

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2014

OR

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

Century ALUMINUM

Century Aluminum Company

(Exact name of registrant as specified in its charter)

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

13-3070826
(IRS Employer Identification No.)
60606
(Zip Code)

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

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

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

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

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

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

Yes No

The registrant had 88,809,928 shares of common stock outstanding at July 31, 2014.

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements.

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

	<u>June 30, 2014</u>	<u>December 31, 2013</u>
ASSETS		
Cash and cash equivalents	\$ 61,384	\$ 84,088
Restricted cash	3,031	1,697
Accounts receivable — net	52,253	56,184
Due from affiliates	54,094	43,587
Inventories	243,648	239,615
Prepaid and other current assets	25,320	32,276
Deferred taxes	<u>13,614</u>	<u>13,614</u>
Total current assets	453,344	471,061
Property, plant and equipment — net	1,230,014	1,247,661
Other assets	<u>93,122</u>	<u>91,474</u>
TOTAL	<u>\$ 1,776,480</u>	<u>\$ 1,810,196</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable, trade	\$ 95,897	\$ 108,490
Due to affiliates	52,356	53,582
Accrued and other current liabilities	45,182	69,466
Accrued employee benefits costs	8,533	8,410
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>209,783</u>	<u>247,763</u>
Senior notes payable	246,705	246,528
Accrued pension benefits costs — less current portion	41,724	39,848
Accrued postretirement benefits costs — less current portion	128,287	129,284
Other liabilities	37,416	37,743
Deferred taxes	<u>108,932</u>	<u>106,218</u>
Total noncurrent liabilities	<u>563,064</u>	<u>559,621</u>
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
SHAREHOLDERS' EQUITY:		
Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 160,000 issued and 79,226 outstanding at June 30, 2014; 160,000 issued and 79,620 outstanding at December 31, 2013)	1	1
Common stock (one cent par value, 195,000,000 shares authorized; 93,591,282 issued and 88,804,761 outstanding at June 30, 2014; 93,496,798 issued and 88,710,277 outstanding at December 31, 2013)	936	935
Additional paid-in capital	2,509,186	2,508,574
Treasury stock, at cost	(49,924)	(49,924)
Accumulated other comprehensive loss	(91,864)	(91,832)
Accumulated deficit	<u>(1,364,702)</u>	<u>(1,364,942)</u>
Total shareholders' equity	1,003,633	1,002,812
TOTAL	<u>\$ 1,776,480</u>	<u>\$ 1,810,196</u>

See notes to consolidated financial statements

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
NET SALES:				
Third-party customers	\$ 169,751	\$ 220,950	\$ 305,015	\$ 409,464
Related parties	288,573	110,987	574,156	243,747
	<u>458,324</u>	<u>331,937</u>	<u>879,171</u>	<u>653,211</u>
Cost of goods sold	419,820	337,635	842,425	641,327
Gross profit (loss)	38,504	(5,698)	36,746	11,884
Other operating expense – net	1,874	3,018	4,288	4,114
Selling, general and administrative expenses	10,618	15,154	20,680	31,453
Operating income (loss)	26,012	(23,870)	11,778	(23,683)
Interest expense – third party	(5,571)	(6,224)	(11,048)	(12,300)
Interest income – third party	34	186	174	317
Net gain (loss) on forward and derivative contracts	352	204	(527)	15,711
Gain on bargain purchase	—	5,253	—	5,253
Loss on early extinguishment of debt	—	(3,272)	—	(3,272)
Other income (expense) – net	300	(1,284)	47	(1,214)
Income (loss) before income taxes and equity in earnings of joint ventures	21,127	(29,007)	424	(19,188)
Income tax expense	(1,654)	(813)	(560)	(3,330)
Income (loss) before equity in earnings of joint ventures	19,473	(29,820)	(136)	(22,518)
Equity in earnings of joint ventures	871	436	376	1,387
Net income (loss)	<u>\$ 20,344</u>	<u>\$ (29,384)</u>	<u>\$ 240</u>	<u>\$ (21,131)</u>
Net income (loss) allocated to common stockholders	\$ 18,675	\$ (29,384)	\$ 220	\$ (21,131)
EARNINGS (LOSS) PER COMMON SHARE:				
Basic and Diluted	\$ 0.21	\$ (0.33)	\$ 0.00	\$ (0.24)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	88,787	88,597	88,752	88,576
Diluted	89,352	88,597	89,292	88,576

See notes to consolidated financial statements

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Comprehensive income (loss):				
Net income (loss)	\$ 20,344	\$ (29,384)	\$ 240	\$ (21,131)
Other comprehensive income (loss) before income tax effect:				
Net gain on foreign currency cash flow hedges reclassified as income	(47)	(46)	(93)	(93)
Defined benefit plans and other postretirement benefits:				
Net gain arising during the period	440	10,349	440	10,349
Amortization of prior service benefit during the period	(952)	(916)	(1,904)	(1,944)
Amortization of net loss during the period	995	2,130	2,805	4,482
Other comprehensive income before income tax effect	436	11,517	1,248	12,794
Income tax effect	(567)	(383)	(1,280)	(765)
Other comprehensive income (loss)	(131)	11,134	(32)	12,029
Total comprehensive income (loss)	<u>\$ 20,213</u>	<u>\$ (18,250)</u>	<u>\$ 208</u>	<u>\$ (9,102)</u>

See notes to consolidated financial statements

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

	Six months ended June 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 240	\$ (21,131)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Unrealized net gain on forward contracts	—	(397)
Gain on bargain purchase	—	(5,253)
Unrealized gain on E.ON contingent obligation	(706)	(16,075)
Accrued and other plant curtailment costs — net	2,181	2,268
Lower of cost or market inventory adjustment	(1,247)	16,049
Depreciation	35,143	31,898
Sebree power contract amortization	(5,534)	(2,741)
Debt discount amortization	177	502
Pension and other postretirement benefits	2,368	(3,616)
Deferred income taxes	2,731	(2,038)
Stock-based compensation	533	499
Loss on early extinguishment of debt	—	3,272
Equity in earnings of joint ventures, net of dividends	(376)	(1,387)
Change in operating assets and liabilities:		
Accounts receivable — net	3,931	(33,883)
Due from affiliates	(10,508)	12,906
Inventories	(2,786)	(22,334)
Prepaid and other current assets	6,816	(3,281)
Accounts payable, trade	(8,413)	30,696
Due to affiliates	(1,226)	27,607
Accrued and other current liabilities	(12,200)	(3,827)
Other — net	(2,496)	13,242
Net cash provided by operating activities	8,628	22,976
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(16,758)	(16,565)
Nordural expansion — Helguvik	(186)	(2,559)
Purchase of carbon anode assets and improvements	(7,226)	(3,670)
Purchase of Sebree smelter	—	(48,058)
Proceeds from sale of property, plant and equipment	46	515
Restricted and other cash deposits	(1,334)	(720)
Net cash used in investing activities	\$ (25,458)	\$ (71,057)

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

	Six months ended June 30,	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	\$ —	\$ (249,604)
Proceeds from issuance of debt	—	246,330
Borrowings under revolving credit facilities	86,646	—
Repayments under revolving credit facilities	(92,646)	—
Debt issuance costs	—	(3,926)
Debt retirement costs	—	(1,208)
Issuance of common stock	126	44
Net cash used in financing activities	(5,874)	(8,364)
CHANGE IN CASH AND CASH EQUIVALENTS	(22,704)	(56,445)
Cash and cash equivalents, beginning of period	84,088	183,976
Cash and cash equivalents, end of period	\$ 61,384	\$ 127,531

See notes to consolidated financial statements

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements
Three and six months ended June 30, 2014 and 2013
(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, 2013. In management's opinion, the unaudited interim consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for the first six months of 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. 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.

In the second quarter of 2013, we acquired the Sebree smelter and reported provisional amounts for the assets acquired and the liabilities assumed in our Form 10-Q for the period ended June 30, 2013. See [Note 2 Acquisition of Sebree aluminum smelter](#) for additional information. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805 "Business Combinations," we retrospectively adjusted our 2013 interim consolidated financial statements for certain measurement period adjustments for the items acquired in the acquisition and the financial results for 2013 presented in this Form 10-Q reflect these adjustments.

2. **Acquisition of Sebree aluminum smelter**

On June 1, 2013, our wholly owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree"), acquired the Sebree aluminum smelter ("Sebree") from a subsidiary of Rio Tinto Alcan, Inc. ("RTA"). Sebree, located in Robards, Kentucky, has an annualized hot metal production capacity of 205,000 tonnes of primary aluminum and employs approximately 500 people. The purchase price for the acquisition was \$61,000 (subject to customary working capital adjustments), of which we have paid approximately \$48,000 as of June 30, 2014. As part of the transaction, RTA retained all historical environmental liabilities of the Sebree smelter and funded the pension plan assumed by Century in accordance with the purchase agreement.

Working Capital Adjustment

In July 2014, subsequent to the end of the quarter, we reached the final determination of the working capital adjustments, resulting in a final purchase price for the acquisition of \$49,035. See [Note 18 Subsequent events](#) for additional information.

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocated the purchase price to the assets acquired, liabilities assumed, and the gain on bargain purchase in accordance with ASC 805.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the date of acquisition. We have finalized the purchase price allocation for the assets acquired and liabilities assumed, the purchase price and gain on bargain purchase.

Based on the purchase price allocation, we recorded a gain on bargain purchase of \$5,253 in 2013. The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the acquisition date:

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

	<u>Acquisition Date Fair Value as of June 30, 2014</u>
Consideration:	
Cash	\$ 48,083
Deferred purchase price	1,910
Assets Acquired:	
Inventories	59,018
Prepaid and other current assets	2,273
Property, plant and equipment – net	55,520
Total assets acquired	<u>\$ 116,811</u>
Liabilities Assumed:	
Accrued and other current liabilities	\$ 43,316
Accrued pension benefit costs	996
Accrued post retirement benefit costs	6,544
Other liabilities	7,476
Deferred taxes	3,233
Total liabilities assumed	<u>\$ 61,565</u>
Gain on bargain purchase:	<u>\$ 5,253</u>

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

	Three months ended June 30, 2013	Six months ended June 30, 2013
Pro forma revenues	\$ 413,907	\$ 861,605
Pro forma loss from continuing operations	(36,253)	(37,205)
Loss per common share, basic	(0.41)	(0.42)
Loss per common share, diluted	(0.41)	(0.42)

Our net income for the six months ended June 30, 2014 includes a non-recurring credit for the amortization of the deferred power contract liability of \$5,534 related to the amortization of an unfavorable power contract assumed as part of the Sebree acquisition resulting in a credit to our depreciation and amortization expense within cost of goods sold on the consolidated statement of operations for the first quarter of 2014. The power contract terminated on January 31, 2014.

3. 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 ASC 820 "Fair Value Measurements and Disclosures."

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

Overview of Century's valuation methodology

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

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

Fair value measurements

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

The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis by the level of input within the ASC 820 fair value hierarchy. As required by generally accepted accounting principles in the United States ("GAAP") for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented. It is our policy to recognize transfers into and transfers out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer.

Recurring Fair Value Measurements	As of June 30, 2014			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 51,172	\$ —	\$ —	\$ 51,172
Trust assets	9,523	—	—	9,523
TOTAL	\$ 60,695	\$ —	\$ —	\$ 60,695
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
TOTAL	\$ —	\$ —	\$ —	\$ —

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, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 49,658	\$ —	\$ —	\$ 49,658
Trust assets	11,151	—	—	11,151
Surety bonds	2,002	—	—	2,002
Midwest premium contracts	—	—	140	140
TOTAL	\$ 62,811	\$ —	\$ 140	\$ 62,951
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
Primary aluminum sales contract	—	—	140	140
TOTAL	\$ —	\$ —	\$ 140	\$ 140

(1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation.
Change in Level 3 Fair Value Measurements during the three months ended June 30,

	Derivative liabilities – net	
	2014	2013
Beginning balance, April 1,	\$ —	\$ (1,030)
Total gain (loss) included in earnings	—	257
Ending balance, June 30,	<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ —	\$ 257

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

	Derivative liabilities – net	
	2014	2013
Beginning balance, January 1,	\$ —	\$ (16,539)
Total gain (loss) included in earnings	(940)	15,766
Settlements	940	—
Ending balance, June 30,	<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 140	\$ 15,766

The net gain (loss) on our derivative assets and liabilities is recorded in our consolidated statements of operations under net gain (loss) on forward and derivative contracts. See [Note 4 Derivative and hedging instruments](#) for the location of our Level 3 derivative assets and liabilities within our consolidated balance sheets.

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

4. Derivative and hedging instruments

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

Fair Value of Derivative Assets and Liabilities

	Balance sheet location	June 30, 2014	December 31, 2013
DERIVATIVE ASSETS:			
Midwest premium contracts	Prepaid and other current assets	\$ —	\$ 140
TOTAL		\$ —	\$ 140
DERIVATIVE LIABILITIES:			
Primary aluminum sales contract	Accrued and other current liabilities	\$ —	\$ 140
E.ON contingent obligation – net (1)	Other liabilities	—	—
TOTAL		\$ —	\$ 140

(1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation.

Midwest premium contracts

We entered into a fixed-price forward contract that settled monthly from January 2014 to March 2014 based on the Midwest premium price published in the Platts Metals Week for the applicable period. Losses associated with the settlements of the U.S. Midwest premium contracts were recorded in net gain (loss) on forward and derivative contracts on the consolidated statement of operations.

Primary aluminum sales contract

We had a contract to sell to Glencore plc (together with its subsidiaries, "Glencore") primary aluminum produced at Mt. Holly, Hawesville and Sebree through December 31, 2013 (the "Glencore Metal Agreement"). The Glencore Metal Agreement was a physical delivery contract for primary aluminum with variable, LME-based pricing. Under the Glencore Metal Agreement, pricing was based on market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium. We accounted for the Glencore Metal Agreement as a derivative instrument under ASC 815 "Derivatives and Hedging." Gains and losses on the derivative were based on the difference between the contracted U.S. Midwest premium and actual and forecasted U.S. Midwest premiums. Settlements were recorded in related party sales. Unrealized gains (losses) based on forecasted U.S. Midwest premiums were recorded in net gain (loss) on forward and derivative contracts on the consolidated statements of operations. Derivatives not designated as hedging instruments:

	Gain (loss) recognized in income from derivatives				
	Location	Three months ended June 30,		Six months ended June 30,	
		2014	2013	2014	2013
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ 353	\$ 706	\$ 16,075
Midwest premium contracts	Net gain (loss) on forward and derivative contracts	—	—	(1,080)	—
Primary aluminum sales contract	Related party sales	—	406	292	761
Primary aluminum sales contract	Net gain (loss) on forward and derivative contracts	—	(149)	(153)	(364)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

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

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

	June 30, 2014	December 31, 2013
Primary aluminum sales contract premium (tonnes) (1)	—	1,782
Midwest premium contracts (tonnes)	—	6,000

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

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

5. Earnings (loss) per share

Basic earnings (loss) per share ("EPS") amounts are calculated by dividing earnings available 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 common shares outstanding.

Our Series A Convertible Preferred Stock has similar characteristics to a "participating security" as described by ASC 260 and we calculate the amount of earnings (loss) available to common shareholders and basic EPS using the Two-Class Method earnings allocation formula, allocating undistributed income to our preferred shareholder consistent with their participation rights, and diluted EPS using the If-Converted Method when applicable.

Our Series A Convertible Preferred Stock is a non-cumulative perpetual participating convertible preferred stock with no set dividend preferences. The holders of our convertible preferred stock do not have a contractual obligation to share in our losses. In periods where we report net losses, we do not allocate these losses to the convertible preferred stock for the computation of basic or diluted EPS.

The following table shows the basic and diluted earnings (loss) per share for the three and six months ended June 30, 2014 and 2013:

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

	For the three months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 20,344			\$ (29,384)		
Amount allocated to common stockholders (1)	<u>91.80%</u>			<u>100%</u>		
Basic EPS:						
Income (loss) allocable to common stockholders	18,675	88,787	\$ 0.21	(29,384)	88,597	\$ (0.33)
Effect of Dilutive Securities:						
Share-based compensation plans	<u>—</u>	<u>565</u>		<u>—</u>	<u>—</u>	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	<u>\$ 18,675</u>	<u>89,352</u>	<u>\$ 0.21</u>	<u>\$ (29,384)</u>	<u>88,597</u>	<u>\$ (0.33)</u>

	For the six months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 240			\$ (21,131)		
Amount allocated to common stockholders (1)	<u>91.78%</u>			<u>100%</u>		
Basic EPS:						
Income (loss) allocable to common stockholders	220	88,752	\$ 0.00	(21,131)	88,576	\$ (0.24)
Effect of Dilutive Securities:						
Share-based compensation plans	<u>—</u>	<u>540</u>		<u>—</u>	<u>—</u>	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	<u>\$ 220</u>	<u>89,292</u>	<u>\$ 0.00</u>	<u>\$ (21,131)</u>	<u>88,576</u>	<u>\$ (0.24)</u>

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

Securities excluded from the calculation of diluted EPS:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Stock options (1)	347,433	620,334	347,433	620,334
Service-based share awards (1)	—	576,510	—	496,234

(1) In periods when we report a net loss, all share awards are excluded from the calculation of diluted weighted average shares outstanding because of their antidilutive effect on earnings (loss) per share.

6. Shareholders' equity
Common Stock

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

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

Stock Repurchase Program

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

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

From August 11, 2011 through June 30, 2014, we repurchased 4,786,521 shares of common stock for an aggregate purchase price of \$49,924. We have made no repurchases since March 2012 and had approximately \$10,076 remaining under the repurchase program authorization as of June 30, 2014.

Series A Convertible Preferred Stock

Glencore holds all of the issued and outstanding Series A Convertible Preferred Stock. 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 Common and Preferred Stock Activity table below contains additional information about preferred stock conversions during the six months ended June 30, 2014 and 2013.

Common and Preferred Stock Activity:

(in shares)	Preferred stock		Common stock	
	Series A convertible	Treasury	Outstanding	
Beginning balance as of December 31, 2013	79,620	4,786,521	88,710,277	
Conversion of convertible preferred stock	(394)	—	39,455	
Issuance for share-based compensation plans	—	—	55,029	
Ending balance as of June 30, 2014	<u>79,226</u>	<u>4,786,521</u>	<u>88,804,761</u>	
Beginning balance as of December 31, 2012	80,283	4,786,521	88,548,637	
Conversion of convertible preferred stock	(199)	—	19,864	
Issuance for share-based compensation plans	—	—	34,208	
Ending balance as of June 30, 2013	<u>80,084</u>	<u>4,786,521</u>	<u>88,602,709</u>	

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7. **Income taxes**

We recorded income tax expense for the six months ended June 30, 2014 of \$560, which primarily consisted of foreign and state income taxes. Our domestic deferred tax assets, net of deferred tax liabilities, are subject to a valuation allowance; therefore, the domestic losses were not benefited.

We recorded income tax expense for the six months ended June 30, 2013 of \$3,330, which primarily consisted of foreign and state 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 June 30, 2014, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which, at June 30, 2014, is not more likely than not to be achieved.

Our Icelandic tax returns are subject to examination beginning with the 2008 tax year. Our 2010 through 2012 tax years are currently under review by the Directorate of Internal Revenue of Iceland.

8. **Inventories**

Inventories consist of the following:

	June 30, 2014	December 31, 2013
Raw materials	\$ 54,168	\$ 69,776
Work-in-process	21,332	22,183
Finished goods	31,171	17,661
Operating and other supplies	136,977	129,995
Inventories	\$ 243,648	\$ 239,615

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

9. **Debt**

	June 30, 2014	December 31, 2013
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
7.5% senior unsecured notes due August 15, 2014, interest payable semiannually (2)	2,603	2,603
Iceland revolving credit facility (2)(3)	—	6,000
Debt classified as non-current liabilities:		
7.5% senior secured notes due June 1, 2021, net of debt discount of \$3,295 and \$3,472, respectively, interest payable semiannually	246,705	246,528
TOTAL	\$ 257,123	\$ 262,946

(1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2014 was 0.26%.

(2) These items are recorded in accrued and other current liabilities based on the repayment terms and expected maturity.

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(3) Borrowings under the Iceland revolving credit facility bear variable interest based on LIBOR plus the applicable margin per annum. The interest rate at December 31, 2013 was 3.92%.

U.S. Revolving Credit Facility

General. We and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") and Wells Fargo Capital Finance, LLC, as lender and agent, and Credit Suisse AG, BNP Paribas, and Morgan Stanley Senior Funding Inc., as lenders, entered into the Amended and Restated Loan and Security Agreement (the "U.S. revolving credit facility"), dated May 24, 2013, as amended, modifying our credit facility dated July 1, 2010. The U.S. revolving credit facility has a term through May 24, 2018 and provides for borrowings of up to \$150,000 in the aggregate, including up to \$80,000 under a letter of credit sub-facility. Any letters of credit issued and outstanding under the U.S. revolving credit facility reduce our borrowing availability on a dollar-for-dollar basis.

Status of our U.S. revolving credit facility:

	June 30, 2014
Credit facility maximum amount	\$ 150,000
Borrowing availability, net of outstanding letters of credit	79,455
Outstanding borrowings	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued	70,545

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

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

Interest Rates and Fees. Any amounts outstanding under the U.S. revolving credit facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. The applicable interest margin is determined based on the average daily availability for the immediately preceding quarter. In addition, we pay an unused line fee on undrawn amounts, less the amount of our letters of credit exposure. For standby letters of credit, we are required to pay a fee on the face amount that varies depending on whether the letter of credit exposure is cash collateralized.

Iceland Revolving Credit Facility

General. Nordural Grundartangi ehf, as borrower, and Landsbankinn hf., as lender, entered into a three-year \$50,000 Committed Revolving Credit Facility agreement (the "Iceland revolving credit facility"), dated November 27, 2013. Grundartangi may in the future use the Iceland revolving credit facility to repay existing indebtedness or to finance capital expenditures and for ongoing working capital needs and other general corporate purposes. Under the terms of the Iceland revolving credit facility, when Grundartangi borrows funds it will designate a repayment date, which may be any date prior to the maturity of the Iceland revolving credit facility. The Iceland revolving credit facility will mature on November 27, 2016.

Status of our Iceland revolving credit facility:

	June 30, 2014
Credit Facility maximum amount	\$ 50,000
Borrowing availability	50,000
Outstanding borrowings	—

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Borrowing Base. 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.

Security. Grundartangi's obligations under the Iceland revolving credit facility are secured by a general bond under which Grundartangi's inventory and accounts receivable are pledged to secure full payment of the loan.

Interest Rates and Fees. Any amounts outstanding under the Iceland revolving credit facility will bear interest at LIBOR plus the margin per annum.

7.5% Notes due 2021

General. On June 4, 2013, we issued \$250,000 of our 7.5% Notes due 2021 (the "7.5% Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended. The 7.5% Notes were issued at a discount and we received proceeds of \$246,330, prior to payment of financing fees and related expenses.

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

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

E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments made to Big Rivers Electric Corporation ("Big Rivers") on CAKY's behalf in excess of the agreed upon base amount under the long-term cost-based power contract with Kenergy, a member cooperative of Big Rivers (the "Big Rivers Agreement"). Our obligation to make repayments is contingent upon certain operating criteria for Hawesville and the LME price of primary aluminum. When the conditions for repayment are met, and for so long as those conditions continue to be met, we will be obligated to make principal and interest payments, in up to 72 monthly payments.

Based on the LME forward market prices for primary aluminum at June 30, 2014 and management's estimate of the LME forward market for periods beyond the quoted periods, we recognized a derivative asset which offsets our contingent obligation. As a result, our net liability decreased and we recorded a gain of \$706 and \$16,075 in net gain (loss) on forward and derivative contracts for the six months ended June 30, 2014 and 2013, respectively. In addition, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement, which expires in 2028.

However, future increases in the LME forward market may result in a partial or full derecognition of the derivative asset and a corresponding recognition of a loss. The following table provides information about the balance sheet location and gross amounts offset:

	Balance sheet location	June 30, 2014	December 31, 2013
E.ON contingent obligation – principal	Other liabilities	\$ (12,902)	\$ (12,902)
E.ON contingent obligation – accrued interest	Other liabilities	(4,585)	(3,879)
E.ON contingent obligation – derivative asset	Other liabilities	17,487	16,781
		<u>\$ —</u>	<u>\$ —</u>

10. Commitments and contingencies

Environmental Contingencies

Based upon all available information, we believe our current environmental liabilities do not have, and are not likely to have, a material adverse effect on our financial condition, results of operations or liquidity. Because of the issues and uncertainties described below and the inability to predict the requirements of future environmental laws, there can be no assurance that future capital expenditures and costs for environmental compliance at currently or formerly owned or operated properties will not result in liabilities 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 \$1,228 and \$999 at June 30, 2014 and December 31, 2013, respectively. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to costs for ongoing environmental compliance, including maintenance and monitoring, such costs are expensed as incurred.

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

Prior to our purchase of Hawesville, the EPA issued a final Record of Decision ("ROD") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). By agreement, Southwire Company ("Southwire"), the former owner and operator of Hawesville, is required to perform all obligations under the ROD. CAKY has agreed to operate and maintain the ground water treatment system required under the ROD on behalf of Southwire, and Southwire will reimburse CAKY for any expense that exceeds \$400 annually. The groundwater treatment system ceased operations in May 2010 and was decommissioned and removed from the site in 2012. Quarterly monitoring of specific wells is ongoing.

In July 2006, we were named as a defendant, together with certain affiliates of Alcan Inc., in a lawsuit brought by Alcoa Inc. seeking to determine responsibility for certain environmental indemnity obligations related to the sale of a cast aluminum plate manufacturing facility located in Vernon, California, which we purchased from Alcoa Inc. in December 1998, and sold to Alcan Rolled Products-Ravenswood LLC in July 1999. The complaint also seeks costs and attorney fees. The matter is in a preliminary stage 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 an EPA 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. In connection with the sale of the facility by Lockheed Martin Corporation ("Lockheed") to one of our affiliates, Virgin Islands Alumina Corporation ("Vialco"), in 1989, Lockheed, Vialco and Century entered into the Lockheed–Vialco Asset Purchase Agreement. The indemnity provisions contained in the Lockheed–Vialco Asset Purchase Agreement allocate responsibility for certain environmental matters. Lockheed has tendered indemnity to Vialco. We have likewise tendered indemnity to Lockheed. Through June 30, 2014, we have expended approximately \$1,033 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

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effect on our financial condition, results of operations or liquidity, regardless of the final outcome. Vialco sold the St. Croix Alumina Refinery to St. Croix Alumina, LLC, a subsidiary of Alcoa in 1995.

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 have tendered indemnity and defense to St. Croix Alumina LLC and Alcoa Alumina & Chemical LLC under the terms of an acquisition agreement relating to the facility and have filed motions to dismiss plaintiffs' claims, but the Superior Court of the Virgin Islands, Division of St. Croix has not yet ruled on the motions. At this time, it is not practicable 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.

In July 2014, we entered into a settlement (the "St. Croix Settlement") with the plaintiffs in certain matters related to the St. Croix Alumina Refinery.

The first lawsuit (the "2005 Action") covered by the St. Croix Settlement was filed in May 2005 by the Commissioner of the Department of Planning and Natural Resources ("DPNR"), in his capacity as Trustee for Natural Resources of the United States Virgin Islands against Vialco and certain other named defendants. The complaint alleged damages to natural resources caused by alleged releases from the St. Croix Alumina Refinery and the adjacent petroleum refinery. The primary cause of action was pursuant to the natural resource damage provisions of CERCLA, but various ancillary Territorial law causes of action were included as well. We and Lockheed each tendered indemnity and defense of the case to the other pursuant to the terms of the Lockheed-Vialco Asset Purchase Agreement. The complaint sought unspecified monetary damages, costs and attorney fees. In November 2011, the District Court of the Virgin Islands, Division of St. Croix granted a motion by Century, dismissing Century from the case. Vialco, however, remained a defendant and asserted factual and affirmative defenses.

The second lawsuit (the "Superior Court Action") covered by the St. Croix Settlement was filed in December 2006 by the Commissioner of the DPNR against Vialco and the succeeding owners of the St. Croix Alumina Refinery. The complaint alleged that the defendants failed to take certain actions specified in a Coastal Zone management permit issued to Vialco in October 1994, and alleged violations of territorial water pollution control laws during the various defendants' periods of ownership. The complaint sought statutory and other unspecified monetary penalties for the alleged violations. On March 19, 2012, the plaintiff filed a motion to dismiss the settling defendants in the DPNR case described above from this action. On May 9, 2012, the Superior Court of the Virgin Islands, Division of St. Croix granted plaintiff's motion to dismiss leaving Vialco as the only remaining defendant in this action.

Finally, in May 2009, St. Croix Renaissance Group, L.L.P. ("SCRG") filed a third-party complaint (the "2009 Action") for contribution and other relief against several third-party defendants, including Century and Vialco, relating to a lawsuit filed against SCRG seeking recovery of response costs relating to the aforementioned DPNR CERCLA matter. In February 2011, the District Court of the Virgin Islands, Division of St. Croix granted a motion by Century, dismissing Century from the case. In March 2011, the court granted the remaining defendants', including Vialco's, motion for summary judgment, dismissing the case. The plaintiff filed a notice of appeal with the Third Circuit Court of Appeals in May 2011. On June 5, 2013, the Third Circuit Court of Appeals reversed the lower court's ruling, holding that plaintiff's expenditures of funds may be found as recoverable response costs incurred by the government entitling plaintiffs to recover future response costs. Vialco remained the only Century entity in the litigation.

Pursuant to the terms of the St. Croix Settlement, entered into as of July 7, 2014 by and among Vialco, DPNR, the Commissioner of the DPNR and the Government of the Virgin Islands (the "Government"), Vialco agreed to pay \$625 to the Government in consideration of full release by DPNR, the Commissioner of the DPNR and the Government from all claims asserted in and relief, including attorneys' fees and litigation costs ever sought or which could be sought by such plaintiffs in the 2005 Action, the Superior Court Action and the 2009 Action.

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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.

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.

In April 2013, our subsidiary Nordural Grundartangi ehf received a ruling in an arbitration case involving two of its power suppliers, HS Orka hf ("HS") and Orkuveita Reykjavíkur ("OR"). Under the arbitration award, Nordural Grundartangi ehf is restricted from reducing power under its existing power contracts with HS and OR in order to take power under a separate power contract with OR originally intended to be used at Helgúvik. Nordural Grundartangi ehf remains entitled to take power under the OR Helgúvik contract to the extent that its power needs exceed the amount of power provided under its existing power contracts. As part of the award, the tribunal awarded HS damages and Nordural Grundartangi ehf paid \$1,470 to HS in full satisfaction of such award. The tribunal ordered each party to pay its own legal fees and costs. While no damages were awarded to OR as part of the arbitration, OR subsequently alleged damages against Nordural Grundartangi ehf. In June 2014, we reached a settlement with OR pursuant to the terms of which, among other things, Nordural Grundartangi ehf agreed to pay \$3,600 to OR and OR withdrew and released each of Nordural Grundartangi ehf and Nordural Helgúvik ehf from and against all claims related to the reduction in the power purchased under the existing power contracts. This settlement amount was paid in July 2014. As part of the settlement, Nordural Helgúvik ehf and OR also entered into a Supplemental Power Contract pursuant to which OR agreed to provide supplemental power to Grundartangi or Helgúvik from time to time during the remaining term of the existing Nordural Helgúvik ehf power contract with OR.

