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Tronox Limited Announces Preliminary Unaudited 2012 Financial Results

WITH STRONG CASH BALANCE, COMPANY CONSIDERING REFINANCING DEBT

STAMFORD, Conn., Feb. 7, 2013 /PRNewswire/ -- Tronox Limited (NYSE: TROX) announced today that it expects to report fourth-quarter 2012 revenue of \$482 million and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately \$70 million, which is below previous guidance, due to the combined effect of three scheduled ore shipments in the quarter that were either delayed or cancelled by customers and a \$9.6 million lower of cost or market (LCM) inventory write-down. One of the delayed shipments constituting 10,000 metric tons of chloride slag was shipped on January 7, 2013. In addition, while zircon sales volumes were approximately as forecast, zircon prices in the fourth quarter were roughly 12 percent below forecast.

(Logo: <http://photos.prnewswire.com/prnh/20051118/TRONOXLOGO-a>)

For the first time since 2005, fourth-quarter pigment sales volumes were higher than those of the preceding third quarter. The sequential difference was only 1,429 metric tons, but the company views this increase in what is normally a seasonally affected lower quarter as a positive sign. Nevertheless, because prices declined 10.7 percent sequentially, which was more than the company had forecast, adjusted EBITDA from pigment sales was approximately \$10 million less than forecasted.

The aggregate EBITDA effect of the missed mineral sands shipments, the zircon pricing, the LCM charge, and the pigment shortfall was partially offset by operating cost savings achieved across all business units.

Tronox had a cash balance of \$716 million at year-end 2012.

The company also announced that it is evaluating opportunities to refinance its term loan under more favorable terms and conditions, given the current debt market environment.

In accordance with normal procedures, these unaudited preliminary revenue and other results are subject to further review and completion of year-end accounting processes by the company and its auditors, which include the finalization of potentially significant items that could affect these results. As a result, preliminary net income estimates are not available at this time.

The company expects to release fully audited fourth quarter and full year 2012 financial results on February 20, 2013. Accordingly, the company will remain in a quiet period with investors and analysts until complete financial results are released.

About Tronox

Tronox is a global leader in the production and marketing of titanium bearing mineral sands and titanium dioxide pigment. Through the integration of its mineral sands and pigment business, the company provides its customers a dependable supply of brightening solutions for a variety of end uses. For more information, visit <http://www.tronox.com>.

Forward Looking Statements

Statements in this release that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon management's current beliefs and expectations and are subject to uncertainty and changes in circumstances and contain words such as "believe," "intended," "expect," and "anticipate" and include statements about expectation for future results including revenues. The forward-looking statements involve risks that may affect the company's operations, markets, products, services, prices and other risk factors discussed in the company's filings with the Securities and Exchange Commission (SEC), including those under the heading entitled "Risk Factors" in our registration statement on Form S-4 declared effective by the SEC on May 4, 2012. Significant risks and uncertainties may relate to, but are not limited to, our ability to integrate the recently acquired mineral sands business including achieving the expected cost savings; financial, economic, competitive, environmental, political, legal regulatory and technological factors including, our access to unrestricted cash, compliance with our bank facility covenants, the price of our shares, general market conditions, our customers potentially reducing their demand for our products due to, among other things, the economic downturn, more competitive pricing from our competitors, increased supply from our competitors; operating efficiencies and other benefits expected. Unless otherwise required by applicable laws, the company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information or future developments.

Use of Non-GAAP Financial Information

To provide investors and others with additional information regarding Tronox Limited's operating results, we have disclosed in this press release certain non-GAAP financial measures, including Adjusted EBITDA. These non-GAAP financial measures are a supplement to, and not a substitute for or superior to, the company's results presented in accordance with US GAAP. The non-GAAP financial measures presented by the company may be different than non-GAAP financial measures presented by other companies. The non-GAAP financial measures are provided to enhance the user's overall understanding of the company's operating performance. Specifically, the company believes the non-GAAP information provides useful measures to investors regarding the company's financial performance by excluding certain costs and expenses that the company believes are not indicative of its core operating results, as well as the impact of fresh-start accounting applied in 2011 and purchase accounting being applied in 2012. The presentation of these non-GAAP financial measures are not meant to be considered in isolation or as a substitute for results or guidance prepared and presented in accordance with US GAAP. A reconciliation of the non-GAAP financial measures to GAAP results are included herein.

Management believes these non-GAAP financial measures:

- Reflect Tronox Limited's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in its business, as they exclude income and expense that are not reflective of ongoing operating results;
- Provide useful information to investors and others in understanding and evaluating Tronox Limited's operating results and future prospects in the same manner as management and in comparing financial results across accounting periods;
- Provide additional view of the operating performance of the company by adding interest expenses, taxes, depreciation and amortization to the net income. Further adjustments due to fresh-start accounting, purchase accounting, and stock-based compensation charges attempt to exclude items that are either non-cash or non-recurring in nature;
- Enable investors to assess the company's compliance with financial covenants under its debt instruments. Certain debt instruments have financial covenants that use Adjusted EBITDA as part of their compliance measures, e.g., consolidated leverage ratio, which is a ratio of indebtedness to consolidated Adjusted EBITDA; and consolidated interest coverage ratio which is a ratio of consolidated Adjusted EBITDA to interest expenses; and
- In addition, Adjusted EBITDA is one of the primary measures management uses for planning and budgeting processes and to monitor and evaluate financial and operating results. Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to measures of our financial performance as determined in accordance with GAAP, such as net income (loss). Because other companies may calculate EBITDA and Adjusted EBITDA differently than Tronox, EBITDA may not be, and Adjusted EBITDA as presented in this release is not, comparable to similarly titled measures reported by other companies

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