

Kaiser Aluminum Posts Lower Earnings; Sees Stabilization

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Foothill Ranch-based Kaiser Aluminum Corp. posted lower first-quarter earnings as metal prices and demand slumped. But the company said it expects sales to stabilize. After adjusting for one-time items, Kaiser earned \$28 million for the quarter, down 26%, or \$38 million, from a year earlier. Sales for the quarter were \$266 million, down 33% from a year earlier. Kaiser shapes aluminum into custom pieces for the defense and auto industries. The company reported record shipments of its aerospace and defense products, which were up 17%. Sales to its transportation and industrial customers were off 44%. "We are cautiously optimistic that demand and supply chain inventories are beginning to stabilize for these applications," Chief Executive Jack Hockema said. Kaiser said that it continued to reduce its inventory, where it recorded a \$9 million write-down due to a decline in metal prices. It also posted a \$4 million loss on derivatives, which it uses for hedging. For the quarter, the company invested \$22 million in improvement projects, including its new operation in Kalamazoo, Mich., which it expects to come into operation early next year.

Kaiser Aluminum Corporation Q1 2009 Earnings Call Transcript

Q1 2009 Earnings Call - April 30, 2009; 1:00 pm ET

Executives

Jack Hockema - Chairman of the Board, President & Chief Executive Officer
Dan Rinkenberger - Chief Financial Officer & Senior Vice President
Neal West - Vice President & Chief Accounting Officer
Melinda Ellsworth - Vice President, Treasurer

Analysts

Timna Tanners - UBS
Tony Rizzuto - Dahlman Rose
Mark Parr - KeyBanc Capital Markets
Lloyd O'Carroll - Davenport & Company

Presentation :

<http://seekingalpha.com/article/134417-kaiser-aluminum-corporation-q1-2009-earnings-call-transcript>