CENTURYLINK, INC
Form 4
May 27, 2014

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
GOFF STACEY W

(Last) (First) (Middle)

CENTURYLINK, INC., 100 CENTURYLINK DRIVE

(Street)

MONROE, LA 71203

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CENTURYLINK, INC [CTL]

3. Date of Earliest Transaction (Month/Day/Year)
05/23/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Ex. VP & Gen. Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/23/2014		F		2,171	D	$ 37.28	140,981	D	
Common Stock								1,935.715	I	By 401(k) plan
Common Stock								2,673.26	I	By ESOP
Common Stock								589.738	I	By Stock Bonus Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOFF STACEY W CENTURYLINK, INC. 100 CENTURYLINK DRIVE MONROE, LA 71203			Ex. VP & Gen. Counsel	

Signatures

/s/ Jennifer A. D'Alessandro, as attorney-in-fact	05/27/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. DE>Taxes on discontinued operations 2,794 148 1,637 1,508

Taxes allocated to other comprehensive income -242 979 4,405 3,847

Taxes on changes in accounting principles -1,180

Total taxes 63,097 13,009 86,521 99,542

F-98

With the exception of the explanations given below, the companies included in these financial statements are separate taxable entities:

Tax group with mg technologies ag: The main German operations of Dynamit Nobel are included in the combined tax return of mg Group for both corporation income tax and local trade taxes. Under the terms of the profit-and-loss transfer agreement between Dynamit Nobel and mg, the taxable income of Dynamit Nobel entities was transferred to mg technologies ag and subject to taxation at parent level. For purposes of these combined financial statements, income taxes were recognized for the German subsidiaries in the respective fiscal year as if Dynamit Nobel had been a separate taxable entity, excluding the tax-sharing agreement with mg technologies ag.

Tax-sharing agreement in the U.S.: Since February 1, 2000, a tax-sharing agreement has existed between the North American subsidiaries and the parent company MG North America Holdings Inc. Under this agreement, the North American subsidiaries are part of a consolidated tax group and are therefore included in the consolidated federal tax return of the parent MG North America Holdings Inc. A large proportion of this tax group is not included in these combined financial statements. In accordance with SFAS 109 ("Accounting for Income Taxes"), the income taxes attributable to the companies included in these combined financial statements were computed as if these companies were standalone taxable entities. According to these calculations, the federal tax net operating loss carryforward at December 31, 2003 amounted to approximately US$61,685 million for these companies. As some of these losses were utilized by offsetting against profits within the group, the losses carried forward at December 31, 2003 would amount to approximately US$27,854 million if these companies were to leave the group. The liabilities owed by Dynamit Nobel's North American subsidiaries to MG North America Holdings Inc. amounted to US$971 at December 31, 2003 (December 31, 2002: US$86; September 30, 2002: US$94; September 30, 2001: US$98).

Restructuring in Germany: In the stub-period 2002, mg technologies ag implemented a tax planning strategy to use net operating loss carry-forwards generated by mg entities that are not combined with Dynamit Nobel. The strategy involves the transfer of beneficial ownership of a significant position of Dynamit Nobel's German assets and liabilities to mg technologies ag.

The transfer of beneficial ownership of these business operations to mg gave rise to taxable capital gains which, under the existing profit and loss transfer agreement, were subject to taxes at mg level. If Dynamit Nobel had been a separate taxable entity these capital gains would have given rise to current tax expense in Germany for the stub period 2002. At the same time, this transfer of beneficial ownership and the resulting capital gain established a higher tax basis of those assets and the potential for future tax deductions through higher depreciation and amortization.

Deferred taxes are computed on those temporary deductible differences using applicable tax rates which, according to the enacted law at the balance sheet date, will apply on the date on which the temporary differences are likely to be realized. As the tax base resulted from the transaction with mg, the owner of Dynamit Nobel, the resulting deferred tax asset was reported as a deemed contribution from mg.

The changes to Germany's overall tax rates are outlined below:

In fiscal 2000/2001 allowing for the effects of the solidarity surcharge, the corporation tax rate in Germany was 42.2%.

Since fiscal 2001/2002, a uniform corporation tax rate of 25.0% has applied to German corporations. Under Germany's flood victims' solidarity legislation of September 19, 2002, the rate of German corporation tax for 2003 was raised on a one-off basis by 1.5 percentage points to 26.5%.

At December 31, 2002, German companies therefore computed deferred taxes for 2003 based on the corporation tax rate of 26.5% applicable for this year (a total rate of 28.0% including the solidarity surcharge). German companies' computation of deferred taxes was thus based on the pertinent tax rates of 26.4% and 28.0% and the relevant local trade tax rates of 13.3% and 13.0% respectively. The calculation of German companies' deferred taxes was therefore based on an overall rate of 39.7% and 41.0% respectively. The impact of this tax increase due to the flood victims' solidarity legislation, which was limited to one year, was not of material importance. At December 31, 2003, German companies calculated their deferred taxes based on an overall tax rate of 39.7%.

The main items of the reconciliation from the anticipated tax expense to the tax expense actually reported are non-deductible expenses, tax-exempt income, foreign tax rate differential, and changes in the valuation allowance on deferred tax assets.

Deferred tax assets and liabilities are recognized for all temporary differences between the amounts reported for tax purposes and those in the combined financial statements. Furthermore, deferred tax assets are recognized for losses carried forward. A valuation allowance is established to reduce the deferred tax assets to a level that is more likely than not to be realized. Deferred tax liabilities on retained earnings at foreign entities of Dynamit Nobel were not established because these earnings are not intended to be paid out as dividends in the future, but constitute a permanent investment. It is not practicable to determine the amount of potential deferred taxes on these earnings at this time.

The primary components of deferred tax assets and liabilities and the related valuation allowances result from adjustments in the following items:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Deferred tax assets				
Net operating loss carryforwards	35,162	42,007	35,131	32,447
Intangible assets	372,428	326,601	8,084	10,582
Inventories	2,526	2,402	2,547	2,176
Receivables/Liabilities	33,155	15,212	15,189	16,494
Pension and other postretirement benefits	31,368	27,483	25,456	19,316
Other provisions and accruals	12,630	7,236	8,854	7,083
Deferred income	4,302	5,226	5,138	4,633
Other	1,586	4,568	5,840	9,980
Total	**493,157**	**430,735**	**106,239**	**102,711**
Less valuation allowance	-17,932	-21,390	-21,295	-20,698
Total deferred tax assets	**475,225**	**409,345**	**84,944**	**82,013**
Deferred tax liabilities				
Intangible assets	-28,755	-30,405	-29,907	-23,904
Property, plant and equipment	-57,160	-42,249	-58,498	-54,850
Inventories	-7,267	-8,297	-7,284	-6,436
Other provisions and accruals	-1,718	-2,137	-3,719	-3,341
Other	-5,831	-8,611	-3,700	-10,712
Total deferred tax liabilities	**-100,732**	**-91,699**	**-103,108**	**-99,243**
Total deferred tax assets, net	**374,494**	**317,646**	**-18,164**	**-17,230**

At December 31, 2003, the Group reported corporate tax net operating loss carryforwards of US$84,014 million and German trade tax net operating losses of US$1,240 million. The losses of foreign companies can usually only be carried forward for a limited period. A valuation allowance of US$14,547 million has been established against the total net operating losses.

Significant foreign losses carried forward:

Expiration date	$ million
2006	1.8
2007	4.3
2008	3.0
2009	1.0
2010	2.3
up to 2023	18.8
Total	**31.2**

The valuation allowance at September 30, 2001 was US$20,128. During the periods ending September 30, 2002, December 31, 2002 and December 31, 2003, the valuation allowance decreased by US$983, US$1,200 and US$6,989, respectively.

4) Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Cash and cash equivalents less than three months	7,832	7,007	9,435	10,718
Cash and cash equivalents greater than three months			68	
Total cash and cash equivalents	**7,832**	**7,007**	**9,503**	**10,718**

Restricted cash of US$54 were held at September 30, 2002 (September 30, 2001: US$87) and is included in cash and cash equivalents less than three months.

The Cash flow statements include the following interest, tax payments and noncash investing activities:

$ '000	January 1, to December 31, 2003	October 1, to December 31, 2002	October 1, 2001 to September 30, 2002	October 1, 2000 to September 30, 2001
Cash paid for interest	29,893	7,146	25,405	26,832
Cash paid for taxes	10,773	6,133	17,203	17,956
Acquisition of Finorga				
Cash paid, net of cash acquired	12,894			29,766
Debt forgiven				47,139
Goodwill	12,894			18,747
Other assets acquired/liabilities assumed				58,157

5) Trade Receivables

Valuation allowances on trade receivables are as follows:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Trade receivables	205,312	161,731	181,214	164,153
Less valuation allowance	-4,943	-3,106	-3,123	-3,440
Total	**200,369**	**158,625**	**178,091**	**160,713**

6) Accounts Receivable from and Liabilities to Related Parties

Current and non-current accounts receivable from related parties consist of the following:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Current				
Accounts receivable from mg	60,402	20,906	21,230	2,180
Accounts receivable from subsidiaries	12,229	8,147	7,706	7,136
Current accounts receivable from related parties	72,631	29,053	28,936	9,316
Non-current				
Accounts receivable from mg		7,614	14,292	19,842
Accounts receivable subsidiaries		37		
Non-current accounts receivable from related parties		7,651	14,292	19,842
Total	**72,631**	**36,704**	**43,228**	**29,158**

F-104

Current and non-current liabilities to related parties consist of the following:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Current				
Liabilities to mg	209,165	171,131	269,052	127,986
Provisions and accrued liabilities to mg		83	78	72
Liabilities to subsidiaries	10,985	9,630	9,595	8,689
Current liabilities to related parties	220,150	180,844	278,725	136,747
Non-current				
Liabilities to mg	31,575	34,956	32,866	38,045
Liabilities to subsidiaries		2	2	
Non-current liabilities to related parties	31,575	34,958	32,868	38,045
Total	**251,725**	**215,802**	**311,593**	**174,792**

7) Inventories

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Raw materials and supplies	79,877	75,004	55,074	56,362
Work in process	55,000	49,995	52,409	56,426
Finished goods	121,585	107,309	89,128	94,617
Merchandise	19,887	15,324	14,818	21,760
Total	**276,349**	**247,632**	**211,429**	**229,165**

F-105

8) Property, Plant and Equipment

Property, plant and equipment are broken down as follows:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Lands	160,487	135,485	129,895	125,673
Buildings, including buildings on land owned by others	558,581	454,578	427,976	376,613
Mining rights	24,404	24,403	24,403	24,504
Plant and equipment	1,411,979	1,131,308	1,046,384	943,797
Other plant, office furniture and equipment	228,420	191,283	180,320	168,088
Construction in progress	88,088	75,617	78,533	93,414
	2,471,959	2,012,674	1,887,511	1,732,089
Accumulated depreciation	-1,553,764	-1,246,495	-1,163,599	-1,068,806
(thereof current depreciation)	(-88,584)	(-19,851)	(-77,893)	(-78,690)
Total	**918,195**	**766,179**	**723,912**	**663,283**

Property, plant and equipment include land and buildings, plant and equipment, and office furniture and equipment recorded under capital leases. The changes in the values of these leased assets are as follows:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Land	148	123	115	107
Buildings	49,368	40,992	38,541	35,691
Plant and equipment	169	119	119	3,431
Other plant, furniture and equipment	9,594	9,139	8,135	4,634
	59,279	50,373	46,910	43,863
Accumulated depreciation	-13,547	-10,755	-9,076	-7,506
(thereof current depreciation)	(-2,899)	(-699)	(-3,120)	(-2,071)
Total	**45,732**	**39,618**	**37,834**	**36,357**

The leases on real estate relate to two properties. The lease term on one property runs through 2019 and thereafter the lease is automatically extended by one year at a time, with a notice period of three years. There is an option to purchase the property at its residual value once the minimum lease term has expired. The initial lease term on the other property expired in 2002 and the lease has been extended on a revolving basis. There is an option to purchase the property at its carrying amount plus a premium.

