
Neenah Enterprises and Neenah Foundry announce Q1 result

Monday, 18 May, 2009

Neenah Enterprises Inc and Neenah Foundry Company reported their results for the quarter ended March 31st 2009. Its net sales for the three months ended March 31st 2009 were USD 79.9 million, which were USD 34.8 million or 30.3% YoY lower than the quarter ended March 31st 2008. The decrease was primarily the result of a 25.7% decrease in volume, as measured in tons sold. The loss in volume was accentuated by reductions in surcharge as a result of lower metal costs being passed through to the customer.

Cost of sales for the three months ended March 31st 2009 were USD 91.2 million a decrease of USD 14.6 million or 13.8%, as compared to the quarter ended March 31st 2008. The decrease was the result of reduced production volumes and an approximate 6.9% decrease in raw material unit costs, principally in the price of steel scrap, compared to the three months ended March 31st 2008, partially offset by \$9.2 million of costs related to the previously announced shutdowns of the Company's facilities in Kendallville, Indiana and El Monte, California. Cost of sales as a percentage of net sales increased to 114.2% for the three months ended March 31st 2009 from 92.2% for the three months ended March 31st 2008.

Net loss for the second quarter of fiscal 2009 was USD 109.5 million an increase of USD 103.2 million as compared to the second fiscal quarter of 2008. Net loss includes the effects of a goodwill impairment of USD 88.1 million and restructuring costs and asset writedowns of \$12.4 million in the aggregate associated with the previously announced shutdowns of the Company's facilities in Kendallville, Indiana and El Monte, California.

Neenah Enterprises, Inc is the indirect parent holding company of Neenah Foundry Company. Neenah Foundry Company and its subsidiaries manufacture and market a wide range of iron castings and steel forgings for the heavy municipal market and selected segments of the industrial markets.

For more news visit at www.steelguru.com