



**Century**ALUMINUM

3<sup>rd</sup> Quarter Earnings Call  
October 27, 2016



# Cautionary Statement

This presentation and comments made by Century Aluminum management on the quarterly conference call contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: future global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); the potential outcome or occurrence of any trade claims to address excess capacity or unfair trade practices, our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects; our relationships with employees and labor unions; our plans with respect to the disposal of our Ravenswood smelter and the future operation or potential curtailment of our other U.S. assets; the future financial and operating performance of the Company, its subsidiaries and its projects; future earnings, operating results and liquidity; future inventory, production, sales, cash costs and capital expenditures; future impairment charges or restructuring costs, our business objectives, strategies and initiatives, including our ability to achieve productivity improvements or cost reductions; our ability to access existing or future financing arrangements; our ability to successfully manage transmission issues and market power price risk and to control or reduce power costs; our ability to successfully produce value-added products at our smelters; future construction investment and development, including at the Helgukvik Project, and our expansion project at Grundartangi, including our discussions regarding securing sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, timing, production capacity and sources of funding; and our ability to derive benefit from acquisitions and to successfully integrate these operations with the rest of our business.

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

In addition, throughout this conference call, we will use non-GAAP financial measures. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix of today's presentation and on our website at [www.centuryaluminum.com](http://www.centuryaluminum.com).

# Speakers

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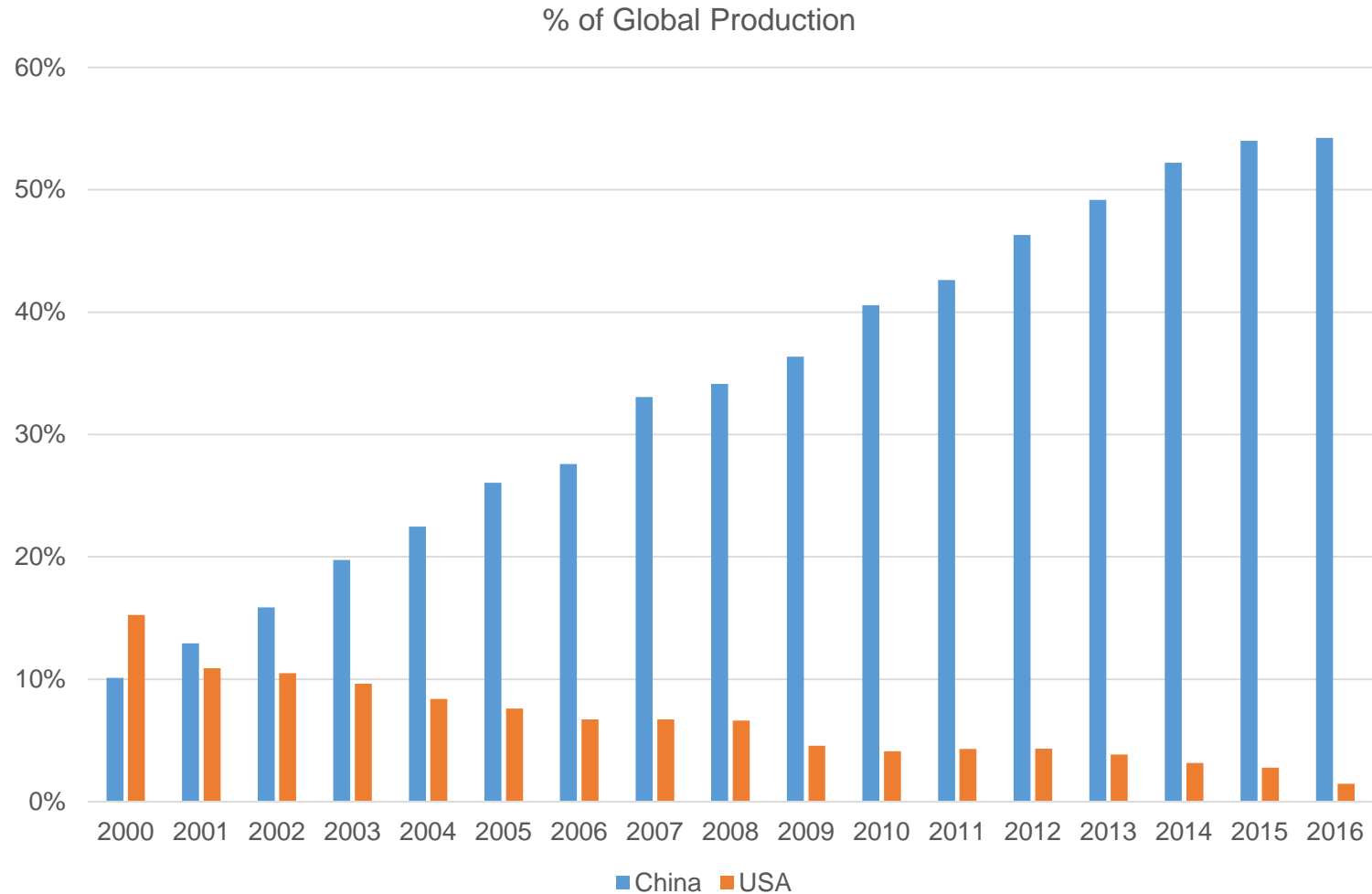
- Mike Bless, President and Chief Executive Officer
- Rick Dillon, Executive Vice President and Chief Financial Officer
- Shelly Harrison, Senior Vice President, Finance and Treasurer