The decrease in "Office furniture and equipment" at December 31, 2003 is due to the consolidation of the leasing company in accordance with FIN 46R.

Property, plant and equipment include buildings and plant and equipment which are leased by Dynamit Nobel to a third party under the terms of an operating lease:

$ '000	**December 31, 2003**
Buildings	5,614
Plant and equipment	10,531
	16,145
Accumulated depreciation	-9,608
(thereof current depreciation)	(-962)
Total	**6,537**

Future minimum lease payments on assets under operating leases amount to US$1,614 annually for each of the next five years.

9) Other Intangible Assets

Other intangible assets consist of the following:

$ '000	**December 31, 2003**	**December 31, 2002**	**September 30, 2002**	**September 30, 2001**
Patents, licenses, trademarks and similar rights and assets, including licenses for such rights and assets	50,488	40,564	37,519	24,906
Software	18,594	15,841	14,760	13,816
Intangible pension asset	1,041	2,194	2,351	2,952
	70,123	**58,599**	**54,630**	**41,674**
Accumulated amortization	-50,176	-38,707	-35,395	-29,321
(thereof current amortization)	(-5,799)	(-1,219)	(-4,960)	(-5,064)
Total	**19,947**	**19,892**	**19,235**	**12,353**

The estimated future amortization expense related to intangible assets during the five succeeding years is as follows:

$ '000	December 31, 2003
2004	5,743
2005	4,332
2006	2,926
2007	1,865
2008	1,128

10) Goodwill

Changes in the carrying amount of goodwill are as follows:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Carrying amount at beginning of year	380,358	377,314	378,507	377,086
Additions	12,894		20	27,216
Disposals			-2,084	-2,011
Reclassification			-2,740	-5,515
Amortization				-19,545
Foreign currency exchange rate effect	11,995	3,044	3,611	1,276
Carrying amount at end of year	**405,247**	**380,358**	**377,314**	**378,507**

The amortization of goodwill was discontinued at the beginning of the 2001/2002 fiscal year as of October 1, 2001 in accordance with SFAS 142. Instead, goodwill is tested for impairment on an annual basis. In none of the periods shown did such tests result in any goodwill impairment.

11) Debt

Current- and non-current debt consist of the following:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Current				
Liabilities to banks	180,705	126,790	105,411	121,709
Liabilities under capital leases	2,726	2,796	2,686	1,896
Current debt including portions of non- current debt classified as current	183,431	129,586	108,097	123,605
Non-current				
Preferred stock of subsidiary	21,504	19,345	18,796	17,616
Liabilities to banks	169,461	145,105	39,918	86,754
Liabilities under capital leases	40,662	37,144	35,400	33,535
Non-current debt	231,627	201,594	94,114	137,905
Total	**415,058**	**331,180**	**202,211**	**261,510**

"Liabilities to banks" primarily relate to the US$230,000 loan to finance the 1998 acquisition of Chemetall Foote Corp., Delaware, U.S.A., (previously Cyprus Foote Mineral Company). Beginning in 2000, this loan is being repaid under scheduled principal repayments until September 29, 2006. At December 31, 2003, the balance of the loan outstanding amounted to US$105,200 (December 31, 2002: US$45,600; September 30, 2002: US$0; September 30, 2001: US$0). In prior years Dynamit Nobel had temporarily repaid this loan a few days before the end of the period. The loan was then drawn upon again subsequent to these balance sheet dates. The interest rate on the loan is LIBOR (US$) plus a margin of 50 basis points through September 30, 2004, after which it will be LIBOR (US$) plus a margin of 60 basis points. The loan agreement contains covenants obliging a combined entity to maintain a certain amount of shareholders' equity as well as debt-to equity ratios and earnings-to-interest ratios. If one of these covenants is breached, the lender is entitled to call the loan. The loan agreement contains a change of control provision that entitles the lender to call the loan in such a case.

The average interest rate payable on the other liabilities to banks outstanding at December 31, 2003 is 4.63% (December 31, 2002: 4.77%; September 30, 2002: 4.90%; September 30, 2001: 5.57%). The interest rates on any floating-rate loans are hedged. The majority of loans are denominated in euros and the residual terms of these loans vary between one and eight years at December 31, 2003. Some of the loans contain covenants obliging the borrower to perform or refrain from certain actions or allow the loan to be terminated if certain events occur. One loan with a balance of US$16,144 at December 31, 2003 can be called if a change in control occurs.

The fair value of liabilities to banks amounted to US$351,202 at December 31, 2003 (December 31, 2002: US$273,580; September 30, 2002: US$146,247; September 30, 2001: US$210,363). The fair value is calculated by discounting the future cash flows at a credit risk adjusted risk free interest rate.

The initial consolidation of the two leasing entities at December 31, 2003 in accordance with the adoption of FIN 46R increased the liabilities to banks by US$10,166 and reduced the liabilities under capital leases by US$2,545.

The **preferred stock** relates to Chemetall Plc. 12 million shares with a par value of £1 each. The shares were issued on August 22, 1988 and will be redeemed by the issuer at their par value on July 3, 2008 and may be called at an earlier date. The shares have a liquidation preference and pay an annual dividend of 9.0% of their par value. The dividend is payable on January 3 and July 3 of each year. If, in the opinion of management, the level of profit reported does not allow the payment of a dividend, the dividend arrearage must be paid in subsequent years. The preferred stock does not confer any voting rights unless the payment of the dividend or redemption price is more than six months in arrears or a vote is being held on the company's liquidation or a capital reduction. The terms and conditions governing the issuance of the preferred stock contain covenants obliging the issuer to maintain a certain debt/equity ratio.

The future minimum lease payments under capital leases are as follows:

$ '000	**December 31, 2003**
2004	5,555
2005	4,377
2006	4,250
2007	4,108
2008	4,095
Thereafter	41,078
Minimum lease payments	**63,463**
Less amounts representing interest	-20,075
Liabilities under capital leases	**43,388**
(thereof current portion)	2,726

F-110

The maturities of all financial liabilities, excluding the separately shown liabilities under capital leases, are as follows:

$ '000	December 31, 2003
2004	180,705
2005	42,941
2006	46,636
2007	10,000
2008	33,990
Thereafter	57,397
Total	371,669

At December 31, 2003, total debt of US$47,755 (December 31, 2002: US$43,838; September 30, 2002: US$17,355; September 30, 2001: US$8,615) was collateralized by mortgages on land and buildings.

At December 31, 2003, Dynamit Nobel maintained unutilized credit lines of US$40,229. No charges were incurred for the provision of these credit lines.

12) Provisions for Pensions and Similar Obligations

Provisions for pensions and similar obligations relate to:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Pension plans	258,540	205,913	193,251	173,504
Other postretirement benefits	14,682	12,454	11,910	10,709
Other accrued pension-related obligations	2,607	2,442	2,489	1,385
Total	**275,829**	**220,809**	**207,650**	**185,598**

a) ***Defined-benefit pension plans***

aa) ***Pension liabilities and funded status***

Pension benefits are provided to the majority of employees of the companies included in these combined financial statements. The benefits in Germany usually consist of entitlements to future pension payments. The employees generally receive fixed pension amounts per year of service. The subsidiaries outside Germany operate country-specific pension plans, some of which are funded. Benefit obligations in Germany are primarily unfunded.

The two tables below show pension liabilities, plan assets, and the funded status for defined benefit pension plans at the companies classified as continuing operations.

	January 1, to December 31, 2003		October 1, to December 31, 2002		October 1, 2001 to September 30, 2002		October 1, 2000 to September 30, 2001	
$ '000	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Changes in projected benefit obligation								
Projected benefit obligation at beginning of year	178,455	138,791	167,209	130,944	155,327	120,833	154,759	116,845
Service cost	2,935	5,377	614	638	2,656	4,661	2,229	4,375
Interest cost	10,962	6,973	2,489	874	9,963	5,855	9,473	5,477
Employee contributions		1,439		340		1,033		1,063
Actuarial loss (+) / gain (-)	16,286	-2,148	-23	1,766	1,067	-2,538	8	-3,117
Acquisitions							33	
Disposals	-332				-5,585	-1,859		
Plan redemptions / reductions	-469						-2,816	
Plan changes						48		176
Currency translation adjustment	38,136	15,715	10,787	6,309	13,352	9,480	333	335
Benefits paid	-13,129	-4,931	-2,621	-2,080	-9,571	-6,569	-8,692	-4,321
Projected benefit obligation at end of year	**232,844**	**161,216**	**178,455**	**138,791**	**167,209**	**130,944**	**155,327**	**120,833**
Changes in plan assets								
Fair value of plan assets at beginning of year	10,017	113,062	9,390	106,161	9,470	100,467	10,284	111,359
Expected return on plan assets	359	6,983	65	657	462	6,010	629	6,668
Actuarial loss (-) / gain (+)	-158	-1,652		765	-1,217	-7,122	-1,515	-18,342
Employer contributions	1,010	5,488	210	1,595	769	4,311	841	3,797
Employee contributions		1,439		340		1,033		1,063
Currency translation adjustment	2,091	13,273	599	5,624	791	8,031	18	243
Benefits paid	-1,199	-4,931	-247	-2,080	-885	-6,569	-787	-4,321
Fair value of plan assets at end of year	**12,120**	**133,662**	**10,017**	**113,062**	**9,390**	**106,161**	**9,470**	**100,467**

