

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2013

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.
Commission file number 1-34474

CenturyALUMINUM

Century Aluminum Company

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
One South Wacker Drive
Suite 1000
Chicago, Illinois
(Address of principal executive offices)

13-3070826
(IRS Employer Identification No.)

60606
(Zip Code)

Registrant's telephone number, including area code: (312) 696-3101

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

The registrant had 88,605,218 shares of common stock outstanding at July 31, 2013.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
ASSETS		
Cash and cash equivalents	\$ 127,531	\$ 183,976
Restricted cash	978	258
Accounts receivable — net	84,067	50,667
Due from affiliates	24,964	37,870
Inventories	224,707	159,925
Prepaid and other current assets	41,446	34,975
Deferred taxes – current portion	19,613	19,726
Total current assets	523,306	487,397
Property, plant and equipment — net	1,230,031	1,188,214
Other assets	97,838	100,715
TOTAL	<u>\$ 1,851,175</u>	<u>\$ 1,776,326</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 103,867	\$ 75,370
Due to affiliates	67,345	39,737
Accrued and other current liabilities	81,172	40,099
Accrued employee benefits costs — current portion	18,020	18,683
Industrial revenue bonds	7,815	7,815
Total current liabilities	278,219	181,704
Senior notes payable	248,961	250,582
Accrued pension benefits costs — less current portion	63,748	67,878
Accrued postretirement benefits costs — less current portion	142,978	143,105
Other liabilities	37,056	40,162
Deferred taxes	111,318	110,252
Total noncurrent liabilities	604,061	611,979
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
SHAREHOLDERS' EQUITY:		
Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 80,084 and 80,283 issued and outstanding at June 30, 2013 and December 31, 2012, respectively)	1	1
Common stock (one cent par value, 195,000,000 shares authorized; 93,389,230 issued and 88,602,709 outstanding at June 30, 2013; 93,335,158 issued and 88,548,637 outstanding at December 31, 2012)	934	933
Additional paid-in capital	2,507,996	2,507,454
Treasury stock, at cost	(49,924)	(49,924)
Accumulated other comprehensive loss	(139,163)	(151,192)
Accumulated deficit	(1,350,949)	(1,324,629)
Total shareholders' equity	968,895	982,643
TOTAL	<u>\$ 1,851,175</u>	<u>\$ 1,776,326</u>

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	Three months ended June 30, 2013	2012	Six months ended June 30, 2013	2012
NET SALES:				
Third-party customers	\$ 220,950	\$ 184,022	\$ 409,464	\$ 372,861
Related parties	110,987	139,597	243,747	276,948
	<u>331,937</u>	<u>323,619</u>	<u>653,211</u>	<u>649,809</u>
Cost of goods sold	337,635	317,662	641,327	623,260
Gross profit (loss)	(5,698)	5,957	11,884	26,549
Other operating expenses – net	3,018	3,817	4,114	7,538
Selling, general and administrative expenses	15,154	7,151	31,453	15,610
	<u>(23,870)</u>	<u>(5,011)</u>	<u>(23,683)</u>	<u>3,401</u>
Operating income (loss)	(23,870)	(5,011)	(23,683)	3,401
Interest expense – third party	(6,224)	(5,946)	(12,300)	(11,924)
Interest income – third party	186	113	317	251
Interest income – related parties	—	2	—	62
Net gain (loss) on forward and derivative contracts	204	1,450	15,711	(3,709)
Gain on bargain purchase	2,042	—	2,042	—
Loss on early extinguishment of debt	(3,272)	—	(3,272)	—
Other income (expense) – net	(1,284)	161	(1,214)	467
	<u>(32,218)</u>	<u>(9,231)</u>	<u>(22,399)</u>	<u>(11,452)</u>
Loss before income taxes and equity in earnings of joint ventures	(32,218)	(9,231)	(22,399)	(11,452)
Income tax expense	(2,791)	(3,395)	(5,308)	(6,216)
	<u>(35,009)</u>	<u>(12,626)</u>	<u>(27,707)</u>	<u>(17,668)</u>
Loss before equity in earnings of joint ventures	(35,009)	(12,626)	(27,707)	(17,668)
Equity in earnings of joint ventures	436	349	1,387	990
	<u>(34,573)</u>	<u>(12,277)</u>	<u>(26,320)</u>	<u>(16,678)</u>
Net loss	\$ (34,573)	\$ (12,277)	\$ (26,320)	\$ (16,678)
Net loss allocated to common shareholders	\$ (34,573)	\$ (12,277)	\$ (26,320)	\$ (16,678)
LOSS PER COMMON SHARE:				
Basic and Diluted	\$ (0.39)	\$ (0.14)	\$ (0.30)	\$ (0.19)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	88,597	88,452	88,576	88,589
Diluted	88,597	88,452	88,576	88,589

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands)
(Unaudited)

	Three months ended June 30, 2013	2012	Six months ended June 30, 2013	2012
Comprehensive loss:				
Net loss	\$ (34,573)	\$ (12,277)	\$ (26,320)	\$ (16,678)
Other comprehensive income before income tax effect:				
Net unrealized gain (loss) on financial instruments	—	26	—	(220)
Net loss reclassified to income on financial instruments	—	209	—	481
Net gain on foreign currency cash flow hedges reclassified as income	(46)	(46)	(93)	(93)
Defined benefit plans and other postretirement benefits:				
Net gain arising during the period	10,349	49	10,349	49
Amortization of prior service benefit during the period	(916)	(1,031)	(1,944)	(2,056)
Amortization of net loss during the period	2,130	2,941	4,482	5,125
Other comprehensive income before income tax effect	11,517	2,148	12,794	3,286
Income tax effect	(383)	(383)	(765)	(765)
Other comprehensive income	11,134	1,765	12,029	2,521
Total comprehensive loss	<u>\$ (23,439)</u>	<u>\$ (10,512)</u>	<u>\$ (14,291)</u>	<u>\$ (14,157)</u>

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Six months ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (26,320)	\$ (16,678)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Unrealized net (gain) loss on forward contracts	(397)	3,177
Gain on bargain purchase	(2,042)	—
Unrealized gain on E.ON contingent obligation	(16,075)	—
Accrued and other plant curtailment costs — net	2,268	2,781
Lower of cost or market inventory adjustment	16,049	(11,617)
Depreciation and amortization	29,157	31,288
Debt discount amortization	502	523
Pension and other postretirement benefits	(3,616)	(260)
Stock-based compensation	499	212
Loss on early extinguishment of debt	3,272	—
Undistributed earnings of joint ventures	(1,387)	(990)
Change in operating assets and liabilities:		
Accounts receivable — net	(33,883)	(24,289)
Due from affiliates	12,906	5,401
Inventories	(22,334)	25,040
Prepaid and other current assets	(5,992)	(3,877)
Accounts payable, trade	30,696	(15,931)
Due to affiliates	27,607	1,151
Accrued and other current liabilities	(1,827)	1,750
Other — net	13,893	704
Net cash provided by (used in) operating activities	<u>22,976</u>	<u>(1,615)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(16,565)	(6,165)
Nordural expansion — Helguvik	(2,559)	(3,586)
Purchase of carbon anode assets and improvements	(3,670)	(14,524)
Purchase of Sebree smelter	(48,058)	—
Investments in and advances to joint ventures	—	(200)
Dividends and payments received on advances from joint ventures	—	3,166
Proceeds from sale of property, plant and equipment	515	68
Restricted and other cash deposits	(720)	—
Net cash used in investing activities	<u>\$ (71,057)</u>	<u>\$ (21,241)</u>

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Dollars in thousands)
(Unaudited)

	Six months ended June 30, 2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	\$ (249,604)	\$ —
Proceeds from issuance of debt	246,330	—
Borrowings under revolving credit facility	—	18,076
Repayments under revolving credit facility	—	(18,076)
Debt issuance costs	(3,926)	—
Debt retirement costs	(1,208)	—
Repurchase of common stock	—	(4,033)
Issuance of common stock — net	44	—
Net cash used in financing activities	(8,364)	(4,033)
CHANGE IN CASH AND CASH EQUIVALENTS	(56,445)	(26,889)
Cash and cash equivalents, beginning of the period	183,976	183,401
Cash and cash equivalents, end of the period	<u>\$ 127,531</u>	<u>\$ 156,512</u>

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements for the
Three and six months ended June 30, 2013 and 2012
(Dollar amounts in thousands, except per share amounts)
(Unaudited)

1. General

The accompanying unaudited interim consolidated financial statements of Century Aluminum Company should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012. In management's opinion, the unaudited interim consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for the first six months of 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. Throughout this Form 10-Q, and unless expressly stated otherwise or as the context otherwise requires, "Century Aluminum," "Century," "we," "us," "our" and "ours" refer to Century Aluminum Company and its consolidated subsidiaries.

2. Acquisition of Sebree aluminum smelter

Acquisition of Sebree smelter

On June 1, 2013, our wholly owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree"), acquired the Sebree aluminum smelter ("Sebree") from a subsidiary of Rio Tinto Alcan, Inc ("RTA"). Sebree, located in Robards, Kentucky, has an annual hot metal production capacity of 205,000 metric tons of primary aluminum and employs approximately 500 men and women. The purchase price for the acquisition was \$61,000 (subject to customary working capital adjustments), of which we have paid \$48,000 as of June 30, 2013. The remaining portion of the purchase price will be paid following final determination of the applicable working capital adjustments, which will be determined based on the amount of working capital transferred to Century Sebree at closing versus a target working capital amount of \$71,000. As part of the transaction, RTA retained all historical environmental liabilities of the Sebree smelter and has agreed to fully fund the pension plan being assumed by Century.

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocate the purchase price to the assets acquired, liabilities assumed, and any bargain gain (or goodwill) in accordance with ASC 805, "Business Combinations." Once it has been determined that recognition of an asset or liability in a business combination is appropriate, we measure the asset or liability at fair value in accordance with the principles of ASC 820, "Fair Value Measurements and Disclosures." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The determination of the fair value of certain intangible assets and/or liabilities require significant management judgment in each of the following areas:

- Identify the acquired intangible assets or liabilities. In the case of the Sebree acquisition, we assumed a power contract liability as the contract price is in excess of current market prices.
- Estimate the fair value of the intangible assets and/or liabilities. We consider various approaches to value the acquired intangible assets and/or liabilities. These valuation approaches include the cost approach, which measures the value of an asset based on the cost to reproduce it or replace it with a like asset; the market approach, which values the assets through an analysis of sales and offerings of comparable assets; and the income approach, which measures the value of an asset (or liability) by measuring the present worth of the economic benefits (or costs) it is expected to produce.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the date of acquisition. The purchase price allocation is preliminary and subject to change based on the finalization of the valuation of assets and liabilities. Based on the preliminary purchase price allocation, we recorded a gain on bargain purchase of approximately \$2,042. The gain on bargain purchase reflects the current London Metal Exchange (the "LME") market and the market risk associated with the long term power supply for the facility. The following table summarizes the preliminary estimates of fair value of the assets acquired and the liabilities assumed as of the acquisition date:

Consideration:		
Cash (1)	\$	47,373
Assets Acquired:		
Inventories		58,496
Prepaid and other current assets		363
Property, plant and equipment – net		55,520
Total assets acquired	\$	114,379
Liabilities Assumed:		
Accrued and other current liabilities	\$	44,121
Accrued pension benefit costs		5,039
Accrued post retirement benefit costs		6,544
Other liabilities		8,003
Deferred taxes		1,257
Total liabilities assumed	\$	64,964
Gain on bargain purchase:	\$	<u>2,042</u>

(1) This amount represents our preliminary estimate of consideration based on our expectation of the working capital adjustments.

Through June 30, 2013, the actual revenue and net loss of Sebree since the acquisition date of June 1, 2013 included in the consolidated statement of operations is as follows:

	From Acquisition date through June 30, 2013
Sebree revenue	\$ 38,753
Sebree net loss	(3,456)

The following unaudited pro forma financial information for the three and six months ended June 30, 2013 reflects our results of continuing operations as if the acquisition of Sebree had been completed on January 1, 2013 or January 1, 2012. This unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions taken place on January 1, 2013 or January 1, 2012, nor is it indicative of the future consolidated results of operations or financial position of the combined companies.

	Three months ended June 30, 2013	2012	Six months ended June 30, 2013	2012
Pro forma revenues	\$ 413,907	\$ 444,267	\$ 861,605	\$ 890,860
Pro forma earnings from continuing operations	(38,231)	(5,056)	(39,183)	(4,330)
Loss per common share, basic	(0.43)	(0.06)	(0.44)	(0.05)
Loss per common share, diluted	(0.43)	(0.06)	(0.44)	(0.05)

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

3. Asset purchase

In June 2012, Century Vlissingen purchased substantially all of the assets of the Zalco anode production facility located in Vlissingen, the Netherlands for approximately \$12,500. In connection with the purchase, we entered into a ground lease with respect to the facility that is renewable at our option. Century Vlissingen did not assume, and is indemnified by the seller against, historical liabilities of the facility.

The anode production facility, which was curtailed by Zalco in December 2011, will require a significant capital investment to modernize the facility, comply with environmental regulations and optimize anode production for our smelter in Grundartangi. We expect the first 75,000 metric tons of capacity will be restarted in late 2013 and will provide an anode supply to replace third-party anode supply contracts that will terminate in 2013.

4. Fair value measurements

The following section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value and are categorized based on the fair value hierarchy described in Accounting Standards Codification Manual ("ASC") 820 "Fair Value Measurements."

Overview of Century's valuation methodology

	Level	Significant inputs
Cash equivalents/money market funds	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
E.ON U.S. ("E.ON") contingent obligation	3	Quoted LME forward market, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations at Century Aluminum of Kentucky, our wholly owned subsidiary ("CAKY").
Primary aluminum sales premium contracts	3	Management's estimates of future U.S. Midwest premium and risk-adjusted discount rates

- (1) Trust assets are currently invested in money market funds. These trust assets are held to fund the non-qualified supplemental executive pension benefit obligations for certain of our officers. The trust has sole authority to invest the funds in secure interest producing investments consisting of short-term securities issued or guaranteed by the United States government or cash and cash equivalents.

Fair value measurements

Our fair value measurements include the consideration of market risks that other market participants might consider in pricing the particular asset or liability, specifically non-performance risk and counterparty credit risk. Consideration of the non-performance risk and counterparty credit risk are used to establish the appropriate risk-adjusted discount rates used in our fair value measurements.

The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis by the level of input within the ASC 820 fair value hierarchy. As required by GAAP for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented below.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Recurring Fair Value Measurements		As of June 30, 2013			
		Level 1	Level 2	Level 3	Total
ASSETS:					
Cash equivalents	\$	105,104	\$ —	\$ —	\$ 105,104
Trust assets (1)		12,276	—	—	12,276
Surety bond – workers comp insurance		1,574	—	—	1,574
TOTAL	\$	118,954	\$ —	\$ —	\$ 118,954
LIABILITIES:					
E.ON contingent obligation – net (2)	\$	—	\$ —	\$ —	\$ —
Primary aluminum sales contract – premium collar		—	—	773	773
TOTAL	\$	—	\$ —	\$ 773	\$ 773

- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.
- (2) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Recurring Fair Value Measurements		As of December 31, 2012			
		Level 1	Level 2	Level 3	Total
ASSETS:					
Cash equivalents	\$	168,309	\$ —	\$ —	\$ 168,309
Trust assets (1)		14,254	—	—	14,254
Surety bonds – workers comp insurance		2,123	—	—	2,123
TOTAL	\$	184,686	\$ —	\$ —	\$ 184,686
LIABILITIES:					
E.ON contingent obligation– net	\$	—	\$ —	\$ 15,369	\$ 15,369
Primary aluminum sales contract – premium collar		—	—	1,170	1,170
TOTAL	\$	—	\$ —	\$ 16,539	\$ 16,539

- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Change in Level 3 Fair Value Measurements during the three months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, April 1,	\$ (1,030)	\$ (15,426)
Total gain (loss) (realized/unrealized) included in earnings	257	(545)
Settlements	—	(53)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 257	\$ (545)

Change in Level 3 Fair Value Measurements during the six months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, January 1,	\$ (16,539)	\$ (14,760)
Total gain (loss) (realized/unrealized) included in earnings	15,766	(1,158)
Settlements	—	(106)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 15,766	\$ (1,158)

The net gain (loss) on our derivative assets and liabilities is recorded in our consolidated statement of operations under net gain (loss) on forward and derivative contracts. See [Note 5 Derivative and hedging instruments](#) for the location of our Level 3 derivative assets and liabilities within our consolidated balance sheets.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

5. Derivative and hedging instruments

The following table provides the fair value and balance sheet classification of our derivatives:

Fair Value of Derivative Liabilities

	Balance sheet location	June 30, 2013	December 31, 2012
DERIVATIVE LIABILITIES:			
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	\$ 773	\$ 1,170
E.ON contingent obligation – net (1)	Other liabilities	—	15,369
TOTAL		\$ 773	\$ 16,539

- (1) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Primary aluminum put option contracts

In the past, we have entered into primary aluminum put option contracts that settled monthly based on LME prices. The option contract volumes accounted for a portion of our domestic production, with a strike price around our domestic facilities' average cash basis break-even price at the time.

Our counterparties included two non-related third parties and an affiliate of Glencore Xstrata plc (together with its subsidiaries, "Glencore"), a related party. We paid cash premiums to enter into the put option contracts and recorded an asset on the consolidated balance sheets. We determined the fair value of the put option contracts using a Black-Scholes model with market data provided by an independent vendor. See the derivatives not designated as hedging instruments table below for more information.

Aluminum sales premium contracts

The Glencore Metal Agreement is a physical delivery contract for primary aluminum through December 31, 2013 with variable, LME-based pricing. Under the Glencore Metal Agreement, pricing is based on market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium. We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Gains and losses on the derivative are based on the difference between the contracted U.S. Midwest premium and actual and forecasted U.S. Midwest premiums. Settlements are recorded in related party sales. Unrealized gains (losses) based on forecasted U.S. Midwest premiums are recorded in net gain (loss) on forward and derivative contracts on the consolidated statements of operations.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
	Location	2013	2012	2013	2012
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ —	\$ 16,075	\$ —
Primary aluminum put option contracts	Net gain (loss) on forward and derivative contracts	—	1,970	—	(2,725)
Aluminum sales premium contracts	Related party sales	406	328	761	532
Aluminum sales premium contracts	Net gain (loss) on forward and derivative contracts	(149)	(520)	(364)	(985)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

We had the following outstanding forward contracts that were entered into that were not designated as hedging instruments:

	June 30, 2013	December 31, 2012
Primary aluminum sales contract premium (metric tons) (1)	10,430	20,400

(1) Represents the remaining physical deliveries under the Glencore Metal Agreement.

Counterparty credit risk. Forward financial contracts are subject to counterparty credit risk. However, we only enter into forward financial contracts with counterparties we determine to be creditworthy at the time of entering into the contract. If any counterparty failed to perform according to the terms of the contract, the impact would be limited to the difference between the contract price and the market price applied to the contract volume on the date of settlement.

As of June 30, 2013, income of \$153 is expected to be reclassified out of accumulated other comprehensive loss into earnings over the next 12-month period for derivative instruments that have been designated and have qualified as cash flow hedging instruments and for the related hedged transactions.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
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6. Earnings per share

Basic earnings per share ("EPS") amounts are calculated by dividing earnings available to common shareholders by the weighted average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive common shares outstanding. The following table shows the basic and diluted earnings per share for the three and six months ended June 30, 2013 and June 30, 2012:

For the three months ended June 30,

	2013			2012		
	Loss	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net loss	\$ (34,573)			\$ (12,277)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(34,573)	88,597	\$ (0.39)	(12,277)	88,452	\$ (0.14)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	<u>\$ (34,573)</u>	<u>88,597</u>	<u>\$ (0.39)</u>	<u>\$ (12,277)</u>	<u>88,452</u>	<u>\$ (0.14)</u>

For the six months ended June 30,

	2013			2012		
	Loss	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net loss	\$ (26,320)			\$ (16,678)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(26,320)	88,576	\$ (0.30)	(16,678)	88,589	\$ (0.19)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	<u>\$ (26,320)</u>	<u>88,576</u>	<u>\$ (0.30)</u>	<u>\$ (16,678)</u>	<u>88,589</u>	<u>\$ (0.19)</u>

- (1) We have not allocated net losses between common and preferred shareholders, as the holders of our preferred shares do not have a contractual obligation to share in the loss.

Impact of our outstanding Series A Convertible Preferred Stock on EPS

Our Series A Convertible preferred stock has similar characteristics of a "participating security" as described by the ASC 260-10-45. In accordance with the guidance in the ASC 260-10-45, we calculated basic EPS using the Two-Class Method, allocating undistributed income to our preferred shareholder consistent with their participation rights, and diluted EPS using the If-Converted Method when applicable.

ASC 260-10-50 does not require the presentation of basic and diluted EPS for securities other than common stock and the EPS amounts, as presented, only pertain to our common stock.

The Two-Class Method is an earnings allocation formula that determines earnings per share for common shares and participating securities according to dividends declared (or accumulated) and the participation rights in undistributed earnings.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
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The holders of our convertible preferred stock do not have a contractual obligation to share in the losses of Century. Thus, in periods where we report net losses, we will not allocate the net losses to the convertible preferred stock for the computation of basic or diluted EPS.

Calculation of EPS:	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Options to purchase common stock	620,334	626,334	620,334	626,334
Weighted average service-based share awards outstanding	576,510	395,791	496,234	370,658
Excluded from the calculation of diluted EPS:				
Stock options (1)	620,334	626,334	620,334	632,334
Service-based share award	576,510	395,791	496,234	370,658

- (1) These stock option awards were excluded from the calculation of diluted EPS because the exercise price of these options was greater than the average market price of the underlying common stock, except in periods when we had a net loss where all options were excluded because of their antidilutive effect on earnings per share.

In March 2012, we repurchased 400,000 shares of our common stock under a stock repurchase program. See [Note 7 Shareholders' equity](#) for additional information about this program. Shares repurchased under the program are excluded from the calculation of weighted average shares of common stock outstanding.

Service-based share awards for which vesting is based upon continued service are not considered issued and outstanding shares of common stock until vested and issued. However, the service-based share awards are considered common stock equivalents and, therefore, the weighted average service-based share awards are included, using the treasury stock method, in common shares outstanding for diluted earnings per share computations if they have a dilutive effect on earnings per share.

7. Shareholders' equity

Common Stock

Under our Restated Certificate of Incorporation, our Board of Directors is authorized to issue up to 195,000,000 shares of our common stock.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock which are currently outstanding, including our Series A Convertible Preferred Stock, or which we may designate and issue in the future.

Stock Repurchase Program

In August 2011, our Board of Directors approved a \$60,000 stock repurchase program. Under the program, we may repurchase up to \$60,000 of our outstanding shares of common stock from time to time on the open market at prevailing market prices, in block trades or otherwise. The timing and amount of any shares repurchased is determined by our management based on its evaluation of market conditions, the trading price of the stock and other factors. The repurchase program may be suspended or discontinued at any time.

Shares of common stock repurchased are recorded at cost as treasury stock and result in a reduction of shareholders' equity in the consolidated balance sheets. From time to time, treasury shares may be reissued as contributions to our employee benefit plans and for the conversion of convertible preferred stock. When shares are reissued, we use an average cost method for determining cost. The difference between the cost of the shares and the reissuance price is added to or deducted from additional paid-in capital.

CENTURY ALUMINUM COMPANY
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From August 11, 2011 through June 30, 2013, we repurchased 4,786,521 shares of common stock for an aggregate purchase price of \$49,924. We had approximately \$10,076 remaining under the repurchase program authorization as of June 30, 2013.

Series A Convertible Preferred Stock conversions

All shares of Series A Convertible Preferred Stock are held by Glencore. The issuance of common stock under our stock incentive programs, debt exchange transactions and any stock offering that excludes Glencore participation triggers anti-dilution provisions of the preferred stock agreement and results in the automatic conversion of Series A Convertible Preferred Stock shares into shares of common stock. See Common and Preferred Stock Activity table below for additional information about preferred stock conversions during the period.

Common and Preferred Stock Activity:

	Preferred stock Series A convertible	Common stock Treasury	Outstanding
Beginning balance as of December 31, 2012	80,283	4,786,521	88,548,637
Repurchase of common stock	—	—	—
Conversion of convertible preferred stock	(199)	—	19,864
Issuance for stock compensation plans	—	—	34,208
Ending balance as of June 30, 2013	80,084	4,786,521	88,602,709

8. Income taxes

We recorded income tax expense from continuing operations for the six months ended June 30, 2013 of \$5,308 which primarily consist of foreign and state income taxes. Our domestic deferred tax assets, net of deferred tax liabilities are subject to a valuation allowance; therefore, the domestic losses were not benefited.

We recorded income tax expense from continuing operations for the six months ended June 30, 2012 of \$6,216 which primarily consist of foreign and state income taxes.

Income tax expense is based on an annual effective tax rate forecast, including estimates and assumptions that could change during the year.

As of June 30, 2013, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which at June 30, 2013, is not likely to be achieved.

During the six months ended June 30, 2013, we received notice from the Internal Revenue Service ("IRS") that the Congressional Joint Committee on Taxation finalized their review of the US Federal examinations for the income tax years 2008, 2009, and 2010 and refund years of 2004, 2005, 2006, and 2007 without exception to the conclusions reached by the IRS. This Joint Committee is a special nonpartisan Congressional committee involved with the analysis and drafting of federal tax legislation and as part of its mandate, reviews all federal tax refund claims over a certain amount. As a result of this determination, we have reduced the reserve for the unrecognized tax benefits related to prior years by \$14,300. The reduction did not result in an impact to the effective tax rate since the reduction was offset by an increase in our valuation allowance. During the second quarter, we received refunds from the IRS of \$5,009 following the Joint Committee review.

During the second quarter of 2013, we received notice from the Directorate of Internal Revenue of Iceland of their intent to conduct a periodic review regarding certain of our Icelandic subsidiaries for the years 2010–2012.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
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9. Inventories

Inventories consist of the following:

	June 30, 2013	December 31, 2012
Raw materials	\$ 60,512	\$ 40,725
Work-in-process	21,703	15,259
Finished goods	17,435	9,753
Operating and other supplies	125,057	94,188
Inventories (1)	<u>\$ 224,707</u>	<u>\$ 159,925</u>

- (1) The balance at June 30, 2013 includes inventory acquired with the purchase of Seabee. See [Note 2 Acquisition of Seabee aluminum smelter](#) for additional information about the Seabee acquisition.

Inventories are stated at the lower of cost or market, using the first-in, first-out method.

10. Debt

	June 30, 2013	December 31, 2012
Debt classified as current liabilities:		
Hancock County industrial revenue bonds ("IRBs") due 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) (1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
7.5% senior secured notes payable due June 1, 2021, net of debt discount of \$3,642, interest payable semiannually	246,358	—
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$1,626, interest payable semiannually	—	247,979
7.5% senior unsecured notes payable due August 15, 2014, interest payable semiannually	2,603	2,603
E.ON contingent obligation, principal and accrued interest, contingently payable monthly, annual interest rate of 10.94% (2)	—	15,369
TOTAL	<u>\$ 256,776</u>	<u>\$ 273,766</u>

- (1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2013 was 0.26%.

- (2) E.ON contingent obligation principal and interest payments are payable based on CAKY's operating level and the LME price for primary aluminum. See E.ON contingent obligation below and [Note 4 Fair value measurements](#) for additional information.

Amended Revolving Credit Facility

General. We and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") and Wells Fargo Capital Finance, LLC, as lender and agent, and Credit Suisse AG and BNP Paribas, as lenders, entered into the Amended and Restated Loan and Security Agreement (the "New Credit Facility"), dated May 24, 2013, as amended, modifying the credit facility signed July 1, 2010. The New Credit Facility extended the term through May 24, 2018 and provides for borrowings of up to \$137,500 in the aggregate, including up to \$80,000 under a letter of credit sub-facility. Any letters of credit issued and outstanding under the New Credit Facility reduce our borrowing availability on a dollar-for-dollar basis.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
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Status of our Credit Facility:

	June 30, 2013
New Credit Facility amount	\$ 137,500
Borrowing availability, net of outstanding letters of credit	63,955
Outstanding borrowings on Credit Facility	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued under the Credit Facility	73,545

Borrowing Base. The availability of funds under the New Credit Facility is limited by a specified borrowing base consisting of accounts receivable and inventory of the Borrowers which meet the eligibility criteria.

Guaranty. The Borrowers' obligations under the New Credit Facility are guaranteed by certain of our domestic subsidiaries and secured by a continuing lien upon and a security interest in all of the Borrowers' accounts receivable, inventory and certain bank accounts. Each Borrower is liable for any and all obligations under the New Credit Facility on a joint and several basis.

Interest Rates and Fees. Any amounts outstanding under the New Credit Facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. The applicable interest margin is determined based on the average daily availability for the immediately preceding quarter. In addition, we pay an unused line fee on undrawn amounts, less the amount of our letters of credit exposure.

For standby letters of credit, we are required to pay a fee on the face amount of such letters of credit that varies depending on whether the letter of credit exposure is cash collateralized.

Maturity. The New Credit Facility will mature on May 24, 2018.

Prepayments. We can make prepayments of amounts outstanding under the New Credit Facility, in whole or in part without premium or penalty, subject to standard LIBOR breakage costs, if applicable. We may be required to apply the proceeds from sales of collateral accounts, other than sales of inventory in the ordinary course of business, to repay amounts outstanding under the revolving credit facility and correspondingly reduce the commitments there under.

Covenants. The New Credit Facility contains customary covenants, including restrictions on mergers and acquisitions, indebtedness, affiliate transactions, liens, dividends and distributions, dispositions of collateral, investments and prepayments of indebtedness, as well as a covenant that requires the Borrowers to maintain certain minimum liquidity or availability requirements.

Events of Default. The New Credit Facility also includes customary events of default, including nonpayment, misrepresentation, breach of covenant, bankruptcy, change of ownership, certain judgments and certain cross defaults. Upon the occurrence of an event of default, commitments under the New Credit Facility may be terminated and amounts outstanding may be accelerated and declared immediately due and payable.

8% Notes Tender Offer, Consent Solicitation and Redemption

In May 2013, we commenced a tender offer and consent solicitation to the holders of the outstanding 8% Senior Secured Notes due 2014 (the "8.0% Notes Tender Offer"). Investors electing to participate in the 8.0% Notes Tender Offer consented to certain amendments and modifications to the indenture governing the 8.0% Notes to remove, among other things, most of the restrictive covenants, in exchange for which we paid these investors consent fees.

We received tenders and consents from holders of approximately 92% of the outstanding principal amount of the 8.0% Notes. The remaining 8.0% Notes outstanding that had not participated in the Tender Offer were redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest (the "Redemption"). Together the 8.0% Tender

CENTURY ALUMINUM COMPANY
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Offer and Redemption satisfied and discharged our obligations under the 8.0% Notes and the related indenture. We used the net proceeds from the issuance of the 7.5% Senior Secured Notes due 2021 (the "7.5% Notes") and available cash on hand to fund the 8.0% Notes Tender Offer and the Redemption.

In accordance with ASC 470, based on an evaluation of the characteristics of the 8.0% Notes and the 7.5% Notes that were recently issued, we determined the tender and redemption of the 8.0% Notes should be treated as an extinguishment of the debt and accordingly, we recorded a loss on early extinguishment of debt in the second quarter of 2013. The loss on early extinguishment of debt consisted of the write-off of deferred financing costs and the debt discount associated with the 8.0% Notes, as well as the tender premium paid as part of the 8.0% Notes Tender.

7.5% Notes

General. On June 4, 2013, we issued \$250,000 of our 7.5% Notes in a private offering exempt from the registration requirements of the Securities Act. The 7.5% Notes were issued at a discount and we received gross proceeds of \$246,330, prior to payment of financing fees and related expenses.

Interest rate. The 7.5% Notes bear interest at 7.5% per annum on the principal amount, payable semi-annually in arrears in cash on June 1st and December 1st of each year.

Maturity. The 7.5% Notes mature on June 1, 2021.

Seniority. The 7.5% Notes are senior secured obligations of Century, ranking equally in right of payment with all existing and future senior indebtedness of Century, but effectively senior to unsecured debt to the extent of the value of the collateral.

Guaranty. Our obligations under the 7.5% Notes are guaranteed by all of our existing and future domestic restricted subsidiaries (the "Guarantors"), except for foreign owned holding companies and any domestic restricted subsidiary that owns no assets other than equity interests or other investments in foreign subsidiaries, which guaranty shall in each case be a senior secured obligation of such Guarantors, ranking equally in right of payment with all existing and future senior indebtedness of such Guarantor but effectively senior to unsecured debt.

Collateral. Our obligations under the 7.5% Notes and the guarantors' obligations under the guarantees are secured by a pledge of and lien on (subject to certain exceptions):

- (i) all of our and the guarantors' plant, property and equipment (other than certain excluded property, such as the assets of Berkeley Aluminum, Inc., the owner of our interest in our Mt. Holly facility);
- (i) all equity interests in domestic subsidiaries directly owned by us and the guarantors and 65% of equity interests in foreign subsidiaries or foreign holding companies directly owned by us and the guarantors;
- (ii) intercompany notes owed by any non-guarantor to us or any guarantor to us; and
- (iii) proceeds of the foregoing.

Under certain circumstances, we may incur additional debt that also may be secured by liens on the collateral that are equal to or have priority over the liens securing the 7.5% Notes.

Redemption Rights. Prior to June 1, 2016, we may redeem the 7.5% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, and if redeemed during the twelve-month period beginning on June 1 of the years indicated below, at the following redemption prices plus accrued and unpaid interest:

Year	Percentage
2016	105.625%
2017	103.750%
2018	101.875%
2019 and thereafter	100.000%

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Upon a change of control (as defined in the indenture governing the 7.5% Notes), we will be required to make an offer to purchase the 7.5% Notes at a purchase price equal to 101% of the outstanding principal amount of the 7.5% Notes on the date of the purchase, plus accrued interest to the date of purchase.

Covenants. The indenture governing the 7.5% Notes contains customary covenants which may limit our ability, and the ability of certain of our subsidiaries, to: (i) incur additional debt; (ii) create liens; (iii) pay dividends or make distributions in respect of capital stock; (iv) purchase or redeem capital stock; (v) make investments or certain other restricted payments; (vi) sell assets; (vii) issue or sell stock of certain subsidiaries; (viii) enter into transactions with shareholders or affiliates; and (ix) effect a consolidation or merger.

E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments under the Big Rivers Agreement to Big Rivers on CAKY's behalf in excess of the agreed upon base amount. Our obligation to make repayments is contingent upon certain operating criteria for our Hawesville, Kentucky facility and the LME price of primary aluminum. When the conditions for repayment are met, and for so long so those conditions continue to be met, we will be obligated to make principal and interest payments, in up to 72 monthly payments.

Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we recognized a derivative asset which offsets our contingent obligation. As a result, our net liability decreased and we recorded a gain of \$16,075 in net gain (loss) on forward and derivative contracts for the six months ended June 30, 2013. Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement, which expires in 2028. However, future increases in the LME forward market may result in a partial or full derecognition of the derivative asset and a corresponding recognition of a loss. The following table provides information about the balance sheet location and gross amounts offset:

Offsetting of financial instruments and derivatives

	Balance sheet location	June 30, 2013	December 31, 2012
E.ON Loan	Other liabilities	\$ (12,902)	\$ (12,902)
E.ON Loan – Accrued Interest	Other liabilities	(3,173)	(2,467)
E.ON Contract Derivative Asset	Other liabilities	16,075	—
		<u>\$ —</u>	<u>\$ (15,369)</u>

11. Commitments and contingencies

Environmental Contingencies

Based upon all available information, we believe our current environmental liabilities do not have, and are not likely to have, a material adverse effect on our financial condition, results of operations or liquidity. Because of the issues and uncertainties described below and the inability to predict the requirements of future environmental laws, there can be no assurance that future capital expenditures and costs for environmental compliance at currently or formerly owned or operated properties will not result in liabilities which may have a material adverse effect.

