

# 4<sup>th</sup> Quarter 2013 Earnings Conference Call

February 20, 2014

**Century**ALUMINUM

# Cautionary Statement

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, including, without limitation, declines in aluminum prices or increases in our operating costs; worsening of global financial and economic conditions; increases in global aluminum inventories and the addition of new or restarted global aluminum production capacity; weakening of the Company's U.S. customer markets; and our ability to successfully obtain and/or implement long-term competitive power arrangements for each of our U.S. plants. Forward-looking statements in this presentation include, without limitation, statements regarding the Company's future revenues (including future aluminum prices and premiums), costs (including power, alumina, carbon, cash and selling, general and administrative), tax position and production and shipment levels; the Company's anticipated capital programs and liquidity, including anticipated capital expenditures and debt service requirements; the Company's anticipated pension contributions; future global and local financial and economic conditions; our ability to successfully address regulatory and transmission issues related to our wholesale power arrangements at Hawesville and Sebree; our ability to successfully manage wholesale market power price risk and to control or reduce power costs at each of our U.S. plants; our ability to successfully obtain a long-term competitive power arrangement for Mt. Holly; our ability to successfully produce value-added products at our smelters; our ability to complete our Helguvik, Iceland smelter, including securing a reliable power supply; our ability to restart operations at our Ravenswood, West Virginia smelter; and our ability to successfully execute our key investment projects 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 December 31, 2013. 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).

