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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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- Century's issuance and sale of approximately \$245 million in common stock in a registered public offering;
- Century's payment of the remaining \$12.0 million of principal outstanding under the promissory note payable to Glencore;
- Century's payment of \$3.0 million of dividends on its convertible preferred stock; and
- other adjustments that management believes are directly related to the Nordural acquisition.

The unaudited pro forma consolidated statement of operations for the year ended December 31, 2003 gives pro forma effect to these events as if they were consummated on January 1, 2003.

The Nordural acquisition would be accounted for using the purchase method of accounting. Under the purchase method of accounting, the cash payment of the estimated aggregate purchase price for Nordural (including transaction fees and expenses) would be allocated to the tangible assets, identifiable intangible assets and liabilities of Nordural, based upon their respective fair values. The allocation of the purchase price, useful lives assigned to assets and other adjustments made to the unaudited pro forma consolidated financial data are based upon available information and certain preliminary assumptions that Century believes are reasonable under the circumstances. Century has not yet completed the fair market value allocation to the specific assets and liabilities of Nordural. Consequently, the final amounts allocated and the related useful lives could differ from those reflected in the unaudited pro forma consolidated financial data and the effects could be material. The acquisition of Nordural is subject to certain conditions, including the successful completion of a registered public offering, and there can be no assurance that the acquisition will be consummated.

The unaudited pro forma consolidated financial data should be read in conjunction with (1) Century's audited consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are each 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 which are included in the Original Form 8-K filed on March 16, 2004.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2003

	CENTURY	NORDURAL	U.S. GAAP ADJUSTMENTS	U.S. GAAP NORDURAL	P AD
	-----	-----	-----	-----	-----
	(DOLLARS IN THOUSANDS)				
		ASSETS			
CURRENT ASSETS:					
Cash and cash equivalents.....	\$ 28,204	\$ 9,898	\$ --	\$ 9,898	\$

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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	--	--	--	--	
	-----	-----	-----	-----	-----	-----
Cost of goods sold.....	782,479	100,939	--	100,939	--	
	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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