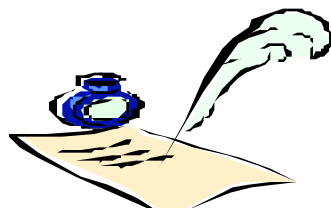


KASRA



Retiree News

Dear Fellow Retiree:

This is my first communication as your newly elected president of KASRA. Jess Erickson and others who preceded him are tough acts to follow. However, with their advice and counsel, my fellow board members and I will do our best to represent your interests as a Kaiser Aluminum retiree. This is not a one-man organization. It works because of the voluntary efforts of many and because of your continued active support.

We all know that the company is going through very difficult times. (See the letter from Jack Hockema in this newsletter.) Some of these challenges are specific to Kaiser; others reflect the general economic slowdown and the effects of the September 11 tragedies in New York, Pennsylvania and the Pentagon.

By now, you have been informed by the company of the changes in medical benefits that will take effect January 1, 2002. While we do not like to see our costs increase, your board and I are satisfied that the company is acting responsibly by sharing a portion of its increased costs of medical care with active employees and retirees.

The main purposes of KASRA are to continue to preserve and protect your benefits and to keep you informed of any relevant developments, mostly through this newsletter but also through occasional direct communications.

This issue of KASRA Retiree News is the second since our switchover to a new format. We hope you like it and we continue to invite any and all input. We intend to be responsive to the sentiments expressed in response to our recent reader survey, and we appreciate the willingness of a number of you to contribute articles for future issues. Please feel free to ask any questions or communicate any concerns you may have to us by phone (925/284-7009), email, or regular mail. We, like you, are retirees, so there could be a little lag

time between your contacting us and our getting back to you. But, we'll do our best.

The board and I join in thanking you for your continued interest and support.

Jed Daniel

Kaiser Aluminum Executive Changes

Raymond J. Milchovich has resigned as Chairman, President, and Chief Executive Officer of Kaiser Aluminum Corporation to become Chairman, President & CEO of Foster Wheeler, Ltd., an engineering and construction services company. George T. Haymaker was re-elected by the Board of Directors to serve as non-executive Chairman. Jack A. Hockema was promoted to President and Chief Executive Officer from Executive Vice President and President of Kaiser Fabricated Products, a responsibility he will continue to hold.

The Day the World Changed

“They (victims) have entered the portals of the human heart where they will never die.”

Rabbi Kahn, NYPD Chaplain

Even now, words cannot convey the profound impact of what occurred on September 11, 2001. The tragedy at the World Trade Center in New York, the Pentagon, and Shanksville, PA forever changed all of our lives. Our collective grieving continues. But so does the rebuilding. And healing. As we attempt to regain control over our own lives and emotions, let's pause to reflect on the words of what others said about that day. Our thoughts and prayers are not only with those who suffered human loss but also with our leaders and those who now bear the responsibility to carry out our nation's duty.

Editor

Kaiser Faces Challenging Environment

You know you're a Kaiser retiree if that headline sounds familiar. It seems as though the company has faced a steady procession of major challenges over the past 20 years.

Today is no different. As this article was being prepared for press, metal prices had dipped below 60 cents per pound and the events of September 11 seemed to have further dampened the already pronounced weakness in the U.S. and world economies. At the same time, Kaiser has had to deal with -- among other things -- power-related smelter curtailments in the Pacific Northwest; the costs of rebuilding and restarting the Gramercy alumina refinery; impending debt maturities; steadily increasing medical costs; and significant cash outflows associated with asbestos-related claims.

And although the company generated a sizable amount of cash in 2001 from the sale of Northwest power, these proceeds were largely consumed by capital spending at Gramercy, debt interest and principal repayments, operating losses, and other cash requirements. In addition, the company has continued to provide contractually required compensation to hourly employees affected by smelter curtailments.

