

Tronox, Inc. has filed for bankruptcy protection...  
let's see what the history shows!

## Tronox Incorporated

One Leadership Square  
Suite 300

Phone: (405) 775-5000

Oklahoma City, OK 73102-7109 United States

Ticker: [TROXA](#)

**Filed for Bankruptcy on 1/12/2009**  
**Case #09-10156, filed in the U.S. Bankruptcy Court for the Southern District of New York**

### Latest Financial Statements as of 9/30/2008

#### Business Summary

Tronox Incorporated (Tronox) is a global producer and marketer of titanium dioxide pigment (TiO<sub>2</sub>), a white pigment used in a range of products. The Company markets TiO<sub>2</sub> under the brand name TRONOX. During the year ended December 31, 2007, its pigment segment represented approximately 93% of the Company's net sales. In addition, it produces electrolytic manganese dioxide (EMD), sodium chlorate, boron-based and other specialty chemicals. The Company operates eight production facilities (five pigment and three other chemical products) and have direct sales and technical service organizations in the United States, Europe and the Asia-Pacific region. Tronox has one reportable segment, pigment, and other businesses, which include electrolytic and other chemical products.

(Source: 10-K)

Employees: 2,031 (as of 12/31/2007)

Federal Tax Id: 202868245

#### Credit Scores

**Z" Score**      **-1.26**      **(Fiscal danger)**      9/30/2008

#### Auditor Information

Last Audit: 12/31/2007

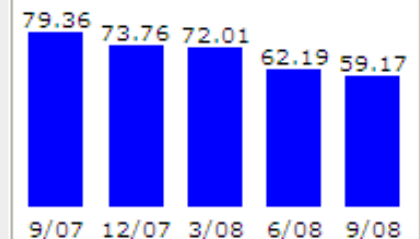
Auditors: Ernst & Young LLP

Opinion: **Unqualified**

#### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
<b>S&amp;P</b>	D			NM

#### Days Sales Outstanding



#### Third Quarter and Year-to-Date Results

Sales for the 3 months ended 9/30/2008 increased 15.20% to \$418.30 million from last year's comparable period amount of \$363.10 million. Sales for the 9 months ended 9/30/2008 increased 9.59% to \$1.17 billion from \$1.07 billion for the same period last year.

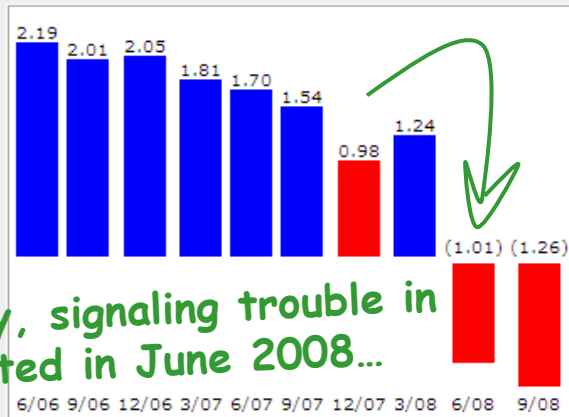
Gross profit margin decreased 38.59% for the period to \$19.10 million (4.57% of revenues) from \$31.10 million (8.57% of revenues) for the same period last year. Gross profit margin decreased 54.15% for the

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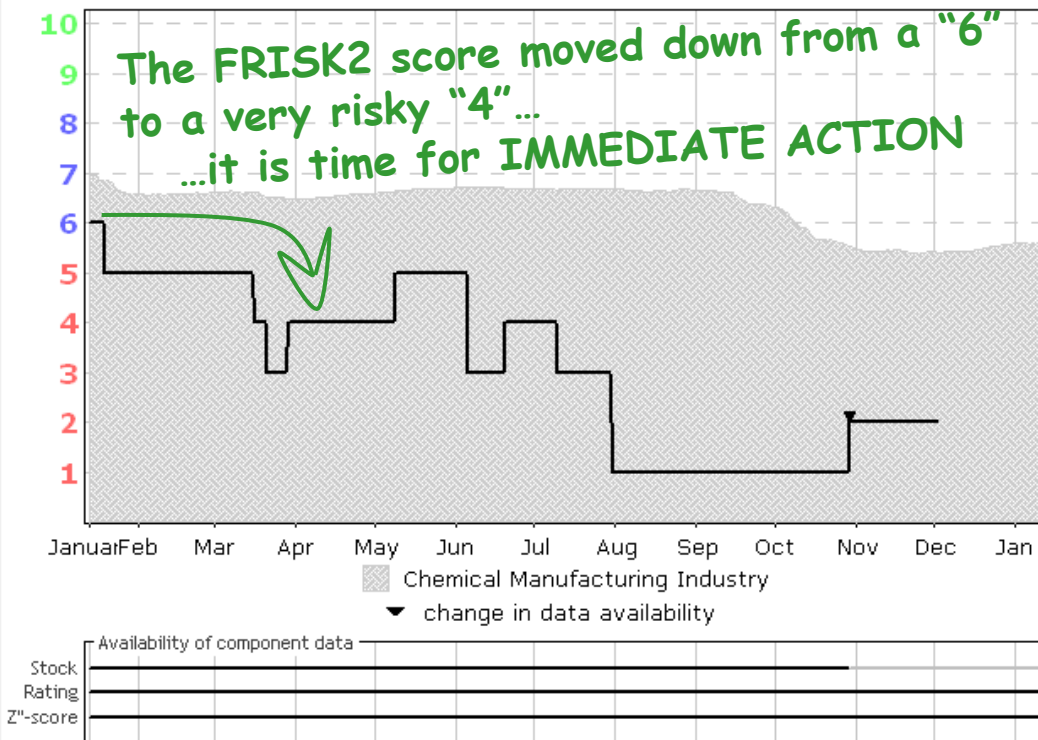
## Z" Score

