annually, beginning 18 to 24 months from the completion of the merger. In addition, the costs we incur in implementing these efficiencies, synergies, cost savings and other benefits, including our ability to terminate, amend or renegotiate prior contractual commitments of IMCO and Commonwealth, may be greater than expected. We also may suffer a loss of employees, customers or suppliers, a loss of revenues, or an increase in operating or other costs as a result of the merger or other difficulties relating to the merger.

The market value of shares of IMCO common stock that Commonwealth stockholders will receive in the merger will vary because the exchange ratio is fixed, potentially resulting in Commonwealth stockholders receiving a lower dollar value of IMCO common stock at the time of completion of the merger.

The exchange ratio is a fixed ratio of 0.815 of a share of IMCO common stock for each share of Commonwealth common stock and will not be adjusted as a result of an increase or decrease in the price per share of IMCO common stock. The prices of IMCO common stock and Commonwealth common stock at the time the merger is completed may be higher or lower than their prices on the date of this joint proxy statement/prospectus or on the date of the special meetings of IMCO stockholders and Commonwealth stockholders. Changes in the business, operations or prospects of IMCO or Commonwealth, market assessments of the benefits

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of the merger and of the likelihood that the merger will be completed, regulatory considerations, general market and economic conditions, or other factors may affect the prices of IMCO common stock or Commonwealth common stock. Most of these factors are beyond our control.

IMCO and Commonwealth both have incurred and will incur significant charges and expenses as a result of the merger, which will reduce the amount of capital available to fund the combined company's operations.

The combined company expects to incur between \$30.0 million and 35.0 million of estimated expenses related to the merger. These expenses have included or will include investment banking fees, other bank fees, legal and accounting fees, printing costs, transition costs and other related charges. IMCO and Commonwealth may also incur unanticipated costs relating to the merger. As a result, the combined company will have less capital available to fund its activities after the merger.

In addition, IMCO and Commonwealth expect to incur costs associated with combining the operations of the two companies, transaction fees and other costs related to the merger. The total estimate includes approximately \$10.9 million for transaction costs and between \$13.0 million and \$15.0 million of restructuring and integration costs. An estimated \$3.8 million of transaction costs are expected to be recorded as a component of the purchase price. Approximately \$9.2 million of the restructuring costs are expected to be included as a liability in the purchase price allocation. These amounts are preliminary estimates and subject to change. Additional unanticipated costs may be incurred in the integration of the businesses of IMCO and Commonwealth.

Risks of IMCO and Commonwealth as a combined company following the merger

IMCO and Commonwealth are both highly leveraged companies and, following completion of the merger, the combined company will continue to be highly leveraged.

After giving effect to the merger and the anticipated refinancing of certain debt of IMCO and Commonwealth as contemplated in this joint proxy statement/prospectus, IMCO and Commonwealth would have had pro forma total debt of \$446.9 million as of June 30, 2004 and their pro forma combined debt service for the year ended December 31, 2003 would have been \$31.5 million. This significant level of indebtedness may have an effect on the operations of the combined company following the merger, including:

limiting our ability to obtain additional financing on satisfactory terms to fund our working capital requirements, capital expenditures, acquisitions, investments, debt service requirements and other general corporate requirements;

increasing our vulnerability to general economic downturns, competition and industry conditions, which could place us at a competitive disadvantage compared to our competitors that are less leveraged;

exposing our cash flow to changes in floating rates of interest such that a 1% increase in floating rates will negatively impact our cash flow by approximately \$1.0 million;

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imposing additional restrictions on the manner in which we conduct our business under financing documents, including restrictions on our ability to pay dividends, make investments, incur additional debt and sell assets;

placing us at a competitive disadvantage compared to many of our competitors who have less debt; and

reducing the availability of our cash flow to fund our working capital requirements, capital expenditures, acquisitions, investments, other debt obligations and other general corporate requirements, because we will be required to use a substantial portion of our cash flow to service debt obligations.

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The financial statements of both IMCO and Commonwealth reflect substantial historical net losses, and a continuation of net losses in the future may reduce the combined company's ability to raise needed capital.

IMCO reported net losses of \$51.9 million and \$2.7 million for the years ended December 31, 2002 and 2001, respectively, and Commonwealth reported net losses of \$28.9 million, \$16.2 million, and \$193.6 million for the years ended December 31, 2003, 2002 and 2001, respectively. Commonwealth also reported a net loss of \$23.1 million for the quarter ended June 30, 2004 and a net loss of \$20.2 million for the six months ended June 30, 2004. The net losses primarily reflect operating losses and certain charges, including severance and impairment charges and charges relating to the cumulative effect of certain accounting changes, as well as high interest expenses. The combined company's ability to continue operations may become increasingly constrained if it continues to incur operating losses into the future.

If the combined company reports similar net losses, our ability to raise needed financing, or to do so on favorable terms, may be limited as those losses are taken into account by the organizations that issue investment ratings on our indebtedness. The debt ratings of the combined company will be below the investment grade category, which results in higher borrowing costs as well as a reduced pool of potential purchasers of our debt as some investors will not purchase debt securities that are not rated in an investment grade rating category. Also, any rating assigned may not remain in effect for any given period of time and may be lowered or withdrawn entirely by a rating agency if in that rating agency's judgment future circumstances relating to the basis of the rating, such as adverse changes, so warrant. A lowering or withdrawal of a rating may further increase our borrowing costs.

As a result of special charges of approximately \$18.1 million (of which \$6.4 million is related to executive severance, \$3.3 million is related to merger activities, \$5.8 million is related to the closure of Commonwealth's tube facility and \$2.6 million is related to the sale of Alflex) that Commonwealth incurred for financial reporting purposes in the quarter ended June 30, 2004, Commonwealth determined that an amendment to its credit agreement pertaining to certain financial covenants would be necessary to avoid a breach of the credit agreement. Commonwealth has obtained the necessary amendment.

The merger may result in future goodwill and other asset impairment charges, which would reduce future net income of the combined company.

For financial accounting purposes, a substantial portion of the merger's purchase price is expected to be allocated to goodwill of the combined company. See Unaudited Pro Forma Condensed Combined Financial Statements on page 91. The purchase price will be based on the market price of IMCO's common stock as of the date of announcement of the proposed merger on June 16, 2004. Since that date, the price per share of IMCO common stock has declined. IMCO annually performs an impairment review to estimate the fair value of its reporting units. This valuation entails a discounted cash flow model using internal projections and budgets to determine a unit's fair value. In the event that the combined company is not able to achieve expected cash flow levels, or other factors indicate that goodwill is impaired, it may need to write off all or part of its goodwill. The amount of the impairment would be charged as an expense in the period in which the impairment occurred. Any such goodwill or other asset impairment charges in the future would reduce net income and could be a factor in causing future net losses.

The combined company may encounter delays in complying with rules under the Sarbanes-Oxley Act of 2002 requiring our management to provide a management report containing an assessment of the combined company's internal reporting controls.

Rules adopted by the Securities and Exchange Commission under Section 404 of the Sarbanes-Oxley Act of 2002 require that reporting companies provide in their annual report on Form 10-K for fiscal years ending December 31, 2004 and thereafter, an internal control report of management. This report must contain statements that the company's management has evaluated and assessed its internal control over financial reporting for that

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company, concluding whether or not the company's internal control over financial reporting is effective, including disclosure of any material weaknesses in internal control identified by management. If there are any material weaknesses, management is not permitted to conclude that the company's internal control over financial reporting is effective. The Form 10-K must also contain a statement that the company's independent auditors have issued an attestation report on management's assessment, and that attestation report must be filed with the Form 10-K. IMCO will be required to provide an internal control report and an auditor's attestation report in its annual report on Form 10-K for the year ending December 31, 2004.

In its annual report on Form 10-K for the year ended December 31, 2003, its quarterly report on Form 10-Q for the quarter ended March 31, 2004 and in this joint proxy statement/prospectus under "Changes in Commonwealth's Internal Control Over Financial Reporting; Disclosure Controls" on page 101, Commonwealth reported a number of deficiencies, including information gaps, that constituted material weaknesses in internal control over financial reporting, that may have affected effective internal control over financial reporting.

In June 2004, the Office of Chief Accountant of the SEC's Division of Corporation Finance issued a frequently asked questions interpretive release, indicating that the staff of the Division would not object to an issuer's management's report on internal control over financial reporting that excludes an acquired business from management's assessment, so long as appropriate disclosures are made and the date of the acquisition is not more than one year from the date of management's assessment. In reliance on this guidance, IMCO may omit from its management report its assessment of the internal control over financial reporting of Commonwealth and its consolidated subsidiaries as of December 31, 2004.

The risks of excluding an assessment of an acquired company in management's report over financial reporting in 2004's annual report on Form 10-K may present a number of issues that are impossible to determine at this point in time, due to the fact that many of the applicable rules are not yet operative. However, there may be risks for IMCO and Commonwealth as the combined company in terms of marketplace, supplier, customer and investor acceptance of the fact that a significant portion of the combined company's business and operations was excluded from management's internal control assessment. The release also provides that while the answers to the frequently asked questions represent the views of the staffs of the Office of the Chief Accountant and the Division of Corporation Finance, they are not rules, regulations or statements of the SEC, and the SEC has neither approved nor disapproved them.

If Commonwealth experiences or is unable to correct further deficiencies prior to the closing of the merger, or the combined company is unable to correct them following the merger, the management for the combined company may not be able to state that the combined company's internal control over financial reporting is effective as of December 31, 2005. The inability of the combined company to obtain attestations as to its internal control over financial reporting may be viewed negatively by investors, which may in turn decrease the price and liquidity of its common stock.

The cyclical nature of the metals industry, our end-use market segments and our customers' industries could limit the combined company's operating flexibility, which could negatively impact the combined company's financial condition and results of operations.

The metals industry in general is cyclical in nature. It tends to reflect and be amplified by changes in general and local economic conditions, both domestically and abroad. These conditions include the level of economic growth, financing availability, employment levels, interest rates, consumer confidence and housing demand. Historically, in periods of recession or periods of minimal economic growth, metals companies have often tended to under-perform other sectors. Commonwealth and IMCO are particularly sensitive to trends in the transportation and construction industries, which are both seasonal and highly cyclical in nature, and dependent on general economic conditions. For example, during recessions or periods of low growth, the transportation and construction industries typically experience major cutbacks in production, resulting in decreased demand for aluminum and zinc. This leads to significant fluctuations in demand and pricing for IMCO's and

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Commonwealth's products and services. Because we generally have high fixed costs, our profitability is significantly affected by decreased processing and production volumes; accordingly, reduced demand and pricing pressures may have a negative impact on IMCO's and Commonwealth's financial condition and results of operations. Economic downturns in the national and international economies or a prolonged recession in our principal market segments have had a negative impact on our operations in the past, and could have a negative impact on the combined company's future financial condition or results of operations.

Changes in the market price of aluminum and zinc impact the selling prices of our products. Market prices of aluminum and zinc are dependent upon supply and demand and a variety of factors over which we have little or no control, including:

U.S. and world economic conditions;

availability and relative pricing of metal substitutes;

labor costs;

energy prices;

environmental and conservation regulations;

seasonal factors and weather; and

import and export restrictions.

The combined company may encounter increases in the cost of raw materials and energy, which could cause its cost of goods sold to increase, reducing operating results and limiting its operating flexibility.

The companies require substantial amounts of raw materials and energy in their businesses, consisting principally of aluminum scrap, primary aluminum metal and natural gas. Any substantial increases in raw materials or energy costs could cause operating costs to increase and negatively affect the combined company's financial condition and results of operations.

Aluminum scrap and primary aluminum metal prices are subject to significant cyclical price fluctuations. London Metals Exchange (the "LME") primary aluminum metal prices declined by 56% between 1988 and 2002 and rose 30% from 2002 to 2004. Metallics (aluminum and zinc scrap, primary aluminum metal and aluminum dross) will represent the largest component of the combined company's costs of sales. Both companies purchase their scrap primarily from aluminum and zinc scrap dealers. Remaining requirements are met with purchased primary metals. We will have no control over the price or availability of these supplies in the future.

The availability and price of aluminum scrap depend on a number of factors outside the companies' control, including general economic conditions, foreign demand for metallics and internal recycling activities by primary aluminum producers. Increased domestic and worldwide demand for aluminum scrap have had and will continue to have the effect of increasing the prices that the companies pay for these raw materials

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thereby increasing their cost of sales. The companies often cannot adjust the selling prices for their products to recover the increases in scrap prices. If scrap and dross prices were to increase significantly without a commensurate increase in the market value of the primary metals, the combined company's future financial condition and results of operations could be affected by higher costs and lower profitability.

After labor costs, natural gas costs represent the third largest component of both companies' cost of sales. The price of natural gas can be particularly volatile. The companies hedge according to board policy and purchase the majority of their natural gas on a spot-market basis. As a result, the combined company's natural gas costs may fluctuate dramatically, and the combined company may not be able to mitigate the effect of higher natural gas costs on its cost of sales. If natural gas prices remain at current levels or increase further, the combined company's financial condition and results of operations may be adversely affected.

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Increased energy prices may also negatively affect the companies' customers, which in turn affects demand for the companies' services. For example, since 2001 IMCO has experienced a sharp reduction in demand for its recycling services in the Pacific Northwest, because many domestic smelters located in that region have been forced to suspend or terminate their operations due to high energy costs.

The hedging activities of both companies may have the effect of reducing revenues in a rising metals price environment and subject the combined company's earnings to greater volatility from period to period.

Purchases of metal for forward delivery and hedging with futures and options contracts are used to reduce the companies' aggregate exposure at any time to the risk of changes in metal prices. The companies are often not able to pass increases in metal costs through to their customers. Significant increases in the price of aluminum scrap or primary aluminum metal, if not offset by product price increases, would cause our cost of goods sold to significantly increase, negatively impacting the combined company's future financial condition or results of operations.

Commonwealth purchases LME futures and options contracts to reduce its exposure to the risk of changes in metal prices. Despite the use of LME futures contracts, Commonwealth remains exposed to the variability in prices of scrap metal. While scrap metal is priced in relation to prevailing LME prices, it is also priced at a premium or discount to LME metal (depending on quality of the material supplied). This premium or discount is referred to in the industry as the "scrap spread" and fluctuates depending on market conditions. Further, Commonwealth is exposed to variability in the market price of a transportation differential ("Midwest Premium") charged by industry participants to deliver metal from the smelter to the manufacturing facility. This transportation differential also fluctuates in relation to market conditions. Commonwealth follows a pattern of increasing or decreasing its selling prices to its customers in response to changes in the Midwest Premium.

Commonwealth remains exposed to market fluctuations in scrap spreads or the transportation differential pricing levels because sales prices to its customers do not always closely conform to the market variations in scrap spreads and the transportation differential. Because of its exposure to the risk of changes in the unhedged portions of metal prices (scrap spreads and Midwest Premiums), Commonwealth's metal hedging programs in recent periods have not met requisite accounting effectiveness tests to enable deferral of aluminum metal hedge gains and losses in reporting the results of its operations in its financial statements. The consequent inclusion of metals hedging gains or losses in Commonwealth's earnings reports produces significant period-to-period volatility in those reports that is not necessarily reflective of Commonwealth's underlying operating performance.

If the combined company were to lose order volumes from any of its largest customers, its sales and revenues could be reduced and its cash flows lessened.

The combined company's business will be exposed to risks related to customer concentration. In 2003, the companies' 10 largest customers on a pro forma basis were responsible for 23% of the combined company's net revenues. No one customer accounted for more than 6% of the combined company's pro forma net revenues in 2003. A loss of order volumes from, or a loss of market share by, any major customer could negatively affect the combined company's financial condition and results of operations by lowering sales volumes, increasing costs and lowering profitability. In addition, the combined company's increased emphasis on dedicated facilities and dedicated arrangements with customers carries the inherent risk of increased dependence on a single or few customers with respect to a particular facility of the combined company. In such cases, the loss of such a customer, or the reduction of that customer's business with one or more of the combined company's facilities, could negatively affect the combined company's financial condition and results of operations, and any timely replacement of volumes could prove difficult. In addition, several customers of IMCO and Commonwealth have become involved in bankruptcy or insolvency proceedings and have defaulted on their obligations to IMCO and Commonwealth in recent years, which may negatively affect the combined company's financial condition and results of operations following the merger.

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IMCO and Commonwealth do not have long-term contractual arrangements with a substantial number of their customers and the combined company's sales and revenues could be reduced if its customers switch their suppliers.

Approximately 85% of the combined sales volume of IMCO and Commonwealth is with customers who do not have long-term contractual arrangements with the companies. These customers purchase products and services from IMCO and Commonwealth on a purchase order basis, and may choose not to continue to purchase our products and services. The loss of these customers or a significant reduction in their purchase orders could have a negative impact effect on the combined company's sales volume and business following the merger.

The combined company may not be able to compete successfully in the industries it will serve, which could reduce its share of industry sales and lower its selling prices and reduce sales volumes, which could reduce operating results and negatively impact its financial condition.

Aluminum competes with other material such as steel, plastic and glass for various applications. Higher aluminum prices tend to make aluminum products less competitive with these alternative materials.

Commonwealth competes in the production and sale of common alloy aluminum sheet products with a number of other aluminum rolling mills in the United States and Canada (including large, single purpose sheet mills, continuous casters and other multi-purpose mills, some of which are larger and have greater financial and technical resources than Commonwealth) and with imported products. Commonwealth competes with other rolled products suppliers, principally the multi-purpose mills, on the basis of quality, price, timeliness of delivery and customer service.

IMCO competes with other aluminum and zinc recyclers in segments which are highly fragmented and characterized by smaller, regional operators. The principal factors of competition in IMCO's aluminum and zinc recycling business include price, metal recovery rates, proximity to customers, customer service, molten metal delivery capability, environmental and safety regulatory compliance, and types of services offered.

Additional competition could result in lost share of industry sales or reduced prices for the combined company's products and services, which could decrease revenues or reduce volumes, either of which could have a negative effect on the combined company's financial condition and results of operations.

A growing portion of the combined company's sales are expected to be derived from the combined company's international operations, which will expose the combined company to certain risks inherent in doing business abroad.

Commonwealth currently does not have operations outside the United States. IMCO currently has operations in the United States and in Germany, the United Kingdom, Mexico and Brazil, and we plan to continue to expand the combined company's international operations. The combined company's foreign operations generally will be subject to risks, including:

changes in U.S. and foreign governmental regulations, trade restrictions and laws, including tax laws and regulations;

foreign currency exchange rate fluctuations;

tariffs and other trade barriers;

the potential for nationalization of enterprises;

interest rate fluctuations;

high rates of inflation;

currency restrictions and limitations on repatriation of profits;

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divergent environmental laws and regulations; and

political, economic and social instability.

The occurrence of any of these events could cause the combined company's costs to rise, limit its growth opportunities and have a negative effect on the combined company's operations and its ability to plan for future periods, and subject it to risks not generally prevalent in the U.S.

The financial condition and results of operations of some of the combined company's operating entities will be reported in foreign currencies and then translated into U.S. dollars at the applicable exchange rate for inclusion in the combined company's consolidated financial statements. As a result, generally speaking, appreciation of the U.S. dollar against these foreign currencies will have a negative impact on the combined company's reported revenues and operating profit while depreciation of the U.S. dollar against these foreign currencies will have a positive effect on reported revenues and operating profit. For example, IMCO's German and Brazilian operations were positively impacted during the first half of 2003 due to the strengthening of the Euro and Brazilian Real against the U.S. dollar. We currently do not intend to mitigate this translation effect through the use of derivative financial instruments, which would expose the combined company to risks of currency exchange rate and interest rate fluctuations to a greater degree than if the combined company were to use financial derivative instruments.

Current environmental liabilities, as well as the cost of compliance with and liabilities under health and safety laws, could increase the operating costs of the combined company, negatively impacting its financial condition and results of operations.

The companies' operations are subject to numerous and increasingly stringent federal, state, local and foreign environmental laws and regulations, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, and employee health and safety. Future environmental regulations can be expected to impose stricter compliance requirements on the industries in which the combined company will operate. Additional equipment or process changes at some of IMCO's and Commonwealth's facilities may be required to meet future requirements.

Processing and manufacturing activities at current and formerly-owned properties and adjacent areas have resulted in environmental impacts requiring remediation. We are subject to indemnification obligations to third parties for certain of these properties. Financial responsibility for the remediation of contaminated property or for the amelioration of damage to natural resources can be imposed on the combined company where current or prior operations have had an environmental impact. Such liability can include the cost of investigating and cleaning up these materials, fines and penalties sought by environmental authorities, and damages arising out of personal injury, contaminated property, and other toxic tort claims, as well as lost or impaired natural resources. Certain environmental laws impose joint and several liability for some of these damages, meaning that a person can be held liable for all damages even though others were also involved in causing them. Certain environmental laws also impose liability for some of these damages regardless of whether the person causing the damages did so through any unlawful conduct or other fault. As of December 31, 2003, Commonwealth had accrued an aggregate loss contingency of \$6.7 million for environmental matters; however, future remedial requirements at current and formerly owned properties or adjacent areas could result in liabilities in excess of this amount.

A number of IMCO's long-term supply agreements with its customers contain provisions obligating IMCO to indemnify the customer for certain environmental liabilities.

Initially, the majority of the combined company's environmental compliance expenditures will be directed toward controlling air emissions from all of its operations, ongoing operation and maintenance of eight federal superfund sites and managing and disposing of salt cake from aluminum

recycling. Changes in environmental

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requirements could materially increase the combined company's costs. If salt cake (a by-product from some of IMCO's recycling operations) were to become classified as a hazardous waste in the United States, the costs to manage and dispose of it would increase.

The combined company's business requires substantial capital investments and contractual commitments that the combined company may be unable to fulfill.

The combined company's operations will be capital intensive. On a combined basis, the company's total capital expenditures were approximately \$36.9 million for 2003 and \$16.8 million for the six months ended June 30, 2004. The combined company expects to spend a total of approximately \$43.3 million in capital expenditures during 2004. As of June 30, 2004 on a combined basis, in addition to debt obligations, the companies had contractual obligations of approximately \$392.0 million payable over time.

The combined company's businesses may not generate sufficient operating cash flow and its external financing sources may not be available in an amount sufficient to enable it to make anticipated capital expenditures, service or refinance its indebtedness or fund other liquidity needs. If the combined company is unable to make upgrades or purchase new plant and equipment, its financial condition and results of operations could be affected by higher maintenance costs, lower sales volumes due to the impact of reduced product quality, and other competitive influences.

The combined company could experience labor disputes that could disrupt the companies' business.

Approximately 13% of IMCO's domestic employees and 53% of IMCO's foreign employees are represented by unions or equivalent bodies and are covered by collective bargaining or similar agreements which are subject to periodic renegotiation. Approximately 75% of Commonwealth's hourly-paid employees are represented by labor unions under collective bargaining agreements.

Although the companies believe that they will successfully negotiate new collective bargaining agreements when the current agreements expire, these negotiations:

may not prove successful;

may result in a significant increase in the cost of labor; or

may break down and result in the disruption of our operations.

Labor negotiations may not conclude successfully and, in that case, work stoppages or labor disturbances may occur. Any such stoppages or disturbances may have a negative impact on the combined company's financial condition and results of operations by limiting plant production, sales volumes and profitability.

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The loss of certain members of the management of IMCO and Commonwealth as a combined company may reduce the combined company's industry experience and could cause our operating results to be lower than expected, or may make financing the ongoing operations more difficult.

The combined company's success depends, in part, on the efforts of its senior management and other key employees. These individuals possess sales, marketing, engineering, manufacturing, financial and administrative skills that are critical to the operation of our business. If we lose or suffer an extended interruption in the services of one or more of our senior officers, our financial condition and results of operations may be negatively affected. Moreover, the market for qualified individuals may be highly competitive and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise.

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Risks of Increasing the Authorized Number of Shares of Common Stock of IMCO

The authorization of additional IMCO shares through the proposed amendment of IMCO's certificate of incorporation may discourage certain business combinations or have a dilutive effect.

The availability for issuance of additional shares of IMCO common stock or rights to purchase such shares could enable the board of directors of the combined company to render more difficult or discourage an attempt to obtain control of the combined company. For example, the issuance of IMCO shares in a public or private sale, merger or similar transaction would increase the number of outstanding shares, thereby possibly diluting the interest of a party attempting to obtain control of the combined company. In addition, all or any of the IMCO shares may be issued without further action by the stockholders and without first offering such shares to the stockholders for subscription, subject to applicable laws and listing requirements that may require stockholder

approval for certain issuances of additional shares. The issuance of IMCO shares other than on a pro rata basis to all current stockholders could have the effect of diluting the following:

earnings per share;

book value per share; and

voting power of current stockholders.

IMCO has sufficient authorized and unissued shares of common stock to complete the merger. IMCO presently has no plans or understandings with regard to issuances of additional shares of its common stock, other than in connection with the merger and under its and the combined company's equity compensation plans.

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FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including the documents incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "expect", "anticipate", "will", "look forward to" and similar expressions are intended to identify forward-looking statements.

The expectations set forth in this joint proxy statement/prospectus and the documents incorporated by reference regarding, among other things, accretion of future earnings, achievement of annual savings and synergies, achievement of cash flows and sufficiency of cash flows to fund capital expenditures are only the parties' expectations regarding these matters. Actual results could differ materially from these expectations depending on factors such as:

the factors described under "Risk Factors" beginning on page 26 of this joint proxy statement/prospectus; and

the factors that generally affect IMCO's and Commonwealth's businesses as further outlined in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the companies' Annual Reports on Form 10-K for the year ended December 31, 2003, quarterly reports on Form 10-Q for the quarters ended March 31, 2004 and June 30, 2004, and this joint proxy statement/prospectus, including inflation, labor relations (*i.e.*, disruptions, strikes or work stoppages), decline in the pricing of metals, competitor pricing activity and the general impact of competition, expense volatility, facility capacity levels, changes in and customer acceptance of new technology, changes in equity and debt markets, our ability to control costs and uncertainties concerning the impact terrorist activities may have on the economy and our businesses in general, the state of international, national and regional economies and the success or failure of our operating plans, including our ability to manage growth.

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THE SPECIAL MEETINGS

The IMCO board of directors is using this document to solicit proxies from IMCO stockholders for use at the IMCO special meeting. The Commonwealth board of directors is using this document to solicit proxies from Commonwealth stockholders for use at the Commonwealth special meeting.

IMCO Special Meeting

, a.m. local time, on [October 20], 2004 at the Central Tower at Williams Square, Twenty-Sixth Floor, La Cima Club, 5215 North O Connor Blvd., Irving, Texas

Commonwealth Special Meeting

a.m. local time, on [October 20], 2004 at PNC Plaza, 29th Floor, Jefferson Club, 500 West Jefferson Street, Louisville, Kentucky

Purpose of the Special Meetings

To vote on a proposal to approve the issuance of shares of IMCO common stock pursuant to and in accordance with the merger agreement.

To vote on a proposal to adopt the merger agreement.

To vote on a proposal to amend IMCO's certificate of incorporation to increase its authorized common stock from 40 million shares to 80 million shares.

To vote on a proposal to adjourn or postpone the meeting to permit further solicitation of proxies, if proposed by the board of directors.

To vote on a proposal to approve the IMCO Recycling Inc. 2004 Equity Incentive Plan.

To take action upon any other business that may properly come before the Commonwealth special meeting or any reconvened meeting following an adjournment thereof.

To vote on a proposal to approve the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan.

To vote on a proposal to adjourn or postpone the meeting to permit further solicitation of proxies, if proposed by the board of directors.

To take action upon any other business that may properly come before the IMCO special meeting or any reconvened meeting following an adjournment thereof.

Record Date of the Special Meetings

Holders of record of IMCO common stock at the close of business on September 15, 2004 will be entitled to notice of and to vote at the IMCO special meeting.

Holders of record of Commonwealth common stock at the close of business on September 15, 2004 will be entitled to notice of and to vote at the Commonwealth special meeting.

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Shares Outstanding at the Record Date

As of the record date, there were _____ shares outstanding of IMCO common stock that are entitled to vote at the IMCO special meeting.

As of the record date, there were _____ shares outstanding of Commonwealth common stock that are entitled to vote at the Commonwealth special meeting.

Shares Entitled to Vote at the Special Meetings

Each share of IMCO common stock that you own as of the record date entitles you to one vote on each proposal.

Shares of IMCO common stock held by IMCO or its subsidiaries will not be voted.

Each share of Commonwealth common stock that you own as of the record date entitles you to one vote on each proposal.

Shares of Commonwealth common stock held by Commonwealth or its subsidiaries will not be voted.

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Quorum Requirements for the Special Meetings

A quorum of IMCO stockholders is necessary to hold a valid IMCO special meeting.

The presence in person or by proxy at the IMCO special meeting of holders of a majority of the outstanding shares of IMCO common stock as of the record date and entitled to vote at the IMCO special meeting is necessary for a quorum. Abstentions and broker non-votes count as present for establishing a quorum. Shares of common stock held by IMCO or its subsidiaries do not count toward a quorum. A broker non-vote occurs with respect to a proposal when a broker is not permitted to vote on that proposal without instruction from the beneficial owner of the shares of IMCO common stock and no instruction is given.

A quorum of Commonwealth stockholders is necessary to hold a valid Commonwealth special meeting.

The presence in person or by proxy at the Commonwealth special meeting of holders of a majority of the outstanding shares of Commonwealth common stock as of the record date and entitled to vote at the Commonwealth special meeting is necessary for a quorum. Abstentions and broker non-votes count as present for establishing a quorum. Shares of common stock held by Commonwealth or its subsidiaries do not count toward a quorum.

