

TRONOX



Second Quarter 2016 Conference Call

August 4, 2016

www.tronox.com

Safe Harbor Statement

Statements in this release that are not historical are forward-looking statements within the meaning of the safe harbor provisions 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, 2015 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

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. Moreover, 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 as a result of new information or future developments.

Second Quarter 2016 Summary

2Q16 Segments (\$ millions)	TiO ₂ + Alkali	TiO ₂	Alkali	Corporate	Consolidated
Revenue	537	333	204	--	537
Adjusted EBITDA	87	59	28	(16)	71
Cash Provided by (Used in) Operating Activities	88	67	21	(20)	68
Capital Expenditures	(22)	(18)	(4)	--	(22)
Free Cash Flow	66	49	17	(20)	46

- TiO₂ generated considerable momentum; adjusted EBITDA of \$59m up 168% over first quarter benefiting from pigment selling price increases, healthy demand growth and continued strong operating cost performance
- Pigment selling prices increased 5% sequentially; expect to see another sequential selling price improvement in third quarter
- TiO₂ Operational Excellence cash generation program ahead of schedule; generated additional \$43 million cash from cost reductions and additional \$104 million cash from working capital reductions in first half 2016
- Alkali continues to operate in sold-out mode and deliver significant free cash flow
- TiO₂ and Alkali ratified new multi-year labor contracts for operations in South Africa and Green River, Wyoming, respectively
- Cash of \$188 million and liquidity of \$460 million as of June 30, 2016
- Board declared quarterly dividend of \$0.045 per share payable on September 1, 2016 to shareholders of record of company's Class A and Class B ordinary shares at close of business on August 17, 2016

TiO₂ Second Quarter 2016 Performance

TiO ₂ (\$ millions)	2Q16	1Q16	2Q15
Revenue	333	285	409
Operating Income	6	(36)	(41)
Adjusted EBITDA	59	22	36

TiO ₂ (\$ millions)	2Q16
Cash Provided by Operating Activities	67
Capital Expenditures	(18)
Free Cash Flow	49

Compared to 1Q16

- Pigment products sales of \$244 million up 13%; sales volumes up 8%; selling prices up 5% (4% on local currency basis)
- Sales volumes higher in North America and Asia-Pacific; lower in EMEA and Latin America; selling prices higher in all regions
- Finished pigment inventory below normal seasonal levels as planned; matching production volumes to sales volumes
- Titanium feedstock and co-products sales of \$73m up 28% led by higher titanium slag and zircon sales volumes
- Adjusted EBITDA of \$59 million up from \$22 million; significant production cost reductions; benefit of higher pigment production efficiency and plant utilization; higher sales volumes in both pigment and titanium feedstocks and co-products; higher pigment selling prices

Compared to 2Q15

- Pigment products sales of \$244m down 8%; sales volumes up 3%; selling prices down 11% (11% local currency basis)
- Sales volumes higher in North America and Asia-Pacific; lower in EMEA and Latin America; selling prices lower in all regions
- Titanium feedstock and co-products sales of \$73m down 37%; lower sales for titanium slag and pig iron; lower zircon selling prices
- Adjusted EBITDA of \$59 million up from \$36m; significant production cost reductions achieved in Operational Excellence and favorable foreign exchange impact on production costs; more than offset lower selling prices and impact of feedstock production curtailments taken in the prior year

Alkali Second Quarter 2016 Performance

Alkali (\$ millions)	2Q16	1Q16	2Q15
Revenue	204	190	208
Operating Income	11	20	25
Adjusted EBITDA	28	35	50

Alkali (\$ millions)	2Q16
Cash Provided by Operating Activities	21
Capital Expenditures	(4)
Free Cash Flow	17

Compared to 1Q16

- Domestic sales volumes up 8% percent; selling prices down 2% on customer mix
- Export sales volumes up 12%; selling prices level
- We anticipate Asia pricing environment will remain stable through rest of year; evidence that Chinese soda ash exporter's costs are stabilizing after the decrease in the fourth quarter 2015
- Adjusted EBITDA down from \$35m; higher sales volumes more than offset by items in the current quarter totaling ~\$9m that did not occur in first quarter
- Items include longwall miner move; transition from a shared services agreement with the business' prior owner to a Tronox system; labor agreement supply reliability planning costs

Compared to 2Q15

- Domestic sales volumes up 5%; continued strong demand growth, particularly in flat glass and chemicals; selling prices level as price increases in low single-digit percent range in annual contracts offset by customer mix
- Export sales volumes down 6%; higher portion of increased production volumes allocated to domestic markets; selling prices down 6%; lower prices in Asia
- Adjusted EBITDA down from record \$50m; same items totaling ~\$9m that did not occur in year-ago quarter; plus lower export sales; higher inflation-driven operating costs and unplanned maintenance

