

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, 2012

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

Century ALUMINUM

Century Aluminum Company

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other Jurisdiction of Incorporation or Organization)

2511 Garden Road
Building A, Suite 200
Monterey, California

(Address of principal executive offices)

13-3070826
(IRS Employer Identification No.)

93940
(Zip Code)

Registrant's telephone number, including area code: (831) 642-9300

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.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

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 88,467,049 shares of common stock outstanding at July 31, 2012.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	\$ 156,512	\$ 183,401
Accounts receivable — net	71,936	47,647
Due from affiliates	34,671	44,665
Inventories	158,538	171,961
Prepaid and other current assets	43,131	40,646
Total current assets	464,788	488,320
Property, plant and equipment — net	1,208,029	1,218,225
Other assets	106,284	104,549
TOTAL	<u>\$ 1,779,101</u>	<u>\$ 1,811,094</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 70,360	\$ 86,172
Due to affiliates	43,055	41,904
Accrued and other current liabilities	44,716	40,776
Accrued employee benefits costs — current portion	16,107	16,698
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>182,053</u>	<u>193,365</u>
Senior notes payable	250,036	249,512
Accrued pension benefits costs — less current portion	67,762	70,899
Accrued postretirement benefits costs — less current portion	128,429	128,078
Other liabilities	39,690	40,005
Deferred taxes	90,832	90,958
Total noncurrent liabilities	<u>576,749</u>	<u>579,452</u>
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
SHAREHOLDERS' EQUITY:		
Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 80,623 and 80,718 issued and outstanding at June 30, 2012 and December 31, 2011, respectively)	1	1
Common stock (one cent par value, 195,000,000 shares authorized; 93,253,570 issued and 88,467,049 outstanding at June 30, 2012; 93,230,848 issued and 88,844,327 outstanding at December 31, 2011)	933	932
Additional paid-in capital	2,507,053	2,506,842
Treasury stock, at cost	(49,924)	(45,891)
Accumulated other comprehensive loss	(132,067)	(134,588)
Accumulated deficit	(1,305,697)	(1,289,019)
Total shareholders' equity	<u>1,020,299</u>	<u>1,038,277</u>
TOTAL	<u>\$ 1,779,101</u>	<u>\$ 1,811,094</u>

See notes to consolidated financial statements

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
NET SALES:				
Third-party customers	\$ 184,022	\$ 207,091	\$ 372,861	\$ 395,403
Related parties	139,597	159,186	276,948	297,211
	<u>323,619</u>	<u>366,277</u>	<u>649,809</u>	<u>692,614</u>
Cost of goods sold	317,662	316,763	623,260	600,784
Gross profit	5,957	49,514	26,549	91,830
Other operating expenses (income) – net	3,817	(5,205)	7,538	(11,089)
Selling, general and administrative expenses	7,151	18,557	15,610	29,166
Operating income (loss)	(5,011)	36,162	3,401	73,753
Interest expense – third party	(5,946)	(6,386)	(11,924)	(13,163)
Interest income – third party	113	65	251	220
Interest income – related parties	2	70	62	183
Net gain (loss) on forward contracts	1,450	(1,617)	(3,709)	(6,426)
Other income (expense) – net	161	(1,132)	467	(455)
Income (loss) before income taxes and equity in earnings of joint ventures	(9,231)	27,162	(11,452)	54,112
Income tax expense	(3,395)	(3,636)	(6,216)	(6,759)
Income (loss) before equity in earnings of joint ventures	(12,626)	23,526	(17,668)	47,353
Equity in earnings of joint ventures	349	460	990	1,679
Net income (loss)	<u>\$ (12,277)</u>	<u>\$ 23,986</u>	<u>\$ (16,678)</u>	<u>\$ 49,032</u>
Net income (loss) allocated to common shareholders	\$ (12,277)	\$ 22,061	\$ (16,678)	\$ 45,066
EARNINGS (LOSS) PER COMMON SHARE:				
Basic and Diluted	\$ (0.14)	\$ 0.24	\$ (0.19)	\$ 0.48
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	88,452	93,105	88,589	93,036
Diluted	88,452	93,567	88,589	93,432

See notes to consolidated financial statements

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Comprehensive income (loss)				
Net income (loss)	\$ (12,277)	\$ 23,986	\$ (16,678)	\$ 49,032
Other comprehensive income (loss) before income tax effect:				
Net unrealized gain (loss) on financial instruments	26	(27)	(220)	(33)
Net loss (gain) reclassified to income on financial instruments	209	(39)	481	(50)
Net gain on foreign currency cash flow hedges reclassified to income	(46)	(47)	(93)	(93)
Defined benefit plans and other postretirement benefits:				
Net gain (loss) arising during the period	49	(5,769)	49	(5,769)
Amortization of prior service benefit	(1,031)	(15,501)	(2,056)	(30,620)
Amortization of net loss	2,941	6,995	5,125	13,280
Other comprehensive income (loss) before income tax effect	2,148	(14,388)	3,286	(23,285)
Income tax effect	(383)	(2,513)	(765)	(4,973)
Other comprehensive income (loss)	1,765	(16,901)	2,521	(28,258)
Comprehensive income (loss)	\$ (10,512)	\$ 7,085	\$ (14,157)	\$ 20,774

See notes to consolidated financial statements

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

	Six months ended June 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (16,678)	\$ 49,032
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Unrealized net loss on forward contracts	3,177	6,170
Accrued and other plant curtailment costs — net	2,781	(16,592)
Lower of cost or market inventory adjustment	(11,617)	(16)
Depreciation and amortization	31,288	31,064
Debt discount amortization	523	1,355
Pension and other postretirement benefits	(260)	(28,608)
Stock-based compensation	212	2,501
Non-cash loss on early extinguishment of debt	—	763
Undistributed earnings of joint ventures	(990)	(1,679)
Change in operating assets and liabilities:		
Accounts receivable — net	(24,289)	(10,935)
Due from affiliates	5,401	11,265
Inventories	25,040	(31,464)
Prepaid and other current assets	(3,877)	(28,991)
Accounts payable, trade	(15,931)	(1,202)
Due to affiliates	1,151	(5,834)
Accrued and other current liabilities	1,750	7,575
Other — net	704	(539)
	(1,615)	(16,135)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6,165)	(7,353)
Nordural expansion	(3,586)	(7,968)
Purchase of carbon anode assets	(14,524)	—
Investments in and advances to joint ventures	(200)	—
Payments received on advances from joint ventures	3,166	3,056
Proceeds from the sale of property, plant and equipment	68	56
Restricted and other cash deposits	—	3,673
	(21,241)	(8,536)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	—	(47,067)
Repayment of contingent obligation	—	(189)
Borrowings under revolving credit facility	18,076	—
Repayments under revolving credit facility	(18,076)	—
Repurchase of common stock	(4,033)	—
Issuance of common stock — net	—	32
	(4,033)	(47,224)
Net cash used in financing activities		
CHANGE IN CASH AND CASH EQUIVALENTS	(26,889)	(71,895)
Cash and cash equivalents, beginning of the period	183,401	304,296
Cash and cash equivalents, end of the period	\$ 156,512	\$ 232,401

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements for the
Three and six months ended June 30, 2012 and 2011
(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, 2011. 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 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. 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. Asset Acquisition

In June 2012, our wholly owned subsidiary, Century Anodes BV ("Century Anodes"), purchased substantially all of the assets of the former 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. As part of the transaction, Century Anodes will not assume, and is indemnified against, any historical liabilities of the facility.

The anode production facility, which was curtailed by Zalco in December 2011, will require a significant capital investment to optimize anode production for our smelter in Grundartangi, Iceland ("Grundartangi") and eventually provide anodes for the planned Helgukvik smelter and to comply with current environmental regulations. We purchased the assets to provide captive anode production for Grundartangi to replace third-party anode supply contracts that will terminate in 2013.

3. Fair value measurements

ASC 820, "Fair Value Measurements and Disclosures," defines fair value, establishes a framework for measuring fair value, and delineates disclosures about fair value measurements. This guidance applies to a broad range of other existing accounting pronouncements that require or permit fair value measurements. ASC 820 defines fair value as "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." Fair value is an exit price and that exit price should reflect all the assumptions that market participants would use in pricing the asset or liability.

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 section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value.

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

Overview of Century’s valuation methodology

	Level	Significant inputs
Cash equivalents	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
Primary aluminum put option contracts	2	Quoted London Metal Exchange (“LME”) forward market prices, historical volatility measurements and risk-adjusted discount rates
Natural gas forward financial contracts	2	Quoted natural gas forward market prices for primary aluminum and risk-adjusted discount rates
Ravenswood power contract	3	Quoted LME forward market prices, power tariff prices, management’s estimate of future power usage and risk-adjusted discount rates
E.ON U.S. (“E.ON”) contingent obligation	3	Quoted LME forward market prices for primary aluminum, management’s estimates of the LME forward market prices for primary aluminum 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. 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

The following table sets forth by level within the ASC 820 fair value hierarchy our financial assets and liabilities that are accounted for at fair value on a recurring basis. As required by ASC 820, 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.

Recurring Fair Value Measurements	As of June 30, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 145,492	\$ —	\$ —	\$ 145,492
Trust assets	15,160	—	—	15,160
Surety bond – workers comp insurance	2,391	—	—	2,391
TOTAL	\$ 163,043	\$ —	\$ —	\$ 163,043
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 65	\$ —	\$ 65
E.ON contingent obligation – net	—	—	14,663	14,663
Primary aluminum sales contract	—	—	1,361	1,361
TOTAL	\$ —	\$ 65	\$ 16,024	\$ 16,089

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

Recurring Fair Value Measurements	As of December 31, 2011			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 176,284	\$ —	\$ —	\$ 176,284
Trust assets	15,889	—	—	15,889
Surety bonds – workers comp insurance	2,391	—	—	2,391
Primary aluminum put option contracts	—	9,331	—	9,331
Power contract	—	—	106	106
TOTAL	\$ 194,564	\$ 9,331	\$ 106	\$ 204,001
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 281	\$ —	\$ 281
E.ON contingent obligation – net	—	—	13,958	13,958
Primary aluminum sales contract – premium collar	—	—	908	908
TOTAL	\$ —	\$ 281	\$ 14,866	\$ 15,147

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

	Derivative liabilities – net	
	2012	2011
Beginning balance, April 1,	\$ (15,426)	\$ (14,311)
Total gain (realized/unrealized) included in earnings	(545)	(758)
Settlements	(53)	533
Ending balance, June 30,	\$ (16,024)	\$ (14,536)
Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30,	\$ (545)	\$ (758)

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

	Derivative liabilities – net	
	2012	2011
Beginning balance, January 1,	\$ (14,760)	\$ (13,802)
Total gain (realized/unrealized) included in earnings	(1,158)	(1,231)
Settlements	(106)	497
Ending balance, June 30,	\$ (16,024)	\$ (14,536)
Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30,	\$ (1,158)	\$ (1,231)

The net gain (loss) on our derivative assets and liabilities is recorded in our statement of operations under net gain (loss) on forward contracts. See [Note 4 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)

4. Derivative and hedging instruments

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

Fair Value of Derivative Assets and Liabilities

	Balance sheet location	June 30, 2012	December 31, 2011
DERIVATIVE ASSETS:			
Primary aluminum put option contracts	Due from affiliates	\$ —	\$ 5,439
Primary aluminum put option contracts	Prepaid and other current assets	—	3,892
Power contract	Prepaid and other current assets	—	106
TOTAL		\$ —	\$ 9,437
DERIVATIVE LIABILITIES:			
E.ON contingent obligation	Other liabilities	\$ 14,663	\$ 13,958
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	1,048	607
Natural gas forward financial contracts	Accrued and other current liabilities	65	281
Aluminum sales premium contracts – less current portion	Other liabilities	313	301
TOTAL		\$ 16,089	\$ 15,147

Natural gas forward financial contracts

To mitigate the volatility of our natural gas cost due to the natural gas markets, we have entered into fixed-price forward financial contracts which settle in cash in the period corresponding to the intended usage of natural gas. These forward contracts are designated as cash flow hedges and qualify for hedge accounting under ASC 815.

The natural gas forward financial contracts are derivatives that qualified for cash flow hedge treatment. During the three and six months ended June 30, 2012 and 2011, the changes in our accumulated other comprehensive loss resulting from realized and unrealized gains and losses on these derivatives were not significant to our financial statements. There were no losses recognized for ineffective portions of these derivatives during the periods.

Foreign currency forward contracts

We manage our foreign currency exposure by entering into foreign currency forward contracts when management deems such transactions appropriate. As of June 30, 2012 and December 31, 2011, we had no foreign currency forward contracts outstanding. We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the euro, the Icelandic krona (“ISK”) and the Chinese yuan. The labor costs, maintenance costs and other local services at our facility in Grundartangi, Iceland (“Grundartangi”) are denominated in ISK and a portion of its anode costs are denominated in euros and Chinese yuan. Labor costs, maintenance costs and other local services at Century Anodes are denominated in euros. As a result, an increase or decrease in the value of those currencies relative to the U.S. dollar would affect Grundartangi’s and Century Anodes’s operating margins.

We have realized gains and losses for our foreign currency cash flow hedges for the Grundartangi expansion and Helguvik project capital expenditures that was recognized in accumulated other comprehensive loss and is reclassified to earnings as part of the depreciation expense of the capital assets (for the Helguvik project this would occur when Helguvik is put into service).

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

Ravenswood power contract

We are party to a power supply agreement at our facility in Ravenswood, West Virginia (“Ravenswood”) that contains LME–based pricing provisions (the “special rate mechanism”) that are an embedded derivative. The embedded derivative does not qualify for cash flow hedge treatment and is marked to market quarterly.

In June 2011, the Public Service Commission of the State of West Virginia (the “PSC”) extended the special rate mechanism for one year. The current special rate mechanism will remain in place until the PSC issues an order on the recently filed special rate proposal which is expected to occur in September 2012. We cannot be certain if the special pricing provisions will be extended in the future. As of June 30, 2012, based on our estimated future power usage under the special rate mechanism, the embedded derivative has no fair value.

Primary aluminum put option contracts

As of June 30, 2012, we had no primary aluminum put option contracts outstanding. We had previously entered into primary aluminum put option contracts that settled monthly based on LME prices through June 2012. These options were purchased to partially mitigate the risk of a future decline in aluminum prices.

Our counterparties included two non–related third parties and 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 and accounted for the contracts as derivative financial instruments with gains and losses in the fair value of the contracts recorded on the consolidated statements of operations in net gain (loss) on forward contracts.

Aluminum sales premium contracts

The Glencore Metal Agreement is a physical delivery contract for 20,400 metric tons per year (“mtpy”) of 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 contracts on the consolidated statements of operations.

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
Location		Three months ended June 30,		Six months ended June 30,	
		2012	2011	2012	2011
Primary aluminum put option contracts	Net gain (loss) on forward contracts	\$ 1,970	\$ (1,060)	\$ (2,725)	\$ (5,666)
Aluminum sales premium contracts	Related party sales	328	162	532	256
Aluminum sales premium contracts	Net gain (loss) on forward contracts	(520)	(668)	(985)	(866)

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

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

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Power contracts (in megawatt hours (“MWH”)) (1)	—	3,772
Primary aluminum sales contract premium (metric tons) (2)	30,600	40,870
Primary aluminum put option contracts (metric tons)	—	15,000
Primary aluminum put option contracts (metric tons) – related party	—	18,000

(1) Represents our expected usage during the remaining term of the Ravenswood power contract. In June 2011, the West Virginia PSC extended the term of this contract for an additional year.

(2) Represents the remaining physical deliveries under our 2013 Glencore Metal Agreement.

Counterparty credit risk. 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, 2012, income of \$65 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
(Unaudited)

5. 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 three and six months ended June 30, 2012 and 2011:

	For the three months ended June 30,					
	2012			2011		
	Income	Shares (000)	Per-Share	Income	Shares (000)	Per-Share
Net income (loss)	\$ (12,277)			\$ 23,986		
Amount allocated to common shareholders	100%			91.97%		
Basic EPS:						
Income (loss) allocable to common shareholders	(12,277)	88,452	\$ (0.14)	22,061	93,105	\$ 0.24
Effect of Dilutive Securities:						
Stock compensation plans	—	—		—	462	
Diluted EPS:						
Income (loss) applicable to common shareholders with assumed conversion	<u>\$ (12,277)</u>	<u>88,452</u>	<u>\$ (0.14)</u>	<u>\$ 22,061</u>	<u>93,567</u>	<u>\$ 0.24</u>
	Six months ended June 30,					
	2012			2011		
	Income	Shares (000)	Per-Share	Income	Shares (000)	Per-Share
Net income (loss)	\$ (16,678)			\$ 49,032		
Amount allocated to common shareholders	100%			91.91%		
Basic EPS:						
Income (loss) allocable to common shareholders	(16,678)	88,589	\$ (0.19)	45,066	93,036	\$ 0.48
Effect of Dilutive Securities:						
Stock compensation plans	—	—		—	396	
Diluted EPS:						
Income (loss) applicable to common shareholders with assumed conversion	<u>\$ (16,678)</u>	<u>88,589</u>	<u>\$ (0.19)</u>	<u>\$ 45,066</u>	<u>93,432</u>	<u>\$ 0.48</u>

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

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 ASC 260–10–45 “Participating Securities and the Two–Class Method”. In accordance with the guidance in the ASC 260–10–45, we calculate basic EPS using the Two–Class Method, allocating undistributed income to our preferred shareholder consistent with its participation rights, and diluted EPS using the If–Converted Method, when applicable.

The generally accepted accounting principles for reporting EPS do 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,	
	2012	2011	2012	2011
Options to purchase common stock outstanding	626,334	641,187	626,334	641,187
Weighted average service–based stock awards outstanding	395,791	343,148	370,658	280,366
Excluded from the calculation of diluted EPS:				
Stock options (1)	626,334	349,000	632,334	349,000
Service–based share award	395,791	—	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 option were excluded because of their antidilutive effect on earnings per share.

During the six months ended June 30, 2012, we repurchased 400,000 shares of our common stock under a stock repurchase program. (See [Note 6 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 stock for which vesting is based upon continued service is not considered issued and outstanding shares of common stock until vested and issued. However, the service–based stock is considered a common stock equivalent and, therefore, the weighted average service–based stock is 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.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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6. Shareholders' equity

Common Stock

Under our Restated Certificate of Incorporation, as amended, 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 any series which we may designate and issue in the future.

Common and Preferred Stock Activity:

	Preferred stock Series A convertible	Common stock Treasury	Common stock Outstanding
Beginning balance as of December 31, 2011	80,718	4,386,521	88,844,327
Repurchase of common stock	—	400,000	(400,000)
Conversion of convertible preferred stock	(95)	—	9,488
Issuance for stock compensation plans	—	—	13,234
Ending balance as of June 30, 2012	<u>80,623</u>	<u>4,786,521</u>	<u>88,467,049</u>

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 in value 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 will be 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, 2012, 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, 2012.

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 above for additional information about preferred stock conversions during the period.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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7. Income taxes

The components of our unrecognized tax positions are as follows:

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Highly certain tax positions	\$ 15,700	\$ 15,100
Other unrecognized tax benefits	900	800
Gross unrecognized tax benefits	<u>\$ 16,600</u>	<u>\$ 15,900</u>
Accrued interest and penalties related to unrecognized tax benefits	\$ 150	\$ 100

We recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense.

We do not expect a significant change in the balance of unrecognized tax benefits within the next twelve months.

Our federal income tax returns beginning in 2008 are subject to examination. Our 2008 tax year is currently under audit by the Internal Revenue Service (“IRS”). Additionally, a 2005 amended return is also under audit with respect to carry back items. Our state returns beginning in 2005 are subject to examination. Our Icelandic tax returns are subject to examination beginning with the 2005 tax year.

For the years 2011, 2010 and 2009, we did not elect to permanently reinvest foreign earnings. In March 2012, we removed our election to permanently reinvest foreign earnings prior to 2009.

8. Inventories

Inventories consist of the following:

	<u>June 30, 2012</u>	<u>December 31, 2011</u>
Raw materials	\$ 33,311	\$ 41,142
Work-in-process	14,757	15,548
Finished goods	10,634	10,535
Operating and other supplies	99,836	104,736
Inventories	<u>\$ 158,538</u>	<u>\$ 171,961</u>

Inventories are stated at the lower of cost or market, using the first-in, first-out method (“FIFO”).

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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9. Debt

	June 30, 2012	December 31, 2011
Debt classified as current liabilities:		
Hancock County industrial revenue bonds due 2028, interest payable quarterly (variable interest rates (not to exceed 12%))(1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$2,171 and \$2,695, respectively, interest payable semiannually	247,433	246,909
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)	14,663	13,958
TOTAL	\$ 272,514	\$ 271,285

- (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, 2012 was 0.43%.
- (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.

Revolving credit facility

On July 1, 2010, we and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") entered into a four-year \$100,000 senior secured revolving credit facility pursuant to a Loan and Security Agreement, dated as of July 1, 2010, among the Borrowers and Wells Fargo Capital Finance, LLC, as lender and agent (the "Credit Facility"), a portion of which was later syndicated to Credit Suisse AG. The Credit Facility will expire on July 1, 2014.

Status of our revolving credit facility:

		<u>June 30, 2012</u>
Senior secured revolving credit facility amount	\$	100,000
Borrowing availability, net of outstanding letters of credit		57,981
Outstanding borrowings on revolving credit facility		—
Letter of credit sub-facility amount		50,000
Outstanding letters of credit issued under the revolving credit facility		42,019

The availability of funds under the revolving credit facility is limited by a specified borrowing base consisting of accounts receivable and inventory which meet the eligibility criteria.

Our obligations under the Credit Facility are guaranteed by certain of our domestic subsidiaries and secured by a first priority security interest in all of the domestic accounts receivable, inventory and certain bank accounts. The guarantees for any and all obligations under the Credit Facility are on a joint and several basis.

Any amounts outstanding under the Credit Facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. In addition, we pay a commitment 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.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments made on CAKY's behalf under a power purchase agreement with Big Rivers and E.ON (the "Big Rivers Agreement") in excess of the agreed upon base amount. Interest accrues at an annual rate equal to 10.94%. The term of the agreement is through December 31, 2028. Our obligation to make repayments is contingent upon certain operating criteria for Hawesville and the LME price of primary aluminum. Based on the LME forward market and our expectation of Hawesville's future operations, we classified the E.ON contingent obligation within noncurrent liabilities, which includes accrued interest on the obligation. When the conditions for repayment are met, and for so long as those conditions continue to be met, we will be obligated to make principal and interest payments.

10. 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 \$1,014 and \$852 at June 30, 2012 and December 31, 2011, 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, Inc. ("CAWV") continues to perform remedial measures at Ravenswood 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 EPS for a final order.

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.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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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, 2012, we have expended approximately \$940 on the Hydrocarbon Recovery Plan. We expect the future potential payments under this indemnification to comply with the Order will be approximately \$500, which may be offset in part by sales of recoverable hydrocarbons.

