

Chemtura CORP
Form 10-Q
November 05, 2010

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, 2010

OR

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

For the transition period from _____ to _____

(Commission File Number) 1-15339

CHEMTURA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

52-2183153
(I.R.S. Employer Identification Number)

1818 Market Street, Suite 3700, Philadelphia, Pennsylvania
199 Benson Road, Middlebury, Connecticut
(Address of principal executive offices)

19103
06749
(Zip Code)

(203) 573-2000
(Registrant's telephone number,
including area code)

(Former name, former address and former fiscal year, if changed from last report)

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. x 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 the 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 definition of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large Accelerated Filer Accelerated Filer Non-accelerated filer Smaller reporting company
(Do not check if 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

The number of shares of common stock outstanding as of the latest practicable date is as follows:

Class	Number of shares outstanding at September 30, 2010
Common Stock - \$.01 par value	242,935,715

CHEMTURA CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)
FORM 10-Q
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2010

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PART I.
ITEM 1.FINANCIAL INFORMATION
Financial StatementsCHEMTURA CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)
Consolidated Statements of Operations (Unaudited)
Quarters and Nine months ended September 30, 2010 and 2009
(In millions, except per share data)

	Quarters ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Net sales	\$ 710	\$ 609	\$ 2,080	\$ 1,702
Cost of goods sold	550	450	1,587	1,289
Selling, general and administrative	85	77	232	216
Depreciation and amortization	40	41	134	122
Research and development	11	10	31	26
Facility closures, severance and related costs	(2)	-	1	3
Antitrust costs	-	-	-	10
Gain on sale of business	(2)	-	(2)	-
Impairment of long-lived assets	-	-	-	37
Changes in estimates related to expected allowable claims	(40)	-	33	-
Equity income	(1)	-	(3)	-
Operating profit (loss)	69	31	67	(1)
Interest expense (a)	(35)	(18)	(164)	(53)
Loss on early extinguishment of debt	-	-	(13)	-
Other income (expense), net	8	8	(2)	(11)
Reorganization items, net	(33)	(20)	(80)	(66)
Earnings (loss) from continuing operations before income taxes	9	1	(192)	(131)
Income tax benefit (provision)	2	9	(14)	(1)
Earnings (loss) from continuing operations	11	10	(206)	(132)
Earnings (loss) from discontinued operations, net of tax	-	2	(1)	(67)
Loss on sale of discontinued operations, net of tax	(3)	(4)	(12)	(4)
Net earnings (loss)	8	8	(219)	(203)
Less: net loss (earnings) attributable to non-controlling interests	1	-	-	(1)
Net earnings (loss) attributable to Chemtura Corporation	\$ 9	\$ 8	(219)	(204)

Basic and diluted per share information - attributable to Chemtura Corporation:								
Earnings (loss) from continuing operations, net of tax	\$	0.05	\$	0.04	\$	(0.85)	\$	(0.54)
Earnings (loss) from discontinued operations, net of tax		-		0.01		-		(0.28)
Loss on sale of discontinued operations, net of tax		(0.01)		(0.02)		(0.05)		(0.02)
Net earnings (loss) attributable to Chemtura Corporation	\$	0.04	\$	0.03	\$	(0.90)	\$	(0.84)

Weighted average shares outstanding - Basic and Diluted		242.9		242.9		242.9		242.9
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Amounts attributable to Chemtura Corporation common shareholders:								
Earnings (loss) from continuing operations, net of tax	\$	12	\$	10	\$	(206)	\$	(133)
Earnings (loss) from discontinued operations, net of tax		-		2		(1)		(67)
Loss on sale of discontinued operations, net of tax		(3)		(4)		(12)		(4)
Net earnings (loss) attributable to Chemtura Corporation	\$	9	\$	8	\$	(219)	\$	(204)

(a) During the nine months ended September 30, 2010, \$129 million of contractual interest expense was recorded relating to interest obligations on unsecured claims for the period from March 18, 2009 through September 30, 2010 that are now probable to be paid based on the plan of reorganization filed during the second quarter of 2010. Included in this amount is contractual interest expense of \$20 million for the quarter ended September 30, 2009 and \$43 million for the nine months ended September 30, 2009. Contractual interest expense of \$21 million was recorded in the quarter ended September 30, 2010.

See accompanying notes to Consolidated Financial Statements.

CHEMTURA CORPORATION AND SUBSIDIARIES
(DEBTOR-IN-POSSESSION)
Consolidated Balance Sheets
September 30, 2010 (Unaudited) and December 31, 2009
(In millions, except per share data)

	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 263	\$ 236
Accounts receivable	496	442
Inventories	533	489
Other current assets	281	227
Assets of discontinued operations	-	85
Total current assets	1,573	1,479
NON-CURRENT ASSETS		
Restricted cash	758	-
Property, plant and equipment	690	750
Goodwill	233	235
Intangible assets, net	441	474
Other assets	189	180
	\$ 3,884	\$ 3,118
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 302	\$ 252
Accounts payable	173	126
Accrued expenses	231	178