

OLIN CORP
Form 10-Q
October 29, 2012

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012
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 1-1070

Olin Corporation
(Exact name of registrant as specified in its charter)

Virginia 13-1872319
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

190 Carondelet Plaza, Suite 1530, Clayton, MO 63105-3443
(Address of principal executive offices) (Zip Code)

(314) 480-1400
(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 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 the 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 (Do not check if a smaller reporting company)

Smaller reporting company

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

As of September 30, 2012, 80,150,713 shares of the registrant's common stock were outstanding.

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Part I — Financial Information

Item 1. Financial Statements.

OLIN CORPORATION AND CONSOLIDATED SUBSIDIARIES

Condensed Balance Sheets

(In millions, except per share data)

(Unaudited)

	September 30, 2012	December 31, 2011	September 30, 2011
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 103.1	\$ 304.8	\$ 318.3
Receivables, net	347.7	237.1	290.5
Income tax receivable	12.4	0.7	2.2
Inventories	213.7	176.6	166.3
Current deferred income taxes	56.5	50.9	50.4
Other current assets	20.0	10.2	11.1
Total current assets	753.4	780.3	838.8
Property, plant and equipment (less accumulated depreciation of \$1,206.0, \$1,144.0 and \$1,122.1)	1,018.2	885.4	821.3
Prepaid pension costs	51.1	19.2	46.1
Restricted cash	18.5	51.7	71.6
Other assets	223.6	85.6	86.8
Goodwill	752.3	627.4	627.4
Total assets	\$2,817.1	\$2,449.6	\$2,492.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current installments of long-term debt	\$ 23.6	\$ 12.2	\$ 87.8
Accounts payable	189.4	149.7	129.6
Accrued liabilities	249.2	237.2	237.6
Total current liabilities	462.2	399.1	455.0
Long-term debt	703.1	524.2	501.8
Accrued pension liability	66.8	59.1	55.2
Deferred income taxes	153.2	99.6	113.5
Other liabilities	355.2	381.8	359.3
Total liabilities	1,740.5	1,463.8	1,484.8
Commitments and contingencies			
Shareholders' equity:			
Common stock, par value \$1 per share: authorized, 120.0 shares; issued and outstanding 80.2, 80.1 and 80.2 shares	80.2	80.1	80.2
Additional paid-in capital	854.1	852.0	852.4
Accumulated other comprehensive loss	(272.6)	(294.2)	(270.6)
Retained earnings	414.9	347.9	345.2
Total shareholders' equity	1,076.6	985.8	1,007.2
Total liabilities and shareholders' equity	\$2,817.1	\$2,449.6	\$2,492.0

The accompanying notes to condensed financial statements are an integral part of the condensed financial statements.

OLIN CORPORATION AND CONSOLIDATED SUBSIDIARIES

Condensed Statements of Income

(In millions, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Sales	\$581.2	\$550.2	\$1,597.1	\$1,515.3
Operating expenses:				
Cost of goods sold	475.8	432.7	1,260.1	1,205.6
Selling and administration	42.4	39.8	131.2	121.0
Restructuring charges	2.3	4.1	6.0	6.6
Acquisition costs	8.3	—	8.3	0.8
Other operating income	1.1	4.3	1.5	5.9
Operating income	53.5	77.9	193.0	187.2
Earnings of non-consolidated affiliates	1.2	0.8	2.0	8.5
Interest expense	6.0	7.9	18.3	22.5
Interest income	0.2	0.2	0.7	0.7
Other (expense) income	(2.2)	(1.6)	(6.9)	179.0
Income before taxes	46.7	69.4	170.5	352.9
Income tax provision	18.0	22.2	55.5	129.9
Net income	\$28.7	\$47.2	\$115.0	