

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 March 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-34474

CenturyALUMINUM

Century Aluminum Company

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13-3070826

(IRS Employer Identification No.)

**One South Wacker Drive
Suite 1000**

Chicago, Illinois

(Address of principal executive offices)

60606

(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

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 87,262,175 shares of common stock outstanding at April 30, 2017.

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements.

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three months ended March 31,	
	2017	2016
NET SALES:		
Related parties	\$ 280,573	\$ 280,377
Other customers	85,213	38,477
Total net sales	365,786	318,854
Cost of goods sold	348,935	321,906
Gross profit (loss)	16,851	(3,052)
Selling, general and administrative expenses	10,702	9,625
Other operating expense - net	973	881
Operating income (loss)	5,176	(13,558)
Interest expense	(5,571)	(5,493)
Interest income	230	114
Net gain (loss) on forward and derivative contracts	(16,137)	353
Other income (expense) - net	384	(6)
Loss before income taxes and equity in earnings of joint ventures	(15,918)	(18,590)
Income tax benefit (expense)	308	2,070
Loss before equity in earnings of joint ventures	(15,610)	(16,520)
Equity in earnings of joint ventures	471	357
Net loss	<u>\$ (15,139)</u>	<u>\$ (16,163)</u>
Net loss allocated to common stockholders	\$ (15,139)	\$ (16,163)
LOSS PER COMMON SHARE:		
Basic and diluted	\$ (0.17)	\$ (0.19)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic and diluted	87,254	87,040

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

(Unaudited)

	Three months ended March 31,	
	2017	2016
Comprehensive loss:		
Net loss	\$ (15,139)	\$ (16,163)
Other comprehensive income (loss) before income tax effect:		
Net loss on foreign currency cash flow hedges reclassified as income	(46)	(46)
Defined benefit plans and other postretirement benefits:		
Amortization of prior service benefit during the period	(311)	(667)
Amortization of net loss during the period	2,143	1,919
Other comprehensive income before income tax effect	1,786	1,206
Income tax effect	(1,074)	(383)
Other comprehensive income	712	823
Total comprehensive loss	\$ (14,427)	\$ (15,340)

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY

CONSOLIDATED BALANCE SHEETS

(in thousands)

(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	\$ 125,895	\$ 132,403
Restricted cash	797	1,050
Accounts receivable - net	36,225	12,432
Due from affiliates	11,789	16,651
Inventories	244,720	233,563
Prepaid and other current assets	18,968	22,210
Assets held for sale	—	22,313
Total current assets	<u>438,394</u>	<u>440,622</u>
Property, plant and equipment - net	1,012,564	1,026,285
Other assets	74,849	73,420
TOTAL	<u>\$ 1,525,807</u>	<u>\$ 1,540,327</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 88,701	\$ 94,960
Due to affiliates	20,020	15,368
Accrued and other current liabilities	58,094	50,100
Accrued employee benefits costs	10,914	10,917
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>185,544</u>	<u>179,160</u>
Senior notes payable	247,809	247,699
Accrued pension benefits costs - less current portion	48,863	49,493
Accrued postretirement benefits costs - less current portion	126,729	126,355
Other liabilities	64,608	72,026
Deferred taxes	109,510	108,939
Total noncurrent liabilities	<u>597,519</u>	<u>604,512</u>
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
SHAREHOLDERS' EQUITY:		
Preferred stock (Note 7)	1	1
Common stock (Note 7)	944	944
Additional paid-in capital	2,515,647	2,515,131
Treasury stock, at cost	(86,276)	(86,276)
Accumulated other comprehensive loss	(113,181)	(113,893)
Accumulated deficit	(1,574,391)	(1,559,252)
Total shareholders' equity	<u>742,744</u>	<u>756,655</u>
TOTAL	<u>\$ 1,525,807</u>	<u>\$ 1,540,327</u>

See condensed notes to consolidated financial statements

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

	Three months ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (15,139)	\$ (16,163)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Unrealized loss on forward and derivative contracts	13,978	—
Unrealized gain on E.ON contingent obligation	(353)	(353)
Lower of cost or market inventory adjustment	(3,880)	(5,784)
Depreciation and amortization	20,938	21,260
Pension and other postretirement benefits	1,576	632
Deferred income taxes	(95)	(3,587)
Stock-based compensation	477	321
Equity in earnings of joint ventures, net of dividends	(393)	(357)
Change in operating assets and liabilities:		
Accounts receivable - net	(23,793)	(3,193)
Due from affiliates	4,862	1,939
Inventories	(4,677)	17,648
Prepaid and other current assets	4,726	14,290
Accounts payable, trade	(4,377)	(5,983)
Due to affiliates	3,296	(5,372)
Accrued and other current liabilities	(4,905)	1,253
Other - net	(3,585)	(1,648)
Net cash (used in) provided by operating activities	(11,344)	14,903
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(9,045)	(3,835)
Proceeds from sale of Ravenswood	13,585	—
Restricted and other cash deposits	253	—
Net cash provided by (used in) investing activities	4,793	(3,835)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facilities	233	371
Repayments under revolving credit facilities	(233)	(371)
Issuance of common stock	43	—
Net cash provided by financing activities	43	—
CHANGE IN CASH AND CASH EQUIVALENTS	(6,508)	11,068
Cash and cash equivalents, beginning of period	132,403	115,393
Cash and cash equivalents, end of period	<u>\$ 125,895</u>	<u>\$ 126,461</u>

See condensed notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements
Three months ended March 31, 2017 and 2016
(amounts in thousands, except share and 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, 2016. 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 three months of 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. Throughout this Form 10-Q, and unless expressly stated otherwise or as the context otherwise requires, "Century Aluminum," "Century," the "Company", "we," "us," "our" and "ours" refer to Century Aluminum Company and its consolidated subsidiaries.

The Company adopted Accounting Standard Update 2016-09 "Compensation - Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting," as of January 1, 2017 on a prospective basis. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

2. Related party transactions

Our significant related party transactions occurring during the three months ended March 31, 2017 and 2016 are described below. We believe that all of the transactions with our related parties were on terms that approximate market.

Glencore ownership

As of March 31, 2017, Glencore plc and its affiliates (together "Glencore") owned 42.9% of Century's outstanding common stock (47.5% on a fully-diluted basis assuming the conversion of all of the Series A Convertible Preferred Stock) and all of our outstanding Series A Convertible Preferred Stock. From time to time Century and Glencore enter into various transactions for the purchase and sale of primary aluminum, purchase and sale of alumina, tolling agreements and certain forward financial contracts.

Sales to Glencore

For the three months ended March 31, 2017 and 2016 we derived approximately 77% and 88%, respectively, of our consolidated sales from Glencore.

Glencore purchased aluminum produced at our North American smelters during 2016 under a purchase and sale agreement, effective as of December 31, 2014 (the "2015-2016 US Sales Agreement"). The 2015-2016 US Sales Agreement expired on December 31, 2016. We have since entered into a new agreement with Glencore pursuant to which Glencore has agreed to purchase aluminum produced at our North American smelters in 2017. The pricing for aluminum sold under these agreements is determined by reference to the Midwest Transaction Price plus additional negotiated product premiums.

We have also entered into an agreement with Glencore pursuant to which Glencore has agreed to purchase substantially all of the primary aluminum produced at Grundartangi through 2017 at prices based on the LME price for primary aluminum plus the European Duty Paid premium and any applicable product premiums.

Glencore purchases the aluminum we produce for resale.

Purchases from Glencore

We purchase alumina from Glencore under a long-term supply agreement and on a spot basis. Pursuant to our current agreement, Glencore has agreed to supply us with alumina through 2017 at prices indexed to the LME price of primary aluminum. In 2016 and 2017, upon mutual agreement, all of our purchases from Glencore under this agreement were priced based on a published alumina index.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

Financial contracts with Glencore

During 2017, we entered into certain financial contracts with Glencore. Refer to [Note 15 Derivatives](#) to the consolidated financial statements included herein.

