

# Century ALUMINUM

**1<sup>st</sup> Quarter 2011  
Earnings Conference Call**

**May 3, 2011**



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# Cautionary Statement

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This presentation and comments made by Century Aluminum management on the quarterly conference call contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements about future, not past, events and involve certain important risks and uncertainties, any of which could cause our actual results to differ materially from those expressed in our forward-looking statements. Such risks and uncertainties may include, without limitation, declines in aluminum prices or demand or increases in our operating costs; a worsening of global or regional financial and economic conditions, including increased turmoil in Japan or the Middle East; additional delays in the completion of the Helguvik, Iceland smelter; our ability to restart our Ravenswood, West Virginia smelter, including concluding an enabling power contract; and our ability to successfully manage and/or improve performance at each of our operating smelters, including the restart of the fifth potline at our Hawesville, Kentucky smelter and increasing production at our Grundartangi, Iceland smelter. More information about these risks, uncertainties and assumptions can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K and in other filings made with the Securities and Exchange Commission.

Information provided in this presentation and discussion is based on information available as of May 3, 2011. We believe the expectations reflected in these forward-looking statements are reasonable, based on information available to us on the date of this presentation. However, given the described uncertainties and risks, we cannot guarantee our future financial performance, results of operations or financial condition and you should not place undue reliance on these forward-looking statements. Century undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, actual events, future events or otherwise.

In addition, throughout this conference call, we will use non-GAAP financial measures. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix of today's presentation and on our website at [www.centuryaluminum.com](http://www.centuryaluminum.com).

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# Participants

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- Logan Kruger, CEO
- Wayne Hale, COO
- Mike Bless, CFO

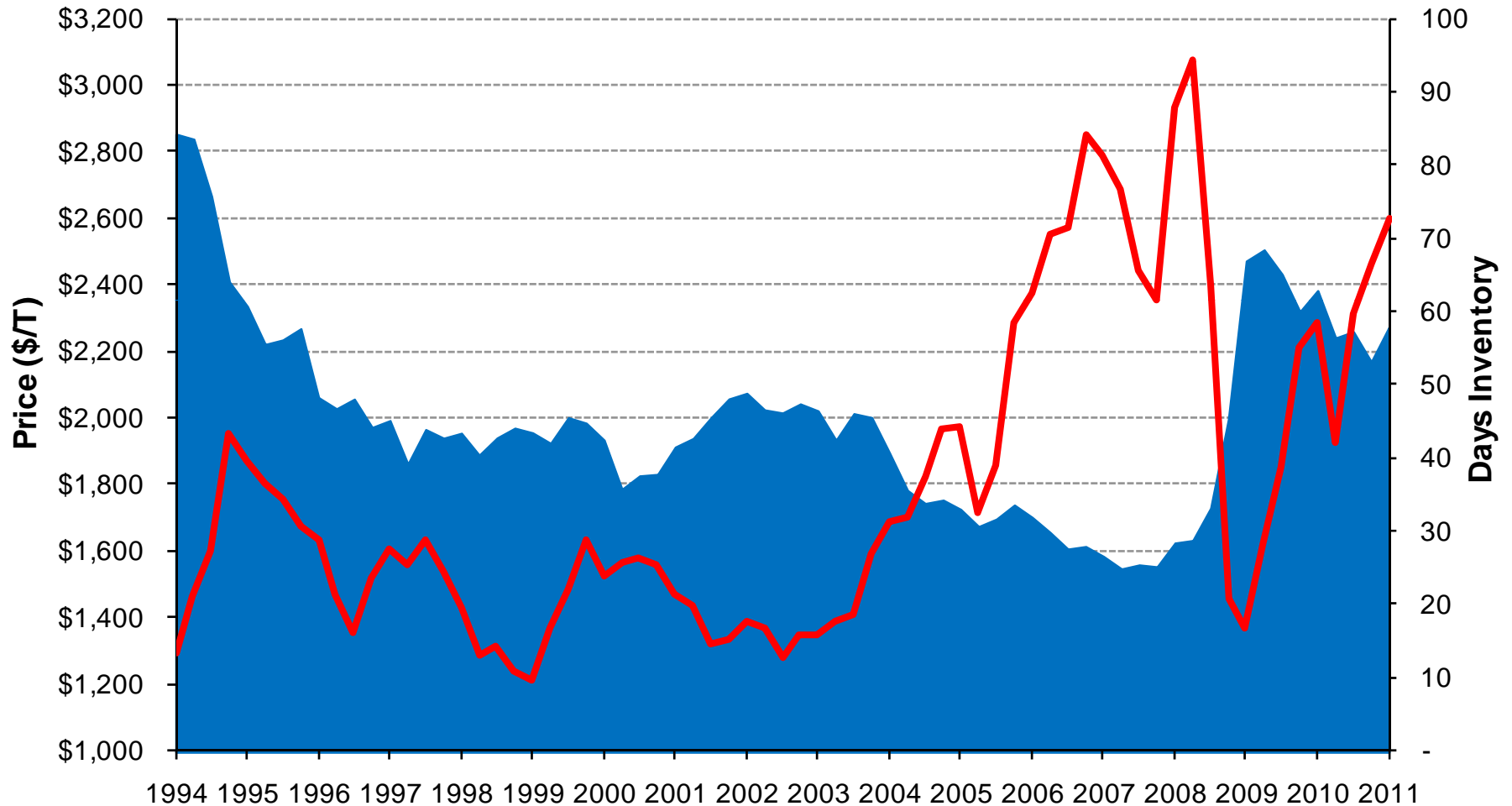
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# Overview

