

Tronox Ltd  
Form 10-Q  
May 05, 2016

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

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Form 10-Q

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

For the quarterly period ended March 31, 2016

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

1-35573  
(Commission file number)

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TRONOX LIMITED  
(ACN 153 348 111)  
(Exact Name of Registrant as Specified in its Charter)

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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

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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

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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.

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Item 1. Financial Statements (Unaudited)

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## 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)	115,920	115,374

See notes to unaudited condensed consolidated financial statements.

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## TRONOX LIMITED

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(Millions of U.S. dollars)

	Three Months Ended March 31,	
	2016	2015
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.

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## TRONOX LIMITED

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

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

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
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		
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
<b>LIABILITIES AND EQUITY</b>		
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		
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
Contingencies and Commitments		
Shareholders' Equity		
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	