

February 24, 2015

## Century Reports Fourth Quarter 2014 Financial Results

CHICAGO, IL -- (Marketwired) -- 02/24/15 -- Century Aluminum Company (NASDAQ: CENX) reported net income of \$61.8 million (\$0.64 per common share) for the fourth quarter of 2014. Results were positively impacted by \$6.9 million (\$0.07 per common share) for purchase accounting related to the acquisition of the remaining 50.3% interest of Mt. Holly and negatively impacted by \$5.0 million (\$0.05 per common share) in non-cash, non-recurring pension charges and by \$2.6 million (\$0.03 per common share) related to the separation of former senior executives.

Sales for the fourth quarter of 2014 were \$551.2 million compared with \$401.2 million for the fourth quarter of 2013. Shipments of primary aluminum for the fourth quarter of 2014 were 226,082 tonnes compared with 216,755 tonnes shipped in the fourth quarter of 2013.

For the fourth quarter of 2013, Century reported a net loss of \$9.7 million (\$0.11 per common share). Cost of sales for the fourth quarter of 2013 included a benefit of \$16.6 million related to deferred power contract liability amortization and \$9.0 million for lower inventory costs. Results also included an \$8.4 million charge related to the separation of our former chief executive officer.

For full year 2014, the company reported net income of \$112.5 million (\$1.16 per common share). Results were positively impacted by a benefit of \$5.5 million related to power contract amortization, an unrealized gain of \$1.4 million, primarily related to an LME-based contingent obligation and by \$6.9 million for purchase accounting related to the acquisition of the remaining 50.3% interest of Mt. Holly. Results were negatively impacted by \$5.0 million in non-cash, non-recurring pension charges, \$3.6 million for litigation related items and by \$2.6 million related to the separation of former senior executives.

Sales for the year ended December 31, 2014 were \$1,931.0 million compared with \$1,454.3 million for 2013. Shipments of primary aluminum for 2014 were 867,125 tonnes compared with 764,598 tonnes for 2013 period.

For 2013, Century reported a net loss of \$40.3 million (\$0.45 per common share). Results were positively impacted by a \$31.0 million benefit for deferred power contract liability amortization, \$2.2 million in litigation items and an unrealized gain of \$16.8 million, primarily related to an LME-based contingent obligation. In addition, the company recorded a gain on bargain purchase of \$5.3 million related to the Sebree acquisition. Results for 2013 were negatively impacted by relocation costs of \$5.8 million, a loss on early extinguishment of debt of \$3.3 million and an \$8.4 million charge related to the separation of our former chief executive officer.

"The global macro environment continues to be buffeted by volatile and unpredictable forces," commented Michael Bless, President and Chief Executive Officer. "Myriad geopolitical developments continue to weigh on the price of risk assets, including base metals. In addition, the rapid decline in the value of crude and other major fossil fuels, while producing a meaningful reduction in the price of electric power, has further weighed on sentiment toward industrial commodities. Lastly, the uncertain pace of near-term economic activity in China continues to provide an overhang. All this said, trading conditions in our markets remain reasonably attractive. The fundamentals that should drive market conditions over the long-term, most specifically an attractive demand growth profile, remain firmly in place. It is thus incumbent on us to continue to manage our business on a balanced basis through the present uncertainties."

"We've had a productive last few months at Century," continued Mr. Bless. "In early December we completed the acquisition of the remaining interest in the Mt. Holly smelter. Having now had a closer look, we have confirmed our long-held opinion of the high quality of the management team and employees, and the production and management processes they employ. We are now focused on the significant transition activities, largely in the area of ERP and other systems, which must be completed during the balance of this year. In addition, our recently started value-added product lines at Sebree and Grundartangi are now producing at full capacity."

Mr. Bless concluded, "We have a lot on our plates over the next few months. We are redoubling our efforts on our key safety initiatives; safety performance, while adequate, has been far from the continuous improvement we demand. At Mt. Holly, we are very focused on achieving a post-2015 power arrangement that will support the operation of and investment in this plant over the long term. We will be conducting in-depth negotiations over labor contracts at both Hawesville and Grundartangi. Last, we hope to be nearing a solution for a power contract that will enable us to restart the Ravenswood smelter."

### *About Century Aluminum*

Century Aluminum Company owns primary aluminum capacity in the United States and Iceland. Century's corporate offices are

located in Chicago, IL. Visit [www.centuryaluminum.com](http://www.centuryaluminum.com) for more information.

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Atli B. Gudmundsson, Senior Manager -- Corporate Finance, Landsbankinn hf.

