

# Century ALUMINUM

**2<sup>nd</sup> Quarter 2012  
Earnings Conference Call**

**July 24, 2012**



---

# 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; our ability to successfully obtain long-term competitive power arrangements; our ability to successfully complete our Helguvik, Iceland smelter and the restart of our Ravenswood smelter and Vlissingen carbon anode facility; and our ability to successfully manage and/or improve performance at each of our operating smelters. Forward-looking statements in this presentation include, without limitation, statements regarding the Company's future revenues, costs, cash flows, liquidity and production levels; future global and local operational, financial and economic conditions; future industry conditions, capacity and aluminum prices; our ability to successfully restart our Vlissingen carbon anode facility and the projected returns thereof; 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 reduce power costs at our Hawesville, Kentucky and Mt. Holly, South Carolina smelters. 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 July 24, 2012. 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).

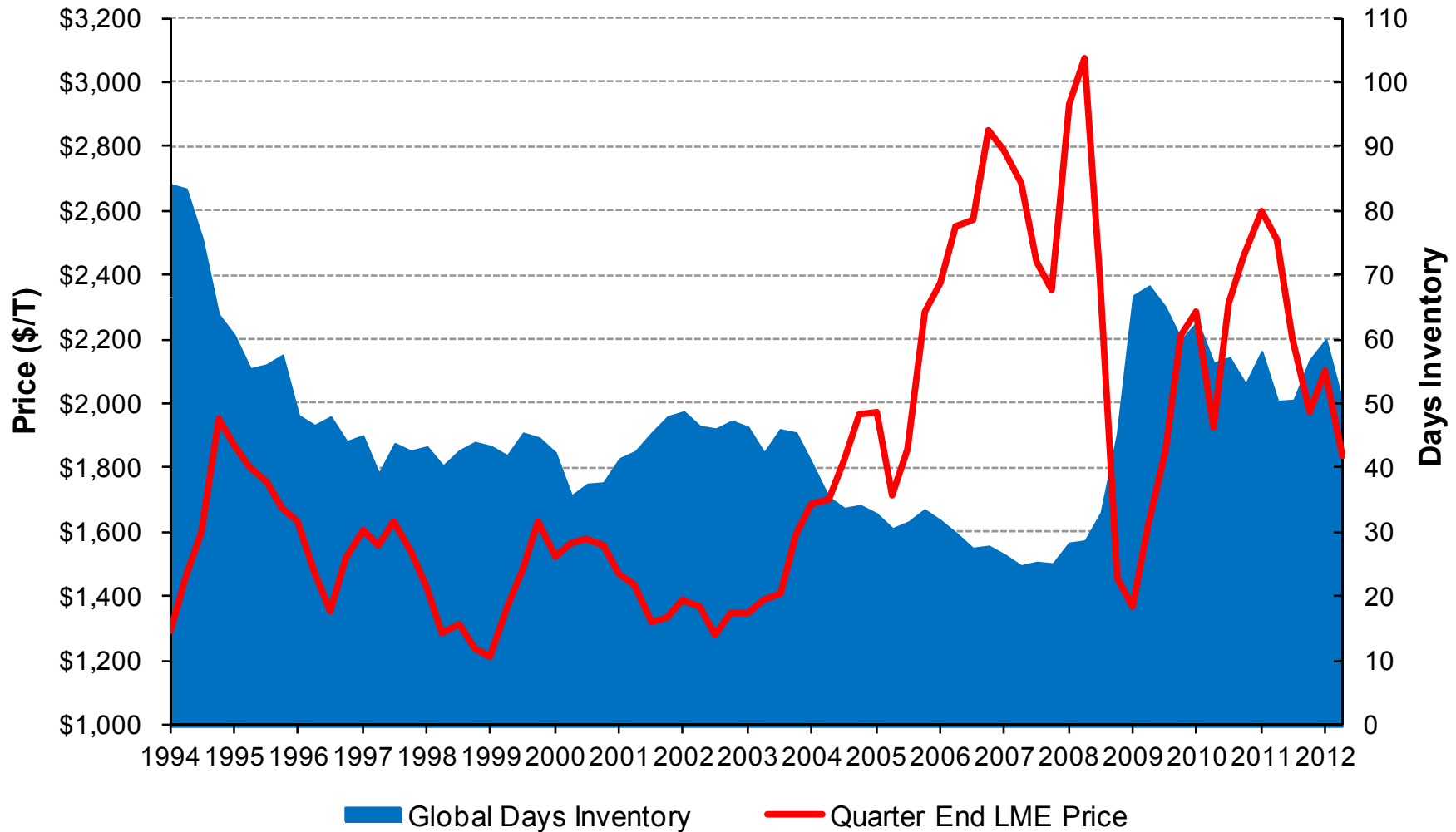
---

# Overview

---

- Hawesville operations continuing improvement
- Cost reductions across the Company
- Netherlands anode plant acquisition
- Mt. Holly power contract
- Ravenswood restart progress
- Helguvik power discussions advancing

