

Century Aluminum Reports Third Quarter 2006 Earnings

MONTEREY, CA, Oct 24, 2006 (MARKET WIRE via COMTEX News Network) -- Century Aluminum Company (NASDAQ: CENX) reported net income of \$173.9 million (\$5.36 per basic share and \$5.26 per diluted share) for the third quarter of 2006. Reported third quarter results were positively impacted by an after-tax gain of \$134.6 million (\$4.15 per basic share and \$4.06 per diluted share) for mark-to-market adjustments on forward contracts that do not qualify for cash flow hedge accounting.

In the third quarter of 2005, the company reported a net loss of \$20.1 million (\$0.62 per basic and diluted share), which included an after-tax loss of \$36.4 million (\$1.13 per basic and diluted share) for mark-to-market adjustments on forward contracts that do not qualify for cash flow hedge accounting.

Third quarter 2006 highlights included:

- All of the pots from the Nordural capacity expansion from 90,000 to 220,000 metric tons per year (mtpy) were energized in September. The expansion remains on schedule and budget and the plant is expected to reach full rated capacity of 220,000 mtpy by year-end 2006.
- A three-year labor agreement covering 580 hourly workers was ratified by the United Steelworkers at the Ravenswood, West Virginia smelter.
- As a result of a notice to strike by the United Steelworkers (prior to the ratification of the agreement) one potline at the Ravenswood smelter was shut down and subsequently restarted. This action resulted in lost production of approximately 8,000 tonnes during the quarter.

Sales in the third quarter of 2006 were \$381 million, up over 40 percent from \$271 million in the third quarter of 2005. Shipments of primary aluminum for the quarter totaled 374 million pounds compared with 337 million pounds in the year-ago quarter, reflecting the impact of the Nordural expansion less the production curtailment at Ravenswood.

Net income for the first nine months of 2006 was \$78.2 million (\$2.41 per basic share and \$2.38 per diluted share), which compares to \$32.4 million (\$1.01 per basic and diluted share) for the year-ago period.

Sales in the first nine months of 2006 were \$1,134 million compared with \$839 million in the same period of 2005. Shipments of primary aluminum for the first nine months of 2006 were 1,098 million pounds compared with 1,014 million pounds for the comparable 2005 period.

"Lower operating results in the quarter compared to the second quarter of 2006 were primarily a result of a decline in the market price for aluminum and the Ravenswood potline shutdown," said president and chief executive officer Logan W. Kruger. "Our performance during the quarter was also impacted by operating costs at Nordural related to the start-up of the expansion as well as higher U.S. energy costs.

"Despite these challenges, we made important progress during the quarter. The major expansion at Nordural is nearing completion and remains on schedule and budget. We are continuing to make progress with our greenfield project at Helguvik, Iceland. The labor agreements at Ravenswood and Hawesville support the longer-term future of these smelters. With these developments, we are well positioned for the fourth quarter and beyond."

Century Aluminum Company owns primary aluminum capacity in the United States and Iceland, as well as an ownership stake in alumina and bauxite assets in the United States and Jamaica. Century's corporate offices are located in Monterey, California.

This press release may contain "forward-looking statements" within the meaning of U.S. federal securities laws. The company has based its forward-looking statements on current expectations and projections about the future; however, these statements are subject to risks, uncertainties and assumptions, any of which could cause the company's actual results to differ materially from those expressed in its forward-looking statements. More information about these risks, uncertainties and assumptions can be found in the risk factors and forward-looking statements cautionary language contained in the company's Annual Report on Form 10-K and in other filings made with the Securities and Exchange Commission. The company does not undertake, and specifically disclaims, any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date such forward-looking statements are made.

