

TRONOX INC
Form S-4/A
June 07, 2006
Table of Contents

Index to Financial Statements

As filed with the Securities and Exchange Commission on June 7, 2006

Registration No. 333-133757

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

—
Amendment No. 1 To

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

—
Tronox Worldwide LLC

and

Tronox Finance Corp.

(Exact name of registrant as specified in its charter)*

Delaware
(State or other jurisdiction of

2810
(Primary Standard Industrial

11-3663540
(I.R.S. Employer

Edgar Filing: TRONOX INC - Form S-4/A

incorporation or organization)	Classification Code Number)	Identification No.)
Delaware (State or other jurisdiction of	2810 (Primary Standard Industrial	20-3611122 (I.R.S. Employer

incorporation or organization)	Classification Code Number)	Identification No.)
--------------------------------	-----------------------------	---------------------

c/o Tronox Incorporated
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102
(405) 775-5000
(Address, including Zip Code, and telephone number,
including area code, of registrant's principal
executive offices)

Roger G. Addison, Esq.
123 Robert S. Kerr Avenue
Oklahoma City, Oklahoma 73102
(405) 775-5000
(Name, address, including Zip Code,
and telephone number,
including area code, of agent for service)

Copies to:

W. Chris Coleman

McAfee & Taft A Professional Corporation

Tenth Floor, Two Leadership Square

211 North Robinson

Oklahoma City, Oklahoma 73102

(405) 235-9621

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement under the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Proposed	Proposed	Amount of
------------------------	--------	----------	----------	-----------

Edgar Filing: TRONOX INC - Form S-4/A

Securities to be Registered	to be Registered	Maximum Offering Price	Maximum Aggregate Offering Price(1)	Registration Fee
9 1/2% Senior Notes due 2012	\$350,000,000	Per Unit(1) 100%	\$350,000,000	\$37,450(1)
Guarantees 9 1/2% Senior Notes due 2012(2)				

(1) Estimated solely for the purpose of computing the registration fee in accordance with Rule 457(f)(2).

(2) The 9 1/2% Senior Notes due 2012 are guaranteed by the Additional Registrants. No separate consideration will be paid in respect of the guarantees. Pursuant to Rule 457(n) of the Securities Act, no filing fee is required.

* Tronox Incorporated, the parent of the Registrants, and the additional subsidiaries of Tronox Incorporated listed in the attached table are Additional Registrants to this Registration Statement.

Each registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8 of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8, may determine.

Table of Contents**Index to Financial Statements****TABLE OF ADDITIONAL REGISTRANTS**

Name(1)	State of Incorporation/ Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification No.
Cimarron Corporation	Oklahoma	2810	73-1328735
Tronox Holdings, Inc.	Delaware	2810	51-0284593
Triple S Minerals Resources Corporation	Delaware	2810	73-1534515
Tronox Pigments (Savannah), Inc.	Georgia	2810	58-1622042
Triple S Refining Corporation	Delaware	2810	73-0974954
Southwestern Refining Company, Inc.	Delaware	2810	73-0960164
Transworld Drilling Company	Delaware	2810	73-0755837
Triangle Refineries, Inc.	Delaware	2810	74-1039180
Triple S, Inc.	Oklahoma	2810	73-1415116
Tronox LLC	Delaware	2810	41-2070700
Tronox Incorporated	Delaware	2810	20-2868245

⁽¹⁾ The address for each Additional Registrant is 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102 and the telephone number is (405) 775-5000.

Table of Contents

Index to Financial Statements

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated June 7, 2006

PROSPECTUS

TRONOX WORLDWIDE LLC

TRONOX FINANCE CORP.

Offer to Exchange up to

\$350,000,000 of 9¹/₂% Senior Notes due 2012

for up to

\$350,000,000 of 9¹/₂% Senior Notes due 2012

which have been registered under the Securities Act of 1933

We are offering to exchange up to \$350,000,000 of our outstanding 9¹/₂% Senior Notes due 2012 for new 9¹/₂% Senior Notes due 2012, with substantially identical terms, which have been registered under the Securities Act of 1933 and will generally be freely tradeable. Our exchange offer will expire at 5:00 p.m. New York City time on _____, 2006 unless we extend the time for expiration.

We will exchange all old notes that you validly tender and do not withdraw before the exchange offer expires for an equal principal amount of new notes. Tenders of outstanding notes may be withdrawn at any time prior to the expiration of the exchange offer.

There is currently no established trading market for the old notes or the new notes. We do not intend to list the new notes on any securities exchange or seek approval for quotation through any automated quotation system.

The exchange offer of the new notes for the old notes will not be a taxable event for U.S. federal income tax purposes.

Investing in the notes involves risks. Please read Risk Factors on page 16 for a discussion of factors you should consider before participating in the Exchange Offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the senior notes to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives new notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange

Edgar Filing: TRONOX INC - Form S-4/A

for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days from the expiration of this exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is _____, 2006.

Table of Contents**Index to Financial Statements****TABLE OF CONTENTS**

	Page
<u>Special Note Regarding Forward-Looking Statements</u>	i
<u>Summary</u>	1
<u>Risk Factors</u>	16
<u>Use of Proceeds</u>	27
<u>Ratio of Earnings to Fixed Charges</u>	27
<u>The Exchange Offer</u>	28
<u>Selected Financial Data</u>	37
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	41
<u>Quantitative and Qualitative Disclosure About Market Risk</u>	68
<u>Industry Background</u>	70
<u>Business</u>	74
<u>Management</u>	87
<u>Arrangements between Kerr-McGee and Parent</u>	90
<u>Description of Other Indebtedness</u>	93
<u>Description of Notes</u>	95
<u>Material U.S. Federal Income Tax Consequences</u>	142
<u>Plan of Distribution</u>	146
<u>Legal Matters</u>	147
<u>Experts</u>	147
<u>Available Information</u>	147
<u>Index to Consolidated and Combined Financial Statements</u>	F-1

You should rely only upon the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different information or inconsistent information, you should not rely on it. We are not making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing in this prospectus is accurate only as of the date of the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

You should contact us with any questions about the exchange offer or if you require additional information to verify the information contained in this prospectus.

You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding participating in the exchange offer.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus, which are subject to risks and uncertainties. See *Risk Factors*. These statements are based on the beliefs and assumptions of our management and on the information currently available to our management at the time of such statements. Forward-looking statements include information concerning our possible or assumed future results or otherwise speak to future events and may be preceded by, followed by, or otherwise include the words *believes*, *expects*, *anticipates*, *intends*, *plans*, *estimates* or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results or performance may differ materially from those expressed or implied in these forward-looking statements. Many of the factors that will determine these results and values are beyond our

Table of Contents

Index to Financial Statements

ability to control or predict. Potential investors are cautioned not to put undue reliance on any forward-looking statements. Except as required by the Federal securities laws, we do not have any intention or obligation to update forward-looking statements after we distribute this document, even if new information, future events or other circumstances have made them incorrect or misleading.

You should understand that various factors, in addition to those discussed in *Risk Factors* and elsewhere in this document, could affect our future results and could cause results to differ materially from those expressed in such forward-looking statements, including the following:

adverse changes in general economic conditions or in the markets we serve, including changes in the prices of titanium dioxide pigments and other chemicals;

changes in our business strategies;

demand for consumer products for which our businesses supply raw materials;

availability and pricing of raw materials;

fluctuations in energy prices;

technological changes affecting production of our materials;

developments associated with our environmental remediation efforts;

hazards associated with chemicals manufacturing;

risks associated with competition, including the financial resources of competitors and the introduction of new competing products;

risks associated with international sales and operations;

changes in laws and regulations, including environmental laws, or changes in the administration of such laws and regulations;

the quality of future opportunities that may be presented to or pursued by us;

the ability to generate cash flows or obtain financing to fund growth and the cost of such financing;

Edgar Filing: TRONOX INC - Form S-4/A

the ability to obtain and maintain regulatory approvals;

the effect of various litigation that arise from time to time in the ordinary course of business;

the impact of weather and the occurrence of natural disasters such as fires, floods and other catastrophic events and natural disasters;

acts of war or terrorist activities; and

the ability to respond to challenges in international markets, including changes in currency exchange rates, political or economic conditions, and trade and regulatory matters.

Table of Contents

Index to Financial Statements

SUMMARY

The following summary highlights the material information contained elsewhere in this prospectus but may not contain all of the information that is important to you. You should read the entire prospectus carefully, including the consolidated and combined financial statements and related notes and the factors described in Risk Factors, before participating in the exchange offer.

Our Parent, Tronox Incorporated, was formed on May 17, 2005, in preparation for the contribution and transfer by Kerr-McGee Corporation (Kerr-McGee) of certain entities, including us and other entities comprising substantially all of its chemical business (the Contribution). The Contribution was completed in November 2005 along with the recapitalization of Tronox Incorporated, whereby common stock held by Kerr-McGee converted into approximately 22.9 million shares of Class B common stock. An initial public offering (IPO) of Tronox Incorporated's Class A common stock was subsequently completed on November 28, 2005. On March 30, 2006, Kerr-McGee distributed all of the shares of Parent's Class B common stock that it owned to its stockholders (the Distribution).

Unless the context otherwise requires, any references in this prospectus to we, our, us and Tronox refer to Tronox Worldwide LLC and all of our subsidiaries, and references to Tronox Incorporated and Parent refer to Tronox Incorporated and its subsidiaries as in effect on the date of this prospectus, except that all such references in connection with financial information is intended to refer to that of our Parent on a consolidated basis or that of the several entities comprising the Parent's subsidiaries on a combined basis. Any references in this prospectus to Tronox Finance refer to our wholly-owned subsidiary, Tronox Finance Corp., which is a co-issuer of the notes. References to issuers mean Tronox and Tronox Finance, as co-issuers of the notes. Any references in this prospectus to Kerr-McGee refer to Kerr-McGee Corporation and its consolidated subsidiaries.

The Notes

We completed on November 28, 2005 a private offering of \$350.0 million aggregate principal amount of our 9 1/2% Senior Notes due 2012, which we refer to as the old notes. We entered into an exchange and registration rights agreement with the initial purchasers of the old notes in which we agreed, among other things, to deliver to you this prospectus and to complete the exchange offer within 240 days of the issuance of the old notes. You are entitled to exchange in the exchange offer your outstanding old notes for registered 9 1/2% Senior Notes due 2012 with substantially identical terms which we refer to as the new notes. If (i) we do not file the registration statement for the exchange offer of the new notes for the old notes that this prospectus is a part of (the Exchange Offer Registration Statement) by April 27, 2006, (ii) the Exchange Offer Registration Statement is not declared effective (the Exchange Offer Effective Date) by the Securities and Exchange Commission (SEC) on or prior to June 26, 2006, or (iii) the exchange offer is not completed within thirty (30) days of the Exchange Offer Effective Date, then we will pay liquidated damages in the form of additional interest. We filed the initial Exchange Offer Registration Statement on May 3, 2006 in violation of clause (i) above. As a result, we are required to pay liquidated damages in the form of special interest in the aggregate amount of \$17,500. You should read the discussion under the headings Summary Description of the New Notes and Description of the Notes for further information regarding the registered 9 1/2% Senior Notes due 2012. Whenever we use the term notes, we are referring to both the old notes and the new notes, unless the context clearly shows a different intent.

We believe that the new notes issued in the exchange offer may be resold by you without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to certain conditions. You should read the discussion under the headings Summary of the Terms of the Exchange Offer and The Exchange Offer for further information regarding the exchange offer and resale of the new notes.

Table of Contents**Index to Financial Statements****Our Company****Overview**

Tronox is one of the leading global producers and marketers of titanium dioxide. Titanium dioxide is a white pigment used in a wide range of products for its exceptional ability to impart whiteness, brightness and opacity. We market titanium dioxide pigment, which represented more than 90% of our net sales in 2005, under the brand name TRONOX®. We are the world's third-largest producer and marketer of titanium dioxide based on reported industry capacity by the leading titanium dioxide producers, and we have an estimated 13% market share of the \$9 billion global market in 2005 based on reported industry sales. Our world-class, high-performance pigment products are critical components of everyday consumer applications, such as coatings, plastics and paper, as well as specialty products, such as inks, foods and cosmetics. In addition to titanium dioxide, we produce electrolytic manganese dioxide, sodium chlorate and boron-based and other specialty chemicals. In 2005, we had net sales of \$1.4 billion and net income of \$18.8 million. In the first quarter of 2006, we had net sales of \$336.2 million and net income of \$20.6 million. Based on the country of production, the geographic distribution of our net sales was as follows during the periods indicated:

	Three Months	Year Ended December 31,		
	Ended			
	March 31, 2006	2005	2004	2003
			(Millions of dollars)	
United States	\$ 179.1	\$ 755.9	\$ 716.8	\$ 646.7
International	157.1	608.1	585.0	511.0
	\$ 336.2	\$ 1,364.0	\$ 1,301.8	\$ 1,157.7

The chart below summarizes our 2005 net sales by business segment:

2005 Net Sales by Business Segment

We have maintained strong relationships with our customers since our current chemical operations began in 1964. We focus on providing our customers with world-class products, end-use market expertise and strong technical service and support. With more than 2,100 employees worldwide, strategically located manufacturing facilities and direct sales and technical service organizations in the United States, Europe and the Asia-Pacific region, we are able to serve our diverse base of more than 1,100 customers in over 100 countries.

