Stillwater Mining Blames Loss on Executive Payouts

BILLINGS, Mont. (AP) — Stillwater Mining Co. reported a loss of $5.3 million over the past three months, primarily due to a fight for control of the company that included payouts to executives who left.

Stillwater reported earnings Thursday that showed a loss of 4 cents per share.

The company said it spent $14.1 million for administrative costs in April, May and June, which is $4 million more than the previous year. The increased costs were due mostly to retirement pay for former CEO Frank McAllister.

The company said it spent $9.1 million last quarter paying McAllister and other executives for their contracts.

In February, former Montana Gov. Brian Schweitzer started working with a New York hedge fund to oust some board members, arguing they mismanaged the company, in part, by investing $450 million in an Argentine copper mine.

McAllister received almost $5 million in salary, stock and other compensation in 2012, according to previous financial filings. He was forced to return $2.3 million worth of stock in April after a shareholder's lawsuit charged that his compensation exceeded company policy.

McAllister was ousted from the board in May and retired in June. Schweitzer is now board chairman. Past financial reports indicated McAllister was due to receive almost $1.9 million upon his retirement.

Interim chief executive officer Terry Ackerman said Thursday that the unusual expenses mask good underlying financial results.

Revenues for the second quarter were $266.5 million, an increase of 25 percent from last year, the company said. For the first six months of the year, Stillwater Mining reported earning 8 cents per share, compared with 22 cents per share during the first six months of 2012

Stillwater produced 113,500 ounces of palladium and platinum during the second quarter, down from 133,400 ounces for the same period last year. Company officials said Stillwater remains on track to meet its goal of producing 500,000 ounces of ore in 2013.

The mine employs more than 1,600 workers at its platinum and palladium mines in Montana.

Stillwater's stock closed at $12.02 Thursday, 33 cents higher than Wednesday's closing price. The stock traded as high as $14.87 in mid-February.

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