

# **CENTURY ALUMINUM COMPANY: Fourth Quarter 2008 Earnings**

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## **SPEAKERS**

Shelly Lair, Vice President & Treasurer

Logan Kruger, President & Chief Executive Officer

Wayne Hale, Executive Vice President & Chief Operating Officer

Michael Bless, Executive Vice President & Chief Financial Officer

## **PRESENTATION**

Moderator                      Welcome to the Fourth Quarter 2008 Earnings conference call. At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session. Instructions will be given at that time. As a reminder, this conference is being recorded. I'd like to now turn over your conference to your host, Ms. Shelly Lair. Please go ahead.

S. Lair                              Thank you, Ann. Good afternoon everyone and welcome to the conference call. For those of you joining us by telephone, this presentation is being webcast on the Century Aluminum website, [www.centuryaluminum.com](http://www.centuryaluminum.com). Please note that website participants have the ability to advance their own slides.

The following presentation, accompanying press release, and comments, includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements relate to future events and expectations and involve known and unknown risks and uncertainties. Century's actual results or actions may differ materially

from those projected in these forward-looking statements. These forward-looking statements are based on our current expectations, and we assume no obligation to update these statements. Investors are cautioned not to place undue reliance on these forward-looking statements. For the risks related to these forward-looking statements, please review Annex A and our periodic SEC filings, including the risk factors and management's discussion and analysis sections on our latest annual report and quarterly reports.

I'd now like to introduce Logan Kruger, Century's President and Chief Executive Officer.

L. Kruger

Thank you, Shelly. Welcome, to the fourth quarter conference call. Joining me today are Wayne Hale and Mike Bless.

Can we move on to slide number four? We are managing through extraordinary and difficult times. The crisis in the financial and credit markets has led to a pronounced downturn in the global economic activity. The global market for commodities has deteriorated in line with the decline in the global economy. Consumers throughout the developed world are retrenching in response to the downturn and severe shortages of credit. Governments have taken on the role of spenders and lenders.

The aluminum industry has announced significant production curtailments. So far, a total of 6.5 million tons per year of production cutbacks has been announced of which some 3.5 million tons per year are in China. This represents 16% of capacity, but many of the closures have yet to be implemented, and further production curtailments must occur to offset declining demand.

Our first priority at Century is to protect our existing business, as we continue to believe in the long-term fundamentals for the aluminum industry are sound. Our focus is on preserving the value of our assets, so that we will emerge from the downturn with a strong platform on which to grow.

Our smelters in Iceland and the U.S. continue to operate well. We have the leadership teams at the plants focused hard on cash flow, and we have hold on all discretionary spending in the U.S. and Grundartangi. Grundartangi in Iceland continues to exceed its rated capacity and produce records amounts of metal. Iceland's political and economic environment has had little impact on Grundartangi, but the environment in the country will be difficult for the next years due to negative economic growth, inflation, and unemployment. Recent progress has been made in restoring stability in the economy and financial markets, as financing packages have

been put in place. Banks have been recapitalized and the foreign exchange market has been partially reopened.

We continue to plan to aggressively implement restructuring actions across the company to improve our financial position during these difficult economic times. We have concluded the orderly curtailment of the remaining plant operations at Ravenswood in West Virginia, and we are taking a critical look at all of our U.S. operations, which Wayne will detail later. We continue to look for opportunity to reduce cost across the company and improve our liquidity position over time. The recent common stock offering will allow us to consider cost reduction and other alternatives, including additional curtailments of production capacity from a greater position of strength.

Please move on to slide five. Declining demand for aluminum products in developed and developing nations, increasing stocks on the LME and other locations, and a general lack of confidence in the future economic conditions have combined to produce an unprecedented decline in the LME price of aluminum. The average price has fallen some 60% from a year ago to February this year. The LME has been as low as \$1,280 per ton cash recently. The U.S. market remains subdued, and the Midwest premium continues to be in the \$0.04 range.

Inventories have been increasing dramatically since last fall and now equivalent to 53 days of global demand, similar to the peak days inventory level at the last downturn in the early part of this decade. Current metal prices reflect similar levels, as we have seen in 2002. But, as you all know, the cost structure for the aluminum produced today is significantly higher.

We move on to slide number six. At current primary aluminum prices, we believe at least three-quarters of the global primary aluminum capacity is operating below cash breakeven. While this has led to significant production curtailments, industry experts believe supply still outweighs weakened demand, as confirmed by the increase in the aluminum inventories.

We do not believe that the aluminum prices at these levels are sustainable, with all but the very lowest cost producers all operating at a loss, but current prices could persist for some time until the economy regains confidence and demand picks up, and we are planning our business accordingly.

We'll move on to slide seven. During the last several months, the primary aluminum industry has responded to the declining metal prices. Significant production capacity has been curtailed or scheduled for

curtailment; 6.5 million tons of production capacity, representing 16% of the 2008 global production capacity, has been announced for closure in 2009. I would like to note, in addition to this, some 17 million tons of alumina production capacity has been announced for closure as well. We believe more production curtailments in alumina and aluminum will be forthcoming.

We continue to expect more cuts outside of China, as the majority of the smelters continue to operate with negative cash flows. Shanghai prices have stabilized at somewhat higher levels than the LME aluminum price, mainly due to government actions both on the strategic stockpile and taxes. As a result, it is believed that production cuts in China will now slow.

In the Western world, particularly in Europe and North America, there are still significant amounts of high cost capacity that we expect to see curtailed in the near-term. While this idle capacity will create an overhang in the market, a significant amount of these curtailments relate to smelters that were nearing the end of their useful life and have outdated technologies, as in the case of Soderberg smelters, or will be unable to secure power at competitive rates in the future to restart capacity.

We move on to slide eight. Practically all the projects aimed at bringing new capacity on stream during the next several years have been cancelled, suspended, or delayed. As a result, we expect little new capacity will begin production during the next several years, and sponsors of these postponed projects will not restart construction until the confidence in the market returns.

I would like to note that the construction period for a major expansion or a new Greenfield plant is generally several years. Obviously, this is will be a positive for the commodity price when demand returns.

Let's move on to slide nine. This chart is really a discussion of urbanization and industrialization of developing economies over the long-term. Per capita, aluminum usage remains low in BRIC countries, supporting the outlook for future demand growth. There has been a significant increase in the Chinese usage over the last 20 years, but per capita consumption remains well below developed regions.

From the economic data: Economic growth in China has slowed recently. Industrial production in December was 5.7%, 12.9% for the whole of 2008. GDP was 6.8% for the last quarter of 2008, 9% for 2008 total. Most of the forecasts for 2009 are somewhere to the 5% to 5.5% range.

