

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	§	Jointly Administered
KAISER ALUMINUM CORPORATION, a	§	Case No. 02-10429 (JKF)
Delaware corporation, <i>et al.</i> ,	§	
	§	
Debtors.	§	Chapter 11

MONTHLY OPERATING REPORT FOR THE PERIOD  
JUNE 1, 2003 TO JUNE 30, 2003

KAISER ALUMINUM CORPORATION - ALL DEBTORS  
MONTHLY OPERATING REPORT  
For the Period June 1, 2003 to June 30, 2003

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Summary of Risk Management Insurance Policies	N/A

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

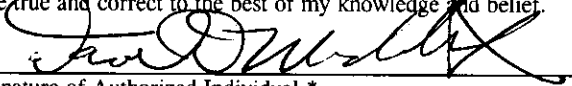
In re: § Jointly Administered  
KAISER ALUMINUM CORPORATION, *et al.* § Case No. 02-10429 (JKF)

Debtors. Chapter 11

MONTHLY OPERATING REPORT

Required Documents	Form No	Document	
		Attached	Explanation Attached
Schedule of Consolidated Cash Receipts and Disbursements (1)	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations) (2)			
Copies of Bank Statements (2)			
Statements of Operations	MOR-2	X	
Balance Sheets	MOR-3	X	
Status of Post-petition Taxes			X
Copies of IRS Form 6123 or payment receipt			X
Copies of tax returns filed during reporting period			X
Summary of Unpaid Post-petition Debts			X
Liability Not Subject to Compromise - Accounts Payable Aging	MOR-4	X	
Trade Accounts Receivable Aging (3)	MOR-5	X	
Debtor Questionnaire	MOR-6		X

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

  
Signature of Authorized Individual \*

07/31/03  
Date

Daniel D. Maddox  
Printed Name of Authorized Individual

Vice President and Controller  
Title of Authorized Individual

\* Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager if debtor is a limited liability company.

(1) The Debtors utilize a consolidated cash management system under which the receipts and disbursements of the individual Debtors are processed. The Debtors also maintain separate books and records that reflect the separate activities of each of the Debtors on an accrual basis in accordance with generally accepted accounting principles ("GAAP"). Identifying the specific cash receipts and disbursements by Debtor from the consolidated cash management system on a monthly basis would be a time consuming and excessive undertaking for the Debtors. However, Kaiser is able to provide reasonable allocation of such receipts and disbursements using the individual Debtor's GAAP books and records, together with the cash management and other information. Accordingly, the Debtors and the Office of the United States Trustee ("UST") have agreed that for purposes of computing quarterly fees payable to the UST, the Debtors will provide on a monthly basis an estimated allocation of the consolidated disbursements by individual Debtor. Further, the Debtors and the UST have agreed that beginning in 2003, the Debtors will true-up the estimated cash disbursements by Debtor with the actual amounts every six months. The first such true-up is included in this June 2003 MOR. The next true-up will occur in the December 2003 MOR.

(2) Per agreement with the Office of the United States Trustee, bank statements and reconciliations are not being provided.

(3) Per agreement with the Office of the United States Trustee, an accounts receivable reconciliation has not been provided. An accounts receivable aging on a consolidated basis has been provided.

Company Legend				
Debtor	Case #	Date Filed	Abbreviation	
Kaiser Aluminum Corporation	02-10429 (JKF)	2/12/02	KAC	
Kaiser Aluminum & Chemical Corporation	02-10430 (JKF)	2/12/02	KACC	
Kaiser Aluminium International, Inc.	02-10434 (JKF)	2/12/02	KAII	
Kaiser Alumina Australia Corporation	02-10432 (JKF)	2/12/02	KAAC	
Kaiser Aluminum Technical Services, Inc.	02-10436 (JKF)	2/12/02	KATSI	
Kaiser Bellwood Corporation	02-10437 (JKF)	2/12/02	Bellwood	
Kaiser Finance Corporation	02-10438 (JKF)	2/12/02	KFC	
Kaiser Sierra Micromills, LLC	02-10441 (JKF)	2/12/02	KSM	
Kaiser Micromill Holdings, LLC	02-10439 (JKF)	2/12/02	KMH	
Kaiser Texas Micromill Holdings, LLC	02-10440 (JKF)	2/12/02	KTMH	
Kaiser Texas Sierra Micromills, LLC	02-10442 (JKF)	2/12/02	KTSMH	
Oxnard Forge Die Company, Inc.	02-10443 (JKF)	2/12/02	OFDCI	
Kaiser Aluminum & Chemical Investment, Inc.	02-10433 (JKF)	2/12/02	KACII	
Akron Holding Corporation	02-10431 (JKF)	2/12/02	Akron	
Kaiser Aluminum Properties, Inc.	02-10435 (JKF)	2/12/02	KAPI	
Kaiser Center, Inc.	02-10819 (JKF)	3/15/02	KCI	
Alwis Leasing, LLC	02-10818 (JKF)	3/15/02	Alwis	
Kaiser Bauxite Company	03-10148 (JKF)	1/14/03	KBC	
Kaiser Jamaica Corporation	03-10151 (JKF)	1/14/03	KJC	
Alpart Jamaica Inc.	03-10144 (JKF)	1/14/03	AJI	
Kaiser Center Properties	03-10149 (JKF)	1/14/03	KCP	
Kaiser Aluminum & Chemical of Canada Limited	03-10147 (JKF)	1/14/03	KACOCL	
KAE Trading, Inc.	03-10145 (JKF)	1/14/03	KAE TRADING	
Kaiser Aluminum & Chemical Canada Investment Limited	03-10146 (JKF)	1/14/03	KACCIL	
Texada Mines Ltd.	03-10152 (JKF)	1/14/03	TEXADA MINES	
Kaiser Export Company	03-10150 (JKF)	1/14/03	KEC	