12) Provisions for Pensions and Similar Obligations

	December 31, 2003		December 31, 2002		September 30, 2002		September 30, 2001	
$ '000	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Funded status	**220,724**	**27,554**	**168,438**	**25,729**	**157,819**	**24,783**	**145,857**	**20,366**
Unrecognized transition obligation	-2,157	-200	-4,179	-359	-4,490	-378	-6,237	-485
Unrecognized service cost arising from retroactive plan changes		-197		-227		-234		-215
Unrecognized actuarial losses (-) / gains (+)	-4,696	-21,251	9,098	-21,323	8,628	-20,494	9,700	-15,850
Net amount recognized	**213,871**	**5,906**	**173,357**	**3,820**	**161,957**	**3,677**	**149,320**	**3,816**
The amount recognized is included under the following balance sheet items:								
Provisions for pensions and similar obligations	241,630	16,912	190,251	15,663	178,312	14,939	160,212	13,292
Prepaid expenses		-1,748		-1,899		-1,549		-1,851
Other intangible assets	-1,022	-19	-1,977	-217	-2,126	-225	-2,952	
Accumulated other comprehensive income/loss	-26,737	-9,239	-14,917	-9,727	-14,229	-9,488	-7,940	-7,625
Net amount recognized	**213,871**	**5,906**	**173,357**	**3,820**	**161,957**	**3,677**	**149,320**	**3,816**

	January 1, to December 31, 2003		October 1, to December 31, 2002		October 1, 2001 to September 30, 2002		October 1, 2000 to September 30, 2001	
$ '000	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Employer contributions	1,010	5,488	210	1,595	769	4,311	841	3,797
Employee contributions		1,439		340		1,033		1,063
Payments	13,129	4,931	2,621	2,080	9,571	6,569	8,692	4,321

Employer contributions of US$7,155 in connection with defined benefit pension plans are expected in 2004 (German: US$568 and; foreign: US$6,587).

ab) Measurement of the additional minimum pension liability

The decrease of US$5,622, increase of US$556, decrease of US$6,426 and decrease of US$11,184 in the minimum pension liability in 2003, stub period 2002, 2001/2002, and 2000/2001, respectively are included in "Accumulated other comprehensive income/loss".

The accumulated benefit obligation is US$378,910 at December 31, 2003 and at December 31, 2002 it is US$304,565. At September 30, 2002 it is US$285,805, and at September 30, 2001 it is US$262,176.

ac) Net periodic pension cost

Net periodic pension cost for German and foreign pension plans is as follows:

	January 1, to December 31, 2003		October 1, to December 31, 2002		October 1, 2001 to September 30, 2002		October 1, 2000 to September 30, 2001	
$ '000	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Service cost	2,935	5,377	614	638	2,656	4,661	2,229	4,375
Interest cost	10,962	6,973	2,489	874	9,963	5,855	9,473	5,477
Expected return on plan assets	-359	-6,983	-65	-657	-462	-6,010	-629	-6,668
Amortization of unrecognized transitional amount	2,568	188	569		2,088	139	2,022	131
Amortization of service cost arising from retroactive plan changes		29		38		72		26
Amortization of unrecognized net actuarial losses (+) / gains (-)	232	969	-48	226	-340	790	-405	1
Net periodic pension cost	**16,338**	**6,553**	**3,559**	**1,119**	**13,905**	**5,507**	**12,690**	**3,342**

ad) Valuation assumptions used

The assumptions made about the discount rate, future compensation increases, and long-term returns on plan assets, which are used to calculate the accumulated benefit obligation and the net periodic pension cost, vary according to the economic climate in the country in which the pension entitlements were granted and in line with the prevailing capital market conditions. The computation of the accumulated postretirement benefit obligation is based on the actuarial assumptions below (weighted averages).

	December 31, 2003		December 31, 2002		September 30, 2002		September 30, 2001	
	German	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Discount rate	5.50%	4.90%	6.00%	4.91%	6.00%	4.95%	6.50%	4.97%
Rate of compensation increase	3.00%	2.86%	3.00%	2.81%	3.00%	2.82%	3.00%	3.39%

The actuarial assumptions used to calculate the projected benefit obligation at the relevant balance sheet date are used to compute the interest cost and the cost of pension entitlements arising in the following year. In addition, the long-term returns anticipated at this time are used to determine the returns on plan assets in the following year. The computation of the net periodic pension cost is based on the actuarial assumptions below (weighted averages).

	December 31, 2003		December 31, 2002		September 30, 2002		September 30, 2001	
	German	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Discount rate	5.50%	4.91%	6.00%	4.95%	6.50%	4.97%	6.50%	5.09%
Rate of compensation increase	3.00%	2.81%	3.00%	2.82%	3.00%	3.39%	3.00%	3.33%
Expected long-term return on plan assets	3.52%	6.01%	2.77%	5.77%	4.89%	6.00%	6.49%	6.26%

The expected long-term return on plan assets is based on local assumptions and the valuation of German and foreign plan assets at their fair value.

The date on which pension plans are valued is the balance sheet date, i.e. December 31 or September 30 for all German plans and the majority of foreign plans prior to the change of mg's fiscal year.

During the stub period from October 1 through December 31, 2002, no comprehensive actuarial calculations were carried out for any German pension plan or for some foreign plans. Instead, the actuarial parameters available at September 30, 2002 were used to estimate the accrued pension liability, the projected benefit obligation, and the plan assets. Net periodic pension cost for the stub period is based on one quarter of the estimated cost for the twelve month period ending September 30, 2003. Furthermore, the pension payments made during the stub period 2002 as well as the employer and employee contributions to plan assets were recognized based on actual amounts. The computation of pension cost for 2003 is based on the projected benefit obligation at December 31, 2002.

b) Defined-contribution pension plans

The individual companies included in these combined financial statements offer various postretirement benefits in the form of defined-contribution pension plans. The pension obligation for these plans resides not with the companies themselves but with the respective pension provider. Total payments to the pension providers of US$2,463 were made in 2003 (stub period 2002: US$757; 2001/2002: US$1,902; 2000/2001: US$1,755).

c) Other postretirement benefits

In addition to pensions and similar benefits, certain retired employees in Germany are provided with postretirement benefits for private health insurance premiums. Outside Germany, one company in the U.S. provides various retirees with postretirement benefits for health insurance and life assurance.

The three tables below show accumulated postretirement benefit obligations as well as the reconciliation of the funded status to the amount reported in the balance sheet. They also show the relevant employer and employee contributions, the payments made, and the net periodic cost of other postretirement benefits.

	December 31, 2003		**December 31, 2002**		**September 30, 2002**		**September 30, 2001**	
$ '000	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**	**German**	**Foreign**
Accumulated postretirement benefit obligations at end of year	11,140	3,391	8,113	3,298	7,571	3,134	6,538	3,147
Funded status	11,140	3,391	8,113	3,298	7,571	3,134	6,538	3,147
Unrecognized service cost arising from retroactive plan changes		107		-260		-264		-444
Unrecognized actuarial losses (-) / gains (+)	-901	945	77	1,227	74	1,396	185	1,282
Net amount recognized	**10,239**	**4,443**	**8,190**	**4,265**	**7,645**	**4,266**	**6,723**	**3,985**

$ '000	January 1, to December 31, 2003 German	January 1, to December 31, 2003 Foreign	October 1, to December 31, 2002 German	October 1, to December 31, 2002 Foreign	October 1, 2001 to September 30, 2002 German	October 1, 2001 to September 30, 2002 Foreign	October 1, 2000 to September 30, 2001 German	October 1, 2000 to September 30, 2001 Foreign
Employer contributions		121		29		74		75
Employee contributions		40		7		32		26
Payments	485	161	86	36	311	106	292	101
Net periodic cost	648	300	143	85	540	295	532	353

No separate plan assets are held to fund the other postretirement benefits.

Employer contributions of US$133 in connection with additional postretirement benefits are expected in 2004 (German: US$0; foreign: US$133).

The assumptions used to calculate the accumulated postretirement benefit obligation and the net periodic cost vary according to the economic climate of the country in which the additional postretirement benefits were provided and in line with the prevailing capital market conditions. The computation of the accumulated postretirement benefit obligation is based on the actuarial assumptions below (weighted averages).

	December 31, 2003 German	December 31, 2003 Foreign	December 31, 2002 German	December 31, 2002 Foreign	September 30, 2002 German	September 30, 2002 Foreign	September 30, 2001 German	September 30, 2001 Foreign
Discount rate	5.50%	6.25%	6.00%	6.75%	6.00%	7.00%	6.50%	7.50%

The actuarial assumptions used to calculate the accumulated postretirement benefit obligation at the relevant balance sheet date are used to compute the interest cost and the cost of additional postretirement benefits arising in the following year. The calculation of the net periodic cost is based on the actuarial assumptions below (weighted averages).

	January 1, to December 31, 2003 German	January 1, to December 31, 2003 Foreign	October 1, to December 31, 2002 German	October 1, to December 31, 2002 Foreign	October 1, 2001 to September 30, 2002 German	October 1, 2001 to September 30, 2002 Foreign	October 1, 2000 to September 30, 2001 German	October 1, 2000 to September 30, 2001 Foreign
Discount rate	5.50%	6.75%	6.00%	7.00%	6.50%	7.50%	6.50%	7.50%

The changes in the healthcare cost trend over time are as follows:

	January 1, to December 31, 2003		October 1, to December 31, 2002		October 1, 2001 to September 30, 2002		October 1, 2000 to September 30, 2001	
	German	Foreign	German	Foreign	German	Foreign	German	Foreign
Healthcare cost trend for the following year	4.00%	9.00%	4.00%	9.50%	4.00%	9.50%	4.00%	9.50%
Level to which the cost trend is likely to fall (final rate)		5.00%		5.00%		5.00%		5.00%
Year in which the final rate will be reached		2011		2011		2011		2010

The healthcare cost trend for German additional postretirement benefits has remained constant at 4.0% in recent years. This rate is not expected to change in the next few years and it is therefore not possible to state the probable final rate for German additional postretirement benefits or the year in which this final rate will be reached.

The measurement dates used are mostly the same as those used for pension plans.