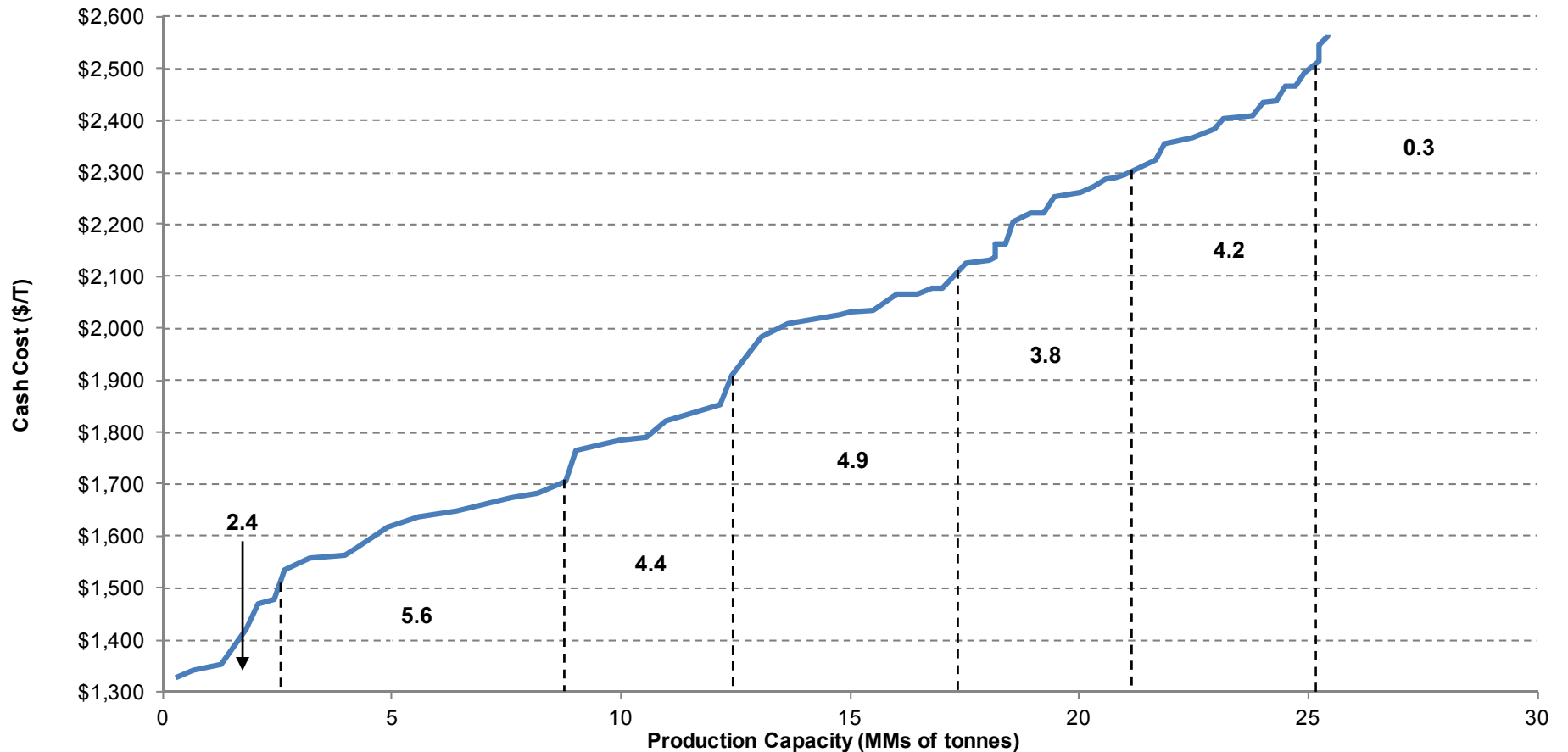
# Stocks vs. Aluminum Price



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

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

# Cost Curve<sup>(a)</sup>