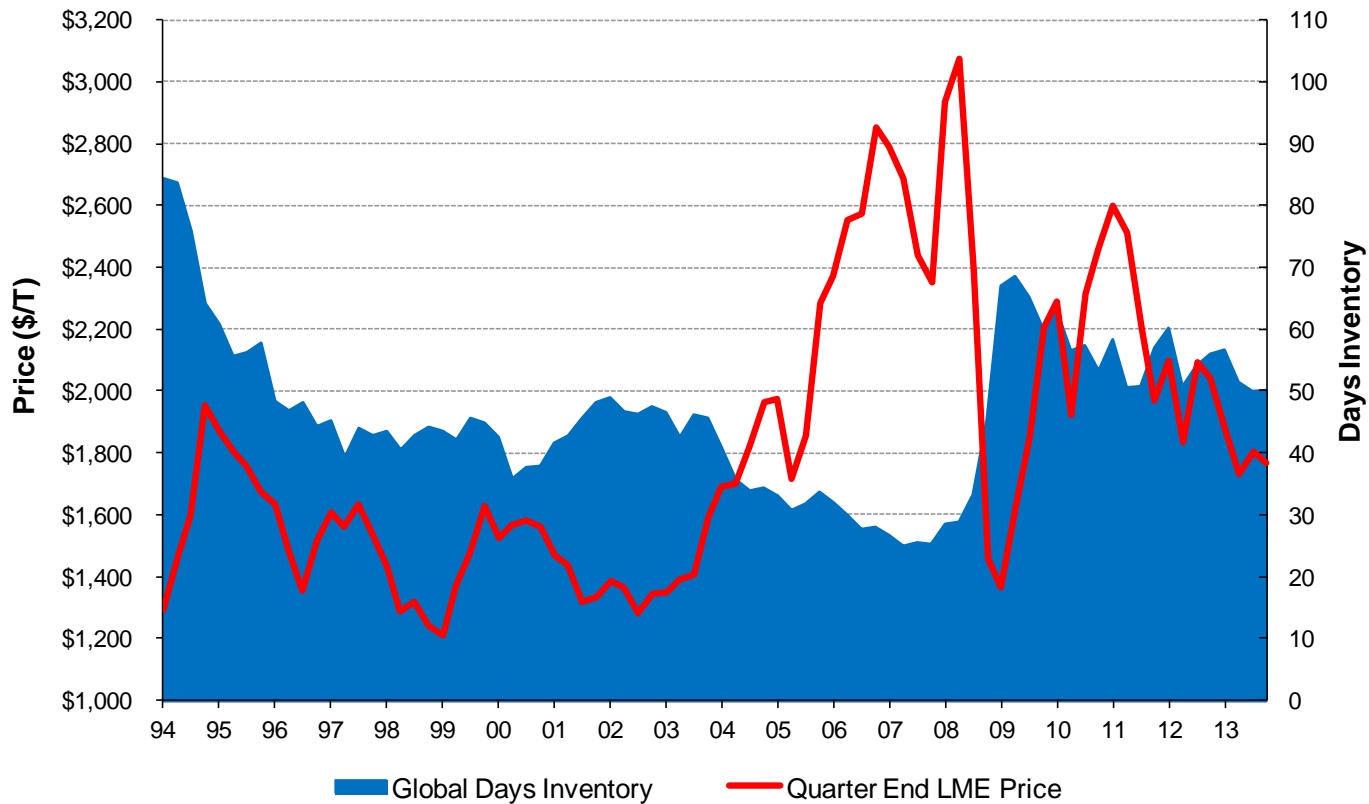
# Speakers

- Mike Bless, President and Chief Executive Officer
- Shelly Harrison, Senior Vice President, Finance and Treasurer

# Overview

- Sebree – market power contract approved as filed
- Hawesville – transition to market power
- Mt. Holly – post 2015 power negotiations
