Tronox Incorporated Reports Record Third Quarter and Nine-Month 2011 Results

- Higher volumes and selling prices result in increases of 49 percent in net sales and 113 percent in income from operations year over year
- Exxaro transaction on track to close in first half of 2012

OKLAHOMA CITY, Nov. 15, 2011 /PRNewswire/ -- Tronox Incorporated (TROX.PK), the world's fifth-largest producer and marketer of titanium dioxide pigment, today announced results for the fiscal third quarter and nine-month period ending Sept. 30, 2011.

Third quarter 2011 net sales were $465.4 million, a 49.0 percent increase from $312.3 million reported in the prior year's third quarter. Income from operations in the quarter was $99.2 million compared with $46.6 million in the prior year quarter. Net income for the quarter was $98.9 million versus a loss of $25.5 million in the previous year's period.

On a non-GAAP basis, third quarter adjusted income from operations was $110.3 million compared with $46.6 million in the prior year, and adjusted net income was $110.0 million compared with $26.0 million in the same period in 2010. Adjusted EBITDA for the quarter, excluding restructuring and other non-recurring expenses, was $140.9 million compared with $56.1 million in the prior year.

Tom Casey, Tronox's chairman and chief executive officer commented, "We are pleased with our third quarter performance, as we continued to deliver strong operating and financial results. Our third quarter performance was driven by significantly higher selling prices, increased volumes and continued favorable global demand for our core TiO2 pigment products."

U.S. GAAP results, in millions of dollars except per share data and percentages

	Successor Three Months Ended September 30, 2011	Predecessor Three Months Ended September 30, 2010	Successor Eight Months Ended September 30, 2011	Predecessor One Month Ended January 31, 2011	Predecessor Nine Months Ended September 30, 2010	Predecessor Twelve Months Ended December 31, 2010
Net Sales	$ 465.4	$ 312.3	$ 1,160.8	$ 107.6	$ 891.8	$ 1,217.6
Gross Margin	30.7%	20.1%	25.7%	23.5%	18.0%	18.2%
Income from Operations	$ 99.2	$ 46.6	$ 201.8	$ 19.9	$ 157.1	$ 209.6
Operating Margin	21.3%	14.9%	17.4%	18.5%	17.6%	17.2%
Net Income	$ 98.9	$ (25.5)	$ 175.3	$ 631.3	$ 45.3	$ 5.8
Diluted net income per share (Predecessor)	N/A	$ (0.62)	N/A	$ 15.25	$ 1.10	$ 0.14
Diluted net income per share (Successor)	$ 6.25	N/A	$ 11.29	N/A	N/A	N/A

Non-GAAP results, in millions of dollars

	Successor Three Months Ended September 30, 2011	Predecessor Three Months Ended September 30, 2010	Successor Eight Months Ended September 30, 2011	Predecessor One Month Ended January 31, 2011	Predecessor Nine Months Ended September 30, 2010	Predecessor Twelve Months Ended December 31, 2010
Net Sales	$ 465.4	$ 312.3	$ 1,160.8	$ 107.6	$ 891.8	$ 1,217.6
Adjusted Income from Operations	$ 110.3	$ 46.6	$ 264.1	$ 19.9	$ 117.5	$ 162.3
Adjusted Net Income	$ 110.0	$ 26.0	$ 237.4	$ 17.7	$ 67.1	$ 98.0
Adjusted EBITDA	$ 140.9	$ 56.1	$ 329.6	$ 24.3	$ 148.0	$ 203.1

First Nine Months 2011 Results

For the first nine months of 2011, Tronox reported net sales of $1,268.4 million, income from operations of $221.7 million, and net income of $806.6 million, including the gains due to fresh-start accounting effected in January, 2011. Higher sales were driven primarily by a 34.0 percent increase in selling prices and a 7.0 percent increase in volume for TiO2 products. Increases in mineral sales, electrolytic products and changes in foreign currency exchange rates also contributed to the increase in net sales.

Pigment Segment Results

Third Quarter 2011

Pigment sales for the third quarter of 2011 were $429.2 million compared with $271.6 million during the same period in 2010. Income from operations totaled $124.9 million during the quarter, which represented a $73.6 million increase over the same period last year. The increases were primarily due to the effects of higher selling prices and increased volumes, partially offset by higher production costs and SG&A expenses.

