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Kaiser Aluminum 1Q Profit Slides

AP

FOOTHILL RANCH, Calif. (AP) - Kaiser Aluminum Corp. on Tuesday said first-quarter profit slid 55 percent as higher costs offset sales growth.

Net income declined to \$17.1 million from \$38.4 million. Per-share earnings jumped to 86 cents to 48 cents as the company reduced its number of shares outstanding to 20.2 million from 79.7 million.

Sales increased 17 percent to \$392.2 million from \$336.3 million as the company raised prices on its metals and fabricated products and boosted shipments to the aerospace and defense industries.

Analysts surveyed by Thomson Financial expected Kaiser to earn \$1.07 per share on revenue of \$382.9 million.

Jack A. Hockema, chairman, president and chief executive of Kaiser, said in a statement that sales gains for the period were driven by "robust demand for aerospace and defense applications, partially offset by soft demand in ground transportation and other industrial applications for fabricated products."

Higher costs offset the sales growth, however. Total expenses jumped 23 percent to \$359.9 million from \$292.3 million. The company's provision for income taxes also increased to \$15.8 million from \$7 million.

Shares of Kaiser fell \$3.77, or 4.3 percent, to \$84.18 in Tuesday morning trading. The stock has ranged between \$36.50 to \$89.24 in the past 52 weeks.