- Vlissingen – successful start-up
- Commercial agreements – replacement of expiring contracts
- Improved liquidity

# Stocks vs. Aluminum Price



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

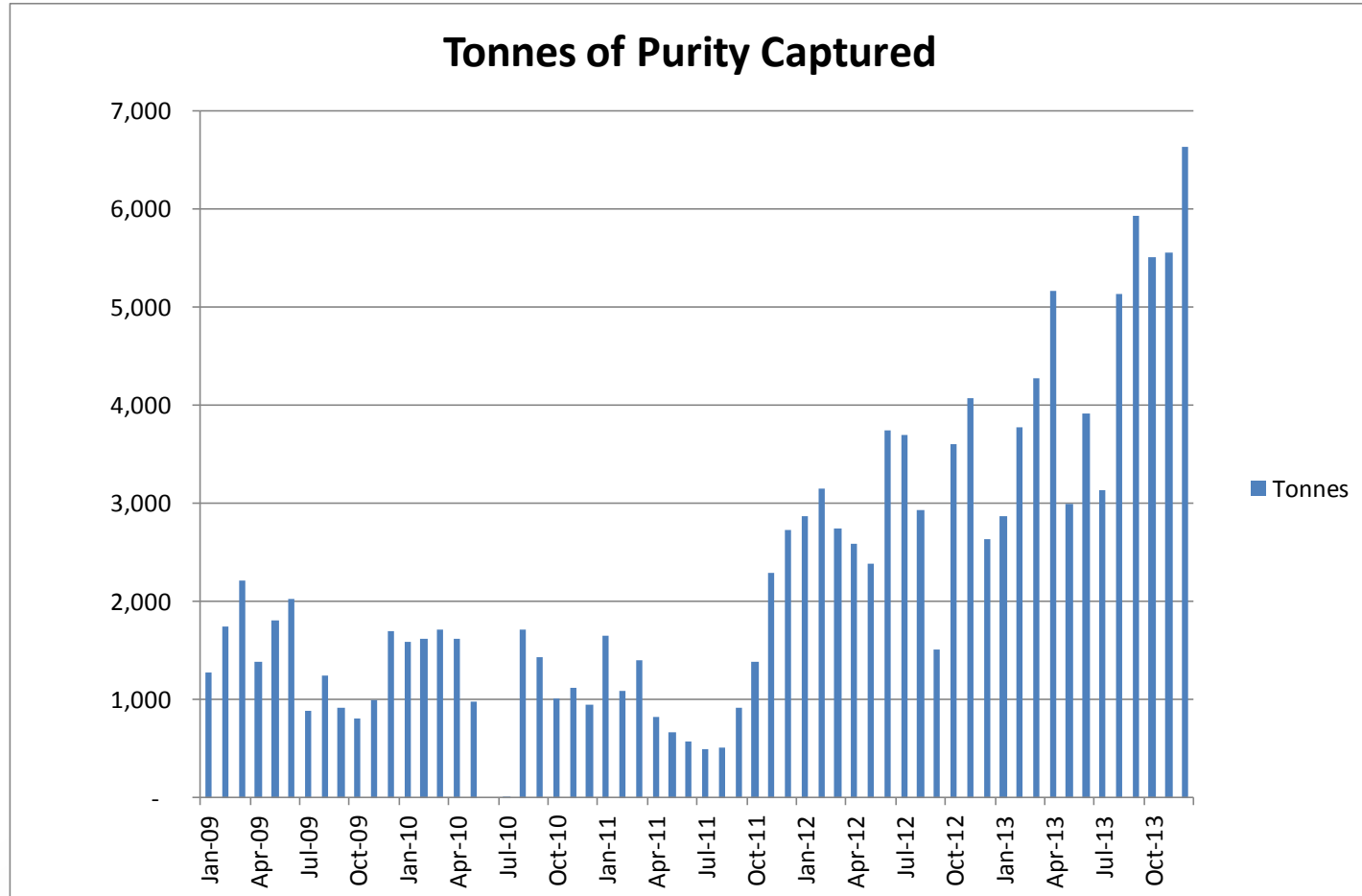
Source: CRU Group - [www.crugroup.com](http://www.crugroup.com)