It is our policy to accrue for costs associated with environmental assessments and remedial efforts when it becomes probable that a liability has been incurred and the costs can be reasonably estimated. The aggregate environmental-related accrued liabilities were \$1,396 and \$906 at June 30, 2013 and December 31, 2012, respectively. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to costs for ongoing environmental compliance, including maintenance and monitoring, such costs are expensed as incurred.

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Century Aluminum of West Virginia ("CAWV") continues to perform remedial measures at our Ravenswood West Virginia facility pursuant to an order issued by the EPA in 1994 (the "3008(h) Order"). CAWV also conducted a RCRA facility investigation ("RFI") under the 3008(h) Order evaluating other areas at Ravenswood that may have contamination requiring remediation. The RFI has been approved by appropriate agencies. CAWV has completed interim remediation measures at two sites identified in the RFI, and we believe no further remediation will be required. A Corrective Measures Study, which formally documents the conclusion of these activities, has been submitted by the EPA and a final order has been completed and signed by the EPA in April 2013. Under the order, CAWV's responsibilities going forward include monitoring specific wells as well as restricting access to certain parts of the site.

Prior to our purchase of Hawesville, the EPA issued a final Record of Decision ("ROD") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). By agreement, Southwire Company ("Southwire"), the former owner and operator is to perform all obligations under the ROD. CAKY has agreed to operate and maintain the ground water treatment system required under the ROD on behalf of Southwire, and Southwire will reimburse CAKY for any expense that exceeds \$400 annually.

In July 2006, we were named as a defendant, together with certain affiliates of Alcan Inc., in a lawsuit brought by Alcoa Inc. seeking to determine responsibility for certain environmental indemnity obligations related to the sale of a cast aluminum plate manufacturing facility located in Vernon, California, which we purchased from Alcoa Inc. in December 1998, and sold to Alcan Rolled Products–Ravenswood LLC in July 1999. The complaint also seeks costs and attorney fees. The matter is in a preliminary stage, and we cannot predict the ultimate outcome of this action or estimate a range of possible losses related to this matter at this time. We do not expect that the ultimate costs to resolve this action will have a material adverse effect on our financial condition, results of operations or liquidity, regardless of the final outcome.

Matters relating to the St. Croix Alumina Refining Facility

We are a party to an EPA Administrative Order on Consent (the "Order") pursuant to which other past and present owners of an alumina refining facility at St. Croix, Virgin Islands (the "St. Croix Alumina Refinery") have agreed to carry out a Hydrocarbon Recovery Plan to remove and manage hydrocarbons floating on groundwater underlying the facility. Pursuant to the Hydrocarbon Recovery Plan, recovered hydrocarbons and groundwater are delivered to the adjacent petroleum refinery where they are received and managed. In connection with the sale of the facility by Lockheed Martin Corporation ("Lockheed") to one of our affiliates, Virgin Islands Alumina Corporation ("Vialco"), in 1989, Lockheed, Vialco and Century entered into the Lockheed–Vialco Asset Purchase Agreement. The indemnity provisions contained in the Lockheed–Vialco Asset Purchase Agreement allocate responsibility for certain environmental matters. Lockheed has tendered indemnity and defense of the above matter to Vialco. We have likewise tendered indemnity to Lockheed. Through June 30, 2013, we have expended approximately \$985 on the Hydrocarbon Recovery Plan. At this time, we are not able to estimate the amount of any future potential payments under this indemnification to comply with the Order, but we do not anticipate that any such amounts will have a material adverse effect on our financial condition, results of operations or liquidity, regardless of the final outcome.

In May 2005, we and Vialco were among several defendants listed in a lawsuit filed by the Commissioner of the Department of Planning and Natural Resources ("DPNR"), in his capacity as Trustee for Natural Resources of the United States Virgin Islands. The complaint alleges damages to natural resources caused by alleged releases from the St. Croix Alumina Refinery and the adjacent petroleum refinery. The primary cause of action is pursuant to the natural resource damage provisions of CERCLA, but various ancillary Territorial law causes of action were included as well. We and Lockheed have each tendered indemnity and defense of the case to the other pursuant to the terms of the Lockheed–Vialco Asset Purchase Agreement. The complaint seeks unspecified monetary damages, costs and attorney fees. In November 2011, the court granted a motion by Century, dismissing Century from the case. Vialco, however, remains a defendant in this case and has asserted factual and affirmative defenses. The parties are currently engaged in the discovery process. As of June 30, 2013, no trial date has been set for the remaining claims.

In December 2006, Vialco and the two succeeding owners of the St. Croix Alumina Refinery were named as defendants in a lawsuit filed by the Commissioner of the DPNR. The complaint alleges the defendants failed to take certain actions specified in a Coastal Zone management permit issued to Vialco in October 1994, and alleges violations of territorial water pollution control laws during the various defendants' periods of ownership. The complaint seeks statutory and other unspecified monetary penalties for the alleged violations. The parties are currently engaged in the discovery process.

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In May 2009, St. Croix Renaissance Group, L.L.L.P. ("SCRG") filed a third-party complaint for contribution and other relief against several third-party defendants, including Vialco, relating to a lawsuit filed against SCRG seeking recovery of response costs relating to the aforementioned DPNR CERCLA matter. In February 2011, the court granted a motion by Century, dismissing Century from the case. Vialco, however, remains a defendant in this case. In March 2011, the court granted the remaining defendants', including Vialco's, motion for summary judgment, dismissing the case. The plaintiff filed a notice of appeal with the Third Circuit Court of Appeals in May 2011. On June 5, 2013, the Third Circuit Court of Appeals reversed the lower court's ruling to hold that plaintiff's expenditures of funds may be found as recoverable response costs incurred by the government entitling plaintiffs to recover future response costs, but did not rule. Vialco remains the only Century entity in the litigation. At this time, it is not practicable to predict the ultimate outcome of or to estimate a range of possible losses relating to any of the foregoing.

In December 2010, Century was among several defendants listed in a lawsuit filed by approximately 2,300 plaintiffs who either worked, resided or owned property in the area downwind from the St. Croix Alumina Refinery. In March 2011, Century was also named a defendant in a nearly identical suit brought by approximately 200 plaintiffs previously named in the aforementioned suit. The plaintiffs in both suits allege damages caused by the presence of red mud and other particulates coming from the alumina facility and are seeking unspecified monetary damages, costs and attorney fees as well as certain injunctive relief. We have tendered indemnity and defense to St. Croix Alumina LLC and Alcoa Alumina & Chemical LLC under the terms of an acquisition agreement relating to the facility and have filed a motion to dismiss plaintiffs' claims, but the court has not yet ruled on the motion.

Pursuant to the terms of the asset purchase agreement between Vialco and the purchaser of the St. Croix Alumina Refinery in 1995, the purchaser assumed responsibility for all costs and other liabilities associated with the bauxite waste disposal facilities, including pre-closure and post-closure liabilities. At this time, it is not practicable to predict the ultimate outcome of or to estimate a range of possible losses relating to any of the foregoing actions.

Legal Contingencies

In addition to the foregoing matters, we have pending against us or may be subject to various lawsuits, claims and proceedings related primarily to employment, commercial, environmental, shareholder, safety and health matters.

In evaluating whether to accrue for losses associated with legal contingencies, it is our policy to take into consideration factors such as the facts and circumstances asserted, our historical experience with contingencies of a similar nature, the likelihood of our prevailing and the severity of any potential loss. For some matters, no accrual is established because we have assessed our risk of loss to be remote. Where the risk of loss is probable and the amount of the loss can be reasonably estimated, we record an accrual, either on an individual basis or with respect to a group of matters involving similar claims, based on the factors set forth above.

We also determine estimates of reasonably possible losses or ranges of reasonably possible losses in excess of related accrued liabilities, if any, when we have assessed that a loss is reasonably possible. Based on current knowledge, management has ascertained estimates for losses that are reasonably possible and management does not believe that any reasonably possible outcomes in excess of our accruals, if any, either individually or in aggregate, would be material to our financial condition, results of operations, or liquidity. We reevaluate and update our assessments and accruals as matters progress over time.

We have been named as a defendant in a lawsuit filed by our former Chief Executive Officer, Logan Kruger, alleging breach of contract. The lawsuit alleges that Century anticipatorily breached the employment and severance protection agreements between Century and Mr. Kruger and that Century is obligated to make various severance payments in excess of \$20,000 to Mr. Kruger under such agreements. In addition, the complaint seeks unspecified damages, including costs and attorneys' fees. The trial court has transferred the matter to an arbitration panel for resolution. We believe these claims are without merit and intend to defend ourselves against them. The arbitration hearing is scheduled for the third quarter of 2013.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

In March 2011, the purported stockholder class actions pending against us consolidated as In re: Century Aluminum Company Securities Litigation were dismissed with prejudice by the United States District Court for the Northern District of California. The plaintiffs in the class actions allege that we improperly accounted for cash flows associated with the termination of certain forward financial sales contracts which accounting allegedly resulted in artificial inflation of our stock price and investor losses. Plaintiffs are seeking rescission of our February 2009 common stock offering, unspecified compensatory damages, including interest thereon, costs and expenses and attorneys' fees. In March 2011, plaintiffs filed a notice of appeal to the order and judgment entered by the trial court. In January 2013, the U.S. Court of Appeals for the Ninth Circuit (the "Ninth Circuit") affirmed the trial court's decision. Plaintiffs filed a motion for rehearing or hearing en banc, which the Ninth Circuit denied in April 2013.

In February 2010, our subsidiary, CAWV, was named as a defendant in a lawsuit filed by Ingram Barge Company ("Ingram") in the United States District Court for the Middle District of Tennessee. The lawsuit alleges that CAWV breached two barging contracts with Ingram by failing to consume a specified amount of barging services as a result of the curtailment of operations at Ravenswood. In May 2013, the parties entered into a settlement agreement pursuant to which CAWV agreed to pay Ingram \$1,575 and made certain commitments to Ingram with respect to future contracts.

In April 2013, our subsidiary Nordural Grundartangi, received a ruling in an arbitration case involving two of its power suppliers, HS Orka and Orkuveita Reykjavíkur. Under the arbitration award, Nordural Grundartangi is restricted from reducing power under its existing power contracts with HS Orka and Orkuveita Reykjavíkur in order to take power under a separate power contract with Orkuveita Reykjavíkur originally intended to be used at Helguvík. Nordural Grundartangi remains entitled to take power under the Orkuveita Reykjavíkur Helguvík contract to the extent that its power needs exceed the amount of power provided under its existing power contracts. As part of the award, the tribunal awarded HS Orka damages and Nordural Grundartangi paid \$1,470 to HS Orka in full satisfaction of such award. The tribunal ordered each party to pay its own legal fees and costs. Orkuveita Reykjavíkur has subsequently brought a claim for damages against Nordural Grundartangi based on the arbitration ruling. Nordural Grundartangi believes these claims are without merit and intends to defend itself against them.

Ravenswood Retiree Medical Benefits changes

In November 2009, CAWV filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USWA"), the USWA's local union, and four CAWV retirees, individually and as class representatives, seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USWA and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. These actions, entitled Dewhurst, et al. v. Century Aluminum Co., et al., and Century Aluminum of West Virginia, Inc. v. United Steel, Paper and Forestry, Rubber Manufacturing, Energy, Allied Industrial & Service Workers International Union, AFL-CIO/CLC, et al., have been consolidated and venue has been set in the District Court for the Southern District of West Virginia.

In January 2010, the USWA filed a motion for preliminary injunction to prevent us from implementing the foregoing changes while these lawsuits are pending, which was dismissed by the trial court. In August 2011, the Fourth Circuit Court of Appeals upheld the District Court's dismissal of the USWA's motion for preliminary injunction. The case is currently in the discovery stage.

Ravenswood Pension Plans

In June 2011, the Pension Benefit Guaranty Corporation (the "PBGC") informed us that it believed a "cessation of operations" under ERISA had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility. Although we disagree that a "cessation of operations" occurred, CAWV entered into a settlement agreement with the PBGC in April 2013 to resolve the matter. Pursuant to the terms of the agreement, CAWV will make additional contributions (above any minimum required contributions) to its defined benefit pension plans totaling approximately \$17,400 over the term of the agreement, which runs through 2016. In April 2013, CAWV made the first scheduled contribution pursuant to this agreement of \$5,900.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Power Commitments

Hawesville

In August 2012, CAKY issued a 12-month notice to terminate its long-term power supply agreement (the "Hawesville Power Agreement") with Kenergy, a member cooperative of Big Rivers Electric Corporation ("Big Rivers"). The Hawesville Power Agreement is take-or-pay for Hawesville's energy requirements at full production. During the 12-month notice period, Century is required to pay a demand charge for power, but is not obligated to continue operating the plant. The Hawesville Power Agreement currently provides sufficient power at cost-based rates for Hawesville's full production capacity requirements, but, pursuant to the termination notice, the Hawesville Power Agreement will terminate on August 20, 2013. If a new power arrangement is not reached prior to August 20, 2013, the Hawesville plant will have to be curtailed.

On April 29, 2013, CAKY announced that it had reached a tentative agreement with Kenergy and Big Rivers on the framework for providing market priced power to the Hawesville smelter. Under the arrangement, the power companies would purchase power on the open market and pass it through to Hawesville at the market price plus additional costs incurred by them. Definitive agreements for the framework have been agreed to by the parties but must still be approved by various third parties, including the Kentucky Public Service Commission ("KPSC"). The definitive agreements have been submitted for approval to the KPSC, which is expected to issue a decision prior to the August 20, 2013 termination of the existing Hawesville Power Agreement.

Sebree

In January 2013, Sebree issued a 12-month notice to terminate its long-term power supply agreement (the "Sebree Power Agreement") with Kenergy, a member cooperative of Big Rivers. The Sebree Power Agreement is take-or-pay for Sebree's energy requirements at full production. During the 12-month notice period, Century is required to pay a demand charge for power, but is not obligated to continue operating the plant. The Sebree Power Agreement currently provides sufficient power at cost-based rates for Sebree's full production capacity requirements, but, pursuant to the termination notice, the Sebree Power Agreement will terminate on January 31, 2014. If a new power arrangement is not reached prior to January 31, 2014, the Sebree plant will have to be curtailed.

We intend to seek a market-based power contract for Sebree similar to the tentative agreement we have reached for Hawesville, but no assurance can be given that we will be able to obtain one.

Mt. Holly

Mt. Holly has a power purchase agreement (the "Santee Cooper Agreement") with the South Carolina Public Service Authority ("Santee Cooper") with a term through December 2015, unless extended. The Santee Cooper Agreement provides adequate power for Mt. Holly's full production capacity requirements at prices fixed based on published rate schedules (which are subject to change), with adjustments for fuel prices and other items. The Santee Cooper Agreement restricts Mt. Holly's ability to reduce its power consumption (or the associated payment obligations) below contracted levels and to terminate the agreement, unless, in each case, the LME falls below certain negotiated levels.

In 2012, Mt. Holly and Santee Cooper amended the terms of Santee Cooper agreement in order to allow Mt. Holly to receive all or a portion of Mt. Holly's supplemental power requirements from an off-system natural gas-fired power generation facility (the "off-system facility"). The energy charge for supplemental power from the off-system facility is based on the cost of natural gas rather than Santee Cooper's system average fuel costs, which are primarily coal-based. The amendments to the power agreement may provide a benefit to Mt. Holly provided that natural gas costs remain below Santee Cooper's system average fuel costs. The amended power agreement provides that Mt. Holly may continue to receive its supplemental power requirements from the off-system facility through December 31, 2015.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Ravenswood

CAWV has a power purchase agreement (the “ApCo Agreement”) with the Appalachian Power Company (“ApCo”). CAWV currently purchases a limited amount of power under the ApCo Agreement as necessary to maintain its Ravenswood smelter, which is presently curtailed. Power is supplied under the ApCo Agreement at prices set forth in published tariffs (which are subject to change), with certain adjustments.

Grundartangi

Nordural Grundartangi ehf has power purchase agreements with HS Orka hf (“HS”), Landsvirkjun and Orkuveita Reykjavíkur (“OR”) to provide power to its Grundartangi smelter. These power purchase agreements, which will expire on various dates from 2019 through 2036, provide power at LME-based variable rates. Each power purchase agreement contains take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreement.

In the fourth quarter of 2011, an additional 47.5 MW of power became available under a power purchase agreement with OR. This power can be used at either Grundartangi or Helguvík and a portion is currently being utilized at Grundartangi.

In June 2012, Nordural Grundartangi entered into a new supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi with supplemental power, as Nordural Grundartangi may request from time to time, at LME-based variable rates. Nordural Grundartangi has agreed to make certain prepayments to Landsvirkjun in connection with the contract, which will reduce the price paid for power at the time of consumption.

Helguvík

Nordural Helguvík has power purchase agreements with HS and OR to provide power to the Helguvík project. These power purchase agreements provide power at LME-based variable rates and contain take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreements. The first stage of power under the OR power purchase agreement (approximately 47.5 MW) became available in the fourth quarter of 2011 and a portion of that power is currently being utilized at Grundartangi. No other power is currently available under either power purchase agreement. HS (with respect to all phases) and OR (with respect to all phases other than the first phase) have alleged that certain conditions to the delivery of power under the power purchase agreements have not been satisfied. Nordural Helguvík is in discussion with both HS and OR with respect to such conditions.

Other Commitments and Contingencies

Labor Commitments

Approximately 75% of our U.S. based work force is represented by the USWA. CAKY’s Hawesville plant employees represented by the USWA are under a collective bargaining agreement which expires on March 31, 2015. The Sebree plant employees represented by the USWA are under a collective bargaining agreement that expires on September 30, 2014.

In April 2010, Nordural Grundartangi ehf entered into a new labor agreement with the five labor unions representing approximately 84% of Grundartangi’s work force. The labor agreement expires on December 31, 2014.

The labor agreement for CAWV’s Ravenswood plant employees represented by the USWA expired on August 31, 2010.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Other Commitments

The Patient Protection and Affordable Care Act and the related Health Care and Education Reconciliation Act were enacted in March 2010. The Health Care Acts extend health care coverage to many uninsured individuals and expands coverage to those already insured. The Health Care Acts contain provisions which could impact our retiree medical benefits in future periods. However, the extent of that impact, if any, cannot be determined until regulations are promulgated under the Health Care Acts and additional interpretations of the Health Care Acts become available. We are continuing to assess the potential impacts that this legislation may have on our future results of operations, cash flows and financial position related to our health care benefits and other postretirement benefit obligations. Among other things, the Health Care Acts eliminated the tax deductibility of the Medicare Part D subsidy for companies that provide qualifying prescription drug coverage to retirees effective for years beginning after December 31, 2012.

12. **Forward delivery contracts and financial instruments**

As a producer of primary aluminum, we are exposed to fluctuating raw material and primary aluminum prices. From time to time we enter into fixed and market priced contracts for the sale of primary aluminum and the purchase of raw materials in future periods.

Forward Physical Delivery Agreements

Primary Aluminum Sales Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Metal Agreement (1)	Glencore	20,400 mtpy	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Sweep Agreement (2)	Glencore	Surplus primary aluminum produced in the United States	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 19,000 metric tons	Through December 31, 2013	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	220 to 240 million pounds per year (high conductivity molten aluminum)	Through December 31, 2013	Variable, based on U.S. Midwest market
RTA Metal Agreement	Rio Tinto Alcan	Approximately 111,000 metric tons	Through December 31, 2013	Variable, based on U.S. Midwest market

- (1) We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Under the Glencore Metal Agreement, pricing is based on then-current Midwest market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium.
- (2) The Glencore Sweep Agreement is for all metal produced in the U.S. in 2013, less existing sales agreements and high-purity metal sales. The term of the contract may be extended for one year upon mutual agreement.
- (3) The Southwire Metal Agreement contains termination rights in the event of a partial or full curtailment of the Hawesville facility. On April 16, 2013, CAKY gave notice to terminate its supply contract with its largest customer, the Southwire Company, given the potential plant closure effective August 20th.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

Tolling Contracts				
Contract	Customer	Volume	Term	Pricing
Billiton Tolling Agreement (1)	BHP Billiton	130,000 mtpy	Through December 31, 2013	LME-based
Glencore Toll Agreement (1)	Glencore	90,000 mtpy	Through July 31, 2016	LME-based
Glencore Toll Agreement (1)	Glencore	40,000 mtpy	Through December 31, 2014	LME-based

(1) Grundartangi's tolling revenues include a premium based on the European Union ("EU") import duty for primary aluminum.

Apart from the Glencore Metal Agreement, the Glencore Sweep Agreement, the Glencore Nordural Metal Agreement, the RTA Metal Agreement and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2013	December 31, 2012
	(in metric tons)	
Other forward delivery contracts – total	50,181	88,827
Other forward delivery contracts – Glencore	2,010	1,811

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2013. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2013.

Forward Financial Instruments

We are party to various forward financial and physical delivery contracts, which are accounted for as derivative instruments. See [Note 5 Derivative and hedging instruments](#) for additional information about these instruments.

13. Supplemental cash flow information

	Six months ended June 30,	
	2013	2012
Cash paid for:		
Interest	\$ 11,287	\$ 10,108
Income/withholding taxes (1)	14,156	16,809
(1) We paid withholding taxes in Iceland of \$8,259 and \$9,484 in the six months ended June 30, 2013 and 2012, respectively. Our tax payments in Iceland for withholding taxes, income taxes, and associated refunds, are denominated in ISK.		

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

14. Asset retirement obligations ("ARO")

Our asset retirement obligations consist primarily of costs associated with the disposal of spent pot liner used in the reduction cells of our domestic facilities.

The reconciliation of the changes in the asset retirement obligations is presented below:

	Six months ended June 30, 2013	Year ended December 31, 2012
Beginning balance, ARO liability	\$ 16,124	\$ 15,171
Additional ARO liability incurred	764	1,166
ARO liabilities settled	(796)	(1,380)
Accretion expense	673	1,167
Additional ARO liability from Sebree acquisition	10,591	—
Ending balance, ARO liability	<u>\$ 27,356</u>	<u>\$ 16,124</u>

Certain conditional AROs related to the disposal costs of fixed assets at our primary aluminum facilities have not been recorded because they have an indeterminate settlement date. These conditional AROs will be initially recognized in the period in which sufficient information exists to estimate their fair value.

15. Components of accumulated other comprehensive loss

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ (140,338)	\$ (153,225)
Equity in investee other comprehensive income (1)	(12,712)	(12,712)
Unrealized loss on financial instruments	(971)	(878)
Other comprehensive loss before income tax effect	(154,021)	(166,815)
Income tax effect (2)	14,858	15,623
Accumulated other comprehensive loss	<u>\$ (139,163)</u>	<u>\$ (151,192)</u>

(1) The amount includes our equity in the other comprehensive income of Mt. Holly Aluminum Company.

(2) The allocation of the income tax effect to the components of other comprehensive income is as follows:

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ 15,037	\$ 15,784
Equity in investee other comprehensive income	453	488
Unrealized loss on financial instruments	(632)	(649)

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

16. Components of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Service cost	\$ 926	\$ 506	\$ 1,606	\$ 1,401
Interest cost	1,755	1,606	3,390	3,436
Expected return on plan assets	(1,893)	(1,782)	(3,613)	(3,482)
Amortization of prior service cost	22	34	54	69
Amortization of net loss	857	1,133	1,706	1,821
Curtailment	(18)	—	(18)	—
Net periodic benefit cost	<u>\$ 1,649</u>	<u>\$ 1,497</u>	<u>\$ 3,125</u>	<u>\$ 3,245</u>
Other Postretirement Benefits ("OPEB")				
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Service cost	\$ 670	\$ 370	\$ 1,163	\$ 895
Interest cost	1,433	1,271	2,756	2,757
Amortization of prior service cost	(938)	(1,065)	(1,998)	(2,125)
Amortization of net loss	1,273	1,808	2,776	3,304
Curtailment	(20)	—	(20)	—
Net periodic benefit cost	<u>\$ 2,418</u>	<u>\$ 2,384</u>	<u>\$ 4,677</u>	<u>\$ 4,831</u>

Employer contributions

During the six months ended June 30, 2013, we have made contributions of approximately \$7,419 to the qualified defined benefit plans we sponsor.

17. Condensed consolidating financial information

Our 7.5% senior unsecured notes due 2014 are guaranteed by each of our material existing and future domestic subsidiaries, except for Nordural US LLC. Each subsidiary guarantor is 100% owned by Century. All guarantees are full and unconditional; all guarantees are joint and several. These notes are not guaranteed by our foreign subsidiaries (such subsidiaries and Nordural US LLC, collectively the "Non-Guarantor Subsidiaries"). We allocate corporate expenses or income to our subsidiaries and charge interest on certain intercompany balances.

The following summarized condensed consolidating balance sheets as of June 30, 2013 and December 31, 2012, condensed consolidating statements of comprehensive income (loss) for the three and six months ended June 30, 2013 and June 30, 2012 and the condensed consolidating statements of cash flows for the six months ended June 30, 2013 and June 30, 2012 present separate results for Century, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, consolidating adjustments and total consolidated amounts.

This summarized condensed consolidating financial information may not necessarily be indicative of the results of operations or financial position had Century, the guarantor subsidiaries or the non-guarantor subsidiaries operated as independent entities.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET

As of June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 82,104	\$ 45,427	\$ —	\$ 127,531
Restricted cash	—	978	—	—	978
Accounts receivable — net	75,509	8,558	—	—	84,067
Due from affiliates	601,495	38,482	2,387,611	(3,002,624)	24,964
Inventories	157,976	66,731	—	—	224,707
Prepaid and other current assets	4,994	31,369	5,083	—	41,446
Deferred taxes — current portion	—	19,726	—	(113)	19,613
Total current assets	839,974	247,948	2,438,121	(3,002,737)	523,306
Investment in subsidiaries	38,810	—	(1,000,911)	962,101	—
Property, plant and equipment, net	357,738	871,435	1,258	(400)	1,230,031
Due from affiliates — less current portion	—	29,926	—	(29,926)	—
Other assets	17,606	52,291	32,793	(4,852)	97,838
Total	\$ 1,254,128	\$ 1,201,600	\$ 1,471,261	\$ (2,075,814)	\$ 1,851,175
Liabilities:					
Accounts payable, trade	\$ 67,123	\$ 35,551	\$ 1,193	\$ —	\$ 103,867
Due to affiliates	2,158,509	129,236	196,918	(2,417,318)	67,345
Accrued and other current liabilities	51,544	24,620	12,681	(7,673)	81,172
Accrued employee benefits costs — current portion	15,035	—	2,985	—	18,020
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,300,026	189,407	213,777	(2,424,991)	278,219
Senior notes payable	—	—	248,961	—	248,961
Accrued pension benefit costs — less current portion	32,518	—	31,230	—	63,748
Accrued postretirement benefit costs — less current portion	136,554	—	6,424	—	142,978
Other liabilities/intercompany loan	58,329	590,678	1,974	(613,925)	37,056
Deferred taxes	—	110,318	—	1,000	111,318
Total noncurrent liabilities	227,401	700,996	288,589	(612,925)	604,061
Shareholders' equity:					
Convertible preferred stock	—	—	1	—	1
Common stock	60	12	934	(72)	934
Additional paid-in capital	355,467	154,493	2,507,996	(509,960)	2,507,996
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive income (loss)	(134,056)	(1,602)	(139,163)	135,658	(139,163)
Retained earnings (accumulated deficit)	(1,494,770)	158,294	(1,350,949)	1,336,476	(1,350,949)
Total shareholders' equity	(1,273,299)	311,197	968,895	962,102	968,895
Total	\$ 1,254,128	\$ 1,201,600	\$ 1,471,261	\$ (2,075,814)	\$ 1,851,175

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 110,016	\$ 73,960	\$ —	\$ 183,976
Restricted cash	258	—	—	—	258
Accounts receivable — net	38,328	12,339	—	—	50,667
Due from affiliates	604,008	38,328	2,391,249	(2,995,715)	37,870
Inventories	97,847	62,078	—	—	159,925
Prepaid and other current assets	4,421	30,650	8,063	(8,159)	34,975
Deferred taxes — current portion	—	17,799	—	1,927	19,726
Total current assets	744,862	271,210	2,473,272	(3,001,947)	487,397
Investment in subsidiaries	40,335	—	(1,039,141)	998,806	—
Property, plant and equipment — net	313,090	874,559	916	(351)	1,188,214
Due from affiliates — less current portion	—	3,588	—	(3,588)	—
Other assets	17,616	45,474	37,027	598	100,715
Total	\$ 1,115,903	\$ 1,194,831	\$ 1,472,074	\$ (2,006,482)	\$ 1,776,326
Liabilities:					
Accounts payable, trade	\$ 37,301	\$ 37,627	\$ 442	\$ —	\$ 75,370
Due to affiliates	2,098,320	105,945	193,788	(2,358,316)	39,737
Accrued and other current liabilities	13,031	31,332	1,967	(6,231)	40,099
Accrued employee benefits costs — current portion	15,926	—	2,757	—	18,683
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,172,393	174,904	198,954	(2,364,547)	181,704
Senior notes payable	—	—	250,582	—	250,582
Accrued pension benefit costs — less current portion	36,087	—	31,791	—	67,878
Accrued postretirement benefit costs — less current portion	137,184	—	5,921	—	143,105
Other liabilities/intercompany loan	65,377	614,585	2,183	(641,983)	40,162
Deferred taxes	—	109,011	—	1,241	110,252
Total noncurrent liabilities	238,648	723,596	290,477	(640,742)	611,979
Shareholders' equity:					
Convertible preferred stock	—	—	1	—	1
Common stock	60	12	933	(72)	933
Additional paid-in capital	303,659	150,743	2,507,454	(454,402)	2,507,454
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive income (loss)	(146,862)	(1,525)	(151,192)	148,387	(151,192)
Retained earnings (accumulated deficit)	(1,451,995)	147,101	(1,324,629)	1,304,894	(1,324,629)
Total shareholders' equity	(1,295,138)	296,331	982,643	998,807	982,643
Total	\$ 1,115,903	\$ 1,194,831	\$ 1,472,074	\$ (2,006,482)	\$ 1,776,326

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the three months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	\$ 220,950
Related parties	51,651	59,336	—	—	110,987
	225,637	106,300	—	—	331,937
Cost of goods sold	250,395	87,240	—	—	337,635
Gross profit (loss)	(24,758)	19,060	—	—	(5,698)
Other operating expenses – net	3,018	—	—	—	3,018
Selling, general and administrative expenses	11,755	3,399	—	—	15,154
Operating income (loss)	(39,531)	15,661	—	—	(23,870)
Interest expense – third party	(6,224)	—	—	—	(6,224)
Interest expense – affiliates	14,521	(14,521)	—	—	—
Interest income – third party	17	169	—	—	186
Net gain on forward and derivative contracts	204	—	—	—	204
Gain on bargain purchase	2,042	—	—	—	2,042
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(128)	(1,156)	—	—	(1,284)
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,371)	153	—	—	(32,218)
Income tax expense	(660)	(2,131)	—	—	(2,791)
Loss before equity in earnings (loss) of subsidiaries and joint ventures	(33,031)	(1,978)	—	—	(35,009)
Equity in earnings (loss) of subsidiaries and joint ventures	(3,044)	436	(34,573)	37,617	436
Net income (loss)	<u>\$ (36,075)</u>	<u>\$ (1,542)</u>	<u>\$ (34,573)</u>	<u>\$ 37,617</u>	<u>\$ (34,573)</u>
Other comprehensive income (loss) before income tax effect	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,960)	\$ 11,517
Income tax effect	(357)	8	(383)	349	(383)
Other comprehensive income (loss)	9,649	(38)	11,134	(9,611)	11,134
Comprehensive income (loss)	<u>\$ (26,426)</u>	<u>\$ (1,580)</u>	<u>\$ (23,439)</u>	<u>\$ 28,006</u>	<u>\$ (23,439)</u>

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the three months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 131,721	\$ 52,301	\$ —	\$ —	\$ 184,022
Related parties	76,469	63,128	—	—	139,597
	208,190	115,429	—	—	323,619
Cost of goods sold	223,297	94,365	—	—	317,662
Gross profit (loss)	(15,107)	21,064	—	—	5,957
Other operating expenses – net	3,817	—	—	—	3,817
Selling, general and administrative expenses (income)	8,238	(1,087)	—	—	7,151
Operating income (loss)	(27,162)	22,151	—	—	(5,011)
Interest expense – third party	(5,946)	—	—	—	(5,946)
Interest expense – affiliates	16,030	(16,030)	—	—	—
Interest income – third party	3	110	—	—	113
Interest income – affiliates	—	2	—	—	2
Net gain on forward contracts	1,450	—	—	—	1,450
Other (income) expense – net	(6)	167	—	—	161
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(15,631)	6,400	—	—	(9,231)
Income tax expense	(432)	(2,963)	—	—	(3,395)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(16,063)	3,437	—	—	(12,626)
Equity in earnings (loss) of subsidiaries and joint ventures	386	349	(12,277)	11,891	349
Net income (loss)	<u>\$ (15,677)</u>	<u>\$ 3,786</u>	<u>\$ (12,277)</u>	<u>\$ 11,891</u>	<u>\$ (12,277)</u>
Other comprehensive income (loss) before income tax effect	\$ 1,617	\$ (46)	\$ 2,148	\$ (1,571)	\$ 2,148
Income tax effect	(373)	8	(383)	365	(383)
Other comprehensive income (loss)	1,244	(38)	1,765	(1,206)	1,765
Comprehensive income (loss)	<u>\$ (14,433)</u>	<u>\$ 3,748</u>	<u>\$ (10,512)</u>	<u>\$ 10,685</u>	<u>\$ (10,512)</u>

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 311,084	\$ 98,380	\$ —	\$ —	\$ 409,464
Related parties	118,280	125,467	—	—	243,747
	429,364	223,847	—	—	653,211
Cost of goods sold	461,580	179,747	—	—	641,327
Gross profit (loss)	(32,216)	44,100	—	—	11,884
Other operating expenses – net	4,114	—	—	—	4,114
Selling, general and administrative expenses	24,644	6,809	—	—	31,453
Operating income (loss)	(60,974)	37,291	—	—	(23,683)
Interest expense – third party	(12,300)	—	—	—	(12,300)
Interest expense – affiliates	29,017	(29,017)	—	—	—
Interest income – third party	31	286	—	—	317
Net gain on forward and derivative contracts	15,711	—	—	—	15,711
Gain on bargain purchase	2,042	—	—	—	2,042
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(9)	(1,205)	—	—	(1,214)
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(29,754)	7,355	—	—	(22,399)
Income tax benefit (expense)	(7,762)	2,454	—	—	(5,308)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(37,516)	9,809	—	—	(27,707)
Equity in earnings (loss) of subsidiaries and joint ventures	(5,266)	1,387	(26,320)	31,586	1,387
Net income (loss)	\$ (42,782)	\$ 11,196	\$ (26,320)	\$ 31,586	\$ (26,320)
Other comprehensive income (loss) before income tax effect	\$ 11,090	\$ (93)	\$ 12,794	\$ (10,997)	\$ 12,794
Income tax effect	(748)	17	(765)	731	(765)
Other comprehensive income (loss)	10,342	(76)	12,029	(10,266)	12,029
Comprehensive income (loss)	\$ (32,440)	\$ 11,120	\$ (14,291)	\$ 21,320	\$ (14,291)

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the six months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 267,575	\$ 105,286	\$ —	\$ —	\$ 372,861
Related parties	150,999	125,949	—	—	276,948
	418,574	231,235	—	—	649,809
Cost of goods sold	430,233	193,027	—	—	623,260
Gross profit (loss)	(11,659)	38,208	—	—	26,549
Other operating expense – net	7,538	—	—	—	7,538
Selling, general and administrative expenses (income)	16,217	(607)	—	—	15,610
Operating income (loss)	(35,414)	38,815	—	—	3,401
Interest expense – third party	(11,924)	—	—	—	(11,924)
Interest expense – affiliates	32,248	(32,248)	—	—	—
Interest income – third party	14	237	—	—	251
Interest income – affiliates	—	62	—	—	62
Net loss on forward contracts	(3,709)	—	—	—	(3,709)
Other income (expense) – net	798	(331)	—	—	467
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	(685)	(5,531)	—	—	(6,216)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of subsidiaries and joint ventures	156	990	(16,678)	16,522	990
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)
Other comprehensive income (loss) before income tax effect	\$ 2,275	\$ (93)	\$ 3,286	\$ (2,182)	\$ 3,286
Income tax effect	(74)	17	(765)	57	(765)
Other comprehensive income (loss)	2,201	(76)	2,521	(2,125)	2,521
Comprehensive income (loss)	\$ (16,315)	\$ 1,918	\$ (14,157)	\$ 14,397	\$ (14,157)

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ 34,027	\$ (11,051)	\$ —	\$ 22,976
Investing activities:				
Purchase of property, plant and equipment	(5,240)	(10,751)	(574)	(16,565)
Nordural expansion — Helgøyvik	—	(2,559)	—	(2,559)
Purchase of carbon anode assets and improvements	—	(3,670)	—	(3,670)
Purchase of Sebree smelter	(48,058)	—	—	(48,058)
Proceeds from sale of property, plant and equipment	—	515	—	515
Restricted and other cash deposits	258	(978)	—	(720)
Net cash used in investing activities	(53,040)	(17,443)	(574)	(71,057)
Financing activities:				
Repayment of debt	(3,274)	—	(246,330)	(249,604)
Proceeds from issuance of debt	246,330	—	—	246,330
Repayment of contingent obligation	(249,604)	—	249,604	—
Debt issuance costs	—	—	(3,926)	(3,926)
Debt retirement costs	—	—	(1,208)	(1,208)
Intercompany transactions	25,561	582	(26,143)	—
Issuance of common stock — net	—	—	44	44
Net cash provided by (used in) financing activities	19,013	582	(27,959)	(8,364)
Net change in cash and cash equivalents	—	(27,912)	(28,533)	(56,445)
Cash and cash equivalents, beginning of the period	—	110,016	73,960	183,976
Cash and cash equivalents, end of the period	\$ —	\$ 82,104	\$ 45,427	\$ 127,531

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements (continued)
(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the six months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ (19,534)	\$ 17,919	\$ —	\$ (1,615)
Investing activities:				
Purchase of property, plant and equipment	(3,231)	(2,879)	(55)	(6,165)
Nordural expansion	—	(3,586)	—	(3,586)
Purchase of carbon anode assets	(14,524)	—	—	(14,524)
Investments in and advances to joint ventures	—	—	(200)	(200)
Payments received on advances to joint ventures	—	—	3,166	3,166
Proceeds from sale of property, plant and equipment	10	58	—	68
Net cash provided by (used in) investing activities	(17,745)	(6,407)	2,911	(21,241)
Financing activities:				
Borrowings under revolving credit facility	—	—	18,076	18,076
Repayments under revolving credit facility	—	—	(18,076)	(18,076)
Intercompany transactions	37,279	(31,970)	(5,309)	—
Repurchase of common stock	—	—	(4,033)	(4,033)
Net cash provided by (used in) financing activities	37,279	(31,970)	(9,342)	(4,033)
Net change in cash and cash equivalents	—	(20,458)	(6,431)	(26,889)
Cash and cash equivalents, beginning of the period	—	159,157	24,244	183,401
Cash and cash equivalents, end of the period	\$ —	\$ 138,699	\$ 17,813	\$ 156,512

18. Subsequent events

We have evaluated all subsequent events through the date the financial statements were issued.