Shares Owned by IMCO and Commonwealth Directors and Executive Officers as of the Record Date

IMCO directors and officers have the right to vote approximately _____ shares of IMCO common stock. These shares represent approximately _____ % of the IMCO common stock outstanding as of the record date. These individuals have indicated that they intend to vote their IMCO shares in favor of the IMCO proposals.

Commonwealth directors and officers have the right to vote approximately _____ shares of Commonwealth common stock. These shares represent approximately _____ % of the Commonwealth common stock outstanding as of the record date. These individuals have indicated that they intend to vote their Commonwealth shares in favor of the Commonwealth proposals.

Vote Necessary at the Special Meetings to Approve IMCO and Commonwealth Proposals

The proposal to approve IMCO's stock issuance under the merger agreement requires the affirmative vote of holders of a majority of the total votes cast on this proposal in person or by proxy at the IMCO special meeting, so long as the total vote cast on the proposal exceeds 50% of the shares of IMCO common stock outstanding. The approval of the amendment to IMCO's certificate of incorporation to increase its authorized number of shares of common stock requires the affirmative vote of the holders of a majority of the outstanding shares of IMCO common stock entitled to vote at the IMCO special meeting. The proposals to approve each of (1) the IMCO Recycling Inc. 2004 Equity Incentive Plan and (2) the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan require the affirmative vote of the holders of a majority of the total votes cast on such proposal in person or by proxy at the IMCO special meeting, so long as the total vote cast on the proposal exceeds 50% of the shares of IMCO common stock outstanding. Approval of any proposal to adjourn or postpone the meeting to permit further solicitation of proxies requires the affirmative vote of the total votes cast on that proposal in person or by proxy at the IMCO special meeting.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Commonwealth common stock entitled to vote at the special meeting.

Abstentions and broker non-votes will have the same effect as votes against the proposal to adopt the merger agreement.

Approval of any proposal to adjourn or postpone the meeting to permit further solicitation of proxies requires the affirmative vote of the total votes cast on that proposal in person or by proxy at the Commonwealth special meeting.

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A former chief executive officer of IMCO, Don V. Ingram, has agreed pursuant to the Agreement and General Release dated April 20, 2004 between Mr. Ingram and IMCO to vote the IMCO shares held by him and has agreed to vote that stock in the same proportion as other stockholders of IMCO.

The approval of the amendment to the certificate of incorporation to increase the number of authorized shares, and the approval of the IMCO Recycling Inc. 2004 Equity Incentive Plan and the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan are not conditions to the consummation of the merger, and a failure to approve any of those proposals will not affect the completion of the merger.

Broker non-votes will have no effect on the outcome of the proposal to issue IMCO shares in the merger or approval of the IMCO Recycling Inc. 2004 Equity Incentive Plan and the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan so long as the total votes cast on those proposals exceed 50% of the IMCO shares outstanding. Abstentions on these proposals will be counted towards the total votes cast at the special meeting, and will therefore have the effect of negative votes. Abstentions and broker non-votes will have the same effect as votes against the proposal to amend IMCO's certificate of incorporation to increase the authorized shares of common stock.

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VOTING BY PROXY

Voting Your Proxy. You may vote in person at your special meeting or by proxy. We recommend you vote by proxy even if you plan to attend your special meeting. You can always revoke your proxy and vote at your special meeting.

You may vote by telephone, Internet or by completing and mailing the enclosed proxy. If you properly submit your proxy, in time to vote, one of the individuals named as your proxy will vote your shares of common stock as you have directed. You may vote for or against the proposals submitted at your special meeting or you may abstain from voting.

How to Vote*

IMCO Special Meeting

Submit your proxy promptly by telephone or over the Internet in accordance with instructions on the accompanying proxy card or complete, sign, date and return your proxy card in the enclosed prepaid envelope.

Commonwealth Special Meeting

Submit your proxy promptly by telephone or over the Internet in accordance with instructions on the accompanying proxy card or complete, sign, date and return your proxy card in the enclosed prepaid envelope.

* If you hold shares of IMCO or Commonwealth common stock through a broker or other custodian, please follow the voting instructions provided by that firm. If you do not return your proxy card, or if your shares are held in a stock brokerage account or held by a bank, broker or nominee, or, in other words, in street name and you do not instruct your bank, broker or nominee on how to vote those shares, those shares will not be voted at your special meeting.

A number of banks and brokerage firms participate in a program that also permits stockholders whose shares are held in street name to direct their vote by the Internet or telephone. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this joint proxy statement/prospectus. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by the Internet or telephone by following the voting instructions enclosed with the proxy from the bank or brokerage firm. Delaware law generally permits electronic transmission of proxies. The Internet and telephone proxy procedures are designed to authenticate stockholders' identities, to allow stockholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed by the Internet or telephone through such a program must be received by 5:00 p.m., E.T., on _____, 2004 unless the special meeting for which they are being given is postponed or adjourned, in which case it will be 5:00 p.m., E.T. on the date before that special meeting. Requesting a proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by the Internet or by telephone with respect to your shares. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the meeting; however, you must first obtain a signed and properly executed proxy from your bank, broker or nominee to vote your shares held in street name at the special meeting.

If you submit your proxy but do not make specific choices, your proxy will be voted FOR each of the proposals presented.

The IMCO Board of Directors unanimously recommends that IMCO shareholders vote for:

the issuance of shares of IMCO common stock pursuant to and in accordance with the merger agreement;

the increase in the number of authorized shares of IMCO s common stock from 40 million to 80 million and the number of authorized shares of IMCO capital stock from 48 million to 88 million;

the approval of the IMCO Recycling Inc. 2004 Equity Incentive Plan;

the approval of the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan.

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The Commonwealth Board of Directors unanimously recommends that Commonwealth stockholders vote for adoption of the merger agreement.

Approval by IMCO stockholders of the stock issuance pursuant to and in accordance with the merger agreement and adoption by Commonwealth stockholders of the merger agreement are conditions to consummation of the merger. The approval of the IMCO Recycling Inc. 2004 Equity Incentive Plan and the Amended and Restated IMCO Recycling Inc. Annual Incentive Compensation Plan and the proposal to increase the number of authorized shares of IMCO common stock are not conditions to the consummation of the merger agreement, and a failure to approve any of those proposals will not affect the merger.

Revoking Your Proxy. You may revoke your proxy before it is voted by:

submitting a new proxy card with a later date;

submitting a proxy at a later date by telephone or Internet;

notifying your company's Secretary in writing before your special meeting that you have revoked your proxy; or

voting in person at your special meeting.

Other Voting Matters

Voting in Person. If you plan to attend your special meeting and wish to vote in person, we will give you a ballot at your special meeting. However, if your shares of common stock are held in street name, you must first obtain a proxy authorizing you to vote the shares in person.

Proxy Solicitations. IMCO and Commonwealth each will pay its own costs of soliciting proxies.

In addition to this mailing, IMCO and Commonwealth directors, officers and employees (who will not receive any additional compensation for such services) may solicit proxies personally, electronically or by telephone. IMCO and Commonwealth have also separately engaged Georgeson Shareholder Communications Inc. to assist in the solicitation of proxies. IMCO and Commonwealth will pay this firm \$8,500 and \$8,000, respectively, plus certain other customary fees and expenses. Each of IMCO and Commonwealth will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses for sending proxy materials to the beneficial owners of IMCO's common stock and Commonwealth's common stock, respectively.

The extent to which these proxy-soliciting efforts will be necessary depends upon how promptly proxies are submitted. You should submit your proxy without delay by telephone, the Internet or mail.

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Stockholders authorizing proxies or directing the voting of shares by the Internet or telephone should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, and those costs must be borne by the stockholder.

Do not send in any Commonwealth stock certificates with your proxy cards.

Other Business, Adjournment and Postponements

We are not aware of any other business to be acted upon at either special meeting. If, however, other matters are properly brought before either special meeting, your proxies will have discretion to vote or act on those matters according to their best judgment. Any vote on a proposal to consider and approve an adjournment or

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postponement of the special meeting to permit further solicitation of proxies if, at the time of the special meeting, sufficient votes do not exist, is a matter that will be subject to a separate vote.

Other than as set forth in this joint proxy statement/prospectus, any adjournment may be made from time to time by approval of the holders of common stock representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting. If a quorum is not present at either the IMCO or Commonwealth special meeting, holders of common stock of the relevant company may be asked to vote on a proposal to adjourn the relevant special meeting to solicit additional proxies. If a quorum is not present at the IMCO special meeting, the holders of a majority of the shares entitled to vote who are present in person or by proxy at the meeting may adjourn the meeting. If a quorum is not present at the Commonwealth special meeting, the holders of a majority of the shares entitled to vote who are present in person or by proxy may adjourn the meeting. If a quorum is present at either of the special meetings but there are not sufficient votes at the time of the special meeting to approve the other proposal(s), holders of the common stock of the relevant company may also be asked to vote on a proposal to approve the adjournment of the special meeting to permit further solicitation of proxies. IMCO will vote all proxies not voted against the share issuance in favor of a proposal to adjourn the IMCO special meeting. Commonwealth will vote all proxies not voted against the adoption of the merger agreement in favor of a proposal to adjourn the Commonwealth special meeting.

Householding

Commonwealth stockholders:

Only one copy of this joint proxy statement/prospectus has been sent to multiple stockholders of Commonwealth who share the same address and last name, unless Commonwealth has received contrary instructions from one or more of those stockholders. This procedure is referred to as householding. In addition, Commonwealth has been notified that certain intermediaries, such as brokers or banks, will household proxy materials. Commonwealth will deliver promptly, upon oral or written request, a separate copy of this joint proxy statement/prospectus to any stockholder at the same address. If you wish to receive a separate copy of this joint proxy statement/prospectus, you may write to Investor Relations, Commonwealth Industries, Inc., PNC Plaza 19 Floor, 500 West Jefferson Street, Louisville, Kentucky 40202, or call (502) 589-8100. You can contact your broker or bank to make a similar request. Stockholders sharing an address who now receive multiple copies of proxy statements may request delivery of a single copy by writing or calling Commonwealth using contact information above or by contacting their broker or bank, provided that such broker or bank has determined to household proxy materials.

IMCO stockholders:

Only one copy of this joint proxy statement/prospectus has been sent to multiple stockholders of IMCO who share the same address and last name, unless IMCO has received contrary instructions from one or more of those stockholders. This procedure is referred to as householding. In addition, IMCO has been notified that certain intermediaries, such as brokers or banks, will household proxy materials. IMCO will deliver promptly, upon oral or written request, a separate copy of this joint proxy statement/prospectus to any stockholder at the same address. If you wish to receive a separate copy of this joint proxy statement/prospectus, you may write to Investor Relations, IMCO Recycling Inc., 5215 North O Connor Blvd., Suite 1500, Central Tower at Williams Square, Irving, Texas 75039, or call (972) 401-7200. You can contact your broker or bank to make a similar request. Stockholders sharing an address who now receive multiple copies of proxy statements may request delivery of a single copy by writing or calling IMCO using contact information above or by contacting their broker or bank, provided that such broker or bank has determined to household proxy materials.

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THE MERGER

Background of the Merger

IMCO and Commonwealth each have evaluated strategic opportunities from time to time as a part of their ongoing operations, including strategic combinations.

Commonwealth has a long-standing relationship with IMCO, having been a customer of IMCO since March 1992. Pursuant to the supply agreement between Commonwealth and IMCO, Commonwealth purchases aluminum and delivers it to IMCO's Uhrichsville, Ohio facility where it is processed and converted to molten recycled metal, with Commonwealth being responsible for treatment and disposal of the waste generated as a result of IMCO's processing services on behalf of Commonwealth. The supply agreement is due to expire March 31, 2009. Commonwealth has an option to purchase IMCO's Uhrichsville processing facility at the end of the term of the supply agreement, and Commonwealth has the right of first refusal if IMCO desires to sell the facility before the supply agreement expires. If IMCO experiences a change of control (as defined in the supply agreement), Commonwealth's option to purchase IMCO's Uhrichsville facility becomes immediately exercisable. If Commonwealth experiences a change of control (as defined in the supply agreement), both the option to purchase and the right of first refusal automatically terminate.

In early 1999 senior executives at Commonwealth and IMCO discussed the possibility of a strategic combination and determined to enter into confidentiality agreements to ensure the confidentiality of the discussion. Following this initial contact, intermittent discussions continued until early 2002. The discussions, however, never moved beyond a high-level discussion of possible transaction structures and did not include any specific proposals.

Later in 2002, after the earlier discussions had ceased, Don V. Ingram, IMCO's president and chief executive officer at the time, contacted Paul E. Lego, Commonwealth's chairman of the board of directors, for the purpose of restarting discussions about a possible merger of the two companies. Messrs. Ingram and Lego met in July 2002 to organize their respective management teams to assess the possibility of a strategic combination between IMCO and Commonwealth. IMCO set up a group headed by Paul V. Dufour, chief financial officer of IMCO, and Commonwealth set up a group headed by Donald L. Marsh, chief financial officer of Commonwealth at the time, to begin discussions among operational personnel regarding possible synergies that could be realized in a strategic combination of the two companies. IMCO and Commonwealth entered into new confidentiality agreements on September 12, 2002, and established functional teams from each company to identify areas of potential cost improvements and to consider business synergies that could result from combining the two companies. The functional teams met frequently over the next several months to continue refining the potential benefits of the merger. During early 2003, due diligence request lists were first exchanged and certain financial due diligence was conducted. IMCO engaged its financial advisor in early March. The companies, with their financial advisors, discussed financial projections.

Throughout this period, Messrs. Lego and Ingram met and monitored the work being done by the functional teams and discussed merger issues including management, the form of the transaction and financing alternatives.

During the summer, it became apparent that the transaction would not be completed prior to the maturity of IMCO's credit facilities in the fourth quarter of 2003 and IMCO determined to terminate the discussions to focus on the refinancing of its debt.

IMCO completed a refinancing of its debt in early October.

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Commonwealth reinitiated discussions with IMCO in November 2003. In December 2003, the boards of directors of each company set up a committee to engage in detailed discussions regarding a possible merger. The board committees held their first meeting on December 19, 2003 to discuss a proposed process and potential issues. During the week of December 22, 2003, a team of legal, financial, operational and other representatives of IMCO began their due diligence investigation of Commonwealth. Concurrently with this due diligence investigation, a team of Commonwealth representatives conducted a due diligence investigation of IMCO.

While the board committees continued to meet every few weeks during January and February 2004, the management teams and their legal, financial and accounting advisers continued their due diligence reviews. These reviews continued from time to time until the merger agreement was signed. One of the key issues under discussion for a significant part of the period was the management of the combined company, with Commonwealth and IMCO agreeing that neither Mr. Ingram nor Mark V. Kaminski, then Commonwealth's president and chief executive officer, should be the chief executive officer of the combined company on a long-term basis.

In April 2004, Mr. Ingram ceased to be the president, chief executive officer and chairman of the board of IMCO. Richard L. Kerr was appointed as interim president and chief executive officer and John Balkcom was appointed as chairman of the board of IMCO. Discussions continued after Mr. Kerr became interim president and chief executive officer of IMCO. Given the companies' views on Mr. Ingram and Mr. Kaminski as continuing in senior executive capacities for the combined company, the departure of Mr. Ingram did not inhibit negotiations.

The Commonwealth board of directors held its regular meeting on April 22 and special meetings on May 3 and May 11, and discussed social and governance issues, including board membership and executive leadership of the combined company, and the proposed capital structure of the combined company. In addition, at these meetings, the potential disposition of the Alflex subsidiary was discussed, along with other potential transactions which were not beyond preliminary stages. These transactions included the potential acquisition of strategic assets unrelated to the proposed merger, along with a proposed purchase by a financial institution of a significant amount of newly issued equity of Commonwealth to finance the potential acquisition of strategic assets or the purchase of these strategic assets and a potential strategic combination involving Commonwealth.

During the final weeks of negotiations, the parties also discussed the exchange ratio, process and timing of due diligence review, securing fairness opinions, which company would be the surviving entity, the composition of the board and its committees and the composition of executive management and related compensation matters.

On May 12, 2004, the board of directors of IMCO held a meeting with its legal and financial advisors to discuss the proposed merger with Commonwealth. Representatives from Fulbright & Jaworski L.L.P., legal advisers to IMCO, discussed a proposed merger agreement and the legal duties and responsibilities of IMCO's board in connection with the proposed merger. Citigroup then had preliminary discussions with the IMCO board on the financial aspects of the merger.

On May 19, 2004, representatives of the board committees of IMCO and Commonwealth met with representatives of Morgan Stanley and Citigroup to discuss terms of the merger, including proposals for exchange ratios and management of the business of IMCO and Commonwealth as a combined company.

On May 21, 2004, the board of directors of Commonwealth held a meeting with management and its legal and financial advisors to discuss the proposed merger. Representatives of Morgan Stanley, Commonwealth's financial advisor, reviewed its preliminary valuation methodology, including potential exchange ratios, for the proposed merger.

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At a board meeting on May 27, 2004, Citigroup presented information regarding financing alternatives to the IMCO board. In addition, representatives from Fulbright & Jaworski L.L.P. presented an update on the status of negotiations on the merger agreement.

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On May 28, 2004, after the boards of directors of Commonwealth and IMCO authorized further negotiations between the companies, representatives of Commonwealth and IMCO discussed the terms of a proposed merger agreement previously provided by IMCO. On June 2, 2004, Commonwealth provided IMCO with its comments to the draft merger agreement previously provided by IMCO. On June 4, 2004, representatives of Commonwealth and IMCO met to discuss the terms of the merger agreement. These negotiations continued through the execution of the merger agreement while the board committees continued discussions regarding the selection of the chief executive officer for the combined company, valuation (exchange ratio methodology), due diligence items and capital and debt structure.

During the course of negotiations, Commonwealth and IMCO engaged in detailed discussions regarding management of the combined company. When it became known that Steven Demetriou would be available to become the chief executive of the combined company, each of the board committees of Commonwealth and IMCO expressed interest in hiring Mr. Demetriou as its chief executive officer. Commonwealth indicated that it would be willing to retain Mr. Demetriou as its chief executive officer whether or not there was to be a transaction with IMCO. Ultimately, Mr. Demetriou (who has been a director of Commonwealth since 2002) became president and chief executive officer of Commonwealth with the understanding that if a transaction between Commonwealth and IMCO were to occur he would be the chairman of the board and chief executive officer of the combined company. On June 10, 2004 the board of directors of IMCO held a meeting with representatives of Citigroup and Fulbright & Jaworski L.L.P. to review the merger agreement, IMCO's due diligence investigation of Commonwealth and to discuss financial issues relating to the merger. On June 11, 2004, Commonwealth announced that Mr. Demetriou had been appointed as the new president and chief executive officer of Commonwealth, replacing Mr. Kaminski. Because of Mr. Demetriou's involvement with the negotiations as a member of Commonwealth's merger board committee, the negotiation process was able to continue without any significant delay to update Mr. Demetriou and determine whether he would be in favor of proceeding with the merger.

On June 14, 2004, the board of directors of IMCO held a meeting to discuss the merger agreement in detail with representatives from Fulbright & Jaworski L.L.P.

The board of directors of Commonwealth also met on June 14, 2004. At this meeting, Sullivan & Cromwell LLP, legal advisors to Commonwealth, discussed with the Commonwealth board its duties and responsibilities in connection with the consideration of the proposed merger and discussed with the Commonwealth board the terms of the proposed merger agreement. In addition, Morgan Stanley reviewed with the Commonwealth board financial issues related to the merger. At this meeting, representatives from a commercial financial institution discussed a proposed financing structure to be made available to the combined company to refinance certain existing debt. Subsequently, on June 16, 2004, the same commercial financial institution provided draft letters and terms sheets outlining the proposed financing structure. Following the June 14, 2004 meeting and through the next two days, Mr. Balkcom and Don Navarro, two of IMCO's directors on the IMCO board committee, held negotiations with Mr. Demetriou and members of the Commonwealth board committee, along with representatives from Morgan Stanley and Citigroup, to negotiate further on the merger agreement and come to final determinations on the post-closing composition of the board and management of the combined company.

On June 16, 2004, the boards of directors of both IMCO and Commonwealth met separately to review with their respective management and legal and financial advisors the status of the negotiations and the proposed terms and conditions of the merger. During the IMCO board meeting, representatives from Fulbright & Jaworski L.L.P. updated the board on changes to the material terms and conditions of the merger agreement previously discussed and reviewed again the legal duties and responsibilities of IMCO's board in connection with the proposed merger. Citigroup reviewed its financial analysis of the exchange ratio and rendered to IMCO's board an oral opinion, which opinion was confirmed by delivery of a written opinion dated June 16, 2004, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to IMCO. Following discussion, IMCO's board unanimously approved the merger agreement, determined that the merger was advisable and in the best interests of IMCO and the holders of IMCO common stock and determined to submit the proposal to issue IMCO shares under the merger agreement to the holders of IMCO common stock for their approval.

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During the Commonwealth board meeting, representatives from Sullivan & Cromwell LLP updated the board on revisions to the terms of the merger agreement previously discussed. Morgan Stanley reviewed its financial analyses and rendered to Commonwealth's board an oral opinion, which opinion was confirmed by delivery of a written opinion dated June 16, 2004, to the effect that, as of that date and based on and subject to the matters described in its opinion, the merger consideration pursuant to the merger agreement was fair, from a financial point of view, to the holders of Commonwealth common stock. Following discussion, Commonwealth's board unanimously determined that the merger was advisable, approved the merger agreement, determined that the terms of the merger agreement and the transactions contemplated by the merger agreement were advisable and fair to and in the best interests of Commonwealth and the holders of Commonwealth common stock, determined to recommend the merger agreement to the holders of Commonwealth common stock for adoption, and recommended that the holders of Commonwealth common stock adopt the merger agreement.

Prior to taking action on the merger agreement, the Commonwealth and IMCO boards, during their respective meetings, requested that their management discuss with potential financing sources the feasibility of obtaining commitment letters with respect to refinancing the companies' indebtedness. Each company's management reviewed the financial proposals and the conditions set forth in the proposed term sheet and advised their respective boards as to the feasibility of obtaining commitment letters with respect to refinancing the companies' indebtedness. Each board took action to approve the merger after being advised by its management that an acceptable commitment letter for financing could not be obtained in a reasonable timeframe, and that in the judgment of each company's management, the execution of the merger agreement should take place prior to obtaining any such commitment.

Following the IMCO and Commonwealth board meetings, IMCO and Commonwealth executed the merger agreement and on June 17, 2004 issued a joint press release announcing the execution of the merger agreement.

IMCO's Reasons for the Merger

The IMCO board believes that the terms of the merger are fair to and in the best interests of IMCO and its stockholders, has unanimously approved the merger agreement and the proposed merger and unanimously recommends that IMCO stockholders vote **FOR** the approval of the issuance of shares of IMCO common stock pursuant to the merger agreement.

In reaching its conclusion, the IMCO board considered, among other factors:

Anticipated synergies, cost savings and other benefits, with IMCO expecting that annual cost synergies of \$25 million could be achieved beginning 18 to 24 months from the completion of the merger. The sources of these synergies are anticipated to be:

Lower cost structure. The combined company is expected to benefit from economies of scale in its operations, which would reduce administrative costs and provide more favorable pricing and terms from its vendors as well as other advantages over time. These factors are expected to make up approximately 80% of these annual synergies;

Benefits from vertical integration. Consolidating the operations of Commonwealth, one of the largest aluminum scrap consumers in the U.S. and one of IMCO's largest customers, with the operations of IMCO, one of the largest U.S. aluminum scrap processors, provide opportunities to reduce costs through shared services and technologies and coordinate operations between facilities located near each other. These factors are expected to contribute approximately 20% of these annual synergies.

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See Forward-Looking Statements beginning on page 36 of this joint proxy statement/prospectus.

The relatively small size of IMCO's core business industry, limiting to a degree the opportunities for future growth and expansion by itself;

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Greater raw materials sourcing and procurement capabilities than IMCO would possess by itself;

The increased scope and scale of the combined company, with expanded market reach and anticipated higher revenues and cash flows, which should improve its competitive position and better position the combined company for access to U.S. and foreign capital markets;

Improved position for future acquisition and growth opportunities by its increased size and resources, including enhanced abilities to expand internationally and capitalize on other vertical and horizontal opportunities;

IMCO's demonstrated successful long-term business relationship with Commonwealth through the long-term supply agreement for their Uhrichsville, Ohio facilities;

Greater market capitalization and increased liquidity, leading to anticipated higher volumes of market trading of IMCO stock and greater stability in its stock prices;

More diversified end markets than either company alone, reducing end-market concentration.

The business prospects for each company in an industrial economic recovery in the U.S. and abroad;

The structure of the transaction and terms of the merger agreement. See "The Merger Agreement" beginning on page 72 of this joint proxy statement/prospectus;

The results and scope of the due diligence review of Commonwealth's businesses and operations conducted by IMCO;

The presentation and opinion of Citigroup Global Markets described below, including Citigroup's conclusion that the merger consideration was fair, from a financial point of view, to IMCO as of the date of its opinion. The Citigroup opinion is based upon and subject to the factors and assumptions, qualifications and limitations set forth therein; and

The compatibility of the corporate cultures of both companies, the willingness of Steven Demetriou and his leadership team to serve as executive officers for IMCO and Commonwealth as a combined company and the willingness of four Commonwealth directors to join the board of IMCO and Commonwealth as a combined company following the closing.

In determining that the merger was fair to, and in the best interests of, IMCO, the IMCO board considered the factors above as a whole and did not assign specific or relative weights to those factors. The IMCO board believes that the merger is an opportunity for IMCO stockholders to participate in a combined enterprise that has significantly greater business and financial resources and opportunities than IMCO would have absent the merger.

In their consideration, IMCO's board of directors, when weighing the advantages and opportunities listed above, took a number of other factors into account that weighed against the merger, including the following:

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The risks that the costs incurred in connection with the transition of new management and the integration of the two companies operations and personnel would be higher than expected;

The problems of integrating a new management team with both companies personnel, and the possibility that management s attention would be diverted during the transition period;

The risks of not capturing the anticipated synergies and not achieving the other anticipated benefits of the merger;

Potential challenges involved in financing the transaction. The merger agreement provides that completion of the merger is conditioned on refinancing of certain indebtedness of the two companies, for which neither company had obtained financing commitments at the time the merger agreement was entered into;

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Certain provisions of the merger agreement, including:

Provisions requiring IMCO to submit the merger agreement to the IMCO stockholders and to not terminate the merger agreement in the event that IMCO receives a proposal to combine with another company that is superior to the terms of the proposed merger with Commonwealth; and

Provisions that require IMCO to pay a termination fee to Commonwealth if the merger agreement is terminated under certain circumstances.

IMCO's Board of Directors Recommends that IMCO Stockholders Vote in Favor of the Stock Issuance

After consideration of the factors discussed above, and without assigning specific weight to any specific factor, the IMCO's board of directors voting on the merger unanimously determined that the terms of the merger are in the best interest of IMCO.

The IMCO board of directors unanimously recommends that IMCO stockholders vote at the IMCO special meeting to approve the issuance of IMCO common stock pursuant to and in accordance with the merger agreement.

Fairness Opinion of Citigroup Global Markets Inc., Financial Advisor to IMCO

Citigroup was retained to act as financial advisor to IMCO in connection with the merger. Pursuant to IMCO's engagement letter agreement with Citigroup, dated March 7, 2003, Citigroup rendered an oral opinion to the IMCO board of directors on June 16, 2004, which opinion was subsequently confirmed in writing, to the effect that, as of the date of the opinion, and based upon and subject to the considerations and limitations set forth in the opinion, Citigroup's work described below and other factors Citigroup deemed relevant, the exchange ratio was fair, from a financial point of view, to IMCO.

The full text of Citigroup's opinion, which sets forth the assumptions made, general procedures followed, matters considered and limits on the review undertaken, is included as Annex B to this document and has been included in this joint proxy statement/prospectus with the consent of Citigroup. The summary of Citigroup's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of IMCO common stock are urged to read the Citigroup opinion carefully and in its entirety. The following summary, which is qualified in its entirety by reference to the full text of Citigroup's opinion, discusses the material terms of the opinion.

The Citigroup opinion was limited solely to the fairness of the exchange ratio from a financial point of view as of the date of the opinion. Neither the Citigroup opinion nor the related analyses constituted a recommendation of the proposed merger to the IMCO board of directors. Citigroup makes no recommendation to any stockholder regarding how such stockholder should vote with respect to the merger.

In arriving at its opinion, Citigroup reviewed the merger agreement, and held discussions with senior officers, directors and other representatives and advisors of IMCO and senior officers, directors and other representatives of Commonwealth concerning the business, operations and prospects of IMCO and Commonwealth. Citigroup examined publicly available business and financial information relating to IMCO and

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Commonwealth, as well as financial forecasts and other information and data relating to IMCO and Commonwealth which were provided to or otherwise reviewed by or discussed with Citigroup by the respective managements of IMCO and Commonwealth, including information relating to the potential strategic implications and operational benefits anticipated by the managements of IMCO and Commonwealth to result from the merger. Citigroup reviewed the financial terms of the merger as set forth in the merger agreement in relation to, among other things:

current and historical market prices and trading volumes of IMCO common stock and Commonwealth common stock;

the historical and projected earnings and other operating data of IMCO and Commonwealth; and

the capitalization and financial condition of IMCO and Commonwealth.

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Citigroup analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citigroup considered relevant in evaluating those of IMCO and Commonwealth. Citigroup also evaluated the *pro forma* financial effects of the merger. In addition to the foregoing, Citigroup conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citigroup deemed appropriate in arriving at its opinion.

