From 10-Q May 05, 2016	
UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549	
Form 10-Q	
(Mark One) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 1 1934	15(d) OF THE SECURITIES EXCHANGE ACT OF
For the quarterly period ended March 31, 2016	
OR	
TRANSITION REPORT PURSUANT TO SECTION 13 OR 1 1934	15(d) OF THE SECURITIES EXCHANGE ACT OF
For the transition period from to	-
1-35573 (Commission file number)	
TRONOX LIMITED (ACN 153 348 111) (Exact Name of Registrant as Specified in its Charter)	
Western Australia, Australia (State or Other Jurisdiction of Incorporation or Organization)	98-1026700 (I.R.S. Employer Identification Number)
263 Tresser Boulevard, Suite 1100 Stamford, Connecticut 06901	Lot 22, Mason Road, Kwinana Beach, WA 6167 Australia
Registrant's telephone number, including area code: (203) 705	-3800

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 Accelerated filer

Non-accelerated filer 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

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of April 29, 2016, the Registrant had 65,029,685 Class A ordinary shares and 51,154,280 Class B ordinary shares outstanding.

Table of Contents

	Page
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited)	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3. Quantitative and Qualitative Disclosures About Market Risk	44
<u>Item 4. Controls and Procedures</u>	45
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	46
Item 1A. Risk Factors	46
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	47
<u>Item 3. Defaults Upon Senior Securities</u>	47
<u>Item 4. Mine Safety Disclosures</u>	47
<u>Item 5. Other Information</u>	47
Item 6. Exhibits	48
<u>SIGNATURES</u>	49
1	

Item 1. Financial Statements (Unaudited)

	Page
	No.
Unaudited Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2016 and	2
<u>2015</u>	3
<u>Unaudited Condensed Consolidated Statements of Comprehensive Loss for the Three Months Ended March 31</u> ,	1
2016 and 2015	4
Unaudited Condensed Consolidated Balance Sheets at March 31, 2016 and December 31, 2015	5
Unaudited Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2016 and	6
<u>2015</u>	U
Unaudited Condensed Consolidated Statement of Equity for the Three Months Ended March 31, 2016	7
Notes to Unaudited Condensed Consolidated Financial Statements	8
2	

Table of Contents

TRONOX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Millions of U.S. dollars, except share and per share data)

	Three Months		
	Ended March 31,		
	2016	2015	
Net sales	\$475	\$385	
Cost of goods sold	455	350	
Gross profit	20	35	
Selling, general and administrative expenses	(47) (44)
Restructuring expense	(2) —	
Loss from operations	(29) (9)
Interest and debt expense, net	(46) (34)
Gain on extinguishment of debt	4	_	
Other income (expense), net	(9) 4	
Loss before income taxes	(80) (39)
Income tax provision	(12) (7)
Net loss	(92) (46)
Net income (loss) attributable to noncontrolling interest	(1) 3	
Net loss attributable to Tronox Limited	\$(91) \$(49)
Loss per share, basic and diluted	\$(0.78) \$(0.42)
Weighted average shares outstanding, basic and diluted (in thousands)	115,92	0 115,37	74

See notes to unaudited condensed consolidated financial statements.

3

Table of Contents

TRONOX LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(Millions of U.S. dollars)

	Three Month Ended March 2016	31,
Net loss	\$(92)	\$(46)
Other comprehensive income (loss):		
Foreign currency translation adjustments	53	(63)
Retirement and postretirement plans, net of taxes of less than \$1 million in each of the three months		
ended March 31, 2016 and 2015	1	1
Other comprehensive income (loss)	54	(62)
Total comprehensive loss	(38)	(108)
Comprehensive income (loss) attributable to noncontrolling interest:		
Net income (loss)	(1)	3
Foreign currency translation adjustments	13	(15)
Comprehensive income (loss) attributable to noncontrolling interest	12	(12)
Comprehensive loss attributable to Tronox Limited	\$(50)	\$(96)

See notes to unaudited condensed consolidated financial statements.

