



FOOTHILL RANCH, Calif., Aug 13, 2007 (BUSINESS WIRE) --

Kaiser Aluminum (NASDAQ:KALU), a leading producer of fabricated aluminum products, today announced that the company's Board of Directors has approved a \$91 million investment program to significantly improve the capabilities and efficiencies of rod and bar and seamless extruded and drawn tube operations and to enhance the market position of its broad offering of general engineering products. The company announced plans to invest in a new Midwestern facility as well as three existing operations. Completion of the projects contemplated by the investment program is expected to occur by late 2009.

"This program will allow us to significantly improve our logistics and manufacturing efficiencies which, when coupled with our strong market position, offer attractive returns," said Jack A. Hockema, chairman, president and CEO of Kaiser Aluminum. "When fully implemented, the program will enable us to provide Kaiser Select for our full national rod and bar product offering."

The program will leverage state-of-the-art technologies and the latest in Kaiser Production System methodology. The investments will also enable the company to focus certain facilities on its rod and bar and seamless extruded and drawn tube value streams.

Investments targeted to enhance Kaiser Select rod and bar product offerings consist of the new Midwestern facility and upgrades to extrusion presses in the existing Los Angeles facility. The new facility will be equipped with two extrusion presses, a remelt operation, warehousing space, and laboratory and office facilities. The final location of the new facility will be chosen following completion of site selection work.

Complementing the rod and bar investments, the company will focus its Bellwood, Va. and Chandler, Ariz. operations on seamless extruded and drawn tubing products. Investments at these facilities will include relocation of equipment to streamline product flows as well as new ancillary equipment to increase capacity and improve efficiency.

"We're further enhancing our strong position in rod, bar and tube products," added Hockema. "These investments demonstrate our continued commitment to these strategically important elements of our general engineering product offering."

Kaiser Aluminum is a leading producer of fabricated aluminum products for aerospace and high-strength, general engineering, and automotive and custom industrial applications. The company has more than 2,000 employees and 11 plants in North America and produces more than 500 million pounds annually of value-added sheet, plate, extrusions, forgings, rod, bar and tube. For more information, please visit www.kaiseraluminum.com.

F-1076

Certain statements in this release relate to future events and expectations and, as a result, constitute forward-looking statements involving known and unknown risks and uncertainties that may cause actual results, performance or achievements of the company to be different from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include: (a) the effectiveness of management's strategies and decisions; (b) adverse changes in economic or aluminum industry conditions generally; (c) adverse changes in the markets served by the company, including the general engineering product markets which could impact the effects of the projects contemplated by the investment program; (d) the company's ability to complete the contemplated projects as planned and by targeted completion dates; (e) the company's ability to achieve the levels of cash generation, margin improvements, cost savings, or earnings or revenue growth anticipated by management; (f) the company's ability to leverage its technologies and the Kaiser Production System methodology, (g) the company's ability to successfully focus certain facilities on its rod and bar and seamless extruded and drawn tube value streams, (h) developments in technology used by the company, its competitors or its customers; (i) changes in laws, governmental regulations or policies, currency exchange rates or competitive factors in the markets served by the company; (j) significant legal proceedings or investigations adverse to the company, including environmental, product liability, safety and health and other claims; and (k) the other risk factors summarized in the company's Form 10-K for the year ended December 31, 2006, and other reports filed with the Securities and Exchange Commission.

SOURCE: Kaiser Aluminum

Investor Relations Contacts:
Kaiser Aluminum
Joe Bellino or Dan Rinckenberger, 949-614-1740
or

Public Relations Contact:
Fleishman-Hillard
Geoff Mordock, 213-489-8271

Copyright Business Wire 2007

News Provided by COMTEX