In rendering its opinion, Citigroup assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it. With respect to financial forecasts and other information and data relating to IMCO and Commonwealth provided to or otherwise reviewed by or discussed with it, Citigroup was advised by the respective managements of IMCO and Commonwealth that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of IMCO and Commonwealth as to the future financial performance of IMCO and Commonwealth, the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated to result from the merger and the other matters covered thereby. Citigroup assumed, with the consent of the IMCO board of directors, that the merger will be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on IMCO or Commonwealth or the contemplated benefits of the merger. Citigroup also assumed, with the consent of the IMCO board of directors, that the merger will be treated as a tax-free reorganization for federal income tax purposes.

Citigroup noted that its opinion relates only to the relative values of IMCO and Commonwealth. Citigroup did not express any opinion as to what the value of the IMCO common stock actually will be when issued pursuant to the merger or the price at which the IMCO common stock will trade at any time. Citigroup did not make and was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of IMCO or Commonwealth, nor did Citigroup make any physical inspection of the properties or assets of IMCO or Commonwealth.

In connection with rendering its opinion, Citigroup was not requested to, and did not, solicit third party indications of interest in the possible acquisition of all or a part of IMCO, nor was it requested to consider, and its opinion did not address, the relative merits of the merger as compared to any alternative business strategies or transactions that might exist for IMCO or the effect of any other transaction in which IMCO might engage. Citigroup's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of the date of its opinion.

In connection with rendering its opinion, Citigroup made a presentation to the IMCO board of directors on June 16, 2004 with respect to the material analyses performed by Citigroup in evaluating the fairness of the exchange ratio to IMCO as of that date. The following is a summary of that presentation. The summary includes information presented in tabular format. **To understand fully the financial analyses used by Citigroup, these tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.** The following quantitative information, to the extent it is based on market data, is, except as otherwise indicated, based on market data as it existed at or prior to June 9, 2004, and is not necessarily indicative of current or future market conditions.

Table of Contents*Implied Historical Exchange Ratio Analysis*

Citigroup derived implied historical exchange ratios by dividing the closing price per share of Commonwealth common stock by the closing price per share of IMCO common stock for each trading day in the period from June 10, 2002 through June 9, 2004. Citigroup calculated that the implied exchange ratio as of June 9, 2003 was 0.68x. Citigroup also calculated the high, low and average implied exchange ratios for each of the following calendar periods ended June 9, 2004:

	<u>High</u>	<u>Low</u>	<u>Average</u>
Last Three Months	0.96	0.65	0.78
Last Six Months	1.07	0.61	0.82
Last Nine Months	1.07	0.56	0.81
Last Twelve Months	1.07	0.55	0.78
Last Two Years	1.19	0.55	0.79

Citigroup compared the high, low and average historical exchange ratios for each of the calendar periods listed above to the exchange ratio in the merger. Citigroup noted that the exchange ratio in the merger is within the range of the implied historical exchange ratios for each of the calendar periods listed above and is comparable to the average implied historical exchange ratio for each of the calendar periods listed above.

Comparable Companies Analysis

Citigroup compared certain financial, operating and stock market data and forecasted financial information for selected publicly traded companies that Citigroup deemed appropriate to similar information for IMCO and Commonwealth. For purposes of its analysis, Citigroup selected two integrated aluminum companies and three aluminum processors. The comparable companies considered by Citigroup were:

Alcoa Inc.

Alcan Inc.

Mueller Industries, Inc.

Quanex Corporation

Wolverine Tube, Inc.

In the course of this analysis, the forecasted financial information used by Citigroup for IMCO was based on information provided by IMCO management. The forecasted financial information used by Citigroup for Commonwealth was based on information provided by Commonwealth management, adjusted to (i) remove certain prospective equity investments by Commonwealth, (ii) reflect certain pension and other employee benefit related expenses, and (iii) reflect an effective tax rate of 38%. The forecasted financial information with respect to Commonwealth used by Citigroup in all of its analyses reflects the *pro forma* effect of Commonwealth's sale of Alflex. The forecasted financial information used by

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Citigroup for the selected comparable companies was based on information published by I/B/E/S which compiles summaries of financial forecasts published by various investment banking firms.

For each of IMCO, Commonwealth and the selected comparable companies, Citigroup derived and compared, among other things:

the ratio of the company's firm value as of June 14, 2004 to its earnings before interest expense, taxes, depreciation and amortization (EBITDA) for the last twelve-month period (LTM) for which results were available; and

the ratio of the company's firm value as of June 14, 2004 to its estimated EBITDA for calendar year 2004.

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Firm value was calculated as the sum of the value of:

all shares of common stock, assuming the exercise of all in-the-money options, warrants and convertible securities, less the proceeds from such exercise; plus

non-convertible indebtedness; plus

non-convertible preferred stock; plus

minority interests; plus

out-of-the-money convertible securities; minus

investments in unconsolidated affiliates and cash.

The following table sets forth the results of this analysis.

	<u>High</u>	<u>Low</u>	<u>Mean</u>
Ratio of Firm Value to LTM EBITDA	13.0x	8.3x	10.4x
Ratio of Firm Value to 2004 Forecasted EBITDA	8.0x	5.9x	7.2x

Based on this analysis, Citigroup derived a reference range for the implied equity value of a share of IMCO common stock of \$10.50 to \$14.50 and a reference range for the implied equity value of a share of Commonwealth common stock of \$6.50 to \$9.75. Citigroup further derived an implied exchange ratio based on this analysis of 0.448x to 0.929x. Citigroup noted that the exchange ratio in the merger was within this derived range.

Discounted Cash Flow Analysis

Citigroup performed discounted cash flow analyses for IMCO common stock and Commonwealth common stock. The forecasted financial information used by Citigroup for IMCO common stock was based on information provided by IMCO management. With respect to Commonwealth common stock, Citigroup performed two discounted cash flow analyses; in one analysis, Citigroup used the unadjusted forecasted financial information provided by Commonwealth management; in the other analysis, Citigroup used Commonwealth's forecasted financial information adjusted as described above. In the course of these analyses, Citigroup calculated the estimated present value of each of IMCO's and Commonwealth's unlevered free cash flows for the calendar years 2004 through 2008. Citigroup added to that the estimated present value of the forecasted terminal value of each of IMCO and Commonwealth at the end of 2008. For purposes of this analysis, Citigroup utilized discount rates ranging from 9.0% to 11.0%, and terminal values based on multiples of projected terminal EBITDA at the end of the forecast period ranging from 4.0x to 6.0x for IMCO and 5.0x to 7.0x for Commonwealth. Citigroup derived discount rates based on its analysis of IMCO's cost of debt and equity capital. Based on this data, Citigroup derived the following reference ranges of implied equity value per share of IMCO common stock and Commonwealth common stock:

	Reference Range
IMCO Common Stock	\$10.50 to \$14.85
Commonwealth Common Stock Unadjusted Case	\$10.75 to \$13.90
Commonwealth Common Stock Adjusted Case	\$ 6.75 to \$ 9.40

Citigroup further derived a reference range of 0.724x to 1.324x for the implied exchange ratio based on Commonwealth management's unadjusted forecasts and a reference range of 0.455x to 0.895x for the implied exchange ratio based on Commonwealth management's forecasts as adjusted. Citigroup noted that the exchange ratio in the merger was within both derived ranges.

Table of Contents*Accretion/Dilution and Synergy Analyses*

Citigroup analyzed the *pro forma* effect of the transaction on IMCO's forecasted earnings per share (EPS) for calendar years 2004 through 2008. The forecasted financial information used by Citigroup for IMCO was based on information provided by IMCO management, and the forecasted financial information for Commonwealth was based on information provided by Commonwealth management, adjusted as described above. Among other things, Citigroup assumed, based on management forecasts, that the pre-tax annual operating synergies as a result of the transaction would be \$25 million following successful integration; Citigroup further assumed that the business of IMCO and Commonwealth as a combined company would be taxed at a 38% rate and certain existing IMCO and Commonwealth debt would be refinanced. Citigroup performed an analysis of the combined company's *pro forma* results by integrating the projections made by management and performing certain adjustments based on the data described above. Based on this analysis, Citigroup noted that if 100% of management's forecasted synergies were realized the transaction would be accretive to IMCO's forecasted EPS in calendar years 2005 through 2008 and dilutive in calendar year 2004, and if 50% of management's forecasted synergies were realized the transaction would be accretive to IMCO's forecasted EPS in calendar years 2005, 2006 and 2008, dilutive in calendar year 2004, and dilutive in calendar year 2007.

Citigroup also derived a *pro forma* price per share for IMCO common stock using the same management projections for IMCO and Commonwealth described above for 2005 and management's forecast for synergies resulting from the merger in 2005. Assuming a ratio of firm value to 2005 estimated EBITDA of 6.0x and applying that ratio to the derived *pro forma* operating results described above, Citigroup derived a price of \$19.45 per share of IMCO common stock assuming 100% realization of management's projected synergies for 2005 and a price of \$17.35 per share of IMCO common stock assuming 50% realization of management's projected synergies for 2005.

Citigroup's advisory services and opinion were provided for the information of the IMCO board of directors in its evaluation of the merger and did not constitute a recommendation of the merger to IMCO or a recommendation to any holder of IMCO common stock as to how that stockholder should vote on any matters relating to the merger.

The preceding discussion is a summary of the material financial analyses furnished by Citigroup to the IMCO board of directors, but it does not purport to be a complete description of the analyses performed by Citigroup or of its presentation to the IMCO board of directors. The preparation of financial analyses and fairness opinions is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. Citigroup made no attempt to assign specific weights to particular analyses or factors considered, but rather made qualitative judgments as to the significance and relevance of all the analyses and factors considered and determined to give its fairness opinion as described above. Accordingly, Citigroup believes that its analyses, and the summary set forth above, must be considered as a whole, and that selecting portions of the analyses and of the factors considered by Citigroup, without considering all of the analyses and factors, could create a misleading or incomplete view of the processes underlying the analyses conducted by Citigroup and its opinion. With regard to the comparable companies analysis summarized above, Citigroup selected comparable public companies on the basis of various factors, including size and similarity of the line of business of the relevant entities; however, no company utilized in this analysis is identical to IMCO or Commonwealth. As a result, this analysis is not purely mathematical, but also takes into account differences in financial and operating characteristics of the subject companies and other factors that could affect the public trading value of the subject companies to which IMCO and Commonwealth are being compared.

In its analyses, Citigroup made numerous assumptions with respect to IMCO, Commonwealth, industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of IMCO and Commonwealth. Any estimates contained in Citigroup's analyses, while they accurately reflect the results of Citigroup's analyses, are not necessarily indicative of actual values or predictive

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of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Estimates of values of companies do not purport to be appraisals or necessarily to reflect the prices at which companies may actually be sold. Because these estimates are inherently subject to uncertainty, none of IMCO, Commonwealth, the IMCO board of directors, the Commonwealth board of directors, Citigroup or any other person assumes responsibility if future results or actual values differ materially from the estimates.

Citigroup's analyses were prepared solely as part of Citigroup's analysis of the fairness of the exchange ratio and were provided to the IMCO board of directors in that connection. The opinion of Citigroup was only one of the factors taken into consideration by the IMCO board of directors in making its determination to approve the merger agreement and the merger. See IMCO's Reasons for the Merger on page 46.

Citigroup is an internationally recognized investment banking firm engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. IMCO selected Citigroup to act as its financial advisor to the transaction committee of IMCO in connection with the proposed merger on the basis of Citigroup's international reputation and Citigroup's familiarity with IMCO.

Pursuant to its engagement letter with IMCO, Citigroup is entitled to the following fees: (1) \$150,000, which became payable upon execution of the engagement letter, (2) \$150,000, for each quarter during the term of Citigroup's engagement, (3) \$750,000, which became payable upon delivery of Citigroup's fairness opinion and (4) \$2,750,000, less all fees paid pursuant to the previous clauses, in the event the merger is consummated. Citigroup and its affiliates may also be providing certain financing services to IMCO in connection with the merger for which Citigroup or its affiliates expect to receive compensation. Citigroup and its affiliates in the past have provided, and are currently providing, services to IMCO unrelated to the proposed merger, for which services Citigroup and its affiliates have received and expect to receive compensation. In particular, Citigroup acted as a co-manager of IMCO's offering of its 10.375% Senior Secured Notes due 2010 which closed on October 6, 2003. Citigroup received fees of \$450,000 in that transaction. In the ordinary course of its business, Citigroup and its affiliates may actively trade or hold the securities of IMCO and Commonwealth for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citigroup and its affiliates (including Citigroup Global Markets Inc. and its affiliates) may maintain relationships with IMCO, Commonwealth and their respective affiliates.

Commonwealth's Reasons for the Merger

The Commonwealth board of directors believes that the merger presents an opportunity to combine two complementary companies to create a highly competitive vertically integrated aluminum recycler and fabricator. The Commonwealth board of directors determined that the merger was consistent with the strategic plans of Commonwealth and was in the best interests of Commonwealth and its stockholders. In reaching the conclusion to unanimously approve and adopt the merger agreement and to recommend that the Commonwealth stockholders vote to adopt the merger agreement, the Commonwealth board of directors considered a number of factors weighing in favor of the merger, including the following:

Commonwealth's and IMCO's businesses, operations, financial condition, asset quality, earnings and prospects. In particular, Commonwealth's board of directors considered the following factors:

The combined company should have greater key raw materials capabilities than Commonwealth on a stand-alone basis;

The expanded scale and scope of the combined company should improve its competitive position;

The combined company should be better positioned to pursue future growth opportunities, including an improved ability to expand internationally and to capitalize on other vertical and horizontal consolidation opportunities;

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The combined company should be better positioned to pursue future growth opportunities, including an improved ability to expand internationally and to capitalize on other vertical and horizontal consolidation opportunities;

The combined company should be able to better utilize its technology to develop new products and solutions; and

The combined company will have more diversified end markets than either company alone, reducing end-market concentration.

The belief of Commonwealth's board of directors that the merger should provide both immediate and long-term increases to stockholder value. In particular, Commonwealth's board of directors considered that:

The combined company expects to achieve annual cost savings of approximately \$25 million beginning 18 to 24 months from the completion of the merger;

The merger is expected to be accretive to earnings per share for Commonwealth's stockholders in the year in which the annual cost savings referred to immediately above are expected to be achieved by approximately 30.9%; and

The combined company will have the opportunity to reduce its financial leverage over time, which will potentially reduce the interest expense and increase the net income and cash flow of the combined company.

The larger size of the combined company will improve its access to the capital markets, as well as increasing the equity market capitalization and liquidity of its stock;

The fact that Commonwealth stockholders in the aggregate will represent a significant equity percentage of the combined company, which will enable Commonwealth's stockholders to participate in any future growth of the combined company;

The opinion of Morgan Stanley provided orally on June 16, 2004 and confirmed in writing as of the same date to the effect that the exchange ratio pursuant to the merger agreement was, as of that date, fair from a financial point of view to holders of shares of Commonwealth common stock and the related presentation by and analyses of Morgan Stanley;

The results and scope of the due diligence review conducted by and on behalf of Commonwealth relating to IMCO's businesses and operations;

The review by Commonwealth's board of directors with Sullivan & Cromwell LLP and Morgan Stanley, of the provisions of the merger agreement, including the following:

The nature of the closing conditions included in the merger agreement, including the standards for obtaining regulatory consents;

The corporate governance arrangements established for the transaction, including the board, board committee and senior executive designations;

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The provisions of the merger agreement that permit the board of directors of Commonwealth to respond to and engage in discussions or negotiations regarding unsolicited third party acquisition proposals under specified circumstances;

The provisions of the merger agreement that permit the board of directors of Commonwealth under specified circumstances to withdraw its recommendation that the stockholders vote in favor of adopting the merger agreement or to recommend a superior proposal to the stockholders; and

The provisions of the merger agreement that restrict IMCO's ability to solicit additional transactions.

The Commonwealth board of directors weighed these advantages and opportunities against a number of other factors identified in its deliberations weighing negatively against the merger, including the following:

The challenges inherent in the combination of two businesses and the possible diversion of management attention during the transition period for the management team;

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The risk of not capturing all the anticipated synergies between Commonwealth and IMCO and the risk that the other anticipated benefits of the merger might not be realized;

The terms of IMCO's existing 10¹/₈% senior secured notes due 2010, which may effectively limit the financing and strategic opportunities of the combined company; and

Certain provisions of the merger agreement, including in particular the following:

The condition to consummation of the merger that refinancing of certain indebtedness of the two companies be obtained, for which neither company had obtained financing commitments at the time the merger agreement was entered into and the challenges involved in obtaining adequate financing on acceptable terms;

The requirement that the Commonwealth board of directors must submit the merger agreement to the Commonwealth stockholders and may not terminate the merger agreement in the event that Commonwealth receives a superior proposal; and

The provisions that require Commonwealth to pay a termination fee to IMCO if the merger agreement is terminated under certain circumstances. The Commonwealth board further noted that the termination fee provisions were symmetrical, and would require IMCO to pay the same fee to Commonwealth in parallel circumstances.

After consideration of these factors, the Commonwealth board of directors determined that these risks were significantly outweighed by the potential benefits of the merger.

Although each member of Commonwealth's board of directors individually considered these and other factors, the board did not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board collectively made its determination with respect to the merger based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the merger is in the best interests of Commonwealth and its stockholders.

Recommendation of the Commonwealth Board of Directors

The Commonwealth board of directors unanimously recommends that stockholders of Commonwealth vote FOR adoption of the merger agreement.

Fairness Opinion of Morgan Stanley & Co. Incorporated, Financial Advisor to Commonwealth

Commonwealth retained Morgan Stanley to provide Commonwealth with financial advisory services in connection with its merger with IMCO. The Commonwealth board of directors selected Morgan Stanley to act as Commonwealth's financial advisor based on Morgan Stanley's qualifications, expertise and reputation and its knowledge of the business and affairs of Commonwealth. At the meeting of the Commonwealth board of directors on June 16, 2004, Morgan Stanley rendered its oral opinion, subsequently confirmed in a written opinion dated June 16, 2004, that as of June 16, 2004, and subject to and based on the considerations set forth in its opinion, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of shares of Commonwealth common stock.

The full text of Morgan Stanley's opinion, dated June 16, 2004, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Morgan Stanley is attached as *Annex C* to this joint proxy statement/prospectus and has been included in this joint proxy statement/prospectus with the consent of Morgan Stanley. We urge you to read this opinion carefully and in its entirety. Morgan Stanley's opinion is directed to the board of directors of Commonwealth, addresses only the fairness from a financial point of view of the exchange ratio pursuant to the merger agreement as of June 16, 2004, and does not address any other aspect of the merger or constitute a recommendation to any Commonwealth stockholder as to how to vote at the special meeting. This summary is qualified in its entirety by reference to the full text of the opinion.

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In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other information of Commonwealth and IMCO;

reviewed certain internal financial statements and other financial and operating data concerning Commonwealth and IMCO prepared by management of Commonwealth and IMCO, respectively;

reviewed certain financial projections prepared by the management of Commonwealth and by the management of IMCO;

discussed the past and current operations and financial condition and the prospects of Commonwealth and IMCO, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Commonwealth and IMCO, respectively;

reviewed the pro forma impact of the merger on Commonwealth's earnings per share, cash flow, consolidated capitalization and financial ratios;

reviewed the reported prices and trading activity for the Commonwealth common stock and the IMCO common stock;

compared the financial performance of Commonwealth and IMCO and the prices and trading activity of the Commonwealth common stock and the IMCO common stock with that of certain other publicly-traded companies and their securities;

participated in discussions and negotiations among representatives of Commonwealth and IMCO and their financial and legal advisors;

discussed certain corporate governance issues regarding Commonwealth and IMCO with representatives of Commonwealth and IMCO and their legal advisors;

reviewed financing proposals in connection with the merger and discussed those proposals with Commonwealth management;

reviewed the merger agreement; and

performed such other analyses and considered such other factors as it deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon without independent verification the accuracy and completeness of the information reviewed by Morgan Stanley for the purposes of its opinion. With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Commonwealth and IMCO. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement, including, among other things, that the merger will be treated as a tax-free reorganization, pursuant to the Internal Revenue Code of 1986, and that the financings necessary to consummate the merger will be consummated on terms substantially as discussed with Morgan Stanley by the management of Commonwealth and will be sufficient to consummate the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Commonwealth or IMCO, nor was Morgan Stanley furnished with any such appraisals. Morgan Stanley is not a legal or regulatory expert, and Morgan Stanley relied on the assessments of such experts with respect to such issues. Morgan Stanley's

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opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of, June 16, 2004.

The following is a summary of the material financial analyses performed by Morgan Stanley in connection with its oral opinion and the preparation of its written opinion. These summaries of financial analyses include information presented in tabular format. To fully understand the financial analyses used by Morgan Stanley, the

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tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses.

52-week Common Stock Trading Range for Commonwealth and IMCO

Morgan Stanley analyzed the historical closing prices and trading volumes for the common stock of Commonwealth for the period from June 16, 2003 to June 10, 2004. During that time, the lowest closing price for Commonwealth common stock was \$4.33 per share and the highest closing price was \$11.04 per share. Morgan Stanley noted that the Commonwealth common stock closed at a price of \$8.60 per share on June 16, 2004. Morgan Stanley also noted that the implied purchase price of Commonwealth common stock, based on the closing prices of IMCO common stock and Commonwealth common stock on June 16, 2004 and the exchange ratio of 0.815 as set forth in the merger agreement, was \$10.95 per share and was near the highest closing price of Commonwealth for the 52-week period.

Morgan Stanley also analyzed the historical closing prices and trading volumes for the common stock of IMCO for the period from June 16, 2003 to June 10, 2004. During that time, the lowest closing price for IMCO common stock was \$5.45 per share and the highest closing price was \$14.68.

Comparable Companies Analysis

While noting that no comparable public company is exactly identical to Commonwealth or IMCO, Morgan Stanley compared selected financial information for Commonwealth and IMCO with publicly available information for comparable companies. These companies were selected based on their product offerings, business profiles and operating processes. Each of these companies operates in the metal processing, manufacturing and/or fabricating industries and demonstrates operating and business characteristics similar to those of Commonwealth and IMCO. Based upon publicly available estimates of certain securities research analysts and using the closing prices as of June 10, 2004, Morgan Stanley calculated, for each of these companies, the stock trading price divided by the earnings per share estimates for calendar years 2004 and 2005 (the price/earnings multiple) and the aggregate value divided by the EBITDA estimates for calendar years 2004 and 2005 (the aggregate value/EBITDA multiple). The aggregate value of a company was defined as the market value of equity less cash plus the value of any debt (including any receivables purchase agreement), capital lease and preferred stock obligations of the company. For companies whose EBITDA estimates were not available, N.A. is shown for the multiple. The following table shows the results of these calculations:

COMPARABLE COMPANIES ANALYSIS COMMONWEALTH

Comparable Company	Aggregate Value / EBITDA		Price / Earnings	
	2004E x	2005E x	2004E x	2005E x
Commonwealth ⁽¹⁾	6.8	5.0	10.9	4.2
IMCO ⁽¹⁾	6.2	6.0	18.9	16.8
Commercial Metals Company	N.A.	N.A.	6.6	6.3
Quanex Corporation	5.9	5.5	12.4	11.4
Steel Dynamics, Inc.	3.9	4.6	6.6	8.1
Steel Technologies Inc.	6.8	6.5	10.1	9.9

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Mueller Industries, Inc.	7.4	6.2	18.4	14.7
Wolverine Tube, Inc.	7.7	7.3	24.3	19.3
Owens-Illinois, Inc.	6.4	5.6	10.9	8.5
Reliance Steel & Aluminum Co.	6.8	6.4	10.9	13.0
Silgan Holdings Inc.	6.2	6.2	10.2	10.0
Mean:	6.4	6.0	12.9	11.8
Median:	6.4	6.2	10.9	10.7

(1) Multiples for Commonwealth and IMCO based on publicly available EBITDA and earnings per share estimates

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Using a 2004 aggregate value/EBITDA multiple range between 5.0x and 6.5x implied a Commonwealth common stock price per share between \$0.00 and \$2.90. Morgan Stanley noted that the implied purchase price for Commonwealth common stock pursuant to the merger agreement as of June 16, 2004 was \$10.95 per share.

Using a 2005 aggregate value/EBITDA multiple range between 5.0x and 6.0x implied a Commonwealth common stock price per share between \$6.50 and \$10.59. Morgan Stanley noted that the implied purchase price for Commonwealth common stock pursuant to the merger agreement as of June 16, 2004 was \$10.95 per share.

Using a 2004 price/earnings multiple range between 10.0x and 13.0x implied a Commonwealth common stock price between \$1.40 and \$1.82 per share. Morgan Stanley noted that the implied purchase price for Commonwealth common stock pursuant to the merger agreement as of June 16, 2004 was \$10.95 per share.

Using a 2005 price/earnings multiple range between 9.0x and 11.0x implied a Commonwealth common stock price between \$10.44 and \$12.76 per share. Morgan Stanley noted that the implied purchase price for Commonwealth common stock pursuant to the merger agreement as of June 16, 2004 was \$10.95 per share.

COMPARABLE COMPANIES ANALYSIS IMCO

Comparable Company	Aggregate Value / EBITDA		Price / Earnings	
	2004E	2005E	2004E	2005E
	x	x	x	x
IMCO ⁽¹⁾	6.2	6.0	18.9	16.8
Commonwealth ⁽¹⁾	6.8	5.0	10.9	4.2
Commercial Metals Company	N.A.	N.A.	6.6	6.3
Steel Technologies Inc.	6.8	6.5	10.1	9.9
Mueller Industries, Inc.	7.4	6.2	18.4	14.7
Wolverine Tube, Inc.	7.7	7.3	24.3	19.3
Mean:	7.2	6.3	14.1	10.9
Median:	7.2	6.3	12.5	10.4

(1) Multiples for Commonwealth and IMCO based on publicly available EBITDA and earnings per share estimates

Using a 2004 aggregate value/EBITDA multiple range between 6.0x and 7.0x implied an IMCO common stock price between \$11.22 and \$15.65 per share. Morgan Stanley noted that the closing price of IMCO common stock was \$13.43 per share on June 16, 2004.

Using a 2005 aggregate value/EBITDA multiple range between 5.5x and 6.5x implied an IMCO common stock price between \$11.56 and \$16.45 per share. Morgan Stanley noted that the closing price of IMCO common stock was \$13.43 per share on June 16, 2004.

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Using a 2004 price/earnings multiple range between 10.0x and 17.0x implied an IMCO common stock price per share between \$6.90 and \$11.73. Morgan Stanley noted that the closing price of IMCO common stock was \$13.43 per share on June 16, 2004.

Using a 2005 price/earnings multiple range between 10.0x and 15.0x implied an IMCO common stock price per share between \$8.30 and \$12.45. Morgan Stanley noted that the closing price of IMCO common stock was \$13.43 per share on June 16, 2004.

No company included in the comparable company analysis is identical to Commonwealth or IMCO. In evaluating the comparable companies, Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of Commonwealth or IMCO, such as the impact of competition on the business of

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Commonwealth or IMCO and the industry in general, industry growth and the absence of any material adverse change in the financial condition and prospects of Commonwealth or IMCO or the industry or in the financial markets in general. Mathematical analysis, such as determining the average or median, or the high or low, is not in itself a meaningful method of using comparable company data.

Discounted Cash Flow Analysis

Morgan Stanley performed a discounted cash flow analysis for each of Commonwealth and IMCO. The financial information used to complete this analysis was based on financial projections provided to Morgan Stanley by the management of Commonwealth and IMCO, respectively. In each case, Morgan Stanley calculated the present value of the unlevered free cash flows for the period beginning October 1, 2004 and ending on December 31, 2008. Morgan Stanley added to this amount the present value of a terminal value, an amount calculated by multiplying the company's projected EBITDA for 2008 by an aggregate value/EBITDA multiple. Morgan Stanley calculated terminal values for Commonwealth by utilizing aggregate value/EBITDA multiples of 5.0x and 6.0x and calculated terminal values for IMCO by utilizing aggregate value/EBITDA multiples of 6.0x and 7.0x. For purposes of this analysis, Morgan Stanley used discounted rates of 9%, 10% and 11% for both Commonwealth and IMCO, which Morgan Stanley believed provided a reasonable range of each of Commonwealth's and IMCO's cost of capital. For purposes of this analysis, Morgan Stanley used a 40% statutory tax rate for Commonwealth and included the projected utilization of tax net operating loss carryforwards in unlevered free cash flow. The following table summarizes the results of this analysis:

Discounted Cash Flow Analysis	Price Per Share	Discount Rate Range	
		11%	9%
Commonwealth Range: 5.0x – 6.0x terminal multiple		\$ 9.89	\$ 13.97
IMCO Range: 6.0x – 7.0x terminal multiple		\$ 15.97	\$ 22.17
Implied Exchange Ratio Range		0.61x	0.62x

Morgan Stanley noted that the implied purchase price for Commonwealth commons stock pursuant to the merger agreement as of June 16, 2004 was \$10.95 per share.

Morgan Stanley also noted that IMCO's share price was \$13.43 per share as of June 16, 2004.

Morgan Stanley then compared the range of implied share prices for Commonwealth and for IMCO based upon the discounted cash flow analysis described above to derive a range of implied exchange ratios. This analysis indicated a range of exchange ratios of 0.61 to 0.62. Morgan Stanley noted that the exchange ratio set as forth in the merger agreement was 0.815.

Historical Exchange Ratio

Morgan Stanley analyzed the relative share prices for the common stock of Commonwealth and IMCO for the period from January 1, 1998 to June 16, 2004. The following table summarizes the results of the analysis.