Globally, including the production capacity of the facility operated by our Tiwest Joint Venture (see *Business Manufacturing, Operations and Properties The Tiwest Joint Venture*), we have 624,000 tonnes of aggregate annual titanium dioxide production capacity. We hold over 200 patents worldwide, as well as other intellectual property. We have a highly skilled and technologically sophisticated workforce.

Table of Contents

Index to Financial Statements

Competitive Strengths

We benefit from a number of competitive strengths, including the following:

Leading Market Positions

We are the world's third-largest producer and marketer of titanium dioxide products based on reported industry capacity by the leading titanium dioxide producers and the world's second-largest producer and supplier of titanium dioxide manufactured via proprietary chloride technology, which we believe is preferred for many of the largest end-use applications. We estimate that we have a 15% share of the \$5.2 billion global market for the use of titanium dioxide in coatings, which industry sources consider the largest end-use market. We believe our leading market positions provide us with a competitive advantage in retaining existing customers and obtaining new business.

Global Presence

We are one of the few titanium dioxide manufacturers with global operations. We have production facilities and a sales and marketing presence in the Americas, Europe and the Asia-Pacific region. In 2005, sales into the Americas accounted for approximately 48% of our total titanium dioxide net sales, followed by approximately 31% into Europe and approximately 21% into the Asia-Pacific region. Our global presence enables us to provide customers in over 100 countries with a reliable source of multiple grades of titanium dioxide. The diversity of the geographic markets we serve also mitigates our exposure to regional economic downturns.

Well-Established Relationships with a Diverse Customer Base

We sell our products to a diverse portfolio of customers with whom we have well-established relationships. Our customer base consists of more than 1,100 customers in over 100 countries and includes market leaders in each of the major end-use markets for titanium dioxide. We have supplied each of our top ten customers with titanium dioxide pigment for over ten years. We work closely with our customers to optimize their formulations, thereby enhancing the use of titanium dioxide in their production processes. This has enabled us to develop and maintain strong relationships with our customers, resulting in a high customer retention rate.

Innovative, High-Performance Products

We offer innovative, high-performance products for nearly every major titanium dioxide end-use application, including seven grades of titanium dioxide (TiO₂) for specialty applications such as inks, catalysts and electro-ceramics. We are dedicated to continually developing our titanium dioxide products to better serve our customers and responding to the increasingly stringent demands of their end-use markets. Our recently introduced products, CR-826 and CR-880, offer a combination of optical properties, opacity, ease of dispersion and durability that is valued by customers for a variety of applications. Sales volume of these high-performance products increased at a compounded annual growth rate of 29% from 2001 to 2005.

Proprietary Production Technology

We are one of a limited number of producers in the titanium dioxide industry to hold the rights to a proprietary chloride process for the production of titanium dioxide. Approximately 83% of our gross production capacity uses this process technology, which is the subject of numerous patents worldwide and is utilized by our highly skilled and technologically sophisticated work force. Titanium dioxide produced using chloride process technology is preferred for many of the largest end-use applications. The chloride production process generates less waste, uses less energy and is less labor intensive than the sulfate process. The complexity of developing and operating the chloride process technology makes it difficult for others to enter and successfully compete in the chloride process titanium dioxide industry.

Table of Contents

Index to Financial Statements

Experienced Management Team

Our management team has an average of 23 years of business experience. The diversity of their business experience provides a broad array of skills that contributes to the successful execution of our business strategy. Our operations team and plant managers, who have an average of 27 years of manufacturing experience, participate in the development and execution of strategies that have resulted in production volume growth, production efficiency improvements and cost reductions. The experience, stability and leadership of our sales organization have been instrumental in growing sales, developing and maintaining customer relationships and increasing our market share.

Business Strategy

We use specific and individualized operating measures throughout our organization to track and evaluate key metrics. This approach serves as a scorecard to ensure alignment with, and accountability for, the execution of our strategy, which includes the following components:

Strong Customer Focus

We target our key markets with innovative, high-performance products that provide enhanced value to our customers at competitive prices. A key component of our business strategy is to continually enhance our product portfolio with high-quality, market-driven product development. We design our titanium dioxide products to satisfy our customers' specific requirements for their end-use applications and align our business to respond quickly and efficiently to changes in market demands. In this regard, and in order to continue meeting our customers' needs, we commercialized a new pigment grade for paper coatings and developed a new grade for architectural paints in close cooperation with our customer base. New and enhanced grades for coatings, plastic, paper laminate and specialty applications are in the pipeline for introduction in 2006 and 2007.

Technological Innovation

We employ customer and end-use market feedback, technological expertise and fundamental research to create next-generation products and processes. Our technology development efforts include building value-added properties into our titanium dioxide to enhance its performance in our customers' end-use applications. Our research and development teams support our future business strategies, and we manage those teams using disciplined project management tools and a team approach to technological development.

Operational Excellence

We achieved record production in 2005 through our currently operating facilities, with fourth-quarter production rates higher than any previous quarter. This is an exceptional achievement because it occurred while our Kwinana plant was shut down approximately two weeks due to force majeure declared by a third-party process gas supplier. This newly demonstrated capability positions us to meet market growth over the short term without investing capital for capacity expansion. While we were not able to offset the rapid increase in energy pricing in 2005 with cost reductions, we continued to improve our energy consumption across plants through Six Sigma projects and other continuous improvement activities. We used a broader spectrum of TiO₂ ore than ever before, while improving the TiO₂ yield through more tightly controlled plant operations.

Maximize Asset Efficiency

We optimize our production plan through strategic use of our global facilities to save on both transportation and warehousing costs. Our production process is designed with multiple production lines. As a result, we can remedy issues with an individual line without shutting down other lines and idling an entire facility. We also

Table of Contents

Index to Financial Statements

actively manage production capability across all facilities. For instance, if one plant's finishing lines are already at full capacity, that plant's unfinished titanium dioxide can be transferred to another plant for finishing.

Supply Chain Optimization

We improve our supply chain efficiency by focusing on reducing both operating costs and working capital needs. Our supply chain efforts to lower operating costs consist of reducing procurement spending, lowering transportation and warehouse costs and optimizing production scheduling. We actively manage our working capital by increasing inventory turnover and reducing finished goods and raw materials inventory without affecting our ability to deliver titanium dioxide to our customers.

Organizational Alignment

Aligning the efforts of our employees with our business strategies is critical to our success. To achieve that alignment, we evaluate the performance of our employees using a balanced scorecard approach. We also invest in training initiatives that are directly linked to our business strategies. For instance, approximately 120 of our employees have completed the well-regarded supply chain management training program at Michigan State University's Broad Executive School of Management. We also train our employees in Six Sigma methodology to support our operational excellence and asset efficiency strategic objectives.

Table of Contents

Index to Financial Statements

- (1) The senior secured credit facility consists of a \$200 million six-year term loan facility and a \$250 million five-year multicurrency revolving credit facility. The senior secured credit facility is guaranteed by Parent and our direct and indirect material domestic subsidiaries. The facility is secured by a first priority security interest in certain domestic assets, including certain real property, of Tronox and the guarantors of the senior secured credit facility. The facility is also secured by pledges of the equity interests in Tronox and our direct and indirect domestic subsidiaries (including Tronox Finance), and up to 65% of our voting and 100% of our non-voting equity interests in our direct foreign subsidiaries and the direct foreign subsidiaries of the guarantors of the senior secured credit facility. Tronox Finance has no significant assets.
- (2) Tronox and Tronox Finance, co-issued \$350 million in aggregate principal amount of the senior notes, which are guaranteed by Parent and our material direct and indirect domestic wholly-owned subsidiaries. The old notes will be exchanged for the new notes pursuant to this exchange offer.

Table of Contents

Index to Financial Statements

SUMMARY OF THE TERMS OF THE EXCHANGE OFFER

In the exchange offer we are offering to exchange up to \$350.0 million principal amount outstanding of our 9 1/2% Senior Notes due 2012, or old notes, for an equal principal amount of our 9/2% Senior Notes due 2012, or new notes and, together with old notes, the notes. The form and terms of the new notes are identical in all material respects to the form and terms of the outstanding old notes except that the new notes have been registered under the Securities Act of 1933 and, therefore, are not entitled to the benefits of the registration rights granted under the exchange and registration rights agreement, executed as part of the offering of the outstanding old notes.

The exchange offer	We are offering to exchange \$1,000 principal amount of one new note for each \$1,000 principal amount of old notes accepted in the exchange offer. We will accept for exchange all outstanding old notes that are validly tendered and not validly withdrawn. In order to be accepted, an outstanding old note must be properly tendered and accepted. After consummation of the exchange offer, holders of old notes which are not exchanged will continue to be subject to the existing restrictions upon the transfer of old notes and we will have no further obligation to such holders to provide for the registration of the old notes under the Securities Act.
The expiration date	The exchange offer will expire at 5:00 p.m., New York City time, , 2006 unless we decide to extend the expiration date.
Accrued interest on the new notes and the outstanding old notes	Interest on the new notes will accrue from June 1, 2006 (the last interest payment date of the old notes). If we accept your old notes you will not receive any payment of interest on such outstanding old notes accrued from June 1, 2006 to the date of the issuance of the new notes. Consequently, holders who exchange their outstanding old notes for new notes will receive the same interest payment on December 1, 2006, that they would have received had they not accepted the exchange offer, which is the next interest payment date with respect to the outstanding old notes and the new notes to be issued in the exchange offer.
Termination of the exchange offer	We may terminate the exchange offer at any time prior to the expiration date if we determine that our ability to proceed with the exchange offer could be materially impaired due to any legal or governmental action, new law, statute, rule or regulation or any interpretation of the staff of the Securities and Exchange Commission of any existing law, statute, rule or regulation. We do not expect any of the foregoing conditions to occur, although there can be no assurance that such conditions will not occur. Holders of outstanding old notes will have certain rights under the exchange and registration rights agreement executed as part of the offering of the outstanding old notes should we fail to consummate the exchange offer.
Conditions to the exchange offer	The exchange offer is subject to certain conditions, which may be waived by us. See The Exchange Offer Conditions of the Exchange Offer. The exchange offer is not conditioned upon any minimum number of old notes being tendered.

Table of Contents

Index to Financial Statements

Special procedures for beneficial owners	If you are the beneficial owner of old notes and your name does not appear on a security position listing of the Depository Trust Company as the holder of such old notes or if you are a beneficial owner of old notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender such old notes in the exchange offer, you should contact the person in whose name your old notes are registered promptly and instruct that person to tender on your behalf. If such beneficial holder wishes to tender on his own behalf such beneficial holder must, prior to completing and executing the letter of transmittal and delivering his outstanding old notes, either make appropriate arrangements to register ownership of the outstanding old notes in such holder's name or obtain a properly completed bond power from the registered holder. The transfer of record ownership may take considerable time.
Guaranteed delivery procedures	If you wish to tender your old notes and time will not permit your required documents to reach the exchange agent by the expiration date, or the procedure for book-entry transfer cannot be completed on time or certificates for registered old notes cannot be delivered on time, you may tender your old notes pursuant to the procedures described in this prospectus under the heading "The Exchange Offer - Terms of the Exchange Offer - Guaranteed Delivery Procedures."
Withdrawal rights	You may withdraw the tender of your old notes at any time prior to 5:00 p.m., New York City time, on _____, 2006, unless we decide to extend the expiration date or your old notes were previously accepted for exchange.
Acceptance of outstanding old notes and delivery of new notes	Subject to certain conditions as described more fully under "The Exchange Offer - Conditions of the Exchange Offer", we will accept for exchange any and all outstanding old notes which are properly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date. The new notes issued pursuant to the exchange offer will be delivered promptly to you following the expiration date.
Federal income tax considerations	The exchange of the old notes will not be a taxable exchange for United States federal income tax purposes. We believe you will not recognize any taxable gain or loss or any income as a result of such exchange.
Use of proceeds	We will not receive any proceeds from the issuance of new notes pursuant to the exchange offer. We will pay all expenses incident to the exchange offer.
Exchange agent	Citibank, N.A. is serving as the exchange agent in connection with the exchange offer. The exchange agent can be reached at 111 Wall Street, 15 th Floor, New York, New York 10043. For more information with respect to the exchange offer, the telephone number for the exchange agent is 1-800-422-2066 and the facsimile number for the exchange agent is (212) 657-1020.

