UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File No. 001-35938

GLOBAL BRASS AND COPPER HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**06-1826563** **(I.R.S. Employer Identification Number)**
475 N. Martingale Road Suite 1050 **Schaumburg, IL** **(Address of principal executive offices)**	**60173** **(Zip Code)**

(847) 240-4700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

On October 27, 2016, there were 21,615,037 shares of common stock outstanding.

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements.
Global Brass and Copper Holdings, Inc.
Consolidated Balance Sheets (Unaudited)

(In millions, except share and par value data)	As of September 30, 2016	As of December 31, 2015
Assets		
Current assets:		
Cash	$ 55.4	$ 83.5
Accounts receivable (net of allowance of $0.5 and $1.2 at September 30, 2016 and December 31, 2015, respectively)	146.7	119.6
Inventories	166.6	176.3
Prepaid expenses and other current assets	16.6	17.4
Income tax receivable	6.3	2.4
Total current assets	391.6	399.2
Property, plant and equipment	181.0	158.8
Less: Accumulated depreciation	(58.2)	(47.7)
Property, plant and equipment, net	122.8	111.1
Goodwill	4.4	4.4
Intangible assets, net	0.4	0.5
Deferred income taxes	36.5	38.0
Other noncurrent assets	4.2	4.0
Total assets	$ 559.9	$ 557.2
Liabilities and equity		
Current liabilities:		
Current portion of debt	$ 4.4	$ 1.1
Accounts payable	79.6	71.0
Accrued liabilities	35.2	53.9
Accrued interest	3.6	3.0
Income tax payable	0.4	0.2
Total current liabilities	123.2	129.2
Noncurrent portion of debt	312.4	342.0
Other noncurrent liabilities	37.2	25.3
Total liabilities	472.8	496.5
Commitments and Contingencies (Note 11)		
Global Brass and Copper Holdings, Inc. stockholders' equity:		
Common stock - $0.01 par value; 80,000,000 shares authorized; 21,694,186 and 21,553,883 shares issued at September 30, 2016 and December 31, 2015, respectively	0.2	0.2
Additional paid-in capital	42.6	36.9
Retained earnings	44.4	22.3
Treasury stock - 79,149 and 46,729 shares at September 30, 2016 and December 31, 2015, respectively	(1.5)	(0.7)
Accumulated other comprehensive loss	(3.0)	(2.3)
Total Global Brass and Copper Holdings, Inc. stockholders' equity	82.7	56.4
Noncontrolling interest	4.4	4.3
Total equity	87.1	60.7
Total liabilities and equity	$ 559.9	$ 557.2

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Operations (Unaudited)

(In millions, except per share data)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Net sales	$ 349.1	$ 367.7	$ 1,015.9	$ 1,182.8
Cost of sales	(296.9)	(325.1)	(872.9)	(1,046.0)
Gross profit	52.2	42.6	143.0	136.8
Selling, general and administrative expenses	(21.9)	(20.2)	(61.4)	(63.5)
Operating income	30.3	22.4	81.6	73.3
Interest expense	(5.2)	(9.9)	(21.5)	(29.8)
Loss on extinguishment of debt	(20.1)	(2.3)	(23.4)	(2.3)
Gain on sale of investment in joint venture	—	—	—	6.3
Other (expense) income, net	(0.2)	0.1	0.2	0.2
Income before provision for income taxes and equity income	4.8	10.3	36.9	47.7
Provision for income taxes	(0.7)	(3.3)	(12.0)	(15.7)
Income before equity income	4.1	7.0	24.9	32.0
Equity income, net of tax	—	—	—	0.3
Net income	4.1	7.0	24.9	32.3
Net income attributable to noncontrolling interest	(0.2)	(0.1)	(0.4)	(0.2)
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 3.9	$ 6.9	$ 24.5	$ 32.1
Net income attributable to Global Brass and Copper Holdings, Inc. per common share:				
Basic	$ 0.18	$ 0.32	$ 1.15	$ 1.51
Diluted	$ 0.18	$ 0.32	$ 1.14	$ 1.50
Weighted average common shares outstanding:				
Basic	21.4	21.3	21.3	21.3
Diluted	21.6	21.4	21.5	21.4
Dividends declared per common share	$ 0.0375	$ 0.0375	$ 0.1125	$ 0.1125

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

(In millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Net income	$ 4.1	$ 7.0	$ 24.9	$ 32.3
Other comprehensive loss:				
Foreign currency translation adjustment	(0.3)	(1.4)	(1.3)	(1.9)
Income tax benefit on foreign currency translation adjustment	0.1	0.3	0.5	0.5
Comprehensive income	3.9	5.9	24.1	30.9
Comprehensive (income) loss attributable to noncontrolling interest	(0.2)	0.1	(0.3)	(0.1)
Comprehensive income attributable to Global Brass and Copper Holdings, Inc.	$ 3.7	$ 6.0	$ 23.8	$ 30.8

The accompanying notes are an integral part of these consolidated financial statements.

Global Brass and Copper Holdings, Inc.
Consolidated Statements of Changes in Equity (Unaudited)

(In millions, except share data)	Shares outstanding	Common stock	Additional paid-in capital	Retained earnings / (accumulated deficit)	Treasury stock	Accumulated other comprehensive loss	Total Global Brass and Copper Holdings, Inc. stockholders' equity	Noncontrolling interest	Total equity
Balance at December 31, 2014	21,340,207	$ 0.2	$ 32.5	$ (10.1)	$ (0.4)	$ (0.6)	$ 21.6	$ 4.4	$ 26.0
Share-based compensation	172,678	—	3.1	—	—	—	3.1	—	3.1
Exercise of stock options	11,798	—	0.1	—	—	—	0.1	—	0.1
Share repurchases	(17,529)	—	—	—	(0.3)	—	(0.3)	—	(0.3)
Excess tax benefit on share-based compensation	—	—	0.1	—	—	—	0.1	—	0.1
Dividends declared	—	—	—	(2.4)	—	—	(2.4)	—	(2.4)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(0.2)	(0.2)
Net income	—	—	—	32.1	—	—	32.1	0.2	32.3
Other comprehensive loss, net of tax	—	—	—	—	—	(1.3)	(1.3)	(0.1)	(1.4)
Balance at September 30, 2015	21,507,154	$ 0.2	$ 35.8	$ 19.6	$ (0.7)	$ (1.9)	$ 53.0	$ 4.3	$ 57.3
Balance at December 31, 2015	21,507,154	$ 0.2	$ 36.9	$ 22.3	$ (0.7)	$ (2.3)	$ 56.4	$ 4.3	$ 60.7
Share-based compensation	118,751	—	4.9	—	—	—	4.9	—	4.9
Exercise of stock options	21,552	—	0.2	—	—	—	0.2	—	0.2
Share repurchases	(32,420)	—	—	—	(0.8)	—	(0.8)	—	(0.8)
Excess tax benefit on share-based compensation	—	—	0.6	—	—	—	0.6	—	0.6
Dividends declared	—	—	—	(2.4)	—	—	(2.4)	—	(2.4)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(0.2)	(0.2)
Net income	—	—	—	24.5	—	—	24.5	0.4	24.9
Other comprehensive loss, net of tax	—	—	—	—	—	(0.7)	(0.7)	(0.1)	(0.8)
Balance at September 30, 2016	21,615,037	$ 0.2	$ 42.6	$ 44.4	$ (1.5)	$ (3.0)	$ 82.7	$ 4.4	$ 87.1

The accompanying notes are an integral part of these consolidated financial statements.

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Global Brass and Copper Holdings, Inc.
Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
(In millions)	2016	2015
Cash flows from operating activities		
Net income	$ 24.9	$ 32.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Lower of cost or market adjustment to inventory	(2.1)	4.8
Unrealized (gain) loss on derivatives	(2.2)	0.1
Depreciation	11.0	10.0
Amortization of intangible assets	0.1	0.1
Amortization of debt discount and issuance costs	1.7	2.1
Loss on extinguishment of debt	23.4	2.3
Share-based compensation expense	4.9	3.1
Excess tax benefit from share-based compensation	(0.6)	(0.1)
Provision for bad debts, net of reductions	(0.4)	0.4
Deferred income taxes	2.0	(5.8)
Loss on disposal of property, plant and equipment	0.1	0.4
Gain on sale of investment in joint venture	—	(6.3)
Equity earnings, net of distributions	—	0.1
Change in assets and liabilities:		
Accounts receivable	(27.1)	(3.5)
Inventories	11.1	(13.9)
Prepaid expenses and other current assets	4.6	9.9
Accounts payable	7.9	11.9
Accrued liabilities	(8.8)	(4.6)
Accrued interest	0.6	8.3
Income taxes, net	(1.9)	8.4
Other, net	(0.1)	—
Net cash provided by operating activities	49.1	60.0
Cash flows from investing activities		
Capital expenditures	(22.8)	(13.0)
Proceeds from sale of property, plant, and equipment	—	0.1
Proceeds from sale of investment in joint venture	—	8.0
Net cash used in investing activities	(22.8)	(4.9)
Cash flows from financing activities		
Borrowings on ABL Facility	1.0	0.9
Payments on ABL Facility	(1.0)	(0.9)
Payments of Senior Secured Notes	(345.3)	(21.1)
Premium payment on extinguishment of debt	(17.0)	(1.8)
Payments of debt issuance costs	(5.4)	—
Proceeds from term loan, net of discount	316.8	—
Principal payments under capital lease obligation	(0.8)	(0.7)
Dividends paid	(2.4)	(2.4)
Distribution to noncontrolling interest owner	(0.2)	(0.2)
Proceeds from exercise of stock options	0.2	0.1
Excess tax benefit from share-based compensation	0.6	0.1
Share repurchases	(0.8)	(0.3)
Net cash used in financing activities	(54.3)	(26.3)
Effect of foreign currency exchange rates	(0.1)	0.1
Net (decrease) increase in cash	(28.1)	28.9
Cash at beginning of period	83.5	44.6
Cash at end of period	$ 55.4	$ 73.5
Noncash investing and financing activities		
Purchases of property, plant and equipment not yet paid	$ 4.3	$ 1.8

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation and Principles of Consolidation

Global Brass and Copper Holdings, Inc. ("Holdings," the "Company," "we," "us," or "our"), through its wholly-owned principal operating subsidiary, Global Brass and Copper, Inc. ("GBC"), is operated and managed through three reportable segments: GBC Metals, LLC ("Olin Brass"), Chase Brass and Copper Company, LLC ("Chase Brass") and A.J. Oster, LLC ("A.J. Oster").

These unaudited consolidated financial statements include the accounts of the Company, our wholly-owned subsidiaries and our majority-owned subsidiaries in which we have a controlling interest. All intercompany accounts and transactions are eliminated in consolidation.