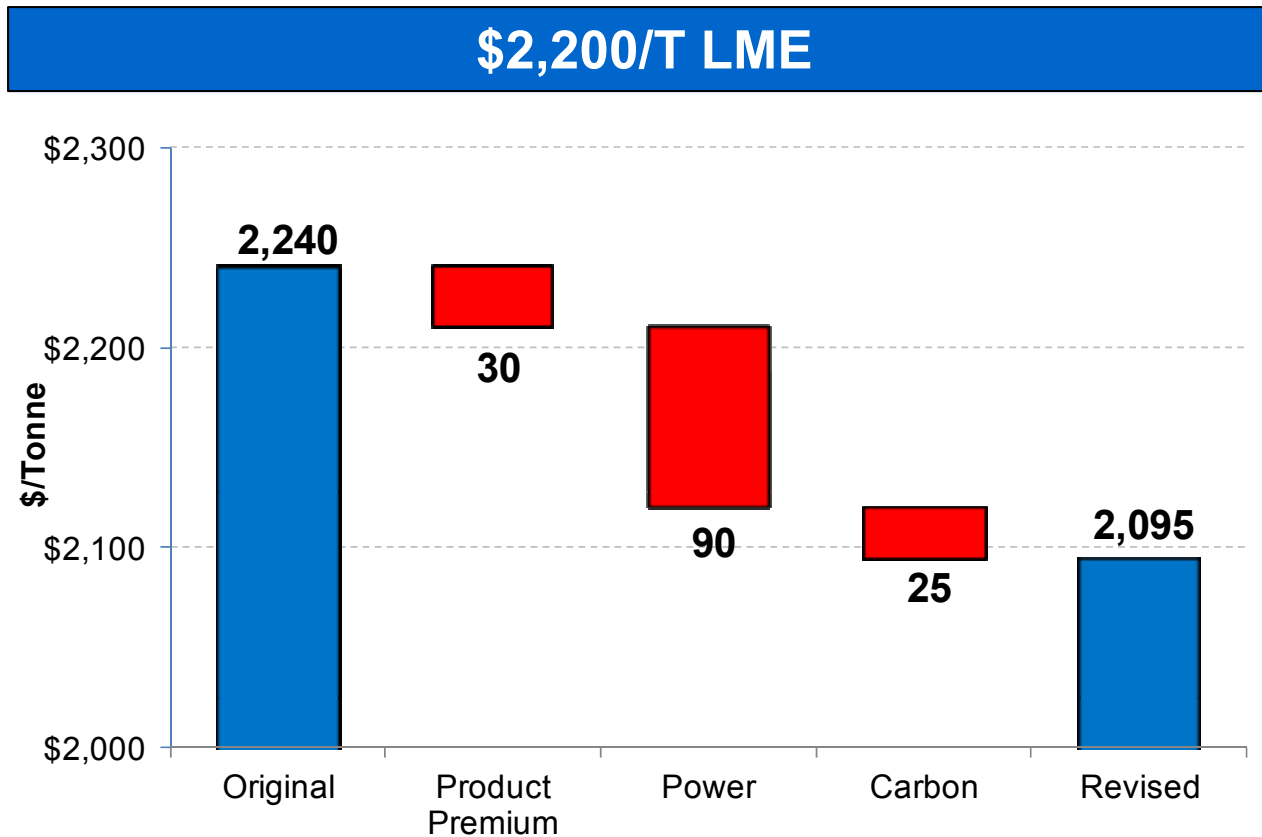
<sup>(a)</sup> Breakeven price, including hot metal cost and casting cost net of average premiums. Cumulative production excludes China and certain non-rational economic producers.