# Q4 vs. Q3 Operations

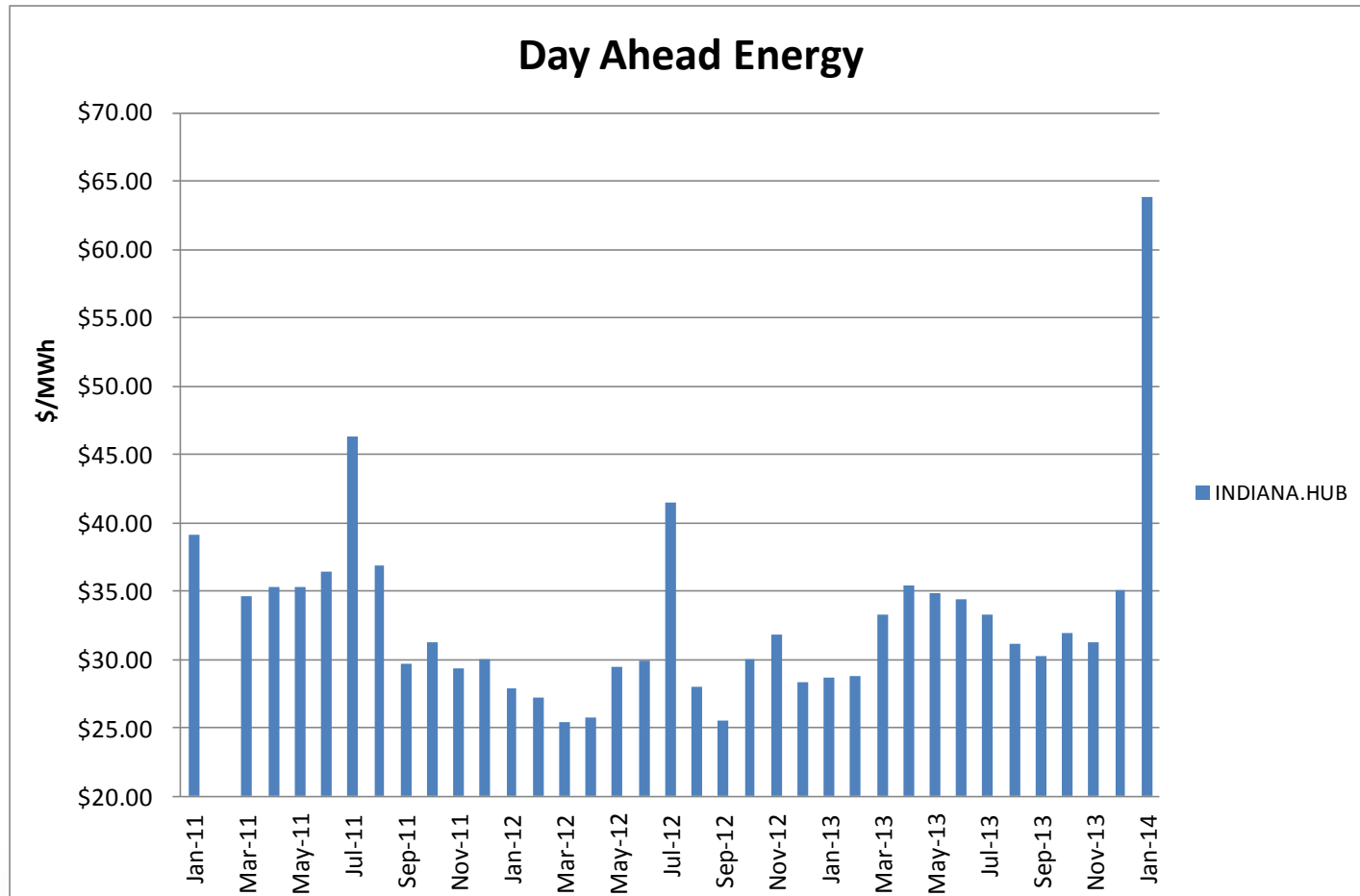
	<u>Hawesville</u>	<u>Sebree</u>	<u>Mt Holly</u>	<u>Grundartangi</u>
<b>Safety</b>	Flat	Flat	Flat	Flat
<b>Production<sup>(a)</sup></b>	0%	11%	0%	1%
<b>KPIs</b>	Flat	Positive	Flat	Flat
<b>Conversion cost</b>	-3%	-3%	0%	5%