Ravenswood Retiree Medical Benefits changes

In November 2009, CAWV filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USWA"), the USWA's local and certain CAWV retirees, individually and as class representatives, seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USWA and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. These actions, entitled Dewhurst, et al. v. Century Aluminum Co., et al., and Century Aluminum of West Virginia, Inc. v. United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC, et al., have been consolidated and venue has been set in the District Court for the Southern District of West Virginia. In January 2010, the USWA filed a motion for preliminary injunction to prevent us from implementing any modifications to the retiree medical benefits while these lawsuits are pending, which was dismissed by the trial court, and affirmed upon appeal. CAWV has filed a motion for summary judgment of these actions. The case in chief is currently proceeding in the trial court, subject to the court's ruling on the motion for summary judgment.

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PBGC Settlement

In June 2011, the Pension Benefit Guaranty Corporation (the "PBGC") informed us that it believed a "cessation of operations" under ERISA had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility. Although we disagree that a "cessation of operations" occurred, we entered into a settlement agreement with the PBGC in April 2013 to resolve the matter. Pursuant to the terms of the agreement, we will make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17,400 over the term of the agreement. During 2013, we made contributions pursuant to this agreement of approximately \$6,700. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we may defer one or more of these payments, but we would be required to provide the PBGC with acceptable security for any deferred payments. In the first quarter of 2014, we elected to defer contributions for 2014 under the PBGC agreement and have provided the PBGC with the appropriate security.

Power Commitments

Hawesville

In August 2012, CAKY issued a 12-month notice to terminate its long-term power supply arrangement with Kenergy. Pursuant to the termination notice, the Hawesville Power Agreement terminated on August 20, 2013.

Effective August 20, 2013, the Kentucky Public Service Commission ("KPSC") approved a power supply arrangement with Kenergy and Big Rivers 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 incurred by them. In connection with this power arrangement, CAKY has received approval from applicable regional transmission organizations and regulatory bodies regarding grid stability and energy import capability.

Sebree

In January 2013, Sebree (then still owned by RTA) issued a 12-month notice to terminate its long-term power supply agreement (the "Sebree Power Agreement") with Kenergy. Pursuant to the termination notice, the Sebree Power Agreement terminated on January 31, 2014.

Effective February 1, 2014, the KPSC approved a new power supply arrangement with Kenergy and Big Rivers 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 incurred by them.

Mt. Holly

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

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

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On June 30, 2014, Mt. Holly gave notice to Santee Cooper under the Santee Cooper Agreement to reduce the contact demand to zero effective December 31, 2015. We are continuing discussions with Santee Cooper and other parties regarding power arrangements for Mt. Holly following December 31, 2015.

Ravenswood

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

Grundartangi

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

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

In June 2012, Nordural Grundartangi ehf entered into a supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi ehf with supplemental power, as Nordural Grundartangi ehf may request from time to time, at LME-based variable rates. Nordural Grundartangi ehf has agreed to make certain prepayments to Landsvirkjun for power expected to be used at a later date in connection with the contract, which will reduce the price paid for power at the time of consumption. As of June 30, 2014, these power prepayments totaled approximately \$2,000. We do not expect the amount of the prepayment to grow any higher, but we do not expect to realize the benefits from the prepayments in the near term.

Helguvik

Nordural Helguvik ehf has power purchase agreements with HS and OR to provide power to the Helguvik project. These power purchase agreements provide power at LME-based variable rates and contain take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreements. The first stage of power under the OR power purchase agreement (approximately 47.5 MW) became available in the fourth quarter of 2011 and is currently being utilized at Grundartangi.

The power purchase agreements with HS and OR to provide power to Helguvik contain certain conditions to HS's and OR's obligations. HS (with respect to all phases) and OR (with respect to all phases other than the first phase) have alleged that certain of these conditions have not been satisfied. Nordural Helguvik ehf is in discussions with both HS and OR with respect to such conditions and other matters pertaining to these agreements. See [Note 18 Subsequent events](#) for additional information concerning these discussions.

In June 2014, Nordural Helguvik ehf entered into a supplemental power contract with OR. The supplemental power contract will expire in October 2036 (or upon the occurrence of certain earlier events) and will provide Grundartangi or Helguvik with supplemental power at LME-based rates, as may be requested from Grundartangi or Helguvik from time to time.

Other Commitments and Contingencies

Labor Commitments

Approximately 73% of our U.S. based work force is represented by the USWA. CAKY's Hawesville employees represented by the USWA are under a collective bargaining agreement that expires on March 31, 2015. The Seabee employees represented by the USWA are under a collective bargaining agreement that expires on October 28, 2014. See [Note 18](#).

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[Subsequent events](#) for additional information about Sebree's new collective bargaining agreement with the USWA that expires on October 28, 2019.

Approximately 82% of Grundartangi's work force is represented by five labor unions, governed by a labor agreement that expires on December 31, 2014.

Approximately 77% of Vlissingen's work force is represented by the Federation for the Metal and Electrical Industry ("FME"), governed by a labor agreement that expires on May 1, 2015.

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

11. Forward delivery contracts and financial instruments

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

Forward Physical Delivery Agreements

Primary Aluminum Sales Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Grundartangi Metal Agreement (1)	Glencore	All primary aluminum produced at Grundartangi, net of tolling and other sales commitments	January 1, 2014 through December 31, 2017	Variable, based on LME and European Duty Paid premium
Southwire Metal Agreement (2)	Southwire	216 million pounds per year (high conductivity molten aluminum)	January 1, 2014 through December 31, 2014	Variable, based on U.S. Midwest Transaction Price

(1) The Glencore Grundartangi Metal Agreement is for all metal produced at Grundartangi from 2014 through 2017 less commitments under existing tolling and other sales contracts. Grundartangi currently estimates that it will sell Glencore approximately 155,000 tonnes of aluminum under this agreement in 2014.

(2) Southwire may, at its option, increase the volume purchased under the agreement by up to four percent by adjusting their monthly metal commitment.

Tolling Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Toll Agreement	Glencore	90,000 tonnes per year ("tpy")	Through July 2016	Variable, based on LME and European Duty Paid premium
Glencore Toll Agreement	Glencore	49,000 tpy	Through December 31, 2014	Variable, based on LME and European Duty Paid premium

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Apart from the Glencore Grundartangi Metal Agreement, the Southwire Metal Agreement and the Glencore Sweep Agreement (a contract for all metal produced in the U.S. in 2013, less existing sales agreements and valued-added metal sales, which expired at the end of 2013), we had the following forward delivery contractual commitments:

	June 30, 2014	December 31, 2013
Other forward delivery contracts	(in tonnes)	
Other forward delivery contracts – total	106,530	118,373
Other forward delivery contracts – Glencore	48,808	20,008
Other forward delivery contracts – fixed price	207	—
Other forward delivery contracts – fixed price with Glencore	31	—

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2014. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2014.

Forward Financial Instruments

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

12. Supplemental cash flow information

	Six months ended June 30,	
	2014	2013
Cash paid for:		
Interest	\$ 9,554	\$ 11,287
Income/withholding taxes (1)	6,640	14,156
Non-cash investing activities:		
Accrued capital costs	\$ 5,107	\$ 321
(1) We paid withholding taxes in Iceland on intercompany dividends of \$2,789 and \$8,259 during the six months ended June 30, 2014 and 2013, respectively. Our tax payments in Iceland for withholding taxes, income taxes and any associated refunds are denominated in Icelandic kronur ("ISK").		

13. Asset retirement obligations ("ARO")

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

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

	Six months ended June 30,		Year ended December 31,	
	2014		2013	
Beginning balance, ARO liability	\$ 27,113	\$ 16,124		
Additional ARO liability incurred	712	1,730		
ARO liabilities settled	(1,882)	(2,580)		
Accretion expense	475	1,733		
Additional ARO liability from Sebree acquisition	—	10,106		
Ending balance, ARO liability	\$ 26,418	\$ 27,113		

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

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14. Components of accumulated other comprehensive loss

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ (90,836) \$	(92,177)
Equity in investee other comprehensive income (1)	(12,650)	(12,650)
Unrealized loss on financial instruments	(1,157)	(1,064)
Other comprehensive loss before income tax effect	(104,643)	(105,891)
Income tax effect (2)	12,779	14,059
Accumulated other comprehensive loss	<u>\$ (91,864) \$</u>	<u>(91,832)</u>

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

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

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ 12,993 \$	14,256
Equity in investee other comprehensive income	384	418
Unrealized loss on financial instruments	(598)	(615)

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

	Defined benefit plan and other postretirement liabilities	Equity in investee other comprehensive income	Unrealized loss on financial instruments	Total, net of tax
Balance, April 1, 2014	\$ (77,766) \$	(12,249) \$	(1,718) \$	(91,733)
Other comprehensive income (loss) before reclassifications	440	(17)	—	423
Net amount reclassified to net income	(517)	—	(37)	(554)
Balance, June 30, 2014	<u>\$ (77,843) \$</u>	<u>(12,266) \$</u>	<u>(1,755) \$</u>	<u>(91,864)</u>
Balance, April 1, 2013	\$ (136,491) \$	(12,241) \$	(1,565) \$	(150,297)
Other comprehensive income (loss) before reclassifications	10,349	(17)	—	10,332
Net amount reclassified to net loss	840	—	(38)	802
Balance, June 30, 2013	<u>\$ (125,302) \$</u>	<u>(12,258) \$</u>	<u>(1,603) \$</u>	<u>(139,163)</u>
Balance, December 31, 2013	\$ (77,921) \$	(12,232) \$	(1,679) \$	(91,832)
Other comprehensive income (loss) before reclassifications	440	(34)	—	406
Net amount reclassified to net income	(362)	—	(76)	(438)
Balance, June 30, 2014	<u>\$ (77,843) \$</u>	<u>(12,266) \$</u>	<u>(1,755) \$</u>	<u>(91,864)</u>
Balance, December 31, 2012	\$ (137,441) \$	(12,224) \$	(1,527) \$	(151,192)
Other comprehensive income (loss) before reclassifications	10,349	(34)	—	10,315
Net amount reclassified to net loss	1,790	—	(76)	1,714
Balance, June 30, 2013	<u>\$ (125,302) \$</u>	<u>(12,258) \$</u>	<u>(1,603) \$</u>	<u>(139,163)</u>

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

AOCI Components	Location	For the three months ended June 30,		For the six months ended June 30,	
		2014	2013	2014	2013
Defined benefit plan and other postretirement liabilities	Cost of goods sold	\$ 25	\$ 910	\$ 616	\$ 1,994
	Selling, general and administrative expenses	17	304	285	544
	Income tax expense	(559)	(374)	(1,263)	(748)
	Net of tax	<u>\$ (517)</u>	<u>\$ 840</u>	<u>\$ (362)</u>	<u>\$ 1,790</u>
Equity in investee other comprehensive income	Cost of goods sold	\$ —	\$ —	\$ —	\$ —
	Income tax expense	(17)	(17)	(34)	(34)
	Net of tax	<u>\$ (17)</u>	<u>\$ (17)</u>	<u>\$ (34)</u>	<u>\$ (34)</u>
Unrealized loss on financial instruments	Cost of goods sold	\$ (46)	\$ (46)	\$ (93)	\$ (93)
	Income tax expense	9	8	17	17
	Net of tax	<u>\$ (37)</u>	<u>\$ (38)</u>	<u>\$ (76)</u>	<u>\$ (76)</u>

15. Components of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 1,079	\$ 926	\$ 2,666	\$ 1,606
Interest cost	3,101	1,755	5,741	3,390
Expected return on plan assets	(3,701)	(1,893)	(7,098)	(3,613)
Amortization of prior service costs	9	22	18	54
Amortization of net loss	167	857	953	1,706
Curtailement	—	(18)	—	(18)
Net periodic benefit cost	<u>\$ 655</u>	<u>\$ 1,649</u>	<u>\$ 2,280</u>	<u>\$ 3,125</u>
	Other Postretirement Benefits ("OPEB")			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 117	\$ 670	\$ 794	\$ 1,163
Interest cost	1,695	1,433	3,206	2,756
Amortization of prior service cost	(961)	(938)	(1,922)	(1,998)
Amortization of net loss	828	1,273	1,852	2,776
Curtailement	—	(20)	—	(20)
Net periodic benefit cost	<u>\$ 1,679</u>	<u>\$ 2,418</u>	<u>\$ 3,930</u>	<u>\$ 4,677</u>

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Employer contributions

During the six months ended June 30, 2014, we made contributions of approximately \$1,413 to the qualified defined benefit plans we sponsor.

16. Recently issued accounting standards updates

In May 2014, the FASB and IASB issued their final standard on revenue from contracts with customers. The standard, issued as ASU 2014-09 "Revenue From Contracts with Customers" by the FASB, outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance.

The core principal of the new revenue model is that "an entity recognizes revenue for the transfer of promised goods and services to customers in the amount that reflects the expected consideration for those goods and services." When applying the revenue model to contracts within the scope of the ASU, an entity:

- identifies the contract with a customer
- identifies the performance obligations in the contract
- determines the transaction price
- allocates the transaction price to the performance obligations in the contract
- recognizes revenue when (or as) the entity satisfies the performance obligations.

Compared with current GAAP, the ASU requires significantly expanded disclosures about revenue recognition.

The ASU is effective for Century for our fiscal year 2017 and thereafter. Early adoption is not permitted. We are currently evaluating the impact of adoption on our consolidated financial position, results of operations and cash flows.

17. Condensed consolidating financial information

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

The following summarized condensed consolidating balance sheets as of June 30, 2014 and December 31, 2013, condensed consolidating statements of comprehensive income (loss) for the three and six months ended June 30, 2014 and 2013 and the condensed consolidating statements of cash flows for the six months ended June 30, 2014 and 2013 present separate results for Century, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, consolidating adjustments and total consolidated amounts.

This summarized condensed consolidating financial information may not necessarily be indicative of the results of operations, financial position or cash flows had the Company, the Guarantor Subsidiaries or the Non-Guarantor Subsidiaries operated as independent entities.

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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CONDENSED CONSOLIDATING BALANCE SHEET

As of June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 44,984	\$ 16,400	\$ —	\$ 61,384
Restricted cash	2,789	242	—	—	3,031
Accounts receivable — net	51,687	566	—	—	52,253
Due from affiliates	313,628	46,875	2,321,841	(2,628,250)	54,094
Inventories	158,398	87,129	180	(2,059)	243,648
Prepaid and other current assets	2,200	17,588	5,224	308	25,320
Deferred taxes	—	13,614	—	—	13,614
Total current assets	528,702	210,998	2,343,645	(2,630,001)	453,344
Investment in subsidiaries	64,904	—	(1,078,450)	1,013,546	—
Property, plant and equipment — net	339,951	889,052	1,451	(440)	1,230,014
Due from affiliates — less current portion	—	41,928	—	(41,928)	—
Other assets	20,034	38,088	32,214	2,786	93,122
Total	\$ 953,591	\$ 1,180,066	\$ 1,298,860	\$ (1,656,037)	\$ 1,776,480
Liabilities and shareholders' equity:					
Accounts payable, trade	\$ 52,546	\$ 42,627	\$ 724	\$ —	\$ 95,897
Due to affiliates	2,036,103	101,807	—	(2,085,554)	52,356
Accrued and other current liabilities	18,936	16,984	10,485	(1,223)	45,182
Accrued employee benefits costs	6,692	—	1,841	—	8,533
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,122,092	161,418	13,050	(2,086,777)	209,783
Senior notes payable	—	—	246,705	—	246,705
Accrued pension benefit costs — less current portion	13,177	—	28,547	—	41,724
Accrued postretirement benefit costs — less current portion	123,771	—	4,516	—	128,287
Other liabilities/intercompany loan	57,359	564,004	2,409	(586,356)	37,416
Deferred taxes	—	108,932	—	—	108,932
Total noncurrent liabilities	194,307	672,936	282,177	(586,356)	563,064
Shareholders' equity:					
Series A Preferred stock	—	—	1	—	1
Common stock	60	12	936	(72)	936
Additional paid-in capital	275,467	182,943	2,509,186	(458,410)	2,509,186
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(90,978)	(1,754)	(91,864)	92,732	(91,864)
Retained earnings (accumulated deficit)	(1,547,357)	164,511	(1,364,702)	1,382,846	(1,364,702)
Total shareholders' equity	(1,362,808)	345,712	1,003,633	1,017,096	1,003,633
Total	\$ 953,591	\$ 1,180,066	\$ 1,298,860	\$ (1,656,037)	\$ 1,776,480

CENTURY ALUMINUM COMPANY
Condensed Notes to the Consolidated Financial Statements (continued)
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CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 37,977	\$ 46,111	\$ —	\$ 84,088
Restricted cash	787	910	—	—	1,697
Accounts receivable — net	45,205	10,979	—	—	56,184
Due from affiliates	303,031	36,995	2,304,874	(2,601,313)	43,587
Inventories	166,137	73,478	—	—	239,615
Prepaid and other current assets	6,350	20,531	5,395	—	32,276
Deferred taxes	—	14,540	—	(926)	13,614
Total current assets	521,510	195,410	2,356,380	(2,602,239)	471,061
Investment in subsidiaries	55,929	—	(1,087,216)	1,031,287	—
Property, plant and equipment — net	351,096	895,381	1,621	(437)	1,247,661
Due from affiliates — less current portion	—	32,066	—	(32,066)	—
Other assets	21,163	33,132	32,431	4,748	91,474
Total	\$ 949,698	\$ 1,155,989	\$ 1,303,216	\$ (1,598,707)	\$ 1,810,196
Liabilities and shareholders' equity:					
Accounts payable, trade	\$ 65,384	\$ 42,351	\$ 755	\$ —	\$ 108,490
Due to affiliates	2,015,550	97,351	—	(2,059,319)	53,582
Accrued and other current liabilities	25,419	26,005	16,486	1,556	69,466
Accrued employee benefits costs	12,880	—	2,737	(7,207)	8,410
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,127,048	165,707	19,978	(2,064,970)	247,763
Senior notes payable	—	—	246,528	—	246,528
Accrued pension benefit costs — less current portion	6,183	—	26,458	7,207	39,848
Accrued postretirement benefit costs — less current portion	124,466	—	4,818	—	129,284
Other liabilities/intercompany loan	58,367	548,985	2,622	(572,231)	37,743
Deferred taxes	—	106,218	—	—	106,218
Total noncurrent liabilities	189,016	655,203	280,426	(565,024)	559,621
Shareholders' equity:					
Series A Preferred stock	—	—	1	—	1
Common stock	60	12	935	(72)	935
Additional paid-in capital	268,467	179,493	2,508,574	(447,960)	2,508,574
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(92,803)	(1,678)	(91,832)	94,481	(91,832)
Retained earnings (accumulated deficit)	(1,542,090)	157,252	(1,364,942)	1,384,838	(1,364,942)
Total shareholders' equity	(1,366,366)	335,079	1,002,812	1,031,287	1,002,812
Total	\$ 949,698	\$ 1,155,989	\$ 1,303,216	\$ (1,598,707)	\$ 1,810,196

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CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 169,747	\$ 4	\$ —	\$ —	\$ 169,751
Related parties	157,807	130,766	—	—	288,573
	327,554	130,770	—	—	458,324
Cost of goods sold	307,005	112,815	—	—	419,820
Gross profit	20,549	17,955	—	—	38,504
Other operating expense – net	1,874	—	—	—	1,874
Selling, general and administrative expenses	10,180	438	—	—	10,618
Operating income	8,495	17,517	—	—	26,012
Interest expense – third party	(5,500)	(71)	—	—	(5,571)
Interest expense – affiliates	12,430	(12,430)	—	—	—
Interest income – third party	2	32	—	—	34
Net gain on forward and derivative contracts	352	—	—	—	352
Other income (expense) – net	436	(54)	—	(82)	300
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	16,215	4,994	—	(82)	21,127
Income tax benefit (expense)	(5,743)	3,972	—	117	(1,654)
Income before equity in earnings (losses) of subsidiaries and joint ventures	10,472	8,966	—	35	19,473
Equity in earnings (losses) of subsidiaries and joint ventures	2,353	871	20,344	(22,697)	871
Net income (loss)	\$ 12,825	\$ 9,837	\$ 20,344	\$ (22,662)	\$ 20,344
Other comprehensive income (loss) before income tax effect	\$ 466	\$ (46)	\$ 436	\$ (420)	\$ 436
Income tax effect	(558)	9	(567)	549	(567)
Other comprehensive income (loss)	(92)	(37)	(131)	129	(131)
Comprehensive income (loss)	\$ 12,733	\$ 9,800	\$ 20,213	\$ (22,533)	\$ 20,213

CENTURY ALUMINUM COMPANY
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CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the three months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	\$ 220,950
Related parties	51,651	59,336	—	—	110,987
	<u>225,637</u>	<u>106,300</u>	<u>—</u>	<u>—</u>	<u>331,937</u>
Cost of goods sold	250,395	87,240	—	—	337,635
Gross profit (loss)	(24,758)	19,060	—	—	(5,698)
Other operating expense – net	3,018	—	—	—	3,018
Selling, general and administrative expenses	11,755	3,399	—	—	15,154
Operating income (loss)	(39,531)	15,661	—	—	(23,870)
Interest expense – third party	(6,224)	—	—	—	(6,224)
Interest expense – affiliates	14,521	(14,521)	—	—	—
Interest income – third party	17	169	—	—	186
Net gain on forward and derivative contracts	204	—	—	—	204
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(128)	(1,156)	—	—	(1,284)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(29,160)	153	—	—	(29,007)
Income tax benefit (expense)	1,318	(2,131)	—	—	(813)
Loss before equity in earnings (losses) of subsidiaries and joint ventures	(27,842)	(1,978)	—	—	(29,820)
Equity in earnings (losses) of subsidiaries and joint ventures	(3,044)	436	(29,384)	32,428	436
Net income (loss)	<u>\$ (30,886)</u>	<u>\$ (1,542)</u>	<u>\$ (29,384)</u>	<u>\$ 32,428</u>	<u>\$ (29,384)</u>
Other comprehensive income (loss) before income tax effect	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,960)	\$ 11,517
Income tax effect	(357)	8	(383)	349	(383)
Other comprehensive income (loss)	9,649	(38)	11,134	(9,611)	11,134
Comprehensive income (loss)	<u>\$ (21,237)</u>	<u>\$ (1,580)</u>	<u>\$ (18,250)</u>	<u>\$ 22,817</u>	<u>\$ (18,250)</u>

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

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 304,999	\$ 16	\$ —	\$ —	\$ 305,015
Related parties	321,847	252,309	—	—	574,156
	626,846	252,325	—	—	879,171
Cost of goods sold	619,629	222,796	—	—	842,425
Gross profit	7,217	29,529	—	—	36,746
Other operating expense – net	4,288	—	—	—	4,288
Selling, general and administrative expenses	19,551	1,129	—	—	20,680
Operating income (loss)	(16,622)	28,400	—	—	11,778
Interest expense – third party	(10,919)	(129)	—	—	(11,048)
Interest expense – affiliates	24,891	(24,891)	—	—	—
Interest income – third party	5	169	—	—	174
Net loss on forward and derivative contracts	(527)	—	—	—	(527)
Other income (expense) – net	216	(87)	—	(82)	47
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(2,956)	3,462	—	(82)	424
Income tax benefit (expense)	(4,296)	3,428	—	308	(560)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(7,252)	6,890	—	226	(136)
Equity in earnings (losses) of subsidiaries and joint ventures	1,987	376	240	(2,227)	376
Net income (loss)	\$ (5,265)	\$ 7,266	\$ 240	\$ (2,001)	\$ 240
Other comprehensive income (loss) before income tax effect	\$ 1,056	\$ (93)	\$ 1,248	\$ (963)	\$ 1,248
Income tax effect	(1,263)	17	(1,280)	1,246	(1,280)
Other comprehensive income (loss)	(207)	(76)	(32)	283	(32)
Comprehensive income (loss)	\$ (5,472)	\$ 7,190	\$ 208	\$ (1,718)	\$ 208

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

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

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 311,084	\$ 98,380	\$ —	\$ —	\$ 409,464
Related parties	118,280	125,467	—	—	243,747
	429,364	223,847	—	—	653,211
Cost of goods sold	461,580	179,747	—	—	641,327
Gross profit (loss)	(32,216)	44,100	—	—	11,884
Other operating expense – net	4,114	—	—	—	4,114
Selling, general and administrative expenses	24,644	6,809	—	—	31,453
Operating income (loss)	(60,974)	37,291	—	—	(23,683)
Interest expense – third party	(12,300)	—	—	—	(12,300)
Interest expense – affiliates	29,017	(29,017)	—	—	—
Interest income – third party	31	286	—	—	317
Net gain on forward and derivative contracts	15,711	—	—	—	15,711
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(9)	(1,205)	—	—	(1,214)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(26,543)	7,355	—	—	(19,188)
Income tax benefit (expense)	(5,784)	2,454	—	—	(3,330)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(32,327)	9,809	—	—	(22,518)
Equity in earnings (losses) of subsidiaries and joint ventures	(5,266)	1,387	(21,131)	26,397	1,387
Net income (loss)	\$ (37,593)	\$ 11,196	\$ (21,131)	\$ 26,397	\$ (21,131)
Other comprehensive income (loss) before income tax effect	\$ 11,090	\$ (93)	\$ 12,794	\$ (10,997)	\$ 12,794
Income tax effect	(748)	17	(765)	731	(765)
Other comprehensive income (loss)	10,342	(76)	12,029	(10,266)	12,029
Comprehensive income (loss)	\$ (27,251)	\$ 11,120	\$ (9,102)	\$ 16,131	\$ (9,102)

CENTURY ALUMINUM COMPANY

Condensed Notes to the Consolidated Financial Statements (continued)

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

(Unaudited)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by operating activities	\$ 4,808	\$ 3,820	\$ —	\$ 8,628
Investing activities:				
Purchase of property, plant and equipment	(7,210)	(9,502)	(46)	(16,758)
Nordural expansion — Helguvik	—	(186)	—	(186)
Purchase of carbon anode assets and improvements	—	(7,226)	—	(7,226)
Proceeds from sale of property, plant and equipment	—	46	—	46
Restricted and other cash deposits	(2,002)	668	—	(1,334)
Net cash used in investing activities	(9,212)	(16,200)	(46)	(25,458)
Financing activities:				
Borrowings under revolving credit facilities	—	—	86,646	86,646
Repayments under revolving credit facilities	—	(6,000)	(86,646)	(92,646)
Intercompany transactions	4,404	25,387	(29,791)	—
Issuance of common stock	—	—	126	126
Net cash provided by (used in) financing activities	4,404	19,387	(29,665)	(5,874)
Change in cash and cash equivalents	—	7,007	(29,711)	(22,704)
Cash and cash equivalents, beginning of the period	—	37,977	46,111	84,088
Cash and cash equivalents, end of the period	\$ —	\$ 44,984	\$ 16,400	\$ 61,384

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

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

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ 34,027	\$ (11,051)	\$ —	\$ 22,976
Investing activities:				
Purchase of property, plant and equipment	(5,240)	(10,751)	(574)	(16,565)
Nordural expansion — Helguvik	—	(2,559)	—	(2,559)
Purchase of carbon anode assets and improvements	—	(3,670)	—	(3,670)
Purchase of Sebree smelter	(48,058)	—	—	(48,058)
Proceeds from sale of property, plant and equipment	—	515	—	515
Restricted and other cash deposits	258	(978)	—	(720)
Net cash used in investing activities	(53,040)	(17,443)	(574)	(71,057)
Financing activities:				
Repayment of debt	—	—	(249,604)	(249,604)
Proceeds from issuance of debt	—	—	246,330	246,330
Debt issuance costs	—	—	(3,926)	(3,926)
Debt retirement costs	—	—	(1,208)	(1,208)
Intercompany transactions	19,013	582	(19,595)	—
Issuance of common stock	—	—	44	44
Net cash provided by (used in) financing activities	19,013	582	(27,959)	(8,364)
Change in cash and cash equivalents	—	(27,912)	(28,533)	(56,445)
Cash and cash equivalents, beginning of the period	—	110,016	73,960	183,976
Cash and cash equivalents, end of the period	\$ —	\$ 82,104	\$ 45,427	\$ 127,531

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

18. Subsequent events

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

Sebree enters into a new collective bargaining agreement

In July 2014, Century Sebree entered into a new collective bargaining agreement with the USWA for its employees at the Sebree smelter. The agreement is effective through October 28, 2019.

Century reaches a settlement in three Vialco lawsuits

In July 2014, we entered into a settlement with respect to certain matters related to the St. Croix Alumina Refinery. See [Note 10 Commitments and contingencies](#) – "Matters relating to the St. Croix Alumina Refining Facility" for additional information about the settlement.

Century finalizes the Sebree acquisition working capital adjustment

In July 2014, we reached a final determination of the applicable working capital adjustments for the Sebree acquisition. As a result, we recognized a gain, recorded in other income (expense) – net, of approximately \$965 from the release of accrued amounts related to the acquisition.

HS Orka seeks arbitration regarding its Helguvik power contract

On July 10, 2014, HS Orka ehf, one of the contracted power suppliers to Helguvik, commenced arbitration proceedings against Nordural Helguvik seeking, among other things, an order declaring (i) that the conditions to the power contract have not been fulfilled and (ii) that the power contract is therefore no longer valid. Nordural Helguvik believes HS' renewed claims are without merit and intends to defend itself against them.