Transactions with Baise Haohai Carbon Co., Ltd. ("BHH")

We own a 40% stake in BHH, a joint venture that owns a carbon anode and cathode facility located in the Guangxi Zhuang Autonomous Region of south China. We have an agreement with BHH to provide carbon anodes to Grundartangi through December 31, 2017.

Summary

A summary of the aforementioned significant related party transactions for the three months ended March 31, 2017 and 2016 is as follows:

	Three months ended March 31,	
	2017	2016
Net sales to Glencore	\$ 280,573	\$ 280,377
Purchases from Glencore	71,581	44,013
Purchases from BHH	2,780	2,383

3. Ravenswood property sale

On July 27, 2015, we announced the immediate and permanent closure of our Ravenswood, West Virginia aluminum smelter ("Ravenswood") which had been idled since February 2009. The decision to permanently close Ravenswood was based on the inability to secure a competitive power contract for the smelter, compounded by challenging aluminum market conditions largely driven by increased exports of aluminum from China.

In January 2017, we completed our sale of the Ravenswood facility and associated assets for an aggregate purchase price of \$15,000 in cash from the buyer.

4. Business acquisitions

Acquisition of Mt. Holly aluminum smelter

In 2014, our wholly-owned subsidiary, Berkeley Aluminum Inc. ("Berkeley", which already owned 49.7% of the Mt. Holly smelter) entered into a stock purchase agreement (the "Stock Purchase Agreement") with Alumax Inc. ("Alumax"), a wholly-owned subsidiary of Alcoa Inc. ("Alcoa"), pursuant to which Berkeley acquired all of the issued and outstanding shares of Alumax of South Carolina, Inc. ("Alumax of SC") and thereby became the owner of 100% of the Mt. Holly smelter. Pursuant to the terms of the Stock Purchase Agreement, Berkeley acquired all of the issued and outstanding shares of capital stock of Alumax of SC for \$67,500 in cash subject to a contingent earn-out payment, working capital and other similar adjustments. We received payments from Alcoa of \$12,500 in settlement of the contingent consideration in March 2016, \$11,313 for economic and working capital adjustments in April 2015 and \$2,400 at closing which was primarily for post-employment benefits. The total net cash consideration paid to Alcoa after final resolution of all post-closing adjustments, including the earn-out provision, was \$41,487. Immediately following the consummation of the transaction, Berkeley merged with and into Alumax of SC with Alumax of SC surviving and changing its name to Century Aluminum of South Carolina, Inc.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

5. Fair value measurements

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

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
Forward financial sales	2	Quoted market prices
Fixed for floating swaps	3	Quoted market prices, management's estimates of future U.S. Midwest premium
E.ON contingent obligation	3	Quoted market prices, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations

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

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. Considerations 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.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented. It is our policy to recognize transfers into and transfers out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

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

Recurring Fair Value Measurements	As of March 31, 2017			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 103,286	\$ —	\$ —	\$ 103,286
Trust assets	3,138	—	—	3,138
Surety bonds	1,618	—	—	1,618
Derivatives	—	—	1,610	1,610
TOTAL	\$ 108,042	\$ —	\$ 1,610	\$ 109,652
LIABILITIES:				
E.ON contingent obligation - net	\$ —	\$ —	\$ —	\$ —
Derivatives	—	13,015	1,900	14,915
TOTAL	\$ —	\$ 13,015	\$ 1,900	\$ 14,915

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

Recurring Fair Value Measurements	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 79,014	\$ —	\$ —	\$ 79,014
Trust assets	3,147	—	—	3,147
Surety bonds	1,874	—	—	1,874
Derivatives	—	—	925	925
TOTAL	\$ 84,035	\$ —	\$ 925	\$ 84,960
LIABILITIES:				
E.ON contingent obligation – net	\$ —	\$ —	\$ —	—
Derivatives	—	—	253	253
TOTAL	\$ —	\$ —	\$ 253	\$ 253

6. Earnings (loss) per share

Basic earnings (loss) per share ("EPS") amounts are calculated by dividing net income (loss) allocated to common stockholders by the weighted average number of common shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive securities.

In periods when we report a net loss, all share-based compensation awards are excluded from the calculation of diluted weighted average shares outstanding because of their antidilutive effect on loss per share. In periods when we report net income, certain share-based compensation awards may be excluded from the calculation of diluted EPS if the exercise price was greater than the average market price of the underlying common stock.

The following table shows the basic and diluted earnings (loss) per share for the three months ended March 31, 2017 and 2016:

	For the three months ended March 31,					
	2017			2016		
	Loss	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net loss	\$ (15,139)			\$ (16,163)		
Amount allocated to common stockholders	100.00%			100.00%		
Basic and diluted EPS:						
Net loss allocated to common stockholders	\$ (15,139)	87,254	\$ (0.17)	\$ (16,163)	87,040	\$ (0.19)

Securities excluded from the calculation of diluted EPS:

	Three months ended March 31,	
	2017	2016
Stock options	207,716	393,237
Service-based share awards	1,037,320	498,809

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

7. Shareholders' equity

Common Stock

As of March 31, 2017 and December 31, 2016, we had 195,000,000 shares of common stock, \$0.01 cent par value per share, authorized under our Restated Certificate of Incorporation, of which 94,448,636 shares were issued and 87,262,115 shares were outstanding at March 31, 2017; 94,437,418 shares were issued and 87,250,897 shares were outstanding at December 31, 2016.

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

Stock Repurchase Program

In 2011, our Board of Directors approved a \$60,000 common stock repurchase program which was expanded in 2015 to \$130,000. Through March 31, 2017 we had repurchased 7,186,521 shares of common stock for an aggregate purchase price of \$86,276. We have made no share repurchases since April 2015 and we have \$43,724 remaining under the repurchase program authorization. The repurchase program may be expanded, suspended or discontinued by our Board, in its sole discretion, 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 and we use an average cost method for determining the cost for reissued treasury shares. The difference between the cost of the shares and the reissuance price is added to or deducted from additional paid-in capital.

Preferred Stock

As of March 31, 2017 and December 31, 2016 we had 5,000,000 shares of preferred stock, \$0.01 cent par value per share, authorized under our Restated Certificate of Incorporation. In 2008, we issued 160,000 shares of our Series A Convertible Preferred Stock, all of which are held by Glencore, and at March 31, 2017 and December 31, 2016, 75,577 and 75,625 shares were outstanding, respectively. 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. The conversion of preferred to common shares is 100 shares of common for each share of preferred stock. Our Series A Convertible Preferred Stock has a par value of \$0.01 per share.

Our Board of Directors may issue preferred stock in one or more series and determine for each series the dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting that series, as well as the designation thereof. Depending upon the terms of preferred stock established by our Board of Directors, any or all of the preferred stock could have preference over the common stock with respect to dividends and other distributions and upon the liquidation of Century. In addition, issuance of any shares of preferred stock with voting powers may dilute the voting power of the outstanding common stock.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

The Common and Preferred Stock Activity table below contains additional information about preferred stock conversions during the three months ended March 31, 2017 and 2016.

Common and Preferred Stock Activity: (in shares)	Preferred stock	Common stock	
	Series A convertible	Treasury	Outstanding
Beginning balance as of December 31, 2016	75,625	7,186,521	87,250,897
Conversion of convertible preferred stock	(48)	—	4,795
Issuance for share-based compensation plans	—	—	6,423
Ending balance as of March 31, 2017	75,577	7,186,521	87,262,115
Beginning balance as of December 31, 2015	76,539	7,186,521	87,038,050
Conversion of convertible preferred stock	(93)	—	9,305
Issuance for share-based compensation plans	—	—	12,378
Ending balance as of March 31, 2016	76,446	7,186,521	87,059,733

8. Income taxes

We recorded an income tax benefit for the three months ended March 31, 2017 and 2016 of \$308 and \$2,070, respectively, which primarily consisted of foreign income taxes.