Table of Contents

Index to Financial Statements

Summary Description of the New Notes

Issuers	Tronox Worldwide LLC and Tronox Finance Corp.
Notes offered	\$350.0 million aggregate principal amount of 9 1/2% Senior Notes due 2012.
Maturity date	December 1, 2012.
Interest Payment dates	June 1 and December 1 of each year, commencing on June 1, 2006.
Guarantees	Our obligations with respect to the notes will be fully and unconditionally guaranteed by Parent and all of our direct and indirect material domestic subsidiaries. Our foreign subsidiaries will not guarantee the notes. See <i>Ranking</i> .
Ranking	<p>The notes and guarantees are unsecured senior obligations. Accordingly, the notes and guarantees will rank:</p> <p style="padding-left: 40px;">senior in right of payment to all of our and our guarantors' existing and future subordinated debt;</p> <p style="padding-left: 40px;">equal in right of payment with all of our and our guarantors' existing and future senior indebtedness; and</p> <p style="padding-left: 40px;">effectively subordinated to any of our and our guarantors' secured indebtedness to the extent of the value of the collateral securing that indebtedness, including borrowings under the senior secured credit facility, as well as all obligations of our non-guarantor subsidiaries.</p> <p>The senior notes we issued on November 28, 2005 and those being issued in this exchange offer will be treated as a single class for all purposes of the indenture.</p> <p>As of June 2, 2006, the aggregate amount of our secured indebtedness was \$229.5 million, and approximately \$143.4 million was available under our senior secured credit facility.</p>
Optional redemption	On or after December 1, 2009, we may, at our option, redeem some or all of the notes at the redemption prices set forth under <i>Description of Notes - Optional Redemption</i> , plus accrued and unpaid interest up to but not including the date of redemption.

In addition, prior to December 1, 2008, we may, at our option, redeem up to 35% of the notes issued under the indenture at a redemption price of 109.500% of the principal amount, plus accrued and unpaid interest up to but not including the date of redemption, with the proceeds of certain equity offerings. See *Description of Notes Optional Redemption*.

Table of Contents

Index to Financial Statements

Offer to purchase

If we experience a change of control, or we or any of our restricted subsidiaries sell certain assets, we may be required to offer to purchase the notes at the prices set forth under *Description of Notes Repurchase at the Option of Holders Change of Control* and *Description of Notes Repurchase at the Option of Holders Asset Sales*.

Covenants

We will issue the new notes under an indenture between us and the trustee. The indenture will, among other things, limit our ability and the ability of our restricted subsidiaries (as defined under *Description of Notes*) to:

incur additional indebtedness and issue preferred stock;

pay dividends or distributions on our capital stock or purchase, redeem or retire our capital stock;

issue or sell stock of subsidiaries;

make certain investments;

create liens on our assets;

enter into transactions with affiliates;

merge or consolidate with another company; and

transfer and sell assets.

Each of these covenants is subject to a number of important limitations and exceptions. See *Description of Notes Certain Covenants*.

Resale of new notes

Based on interpretations by the staff of the Securities and Exchange Commission set forth in no-action letters issued to third parties, including Exxon Holdings Corporation (available May 13, 1998) and Morgan Stanley & Co. Incorporated (available June 5, 1991), we believe that you may offer the new notes for resale, resell the new notes and otherwise transfer the new notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

you acquire the new notes in the exchange offer in the ordinary course of business;

Edgar Filing: TRONOX INC - Form S-4/A

you have no arrangement or understanding with any person to participate in the distribution of the new notes that you obtain in the exchange offer;

you are not a broker-dealer who purchased old notes directly from us for resale pursuant to Rule 144A or any other available exemption under the Securities Act; and

you are not an affiliate .

We intend to rely on the existing no-action letters and we do not intend to seek a no-action letter from the SEC with respect to the resale of the new notes.

Table of Contents

Index to Financial Statements

Risk Factors

Investing in the notes involves risk. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under *Risk Factors* beginning on page 16 in deciding whether to participate in the exchange offer.

Company Information

Tronox Worldwide LLC is a Delaware limited liability company initially organized as a corporation in Delaware. On September 12, 2005, its name was changed from Kerr-McGee Chemical Worldwide LLC to Tronox Worldwide LLC. Our website address is *www.tronox.com*. The information on our website is not incorporated by reference into this prospectus and you should not consider information on our website a part of this prospectus. Our principal executive offices are located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102. Our telephone number is (405) 775-5000.

Table of Contents**Index to Financial Statements****Selected Financial Data**

The following table sets forth selected financial data of Parent as of the dates and for the periods indicated in such table. The selected statement of operations data for the years ended December 31, 2005, 2004, 2003 and 2002, and the balance sheet data as of December 31, 2005, 2004 and 2003, have been derived from our Parent's audited consolidated and combined financial statements. The selected statement of operations data for the year ended December 31, 2001, and the balance sheet data as of December 31, 2002 and 2001, have been derived from Kerr-McGee's accounting records and are unaudited. The selected statement of operations data for the three-month periods ended March 31, 2006 and 2005, and the balance sheet data as of March 31, 2006, have been derived from our Parent's interim unaudited condensed consolidated and combined financial statements included elsewhere in this prospectus. In the opinion of our management, the interim unaudited condensed consolidated and combined financial statements have been prepared on a basis consistent with the audited consolidated and combined financial statements and include all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for the periods presented. Results of operations for the three-month period ended March 31, 2006 are not necessarily indicative of the operating results to be expected for the full fiscal year 2006 or for any future periods. Effective January 1, 2006, Parent adopted Statement of Financial Accounting Standard No. 123 (revised 2004), Share-Based Payment (FAS No. 123R) and Emerging Issues Task Force (EITF) Issue No. 04-6, Accounting for Stripping Costs Incurred during Production in the Mining Industry which are discussed in *Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)* included elsewhere in this prospectus.

The selected financial data presented below should be read together with *Use of Proceeds*, and *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated and combined financial statements of Parent and the notes to those statements, in each case, included elsewhere in this prospectus.

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(Millions of dollars, except per share)							
Consolidated and Combined Statement of Operations Data:							
Net sales	\$ 336.2	\$ 334.2	\$ 1,364.0	\$ 1,301.8	\$ 1,157.7	\$ 1,064.3	\$ 1,022.6
Cost of goods sold	276.0	272.3	1,143.8	1,168.9	1,024.7	949.0	972.5
Gross margin	60.2	61.9	220.2	132.9	133.0	115.3	50.1
Selling, general and administrative expenses	35.7	28.2	115.2	110.1	98.9	84.0	92.2
Restructuring charges ⁽¹⁾				113.0	61.4	11.8	
Provision for environmental remediation and restoration, net of reimbursements ⁽²⁾	(20.5)	10.9	17.1	4.6	14.9	14.3	7.7
	45.0	22.8	87.9	(94.8)	(42.2)	5.2	(49.8)
Interest and debt expense - third parties	(12.0)		(4.5)	(0.1)	(0.1)	(0.1)	(0.1)
Other income (expense) ⁽³⁾	4.4	(5.0)	(15.2)	(25.2)	(20.5)	(13.1)	(39.9)
Income (loss) from continuing operations before income taxes	37.4	17.8	68.2	(120.1)	(62.8)	(8.0)	(89.8)
Income tax benefit (provision)	(13.8)	(5.4)	(21.8)	38.3	15.1	(8.3)	30.7
Income (loss) from continuing operations before cumulative effect of change in accounting principle	23.6	12.4	46.4	(81.8)	(47.7)	(16.3)	(59.1)
Loss from discontinued operations, net of income tax benefit	(3.0)	(8.4)	(27.6)	(45.8)	(35.8)	(81.0)	(49.0)
Income (loss) before cumulative effect of change in accounting principle	20.6	4.0	18.8	(127.6)	(83.5)	(97.3)	(108.1)
Cumulative effect of change in accounting principle, net of income tax					(9.2)		0.7
Net income (loss)	\$ 20.6	\$ 4.0	\$ 18.8	\$ (127.6)	\$ (92.7)	\$ (97.3)	\$ (107.4)
Income (loss) from continuing operations per common share, basic and diluted	\$ 0.58	\$ 0.54	\$ 1.89	\$ (3.57)	\$ (2.08)	\$ (0.71)	\$ (2.58)

Dividends declared per common share	0.05	0.05
-------------------------------------	------	------

Table of Contents**Index to Financial Statements**

	As of March 31,		As of December 31,			
	2006	2005	2004	2003	2002	2001
(Millions of dollars, except per share)						
Consolidated and Combined Balance Sheet Data:						
Working capital ⁽⁴⁾	\$ 417.3	\$ 404.4	\$ 240.2	\$ 304.5	\$ 243.6	\$ 264.5
Property, plant and equipment, net	846.8	839.7	883.0	961.6	944.9	948.9
Total assets ⁽⁵⁾	1,889.6	1,758.3	1,595.9	1,809.1	1,733.6	1,628.1
Noncurrent liabilities:						
Long-term debt ⁽⁶⁾	547.5	548.0				
Environmental remediation and/or restoration	138.8	145.9	130.8	135.9	131.4	40.0
All other noncurrent liabilities ⁽⁵⁾	318.0	200.4	215.9	312.2	192.4	209.6
Total liabilities ⁽⁶⁾	1,374.2	1,269.3	706.0	797.9	671.2	556.7
Total business/stockholders' equity ⁽⁶⁾	515.4	489.0	889.9	1,011.2	1,062.4	1,071.4

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(Millions of dollars, except per share)							
Supplemental Information:							
Depreciation and amortization expense	\$ 24.5	\$ 26.8	103.1	104.6	106.5	105.7	119.9
Capital expenditures	21.8	11.8	87.6	92.5	99.4	86.7	153.3
Adjusted EBITDA ⁽⁷⁾	62.8	65.8	232.0	162.2	160.3	134.5	N/A

- (1) Restructuring charges in 2004 include costs associated with the shutdown of our titanium dioxide pigment sulfate production at our Savannah, Georgia, facility. Restructuring charges in 2003 include costs associated with the shutdown of our synthetic rutile plant in Mobile, Alabama, and charges in connection with a work force reduction program consisting of both voluntary retirements and involuntary terminations. Restructuring charges in 2002 represent a write-down of fixed assets for abandoned engineering projects.
- (2) The period ended March 31, 2006, includes \$(20.5) million pretax reimbursement settlement of our claim against the United States for contribution of past costs for ammonium perchlorate remediation at our Henderson, Nevada, facility.
- (3) Includes interest expense allocated by Kerr-McGee based on specifically identified borrowings from Kerr-McGee at Kerr-McGee's average borrowing rates. Also includes net foreign currency transaction gain (loss), equity in net earnings of equity method investees, loss on accounts receivable sales and other expenses. See Note 21 to the Audited Consolidated and Combined Financial Statements and Note 7 to the Interim Unaudited Condensed Consolidated and Combined Financial Statements, in each case included elsewhere in this prospectus.
- (4) Working capital is defined as the excess of current assets over current liabilities.
- (5) Total assets and all other noncurrent liabilities for periods prior to March 31, 2006 do not include the effects of certain employee benefit obligations and associated plan assets that were assumed upon completion of the Distribution. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies*.
- (6) In the fourth quarter of 2005, Parent completed a recapitalization, whereby Parent's common stock held by Kerr-McGee converted into approximately 22.9 million shares of Class B common stock. Also in the fourth quarter of 2005, Parent completed an IPO, whereby approximately 17.5 million shares of its Class A common stock were issued. All of the net proceeds from the IPO were distributed to Kerr-McGee. Concurrent with the IPO, we issued \$350.0 million of senior notes and borrowed \$200.0 million under a senior secured credit facility.
- (7) EBITDA represents net income (loss) before net interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA represents EBITDA as further adjusted to reflect the items set forth in the table below, all of which are required in determining our compliance with financial covenants under our senior secured credit facility. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition and Liquidity*.

Table of Contents

Index to Financial Statements

We have included EBITDA and adjusted EBITDA to provide investors with a supplemental measure of our operating performance and information about the calculation of some of the financial covenants that are contained in our senior secured credit facility. We believe EBITDA is an important supplemental measure of operating performance because it eliminates items that have less bearing on our operating performance and thus highlights trends in our core business that may not otherwise be apparent when relying solely on generally accepted accounting principles (GAAP) financial measures. We also believe that securities analysts, investors and other interested parties frequently use EBITDA in the evaluation of issuers, many of which present EBITDA when reporting their results. Adjusted EBITDA is a material component of the covenants imposed on us by the senior secured credit facility. Under the senior secured credit facility, we are subject to financial covenant ratios that are calculated by reference to adjusted EBITDA. Non-compliance with the financial covenants contained in the senior secured credit facility could result in a default, an acceleration in the repayment of amounts outstanding, and a termination of the lending commitments under the senior secured credit facility. Any acceleration in the repayment of amounts outstanding under the senior secured credit facility would result in a default under the indenture governing the notes. While an event of default under the senior secured credit facility or the indenture governing the notes is continuing, we would be precluded from, among other things, paying dividends on our common stock or borrowing under the revolving credit facility. For a description of required financial covenant levels, see *Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition and Liquidity*. Our management also uses EBITDA and adjusted EBITDA in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our future debt service, capital expenditure and working capital requirements and our ability to pay dividends on our common stock.

EBITDA and adjusted EBITDA are not presentations made in accordance with GAAP. As discussed above, we believe that the presentation of EBITDA and adjusted EBITDA in this prospectus is appropriate. However, when evaluating our results, you should not consider EBITDA and adjusted EBITDA in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss). EBITDA and adjusted EBITDA have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. Because other companies may calculate EBITDA and adjusted EBITDA differently than we do, EBITDA may not be, and adjusted EBITDA as presented in this prospectus is not, comparable to similarly titled measures reported by other companies.