# Overview

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- Market environment – mixed signals
- Operational/financial performance
  - Stable operations at all plants
  - Q3 market-related costs (alumina, power) up
- Settlement of WV retiree medical litigation
- Fair trade – efforts and conviction building

# Global Production



Source: CRU Group

# Q3 vs. Q2 Operations

	<u>Hawesville</u>	<u>Sebree</u>	<u>Mt. Holly</u>	<u>Grundartangi</u>
<b>Safety</b>				
<b>Production<sup>(1)</sup></b>	0%	-3%	-1%	-1%
<b>KPIs</b>			Flat	Flat
<b>Conversion cost<sup>(2)</sup></b>	8%	18%	9%	-1%

(1) Production on a tonnes per day basis  
 (2) Excludes alumina and casting

# Q3 2016 Summary Results

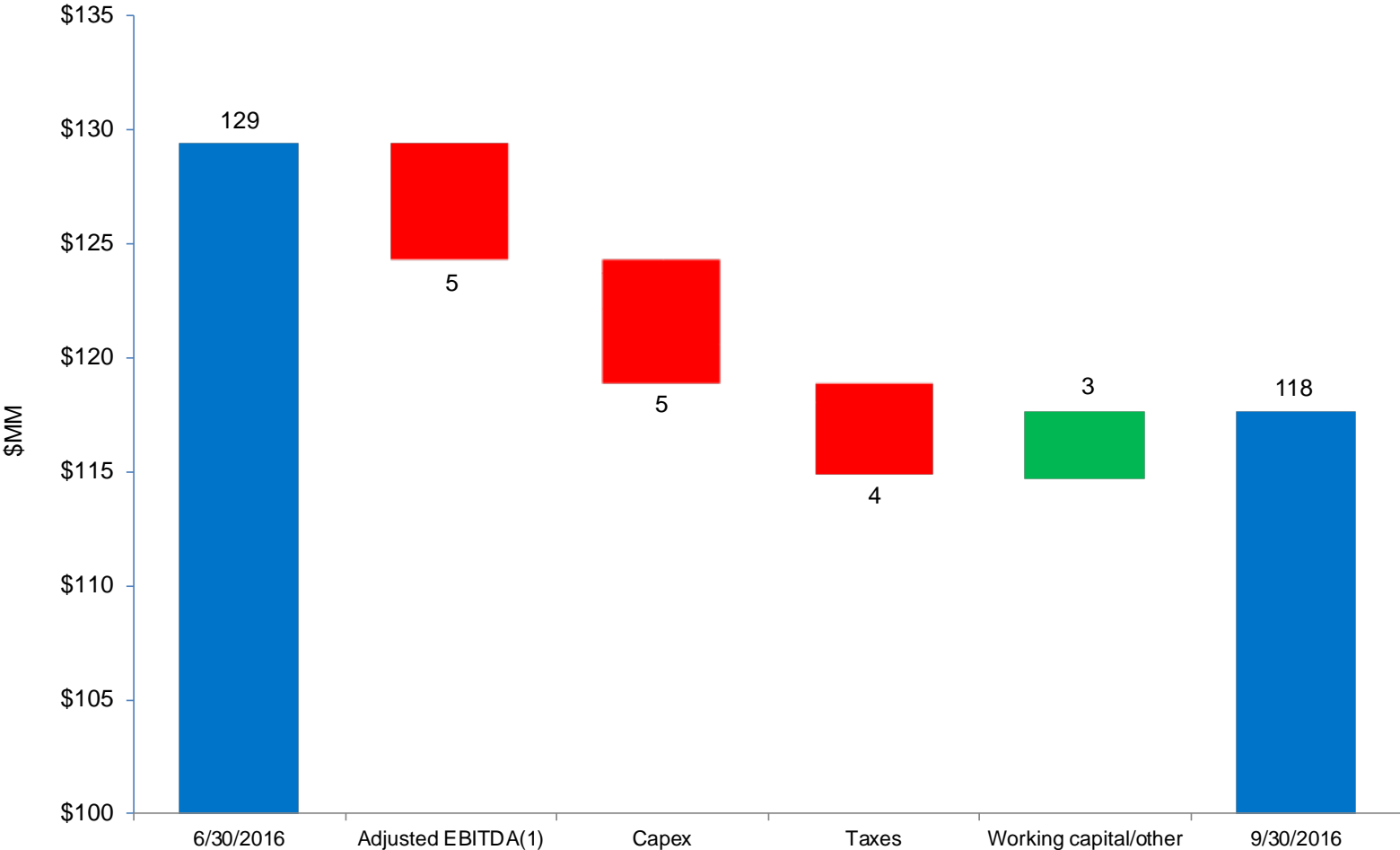
(\$MM, except per share and tonne amounts)