FORWARD-LOOKING STATEMENTS

This quarterly report includes forward-looking statements, which are subject to the “safe harbor” created by section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended. We may make forward-looking statements in our Securities and Exchange Commission (“SEC”) filings, press releases, news articles, earnings presentations and when we are speaking on behalf of the Company. Forward-looking statements can be identified by the fact that they do not strictly relate to historical or current facts. Often, they include the words “believe,” “expect,” “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.”

Forward-looking statements in this quarterly report and in our other SEC reports, for example, include statements about the following subjects, among other things:

- Our business objectives, strategies and initiatives, the growth of our business and our competitive position and prospects;
- Our assessment of significant economic, financial, political and other factors and developments that may affect our results, including currency risks;
- Our assessment of the aluminum market, aluminum prices, aluminum financing, inventories and warehousing arrangements and other similar matters;
- Aluminum prices and their effect on our financial position and results of operations;
- Future construction investment and development of our facility in Helguvik, Iceland and with respect to the Century Vlissingen project, including our discussions regarding securing sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, production capacity and the sources of funding for the facility;
- Our hedging and other strategies to mitigate risk and their potential effects;
- Our curtailed operations, including the potential restart of curtailed operations at Ravenswood, and potential curtailment of other domestic assets;
- Our procurement of electricity, alumina, carbon products and other raw materials and our assessment of pricing and other terms relating thereto including the potential benefits of the amended Santee Cooper Service Agreement and the potential benefits to be provided to Grundartangi and our planned Helguvik smelter from the recent purchase by Century Vlissingen of carbon anode production assets in the Netherlands;
- Our ability to access the wholesale power market for Hawesville, Ravenswood and Seabee;
- Estimates of our pension and other postemployment liabilities and future payments, deferred income tax assets and property plant and equipment impairment, environmental expenditures liabilities and other contingent liabilities and contractual commitments;
- Our agreement in principle with the CAWV retirees and any contributions to a voluntary employee benefit association relating to that agreement;
- Our settlement agreement with the Pension Benefit Guaranty Corporation regarding our Ravenswood facility and future contributions to our defined benefit plans;
- Our agreement for providing market priced power to the Hawesville facility;
- Critical accounting policies and estimates, the impact or anticipated impact of recent accounting pronouncements or changes in accounting principle;
- Our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets;
- Our assessment of the ultimate outcome of outstanding litigation, including litigation with our former Chief Executive Officer and related to environmental matters, and liabilities relating thereto;
- Compliance with laws and regulations and the effect of future laws and regulations;
- Our capital resources, projected financing sources and projected uses of capital; and
- Our debt levels and intentions to incur or repay debt in the future, including the E.ON contingent obligation.

We believe the expectations reflected in our forward-looking statements are reasonable, based on information available to us on the date of this quarterly report. However, all forward-looking statements are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements, including those discussed in Item 1A, “Risk Factors” of Part I of our 2012 Annual Report on Form 10-K and we cannot guarantee our future performance or results of operations, and you should not place undue reliance on these forward-looking statements. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You are advised to consult any additional disclosures we make in our quarterly reports on Form 10-Q, annual report on Form 10-K and current reports on Form 8-K filed with the SEC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Recent Developments

Century acquires the Sebree smelter

On June 1, 2013, our wholly owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree") acquired the Sebree aluminum smelter from a subsidiary of Rio Tinto Alcan, Inc ("RTA"). Sebree, located in Robards, Kentucky, USA has an annual hot metal production capacity of 205,000 metric tons of primary aluminum and employs approximately 500 men and women.

The purchase price for the acquisition was \$61 million (subject to customary working capital adjustments), of which we have paid \$48 million as of June 30, 2013. The remaining portion of the purchase price will be paid following final determination of the applicable working capital adjustments, which will be determined based on the amount of working capital transferred to Century Sebree at closing versus a target working capital amount of \$71 million. As part of the transaction, RTA retained all historical environmental liabilities of the Sebree smelter and has agreed to fully fund the pension plan assumed by Century at closing. See Part II Item 1A – Risk Factors for a discussion of risks related to the Sebree acquisition.

Revolving Credit Facility Amended

We and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") and Wells Fargo Capital Finance, LLC, as lender and agent, and Credit Suisse AG and BNP Paribas, as lenders, entered into the Amended and Restated Loan and Security Agreement (the "New Credit Facility"), dated May 24, 2013, as amended, modifying the credit facility signed July 1, 2010. The New Credit Facility extended the term through May 24, 2018 and provides for borrowings of up to \$137.5 million in the aggregate, including up to \$80 million under a letter of credit sub-facility. Any letters of credit issued and outstanding under the New Credit Facility reduce our borrowing availability on a dollar-for-dollar basis.

Century issues \$250 million of 7.5% senior secured notes

On June 4, 2013, we issued \$250 million 7.5% senior secured notes due 2021. The notes have an interest rate of 7.5% per annum and were issued at a price equal to 98.532% of their face value. Century used the net proceeds from the sale of the notes and available cash on hand for the tender offer and redemption of our outstanding 8% Senior Secured Notes due 2014.

Tender offer and redemption of 8.0% senior secured notes due 2014

On May 20, 2013, we commenced a cash tender offer for any and all of our 8% Senior Secured Notes due 2014 (the "2014 Notes"). In conjunction with the tender offer, we solicited consents to eliminate most of the covenants, certain events of default and certain other provisions contained in the indenture for the 2014 Notes. 2014 Notes validly tendered prior to June 4, 2013 received \$1,003.75 for each \$1,000 principal amount.

We received tenders and consents from holders of approximately 92.18% of the principal amount of the 2014 Notes in the tender offer.

On June 4, 2013, we elected to redeem the remaining outstanding 2014 Notes at par, plus accrued and unpaid interest and transferred the necessary funds to our trustee to complete the redemption.

We used the net proceeds from the issuance of the 7.5% senior secured notes due 2021 and available cash on hand to fund the tender offer and redemption of our 2014 Notes.

Tentative agreement on framework for market priced power for Hawesville

On April 29, 2013, Century Aluminum of Kentucky ("CAKY") announced that it reached a tentative agreement on the framework for providing market priced power to the Hawesville smelter. Under the arrangement, the power companies would purchase power on the open market and pass it through to Hawesville at the market price plus additional costs incurred by them. Definitive agreements for the framework have been agreed to by the parties but must still be approved by various third parties, including the Kentucky Public Service Commission ("KPSC"). The definitive agreements have been submitted for approval to the KPSC. The parties intend to move as expeditiously as possible to finalize the agreement in advance of the expiration of the current power contract on August 20, 2013. See Part II Item 1A – Risk Factors for a discussion of risks related to the Hawesville tentative power agreement.

Conditional WARN Notice and notice to terminate Southwire Metal Agreement at Hawesville

On April 16, 2013, CAKY gave notice to terminate its supply contract with its largest customer, the Southwire Company, given the potential plant closure effective August 20th. If a competitively priced definitive power contract cannot be obtained, CAKY intends to curtail all smelter operations on August 20, 2013, when its current power contract with Big Rivers Electric Corporation expires. In addition, CAKY issued a conditional notice to the employees at the Hawesville smelter of its intent to curtail all plant operations effective August 20, 2013. The announcement was made pursuant to the federal Worker Adjustment and Retraining Notification Act ("WARN"). The WARN notice specifies that the plant will be curtailed unless Hawesville can gain access to competitively priced electric power.

Century Aluminum of West Virginia reaches agreement with PBGC for future pension contributions

In April 2013, CAWV entered into a settlement agreement with the PBGC regarding an alleged "cessation of operations" at its Ravenswood facility as a result of the curtailment of operations at the facility. While CAWV does not believe that a "cessation of operations" has occurred, CAWV has reached an agreement with the PBGC to resolve the matter. Pursuant to the terms of the agreement, CAWV will make additional contributions (above any minimum required contributions) to its defined benefit pension plans totaling approximately \$17.4 million over the term of the agreement, which runs through 2016. In April 2013, we made the first scheduled contribution pursuant to this agreement of \$5.9 million.

Century signs lease for Chicago corporate headquarters

In February 2013, we signed a 10-year operating lease for office space for our corporate headquarters in Chicago, Illinois. We have completed our relocation to Chicago, but we expect to continue to incur relocation expenses through the end of the year.

Results of Operations

The following discussion reflects our historical results of operations.

Century's financial highlights include:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
(In thousands, except per share data)				
Net sales:				
Third-party customers	\$ 220,950	\$ 184,022	\$ 409,464	\$ 372,861
Related parties	110,987	139,597	243,747	276,948
Total	\$ 331,937	\$ 323,619	\$ 653,211	\$ 649,809
Gross profit (loss)	\$ (5,698)	\$ 5,957	\$ 11,884	\$ 26,549
Net loss	\$ (34,573)	\$ (12,277)	\$ (26,320)	\$ (16,678)
Loss per common share:				
Basic and Diluted	\$ (0.39)	\$ (0.14)	\$ (0.30)	\$ (0.19)
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Shipments – primary aluminum (metric tons):				
Direct	106,284	93,831	199,756	187,918
Toll	69,986	66,997	135,290	132,877
Total	176,270	160,828	335,046	320,795
Net sales (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ 331.9	\$ 323.6	\$ 8.3	2.6%
Six months ended June 30,	\$ 653.2	\$ 649.8	\$ 3.4	0.5%
Lower price realizations for our primary aluminum shipments in the three months ended June 30, 2013 were due to lower LME prices for primary aluminum, which were partially offset by increased premiums. The lower price realizations resulted in a \$23.5 million decrease in sales. Higher shipment volumes had a \$31.8 million positive impact on net sales. Direct shipments from our four operating smelters increased 12,453 metric tons in the three months ended June 30, 2013 compared to the same period in 2012, due to the acquisition of the Sebree smelter on June 1, 2013. Toll shipments increased 2,989 metric tons relative to the same period last year.				
Lower price realizations for our primary aluminum shipments in the six months ended June 30, 2013 were due to lower LME prices for primary aluminum, which were partially offset by increased premiums. The lower price realizations resulted in a \$26.4 million sales decrease. Higher shipment volumes had a \$29.8 million positive impact on net sales. Direct shipments from our four operating smelters increased 11,838 metric tons in the six months ended June 30, 2013 compared to the same period in 2012, due to the acquisition of the Sebree smelter on June 1, 2013. Toll shipments increased 2,413 metric tons relative to the same period last year.				
Gross profit (loss) (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ (5.7)	\$ 6.0	\$ (11.7)	(195.0)%
Six months ended June 30,	\$ 11.9	\$ 26.5	\$ (14.6)	(55.1)%

During the three months ended June 30, 2013, lower price realizations, net of LME-based alumina cost and LME-based power cost, decreased gross profit by \$18.0 million, with volume and mix increasing gross profit by \$0.7 million. In addition, we experienced \$7.7 million in net cost decreases, relative to the same period in 2012, comprised of: lower costs for materials, supplies and maintenance, \$9.5 million; offset by higher power and natural gas costs at our U.S. smelters, \$0.8 million; other cost increases, \$0.4 million and increased depreciation, \$0.6 million.

During the six months ended June 30, 2013, lower price realizations, net of LME-based alumina cost and LME-based power cost, decreased gross profit by \$9.3 million, with volume and mix increasing gross profit by \$1.6 million. In addition, we experienced \$18.1 million in net cost decreases, relative to the same period in 2012, comprised of: lower costs for materials, supplies and maintenance, \$20.5 million; lower power and natural gas costs at our U.S. smelters, \$1.5 million; offset by other cost increases, \$3.2 million and increased depreciation, \$0.7 million.

As part of the accounting for the purchase of the Seabree facility, we recorded a \$36.6 million estimated liability subject to adjustment for the power contract we assumed based on the difference between the forecasted contract rate and market power rates through the contract termination date in January 2014. This liability will be fully amortized over the period from June 1, 2013 through January 31, 2014 resulting in a credit to our depreciation and amortization expense. During the three and six months ended June 30, 2013, the credit was \$2.7 million reflecting one month of amortization under Century's ownership.

Decreases in LME prices at the end of the second quarter of 2013 resulted in a decrease in the market value of our inventory relative to its cost basis. As a result we recorded a lower of cost or market (LCM) inventory reserve of \$16.1 million which was \$10.2 million greater than the reserve recorded at March 31, 2013 and resulted in a charge to cost of goods sold for the three months ended June 30, 2013 of \$10.2 million. At the end of the second quarter of 2012, a similar situation occurred. Decreases in LME prices resulted in a decrease in the market value of our inventory relative to its cost basis and we increased our recorded LCM reserve by \$5.4 million resulting in a charge to cost of goods sold for the three months ended June 30, 2012 of \$5.4 million. This resulted in a quarter to quarter decrease in gross profit of \$4.8 million.

During the six months ended June 30, 2013, the decrease in the market value of our inventory relative to its cost basis resulted in a LCM reserve being recorded of \$16.1 million which resulted in a charge to cost of goods sold of \$16.1 million. During the six months ended June 30, 2012, decreases in market value of our inventory relative to its cost basis resulted in a LCM reserve being recorded of \$8.2 million which was \$11.6 million less than the reserve recorded at December 31, 2011 resulting in a credit to cost of goods sold of \$11.6 million as the impaired materials were utilized. This resulted in a period to period decrease in gross profit of \$27.7 million.

Other operating expenses – net (in millions)

	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ 3.0	\$ 3.8	\$ (0.8)	(21.1)%
Six months ended June 30,	\$ 4.1	\$ 7.5	\$ (3.4)	(45.3)%

Other operating expenses – net is primarily related to items associated with Ravenswood. Charges at the facility have been relatively stable during the three and six months ended June 30, 2013 and 2012, except during the first quarter of 2013, when we reduced the facility's accrued legal liabilities by approximately \$2.2 million to reflect the settlement with Ingram.

Selling, general and administrative expenses (in millions)

	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ 15.2	\$ 7.2	\$ 8.0	111.1%
Six months ended June 30,	\$ 31.5	\$ 15.6	\$ 15.9	101.9%

During the three and six months ended June 30, 2013, we experienced increased selling, general and administrative charges due to: relocation and severance expenses related to moving our headquarters to Chicago; litigation matters and accruals for our variable compensation program. In addition, we have incurred general and administrative expenses in 2013 related to the integration of Century Vllissingen anode facility into our business. Upon the restart of Century Vllissingen operations, these costs will be included in cost of goods sold and not recorded in selling, general and administrative expenses. We also incurred selling, general and administrative expenses associated with the newly acquired Seabree facility.

Net gain (loss) on forward and derivative contracts
(in millions)

	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ 0.2	\$ 1.5	\$ (1.3)	(86.7)%
Six months ended June 30,	\$ 15.7	\$ (3.7)	\$ 19.4	(524.3)%

The net gain on forward contracts for the three and six months ended June 30, 2013 was primarily the result of an increase in the fair value of a derivative embedded in the E.ON contingent liability. This change in fair value resulted in unrealized gains of \$0.4 million and \$16.1 million for the three and six months ended June 30, 2013, respectively. The net gain (loss) on forward contracts for the three and six months ended June 30, 2012 related primarily to marking-to-market and recording settlements of option contracts that were put in place to provide partial downside price protection for our domestic facilities. As of June 30, 2012, all of these option contracts were settled.

Gain on bargain purchase (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ 2.0	\$ —	\$ 2.0	N/A
Six months ended June 30,	\$ 2.0	\$ —	\$ 2.0	N/A

On June 1, 2013, we acquired the Seabee smelter. The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the acquisition date. The purchase price allocation is preliminary and subject to change based on the finalization of the valuation of assets and liabilities. Based on the preliminary purchase price allocation, we recorded a gain on bargain purchase of \$2.0 million. The gain on bargain purchase reflects the current LME market and the market risk associated with the long term power supply for the facility. See [Note 2 Business Combination](#) to the consolidated financial statements included herein for additional information.

Loss on early extinguishment of debt (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ (3.3)	\$ —	\$ (3.3)	N/A
Six months ended June 30,	\$ (3.3)	\$ —	\$ (3.3)	N/A

As a result of the tender offer and redemption of the 8% senior secured notes due 2014, we recorded charges of \$3.3 million for loss on early extinguishment of debt. We determined the tender and redemption of the 8.0% Notes should be treated as an extinguishment of the debt and accordingly, we recorded a loss on early extinguishment of debt in the second quarter of 2013. The loss on early extinguishment of debt consisted of the write-off of deferred financing costs and the debt discount associated with the 8.0% Notes, as well as the tender premium paid as part of the 8.0% Notes Tender. See [Note 10 Debt](#) to the consolidated financial statements included herein for additional information.

Other income (expense) – net (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ (1.3)	\$ 0.2	\$ (1.5)	(750.0)%
Six months ended June 30,	\$ (1.2)	\$ 0.5	\$ (1.7)	(340.0)%

During the three and six months ended June 30, 2013, we experienced exchange rate losses of \$1.1 million and \$1.2 million, respectively, the majority of which are items denominated in ISK.

Income tax expense (in millions)	2013	2012	\$ Difference	% Difference
Three months ended June 30,	\$ (2.8)	\$ (3.4)	\$ 0.6	(17.6)%
Six months ended June 30,	\$ (5.3)	\$ (6.2)	\$ 0.9	(14.5)%

Our 2013 and 2012 income tax expense was primarily driven by our earnings in Iceland, with some additional income tax expense due to U.S. state income taxes. In 2013, as a result of the recently completed audit by the Internal Revenue Service, we reduced our interest receivable of approximately \$1.0 million with a charge to income tax expense in the current period.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are available cash, cash flow from operations and available borrowings under our revolving credit facility. We have also raised capital in the past through the public equity and debt markets although we have no commitments in place for such transactions. We regularly explore various other financing alternatives. Our principal uses of cash are the funding of operating costs (including postretirement benefits), maintenance of curtailed production facilities, payments of principal and interest on our outstanding debt, the funding of capital expenditures, investments in our growth activities and in related businesses, repurchases of common stock, working capital and other general corporate requirements.

Our consolidated cash and cash equivalents balance at June 30, 2013 was approximately \$128 million compared to \$184 million at December 31, 2012. We received a customer receivable payment of approximately \$22 million in July 2013, one business day after its June 28th due date. The receipt of this payment is not reflected in the June 30, 2013 consolidated cash and cash equivalents balance. In May 2013, we entered into the Amended and Restated Loan and Security Agreement (the "New Credit Facility") modifying the credit facility signed July 1, 2010. The New Credit Facility extended the term through May 24, 2018 and provides for borrowings of up to \$137.5 million in the aggregate, including up to \$80 million under a letter of credit sub-facility. As of June 30, 2013, our credit facility had no loan amounts outstanding and approximately \$64 million of net availability. We have approximately \$74 million of letters of credit outstanding under our credit facility. Future curtailments of domestic production capacity would reduce domestic accounts receivable and inventory, which comprise the borrowing base of our credit facility, and would result in a corresponding reduction in availability under the credit facility. The acquisition of the Seabee smelter increased domestic accounts receivable and inventory and resulted in a corresponding increase in availability under the credit facility.

In June 2013, we issued \$250 million in 7.5% senior secured notes payable that will mature in 2021.

In December 2012, February 2013, March 2013 and April 2013, Nordur hf participated in the 50/50 ISK Auctions (the "Auctions") sponsored by the Central Bank of Iceland ("CBI") and may participate in future auctions. The Auctions allow authorized investors to exchange foreign currency for Icelandic kronur ("ISK") with 50% exchanged at the official rate set by the CBI and 50% exchanged at auction. The ISK received in the Auctions must be invested in Iceland for a minimum of five years.

We may be required to make installment payments for the E.ON contingent obligation in the future. These payments are contingent based on the LME price of primary aluminum and the level of Hawesville's operations. Based on the LME forward market at June 30, 2013 and management's estimate of the LME forward market, we believe that we will not be required to make payments on the E.ON contingent obligation during the term of the agreement through 2028. See [Note 5 Derivative and hedging instruments](#) and [Note 10 Debt](#) to the consolidated financial statements included herein for additional information.

In August 2011, our Board of Directors approved a \$60 million stock repurchase program. Through June 30, 2013, we had expended approximately \$50 million under the program. At June 30, 2013, we had approximately \$10 million remaining under the repurchase program authorization. The repurchase program may be suspended or discontinued at any time.

In April 2013, CAWV entered into a settlement agreement with the PBGC regarding an alleged "cessation of operations" at its Ravenswood facility as a result of the curtailment of operations at the facility. While CAWV does not believe that a "cessation of operations" has occurred, CAWV has reached an agreement with the PBGC to resolve the matter. Pursuant to the terms of the agreement, CAWV will make additional contributions (above any minimum required contributions) to its defined benefit pension plans totaling approximately \$17.4 million over the term of the agreement, which runs through 2016. In April 2013, CAWV made the first scheduled contribution pursuant to this agreement of \$5.9 million. We expect to make additional annual contributions through 2016 totaling approximately \$11.5 million.

Based on current actuarial and other assumptions, we expect to make minimum required contributions to the qualified defined benefit plans we sponsor of approximately \$3.6 million during 2013 in addition to the contributions required pursuant to the PBGC settlement. In the six months ended June 30, 2013, we have made contributions to these plans of \$7.4 million. We may choose to make additional contributions to these plans from time to time at our discretion.

Under an agreement with the Government of Iceland, Nordural Grundartangi ehf agreed to prepay taxes during 2012, 2011 and 2010 as an advance levy of income taxes and other governmental taxes for the period of 2013 through 2018. The amount of prepaid taxes paid through December 31, 2012 was approximately \$9.6 million. The prepaid taxes will offset taxes otherwise payable in equal installments over the period 2013 through 2018. In 2013, approximately \$1.6 million of the prepaid taxes will be used to offset income taxes due. In 2013, we expect to make estimated net income tax payments in Iceland of approximately \$8.6 million. Through June 30, 2013, we made approximately \$5.3 million of these payments.

We paid approximately \$13.1 million in withholding taxes for intercompany dividend payments in Iceland in the third quarter of 2012 and approximately \$8.3 million in first quarter of 2013, which we expect will be refunded in the fourth quarter of 2013. We expect to pay approximately \$9.6 million in the third quarter of 2013, which we expect will be refunded in 2014. The withholding taxes and associated refunds are payable in Icelandic krona (“ISK”) and we are subject to foreign currency risk associated with fluctuations in the value of the U.S. dollar as compared the ISK.

In May 2013, we received a US federal income tax refund of \$5.0 million upon the notification from the Internal Revenue Service that it had finalized the review of our federal income tax returns for the tax years 2008, 2009, and 2010 and refund years of 2004, 2005, 2006, and 2007.

In June 2012, Nordural Grundartangi entered into a new supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi with supplemental power, as Nordural Grundartangi may request from time to time, at LME-based variable rates. Nordural Grundartangi has agreed to make certain prepayments to Landsvirkjun in connection with the contract, which will reduce the price paid for power at the time of consumption. As of June 30, 2013, these power prepayments totaled approximately \$1.8 million. We expect the amount of the prepayment to continue to grow slowly and we do not expect to realize the benefits from the prepayments in the near term.

Capital Resources

We intend to finance our future recurring capital expenditures from available cash, our cash flow from operations and available borrowings under our revolving credit facility. For major investment projects, such as the Helgufik project, we would likely seek financing from various capital and loan markets and may potentially pursue the formation of strategic alliances. We may be unable to issue additional debt or equity securities, or to issue these securities on attractive terms, due to a number of factors including a lack of demand, unfavorable pricing, poor economic conditions, unfavorable interest rates, or our financial condition or credit rating at the time. Future uncertainty in the U.S. and international markets and economies may adversely affect our liquidity, our ability to access the capital markets and our financial condition.

Capital expenditures for the six months ended June 30, 2013 were \$22.9 million, \$2.6 million of which was related to the Helgufik project and \$3.8 million was related to the Century Vlissingen restart. The balance principally related to an expansion project at Grundartangi that is expected to increase production capacity by approximately 40,000 mtpy over the next four years. The remaining amounts are related to upgrading production equipment, improving facilities and complying with environmental requirements. We believe capital spending in 2013, excluding the activity on the Century Vlissingen and Helgufik projects, will be approximately \$40 to \$45 million.

On June 1, 2013, we acquired the Sebree aluminum smelter from a subsidiary of RTA. The purchase price for the acquisition was \$61 million (subject to customary working capital adjustments), of which we have paid \$48 million as of June 30, 2013. The remaining portion of the purchase price will be paid following final determination of the applicable working capital adjustments, which will be determined based on the amount of working capital transferred to Century Sebree at closing versus a target working capital amount of \$71 million. The transaction was funded with the available cash on hand. See Note 2 in the consolidated financial statements contained herein for additional information.

In order to restart the first 75,000 metric tons of annual anode capacity at Century Vlissingen, we currently intend to make approximately \$30 to \$35 million in capital expenditures in 2013. Through June 30, 2013, we have spent approximately \$3.7 million on this project. We expect the first 75,000 metric tons of capacity will be restarted in late 2013 and will provide an anode supply to replace third-party anode supply contracts terminated in 2013. Following the restart of the first 75,000 metric tons, we currently intend to make approximately \$10 million in additional expenditures over the following three years in order to restart an additional 75,000 metric tons of capacity.

We have made and continue to make capital expenditures for the construction and development of our Helguvik project. We have substantial future contractual commitments for the Helguvik project. If we were to cancel the Helguvik project, we estimate that our exposure to contract cancellation costs would be approximately \$20 million. We are continuing to negotiate with the power suppliers to the project to remove all the remaining conditions to their obligations to supply contracted power. The timing of the power availability together with other factors will determine the timing of resumption of major construction activity at Helguvik. We expect that the portion of capital expenditures for this project that we will fund from our existing cash and operating cash flow will be approximately \$1 million per quarter until the restart of major construction activities. We cannot, at this time, predict when the restart of major construction activity will occur.

Historical

Our statements of cash flows for the six months ended June 30, 2013 and 2012 are summarized below:

	Six months ended June 30,	
	2013	2012
	(dollars in thousands)	
Net cash provided by (used in) operating activities	\$ 22,976	\$ (1,615)
Net cash used in investing activities	(71,057)	(21,241)
Net cash used in financing activities	(8,364)	(4,033)
Net change in cash and cash equivalents	<u>\$ (56,445)</u>	<u>\$ (26,889)</u>

Net cash provided by operating activities in the six months ended June 30, 2013 was \$23.0 million compared to net cash used by operating activities of \$1.6 million in the first six months of 2012. The increase in cash from operations in 2013 was due to improved conversion cost performance primarily due to lower power and carbon costs and lower pension and OPEB benefit contributions, which were partially offset by the impact of lower LME prices.

Our net cash used in investing activities for the first six months of 2013 was \$71.1 million compared to \$21.2 million in the six months ended June 30, 2012. The increase in cash used was primarily due to payments for the purchase of the Sebree smelter in 2013 of \$48 million and higher capital expenditures for the Grundartangi expansion project that is expected to increase production capacity at Grundartangi by approximately 40,000 mtpy over the next four years. We purchased carbon anode assets and made additional improvements totaling \$14.5 million in the second quarter of 2012. We continue to make capital expenditures for the restart of those assets and in the first six months of 2013, we expended \$3.7 million on this project.

Our net cash used in financing activities for the first six months ended June 30, 2013 was \$8.4 million, which was primarily related to the net costs associated with the extinguishment of our 8.0% Notes due in 2014 and the issuance of our 7.5% Notes due in 2021. Our net cash used in financing activities for the six months ended June 30, 2012 was \$4.0 million for the repurchase of our common stock.

Other Commitments and Contingencies

We are a defendant in several actions relating to various aspects of our business. While there are uncertainties relating to the ultimate disposition of any litigation, management, based on information currently available, does not believe that the resolution of any of these lawsuits, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or liquidity. See [Note 11 Commitments and contingencies](#) to the consolidated financial statements included herein for additional information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Commodity price risk

We are exposed to price risk for primary aluminum. From time to time, we may manage our exposure to fluctuations in the price of primary aluminum through financial instruments designed to protect our downside price risk exposure for our domestic production. In addition, we manage our exposure to fluctuations in our costs by purchasing certain of our alumina and power requirements under supply contracts with prices tied to the same indices as our aluminum sales contracts (the LME price of primary aluminum). Our risk management activities do not include any trading or speculative transactions.

Apart from the Glencore Metal Agreement, the Glencore Sweep Agreement, the Glencore Nordural Metal Agreement, the RTA Metal Agreement and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2013	December 31, 2012
	(in metric tons)	
Other forward delivery contracts – total	50,181	88,827
Other forward delivery contracts – Glencore	2,010	1,811

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2013. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2013.

Foreign currency

We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the Icelandic krona (“ISK”), euro, the Chinese yuan and other currencies. Grundartangi’s labor costs, part of its maintenance costs and other local services are denominated in ISK and a portion of its anode costs are denominated in euros and Chinese yuan. We have deposits in Icelandic banks, our tax payments in Iceland for withholding taxes on intercompany dividends and estimated payments of Icelandic income taxes and any associated refunds are denominated in ISK. As a result, an increase or decrease in the value of those currencies relative to the U.S. dollar would affect Grundartangi’s operating margins. We expect to incur capital expenditures for capital investments in Century Vlissingen in the Netherlands over the next three years. In addition, Century Vlissingen labor costs, maintenance costs and other local services will be denominated in euros. We expect to incur capital expenditures for the construction of the Helguvik project, although we continue to evaluate the Helguvik project’s cost, scope and schedule. A significant portion of the capital expenditures for the Helguvik project are forecasted to be denominated in currencies other than the U.S. dollar, with significant portions in ISK, euros and Swiss francs.

We may manage our exposure by entering into foreign currency forward contracts or option contracts for forecasted transactions and projected cash flows for foreign currencies in future periods. As of June 30, 2013, we had no foreign currency forward contracts outstanding.

Natural Economic Hedges

The following estimate of our exposure to the commodity price of aluminum is necessarily limited, as it does not take into consideration our inventory or forward delivery contracts, or the offsetting impact on the sales price of primary aluminum products. Our alumina contracts are indexed to the LME price for primary aluminum and provide a natural hedge for approximately 16% of our production. As of June 30, 2013, approximately 34% of our production for 2013 was hedged by our LME-based alumina contracts and by Grundartangi’s electrical power and tolling contracts.

Risk Management

Our metals, foreign currency and natural gas risk management activities are subject to the control and direction of senior management within guidelines established by Century’s Board of Directors. These activities are regularly reported to Century’s Board of Directors.

Item 4. Controls and Procedures

a. Evaluation of Disclosure Controls and Procedures

As of June 30, 2013, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our management, including the Chief Executive Officer and our principal financial officer, has concluded that our disclosure controls and procedures were effective as of June 30, 2013.

b. Changes in Internal Controls over Financial Reporting

During the three months ended June 30, 2013, there were no changes in our internal controls over financial reporting that materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. On June 1, 2013, we acquired the Sebree smelter and we are currently in the process of extending our internal controls over financial reporting to Sebree's operations.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

In addition to the matters discussed below, we may from time to time be involved in claims, proceedings and litigation arising from our business and property ownership. We believe, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on our financial condition.

We have been named as a defendant in a lawsuit filed by our former Chief Executive Officer, Logan Kruger, alleging breach of contract. The lawsuit alleges that Century anticipatorily breached the employment and severance protection agreements between Century and Mr. Kruger and that Century is obligated to make various severance payments in excess of \$20 million to Mr. Kruger under such agreements. In addition, the complaint seeks unspecified damages, including costs and attorneys' fees. The trial court has transferred the matter to an arbitration panel for resolution. We believe these claims are without merit and intend to defend ourselves against them. The arbitration hearing is currently scheduled for the third quarter of 2013.

In March 2011, the purported stockholder class actions pending against us consolidated as In re: Century Aluminum Company Securities Litigation were dismissed with prejudice by the United States District Court for the Northern District of California. The plaintiffs in the class actions allege that we improperly accounted for cash flows associated with the termination of certain forward financial sales contracts which accounting allegedly resulted in artificial inflation of our stock price and investor losses. Plaintiffs are seeking rescission of our February 2009 common stock offering, unspecified compensatory damages, including interest thereon, costs and expenses and attorneys' fees. In March 2011, plaintiffs filed a notice of appeal to the order and judgment entered by the trial court. In January 2013, the U.S. Court of Appeals for the Ninth Circuit (the "Ninth Circuit") affirmed the trial court's decision. Plaintiffs filed a motion for rehearing or for hearing en banc, which the Ninth Circuit denied in April 2013.

In February 2010, our subsidiary, CAWV, was named as a defendant in a lawsuit filed by Ingram Barge Company ("Ingram") in the United States District Court for the Middle District of Tennessee. The lawsuit alleges that CAWV breached two barging contracts with Ingram by failing to consume a specified amount of barging services as a result of the curtailment of operations at Ravenswood. In May 2013, the parties entered into an a settlement agreement pursuant to which CAWV agreed to pay Ingram approximately \$1.6 million and made certain commitments to Ingram with respect to future contracts.