Table of Contents**Index to Financial Statements**

The following table reconciles net income (loss) to EBITDA and adjusted EBITDA for the periods presented:

	Three Months Ended March 31,		Year Ended December 31,			
	2006	2005	2005	2004	2003	2002
	(Millions of dollars)					
Net income (loss) ^(a)	\$ 20.6	\$ 4.0	\$ 18.8	\$ (127.6)	\$ (92.7)	\$ (97.3)
Interest and debt expense	12.0		4.5	0.1	0.1	0.1
Net interest expense on borrowings with affiliates and interest income ^(b)	(0.7)	3.1	11.9	9.5	8.8	11.1
Income tax provision (benefit)	12.0	0.9	7.0	(63.0)	(39.3)	(35.3)
Depreciation and amortization expense	24.5	26.8	103.1	104.6	106.5	105.7
EBITDA	68.4	34.8	145.3	(76.4)	(16.6)	(15.7)
Savannah sulfate facility shutdown costs				29.0		
Loss from discontinued operations (pretax) ^(c)	4.8	12.9	42.4	69.7	51.9	120.1
Provision for environmental remediation and restoration, net of reimbursements	(20.5)	10.9	17.1	4.6	14.9	14.3
Extraordinary, unusual or non-recurring expenses or losses ^(d)				(0.3)	47.0	
One-time fees, costs and expenses related to separation from Kerr-McGee	1.6					
Noncash changes constituting:						
(Gain) loss on sales of accounts receivable ^(e)		2.8	(0.1)	8.2	4.8	4.7
Write-downs of property, plant and equipment and other assets ^(f)	0.1		9.3	104.8	29.3	18.5
Impairment of intangible assets				7.4		
Cumulative effect of change in accounting principle					14.1	
Provision for asset retirement obligations			1.4			
Other items ^(g)	8.4	4.4	16.6	15.2	14.9	(7.4)
Adjusted EBITDA	\$ 62.8	\$ 65.8	\$ 232.0	\$ 162.2	\$ 160.3	\$ 134.5

(a) Net income (loss) includes pre-tax operating losses associated with our Savannah sulfate facility, which was closed in September 2004, of \$0.7 million for the three-month period ending March 31, 2005, and \$2.6 million, \$17.8 million, \$18.6 million and \$9.6 million for the years ended December 31, 2005, 2004, 2003 and 2002, respectively.

(b) Included as a component of Other income (expense) in the Consolidated and Combined Statement of Operations. Net interest expense on borrowings with affiliates was nil and \$3.8 million for the three-month periods ending March 31, 2006 and 2005, respectively, and \$14.6 million, \$12.1 million, \$10.1 million and \$12.9 million for the years ended December 31, 2005, 2004, 2003 and 2002, respectively.

(c) Includes provisions for environmental remediation and restoration, net of reimbursements, related to our former forest products operations, thorium compounds manufacturing, uranium and refining operations of \$0.4 million and \$10.7 million for the three-month periods ended March 31, 2006 and 2005, respectively, and \$17.6 million, \$61.5 million, \$41.1 million and \$61.1 million for the years ended December 31, 2005, 2004, 2003 and 2002, respectively.

(d) Represents extraordinary, unusual or non-recurring expenses or losses as defined within our credit agreement. Includes \$25.8 million associated with the closure of our Mobile, Alabama, facility in 2003 for charges not reflected elsewhere and \$21.2 million for a work force reduction program for continuing operations in 2003. See Note 16 to the Audited Consolidated and Combined Financial Statements included in this prospectus.

(e) Loss on the sales of accounts receivable under an asset monetization program, or a factoring program, comparable to interest expense.

(f) The 2004 amount includes \$86.6 million associated with the shutdown of our Savannah sulfate facility.

(g) Includes noncash stock-based compensation, noncash pension and postretirement cost and accretion expense.

Table of Contents

Index to Financial Statements

RISK FACTORS

In addition to the other information contained in this prospectus, the following factors related to our company, the exchange offer and the new notes should be considered carefully in deciding to participate in the exchange offer.

Risks Related to Our Indebtedness and the Notes

We may need additional capital in the future and may not be able to obtain it on favorable terms, if at all.

Our industry is highly capital intensive and our success depends to a significant degree on our ability to develop and market innovative products and to update our facilities and process technology. We may require additional capital in the future to finance our future growth and development, implement further marketing and sales activities, fund our ongoing research and development activities and meet our general working capital needs. Our capital requirements will depend on many factors, including acceptance of and demand for our products, the extent to which we invest in new technology and research and development projects, and the status and timing of competitive developments. Additional financing may not be available when needed on terms favorable to us or at all. Further, the terms of the senior secured credit facility and the indenture governing the notes, may limit our ability to incur additional indebtedness or Parent's ability to issue additional shares of common stock. If we are unable to obtain adequate funds on acceptable terms, we may be unable to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, which could harm our business.

Your right to receive payments on the notes could be adversely affected if any of our non-guarantor subsidiaries declare bankruptcy, liquidate or reorganize.

We conduct domestic and international business through our operating subsidiaries. Portions of our international business are conducted through operating subsidiaries that are organized outside the United States, none of which guarantee the notes. Therefore, the notes are effectively subordinated to the prior payment of debts and other liabilities (including trade payables) of our non-U.S. operating subsidiaries. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us. Our non-guarantor subsidiaries had net sales (after intercompany eliminations) for the year ended December 31, 2005 of approximately \$680.6 million, which represented 50% of consolidated net sales. At March 31, 2006 (i) our non-guarantor subsidiaries held approximately 44% of accounts receivable (excluding intercompany receivables), inventory and net property, plant and equipment, and (ii) our foreign non-guarantor subsidiaries had current and noncurrent liabilities (excluding intercompany liabilities and liabilities related to income taxes) which aggregated approximately \$208.4 million. Our domestic non-guarantor subsidiaries are immaterial.

Your right to receive payments on these notes is effectively subordinated to the rights of our existing and future secured creditors.

Holders of our secured indebtedness will have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing that other indebtedness. Notably, we, certain of our subsidiaries and Parent are parties to our senior secured credit facility, which is secured by (1) a pledge of the capital stock of our domestic subsidiaries, (2) a pledge of 65% of the voting capital stock and 100% of the non-voting stock of our direct foreign subsidiaries and (3) a first priority security interest in certain domestic assets, including certain real property, of Tronox and the guarantors of the senior secured credit facility. The notes are effectively subordinated to that secured indebtedness to the extent of the value of the pledged collateral. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of secured indebtedness will have a claim on those of our assets that constitute their collateral that is senior to the claims of the holders of the notes and the guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same

Table of Contents

Index to Financial Statements

class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less, ratably, than holders of secured indebtedness. As of June 2, 2006, the aggregate amount of our secured indebtedness was \$229.5 million, and approximately \$143.4 million was available for borrowing under our senior secured credit facility. We will be permitted to incur substantial additional indebtedness (subject to certain restrictions), including senior debt, in the future under the terms of our senior secured credit facility. See *Description of Other Indebtedness*.

If we are required by the indenture to offer to repurchase the notes upon a change of control, we may not have the necessary funds to do so.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest to the date of repurchase. Any future agreements relating to indebtedness to which we become a party may contain similar provisions. However, it is possible that we will not have sufficient funds at the time of any change of control transaction to make the required repurchase of notes or that restrictions in our credit facility will not allow such repurchases. See *Description of Notes Repurchase at the Option of Holders Change of Control*.

The indebtedness represented by the notes and the guarantees may be unenforceable due to fraudulent conveyance statutes.

Under federal bankruptcy law and/or state fraudulent transfer laws, if a court of competent jurisdiction in a suit by an unpaid creditor or representative of creditors (such as a trustee in bankruptcy or a debtor-in-possession) were to find that we or our guarantors did not receive fair consideration (or reasonably equivalent value) for issuing the notes or the guarantees or any indebtedness refinanced by the notes and at the time of the issuance of the notes or the guarantees, that we or our guarantors were insolvent, were rendered insolvent by reason of that incurrence, were engaged in a business or transaction for which our remaining assets constituted unreasonably small capital, intended to incur, or believed that we would incur, debts beyond our ability to pay such debts as they became due, or that we intended to hinder, delay or defraud our creditors, then that court could, among other things,

void all or a portion of our obligations to the holders of the notes or our guarantors obligations under the guarantees,

recover all or a portion of the payments made to holders of the notes, and/or

subordinate our or our guarantors obligations to the holders of the notes to our other existing and future indebtedness to a greater extent than would otherwise be the case, the effect of which would be to entitle those other creditors to be paid in full before any payment could be made on the notes.

The measure of insolvency for purposes of the foregoing will vary depending upon the law of the relevant jurisdiction. Generally, however, a company would be considered insolvent for purposes of the foregoing if the sum of that company's debts was greater than all of that company's assets at a fair valuation, or if the present fair saleable value of that company's assets was less than the amount that would be required to pay the probable liability on its existing debts as they become absolute and due. There can be no assurance as to what standards a court would apply to determine whether we or our guarantor were solvent at the relevant time, or whether, whatever standard was applied, the notes would not be voided on another of the grounds set forth above.

A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.

A financial failure by us or our subsidiaries could affect payment of the notes if a bankruptcy court were to substantively consolidate us and our subsidiaries. If a bankruptcy court substantively consolidated us and our subsidiaries, the assets of each entity would become subject to the claims of creditors of all entities. This would expose holders of notes not only to the usual impairments arising from bankruptcy, but also to potential dilution

Table of Contents

Index to Financial Statements

of the amount ultimately recoverable because of the larger creditor base. Furthermore, forced restructuring of the notes could occur through the cram-down provisions of the bankruptcy code. Under these provisions, the notes could be restructured over your objections as to their general terms, primarily interest rate and maturity.

We may issue additional notes ranking equal to your notes.

The indenture governing the notes will permit us to issue additional notes, subject to satisfaction of certain covenants. If we issue any such additional notes, the holders of those notes will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any foreclosure upon the collateral or an insolvency, liquidation, reorganization, dissolution or other winding-up. This may have the effect of reducing the amount of proceeds paid to you. See *Description of Notes*.

The notes may be affected by fluctuations in the market for non-investment-grade securities.

Historically, the market for non-investment-grade, or high-yield, debt securities has been subject to disruptions that have caused substantial volatility in their prices. To the extent that a trading market for the notes does develop, the liquidity of, and trading market for, the notes may be materially adversely affected by declines in the market for high-yield debt securities generally. These declines may materially adversely affect the price and trading of the notes, and the price at which they can be sold, independently of our financial performance and prospects.

Risks Related to Our Business and Industry

We are subject to significant liabilities that are in addition to those associated with our primary business. These liabilities could adversely affect our financial condition and results of operations and we could suffer losses as a result of these liabilities even if our primary business performs well.

We, our subsidiaries and their predecessors have operated a number of businesses in addition to the current chemical business, including businesses involving the treatment of forest products, the production of ammonium perchlorate, the refining and marketing of petroleum products, offshore contract drilling, coal mining and the mining, milling and processing of nuclear materials. As a result, we are subject to significant liabilities that are in addition to those associated with our primary business, including legal, regulatory and environmental liabilities. For example, we have liabilities relating to the remediation of various sites at which chemicals such as creosote, perchlorate, low-level radioactive substances, asbestos and other materials have been used or disposed. Our financial condition and results of operations could be adversely affected by these liabilities. We also could suffer losses as a result of these liabilities even if our primary business performs well. See Note 22 to the Audited Consolidated and Combined Financial Statements and Note 12 to the Interim Unaudited Condensed Consolidated and Combined Financial Statements included in this prospectus for a discussion of contingencies.

The costs of compliance with the extensive environmental, health and safety laws and regulations to which we are subject or the inability to obtain, update or renew permits required for the operation of our business could reduce our profitability or otherwise adversely affect us.

Our current and former operations involve the generation and management of regulated materials that are subject to various environmental laws and regulations and are dependent on the periodic renewal of permits from various governmental agencies. The inability to obtain, update or renew permits related to the operation of our businesses, or the costs required in order to comply with permit standards, could have a material adverse effect on us. For example, we currently are updating permits related to water and air emissions for our facility in Botlek, Netherlands. Although we do not anticipate any significant difficulties in obtaining such permits or that any material expenditures will be required, the failure to update such permits could have a material adverse effect on our ability to produce our products and on our results of operations.

In addition, changes in the laws and regulations to which we are subject, or their interpretation, or the enactment of new laws and regulations, could result in materially increased and unanticipated capital expenditures and compliance costs. For example, the proposed REACH (Registration, Evaluation and

Table of Contents

Index to Financial Statements

Authorization of Chemicals) regulatory scheme in the European Union, if implemented as currently proposed, could adversely affect our European operations by imposing on us a testing, evaluation and registration program for some of the chemicals that we use or produce. At the present time, we are not able to predict the ultimate cost of compliance with these requirements or their effect on our business.

Environmental laws and regulations obligate us to remediate various sites at which chemicals such as creosote, perchlorate, low-level radioactive substances, asbestos and other materials have been disposed of or released. Some of these sites have been designated Superfund sites by the U.S. Environmental Protection Agency (EPA) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA). See Note 22 to the Audited Consolidated and Combined Financial Statements and Note 12 to the Interim Unaudited Condensed Consolidated and Combined Financial Statements included in this prospectus for a discussion of these matters. The discovery of contamination arising from historical industrial operations at some of our properties has exposed us, and in the future may continue to expose us, to significant remediation obligations and other damages.

The actual costs of environmental remediation and restoration could exceed estimates.

