

TRONOX INC
Form 10-Q
November 14, 2006

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2006

OR

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

For the Transition Period from _____ to _____

Commission file number 1-32669

TRONOX INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-2868245
(I.R.S. Employer
Identification Number)

123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102
(Address of principal executive offices)

Registrant's telephone number, including area code: (405) 775-5000

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 requirement for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No p

As of October 31, 2006, 18,356,778 shares of the company's Class A, \$0.01 par value common stock and 22,889,431 shares of the company's Class B, \$0.01 par value common stock were outstanding.

TRONOX INCORPORATED

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TRONOX INCORPORATED

CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
	(Millions of dollars, except per share data)			
Net Sales	\$ 376.2	\$ 327.4	\$ 1,085.3	\$ 1,017.5
Cost of goods sold	334.1	283.7	952.0	847.6
Gross Margin	42.1	43.7	133.3	169.9
Selling, general and administrative expenses	28.1	28.4	89.3	85.9
Provision for environmental remediation and restoration, net of reimbursements	0.1	0.3	(20.4)	17.0
	13.9	15.0	64.4	67.0
Interest and debt expense - third parties	(12.6)	—	(36.9)	—
Other income (expense)	0.8	3.1	10.5	(12.1)
Income from Continuing Operations before Income Taxes	2.1	18.1	38.0	54.9
Income tax provision	(2.8)	(4.4)	(20.8)	(20.5)
Income (Loss) from Continuing Operations	(0.7)	13.7	17.2	34.4
Loss from discontinued operations, net of income tax benefit of \$7.8, \$0.8, \$14.7 and \$11.7, respectively	(13.3)	(1.5)	(25.0)	(21.8)
Net Income (Loss)	\$ (14.0)	\$ 12.2	\$ (7.8)	\$ 12.6
Income (Loss) per Common Share				
Basic -				
Continuing operations	\$ (0.02)	\$ 0.60	\$ 0.43	\$ 1.50
Discontinued operations	(0.33)	(0.07)	(0.62)	(0.95)
Net income (loss)	\$ (0.35)	\$ 0.53	\$ (0.19)	\$ 0.55
Diluted -				
Continuing operations	\$ (0.02)	\$ 0.60	\$ 0.42	\$ 1.50
Discontinued operations	(0.33)	(0.07)	(0.61)	(0.95)

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Net income (loss)	\$	(0.35)	\$	0.53	\$	(0.19)	\$
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