The accompanying unaudited interim consolidated financial statements include all normal recurring adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. The December 31, 2015 consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America ("US GAAP"). Certain information and disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, it requires management to make estimates and assumptions that affect the reported amount of net sales and expenses during the reporting periods. Actual amounts could differ from those estimates.

Results of operations for the interim periods presented are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole. There have been no significant changes to our significant accounting policies during the nine months ended September 30, 2016. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company included in our Annual Report on Form 10-K for the year ended December 31, 2015.

Recently Issued and Recently Adopted Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). The amendments in ASU 2016-15 address the presentation and classification for eight specific issues in the statement of cash flows, with the objective of reducing diversity in practice. The new standard provides specific guidance for:

- Debt prepayment or debt extinguishment costs;
- Settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing;
- Contingent consideration payments made after a business combination;
- Proceeds from the settlement of insurance claims;
- Proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies;
- Distributions received from equity method investees;
- Beneficial interests in securitization transactions; and
- Separately identifiable cash flows and application of the predominance principle.

The required transition method will use a full retrospective approach for all periods presented with limited exceptions. The standard update is effective for fiscal years beginning after December 15, 2017 and interim periods within those years. Early adoption is permitted in any interim or annual period. The new standard addresses the classification of debt extinguishment costs, which we have reported in both the current and prior years. The new guidance is consistent with our presentation in the statement of cash flows. Thus, our early adoption of this standard on September 30, 2016 did not have an impact on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-9, *Compensation-Stock Compensation* (Topic 718) ("ASU 2016-9"). ASU 2016-9 simplifies various aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. The provisions of ASU 2016-9 are effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2016, with early adoption permitted. We do not believe that the adoption of this standard will have a material impact on our consolidated financial statements, however, the impact is affected by future transactions and changes in our stock price.

In February 2016, the FASB issued ASU No. 2016-2, *Leases (Topic 842)* ("ASU 2016-2"). ASU 2016-2 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease effectively finances a purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method (finance lease) or on a straight line basis over the term of the lease (operating lease). A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. ASU 2016-2 supersedes the existing guidance on accounting for leases in "*Leases (Topic 840).*" The provisions of ASU 2016-2 are effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted and the provisions are to be applied using a modified retrospective approach. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments* ("ASU 2015-16"). ASU 2015-16 requires that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. ASU 2015-16 is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2015. The adoption of this standard did not have a material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-9, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-9"). The guidance provides companies with a single model for use in accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific revenue guidance. The FASB subsequently issued ASU No. 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date* ("ASU 2015-14"), ASU No. 2016-8, *Revenue from Contracts with Customers - Principal versus Agent Considerations (Reporting Revenue Gross versus Net) (Topic 606)* ("ASU 2016-8"), ASU No. 2016-10, *Identifying Performance Obligations and Licensing (Topic 606)* and ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients (Topic 606)*, which further clarify aspects of the initial ASU. The guidance is effective for fiscal years, and interim reporting periods within those fiscal years, beginning after December 15, 2017. The revenue recognition guidance permits companies to either apply the requirements retrospectively to all prior periods presented, or apply the requirements in the year of adoption, through a cumulative adjustment. We are in the process of evaluating the impact of adoption on our consolidated financial statements.

2. Earnings Per Share

Basic earnings per share is computed based on the weighted-average number of common shares outstanding and diluted earnings per share is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had potentially dilutive common shares been issued. Potentially dilutive securities include nonvested share awards and stock options for which the exercise price was less than the average market price of our outstanding common stock. Nonvested performance-based share awards are included in the average diluted shares outstanding for each period if established performance criteria have been met at the end of the respective periods.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except per share data)	2016	2015	2016	2015
Numerator				
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 3.9	$ 6.9	$ 24.5	$ 32.1
Denominator				
Weighted-average common shares outstanding	21.4	21.3	21.3	21.3
Effect of potentially dilutive securities:				
Stock options and nonvested share awards	0.2	0.1	0.2	0.1
Weighted-average common shares outstanding, assuming dilution	21.6	21.4	21.5	21.4
Anti-dilutive shares excluded from above	0.1	—	0.1	—
Net income attributable to Global Brass and Copper Holdings, Inc. per common share:				
Basic	$ 0.18	$ 0.32	$ 1.15	$ 1.51
Diluted	$ 0.18	$ 0.32	$ 1.14	$ 1.50

3. Segment Information

Our Chief Operating Decision Maker allocates resources and evaluates performance at the divisional level. As such, we have determined that we have three reportable segments: Olin Brass, Chase Brass and A.J. Oster.

Olin Brass is a leading manufacturer, fabricator and converter of non-ferrous products, including sheet, strip, foil, tube and fabricated products. Olin Brass also rerolls and forms other alloys such as stainless steel, carbon steel and aluminum. Sheet and strip is generally manufactured from copper and copper-alloy scrap. Olin Brass's products are used in five primary markets: building and housing, munitions, automotive, coinage, and electronics / electrical components.

Chase Brass is a leading manufacturer of solid brass rod in North America. Chase Brass primarily manufactures rod in round and other shapes, ranging from 1/4 inch to 4.5 inches in diameter. The key attributes of brass rod include its machinability, corrosion resistance and moderate strength, making it especially suitable for forging and machining products such as valves and fittings. Brass rod is generally manufactured from copper or copper-alloy scrap. Chase Brass produces brass rod used in production applications which can be grouped into four primary markets: building and housing, transportation, electronics / electrical components and industrial machinery and equipment.

A.J. Oster primarily processes and distributes copper, copper-alloy and aluminum sheet, strip and foil through six strategically-located service centers in the United States, Puerto Rico and Mexico. Each A.J. Oster service center reliably provides a broad range of high quality products at quick lead-times in small quantities. These capabilities, combined with A.J. Oster's operations of precision slitting, hot tinning, traverse winding, cutting, edging and special packaging, provide value to a broad customer base. A.J. Oster's products are used in three primary markets: building and housing, automotive and electronics / electrical components.

Corporate includes compensation for corporate executives and staff, and professional fees for accounting, tax and legal services. Corporate also includes interest expense, state and federal income taxes, overhead costs, all share-based compensation expense, gains and losses associated with certain acquisitions and dispositions and the elimination of intercompany balances and transactions.

The Chief Operating Decision Maker evaluates performance and determines resource allocations based on a number of factors, the primary performance measure being adjusted EBITDA (as defined below), a non-GAAP measure.

Adjusted EBITDA is defined as net income attributable to Global Brass and Copper Holdings, Inc., plus interest, taxes, depreciation and amortization ("EBITDA") adjusted to exclude the following:

- unrealized gains and losses on derivative contracts in support of our balanced book approach;
- unrealized gains and losses associated with derivative contracts related to energy and utility costs;
- adjustments due to lower of cost or market adjustments to inventory;
- gains and losses due to the depletion of a last-in, first out ("LIFO") layer of metal inventory;
- share-based compensation expense;
- loss on extinguishment of debt;
- income accretion related to Dowa Olin Metal Corporation (the "Dowa Joint Venture");
- restructuring and other business transformation charges;
- specified legal and professional expenses; and
- certain other items.

Each of these items are excluded because our management believes they are not indicative of the ongoing performance of our core operations.

Below is a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2016**	**2015**	**2016**	**2015**
Net Sales, External Customers				
Olin Brass	$ 152.9	$ 163.3	$ 421.9	$ 525.5
Chase Brass	124.1	129.6	381.5	427.5
A.J. Oster	72.1	74.8	212.5	229.8
Total net sales, external customers	$ 349.1	$ 367.7	$ 1,015.9	$ 1,182.8
Intersegment Net Sales				
Olin Brass	$ 16.8	$ 11.5	$ 54.6	$ 41.8
Chase Brass	0.2	0.3	0.8	1.5
A.J. Oster	—	0.1	—	0.1
Total intersegment net sales	$ 17.0	$ 11.9	$ 55.4	$ 43.4
Adjusted EBITDA				
Olin Brass	$ 18.6	$ 15.0	$ 39.7	$ 42.0
Chase Brass	16.2	15.5	53.4	54.0
A.J. Oster	4.7	4.6	14.4	12.8
Total adjusted EBITDA of segments	39.5	35.1	107.5	108.8
Corporate and other	(4.9)	(4.5)	(13.3)	(7.9)
Depreciation expense	(3.7)	(3.4)	(11.0)	(10.0)
Amortization expense	(0.1)	(0.1)	(0.1)	(0.1)
Interest expense	(5.2)	(9.9)	(21.5)	(29.8)
Net income attributable to noncontrolling interest	0.2	0.1	0.4	0.2
Unrealized (loss) gain on derivative contracts (a)	(0.4)	(0.8)	2.2	(0.1)
Loss on extinguishment of debt (b)	(20.1)	(2.3)	(23.4)	(2.3)
Equity method investment income (c)	—	—	—	(0.1)
Specified legal / professional expenses (d)	(0.5)	(0.4)	(1.1)	(2.2)
Lower of cost or market adjustment to inventory (e)	2.2	(2.3)	2.1	(4.8)
Share-based compensation expense (f)	(2.2)	(1.2)	(4.9)	(3.1)
Restructuring and other business transformation charges (g)	—	—	—	(0.9)
Income before provision for income taxes and equity income	$ 4.8	$ 10.3	$ 36.9	$ 47.7

(a) Represents unrealized gains / losses on derivative contracts.

(b) Represents the loss on extinguishment of debt recognized in connection with both the open market purchases and refinancing of our former senior secured notes ("Senior Secured Notes") and asset-based revolving loan facility ("ABL Facility"). See Note 7, "Financing."

(c) Excludes accretion income of $0.2 million for the nine months ended September 30, 2015. Equity method investment income is exclusive to Olin Brass. In 2015, we sold our investment in the Dowa Joint Venture.

(d) Represents selected professional fees for accounting, tax, legal and consulting services incurred as a public company that exceed our expected long-term requirements.

(e) For the three and nine months ended September 30, 2016, represents recoveries of previous charges as market prices for certain non-copper metals increased, net of additional lower of cost or market charges for the write down of domestic, non-copper metal inventory. For the three and nine months ended September 30, 2015, represents lower of cost or market charges for the write down of domestic, non-copper metal inventory.

(f) Represents compensation expense resulting from stock compensation awards to certain employees and our Board of Directors.

(g) Restructuring and other business transformation charges for the nine months ended September 30, 2015 represent severance charges at Olin Brass.

4. Inventories

Inventories were as follows:

	As of	
(in millions)	**September 30, 2016**	**December 31, 2015**
Raw materials and supplies	$ 28.6	$ 31.3
Work-in-process	68.5	69.7
Finished goods	69.5	75.3
Total inventories	$ 166.6	$ 176.3

Inventories include costs attributable to direct labor and manufacturing overhead, but are primarily comprised of metal costs. The metals component of inventories that is valued on a LIFO basis comprised approximately 70% of total inventory at September 30, 2016 and December 31, 2015. Other manufactured inventories, including the direct labor and manufacturing overhead components and certain non-U.S. inventories, are valued on a first-in, first out ("FIFO") basis.