As of March 31, 2006, we had reserves in the amount of \$216.5 million for environmental remediation and restoration. We reserve for costs related to environmental remediation and restoration only when a loss is probable and the amount is reasonably estimable. In estimating our environmental liabilities, including the cost of investigation and remediation at a particular site, we consider a variety of matters, including, but not limited to, the stage of the investigation at the site, the stage of remedial design for the site, the availability of existing remediation technologies, presently-enacted laws and regulations and the state of any related legal or administrative investigation or proceedings. For example, at certain sites we are in the preliminary stages of our environmental investigation and therefore have reserved for such sites amounts equal only to the cost of our environmental investigation. The findings of these site investigations could result in an increase in our reserves for environmental remediation. While we believe we have established appropriate reserves for environmental remediation based on the information we currently know, additions to the reserves may be required as we obtain additional information that enables us to better estimate our liabilities.

Our estimates of environmental liabilities at a particular site could increase significantly as a result of, among other things, changes in laws and regulations, revisions to the site's remedial design, unanticipated construction problems, identification of additional areas or volumes of contamination, increases in labor, equipment and technology costs, changes in the financial condition of other potentially responsible parties and the outcome of any related legal and administrative proceedings to which we are or may become a party. For example, in 2004, remediation efforts required by the Nuclear Regulatory Commission (NRC) at our site in Cushing, Oklahoma, identified additional soil and groundwater impacts that would require assessment and possible remediation. As a result, in that year we increased our reserves for environmental remediation with respect to the Cushing site by \$10.3 million, which was part of a total increase in our 2004 environmental reserves of \$81.4 million. See *Management's Discussion and Analysis of Financial Condition and Results of Operations Environmental Matters Environmental Costs* , Note 22 to the Audited Consolidated and Combined Financial Statements and Note 12 to the Interim Unaudited Condensed Consolidated and Combined Financial Statements included in this prospectus.

In addition to the sites for which we have established reserves, there may be other sites where we have potential liability for environmental matters but for which we do not have sufficient information to determine that a liability is probable and reasonably estimable. As we obtain additional information about those sites, we may determine that reserves for such sites should be established. New environmental claims also may arise as a result of changes in environmental laws and regulations or for other reasons. If new claims arise and losses associated with those claims become probable and reasonably estimable, we will need to increase our reserves to reflect those new claims.

As a result of the factors described above, it is not possible for us to reliably estimate the amount and timing of all future expenditures related to environmental or other contingent matters, and our actual costs related to

Table of Contents

Index to Financial Statements

such matters could exceed our current reserves. See *Business Government Regulations and Environmental Matters* and *Legal Proceedings*.

Hazards associated with chemical manufacturing could adversely affect our results of operations.

Due to the nature of our business, we are exposed to the hazards associated with chemical manufacturing and the related storage and transportation of raw materials, products and wastes. These hazards could lead to an interruption or suspension of operations and have an adverse effect on the productivity and profitability of a particular manufacturing facility or on us as a whole. Potential hazards include the following:

Piping and storage tank leaks and ruptures

Mechanical failure

Employee exposure to hazardous substances

Chemical spills and other discharges or releases of toxic or hazardous substances or gases

There is also a risk that one or more of our key raw materials or one or more of our products may be found to have currently unrecognized toxicological or health-related impact on the environment or on our customers or employees. Such hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which could lead to government fines or work stoppage injunctions and lawsuits by injured persons. If such actions are determined adversely to us, we may have inadequate insurance to cover such claims, or we may have insufficient cash flow to pay for such claims. Such outcomes could adversely affect our financial condition and results of operations.

Violations or noncompliance with the extensive environmental, health and safety laws and regulations to which we are subject could result in unanticipated loss or liability.

Our operations and production facilities are subject to extensive environmental and health and safety laws and regulations at national, international and local levels in numerous jurisdictions relating to pollution, protection of the environment, transporting and storing raw materials and finished products and storing and disposing of hazardous wastes. We may incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, for violations arising under these laws and regulations. In the event of a catastrophic incident involving any of the raw materials we use or chemicals we produce, we could incur material costs as a result of addressing the consequences of such event.

We are party to a number of legal and administrative proceedings involving environmental and other matters pending in various courts and before various agencies. These include proceedings associated with facilities currently or previously owned, operated or used by us or our predecessors, and include claims for personal injuries, property damages, injury to the environment, including natural resource damages, and non-compliance with permits. Any determination that one or more of our key raw materials or products, or the materials or products associated with facilities previously owned, operated or used by us or our predecessors, has, or is characterized as having, a toxicological or health-related impact on our environment, customers or employees could subject us to additional legal claims. These proceedings and any such additional claims may be costly and may require a substantial amount of management attention, which may have an adverse affect on our financial condition and results of operations. See *Business Government Regulations and Environmental Matters* and *Legal Proceedings*.

The amount of our debt could adversely affect our financial condition, limit our ability to pursue business opportunities, reduce our operating flexibility or put us at a competitive disadvantage.

As of March 31, 2006, we had \$547.5 million of long-term debt. Our debt could have important consequences for us. For instance, it could:

Edgar Filing: TRONOX INC - Form S-4/A

Require us to use a substantial portion of our cash flow from operations for debt service and reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate activities

Table of Contents

Index to Financial Statements

Limit our ability to obtain financing for working capital, capital expenditures, acquisitions or other general corporate activities in the future

Expose us to greater interest rate risk because the interest rates on our senior secured credit facility will vary

Impair our ability to successfully withstand a downturn in our business or the economy in general and place us at a disadvantage relative to our less-leveraged competitors

The senior secured credit facility and the indenture governing the notes limit, but do not prohibit, us from incurring additional debt, and we may incur additional debt in the future. If we incur additional debt, our ability to satisfy our debt obligations may become more limited.

The terms of our senior secured credit facility and our indenture governing the notes contain a number of restrictive and financial covenants that could limit our ability to pay dividends or to operate effectively in the future. If we are unable to comply with these covenants, our lenders could accelerate the repayment of our indebtedness.

The terms of our senior secured credit facility and our indenture governing the notes subject us to a number of covenants that impose significant operating restrictions on us, including on our ability to incur indebtedness and liens, make loans and investments, make capital expenditures, sell assets, engage in mergers, consolidations and acquisitions, enter into transactions with affiliates, enter into sale and leaseback transactions, make optional payments or modifications of the notes or other material debt, change our lines of business and pay dividends on our common stock. We are also required by the terms of the senior secured credit facility to comply with financial covenant ratios. These restrictions could limit our ability to plan for or react to market conditions or meet capital needs.

A breach of any of the covenants imposed on us by the terms of our indebtedness, including the financial covenants in the senior secured credit facility, could result in a default under such indebtedness. In the event of a default, the lenders under the revolving credit facility could terminate their commitments to us, and they and the lenders of our other indebtedness could accelerate the repayment of all of our indebtedness. In such case, we may not have sufficient funds to pay the total amount of accelerated obligations, and our lenders under the senior secured credit facility could proceed against the collateral securing the facility. Any acceleration in the repayment of our indebtedness or related foreclosure could adversely affect our business.

Market conditions and cyclical factors that adversely affect the demand for the end-use products that contain our titanium dioxide could adversely affect our results.

Historically, regional and world events that negatively affect discretionary spending or economic conditions generally, such as terrorist attacks, the incidence or spread of contagious diseases (such as SARS), or other economic, political, or public health or safety conditions, have adversely affected demand for the finished products that contain titanium dioxide and from which we derive substantially all of our revenue. Events such as these are likely to contribute to a general reluctance by the public to purchase quality of life products, which could cause a decrease in demand for our chemicals and, as a result, may have an adverse effect on our results of operations and financial condition.

Additionally, the demand for titanium dioxide during a given year is subject to seasonal fluctuations. Titanium dioxide sales are generally higher in the second and third quarters of the year than in the other quarters due in part to the increase in paint production in the spring to meet demand resulting from the spring and summer painting season in North America and Europe. We may be adversely affected by existing or future cyclical changes, and such conditions may be sustained or further aggravated by anticipated or unanticipated changes in regional weather conditions. For example, poor weather conditions in a region can lead to an abbreviated painting season, which can depress consumer sales of paint products that use titanium dioxide pigment.

Table of Contents

Index to Financial Statements

Our business, financial condition and results of operations could be adversely affected by global and regional economic downturns and other conditions.

We have significant production, sales and marketing operations throughout the United States, Europe and the Asia-Pacific region, with more than 1,100 customers in over 100 countries. We also purchase many of the raw materials used in the production of our products in foreign jurisdictions. In 2005, approximately 45% of our total revenues were generated from production outside of the United States. Due to these factors, our performance, particularly the performance of our pigment segment, is cyclical and tied closely to general economic conditions, including global gross domestic product. As a result, our business, financial condition and results of operations are vulnerable to political and economic conditions affecting global gross domestic product and the countries in which we operate. For example, from 2000 through 2003, our business was affected when the titanium dioxide industry experienced a period of unusually weak business conditions as a result of a variety of factors, including the global economic recession, exceptionally rainy weather conditions in Europe and the Americas, and the outbreak of SARS in Asia. Based on these factors, global and regional economic downturns and other conditions may have an adverse effect on our financial condition and results of operations.

Our results of operations may be adversely affected by fluctuations in currency exchange rates.

The financial condition and results of operations of our operating entities in the European Union, among other jurisdictions, are reported in various foreign currencies and then translated into U.S. dollars at the applicable exchange rate for inclusion in the financial statements. As a result, any appreciation of the U.S. dollar against these foreign currencies will have a negative impact on our reported sales and operating margin (and conversely, the depreciation of the dollar against these foreign currencies will have a positive impact). In addition, our operating entities often need to convert currencies they receive for our products into currencies in which they purchase raw materials or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. Because we have significant operations in Europe and Australia, we are exposed primarily to fluctuations in the euro and the Australian dollar.

In the past, we have sought to minimize our foreign currency translation risk by engaging in hedging transactions. We may be unable to effectively manage our foreign currency translation risk, and any volatility in foreign currency exchange rates may have an adverse effect on our financial condition or results of operations. For a further discussion of how we manage our foreign currency risk, see *Quantitative and Qualitative Disclosure about Market Risk Foreign Currency Exchange Rate Risk*.

Our industry and the end-use markets in which we compete are highly competitive. This competition may adversely affect our results of operations and operating cash flows.

Each of the markets in which we compete is highly competitive. Competition is based on a number of factors such as price, product quality and service. We face significant competition from major international producers, such as E.I. du Pont de Nemours and Company, Millennium Chemicals Inc., Huntsman Corporation and Kronos Worldwide, Inc., as well as smaller regional competitors. Our most significant competitors include major chemicals and materials manufacturers and diversified companies, a number of which have substantially larger financial resources, staffs and facilities than we do. The additional resources and larger staffs and facilities of such competitors may give them a competitive advantage when responding to market conditions and capitalizing on operating efficiencies. Increased competition could result in reduced sales, which could adversely affect our profitability and operating cash flows. See *Business Competitive Conditions*.

In addition, within the end-use markets in which we compete, competition between products is intense. We face substantial risk that certain events, such as new product development by our competitors, changing customer needs, production advances for competing products or price changes in raw materials, could cause our customers to switch to our competitors' products. If we are unable to develop and produce or market our products to compete effectively against our competitors, our results of operations and operating cash flows may suffer.

Table of Contents

Index to Financial Statements

Fluctuations in costs of our raw materials or our access to supplies of our raw materials could have an adverse effect on our results of operations.

In 2005, raw materials used in the production of titanium dioxide constituted approximately 30% of our cost of products sold. Titanium-bearing ores, in particular, represented more than 18% of our cost of products sold in 2005.

Costs of many of the raw materials we use may fluctuate widely for a variety of reasons, including changes in availability, major capacity additions or reductions or significant facility operating problems. These fluctuations could negatively affect our operating margins and our profitability. As these costs rise, our operating expenses likely will increase and could adversely affect our business, especially if we are unable to pass price increases in raw materials through to our customers.

Should our vendors not be able to meet their contractual obligations or should we be otherwise unable to obtain necessary raw materials, we may incur higher costs for raw materials or may be required to reduce production levels, which may have an adverse effect on our financial position, results of operations or liquidity. For a further discussion, see *Business Raw Materials*.

The labor and employment laws in many jurisdictions in which we operate are more restrictive than in the United States. Our relationship with our employees could deteriorate, which could adversely affect our operations.

In the United States, approximately 200 employees at our Savannah, Georgia, facility are members of a union and are subject to a collective bargaining arrangement that is scheduled to expire in April 2007. Approximately 40% of our employees are employed outside the United States. In certain of those countries, such as Australia and the member states of the European Union, labor and employment laws are more restrictive than in the United States and, in many cases, grant significant job protection to employees, including rights on termination of employment. For example, in Germany and the Netherlands, by law some of our employees are represented by a works council, which subjects us to employment arrangements very similar to collective bargaining agreements.

We are required to consult with and seek the consent or advice of the unions or works councils that represent our employees for certain of our activities. This requirement could have a significant impact on our flexibility in managing costs and responding to market changes. Furthermore, there can be no assurance that we will be able to negotiate labor agreements with our unionized employees in the future on satisfactory terms. If those employees were to engage in a strike, work stoppage or other slowdown, or if any of our other employees were to become unionized, we could experience a significant disruption of our operations or higher ongoing labor costs, which could adversely affect our financial condition and results of operations.

