

CENTURY ALUMINUM CO

Form 10-Q

August 09, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

OR

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

For the transition period from _____ to _____.

Commission file number 1-34474

Century Aluminum Company

(Exact name of Registrant as specified in its Charter)

Delaware

(State or other Jurisdiction of Incorporation or
Organization)

13-3070826

(IRS Employer Identification No.)

2511 Garden Road

Building A, Suite 200

93940

Monterey, California

(Zip Code)

(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

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

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

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-Accelerated Filer

(Do not check if a smaller reporting
company) ☐

Smaller Reporting Company ☐

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

☐ Yes ☒ No

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

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

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

See notes to consolidated financial statements

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

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