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### **Cautionary Statement**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: future global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); the future financial and operating performance of the Company, its subsidiaries and its projects; future earnings, operating results and liquidity; future inventory, production, sales, cash costs and capital expenditures; our business objectives, strategies and initiatives, the growth of our business (including with respect to production and production capacity) and our competitive position and prospects; our ability to access existing or future financing arrangements; our ability to successfully manage transmission issues and market power price risk and to control or reduce power costs; our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects, including at Mt. Holly and Ravenswood; our ability to successfully produce value-added products at our smelters; future construction investment and development, including at the Helguvík Project, the restart of the second baking furnace at Vlissingen and our expansion project at Grundartangi, including our discussions regarding securing sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, timing, production capacity and sources of funding; our ability to derive benefit from acquisitions, including the acquisitions of our Mt. Holly and Sebree smelters, and to successfully integrate these operations with the rest of our business; and our plans with respect to restarting operations at our Ravenswood smelter.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, the reader is cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

### **CENTURY ALUMINUM COMPANY CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share amounts)  
(Unaudited)

|  | <b>Three months ended December 31,</b> |                | <b>Twelve months ended December 31,</b> |                  |
|--|--|----------------|---|------------------|
|  | <b>2014</b>                            | <b>2013</b>    | <b>2014</b>                             | <b>2013</b>      |
| NET SALES:                                   |  |                |   |                  |
| Third-party customers                        | \$ 188,069                             | \$ 262,782     | \$ 668,941                              | \$ 943,262       |
| Related parties                              | 363,170                                | 138,392        | 1,262,101                               | 511,051          |
|  | <u>551,239</u>                         | <u>401,174</u> | <u>1,931,042</u>                        | <u>1,454,313</u> |
| Cost of goods sold                           | 461,243                                | 385,889        | 1,728,586                               | 1,414,790        |
| Gross profit                                 | 89,996                                 | 15,285         | 202,456                                 | 39,523           |
| Other operating expense - net                | 6,776                                  | 2,314          | 12,481                                  | 8,602            |
| Selling, general and administrative expenses | 16,369                                 | 21,602         | 49,195                                  | 67,477           |
| Operating income (loss)                      | 66,851                                 | (8,631 )       | 140,780                                 | (36,556 )        |

|  |                  |                    |                   |                     |
|--|------------------|--------------------|-------------------|---------------------|
| Interest expense   | (5,474 )         | (5,386 )           | (22,015 )         | (23,091 )           |
| Interest income  | 104              | 271                | 301               | 728                 |
| Net gain on forward and derivative contracts                               | 353              | 447                | 179               | 16,598              |
| Gain on bargain purchase   | -                | -                  | -                 | 5,253               |
| Gain on fair value of contingent consideration                             | 7,943            | -                  | 7,943             | -                   |
| Gain on remeasurement of equity investment                                 | 1,318            | -                  | 1,318             | -                   |
| Loss on early extinguishment of debt                                       | -                | -                  | -                 | (3,272 )            |
| Other income - net   | 1,414            | 1,497              | 991               | 496                 |
| Income (loss) before income taxes and equity in earnings of joint ventures | 72,509           | (11,802 )          | 129,497           | (39,844 )           |
| Income tax benefit (expense)   | (11,304 )        | 1,583              | (18,308 )         | (3,131 )            |
| Income (loss) before equity in earnings of joint ventures                  | 61,205           | (10,219 )          | 111,189           | (42,975 )           |
| Equity in earnings of joint ventures                                       | 644              | 544                | 1,305             | 2,662               |
| Net income (loss)  | <u>\$ 61,849</u> | <u>\$ (9,675 )</u> | <u>\$ 112,494</u> | <u>\$ (40,313 )</u> |
| Net income (loss) allocated to common stockholders                         | \$ 56,824        | \$ (9,675 )        | \$ 103,283        | \$ (40,313 )        |
| <b>EARNINGS (LOSS) PER COMMON SHARE:</b>                                   |                  |                    |                   |                     |
| Basic  | \$ 0.64          | \$ (0.11 )         | \$ 1.16           | \$ (0.45 )          |
| Diluted  | 0.63             | (0.11 )            | 1.15              | (0.45 )             |
| <b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>                         |                  |                    |                   |                     |
| Basic  | 88,959           | 88,684             | 88,823            | 88,612              |
| Diluted  | 89,595           | 88,684             | 89,428            | 88,612              |