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, 2012, 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.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. A date has not been set for the appeal.

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. The plaintiffs in both suits seek 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.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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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

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. Although it is not presently possible to determine the outcome of these matters, management believes their ultimate disposition will not have a material adverse effect on our financial condition, results of operations, or liquidity.

In evaluating whether to accrue for costs 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 costs 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, 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 and wrongful termination in violation of public policy. 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 exemplary and punitive damages, for wrongful termination, as well as 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 vigorously defend ourselves against them. 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.

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. On March 10, 2011, plaintiffs filed a notice of appeal to the order and judgment entered by the court on March 3, 2011. The notice of appeal remains pending before the U.S. Court of Appeals for the Ninth Circuit.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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Ravenswood Retiree Medical Benefits changes

Century Aluminum of West Virginia, Inc. (“CAWV”) amended its postretirement medical benefit plan, effective January 1, 2010, for all current and former CAWV salaried employees, their dependents and all bargaining unit employees who retired before June 1, 2006, and their dependents. Effective January 1, 2011, CAWV no longer provided retiree medical benefits to active salaried CAWV personnel or any other personnel who retired prior to November 1, 2010.

The principal changes to the plan as a result of this amendment were that, upon attainment of age 65, all CAWV provided retiree medical benefits ceased for retirees and dependents. In addition, bargaining unit retirees under age 65 and qualified dependents under age 65 were covered by the salary retiree medical plan which required out-of-pocket payments for premiums, co-pays and deductibles by participants.

In November 2009, CAWV filed a class action complaint for declaratory judgment against the 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 as described above. 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, finding that the USWA had failed to establish the likelihood of success on the merits of the underlying matter. In October 2011, CAWV filed a motion to dismiss plaintiff’s first amended complaint with the trial court. No ruling has yet been made on the motion. In March 2012, the court granted a stay pending negotiations to restart Ravenswood. The plaintiffs have agreed in principle to settle the lawsuit upon a successful restart of Ravenswood, see “CAWV Retiree VEBA contributions” below.

In June 2011, the Pension Benefit Guaranty Corporation (the “PBGC”) informed us that it believed that a “cessation of operations” under the Employee Retirement Income Security Act of 1974 (“ERISA”) had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility and requested that we engage in discussions with the PBGC relating thereto. We have notified the PBGC that we do not believe that a “cessation of operations” has occurred and have entered into ongoing discussions with the PBGC to resolve the matter. If a “cessation of operations” is ultimately determined to have occurred under ERISA, it may be necessary for Century Aluminum of West Virginia to accelerate the timing of approximately \$17,400 in contributions over a period of years to certain of its defined pension plans or post other collateral with the PBGC or negotiate an alternative agreement.

Power Commitments

Hawesville

The Big Rivers Agreement has a term through December 2023, unless extended. The Big Rivers Agreement is a cost-based agreement that provides sufficient power for Hawesville’s full production capacity requirements. The Big Rivers Agreement is take-or-pay for Hawesville’s energy requirements at full production.

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(Unaudited)

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 April 2012, Santee Cooper adopted a revised Curtailable Supplemental Power Rate Schedule effective June 1, 2012 and Mt. Holly and Santee Cooper have subsequently amended the terms of Mt. Holly’s power agreement to take advantage of the new rate schedule. The revision allows Santee Cooper and Mt. Holly to agree to serve all or a portion of Mt. Holly’s Supplemental Power requirements from a designated resource. The energy charge for Supplemental Power from the designated resource is based on the fuel costs of the resource rather than Santee Cooper’s system average fuel costs. The amendments to the power agreement may provide a benefit to Mt. Holly provided that the energy costs of the designated resource are below Santee Cooper’s system average fuel costs.

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. Under the special rate contract, Ravenswood may be excused from, or may defer the payment of, any increase in the tariff rate if LME prices fall below certain negotiated levels. The current special rate mechanism will remain in place until the PSC issues an order on the recently filed new special rate proposal for an LME-based rate, which is expected to occur in September 2012.

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 Helgúvík and is currently being utilized at Grundartangi. In order to use this additional power, Nordural Grundartangi has temporarily reduced its power purchases under each of its outstanding power purchase agreements, but continues to consume power in excess of its take-or-pay obligation. HS and OR have disputed Nordural Grundartangi’s right to make such reductions and have commenced arbitration proceedings against Nordural Grundartangi that are currently expected to occur in the first quarter of 2013.

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.

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Notes to the Consolidated Financial Statements – continued
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Helguvik

Nordural Helguvik ehf has power purchase agreements with HS and OR to provide power to the Helguvik 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 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 Helguvik 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.

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.

CAWV's Ravenswood plant employees represented by the USWA are under a labor agreement that expired on August 31, 2010. Negotiations for a new labor agreement are ongoing.

CAWV Retiree VEBA contributions

We have reached an agreement in principle with the CAWV retirees to make contributions to a voluntary employee beneficiary association ("VEBA") trust that would provide certain health care benefits to these retirees and their eligible dependents in the event of a restart of our Ravenswood facility. If this agreement were entered into, our obligations under the agreement, including any contributions to the VEBA, would be contingent upon the occurrence of several future events that are necessary in order to restart the Ravenswood facility. None of these events, including the finalization of this agreement, are certain to occur.

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 postemployment benefit obligations. Among other things, the Health Care Acts will eliminate 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.

CENTURY ALUMINUM COMPANY
Notes to the Consolidated Financial Statements – continued
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11. Forward delivery contracts and financial instruments

As a producer of primary aluminum, we are exposed to fluctuating raw material and primary aluminum prices. 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, 2012	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 16,000 metric tons	Through December 31, 2012	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	240 million pounds per year (high conductivity molten aluminum)	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 2012, 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.

Long-term 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	45,000 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 and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

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

Other forward delivery contracts

	June 30, 2012	December 31, 2011
	(in metric tons)	
Other forward delivery contracts – total	40,990	41,504
Other forward delivery contracts – Glencore	2,312	3,423
Other forward delivery contracts – fixed price	199	41

Forward Financial Instruments

We are party to various forward financial and physical delivery contracts, including primary aluminum put option contracts, which are accounted for as derivative instruments. See [Note 4 Derivative and hedging instruments](#) for additional information about these instruments.

12. Supplemental cash flow information

	Six months ended June 30,	
	2012	2011
Cash paid for:		
Interest	\$ 10,108	\$ 11,148
Income/withholding taxes (1)	16,809	27,685

(1) We paid withholding taxes in Iceland of \$9,484 and \$26,900 in the six months ended June 30, 2012 and 2011, respectively. Our tax payments in Iceland for withholding taxes, estimated and prepayments of Icelandic income taxes and any associated refunds are denominated in ISK.

13. 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:

	Year ended December 31,	
	Six months ended June 30,	2011
Beginning balance, ARO liability	\$ 15,171	\$ 14,274
Additional ARO liability incurred	582	1,110
ARO liabilities settled	(690)	(1,315)
Accretion expense	584	1,102
Ending balance, ARO liability	\$ 15,647	\$ 15,171

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.

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

14. Components of Accumulated other comprehensive loss

	June 30, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (871)	\$ (1,040)
Defined benefit plan liabilities	(139,142)	(142,259)
Equity in investee other comprehensive income (1)	(8,476)	(8,476)
Other comprehensive loss before income tax effect	(148,489)	(151,775)
Income tax effect (2)	16,422	17,187
Accumulated other comprehensive loss	\$ (132,067)	\$ (134,588)

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, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (665)	\$ (682)
Defined benefit plan liabilities	16,564	17,311
Equity in investee other comprehensive income	523	558

15. Components of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Service cost	\$ 506	\$ 709	\$ 1,401	\$ 1,566
Interest cost	1,606	1,808	3,436	3,488
Expected return on plan assets	(1,782)	(1,776)	(3,482)	(3,315)
Amortization of prior service cost	34	34	69	69
Amortization of net loss	1,133	449	1,821	931
Net periodic benefit cost	\$ 1,497	\$ 1,224	\$ 3,245	\$ 2,739
	Other Postretirement Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Service cost	\$ 370	\$ 475	\$ 895	\$ 834
Interest cost	1,271	1,478	2,757	2,864
Expected return on plan assets	—	—	—	—
Amortization of prior service cost (1)	(1,065)	(15,534)	(2,125)	(30,689)
Amortization of net loss	1,808	6,546	3,304	12,349
Net periodic benefit cost	\$ 2,384	\$ (7,035)	\$ 4,831	\$ (14,642)

(1) Plan amendments made in November 2010 resulted in a reduction in OPEB liability and a credit to accumulated other comprehensive loss. The resulting prior service benefit and actuarial losses were amortized ratably into income over the period November 1, 2010 to June 30, 2011 at which time the CAWV OPEB plan terminated.

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

Employer contributions

During the six months ended June 30, 2012, we have made contributions of approximately \$5,458 to the qualified defined benefit plans we sponsor.

16. Recently issued and adopted accounting standards

We evaluate the impact of the Financial and Accounting Standards Board (“FASB”) accounting standards updates (“ASUs”) issued. When the adoption or planned adoption of recently issued ASUs will potentially have a material impact on our consolidated financial position, results of operations, and cash flows, we disclose the quantitative and qualitative effects of the adoption in our consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement.” This ASU amended the requirements for measuring fair value and disclosing information about fair value measurements and is effective for Century on January 1, 2012. Upon adoption, this standard resulted in changes to our financial disclosures, but did not have any impact on the reporting of our financial condition, results of operations or cash flows.

In June 2011, the FASB issued ASU 2011-05, “Comprehensive Income”. This ASU addresses the financial statement presentation of other comprehensive income and its components. Companies may elect to present items of net income and other comprehensive income in one continuous statement or in two separate, but consecutive, statements. At December 31, 2011, we adopted ASU 2011-05 and included the updated presentation requirements in the current financial statements. Upon adoption, this standard resulted in changes to our financial disclosures, but did not have any impact on the reporting of our financial condition, results of operations or cash flows.

17. Condensed consolidating financial information

Our 8.0% senior secured notes due 2014 and 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, 2012 and December 31, 2011, condensed consolidating statements of operations for the three and six months ended June 30, 2012 and June 30, 2011, condensed consolidating statement of comprehensive income for the three and six months ended June 30, 2012 and June 30, 2011 and the condensed consolidating statements of cash flows for the six months ended June 30, 2012 and June 30, 2011 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, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 138,699	\$ 17,813	\$ —	\$ 156,512
Accounts receivable — net	58,909	13,027	—	—	71,936
Due from affiliates	592,844	7,753	2,447,116	(3,013,042)	34,671
Inventories	92,417	66,121	—	—	158,538
Prepaid and other current assets	2,396	36,760	3,975	—	43,131
Total current assets	746,566	262,360	2,468,904	(3,013,042)	464,788
Investment in subsidiaries	42,471	—	(1,004,314)	961,843	—
Property, plant and equipment — net	326,414	880,945	980	(310)	1,208,029
Other assets	21,840	58,061	38,883	(12,500)	106,284
Total	<u>\$ 1,137,291</u>	<u>\$ 1,201,366</u>	<u>\$ 1,504,453</u>	<u>\$ (2,064,009)</u>	<u>\$ 1,779,101</u>
Liabilities:					
Accounts payable, trade	\$ 30,380	\$ 39,220	\$ 760	\$ —	\$ 70,360
Due to affiliates	2,105,339	101,135	181,868	(2,345,287)	43,055
Accrued and other current liabilities	12,239	34,699	10,278	(12,500)	44,716
Accrued employee benefits costs — current portion	13,840	—	2,267	—	16,107
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,169,613	175,054	195,173	(2,357,787)	182,053
Senior notes payable	—	—	250,036	—	250,036
Accrued pension benefit costs — less current portion	37,462	—	30,300	—	67,762
Accrued postretirement benefit costs — less current portion	122,995	—	5,434	—	128,429
Other liabilities/intercompany loan	64,474	640,070	3,211	(668,065)	39,690
Deferred taxes — less current portion	—	90,832	—	—	90,832
Total noncurrent liabilities	224,931	730,902	288,981	(668,065)	576,749
Shareholders' equity:					
Preferred stock	—	—	1	—	1
Common stock	60	12	933	(72)	933
Additional paid-in capital	302,659	149,743	2,507,053	(452,402)	2,507,053
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(130,034)	(1,449)	(132,067)	131,483	(132,067)
Retained earnings (accumulated deficit)	(1,429,938)	147,104	(1,305,697)	1,282,834	(1,305,697)
Total shareholders' equity	(1,257,253)	295,410	1,020,299	961,843	1,020,299
Total	<u>\$ 1,137,291</u>	<u>\$ 1,201,366</u>	<u>\$ 1,504,453</u>	<u>\$ (2,064,009)</u>	<u>\$ 1,779,101</u>

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

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 159,157	\$ 24,244	\$ —	\$ 183,401
Accounts receivable — net	40,062	7,585	—	—	47,647
Due from affiliates	616,830	13,517	2,474,727	(3,060,409)	44,665
Inventories	96,197	75,764	—	—	171,961
Prepaid and other current assets	8,668	38,809	3,169	(10,000)	40,646
Total current assets	761,757	294,832	2,502,140	(3,070,409)	488,320
Investment in subsidiaries	36,965	—	(995,131)	958,166	—
Property, plant and equipment — net	338,946	878,333	1,211	(265)	1,218,225
Other assets	21,870	43,269	39,410	—	104,549
Total	<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>	<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>
Liabilities:					
Accounts payable, trade	\$ 43,215	\$ 42,278	\$ 679	\$ —	\$ 86,172
Due to affiliates	2,103,687	78,411	205,651	(2,345,845)	41,904
Accrued and other current liabilities	10,596	29,822	10,358	(10,000)	40,776
Accrued employee benefits costs — current portion	14,267	—	2,431	—	16,698
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,179,580	150,511	219,119	(2,355,845)	193,365
Senior notes payable	—	—	249,512	—	249,512
Accrued pension benefit costs — less current portion	40,277	—	30,622	—	70,899
Accrued postretirement benefit costs — less current portion	122,609	—	5,469	—	128,078
Other liabilities/intercompany loan	63,369	686,834	4,631	(714,829)	40,005
Deferred taxes — less current portion	—	90,958	—	—	90,958
Total noncurrent liabilities	226,255	777,792	290,234	(714,829)	579,452
Shareholders' equity:					
Preferred stock	—	—	1	—	1
Common stock	60	12	932	(72)	932
Additional paid-in capital	297,300	144,383	2,506,842	(441,683)	2,506,842
Treasury stock, at cost	—	—	(45,891)	—	(45,891)
Accumulated other comprehensive income (loss)	(132,235)	(1,373)	(134,588)	133,608	(134,588)
Retained earnings (accumulated deficit)	(1,411,422)	145,109	(1,289,019)	1,266,313	(1,289,019)
Total shareholders' equity	(1,246,297)	288,131	1,038,277	958,166	1,038,277
Total	<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>	<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
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 of joint ventures	(15,631)	6,400	—	—	(9,231)
Income tax expense	(432)	(2,963)	—	—	(3,395)
Income (loss) before equity in earnings of joint ventures	(16,063)	3,437	—	—	(12,626)
Equity in earnings (loss) of joint ventures	386	349	(12,277)	11,891	349
Net income (loss)	\$ (15,677)	\$ 3,786	\$ (12,277)	\$ 11,891	\$ (12,277)

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 143,052	\$ 64,039	\$ —	\$ —	\$ 207,091
Related parties	83,751	75,435	—	—	159,186
	226,803	139,474	—	—	366,277
Cost of goods sold	212,685	104,078	—	—	316,763
Gross profit	14,118	35,396	—	—	49,514
Other operating income – net	(5,205)	—	—	—	(5,205)
Selling, general and administrative expenses	16,614	1,943	—	—	18,557
Operating income	2,709	33,453	—	—	36,162
Interest expense – third party	(6,386)	—	—	—	(6,386)
Interest expense – affiliates	17,442	(17,442)	—	—	—
Interest income – third party	13	52	—	—	65
Interest income – affiliates	—	70	—	—	70
Net gain loss on forward contracts	(1,617)	—	—	—	(1,617)
Other expense – net	(900)	(232)	—	—	(1,132)
Income before income taxes and equity in earnings of joint ventures	11,261	15,901	—	—	27,162
Income tax expense (benefit)	1,769	(5,405)	—	—	(3,636)
Income before equity in earnings of joint ventures	13,030	10,496	—	—	23,526
Equity in earnings of joint ventures	1,406	460	23,986	(25,392)	460
Net income	\$ 14,436	\$ 10,956	\$ 23,986	\$ (25,392)	\$ 23,986

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

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
	<u>418,574</u>	<u>231,235</u>	<u>—</u>	<u>—</u>	<u>649,809</u>
Cost of goods sold	430,233	193,027	—	—	623,260
Gross profit (loss)	(11,659)	38,208	—	—	26,549
Other operating expenses – net	7,538	—	—	—	7,538
Selling, general and administrative expenses (income)	<u>16,217</u>	<u>(607)</u>	<u>—</u>	<u>—</u>	<u>15,610</u>
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	<u>798</u>	<u>(331)</u>	<u>—</u>	<u>—</u>	<u>467</u>
Income (loss) before income taxes and equity in earnings of joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	<u>(685)</u>	<u>(5,531)</u>	<u>—</u>	<u>—</u>	<u>(6,216)</u>
Income (loss) before equity in earnings of joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of 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>

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

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the six months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 273,539	\$ 121,864	\$ —	\$ —	\$ 395,403
Related parties	151,063	146,148	—	—	297,211
	<u>424,602</u>	<u>268,012</u>	<u>—</u>	<u>—</u>	<u>692,614</u>
Cost of goods sold	399,705	201,079	—	—	600,784
Gross profit	24,897	66,933	—	—	91,830
Other operating income – net	(11,089)	—	—	—	(11,089)
Selling, general and administrative expenses	25,714	3,452	—	—	29,166
Operating income	10,272	63,481	—	—	73,753
Interest expense – third party	(13,163)	—	—	—	(13,163)
Interest expense – affiliates	34,672	(34,672)	—	—	—
Interest income – third party	43	177	—	—	220
Interest income – affiliates	—	183	—	—	183
Net loss on forward contracts	(6,426)	—	—	—	(6,426)
Other expense – net	(284)	(171)	—	—	(455)
Income before income taxes and equity in earnings of joint ventures	25,114	28,998	—	—	54,112
Income tax expense (benefit)	3,590	(10,349)	—	—	(6,759)
Income before equity in earnings of joint ventures	28,704	18,649	—	—	47,353
Equity in earnings of joint ventures	2,608	1,679	49,032	(51,640)	1,679
Net income	<u>\$ 31,312</u>	<u>\$ 20,328</u>	<u>\$ 49,032</u>	<u>\$ (51,640)</u>	<u>\$ 49,032</u>

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ (15,677)	\$ 3,786	\$ (12,277)	\$ 11,891	\$ (12,277)
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	26	—	26	(26)	26
Net loss (gain) reclassified to income on financial instruments	209	—	209	(209)	209
Net gain on foreign currency cash flow hedges reclassified to income	—	(46)	(46)	46	(46)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(1,047)	—	(1,031)	1,047	(1,031)
Amortization of net loss	2,429	—	2,941	(2,429)	2,941
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>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ 14,436	\$ 10,956	\$ 23,986	\$ (25,392)	\$ 23,986
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(27)	—	(27)	27	(27)
Net loss (gain) reclassified to income on financial instruments	(39)	—	(39)	39	(39)
Net gain on foreign currency cash flow hedges reclassified to income	—	(47)	(47)	47	(47)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	(5,769)	—	(5,769)
Amortization of prior service benefit	(15,517)	—	(15,501)	15,517	(15,501)
Amortization of net loss	6,723	—	6,995	(6,723)	6,995
Other comprehensive income (loss) before income tax effect	(8,860)	(47)	(14,388)	8,907	(14,388)
Income tax effect	(7,251)	8	(2,513)	7,243	(2,513)
Other comprehensive income (loss)	(16,111)	(39)	(16,901)	16,150	(16,901)
Comprehensive income (loss)	<u>\$ (1,675)</u>	<u>\$ 10,917</u>	<u>\$ 7,085</u>	<u>\$ (9,242)</u>	<u>\$ 7,085</u>

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

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

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(220)	—	(220)	220	(220)
Net loss (gain) reclassified to income on financial instruments	481	—	481	(481)	481
Net gain on foreign currency cash flow hedges reclassified to income	—	(93)	(93)	93	(93)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(2,088)	—	(2,056)	2,088	(2,056)
Amortization of net loss	4,102	—	5,125	(4,102)	5,125
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>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
For the six months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ 31,312	\$ 20,328	\$ 49,032	\$ (51,640)	\$ 49,032
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(33)	—	(50)	50	(33)
Net loss (gain) reclassified to income on financial instruments	(50)	—	(33)	33	(50)
Net gain on foreign currency cash flow hedges reclassified to income	—	(93)	(93)	93	(93)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	(5,769)	—	(5,769)
Amortization of prior service benefit	(30,652)	—	(30,620)	30,652	(30,620)
Amortization of net loss	12,737	—	13,280	(12,737)	13,280
Other comprehensive income (loss) before income tax effect	(17,998)	(93)	(23,285)	18,091	(23,285)
Income tax effect	(7,131)	16	(4,973)	7,115	(4,973)
Other comprehensive income (loss)	(25,129)	(77)	(28,258)	25,206	(28,258)
Comprehensive income (loss)	<u>\$ 6,183</u>	<u>\$ 20,251</u>	<u>\$ 20,774</u>	<u>\$ (26,434)</u>	<u>\$ 20,774</u>

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 the 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

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

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the six months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ (20,260)	\$ 4,125	\$ —	\$ (16,135)
Investing activities:				
Purchase of property, plant and equipment	(2,860)	(4,164)	(329)	(7,353)
Nordural expansion	—	(7,968)	—	(7,968)
Proceeds from the sale of property, plant and equipment	—	56	—	56
Payments received on advances to joint ventures	—	—	3,056	3,056
Restricted and other cash deposits	3,673	—	—	3,673
Net cash provided by (used in) investing activities	813	(12,076)	2,727	(8,536)
Financing activities:				
Repayments of long-term debt	—	—	(47,067)	(47,067)
Repayment of contingent obligation	(189)	—	—	(189)
Intercompany transactions	20,209	(13,314)	(6,895)	—
Issuance of common stock – net	—	—	32	32
Net cash provided by (used in) financing activities	20,020	(13,314)	(53,930)	(47,224)
Net change in cash and cash equivalents	573	(21,265)	(51,203)	(71,895)
Cash and cash equivalents, beginning of the period	—	214,923	89,373	304,296
Cash and cash equivalents, end of the period	\$ 573	\$ 193,658	\$ 38,170	\$ 232,401

18. Subsequent events

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

Increase in letters of credit to Big Rivers

In July 2012, in accordance with the terms of our power agreement and based on recent billings, we increased our outstanding letters of credit with the Big Rivers Electric Corporation by \$4,000 from approximately \$30,000 to \$34,000. The increase in our outstanding letters of credit directly reduces our availability under our revolving line of credit on a dollar for dollar basis.