13) Other Provisions and Accrued Liabilities

Current- and non-current provisions and accrued liabilities consist of the following:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Current				
Taxes	9,264	8,725	11,062	12,441
Personnel	55,927	45,398	44,921	57,870
Environmental and clean-up costs	2,459	1,715	1,824	1,226
Guarantees	2,646	2,301	2,611	4,115
Rebates	5,901	3,451	3,424	3,253
Outstanding invoices from suppliers	16,512	13,760	12,421	12,269
Loss provisions	9,878	2,897	2,776	1,075
Other	20,533	20,461	19,185	23,358
	123,120	**98,708**	**98,224**	**115,607**
Non-current				
Taxes	332	2,067	2,018	3,839
Personnel	18,874	12,204	22,945	15,472
Environmental protection and recultivation	21,471	12,919	13,675	14,217
Guarantees	505	73		
Asset retirement obligations	1,085	1,028		
Other	213	357	68	6,283
	42,480	**28,648**	**38,706**	**39,811**
Total	**165,600**	**127,356**	**136,930**	**155,418**

Provisions and accrued liabilities for taxes relate to current taxes and were largely established to cover foreign tax liabilities and future tax audits.

Provisions for personnel expenditures largely comprise bonuses, vacation not yet taken, anniversaries, part-time retirement, and accumulated overtime hours.

Provisions for **environmental protection and recultivation** totaled US$23,930 at December 31, 2003 (December 31, 2002: US$14,634; September 30, 2002: US$15,499; September 30, 2001: US$15,443). These provisions largely relate to soil decontamination, treatment of effluents, and the clean-up of landfill sites. In addition to the recorded liabilities, there is a further maximum potential liability risk of US$11,056 at December 31, 2003.

The cost of cleaning up two landfill sites is being borne by several companies, and the cost of one of these sites is additionally being borne by the local authorities. The share of the cost borne by each of the parties involved is determined by the volume of waste they have dumped at these landfill sites. The share of the cost borne by Dynamit Nobel is 3.9% for one site and less than 1,0% for the other. However, if one of the parties involved is unable to bear its share of the cost, its share is borne jointly by the other parties. At December 31, 2003, there was no indication that it would be necessary for Dynamit Nobel to bear such additional costs.

At December 31, 2003, two environmental liabilities involving cash flows of US$10,893 and US$2,373 are reported at their net present values of US$6,315 and US$1,892 respectively. The first of these amounts was discounted at a rate of 5.0% and the second at 5.5%. The first of the provisions covers a groundwater decontamination liability and its estimated costs are based on calculations conducted by internal and external experts. Decontamination of the site is expected to be completed in 2029. The second of the provisions relates to the piping for a ditch which is being planned and installed by the local waste treatment authority. This provision was first established on September 30, 2000. The measurement of the provision at December 31, 2003 is based on the assumption that the implementation of these remediation measures will commence in 2007. For both provisions the following payments are expected to be made in subsequent years:

$ '000	**December 31, 2003**
2004	632
2005	410
2006	410
2007	2,784
2008	410
Thereafter	8,621
Total	**13,267**

The table below shows the changes in current and non-current provisions for **product warranties**. Most warranties run for a term between one and two years in accordance with the legal and contractual provisions.

$ '000	December 31, 2003	December 31, 2002
Balance at beginning of year	2,374	2,611
Payments	-285	-167
Provision for new warranties	1,253	153
Changes in estimates	-701	-369
Foreign currency exchange rate effect	510	146
Balance at end of year	**3,151**	**2,374**

The **asset retirement obligation** relates to the removal of evaporation basins of brine which are used to produce lithium and the sealing of related bore holes. Removal is expected to commence in 2019 and no payments will be incurred prior to this date. The changes in this provision are as follows:

$ '000	December 31, 2003	December 31, 2002
Balance at beginning of year	1,028	1,015
Accrued interest	57	13
Balance at end of year	**1,085**	**1,028**

14) Minority Interests

The minority interest at December 31, 2003 relates to the 0.05% outstanding interest in DNVJ Vermögensverwaltung GmbH. Minority interests in prior years essentially consisted of the 40.0% interest in CeramTec Heimbach Dewatering Technology GmbH, which was sold in 2003.

15) Stock-Based Compensation

Stock option program

Employees of Dynamit Nobel participate in either the mg's stock option program for executives or in the employee share ownership program, which was expired in 2003. The stock option program is offered annually to executives of the mg Group in tranches, each of which runs for a period of three years. The options can only be exercised if a certain targeted profit increase with respect to mg's pre-tax earnings per share during the three-year period is met. The purchase price for one mg share is determined by dividing the share's market price by the profit increase factor at the time of exercise. Of the total options that had been issued by mg at December 31, 2003, 660,000 (December 31, 2002: 593,000; September 30, 2002: 593,000; September 30, 2001: 452,000) had been issued to executives of Dynamit Nobel.

The fair value of the options is estimated at the grant date using a modified Black-Scholes model. The fair values of awards granted under the stock option program (expense per option) were computed based on the following assumptions:

Year of grant	**2003**	**2002**	**2001**
Fair value at grant date	**US$1.69 per option**	**US$1.82 per option**	**US$1.86 per option**
Assumptions used:			
Volatility of mg's share price over a three-year period	56.4%	51.4%	40.6%
Volatility of EPS increase	60.9%	47.4%	39.0%
Correlation coefficient between stock yield and EPS	0.4241	0.3102	0.3058
Risk-free interest rate	2.46%	4.42%	4.68%
Dividend yield	2.7%	1.0%	1.0%

Employee share ownership program

Under the employee share ownership program, employees can purchase shares of mg. Eligible participants are all mg Group employees resident in Germany who have an in force employment or training contract at the time they agree to participate in the program and at the time the two-year subscription period expires. These employees may only participate and acquire stock-purchasing rights in their own name and for their own account. The stock-purchasing rights may not be transferred or pledged. Once they have agreed to participate in the program, all eligible employees have the right to purchase either 50, 100 or 200 shares two years after they enroll in the programm.

The purchase price for employees is calculated as the average of the closing prices for mg shares in Xetra trading on the Frankfurt Stock Exchange over the five trading days following the Annual Shareholders' Meeting of mg technologies ag in the year of the respective agreement to participate in the employee share ownership program, and is fixed on the last of these five trading days, i.e. the purchase price is fixed at the start of the respective employee share ownership program tranche, two years prior to the exercise period.

During the exercise period, participants can choose to buy the shares and place them in a securities account, or to buy and immediately sell them, or not to exercise their stock-purchasing rights at all. In order to prevent employees from suffering losses if mg's share price performs poorly, their agreement to exercise their stock-purchasing rights is only valid (and is therefore merely conditional) if mg's share price is above the purchase price at the time the stock-purchasing right is exercised.

If the right to purchase shares on this basis has not been exercised by the time the exercise period expires, the respective employees' stock-purchasing rights expire and their initial deposit is returned with accumulated interest.

Options for the purchase of 49,400 mg shares had been issued under the employee share ownership program at December 31, 2003 (December 31, 2002: 123,000 shares; September 30, 2002: 128,700 shares; September 30, 2001: 135,050 shares). In the past, it has not been possible to exercise any of the stock-purchasing rights.

The fair value of these options is calculated at their grant date using a Black-Scholes model. The fair value of each option under the 2002 employee share ownership program was US$2.46 at their grant date; the fair value of each option under the 2001 employee share ownership program was US$2.14.

Aggregate compensation expense recognized for the stock option program and the employee share ownership program amounted to US$505 in 2003 (2002: US$127; 2001/2002: US$458; 2000/2001: US$303).

16) Accumulated Other Comprehensive Income/Loss

Changes in the components of accumulated other comprehensive income/loss are as follows:

$ '000	January 1, to December 31, 2003	October 1, to December 31, 2002	October 1, 2001 to September 30, 2002	October 1, 2000 to September 30, 2001
Accumulated other comprehensive income/loss at beginning of year	-189,554	-226,352	-232,383	-233,139
Unrealized holding gains on available-for-sale securities	-23	-9	-1	8
Realized losses on available-for-sale securities				
Tax effect of available-for- sale securities	8	2	-1	2
Total gains (losses) on available-for-sale securities	**-15**	**-7**	**-2**	**10**
Unrealized holding gains on cash flow hedges	3,535	-1,410	-4,542	-2,749
Realized gains on derivatives	1,410	190		
Tax effect of derivatives	-2,584	1,082	1,782	718
Total gains (losses) on derivatives	**2,361**	**-138**	**-2,760**	**-2,031**
Cumulative translation adjustment	**117,374**	**36,492**	**12,595**	**10,832**
Change in minimum pension liability	-5,622	556	-6,426	-11,184
Tax effect of change in pension liability	2,334	-105	2,624	3,129
Total gains (losses) on change in pension liability	**-3,288**	**451**	**-3,802**	**-8,055**
Accumulated other comprehensive loss at end of year	**-73,122**	**-189,554**	**-226,352**	**-232,383**

17) Commitments and Contingencies

The table below details the amounts of contingent liabilities at the respective balance sheet dates:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Guarantees	14,543	1,124	2,271	1,650
Other	32	21	22	27
Total	**14,575**	**1,145**	**2,293**	**1,677**

Guarantees in 2003 relate mainly to guarantees issued to mg or a bank on behalf of a subsidiary not combined. The remaining liabilities and those in prior years essentially cover environmental and performance guarantees as well as guarantees for the bank debt of subsidiaries not included in these combined financial statements.

The terms of guarantees range up to eight years. There are also contingencies whose contingency periods depend on the performance of contractually agreed obligations or the occurrence of certain events. These contingent liabilities are largely to customers, banks and to a lesser degree employees. Dynamit Nobel is subject to claims under its guarantees only if the debtor is unable to meet its contractual obligations.

Other financial commitments at December 31, 2003 consist of:

$ '000	December 31, 2003
Rental and lease agreements	43,581
(thereof on land and buildings)	(-27,862)
Orders	67,981
(for property, plant and equipment)	(-35,538)
(for inventories)	(-32,443)
(issued to subsidiaries)	(-105)
Factoring and repurchase agreements	5,119
Total	**116,681**

Liabilities from rental and lease agreements relate to real estate, plant and equipment, and office furniture and equipment. The leases on real estate mostly contain unlimited terms or fixed terms with an option to extend. Some of the leases contain payment escalation clauses and there are usually no call or put options on the part of the lessor. The terms of the fixed-term leases run until 2021 and some of the buildings have been sub-let.

The lease terms on office furniture and equipment run until 2010 and they do not contain any payment escalation clauses. Leases containing extension or call options are usually leases on vehicles or plant and equipment.