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- Market
  - Demand remains strong
  - Chinese capacity restarts / moratorium on new projects
  - Physical tightness – premiums increasing
  - Metal price supported by global cost pressures
- Operations
  - Hawesville potline restart
  - Creep projects at Grundartangi and Hawesville
  - Helguvik greenfield project

# Global Days Aluminum Inventory vs. Price

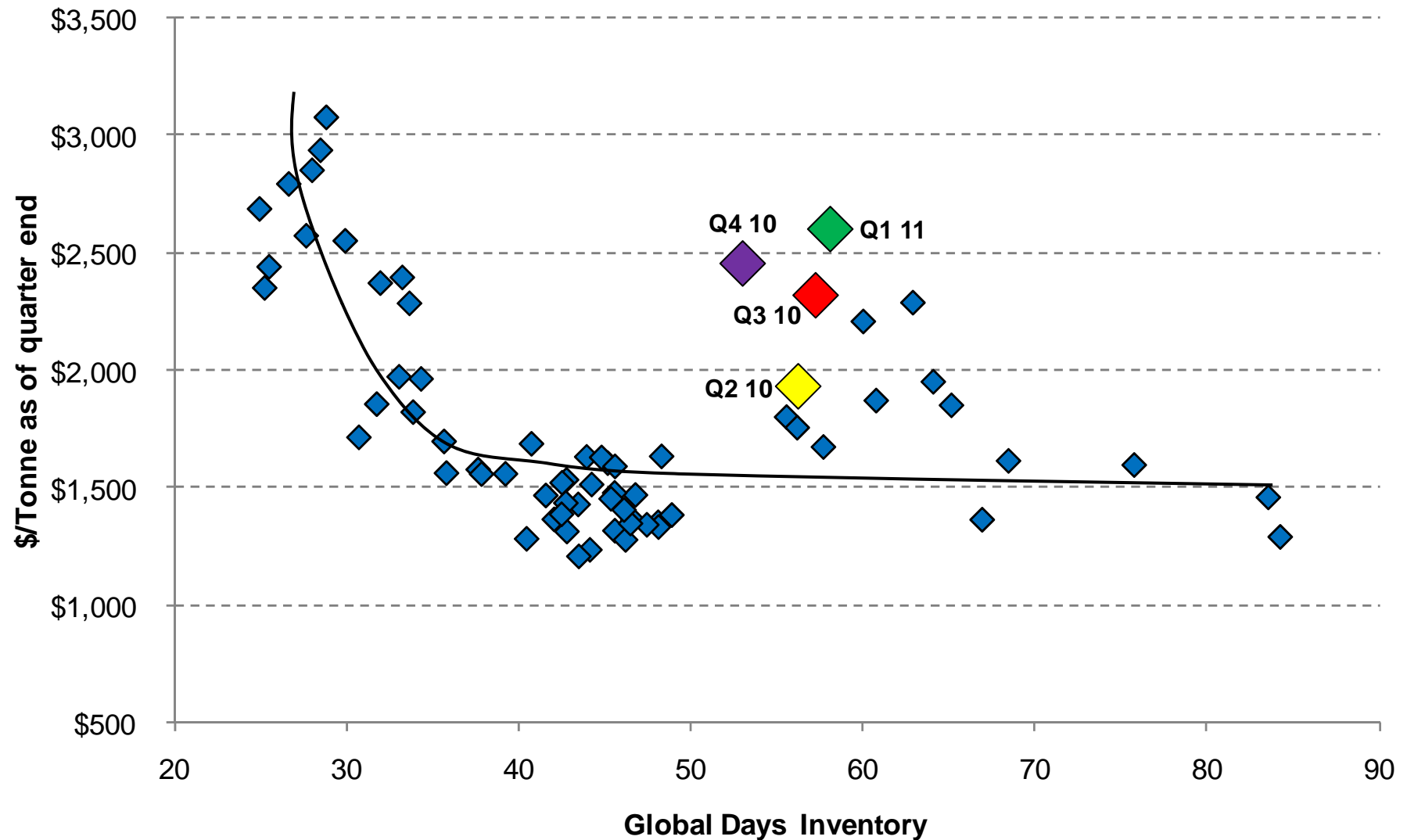