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 SEC reports, for example, may include statements regarding:

- Our future financial and operating performance and the future financial and operating performance of our subsidiaries, including future revenues, costs (including power, alumina, carbon and selling, general and administrative), tax position and production, inventory and shipment levels;
- Our business objectives, strategies and initiatives, the growth of our business (including with respect to production and production capacity) and our competitive position and prospects;
- Our anticipated capital programs and liquidity, including anticipated capital expenditures and debt service requirements;
- The availability of, and terms and costs related to, future financing;
- Our ability to repay debt in the future, including the E.ON contingent obligation;
- Our assessment of significant economic, financial, political and other factors and developments outside of our control that may affect our results, including currency risks and other risks relating to our operations;
- Aluminum prices, regional delivery premiums and product premiums and their effect on our financial position and results of operations;
- Our ability to procure electricity, alumina, carbon products and other raw materials and our assessment of pricing and costs and other terms relating thereto;
- Our ability to successfully address regulatory and transmission issues related to our wholesale power arrangements at Hawesville and Sebree, to successfully manage wholesale market power price risk and control or reduce power costs at each of our U.S. plants, and to successfully obtain a long-term competitive power arrangement for Mt. Holly;
- Our ability to successfully produce value-added products at our smelters;
- Our plans with respect to restarting operations at our Ravenswood, West Virginia smelter, and potential curtailment of other domestic assets and ability to realize benefits from any such curtailment;
- Our ability to realize the potential benefits to be provided to Grundartangi and our planned Helguvik smelter from the purchase by Century Vliissingen of carbon anode production assets in the Netherlands;
- Our future construction investment and development projects, including at the Helguvik project, the Century Vliissingen project and our expansion project at Grundartangi, including our discussions regarding securing sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, timing, production capacity and sources of funding;
- 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;
- 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, forward-looking statements 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. More information about these risks and uncertainties can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Given these uncertainties, you should not place undue reliance on our forward-looking statements. We do not undertake, and specifically disclaim, any obligation to revise any forward-looking statements, whether as a result of new information, actual events, future events or otherwise.

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

Mt. Holly gave notice to Santee Cooper to terminate its power contract effective December 31, 2015

In June 2014, Mt. Holly notified Santee Cooper, as allowed by the power contract, to reduce its contract demand to zero effective December 31, 2015, which was necessary to cut off liabilities under the tariff after December 31, 2015 if there is no new contract. Mt. Holly will continue to work with Santee Cooper towards a new power agreement, and remains committed to securing a competitive, long-term power agreement that will allow it to continue to operate the facility beyond 2015.

Century appoints Rick T. Dillon as Executive Vice President and Chief Financial Officer

In June 2014, we announced that our Board of Directors had appointed Rick T. Dillon as Executive Vice President and Chief Financial Officer of Century. Prior to joining Century, Mr. Dillon served as Vice President of Finance – Surface Mining Group at Joy Global Inc. Mr. Dillon joined Joy Global in 2009 as Vice President – Corporate Controller & Chief Accounting Officer. Prior to that, Mr. Dillon served as Vice President – Business Planning and Analysis for Newell Rubbermaid, Inc. He has also held the Chief Accounting Officer role at Newell Rubbermaid, Inc. and Briggs & Stratton Corporation.

Results of Operations

The following discussion reflects our historical results of operations.

Century's financial highlights include:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
(In thousands, except per share data)				
NET SALES:				
Third-party customers	\$ 169,751	\$ 220,950	\$ 305,015	\$ 409,464
Related parties	288,573	110,987	574,156	243,747
Total	\$ 458,324	\$ 331,937	\$ 879,171	\$ 653,211
Gross profit (loss)	\$ 38,504	\$ (5,698)	\$ 36,746	\$ 11,884
Net income (loss)	\$ 20,344	\$ (29,384)	\$ 240	\$ (21,131)
EARNINGS (LOSS) PER COMMON SHARE:				
Basic and Diluted	\$ 0.21	\$ (0.33)	\$ 0.00	\$ (0.24)
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Shipments – primary aluminum (tonnes):				
Direct	183,032	106,284	356,328	199,756
Toll	33,012	69,986	66,501	135,290
Total	216,044	176,270	422,829	335,046
Net sales (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ 458.3	\$ 331.9	\$ 126.4	38.1%
Six months ended June 30,	\$ 879.2	\$ 653.2	\$ 226.0	34.6%

In the three months ended June 30, 2014, higher shipment volumes, due to the acquisition of the Sebree smelter on June 1, 2013 and the replacement of a tolling contract that expired December 31, 2013 with a direct sale contract at Grundartangi, had a \$115.1 million positive impact on net sales. Direct shipments from our four operating smelters increased 76,748 tonnes in the three months ended June 30, 2014 compared to the same period in 2013. Toll shipments decreased 36,974 tonnes relative to the

same period last year. Higher price realizations for our primary aluminum shipments in the three months ended June 30, 2014 were due to higher regional and product premiums, which more than offset lower LME prices for primary aluminum. The higher price realizations resulted in a \$11.3 million increase in sales.

In the six months ended June 30, 2014, higher shipment volumes, due to the acquisition of the Sebree smelter on June 1, 2013 and the replacement of a tolling contract that expired December 31, 2013 with a direct sale contract at Grundartangi, had a \$251.3 million positive impact on net sales. Direct shipments from our four operating smelters increased 156,572 tonnes in the six months ended June 30, 2014 compared to the same period in 2013. Toll shipments decreased 68,789 tonnes relative to the same period last year. Lower price realizations for our primary aluminum shipments in the six months ended June 30, 2014 were due to lower LME prices for primary aluminum which were partially offset by higher regional and product premiums. The lower price realizations resulted in a \$25.3 million decrease in sales.

Gross profit (loss) (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ 38.5	\$ (5.7)	\$ 44.2	(775.4)%
Six months ended June 30,	\$ 36.7	\$ 11.9	\$ 24.8	208.4 %

During the three months ended June 30, 2014, higher price realizations, net of LME-based power cost and alumina, increased gross profit by \$22.9 million, while increased volume due to the acquisition of the Sebree smelter and the mix shift between toll and direct sales at Grundartangi increased gross profit by \$2.2 million. In addition, we experienced \$11.5 million in net cost decreases at our smelters relative to the same period in 2013, comprised of: lower costs for power and natural gas at our U.S. smelters, \$13.0 million; lower costs for materials, supplies and maintenance, \$2.7 million; other cost increases, \$2.6 million; increased depreciation, \$1.1 million and an increase in our accrual for legal matters, \$0.5 million.

During the six months ended June 30, 2014, lower price realizations, net of LME-based power cost and alumina, decreased gross profit by \$1.3 million, while increased volume due to the acquisition of the Sebree smelter and the mix shift between toll and direct sales at Grundartangi increased gross profit by \$7.2 million. In addition, we experienced \$1.2 million in net cost increases at our smelters relative to the same period in 2013, comprised of: lower costs for power and natural gas costs at our U.S. smelters, \$1.8 million; lower costs for materials, supplies and maintenance, \$6.4 million; other cost increases, \$2.6 million; increased depreciation, \$3.2 million and an increase in our accrual for legal matters, \$3.6 million.

As part of the accounting for the purchase of the Sebree smelter, we recorded a \$36.6 million estimated liability for the power contract we assumed based on the difference between the forecasted contract rates and market power rates through the contract termination date in January 2014. This liability was fully amortized over the period from June 1, 2013 through January 31, 2014, resulting in a credit to our depreciation and amortization expense. During the three and six months ended June 30, 2013, the credit for the amortization of the power contract was \$2.7 million. During the three and six months ended June 30, 2014, the credit for the amortization of the power contract was \$0.0 million and \$5.5 million, respectively. This resulted in a quarter to quarter decrease in gross profit of \$2.7 million and six month period to period increase in gross profit of \$2.8 million.

As of June 30, 2014, the market value of our inventory was above its cost basis, resulting in the release of a lower of cost or market ("LCM") inventory reserve of \$0.1 million that was recorded at March 31, 2014. This resulted in a credit to cost of goods sold for the three months ended June 30, 2014 of \$0.1 million. As of June 30, 2013, the market value of our inventory was below its cost basis, resulting in the recording of an LCM inventory reserve of \$16.1 million and a charge to cost of goods sold for the three months ended June 30, 2013 of \$10.2 million. This resulted in a quarter to quarter increase in gross profit of \$10.3 million.

As of June 30, 2014, the market value of our inventory was above its cost basis, resulting in the release of an LCM inventory reserve of \$1.2 million that was recorded at December 31, 2013. This resulted in a credit to cost of goods sold for the six months ended June 30, 2014 of \$1.2 million. As of June 30, 2013, the market value of our inventory was below its cost basis, resulting in the recording of an LCM inventory reserve of \$16.1 million and a charge to cost of goods sold for the six months ended June 30, 2013 of \$16.1 million. This resulted in a period to period increase in gross profit of \$17.3 million.

Other operating expense – net (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ 1.9	\$ 3.0	\$ (1.1)	(36.7)%
Six months ended June 30,	\$ 4.3	\$ 4.1	\$ 0.2	4.9 %

Other operating expense – net is primarily related to items associated with Ravenswood. Period to period charges at the facility have been relatively stable, but some post–employment benefits and other support charges are starting to trend downwards. In addition, in the first quarter of 2013 we reduced an accrual for a legal liability that was ultimately settled for an amount lower than the original accrual.

Selling, general and administrative expenses (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ 10.6	\$ 15.2	\$ (4.6)	(30.3)%
Six months ended June 30,	\$ 20.7	\$ 31.5	\$ (10.8)	(34.3)%

During the three and six months ended June 30, 2014, we experienced decreased selling, general and administrative charges due to a reduction in external legal and outside professional service support and the absence of the relocation and severance expenses we incurred in 2013 to move our corporate headquarters to Chicago. In addition, we incurred \$5.3 million of general and administrative expenses that were evenly spread in 2013 that relate to the integration of the Century Vlissingen anode facility into our business. The Century Vlissingen anode facility is now producing anodes and its costs are included in cost of goods sold in 2014.

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

	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ 0.4	\$ 0.2	\$ 0.2	100.0 %
Six months ended June 30,	\$ (0.5)	\$ 15.7	\$ (16.2)	(103.2)%

The net gain (loss) on forward and derivative contracts for the six months ended June 30, 2014 was primarily the result of settlements of contracts put in place to provide partial downside price protection for our domestic facilities. As of March 31, 2014, all of these contracts were settled.

The net gain (loss) on forward and derivative contracts for the six months ended June 30, 2013 was primarily the result of an increase in the fair value of a derivative asset embedded in the E.ON contingent liability. This change in fair value resulted in unrealized gains of \$16.1 million for the six months ended June 30, 2013.

Gain on bargain purchase (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ —	\$ 5.3	\$ (5.3)	N/A
Six months ended June 30,	\$ —	\$ 5.3	\$ (5.3)	N/A

On June 1, 2013, we acquired the Sebree smelter. The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the date of acquisition. We have finalized the purchase price allocation for the assets acquired and liabilities assumed, the purchase price and gain on bargain purchase. Based on the final purchase price allocation, we recorded a gain on bargain purchase of \$5.3 million in 2013. See [Note 2. Acquisition of Sebree aluminum smelter](#) to the consolidated financial statements included herein for additional information.

Loss on early extinguishment of debt (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ —	\$ (3.3)	\$ 3.3	N/A
Six months ended June 30,	\$ —	\$ (3.3)	\$ 3.3	N/A

In 2013, as a result of the tender offer and redemption of our 8% senior secured notes due 2014 (the "8.0% Notes"), we recorded charges of \$3.3 million for loss on early extinguishment of debt. We determined the tender and redemption of the 8.0% Notes should be treated as an extinguishment of the debt and accordingly, we recorded a loss on early extinguishment of

debt in the second quarter of 2013. The loss on early extinguishment of debt consisted of the write-off of deferred financing costs and the debt discount associated with the 8.0% Notes, as well as the tender premium paid as part of the tender offer and redemption of the 8.0% Notes.

Income tax expense (in millions)	2014	2013	\$ Difference	% Difference
Three months ended June 30,	\$ (1.7)	\$ (0.8)	\$ (0.9)	112.5 %
Six months ended June 30,	\$ (0.6)	\$ (3.3)	\$ 2.7	(81.8)%

Our income tax expense is based on a forecasted annual effective tax rate applied to current period results, as well as the tax effects of certain discrete items. The application of the requirements for accounting for income taxes in interim periods, after consideration of our valuation allowance against all of Century's U.S. and certain foreign deferred tax assets, can cause significant variations in the typical relationship between income tax expense and pretax income.

Liquidity and Capital Resources

Liquidity

Our principal sources of liquidity are available cash, cash flow from operations and available borrowings under our 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 are the funding of operating costs (including post-retirement benefits), maintenance of curtailed production facilities, payments of principal and interest on our outstanding debt, the funding of capital expenditures, investments in our growth activities and in related businesses, working capital and other general corporate requirements.

Our consolidated cash and cash equivalents balance at June 30, 2014 was approximately \$61 million compared to approximately \$84 million at December 31, 2013. Century's U.S. revolving credit facility matures in May 2018 and our Iceland revolving credit facility matures in November 2016. As of June 30, 2014, our credit facilities had no outstanding borrowings and approximately \$129 million of aggregate net availability. As of June 30, 2014, we had approximately \$71 million of letters of credit outstanding under our U.S. revolving credit facility. We 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. Borrowings and repayments under our credit facilities for the six months ended June 30, 2014 on a gross basis were approximately \$86.6 million and \$92.6 million, respectively. During the same period, total outstanding indebtedness under our credit facilities at any given time did not exceed \$16.7 million. The availability of funds under our credit facilities is limited by a specified borrowing base consisting of certain accounts receivable and inventory. Future changes to our sales agreements which have shorter payment terms could reduce our accounts receivable. In addition, any future curtailments of production capacity would reduce accounts receivable and inventory, which comprise the borrowing base of our revolving credit facilities, and could result in a corresponding reduction in availability under the revolving credit facilities. The acquisition of the Sebree smelter increased domestic accounts receivable and inventory and resulted in a corresponding increase in availability under the U.S. revolving credit facility.

We have \$250 million in 7.5% senior secured notes payable that will mature on June 1, 2021. Our remaining 7.5% senior unsecured notes due August 2014 will reach maturity this year, and we expect to make a \$2.6 million repayment to retire these notes in the third quarter of 2014.

As of June 30, 2014, the principal and accrued interest for the E.ON contingent obligation was \$17.5 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 June 30, 2014 and management's estimate of the LME forward market beyond the quoted market period, we currently believe 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. See [Note 4 Derivative and hedging instruments](#) and [Note 9 Debt](#) to the consolidated financial statements included herein for additional information.

In August 2011, our Board of Directors approved a \$60 million common stock repurchase program. Through June 30, 2014, we had expended approximately \$50 million under the program, but no repurchases have been made since March 2012.

At June 30, 2014, we had approximately \$10 million remaining under the repurchase program authorization. The repurchase program may be suspended or discontinued by our Board, in its sole discretion, at any time.

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. Pursuant to the terms of the agreement, we will make additional contributions (above any minimum required contributions) to our defined benefit pension plans over the term of the agreement. The remaining contributions under this agreement are approximately \$10.7 million, of which approximately \$3.7 million was scheduled to be made in 2014. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we may defer one or more of these payments, but we would be required to provide the PBGC with acceptable security for any deferred payments. In the first quarter of 2014, we elected to defer contributions under the PBGC agreement and have provided the PBGC with the appropriate security.

In addition to the contributions required pursuant to the PBGC settlement, based on current actuarial and other assumptions, we expect to make minimum required contributions to the qualified defined benefit plans and unqualified supplemental executive retirement benefits ("SERB") plan of approximately \$4.6 million and \$1.8 million, respectively, during 2014. We may choose to make additional contributions to these plans from time to time at our discretion.

In May 2014, we received a one-time payment of approximately \$5.5 million from receivables related to adjustments under our Hawesville and Sebree power contracts.

In May 2014, we paid Icelandic withholding taxes on intercompany dividends of approximately \$2.8 million and we expect to pay another approximately \$2.8 million in August 2014. We anticipate both payments will be refunded in November 2015. In November 2014, we expect to receive a refund for Icelandic withholding taxes paid in 2013 of \$9.8 million. The withholding taxes and associated refunds are payable in ISK and we are subject to foreign currency risk associated with fluctuations in the value of the U.S. dollar as compared to the ISK.

On June 1, 2013, we acquired the Sebree aluminum smelter from a subsidiary of RTA. In July 2014, we received an arbitration ruling that established the final determination of the applicable working capital adjustments for the Sebree acquisition. As a result of this determination, we will pay RTA approximately \$1.0 million in the third quarter of 2014 as final consideration for the acquisition.

In June 2014, we reached a settlement with Orkuveita Reykjavíkur ("OR") related to a power contract dispute. Under the agreement, among other things, Nordural Grundartangi ehf paid \$3.6 million to OR in July 2014 and OR will release Nordural Grundartangi ehf and Nordural Helguvík ehf from and against all claims related to the reduction in the power purchased under the existing power contracts. As part of the settlement, Nordural Helguvík ehf and OR entered into a supplemental power contract to provide power at LME-based rates, and as may be requested from Grundartangi or Helguvík from time to time, during the remaining term of the existing Nordural Helguvík ehf power contract. Power provided under the supplemental power contract may be used at Helguvík or Grundartangi.

In June 2012, Nordural Grundartangi ehf entered into a supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi ehf with supplemental power, as Nordural Grundartangi ehf may request from time to time, at LME-based variable rates. Nordural Grundartangi ehf has agreed to make certain prepayments to Landsvirkjun for power expected to be used at a later date in connection with the contract, which will reduce the price paid for power at the time of consumption. As of June 30, 2014, these power prepayments totaled approximately \$2.0 million. We do not expect to make any additional prepayments in connection with this agreement.

Capital Resources

We intend to finance our future recurring capital expenditures from available cash, cash flow from operations and available borrowings under our revolving credit facilities. For major investment projects, such as the Helguvík project, we would likely seek financing from various capital and loan markets, and may potentially pursue the formation of strategic alliances. We may be unable, 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 six months ended June 30, 2014 were \$24.2 million, of which approximately \$7.4 million was related to the Grundartangi expansion project and \$7.2 million was related to the Century Vlissingen restart. The remaining amounts are related to upgrading production equipment, improving facilities and complying with environmental requirements. We believe capital spending in 2014, excluding any expansion of the current production capacity at Century Vlissingen, will be approximately \$50 to \$60 million.

In order to restart the first 75,000 tonnes of annual anode capacity at Century Vlissingen, we have made approximately \$25.4 million in aggregate capital expenditures through June 30, 2014. The first 75,000 tonnes of capacity was restarted in late 2013 and provides an anode supply to Grundartangi to replace third-party anode supply contracts that terminated in 2013. We may increase production capacity to 150,000 tonnes when we conclude it is feasible and advantageous to do so.

We have made and continue to make capital expenditures for the construction and development of our Helguvik project. We have substantial future contractual commitments for the Helguvik project. If we were to cancel the Helguvik project, we estimate that our exposure to contract cancellation and other costs would be approximately \$20 million, of which we currently have accrued liabilities of approximately \$13.4 million. We are continuing to negotiate with the power suppliers to the project to, among other things, remove all the remaining conditions to their obligations to supply contracted power. The timing of the power availability together with other factors will determine the timing of resumption of major construction activity at Helguvik. We expect that capital expenditures for this project will be less than \$0.5 million per year until the restart of major construction activities. We cannot, at this time, predict when the restart of major construction activity will occur.

Adjusted Operating Income (Loss)

We use certain non-GAAP measures when reviewing our operating results, including adjusted operating income (loss). We define adjusted operating income (loss) as operating income (loss) adjusted for certain non-cash items from the statement of cash flows and certain non-recurring items.

Our calculations of adjusted operating income (loss) may not be comparable to similarly titled measures reported by other companies due to differences in the components used in their calculations. We believe the presentation of adjusted operating income (loss) is a useful measure to help investors evaluate our capacity to fund our ongoing cash operating requirements, including capital expenditures and debt service obligations. Adjusted operating income (loss) should not be considered as a substitute for operating income (loss) as determined in accordance with GAAP. The following table includes a reconciliation of adjusted operating income (loss) to operating income (loss), the most comparable GAAP financial measure.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
	(in thousands)			
Operating income (loss)	\$ 26,012	\$ (23,870)	\$ 11,778	\$ (23,683)
Depreciation	17,375	16,210	35,143	31,898
Sebree power contract amortization	—	(2,741)	(5,534)	(2,741)
LCM adjustment	(140)	10,211	(1,247)	16,049
Legal reserve	500	—	3,600	(2,225)
Adjusted operating income (loss)	\$ 43,747	\$ (190)	\$ 43,740	\$ 19,298

Historical

Our statements of cash flows for the six months ended June 30, 2014 and 2013 are summarized below:

	Six months ended June 30,	
	2014	2013
	(in thousands)	
Net cash provided by operating activities	\$ 8,628	\$ 22,976
Net cash used in investing activities	(25,458)	(71,057)
Net cash used in financing activities	(5,874)	(8,364)
Change in cash and cash equivalents	<u>\$ (22,704)</u>	<u>\$ (56,445)</u>

Net cash provided by operating activities for the six months ended June 30, 2014 was \$8.6 million, compared to net cash provided by operating activities of \$23.0 million for the six months ended June 30, 2013. The decrease in cash provided by operating activities in 2014 compared to 2013 was primarily due to cash used for changes in working capital and other items which was approximately \$35 million higher in 2014 compared to 2013 and a separation payment to our former CEO of approximately \$10 million in 2014. The decrease in cash provided by operating activities was partially offset by our adjusted operating income which was \$24.4 million higher in 2014 compared to 2013. In addition, contributions to our pension plans were approximately \$5 million lower in 2014 compared to 2013; cash paid for interest was approximately \$2 million lower in 2014 compared to 2013 (due to the debt refinancing and lower interest rates), and; net cash paid for income/withholding taxes was approximately \$1 million lower in 2014 compared to 2013.

Our net cash used in investing activities for the six months ended June 30, 2014 was \$25.5 million, compared to \$71.1 million for the six months ended June 30, 2013. The decrease in cash used was primarily due to payments of \$48.0 million for the purchase of the Sebree smelter in June 2013 and higher capital expenditures for the Helgøvik project for the six months ended June 30, 2013 compared to the same period in 2014. The decrease was partially offset by \$3.5 million higher capital expenditures for the Vlissingen restart project for the six months ended June 30, 2014 compared to 2013 and slightly higher restricted cash deposits of \$0.6 million in 2014.

Our net cash used in financing activities for the six months ended June 30, 2014 was \$5.9 million, which was primarily related to net repayments under our revolving credit facilities of \$6.0 million, compared to net cash used of \$8.4 million for the six months ended June 30, 2013, which was primarily related to the net costs associated with the extinguishment of our 8.0% Notes and the issuance of our 7.5% Notes due 2021 (the "7.5% Notes").

Other Commitments and Contingencies

We are a defendant in several actions relating to various aspects of our business. While there are uncertainties relating to the ultimate disposition of any litigation, management, based on information currently available, does not believe that the resolution of any of these lawsuits, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or liquidity. See [Note 10 Commitments and contingencies](#) to the consolidated financial statements included herein for additional information.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Commodity Price 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. In addition, we manage our exposure to fluctuations in our costs by purchasing certain of our alumina and power requirements under supply contracts with prices tied to the same indices as our aluminum sales contracts (the LME price of primary aluminum). Our risk management activities do not include any trading or speculative transactions.

Apart from the Glencore Grundartangi Metal Agreement, the Southwire Metal Agreement and the Glencore Sweep

Agreement (a contract for all metal produced in the U.S. in 2013, less existing sales agreements and valued-added metal sales, which expired at the end of 2013), we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2014	December 31, 2013
	(in tonnes)	
Other forward delivery contracts – total	106,530	118,373
Other forward delivery contracts – Glencore	48,808	20,008
Other forward delivery contracts – fixed price	207	—
Other forward delivery contracts – fixed price with Glencore	31	—

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2014. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2014.

Market-Based Power Price Sensitivity

Market-Based Electrical Power Agreement

Hawesville and Sebree terminated their long-term cost-based electrical power agreements with Kenergy and Big Rivers in August 2013 and January 2014, respectively. The KPSC has approved new power supply agreements with Kenergy and Big Rivers to provide market-based electrical power to the Hawesville smelter, effective August 20, 2013 and to the Sebree smelter, effective February 1, 2014. Under the market-based power agreements, Kenergy and Big Rivers purchase market-based electrical power on the open market and pass it through to Hawesville and Sebree at MISO pricing, plus transmission and other costs incurred by them.

Electrical Power Price Sensitivity

We are exposed to market price risk due to fluctuations in the price of power available on the MISO market. Power represents our single largest operating cost, so changes in the price and/or availability of market-based power could significantly impact the profitability of Hawesville and Sebree. In addition, indirect factors that lead to power cost increases, such as increasing market prices for natural gas or coal, fluctuations in or extremes in weather patterns, new or more stringent environmental regulations, or problems associated with power transmission, grid stability or energy import capability may severely impact our financial condition, results of operations and liquidity.

Electrical power price sensitivity by location:

	Hawesville	Sebree	Total
Expected average load (in megawatts ("MW"))	482	385	867
Quarterly estimated electrical power usage (in megawatt hours ("MWh"))	1,055,580	843,150	1,898,730
Quarterly cost impact of an increase or decrease of \$1 per MWh (in thousands)	\$ 1,100	\$ 800	\$ 1,900
Annual expected electrical power usage (in MWh)	4,222,320	3,372,600	7,594,920
Annual cost impact of an increase or decrease of \$1 per MWh (in thousands)	\$ 4,200	\$ 3,400	\$ 7,600

While we currently have not entered into any forward contracts to mitigate the price risk associated with our open market power purchases, we may manage our exposure by entering into certain forward contracts or option contracts in future periods.

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 yuan and other currencies. Grundartangi's labor costs, part of its maintenance costs and other local services are denominated in ISK and a portion of its anode costs are denominated in euros and Chinese yuan. We have deposits denominated in ISK in Icelandic banks; in addition, our tax payments in Iceland for withholding taxes on intercompany dividends and estimated payments of Icelandic income taxes and any associated refunds are denominated in ISK. As a result, an increase or decrease in the value of those currencies relative to the U.S. dollar would affect Grundartangi's operating margins. We may incur further capital expenditures for Century Vlissingen in future periods. In addition, Century Vlissingen's labor costs, maintenance costs and other local services are denominated in euros. We expect to incur capital expenditures for the construction of the Helguvik project, although we continue to evaluate the Helguvik project's cost, scope and schedule. Upon a restart of major construction for the Helguvik project, we have forecasted that a significant portion of the capital expenditures would be denominated in currencies other than the U.S. dollar, with significant portions in ISK, euros and Swiss francs.

We may manage our exposure by entering into foreign currency forward contracts or option contracts for forecasted transactions and projected cash flows for foreign currencies in future periods. As of June 30, 2014, 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. Certain of our alumina contracts, as well as certain of Grundartangi's electrical power and tolling contracts, are indexed to the LME price for primary aluminum and provide a natural hedge for a portion of our production.

Risk Management

Our 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 June 30, 2014, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures were effective as of June 30, 2014.

b. Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2014, 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. On June 1, 2013, we acquired the Sebree smelter and we are currently in the process of extending our internal control over financial reporting to Sebree's operations.

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 position, operating results and cash flows. For information regarding legal proceedings pending against us at June 30, 2014, refer to [Note 10 Commitments and contingencies](#) to the consolidated financial statements included herein.

Item 1A. Risk Factors.

Item 1A of our Annual Report on Form 10–K for the year ended December 31, 2013 sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition or operating results. Those risk factors continue to be relevant to an understanding of our business, financial condition and operating results for the quarter ended June 30, 2014. There have been no material changes to the risk factors contained in our Annual Report on Form 10–K for the year ended December 31, 2013. You should be aware that these risk factors and other information may not describe every risk facing Century. 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 6. Exhibits.

Exhibit Number	Description of Exhibit	Form	Incorporated by Reference		Filed Herewith
			File No.	Filing Date	
10.1	Offer Letter, dated April 24, 2014 and executed April 27, 2014, between Century Aluminum Company and Rick T. Dillon	8-K	001-34474	June 16, 2014	
10.2	Century Aluminum Company Amended and Restated Executive Severance Plan, adopted June 23, 2014	8-K	001-34474	June 27, 2014	
10.3	Termination of Employment and Severance Protection Agreements, dated June 27, 2014, by and between Century Aluminum Company and Michael Bless	8-K	001-34474	June 27, 2014	
10.4	Century Aluminum Company Amended and Restated Stock Incentive Plan, adopted June 23, 2014	8-K	001-34474	June 27, 2014	
10.5	Century Aluminum Company Amended and Restated Long-Term Incentive Plan, adopted June 23, 2014	8-K	001-34474	June 27, 2014	
10.6	Amendment No. 2 to the Century Aluminum Company Amended and Restated Supplemental Retirement Income Benefit Plan, adopted June 23, 2014	8-K	001-34474	June 27, 2014	
10.7	Form of Performance Unit Award Agreement under the Amended and Restated Stock Incentive Plan and the Amended and Restated Long-Term Incentive Plan for the January 1, 2014 to December 31, 2016 performance period	8-K	001-34474	June 27, 2014	
10.8	Form of Time-Vesting Performance Share Unit Award Agreement under the Amended and Restated Stock Incentive Plan and the Amended and Restated Long-Term Incentive Plan for the January 1, 2014 to December 31, 2016 performance period	8-K	001-34474	June 27, 2014	
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer				X
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer				X
32.1*	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief Executive Officer				X
32.2*	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief 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

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

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

SIGNATURES

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

Century Aluminum Company

Date: August 8, 2014

By: /s/ MICHAEL A. BLESS

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

Date: August 8, 2014

By: /s/ RICK T. DILLON

Rick T. Dillon
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit Index

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

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

EXHIBIT 31.1

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

I, Michael A. Bless, certify that:

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

Date: August 8, 2014

/s/ MICHAEL A. BLESS

Name: Michael A. Bless
Title: President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

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

I, Rick T. Dillon, certify that:

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

Date: August 8, 2014

/s/ RICK T. DILLON

Name: Rick T. Dillon
Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the quarterly report on Form 10–Q of Century Aluminum Company (the “Company”) for the quarter ended June 30, 2014, 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)
Date: August 8, 2014

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.