Payment obligations for all non-cancelable rental and operating lease agreements are as follows:

$ '000	December 31, 2003
2004	12,754
2005	8,665
2006	5,143
2007	3,227
2008	1,723
Thereafter	12,069
	43,581
Income from sub-leases	6,632
Total	**36,949**

Several of the companies included in these combined financial statements sell receivables on a revolving basis to financial services providers. In one agreement, Dynamit Nobel as the seller of the receivables retains a subordinated interest in the receivables of less than ten percent of total receivables sold. In cases in which the buyer has recourse to Dynamit Nobel, the maximum exposure is shown under "Factoring and repurchase agreements".

18) Litigation

Dynamit Nobel is involved in litigation from time to time in the ordinary course of business. However, Dynamit Nobel does not believe that there is any such litigation, either individually or in the aggregate, that is likely to have a material adverse effect on their business or financial position except that Dynamit Nobel is party to legal proceeds involving a number of product liability and warranty cases, the outcome of which is unclear at present and for which Dynamit Nobel is unable to predict the outcome or the extent, if any, of possible loss exposure.

19) Derivatives and Financial Instruments

a) Use of derivative instruments

Derivative instruments are used to mitigate the risk of adverse movements in interest rates, share prices and other investments.

Forward exchange contracts are largely used to hedge assets, liabilities, and forecasted transactions and, to a lesser degree, firm commitments denominated in foreign currency. Hedges are used to mitigate the risk of adverse movements in the exchange rates of certain currencies, especially the U.S. dollar and pound sterling.

Interest rate swaps and options are used to hedge the interest rate risk inherent in liabilities to banks.

Commodity derivatives are used to a certain degree to mitigate the risks inherent in commodity prices.

b) Fair value of financial instruments

The fair value of a financial instrument is the price at which one party is willing to assume the rights and/or obligations arising from this financial instrument from another party. Fair values have been computed on the basis of the market information available at the balance sheet date and the valuation methods outlined below, which are based on certain assumptions. Because of the varying factors influencing them, the fair values stated here may differ from the values that can be realized in the market at the present time.

Financial instruments

Securities: Fair value is the market price.

Cash and cash equivalents: Owing to their short maturity, the book values of cash and cash equivalents correspond to their fair value.

Debt: The fair value of preferred shares is their quoted price. The fair value of other non-current debt corresponds to the present value of future anticipated cash flows. The discount rate used is the current market interest rate on bonds of the same maturity. Due to their short maturity, it is assumed that the nominal value of borrowings under revolving credit facilities or secured borrowings on receivables approximates to their fair value. It is generally assumed that the carrying amount of floating-rate loans corresponds to their fair value.

Liabilities under capital leases: In order to compute the fair value of liabilities under capital leases, the future lease installments are discounted at a rate appropriate to their risk and maturity.

Derivative Instruments

Forward exchange contracts: The fair value of forward exchange deals is determined using current balance sheet date reference rates that take account of forward premiums and discounts.

Interest-rate instruments: The fair value of interest-rate instruments is determined using discounted anticipated future cash flows based on the market interest rates applicable to the residual maturities of these financial instruments. Options are valued using recognized option pricing models.

The book and fair values of derivatives and financial instruments other than accounts receivable, trade payables, cash and cash equivalents and balances due to or from mg for all of which the carrying amount approximates their fair value, are as follows:

	December 31, 2003		December 31, 2002		September 30, 2002		September 30, 2001	
$ '000	**Book Value**	**Fair Value**	**Book Value**	**Fair Value**	**Book Value**	**Fair Value**	**Book Value**	**Fair Value**
Assets								
Financial instruments								
Securities	923	923	207	207	183	183	235	235
Derivatives								
Forward exchange contracts	787	787	2,169	2,169	40	40	225	225
Interest-rate instruments	28	28	86	86	121	121	298	298
Liabilities								
Financial instruments								
Debt	415,058	432,388	331,180	349,266	202,211	219,036	261,510	284,720
Derivatives								
Forward exchange contracts	1,945	1,945	3,045	3,045	293	293	593	593
Interest-rate instruments	6,383	6,383	8,412	8,412	7,712	7,712	2,982	2,982
Commodity derivatives			31	31	271	271	237	237

c) Nominal values of derivative instruments and credit risk

The nominal value of derivative instruments is obtained by multiplying their notional amount by the agreed contract prices. The aggregate notional amounts include offsetting buy and sell agreements.

The notional amounts of derivatives are as follows:

$ '000	**December 31, 2003**	**December 31, 2002**	**September 30, 2002**	**September 30, 2001**
Forward exchange contracts	169,071	225,365	243,273	203,355
Interest-rate instruments	160,664	196,855	193,699	152,313
Commodity derivatives zinc (copper at September 30, 2001 only)		4,811	6,415	3,083

Potential credit risk arises from the non-performance of contractual agreements by the counterparties. Until mid-2003, the counterparties were all banks with investment-grade ratings. In 2003, forward exchange contracts were also concluded with mg as part of its treasury activities. The general credit risk attaching to forward exchange contracts and interest-rate instruments was therefore not material in any of the years presented. The counterparties with respect to commodity derivatives are all counter parties located outside of Germany.

d) Management of foreign-exchange, interest-rate and other price risks

Management of foreign-exchange risk: The international dimension of the company's business gives rise to a foreign-exchange risk that has an impact on its operating results and cash flows. Foreign-exchange risk exists, for example, if sales are billed in a currency other than that of their related costs. In order to mitigate the impact of currency fluctuations, foreign-exchange risk is constantly evaluated and, where necessary, hedged through the use of derivatives (forward exchange contracts). Until mid-2003, Dynamit Nobel was responsible for hedging its own foreign-exchange risk. In doing so, it applied the policies and procedures prescribed by mg.

Management of interest-rate risk: Dynamit Nobel monitors its interest-rate risk on an ongoing basis by following changes in its net interest positions that could adversely impact its future cash flows and implementing suitable hedging strategies. Dynamit Nobel enters into interest-rate hedges directly with banks.

Management of price risk: Commodity derivatives are used for hedging purposes only. Derivatives contracts are governed by policies and procedures of mg.

e) Reporting of derivative instruments and hedge accounting

Management of foreign-exchange risk: The hedging of foreign-exchange risks inherent in firm commitments and forecasted transactions is accounted for as a cash flow hedge. This requires the foreign-exchange hedge to offset the exposure from the underlying transaction. The effectiveness of the hedge is ensured if the maturity, volume and currency of the underlying transaction and the hedge are identical. The hedge-effective part of the changes in the fair value of derivatives is reported as part of "Accumulated other comprehensive income/loss". The accumulated other comprehensive income is reclassified into income once the firm commitments or forecasted transactions have been recognized. In the following twelve months, a net gain of US$211 is expected to be reclassified from accumulated other comprehensive income/loss to the income statement because the underlying transactions are likely to be recognized in income.

Sometimes only the net position of a planned transaction is hedged. This macro currency hedge does not qualify for hedge accounting purposes, i.e. changes in the fair value of forward exchange contracts are reported in the statements of income as "Other operating income" or "Other operating expenses". As a result, a net figure of US$344 was reported in the statements of income for 2003.

Hedge accounting is not generally used to hedge recognized foreign currency denominated receivables and payables, as these constitute a natural hedge. This means that changes in the fair value of these derivatives and those in the carrying amounts of the respective receivables and liabilities are recognized in income.

Foreign-exchange gains and losses are reported as other operating income and other operating expenses respectively.

At December 31, 2003, Dynamit Nobel held derivatives mostly with maturities of no more than 12 months in order to hedge the foreign-exchange risk of forecasted transactions.

Interest-rate instruments: Changes in the fair value of interest-rate swaps designated as cash flow hedges to cover floating-rate bank loans are reported as part of "Accumulated other comprehensive income/loss". This requires that the main characteristics of the interest-rate swap and the bank loan are identical. Gains and losses on interest-rate instruments are reported under "Interest expense, net" as interest expense.

Changes in the fair value of interest-rate options are excluded from calculations of hedges' effectiveness. For the years presented, interest expense (net) includes the following net losses, which arise from some of the financial instruments which have been excluded from calculations of hedges' effectiveness:

$ '000	December 31, 2003	December 31, 2002	September 30, 2002	September 30, 2001
Net loss	-66	-36	-190	-461

At December 31, 2003, Dynamit Nobel held interest-rate derivatives with terms of up to 84 months.

Commodity derivatives: All changes in the fair value of commodity derivatives are recognized in income.

F-128

DYNAMIT NOBEL

CONDENSED COMBINED INCOME STATEMENTS
(Unaudited)

($ '000)	January 1 June 30, 2004	January 1 June 30, 2003
Net sales	$ 885,499	$ 800,002
Cost of sales	-587,000	-524,899
Gross profit	**298,499**	**275,103**
Selling, general and administrative expenses	-181,677	-158,119
Research and development costs	-17,757	-16,141
Other operating income	8,282	12,727
Other operating expenses	-3,205	-9,785
Operating income	**104,142**	**103,785**
Income from investments	515	760
Interest expense, net and other financial expense	-14,395	-13,561
Earnings from continuing operations before income taxes and minority interests	**90,262**	**90,984**
Income taxes	-32,062	-34,165
Minority interests	0	-309
Earnings from continuing operations	**58,200**	**56,510**
Income from discontinued operations	**0**	**1,362**
thereof earnings from operations	0	-2,191
thereof gains on disposal	0	6,287
thereof income taxes	0	-2,734
Net income	**$ 58,200**	**$ 57,872**

See accompanying notes to condensed combined financial statements.

DYNAMIT NOBEL

CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2004
(Unaudited)

Assets **($ '000)**	
Cash and cash equivalents	$ 9,468
Trade receivables	254,246
Receivables from related parties	58,701
Other assets and accounts receivable	60,432
Inventories	275,062
Prepaid expenses	5,797
Current assets	**663,706**
Investments	40,443
Property, plant and equipment	886,202
Goodwill	402,227
Other intangible assets	19,249
Other assets	10,723
Prepaid expenses	2,617
Deferred tax assets	405,210
Non-current assets	**1,766,671**
Total assets	**$ 2,430,377**

See accompanying notes to condensed combined financial statements.

F-130

DYNAMIT NOBEL

CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2004
(Unaudited)

Liabilities and investment by mg
($ '000)

Short-term debt including current portion of long-term debt	$ 119,554
Trade payables	109,450
Liabilities to related parties	409,547
Accruals and provisions	126,916
Other current liabilities	45,685
Deferred tax liabilities	5,731
Current liabilities	816,883
Long-term debt	203,340
Provisions for pensions and similar obligations	269,998
Other provisions	37,333
Other liabilities	12,010
Deferred tax liabilities	52,991
Non-current liabilities	575,672
Minority interests	2
Investment by mg	1,037,820
Total liabilities and investment by mg	$ 2,430,377

See accompanying notes to condensed combined financial statements.