Our income tax benefit or expense is based on an annual effective tax rate forecast, including estimates and assumptions that could change during the year. The application of the requirements for accounting for income taxes in interim periods, after consideration of our valuation allowance, causes a significant variation in the typical relationship between income tax expense and pretax accounting income.

As of March 31, 2017, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance.

9. Inventories

Inventories consist of the following:

	March 31, 2017	December 31, 2016
Raw materials	\$ 74,121	\$ 59,415
Work-in-process	41,331	35,539
Finished goods	22,440	26,613
Operating and other supplies	106,828	111,996
Total inventories	\$ 244,720	\$ 233,563

Inventories are stated at the lower of cost or Net Realizable Value ("NRV") using the first-in, first-out ("FIFO") or the weighted average cost method.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
(amounts in thousands, except share and per share amounts)
(Unaudited)

10. Debt

	March 31, 2017	December 31, 2016
Debt classified as current liabilities:		
Hancock County industrial revenue bonds ("IRBs") due 2028, interest payable quarterly (variable interest rates (not to exceed 12%)) (1)	\$ 7,815	\$ 7,815
Debt classified as non-current liabilities:		
7.5% senior secured notes due June 1, 2021, net of debt discount of \$2,191 and \$2,301, respectively, interest payable semiannually	247,809	247,699
Total	\$ 255,624	\$ 255,514

(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 March 31, 2017 was 1.11%.

U.S. Revolving Credit Facility

We and certain of our direct and indirect domestic subsidiaries are party to a senior secured revolving credit facility, dated May 24, 2013, as amended, with a syndicate of lenders which provides for borrowings of up to \$150,000 in the aggregate, including up to \$10,000 under a letter of credit sub-facility (the "U.S. revolving credit facility"). Our U.S. revolving credit facility matures in June 2020. Any letters of credit issued and outstanding under the U.S. revolving credit facility reduce our borrowing availability on a dollar-for-dollar basis. The availability of funds under the U.S. revolving credit facility is limited by a specified borrowing base consisting of accounts receivable, inventory and qualified cash deposits of the borrowers which meet the eligibility criteria.

Status of our U.S. revolving credit facility:

	March 31, 2017
Credit facility maximum amount	\$ 150,000
Borrowing availability	115,288
Outstanding letters of credit issued	65,764
Outstanding borrowings	—
Borrowing availability, net of outstanding letters of credit and borrowings	49,524

Iceland Revolving Credit Facility

We have also entered into, through our wholly-owned subsidiary Nordural Grundartangi ehf, a \$50,000 revolving credit facility, dated November 27, 2013 (the "Iceland revolving credit facility"). The Iceland revolving credit facility expires on November 27, 2018. The availability of funds under the Iceland revolving credit facility is limited by a specified borrowing base consisting of inventory and accounts receivable of Grundartangi.

Status of our Iceland revolving credit facility:

	March 31, 2017
Credit facility maximum amount	\$ 50,000
Borrowing availability	50,000
Outstanding borrowings	—
Borrowing availability, net of borrowings	50,000

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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7.5% Notes due 2021

General. On June 4, 2013, we issued \$250,000 of our 7.5% Notes due June 1, 2021 (the "2021 Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended. The 2021 Notes were issued at a discount and bear interest at the rate of 7.5% per annum on the principal amount, payable semi-annually in arrears in cash on June 1st and December 1st of each year.

Fair Value. Fair value for our 2021 Notes was based on the latest trading data available and was \$250,000 and \$234,220, as of March 31, 2017 and December 31, 2016, respectively. Although we use quoted market prices for identical debt instruments, the markets on which they trade are not considered to be active and are therefore considered Level 2 fair value measurements.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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11. Commitments and contingencies

Environmental Contingencies

Based upon all available information, we believe our current environmental liabilities do not have, and are not likely to have, a material adverse effect on our financial condition, results of operations or liquidity. However, because of the inherent uncertainties in estimating environmental liabilities primarily due to unknown facts and circumstances and changing governmental regulations and legal standards regarding liability, 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 that may have a material adverse effect on our financial condition, results of operations or liquidity.

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 \$1,110 and \$998 at March 31, 2017 and December 31, 2016, respectively. All accrued amounts have been recorded without giving effect to any possible future recoveries. Costs for ongoing environmental compliance, including maintenance and monitoring are expensed as incurred.

Vernon

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 was stayed by the court in 2008 to allow for the remediation of environmental areas at the site. On June 30, 2016 the court ordered the stay lifted and reopened the case. The matter is in a preliminary stage in the U.S. District Court for the District of Delaware, and we cannot predict the ultimate outcome of this action or estimate a range of possible losses related to this matter at this time.

Matters relating to the St. Croix Alumina Refining Facility

We are a party to a United States Environmental Protection Agency Administrative Order on Consent (the "Order") pursuant to which certain 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. Through March 31, 2017, our affiliate, Virgin Islands Alumina Corporation LLC, has expended approximately \$1,085 on the Hydrocarbon Recovery Plan. At this time, we are not able to estimate the amount of any future potential payments under this indemnification to comply with the Order, but we do not anticipate that any such amounts will have a material adverse effect on our financial condition, results of operations or liquidity, regardless of the final outcome.

In December 2010, Century was among several defendants named in a lawsuit filed by 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 certain additional plaintiffs. The plaintiffs in both suits allege damages caused by the presence of red mud and other particulates coming from the alumina facility and are seeking unspecified monetary damages, costs and attorney fees as well as certain injunctive relief. We 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 motions to dismiss plaintiffs' claims. In August 2015, the Superior Court of the Virgin Islands, Division of St. Croix denied the motions to dismiss but ordered all plaintiffs to refile individual complaints. At this time, it is not possible to predict the ultimate outcome of or to estimate a range of possible losses for any of the foregoing actions relating to the St. Croix Alumina Refinery.

Legal Contingencies

In addition to the foregoing matters, we have pending against us or may be subject to various lawsuits, claims and proceedings related primarily to employment, commercial, stockholder, safety and health matters. While the results of such litigation matters and claims cannot be predicted with certainty, we believe that the final outcome of such matters will not have

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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a material adverse impact on our financial condition, results of operations or liquidity. However, because of the nature and inherent uncertainties of litigation, should the outcome of these actions be unfavorable, our business, financial condition, results of operations and liquidity could be materially and adversely affected.

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

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

Ravenswood Retiree Medical Benefits changes

In November 2009, Century Aluminum of West Virginia ("CAWV") filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW"), the USW's local and certain CAWV retirees, individually and as class representatives ("CAWV Retirees"), seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USW 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.

On February 9, 2017, CAWV entered into a settlement agreement in potential settlement of these actions. Under the terms of the settlement agreement, CAWV has agreed to make payments into a trust for the benefit of the CAWV Retirees in the aggregate amount of \$23,000 over the course of 10 years, with \$5,000 payable upon final approval by the court of the settlement agreement and \$2,000 payable annually thereafter for nine years. We recognized a \$23,000 liability in the consolidated balance sheets with a corresponding expense included in Ravenswood charges in the consolidated statements of operations in the third quarter of 2016. The settlement agreement is subject to final court approval which is not expected before the third quarter of 2017.

PBGC Settlement

In 2013, we entered into a settlement agreement with the Pension Benefit Guarantee Corporation ("PBGC") regarding an alleged "cessation of operations" at our Ravenswood facility. Pursuant to the terms of the agreement, we agreed to make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17,400. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we are able to defer one or more of these payments provided that we provide the PBGC with acceptable security for such deferred payments. We made contributions pursuant to this agreement of \$1,100 in 2015 and \$6,700 in 2013. We did not make any contributions in 2014, 2016 or the three months ended March 31, 2017. We have elected to defer certain payments under the PBGC agreement and have provided the PBGC with the appropriate security. The remaining contributions under this agreement are approximately \$9,600.