In April 2013, our subsidiary Nordural Grundartangi, received a ruling in an arbitration case involving two of its power suppliers, HS Orka and Orkuveita Reykjavíkur. Under the arbitration award, Nordural Grundartangi is restricted from reducing power under its existing power contracts with HS Orka and Orkuveita Reykjavíkur in order to take power under a separate power contract with Orkuveita Reykjavíkur originally intended to be used at Helguvík. Nordural Grundartangi remains entitled to take power under the Orkuveita Reykjavíkur Helguvík contract to the extent that its power needs exceed the amount of power provided under its existing power contracts. As part of the award, the tribunal awarded HS Orka damages and Nordural Grundartangi paid \$1.5 million to HS Orka in full satisfaction of such award. The tribunal ordered each party to pay its own legal fees and costs. Orkuveita Reykjavíkur has subsequently brought a claim for damages against Nordural Grundartangi based on the arbitration ruling. Nordural Grundartangi believes these claims are without merit and intends to defend itself against them.

For further information regarding legal proceedings pending against us as of June 30, 2013, refer to [Note 11 Commitments and contingencies](#) to the consolidated financial statements included herein.

Item 1A. Risk Factors

Other than below, there have been no material changes from the risk factors previously disclosed under the heading "Risk Factors" in our 2012 Annual Report on Form 10-K for the fiscal year ended December 31, 2012. You should carefully consider the risk factors set forth below and those contained in our Annual Report on Form 10-K and the other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Proposed new LME warehousing rules could cause metal premiums to decrease.

The LME has announced proposed new rules that would require LME warehouses, under certain conditions, to deliver out more aluminum than they take in. If implemented, these new rules could cause an increase in the supply of aluminum to enter the physical market and may cause local delivery premiums and LME aluminum prices to fall. Declines in aluminum prices and local delivery premiums reduce our earnings and cash flows. Future downturns in aluminum prices may significantly reduce the amount of cash available to meet our obligations and fund our long-term business strategies and could have a material adverse effect on our business, financial conditions, results of operations and liquidity.

If we do not achieve the anticipated benefits of the Sebree acquisition, our business and the market price of our common stock may be adversely affected.

Consummation of the Sebree acquisition occurred in June 2013.

We are subject to numerous risks following the consummation of the Sebree acquisition, including that:

- our senior management's attention may be diverted from the management of our existing business as we integrate the acquired Sebree operations, which may disrupt our existing operations and relationships with our customers;
- we may incur costs and expenses associated with any unidentified or potential liabilities;
- the Sebree acquisition may not perform as well as we anticipate;
- unforeseen difficulties may arise in integrating the acquired Sebree operations into our existing operations; and
- Sebree has issued a 12-month notice to terminate its power contract with Kenergy (the same power provider as our Hawesville facility), effective January 31, 2014. If we are unable to enter into a new contract for the facility, we may be unable to operate it at a profitable level or at all.

Accordingly, the Sebree acquisition might not ultimately improve our competitive position and business prospects as anticipated and may subject us to additional liabilities that could have a material adverse effect on our business, financial condition, results of operations and liquidity. Furthermore, if we fail to realize the anticipated benefits of the Sebree acquisition, the market price of our common stock could decline to the extent that the market price reflects those anticipated benefits.

If we are unable to successfully negotiate better power pricing at our Hawesville and Sebree smelters, we might close these facilities.

In August 2012, CAKY issued a 12-month notice to terminate the Hawesville Power Agreement with Kenergy. Pursuant to the termination notice, the Hawesville Power Agreement will terminate on August 20, 2013. Similarly, in January 2013, Sebree issued a 12-month notice to terminate the Sebree Power Agreement with Kenergy. Pursuant to the termination notice, the Sebree Power Agreement will terminate on January 31, 2014. Under current economic conditions, we have determined that these smelters are not economically viable with their power rates and that we must obtain better power pricing to maintain their viability. Upon termination of the Hawesville Power Agreement or Sebree Power Agreement, Century is required to make alternative power arrangements or curtail activity at, in each case at the respective plant. Our ability to enter into alternative power arrangements is limited by Kentucky state law.

Although CAKY announced on April 29, 2013 that it reached a tentative agreement with Kenergy and Big Rivers on the framework for providing market priced power to the Hawesville smelter, the definitive agreements that we subsequently negotiated with Kenergy and Big Rivers are subject to the approvals from various third parties, including the KPSC. There can be no assurance that any such agreement will receive the necessary third party approvals. If a new power arrangement is not reached prior to August 20, 2013, the Hawesville plant will have to be curtailed. We also intend to seek a market-based power contract for Sebree similar to the tentative agreement we have reached for Hawesville, but no assurance can be given that we will be able to obtain one. If a new power arrangement for Sebree is not reached prior to January 31, 2014, the Sebree plant will have to be curtailed. A curtailment of either the Hawesville or Sebree plants (or both of them) would impose various costs on us that could have a material adverse effect on our business, financial condition, results of operations and liquidity.

In addition, uncertainty regarding the future operation of these smelters may damage our relationships with our customers, suppliers, employees and other stakeholders, whether or not these smelters are ultimately curtailed. On April 16, 2013, for example, we issued a conditional WARN notice to our employees in Hawesville and we gave notice to terminate the supply contract with Hawesville's largest customer, in each case given the potential plant closure effective August 20, 2013. We may also need to take actions to terminate other customer and supply contracts or curtail individual potlines well in advance of any plant closure. Customers and suppliers may also become unwilling to renew existing contracts or enter into new contracts with us. It may also become more difficult to attract and retain employees. Such actions and events could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Item 5. Other Information

Disclosure Pursuant to Section 219 of the Iran Threat Reduction & Syria Human Rights Act

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (“ITRA”), effective August 10, 2012, added a new subsection (r) to Section 13 of the Exchange Act, which requires issuers that file periodic reports with the SEC to disclose in their annual and quarterly reports whether, during the reporting period, they or any of their “affiliates” (as defined in Rule 12b-2 under the Exchange Act) have knowingly engaged in specified activities or transactions relating to Iran, including activities not prohibited by U.S. law and conducted outside the U.S. by non-U.S. affiliates in compliance with applicable laws. Issuers must also file a notice with the SEC if any disclosable activities under ITRA have been included in an annual or quarterly report.

Because the SEC defines the term “affiliate” broadly, our largest stockholder may be considered an affiliate of the Company despite the fact that the Company has no control over its actions or the actions of its affiliates. As such, pursuant to Section 13(r)(1)(D)(iii) of the Exchange Act, the Company hereby discloses the following information provided by our largest stockholder regarding transactions or dealings with entities controlled by the Government of Iran (“GOI”):

During the second quarter of 2013, non-U.S. affiliates of the largest stockholder of the Company (“Stockholder Affiliates”) entered into sales contracts for agricultural products as well as purchase contracts for metals with Iranian entities, which are either fully or majority owned by the GOI. The GOI is in the process of privatizing some of these entities. All transactions were conducted in compliance with applicable sanction laws and, where required, with the necessary prior approvals by the relevant governmental authorities.

The gross revenue of the non-U.S. Stockholder Affiliates related to these transactions did not exceed the value of \$111 million for the second quarter of 2013 ending June 30, 2013. This figure includes the gross revenue of goods sold in 2013 but purchased in previous years. The non-U.S. Stockholder Affiliates do not allocate net profit on a country-by-country or activity-by-activity basis, but estimate that the net profit attributable to the transactions with the GOI would not exceed a small fraction of the gross revenue from such transactions. It is not possible to determine accurately the precise net profit attributable to these transactions.

The non-U.S. Stockholder Affiliates believe that these transactions disclosed above do not constitute violations of applicable sanctions laws administered by the U.S. Department of the Treasury, Office of Foreign Assets Control, and are not the subject of any enforcement actions under Iran sanction laws.

In accordance with applicable U.S. and foreign sanctions laws, the non-U.S. Stockholder Affiliates expect to continue to engage in similar activities in the future.

We had no transactions or activities requiring disclosure under ITRA, nor were we involved in the transactions described in this section. As of the date of this report, we are not aware of any other activity, transaction or dealing by it or any of its affiliates during the second quarter of 2013 ending June 30, 2013 that requires disclosure in this report under Section 13(r) of the Exchange Act.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Form	Incorporated by Reference		Filed Herewith
			File No.	Filing Date	
2.1	Asset Sale Agreement, date April 28, 2013, by and between Century Echo LLC and Alcan Primary Products Corporation	8-K	001-34474	April 30, 2013	
2.2	Amendment No. 1, dated June 1, 2013, to Asset Sale Agreement, dated April 28, 2013, by and between Century Echo LLC (now Century Aluminum Sebree LLC) and Alcan Primary Products Corporation	8-K	001-34474	June 6, 2013	
2.3	Guaranty of Century Aluminum Company, dated April 28, 2013	8-K	001-34474	April 30, 2013	
4.1	Indenture, dated as of June 4, 2013, by and among Century Aluminum Company, the Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee and noteholder collateral agent.	8-K	001-34474	June 10, 2013	
4.2	Form of 7.500% Senior Notes due 2021 (included as Exhibit A to the Indenture filed as Exhibit 4.1)	8-K	001-34474	June 10, 2013	
10.1	Loan and Security Agreement, dated as of May 24, 2013, among Century Aluminum Company, Berkeley Aluminum, Inc., Century Aluminum of West Virginia, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LLC, as borrowers and Wells Fargo Capital Finance, LLC as agent and lender	8-K	001-34474	May 28, 2013	
10.5	Second Lien Pledge and Security Agreement, dated as of June 4, 2013, by and among Century Aluminum Company, the other Grantors (as defined therein) and Wilmington Trust, National Association, as collateral agent	8-K	001-34474	June 10, 2013	
10.6	Collateral Agency Agreement, dated as of June 4, 2013, by and among Century Aluminum Company, the other Grantors (as defined therein) and Wilmington Trust, National Association, as trustee and collateral agent	8-K	001-34474	June 10, 2013	
31.1	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Principal Financial Officer				X
32.1*	Section 1350 Certifications				X
101.INS**	XBRL Instance Document				X
101.SCH**	XBRL Taxonomy Extension Schema				X
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase				X
101.LAB**	XBRL Taxonomy Extension Label Linkbase				X
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase				X

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

** In accordance with Rule 406T of Regulation S-T, the information furnished in these exhibits will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such exhibits will not be deemed to be incorporated by reference into any filing under the Securities Act or Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Century Aluminum Company

Date: August 9, 2013

By: /s/ MICHAEL A. BLESS

Michael A. Bless
President and Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Exhibit Index

Exhibit Number	Description of Exhibit	Form	Incorporated by Reference		Filed Herewith
			File No.	Filing Date	
2.1	Asset Sale Agreement, date April 28, 2013, by and between Century Echo LLC and Alcan Primary Products Corporation	8-K	001-34474	April 30, 2013	
2.2	Amendment No. 1, dated June 1, 2013, to Asset Sale Agreement, dated April 28, 2013, by and between Century Echo LLC (now Century Aluminum Sebree LLC) and Alcan Primary Products Corporation	8-K	001-34474	June 6, 2013	
2.3	Guaranty of Century Aluminum Company, dated April 28, 2013	8-K	001-34474	April 30, 2013	
4.1	Indenture, dated as of June 4, 2013, by and among Century Aluminum Company, the Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee and noteholder collateral agent.	8-K	001-34474	June 10, 2013	
4.2	Form of 7.500% Senior Notes due 2021 (included as Exhibit A to the Indenture filed as Exhibit 4.1)	8-K	001-34474	June 10, 2013	
10.1	Loan and Security Agreement, dated as of May 24, 2013, among Century Aluminum Company, Berkeley Aluminum, Inc., Century Aluminum of West Virginia, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LLC, as borrowers and Wells Fargo Capital Finance, LLC as agent and lender	8-K	001-34474	May 28, 2013	
10.5	Second Lien Pledge and Security Agreement, dated as of June 4, 2013, by and among Century Aluminum Company, the other Grantors (as defined therein) and Wilmington Trust, National Association, as collateral agent	8-K	001-34474	June 10, 2013	
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31.1	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Principal Financial Officer				X
32.1*	Section 1350 Certifications				X
101.INS**	XBRL Instance Document				X
101.SCH**	XBRL Taxonomy Extension Schema				X
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase				X
101.DEF**	XBRL Taxonomy Extension Definition Linkbase				X
101.LAB**	XBRL Taxonomy Extension Label Linkbase				X
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase				X

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

** In accordance with Rule 406T of Regulation S-T, the information furnished in these exhibits will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such exhibits will not be deemed to be incorporated by reference into any filing under the Securities Act or Exchange Act.

CERTIFICATION OF DISCLOSURE IN CENTURY ALUMINUM COMPANY'S
QUARTERLY REPORT FILED ON FORM 10-Q

I, Michael A. Bless, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Century Aluminum Company;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report the Company's conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer(s) and I have disclosed, based on the Company's most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2013

/s/ MICHAEL A. BLESS

Name: Michael A. Bless

Title: President and Chief Executive Officer

(Principal Executive Officer and Principal Financial Officer)

Exhibit 32.1

Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes–Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10–Q of Century Aluminum Company (the “Company”) for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Michael A. Bless, as President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that, to the best of his knowledge:

1. This Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL A. BLESS

By: Michael A. Bless
Title: President and Chief Executive Officer (Principal Executive Officer and Principal Financial Officer)
Date: August 9, 2013

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Document And Entity Information

<i>Document And Entity Information</i>	6 Months Ended	
	Jun. 30, 2013	Jul. 31, 2013

Document and Entity Information
[Abstract]

Entity Registrant Name	CENTURY ALUMINUM CO	
Entity Central Index Key	0000949157	
Document Type	10-Q	
Document Period End Date	Jun. 30, 2013	
Amendment Flag	false	
Document Fiscal Year Focus	2013	
Document Fiscal Period Focus	Q2	
Current Fiscal Year End Date	—12-31	
Entity Filer Category	Accelerated Filer	
Entity Common Stock, Shares Outstanding		88,605,218

CONSOLIDATED BALANCE SHEETS (USD \$)**CONSOLIDATED BALANCE
SHEETS (USD \$)**
*In Thousands, unless otherwise
specified***Jun. 30, 2013****Dec. 31, 2012****ASSETS**

Cash and cash equivalents	\$ 127,531	\$ 183,976
Restricted cash	978	258
Accounts receivable â€” net	84,067	50,667
Due from affiliates	24,964	37,870
Inventories	224,707 ^[1]	159,925 ^[1]
Prepaid and other current assets	41,446	34,975
Deferred taxes – current portion	19,613	19,726
Total current assets	<u>523,306</u>	<u>487,397</u>
Property, plant and equipment â€” net	1,230,031	1,188,214
Other assets	97,838	100,715
TOTAL	<u>1,851,175</u>	<u>1,776,326</u>

LIABILITIES:

Accounts payable, trade	103,867	75,370
Due to affiliates	67,345	39,737
Accrued and other current liabilities	81,172	40,099
Accrued employee benefits costs â€” current portion	18,020	18,683
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>278,219</u>	<u>181,704</u>
Senior notes payable	248,961	250,582
Accrued pension benefits costs â€” less current portion	63,748	67,878
Accrued postretirement benefits costs â€” less current portion	142,978	143,105
Other liabilities	37,056	40,162
Deferred taxes	111,318	110,252
Total noncurrent liabilities	<u>604,061</u>	<u>611,979</u>

**COMMITMENTS AND
CONTINGENCIES (NOTE 11)****SHAREHOLDERS' EQUITY:**

Series A Preferred stock (one cent par
value, 5,000,000 shares authorized;
80,084 and 80,283 issued and
outstanding at June 30, 2013 and
December 31, 2012, respectively)

1

1

Common stock (one cent par value,
195,000,000 shares authorized;
93,389,230 issued and 88,602,709

934

933

outstanding at June 30, 2013;
93,335,158 issued and 88,548,637
outstanding at December 31, 2012)

Additional paid-in capital	2,507,996	2,507,454
Treasury stock, at cost	(49,924)	(49,924)
Accumulated other comprehensive loss	(139,163)	(151,192)
Accumulated deficit	(1,350,949)	(1,324,629)
Total shareholders' equity	<u>968,895</u>	<u>982,643</u>
TOTAL	<u>\$ 1,851,175</u>	<u>\$ 1,776,326</u>

[1] (1)The balance at June 30, 2013 includes inventory acquired with the purchase of Seabee. See Note 2 Acquisition of Seabee aluminum smelter for additional information about the Seabee acquisition.

CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)

<i>CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)</i>	Jun. 30, 2013	Dec. 31, 2012
Series A Preferred stock, par value (in dollars per share)	\$ 0.01	\$ 0.01
Series A Preferred stock, shares authorized (in shares)	5,000,000	5,000,000
Series A Preferred stock, shares issued (in shares)	80,084	80,283
Series A Preferred stock, shares outstanding (in shares)	80,084	80,283
Common stock, par value (in dollars per share)	\$ 0.01	\$ 0.01
Common stock, shares authorized (in shares)	195,000,000	195,000,000
Common stock, shares issued (in shares)	93,389,230	93,335,158
Common stock, shares outstanding (in shares)	88,602,709	88,548,637

CONSOLIDATED STATEMENTS OF OPERATIONS (USD \$)**CONSOLIDATED STATEMENTS
OF OPERATIONS (USD \$)***In Thousands, except Per Share
data, unless otherwise specified***3 Months Ended****6 Months Ended****Jun. 30, 2013****Jun. 30, 2012****Jun. 30, 2013****Jun. 30, 2012****NET SALES:**

Third-party customers	\$ 220,950	\$ 184,022	\$ 409,464	\$ 372,861
Related parties	110,987	139,597	243,747	276,948
Sales Revenue â€“ net	<u>331,937</u>	<u>323,619</u>	<u>653,211</u>	<u>649,809</u>
Cost of goods sold	337,635	317,662	641,327	623,260
Gross profit (loss)	<u>(5,698)</u>	<u>5,957</u>	<u>11,884</u>	<u>26,549</u>
Other operating expenses â€“ net	3,018	3,817	4,114	7,538
Selling, general and administrative expenses	15,154	7,151	31,453	15,610
Operating income (loss)	<u>(23,870)</u>	<u>(5,011)</u>	<u>(23,683)</u>	<u>3,401</u>
Interest expense â€“ third party	(6,224)	(5,946)	(12,300)	(11,924)
Interest income â€“ third party	186	113	317	251
Interest income â€“ related parties	0	2	0	62
Net gain (loss) on forward and derivative contracts	204	1,450	15,711	(3,709)
Gain on bargain purchase	2,042	0	2,042	0
Loss on early extinguishment of debt	(3,272)	0	(3,272)	0
Other income (expense) – net	(1,284)	161	(1,214)	467
Loss before income taxes and equity in earnings of joint ventures	<u>(32,218)</u>	<u>(9,231)</u>	<u>(22,399)</u>	<u>(11,452)</u>
Income tax expense	(2,791)	(3,395)	(5,308)	(6,216)
Loss before equity in earnings of joint ventures	<u>(35,009)</u>	<u>(12,626)</u>	<u>(27,707)</u>	<u>(17,668)</u>
Equity in earnings of joint ventures	436	349	1,387	990
Net loss	<u>(34,573)</u>	<u>(12,277)</u>	<u>(26,320)</u>	<u>(16,678)</u>
Net loss allocated to common shareholders	(34,573)	(12,277)	(26,320)	(16,678)

LOSS PER COMMON SHARE:

Basic and Diluted	\$ (0.39)	\$ (0.14)	\$ (0.30)	\$ (0.19)
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**WEIGHTED AVERAGE COMMON
SHARES OUTSTANDING:**

Basic	88,597	88,452	88,576	88,589
Diluted	88,597	88,452	88,576	88,589
Weighted Average Number of Shares Outstanding, Diluted	88,597	88,452	88,576	88,589
Net unrealized gain (loss) on financial instruments	0	26	0	(220)
Net loss reclassified to income on financial instruments	0	209	0	481

Net gain on foreign currency cash flow hedges reclassified as income	(46)	(46)	(93)	(93)
Net gain arising during the period	10,349	49	10,349	49
Amortization of prior service benefit during the period	(916)	(1,031)	(1,944)	(2,056)
Amortization of net loss during the period	2,130	2,941	4,482	5,125
Other comprehensive income before income tax effect	11,517	2,148	12,794	3,286
Income tax effect	383	383	765	765
Other comprehensive income	11,134	1,765	12,029	2,521
Total comprehensive income (loss)	\$ (23,439)	\$ (10,512)	\$ (14,291)	\$ (14,157)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (USD \$)

**CONSOLIDATED STATEMENTS
OF COMPREHENSIVE INCOME
(LOSS) (USD \$)**

3 Months Ended

6 Months Ended

*In Thousands, unless otherwise
specified*

Jun. 30, 2013

Jun. 30, 2012

Jun. 30, 2013

Jun. 30, 2012

Comprehensive loss:

Net loss	\$ (34,573)	\$ (12,277)	\$ (26,320)	\$ (16,678)
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**Other comprehensive income before
income tax effect:**

Net unrealized gain (loss) on financial instruments	0	26	0	(220)
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Net loss reclassified to income on financial instruments	0	209	0	481
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Net gain on foreign currency cash flow hedges reclassified as income	(46)	(46)	(93)	(93)
--	------	------	------	------

Net gain arising during the period	10,349	49	10,349	49
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Amortization of prior service benefit during the period	(916)	(1,031)	(1,944)	(2,056)
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Amortization of net loss during the period	2,130	2,941	4,482	5,125
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Other comprehensive income before income tax effect	11,517	2,148	12,794	3,286
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Income tax effect	(383)	(383)	(765)	(765)
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Other comprehensive income	11,134	1,765	12,029	2,521
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Total comprehensive loss	\$ (23,439)	\$ (10,512)	\$ (14,291)	\$ (14,157)
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CONSOLIDATED STATEMENTS OF CASH FLOWS (USD \$)**CONSOLIDATED STATEMENTS
OF CASH FLOWS (USD \$)***In Thousands, unless otherwise
specified***6 Months Ended****Jun. 30, 2013****Jun. 30, 2012****CASH FLOWS FROM
OPERATING ACTIVITIES:**

Net loss	\$ (26,320)	\$ (16,678)
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**Adjustments to reconcile net loss to
net cash provided by (used in)
operating activities:**

Unrealized net (gain) loss on forward contracts	(397)	3,177
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Gain on bargain purchase	(2,042)	0
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Unrealized gain on E.ON contingent obligation	(16,075)	0
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Accrued and other plant curtailment costs â€” net	2,268	2,781
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Lower of cost or market inventory adjustment	16,049	(11,617)
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Depreciation and amortization	29,157	31,288
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Debt discount amortization	502	523
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Pension and other postretirement benefits	(3,616)	(260)
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Stock-based compensation	499	212
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Loss on early extinguishment of debt	3,272	0
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Undistributed earnings of joint ventures	(1,387)	(990)
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Change in operating assets and liabilities:

Accounts receivable â€” net	(33,883)	(24,289)
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Due from affiliates	12,906	5,401
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Inventories	(22,334)	25,040
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Prepaid and other current assets	(5,992)	(3,877)
----------------------------------	---------	---------

Accounts payable, trade	30,696	(15,931)
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Due to affiliates	27,607	1,151
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Accrued and other current liabilities	(1,827)	1,750
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Other â€” net	13,893	704
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Net cash provided by (used in) operating activities	22,976	(1,615)
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**CASH FLOWS FROM INVESTING
ACTIVITIES:**

Purchase of property, plant and equipment	(16,565)	(6,165)
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Nordural expansion â€” Helguvik	(2,559)	(3,586)
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Purchase of carbon anode assets and improvements	(3,670)	(14,524)
Purchase of Sebree smelter	(48,058)	0
Investments in and advances to joint ventures	0	(200)
Dividends and payments received on advances from joint ventures	0	3,166
Proceeds from sale of property, plant and equipment	515	68
Restricted and other cash deposits	(720)	0
Net cash used in investing activities	(71,057)	(21,241)
<i>CASH FLOWS FROM FINANCING ACTIVITIES:</i>		
Repayment of debt	(249,604)	
Proceeds from issuance of debt	246,330	0
Borrowings under revolving credit facility	0	18,076
Repayments under revolving credit facility	0	(18,076)
Debt issuance costs	(3,926)	0
Debt retirement costs	(1,208)	0
Repurchase of common stock	0	(4,033)
Issuance of common stock â€” net	44	
Net cash used in financing activities	(8,364)	(4,033)
CHANGE IN CASH AND CASH EQUIVALENTS	(56,445)	(26,889)
Cash and cash equivalents, beginning of the period	183,976	183,401
Cash and cash equivalents, end of the period	\$ 127,531	\$ 156,512

General

General

6 Months Ended

Jun. 30, 2013

General [Abstract]

General

General

The accompanying unaudited interim consolidated financial statements of Century Aluminum Company should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2012. In management's opinion, the unaudited interim consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for the first six months of 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013. Throughout this Form 10-Q, and unless expressly stated otherwise or as the context otherwise requires, "Century Aluminum," "Century," "we," "us," "our" and "ours" refer to Century Aluminum Company and its consolidated subsidiaries.

Acquisition of Sebree aluminum smelter

Acquisition of Sebree aluminum smelter

6 Months Ended

Jun. 30, 2013

Business Combinations [Abstract]

Acquisition of Sebree aluminum smelter

Acquisition of Sebree aluminum smelter

Acquisition of Sebree smelter

On June 1, 2013, our wholly owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree"), acquired the Sebree aluminum smelter ("Sebree") from a subsidiary of Rio Tinto Alcan, Inc ("RTA"). Sebree, located in Robards, Kentucky, has an annual hot metal production capacity of 205,000 metric tons of primary aluminum and employs approximately 500 men and women. The purchase price for the acquisition was \$61,000 (subject to customary working capital adjustments), of which we have paid \$48,000 as of June 30, 2013. The remaining portion of the purchase price will be paid following final determination of the applicable working capital adjustments, which will be determined based on the amount of working capital transferred to Century Sebree at closing versus a target working capital amount of \$71,000. As part of the transaction, RTA retained all historical environmental liabilities of the Sebree smelter and has agreed to fully fund the pension plan being assumed by Century.

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocate the purchase price to the assets acquired, liabilities assumed, and any bargain gain (or goodwill) in accordance with ASC 805, "Business Combinations." Once it has been determined that recognition of an asset or liability in a business combination is appropriate, we measure the asset or liability at fair value in accordance with the principles of ASC 820, "Fair Value Measurements and Disclosures." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The determination of the fair value of certain intangible assets and/or liabilities require significant management judgment in each of the following areas:

- Identify the acquired intangible assets or liabilities. In the case of the Sebree acquisition, we assumed a power contract liability as the contract price is in excess of current market prices.
- Estimate the fair value of the intangible assets and/or liabilities. We consider various approaches to value the acquired intangible assets and/or liabilities. These valuation approaches include the cost approach, which measures the value of an asset based on the cost to reproduce it or replace it with a like asset; the market approach, which values the assets through an analysis of sales and offerings of comparable assets; and the income approach, which measures the value of an asset (or liability) by measuring the present worth of the economic benefits (or costs) it is expected to produce.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the date of acquisition. The purchase price allocation is preliminary and subject to change based on the finalization of the valuation of assets and liabilities. Based on the preliminary purchase price allocation, we recorded a gain on bargain purchase of approximately \$2,042. The gain on bargain purchase reflects the current London Metal Exchange (the "LME") market and the market risk associated with the long term power supply for the facility. The following table summarizes the preliminary estimates of fair value of the assets acquired and the liabilities assumed as of the acquisition date:

Consideration:	
Cash (1)	\$ 47,373
Assets Acquired:	
Inventories	58,496
Prepaid and other current assets	363
Property, plant and equipment – net	55,520
Total assets acquired	\$ 114,379
Liabilities Assumed:	
Accrued and other current liabilities	\$ 44,121
Accrued pension benefit costs	5,039
Accrued post retirement benefit costs	6,544
Other liabilities	8,003
Deferred taxes	1,257
Total liabilities assumed	\$ 64,964
Gain on bargain purchase:	\$ 2,042

- (1) This amount represents our preliminary estimate of consideration based on our expectation of the working capital adjustments.

Through June 30, 2013, the actual revenue and net loss of Sebree since the acquisition date of June 1, 2013 included in the consolidated statement of operations is as follows:

	From Acquisition date through June 30, 2013
Sebree revenue	\$ 38,753
Sebree net loss	(3,456)

The following unaudited pro forma financial information for the three and six months ended June 30, 2013 reflects our results of continuing operations as if the acquisition of Sebree had been completed on

January 1, 2013 or January 1, 2012. This unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what the actual results of operations would have been had the transactions taken place on January 1, 2013 or January 1, 2012, nor is it indicative of the future consolidated results of operations or financial position of the combined companies.

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Pro forma revenues	\$ 413,907	\$ 444,267	\$ 861,605	\$ 890,860
Pro forma earnings from continuing operations	(38,231)	(5,056)	(39,183)	(4,330)
Loss per common share, basic	(0.43)	(0.06)	(0.44)	(0.05)
Loss per common share, diluted	(0.43)	(0.06)	(0.44)	(0.05)

Asset purchase

Asset purchase

6 Months Ended
Jun. 30, 2013

Acquisitions [Abstract]

Recognized Identified Assets
Acquired and Liabilities Assumed
[Text Block]

Asset purchase

In June 2012, Century Vlissingen purchased substantially all of the assets of the Zalco anode production facility located in Vlissingen, the Netherlands for approximately \$12,500. In connection with the purchase, we entered into a ground lease with respect to the facility that is renewable at our option. Century Vlissingen did not assume, and is indemnified by the seller against, historical liabilities of the facility.

The anode production facility, which was curtailed by Zalco in December 2011, will require a significant capital investment to modernize the facility, comply with environmental regulations and optimize anode production for our smelter in Grundartangi. We expect the first 75,000 metric tons of capacity will be restarted in late 2013 and will provide an anode supply to replace third-party anode supply contracts that will terminate in 2013.

Fair value measurements

Fair value measurements

6 Months Ended

Jun. 30, 2013

Fair Value Disclosures [Abstract]

Fair value measurements

Fair value measurements

The following section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value and are categorized based on the fair value hierarchy described in Accounting Standards Codification Manual ("ASC") 820 "Fair Value Measurements." Overview of Century's valuation methodology

	Level	Significant inputs
Cash equivalents/money market funds	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
E.ON U.S. ("E.ON") contingent obligation	3	Quoted LME forward market, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations at Century Aluminum of Kentucky, our wholly owned subsidiary ("CAKY").
Primary aluminum sales premium contracts	3	Management's estimates of future U.S. Midwest premium and risk-adjusted discount rates

- (1) Trust assets are currently invested in money market funds. These trust assets are held to fund the non-qualified supplemental executive pension benefit obligations for certain of our officers. The trust has sole authority to invest the funds in secure interest producing investments consisting of short-term securities issued or guaranteed by the United States government or cash and cash equivalents.

Fair value measurements

Our fair value measurements include the consideration of market risks that other market participants might consider in pricing the particular asset or liability, specifically non-performance risk and counterparty credit risk. Consideration of the non-performance risk and counterparty credit risk are used to establish the appropriate risk-adjusted discount rates used in our fair value measurements.

The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis by the level of input within the ASC 820 fair value hierarchy. As required by GAAP for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented below.

Recurring Fair Value Measurements		As of June 30, 2013			
		Level 1	Level 2	Level 3	Total
ASSETS:					
Cash equivalents	\$	105,104	\$	—	\$ 105,104
Trust assets (1)		12,276	—	—	12,276
Surety bond – workers comp insurance		1,574	—	—	1,574
TOTAL	\$	118,954	\$	—	\$ 118,954
LIABILITIES:					
E.ON contingent obligation – net (2)	\$	—	\$	—	\$ —
Primary aluminum sales contract – premium collar		—	—	773	773
TOTAL	\$	—	\$	773	\$ 773

- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.
- (2) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Recurring Fair Value Measurements		As of December 31, 2012			
		Level 1	Level 2	Level 3	Total
ASSETS:					
Cash equivalents	\$	168,309	\$	—	\$ 168,309
Trust assets (1)		14,254	—	—	14,254
Surety bonds – workers comp insurance		2,123	—	—	2,123
TOTAL	\$	184,686	\$	—	\$ 184,686
LIABILITIES:					
E.ON contingent obligation – net	\$	—	\$	15,369	\$ 15,369
Primary aluminum sales contract – premium collar		—	—	1,170	1,170

TOTAL	\$	—	\$	—	\$	16,539	\$	16,539
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- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.

Change in Level 3 Fair Value Measurements during the three months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, April 1,	\$ (1,030)	\$ (15,426)
Total gain (loss) (realized/unrealized) included in earnings	257	(545)
Settlements	—	(53)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 257	\$ (545)

Change in Level 3 Fair Value Measurements during the six months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, January 1,	\$ (16,539)	\$ (14,760)
Total gain (loss) (realized/unrealized) included in earnings	15,766	(1,158)
Settlements	—	(106)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 15,766	\$ (1,158)

The net gain (loss) on our derivative assets and liabilities is recorded in our consolidated statement of operations under net gain (loss) on forward and derivative contracts. See [Note 5 Derivative and hedging instruments](#) for the location of our Level 3 derivative assets and liabilities within our consolidated balance sheets.

Derivative and hedging instruments

Derivative and hedging instruments

6 Months Ended

Jun. 30, 2013

Derivative Instruments and Hedging Activities Disclosure [Abstract]

Derivative and hedging instruments

Derivative and hedging instruments

The following table provides the fair value and balance sheet classification of our derivatives:

Fair Value of Derivative Liabilities

	Balance sheet location	June 30, 2013	December 31, 2012
DERIVATIVE LIABILITIES:			
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	\$ 773	\$ 1,170
E.ON contingent obligation – net (1)	Other liabilities	—	15,369
TOTAL		\$ 773	\$ 16,539

- (1) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Primary aluminum put option contracts

In the past, we have entered into primary aluminum put option contracts that settled monthly based on LME prices. The option contract volumes accounted for a portion of our domestic production, with a strike price around our domestic facilities' average cash basis break-even price at the time.

Our counterparties included two non-related third parties and an affiliate of Glencore Xstrata plc (together with its subsidiaries, "Glencore"), a related party. We paid cash premiums to enter into the put option contracts and recorded an asset on the consolidated balance sheets. We determined the fair value of the put option contracts using a Black-Scholes model with market data provided by an independent vendor. See the derivatives not designated as hedging instruments table below for more information.

Aluminum sales premium contracts

The Glencore Metal Agreement is a physical delivery contract for primary aluminum through December 31, 2013 with variable, LME-based pricing. Under the Glencore Metal Agreement, pricing is based on market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium. We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Gains and losses on the derivative are based on the difference between the contracted U.S. Midwest premium and actual and forecasted U.S. Midwest premiums. Settlements are recorded in related party sales. Unrealized gains (losses) based on forecasted U.S. Midwest premiums are recorded in net gain (loss) on forward and derivative contracts on the consolidated statements of operations.

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
	Location	2013	2012	2013	2012
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ —	\$ 16,075	\$ —
Primary aluminum put option contracts	Net gain (loss) on forward and derivative contracts	—	1,970	—	(2,725)
Aluminum sales premium contracts	Related party sales	406	328	761	532
Aluminum sales premium contracts	Net gain (loss) on forward and derivative contracts	(149)	(520)	(364)	(985)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

We had the following outstanding forward contracts that were entered into that were not designated as hedging instruments:

	June 30, 2013	December 31, 2012
Primary aluminum sales contract premium (metric tons) (1)	10,430	20,400

- (1) Represents the remaining physical deliveries under the Glencore Metal Agreement.

Counterparty credit risk. Forward financial contracts are subject to counterparty credit risk. However, we only enter into forward financial contracts with counterparties we determine to be creditworthy at the time of entering into the contract. If any counterparty failed to perform according to the terms of the contract, the impact would be limited to the difference between the contract price and the market price applied to the contract volume on the date of settlement.