During the three and nine months ended September 30, 2016, we recorded non-cash recoveries of previous lower of cost or market charges for the write down of certain domestic, non-copper metal inventory, as well as additional charges for certain domestic, non-copper metal inventory resulting from the decline in market value of these metals, aggregating to net recoveries of $2.2 million and $2.1 million, respectively. During the three and nine months ended September 30, 2015, we recorded write downs of $2.3 million and $4.8 million, respectively. These non-cash, lower of cost or market adjustments were recorded in cost of sales in the accompanying unaudited consolidated statements of operations.

Below is a summary of inventories valued at period-end market values compared to the as reported values:

	As of	
(in millions)	**September 30, 2016**	**December 31, 2015**
Market value	$ 215.2	$ 213.1
As reported	166.6	176.3
Excess of market over reported value	$ 48.6	$ 36.8

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets were as follows:

	As of	
(in millions)	September 30, 2016	December 31, 2015
Workers' compensation plan deposits	$ 6.8	$ 6.0
Prepaid insurance	2.0	2.0
Deferred cost of sales - toll customers	1.9	4.0
Derivative contract assets	1.1	1.8
Prepaid tooling	—	0.5
Other	4.8	3.1
Total prepaid expenses and other current assets	$ 16.6	$ 17.4

6. Accrued Liabilities

Accrued liabilities consisted of the following:

	As of	
(in millions)	September 30, 2016	December 31, 2015
Compensation and benefits	$ 18.5	$ 23.8
Workers' compensation	3.1	13.3
Insurance	2.7	2.6
Professional fees	2.0	2.5
Deferred sales revenue - toll customers	1.9	4.0
Utilities	1.6	1.6
Taxes	1.1	1.3
Tooling	—	0.5
Other	4.3	4.3
Total accrued liabilities	$ 35.2	$ 53.9

7. Financing

Long-term debt consisted of the following:

	As of	
(in millions)	September 30, 2016	December 31, 2015
Senior Secured Notes	$ —	$ 345.3
Term Loan B Facility	320.0	—
Deferred financing fees and discount on Term Loan B Facility	(7.2)	(7.0)
Obligations under capital lease	4.0	4.8
Total debt	316.8	343.1
Less: Current portion of debt	(4.4)	(1.1)
Noncurrent portion of debt	$ 312.4	$ 342.0

Discussion of Historical Debt Facilities

Historically, our debt has included our Senior Secured Notes and our former ABL Facility. During the nine months ended September 30, 2016, we purchased in the open market an aggregate of $40.0 million principal amount of our Senior Secured Notes, for an aggregate purchase price of $42.5 million, plus accrued interest. Additionally, as discussed under "Term Loan B Facility" hereafter, on July 18, 2016, we used a portion of the proceeds from our Term Loan B Facility (defined hereafter) to redeem the remaining $305.3 million principal amount outstanding of our Senior Secured Notes. As part of this refinancing and in accordance with the indenture governing the Senior Secured Notes ("Indenture"), we called the notes at a redemption price of 104.75% plus accrued interest, and we terminated the related Indenture.

As a result of these purchases and the redemption, we recognized a loss on the extinguishment of debt in the three months ended September 30, 2016 of $20.1 million, which includes a premium of $14.5 million and the write-off of $5.6 million of unamortized debt issuance costs for both the Senior Secured Notes and the former ABL Facility, which was also terminated as part of the refinancing discussed below. We recognized a loss on the extinguishment of debt in the nine months ended September 30, 2016 of $23.4 million, which includes a premium of $17.0 million and the write-off of $6.4 million of unamortized debt issuance costs for both the Senior Secured Notes and the former ABL Facility.

No amounts were outstanding under the former ABL Facility at the time of termination.

Refinancing

2016 ABL Facility

On July 18, 2016, we entered into a credit agreement with a syndicate of lenders that matures on July 19, 2021 (the "ABL Credit Agreement" and the facility thereunder, the "2016 ABL Facility"). No amounts were outstanding under this facility at closing.

The 2016 ABL Facility is an asset-based revolving loan facility that provides for borrowings of up to the lesser of $200.0 million or the borrowing base. As of September 30, 2016, available borrowings under the 2016 ABL Facility were $200.0 million. We may request an increase in the maximum commitments, at our option and under certain circumstances, of up to $200.0 million (but the lenders are not obligated to grant such an increase).

Amounts outstanding, if any, under the 2016 ABL Facility bear interest at a rate per annum equal to, at our option, either (1) 0.25% to 0.75% subject to an average quarterly availability pricing grid set forth in the ABL Credit Agreement plus an Alternate Base Rate (as defined in the ABL Credit Agreement) or (2) 1.25% to 1.75% subject to an average quarterly availability pricing grid set forth in the ABL Credit Agreement plus the Adjusted LIBO Rate (as defined in the ABL Credit Agreement). Unused amounts under the 2016 ABL Facility incur an unused line fee of 0.375% or 0.25% per annum (depending on the percentage of aggregate revolving exposure), payable in arrears on a quarterly basis.

The ABL Credit Agreement requires us to prepay or cash collateralize the applicable portion of any outstanding revolving loans under circumstances as are customary in agreements of this type. However, we may voluntarily repay and reborrow outstanding loans under the 2016 ABL Facility at any time without a premium or penalty, other than customary "breakage" costs with respect to loans made utilizing the Adjusted LIBO Rate (as defined in the ABL Credit Agreement).

The ABL Credit Agreement also contains a financial covenant requiring us to maintain a fixed charge coverage ratio that is tested whenever excess availability, as defined in the ABL Credit Agreement, falls below the greater of $20.0 million or 10% of our potential borrowings. The "fixed charge coverage ratio" requires us to maintain a ratio of "Consolidated Adjusted EBITDA" to the amount of our "fixed charges" (for all terms, as defined in the ABL Credit Agreement) for the twelve consecutive months prior to the date on which the ratio is tested equal to or greater than 1.0 to 1.0.

Term Loan B Facility

Also on July 18, 2016, we entered into a long-term credit agreement that matures on July 18, 2023 (the "Term Loan B Credit Agreement" and the loans thereunder, the "Term Loan B Facility").

The Term Loan B Facility provides for borrowings of $320.0 million. Amounts outstanding under the Term Loan B Facility bear interest at a rate per annum equal to, at our option, either (1) 3.00% to 3.25% subject to a total net leverage ratio pricing grid set forth in the Term Loan B Credit Agreement plus an Alternate Base Rate (as defined in the Term Loan B Credit Agreement) or (2) 4.00% to 4.25% subject to a total net leverage ratio pricing grid set forth in the Term Loan B

Credit Agreement plus the Adjusted LIBO Rate (as defined in the Term Loan B Credit Agreement). At September 30, 2016, amounts outstanding under the Term Loan B Facility accrued interest at a rate of 5.25%. We may request an increase in the aggregate term loans, at our option and under certain circumstances, of up to an additional $75.0 million or an unlimited amount so long as after giving effect to any incremental facility or incremental equivalent debt, the net senior secured leverage ratio does not exceed 2.50 to 1.00 (but the lenders, in either case, are not obligated to grant such an increase).

The Term Loan B Credit Agreement requires mandatory prepayments based on various events and circumstances as are customary in such agreements. In addition, starting on December 31, 2017, we are subject to a 50% excess cash flow sweep, subject to step-downs to 25% and 0% depending on the total net leverage ratio from time to time. We may, however, voluntarily prepay outstanding loans under the Term Loan B Facility at any time.

The Term Loan B Credit Agreement also contains a financial covenant that requires us to maintain a total net leverage ratio that is tested quarterly. The "total net leverage ratio" requires us to maintain a ratio of the amount of total net debt to "Consolidated Adjusted EBITDA" (for all terms, as defined in the Term Loan B Credit Agreement) for the twelve consecutive months prior to the date on which the ratio is tested of no greater than 4.0 to 1.0.

In connection with the Term Loan B Facility, commencing on December 30, 2016, we must make quarterly payments of $0.8 million with the balance expected to be due on July 18, 2023.

The Credit Agreements

The ABL Credit Agreement and the Term Loan B Credit Agreement (together, the "Credit Agreements") contain various other covenants consistent with debt agreements of this kind, such as restrictions on the amounts of dividends we can pay.

A violation of covenants under either of the Credit Agreements may result in default or an event of default under the 2016 ABL Facility or Term Loan B Facility, as applicable. Upon the occurrence of an event of default under one or both of the Credit Agreements, the requisite lenders could elect to declare all amounts of such indebtedness outstanding to be immediately due and payable and terminate any commitments to extend further credit.

If we are unable to repay those amounts, the lenders under the applicable Credit Agreement may proceed against the collateral granted to them to secure such indebtedness. Substantially all of our assets are pledged as collateral under the Credit Agreements. If the lenders accelerate the repayment of borrowings, such acceleration could have a material adverse effect on our business, financial condition, results of operations or cash flows. Furthermore, cross-default provisions in the Credit Agreements provide that any default under the Credit Agreements or other significant debt agreements could trigger a cross-default under the Credit Agreements, as applicable.

As of September 30, 2016, we were in compliance with all of the covenants relating to the Credit Agreements.

8. Income Taxes

The effective income tax rate, which is the provision for income taxes as a percentage of income before provision for income taxes and equity income, was 14.6% and 32.0% for the three months ended September 30, 2016 and 2015, respectively, and 32.5% and 32.9% for the nine months ended September 30, 2016 and 2015, respectively. The effective income tax rates for the three and nine months ended September 30, 2016 and 2015 differed from the U.S. Federal statutory rate of 35% primarily due to state income taxes, utilization of foreign tax credits and the domestic manufacturing deduction. The decrease in effective income tax rate for the three months ended September 30, 2016 compared to 2015 primarily relates to the release of the valuation allowance on our foreign tax credits.

On July 18, 2016, we refinanced our debt (see Note 7, "Financing"), which will reduce interest expense in future years. Due to this reduction of interest expense, we released the valuation allowance recorded against our foreign tax credits, resulting in a one-time reduction in income tax expense of approximately $1.0 million in the third quarter of 2016.

As of September 30, 2016 and December 31, 2015, we had $26.4 million and $25.1 million, respectively, of unrecognized tax benefits, none of which would impact the effective tax rate, if recognized. Estimated interest and penalties related to the underpayment of income taxes are classified as a component of provision for income taxes. There were no such estimated amounts for the three and nine months ended September 30, 2016 or 2015. Accrued interest and penalties as of September 30, 2016 and December 31, 2015 were $0.1 million. Our liability for uncertain tax positions of $26.5 million and $25.2 million at September 30, 2016 and December 31, 2015, respectively, is presented in other noncurrent liabilities in the accompanying unaudited consolidated balance sheets.