Power Commitments and Contingencies

Hawesville

Hawesville has a power supply arrangement with Kenergy and EDF Trading North America, LLC ("EDF") which provides market-based power to the Hawesville smelter. Under this arrangement, the power companies purchase power on the open market and pass it through to Hawesville at Midcontinent Independent System Operator ("MISO") pricing plus transmission and other costs. The power supply arrangement with Kenergy has an effective term through December 2023. The arrangement

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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with EDF to act as our market participant with MISO has an effective term through May 2018, extending year to year thereafter unless a one year notice is given.

Sebree

Sebree has a power supply arrangement with Kenergy and EDF which provides market-based power to the Sebree smelter. Similar to the arrangement at Hawesville, the power companies purchase power on the open market and pass it through to Sebree at MISO pricing plus transmission and other costs. The power supply arrangement with Kenergy has an effective term through December 2023. The arrangement with EDF to act as our market participant with MISO has an effective term through May 2018, extending year to year thereafter unless a one year notice is given.

Mt. Holly

Mt. Holly has a power supply arrangement pursuant to which 25% of the Mt. Holly load is served from the South Carolina Public Service Authority's ("Santee Cooper") generation at a cost-based industrial rate and 75% of the Mt. Holly load is sourced from a supplier that is outside Santee Cooper's service territory at market prices that are tied to natural gas prices. The agreement with Santee Cooper has a term through December 31, 2018. The agreement with the other power supplier has a term through December 31, 2017. Both of these agreements may be terminated by Mt. Holly on 60 days' notice.

Grundartangi

Grundartangi has power purchase agreements for approximately 525 MW 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 (subject to extension), 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 late 2016, Grundartangi reached an agreement with Landsvirkjun for an extension of the 161MW power contract that would have expired in October 2019. Under the terms of the extension, Landsvirkjun will continue to supply 161MW of power to Grundartangi from November 1, 2019 through December 31, 2023. Grundartangi will continue to pay LME-based variable rates through October 2019 and will pay rates linked to the Nord Pool power market thereafter.

Helguvik

Nordural Helguvik ehf ("Helguvik") has a power purchase agreement with OR to provide a portion of the power requirements to the Helguvik project. The agreement would provide power at LME-based variable rates and contains take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreements. The agreement also contains certain conditions to OR's obligations and OR has alleged that certain of these conditions have not been satisfied.

Other Commitments and Contingencies

Labor Commitments

The bargaining unit employees at our Grundartangi, Vlissingen, Hawesville and Sebree facilities are represented by labor unions, representing 64% of our total workforce.

Approximately 84% of Grundartangi's work force is represented by five labor unions, governed by a labor agreement which is effective through December 31, 2019 that establishes wages and work rules for covered employees. 100% of Vlissingen's work force is represented by the Federation for the Metal and Electrical Industry ("FME") by a labor agreement that is effective to June 1, 2018. The FME negotiates working conditions with trade unions on behalf of its members.

Approximately 54% of our U.S. based work force is represented by the USW. The labor agreement for Hawesville employees is effective through April 1, 2020. Century Sebree's labor agreement with the USW for its employees is effective through October 28, 2019. Mt. Holly employees are not represented by a labor union.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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12. Components of accumulated other comprehensive loss

	March 31, 2017	December 31, 2016
Defined benefit plan liabilities	\$ (124,085)	\$ (125,917)
Unrealized loss on financial instruments	2,814	2,860
Other comprehensive loss before income tax effect	(121,271)	(123,057)
Income tax effect (1)	8,090	9,164
Accumulated other comprehensive loss	<u>\$ (113,181)</u>	<u>\$ (113,893)</u>

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

	March 31, 2017	December 31, 2016
Defined benefit plan liabilities	\$ 8,654	\$ 9,736
Unrealized loss on financial instruments	(564)	(572)

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive loss ("AOCL"):

	Defined benefit plan and other postretirement liabilities	Unrealized loss on financial instruments	Total, net of tax
Balance, December 31, 2016	\$ (116,181)	\$ 2,288	\$ (113,893)
Net amount reclassified to net loss	750	(38)	712
Balance, March 31, 2017	<u>\$ (115,431)</u>	<u>\$ 2,250</u>	<u>\$ (113,181)</u>
Balance, December 31, 2015	\$ (110,667)	\$ (1,983)	\$ (112,650)
Net amount reclassified to net loss	861	(38)	823
Balance, March 31, 2016	<u>\$ (109,806)</u>	<u>\$ (2,021)</u>	<u>\$ (111,827)</u>

Reclassifications out of AOCL were included in the consolidated statements of operations as follows:

AOCL Components	Location	For the three months ended March	
		2017	2016
Defined benefit plan and other postretirement liabilities	Cost of goods sold	\$ 1,307	\$ 777
	Selling, general and administrative expenses	132	125
	Other operating expense, net	394	350
	Income tax expense	(1,083)	(391)
	Net of tax	<u>\$ 750</u>	<u>\$ 861</u>
Unrealized loss on financial instruments	Cost of goods sold	\$ (46)	\$ (46)
	Income tax benefit	8	8
	Net of tax	<u>\$ (38)</u>	<u>\$ (38)</u>

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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13. Components of net periodic benefit cost

	Pension Benefits	
	Three months ended March 31,	
	2017	2016
Service cost	\$ 1,224	\$ 1,270
Interest cost	3,332	3,480
Expected return on plan assets	(4,749)	(4,816)
Amortization of prior service costs	27	28
Amortization of net loss	1,232	1,043
Net periodic benefit cost	<u>\$ 1,066</u>	<u>\$ 1,005</u>
	Other Postretirement Benefits ("OPEB")	
	Three months ended March 31,	
	2017	2016
Service cost	\$ 247	\$ 330
Interest cost	1,366	1,456
Amortization of prior service cost	(338)	(695)
Amortization of net loss	911	876
Net periodic benefit cost	<u>\$ 2,186</u>	<u>\$ 1,967</u>

Employer contributions

During the three months ended March 31, 2017, we made contributions of \$437 to the qualified defined benefit and unqualified supplemental executive retirement benefit ("SERB") plans that we sponsor.

14. Supplemental cash flow information

	Three months ended March 31,	
	2017	2016
Cash paid for:		
Interest	\$ 174	\$ 160
Income taxes	3,049	2,596

15. Derivatives

As of March 31, 2017, we had an open position of 52,590 tonnes related to LME forward financial sales contracts, 48,540 tonnes of which are with Glencore, to fix the forward LME price (the "Forward Financial Sales Contracts"). Of these Forward Financial Sales Contracts, 49,500 tonnes settle monthly, on a ratable basis, through December 31, 2017, with the remainder expected to settle between November 1, 2019 and December 31, 2020. We also have financial contracts with Glencore to offset fixed price sales arrangements with certain of our customers (the "fixed for floating swaps") to remain exposed to the LME price. As of March 31, 2017, we had an open position related to such arrangements of 7,931 tonnes settling at various dates through May 2018.

During 2017, we also entered into financial contracts to fix the forward price of approximately 4% of power purchases at Grundartangi for the period November 1, 2019 through December 31, 2020 (the "power price swaps"). The power price swaps are not designated as cash flow hedges. As of March 31, 2017, we had an open position of 256,200 MWh related to the power price swaps.

CENTURY ALUMINUM COMPANY
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As of March 31, 2017, we had a derivative asset and liability of \$1,610 and \$14,915, respectively, in the consolidated balance sheets. We recognized a loss of \$16,137 related to our derivative instruments during the quarter ended March 31, 2017 in the consolidated statements of operations, substantially all of which related to transactions with Glencore. The impact of the derivative instruments on the consolidated balance sheets and consolidated statements of operations was not material for the corresponding prior periods presented.