As of June 30, 2013, income of \$153 is expected to be reclassified out of accumulated other comprehensive loss into earnings over the next 12-month period for derivative instruments that have been

designated and have qualified as cash flow hedging instruments and for the related hedged transactions.

Earnings per share

Earnings per share

6 Months Ended

Jun. 30, 2013

Earnings Per Share [Abstract]

Earnings per share

Earnings per share

Basic earnings per share ("EPS") amounts are calculated by dividing earnings available to common shareholders by the weighted average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive common shares outstanding. The following table shows the basic and diluted earnings per share for the three and six months ended June 30, 2013 and June 30, 2012:

	For the three months ended June 30,			2012		
	2013	Shares	Per-Share	2012	Shares	Per-Share
	Loss	(000)		Loss	(000)	
Net loss	\$ (34,573)			\$ (12,277)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(34,573)	88,597	\$ (0.39)	(12,277)	88,452	\$ (0.14)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	\$ (34,573)	88,597	\$ (0.39)	\$ (12,277)	88,452	\$ (0.14)

	For the six months ended June 30,			2012		
	2013	Shares	Per-Share	2012	Shares	Per-Share
	Loss	(000)		Loss	(000)	
Net loss	\$ (26,320)			\$ (16,678)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(26,320)	88,576	\$ (0.30)	(16,678)	88,589	\$ (0.19)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	\$ (26,320)	88,576	\$ (0.30)	\$ (16,678)	88,589	\$ (0.19)

- (1) We have not allocated net losses between common and preferred shareholders, as the holders of our preferred shares do not have a contractual obligation to share in the loss.

Impact of our outstanding Series A Convertible Preferred Stock on EPS

Our Series A Convertible preferred stock has similar characteristics of a "participating security" as described by the ASC 260-10-45. In accordance with the guidance in the ASC 260-10-45, we calculated basic EPS using the Two-Class Method, allocating undistributed income to our preferred shareholder consistent with their participation rights, and diluted EPS using the If-Converted Method when applicable.

ASC 260-10-50 does not require the presentation of basic and diluted EPS for securities other than common stock and the EPS amounts, as presented, only pertain to our common stock.

The Two-Class Method is an earnings allocation formula that determines earnings per share for common shares and participating securities according to dividends declared (or accumulated) and the participation rights in undistributed earnings.

The holders of our convertible preferred stock do not have a contractual obligation to share in the losses of Century. Thus, in periods where we report net losses, we will not allocate the net losses to the convertible preferred stock for the computation of basic or diluted EPS.

Calculation of EPS:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Options to purchase common stock	620,334	626,334	620,334	626,334
Weighted average service-based share awards outstanding	576,510	395,791	496,234	370,658
Excluded from the calculation of diluted EPS:				
Stock options (1)	620,334	626,334	620,334	632,334
Service-based share award	576,510	395,791	496,234	370,658

- (1) These stock option awards were excluded from the calculation of diluted EPS because the exercise price of these options was greater than the average market price of the underlying common stock, except in periods when we had a net loss where all options were excluded because of their antidilutive effect on earnings per share.

In March 2012, we repurchased 400,000 shares of our common stock under a stock repurchase program. See [Note 7 Shareholders' equity](#) for additional information about this program. Shares repurchased under the program are excluded from the calculation of weighted average shares of common

stock outstanding.

Service-based share awards for which vesting is based upon continued service are not considered issued and outstanding shares of common stock until vested and issued. However, the service-based share awards are considered common stock equivalents and, therefore, the weighted average service-based share awards are included, using the treasury stock method, in common shares outstanding for diluted earnings per share computations if they have a dilutive effect on earnings per share.

Shareholders' equity

Shareholders' equity

6 Months Ended

Jun. 30, 2013

Stockholders' Equity Note [Abstract]

Shareholders' Equity

Shareholders' equity

Common Stock

Under our Restated Certificate of Incorporation, our Board of Directors is authorized to issue up to 195,000,000 shares of our common stock.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock which are currently outstanding, including our Series A Convertible Preferred Stock, or which we may designate and issue in the future.

Stock Repurchase Program

In August 2011, our Board of Directors approved a \$60,000 stock repurchase program. Under the program, we may repurchase up to \$60,000 of our outstanding shares of common stock from time to time on the open market at prevailing market prices, in block trades or otherwise. The timing and amount of any shares repurchased is determined by our management based on its evaluation of market conditions, the trading price of the stock and other factors. The repurchase program may be suspended or discontinued at any time.

Shares of common stock repurchased are recorded at cost as treasury stock and result in a reduction of shareholders' equity in the consolidated balance sheets. From time to time, treasury shares may be reissued as contributions to our employee benefit plans and for the conversion of convertible preferred stock. When shares are reissued, we use an average cost method for determining cost. The difference between the cost of the shares and the reissuance price is added to or deducted from additional paid-in capital.

From August 11, 2011 through June 30, 2013, we repurchased 4,786,521 shares of common stock for an aggregate purchase price of \$49,924. We had approximately \$10,076 remaining under the repurchase program authorization as of June 30, 2013.

Series A Convertible Preferred Stock conversions

All shares of Series A Convertible Preferred Stock are held by Glencore. The issuance of common stock under our stock incentive programs, debt exchange transactions and any stock offering that excludes Glencore participation triggers anti-dilution provisions of the preferred stock agreement and results in the automatic conversion of Series A Convertible Preferred Stock shares into shares of common stock. See Common and Preferred Stock Activity table below for additional information about preferred stock conversions during the period.

Common and Preferred Stock Activity:

	Preferred stock	Common stock	
	Series A convertible	Treasury	Outstanding
Beginning balance as of December 31, 2012	80,283	4,786,521	88,548,637
Repurchase of common stock	—	—	—
Conversion of convertible preferred stock	(199)	—	19,864
Issuance for stock compensation plans	—	—	34,208
Ending balance as of June 30, 2013	80,084	4,786,521	88,602,709

Income taxes

Income taxes

6 Months Ended

Jun. 30, 2013

Income Tax Disclosure [Abstract]

Income taxes

Income taxes

We recorded income tax expense from continuing operations for the six months ended June 30, 2013 of \$5,308 which primarily consist of foreign and state income taxes. Our domestic deferred tax assets, net of deferred tax liabilities are subject to a valuation allowance; therefore, the domestic losses were not benefited.

We recorded income tax expense from continuing operations for the six months ended June 30, 2012 of \$6,216 which primarily consist of foreign and state income taxes.

Income tax expense is based on an annual effective tax rate forecast, including estimates and assumptions that could change during the year.

As of June 30, 2013, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which at June 30, 2013, is not likely to be achieved.

During the six months ended June 30, 2013, we received notice from the Internal Revenue Service ("IRS") that the Congressional Joint Committee on Taxation finalized their review of the US Federal examinations for the income tax years 2008, 2009, and 2010 and refund years of 2004, 2005, 2006, and 2007 without exception to the conclusions reached by the IRS. This Joint Committee is a special nonpartisan Congressional committee involved with the analysis and drafting of federal tax legislation and as part of its mandate, reviews all federal tax refund claims over a certain amount. As a result of this determination, we have reduced the reserve for the unrecognized tax benefits related to prior years by \$14,300. The reduction did not result in an impact to the effective tax rate since the reduction was offset by an increase in our valuation allowance. During the second quarter, we received refunds from the IRS of \$5,009 following the Joint Committee review.

During the second quarter of 2013, we received notice from the Directorate of Internal Revenue of Iceland of their intent to conduct a periodic review regarding certain of our Icelandic subsidiaries for the years 2010–2012.

Inventories

Inventories

6 Months Ended

Jun. 30, 2013

Inventory, Net [Abstract]

Inventories

Inventories

Inventories consist of the following:

	June 30, 2013	December 31, 2012
Raw materials	\$ 60,512	\$ 40,725
Work-in-process	21,703	15,259
Finished goods	17,435	9,753
Operating and other supplies	125,057	94,188
Inventories (1)	<u>\$ 224,707</u>	<u>\$ 159,925</u>

- (1) The balance at June 30, 2013 includes inventory acquired with the purchase of Seabee. See [Note 2 Acquisition of Seabee aluminum smelter](#) for additional information about the Seabee acquisition.

Inventories are stated at the lower of cost or market, using the first-in, first-out method.

Debt

Debt

6 Months Ended

Jun. 30, 2013

Debt Disclosure [Abstract]

Debt	Debt	June 30, 2013	December 31, 2012
Debt classified as current liabilities:			
Hancock County industrial revenue bonds ("IRBs") due 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) (1)	\$	7,815	\$ 7,815
Debt classified as non-current liabilities:			
7.5% senior secured notes payable due June 1, 2021, net of debt discount of \$3,642, interest payable semiannually		246,358	—
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$1,626, interest payable semiannually		—	247,979
7.5% senior unsecured notes payable due August 15, 2014, interest payable semiannually		2,603	2,603
E.ON contingent obligation, principal and accrued interest, contingently payable monthly, annual interest rate of 10.94% (2)		—	15,369
TOTAL	\$	256,776	273,766

- (1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2013 was 0.26%.
- (2) E.ON contingent obligation principal and interest payments are payable based on CAKY's operating level and the LME price for primary aluminum. See E.ON contingent obligation below and [Note 4 Fair value measurements](#) for additional information.

Amended Revolving Credit Facility

General. We and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") and Wells Fargo Capital Finance, LLC, as lender and agent, and Credit Suisse AG and BNP Paribas, as lenders, entered into the Amended and Restated Loan and Security Agreement (the "New Credit Facility"), dated May 24, 2013, as amended, modifying the credit facility signed July 1, 2010. The New Credit Facility extended the term through May 24, 2018 and provides for borrowings of up to \$137,500 in the aggregate, including up to \$80,000 under a letter of credit sub-facility. Any letters of credit issued and outstanding under the New Credit Facility reduce our borrowing availability on a dollar-for-dollar basis.

Status of our Credit Facility:

	June 30, 2013
New Credit Facility amount	\$ 137,500
Borrowing availability, net of outstanding letters of credit	63,955
Outstanding borrowings on Credit Facility	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued under the Credit Facility	73,545

Borrowing Base. The availability of funds under the New Credit Facility is limited by a specified borrowing base consisting of accounts receivable and inventory of the Borrowers which meet the eligibility criteria.

Guaranty. The Borrowers' obligations under the New Credit Facility are guaranteed by certain of our domestic subsidiaries and secured by a continuing lien upon and a security interest in all of the Borrowers' accounts receivable, inventory and certain bank accounts. Each Borrower is liable for any and all obligations under the New Credit Facility on a joint and several basis.

Interest Rates and Fees. Any amounts outstanding under the New Credit Facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. The applicable interest margin is determined based on the average daily availability for the immediately preceding quarter. In addition, we pay an unused line fee on undrawn amounts, less the amount of our letters of credit exposure.

For standby letters of credit, we are required to pay a fee on the face amount of such letters of credit that varies depending on whether the letter of credit exposure is cash collateralized.

Maturity. The New Credit Facility will mature on May 24, 2018.

Prepayments. We can make prepayments of amounts outstanding under the New Credit Facility, in whole or in part without premium or penalty, subject to standard LIBOR breakage costs, if applicable. We may be required to apply the proceeds from sales of collateral accounts, other than sales of inventory in the ordinary course of business, to repay amounts outstanding under the revolving credit facility and correspondingly reduce the commitments there under.

Covenants. The New Credit Facility contains customary covenants, including restrictions on mergers and acquisitions, indebtedness, affiliate transactions, liens, dividends and distributions, dispositions of collateral, investments and prepayments of indebtedness, as well as a covenant that requires the Borrowers to maintain certain minimum liquidity or availability requirements.

Events of Default. The New Credit Facility also includes customary events of default, including nonpayment, misrepresentation, breach of covenant, bankruptcy, change of ownership, certain judgments and certain cross defaults. Upon the occurrence of an event of default, commitments under the New Credit

Facility may be terminated and amounts outstanding may be accelerated and declared immediately due and payable.

8% Notes Tender Offer, Consent Solicitation and Redemption

In May 2013, we commenced a tender offer and consent solicitation to the holders of the outstanding 8% Senior Secured Notes due 2014 (the "8.0% Notes Tender Offer"). Investors electing to participate in the 8.0% Notes Tender Offer consented to certain amendments and modifications to the indenture governing the 8.0% Notes to remove, among other things, most of the restrictive covenants, in exchange for which we paid these investors consent fees.

We received tenders and consents from holders of approximately 92% of the outstanding principal amount of the 8.0% Notes. The remaining 8.0% Notes outstanding that had not participated in the Tender Offer were redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest (the "Redemption"). Together the 8.0% Tender Offer and Redemption satisfied and discharged our obligations under the 8.0% Notes and the related indenture. We used the net proceeds from the issuance of the 7.5% Senior Secured Notes due 2021 (the "7.5% Notes") and available cash on hand to fund the 8.0% Notes Tender Offer and the Redemption.

In accordance with ASC 470, based on an evaluation of the characteristics of the 8.0% Notes and the 7.5% Notes that were recently issued, we determined the tender and redemption of the 8.0% Notes should be treated as an extinguishment of the debt and accordingly, we recorded a loss on early extinguishment of debt in the second quarter of 2013. The loss on early extinguishment of debt consisted of the write-off of deferred financing costs and the debt discount associated with the 8.0% Notes, as well as the tender premium paid as part of the 8.0% Notes Tender.

7.5% Notes

General. On June 4, 2013, we issued \$250,000 of our 7.5% Notes in a private offering exempt from the registration requirements of the Securities Act. The 7.5% Notes were issued at a discount and we received gross proceeds of \$246,330, prior to payment of financing fees and related expenses.

Interest rate. The 7.5% Notes bear interest at 7.5% per annum on the principal amount, payable semi-annually in arrears in cash on June 1st and December 1st of each year.

Maturity. The 7.5% Notes mature on June 1, 2021.

Seniority. The 7.5% Notes are senior secured obligations of Century, ranking equally in right of payment with all existing and future senior indebtedness of Century, but effectively senior to unsecured debt to the extent of the value of the collateral.

Guaranty. Our obligations under the 7.5% Notes are guaranteed by all of our existing and future domestic restricted subsidiaries (the "Guarantors"), except for foreign owned holding companies and any domestic restricted subsidiary that owns no assets other than equity interests or other investments in foreign subsidiaries, which guaranty shall in each case be a senior secured obligation of such Guarantors, ranking equally in right of payment with all existing and future senior indebtedness of such Guarantor but effectively senior to unsecured debt.

Collateral. Our obligations under the 7.5% Notes and the guarantors' obligations under the guarantees are secured by a pledge of and lien on (subject to certain exceptions):

- (i) all of our and the guarantors' plant, property and equipment (other than certain excluded property, such as the assets of Berkeley Aluminum, Inc., the owner of our interest in our Mt. Holly facility);
- (i) all equity interests in domestic subsidiaries directly owned by us and the guarantors and 65% of equity interests in foreign subsidiaries or foreign holding companies directly owned by us and the guarantors;
- (ii) intercompany notes owed by any non-guarantor to us or any guarantor to us; and
- (iii) proceeds of the foregoing.

Under certain circumstances, we may incur additional debt that also may be secured by liens on the collateral that are equal to or have priority over the liens securing the 7.5% Notes.

Redemption Rights. Prior to June 1, 2016, we may redeem the 7.5% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, and if redeemed during the twelve-month period beginning on June 1 of the years indicated below, at the following redemption prices plus accrued and unpaid interest:

Year	Percentage
2016	105.625%
2017	103.750%
2018	101.875%
2019 and thereafter	100.000%

Upon a change of control (as defined in the indenture governing the 7.5% Notes), we will be required to make an offer to purchase the 7.5% Notes at a purchase price equal to 101% of the outstanding principal amount of the 7.5% Notes on the date of the purchase, plus accrued interest to the date of purchase.

Covenants. The indenture governing the 7.5% Notes contains customary covenants which may limit our ability, and the ability of certain of our subsidiaries, to: (i) incur additional debt; (ii) create liens; (iii) pay dividends or make distributions in respect of capital stock; (iv) purchase or redeem capital stock; (v) make investments or certain other restricted payments; (vi) sell assets; (vii) issue or sell stock of certain subsidiaries; (viii) enter into transactions with shareholders or affiliates; and (ix) effect a consolidation or merger.

E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments under the Big Rivers Agreement to Big Rivers on CAKY's behalf in excess of the agreed upon base amount. Our obligation to make repayments is contingent upon certain operating criteria for our Hawesville, Kentucky facility and the LME price of primary aluminum. When the conditions for repayment are met, and for so long so those conditions continue to be met, we will be obligated to make principal and interest payments, in up to 72 monthly payments.

Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we recognized a derivative asset which offsets our contingent obligation. As a result, our net liability decreased and we recorded a gain of \$16,075 in net gain (loss) on forward and derivative contracts for the six months ended June 30, 2013. Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement, which expires in 2028. However, future increases in the LME forward market may result in a partial or full derecognition of the derivative asset and a corresponding recognition of a loss. The following table provides information about the balance sheet location and gross amounts offset:

Offsetting of financial instruments and derivatives		Balance sheet location	June 30, 2013	December 31, 2012
E.ON Loan	Other liabilities	\$	(12,902)	\$ (12,902)
E.ON Loan – Accrued Interest	Other liabilities		(3,173)	(2,467)
E.ON Contract Derivative Asset	Other liabilities		16,075	—
		\$	—	\$ (15,369)

Commitments and contingencies

Commitments and contingencies

6 Months Ended

Jun. 30, 2013

Commitments and Contingencies Disclosure [Abstract]

Commitments and contingencies

Commitments and contingencies

Environmental Contingencies

Based upon all available information, we believe our current environmental liabilities do not have, and are not likely to have, a material adverse effect on our financial condition, results of operations or liquidity. Because of the issues and uncertainties described below and the inability to predict the requirements of future environmental laws, there can be no assurance that future capital expenditures and costs for environmental compliance at currently or formerly owned or operated properties will not result in liabilities which may have a material adverse effect.

It is our policy to accrue for costs associated with environmental assessments and remedial efforts when it becomes probable that a liability has been incurred and the costs can be reasonably estimated. The aggregate environmental-related accrued liabilities were \$1,396 and \$906 at June 30, 2013 and December 31, 2012, respectively. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to costs for ongoing environmental compliance, including maintenance and monitoring, such costs are expensed as incurred.

Century Aluminum of West Virginia ("CAWV") continues to perform remedial measures at our Ravenswood West Virginia facility pursuant to an order issued by the EPA in 1994 (the "3008(h) Order"). CAWV also conducted a RCRA facility investigation ("RFI") under the 3008(h) Order evaluating other areas at Ravenswood that may have contamination requiring remediation. The RFI has been approved by appropriate agencies. CAWV has completed interim remediation measures at two sites identified in the RFI, and we believe no further remediation will be required. A Corrective Measures Study, which formally documents the conclusion of these activities, has been submitted by the EPA and a final order has been completed and signed by the EPA in April 2013. Under the order, CAWV's responsibilities going forward include monitoring specific wells as well as restricting access to certain parts of the site.

Prior to our purchase of Hawesville, the EPA issued a final Record of Decision ("ROD") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). By agreement, Southwire Company ("Southwire"), the former owner and operator is to perform all obligations under the ROD. CAKY has agreed to operate and maintain the ground water treatment system required under the ROD on behalf of Southwire, and Southwire will reimburse CAKY for any expense that exceeds \$400 annually.

In July 2006, we were named as a defendant, together with certain affiliates of Alcoa Inc., in a lawsuit brought by Alcoa Inc. seeking to determine responsibility for certain environmental indemnity obligations related to the sale of a cast aluminum plate manufacturing facility located in Vernon, California, which we purchased from Alcoa Inc. in December 1998, and sold to Alcan Rolled Products-Ravenswood LLC in July 1999. The complaint also seeks costs and attorney fees. The matter is in a preliminary stage, and we cannot predict the ultimate outcome of this action or estimate a range of possible losses related to this matter at this time. We do not expect that the ultimate costs to resolve this action will have a material adverse effect on our financial condition, results of operations or liquidity, regardless of the final outcome.

Matters relating to the St. Croix Alumina Refining Facility

We are a party to an EPA Administrative Order on Consent (the "Order") pursuant to which other past and present owners of an alumina refining facility at St. Croix, Virgin Islands (the "St. Croix Alumina Refinery") have agreed to carry out a Hydrocarbon Recovery Plan to remove and manage hydrocarbons floating on groundwater underlying the facility. Pursuant to the Hydrocarbon Recovery Plan, recovered hydrocarbons and groundwater are delivered to the adjacent petroleum refinery where they are received and managed. In connection with the sale of the facility by Lockheed Martin Corporation ("Lockheed") to one of our affiliates, Virgin Islands Alumina Corporation ("Vialco"), in 1989, Lockheed, Vialco and Century entered into the Lockheed-Vialco Asset Purchase Agreement. The indemnity provisions contained in the Lockheed-Vialco Asset Purchase Agreement allocate responsibility for certain environmental matters. Lockheed has tendered indemnity and defense of the above matter to Vialco. We have likewise tendered indemnity to Lockheed. Through June 30, 2013, we have expended approximately \$985 on the Hydrocarbon Recovery Plan. At this time, we are not able to estimate the amount of any future potential payments under this indemnification to comply with the Order, but we do not anticipate that any such amounts will have a material adverse effect on our financial condition, results of operations or liquidity, regardless of the final outcome.

In May 2005, we and Vialco were among several defendants listed in a lawsuit filed by the Commissioner of the Department of Planning and Natural Resources ("DPNR"), in his capacity as Trustee for Natural Resources of the United States Virgin Islands. The complaint alleges damages to natural resources caused by alleged releases from the St. Croix Alumina Refinery and the adjacent petroleum refinery. The primary cause of action is pursuant to the natural resource damage provisions of CERCLA, but various ancillary Territorial law causes of action were included as well. We and Lockheed have each tendered indemnity and defense of the case to the other pursuant to the terms of the Lockheed-Vialco Asset Purchase Agreement. The complaint seeks unspecified monetary damages, costs and attorney fees.

In November 2011, the court granted a motion by Century, dismissing Century from the case. Vialco, however, remains a defendant in this case and has asserted factual and affirmative defenses. The parties are currently engaged in the discovery process. As of June 30, 2013, no trial date has been set for the remaining claims.

In December 2006, Vialco and the two succeeding owners of the St. Croix Alumina Refinery were named as defendants in a lawsuit filed by the Commissioner of the DPNR. The complaint alleges the defendants failed to take certain actions specified in a Coastal Zone management permit issued to Vialco in October 1994, and alleges violations of territorial water pollution control laws during the various defendants' periods of ownership. The complaint seeks statutory and other unspecified monetary penalties for the alleged violations. The parties are currently engaged in the discovery process.

In May 2009, St. Croix Renaissance Group, L.L.P. ("SCRG") filed a third-party complaint for contribution and other relief against several third-party defendants, including Vialco, relating to a lawsuit filed against SCRG seeking recovery of response costs relating to the aforementioned DPNR CERCLA matter. In February 2011, the court granted a motion by Century, dismissing Century from the case. Vialco, however, remains a defendant in this case. In March 2011, the court granted the remaining defendants', including Vialco's, motion for summary judgment, dismissing the case. The plaintiff filed a notice of appeal with the Third Circuit Court of Appeals in May 2011. On June 5, 2013, the Third Circuit Court of Appeals reversed the lower court's ruling to hold that plaintiff's expenditures of funds may be found as recoverable response costs incurred by the government entitling plaintiffs to recover future response costs, but did not rule. Vialco remains the only Century entity in the litigation. At this time, it is not practicable to predict the ultimate outcome of or to estimate a range of possible losses relating to any of the foregoing.

In December 2010, Century was among several defendants listed in a lawsuit filed by approximately 2,300 plaintiffs who either worked, resided or owned property in the area downwind from the St. Croix Alumina Refinery. In March 2011, Century was also named a defendant in a nearly identical suit brought by approximately 200 plaintiffs previously named in the aforementioned suit. The plaintiffs in both suits allege damages caused by the presence of red mud and other particulates coming from the alumina facility and are seeking unspecified monetary damages, costs and attorney fees as well as certain injunctive relief. We have tendered indemnity and defense to St. Croix Alumina LLC and Alcoa Alumina & Chemical LLC under the terms of an acquisition agreement relating to the facility and have filed a motion to dismiss plaintiffs' claims, but the court has not yet ruled on the motion.

Pursuant to the terms of the asset purchase agreement between Vialco and the purchaser of the St. Croix Alumina Refinery in 1995, the purchaser assumed responsibility for all costs and other liabilities associated with the bauxite waste disposal facilities, including pre-closure and post-closure liabilities. At this time, it is not practicable to predict the ultimate outcome of or to estimate a range of possible losses relating to any of the foregoing actions.

Legal Contingencies

In addition to the foregoing matters, we have pending against us or may be subject to various lawsuits, claims and proceedings related primarily to employment, commercial, environmental, shareholder, safety and health matters.

In evaluating whether to accrue for losses associated with legal contingencies, it is our policy to take into consideration factors such as the facts and circumstances asserted, our historical experience with contingencies of a similar nature, the likelihood of our prevailing and the severity of any potential loss. For some matters, no accrual is established because we have assessed our risk of loss to be remote. Where the risk of loss is probable and the amount of the loss can be reasonably estimated, we record an accrual, either on an individual basis or with respect to a group of matters involving similar claims, based on the factors set forth above.

We also determine estimates of reasonably possible losses or ranges of reasonably possible losses in excess of related accrued liabilities, if any, when we have assessed that a loss is reasonably possible. Based on current knowledge, management has ascertained estimates for losses that are reasonably possible and management does not believe that any reasonably possible outcomes in excess of our accruals, if any, either individually or in aggregate, would be material to our financial condition, results of operations, or liquidity. We reevaluate and update our assessments and accruals as matters progress over time.

We have been named as a defendant in a lawsuit filed by our former Chief Executive Officer, Logan Kruger, alleging breach of contract. The lawsuit alleges that Century anticipatorily breached the employment and severance protection agreements between Century and Mr. Kruger and that Century is obligated to make various severance payments in excess of \$20,000 to Mr. Kruger under such agreements.

In addition, the complaint seeks unspecified damages, including costs and attorneys' fees. The trial court has transferred the matter to an arbitration panel for resolution. We believe these claims are without merit and intend to defend ourselves against them. The arbitration hearing is scheduled for the third quarter of 2013.

In March 2011, the purported stockholder class actions pending against us consolidated as In re: Century Aluminum Company Securities Litigation were dismissed with prejudice by the United States District Court for the Northern District of California. The plaintiffs in the class actions allege that we improperly accounted for cash flows associated with the termination of certain forward financial sales contracts which accounting allegedly resulted in artificial inflation of our stock price and investor losses. Plaintiffs are seeking rescission of our February 2009 common stock offering, unspecified compensatory damages, including interest thereon, costs and expenses and attorneys' fees. In March 2011, plaintiffs filed a notice of appeal to the order and judgment entered by the trial court. In January 2013, the U.S. Court of Appeals for the Ninth Circuit (the "Ninth Circuit") affirmed the trial court's decision. Plaintiffs filed a motion for rehearing or hearing en banc, which the Ninth Circuit denied in April 2013.

In February 2010, our subsidiary, CAWV, was named as a defendant in a lawsuit filed by Ingram Barge Company ("Ingram") in the United States District Court for the Middle District of Tennessee. The lawsuit alleges that CAWV breached two barging contracts with Ingram by failing to consume a specified amount of barging services as a result of the curtailment of operations at Ravenswood. In May 2013, the parties entered into a settlement agreement pursuant to which CAWV agreed to pay Ingram \$1,575 and made certain commitments to Ingram with respect to future contracts.

In April 2013, our subsidiary Nordural Grundartangi, received a ruling in an arbitration case involving two of its power suppliers, HS Orka and Orkuveita Reykjavíkur. Under the arbitration award, Nordural Grundartangi is restricted from reducing power under its existing power contracts with HS Orka and Orkuveita Reykjavíkur in order to take power under a separate power contract with Orkuveita Reykjavíkur originally intended to be used at Helguvík. Nordural Grundartangi remains entitled to take power under the Orkuveita Reykjavíkur Helguvík contract to the extent that its power needs exceed the amount of power provided under its existing power contracts. As part of the award, the tribunal awarded HS Orka damages and Nordural Grundartangi paid \$1,470 to HS Orka in full satisfaction of such award. The tribunal ordered each party to pay its own legal fees and costs. Orkuveita Reykjavíkur has subsequently brought a claim for damages against Nordural Grundartangi based on the arbitration ruling. Nordural Grundartangi believes these claims are without merit and intends to defend itself against them.

Ravenswood Retiree Medical Benefits changes

In November 2009, CAWV filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USWA"), the USWA's local union, and four CAWV retirees, individually and as class representatives, seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USWA and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. These actions, entitled Dewhurst, et al. v. Century Aluminum Co., et al., and Century Aluminum of West Virginia, Inc. v. United Steel, Paper and Forestry, Rubber Manufacturing, Energy, Allied Industrial & Service Workers International Union, AFL-CIO/CLC, et al., have been consolidated and venue has been set in the District Court for the Southern District of West Virginia.

In January 2010, the USWA filed a motion for preliminary injunction to prevent us from implementing the foregoing changes while these lawsuits are pending, which was dismissed by the trial court. In August 2011, the Fourth Circuit Court of Appeals upheld the District Court's dismissal of the USWA's motion for preliminary injunction. The case is currently in the discovery stage.

Ravenswood Pension Plans

In June 2011, the Pension Benefit Guaranty Corporation (the "PBGC") informed us that it believed a "cessation of operations" under ERISA had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility. Although we disagree that a "cessation of operations" occurred, CAWV entered into a settlement agreement with the PBGC in April 2013 to resolve the matter. Pursuant to the terms of the agreement, CAWV will make additional contributions (above any minimum required contributions) to its defined benefit pension plans totaling approximately \$17,400 over the term of the agreement, which runs through 2016. In April 2013, CAWV made the first scheduled contribution pursuant to this agreement of \$5,900.

Power Commitments

Hawesville

In August 2012, CAKY issued a 12-month notice to terminate its long-term power supply agreement (the "Hawesville Power Agreement") with Kenergy, a member cooperative of Big Rivers Electric Corporation ("Big Rivers"). The Hawesville Power Agreement is take-or-pay for Hawesville's energy requirements at full production. During the 12-month notice period, Century is required to pay a demand charge for power, but is not obligated to continue operating the plant. The Hawesville Power Agreement currently provides sufficient power at cost-based rates for Hawesville's full production capacity requirements, but, pursuant to the termination notice, the Hawesville Power Agreement will terminate on August 20, 2013. If a new power arrangement is not reached prior to August 20, 2013, the Hawesville plant will have to be curtailed.

On April 29, 2013, CAKY announced that it had reached a tentative agreement with Kenergy and Big Rivers on the framework for providing market priced power to the Hawesville smelter. Under the arrangement, the power companies would purchase power on the open market and pass it through to Hawesville at the market price plus additional costs incurred by them. Definitive agreements for the framework have been agreed to by the parties but must still be approved by various third parties, including the Kentucky Public Service Commission ("KPSC"). The definitive agreements have been submitted for approval to the KPSC, which is expected to issue a decision prior to the August 20, 2013 termination of the existing Hawesville Power Agreement.

Sebree

In January 2013, Sebree issued a 12-month notice to terminate its long-term power supply agreement (the "Sebree Power Agreement") with Kenergy, a member cooperative of Big Rivers. The Sebree Power Agreement is take-or-pay for Sebree's energy requirements at full production. During the 12-month notice period, Century is required to pay a demand charge for power, but is not obligated to continue operating the plant. The Sebree Power Agreement currently provides sufficient power at cost-based rates for Sebree's full production capacity requirements, but, pursuant to the termination notice, the Sebree Power Agreement will terminate on January 31, 2014. If a new power arrangement is not reached prior to January 31, 2014, the Sebree plant will have to be curtailed.

We intend to seek a market-based power contract for Seabree similar to the tentative agreement we have reached for Hawesville, but no assurance can be given that we will be able to obtain one.

Mt. Holly

Mt. Holly has a power purchase agreement (the "Santee Cooper Agreement") with the South Carolina Public Service Authority ("Santee Cooper") with a term through December 2015, unless extended. The Santee Cooper Agreement provides adequate power for Mt. Holly's full production capacity requirements at prices fixed based on published rate schedules (which are subject to change), with adjustments for fuel prices and other items. The Santee Cooper Agreement restricts Mt. Holly's ability to reduce its power consumption (or the associated payment obligations) below contracted levels and to terminate the agreement, unless, in each case, the LME falls below certain negotiated levels.

In 2012, Mt. Holly and Santee Cooper amended the terms of Santee Cooper agreement in order to allow Mt. Holly to receive all or a portion of Mt. Holly's supplemental power requirements from an off-system natural gas-fired power generation facility (the "off-system facility"). The energy charge for supplemental power from the off-system facility is based on the cost of natural gas rather than Santee Cooper's system average fuel costs, which are primarily coal-based. The amendments to the power agreement may provide a benefit to Mt. Holly provided that natural gas costs remain below Santee Cooper's system average fuel costs. The amended power agreement provides that Mt. Holly may continue to receive its supplemental power requirements from the off-system facility through December 31, 2015.

Ravenswood

CAWV has a power purchase agreement (the "ApCo Agreement") with the Appalachian Power Company ("ApCo"). CAWV currently purchases a limited amount of power under the ApCo Agreement as necessary to maintain its Ravenswood smelter, which is presently curtailed. Power is supplied under the ApCo Agreement at prices set forth in published tariffs (which are subject to change), with certain adjustments.

Grundartangi

Nordural Grundartangi ehf has power purchase agreements with HS Orka hf ("HS"), Landsvirkjun and Orkuveita Reykjavíkur ("OR") to provide power to its Grundartangi smelter. These power purchase agreements, which will expire on various dates from 2019 through 2036, provide power at LME-based variable rates. Each power purchase agreement contains take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreement.

In the fourth quarter of 2011, an additional 47.5 MW of power became available under a power purchase agreement with OR. This power can be used at either Grundartangi or Helguvík and a portion is currently being utilized at Grundartangi.

In June 2012, Nordural Grundartangi entered into a new supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi with supplemental power, as Nordural Grundartangi may request from time to time, at LME-based variable rates. Nordural Grundartangi has agreed to make certain prepayments to Landsvirkjun in connection with the contract, which will reduce the price paid for power at the time of consumption.

Helguvík

Nordural Helguvík has power purchase agreements with HS and OR to provide power to the Helguvík project. These power purchase agreements provide power at LME-based variable rates and contain take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreements. The first stage of power under the OR power purchase agreement (approximately 47.5 MW) became available in the fourth quarter of 2011 and a portion of that power is currently being utilized at Grundartangi. No other power is currently available under either power purchase agreement. HS (with respect to all phases) and OR (with respect to all phases other than the first phase) have alleged that certain conditions to the delivery of power under the power purchase agreements have not been satisfied. Nordural Helguvík is in discussion with both HS and OR with respect to such conditions.

Other Commitments and Contingencies

Labor Commitments

Approximately 75% of our U.S. based work force is represented by the USWA. CAKY's Hawesville plant employees represented by the USWA are under a collective bargaining agreement which expires on March 31, 2015. The Seabree plant employees represented by the USWA are under a collective bargaining agreement that expires on September 30, 2014.

In April 2010, Nordural Grundartangi ehf entered into a new labor agreement with the five labor unions representing approximately 84% of Grundartangi's work force. The labor agreement expires on December 31, 2014.

The labor agreement for CAWV's Ravenswood plant employees represented by the USWA expired on August 31, 2010.