Exhibit 32.2

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

In connection with the quarterly report on Form 10–Q of Century Aluminum Company (the “Company”) for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Rick T. Dillon, as Executive Vice President and Chief Financial 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/ RICK T. DILLON

By: Rick T. Dillon
Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: August 8, 2014

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

Document And Entity Information

Document And Entity Information

6 Months Ended

Jun. 30, 2014

Jul. 31, 2014

Document and Entity Information

[Abstract]

Entity Registrant Name	CENTURY ALUMINUM CO	
Entity Central Index Key	0000949157	
Document Type	10-Q	
Document Period End Date	Jun. 30, 2014	
Amendment Flag	false	
Document Fiscal Year Focus	2014	
Document Fiscal Period Focus	Q2	
Current Fiscal Year End Date	--12-31	
Entity Filer Category	Accelerated Filer	
Entity Common Stock, Shares Outstanding		88,809,928

CONSOLIDATED BALANCE SHEETS (USD \$)**CONSOLIDATED BALANCE
SHEETS (USD \$)**
*In Thousands, unless otherwise
specified***Jun. 30, 2014****Dec. 31, 2013****ASSETS**

Cash and cash equivalents	\$ 61,384	\$ 84,088
Restricted cash	3,031	1,697
Accounts receivable â€” net	52,253	56,184
Due from affiliates	54,094	43,587
Inventories	243,648	239,615
Prepaid and other current assets	25,320	32,276
Deferred taxes	13,614	13,614
Total current assets	<u>453,344</u>	<u>471,061</u>
Property, plant and equipment â€” net	1,230,014	1,247,661
Other assets	93,122	91,474
TOTAL	<u>1,776,480</u>	<u>1,810,196</u>

LIABILITIES:

Accounts payable, trade	95,897	108,490
Due to affiliates	52,356	53,582
Accrued and other current liabilities	45,182	69,466
Accrued employee benefits costs	8,533	8,410
Industrial revenue bonds	7,815	7,815
Total current liabilities	<u>209,783</u>	<u>247,763</u>
Senior notes payable	246,705	246,528
Accrued pension benefits costs â€” less current portion	41,724	39,848
Accrued postretirement benefits costs â€” less current portion	128,287	129,284
Other liabilities	37,416	37,743
Deferred taxes	108,932	106,218
Total noncurrent liabilities	<u>563,064</u>	<u>559,621</u>

**COMMITMENTS AND
CONTINGENCIES (NOTE 10)****SHAREHOLDERS' EQUITY:**

Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 160,000 issued and 79,226 outstanding at June 30, 2014; 160,000 issued and 79,620 outstanding at December 31, 2013)

1

1

Common stock (one cent par value, 195,000,000 shares authorized; 93,591,282 issued and 88,804,761

936

935

outstanding at June 30, 2014;
93,496,798 issued and 88,710,277
outstanding at December 31, 2013)

Additional paid-in capital	2,509,186	2,508,574
Treasury stock, at cost	(49,924)	(49,924)
Accumulated other comprehensive loss	(91,864)	(91,832)
Accumulated deficit	(1,364,702)	(1,364,942)
Total shareholders' equity	<u>1,003,633</u>	<u>1,002,812</u>
TOTAL	<u>\$ 1,776,480</u>	<u>\$ 1,810,196</u>

CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)

CONSOLIDATED BALANCE SHEETS (Parenthetical) (USD \$)	Jun. 30, 2014	Dec. 31, 2013
Series A Preferred stock, par value (in dollars per share)	\$ 0.01	\$ 0.01
Series A Preferred stock, shares authorized (in shares)	5,000,000	5,000,000
Series A Preferred stock, shares issued (in shares)	160,000	160,000
Series A Preferred stock, shares outstanding (in shares)	79,226	79,620
Common stock, par value (in dollars per share)	\$ 0.01	\$ 0.01
Common stock, shares authorized (in shares)	195,000,000	195,000,000
Common stock, shares issued (in shares)	93,591,282	93,496,798
Common stock, shares outstanding (in shares)	88,804,761	88,710,277

CONSOLIDATED STATEMENTS OF OPERATIONS (USD \$)**CONSOLIDATED STATEMENTS
OF OPERATIONS (USD \$)***In Thousands, except Per Share
data, unless otherwise specified***3 Months Ended****6 Months Ended****Jun. 30, 2014****Jun. 30, 2013****Jun. 30, 2014****Jun. 30, 2013****NET SALES:**

Third-party customers	\$ 169,751	\$ 220,950	\$ 305,015	\$ 409,464
Related parties	288,573	110,987	574,156	243,747
Sales Revenue â€“ net	<u>458,324</u>	<u>331,937</u>	<u>879,171</u>	<u>653,211</u>
Cost of goods sold	419,820	337,635	842,425	641,327
Gross profit (loss)	<u>38,504</u>	<u>(5,698)</u>	<u>36,746</u>	<u>11,884</u>
Other operating expense â€“ net	1,874	3,018	4,288	4,114
Selling, general and administrative expenses	10,618	15,154	20,680	31,453
Operating income (loss)	<u>26,012</u>	<u>(23,870)</u>	<u>11,778</u>	<u>(23,683)</u>
Interest expense â€“ third party	(5,571)	(6,224)	(11,048)	(12,300)
Interest income â€“ third party	34	186	174	317
Net gain (loss) on forward and derivative contracts	352	204	(527)	15,711
Gain on bargain purchase	0	5,253	0	5,253
Loss on early extinguishment of debt	0	(3,272)	0	(3,272)
Other income (expense) â€“ net	300	(1,284)	47	(1,214)
Income (loss) before income taxes and equity in earnings of joint ventures	<u>21,127</u>	<u>(29,007)</u>	<u>424</u>	<u>(19,188)</u>
Income tax expense	(1,654)	(813)	(560)	(3,330)
Income (loss) before equity in earnings of joint ventures	<u>19,473</u>	<u>(29,820)</u>	<u>(136)</u>	<u>(22,518)</u>
Equity in earnings of joint ventures	871	436	376	1,387
Net income (loss)	<u>20,344</u>	<u>(29,384)</u>	<u>240</u>	<u>(21,131)</u>
Net income (loss) allocated to common stockholders	\$ 18,675	\$ (29,384)	\$ 220	\$ (21,131)

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

Basic and Diluted	\$ 0.21	\$ (0.33)	\$ 0.00	\$ (0.24)
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**WEIGHTED AVERAGE COMMON
SHARES OUTSTANDING:**

Basic	88,787	88,597	88,752	88,576
Diluted	89,352	88,597	89,292	88,576

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (USD \$)**CONSOLIDATED STATEMENTS
OF COMPREHENSIVE INCOME
(LOSS) (USD \$)****3 Months Ended****6 Months Ended***In Thousands, unless otherwise
specified***Jun. 30, 2014****Jun. 30, 2013****Jun. 30, 2014****Jun. 30, 2013****Comprehensive income (loss):**

Net income (loss)	\$ 20,344	\$ (29,384)	\$ 240	\$ (21,131)
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**Other comprehensive income (loss)
before income tax effect:**

Net gain on foreign currency cash flow hedges reclassified as income	(47)	(46)	(93)	(93)
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Net gain arising during the period	440	10,349	440	10,349
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Amortization of prior service benefit during the period	(952)	(916)	(1,904)	(1,944)
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Amortization of net loss during the period	995	2,130	2,805	4,482
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Other comprehensive income before income tax effect	436	11,517	1,248	12,794
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Income tax effect	(567)	(383)	(1,280)	(765)
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Other comprehensive income (loss)	(131)	11,134	(32)	12,029
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Total comprehensive income (loss)	\$ 20,213	\$ (18,250)	\$ 208	\$ (9,102)
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CONSOLIDATED STATEMENTS OF CASH FLOWS (USD \$)**CONSOLIDATED STATEMENTS
OF CASH FLOWS (USD \$)***In Thousands, unless otherwise
specified***6 Months Ended****Jun. 30, 2014****Jun. 30, 2013****CASH FLOWS FROM
OPERATING ACTIVITIES:**

Net income (loss)	\$ 240	\$ (21,131)
<i>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</i>		
Unrealized net gain on forward contracts	0	(397)
Gain on bargain purchase	0	(5,253)
Unrealized gain on E.ON contingent obligation	(706)	(16,075)
Accrued and other plant curtailment costs â€” net	2,181	2,268
Lower of cost or market inventory adjustment	(1,247)	16,049
Depreciation	35,143	31,898
Sebree power contract amortization	(5,534)	(2,741)
Debt discount amortization	177	502
Pension and other postretirement benefits	2,368	(3,616)
Deferred income taxes	(2,731)	2,038
Stock-based compensation	533	499
Loss on early extinguishment of debt	0	3,272
Equity in earnings of joint ventures, net of dividends	(376)	(1,387)
<i>Change in operating assets and liabilities:</i>		
Accounts receivable â€” net	3,931	(33,883)
Due from affiliates	(10,508)	12,906
Inventories	(2,786)	(22,334)
Prepaid and other current assets	6,816	(3,281)
Accounts payable, trade	(8,413)	30,696
Due to affiliates	(1,226)	27,607
Accrued and other current liabilities	(12,200)	(3,827)
Other â€” net	(2,496)	13,242
Net cash provided by operating activities	8,628	22,976

**CASH FLOWS FROM INVESTING
ACTIVITIES:****(16,758)****(16,565)**

Purchase of property, plant and equipment		
Nordural expansion â€” Helguvik	(186)	(2,559)
Purchase of carbon anode assets and improvements	(7,226)	(3,670)
Purchase of Sebree smelter	0	(48,058)
Proceeds from sale of property, plant and equipment	46	515
Restricted and other cash deposits	(1,334)	(720)
Net cash used in investing activities	(25,458)	(71,057)
<i>CASH FLOWS FROM FINANCING ACTIVITIES:</i>		
Repayment of debt	0	(249,604)
Proceeds from issuance of debt	0	246,330
Borrowings under revolving credit facilities	86,646	0
Repayments under revolving credit facilities	(92,646)	0
Debt issuance costs	0	(3,926)
Debt retirement costs	0	(1,208)
Issuance of common stock	126	44
Net cash used in financing activities	(5,874)	(8,364)
CHANGE IN CASH AND CASH EQUIVALENTS	(22,704)	(56,445)
Cash and cash equivalents, beginning of period	84,088	183,976
Cash and cash equivalents, end of period	\$ 61,384	\$ 127,531

General

General

6 Months Ended

Jun. 30, 2014

General [Abstract]

General

General

The accompanying unaudited interim consolidated financial statements of Century Aluminum Company should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013. In management's opinion, the unaudited interim consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, that are necessary for a fair presentation of financial results for the interim periods presented. Operating results for the first six months of 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. 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.

In the second quarter of 2013, we acquired the Sebree smelter and reported provisional amounts for the assets acquired and the liabilities assumed in our Form 10-Q for the period ended June 30, 2013. See [Note 2 Acquisition of Sebree aluminum smelter](#) for additional information. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805 "Business Combinations," we retrospectively adjusted our 2013 interim consolidated financial statements for certain measurement period adjustments for the items acquired in the acquisition and the financial results for 2013 presented in this Form 10-Q reflect these adjustments.

Acquisition of Sebree aluminum smelter

Acquisition of Sebree aluminum smelter

6 Months Ended

Jun. 30, 2014

Business Combinations [Abstract]

Acquisition of Sebree aluminum smelter

Acquisition of Sebree aluminum smelter

On June 1, 2013, our wholly owned subsidiary, Century Aluminum Sebree LLC ("Century Sebree"), acquired the Sebree aluminum smelter ("Sebree") from a subsidiary of Rio Tinto Alcan, Inc. ("RTA"). Sebree, located in Robards, Kentucky, has an annualized hot metal production capacity of 205,000 tonnes of primary aluminum and employs approximately 500 people. The purchase price for the acquisition was \$61,000 (subject to customary working capital adjustments), of which we have paid approximately \$48,000 as of June 30, 2014. As part of the transaction, RTA retained all historical environmental liabilities of the Sebree smelter and funded the pension plan assumed by Century in accordance with the purchase agreement.

Working Capital Adjustment

In July 2014, subsequent to the end of the quarter, we reached the final determination of the working capital adjustments, resulting in a final purchase price for the acquisition of \$49,035. See [Note 18 Subsequent events](#) for additional information.

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocated the purchase price to the assets acquired, liabilities assumed, and the gain on bargain purchase in accordance with ASC 805.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on the estimated fair values at the date of acquisition. We have finalized the purchase price allocation for the assets acquired and liabilities assumed, the purchase price and gain on bargain purchase.

Based on the purchase price allocation, we recorded a gain on bargain purchase of \$5,253 in 2013. The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the acquisition date:

	Acquisition Date Fair Value as of June 30, 2014
Consideration:	
Cash	\$ 48,083
Deferred purchase price	1,910
Assets Acquired:	
Inventories	59,018
Prepaid and other current assets	2,273
Property, plant and equipment – net	55,520
Total assets acquired	<u>\$ 116,811</u>
Liabilities Assumed:	
Accrued and other current liabilities	\$ 43,316
Accrued pension benefit costs	996
Accrued post retirement benefit costs	6,544
Other liabilities	7,476
Deferred taxes	3,233
Total liabilities assumed	<u>\$ 61,565</u>
Gain on bargain purchase:	<u>\$ 5,253</u>

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

	Three months ended June 30, 2013	Six months ended June 30, 2013
Pro forma revenues	\$ 413,907	\$ 861,605
Pro forma loss from continuing operations	(36,253)	(37,205)
Loss per common share, basic	(0.41)	(0.42)
Loss per common share, diluted	(0.41)	(0.42)

Our net income for the six months ended June 30, 2014 includes a non-recurring credit for the amortization of the deferred power contract liability of \$5,534 related to the amortization of an unfavorable power contract assumed as part of the Sebree acquisition resulting in a credit to our depreciation and amortization expense within cost of goods sold on the consolidated statement of operations for the first quarter of 2014. The power contract terminated on January 31, 2014.

Fair value measurements

Fair value measurements

6 Months Ended

Jun. 30, 2014

Fair Value Disclosures [Abstract]

Fair value measurements

Fair value measurements

The following section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value and are categorized based on the fair value hierarchy described in 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
E.ON ("E.ON") contingent obligation	3	Quoted London Metal Exchange ("LME") forward market, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations at Century Aluminum of Kentucky, our wholly owned subsidiary ("CAKY")
Primary aluminum sales contract	3	Management's estimates of future U.S. Midwest premium and risk-adjusted discount rates
Midwest premium contracts	3	Management's estimates of future U.S. Midwest premium

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

Fair value measurements

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

The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis by the level of input within the ASC 820 fair value hierarchy. As required by generally accepted accounting principles in the United States ("GAAP") for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented. It is our policy to recognize transfers into and transfers out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer.

Recurring Fair Value Measurements	As of June 30, 2014			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 51,172	\$ —	\$ —	\$ 51,172
Trust assets	9,523	—	—	9,523
TOTAL	\$ 60,695	\$ —	\$ —	\$ 60,695
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
TOTAL	\$ —	\$ —	\$ —	\$ —

Recurring Fair Value Measurements	As of December 31, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 49,658	\$ —	\$ —	\$ 49,658
Trust assets	11,151	—	—	11,151
Surety bonds	2,002	—	—	2,002
Midwest premium contracts	—	—	140	140
TOTAL	\$ 62,811	\$ —	\$ 140	\$ 62,951
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
Primary aluminum sales contract	—	—	140	140
TOTAL	\$ —	\$ —	\$ 140	\$ 140

(1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation. Change in Level 3 Fair Value Measurements during the three months ended June 30,

Derivative liabilities – net

	2014	2013
Beginning balance, April 1,	\$ —	\$ (1,030)
Total gain (loss) included in earnings	—	257
Ending balance, June 30,	<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ —	\$ 257
Change in Level 3 Fair Value Measurements during the six months ended June 30,		
	Derivative liabilities – net	
	2014	2013
Beginning balance, January 1,	\$ —	\$ (16,539)
Total gain (loss) included in earnings	(940)	15,766
Settlements	940	—
Ending balance, June 30,	<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 140	\$ 15,766

The net gain (loss) on our derivative assets and liabilities is recorded in our consolidated statements of operations under net gain (loss) on forward and derivative contracts. See [Note 4 Derivative and hedging instruments](#) for the location of our Level 3 derivative assets and liabilities within our consolidated balance sheets.

Derivative and hedging instruments

Derivative and hedging instruments

6 Months Ended

Jun. 30, 2014

Derivative Instruments and Hedging Activities Disclosure [Abstract]

Derivative and hedging instruments Derivative and hedging instruments

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

Fair Value of Derivative Assets and Liabilities

	Balance sheet location	June 30, 2014	December 31, 2013
DERIVATIVE ASSETS:			
Midwest premium contracts	Prepaid and other current assets	\$ —	\$ 140
TOTAL		\$ —	\$ 140
DERIVATIVE LIABILITIES:			
Primary aluminum sales contract	Accrued and other current liabilities	\$ —	\$ 140
E.ON contingent obligation – net (1)	Other liabilities	—	—
TOTAL		\$ —	\$ 140

(1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation.

Midwest premium contracts

We entered into a fixed-price forward contract that settled monthly from January 2014 to March 2014 based on the

Midwest premium price published in the Platts Metals Week for the applicable period. Losses associated with the settlements of the U.S. Midwest premium contracts were recorded in net gain (loss) on forward and derivative contracts on the consolidated statement of operations.

Primary aluminum sales contract

We had a contract to sell to Glencore plc (together with its subsidiaries, "Glencore") primary aluminum produced at Mt. Holly, Hawesville and Sebree through December 31, 2013 (the "Glencore Metal Agreement"). The Glencore Metal Agreement was a physical delivery contract for primary aluminum with variable, LME-based pricing. Under the Glencore Metal Agreement, pricing was based on market prices, adjusted by a negotiated U.S. Midwest premium with a cap and a floor as applied to the current U.S. Midwest premium. We accounted for the Glencore Metal Agreement as a derivative instrument under ASC 815 "Derivatives and Hedging." Gains and losses on the derivative were based on the difference between the contracted U.S. Midwest premium and actual and forecasted U.S. Midwest premiums. Settlements were recorded in related party sales. Unrealized gains (losses) based on forecasted U.S. Midwest premiums were recorded in net gain (loss) on forward and derivative contracts on the consolidated statements of operations.

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
Location		2014	2013	2014	2013
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ 353	\$ 706	\$ 16,075
Midwest premium contracts	Net gain (loss) on forward and derivative contracts	—	—	(1,080)	—
Primary aluminum sales contract	Related party sales	—	406	292	761
Primary aluminum sales contract	Net gain (loss) on forward and derivative contracts	—	(149)	(153)	(364)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

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

	June 30, 2014	December 31, 2013
Primary aluminum sales contract premium (tonnes) (1)	—	1,782
Midwest premium contracts (tonnes)	—	6,000

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

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

applied to the contract volume on the date of settlement.

Earnings per share

Earnings per share

6 Months Ended

Jun. 30, 2014

Earnings Per Share [Abstract]

Earnings (loss) per share

Earnings (loss) per share

Basic earnings (loss) per share ("EPS") amounts are calculated by dividing earnings available 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 common shares outstanding.

Our Series A Convertible Preferred Stock has similar characteristics to a "participating security" as described by ASC 260 and we calculate the amount of earnings (loss) available to common shareholders and basic EPS using the Two-Class Method earnings allocation formula, allocating undistributed income to our preferred shareholder consistent with their participation rights, and diluted EPS using the If-Converted Method when applicable.

Our Series A Convertible Preferred Stock is a non-cumulative perpetual participating convertible preferred stock with no set dividend preferences. The holders of our convertible preferred stock do not have a contractual obligation to share in our losses. In periods where we report net losses, we do not allocate these losses to the convertible preferred stock for the computation of basic or diluted EPS.

The following table shows the basic and diluted earnings (loss) per share for the three and six months ended June 30, 2014 and 2013:

	For the three months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 20,344			\$ (29,384)		
Amount allocated to common stockholders (1)	91.80%			100%		
Basic EPS:						
Income (loss) allocable to common stockholders	18,675	88,787	\$ 0.21	(29,384)	88,597	\$ (0.33)
Effect of Dilutive Securities: Share-based compensation plans	—	565		—	—	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	\$ 18,675	89,352	\$ 0.21	\$ (29,384)	88,597	\$ (0.33)
	For the six months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 240			\$ (21,131)		
Amount allocated to common stockholders (1)	91.78%			100%		
Basic EPS:						
Income (loss) allocable to common stockholders	220	88,752	\$ 0.00	(21,131)	88,576	\$ (0.24)
Effect of Dilutive Securities: Share-based compensation plans	—	540		—	—	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	\$ 220	89,292	\$ 0.00	\$ (21,131)	88,576	\$ (0.24)

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

Securities excluded from the calculation of diluted EPS:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Stock options (1)	347,433	620,334	347,433	620,334
Service-based share awards (1)	—	576,510	—	496,234

Stock options (1)

Service-based share awards (1)

(1) In periods when we report a net loss, all share awards are excluded from the calculation of diluted weighted average shares outstanding because of their antidilutive effect on earnings (loss) per share.

Shareholders' equity

Shareholders' equity

6 Months Ended

Jun. 30, 2014

Stockholders' Equity Note [Abstract]

Shareholders' equity

Shareholders' equity

Common Stock

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

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

Stock Repurchase Program

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

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

From August 11, 2011 through June 30, 2014, we repurchased 4,786,521 shares of common stock for an aggregate purchase price of \$49,924. We have made no repurchases since March 2012 and had approximately \$10,076 remaining under the repurchase program authorization as of June 30, 2014.

Series A Convertible Preferred Stock

Glencore holds all of the issued and outstanding Series A Convertible Preferred Stock. 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 Common and Preferred Stock Activity table below contains additional information about preferred stock conversions during the six months ended June 30, 2014 and 2013.

Common and Preferred Stock Activity:

(in shares)

Beginning balance as of December 31, 2013
Conversion of convertible preferred stock
Issuance for share-based compensation plans
Ending balance as of June 30, 2014

Beginning balance as of December 31, 2012
Conversion of convertible preferred stock
Issuance for share-based compensation plans
Ending balance as of June 30, 2013

	Preferred stock	Common stock	
	Series A convertible	Treasury	Outstanding
Beginning balance as of December 31, 2013	79,620	4,786,521	88,710,277
Conversion of convertible preferred stock	(394)	—	39,455
Issuance for share-based compensation plans	—	—	55,029
Ending balance as of June 30, 2014	<u>79,226</u>	<u>4,786,521</u>	<u>88,804,761</u>
Beginning balance as of December 31, 2012	80,283	4,786,521	88,548,637
Conversion of convertible preferred stock	(199)	—	19,864
Issuance for share-based compensation plans	—	—	34,208
Ending balance as of June 30, 2013	<u>80,084</u>	<u>4,786,521</u>	<u>88,602,709</u>

Income taxes

Income taxes

6 Months Ended

Jun. 30, 2014

Income Tax Disclosure [Abstract]

Income taxes

Income taxes

We recorded income tax expense for the six months ended June 30, 2014 of \$560, which primarily consisted of foreign and state income taxes. Our domestic deferred tax assets, net of deferred tax liabilities, are subject to a valuation allowance; therefore, the domestic losses were not benefited.

We recorded income tax expense for the six months ended June 30, 2013 of \$3,330, which primarily consisted of foreign and state 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 June 30, 2014, all of Century's U.S. and certain foreign deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which, at June 30, 2014, is not more likely than not to be achieved.

Our Icelandic tax returns are subject to examination beginning with the 2008 tax year. Our 2010 through 2012 tax years are currently under review by the Directorate of Internal Revenue of Iceland.

Inventories*Inventories***6 Months Ended****Jun. 30, 2014***Inventory, Net [Abstract]*

Inventories

Inventories

Inventories consist of the following:

	June 30, 2014	December 31, 2013
Raw materials	\$ 54,168	\$ 69,776
Work-in-process	21,332	22,183
Finished goods	31,171	17,661
Operating and other supplies	136,977	129,995
Inventories	<u>\$ 243,648</u>	<u>\$ 239,615</u>

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

Debt

Debt

**6 Months Ended
Jun. 30, 2014**

Debt Disclosure [Abstract]

Debt	June 30, 2014	December 31, 2013
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
7.5% senior unsecured notes due August 15, 2014, interest payable semiannually (2)	2,603	2,603
Iceland revolving credit facility (2)(3)	—	6,000
Debt classified as non-current liabilities:		
7.5% senior secured notes due June 1, 2021, net of debt discount of \$3,295 and \$3,472, respectively, interest payable semiannually	246,705	246,528
TOTAL	<u>\$ 257,123</u>	<u>\$ 262,946</u>

- (1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2014 was 0.26%.
- (2) These items are recorded in accrued and other current liabilities based on the repayment terms and expected maturity.
- (3) Borrowings under the Iceland revolving credit facility bear variable interest based on LIBOR plus the applicable margin per annum. The interest rate at December 31, 2013 was 3.92%.

U.S. Revolving Credit Facility

General. We and certain of our direct and indirect domestic subsidiaries (together with Century, the "Borrowers") and Wells Fargo Capital Finance, LLC, as lender and agent, and Credit Suisse AG, BNP Paribas, and Morgan Stanley Senior Funding Inc., as lenders, entered into the Amended and Restated Loan and Security Agreement (the "U.S. revolving credit facility"), dated May 24, 2013, as amended, modifying our credit facility dated July 1, 2010. The U.S. revolving credit facility has a term through May 24, 2018 and provides for borrowings of up to \$150,000 in the aggregate, including up to \$80,000 under a letter of credit sub-facility. Any letters of credit issued and outstanding under the U.S. revolving credit facility reduce our borrowing availability on a dollar-for-dollar basis.

Status of our U.S. revolving credit facility:

	<u>June 30, 2014</u>
Credit facility maximum amount	\$ 150,000
Borrowing availability, net of outstanding letters of credit	79,455
Outstanding borrowings	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued	70,545

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

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

Interest Rates and Fees. Any amounts outstanding under the U.S. revolving credit facility will bear interest, at our option, at LIBOR or a base rate, plus, in each case, an applicable interest margin. The applicable interest margin is determined based on the average daily availability for the immediately preceding quarter. In addition, we pay an unused line fee on undrawn amounts, less the amount of our letters of credit exposure. For standby letters of credit, we are required to pay a fee on the face amount that varies depending on whether the letter of credit exposure is cash collateralized.

Iceland Revolving Credit Facility

General. Nordural Grundartangi ehf, as borrower, and Landsbankinn hf., as lender, entered into a three-year \$50,000 Committed Revolving Credit Facility agreement (the "Iceland revolving credit facility"), dated November 27, 2013. Grundartangi may in the future use the Iceland revolving credit facility to repay existing indebtedness or to finance capital expenditures and for ongoing working capital needs and other general corporate purposes. Under the terms of the Iceland revolving credit facility, when Grundartangi borrows funds it will designate a repayment date, which may be any date prior to the maturity of the Iceland revolving credit facility. The Iceland revolving credit facility will mature on November 27, 2016.

Status of our Iceland revolving credit facility:

	<u>June 30, 2014</u>
Credit Facility maximum amount	\$ 50,000

Borrowing availability
Outstanding borrowings

50,000
—

Borrowing Base. 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.

Security. Grundartangi's obligations under the Iceland revolving credit facility are secured by a general bond under which Grundartangi's inventory and accounts receivable are pledged to secure full payment of the loan.

Interest Rates and Fees. Any amounts outstanding under the Iceland revolving credit facility will bear interest at LIBOR plus the margin per annum.

7.5% Notes due 2021

General. On June 4, 2013, we issued \$250,000 of our 7.5% Notes due 2021 (the "7.5% Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended. The 7.5% Notes were issued at a discount and we received proceeds of \$246,330, prior to payment of financing fees and related expenses.

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

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

E.ON contingent obligation

The E.ON contingent obligation consists of the aggregate E.ON payments made to Big Rivers Electric Corporation ("Big Rivers") on CAKY's behalf in excess of the agreed upon base amount under the long-term cost-based power contract with Kenergy, a member cooperative of Big Rivers (the "Big Rivers Agreement"). Our obligation to make repayments is contingent upon certain operating criteria for Hawesville and the LME price of primary aluminum. When the conditions for repayment are met, and for so long as those conditions continue to be met, we will be obligated to make principal and interest payments, in up to 72 monthly payments.

Based on the LME forward market prices for primary aluminum at June 30, 2014 and management's estimate of the LME forward market for periods beyond the quoted periods, we recognized a derivative asset which offsets our contingent obligation. As a result, our net liability decreased and we recorded a gain of \$706 and \$16,075 in net gain (loss) on forward and derivative contracts for the six months ended June 30, 2014 and 2013, respectively. In addition, we believe that we will not have any payment obligations for the E.ON contingent obligation through the term of the agreement, which expires in 2028. However, future increases in the LME forward market may result in a partial or full derecognition of the derivative asset and a corresponding recognition of a loss. The following table provides information about the balance sheet location and gross amounts offset:

Offsetting of financial instruments and derivatives

	Balance sheet location	June 30, 2014	December 31, 2013
E.ON contingent obligation – principal	Other liabilities	\$ (12,902)	\$ (12,902)
E.ON contingent obligation – accrued interest	Other liabilities	(4,585)	(3,879)
E.ON contingent obligation – derivative asset	Other liabilities	17,487	16,781
		<u>\$ —</u>	<u>\$ —</u>

Commitments and contingencies

Commitments and contingencies

6 Months Ended

Jun. 30, 2014

Commitments and Contingencies Disclosure [Abstract]

Commitments and contingencies

Commitments and contingencies

Environmental Contingencies

Based upon all available information, we believe our current environmental liabilities do not have, and are not likely to have, a material adverse effect on our financial condition, results of operations or liquidity. Because of the issues and uncertainties described below and the inability to predict the requirements of future environmental laws, there can be no assurance that future capital expenditures and costs for environmental compliance at currently or formerly owned or operated properties will not result in liabilities 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 \$1,228 and \$999 at June 30, 2014 and December 31, 2013, respectively. All accrued amounts have been recorded without giving effect to any possible future recoveries. With respect to costs for ongoing environmental compliance, including maintenance and monitoring, such costs are expensed as incurred.

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

Prior to our purchase of Hawesville, the EPA issued a final Record of Decision ("ROD") under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). By agreement, Southwire Company ("Southwire"), the former owner and operator of Hawesville, is required to perform all obligations under the ROD. CAKY has agreed to operate and maintain the ground water treatment system required under the ROD on behalf of Southwire, and Southwire will reimburse CAKY for any expense that exceeds \$400 annually. The groundwater treatment system ceased operations in May 2010 and was decommissioned and removed from the site in 2012. Quarterly monitoring of specific wells is ongoing.

In July 2006, we were named as a defendant, together with certain affiliates of Alcoa Inc., in a lawsuit brought by Alcoa Inc. seeking to determine responsibility for certain environmental indemnity obligations related to the sale of a cast aluminum plate manufacturing facility located in Vernon, California, which we purchased from Alcoa Inc. in December 1998, and sold to Alcan Rolled Products-Ravenswood LLC in July 1999. The complaint also seeks costs and attorney fees. The matter is in a preliminary stage 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 an EPA 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. In connection with the sale of the facility by Lockheed Martin Corporation ("Lockheed") to one of our affiliates, Virgin Islands Alumina Corporation ("Vialco"), in 1989, Lockheed, Vialco and Century entered into the Lockheed-Vialco Asset Purchase Agreement. The indemnity provisions contained in the Lockheed-Vialco Asset Purchase Agreement allocate responsibility for certain environmental matters. Lockheed has tendered indemnity to Vialco. We have likewise tendered indemnity to Lockheed. Through June 30, 2014, we have expended approximately \$1,033 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. Vialco sold the St. Croix Alumina Refinery to St. Croix Alumina, LLC, a subsidiary of Alcoa in 1995.

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 have tendered indemnity and defense to St. Croix Alumina LLC and Alcoa Alumina & Chemical LLC under the terms of an acquisition agreement relating to the facility and have filed motions to dismiss plaintiffs' claims, but the Superior Court of the Virgin Islands, Division of St. Croix has not yet ruled on the motions. At this time, it is not practicable 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.