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<u>Time Period</u>	<u>Commonwealth Share Price</u>	<u>IMCO Share Price</u>	<u>Implied Exchange Ratio</u>	<u>Premium at 0.815 Exchange Ratio</u>
June 16, 2004	\$ 8.60	\$ 13.43	0.640	27.3%
30-day Average	\$ 8.86	\$ 12.53	0.712	14.5%
6-month Average	\$ 7.97	\$ 9.91	0.811	0.5%
1-year Average	\$ 6.73	\$ 8.63	0.778	4.7%
2-year Average	\$ 6.21	\$ 7.94	0.790	3.1%

Morgan Stanley noted that the exchange ratio as set forth in the merger agreement was 0.815.

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Morgan Stanley performed a relative contribution analysis to determine how the equity contribution of Commonwealth to the combined company and implied exchange ratio, based on the various operating and financial measurement factors described below, compared to the percentage of the total equity of the combined company that Commonwealth stockholders would receive as a result of the merger and the exchange ratio as set forth in the merger agreement. In performing this analysis, Morgan Stanley compared the pro forma contribution of each of Commonwealth and IMCO to the combined company, assuming completion of the merger, on a historical and projected basis using projections provided by Commonwealth and IMCO management. Morgan Stanley considered the following measurement factors for each of 2000, 2001, 2002, 2003 and estimated 2004:

EBITDA

Cash Flow

Net Income

The following table presents the results of that analysis. In cases where either company's financial results are negative, not meaningful (N.M.) is shown for the relative contribution and implied exchange ratio:

	Commonwealth ⁽¹⁾		IMCO ⁽¹⁾		Implied Exchange Ratio
	Commonwealth	IMCO	Commonwealth	IMCO	
	\$MM	\$MM			
EBITDA					
2000A	\$ 64.8	\$ 63.2	50.6%	49.4%	0.98x
2001A	\$ 17.6	\$ 51.3	25.5%	74.5%	0.34x
2002A	\$ 39.4	\$ 56.0	41.3%	58.7%	0.68x
2003A	\$ 38.8	\$ 54.9	41.4%	58.6%	0.69x
2004E	\$ 39.7	\$ 70.7	36.0%	64.0%	0.55x
Cash Flow(2)					
2000A	\$ 40.6	\$ 29.5	57.9%	42.1%	1.29x
2001A	\$ 9.0	\$ 26.9	25.0%	75.0%	0.33x
2002A	\$ 26.6	\$ 37.2	41.7%	58.3%	0.69x
2003A	\$ 23.7	\$ 40.0	37.1%	62.9%	0.58x
2004E	\$ 26.2	\$ 44.2	37.2%	62.8%	0.58x
Net Income(3)					
2000A	\$ 5.4	\$ 2.3	70.0%	30.0%	2.14x
2001A	(\$ 22.6)	(\$ 0.8)	N.M.	N.M.	N.M.
2002A	\$ 6.5	\$ 9.5	40.6%	59.4%	0.67x
2003A	\$ 3.8	\$ 5.7	39.9%	60.1%	0.65x
2004E	\$ 1.2	\$ 11.0	10.1%	89.9%	0.11x

(1) Commonwealth historical and projected figures pro forma for Commonwealth's sale of its Alflex subsidiary. IMCO historical and projected figures pro forma to reflect full ownership of VAW-IMCO.

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- (2) Defined as net income plus depreciation, amortization and cash benefit from net operating losses.
- (3) Excludes cumulative change in accounting principle and extraordinary items. Commonwealth net income calculated with 40% statutory tax rate.

Morgan Stanley noted that the merger exchange ratio was 0.815 and that the percentage ownership of Commonwealth stockholders based on that ratio was approximately 46%.

Pro Forma Analysis of the Merger

Morgan Stanley analyzed the pro forma impact of the merger on estimated earnings per share for Commonwealth for 2004, 2005 and 2006. The pro forma results were calculated as if the merger closed on

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September 30, 2004 and were based on financial information provided to Morgan Stanley by the management of Commonwealth and IMCO, including projected operating results, EBITDA and cash flow and balance sheet estimates. The following table presents the estimated Commonwealth earnings per share accretion/(dilution) based on the exchange ratio of 0.815 as set forth in the merger agreement. The analysis includes the impact of synergies estimated by management of Commonwealth and IMCO.

Commonwealth Pro Forma Ownership ⁽²⁾	Accretion / Dilution to Commonwealth Stockholders ⁽¹⁾	
	2005E	2006E
45.9%	2.9%	30.9%

(1) Analysis excludes the impact of one-time transactions adjustments, costs and fees

(2) Pro forma ownership used to determine Commonwealth stockholders' portion of the combined company's earnings

Premium Analysis

Morgan Stanley analyzed the Commonwealth share price implied by its ownership of the combined entity, assuming two valuation scenarios for the combined company: (a) investors do not ascribe any incremental value to the combined company relative to the standalone entities (and, as a result, the combined equity market capitalization of IMCO after the merger is equal to the sum of Commonwealth's and IMCO's equity market capitalizations immediately prior to the merger); and (b) investors ascribe a valuation multiple to the expected pre-tax synergies of \$20 million and that the value of the synergies increases the equity value of the combined company compared to scenario (a) by \$120 million (and, as a result, the combined equity market capitalization of IMCO after the merger is equal to the sum of Commonwealth's and IMCO's equity market capitalizations immediately prior to the merger plus \$120 million). Morgan Stanley compared the implied share price resulting from (a) and (b) to (i) the closing price of Commonwealth common stock of \$8.60 and the implied purchase price of \$10.95 on June 16, 2004 and (ii) the average price of Commonwealth common stock of \$7.97 and the implied purchase price of \$8.08 for the average of the six months prior to June 16, 2004. The following table presents the results of this analysis:

	Premium to Commonwealth Share Price	
	June 16, 2004	6-month Average
Nominal Premium	27.3%	1.3%
Premium - Scenario (a), no valuation for synergies	14.4%	0.7%
Premium - Scenario (b), \$120 million valuation for synergies	53.0%	43.1%

In connection with the review of the merger by Commonwealth's board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Morgan Stanley believes that the summary provided and the analyses described above must be considered as a whole and that selecting portions of these analyses, without considering all of them as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors and may have deemed various assumptions more or less

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probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should therefore not be taken to be Morgan Stanley's view of the actual value of Commonwealth and IMCO.

In performing its analyses, Morgan Stanley made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Commonwealth and IMCO. Any estimates contained in Morgan Stanley's analyses are not necessarily

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indicative of future results or actual values, which may be significantly more or less favorable than those suggested by these estimates. The analyses performed were prepared solely as a part of Morgan Stanley's analysis of the exchange ratio pursuant to the merger agreement from a financial point of view to the holders of Commonwealth common stock and were conducted in connection with the delivery by Morgan Stanley of its opinion dated June 16, 2004 to the board of directors of Commonwealth. Morgan Stanley's analyses do not purport to be appraisals or to reflect the prices at which shares of common stock of IMCO might actually trade. The merger consideration in the merger was determined through arm's-length negotiations between Commonwealth and IMCO and the merger agreement was adopted by Commonwealth's board of directors. Morgan Stanley did not recommend that any given merger consideration constituted the only appropriate merger consideration for the merger.

In addition, Morgan Stanley's opinion and its presentation to Commonwealth's board of directors was one of many factors taken into consideration by Commonwealth's board of directors in deciding to approve the merger. Consequently, the analyses as described above should not be viewed as determinative of the decision of Commonwealth's board of directors with respect to the merger or of whether Commonwealth's board of directors would have been willing to agree to a different exchange ratio.

Morgan Stanley is an internationally recognized investment banking and advisory firm. Morgan Stanley, as part of its investment banking and financial advisory business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the ordinary course of business, Morgan Stanley may from time to time trade in the securities, indebtedness, commodities or currencies or derivatives thereof, of Commonwealth and IMCO for its own account, the accounts of investment funds and other clients under the management of Morgan Stanley and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such instruments for any such account.

In connection with the financial advisory services provided to Commonwealth relating to the merger, Commonwealth has agreed to pay Morgan Stanley a fee in the amount of \$4 million upon completion of the transaction. Additionally, Morgan Stanley has not received any fees from Commonwealth during the past two years. Commonwealth has also agreed to reimburse Morgan Stanley for its expenses incurred in performing its services and to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under federal securities laws, related to or arising out of Morgan Stanley's engagement and any related transactions.

Certain Persons May Have Interests in the Merger that are Different from Stockholders' Interests Generally

Commonwealth Directors and Officers

In considering the recommendation of the Commonwealth board of directors with respect to the merger, Commonwealth stockholders should be aware that some directors and officers have interests in the merger that are different from Commonwealth stockholders generally. The Commonwealth board of directors was aware of these interests and took them into account in approving the merger, including the following:

Under the terms of the merger agreement, Mr. Demetriou, currently Commonwealth's president and chief executive officer and a member of the board of directors of Commonwealth, will be appointed chief executive officer and chairman of the board of IMCO after the merger, and four other members of the current Commonwealth board will be appointed directors of IMCO after the merger;

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Commonwealth option holders (a group which includes many officers and directors of Commonwealth) will have all of their stock options vest at the effective time of the merger. However, options held by

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Messrs. Demetriou, Friday, Clegg and Stack will not vest at that time and will remain subject to their usual vesting schedule;

Certain officers of Commonwealth are party to a change in control severance agreement that will be effective upon consummation of the merger. See Commonwealth Severance Agreements below;

Under the merger agreement, IMCO has agreed to indemnify and hold harmless all past and present officers and directors of Commonwealth for acts or omissions occurring at and prior to the effective time of the merger and to promptly advance reasonable litigation expenses incurred by these officers and directors in connection with investigating, preparing and defending any action arising out of these acts or omissions;

For a period of six years after the effective time of the merger, IMCO has agreed that it will provide Commonwealth's current officers and directors with an insurance and indemnification policy that provides for coverage of events occurring prior to the effective time that is no less favorable than the existing policy or, if substantially equivalent insurance coverage is unavailable, the best available coverage. However, IMCO will not be required to pay an annual premium for this insurance in excess of \$1.6 million;

Four former officers of Commonwealth who were involved in discussions culminating in the merger agreement have received cash severance payments of approximately \$6.3 million in the aggregate (including, for three of these officers, amounts paid in respect of forfeited stock options), following their resignation as officers of Commonwealth. Additionally, Commonwealth is responsible for excise tax gross-up payments, if any, in connection with these severance payments.

Commonwealth Severance Agreements

Certain officers of Commonwealth (including William Toler, Henry Del Castillo, Donald Marsh, and John Wasz) are party to a change in control severance agreement that will be effective upon consummation of the merger. If the officer terminates employment during the two year period following the merger for any reason other than for cause, death or disability, or if the officer terminates his employment for good reason (each as defined in his change in control severance agreement), or for *any* reason during the 30 day period following the first anniversary of the merger, the officer will be entitled to severance compensation as follows:

a lump sum payment in an amount equal to one-and-one-half times (for Messrs. Toler and Del Castillo) or three times (for Messrs. Marsh and Wasz) the sum of his base salary (at the highest rate in effect for any period within the past twelve months prior to his termination date) plus highest of (1) the target bonus for the fiscal year in which a change in control occurs or (2) the target bonus for the fiscal year in which the termination occurs or (3) the highest bonus earned by him in respect of the three fiscal years prior to the change in control;

a lump sum payment of a pro-rata portion of the annual bonus pay (based on the greater of (1) the target bonus for the fiscal year in which a change in control occurs and (2) the target bonus for the fiscal year in which the termination occurs) and any compensation previously deferred by the officer under a non-qualified plan;

continued welfare benefits for 18 months (for each of Messrs. Toler and Del Castillo) or 36 months (for each of Messrs. Marsh and Wasz) following his termination date; and

reimbursement for any excise tax liability imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the Code), or any interest or penalties incurred with respect to such excise tax in an amount such that after payment by the respective officer of all taxes, said officer retains an amount equal to the amount of the excise tax.

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Cash payments in an approximate aggregate amount of \$5.4 million would be made to Messrs. Marsh, Del Castillo, Wasz and Toler if these executives terminated employment immediately after the consummation of the

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merger (estimated for purposes of these calculations to occur in mid-September 2004) under circumstances described above that would entitle them to severance.

Steven Demetriou, Michael Friday, Sean Stack and Christopher Clegg each have an agreement with Commonwealth that provides that if he is terminated without cause (as defined in his agreement), in the absence of any future change in control, he will be entitled to severance compensation as follows:

a lump sum payment in an amount equal to two times (for Mr. Demetriou) or one-and-one-half times (for Messrs. Friday, Stack and Clegg) the sum of his base pay plus his target bonus; and

continued welfare benefits for 24 months (for Mr. Demetriou) or 18 months (for Messrs. Friday, Stack and Clegg) following his termination date;

Messrs. Demetriou, Friday, Stack and Clegg each is a party to a change in control severance agreement that would take effect only on a change in control that occurs after the consummation of the merger. Under this severance agreement, if his employment terminates during the two year period following such future change in control for any reason other than for cause, death or disability, or if the officer terminates his employment for good reason (each as defined in his change in control severance agreement), the officer will be entitled to severance compensation as follows:

a lump sum payment in an amount equal to three times (for Mr. Demetriou) or two times (for Messrs. Friday, Stack and Clegg) the sum of his base salary (at the highest rate in effect for any period within the past twelve months prior to his termination date) plus highest of (1) the target bonus for the fiscal year in which a change in control occurs or (2) the target bonus for the fiscal year in which the termination occurs or (3) the highest bonus earned by him in respect of the three fiscal years prior to the change in control;

a lump sum payment of a pro-rata portion of the annual bonus pay (based on the greater of (1) the target bonus for the fiscal year in which a change in control occurs and (2) the target bonus for the fiscal year in which the termination occurs) and any compensation previously deferred by the officer under a non-qualified plan;

continued welfare benefits for 36 months (for Mr. Demetriou) or 24 months (for Messrs. Friday, Stack and Clegg) following his termination date; and

reimbursement for any excise tax liability imposed by Section 4999 of the Code, or any interest or penalties incurred with respect to such excise tax in an amount such that after payment by the respective officer of all taxes, said officer retains an amount equal to the amount of the excise tax.

IMCO Directors and Officers

In considering the recommendation of the IMCO board of directors with respect to the merger and issuance of IMCO common stock in the merger, you should be aware that some directors and officers have interests in the merger that are different from the stockholders of IMCO and Commonwealth generally. The IMCO board was aware of these interests and took them into account in recommending the merger and approving the issuance of IMCO common stock in the merger.

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Under the terms of the merger agreement, four of the six members of the IMCO board will continue as directors of IMCO following the merger.

The parties intend that the lead independent director of the combined company will be one of the four members of the IMCO board who continues as a director of IMCO following the merger.

Richard L. Kerr, IMCO's current chief executive officer, and Paul V. Dufour, IMCO's chief financial officer, have agreed to retire effective upon completion of the merger and to serve as consultants for a limited period after the merger. Under their arrangements, Messrs. Kerr and Dufour would be entitled to receive severance pay and vesting of their restricted stock and stock options.

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Under the terms of employment agreements between IMCO and certain of its officers, if an officer's employment with IMCO is terminated during a period following completion of the merger (as defined in the officer's employment agreement), that officer is entitled to certain severance benefits.

IMCO Severance Arrangements

On August 12, 2004, IMCO announced that Richard L. Kerr, president and chief executive officer of IMCO, and Paul V. Dufour, executive vice president and chief financial officer of IMCO, had each decided to retire when the merger closes. IMCO and Messrs. Kerr and Dufour have agreed in principle on the terms of their separation from IMCO. Separation agreements with Messrs. Kerr and Dufour will be effective only upon the completion of the merger, and will supersede their current employment agreements with IMCO.

Under the terms of their agreements in principle, Mr. Kerr is entitled to \$1.7 million and Mr. Dufour is entitled to \$2.0 million in cash as lump-sum severance payments payable upon the completion of the merger. In addition, each of them will receive cash bonuses of \$250,000 in recognition of their service to IMCO as senior executives during the pre-closing period. The aggregate cash payments expected to be made to Mr. Kerr and Mr. Dufour under their separation arrangements total approximately \$4.2 million.

Mr. Kerr will serve as a consultant to the combined company following the merger through December 31, 2005 and will be paid \$18,000 per month, while Mr. Dufour will also serve as a consultant to the combined company after the merger through June 30, 2005 and be paid \$18,000 per month for his services. Vesting of Mr. Kerr's and Mr. Dufour's restricted stock, restricted stock units and stock option awards will be accelerated at termination of employment in accordance with the current terms of IMCO's existing equity compensation plans and their respective award documents. Each will also be entitled to up to three years of welfare benefits continuation and, in accordance with the terms of their existing arrangements, their split-dollar life insurance policies.

The merger would constitute a change of control under Mr. Kerr's and Mr. Dufour's employment agreements with IMCO.

Under their separation arrangements, Mr. Kerr and Mr. Dufour will be restricted from competing with IMCO or revealing confidential information of IMCO. Also, following their termination of employment, neither IMCO nor Mr. Kerr or Mr. Dufour may disparage the other party, and for a period of two years, neither Mr. Kerr nor Mr. Dufour may solicit for employment any employees of the combined company. In the event that any payments to either Mr. Kerr or Mr. Dufour in connection with their separation are subject to an excise tax under Section 4999 of the Internal Revenue Code, then he will be entitled to additional payments so that he remains in the same after-tax economic position he would have been in had the excise tax not been imposed.

In the event that the merger is not completed, each of the separation agreements will be terminated and the rights and obligations of Mr. Kerr and Mr. Dufour will be governed by the terms of their respective employment agreements currently in effect with IMCO.

A number of IMCO's officers are parties to employment agreements with IMCO that provide for change in control severance provisions and post-employment consulting services. These arrangements provide that on completion of the merger, if the employment of any of these officers is terminated (1) by IMCO for any reason other than for cause (as defined in his employment agreement) or as a result of the officer's death or disability on or after the date which is 90 days prior to the change in control and (2) by the officer for good reason (as defined in his employment agreement) during a two-year period following the merger, the officer will be entitled to severance compensation as follows:

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payments in an amount equal to 2.00 times (for Robert R. Holian, Joseph M. Byers, and David C. Rosenblum) and 1.50 times (for Mark Mantooth), the officer's base amount (as that term is defined under Section 280G under the Internal Revenue Code), payable in a lump sum or over a 23-month period (for Mr. Rosenblum) and a 12-month period (for Messrs. Holian, Byers and Mantooth); and

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for the lesser of 12 months (for Mr. Mantooh) and 18 months (for Messrs. Holian, Byers and Rosenblum), or until the officer obtains comparable coverage through a subsequent employer, welfare benefits substantially similar to those that he was receiving or entitled to receive immediately prior to the termination.

Cash payments in an approximate aggregate amount of \$1.5 million would be made to Messrs. Holian, Byers, Rosenblum and Mantooh under the above described agreements if their employment is terminated after the merger.

Accounting Treatment

The merger will be accounted for as a business combination using the purchase method of accounting for business combinations. IMCO will be the acquirer for financial accounting purposes.

Anticipated Financing Necessary to Complete the Merger

IMCO and Commonwealth have reviewed various alternatives with respect to the financing required to refinance Commonwealth's 10³/₄% senior subordinated notes due 2006, refinance Commonwealth's obligations under its receivables purchase facility and its revolving credit facility, and refinance outstanding indebtedness under IMCO's senior revolving credit facility.

IMCO and Commonwealth currently believe that, simultaneously with the completion of the merger, they will refinance certain of their outstanding indebtedness with approximately \$244 million of new indebtedness. The source of these borrowings is expected to be proceeds from an issuance of \$125 million in senior unsecured IMCO notes and borrowings of approximately \$119 million under a new \$325 million IMCO revolving credit facility to be established. IMCO and Commonwealth have agreed to use their reasonable best efforts to complete a financing or financings of sufficient funds so that upon completion of the merger, they will be able to fully redeem the outstanding 10³/₄% senior subordinated notes due 2006 of Commonwealth, repurchase accounts receivable previously sold under Commonwealth's receivables purchase facility and refinance debt outstanding under Commonwealth's and IMCO's existing revolving credit facilities. IMCO and Commonwealth have agreed to use their reasonable best efforts to obtain, prior to closing, commitment letters indicating that upon completion of the merger, sufficient funds to accomplish the refinancings contemplated above will be available without condition other than the occurrence of the merger. Completion of these refinancings is a condition to consummation of the merger.

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The following table shows the estimated sources and uses of funds relating to the merger and the related transactions:

Sources and Uses of Funds

	Amount (in thousands)
Sources of Funds	
Proceeds from Alflex sale	\$ 64,019
New senior unsecured notes of IMCO	125,000
Proceeds from new IMCO revolving line of credit	119,305
Total sources of funds	\$ 308,324
Uses of Funds	
Redemption of Commonwealth 10 ¾% senior subordinated notes due 2006	\$ 125,000
Purchase of accounts receivable to terminate Commonwealth's accounts receivables purchase facility	100,000
Repayment of outstanding debt under IMCO's existing revolving line of credit	43,286
Repayment of outstanding debt under Commonwealth's existing revolving line of credit	8,588
Estimated transaction costs	31,450
Total uses of funds	\$ 308,324

Neither IMCO nor Commonwealth currently have commitments from any lender or other financing source. While IMCO and Commonwealth expect to be able to obtain the necessary financing to refinance the obligations listed above, no assurance can be given that IMCO and Commonwealth will successfully obtain the financing required to complete the merger, or if obtained, that such financing will be available on terms favorable to the combined company.

Status of Regulatory Approvals

Under the HSR Act, the merger may not be completed unless IMCO and Commonwealth file premerger notification and report forms with the U.S. Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice, and the waiting period under the HSR Act expires or is earlier terminated. On July 21, 2004, IMCO and Commonwealth submitted the regulatory filings to the U.S. Federal Trade Commission and the Antitrust Division. IMCO and Commonwealth have received notice of early termination of the waiting period.

Each state and foreign country in which IMCO or Commonwealth has operations also may review the merger under state or foreign antitrust laws. On August 20, 2004, IMCO and Commonwealth submitted required filings to the German Federal Cartel Office. On September 1, 2004, IMCO and Commonwealth received clearance from the German Federal Cartel Office. At any time before the effective time of the merger, the

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Federal Trade Commission, the Antitrust Division, a state or non-U.S. governmental authority or a private person or an entity could seek under the antitrust laws, among other things, to enjoin the merger or to cause IMCO or Commonwealth to divest assets or businesses as a condition to completion of the merger. If a challenge to the merger is made, IMCO and Commonwealth may not prevail. The obligations of IMCO and Commonwealth to consummate the merger are subject to the condition that there be no order or injunction of a U.S. or non-U.S. court of competent jurisdiction or other governmental authority that prohibits the consummation of the merger. Other than as we describe in this document, the merger does not require the approval of any other U.S. federal or state or foreign agency.

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Appraisal and Dissenters' Rights are not Available in Connection with the Merger

Under Delaware law, because the shares of Commonwealth common stock are listed on the Nasdaq National Market and the merger consideration consists of shares of IMCO common stock that will remain listed on the NYSE after the merger, Commonwealth stockholders will not have dissenters' rights to an appraisal of their shares of Commonwealth common stock in connection with the merger.

Commonwealth's Common Stock will be Delisted and Deregistered after the Merger

If the merger is completed, the shares of Commonwealth common stock will be delisted from the Nasdaq National Market and will be deregistered under the Securities Exchange Act of 1934. The stockholders of Commonwealth will become stockholders of IMCO and their rights as stockholders will be governed by IMCO's certificate of incorporation and bylaws and by the laws of the State of Delaware. See "Comparison of Stockholders' Rights" beginning on page 104 of this joint proxy statement/prospectus. We expect that IMCO will be renamed promptly following the merger.

Federal Securities Laws Consequences; Resale Restrictions

All shares of IMCO common stock that will be distributed to Commonwealth stockholders in the merger will be freely transferable, except for restrictions applicable to affiliates of Commonwealth or IMCO. Persons who are deemed to be affiliates of Commonwealth may resell IMCO shares received by them only in transactions permitted by the resale provisions of Rule 145 or as otherwise permitted under the Securities Act of 1933. Persons who may be deemed to be affiliates of Commonwealth generally include executive officers, directors and significant stockholders of Commonwealth. Persons who are deemed to be affiliates of IMCO may resell IMCO shares received by them only in transactions permitted by the resale provisions of Rule 144 or as otherwise permitted under the Securities Act of 1933. Persons who may be deemed to be affiliates of IMCO generally include executive officers, directors and significant stockholders of IMCO. The merger agreement requires Commonwealth to cause each of its directors and executive officers who Commonwealth believes may be deemed to be affiliates of Commonwealth to execute a written agreement to the effect that those persons will not sell, assign or transfer any of the IMCO shares issued to them in the merger unless that sale, assignment or transfer has been registered under the Securities Act of 1933, is in conformity with Rule 145 or is otherwise exempt from the registration requirements under the Securities Act of 1933.

This joint proxy statement/prospectus does not cover any resales of the IMCO shares to be received by Commonwealth's stockholders in the merger, and no person is authorized to make any use of this joint proxy statement/prospectus in connection with any resale.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material U.S. federal income tax consequences of the merger to U.S. holders. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations promulgated under the Code, court decisions, published positions of the Internal Revenue Service and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations, possibly with retroactive effect. This discussion is limited to holders who hold Commonwealth shares as capital assets for U.S. federal income tax purposes (generally, assets held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of their particular circumstances or to holders who may be subject to special treatment under U.S. federal income tax laws, such as tax exempt organizations, foreign persons or entities, financial institutions, insurance companies, broker-dealers, holders who hold Commonwealth shares as part of a hedge, straddle, wash sale, synthetic security, conversion transaction, or other integrated investment comprised of Commonwealth shares and one or more investments, holders with a functional currency (as defined in the Code) other than the U.S. dollar, and persons who acquired Commonwealth shares in compensatory transactions. Further, this discussion does not address any aspect of state, local or foreign taxation. No ruling has been or will be obtained from the Internal Revenue Service regarding any matter relating to the merger and no assurance can be given that the Internal Revenue Service will not assert, or that a court will not sustain, a position contrary to any of the tax aspects described below. Holders should consult their own tax advisors as to the U.S. federal income tax consequences of the merger in light of their particular facts and circumstances, as well as the effects of state, local and foreign tax laws.

As used in this summary, a U.S. holder includes:

an individual U.S. citizen or resident alien;

a corporation, partnership or other entity created or organized under U.S. law (federal or state);

an estate whose worldwide income is subject to U.S. federal income tax; or

a trust if a court within the United States of America is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Commonwealth shares, the tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Holders of Commonwealth shares that are partnerships and partners in such partnerships are urged to consult their tax advisors regarding the U.S. federal income tax consequences of owning and disposing of Commonwealth shares in the merger.

This summary is not a substitute for an individual analysis of the tax consequences of the merger to you. You should consult a tax advisor regarding the particular federal, state, local and foreign tax consequences of the merger in light of your particular facts and circumstances.

Fulbright & Jaworski L.L.P., counsel to IMCO, and Sullivan & Cromwell LLP, counsel to Commonwealth, will deliver opinions, dated the date of this joint proxy statement/prospectus, to IMCO and Commonwealth, respectively, to the effect that, among other things, if the merger is consummated in accordance with the merger agreement, the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the closing of the merger that these opinions are reaffirmed as of the

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closing date. If certain events, some of which are described below, occur between the date of this joint proxy statement/prospectus and the closing of the merger, each counsel may be unable to reaffirm its opinion. In that event, and if IMCO and Commonwealth elected to waive that condition, IMCO and Commonwealth each undertake that they would amend this joint proxy statement/prospectus to revise this discussion of material U.S. federal income tax consequences and would recirculate an amended joint proxy statement/prospectus to their respective stockholders.

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The opinions of Fulbright & Jaworski L.L.P. and Sullivan & Cromwell LLP, which are required as a condition to closing the merger, are and will be based on U.S. federal income tax law in effect as of the date of the opinions. An opinion of counsel is not binding on the Internal Revenue Service or any court and the Internal Revenue Service may challenge some or all of the conclusions set forth in these opinions. In rendering the opinions, Fulbright & Jaworski L.L.P. and Sullivan & Cromwell LLP will rely on certain assumptions, including assumptions regarding the absence of changes in existing facts and the completion of the merger strictly in accordance with the merger agreement and this joint proxy statement/prospectus. The opinions will also rely upon certain factual representations and covenants of IMCO and Commonwealth, including the representation that no consideration other than IMCO shares will be delivered in exchange for the Commonwealth shares, and the opinions will assume that these representations are true, correct and complete without regard to any knowledge limitation, and that these covenants will be complied with. If any of these assumptions or representations are inaccurate in any way, or any of the covenants are not complied with, each counsel may be unable to reaffirm its opinion.

Tax Consequences of the Merger to U.S. Holders of Commonwealth Common Stock

The Merger

In a merger that qualifies as a reorganization under Section 368(a) of the Code, the U.S. federal income tax consequences will include the following:

No gain or loss will be recognized by IMCO or Commonwealth as a result of the merger;

No gain or loss will be recognized by Commonwealth stockholders who exchange all of their Commonwealth shares for IMCO shares in the merger;

The tax basis of the IMCO shares received by a Commonwealth stockholder in the merger (including any fractional share not actually received) will be the same as the tax basis of the Commonwealth shares surrendered in exchange therefore;

The holding period of the IMCO shares received by a Commonwealth stockholder in the merger will include the holding period of the Commonwealth shares surrendered in exchange therefore; and

A cash payment in lieu of a fraction of a share will be treated as if a fractional share of IMCO shares had been received in the merger and then redeemed by IMCO. Such redemption should qualify as a distribution in full payment in exchange for the fractional share rather than as a distribution of a dividend. Accordingly, a Commonwealth stockholder receiving cash in lieu of a fraction of a share will recognize gain or loss upon such payment in an amount equal to the difference, if any, between such Commonwealth stockholder's basis in the fractional share and the amount of cash received.