FORWARD-LOOKING STATEMENTS

This quarterly report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, 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 (the "Exchange Act"), as amended. 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," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may."

Forward-looking statements in this quarterly report and in our other reports filed with the Securities Exchange Commission (the "SEC"), for example, may include statements regarding:

- Future global and local financial and economic conditions;
- Our assessment of the aluminum market and aluminum prices (including premiums);
- The potential outcome of any trade claims to address excess capacity or unfair trade practices in the aluminum industry;
- 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, plans, strategies and initiatives, including our ability to achieve productivity improvements or cost reductions, and our competitive position and prospects;
- Our plans and expectations with respect to the future operation or potential curtailment of our U.S. assets, including our Hawesville, Mt. Holly and Sebree smelters;
- Our ability to procure alumina, carbon products and other raw materials and our assessment of pricing and costs and other terms relating thereto;
- Access to existing or future financing arrangements;
- Our ability to repay debt in the future;
- Estimates of our pension and other postretirement liabilities and future payments, property plant and equipment impairment, environmental liabilities and other contingent liabilities and contractual commitments;
- Our ability to successfully manage transmission issues and wholesale market power price risk and to control or reduce power costs;
- Our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects, including at Mt. Holly;
- Our ability to successfully produce value-added products at our smelters;
- Future construction investment and development, including our ability to secure sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, timing, production capacity and sources of funding;
- Our ability to derive benefits from acquisitions, and to successfully integrate these operations with the rest of our business;
- The anticipated impact of recent accounting pronouncements or changes in accounting principles;
- Our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets;
- Our assessment of the ultimate outcome of outstanding litigation and environmental matters and liabilities relating thereto; and
- The effect of future laws and regulations.

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 SEC. 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.

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

This Management’s Discussion and Analysis (“MD&A”) provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Century Aluminum Company and its subsidiaries (collectively, “Century,” the “Company,” “our” and “we”) and should be read in conjunction with the accompanying consolidated financial statements and related notes thereto. This MD&A contains “forward-looking statements” - see “Forward-Looking Statements” above.

Overview

We are a global producer of primary aluminum with aluminum reduction facilities, or “smelters,” in the United States and Iceland. The key determinants of our results of operations and cash flow from operations are as follows:

- the price of primary aluminum, which is based on the LME, or other exchanges, regional delivery premiums and any value-added product premiums;
- the cost of goods sold, the principal components of which are electrical power, alumina, carbon products and labor, which in aggregate exceed 75% of our cost of goods sold; and
- our production and shipment volume.

Results of Operations

The following discussion for the three months ended March 31, 2017 reflects Grundartangi and Sebree operating at full capacity and Hawesville and Mt. Holly operating at approximately 40% and 50% of full capacity, respectively.

	Three months ended March 31,	
	2017	2016
	(In thousands, except per share data)	
NET SALES:		
Related parties	\$ 280,573	\$ 280,377
Other customers	85,213	38,477
Total net sales	\$ 365,786	\$ 318,854
Gross profit (loss)	\$ 16,851	\$ (3,052)
Net loss	\$ (15,139)	\$ (16,163)
LOSS PER COMMON SHARE:		
Basic and diluted	\$ (0.17)	\$ (0.19)

SHIPMENTS - PRIMARY ALUMINUM

	Direct¹				Toll	
	United States		Iceland		Iceland	
	Tonnes	Sales \$ (000)	Tonnes	Sales \$ (000)	Tonnes	Sales \$ (000)
2017						
1st Quarter	106,961	\$ 214,705	79,434	\$ 149,535	—	—
2016						
1st Quarter	105,089	\$ 194,826	55,030	\$ 92,151	22,500	\$ 26,115

(1) Excludes scrap aluminum sales.

Net sales (in millions)	2017	2016	\$ Difference	% Difference
Three months ended March 31,	\$ 365.8	\$ 318.9	\$ 46.9	14.7%

Net sales improved by \$46.9 million compared to the first quarter of 2016 primarily due to increased market prices of \$33.3 million combined with higher shipment volume and a shift from toll to direct sales at Grundartangi of \$13.6 million.

Gross profit (loss) (in millions)	2017	2016	\$ Difference	% Difference
Three months ended March 31,	\$ 16.9	\$ (3.1)	\$ 20.0	100+%

Gross profit improved by \$20.0 million compared to first quarter of 2016 due to higher price realizations of \$33.3 million, increased shipment volume of \$3.3 million and plant spending and performance improvements of \$9.8 million partially offset by higher power prices of \$14.6 million and higher alumina prices of \$12.1 million, which includes the impact of lower of cost or market (“LCM”) adjustments.

Selling, general and administrative expenses (in millions)	2017	2016	\$ Difference	% Difference
Three months ended March 31,	\$ 10.7	\$ 9.6	\$ 1.1	11.5%

Selling, general and administrative expenses increased \$1.1 million compared to the same period last year primarily due to increases in stock-based compensation expenses.

Net gain (loss) on forward and derivative contracts (in millions)	2017	2016	\$ Difference	% Difference
Three months ended March 31,	\$ (16.1)	\$ 0.4	\$ (16.5)	(100+)%

During the first quarter of 2017, realized and unrealized losses of \$2.5 million and \$13.6 million, respectively, resulted primarily from the LME market price increase impact on the fair value of our forward and derivative contracts. See [Note 15 Derivatives](#) to the consolidated financial statements included herein for additional information.

Income tax benefit (expense) (in millions)	2017	2016	\$ Difference	% Difference
Three months ended March 31,	\$ 0.3	\$ 2.1	\$ (1.8)	(85.7)%

We have a valuation allowance against all of our U.S. and certain foreign deferred tax assets. The period to period differences in income tax expense are primarily due to the change in earnings at our foreign entities that are not subject to a valuation allowance while the entities that are subject to a valuation allowance are unable to recognize a tax benefit for their losses. See [Note 8 Income taxes](#) to the consolidated financial statements included herein for additional information.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are available cash, cash flow from operations and borrowing capacity under our existing revolving credit facilities. We have also raised capital in the past through the public equity and debt markets, and we regularly explore various other financing alternatives. Our principal uses of cash include the funding of operating costs (including post-retirement benefits), debt service requirements, the funding of capital expenditures, investments in our growth activities and in related businesses, working capital and other general corporate requirements.

Available Cash

Our consolidated cash and cash equivalents balance at March 31, 2017 was \$125.9 million compared to \$132.4 million at December 31, 2016.

Sources and Uses of Cash

Our statements of cash flows for the three months ended March 31, 2017 and 2016 are summarized below:

	Three months ended March 31,	
	2017	2016
	(in thousands)	
Net cash (used in) provided by operating activities	\$ (11,344)	\$ 14,903
Net cash provided by (used in) investing activities	4,793	(3,835)
Net cash provided by financing activities	43	—
Change in cash and cash equivalents	\$ (6,508)	\$ 11,068

Net cash used in operating activities for the three months ended March 31, 2017 was \$11.3 million, compared to \$14.9 million in cash provided by operating activities for the three months ended March 31, 2016. The decrease in cash was primarily due to a \$20.6 million increase in trade accounts receivable in 2017 as compared to 2016 resulting from a change in payment terms for certain of our U.S. customer contracts and an increase in inventory (net of LCM) of \$20.4 million resulting primarily from higher alumina prices. In addition, 2016 operating cash flows included receipt of \$12.5 million for the contingent earn-out related to the Mt. Holly acquisition.

Net cash provided by investing activities for the three months ended March 31, 2017 was \$4.8 million, compared to \$3.8 million used in investing activities for the three months ended March 31, 2016. The increase in cash provided by investing activities was due to proceeds of \$13.6 million received in January 2017 from the sale of our Ravenswood facility partially offset by an increase in capital expenditures in 2017 of \$5.2 million.