(a) Production on a tonnes per day basis.

# Hawesville Purity



# Indiana Hub Day Ahead



\* No data available for February 2011 at hub



# Q4 2013 Summary Results

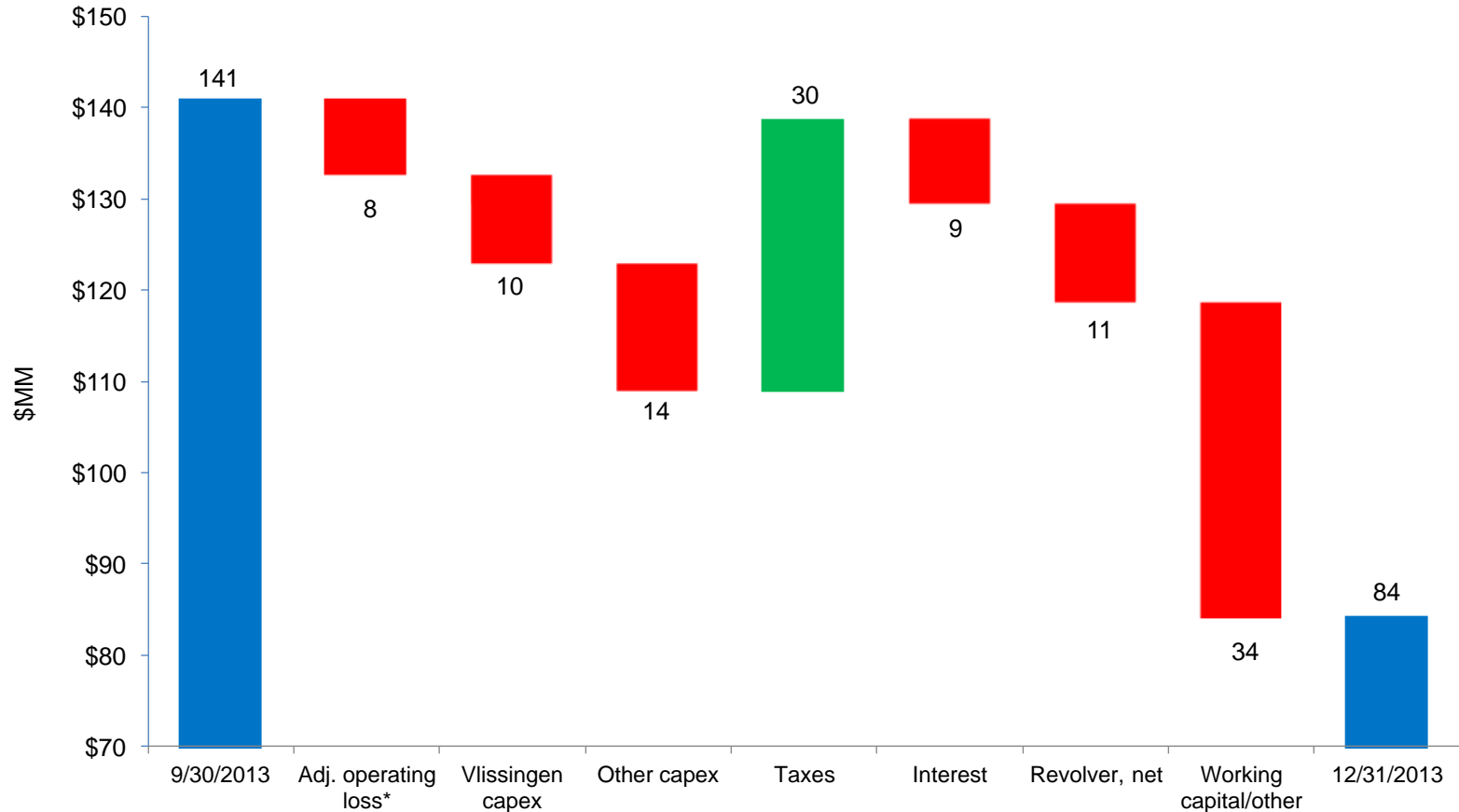
(\$MM, except per share and tonne amounts)

	<u>Q313</u>	<u>Q413</u>
<b>Income statement</b>		
Shipments (tonnes)	212,797	216,755
Net sales	\$ 400	\$ 401
Adjusted operating loss <sup>(a)</sup>	(4.5)	(8.4)
Adjusted net loss <sup>(a)</sup>	(27.0)	(26.9)
Adjusted EPS <sup>(a)</sup>	(0.28)	(0.28)
<b>Balance sheet</b>		
Cash	\$ 141	\$ 84
Revolver availability	<u>44</u>	<u>112</u>
Total liquidity	\$ 185	\$ 196
Total debt <sup>(b)</sup>	\$ 277	\$ 266
Net debt	136	182