Ingram Barge Lawsuit

In February 2010, our subsidiary, CAWV, was named as a defendant in a lawsuit filed by Ingram Barge Company in the United States District Court for the Middle District of Tennessee. The lawsuit alleges that CAWV breached two barging contracts with Ingram Barge by failing to consume a specified amount of barging services as a result of the curtailment of operations at Ravenswood. Ingram Barge is seeking damages of approximately \$4,600 plus interest. In July 2012, the trial court granted Ingram Barge's motion for summary judgment and referred the matter to a Magistrate Judge to determine if any damages have been incurred by Ingram Barge. We intend to file a motion for reconsideration with the District Court. While we do not believe that Ingram Barge has suffered any damages and intend to continue to vigorously defend ourselves against this claim, we believe that it is reasonably possible that a damages judgment may be entered against CAWV. We estimate that the range for this potential loss is between \$0 and \$5,000.

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 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,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” or “may.” Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A of Part I of our 2011 Annual Report on Form 10-K and those discussed in other documents we file with the Securities and Exchange Commission. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Forward-looking statements in this quarterly report, 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 Anode project, including our discussions regarding power purchase agreements, 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, 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 Anodes of carbon anode assets in the Netherlands;
- Estimates of our pension and other postemployment liabilities and future payments, deferred income tax assets and property plant and equipment impairment, environmental 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;
- Changes in, or the elimination of, the retiree medical benefit plans and programs of certain of our subsidiaries and their effect on our financial position and results of operation;
- Discussions with the Pension Benefit Guaranty Corporation regarding our Ravenswood 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;
- Our assessment of the ultimate outcome of outstanding litigation, including litigation with our former CEO, and 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 including with respect to the E. ON contingent obligation; and
- Our debt levels and intentions to incur or repay debt in the future.

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

Recent Developments

Mt. Holly Aluminum Company and Santee Cooper amend service agreement

In April 2012, Santee Cooper adopted a revised Curtailable Supplemental Power Rate Schedule effective June 1, 2012 and Mt. Holly and Santee Cooper have subsequently amended the terms of Mt. Holly's power agreement to take advantage of the new rate schedule. The revision allows Santee Cooper and Mt. Holly to agree to serve all or a portion of Mt. Holly's Supplemental Power requirements from a designated resource. The energy charge for Supplemental Power from the designated resource is based on the fuel costs of the resource rather than Santee Cooper's system average fuel costs. The amendments to the power agreement may provide a benefit to Mt. Holly provided that the energy costs of the designated resource are below Santee Cooper's system average fuel costs.

Century purchases carbon anode assets in the Netherlands

In June 2012, our wholly owned subsidiary, Century Anodes, purchased substantially all of the assets of the former Zalco anode production facility located in Vlissingen, the Netherlands for approximately \$12.5 million. In connection with the purchase, we also entered into a ground lease with respect to the facility that is renewal at our option. As part of the transaction, Century Anodes will not assume, and is indemnified against, any historical liabilities of the facility.

In anticipation of a restart of 75,000 metric tons of annual anode production capacity in the third quarter of 2013, we intend to invest approximately \$45 million, including capital expenditures, restart expenses and working capital to optimize production for Grundartangi and to comply with environmental regulations. Upon restart, the facility will provide a source of captive anode production for Grundartangi and the planned Helgøvik smelter, and replace certain anode supply contracts that will terminate in 2013.

CAWV Retiree VEBA contributions

We have reached an agreement in principle with the CAWV retirees to make contributions to a voluntary employee beneficiary association ("VEBA") trust that would provide certain health care benefits to these retirees and their eligible dependents in the event of a restart of our Ravenswood facility. If this agreement were entered into, our obligations under the agreement, including any contributions to the VEBA, would be contingent upon the occurrence of several future events that are necessary in order to restart the Ravenswood facility. None of these events, including the finalization of this agreement, are certain to occur.

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,	
	2012	2011	2012	2011
	(In thousands, except per share data)			
Net sales:				
Third-party customers	\$ 184,022	\$ 207,091	\$ 372,861	\$ 395,403
Related parties	139,597	159,186	276,948	297,211
Total	\$ 323,619	\$ 366,277	\$ 649,809	\$ 692,614
Gross profit	\$ 5,957	\$ 49,514	\$ 26,549	\$ 91,830
Net income (loss)	\$ (12,277)	\$ 23,986	\$ (16,678)	\$ 49,032
Earnings (loss) per common share:				
Basic and Diluted	\$ (0.14)	\$ 0.24	\$ (0.19)	\$ 0.48
Shipments – primary aluminum (metric tons):				
Direct	93,831	84,509	187,918	164,988
Toll	66,997	66,974	132,877	130,673
Total	160,828	151,483	320,795	295,661

Net sales (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 323.6	\$ 366.3	\$ (42.7)	(11.7)%
Six months ended June 30,	\$ 649.8	\$ 692.6	\$ (42.8)	(6.2)%

Lower price realizations for our primary aluminum shipments in the three months ended June 30, 2012 were due to lower LME prices for primary aluminum, which were partially offset by increased Midwest premiums. The lower price realizations resulted in a \$69.1 million sales decrease. Higher shipment volumes had a \$26.4 million positive impact on net sales. Direct shipments from our three operating smelters increased 9,322 metric tons in the three months ended June 30, 2012, due to the restart of idled capacity at our Hawesville facility. Toll shipments increased 23 metric tons relative to the same period last year.

Lower price realizations for our primary aluminum shipments in the six months ended June 30, 2012 were due to lower LME prices for primary aluminum, which were partially offset by increased Midwest premiums. The lower price realizations resulted in a \$107.9 million sales decrease. Higher shipment volumes had a \$65.1 million positive impact on net sales. Direct shipments from our three operating smelters increased 22,930 metric tons in the six months ended June 30, 2012, due to the restart of idled capacity at our Hawesville facility. Toll shipments increased 2,204 metric tons relative to the same period last year.

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Gross profit (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 6.0	\$ 49.5	\$ (43.5)	(87.9)%
Six months ended June 30,	\$ 26.5	\$ 91.8	\$ (65.3)	(71.1)%

During the three months ended June 30, 2012, lower price realizations, net of LME-based alumina cost and LME-based power cost, decreased gross profit by \$51.6 million. The additional shipment volume increased gross profit by \$2.3 million. In addition, we experienced \$11.2 million in net cost decreases, relative to the same period in 2011, comprised of: lower power and natural gas costs at our U.S. smelters, \$0.9 million; lower costs for materials, supplies and maintenance, \$6.3 million; other cost reductions, \$1.7 million; offset by increased depreciation, \$0.6 million. In addition, we recorded a charge of \$2.9 million in June 2011 related to an insurance recovery that went in to litigation.

During the six months ended June 30, 2012, lower price realizations, net of LME-based alumina cost and LME-based power cost, decreased gross profit by \$86.5 million. The additional shipment volume increased gross profit by \$5.2 million. In addition, we experienced \$4.4 million in net cost decreases, relative to the same period in 2011, comprised of: increased power and natural gas costs at our U.S. smelters, \$2.0 million; increased costs for materials, supplies and maintenance, \$2.2 million; offset by reduced depreciation, \$0.3 million and other cost reductions, \$5.4 million. In addition, we recorded a charge of \$2.9 million in June 2011 related to an insurance recovery that went in to litigation.

Our operating costs in 2011 were negatively impacted by the costs to restart idled capacity at the Hawesville facility. Their impact is included in the amounts reported above.

Declines in LME prices at the end of the second quarter of 2012, as compared to the prior period–ending price levels, resulted in a decline in the market value of our inventory relative to its cost basis, resulting in charges to cost of goods sold for the three months ended June 30, 2012 of \$5.4 million. During the three months ended March 31, 2012, our cost of goods sold was reduced by \$17.0 million to reflect the market basis of inventory sold during the quarter that had previously been written–down to its market value and to reflect the lower of cost or market value of the March 31, 2012 inventory. The combined effect of the first and second quarter 2012 activity is an increase in gross profit of \$11.6 million.

Other operating expenses (income) – net (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 3.8	\$ (5.2)	\$ 9.0	(173.1)%
Six months ended June 30,	\$ 7.5	\$ (11.1)	\$ 18.6	(167.6)%

Other operating expenses (income) reflects the ongoing site costs at the Ravenswood facility. In addition, net benefits of \$8.9 million and \$18.3 million were recorded at Ravenswood in the three and six months ended June 30, 2011, respectively; a substantial portion of the net benefits recorded represents the amortization of prior service credits and actuarial losses resulting from the elimination of medical benefits for retirees of the Ravenswood facility.

Selling, general and administrative expenses (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 7.2	\$ 18.6	\$ (11.4)	(61.3)%
Six months ended June 30,	\$ 15.6	\$ 29.2	\$ (13.6)	(46.6)%

During the three and six months ended June 30, 2011, we recorded selling, general and administrative charges of \$7.7 million related to the contractual impact of changes in the Company's Board of Directors and executive management team; these charges did not repeat in 2012. In 2012, our expenditures related to the Helgukvik power arbitration were reduced and we were reimbursed for a portion of arbitration expenditures incurred in 2011.

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Net gain (loss) on forward contracts (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 1.5	\$ (1.6)	\$ 3.1	(193.8)%
Six months ended June 30,	\$ (3.7)	\$ (6.4)	\$ 2.7	(42.2)%

The net gain (loss) on forward contracts for the three and six months ended June 30, 2012 and 2011 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 have expired.

Income tax expense (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ (3.4)	\$ (3.6)	\$ 0.2	(5.6)%
Six months ended June 30,	\$ (6.2)	\$ (6.8)	\$ 0.6	(8.8)%

Our 2012 and 2011 income tax expense was primarily driven by our earnings in Iceland. In addition, during the three months ended June 30, 2011, we had a partial offset to income tax expense due to a discrete tax benefit arising from the elimination of medical benefits for retirees of the Ravenswood facility.

Equity in the earnings of joint ventures (in millions)	2012	2011	\$ Difference	% Difference
Three months ended June 30,	\$ 0.3	\$ 0.5	\$ (0.2)	(40.0)%
Six months ended June 30,	\$ 1.0	\$ 1.7	\$ (0.7)	(41.2)%

The amounts reported in both periods primarily reflect Century's equity in the earnings of its joint venture, BHH.

Liquidity and Capital Resources

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. We regularly explore various other financing alternatives. Our principal uses of cash are the funding of operating costs (including postemployment 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, 2012 was approximately \$157 million compared to \$183 million at December 31, 2011. We received payment of approximately \$21 million customer receivable in July 2012, one business day after its June 29th due date. The receipt of this payment is not reflected in the June 30, 2012 consolidated cash and cash equivalents balance. Century's revolving credit facility matures in July 2014. As of June 30, 2012, our credit facility had no loan amounts outstanding and approximately \$58 million of net availability. We have approximately \$42 million of letters of credit outstanding under our credit facility. In July 2012, we increased our outstanding letters of credit by \$4 million, which directly reduces our availability under our revolving line of credit on a dollar for dollar basis. 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.

In August 2011, our Board of Directors approved a \$60 million stock repurchase program. Through June 30, 2012, we have expended approximately \$50 million under the program. At June 30, 2012, we had approximately \$10 million remaining under the repurchase program authorization. The repurchase program may be suspended or discontinued at any time.

We have \$249.6 million in 8.0% senior secured notes payable that will mature on May 15, 2014. We may be required to make installment payments for the E.ON contingent obligation. 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, 2012 and management's estimate, we do not expect to make any payments for the E.ON contingent obligation until 2021.

Based on current actuarial and other assumptions, we expect to make contributions to the qualified defined benefit plans we sponsor of approximately \$9 million during 2012. Through June 30, 2012, we have made contributions to these plans of \$5.5 million. We may choose to make additional contributions to these plans from time to time at our discretion.

In June 2011, the Pension Benefit Guaranty Corporation (the "PBGC") informed us that it believed that a "cessation of operations" under the Employee Retirement Income Security Act of 1974 ("ERISA") had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility and requested that we engage in discussions with the PBGC relating thereto. We have notified the PBGC that we do not believe that a "cessation of operations" has occurred and have entered into ongoing discussions with the PBGC to resolve the matter. If a "cessation of operations" is ultimately determined to have occurred under ERISA, it may be necessary for Century Aluminum of West Virginia to accelerate the timing of additional contributions to certain of its defined pension plans or post other collateral with the PBGC or negotiate an alternative agreement.

In March 2012, we reached an agreement in principle with the CAWV retirees to make contributions to a voluntary employee beneficiary association ("VEBA") trust that would provide certain health care benefits to these retirees and their eligible dependents in the event of a restart of our Ravenswood facility. If this agreement were entered into, our obligations under the agreement, including any contributions to the VEBA, would be contingent upon the occurrence of several future events that are necessary in order to restart the Ravenswood facility. None of these events, including the finalization of this agreement, are certain to occur.

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 June 30, 2012 was approximately \$6.5 million and we expect to prepay an additional \$3.2 million in 2012. The prepaid taxes will offset taxes otherwise payable in equal installments over the period 2013 through 2018. In addition, in 2012, we expect to make estimated income tax payments in Iceland of approximately \$12.2 million. Through June 30, 2012, we made approximately \$4.3 million of these payments.

We paid approximately \$20 million in net withholding tax for intercompany dividend payments in Iceland in 2011 and paid an additional \$9.5 million through the first six months of 2012. We expect to receive approximately \$30 million in withholding tax refunds in the fourth quarter of 2012 related to withholding taxes paid on intercompany dividend payments through February 2012. We expect to pay an additional \$12.5 million in withholding taxes in the third quarter of 2012 which we expect will be refunded in the fourth quarter of 2013. 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. We do not expect to receive any material domestic tax refunds in the near future.

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.

Capital Resources

We intend to finance our future recurring capital expenditures from available cash and our cash flow from operations. For major investment projects, such as the Helguvik project, we would 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, 2012 were \$9.8 million, \$3.6 million of which was related to the Helguvik project, with the balance principally related to upgrading production equipment, improving facilities and complying with environmental requirements. We believe capital spending in 2012, excluding the activity on Century Anodes and Helguvik project, will be approximately \$20 to \$25 million.

In order to restart the first 75,000 metric tons of annual anode capacity at the Century Anodes project, we currently intend to make approximately \$30 million in capital expenditures over the next 12 months. We expect this capacity will be restarted in the third quarter of 2013 and will provide a captive anode supply to replace third-party anode supply contracts that will terminate in 2013. Before committing to this capital program, we intend to evaluate the current and prospective global economic climate. If we deem the environment unfavorable, we have the option to defer the capital program and thus the restart of the anode facility. We would, for the short term, increase our purchases from other suppliers, including BHH.

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, including financing, will determine the timing of any 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 month 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, 2012 and 2011 are summarized below:

	Six months ended June 30,	
	2012	2011
	(dollars in thousands)	
Net cash used in operating activities	\$ (1,615)	\$ (16,135)
Net cash used in investing activities	(21,241)	(8,536)
Net cash used in financing activities	(4,033)	(47,224)
Net change in cash and cash equivalents	<u>\$ (26,889)</u>	<u>\$ (71,895)</u>

Net cash used in operating activities in the six months ended June 30, 2012 was \$1.6 million compared to net cash used in operating activities of \$16.1 million in the first six months of 2011. The increase in cash from operations in 2012 was primarily due to reduced withholding tax payments in Iceland, lower pension and benefit contributions, an increase in working capital, which were partially offset by the impact of lower LME prices. Additionally, we received an approximately \$21 million customer receivable in July 2012, one business day after its June 29th due date; this resulted in an increase in the use of working capital of the same amount.

Our net cash used in investing activities for the first six months of 2012 was \$21.2 million compared to \$8.5 million in the six months ended June 30, 2011. The increase in cash used was primarily due to the purchase of carbon anode assets for \$14.5 million, which consisted primarily of the purchase price of \$12.5 million, offset somewhat by lower capital expenditures in 2012 and the return of restricted cash deposits in 2011 of \$3.7 million.

Our net cash used in financing activities for the six months ended June 30, 2012 was \$4.0 million. The cash used was related to the repurchase of common stock. Our net cash used in financing activities for the first six months of 2011 was \$47.2 million. This use was primarily for the redemption of our 1.75% convertible senior notes in May 2011.

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 10 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. We 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 and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2012	December 31, 2011
	(in metric tons)	
Other forward delivery contracts – total	40,990	41,504
Other forward delivery contracts – Glencore	2,312	3,423
Other forward delivery contracts – fixed price	199	41

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2012. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2012.

Natural gas forward financial contracts

To mitigate the volatility of our natural gas cost due to the natural gas markets, we have entered into fixed-price forward financial contracts which settle in cash in the period corresponding to the intended usage of natural gas. These forward contracts were designated as cash flow hedges.

As of June 30, 2012, we did not have a significant exposure to the market price of natural gas for the natural gas forward financial contracts outstanding.

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 and the Chinese yuan. 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. 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 Anodes in the Netherlands over the next three years. In addition, Century Anodes 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, 2012, we had no foreign currency forward contracts outstanding.

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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, 2012, approximately 33% of our production for 2012 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, 2012, 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, 2012.

b. Changes in Internal Controls over Financial Reporting

During the three months ended June 30, 2012, 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.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

In November 2011, we were named as a defendant in a lawsuit filed by our former Chief Executive Officer, Logan Kruger, alleging breach of contract and wrongful termination in violation of public policy. 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 exemplary and punitive damages, for wrongful termination, as well as 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 vigorously defend ourselves against them. 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.

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 court dismissing their claims. The notice of appeal remains pending before the U.S. Court of Appeals for the Ninth Circuit.

Item 1A. Risk Factors

For a discussion of risk factors relating to our business, please refer to Item 1A of Part I of our 2011 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Purchases of Equity Securities by the Issuer

In August 2011, we announced that our Board of Directors approved a \$60 million stock repurchase program. Under the program, Century is authorized to repurchase up to \$60 million 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 will be determined by our management based on its evaluation of market conditions, the trading price of our common stock and other factors. The stock repurchase program may be suspended or discontinued at any time.

2012 Periods	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
January 1 – January 31	—	—	—	\$14,108,966
February 1 – February 29	—	—	—	\$14,108,966
March 1 – March 31	400,000	\$10.08	400,000	\$10,076,076
Total for quarter ended March 31, 2012	<u>400,000</u>		<u>400,000</u>	\$10,076,076
April 1 – April 30	—	—	—	\$10,076,076
May 1 – May 31	—	—	—	\$10,076,076
June 1 – June 30	—	—	—	\$10,076,076
Total for quarter ended June 30, 2012	<u>—</u>		<u>—</u>	\$10,076,076

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Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
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.

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, 2012

By: /s/ Michael A. Bless
Michael A. Bless
President and Chief Executive Officer (Principal Executive Officer,
Principal Financial Officer and Authorized Officer)

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Exhibits

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EXHIBIT 31.1

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, 2012

/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, 2012, 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, 2012

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

Document And Entity Information

6 Months Ended

Jun. 30, 2012

Jul. 31, 2012

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, 2012	
Amendment Flag	false	
Document Fiscal Year Focus	2012	
Document Fiscal Period Focus	Q2	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Large Accelerated Filer	
Entity Common Stock, Shares Outstanding		88,467,049

CONSOLIDATED BALANCE SHEETS (USD \$)**CONSOLIDATED BALANCE
SHEETS (USD \$)
In Thousands, unless otherwise
specified****Jun. 30, 2012****Dec. 31, 2011****ASSETS**

Cash and cash equivalents	\$ 156,512	\$ 183,401
Accounts receivable â€” net	71,936	47,647
Due from affiliates	34,671	44,665
Inventories	158,538	171,961
Prepaid and other current assets	43,131	40,646
Total current assets	<u>464,788</u>	<u>488,320</u>
Property, plant and equipment â€” net	1,208,029	1,218,225
Other assets	106,284	104,549
TOTAL	<u>1,779,101</u>	<u>1,811,094</u>

LIABILITIES:

Accounts payable, trade	70,360	86,172
Due to affiliates	43,055	41,904
Accrued and other current liabilities	44,716	40,776
Accrued employee benefits costs â€” current portion	16,107	16,698
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>182,053</u>	<u>193,365</u>
Senior notes payable	250,036	249,512
Accrued pension benefits costs â€” less current portion	67,762	70,899
Accrued postretirement benefits costs â€” less current portion	128,429	128,078
Other liabilities	39,690	40,005
Deferred taxes	90,832	90,958
Total noncurrent liabilities	<u>576,749</u>	<u>579,452</u>

**COMMITMENTS AND
CONTINGENCIES (NOTE 9)****SHAREHOLDERS' EQUITY:**

Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 80,623 and 80,718 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively)	1	1
Common stock (one cent par value, 195,000,000 shares authorized; 93,253,570 issued and 88,467,049 shares outstanding at June 30, 2012; 93,230,848 issued and 88,844,327 outstanding at December 31, 2011)	933	932

Additional paid-in capital	2,507,053	2,506,842
Treasury stock, at cost	(49,924)	(45,891)
Accumulated other comprehensive loss	(132,067)	(134,588)
Accumulated deficit	(1,305,697)	(1,289,019)
Total shareholders' equity	<u>1,020,299</u>	<u>1,038,277</u>
TOTAL	<u>\$ 1,779,101</u>	<u>\$ 1,811,094</u>

CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)

<i>CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)</i>	Jun. 30, 2012	Dec. 31, 2011
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)	80,623	80,718
Series A Preferred stock, shares outstanding (in shares)	80,623	80,718
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)	93,253,570	93,230,848
Common stock, shares outstanding (in shares)	88,467,049	88,844,327

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, 2012****Jun. 30, 2011****Jun. 30, 2012****Jun. 30, 2011****NET SALES:**

Third-party customers	\$ 184,022	\$ 207,091	\$ 372,861	\$ 395,403
Related parties	139,597	159,186	276,948	297,211
Sales Revenue â€“ net	<u>323,619</u>	<u>366,277</u>	<u>649,809</u>	<u>692,614</u>
Cost of goods sold	317,662	316,763	623,260	600,784
Gross profit	<u>5,957</u>	<u>49,514</u>	<u>26,549</u>	<u>91,830</u>
Other operating expense (income) â€“ net	3,817	(5,205)	7,538	(11,089)
Selling, general and administrative expenses	7,151	18,557	15,610	29,166
Operating income	<u>(5,011)</u>	<u>36,162</u>	<u>3,401</u>	<u>73,753</u>
Interest expense â€“ third party	(5,946)	(6,386)	(11,924)	(13,163)
Interest income â€“ third party	(113)	(65)	(251)	(220)
Interest income â€“ related parties	2	70	62	183
Net gain (loss) on forward contracts	1,450	(1,617)	(3,709)	(6,426)
Other income (expense) – net	161	(1,132)	467	(455)
Income (loss) before income taxes and equity in earnings of joint ventures	<u>(9,231)</u>	<u>27,162</u>	<u>(11,452)</u>	<u>54,112</u>
Income tax expense	(3,395)	(3,636)	(6,216)	(6,759)
Income (loss) before equity in earnings of joint ventures	<u>(12,626)</u>	<u>23,526</u>	<u>(17,668)</u>	<u>47,353</u>
Equity in earnings of joint ventures	349	460	990	1,679
Net income (loss)	<u>(12,277)</u>	<u>23,986</u>	<u>(16,678)</u>	<u>49,032</u>
Net income (loss) allocated to common shareholders	\$ (12,277)	\$ 22,061	\$ (16,678)	\$ 45,066