Second Quarter 2016 Financial Position

Tronox (\$ millions)	2Q16	1Q16	2Q15
Corporate			
Income/(Loss) from Operations	(9)	(13)	(34) ⁽¹⁾
Adjusted EBITDA	(16)	(17)	(19)
Cash Used in Operations	(20)	(105)	(140)
SG&A	50	47	72 ⁽¹⁾
Interest and Debt Expense, Net	46	46	52

Tronox (\$ millions)	Jun 30, 2016
Gross Consolidated Debt	3,055
Debt, Net of Cash	2,867
Cash on Balance Sheet	188
Liquidity	460
Capital Expenditures	22
DD&A	60

2016 Capex expected to be \$150-160 million

2016 DD&A expected to be approx. \$250 million

(1) includes \$21 million of professional fees incurred for the Alkali acquisition

- Foreign currency: primary exposures to exchange rate changes in Australia, South Africa and The Netherlands
- South Africa and Australia more prevalent; majority of revenues in USD while expenses primarily in local currencies
- Cost structure in both countries benefited from ZAR and AUD movements relative to the USD
- Risk in Europe partially mitigated; majority of revenues and expenses in local currency creating partial natural hedge
- Second quarter favorable FX impacts: sales \$1 million; COGS \$21 million; adjusted EBITDA \$19 million

TiO₂ Operational Excellence

- on track to generate more than \$600 million cash over 2015-2017

Cash from Cost Reductions and Working Capital Reductions for the three-year period 2015-2017

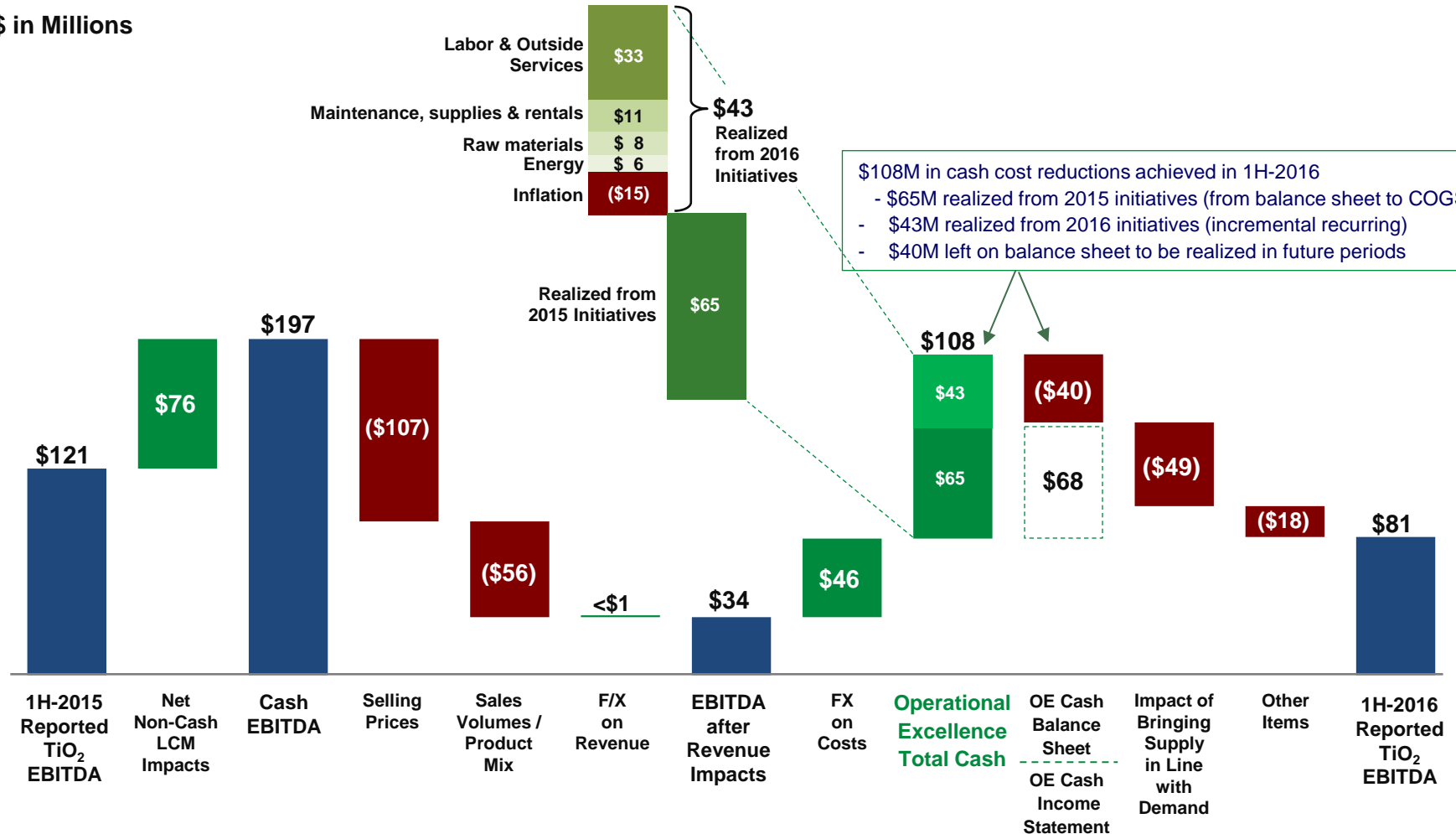
Versus 2014 Baseline	2015	1H 2016	2016	2017
	<u>Actual</u>	<u>Actual</u>	<u>Target</u>	<u>Target</u>
Cost Reduction	99	99	85	85
Less Cost to Deliver	<u>(9)</u>	<u>(12)</u>	<u>(5)</u>	<u>(5)</u>
Sustaining Cost Reduction	90	87	80	80
Incremental Cost Reductions		43	50	50
		-	-	50
Cash Cost Reduction	90	130	130	180
Working Capital Reduction	<u>98</u>	<u>104</u>	<u>185</u>	-
Total Cash Generation	188	234	315	180