4

Table of Contents

TRONOX LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Millions of U.S. dollars, except share and per share data)

ASSETS 2016 2015 Current Assets		March	December
ASSETS Current Assets Cash and cash equivalents \$152 \$229 Restricted cash 3 5 Accounts receivable, net of allowance for doubtful accounts 367 391 Inventories, net 616 630 Prepaid and other assets 36 46 Total current assets 1,174 1,301 Noncurrent Assets 1,859 1,843 Mineral leascholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 24 23 Other long-term assets \$4,907 \$5,027 Total assets \$4,907 \$5,027 Urrent Liabilities \$4,907 \$5,027 Accounts payable \$152 \$159 Accound liabilities \$150 \$150 Accound liabilities \$150 \$150 Accound liabilities \$49 \$3 Fond current liabilities \$49 \$3 Accounts payable \$49 \$4 Accounte payable </td <td></td> <td>31,</td> <td>31,</td>		31,	31,
Current Assets \$152 \$229 Restricted cash 3 5 Accounts receivable, net of allowance for doubtful accounts 367 391 Inventories, net 616 630 Prepaid and other assets 36 46 Total current assets 1,174 1,301 Noncurrent Assets 8 46 Property, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 2 23 Other long-term assets 4,90 \$5,027 Uther long-term assets 4,90 \$5,027 LIABILITIES AND EQUITY 3 \$152 \$159 Accrued liabilities 130 180 Accrued liabilities 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 2,891 2,910 Pension and postretirement healthcare benefits </td <td></td> <td>2016</td> <td>2015</td>		2016	2015
Cash and cash equivalents \$152 \$229 Restricted cash 3 5 Accounts receivable, net of allowance for doubtful accounts 36 391 Inventories, net 616 630 Prepaid and other assets 1,174 1,301 Noncurrent Assets - 1 Property, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 2 23 24 Other long-term assets 24 23 24 23 24 23 24 23 24 23 24 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24 23 24			
Restricted cash 3 5 Accounts receivable, net of allowance for doubtful accounts 367 391 Inventories, net 616 630 Prepaid and other assets 1,174 1,301 Total current assets 1,174 1,301 Noncurrent Assets 1 1,819 1,843 Property, plant and equipment, net 1,819 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net - 12 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY 2 150 Current Liabilities 150 150 Accornus payable \$152 \$159 Accornus debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Noncurrent Liabilities 497 548 Noncurrent Liabilities 2,891 2			
Accounts receivable, net of allowance for doubtful accounts 367 391 Inventories, net 616 630 Prepaid and other assets 36 46 Total current assets 1,174 1,301 Noncurrent Assets 8 1,843 Property, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 2 23 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY *** *** Current Liabilities 130 180 Accounts payable \$152 \$159 Accounts payable 150 150 Accounted liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 2,891 2,910 Voncurrent Liabilities 2,891 2,910 <	·		
Inventories, net 616 630 Prepaid and other assets 36 46 Total current assets 1,174 1,301 Noncurrent Assets 7 1,859 1,843 Property, plant and equipment, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 2 24 23 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY \$ \$152 \$159 Accounts payable \$152 \$159 \$150 \$150 Accrued liabilities 130 180 \$150	Restricted cash		
Prepaid and other assets 36 46 Total current assets 1,174 1,301 Noncurrent Assets **** Property, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net — 12 Other long-term assets 24 23 Total assets \$4,907 \$ 5,027 LIABILITIES AND EQUITY *** *** Current Liabilities \$152 \$ 159 Accrued liabilities \$130 180 Short-term debt \$150 \$150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 31 77 Long-term deferred tax liabilities 150 143 Other long-term didentered tax liabilities 150 <td< td=""><td>Accounts receivable, net of allowance for doubtful accounts</td><td></td><td></td></td<>	Accounts receivable, net of allowance for doubtful accounts		
Total current assets 1,174 1,301 Noncurrent Assets 1,859 1,843 Property, plant and equipment, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net 2 23 Other long-term assets 24 23 Total assets \$4,907 \$ 5,027 LIABILITIES AND EQUITY *** *** Current Liabilities \$152 \$ 159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 31 77 Long-term deferred tax liabilities 150 143 Other long-term dieferred tax liabilities 150 143 Other long-term liabilities 3,861 3,917	Inventories, net		