**KAISER ALUMINUM CORPORATION - ALL DEBTORS**  
**SCHEDULE OF CONSOLIDATED CASH RECEIPTS AND DISBURSEMENTS (UNAUDITED) (1)**  
**For the Period June 1, 2003 through June 30, 2003**

(\$000's)

**RECEIPTS**

Trade Receivables	
KACC and Other Entities' Receivables	\$ 71,689
KAII Receivables	<u>41,303</u>
<i>Total Trade Receivables</i>	112,992
Proceeds From Asset Sales	<u>559</u>
<i>Total Receipts</i>	113,551

**DISBURSEMENTS**

Inventory/Raw Materials	36,159
Capital Expenditures	1,203
Maintenance, Materials, etc.	5,044
Freight	3,635
Utilities/Energy	15,672
Hourly Payroll	5,859
Salaried Payroll	4,973
Hedging Activities	2,363
Medical - Current and Former Employees	7,194
Insurance	4,933
Workman's Compensation	696
Corporate General and Administrative	3,667
JV Fundings - Alumina	24,501
JV Fundings - Primary, Net of Minority Interest Reimbursements	13,148
Other Disbursements	<u>8,087</u>
<i>Total Operating and G &amp; A Disbursements</i>	137,134
Reorganization Items	<u>1,192</u>
<i>Total Disbursements</i>	<u>138,326</u>

**Net Cash Flow** \$ (24,775) (3)

Beginning Bank Cash Balances	\$ 108,362
Net Cash Flow	<u>(24,775)</u>
Ending Bank Cash Balances	83,587
Reconciling Items	<u>(722)</u>
Ending Book Cash Balances	<u>\$ 82,865 (2)</u>

**Notes**

(1) For an estimated allocation of cash disbursements by debtor for the purpose of calculating the United States Trustee quarterly fees, see MOR-1 (CONT).

(2) As of June 30, 2003, the Debtors' consolidated liquidity was approximately \$203.2 million, consisting of cash (per balance sheet) of \$82.9 million and availability under the Debtor in Possession credit facility of \$120.3 million.

(3) Net cash flow of (\$24,775) includes, among other things, the following items that are not indicative of recurring monthly payments: (a) approximately \$6,500 of gas payments paid (in accordance with contractual terms) in June (rather than in May) as the last day of May was a weekend; (b) approximately \$5,000 of insurance premiums in respect of the period June 1, 2003 through May 31, 2004; and (c) approximately \$3,000 of funding to Joint Ventures in respect of non-recurring foreign tax payments.

**KAISER ALUMINUM CORPORATION - ALL DEBTORS**  
**ALLOCATION OF ESTIMATED CASH DISBURSEMENTS (1)**  
For the Period June 1, 2003 through June 30, 2003

