

Century Aluminum Reports Second Quarter 2005 Earnings

MONTEREY, Calif.--(BUSINESS WIRE)--July 27, 2005--Century Aluminum Company (Nasdaq:CENX) reported net income of \$40.7 million, or \$1.27 a share, fully diluted, for the second quarter of 2005. Reported after-tax net income was positively impacted by the following items:

- \$15.7 million or \$0.49 a share, for mark to market adjustments on forward contracts that do not qualify for cash flow hedge accounting.
- The Company has recorded income taxes on Nordural earnings assuming that they will be subject to United States income taxes from the date of acquisition, April 27, 2004 to March 31, 2005. During the second quarter of 2005, management determined that certain Nordural earnings would remain invested overseas indefinitely to fund growth opportunities in Iceland and elsewhere. Accordingly, United States income taxes are no longer provided on such earnings.

In the second quarter of 2005, the Company changed from the last-in first-out (LIFO) inventory valuation method to the first-in first-out (FIFO) method. Management believes that the change will provide a better matching of costs and revenues. The change did not have a material impact on net income in the second quarter. Financial statements for periods prior to second quarter 2005 have been restated to reflect this change.

For the second quarter of 2004, the Company reported net income of \$19.2 million, or \$0.63 a share, fully diluted (\$18.3 million, or \$0.60 a share, fully diluted, before restatement).

Sales in the second quarter of 2005 were \$283.3 million compared with \$263.7 million in the second quarter of 2004. Shipments of primary aluminum for the quarter totaled 339.5 million pounds compared with 330.4 million pounds in the year-ago quarter.

Net income for the first six months of 2005 was \$52.5 million, or \$1.63 a share, fully diluted (\$51.9 million, or \$1.61 a share before restatement). This compares with net income of \$24.8 million, or \$0.94 a share, fully diluted in the year-ago period (\$23.1 million, or \$0.87 a share, fully diluted before restatement).

Sales in the first six months of 2005 were \$568.7 million compared with \$495.8 million in the same period of 2004. Shipments of primary aluminum for the 2005 period were 676.5 million pounds compared with 627.2 million pounds in the year-ago period.

Financial results and shipment data for 2004 include Nordural from April 27, 2004, the date of acquisition.

"Although aluminum prices were off somewhat from the first quarter, we continued to benefit from a favorable market," said Craig Davis, chairman and chief executive officer. "All of our facilities exceeded expectations except for Hawesville, which continued to experience operational difficulties, including a higher than average level of pot failures. The strong forward market that prevailed in the quarter allowed us to put in place a significant eight-year forward sale, beginning in 2008. As is our practice, however, a substantial portion of our capacity remains unhedged, which allows us to participate in the event of even stronger future markets."

Century presently owns 615,000 metric tonnes per year (mtpy) of primary aluminum capacity. The company owns and operates a 244,000 mtpy plant at Hawesville, Kentucky; a 170,000 mtpy plant at Ravenswood, West Virginia; and a 90,000 mtpy plant at Grundartangi, Iceland that is being expanded to 212,000 mtpy. The company also owns a 49.67-percent interest in a 222,000 mtpy reduction plant at Mt. Holly, South Carolina. Alcoa Inc. owns the remainder of the plant and is the operating partner. With the completion of the Grundartangi expansion, Century's total capacity will stand at 737,000 mtpy. Century also holds a 50-percent share of the 1.25 million mtpy Gramercy Alumina refinery in Gramercy, Louisiana and related bauxite assets in Jamaica. Century's corporate offices are located in Monterey, California.

This press release may contain "forward-looking statements" within the meaning of U.S. federal securities laws. The company has based its forward-looking statements on current expectations and projections about the future, however, these statements are subject to risks, uncertainties and assumptions, any of which could cause the company's actual results to differ materially from those expressed in its forward-looking statements. More information about these risks, uncertainties and assumptions can be found in the risk factors and forward-looking statements cautionary language contained in the company's Annual Report on Form 10-K and in other filings made with the Securities and Exchange Commission. The company does not undertake, and specifically disclaims, any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date such forward-looking statements are made.

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