Source: Internal estimates

# Q2 vs. Q1 Operations

	<u>Hawesville</u>	<u>Mt Holly</u>	<u>Grundartangi</u>
Safety	Flat	Flat	Flat
Production	+2%	Flat	Flat
KPIs		Flat	Flat
Conversion cost	Flat	↓ \$85/T	↓ \$70/T

# U.S. 2H 2012 Cash Costs<sup>(a)</sup>



<sup>(a)</sup> At LME price of \$2,200/T. Net of premiums to LME. Excludes interest, capex and corporate SG&A.

---

# Century Anodes

---

- 150K tonnes/year carbon anode facility in Vlissingen, Netherlands – acquired for €10MM
- Key raw material for Iceland operations
  - Complementary to BHH
  - High quality product
  - Logistical advantage
- Startup of first furnace estimated July 2013
  - 75K tonnes/year capacity
  - ~\$45MM capital and startup costs
- Future startup of second 75K tonnes/year furnace
  - ~\$15MM capital investment
  - Dependent upon timing of Helguvik



# Q2 2012 Summary Results

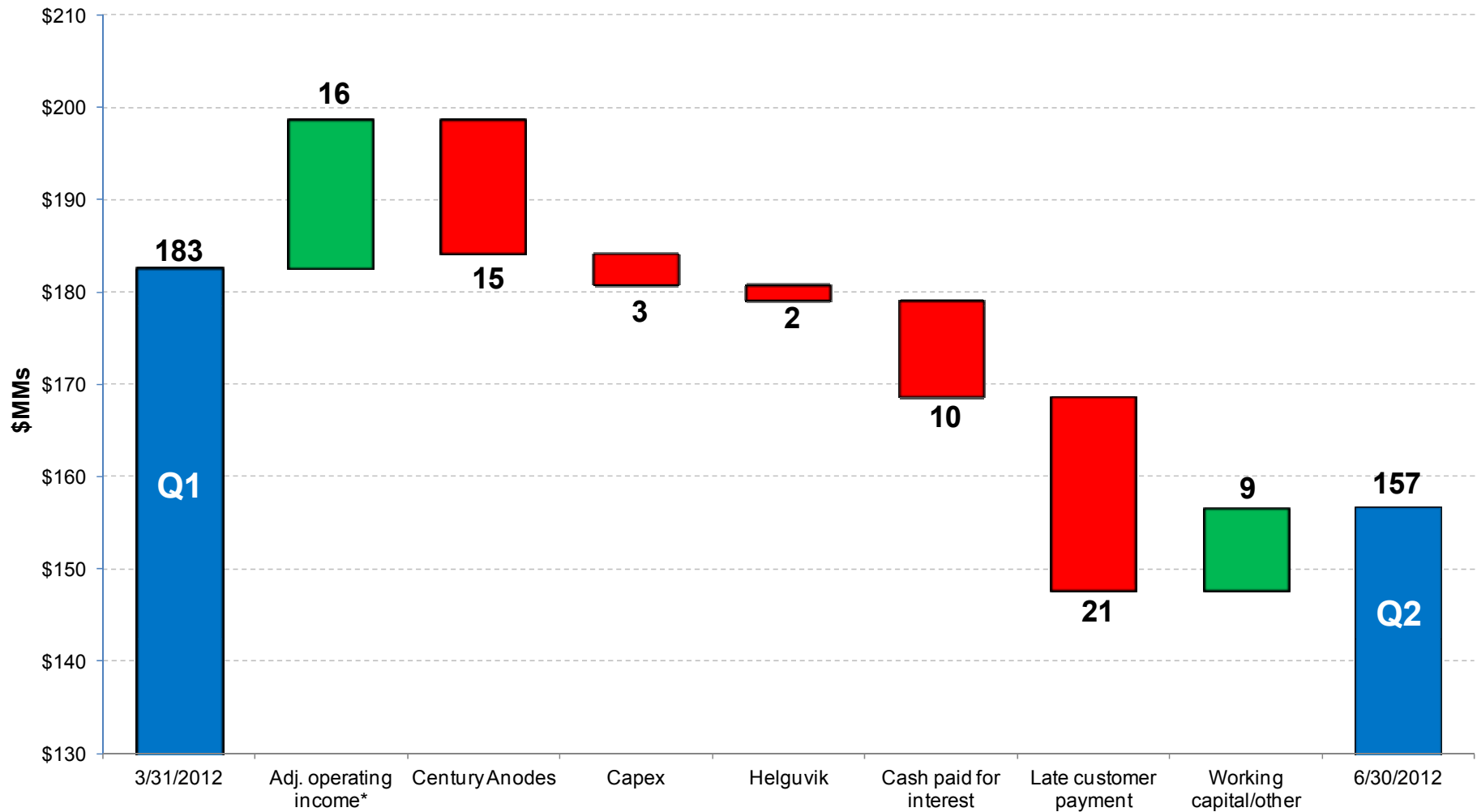
(\$MM, except shipments and per share amounts)