In the event that the merger were held not to qualify as a reorganization under Section 368(a) of the Code, a Commonwealth stockholder would recognize gain or loss in an amount equal to the difference between the stockholder's basis in his or her shares and the fair market value, as of the effective date of the merger, of the IMCO shares received in exchange therefore. In such event, the stockholder's basis in the IMCO shares so received would be equal to its fair market value as of the effective date of the merger, and the holding period for such stock would begin on the day after the effective date of the merger.

Backup Withholding

United States federal income tax law requires that a holder of Commonwealth shares provide the exchange agent with his or her correct taxpayer identification number, which is, in the case of a U.S. holder who is an individual, a social security number, or, in the alternative, establish a basis for exemption from backup withholding. Exempt holders, including, among others, corporations and some foreign individuals, are not subject to backup withholding and reporting requirements. If the correct taxpayer identification number or an adequate basis for exemption is not provided, a holder will be subject to backup withholding on any reportable

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payment. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder will be allowed as a credit against that U.S. holder's U.S. federal income tax and may entitle the U.S. holder to a refund, if the required information is furnished to the Internal Revenue Service.

To prevent backup withholding, each holder of Commonwealth shares must complete the Substitute Form W-9 which will be provided by the exchange agent with the transmittal letter and certify under penalties of perjury that:

the taxpayer identification number provided is correct or that the holder is awaiting a taxpayer identification number, and

the holder is not subject to backup withholding because

the holder is exempt from backup withholding,

the holder has not been notified by the Internal Revenue Service that he or she is subject to backup withholding as a result of the failure to report all interest or dividends, or

the Internal Revenue Service has notified the holder that he or she is no longer subject to backup withholding.

The Substitute Form W-9 must be completed, signed and returned to the exchange agent.

Information Reporting

Commonwealth stockholders receiving IMCO shares in the merger should file a statement with their U.S. federal income tax return setting forth their adjusted tax basis in Commonwealth shares exchanged in the merger, as well as the fair market value of the IMCO shares received in the merger. In addition, Commonwealth stockholders will be required to retain permanent records of these facts relating to the merger.

Each Commonwealth stockholder should consult a tax adviser as to the particular consequences of the merger that may apply to such stockholder in light of such stockholder's particular facts and circumstances, including the application of federal, state, local and other foreign tax laws.

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THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement, a copy of which is attached as *Annex A* to this joint proxy statement/prospectus and is incorporated in this joint proxy statement/prospectus by reference. We encourage you to read the merger agreement because it, and not this document, is the legal document that governs the merger.

The Merger

Upon the terms and subject to the conditions of the merger agreement, and in accordance with the DGCL, at the effective time of the merger, Merger Sub will merge with and into Commonwealth. Commonwealth will continue as the surviving company and an indirect wholly owned subsidiary of IMCO and the separate corporate existence of Merger Sub will cease.

The closing of the merger will occur on the third business day following the day on which all conditions to the merger, other than those conditions that by their nature are to be satisfied at the closing, have been satisfied or waived, unless the parties agree on another time.

Contemporaneously with the closing of the merger, Commonwealth and IMCO will cause a certificate of merger to be filed with the Secretary of State of the State of Delaware. The effective time of the merger will be the time the certificate of merger is filed with the Secretary of State of the State of Delaware or at a later time as we may agree and specify in the certificate of merger.

Each Share of Commonwealth's Common Stock Will Be Converted into 0.815 of a Share of IMCO Common Stock

Upon the effectiveness of the merger, each share of Commonwealth common stock (other than any shares owned directly or indirectly by Merger Sub and IMCO or any direct or indirect wholly owned subsidiary of IMCO or of Commonwealth and those shares held in the treasury of Commonwealth) will be converted into the right to receive 0.815 of a share of IMCO common stock. The number of shares of IMCO common stock per share of Commonwealth common stock is fixed and will not be adjusted based on increases or decreases in IMCO's stock price.

No fractional shares of IMCO common stock will be issued in the merger and cash will be paid in lieu of a fraction of a share. The amount of cash paid will be an amount equal to the resulting fraction multiplied by the average of the per share closing prices on the New York Stock Exchange of shares of IMCO common stock during the ten consecutive trading days ending on (and including) the trading day immediately preceding the closing date of the merger and will be paid without interest.

Procedures for Exchange of Certificates of Commonwealth Common Stock for IMCO Common Stock

As promptly as practicable after the effective time of the merger, IMCO will deposit with the exchange agent, for the benefit of the holders of Commonwealth common stock, certificates representing shares of IMCO common stock sufficient to effect the conversion of Commonwealth

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common stock into shares of IMCO common stock. IMCO will also make funds available to the exchange agent from time to time after the effective time of the merger as required to pay any cash instead of fractional shares or any dividends or other distributions declared by IMCO on shares of IMCO common stock with a record date after the effective time of the merger.

As promptly as practicable (but no later than five business days) after the effective time of the merger, IMCO is required to cause the exchange agent to mail to each person who was, at the effective time, a holder of record of Commonwealth shares entitled to receive the merger consideration, a letter of transmittal and instructions to surrender Commonwealth stock. Upon surrender to the exchange agent of a certificate representing Commonwealth shares for cancellation, together with the letter of transmittal, the holder of the Commonwealth shares will receive the shares of IMCO common stock which the holder has the right to receive and cash in lieu of a fraction of a share.

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At the effective time of the merger, the stock transfer books of Commonwealth will be closed and no further registration of or transfers of Commonwealth common stock will be made. If, after the effective time, valid Commonwealth stock certificates are presented to the exchange agent or IMCO for any reason, they will be cancelled and exchanged as described above to the extent allowed by applicable law.

Termination of Exchange Fund

The exchange agent will deliver to IMCO any shares of IMCO common stock to be issued in the merger, cash in lieu of a fraction of a share in connection with the merger or to pay dividends or other distributions on IMCO shares to be issued in the merger that are not claimed by former Commonwealth stockholders within one year after the effective time of the merger. Thereafter, former Commonwealth stockholders shall look only to IMCO for payment of their shares of IMCO common stock, cash in lieu of a fraction of a share and unpaid dividends and distributions. None of the exchange agent, IMCO, or the surviving corporation will be liable to any former Commonwealth stockholder for any shares or dividends or distributions with respect thereto, or cash delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

Treatment of Commonwealth Stock Options

Pursuant to separate agreements the vesting of all stock options awarded to Steven J. Demetriou, Michael D. Friday, Christopher R. Clegg and Sean M. Stack, all under Commonwealth's 1997 Stock Incentive Plan, as amended and restated, will not accelerate as a result of the merger. These options will remain outstanding following the merger and will be subject to the same terms, conditions and vesting periods as before the merger. All other options outstanding under Commonwealth's 1995 Stock Incentive Plan, as amended and restated and its 1997 Stock Incentive Plan, whether or not exercisable and whether or not vested at the effective time of the merger, will, in accordance with the terms of such plans, be fully vested and exercisable upon, and shall remain outstanding following the effective time of the merger in accordance with the terms of the plans under which they were issued. At the effective time of the merger, all such options will be assumed by IMCO under section 424(a) of the Internal Revenue Code. From and after the effective time of the merger, each option will be exercisable upon the same terms and conditions as were applicable under the applicable Commonwealth stock incentive plan and the applicable option agreement thereunder immediately prior to the effective time of the merger. Each option will be exercisable for and represent the right to acquire that whole number of shares of IMCO common stock, rounded down to the nearest whole share, equal to the number of shares of Commonwealth common stock subject to such option immediately prior to the effective time of the merger multiplied by 0.815. The exercise price per share of IMCO common stock will be an amount equal to the exercise price per share of Commonwealth common stock subject to such option in effect immediately prior to the effective time of the merger divided by 0.815.

Representations and Warranties

The merger agreement contains customary and substantially reciprocal representations and warranties made by each of IMCO and Commonwealth to the other. These representations and warranties relate to, among other things:

corporate organization, qualification and good standing and ownership of subsidiaries;

organizational documents;

capitalization;

corporate power and authority to enter into the merger agreement, and due execution, delivery and enforceability of the merger agreement;

absence of a conflict with or a breach of charter documents, bylaws, and material agreements, orders, decrees, licenses or permits as a result of the merger;

authorizations, consents, approvals and filings required to enter into the merger agreement and to complete the transactions contemplated by the merger agreement;

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compliance with laws and government licenses and permits;

timely and accurate filings with the Securities and Exchange Commission in compliance with applicable rules and regulations;

disclosure pertaining to internal control over financial reporting;

absence of specified adverse changes or events;

absence of undisclosed litigation, suits, claims, actions, proceedings or investigations, both pending and threatened;

employee benefits and ERISA compliance;

labor and employment matters;

title to and valid leasehold interest in real property;

intellectual property;

tax matters;

environmental matters;

material contracts;

hedging arrangements;

insurance matters;

board approval and required vote of stockholders to approve the merger;

opinions of financial advisors;

brokers and finders' fees; and

application of takeover statutes.

In addition, Commonwealth represented that it had made appropriate amendments to its stockholder rights plan to exclude the merger and any transactions contemplated by the merger agreement.

Conduct of Business Pending Merger

Conduct of Business by Commonwealth Pending the Merger

Prior to the effective time of the merger, Commonwealth has agreed to conduct its operations and the operations of its subsidiaries in the ordinary course in substantially the same manner as previously conducted and to use all commercially reasonable efforts to preserve intact its business organization and goodwill. Prior to the effective time of the merger, and unless IMCO consents otherwise in writing, with certain exceptions, Commonwealth and its subsidiaries have agreed not to:

amend Commonwealth's certificate of incorporation or bylaws or the certificate of incorporation, bylaws or equivalent organizational documents of any subsidiary that is not wholly owned, directly or indirectly, by Commonwealth;

issue, sell, pledge, dispose of, grant or otherwise encumber or authorize the issuance, sale, pledge, disposition, grant or encumbrance of any of its capital stock or voting debt or any securities convertible into, or any rights, warrants or options to acquire, any such capital stock, or any other ownership interest of Commonwealth or any of its subsidiaries (other than issuance of rights under the stockholder rights plan, issuance of shares pursuant to outstanding options and certain permitted option grants);

declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends by any direct or indirect wholly owned subsidiary of Commonwealth to Commonwealth or any other subsidiary of Commonwealth;

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reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of the capital stock of Commonwealth or any of its subsidiaries;

acquire any business, entity or, outside the ordinary course of business, assets for a purchase price or having a fair market value of greater than \$3.0 million in the aggregate;

dispose of any material portion of its business or assets outside the ordinary course of business consistent with past practice;

except for intercompany indebtedness between Commonwealth and, or among, wholly owned direct or indirect Commonwealth subsidiaries and borrowings or proceeds under existing credit facilities, incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances, or grant any security interest in any of its assets;

enter into any other material contract other than in the ordinary course of business consistent with past practice;

authorize, or make any commitment with respect to, any capital expenditure which is in excess of the amounts set forth in the 2004 business plan of Commonwealth;

increase the compensation payable or to become payable or the benefits provided to its directors, officers or employees, except for increases in the ordinary course of business consistent with past practice, or enter into any employment or severance agreement with any director, officer or employee, or establish, adopt, enter into or amend any Commonwealth benefit plan or collective bargaining agreement, other than amendments required by law or that would not result in a material increase in benefits thereunder;

change in any material respect its accounting principles, methods or practices used by it, except as required by GAAP;

make, change or revoke any material tax election, settle or compromise any material tax liability or consent to any claim or assessment in an amount exceeding \$300,000 relating to taxes or grant any waiver of the statute of limitations for any such claim or assessment;

pay, discharge or satisfy any claim, liability or obligation, other than in the ordinary course of business consistent with past practice;

amend, modify or consent to the termination of any material contract of Commonwealth, or amend, waive, modify or consent to the termination of any material rights thereunder, other than in each case in the ordinary course of business consistent with past practice, provided that neither Commonwealth nor its subsidiaries shall amend, modify or consent to the termination of any debt agreement of Commonwealth;

settle any material action;

permit any item of Commonwealth owned intellectual property to lapse or to be abandoned, dedicated, or disclaimed, fail to perform or make any applicable findings, recordings or other similar actions or filings, or fail to pay all required fees and taxes required or advisable to maintain and protect its interest in each such item; or

make a binding commitment to do any of the foregoing.

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Conduct of Business by IMCO Pending the Merger

Prior to the effective time of the merger, IMCO has agreed to conduct its operations in the ordinary course in substantially the same manner as previously conducted and to use all reasonable efforts to preserve intact its

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business organization and goodwill. Prior to the effective time of the merger, and unless Commonwealth consents otherwise in writing, with certain exceptions, IMCO and its subsidiaries have agreed not to:

amend IMCO's or Merger Subsidiary's certificate of incorporation or bylaws, or the certificate of incorporation, bylaws or equivalent organizational documents of any subsidiary that is not wholly owned, directly or indirectly, by IMCO;

issue, sell, pledge, dispose of, grant or otherwise encumber or authorize the issuance, sale, pledge, disposition, grant or encumbrance of any of its capital stock or voting debt or any securities convertible into, or any rights, warrants or options to acquire, any such capital stock, or any other ownership interest of IMCO or any of its subsidiaries (other than issuance of shares pursuant to outstanding options and certain permitted option grants);

declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends by any direct or indirect wholly owned subsidiary of IMCO to IMCO or any other subsidiary of IMCO;

reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of the capital stock of IMCO or any of its subsidiaries;

acquire or agree to acquire any business, entity or, outside the ordinary course of business, assets for a purchase price or having a fair market value of greater than \$3.0 million in the aggregate;

dispose of any material portion of its business or assets outside the ordinary course of business consistent with past practice;

except for intercompany indebtedness between IMCO and, or among, wholly owned subsidiaries of IMCO and borrowings or proceeds under existing credit facilities, incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances, or grant any security interest in any of its assets;

enter into any other material contract other than in the ordinary course of business consistent with past practice;

authorize, or make any commitment with respect to, any capital expenditure which is in excess of the amounts permitted under the debt facilities of IMCO;

increase the compensation payable or to become payable or the benefits provided to its directors, officers or employees, except for increases in the ordinary course of business consistent with past practice, or enter into any employment or severance agreement with any director, officer or employee, or establish, adopt, enter into or amend any IMCO benefit plan or collective bargaining agreement, other than amendments required by law or that would not result in a material increase in benefits thereunder;

change in any material respect its accounting principles, methods or practices used by it, except as required by GAAP;

make, change or revoke any material tax election, settle or compromise any material tax liability or consent to any claim or assessment in an amount exceeding \$300,000 relating to taxes or grant any waiver of the statute of limitations for any such claim or assessment;

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pay, discharge or satisfy any claim, liability or obligation, other than in the ordinary course of business consistent with past practice;

amend, modify or consent to the termination of any material contract of IMCO, or amend, waive, modify or consent to the termination of any material rights thereunder, other than in each case in the ordinary course of business consistent with past practice, provided that neither IMCO, nor its subsidiaries shall amend, modify or consent to the termination of any debt agreement of IMCO;

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settle any material action;

permit any item of IMCO owned intellectual property to lapse or to be abandoned, dedicated, or disclaimed, fail to perform or make any applicable findings, recordings or other similar actions or filings, or fail to pay all required fees and taxes required or advisable to maintain and protect its interest in each such item; or

make a binding commitment to do any of the foregoing.

Governance

The merger agreement contains provisions related to the post-merger governance of the combined company. In the merger agreement, IMCO agreed to adopt the amendments to the bylaws of IMCO as described in the section entitled "Amendments to IMCO Bylaws" below, to be effective upon the completion of the merger, which implement the provisions of the merger agreement described above. The merger agreement provides that the total number of directors constituting the entire board of directors of IMCO immediately following completion of the merger will be nine, comprised as follows:

four will be current IMCO directors designated by IMCO, of which at least three will be independent,

four will be current Commonwealth directors designated by Commonwealth, of which at least three will be independent, and

Steven Demetriou, as the appointed chairman of the board and chief executive officer of IMCO and Commonwealth as a combined company, will be the ninth director.

No other directors or employees of IMCO or Commonwealth will be designated to serve on the initial board of directors of the combined company upon the completion of the merger.

Under the merger agreement, on or prior to the effectiveness of the merger, IMCO will take such actions as are necessary to cause one Continuing Commonwealth Director (as defined below) and Steven Demetriou to be appointed to be class I directors (term expires 2007) of the IMCO board, two Continuing Commonwealth Directors to be appointed to be class II directors (term expires 2006) of the IMCO board, and one Continuing Commonwealth Director to be appointed to be a class III director (term expires 2005) of the IMCO board, all to be effective immediately following the completion of the merger. It is expected that John E. Grimes, currently a class I director of the IMCO board, will resign from that class and be appointed as a class II director. The merger agreement provides that IMCO and Commonwealth will ensure that at least three of the directors designated by each of them shall be independent for purposes of the rules and regulations of the NYSE.

The merger agreement describes the individuals who are directors of IMCO and of Commonwealth (and their successors) who will constitute the board of directors for IMCO and Commonwealth as a combined company after the completion of the merger and for a period of two years following the closing date of the merger. Continuing IMCO Directors are defined as the directors of IMCO selected by the IMCO board of directors before the closing date of the merger to be directors of IMCO immediately following the effectiveness of the merger, and their successors who are designated by a majority of the Continuing IMCO Directors. Continuing Commonwealth Directors are defined as the directors of IMCO who were selected by the Commonwealth board of directors before the closing date of the merger to be directors of IMCO immediately following the effectiveness of the merger, and their successors who are designated by a majority of the Continuing Commonwealth Directors. Under this definition, Steven Demetriou is not a Continuing Commonwealth Director.

Before the closing of the merger, IMCO will reconstitute the four standing committees of its board of directors so that (1) each committee will be comprised of four members, with two of such members being Continuing IMCO Directors and two of such members being Continuing Commonwealth Directors, and (2) the Chairpersons of the compensation committee and nominating and governance committee will be Continuing IMCO directors and the chairpersons of the audit committee and environmental committee will be Continuing Commonwealth Directors, all to be effective immediately following the completion of the merger.

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Before the closing of the merger, IMCO will take such actions as are necessary to cause Steven Demetriou to be elected or appointed as chief executive officer and chairman of the board of directors of IMCO, Michael Friday to be elected or appointed as chief financial officer of IMCO, each on substantially the terms described in Management of IMCO following the Merger Employment Arrangements, with such appointments to be effective immediately following completion of the merger. IMCO also agreed that it would take such action as is necessary prior to the closing date of the merger to change its corporate name to a name proposed by Mr. Demetriou after consultation with the IMCO board of directors and the Commonwealth board of directors, without the need for approval by the IMCO stockholders.

Under the merger agreement, IMCO agreed that its board of directors would adopt a resolution waiving compliance with the maximum age provisions contained in IMCO's corporate governance guidelines to permit the Commonwealth directors to join the IMCO board, and would maintain that waiver in effect until the successors for all such directors were qualified and assumed office.

In addition, the merger agreement provided that IMCO and Commonwealth would each form ad hoc committees, each being comprised of three of its directors, to jointly consider and make appointments, effective immediately following completion of the merger, of individuals to the officer positions of the business of IMCO and Commonwealth as a combined company who will directly report to Mr. Demetriou as chief executive officer of IMCO. All candidates for the officer positions must be recommended in good faith by Mr. Demetriou. These ad hoc committees will be disbanded at the completion of the merger.

Employee Benefit Matters

IMCO will cause the surviving corporation to maintain all welfare benefit plans of Commonwealth for those individuals who were employees of Commonwealth or any of its subsidiaries at the effective time of the merger, in accordance with the terms of such plans in effect immediately before the effective time, without amendment, other than amendments that do not decrease benefits or that are required by law, for a period from the effective time through at least January 1, 2006.

Generally, IMCO will grant to the individuals who, as of the effective time of the merger, were employees of Commonwealth or any of its subsidiaries credit for past service with Commonwealth for purposes of eligibility and vesting under any employee benefit plans maintained by IMCO, to the same extent as such employee was entitled under the Commonwealth plan immediately before the effective time. IMCO will take such actions as are necessary so that each Commonwealth employee who continues as an employee of IMCO, the surviving company or any of their subsidiaries will not be subject to waiting periods, preexisting condition exclusions or actively-at-work requirements for coverages under any IMCO benefit plan to the extent that these preexisting condition exclusions or waiting periods were waived or satisfied under Commonwealth's plans immediately prior to the closing of the merger.

Indemnification and Insurance

Following the effective time of the merger, IMCO will indemnify, defend and hold harmless each person who is or was an officer or director of Commonwealth or any of its subsidiaries at or prior to the effective time of the merger. This indemnification will include indemnification against: all costs, expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the effective time of the merger (whether asserted or claimed prior to, at or after the effective time of the merger) to the fullest extent permitted by law. Subject to certain conditions, IMCO will also be under the obligation to advance expenses in connection with such matters.

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For six years after the effective time of the merger, IMCO will cause the surviving corporation to maintain in effect directors and officers liability insurance covering matters existing or occurring prior to the effective time of the merger with respect to those directors and officers of Commonwealth who were covered by, and on terms and in

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amounts no less favorable than those of, Commonwealth's directors and officers' liability insurance at the time immediately prior to the effective time of the merger. The surviving corporation will not be required to pay aggregate annual premiums for the insurance described in this paragraph in excess of \$1.6 million. However, if the annual premiums of the insurance coverage exceed that amount, the surviving corporation must obtain and maintain insurance having the best coverage available for a cost of up to, but not exceeding, \$1.6 million. However, the surviving corporation's obligation to provide such insurance will be satisfied if, prior to the closing, Commonwealth shall have obtained prepaid policies, which provide such directors and officers with coverage no less advantageous to the insured than the policies in place immediately prior to the effective time of the merger for an aggregate period of six years pertaining to claims arising from facts or events that occurred on or before the effective time including those pertaining to the merger agreement and the transactions contemplated thereby.

Financing

Commonwealth and IMCO have agreed to use their reasonable best efforts to obtain financing which provides funds immediately following the effective time of the merger in an amount sufficient to fully redeem Commonwealth's 10¹/₄% Senior Subordinated Notes due 2006 together with accrued and unpaid interest thereon and refinance in full both Commonwealth's existing accounts receivables financing and both IMCO's and Commonwealth's revolving credit facilities in the amounts outstanding immediately prior to the closing. Obtaining this financing is a condition to the obligations of each of IMCO and Commonwealth to complete the merger. As a result, if the financing cannot be obtained, or cannot be obtained on acceptable terms, the merger may not be consummated.

Amendments to IMCO Bylaws

This section of the joint proxy statement/prospectus describes the material terms of the amendments to IMCO's bylaws as agreed to in the merger agreement. The following summary is qualified in its entirety by reference to the complete text of the amendments to IMCO's bylaws, which are incorporated by reference and attached as *Annex D* to this joint proxy statement/prospectus. We urge you to read the full text of these amendments. The bylaws of IMCO will be amended, effective upon the completion of the merger, to add a new bylaw providing the following:

that the IMCO board of directors has resolved that, effective immediately following the completion of the merger, Steven Demetriou will serve as chairman of the board and chief executive officer of IMCO;

that immediately following the effective date of the merger until the second anniversary of the closing date of the merger, the board of directors will be comprised of the chairman of the board and chief executive officer, and an equal number of Continuing IMCO Directors and Continuing Commonwealth Directors as those terms are described in Governance above, the retirement or removal of a Continuing IMCO Director shall not require any Continuing Commonwealth Director to resign from the board of directors, and any vacancy on the board of directors caused by the death, resignation, retirement or removal of a Continuing Commonwealth Director shall not require a Continuing IMCO Director to resign from the board of directors to be in compliance with this bylaw;

that committees of the IMCO board of directors will be reconstituted immediately following the effective time of the merger, to be comprised of an equal number of Continuing Commonwealth Directors and Continuing IMCO Directors;

that until the second anniversary of the closing date of the merger, any action of the board of directors to nominate for election any person or persons as a director of IMCO at any annual or special meeting, or by written consent, of the stockholders of IMCO who is not a Continuing IMCO Director or a Continuing Commonwealth Director will require the affirmative vote of at least 66²/₃% of the directors then in office;

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that until the second anniversary of the closing date of the merger, any amendment or modification by the board of directors of the charter of IMCO's nominating and governance committee of the board will require the affirmative vote of at least 66 2/3% of the directors then in office; and

that the new bylaw may be modified, amended or repealed, and any bylaw provision inconsistent with the provisions of this new bylaw may be adopted, only by an affirmative vote of at least 66 2/3% of the directors then in office or by the affirmative vote of holders of at least 60% of the voting power of all of the then-outstanding shares of IMCO voting stock, voting together as a single class.

Conditions Precedent

Conditions to Each Party's Obligation to Effect the Merger

The obligations of IMCO, Merger Sub and Commonwealth to complete the merger are subject to the following conditions:

continued effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

adoption of the merger agreement by the holders of a majority of the outstanding Commonwealth shares entitled to vote at the Commonwealth special meeting;

approval of the stock issuance pursuant to and in accordance with the merger agreement by a majority of the votes cast at the IMCO special meeting by the holders of IMCO common stock, provided that the total vote cast on this proposal exceeds 50% of the shares of common stock outstanding and entitled to vote;

absence of any law, rule, regulation, judgment, decree, executive order or award prohibiting the consummation of the merger;

expiration or early termination of the waiting period under the Hart-Scott-Rodino Act and the receipt of consents or approvals under foreign antitrust laws required to consummate the transactions contemplated by the merger agreement, except where the failure to obtain such consent and approvals from a foreign governmental authority would not have a material adverse effect on the combined IMCO and Commonwealth following the closing;

approval for listing of the IMCO shares to be issued in the merger on the New York Stock Exchange, subject to official notice of issuance;

either (1) a commitment letter contemplating a financing in an amount sufficient to fully redeem Commonwealth's 104% Senior Subordinated Notes due 2006 and refinance in full IMCO's and Commonwealth's credit facilities shall have been obtained and all conditions (other than the consummation of the merger and bring-down conditions that we reasonably believe will be satisfied or waived) shall have been satisfied or waived, or (2) all conditions (other than the consummation of the merger and bring-down conditions that we reasonably believe will be satisfied or waived) to obtaining the agreed financing shall have been satisfied or waived; and

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Conditions to Obligations of IMCO and Merger Sub

Unless waived in whole or in part by IMCO and Merger Sub, the obligations of IMCO and Merger Sub to effect the merger are subject to the following conditions:

the truth and correctness of Commonwealth's representations or warranties in the merger agreement, except where the failure to be true and correct has not had a material adverse effect on Commonwealth;

Commonwealth's performance in all material respects of its agreements and covenants under the merger agreement; and

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receipt of an opinion satisfactory to IMCO of its special tax counsel, Fulbright & Jaworski L.L.P., to the effect that, if the merger is consummated in accordance with the terms of the merger agreement, the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Conditions to Obligations of Commonwealth

Unless waived in whole or in part by Commonwealth, the obligations of Commonwealth to effect the merger are subject to the following conditions:

the truth and correctness of IMCO's representations or warranties in the merger agreement, except where the failure to be true and correct has not had a material adverse effect on IMCO;

IMCO's and Merger Subsidiaries' performance in all material respects of their agreements and covenants under the merger agreement; and

receipt of an opinion satisfactory to Commonwealth of its special tax counsel, Sullivan & Cromwell LLP, to the effect that, if the merger is consummated in accordance with the terms of the merger agreement, the merger will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

No Solicitation of Alternative Proposals

IMCO and Commonwealth each agrees that neither it, nor any of its subsidiaries, nor any of its officers, directors, employees or representatives, nor any officers, directors, employees or representatives of its subsidiaries, will not, directly or indirectly:

initiate, solicit or encourage, any inquiries or the making of any proposal or offer that constitutes a third party competing proposal (of the type described below in this joint proxy statement/prospectus); and

engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any person relating to a competing proposal, provided, however, nothing will prevent either Commonwealth or IMCO or their respective boards of directors from:

complying with its disclosure obligations pursuant to Sections 14(a), 14(d) or 14(e) of the Securities Exchange Act of 1934; and

at any time prior to, but not after, the time the merger agreement is adopted at the Commonwealth special meeting or the share issuance is approved at the IMCO special meeting, as applicable:

providing information in response to an unsolicited bona fide written competing proposal under the terms of a confidentiality agreement that contains substantially the same terms as the confidentiality agreement applicable to IMCO or Commonwealth, as the case may be;

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engaging in any negotiations or discussions with any person who has made an unsolicited bona fide written competing proposal; or

recommending such a competing proposal to the stockholders of Commonwealth or IMCO, as the case may be.

Commonwealth and IMCO may only take these actions if and only to the extent that, in each case described above, the applicable board of directors determines in good faith after consultation with outside legal counsel that such action, in light of the competing proposal and the terms of the merger agreement, is necessary to comply with the board's respective fiduciary duties, and in case of engaging in any negotiations or discussions or making such a recommendation of a competing proposal, Commonwealth or IMCO, as the case may be, is in compliance with the merger agreement and the respective board of directors determines in good faith that such competing proposal, if accepted is reasonably likely to be consummated, and if consummated, would constitute a superior proposal (as described elsewhere in this joint proxy statement/prospectus).