Longer-term aluminum demand growth is expected to return as capital for developing regions such as China and India reengage on a positive economic growth and urbanization.

We'll move onto slide ten. As the rapid and significant deterioration in the industry conditions became evident, we began taking actions in the last quarter of 2008 to reduce our overall cost base, and Wayne will take you through these actions in detail. We believe the restructuring actions, along with the recent equity offering, will position us to withstand current market conditions and be ready to participate in the upside when conditions improve.

We continue to believe that Iceland is one of the most attractive locations in the world for primary aluminum production. We are actively working with the government of Iceland to support an investment agreement providing governmental support for our Helguvik project. We have every expectation of seeing this project through to fruition, but during these challenging times, we must put priority on the company's liquidity requirements as a whole. As a result, new commitments have been reduced to a modest level. I will now hand over to Wayne.

W. Hale

Thank you, Logan. Let's turn onto slide 11. Beginning in September and then accelerating through the fall, we took a series of actions aimed at

immediate improvement of our cash flow. We stopped all spending related to business development and other discretionary programs. The result of these actions is that our cash SG&A will be around \$6 million per quarter in 2009. This is around a 35% reduction from 2008. We also ceased all discretionary programs at our operating facilities as well.

We have always maintained a very small salaried staff at our corporate offices and at our plants. Nevertheless, we eliminated approximately 13% of the positions at the corporate offices and at Hawesville. We addressed Ravenswood as a part of a larger action, and I'll get to that in a moment.

Capital projects were suspended, other than those few that were too far along to stop. We have set essentially a zero budget for capital in 2009. Any spending must be approved, and it will be approved by me personally. And any spending that I do approve will only be if it's required to maintain a safe and environmentally responsible operations at the facilities. Logan has already covered the status of the Helguvik project, so I won't repeat it here.

Now let's move on to the capacity curtailment. With the complete curtailment of Ravenswood, we have now shuttered one-third of the U.S. capacity. This decision was regrettably the right one for the company. It followed a substantial effort involving all the plant's major constituencies

to find a way to keep the plant open. We were especially gratified by the involvement of the elected officials and, in particular, the personal leadership of Governor Manchin of West Virginia.

Regrettably, these efforts were overshadowed by the continuing decline in the industry conditions. The plant is now completely shutdown. We will maintain a small staff at the site to keep the plant safe and secure and the machinery in proper condition so that the smelter can be restarted efficiently when conditions improve. Mike will detail this and the curtailment costs later.

The situation at Hawesville is reasonably complex, and we have been spending a great deal of time working through the relevant issues. We have a new, long-term power contract, the approval of which by the Kentucky Public Service Commission is expected at any time. In addition, we have a large and valued long-term customer who requires metal in molten form. Despite these factors, you can expect us soon to be taking some decisive steps relating to Hawesville's rate of production.

Similarly, we have been working with our partners on the situation at Mount Holly. And we are in discussions with the power supplier with regard to how to make this plant more competitive in the current market situation. As you can expect, we've also have been working hard with our

partners in Gramercy and St. Ann's as well. At that present time, the refinery is running at 50% of its capacity of the smelter grade alumina. The chemical production continues, as it benefits the plant economically. We will continue to assess the situation as it unfolds.

Lastly, I should point out that beginning largely in January, we have began to see some relief in our major operating costs such as market-based power anodes for Grundartangi, coke and pitch for anode production in the U.S. facilities and other key raw materials.

Let's move onto the next slide. It is critical during times such as these not to lose sight of the importance of world-class operations. As you know, our first priority continues to be ensuring the safety of all our people at our facilities and the responsible operation of all our plants. In addition, throughout this very difficult environment, our teams have been delivering exceptional performance. Though not shown on this slide, the U.S. smelters have all continued to run above available rated capacity. The team in Iceland has demonstrated why we believe so strongly in the future of this business. The plant's output has continued to exceed our expectations. As you can see from the slide here, since the completion of the expansion program, the smelter's production has been consistently above the capacity. We've also seen the positive impact of continued

improving efficiency and productivity in Grundartangi's results. I'll turn it over to Mike now to talk about financial.

M. Bless

Thanks very much, Wayne. If we could turn to slide 13 please, and, as usual, I'll reference in my comments the financial information that directly follows the earnings release. So if you could have that handy, it'll make my remarks easier to follow along.

Okay. On slide 13, as usual, you can see a portrayal of the current quarter versus the prior one sequentially, so obviously Q4 versus Q3. Before we get into the company's results, let me just take a step back and talk about what the market did that quarter. Obviously Logan addressed it at a high level. Average LME price, cash price for the quarter, Q4 was down 34% versus Q3. On a one month lag basis, the cash price was down 26%, and, as many of you know who have been following the company, many of our sales are priced on a one-month lag. So on that basis, our realized average price per ton was down 27%. Again versus a 26% average decline in the one-month lag cash LME.

Turning to shipment volumes on the domestic side, volumes were down quarter-to quarter about 2%. More than all of that decline was caused by the curtailment of the line at the first line at Ravenswood in December. Iceland was up 2%, and Grundartangi, if you've had a chance to look at

the operating data at the end of the financial statements, produced and shipped at an annual rate of 276,000 tons for the quarter. We're obviously extremely pleased with that result. So you put all that together, the price and volume data, net sales, as you can see on the chart, were up 27% quarter-to-quarter.

Now skipping over to the financial information, if you've got it in front of you. Going under gross profit, was off on a reported basis \$185 million quarter-to-quarter. If you exclude a \$56 million charge we took for inventory accounting to reflect the value of the inventory at lower cost to market, as required obviously under the accounting standards, gross profits would have been down \$129 million, again if you excluded that \$56 million LCM charge. The drop in price caused more than all of that decline in gross profit. Price took \$145 million out of gross profit quarter-to-quarter.

Going the other way, as Wayne explained, we've seen at the beginning of some of the costs following quarter-to-quarter. Let me detail a couple of those for you. As you would suspect, given the severity and the suddenness of the decline, the costs, which fell the most were those that referenced directly to metal price. And for us, as you know, those are alumina at Mount Holly and Ravenswood, and our power costs in Iceland. And those costs, in aggregate, were down \$22 million quarter-to-quarter.

Gramercy Alumina obviously into Hawesville, was down \$4 million quarter-to-quarter. These are favorable, obviously, Q4 versus Q3. U.S. power costs \$4 million favorable Q4 over Q3. And, as Wayne said, we've just now begun in the last month or two to see drops in raw material cost, principally carbon. Q4 was just one million dollars favorable to Q3. Going back, that's the first quarter in over two years that we've seen a sequential drop in carbon and related costs. And, as Wayne said, we expect to see more coming.