**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share amounts)  
(Unaudited)

|   | <u>December 31, 2014</u> | <u>December 31, 2013</u> |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                               |                          |                          |
| Cash and cash equivalents                   | \$ 163,242               | \$ 84,088                |
| Restricted cash                             | 801                      | 1,697                    |
| Accounts receivable - net                   | 76,165                   | 56,184                   |
| Due from affiliates                         | 31,503                   | 43,587                   |
| Inventories                                 | 283,480                  | 239,615                  |
| Prepaid and other current assets            | 29,768                   | 32,276                   |
| Deferred taxes                              | 14,281                   | 13,614                   |
| Total current assets                        | <u>599,240</u>           | <u>471,061</u>           |
| Property, plant and equipment - net         | 1,291,218                | 1,247,661                |
| Other assets                                | 123,577                  | 91,474                   |
| TOTAL                                       | <u>\$ 2,014,035</u>      | <u>\$ 1,810,196</u>      |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                          |                          |
| <b>LIABILITIES:</b>                         |                          |                          |
| Accounts payable, trade                     | \$ 151,443               | \$ 108,490               |
| Due to affiliates                           | 22,261                   | 53,582                   |
| Accrued and other current liabilities       | 104,646                  | 69,466                   |
| Accrued employee benefits costs             | 10,159                   | 8,410                    |

|  |                |                |
|--|----------------|----------------|
| Industrial revenue bonds                                     | 7,815          | 7,815          |
| Total current liabilities                                    | <u>296,324</u> | <u>247,763</u> |
| Senior notes payable   | 246,888        | 246,528        |
| Accrued pension benefits costs - less current portion        | 59,906         | 39,848         |
| Accrued postretirement benefits costs - less current portion | 152,894        | 129,284        |
| Other liabilities  | 53,272         | 37,743         |
| Deferred taxes   | <u>113,604</u> | <u>106,218</u> |
| Total noncurrent liabilities                                 | <u>626,564</u> | <u>559,621</u> |

**SHAREHOLDERS' EQUITY:**

|  |                     |                     |
|--|---------------------|---------------------|
| Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 160,000 issued and 78,141 outstanding at December 31, 2014; 160,000 issued and 79,620 outstanding at December 31, 2013)     | 1                   | 1                   |
| Common stock (one cent par value, 195,000,000 shares authorized; 93,851,103 issued and 89,064,582 outstanding at December 31, 2014; 93,496,798 issued and 88,710,277 outstanding at December 31, 2013) | 939                 | 935                 |
| Additional paid-in capital   | 2,510,261           | 2,508,574           |
| Treasury stock, at cost  | (49,924 )           | (49,924 )           |
| Accumulated other comprehensive loss   | (117,682 )          | (91,832 )           |
| Accumulated deficit  | <u>(1,252,448 )</u> | <u>(1,364,942 )</u> |
| Total shareholders' equity   | <u>1,091,147</u>    | <u>1,002,812</u>    |
| TOTAL  | <u>\$ 2,014,035</u> | <u>\$ 1,810,196</u> |

**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)  
(Unaudited)

|  | <b>Twelve months ended December 31,</b> |              |
|--|---|--------------|
|  | <b>2014</b>                             | <b>2013</b>  |
|  | <u>2014</u>                             | <u>2013</u>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |   |              |
| Net income (loss)  | \$ 112,494                              | \$ (40,313 ) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |   |              |
| Unrealized net gain on forward contracts   | -                                       | (1,170 )     |
| Gain on bargain purchase   | -                                       | (5,253 )     |
| Gain on fair value of contingent consideration   | (7,943 )                                | -            |
| Gain on remeasurement of equity investment   | (1,318 )                                | -            |
| Unrealized gain on E.ON contingent obligation  | (1,412 )                                | (16,781 )    |
| Accrued and other plant curtailment costs - net  | 4,350                                   | 4,452        |
| Lower of cost or market inventory adjustment   | (1,247 )                                | 1,247        |
| Depreciation   | 70,731                                  | 66,570       |
| Sebree power contract amortization   | (5,534 )                                | (31,031 )    |
| Debt discount amortization   | 361                                     | 672          |
| Pension and other postretirement benefits  | 6,939                                   | 1,740        |
| Deferred income taxes  | 2,633                                   | (1,493 )     |
| Stock-based compensation   | 1,334                                   | 1,078        |
| Loss on early extinguishment of debt   | -                                       | 3,272        |
| Equity in earnings of joint ventures, net of dividends                                   | 425                                     | 871          |
| Change in operating assets and liabilities:  |   |              |
| Accounts receivable - net  | (19,981 )                               | (6,001 )     |
| Due from affiliates  | 12,084                                  | (5,717 )     |
| Inventories  | (16,513 )                               | (21,740 )    |
| Prepaid and other current assets   | 3,392                                   | 5,318        |
| Accounts payable, trade  | 11,797                                  | 25,224       |

