



Tronox Seeks Permission to Present Proposed Divestiture of Ashtabula Complex to FTC Commissioners as Remedy for its Pending Cristal Acquisition

December 4, 2018

STAMFORD, Conn., Dec. 4, 2018 /PRNewswire/ -- Tronox Limited (NYSE: TROX) ("Tronox" or the "Company"), a global mining and inorganic chemicals company, today announced it has filed a motion with the Honorable D. Michael Chappell, the chief administrative law judge overseeing the Part 3 administrative proceeding with respect to its proposed acquisition of the TiO₂ business of The National Titanium Dioxide Company Limited (Cristal), seeking permission to present a proposed remedy transaction to the Federal Trade Commission (FTC). The motion outlines a proposed \$700 million divestiture of the two-plant Ashtabula TiO₂ complex to INEOS Enterprises A.G. (INEOS), a unit of INEOS, one of the world's largest chemicals companies and the 50th largest business in the world, with a focus on serving the developing needs of its customers from its 171 sites in 24 countries. Under the Company's proposed remedy, the Ashtabula complex, along with all of its associated assets – including research and development, sales, intellectual property and operations expertise – would be held separate during a short interim period while the proposed divestiture is pending.



"INEOS is an experienced and sophisticated purchaser of chemical operating assets, with dozens of successful acquisitions in the last two decades, particularly in chemical carve-out acquisitions. I believe this ideally positions the Ashtabula complex and INEOS to flourish as a stable and competitive new entrant into the TiO₂ market," said Jeffrey N. Quinn, president and chief executive officer of Tronox. "The proposed consent decree eliminates the competitive concerns alleged in the FTC's original complaint and it does so while providing the necessary foundation for the divested assets to be commercially successful."

Regulators in eight non-U.S. jurisdictions, including the European Union, have approved Tronox's proposed acquisition of Cristal. Approval by the FTC would allow Tronox and Cristal to close the transaction. Because the FTC took the unusual step of challenging the merger in its own administrative court, pursuant to "Part 3" of the FTC's rules and regulations, Tronox is unable to present the proposed remedy transaction to the FTC Commissioners unless consent is granted by the FTC's administrative law judge.

The motion asks the Court to make a written determination, within the five-day period provided by Rule 3.25(c), that there is a reasonable possibility of settlement and certify the proposed consent decree for the FTC Commissioners' consideration with a recommendation that the FTC Commissioners accept the proposed resolution of the case. Tronox's filing also requests that the FTC withdraw this matter from the Part 3 adjudication for the purpose of considering the proposed consent decree.

Under the proposed acquisition of the Ashtabula complex by INEOS, the competitive dynamics in North America would remain unchanged. Tronox's and Cristal's North American TiO₂ production assets would continue to be operated by two different companies. There would be no increase in industry concentration, thereby eliminating the risks of anticompetitive effects alleged in the FTC's original complaint that initiated the Part 3 proceeding. The proposed remedy transaction would preserve the rest of Tronox's global acquisition of Cristal, which would enable Tronox to increase global manufacturing output and efficiency from Cristal's non-North American manufacturing assets, while entirely divesting Cristal's North American business to a new market entrant. Staff at the FTC have indicated that they would not recommend the proposed remedy transaction to the FTC Commissioners.

If the administrative law judge grants Tronox's motion, Tronox, Cristal and INEOS would be able to engage in direct discussions with the FTC Commissioners as to the merits of the proposal. The granting of the motion does not in and of itself extend the period for the administrative law judge to render his decision in the Part 3 proceeding by December 19, 2018. If the FTC grants the request to remove the matter from the Part 3 adjudication, such period would be stayed, pending the FTC Commissioners' consideration of the proposal.

Quinn added, "Our priority continues to be to close the Cristal acquisition as soon as possible so we can immediately get to the business of unlocking value for our shareholders and better serving our global customer base. I am confident this proposed remedy benefits U. S. consumers, while resolving allegations in the FTC's complaint."

About Tronox

Tronox Limited is a vertically integrated mining and inorganic chemical business. The company mines and processes titanium ore, zircon and other minerals, and manufactures titanium dioxide pigments that add brightness and durability to paints, plastics, paper and other everyday products. For more information, visit tronox.com.

About Cristal

Cristal (also known as The National Titanium Dioxide Company Limited) operates eight manufacturing plants in seven countries on five continents and employs approximately 4,100 people worldwide. Cristal is owned 79 percent by Tasnee (a listed Saudi joint-stock company) and 20 percent by Gulf Investment Corporation (GIC), a company equally owned by the six states of the Gulf Cooperation Council (GCC), headquartered in Kuwait. One percent of the company is owned by Dr. Talal A. Al-Shair, who also serves as vice chairman, Tasnee and chairman of Cristal.

About INEOS

INEOS Enterprises is comprised of a portfolio of businesses manufacturing and distributing chemical products from its facilities and offices in Europe, USA, Canada, and Asia with global sales of more than €1bn. INEOS Enterprises is focused on meeting the developing needs of its customers and rapid growth both through acquisition and through investment in new manufacturing facilities/products.

Forward-Looking Statements

Statements in this release that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These and other risk factors are discussed in the company's filings with the Securities and Exchange Commission (SEC), including those under the heading entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017.

Specifically, there can be no assurance that consent referred to in this release will be granted by the FTC's administrative law judge pursuant to 16 C.F.R. § 3.25 (Rule 3.25) and even if such consent is granted there can be no assurance that the proposed remedy transaction will be accepted by the FTC and that our proposed acquisition of Cristal's TiO2 business will be consummated. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Unless otherwise required by applicable laws, we undertake no obligation to update or revise any forward-looking statements, whether because of new information or future developments.

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