Continuing down the income statement, SG&A costs \$4 million for the quarter. That was after a \$3 million reversal in compensation accruals. As you know, the way a company like ours account for their incentive compensation is that you accrue on an ongoing basis every quarter for what you think you're going to pay. Obviously, in the fourth quarter, when it became apparent that those amounts would not be paid based on the company's performance, we reversed those accruals.

Going forward, as Wayne said, we're looking at ongoing quarterly cash SG&A of about \$6 million, and on a reported or GAAP basis, about \$8 million. A couple of more comments on the income statement: Net loss on forward contracts, as you can see there \$13 million. Almost all of it

relates to the termination of our Icelandic Krona foreign exchange contracts in the fourth quarter.

Lastly, share count. If you had a chance to look, about 49 million common shares, 15.6 million preferred shares. Those are basically common stock equivalents. And, as you're doing your numbers in the future, obviously you need to add the 24.5 million common shares as a result of the common stock offering in the beginning of February.

We can move on, please, to slide 14. The same format, just full year over full year. I'll just make some very high-level comments. Again, just talking about the market before we go into the company's results, the actual cash LME on average in '08 was 3% lower than '07, and if you look at that on the one-month lag, down just 1%. The company's realized average price per ton was down 2%. That's excluding the impact of our cash flow hedges. As you remember, we were settling cash flow hedges throughout 2007. And then the last cash flow hedge contract settled in January of '08. So if you take out the impact of those cash flow hedges and look at what we actually realized on our pricing, excluding those hedges, our realized average pricing was down 2%.

Shipment volumes domestic was flat year-over-year. Iceland was up 15%, Grundartangi shipping 271,000 tons, well above its rate of capacity of

260,000 tons. And, I might add, the first year after we completed the major expansion of that plant. That's an extraordinary testament to the folks at Grundartangi.

Net sales, as you can see on the chart, as reported up 10%. Again, if you pull out the impact of those cash flow hedges, net sales up 3% year-over-year. And if you take a look at gross profit, again, on the income statement data, if you pull out that LCM charge in '08, gross profit basically flat year-over-year.

A couple comments on cash flow, if you've had a chance look at the cash flow data further in the financial statements. Free cash flow - \$178 million in '08. Just as a reminder, the way we calculate free cash flow is cash from operations minus CapEx but excluding the Helguvik project spending. On that basis, CapEx in Q4 was \$24 million, which brought it to \$51 million for the full year. As you remember, our forecast for the full year had been \$75 million to \$80 million when we gave you that forecast at this time last year. And, obviously, as Wayne said, we stopped all of those projects, other than the ones that were really too far in process to stop during the fourth quarter.

Helguvik project spending, as you can see in the cash flow data, \$27 million in Q4, which brought it to \$80 million for the full year. As you

might remember in the third quarter call, we forecasted \$45 million of spending for Helguvik in Q4, and the rest of those amounts have been, based on discussions with our suppliers for that project, have been pushed out to 2009. Those were, again, amounts that for work that had already been expended on or behalf either in services or product. But those suppliers, based on discussions, agreed with us to push out those amounts. And I'll comment in a couple slides on what we see Helguvik spending for all of 2009.

If you can move on, please, to slide 15, year-end accounting items. These were all detailed – or estimates for these amounts, I should say, were detailed in the prospectus supplement that we put out in connection with the common stock offering, and the final results all came in within those estimates. But just to bring everybody current, first to look at the accounting for long life assets, number one, PP&E. As we predicted, there was no impairment as of the balance sheet date December 31<sup>st</sup>, obviously, of PP&E. That, obviously, balance sheet date was a good month - a little bit more before we made the final decision to curtail all the operations at Ravenswood. So we need to revisit that accounting this quarter. To put into context, the current PP&E balance at Ravenswood as of December 31 was about \$80 million.

Goodwill, again, consistent with our estimate in the prospectus supplement, we did find impairment of that goodwill. That goodwill obviously produced by the acquisition of Nordural back in 2004, and we have written off that entire amount.

Lastly, the largest amount, obviously, our deferred tax assets with company at December 31<sup>st</sup> had over \$600 million of deferred tax assets on the books, largely, but not totally, but largely caused by the settlement termination of our metal hedge contracts in the middle of last year. As those of you know who follow this, most of you probably know the relevant accounting standards. You need to show in your forecasts that you can utilize the deferred tax assets generally within the next three to four years or else it's indeed impaired and you need to put a valuation allowance or reserve against it. Not surprising, given the environment, our forecasts show that they would not be used, and so we've put a valuation allowance against most of the deferred tax asset. The only amounts that weren't allowed for are amounts that we'll go back and file our carry back claims for, and thus use, and I'll get to that in a moment. And the lower cost of market item for inventory, I've already covered, so I won't go through it again.

Turning please to slide 16, some comments on the balance sheet and the company's liquidity. Cash, if you've had a chance to look at the balance

sheet at December 31<sup>st</sup> was a \$144 million. That had grown to \$156 million at January 31<sup>st</sup>. Of that \$156 million, a little over half of it was owned by the U.S. company with the remainder owned by Nordural. Just to remind you, we keep almost all of Nordural's cash offshore from Iceland in U.S. dollar accounts in Europe and in the U.S. We keep minimal funds in Iceland.

So if you take that \$156 million at January 31<sup>st</sup>, and you pro forma it for two items, the first item obviously is the net proceeds of the equity offering earlier this month, and the second I'll get to in a moment is the repayment of the \$25 million that we had borrowed under the revolver as of December 31, and as of January 31. You'd get pro forma cash at January 31 of about \$235 million.

On the revolver, we had borrowed during the fourth quarter under the revolver. The balance, as I said, was \$25 million at year-end, and then again at the end of January. We borrowed that amount due to some issues we were having around timeliness of payment with one of our major customers. After a series of discussions with that customer, those issues were solved; no issues today and we have repaid that amount just this week. The major reason for the repayment is due to the decrease in the borrowing base under the revolver for two reasons.

One, that's already happened in one perspective. The one that's already happened, of course, is the lower cost to market charge. That's a direct \$56 million reduction to inventory carrying values.

The second is the prospective liquidation of working capital, as we wind down the operations at Ravenswood. And so when we ran the borrowing base pro forma for those numbers or for those actions, I should say, we believed it was prudent to repay that amount. If you were to look at it today, again based on taking Ravenswood's working capital, i.e. receivables and inventory out, we believe we could re-borrow that \$25 million, but no more, so that's the extent of the availability under the revolver.