The bottom line: excluding unusual items, the company had a net loss of 36 cents per share for the first six months of 2001. Wall Street analysts generally are looking for Kaiser to post a similar loss in the second half of the year, unless metal prices rebound. As you would expect, the company has gone on the offensive to deal with these issues: implementing a performance improvement program in alumina and primary; aggressively managing all components of overhead costs; steadily moving Gramercy to full potential performance; continuing to make capacity and performance improvements in Engineered Products; and working hard to maintain preferred-supplier status in flat-rolled aerospace products. In addition, the company generated incremental cash with the recently completed sale of a stake in QAL.



The road ahead may be tough but, as the company's incoming CEO, I'm confident we will adapt to changing market realities and emerge as a stronger company.

Jack A. Hockema
President and Chief Executive Officer

To keep up with the latest company developments, see the "News" section of www.kaiseral.com.

Speaking of Members

Our membership renewal rate is close to last year's rate at this time, but we still have a considerable number of members who have not renewed. **If you have not yet mailed in your dues for this year, we encourage you to do so as soon as you can.**

Membership renewal forms ask for Social Security numbers and date of birth. Several people have questioned our need for this information. The only purpose and use of these data is to help us quickly and positively identify our members. While this information is optional, its use allows KASRA to avoid mis-identifications. Please be assured that this mailing list is for the sole purpose of sending the KASRA newsletter. We do not make it available to outside parties.



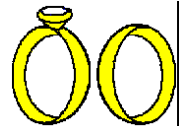
A request for volunteer writers brought in a good response. Some of you went the extra mile and sent in potential articles for publication. Thank you! The supply of editorial copy now exceeds the space available in the newsletter. So, do not get discouraged if it is a while before we contact you.

THANK-YOU

An enthusiastic "Thank You!" goes to all who sent checks in excess of their \$15 dues, contributing to the KASRA contingency fund.

What's Going On

Bob Young notes from McMinnville, OR, that his hobbies include trout fishing, woodworking, and being a grandfather. He and his wife recently celebrated their 50th wedding anniversary, and he surprised her by singing "When Your Old Wedding Ring Was New." **Betty Webster** fills her time in Spokane, WA, as a volunteer at the city's Visitor Center and helping out at the local Cancer Society branch... The **Gary Simpsons** (Atherton, CA) are building a getaway cottage in California's gold country near Grass Valley... The **Robert Jacques** celebrated their 60 years of marriage in Parish, NY. **Helen Chamberlain's** main hobby in Waterford, PA is watching the Baltimore Orioles on TV...**Frank Gerlach** points out he doesn't have much spare time in Harborcreek, PA, what with seven grandchildren living nearby... **Les Stone** lists his two hobbies in Spokane, WA, as skiing and flying...**Bill Leach** checks in from Lapine, OR, listing his main activities as fishing, building computers, and travelling...**Walter**



Brown is a greeter at the Spencer, WV, Wal-Mart, where he meets many old acquaintances. **Bill Falk** says his hobby in Chattaroy, WA, is “collecting birthdays”... **Bruce Conlon** (Dallas, TX) lists golf and investing as two of his favorite activities...**Gary Blair** is another golfing retiree, but his course is in Surprise, AZ... When **Ronald Morris** (North East, PA) isn't enjoying his hunting and fishing schedule, he's collecting antique sports cars. **Wayman Sloan** is a member of the board of directors of the Kaufman County, TX, Senior Citizens organization. **Carol Brown's** primary hobbies in San Ramon, CA, are golf, gardening and planning trips ... **Woody Sorenson** (Scottsdale, AZ) is another retiree who lists travel and golf as favorite activities. Furniture refinishing and house renovations keep **William Miller** busy in West Chester, PA... **Gene Billberg** (Baldwin, MO)



lists his hobbies as woodworking, biking and boating on lakes in Wisconsin. Know what one of **Hazel Bell's** most enjoyable hobbies is in Jackson, TN? It's watching the sports channels on her TV set! Congratulations to **Carroll & Enid Adams** (New Haven, WV) who celebrated their 50th wedding anniversary last July... **Frank Ewton** (Wagoner, OK) lists landscaping, woodworking, swimming, collecting knives and entertaining his 9-month old grandson as favorite hobbies.