F-131

DYNAMIT NOBEL

CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(Unaudited)

($ '000)	January 1 - June 30, 2004	January 1 - June 30, 2003
Net income	$ 58,200	$ 57,872
Adjustment of net income from discontinued operations	0	1,362
Depreciation and amortization	51,950	45,664
Change in provisions for pensions	4,172	1,715
Change in other provisions	4,921	8,169
Gains on disposal of non-current assets	-490	-6,947
Change in inventories	-9,177	6,726
Change in trade receivables	-61,670	-26,639
Change in trade payables	-51,871	-41,768
Change in deferred tax assets and liabilities	14,074	14,267
Change in other assets and liabilities	-28,338	-2,865
Net cash (used for) provided by operating activities	**-18,229**	**57,556**
Proceeds from disposal of fixed assets	13,313	14,403
Purchases of property, plant and equipment and intangible assets	-58,246	-39,442
Purchases of investments and long-term financial assets	-11	-1,191
Purchases of securities	0	-612
Proceeds from disposal of businesses	0	17,801
Net cash used for investing activities	**-44,944**	**-9,041**
Principal payments on capital leases liabilities	-1,384	-1,419
Net increase (decrease) in other debt	-76,213	63,429
Net financing provided by (distributed to) mg	149,326	-118,569
Net cash provided by (used for) financing acitivities	**71,729**	**-56,559**
Exchange-rate-related change in cash and cash equivalents	-6,920	6,119
Change in cash and cash equivalents	**1,636**	**-1,925**
Cash and cash equivalents at beginning of period	7,832	7,007
Cash and cash equivalents at end of period	**$ 9,468**	**$ 5,082**

See accompanying notes to condensed combined financial statements.

DYNAMIT NOBEL

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS

(Unaudited)

($ '000)

A) Description of Business and Basis of Presentation

Description of Business: The Dynamit Nobel Group (Dynamit Nobel) specializes in advanced technologies in the fields of chemicals and materials engineering. This internationally active industrial group supplies innovative specialty products to niche markets in several sectors such as the life science, chemical, automotive and construction industries. Its business activities are subdivided into its four business units: Custom Synthesis, Advanced Ceramics, Specialty Chemicals, and Pigment Chemicals.

Basis of presentation: The preparation of these Dynamit Nobel condensed combined financial statements is due to the sale of Dynamit Nobel to companies affiliated with Rockwood Specialties Group, Inc. (Rockwood), Delaware, U.S.A., under the Sale and Purchase Agreement of April 19, 2004. Dynamit Nobel is part of the mg technologies ag Group, Frankfurt am Main (mg or mg Group). The Dynamit Nobel segment included in mg's consolidated financial statements is not identical to these condensed combined financial statements of Dynamit Nobel since in addition to the companies included herein, the Dynamit Nobel segment includes the Plastics business unit, the Industrial Ignition Systems business, and the Defense Technology business. Rockwood has not acquired these activities.

These condensed combined financial statements of Dynamit Nobel include only the assets, liabilities and transactions of the activities that Rockwood has acquired, constituting a carve out from mg's consolidated financial statements and as such the excess of assets over liabilities is reflected as mg's investment in Dynamit Nobel. The condensed combined financial statements of Dynamit Nobel include expenses that have been incurred by mg on behalf of Dynamit Nobel.

Despite the adjustments made, these condensed combined financial statements do not present the net assets, financial position, results of operations and cash flows of Dynamit Nobel as if it had existed independently of mg. Consequently, the condensed combined financial statements are not indicative of Dynamit Nobel's future development.

Purchase accounting adjustments including the recognition of goodwill arising from mg's acquisition of Dynamit Nobel are reflected in the condensed combined financial statements of Dynamit Nobel (push-down accounting). These adjustments are accounted for at the reporting unit level.

The main German operations of Dynamit Nobel are included in the combined tax return of mg technologies ag (mg) for both corporation income tax and local trade taxes. Under the terms of the profit-and-loss transfer agreement between Dynamit Nobel and mg, the taxable income of the Dynamit Nobel entities was transferred to mg and subject to taxation at the parent level. For purposes of these condensed combined financial statements, income taxes were recognized for the German subsidiaries as if Dynamit Nobel had been a separate taxable entity, excluding the tax-sharing agreement with mg. The distribution due to mg as part of the profit-and-loss transfer agreement has been reflected as a distribution from the investment by mg and shown as a liability to related parties.

Principles of combination: These condensed combined financial statements include the assets and liabilities and transactions of the combined Dynamit Nobel entities as defined in the Basis of Presentation. In addition, certain variable-interest entities for which Dynamit Nobel is considered to be the primary beneficiary are also included.

The interim condensed combined financial statements included herein are unaudited. The condensed combined financial statements are presented based upon accounting principles generally accepted in the United States of America ("US GAAP"), except that certain information and footnote disclosures, normally included in financial statements prepared in accordance with US GAAP, have been condensed or omitted. The accompanying condensed combined financial statements should be read in conjunction with the combined financial statements and the notes thereto contained elsewhere herein as of and for the years ended December 31, 2003, September 30, 2002 and 2001, and the three months ended December 31, 2002. Management believes the disclosures herein are adequate and the condensed combined financial statements reflect adjustments consisting only of normal recurring adjustments necessary to present fairly the financial position of Dynamit Nobel as of June 30, 2004 and the results of its operations and its cash flows for the six months ended June 30, 2004 and 2003. The results of operations for the interim period are not necessarily indicative of the results of operations for the full year.

Currency Translation: Assets and liabilities of foreign entities where the functional currency is not the US dollar are translated into the reporting currency (US dollar) at year-end exchange rates and income and expenses are translated at the average exchange rates during the period. The resulting translation gains and losses are reported as a component of other comprehensive income.

B) Summary of Significant Accounting Policies

Revenue recognition: Revenue is generated primarily from the sale of products and is recognized once title to the products has passed to the customer, provided the consideration has been contractually agreed or can be determined and collectibility is reasonably assured. If formal customer acceptance is required, revenue is not recognized until it has been obtained. Revenue under service agreements is realized when the service is performed. Customer incentives, discounts, rebates and other allowances reduce the amount of revenue recognized. Freight and shipping costs borne by Dynamit Nobel do not reduce the revenue recognized but are reported as selling expenses. If these costs are passed on to the customer, they are included as part of revenue.

Comprehensive income: Comprehensive income includes net income and other comprehensive income, summarized as follows:

	Six months ended June 30,	
	2004	**2003**
Net income	$ 58,200	$ 57,872
Other comprehensive income	6,842	54,144
Comprehensive income	$ 65,042	$ 112,016

Other comprehensive income is primarily composed of translation gains and losses, the change in the minimum pension liability and the gains and losses on derivative transactions.

Stock-based compensation: mg has established a stock option and employee stock ownership program for its managers and staff. The compensation cost of the options issued under the stock option and employee share ownership program has been recognized in these combined financial statements if this cost is attributable to the managers and staff of the companies included in these combined financial statements. The cost of these options is accounted for at their fair value at the grant date in accordance with SFAS 123 ("Accounting for Stock-Based Compensation") and is recognized over the service period, which is usually the vesting period. The cost of the options is reported under "Selling, general and administrative expenses".

Aggregate compensation expense recognized for the stock option program and the employee share ownership program amounted to $160 and $252 in the six months ended June 30, 2004 and 2003. Upon the closing of the sale of Dynamit Nobel to companies affiliated with Rockwood Specialties Group, Inc. all such options effectively expired unexercised.

Estimates: The preparation of these condensed combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates include assessing the impairment of goodwill, intangibles and other long-lived assets, valuation allowances on deferred income taxes, the collectibility of accounts receivable, the use and recoverability of inventory, product warranty claims and environmental remediation liabilities, among others.

Additionally, factors that may cause these amounts to differ from projections are deterioration in the global economy, movements in exchange rates and interest rates, significant litigation, and changes in environmental or other statutory regulations. Production errors, the loss of key customers, and changes in funding can also impair Dynamit Nobel's future performance.

Although such estimates are based on management's best judgment, due to the inherent uncertainties in the estimating process, actual results could differ from these estimates.

Recent Accounting Pronouncements: No new accounting pronouncements have been adopted nor issued during 2004 that would have a significant impact on the Company's financial position, results of operations or cash flows.

C) Disposal of Business

Effective June 10, 2003, the Glazing Sealing Compounds business belonging to the Specialty Chemicals business unit was transferred to KÖMMERLING CHEMISCHE FABRIK GmbH, Pirmasens, Germany, as part of an asset transaction. The disposal generated a gain of US$6,427, which forms part of the income from discontinued operations.

The assets and liabilities belonging to this business are each reported separately at December 31, 2002 as current assets and liabilities in "Other assets and accounts receivable" (US$13,332) and "Other current liabilities" (US$3,860), respectively. The assets held for sale at December 31, 2002 include goodwill of US$5,408, property, plant and equipment of US$2,364 and inventories of US$5,389. The liabilities consist of trade payables, accrued liabilities and provisions.

D) Notes to the Condensed Combined Financial Statements

1) Inventories:

Inventories are comprised of the following as of June 30, 2004:

Raw materials and supplies	$	83,327
Work-in-process		64,283
Finished goods		107,169
Merchandise		20,283
	$	275,062

2) Goodwill:

Below are goodwill balances and activity:

Balance, December 31, 2003	$	405,247
Foreign exchange		(3,020)
Balance, June 30, 2004	$	402,227

3) Other Intangible Assets:

Other intangible assets as of June 30, 2004 consist of:

Patents, licenses, trademarks and similar assets	$	50,816
Less accumulated amortization		(34,695)
Patents, licenses, trademarks and similar assets, net		16,121
Software		18,439
Less accumulated amortization		(16,314)
Software		2,125
Intangible pension assets		1,003
Other intangible assets, net	$	19,249

Amortization of other intangible assets was $2,612 and $3,066 for the six months ended June 30, 2004 and 2003, respectively.

4) Employee Benefit Plans:

The following represents the net periodic pension benefit costs and related components in accordance with SFAS 132:

	Six months ended June 30,	
	2004	**2003**
Service cost	$ 3,756	$ 4,156
Interest cost	8,649	8,968
Expected return on plan assets	(505)	(3,671)
Amortization of unrecognized transitional amount	0	1,378

	Six months ended June 30,	
Net amortization of prior experience losses	2,026	615
Net periodic benefit cost	$ 13,926	$ 11,446

F-136

5) Contingencies:

Dynamit Nobel is involved in litigation from time to time in the ordinary course of business. However, Dynamit Nobel does not believe that there is any such litigation, either individually or in the aggregate, that is likely to have a material adverse effect on their business or financial position except that Dynamit Nobel is party to legal proceeds involving a number of product liability and warranty cases, the outcome of which is unclear at present and for which Dynamit Nobel is unable to predict the outcome or the extent, if any, of possible loss exposure.