■ Global Days Inventory      — Quarter End LME Price

Note: Inventory includes TOCOM, Japanese port, NYMEX, Shanghai, LME & IAI unwrought stocks

Source: CRU Group - [www.crugroup.com](http://www.crugroup.com)

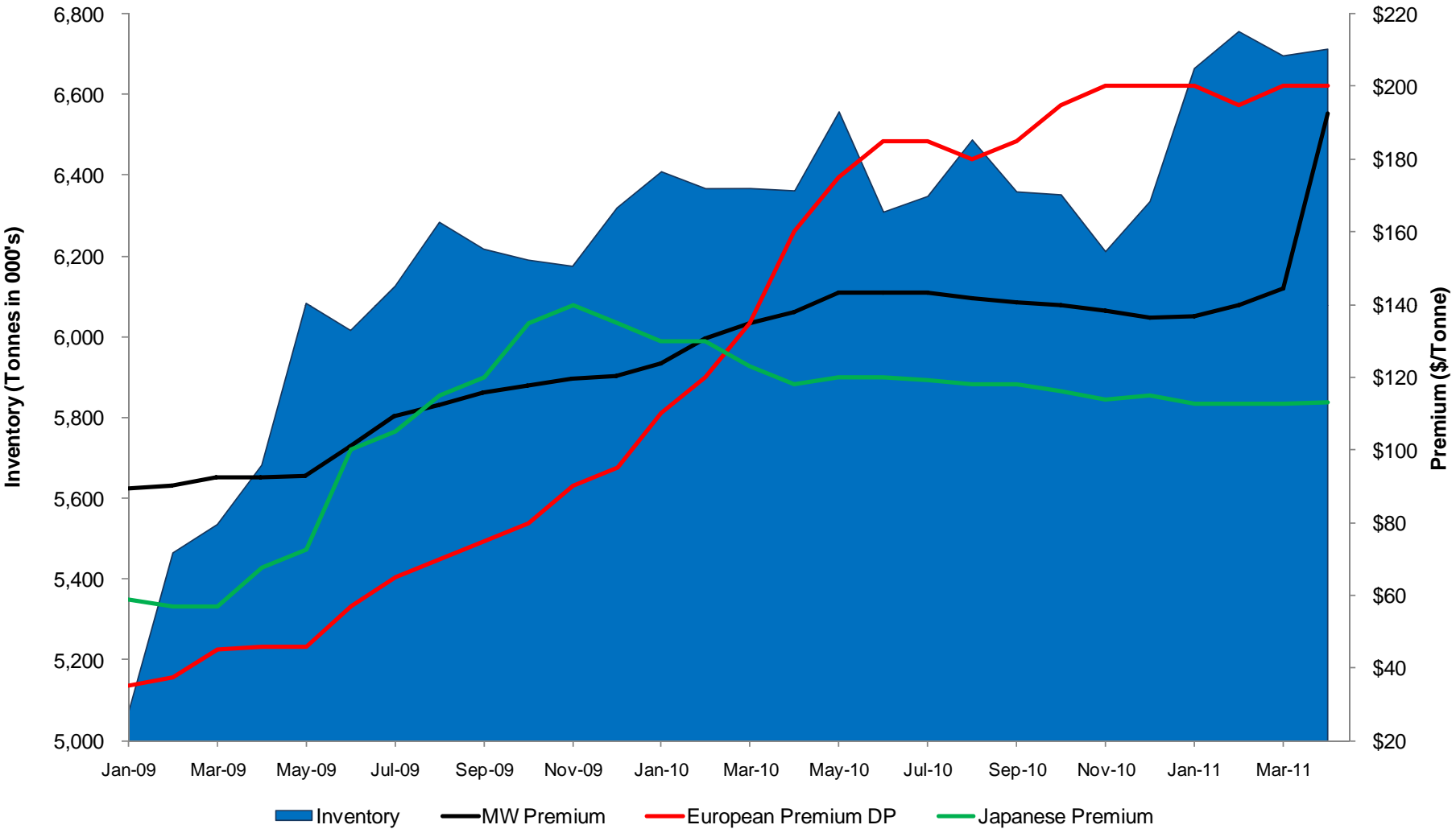
# Stocks vs. Aluminum Price



Note: Inventory includes TOCOM, Japanese port, NYMEX, Shanghai, LME & IAI unwrought stocks