Third parties may claim that our products or processes infringe their intellectual property rights, which may cause us to pay unexpected litigation costs or damages or prevent us from making, using, or selling our products.

Although currently there are no pending or threatened proceedings or claims relating to alleged infringement, misappropriation, or violation of the intellectual property rights of others, we may be subject to legal proceedings and claims in the future in which third parties allege that their patents or other intellectual property rights are infringed, misappropriated or otherwise violated by us or by our products or processes. In the event that any such infringement, misappropriation, or violation of the intellectual property rights of others is found, we may need to obtain licenses from those parties or substantially re-engineer our products or processes in order to avoid such infringement, misappropriation, or violation. We might not be able to obtain the necessary licenses on acceptable terms or be able to re-engineer our products or processes successfully. Moreover, if we are found by a court of law to infringe, misappropriate, or otherwise violate the intellectual property rights of others, we could be required to pay substantial damages or be enjoined from making, using, or selling the infringing

Table of Contents

Index to Financial Statements

products or technology. We also could be enjoined from making, using, or selling the allegedly infringing products or technology pending the final outcome of the suit. Any of the foregoing could adversely affect our financial condition and results of operations.

If we are not able to continue our technological innovation and successful commercial introduction of new products, our profitability could be adversely affected.

Our industries and the end-use markets into which we sell our products experience periodic technological change and product improvement. Our future growth will depend on our ability to gauge the direction of commercial and technological progress in key end-use markets and on our ability to fund and successfully develop, manufacture and market products in such changing end-use markets. We must continue to identify, develop and market innovative products or enhance existing products on a timely basis in order to maintain our profit margins and our competitive position. We may not be able to develop new products or technology, either alone or with third parties, or license intellectual property rights from third parties on a commercially competitive basis. If we fail to keep pace with the evolving technological innovations in our end-use markets on a competitive basis, our financial condition and results of operations could be adversely affected.

If our intellectual property were compromised or copied by competitors, or if competitors were to develop similar intellectual property independently, our results of operations could be negatively affected.

Our success depends to a significant degree upon our ability to protect and preserve our intellectual property rights. Although we own and have applied for numerous patents and trademarks throughout the world, we may have to rely on judicial enforcement of our patents and other proprietary rights. Our patents and other intellectual property rights may be challenged, invalidated, circumvented, rendered unenforceable or otherwise compromised. A failure to protect, defend or enforce our intellectual property could have an adverse effect on our financial condition and results of operations.

We also rely upon unpatented proprietary technology, know-how and other trade secrets to maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our proprietary expertise and other trade secrets, these agreements may not be enforceable or, even if legally enforceable, we may not have adequate remedies for breaches of such agreements. The failure of our patents or confidentiality agreements to protect our proprietary technology, know-how or trade secrets could result in significantly lower revenues, reduced profit margins or loss of market share.

We may be unable to determine when third parties are using our intellectual property rights without our authorization. We also have licensed certain of our intellectual property rights to third parties, and we cannot be certain that our licensees are using our intellectual property only as authorized by the applicable license agreement. The undetected or unremedied, unauthorized use of our intellectual property rights or the legitimate development or acquisition of intellectual property related to our industry by third parties could reduce or eliminate any competitive advantage we have as a result of our intellectual property, adversely affecting our financial condition and results of operations. If we must take legal action to protect, defend or enforce our intellectual property rights, any suits or proceedings could result in significant costs and diversion of our resources and our management's attention, and we may not prevail in any such suits or proceedings. A failure to protect, defend or enforce our intellectual property rights could have an adverse effect on our financial condition and results of operations.

We may need additional capital in the future and may not be able to obtain it on favorable terms, if at all.

Our industry is highly capital intensive and our success depends to a significant degree on our ability to develop and market innovative products and to update our facilities and process technology. We may require additional capital in the future to finance our future growth and development, implement further marketing and sales activities, fund our ongoing research and development activities and meet our general working capital

Table of Contents

Index to Financial Statements

needs. Our capital requirements will depend on many factors, including acceptance of and demand for our products, the extent to which we invest in new technology and research and development projects, and the status and timing of competitive developments. Additional financing may not be available when needed on terms favorable to us or at all. Further, the terms of the senior secured credit facility and the indenture governing the notes may limit our ability to incur additional indebtedness or issue additional shares of our common stock. If we are unable to obtain adequate funds on acceptable terms, we may be unable to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, which could harm our business.

Risks Related to Our Relationship with Kerr-McGee

Our historical financial information may not be representative of our results as a stand-alone company and, therefore, may not be reliable as an indicator of our future financial results.

The historical financial information of Parent included elsewhere in this prospectus has been derived from Kerr-McGee's accounting records. We believe that the assumptions underlying the consolidated and combined financial statements are reasonable. However, the historical consolidated and combined financial statements may not reflect what our results of operations, financial position and cash flows would have been had we been a stand-alone company during the periods presented or what our results of operations, financial position and cash flows will be in the future.

In particular, the historical consolidated and combined financial statements reflect allocations for corporate functions historically provided by Kerr-McGee, including general corporate expenses and employee benefits. These allocations were based on what Kerr-McGee considered to be reasonable reflections of the historical utilization levels of these services required in support of our business and may be less than the expenses we will incur in the future as a stand-alone company. For example, Parent currently estimates that general annual corporate expenses will increase by approximately \$15.0 to \$20.0 million now that we are a stand-alone company. In addition, we have not made adjustments to our historical financial information to reflect changes that may occur in our cost structure, financing and operations as a result of our separation from Kerr-McGee, including changes resulting from no longer being a member of Kerr-McGee's consolidated group for tax purposes. These changes potentially include increased costs associated with reduced economies of scale.

For additional information about our past financial performance and the basis of the presentation of the historical combined financial statements, please see *Selected Financial Data*, *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated and combined financial statements and related notes included elsewhere in this prospectus.

The interim services provided to us by Kerr-McGee may not be sufficient to meet our needs, and we may not be able to replace these services after our agreements with Kerr-McGee expire.

Historically, Kerr-McGee performed various corporate functions on our behalf, including the following:

Accounting services

Tax services

Employee benefits management

Financial services

Legal services

Risk and claims management

Information management and technology services

Real estate management

Table of Contents

Index to Financial Statements

Travel services

Office administration services

Following the IPO, Kerr-McGee has had no obligation to provide any services on our behalf other than as provided in Parent's transition services agreement with Kerr-McGee. We are in the process of creating our own, or engaging third parties to provide, systems and business functions to replace many of the systems and business functions Kerr-McGee historically provided us. However, we may not be successful in implementing these systems and business functions or in transitioning data from Kerr-McGee's systems to ours. If we do not have in place our own systems and business functions or if we do not have agreements with other providers of these services when our transition services agreement with Kerr-McGee expires, we may not be able to effectively operate our business and our profitability may be adversely affected.

Risks Related to the Exchange Offer

There is not currently an active market for the notes and we cannot assure you that one will develop.

There is currently no active trading market for the notes. If the notes are traded, they may trade for less than their initial offering price, depending upon prevailing interest rates, the market for similar securities, our financial condition and prospects and other factors beyond our control, including general economic conditions. We do not intend to apply for a listing or quotation of the notes. Although the initial purchasers of the old notes have informed us that they intend to make a market in the notes, they are not obligated to do so. In addition, the initial purchasers may discontinue their market making activities at any time without notice. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes.

There may be adverse consequences of a failure to exchange.

Untendered outstanding old notes that are not exchanged for new notes pursuant to this exchange offer will remain restricted securities. Outstanding old notes will continue to be subject to the following restrictions on transfer:

outstanding old notes may be resold only if registered pursuant to the Securities Act, if an exemption from registration is available thereunder, or if neither such registration nor such exemption is required by law,

outstanding old notes shall bear a legend restricting transfer in the absence of registration or an exemption therefrom, and

a holder of outstanding old notes who desires to sell or otherwise dispose of all or any part of its outstanding old notes under an exemption from registration under the Securities Act, if requested by us, must deliver to us an opinion of independent counsel experienced in Securities Act matters, reasonably satisfactory in form and substance to us, that such exemption is available.

Table of Contents**Index to Financial Statements****USE OF PROCEEDS**

This exchange offer is intended to satisfy our obligations under our Exchange and Registration Rights Agreement dated November 28, 2005 with the initial purchasers of the old notes. We will not receive any cash proceeds from the issuance of the new notes. We will only receive old notes equal in principal amount of the principal amount of new notes that we issue in the exchange offer.

RATIO OF EARNINGS TO FIXED CHARGES

For purposes of determining the ratio of earnings to fixed charges, earnings are defined as income (loss) from continuing operations, before income taxes plus fixed charges and distributed income from equity method investee less loss (gain) from equity method investee and capitalized interest. The ratio of earnings to fixed charges of our Parent is set forth below for the time periods presented:

	Three Months Ended March 31,		Year Ended December 31,			
	2006	2005	2004	2003	2002	2001
Ratio of earnings to fixed charges ⁽¹⁾	3.5	2.3	N/A	N/A	N/A	N/A

⁽¹⁾ The company's earnings were insufficient to cover its fixed charges in 2004, 2003, 2002 and 2001 by \$124.5 million, \$64.5 million, \$12.5 million and \$94.8 million, respectively.

Table of Contents

Index to Financial Statements

THE EXCHANGE OFFER

Purpose and Effects of the Exchange Offer

We initially issued \$350.0 million principal amount old notes on November 28, 2005 in a private offering in reliance on Section 4(2) of the Securities Act. The initial purchasers were Lehman Brothers, Credit Suisse First Boston, ABN AMRO Incorporated, RBS Greenwich Capital and SunTrust Robinson Humphrey. The initial purchasers subsequently offered and sold a portion of the old notes only to qualified institutional buyers as defined in and in compliance with Rule 144A and outside the United States in compliance with Regulation S of the Securities Act.

In connection with the sale of the old notes, we entered into an exchange and registration rights agreement, which requires us

to cause the old notes to be registered under the Securities Act, or

to file with the SEC a registration statement under the Securities Act with respect to an issue of new notes identical in all material respects to the old notes, and

use our best efforts to cause such registration statement to become effective under the Securities Act and

upon the effectiveness of that registration statement, to offer to the holders of the old notes the opportunity to exchange their old notes for a like principal amount of new notes, which will be issued without a restrictive legend and which may be reoffered and resold by the holder without restrictions or limitations under the Securities Act.

We are making the exchange offer to satisfy our obligations under the exchange and registration rights agreement. The term "holder" with respect to the exchange offer means any person in whose name old notes are registered on our or the Depository Trust Company's (DTC) books or any other person who has obtained a properly completed certificate of transfer from the registered holder, or any person whose old notes are held of record by DTC who desires to deliver such old notes by book-entry transfer at DTC.

We have not requested, and do not intend to request, an interpretation by the staff of the SEC with respect to whether the new notes issued in the exchange offer in exchange for the old notes may be offered for sale, resold or otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act. Based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe the new notes issued in exchange for old notes may be offered for resale, resold and otherwise transferred by any holder without compliance with the registration and prospectus delivery provisions of the Securities Act provided that:

you are not a broker-dealer who purchased old notes directly from us for resale pursuant to Rule 144A or any other available exemption under the Securities Act,

you are not our affiliate, or

you acquire the new notes in the ordinary course of your business and that you have no arrangement or understanding with any person to participate in the distribution of the new notes.

Any holder who tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of the new notes or who is our affiliate may not rely upon such interpretations by the staff of the SEC and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction. Any holder to comply with such requirements may incur liabilities under the Securities Act for which the holder is not indemnified by us. Each

Edgar Filing: TRONOX INC - Form S-4/A

broker-dealer (other than an affiliate of ours) that receives new notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of new notes. The letter of transmittal states that by so

Table of Contents

Index to Financial Statements

acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. We have agreed that, for a period of 90 days after the exchange date, we will make the prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

We are not making the exchange offer to, nor will we accept surrenders for exchange from, holders of old notes in any jurisdiction in which this exchange offer or its acceptance would not comply with the securities or blue sky laws.

By tendering in the exchange offer, you will represent to us that, among other things:

you are acquiring the new notes in the exchange offer in the ordinary course of your business, whether or not you are a holder,

you do not have an arrangement or understanding with any person to participate in the distribution of the new notes,

you are not a broker-dealer, or you are a broker-dealer but will not receive new notes for your own account in exchange for old notes, neither you nor any other person is engaged in or intends to participate in the distribution of the new notes, and

you are not our affiliate within the meaning of Rule 405 under the Securities Act or, if you are our affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Following the completion of the exchange offer, no notes will be entitled to the liquidated damages payment applicable to the old notes. Nor will holders of notes have any further registration rights, and the old notes will continue to be subject to certain restrictions on transfer. See

Consequences of Failure to Exchange. Accordingly, the liquidity of the market for the old notes could be adversely affected. See Risk Factors Risks Related to the Exchange Offer There may be adverse consequences of a failure to exchange.

Participation in the exchange offer is voluntary and you should carefully consider whether to accept. We urge you to consult your financial and tax advisors in making your own decisions on whether to participate in the exchange offer.