Our U.S. federal returns for the period ended December 31, 2013 and all subsequent periods remain open for audit. The majority of state returns for the period ended December 31, 2012 and all subsequent periods also remain open for audit.

9. Derivative Contracts

We maintain a metal, energy and utility pricing risk-management strategy that uses commodity derivative contracts to minimize significant, unanticipated gains or losses that may arise from volatility of the commodity indices.

We are also exposed to credit risk and market risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. Market risk is the risk that the value of a derivative instrument might be adversely affected by a change in commodity price. We manage the market risk associated with derivative contracts by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

We manage credit risk associated with derivative contracts by executing derivative instruments with counterparties that we believe are credit-worthy. The amount of such credit risk is limited to the fair value of the derivative contract plus the unpaid portion of amounts due to us pursuant to terms of the derivative contracts, if any. If the credit-worthiness of these counterparties deteriorates, we believe the exposure is mitigated by provisions in the derivative arrangements which allow for the legal right of offset of amounts due to us from the counterparties, if any, with any amounts payable to the counterparties.

The following tables provide a summary of our outstanding commodity derivative contracts:

	As of			
	September 30, 2016		December 31, 2015	
(in millions, except for number of contracts)	Net Notional Amount	# of Contracts	Net Notional Amount	# of Contracts
Metal	$ 17.5	677	$ 18.2	534
Energy and utilities	1.7	41	4.3	114
Total	$ 19.2	718	$ 22.5	648

	As of	
(in millions)	September 30, 2016	December 31, 2015
Notional amount - long	$ 28.2	$ 28.5
Notional amount - (short)	(9.0)	(6.0)
Net long / (short)	$ 19.2	$ 22.5

The fair values of derivative contracts in the consolidated balance sheets include the impact of netting derivative assets and liabilities when a legally enforceable master netting arrangement exists. The following tables summarize the gross amounts of open derivative contracts, the net amounts presented in the unaudited consolidated balance sheets, and the collateral deposited with counterparties:

	As of September 30, 2016		
(in millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Assets Presented in Consolidated Balance Sheet
Metal	$ 2.2	$ (1.2)	$ 1.0
Energy and utilities	0.1	—	0.1
Total	$ 2.3	$ (1.2)	$ 1.1
Consolidated balance sheet location:			
Prepaid expenses and other current assets			$ 1.1

	As of September 30, 2016		
(in millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Liabilities Presented in Consolidated Balance Sheet
Metal	$ 1.2	$ (1.2)	$ —
Energy and utilities	—	—	—
Total	$ 1.2	$ (1.2)	$ —

	As of December 31, 2015		
(in millions)	Gross Amounts of Recognized Assets	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Assets Presented in Consolidated Balance Sheet
Metal	$ 0.6	$ (0.6)	$ —
Energy and utilities	0.1	(0.1)	—
Collateral on deposit	3.2	(1.4)	1.8
Total	$ 3.9	$ (2.1)	$ 1.8
Consolidated balance sheet location:			
Prepaid expenses and other current assets			$ 1.8

	As of December 31, 2015		
(in millions)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in Consolidated Balance Sheet	Net Amounts of Liabilities Presented in Consolidated Balance Sheet
Metal	$ 1.7	$ (1.7)	$ —
Energy and utilities	0.4	(0.4)	—
Total	$ 2.1	$ (2.1)	$ —

The following table summarizes the effects of derivative contracts in the consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2016	2015	2016	2015
Losses (gains) in cost of sales for:				
Metal	$ (0.2)	$ 1.5	$ (2.2)	$ 1.4
Energy and utilities	—	0.2	0.1	0.6
Total	$ (0.2)	$ 1.7	$ (2.1)	$ 2.0

10. Fair Value Measurements

ASC 820 specifies a fair value framework and hierarchy based upon the observability of inputs used in valuation techniques. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- **Level 1** - Quoted prices for identical instruments in active markets.
- **Level 2** - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.
- **Level 3** - Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

As of September 30, 2016 and December 31, 2015, the fair value of our commodity derivative contracts was $1.1 million and $1.8 million, respectively. In accordance with ASC 820, our metal, energy and utility commodity derivative contracts are considered Level 2, as fair value measurements consist of both quoted price inputs and inputs provided by a third party that are derived principally from or corroborated by observable market data by correlation. These assumptions include, but are not limited to, those concerning interest rates, credit rates, discount rates, default rates and other factors. All of our derivative commodity contracts have a set term of 24 months or less.

We do not hold assets or liabilities requiring a Level 3 measurement and there have not been any transfers between the hierarchy levels during 2016 or 2015.

For purposes of financial reporting, we have determined that the carrying value of cash, accounts receivable, accounts payable, and accrued expenses approximates fair value due to their short term nature. Additionally, given the revolving nature and the variable interest rates, we have determined that the carrying value of the 2016 ABL Facility also approximates fair value. As of September 30, 2016, the fair value of our Term Loan B Facility approximated $322.4 million compared to a carrying value of $320.0 million. As of December 31, 2015, the fair value of our Senior Secured Notes approximated $365.2 million compared to a carrying value of $345.3 million. The fair values of the Term Loan B Facility and the Senior Secured Notes were based upon quotes from financial institutions (Level 2 in the fair value hierarchy as defined by ASC 820). In July 2016, we redeemed all of our outstanding Senior Secured Notes (see Note 7, “Financing”).

11. Commitments and Contingencies

Environmental Considerations

We are subject to a variety of environmental laws and regulations governing discharges to air and water, the handling, storage and disposal of hazardous or solid waste materials and the remediation of contamination associated with releases of hazardous substances. Although we believe we are in material compliance with all of the various regulations applicable to our business, there can be no assurance that requirements will not change in the future or that we will not incur significant costs to comply with such requirements. We are currently not aware of any environmental matters which may have a material impact on our financial position, results of operations, or liquidity.

On November 19, 2007 (the date of inception of GBC), we acquired the assets and operations relating to the worldwide metals business of Olin Corporation. Olin Corporation agreed to retain liability arising out of the existing conditions on certain of our properties for any remedial actions required by environmental laws, and agreed to indemnify us for all or part of a number of other environmental liabilities. Since 2007, Olin Corporation has been performing remedial actions at the facilities in East Alton, Illinois and Waterbury, Connecticut related to environmental conditions at such facilities, and has been participating in remedial actions at certain other properties as well. If Olin Corporation were to stop its environmental remedial activities at our properties, we could be required to assume responsibility for these activities, the cost of which could be material.

Legal Considerations

We are party to various legal proceedings arising in the ordinary course of business. We believe that none of our legal proceedings are individually material or that the aggregate exposure of all of our legal proceedings, including those that are probable and those that are only reasonably possible, is material to our financial condition, results of operations or cash flows.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements" that involve risks and uncertainties. You can identify forward-looking statements because they contain words such as "believes," "expects," "projects," "may," "would," "should," "seeks," "approximately," "intends," "plans," "estimates," "anticipates" or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make or may make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements contained in this report are based upon information available to us on the date of this report.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as "cautionary statements," are disclosed under the "Risk Factors" section in Item 1A of our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 9, 2016, and subsequent Reports on Form 10-Q, including, without limitation, in conjunction with the forward-looking statements included in this Report on Form 10-Q and in our other SEC filings. All forward-looking information in this report and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include, but are not limited to:

- general economic conditions affecting the markets in which our products are sold;
- our ability to implement our business strategies, including acquisition activities;
- our ability to maintain business relationships with our customers on favorable terms;
- our ability to continue implementing our balanced book approach to substantially reduce the impact of fluctuations in metal prices on our earnings and operating margins;
- shrinkage from processing operations and metal price fluctuations, particularly copper;
- the condition of various markets in which our customers operate, including the housing and commercial construction industries;
- the impact of a loss in customer volume or demand or a shift by customers of their manufacturing or sourcing offshore;
- our ability to compete effectively with existing and new competitors;
- limitations on our ability to purchase raw materials, particularly copper;
- fluctuations in commodity, energy and utility prices and costs;
- our ability to maintain sufficient liquidity as commodity, energy and utility prices rise;
- the effects of industry consolidation or competition in our business lines;
- operational factors affecting the ongoing commercial operations of our facilities, including technology failures, catastrophic weather-related damage, regulatory approvals, permit issues, unscheduled blackouts, outages or repairs or unanticipated changes in energy and utility costs;
- operational factors affecting the ongoing commercial operations of our facilities resulting from inclement weather conditions;
- supply, demand, prices and other market conditions for our products;
- our ability to accommodate increases in production to meet demand for our products;
- our ability to continue our operations internationally and the risks applicable to international operations;

- government regulations relating to our products and services, including new legislation relating to derivatives and the elimination of the dollar bill and EPA regulations regarding the registration and marketing of bactericidal copper products;
- our ability to maintain effective internal control over financial reporting;
- our ability to realize the planned cost savings and efficiency gains as part of our various initiatives;
- our ability to successfully execute acquisitions and joint ventures;
- workplace safety issues;
- our ability to retain key employees;
- adverse developments in our relationship with our employees or the future terms of our collective bargaining agreements;
- the impact of our indebtedness, including the effect of our ability to borrow money, fund working capital and operations and make new investments;
- rising employee medical costs;
- environmental costs and our exposure to environmental claims;
- our exposure to product liability claims;
- our ability to successfully manage litigation;
- our ability to maintain cost-effective insurance policies;
- our ability to maintain the confidentiality of our proprietary information, to protect the validity, enforceability or scope of our intellectual property rights and manage litigation regarding our intellectual property rights;
- litigation regarding our intellectual property rights could affect us and harm our business;
- fluctuations in interest rates; and
- restrictive covenants in our indebtedness that may adversely affect our operational flexibility.

We caution you that the foregoing list of factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this report may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2015. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those discussed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q.

Overview

Our Company

Global Brass and Copper Holdings, Inc. ("Holdings," the "Company," "we," "us," or "our") was incorporated in Delaware on October 10, 2007. Holdings, through its wholly-owned principal operating subsidiary, Global Brass and Copper, Inc. ("GBC"), commenced commercial operations on November 19, 2007 through the acquisition of the metals business from Olin Corporation. The majority of our operations are managed through three reportable operating segments: Olin Brass, Chase Brass and A.J. Oster. We also have a Corporate entity which includes certain administrative costs and expenses and the elimination of intercompany balances.

We are a leading value-added converter, fabricator, processor and distributor of specialized non-ferrous products including a wide range of sheet, strip, foil, rod, tube and fabricated metal component products. While we primarily process copper and copper alloys, we also reroll and form certain other metals such as stainless steel, carbon steel and aluminum. Using processed scrap, virgin metals and other refined metals, we engage in metal melting and casting, rolling, drawing, extruding, welding and stamping to fabricate finished and semi-finished alloy products. Key attributes of copper and copper alloys are conductivity, corrosion resistance, strength, malleability, cosmetic appearance and bactericidal properties.