	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Comments</u>
<b>Income statement</b>			
Shipments (tonnes)	159,967	160,828	
Net sales	\$326	\$324	Lagged LME ↓ 2.2%, Premiums ↑
Adjusted operating income (loss) <sup>(a)</sup>	7.0	16.1	Avg. Conv. Cost ↓ \$45/T
Adjusted net income (loss) <sup>(a)</sup>	(16.5)	(8.6)	
Adjusted EPS <sup>(a)</sup>	(0.17)	(0.09)	
<b>Cash flow/balance sheet</b>			
Net cash provided by (used in) operating activities	\$5	(\$7)	Late customer payment
Capital expenditures <sup>(b)</sup>	3	3	
Helguvik capital spending	2	2	
Cash	183	157	Anode investment
Total debt	258	258	

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

<sup>(b)</sup> Excluding capital spending for Helguvik project and Century Anodes.

# Q2 2012 Liquidity



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

---

## Q3 Priorities

---

- Hawesville power
- Century Anodes restart
- Helguvik power contract amendments
- Ravenswood restart
  - Power agreement
  - Labor agreement
  - Prepare plant for operations
- Liquidity/contingency planning

# Appendix

---

# Appendix

---

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 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 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 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 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 should not be considered as a substitute for operating income 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 and adjusted net income to their most comparable GAAP financial measures.

# Q112 and Q212 Adjusted Operating Income

## GAAP Reconciliation

(\$MM)

	Q112	Q212
Operating income (loss)	\$ 8.4	\$ (5.0)
Depreciation	15.7	15.6
LCM adjustment	(17.1)	5.4
Adjusted operating income	<u>\$ 7.0</u>	<u>\$ 16.1</u>

# Q112 Adjusted Net Income

## GAAP Reconciliation

	Q1 2012		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (4.4)	96.8	\$ (0.05)
Unrealized net loss on forward contracts	5.0		0.05
LCM adjustment	<u>(17.1)</u>		<u>(0.18)</u>
Adjusted net loss	<u>\$ (16.5)</u>	96.8	<u>\$ (0.17)</u>

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

# Q212 Adjusted Net Income

## GAAP Reconciliation

	Q2 2012		
	\$MM	Shares <sup>(a)</sup>	EPS <sup>(a)</sup>
Net loss as reported	\$ (12.3)	96.5	\$ (0.13)
Unrealized net gain on forward contracts	(1.8)		(0.02)
LCM adjustment	<u>5.4</u>		<u>0.06</u>
Adjusted net loss	<u>\$ (8.6)</u>	96.5	<u>\$ (0.09)</u>

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



---

# For Additional Information

---

**Shelly Harrison**  
**VP and Treasurer**

[sharrison@centuryca.com](mailto:sharrison@centuryca.com)

**Century Aluminum Company**

2511 Garden Road, Building A, Suite 200

Monterey, CA 93940

831-642-9300 (Office)

831-642-9328 (Fax)

[www.centuryaluminum.com](http://www.centuryaluminum.com)