In July 2014, we entered into a settlement (the "St. Croix Settlement") with the plaintiffs in certain matters related to the St. Croix Alumina Refinery.

The first lawsuit (the "2005 Action") covered by the St. Croix Settlement was filed in May 2005 by the Commissioner of the Department of Planning and Natural Resources ("DPNR"), in his capacity as Trustee for Natural Resources of the United States Virgin Islands against Vialco and certain other named defendants. The complaint alleged damages to natural resources caused by alleged releases from the St. Croix Alumina Refinery and the adjacent petroleum refinery. The primary cause of action was pursuant to the natural resource damage provisions of CERCLA, but various ancillary Territorial law causes of action were included as well. We and Lockheed each tendered indemnity and defense of the case to the other pursuant to the terms of the Lockheed-Vialco Asset Purchase Agreement. The complaint sought unspecified monetary damages, costs and attorney fees. In November 2011, the District Court of the Virgin Islands, Division of St. Croix granted a motion by Century, dismissing Century from the case. Vialco, however, remained a defendant and asserted factual and affirmative defenses.

The second lawsuit (the "Superior Court Action") covered by the St. Croix Settlement was filed in December 2006 by the Commissioner of the DPNR against Vialco and the succeeding owners of the St. Croix Alumina Refinery. The complaint alleged that the defendants failed to take certain actions specified in a Coastal Zone management permit issued to Vialco in October 1994, and alleged violations of territorial water pollution control laws during the various defendants' periods of ownership. The complaint sought statutory and other unspecified monetary penalties for the alleged violations. On March 19, 2012, the plaintiff filed a motion to dismiss the settling defendants in the DPNR case described above from this action. On May 9, 2012, the Superior Court of the Virgin Islands, Division of St. Croix granted plaintiff's motion to dismiss leaving Vialco as the only remaining defendant in this action.

Finally, in May 2009, St. Croix Renaissance Group, L.L.P. ("SCRG") filed a third-party complaint (the "2009 Action") for contribution and other relief against several third-party defendants, including Century and Vialco, relating to a lawsuit filed against SCRG seeking recovery of response costs relating to the aforementioned DPNR CERCLA matter. In February 2011, the District Court of the Virgin Islands, Division of St. Croix granted a motion by Century, dismissing Century from the case. In March 2011, the court granted the remaining defendants', including Vialco's, motion for summary judgment, dismissing the case. The plaintiff filed a notice of appeal with the Third Circuit Court of Appeals in May 2011. On June 5, 2013, the Third Circuit Court of Appeals reversed the lower court's ruling, holding that plaintiff's expenditures of funds may be found as recoverable response costs incurred by the government entitling plaintiffs to recover future response costs. Vialco remained the only Century entity in the litigation.

Pursuant to the terms of the St. Croix Settlement, entered into as of July 7, 2014 by and among Vialco, DPNR, the Commissioner of the DPNR and the Government of the Virgin Islands (the "Government"), Vialco agreed to pay \$625 to the Government in consideration of full release by DPNR, the Commissioner of the DPNR and the Government from all claims asserted in and relief, including attorneys' fees and litigation costs ever sought or which could be sought by such plaintiffs in the 2005 Action, the Superior Court Action and the 2009 Action.

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.

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.

In April 2013, our subsidiary Nordural Grundartangi ehf received a ruling in an arbitration case involving two of its power suppliers, HS Orka hf ("HS") and Orkuveita Reykjavíkur ("OR"). Under the arbitration award, Nordural Grundartangi ehf is restricted from reducing power under its existing power contracts with HS and OR in order to take power under a separate power contract with OR originally intended to be used at Helguvík. Nordural Grundartangi ehf remains entitled to take power under the OR Helguvík contract to the extent that its power needs exceed the amount of power provided under its existing power contracts. As part of the award, the tribunal awarded HS damages and Nordural Grundartangi ehf paid \$1,470 to HS in full satisfaction of such award. The tribunal ordered each party to pay its own legal

fees and costs. While no damages were awarded to OR as part of the arbitration, OR subsequently alleged damages against Nordural Grundartangi ehf. In June 2014, we reached a settlement with OR pursuant to the terms of which, among other things, Nordural Grundartangi ehf agreed to pay \$3,600 to OR and OR withdrew and released each of Nordural Grundartangi ehf and Nordural Helguvik ehf from and against all claims related to the reduction in the power purchased under the existing power contracts. This settlement amount was paid in July 2014. As part of the settlement, Nordural Helguvik ehf and OR also entered into a Supplemental Power Contract pursuant to which OR agreed to provide supplemental power to Grundartangi or Helguvik from time to time during the remaining term of the existing Nordural Helguvik ehf power contract with OR.

Ravenswood Retiree Medical Benefits changes

In November 2009, CAWV filed a class action complaint for declaratory judgment against the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USWA"), the USWA's local and certain CAWV retirees, individually and as class representatives, seeking a declaration of CAWV's rights to modify/terminate retiree medical benefits. Later in November 2009, the USWA and representatives of a retiree class filed a separate suit against CAWV, Century Aluminum Company, Century Aluminum Master Welfare Benefit Plan, and various John Does with respect to the foregoing. These actions, entitled Dewhurst, et al. v. Century Aluminum Co., et al., and Century Aluminum of West Virginia, Inc. v. United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO/CLC, et al., have been consolidated and venue has been set in the District Court for the Southern District of West Virginia. In January 2010, the USWA filed a motion for preliminary injunction to prevent us from implementing any modifications to the retiree medical benefits while these lawsuits are pending, which was dismissed by the trial court, and affirmed upon appeal. CAWV has filed a motion for summary judgment of these actions. The case in chief is currently proceeding in the trial court, subject to the court's ruling on the motion for summary judgment.

PBGC Settlement

In June 2011, the Pension Benefit Guaranty Corporation (the "PBGC") informed us that it believed a "cessation of operations" under ERISA had occurred at our Ravenswood facility as a result of the curtailment of operations at the facility. Although we disagree that a "cessation of operations" occurred, we entered into a settlement agreement with the PBGC in April 2013 to resolve the matter. Pursuant to the terms of the agreement, we will make additional contributions (above any minimum required contributions) to our defined benefit pension plans totaling approximately \$17,400 over the term of the agreement. During 2013, we made contributions pursuant to this agreement of approximately \$6,700. Under certain circumstances, in periods of lower primary aluminum prices relative to our cost of operations, we may defer one or more of these payments, but we would be required to provide the PBGC with acceptable security for any deferred payments. In the first quarter of 2014, we elected to defer contributions for 2014 under the PBGC agreement and have provided the PBGC with the appropriate security.

Power Commitments

Hawesville

In August 2012, CAKY issued a 12-month notice to terminate its long-term power supply arrangement with Kenergy. Pursuant to the termination notice, the Hawesville Power Agreement terminated on August 20, 2013.

Effective August 20, 2013, the Kentucky Public Service Commission ("KPSC") approved a power supply arrangement with Kenergy and Big Rivers 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 incurred by them. In connection with this power arrangement, CAKY has received approval from applicable regional transmission organizations and regulatory bodies regarding grid stability and energy import capability.

Sebree

In January 2013, Sebree (then still owned by RTA) issued a 12-month notice to terminate its long-term power supply agreement (the "Sebree Power Agreement") with Kenergy. Pursuant to the termination notice, the Sebree Power Agreement terminated on January 31, 2014.

Effective February 1, 2014, the KPSC approved a new power supply arrangement with Kenergy and Big Rivers 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 incurred by them.

Mt. Holly

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

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

from the off-system facility through December 31, 2015.

On June 30, 2014, Mt. Holly gave notice to Santee Cooper under the Santee Cooper Agreement to reduce the contact demand to zero effective December 31, 2015. We are continuing discussions with Santee Cooper and other parties regarding power arrangements for Mt. Holly following December 31, 2015.

Ravenswood

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

Grundartangi

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

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

In June 2012, Nordural Grundartangi ehf entered into a supplemental power contract with Landsvirkjun. The supplemental power contract, which will expire in October 2029 (or upon the occurrence of certain earlier events), will provide Nordural Grundartangi ehf with supplemental power, as Nordural Grundartangi ehf may request from time to time, at LME-based variable rates. Nordural Grundartangi ehf has agreed to make certain prepayments to Landsvirkjun for power expected to be used at a later date in connection with the contract, which will reduce the price paid for power at the time of consumption. As of June 30, 2014, these power prepayments totaled approximately \$2,000. We do not expect the amount of the prepayment to grow any higher, but we do not expect to realize the benefits from the prepayments in the near term.

Helguvik

Nordural Helguvik ehf has power purchase agreements with HS and OR to provide power to the Helguvik project. These power purchase agreements provide power at LME-based variable rates and contain take-or-pay obligations with respect to a significant percentage of the total committed and available power under such agreements. The first stage of power under the OR power purchase agreement (approximately 47.5 MW) became available in the fourth quarter of 2011 and is currently being utilized at Grundartangi.

The power purchase agreements with HS and OR to provide power to Helguvik contain certain conditions to HS's and OR's obligations. HS (with respect to all phases) and OR (with respect to all phases other than the first phase) have alleged that certain of these conditions have not been satisfied. Nordural Helguvik ehf is in discussions with both HS and OR with respect to such conditions and other matters pertaining to these agreements. See [Note 18 Subsequent events](#) for additional information concerning these discussions.

In June 2014, Nordural Helguvik ehf entered into a supplemental power contract with OR. The supplemental power contract will expire in October 2036 (or upon the occurrence of certain earlier events) and will provide Grundartangi or Helguvik with supplemental power at LME-based rates, as may be requested from Grundartangi or Helguvik from time to time.

Other Commitments and Contingencies

Labor Commitments

Approximately 73% of our U.S. based work force is represented by the USWA. CAKY's Hawesville employees represented by the USWA are under a collective bargaining agreement that expires on March 31, 2015. The Sebree employees represented by the USWA are under a collective bargaining agreement that expires on October 28, 2014. See [Note 18 Subsequent events](#) for additional information about Sebree's new collective bargaining agreement with the USWA that expires on October 28, 2019.

Approximately 82% of Grundartangi's work force is represented by five labor unions, governed by a labor agreement that expires on December 31, 2014.

Approximately 77% of Vlissingen's work force is represented by the Federation for the Metal and Electrical Industry ("FME"), governed by a labor agreement that expires on May 1, 2015.

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

Forward delivery contracts and financial instruments

Forward delivery contracts and financial instruments

6 Months Ended

Jun. 30, 2014

Forward Delivery Contracts and Financial Instruments [Abstract]

Forward delivery contracts and financial instruments

Forward delivery contracts and financial instruments

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

Forward Physical Delivery Agreements

Primary Aluminum Sales Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Grundartangi Metal Agreement (1)	Glencore	All primary aluminum produced at Grundartangi, net of tolling and other sales commitments	January 1, 2014 through December 31, 2017	Variable, based on LME and European Duty Paid premium
Southwire Metal Agreement (2)	Southwire	216 million pounds per year (high conductivity molten aluminum)	January 1, 2014 through December 31, 2014	Variable, based on U.S. Midwest Transaction Price

(1) The Glencore Grundartangi Metal Agreement is for all metal produced at Grundartangi from 2014 through 2017 less commitments under existing tolling and other sales contracts. Grundartangi currently estimates that it will sell Glencore approximately 155,000 tonnes of aluminum under this agreement in 2014.

(2) Southwire may, at its option, increase the volume purchased under the agreement by up to four percent by adjusting their monthly metal commitment.

Tolling Contracts

Contract	Customer	Volume	Term	Pricing
Glencore Toll Agreement	Glencore	90,000 tonnes per year ("tpy")	Through July 2016	Variable, based on LME and European Duty Paid premium
Glencore Toll Agreement	Glencore	49,000 tpy	Through December 31, 2014	Variable, based on LME and European Duty Paid premium

Apart from the Glencore Grundartangi Metal Agreement, the Southwire Metal Agreement and the Glencore Sweep Agreement (a contract for all metal produced in the U.S. in 2013, less existing sales agreements and valued-added metal sales, which expired at the end of 2013), we had the following forward delivery contractual commitments:

Other forward delivery contracts

	June 30, 2014	December 31, 2013
	(in tonnes)	
Other forward delivery contracts – total	106,530	118,373
Other forward delivery contracts – Glencore	48,808	20,008
Other forward delivery contracts – fixed price	207	—
Other forward delivery contracts – fixed price with Glencore	31	—

We had no outstanding primary aluminum forward financial sales contracts at June 30, 2014. We had no fixed price forward financial contracts to purchase aluminum at June 30, 2014.

Forward Financial Instruments

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

Supplemental cash flow information*Supplemental cash flow information***6 Months Ended****Jun. 30, 2014***Supplemental Cash Flow
Information [Abstract]*

Supplemental cash flow information	Supplemental cash flow information	Six months ended June 30,	
		2014	2013
	Cash paid for:		
	Interest	\$ 9,554	\$ 11,287
	Income/withholding taxes (1)	6,640	14,156
	Non-cash investing activities:		
	Accrued capital costs	\$ 5,107	\$ 321
	(1) We paid withholding taxes in Iceland on intercompany dividends of \$2,789 and \$8,259 during the six months ended June 30, 2014 and 2013, respectively. Our tax payments in Iceland for withholding taxes, income taxes and any associated refunds are denominated in Icelandic kronur ("ISK").		

Asset retirement obligations (â€œAROâ€)

*Asset retirement obligations
(â€œAROâ€)*

6 Months Ended

Jun. 30, 2014

**Asset Retirement Obligation
Disclosure [Abstract]**

Asset retirement obligations
(â€œAROâ€)

Asset retirement obligations ("ARO")

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

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

	Six months ended June 30, 2014	Year ended December 31, 2013
Beginning balance, ARO liability	\$ 27,113	\$ 16,124
Additional ARO liability incurred	712	1,730
ARO liabilities settled	(1,882)	(2,580)
Accretion expense	475	1,733
Additional ARO liability from Sebree acquisition	—	10,106
Ending balance, ARO liability	<u>\$ 26,418</u>	<u>\$ 27,113</u>

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

Components of Accumulated other comprehensive loss

Components of Accumulated other comprehensive loss

6 Months Ended

Jun. 30, 2014

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

Components of accumulated other comprehensive loss

Components of accumulated other comprehensive loss

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ (90,836)	\$ (92,177)
Equity in investee other comprehensive income (1)	(12,650)	(12,650)
Unrealized loss on financial instruments	(1,157)	(1,064)
Other comprehensive loss before income tax effect	(104,643)	(105,891)
Income tax effect (2)	12,779	14,059
Accumulated other comprehensive loss	<u>\$ (91,864)</u>	<u>\$ (91,832)</u>

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

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

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ 12,993	\$ 14,256
Equity in investee other comprehensive income	384	418
Unrealized loss on financial instruments	(598)	(615)

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

	Defined benefit plan and other postretirement liabilities	Equity in investee other comprehensive income	Unrealized loss on financial instruments	Total, net of tax
Balance, April 1, 2014	\$ (77,766)	\$ (12,249)	\$ (1,718)	\$ (91,733)
Other comprehensive income (loss) before reclassifications	440	(17)	—	423
Net amount reclassified to net income	(517)	—	(37)	(554)
Balance, June 30, 2014	<u>\$ (77,843)</u>	<u>\$ (12,266)</u>	<u>\$ (1,755)</u>	<u>\$ (91,864)</u>
Balance, April 1, 2013	\$ (136,491)	\$ (12,241)	\$ (1,565)	\$ (150,297)
Other comprehensive income (loss) before reclassifications	10,349	(17)	—	10,332
Net amount reclassified to net loss	840	—	(38)	802
Balance, June 30, 2013	<u>\$ (125,302)</u>	<u>\$ (12,258)</u>	<u>\$ (1,603)</u>	<u>\$ (139,163)</u>
Balance, December 31, 2013	\$ (77,921)	\$ (12,232)	\$ (1,679)	\$ (91,832)
Other comprehensive income (loss) before reclassifications	440	(34)	—	406
Net amount reclassified to net income	(362)	—	(76)	(438)
Balance, June 30, 2014	<u>\$ (77,843)</u>	<u>\$ (12,266)</u>	<u>\$ (1,755)</u>	<u>\$ (91,864)</u>
Balance, December 31, 2012	\$ (137,441)	\$ (12,224)	\$ (1,527)	\$ (151,192)
Other comprehensive income (loss) before reclassifications	10,349	(34)	—	10,315
Net amount reclassified to net loss	1,790	—	(76)	1,714
Balance, June 30, 2013	<u>\$ (125,302)</u>	<u>\$ (12,258)</u>	<u>\$ (1,603)</u>	<u>\$ (139,163)</u>

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

AOCI Components	Location	For the three months ended		For the six months ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Defined benefit plan and other postretirement liabilities	Cost of goods sold	\$ 25	\$ 910	\$ 616	\$ 1,994
	Selling, general and administrative expenses	17	304	285	544
	Income tax expense	(559)	(374)	(1,263)	(748)
	Net of tax	<u>\$ (517)</u>	<u>\$ 840</u>	<u>\$ (362)</u>	<u>\$ 1,790</u>

Equity in investee other comprehensive income	Cost of goods sold	\$	—	\$	—	\$	—
	Income tax expense		(17)		(17)		(34)
	Net of tax	\$	<u>(17)</u>	\$	<u>(17)</u>	\$	<u>(34)</u>
Unrealized loss on financial instruments	Cost of goods sold	\$	(46)	\$	(46)	\$	(93)
	Income tax expense		9		8		17
	Net of tax	\$	<u>(37)</u>	\$	<u>(38)</u>	\$	<u>(76)</u>

Components of net periodic benefit cost

Components of net periodic benefit cost

6 Months Ended

Jun. 30, 2014

Components of net periodic benefit cost [Abstract]

Components of net periodic benefit cost

Components of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 1,079	\$ 926	\$ 2,666	\$ 1,606
Interest cost	3,101	1,755	5,741	3,390
Expected return on plan assets	(3,701)	(1,893)	(7,098)	(3,613)
Amortization of prior service costs	9	22	18	54
Amortization of net loss	167	857	953	1,706
Curtailement	—	(18)	—	(18)
Net periodic benefit cost	<u>\$ 655</u>	<u>\$ 1,649</u>	<u>\$ 2,280</u>	<u>\$ 3,125</u>
	Other Postretirement Benefits ("OPEB")			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 117	\$ 670	\$ 794	\$ 1,163
Interest cost	1,695	1,433	3,206	2,756
Amortization of prior service cost	(961)	(938)	(1,922)	(1,998)
Amortization of net loss	828	1,273	1,852	2,776
Curtailement	—	(20)	—	(20)
Net periodic benefit cost	<u>\$ 1,679</u>	<u>\$ 2,418</u>	<u>\$ 3,930</u>	<u>\$ 4,677</u>

Employer contributions

During the six months ended June 30, 2014, we made contributions of approximately \$1,413 to the qualified defined benefit plans we sponsor.

Recently issued accounting standards updates (Notes)

Recently issued accounting standards updates (Notes)

6 Months Ended

Jun. 30, 2014

*New Accounting Pronouncement or
Change in Accounting Principle,
Current Period Disclosures
[Abstract]*

Recently issued accounting standards updates

Recently issued accounting standards updates

In May 2014, the FASB and IASB issued their final standard on revenue from contracts with customers. The standard, issued as ASU 2014-09 "Revenue From Contracts with Customers" by the FASB, outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance.

The core principal of the new revenue model is that "an entity recognizes revenue for the transfer of promised goods and services to customers in the amount that reflects the expected consideration for those goods and services." When applying the revenue model to contracts within the scope of the ASU, an entity:

- identifies the contract with a customer
- identifies the performance obligations in the contract
- determines the transaction price
- allocates the transaction price to the performance obligations in the contract
- recognizes revenue when (or as) the entity satisfies the performance obligations.

Compared with current GAAP, the ASU requires significantly expanded disclosures about revenue recognition.

The ASU is effective for Century for our fiscal year 2017 and thereafter. Early adoption is not permitted. We are currently evaluating the impact of adoption on our consolidated financial position, results of operations and cash flows.

Condensed consolidating financial information

Condensed consolidating financial information

6 Months Ended

Jun. 30, 2014

Condensed Consolidating Financial Information [Abstract]

Condensed consolidating financial information

Condensed consolidating financial information

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

The following summarized condensed consolidating balance sheets as of June 30, 2014 and December 31, 2013, condensed consolidating statements of comprehensive income (loss) for the three and six months ended June 30, 2014 and 2013 and the condensed consolidating statements of cash flows for the six months ended June 30, 2014 and 2013 present separate results for Century, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries, consolidating adjustments and total consolidated amounts.

This summarized condensed consolidating financial information may not necessarily be indicative of the results of operations, financial position or cash flows had the Company, the Guarantor Subsidiaries or the Non-Guarantor Subsidiaries operated as independent entities.

CONDENSED CONSOLIDATING BALANCE SHEET

	As of June 30, 2014				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
Assets:					
Cash and cash equivalents	\$ —	\$ 44,984	\$ 16,400	\$ —	\$ 61,384
Restricted cash	2,789	242	—	—	3,031
Accounts receivable — net	51,687	566	—	—	52,253
Due from affiliates	313,628	46,875	2,321,841	(2,628,250)	54,094
Inventories	158,398	87,129	180	(2,059)	243,648
Prepaid and other current assets	2,200	17,588	5,224	308	25,320
Deferred taxes	—	13,614	—	—	13,614
Total current assets	528,702	210,998	2,343,645	(2,630,001)	453,344
Investment in subsidiaries	64,904	—	(1,078,450)	1,013,546	—
Property, plant and equipment — net	339,951	889,052	1,451	(440)	1,230,014
Due from affiliates — less current portion	—	41,928	—	(41,928)	—
Other assets	20,034	38,088	32,214	2,786	93,122
Total	\$ 953,591	\$ 1,180,066	\$ 1,298,860	\$ (1,656,037)	\$ 1,776,480
Liabilities and shareholders' equity:					
Accounts payable, trade	\$ 52,546	\$ 42,627	\$ 724	\$ —	\$ 95,897
Due to affiliates	2,036,103	101,807	—	(2,085,554)	52,356
Accrued and other current liabilities	18,936	16,984	10,485	(1,223)	45,182
Accrued employee benefits costs	6,692	—	1,841	—	8,533
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,122,092	161,418	13,050	(2,086,777)	209,783
Senior notes payable	—	—	246,705	—	246,705
Accrued pension benefit costs — less current portion	13,177	—	28,547	—	41,724
Accrued postretirement benefit costs — less current portion	123,771	—	4,516	—	128,287
Other liabilities/intercompany loan	57,359	564,004	2,409	(586,356)	37,416
Deferred taxes	—	108,932	—	—	108,932
Total noncurrent liabilities	194,307	672,936	282,177	(586,356)	563,064
Shareholders' equity:					
Series A Preferred stock	—	—	1	—	1
Common stock	60	12	936	(72)	936
Additional paid-in capital	275,467	182,943	2,509,186	(458,410)	2,509,186
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(90,978)	(1,754)	(91,864)	92,732	(91,864)
Retained earnings (accumulated deficit)	(1,547,357)	164,511	(1,364,702)	1,382,846	(1,364,702)
Total shareholders' equity	(1,362,808)	345,712	1,003,633	1,017,096	1,003,633
Total	\$ 953,591	\$ 1,180,066	\$ 1,298,860	\$ (1,656,037)	\$ 1,776,480

CONDENSED CONSOLIDATING BALANCE SHEET

	As of December 31, 2013				
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated

Assets:										
Cash and cash equivalents	\$	—	\$	37,977	\$	46,111	\$	—	\$	84,088
Restricted cash		787		910		—		—		1,697
Accounts receivable — net		45,205		10,979		—		—		56,184
Due from affiliates		303,031		36,995		2,304,874		(2,601,313)		43,587
Inventories		166,137		73,478		—		—		239,615
Prepaid and other current assets		6,350		20,531		5,395		—		32,276
Deferred taxes		—		14,540		—		(926)		13,614
Total current assets		521,510		195,410		2,356,380		(2,602,239)		471,061
Investment in subsidiaries		55,929		—		(1,087,216)		1,031,287		—
Property, plant and equipment — net		351,096		895,381		1,621		(437)		1,247,661
Due from affiliates — less current portion		—		32,066		—		(32,066)		—
Other assets		21,163		33,132		32,431		4,748		91,474
Total	\$	949,698	\$	1,155,989	\$	1,303,216	\$	(1,598,707)	\$	1,810,196
Liabilities and shareholders' equity:										
Accounts payable, trade	\$	65,384	\$	42,351	\$	755	\$	—	\$	108,490
Due to affiliates		2,015,550		97,351		—		(2,059,319)		53,582
Accrued and other current liabilities		25,419		26,005		16,486		1,556		69,466
Accrued employee benefits costs		12,880		—		2,737		(7,207)		8,410
Industrial revenue bonds		7,815		—		—		—		7,815
Total current liabilities		2,127,048		165,707		19,978		(2,064,970)		247,763
Senior notes payable		—		—		246,528		—		246,528
Accrued pension benefit costs — less current portion		6,183		—		26,458		7,207		39,848
Accrued postretirement benefit costs — less current portion		124,466		—		4,818		—		129,284
Other liabilities/intercompany loan		58,367		548,985		2,622		(572,231)		37,743
Deferred taxes		—		106,218		—		—		106,218
Total noncurrent liabilities		189,016		655,203		280,426		(565,024)		559,621
Shareholders' equity:										
Series A Preferred stock		—		—		1		—		1
Common stock		60		12		935		(72)		935
Additional paid-in capital		268,467		179,493		2,508,574		(447,960)		2,508,574
Treasury stock, at cost		—		—		(49,924)		—		(49,924)
Accumulated other comprehensive loss		(92,803)		(1,678)		(91,832)		94,481		(91,832)
Retained earnings (accumulated deficit)		(1,542,090)		157,252		(1,364,942)		1,384,838		(1,364,942)
Total shareholders' equity		(1,366,366)		335,079		1,002,812		1,031,287		1,002,812
Total	\$	949,698	\$	1,155,989	\$	1,303,216	\$	(1,598,707)	\$	1,810,196

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated					
NET SALES:										
Third-party customers	\$	169,747	\$	4	\$	—	\$	—	\$	169,751
Related parties		157,807		130,766		—		—		288,573
		327,554		130,770		—		—		458,324
Cost of goods sold		307,005		112,815		—		—		419,820
Gross profit		20,549		17,955		—		—		38,504
Other operating expense — net		1,874		—		—		—		1,874
Selling, general and administrative expenses		10,180		438		—		—		10,618
Operating income		8,495		17,517		—		—		26,012
Interest expense — third party		(5,500)		(71)		—		—		(5,571)
Interest expense — affiliates		12,430		(12,430)		—		—		—
Interest income — third party		2		32		—		—		34
Net gain on forward and derivative contracts		352		—		—		—		352
Other income (expense) — net		436		(54)		—		(82)		300
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures		16,215		4,994		—		(82)		21,127
Income tax benefit (expense)		(5,743)		3,972		—		117		(1,654)
Income before equity in earnings (losses) of subsidiaries and joint ventures		10,472		8,966		—		35		19,473
Equity in earnings (losses) of subsidiaries and joint ventures		2,353		871		20,344		(22,697)		871
Net income (loss)	\$	12,825	\$	9,837	\$	20,344	\$	(22,662)	\$	20,344
Other comprehensive income (loss) before income tax effect	\$	466	\$	(46)	\$	436	\$	(420)	\$	436
Income tax effect		(558)		9		(567)		549		(567)
Other comprehensive income (loss)		(92)		(37)		(131)		129		(131)
Comprehensive income (loss)	\$	12,733	\$	9,800	\$	20,213	\$	(22,533)	\$	20,213

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2013

	Combined Guarantor	Combined Non-Guarantor	The Company	Reclassifications and Eliminations	Consolidated
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	Subsidiaries	Subsidiaries			
NET SALES:					
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	\$ 220,950
Related parties	51,651	59,336	—	—	110,987
	<u>225,637</u>	<u>106,300</u>	<u>—</u>	<u>—</u>	<u>331,937</u>
Cost of goods sold	250,395	87,240	—	—	337,635
Gross profit (loss)	(24,758)	19,060	—	—	(5,698)
Other operating expense – net	3,018	—	—	—	3,018
Selling, general and administrative expenses	11,755	3,399	—	—	15,154
Operating income (loss)	(39,531)	15,661	—	—	(23,870)
Interest expense – third party	(6,224)	—	—	—	(6,224)
Interest expense – affiliates	14,521	(14,521)	—	—	—
Interest income – third party	17	169	—	—	186
Net gain on forward and derivative contracts	204	—	—	—	204
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(128)	(1,156)	—	—	(1,284)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(29,160)	153	—	—	(29,007)
Income tax benefit (expense)	1,318	(2,131)	—	—	(813)
Loss before equity in earnings (losses) of subsidiaries and joint ventures	(27,842)	(1,978)	—	—	(29,820)
Equity in earnings (losses) of subsidiaries and joint ventures	(3,044)	436	(29,384)	32,428	436
Net income (loss)	\$ (30,886)	\$ (1,542)	\$ (29,384)	\$ 32,428	\$ (29,384)
Other comprehensive income (loss) before income tax effect	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,960)	\$ 11,517
Income tax effect	(357)	8	(383)	349	(383)
Other comprehensive income (loss)	9,649	(38)	11,134	(9,611)	11,134
Comprehensive income (loss)	\$ (21,237)	\$ (1,580)	\$ (18,250)	\$ 22,817	\$ (18,250)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 304,999	\$ 16	\$ —	\$ —	\$ 305,015
Related parties	321,847	252,309	—	—	574,156
	<u>626,846</u>	<u>252,325</u>	<u>—</u>	<u>—</u>	<u>879,171</u>
Cost of goods sold	619,629	222,796	—	—	842,425
Gross profit	7,217	29,529	—	—	36,746
Other operating expense – net	4,288	—	—	—	4,288
Selling, general and administrative expenses	19,551	1,129	—	—	20,680
Operating income (loss)	(16,622)	28,400	—	—	11,778
Interest expense – third party	(10,919)	(129)	—	—	(11,048)
Interest expense – affiliates	24,891	(24,891)	—	—	—
Interest income – third party	5	169	—	—	174
Net loss on forward and derivative contracts	(527)	—	—	—	(527)
Other income (expense) – net	216	(87)	—	(82)	47
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(2,956)	3,462	—	(82)	424
Income tax benefit (expense)	(4,296)	3,428	—	308	(560)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(7,252)	6,890	—	226	(136)
Equity in earnings (losses) of subsidiaries and joint ventures	1,987	376	240	(2,227)	376
Net income (loss)	\$ (5,265)	\$ 7,266	\$ 240	\$ (2,001)	\$ 240
Other comprehensive income (loss) before income tax effect	\$ 1,056	\$ (93)	\$ 1,248	\$ (963)	\$ 1,248
Income tax effect	(1,263)	17	(1,280)	1,246	(1,280)
Other comprehensive income (loss)	(207)	(76)	(32)	283	(32)
Comprehensive income (loss)	\$ (5,472)	\$ 7,190	\$ 208	\$ (1,718)	\$ 208