Nine-month Period

Pigment sales for the first nine months of 2011 were $1,164.3 million, a 48.8 percent increase over the same period in 2010, primarily driven by increased TiO2 prices and volume growth. Income from operations for the pigment segment increased $140.0 million to $264.4 million during the first nine months of 2011, compared with $124.4 million in the same period of 2010. Income from operations grew due to higher sales volumes and increased TiO2 prices, partially offset by higher production costs and SG&A expenses.

Electrolytic and Other Chemical Products Results

Third Quarter

Electrolytic and other chemical products sales for the 2011 third quarter increased $1.0 million to $36.0 million, compared with $35.0 million in the third quarter of 2010. The increase was driven by higher prices of manganese dioxide, which was slightly offset by lower volumes of sodium chlorate. The electrolytic and other chemical products segment reported a loss from operations of $0.9 million for the third quarter of 2011, compared with income of $0.5 million during the same period last year. The decrease was primarily the result of higher production costs at our sodium chlorate facility due to an operational outage.

Nine-month Period

Net sales for the first nine months of 2011 were $100.9 million compared with $94.1 million in the first nine months of 2010. Income from operations for the first nine months of 2011 decreased $2.5 million to $1.9 million from $4.4 million in the first nine months of 2010. Although revenues increased, costs increased more resulting in the reduced performance.

Corporate and Other

Third Quarter

Corporate and other reported a loss of $24.8 million for the third quarter of 2011, compared with a loss of $5.2 million during the comparable prior year period. The increased loss was primarily due to costs associated with the bankruptcy and the Exxaro Mineral Sands acquisition, including banker fees, legal and professional fees, and the accrual of the registration rights penalty, which totaled approximately $21.6 million. Audit and professional fees related to the three year audit of the Company's financial statements increased costs by $7.1 million. Post-emergence accounting for intangible assets, stock compensation, pension and postretirement healthcare benefit costs not allocated to the segment or business lines also contributed to the negative result.

Nine-month Period

For the first nine months of 2011, corporate and other reported a loss of $44.6 million compared to income of $28.3 million during the same period in 2010. Costs associated with the Exxaro acquisition amounted to $24.2 million, while audit and professional fees were $15.5 million related to a three year audit of the Company's financial statements. In 2010 the Company recognized a $40.0 million insurance receivable versus a recognition of $4.5 million in 2011.

Fresh-Start Accounting

On February 14, 2011, (the "Effective Date"), Tronox Incorporated emerged from bankruptcy and continued operations as reorganized Tronox Incorporated. As a result, the Company applied fresh-start accounting under ASC 852 as of February 1, 2011 (the "Fresh-Start Reporting Date"), whereby the U.S. GAAP financial statements after January 31, 2011 are not comparable to the financial statements prior to that date. Fresh-start accounting required resetting the historical net book values of Tronox's assets and liabilities to their estimated fair values. References to "Successor" refer to Tronox and its consolidated subsidiaries after January 31, 2011, after giving effect to the cancellation of old common stock issued prior to January 31, 2011, the issuance of new common stock and settlement of existing debt and other adjustments in accordance with the reorganization plan, and the application of fresh-start accounting. References to "Predecessor" refer to Tronox and its consolidated subsidiaries prior to January 31, 2011.

Conference Call/Webcast

Tronox will host a conference call on Nov. 15, 2011, at 11 am Eastern Standard Time to discuss results for the third quarter and first nine-months of 2011. Interested parties may listen via Tronox's website at or by calling 877-741-4253 in the United States or 719-325-4804 outside the United States. The code for both dial-in numbers will be 4311889. A replay of the call will be available for seven days at 888-203-1112 in the United States or 719-457-0820 outside the United States. The code for the replay will be 4311889. The webcast will be archived for 30 days on the Company's website. Information on earnings also will be available on the Company's website homepage at http://www.tronox.com.