<sup>(a)</sup> See reconciliation in appendix

<sup>(b)</sup> Principal amount

# Q4 2013 Cash Flow



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

# FY 2013 Summary Results

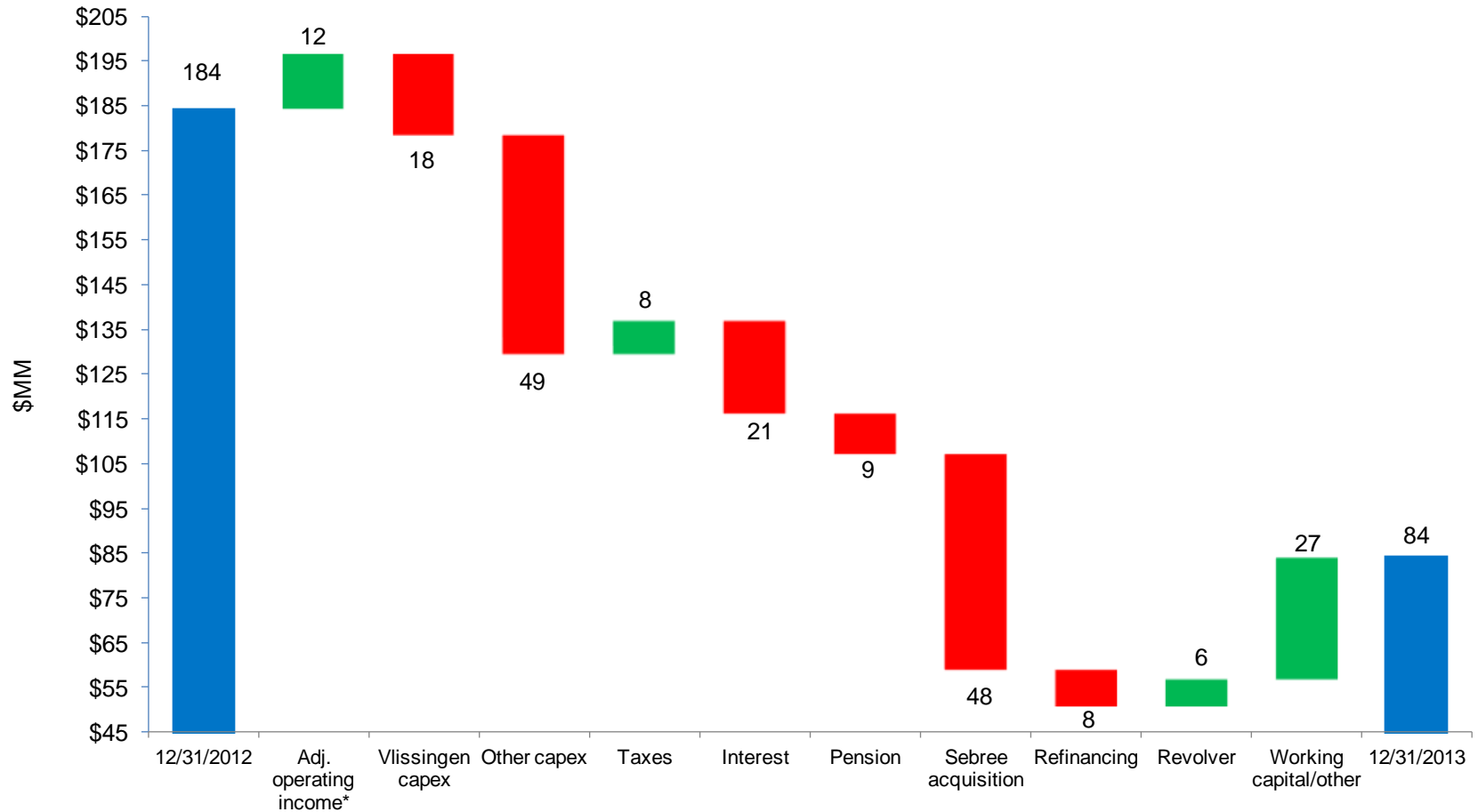
(\$MM, except per share and tonne amounts)

	<u>2012</u>	<u>2013</u>
<b>Income statement</b>		
Shipments (tonnes)	646,529	764,598
Net sales	\$ 1,272	\$ 1,454
Adjusted operating income <sup>(a)</sup>	39.3	12.2
Adjusted net loss <sup>(a)</sup>	(56.5)	(75.9)
Adjusted EPS <sup>(a)</sup>	(0.59)	(0.79)
<b>Balance sheet</b>		
Cash	\$ 184	\$ 84
Revolver availability	<u>50</u>	<u>112</u>
Total liquidity	\$ 234	\$ 196
Total debt <sup>(b)</sup>	\$ 260	\$ 266
Net debt	76	182