Are you interested in learning the names of retirees who spend a lot of time fishing? If so, read on: **Joseph Serfozo** (Newark, OH); **Carl Newberry** (Williamstown, WV); **Irving Schexnayder** (Vacherie, LA); **Chuck Foster** (Newman Lake, WA); **William Johnson** (Temperance, MI); **Joe Voss** (Palm City, FL); **Bill Fehrs** (Douglas, GA); **Les Earle** (LaCrosse, IN); **Charlie Graf** (New Orleans, LA); and **Bill Hughes** (Diamondhead, MS). **Rod LaRocque** (Las Vegas, NV) enjoyed his family reunion held last July in Sacramento, CA **William McWhinney** keeps busy in Santa Rosa, CA, serving on the board of the Redwood Empire Food Bank and helping out at the local Fish-A-Food distribution center **William Prios** lists his hobbies in Hudson, OH, as traveling, grandchildren, and doing repair work for others.

When **Tom Summerson** isn't on a golf course in Spokane, WA, he can be found serving as a part-time consultant. **Robert Stevens** helps fill his time in Columbia, MO, by reading, gardening, walking, and having an occasional game of golf. Another KASRA member who enjoys a round or two is **Susan**

Summerson in Spokane, WA. Want to hear of more retirees that are active golfers? Here goes: **Scott**

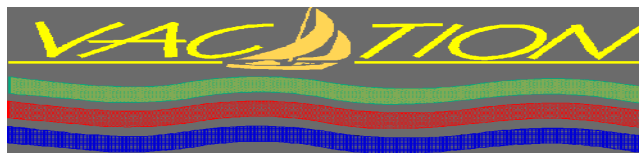
Walker (Walnut Creek, CA); **Jerry Ashby** (Spokane, WA); **Robert Andrews** (Newark, OH); **Bob Irelan** (Rancho Murieta, CA); **Gene Pickens** (Savannah, GA); **Leroy Avers** (Acworth, GA); **Helen Knight** (Oakland, CA); **Carl Hinger** (Spanish Fort, AL); **Edward Benevides** (Bristol, RI); **Harry Dwelle** (Millen, GA); **Donald Farrelly** (Baton Rouge, LA).

And here are a few more KASRA linksters:

Jack Hopper (Veradale, WA); **Al Vogel** (Erie, PA); **Celia Klimer** (Brecksville, OH); **Charles Brown** (Sun Lakes, AZ); **Jim Mire** (Baton Rouge, LA); **J.D. Shacklett** (Hayden, TX); **Dan Dunaway** (Gahanna, OH). **William Warfield** (Alamo, CA); **Ralph Nuckles** (Ripley, WV); **Gary Pierce** (McAllen, TX); **George Langley** (Heath, OH); **Alan Longmuir** (Pleasanton, CA); **Eric Muller** (Cumming, GA).

Nick Reynal (Salinas, CA) enjoyed his river cruise of China earlier this year, and **Robert Cowling** (Livermore, CA) enjoyed a trip to England with his son and daughter. **Russell Nies** reports from Baltimore, MD, that he visited **Bill Armstrong** at his summer place in Ocean City, MD, for several days and claims that during the stay he took a good share of Bill's money playing cards.

Maxine Gibson (Smyrna, GA) has had a full schedule with trips to Ireland, Niagara Falls, Montreal, Canada, and Cooperstown, NY. **Lee Caldwell** (Chalmette, LA) had family reunions in Wisconsin and Virginia, and concentrated on using state highways from the old days rather than taking Interstates to reach them.



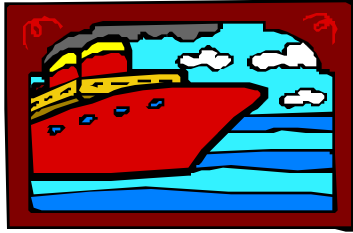
Arthur Malinson (Sherman, TX) enjoyed a nine day stop in Nova Scotia and Prince Edward Island, and followed it with seven days at Cape Cod, MA.

