

Rockwood Holdings, Inc.
Form 10-Q
May 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013

Or

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

Commission file number 001-32609

Rockwood Holdings, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-2277366
(I.R.S. Employer
Identification No.)

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100 Overlook Center, Princeton, New Jersey 08540

(Address of principal executive offices) (Zip Code)

(609) 514-0300

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 26, 2013, there were 77,679,157 outstanding shares of common stock, par value \$0.01 per share, of the Registrant.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

ROCKWOOD HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts; shares in thousands)

(Unaudited)

	Three months ended March 31,		
	2013	2012	
Net sales	\$	934.6	\$ 909.5
Cost of products sold		660.8	566.7
Gross profit		273.8	342.8
Selling, general and administrative expenses		180.0	177.1
Restructuring and other severance costs		7.1	14.2
Operating income		86.7	151.5
Other expenses, net:			
Interest expense, net		(29.0)	(20.5)
Loss on early extinguishment/modification of debt		(17.6)	(9.7)
Foreign exchange loss on financing activities, net		(15.3)	(1.0)
Other, net		0.1	
Other expenses, net		(61.8)	(31.2)
Income before taxes		24.9	120.3
Income tax provision		8.0	30.6
Net income		16.9	89.7
Net loss (income) attributable to noncontrolling interest		2.0	(13.9)
Net income attributable to Rockwood Holdings, Inc. shareholders	\$	18.9	\$ 75.8
Basic earnings per share attributable to Rockwood Holdings, Inc. shareholders	\$	0.24	\$ 0.98
Diluted earnings per share attributable to Rockwood Holdings, Inc. shareholders	\$	0.24	\$ 0.94
Dividends declared per share of common stock	\$	0.40	\$
Weighted average number of basic shares outstanding		78,530	77,384
Weighted average number of diluted shares outstanding		80,088	80,315

See accompanying notes to condensed consolidated financial statements.

ROCKWOOD HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in millions)

(Unaudited)

		Three months ended		
		March 31,		
		2013		2012
Net income	\$	16.9	\$	89.7
Other comprehensive (loss) income, net of tax:				
Pension related adjustments		8.4		(2.3)
Foreign currency translation		(31.1)		33.3
Intercompany foreign currency loans		(22.0)		22.5
Foreign exchange contracts and other		(0.1)		(0.3)
Other comprehensive (loss) income		(44.8)		53.2
Comprehensive (loss) income		(27.9)		142.9
Comprehensive loss (income) attributable to noncontrolling interest		0.7		(18.3)
Comprehensive (loss) income attributable to Rockwood Holdings, Inc. shareholders	\$	(27.2)	\$	124.6

See accompanying notes to condensed consolidated financial statements.

ROCKWOOD HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions, except per share amounts;

shares in thousands)

(Unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 491.1	\$ 1,273.6
Accounts receivable, net	553.1	474.3
Inventories	813.2	822.9
Deferred income taxes	11.6	10.6
Prepaid expenses and other current assets	80.8	85.1
Total current assets	1,949.8	2,666.5
Property, plant and equipment, net	1,686.8	1,715.4
Goodwill	841.2	864.8
Other intangible assets, net	419.4	445.8
Deferred financing costs, net	31.1	51.7
Deferred income taxes	175.7	171.8
Other assets	66.1	57.7
Total assets	\$ 5,170.1	\$ 5,973.7
LIABILITIES		
Current liabilities:		