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CENTURY ALUMINUM CO
Form 8-K/A
March 30, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1 TO CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Original Report (Date of earliest event reported): March 16, 2004

CENTURY ALUMINUM COMPANY
(Exact name of registrant as specified in its charter)

| | | |
|--|-------------------------------------|--|
| Delaware (State or other jurisdiction of Incorporation) | 0-27918 (Commission File Number) | 13-3070826 (IRS Employer Identification No.) |
|--|-------------------------------------|--|

| | |
|--|---------------------|
| 2511 Garden Road Building A, Suite 200 Monterey, California (Address of principal executive offices) | 93940 (Zip Code) |
|--|---------------------|

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

Item 5. Other Events.

On March 16, 2004, Century Aluminum Company ("Century") filed a Form 8-K (the "Original Form 8-K") containing unaudited pro forma consolidated financial information reflecting Century's proposed acquisition of either a 100% or 49.9% interest in Nordural hf, an Icelandic primary aluminum producer. The pro forma consolidated financial information set forth below replaces the pro forma consolidated financial information contained in the Original Form 8-K and reflects Century's agreement to purchase 100% of Nordural hf.

Forward-Looking Statements

This Form 8-K may contain certain "forward-looking statements." Century has based these forward-looking statements on current expectations and projections about future events. Many of these statements may be identified by the use of forward-looking words such as "expects," "anticipates," "plans," "believes," "projects," "estimates," "should," "will," and "potential" and variations of such words. These forward-looking statements are subject to risks,

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uncertainties and assumptions and readers are cautioned that actual results could differ materially and, therefore, they should not place undue reliance on any forward-looking statements. Century does not undertake, and specifically disclaims, any obligation to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date such forward-looking statements are made.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The following tables present Century's unaudited pro forma consolidated balance sheet as of December 31, 2003 and unaudited pro forma consolidated statement of operations for the year ended December 31, 2003. The unaudited pro forma consolidated financial data presented below has been derived from the following, which are included elsewhere in this prospectus supplement: (1) Century's audited consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2003; and (2) the separate audited financial statements and accompanying notes of Nordural for the year ended December 31, 2003 which are included in the Original Form 8-K filed on March 16, 2004. The unaudited pro forma consolidated financial data has been prepared for illustrative purposes only and does not purport to represent what Century's results of operations or financial condition would actually have been had the transactions described below in fact occurred as of the dates specified. In addition, the unaudited pro forma consolidated financial data does not purport to project Century's results of operations or financial condition as of any date or for any future period. Among other things, the unaudited pro forma consolidated financial data does not reflect the effects of Century's acquisition of the remaining 20% interest in its Hawesville primary aluminum reduction facility prior to the closing of that acquisition in April 2003.

The unaudited pro forma consolidated balance sheet as of December 31, 2003 gives effect to the following events as if they were consummated on December 31, 2003:

- Century's acquisition of all of the outstanding equity shares of Nordural;

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| | | | | |
|---|-----------|-----------|---------|-----------|
| Accounts receivable -- net..... | 51,370 | 5,897 | -- | 5,897 |
| Due from affiliates..... | 10,957 | 14,877 | -- | 14,877 |
| Inventories..... | 89,360 | 12,635 | -- | 12,635 |
| Prepaid and other current assets..... | 4,101 | 1,663 | -- | 1,663 |
| Deferred taxes -- current portion..... | 3,413 | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Total current assets..... | 187,405 | 44,970 | -- | 44,970 |
| Property, plant and equipment -- net..... | 494,957 | 215,897 | 832 | 216,729 |
| Intangible assets -- net..... | 99,136 | -- | -- | -- |
| Other assets..... | 28,828 | 13,926 | (861) | 13,065 |
| | ----- | ----- | ----- | ----- |
| Total..... | \$810,326 | \$274,793 | \$ (29) | \$274,764 |
| | ===== | ===== | ===== | ===== |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