As you know, we have no near-term maturities under any of our debt and no maintenance covenants or any covenants of that sort. Lastly, on liquidity, two items to brief you on. Again, we talked about this in the prospectus supplement. The first is the new power contract for Hawesville. We're waiting to hear from the Kentucky Public Service Commission any day now. Assuming they do approve that contract, we would receive a \$45 million cash payment upon its closing. Second, a tax carry back claim, again produced by the loss that we took when we settled our hedge contracts. We filed for the first portion of that in January, and actually received the check for that full amount just under \$11 million late

last week. And we're filing now the residual amount or \$84 million and, under the statute, believe we should receive those funds within 90 days of the filing.

Okay. The last page for me on slide 17, just a couple items, as we normally do, to give you some forecast items for 2009. Starting at shipment volumes, domestic, 375,000 tons. That includes Ravenswood operating with three lines for the month and a half at which it was operating. It also assumes that Mount Holly and Hawesville are operating at full capacity the rest of the year. So to the extent that we take capacity, for example, out of Hawesville, that would reduce that number, and we'll obviously update it for you at the time that we would take any action. Grundartangi has been producing, as I said, consistently above its rated capacity, and so we feel confident in this estimate of 270,000 to 275,000 tons.

Major pricing items, alumina, obviously contract rate at Mount Holly is the same, LME percentage obviously, '09 versus '08. At Ravenswood, the contract rate is down '09 versus '08, and we'll obviously use as much of that alumina at Ravenswood as we can at Hawesville and then sell the rest of it on the open market.

Power cost, as we sit today, based on the forecast on the power suppliers, looks like costs at both Hawesville and Mount Holly, '09 versus '08, about the same, may be up slightly. That assumes that the Big Rivers contract the new energy contract at Hawesville were to close. If it weren't to close, our power costs at Hawesville would be significantly lower in '09 than they were in '08. And at Mount Holly, I should say that we and our partners there, obviously Alcoa, are having substantive discussions with the power supplier there about what can be done about those power costs.

Carbon costs, as Wayne said, are coming down. We think that trends are good here, and we would hope to see continuing trend. Cash spending for the curtailment costs at Ravenswood, \$40 million to \$50 million in '09. We expect to get back, in the near term, in the next month or two, a substantial portion of that amount in terms of the liquidation of working capital out of that plant. SG&A, Wayne has already covered, \$6 million cash per quarter; \$8 million on a GAAP basis is our expectation. CapEx, as Wayne said, has no budget out to the plant operations personnel, and he'll personally approve any spending that's required. For financial planning purposes, we put in a budgetary amount of \$15 million. We think that's on the conservative side.

Helguvik spending, \$25 million to \$30 million for the year, again that includes, as I said, that approximately \$20 million of supplier payments

that we deferred out of Q3 and Q4. And lastly, depreciation, \$70 million, amortization \$16 million. That amortization would go away if the new power contract at Hawesville were to close. It means we would write off the intangible related to that power contract if we were to terminate that one and enter into the new one. And with that, I will hand it back to Logan.

L. Kruger

Thanks, Mike. On slide 18, we expect the weak market conditions will continue through 2009 until stimulative global fiscal measures and the return of more typical supply/demand equilibrium results in any meaningful increase in primary aluminum prices. Once global economic conditions improve, the environment will be attractive for producers of primary aluminum. The forces that were in place before the current economic crisis, industrialization and urbanization, will return. As described earlier, primary aluminum producers are generally responding to the current economic crisis by significantly curtailing production existing facilities and suspending construction of new facilities.

As a company, we have taken significant containment and cost reduction actions to date, and expect to see more in the near future. We have also taken meaningful steps to improve our liquidity position so that we can emerge from this downturn well positioned to take advantage of stronger

markets when they return. At this point, I'd like to thank you and invite any questions, Anne.

Moderator Our first question is coming from Kuni Chen from Bank of America.

K. Chen Good afternoon. Tough times, folks. I certainly sympathize with what you are currently going through. I guess, just my first question; I think in the prospectus it mentioned that you guys would be cash flow breakeven at about \$1,900. Can you give us an update to that sensitivity, assuming, you know, baking in the full curtailment now of Ravenswood and where that could go if you curtail a couple more pot lines in your system?

L. Kruger I think, to start off, that number, I think, is now a range of \$1,800 to \$1,900. Mike could comment as well. And obviously, Kuni, I think you are aware from this presentation and other prospectus, amongst other things, that we are looking very seriously at what we do in our other businesses. We've already reduced with our partners in Gramercy and St. Ann's as of this month down to 500,000 tons of smelter grade alumina, a total of 700 with a chemical grade, and these actions are coming through. So we hope the trend will continue to go down, but it's difficult at this stage with all the materials costs and other things taking place to really give you a give your fair number other than the range of about \$1,800 to \$1,900.

I think another comment, I'd add, Kuni, is Mike has made a comment about Grundartangi being at about today's cash prices being breakeven. We believe the team is going to get better than that, and they obviously are working very much on that as well. I don't know if Mike or Wayne would like to add any comments.

M. Bless

No. Kuni, it's Mike. Ravenswood, as you know, was a little higher than the weighted average, but not much, as we have talked about in the past. Obviously Ravenswood is a smaller plant, smaller pots, older technology, but a pretty decent power price. And so when you kind of boil that all through and compared it to our other smelters, it was a little higher, certainly higher, but not standard deviation higher. And so that's a long-winded way of saying that kind of the weighted average breakeven has dropped a little bit, as Logan said, but not a whole lot. And, we'll update this as we move forward to the extent that we would curtail further capacity. But I think it's fair to say, you should not expect that breakeven point to drop very much. And just to emphasize, the breakeven here we're talking about is a consolidated breakeven. It's not just adding up the plants, but it's adding on the SG&A and the interest expense, basically the overhead at the corporate level.

L. Kruger                    I think just one other bit of information, you know, if you want a sort of idea of what we've seen flowing through, I think Mike, on average, and Wayne, the cost at Hawesville, for example, taking the average of Q4 going through to January has improved somewhat. We've seen some of the prices come off.

W. Hale                    That's actually improved 7.4%.

L. Kruger                    So, Kuni, we are seeing it. There is a bit of a lag on this. But it's certainly starting to flow through. But I think Mike is correct in saying that we expect some improvements. But they're not large on the downside.

K. Chen                    Alright, okay. Then just as far as some of other liquidity items that you talk about, I guess, just first of all, the \$11 million tax refund. Is that kind of baked into that \$235 million liquidity?

M. Bless                    No. That was pro forma. Good question. Thank you. The \$235 million was pro forma as at January 31<sup>st</sup>, and the \$11 million we just received last Thursday or Friday.