Use of Non-GAAP Financial Information

The non-GAAP and supplemental information provided in this press release is a supplement to, and not a substitute for or superior to, the Company's financial results presented in accordance with U.S. 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 and supplemental information is 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. The presentation of non-GAAP and supplemental information is not meant to be considered in isolation or as a substitute for results prepared and presented in accordance with U.S. GAAP. A reconciliation of each non-GAAP financial measure to the most direct, comparable GAAP financial measure is included below.

About Tronox

Tronox (TROX.PK) is the fifth largest titanium dioxide producer in the world with proprietary chloride technology. One of the Company's most valuable assets, the chloride process technology, yields consistently whiter, brighter pigment grades preferred in paint, coatings and plastics. The Company is the fifth-largest producer of titanium dioxide pigments and also operates an electrolytic and specialty chemicals business. Through the Company's global operations, Tronox serves more than 1,000 customers in approximately 90 countries. For more information, visit http://www.tronox.com.

Cautionary Statement

This release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that these forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those statements. The risks and uncertainties include the Company's ability to: manage costs; achieve adequate liquidity; execute its new strategic focus; reach a sustainable business model; survive as a stand-alone entity; reach operational efficiency; and reach and sustain profitability. Additional risks related to the Company's recent emergence from bankruptcy include: any negative impacts on the Company's business, results of operations, financial position or cash management arrangements; the negative impact on relationships with employees, customers, suppliers and contract manufacturers and other stakeholders; and the failure of the Company to successfully implement the plan of reorganization. In addition, the instability of the global economy and tight credit markets could continue to adversely impact the Company's business in several respects, including adversely impacting credit quality and insolvency risk of the Company and its customers and business partners, including suppliers and distributors; bookings; and reductions and deferrals of demand for Tronox products.

The Company urges investors to review in detail the risks and uncertainties discussed in the financial statements published on our website, in conjunction with the filings in our Chapter 11 cases and the Company's prior filings with the Securities and Exchange Commission. 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, future events or otherwise.

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Tronox Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In millions of dollars, except per share amounts)

	Successor Three Months Ended September 30, 2011	Predecessor Three Months Ended September 30, 2010	Successor Eight Months Ended September 30, 2011	Predecessor One Month Ended January 31, 2011	Predecessor Nine Months Ended September 30, 2010	Predecessor Twelve Months Ended December 31, 2010
Net sales	$ 465.4	$ 312.3	$ 1,160.8	$ 107.6	$ 891.8	$ 1,217.6
Cost of goods sold	322.4	249.6	862.1	82.3	731.1	996.1
Gross margin	143.0	62.7	298.7	25.3	160.7	221.5
Selling, general, and administrative expenses	53.8	16.1	111.2	5.4	43.2	59.2
Litigation/arbitration settlement	(9.8)	-	(9.8)	-	-	-
Provision for environmental remediation and restoration, net of reimbursements	(0.2)	-	(4.5)	-	(39.6)	(47.3)
Income from operations	99.2	46.6	201.8	19.9	157.1	209.6
Interest and debt expense	(8.0)	(14.8)	(21.5)	(2.9)	(39.7)	(49.9)
Other income (expense)	(1.3)	(10.4)	(1.7)	1.6	(1.9)	(8.3)
Reorganization expense (income)	-	(47.8)	-	613.6	(66.7)	(144.8)
Income from continuing operations before income taxes	89.9	(26.4)	178.6	632.2	48.8	6.6
Income tax provision	9.0	1.1	(3.3)	(0.7)	(3.0)	(2.0)
Income from continuing operations	98.9	(25.3)	175.3	631.5	45.8	4.6
Income (loss) from discontinued operations, net of income tax benefit of nil, nil, nil, nil, nil and nil, respectively	-	(0.2)	-	(0.2)	(0.5)	1.2
Net Income	$ 98.9	$ (25.5)	$ 175.3	$ 631.3	$ 45.3	$ 5.8
Earnings (loss) per share, basic and diluted						
Basic---						
Continued operations	$ 6.60	$ (0.61)	$ 11.95	$ 15.29	$ 1.11	$ 0.11
Discontinued operations	-	(0.01)	-	(0.01)	(0.01)	0.03
Net income	$ 6.60	$ (0.62)	$ 11.95	$ 15.28	$ 1.10	$ 0.14
Diluted---						
Continuing operations	$ 6.25	$ (0.61)	$ 11.29	$ 15.25	$ 1.11	$ 0.11
Discontinued operations	-	(0.01)	-	-	(0.01)	0.03
Net income	$ 6.25	$ (0.62)	$ 11.29	$ 15.25	$ 1.10	$ 0.14
Dividends declared per common share	-	-	-	-	-	-
Weighted average shares outstanding:						
Basic	14,982	41,235	14,665	41,311	41,231	41,232
Diluted	15,835	41,235	15,532	41,399	41,384	41,383