**EARNINGS (LOSS) PER
COMMON SHARE:**

Basic and Diluted (in dollars per share)	\$ (0.14)	\$ 0.24	\$ (0.19)	\$ 0.48
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**WEIGHTED AVERAGE COMMON
SHARES OUTSTANDING:**

Basic (in thousands of shares)	88,452	93,105	88,589	93,036
Diluted (in thousands of shares)	88,452	93,567	88,589	93,432

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, 2012

Jun. 30, 2011

Jun. 30, 2012

Jun. 30, 2011

Comprehensive income (loss)

Net income (loss)	\$ (12,277)	\$ 23,986	\$ (16,678)	\$ 49,032
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***Other comprehensive income (loss)
before income tax effect:***

Net unrealized gain (loss) on financial instruments	26	(27)	(220)	(33)
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Net loss (gain) reclassified to income on financial instruments	209	(39)	481	(50)
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Net gain on foreign currency cash flow hedges reclassified to income	(46)	(47)	(93)	(93)
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***Defined benefit plans and other
postretirement benefits:***

Net gain (loss) arising during the period	49	(5,769)	49	(5,769)
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Amortization of prior service benefit	(1,031)	(15,501)	(2,056)	(30,620)
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Amortization of net loss	2,941	6,995	5,125	13,280
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Other comprehensive income (loss) before income tax effect	2,148	(14,388)	3,286	(23,285)
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Income tax effect	(383)	(2,513)	(765)	(4,973)
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Other comprehensive income (loss)	<u>1,765</u>	<u>(16,901)</u>	<u>2,521</u>	<u>(28,258)</u>
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Comprehensive income (loss)	<u>\$ (10,512)</u>	<u>\$ 7,085</u>	<u>\$ (14,157)</u>	<u>\$ 20,774</u>
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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, 2012****Jun. 30, 2011****CASH FLOWS FROM
OPERATING ACTIVITIES:**

Net income (loss)	\$ (16,678)	\$ 49,032
-------------------	-------------	-----------

**Adjustments to reconcile net income
(loss) to net cash provided by (used
in) operating activities:**

Unrealized net loss on forward contracts	3,177	6,170
---	-------	-------

Accrued and other plant curtailment costs â€” net	2,781	(16,592)
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Lower of cost or market inventory adjustment	(11,617)	(16)
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Depreciation and amortization	31,288	31,064
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Debt discount amortization	523	1,355
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Pension and other postretirement benefits	(260)	(28,608)
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Stock-based compensation	212	2,501
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Non-cash loss on early extinguishment and modification of debt	0	763
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Undistributed earnings of joint ventures	(990)	(1,679)
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**Change in operating assets and
liabilities:**

Accounts receivable â€” net	(24,289)	(10,935)
-----------------------------	----------	----------

Due from affiliates	5,401	11,265
---------------------	-------	--------

Inventories	25,040	(31,464)
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Prepaid and other current assets	(3,877)	(28,991)
----------------------------------	---------	----------

Accounts payable, trade	(15,931)	(1,202)
-------------------------	----------	---------

Due to affiliates	1,151	(5,834)
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Accrued and other current liabilities	1,750	7,575
---------------------------------------	-------	-------

Other â€” net	704	(539)
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Net cash provided by (used in) operating activities	(1,615)	(16,135)
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**CASH FLOWS FROM INVESTING
ACTIVITIES:**

Purchase of property, plant and equipment	(6,165)	(7,353)
--	---------	---------

Nordural expansion	(3,586)	(7,968)
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Purchase of carbon anode assets	(14,524)	0
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	(200)	0
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Investments in and advances to joint ventures		
Payments received on advances from joint ventures	3,166	3,056
Proceeds from the sale of property, plant and equipment	68	56
Restricted and other cash deposits	0	3,673
Net cash used in investing activities	(21,241)	(8,536)
<i>CASH FLOWS FROM FINANCING ACTIVITIES:</i>		
Repayments of debt	0	47,067
Repayments of contingent obligation	0	189
Borrowings under revolving credit facility	18,076	0
Repayments under revolving credit facility	(18,076)	0
Repurchase of common stock	(4,033)	0
Issuance of common stock	0	32
Net cash provided by (used in) financing activities	(4,033)	(47,224)
CHANGE IN CASH AND CASH EQUIVALENTS	(26,889)	(71,895)
Cash and cash equivalents, beginning of the period	183,401	304,296
Cash and cash equivalents, end of the period	\$ 156,512	\$ 232,401

General

General

6 Months Ended

Jun. 30, 2012

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, 2011. 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 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. 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.

Acquisitions

Acquisitions

6 Months Ended

Jun. 30, 2012

Acquisitions [Abstract]

Recognized Identified Assets
Acquired and Liabilities Assumed
[Text Block]

Acquisition

In June 2012, our wholly owned subsidiary, Century Anodes BV ("Century Anodes"), purchased substantially all of the assets of the former 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. As part of the transaction, Century Anodes will not assume, and is indemnified against, any historical liabilities of the facility.

The anode production facility, which was curtailed by Zalco in December 2011, will require a significant capital investment to optimize anode production for our smelter in Grundartangi, Iceland ("Grundartangi") and eventually provide anodes for the planned Helguvik smelter and to comply with current environmental regulations. We purchased the assets to provide captive anode production for Grundartangi to replace third-party anode supply contracts that will terminate in 2013.

Fair value measurements

Fair value measurements

6 Months Ended

Jun. 30, 2012

Fair Value Disclosures [Abstract]

Fair value measurements

Fair value measurements

ASC 820, "Fair Value Measurements and Disclosures," defines fair value, establishes a framework for measuring fair value, and delineates disclosures about fair value measurements. This guidance applies to a broad range of other existing accounting pronouncements that require or permit fair value measurements. ASC 820 defines fair value as "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." Fair value is an exit price and that exit price should reflect all the assumptions that market participants would use in pricing the asset or liability.

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 section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value.

Overview of Century's valuation methodology

	Level	Significant inputs
Cash equivalents	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
Primary aluminum put option contracts	2	Quoted London Metal Exchange ("LME") forward market prices, historical volatility measurements and risk-adjusted discount rates
Natural gas forward financial contracts	2	Quoted natural gas forward market prices for primary aluminum and risk-adjusted discount rates
Ravenswood power contract	3	Quoted LME forward market prices, power tariff prices, management's estimate of future power usage and risk-adjusted discount rates
E.ON U.S. ("E.ON") contingent obligation	3	Quoted LME forward market prices for primary aluminum, management's estimates of the LME forward market prices for primary aluminum 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. 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

The following table sets forth by level within the ASC 820 fair value hierarchy our financial assets and liabilities that are accounted for at fair value on a recurring basis. As required by ASC 820, 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.

Recurring Fair Value Measurements	As of June 30, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 145,492	\$ —	\$ —	\$ 145,492
Trust assets	15,160	—	—	15,160
Surety bond – workers comp insurance	2,391	—	—	2,391
TOTAL	\$ 163,043	\$ —	\$ —	\$ 163,043
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 65	\$ —	\$ 65
E.ON contingent obligation – net	—	—	14,663	14,663
Primary aluminum sales contract	—	—	1,361	1,361
TOTAL	\$ —	\$ 65	\$ 16,024	\$ 16,089

Recurring Fair Value Measurements	As of December 31, 2011			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 176,284	\$ —	\$ —	\$ 176,284
Trust assets	15,889	—	—	15,889
Surety bonds – workers comp insurance	2,391	—	—	2,391
Primary aluminum put option contracts	—	9,331	—	9,331

Power contract	—	—	106	106
TOTAL	\$ 194,564	\$ 9,331	\$ 106	\$ 204,001
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 281	\$ —	\$ 281
E.ON contingent obligation – net	—	—	13,958	13,958
Primary aluminum sales contract – premium collar	—	—	908	908
TOTAL	\$ —	\$ 281	\$ 14,866	\$ 15,147

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

	Derivative liabilities – net	
	2012	2011
Beginning balance, April 1,	\$ (15,426)	\$ (14,311)
Total gain (realized/unrealized) included in earnings	(545)	(758)
Settlements	(53)	533
Ending balance, June 30,	\$ (16,024)	\$ (14,536)

Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30, \$ (545) \$ (758)

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

	Derivative liabilities – net	
	2012	2011
Beginning balance, January 1,	\$ (14,760)	\$ (13,802)
Total gain (realized/unrealized) included in earnings	(1,158)	(1,231)
Settlements	(106)	497
Ending balance, June 30,	\$ (16,024)	\$ (14,536)

Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30, \$ (1,158) \$ (1,231)

The net gain (loss) on our derivative assets and liabilities is recorded in our statement of operations under net gain (loss) on forward contracts. See [Note 4 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, 2012

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 Assets and Liabilities

	Balance sheet location	June 30, 2012	December 31, 2011
DERIVATIVE ASSETS:			
Primary aluminum put option contracts	Due from affiliates	\$ —	\$ 5,439
Primary aluminum put option contracts	Prepaid and other current assets	—	3,892
Power contract	Prepaid and other current assets	—	106
TOTAL		\$ —	\$ 9,437
DERIVATIVE LIABILITIES:			
E.ON contingent obligation	Other liabilities	\$ 14,663	\$ 13,958
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	1,048	607
Natural gas forward financial contracts	Accrued and other current liabilities	65	281
Aluminum sales premium contracts – less current portion	Other liabilities	313	301
TOTAL		\$ 16,089	\$ 15,147

Natural gas forward financial contracts

To mitigate the volatility of our natural gas cost due to the natural gas markets, we have entered into fixed-price forward financial contracts which settle in cash in the period corresponding to the intended usage of natural gas. These forward contracts are designated as cash flow hedges and qualify for hedge accounting under ASC 815.

The natural gas forward financial contracts are derivatives that qualified for cash flow hedge treatment. During the three and six months ended June 30, 2012 and 2011, the changes in our accumulated other comprehensive loss resulting from realized and unrealized gains and losses on these derivatives were not significant to our financial statements. There were no losses recognized for ineffective portions of these derivatives during the periods.

Foreign currency forward contracts

We manage our foreign currency exposure by entering into foreign currency forward contracts when management deems such transactions appropriate. As of June 30, 2012 and December 31, 2011, we had no foreign currency forward contracts outstanding. We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the euro, the Icelandic krona ("ISK") and the Chinese yuan. The labor costs, maintenance costs and other local services at our facility in Grundartangi, Iceland ("Grundartangi") are denominated in ISK and a portion of its anode costs are denominated in euros and Chinese yuan. Labor costs, maintenance costs and other local services at Century Anodes are denominated in euros. As a result, an increase or decrease in the value of those currencies relative to the U.S. dollar would affect Grundartangi's and Century Anodes's operating margins.

We have realized gains and losses for our foreign currency cash flow hedges for the Grundartangi expansion and Helguvik project capital expenditures that was recognized in accumulated other comprehensive loss and is reclassified to earnings as part of the depreciation expense of the capital assets (for the Helguvik project this would occur when Helguvik is put into service).

Ravenswood power contract

We are party to a power supply agreement at our facility in Ravenswood, West Virginia ("Ravenswood") that contains LME-based pricing provisions (the "special rate mechanism") that are an embedded derivative. The embedded derivative does not qualify for cash flow hedge treatment and is marked to market quarterly.

In June 2011, the Public Service Commission of the State of West Virginia (the "PSC") extended the special rate mechanism for one year. The current special rate mechanism will remain in place until the PSC issues an order on the recently filed special rate proposal which is expected to occur in September 2012. We cannot be certain if the special pricing provisions will be extended in the future. As of June 30, 2012, based on our estimated future power usage under the special rate mechanism, the embedded derivative has no fair value.

Primary aluminum put option contracts

As of June 30, 2012, we had no primary aluminum put option contracts outstanding. We had previously entered into primary aluminum put option contracts that settled monthly based on LME prices through June 2012. These options were purchased to partially mitigate the risk of a future decline in aluminum prices.

Our counterparties included two non-related third parties and 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 and accounted for the contracts as derivative financial instruments with gains and losses in the fair value of the contracts recorded on the consolidated statements of operations in net gain (loss) on forward contracts.

Aluminum sales premium contracts

The Glencore Metal Agreement is a physical delivery contract for 20,400 metric tons per year (“mtpy”) of 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 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		2012	2011	2012	2011
Primary aluminum put option contracts	Net gain (loss) on forward contracts	\$ 1,970	\$ (1,060)	\$ (2,725)	\$ (5,666)
Aluminum sales premium contracts	Related party sales	328	162	532	256
Aluminum sales premium contracts	Net gain (loss) on forward contracts	(520)	(668)	(985)	(866)

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

	June 30, 2012	December 31, 2011
Power contracts (in megawatt hours (“MWH”)) (1)	—	3,772
Primary aluminum sales contract premium (metric tons) (2)	30,600	40,870
Primary aluminum put option contracts (metric tons)	—	15,000
Primary aluminum put option contracts (metric tons) – related party	—	18,000

(1) Represents our expected usage during the remaining term of the Ravenswood power contract. In June 2011, the West Virginia PSC extended the term of this contract for an additional year.

(2) Represents the remaining physical deliveries under our 2013 Glencore Metal Agreement.

Counterparty credit risk. 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, 2012, income of \$65 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, 2012

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 three and six months ended June 30, 2012 and 2011:

	2012			2011		
	Income	Shares (000)	Per-Share	Income	Shares (000)	Per-Share
	For the three months ended June 30,					
Net income (loss)	\$ (12,277)			\$ 23,986		
Amount allocated to common shareholders	100%			91.97%		
Basic EPS:						
Income (loss) allocable to common shareholders	(12,277)	88,452	\$ (0.14)	22,061	93,105	\$ 0.24
Effect of Dilutive Securities: Stock compensation plans	—	—		—	462	
Diluted EPS:						
Income (loss) applicable to common shareholders with assumed conversion	\$ (12,277)	88,452	\$ (0.14)	\$ 22,061	93,567	\$ 0.24

	2012			2011		
	Income	Shares (000)	Per-Share	Income	Shares (000)	Per-Share
	Six months ended June 30,					
Net income (loss)	\$ (16,678)			\$ 49,032		
Amount allocated to common shareholders	100%			91.91%		
Basic EPS:						
Income (loss) allocable to common shareholders	(16,678)	88,589	\$ (0.19)	45,066	93,036	\$ 0.48
Effect of Dilutive Securities: Stock compensation plans	—	—		—	396	
Diluted EPS:						
Income (loss) applicable to common shareholders with assumed conversion	\$ (16,678)	88,589	\$ (0.19)	\$ 45,066	93,432	\$ 0.48

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 ASC 260-10-45 "Participating Securities and the Two-Class Method". In accordance with the guidance in the ASC 260-10-45, we calculate basic EPS using the Two-Class Method, allocating undistributed income to our preferred shareholder consistent with its participation rights, and diluted EPS using the If-Converted Method, when applicable.

The generally accepted accounting principles for reporting EPS do 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,	
	2012	2011	2012	2011
Options to purchase common stock outstanding	626,334	641,187	626,334	641,187
Weighted average service-based stock awards outstanding	395,791	343,148	370,658	280,366
Excluded from the calculation of diluted EPS:				
Stock options (1)	626,334	349,000	632,334	349,000
Service-based share award	395,791	—	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 option were excluded because of their antidilutive effect on earnings per share.

During the six months ended June 30, 2012, we repurchased 400,000 shares of our common stock under a stock repurchase program. (See [Note 6 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 stock for which vesting is based upon continued service is not considered issued and outstanding shares of common stock until vested and issued. However, the service-based stock is considered a common stock equivalent and, therefore, the weighted average service-based stock is 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, 2012

Stockholders' Equity Note [Abstract]

Shareholders' Equity

Shareholders' equity

Common Stock

Under our Restated Certificate of Incorporation, as amended, 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 any series which we may designate and issue in the future.

Common and Preferred Stock Activity:

	Preferred stock	Common stock	
	Series A convertible	Treasury	Outstanding
Beginning balance as of December 31, 2011	80,718	4,386,521	88,844,327
Repurchase of common stock	—	400,000	(400,000)
Conversion of convertible preferred stock	(95)	—	9,488
Issuance for stock compensation plans	—	—	13,234
Ending balance as of June 30, 2012	<u>80,623</u>	<u>4,786,521</u>	<u>88,467,049</u>

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 in value 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 will be 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, 2012, 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, 2012.

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 above for additional information about preferred stock conversions during the period.

Income taxes

Income taxes

6 Months Ended

Jun. 30, 2012

Income Tax Disclosure [Abstract]

Income taxes

Income taxes

The components of our unrecognized tax positions are as follows:

	December 31,	
	June 30, 2012	2011
Highly certain tax positions	\$ 15,700	\$ 15,100
Other unrecognized tax benefits	900	800
Gross unrecognized tax benefits	<u>\$ 16,600</u>	<u>\$ 15,900</u>
Accrued interest and penalties related to unrecognized tax benefits	\$ 150	100

We recognize interest and penalties accrued related to unrecognized tax benefits in income tax expense.

We do not expect a significant change in the balance of unrecognized tax benefits within the next twelve months.

Our federal income tax returns beginning in 2008 are subject to examination. Our 2008 tax year is currently under audit by the Internal Revenue Service ("IRS"). Additionally, a 2005 amended return is also under audit with respect to carry back items. Our state returns beginning in 2005 are subject to examination. Our Icelandic tax returns are subject to examination beginning with the 2005 tax year.

For the years 2011, 2010 and 2009, we did not elect to permanently reinvest foreign earnings. In March 2012, we removed our election to permanently reinvest foreign earnings prior to 2009.

Inventories*Inventories***6 Months Ended****Jun. 30, 2012***Inventory, Net [Abstract]*

Inventories

Inventories

Inventories consist of the following:

	June 30, 2012	December 31, 2011
Raw materials	\$ 33,311	\$ 41,142
Work-in-process	14,757	15,548
Finished goods	10,634	10,535
Operating and other supplies	99,836	104,736
Inventories	<u>\$ 158,538</u>	<u>\$ 171,961</u>

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

Debt

Debt

**6 Months Ended
Jun. 30, 2012**

Debt Disclosure [Abstract]

Debt	June 30, 2012	December 31, 2011
Debt classified as current liabilities:		
Hancock County industrial revenue bonds due 2028, interest payable quarterly (variable interest rates (not to exceed 12%))(1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$2,171 and \$2,695, respectively, interest payable semiannually	247,433	246,909
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)	14,663	13,958
TOTAL	<u>\$ 272,514</u>	<u>\$ 271,285</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, 2012 was 0.43%.
- (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.

Revolving credit facility

On July 1, 2010, we and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") entered into a four-year \$100,000 senior secured revolving credit facility pursuant to a Loan and Security Agreement, dated as of July 1, 2010, among the Borrowers and Wells Fargo Capital Finance, LLC, as lender and agent (the "Credit Facility"), a portion of which was later syndicated to Credit Suisse AG. The Credit Facility will expire on July 1, 2014.

Status of our revolving credit facility:

	<u>June 30, 2012</u>
Senior secured revolving credit facility amount	\$ 100,000
Borrowing availability, net of outstanding letters of credit	57,981
Outstanding borrowings on revolving credit facility	—
Letter of credit sub-facility amount	50,000
Outstanding letters of credit issued under the revolving credit facility	42,019

The availability of funds under the revolving credit facility is limited by a specified borrowing base consisting of accounts receivable and inventory which meet the eligibility criteria.

Our obligations under the Credit Facility are guaranteed by certain of our domestic subsidiaries and secured by a first priority security interest in all of the domestic accounts receivable, inventory and certain bank accounts. The guarantees for any and all obligations under the Credit Facility are on a joint and several basis.

Any amounts outstanding under the Credit Facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. In addition, we pay a commitment 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.

E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments made on CAKY's behalf under a power purchase agreement with Big Rivers and E.ON (the "Big Rivers Agreement") in excess of the agreed upon base amount. Interest accrues at an annual rate equal to 10.94%. The term of the agreement is through December 31, 2028. Our obligation to make repayments is contingent upon certain operating criteria for Hawesville and the LME price of primary aluminum. Based on the LME forward market and our expectation of Hawesville's future operations, we classified the E.ON contingent obligation within noncurrent liabilities, which includes accrued interest on the obligation. When the conditions for repayment are met, and for so long as those conditions continue to be met, we will be obligated to make principal and interest payments.

Commitments and contingencies

Commitments and contingencies

6 Months Ended

Jun. 30, 2012

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 \$1,014 and \$852 at June 30, 2012 and December 31, 2011, 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, Inc. ("CAWV") continues to perform remedial measures at Ravenswood 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 EPS for a final order.

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, 2012, we have expended approximately \$940 on the Hydrocarbon Recovery Plan. We expect the future potential payments under this indemnification to comply with the Order will be approximately \$500, which may be offset in part by sales of recoverable hydrocarbons.

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, 2012, 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.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. A date has not been set for the appeal.

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. The plaintiffs in both suits seek 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

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. Although it is not presently possible to determine the outcome of these matters, management believes their ultimate disposition will not have a material adverse effect on our financial condition, results of operations, or liquidity.

In evaluating whether to accrue for costs 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 costs 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, 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 and wrongful termination in violation of public policy. 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 exemplary and punitive damages, for wrongful termination, as well as 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 vigorously defend ourselves against them. 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.

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. On March 10, 2011, plaintiffs filed a notice of appeal to the order and judgment entered by the court on March 3, 2011. The notice of appeal remains pending before the U.S. Court of Appeals for the Ninth Circuit.

Century Aluminum of West Virginia, Inc. (“CAWV”) amended its postretirement medical benefit plan, effective January 1, 2010, for all current and former CAWV salaried employees, their dependents and all bargaining unit employees who retired before June 1, 2006, and their dependents. Effective January 1, 2011, CAWV no longer provided retiree medical benefits to active salaried CAWV personnel or any other personnel who retired prior to November 1, 2010.

The principal changes to the plan as a result of this amendment were that, upon attainment of age 65, all CAWV provided retiree medical benefits ceased for retirees and dependents. In addition, bargaining unit retirees under age 65 and qualified dependents under age 65 were covered by the salary retiree medical plan which required out-of-pocket payments for premiums, co-pays and deductibles by participants.