**TRUE-UP OF ALLOCATION OF ESTIMATED CASH DISBURSEMENTS (1)**  
For the Period January 1, 2003 through June 30, 2003

(\$000's)	June 2003	January 2003 through June 2003		
		As Reported	True-Up	As Adjusted
KAC	\$ 65	\$ 106	\$ -	\$ 106
KACC	138,326	786,223	-	786,223
KAII	41,303	270,023	6,710	276,733
KAAC	6,519	75,519	-	75,519
KATSI	5,250	34,902	-	34,902
BELLWOOD	3,571	22,148	-	22,148
KFC	-	-	-	-
KSM	-	-	-	-
KMH	-	-	-	-
KTMH	-	-	-	-
KTSMH	-	-	-	-
OFDCI	-	-	-	-
KACII	-	-	-	-
AKRON	-	-	-	-
KAPI	-	-	-	-
KCI	-	1,605	-	1,605
ALWIS	-	3,538	-	3,538
KBC	3,305	27,566	-	27,566
KJC	8,598	50,087	-	50,087
AJI	6,079	35,416	-	35,416
KCP	-	3,758	-	3,758
KACOCL	5,550	32,430	-	32,430
KAE TRADING	-	-	-	-
KACCIL	-	-	-	-
TEXADA MINES	-	-	-	-
KEC	-	-	-	-
	218,566	1,343,321	6,710	1,350,031
Less:				
Elimination of inter-debtor payments and funding	(80,240)	(555,485)	(6,710)	(562,195)
Total Disbursements per Schedule of Consolidated Cash Receipts and Disbursements	\$ 138,326	\$ 787,836	\$ -	\$ 787,836

**Notes**

(1) The Debtors utilize a consolidated cash management system under which the receipts and disbursements of the individual Debtors are processed. The Debtors also maintain separate books and records that reflect the separate activities of each of the Debtors on an accrual basis in accordance with generally accepted accounting principles ("GAAP"). Identifying the specific cash receipts and disbursements by Debtor from the consolidated cash management system on a monthly basis would be a time consuming and excessive undertaking for the Debtors. However, the Debtors are able to provide reasonable allocation of such receipts and disbursements using the individual Debtor's GAAP books and records, together with the cash management and other information. Accordingly, the Debtors and the Office of the United States Trustee ("UST") have agreed that for purposes of computing quarterly fees payable to the UST, the Debtors will provide on a monthly basis an estimated allocation of the consolidated disbursements by individual Debtor. Further, the Debtors and the UST have agreed that beginning in 2003, the Debtors will true-up the estimated cash disbursements by Debtor with the actual amounts every six months. The first such true-up is included in this June 2003 MOR. The next true-up will occur in the December 2003 MOR.

KAISER ALUMINUM CORPORATION - ALL DEBTORS (1)  
 STATEMENTS OF OPERATIONS (UNAUDITED) (2)  
 For the Period June 1, 2003 through June 30, 2003

	ELIMS	KAC	KACC	KAIL	KAAC	KATSI	BELLWOOD	KAPI	KCI	KBC	KJC	AJI	KACOCL	KACCIL	TEXADA	
TOTAL DEBTORS																
Net sales	\$ 99,701	\$ (52,321)	\$ -	\$ 72,710	\$ 37,224	\$ 10,530	\$ -	\$ 2,446	\$ -	\$ 7,433	\$ 9,715	\$ 6,869	\$ 5,095	\$ -	\$ -	\$ -
Costs and expenses:																
Cost of products sold	101,149	(53,108)	-	78,527	36,826	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	3,824	(32)	-	3,602	-	-	-	-	-	-	-	-	-	-	-	-
Selling, administrative, research and development and general	11,025	2	3	9,963	2	-	-	-	-	-	-	-	-	-	-	-
Non-recurring operating items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total costs and expenses	115,998	(53,138)	3	92,092	36,828	8,699	3,304	-	6,684	9,823	6,945	4,758	-	-	-	-
Operating income (loss)	(16,297)	817	(3)	(19,382)	396	1,831	(858)	-	749	(108)	(76)	337	-	-	-	-
Other income (expense):																
Interest expense, net	(965)	(1)	-	(964)	-	-	-	-	-	-	-	-	-	-	-	-
Reorganization items (3)	(1,980)	-	-	(1,980)	-	-	-	-	-	-	-	-	-	-	-	-
Other - net (4)	(1,104)	26,294	(23,221)	3,546	14	(6,501)	2	4	(14)	(602)	(425)	(215)	(7)	(7)	21	21
Income (loss) before income taxes and minority interests	(20,346)	27,110	(23,224)	(18,780)	410	(4,670)	(856)	4	(14)	749	(710)	(501)	122	(7)	(7)	21
(Provision) benefit for income taxes	2,895	(3,694)	3,694	(118)	-	792	8	-	-	2,545	-	-	(332)	-	-	-
Minority interests	-	(628)	628	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity in income (loss) of subsidiaries	(2,353)	(2,345)	-	(8)	(8)	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ (19,804)	\$ 20,443	\$ (18,902)	\$ (18,898)	\$ 402	\$ (3,878)	\$ 8	\$ (856)	\$ 4	\$ (14)	\$ 3,294	\$ (710)	\$ (501)	\$ (210)	\$ (7)	\$ 21