<sup>(a)</sup> See reconciliation in appendix

<sup>(b)</sup> Principal amount

# FY 2013 Cash Flow



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

# 2014 Items

<b>Shipments</b>	<b>Hawesville</b> ~245K tonnes (~120K tonnes high purity) <b>Sebree</b> ~205K tonnes (~100K tonnes billet) <b>Mt Holly</b> ~115K tonnes (~55K tonnes billet) <b>Iceland</b> ~295K tonnes (~155K direct)
<b>Pricing<sup>(a)</sup></b>	<b>U.S. Standard</b> - Midwest Transaction (MWT) with 1 month lag <b>U.S. Value Added</b> - ~\$250/T over MWT on average over all premium tonnes <b>Iceland Toll</b> - Tolling fee with 1 month lag <b>Iceland Direct</b> - European Duty Paid with 2 month lag
<b>Power<sup>(b)</sup></b>	<b>Hawesville</b> - Q1 ~20% increase over Q413; Q2-Q4 ~10% decrease over Q413 <b>Sebree</b> - Q1 ~10% decrease over Q413; Q2-Q4 ~30% decrease over Q413 <b>Mt. Holly</b> - 4% increase over 2013; nat. gas price dependent <b>Iceland</b> - % comparable to 2013; price LME dependent
<b>Alumina</b>	<b>U.S.</b> - % LME comparable to 2013 <b>Iceland Direct</b> - ~1/2 index price / ~1/2 % LME; late 2013 market pricing
<b>Carbon</b>	<b>U.S.</b> - ~6.5% decrease from 2013 <b>Iceland</b> - Comparable to 2013
<b>Cash costs<sup>(c)</sup></b>	<b>U.S.</b> \$1,720 - 1,770/T Q1 <b>U.S.</b> \$1,550 - 1,600/T Q2-Q4 <b>Iceland</b> \$1,410 - 1,490/T

(a) Assumes CRU price of \$335/T for Midwest premium and \$300/T for European duty paid premium

(b) Assumes average delivered price of \$50/MWh for Hawesville and Sebree in Q1 and \$37/MWh for Hawesville and Sebree in Q2-Q4. Each \$1/MWh impacts EBITDA by ~\$7.6MM, and total U.S. cash costs by \$13/T

(c) At LME price of \$1,700-1,900/T. Net of premiums to LME. Assumes an alumina cost for Grundartangi toll volume. Excludes interest, capex and corporate SG&A

# 2014 Items (cont.)

<b>Ravenswood curtailment<sup>(a)</sup></b>	<b>Book</b> ~\$11MM (incl. ~\$4MM depreciation) <b>Cash</b> ~\$6MM (excluding pension)
<b>Corporate SG&amp;A</b>	<b>Book</b> ~\$34MM <b>Cash</b> ~\$31MM
<b>Interest</b>	<b>Book</b> ~\$22MM <b>Cash</b> ~\$20MM
<b>Pension</b>	\$5-10MM
<b>Capex</b>	<b>Maintenance</b> - \$15-20MM <b>Grundartangi Expansion</b> - \$15-20MM <b>Vlissingen</b> - ~\$10MM <b>Other Investment</b> - ~\$10MM
<b>Helguvik capex</b>	<\$1MM/year on average until notice to proceed
<b>Depreciation</b>	\$70-75MM; excludes Ravenswood depreciation recorded in Other Operating Expense
<b>Amortization</b>	\$5MM credit (all Q1)
<b>Income/Withholding tax<sup>(b)</sup></b>	<b>U.S.</b> - book/cash <\$1MM <b>Iceland</b> - book - 18%; \$6MM cash income tax, \$10MM withholding tax refund

(a) Reported in other operating expense

(b) Based on withholding taxes paid and dividends declared as of 12/31/2013

# 2014 Priorities

- Kentucky power
  - Transmission issues
  - Future price management alternatives
- Mt Holly – agreement on structure for post 2015 power contract
- Grundartangi expansion project
- Further development of value-added products business (all plants)
- Ravenswood – requirements for restart of operations
- Helguvik – power commitments sufficient to recommence construction