Net cash used in financing activities for the three months ended March 31, 2017 and 2016 was immaterial.

Availability Under Our Credit Facilities

We and certain of our direct and indirect subsidiaries are party to a senior secured revolving credit facility for our U.S. operations, dated May 24, 2013, as amended, with a syndicate of lenders which provides for borrowings of up to \$150 million in the aggregate, including up to \$110 million under a letter of credit sub-facility. We have also entered into, through our wholly-owned subsidiary Nordural Grundartangi ehf, a \$50 million revolving credit facility, dated November 27, 2013. Our U.S. revolving credit facility matures in June 2020 and our Iceland revolving credit facility matures in November 2018.

The availability of funds under our credit facilities is limited by a specified borrowing base consisting of certain accounts receivable, inventory and qualified cash deposits. Curtailments of production capacity decrease our borrowing base by reducing our accounts receivable and inventory balances. As of March 31, 2017, our credit facilities had \$99.5 million of net availability, after consideration of our outstanding letters of credit. We may borrow and make repayments under our credit facilities in the ordinary course based on a number of factors, including the timing of payments from our customers and payments to our suppliers. The borrowings and repayments under our credit facilities for the three months ended March 31, 2017 were related to routine banking fees.

As of March 31, 2017, we had \$65.8 million of letters of credit outstanding under our U.S. revolving credit facility with 74% related to our domestic power commitments and the remainder securing certain debt and workers' compensation commitments. Due to favorable results from the MISO capacity auction our outstanding letters of credit decreased by \$25.7 million in April 2017.

Our credit facilities contain customary covenants, including restrictions on mergers and acquisitions, indebtedness, affiliate transactions, liens, dividends and distributions, dispositions of collateral, investments and prepayments of indebtedness, including, in the U.S., a springing financial covenant that requires us to maintain a fixed charge coverage ratio of at least 1.1 to 1.0 any time availability under the U.S. revolving credit facility is less than or equal to \$15.0 million. As of March 31, 2017, our fixed charge coverage ratio was less than 1.1 to 1.0; however, our availability under the U.S. credit facility was \$49.5 million. Our Icelandic credit facility also contains a covenant that requires Grundartangi to maintain a minimum equity ratio. As of March 31, 2017, we were in compliance with all such covenants.

Senior Secured Notes

We have \$250 million in 7.5% senior secured notes payable that will mature on June 1, 2021. The indenture governing the 2021 Notes contains customary covenants which may limit our ability, and the ability of certain of our subsidiaries, to: (i) incur additional debt; (ii) incur additional liens; (iii) pay dividends or make distributions in respect of capital stock; (iv) purchase or redeem capital stock; (v) make investments or certain other restricted payments; (vi) sell assets; (vii) issue or sell stock of certain subsidiaries; (viii) enter into transactions with shareholders or affiliates; and (ix) effect a consolidation or merger.

Contingent Commitments

We have a contingent obligation to E.ON which consists of the aggregate E.ON payments made to Big Rivers on CAKY's behalf in excess of the agreed upon base amount under the long-term cost-based power contract with Kenergy. As of March 31, 2017, the principal and accrued interest for the E.ON contingent obligation was \$21.4 million, which was fully offset by a derivative asset. We may be required to make installment payments for the E.ON contingent obligation in the future. These payments are contingent based on the LME price of primary aluminum and the level of Hawesville's operations. Based on the LME forward market at March 31, 2017 and management's estimate of the LME forward market beyond the quoted market period, we have assessed that we will not be required to make payments on the E.ON contingent obligation during the term of the agreement through 2028. There can be no assurance that circumstances will not change, thus accelerating the timing of such payments.

Employee Benefit Plan Contributions

In April 2013, we entered into a settlement agreement with the PBGC regarding an alleged "cessation of operations" at our Ravenswood facility as a result of the curtailment of operations at the facility and, pursuant to the agreement, we agreed to make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17.4 million. The agreement permits us to defer payments during periods of lower primary aluminum prices relative to our cost of operations. We remeasure aluminum prices against our cost of operations on an annual basis based on our fourth quarter results. To the extent that we elect to defer one or more of these payments, we are required to provide the PBGC with acceptable security for any such deferred payments. We made contributions pursuant to this agreement of \$1.1 million in 2015 and \$6.7 million in 2013. We did not make any contributions during 2014, 2016 and the three month period ended March 31, 2017. The remaining contributions under this agreement are approximately \$9.6 million.

During 2017 we expect to make aggregate contributions of \$1.8 million to our qualified defined benefit plans and an unqualified supplemental executive retirement benefits plan. Through March 31, 2017, we made contributions of \$0.4 million.

Other items

In 2011, our Board of Directors approved a \$60 million common stock repurchase program which was expanded in 2015 to \$130 million. Through March 31, 2017, we expended \$86.3 million under the program and repurchased 7.2 million common shares. There have been no share repurchases since April 2015 and as of March 31, 2017, we had \$43.7 million remaining under the repurchase program authorization. The repurchase program may be expanded, suspended or discontinued by our Board, in its sole discretion, at any time.

In November 2009, Century Aluminum of West Virginia ("CAWV") filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW"), the USW's local and certain CAWV retirees, individually and as class representatives ("CAWV Retirees"), seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USW 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.

On February 9, 2017, CAWV entered into a settlement agreement in potential settlement of these actions. Under the terms of the settlement agreement, CAWV has agreed to make payments into a trust for the benefit of the CAWV Retirees in the aggregate amount of \$23 million over the course of 10 years, with \$5 million payable upon final approval by the court of the settlement agreement and \$2 million payable annually thereafter for nine years. We recognized a \$23 million liability in the consolidated balance sheets with a corresponding expense included in Ravenswood charges in the consolidated statements of operations in the third quarter of 2016. The settlement agreement is subject to final court approval which is not expected before the third quarter of 2017. We expect to utilize cash flows from operations to fund the payments associated with this settlement. See [Note 11 Commitments and contingencies](#) to the consolidated financial statements included herein for additional information.

We are also a defendant in several actions relating to various aspects of our business. While it is impossible to predict the ultimate disposition of any such litigation, we do not believe that any of these lawsuits, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or liquidity. See [Note 11 Commitments and contingencies](#) to the consolidated financial statements included herein for additional information.

Capital Resources

We intend to finance our future recurring capital expenditures from available cash, cash flow from operations and available borrowing capacity under our existing revolving credit facilities. For major investment projects we would likely seek financing from various capital and loan markets, and may potentially pursue the formation of strategic alliances. We may be unable, however, to issue additional debt or equity securities, or enter into other financing arrangements on attractive terms, or at all, 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 debt or capital markets and our financial condition.

Capital expenditures for the three months ended March 31, 2017 were \$9.0 million. We estimate our total capital spending in 2017 will be approximately \$25.0 to \$30.0 million, primarily related to our ongoing maintenance and investment projects at our smelters.

Critical Accounting Estimates

Inventories

Inventories are stated at lower of cost or market.

Our estimate of the market value of our inventories involves establishing a net realizable value for both finished goods and the components of inventory that will be converted to finished goods, raw materials and work in process. This requires management to use its judgment when making assumptions about future selling prices and the costs to complete our inventory during the period in which it will be sold.

Our assumptions are subject to inherent uncertainties given the volatility surrounding the market price for primary aluminum sales and the market price for one of our major inputs, electrical power.

Although we believe that the assumptions used to estimate the market value of our inventory are reasonable, actual market conditions at the time that our inventory is sold may be more or less favorable than management's current estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Commodity Price Sensitivity

We are exposed to price risk for primary aluminum. From time to time, we may manage our exposure to fluctuations in the price of primary aluminum through financial instruments designed to protect our downside price risk exposure. As of March 31, 2017, we had open LME forward financial sales contracts to fix the forward LME price of 52,590 tonnes of primary aluminum. Of these, 49,500 tonnes settle monthly, on a ratable basis, through December 31, 2017, with the remaining expected to settle ratably between November 1, 2019 and December 31, 2020. At March 31, 2017 we recorded a liability of \$13.0 million to reflect the fair value for the forward financial sales contracts.