S. Lair                    Friday.

M. Bless                    It was Friday.

K. Chen                    Okay, so we should include that. As far as the other items on Hawesville and the other pieces of tax refund, can you give us your best guess as to when those items will show up?

W. Hale                    Again, this is Wayne. In regards to Hawesville, as we said earlier, we expect the KPSC to make a ruling within the next several days. And with that ruling then we'd see that flow in the \$45 million shortly thereafter.

M. Bless                    On the tax claim, Kuni, as I said we are filing it literally as we speak here today, tomorrow kind of thing, because you have to have your 2008 return done before you file a claim against prior years. And the statute says that the service is supposed to pay it within 90 days. I mean, that's what the law says. But it being the government, they tend to do what they want.

The only remedy that we have, as we understand with our experts, were they not to pay within that 90 days is that they have to, by law, begin to accrue interest on it. So we believe we should receive it, but until we do, again, the further \$84 million, we're not going to count it as money in the bank.

K. Chen                    Okay. And I guess just last question and I'll turn it over. It's kind of, maybe a little bit more of a dire scenario, but just hypothetically if all of your U.S. operations were shut down at some point, can you just sort of

walk us through the cash flow implications of that? Would that be another \$100 million or so of cash, exit costs, if you could just kind of outline that for us.

L. Kruger                    Kuni, it's Logan. It's quite difficult to take you through that because you have to deal with a couple of fundamentals. And one of the fundamentals of Hawesville is we got a very major customer with a contract for conductivity metals through to 2011. And that basically absorbs the best part of three lines, so you're going to have to take it. Obviously at Gramercy and St. Ann's, we're now down substantially, but again, we've got a partner. At Mount Holly, a similar situation; the partner, as you know, is Alcoa, and Alcoa has certainly show a real drive to take off capacity where it's not needed and where it's not relevant in terms of return. So I think you have to take, if I can, some idea of what Ravenswood has done, and say that gives you an order of numbers. I'm trying to get my colleagues to nod in agreement with what I'm telling you. So I think that gives you some order of numbers. And we'll obviously, as we go for our next call, update you as these go. Michael?

M. Bless                    Yes. I mean, just to restate what we said about Ravenswood, so \$40 million to \$50 million of cash spending this year, and about half of that again in 2010. This year, we'll get, of the \$40 million to \$50 million, our estimates say we'll get back, as I said, a good chunk, at least half of that

within the next month or two. The working capital gets liquidated very quickly. So that's Ravenswood.

At Hawesville, the situation is a little bit different. The contracts are different. It's a slightly bigger plant. But from an order of magnitude, it would be around the same. And Mount Holly, again, is quite different. It's not a represented plant. But there are payments due to the employees. There are demand charges for electricity. So it would be within the range consistent with Ravenswood. As Logan said, the doability of either of the two of those is really the issue.

L. Kruger                    I think, Kuni, just on the last piece, just on standing back at a high level on liquidity, you, I think, understand our position and the way we set this up is to take us well into the second half of next year or more. So that's what we are working towards. Obviously it will depend on how the market treats us going forward.

K. Chen                      Thanks. I'll circle back.

M. Bless                     Thanks, Kuni.

Moderator                   The next call is coming from the line of David Gagliano from Credit Suisse.

D. Gagliano Hi, good afternoon. Thanks very much for taking the calls and questions. First of all, I just want to clarify just to make sure. The \$56 million lower cost or market inventory charge, does that actually flow through the cost of goods sold line on the income statement in Q4. Is that correct?

M. Bless Indeed. Yes, David.

D. Gagliano So if you strip that out, it works out to about, you know, cost of goods sold of about \$0.87 per pound shipped. And tying into the previous question, it sounds to me like we should expect that number, unit cost number of \$0.87 per pound number to be below \$0.80 per pound as we move through 2009. Is that right?

M. Bless Yes.

D. Gagliano Does that start in Q1, or is it a slow transition now that Ravenswood is shut down?

M. Bless David, that's hard. It's Mike. It's hard to estimate. I would say, you know, your \$0.80, I assume is you're picking up on the range that we gave on the breakeven.

D. Gagliano Yes, and trying to adjust....

M. Bless You've got to be careful here. I mean, a breakeven, remember, is a breakeven at that metal price. It's a bit of a circular reference because it assumes to the extent, for example, that you have costs that are indexed to the metal price, that is at that price. I mean you're calculating – you're just dividing our cost of sales by tons to get sort of the result that is's a static piece - point in time, right?

D. Gagliano Correct. Right. So what you're saying – the breakeven declines as the metal price declines. Is that effectively what you're saying?

M. Bless Yes.

L. Kruger Particularly if you take in third-party alumina.

M. Bless Sure. Yes.

D. Gagliano But at a \$1,300 metal price, what's your cash breakeven? Is that the \$1,800 to \$1,900 range, or is it lower?

L. Kruger It's lower.

M. Bless It would be lower.

L. Kruger I think my colleagues will correct me, David. I think we used around about \$1,400 to give you that range somewhere as a calculation to get that \$1,900, about \$1,400 or less.

D. Gagliano Okay. All right. Fair enough. Perhaps we can talk about that a little bit more offline.

L. Kruger Thanks, David. Any other questions?

D. Gagliano No, that's it. That's perfect. Thanks.

Moderator We also have a question from the line of Mark Anthony Sebantis from Perella Weinberg Partners.

J. Hale It's actually John Hale. Looking at slide six, which is, I guess, your industry kind of cash costs, can you just provide some color in terms of some of the key underlying assumptions here and the timing in which you put this together, because obviously this curve shifts as the dollar moves and raw material costs and shipping costs and all that source stuff changes? So could you just provide a little color here?

L. Kruger I think, John, it's fairly recent. Shelly....

S. Lair Yes. It was produced in January of 2009, and the key assumption in there is the LME price because obviously that drives the alumina, and the assumption in there is \$1,500 per ton.

S. Lair But the line is showing the forward curve. The assumption that builds the cost curve is \$1,500.

L. Kruger So that's pretty recent, but obviously, you know, these things change pretty quickly, John.

S. Lair Right.

J. Hale Right, but as the dollar continues to strengthen, I guess, a lot of this Chinese/Russian capacity becomes more competitive.

L. Kruger You're quite right.

L. Kruger You get the currency impacts and those, obviously, were taken into account at that time. As those currencies erode, I think you're just changing positions on the curve really. I don't think the, who's making cash versus not making cash is going to change significantly, quite frankly.



Mozambique, although that's not, I will think, with its favorable power rate, and cost of labor, particularly, should be fairly low. But there was a cut in production there. So I think this is still to come.