Our products are used in a variety of applications across diversified markets, including the building and housing, munitions, automotive, transportation, coinage, electronics / electrical components, industrial machinery and equipment and general consumer markets. We access these markets through direct mill sales, our captive distribution network and third-party distributors. We hold the exclusive production and distribution rights in North America for a lead-free brass rod product, which we sell under the Green Dot® and Eco Brass® brand names. The vertical integration of Olin Brass's manufacturing capabilities and A.J. Oster's distribution capabilities allows us to access customers with a wide variety of volume and service needs.

Unlike traditional metals companies, in particular those that engage in mining, smelting and refining activities, we are purely a metal converter, fabricator, processor and distributor, and we do not attempt to generate profits from fluctuations in metal prices. Our financial performance is primarily driven by metal conversion economics, not by the underlying movements in the price of copper and the other metals we use. Through our "balanced book" approach, we strive to match the timing, quantity and price of our metal sales with the timing, quantity and price of our replacement metal purchases. This practice, along with our toll processing operations, substantially reduces the financial impact of metal price movements on our earnings and operating margins.

For a discussion of Key Factors Affecting our Results of Operations, including the "balanced book" approach, refer to our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 9, 2016.

Management's View of Performance

In addition to the results reported in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), we also report "adjusted sales," "adjusted gross profit," "adjusted selling, general and administrative expenses," "adjusted EBITDA" and "adjusted diluted earnings per common share" which are non-GAAP financial measures as defined below.

Adjusted sales, adjusted gross profit, adjusted selling, general and administrative expenses, adjusted EBITDA and adjusted diluted earnings per common share may not be comparable to similarly titled measures presented by other companies and are not intended as alternatives to any other measure of performance in conformity with US GAAP.

You should therefore not place undue reliance on adjusted sales, adjusted gross profit, adjusted selling, general and administrative expenses, adjusted EBITDA, adjusted diluted earnings per common share, or any ratios calculated using them. The most comparable US GAAP-based measure for each respective non-GAAP financial measure can be found in our unaudited consolidated financial statements and the related notes thereto included elsewhere in this report.

The following discussions present an analysis of certain GAAP and non-GAAP measures for the three months ended September 30, 2016 as compared to the three months ended September 30, 2015, as well as for the nine months ended September 30, 2016 as compared to the nine months ended September 30, 2015. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Net sales and adjusted sales

Adjusted sales is defined as net sales less the metal cost of products sold. Net sales is the most directly comparable US GAAP measure to adjusted sales, which represents the value-added premium we earn over our conversion and fabrication costs. We use adjusted sales on a consolidated basis to monitor the revenues that are generated from our value-added conversion and fabrication processes excluding the effects of fluctuations in metal costs. We believe that adjusted sales supplements our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons.

Net sales is reconciled to adjusted sales as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 vs. 2015			
					QTR Change		YTD Change	
(in millions, except per pound values)	2016	2015	2016	2015	Amount	Percent	Amount	Percent
Pounds shipped (a)	137.0	129.8	400.1	391.1	7.2	5.5 %	9.0	2.3 %
Net sales	$ 349.1	$ 367.7	$ 1,015.9	$ 1,182.8	$ (18.6)	(5.1)%	$ (166.9)	(14.1)%
Metal component of net sales	(206.3)	(233.2)	(600.9)	(772.9)	26.9	(11.5)%	172.0	(22.3)%
Adjusted sales	$ 142.8	$ 134.5	$ 415.0	$ 409.9	$ 8.3	6.2 %	$ 5.1	1.2 %
Net sales per pound	$ 2.55	$ 2.83	$ 2.54	$ 3.02	$ (0.28)	(9.9)%	$ (0.48)	(15.9)%
Metal component of net sales per pound	(1.51)	(1.79)	(1.50)	(1.97)	0.28	(15.6)%	0.47	(23.9)%
Adjusted sales per pound	$ 1.04	$ 1.04	$ 1.04	$ 1.05	$ —	— %	$ (0.01)	(1.0)%
Average copper price per pound (b)	$ 2.16	$ 2.40	$ 2.13	$ 2.61	$ (0.24)	(10.0)%	$ (0.48)	(18.4)%

(a) Amounts exclude quantity of unprocessed metal sold.

(b) Copper prices reported by the Commodity Exchange (“COMEX”).

Three months ended September 30, 2016 compared to three months ended September 30, 2015

Net sales decreased by $18.6 million, or 5.1%, primarily as the result of a $26.9 million decline in the metal cost recovery component due to decreases in metal prices and sales of unprocessed metals, partially ameliorated by increased volumes. Adjusted sales increased by $8.3 million, due to increased volume in the munitions and building and housing markets, partially offset by decreased volume in the transportation and industrial machinery and equipment markets.

In the third quarter, Olin Brass’s volumes increased as some orders from the second quarter shipped in the third quarter due to the production outage experienced during the second quarter.

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Net sales decreased by $166.9 million, or 14.1%, primarily as the result of a $172.0 million decline in the metal cost recovery component due mostly to decreased metal prices, product mix and a decline in sales of unprocessed metals. Adjusted sales increased by $5.1 million due to a $9.5 million benefit from increased volumes resulting from increased demand in the munitions and building and housing markets, partially offset by lower demand in coinage, industrial machinery and equipment and transportation markets. The impact of increased volumes was partially offset by unfavorable mix and decreased metal margins ($4.4 million).

Gross profit and adjusted gross profit

Adjusted gross profit is defined as gross profit less items excluded from the calculation of adjusted EBITDA. Gross profit is the most directly comparable US GAAP measure to adjusted gross profit. We believe that adjusted gross profit supplements our US GAAP results to provide a more complete understanding of the results of our business. We believe adjusted gross profit represents a meaningful presentation of the financial performance of our core operations as it provides period-to-period comparisons that are more consistent and more easily understood.

Gross profit is reconciled to adjusted gross profit as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 vs. 2015	
(in millions)	2016	2015	2016	2015	QTR change	YTD change
Total gross profit	$ 52.2	$ 42.6	$ 143.0	$ 136.8	$ 9.6	$ 6.2
Unrealized loss (gain) on derivative contracts (a)	0.4	0.8	(2.2)	0.1	(0.4)	(2.3)
Lower of cost or market adjustment to inventory (b)	(2.2)	2.3	(2.1)	4.8	(4.5)	(6.9)
Restructuring and other business transformation charges	—	—	—	0.4	—	(0.4)
Depreciation expense	3.4	3.0	9.7	8.8	0.4	0.9
Adjusted gross profit	$ 53.8	$ 48.7	$ 148.4	$ 150.9	$ 5.1	$ (2.5)

(a) We use our balanced book approach, supported, where required, by derivative contracts, to substantially reduce the impact of metal price fluctuations on operating margins. We also use derivative contracts to reduce uncertainty and volatility related to energy and utility costs.

(b) For the three and nine months ended September 30, 2015, represents lower of cost or market charges for the write down of domestic, non-copper metal inventory. For the three and nine months ended September 30, 2016, represents recoveries of previous charges as market prices for certain non-copper metals increased, net of additional lower of cost or market charges for the write down of domestic, non-copper metal inventory.

Three months ended September 30, 2016 compared to three months ended September 30, 2015

Gross profit increased by $9.6 million (22.5%), and adjusted gross profit increased by $5.1 million (10.5%), primarily due to increased volumes, increased productivity, and improved cost controls. As previously discussed, volumes increased largely due to the shift in some shipments from the first half of the year into the second half of the year as we recovered from the production outage at Olin Brass. Additionally, gross profit benefited from a reduction in lower of cost or market charges.

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Gross profit increased by $6.2 million (4.5%), and benefited from a reduction in lower of cost or market charges and favorable fluctuations in unrealized gains / losses on derivative contracts. Adjusted gross profit decreased by $2.5 million (1.7%), as unfavorable changes in product mix were mostly mitigated by increased volumes. Additionally, while we incurred increased costs as a result of the production outage, these were mostly offset by productivity improvements.

Selling, general and administrative expenses and adjusted selling, general and administrative expenses

Adjusted selling, general and administrative expenses is defined as selling, general and administrative expenses less items excluded from the calculation of adjusted EBITDA. Selling, general and administrative expenses are the most directly comparable US GAAP measure to adjusted selling, general and administrative expenses. We believe that adjusted selling, general and administrative expenses supplement our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons. We believe adjusted selling, general and administrative expenses represent a meaningful presentation of the financial performance of our core operations, in order to provide period-to-period comparisons that are more consistent and more easily understood.

Selling, general and administrative expenses is reconciled to adjusted selling, general and administrative expenses as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 vs. 2015	
(in millions)	2016	2015	2016	2015	QTR change	YTD change
Total selling, general and administrative expenses	$ 21.9	$ 20.2	$ 61.4	$ 63.5	$ 1.7	$ (2.1)
Specified legal / professional expenses	(0.5)	(0.4)	(1.1)	(2.2)	(0.1)	1.1
Share-based compensation expense	(2.2)	(1.2)	(4.9)	(3.1)	(1.0)	(1.8)
Restructuring and other business transformation charges	—	—	—	(0.5)	—	0.5
Depreciation and amortization expense	(0.4)	(0.5)	(1.4)	(1.3)	0.1	(0.1)
Adjusted selling, general and administrative expenses	$ 18.8	$ 18.1	$ 54.0	$ 56.4	$ 0.7	$ (2.4)

Three months ended September 30, 2016 compared to three months ended September 30, 2015

Selling, general and administrative expenses increased by $1.7 million (8.4%). Adjusted selling, general and administrative expenses increased by $0.7 million (3.9%), primarily due to higher employee and employee related costs. Additionally, selling, general and administrative expenses were unfavorably impacted by an increase in share-based compensation expense.

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Selling, general and administrative expenses decreased by $2.1 million (3.3%). Adjusted selling, general and administrative expenses decreased by $2.4 million (4.3%), primarily due to lower employee and employee related costs. Additionally, selling, general and administrative expenses were unfavorably impacted by an increase in share-based compensation expense and favorably impacted by decreased professional fees.

Net income and adjusted EBITDA

Adjusted EBITDA is defined as net income attributable to Global Brass and Copper Holdings, Inc., plus interest, taxes, depreciation and amortization ("EBITDA") adjusted to exclude the following:

- unrealized gains and losses on derivative contracts in support of our balanced book approach;
- unrealized gains and losses associated with derivative contracts related to energy and utility costs;
- adjustments due to lower of cost or market adjustments to inventory;
- gains and losses due to the depletion of a last-in, first out ("LIFO") layer of metal inventory;
- share-based compensation expense;
- loss on extinguishment of debt;
- income accretion related to Dowa Olin Metal Corporation (the "Dowa Joint Venture");
- restructuring and other business transformation charges;
- specified legal and professional expenses; and
- certain other items.