Other Commitments

The Patient Protection and Affordable Care Act and the related Health Care and Education Reconciliation Act were enacted in March 2010. The Health Care Acts extend health care coverage to many uninsured individuals and expands coverage to those already insured. The Health Care Acts contain provisions which could impact our retiree medical benefits in future periods. However, the extent of that impact, if any, cannot be determined until regulations are promulgated under the Health Care Acts and additional interpretations of the Health Care Acts become available. We are continuing to assess the potential impacts that this legislation may have on our future results of operations, cash flows and financial position related to our health care benefits and other postretirement benefit obligations. Among other things, the Health Care Acts eliminated the tax deductibility of the Medicare Part D subsidy for companies that provide qualifying prescription drug coverage to retirees effective for years beginning after December

Forward delivery contracts and financial instruments

Forward delivery contracts and financial instruments

6 Months Ended

Jun. 30, 2013

Forward delivery contracts [Abstract]

Schedule of Forward Contracts
Indexed to Issuer's Equity [Table Text Block]

Forward delivery contracts and financial instruments
As a producer of primary aluminum, we are exposed to fluctuating raw material and primary aluminum prices. From time to time we enter into fixed and market priced contracts for the sale of primary aluminum and the purchase of raw materials in future periods.

Forward Physical Delivery Agreements

Primary Aluminum Sales Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Metal Agreement (1)	Glencore	20,400 mtpy	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Sweep Agreement (2)	Glencore	Surplus primary aluminum produced in the United States	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 19,000 metric tons	Through December 31, 2013	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	220 to 240 million pounds per year (high conductivity molten aluminum)	Through December 31, 2013	Variable, based on U.S. Midwest market
RTA Metal Agreement	Rio Tinto Alcan	Approximately 111,000 metric tons	Through December 31, 2013	Variable, based on U.S. Midwest market

- (1) We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Under the Glencore Metal Agreement, pricing is based on then-current Midwest market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium.
- (2) The Glencore Sweep Agreement is for all metal produced in the U.S. in 2013, less existing sales agreements and high-purity metal sales. The term of the contract may be extended for one year upon mutual agreement.
- (3) The Southwire Metal Agreement contains termination rights in the event of a partial or full curtailment of the Hawesville facility. On April 16, 2013, CAKY gave notice to terminate its supply contract with its largest customer, the Southwire Company, given the potential plant closure effective August 20th.

Tolling Contracts

Contract	Customer	Volume	Term	Pricing
Billiton Tolling Agreement (1)	BHP Billiton	130,000 mtpy	Through December 31, 2013	LME-based
Glencore Toll Agreement (1)	Glencore	90,000 mtpy	Through July 31, 2016	LME-based
Glencore Toll Agreement (1)	Glencore	40,000 mtpy	Through December 31, 2014	LME-based

- (1) Grundartangi's tolling revenues include a premium based on the European Union ("EU") import duty for primary aluminum.

Apart from the Glencore Metal Agreement, the Glencore Sweep Agreement, the Glencore Nordural Metal Agreement, the RTA Metal Agreement and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2013	December 31, 2012
	(in metric tons)	
Other forward delivery contracts – total	50,181	88,827
Other forward delivery contracts – Glencore	2,010	1,811

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2013. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2013.

Forward Financial Instruments

We are party to various forward financial and physical delivery contracts, which are accounted for as derivative instruments. See [Note 5 Derivative and hedging instruments](#) for additional information about these instruments.

Supplemental cash flow information*Supplemental cash flow information***6 Months Ended****Jun. 30, 2013***Supplemental Cash Flow
Information [Abstract]*

Supplemental cash flow information	Supplemental cash flow information	Six months ended June 30,	
		2013	2012
	Cash paid for:		
	Interest	\$ 11,287	\$ 10,108
	Income/withholding taxes (1)	14,156	16,809
	(1) We paid withholding taxes in Iceland of \$8,259 and \$9,484 in the six months ended June 30, 2013 and 2012, respectively. Our tax payments in Iceland for withholding taxes, income taxes, and associated refunds, are denominated in ISK.		

Asset retirement obligations (“ARO”)***Asset retirement obligations
(“ARO”)*****6 Months Ended****Jun. 30, 2013*****Asset Retirement Obligation
Disclosure [Abstract]*****Asset retirement obligations
(“ARO”)**

Asset retirement obligations (“ARO”)

Our asset retirement obligations consist primarily of costs associated with the disposal of spent pot liner used in the reduction cells of our domestic facilities.

The reconciliation of the changes in the asset retirement obligations is presented below:

	Six months ended June 30, 2013	Year ended December 31, 2012
Beginning balance, ARO liability	\$ 16,124	\$ 15,171
Additional ARO liability incurred	764	1,166
ARO liabilities settled	(796)	(1,380)
Accretion expense	673	1,167
Additional ARO liability from Sebree acquisition	10,591	—
Ending balance, ARO liability	<u>\$ 27,356</u>	<u>\$ 16,124</u>

Certain conditional AROs related to the disposal costs of fixed assets at our primary aluminum facilities have not been recorded because they have an indeterminate settlement date. These conditional AROs will be initially recognized in the period in which sufficient information exists to estimate their fair value.

Components of Accumulated other comprehensive loss

Components of Accumulated other comprehensive loss

6 Months Ended

Jun. 30, 2013

Accumulated Other Comprehensive Income (Loss), Net of Tax [Abstract]

Components of Accumulated other comprehensive loss

Components of accumulated other comprehensive loss

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ (140,338)	\$ (153,225)
Equity in investee other comprehensive income (1)	(12,712)	(12,712)
Unrealized loss on financial instruments	(971)	(878)
Other comprehensive loss before income tax effect	(154,021)	(166,815)
Income tax effect (2)	14,858	15,623
Accumulated other comprehensive loss	<u>\$ (139,163)</u>	<u>\$ (151,192)</u>

The amount includes our equity in the other comprehensive income of Mt. Holly Aluminum Company.

(2)The allocation of the income tax effect to the components of other comprehensive income is as follows:

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ 15,037	\$ 15,784
Equity in investee other comprehensive income	453	488
Unrealized loss on financial instruments	(632)	(649)

Components of net periodic benefit cost

Components of net periodic benefit cost

6 Months Ended

Jun. 30, 2013

Components of net periodic benefit cost [Abstract]

Components of net periodic benefit cost

Components of net periodic benefit cost

		Pension Benefits			
		Three months ended June 30,		Six months ended June 30,	
		2013	2012	2013	2012
Service cost	\$	926	\$ 506	\$ 1,606	\$ 1,401
Interest cost		1,755	1,606	3,390	3,436
Expected return on plan assets		(1,893)	(1,782)	(3,613)	(3,482)
Amortization of prior service cost		22	34	54	69
Amortization of net loss		857	1,133	1,706	1,821
Curtailment		(18)	—	(18)	—
Net periodic benefit cost	\$	<u>1,649</u>	<u>\$ 1,497</u>	<u>\$ 3,125</u>	<u>\$ 3,245</u>
Other Postretirement Benefits ("OPEB")					
		Three months ended June 30,		Six months ended June 30,	
		2013	2012	2013	2012
Service cost	\$	670	\$ 370	\$ 1,163	\$ 895
Interest cost		1,433	1,271	2,756	2,757
Amortization of prior service cost		(938)	(1,065)	(1,998)	(2,125)
Amortization of net loss		1,273	1,808	2,776	3,304
Curtailment		(20)	—	(20)	—
Net periodic benefit cost	\$	<u>2,418</u>	<u>\$ 2,384</u>	<u>\$ 4,677</u>	<u>\$ 4,831</u>

Employer contributions

During the six months ended June 30, 2013, we have made contributions of approximately \$7,419 to the qualified defined benefit plans we sponsor.

Condensed consolidating financial information

Condensed consolidating financial information

6 Months Ended

Jun. 30, 2013

Jun. 30, 2012

Condensed Consolidating Financial Information [Abstract]

Condensed consolidating financial information

Condensed consolidating financial information
Our 7.5% senior unsecured notes due 2014 are guaranteed by each of our material existing and future domestic subsidiaries, except for Nordural US LLC. Each subsidiary guarantor is 100% owned by Century. All guarantees are full and unconditional; all guarantees are joint and several. These notes are not guaranteed by our foreign subsidiaries (such subsidiaries and Nordural US LLC, collectively the "Non-Guarantor Subsidiaries"). We allocate corporate expenses or income to our subsidiaries and charge interest on certain intercompany balances.

The following summarized condensed consolidating balance sheets as of June 30, 2013 and December 31, 2012, condensed consolidating statements of comprehensive income (loss) for the three and six months ended June 30, 2013 and June 30, 2012 and the condensed consolidating statements of cash flows for the six months ended June 30, 2013 and June 30, 2012 present separate results for Century, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, consolidating adjustments and total consolidated amounts.

This summarized condensed consolidating financial information may not necessarily be indicative of the results of operations or financial position had Century, the guarantor subsidiaries or the non-guarantor subsidiaries operated as independent entities.

CONDENSED CONSOLIDATING BALANCE SHEET

	As of June 30, 2013				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 82,104	\$ 45,427	\$ —	\$ 127,531
Restricted cash	—	978	—	—	978
Accounts receivable — net	75,509	8,558	—	—	84,067
Due from affiliates	601,495	38,482	2,387,611	(3,002,624)	24,964
Inventories	157,976	66,731	—	—	224,707
Prepaid and other current assets	4,994	31,369	5,083	—	41,446
Deferred taxes — current portion	—	19,726	—	(113)	19,613
Total current assets	839,974	247,948	2,438,121	(3,002,737)	523,306
Investment in subsidiaries	38,810	—	(1,000,911)	962,101	—
Property, plant and equipment, net	357,738	871,435	1,258	(400)	1,230,031
Due from affiliates — less current portion	—	29,926	—	(29,926)	—
Other assets	17,606	52,291	32,793	(4,852)	97,838
Total	<u>\$ 1,254,128</u>	<u>\$ 1,201,600</u>	<u>\$ 1,471,261</u>	<u>\$ (2,075,814)</u>	<u>\$ 1,851,175</u>
Liabilities:					
Accounts payable, trade	\$ 67,123	\$ 35,551	\$ 1,193	\$ —	\$ 103,867
Due to affiliates	2,158,509	129,236	196,918	(2,417,318)	67,345
Accrued and other current liabilities	51,544	24,620	12,681	(7,673)	81,172
Accrued employee benefits costs — current portion	15,035	—	2,985	—	18,020
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,300,026	189,407	213,777	(2,424,991)	278,219
Senior notes payable	—	—	248,961	—	248,961
Accrued pension benefit costs — less current portion	32,518	—	31,230	—	63,748
Accrued postretirement benefit costs — less current portion	136,554	—	6,424	—	142,978
Other liabilities/intercompany loan	58,329	590,678	1,974	(613,925)	37,056

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ 34,027	\$ (11,051)	\$ —	\$ 22,976
Investing activities:				
Purchase of property, plant and equipment	(5,240)	(10,751)	(574)	(16,565)
Nordural expansion — Helgavik	—	(2,559)	—	(2,559)
Purchase of carbon anode assets and improvements	—	(3,670)	—	(3,670)
Purchase of Seabee smelter	(48,058)	—	—	(48,058)
Proceeds from sale of property, plant and equipment	—	515	—	515
Restricted and other cash deposits	258	(978)	—	(720)
Net cash used in investing activities	(53,040)	(17,443)	(574)	(71,057)
Financing activities:				
Repayment of debt	(3,274)	—	(246,330)	(249,604)
Proceeds from issuance of debt	246,330	—	—	246,330
Repayment of contingent obligation	(249,604)	—	249,604	—
Debt issuance costs	—	—	(3,926)	(3,926)
Debt retirement costs	—	—	(1,208)	(1,208)
Intercompany transactions	25,561	582	(26,143)	—
Issuance of common stock — net	—	—	44	44
Net cash provided by (used in) financing activities	19,013	582	(27,959)	(8,364)
Net change in cash and cash equivalents	—	(27,912)	(28,533)	(56,445)
Cash and cash equivalents, beginning of the period	—	110,016	73,960	183,976

Deferred taxes	—	110,318	—	1,000	111,318	Cash and cash equivalents, end of the period	\$ —	\$ 82,104	\$ 45,427	\$ 127,531
Total noncurrent liabilities	227,401	700,996	288,589	(612,925)	604,061					
Shareholders' equity:										
Convertible preferred stock	—	—	1	—	1					
Common stock	60	12	934	(72)	934					
Additional paid-in capital	355,467	154,493	2,507,996	(509,960)	2,507,996					
Treasury stock, at cost	—	—	(49,924)	—	(49,924)					
Accumulated other comprehensive income (loss)	(134,056)	(1,602)	(139,163)	135,658	(139,163)					
Retained earnings (accumulated deficit)	(1,494,770)	158,294	(1,350,949)	1,336,476	(1,350,949)					
Total shareholders' equity	(1,273,299)	311,197	968,895	962,102	968,895					
Total	\$ 1,254,128	\$ 1,201,600	\$ 1,471,261	\$ (2,075,814)	\$ 1,851,175					
CONDENSED CONSOLIDATING BALANCE SHEET										
As of December 31, 2012										
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated					
Assets:										
Cash and cash equivalents	\$ —	\$ 110,016	\$ 73,960	\$ —	\$ 183,976					
Restricted cash	258	—	—	—	258					
Accounts receivable — net	38,328	12,339	—	—	50,667					
Due from affiliates	604,008	38,328	2,391,249	(2,995,715)	37,870					
Inventories	97,847	62,078	—	—	159,925					
Prepaid and other current assets	4,421	30,650	8,063	(8,159)	34,975					
Deferred taxes – current portion	—	17,799	—	1,927	19,726					
Total current assets	744,862	271,210	2,473,272	(3,001,947)	487,397					
Investment in subsidiaries	40,335	—	(1,039,141)	998,806	—					
Property, plant and equipment — net	313,090	874,559	916	(351)	1,188,214					
Due from affiliates – less current portion	—	3,588	—	(3,588)	—					
Other assets	17,616	45,474	37,027	598	100,715					
Total	\$ 1,115,903	\$ 1,194,831	\$ 1,472,074	\$ (2,006,482)	\$ 1,776,326					
Liabilities:										
Accounts payable, trade	\$ 37,301	\$ 37,627	\$ 442	\$ —	\$ 75,370					
Due to affiliates	2,098,320	105,945	193,788	(2,358,316)	39,737					
Accrued and other current liabilities	13,031	31,332	1,967	(6,231)	40,099					
Accrued employee benefits costs — current portion	15,926	—	2,757	—	18,683					
Industrial revenue bonds	7,815	—	—	—	7,815					
Total current liabilities	2,172,393	174,904	198,954	(2,364,547)	181,704					
Senior notes payable	—	—	250,582	—	250,582					
Accrued pension benefit costs — less current portion	36,087	—	31,791	—	67,878					
Accrued postretirement benefit costs — less current portion	137,184	—	5,921	—	143,105					
Other liabilities/intercompany loan	65,377	614,585	2,183	(641,983)	40,162					
Deferred taxes	—	109,011	—	1,241	110,252					
Total noncurrent liabilities	238,648	723,596	290,477	(640,742)	611,979					
Shareholders' equity:										
Convertible preferred stock	—	—	1	—	1					
Common stock	60	12	933	(72)	933					
Additional paid-in capital	303,659	150,743	2,507,454	(454,402)	2,507,454					
Treasury stock, at cost	—	—	(49,924)	—	(49,924)					
Accumulated other comprehensive income (loss)	(146,862)	(1,525)	(151,192)	148,387	(151,192)					
	(1,451,995)	147,101	(1,324,629)	1,304,894	(1,324,629)					

Retained earnings (accumulated deficit)					
Total shareholders' equity	(1,295,138)	296,331	982,643	998,807	982,643
Total	<u>\$ 1,115,903</u>	<u>\$ 1,194,831</u>	<u>\$ 1,472,074</u>	<u>\$ (2,006,482)</u>	<u>\$ 1,776,326</u>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE
INCOME (LOSS)

For the three months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	\$ 220,950
Related parties	51,651	59,336	—	—	110,987
	225,637	106,300	—	—	331,937
Cost of goods sold	<u>250,395</u>	<u>87,240</u>	<u>—</u>	<u>—</u>	<u>337,635</u>
Gross profit (loss)	(24,758)	19,060	—	—	(5,698)
Other operating expenses – net	3,018	—	—	—	3,018
Selling, general and administrative expenses	<u>11,755</u>	<u>3,399</u>	<u>—</u>	<u>—</u>	<u>15,154</u>
Operating income (loss)	(39,531)	15,661	—	—	(23,870)
Interest expense – third party	(6,224)	—	—	—	(6,224)
Interest expense – affiliates	14,521	(14,521)	—	—	—
Interest income – third party	17	169	—	—	186
Net gain on forward and derivative contracts	204	—	—	—	204
Gain on bargain purchase	2,042	—	—	—	2,042
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	<u>(128)</u>	<u>(1,156)</u>	<u>—</u>	<u>—</u>	<u>(1,284)</u>
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,371)	153	—	—	(32,218)
Income tax expense	<u>(660)</u>	<u>(2,131)</u>	<u>—</u>	<u>—</u>	<u>(2,791)</u>
Loss before equity in earnings (loss) of subsidiaries and joint ventures	(33,031)	(1,978)	—	—	(35,009)
Equity in earnings (loss) of subsidiaries and joint ventures	(3,044)	436	(34,573)	37,617	436
Net income (loss)	<u>\$ (36,075)</u>	<u>\$ (1,542)</u>	<u>\$ (34,573)</u>	<u>\$ 37,617</u>	<u>\$ (34,573)</u>
Other comprehensive income (loss) before income tax effect	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,960)	\$ 11,517
Income tax effect	<u>(357)</u>	<u>8</u>	<u>(383)</u>	<u>349</u>	<u>(383)</u>
Other comprehensive income (loss)	9,649	(38)	11,134	(9,611)	11,134
Comprehensive income (loss)	<u>\$ (26,426)</u>	<u>\$ (1,580)</u>	<u>\$ (23,439)</u>	<u>\$ 28,006</u>	<u>\$ (23,439)</u>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE
INCOME (LOSS)

For the three months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 131,721	\$ 52,301	\$ —	\$ —	\$ 184,022
Related parties	76,469	63,128	—	—	139,597
	208,190	115,429	—	—	323,619
Cost of goods sold	223,297	94,365	—	—	317,662
Gross profit (loss)	(15,107)	21,064	—	—	5,957
Other operating expenses – net	3,817	—	—	—	3,817
Selling, general and administrative expenses (income)	8,238	(1,087)	—	—	7,151
Operating income (loss)	(27,162)	22,151	—	—	(5,011)
Interest expense – third party	(5,946)	—	—	—	(5,946)
Interest expense – affiliates	16,030	(16,030)	—	—	—
Interest income – third party	3	110	—	—	113
Interest income – affiliates	—	2	—	—	2
Net gain on forward contracts	1,450	—	—	—	1,450
Other (income) expense – net	(6)	167	—	—	161
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(15,631)	6,400	—	—	(9,231)
Income tax expense	(432)	(2,963)	—	—	(3,395)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(16,063)	3,437	—	—	(12,626)
Equity in earnings (loss) of subsidiaries and joint ventures	386	349	(12,277)	11,891	349
Net income (loss)	\$ (15,677)	\$ 3,786	\$ (12,277)	\$ 11,891	\$ (12,277)
Other					
comprehensive income (loss) before income tax effect	\$ 1,617	\$ (46)	\$ 2,148	\$ (1,571)	\$ 2,148
Income tax effect	(373)	8	(383)	365	(383)
Other comprehensive income (loss)	1,244	(38)	1,765	(1,206)	1,765
Comprehensive income (loss)	\$ (14,433)	\$ 3,748	\$ (10,512)	\$ 10,685	\$ (10,512)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE
INCOME (LOSS)

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
--	---------------------------------------	---	----------------	---------------------------------------	--------------

NET SALES:					
Third-party customers	\$ 311,084	\$ 98,380	\$ —	\$ —	\$ 409,464
Related parties	<u>118,280</u>	<u>125,467</u>	<u>—</u>	<u>—</u>	<u>243,747</u>
	429,364	223,847	—	—	653,211
Cost of goods sold	<u>461,580</u>	<u>179,747</u>	<u>—</u>	<u>—</u>	<u>641,327</u>
Gross profit (loss)	(32,216)	44,100	—	—	11,884
Other operating expenses – net	4,114	—	—	—	4,114
Selling, general and administrative expenses	<u>24,644</u>	<u>6,809</u>	<u>—</u>	<u>—</u>	<u>31,453</u>
Operating income (loss)	(60,974)	37,291	—	—	(23,683)
Interest expense – third party	(12,300)	—	—	—	(12,300)
Interest expense – affiliates	29,017	(29,017)	—	—	—
Interest income – third party	31	286	—	—	317
Net gain on forward and derivative contracts	15,711	—	—	—	15,711
Gain on bargain purchase	2,042	—	—	—	2,042
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	<u>(9)</u>	<u>(1,205)</u>	<u>—</u>	<u>—</u>	<u>(1,214)</u>
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(29,754)	7,355	—	—	(22,399)
Income tax benefit (expense)	<u>(7,762)</u>	<u>2,454</u>	<u>—</u>	<u>—</u>	<u>(5,308)</u>
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(37,516)	9,809	—	—	(27,707)
Equity in earnings (loss) of subsidiaries and joint ventures	(5,266)	1,387	(26,320)	31,586	1,387
Net income (loss)	<u>\$ (42,782)</u>	<u>\$ 11,196</u>	<u>\$ (26,320)</u>	<u>\$ 31,586</u>	<u>\$ (26,320)</u>
Other comprehensive income (loss) before income tax effect	\$ 11,090	\$ (93)	\$ 12,794	(10,997)	\$ 12,794
Income tax effect	<u>(748)</u>	<u>17</u>	<u>(765)</u>	<u>731</u>	<u>(765)</u>
Other comprehensive income (loss)	10,342	(76)	12,029	(10,266)	12,029
Comprehensive income (loss)	<u>\$ (32,440)</u>	<u>\$ 11,120</u>	<u>\$ (14,291)</u>	<u>\$ 21,320</u>	<u>\$ (14,291)</u>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE
INCOME (LOSS)

For the six months ended June 30, 2012

Combined	Combined			
Guarantor	Non-Guarantor	The	Reclassifications	
Subsidiaries	Subsidiaries	Company	and Eliminations	Consolidated

NET SALES:					
Third-party customers	\$ 267,575	\$ 105,286	\$ —	\$ —	\$ 372,861

Related parties	150,999	125,949	—	—	276,948
	418,574	231,235	—	—	649,809
Cost of goods sold	430,233	193,027	—	—	623,260
Gross profit (loss)	(11,659)	38,208	—	—	26,549
Other operating expense – net Selling, general and administrative expenses (income)	7,538	—	—	—	7,538
	16,217	(607)	—	—	15,610
Operating income (loss)	(35,414)	38,815	—	—	3,401
Interest expense – third party	(11,924)	—	—	—	(11,924)
Interest expense – affiliates	32,248	(32,248)	—	—	—
Interest income – third party	14	237	—	—	251
Interest income – affiliates	—	62	—	—	62
Net loss on forward contracts	(3,709)	—	—	—	(3,709)
Other income (expense) – net	798	(331)	—	—	467
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	(685)	(5,531)	—	—	(6,216)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of subsidiaries and joint ventures	156	990	(16,678)	16,522	990
Net income (loss)	<u>\$ (18,516)</u>	<u>\$ 1,994</u>	<u>\$ (16,678)</u>	<u>\$ 16,522</u>	<u>\$ (16,678)</u>
Other comprehensive income (loss) before income tax effect	\$ 2,275	\$ (93)	\$ 3,286	\$ (2,182)	\$ 3,286
Income tax effect	(74)	17	(765)	57	(765)
Other comprehensive income (loss)	2,201	(76)	2,521	(2,125)	2,521
Comprehensive income (loss)	<u>\$ (16,315)</u>	<u>\$ 1,918</u>	<u>\$ (14,157)</u>	<u>\$ 14,397</u>	<u>\$ (14,157)</u>

Subsequent events
Subsequent events

6 Months Ended
Jun. 30, 2013

Subsequent Events [Abstract]

Subsequent events

Subsequent events

We have evaluated all subsequent events through the date the financial statements were issued.

Acquisition of Sebree aluminum smelter (Policies)

Acquisition of Sebree aluminum smelter (Policies)

6 Months Ended

Jun. 30, 2013

Business Combinations [Abstract]

Purchase Price Allocation

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocate the purchase price to the assets acquired, liabilities assumed, and any bargain gain (or goodwill) in accordance with ASC 805, "Business Combinations." Once it has been determined that recognition of an asset or liability in a business combination is appropriate, we measure the asset or liability at fair value in accordance with the principles of ASC 820, "Fair Value Measurements and Disclosures." Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The determination of the fair value of certain intangible assets and/or liabilities require significant management judgment in each of the following areas:

- Identify the acquired intangible assets or liabilities. In the case of the Sebree acquisition, we assumed a power contract liability as the contract price is in excess of current market prices.
- Estimate the fair value of the intangible assets and/or liabilities. We consider various approaches to value the acquired intangible assets and/or liabilities. These valuation approaches include the cost approach, which measures the value of an asset based on the cost to reproduce it or replace it with a like asset; the market approach, which values the assets through an analysis of sales and offerings of comparable assets; and the income approach, which measures the value of an asset (or liability) by measuring the present worth of the economic benefits (or costs) it is expected to produce.

Acquisition of Sebree aluminum smelter (Tables)***Acquisition of Sebree aluminum smelter (Tables)*****6 Months Ended****Jun. 30, 2013*****Business Combinations [Abstract]*****Schedule of Purchase Price Allocation**

Consideration:	
Cash (1)	\$ 47,373
Assets Acquired:	
Inventories	58,496
Prepaid and other current assets	363
Property, plant and equipment – net	55,520
Total assets acquired	<u>\$ 114,379</u>
Liabilities Assumed:	
Accrued and other current liabilities	\$ 44,121
Accrued pension benefit costs	5,039
Accrued post retirement benefit costs	6,544
Other liabilities	8,003
Deferred taxes	1,257
Total liabilities assumed	<u>\$ 64,964</u>
Gain on bargain purchase:	<u>\$ 2,042</u>

Sebree Revenue and Net loss since Acquisition Date

		From Acquisition date through June 30, 2013
Sebree revenue	\$	38,753
Sebree net loss		(3,456)

Business Acquisition, Pro Forma Information

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Pro forma revenues	\$ 413,907	\$ 444,267	\$ 861,605	\$ 890,860
Pro forma earnings from continuing operations	(38,231)	(5,056)	(39,183)	(4,330)
Loss per common share, basic	(0.43)	(0.06)	(0.44)	(0.05)
Loss per common share, diluted	(0.43)	(0.06)	(0.44)	(0.05)

Fair value measurements (Tables)

Fair value measurements (Tables)

6 Months Ended

Jun. 30, 2013

Fair Value Disclosures [Abstract]

Schedule of valuation methodology used to measure assets and liabilities at fair value

The following section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value and are categorized based on the fair value hierarchy described in Accounting Standards Codification Manual ("ASC") 820 "Fair Value Measurements." Overview of Century's valuation methodology

	Level	Significant inputs
Cash equivalents/money market funds	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
E.ON U.S. ("E.ON") contingent obligation	3	Quoted LME forward market, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations at Century Aluminum of Kentucky, our wholly owned subsidiary ("CAKY").
Primary aluminum sales premium contracts	3	Management's estimates of future U.S. Midwest premium and risk-adjusted discount rates

- (1) Trust assets are currently invested in money market funds. These trust assets are held to fund the non-qualified supplemental executive pension benefit obligations for certain of our officers. The trust has sole authority to invest the funds in secure interest producing investments consisting of short-term securities issued or guaranteed by the United States government or cash and cash equivalents.

Financial assets and liabilities at fair value on a recurring basis

Recurring Fair Value Measurements	As of June 30, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 105,104	\$ —	\$ —	\$ 105,104
Trust assets (1)	12,276	—	—	12,276
Surety bond – workers comp insurance	1,574	—	—	1,574
TOTAL	\$ 118,954	\$ —	\$ —	\$ 118,954
LIABILITIES:				
E.ON contingent obligation – net (2)	\$ —	\$ —	\$ —	\$ —
Primary aluminum sales contract – premium collar	—	—	773	773
TOTAL	\$ —	\$ —	\$ 773	\$ 773

- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.
- (2) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Recurring Fair Value Measurements	As of December 31, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 168,309	\$ —	\$ —	\$ 168,309
Trust assets (1)	14,254	—	—	14,254
Surety bonds – workers comp insurance	2,123	—	—	2,123
TOTAL	\$ 184,686	\$ —	\$ —	\$ 184,686
LIABILITIES:				
E.ON contingent obligation– net	\$ —	\$ —	\$ 15,369	\$ 15,369
Primary aluminum sales contract – premium collar	—	—	1,170	1,170
TOTAL	\$ —	\$ —	\$ 16,539	\$ 16,539

- (1) Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.

Change in level 3 fair value measurements

Change in Level 3 Fair Value Measurements during the three months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, April 1,	\$ (1,030)	\$ (15,426)
Total gain (loss) (realized/unrealized) included in earnings	257	(545)
Settlements	—	(53)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 257	\$ (545)

Change in Level 3 Fair Value Measurements during the six months ended June 30,

	Derivative liabilities – net	
	2013	2012
Beginning balance, January 1,	\$ (16,539)	\$ (14,760)
Total gain (loss) (realized/unrealized) included in earnings	15,766	(1,158)
Settlements	—	(106)
Ending balance, June 30,	<u>\$ (773)</u>	<u>\$ (16,024)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 15,766	\$ (1,158)

Derivative and hedging instruments (Tables)

Derivative and hedging instruments (Tables)

6 Months Ended

Jun. 30, 2013

Derivative Instruments and Hedging Activities Disclosure [Abstract]

Fair value of derivative assets and
liabilities by balance sheet location

The following table provides the fair value and balance sheet classification of our derivatives:

Fair Value of Derivative Liabilities

	Balance sheet location	June 30, 2013	December 31, 2012
DERIVATIVE LIABILITIES:			
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	\$ 773	\$ 1,170
E.ON contingent obligation – net (1)	Other liabilities	—	15,369
TOTAL		\$ 773	\$ 16,539

- (1) Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See [Note 10 Debt](#) for additional information about the E.ON contingent obligation fair value.

Derivatives not designated as hedging
instruments

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
	Location	2013	2012	2013	2012
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ —	\$ 16,075	\$ —
Primary aluminum put option contracts	Net gain (loss) on forward and derivative contracts	—	1,970	—	(2,725)
Aluminum sales premium contracts	Related party sales	406	328	761	532
Aluminum sales premium contracts	Net gain (loss) on forward and derivative contracts	(149)	(520)	(364)	(985)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

Outstanding forward contracts not
designated as hedging instruments

We had the following outstanding forward contracts that were entered into that were not designated as hedging instruments:

	June 30, 2013	December 31, 2012
Primary aluminum sales contract premium (metric tons) (1)	10,430	20,400

- (1) Represents the remaining physical deliveries under the Glencore Metal Agreement.

Earnings per share (Tables)

Earnings per share (Tables)

6 Months Ended

Jun. 30, 2013

Earnings Per Share [Abstract]

Basic and diluted earnings (loss) per share

The following table shows the basic and diluted earnings per share for the three and six months ended June 30, 2013 and June 30, 2012:

	For the three months ended June 30,			2012		
	2013			2012		
	Loss	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net loss	\$ (34,573)			\$ (12,277)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(34,573)	88,597	\$ (0.39)	(12,277)	88,452	\$ (0.14)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	\$ (34,573)	88,597	\$ (0.39)	\$ (12,277)	88,452	\$ (0.14)

	For the six months ended June 30,			2012		
	2013			2012		
	Loss	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net loss	\$ (26,320)			\$ (16,678)		
Amount allocated to common shareholders (1)	100%			100%		
Basic EPS:						
Loss allocable to common shareholders	(26,320)	88,576	\$ (0.30)	(16,678)	88,589	\$ (0.19)
Diluted EPS:						
Loss applicable to common shareholders with assumed conversion	\$ (26,320)	88,576	\$ (0.30)	\$ (16,678)	88,589	\$ (0.19)

- (1) We have not allocated net losses between common and preferred shareholders, as the holders of our preferred shares do not have a contractual obligation to share in the loss.

Schedule of Antidilutive Securities Excluded from Computation of Earnings per Share

Calculation of EPS:

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Options to purchase common stock	620,334	626,334	620,334	626,334
Weighted average service-based share awards outstanding	576,510	395,791	496,234	370,658
Excluded from the calculation of diluted EPS:				
Stock options (1)	620,334	626,334	620,334	632,334
Service-based share award	576,510	395,791	496,234	370,658

- (1) These stock option awards were excluded from the calculation of diluted EPS because the exercise price of these options was greater than the average market price of the underlying common stock, except in periods when we had a net loss where all options were excluded because of their antidilutive effect on earnings per share.

Shareholders' equity (Tables)

Shareholders' equity (Tables)

6 Months Ended
Jun. 30, 2013

Stockholders' Equity Note [Abstract]

Schedule of Stockholders Equity	Common and Preferred Stock Activity:	Preferred stock	Common stock	
		Series A convertible	Treasury	Outstanding
Beginning balance as of December 31, 2012		80,283	4,786,521	88,548,637
Repurchase of common stock		—	—	—
Conversion of convertible preferred stock		(199)	—	19,864
Issuance for stock compensation plans		—	—	34,208
Ending balance as of June 30, 2013		80,084	4,786,521	88,602,709

Inventories (Tables)*Inventories (Tables)***6 Months Ended****Jun. 30, 2013***Inventory, Net [Abstract]*

Schedule of Inventories

Inventories consist of the following:

	June 30, December 31,	
	2013	2012
Raw materials	\$ 60,512	\$ 40,725
Work-in-process	21,703	15,259
Finished goods	17,435	9,753
Operating and other supplies	125,057	94,188
Inventories (1)	<u>\$ 224,707</u>	<u>\$ 159,925</u>

Debt (Tables)

Debt (Tables)

6 Months Ended

Jun. 30, 2013

Debt Disclosure [Abstract]

Schedule of Debt

Offsetting of financial instruments and derivatives			
	Balance sheet location	June 30, 2013	December 31, 2012
E.ON Loan	Other liabilities	\$ (12,902)	\$ (12,902)
E.ON Loan – Accrued Interest	Other liabilities	(3,173)	(2,467)
E.ON Contract Derivative Asset	Other liabilities	16,075	—
		<u>\$ —</u>	<u>\$ (15,369)</u>

Debt

	June 30, 2013	December 31, 2012
Debt classified as current liabilities:		
Hancock County industrial revenue bonds ("IRBs") due 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) (1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
7.5% senior secured notes payable due June 1, 2021, net of debt discount of \$3,642, interest payable semiannually	246,358	—
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$1,626, interest payable semiannually	—	247,979
7.5% senior unsecured notes payable due August 15, 2014, interest payable semiannually	2,603	2,603
E.ON contingent obligation, principal and accrued interest, contingently payable monthly, annual interest rate of 10.94% (2)	—	15,369
TOTAL	<u>\$ 256,776</u>	<u>\$ 273,766</u>

(1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2013 was 0.26%.

(2) E.ON contingent obligation principal and interest payments are payable based on CAKY's operating level and the LME price for primary aluminum. See E.ON contingent obligation below and [Note 4 Fair value measurements](#) for additional information.