We've been in this phase of pricing for about five months now. It sounds like we've been here for a longtime, but if you really think about it, it's probably November, really is where this would have been so it takes a bit of time for people to see it. Part of what hasn't flowed through into the actual production is people have timed their shutdowns. I don't want to give examples, but people are bringing off of their production, say, at the end of March. Announced it, but the metal is still flowing until the end of March because they're running down inventories and their working capital, amongst others. So I think there's more to come. It has to do because the demand, which is difficult for anyone to estimate, is not there, and you see that with the inventory growth. There is still a disconnect between supply and demand.

J. Hale

Okay, and how does the decision-making process work at Mount Holly and maybe Gramercy, in which you have a partner? How does that work and what are your obligations to funding losses?

L. Kruger

Yes, I think the answer is, we have a partnership with these obligations, and we really don't like to comment other than we've got two good

partners who we are working with. You've seen the results already at Gramercy, and the discussions at Mt. Holly are ongoing. So I just note that Mount Holly is also one of the newest smelters in North America as well. So it's a power process fundamental to that, and Wayne, I think, and Mike, made remarks about the discussions on the power contracts.

J. Hale But do those operations have their own source of funding or, to the extent they're incurring losses, are you obligated to contribute cash, your portion of cash needed to fund the operations, the loss making operations?

M. Bless It's the latter.

J. Hale And so you have no ability to not contribute cash in lieu of giving up equity or your owner's portions of your ownership interest in those assets?

L. Kruger I think there are a lot of options available to us and....

M. Bless We're looking at them all. I mean, to answer your question, effectively, not unilaterally, is the answer to your question – not unilaterally.

J. Hale Thank you.

M. Bless Thanks.

L. Kruger Thanks very much for the question.

Moderator            We have a question now from the line of John Tumazos from the company of Very Independent.

L. Kruger             Hi John.

J. Tumazos           In terms of your sense of the market, how do you size up the big inventory deliveries like yesterday's 141,000-ton LME report? If you would merely take the change in exchange inventories in January, it suggests that demand was 12.9% below supply, and February first three weeks is about 11.4% differential, despite the output cuts reported or announced. Do you think a lot of the output cuts haven't been made, or do you think there's off warrant inventories migrating into the system or is demand really down that much? It would seem to me that the investment funds got wiped out around September, and the auto suppliers were liquidating their raw materials more like November, and it surprises me to still see these amounts of metal flowing on the exchanges.

L. Kruger             Yes. I think, John, the answer is it's all of the above. But taking the first step, people have announced cuts, and we know of examples that the reduction will only be fully effective in March. So that's part of it. I think it takes time for those to come off. There is maybe some off warrant stuff that people have. But in terms of that particular day, you could look at the individual LME warehouses and the major inflow is Detroit. You can understand that. So I think all of these – you know, your numbers, you're

trying to work out what the differential is between demand and present supply. I haven't looked at those numbers in that form, John, so I can't comment. But I think there is still more to come to get both demand and supply in a closer order, and obviously anyone who has had stocks of any kind whose business looks as it has liquidated that. That, I think, you've seen, so you have a combination of all of those, John.

J. Tumazos

Thank you.

L. Kruger

Thanks, John.

Moderator

We also have a question on the line of Mark Liinamaa. He is with Morgan Stanley.

M. Liinamaa

Hi, all.

M. Bless

Hi Mark.

L. Kruger

Hi Mark. How are you?

M. Liinamaa

Good, thanks.

In China, there's been much discussion of power subsidies trying to support their industry through these times. Can you comment? Are you hearing anything about that kind of activity?

L. Kruger

I think the answer, Mark, is yes, but it varies by area. I think in my notes and perhaps somewhere else, I don't see a further large reduction in

capacity in China, and one of the reasons is that. Two is the Shanghai Exchange price is somewhat higher, supported by purchases on the strategic bureau by China as well. So it depends very much on the regions. You've also seen Yunnan province off to the west has bought or funded 350,000 tons, and some new capacity came on in Mongolia. But at the current level, the present price in the Shanghai branch, at least more than half of the smelters in China, even at that price are still not making cash. That's the real issue.

M. Liinamaa            So your view is that the power subsidies will maybe preclude further curtailments, but aren't going to encourage some of the stuff that's already idled to come?

L. Kruger                You know, in China, all of the above. It'll vary by area. It'll vary by region. We monitor a couple of the provinces that we know quite well and, obviously, through other sources, we look across the board. I think it's very mixed. You can find and get an update today, and that may change in some areas dramatically by the next couple of days.

M. Liinamaa            Sure. And one question – I don't know if it's fair or not, but just for the value investor approach, you've got one world class smelter in Iceland and then three that are maybe struggling a little more right now. If you decided to or somebody decided to walk away from the smelter altogether

and say that's it; does it make sense in the future world as we see it? What kind of cost is associated with that?

L. Kruger                    I think Mike outlined that basically with Ravenswood, but then you could have answered the question....

M. Liinamaa                Request to keep it online.

L. Kruger                    Yes. You could have asked the question, are you looking at a curtailment or a full closure. I don't if Mike or Shelly or anyone else wants to....

W. Hale                      This is Wayne. You've got certain remediation costs that you'd have to enjoy and take that on, and particularly if there are any issues in regards to groundwater or soil, and that varies from smelter-to-smelter, so we can't say at this time what that would be.

M. Bless                     I think, Mark, the reason that you hardly ever answer that question in the real world is that it doesn't make sense to do that, A) from preserving one's options standpoint. I mean the cost structure, you're quite right, isn't competitive today. No doubt, not just of our smelters, but of North America, Western Europe, and other regions generally. But one never knows in the future, and Wayne could speak with much more clarity and experience to this, but smelters have remained closed for many, many,

many years only to reopen profitably again in the future. So that's the first reason.

The second reason, as Wayne correctly says, is that the costs are not only substantial, but it's difficult to estimate them until you kind of see what you've got, and so for all of those reason, but the first one predominantly. It just doesn't make any sense to kind of go down that road. The cost of preserving the optionality – fancy word – is not great after the first year or two.

W. Hale I mean the real point is that these facilities are very capital intensive, and so to the degree you can maintain it under carrying maintenance for the time that it becomes a swing smelter, it makes sense.

M. Liinamaa I'm more thinking about it maybe as even a theoretical exercise, because it seems to me that there's value in Iceland that maybe is under-appreciated today.

L. Kruger I think so. I think the other thing, Mark, is you've got to look through this thing and put on a lens on what you think is a price on aluminum maybe in the medium to longer-term, but restarting the smelter, you've got to also have power contracts with some sort of time period ahead of you. That's another decision point.