Tronox Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In millions of dollars)

ASSETS	Successor September 30, 2011	Predecessor December 31, 2010
Current Assets		
Cash and cash equivalents	$ 130.6	$ 141.7
Accounts receivable:		
Third party, net of allowance for doubtful accounts of nil and $0.8	303.3	243.8
Related party	0.3	2.7

Inventories	217.9	198.4
Prepaid and other assets	27.9	144.8
Deferred income taxes	4.4	4.3
Total Current Assets	684.4	735.7
Property, Plant, and Equipment, net	519.0	315.5
Intangible Assets, net	358.7	-
Other Long-Term Assets	25.8	46.7
Total Assets	$ 1,587.9	$ 1,097.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable		
Third party	$ 103.0	$ 134.7
Related party	101.8	64.3
Accrued liabilities	50.0	45.7
Short-term debt	-	-
Long-term debt due within one year	5.8	4.3
Income taxes payable	19.8	3.3
Total Current Liabilities	280.4	252.3
Noncurrent		
Long-term debt	422.6	420.7
Pension and postretirement benefits	94.3	107.2
Deferred income taxes	16.5	-
Other	38.5	47.4
Total Noncurrent Liabilities	571.9	575.3
Liabilities subject to compromise	-	900.3
Stockholders' Equity		
Successor new common stock, par value $0.01— 100,000,000 shares authorized, 15,082,753 issued	0.1	-
Class A common stock, par value $0.01 — 100,000,000 shares authorized, 19,107,367 issued	-	0.2
Class B common stock, par value $0.01 — 100,000,000 shares authorized, 22,889,431 shares issued	-	0.2
Capital in excess of par value	573.1	496.2
Retained earnings (accumulated deficit)	175.3	(1,128.2)
Accumulated other comprehensive income	(3.3)	8.8
Treasury stock, at cost — 79,357 shares and 623,953 shares, respectively	(9.6)	(7.2)
Total Stockholders' Equity	735.6	(630.0)
Total Liabilities and Stockholders' Equity	$ 1,587.9	$ 1,097.9

Tronox Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In millions of dollars)