Source: CRU Group - [www.crugroup.com](http://www.crugroup.com)

# Stocks and Premiums



Note: Inventory includes TOCOM, Japanese port, NYMEX, Shanghai, LME & IAI unwrought stocks

Source: CRU Group - [www.crugroup.com](http://www.crugroup.com)

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# Operations

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- Grundartangi
  - Efficiency/redundancy improvements
  - Capacity creep project
- Hawesville
  - Restart of idled potline
  - Capacity creep project
- Mt. Holly
  - Continued improvement in operations



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# Operations (continued)

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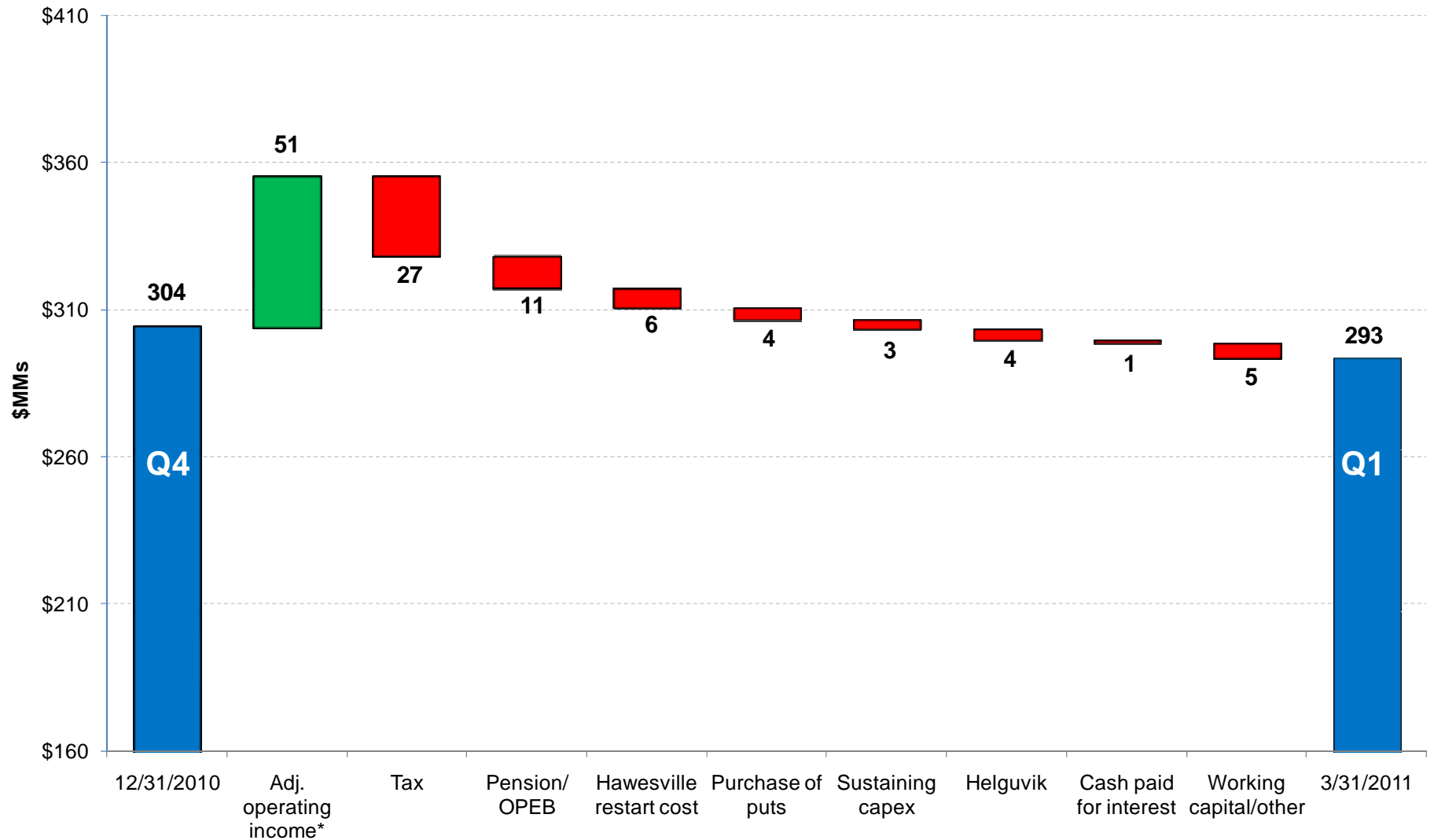
- Ravenswood
  - Power contract discussions
  