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Commonwealth and IMCO have agreed to promptly notify the other if any such inquiries, proposals or offers are received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, any of its representatives, the name of such person and the material terms and conditions of any proposals or offers, and thereafter shall keep IMCO or Commonwealth informed, on a current basis, on the status and terms of any such proposals or offers and the status of any such discussions or negotiations.

Each of Commonwealth and IMCO has agreed that, during the five business day period prior to recommending a competing proposal to its stockholders, it and its outside legal counsel and financial advisors will negotiate in good faith with the other party, regarding any proposed revisions to the terms of the transactions contemplated by the merger agreement. The competing proposal may only be recommended to the appropriate stockholders if the IMCO or Commonwealth board of directors, as the case may be, determines in good faith that such competing proposal continues to be a superior proposal in light of any revisions to the merger agreement to which the parties have agreed prior to the expiration of such five business day period. A new notice will be delivered with respect to each competing proposal that has been materially revised or modified prior to taking any action to recommend such competing proposal to the appropriate stockholders and a new five business day period will commence from the time of this notice. The IMCO or Commonwealth board of directors, as the case may be, however, may make a change in recommendation in respect of a competing proposal that is received 10 days or less prior to the Commonwealth or the IMCO special meeting, provided that the party making that change in recommendation is in compliance with the terms of the merger agreement and provides notice to the other party before making such change.

As used in the merger agreement, **competing proposal** means any proposal or offer, other than a proposal or offer by IMCO or Commonwealth or any of their affiliates, with respect to a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Commonwealth or IMCO, as the case may be, or any of its material subsidiaries or any purchase or sale of 15% or more of the assets of Commonwealth or IMCO, as the case may be, and its respective subsidiaries, taken as a whole, or any purchase or sale of, or tender or exchange offer for, voting securities of Commonwealth or IMCO, as the case may be, that, if consummated, would result in any person (or the stockholders or other equity owners of such person) beneficially owning securities representing 15% or more of the total voting power of Commonwealth or IMCO, as the case may be (or the surviving parent entity in such transaction).

As used in the merger agreement, the term **superior proposal** means any unsolicited bona fide written competing proposal which the board of directors of Commonwealth or IMCO, as the case may be, concludes in good faith, after consultation with its financial advisors and outside legal advisors, taking into account all legal, financial, regulatory and other aspects of the proposal and the person making the proposal and such other matters as such board of directors deems relevant, is more favorable to the stockholders of Commonwealth or IMCO from a financial point of view, than the transactions contemplated by the merger agreement (including the terms, if any, proposed by IMCO or Commonwealth to amend or modify the terms of the transactions contemplated by the merger agreement) and is fully financed or reasonably capable of being fully financed and otherwise reasonably capable of being completed on the terms proposed. For purposes of this definition, the term **competing proposal** shall have the meaning described above in this joint proxy statement/prospectus, except that the reference to 15% or more shall be deemed to be a reference to a majority and the stockholders of Commonwealth or IMCO would own less than 50% of the equity interests having general voting power under ordinary circumstances to elect directors of IMCO following the consummation of the competing proposal.

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Merger Agreement May Be Terminated in Certain Circumstances

Before the effective time of the merger, the merger agreement may be terminated:

by mutual written consent of IMCO and Commonwealth duly authorized by their respective boards of directors;

by either IMCO or Commonwealth, if:

the merger has not occurred on or before December 15, 2004, unless the failure is the result of a breach of the merger agreement by the party seeking the termination;

any governmental entity has issued a final and nonappealable injunction, order, decree or ruling or has taken any other final and nonappealable action that makes the consummation of the merger illegal or otherwise prevents or prohibits the consummation of the merger;

adoption by the Commonwealth stockholders of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of Commonwealth common stock has not been obtained at the Commonwealth special meeting or any adjournment or postponement thereof; or

approval by the IMCO stockholders of the issuance of shares of IMCO common stock pursuant to the merger agreement has not been obtained by the affirmative vote of a majority of the votes cast at the IMCO special meeting, or any adjournment or postponement thereof, with the total votes cast on that proposal exceeding 50% of the shares of IMCO common stock outstanding;

by IMCO, if:

Commonwealth's board of directors or any committee thereof, at any time prior to the adoption of the merger agreement by the Commonwealth stockholders, withdraws, modifies or changes, in any way adverse to IMCO, its recommendation of the merger agreement;

either (1) Commonwealth breaches any representation, warranty, covenant or agreement under the merger agreement, or (2) any of Commonwealth's representations or warranties in the merger agreement shall become untrue, in either case such that the condition to closing would not be satisfied, if the inaccuracy or breach cannot be or has not been cured within 30 days following receipt of notice of the inaccuracy or failure; or

the Commonwealth special meeting is not held by December 10, 2004, unless the failure is the result of IMCO's failure to fulfill any obligations under the merger agreement;

by Commonwealth, if:

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IMCO's board of directors or any committee thereof, at any time prior to the approval of the share issuance by the IMCO stockholders, withdraws, modifies or changes, in any way adverse to Commonwealth, its recommendation of the merger agreement or the issuance of IMCO shares;

either (1) IMCO breaches any representation, warranty, covenant or agreement under the merger agreement, or (2) any of IMCO's representations or warranties in the merger agreement shall become untrue, in either case such that the condition to closing would not be satisfied, if the inaccuracy or breach cannot be or has not been cured within 30 days following receipt of notice of the inaccuracy or failure; or

the Commonwealth special meeting is not held by December 10, 2004, unless the failure is the result of IMCO's failure to fulfill any obligations under the merger agreement.

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Fees and Expenses Following a Termination of the Merger Agreement

Commonwealth must pay a termination fee of \$3.5 million to IMCO, together with all of IMCO's reasonably documented expenses related to the merger and the merger agreement through the date of termination, up to a maximum of \$2.0 million, if the merger agreement is terminated:

by IMCO, because Commonwealth's board of directors withdraws, modifies or changes, in any manner adverse to IMCO, its recommendation of the merger agreement, and:

prior to the time of such withdrawal, modification or change of recommendation, a third party has made a bona fide competing proposal with respect to Commonwealth that has been publicly announced and has not been withdrawn prior to such withdrawal, modification or change of recommendation; and

within 12 months of such termination, Commonwealth enters into any agreement providing for or consummates a third party acquisition;

by IMCO, because Commonwealth has materially breached its obligations under the merger agreement by failing to call the Commonwealth special meeting in accordance with the merger agreement or by failing to prepare and mail the proxy statement to its stockholders in accordance with the merger agreement, and:

prior to such termination, a third party has made a bona fide competing proposal with respect to Commonwealth that has been publicly announced; and

within 12 months of such termination, Commonwealth enters into any agreement providing for or consummates a third party acquisition;

by IMCO or Commonwealth, because the approval of the Commonwealth stockholders has not been obtained at its special meeting, and:

a third party has made a bona fide competing proposal with respect to Commonwealth that has been publicly announced and has not been withdrawn prior to the Commonwealth special meeting; and

within 12 months of such termination, Commonwealth enters into any agreement providing for or consummates a third party acquisition;

by IMCO, because the Commonwealth special meeting was not held by December 10, 2004, unless the failure is the result of IMCO's failure to fulfill any obligations under the merger agreement, and:

a third party has made a bona fide competing proposal with respect to Commonwealth that has been publicly announced and has not been withdrawn prior to such termination; and

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within 12 months of such termination, Commonwealth enters into any agreement providing for or consummates a third party acquisition; or

by Commonwealth, because the effective time has not occurred on or before December 15, 2004, and:

prior to the time of such termination, a third party has made a bona fide competing proposal that has been publicly announced or otherwise communicated to the Commonwealth board of directors and has not been withdrawn prior to such termination; and

within 12 months of such termination, Commonwealth enters into any agreement providing for or consummates a third party acquisition with the person who made such competing proposal.

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IMCO must pay a termination fee of \$3.5 million to Commonwealth, together with all of Commonwealth's reasonably documented expenses related to the merger and the merger agreement through the date of termination, up to a maximum of \$2.0 million, if the merger agreement is terminated:

by Commonwealth, because IMCO's board of directors withdraws, modifies or changes, in any manner adverse to Commonwealth, its recommendation of the merger agreement, and:

prior to the time of such withdrawal, modification or change of recommendation, a third party has made a bona fide competing proposal with respect to IMCO that has been publicly announced and has not been withdrawn prior to such withdrawal, modification or change of recommendation; and

within 12 months of such termination, IMCO enters into any agreement providing for or consummates a third party acquisition;

by Commonwealth, because IMCO has materially breached its obligations under the merger agreement by failing to call the IMCO special meeting in accordance with the merger agreement or by failing to prepare and mail the proxy statement to its stockholders in accordance with the merger agreement, and:

prior to such termination, a third party has made a bona fide competing proposal with respect to IMCO that has been publicly announced; and

within 12 months of such termination, IMCO enters into any agreement providing for or consummates a third party acquisition;

by IMCO or Commonwealth, because the approval of the IMCO stockholders has not been obtained at its special meeting, and:

a third party has made a bona fide competing proposal with respect to IMCO that has been publicly announced and has not been withdrawn prior to the IMCO special meeting; and

within 12 months of such termination, IMCO enters into any agreement providing for or consummates a third party acquisition;

by Commonwealth, because the IMCO special meeting was not held by December 10, 2004, unless the failure is the result of Commonwealth's failure to fulfill any obligations under the merger agreement, and:

a third party has made a bona fide competing proposal with respect to IMCO that has been publicly announced and has not been withdrawn prior to such termination; and

within 12 months of such termination, IMCO enters into any agreement providing for or consummates a third party acquisition;
or

by IMCO, because the effective time has not occurred on or before December 15, 2004, and:

prior to the time of such termination, a third party has made a bona fide competing proposal with respect to IMCO that has been publicly announced or otherwise communicated to the IMCO board of directors and has not been withdrawn prior to such

termination; and

within 12 months of such termination, IMCO enters into any agreement providing for or consummates a third party acquisition with the person who made such competing proposal.

As used in the merger agreement, third party acquisition means any of the following transactions:

A merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Commonwealth or IMCO, as the case may be, pursuant to which the stockholders of such party immediately preceding such transaction hold less than seventy percent (70%) of the aggregate equity interests in the surviving or resulting entity of such transaction or of any direct or indirect parent thereof, excluding any interest previously held by any stockholder in the other party to such transaction;

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a sale or other disposition by Commonwealth or IMCO, as the case may be, of assets representing in excess of thirty percent (30%) of the aggregate fair market value of the business of such party immediately prior to such sale or other disposition; or

an acquisition by any person or group, including by way of a tender offer or an exchange offer or an issuance of capital stock by Commonwealth or IMCO, as the case may be, directly or indirectly, of beneficial ownership of thirty percent (30%) or more of the voting power of the then outstanding shares of capital stock of Commonwealth or IMCO unless substantially all of the proceeds from such acquisition are retained by Commonwealth or IMCO, as the case may be.

Amendment

IMCO, Merger Sub and Commonwealth may amend the merger agreement at any time before the effective time of the merger. However, after the approval of the merger agreement by the Commonwealth stockholders, no amendment may be made that would reduce the amount or change the type of consideration into which each share shall be converted upon consummation of the merger, or that would otherwise require stockholder approval under applicable law, without in each case obtaining stockholder approval.

Extension; Waiver

IMCO, Merger Sub and Commonwealth may at any time before the effective time of the merger

extend the time for the performance of any of the obligations or the other acts of the other parties;

waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger agreement; or

waive compliance with any of the agreements or conditions contained in the merger agreement.

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Set forth below is information regarding the six individuals who will serve as executive officers of IMCO following the merger:

Present Positions and Recent

Name	Age	Business Experience
Steven J. Demetriou	46	Steven J. Demetriou will serve as chairman of the board and chief executive officer of IMCO following the merger. Mr. Demetriou is currently president and chief executive officer of Commonwealth. He has been on Commonwealth's board since 2002. Before joining Commonwealth in June 2004, Mr. Demetriou was president and chief executive officer of Noveon, Inc., which is a leading global producer of advanced specialty chemicals for consumer and industrial applications. Prior to that, from 1999 to 2001, he was executive vice president of IMC Global Inc., a leading producer and distributor of crop nutrients and animal feed ingredients to the domestic and international agricultural communities, and president of IMC Crop Nutrients. Mr. Demetriou also served in a number of leadership positions with Cytec Industries Inc., a specialty chemicals and materials company, from 1997 to 1999. From 1981 to 1997, he held various positions with Exxon Corporation. Mr. Demetriou holds a bachelor of science in chemical engineering from Tufts University.
Michael D. Friday	53	Michael D. Friday, who will serve as executive vice president and chief financial officer of IMCO following the merger, served as executive vice president and chief financial officer of Noveon, Inc. from 2001 to 2004. From 1997 to 2001, Mr. Friday served as vice president—finance business development and information technology at BFGoodrich Performance Materials. From 1994 to 1997, Mr. Friday was vice president of finance for The Little Tikes Company, a unit of Rubbermaid, Inc. Mr. Friday began his career with the General Electric Company in 1974, where he served in a variety of increasingly responsible financial management capacities. Mr. Friday holds a bachelor of science degree in business administration from the Rochester Institute of Technology.
John J. Wasz	44	John J. Wasz has been with Commonwealth Industries since 1985 and will serve as executive vice president and president of Aluminum Rolled Products of IMCO following the merger. Since 2000, he has served as executive vice president and president of Alflex, and prior to that Mr. Wasz held the position of vice president of Alflex Operations. Additionally, Mr. Wasz served in several other capacities within the Commonwealth aluminum division, including vice president of Materials; vice president of Marketing and Sales; Distribution Marketing Manager; and Regional Manager.
Joseph M. Byers	59	Joseph M. Byers has served as the senior vice president of aluminum operations for IMCO Recycling Inc. since September 2001 and will serve as president of IMCO's Recycling and Alloying division following the merger. Mr. Byers previously served as president of Wabash Alloys, senior vice president of EASCO Aluminum and was employed for 17 years by Alcoa Inc. where he held key management positions in various domestic and international locations. Mr. Byers also served as a pilot in the United States Air Force where he attained the rank of Captain and earned the Distinguished Flying Cross and Air Medal with thirteen oak-leaf clusters.

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Present Positions and Recent

<u>Name</u>	<u>Age</u>	<u>Business Experience</u>
Sean M. Stack	37	Sean M. Stack, who will serve as senior vice president and treasurer of IMCO following the merger, is currently vice president and treasurer of Commonwealth. Prior to joining Commonwealth in June 2004, he had served as vice president and treasurer of Noveon Inc., beginning in March 2001. Prior to joining Noveon, Mr. Stack served as vice president and treasurer for Specialty Foods Corporation from May 1996 to December 2000. Specialty Foods filed for bankruptcy in September 2000 and emerged from bankruptcy in December 2000. Mr. Stack joined Specialty Foods as assistant treasurer in 1996. Prior to that he was a vice president at ABN AMRO Bank in commercial and investment banking. Mr. Stack holds a bachelor's degree in business administration from the University of Notre Dame and a master's degree in management from Northwestern University's J.L. Kellogg Graduate School of Management.
Christopher R. Clegg	46	Christopher R. Clegg, who will serve as senior vice president, general counsel and secretary of IMCO following the merger, is currently vice president, general counsel and secretary of Commonwealth. Before joining Commonwealth in June 2004, he had served as senior vice president, general counsel and secretary of Noveon, Inc. since March 2001. Mr. Clegg had served as vice president-legal for the Performance Materials Segment of BF Goodrich Company since 1999. Before assuming that position, Mr. Clegg served as senior corporate counsel for Goodrich Aerospace since May 1991. Prior to joining Goodrich, Mr. Clegg was a corporate lawyer in private practice with the law firms of Squire, Sanders & Dempsey in Cleveland, Ohio from March 1988 to May 1991 and Perkins Coie in Seattle, Washington. Mr. Clegg holds a bachelor's degree in political science from the University of California at Berkeley, a master's degree in International Studies from the Johns Hopkins University School of Advanced International Studies and a law degree from the Georgetown University Law Center.

Employment Arrangements

Set forth below is a description of the employment arrangements with the persons who will be executive officers of the combined company at the effective time of the merger.

Steven J. Demetriou

Effective upon the closing of the merger, Steven J. Demetriou will become the chairman of the board and Chief Executive Officer of the combined company. Initially, Mr. Demetriou will receive an annual salary of \$800,000 which will be subject to annual review by the combined company's board of directors. Mr. Demetriou's bonus will be targeted at 100% of his base salary, but may not exceed 200% of base salary.

The options and restricted stock awards awarded by Commonwealth to Mr. Demetriou will be assumed by IMCO and will continue to vest under their regular vesting schedule. Upon completion of the merger, performance goals for performance-based restricted stock may be re-set or adjusted by the combined company's board of directors. Any future equity awards will be subject to the approval of IMCO's board of directors.

The terms of Mr. Demetriou's employment, in the event of termination and his change in control severance agreement (which will not be affected by this merger) are described in *Certain Persons May Have Interests in the Merger that are Different from Stockholders' Interests Generally* beginning on page 62. (See *Commonwealth Severance Arrangements.*)

Mr. Demetriou will be allowed to participate in all benefit programs of the combined company and in the perquisite program to be approved by the combined company's board of directors. Mr. Demetriou will be

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reimbursed for all reasonable travel to and from Cleveland and reasonable living away from Cleveland until relocation occurs. Mr. Demetriou will receive a relocation package, as developed and approved by the combined company's board of directors, including a home resale benefit, if required.

Michael D. Friday

Michael D. Friday will become Executive Vice President and Chief Financial Officer of the combined company, effective immediately following the effective time of the merger. Initially, Mr. Friday will receive an annual salary of \$375,000 which will be subject to annual review by the combined company's board of directors. Mr. Friday's target bonus will be 75% of his base salary, with a maximum bonus of 150% of his base salary.

The options and restricted stock awards awarded by Commonwealth to Mr. Friday will be assumed by IMCO and will continue to vest under their regular vesting schedule. Upon completion of the merger, performance goals for performance-based restricted stock may be re-set or adjusted by the combined company's board of directors. Any future equity awards will be subject to the approval of IMCO's board of directors.

The terms of Mr. Friday's employment, in the event of termination and his change in control severance agreement (which will not be affected by this merger) are described in *Certain Persons May Have Interests in the Merger that are Different from Stockholders' Interests Generally* beginning on page 62. (See *Commonwealth Severance Arrangements*.)

Mr. Friday will be allowed to participate in all benefit programs of the combined company and in the perquisite program to be approved by the combined company's board of directors. Mr. Friday will be reimbursed for all reasonable travel to and from Cleveland and reasonable living away from Cleveland until relocation occurs. Mr. Friday will receive a relocation package, as developed and approved by the combined company's board of directors, including a home resale benefit, if required.

Christopher R. Clegg

Christopher R. Clegg will become Senior Vice President, General Counsel and Secretary of the combined company, effective immediately following the effective time of the merger. Initially, Mr. Clegg will receive an annual salary of \$275,000 which will be subject to annual review by the combined company's board of directors. Mr. Clegg's target bonus will be 60% of his base salary, with a maximum bonus of 120% of his base salary.

The options and restricted stock awards awarded by Commonwealth to Mr. Clegg will be assumed by the combined company and will continue to vest on their regular vesting schedule. There will be no accelerated vesting due to a change in control. Upon the closing of the merger, performance goals for performance-based restricted stock may be re-set or adjusted by the combined company's board of directors. Any future equity awards will be subject to the approval of the combined company's board of directors.

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The terms of Mr. Clegg's employment, in the event of termination and his change in control severance agreement (which will not be affected by this merger) are described in *Certain Persons May Have Interests in the Merger that are Different from Stockholders' Interests Generally* beginning on page 62. (See *Commonwealth Severance Arrangements.*)

Mr. Clegg will be allowed to participate in all benefit programs of the combined company and in the perquisite program to be approved by the combined company's board of directors. Mr. Clegg will be reimbursed for all reasonable travel to and from Cleveland and reasonable living away from Cleveland until relocation occurs. Mr. Clegg will receive a relocation package, as developed and approved by the combined company's board of directors, including a home resale benefit, if required.

Sean M. Stack

Sean M. Stack will become Senior Vice President and Treasurer of the combined company, effective immediately following the effective time of the merger. Initially, Mr. Stack will receive an annual salary of

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\$225,000 which will be subject to annual review by the combined company's board of directors. Mr. Stack's target bonus will be 50% of his base salary, with a maximum bonus of 100% of his base salary.

The options and restricted stock awards awarded by Commonwealth to Mr. Stack will be assumed by the combined company and will continue to vest on their regular vesting schedule. There will be no accelerated vesting due to a change in control. Upon the closing of the merger, performance goals for performance-based restricted stock may be re-set or adjusted by the combined company's board of directors. Any future equity awards will be subject to the approval of the combined company's board of directors.

The terms of Mr. Stack's employment, in the event of termination and his change in control severance agreement (which will not be affected by this merger) are described in *Certain Persons May Have Interests in the Merger that are Different from Stockholders Generally* beginning on page 62. (See *Commonwealth Severance Arrangements*.)

Mr. Stack will be allowed to participate in all benefit programs of the combined company and in the perquisite program to be approved by the combined company's board of directors. Mr. Stack will be reimbursed for all reasonable travel to and from Cleveland and reasonable living away from Cleveland until relocation occurs. Mr. Stack will receive a relocation package, as developed and approved by the combined company's board of directors, including a home resale benefit, if required.

John J. Wasz

John J. Wasz will become the Executive Vice President of Aluminum Rolled Products of the combined company, effective immediately following the effective time of the merger. Mr. Wasz's compensation arrangements will be determined by the combined company's board of directors.

The options awarded by Commonwealth to Mr. Wasz will be assumed by the combined company with accelerated vesting due to a change in control. Any future equity awards will be subject to the approval of the combined company's board of directors.

If Mr. Wasz is terminated after a change in control, he will be eligible for the benefits and payments described under *Certain Persons May Have Interests in the Merger that are Different from Stockholders Generally* beginning on page 62. See *Commonwealth Severance Arrangements*.

Mr. Wasz will be allowed to participate in all benefit programs of the combined company and in the perquisite program to be approved by the combined company's board of directors.

Joseph M. Byers

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Joseph M. Byers will become President of the Recycling and Alloy division of the combined company, effective immediately following the effective time of the merger. Mr. Byers' compensation arrangements will be determined by the combined company's board of directors.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements at June 30, 2004 and for the year ended December 31, 2003 and the six months ended June 30, 2004 are presented using the purchase method of accounting to give effect to the proposed merger and to reflect the combination of the consolidated historical financial data of IMCO and Commonwealth. In general, upon the effectiveness of the proposed merger, each share of Commonwealth stock (except those shares owned directly or indirectly by Commonwealth or IMCO) will be converted into 0.815 of a share of IMCO common stock.

The following unaudited pro forma condensed combined financial statements have been derived from the historical financial statements of IMCO and Commonwealth. The unaudited pro forma condensed combined financial statements should be read in conjunction with:

IMCO's historical audited consolidated financial statements for the year ended December 31, 2003 and unaudited consolidated financial statements for the six months ended June 30, 2004, both incorporated by reference in this joint proxy statement/prospectus, and

Commonwealth's historical audited consolidated financial statements for the year ended December 31, 2003, and unaudited condensed consolidated financial statements for the six months ended June 30, 2004, both incorporated by reference in this joint proxy statement/prospectus.

The unaudited pro forma condensed combined balance sheet is derived from the historical unaudited consolidated balance sheets of IMCO and Commonwealth as of June 30, 2004 and is presented as if the merger had occurred on June 30, 2004. The unaudited pro forma condensed combined statements of operations were derived from the historical consolidated statements of operations for both IMCO and Commonwealth assuming the proposed merger had occurred on January 1, 2003.

The unaudited pro forma condensed combined financial statements are prepared for illustrative purposes only, and are not necessarily indicative of the operating results or financial position that would have occurred if the merger transaction had been consummated at the beginning of the periods or the dates indicated, nor are they necessarily indicative of any future operating results or financial position. The unaudited pro forma condensed combined financial statements do not include any adjustments related to any restructuring charges, profit improvements, potential cost savings or one-time charges which may result from the proposed merger or the result of final valuations of tangible and intangible assets and liabilities.

Sale of Alflex Corporation

Commonwealth entered into a stock purchase agreement dated June 4, 2004 for the sale of Alflex Corporation. The sale of Alflex closed on July 30, 2004, and resulted in approximately \$64.0 million of proceeds. The accompanying unaudited proforma condensed combined statements of operations reflect the effect of the sale of Alflex as if it had occurred on January 1, 2003, while the unaudited pro forma condensed combined balance sheet reflects the effect of the sale as if it had occurred on June 30, 2004.

Refinancing of Debt

The merger agreement requires the refinancing of all of Commonwealth's 10 3/4% senior subordinated notes due 2006 together with accrued and unpaid interest thereon, the repurchase in full of Commonwealth's existing receivables sold under its accounts receivable securitization facility and the refinancing of any amounts outstanding under Commonwealth's revolving credit facility and IMCO's revolving credit facility immediately prior to closing of the merger. The accompanying unaudited pro forma condensed combined financial statements reflect the impact of these requirements. Neither IMCO nor Commonwealth presently has commitments from any lender or other financing source necessary to provide the required sources of funds to complete these planned refinancing transactions. Therefore, the accompanying pro forma financial statements incorporate funding sources and interest rate assumptions that may change once the actual financing commitments necessary to complete the planned refinancing transactions are obtained.

Table of Contents**IMCO RECYCLING INC. AND SUBSIDIARIES****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****JUNE 30, 2004****(in thousands)**

	PRO FORMA ADJUSTMENTS						
	IMCO HISTORICAL	COMMONWEALTH HISTORICAL	ALFLEX DISPOSITION(A)	COMMONWEALTH ADJUSTED	MERGER TRANSACTION(M)	FINANCING ADJUSTMENTS(M)	
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 13,934	\$ 2,246	\$ 65,004	\$ 67,250		\$ (64,019)	\$ 17,165
Net residual interest in receivables sold		36,306	(309)	35,997		(35,997)	
Accounts receivable, net	132,538	78		78	(2,597)B	100,000	266,016
						35,997	
Inventories	82,514	139,158		139,158	21,743 D		243,415
Restricted cash	18,917						18,917
Deferred income taxes	13,078						13,078
Other current assets	12,434	16,956	205	17,161	(904)L		28,691
Current assets of discontinued operations		41,707	(41,707)				
Total Current Assets	273,415	236,451	23,193	259,644	18,242	35,981	587,282
Property and equipment, net	212,829	120,611		120,611			333,440
Goodwill	69,239				129,773 C		172,893
					(11,027)G		
					5,203 F		
					(21,743)D		
					1,448 L		
Investments in joint ventures	831						831
Other assets, net	14,225	8,696		8,696	(544)L	7,500	29,877
Non-current assets of discontinued operations		33,776	(33,776)				
	\$ 570,539	\$ 399,534	\$ (10,583)	\$ 388,951	\$ 121,352	\$ 43,481	\$ 1,124,323
LIABILITIES AND STOCKHOLDERS EQUITY							
Current Liabilities							
Accounts payable	\$ 88,870	\$ 57,429	\$ 57,429	\$ 57,429	(2,597)B	\$	\$ 143,702
Accrued liabilities	37,384	35,826	2,266	38,092	3,772 E	(3,359)	85,125
					9,236 K		
Current maturities of long-term debt	30	8,588		8,588		(8,588)	30
Current liabilities of discontinued operations		12,849	(12,849)				

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Total Current Liabilities	126,284	114,692	(10,583)	104,109	10,411	(11,947)	228,857
Long-term debt	266,516	125,000		125,000		11,947	446,944
						43,481	
Deferred income taxes	20,618						20,618
Accrued pension benefits	13,318	30,108	1,230	31,338	5,203 F		49,859
Accrued post retirement benefits		61,203		61,203	(11,027)G		50,176
Other long-term liabilities	12,387	3,297		3,297			15,684
Non-current liabilities of discontinued operations		1,230	(1,230)				
STOCKHOLDERS EQUITY							
Common stock	1,716	162		162	1,180 H		3,058
Additional paid-in capital	103,607	407,965		407,965	(407,965)I		283,034
					8,632 I		
					170,795 I		
Deferred stock compensation	(3,154)	(1,972)		(1,972)	1,972 I		(3,154)
Retained earnings (Accumulated deficit)	54,188	(328,704)		(328,704)	328,704 J		54,188
Accumulated other comprehensive loss	(6,892)	(13,447)		(13,447)	13,447 J		(6,892)
Treasury stock	(18,049)						(18,049)
Stockholders Equity	131,416	64,004		64,004	116,765		312,185
	\$ 570,539	\$ 399,534	\$ (10,583)	\$ 388,951	\$ 121,352	\$ 43,481	\$ 1,124,323

See Notes to Unaudited Pro Forma Condensed Combined Balance Sheet

Table of Contents**Notes to the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2004****(All dollar amounts are in thousands.)**

The unaudited pro forma condensed combined balance sheet reflects the following pro forma adjustments and IMCO's preliminary purchase price allocation as further described below:

A) To reflect the disposition of Alflex. On July 30, 2004, Commonwealth completed the disposition of all the issued and outstanding common stock of its indirect subsidiary Alflex, which comprised Commonwealth's Electrical Products Segment, to Southwire Company pursuant to a stock purchase agreement dated June 4, 2004, as amended. The actual cash proceeds received by Commonwealth on July 30, 2004 was \$64.0 million. Certain assets and liabilities of Alflex were retained by Commonwealth subsequent to the sale. Therefore, these assets and liabilities have been reclassified to the appropriate financial statement line items.