	Successor Eight Months Ended September 30, 2011	**Predecessor** One Month Ended January 31, 2011	**Predecessor** Nine Months Ended September 30, 2010	**Predecessor** For the Year Ended December 31, 2010
Cash flows from operating activities				
Net Income	$ 175.3	$ 631.3	$ 45.3	$ 5.8
Adjustments to reconcile net income to net cash provided by operating activities —				
Depreciation, depletion and amortization	56.8	4.1	37.3	50.1
Impairments and write-downs of long-lived assets and inventory	-	-	0.6	2.5
Deferred income taxes	(1.5)	0.2	(3.5)	(5.1)
Provision for environmental remediation and restoration, net of reimbursements	-	-	(40.7)	(48.9)
Amortization of debt issuance costs	0.6	0.3	8.0	9.2
Pension and postretirement healthcare (income) expense	3.2	(0.4)	(8.8)	(10.5)
Gain on liquidation of subsidiary	(0.2)	-	(5.3)	(5.3)
Stock compensation expense	7.7	-	0.4	0.5
Other noncash items not affecting net income	4.4	0.2	5.1	4.5
Reorganization Items-				
Noncash reorganization items	-	(636.6)	14.1	97.6
Environmental settlement funding	-	(270.0)		-
Claims paid with cash	(14.3)	(18.6)	(33.9)	(82.6)
Tort settlement funding	-	(16.5)	-	-
Professional and legal fees	-	(12.0)	(36.3)	(51.5)
Changes in assets and liabilities-				
(Increase) decrease in trade accounts receivable	(74.2)	(8.1)	(11.6)	(11.9)
(Increase) decrease in related parties accounts receivable	4.5	(2.1)	6.2	0.9
(Increase) decrease in inventories	29.6	(15.3)	14.7	(6.6)
(Increase) decrease in prepaids and other assets	20.9	35.4	6.9	20.2
Increase (decrease) in accounts payable and accrued liabilities	(57.3)	23.1	48.8	83.2
Increase (decrease) in related parties accounts payable	37.0	0.5	(6.2)	17.0
Increase (decrease) in taxes payable	(1.6)	0.4	4.4	2.3
Other , net	26.7	1.0	9.6	5.5
Cash provided by (used in) operating activities	217.6	(283.1)	55.1	76.9
Cash flows from investing activities				
Capital expenditures	(120.7)	(5.5)	(26.7)	(45.0)
Proceeds from sale of assets	0.5	-	-	-
Cash used in investing activities	(120.2)	(5.5)	(26.7)	(45.0)
Cash flows from financing activities				
Reductions of long-term debt	(43.6)	-	-	(425.0)
Proceeds from borrowings	22.0	25.0	-	425.0
Debt issuance costs	(5.5)	(2.4)	(15.4)	(15.4)
Proceeds from rights offering	-	185.0	-	(16.8)
Other equity, net	1.3		-	
Cash provided by (used in) financing activities	(25.8)	207.6	(15.4)	(32.2)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(2.0)	0.3	0.3	(1.3)
Net Increase (Decrease) in Cash and Cash Equivalents	69.6	(80.7)	13.3	(1.6)
Cash and Cash Equivalents at Beginning of Period	61.0	141.7	143.3	143.3
Cash and Cash Equivalents at End of Period	$ 130.6	$ 61.0	$ 156.6	$ 141.7

Use of Non-GAAP Financial Information

To provide investors and others with additional information regarding Tronox's operating results, we have disclosed in this press release certain non-GAAP financial measures, including, Adjusted Income from Operations, Adjusted Net Income, and Adjusted EBITDA, excluding restructuring cost. 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 U.S. 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. 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 U.S. GAAP.

Tronox has provided a reconciliation of the non-GAAP financial measures used in this release to the most directly comparable GAAP financial measures:

- Adjusted income from operations differs from GAAP income from operations in that it excludes the impact of non-recurring items, fresh-start accounting related adjustments, and other bankruptcy related charges or credits.

- Adjusted net income differs from GAAP net income in that it (i) excludes the impact of non-recurring items, fresh-start accounting related adjustments, and reorganization charges or credits, and (ii) is adjusted for the associated tax impact of all these changes.
- Adjusted EBITDA differs from GAAP net income in that it (i) excludes interest expenses, taxes, depreciation, amortization and stock based compensation charges, and (ii) excludes the impact of non-recurring items, fresh-start accounting related adjustments, and reorganization charges or credits and write-off of financing costs completed prior to emergence from bankruptcy.

Management believes these non-GAAP financial measures:

- Reflect Tronox's ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in Tronox's business, as they exclude expenses that are not reflective of ongoing operating results;
- Provide useful information to investors and others in understanding and evaluating Tronox'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, and stock based compensation charges attempt to exclude items that are either non-cash or non-recurring in nature; and
- Enable investors to assess the Company's compliance with financial covenants under its debt instruments Tronox's term loan has maintenance financial covenants that use EBITDA as part of the measures, e.g. Consolidated Leverage ratio, which is a ratio of Indebtedness to Consolidated EBITDA; and Consolidated Interest Coverage Ratio which is a ratio of Consolidated EBITDA to interest expenses.
- In addition, Adjusted EBITDA, excluding restructuring expenses, 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 we do, EBITDA may not be, and Adjusted EBITDA as presented in this release is not, comparable to similarly titled measures reported by other companies.