Cumulative Cash Cost Reduction	90	220	190	370
Cumulative Working Capital Reduction	<u>98</u>	<u>202</u>	<u>270</u>	<u>270</u>
Total Cumulative Cash Generation	188	422	460	640

Note: Excludes inflation and FX impacts and net non-cash LCM charges

First Half 2016 TiO₂ Adjusted EBITDA Bridge

\$ in Millions



2016 Perspectives

TiO₂

Healthy market conditions and strong operating cost performance expected to continue in second half 2016

Pigment selling prices up in 2Q and expected to move higher in 3Q as increases roll across our global customer base

We believe pigment inventories normal or below normal at customer and producer levels across the globe

Ilmenite feedstock prices rise in first half 2016 driven by reduced supply by Chinese ilmenite producers

Ilmenite supply tightness and rising prices in China have led to a series of Chinese pigment producer price increases

China pigment production capacity expected to decline driven by environmental and energy efficiency pressures

Ilmenite supply tightness and rising prices should provide support for rising high grade feedstock selling prices

Resulting cost pressures on non-integrated pigment producers provides motivation for pigment price increases in 2017

Alkali

Another year of solid EBITDA and free cash flow delivery

Capital Expenditures

Total 2016 capital expenditures expected to be \$150-160 million

Cash Flow

Another year of positive free cash flow

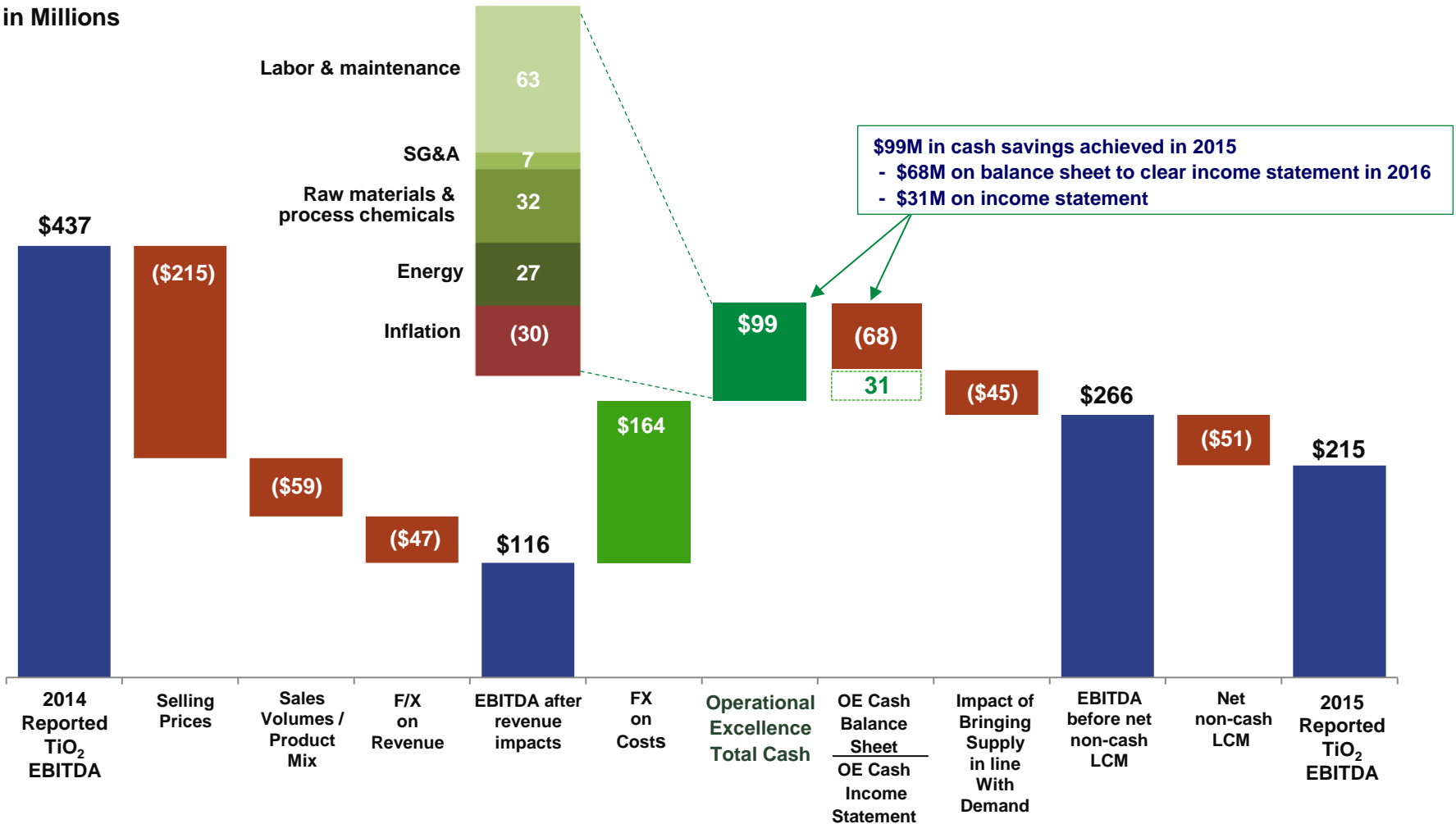
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Q&A Session

2015 TiO₂ Adjusted EBITDA Bridge

\$ in Millions



TRONOX LIMITED
RECONCILIATION OF NON-U.S. GAAP FINANCIAL MEASURES
(UNAUDITED)

Reconciliation of Net Loss Attributable to Tronox Limited (US GAAP to Adjusted Net Loss Attributable to Tronox Limited (Non-US GAAP))
