

OLIN CORP  
Form 10-Q  
July 28, 2009

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 June 30, 2009

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  
(State or other jurisdiction of incorporation or organization)

13-1872319  
(I.R.S. Employer Identification No.)

190 Carondelet Plaza, Suite 1530, Clayton, MO  
(Address of principal executive offices)

63105-3443  
(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.

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Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company)

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

As of June 30, 2009, 78,233,857 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)

	June 30, 2009	December 31, 2008	June 30, 2008
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 192.2	\$ 246.5	\$ 186.4
Short-Term Investments	—	—	20.5
Receivables, Net	212.5	213.0	251.0
Inventories	162.7	131.4	150.8
Current Deferred Income Taxes	68.5	68.5	69.8
Other Current Assets	10.3	10.9	16.2
Total Current Assets	646.2	670.3	694.7
Property, Plant and Equipment (less Accumulated Depreciation of \$975.8, \$956.0 and \$938.9)	683.5	629.9	541.4
Prepaid Pension Costs	—	—	154.1
Deferred Income Taxes	0.5	46.8	—
Other Assets	77.4	70.8	69.2
Goodwill	301.9	301.9	301.9
Total Assets	\$ 1,709.5	\$ 1,719.7	\$ 1,761.3
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current Liabilities:			
Accounts Payable	\$ 115.6	\$ 145.6	\$ 159.3
Income Taxes Payable	—	0.6	—
Accrued Liabilities	197.0	253.6	218.6
Total Current Liabilities	312.6	399.8	377.9
Long-Term Debt	251.4	252.4	248.7
Accrued Pension Liability	35.0	51.5	50.1
Deferred Income Taxes	7.1	6.5	22.4
Other Liabilities	311.2	304.5	338.0
Total Liabilities	917.3	1,014.7	1,037.1
Commitments and Contingencies			
Shareholders' Equity:			
Common Stock, Par Value \$1 Per Share: Authorized, 120.0 Shares;			
Issued and Outstanding 78.2, 77.3 and 75.4 Shares	78.2	77.3	75.4
Additional Paid-In Capital	814.5	801.6	761.6
Accumulated Other Comprehensive Loss	(239.4)	(269.4)	(154.1)
Retained Earnings	138.9	95.5	41.3
Total Shareholders' Equity	792.2	705.0	724.2
Total Liabilities and Shareholders' Equity	\$ 1,709.5	\$ 1,719.7	\$ 1,761.3

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 June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Sales	\$ 383.0	\$ 428.3	\$ 783.6	\$ 827.4
Operating Expenses:				
Cost of Goods Sold	312.0	347.2	618.2	661.2
Selling and Administration	36.1	35.6	75.3	68.9
Other Operating Income	0.2	0.4	5.7	1.0
Operating Income	35.1	45.9	95.8	98.3
Earnings of Non-consolidated Affiliates	11.0	11.0	25.8	19.1
Interest Expense	1.7	3.7	3.3	8.2
Interest Income	0.3	1.4	0.8	4.2
Other Income	0.1	0.2	0.1	0.3
Income before Taxes	44.8	54.8	119.2	113.7
Income Tax Provision	17.0	19.3	44.7	40.9
Net Income	\$ 27.8	\$ 35.5	\$ 74.5	\$ 72.8
Net Income per Common Share:				
Basic	\$ 0.36	\$ 0.47	\$ 0.96	\$ 0.97
Diluted	\$ 0.36	\$ 0.47	\$ 0.96	\$ 0.97
Dividends per Common Share	\$ 0.20	\$ 0.20	\$ 0.40	\$ 0.40
Average Common Shares Outstanding:				
Basic	78.1	75.0	77.8	74.8
Diluted	78.1	75.4	77.8	75.2

The accompanying Notes to Condensed Financial Statements are an integral part of the condensed financial statements.

OLIN CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Condensed Statements of Shareholders' Equity  
(In millions, except per share data)  
(Unaudited)

	Common Stock Shares Issued	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
Balance at January 1, 2008	74.5	\$ 74.5	\$ 742.0	\$ (151.2)	\$ (1.6)	\$ 663.7
Comprehensive Income:						
Net Income	—	—	—	—	72.8	72.8
Translation Adjustment	—	—	—	1.2	—	1.2
Net Unrealized Loss	—	—	—	(9.0)	—	(9.0)
Amortization of Prior Service Costs and Actuarial Losses, Net	—	—	—	4.9	—	4.9
Comprehensive Income						69.9
Dividends Paid:						
Common Stock (\$0.40 per share)	—	—	—	—	(29.9)	(29.9)
Common Stock Issued for:						
Stock Options Exercised	0.6	0.6	10.2	—	—	10.8
Employee Benefit Plans	0.3	0.3	6.2	—	—	6.5
Other Transactions	—	—	0.4	—	—	0.4
Stock-Based Compensation	—	—	2.8	—	—	2.8
Balance at June 30, 2008	75.4	\$ 75.4	\$ 761.6	\$ (154.1)	\$ 41.3	\$ 724.2
Balance at January 1, 2009	77.3	\$ 77.3	\$ 801.6	\$ (269.4)	\$ 95.5	\$ 705.0
Comprehensive Income:						
Net Income	—	—	—	—	74.5	74.5
Translation Adjustment	—	—	—	2.5	—	2.5
Net Unrealized Gain	—	—	—	23.7	—	23.7
Amortization of Prior Service Costs and Actuarial Losses, Net	—	—	—	3.8	—	3.8
Comprehensive Income						104.5
Dividends Paid:						
Common Stock (\$0.40 per share)	—	—	—	—	(31.1)	(31.1)