Reconciliation of U.S. GAAP to non-GAAP financial measures

	Successor Three Months Ended September 30, 2011	**Predecessor** Three Months Ended September 30, 2010	**Successor** Eight Months Ended September 30, 2011	**Predecessor** One Month Ended January 31, 2011	**Predecessor** Nine Months Ended September 30, 2010	**Predecessor** Twelve Months Ended December 31, 2010
(Millions of dollars)						
Income from Operations	$ 99.2	$ 46.6	$ 201.8	$ 19.9	$ 157.1	$ 209.6
Add: fresh start adjustments						
Depreciation	0.3	-	1.2	-	-	-
Amortization of intangibles	6.9	-	18.6	-	-	-
Inventory mark-up	-	-	35.5	-	-	-
Pension and postretirement	4.1	-	11.5	-	-	-
Less: Provision for environmental remediation and restoration, net of reimbursements	(0.2)	-	(4.5)	-	(39.6)	(47.3)
Adjusted Income from Operations	**$ 110.3**	**$ 46.6**	**$ 264.1**	**$ 19.9**	**$ 117.5**	**$ 162.3**

Net Income to Adjusted Net Income (1)

	Successor Three Months Ended September 30, 2011	**Predecessor** Three Months Ended September 30, 2010	**Successor** Eight Months Ended September 30, 2011	**Predecessor** One Month Ended January 31, 2011	**Predecessor** Nine Months Ended September 30, 2010	**Predecessor** Twelve Months Ended December 31, 2010
(Millions of dollars)						
Net Income	$ 98.9	$ (25.5)	$ 175.3	$ 631.3	$ 45.3	$ 5.8
(Less)/add: fresh start adjustments						
Gain on fresh start accounting	-	-	-	(659.1)	-	-
Depreciation	0.3	-	1.2	-	-	-
Amortization from intangibles	6.9	-	18.6	-	-	-
Inventory mark-up	-	-	35.5	-	-	-
Pension and postretirement	4.1	-	11.5	-	-	-
Less: Provision for environmental remediation and restoration, net of reimbursements	(0.2)	-	(4.5)	-	(39.6)	(47.3)
Less: Noncash gain on liquidation of subsidiary	-	3.7	(0.2)	-	(5.3)	(5.3)
Add: reorganization expense	-	47.8	-	45.5	66.7	144.8
Adjusted Net Income	**$ 110.0**	**$ 26.0**	**$ 237.4**	**$ 17.7**	**$ 67.1**	**$ 98.0**

Net Income to Adjusted EBITDA

	Successor Three Months Ended September 30, 2011	**Predecessor** Three Months Ended September 30, 2010	**Successor** Eight Months Ended September 30, 2011	**Predecessor** One Month Ended January 31, 2011	**Predecessor** Nine Months Ended September 30, 2010	**Predecessor** Twelve Months Ended December 31, 2010
(Millions of dollars)						
Net income	$ 98.9	$ (25.5)	$ 175.3	$ 631.3	$ 45.3	$ 5.8
Add: Interest	8.0	14.8	21.5	2.9	39.7	49.9
Add: Taxes	(9.0)	(1.1)	3.3	0.7	3.0	2.0
Add: Depreciation and amortization	22.6	12.4	56.8	4.1	37.3	50.1
Add: Reorganization expense	-	47.8	-	45.5	66.7	144.8
Less: Gain on fresh start accounting	-	-	-	(659.1)	-	-
Less: Noncash gain on liquidation of subsidiary	-	3.7	(0.2)	-	(5.3)	(5.3)
Less: Provision for environmental remediation and restoration, net of reimbursements	(0.2)	-	(4.5)	-	(39.6)	(47.3)
Less: Litigation settlement	(9.8)	-	(9.8)	-	-	-
Add: Plant closure costs	-	0.3	-	0.1	1.5	1.3
Add: Fresh start inventory mark-up	-	-	35.5	-	-	-
Add: Stock based compensation charges	1.8	0.1	7.7	-	0.4	0.5
Add: Foreign currency remeasurement	0.2	5.9	2.2	(1.3)	4.7	11.8
Add: Transaction costs, registration rights penalty and financial statement restatement costs	26.0	-	35.4	-	-	-
Add: Other items	2.4	(2.3)	6.4	0.1	(5.7)	(10.5)
Adjusted EBITDA	**$ 140.9**	**$ 56.1**	**$ 329.6**	**$ 24.3**	**$ 148.0**	**$ 203.1**

(1) Excludes tax effects due to valuation allowances that were recognized which offset deferred taxes and NOLs in the U.S.

SOURCE Tronox Incorporated

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