Redemption Rights. Prior to June 1, 2016, we may redeem the 7.5% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, and if redeemed during the twelve-month period beginning on June 1 of the years indicated below, at the following redemption prices plus accrued and unpaid interest:

Year	Percentage
2016	105.625%
2017	103.750%
2018	101.875%
2019 and thereafter	100.000%

Schedule of Line of Credit Facilities

Status of our Credit Facility:

	June 30, 2013
New Credit Facility amount	\$ 137,500
Borrowing availability, net of outstanding letters of credit	63,955
Outstanding borrowings on Credit Facility	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued under the Credit Facility	73,545

Forward delivery contracts and financial instruments (Tables)

Forward delivery contracts and
financial instruments (Tables)

6 Months Ended

Jun. 30, 2013

Forward Delivery Contracts and Financial Instruments [Abstract]

Schedule of Forward Physical Delivery Agreements

Forward Physical Delivery Agreements				
Primary Aluminum Sales Contracts				
Contract	Customer	Volume	Term	Pricing
Glencore Metal Agreement (1)	Glencore	20,400 mtpy	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Sweep Agreement (2)	Glencore	Surplus primary aluminum produced in the United States	Through December 31, 2013	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 19,000 metric tons	Through December 31, 2013	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	220 to 240 million pounds per year (high conductivity molten aluminum)	Through December 31, 2013	Variable, based on U.S. Midwest market
RTA Metal Agreement	Rio Tinto Alcan	Approximately 111,000 metric tons	Through December 31, 2013	Variable, based on U.S. Midwest market
<p>(1) We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Under the Glencore Metal Agreement, pricing is based on then-current Midwest market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium.</p> <p>(2) The Glencore Sweep Agreement is for all metal produced in the U.S. in 2013, less existing sales agreements and high-purity metal sales. The term of the contract may be extended for one year upon mutual agreement.</p> <p>(3) The Southwire Metal Agreement contains termination rights in the event of a partial or full curtailment of the Hawesville facility. On April 16, 2013, CAKY gave notice to terminate its supply contract with its largest customer, the Southwire Company, given the potential plant closure effective August 20th.</p>				
Tolling Contracts				
Contract	Customer	Volume	Term	Pricing
Billiton Tolling Agreement (1)	BHP Billiton	130,000 mtpy	Through December 31, 2013	LME-based
Glencore Toll Agreement (1)	Glencore	90,000 mtpy	Through July 31, 2016	LME-based
Glencore Toll Agreement (1)	Glencore	40,000 mtpy	Through December 31, 2014	LME-based
<p>(1) Grundartangi's tolling revenues include a premium based on the European Union ("EU") import duty for primary aluminum.</p> <p>Apart from the Glencore Metal Agreement, the Glencore Sweep Agreement, the Glencore Nordural Metal Agreement, the RTA Metal Agreement and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:</p>				
Other forward delivery contracts			June 30, 2013	December 31, 2012
			(in metric tons)	
Other forward delivery contracts – total			50,181	88,827
Other forward delivery contracts – Glencore			2,010	1,811

Supplemental cash flow information (Tables)***Supplemental cash flow information
(Tables)*****6 Months Ended****Jun. 30, 2013*****Supplemental Cash Flow
Information [Abstract]***

Supplemental Cash Flow Information Supplemental cash flow information

	Six months ended June 30,	
	2013	2012
Cash paid for:		
Interest	\$ 11,287	\$ 10,108
Income/withholding taxes (1)	14,156	16,809
(1)	We paid withholding taxes in Iceland of \$8,259 and \$9,484 in the six months ended June 30, 2013 and 2012, respectively. Our tax payments in Iceland for withholding taxes, income taxes, and associated refunds, are denominated in ISK.	

Asset retirement obligations (â€œAROâ€) (Tables)

*Asset retirement obligations
(â€œAROâ€) (Tables)*

6 Months Ended

Jun. 30, 2013

***Asset Retirement Obligation
Disclosure [Abstract]***

Schedule of Change in Asset
Retirement Obligations

The reconciliation of the changes in the asset retirement obligations is presented below:

	Six months ended June 30, 2013	Year ended December 31, 2012
Beginning balance, ARO liability	\$ 16,124	\$ 15,171
Additional ARO liability incurred	764	1,166
ARO liabilities settled	(796)	(1,380)
Accretion expense	673	1,167
Additional ARO liability from Sebree acquisition	10,591	—
Ending balance, ARO liability	<u>\$ 27,356</u>	<u>\$ 16,124</u>

Components of Accumulated other comprehensive loss (Tables)

Components of Accumulated other comprehensive loss (Tables)

6 Months Ended

Jun. 30, 2013

Accumulated Other Comprehensive Income (Loss), Net of Tax [Abstract]

Components of Accumulated Other Comprehensive Loss

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ (140,338)	\$ (153,225)
Equity in investee other comprehensive income (1)	(12,712)	(12,712)
Unrealized loss on financial instruments	(971)	(878)
Other comprehensive loss before income tax effect	(154,021)	(166,815)
Income tax effect (2)	14,858	15,623
Accumulated other comprehensive loss	<u>\$ (139,163)</u>	<u>\$ (151,192)</u>

(1) The amount includes our equity in the other comprehensive income of Mt. Holly Aluminum Company.

(2) The allocation of the income tax effect to the components of other comprehensive income is as follows:

	June 30, 2013	December 31, 2012
Defined benefit plan liabilities	\$ 15,037	\$ 15,784
Equity in investee other comprehensive income	453	488
Unrealized loss on financial instruments	(632)	(649)

Components of net periodic benefit cost (Tables)

Components of net periodic benefit cost (Tables)

6 Months Ended

Jun. 30, 2013

Components of net periodic benefit cost [Abstract]

Schedule of Net Benefit Costs

Components of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Service cost	\$ 926	\$ 506	\$ 1,606	\$ 1,401
Interest cost	1,755	1,606	3,390	3,436
Expected return on plan assets	(1,893)	(1,782)	(3,613)	(3,482)
Amortization of prior service cost	22	34	54	69
Amortization of net loss	857	1,133	1,706	1,821
Curtailment	(18)	—	(18)	—
Net periodic benefit cost	<u>\$ 1,649</u>	<u>\$ 1,497</u>	<u>\$ 3,125</u>	<u>\$ 3,245</u>
Other Postretirement Benefits ("OPEB")				
	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
Service cost	\$ 670	\$ 370	\$ 1,163	\$ 895
Interest cost	1,433	1,271	2,756	2,757
Amortization of prior service cost	(938)	(1,065)	(1,998)	(2,125)
Amortization of net loss	1,273	1,808	2,776	3,304
Curtailment	(20)	—	(20)	—
Net periodic benefit cost	<u>\$ 2,418</u>	<u>\$ 2,384</u>	<u>\$ 4,677</u>	<u>\$ 4,831</u>

Condensed consolidating financial information (Tables)

Condensed consolidating
financial information (Tables)

3 Months Ended

Jun. 30, 2013

6 Months Ended

Jun. 30, 2013

Jun. 30, 2012

Condensed Financial
Information of Parent Company
Only Disclosure [Abstract]

Schedule of Condensed Balance
Sheet [Table Text Block]

	CONDENSED CONSOLIDATING BALANCE SHEET				CONDENSED CONSOLIDATING BALANCE SHEET			
	As of June 30, 2013				As of December 31, 2012			
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations Consolidated	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations Consolidated
Assets:					Assets:			
Cash and cash equivalents	\$ —	\$ 82,104	\$ 45,427	\$ —	Cash and cash equivalents	\$ —	\$ 110,016	\$ 73,960
Restricted cash	—	978	—	—	Restricted cash	258	—	—
Accounts receivable — net	75,509	8,558	—	—	Accounts receivable — net	38,328	12,339	—
Due from affiliates	601,495	38,482	2,387,611	(3,002,614)	Due from affiliates	604,008	38,328	2,391,249
Inventories	157,976	66,731	—	—	Inventories	97,847	62,078	—
Prepaid and other current assets	4,994	31,369	5,083	—	Prepaid and other current assets	4,421	30,650	8,063
Deferred taxes — current portion	—	19,726	—	—	Deferred taxes — current portion	—	17,799	—
Total current assets	839,974	247,948	2,438,121	(3,002,737)	Total current assets	744,862	271,210	2,473,272
Investment in subsidiaries	38,810	—	(1,000,911)	962,101	Investment in subsidiaries	40,335	—	(1,039,141)
Property, plant and equipment, net	357,738	871,435	1,258	—	Property, plant and equipment, net	313,090	874,559	916
Due from affiliates — less current portion	—	29,926	—	(2,930)	Due from affiliates — less current portion	—	3,588	—
Other assets	17,606	52,291	32,793	(9,567)	Other assets	17,616	45,474	37,027
Total	\$1,254,128	\$1,201,600	\$1,471,261	\$(2,075,814)	Total	\$1,115,903	\$1,194,831	\$1,472,074
Liabilities:					Liabilities:			
Accounts payable, trade	\$ 67,123	\$ 35,551	\$ 1,193	\$ —	Accounts payable, trade	\$ 37,301	\$ 37,627	\$ 442
Due to affiliates	2,158,509	129,236	196,918	(2,412,663)	Due to affiliates	2,098,320	105,945	193,788
Accrued and other current liabilities	51,544	24,620	12,681	—	Accrued and other current liabilities	13,031	31,332	1,967
Accrued employee benefits costs — current portion	15,035	—	2,985	—	Accrued employee benefits costs — current portion	15,926	—	2,757
Industrial revenue bonds	7,815	—	—	—	Industrial revenue bonds	7,815	—	—
Total current liabilities	2,300,026	189,407	213,777	(2,424,991)	Total current liabilities	2,172,393	174,904	198,954
Senior notes payable	—	—	248,961	—	Senior notes payable	—	—	250,582
Accrued pension benefit costs — less current portion	32,518	—	31,230	—	Accrued pension benefit costs — less current portion	36,087	—	31,791
Accrued postretirement benefit costs — less current portion	136,554	—	6,424	—	Accrued postretirement benefit costs — less current portion	137,184	—	5,921
Other liabilities/intercompany loan	58,329	590,678	1,974	(611,976)	Other liabilities/intercompany loan	65,377	614,585	2,183
Deferred taxes	—	110,318	—	—	Deferred taxes	—	109,011	—
Total noncurrent liabilities	227,401	700,996	288,589	(612,925)	Total noncurrent liabilities	238,648	723,596	290,477
Shareholders' equity:					Shareholders' equity:			
Convertible preferred stock	—	—	1	—	Convertible preferred stock	—	—	1
Common stock	60	12	934	—	Common stock	60	12	933
Additional paid-in capital	355,467	154,493	2,507,996	(508,614)	Additional paid-in capital	303,659	150,743	2,507,454
Treasury stock, at cost	—	—	(49,924)	—	Treasury stock, at cost	—	—	(49,924)
Accumulated other comprehensive income (loss)	(134,056)	(1,602)	(139,163)	135,658	Accumulated other comprehensive income (loss)	(146,862)	(1,525)	(151,192)
Retained earnings (accumulated deficit)	(1,494,770)	158,294	(1,350,949)	1,336,476	Retained earnings (accumulated deficit)	(1,451,995)	147,101	(1,324,629)
Total shareholders' equity	(1,273,299)	311,197	968,895	962,102	Total shareholders' equity	(1,295,138)	296,331	982,643
Total	\$1,254,128	\$1,201,600	\$1,471,261	\$(2,075,814)	Total	\$1,115,903	\$1,194,831	\$1,472,074

Schedule of Condensed Cash Flow
Statement [Table Text Block]

CONDENSED CONSOLIDATING STATEMENT OF CASH
FLOWS

For the six months ended June 30, 2013

Combined
Guaranteed
Subsidiary
Non-Guaranteed
Company
Consolidated

Net cash provided by
(used in) operating
activities \$ 34,027 (11,055) — \$ 22,976

Investing
activities:
Purchase of
property, plant
and equipment (51,240) (10,751) (574) (16,565)
Nordural
expansion — — — —
Helguvik — (2,559) — (2,559)
Purchase of
carbon anode
assets and
improvements — (3,670) — (3,670)
Purchase of
Seabee smelter (48,058) — — (48,058)
Proceeds from
sale of
property, plant
and equipment — 515 — 515
Restricted and
other cash
deposits 258 (978) — (720)
Net cash used in
investing activities (68,040) (17,443) (574) (71,057)

Financing
activities:
Repayment of
debt (3,274) — (246,330) (9,600)
Proceeds from
issuance of debt 246,830 — — 246,330
Repayment of
contingent
obligation (249,604) 249,604 — —
Debt issuance
costs — — (3,926) (3,926)
Debt retirement
costs — — (1,208) (1,208)
Intercompany
transactions 25,561 582 (26,143) —
Issuance of
common stock
— net — — 44 44

Net cash provided by
(used in) financing
activities 19,013 582 (27,959) (8,364)
Net change in cash
and cash equivalents (27,912) (28,533) (56,445)
Cash and cash
equivalents, beginning
of the period — 110,016 73,960 83,976
Cash and cash
equivalents, end of the
period \$ — \$ 82,104 \$ 17,515 \$ 27,531

CONDENSED CONSOLIDATING STATEMENT
FLOWS

For the six months ended June 30, 2012

Combined
Guaranteed
Subsidiary
Non-Guaranteed
Company
Consolidated

Net cash provided by
(used in) operating
activities \$(19,534) 17,915 — \$(1,615)

Investing activities:
Purchase of property,
plant and equipment (6,131) (2,879) (55) (6,165)
Nordural expansion — (3,586) — (3,586)
Purchase of carbon
anode assets (14,524) — — (14,524)
Investments in and
advances to joint
ventures — — (200) (200)
Payments received on
advances to joint
ventures — — 3,166 3,166
Proceeds from sale of
property, plant and
equipment 10 58 — 68

Net cash provided by
(used in) investing
activities (17,745) (6,407) 2,911 (21,241)

Financing activities:
Borrowings under
revolving credit
facility — — 18,076 18,076
Repayments under
revolving credit
facility — — (18,076) (18,076)
Intercompany
transactions 37,279 (31,970) (5,309) —
Repurchase of
common stock — — (4,033) (4,033)

Net cash provided by
(used in) financing
activities 37,279 (31,970) (9,342) (4,033)

Net change in cash
and cash equivalents (20,458) (6,431) (26,889)
Cash and cash
equivalents, beginning
of the period — 159,157 24,244 83,401
Cash and cash
equivalents, end of the
period \$ — \$ 138,699 \$ 17,815 \$ 56,512

Schedule of Condensed Income Statement [Table Text Block]

	CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)				CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)				CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)			
	For the three months ended June 30, 2013				For the six months ended June 30, 2013				For the six months ended June 30, 2013			
	Combined	Combined	The	Reclassifications	Combined	Combined	The	Reclassifications	Combined	Combined	The	Reclassifications
	Guarantor	Non-Guarantor	Company	and Eliminations	Guarantor	Non-Guarantor	Company	and Eliminations	Guarantor	Non-Guarantor	Company	and Eliminations
	Subsidiaries	Subsidiaries			Subsidiaries	Subsidiaries			Subsidiaries	Subsidiaries		
NET SALES:					NET SALES:				NET SALES:			
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	Third-party customers	\$ 330,951	\$ 98,380	\$ —	Third-party customers	\$ 330,951	\$ 98,380	\$ —
Related parties	51,651	59,336	—	—	Related parties	110,987	125,467	—	Related parties	243,718	223,847	—
	225,637	106,300	—	—		441,938	223,847	—		574,669	223,847	—
Cost of goods sold	250,395	87,240	—	—	Cost of goods sold	337,635	179,747	—	Cost of goods sold	641,341	179,747	—
Gross profit (loss)	(24,758)	19,060	—	—	Gross profit (loss)	(5,698)	44,100	—	Gross profit (loss)	(66,672)	44,100	—
Other operating expenses – net	3,018	—	—	—	Other operating expenses – net	3,018	—	—	Other operating expenses – net	4,114	—	—
Selling, general and administrative expenses	11,755	3,399	—	—	Selling, general and administrative expenses	15,154	6,809	—	Selling, general and administrative expenses	31,453	6,809	—
Operating income (loss)	(39,531)	15,661	—	—	Operating income (loss)	(23,876)	37,291	—	Operating income (loss)	(69,974)	37,291	—
Interest expense – third party	(6,224)	—	—	—	Interest expense – third party	(6,224)	—	—	Interest expense – third party	(12,300)	—	—
Interest expense – affiliates	14,521	(14,521)	—	—	Interest expense – affiliates	—	(29,017)	—	Interest expense – affiliates	—	(29,017)	—
Interest income – third party	17	169	—	—	Interest income – third party	186	31	—	Interest income – third party	317	31	—
Net gain on forward and derivative contracts	204	—	—	—	Net gain on forward and derivative contracts	204	—	—	Net gain on forward and derivative contracts	15,711	—	—
Gain on bargain purchase	2,042	—	—	—	Gain on bargain purchase	2,042	—	—	Gain on bargain purchase	2,042	—	—
Loss on early extinguishment of debt	(3,272)	—	—	—	Loss on early extinguishment of debt	(3,272)	—	—	Loss on early extinguishment of debt	(3,272)	—	—
Other expense – net	(128)	(1,156)	—	—	Other expense – net	(1,284)	(9)	(1,205)	Other expense – net	(1,214)	(9)	(1,205)
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,371)	153	—	—	Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,218)	7,355	—	Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(22,399)	7,355	—
Income tax expense	(660)	(2,131)	—	—	Income tax benefit (expense)	(2,791)	2,454	—	Income tax benefit (expense)	(5,308)	2,454	—
Loss before equity in earnings (loss) of subsidiaries and joint ventures	(33,031)	(1,978)	—	—	Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(35,009)	9,809	—	Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(27,707)	9,809	—
Equity in earnings (loss) of subsidiaries and joint ventures	(3,044)	436	(34,573)	37,617	Equity in earnings (loss) of subsidiaries and joint ventures	(436)	436	—	Equity in earnings (loss) of subsidiaries and joint ventures	(3,516)	436	—
Net income (loss)	\$ (36,075)	\$ (1,542)	\$ (34,573)	\$ (9,600)	Net income (loss)	\$ (34,573)	\$ (5,266)	\$ (26,320)	Net income (loss)	\$ (26,320)	\$ (5,266)	\$ (26,320)
Other comprehensive income (loss) before income tax	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,969)	Other comprehensive income (loss) before	\$ 11,517	\$ 11,090	\$ (93)	Other comprehensive income (loss) before	\$ 12,794	\$ (93)	\$ (10,997)

effect	income tax	effect	income tax	effect	income tax	effect	income tax	effect	income tax	effect	income tax
Income	effect	Income	effect	Income	effect	Income	effect	Income	effect	Income	effect
tax effect	(357)	8	(383)	tax effect	(357)	8	(383)	tax effect	(357)	8	(383)
Other				Other				Other			
comprehensive				comprehensive				comprehensive			
income				income				income			
(loss)	9,649	(38)	11,134	(loss)	9,649	(38)	11,134	(loss)	9,649	(38)	11,134
Comprehensive				Comprehensive				Comprehensive			
income				income				income			
(loss)	\$ (26,426)	\$ (1,580)	\$ (23,439)	(loss)	\$ (26,426)	\$ (1,580)	\$ (23,439)	(loss)	\$ (26,426)	\$ (1,580)	\$ (23,439)

CONDENSED CONSOLIDATING STATEMENT OF					CONDENSED CONSOLIDATING STATEMENT OF				
COMPREHENSIVE INCOME (LOSS)					COMPREHENSIVE INCOME (LOSS)				
For the three months ended June 30, 2012					For the six months ended June 30, 2012				
Combined	Combined	The	Reclassifications		Combined	Combined	The	Reclassifications	
Guarantor	Non-Guarantor	Company	and Eliminations		Guarantor	Non-Guarantor	Company	and Eliminations	
Subsidiaries	Subsidiaries				Subsidiaries	Subsidiaries			
NET SALES:					NET SALES:				
Third-party					Third-party				
customers	\$ 131,721	\$ 52,301	\$ —	\$ 184,022	customers	\$ 237,575	\$ 105,286	\$ —	\$ 342,861
Related	76,469	63,128	—	139,597	Related	123,619	105,949	—	229,568
parties	208,190	115,429	—	323,619	parties	150,999	125,949	—	276,948
Cost of goods					Cost of goods				
sold	223,297	94,365	—	317,662	sold	418,574	231,235	—	649,809
Gross profit					Gross profit				
(loss)	(15,107)	21,064	—	5,957	(loss)	(11,659)	38,208	—	26,549
Other					Other				
operating					operating				
expenses –	3,817	—	—	3,817	expenses –	7,538	—	—	7,538
net					net				
Selling,					Selling,				
general					general				
and					and				
administrative					administrative				
expenses	8,238	(1,087)	—	7,151	expenses	16,217	(607)	—	15,610
(income)					(income)				
Operating	(27,162)	22,151	—	(5,011)	Operating	(35,414)	38,815	—	3,401
income (loss)					income (loss)				
Interest	(5,946)	—	—	(5,946)	Interest	(11,924)	—	—	(11,924)
expense –					expense –				
third party	16,030	(16,030)	—	—	third party	—	—	—	—
Interest					Interest	32,248	(32,248)	—	—
expense –					expense –	113	—	—	113
affiliates	3	110	—	113	affiliates	14	237	—	251
Interest					Interest	2	—	—	2
income –					income –	—	62	—	62
third party					third party	1,450	—	—	1,450
Net gain	1,450	—	—	1,450	Net loss	(3,709)	—	—	(3,709)
on forward					on forward				
contracts					contracts				
Other	(6)	167	—	161	Other	161	—	—	161
(income)					(income)				
expense –					expense –	798	(331)	—	467
net					net				
Income (loss)					Income (loss)				
before					before				
income					income				
taxes and					taxes and				
equity in					equity in				
earnings					earnings				
(loss) of					(loss) of				
subsidiaries	(15,631)	6,400	—	(9,231)	subsidiaries	(17,987)	6,535	—	(11,452)
and joint					and joint				
ventures					ventures				
Income	(432)	(2,963)	—	(3,395)	Income	(685)	(5,531)	—	(6,216)
tax					tax				
expense					expense				
Income (loss)					Income (loss)				
before					before				
equity in					equity in				
earnings					earnings				
(loss) of					(loss) of				
subsidiaries	(16,063)	3,437	—	(12,626)	subsidiaries	(18,672)	1,004	—	(17,668)
and joint					and joint				
ventures	386	349	(12,277)	11,858	ventures	156	990	(16,678)	16,522
Equity in					Equity in				
earnings					earnings				
(loss) of					(loss) of				
subsidiaries					subsidiaries				
and joint					and joint				

ventures					subsidiaries and joint ventures					
Net income					Net income					
(loss)	<u>\$ (15,677)</u>	<u>\$ 3,786</u>	<u>\$ (12,277)</u>	<u>\$ 11,899</u>	(loss)	<u>\$ (18,516)</u>	<u>\$ 1,994</u>	<u>\$ (16,678)</u>	<u>\$ 16,522</u>	<u>\$</u>
Other					Other					
comprehensive					comprehensive					
income					income					
(loss)					(loss)					
before					before					
income tax					income tax					
effect	\$ 1,617	\$ (46)	\$ 2,148	\$ (1,504)	effect	\$ 2,275	\$ (93)	\$ 3,286	\$ (2,182)	\$
Income					Income					
tax effect	<u>(373)</u>	<u>8</u>	<u>(383)</u>	<u>367</u>	tax effect	<u>(74)</u>	<u>17</u>	<u>(765)</u>	<u>57</u>	<u>\$</u>
Other					Other					
comprehensive					comprehensive					
income (loss)	1,244	(38)	1,765	(1,206)	income (loss)	1,765				
Comprehensive					Comprehensive					
income (loss)	<u>\$ (14,433)</u>	<u>\$ 3,748</u>	<u>\$ (10,512)</u>	<u>\$ 10,688</u>	income (loss)	<u>\$ (10,512)</u>	<u>2,201</u>	<u>(76)</u>	<u>2,521</u>	<u>(2,125)</u>
					Comprehensive					
					income					
					(loss)	<u>\$ (16,315)</u>	<u>\$ 1,918</u>	<u>\$ (14,157)</u>	<u>\$ 14,397</u>	<u>\$</u>

Acquisition of Sebree aluminum smelter (Details) (USD \$)

<i>Acquisition of Sebree aluminum smelter (Details) (USD \$) In Thousands, except Per Share data, unless otherwise specified</i>	1 Months Ended Jun. 30, 2013	3 Months Ended		6 Months Ended		Jun. 01, 2013 T
		Jun. 30, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012	
<i>Business Acquisition [Line Items]</i>						
Gain on bargain purchase		\$ 2,042	\$ 0	\$ 2,042	\$ 0	
Sebree Smelter [Member]						
<i>Business Acquisition [Line Items]</i>						
Sebree Primary Aluminum Capacity						205,000
Purchase price for the acquisition						61,000
Purchase price cash paid						48,000
Target working capital amount						71,000
Gain on bargain purchase				2,042		
Cash (1)						47,373 ^[1]
Inventories						58,496
Prepaid and other current assets						363
Property, plant and equipment – net						55,520
Total assets acquired						114,379
Accrued and other current liabilities						44,121
Accrued pension benefit costs						5,039
Accrued post retirement benefit costs						6,544
Other liabilities						8,003
Deferred taxes						1,257
Total liabilities assumed						64,964
Sebree revenue	38,753					
Sebree net loss	(3,456)					
Pro forma revenues		413,907	444,267	861,605	890,860	
Pro forma earnings from continuing operations		\$ (38,231)	\$ (5,056)	\$ (39,183)	\$ (4,330)	
Loss per common share, basic		\$ (0.43)	\$ (0.06)	\$ (0.44)	\$ (0.05)	
Loss per common share, diluted		\$ (0.43)	\$ (0.06)	\$ (0.44)	\$ (0.05)	

[1] (1) This amount represents our preliminary estimate of consideration based on our expectation of the working capital adjustments.

Acquisition of Sebree aluminum smelter (Employee Headcount) (Details) (Sebree Smelter [Member])

*Acquisition of Sebree aluminum
smelter (Employee Headcount)
(Details) (Sebree Smelter [Member])*

Jun. 01, 2013

Sebree Smelter [Member]

Business Acquisition [Line Items]

Entity Number of Employees

Asset purchase (Details) (USD \$)

*Asset purchase (Details) (USD \$)
In Thousands, unless otherwise
specified*

Jun. 30, 2013
t

Jun. 11, 2012
Carbon Anodes [Member]

Business Acquisition [Line Items]

Assets Acquired

\$ 12,500

Century Vlissingen Anode capacity

75,000

Fair value measurements (Details) (USD \$)

	3 Months Ended		6 Months Ended									
<i>Fair value measurements (Details)</i> <i>(USD \$)</i> <i>In Thousands, unless otherwise specified</i>	Jun. 30, 2013 Derivative Liabilities – Net [Member]	Jun. 30, 2012 Derivative Liabilities – Net [Member]	Jun. 30, 2013 Derivative Liabilities – Net [Member]	Jun. 30, 2012 Derivative Liabilities – Net [Member]	Jun. 30, 2013 Fair Value, Measurements, Recurring [Member]	Dec. 31, 2012 Fair Value, Measurements, Recurring [Member]	Jun. 30, 2013 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 1 [Member]	Dec. 31, 2012 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 1 [Member]	Jun. 30, 2013 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 2 [Member]	Dec. 31, 2012 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 2 [Member]	Jun. 30, 2013 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 3 [Member]	Dec. 31, 2012 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 3 [Member]
ASSETS:												
Cash equivalents					\$ 105,104	\$ 168,309	\$ 105,104	\$ 168,309	\$ 0	\$ 0	\$ 0	\$ 0
Trust assets					12,276 ^[1]	14,254 ^[1]	12,276 ^[1]	14,254 ^[1]	0 ^[1]	0 ^[1]	0 ^[1]	0 ^[1]
Surety bond â€” workers comp insurance					1,574	2,123	1,574	2,123	0	0	0	0
TOTAL					118,954	184,686	118,954	184,686	0	0	0	0
LIABILITIES:												
E.ON contingent obligation â€” net					0 ^[2]	15,369	0 ^[2]	0	0 ^[2]	0	0 ^[2]	15,369
Primary aluminum sales contract â€” premium collar					773	1,170	0	0	0	0	773	1,170
TOTAL					773	16,539	0	0	0	0	773	16,539
Level 3 fair value measurements (Roll Forward)												
Beginning balance, January 1,	(1,030)	(15,426)	(16,539)	(14,760)								
Total gain (loss) (realized/unrealized) included in earnings	257	(545)	15,766	(1,158)								
Settlements	0	(53)	0	(106)								
Ending balance, June 30,	(773)	(16,024)	(773)	(16,024)								
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held	\$ 257	\$ (545)	\$ 15,766	\$ (1,158)								

[1] Trust assets are currently invested in money market funds and excludes the cash surrender value of the life insurance policies in the trust.

[2] Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See Note 10 Debt for additional information about the E.ON contingent obligation fair value.

Derivative and hedging instruments (Details) (USD \$)

6
Months
Ended

Derivative and hedging instruments (Details) (USD \$) In Thousands, unless otherwise specified	Jun. 30, 2013	Jun. 30, 2013 Designated as Hedging Instrument [Member]	Dec. 31, 2012 Designated as Hedging Instrument [Member]	Jun. 30, 2013 E.ON Contingent Obligation [Member] Other Liabilities [Member] Designated as Hedging Instrument [Member]	Dec. 31, 2012 E.ON Contingent Obligation [Member] Other Liabilities [Member] Designated as Hedging Instrument [Member]	Jun. 30, 2013 Aluminum Sales Premium Contract [Member] Accrued and Other Current Liabilities [Member] Designated as Hedging Instrument [Member]	Dec. 31, 2012 Aluminum Sales Premium Contract [Member] Accrued and Other Current Liabilities [Member] Designated as Hedging Instrument [Member]	Jun. 30, 2013 Primary Aluminum Sales Contract Premium [Member] Not Designated as Hedging Instrument [Member] t	Dec. 31, 2012 Primary Aluminum Sales Contract Premium [Member] Not Designated as Hedging Instrument [Member] t
Fair value of derivative assets and liabilities by balance sheet location [Abstract]									
DERIVATIVE LIABILITIES		\$ 773	\$ 16,539	\$ 0 ^[1]	\$ 15,369 ^[1]	\$ 773	\$ 1,170		
Outstanding forward contracts not designated as hedging instruments [Abstract]									
Aluminum forward contract outstanding (in metric tons)								10,430 ^[2]	20,400 ^[2]
Accumulated other comprehensive loss to be reclassified to earnings over the next 12-month period	\$ 153								

[1] Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See Note 10 Debt for additional information about the E.ON contingent obligation fair value.

[2] Represents the remaining physical deliveries under the Glencore Metal Agreement.

Derivative and hedging instruments Part 2 (Details) (USD \$)

<i>Derivative and hedging instruments Part 2 (Details) (USD \$) In Thousands, unless otherwise specified</i>	3 Months Ended		6 Months Ended	
	Jun. 30, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Unrealized gain on E.ON contingent obligation			\$ 16,075	\$ 0
Not Designated as Hedging Instrument [Member] Primary Aluminum Put Option Contracts [Member] Net Gain (Loss) on Forward Contracts [Member]				
<i>Derivatives not designated as hedging instruments [Abstract]</i>				
Gain (loss) recognized in income from derivatives	0	1,970	0	(2,725)
Not Designated as Hedging Instrument [Member] Aluminum Sales Premium Contracts [Member] Net Gain (Loss) on Forward Contracts [Member]				
<i>Derivatives not designated as hedging instruments [Abstract]</i>				
Gain (loss) recognized in income from derivatives	(149)	(520)	(364)	(985)
Not Designated as Hedging Instrument [Member] Aluminum Sales Premium Contracts [Member] Related Party Sales [Member]				
<i>Derivatives not designated as hedging instruments [Abstract]</i>				
Gain (loss) recognized in income from derivatives	406	328	761	532
Not Designated as Hedging Instrument [Member] E.ON Contingent Obligation [Member] Net Gain (Loss) on Forward Contracts [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Unrealized gain on E.ON contingent obligation	353	0	16,075	0
Not Designated as Hedging Instrument [Member] E.ON Contingent Obligation [Member] Interest Expense – Third Party [Member]				
<i>Derivatives not designated as hedging instruments [Abstract]</i>				
Gain (loss) recognized in income from derivatives	\$ (353)	\$ (353)	\$ (706)	\$ (706)

Earnings per share (Details) (USD \$)
Earnings per share (Details) (USD \$)
In Thousands, except Share data, unless otherwise specified
3 Months Ended
6 Months Ended
23 Months Ended
Jun. 30, 2013
Jun. 30, 2012
Jun. 30, 2013
Jun. 30, 2012
Jun. 30, 2013
Earnings Per Share [Abstract]

Net loss \$ (34,573) \$ (12,277) \$ (26,320) \$ (16,678)

Amount allocated to common shareholders (in hundredths) 100.00% ^[1] 100.00% ^[1] 100.00% 100.00%

Basic EPS:

Net loss allocated to common shareholders (34,573) (12,277) (26,320) (16,678)

Net loss allocable to common shareholders – (in Shares) 88,597,000 88,452,000 88,576,000 88,589,000

Earnings Per Share, Basic \$ (0.39) \$ (0.14) \$ (0.30) \$ (0.19)

Diluted EPS:

Net loss applicable to common shareholders with assumed conversion \$ (34,573) \$ (12,277) \$ (26,320) \$ (16,678)

Net loss applicable to common shareholders with assumed conversion – (in Shares) 88,597,000 88,452,000 88,576,000 88,589,000

Earnings Per Share, Diluted \$ (0.39) \$ (0.14) \$ (0.30) \$ (0.19)

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Options to purchase common stock outstanding (in shares) 620,334 626,334 620,334 626,334 620,334

Weighted Average Number of Shares Outstanding, Basic 576,510 395,791 496,234 370,658

Stock Repurchased During Period, Shares_Treasury 400,000 4,786,521

Options [Member]

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from calculation of diluted EPS (in shares) 620,334 ^[2] 626,334 ^[2] 620,334 ^[3] 632,334 ^[3]

Service-Based Share Awards [Member]

Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]

Antidilutive securities excluded from calculation of diluted EPS (in shares) 576,510 395,791 496,234 370,658

[1] (1) We have not allocated net losses between common and preferred shareholders, as the holders of our preferred shares do not have a contractual obligation to share in the loss.

[2] These stock option awards were excluded from the calculation of diluted EPS because the exercise price of these options was greater than the average market price of the underlying common stock, except in periods when we had a net loss where all options were excluded because of their antidilutive effect on earnings per share.

[3] Based on the LME forward market prices for primary aluminum at June 30, 2013 and management's estimate of the LME forward market for periods beyond the quoted periods, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement which expires in 2028. See Note 10 Debt for additional

information about the E.ON contingent obligation fair value.

Shareholders' equity (Details) (USD \$)

<i>Shareholders' equity (Details) (USD \$)</i>	1 Months Ended	6 Months Ended	23 Months Ended
<i>In Thousands, except Share data, unless otherwise specified</i>	Aug. 31, 2011	Jun. 30, 2013	Jun. 30, 2012
		Jun. 30, 2012	Jun. 30, 2013
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>			Dec. 31, 2012
Common stock, shares authorized (in shares)		195,000,000	195,000,000
Stock repurchase program, Authorized Amount	\$ 60,000		
Number of shares Treasury stock acquired (in shares)		400,000	4,786,521
Treasury stock acquired, Aggregate purchase price			49,924
Stock repurchase program, Remaining authorized repurchase amount		\$ 10,076	
Series A Convertible Preferred Stock [Member]			
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>			
Shares, Beginning balance		80,283	
Repurchase of common stock (in shares)		0	
Conversion of convertible preferred stock (in shares)		(199)	
Share-based Compensation Arrangement by Share-based Payment Award, Shares Issued in Period		0	
Shares, Ending balance		80,084	80,084
Treasury Stock [Member]			
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>			
Shares, Beginning balance		4,786,521	
Repurchase of common stock (in shares)		0	
Conversion of convertible preferred stock (in shares)		0	
Share-based Compensation Arrangement by Share-based Payment Award, Shares Issued in Period		0	
Shares, Ending balance		4,786,521	4,786,521
Common Stock [Member]			
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>			
Shares, Beginning balance		88,548,637	

Repurchase of common stock (in shares)	0	
Conversion of convertible preferred stock (in shares)	19,864	
Share-based Compensation Arrangement by Share-based Payment Award, Shares Issued in Period	34,208	
Shares, Ending balance	88,602,709	88,602,709

Income taxes (Details) (USD \$)

<i>Income taxes (Details) (USD \$)</i>	3 Months Ended		6 Months Ended	
	Jun. 30, 2013	Jun. 30, 2012	Jun. 30, 2013	Jun. 30, 2012
<i>Valuation Allowance [Line Items]</i>				
Income tax expense	\$ 2,791,000	\$ 3,395,000	\$ 5,308,000	\$ 6,216,000
Unrecognized Tax Benefits	14,300,000		14,300,000	
Proceeds from Income Tax Refunds			\$ 5,009	

Inventories (Details) (USD \$)

*Inventories (Details) (USD \$)
In Thousands, unless otherwise
specified*

Jun. 30, 2013**Dec. 31, 2012*****Inventory, Net [Abstract]***

Raw materials	\$ 60,512	\$ 40,725
Work-in-process	21,703	15,259
Finished goods	17,435	9,753
Operating and other supplies	125,057	94,188
Inventories	<u>\$ 224,707</u> ^[1]	<u>\$ 159,925</u> ^[1]

[1] (1)The balance at June 30, 2013 includes inventory acquired with the purchase of Seabee. See Note 2 Acquisition of Seabee aluminum smelter for additional information about the Seabee acquisition.