Terms of the Exchange Offer

General. Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any and all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will issue one new note in the principal amount of \$1,000 in exchange for each \$1,000 principal amount of old notes accepted in the exchange offer. You may tender some or all of your old notes in the exchange offer.

The form and terms of the new notes will be identical in all material respects to the form and terms of the old notes except that the new notes will be registered under the Securities Act and, therefore, the new notes will not bear legends restricting their transfer. The new notes will be treated as a single class with any old notes that remain outstanding. We are not conditioning the exchange offer upon any minimum number of old notes being tendered for exchange.

As of June 2, 2006, \$350.0 million principal amount of old notes were outstanding.

We are sending this prospectus, together with the letter of transmittal, to all registered holders of old notes. We have not fixed any record date for determining record holders of old notes entitled to participate in the exchange offer. We intend to conduct the exchange offer in accordance with the provisions of the exchange and registration rights agreement and the applicable requirements of the Exchange Act, and the rules and regulations

Table of Contents

Index to Financial Statements

of the SEC. Old notes which are not tendered for exchange in the exchange offer will remain outstanding and interest will continue to accrue, but such old notes will not be entitled to any rights or benefits under the exchange and registration rights agreement.

We will be deemed to have accepted validly tendered old notes when, as and if we have given oral or written notice to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us. If we do not accept any tendered old notes for exchange because of an invalid tender or the occurrence of certain other events identified in this prospectus, we will return the certificates for the unaccepted old notes, without expense, to the tendering holder as promptly as practicable after the expiration date.

You will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes if you tender old notes in the exchange offer. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. See Fees and expenses.

Expiration Date; Extensions; Amendments. The exchange offer expires at 5:00 p.m., New York City time, on _____, 2006, unless we, in our sole discretion, extend the exchange offer, in which case the expiration date will be the latest date and time to which the exchange offer is extended. Although we do not intend to extend the exchange offer at this time, we reserve the right to extend the exchange offer at any time by giving oral or written notice to the exchange agent and by timely public announcement communicated, unless otherwise required by applicable law or regulation, by making a release to the Dow Jones News Service. During any extension of the exchange offer, all old notes previously tendered pursuant to the exchange offer and not withdrawn will remain subject to the exchange offer. The date of the exchange of the new notes for old notes will be as soon as practicable following the expiration date.

We reserve the right, in our sole discretion,

to delay accepting any old notes, to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth below under Conditions of the Exchange Offer have not been satisfied, by giving oral or written notice of such delay, extension or termination to the exchange agent, or

to amend the terms of the exchange offer in any manner.

We will, as promptly as practicable, notify you orally or in writing if there is any delay in acceptance, extension, termination or amendment. If we amend the exchange offer in any manner determined by us to constitute a material change, we will promptly disclose the amendment by means of a prospectus supplement that we will distribute to you. We will also extend the exchange offer for a period of time, depending upon the significance of the amendment and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during that period.

In all cases we will issue new notes for old notes accepted for exchange in the exchange offer only after the exchange agent timely receives a properly completed and duly executed letter of transmittal and all other required documents. We reserve the right to waive any conditions of the exchange offer or defects or irregularities in the tender of old notes. If any tendered old notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if old notes are submitted for a greater number of notes than the holder desires to exchange, such unaccepted or non-exchanged old notes or substitute old notes evidencing the unaccepted portion, as appropriate, will be returned without expense to the tendering holder, unless otherwise provided in the letter of transmittal, as promptly as practicable after the expiration or termination of the exchange offer.

Interest on the New Notes. You will not receive accrued interest on old notes that are accepted for exchange at the time of exchange. However, we will pay accrued but unpaid interest on exchanged old notes on the new notes on the first interest payment date following consummation of the exchange offer.

Table of Contents

Index to Financial Statements

Procedures for Tendering Old Notes. Your tender of old notes through one of the procedures set forth below will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. In order to tender old notes, you must:

properly complete and sign a letter of transmittal or a facsimile thereof and deliver the same, together with any corresponding certificate or certificates representing the old notes being tendered and any required signature guarantees, to the exchange agent at its address set forth in the letter of transmittal on or prior to the expiration date;

comply with the procedure for book-entry transfer described below; or

comply with the guaranteed delivery procedures described below.

You do not need to have your signature guaranteed if the tendered old notes are registered in the name of the signer of the letter of transmittal and the new notes to be issued in exchange are to be issued and any untendered old notes are to be reissued in the name of the registered holder, including any participant in DTC (also referred to as a book-entry facility) whose name appears on a security listing as the owner of old notes. In any other case you must endorse the tendered old notes or accompany them with written instruments of transfer in a form satisfactory to us and duly executed by the registered holder. In addition, the signature on the endorsement or instrument of transfer must be guaranteed by an eligible guarantor institution which is a member of one of the following recognized signature guarantee programs:

The Securities Transfer Agents Medallion Program (STAMP),

The New York Stock Exchange Medallion Signature Program (MSF), or

The Stock Exchange Medallion Program (SEMP).

If the new notes or old notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the old notes, the signature in the letter of transmittal must be guaranteed by an eligible institution.

YOU MUST ELECT, AND ACCEPT THE RISK OF, THE METHOD OF DELIVERY OF OLD NOTES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. IF SUCH DELIVERY IS BY MAIL, WE RECOMMEND THAT REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED, BE USED. IN ALL CASES, YOU SHOULD ALLOW SUFFICIENT TIME TO ASSURE DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE. DO NOT SEND ANY LETTER OF TRANSMITTAL OR OLD NOTES TO US. YOU MAY REQUEST YOUR RESPECTIVE BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR NOMINEES TO EFFECT THE ABOVE TRANSACTIONS FOR YOU.

We understand that the exchange agent has confirmed with DTC that any financial institution that is a participant in DTC's system may utilize DTC's Automated Tender Offer Program (ATOP) to tender old notes. We further understand that the exchange agent will request, within two business days after the date the exchange offer commences, that DTC establish an account with respect to the old notes for the purpose of facilitating the exchange offer, and any participant may make book-entry delivery of old notes by causing DTC to transfer such old notes into the exchange agent's account in accordance with DTC's ATOP procedures for transfer. However, the exchange of the old notes so tendered will only be made after timely confirmation (a Book-Entry Confirmation) of such book-entry transfer and timely receipt by the exchange agent of an agent's message, and any other documents required by the letter of transmittal. The term agent's message means a message, transmitted by DTC and received by the exchange agent and forming part of Book-Entry Confirmation, which states that:

Edgar Filing: TRONOX INC - Form S-4/A

DTC has received an express acknowledgment from a participant tendering old notes which are the subject of such Book-Entry Confirmation,

Table of Contents

Index to Financial Statements

the participant has received and agrees to be bound by the terms of the letter of transmittal, and

we may enforce such agreement against such participant.

A tender will be deemed to have been received as of the date when

the tendering holder's properly completed and duly signed letter of transmittal accompanied by the old notes or a confirmation of book-entry transfer of such old notes into the exchange agent's account at DTC, is received by the exchange agent, or

a notice of guaranteed delivery or letter, telegram or facsimile transmission to similar effect from an eligible institution is received by the exchange agent.

Issuances of new notes in exchange for old notes tendered pursuant to a notice of guaranteed delivery or letter, telegram or facsimile transmission to similar effect by an eligible institution will be made only against submission of a duly signed letter of transmittal and any other required documents and deposit of the tendered old notes.

We will determine all questions as to the validity, form, eligibility including time of receipt, and acceptance for exchange of any tender of old notes in our reasonable judgment. Our determination will be final and binding. We reserve the absolute right to reject any or all tenders not in proper form or the acceptance for exchange of which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions of the exchange offer or any defect or irregularity in the tender of any old notes. Neither we, the exchange agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Any old notes received by the exchange agent that are not validly tendered and as to which the defects or irregularities have not been cured or waived, or if old notes are submitted in principal amount greater than the principal amount of old notes being tendered by such tendering holder, such unaccepted or non-exchanged old notes will be returned by the exchange agent to the tendering holder, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

In addition, we reserve the right in our sole discretion

to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date, and

to the extent permitted by applicable law, to purchase old notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers will differ from the terms of the exchange offer.

Guaranteed Delivery Procedures. If you desire to accept the exchange offer and time will not permit a letter of transmittal or old notes to reach the exchange agent before the expiration date or the procedure for book-entry transfer cannot be completed on a timely basis, you may effect a tender if the exchange agent has received at its office, on or prior to the expiration date, a letter, telegram or facsimile transmission from an eligible institution

setting forth the name and address of the tendering holder,

setting forth the name(s) in which the old notes are registered and the certificate number(s) of the old notes to be tendered,

Edgar Filing: TRONOX INC - Form S-4/A

stating that the tender is being made thereby, and

guaranteeing that, within three New York Stock Exchange trading days after the date of execution of such letter, telegram or facsimile transmission by the eligible institution, such old notes, in proper form for transfer or a confirmation of book-entry transfer of such old notes into the exchange agent's account at DTC, will be delivered by such eligible institution together with a properly completed and duly executed letter of transmittal and any other required documents.

Table of Contents

Index to Financial Statements

Unless old notes being tendered by the above-described method are deposited with the exchange agent within the time period set forth above, accompanied or preceded by a properly completed letter of transmittal and any other required documents, we may, at our option, reject the tender. Copies of a notice of guaranteed delivery which may be used by eligible institutions for the purposes described in this paragraph are available from the exchange agent.

Terms and Conditions of the Letter of Transmittal. The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

The party tendering old notes for exchange (the transferor) exchanges, assigns and transfers the old notes to us and irrevocably constitutes and appoints the exchange agent as the transferor's agent and attorney-in-fact to cause the old notes to be assigned, transferred and exchanged. The transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the old notes and to acquire new notes issuable upon the exchange of such tendered old notes, and that, when the same are accepted for exchange, we will acquire good and unencumbered title to the tendered old notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by us to be necessary or desirable to complete the exchange, assignment and transfer of tendered old notes or to transfer ownership of such old notes on the account books maintained by DTC. All authority conferred by the transferor will survive the death, bankruptcy or incapacity of the transferor and every obligation of the transferor shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of such Transferor.

By executing a letter of transmittal, each holder will make to us the representations set forth above under the heading Purpose and Effects of the Exchange Offer.

Withdrawal of Tender of Old Notes. Except as otherwise provided herein, tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date provided the old notes have not already been accepted for exchange.

To withdraw a tender of old notes in the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth herein prior to 5:00 p.m., New York City time, on the expiration date. Any such notice of withdrawal must

specify the name of the person having deposited the old notes to be withdrawn (the depositor),

identify the old notes to be withdrawn, including the certificate number or numbers and principal amount of such old notes,

contain a statement that the holder is withdrawing its election to have such old notes exchanged,

be signed by the holder in the same manner as the original signature on the letter of transmittal by which such old notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the Transfer Agent with respect to the old notes register the transfer of such old notes in the name of the person withdrawing the tender, and

specify the name in which any such old notes are to be registered, if different from that of the depositor.

If old notes have been tendered pursuant to the procedure for book-entry transfer, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility. All questions as to the validity, form and eligibility, including time of receipt, of such notices will be determined by us, and our determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no new notes will be issued with respect thereto unless the old notes so withdrawn are validly retendered. Any old notes which have been tendered but which are not accepted for exchange will be returned to the holder thereof without cost to such holder as soon as practicable

Table of Contents

Index to Financial Statements

after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn old notes may be retendered by following one of the procedures described above under **Procedures for Tendering Old Notes** at any time prior to the Expiration Date.

Conditions of the Exchange Offer

Notwithstanding any other term of the exchange offer, or any extension of the exchange offer, we are not required to accept for exchange, or exchange new notes for, any old notes, and may terminate the exchange offer as provided herein before the acceptance of such old notes, if:

any statute, rule or regulation shall have been enacted, or any action shall have been taken by any court or governmental authority which, in our reasonable judgment, would prohibit, restrict or otherwise render illegal consummation of the exchange offer; or

any change, or any development involving a prospective change, in our business or financial affairs or any of our subsidiaries has occurred which, in our sole judgment, might materially impair our ability to proceed with the exchange offer or materially impair the contemplated benefits of the exchange offer to us; or

there shall occur a change in the current interpretations by the staff of the SEC which, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer.

If we determine in our reasonable judgment that any of the above conditions are not satisfied, we may

refuse to accept any old notes and return all tendered old notes to the tendering holders,

extend the exchange offer and retain all old notes tendered prior to the expiration date, subject, however, to the right of holders to withdraw such old notes, or

waive such unsatisfied conditions with respect to the exchange offer and accept all validly tendered old notes which have not been withdrawn.

If such waiver constitutes a material change to the exchange offer, we will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the registered holders, and we will extend the exchange offer for a period of time, depending upon the significance of the waiver and the manner of disclosure to the registered holders, if the exchange offer would otherwise expire during such period.

Exchange Agent

We have appointed Citibank, N.A. as exchange agent for the exchange offer. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery should be directed to the exchange agent addressed as follows:

By mail:
Citibank, N.A.

111 Wall Street, 15th Floor

By overnight courier and by hand:
Citibank, N.A.