**LEGEND:**  
 Financially sound: 2.60 or higher  
 Neutral: 1.10 to 2.60  
 Fiscal danger: less than 1.10



The Altman Z" was a bit early, signaling trouble in December 2007, then plummeted in June 2008...

The most recent FRISK2 score is 2 (probability of default\* 14.1% - 21.0%), below its 12-month average and below its industry average.



	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
Worst	1	21.0%	50.0%

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...plus, looking at our News Alerts you would have seen...

Files Chapter 11...

Defaults on Senior Notes...

Enters into wavier extension agreement due to events of default with lenders...

Tronox defends itself against \$280mm claim in lawsuit...

Interim CEO resigns after 3 weeks...

CEO departs/takes seat as board member...

Proceeds from asset sales will be used to pay down creditors as per new credit amendment...

#	Date	Source	Headline
1	1/12/2009	PR Newswire	<u>Tronox's U.S. Operations File Chapter 11</u>
2	12/23/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
3	12/8/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
4	12/5/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
5	12/3/2008	CRMZ News Service	<u>Tronox Incorporated -- updated S&amp;P ratings available</u>
9	12/2/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Other Events</u>
10	11/26/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
11	11/11/2008	CRMZ News Service	<u>Tronox Incorporated -- updated financials available</u>
12	11/10/2008	Business Wire	<u>Fitch Downgrades Tronox's IDR; Outlook Remains Negative</u>
13	11/7/2008	CRMZ News Service	<u>TRONOX INC: a Form 10-Q has been Filed with the SEC</u>
14	10/31/2008	CRMZ News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
15	10/15/2008	PR Newswire	<u>Tronox Announces Increases in Titanium Dioxide Prices in Europe</u>
16	9/24/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
17	9/17/2008	CRM News Service	<u>Tronox Incorporated -- updated S&amp;P ratings available</u>
18	9/12/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Other Events</u>
19	9/5/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
20	9/5/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
21	9/2/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</u>
22	8/21/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</u>
23	8/21/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
24	8/15/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
25	8/11/2008	CRM News Service	<u>TRONOX INC: a Form 10-Q has been Filed with the SEC</u>
26	8/4/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
27	8/1/2008	CRM News Service	<u>Tronox Incorporated -- updated financials available</u>
28	7/31/2008	CRM News Service	<u>Tronox Incorporated -- updated S&amp;P ratings available</u>
29	7/30/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
30	7/21/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
31	7/21/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>
33	7/9/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
34	7/2/2008	CRM News Service	<u>TRONOX INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement</u>

Newly hired VP departs...

Negative Net Income & Working Capital continue to be reported...

Fitch Downgrades... S&P Downgrades...

NYSE notification of non-compliance with listing requirements...

Substantial Net Losses reported...

S&P Downgrades...

...need more depth? Look at the Leverage Ratios...

...Continual degradation in Stockholders' Equity, Tangible Net Worth, and Assets...

### Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars )

Period Ended	3 mos 9/30/2008	3 mos 6/30/2008	3 mos 3/31/2008	3 mos 12/31/2007	3 mos 9/30/2007
<b>Total debt \$</b>	\$549,400	\$540,100	\$517,600	\$484,800	\$505,300
% change	1.72%	4.35%	6.77%	-4.06%	-5.99%
<b>Stockholders' equity \$</b>	\$377,200	\$436,100	\$451,900	\$429,600	\$462,000
% change	-13.51%	-3.50%	5.19%	-7.01%	12.74%
<b>Total debt to equity ratio</b>	1.46	1.24	1.15	1.13	1.09
% change	17.61%	8.13%	1.50%	3.18%	-16.61%
<b>Tangible net worth \$</b>	\$323,000	\$378,800	\$380,900	\$361,700	\$395,100
% change	-14.73%	-0.55%	5.31%	-8.45%	14.55%
<b>Total debt to tangible net worth</b>	1.70	1.43	1.36	1.34	1.28
% change	19.29%	4.93%	1.38%	4.80%	-17.94%
<b>Total assets \$</b>	\$1,614,700	\$1,710,800	\$1,746,500	\$1,723,400	\$1,748,300
% change	-5.62%	2.04%	1.34%	-1.42%	-2.13%
<b>Total debt to assets ratio</b>	0.34	0.32	0.30	0.28	0.29
% change	7.78%	6.52%	5.35%	-2.67%	-3.95%
<b>Net tangible assets \$</b>	\$1,560,500	\$1,653,500	\$1,675,500	\$1,655,500	\$1,681,400
% change	-5.62%	-1.31%	1.21%	-1.54%	-2.32%
<b>Short-term debt \$</b>	\$549,400	\$540,100	\$1,300	\$9,200	\$2,300
% change	1.72%	41446.15%	-85.87%	300.00%	-36.11%
<b>Short-term debt % of total debt</b>	100.00%	100.00%	0.25%	1.90%	0.46%
% change	0.00%	39715.38%	-86.77%	316.91%	-32.04%
<b>Short-term debt % of working capital</b>	-234.09%	-230.52%	0.42%	3.76%	0.70%
% change	-1.55%	-54572.81%	-88.74%	434.75%	-29.01%
<b>Total liabilities \$</b>	\$1,237,500	\$1,274,700	\$1,294,600	\$1,293,800	\$1,286,300
% change	-2.92%	-1.54%	0.06%	0.58%	-6.55%
<b>Total liabilities to equity ratio</b>	3.28	2.92	2.86	3.01	2.78
% change	12.24%	2.03%	-4.88%	8.17%	-17.11%
<b>Total liabilities to tangible net worth ratio</b>	3.83	3.37	3.40	3.58	3.26
% change	13.85%	-0.99%	-4.98%	9.87%	-18.43%
Source:	10-Q 11/7/2008	10-Q 8/11/2008	10-Q 5/7/2008	10-K 3/14/2008	10-Q 11/7/2007

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...In the 2Q MD&A section, the CEO and CFO tell us they are "evaluating strategic options" and may file Ch.11; in the 3Q report it is "non-compliance" and reclassifying debt as current...

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### Report

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Sequential Quarters
<b>Liquidity (MD&amp;A)</b>
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Peer Analysis
Payments
Public Filings
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Access History
Credit Limit
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Print/Save Report
Currency Converter
Send This to a Colleague

*From MD&A section, period 6/30/2008, filed 8/11/2008:*

#### LIQUIDITY AND CAPITAL RESOURCES

We are evaluating all strategic options for the company, including mitigation of our environmental liabilities and capital restructuring. We have retained the investment banking firm Rothschild Inc. to further assist us in evaluating our strategic options for the business. This has been the most challenging business environment our company has faced and while we continue to make strides against difficult conditions, there is no assurance that we will be successful in pursuing alternatives and options, or that the current price increases we are implementing will offset continuing cost increases and other factors that the company is unable to predict and that are beyond our control. Even if we are successful with one or more strategic alternatives, we may not be able to fully address our many ongoing challenges and to maintain financial viability. If we continue to experience negative impacts on our operations, the company may need to seek relief under Chapter 11 of the United States Bankruptcy Code to allow the company to, among other things, restructure its capital structure and reorganize its business, including its environmental legacy issues.

*From MD&A section, period 9/30/2008, filed 11/7/2008:*

#### LIQUIDITY AND CAPITAL RESOURCES

The company was not in compliance with its financial covenants at September 30, 2008, but subsequently received a waiver. Due to the continued uncertainty of the economic environment including the current credit crisis and the tightening of the covenant requirements in 2009, the company is unable to predict with a reasonable level of certainty that we would be able to meet our financial covenants for the remainder of 2008 and the first nine months of 2009. Therefore, the outstanding balances on the company's credit agreement have been classified as current obligations. The company's senior notes contain cross default provisions such that if a default on the credit agreement were to occur and remain uncured, this would trigger a default on the senior note as well. As a result, the entire \$350.0 million balance on the senior notes has also been classified as a current obligation.

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