Notes

- (1) Debtors KFC, KSM, KMH, KTMH, KTSMH, OFDCI, KACII, AKRON, ALLWIS, KCP, KAE TRADING and KEC are not included above as they had no revenues or expenses.
- (2) The amounts contained in the June 2003 Monthly Operating Report ("MOR") have been prepared from the Debtor's books and records as of the date of filing of the MOR. Because the Debtors have not yet determined the final amount of June 30, 2003 adjustments and the quarterly limited review of the consolidated financial statements of Kaiser Aluminum Corporation and its debtor affiliates by the Debtor's auditor has not been completed, it is possible that the amounts contained in this MOR may be subject to change and any such changes could be significant.
- (3) Reorganization items consist primarily of accrued professional fees.
- (4) Detail Attached - See MOR-2 (CONT).

KAISER ALUMINUM CORPORATION - ALL DEBTORS (1)

OTHER - NET

For the Period June 1, 2003 through June 30, 2003

	TOTAL DEBTORS	Elims	KAC	KACC	KAPII	KAAC	Bellwood	KAPI	KCI	KJC	AJI	KACOCL	KACCIL	TEXADA MINES
Intercompany items	\$ (16)	\$ 26,598	\$ (23,221)	\$ 3,232	\$ -	\$ (6,501)	\$ -	\$ -	\$ -	\$ (73)	\$ (51)	\$ -	\$ -	\$ -
Other items	(1,088)	(304)	-	314	14	-	2	4	(14)	(529)	(374)	(215)	(7)	21
	\$ (1,104)	\$ 26,294	\$ (23,221)	\$ 3,546	\$ 14	\$ (6,501)	\$ 2	\$ 4	\$ (14)	\$ (602)	\$ (425)	\$ (215)	\$ (7)	\$ 21

Notes

(1) Debtors KATSI, KFC, KSM, KMH, KTMH, KTSMH, OFDCI, KACII, AKRON, ALWIS, KBC, KCP, KAE TRADING and KEC are not included above as they had no Other Income (Expense), Other-Net.

KAISER ALUMINUM CORPORATION - ALL DEBTORS  
BALANCE SHEETS (UNAUDITED) (1)  
As of June 30, 2003

	ELIMS	KAC	KACC	KAIT	KAAC	KATSI	BELLWOOD	KFC	KSM	KMH	KTMH	KTSMH	OPDCL	KACII
<b>TOTAL DEBTORS</b>														
\$ 82,865	\$ -	\$ 4	\$ 81,458	\$ 118	\$ 87	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111,630	-	-	70,090	33,789	-	-	-	-	-	-	-	-	-	-
18,607	(5,038)	(79)	11,466	9,799	350	-	-	-	-	-	-	-	-	-
130,237	(5,038)	(79)	81,576	43,588	350	-	-	-	-	-	-	-	-	-
147,680	(2,211)	-	122,255	633	-	-	-	-	-	-	-	-	-	-
32,611	(8,377)	-	31,635	(146)	-	-	-	-	-	-	-	-	-	-
393,393	(15,626)	(75)	316,924	44,339	9,347	209	9,942	-	-	-	-	-	-	-
430,095	(2,489,395)	986,139	639,027	(3,318)	1,084,943	(1,302)	-	-	-	1	-	-	-	6,355
(85,366)	(2,190,349)	-	(276,801)	585,951	(242,112)	58,574	(16,574)	1,154,491	(42,176)	(32,546)	-	-	448	15,267
601,852	(4,411)	-	564,811	-	-	-	22,482	-	-	-	-	-	-	-
-	(54,922)	-	528,333	-	(26,973)	-	22	-	-	-	-	-	-	-
529,131	(3)	-	528,333	-	-	26	-	-	-	-	-	-	-	-
<b>Total assets</b>	\$ (4,754,706)	\$ 986,064	\$ 1,772,494	\$ 626,972	\$ 825,205	\$ 57,507	\$ 15,872	\$ 1,154,491	\$ (42,176)	\$ (32,545)	\$ -	\$ -	\$ 448	\$ 21,822
<b>Liabilities not subject to compromise:</b>														
Accounts payable	\$ 74,710	\$ 1	\$ 1,600	\$ 63,288	\$ 575	\$ 4,366	\$ 6	\$ 2,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest	3,278	-	3,278	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries, wages, and related expenses	40,958	(1)	36,653	-	721	1,778	-	-	-	-	-	-	-	-
Accrued post-retirement benefit-current	60,203	-	59,901	-	-	121	-	-	-	-	-	-	-	-
Other accrued liabilities	36,584	153	(54)	32,218	-	753	4	299	-	-	-	-	-	-
Payable to affiliates	41,503	(194,563)	5,118	(80)	9,232	97,741	-	107,111	-	-	-	-	-	-
Long term debt - current portion	1,082	-	1,082	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	(194,410)	6,664	196,340	9,807	102,860	731	4,727	107,111	-	-	-	-	-	-
<b>Long-term liabilities</b>														
Accrued postretirement benefit obligation	73,292	(75)	60,998	-	-	-	873	-	-	-	-	-	-	-
Long-term debt	20,436	-	20,436	-	-	-	-	-	-	-	-	-	-	-
<b>Liabilities Subject to Compromise (3)</b>	(2,191,687)	2,191,690	2,700,112	-	125	8,624	14,883	-	-	-	-	-	-	-
Minority interests	655	-	-	-	-	-	-	-	-	-	-	-	-	-
Preference stock	-	(6,129)	-	655	-	-	-	-	-	-	-	-	-	-
Common stock	794	(58,516)	794	15,390	50	3	-	1	-	-	-	-	1	1
Additional capital	539,593	(3,652,183)	539,593	2,454,317	100	1,572	23	8,000	746,333	1	1	-	784	46,097
Accumulated deficit - As of filing date	(958,337)	(1,706,057)	(962,651)	(694,093)	605,669	775,607	48,128	(700)	301,046	(42,177)	(32,546)	-	(337)	(24,276)
Accumulated deficit - Post filing date	(550,620)	618,289	(546,306)	(545,954)	6,396	(55,009)	(11,911)	-	-	-	-	-	-	-
Accumulated other comprehensive income (loss)	(243,720)	243,720	(243,720)	(243,720)	-	-	-	-	-	-	-	-	-	-
Note receivable from parent	2,191,687	-	(2,191,687)	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities and equity</b>	\$ 1,869,105	\$ (4,754,706)	\$ 986,064	\$ 1,772,494	\$ 626,972	\$ 825,205	\$ 57,507	\$ 15,872	\$ 1,154,491	\$ (42,176)	\$ (32,545)	\$ -	\$ 448	\$ 21,822