Debt (Details) (USD \$)

Debt (Details) (USD \$) In Thousands, unless otherwise specified	6 Months Ended			Jun. 30, 2013 Senior unsecured notes due August 15, 2014 [Member]	6 Months Ended			Jun. 30, 2013 Prior to June 1, 2016 [Member]	Jun. 30, 2013 June 1, 2016 up to May 31, 2017 [Member]	Jun. 30, 2013 June 1, 2017 up to May 31, 2018 [Member]	Jun. 30, 2013 June 1, 2018 up to May 31, 2019 [Member]	Jun. 30, 2013 June 1, 2019 and thereafter [Member]	6 Months Ended	12 Months Ended	6 Months Ended	12 Months Ended		6 Months Ended	12 Months Ended	6 Months Ended	12 Months Ended	6 Months Ended	12 Months Ended
	Jun. 30, 2013	Jun. 30, 2012	Dec. 31, 2012		Jun. 30, 2013 Line of Credit [Member]	Jun. 30, 2013 Senior secured notes due June 01, 2021 [Member]	Jun. 30, 2013 Senior secured notes due June 01, 2021 [Member]	Jun. 30, 2013 Senior secured notes due June 01, 2021 [Member]					Jun. 30, 2013 Current [Member]	Dec. 31, 2012 Current [Member]	Jun. 30, 2013 Long-Term [Member]	Dec. 31, 2012 Long-Term [Member]	Jun. 04, 2013 Long-Term [Member]	Jun. 30, 2013 Long-Term [Member]	Dec. 31, 2012 Long-Term [Member]	Jun. 30, 2013 Long-Term [Member]	Dec. 31, 2012 Long-Term [Member]	Jun. 30, 2013 Long-Term [Member]	Dec. 31, 2012 Long-Term [Member]
Debt Instrument [Line Items]																							
Industrial revenue bonds	\$ 7,815		\$ 7,815										\$ 7,815 ^[1]	\$ 7,815 ^[1]									
Secured Long-term Debt, Noncurrent															246,358	0		0	247,979				
Unsecured Long-term Debt, Noncurrent																				2,603	2,603		
E.ON Contingent Obligation	0	(15,369)																				0 ^[2]	15,369 ^[2]
Debt	256,776		273,766																				
Variable interest rates, maximum (as a percent)													12.00% ^[1]	12.00% ^[1]									
Interest rate (as a percent)					7.50%								0.26%		7.50%	0.00%		0.00%	8.00%	7.50%	7.50%	10.94% ^[2]	10.94% ^[2]
Maturity date													Apr. 01, 2028 ^[1]	Apr. 01, 2028 ^[1]	Jun. 01, 2021	Jun. 01, 2021		May 15, 2014	May 15, 2014	Aug. 15, 2014	Aug. 15, 2014	Dec. 31, 2028 ^[2]	Dec. 31, 2028 ^[2]
Debt Instrument, Unamortized Discount													0 ^[1]	0 ^[1]	3,642	0		0	1,626	0	0	0 ^[2]	0 ^[2]
Term of credit facility	5 years																						
Senior secured revolving credit facility amount						137,500																	
Letter of credit sub-facility amount						80,000																	
Borrowing availability, net of outstanding letters of credit						63,955																	
Outstanding borrowings on revolving credit facility						0																	
Outstanding letters of credit issued under the revolving credit facility						73,545																	
Debt Instrument, Face Amount																	250,000						
Proceeds from Issuance of Debt															246,330								
Debt Instrument, Collateral, Equity Interests in Foreign Subsidiaries	65.00%																						
Debt Redemptions Rights As Percentage Of Principal Amount						100.00%	105.625%	103.75%	101.875%	100.00%													
Debt Redemptions Rights After Change Of Control															101.00%								
Unrealized gain on E.ON contingent obligation	16,075	0																					
E.ON Contingent Obligation, Principal	(12,902)		(12,902)																				
E.ON Contingent Obligation, Accrued Interest	(3,173)		(2,467)																				
E.ON Contingent Obligation, Derivative Asset	\$ 16,075		\$ 0																				

[1] The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2013 was 0.26%.

[2] E.ON contingent obligation principal and interest payments are payable based on CASKY4™ operating level and the LME price for primary aluminum. See E.ON contingent obligation below and Note 4 Fair value measurements for additional information.

Commitments and contingencies (Details) (USD \$)[illegible]

Number of labor unions foreign subsidiary entered into a new labor agreement with	5	
Percentage of foreign work force represented by the labor unions (in hundredths)	84.00%	
Pension Contributions		17,400
Pension Expense	\$ 5,900	

Forward delivery contracts and financial instruments (Details)

6 Months Ended

	Jun. 30, 2013 Primary Aluminum Sales Contracts [Member] Glencore Metal Agreement [Member] t	Jun. 30, 2013 Primary Aluminum Sales Contracts [Member] Glencore Sweep Agreement [Member]	Jun. 30, 2013 Primary Aluminum Sales Contracts [Member] Glencore Nordural Metal Agreement [Member] T	Jun. 30, 2013 Primary Aluminum Sales Contracts [Member] Southwire Metal Agreement [Member] lb	Jun. 30, 2013 Primary Aluminum Sales Contracts [Member] RTA Metal Agreement [Member] lb	Jun. 30, 2013 Long-Term Tolling Contracts [Member] Billiton Tolling Agreement [Member] T	Jun. 30, 2013 Long-Term Tolling Contracts [Member] Glencore Toll Agreement 1 [Member] T	Jun. 30, 2013 Long-Term Tolling Contracts [Member] Glencore Toll Agreement 2 [Member] T	Jun. 30, 2013 Other Forward Delivery Contracts [Member] t	Dec. 31, 2012 Other Forward Delivery Contracts [Member] t	Jun. 30, 2013 Glencore [Member] Other Forward Delivery Contracts [Member] t	Dec. 31, 2012 Glencore [Member] Other Forward Delivery Contracts [Member] t
<i>Forward delivery contracts and financial instruments (Details)</i>												
<i>Supply Commitment (Line Items)</i>												
Customer	Glencore	[1] Glencore	[2] Glencore	Southwire	[3] Rio Tinto Alcan	[3] BHP Billiton	[4] Glencore	[4] Glencore	[4]			
Sales Volume Description	20,400 mtpy	[1] Surplus primary aluminum produced in the United States	[2] Approximately 19,000 metric tons	220 to 240 million pounds per year (high conductivity molten aluminum)	[3] Approximately 111,000 metric tons	[3] 130,000 mtpy	[4] 90,000 mtpy	[4] 40,000 mtpy	[4]			
Volume (in mtpy, metric tons, and pounds per year)	20,400,000	[1]	19,000,000	240,000,000	111,000,000	130,000	90,000	40,000				
Annual Primary Aluminum Physical Delivery Contract_Minimum				220,000,000								
Term	Through December 31, 2013	[1] Through December 31, 2013	[2] Through December 31, 2013	Through December 31, 2013	[3] Through December 31, 2013	[3] Through December 31, 2013	[4] Through July 31, 2016	[4] Through December 31, 2014	[4]			
Pricing	Variable, based on U.S. Midwest market	[1] Variable, based on U.S. Midwest market	[2] Variable, based on LME	Variable, based on U.S. Midwest market	[3] Variable, based on U.S. Midwest market	[3] LME-based	[4] LME-based	[4] LME-based	[4]			
Other forward delivery contracts to sell primary aluminum (in metric tons)									50,181	88,827	2,010	1,811

[1] We account for the Glencore Metal Agreement as a derivative instrument under ASC 815. Under the Glencore Metal Agreement, pricing is based on then-current Midwest market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium.

[2] The Glencore Sweep Agreement is for all metal produced in the U.S. in 2013, less existing sales agreements and high-purity metal sales. The term of the contract may be extended for one year upon mutual agreement.

[3] The Southwire Metal Agreement contains termination rights in the event of a partial or full curtailment of the Hawesville facility.

[4] Grundartangit's tolling revenues include a premium based on the European Union (€€€€€€) import duty for primary aluminum.

Supplemental cash flow information (Details) (USD \$)***Supplemental cash flow information
(Details) (USD \$)*****6 Months Ended*****In Thousands, unless otherwise
specified*****Jun. 30, 2013****Jun. 30, 2012**

Interest	\$ 11,287	\$ 10,108
Income/withholding taxes	14,156	16,809
Iceland [Member]		
Income/withholding taxes	\$ 8,259	\$ 9,484

Asset retirement obligations (â€œAROâ€) (Details) (USD \$)

*Asset retirement obligations
(â€œAROâ€) (Details) (USD \$)
In Thousands, unless otherwise
specified*

6 Months Ended**12 Months Ended****Jun. 30, 2013****Dec. 31, 2012*****Asset Retirement Obligation [Roll
Forward]***

Beginning balance, ARO liability	\$ 16,124	\$ 15,171
Additional ARO liability incurred	764	1,166
ARO liabilities settled	(796)	(1,380)
Accretion expense	673	1,167
Additional ARO liability from Sebree acquisition	10,591	0
Ending balance, ARO liability	\$ 27,356	\$ 16,124

Components of Accumulated other comprehensive loss (Details) (USD \$)

Components of Accumulated other comprehensive loss (Details) (USD \$)

In Thousands, unless otherwise specified

Jun. 30, 2013

Dec. 31, 2012

Accumulated Other Comprehensive Income (Loss), Net of Tax [Abstract]

Defined benefit plan liabilities	\$ (140,338)	\$ (153,225)
Equity in investee other comprehensive income	(12,712) ^[1]	(12,712) ^[1]
Unrealized loss on financial instruments	(971)	(878)
Other comprehensive loss before income tax effect	(154,021)	(166,815)
Income tax effect	14,858 ^[2]	15,623 ^[2]
Accumulated other comprehensive loss	(139,163)	(151,192)
Defined benefit plan liabilities	15,037	15,784
Equity in investee other comprehensive income	453	488
Unrealized loss on financial instruments	\$ (632)	\$ (649)

[1] The amount includes our equity in the other comprehensive income of Mt. Holly Aluminum Company.

[2])The allocation of the income tax effect to the components of other comprehensive income is as follows: June 30, 2013December 31, 2012Defined benefit plan liabilities\$15,037\$15,784Equity in investee other comprehensive income453488Unrealized loss on financial instruments(632)(649)

Components of net periodic benefit cost (Details) (USD \$)

Components of net periodic benefit cost (Details) (USD \$)

3 Months Ended

6 Months Ended

In Thousands, unless otherwise specified

Jun. 30, 2013

Jun. 30, 2012

Jun. 30, 2013

Jun. 30, 2012

Defined Benefit Plans and Other Postretirement Benefit Plans Table
Text Block [Line Items]

Employer contributions

\$ 7,419

Other Postretirement Benefit Plans,
Defined Benefit [Member]

Defined Benefit Plans and Other Postretirement Benefit Plans Table
Text Block [Line Items]

Service cost	670	370	1,163	895
Interest cost	1,433	1,271	2,756	2,757
Amortization of prior service costs	(938)	(1,065)	(1,998)	(2,125)
Amortization of net loss	1,273	1,808	2,776	3,304
Curtailment	(20)	0	(20)	0
Total net periodic benefit cost	<u>2,418</u>	<u>2,384</u>	<u>4,677</u>	<u>4,831</u>

Pension Plans

Defined Benefit Plans and Other Postretirement Benefit Plans Table
Text Block [Line Items]

Service cost	926	506	1,606	1,401
Interest cost	1,755	1,606	3,390	3,436
Expected return on plan assets	(1,893)	(1,782)	(3,613)	(3,482)
Amortization of prior service costs	22	34	54	69
Amortization of net loss	857	1,133	1,706	1,821
Curtailment	(18)	0	(18)	0
Total net periodic benefit cost	<u>\$ 1,649</u>	<u>\$ 1,497</u>	<u>\$ 3,125</u>	<u>\$ 3,245</u>

Condensed consolidating financial information (Details) (USD \$)

*Condensed consolidating financial
information (Details) (USD \$)
In Thousands, unless otherwise
specified*

3 Months Ended

6 Months Ended

	Jun. 30, 2013	Jun. 30, 2012	Mar. 31, 2012	Jun. 30, 2013	Jun. 30, 2012	Dec. 31, 2012
Guarantor Obligations [Line Items]						
Percentage of subsidiary guarantor owned by company (in hundredths)				100.00%		
Assets:						
Cash and cash equivalents	\$ 127,531	\$ 156,512		\$ 127,531	\$ 156,512	
Restricted cash	978			978		258
Accounts receivable â€” net	84,067			84,067		50,667
Due from affiliates	24,964			24,964		37,870
Inventories	224,707 ^[1]			224,707 ^[1]		159,925 ^[1]
Prepaid and other current assets	41,446			41,446		34,975
Deferred taxes – current portion	19,613			19,613		19,726
Total current assets	523,306			523,306		487,397
Investment in subsidiaries	0			0		0
Property, plant and equipment â€” net	1,230,031			1,230,031		1,188,214
Due from affiliates â€” less current portion	0			0		0
Other assets	97,838			97,838		100,715
TOTAL	1,851,175			1,851,175		1,776,326
Liabilities and shareholders' equity:						
Accounts payable, trade	103,867			103,867		75,370
Due to affiliates	67,345			67,345		39,737
Accrued and other current liabilities	81,172			81,172		40,099
Accrued employee benefits costs â€” current portion	18,020			18,020		18,683
Industrial revenue bonds	7,815			7,815		7,815
Total current liabilities	278,219			278,219		181,704
Senior notes payable	248,961			248,961		250,582
Accrued pension benefit costs â€” less current portion	63,748			63,748		67,878
Accrued postretirement benefits costs â€” less current portion	142,978			142,978		143,105
Other liabilities/intercompany loan	37,056			37,056		40,162
Deferred taxes	111,318			111,318		110,252
Total noncurrent liabilities	604,061			604,061		611,979
Shareholders' equity:						
Convertible preferred stock	1			1		1
Common stock	934			934		933

Additional paid-in capital	2,507,996		2,507,996	2,507,454
Treasury stock, at cost	(49,924)		(49,924)	(49,924)
Accumulated other comprehensive income (loss)	(139,163)		(139,163)	(151,192)
Retained earnings (accumulated deficit)	(1,350,949)		(1,350,949)	(1,324,629)
Total shareholders' equity	968,895		968,895	982,643
Total	1,851,175		1,851,175	1,776,326

Net sales:

Third-party customers	220,950	184,022	409,464	372,861
Related parties	110,987	139,597	243,747	276,948
Sales Revenue " net	331,937	323,619	653,211	649,809
Cost of goods sold	337,635	317,662	641,327	623,260
Gross profit (loss)	(5,698)	5,957	11,884	26,549
Other operating expenses " net	3,018	3,817	4,114	7,538
Selling, general and administrative expenses (income)	15,154	7,151	31,453	15,610
Operating income (loss)	(23,870)	(5,011)	(23,683)	3,401
Interest expense " third party	(6,224)	(5,946)	(12,300)	(11,924)
Interest expense " affiliates	0	0	0	0
Interest income " third party	186	113	317	251
Interest income " affiliates	0	2	0	62
Net gain on forward and derivative contracts	204	1,450	15,711	(3,709)
Gain on bargain purchase	2,042	0	2,042	0
Loss on early extinguishment of debt	(3,272)	0	(3,272)	0
Other income (expense) – net	(1,284)	161	(1,214)	467
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,218)	(9,231)	(22,399)	(11,452)
Income tax expense	(2,791)	(3,395)	(5,308)	(6,216)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(35,009)	(12,626)	(27,707)	(17,668)
Equity in earnings (loss) of subsidiaries and joint ventures	436	349	1,387	990
Net loss	(34,573)	(12,277)	(26,320)	(16,678)
Other comprehensive income before income tax effect	11,517	2,148	12,794	3,286
Income tax effect	(383)	(383)	(765)	(765)
Other comprehensive income (loss)	11,134	1,765	12,029	2,521
Comprehensive income (loss)	(23,439)	(10,512)	(14,291)	(14,157)

**CONDENSED CONSOLIDATING
STATEMENT OF CASH FLOWS**

Net cash provided by (used in) operating activities	22,976	(1,615)
Purchase of property, plant and equipment	(16,565)	(6,165)
Nordural expansion â€™ Helguvik	(2,559)	(3,586)
Purchase of carbon anode assets and improvements	(3,670)	(14,524)
Purchase of Sebree smelter	(48,058)	0
Investments in and advances to joint ventures	0	(200)
Payments received on advances to joint ventures	0	3,166
Proceeds from sale of property, plant and equipment	515	68
Restricted and other cash deposits	(720)	0
Net cash used in investing activities	(71,057)	(21,241)

Financing activities:

Repayment of debt	0	(249,604)	
Proceeds from issuance of debt	246,330	0	
Repayment of contingent obligation	0		
Borrowings under revolving credit facility	0	18,076	
Repayments under revolving credit facility	0	(18,076)	
Debt issuance costs	(3,926)	0	
Debt retirement costs	(1,208)	0	
Intercompany transactions	0	0	
Repurchase of common stock	0	(4,033)	
Issuance of common stock â€™ net	0	44	
Net cash provided by (used in) financing activities	(8,364)	(4,033)	
Net change in cash and cash equivalents	(56,445)	(26,889)	

Cash and cash equivalents, beginning of the period	183,401	183,976	183,401
Cash and cash equivalents, end of the period	127,531	156,512	127,531

Senior unsecured notes due August 15, 2014 [Member]

Guarantor Obligations [Line Items]

Interest rate (in hundredths)	7.50%	7.50%
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Combined Guarantor Subsidiaries [Member]

Assets:

Cash and cash equivalents	0	0	0	0
Restricted cash	0		0	

Accounts receivable â€” net	75,509		75,509	38,328
Due from affiliates	601,495		601,495	604,008
Inventories	157,976		157,976	97,847
Prepaid and other current assets	4,994		4,994	4,421
Deferred taxes – current portion	0		0	0
Total current assets	839,974		839,974	744,862
Investment in subsidiaries	38,810		38,810	40,335
Property, plant and equipment â€” net	357,738		357,738	313,090
Due from affiliates â€” less current portion	0		0	0
Other assets	17,606		17,606	17,616
TOTAL	1,254,128		1,254,128	1,115,903
<i>Liabilities and shareholders' equity:</i>				
Accounts payable, trade	67,123		67,123	37,301
Due to affiliates	2,158,509		2,158,509	2,098,320
Accrued and other current liabilities	51,544		51,544	13,031
Accrued employee benefits costs â€” current portion	15,035		15,035	15,926
Industrial revenue bonds	7,815		7,815	7,815
Total current liabilities	2,300,026		2,300,026	2,172,393
Senior notes payable	0		0	0
Accrued pension benefit costs â€” less current portion	32,518		32,518	36,087
Accrued postretirement benefits costs â€” less current portion	136,554		136,554	137,184
Other liabilities/intercompany loan	58,329		58,329	65,377
Deferred taxes	0		0	0
Total noncurrent liabilities	227,401		227,401	238,648
<i>Shareholders' equity:</i>				
Convertible preferred stock	0		0	0
Common stock	60		60	60
Additional paid-in capital	355,467		355,467	303,659
Treasury stock, at cost	0		0	0
Accumulated other comprehensive income (loss)	(134,056)		(134,056)	(146,862)
Retained earnings (accumulated deficit)	(1,494,770)		(1,494,770)	(1,451,995)
Total shareholdersâ€™ equity	(1,273,299)		(1,273,299)	(1,295,138)
Total	1,254,128		1,254,128	1,115,903
<i>Net sales:</i>				
Third-party customers	173,986	131,721	311,084	267,575
Related parties	51,651	76,469	118,280	150,999

Sales Revenue â€“ net	225,637	208,190	429,364	418,574
Cost of goods sold	250,395	223,297	461,580	430,233
Gross profit (loss)	(24,758)	(15,107)	(32,216)	(11,659)
Other operating expenses â€“ net	3,018	3,817	4,114	7,538
Selling, general and administrative expenses (income)	11,755	8,238	24,644	16,217
Operating income (loss)	(39,531)	(27,162)	(60,974)	(35,414)
Interest expense â€“ third party	(6,224)	(5,946)	(12,300)	(11,924)
Interest expense â€“ affiliates	14,521	16,030	29,017	32,248
Interest income â€“ third party	17	3	31	14
Interest income â€“ affiliates		0		0
Net gain on forward and derivative contracts	204	1,450	15,711	(3,709)
Gain on bargain purchase	2,042		2,042	
Loss on early extinguishment of debt	(3,272)		(3,272)	
Other income (expense) – net	(128)	(6)	(9)	798
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	(32,371)	(15,631)	(29,754)	(17,987)
Income tax expense	(660)	(432)	(7,762)	(685)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(33,031)	(16,063)	(37,516)	(18,672)
Equity in earnings (loss) of subsidiaries and joint ventures	(3,044)	386	(5,266)	156
Net loss	(36,075)	(15,677)	(42,782)	(18,516)
Other comprehensive income before income tax effect	10,006	1,617	11,090	2,275
Income tax effect	(357)	(373)	(748)	(74)
Other comprehensive income (loss)	9,649	1,244	10,342	2,201
Comprehensive income (loss)	(26,426)	(14,433)	(32,440)	(16,315)

**CONDENSED CONSOLIDATING
STATEMENT OF CASH FLOWS**

Net cash provided by (used in) operating activities			34,027	(19,534)
Purchase of property, plant and equipment			(5,240)	(3,231)
Nordural expansion â€” Helguvik			0	0
Purchase of carbon anode assets and improvements			0	(14,524)
Purchase of Sebree smelter			(48,058)	
Investments in and advances to joint ventures				0
Payments received on advances to joint ventures				0
			0	10

Proceeds from sale of property, plant and equipment

Restricted and other cash deposits	258	
Net cash used in investing activities	(53,040)	(17,745)

Financing activities:

Repayment of debt	(3,274)	
Proceeds from issuance of debt	246,330	
Repayment of contingent obligation	(249,604)	
Borrowings under revolving credit facility		0
Repayments under revolving credit facility		0
Debt issuance costs	0	
Debt retirement costs	0	
Intercompany transactions	25,561	37,279
Repurchase of common stock		0
Issuance of common stock â€” net	0	
Net cash provided by (used in) financing activities	19,013	37,279
Net change in cash and cash equivalents	0	0
Cash and cash equivalents, beginning of the period	0	0
Cash and cash equivalents, end of the period	0	0

Combined Non-Guarantor Subsidiaries [Member]

Assets:

Cash and cash equivalents	82,104	138,699	82,104	138,699
Restricted cash	978		978	0
Accounts receivable â€” net	8,558		8,558	12,339
Due from affiliates	38,482		38,482	38,328
Inventories	66,731		66,731	62,078
Prepaid and other current assets	31,369		31,369	30,650
Deferred taxes – current portion	19,726		19,726	17,799
Total current assets	247,948		247,948	271,210
Investment in subsidiaries	0		0	0
Property, plant and equipment â€” net	871,435		871,435	874,559
Due from affiliates â€” less current portion	29,926		29,926	3,588
Other assets	52,291		52,291	45,474
TOTAL	<u>1,201,600</u>	<u> </u>	<u>1,201,600</u>	<u>1,194,831</u>

Liabilities and shareholders' equity:

Accounts payable, trade	35,551		35,551	37,627
Due to affiliates	129,236		129,236	105,945
Accrued and other current liabilities	24,620		24,620	31,332
Accrued employee benefits costs â€” current portion	0		0	0
Industrial revenue bonds	0		0	0
Total current liabilities	189,407		189,407	174,904
Senior notes payable	0		0	0
Accrued pension benefit costs â€” less current portion	0		0	0
Accrued postretirement benefits costs â€” less current portion	0		0	0
Other liabilities/intercompany loan	590,678		590,678	614,585
Deferred taxes	110,318		110,318	109,011
Total noncurrent liabilities	700,996		700,996	723,596
Shareholders' equity:				
Convertible preferred stock	0		0	0
Common stock	12		12	12
Additional paid-in capital	154,493		154,493	150,743
Treasury stock, at cost	0		0	0
Accumulated other comprehensive income (loss)	(1,602)		(1,602)	(1,525)
Retained earnings (accumulated deficit)	158,294		158,294	147,101
Total shareholdersâ€™ equity	311,197		311,197	296,331
Total	1,201,600		1,201,600	1,194,831
Net sales:				
Third-party customers	46,964	52,301	98,380	105,286
Related parties	59,336	63,128	125,467	125,949
Sales Revenue â€” net	106,300	115,429	223,847	231,235
Cost of goods sold	87,240	94,365	179,747	193,027
Gross profit (loss)	19,060	21,064	44,100	38,208
Other operating expenses â€” net	0	0	0	0
Selling, general and administrative expenses (income)	3,399	(1,087)	6,809	(607)
Operating income (loss)	15,661	22,151	37,291	38,815
Interest expense â€” third party	0	0	0	0
Interest expense â€” affiliates	(14,521)	(16,030)	(29,017)	(32,248)
Interest income â€” third party	169	110	286	237
Interest income â€” affiliates		2		62
Net gain on forward and derivative contracts	0	0	0	0
Gain on bargain purchase	0		0	

Loss on early extinguishment of debt	0		0	
Other income (expense) – net	(1,156)	167	(1,205)	(331)
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	153	6,400	7,355	6,535
Income tax expense	(2,131)	(2,963)	2,454	(5,531)
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	(1,978)	3,437	9,809	1,004
Equity in earnings (loss) of subsidiaries and joint ventures	436	349	1,387	990
Net loss	(1,542)	3,786	11,196	1,994
Other comprehensive income before income tax effect	(46)	(46)	(93)	(93)
Income tax effect	8	8	17	17
Other comprehensive income (loss)	(38)	(38)	(76)	(76)
Comprehensive income (loss)	(1,580)	3,748	11,120	1,918

**CONDENSED CONSOLIDATING
STATEMENT OF CASH FLOWS**

Net cash provided by (used in) operating activities			(11,051)	17,919
Purchase of property, plant and equipment			(10,751)	(2,879)
Nordural expansion “ Helguvik			(2,559)	(3,586)
Purchase of carbon anode assets and improvements			(3,670)	0
Purchase of Sebree smelter			0	
Investments in and advances to joint ventures				0
Payments received on advances to joint ventures				0
Proceeds from sale of property, plant and equipment			515	58
Restricted and other cash deposits			(978)	
Net cash used in investing activities			(17,443)	(6,407)

Financing activities:

Repayment of debt			0	
Proceeds from issuance of debt			0	
Repayment of contingent obligation				
Borrowings under revolving credit facility				0
Repayments under revolving credit facility				0
Debt issuance costs			0	
Debt retirement costs			0	
Intercompany transactions			582	(31,970)

Repurchase of common stock				0
Issuance of common stock â€” net			0	
Net cash provided by (used in) financing activities			582	(31,970)
Net change in cash and cash equivalents			(27,912)	(20,458)
Cash and cash equivalents, beginning of the period		159,157	110,016	159,157
Cash and cash equivalents, end of the period	82,104	138,699	82,104	138,699

Century Aluminum Company
[Member]

Assets:

Cash and cash equivalents	45,427	17,813	45,427	17,813
Restricted cash	0		0	0
Accounts receivable â€” net	0		0	0
Due from affiliates	2,387,611		2,387,611	2,391,249
Inventories	0		0	0
Prepaid and other current assets	5,083		5,083	8,063
Deferred taxes – current portion	0		0	0
Total current assets	2,438,121		2,438,121	2,473,272
Investment in subsidiaries	(1,000,911)		(1,000,911)	(1,039,141)
Property, plant and equipment â€” net	1,258		1,258	916
Due from affiliates â€” less current portion	0		0	0
Other assets	32,793		32,793	37,027
TOTAL	1,471,261		1,471,261	1,472,074

Liabilities and shareholders' equity:

Accounts payable, trade	1,193		1,193	442
Due to affiliates	196,918		196,918	193,788
Accrued and other current liabilities	12,681		12,681	1,967
Accrued employee benefits costs â€” current portion	2,985		2,985	2,757
Industrial revenue bonds	0		0	0
Total current liabilities	213,777		213,777	198,954
Senior notes payable	248,961		248,961	250,582
Accrued pension benefit costs â€” less current portion	31,230		31,230	31,791
Accrued postretirement benefits costs â€” less current portion	6,424		6,424	5,921
Other liabilities/intercompany loan	1,974		1,974	2,183
Deferred taxes	0		0	0
Total noncurrent liabilities	288,589		288,589	290,477

Shareholders' equity:

Convertible preferred stock	1		1	1
Common stock	934		934	933
Additional paid-in capital	2,507,996		2,507,996	2,507,454
Treasury stock, at cost	(49,924)		(49,924)	(49,924)
Accumulated other comprehensive income (loss)	(139,163)		(139,163)	(151,192)
Retained earnings (accumulated deficit)	(1,350,949)		(1,350,949)	(1,324,629)
Total shareholders' equity	968,895		968,895	982,643
Total	1,471,261		1,471,261	1,472,074

Net sales:

Third-party customers	0	0	0	0
Related parties	0	0	0	0
Sales Revenue " net	0	0	0	0
Cost of goods sold	0	0	0	0
Gross profit (loss)	0	0	0	0
Other operating expenses " net	0	0	0	0
Selling, general and administrative expenses (income)	0	0	0	0
Operating income (loss)	0	0	0	0
Interest expense " third party	0	0	0	0
Interest expense " affiliates	0	0	0	0
Interest income " third party	0	0	0	0
Interest income " affiliates		0		0
Net gain on forward and derivative contracts	0	0	0	0
Gain on bargain purchase	0		0	
Loss on early extinguishment of debt	0		0	
Other income (expense) – net	0	0	0	0
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	0	0	0	0
Income tax expense	0	0	0	0
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	0	0	0	0
Equity in earnings (loss) of subsidiaries and joint ventures	(34,573)	(12,277)	(26,320)	(16,678)
Net loss	(34,573)	(12,277)	(26,320)	(16,678)
Other comprehensive income before income tax effect	11,517	2,148	12,794	3,286
Income tax effect	(383)	(383)	(765)	(765)
Other comprehensive income (loss)	11,134	1,765	12,029	2,521

Comprehensive income (loss)	(23,439)	(10,512)	(14,291)	(14,157)
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**CONDENSED CONSOLIDATING
STATEMENT OF CASH FLOWS**

Net cash provided by (used in) operating activities			0	0
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Purchase of property, plant and equipment			(574)	(55)
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Nordural expansion â€™ Helguvik			0	0
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Purchase of carbon anode assets and improvements			0	0
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Purchase of Sebree smelter			0	
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Investments in and advances to joint ventures				(200)
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Payments received on advances to joint ventures				3,166
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Proceeds from sale of property, plant and equipment			0	0
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Restricted and other cash deposits			0	
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Net cash used in investing activities			(574)	2,911
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Financing activities:

Repayment of debt			(246,330)	
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Proceeds from issuance of debt			0	
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Repayment of contingent obligation			249,604	
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Borrowings under revolving credit facility				18,076
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Repayments under revolving credit facility				(18,076)
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Debt issuance costs			(3,926)	
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Debt retirement costs			(1,208)	
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Intercompany transactions			(26,143)	(5,309)
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Repurchase of common stock				(4,033)
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Issuance of common stock â€™ net			44	
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Net cash provided by (used in) financing activities			(27,959)	(9,342)
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Net change in cash and cash equivalents			(28,533)	(6,431)
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Cash and cash equivalents, beginning of the period		24,244	73,960	24,244
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Cash and cash equivalents, end of the period	45,427	17,813	45,427	17,813
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Reclassifications and Eliminations
[Member]

Assets:

Cash and cash equivalents	0		0	
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Restricted cash	0		0	0
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Accounts receivable â€™ net	0		0	0
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Due from affiliates	(3,002,624)		(3,002,624)	(2,995,715)
Inventories	0		0	0
Prepaid and other current assets	0		0	(8,159)
Deferred taxes – current portion	(113)		(113)	1,927
Total current assets	(3,002,737)		(3,002,737)	(3,001,947)
Investment in subsidiaries	962,101		962,101	998,806
Property, plant and equipment – net	(400)		(400)	(351)
Due from affiliates – less current portion	(29,926)		(29,926)	(3,588)
Other assets	(4,852)		(4,852)	598
TOTAL	(2,075,814)		(2,075,814)	(2,006,482)
<i>Liabilities and shareholders' equity:</i>				
Accounts payable, trade	0		0	0
Due to affiliates	(2,417,318)		(2,417,318)	(2,358,316)
Accrued and other current liabilities	(7,673)		(7,673)	(6,231)
Accrued employee benefits costs – current portion	0		0	0
Industrial revenue bonds	0		0	0
Total current liabilities	(2,424,991)		(2,424,991)	(2,364,547)
Senior notes payable	0		0	0
Accrued pension benefit costs – less current portion	0		0	0
Accrued postretirement benefits costs – less current portion	0		0	0
Other liabilities/intercompany loan	(613,925)		(613,925)	(641,983)
Deferred taxes	1,000		1,000	1,241
Total noncurrent liabilities	(612,925)		(612,925)	(640,742)
<i>Shareholders' equity:</i>				
Convertible preferred stock	0		0	0
Common stock	(72)		(72)	(72)
Additional paid-in capital	(509,960)		(509,960)	(454,402)
Treasury stock, at cost	0		0	0
Accumulated other comprehensive income (loss)	135,658		135,658	148,387
Retained earnings (accumulated deficit)	1,336,476		1,336,476	1,304,894
Total shareholders' equity	962,102		962,102	998,807
Total	(2,075,814)		(2,075,814)	(2,006,482)
<i>Net sales:</i>				
Third-party customers	0	0	0	0
Related parties	0	0	0	0
Sales Revenue – net	0	0	0	0

Cost of goods sold	0	0	0	0
Gross profit (loss)	0	0	0	0
Other operating expenses â€“ net	0	0	0	0
Selling, general and administrative expenses (income)	0	0	0	0
Operating income (loss)	0	0	0	0
Interest expense â€“ third party	0	0	0	0
Interest expense â€“ affiliates	0	0	0	0
Interest income â€“ third party	0	0	0	0
Interest income â€“ affiliates		0		0
Net gain on forward and derivative contracts	0	0	0	0
Gain on bargain purchase	0		0	
Loss on early extinguishment of debt	0		0	
Other income (expense) – net	0	0	0	0
Income (loss) before income taxes and equity in earnings (loss) of subsidiaries and joint ventures	0	0	0	0
Income tax expense	0	0	0	0
Income (loss) before equity in earnings (loss) of subsidiaries and joint ventures	0	0	0	0
Equity in earnings (loss) of subsidiaries and joint ventures	37,617	11,891	31,586	16,522
Net loss	37,617	11,891	31,586	16,522
Other comprehensive income before income tax effect	(9,960)	(1,571)	(10,997)	(2,182)
Income tax effect	349	365	731	57
Other comprehensive income (loss)	(9,611)	(1,206)	(10,266)	(2,125)
Comprehensive income (loss)	28,006	10,685	21,320	14,397
<i>Financing activities:</i>				
Cash and cash equivalents, beginning of the period			0	
Cash and cash equivalents, end of the period	\$ 0		\$ 0	

[1] (1)The balance at June 30, 2013 includes inventory acquired with the purchase of Sebree. See Note 2 Acquisition of Sebree aluminum smelter for additional information about the Sebree acquisition.

Financial Reports formatted for presentation by Westlaw Business based on filed XBRL exhibits:
EX-101.INS, EX-101.SCH and EX-101.CAL