Century Aluminum Company
Consolidated Statements of Operations
(in Thousands, Except Per Share Amounts)
(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|-------------------------------------|-------------|------------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| NET SALES: | | | | |
| Third-party customers | \$ 312,038 | \$ 222,811 | \$ 966,753 | \$ 713,565 |
| Related parties | 69,239 | 48,025 | 167,446 | 125,923 |
| | 381,277 | 270,836 | 1,134,199 | 839,488 |
| COST OF GOODS SOLD | 310,303 | 240,778 | 878,753 | 712,515 |
| | 70,974 | 30,058 | 255,446 | 126,973 |
| GROSS PROFIT | | | | |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES | 8,144 | 8,104 | 28,639 | 24,946 |
| | 62,830 | 21,954 | 226,807 | 102,027 |
| OPERATING INCOME | | | | |
| INTEREST EXPENSE - Net | (9,823) | (5,617) | (25,025) | (18,325) |
| NET GAIN (LOSS) ON FORWARD CONTRACTS | 210,268 | (53,481) | (106,948) | (52,480) |
| OTHER INCOME (EXPENSE) - Net | 3 | (67) | (121) | (132) |
| | | | | |
| INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF JOINT VENTURES | 263,278 | (37,211) | 94,713 | 31,090 |
| INCOME TAX (EXPENSE) BENEFIT | (92,922) | 15,155 | (27,675) | (7,578) |
| | | | | |
| INCOME (LOSS) BEFORE EQUITY IN EARNINGS OF JOINT VENTURES | 170,356 | (22,056) | 67,038 | 23,512 |
| EQUITY IN EARNINGS OF JOINT VENTURES | 3,583 | 1,985 | 11,130 | 8,891 |
| | | | | |
| NET INCOME (LOSS) | \$ 173,939 | \$ (20,071) | \$ 78,168 | \$ 32,403 |
| | | | | |
| EARNINGS (LOSS) PER COMMON SHARE | | | | |
| Basic - Net income (loss) | \$ 5.36 | \$ (0.62) | \$ 2.41 | \$ 1.01 |
| Diluted - Net income (loss) | \$ 5.26 | \$ (0.62) | \$ 2.38 | \$ 1.01 |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING | | | | |
| Basic | 32,438 | 32,162 | 32,374 | 32,120 |
| Diluted | 33,148 | 32,162 | 33,515 | 32,163 |

Century Aluminum Company
Consolidated Balance Sheets
(Dollars in Thousands)
(Unaudited)

| | September 30, December 31, 2006 2005 | |
|----------------------------------|---|-----------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 50,094 | \$ 17,752 |
| Restricted cash | 2,026 | 2,028 |
| Accounts receivable - net | 82,388 | 83,016 |
| Due from affiliates | 28,200 | 18,638 |
| Inventories | 145,739 | 111,436 |
| Prepaid and other current assets | 25,905 | 23,918 |
| Deferred taxes - current portion | 70,831 | 37,705 |
| | | |

| | | |
|-------------------------------------|--------------|--------------|
| Total current assets | 405,183 | 294,493 |
| Property, plant and equipment - net | 1,189,182 | 1,070,158 |
| Intangible asset - net | 64,856 | 74,643 |
| Goodwill | 94,844 | 94,844 |
| Other assets | 165,995 | 143,293 |
| | ----- | ----- |
| Total | \$ 1,920,060 | \$ 1,677,431 |
| | ===== | ===== |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

| | | |
|---|-----------|-----------|
| Accounts payable, trade | \$ 58,820 | \$ 61,919 |
| Due to affiliates | 227,004 | 158,682 |
| Accrued and other current liabilities | 55,644 | 53,715 |
| Long term debt - current portion | 30,099 | 581 |
| Accrued employee benefits costs - current portion | 9,333 | 9,333 |
| Convertible senior notes | 175,000 | 175,000 |
| Industrial revenue bonds | 7,815 | 7,815 |
| | ----- | ----- |
| Total current liabilities | 563,715 | 467,045 |
| | ----- | ----- |

| | | |
|--|-----------|---------|
| Senior unsecured notes payable - net | 250,000 | 250,000 |
| Nordural debt | 289,484 | 230,436 |
| Revolving credit facility | - | 8,069 |
| Accrued pension benefit costs - less current portion | 10,953 | 10,350 |
| Accrued postretirement benefits costs - less current portion | 107,062 | 96,660 |
| Due to affiliates - less current portion | 338,140 | 337,416 |
| Other liabilities | 28,395 | 28,010 |
| Deferred taxes | 16,890 | 16,890 |
| | ----- | ----- |
| Total noncurrent liabilities | 1,040,924 | 977,831 |
| | ----- | ----- |

Shareholders' Equity:

| | | |
|---|--------------|--------------|
| Common stock (one cent par value, 100,000,000 shares authorized; 32,456,835 shares outstanding at September 30, 2006 and 32,188,165 at December 31, 2005) | 325 | 322 |
| Additional paid-in capital | 431,153 | 419,009 |
| Accumulated other comprehensive loss | (98,867) | (91,418) |
| Accumulated deficit | (17,190) | (95,358) |
| | ----- | ----- |
| Total shareholders' equity | 315,421 | 232,555 |
| | ----- | ----- |
| Total | \$ 1,920,060 | \$ 1,677,431 |
| | ===== | ===== |