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
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NET SALES:

Third-party customers	\$ 311,084	\$ 98,380	\$ —	\$ —	\$ 409,464
Related parties	118,280	125,467	—	—	243,747
	429,364	223,847	—	—	653,211
Cost of goods sold	461,580	179,747	—	—	641,327
Gross profit (loss)	(32,216)	44,100	—	—	11,884
Other operating expense – net	4,114	—	—	—	4,114
Selling, general and administrative expenses	24,644	6,809	—	—	31,453
Operating income (loss)	(60,974)	37,291	—	—	(23,683)
Interest expense – third party	(12,300)	—	—	—	(12,300)
Interest expense – affiliates	29,017	(29,017)	—	—	—
Interest income – third party	31	286	—	—	317
Net gain on forward and derivative contracts	15,711	—	—	—	15,711
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(9)	(1,205)	—	—	(1,214)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(26,543)	7,355	—	—	(19,188)
Income tax benefit (expense)	(5,784)	2,454	—	—	(3,330)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(32,327)	9,809	—	—	(22,518)
Equity in earnings (losses) of subsidiaries and joint ventures	(5,266)	1,387	(21,131)	26,397	1,387
Net income (loss)	\$ (37,593)	\$ 11,196	\$ (21,131)	\$ 26,397	\$ (21,131)
Other comprehensive income (loss) before income tax effect	\$ 11,090	\$ (93)	\$ 12,794	\$ (10,997)	\$ 12,794
Income tax effect	(748)	17	(765)	731	(765)
Other comprehensive income (loss)	10,342	(76)	12,029	(10,266)	12,029
Comprehensive income (loss)	\$ (27,251)	\$ 11,120	\$ (9,102)	\$ 16,131	\$ (9,102)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by operating activities	\$ 4,808	\$ 3,820	\$ —	\$ 8,628
Investing activities:				
Purchase of property, plant and equipment	(7,210)	(9,502)	(46)	(16,758)
Nordural expansion — Helguvik	—	(186)	—	(186)
Purchase of carbon anode assets and improvements	—	(7,226)	—	(7,226)
Proceeds from sale of property, plant and equipment	—	46	—	46
Restricted and other cash deposits	(2,002)	668	—	(1,334)
Net cash used in investing activities	(9,212)	(16,200)	(46)	(25,458)
Financing activities:				
Borrowings under revolving credit facilities	—	—	86,646	86,646
Repayments under revolving credit facilities	—	(6,000)	(86,646)	(92,646)
Intercompany transactions	4,404	25,387	(29,791)	—
Issuance of common stock	—	—	126	126
Net cash provided by (used in) financing activities	4,404	19,387	(29,665)	(5,874)
Change in cash and cash equivalents	—	7,007	(29,711)	(22,704)
Cash and cash equivalents, beginning of the period	—	37,977	46,111	84,088
Cash and cash equivalents, end of the period	\$ —	\$ 44,984	\$ 16,400	\$ 61,384

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ 34,027	\$ (11,051)	\$ —	\$ 22,976
Investing activities:				
Purchase of property, plant and equipment	(5,240)	(10,751)	(574)	(16,565)
Nordural expansion — Helguvik	—	(2,559)	—	(2,559)
Purchase of carbon anode assets and improvements	—	(3,670)	—	(3,670)
Purchase of Sebree smelter	(48,058)	—	—	(48,058)
Proceeds from sale of property, plant and equipment	—	515	—	515
Restricted and other cash deposits	258	(978)	—	(720)
Net cash used in investing activities	(53,040)	(17,443)	(574)	(71,057)
Financing activities:				
Repayment of debt	—	—	(249,604)	(249,604)
Proceeds from issuance of debt	—	—	246,330	246,330
Debt issuance costs	—	—	(3,926)	(3,926)
Debt retirement costs	—	—	(1,208)	(1,208)
Intercompany transactions	19,013	582	(19,595)	—

Issuance of common stock	—	—	44	44
Net cash provided by (used in) financing activities	19,013	582	(27,959)	(8,364)
Change in cash and cash equivalents	—	(27,912)	(28,533)	(56,445)
Cash and cash equivalents, beginning of the period	—	110,016	73,960	183,976
Cash and cash equivalents, end of the period	\$ —	\$ 82,104	\$ 45,427	\$ 127,531

Subsequent events

Subsequent events

6 Months Ended

Jun. 30, 2014

Subsequent Events [Abstract]

Subsequent events

Subsequent events

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

Sebree enters into a new collective bargaining agreement

In July 2014, Century Sebree entered into a new collective bargaining agreement with the USWA for its employees at the Sebree smelter. The agreement is effective through October 28, 2019.

Century reaches a settlement in three Vialco lawsuits

In July 2014, we entered into a settlement with respect to certain matters related to the St. Croix Alumina Refinery. See [Note 10 Commitments and contingencies](#) – "Matters relating to the St. Croix Alumina Refining Facility" for additional information about the settlement.

Century finalizes the Sebree acquisition working capital adjustment

In July 2014, we reached a final determination of the applicable working capital adjustments for the Sebree acquisition. As a result, we recognized a gain, recorded in other income (expense) – net, of approximately \$965 from the release of accrued amounts related to the acquisition.

HS Orka seeks arbitration regarding its Helguvik power contract

On July 10, 2014, HS Orka ehf, one of the contracted power suppliers to Helguvik, commenced arbitration proceedings against Nordural Helguvik seeking, among other things, an order declaring (i) that the conditions to the power contract have not been fulfilled and (ii) that the power contract is therefore no longer valid. Nordural Helguvik believes HS' renewed claims are without merit and intends to defend itself against them.

General Retrospective Adjustment (Policies)

*General Retrospective Adjustment
(Policies)*

6 Months Ended

Jun. 30, 2014

Retrospective Adjustment [Abstract]

Retrospective adjustment policy

In the second quarter of 2013, we acquired the Sebree smelter and reported provisional amounts for the assets acquired and the liabilities assumed in our Form 10-Q for the period ended June 30, 2013. See [Note 2 Acquisition of Sebree aluminum smelter](#) for additional information. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805 "Business Combinations," we retrospectively adjusted our 2013 interim consolidated financial statements for certain measurement period adjustments for the items acquired in the acquisition and the financial results for 2013 presented in this Form 10-Q reflect these adjustments.

Acquisition of Sebree aluminum smelter (Policies)

*Acquisition of Sebree aluminum
smelter (Policies)*

6 Months Ended

Jun. 30, 2014

Business Combinations [Abstract]

Purchase Price Allocation

Purchase Price Allocation

Allocating the purchase price to the acquired assets and liabilities involves management judgment. We allocated the purchase price to the assets acquired, liabilities assumed, and the gain on bargain purchase in accordance with ASC 805.

Fair value measurements Level 3 Transfers (Policies)

*Fair value measurements Level 3
Transfers (Policies)*

6 Months Ended

Jun. 30, 2014

*Fair Value Level 3 Transfer
Disclosure [Abstract]*

Fair Value Level 3 Transfer Policy

It is our policy to recognize transfers into and transfers out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer.

Acquisition of Sebree aluminum smelter (Tables)*Acquisition of Sebree aluminum smelter (Tables)***6 Months Ended****Jun. 30, 2014****Business Combinations [Abstract]**

Schedule of purchase price allocation

The following table summarizes the fair value of the assets acquired and the liabilities assumed as of the acquisition date:

	Acquisition Date Fair Value as of June 30, 2014
Consideration:	
Cash	\$ 48,083
Deferred purchase price	1,910
Assets Acquired:	
Inventories	59,018
Prepaid and other current assets	2,273
Property, plant and equipment – net	55,520
Total assets acquired	<u>\$ 116,811</u>
Liabilities Assumed:	
Accrued and other current liabilities	\$ 43,316
Accrued pension benefit costs	996
Accrued post retirement benefit costs	6,544
Other liabilities	7,476
Deferred taxes	3,233
Total liabilities assumed	\$ 61,565
Gain on bargain purchase:	<u>\$ 5,253</u>

Sebree acquisition, pro forma information

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

	Three months ended June 30, 2013	Six months ended June 30, 2013
Pro forma revenues	\$ 413,907	\$ 861,605
Pro forma loss from continuing operations	(36,253)	(37,205)
Loss per common share, basic	(0.41)	(0.42)
Loss per common share, diluted	(0.41)	(0.42)

Our net income for the six months ended June 30, 2014 includes a non-recurring credit for the amortization of the deferred power contract liability of \$5,534 related to the amortization of an unfavorable power contract assumed as part of the Sebree acquisition resulting in a credit to our depreciation and amortization expense within cost of goods sold on the consolidated statement of operations for the first quarter of 2014. The power contract terminated on January 31, 2014.

Fair value measurements (Tables)

Fair value measurements (Tables)

6 Months Ended

Jun. 30, 2014

Fair Value Disclosures [Abstract]

Schedule of valuation methodology for assets and liabilities at fair value

The following section describes the valuation methodology used to measure our financial assets and liabilities that were accounted for at fair value and are categorized based on the fair value hierarchy described in 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
E.ON ("E.ON") contingent obligation	3	Quoted London Metal Exchange ("LME") forward market, management's estimates of the LME forward market prices for periods beyond the quoted periods and management's estimate of future level of operations at Century Aluminum of Kentucky, our wholly owned subsidiary ("CAKY")
Primary aluminum sales contract	3	Management's estimates of future U.S. Midwest premium and risk-adjusted discount rates
Midwest premium contracts	3	Management's estimates of future U.S. Midwest premium

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

Financial assets and liabilities at fair value on a recurring basis

The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis by the level of input within the ASC 820 fair value hierarchy. As required by generally accepted accounting principles in the United States ("GAAP") for fair value measurements and disclosures, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and the placement within the fair value hierarchy levels. There were no transfers between Level 1 and 2 during the periods presented. There were no transfers into or out of Level 3 during the periods presented. It is our policy to recognize transfers into and transfers out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer.

Recurring Fair Value Measurements	As of June 30, 2014			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 51,172	\$ —	\$ —	\$ 51,172
Trust assets	9,523	—	—	9,523
TOTAL	\$ 60,695	\$ —	\$ —	\$ 60,695
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
TOTAL	\$ —	\$ —	\$ —	\$ —

Recurring Fair Value Measurements	As of December 31, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Cash equivalents	\$ 49,658	\$ —	\$ —	\$ 49,658
Trust assets	11,151	—	—	11,151
Surety bonds	2,002	—	—	2,002
Midwest premium contracts	—	—	140	140
TOTAL	\$ 62,811	\$ —	\$ 140	\$ 62,951
LIABILITIES:				
E.ON contingent obligation – net (1)	\$ —	\$ —	\$ —	\$ —
Primary aluminum sales contract	—	—	140	140
TOTAL	\$ —	\$ —	\$ 140	\$ 140

- (1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation.

Change in level 3 fair value measurements

		Derivative liabilities – net	
		2014	2013
Change in Level 3 Fair Value Measurements during the three months ended June 30,			
Beginning balance, April 1,		\$ —	\$ (1,030)
Total gain (loss) included in earnings		—	257
Ending balance, June 30,		<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,		\$ —	\$ 257
Change in Level 3 Fair Value Measurements during the six months ended June 30,			
		Derivative liabilities – net	
		2014	2013
Beginning balance, January 1,		\$ —	\$ (16,539)
Total gain (loss) included in earnings		(940)	15,766
Settlements		940	—
Ending balance, June 30,		<u>\$ —</u>	<u>\$ (773)</u>
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,		\$ 140	\$ 15,766

Derivative and hedging instruments (Tables)

Derivative and hedging instruments (Tables)

6 Months Ended

Jun. 30, 2014

Derivative Instruments and Hedging Activities Disclosure [Abstract]

Fair value of derivative assets and liabilities by balance sheet location

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

Fair Value of Derivative Assets and Liabilities		Balance sheet location	June 30, 2014	December 31, 2013
DERIVATIVE ASSETS:				
Midwest premium contracts	Prepaid and other current assets		\$ —	\$ 140
TOTAL			\$ —	\$ 140
DERIVATIVE LIABILITIES:				
Primary aluminum sales contract	Accrued and other current liabilities		\$ —	\$ 140
E.ON contingent obligation – net (1)	Other liabilities		—	—
TOTAL			\$ —	\$ 140

(1) See [Note 9 Debt](#) for additional information about the E.ON contingent obligation.

Derivatives not designated as hedging instruments

Derivatives not designated as hedging instruments:

		Gain (loss) recognized in income from derivatives			
		Three months ended June 30,		Six months ended June 30,	
		2014	2013	2014	2013
Location					
E.ON contingent obligation – net	Net gain (loss) on forward and derivative contracts	\$ 353	\$ 353	\$ 706	\$ 16,075
Midwest premium contracts	Net gain (loss) on forward and derivative contracts	—	—	(1,080)	—
Primary aluminum sales contract	Related party sales	—	406	292	761
Primary aluminum sales contract	Net gain (loss) on forward and derivative contracts	—	(149)	(153)	(364)
E.ON contingent obligation – net	Interest expense – third party	(353)	(353)	(706)	(706)

Outstanding forward contracts not designated as hedging instruments

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

	June 30, 2014	December 31, 2013
Primary aluminum sales contract premium (tonnes) (1)	—	1,782
Midwest premium contracts (tonnes)	—	6,000

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

Earnings per share (Tables)

Earnings per share (Tables)

6 Months Ended

Jun. 30, 2014

Earnings Per Share [Abstract]

Basic and diluted earnings (loss) per share

The following table shows the basic and diluted earnings (loss) per share for the three and six months ended June 30, 2014 and 2013:

	For the three months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 20,344			\$ (29,384)		
Amount allocated to common stockholders (1)	<u>91.80%</u>			<u>100%</u>		
Basic EPS:						
Income (loss) allocable to common stockholders	18,675	88,787	\$ 0.21	(29,384)	88,597	\$ (0.33)
Effect of Dilutive Securities: Share-based compensation plans	<u>—</u>	<u>565</u>		<u>—</u>	<u>—</u>	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	<u>\$ 18,675</u>	<u>89,352</u>	<u>\$ 0.21</u>	<u>\$ (29,384)</u>	<u>88,597</u>	<u>\$ (0.33)</u>

	For the six months ended June 30,					
	2014			2013		
	Income	Shares (000)	Per-Share	Loss	Shares (000)	Per-Share
Net income (loss)	\$ 240			\$ (21,131)		
Amount allocated to common stockholders (1)	<u>91.78%</u>			<u>100%</u>		
Basic EPS:						
Income (loss) allocable to common stockholders	220	88,752	\$ 0.00	(21,131)	88,576	\$ (0.24)
Effect of Dilutive Securities: Share-based compensation plans	<u>—</u>	<u>540</u>		<u>—</u>	<u>—</u>	
Diluted EPS:						
Income (loss) applicable to common stockholders with assumed conversion	<u>\$ 220</u>	<u>89,292</u>	<u>\$ 0.00</u>	<u>\$ (21,131)</u>	<u>88,576</u>	<u>\$ (0.24)</u>

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

Securities excluded from the calculation of diluted EPS

Securities excluded from the calculation of diluted EPS: Three months ended June 30, 2014 2013 Six months ended June 30, 2014 2013

Stock options (1)	347,433	620,334	347,433	620,334
Service-based share awards (1)	—	576,510	—	496,234

(1) In periods when we report a net loss, all share awards are excluded from the calculation of diluted weighted average shares outstanding because of their antidilutive effect on earnings (loss) per share.

Shareholders' equity (Tables)*Shareholders' equity (Tables)***6 Months Ended****Jun. 30, 2014***Stockholders' Equity Note [Abstract]*Common and Preferred Stock
Activity

The Common and Preferred Stock Activity table below contains additional information about preferred stock conversions during the six months ended June 30, 2014 and 2013.

Common and Preferred Stock Activity:

(in shares)	Preferred stock		Common stock	
	Series A convertible	Treasury	Outstanding	
Beginning balance as of December 31, 2013	79,620	4,786,521	88,710,277	
Conversion of convertible preferred stock	(394)	—	39,455	
Issuance for share-based compensation plans	—	—	55,029	
Ending balance as of June 30, 2014	<u>79,226</u>	<u>4,786,521</u>	<u>88,804,761</u>	
Beginning balance as of December 31, 2012	80,283	4,786,521	88,548,637	
Conversion of convertible preferred stock	(199)	—	19,864	
Issuance for share-based compensation plans	—	—	34,208	
Ending balance as of June 30, 2013	<u>80,084</u>	<u>4,786,521</u>	<u>88,602,709</u>	

Inventories (Tables)

Inventories (Tables)

6 Months Ended

Jun. 30, 2014

Inventory, Net [Abstract]

Schedule of Inventories

Inventories consist of the following:	June 30, 2014	December 31, 2013
Raw materials	\$ 54,168	\$ 69,776
Work-in-process	21,332	22,183
Finished goods	31,171	17,661
Operating and other supplies	136,977	129,995
Inventories	<u>\$ 243,648</u>	<u>\$ 239,615</u>

Debt (Tables)

Debt (Tables)

6 Months Ended

Jun. 30, 2014

Debt Disclosure [Abstract]

Schedule of Debt

	June 30, 2014	December 31, 2013
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
7.5% senior unsecured notes due August 15, 2014, interest payable semiannually (2)	2,603	2,603
Iceland revolving credit facility (2)(3)	—	6,000
Debt classified as non-current liabilities:		
7.5% senior secured notes due June 1, 2021, net of debt discount of \$3,295 and \$3,472, respectively, interest payable semiannually	246,705	246,528
TOTAL	<u>\$ 257,123</u>	<u>\$ 262,946</u>

- (1) The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2014 was 0.26%.
- (2) These items are recorded in accrued and other current liabilities based on the repayment terms and expected maturity.
- (3) Borrowings under the Iceland revolving credit facility bear variable interest based on LIBOR plus the applicable margin per annum. The interest rate at December 31, 2013 was 3.92%.

Schedule of Line of Credit Facilities

Status of our U.S. revolving credit facility:

	<u>June 30, 2014</u>
Credit facility maximum amount	\$ 150,000
Borrowing availability, net of outstanding letters of credit	79,455
Outstanding borrowings	—
Letter of credit sub-facility amount	80,000
Outstanding letters of credit issued	70,545

Status of our Iceland revolving credit facility:

	<u>June 30, 2014</u>
Credit Facility maximum amount	\$ 50,000
Borrowing availability	50,000
Outstanding borrowings	—

Offsetting of financial instruments and derivatives

The following table provides information about the balance sheet location and gross amounts offset:
Offsetting of financial instruments and derivatives

	Balance sheet location	June 30, 2014	December 31, 2013
E.ON contingent obligation – principal	Other liabilities	\$ (12,902)	\$ (12,902)
E.ON contingent obligation – accrued interest	Other liabilities	(4,585)	(3,879)
E.ON contingent obligation – derivative asset	Other liabilities	17,487	16,781
		<u>\$ —</u>	<u>\$ —</u>

Forward delivery contracts and financial instruments (Tables)

Forward delivery contracts and financial instruments (Tables)

6 Months Ended

Jun. 30, 2014

Forward Delivery Contracts and Financial Instruments [Abstract]

Schedule of Forward Physical Delivery Agreements

Forward Physical Delivery Agreements				
Primary Aluminum Sales Contracts				
Contract	Customer	Volume	Term	Pricing
Glencore Grundartangi Metal Agreement (1)	Glencore	All primary aluminum produced at Grundartangi, net of tolling and other sales commitments	January 1, 2014 through December 31, 2017	Variable, based on LME and European Duty Paid premium
Southwire Metal Agreement (2)	Southwire	216 million pounds per year (high conductivity molten aluminum)	January 1, 2014 through December 31, 2014	Variable, based on U.S. Midwest Transaction Price
<p>(1) The Glencore Grundartangi Metal Agreement is for all metal produced at Grundartangi from 2014 through 2017 less commitments under existing tolling and other sales contracts. Grundartangi currently estimates that it will sell Glencore approximately 155,000 tonnes of aluminum under this agreement in 2014.</p> <p>(2) Southwire may, at its option, increase the volume purchased under the agreement by up to four percent by adjusting their monthly metal commitment.</p>				
Tolling Contracts				
Contract	Customer	Volume	Term	Pricing
Glencore Toll Agreement	Glencore	90,000 tonnes per year ("tpy")	Through July 2016	Variable, based on LME and European Duty Paid premium
Glencore Toll Agreement	Glencore	49,000 tpy	Through December 31, 2014	Variable, based on LME and European Duty Paid premium

Apart from the Glencore Grundartangi Metal Agreement, the Southwire Metal Agreement and the Glencore Sweep Agreement (a contract for all metal produced in the U.S. in 2013, less existing sales agreements and valued-added metal sales, which expired at the end of 2013), we had the following forward delivery contractual commitments:

Other forward delivery contracts	June 30, 2014	December 31, 2013
	(in tonnes)	
Other forward delivery contracts – total	106,530	118,373
Other forward delivery contracts – Glencore	48,808	20,008
Other forward delivery contracts – fixed price	207	—
Other forward delivery contracts – fixed price with Glencore	31	—

Supplemental cash flow information (Tables)*Supplemental cash flow information
(Tables)***6 Months Ended****Jun. 30, 2014***Supplemental Cash Flow
Information [Abstract]*

Supplemental cash flow information

	Six months ended June 30,	
	2014	2013
Cash paid for:		
Interest	\$ 9,554	\$ 11,287
Income/withholding taxes (1)	6,640	14,156
Non-cash investing activities:		
Accrued capital costs	\$ 5,107	\$ 321

- (1) We paid withholding taxes in Iceland on intercompany dividends of \$2,789 and \$8,259 during the six months ended June 30, 2014 and 2013, respectively. Our tax payments in Iceland for withholding taxes, income taxes and any associated refunds are denominated in Icelandic kronur ("ISK").

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

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

**6 Months Ended
Jun. 30, 2014**

**Asset Retirement Obligation
Disclosure [Abstract]**

Schedule of changes in asset
retirement obligations

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

	Six months ended June 30, 2014	Year ended December 31, 2013
Beginning balance, ARO liability	\$ 27,113	\$ 16,124
Additional ARO liability incurred	712	1,730
ARO liabilities settled	(1,882)	(2,580)
Accretion expense	475	1,733
Additional ARO liability from Sebree acquisition	—	10,106
Ending balance, ARO liability	<u>\$ 26,418</u>	<u>\$ 27,113</u>

Components of Accumulated other comprehensive loss (Tables)

Components of Accumulated other comprehensive loss (Tables)

6 Months Ended

Jun. 30, 2014

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

Components of Accumulated Other Comprehensive Loss

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ (90,836)	\$ (92,177)
Equity in investee other comprehensive income (1)	(12,650)	(12,650)
Unrealized loss on financial instruments	(1,157)	(1,064)
Other comprehensive loss before income tax effect	(104,643)	(105,891)
Income tax effect (2)	12,779	14,059
Accumulated other comprehensive loss	<u>\$ (91,864)</u>	<u>\$ (91,832)</u>

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

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

	June 30, 2014	December 31, 2013
Defined benefit plan liabilities	\$ 12,993	\$ 14,256
Equity in investee other comprehensive income	384	418
Unrealized loss on financial instruments	(598)	(615)

Accumulated balances for each component of AOCI

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

	Defined benefit plan and other postretirement liabilities	Equity in investee other comprehensive income	Unrealized loss on financial instruments	Total, net of tax
Balance, April 1, 2014	\$ (77,766)	\$ (12,249)	\$ (1,718)	\$ (91,733)
Other comprehensive income (loss) before reclassifications	440	(17)	—	423
Net amount reclassified to net income	(517)	—	(37)	(554)
Balance, June 30, 2014	<u>\$ (77,843)</u>	<u>\$ (12,266)</u>	<u>\$ (1,755)</u>	<u>\$ (91,864)</u>
Balance, April 1, 2013	\$ (136,491)	\$ (12,241)	\$ (1,565)	\$ (150,297)
Other comprehensive income (loss) before reclassifications	10,349	(17)	—	10,332
Net amount reclassified to net loss	840	—	(38)	802
Balance, June 30, 2013	<u>\$ (125,302)</u>	<u>\$ (12,258)</u>	<u>\$ (1,603)</u>	<u>\$ (139,163)</u>
Balance, December 31, 2013	\$ (77,921)	\$ (12,232)	\$ (1,679)	\$ (91,832)
Other comprehensive income (loss) before reclassifications	440	(34)	—	406
Net amount reclassified to net income	(362)	—	(76)	(438)
Balance, June 30, 2014	<u>\$ (77,843)</u>	<u>\$ (12,266)</u>	<u>\$ (1,755)</u>	<u>\$ (91,864)</u>
Balance, December 31, 2012	\$ (137,441)	\$ (12,224)	\$ (1,527)	\$ (151,192)
Other comprehensive income (loss) before reclassifications	10,349	(34)	—	10,315
Net amount reclassified to net loss	1,790	—	(76)	1,714
Balance, June 30, 2013	<u>\$ (125,302)</u>	<u>\$ (12,258)</u>	<u>\$ (1,603)</u>	<u>\$ (139,163)</u>

Reclassification out of AOCI

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

AOCI Components	Location	For the three months ended		For the six months ended	
		June 30, 2014	2013	June 30, 2014	2013
Defined benefit plan and other postretirement liabilities	Cost of goods sold	\$ 25	\$ 910	\$ 616	\$ 1,994
	Selling, general and administrative expenses	17	304	285	544
	Income tax expense	(559)	(374)	(1,263)	(748)
	Net of tax	<u>\$ (517)</u>	<u>\$ 840</u>	<u>\$ (362)</u>	<u>\$ 1,790</u>
Equity in investee other comprehensive income	Cost of goods sold	\$ —	\$ —	\$ —	\$ —
	Income tax expense	(17)	(17)	(34)	(34)
	Net of tax	<u>\$ (17)</u>	<u>\$ (17)</u>	<u>\$ (34)</u>	<u>\$ (34)</u>

Unrealized loss on
financial instruments

Cost of goods sold	\$	(46)	\$	(46)	\$	(93)	\$	(93)
Income tax expense		<u>9</u>		<u>8</u>		<u>17</u>		<u>17</u>
Net of tax	\$	<u>(37)</u>	\$	<u>(38)</u>	\$	<u>(76)</u>	\$	<u>(76)</u>

Components of net periodic benefit cost (Tables)

Components of net periodic benefit cost (Tables)

6 Months Ended

Jun. 30, 2014

Components of net periodic benefit cost [Abstract]

Schedule of net periodic benefit cost

	Pension Benefits			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 1,079	\$ 926	\$ 2,666	\$ 1,606
Interest cost	3,101	1,755	5,741	3,390
Expected return on plan assets	(3,701)	(1,893)	(7,098)	(3,613)
Amortization of prior service costs	9	22	18	54
Amortization of net loss	167	857	953	1,706
Curtailment	—	(18)	—	(18)
Net periodic benefit cost	<u>\$ 655</u>	<u>\$ 1,649</u>	<u>\$ 2,280</u>	<u>\$ 3,125</u>
	Other Postretirement Benefits ("OPEB")			
	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Service cost	\$ 117	\$ 670	\$ 794	\$ 1,163
Interest cost	1,695	1,433	3,206	2,756
Amortization of prior service cost	(961)	(938)	(1,922)	(1,998)
Amortization of net loss	828	1,273	1,852	2,776
Curtailment	—	(20)	—	(20)
Net periodic benefit cost	<u>\$ 1,679</u>	<u>\$ 2,418</u>	<u>\$ 3,930</u>	<u>\$ 4,677</u>

Condensed consolidating financial information (Tables)

Condensed consolidating financial information (Tables)

6 Months Ended

Jun. 30, 2014

Condensed Consolidating Financial Information [Abstract]

Condensed Consolidating Balance Sheet

CONDENSED CONSOLIDATING BALANCE SHEET

	As of June 30, 2014				Consolidated
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	
Assets:					
Cash and cash equivalents	\$ —	\$ 44,984	\$ 16,400	\$ —	\$ 61,384
Restricted cash	2,789	242	—	—	3,031
Accounts receivable — net	51,687	566	—	—	52,253
Due from affiliates	313,628	46,875	2,321,841	(2,628,250)	54,094
Inventories	158,398	87,129	180	(2,059)	243,648
Prepaid and other current assets	2,200	17,588	5,224	308	25,320
Deferred taxes	—	13,614	—	—	13,614
Total current assets	528,702	210,998	2,343,645	(2,630,001)	453,344
Investment in subsidiaries	64,904	—	(1,078,450)	1,013,546	—
Property, plant and equipment — net	339,951	889,052	1,451	(440)	1,230,014
Due from affiliates — less current portion	—	41,928	—	(41,928)	—
Other assets	20,034	38,088	32,214	2,786	93,122
Total	<u>\$ 953,591</u>	<u>\$ 1,180,066</u>	<u>\$ 1,298,860</u>	<u>\$ (1,656,037)</u>	<u>\$ 1,776,480</u>
Liabilities and shareholders' equity:					
Accounts payable, trade	\$ 52,546	\$ 42,627	\$ 724	\$ —	\$ 95,897
Due to affiliates	2,036,103	101,807	—	(2,085,554)	52,356
Accrued and other current liabilities	18,936	16,984	10,485	(1,223)	45,182
Accrued employee benefits costs	6,692	—	1,841	—	8,533
Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,122,092	161,418	13,050	(2,086,777)	209,783
Senior notes payable	—	—	246,705	—	246,705
Accrued pension benefit costs — less current portion	13,177	—	28,547	—	41,724
Accrued postretirement benefit costs — less current portion	123,771	—	4,516	—	128,287
Other liabilities/intercompany loan	57,359	564,004	2,409	(586,356)	37,416
Deferred taxes	—	108,932	—	—	108,932
Total noncurrent liabilities	194,307	672,936	282,177	(586,356)	563,064
Shareholders' equity:					
Series A Preferred stock	—	—	1	—	1
Common stock	60	12	936	(72)	936
Additional paid-in capital	275,467	182,943	2,509,186	(458,410)	2,509,186
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(90,978)	(1,754)	(91,864)	92,732	(91,864)
Retained earnings (accumulated deficit)	(1,547,357)	164,511	(1,364,702)	1,382,846	(1,364,702)
Total shareholders' equity	(1,362,808)	345,712	1,003,633	1,017,096	1,003,633
Total	<u>\$ 953,591</u>	<u>\$ 1,180,066</u>	<u>\$ 1,298,860</u>	<u>\$ (1,656,037)</u>	<u>\$ 1,776,480</u>