	Q216	Q316
<b>Income statement</b>		
Shipments (tonnes)	185,567	182,429
Net sales	\$ 327	\$ 334
Adjusted EBITDA <sup>(1)</sup>	21	(5)
Adjusted net loss <sup>(1)</sup>	(5)	(29)
Adjusted EPS <sup>(1)</sup>	\$ (0.05)	\$ (0.31)
<b>Liquidity</b>		
Cash	\$ 129	\$ 118
Revolver availability	<u>89</u>	<u>90</u>
Total	<u>\$ 218</u>	<u>\$ 208</u>
Total debt <sup>(2)</sup>	\$ 258	\$ 258
Net debt	128	140

(1) See reconciliation to comparable GAAP financial measure in appendix

(2) Principal amount

# Q3 2016 Cash Flow



(1) See reconciliation to comparable GAAP financial measure in appendix



# Appendix

## Non-GAAP Financial Measures

Adjusted EBITDA, adjusted net income (loss) and adjusted earnings (loss) per share are non-GAAP financial measures that management uses to evaluate Century's financial performance. These non-GAAP financial measures facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of Century's ongoing operating performance and ability to generate cash. Management believes these non-GAAP financial measures enhance an overall understanding of Century's performance and our investors' ability to review Century's business from the same perspective as management.

The following slides provide a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, adjusted EBITDA, adjusted net income (loss) and adjusted earnings (loss) per share included in the following slides may not be comparable to similarly titled measures of other companies. Investors are encouraged to review the reconciliation in conjunction with the presentation of these non-GAAP financial measures.

# Adjusted Net Income (loss) GAAP Reconciliation

	Q216		Q316	
	\$MM	EPS	\$MM	EPS
Net loss as reported	\$ (9.5)	\$ (0.11)	\$ (58.3)	\$ (0.67)
Ravenswood closure and retiree medical settlement	-	-	26.8	0.31
LCM inventory adjustment	4.9	0.05	2.4	0.03
Impact of preferred shares	-	0.01	-	0.02
Adjusted net loss	<u>\$ (4.6)</u>	<u>\$ (0.05)</u>	<u>\$ (29.1)</u>	<u>\$ (0.31)</u>

# Adjusted EBITDA GAAP Reconciliation

(\$MM)	Q216	Q316
Net loss	\$ (9.5)	\$ (58.3)
Interest expense	5.5	5.5
Interest income	(0.2)	(0.2)
Net gain on forward & delivery contracts	(0.4)	(1.3)
Other expense - net	0.3	0.2
Income tax benefit	(0.3)	(0.8)
Equity in earnings of joint ventures	(0.3)	(0.2)
Operating loss	<u>\$ (4.9)</u>	<u>\$ (55.1)</u>
Ravenswood closure and retiree medical settlement	-	26.8
LCM inventory adjustments	4.9	2.4
Depreciation and amortization	<u>21.2</u>	<u>20.8</u>
Adjusted EBITDA	<u><u>\$ 21.2</u></u>	<u><u>\$ (5.1)</u></u>

# For Additional Information

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