In November 2009, CAWV filed a class action complaint for declaratory judgment against the 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 as described above. 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, finding that the USWA had failed to establish the likelihood of success on the merits of the underlying matter. In October 2011, CAWV filed a motion to dismiss plaintiff’s first amended complaint with the trial court. No ruling has yet been made on the motion. In March 2012, the court granted a stay pending negotiations to restart Ravenswood. The plaintiffs have agreed in principle to settle the lawsuit upon a successful restart of Ravenswood, see “CAWV Retiree VEBA contributions” below.

In June 2011, the Pension Benefit Guaranty Corporation (the “PBGC”) informed us that it believed that a “cessation of operations” under the Employee Retirement Income Security Act of 1974 (“ERISA”) had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility and requested that we engage in discussions with the PBGC relating thereto. We have notified the PBGC that we do not believe that a “cessation of operations” has occurred and have entered into ongoing discussions with the PBGC to resolve the matter. If a “cessation of operations” is ultimately determined to have occurred under ERISA, it may be necessary for Century Aluminum of West Virginia to accelerate the timing of approximately \$17,400 in contributions over a period of years to certain of its defined pension plans or post other collateral with the PBGC or negotiate an alternative agreement.

Power Commitments

Hawesville

The Big Rivers Agreement has a term through December 2023, unless extended. The Big Rivers Agreement is a cost-based agreement that provides sufficient power for Hawesville’s full production capacity requirements. The Big Rivers Agreement is take-or-pay for Hawesville’s energy requirements at full production.

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 April 2012, Santee Cooper adopted a revised Curtailable Supplemental Power Rate Schedule effective June 1, 2012 and Mt. Holly and Santee Cooper have subsequently amended the terms of Mt. Holly’s power agreement to take advantage of the new rate schedule. The revision allows Santee Cooper and Mt. Holly to agree to serve all or a portion of Mt. Holly’s Supplemental Power requirements from a designated resource. The energy charge for Supplemental Power from the designated resource is based on the fuel costs of the resource rather than Santee Cooper’s system average fuel costs. The amendments to the power agreement may provide a benefit to Mt. Holly provided that the energy costs of the designated resource are below Santee Cooper’s system average fuel costs.

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. Under the special rate contract, Ravenswood may be excused from, or may defer the payment of, any increase in the tariff rate if LME prices fall below certain negotiated levels. The current special rate mechanism will remain in place until the PSC issues an order on the recently filed new special rate proposal for an LME-based rate, which is expected to occur in September 2012.

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 Helguvik and is currently being utilized at Grundartangi. In order to use this additional power, Nordural Grundartangi has temporarily reduced its power purchases under each of its outstanding power purchase agreements, but continues to consume power in excess of its take-or-pay obligation. HS and OR have disputed Nordural Grundartangi's right to make such reductions and have commenced arbitration proceedings against Nordural Grundartangi that are currently expected to occur in the first quarter of 2013.

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.

Helguvik

Nordural Helguvik ehf has power purchase agreements with HS and OR to provide power to the Helguvik 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 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 Helguvik 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.

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.

CAWV's Ravenswood plant employees represented by the USWA are under a labor agreement that expired on August 31, 2010. Negotiations for a new labor agreement are ongoing.

CAWV Retiree VEBA contributions

We have reached an agreement in principle with the CAWV retirees to make contributions to a voluntary employee beneficiary association ("VEBA") trust that would provide certain health care benefits to these retirees and their eligible dependents in the event of a restart of our Ravenswood facility. If this agreement were entered into, our obligations under the agreement, including any contributions to the VEBA, would be contingent upon the occurrence of several future events that are necessary in order to restart the Ravenswood facility. None of these events, including the finalization of this agreement, are certain to occur.

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 postemployment benefit obligations. Among other things, the Health Care Acts will eliminate 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.

Forward delivery contracts and financial instruments

Forward delivery contracts and financial instruments

6 Months Ended

Jun. 30, 2012

Forward Delivery Contracts and Financial Instruments [Abstract]

Forward delivery contracts and financial instruments

Forward delivery contracts and financial instruments

As a producer of primary aluminum, we are exposed to fluctuating raw material and primary aluminum prices. 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, 2012	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 16,000 metric tons	Through December 31, 2012	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	240 million pounds per year (high conductivity molten aluminum)	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 2012, 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.

Long-term 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	45,000 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 and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2012	December 31, 2011
	(in metric tons)	
Other forward delivery contracts – total	40,990	41,504
Other forward delivery contracts – Glencore	2,312	3,423
Other forward delivery contracts – fixed price	199	41

Forward Financial Instruments

We are party to various forward financial and physical delivery contracts, including primary aluminum put option contracts, which are accounted for as derivative instruments. See [Note 4 Derivative and hedging instruments](#) for additional information about these instruments.

Supplemental cash flow information

Supplemental cash flow information

6 Months Ended

Jun. 30, 2012

*Supplemental Cash Flow
Information [Abstract]*

Supplemental cash flow information Supplemental cash flow information

	Six months ended June 30,	
	2012	2011
Cash paid for:		
Interest	\$ 10,108	\$ 11,148
Income/withholding taxes (1)	16,809	27,685

(1) We paid withholding taxes in Iceland of \$9,484 and \$26,900 in the six months ended June 30, 2012 and 2011, respectively. Our tax payments in Iceland for withholding taxes, estimated and prepayments of Icelandic income taxes and any associated refunds are denominated in ISK.

Asset retirement obligations (â€œAROâ€)

*Asset retirement obligations
(â€œAROâ€)*

6 Months Ended

Jun. 30, 2012

**Asset Retirement Obligation
Disclosure [Abstract]**

Asset retirement obligations
(â€œAROâ€)

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		Year ended
	June 30,	December 31,	2011
Beginning balance, ARO liability	\$ 15,171	\$ 14,274	
Additional ARO liability incurred	582	1,110	
ARO liabilities settled	(690)	(1,315)	
Accretion expense	584	1,102	
Ending balance, ARO liability	<u>\$ 15,647</u>	<u>\$ 15,171</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, 2012****Accumulated Other Comprehensive Income (Loss), Net of Tax [Abstract]**

Components of Accumulated other comprehensive loss

Components of Accumulated other comprehensive loss

	June 30, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (871)	\$ (1,040)
Defined benefit plan liabilities	(139,142)	(142,259)
Equity in investee other comprehensive income (1)	(8,476)	(8,476)
Other comprehensive loss before income tax effect	(148,489)	(151,775)
Income tax effect (2)	16,422	17,187
Accumulated other comprehensive loss	<u>\$ (132,067)</u>	<u>\$ (134,588)</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, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (665)	\$ (682)
Defined benefit plan liabilities	16,564	17,311
Equity in investee other comprehensive income	523	558

Components of net periodic benefit cost

Components of net periodic benefit cost

6 Months Ended

Jun. 30, 2012

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,	
	2012	2011	2012	2011
Service cost	\$ 506	\$ 709	\$ 1,401	\$ 1,566
Interest cost	1,606	1,808	3,436	3,488
Expected return on plan assets	(1,782)	(1,776)	(3,482)	(3,315)
Amortization of prior service cost	34	34	69	69
Amortization of net loss	1,133	449	1,821	931
Net periodic benefit cost	<u>\$ 1,497</u>	<u>\$ 1,224</u>	<u>\$ 3,245</u>	<u>\$ 2,739</u>
	Other Postretirement Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Service cost	\$ 370	\$ 475	\$ 895	\$ 834
Interest cost	1,271	1,478	2,757	2,864
Expected return on plan assets	—	—	—	—
Amortization of prior service cost (1)	(1,065)	(15,534)	(2,125)	(30,689)
Amortization of net loss	1,808	6,546	3,304	12,349
Net periodic benefit cost	<u>\$ 2,384</u>	<u>\$ (7,035)</u>	<u>\$ 4,831</u>	<u>\$ (14,642)</u>

- (1) Plan amendments made in November 2010 resulted in a reduction in OPEB liability and a credit to accumulated other comprehensive loss. The resulting prior service benefit and actuarial losses were amortized ratably into income over the period November 1, 2010 to June 30, 2011 at which time the CAWV OPEB plan terminated.

Employer contributions

During the six months ended June 30, 2012, we have made contributions of approximately \$5,458 to the qualified defined benefit plans we sponsor.

Recently issued and adopted accounting standards

Recently issued and adopted accounting standards

6 Months Ended

Jun. 30, 2012

Recently issued and adopted accounting standards [Abstract]

Recently issued and adopted accounting standards

Recently issued and adopted accounting standards

We evaluate the impact of the Financial and Accounting Standards Board (“FASB”) accounting standards updates (“ASUs”) issued. When the adoption or planned adoption of recently issued ASUs will potentially have a material impact on our consolidated financial position, results of operations, and cash flows, we disclose the quantitative and qualitative effects of the adoption in our consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement.” This ASU amended the requirements for measuring fair value and disclosing information about fair value measurements and is effective for Century on January 1, 2012. Upon adoption, this standard resulted in changes to our financial disclosures, but did not have any impact on the reporting of our financial condition, results of operations or cash flows.

In June 2011, the FASB issued ASU 2011-05, “Comprehensive Income”. This ASU addresses the financial statement presentation of other comprehensive income and its components. Companies may elect to present items of net income and other comprehensive income in one continuous statement or in two separate, but consecutive, statements. At December 31, 2011, we adopted ASU 2011-05 and included the updated presentation requirements in the current financial statements. Upon adoption, this standard resulted in changes to our financial disclosures, but did not have any impact on the reporting of our financial condition, results of operations or cash flows.

Condensed consolidating financial information

Condensed consolidating financial information

6 Months Ended

Jun. 30, 2012

Condensed Consolidating Financial Information [Abstract]

Condensed consolidating financial information

Condensed consolidating financial information

Our 8.0% senior secured notes due 2014 and 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, 2012 and December 31, 2011, condensed consolidating statements of operations for the three and six months ended June 30, 2012 and June 30, 2011, condensed consolidating statement of comprehensive income for the three and six months ended June 30, 2012 and June 30, 2011 and the condensed consolidating statements of cash flows for the six months ended June 30, 2012 and June 30, 2011 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, 2012				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 138,699	\$ 17,813	\$ —	\$ 156,512
Accounts receivable — net	58,909	13,027	—	—	71,936
Due from affiliates	592,844	7,753	2,447,116	(3,013,042)	34,671
Inventories	92,417	66,121	—	—	158,538
Prepaid and other current assets	2,396	36,760	3,975	—	43,131
Total current assets	746,566	262,360	2,468,904	(3,013,042)	464,788
Investment in subsidiaries	42,471	—	(1,004,314)	961,843	—
Property, plant and equipment — net	326,414	880,945	980	(310)	1,208,029
Other assets	21,840	58,061	38,883	(12,500)	106,284
Total	<u>\$ 1,137,291</u>	<u>\$ 1,201,366</u>	<u>\$ 1,504,453</u>	<u>\$ (2,064,009)</u>	<u>\$ 1,779,101</u>
Liabilities:					
Accounts payable, trade	\$ 30,380	\$ 39,220	\$ 760	\$ —	\$ 70,360
Due to affiliates	2,105,339	101,135	181,868	(2,345,287)	43,055
Accrued and other current liabilities	12,239	34,699	10,278	(12,500)	44,716
Accrued employee benefits costs — current portion	13,840	—	2,267	—	16,107
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	<u>2,169,613</u>	<u>175,054</u>	<u>195,173</u>	<u>(2,357,787)</u>	<u>182,053</u>
Senior notes payable	—	—	250,036	—	250,036
Accrued pension benefit costs — less current portion	37,462	—	30,300	—	67,762
Accrued postretirement benefit costs — less current portion	122,995	—	5,434	—	128,429
Other liabilities/intercompany loan	64,474	640,070	3,211	(668,065)	39,690
Deferred taxes — less current portion	—	90,832	—	—	90,832
Total noncurrent liabilities	<u>224,931</u>	<u>730,902</u>	<u>288,981</u>	<u>(668,065)</u>	<u>576,749</u>
Shareholders' equity:					
Preferred stock	—	—	1	—	1
Common stock	60	12	933	(72)	933
Additional paid-in capital	302,659	149,743	2,507,053	(452,402)	2,507,053
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(130,034)	(1,449)	(132,067)	131,483	(132,067)
Retained earnings (accumulated deficit)	<u>(1,429,938)</u>	<u>147,104</u>	<u>(1,305,697)</u>	<u>1,282,834</u>	<u>(1,305,697)</u>
Total shareholders' equity	<u>(1,257,253)</u>	<u>295,410</u>	<u>1,020,299</u>	<u>961,843</u>	<u>1,020,299</u>
Total	<u>\$ 1,137,291</u>	<u>\$ 1,201,366</u>	<u>\$ 1,504,453</u>	<u>\$ (2,064,009)</u>	<u>\$ 1,779,101</u>

CONDENSED CONSOLIDATING BALANCE SHEET

	As of December 31, 2011				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated

Assets:							
Cash and cash equivalents	\$	—	\$ 159,157	\$ 24,244	\$	—	\$ 183,401
Accounts receivable — net		40,062	7,585	—		—	47,647
Due from affiliates		616,830	13,517	2,474,727		(3,060,409)	44,665
Inventories		96,197	75,764	—		—	171,961
Prepaid and other current assets		8,668	38,809	3,169		(10,000)	40,646
Total current assets		761,757	294,832	2,502,140		(3,070,409)	488,320
Investment in subsidiaries		36,965	—	(995,131)		958,166	—
Property, plant and equipment — net		338,946	878,333	1,211		(265)	1,218,225
Other assets		21,870	43,269	39,410		—	104,549
Total		<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>		<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>
Liabilities:							
Accounts payable, trade	\$	43,215	\$ 42,278	\$ 679	\$	—	\$ 86,172
Due to affiliates		2,103,687	78,411	205,651		(2,345,845)	41,904
Accrued and other current liabilities		10,596	29,822	10,358		(10,000)	40,776
Accrued employee benefits costs — current portion		14,267	—	2,431		—	16,698
Industrial revenue bonds		7,815	—	—		—	7,815
Total current liabilities		<u>2,179,580</u>	<u>150,511</u>	<u>219,119</u>		<u>(2,355,845)</u>	<u>193,365</u>
Senior notes payable		—	—	249,512		—	249,512
Accrued pension benefit costs — less current portion		40,277	—	30,622		—	70,899
Accrued postretirement benefit costs — less current portion		122,609	—	5,469		—	128,078
Other liabilities/intercompany loan		63,369	686,834	4,631		(714,829)	40,005
Deferred taxes — less current portion		—	90,958	—		—	90,958
Total noncurrent liabilities		<u>226,255</u>	<u>777,792</u>	<u>290,234</u>		<u>(714,829)</u>	<u>579,452</u>
Shareholders' equity:							
Preferred stock		—	—	1		—	1
Common stock		60	12	932		(72)	932
Additional paid-in capital		297,300	144,383	2,506,842		(441,683)	2,506,842
Treasury stock, at cost		—	—	(45,891)		—	(45,891)
Accumulated other comprehensive income (loss)		(132,235)	(1,373)	(134,588)		133,608	(134,588)
Retained earnings (accumulated deficit)		(1,411,422)	145,109	(1,289,019)		1,266,313	(1,289,019)
Total shareholders' equity		<u>(1,246,297)</u>	<u>288,131</u>	<u>1,038,277</u>		<u>958,166</u>	<u>1,038,277</u>
Total		<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>		<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

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	<u>223,297</u>	<u>94,365</u>	<u>—</u>	<u>—</u>	<u>317,662</u>
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 of joint ventures	(15,631)	6,400	—	—	(9,231)
Income tax expense	(432)	(2,963)	—	—	(3,395)
Income (loss) before equity in earnings of joint ventures	(16,063)	3,437	—	—	(12,626)
Equity in earnings (loss) of 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>

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 143,052	\$ 64,039	\$ —	\$ —	\$ 207,091
Related parties	83,751	75,435	—	—	159,186
	226,803	139,474	—	—	366,277
Cost of goods sold	<u>212,685</u>	<u>104,078</u>	<u>—</u>	<u>—</u>	<u>316,763</u>

Gross profit	14,118	35,396	—	—	49,514
Other operating income – net	(5,205)	—	—	—	(5,205)
Selling, general and administrative expenses	16,614	1,943	—	—	18,557
Operating income	2,709	33,453	—	—	36,162
Interest expense – third party	(6,386)	—	—	—	(6,386)
Interest expense – affiliates	17,442	(17,442)	—	—	—
Interest income – third party	13	52	—	—	65
Interest income – affiliates	—	70	—	—	70
Net gain loss on forward contracts	(1,617)	—	—	—	(1,617)
Other expense – net	(900)	(232)	—	—	(1,132)
Income before income taxes and equity in earnings of joint ventures	11,261	15,901	—	—	27,162
Income tax expense (benefit)	1,769	(5,405)	—	—	(3,636)
Income before equity in earnings of joint ventures	13,030	10,496	—	—	23,526
Equity in earnings of joint ventures	1,406	460	23,986	(25,392)	460
Net income	\$ 14,436	\$ 10,956	\$ 23,986	\$ (25,392)	\$ 23,986

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

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 expenses – 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 of joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	(685)	(5,531)	—	—	(6,216)
Income (loss) before equity in earnings of joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of joint ventures	156	990	(16,678)	16,522	990
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the six months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 273,539	\$ 121,864	\$ —	\$ —	\$ 395,403
Related parties	151,063	146,148	—	—	297,211
	424,602	268,012	—	—	692,614
Cost of goods sold	399,705	201,079	—	—	600,784
Gross profit	24,897	66,933	—	—	91,830
Other operating income – net	(11,089)	—	—	—	(11,089)
Selling, general and administrative expenses	25,714	3,452	—	—	29,166
Operating income	10,272	63,481	—	—	73,753
Interest expense – third party	(13,163)	—	—	—	(13,163)
Interest expense – affiliates	34,672	(34,672)	—	—	—
Interest income – third party	43	177	—	—	220
Interest income – affiliates	—	183	—	—	183
Net loss on forward contracts	(6,426)	—	—	—	(6,426)
Other expense – net	(284)	(171)	—	—	(455)
	25,114	28,998	—	—	54,112

Income before income taxes and equity in earnings of joint ventures					
Income tax expense (benefit)	3,590	(10,349)	—	—	(6,759)
Income before equity in earnings of joint ventures	28,704	18,649	—	—	47,353
Equity in earnings of joint ventures	2,608	1,679	49,032	(51,640)	1,679
Net income	<u>\$ 31,312</u>	<u>\$ 20,328</u>	<u>\$ 49,032</u>	<u>\$ (51,640)</u>	<u>\$ 49,032</u>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
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:					
Net unrealized gain (loss) on financial instruments	26	—	26	(26)	26
Net loss (gain) reclassified to income on financial instruments	209	—	209	(209)	209
Net gain on foreign currency cash flow hedges reclassified to income	—	(46)	(46)	46	(46)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(1,047)	—	(1,031)	1,047	(1,031)
Amortization of net loss	2,429	—	2,941	(2,429)	2,941
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>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	<u>\$ 14,436</u>	<u>\$ 10,956</u>	<u>\$ 23,986</u>	<u>\$ (25,392)</u>	<u>\$ 23,986</u>
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(27)	—	(27)	27	(27)
Net loss (gain) reclassified to income on financial instruments	(39)	—	(39)	39	(39)
Net gain on foreign currency cash flow hedges reclassified to income	—	(47)	(47)	47	(47)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	(5,769)	—	(5,769)
Amortization of prior service benefit	(15,517)	—	(15,501)	15,517	(15,501)
Amortization of net loss	6,723	—	6,995	(6,723)	6,995
Other comprehensive income (loss) before income tax effect	(8,860)	(47)	(14,388)	8,907	(14,388)
Income tax effect	(7,251)	8	(2,513)	7,243	(2,513)
Other comprehensive income (loss)	(16,111)	(39)	(16,901)	16,150	(16,901)
Comprehensive income (loss)	<u>\$ (1,675)</u>	<u>\$ 10,917</u>	<u>\$ 7,085</u>	<u>\$ (9,242)</u>	<u>\$ 7,085</u>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
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:					
Net unrealized gain (loss) on financial instruments	(220)	—	(220)	220	(220)
Net loss (gain) reclassified to income on financial instruments	481	—	481	(481)	481
Net gain on foreign currency cash flow hedges reclassified to income	—	(93)	(93)	93	(93)
Defined benefit plans and other postretirement benefits:					

Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(2,088)	—	(2,056)	2,088	(2,056)
Amortization of net loss	4,102	—	5,125	(4,102)	5,125
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>

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended June 30, 2011				Consolidated
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	
Comprehensive income (loss)					
Net income (loss)	<u>\$ 31,312</u>	<u>\$ 20,328</u>	<u>\$ 49,032</u>	<u>\$ (51,640)</u>	<u>\$ 49,032</u>
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(33)	—	(50)	50	(33)
Net loss (gain) reclassified to income on financial instruments	(50)	—	(33)	33	(50)
Net gain on foreign currency cash flow hedges reclassified to income	—	(93)	(93)	93	(93)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	(5,769)	—	(5,769)
Amortization of prior service benefit	(30,652)	—	(30,620)	30,652	(30,620)
Amortization of net loss	12,737	—	13,280	(12,737)	13,280
Other comprehensive income (loss) before income tax effect	(17,998)	(93)	(23,285)	18,091	(23,285)
Income tax effect	(7,131)	16	(4,973)	7,115	(4,973)
Other comprehensive income (loss)	(25,129)	(77)	(28,258)	25,206	(28,258)
Comprehensive income (loss)	<u>\$ 6,183</u>	<u>\$ 20,251</u>	<u>\$ 20,774</u>	<u>\$ (26,434)</u>	<u>\$ 20,774</u>

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	<u>\$ (19,534)</u>	<u>\$ 17,919</u>	<u>\$ —</u>	<u>\$ (1,615)</u>
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 the sale of property, plant and equipment	10	58	—	68
Net cash provided by (used in) investing activities	<u>(17,745)</u>	<u>(6,407)</u>	<u>2,911</u>	<u>(21,241)</u>
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	<u>37,279</u>	<u>(31,970)</u>	<u>(9,342)</u>	<u>(4,033)</u>
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	<u>\$ —</u>	<u>\$ 138,699</u>	<u>\$ 17,813</u>	<u>\$ 156,512</u>

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

	For the six months ended June 30, 2011			
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	<u>\$ (20,260)</u>	<u>\$ 4,125</u>	<u>\$ —</u>	<u>\$ (16,135)</u>
Investing activities:				
Purchase of property, plant and equipment	(2,860)	(4,164)	(329)	(7,353)
Nordural expansion	—	(7,968)	—	(7,968)
Proceeds from the sale of property, plant and equipment	—	56	—	56
Payments received on advances to joint ventures	—	—	3,056	3,056
Restricted and other cash deposits	3,673	—	—	3,673
Net cash provided by (used in) investing activities	<u>813</u>	<u>(12,076)</u>	<u>2,727</u>	<u>(8,536)</u>
Financing activities:				

Repayments of long-term debt	—	—	(47,067)	(47,067)
Repayment of contingent obligation	(189)	—	—	(189)
Intercompany transactions	20,209	(13,314)	(6,895)	—
Issuance of common stock – net	—	—	32	32
Net cash provided by (used in) financing activities	<u>20,020</u>	<u>(13,314)</u>	<u>(53,930)</u>	<u>(47,224)</u>
Net change in cash and cash equivalents	573	(21,265)	(51,203)	(71,895)
Cash and cash equivalents, beginning of the period	—	214,923	89,373	304,296
Cash and cash equivalents, end of the period	<u>\$ 573</u>	<u>\$ 193,658</u>	<u>\$ 38,170</u>	<u>\$ 232,401</u>

Subsequent events

Subsequent events

6 Months Ended

Jun. 30, 2012

Subsequent Events [Abstract]

Subsequent events

Subsequent events

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

Increase in letters of credit to Big Rivers

In July 2012, in accordance with the terms of our power agreement and based on recent billings, we increased our outstanding letters of credit with the Big Rivers Electric Corporation by \$4,000 from approximately \$30,000 to \$34,000. The increase in our outstanding letters of credit directly reduces our availability under our revolving line of credit on a dollar for dollar basis.