NOTES

(1) The amounts contained in the June 2003 Monthly Operating Report ("MOR") have been prepared from the Debtor's books and records as of the date of filing of the MOR. Because the Debtors have not yet determined the final amount of June 30, 2003 adjustments and the quarterly limited review of the consolidated financial statements of Kaiser Aluminum Corporation and its debtor affiliates by the Debtor's auditor has not been completed, it is possible that the amounts contained in this MOR may be subject to change and any such changes could be significant.

(2) Detail Attached - See MOR-3 (CONT-1)

(3) Detail Attached - See MOR-3 (CONT-2)



**KAISER ALUMINUM CORPORATION - ALL DEBTORS**  
**SCHEDULE OF DEBTORS' CONSOLIDATED INTERCOMPANY (PAYABLES TO) / RECEIVABLES FROM NON-DEBTORS, NET (1)**  
**As of June 30, 2003**

(\$000's)

Trochus Insurance Co., Ltd.	(12,229)
Northwest De-ox Products	1,958
Kaiser Aluminum Overseas Incorporated	1
Kaiser Australia Pty Ltd.	(5)
Kaiser Aluminum Russia, Incorporated	1,302
Kaiser Aluminum Mill Products	3,304
Hendy International	(1,361)
Kaiser Aluminum Extrusions International Inc.	(446)
Kaiser Metals Limitada	193
Kaiser Chandler LLC	(1)
Kaiser Aluminum China Inc.	398
Kaiser Alumínio Limitada	1,239
Kaiser Alumínio Do Brasil Ltda	(4)
Kaiser Aluminum Panama S.A.	(10)
Refractories Engineering & Supplies, Ltd.	(640)
Sequoia Corporation	122
Volta Aluminum Company, Ltd.	(117,039)
Alumina Partners of Jamaica	37,894
Alpart Farms (Jamaica), Ltd.	(42)
	<u>\$ (85,366)</u>

(1) The amounts contained in the June 2003 Monthly Operating Report ("MOR") have been prepared from the Debtor's books and records as of the date of filing of the MOR. Because the Debtors have not yet determined the final amount of June 30, 2003 adjustments and the quarterly limited review of the consolidated financial statements of Kaiser Aluminum Corporation and its debtor affiliates by the Debtor's auditor has not been completed, it is possible that the amounts contained in this MOR may be subject to change and any such changes could be significant.