Net income attributable to Global Brass and Copper Holdings, Inc. is the most directly comparable US GAAP measure to adjusted EBITDA.

We believe adjusted EBITDA represents a meaningful presentation of the financial performance of our core operations because it provides period-to-period comparisons that are more consistent and more easily understood. We also believe it is an important supplemental measure that is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted EBITDA is the key metric used by our Chief Operating Decision Maker to evaluate the segment performance in a way that we believe reflects our core operating performance, and in turn, incentivize members of management and certain employees. For example, we use adjusted EBITDA per pound in order to measure the effectiveness of the balanced book approach in reducing the financial impact of metal price volatility on earnings and operating margins, and to measure the effectiveness of our business transformation initiatives in improving earnings and operating margins.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under US GAAP. We compensate for these limitations by using adjusted EBITDA along with other comparative tools, together with US GAAP measurements, to assist in the evaluation of operating performance. Such US GAAP measurements include operating income and net income.

Net income attributable to Global Brass and Copper Holdings, Inc. is reconciled to adjusted EBITDA as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 vs. 2015	
(in millions)	**2016**	**2015**	**2016**	**2015**	**QTR change**	**YTD change**
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 3.9	$ 6.9	$ 24.5	$ 32.1	$ (3.0)	$ (7.6)
Interest expense	5.2	9.9	21.5	29.8	(4.7)	(8.3)
Provision for income taxes	0.7	3.3	12.0	15.7	(2.6)	(3.7)
Depreciation expense	3.7	3.4	11.0	10.0	0.3	1.0
Amortization expense	0.1	0.1	0.1	0.1	—	—
Unrealized loss (gain) on derivative contracts (a)	0.4	0.8	(2.2)	0.1	(0.4)	(2.3)
Loss on extinguishment of debt (b)	20.1	2.3	23.4	2.3	17.8	21.1
Non-cash accretion of income of Dowa Joint Venture (c)	—	—	—	(0.2)	—	0.2
Specified legal / professional expenses (d)	0.5	0.4	1.1	2.2	0.1	(1.1)
Lower of cost or market adjustment to inventory (e)	(2.2)	2.3	(2.1)	4.8	(4.5)	(6.9)
Share-based compensation expense (f)	2.2	1.2	4.9	3.1	1.0	1.8
Restructuring and other business transformation charges (g)	—	—	—	0.9	—	(0.9)
Adjusted EBITDA	$ 34.6	$ 30.6	$ 94.2	$ 100.9	$ 4.0	$ (6.7)

(a) Represents unrealized gains / losses on derivative contracts.
(b) Represents the loss on extinguishment of debt recognized in connection with the open market purchases and refinancing of our former senior secured notes (“Senior Secured Notes”) and asset-based revolving loan facility (“ABL Facility).
(c) As a result of the application of purchase accounting in connection with the November 2007 acquisition, no carrying value was initially assigned to our equity investment in our Dowa Joint Venture. This adjustment represents the accretion of equity in our Dowa Joint Venture at the date of the acquisition over a 13-year period (i.e., the estimated useful life of the technology and patents of the joint venture). In 2015, we sold our investment in the Dowa Joint Venture.
(d) Represents selected professional fees for accounting, tax, legal and consulting services incurred as a public company that exceed our expected long-term requirements.
(e) Represents the impact of lower of cost or market adjustments to domestic, non-copper metal inventory.
(f) Represents compensation expense resulting from stock compensation awards to certain employees and our Board of Directors.
(g) Restructuring and other business transformation charges in 2015 represent severance charges at Olin Brass.

Three months ended September 30, 2016 compared to three months ended September 30, 2015

Net income attributable to Global Brass and Copper Holdings, Inc. decreased by $3.0 million, or 43.5%, mainly due to the increase in the loss on extinguishment of debt, partially offset by the aforementioned increase in gross profit and decreased interest expense.

Adjusted EBITDA increased by $4.0 million, or 13.1%, primarily due to increased volumes, increased productivity, and improved cost controls.

Nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Net income attributable to Global Brass and Copper Holdings, Inc. decreased by $7.6 million, or 23.7%, mainly due to the increase in the loss on extinguishment of debt and the fact that the prior year included a gain on the sale of our joint venture, partially offset by the aforementioned increase in gross profit and decreased interest expense.

Adjusted EBITDA decreased by $6.7 million, or 6.6%, due to the fact that the prior year included a gain on the sale of our joint venture and an unfavorable product mix within our segments (volumes shifted from the coinage market to the munitions market). Partially offsetting these decreases are improved volumes and decreased employee and employee related costs. Additionally, the increased costs from the production outage were mostly offset by increased productivity.

Diluted income per common share and adjusted diluted earnings per common share

Diluted income per common share decreased by $0.14 and $0.36 for the three and nine months ended September 30, 2016, respectively, as compared to the same periods in 2015 for the same reasons driving the fluctuations in net income. Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share is the most directly comparable US GAAP measure to adjusted diluted earnings per common share. Adjusted diluted earnings per common share is defined as diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share adjusted to remove the per share impact of the add backs to EBITDA in calculating adjusted EBITDA.

We believe adjusted diluted earnings per common share represents a meaningful presentation of the financial performance of our consolidated results because it provides period-to-period comparisons that are more consistent and more easily understood. We also believe it is an important supplemental measure that is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Adjusted diluted earnings per share is the key metric used by our Chief Operating Decision Maker to evaluate the Company's performance, and in turn, incentivize members of management and certain employees.

We believe that adjusted diluted earnings per common share supplements our US GAAP results to provide a more complete understanding of the results of our business, and we believe it is useful to our investors and other parties for these same reasons.

Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share is reconciled to adjusted diluted earnings per common share as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		2016 vs. 2015	
	2016	2015	2016	2015	QTR change	YTD change
Diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share	$ 0.18	$ 0.32	$ 1.14	$ 1.50	$ (0.14)	$ (0.36)
Unrealized loss (gain) on derivative contracts	0.02	0.04	(0.10)	0.01	(0.02)	(0.11)
Loss on extinguishment of debt	0.93	0.11	1.09	0.11	0.82	0.98
Non-cash accretion of income of Dowa Joint Venture	—	—	—	(0.01)	—	0.01
Specified legal / professional expenses	0.02	0.03	0.05	0.11	(0.01)	(0.06)
Lower of cost or market adjustment to inventory	(0.10)	0.11	(0.10)	0.22	(0.21)	(0.32)
Share-based compensation expense	0.10	0.05	0.23	0.15	0.05	0.08
Restructuring and other business transformation charges	—	—	—	0.05	—	(0.05)
Tax impact on above adjustments (a)	(0.34)	(0.12)	(0.41)	(0.23)	(0.22)	(0.18)
Adjusted diluted earnings per common share	$ 0.81	$ 0.54	$ 1.90	$ 1.91	$ 0.27	$ (0.01)

(a) Calculated based on our estimated tax rate.

Results of Operations

Consolidated Results of Operations for the Three Months Ended September 30, 2016, Compared to the Three Months Ended September 30, 2015.

	Three Months Ended September 30,				Change: 2016 vs. 2015	
(in millions)	2016	% of Net Sales	2015	% of Net Sales	Amount	Percent
Net sales	$ 349.1	100.0%	$ 367.7	100.0%	$ (18.6)	(5.1)%
Cost of sales	(296.9)	85.0%	(325.1)	88.4%	28.2	(8.7)%
Gross profit	52.2	15.0%	42.6	11.6%	9.6	22.5 %
Selling, general and administrative expenses	(21.9)	6.3%	(20.2)	5.5%	(1.7)	8.4 %
Operating income	30.3	8.7%	22.4	6.1%	7.9	35.3 %
Interest expense	(5.2)	1.5%	(9.9)	2.7%	4.7	(47.5)%
Loss on extinguishment of debt	(20.1)	5.8%	(2.3)	0.6%	(17.8)	N/M
Other (expense) income, net	(0.2)	0.1%	0.1	—%	(0.3)	N/M
Income before provision for income taxes	4.8	1.4%	10.3	2.8%	(5.5)	(53.4)%
Provision for income taxes	(0.7)	0.2%	(3.3)	0.9%	2.6	(78.8)%
Net income	4.1	1.2%	7.0	1.9%	(2.9)	(41.4)%
Net income attributable to noncontrolling interest	(0.2)	0.1%	(0.1)	—%	(0.1)	100.0 %
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 3.9	1.1%	$ 6.9	1.9%	$ (3.0)	(43.5)%
Adjusted EBITDA (a)	$ 34.6	9.9%	$ 30.6	8.3%	$ 4.0	13.1 %

(a) See "Management's View of Performance —Net income and adjusted EBITDA."

N/M - not meaningful

The following discussions present an analysis of our results of operations for the three months ended September 30, 2016 as compared to the three months ended September 30, 2015. See "Management's View of Performance" for discussions of net sales, adjusted sales, gross profit, adjusted gross profit, selling, general and administrative expenses, adjusted selling, general and administrative expenses, net income attributable to Global Brass and Copper Holdings, Inc., adjusted EBITDA, diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share and adjusted diluted earnings per common share. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Interest expense

Interest expense decreased by $4.7 million primarily due to lower average interest rates and principal borrowings of our debt facilities as we bought back an aggregate of $69.7 million of our Senior Secured Notes in the open market during the latter half of 2015 and the first half of 2016. Additionally, in July of 2016, we refinanced the remaining $305.3 million of 9.5% Senior Secured Notes with a new $320.0 million Term Loan B Facility, which accrued interest at a rate of 5.25% during the third quarter of 2016.

The following table summarizes the components of interest expense:

(in millions)	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Amount change: 2016 vs. 2015
Interest on principal	$ 4.9	$ 9.0	$ (4.1)
Amortization of debt discount and issuance costs	0.4	0.7	(0.3)
Capitalized interest	(0.3)	(0.1)	(0.2)
Other borrowing costs (a)	0.2	0.3	(0.1)
Total interest expense	$ 5.2	$ 9.9	$ (4.7)

(a) Includes unused line of credit fees.

Loss on extinguishment of debt

In the third quarter ended September 30, 2016, we used a portion of the proceeds from the Term Loan B Facility to redeem the remaining $305.3 million principal of our outstanding Senior Secured Notes. As part of the refinancing and in accordance with the indenture governing the Senior Secured Notes ("Indenture"), we called the notes at a redemption price of 104.75% plus accrued interest, and we terminated the related Indenture. As a result of the refinancing, we recognized a loss on the extinguishment of debt of $20.1 million, which includes a premium of $14.5 million and the write-off of $5.6 million of unamortized debt issuance costs related to both the Senior Secured Notes and the former asset-based loan facility.

