
Ameron International Q1 net income totaled USD 3.8 million

Monday, 30 Mar, 2009

Ameron International Corporation said that its first quarter net income dropped by more than 60% YoY primarily due to falling demand for steel rebar and other construction products. It reported net income of USD 3.8 million for the quarter ended March 1st 2009 as compared with net income of USD 9.7 million a year ago. Revenue fell by 2.5% YoY to USD 146 million.

The downturn primarily came from the company's Tamco business, a 50% owned steel mini mill that experienced a significant decline in demand for steel rebar due to lower construction spending in California, Nevada and Arizona. Mill operations were shut in December as the company worked off its inventory and are expected to restart on a limited basis this quarter. Sales also fell in the fiberglass composite pipe and infrastructure products groups. The declines were offset by higher sales of wind tower components at its water transmission products group.

Mr James S Marlen CEO of Ameron International Corporation said that federal stimulus spending is likely to help the company's sales down the road. He added that "Most of Ameron's businesses are well positioned to benefit from higher infrastructure spending. Until then, the company has the liquidity and strong cash flow to manage through the current economic downturn."

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