- Physical Market
  - Midwest premium at record levels (9¢)
  - Tightness in scrap markets due to weather
  - Customer restocking
  - Strong demand from transport sector – autos / light trucks
  - Rod and cable demand bolstered by foreign infrastructure

# Q1 2011 Summary Results

(\$MM, except per share amounts)

	Q410	Q111
Net sales	\$ 317	\$ 326
Operating income	80	38
Net income	65	25
Diluted EPS	\$ 0.64	\$ 0.25

# Q1 2011 Liquidity



\*Adjusted to exclude certain non-cash or non-recurring items. See reconciliation in appendix.

# Cash Flow

(\$MM, except LME price)

	Q410	Q111
Cash flow from operations	\$ 31	\$ (4)
Purchase of puts	3	4
Iceland withholding tax	-	27
Pension contributions	1	15
Hawesville restart cost	-	6
Adjusted cash flow from operations*	<u>\$ 35</u>	<u>\$ 49</u>
Average cash LME - 1 month lag	\$2,280	\$2,431

\*See GAAP reconciliation in appendix.

# Helguvik



# Appendix

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# Appendix

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The following slides contain financial measures which are not based upon generally accepted accounting principles, or GAAP. The non-GAAP measures utilized are adjusted operating income, adjusted cash flow from operations and adjusted net income. The Company defines adjusted operating income as operating income adjusted for certain non-cash items from the statement of cash flows and certain non-recurring items. The Company defines adjusted cash flow from operations as cash flow from operations adjusted to exclude certain items which typically do not recur on a quarterly basis. The Company defines adjusted net income as net income excluding the after-tax impact of items management believes to be significant and non-recurring or largely non-cash.

The Company's calculations of adjusted operating income, adjusted cash flow from operations and adjusted net income may not be comparable to similarly titled measures reported by other companies due to differences in the components used in their calculations. The Company's management believes the presentation of adjusted operating income and adjusted cash flow from operations are useful measures to help investors evaluate the Company's capacity to fund its ongoing cash operating requirements, including capital expenditures and debt service obligations. Adjusted operating income and adjusted cash flow from operations should not be considered as a substitute for operating income and cash flow from operations as determined in accordance with GAAP. The Company's management believes the presentation of adjusted net income is a useful measure that excludes significant and non-recurring or largely non-cash items that can display significant volatility. Management thus believes the measure of adjusted net income is representative of the current earnings of the Company. Adjusted net income should not be considered as a substitute for net income as determined in accordance with GAAP. The following slides include reconciliations of adjusted operating income, adjusted cash flow from operations and adjusted net income to their most comparable GAAP financial measures.

# Q111 Adjusted Net Income

## GAAP Reconciliation

	Q1 2011		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net income as reported	\$ 25.0	101.5	\$ 0.25
Loss on forward put contracts	4.8		0.05
Discrete tax items	(2.1)		(0.02)
Hawesville restart cost	6.4		0.06
Change in retiree benefits	<u>(9.4)</u>		<u>(0.09)</u>
Adjusted net income	<u>\$ 24.7</u>	101.5	<u>\$ 0.24</u>

<sup>(a)</sup> Based upon total shares (diluted common plus preferred).



# Q111 Adjusted Operating Income

## GAAP Reconciliation

(\$MM)

	Q111
Operating income	\$ 37.6
Change in retiree benefits <sup>(a)</sup>	(9.6)
Depreciation	15.9
Hawesville restart cost	6.4
Stock based compensation	0.5
Adjusted operating income	<u>\$ 50.8</u>

<sup>(a)</sup> Reported on the statement of cash flows as Accrued and other plant curtailment costs.

# Adjusted Cash Flow from Operations

## GAAP Reconciliation

(\$MM)

	Q410	Q111
Cash flow from operations	\$ 31	\$ (4)
Purchase of puts <sup>(a)</sup>	3	4
Iceland withholding tax <sup>(b)</sup>	-	27
Pension contributions <sup>(c)</sup>	1	15
Hawesville restart cost <sup>(d)</sup>	-	6
Adjusted cash flow from operations	<u>\$ 35</u>	<u>\$ 49</u>

(a) Reported in other-net, due from affiliates and prepaid and other current assets.

(b) Reported in prepaid and other current assets.

(c) Reported in pension and other postretirement benefits and due to affiliates.

(d) Reported in cost of goods sold.

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# For Additional Information

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**VP and Treasurer**

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