M. Liinamaa            Sure.

L. Kruger                And so, I mean, I think I've made the point that those that are closed down, there are certain ones that are less likely to restart and, as we have seen in the Pacific Northwest, I think there are good examples of that. So they're less likely to restart, one, from a technology environmental side and another from the power contract side. And then Wayne's point about, after a period of time, you're starting to incur costs that are difficult to estimate, perhaps, and then you need to have sort of a three-, four-, five-year period ahead of you and some certainty around that.

M. Liinamaa            Great. Thanks and good luck.

L. Kruger                Thanks, Mark.

M. Bless                 Thanks, Mark.

Moderator               We also have a call from the line of Tim Hayes from Davenport & Company.

T. Hayes                 Hi. Good afternoon.

L. Kruger                Hi, Tim.

T. Hayes                 I actually just have a quick question. Mike, I apologize. I missed a couple of the numbers you gave on the sequential cost changes. I got the power I believe was down \$4 million sequentially. Is that correct?

M. Bless                    That's right, Q4 over Q3, Tim, U.S. power costs were down \$4 million.

T. Hayes                    Okay, and did you give alumina and then carbon as well?

M. Bless                    I did do both. Alumina I gave as parts of the - all of the metal base indexed power cuts or costs so I lumped it in with the cost of power at Grundartangi, and so alumina at - contract alumina, of course, at Mount Holly and Ravenswood plus the Grundartangi power was down in aggregate \$22 million quarter-to-quarter. And, yes, on carbon down just one million dollars quarter-to-quarter. Most of the decreases that we have seen recently, as Wayne said, came in the month of January. So those obviously weren't reflected in Q4 results.

T. Hayes                    All right. Very good. That's all I have. Thanks.

M. Bless                    Sure, Tim.

L. Kruger                    Thanks Tim.

Moderator                    Another call from the line of Tony Robson. He's from BMO Capital Markets.

T. Robson                    Thank you. Good afternoon gentlemen.

M. Bless                    Hi Tony.

L. Kruger                    Hi Tony.

T. Robson                    Thanks for the great detailed presentation. It certainly makes a sell-side analyst's life a little easier.

M. Bless                    Thank you.

T. Robson                    Two questions only. I didn't copy down the current number of stock outstanding please.

M. Bless                    Sure. Let me give it to you in the three pieces. So as of December 31, which you'll see on the face of the 10-K in the balance sheet and income statement, 49 million shares, common shares; 49.1 million to be specific; 15.6 million preferred shares. And, as you know, those preferred shares are essentially equivalent to common shares, other than they don't vote. And then, going forward, you need to add in 24.5 million shares as of the first week in February, obviously from the common stock offering.

T. Robson                    Great. The only other question, when you quote in your first paragraph the goodwill impairment charge of \$94.8 million and the inventory write-down, is that an after tax figure, and is there any tax associated with those figures, please?

M. Bless                    Yes, I mean, the answer on both, but for different reasons is that they're pre-tax and after tax. There is no tax impact on goodwill, of course.

goodwill being a non-tax item. There's never a tax, either benefit or expense associated with goodwill or the amortization of it or the write-down thereof. And then on the inventory side, we're not – given the current environment and prospective environment, a taxpayer in the U.S. and don't expect to be one for the time foreseeable.

T. Robson

Great. Thank you.

M. Bless

Thanks Tony.

L. Kruger

Thanks, Tony.

Moderator

Another call from the line of Marty Pollack, and he is with NWQ Investment Management.

M. Pollack

Yes. Just, if I may, looking at Q1, just sort of just looking at it as if I would be looking at the back of the envelope, so I'm not really fine tuning the numbers, but if we look at gross profit numbers in Q4, I assume that is the operating gross profit on just current sales. So that was about \$62 million as a whole. What should one assume is sort of the implied Q1 numbers, considering that obviously your price have come down, even though some of your costs have. But because one of the things that I think one can intuitively just sort of try to understand is that if we actually shut

down the U.S. operations, you'll have obviously some future cost associated with restarting them, but to the extent that the market obviously does not improve from the current level, maybe there is the economics might still suggest that limiting those cash losses at least will preserve the ability of the company to hold on to a significant amount of that cash. And, essentially, even if they restart later on, the realities of market conditions may change and, at that point, it will be just part of any entity that would be facing an improved environment could do. You know, restart operations. So in a sense are there ways to still kind of look at that scenario with understanding that if prices don't change, isn't that still the most viable, or at least it is a backstop as a potential option?

M. Bless

Okay, Marty. There was a bunch of stuff in there, so let me answer your question on gross or cost of sales, gross profit or I think implicitly cost of sales, and then we can talk through again sort of where we are facility-by-facility on options regarding curtailment, partial or otherwise. So first, I'm not sure I understood your question specifically about cost sales on current operations. Perhaps as you mentioned that....

M. Pollack

Well I guess, what we see in the numbers that you provided is Q4 net sales.

M. Bless

Correct.

M. Pollack                    It's basically ex all of the other charges and impairments that we're talking about at the pure operating....

M. Bless                    Yes. Okay now I understand. Thanks. So in terms of the curtailment charges, Q4 only contained two items. The first is, you need remember again that \$56 million inventory charge, the lower cost of market charge. That is gross profit number is net of that charge. And then perhaps to your question on the Ravenswood curtailment, given that we had, as of December 31, only made the decision to curtail one line, there was only \$2 million reserved, and thus, that blew through cost of sales in Q4 for Ravenswood.

You might have noted the 8-K that we put out at the time that we announced the full closure of Ravenswood, and we actually amended it today with the new information that we have talked about on this call detailing not only the cash spending that we're estimating for Ravenswood for '09 and 2010, but how that'll be accounted for in the first quarter. We couldn't account for that in December, obviously, because we hadn't made the decision. It's a so-called type two subsequent event under GAAP. So that's kind of just the factual answers to your questions on – I believe, anyway, hopefully on cost of sales.

In terms of going forward, I think we've talked about our number one option and two status on discussions with customers and partners are the two major constituencies at each of Gramercy and Mount Holly. And I think you could expect from our – number one, you've already seen it at Gramercy that we taking down a significant amount of capacity. Half of the smelter grade capacity is off. And as to whether we can go the rest of the way, again those discussions are ongoing with our partners, and they're good and constructive discussions. Mount Holly, I think, Logan spoke to the discussions there, or maybe it was Wayne. I'm sorry I can't remember.

M. Pollack

In the case of Hawesville, the power contract, itself would change the economy significantly enough that you would say that even at current price, that would, the economics would suggest keeping most of it running, but maybe cutting back its production rate?