111 Wall Street, 15th Floor

By facsimile:
(212) 657-1020

(For eligible institutions only)
Confirm by Telephone:

New York, New York 10043
(registered or certified mail recommended)

New York, New York 10043

(800) 422-2066

Fees and Expenses

We will bear all fees and the expenses of soliciting tenders. The principal solicitation is being made by mail; however, additional solicitation may be made by telecopy, telephone or in person by our officers and regular employees and those of affiliates. No additional compensation will be paid to any such officers and employees who engage in soliciting tenders.

Table of Contents

Index to Financial Statements

We have not retained any dealer-manager or other soliciting agent in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptance of the exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this prospectus, the letter of transmittal and related documents to the beneficial owners of the old notes and in handling or forwarding tenders for exchange.

The cash expenses to be incurred in connection with the exchange offer will be paid by us and are estimated in the aggregate to be approximately \$200,000. These expenses include fees and expenses of the exchange agent and transfer agent and registrar, accounting and legal fees and printing costs, among others.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of the old notes for new notes in the exchange offer. If, however, new notes, or old notes for principal amounts not tendered or accepted for exchange, are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the old notes tendered or if a transfer tax is imposed for any reason other than the exchange of the old notes pursuant to the exchange offer, then the amount of any such transfer taxes, whether imposed on the registered holder or any other persons, will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

Consequences of Failure to Exchange

The old notes that are not exchanged for new notes in the exchange offer will remain restricted securities within the meaning of Rule 144 of the Securities Act. Accordingly, such old notes may be resold only

to us or any of our subsidiaries,

to a qualified institutional buyer in compliance with Rule 144A,

to an institutional accredited investor that, prior to such transfer, furnishes to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the old notes and, if such transfer is in respect of an aggregate principal amount of old notes at the time of transfer of less than \$100,000, an opinion of counsel acceptable to us that such transfer is in compliance with the Securities Act,

outside the United States in compliance with Rule 904 under the Securities Act,

pursuant to the exemption from registration provided by Rule 144 under the Securities Act, if available, or

pursuant to an effective registration statement under the Securities Act.

The liquidity of the old notes could be adversely affected by the exchange offer. Following the consummation of the exchange offer, holders of the old notes will have no further registration rights under the exchange and registration rights agreement and will not be entitled to the liquidated damages applicable to the old notes.

Accounting Treatment

Edgar Filing: TRONOX INC - Form S-4/A

We will record the new notes in our accounting records at the same carrying value as the old notes. This carrying value is the aggregate principal amount of the old notes as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer.

Table of Contents

Index to Financial Statements

Other

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any old notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered old notes.

Information for Exchange and Backup Withholding

In general, information reporting requirements will apply to certain payments of interest, original issue discount, premium and to the proceeds of sales of notes made to non-United States holders, other than certain exempt recipients (such as corporations). In addition, a backup withholding tax of 31% may apply to such payments unless the non-United States holder provides appropriate certification of foreign status. Prospective non-United States holders should consult their own tax advisors regarding the application of the new Treasury regulations to an investment in the notes.

THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO YOU IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES THAT WOULD RESULT FROM YOUR PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

Table of Contents**Index to Financial Statements****SELECTED FINANCIAL DATA**

The following table sets forth selected financial data of Parent, as of the dates and for the periods indicated in such table. The selected statement of operations data for the years ended December 31, 2005, 2004, 2003 and 2002, and the balance sheet data as of December 31, 2005, 2004 and 2003, have been derived from our Parent's audited consolidated and combined financial statements. The selected statement of operations data for the year ended December 31, 2001, and the balance sheet data as of December 31, 2002 and 2001, have been derived from Kerr-McGee's accounting records and are unaudited. The selected statement of operations data for the three-month periods ended March 31, 2006 and 2005, and the balance sheet data as of March 31, 2006 have been derived from our Parent's interim unaudited condensed consolidated and combined financial statements included elsewhere in this prospectus. In the opinion of our management, the interim unaudited condensed consolidated and combined financial statements have been prepared on a basis consistent with the audited consolidated and combined financial statements and include all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the results for the periods presented. Results of operations for the three-month period ended March 31, 2006 are not necessarily indicative of the operating results to be expected for the full fiscal year 2006 or for any future periods. Effective January 1, 2006, Parent adopted Statement of Financial Accounting Standard No. 123 (revised 2004), Share-Based Payment (FAS No. 123R) and Emerging Issues Task Force (EITF) Issue No. 04-6, Accounting for Stripping Costs Incurred during Production in the Mining Industry which are discussed in *Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)* included elsewhere in this prospectus.

The selected financial data presented below should be read together with the consolidated and combined financial statements of Parent and the notes to those statements and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included elsewhere in this prospectus.

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(Millions of dollars, except per share)							
Consolidated and Combined Statement of Operations Data:							
Net sales	\$ 336.2	\$ 334.2	\$ 1,364.0	\$ 1,301.8	\$ 1,157.7	\$ 1,064.3	\$ 1,022.6
Cost of goods sold	276.0	272.3	1,143.8	1,168.9	1,024.7	949.0	972.5
Gross margin	60.2	61.9	220.2	132.9	133.0	115.3	50.1
Selling, general and administrative expenses	35.7	28.2	115.2	110.1	98.9	84.0	92.2
Restructuring charges ⁽¹⁾				113.0	61.4	11.8	
Provision for environmental remediation and restoration, net of reimbursements ⁽²⁾	(20.5)	10.9	17.1	4.6	14.9	14.3	7.7
	45.0	22.8	87.9	(94.8)	(42.2)	5.2	(49.8)
Interest and debt expense	(12.0)		(4.5)	(0.1)	(0.1)	(0.1)	(0.1)
Other income (expense) ⁽³⁾	4.4	(5.0)	(15.2)	(25.2)	(20.5)	(13.1)	(39.9)
Income (loss) from continuing operations before income taxes	37.4	17.8	68.2	(120.1)	(62.8)	(8.0)	(89.8)
Income tax benefit (provision)	(13.8)	(5.4)	(21.8)	38.3	15.1	(8.3)	30.7
Income (loss) from continuing operations before cumulative effect of change in accounting principle	23.6	12.4	46.4	(81.8)	(47.7)	(16.3)	(59.1)
Loss from discontinued operations, net of income tax benefit	(3.0)	(8.4)	(27.6)	(45.8)	(35.8)	(81.0)	(49.0)
Income (loss) before cumulative effect of change in accounting principle	20.6	4.0	18.8	(127.6)	(83.5)	(97.3)	(108.1)
Cumulative effect of change in accounting principle, net of income tax					(9.2)		0.7
Net income (loss)	\$ 20.6	\$ 4.0	\$ 18.8	\$ (127.6)	\$ (92.7)	\$ (97.3)	\$ (107.4)
Income (loss) from continuing operations per common share, basic and diluted	\$ 0.58	\$ 0.54	\$ 1.89	\$ (3.57)	\$ (2.08)	\$ (0.71)	\$ (2.58)

Edgar Filing: TRONOX INC - Form S-4/A

Dividends declared per common share	0.05	0.05
-------------------------------------	------	------

Table of Contents**Index to Financial Statements**

	As of March 31,		As of December 31,			
	2006	2005	2004	2003	2002	2001
(Millions of dollars, except per share)						
Consolidated and Combined Balance Sheet Data:						
Working capital ⁽⁴⁾	\$ 417.3	\$ 404.4	\$ 240.2	\$ 304.5	\$ 243.6	\$ 264.5
Property, plant and equipment, net	846.8	839.7	883.0	961.6	944.9	948.9
Total assets ⁽⁵⁾	1,889.6	1,758.3	1,595.9	1,809.1	1,733.6	1,628.1
Noncurrent liabilities:						
Long-term debt ⁽⁶⁾	547.5	548.0				
Environmental remediation and/or restoration	138.8	145.9	130.8	135.9	131.4	40.0
All other noncurrent liabilities ⁽⁵⁾	318.0	200.4	215.9	312.2	192.4	209.6
Total liabilities ⁽⁶⁾	1,374.2	1,269.3	706.0	797.9	671.2	556.7
Total business/stockholders' equity ⁽⁶⁾	515.4	489.0	889.9	1,011.2	1,062.4	1,071.4

	Three Months Ended March 31,		Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
(Millions of dollars, except per share)							
Supplemental Information:							
Depreciation and amortization expense	\$ 24.5	\$ 26.8	103.1	104.6	106.5	105.7	119.9
Capital expenditures	21.8	11.8	87.6	92.5	99.4	86.7	153.3
Adjusted EBITDA ⁽⁷⁾	62.8	65.8	232.0	162.2	160.3	134.5	N/A

- (1) Restructuring charges in 2004 include costs associated with the shutdown of our titanium dioxide pigment sulfate production at our Savannah, Georgia, facility. Restructuring charges in 2003 include costs associated with the shutdown of our synthetic rutile plant in Mobile, Alabama, and charges in connection with a work force reduction program consisting of both voluntary retirements and involuntary terminations. Restructuring charges in 2002 represent a write-down of fixed assets for abandoned engineering projects.
- (2) The period ended March 31, 2006, includes \$(20.5) million pretax reimbursement settlement of our claim against the United States for contribution of past costs for ammonium perchlorate remediation at our Henderson, Nevada, facility.
- (3) Includes interest expense allocated to Parent by Kerr-McGee based on specifically identified borrowings from Kerr-McGee at Kerr-McGee's average borrowing rates. Also includes net foreign currency transaction gain (loss), equity in net earnings of equity method investees, loss on accounts receivable sales and other expenses. See Note 21 to the Audited Consolidated and Combined Financial Statements and Note 7 to the Interim Unaudited Condensed Consolidated and Combined Financial Statements, in each case included elsewhere in this prospectus.
- (4) Working capital is defined as the excess of current assets over current liabilities.
- (5) Total assets and all other noncurrent liabilities for periods prior to March 31, 2006 do not include the effects of certain employee benefit obligations and associated plan assets that were assumed by Parent upon completion of the Distribution. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies*.
- (6) In the fourth quarter of 2005, Parent completed a recapitalization, whereby Parent's common stock held by Kerr-McGee converted into approximately 22.9 million shares of Class B common stock. Also in the fourth quarter of 2005, Parent completed an IPO, whereby approximately 17.5 million shares of its Class A common stock were issued. All of the net proceeds from the IPO were distributed to Kerr-McGee. Concurrent with the IPO, we issued \$350.0 million of senior notes and borrowed \$200.0 million under a senior secured credit facility.
- (7) EBITDA represents net income (loss) before net interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA represents EBITDA as further adjusted to reflect the items set forth in the table below, all of which are required in determining our compliance with financial covenants under our senior secured credit facility. See *Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition and Liquidity*.

We have included EBITDA and adjusted EBITDA to provide investors with a supplemental measure of our operating performance and information about the calculation of some of the financial covenants that are

Table of Contents

Index to Financial Statements

contained in our senior secured credit facility. We believe EBITDA is an important supplemental measure of operating performance because it eliminates items that have less bearing on our operating performance and thus highlights trends in our core business that may not otherwise be apparent when relying solely on GAAP financial measures. We also believe that securities analysts, investors and other interested parties frequently use EBITDA in the evaluation of issuers, many of which present EBITDA when reporting their results. Adjusted EBITDA is a material component of the covenants imposed on us by the senior secured credit facility. Under the senior secured credit facility, we are subject to financial covenant ratios that are calculated by reference to adjusted EBITDA. Non-compliance with the financial covenants contained in the senior secured credit facility could result in a default, an acceleration in the repayment of amounts outstanding, and a termination of the lending commitments under the senior secured credit facility. Any acceleration in the repayment of amounts outstanding under the senior secured credit facility would result in a default under the indenture governing the notes. While an event of default under the senior secured credit facility or the indenture governing the notes is continuing, we would be precluded from, among other things, paying dividends on our common stock or borrowing under the revolving credit facility. For a description of required financial covenant levels, see *Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition and Liquidity*. Our management also uses EBITDA and adjusted EBITDA in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess our ability to meet our future debt service, capital expenditure and working capital requirements and our ability to pay dividends on our common stock.

EBITDA and adjusted EBITDA are not presentations made in accordance with GAAP. As discussed above, we believe that the presentation of EBITDA and adjusted EBITDA in this prospectus is appropriate. However, when evaluating our results, you should not consider EBITDA and adjusted EBITDA in isolation of, or as a substitute for, measures of our financial performance as determined in accordance with GAAP, such as net income (loss). EBITDA and adjusted EBITDA have material limitations as performance measures because they exclude items that are necessary elements of our costs and operations. Because other companies may calculate EBITDA and adjusted EBITDA differently than we do, EBITDA may not be, and adjusted EBITDA as presented in this prospectus is not, comparable to similarly titled measures reported by other companies.

Table of Contents**Index to Financial Statements**

The following table reconciles net income (loss) to EBITDA and adjusted EBITDA for the periods presented:

	Three Months Ended March 31,		Year Ended December 31,			
	2006	2005	2005	2004	2003	2002
	(Millions of dollars)					
Net income (loss) ^(a)	\$ 20.6	\$ 4.0	\$ 18.8	\$ (127.6)	\$ (92.7)	\$ (97.3)
Interest and debt expense	12.0		4.5	0.1	0.1	0.1
Net interest expense on borrowings with affiliates and interest income ^(b)	(0.7)	3.1	11.9	9.5	8.8	11.1
Income tax provision (benefit)	12.0	0.9	7.0	(63.0)		