|   |                   |                  |
|---|-------------------|------------------|
| Due to affiliates                                   | 3,058             | 13,845           |
| Accrued and other current liabilities               | 18,071            | 5,834            |
| Other - net   | 2,690             | 19,094           |
| Net cash provided by operating activities           | <u>196,411</u>    | <u>19,718</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>        |                   |                  |
| Purchase of property, plant and equipment           | (41,559)          | (46,533)         |
| Nordural expansion - Helguvik                       | (337)             | (3,331)          |
| Purchase of carbon anode assets and improvements    | (13,230)          | (18,213)         |
| Purchase of Sebree smelter                          | (1,042)           | (48,058)         |
| Investments in and advances to joint ventures       | -                 | (125)            |
| Purchase of remaining interest in Mt. Holly smelter | (53,831)          | -                |
| Proceeds from sale of property, plant and equipment | 46                | 525              |
| Restricted and other cash deposits                  | 896               | (1,439)          |
| Net cash used in investing activities               | <u>(109,057)</u>  | <u>(117,174)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>        |                   |                  |
| Repayment of debt                                   | (2,603)           | (249,604)        |
| Proceeds from issuance of debt                      | -                 | 246,330          |
| Borrowings under revolving credit facilities        | 92,423            | 22,725           |
| Repayments under revolving credit facilities        | (98,423)          | (16,725)         |
| Debt issuance costs                                 | -                 | (3,994)          |
| Debt retirement costs                               | -                 | (1,208)          |
| Issuance of common stock                            | 403               | 44               |
| Net cash used in financing activities               | <u>(8,200)</u>    | <u>(2,432)</u>   |
| CHANGE IN CASH AND CASH EQUIVALENTS                 | 79,154            | (99,888)         |
| Cash and cash equivalents, beginning of period      | 84,088            | 183,976          |
| Cash and cash equivalents, end of period            | <u>\$ 163,242</u> | <u>\$ 84,088</u> |

**CENTURY ALUMINUM COMPANY**  
**SELECTED OPERATING DATA**

(Unaudited)

**SHIPMENTS - PRIMARY ALUMINUM**

|             | <u>Direct (1)</u>    |                             |                |                             | <u>Toll</u>    |                             |
|-------------|----------------------|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|
|             | <u>United States</u> |                             | <u>Iceland</u> |                             | <u>Iceland</u> |                             |
|             | <u>Tonnes</u>        | <u>Revenue \$<br/>(000)</u> | <u>Tonnes</u>  | <u>Revenue \$<br/>(000)</u> | <u>Tonnes</u>  | <u>Revenue \$<br/>(000)</u> |
| <b>2014</b> |                      |                             |                |                             |                |                             |
| 4th Quarter | 147,291              | \$ 377,606                  | 43,364         | \$ 102,912                  | 35,427         | \$ 60,001                   |
| 3rd Quarter | 143,338              | 353,246                     | 38,056         | 85,117                      | 36,820         | 60,032                      |
| 2nd Quarter | 143,439              | 325,650                     | 39,593         | 82,328                      | 33,012         | 48,441                      |
| 1st Quarter | 136,532              | 296,889                     | 36,764         | 74,370                      | 33,489         | 47,185                      |
| Total       | <u>570,600</u>       | <u>\$ 1,353,391</u>         | <u>157,777</u> | <u>\$ 344,727</u>           | <u>138,748</u> | <u>\$ 215,659</u>           |
| <b>2013</b> |                      |                             |                |                             |                |                             |
| 4th Quarter | 142,411              | \$ 296,747                  | 3,403          | \$ 7,136                    | 70,941         | \$ 97,291                   |
| 3rd Quarter | 138,916              | 295,969                     | 1,204          | 2,578                       | 72,677         | 101,381                     |
| 2nd Quarter | 104,008              | 225,638                     | 2,276          | 5,010                       | 69,986         | 101,290                     |
| 1st Quarter | 87,642               | 203,727                     | 5,830          | 13,573                      | 65,304         | 103,973                     |
| Total       | <u>472,977</u>       | <u>\$ 1,022,081</u>         | <u>12,713</u>  | <u>\$ 28,297</u>            | <u>278,908</u> | <u>\$ 403,935</u>           |

(1) Excludes scrap aluminum sales.

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Source: Century Aluminum Company

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