Provision for income taxes

The provision for income taxes decreased by $2.6 million, due primarily to a decrease in income before provision for income taxes and equity income, the components of which are discussed elsewhere in this report. Additionally, due to the expected decrease in interest expense in future years resulting from our refinancing, we released the valuation allowance recorded against our foreign tax credits, resulting in a one-time reduction in income tax expense of approximately $1.0 million in the third quarter. The effective income tax rate decreased from 32.0% to 14.6%, mainly due to the aforementioned release of our valuation allowance.

Segment Results of Operations

Segment Results of Operations for the Three Months Ended September 30, 2016, Compared to the Three Months Ended September 30, 2015.

The following discussions present an analysis of our results by segment for the three months ended September 30, 2016 as compared to the three months ended September 30, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

	Three Months Ended September 30,		Change: 2016 vs. 2015	
(in millions)	**2016**	**2015**	**Amount**	**Percent**
Pounds shipped (a)				
Olin Brass	72.6	66.8	5.8	8.7 %
Chase Brass	54.5	53.5	1.0	1.9 %
A.J. Oster	19.5	19.0	0.5	2.6 %
Corporate and other (b)	(9.6)	(9.5)	(0.1)	(1.1)%
Total	137.0	129.8	7.2	5.5 %
Net sales				
Olin Brass	$ 169.7	$ 174.8	$ (5.1)	(2.9)%
Chase Brass	124.3	129.9	(5.6)	(4.3)%
A.J. Oster	72.1	74.9	(2.8)	(3.7)%
Corporate and other (b)	(17.0)	(11.9)	(5.1)	(42.9)%
Total	$ 349.1	$ 367.7	$ (18.6)	(5.1)%
Adjusted EBITDA				
Olin Brass	$ 18.6	$ 15.0	$ 3.6	24.0 %
Chase Brass	16.2	15.5	0.7	4.5 %
A.J. Oster	4.7	4.6	0.1	2.2 %
Total adjusted EBITDA of operating segments	$ 39.5	$ 35.1	$ 4.4	12.5 %
Corporate and other	(4.9)	(4.5)	(0.4)	8.9 %
Total consolidated adjusted EBITDA	$ 34.6	$ 30.6	$ 4.0	13.1 %

(a) Amounts exclude quantity of unprocessed metal sold.
(b) Amounts represent intercompany eliminations.

See Note 3, “Segment Information,” of our unaudited consolidated financial statements, which are included elsewhere in this report, for a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income.

Olin Brass

Net sales decreased by $5.1 million as the metal cost recovery component decreased by $9.9 million due to lower sales of unprocessed metals, decreased metal prices and unfavorable product mix fluctuations ($16.9 million), partially ameliorated by increased volumes ($7.0 million). Increased volumes resulted mainly from the second quarter production outage shifting more munitions volumes into the third quarter. Adjusted sales increased by $4.8 million, primarily due to these increased volumes as well.

Adjusted EBITDA increased by $3.6 million, due primarily to improved productivity and increased volumes as some shipments were shifted from the second quarter into the third quarter due to the production outage. We carry various types of insurance, including property and business interruption insurance and are actively seeking recovery from our insurance carrier for losses in excess of our $2.5 million deductible.

Chase Brass

Net sales decreased by $5.6 million as the metal cost recovery component of net sales declined by $6.2 million due to decreased metal prices ($8.1 million), while volumes increased ($1.9 million). Adjusted sales increased by $0.6 million due to increased volumes.

Volumes increased in the building and housing market and decreased in the industrial and machinery equipment and transportation markets due to fluctuations in demand.

Adjusted EBITDA increased by $0.7 million mainly due to the increase in volumes.

A.J. Oster

Net sales decreased by $2.8 million as the metal cost recovery component of net sales declined by $5.7 million due to the net of decreased metal prices ($6.7 million) and increased volumes ($1.0 million). Adjusted sales increased by $2.9 million due to increased volumes ($0.7 million) and favorable pricing ($2.2 million), as A.J. Oster continues to pass on certain price increases from its sister company, Olin Brass. Both entities are focusing on pricing their products in order to earn a return that better reflects the complexity of the products being produced and the assets used to produce them.

Adjusted EBITDA was relatively flat, although the impact of favorable pricing was dampened by certain price increases from Olin Brass.

Results of Operations

Consolidated Results of Operations for the Nine Months Ended September 30, 2016, Compared to the Nine Months Ended September 30, 2015.

	Nine Months Ended September 30,				Change: 2016 vs. 2015	
(in millions)	2016	% of Net Sales	2015	% of Net Sales	Amount	Percent
Net sales	$ 1,015.9	100.0%	$ 1,182.8	100.0%	$ (166.9)	(14.1)%
Cost of sales	(872.9)	85.9%	(1,046.0)	88.4%	173.1	(16.5)%
Gross profit	143.0	14.1%	136.8	11.6%	6.2	4.5 %
Selling, general and administrative expenses	(61.4)	6.0%	(63.5)	5.4%	2.1	(3.3)%
Operating income	81.6	8.0%	73.3	6.2%	8.3	11.3 %
Interest expense	(21.5)	2.1%	(29.8)	2.5%	8.3	(27.9)%
Loss on extinguishment of debt	(23.4)	2.3%	(2.3)	0.2%	(21.1)	N/M
Gain on sale of investment in joint venture	—	—%	6.3	0.5%	(6.3)	(100.0)%
Other income, net	0.2	—%	0.2	—%	—	— %
Income before provision for income taxes and equity income	36.9	3.6%	47.7	4.0%	(10.8)	(22.6)%
Provision for income taxes	(12.0)	1.2%	(15.7)	1.3%	3.7	(23.6)%
Income before equity income	24.9	2.5%	32.0	2.7%	(7.1)	(22.2)%
Equity income, net of tax	—	—%	0.3	—%	(0.3)	(100.0)%
Net income	24.9	2.5%	32.3	2.7%	(7.4)	(22.9)%
Net income attributable to noncontrolling interest	(0.4)	—%	(0.2)	—%	(0.2)	100.0 %
Net income attributable to Global Brass and Copper Holdings, Inc.	$ 24.5	2.4%	$ 32.1	2.7%	$ (7.6)	(23.7)%
Adjusted EBITDA (a)	$ 94.2	9.3%	$ 100.9	8.5%	$ (6.7)	(6.6)%

(a) See "Management's View of Performance—Net income and adjusted EBITDA."

N/M - not meaningful

The following discussions present an analysis of our results of operations for the nine months ended September 30, 2016 as compared to the nine months ended September 30, 2015. See "Management's View of Performance" for discussions of net sales, adjusted sales, gross profit, adjusted gross profit, selling, general and administrative expenses, adjusted selling, general and administrative expenses, net income attributable to Global Brass and Copper Holdings, Inc., adjusted EBITDA, diluted net income attributable to Global Brass and Copper Holdings, Inc. per common share and adjusted diluted earnings per common share. These discussions should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

Interest expense

Interest expense decreased by $8.3 million primarily due to lower average interest rates and principal borrowings of our debt facilities as we bought back an aggregate of $69.7 million of our Senior Secured Notes in the open market during the latter half of 2015 and the first half of 2016. Additionally, in July of 2016, we refinanced the remaining $305.3 million of 9.5% Senior Secured Notes with a new $320.0 million Term Loan B Facility, which accrued interest at a rate of 5.25% during the third quarter of 2016.

The following table summarizes the components of interest expense:

	Nine Months Ended September 30,		Amount change:
(in millions)	**2016**	**2015**	**2016 vs. 2015**
Interest on principal	$ 20.0	$ 27.0	$ (7.0)
Amortization of debt discount and issuance costs	1.7	2.1	(0.4)
Capitalized interest	(0.9)	(0.1)	(0.8)
Other borrowing costs (a)	0.7	0.8	(0.1)
Total interest expense	$ 21.5	$ 29.8	$ (8.3)

(a) Includes fees related to letters of credit and unused line of credit fees.

Loss on extinguishment of debt

During the nine months ended September 30, 2016, we bought back and redeemed all of our Senior Secured Notes for an aggregate purchase price of $362.3 million, plus accrued interest. As a result of these purchases, we recognized a loss on the extinguishment of debt of $23.4 million, which includes a premium of $17.0 million and the write-off of $6.4 million of unamortized debt issuance costs related to both the Senior Secured Notes and the former asset-based loan facility.

Gain on sale of investment in joint venture

In April 2015, we sold our 50% share of the Dowa Joint Venture to Dowa Co. for $8.0 million. During the nine months ended September 30, 2015, we recognized a gain of $6.3 million and related tax expense of $1.5 million on the sale.

Provision for income taxes

The provision for income taxes decreased by $3.7 million, due to a decrease in income before provision for income taxes and equity income, the components of which are discussed elsewhere in this report. Additionally, due to the expected decrease in interest expense in future years resulting from our refinancing, we released the valuation allowance recorded against our foreign tax credits, resulting in a one-time reduction in income tax expense of approximately $1.0 million in the third quarter. The effective income tax rate decreased only slightly to 32.5%, from 32.9% in prior year, resulting from the more significant impact of the aforementioned release of the valuation allowance against our foreign tax credits in 2016, as compared to the impact from the utilization of foreign tax credits in 2015 due to the sale of our investment in joint venture.

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Segment Results of Operations

Segment Results of Operations for the Nine Months Ended September 30, 2016, Compared to the Nine Months Ended September 30, 2015.

The following discussions present an analysis of our results by segment for the nine months ended September 30, 2016 as compared to the nine months ended September 30, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

	Nine Months Ended September 30,		Change: 2016 vs. 2015	
(in millions)	2016	2015	Amount	Percent
Pounds shipped (a)				
Olin Brass	198.8	197.7	1.1	0.6 %
Chase Brass	171.8	168.7	3.1	1.8 %
A.J. Oster	57.7	56.3	1.4	2.5 %
Corporate and other (b)	(28.2)	(31.6)	3.4	10.8 %
Total	400.1	391.1	9.0	2.3 %
Net sales				
Olin Brass	$ 476.5	$ 567.3	$ (90.8)	(16.0)%
Chase Brass	382.3	429.0	(46.7)	(10.9)%
A.J. Oster	212.5	229.9	(17.4)	(7.6)%
Corporate and other (b)	(55.4)	(43.4)	(12.0)	(27.6)%
Total	$ 1,015.9	$ 1,182.8	$ (166.9)	(14.1)%
Adjusted EBITDA				
Olin Brass	$ 39.7	$ 42.0	$ (2.3)	(5.5)%
Chase Brass	53.4	54.0	(0.6)	(1.1)%
A.J. Oster	14.4	12.8	1.6	12.5 %
Total adjusted EBITDA of operating segments	$ 107.5	$ 108.8	$ (1.3)	(1.2)%
Corporate and other	(13.3)	(7.9)	(5.4)	68.4 %
Total consolidated adjusted EBITDA	$ 94.2	$ 100.9	$ (6.7)	(6.6)%

(a) Amounts exclude quantity of unprocessed metal sold.
(b) Amounts represent intercompany eliminations.