| | | | | |
|--|-----------|----------|-------|----------|
| Accounts payable, trade..... | \$ 34,829 | \$ 6,463 | \$ -- | \$ 6,463 |
| Due to affiliates..... | 27,139 | 147 | -- | 147 |
| Industrial revenue bonds..... | 7,815 | -- | -- | -- |
| Current portion of long term debt..... | -- | 14,411 | -- | 14,411 |
| Accrued and other current liabilities..... | 30,154 | 2,067 | 280 | 2,347 |
| Accrued employee benefits costs -- current portion..... | 8,934 | -- | -- | -- |
| Deferred taxes -- current portion..... | -- | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Total current liabilities..... | 108,871 | 23,088 | 280 | 23,368 |
| | ----- | ----- | ----- | ----- |
| Long term debt -- net..... | 322,310 | 174,024 | 862 | 174,886 |
| Notes payable -- affiliates..... | 14,000 | -- | -- | -- |
| Accrued pension benefits costs -- less current portion..... | 10,764 | -- | -- | -- |
| Accrued postretirement benefits costs -- less current portion..... | 78,218 | -- | -- | -- |
| Other liabilities..... | 33,372 | 2,141 | -- | 2,141 |
| Deferred taxes -- less current portion..... | 55,094 | 4,440 | (167) | 4,273 |
| | ----- | ----- | ----- | ----- |
| Total noncurrent liabilities..... | 513,758 | 180,605 | 695 | 181,300 |
| | ----- | ----- | ----- | ----- |

CONTINGENCIES AND COMMITMENTS

SHAREHOLDERS' EQUITY:

| | | | | |
|--|-----------|-----------|---------|-----------|
| Convertible preferred stock (8.0% cumulative, 500,000 shares outstanding)..... | 25,000 | -- | -- | -- |
| Common stock (one cent par value, 50,000,000 shares authorized; 21,130,839 shares outstanding at December 31, 2003)..... | 211 | -- | -- | -- |
| Capital stock..... | -- | 59,500 | -- | 59,500 |
| Additional paid-in capital..... | 173,138 | -- | -- | -- |
| Accumulated other comprehensive income (loss)..... | (5,222) | -- | (280) | (280) |
| Retained earnings (deficit)..... | (5,430) | 11,600 | (724) | 10,876 |
| | ----- | ----- | ----- | ----- |
| Total shareholders' equity..... | 187,697 | 71,100 | (1,004) | 70,096 |
| | ----- | ----- | ----- | ----- |
| Total..... | \$810,326 | \$274,793 | \$ (29) | \$274,764 |
| | ===== | ===== | ===== | ===== |

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See accompanying notes to the unaudited pro forma consolidated balance sheet.

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NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2003

1. Reflects an adjustment to eliminate Nordural shareholder loans, a portion of which is expected to be repaid prior to closing and the balance is expected to be offset against retained earnings.

2. Records the proceeds, net of financing costs, from Century's issuance and sale of approximately \$245 million in common stock in a registered public offering.

3. Reflects the cash payment and allocation of the estimated aggregate purchase price for Nordural, including acquired cash and estimated transaction fees and expenses (subject to adjustment for an additional payment not to exceed \$25.0 million due upon commencement of the expansion). Acquired cash reflects pro forma cash on the balance sheet of Nordural which Century has agreed to purchase. Century will also compensate the seller for the cash flow generated by the business from December 31, 2003 through closing which could be material.

PURCHASE PRICE:

| | |
|------------------------------------|------------|
| Purchase price..... | \$ 150,000 |
| Acquired cash..... | 13,175 |
| Transaction fees and expenses..... | 2,500 |
| | ----- |
| Total purchase price..... | \$ 165,675 |
| | ===== |

PRELIMINARY ALLOCATION OF PURCHASE PRICE:

| | |
|------------------------------------|------------|
| Current assets..... | \$ 33,370 |
| Property, plant and equipment..... | 253,202 |
| Goodwill..... | 83,771 |
| Current liabilities..... | (23,368) |
| Noncurrent liabilities..... | (181,300) |
| | ----- |
| Total purchase price..... | \$ 165,675 |
| | ===== |

4. Reflects the payment of a portion of the remaining outstanding principal under a promissory note payable to Glencore.

5. Reflects the payment of dividends on Century's convertible preferred stock.

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UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