Three Months and Six Months Ended June 30,

(Millions of U.S. dollars, except share and per share data)	Three Months Ended June 30		Six Months Ended June 30,	
	2016	2015	2016	2015
Net loss attributable to Tronox Limited (U.S. GAAP)	(50)	(119)	(141)	(168)
Acquisition related matters	-	36	-	34
Restructuring (income) expense	(1)	2	1	2
Gain on extinguishment of debt	-	-	(4)	-
Adjusted net loss attributable to Tronox Limited (non-U.S. GAAP)	(51)	(81)	(144)	(132)
Basic and diluted loss per share attributable to Tronox Limited (U.S. GAAP)	(0.42)	(1.03)	(1.21)	(1.45)
Acquisition related expense, per share	-	0.31	-	0.29
Restructuring (income) expense, per share	(0.01)	0.02	0.01	0.02
Gain on extinguishment of debt, per share	-	-	(0.03)	-
Basic and diluted adjusted income (loss) per share attributable to Tronox Limited (non-U.S. GAAP)	(0.43)	(0.70)	(1.23)	(1.14)
Weighted average shares outstanding, basic and diluted (in thousands)	116,184	115,569	116,052	115,472

TRONOX LIMITED
RECONCILIATION OF NET LOSS TO EBITDA AND ADJUSTED EBITDA (NON-U.S. GAAP)
(UNAUDITED)
Three Months and Six Months ended June 30,

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net loss (U.S. GAAP)	(48)	(118)	(140)	(164)
Interest and debt expense, net	46	52	92	86
Interest income	(1)	(2)	(2)	(4)
Income tax provision	10	11	22	18
Depreciation, depletion and amortization expense	60	75	115	140
EBITDA (non-U.S. GAAP)	67	18	87	76
Amortization of inventory step-up from purchase accounting	-	9	-	9
Alkali transaction costs	-	21	-	27
Restructuring (income) expense	(1)	2	1	2
Gain on extinguishment of debt	-	-	(4)	-
Foreign currency remeasurement	2	6	7	4
Other items	3	11	20	13
Adjusted EBITDA (non-U.S. GAAP)	71	67	111	131