KAISER ALUMINUM CORPORATION - ALL DEBTORS  
 LIABILITIES SUBJECT TO COMPROMISE (1) (2)  
 As of June 30, 2003

	TOTAL DEBTORS	ELIMS	KAC	KACC	KAAC	KATSI	BELLWOOD	KCI
	\$ 48,522	\$ -	\$ 3	\$ 46,267	\$ -	\$ -	\$ 1,886	\$ 366
Pre-petition accounts payable	44,010	-	-	44,010	-	-	-	-
Accrued interest	19,703	-	-	19,063	-	146	494	-
Other accrued liabilities	446,701	-	-	434,108	-	7,066	4,026	1,501
Accrued pension liabilities	665,044	-	-	652,129	-	1,358	8,477	3,080
Accrued postretirement medical obligation	22,716	-	-	22,716	-	-	-	-
Environmental accruals	610,417	-	-	610,417	-	-	-	-
Accrued asbestos liability	41,401	-	-	41,222	125	54	-	-
Other long-term liabilities	830,180	(2,191,687)	2,191,687	830,180	-	-	-	-
Debt								
	\$ 2,728,694	\$ (2,191,687)	\$ 2,191,690	\$ 2,700,112	\$ 125	\$ 8,624	\$ 14,883	\$ 4,947

Notes

- (1) The classification of liabilities "subject to compromise" versus those "not subject to compromise" is based on currently available information and analysis. As the Cases proceed and additional information and analysis is completed or, as the Court rules on relevant matters, the classification of amounts between these two categories may change. The amount of any such changes could be significant.
- (2) The amounts contained in the June 2003 Monthly Operating Report ("MOR") have been prepared from the Debtor's books and records as of the date of filing of the MOR. Because the Debtors have not yet determined the final amount of June 30, 2003 adjustments and the quarterly limited review of the consolidated financial statements of Kaiser Aluminum Corporation and its debtor affiliates by the Debtor's auditor has not been completed, it is possible that the amounts contained in this MOR may be subject to change and any such changes could be significant.

**KAISER ALUMINUM CORPORATION - ALL DEBTORS  
LIABILITY NOT SUBJECT TO COMPROMISE - ACCOUNTS PAYABLE AGING**  
As of June 30, 2003

(\$000's)

0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	OVER 120 DAYS
\$64,649	\$163	\$1,170	\$10	\$8,718
<b>\$74,710</b>	<b>(1)</b>			

Notes

(1) Includes priority pre-petition Property and Sales & Use taxes not subject to compromise, of \$9,870 (\$1,166 in 61 - 90 days, \$7 in 91 - 120 days and \$8,697 over 120 days).

KAISER ALUMINUM CORPORATION - ALL DEBTORS  
 TRADE ACCOUNTS RECEIVABLE AGING  
 As of June 30, 2003

(\$000's)

ALLOWANCE FOR DOUBTFUL ACCOUNTS (1)		1 - 30	31 - 60	61 - 90	91 - 120	OVER 120
TOTAL	ACCOUNTS (1)	PAST DUE	PAST DUE	PAST DUE	PAST DUE	PAST DUE (1)
\$111,630	(\$11,029)	\$15,319	\$1,605	\$210	\$594	\$11,068

(1) Amounts in "Over 120 Past Due" and "Allowance for Doubtful Accounts" both primarily relate to inactive customer accounts.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	§	Jointly Administered
KAISER ALUMINUM CORPORATION, a	§	Case No. 02-10429 (JKF)
Delaware corporation, <i>et al.</i> ,	§	
	§	
Debtors.	§	Chapter 11

AFFIDAVIT OF DANIEL D. MADDOX IN SUPPORT OF  
MONTHLY OPERATING REPORT FOR THE PERIOD  
JUNE 1, 2003 TO JUNE 30, 2003

STATE OF TEXAS            )  
  )  
COUNTY OF HARRIS        )

Daniel D. Maddox, being duly sworn, deposes and states:

1. I am Vice President and Controller of Kaiser Aluminum Corporation ("Kaiser"), a Delaware corporation and one of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"). Kaiser is the direct or indirect parent of each of the other Debtors. I am familiar with the Debtors' day-to-day operations and business affairs, including their financial reporting activities, compliance with tax reporting obligations, cash management activities and maintenance of insurance. I am authorized to submit this Affidavit on behalf of the Debtors and in support of the Debtors' monthly operating report for the period June 1, 2003 through June 30, 2003 to the Office of the United States Trustee for the Eastern District of Pennsylvania and the District of Delaware (the "Office of the U.S. Trustee").

2. Except as otherwise indicated, all statements in this Affidavit are based on my personal knowledge, my review of relevant documents or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition.

3. On February 12, 2002 (the "Petition Date"), fifteen of the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§101-1330 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On March 15, 2002, two additional debtors commenced their voluntary chapter 11 cases. On January 14, 2003, the remaining debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly.