# Appendix

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# Appendix

- The following slides contain financial measures which are not based upon generally accepted accounting principles (GAAP). The non-GAAP measures utilized are adjusted operating income (loss) and adjusted net income (loss). The Company defines adjusted operating income (loss) as operating income (loss) adjusted for certain non-cash items from the statement of cash flows and certain non-recurring items. The Company defines adjusted net income (loss) as net income (loss) excluding the after-tax impact of items management believes to be significant and non-recurring or primarily non-cash.
- The Company's calculations of adjusted operating income (loss) and adjusted net income (loss) 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 (loss) is a useful measure 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 (loss) should not be considered as a substitute for operating income (loss) as determined in accordance with GAAP. The Company's management believes the presentation of adjusted net income (loss) 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 (loss) is representative of the current earnings of the Company. Adjusted net income (loss) should not be considered as a substitute for net income (loss) as determined in accordance with GAAP. The following slides include reconciliations of adjusted operating income (loss) and adjusted net income (loss) to their most comparable GAAP financial measures.

# Q313 Adjusted Net Loss GAAP Reconciliation

	Q3 2013		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (9.5)	96.6	\$ (0.10)
LCM adjustment	(5.8)		(0.06)
Sebree power contract amortization	<u>(11.7)</u>		<u>(0.12)</u>
Adjusted net loss	<u>\$ (27.0)</u>	96.6	<u>\$ (0.28)</u>

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

# Q413 Adjusted Net Loss GAAP Reconciliation

	Q4 2013		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (9.7)	96.7	\$ (0.10)
LCM adjustment	(9.0)		(0.09)
Sebree power contract amortization	(16.6)		(0.17)
Separation of former CEO	<u>8.4</u>		<u>0.09</u>
Adjusted net loss	<u>\$ (26.9)</u>	96.7	<u>\$ (0.28)</u>

(a) Based upon total shares (diluted common plus preferred).

# FY12 Adjusted Net Loss GAAP Reconciliation

	2012		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (35.6)	96.6	\$ (0.37)
Unrealized loss on forward contracts	3.0		0.03
LCM adjustment	(19.8)		(0.21)
Litigation items, net	<u>(4.1)</u>		<u>(0.04)</u>
Adjusted net loss	<u>\$ (56.5)</u>	96.6	<u>\$ (0.59)</u>

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

# FY13 Adjusted Net Loss

## GAAP Reconciliation

	2013		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (40.3)	96.7	\$ (0.42)
Sebree power contract amortization	(31.0)		(0.32)
Gain on bargain purchase	(5.3)		(0.05)
Extinguishment of debt	3.3		0.03
E.ON contingent obligation	(16.8)		(0.17)
Corporate relocation	5.8		0.06
Separation of former CEO	<u>8.4</u>		<u>0.09</u>
Adjusted net loss	<u>\$ (75.9)</u>	96.7	<u>\$ (0.79)</u>

(a) Based upon total shares (diluted common plus preferred).

# Adjusted Operating Loss

## GAAP Reconciliation

(\$MM)

	<u>Q313</u>	<u>Q413</u>
Operating loss	\$ (4.2)	\$ (8.6)
Depreciation	17.2	17.5
LCM adjustment	(5.8)	(9.0)
Sebree power contract amortization	(11.7)	(16.6)
Separation of former CEO	-	8.4
Adjusted operating loss	<u>\$ (4.5)</u>	<u>\$ (8.4)</u>

# Adjusted Operating Income (Loss)

## GAAP Reconciliation

(\$MM)

	<u>2012</u>	<u>2013</u>
Operating loss	\$ (7.3)	\$ (36.6)
Depreciation	62.6	66.6
LCM adjustment	(19.8)	1.2
Sebree power contract amortization	-	(31.0)
Separation of former CEO	-	8.4
Litigation items	3.8	(2.2)
Corporate relocation	-	5.8
Adjusted operating income	<u>\$ 39.3</u>	<u>\$ 12.2</u>

# For Additional Information

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