

Rockwood Holdings, Inc.
Form 10-Q
October 26, 2011

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 September 30, 2011

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.)

100 Overlook Center, Princeton, New Jersey 08540

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(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

Smaller reporting company

(Do not check if a 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 October 24, 2011, there were 76,914,648 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 September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Net sales	\$ 940.9	\$ 801.2	\$ 2,854.9	\$ 2,393.3
Cost of products sold	609.4	535.2	1,856.7	1,601.5
Gross profit	331.5	266.0	998.2	791.8
Selling, general and administrative expenses	176.0	167.7	537.8	501.8
Restructuring and other severance costs	4.5	1.5	9.5	2.8
Asset write-downs and other		0.1	0.3	2.4
Operating income	151.0	96.7	450.6	284.8
Other expenses, net:				
Interest expense, net (a)	(26.3)	(38.6)	(74.0)	(116.7)
Loss on early extinguishment/modification of debt	(0.1)	(1.6)	(16.6)	(1.6)
Foreign exchange (loss) gain on financing activities, net	(2.4)	0.9	1.8	0.8
Other, net			(0.1)	0.5
Other expenses, net	(28.8)	(39.3)	(88.9)	(117.0)
Income from continuing operations before taxes	122.2	57.4	361.7	167.8
Income tax provision	34.4	16.4	101.0	46.4
Income from continuing operations	87.8	41.0	260.7	121.4
Income from discontinued operations, net of tax		2.5	0.9	13.6
Gain on sale of discontinued operations, net of tax			119.4	
Net income	87.8	43.5	381.0	135.0
Net income attributable to noncontrolling interest	(11.9)	(3.0)	(32.6)	(5.2)
Net income attributable to Rockwood Holdings, Inc.	\$ 75.9	\$ 40.5	\$ 348.4	\$ 129.8
Amounts attributable to Rockwood Holdings, Inc.:				
Income from continuing operations	\$ 75.9	\$ 38.0	\$ 228.1	\$ 116.2
Income from discontinued operations		2.5	120.3	13.6
Net income	\$ 75.9	\$ 40.5	\$ 348.4	\$ 129.8
Basic earnings per share attributable to Rockwood Holdings, Inc.:				
Earnings from continuing operations	\$ 0.99	\$ 0.51	\$ 2.98	\$ 1.55
Earnings from discontinued operations		0.03	1.58	0.19
Basic earnings per share	\$ 0.99	\$ 0.54	\$ 4.56	\$ 1.74

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Diluted earnings per share attributable to Rockwood Holdings, Inc.:

Earnings from continuing operations	\$	0.95	\$	0.49
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