From time to time, we enter into financial contracts to offset fixed price sales arrangements with certain of our customers to remain exposed to the LME price. As of March 31, 2017, we had open positions related to such arrangements of 7,931 tonnes of primary aluminum which settle on various dates up to and including May 2018. These financial contracts have equal and offsetting asset and liability positions, resulting in a net fair value of zero.

We are also exposed to price risk for alumina which is a large component of our cost of goods sold. We may from time to time manage our exposure to fluctuations in our alumina costs by purchasing certain of our alumina requirements under supply contracts with prices tied to the same indices as our aluminum sales contracts (the LME price of primary aluminum). Currently, all of our alumina contracts are priced based on a published alumina index.

Our risk management activities do not include any trading or speculative transactions.

Market-Based Power Price Sensitivity

Market-Based Electrical Power Agreements

Hawesville and Sebree have market-based electrical power agreements pursuant to which EDF and Kenergy purchase electrical power on the open market and pass it through at MISO energy pricing, plus transmission and other costs incurred by them. 75% of Mt. Holly's electric power requirements were supplied at rates based on natural gas prices. [See Note 11 "Commitments and Contingencies"](#) to the consolidated financial statements included herein for additional information about these market-based power agreements.

Power is supplied to Grundartangi from hydroelectric and geothermal sources under long-term power purchase agreements. These power purchase agreements, which will expire on various dates from 2023 through 2036 (subject to extension), primarily provide power at LME-based variable rates. However, Grundartangi has agreed to pay a portion of its power from November 1, 2019 through December 31, 2023 at prices based upon the Nord Pool power market.

Electrical Power Price Sensitivity

With the movement toward market-based power supply agreements, we have increased our electrical power price risk for our operations, whether due to fluctuations in the price of power available on the MISO or Nord Pool power markets or the price of natural gas. Power represents our single largest operating cost, so changes in the price and/or availability of market power could significantly impact the profitability and viability of our operations. Transmission line outages, problems with grid stability or limitations on energy import capability could also increase power prices, disrupt production through pot instability or force a curtailment of all or part of the production at these facilities. In addition, indirect factors that lead to power cost increases, such as any increasing prices for natural gas or coal, fluctuations in or extremes in weather patterns or new or more stringent environmental regulations may severely impact our financial condition, results of operations and liquidity.

From time to time, we may manage our exposure to fluctuations in the market price of power through financial instruments designed to protect our downside risk exposure. During 2017, we entered into financial contracts to fix the forward price of approximately 4% of power purchases at Grundartangi for the period November 1, 2019 through December 31, 2020 (the "power price swaps"). As of March 31, 2017, we had an open position of 256,200 MWh related to the power price swaps and the fair value was immaterial.

The consumption shown in the table below is at normal capacity levels and does not reflect partial production curtailments.

Electrical power price sensitivity by location:

	Hawesville	Sebree	Mt. Holly	Total
Expected average load (in megawatts ("MW"))	482	385	400	1,267
Quarterly estimated electrical power usage (in megawatt hours ("MWh"))	1,055,580	843,150	876,000	2,774,730
Quarterly cost impact of an increase or decrease of \$1 per MWh (in thousands)	\$ 1,100	\$ 800	\$ 900	\$ 2,800
Annual expected electrical power usage (in MWh)	4,222,320	3,372,600	3,504,000	11,098,920
Annual cost impact of an increase or decrease of \$1 per MWh (in thousands)	\$ 4,200	\$ 3,400	\$ 3,500	\$ 11,100

The operations at Hawesville and Mt. Holly, however, are currently running at approximately 40% and 50% of full capacity, respectively.

Foreign Currency

We are exposed to foreign currency risk due to fluctuations in the value of the U.S. dollar as compared to the ISK, the euro, the Chinese renminbi and other currencies. Grundartangi's labor costs, part of its maintenance costs and other local services are denominated in ISK and a portion of its anode costs are denominated in euros and Chinese renminbi. We have deposits denominated in ISK in Icelandic banks; in addition, our 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. In addition, Vlissingen's labor costs, maintenance costs and other local services are denominated in euros.

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 March 31, 2017, we had no foreign currency forward contracts outstanding.

Natural Economic Hedges

Any analysis of our exposure to the commodity price of aluminum should consider the impact of natural hedges provided by certain contracts that contain pricing indexed to the LME price for primary aluminum. A substantial portion of Grundartangi's electrical power requirements are indexed to the LME price for primary aluminum and provide a natural hedge for a portion of our production.

Risk Management

Any metals, power, natural gas and foreign currency 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 March 31, 2017, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our management, including the Chief Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2017.

b. Changes in Internal Control over Financial Reporting

During the three months ended March 31, 2017, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are a party from time to time in various legal actions arising in the normal course of business, the outcomes of which, in the opinion of management, neither individually nor in the aggregate are likely to result in a material adverse effect on our financial condition, results of operations or liquidity. For information regarding legal proceedings pending against us at March 31, 2017, refer to [Note 11 Commitments and contingencies](#) to the consolidated financial statements included herein.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. You should carefully consider the risk factors contained in our Annual Report on Form 10-K and the other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

None.

Item 5. Other Information

Disclosure pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act

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

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

During the quarter ended March 31, 2017, non-U.S. affiliates of the largest stockholder of the Company (“the non-U.S. Stockholder Affiliates”) entered into sales and purchase contracts for metals, minerals and energy products with, or for delivery to or from Iranian entities wholly or majority owned by the GOI. The non-U.S. Stockholder Affiliates performed their obligations under the contracts in compliance with applicable sanctions laws and, where required, with the necessary prior approvals by the relevant governmental authorities.

The gross revenue of the non-U.S. Stockholder Affiliates related to the contracts did not exceed the value of USD 234 million for the quarter ended March 31, 2017.

The non-U.S. Stockholder Affiliates do not allocate net profit on a country-by-country or activity-by-activity basis, but estimate that the net profit attributable to the contracts would not exceed a small fraction of the gross revenue from such contracts. It is not possible to determine accurately the precise net profit attributable to such contracts.

The contracts disclosed above do not violate applicable sanctions laws administered by the U.S. Department of the Treasury, Office of Foreign Assets Control, and are not the subject of any enforcement action under Iran sanction laws.

In compliance with applicable economic sanctions and in conformity with US secondary sanctions, the non-U.S. Stockholder Affiliates expect to continue to engage in similar activities in the future.

The Company and its global subsidiaries had no transactions or activities requiring disclosure under ITRA, nor were we involved in the transactions described in this section. As of the date of this report, the Company is not aware of any other activity, transaction or dealing by it or any of its affiliates during the quarter ended March 31, 2017 that requires disclosure in this report under Section 13(r) of the Exchange Act.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.1	Seventh Amendment to Loan and Security Agreement, dated as of March 14, 2017, Century Aluminum Company, Berkeley Aluminum, Inc., Century Aluminum of West Virginia, Inc., Century Aluminum of Kentucky General Partnership, NSA General Partnership and Century Aluminum Sebree LLC, as borrowers, and Wells Fargo Capital Finance, LLC, as agent and lender.				X
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer and Principal Financial Officer				X
32.1	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Principal Executive Officer and Principal Financial Officer				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

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: May 9, 2017

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

Date: May 9, 2017

By: /s/ STEPHEN K. HEYROTH
Stephen K. Heyroth
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

**SEVENTH AMENDMENT
TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

THIS SEVENTH AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "Amendment") is entered into as of March 14, 2017, by and among the Lenders party hereto, WELLS FARGO CAPITAL FINANCE, LLC, a Delaware limited liability company, as the agent for the Lenders (in such capacity, "Agent"), Century Aluminum Company, a Delaware corporation ("Century"), CENTURY ALUMINUM OF SOUTH CAROLINA, INC. (successor in interest to Berkeley Aluminum, Inc.), a Delaware corporation ("Century South Carolina"), Century Aluminum of West Virginia, Inc., a Delaware corporation ("Century West Virginia"), CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP, a Kentucky general partnership ("Century of Kentucky GP"), NSA general partnership, a Kentucky general partnership ("NSA"), and CENTURY ALUMINUM SEBREE LLC, a Delaware limited liability company ("Century Sebree"; and together with Century, Century South Carolina, Century West Virginia, Century of Kentucky GP and NSA, each a "Borrower" and collectively the "Borrowers").