CONDENSED CONSOLIDATING BALANCE SHEET

	As of December 31, 2013				Consolidated
	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	
Assets:					
Cash and cash equivalents	\$ —	\$ 37,977	\$ 46,111	\$ —	\$ 84,088
Restricted cash	787	910	—	—	1,697
Accounts receivable — net	45,205	10,979	—	—	56,184
Due from affiliates	303,031	36,995	2,304,874	(2,601,313)	43,587
Inventories	166,137	73,478	—	—	239,615
Prepaid and other current assets	6,350	20,531	5,395	—	32,276
Deferred taxes	—	14,540	—	(926)	13,614
Total current assets	521,510	195,410	2,356,380	(2,602,239)	471,061
Investment in subsidiaries	55,929	—	(1,087,216)	1,031,287	—
Property, plant and equipment — net	351,096	895,381	1,621	(437)	1,247,661
Due from affiliates — less current portion	—	32,066	—	(32,066)	—
Other assets	21,163	33,132	32,431	4,748	91,474
Total	<u>\$ 949,698</u>	<u>\$ 1,155,989</u>	<u>\$ 1,303,216</u>	<u>\$ (1,598,707)</u>	<u>\$ 1,810,196</u>
Liabilities and shareholders' equity:					
Accounts payable, trade	\$ 65,384	\$ 42,351	\$ 755	\$ —	\$ 108,490
Due to affiliates	2,015,550	97,351	—	(2,059,319)	53,582
Accrued and other current liabilities	25,419	26,005	16,486	1,556	69,466
Accrued employee benefits costs	12,880	—	2,737	(7,207)	8,410

Industrial revenue bonds	7,815	—	—	—	7,815
Total current liabilities	2,127,048	165,707	19,978	(2,064,970)	247,763
Senior notes payable	—	—	246,528	—	246,528
Accrued pension benefit costs — less current portion	6,183	—	26,458	7,207	39,848
Accrued postretirement benefit costs — less current portion	124,466	—	4,818	—	129,284
Other liabilities/intercompany loan	58,367	548,985	2,622	(572,231)	37,743
Deferred taxes	—	106,218	—	—	106,218
Total noncurrent liabilities	189,016	655,203	280,426	(565,024)	559,621
Shareholders' equity:					
Series A Preferred stock	—	—	1	—	1
Common stock	60	12	935	(72)	935
Additional paid-in capital	268,467	179,493	2,508,574	(447,960)	2,508,574
Treasury stock, at cost	—	—	(49,924)	—	(49,924)
Accumulated other comprehensive loss	(92,803)	(1,678)	(91,832)	94,481	(91,832)
Retained earnings (accumulated deficit)	(1,542,090)	157,252	(1,364,942)	1,384,838	(1,364,942)
Total shareholders' equity	(1,366,366)	335,079	1,002,812	1,031,287	1,002,812
Total	\$ 949,698	\$ 1,155,989	\$ 1,303,216	\$ (1,598,707)	\$ 1,810,196

Condensed Consolidating Statements
of Comprehensive Income (Loss)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 169,747	\$ 4	\$ —	\$ —	\$ 169,751
Related parties	157,807	130,766	—	—	288,573
	327,554	130,770	—	—	458,324
Cost of goods sold	307,005	112,815	—	—	419,820
Gross profit	20,549	17,955	—	—	38,504
Other operating expense – net	1,874	—	—	—	1,874
Selling, general and administrative expenses	10,180	438	—	—	10,618
Operating income	8,495	17,517	—	—	26,012
Interest expense – third party	(5,500)	(71)	—	—	(5,571)
Interest expense – affiliates	12,430	(12,430)	—	—	—
Interest income – third party	2	32	—	—	34
Net gain on forward and derivative contracts	352	—	—	—	352
Other income (expense) – net	436	(54)	—	(82)	300
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	16,215	4,994	—	(82)	21,127
Income tax benefit (expense)	(5,743)	3,972	—	117	(1,654)
Income before equity in earnings (losses) of subsidiaries and joint ventures	10,472	8,966	—	35	19,473
Equity in earnings (losses) of subsidiaries and joint ventures	2,353	871	20,344	(22,697)	871
Net income (loss)	\$ 12,825	\$ 9,837	\$ 20,344	\$ (22,662)	\$ 20,344
Other comprehensive income (loss) before income tax effect	\$ 466	\$ (46)	\$ 436	\$ (420)	\$ 436
Income tax effect	(558)	9	(567)	549	(567)
Other comprehensive income (loss)	(92)	(37)	(131)	129	(131)
Comprehensive income (loss)	\$ 12,733	\$ 9,800	\$ 20,213	\$ (22,533)	\$ 20,213

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 311,084	\$ 98,380	\$ —	\$ —	\$ 409,464
Related parties	118,280	125,467	—	—	243,747
	429,364	223,847	—	—	653,211
Cost of goods sold	461,580	179,747	—	—	641,327
Gross profit (loss)	(32,216)	44,100	—	—	11,884
Other operating expense – net	4,114	—	—	—	4,114
Selling, general and administrative expenses	24,644	6,809	—	—	31,453
Operating income (loss)	(60,974)	37,291	—	—	(23,683)
Interest expense – third party	(12,300)	—	—	—	(12,300)
Interest expense – affiliates	29,017	(29,017)	—	—	—
Interest income – third party	31	286	—	—	317
Net gain on forward and derivative contracts	15,711	—	—	—	15,711
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)

Other expense – net	(9)	(1,205)	—	—	(1,214)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(26,543)	7,355	—	—	(19,188)
Income tax benefit (expense)	(5,784)	2,454	—	—	(3,330)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(32,327)	9,809	—	—	(22,518)
Equity in earnings (losses) of subsidiaries and joint ventures	(5,266)	1,387	(21,131)	26,397	1,387
Net income (loss)	\$ (37,593)	\$ 11,196	\$ (21,131)	\$ 26,397	\$ (21,131)
Other comprehensive income (loss) before income tax effect	\$ 11,090	\$ (93)	\$ 12,794	\$ (10,997)	\$ 12,794
Income tax effect	(748)	17	(765)	731	(765)
Other comprehensive income (loss)	10,342	(76)	12,029	(10,266)	12,029
Comprehensive income (loss)	\$ (27,251)	\$ 11,120	\$ (9,102)	\$ 16,131	\$ (9,102)

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)

For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 304,999	\$ 16	\$ —	\$ —	\$ 305,015
Related parties	321,847	252,309	—	—	574,156
	626,846	252,325	—	—	879,171
Cost of goods sold	619,629	222,796	—	—	842,425
Gross profit	7,217	29,529	—	—	36,746
Other operating expense – net	4,288	—	—	—	4,288
Selling, general and administrative expenses	19,551	1,129	—	—	20,680
Operating income (loss)	(16,622)	28,400	—	—	11,778
Interest expense – third party	(10,919)	(129)	—	—	(11,048)
Interest expense – affiliates	24,891	(24,891)	—	—	—
Interest income – third party	5	169	—	—	174
Net loss on forward and derivative contracts	(527)	—	—	—	(527)
Other income (expense) – net	216	(87)	—	(82)	47
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(2,956)	3,462	—	(82)	424
Income tax benefit (expense)	(4,296)	3,428	—	308	(560)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	(7,252)	6,890	—	226	(136)
Equity in earnings (losses) of subsidiaries and joint ventures	1,987	376	240	(2,227)	376
Net income (loss)	\$ (5,265)	\$ 7,266	\$ 240	\$ (2,001)	\$ 240
Other comprehensive income (loss) before income tax effect	\$ 1,056	\$ (93)	\$ 1,248	\$ (963)	\$ 1,248
Income tax effect	(1,263)	17	(1,280)	1,246	(1,280)
Other comprehensive income (loss)	(207)	(76)	(32)	283	(32)
Comprehensive income (loss)	\$ (5,472)	\$ 7,190	\$ 208	\$ (1,718)	\$ 208

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Reclassifications and Eliminations	Consolidated
NET SALES:					
Third-party customers	\$ 173,986	\$ 46,964	\$ —	\$ —	\$ 220,950
Related parties	51,651	59,336	—	—	110,987
	225,637	106,300	—	—	331,937
Cost of goods sold	250,395	87,240	—	—	337,635
Gross profit (loss)	(24,758)	19,060	—	—	(5,698)
Other operating expense – net	3,018	—	—	—	3,018
Selling, general and administrative expenses	11,755	3,399	—	—	15,154
Operating income (loss)	(39,531)	15,661	—	—	(23,870)
Interest expense – third party	(6,224)	—	—	—	(6,224)
Interest expense – affiliates	14,521	(14,521)	—	—	—
Interest income – third party	17	169	—	—	186
Net gain on forward and derivative contracts	204	—	—	—	204
Gain on bargain purchase	5,253	—	—	—	5,253
Loss on early extinguishment of debt	(3,272)	—	—	—	(3,272)
Other expense – net	(128)	(1,156)	—	—	(1,284)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(29,160)	153	—	—	(29,007)
Income tax benefit (expense)	1,318	(2,131)	—	—	(813)
	(27,842)	(1,978)	—	—	(29,820)

Loss before equity in earnings (losses) of subsidiaries and joint ventures					
Equity in earnings (losses) of subsidiaries and joint ventures	(3,044)	436	(29,384)	32,428	436
Net income (loss)	\$ (30,886)	\$ (1,542)	\$ (29,384)	\$ 32,428	\$ (29,384)
Other comprehensive income (loss) before income tax effect	\$ 10,006	\$ (46)	\$ 11,517	\$ (9,960)	\$ 11,517
Income tax effect	(357)	8	(383)	349	(383)
Other comprehensive income (loss)	9,649	(38)	11,134	(9,611)	11,134
Comprehensive income (loss)	\$ (21,237)	\$ (1,580)	\$ (18,250)	\$ 22,817	\$ (18,250)

Condensed Consolidating Statement of Cash Flows

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2013

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by (used in) operating activities	\$ 34,027	\$ (11,051)	\$ —	\$ 22,976
Investing activities:				
Purchase of property, plant and equipment	(5,240)	(10,751)	(574)	(16,565)
Nordural expansion — Helgukvik	—	(2,559)	—	(2,559)
Purchase of carbon anode assets and improvements	—	(3,670)	—	(3,670)
Purchase of Sebree smelter	(48,058)	—	—	(48,058)
Proceeds from sale of property, plant and equipment	—	515	—	515
Restricted and other cash deposits	258	(978)	—	(720)
Net cash used in investing activities	(53,040)	(17,443)	(574)	(71,057)
Financing activities:				
Repayment of debt	—	—	(249,604)	(249,604)
Proceeds from issuance of debt	—	—	246,330	246,330
Debt issuance costs	—	—	(3,926)	(3,926)
Debt retirement costs	—	—	(1,208)	(1,208)
Intercompany transactions	19,013	582	(19,595)	—
Issuance of common stock	—	—	44	44
Net cash provided by (used in) financing activities	19,013	582	(27,959)	(8,364)
Change in cash and cash equivalents	—	(27,912)	(28,533)	(56,445)
Cash and cash equivalents, beginning of the period	—	110,016	73,960	183,976
Cash and cash equivalents, end of the period	\$ —	\$ 82,104	\$ 45,427	\$ 127,531

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the six months ended June 30, 2014

	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	The Company	Consolidated
Net cash provided by operating activities	\$ 4,808	\$ 3,820	\$ —	\$ 8,628
Investing activities:				
Purchase of property, plant and equipment	(7,210)	(9,502)	(46)	(16,758)
Nordural expansion — Helgukvik	—	(186)	—	(186)
Purchase of carbon anode assets and improvements	—	(7,226)	—	(7,226)
Proceeds from sale of property, plant and equipment	—	46	—	46
Restricted and other cash deposits	(2,002)	668	—	(1,334)
Net cash used in investing activities	(9,212)	(16,200)	(46)	(25,458)
Financing activities:				
Borrowings under revolving credit facilities	—	—	86,646	86,646
Repayments under revolving credit facilities	—	(6,000)	(86,646)	(92,646)
Intercompany transactions	4,404	25,387	(29,791)	—
Issuance of common stock	—	—	126	126
Net cash provided by (used in) financing activities	4,404	19,387	(29,665)	(5,874)
Change in cash and cash equivalents	—	7,007	(29,711)	(22,704)
Cash and cash equivalents, beginning of the period	—	37,977	46,111	84,088
Cash and cash equivalents, end of the period	\$ —	\$ 44,984	\$ 16,400	\$ 61,384

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

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

Jun. 01, 2013

Sebree Smelter [Member]

Business Acquisition [Line Items]

Sebree employees

500

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

	3 Months Ended		6 Months Ended		3 Months Ended	6 Months Ended		13 Months Ended		2 Months Ended
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 01, 2013	Aug. 08, 2014
					Sebree Smelter [Member]	Sebree Smelter [Member]	Sebree Smelter [Member]	Sebree Smelter [Member]	Sebree Smelter [Member]	Sebree Working Capital Resolution [Member]
<i>Acquisition of Sebree aluminum smelter (Details) (USD \$)</i>										
<i>In Thousands, except Per Share data, unless otherwise specified</i>										
Business Acquisition [Line Items]										
Sebree primary aluminum capacity (tonnes)									205,000	
Purchase price for acquisition									\$ 61,000	
Purchase price cash paid				48,058				48,000		49,035
Gain on bargain purchase	0	5,253	0	5,253				5,253		
Cash								48,083		
Deferred purchase price								1,910		
Inventories						59,018		59,018		
Prepaid and other current assets						2,273		2,273		
Property, plant and equipment net						55,520		55,520		
Total assets acquired						116,811		116,811		
Accrued and other current liabilities						43,316		43,316		
Accrued pension benefit costs						996		996		
Accrued post retirement benefit costs						6,544		6,544		
Other liabilities						7,476		7,476		
Deferred taxes						3,233		3,233		
Total liabilities assumed						61,565		61,565		
Sebree power contract amortization			(5,534)	(2,741)		5,534				
Pro forma revenues					413,907			861,605		
Pro forma loss from continuing operations					\$ (36,253)			\$ (37,205)		
Loss per common share, basic					\$ (0.41)			\$ (0.42)		
Loss per common share, diluted					\$ (0.41)			\$ (0.42)		

Fair value measurements (Details) (USD \$)

Fair value measurements (Details) (USD \$) In Thousands, unless otherwise specified	3 Months Ended		6 Months Ended		Jun. 30, 2014 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 1 [Member]	Dec. 31, 2013 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 1 [Member]	Jun. 30, 2014 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 2 [Member]	Dec. 31, 2013 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 2 [Member]	Jun. 30, 2014 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 3 [Member]	Dec. 31, 2013 Fair Value, Recurring Measurements, [Member] Fair Value, Inputs, Level 3 [Member]		
	Jun. 30, 2014 Derivative Liabilities – Net [Member]	Jun. 30, 2013 Derivative Liabilities – Net [Member]	Jun. 30, 2014 Derivative Liabilities – Net [Member]	Jun. 30, 2013 Derivative Liabilities – Net [Member]								
ASSETS:												
Cash equivalents					\$ 51,172	\$ 49,658	\$ 51,172	\$ 49,658	\$ 0	\$ 0	\$ 0	\$ 0
Trust assets					9,523	11,151	9,523	11,151	0	0	0	0
Surety bonds						2,002		2,002		0		0
Midwest premium contracts						140		0		0		140
TOTAL					60,695	62,951	60,695	62,811	0	0	0	140
LIABILITIES:												
E.ON contingent obligation â€“ net (1)					0 (1)	0 (1)	0 (1)	0 (1)	0 (1)	0 (1)	0 (1)	0 (1)
Primary aluminum sales contract						140		0		0		140
TOTAL					0	140	0	0	0	0	0	140
Level 3 fair value measurements [Roll Forward]												
Beginning balance, period start	0	(1,030)	0	(16,539)								
Total gain (loss) included in earnings	0	257	(940)	15,766								
Settlements			940	0								
Ending balance, June 30,	0	(773)	0	(773)								
Amount of gain (loss) included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at June 30,	\$ 0	\$ 257	\$ 140	\$ 15,766								

(1)

See Note 9 Debt for additional information about the E.ON contingent obligation.

Derivative and hedging instruments (Details) (Not Designated as Hedging Instrument [Member], USD \$)		
<i>Derivative and hedging instruments (Details) (Not Designated as Hedging Instrument [Member], USD \$)</i>	Jun. 30, 2014	Dec. 31, 2013
<i>In Thousands, unless otherwise specified</i>		
<i>Fair value of derivative assets and liabilities by balance sheet location [Abstract]</i>		
DERIVATIVE ASSETS	\$ 0	\$ 140
DERIVATIVE LIABILITIES	0	140
Midwest Premium Contracts [Member]		
<i>Outstanding forward contracts not designated as hedging instruments [Abstract]</i>		
Midwest premium contracts (tonnes)	0	6,000
Midwest Premium Contracts [Member] Prepaid and Other Current Assets [Member]		
<i>Fair value of derivative assets and liabilities by balance sheet location [Abstract]</i>		
DERIVATIVE ASSETS	0	140
Primary Aluminum Sales Contracts [Member] Accrued and Other Current Liabilities [Member]		
<i>Fair value of derivative assets and liabilities by balance sheet location [Abstract]</i>		
DERIVATIVE LIABILITIES	0	140
E.ON Contingent Obligation – Net [Member] Other Liabilities [Member]		
<i>Fair value of derivative assets and liabilities by balance sheet location [Abstract]</i>		
DERIVATIVE LIABILITIES	\$ 0 [1]	\$ 0 [1]
Primary Aluminum Sales Contract Premium [Member]		
<i>Outstanding forward contracts not designated as hedging instruments [Abstract]</i>		
Primary aluminum sales contract premium (tonnes) (1)	0 [2]	1,782 [2]

[1]

See Note 9 Debt for additional information about the E.ON contingent obligation.

[2]

Represents the remaining physical deliveries under the Glencore Metal Agreement.

Derivative and hedging instruments Part 2 (Details) (Not Designated as Hedging Instrument [Member], USD \$)				
<i>Derivative and hedging instruments Part 2 (Details) (Not Designated as Hedging Instrument [Member], USD \$)</i>	3 Months Ended		6 Months Ended	
<i>In Thousands, unless otherwise specified</i>	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013
Primary Aluminum Sales Contracts [Member] Net Gain (Loss) on Forward and Derivative Contracts [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Gain (loss) recognized in income from derivatives	\$ 0	\$ (149)	\$ (153)	\$ (364)
Primary Aluminum Sales Contracts [Member] Related Party Sales [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Gain (loss) recognized in income from derivatives	0	406	292	761
E.ON Contingent Obligation – Net [Member] Net Gain (Loss) on Forward and Derivative Contracts [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Gain (loss) recognized in income from derivatives	353	353	706	16,075
E.ON Contingent Obligation – Net [Member] Interest Expense – Third Party [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Gain (loss) recognized in income from derivatives	(353)	(353)	(706)	(706)
Midwest Premium Contracts [Member] Net Gain (Loss) on Forward and Derivative Contracts [Member]				
<i>Derivative Instruments, Gain (Loss) [Line Items]</i>				
Gain (loss) recognized in income from derivatives	\$ 0	\$ 0	\$ (1,080)	\$ 0

Earnings per share (Details) (USD \$)**Earnings per share (Details) (USD \$)****3 Months Ended****6 Months Ended***In Thousands, except Share data, unless otherwise specified***Jun. 30, 2014****Jun. 30, 2013****Jun. 30, 2014****Jun. 30, 2013****Earnings Per Share [Abstract]**

Net income (loss)	\$ 20,344	\$ (29,384)	\$ 240	\$ (21,131)
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Amount allocated to common stockholders (in hundredths)	91.80% ^[1]	100.00% ^[1]	91.78%	100.00%
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Basic EPS:

Income (loss) allocable to common stockholders	18,675	(29,384)	220	(21,131)
--	--------	----------	-----	----------

Income (loss) allocable to common stockholders – (in Shares)	88,787,000	88,597,000	88,752,000	88,576,000
--	------------	------------	------------	------------

Earnings Per Share, Basic	\$ 0.21	\$ (0.33)	\$ 0.00	\$ (0.24)
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Effect of Dilutive Securities:

Share-based compensation plans	0	0	0	0
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Share-based compensation plans – (in Shares)	565,000	0	540,000	0
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Diluted EPS:

Income (loss) applicable to common stockholders with assumed conversion	\$ 18,675	\$ (29,384)	\$ 220	\$ (21,131)
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Income (loss) applicable to common stockholders with assumed conversion – (in Shares)	89,352,000	88,597,000	89,292,000	88,576,000
---	------------	------------	------------	------------

Earnings Per Share, Diluted	\$ 0.21	\$ (0.33)	\$ 0.00	\$ (0.24)
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Stock Options [Member]

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

Securities excluded from calculation of diluted EPS (in shares)	347,433 ^[2]	620,334 ^[2]	347,433 ^[2]	620,334 ^[2]
---	------------------------	------------------------	------------------------	------------------------

Service-based share awards [Member]

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

Securities excluded from calculation of diluted EPS (in shares)	0 ^[2]	576,510 ^[2]	0 ^[2]	496,234 ^[2]
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[1] We have not allocated net losses between common and preferred stockholders, as the holders of our preferred shares do not have a contractual obligation to share in the loss.

[2] In periods when we report a net loss, all share awards are excluded from the calculation of diluted weighted average shares outstanding because of their antidilutive effect on earnings (loss) per share.

Shareholders' equity (Details) (USD \$)

<i>Shareholders' equity (Details) (USD \$) In Thousands, except Share data, unless otherwise specified</i>	1 Months Ended	6 Months Ended	35 Months Ended	6 Months Ended						
	Aug. 31, 2011	Jun. 30, 2014	Jun. 30, 2014	Dec. 31, 2013	Jun. 30, 2014 Series A Convertible Preferred Stock [Member]	Jun. 30, 2013 Series A Convertible Preferred Stock [Member]	Jun. 30, 2014 Treasury Stock [Member]	Jun. 30, 2013 Treasury Stock [Member]	Jun. 30, 2014 Common Stock [Member]	Jun. 30, 2013 Common Stock [Member]
<i>Class of Stock [Line Items]</i>										
Common stock, shares authorized (in shares)		195,000,000	195,000,000	195,000,000						
Stock repurchase program, authorized amount	\$ 60,000									
Repurchase of common stock (in shares)			4,786,521							
Repurchase of common stock, aggregate purchase price			49,924							
Stock repurchase program, remaining authorized repurchase amount		\$ 10,076								
<i>Increase (Decrease) in Stockholders' Equity [Roll Forward]</i>										
Shares, Beginning balance					79,620	80,283	4,786,521	4,786,521	88,710,277	88,548,637
Conversion of convertible preferred stock (in shares)					(394)	(199)	0	0	39,455	19,864
Issuance for stock compensation plans (in shares)					0	0	0	0	55,029	34,208
Shares, Ending balance					79,226	80,084	4,786,521	4,786,521	88,804,761	88,602,709

Income taxes (Details) (USD \$)

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

	3 Months Ended		6 Months Ended	
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013

Income Tax Disclosure [Abstract]

Income tax expense	\$ 1,654	\$ 813	\$ 560	\$ 3,330
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Inventories (Details) (USD \$)

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

Jun. 30, 2014 **Dec. 31, 2013**

Inventory, Net [Abstract]

Raw materials	\$ 54,168	\$ 69,776
Work-in-process	21,332	22,183
Finished goods	31,171	17,661
Operating and other supplies	136,977	129,995
Inventories	<u>\$ 243,648</u>	<u>\$ 239,615</u>

Debt (Details) (USD \$)		
<i>Debt (Details) (USD \$) In Thousands, unless otherwise specified</i>	6 Months Ended	12 Months Ended
	Jun. 30, 2014	Dec. 31, 2013
<i>Schedule of Debt Instruments [Line Items]</i>		
Industrial revenue bonds	\$ 7,815	\$ 7,815
TOTAL	257,123	262,946
Industrial revenue bonds due 2028 [Member] Short-term Debt [Member]		
<i>Schedule of Debt Instruments [Line Items]</i>		
Debt Instrument, Unamortized Discount	0 [1]	0 [1]
Debt Instrument, Maturity Date	Apr. 01, 2028	Apr. 01, 2028
Debt Instrument, Interest Rate, Effective Percentage Rate Range, Maximum	12.00% [1]	12.00% [1]
Industrial revenue bonds	7,815 [1]	7,815 [1]
Debt Instrument, Interest Rate, Stated Percentage	0.26%	
Senior unsecured notes due August 15, 2014 [Member]		
<i>Schedule of Debt Instruments [Line Items]</i>		
Debt Instrument, Interest Rate, Stated Percentage	7.50%	
Senior unsecured notes due August 15, 2014 [Member] Short-term Debt [Member]		
<i>Schedule of Debt Instruments [Line Items]</i>		
Debt Instrument, Unamortized Discount	0	0
Debt Instrument, Maturity Date	Aug. 15, 2014	Aug. 15, 2014
Senior unsecured notes, current	2,603 [2]	2,603 [2]
Debt Instrument, Interest Rate, Stated Percentage	7.50%	7.50%
Iceland revolving line of credit [Member] Short-term Debt [Member]		
<i>Schedule of Debt Instruments [Line Items]</i>		
Revolving credit facility	0 [2],[3]	6,000 [2],[3]
Debt Instrument, Interest Rate, Stated Percentage		3.92%
Senior secured notes due June 01, 2021 [Member] Long-term Debt		

[Member]

Schedule of Debt Instruments [Line Items]

Debt Instrument, Unamortized Discount	3,295	3,472
Debt Instrument, Maturity Date	Jun. 01, 2021	Jun. 01, 2021
Senior secured notes, noncurrent	\$ 246,705	\$ 246,528
Debt Instrument, Interest Rate, Stated Percentage	7.50%	7.50%

[1] The IRBs are classified as current liabilities because they are remarketed weekly and could be required to be repaid upon demand if there is a failed remarketing. The IRB interest rate at June 30, 2014 was 0.26%.

[2] These items are recorded in accrued and other current liabilities based on the repayment terms and expected maturity.

[3] Borrowings under the Iceland revolving credit facility bear variable interest based on LIBOR plus the applicable margin per annum. The interest rate at December 31, 2013 was 3.92%.

Debt Credit Facility (Details) (USD \$)

<i>Debt Credit Facility (Details) (USD \$)</i> <i>In Thousands, unless otherwise specified</i>	6 Months Ended		6 Months Ended		
	Jun. 30, 2014 U.S. revolving credit facility [Member] Long-term Debt [Member]	Jun. 30, 2014 U.S. letter of credit [Member] Long-term Debt [Member]	Jun. 30, 2014 Iceland revolving line of credit [Member] Long-term Debt [Member]	Jun. 30, 2014 Short-term Debt [Member] Iceland revolving line of credit [Member]	Dec. 31, 2013 Short-term Debt [Member] Iceland revolving line of credit [Member]
<i>Line of Credit Facility [Line Items]</i>					
Credit facility term	5 years		3 years		
Credit facility maximum amount	\$ 150,000		\$ 50,000		
Borrowing availability	79,455		50,000		
Outstanding borrowings	0		0	0 [1],[2]	6,000 [1],[2]
Letter of credit sub-facility amount		80,000			
Outstanding letters of credit issued		\$ 70,545			

[1] Borrowings under the Iceland revolving credit facility bear variable interest based on LIBOR plus the applicable margin per annum. The interest rate at December 31, 2013 was 3.92%.

[2] These items are recorded in accrued and other current liabilities based on the repayment terms and expected maturity.

Debt 7.5% Notes (Details) (Long-term Debt [Member], Senior secured notes due June 01, 2021 [Member], USD \$)

*Debt 7.5% Notes (Details)
(Long-term Debt [Member], Senior
secured notes due June 01, 2021
[Member], USD \$)
In Thousands, unless otherwise
specified*

12 Months Ended

Dec. 31, 2013

Jun. 30, 2014

Jun. 04, 2013

Long-term Debt [Member] | Senior
secured notes due June 01, 2021
[Member]

Debt Instrument [Line Items]

Debt Instrument, Face Amount			\$ 250,000
Proceeds from Issuance of Debt	\$ 246,330		
Debt Instrument, Interest Rate, Stated Percentage	7.50%	7.50%	

Debt E.ON Contingent Obligation (Details) (USD \$)

<i>Debt E.ON Contingent Obligation (Details) (USD \$) In Thousands, unless otherwise specified</i>	6 Months Ended		Jun. 30, 2014	Dec. 31, 2013
	Jun. 30, 2014	Jun. 30, 2013	Other Liabilities [Member] E.ON contingent obligation [Member]	Other Liabilities [Member] E.ON contingent obligation [Member]
<i>Debt Instrument [Line Items]</i>				
Unrealized gain (loss) on E.ON obligation	\$ 706	\$ 16,075		
E.ON contingent obligation â€“ principal			(12,902)	(12,902)
E.ON contingent obligation â€“ accrued interest			(4,585)	(3,879)
E.ON contingent obligation â€“ derivative asset			17,487	16,781
E.ON contingent obligation			<u>\$ 0</u>	<u>\$ 0</u>

Commitments and contingencies (Details) (USD \$)

	6 Months Ended	156 Months Ended			15 Months Ended	45 Months Ended	6 Months Ended	1 Months Ended	6 Months Ended
<i>Commitments and contingencies (Details) (USD \$) In Thousands, unless otherwise specified</i>	Jun. 30, 2014	Jun. 30, 2014	Dec. 31, 2013	Dec. 31, 2011 MW	Jun. 30, 2014 PBGC Agreement [Member]	Dec. 31, 2016 PBGC Forecast [Member] PBGC Agreement [Member]	Jun. 30, 2014 St. Croix Alumina Refinery [Member]	Apr. 30, 2013 Grundartangi Power Agreement [Member]	Jun. 30, 2014 Grundartangi OR Power Agreement [Member]
<i>Environmental Contingencies [Abstract]</i>									
Environmental-related accrued liabilities	\$ 1,228	\$ 1,228	\$ 999						
Environmental remediation expense minimum amount entitling reimbursement by third party	400								
Environmental remediation expense for Hydrocarbon Recovery Plan		1,033							
<i>Legal Contingencies [Abstract]</i>									
Legal settlement award payment							625	1,470	3,600
<i>PBCG Settlement [Abstract]</i>									
Pension contributions above required minimum, total						17,400			
Pension contributions					6,700				
<i>OR Power Agreement [Abstract]</i>									
Power currently available under the power purchase agreement (in megawatts)				47.5					
Power prepayments	\$ 2,000	\$ 2,000							
<i>Labor Commitments [Abstract]</i>									
Percentage of U.S. based work force represented by a union (in hundredths)	73.00%	73.00%							
Number of labor unions Grundartangi subsidiary entered into a new labor agreement with	5	5							
Percentage of Grundartangi work force represented by the labor unions (in hundredths)	82.00%	82.00%							
Percentage of Vlissingen work force represented by the labor union (in hundredths)	77.00%	77.00%							

Forward delivery contracts and financial instruments (Details)

6 Months Ended

	Jun. 30, 2014 Primary Aluminum Sales Contracts [Member] Glencore Nordural Metal Agreement [Member] t	Jun. 30, 2014 Primary Aluminum Sales Contracts [Member] Southwire Metal Agreement [Member] lb	Jun. 30, 2014 Long-Term Tolling Contracts [Member] Glencore Toll Agreement 1 [Member] t	Jun. 30, 2014 Long-Term Tolling Contracts [Member] Glencore Toll Agreement 2 [Member] t	Jun. 30, 2014 Other Forward Delivery Contracts [Member] t	Dec. 31, 2013 Other Forward Delivery Contracts [Member] t	Jun. 30, 2014 Glencore [Member] Other Forward Delivery Contracts [Member] t	Dec. 31, 2013 Glencore [Member] Other Forward Delivery Contracts [Member] t
<i>Forward delivery contracts and financial instruments (Details)</i>								
Supply Commitment [Line Items]								
Customer	Glencore	^[1] Southwire	^[2] Glencore	Glencore				
Volume	All primary aluminum produced at Grundartangi, net of tolling and other sales commitments	^[1] 216 million pounds per year (high conductivity molten aluminum)	^[2] 90,000 tonnes per year ("tpy")	49,000 tpy				
Volume (in tpy and lbs per year)	155,000	216,000,000	90,000	49,000				
Volume adjustment (in percent)		4.00%						
Term	January 1, 2014 through December 31, 2017	^[1] January 1, 2014 through December 31, 2014	^[2] Through July 2016	Through December 31, 2014				
Pricing	Variable, based on LME and European Duty Paid premium	^[1] Variable, based on U.S. Midwest Transaction Price	^[2] Variable, based on LME and European Duty Paid premium	Variable, based on LME and European Duty Paid premium				
Other forward delivery contracts to sell primary aluminum (in tonnes)					106,530	118,373	48,808	20,008
Other forward delivery contracts to sell primary aluminum at fixed price (in tonnes)					207	0	31	0

[1] The Glencore Grundartangi Metal Agreement is for all metal produced at Grundartangi from 2014 through 2017 less commitments under existing tolling and other sales contracts. Grundartangi currently estimates that it will sell Glencore approximately 155,000 tonnes of aluminum under this agreement in 2014.