Century Aluminum Company
Consolidated Statements of Cash Flows
(Dollars in Thousands)
(Unaudited)

| | | |
|---|-------------------|-----------|
| | Nine months ended | |
| | September 30, | |
| | 2006 | 2005 |
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 78,168 | \$ 32,403 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Unrealized net loss on forward contracts | 62,766 | 49,934 |
| Depreciation and amortization | 50,090 | 42,306 |
| Deferred income taxes | (26,224) | 17,606 |

| | | |
|---|-----------|-----------|
| Pension and other post retirement benefits | 11,005 | 11,253 |
| Stock-based compensation | 4,603 | - |
| Excess tax benefits from share based compensation | (1,244) | - |
| (Gain) loss on disposal of assets | 43 | (20) |
| Non cash loss on early extinguishment of debt | - | 253 |
| Change in operating assets and liabilities: | | |
| Accounts receivable - net | 628 | (934) |
| Due from affiliates | (9,562) | (3,246) |
| Inventories | (29,084) | 5,076 |
| Prepaid and other current assets | (4,564) | (2,437) |
| Accounts payable, trade | (784) | 6,668 |
| Due to affiliates | 3,129 | 2,480 |
| Accrued and other current liabilities | (6,381) | (23,209) |
| Other - net | (15,079) | (10,909) |
| | ----- | ----- |
| Net cash provided by operating activities | 117,510 | 127,224 |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (10,610) | (9,629) |
| Nordural expansion | (155,756) | (200,641) |
| Proceeds from sale of property, plant and equipment | 22 | 101 |
| Restricted and other cash deposits | (3,998) | (350) |
| Business acquisitions, net of cash acquired | - | (7,000) |
| | ----- | ----- |
| Net cash used in investing activities | (170,342) | (217,519) |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Borrowings of long-term debt | 89,000 | 188,937 |
| Repayment of long-term debt | (434) | (83,138) |
| Net repayments under revolving credit facility | (8,069) | - |
| Financing fees | - | (5,132) |
| Excess tax benefits from share based compensation | 1,244 | - |
| Dividends | - | (16) |
| Issuance of common stock | 3,433 | 1,323 |
| | ----- | ----- |
| Net cash provided by financing activities | 85,174 | 101,974 |
| | ----- | ----- |
| NET INCREASE IN CASH | 32,342 | 11,679 |
| CASH, BEGINNING OF PERIOD | 17,752 | 44,168 |
| | ----- | ----- |
| CASH, END OF PERIOD | \$ 50,094 | \$ 55,847 |
| | ===== | ===== |

Century Aluminum Company
Selected Operating Data
(Unaudited)

SHIPMENTS - PRIMARY ALUMINUM
Direct (1)

| | Direct (1) | | | Toll | | |
|-------------|------------|---------|----------|--------|--------|-----------|
| | Metric | (000) | | Metric | (000) | (000) |
| | Tons | Pounds | \$/Pound | Tons | Pounds | Revenue |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| 2006 | | | | | | |
| 3rd Quarter | 126,810 | 279,568 | \$ 1.07 | 42,788 | 94,331 | \$ 81,424 |
| 2nd Quarter | 132,590 | 292,311 | \$ 1.12 | 39,125 | 86,255 | \$ 77,702 |
| 1st Quarter | 132,378 | 291,843 | \$ 1.03 | 24,573 | 54,174 | \$ 45,166 |
| 2005 | | | | | | |
| 3rd Quarter | 129,555 | 285,619 | \$ 0.83 | 23,435 | 51,665 | \$ 33,175 |
| 2nd Quarter | 130,974 | 288,748 | \$ 0.86 | 23,025 | 50,761 | \$ 34,174 |
| 1st Quarter | 130,083 | 286,783 | \$ 0.88 | 22,756 | 50,168 | \$ 33,372 |

(1) Does not include Toll shipments from Nordural

FORWARD PRICED SALES - As of September 30, 2006

2006

2011-

| | (1)(2) | 2007(2) | 2008(2) | 2009(2) | 2010(2) | 2015(2) |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Base Volume | | | | | | |
| Pounds (000) | 100,891 | 374,565 | 240,745 | 231,485 | 231,485 | 826,733 |
| Metric Tons | 45,763 | 169,900 | 109,200 | 105,000 | 105,000 | 375,000 |
| Percent of estimated capacity | 25% | 22% | 14% | 13% | 13% | 9% |
| Potential Additional Volume(2) | | | | | | |
| Pounds (000) | 13,889 | 111,113 | 220,903 | 231,485 | 231,485 | 826,733 |
| Metric Tons | 6,300 | 50,400 | 100,200 | 105,000 | 105,000 | 375,000 |
| Percent of estimated capacity | 3% | 7% | 12% | 13% | 13% | 9% |

- (1) The forward priced sales in 2006 exclude October 2006 shipments to customers that are priced based upon the prior month's market price.
- (2) Certain financial sales contracts included in the forward priced sales base volume for the period 2006 through 2015 contain clauses that trigger potential additional sales volume when the market price for a contract month is above the base contract ceiling price. These contracts will be settled monthly and, if the market price exceeds the ceiling price for all contract months through 2015, the potential additional sales volume would be equivalent to the amounts shown above.

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