Ingram Barge Lawsuit

In February 2010, our subsidiary, CAWV, was named as a defendant in a lawsuit filed by Ingram Barge Company in the United States District Court for the Middle District of Tennessee. The lawsuit alleges that CAWV breached two barging contracts with Ingram Barge by failing to consume a specified amount of barging services as a result of the curtailment of operations at Ravenswood. Ingram Barge is seeking damages of approximately \$4,600 plus interest. In July 2012, the trial court granted Ingram Barge's motion for summary judgment and referred the matter to a Magistrate Judge to determine if any damages have been incurred by Ingram Barge. We intend to file a motion for reconsideration with the District Court. While we do not believe that Ingram Barge has suffered any damages and intend to continue to vigorously defend ourselves against this claim, we believe that it is reasonably possible that a damages judgment may be entered against CAWV. We estimate that the range for this potential loss is between \$0 and \$5,000 .

Fair value measurements (Tables)

Fair value measurements (Tables)

6 Months Ended

Jun. 30, 2012

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.

Overview of Century's valuation methodology

	Level	Significant inputs
Cash equivalents	1	Quoted market prices
Trust assets (1)	1	Quoted market prices
Surety bonds	1	Quoted market prices
Primary aluminum put option contracts	2	Quoted London Metal Exchange ("LME") forward market prices, historical volatility measurements and risk-adjusted discount rates
Natural gas forward financial contracts	2	Quoted natural gas forward market prices for primary aluminum and risk-adjusted discount rates
Ravenswood power contract	3	Quoted LME forward market prices, power tariff prices, management's estimate of future power usage and risk-adjusted discount rates
E.ON U.S. ("E.ON") contingent obligation	3	Quoted LME forward market prices for primary aluminum, management's estimates of the LME forward market prices for primary aluminum 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. 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, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 145,492	\$ —	\$ —	\$ 145,492
Trust assets	15,160	—	—	15,160
Surety bond – workers comp insurance	2,391	—	—	2,391
TOTAL	\$ 163,043	\$ —	\$ —	\$ 163,043
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 65	\$ —	\$ 65
E.ON contingent obligation – net	—	—	14,663	14,663
Primary aluminum sales contract	—	—	1,361	1,361
TOTAL	\$ —	\$ 65	\$ 16,024	\$ 16,089

	Recurring Fair Value Measurements			
	As of December 31, 2011			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 176,284	\$ —	\$ —	\$ 176,284
Trust assets	15,889	—	—	15,889
Surety bonds – workers comp insurance	2,391	—	—	2,391
Primary aluminum put option contracts	—	9,331	—	9,331
Power contract	—	—	106	106
TOTAL	\$ 194,564	\$ 9,331	\$ 106	\$ 204,001
LIABILITIES:				
Natural gas forward financial contracts	\$ —	\$ 281	\$ —	\$ 281
E.ON contingent obligation – net	—	—	13,958	13,958
Primary aluminum sales contract – premium collar	—	—	908	908
TOTAL	\$ —	\$ 281	\$ 14,866	\$ 15,147

Change in level 3 fair value measurements

	Change in Level 3 Fair Value Measurements during the three months ended June 30,	
	Derivative liabilities – net 2012	2011
Beginning balance, April 1,	\$ (15,426)	\$ (14,311)
Total gain (realized/unrealized) included in earnings	(545)	(758)
Settlements	(53)	533
Ending balance, June 30,	\$ (16,024)	\$ (14,536)
Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30,	\$ (545)	\$ (758)
	Change in Level 3 Fair Value Measurements during the six months ended June 30,	
	Derivative liabilities – net 2012	2011
Beginning balance, January 1,	\$ (14,760)	\$ (13,802)

Total gain (realized/unrealized) included in earnings	(1,158)	(1,231)
Settlements	(106)	497
Ending balance, June 30,	<u>\$ (16,024)</u>	<u>\$ (14,536)</u>
Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held at June 30,	\$ (1,158)	\$ (1,231)

Derivative and hedging instruments (Tables)

Derivative and hedging instruments (Tables)

6 Months Ended

Jun. 30, 2012

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 Assets and Liabilities

	Balance sheet location	June 30, 2012	December 31, 2011
DERIVATIVE ASSETS:			
Primary aluminum put option contracts	Due from affiliates	\$ —	\$ 5,439
Primary aluminum put option contracts	Prepaid and other current assets	—	3,892
Power contract	Prepaid and other current assets	—	106
TOTAL		\$ —	\$ 9,437
DERIVATIVE LIABILITIES:			
E.ON contingent obligation	Other liabilities	\$ 14,663	\$ 13,958
Aluminum sales premium contracts – current portion	Accrued and other current liabilities	1,048	607
Natural gas forward financial contracts	Accrued and other current liabilities	65	281
Aluminum sales premium contracts – less current portion	Other liabilities	313	301
TOTAL		\$ 16,089	\$ 15,147

Derivatives not designated as hedging instruments

Derivatives not designated as hedging instruments:

	Location	Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
		2012	2011	2012	2011
Primary aluminum put option contracts	Net gain (loss) on forward contracts	\$ 1,970	\$ (1,060)	\$ (2,725)	\$ (5,666)
Aluminum sales premium contracts	Related party sales	328	162	532	256
Aluminum sales premium contracts	Net gain (loss) on forward contracts	(520)	(668)	(985)	(866)

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, 2012	December 31, 2011
Power contracts (in megawatt hours (“MWH”)) (1)	—	3,772
Primary aluminum sales contract premium (metric tons) (2)	30,600	40,870
Primary aluminum put option contracts (metric tons)	—	15,000
Primary aluminum put option contracts (metric tons) – related party	—	18,000

- (1) Represents our expected usage during the remaining term of the Ravenswood power contract. In June 2011, the West Virginia PSC extended the term of this contract for an additional year.
- (2) Represents the remaining physical deliveries under our 2013 Glencore Metal Agreement.

Shareholders' equity (Tables)

Shareholders' equity (Tables)

6 Months Ended

Jun. 30, 2012

Stockholders' Equity Note [Abstract]

Schedule of Stockholders Equity

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 any series which we may designate and issue in the future.

Common and Preferred Stock Activity:

	Preferred stock Series A convertible	Treasury	Common stock Outstanding
Beginning balance as of December 31, 2011	80,718	4,386,521	88,844,327
Repurchase of common stock	—	400,000	(400,000)
Conversion of convertible preferred stock	(95)	—	9,488
Issuance for stock compensation plans	—	—	13,234
Ending balance as of June 30, 2012	<u>80,623</u>	<u>4,786,521</u>	<u>88,467,049</u>

Income taxes (Tables)

Income taxes (Tables)

6 Months Ended

Jun. 30, 2012

Income Tax Disclosure [Abstract]

Significant components of unrecognized tax positions

The components of our unrecognized tax positions are as follows:

	June 30, 2012	December 31, 2011
Highly certain tax positions	\$ 15,700	\$ 15,100
Other unrecognized tax benefits	900	800
Gross unrecognized tax benefits	<u>\$ 16,600</u>	<u>\$ 15,900</u>
Accrued interest and penalties related to unrecognized tax benefits	\$ 150	\$ 100

Inventories (Tables)

Inventories (Tables)

6 Months Ended

Jun. 30, 2012

Inventory, Net [Abstract]

Schedule of Inventories

Inventories consist of the following:

	June 30, December 31,	
	2012	2011
Raw materials	\$ 33,311	\$ 41,142
Work-in-process	14,757	15,548
Finished goods	10,634	10,535
Operating and other supplies	99,836	104,736
Inventories	<u>\$158,538</u>	<u>\$ 171,961</u>

Debt (Tables)*Debt (Tables)***6 Months Ended****Jun. 30, 2012***Debt Disclosure [Abstract]*

Schedule of Debt

Debt	June 30, 2012	December 31, 2011
Debt classified as current liabilities:		
Hancock County industrial revenue bonds due 2028, interest payable quarterly (variable interest rates (not to exceed 12%))(1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
8.0% senior secured notes payable due May 15, 2014, net of debt discount of \$2,171 and \$2,695, respectively, interest payable semiannually	247,433	246,909
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)	14,663	13,958
TOTAL	<u>\$ 272,514</u>	<u>\$ 271,285</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, 2012 was 0.43%.
- (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.

Schedule of Line of Credit Facilities

Status of our revolving credit facility:

	<u>June 30, 2012</u>
Senior secured revolving credit facility amount	\$ 100,000
Borrowing availability, net of outstanding letters of credit	57,981
Outstanding borrowings on revolving credit facility	—
Letter of credit sub-facility amount	50,000
Outstanding letters of credit issued under the revolving credit facility	42,019

Forward delivery contracts and financial instruments (Tables)

Forward delivery contracts and financial instruments (Tables)

6 Months Ended

Jun. 30, 2012

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, 2012	Variable, based on U.S. Midwest market
Glencore Nordural Metal Agreement	Glencore	Approximately 16,000 metric tons	Through December 31, 2012	Variable, based on LME
Southwire Metal Agreement (3)	Southwire	240 million pounds per year (high conductivity molten aluminum)	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 2012, 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.

Long-term 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	45,000 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 and the Southwire Metal Agreement, we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2012	December 31, 2011
	(in metric tons)	
Other forward delivery contracts – total	40,990	41,504
Other forward delivery contracts – Glencore	2,312	3,423
Other forward delivery contracts – fixed price	199	41

Supplemental cash flow information (Tables)

*Supplemental cash flow information
(Tables)*

6 Months Ended

Jun. 30, 2012

*Supplemental Cash Flow
Information [Abstract]*

Supplemental Cash Flow Information Supplemental cash flow information

	Six months ended June 30,	
	2012	2011
Cash paid for:		
Interest	\$ 10,108	\$ 11,148
Income/withholding taxes (1)	16,809	27,685

(1) We paid withholding taxes in Iceland of \$9,484 and \$26,900 in the six months ended June 30, 2012 and 2011, respectively. Our tax payments in Iceland for withholding taxes, estimated and prepayments of Icelandic income taxes and any associated refunds are denominated in ISK.

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

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

6 Months Ended

Jun. 30, 2012

**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		Year ended	
	June 30,		December 31, 2011	
Beginning balance, ARO liability	\$	15,171	\$	14,274
Additional ARO liability incurred		582		1,110
ARO liabilities settled		(690)		(1,315)
Accretion expense		584		1,102
Ending balance, ARO liability	\$	<u>15,647</u>	\$	<u>15,171</u>

Components of Accumulated other comprehensive loss (Tables)

Components of Accumulated other comprehensive loss (Tables)

6 Months Ended

Jun. 30, 2012

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

Components of Accumulated Other Comprehensive Loss

	June 30, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (871)	\$ (1,040)
Defined benefit plan liabilities	(139,142)	(142,259)
Equity in investee other comprehensive income (1)	(8,476)	(8,476)
Other comprehensive loss before income tax effect	(148,489)	(151,775)
Income tax effect (2)	16,422	17,187
Accumulated other comprehensive loss	<u>\$ (132,067)</u>	<u>\$ (134,588)</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, 2012	December 31, 2011
Unrealized loss on financial instruments	\$ (665)	\$ (682)
Defined benefit plan liabilities	16,564	17,311
Equity in investee other comprehensive income	523	558

Components of net periodic benefit cost (Tables)*Components of net periodic benefit cost (Tables)***6 Months Ended****Jun. 30, 2012***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,	
	2012	2011	2012	2011
Service cost	\$ 506	\$ 709	\$ 1,401	\$ 1,566
Interest cost	1,606	1,808	3,436	3,488
Expected return on plan assets	(1,782)	(1,776)	(3,482)	(3,315)
Amortization of prior service cost	34	34	69	69
Amortization of net loss	1,133	449	1,821	931
Net periodic benefit cost	<u>\$ 1,497</u>	<u>\$ 1,224</u>	<u>\$ 3,245</u>	<u>\$ 2,739</u>
	Other Postretirement Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Service cost	\$ 370	\$ 475	\$ 895	\$ 834
Interest cost	1,271	1,478	2,757	2,864
Expected return on plan assets	—	—	—	—
Amortization of prior service cost (1)	(1,065)	(15,534)	(2,125)	(30,689)
Amortization of net loss	1,808	6,546	3,304	12,349
Net periodic benefit cost	<u>\$ 2,384</u>	<u>\$ (7,035)</u>	<u>\$ 4,831</u>	<u>\$ (14,642)</u>

- (1) Plan amendments made in November 2010 resulted in a reduction in OPEB liability and a credit to accumulated other comprehensive loss. The resulting prior service benefit and actuarial losses were amortized ratably into income over the period November 1, 2010 to June 30, 2011 at which time the CAWV OPEB plan terminated.

Condensed consolidating financial information (Tables)

Condensed consolidating financial information (Tables)

6 Months Ended

Jun. 30, 2012

Condensed Consolidating Financial Information [Abstract]

Condensed Financial information

The following summarized condensed consolidating balance sheets as of June 30, 2012 and December 31, 2011, condensed consolidating statements of operations for the three and six months ended June 30, 2012 and June 30, 2011, condensed consolidating statement of comprehensive income for the three and six months ended June 30, 2012 and June 30, 2011 and the condensed consolidating statements of cash flows for the six months ended June 30, 2012 and June 30, 2011 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, 2012				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 138,699	\$ 17,813	\$ —	\$ 156,512
Accounts receivable — net	58,909	13,027	—	—	71,936
Due from affiliates	592,844	7,753	2,447,116	(3,013,042)	34,671
Inventories	92,417	66,121	—	—	158,538
Prepaid and other current assets	2,396	36,760	3,975	—	43,131
Total current assets	746,566	262,360	2,468,904	(3,013,042)	464,788
Investment in subsidiaries	42,471	—	(1,004,314)	961,843	—
Property, plant and equipment — net	326,414	880,945	980	(310)	1,208,029
Other assets	21,840	58,061	38,883	(12,500)	106,284
Total	\$ 1,137,291	\$ 1,201,366	\$ 1,504,453	\$ (2,064,009)	\$ 1,779,101
Liabilities:					
Accounts payable, trade	\$ 30,380	\$ 39,220	\$ 760	\$ —	\$ 70,360
Due to affiliates	2,105,339	101,135	181,868	(2,345,287)	43,055
Accrued and other current liabilities	12,239	34,699	10,278	(12,500)	44,716
Accrued employee benefits costs — current portion	13,840	—	2,267	—	16,107
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,169,613	175,054	195,173	(2,357,787)	182,053
Senior notes payable	—	—	250,036	—	250,036
Accrued pension benefit costs — less current portion	37,462	—	30,300	—	67,762
Accrued postretirement benefit costs — less current portion	122,995	—	5,434	—	128,429
Other liabilities/intercompany loan	64,474	640,070	3,211	(668,065)	39,690
Deferred taxes — less current portion	—	90,832	—	—	90,832
Total noncurrent liabilities	224,931	730,902	288,981	(668,065)	576,749
Shareholders' equity:					
Preferred stock	—	—	1	—	1
Common stock	60	12	933	(72)	933
Additional paid-in capital	302,659	149,743	2,507,053	(452,402)	2,507,053
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(130,034)	(1,449)	(132,067)	131,483	(132,067)
Retained earnings (accumulated deficit)	(1,429,938)	147,104	(1,305,697)	1,282,834	(1,305,697)
Total shareholders' equity	(1,257,253)	295,410	1,020,299	961,843	1,020,299
Total	\$ 1,137,291	\$ 1,201,366	\$ 1,504,453	\$ (2,064,009)	\$ 1,779,101

CONDENSED CONSOLIDATING BALANCE SHEET

	As of December 31, 2011				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 159,157	\$ 24,244	\$ —	\$ 183,401
Accounts receivable — net	40,062	7,585	—	—	47,647
Due from affiliates	616,830	13,517	2,474,727	(3,060,409)	44,665
Inventories	96,197	75,764	—	—	171,961
Prepaid and other current assets	8,668	38,809	3,169	(10,000)	40,646
Total current assets	761,757	294,832	2,502,140	(3,070,409)	488,320
Investment in subsidiaries	36,965	—	(995,131)	958,166	—
Property, plant and equipment — net	338,946	878,333	1,211	(265)	1,218,225

Other assets	21,870	43,269	39,410	—	104,549
Total	<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>	<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>
Liabilities:					
Accounts payable, trade	\$ 43,215	\$ 42,278	\$ 679	\$ —	\$ 86,172
Due to affiliates	2,103,687	78,411	205,651	(2,345,845)	41,904
Accrued and other current liabilities	10,596	29,822	10,358	(10,000)	40,776
Accrued employee benefits costs — current portion	14,267	—	2,431	—	16,698
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	<u>2,179,580</u>	<u>150,511</u>	<u>219,119</u>	<u>(2,355,845)</u>	<u>193,365</u>
Senior notes payable	—	—	249,512	—	249,512
Accrued pension benefit costs — less current portion	40,277	—	30,622	—	70,899
Accrued postretirement benefit costs — less current portion	122,609	—	5,469	—	128,078
Other liabilities/intercompany loan	63,369	686,834	4,631	(714,829)	40,005
Deferred taxes — less current portion	—	90,958	—	—	90,958
Total noncurrent liabilities	<u>226,255</u>	<u>777,792</u>	<u>290,234</u>	<u>(714,829)</u>	<u>579,452</u>
Shareholders' equity:					
Preferred stock	—	—	1	—	1
Common stock	60	12	932	(72)	932
Additional paid-in capital	297,300	144,383	2,506,842	(441,683)	2,506,842
Treasury stock, at cost	—	—	(45,891)	—	(45,891)
Accumulated other comprehensive income (loss)	(132,235)	(1,373)	(134,588)	133,608	(134,588)
Retained earnings (accumulated deficit)	<u>(1,411,422)</u>	<u>145,109</u>	<u>(1,289,019)</u>	<u>1,266,313</u>	<u>(1,289,019)</u>
Total shareholders' equity	<u>(1,246,297)</u>	<u>288,131</u>	<u>1,038,277</u>	<u>958,166</u>	<u>1,038,277</u>
Total	<u>\$ 1,159,538</u>	<u>\$ 1,216,434</u>	<u>\$ 1,547,630</u>	<u>\$ (2,112,508)</u>	<u>\$ 1,811,094</u>

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

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	<u>223,297</u>	<u>94,365</u>	<u>—</u>	<u>—</u>	<u>317,662</u>
Gross profit (loss)	(15,107)	21,064	—	—	5,957
Other operating expenses – net Selling, general and administrative expenses (income)	3,817	—	—	—	3,817
	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 of joint ventures	(15,631)	6,400	—	—	(9,231)
Income tax expense	(432)	(2,963)	—	—	(3,395)
Income (loss) before equity in earnings of joint ventures	(16,063)	3,437	—	—	(12,626)
Equity in earnings (loss) of 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>

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 143,052	\$ 64,039	\$ —	\$ —	\$ 207,091
Related parties	83,751	75,435	—	—	159,186
	226,803	139,474	—	—	366,277
Cost of goods sold	<u>212,685</u>	<u>104,078</u>	<u>—</u>	<u>—</u>	<u>316,763</u>
Gross profit	14,118	35,396	—	—	49,514
Other operating income – net Selling, general and administrative expenses	(5,205)	—	—	—	(5,205)
	16,614	1,943	—	—	18,557
Operating income	2,709	33,453	—	—	36,162
Interest expense – third party	(6,386)	—	—	—	(6,386)
Interest expense – affiliates	17,442	(17,442)	—	—	—
Interest income – third party	13	52	—	—	65
Interest income – affiliates	—	70	—	—	70

Net gain loss on forward contracts	(1,617)	—	—	—	(1,617)
Other expense – net	(900)	(232)	—	—	(1,132)
Income before income taxes and equity in earnings of joint ventures	11,261	15,901	—	—	27,162
Income tax expense (benefit)	1,769	(5,405)	—	—	(3,636)
Income before equity in earnings of joint ventures	13,030	10,496	—	—	23,526
Equity in earnings of joint ventures	1,406	460	23,986	(25,392)	460
Net income	\$ 14,436	\$ 10,956	\$ 23,986	\$ (25,392)	\$ 23,986

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

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 expenses – 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 of joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	(685)	(5,531)	—	—	(6,216)
Income (loss) before equity in earnings of joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of joint ventures	156	990	(16,678)	16,522	990
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the six months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 273,539	\$ 121,864	\$ —	\$ —	\$ 395,403
Related parties	151,063	146,148	—	—	297,211
	424,602	268,012	—	—	692,614
Cost of goods sold	399,705	201,079	—	—	600,784
Gross profit	24,897	66,933	—	—	91,830
Other operating income – net	(11,089)	—	—	—	(11,089)
Selling, general and administrative expenses	25,714	3,452	—	—	29,166
Operating income	10,272	63,481	—	—	73,753
Interest expense – third party	(13,163)	—	—	—	(13,163)
Interest expense – affiliates	34,672	(34,672)	—	—	—
Interest income – third party	43	177	—	—	220
Interest income – affiliates	—	183	—	—	183
Net loss on forward contracts	(6,426)	—	—	—	(6,426)
Other expense – net	(284)	(171)	—	—	(455)
Income before income taxes and equity in earnings of joint ventures	25,114	28,998	—	—	54,112
Income tax expense (benefit)	3,590	(10,349)	—	—	(6,759)
Income before equity in earnings of joint ventures	28,704	18,649	—	—	47,353
Equity in earnings of joint ventures	2,608	1,679	49,032	(51,640)	1,679
Net income	\$ 31,312	\$ 20,328	\$ 49,032	\$ (51,640)	\$ 49,032

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the three months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ (15,677)	\$ 3,786	\$ (12,277)	\$ 11,891	\$ (12,277)
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	26	—	26	(26)	26
Net loss (gain) reclassified to income on financial instruments	209	—	209	(209)	209
Net gain on foreign currency cash flow hedges reclassified to income	—	(46)	(46)	46	(46)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(1,047)	—	(1,031)	1,047	(1,031)
Amortization of net loss	2,429	—	2,941	(2,429)	2,941
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