[2] Southwire may, at its option, increase the volume purchased under the agreement by up to four percent by adjusting their monthly metal commitment.

Supplemental cash flow information (Details) (USD \$)**Supplemental cash flow information
(Details) (USD \$)****6 Months Ended*****In Thousands, unless otherwise
specified*****Jun. 30, 2014****Jun. 30, 2013**

Interest	\$ 9,554	\$ 11,287
Income/withholding taxes (1)	6,640 ^[1]	14,156 ^[1]
Accrued capital costs	5,107	321
Iceland [Member]		
Income/withholding taxes (1)	\$ 2,789	\$ 8,259

[1] We paid withholding taxes in Iceland on intercompany dividends of \$2,789 and \$8,259 during the six months ended June 30, 2014 and 2013, respectively. Our tax payments in Iceland for withholding taxes, income taxes and any associated refunds are denominated in Icelandic kronur ("ISK").

Asset retirement obligations (â€œAROâ€) (Details) (USD \$)	6 Months Ended	12 Months Ended
<i>Asset retirement obligations (â€œAROâ€) (Details) (USD \$) In Thousands, unless otherwise specified</i>	Jun. 30, 2014	Dec. 31, 2013
<i>Asset Retirement Obligation [Roll Forward]</i>		
Beginning balance, ARO liability	\$ 27,113	\$ 16,124
Additional ARO liability incurred	712	1,730
ARO liabilities settled	(1,882)	(2,580)
Accretion expense	475	1,733
Additional ARO liability from Sebree acquisition	0	10,106
Ending balance, ARO liability	\$ 26,418	\$ 27,113

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

<i>Components of Accumulated other comprehensive loss (Details) (USD \$)</i>	3 Months Ended		6 Months Ended		Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2013	Dec. 31, 2012
	Jun. 30, 2014	Jun. 30, 2013	Jun. 30, 2014	Jun. 30, 2013				
<i>In Thousands, unless otherwise specified</i>								
Accumulated Other Comprehensive Income (Loss) [Line Items]								
Other comprehensive loss before income tax effect	\$ (104,643)		\$ (104,643)			\$ (105,891)		
Income tax effect	12,779 ^[1]		12,779 ^[1]			14,059 ^[1]		
Accumulated other comprehensive loss	<u>(91,864)</u>	<u>(139,163)</u>	<u>(91,864)</u>	<u>(139,163)</u>	<u>(91,733)</u>	<u>(91,832)</u>	<u>(150,297)</u>	<u>(151,192)</u>
Other comprehensive income (loss) before reclassifications	423	10,332	406	10,315				
Net amount reclassified to net income (loss)	(554)	802	(438)	1,714				
Cost of goods sold	419,820	337,635	842,425	641,327				
Selling, general and administrative expenses	10,618	15,154	20,680	31,453				
Income tax benefit (expense)	1,654	813	560	3,330				
Net of tax	20,344	(29,384)	240	(21,131)				
Defined benefit plans liabilities [Member]								
Accumulated Other Comprehensive Income (Loss) [Line Items]								
Other comprehensive loss before income tax effect	(90,836)		(90,836)			(92,177)		
Income tax effect	12,993		12,993			14,256		
Accumulated other comprehensive loss	<u>(77,843)</u>	<u>(125,302)</u>	<u>(77,843)</u>	<u>(125,302)</u>	<u>(77,766)</u>	<u>(77,921)</u>	<u>(136,491)</u>	<u>(137,441)</u>
Other comprehensive income (loss) before reclassifications	440	10,349	440	10,349				
Net amount reclassified to net income (loss)	(517)	840	(362)	1,790				
Equity in investee other comprehensive income [Member]								
Accumulated Other Comprehensive Income (Loss) [Line Items]								
Other comprehensive loss before income tax effect	(12,650) ^[2]		(12,650) ^[2]			(12,650) ^[2]		
Income tax effect	384		384			418		
Accumulated other comprehensive loss	<u>(12,266)</u>	<u>(12,258)</u>	<u>(12,266)</u>	<u>(12,258)</u>	<u>(12,249)</u>	<u>(12,232)</u>	<u>(12,241)</u>	<u>(12,224)</u>
Other comprehensive income (loss) before reclassifications	(17)	(17)	(34)	(34)				
Net amount reclassified to net income (loss)	0	0	0	0				

Unrealized loss on financial instruments [Member]

Accumulated Other Comprehensive Income (Loss) [Line Items]

Other comprehensive loss before income tax effect	(1,157)		(1,157)		(1,064)			
Income tax effect	(598)		(598)		(615)			
Accumulated other comprehensive loss	<u>(1,755)</u>	<u>(1,603)</u>	<u>(1,755)</u>	<u>(1,603)</u>	<u>(1,718)</u>	<u>(1,679)</u>	<u>(1,565)</u>	<u>(1,527)</u>
Other comprehensive income (loss) before reclassifications	0	0	0	0				
Net amount reclassified to net income (loss)	(37)	(38)	(76)	(76)				

Reclassification out of Accumulated Other Comprehensive Income [Member] | Defined benefit plans liabilities [Member]

Accumulated Other Comprehensive Income (Loss) [Line Items]

Cost of goods sold	25	910	616	1,994
Selling, general and administrative expenses	17	304	285	544
Income tax benefit (expense)	(559)	(374)	(1,263)	(748)
Net of tax	(517)	840	(362)	1,790

Reclassification out of Accumulated Other Comprehensive Income [Member] | Equity in investee other comprehensive income [Member]

Accumulated Other Comprehensive Income (Loss) [Line Items]

Cost of goods sold	0	0	0	0
Income tax benefit (expense)	(17)	(17)	(34)	(34)
Net of tax	(17)	(17)	(34)	(34)

Reclassification out of Accumulated Other Comprehensive Income [Member] | Unrealized loss on financial instruments [Member]

Accumulated Other Comprehensive Income (Loss) [Line Items]

Cost of goods sold	(46)	(46)	(93)	(93)
Income tax benefit (expense)	9	8	17	17
Net of tax	\$ (37)	\$ (38)	\$ (76)	\$ (76)

[1] The allocation of the income tax effect to the components of other comprehensive income is as follows: June 30, 2014December 31, 2013Defined benefit plan liabilities\$12,993\$14,256Equity in investee other comprehensive income384418Unrealized loss on financial instruments(598)(615)

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

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

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

3 Months Ended

6 Months Ended

In Thousands, unless otherwise specified

Jun. 30, 2014

Jun. 30, 2013

Jun. 30, 2014

Jun. 30, 2013

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

Employer contributions

\$ 1,413

Pension Benefits [Member]

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

Service cost

1,079

926

2,666

1,606

Interest cost

3,101

1,755

5,741

3,390

Expected return on plan assets

(3,701)

(1,893)

(7,098)

(3,613)

Amortization of prior service costs

9

22

18

54

Amortization of net loss

167

857

953

1,706

Curtailement

0

18

0

18

Net periodic benefit cost

655

1,649

2,280

3,125

Other Postretirement Benefits [Member]

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

Service cost

117

670

794

1,163

Interest cost

1,695

1,433

3,206

2,756

Amortization of prior service costs

(961)

(938)

(1,922)

(1,998)

Amortization of net loss

828

1,273

1,852

2,776

Curtailement

0

20

0

20

Net periodic benefit cost

\$ 1,679

\$ 2,418

\$ 3,930

\$ 4,677

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

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

3 Months Ended **6 Months Ended**

Jun. 30, 2014 **Jun. 30, 2013** **Jun. 30, 2014** **Jun. 30, 2013** **Mar. 31, 2014** **Dec. 31, 2013** **Mar. 31, 2013** **Dec. 31, 2012**

Guarantor Obligations [Line Items]

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

Assets:

Cash and cash equivalents	\$ 61,384	\$ 127,531	\$ 61,384	\$ 127,531			
Restricted cash	3,031		3,031			1,697	
Accounts receivable â€” net	52,253		52,253			56,184	
Due from affiliates	54,094		54,094			43,587	
Inventories	243,648		243,648			239,615	
Prepaid and other current assets	25,320		25,320			32,276	
Deferred taxes	13,614		13,614			13,614	
Total current assets	453,344		453,344			471,061	
Investment in subsidiaries	0		0			0	
Property, plant and equipment â€” net	1,230,014		1,230,014			1,247,661	
Due from affiliates â€” less current portion	0		0			0	
Other assets	93,122		93,122			91,474	
TOTAL	1,776,480		1,776,480			1,810,196	

Liabilities and shareholders' equity:

Accounts payable, trade	95,897		95,897			108,490	
Due to affiliates	52,356		52,356			53,582	
Accrued and other current liabilities	45,182		45,182			69,466	
Accrued employee benefits costs	8,533		8,533			8,410	
Industrial revenue bonds	7,815		7,815			7,815	
Total current liabilities	209,783		209,783			247,763	
Senior notes payable	246,705		246,705			246,528	
Accrued pension benefit costs â€” less current portion	41,724		41,724			39,848	
Accrued postretirement benefits costs â€” less current portion	128,287		128,287			129,284	
Other liabilities/intercompany loan	37,416		37,416			37,743	
Deferred taxes	108,932		108,932			106,218	
Total noncurrent liabilities	563,064		563,064			559,621	

Shareholders' equity:

Series A Preferred stock	1		1			1	
Common stock	936		936			935	

Additional paid-in capital	2,509,186		2,509,186		2,508,574
Treasury stock, at cost	(49,924)		(49,924)		(49,924)
Accumulated other comprehensive loss	(91,864)	(139,163)	(91,864)	(139,163)	(91,733)
Retained earnings (accumulated deficit)	(1,364,702)		(1,364,702)		(1,364,942)
Total shareholders' equity	1,003,633		1,003,633		1,002,812
Total	1,776,480		1,776,480		1,810,196

Net sales:

Third-party customers	169,751	220,950	305,015	409,464
Related parties	288,573	110,987	574,156	243,747
Sales Revenue - net	458,324	331,937	879,171	653,211
Cost of goods sold	419,820	337,635	842,425	641,327
Gross profit (loss)	38,504	(5,698)	36,746	11,884
Other operating expense - net	1,874	3,018	4,288	4,114
Selling, general and administrative expenses	10,618	15,154	20,680	31,453
Operating income	26,012	(23,870)	11,778	(23,683)
Interest expense - third party	(5,571)	(6,224)	(11,048)	(12,300)
Interest expense - affiliates	0	0	0	0
Interest income - third party	34	186	174	317
Net gain (loss) on forward and derivative contracts	352	204	(527)	15,711
Gain on bargain purchase	0	5,253	0	5,253
Loss on early extinguishment of debt	0	(3,272)	0	(3,272)
Other income (expense) - net	300	(1,284)	47	(1,214)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	21,127	(29,007)	424	(19,188)
Income tax expense	(1,654)	(813)	(560)	(3,330)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	19,473	(29,820)	(136)	(22,518)
Equity in earnings (losses) of subsidiaries and joint ventures	871	436	376	1,387
Net income (loss)	20,344	(29,384)	240	(21,131)
Other comprehensive income before income tax effect	436	11,517	1,248	12,794
Income tax effect	(567)	(383)	(1,280)	(765)
Other comprehensive income (loss)	(131)	11,134	(32)	12,029
Comprehensive income (loss)	20,213	(18,250)	208	(9,102)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities			8,628	22,976
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Purchase of property, plant and equipment	(16,758)	(16,565)
Nordural expansion â€” Helguvik	(186)	(2,559)
Purchase of carbon anode assets and improvements	(7,226)	(3,670)
Purchase of Sebree smelter	0	(48,058)
Proceeds from sale of property, plant and equipment	46	515
Restricted and other cash deposits	(1,334)	(720)
Net cash used in investing activities	(25,458)	(71,057)

Financing activities:

Repayment of debt	0	(249,604)
Proceeds from issuance of debt	0	246,330
Borrowings under revolving credit facilities	86,646	0
Repayments under revolving credit facilities	(92,646)	0
Debt issuance costs	0	(3,926)
Debt retirement costs	0	(1,208)
Intercompany transactions	0	0
Issuance of common stock	126	44
Net cash provided by (used in) financing activities	(5,874)	(8,364)
Change in cash and cash equivalents	(22,704)	(56,445)
Cash and cash equivalents, beginning of period	84,088	183,976
Cash and cash equivalents, end of period	61,384	127,531

Senior unsecured notes due August 15, 2014 [Member]

Guarantor Obligations [Line Items]

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

Assets:

Cash and cash equivalents	0	0	0	0
Restricted cash	2,789		2,789	787
Accounts receivable â€” net	51,687		51,687	45,205
Due from affiliates	313,628		313,628	303,031
Inventories	158,398		158,398	166,137
Prepaid and other current assets	2,200		2,200	6,350
Deferred taxes	0		0	0
Total current assets	528,702		528,702	521,510
Investment in subsidiaries	64,904		64,904	55,929

Property, plant and equipment â€” net	339,951	339,951	351,096
Due from affiliates â€” less current portion	0	0	0
Other assets	20,034	20,034	21,163
TOTAL	953,591	953,591	949,698

Liabilities and shareholders' equity:

Accounts payable, trade	52,546	52,546	65,384
Due to affiliates	2,036,103	2,036,103	2,015,550
Accrued and other current liabilities	18,936	18,936	25,419
Accrued employee benefits costs	6,692	6,692	12,880
Industrial revenue bonds	7,815	7,815	7,815
Total current liabilities	2,122,092	2,122,092	2,127,048
Senior notes payable	0	0	0
Accrued pension benefit costs â€” less current portion	13,177	13,177	6,183
Accrued postretirement benefits costs â€” less current portion	123,771	123,771	124,466
Other liabilities/intercompany loan	57,359	57,359	58,367
Deferred taxes	0	0	0
Total noncurrent liabilities	194,307	194,307	189,016

Shareholders' equity:

Series A Preferred stock	0	0	0
Common stock	60	60	60
Additional paid-in capital	275,467	275,467	268,467
Treasury stock, at cost	0	0	0
Accumulated other comprehensive loss	(90,978)	(90,978)	(92,803)
Retained earnings (accumulated deficit)	(1,547,357)	(1,547,357)	(1,542,090)
Total shareholdersâ€™ equity	(1,362,808)	(1,362,808)	(1,366,366)
Total	953,591	953,591	949,698

Net sales:

Third-party customers	169,747	173,986	304,999	311,084
Related parties	157,807	51,651	321,847	118,280
Sales Revenue â€” net	327,554	225,637	626,846	429,364
Cost of goods sold	307,005	250,395	619,629	461,580
Gross profit (loss)	20,549	(24,758)	7,217	(32,216)
Other operating expense â€” net	1,874	3,018	4,288	4,114
Selling, general and administrative expenses	10,180	11,755	19,551	24,644
Operating income	8,495	(39,531)	(16,622)	(60,974)
Interest expense â€” third party	(5,500)	(6,224)	(10,919)	(12,300)

Interest expense â€“ affiliates	12,430	14,521	24,891	29,017
Interest income â€“ third party	2	17	5	31
Net gain (loss) on forward and derivative contracts	352	204	(527)	15,711
Gain on bargain purchase		5,253		5,253
Loss on early extinguishment of debt		(3,272)		(3,272)
Other income (expense) â€“ net	436	(128)	216	(9)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	16,215	(29,160)	(2,956)	(26,543)
Income tax expense	(5,743)	1,318	(4,296)	(5,784)
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	10,472	(27,842)	(7,252)	(32,327)
Equity in earnings (losses) of subsidiaries and joint ventures	2,353	(3,044)	1,987	(5,266)
Net income (loss)	12,825	(30,886)	(5,265)	(37,593)
Other comprehensive income before income tax effect	466	10,006	1,056	11,090
Income tax effect	(558)	(357)	(1,263)	(748)
Other comprehensive income (loss)	(92)	9,649	(207)	10,342
Comprehensive income (loss)	12,733	(21,237)	(5,472)	(27,251)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities			4,808	34,027
Purchase of property, plant and equipment			(7,210)	(5,240)
Nordural expansion â€” Helguvik			0	0
Purchase of carbon anode assets and improvements			0	0
Purchase of Sebree smelter				(48,058)
Proceeds from sale of property, plant and equipment			0	0
Restricted and other cash deposits			(2,002)	258
Net cash used in investing activities			(9,212)	(53,040)

Financing activities:

Repayment of debt				0
Proceeds from issuance of debt				0
Borrowings under revolving credit facilities			0	
Repayments under revolving credit facilities			0	
Debt issuance costs				0
Debt retirement costs				0
Intercompany transactions			4,404	19,013

Issuance of common stock			0	0
Net cash provided by (used in) financing activities			4,404	19,013
Change in cash and cash equivalents			0	0
Cash and cash equivalents, beginning of period			0	0
Cash and cash equivalents, end of period	0	0	0	0

Combined Non–Guarantor Subsidiaries [Member]

Assets:

Cash and cash equivalents	44,984	82,104	44,984	82,104
Restricted cash	242		242	910
Accounts receivable â€” net	566		566	10,979
Due from affiliates	46,875		46,875	36,995
Inventories	87,129		87,129	73,478
Prepaid and other current assets	17,588		17,588	20,531
Deferred taxes	13,614		13,614	14,540
Total current assets	210,998		210,998	195,410
Investment in subsidiaries	0		0	0
Property, plant and equipment â€” net	889,052		889,052	895,381
Due from affiliates â€” less current portion	41,928		41,928	32,066
Other assets	38,088		38,088	33,132
TOTAL	<u>1,180,066</u>		<u>1,180,066</u>	<u>1,155,989</u>

Liabilities and shareholders' equity:

Accounts payable, trade	42,627		42,627	42,351
Due to affiliates	101,807		101,807	97,351
Accrued and other current liabilities	16,984		16,984	26,005
Accrued employee benefits costs	0		0	0
Industrial revenue bonds	0		0	0
Total current liabilities	161,418		161,418	165,707
Senior notes payable	0		0	0
Accrued pension benefit costs â€” less current portion	0		0	0
Accrued postretirement benefits costs â€” less current portion	0		0	0
Other liabilities/intercompany loan	564,004		564,004	548,985
Deferred taxes	108,932		108,932	106,218
Total noncurrent liabilities	672,936		672,936	655,203

Shareholders' equity:

Series A Preferred stock	0		0	0
Common stock	12		12	12

Additional paid-in capital	182,943	182,943	179,493
Treasury stock, at cost	0	0	0
Accumulated other comprehensive loss	(1,754)	(1,754)	(1,678)
Retained earnings (accumulated deficit)	164,511	164,511	157,252
Total shareholders' equity	345,712	345,712	335,079
Total	1,180,066	1,180,066	1,155,989

Net sales:

Third-party customers	4	46,964	16	98,380
Related parties	130,766	59,336	252,309	125,467
Sales Revenue " net	130,770	106,300	252,325	223,847
Cost of goods sold	112,815	87,240	222,796	179,747
Gross profit (loss)	17,955	19,060	29,529	44,100
Other operating expense " net	0	0	0	0
Selling, general and administrative expenses	438	3,399	1,129	6,809
Operating income	17,517	15,661	28,400	37,291
Interest expense " third party	(71)	0	(129)	0
Interest expense " affiliates	(12,430)	(14,521)	(24,891)	(29,017)
Interest income " third party	32	169	169	286
Net gain (loss) on forward and derivative contracts	0	0	0	0
Gain on bargain purchase		0		0
Loss on early extinguishment of debt		0		0
Other income (expense) " net	(54)	(1,156)	(87)	(1,205)
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	4,994	153	3,462	7,355
Income tax expense	3,972	(2,131)	3,428	2,454
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	8,966	(1,978)	6,890	9,809
Equity in earnings (losses) of subsidiaries and joint ventures	871	436	376	1,387
Net income (loss)	9,837	(1,542)	7,266	11,196
Other comprehensive income before income tax effect	(46)	(46)	(93)	(93)
Income tax effect	9	8	17	17
Other comprehensive income (loss)	(37)	(38)	(76)	(76)
Comprehensive income (loss)	9,800	(1,580)	7,190	11,120

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities		3,820	(11,051)
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Purchase of property, plant and equipment	(9,502)	(10,751)
Nordural expansion â€” Helguvik	(186)	(2,559)
Purchase of carbon anode assets and improvements	(7,226)	(3,670)
Purchase of Sebree smelter		0
Proceeds from sale of property, plant and equipment	46	515
Restricted and other cash deposits	668	(978)
Net cash used in investing activities	(16,200)	(17,443)

Financing activities:

Repayment of debt		0
Proceeds from issuance of debt		0
Borrowings under revolving credit facilities	0	
Repayments under revolving credit facilities	(6,000)	
Debt issuance costs		0
Debt retirement costs		0
Intercompany transactions	25,387	582
Issuance of common stock	0	0
Net cash provided by (used in) financing activities	19,387	582
Change in cash and cash equivalents	7,007	(27,912)
Cash and cash equivalents, beginning of period	37,977	110,016
Cash and cash equivalents, end of period	44,984	82,104

The Company [Member]

Assets:

Cash and cash equivalents	16,400	45,427	16,400	45,427
Restricted cash	0		0	0
Accounts receivable â€” net	0		0	0
Due from affiliates	2,321,841		2,321,841	2,304,874
Inventories	180		180	0
Prepaid and other current assets	5,224		5,224	5,395
Deferred taxes	0		0	0
Total current assets	2,343,645		2,343,645	2,356,380
Investment in subsidiaries	(1,078,450)		(1,078,450)	(1,087,216)
Property, plant and equipment â€” net	1,451		1,451	1,621
Due from affiliates â€” less current portion	0		0	0
Other assets	32,214		32,214	32,431
TOTAL	1,298,860	45,427	1,298,860	1,303,216

Liabilities and shareholders' equity:

Accounts payable, trade	724	724	755
Due to affiliates	0	0	0
Accrued and other current liabilities	10,485	10,485	16,486
Accrued employee benefits costs	1,841	1,841	2,737
Industrial revenue bonds	0	0	0
Total current liabilities	13,050	13,050	19,978
Senior notes payable	246,705	246,705	246,528
Accrued pension benefit costs â€” less current portion	28,547	28,547	26,458
Accrued postretirement benefits costs â€” less current portion	4,516	4,516	4,818
Other liabilities/intercompany loan	2,409	2,409	2,622
Deferred taxes	0	0	0
Total noncurrent liabilities	282,177	282,177	280,426

Shareholders' equity:

Series A Preferred stock	1	1	1
Common stock	936	936	935
Additional paid-in capital	2,509,186	2,509,186	2,508,574
Treasury stock, at cost	(49,924)	(49,924)	(49,924)
Accumulated other comprehensive loss	(91,864)	(91,864)	(91,832)
Retained earnings (accumulated deficit)	(1,364,702)	(1,364,702)	(1,364,942)
Total shareholders' equity	1,003,633	1,003,633	1,002,812
Total	1,298,860	1,298,860	1,303,216

Net sales:

Third-party customers	0	0	0	0
Related parties	0	0	0	0
Sales Revenue â€” net	0	0	0	0
Cost of goods sold	0	0	0	0
Gross profit (loss)	0	0	0	0
Other operating expense â€” net	0	0	0	0
Selling, general and administrative expenses	0	0	0	0
Operating income	0	0	0	0
Interest expense â€” third party	0	0	0	0
Interest expense â€” affiliates	0	0	0	0
Interest income â€” third party	0	0	0	0
Net gain (loss) on forward and derivative contracts	0	0	0	0
Gain on bargain purchase		0		0

Loss on early extinguishment of debt		0		0
Other income (expense) â€“ net	0	0	0	0
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	0	0	0	0
Income tax expense	0	0	0	0
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	0	0	0	0
Equity in earnings (losses) of subsidiaries and joint ventures	20,344	(29,384)	240	(21,131)
Net income (loss)	20,344	(29,384)	240	(21,131)
Other comprehensive income before income tax effect	436	11,517	1,248	12,794
Income tax effect	(567)	(383)	(1,280)	(765)
Other comprehensive income (loss)	(131)	11,134	(32)	12,029
Comprehensive income (loss)	20,213	(18,250)	208	(9,102)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

Net cash provided by operating activities			0	0
Purchase of property, plant and equipment			(46)	(574)
Nordural expansion â€” Helguvik			0	0
Purchase of carbon anode assets and improvements			0	0
Purchase of Sebree smelter				0
Proceeds from sale of property, plant and equipment			0	0
Restricted and other cash deposits			0	0
Net cash used in investing activities			(46)	(574)

Financing activities:

Repayment of debt			(249,604)	
Proceeds from issuance of debt			246,330	
Borrowings under revolving credit facilities			86,646	
Repayments under revolving credit facilities			(86,646)	
Debt issuance costs			(3,926)	
Debt retirement costs			(1,208)	
Intercompany transactions			(29,791)	(19,595)
Issuance of common stock			126	44
Net cash provided by (used in) financing activities			(29,665)	(27,959)
Change in cash and cash equivalents			(29,711)	(28,533)
			46,111	73,960

Cash and cash equivalents, beginning of period				
Cash and cash equivalents, end of period	16,400	45,427	16,400	45,427
Reclassifications and Eliminations [Member]				
Assets:				
Cash and cash equivalents	0		0	
Restricted cash	0		0	0
Accounts receivable â€” net	0		0	0
Due from affiliates	(2,628,250)		(2,628,250)	(2,601,313)
Inventories	(2,059)		(2,059)	0
Prepaid and other current assets	308		308	0
Deferred taxes	0		0	(926)
Total current assets	(2,630,001)		(2,630,001)	(2,602,239)
Investment in subsidiaries	1,013,546		1,013,546	1,031,287
Property, plant and equipment â€” net	(440)		(440)	(437)
Due from affiliates â€” less current portion	(41,928)		(41,928)	(32,066)
Other assets	2,786		2,786	4,748
TOTAL	<u>(1,656,037)</u>		<u>(1,656,037)</u>	<u>(1,598,707)</u>
Liabilities and shareholders' equity:				
Accounts payable, trade	0		0	0
Due to affiliates	(2,085,554)		(2,085,554)	(2,059,319)
Accrued and other current liabilities	(1,223)		(1,223)	1,556
Accrued employee benefits costs	0		0	(7,207)
Industrial revenue bonds	0		0	0
Total current liabilities	(2,086,777)		(2,086,777)	(2,064,970)
Senior notes payable	0		0	0
Accrued pension benefit costs â€” less current portion	0		0	7,207
Accrued postretirement benefits costs â€” less current portion	0		0	0
Other liabilities/intercompany loan	(586,356)		(586,356)	(572,231)
Deferred taxes	0		0	0
Total noncurrent liabilities	(586,356)		(586,356)	(565,024)
Shareholders' equity:				
Series A Preferred stock	0		0	0
Common stock	(72)		(72)	(72)
Additional paid-in capital	(458,410)		(458,410)	(447,960)
Treasury stock, at cost	0		0	0
Accumulated other comprehensive loss	92,732		92,732	94,481

Retained earnings (accumulated deficit)	1,382,846	1,382,846	1,384,838
Total shareholders' equity	1,017,096	1,017,096	1,031,287
Total	(1,656,037)	(1,656,037)	(1,598,707)

Net sales:

Third-party customers	0	0	0	0
Related parties	0	0	0	0
Sales Revenue " net	0	0	0	0
Cost of goods sold	0	0	0	0
Gross profit (loss)	0	0	0	0
Other operating expense " net	0	0	0	0
Selling, general and administrative expenses	0	0	0	0
Operating income	0	0	0	0
Interest expense " third party	0	0	0	0
Interest expense " affiliates	0	0	0	0
Interest income " third party	0	0	0	0
Net gain (loss) on forward and derivative contracts	0	0	0	0
Gain on bargain purchase		0		0
Loss on early extinguishment of debt		0		0
Other income (expense) " net	(82)	0	(82)	0
Income (loss) before income taxes and equity in earnings (losses) of subsidiaries and joint ventures	(82)	0	(82)	0
Income tax expense	117	0	308	0
Income (loss) before equity in earnings (losses) of subsidiaries and joint ventures	35	0	226	0
Equity in earnings (losses) of subsidiaries and joint ventures	(22,697)	32,428	(2,227)	26,397
Net income (loss)	(22,662)	32,428	(2,001)	26,397
Other comprehensive income before income tax effect	(420)	(9,960)	(963)	(10,997)
Income tax effect	549	349	1,246	731
Other comprehensive income (loss)	129	(9,611)	283	(10,266)
Comprehensive income (loss)	(22,533)	22,817	(1,718)	16,131

Financing activities:

Cash and cash equivalents, beginning of period		0
Cash and cash equivalents, end of period	\$ 0	\$ 0

Subsequent events Subsequent Events (Details) (Sebree Working Capital Resolution [Member], USD \$)

*Subsequent events Subsequent
Events (Details) (Sebree Working
Capital Resolution [Member], USD
\$)*

2 Months Ended

*In Thousands, unless otherwise
specified*

Aug. 08, 2014

Sebree Working Capital Resolution
[Member]

Subsequent Event [Line Items]

Additional gain recognized from
working capital resolution

\$ 965

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