B) To reflect the elimination of outstanding accounts receivables and payables between IMCO and Commonwealth.

C) To record the excess of purchase price over net assets acquired as follows:

Estimated fair value of IMCO common shares based on the average closing price of IMCO common stock two days prior and two days following announcement of the merger on June 17, 2004) issued in exchange for all outstanding Commonwealth common stock, resulting in the issuance of 13,416,719 IMCO shares	\$ 172,137
Estimated fair value of IMCO stock options to be granted in exchange for Commonwealth stock options	8,632
Estimated acquisition costs (E)	3,772
Estimated severance and other obligations arising from merger (K)	9,236
	<hr/>
Total acquisition consideration	193,777
Less: Estimated fair value of net assets acquired comprised of the following:	
Current assets	259,644
Property and equipment	120,611
Other assets	8,696
Current liabilities	(104,109)
Long-term debt	(125,000)
Accrued pension and post-retirement benefits	(92,541)
Other long-term liabilities	(3,297)
	<hr/>
Estimated fair value of net assets acquired *	64,004
	<hr/>
Goodwill	\$ 129,773
	<hr/>

* Based upon currently available information, IMCO has assumed for purposes of this unaudited pro forma condensed combined balance sheet that the book value of Commonwealth's tangible assets and liabilities approximate their fair value. IMCO is in the process of performing further analysis of the fair values of certain assets of Commonwealth to be acquired and liabilities to be assumed. Based upon this further analysis, which has not yet been completed, the allocation of the purchase price assigned to the Commonwealth net assets acquired may be further refined, and may result in a portion of the purchase price being further allocated to inventories, property and

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equipment and other identifiable intangible assets, with a corresponding adjustment to goodwill. However, IMCO does not expect substantial adjustments to the carrying value of inventories, property and equipment or current liabilities, nor does it expect significant amounts to be allocated to other identifiable intangible assets.

Table of Contents**Notes to the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2004 (Continued)****(All amounts are in thousands.)**

D) To reflect the adjustment to conform the companies' accounting methods for inventory. Commonwealth has applied the last-in-first-out (LIFO) method to value inventories while IMCO has applied the average cost and specific identification methods. The resulting adjustment to increase Commonwealth's inventories and record the related impact on goodwill, is as follows:

Inventories	\$ 21,743
Goodwill	\$ 21,743

E) To reflect transaction costs estimated to be \$3,772.

F) To reflect a purchase price adjustment to increase the liability for pension benefits by \$2,618 to record the estimated fair value of Commonwealth's pension obligation to be assumed by IMCO. The resulting adjustment to increase the liability for pension costs and record the related impact on goodwill is as follows:

Goodwill	\$ 5,203
Accrued pension benefit	\$ 5,203

G) To reflect a purchase price adjustment to reduce the liability for accrued post retirement benefits by \$13,344 to record the estimated fair value of the post retirement benefit obligations to be assumed by IMCO. The resulting adjustment to decrease the liability for accrued post retirement benefit obligations and to record the related impact on goodwill is as follows:

Accrued post retirement benefits	\$ 11,027
Goodwill	\$ 11,027

H) To record adjustments to common stock as follows:

To eliminate Commonwealth's common stock balance	\$ (162)
To reflect the incremental shares of IMCO common stock to be issued for the acquisition 13,416,719 shares at \$.10 par value	1,342
	<hr/>
Total pro forma adjustments to common stock	\$ 1,180

I) To record adjustments to additional paid-in-capital and deferred stock compensation as follows:

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To eliminate Commonwealth's additional paid-in-capital	\$ (407,965)
To record the estimated fair value (in excess of par) for the 13,416,719 shares of IMCO common stock to be issued for the acquisition	170,795
To eliminate Commonwealth's deferred compensation equity accounts	1,972
To record the estimated fair value of IMCO stock options to be issued in exchange for Commonwealth stock options	8,632
	<hr/>
Total pro forma adjustment to additional paid-in-capital and deferred stock compensation	\$ (226,566)

J) To eliminate Commonwealth's accumulated deficit and accumulated other comprehensive loss balances.

K) To reflect the estimated liability for severance and other obligations of \$9,236 related to Commonwealth employees to be terminated, change in control payments to Commonwealth executives to be paid at the closing of the merger and other obligations of IMCO arising from the merger transactions that are related to officers and directors of Commonwealth.

Table of Contents**Notes to the Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2004 (Continued)**

(All amounts are in thousands.)

L) To reflect a purchase price adjustment to write off the Commonwealth deferred financing costs, since all of the Commonwealth financing arrangements are expected to be refinanced and terminated as required by the merger agreement. The resulting adjustment to decrease other assets and record the related impact on goodwill is as follows:

Goodwill	\$ 1,448
Other current assets	\$ 904
Other assets, net	\$ 544

M) To reflect the financing transactions and the sale and issuance of the notes. The following adjustments have been reflected in the accompanying pro forma unaudited condensed financial statements to reflect the financing transactions and the sale and issuance of the notes:

- 1) An adjustment to reflect the use of \$64,019 in proceeds from the sale of Alflex that will reduce outstanding borrowings of the combined entity.
- 2) An adjustment to reflect the repurchase of \$100,000 of accounts receivable outstanding under Commonwealth's accounts receivable facility that are required to be repurchased to terminate the facility.
- 3) An adjustment to reclassify Commonwealth's net residual interest in receivables sold of \$35,997, to accounts receivable.
- 4) An adjustment to reflect a reclassification of the accrued interest on Commonwealth's senior subordinated notes that is required to be redeemed in the amount of \$3,359, to long-term borrowings.
- 5) An adjustment to reclassify \$8,588 outstanding under Commonwealth's revolving credit facilities to long-term debt, since IMCO intends to obtain long-term financing to refinance these obligations.
- 6) An adjustment to reflect the estimated costs to be incurred by IMCO related to the financing transactions, which are currently estimated to be \$7,500. This adjustment has been reflected as an increase to other long-term assets and an increase in long-term debt in the accompanying unaudited pro forma condensed balance sheet.

As a result of these adjustments, current maturities of long-term debt are estimated to decrease by \$8,588 and long-term debt is estimated to increase by \$55,398. A comparison of IMCO and Commonwealth debt outstanding as of June 30, 2004 on a historical basis and on a pro forma basis, reflecting the planned refinancing transactions described above, is as follows:

IMCO and Commonwealth Historical Debt Outstanding as of June 30, 2004:

IMCO	
10 3/8% senior secured notes due 2010 (net of \$1,231 discount)	\$ 208,802

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Morgantown, Kentucky solid waste disposal facilities revenue bonds (6.0% to 7.65%)	14,406
Senior revolving credit facility	43,286
Other	52
	<hr/>
	266,546
Commonwealth	
10 3/4% senior subordinated notes due 2006	125,000
Revolving credit facility	8,588
	<hr/>
	133,588
	<hr/>
Total	\$ 400,134

Table of Contents**Notes to the Unaudited Pro Forma Condensed Combined Balance Sheet****(All dollar amounts are in thousands.) (Continued)*****IMCO and Commonwealth Pro Forma Debt Balances June 30, 2004***

10 ³ / ₈ % senior secured notes due 2010 (net of \$1,231 discount)	\$ 208,802
9 ³ / ₄ % senior unsecured notes (1)	125,000
Morgantown, Kentucky solid waste disposal facilities revenue bonds (6.0% to 7.65%)	14,406
Other	52
New senior revolving credit facility (2)	98,684
	<hr/>
Total	\$ 446,944

- (1) For purposes of the accompanying unaudited pro forma financial statements, it has been assumed that the new \$125,000 IMCO senior unsecured notes would be priced at their principal amount. The actual selling price may not be at that amount, since IMCO has not yet obtained a commitment for the issuance of the new senior unsecured notes.
- (2) In connection with the refinancing, Commonwealth will be required to repurchase receivables previously sold under its receivables purchase facility. At June 30, 2004, \$100,000 was outstanding under the receivables purchase facility.

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IMCO RECYCLING INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2004

(in thousands, except per share data)

	PRO FORMA ADJUSTMENTS				PRO FORMA COMBINED (F)
	IMCO HISTORICAL	COMMONWEALTH HISTORICAL	MERGER TRANSACTION	FINANCING TRANSACTION	
Revenues	\$ 570,947	\$ 525,888	\$ (13,786)D	\$	\$ 1,083,049
Cost of sales	525,384	506,722	(13,786)D (14,972)A		1,003,348
Gross profit	45,563	19,166	14,972		79,701
Selling, general and administrative expense	26,648	20,911			47,559
Restructuring charges		13,337			13,337
Interest expense	13,305	8,553		98 C	21,956
Other (income) expense, net	184	(869)			(685)
Equity in net earnings of affiliates	45				45
Earnings (loss) from continuing operations before provision for income taxes and minority interests	5,381	(22,766)	14,972	(98)	(2,511)
Provision for income taxes	2,295	43			2,338 E
Earnings (loss) from continuing operations before minority interests	3,086	(22,809)	14,972	(98)	(4,849)
Minority interests, net of provision for income taxes	87				87
Earnings (loss) from continuing operations	\$ 2,999	\$ (22,809)	\$ 14,972	\$ (98)	\$ (4,936)
Net earnings (loss) from continuing operations per share:					
Basic net earnings (loss) from continuing operations per share:					
Earnings (loss) from continuing operations	\$ 0.20	\$ (1.42)			\$ (0.18)
Diluted net earnings (loss) per share	\$ 0.20	\$ (1.42)			\$ (0.18)

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Earnings (loss) from continuing operations

Weighted average shares outstanding (B):

Basic	14,658	16,045	27,735
Diluted	15,097	16,045	27,735

See Notes to Unaudited Pro Forma Condensed Combined Statements of Operations.

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IMCO RECYCLING INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2003

(in thousands, except per share data)

	PRO FORMA ADJUSTMENTS				PRO FORMA COMBINED (F)
	IMCO HISTORICAL	COMMONWEALTH HISTORICAL	MERGER TRANSACTION	FINANCING TRANSACTION	
Revenues	\$ 892,015	\$ 817,711	\$ (19,436)D	\$	\$ 1,690,290
Cost of sales	837,428	769,402	(19,436)D (4,625)A		1,582,769
Gross profit	54,587	48,309	4,625		107,521
Selling, general and administrative expense	38,242	34,317			72,559
Fees on receivables sale	843				843
Interest expense	15,806	15,506		197 C	31,509
Other (income) expense, net	(4,017)	(1,771)			(5,788)
Equity in net earnings of affiliates	(789)				(789)
Earnings (loss) from continuing operations before provision for income taxes and minority interests	4,502	257	4,625	(197)	9,187
Provision for (benefit from) income taxes	(1,029)	115			(914)E
Earnings (loss) from continuing operations before minority interests	5,531	142	4,625	(197)	10,101
Minority interests, net of provision for income taxes	560				560
Earnings (loss) from continuing operations	\$ 4,971	\$ 142	\$ 4,625	\$ (197)	\$ 9,541
Net earnings (loss) per share:					
Basic net earnings (loss) per share:					
Earnings (loss) from continuing operations	\$ 0.34	\$ 0.01			\$ 0.35
Diluted net earnings (loss) per share					
Earnings (loss) from continuing operations	\$ 0.33	\$ 0.01			\$ 0.34

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Weighted average shares outstanding

(B):			
Basic	14,473	16,011	27,522
Diluted	15,011	16,075	28,112

See Notes to Unaudited Pro Forma Condensed Combined Statements of Operations.

Table of Contents**Notes to the Unaudited Pro Forma Condensed Combined Statements of Operations****(All dollar amounts are in thousands.)**

The unaudited pro forma condensed combined statements of operations reflect the following pro forma adjustments as further described below:

A) To reflect the impact of conforming Commonwealth's method of accounting for inventory with IMCO's method. Commonwealth has applied the LIFO method to value inventories while IMCO has applied the average cost and specific identification methods. Had Commonwealth applied a method of accounting for inventories consistent with IMCO's during the pro forma periods presented, the estimated impact would have been as follows:

	Year ended	Six months ended
	December 31, 2003	June 30, 2004
	<u> </u>	<u> </u>
Decrease cost of sales	\$ 4,625	\$ 14,972

B) Pro forma combined basic and diluted shares include adjustments to reflect the impact of the exchange ratio of 0.815 of a share of IMCO common stock for each share of outstanding Commonwealth common stock and the impact of IMCO stock options exchanged for outstanding Commonwealth stock options.

C) To reflect the impact of the financing transactions. An adjustment has been reflected in the accompanying unaudited pro forma condensed combined financial statements to reflect the estimated impact on interest expense based on the financing transactions. The adjustments to reflect the impact of the refinancing transactions on interest expense for each period are presented below.

	Year ended	Six months ended
	December 31, 2003	June 30, 2004
	<u> </u>	<u> </u>
Increase interest expense	\$ 197	\$ 98

D) This adjustment reflects the elimination of revenues and cost of sales between IMCO and Commonwealth.

E) Substantially all of Commonwealth's operations are in the United States. Commonwealth recorded income before taxes of \$257 for the year ended December 31, 2003 with income tax expense of \$115. For the year ended December 31, 2003, IMCO recorded a benefit for income taxes of \$1,029, which consisted of federal and state income tax benefits of \$7,689 and a provision for foreign income taxes of \$6,660. The pro forma combined statement of operations for the year ended December 31, 2003 does not reflect a tax effect on the pro forma adjustments since IMCO has sufficient net operating loss carryforwards to offset the effect of the additional income resulting from the pro forma adjustments.

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For the six months ended June 30, 2004, Commonwealth recorded a loss before taxes of \$22,766 with income tax expense of \$43. During the six months ended June 30, 2004, as a result of higher interest expense and payments for departing executives, IMCO reported net operating losses for U.S. federal income tax purposes. IMCO recognized deferred tax benefits related to these net operating losses for U.S. federal income tax purposes, but did not recognize deferred state income tax benefits. As the combined pro forma results reflect a loss before taxes, no additional tax benefits have been reflected in the pro forma condensed statements of operations for the six months ended June 30, 2004.

F) The following special items were recorded by IMCO during the year ended December 31, 2003: (a) non-cash gain of \$5,432 in regards to the early extinguishment of the VAW-IMCO redemption liability; (b) write-off of deferred charges associated with the establishment in 2003 of IMCO's existing revolving credit facility of

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Notes to the Unaudited Pro Forma Condensed Combined Statements of Operations

(All dollar amounts are in thousands.)

\$753 in conjunction with the refinancing of almost all of its debt in the fourth quarter of 2003; (c) impairment of certain of IMCO's assets resulting in non-cash charges totaling \$5,905; and (d) an unrealized foreign currency gain of \$1,880 recognized on the intercompany note from VAW-IMCO. During the six months ended June 30, 2004, IMCO incurred expenses amounting to \$3,665 related to the departure of Don V. Ingram, its former chairman of the board, president and chief executive officer. These expenses included a cash severance payment of \$1,500, expenses from the vesting of Mr. Ingram's restricted stock awards, and certain legal expenses associated with his departure.

Commonwealth recorded a \$29,607 non-cash goodwill impairment charge and a \$2,516 curtailment gain related to its other post-employment benefit plan during the year ended December 31, 2003. During the six months ended June 30, 2004 Commonwealth recorded the following special items: (a) severance and professional fees in relation to the merger with IMCO of \$9,718; (b) closure expenses for its King's Mountain tube facility of \$5,827; and (c) transaction costs in relation to the sale of Aiflex of \$2,570.

Upon closing, the combined companies expect to incur one-time costs associated with combining the operations of the two companies, which will be expensed rather than capitalized as part of the purchase price allocation. These expenses are anticipated to be between \$12,000 and \$15,000 and include Commonwealth's costs associated with the transaction such as investment banker and attorney fees and certain severance costs of IMCO.

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CHANGES IN COMMONWEALTH S INTERNAL CONTROL OVER FINANCIAL REPORTING; DISCLOSURE CONTROLS

Reference is made to the section captioned Item 9A. Controls and Procedures Changes in Internal Control over Financial Reporting in Commonwealth s 2003 Form 10-K for a discussion of certain deficiencies that inhibited effective internal controls over Commonwealth s financial reporting as of December 31, 2003. During the completion of the annual audit, Commonwealth s independent auditors, PricewaterhouseCoopers LLP, communicated its view that those deficiencies constituted a material weakness in Commonwealth s internal control over financial reporting.

Commonwealth believed at the time that the detected failures to adequately and timely detect all information necessary to ensure the reliability of financial reporting noted in Commonwealth s 2003 Form 10-K were temporary, and believes it has implemented greater systems functionality, improved user training and more comprehensive controls over work-around processes in order to address and correct these deficiencies. Nothing has come to Commonwealth s attention since that time that has caused Commonwealth to change that belief.

Except as set forth in Commonwealth s 2003 Form 10-K, there have not been any changes in Commonwealth s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the applicable periods ended December 31, 2003, March 31, 2004 and June 30, 2004 that materially affected, or is reasonably likely to materially affect, Commonwealth s internal control over financial reporting.

Based upon the evaluation of the effectiveness of Commonwealth s disclosure controls and procedures as of the end of the year ended December 31, 2003. The conclusion was made that Commonwealth s disclosure controls and procedures were effective to ensure that information required to be disclosed by Commonwealth in its reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission s rules and forms. It has subsequently been concluded by Commonwealth that such disclosure controls and procedures as of December 31, 2003 were effective, except as set forth above and in Commonwealth s 2003 Form 10-K.

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DESCRIPTION OF IMCO CAPITAL STOCK

This summary of the material features and rights of IMCO's capital stock does not purport to be complete. See "Where You Can Find More Information" beginning on page 124 of this joint proxy statement/prospectus.

Common Stock

The authorized capital stock of IMCO consists of 40,000,000 shares of common stock, \$0.10 par value and 8,000,000 shares of preferred stock, \$0.10 par value ("Preferred Stock"). As of _____, 2004, there were _____ shares of common stock issued and outstanding, and no shares of preferred stock had been issued. IMCO anticipates issuing approximately 13,250,000 shares of its common stock in the merger (including certain shares issuable on the exercise of options).

Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. The holders of common stock do not have cumulative voting rights. Dividends may be paid to holders of common stock when, as and if declared by the board of directors out of funds legally available therefor. Holders of common stock have no conversion, redemption or preemptive rights. All shares of common stock, when validly issued and fully paid, will be non-assessable. In the event of any liquidation, dissolution or winding-up of IMCO, holders of IMCO common stock are entitled to share ratably in the assets of IMCO remaining after provision for payment of creditors and after the liquidation preference, if any, of any preferred stock outstanding at the time.

Preferred Stock

IMCO is authorized to issue preferred stock from time to time, in one or more series with such rights, preferences, privileges and restrictions, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences as may be fixed or designated by the board of directors without any further vote or action by the stockholders. Under certain circumstances, the issuance of such preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of IMCO's securities or the removal of incumbent management. The board of directors of IMCO, without stockholder approval, may issue preferred stock with voting and conversion rights and dividend and liquidation preferences that could adversely affect the holders of common stock. No shares of preferred stock are outstanding, and IMCO currently has no plans to issue any preferred stock.

Officer and Director Indemnification

IMCO's certificate of incorporation and bylaws contain provisions (1) limiting the personal liability of its directors for monetary damages resulting from breaches of their duty of care to the extent permitted by Section 102(b)(7) of the DGCL, and (2) making indemnification of IMCO's directors and officers mandatory to the fullest extent permitted by the DGCL, including circumstances in which indemnification is otherwise discretionary.

Board of Directors

The board of directors of IMCO is divided into three classes that are elected for staggered three-year terms. The holders of a majority of the outstanding voting stock may remove a director with or without cause. The number of directors to constitute the entire board of directors may be determined only by the board of directors by resolution. Any new director elected or chosen to fill a vacancy will serve for the remainder of the full term of the class in which such vacancy occurred, rather than until the next election of directors. These provisions of IMCO's certificate of incorporation also provide that the affirmative vote of holders of 60% of IMCO's outstanding voting stock is required to amend these provisions, as well as related provisions of its bylaws.

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The provisions of the certificate of incorporation and bylaws summarized in certain of the preceding paragraphs may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in such stockholder's best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Transfer Agent

The Transfer Agent and Registrar for IMCO's common stock is Mellon Investor Services LLC.

Delaware Anti-Takeover Law

IMCO is a Delaware corporation subject to Section 203 of the DGCL. Under Section 203, certain business combinations between a Delaware corporation and an interested stockholder are prohibited for a three-year period following the date that the stockholder became an interested stockholder, unless:

the business combination or the transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors of the corporation before the stockholder became an interested stockholder;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned:

by directors who are also officers, and

by employee stock plans in which the employees do not have a confidential right to tender stock held by the plan in a tender or exchange offer; or

the business combination is approved by the board of directors of the corporation and authorized at a meeting by two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

The three-year prohibition also does not apply to some business combinations proposed by an interested stockholder following the announcement or notification of an extraordinary transaction involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors.

Under the DGCL, the term business combination is defined generally to include mergers or consolidations between a Delaware corporation and an interested stockholder, transactions with an interested stockholder involving the assets or stock of the corporation or its majority-owned subsidiaries, and transactions that increase an interested stockholder's percentage ownership of stock. The term interested stockholder is defined generally as those stockholders who become beneficial owners of 15% or more of a Delaware corporation's voting stock, together with the affiliates or associates of that stockholder.

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COMPARISON OF STOCKHOLDERS RIGHTS

As a result of the merger, the holders of Commonwealth common stock will become holders of IMCO common stock. The rights of the stockholders of IMCO are and will continue to be governed by applicable Delaware law, including the DGCL, and by IMCO's certificate of incorporation and bylaws.

The following is a summary of the material differences between the rights of IMCO stockholders and Commonwealth stockholders. Because both IMCO and Commonwealth are organized under the laws of the State of Delaware, these differences arise principally from differences between the IMCO certificate of incorporation and the Commonwealth certificate of incorporation, and differences between IMCO's bylaws and Commonwealth's bylaws.

The following summaries do not provide a complete description of the specific rights of IMCO stockholders under its certificate of incorporation and bylaws as compared with the rights of Commonwealth stockholders under its certificate of incorporation and bylaws. The identification of specific differences in the rights of these holders as material is not intended to indicate that other equally important or more significant differences do not exist.

Authorized Capital Stock.

Under Commonwealth's certificate of incorporation, Commonwealth is authorized to issue 51,000,000 shares consisting of 50,000,000 shares of common stock, par value \$0.01 per share, and 1,000,000 shares of preferred stock, par value \$0.01 per share. Under IMCO's certificate of incorporation, IMCO is authorized to issue 48,000,000 shares consisting of 8,000,000 shares of preferred stock, par value \$0.10 per share, and 40,000,000 shares of common stock, par value \$0.10 per share.

Stockholder Meetings

Annual Meetings

Both IMCO's and Commonwealth's bylaws provide that annual meetings of stockholders will be held on any date as designated by the respective board of directors. IMCO's bylaws also specify that all meetings for stockholders for the election of directors must be held in Dallas, Texas, at such place within such city as fixed by the IMCO board of directors, or at such other place either within or without the State of Delaware as designated by the IMCO board of directors and stated in the notice of the meeting.

Special Meetings

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Under IMCO's bylaws, a special meeting of the stockholders may be called by order of the board of directors and must be called by the chairman of the board, the president or the secretary at the request in writing of a majority of the board of directors. Commonwealth's bylaws specify that special meetings of stockholders may be called by the chairman of the board, vice chairman of the board, president or the board of directors. Both IMCO's and Commonwealth's bylaws provide that special meetings of stockholders may be held at any place the respective board of directors determines and designates.

Notice of Meetings to Stockholders.

Both IMCO's and Commonwealth's bylaws specify that written notice of stockholder meetings must be given not less than 10 and no more than 60 days prior to the meeting. Under both IMCO's and Commonwealth's bylaws, a stockholder may waive such notice by signing a written waiver, whether before or after the time stated in such notice. Commonwealth's bylaws also provide that attendance at a meeting constitutes waiver of notice of such meeting except when the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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Adjournment and Notice of Adjournment of Stockholder Meetings.

Under IMCO's bylaws, if a quorum is not constituted at a meeting of stockholders, the stockholders entitled to vote who are present in person or by proxy at the meeting may adjourn the meeting without notice to another date or time. Under Commonwealth's bylaws, if a quorum is not constituted at a meeting of stockholders, the holders of a majority of the voting power of the shares present or represented at the meeting of stockholders may adjourn the meeting from time to time. Both IMCO's and Commonwealth's bylaws specify that notice need not be given of an adjourned meeting if its place and time are announced at the meeting at which the adjournment is taken. Both require that notice of the adjourned meeting be given to each stockholder of record entitled to vote at the meeting if the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the new meeting.

Quorum at a Stockholder Meeting.

Under IMCO's bylaws, the holders of stock having a majority of the voting power of the stock entitled to be voted at the meeting, present in person or by proxy, constitute a quorum, except as otherwise provided by law or IMCO's certificate of incorporation. Under Commonwealth's bylaws, the holders of a majority of the outstanding Commonwealth shares entitled to vote on a matter at the meeting, present in person or represented by proxy, constitute a quorum, except as otherwise provided by law, Commonwealth's certificate of incorporation or bylaws. Additionally, Commonwealth's bylaws specify that when a separate vote by class or classes is required for any matter, the holders of a majority of the outstanding shares of such class or classes, present in person or represented by proxy, constitute a quorum with respect to that vote on that matter. Two or more classes or series of stock will be considered a single class if the holders thereof are entitled to vote together as a single class.

Notice of Business to be Brought Before a Meeting.

IMCO's bylaws provide that notice of business to be properly brought by a particular stockholder before an annual meeting must be delivered to or mailed and received by IMCO's secretary at the principal executive offices of IMCO not less than 120 calendar days prior to the date specified in IMCO's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders. However, if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholder must be received not later than the close of business on the later of 120 calendar days in advance of such annual meeting date or 10 calendar days following the date on which public announcement of the date of the annual meeting is first made. Additionally, IMCO's bylaws provide that such notice must contain, for each matter to be brought before the annual meeting:

a brief description of the business to be brought before the meeting and the reasons for conducting such business at the annual meeting;

the name and address of the stockholder;

the class and number of shares beneficially owned by the stockholder;

a description of any material interest of the stockholder in the matter; and

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any other information required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended.

To include a stockholder proposal in the proxy statement and form of proxy, the stockholder must provide notice required under Regulation 14A under the Securities Exchange Act of 1934.

Commonwealth's bylaws provide that notice of stockholder business must be delivered to Commonwealth's secretary at Commonwealth's principal executive office not less than 60 nor more than 90 days prior to the meeting. However, if the date of the meeting is first publicly announced or disclosed less than 70 days prior to

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the date of the meeting, such advance notice shall be given not more than 10 days after such date is first so announced or disclosed. Public notice is deemed to have been given more than 70 days in advance if Commonwealth has previously disclosed that the annual meeting in each year is to be held on a determinable date, unless and until the board of directors determines to hold the meeting on a different date. Additionally, Commonwealth's bylaws provide that the notice must contain:

the text of the proposal;

a brief written statement of the reasons why such stockholder favors the proposal;

the name and address of the proposing person;

the class and number of all shares held of each class of stock beneficially owned by the stockholder; and

a description of any material interest of the stockholder in the proposal.

Proxies and Voting.

Under IMCO's certificate of incorporation and bylaws, each stockholder has one vote for every share of stock owned by such stockholder and registered in such stockholder's name on IMCO's books. Commonwealth's bylaws provide that each stockholder has one vote for every share of stock held by such stockholder.

IMCO's bylaws provide that voting on all matters other than election of directors need not be by written ballot unless a written ballot is demanded by a stockholder or is so directed by the chairman of the meeting. Under Commonwealth's bylaws, voting need not be by written ballot unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or represented by proxy at the meeting so determine.

Both IMCO's and Commonwealth's bylaws provide that each stockholder entitled to vote may appoint a proxy to act for such stockholder. IMCO's bylaws require that such proxy be appointed by an instrument in writing subscribed by such stockholder or by his attorney duly authorized and delivered to the secretary of IMCO or the secretary of the meeting. The bylaws of both IMCO and Commonwealth specify that no proxy may be voted or acted upon after three years from its date, unless the proxy provides otherwise. IMCO's bylaws provide that the proxy will be revocable unless the proxy expressly states that it is irrevocable and unless otherwise made irrevocable by law. Commonwealth's bylaws provide that the proxy will be revocable unless the proxy expressly states that it is irrevocable and it is coupled with an interest sufficient in law to support an irrevocable power.

Under IMCO's bylaws, the election of directors must be determined by a plurality of the votes cast, and all other matters, except as otherwise required by law or under the IMCO certificate of incorporation or bylaws, must be determined by a majority of the votes cast. Commonwealth's bylaws provide that the election of directors must be determined by a plurality of the shares present in person or represented by proxy at the meeting, and all other matters, except as otherwise required by law or under the Commonwealth certificate of incorporation or bylaws, must be determined by a majority of the shares present in person or represented by proxy at the meeting. Commonwealth's bylaws also provide that where a separate vote by class or classes is required, the affirmative vote of the holders of a majority of the shares of such class or classes, present in person or represented by proxy, shall be the act of such class or classes, except as otherwise provided by law or under

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Commonwealth's certificate of incorporation or bylaws.

Under IMCO's bylaws, two inspectors of election may be appointed by the chairman of the meeting, unless the board of directors has theretofore made such appointments. Additionally, IMCO's bylaws provide that such inspectors need not be stockholders and that any officer may be appointed inspector on any question other than a vote for or against his election to any position or on any other question in which he may be directly interested. Commonwealth's bylaws provide that the board of directors or the president of Commonwealth will appoint the inspectors of election. Commonwealth's bylaws also provide that the date and time of the opening and closing of polls for each matter subject to voting will be announced at the meeting.