M. Bless

No, it's not the power contract that, as Logan said, that's the major determinant in keeping Hawesville running. It's our customer; it's our contract with our major customer there that requires us to supply, as Logan said, a minimum amount of molten metal to that customer. And that amount requires basically just about three pot lines or 60%. There are five pot lines. It's linear, 60%, so that's the issue at Hawesville, not the power contract. As we've said....

M. Pollack I understand that. I'm just wondering in terms, again, if it comes down to the brutal case of economics, the power contract being more favorable. Is it significantly favorable enough so that, while you can continue to supply most of that customer, the actual operating loss would still be significantly lower than, let's say, what we might see at Ravenswood?

M. Bless I'm not sure what you mean by favorable. We just said, Marty, that....

M. Pollack Less or more favorable, but clearly not as negative or not as – again, I'm trying to understand the impact of that power contract on the economics of the Hawesville plant.

M. Bless We've said here today it's on the chart and it's consistent with what we said for the last year or two about that contract that the new cost under the new contract will be about the same to up slightly from what we have paid on a weighted average basis for '07 and '08.

M. Pollack Oh, I see, okay. I, unfortunately, was sort of on and off the call, so I didn't catch that piece. Okay.

M. Bless                    Yes. As Logan reminds, as we said also that there's a one-time cash payment that we will receive upon the closing of this new contract of \$45 million. That's not a repeating item.

M. Pollack                Okay. Right. So essentially that, in a sense, could be reflected in that – as a favorable number just spreading that out over at least.

M. Bless                    Indeed. Absolutely. That payment was indented to make us whole for what we would be giving up in terms of the very favorable contract that we have that expires in 2010. So that is – I think that's a reasonable way to look at it, as you just said.

M. Pollack                And as far as Mount Holly, it all comes down to what Alcoa decides with its 50% interest?

L. Kruger                    I think it's a partnership thing where both partners have to align themselves on the objective, but Alcoa has obviously taken some really tough decisions, as you've seen. So in our discussions with them, and with Santee Cooper, the power supplier, those are ongoing. And so, you know, obviously, we will be progressing those, as we can, over the next couple of months.

M. Pollack                Thank you.

M. Bless Thanks, Marty.

L. Kruger Thanks, Marty.

Moderator We now have a question from the line of Tony Rizzuto from Dahlman Rose.

T. Rizzuto Thank you very much for all the detail too. It's helpful. Two questions: One first on the industry. There's been a lot of discussion about the Chinese looking to build their SRB stockpiles, and I am wondering. Is there a danger that this might give maybe a false sense of security or complacency might allow more of these smelters that maybe are idled right now to restart? How do you think about that?

L. Kruger I think, Tony, that is a concern. There's an interesting corollary to this as well, and I'm going to look to my colleague, Shelly, to confirm. But they haven't applied the Chinese, an import tax. So with the normal charge like you've seen on the Shanghai, you could attract metal from elsewhere into China, and I think some of that's already happened. But, yes, that is a concern, whether you would reach other capacity. But then you have to go back down to the plants and say, that dropped \$1,700 a ton or 12,000

RMB a ton, do those smelters still make money? And the answer seems to be that a large portion, as a whole, still don't make money at that number.

Again, it's a credit issue and it's ability, and then there's an element to the social production in China, as you all know, where the provincial governments, as you know, from our experiences and others, all the owners of these facilities. So there's a social element as well. They work very strong on taking production off, and some of the new projects in Mongolia. Again, the concern, I think you describe it quite well, and then does that put an overhang on a longer-term recovery of the commodity price.

T. Rizzuto                      A very difficult situation. I never would have thought we would be in this position, to be perfectly frank.

M. Bless                        You're in good company.

L. Kruger                        Yes, no comment, Tony.

T. Rizzuto                        Yes. The only other question ... all my other issues have been discussed already, but are there any issues from a pension standpoint? Do you have any contributions to make as far as 2009?

M. Bless                    Yes, the answer to that is no, and we put some information, Tony, in the prospectus supplement about it. But I'll just tell you what it said. So sitting right here today, the pension fund is under – take a step back. The good news is, we went into this mess over-funded, generally. So we didn't have a catch-up already. We are under-funded today on the order of \$30 million to \$35 million, maybe as high as \$40 million, somewhere in the mid 30s. There are no requirements to fund for '09. That under-funded amount, if we didn't fund in '09, if we don't fund in '09, would have to be paid – again, unless there was either any change in the law, or else we went to the PPGC and asked for some kind of special deal, as people have done, but otherwise that amount would have to be paid over the years 2010 to 2012, so three years you'd have to top that up.

T. Rizzuto                Okay, and about a \$35 million?

M. Bless                Yes, use \$35 million sitting here today.

T. Rizzuto                And over to 2010-2012 period?

M. Bless                Yes, sir.

T. Rizzuto                All right, gentlemen. Thank you very much.

L. Kruger Thanks, Tony.

Moderator We have one more call today. It's from the line of Scott Peron, and he is from Seneca Capital.

M. Mylam It's actually Matt Mylam. So assuming you guys get the full tax refund and the Hawesville power payment, how many months of liquidity should we think about Century as having at current aluminum prices?

M. Bless Yes, I mean, it's hard to estimate. Logan, did you want to?

L. Kruger No. I think it's a good question.

M. Bless Yes. I mean, there's a lot of assumptions in there, but at the current time, you can work this out, obviously, based on the statements that we made in prospectus supplement. I mean, the company is burning let's see, the closure of Ravenswood.

S. Lair One line.

M. Bless Just one line, so this would be improved. At that point in time, the cash burn was around \$20 million, a month, obviously. That amount has declined, of course, improved based on the closure of Ravenswood. So

work it out, let's see another 84, 94 for the total tax plus 45, 135, 140. So it's going to be something in excess of seven, eight months, that kind of thing, I suppose.

M. Mylam Seven to eight months more than what you guys gave in the prospectus?

M. Bless Yes.

M. Mylam So we're talking at least a year and half?

L. Kruger I think I'll repeat what I said earlier. My colleagues can comment as they like. Our plan is obviously to take us well into the second half of next year. And remember, the math that was in the prospectus supplement and that we're all talking about right now assume metal prices about where we are today, about \$1,300.

M. Mylam Got it. Great.

M. Bless About \$1,300, \$1,350.

M. Mylam Got it. Thanks, guys.

M. Bless Thanks, Matt

L. Kruger                    Thanks, Matt.

Moderator                    There are no further questions at this time. Please continue.

L. Kruger                    Thank you, everyone, for joining us today, and we appreciate all of your questions and time. Thank you Anne.

Moderator                    That does conclude our conference for today.