U.S. GAAP U.S. GAAP PRO FORMA PR

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| | CENTURY | NORDURAL | ADJUSTMENTS | NORDURAL | ADJUSTMENTS | CON |
|--|---|-----------|-------------|-----------|-------------|-------|
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) | | | | | |
| NET SALES: | | | | | | |
| Third-party customers..... | \$660,593 | \$100,939 | \$ -- | \$100,939 | \$ -- | \$ |
| Related parties..... | 121,886 | -- | -- | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 782,479 | 100,939 | -- | 100,939 | -- | |
| Cost of goods sold..... | 734,441 | 82,003 | 231 | 82,234 | (5,249) (1) | |
| | | | | | (3,164) (2) | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Gross profit..... | 48,038 | 18,936 | (231) | 18,705 | 8,413 | |
| Selling, general and administrative expenses..... | 20,833 | 558 | -- | 558 | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Operating income..... | 27,205 | 18,378 | (231) | 18,147 | 8,413 | |
| Interest expense -- third party..... | (41,269) | (5,401) | -- | (5,401) | -- | |
| Interest expense -- related party..... | (2,579) | -- | -- | -- | 900 (3) | |
| Interest income..... | 339 | -- | -- | -- | -- | |
| Net gain (loss) on forward contracts..... | 25,691 | -- | -- | -- | -- | |
| Investment income..... | | 3,063 | -- | 3,063 (4) | -- | |
| Other income (expense) -- net..... | (688) | -- | -- | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income (loss) before income taxes and minority interest..... | 8,699 | 16,040 | (231) | 15,809 | 9,313 | |
| Income tax benefit (expense)..... | (2,841) | (2,887) | 41 | (2,846) | (3,260) (5) | |
| | | | | | (2,687) (6) | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income (loss) before minority interest and cumulative effect of change in accounting principle..... | 5,858 | 13,153 | (190) | 12,963 | 3,366 | |
| Minority interest..... | 986 | -- | -- | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income (loss) before cumulative effect of change in accounting principle..... | 6,844 | 13,153 | (190) | 12,963 | 3,366 | |
| Cumulative effect of change in accounting principle, net of tax benefit of \$3,430..... | (5,878) | -- | -- | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Net income (loss)..... | 966 | 13,153 | (190) | 12,963 | 3,366 | |
| Preferred dividends..... | (2,000) | -- | -- | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) applicable to common shareholders..... | \$ (1,034) | \$ 13,153 | \$ (190) | \$ 12,963 | \$ 3,366 | \$ |
| | ===== | ===== | ===== | ===== | ===== | ===== |

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| | CENTURY | NORDURAL | U.S. GAAP ADJUSTMENTS | U.S. GAAP NORDURAL | PRO FORMA ADJUSTMENTS | PR CON |
|---|---|----------|--------------------------|-----------------------|--------------------------|-----------|
| | ----- | ----- | ----- | ----- | ----- | --- |
| | (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA) | | | | | |
| EARNINGS (LOSS) PER COMMON SHARE: | | | | | | |
| Basic: | | | | | | |
| Income (loss) before cumulative effect of change in accounting principle..... | \$ 0.23 | | | | | \$ |
| Cumulative effect of change in accounting principle..... | (0.28) | | | | | |
| | ----- | | | | | |
| Net income (loss)..... | \$ (0.05) | | | | | \$ |
| | ===== | | | | | |
| Diluted: | | | | | | |
| Income (loss) before cumulative effect of change in accounting principle..... | \$ 0.23 | | | | | \$ |
| Cumulative effect of change in accounting principle..... | (0.28) | | | | | |
| | ----- | | | | | |
| Net income (loss)..... | \$ (0.05) | | | | | \$ |
| | ===== | | | | | |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN THOUSANDS): | | | | | | |
| Basic..... | 21,073 | | | | 8,500 (7) | |
| | ===== | | | | ===== | |
| Diluted..... | 21,099 | | | | 8,500 (7) | |
| | ===== | | | | ===== | |

See accompanying notes to the unaudited pro forma consolidated statement of operations.

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NOTES TO THE UNAUDITED PRO FORMA

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

1. Reflects an adjustment to depreciation expense based on the preliminary purchase accounting fair market valuation of Nordural's property, plant and equipment using an estimated average useful life of 35 years.

2. Reflects an adjustment to eliminate Nordural's historical amortization expense related to deferred financing and carbon anode contract costs.

3. Reflects an adjustment to reduce interest expense for the repayment of a portion of the outstanding principal under the promissory note payable to Glencore.

4. Includes income from certain equity investments, a substantial portion of which have been sold.

5. Reflects an adjustment to record income tax expense for the effects of the pro forma adjustments using an effective tax rate of 35%.

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6. Reflects an adjustment to record the incremental increase in income tax expense for the historical results of Nordural using an effective tax rate of 35% as opposed to the historical rate of 18%.

7. Records the additional shares outstanding from Century's issuance and sale of 8,500,000 shares of our common stock in this offering at an assumed offering price of \$28.87 per share, which is the reported closing price per share of Century's common stock as of March 26, 2004.

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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: March 30, 2004

By: /s/ Gerald J. Kitchen

Name: Gerald J. Kitchen
Title: Executive Vice President, General
Counsel Chief Administrative
Officer and Secretary

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