Noncurrent Assets Froperty, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net - 12 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY *** *** Current Liabilities \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 3,861 3,917	Prepaid and other assets	36	46
Property, plant and equipment, net 1,859 1,843 Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net ————————————————————————————————————	Total current assets	1,174	1,301
Mineral leaseholds, net 1,612 1,604 Intangible assets, net 238 244 Inventories, net — 12 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY Current Liabilities Accounts payable \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Noncurrent Assets		
Intangible assets, net 238 244 Inventories, net — 12 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY **** Current Liabilities** Accounts payable \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Property, plant and equipment, net	1,859	1,843
Inventories, net — 12 Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY *** *** Current Liabilities *** *** *** Accounts payable \$152 \$159 *** *** *** ** *** </td <td>Mineral leaseholds, net</td> <td>1,612</td> <td>1,604</td>	Mineral leaseholds, net	1,612	1,604
Other long-term assets 24 23 Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY Current Liabilities Accounts payable \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Intangible assets, net	238	244
Total assets \$4,907 \$5,027 LIABILITIES AND EQUITY Current Liabilities Accounts payable \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Inventories, net	_	12
LIABILITIES AND EQUITY Current Liabilities \$152 \$159 Accounts payable \$130 180 Accrued liabilities 150 150 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Other long-term assets	24	23
Current Liabilities \$152 \$159 Accounts payable \$150 180 Accrued liabilities 150 150 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Total assets	\$4,907	\$ 5,027
Accounts payable \$152 \$159 Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	LIABILITIES AND EQUITY		
Accrued liabilities 130 180 Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Current Liabilities		
Short-term debt 150 150 Long-term debt due within one year 16 16 Income taxes payable 49 43 Total current liabilities 497 548 Noncurrent Liabilities 548 548 Long-term debt 2,891 2,910 Pension and postretirement healthcare benefits 141 141 Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	Accounts payable	\$152	\$ 159
Long-term debt due within one year1616Income taxes payable4943Total current liabilities497548Noncurrent Liabilities548Long-term debt2,8912,910Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	Accrued liabilities	130	180
Income taxes payable4943Total current liabilities497548Noncurrent Liabilities548Long-term debt2,8912,910Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	Short-term debt	150	150
Income taxes payable4943Total current liabilities497548Noncurrent Liabilities548Long-term debt2,8912,910Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	Long-term debt due within one year	16	16
Total current liabilities497548Noncurrent Liabilities2,8912,910Long-term debt2,8912,910Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	· · · · · · · · · · · · · · · · · · ·	49	43
Long-term debt2,8912,910Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	- · ·	497	548
Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	Noncurrent Liabilities		
Pension and postretirement healthcare benefits141141Asset retirement obligations8177Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	Long-term debt	2,891	2,910
Asset retirement obligations 81 77 Long-term deferred tax liabilities 150 143 Other long-term liabilities 101 98 Total liabilities 3,861 3,917	· ·	•	
Long-term deferred tax liabilities150143Other long-term liabilities10198Total liabilities3,8613,917	<u>-</u>	81	77
Other long-term liabilities 101 98 Total liabilities 3,861 3,917		150	143
Total liabilities 3,861 3,917	· ·	101	98
\cdot		3,861	3,917
Contingencies and Commitments	Contingencies and Commitments	,	,
Shareholders' Equity	e		
Tronox Limited Class A ordinary shares, par value \$0.01 — 65,846,466 shares issued and	* *		
64,999,095 shares outstanding at March 31, 2016 and 65,443,363 shares issued and 64,521,851	· · · · · · · · · · · · · · · · · · ·		
shares outstanding at December 31, 2015	-	1	1
Tronox Limited Class B ordinary shares, par value \$0.01 — 51,154,280 shares issued and			
outstanding at March 31, 2016 and December 31, 2015 — —	· · · · · · · · · · · · · · · · · · ·		
Capital in excess of par value 1,504		1,504	