6) Accounts Receivable from and Liabilities to Related Parties:

Current accounts receivable from related parties as of June 30, 2004 consist of the following:

Accounts receivable from mg	$	46,041
Accounts receivable from subsidiaries		12,660
Total	$	58,701

Current liabilities to related parties as June 30, 2004 consist of the following:

Liabilities to mg	$	407,398
Liabilities to subsidiaries		2,149
Total	$	409,547

Explanation of Responses:

Explanation of Responses:

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

TABLE OF CONTENTS

Through and including , 2005 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

20,408,163 Shares

Rockwood Holdings, Inc.

Common Stock

Goldman, Sachs & Co.

Credit Suisse First Boston

Lehman Brothers

UBS Investment Bank

Deutsche Bank Securities

First Analysis Securities Corporation

JPMorgan

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses in connection with this offering. All amounts are estimated except the SEC registration fee and the NASD filing fee:

SEC Registration Fee	$	71,821
Printing and Engraving Expenses		1,000,000
Legal Fees		2,500,000
Accounting Fees		3,500,000
NYSE Listing Fees		250,000
NASD Filing Fee		61,520
Miscellaneous		2,616,659
Total	$	10,000,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Rockwood Holdings, Inc., or the Registrant, is a Delaware corporation. Section 145 of the Delaware General Corporation Law, or the "DGCL", grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations or the directors' fiduciary duty of care, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit.

Article EIGHTH of the Registrant's Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1) provides that except as otherwise provided by the DGCL, no director of the Registrant shall be personally liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director.

Article V of the Registrant's Amended and Restated By-laws provides that the Registrant shall indemnify directors and officers of the Registrant as specified in the Certificate of Incorporation. In addition, to the fullest extent permitted by the DGCL, the Registrant shall indemnify any current or former director or officer of the Registrant and may, at the discretion of the Board of Directors, indemnify any current or former employee or agent of the Registrant against all expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding brought by or in the light of the Registrant or otherwise, to which he was or is a party by reason of his current or former position with the Registrant or by reason of the fact that he is or was serving, at the request of the Registrant, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

The Registrant's Amended and Restated Certificate of Incorporation also provides that expenses incurred by a person who is or was a director or officer of the Registrant in appearing at, participating in or defending any such action, suit or proceeding shall be paid by the Registrant in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Registrant as provided by the Registrant's Amended and Restated Certificate of Incorporation.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Within the past three years, the Registrant has issued securities in the following transactions, each of which was exempt from the registration requirements of the Securities Act of 1933, as amended, as transactions by an issuer not involving any public offering under Section 4(2) of the Securities Act or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. There were no underwriters involved in connection with the sale of the below securities. All of the below-referenced securities are deemed restricted securities for the purpose of the Securities Act. All of the below-referenced shares of common stock do not give effect to the 34.22553019 for 1 stock split effected on July 18, 2005.

From January 2002 to May 2003, the Registrant issued 700 shares of its common stock par value $.01 per share, or its "common stock," to certain of its employees for an aggregate consideration of $350,000 under its 2001 management equity program. Such sales were exempt from the registration requirements of the Securities Act, in reliance on Rule 701 of the Securities Act, as a transaction pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

On July 23, 2003, the Registrant issued 25,000 shares of its redeemable convertible preferred stock and warrants to purchase 28,000 additional shares of Common Stock to an affiliate of Kohlberg Kravis Roberts & Co. L.P., or KKR, for an aggregate consideration of $25.0 million in connection with the refinancing of certain of its long-term debt. Such sales were exempt from the registration requirements of the Securities Act, in reliance on Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering.

On July 31, 2004, the Registrant issued 531,250 shares of common stock to affiliates of KKR for an aggregate consideration of $265.625 million and 318,750 shares of common stock to DLJ Merchant Banking Partners III, L.P. and its affiliated funds for an aggregate consideration of $159.375 million in connection with the financing of the acquisition by the Registrant's subsidiaries of four businesses of Dynamit Nobel. Such sales were exempt from the registration requirements of the Securities Act, in reliance on Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering.

From September 24, 2004 to December 15, 2004, the Registrant issued 13,950 shares of common stock to members of management and certain other employees for an aggregate consideration of approximately $7.0 million under its 2004 management equity program. 8,900 shares of common stock were issued to certain of its employees for an aggregate consideration of approximately $4.5 million. Such sales were exempt from the registration requirements of the Securities Act, in reliance on Rule 701 of the Securities Act, as a transaction pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701. 5,050 shares of common stock were issued to members of management and a key employee who were "accredited investors" (as defined in Rule 501(a)(4) of the Securities Act with respect to the members of management and Rule 501(a)(6) of the Securities Act with respect to the key employee) for an aggregate consideration of approximately $2.5 million. Such sales were exempt from the registration requirements of the Securities Act, in reliance on Section 4(2) of the Securities Act, as a transaction by an issuer not involving a public offering.

From January 2002 to May 2003, the Registrant granted 3,650 options to purchase common stock to certain of its employees for an aggregate consideration of $1,825,000 under its 2001 management equity program. Such grants were exempt from the registration requirements of the Securities Act, in reliance on Rule 701 of the Securities Act, as a transaction pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

From September 24, 2004 to December 15, 2004, the Registrant granted 61,120 options to purchase common stock to certain of its officers and employees for an aggregate consideration of approximately $30.6 million under its 2004 management equity program. Such grants were exempt from the registration requirements of the Securities Act, in reliance on Rule 701 of the Securities Act, as a transaction pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibit Index

A list of exhibits filed with this registration statement on Form S-1 is set forth on the Exhibit Index and is incorporated in this Item 16(a) by reference.

(b) Financial Statement Schedule

SCHEDULE I Condensed Financial Information of Registrant

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Rockwood Holdings, Inc.:

We have audited the consolidated financial statements of Rockwood Holdings, Inc. and Subsidiaries as of December 31, 2004 and 2003, and for each of the three years in the period ended December 31, 2004 and have issued our report thereon dated May 13, 2005 (June 28, 2005 as to the effects of the restatement discussed in Note 20 and July 18, 2005 as to the effects of the last paragraph of Note 12); such consolidated financial statements and report are included elsewhere in this registration statement. Our audits also included the financial statement schedule of Rockwood Holdings Inc. and Subsidiaries, listed in Item 16 (b). This financial statement schedule is the responsibility of Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth herein.

/s/ DELOITTE & TOUCHE LLP
Parsippany, New Jersey
May 13, 2005
(June 28, 2005 as to the effects of
the restatement discussed in Note 6
and July 18, 2005 as to the
effects of Note 5)

ROCKWOOD HOLDINGS, INC. (PARENT COMPANY)
SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENTS OF OPERATIONS
(Dollars in millions)

	Year ended December 31,		
	2004	**2003**	**2002**
EQUITY IN UNDISTRIBUTED LOSSES OF SUBSIDIARIES	$ 216.1	$ 91.7	$ 68.2
NET LOSS	$ (216.1)	$ (91.7)	$ (68.2)

These condensed financial statements should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Rockwood Holdings, Inc. and Subsidiaries.

See accompanying notes to condensed financial statements.

ROCKWOOD HOLDINGS, INC. (PARENT COMPANY)
SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEETS
(Dollars in millions, except per share amounts; shares in thousands)

	December 31,	
	2004	2003
	(As restated see Note 5)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$	$
Total current assets		
INVESTMENT IN SUBSIDIARIES	642.4	141.0
DUE FROM AFFILIATES	15.2	15.2
OTHER ASSETS	0.8	0.8
TOTAL ASSETS	$ 658.4	$ 157.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued expenses and other current liabilities	$ 0.1	$ 0.8
Total current liabilities	0.1	0.8
Total liabilities	0.1	0.8
REDEEMABLE CONVERTIBLE PREFERRED STOCK ($.01 par value, $30.8 and $26.7 aggregate liquidation preference at December 31, 2004 and 2003; 50 shares authorized; 25 shares issued and outstanding)	34.3	30.1
STOCKHOLDERS' EQUITY:		
Common stock ($.01 par value, 75,296 shares authorized, 50,404 shares issued and 50,310 shares outstanding at December 31, 2004; 34,226 shares authorized; 20,834 shares issued and 20,740 shares outstanding at December 31, 2003)	0.5	0.2
Paid-in capital	718.6	291.2
Accumulated other comprehensive income	370.4	84.4
Accumulated deficit	(463.4)	(247.3)
Treasury stock; at cost	(1.4)	(1.4)
Other	(0.7)	(1.0)
Total stockholders' equity	624.0	126.1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 658.4	$ 157.0

These condensed financial statements should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Rockwood Holdings, Inc. and Subsidiaries.

See accompanying notes to condensed financial statements.

ROCKWOOD HOLDINGS, INC. (PARENT COMPANY)
SCHEDULE I CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Year Ended December 31,		
	2004	**2003**	**2002**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (216.1)	$ (91.7)	$ (68.2)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Equity in undistributed losses of subsidiaries	216.1	91.7	68.2
Changes in assets and liabilities, net of the effect of foreign currency translation and acquisitions:			
Accrued expenses and other liabilities	0.7	(3.1)	(1.1)
Net cash provided by (used in) operating activities	0.7	(3.1)	(1.1)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment in subsidiaries	(431.6)	(25.0)	
Net cash used in investing activities	(431.6)	(25.0)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of common stock	431.9	0.1	0.2
Repurchase of common stock			(0.9)
Issuance of redeemable convertible preferred stock		25.0	
Other changes to stockholders' equity	(0.3)	(0.6)	1.3
Net cash used in financing activities	431.6	24.5	0.6
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	0.7	(3.6)	(0.5)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(0.8)	2.8	3.3
CASH AND CASH EQUIVALENTS, END OF YEAR	$ (0.1)	$ (0.8)	$ 2.8

These condensed financial statements should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Rockwood Holdings, Inc. and Subsidiaries.

See accompanying notes to condensed financial statements.

Notes to Condensed Financial Statements

The accompanying condensed financial statements of Rockwood Holdings, Inc. (the "Registrant") should be read in conjunction with the consolidated financial statements and notes thereto of Rockwood Holdings, Inc. and Subsidiaries included else where in this prospectus.