For the three months ended June 30, 2011

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ 14,436	\$ 10,956	\$ 23,986	\$ (25,392)	\$ 23,986
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(27)	—	(27)	27	(27)
Net loss (gain) reclassified to income on financial instruments	(39)	—	(39)	39	(39)
Net gain on foreign currency cash flow hedges reclassified to income	—	(47)	(47)	47	(47)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	(5,769)	—	(5,769)
Amortization of prior service benefit	(15,517)	—	(15,501)	15,517	(15,501)
Amortization of net loss	6,723	—	6,995	(6,723)	6,995
Other comprehensive income (loss) before income tax effect	(8,860)	(47)	(14,388)	8,907	(14,388)
Income tax effect	(7,251)	8	(2,513)	7,243	(2,513)
Other comprehensive income (loss)	(16,111)	(39)	(16,901)	16,150	(16,901)
Comprehensive income (loss)	\$ (1,675)	\$ 10,917	\$ 7,085	\$ (9,242)	\$ 7,085

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2012

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Comprehensive income (loss)					
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)
Other comprehensive income (loss) before income tax effect:					
Net unrealized gain (loss) on financial instruments	(220)	—	(220)	220	(220)
Net loss (gain) reclassified to income on financial instruments	481	—	481	(481)	481
Net gain on foreign currency cash flow hedges reclassified to income	—	(93)	(93)	93	(93)
Defined benefit plans and other postretirement benefits:					
Net gain (loss) arising during the period	—	—	49	—	49
Amortization of prior service benefit	(2,088)	—	(2,056)	2,088	(2,056)
Amortization of net loss	4,102	—	5,125	(4,102)	5,125
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)

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 expenses – 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 of joint ventures	(17,987)	6,535	—	—	(11,452)
Income tax expense	(685)	(5,531)	—	—	(6,216)
Income (loss) before equity in earnings of joint ventures	(18,672)	1,004	—	—	(17,668)
Equity in earnings (loss) of joint ventures	156	990	(16,678)	16,522	990
Net income (loss)	\$ (18,516)	\$ 1,994	\$ (16,678)	\$ 16,522	\$ (16,678)

Acquisitions (Details) (Carbon Anodes [Member], USD \$)

*Acquisitions (Details) (Carbon
Anodes [Member], USD \$)
In Thousands, unless otherwise
specified*

Jun. 11, 2012

Carbon Anodes [Member]

Business Acquisition [Line Items]

Assets Acquired

\$ 12,500

Fair value measurements (Details) (USD \$)

Fair value measurements (Details) (USD \$)	3 Months Ended		6 Months Ended		Jun. 30, 2012 Fair Value, Measurements, Recurring [Member] Inputs, Level 1 [Member]	Dec. 31, 2011 Fair Value, Measurements, Recurring [Member] Inputs, Level 1 [Member]	Jun. 30, 2012 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 2 [Member]	Dec. 31, 2011 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 2 [Member]	Jun. 30, 2012 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 3 [Member]	Dec. 31, 2011 Fair Value, Measurements, Recurring [Member] Fair Value, Inputs, Level 3 [Member]
	Jun. 30, 2012 Derivative Liabilities - Net [Member]	Jun. 30, 2011 Derivative Liabilities - Net [Member]	Jun. 30, 2012 Derivative Liabilities - Net [Member]	Jun. 30, 2011 Derivative Liabilities - Net [Member]						
<i>Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis (Line Items)</i>										
Embedded Derivative, Fair Value of Embedded Derivative, Net	\$ 0									
ASSETS:										
Cash equivalents					145,492,000	176,284,000	145,492,000	176,284,000	0	0
Trust assets					15,160,000	15,889,000	15,160,000	15,889,000	0	0
Surety bond â€” workers comp insurance					2,391,000	2,391,000	2,391,000	2,391,000	0	0
Primary aluminum put option contracts						9,331,000		9,331,000		0
Power contract						106,000		0		106,000
TOTAL					163,043,000	204,001,000	163,043,000	194,564,000	0	9,331,000
LIABILITIES:										
Natural gas forward financial contracts					65,000	281,000	0	0	65,000	281,000
E.ON contingent obligation â€” net					14,663,000	13,958,000	0	0	0	14,663,000
Primary aluminum sales contract â€” premium collar					1,361,000	908,000	0	0	0	1,361,000
TOTAL					16,089,000	15,147,000	0	0	65,000	281,000
Level 3 fair value measurements (Roll Forward)										
Beginning balance	(15,426,000)	(14,311,000)	(14,760,000)	(13,802,000)						
Total gain (realized/unrealized) included in earnings	(545,000)	(758,000)	(1,158,000)	(1,231,000)						
Settlements	(53,000)	533,000	(106,000)	497,000						
Ending balance	(16,024,000)	(14,536,000)	(16,024,000)	(14,536,000)						
Amount of total loss included in earnings attributable to the change in unrealized losses (gains) relating to assets and liabilities held	\$ (545,000)	\$ (758,000)	\$ (1,158,000)	\$ (1,231,000)						

Derivative and hedging instruments Part 2 (Details) (Not Designated as Hedging Instrument [Member], USD \$)				
<i>Derivative and hedging instruments Part 2 (Details) (Not Designated as Hedging Instrument [Member], USD \$)</i>	3 Months Ended		6 Months Ended	
<i>In Thousands, unless otherwise specified</i>	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
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	\$ 1,970	\$ (1,060)	\$ (2,725)	\$ (5,666)
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	(520)	(668)	(985)	(866)
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	\$ 328	\$ 162	\$ 532	\$ 256

Earnings per share (Details) (USD \$)	3 Months Ended		6 Months Ended	
Earnings per share (Details) (USD \$)	3 Months Ended		6 Months Ended	
In Thousands, except Share data, unless otherwise specified	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
Earnings Per Share [Abstract]				
Net income (loss)	\$ (12,277)	\$ 23,986	\$ (16,678)	\$ 49,032
Amount allocated to common shareholders (in hundredths)	100.00%	91.97%	100.00%	91.91%
Net income (loss) allocated to common shareholders	(12,277)	22,061	(16,678)	45,066
Basic EPS:				
Income (loss) allocable to common shareholders – in Shares (000)	88,452,000	93,105,000	88,589,000	93,036,000
Income (loss) allocable to common shareholders (in dollars per share)	\$ (0.14)	\$ 0.24	\$ (0.19)	\$ 0.48
Effect of Dilutive Securities:				
Stock compensation plans	0	0	0	0
Share-based stock awards – in Shares (000)	0	462,000	0	396,000
Diluted EPS:				
Income (loss) applicable to common shareholders with assumed conversion	\$ (12,277)	\$ 22,061	\$ (16,678)	\$ 45,066
Income (loss) applicable to common shareholders with assumed conversion – in Shares (000)	88,452,000	93,567,000	88,589,000	93,432,000
Income (loss) applicable to common shareholders with assumed conversion (in dollars per share)	\$ (0.14)	\$ 0.24	\$ (0.19)	\$ 0.48
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]				
Options to purchase common stock outstanding (in shares)	626,334	641,187	626,334	641,187
Shares repurchased (in shares)			400,000	
Weighted Average Number of Shares Outstanding, Basic	395,791	343,148	370,658	280,366
Options [Member]				
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]				
Antidilutive securities excluded from calculation of diluted EPS (in shares)	626,334 ^[1]	349,000 ^[1]	632,334 ^[1]	349,000 ^[1]
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)	395,791	0	370,658	0
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[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 option were excluded because of their antidilutive effect on earnings per share.

Shareholders' equity (Details) (USD \$)	1 Months Ended	6 Months Ended	11 Months Ended	
<i>Shareholders' equity (Details) (USD \$)</i>	Aug. 31, 2011	Jun. 30, 2012	Jun. 30, 2012	Dec. 31, 2011
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>				
Repurchase of common stock (in shares)		400,000		
Common stock, shares authorized (in shares)		195,000,000	195,000,000	195,000,000
Stock repurchase program, Number of shares authorized to be repurchased (in shares)	\$ 60,000,000			
Number of shares Treasury stock acquired (in shares)			4,786,521	
Treasury stock acquired, Aggregate purchase price			49,924,000	
Stock repurchase program, Remaining authorized repurchase amount (in shares)		\$ 10,076,000		
Series A Convertible Preferred Stock [Member]				
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>				
Shares, Beginning balance		80,718		
Repurchase of common stock (in shares)		0		
Conversion of convertible preferred stock (in shares)		95		
Share-based Compensation Arrangement by Share-based Payment Award, Shares Issued in Period		0		
Shares, Ending balance		80,623	80,623	
Treasury Stock [Member]				
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>				
Shares, Beginning balance		4,386,521		
Repurchase of common stock (in shares)		400,000		
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	88,844,327	
Repurchase of common stock (in shares)	400,000	
Conversion of convertible preferred stock (in shares)	9,488	
Share-based Compensation Arrangement by Share-based Payment Award, Shares Issued in Period	13,234	
Shares, Ending balance	88,467,049	88,467,049

Income taxes (Details) (USD \$)

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

6 Months Ended	12 Months Ended
Jun. 30, 2012	Dec. 31, 2011

Income Tax Uncertainties [Abstract]

Highly certain tax positions	\$ 15,700	\$ 15,100
Other unrecognized tax benefits	900	800
Other unrecognized tax benefits	<u>16,600</u>	<u>15,900</u>
Other unrecognized tax benefits	\$ 150	\$ 100

Inventories (Details) (USD \$)

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

Jun. 30, 2012 Dec. 31, 2011

Inventory, Net [Abstract]

Raw materials	\$ 33,311	\$ 41,142
Work-in-process	14,757	15,548
Finished goods	10,634	10,535
Operating and other supplies	99,836	104,736
Inventories	<u>\$ 158,538</u>	<u>\$ 171,961</u>

Debt (Details) (USD \$)

Debt (Details) (USD \$) In Thousands, unless otherwise specified	6 Months Ended		3 Months Ended		12 Months Ended	3 Months Ended	12 Months Ended	3 Months Ended	12 Months Ended	3 Months Ended	12 Months Ended	
	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2012 Senior secured notes due May 15, 2014 [Member]	Jun. 30, 2012 Senior unsecured notes due August 15, 2014 [Member]	Jun. 30, 2012 Current [Member] Line of Credit [Member] Industrial revenue bonds due 2028 [Member]	Dec. 31, 2011 Current [Member] Industrial revenue bonds due 2028 [Member]	Jun. 30, 2012 Long-Term [Member] Senior secured notes due May 15, 2014 [Member]	Dec. 31, 2011 Long-Term [Member] Senior secured notes due May 15, 2014 [Member]	Jun. 30, 2012 Long-Term [Member] Senior unsecured notes due August 15, 2014 [Member]	Dec. 31, 2011 Long-Term [Member] Senior unsecured notes due August 15, 2014 [Member]	Jun. 30, 2012 Long-Term [Member] Contingent obligation [Member]	Dec. 31, 2011 Long-Term [Member] Contingent obligation [Member]
<i>Debt Instrument [Line Items]</i>												
Debt	\$ 272,514	\$ 271,285			\$ 7,815 ^[1]	\$ 7,815 ^[1]	\$ 247,433	\$ 246,909	\$ 2,603	\$ 2,603	\$ 14,663 ^[2]	\$ 13,958 ^[2]
Variable interest rates, maximum (as a percent)					12.00%	12.00%						
Interest rate (as a percent)			8.00%	7.50%	0.43%		8.00%	8.00%	7.50%	7.50%	10.94%	10.94%
Maturity date					Apr. 01, 2028	Apr. 01, 2028	May 15, 2014	May 15, 2014	Aug. 15, 2014	Aug. 15, 2014	Dec. 31, 2028	Dec. 31, 2028
Net of debt discount							2,438	2,695				
Term of credit facility	4 years											
Senior secured revolving credit facility amount					100,000							
Borrowing availability, net of outstanding letters of credit					57,981							
Outstanding borrowings on revolving credit facility					0							
Letter of credit sub-facility amount					50,000							
Outstanding letters of credit issued under the revolving credit facility					\$ 42,019							

[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, 2012 was 0.43%.

[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.

Commitments and contingencies (Details) (USD \$)

<i>Commitments and contingencies (Details) (USD \$) In Thousands, unless otherwise specified</i>	1 Months Ended		3 Months Ended	Dec. 31, 2011 MW	Dec. 31, 2010 Plaintiffs	Apr. 30, 2010 LaborUnions	Jan. 02, 2010 Retirees	Nov. 30, 2009 Retirees	Dec. 31, 2006 SucceedingOwners
	Nov. 30, 2011	Jan. 31, 2010	Jun. 30, 2012 Sites						
<i>Environmental Contingencies [Abstract]</i>									
Aggregate environmental-related accrued liabilities			\$ 1,014	\$ 852					
Number of sites in which interim remediation measures have been completed (in sites)			2						
Amount expended on hydrocarbon recovery plan under EPA Administrative Order			940						
Expected future potential payments under indemnification plan in order to comply with EPA Administrative Order			500						
Minimum amount expended by Company entitling them to reimbursement by third party for operating and maintaining water treatment system on behalf of third party			400						
Number of succeeding owners of alumina facility named as defendants in a lawsuit filed by the Commissioner of the Department of Planning and Natural Resources									2
Number of plaintiffs to lawsuit alleging violations of territorial water pollution control laws in first lawsuit					2,300				
Number of plaintiffs to lawsuit alleging violations of territorial water pollution control laws in second lawsuit					200				
Damages sought for breach of contract and wrongful termination	20,000								
<i>Ravenswood Retiree Medical Benefits [Abstract]</i>									
Age at which retiree medical benefits will cease for retirees and dependents (age in years)		65 years							
Age at which bargaining unit retirees and qualified dependents are covered by the salary retiree medical plan (age in years)		65 years							
Number of retirees in part of class action lawsuit regarding Company's rights to modify or terminate retiree medical benefits							4	4	

\$ 17,400

Potential CAWV Accelerated
Pension Plan Contributions
Estimation

Helgøy Agreement [Abstract]

Power currently available under the
power purchase agreement (in
megawatts) 47.5

Labor Commitments [Abstract]

Percentage of U.S. based work force
represented by a union (in
hundredths) 75.00%

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%

Forward delivery contracts and financial instruments (Details)

6 Months Ended

	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Jun. 30, 2012	Dec. 31, 2011	Jun. 30, 2011	Dec. 31, 2011
<i>Forward delivery contracts and financial instruments (Details)</i>	Primary Aluminum Sales Contracts [Member] Glencore Metal Agreement [Member] T	Primary Aluminum Sales Contracts [Member] Glencore Sweep Agreement [Member]	Primary Aluminum Sales Contracts [Member] Glencore Nordural Metal Agreement [Member] T	Primary Aluminum Sales Contracts [Member] Southwire Metal Agreement [Member] lb	Long-Term Tolling Contracts [Member] Billiton Tolling Agreement [Member] T	Long-Term Tolling Contracts [Member] Glencore Toll Agreement 1 [Member] T	Long-Term Tolling Contracts [Member] Glencore Toll Agreement 2 [Member] T	Other Forward Delivery Contracts [Member]					
<i>Supply Commitment [Line Items]</i>													
Customer	Glencore ^[1]	Glencore ^[2]	Glencore	Southwire ^[3]	BHP Billiton ^[4]	Glencore ^[4]	Glencore ^[4]						
Volume	20,400 mtpy	Surplus primary aluminum produced in the United States ^[1]	Approximately 16,000 metric tons ^[2]	240 million pounds per year (high conductivity molten aluminum)	130,000 mtpy ^[3]	90,000 mtpy ^[4]	45,000 mtpy ^[4]						
Volume (in mtpy, metric tons, and pounds per year)	20,400		16,000	240,000,000	130,000	90,000	40,000						
Term	Through December 31, 2013 ^[1]	Through December 31, 2012 ^[2]	Through December 31, 2012	Through December 31, 2013	Through December 31, 2013 ^[3]	Through July 31, 2016 ^[4]	Through December 31, 2014 ^[4]						
Pricing	Variable, based on U.S. Midwest market	Variable, based on U.S. Midwest market ^[1]	Variable, based on LME ^[2]	Variable, based on U.S. Midwest market	LME-based ^[3]	LME-based ^[4]	LME-based ^[4]						
Other forward delivery contracts to sell primary aluminum (in metric tons)								40,990	41,504	2,312	3,423		
Fixed price commitments on these other forward delivery contracts (in metric tons)								199	41				

[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 2012, 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] Grundartangia'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, 2012****Jun. 30, 2011**

Interest	\$ 10,108	\$ 11,148
Income/withholding taxes	16,809 ^[1]	27,685 ^[1]
Iceland [Member]		
Income/withholding taxes	\$ 9,484	\$ 26,900

[1] We paid withholding taxes in Iceland of \$9,484 and \$26,900 in the six months ended June 30, 2012 and 2011, respectively. Our tax payments in Iceland for withholding taxes, estimated and prepayments of Icelandic income taxes and any associated refunds are denominated in ISK.

Asset retirement obligations (â€œAROâ€) (Details) (USD \$)	6 Months Ended		12 Months Ended
<i>Asset retirement obligations (â€œAROâ€) (Details) (USD \$) In Thousands, unless otherwise specified</i>	Jun. 30, 2012		Dec. 31, 2011
<i>Asset Retirement Obligation [Roll Forward]</i>			
Beginning balance, ARO liability	\$ 15,171		\$ 14,274
Additional ARO liability incurred	582		1,110
ARO liabilities settled	(690)		(1,315)
Accretion expense	584		1,102
Ending balance, ARO liability	\$ 15,647		\$ 15,171

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

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

In Thousands, unless otherwise specified

Jun. 30, 2012

Dec. 31, 2011

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

Unrealized loss on financial instruments	\$ (665)	\$ (682)
Defined benefit plan liabilities	16,564	17,311
Equity in investee other comprehensive income	523	558
Unrealized loss on financial instruments	(871)	(1,040)
Defined benefit plan liabilities	(139,142)	(142,259)
Equity in investee other comprehensive income	(8,476) ^[1]	(8,476) ^[1]
Other comprehensive loss before income tax effect	(148,489)	(151,775)
Income tax effect	16,422 ^[2]	17,187 ^[2]
Accumulated other comprehensive loss	\$ (132,067)	\$ (134,588)

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

[2] June 30, 2012 December 31, 2011 Unrealized loss on financial instruments \$(665) \$(682) Defined benefit plan liabilities 16,564 17,311 Equity in investee other comprehensive income 523 558

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

<i>Components of net periodic benefit cost (Details) (USD \$)</i> <i>In Thousands, unless otherwise specified</i>	3 Months Ended		6 Months Ended	
	Jun. 30, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011
<i>Defined Benefit Plans and Other Postretirement Benefit Plans Table</i> <i>Text Block [Line Items]</i>				
Employer contributions			\$ 5,458	
Other Postretirement Benefit Plans, Defined Benefit [Member]				
<i>Defined Benefit Plans and Other Postretirement Benefit Plans Table</i> <i>Text Block [Line Items]</i>				
Service cost	370	475	895	834
Interest cost	1,271	1,478	2,757	2,864
Expected return on plan assets	0	0	0	0
Amortization of prior service costs	(1,065) ^[1]	(15,534) ^[1]	(2,125)	(30,689)
Amortization of net loss	1,808	6,546	3,304	12,349
Total net periodic benefit cost	<u>2,384</u>	<u>(7,035)</u>	<u>4,831</u>	<u>(14,642)</u>
Pension Plans				
<i>Defined Benefit Plans and Other Postretirement Benefit Plans Table</i> <i>Text Block [Line Items]</i>				
Service cost	506	709	1,401	1,566
Interest cost	1,606	1,808	3,436	3,488
Expected return on plan assets	(1,782)	(1,776)	(3,482)	(3,315)
Amortization of prior service costs	34 ^[1]	34 ^[1]	69	69
Amortization of net loss	1,133	449	1,821	931
Total net periodic benefit cost	<u>\$ 1,497</u>	<u>\$ 1,224</u>	<u>\$ 3,245</u>	<u>\$ 2,739</u>

[1] Plan amendments made in November 2010 resulted in a reduction in OPEB liability and a credit to accumulated other comprehensive loss. The resulting prior service benefit and actuarial losses were amortized ratably into income over the period November 1, 2010 to June 30, 2011 at which time the CAWV OPEB plan terminated.

