

Rockwood Holdings, Inc.  
Form 10-Q  
August 14, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

**For the quarterly period ended June 30, 2006**

Or

**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.)

**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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

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

As of August 10, 2006, there were 73,780,526 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		Six months ended	
	June 30, 2006	2005	June 30, 2006	2005
NET SALES	\$ 855.8	\$ 817.4	\$ 1,668.4	\$ 1,587.1
COST OF PRODUCTS SOLD	586.9	554.4	1,149.8	1,098.5
GROSS PROFIT	268.9	263.0	518.6	488.6
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	162.3	157.5	319.3	307.7
RESTRUCTURING CHARGES, net	1.0	2.9	2.2	5.8
OPERATING INCOME	105.6	102.6	197.1	175.1
OTHER INCOME (EXPENSES):				
Interest expense, net	(47.8 )	(64.9 )	(86.9 )	(122.2 )
Foreign exchange gain, net	5.5	66.8	2.9	114.0
Loss on sale of business			(12.1 )	
Other, net	0.2		2.4	
Net	(42.1 )	1.9	(93.7 )	(8.2 )
INCOME BEFORE TAXES AND MINORITY INTEREST	63.5	104.5	103.4	166.9
INCOME TAX PROVISION	25.2	16.8	22.1	41.7
NET INCOME BEFORE MINORITY INTEREST	38.3	87.7	81.3	125.2
MINORITY INTEREST	(1.2 )	0.9	(4.2 )	1.7
NET INCOME	\$ 37.1	\$ 88.6	\$ 77.1	\$ 126.9
Per share data:				
BASIC EARNINGS PER COMMON SHARE	\$ 0.50	\$ 1.74	\$ 1.04	\$ 2.48
DILUTED EARNINGS PER COMMON SHARE	\$ 0.49	\$ 1.68	\$ 1.03	\$ 2.41
WEIGHTED AVERAGE NUMBER OF BASIC SHARES OUTSTANDING	73,781	50,310	73,780	50,310
WEIGHTED AVERAGE NUMBER OF DILUTED SHARES OUTSTANDING	75,111	52,732	75,041	52,657

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)

	June 30, 2006	December 31, 2005
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 36.6	\$ 102.2
Accounts receivable, net	552.9	484.2
Inventories	483.7	458.2
Deferred income taxes	10.7	12.2
Prepaid expenses and other current assets	60.5	68.1
Total current assets	1,144.4	1,124.9
PROPERTY, PLANT AND EQUIPMENT, net	1,500.9	1,406.5
GOODWILL	1,690.4	1,599.2
OTHER INTANGIBLE ASSETS, net	598.8	578.9
DEFERRED DEBT ISSUANCE COSTS, net of accumulated amortization of \$19.1 and \$13.5, respectively	55.2	56.6
OTHER ASSETS	56.8	44.0
<b>TOTAL ASSETS</b>	<b>\$ 5,046.5</b>	