WHEREAS, Borrowers, Agent, and Lenders are parties to that certain Amended and Restated Loan and Security Agreement dated as of May 24, 2013 (as amended, modified or supplemented from time to time, the "Loan Agreement");

WHEREAS, Borrowers, Agent and Lenders have agreed to amend the Loan Agreement, subject to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Loan Agreement.

2. Amendments to Loan Agreement. Subject to the satisfaction of the conditions set forth in Section 4 below and in reliance upon the representations and warranties of Borrowers set forth in Section 5 below, the Loan Agreement is hereby amended as follows:

(a) The defined term "Eligible Account" set forth in Appendix A of the Loan Agreement is hereby amended to amend and restate clause (xv) in its entirety to read as follows:

(xv) the Account is with respect to an Account Debtor (other than Glencore, Alcoa Corporation or Southwire Company, which are subject to the limitations set forth below), whose total Accounts owing to Borrowers exceed 20% (such percentage, as applied to a particular Account Debtor, being subject to adjustment by Agent in its Reasonable Credit Judgment) of all Eligible Accounts; the Account is with respect to Glencore to the extent its total Accounts owing to Borrowers exceed 50% (such percentage, as applied to Glencore, being subject to adjustment by Agent in its Reasonable Credit Judgment) of all Eligible Accounts; the Account is with respect to Alcoa Corporation to the extent its total Accounts owing to Borrowers exceed the lesser of \$16,500,000 and 30% (such percentage, as applied to Alcoa Corporation, being subject to adjustment by Agent in its Reasonable Credit Judgment)

of all Eligible Accounts; the Account is with respect to Southwire Company to the extent its total Accounts owing to Borrowers exceed the lesser of \$22,000,000 and 40% (such percentage, as applied to Southwire Company, being subject to adjustment by Agent in its Reasonable Credit Judgment) of all Eligible Accounts; except in any such case that Accounts owing by any such Account Debtor shall only be excluded from Eligible Accounts to the extent of the excess of such applicable concentration limit; provided, however, that, in each case, the amount of Eligible Accounts that are excluded because they exceed the foregoing applicable concentration limit shall be determined by Agent based on all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit; or

3. Ratification; Other Agreements:

(a) This Amendment, subject to satisfaction of the conditions provided below, shall constitute an amendment to the Loan Agreement and all of the Loan Documents as appropriate to express the agreements contained herein. In all other respects, the Loan Agreement and the Loan Documents shall remain unchanged and in full force and effect in accordance with their original terms.

(b) Upon and after the execution of this Amendment by each of the parties hereto, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Loan Agreement, and each reference in the other Loan Documents to "the Loan Agreement", "thereunder", "thereof" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as modified hereby. This Amendment shall constitute a Loan Document.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agent under any of the Loan Documents.

4. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof and upon the satisfaction of the following conditions precedent:

(a) Agent shall have received a copy of this Amendment executed by each Borrower, Agent, Issuing Lender and Majority Lenders, together with the consent and reaffirmation attached hereto executed by each Guarantor; and

(b) no Default or Event of Default shall exist on the date hereof or as of the date of the effectiveness of this Amendment.

5. Representations and Warranties. In order to induce Agent and Lenders to enter into this Amendment, each Borrower hereby represents and warrants to Agent and Lenders, after giving effect to this Amendment:

(a) the representations and warranties set forth in each of the Loan Documents are true and correct in all material respects on and as of the Closing Date and on and as of the date hereof with the same effect as though made on and as of the date hereof (except to the extent such representations and warranties by their terms expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct, in all material respects, as of such earlier date);

(b) no Default or Event of Default exists; and

(c) the execution, delivery and performance of this Amendment has been duly authorized by all requisite corporate or other relevant action on the part of such Borrower.

6. Miscellaneous.

(a) Expenses. Borrowers agree to pay on demand all reasonable and documented out-of-pocket costs and expenses of Agent (including legal fees and expenses of outside counsel for Agent) in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith. All obligations provided in this Section 6(a) shall survive any termination of this Amendment and the Loan Agreement as amended hereby.

(b) Governing Law. This Amendment shall be a contract made under and governed by the internal laws of the State of New York.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

BORROWERS:

CENTURY ALUMINUM COMPANY

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY ALUMINUM OF SOUTH CAROLINA, INC. (successor in interest to Berkeley Aluminum, Inc.)

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY ALUMINUM OF WEST VIRGINIA, INC.

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: Metalsco, LLC, Managing General Partner

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

NSA GENERAL PARTNERSHIP

By: Century Kentucky, Inc., Managing General Partner

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY ALUMINUM SEBREE LLC

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

AGENT AND LENDERS:

WELLS FARGO CAPITAL FINANCE, LLC,
as Agent, as Issuing Lender and as a Lender

By: /s/ BRANDI WHITTINGTON

Name: Brandi Whittington

Title: VP, Authorized Signer

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ ROBERT HETU

Name: Robert Hetu

Title: Authorized Signatory

By: /s/ SZYMON ORDYS

Name: Szymon Ordys

Title: Authorized Signatory

BNP PARIBAS, as a Lender

By: /s/ MAXENCE LEONARD

Name: Maxence Leonard

Title: Metals & Mining

By: /s/ THOMAS LEGREE

Name: Thomas Legree

Title: Director - Metals & Mining

CONSENT AND REAFFIRMATION

Each of the undersigned (collectively, the "Guarantors") hereby (i) acknowledges receipt of a copy of the foregoing Seventh Amendment to Amended and Restated Credit Agreement (the "Amendment"; terms defined therein and used, but not otherwise defined, herein shall have the meanings assigned to them therein); (ii) consents to each Borrower's execution and delivery thereof; (iii) acknowledges and agrees to the terms of the Amendment as if it were a signatory thereto; and (iv) except as specifically provided therein, affirms that nothing contained therein shall modify in any respect whatsoever its respective guaranty of the obligations of each Borrower to Agent and Lenders pursuant to the terms of the Guaranty Agreements executed in favor of Agent and Lenders, and reaffirms that each Guaranty Agreement is and shall continue to remain in full force and effect. Although Guarantors have been informed of the matters set forth herein and have acknowledged and agreed to same, each Guarantor understands that Agent and Lenders have no obligation to inform Guarantors of such matters in the future or to seek any Guarantor's acknowledgment or agreement to future amendments or waivers, and nothing herein shall create such a duty.

[signature page follows]

METALSCO, LLC,
a Georgia limited liability company

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

SKYLINER, LLC,
a Delaware limited liability company

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY KENTUCKY, INC.,
a Delaware corporation

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

CENTURY MARKETER, LLC,
a Delaware limited liability company

By: /s/ MICHELLE HARRISON

Name: Michelle Harrison

Title: Treasurer

**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) I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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) I have disclosed, based on my 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: May 9, 2017

/s/ MICHAEL A. BLESS

Name: Michael A. Bless

Title: President and Chief Executive Officer

(Principal Executive Officer and Principal Financial Officer)

Certification 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 March 31, 2017, 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: May 9, 2017

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.