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, 2012	Jun. 30, 2011	Jun. 30, 2012	Jun. 30, 2011	Dec. 31, 2011

Guarantor Obligations [Line Items]

Percentage of subsidiary guarantor owned by company (in hundredths)			100.00%		
---	--	--	---------	--	--

Assets:

Cash and cash equivalents	\$ 156,512	\$ 232,401	\$ 156,512	\$ 232,401	
Accounts receivable net	71,936		71,936		47,647
Due from affiliates	34,671		34,671		44,665
Inventories	158,538		158,538		171,961
Prepaid and other assets	43,131		43,131		40,646
Total current assets	464,788		464,788		488,320
Investment in subsidiaries	0		0		0
Property, plant and equipment net	1,208,029		1,208,029		1,218,225
Other assets	106,284		106,284		104,549
TOTAL	1,779,101		1,779,101		1,811,094

Liabilities and shareholders' equity:

Accounts payable, trade	70,360		70,360		86,172
Due to affiliates	43,055		43,055		41,904
Accrued and other current liabilities	44,716		44,716		40,776
Accrued employee benefits costs current portion	16,107		16,107		16,698
Industrial revenue bonds	7,815		7,815		7,815
Total current liabilities	182,053		182,053		193,365
Senior notes payable	250,036		250,036		249,512
Accrued pension benefits costs less current portion	67,762		67,762		70,899
Accrued postretirement benefits costs less current portion	128,429		128,429		128,078
Other liabilities/intercompany loan	39,690		39,690		40,005
Deferred taxes less current portion	90,832		90,832		90,958
Total noncurrent liabilities	576,749		576,749		579,452

Shareholders' equity:

Preferred stock	1		1		1
Common stock	933		933		932
Additional paid-in capital	2,507,053		2,507,053		2,506,842
Treasury stock, at cost	(49,924)		(49,924)		(45,891)
	(132,067)		(132,067)		(134,588)

Accumulated other comprehensive income (loss)				
Retained earnings (accumulated deficit)	(1,305,697)		(1,305,697)	(1,289,019)
Total shareholders' equity	1,020,299		1,020,299	1,038,277
TOTAL	1,779,101		1,779,101	1,811,094
Net sales:				
Third-party customers	184,022	207,091	372,861	395,403
Related parties	139,597	159,186	276,948	297,211
Sales Revenue â€“ net	323,619	366,277	649,809	692,614
Cost of goods sold	317,662	316,763	623,260	600,784
Gross profit	5,957	49,514	26,549	91,830
Other operating income – net		(5,205)		(11,089)
Other operating expense (income) â€“ net	3,817	(5,205)	7,538	(11,089)
Selling, general and admin expenses	7,151	18,557	15,610	29,166
Operating income	(5,011)	36,162	3,401	73,753
Interest expense â€“ third party	(5,946)	(6,386)	(11,924)	(13,163)
Interest expense – related parties	0	0	0	0
Interest income â€“ third party	113	65	251	220
Interest income – affiliates	2	70	62	183
Net gain on forward contracts	1,450	(1,617)	(3,709)	(6,426)
Net loss on forward contracts		(1,617)	(3,709)	(6,426)
Other income (loss) – net		(1,132)	467	(455)
Other income (expense) – net	161	(1,132)	467	(455)
Income (loss) before income taxes and equity in earnings of joint ventures	(9,231)	27,162	(11,452)	54,112
Income tax benefit (expense)	(3,395)	(3,636)	(6,216)	(6,759)
Income (loss) before equity in earnings of joint ventures	(12,626)	23,526	(17,668)	47,353
Equity earnings (loss) of subsidiaries and joint ventures	349	460	990	1,679
Net income (loss)	(12,277)	23,986	(16,678)	49,032
Other comprehensive income (loss) before income tax effect:				
Net unrealized gain (loss) on financial instruments	26	(27)	(220)	(33)
Net loss (gain) reclassified to income on financial instruments	209	(39)	481	(50)
Net gain on foreign currency cash flow hedges reclassified to income	(46)	(47)	(93)	(93)
Defined benefit plans and other postretirement benefits:				
	49	(5,769)	49	(5,769)

Net gain (loss) arising during the period				
Amortization of prior service benefit	(1,031)	(15,501)	(2,056)	(30,620)
Amortization of net loss	2,941	6,995	5,125	13,280
Other comprehensive income (loss) before income tax effect	2,148	(14,388)	3,286	(23,285)
Income tax effect	(383)	(2,513)	(765)	(4,973)
Other comprehensive income (loss)	1,765	(16,901)	2,521	(28,258)
Comprehensive income (loss)	(10,512)	7,085	(14,157)	20,774

**CONDENSED CONSOLIDATING
STATEMENT OF CASH FLOWS**

Net cash provided by operating activities			(1,615)	(16,135)
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Investing activities:

Purchase of property, plant and equipment			(6,165)	(7,353)
Nordural expansion			(3,586)	(7,968)
Purchase of carbon anode assets			(14,524)	0
Investments in and advances to joint ventures			(200)	0
Payments received on advances from joint ventures			3,166	3,056
Proceeds from the sale of property, plant and equipment			68	56
Increase (Decrease) in Restricted Cash for Operating Activities				3,673
Net cash used in investing activities			(21,241)	(8,536)

Financing activities:

Repayments of debt			0	(47,067)
Repayment of contingent obligation				(189)
Borrowings under revolving credit facility			18,076	0
Repayments under revolving credit facility			(18,076)	0
Intercompany transactions			0	0
Repurchase of common stock			(4,033)	0
Issuance of common stock			0	32
Net cash provided by (used in) financing activities			(4,033)	(47,224)

CHANGE IN CASH AND CASH EQUIVALENTS			(26,889)	(71,895)
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Cash and cash equivalents, beginning of the period			183,401	304,296
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Cash and cash equivalents, end of the period	156,512	232,401	156,512	232,401
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Senior secured notes due May 15, 2014 [Member]

Guarantor Obligations [Line Items]

Interest rate (in hundredths)	8.00%	8.00%
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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	573	0	573
Accounts receivable â€” net	58,909		58,909	40,062
Due from affiliates	592,844		592,844	616,830
Inventories	92,417		92,417	96,197
Prepaid and other assets	2,396		2,396	8,668
Total current assets	746,566		746,566	761,757
Investment in subsidiaries	42,471		42,471	36,965
Property, plant and equipment â€” net	326,414		326,414	338,946
Other assets	21,840		21,840	21,870
TOTAL	1,137,291		1,137,291	1,159,538

Liabilities and shareholders' equity:

Accounts payable, trade	30,380		30,380	43,215
Due to affiliates	2,105,339		2,105,339	2,103,687
Accrued and other current liabilities	12,239		12,239	10,596
Accrued employee benefits costs â€” current portion	13,840		13,840	14,267
Industrial revenue bonds	7,815		7,815	7,815
Total current liabilities	2,169,613		2,169,613	2,179,580
Senior notes payable	0		0	0
Accrued pension benefits costs â€” less current portion	37,462		37,462	40,277
Accrued postretirement benefits costs â€” less current portion	122,995		122,995	122,609
Other liabilities/intercompany loan	64,474		64,474	63,369
Deferred taxes â€” less current portion	0		0	0
Total noncurrent liabilities	224,931		224,931	226,255
Shareholders' equity:				
Preferred stock	0		0	0
Common stock	60		60	60
Additional paid-in capital	302,659		302,659	297,300
Treasury stock, at cost	0		0	0
Accumulated other comprehensive income (loss)	(130,034)		(130,034)	(132,235)

Retained earnings (accumulated deficit)	(1,429,938)		(1,429,938)	(1,411,422)
Total shareholders' equity	(1,257,253)		(1,257,253)	(1,246,297)
TOTAL	1,137,291		1,137,291	1,159,538
Net sales:				
Third-party customers	131,721	143,052	267,575	273,539
Related parties	76,469	83,751	150,999	151,063
Sales Revenue " net	208,190	226,803	418,574	424,602
Cost of goods sold	223,297	212,685	430,233	399,705
Gross profit	(15,107)	14,118	(11,659)	24,897
Other operating income – net		(5,205)		(11,089)
Other operating expense (income) " net	3,817		7,538	
Selling, general and admin expenses	8,238	16,614	16,217	25,714
Operating income	(27,162)	2,709	(35,414)	10,272
Interest expense " third party	(5,946)	(6,386)	(11,924)	(13,163)
Interest expense – related parties	16,030	17,442	32,248	34,672
Interest income " third party	3	13	14	43
Interest income – affiliates	0	0	0	0
Net gain on forward contracts	1,450			
Net loss on forward contracts		(1,617)	(3,709)	(6,426)
Other income (loss) – net		(900)	798	(284)
Other income (expense) – net	(6)			
Income (loss) before income taxes and equity in earnings of joint ventures	(15,631)	11,261	(17,987)	25,114
Income tax benefit (expense)	(432)	1,769	(685)	3,590
Income (loss) before equity in earnings of joint ventures	(16,063)	13,030	(18,672)	28,704
Equity earnings (loss) of subsidiaries and joint ventures	386	1,406	156	2,608
Net income (loss)	(15,677)	14,436	(18,516)	31,312
Other comprehensive income (loss) before income tax effect:				
Net unrealized gain (loss) on financial instruments	26	(27)	(220)	(33)
Net loss (gain) reclassified to income on financial instruments	209	(39)	481	(50)
Net gain on foreign currency cash flow hedges reclassified to income	0	0	0	0
Defined benefit plans and other postretirement benefits:				
Net gain (loss) arising during the period	0	0	0	0
Amortization of prior service benefit	(1,047)	(15,517)	(2,088)	(30,652)

Amortization of net loss	2,429	6,723	4,102	12,737
Other comprehensive income (loss) before income tax effect	1,617	(8,860)	2,275	(17,998)
Income tax effect	(373)	(7,251)	(74)	(7,131)
Other comprehensive income (loss)	1,244	(16,111)	2,201	(25,129)
Comprehensive income (loss)	(14,433)	(1,675)	(16,315)	6,183

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities			(19,534)	(20,260)
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Investing activities:

Purchase of property, plant and equipment			(3,231)	(2,860)
Nordural expansion			0	0
Purchase of carbon anode assets			(14,524)	
Investments in and advances to joint ventures			0	
Payments received on advances from joint ventures			0	0
Proceeds from the sale of property, plant and equipment			10	0
Increase (Decrease) in Restricted Cash for Operating Activities				3,673
Net cash used in investing activities			(17,745)	813

Financing activities:

Repayments of debt				0
Repayment of contingent obligation				(189)
Borrowings under revolving credit facility			0	
Repayments under revolving credit facility			0	
Intercompany transactions			37,279	20,209
Repurchase of common stock			0	
Issuance of common stock				0
Net cash provided by (used in) financing activities			37,279	20,020

CHANGE IN CASH AND CASH EQUIVALENTS			0	573
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Cash and cash equivalents, beginning of the period			0	0
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Cash and cash equivalents, end of the period	0	573	0	573
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Combined Non-Guarantor Subsidiaries [Member]

Assets:

Cash and cash equivalents	138,699	193,658	138,699	193,658
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Accounts receivable â€” net	13,027		13,027	7,585
Due from affiliates	7,753		7,753	13,517
Inventories	66,121		66,121	75,764
Prepaid and other assets	36,760		36,760	38,809
Total current assets	262,360		262,360	294,832
Investment in subsidiaries	0		0	0
Property, plant and equipment â€” net	880,945		880,945	878,333
Other assets	58,061		58,061	43,269
TOTAL	1,201,366		1,201,366	1,216,434

Liabilities and shareholders' equity:

Accounts payable, trade	39,220		39,220	42,278
Due to affiliates	101,135		101,135	78,411
Accrued and other current liabilities	34,699		34,699	29,822
Accrued employee benefits costs â€” current portion	0		0	0
Industrial revenue bonds	0		0	0
Total current liabilities	175,054		175,054	150,511
Senior notes payable	0		0	0
Accrued pension benefits costs â€” less current portion	0		0	0
Accrued postretirement benefits costs â€” less current portion	0		0	0
Other liabilities/intercompany loan	640,070		640,070	686,834
Deferred taxes â€” less current portion	90,832		90,832	90,958
Total noncurrent liabilities	730,902		730,902	777,792

Shareholders' equity:

Preferred stock	0		0	0
Common stock	12		12	12
Additional paid-in capital	149,743		149,743	144,383
Treasury stock, at cost	0		0	0
Accumulated other comprehensive income (loss)	(1,449)		(1,449)	(1,373)
Retained earnings (accumulated deficit)	147,104		147,104	145,109
Total shareholders' equity	295,410		295,410	288,131
TOTAL	1,201,366		1,201,366	1,216,434

Net sales:

Third-party customers	52,301	64,039	105,286	121,864
Related parties	63,128	75,435	125,949	146,148
Sales Revenue â€” net	115,429	139,474	231,235	268,012
Cost of goods sold	94,365	104,078	193,027	201,079

Gross profit	21,064	35,396	38,208	66,933
Other operating income – net		0	0	0
Other operating expense (income) â€“ net	0			
Selling, general and admin expenses	(1,087)	1,943	(607)	3,452
Operating income	22,151	33,453	38,815	63,481
Interest expense â€“ third party	0	0	0	0
Interest expense – related parties	(16,030)	(17,442)	(32,248)	(34,672)
Interest income â€“ third party	110	52	237	177
Interest income – affiliates	2	70	62	183
Net gain on forward contracts	0			
Net loss on forward contracts		0	0	0
Other income (loss) – net		(232)	(331)	(171)
Other income (expense) – net	167			
Income (loss) before income taxes and equity in earnings of joint ventures	6,400	15,901	6,535	28,998
Income tax benefit (expense)	(2,963)	(5,405)	(5,531)	(10,349)
Income (loss) before equity in earnings of joint ventures	3,437	10,496	1,004	18,649
Equity earnings (loss) of subsidiaries and joint ventures	349	460	990	1,679
Net income (loss)	3,786	10,956	1,994	20,328
<i>Other comprehensive income (loss) before income tax effect:</i>				
Net unrealized gain (loss) on financial instruments	0	0	0	0
Net loss (gain) reclassified to income on financial instruments	0	0	0	0
Net gain on foreign currency cash flow hedges reclassified to income	(46)	(47)	(93)	(93)
<i>Defined benefit plans and other postretirement benefits:</i>				
Net gain (loss) arising during the period	0	0	0	0
Amortization of prior service benefit	0	0	0	0
Amortization of net loss	0	0	0	0
Other comprehensive income (loss) before income tax effect	(46)	(47)	(93)	(93)
Income tax effect	8	8	17	16
Other comprehensive income (loss)	(38)	(39)	(76)	(77)
Comprehensive income (loss)	3,748	10,917	1,918	20,251

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities			17,919	4,125
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Investing activities:

Purchase of property, plant and equipment			(2,879)	(4,164)
Nordural expansion			(3,586)	(7,968)
Purchase of carbon anode assets			0	
Investments in and advances to joint ventures			0	
Payments received on advances from joint ventures			0	0
Proceeds from the sale of property, plant and equipment			58	56
Increase (Decrease) in Restricted Cash for Operating Activities				0
Net cash used in investing activities			(6,407)	(12,076)

Financing activities:

Repayments of debt				0
Repayment of contingent obligation				0
Borrowings under revolving credit facility			0	
Repayments under revolving credit facility			0	
Intercompany transactions			(31,970)	(13,314)
Repurchase of common stock			0	
Issuance of common stock				0
Net cash provided by (used in) financing activities			(31,970)	(13,314)

CHANGE IN CASH AND CASH EQUIVALENTS			(20,458)	(21,265)
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Cash and cash equivalents, beginning of the period			159,157	214,923
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Cash and cash equivalents, end of the period	138,699	193,658	138,699	193,658
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Century Aluminum Company
[Member]

Assets:

Cash and cash equivalents	17,813	38,170	17,813	38,170
Accounts receivable â€” net	0		0	0
Due from affiliates	2,447,116		2,447,116	2,474,727
Inventories	0		0	0
Prepaid and other assets	3,975		3,975	3,169
Total current assets	2,468,904		2,468,904	2,502,140
Investment in subsidiaries	(1,004,314)		(1,004,314)	(995,131)
Property, plant and equipment â€” net	980		980	1,211
Other assets	38,883		38,883	39,410
TOTAL	1,504,453		1,504,453	1,547,630

Liabilities and shareholders' equity:

Accounts payable, trade	760	760	679
Due to affiliates	181,868	181,868	205,651
Accrued and other current liabilities	10,278	10,278	10,358
Accrued employee benefits costs â€” current portion	2,267	2,267	2,431
Industrial revenue bonds	0	0	0
Total current liabilities	195,173	195,173	219,119
Senior notes payable	250,036	250,036	249,512
Accrued pension benefits costs â€” less current portion	30,300	30,300	30,622
Accrued postretirement benefits costs â€” less current portion	5,434	5,434	5,469
Other liabilities/intercompany loan	3,211	3,211	4,631
Deferred taxes â€” less current portion	0	0	0
Total noncurrent liabilities	288,981	288,981	290,234

Shareholders' equity:

Preferred stock	1	1	1
Common stock	933	933	932
Additional paid-in capital	2,507,053	2,507,053	2,506,842
Treasury stock, at cost	(49,924)	(49,924)	(45,891)
Accumulated other comprehensive income (loss)	(132,067)	(132,067)	(134,588)
Retained earnings (accumulated deficit)	(1,305,697)	(1,305,697)	(1,289,019)
Total shareholders' equity	1,020,299	1,020,299	1,038,277
TOTAL	1,504,453	1,504,453	1,547,630

Net sales:

Third-party customers	0	0	0	0
Related parties	0	0	0	0
Sales Revenue â€” net	0	0	0	0
Cost of goods sold	0	0	0	0
Gross profit	0	0	0	0
Other operating income – net		0	0	0
Other operating expense (income) â€” net	0			
Selling, general and admin expenses	0	0	0	0
Operating income	0	0	0	0
Interest expense â€” third party	0	0	0	0
Interest expense – related parties	0	0	0	0
Interest income â€” third party	0	0	0	0
Interest income – affiliates	0	0	0	0

Net gain on forward contracts	0			
Net loss on forward contracts		0	0	0
Other income (loss) – net		0	0	0
Other income (expense) – net	0			
Income (loss) before income taxes and equity in earnings of joint ventures	0	0	0	0
Income tax benefit (expense)	0	0	0	0
Income (loss) before equity in earnings of joint ventures	0	0	0	0
Equity earnings (loss) of subsidiaries and joint ventures	(12,277)	23,986	(16,678)	49,032
Net income (loss)	(12,277)	23,986	(16,678)	49,032
<i>Other comprehensive income (loss) before income tax effect:</i>				
Net unrealized gain (loss) on financial instruments	26	(27)	(220)	(50)
Net loss (gain) reclassified to income on financial instruments	209	(39)	481	(33)
Net gain on foreign currency cash flow hedges reclassified to income	(46)	(47)	(93)	(93)
<i>Defined benefit plans and other postretirement benefits:</i>				
Net gain (loss) arising during the period	49	(5,769)	49	(5,769)
Amortization of prior service benefit	(1,031)	(15,501)	(2,056)	(30,620)
Amortization of net loss	2,941	6,995	5,125	13,280
Other comprehensive income (loss) before income tax effect	2,148	(14,388)	3,286	(23,285)
Income tax effect	(383)	(2,513)	(765)	(4,973)
Other comprehensive income (loss)	1,765	(16,901)	2,521	(28,258)
Comprehensive income (loss)	(10,512)	7,085	(14,157)	20,774

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities		0	0
<i>Investing activities:</i>			
Purchase of property, plant and equipment		(55)	(329)
Nordural expansion		0	0
Purchase of carbon anode assets		0	
Investments in and advances to joint ventures		(200)	
Payments received on advances from joint ventures		3,166	3,056
Proceeds from the sale of property, plant and equipment		0	0

Increase (Decrease) in Restricted Cash for Operating Activities				0
Net cash used in investing activities			2,911	2,727
Financing activities:				
Repayments of debt				(47,067)
Repayment of contingent obligation				0
Borrowings under revolving credit facility			18,076	
Repayments under revolving credit facility			(18,076)	
Intercompany transactions			(5,309)	(6,895)
Repurchase of common stock			(4,033)	
Issuance of common stock				32
Net cash provided by (used in) financing activities			(9,342)	(53,930)
<hr/>				
CHANGE IN CASH AND CASH EQUIVALENTS			(6,431)	(51,203)
Cash and cash equivalents, beginning of the period			24,244	89,373
Cash and cash equivalents, end of the period	17,813	38,170	17,813	38,170
Reclassifications and Eliminations [Member]				
Assets:				
Cash and cash equivalents	0		0	
Accounts receivable â€” net	0		0	0
Due from affiliates	(3,013,042)		(3,013,042)	(3,060,409)
Inventories	0		0	0
Prepaid and other assets	0		0	(10,000)
Total current assets	(3,013,042)		(3,013,042)	(3,070,409)
Investment in subsidiaries	961,843		961,843	958,166
Property, plant and equipment â€” net	(310)		(310)	(265)
Other assets	(12,500)		(12,500)	0
TOTAL	(2,064,009)		(2,064,009)	(2,112,508)
Liabilities and shareholders' equity:				
Accounts payable, trade	0		0	0
Due to affiliates	(2,345,287)		(2,345,287)	(2,345,845)
Accrued and other current liabilities	(12,500)		(12,500)	(10,000)
Accrued employee benefits costs â€” current portion	0		0	0
Industrial revenue bonds	0		0	0
Total current liabilities	(2,357,787)		(2,357,787)	(2,355,845)
Senior notes payable	0		0	0

Accrued pension benefits costs â€” less current portion	0	0	0
Accrued postretirement benefits costs â€” less current portion	0	0	0
Other liabilities/intercompany loan	(668,065)	(668,065)	(714,829)
Deferred taxes â€” less current portion	0	0	0
Total noncurrent liabilities	(668,065)	(668,065)	(714,829)
Shareholders' equity:			
Preferred stock	0	0	0
Common stock	(72)	(72)	(72)
Additional paid-in capital	(452,402)	(452,402)	(441,683)
Treasury stock, at cost	0	0	0
Accumulated other comprehensive income (loss)	131,483	131,483	133,608
Retained earnings (accumulated deficit)	1,282,834	1,282,834	1,266,313
Total shareholders' equity	961,843	961,843	958,166
TOTAL	(2,064,009)	(2,064,009)	(2,112,508)
Net sales:			
Third-party customers	0	0	0
Related parties	0	0	0
Sales Revenue â€” net	0	0	0
Cost of goods sold	0	0	0
Gross profit	0	0	0
Other operating income – net		0	0
Other operating expense (income) â€” net	0		
Selling, general and admin expenses	0	0	0
Operating income	0	0	0
Interest expense â€” third party	0	0	0
Interest expense – related parties	0	0	0
Interest income â€” third party	0	0	0
Interest income – affiliates	0	0	0
Net gain on forward contracts	0		
Net loss on forward contracts		0	0
Other income (loss) – net		0	0
Other income (expense) – net	0		
Income (loss) before income taxes and equity in earnings of joint ventures	0	0	0
Income tax benefit (expense)	0	0	0
	0	0	0

Income (loss) before equity in earnings of joint ventures				
Equity earnings (loss) of subsidiaries and joint ventures	11,891	(25,392)	16,522	(51,640)
Net income (loss)	11,891	(25,392)	16,522	(51,640)
<i>Other comprehensive income (loss) before income tax effect:</i>				
Net unrealized gain (loss) on financial instruments	(26)	27	220	50
Net loss (gain) reclassified to income on financial instruments	(209)	39	(481)	33
Net gain on foreign currency cash flow hedges reclassified to income	46	47	93	93
<i>Defined benefit plans and other postretirement benefits:</i>				
Net gain (loss) arising during the period	0	0	0	0
Amortization of prior service benefit	1,047	15,517	2,088	30,652
Amortization of net loss	(2,429)	(6,723)	(4,102)	(12,737)
Other comprehensive income (loss) before income tax effect	(1,571)	8,907	(2,182)	18,091
Income tax effect	365	7,243	57	7,115
Other comprehensive income (loss)	(1,206)	16,150	(2,125)	25,206
Comprehensive income (loss)	10,685	(9,242)	14,397	(26,434)
<i>Financing activities:</i>				
Cash and cash equivalents, beginning of the period			0	
Cash and cash equivalents, end of the period	\$ 0		\$ 0	

Subsequent events Increase in letters of credit to Big Rivers (Details) (Subsequent Event [Member], USD \$)

*Subsequent events Increase in letters
of credit to Big Rivers (Details)
(Subsequent Event [Member], USD
\$)*

Jul. 01, 2012

Jun. 30, 2012

*In Thousands, unless otherwise
specified*

Subsequent Event [Member]

Subsequent Event [Line Items]

Outstanding letters of credit issued
under the revolving credit facility

\$ 34,000

\$ 30,000

increase in letters of credit

\$ 4,000

Subsequent events Ingram Barge Lawsuit (Details) (Subsequent Event [Member], USD \$)

*Subsequent events Ingram Barge
Lawsuit (Details) (Subsequent Event
[Member], USD \$)*

Aug. 09, 2012

*In Thousands, unless otherwise
specified*

Subsequent Event [Member]

Subsequent Event [Line Items]

loss contingency, estimated by Ingram	\$ 4,600
Loss Contingency, Range of Possible Loss, Minimum	0
Loss Contingency, Range of Possible Loss, Maximum	\$ 5,000

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