

CENTURY ALUMINUM CO
Form 11-K
June 30, 2008

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

FORM 11-K

ANNUAL REPORT REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark
One)

- Annual report pursuant to Section 15(d) of the Securities
Exchange Act of 1934 for the fiscal year ended
December 31, 2007

OR

- Transition report pursuant to Section 15(d) of the Securities
Exchange Act of 1934

Commission File Number 0-27918

- A. Full title of the Plan and the address of the Plan, if different from that of the issuer
named below:

CENTURY ALUMINUM 401(k) PLAN

2511 Garden Road

Building A, Suite 200

Monterey, California 93940

- B. Name of issuer of the common stock issued pursuant to the Plan and the address of its principal executive office:

Century Aluminum Company

2511 Garden Road

Building A, Suite 200

Monterey, California 93940

Table of Contents

CENTURY ALUMINUM 401(k) PLAN

TABLE OF CONTENTS	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006:	
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statements of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4-9
<u>SUPPLEMENTAL SCHEDULE AS OF DECEMBER 31, 2007 —</u>	10
<u>Form 5500, Schedule H, Part IV, Line 4i — Schedule of Assets (Held at End of Year)</u>	11
<u>SIGNATURE</u>	12
<u>EXHIBIT INDEX</u>	13

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
Century Aluminum 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of the Century Aluminum 401(k) Plan (the "Plan") as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2007 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2007 financial statements taken as a whole.

/s/ Deloitte and Touche LLP

Pittsburgh, Pennsylvania
June 27, 2008

Table of Contents

CENTURY ALUMINUM 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS:		
Investments at fair value:		
Investments in mutual funds	\$ 31,163,345	\$ 27,334,786
Century Aluminum Company Stock	4,337,066	3,885,084
Guaranteed investment funds	3,890,129	3,680,441
Participant loans	1,410,980	1,251,362
Total investments	40,801,520	36,151,673
Receivables:		
Employee contributions	—	73,202
Employer contributions	—	2,120
Total receivables	—	75,322
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	40,801,520	36,226,995
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS	(22,992)	31,552
NET ASSETS AVAILABLE FOR BENEFITS	\$ 40,778,528	\$ 36,258,547

See notes to financial statements.

Table of Contents

CENTURY ALUMINUM 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR
BENEFITSFOR THE YEARS ENDED
DECEMBER 31, 2007 AND 2006

	2007	2006
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	\$ 36,258,547	\$ 29,576,234
ADDITIONS:		
Investment income:		
Net appreciation in fair value	1,426,616	4,201,089
Interest and dividends	2,703,734	1,318,027
Net investment income	4,130,350	5,519,116
Employee contributions	3,601,452	3,447,659
Employer contributions	803,991	558,432
Total additions	8,535,793	9,525,207
DEDUCTIONS:		
Benefit payments	3,961,166	2,842,476
Net transfers	54,646	418
NET CHANGE	4,519,981	6,682,313
NET ASSETS AVAILABLE FOR BENEFITS — End of year	\$ 40,778,528	\$ 36,258,547

See notes to financial statements.

Table of Contents

CENTURY ALUMINUM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

1. DESCRIPTION OF THE PLAN

The following brief description of the Century Aluminum 401(k) Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

General — The Plan, established June 1, 1989, is a defined contribution plan for all salaried employees of Century Aluminum Company (the "Company"), Century Aluminum of West Virginia, Inc., all salaried and hourly employees of Century Aluminum of Kentucky, LLC and all other domestic employees who are not covered by a collective bargaining agreement with the Company. The Plan's trustee is T. Rowe Price.

Contributions — Plan participants can elect to have the Company defer up to 100% of their compensation subject to limitations as determined by Internal Revenue Service regulations for the purpose of making pre-tax contributions to the Plan. Annual plan pre-tax contributions were limited to \$15,500 and \$15,000 for 2007 and 2006, respectively; participants 50 years of age or over may make additional catch-up contributions of \$5,000.

In 2007, the Company changed the matching contribution formula. The Company's matching contribution is an amount equal to the sum of (1) 100% of each eligible participant's contributions (including "catch-up contributions") that do not exceed 3% of their compensation for the year, plus (2) 50% of each eligible participant's contributions (including "catch-up contributions") that exceed 3% of their compensation for the year but do not exceed 5% percent of their compensation for the year.

In 2006, the Company matched contributions equal to 60% of the aggregate contributions made by each participant on the first 6% of their annual compensation. Contributions made by the Company are allocated 50% to Century Aluminum Company Stock and 50% by fund in proportion to the participants' contribution election.

Vesting — Plan participants are always fully vested in employee pre-tax contributions made to the Plan. Pre-tax participant contributions are nonforfeitable. Company contributions are fully vested following the completion of two years of service for all participants.

Participant Accounts — Participants may elect to have pre-tax participant contributions invested in one or all of the funds listed in Note 3 and Century Aluminum Company Stock. Subject to provisions in the Plan, participants are entitled to distributions upon reaching age 59½, or earlier in the case of retirement, death, termination, or hardship.

Table of Contents

Participant Loans — Participants may borrow from their fund account a minimum of \$1,000 to a maximum amount of: (1) \$50,000 or 50% of their vested account balance, whichever is less. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund. Loan terms range from 1–5 years or up to 25 years for the purchase of a primary residence. The loans bear interest at the prime interest rate plus 1% as provided by the Plan document. Principal and interest is paid ratably through monthly payroll deductions.

Forfeited Accounts — In 2007, employer contributions were reduced by \$2,535 from forfeited nonvested accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Fully Benefit-Responsive Investment Contracts — As required by the Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the “FSP”), the statements of net assets available for benefits presents investment contracts at fair value as well as an additional line item showing an adjustment of fully benefit-responsive contracts from fair value to contract value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive under the terms of the Plan. The statement of changes in net assets available for benefits is presented on a contract value basis and was not affected by the FSP.

Investment Valuation and Income Recognition — The Plan’s investments are reported at fair value, except for fully benefit-responsive investment contracts, which are adjusted from fair value to contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay plan benefits. Investments in mutual funds are stated at the funds’ net asset values per share on the last business day of the Plan’s year-end. Investments in common stock of Century Aluminum Company are valued at the last reported sales price on the last business day of the Plan’s year-end. Participant loans are valued at cost, which approximates fair value. See Note 4 for a discussion of the valuation of the investments in the guaranteed investment contracts.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of net appreciation in the fair market value of such investments.

Use of Estimates — The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Table of Contents

New Accounting Pronouncements — In September 2006, the FASB issued Statement on Financial Accounting Standards No. 157 (“SFAS No. 157”), “Fair Value Measurements.” SFAS No. 157 established a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 17, 2007. Plan management has not completed the process of evaluating the impact that will result from adopting SFAS No. 157.

Administrative Expenses — Administrative expenses of the Plan are paid by the Company.

3. INVESTMENTS

During 2007 and 2006, the investment election options available to participants were the following mutual funds with T. Rowe Price as listed in the table below.

- American Growth Fund of America
- Balanced Fund
- Total Equity Market Index Fund
- Goldman Sachs Mid Cap Value A Fund
- International Growth and Income Fund
- Rainier Small/Mid Cap Equity Portfolio
- New Horizons Fund
- PIMCO Total Return Fund
- Loomis Sayles Small Cap Value Fund
- Equity Income Fund
- Spectrum Income Fund
- T. Rowe Price Stable Value Fund

In addition, participants could elect to invest in the common stock of Century Aluminum Company.

As of December 31, 2007 and 2006, the fair value of investments that represent 5% or more of net assets available for benefits are as follows:

	2007	2006
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