See Note 3, "Segment Information," of our unaudited consolidated financial statements, which are included elsewhere in this report, for a reconciliation of adjusted EBITDA of segments to income before provision for income taxes and equity income.

Olin Brass

Net sales decreased by $90.8 million as the metal cost recovery component decreased by $88.0 million due to decreased metal prices and less sales of unprocessed metals ($89.3 million). Adjusted sales decreased by $2.8 million due to unfavorable product mix changes ($4.4 million) as volumes were more concentrated in munitions and less in coinage. This decrease was partially ameliorated by increased volumes ($1.6 million).

Volumes increased in the munitions market and decreased in the coinage and distribution markets, all due to underlying demand.

Adjusted EBITDA decreased by $2.3 million, primarily due to increased costs as a result of the production outage and the impact of unfavorable changes in product mix noted above. These were partially offset by improvements in productivity and decreased selling, general and administrative expenses, especially those related to employee and employee related expenses.

Chase Brass

Net sales decreased by $46.7 million as the metal cost recovery component declined by $43.9 million due to the net of lower metal prices ($50.1 million) and increased volumes ($6.2 million). Adjusted sales decreased by $2.8 million, which was the result of decreased pricing ($4.9 million) and improved volumes ($2.1 million). Pricing decreased both as a result of unfavorable product mix fluctuations and increased competition.

Volumes increased in the building and housing market and decreased in the transportation and industrial machinery and equipment markets, all due to underlying demand.

Adjusted EBITDA decreased by $0.6 million predominantly due to the decreased pricing, which was nearly offset by increased volumes, decreased manufacturing conversion costs, and decreased selling, general and administrative expenses.

A.J. Oster

Net sales decreased by $17.4 million, as the metal cost recovery component declined by $25.7 million due to the net of lower metal prices ($28.9 million) and increased volumes ($3.2 million). Adjusted sales increased by $8.3 million due to the impact of increased selling prices ($6.0 million) and increased volume ($2.3 million). A.J. Oster continues to pass on certain price increases from its sister company Olin Brass. Both entities are focusing on pricing their products in order to earn a return that better reflects the complexity of the products being produced and the assets used to produce them.

Volumes increased primarily due to increased demand in the electronics / electrical components markets due to underlying demand.

Adjusted EBITDA increased by $1.6 million, due to the impact of increased selling prices, which were partially offset by increased pricing from Olin Brass and increased selling, general and administrative expenses, particularly those related to employee and employee related costs.

Changes in Financial Condition

The following discussion presents an analysis of fluctuations in certain asset, liability and equity components of our consolidated balance sheet as of September 30, 2016 as compared to the amounts as of December 31, 2015. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto.

September 30, 2016 compared to December 31, 2015

Cash decreased by $28.1 million due to our Senior Secured Notes buybacks during the first half of 2016 as well as the cash expended to complete our refinancing on July 18, 2016, and other factors as detailed in our consolidated statement of cash flows for the nine months ended September 30, 2016.

Accounts receivable increased by $27.1 million due to increased volumes.

Accrued liabilities decreased by $18.7 million as annual incentive compensation awards were paid in the first half of the year and certain workers' compensation liabilities were reclassified to other noncurrent liabilities in 2016.

Our non-current portion of debt decreased by $29.6 million due to the activities and refinancing as discussed in Note 7, "Financing," to our unaudited consolidated financial statements, which are included elsewhere in this report.

Liquidity and Capital Resources

Sources and Uses of Cash

Our primary uses of cash are to fund working capital, operating expenses, debt service and capital expenditures. Historically, our primary sources of short-term liquidity have been cash flow from operations and borrowings under our ABL Facility. Holdings derives all of its cash flow from its subsidiaries, including GBC, and receives dividends, distributions and other payments from them to generate the funds necessary to meet its financial obligations. However, Holdings is a holding company with no operations, no employees and no assets other than its investment in GBC. All of our operations are conducted at GBC and its subsidiaries. GBC is also the primary obligor on our indebtedness, and Holdings has no indebtedness other than its guarantee of GBC's indebtedness.

On July 18, 2016, we entered into an agreement governing our new asset-based revolving facility that matures on July 19, 2021 ("ABL Credit Agreement") and a new agreement governing our loans under the long-term credit agreement that matures on July 18, 2023 ("Term Loan B Credit Agreement," together, the "Credit Agreements"), both of which contain various customary covenants that limit or prohibit our ability, among other things, to (i) incur or guarantee additional indebtedness; (ii) pay certain dividends on our capital stock or redeem, repurchase, retire or make distributions in respect of our capital stock or subordinated indebtedness or make certain other restricted payments; (iii) make certain loans, acquisitions, capital expenditures or investments; (iv) sell certain assets, including stock of our subsidiaries; (v) enter into certain sale and leaseback transactions; (vi) create or incur certain liens; (vii) consolidate, merge, sell, transfer or otherwise dispose of all or substantially all of our assets; (viii) enter into certain transactions with our affiliates; and (ix) engage in certain business activities.

We do not believe that the restrictions on dividends and distributions to Holdings and its equityholders imposed by the terms of our debt agreements have any impact on our liquidity, financial condition or results of operations. We believe that these resources will be sufficient to meet our working capital and debt service needs for the foreseeable future, including costs that we may incur in connection with our growth strategy.

Cash Flows

The following table presents the summary components of net cash provided by (used in) operating, investing and financing activities for the periods indicated. The following discussion presents an analysis of cash flows for the nine months ended September 30, 2016 as compared to the nine months ended September 30, 2015 and should be read in conjunction with our consolidated statements of cash flows in our unaudited consolidated financial statements included elsewhere in this report.

Cash Flow Analysis	**Nine Months Ended September 30,**		**Amount change:**
(in millions)	**2016**	**2015**	**2016 vs. 2015**
Cash flows provided by operating activities	$ 49.1	$ 60.0	$ (10.9)
Cash flows used in investing activities	$ (22.8)	$ (4.9)	$ (17.9)
Cash flows used in financing activities	$ (54.3)	$ (26.3)	$ (28.0)

Cash flows from operating activities

Net cash provided by operating activities decreased by $10.9 million, due to increased investments in net accounts receivable and accounts payable resulting from increased volumes and less of a benefit in 2016 from decreasing metal prices. These were somewhat offset by an increase in cash generated from earnings and decreased inventory levels due to better management.

Cash flows from investing activities

Our cash flows from investing activities decreased by $17.9 million due to increased capital spending and the absence of the prior year benefit of $8.0 million in proceeds for the sale of our investment in the Dowa Joint Venture.

Cash flows from financing activities

Net cash used in financing activities increased by $28.0 million, as we bought back and redeemed $345.3 million of the Senior Secured Notes and received $316.8 million of proceeds (principal, net of discount) from the July 2016 issuance of our new Term Loan B Facility. Additionally, we paid a premium of $17.0 million to extinguish the Senior Secured Notes and we paid $5.4 million in debt issuance costs in 2016 related to the new credit facilities. We used $22.9 million to purchase Senior Secured Notes in the open market in the same period of the prior year.

Outstanding Indebtedness

As described more fully in Note 7, "Financing," we made some open market purchases of our Senior Secured Notes, and on July 18, 2016, we refinanced all of our debt instruments.

We may voluntarily prepay outstanding loans under the Term Loan B Facility at any time subject to a prepayment premium of 1.00% if the voluntary prepayment occurs before July 18, 2017.

Our new 2016 ABL Facility and Term Loan B Facility contain various covenants to which we are subject to on an ongoing basis. At September 30, 2016, we were in compliance with all of these covenants.

For additional information regarding our 2016 ABL Facility, our Term Loan B Facility and our capital lease obligations, see Note 7, "Financing," to our unaudited consolidated financial statements, which are included elsewhere in this report.

Recently Issued and Recently Adopted Accounting Pronouncements

For information on recently issued and recently adopted accounting pronouncements, see the notes to our unaudited consolidated financial statements, which are included elsewhere in this report.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There is no material change in the information reported under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" contained in our Annual Report on Form 10-K filed with the SEC on March 9, 2016.

For information regarding derivative contracts that the Company uses to limit its exposure to fluctuations in commodity prices, thereby exposing itself to credit risk and market risk, see the notes to our unaudited consolidated financial statements, which are included elsewhere in this report.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the Company's "disclosure controls and procedures," which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the SEC (such as this Form 10-Q) is i) recorded, processed, summarized, and reported on a timely basis, and ii) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the disclosure controls and procedures as of September 30, 2016. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2016, the design and operation of our disclosure controls and procedures were effective to provide reasonable assurance that the desired control objectives were achieved.

(b) Changes in internal controls

Olin Brass is in the process of implementing a fully integrated Enterprise Resource Planning ("ERP") system to replace its current management information systems and plans to implement the system in a phased approach over the course of the next several years, with the first phase expected to be implemented in early fiscal 2017. A.J. Oster is in the process of implementing an ERP system to replace its current management information systems and plans to implement in early fiscal 2017. The implementation of an ERP system will likely affect the processes that constitute our internal controls over financial reporting and will require testing for effectiveness as the implementation progresses. There were no other changes in our internal controls over financial reporting that occurred during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are currently, and from time to time, involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business, none of which management currently believes are, or will be, material to our business. For a discussion of risks related to various legal proceedings and claims, see the risk factors described in our Annual Report on Form 10-K filed with the SEC on March 9, 2016.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K under "Item 1A — Risk Factors" filed with the SEC on March 9, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

None.

Purchases of Equity Securities

None.

Limitations Upon the Payment of Dividends

We entered into new agreements governing the 2016 ABL Facility and the Term Loan B Facility on July 18, 2016, which both contain restrictions as to the payment of dividends.

Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002**
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith

** Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL BRASS AND COPPER HOLDINGS, INC

By: */s/ Christopher J. Kodosky*

Christopher J. Kodosky
Chief Financial Officer

Date: November 4, 2016

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John J. Wasz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Brass and Copper Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2016

/s/ John J. Wasz
John J. Wasz
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher J. Kodosky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Global Brass and Copper Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2016

/s/ Christopher J. Kodosky

Christopher J. Kodosky
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Global Brass and Copper Holdings, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2016, as filed with the Securities and Exchange Commission (the "Report"), and pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, each of the undersigned hereby certifies that to the best of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2016

/s/ John J. Wasz
John J. Wasz
Chief Executive Officer

/s/ Christopher J. Kodosky
Christopher J. Kodosky
Chief Financial Officer

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.