#### **The Monthly Operating Report Requirements**

4. Under the Operating Guidelines and Reporting Requirements for Chapter 11 Cases issued by the Office of the U.S. Trustee (the "Operating Guidelines"), a chapter 11 debtor is required to provide monthly operating reports to the Office of the U.S. Trustee, the Bankruptcy Court and any official committee appointed in the debtor's chapter 11 case. These monthly operating reports include, among other things, certain financial reports as well as (a) a schedule detailing the status of postpetition taxes, including copies of tax returns and proof of payment, (b) a schedule summarizing all unpaid postpetition debts, and (c) a questionnaire relating to maintenance of insurance, filing of postpetition tax returns and the sale of assets outside the ordinary course of business. In accordance with an agreement with the Office of the U.S. Trustee, this Affidavit is being submitted in lieu of the postpetition tax schedule (and related documents), the unpaid postpetition debt schedule and the questionnaire that otherwise would be required.

#### **Tax Reporting Compliance**

5. Because the Debtors have employees and conduct business in many locations throughout the United States, the Debtors are required to file state payroll tax returns, state income tax returns and state sales tax returns in numerous states. Kaiser or its designee completes and files state and federal payroll tax returns on behalf of all the Debtors.

6. To the best of my knowledge and belief, each of the Debtors has timely paid all state income, sales, use and other taxes that have become due and owing for the period after the Petition Date. Moreover, to the best of my knowledge and belief, Kaiser has timely submitted all of the Debtors' state and federal payroll tax returns that have become due since the Petition Date and has timely paid or remitted all taxes identified in those returns. Kaiser has filed an extension to file its consolidated Federal income tax return for the year ended December 31, 2002, which is due on or before September 15, 2003.

**Maintenance of Insurance**

7. Under the Operating Guidelines, a chapter 11 debtor is "required to maintain the following insurance coverage, as appropriate: general comprehensive liability, property loss from fire, theft, water or other extended coverage, workers' compensation, vehicle, products liability, fidelity bonds for employees, and such other coverage as is customary in the debtor's business." Operating Guidelines at ¶ 3. As part of its monthly operating reports, a debtor is required to indicate whether all necessary insurance coverages are in effect, whether all premiums are current, and provide an explanation if any coverages are no longer in effect. See Operating Guidelines Form MOR-5.

8. The Debtors have the same or similar coverage as described in the Operating Guidelines, including coverage that is customary in the Debtors' industry. A schedule of the Debtors' current insurance programs is attached to the Monthly Operating Report and incorporated herein by reference (the "Insurance Schedule"). The Insurance Schedule indicates the types of coverage and the respective deductibles, premiums and policy periods. To the best of my knowledge and belief, all of the insurance coverage maintained by the Debtors, as itemized in the Insurance Schedule, is in full force and effect and all required premium payments have been timely paid.

Financial Reporting and Payment of Postpetition Obligations

9. Other than with respect to ordinary grace periods and disputed items, the Debtors are current on all of their postpetition obligations.

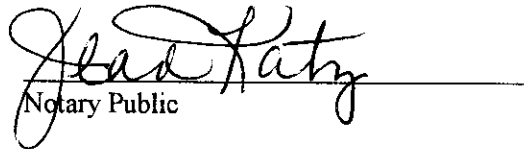
10. The Debtors have not engaged in any intercompany activity outside of the ordinary course of business other than as authorized by the Bankruptcy Court. In addition, the Debtors have sold no assets outside of the ordinary course of business other than pursuant to an order of the Bankruptcy Court.



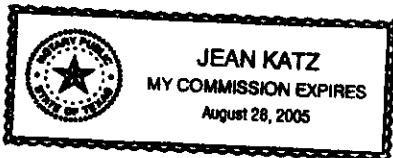
DANIEL D. MADDOX  
VICE PRESIDENT AND CONTROLLER  
KAISER ALUMINUM CORPORATION

July, 2003.  
August 28, 2005  
My Commission Expires:

SWORN TO BEFORE ME and subscribed in my presence this 31<sup>st</sup> day of



Notary Public



**KAISER ALUMINUM CORPORATION - ALL DEBTORS  
RISK MANAGEMENT INSURANCE POLICIES (1)  
As of June 30, 2003**

POLICY TYPE	POLICY NO.	POLICY PERIOD	INSURER	LIMITS	DEDUCTIBLE/ SFR	PREMIUM
Pollution Liability	PEC000760201	03/31/01 - 03/31/04	Greenwich Insurance Co.	\$4MM ea. Loss/\$8MM Total Loss in Ravenswood, WV	\$100,00 ea. Loss	\$ 47,356
Pollution Liability	5579958	09/29/00 - 09/29/07	Lexington Insurance Co.	\$20MM per Claim/Aggregate	\$25,000 ea. Loss	\$ 150,111
Pollution Liability	6191937	08/09/02 - 08/09/03	American Int'l Specialty Ins.	\$3MM each incident/\$8MM section agg	\$50,000 ea. Loss	\$ 45,641
Pollution Liability - JUST	ST 8088126	08/09/02 - 08/09/03	Commerce & Industry Ins.	\$10MM Policy agg limit \$500K each incident/\$2MM agg \$500K agg defense limit	\$25,000 ea. Loss	\$ 6,918
Marine Package	ARS-3646	04/01/03 - 04/01/04	American International Marine Agency, Inc.	\$1 Million each Occurrence \$235,000 Hull & Machinery - Section III (A) \$30 Million ea. Conveyance - Section IV \$5 Million ea. Barge/ea. Tow \$4 Million CSL excess \$1 Million (Sections I, II of Marine Package)	\$100,000 ea. Occ.	\$ 212,372 Annual Premium
Excess Marine Liability	ARS-3468	10/14/02 - 10/14/03	American International Marine Agency of NY	\$500 Million Aggregate (Total Limit all Groundings)	None	\$ 32,130 Annual Premium
Aviation Products Liab.	ABA0204251	05/01/03 - 05/01/04	Certain Insurance Companies	\$500 MM ea. Occurrence Property Damage / Time Element and in the annual aggregate separately for flood and earthquake subject to \$20 MM ea. Occ./Annual Aggregate CA EQ Subject to sublimits in policy form	None	\$ 346,125
Global Property (2)	650660/03 and Various	06/01/03 - 06/01/04	Trochus Ins. Co., Ltd. and Various	\$500 MM ea. Occurrence Property Damage / Time Element and in the annual aggregate separately for flood and earthquake subject to \$20 MM ea. Occ./Annual Aggregate CA EQ Subject to sublimits in policy form	\$5M per occ except 5% of total values for CA EQ. Named Windstorm and EQ in Jamaica \$10M	\$ 14,969,802
D&O Liability - Rmoff	Various	07/01/02 - 07/01/08	Various	\$125 Million Term Aggregate	\$5MM (Corp. Reimb.)	\$ 1,712,513
D&O Liability	Various	07/01/02 - 07/01/03	Various	\$25 Million Aggregate (Inclusive of Defense Cost)	\$0 Non-Indemnifiable/ \$5M Indemnifiable	\$ 600,850
General Liability	MWZY 55583 and Various	10/14/02 - 10/14/03	Old Republic Ins. Co. and Various	\$300 Million per Occurrence/Aggregate	\$1 Million per occurrence	\$ 1,964,082
Auto Liability	MWTB 18462	10/14/02 - 10/14/03	Old Republic Ins. Co.	\$1 Million CSL	\$1 Million (Matching Ded.)	\$ 26,687
Workers Comp / Employers Liability	Various	10/14/02 - 10/14/03	Old Republic Ins. Co.	\$1 Million policy limit in insured states; \$100k w/e / \$1 million empl. Liability in self-insured states	\$1 Million	\$ 603,076
Corporate Fiduciary Liab.	476-82-20	12/01/02 - 12/01/03	National Union Fire Insurance Co. of Pithsburg, PA	\$20 Million Term Aggregate	\$100,000	\$ 175,000
Corporate Fiduciary Liab. ERP	Various	12/01/02 - 12/01/03	Various	\$60 million aggregate		\$ 198,832
Non-owned Aircraft Liab.	PXLN3800733	1/9/03 - 10/14/03	XI. Specialty Insurance Co.	\$10 Million ea. Occurrence single limit BI/PPD	None	\$ 8,744
Commercial Crime	CRP 268-75-01	12/31/00-12/31/03	Great American Ins. Co.	\$10 Million Aggregate Personal Injury \$15 Million per Occurrence	\$100,000 per Occ.	\$ 99,123
<b>TOTAL ALL LINES</b>						<b>\$ 21,201,362</b>

**Notes:**

- (1) Premiums for Alpart, KBC and Valco are included in the total, as all three companies are covered in several of the above policies.
- (2) \$7,517,000 of premiums related to this policy renewal were paid in June 2003 (Kaiser's share was approximately \$5,000,000). The balance is due in accordance with policy terms in July 2003.



This Schedule of Insurance Coverage is furnished to you as a matter of information only. The insurance afforded by the described policies is subject to all the terms, exclusions and conditions of such policies.