

ORMET TO CUT JOBS



Ormet is not exactly a household name for the average consumer. Whether or not you have one of their products in your house you probably do not know much about the company at all. For those of you who have never heard of them here is a look at how the company has chosen to describe itself, "Our mission is to produce superior quality alumina, aluminum and related products and services at competitive prices supported by an unequalled level of customer service which results in lasting customer relations and optimizes profitability. This is achieved by a highly motivated and innovative work force that recognizes the challenges of global competition. Ormet is further committed to making the corporation synonymous with leadership, integrity, high standards of employee and community relations, workplace safety and preservation of environmental resources." Well, apparently the company has come to the decision that it can deal with all of that without the help of between 30 and 50 of its workers. While the company has not put an exact number on the job cuts if its hits the higher number then these cuts will be enough to qualify as a mass layoff action under the current federal guidelines. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government defines the term, "The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." While no layoff notice have been given out, and the state has not been notified, those people close to the company seem to be expecting the layoffs to come from the company's facilities in the state of Ohio, most likely at the main facility. In a PDF release about the company's 1st quarter profits and loss the company showed some serious losses that may be precipitating the layoff of staff in a bid to get back to a profitable state, "Ormet announces a \$1.1 million net loss for the first quarter of 2012. This compares to a net income of \$5.5 million for the same period of 2011. Net loss per common share outstanding was \$0.06 for the first quarter 2012 compared to net income of \$0.30 per share in the first quarter of 2011. The 2012 results were influenced by the recognition of revenue from the cancellation of certain pre priced forward sales agreements totaling \$12.9 million (\$8.3 million after taxes). Overall free cash flow (cash from operating activities less capital expenditures) was a positive \$0.9 million for the first quarter 2012, which included \$35.9 million of cash receipts from unwinding pre-priced sales agreements during the fourth quarter of 2011 and the first quarter of 2012." Though the company is attributing at least some of the layoffs to an increase the cost of electricity.

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