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Nomination of Directors.

Under IMCO's bylaws, written nominations must properly be delivered to or mailed and received by IMCO's secretary at the principal executive offices of IMCO not less than 120 calendar days prior to the date specified in IMCO's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders. However, if no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholder must be received not later than the close of business on the later of 120 calendar days in advance of such annual meeting date or 10 calendar days following the date on which public announcement of the date of the annual meeting is first made. Under Commonwealth's bylaws, written nominations must be delivered to Commonwealth's secretary at Commonwealth's principal executive office not less than 60 nor more than 90 days prior to the meeting. However, if the date of the meeting is first publicly announced or disclosed less than 70 days prior to the date of the meeting, such advance notice shall be given not more than 10 days after such date is first so announced or disclosed.

Proper nominations of candidates for IMCO's board of directors must include the name, age, residence address and business address of the nominee, the principal occupation or employment of the nominee, the class and number of shares beneficially owned by the nominee, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons, naming such persons, pursuant to which the nominations are to be made by the stockholder, and any other information relating to such nominee that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, and as to such stockholder giving notice, the information required as described above in any notice of stockholder business. In contrast, proper nominations of candidates for Commonwealth's board of directors must include the name of the nominee, the number and class of all shares of each class of stock beneficially owned by the nominee, the information regarding the nominee required by paragraphs (a), (e), and (f) of Item 401 of Regulation S-K as adopted by the Securities and Exchange Commission, the nominee's signed consent to serve as director if elected, such stockholder's name and address and the number and class of all shares of each class of stock beneficially owned by such stockholder.

Number and Classification of Directors on Board.

IMCO's certificate of incorporation and bylaws provide that the board of directors may, from time to time, set the number of directors, provided that the number is not less than three. The bylaws and certificate of incorporation of Commonwealth on the other hand provide that the board of directors may, from time to time, fix the number of directors, but the number of directors must not be less than one. Additionally, Commonwealth's certificate of incorporation provides that in the event that the holders of any class or series of stock are entitled, voting separately as a class, to elect any directors of the corporation, then the number of directors that may be elected by such holders will be in addition to the number fixed pursuant to the bylaws and, except as otherwise expressly provided in the terms of such class or series, the terms of such directors will expire at the annual meeting next succeeding their election. The IMCO certificate of incorporation and bylaws and the Commonwealth certificate of incorporation specify that the board of directors of each will be divided into three classes, as nearly equal in number as possible.

Vacancies of Directors.

Vacant positions and newly created directorships on IMCO's board of directors, under IMCO's bylaws and certificate of incorporation, may be filled by a majority vote of the directors remaining in office, even if less than a quorum. New positions and vacancies on Commonwealth's board of directors, under Commonwealth's bylaws, will be filled by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by the sole remaining director. Both IMCO's and Commonwealth's certificates of incorporation and bylaws provide that any new director chosen or elected to fill a vacancy will serve for the remainder of the term of the class in which such vacancy occurred. Additionally, Commonwealth's bylaws provide that when the holders of any class

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or classes of stock or series thereof are entitled to elect one or more directors by the certificate of incorporation, vacancies of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series then in office, or by the sole remaining director so elected.

Removal of Directors.

A director or the entire board of directors of IMCO, under IMCO's bylaws and certificate of incorporation, may be removed, with or without cause, only by the affirmative vote, by written ballot, of the stockholders of at least a majority of the voting power of all the then outstanding shares of the voting stock, voting together as a single class. Under the Commonwealth certificate of incorporation and bylaws, a director may be removed only for cause. The Commonwealth bylaws specify that any director or the entire board of directors may be removed, with cause, by holders of a majority of the shares entitled to vote at the election of directors.

Amendment of Bylaws.

The IMCO bylaws may be altered, amended or repealed or new bylaws may be adopted by the stockholders or the board of directors at any regular meeting, or at any special meeting if the notice of the meeting included the alteration, amendment, repeal or adoption of new bylaws as a purpose in the notice of the meeting. The IMCO bylaws and certificate of incorporation require the affirmative vote of the holders of at least sixty percent (60%) of the voting power of all of the then-outstanding shares of voting stock, voting together as a single class, for the alteration, amendment, repeal or adoption of a provision inconsistent with, specified sections of the IMCO bylaws. The Commonwealth certificate of incorporation provides that the board of directors is authorized to adopt, amend or repeal the bylaws. The Commonwealth bylaws specify that the bylaws may be amended or repealed, and new bylaws adopted, by the board of directors, but that the stockholders entitled to vote may adopt additional bylaws and may amend or repeal any bylaw whether or not adopted by them.

Rights Plan.

On March 6, 1996, Commonwealth adopted a stockholder rights plan and entered into a rights agreement with National City Bank as rights agent. Under the Commonwealth rights agreement, one right attaches to each outstanding share of Commonwealth common stock. Each Commonwealth right, when exercisable, entitles its registered holder to purchase from Commonwealth one one-hundredth of a share of Commonwealth common stock at an exercise price of \$65.00, subject to adjustment (the exercise price). The Commonwealth rights become exercisable only if a person or group acquires beneficial ownership of 15% or more of the outstanding Commonwealth common stock or announces a tender offer or exchange offer for 15% or more of the outstanding Commonwealth common stock, subject to certain exceptions specified in the Commonwealth rights agreement. If such an acquisition occurs (a flip-in event), each Commonwealth right (other than rights beneficially owned by the acquiring person or its affiliates, associates or transferees), to the extent permitted by applicable law, will constitute the right to purchase that number of shares of Commonwealth's common stock having an aggregate market price equal to twice the exercise price for an amount in cash equal to the then-current exercise price. In the event that Commonwealth sells more than 50% of the assets to, or merges with, another entity while the entity directly or indirectly controls Commonwealth (a flip-over event), each Commonwealth right (other than rights owned by such entity or its affiliates, associates or transferees), to the extent permitted by law, will constitute the right to purchase that number of shares of such entity's capital stock or that percentage of another entity interest having an aggregate market value equal to twice the exercise price for an amount in cash equal to the then current exercise price. The Commonwealth rights agreement has been amended so that neither the execution of the merger agreement with IMCO and Merger Sub nor the completion of the merger contemplated thereby will result in the Commonwealth rights being exercised, distributed or triggered.

IMCO has not adopted a stockholder rights plan.

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Amendment of Certificates of Incorporation.

The certificate of incorporation for Commonwealth requires the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock of the corporation entitled to vote generally in the election of directors to amend, modify or repeal Article VI of the certificate of incorporation. Generally, Article VI relates to:

- the election of directors by written ballot;
- the number of directors;
- the division of the board of directors into classes;
- the removal of directors; and
- the election of directors by stockholders voting separately as a class.

The certificate of incorporation of IMCO requires the affirmative vote of the holders of at least 60% of the voting power of the then-outstanding shares of voting stock, voting together as a single class, to alter, amend, repeal or adopt any provision inconsistent with or repeal specific provisions of the certificate of incorporation. The provisions requiring such vote relate to:

- the number of directors;
- the division of the board of directors into classes;
- the removal of directors;
- filling vacancies on the board of directors;
- the rights of preferred stockholders to fill vacancies on the board of directors; and
- the right of the board of directors to alter, amend or repeal the bylaws.

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PROPOSED AMENDMENT TO IMCO S CERTIFICATE OF INCORPORATION TO INCREASE AUTHORIZED SHARES

General

IMCO s board of directors has adopted and declared advisable a proposal authorizing an amendment to IMCO s certificate of incorporation to increase the number of authorized shares of capital stock of IMCO from 48,000,000 to 88,000,000 to increase the number of authorized shares of IMCO common stock from 40,000,000 to 80,000,000. The number of authorized shares of preferred stock would remain the same-8,000,000. The board of directors proposed that the amendment, a copy of which is attached to this joint proxy statement/prospectus as *Annex E*, be submitted to a vote by the stockholders of IMCO at the IMCO special meeting.

If the stockholders approve the amendment as proposed by the Board of Directors, the certificate of incorporation of IMCO will be amended and the number of authorized shares of capital stock will be increased to 88,000,000 and the number of authorized shares of IMCO common stock will be increased to 80,000,000. Pursuant to the proposed amendment, the first sentence of Article FOURTH of the restated certificate of incorporation of IMCO will be amended to read as follows:

Fourth: The total number of shares of stock which the Corporation shall have authority to issue is 88,000,000, 8,000,000 of such shares to be classified as preferred stock (the Preferred Stock), par value \$0.10 per share, and 80,000,000 of such shares to be classified as common stock (the Common Stock), par value \$0.10 per share.

Reasons for the Amendment

IMCO s certificate of incorporation currently authorizes 40 million shares of common stock and 8 million shares of preferred stock. At , 2004, shares were outstanding (not including shares of treasury stock), approximately million shares were reserved for issuance under IMCO s stock option and equity compensation plans, and approximately million shares were not reserved for any specific use and were available for future issuances. If IMCO s merger with Commonwealth is consummated, IMCO will issue approximately an additional 13.2 million shares of common stock and reserve approximately an additional shares for issuance under the IMCO 2004 Equity Incentive Plan and outstanding options under the Commonwealth stock option plans.

IMCO s board of directors believes that, following the consummation of the Commonwealth merger, the approximately million shares of common stock that will not be reserved and which will be available for issuance will not provide it with sufficient flexibility to act in a timely manner in meeting future stock needs. IMCO anticipates that it may in the future need to issue additional shares in connection with one or more of the following:

acquisitions;

strategic investments;

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corporate transactions, such as stock splits or stock dividends;

financing transactions, such as public offerings of common stock or convertible securities;

incentive and employee benefit plans; and

otherwise for corporate purposes that have not yet been identified.

To provide IMCO's board of directors with certainty and flexibility to undertake such transactions to support the business of IMCO and Commonwealth as a combined company future business growth, the board believes that it is advisable and in the best interests of IMCO to amend IMCO's certificate of incorporation to increase the number of authorized shares of IMCO common stock to 80,000,000 shares and the resulting increase in the total number of authorized shares of capital stock from 48,000,000 to 88,000,000. The board of IMCO believes that the certainty and flexibility provided by this amendment will be beneficial to IMCO whether or not the merger is consummated.

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If this proposal is adopted, the additional authorized shares of common stock may be issued upon the approval of IMCO's board of directors at such times, in such amounts, and upon such terms as IMCO's board of directors may determine, without further approval of the stockholders, unless such approval is expressly required by applicable law, regulatory agencies, or any exchange or quotation service on which IMCO's common stock may then be listed. For example, such stockholder approval may be required for the issuance of shares of common stock in connection with certain types of acquisitions. In addition, the New York Stock Exchange requires stockholder approval in certain additional situations, including: (i) issuances of stock to a director, officer or substantial stockholder, or from an entity in which one of such persons is a substantial stockholder, or from an entity in which one of such persons has a substantial direct or indirect interest, and the stock issuable in such transaction could result in an increase in the number of shares or voting power of the outstanding shares of 1% or more, (ii) in a transaction or a series of transactions (except for a public offering of common stock for cash) that would result in an increase in the number of shares or voting power of the outstanding shares by 20% or more, (iii) where the issuance of common stock would result in a change of control of IMCO, or (iv) in connection with a stock option or purchase plan under which stock may be acquired by employees, directors or service providers. The ability of IMCO's board of directors to issue shares from the additional authorized shares will allow the board, except under the limited circumstances discussed in this paragraph, to perform the functions for which they are currently empowered under IMCO's certificate of incorporation and bylaws in executing certain transactions, such as acquisitions, investments, or other transactions, pursuant to which such additional authorized shares could be issued without further stockholder approval of the specific transaction.

IMCO's stockholders do not have preemptive rights with respect to future issuances of additional shares of common stock, which means that current stockholders do not have a prior right to purchase any new issue of IMCO common stock to maintain their proportionate ownership interest. As a result, the issuance of a significant amount of additional authorized common stock (other than as the result of a stock split or other pro rata distribution to stockholders) would result in a significant dilution of the beneficial ownership interests and/or voting power of each stockholder who does not purchase additional shares to maintain his or her pro rata interest. As additional shares are issued, the shares owned by existing stockholders will represent a smaller percentage ownership interest in IMCO. In addition, the issuance of additional shares of IMCO common stock could result in a decrease in the trading price of IMCO's common stock, depending on the price at which such shares are issued.

IMCO's board of directors does not intend or view the proposed increase in the number of authorized shares of common stock as an anti-takeover measure, but rather, as a means of providing greater flexibility as indicated above.

Nevertheless, the proposed increase in IMCO's authorized shares could enable the board to issue additional shares to render more difficult or discourage a merger, tender offer, proxy contest removal of management or any other attempt by another person or entity to obtain control of IMCO, even if the holders of IMCO's common stock deem such acquisition of control of IMCO to be in their best interests. The issuance of additional shares of common stock in a public or private sale, merger or similar transaction would increase the number of outstanding shares and thereby could dilute the proportionate interest of a party attempting to gain control of IMCO. As of the date of this joint proxy statement/prospectus, IMCO's board of directors and its management are not aware of any attempt or plan to take over or acquire IMCO or IMCO's common stock, and the proposal to increase the authorized shares of IMCO common stock was not prompted by any specific takeover or acquisition effort or threat.

Other than the amendment to IMCO's certificate of incorporation to increase the number of authorized shares of IMCO's common stock, IMCO's board of directors does not currently contemplate recommending the adoption of any other proposals or amendments to IMCO's certificate of incorporation that could be construed to affect the ability of third parties to take over or change the control of IMCO.

The IMCO board unanimously recommends a vote FOR the amendment to IMCO's certificate of incorporation to increase the number of authorized shares of IMCO common stock.

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PROPOSAL TO ADOPT THE IMCO RECYCLING INC. 2004 EQUITY INCENTIVE PLAN

General

On _____, 2004, IMCO's board of directors adopted the IMCO Recycling Inc. 2004 Equity Incentive Plan (the "2004 Plan"), subject to approval by the stockholders. The 2004 Plan is not a "qualified plan" within the meaning of section 401 of the Internal Revenue Code of 1986, as amended (the "Code").

The primary objective of the 2004 Plan is to promote stockholder value by providing appropriate incentives to key employees and certain other individuals who perform services for IMCO and its affiliates. The Plan is administered by the Compensation Committee of IMCO's board of directors, which is comprised exclusively of non-employee independent directors. The 2004 Plan provides for the granting of incentive and non-incentive stock options, as well as other awards, such as stock-based stock appreciation rights, restricted stock, stock units, performance units, performance shares and other equity-based awards providing similar benefits. Certain awards under the 2004 Plan may be paid in cash or common stock, as determined by the Compensation Committee. The Compensation Committee has exclusive discretion to select the participants who will receive awards and to determine the type, size and terms of each award; however, non-employee directors are not eligible to receive awards. The Compensation Committee will also make all other determinations that it decides are necessary or desirable in the interpretation and administration of the 2004 Plan.

The following summary of the material features of the 2004 Plan is qualified by reference to the copy of the 2004 Plan that is attached as *Annex F* to this proxy statement.

General Terms

The 2004 Plan provides for the grant of incentive and non-qualified stock options, restricted stock, stock units, stock appreciation rights, performance units, performance shares, dividend equivalent rights and share awards to (i) IMCO's directors, officers and employees, (ii) individuals to whom IMCO has extended a formal written offer of employment and (iii) IMCO's independent contractors. Up to _____ shares of IMCO's common stock may be subject to awards granted under the 2004 Plan. The number of stock options and stock appreciation rights that may be awarded to any individual in a calendar year is _____. The number of shares that may be issued pursuant to an award other than an option or stock appreciation right and which is settled by the issuance of shares is _____. The number of Incentive Stock Options that may be awarded is _____.

If an award granted under the 2004 Plan expires, is canceled, is settled in cash (including the settlement of tax withholding obligations using shares) or is otherwise terminated without having been fully exercised or payment having been made in respect of the entire award, the shares allocable to the terminated portion of the award will be available for use again under the 2004 Plan. If a stock appreciation right is settled in shares, the excess of the number of shares covered by the stock appreciation right over the number of shares issued in settlement of the stock appreciation right will also be available for use again under the 2004 Plan.

The Compensation Committee of IMCO's board of directors will administer the 2004 Plan. The composition of the Compensation Committee is intended to permit the awards under the 2004 Plan to qualify for exemption under Rule 16b-3 under the Securities Exchange Act. In addition, awards under the 2004 Plan, including annual incentive awards paid to executive officers subject to Section 162(m) of the Code (i.e., covered

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employees), will satisfy the requirements of Section 162(m) to permit the deduction by IMCO of the associated expenses for Federal income tax purposes.

The Compensation Committee will select the individuals who are eligible for awards, determine the number of awards to be granted, establish the terms, conditions and other provisions of the grants, and construe and interpret the terms of the 2004 Plan. All decisions made by the Compensation Committee will be final, binding

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and conclusive. No member of the Compensation Committee will be liable for any action, inaction, determination or interpretation made in good faith relating to the 2004 Plan or any transaction under the 2004 Plan.

Description of Awards

As a general matter, awards granted under the 2004 Plan will be subject to the terms and conditions set forth in an agreement evidencing their grant.

Stock Options. The Compensation Committee may grant incentive and non-qualified stock options to participants. Incentive stock options are options to purchase shares of IMCO's common stock that are intended to qualify for special tax treatment under Section 422 of the Code (ISOs). Non-statutory stock options (NSOs) do not qualify for such treatment. The exercise price of options granted under the 2004 Plan may not be less than 100% of the fair market value of a share on the date of grant. The term of options may not exceed ten years (for an ISO, five years if the recipient is a ten-percent stockholder) The exercise price may be paid with cash or its equivalent, with previously acquired shares of IMCO common stock, or by other means approved by the Compensation Committee, including by means of a broker-assisted exercise.

Stock Appreciation Rights. The Compensation Committee may, either alone or in connection with the grant of an option, grant stock appreciation rights to participants under the 2004 Plan. Stock appreciation rights granted alone may be exercised at such times and be subject to such terms and conditions as the Compensation Committee may impose. Stock appreciation rights that are granted in tandem with options may only be exercised upon the surrender of the right to purchase an equivalent number of shares of IMCO's common stock under the related options and may be exercised only with respect to the shares of common stock for which the related options are then exercisable. The term of stock appreciation rights granted under the 2004 Plan cannot exceed ten years. A stock appreciation right entitles a participant to surrender any then exercisable portion of the stock appreciation right and, if applicable, the related option, in exchange for an amount equal to the product of (i) the excess of the fair market value of a share of IMCO's common stock on the date preceding the date of surrender over the fair market value of a share of IMCO's common stock on the date the stock appreciation right was issued, or, if the stock appreciation right is related to an option, the per share exercise price of the option, and (ii) the number of shares of IMCO's common stock subject to the stock appreciation right.

Dividend Equivalent Rights. The Compensation Committee may grant dividend equivalent rights either in connection with awards or as separate awards under the 2004 Plan. Amounts payable in respect of dividend equivalent rights may be payable currently or, if applicable, deferred until the lapsing of restrictions on the dividend equivalent rights or until the vesting, exercise, payment, settlement or other lapse of restrictions on the award to which the dividend equivalent rights relate.

Restricted Stock. The Compensation Committee may grant awards of restricted stock under the 2004 Plan, which, unless the Compensation Committee determines otherwise at the time of grant, carry full voting rights and other rights as a stockholder, including rights to receive dividends and other distributions. Unrestricted shares will be delivered when the restrictions lapse.

Stock Units. The Compensation Committee may grant stock units under the 2004 Plan, which represent the right of a participant to receive payment upon vesting or on any later date specified by the Compensation Committee. The amount of such payment is equal to the fair market value of a share of IMCO's common stock on the date the stock unit was granted, the vesting date, or such other date determined by the Compensation Committee at the time of grant.

Share Awards. The Compensation Committee may grant share awards under the 2004 Plan as additional compensation for services rendered or in lieu of cash or other compensation to which a participant is entitled.

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Performance Awards. The Compensation Committee may grant performance shares and performance units under the 2004 Plan, which will be earned only if performance goals established for performance periods are met. Unless the Compensation Committee determines otherwise at the time of grant, performance shares carry with them full voting rights and other rights as a stockholder, including rights to receive dividends and other distributions. Performance shares represent the right to receive a certain number of shares of IMCO's common stock on the terms and conditions provided in an agreement. Performance units are denominated in shares of IMCO's common stock or a specified dollar amount and represent the right to receive: (i) in the case of share-denominated performance units, a payment in the amount of the fair market value on the date of grant, vesting or any other date specified by the Compensation Committee; (ii) in the case of dollar-denominated performance units, the specified dollar amount; or (iii) a percentage (which may exceed 100%) of the amount set forth in (i) or (ii), depending on the level of the performance goals attained. The following performance criteria may be used to measure IMCO's performance as a whole or the performance of a business unit, business segment or division, either individually, or alternatively in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, in each case as specified by the Compensation Committee (a) net earnings or net income (before or after taxes); (b) earnings per share; net sales growth; (c) net operating profit; (d) return measures (including, but not limited to, return on assets, capital, equity, or sales); (e) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital); (f) earnings before or after taxes, interest, depreciation, and/or amortization; (g) gross or operating margins; (h) productivity ratios; (i) share price (including, but not limited to, growth measures and total stockholder return); (j) expense targets; (k) margins; (l) operating efficiency; (m) market share; and (n) customer satisfaction. The Compensation Committee may adjust performance criteria to reflect the impact of specified corporate transactions, accounting or tax law changes or other extraordinary or nonrecurring events, provided that any such modification does not prevent an award from qualifying for the Performance-Based Exception under section 162(m) of the Code, which is described below.

Deferrals. The Compensation Committee may require or permit a participant to defer the receipt of cash or shares pursuant to any awards under the 2004 Plan. Only participants who are within a selected group of senior executives or highly compensated employees may be required or permitted to defer the receipt of awards under the 2004 Plan.

Effect of Certain Transactions and Changes in Capitalization

Unless otherwise provided in an award agreement, if a transaction that constitutes a change in control of IMCO, as defined in the 2004 Plan, occurs, then (i) outstanding options, stock appreciation rights, stock units and restricted stock vest and (ii) outstanding performance units and performance shares vest as if performance objectives were met at the target level and participants are entitled to a cash payment in respect of performance units.

Furthermore unless otherwise provided by the Compensation Committee, if a participant's employment with, or service as a director of, IMCO is terminated without cause within the 12 months following a change in control, each option and stock appreciation right held by the participant that was exercisable as of the date of his or her termination of employment or service remains exercisable for a period ending not before the earlier of (x) the first anniversary of the termination of the participant's employment or service or (y) the expiration of the stated term of the stock options or stock appreciation rights, notwithstanding any shorter period set forth in the agreement evidencing the option or stock appreciation right.

In the event of a change in capitalization as defined in the 2004 Plan, adjustments and other substitutions will be made to the 2004 Plan by the Compensation Committee, including adjustments to the maximum number of shares subject to the 2004 Plan, the number and class of shares subject to awards and, if applicable, the exercise price.

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Federal Tax Consequences

The following is a summary of the United States Federal income tax consequences of participating in the 2004 Plan. This discussion does not address all aspects of the U.S. Federal income tax consequences of participating in the Plan that may be relevant to an award holder in light of his or her personal investment or tax circumstances and does not discuss any state, local or foreign tax consequences of participating in the 2004 Plan. This section is based on the Internal Revenue Code of 1986, as amended (the Internal Revenue Code, or the Code), its legislative history, existing and proposed regulations under the Code, and published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

Incentive Stock Options. An award holder will not be subject to tax upon the grant of an incentive stock option (an ISO) or upon the exercise of an ISO. However, the excess of the fair market value of the Shares on the date of exercise over the exercise price paid will be included in alternative minimum taxable income. Whether an award holder is subject to the alternative minimum tax will depend on his or her particular circumstances. An award holder's basis in the shares received will be equal to the exercise price paid, and the holding period in such Shares will begin on the day following the date of exercise.

If the award holder disposes of the Shares on or after the later of (i) the second anniversary of the date of grant of the ISO and (ii) the first anniversary of the date of exercise of the ISO (the statutory holding period), he or she will recognize a capital gain or loss in an amount equal to the difference between the amount realized on such disposition and the basis in the Shares. Such capital gain or loss will be subject to the rules set forth under Disposition of Shares below.

If an award holder disposes of the Shares before the end of the statutory holding period, he or she will have engaged in a disqualifying disposition. As a result, he or she will be subject to tax:

1) on the excess of the fair market value of the Shares on the date of exercise (or the amount realized on the disqualifying disposition, if less) over the exercise price paid, as ordinary income, and

2) on the excess, if any, of the amount realized on such disqualifying disposition over the fair market value of the Shares on the date of exercise, as capital gain. Such capital gain will be subject to the rules set forth under Disposition of Shares below.

If the amount an award holder realizes from a disqualifying disposition is less than the exercise price paid (i.e., the basis) and the loss sustained upon such disposition would otherwise be recognized, no ordinary income from such disqualifying disposition will be recognized and instead will recognize a capital loss. In the event of a disqualifying disposition, the amount recognized as ordinary income is generally deductible by us or one of our subsidiaries.

The current position of the Internal Revenue Service is that income tax withholding and FICA and FUTA taxes (employment taxes) do not apply upon the exercise of an ISO or upon any subsequent disposition, including a disqualifying disposition, of shares acquired pursuant to the exercise of the ISO.

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Nonstatutory Stock Options. An award holder will not be subject to tax upon the grant of an option which is not intended to be (or does not qualify as) an ISO (a NSO). Upon exercise of a nonstatutory stock option, an amount equal to the excess of the fair market value of the shares acquired on the date of exercise over the exercise price paid is taxable to the award holder as ordinary income, and such amount is generally deductible by us or one of our subsidiaries. This amount of income will be subject to income tax withholding and employment taxes. The basis in the shares received will equal the fair market value of the shares on the date of exercise, and the holding period in such shares will begin on the day following the date of exercise.

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Stock Appreciation Rights. An award holder will not be subject to tax upon the grant of a stock appreciation right. Upon exercise of a stock appreciation right, an amount equal to the cash and/or the fair market value (measured on the date of exercise) of any shares received will be taxable as ordinary income, and such amount generally will be deductible by us or one of our subsidiaries. This amount of income will be subject to income tax withholding and employment taxes.

Restricted Stock. An award holder will not be subject to tax upon receipt of an award of shares subject to forfeiture conditions and transfer restrictions (the "restrictions") under the Plan. Unless a participant who receives an award of restricted Common Stock makes an election under Section 83(b) of the Code as described below, upon lapse of the restrictions, the award holder will recognize ordinary income equal to the fair market value of the Shares on the date of lapse (less any amount he or she may have paid for the shares), and such income will be subject to income tax withholding and employment taxes. The basis in the shares received will be equal to the fair market value of the shares on the date the restrictions lapse, and the holding period in such shares begins on the day after the restrictions lapse. If any dividends are paid to the award holder on such shares prior to the lapse of the restrictions they will be includible in his or her income during the restricted period as additional compensation (and not as dividend income) and will be subject to income tax withholding and employment taxes. If the Compensation Committee in its sole discretion permits a participant to make a Section 83(b) election, the participant will recognize ordinary income on the date the shares are awarded. The amount of ordinary income required to be recognized is an amount equal to the excess, if any, of the fair market value of the shares on the date of award over the amount, if any, paid for such shares. In such case, the participant will not be required to recognize additional ordinary income when the shares vest.

Restricted Stock Units/Performance Awards. An award holder will not be subject to tax upon the grant of a restricted stock unit or performance award. Upon vesting of the restricted stock unit or performance award, the fair market value of the Shares covered by the award on the vesting date will be subject to employment taxes. Upon distribution of the cash and/or Shares underlying the restricted stock units or performance awards, the award holder will recognize as ordinary income an amount equal to the cash and/or fair market value (measured on the distribution date) of the Shares received, and such amount will generally be deductible by us or one of our subsidiaries. This amount of income will generally be subject to income tax withholding on the date of distribution. The basis in any Shares received will be equal to the fair market value of the Shares on the date of distribution, and your holding period in such Shares will begin on the day following the date of distribution. If any dividend equivalent amounts are paid, they will be includible in ordinary income as additional compensation (and not as dividend income) and will be subject to income and employment tax withholding.

Disposition of Shares. Unless stated otherwise above, upon the subsequent disposition of Shares acquired under any of the preceding awards, the award holder will recognize capital gain or loss based upon the difference between the amount realized on such disposition and the basis in the Shares, and such amount will be long-term capital gain or loss if such Shares were held for more than 12 months. Capital gain is generally taxed at a maximum rate of 15% if the property is held more than one year.

Withholding. IMCO has the right to reduce the number of shares of common stock deliverable pursuant to the 2004 Plan by an amount which would have a fair market value equal to the amount of the minimum statutory amount to satisfy all federal, state or local taxes, domestic or foreign, required by law or regulation to be withheld, based on the tax rates then in effect or the tax rates that we reasonably believe will be in effect for the applicable tax year, or to deduct the amount of such taxes from any cash payment to be made to the participant, pursuant to the 2004 Plan or otherwise. The Compensation Committee may permit participants to satisfy all or a portion of the minimum statutory withholding requirement by having shares withheld from the award.

Performance-Based Exception. Under section 162(m) of the Code, IMCO may deduct, for federal income-tax purposes, compensation paid to its chief executive officer and four other most highly compensated executive officers only to the extent that such compensation does not exceed \$1,000,000

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