Charles Alexandre (Bristol, RI) had a two month stay at Royal Palm Beach, FL... **Lowell Barr** (Spokane, WA) is another of the many KASRA members who enjoy vacation times in Florida. **Tom Smith** (Colorado Springs, CO) returned to Australia this year for the first time in a quarter century. **Jerry Lambert** (Covington, LA) travelled to Ohio for some golf and a visit with high school and college friends ... **Luella Berry** (Scotts Valley, CA) reports she had a very fine trip around Lake Michigan, and also enjoyed her horseback riding in the Colorado Rockies. **Earl Withrow** (Pt. Pleasant, WV) enjoyed a family summertime stay on Georgia's Jekyll Island...**Bill**

Maher (North Muskegon, MI) enjoyed a six-week Tuscany, Venice, southern France and Paris trip... **Bill Larson** (Sun City West, AZ) is looking forward to a European river cruise next year.

Bud & Mary Louise Caro celebrated their 50th with the entire family - 5 children, 4 spouses, 3 grandchildren and even a groomsmen at their new house in Portland, OR. The **Jack Rasmussens** also celebrated their 50th with a European cruise, while

Martha Maki and spouse were honored by their children and 80 guests at the Finnish American Home's Heritage Center in Sonoma, CA. on their 60th anniversary. **Roy**



Brennan (Puyallup, WA) reports his vacation activities included driving West for two weeks, and then flying South for an additional three weeks...**Ray Leach** (Oidtown, FL) had a stay this year in the state of Ohio.

MAIL CALL:

Art Meyer drops a note from Palm Desert, CA, mentioning that since he moved to the desert he has had to give up sailing, and now spends his spare time painting portraits on bowling balls. **Wilma Tipton**



mentions from Fairbanks, AK, that she likes living in Alaska, even though she can only enjoy her gardening hobby during the summer months. **Margarita Sullivan's**

number one hobby in Alameda, CA is sewing. **Pat**

Mitchell writes she's still leading the good life in Oakland, CA, after 31 years, walking the East Bay hills, attending local concerts and dining and dancing. **Butch Lowenthal**

comments from Tybee Island, GA, that his two primary hobbies are golf and grandchildren. **Jim Whaley** describes his school bus driving job in Coeur D'Alene as "what a blast!". **Jeanne Surber**

drops a note from Concord, CA, mentioning she got a big kick out of the cartoon sent in for the July newsletter by **Phil Small**, her former boss. **Elizabeth Ballard** (Salt Lake City, UT) is a retired real estate broker and a mother, grandmother, and great grandmother.

John Cashel

VISITING FRIENDS:

Maralyn Vogel writes that 55 folks from all over the country celebrated **Al Vogel's** 70th birthday in Erie, PA. It was a big surprise put on by their kids.

E-MAIL?

Did you change your e-mail address? If so, please notify Cliff Rider at kasraemail@juno.com to update the electronic mail directory.

KASRA NEWS SURVEY

Thanks to all of you who responded to our survey on how to improve this newsletter. More than 350 of you gave us great feedback! Some of the topics that you want to read more about include: health information, legislative news, details about Kaiser Aluminum retiree health and benefit plans. There was also interest in the KASRA organization and news about Kaiser Aluminum. To increase access to KASRA News, we will look into putting the publication on our internet web site. But rest assured, we will continue to publish KASRA News as a printed publication.

We will be reviewing all of your suggestions to make our newsletter more interesting and responsive to all KASRA members.

Joanne Gutierrez

In Memoriam

James Anderson
Nate Brickman
James Collum
Eugene Gurtis
Glenn Heckard
Donald Hoff
Joseph LeJeune
John Ritchie
Peter Pringle
Wesley Wagoner
Samuel Vaughan
Buddy Young

John Bender
James Coleman
Josephine Duncan
Shirley Haswell
William Hildinger
John R. Jones
Richard Muller
John Peterson
Raymond Seeds
Orlan Wilkerson
Bernard Young

The Board of Directors extends its deepest sympathy to the families at the loss of their loved ones.



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