1. BASIS OF PRESENTATION

Pursuant to rules and regulations of the Securities and Exchange Commission, the unconsolidated condensed financial statements of Rockwood Holdings Inc. (the Company) do not reflect all of the information and notes normally included with financial statements prepared in accordance with generally accepted accounting principles. Therefore, these financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the prospectus.

Accounting for subsidiaries The Company has accounted for the losses of its subsidiaries under the equity method in the unconsolidated condensed financial statements.

2. REDEEMABLE CONVERTIBLE PREFERRED STOCK

The Company issued $25.0 million of its redeemable convertible preferred stock to an affiliate of KKR in July 2003. See Note 13 Redeemable Convertible Preferred Stock to the consolidated financial statements.

3. STOCK-BASED COMPENSATION

The Company has in place an Amended and Restated 2003 Stock Purchase and Option Plan. See Note 12 Stock-Based Compensation to the consolidated financial statements.

4. DIVIDEND RESTRICTIONS

Under the terms of the senior secured credit facilities of Rockwood Holdings, Inc. and subsidiaries, certain subsidiaries may not, subject to certain exceptions, (i) declare or pay any dividends, other than dividends payable solely in its equity interests; (ii) redeem or otherwise acquire or retire for value any of its or its parent companies' equity interests; (iii) make any principal payment on or otherwise acquire or retire for value any subordinated indebtedness; or (iv) make any loan or capital contribution to, or purchase any securities or assets of, any person. So long as no default exists, the Company's subsidiaries may make certain otherwise restricted payments, such as (i) redeeming capital stock with the proceeds from concurrent equity contributions; (ii) repurchasing shares of their capital stock pursuant to employee stock plans or shareholder agreements; (iii) paying dividends to any parent company; (iv) paying taxes; (v) making certain permitted investments; or (vi) redeeming or refinancing certain other debt obligations; however, some of these permitted payments are subject to certain limitations and others may only be made subject to compliance with certain financial covenants, such as Debt to EBITDA ratio (as defined).

Generally, under the terms of the 2011 Notes and the 2014 Notes, the Company's subsidiaries may not (i) declare or pay any dividend on their equity interests other than dividends payable solely in equity interests or in options, warrants, or other rights to purchase such equity interests; (ii) redeem or otherwise acquire or retire for value any of the Company's subsidiaries or the Company's equity interests; (iii) make any principal payment on or otherwise acquire or retire for value any subordinated indebtedness; or (iv) make any loan or capital contribution to, or purchase any securities or assets of, any person. These restrictions do not apply if, at the time of taking any of these actions, (a) no Default or Event of Default exists under the Company's debt obligations, (b) immediately after taking such action, the Company could incur additional indebtedness without violating the Company's debt covenants, and (c) the total amount of payments made pursuant to the above actions does not exceed the sum of (1) 50% of net income, (2) the proceeds of any capital contributions or equity offerings, and (3) the fair market value of any unrestricted subsidiary redesignated as a restricted subsidiary. Numerous exceptions to these general prohibitions exist that permit the Company's subsidiaries to make certain restricted payments without compliance with (a), (b) and (c).

5. STOCK SPLIT

On July 18, 2005, in connection with a planned offering of its common stock, the Company effected a 34.22553019-for-one stock split of its common stock. See Note 12 Stock-Based Compensation to the consolidated financial statements.

6. RESTATEMENT

Subsequent to the issuance of the condensed financial statements for the year ended December 31, 2004, the Company restated the December 31, 2004 condensed balance sheet. See Note 20 Restatement to the consolidated financial statements.

ITEM 17. UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(1) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(2) The undersigned registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offering therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Rockwood Holdings, Inc. has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on August 5, 2005.

Rockwood Holdings, Inc.

By:

/s/ THOMAS J. RIORDAN

Name: Thomas J. Riordan
Title: Senior Vice President, Law & Administration

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on August 5, 2005.

Signature	Title
* Seifi Ghasemi	Chairman, President and Chief Executive Officer (Principal Executive Officer)
* Robert J. Zatta	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
* James T. Sullivan	Corporate Controller (Principal Accounting Officer)
* Brian F. Carroll	Director
* Todd A. Fisher	Director
* Edward A. Gilhuly	Director
* Perry Golkin	Director
* Douglas L. Maine	Director

II-10

*	Director
Alex Morey	
*	Director
Susan Schnabel	
*	Director
Fredrik Sjödin	

*By: /s/ THOMAS J. RIORDAN

Attorney-in-fact

II-11

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
1.1(B)	Form of Underwriting Agreement
2.1(C)	Business and Share Sale and Purchase Agreement, dated September 25, 2000 between Rockwood Holdings, Inc. and Laporte plc
2.2(D)	Sale and Purchase Agreement, dated April 19, 2004 among mg technologies ag and MG North America Holdings Inc., as Sellers and other parties named as purchasers therein.
3.1(B)	Form of Amended and Restated Certificate of Incorporation of Rockwood Holdings, Inc.
3.2(B)	Form of Amended and Restated By-Laws of Rockwood Holdings, Inc.
4.1(B)	Form of Certificate of Common Stock
4.2(B)	Warrant Agreement, dated as of July 23, 2003, between Rockwood Holdings, Inc. and KKR Millennium Fund L.P.
4.3(B)	Registration Rights Agreement, dated as of November 20, 2000, among Rockwood Holdings, Inc., KKR 1996 Fund L.P. and KKR Partners II, L.P.
4.4(B)	First Amendment, dated as of July 23, 2003, to the Registration Rights Agreement, among Rockwood Holdings, Inc., KKR 1996 Fund L.P., KKR Partners II, L.P. and KKR Millennium Fund L.P.
4.5(C)	Indenture, dated as of July 23, 2003, among Rockwood Specialties Group, Inc., the Guarantors named therein and The Bank of New York, as Trustee
4.6(B)	Supplemental Indenture, dated as of July 31, 2004, among Rockwood Specialties Group, Inc., the Guarantors named therein and The Bank of New York, as Trustee
4.7(C)	Registration Rights Agreement, dated as of July 23, 2003, among Rockwood Specialties Group, Inc., the Guarantors named therein and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities Inc. and Goldman, Sachs & Co., as Initial Purchasers
4.8(B)	Stockholders Agreement, dated as of July 29, 2004, among Rockwood Holdings, Inc., KKR 1996 Fund, L.P., KKR Partners II, L.P., KKR Millennium Fund, L.P., KKR Partners III, L.P., KKR European Fund, Limited Partnership and DLJ Merchant Banking Partners III, L.P., DLJ Offshore Partners III-1, C.V., DLJ Offshore Partners III-2, C.V., DLJ Offshore Partners III, C.V., DLJ MB Partners III GmbH & Co. KG, Millennium Partners II, L.P. and MBP III Plan Investors, L.P.
4.9(E)	Indenture, dated as of November 10, 2004, among Rockwood Specialties Group, Inc., the Guarantors named therein and The Bank of New York, as Trustee
4.10(E)	Registration Rights Agreement, dated as of November 10, 2004, among Rockwood Specialties Group, Inc., the Guarantors named therein and Credit Suisse First Boston (Europe) Limited, Goldman, Sachs & Co., UBS Limited, Credit Suisse First Boston LLC, UBS Securities LLC, BNP Paribas Securities Corp., ING Financial Markets LLC, NatCity Investments, Inc., Rabo Securities USA, Inc. and WestLB AG, London Branch, as the Initial Purchasers
4.11(B)	Investors' Rights Agreement, dated as of November 20, 2000, among K-L Holdings, Inc., KKR 1996 Fund L.P., KKR Partners II L.P. and Merrill Lynch Capital Corporation

4.12(B)	Amendment and Supplement No. 1 dated as of February 7, 2001 to the Investors' Rights Agreement, dated as of November 20, 2000,among Rockwood Holdings, Inc., KKR 1996 Fund L.P., KKR Partners II, L.P., Merrill Lynch Capital Corporation and Allianz Lebensversicherungs AG, Stuttgart
4.13(B)	Supplement No. 2 dated as of January 14, 2005 to the Investors' Rights Agreement, dated as of November 20, 2000, among Rockwood Holdings, Inc., Merrill Lynch Capital Corporation and SPCP Group, L.L.C.
4.14(B)	PIK Bridge Loan Agreement, dated as of November 20, 2000, among Rockwood Specialties Consolidated, Inc., the lenders named therein, Merrill Lynch Capital Corporation and Merrill Lynch International.
4.15(B)	Amendment dated as of June 20, 2005 to the PIK Bridge Loan Agreement dated as of November 20, 2000 among Rockwood Specialties Consolidated, Inc. as borrower, SPCP Group, L.L.C., as Lender, and Allianz Lebensversicherungs AG, Stuttgart, as Noteholder.
5.1(B)	Opinion of Simpson Thacher & Bartlett LLP
10.1(F)	Credit Agreement, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., Rockwood Specialties Limited, Rockwood Specialties International, Inc., the lenders party thereto, Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent and Collateral agent, and UBS Securities LLC and Goldman Sachs Credit Partners L.P., as Co-Syndication Agents
10.2(G)	First Amendment, dated as of October 8, 2004, to the Credit Agreement, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., Rockwood Specialties Limited, Rockwood Specialties International, Inc., the lenders party thereto, Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent and Collateral agent, and UBS Securities LLC and Goldman Sachs Credit Partners L.P., as Co-Syndication Agents
10.3(H)	Second Amendment, dated as of December 10, 2004, to the Credit Agreement, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., Rockwood Specialties Limited, Rockwood Specialties International, Inc., the lenders party thereto, Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent and Collateral agent, and UBS Securities LLC and Goldman Sachs Credit Partners L.P., as Co-Syndication Agents
10.4(F)	Security Agreement, dated as of July 30, 2004, among Rockwood Specialties International, Inc., Rockwood Specialties Group, Inc., as US Borrower, the Subsidiaries of the U.S. Borrower named therein and Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent
10.5(F)	Pledge Agreement, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., as U.S. Borrower, the Subsidiaries of the U.S. Borrower named therein and Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent
10.6(F)	Guarantee, dated as of July 30, 2004, among Rockwood Specialties International, Inc., Rockwood Specialties Group, Inc., as U.S. Borrower, the Subsidiaries of the U.S. Borrower named therein and Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent
10.7(F)	Guarantee, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., the Subsidiaries of Rockwood Specialties Limited named therein and Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative agent

10.8(F)	Senior Subordinated Loan Agreement, dated as of July 30, 2004, among Rockwood Specialties Group, Inc., the lenders party thereto, Credit Suisse First Boston, acting through its Cayman Islands Branch, UBS Securities LLC and Goldman Sachs Credit Partners L.P., as Lead Arrangers, Credit Suisse First Boston, acting through its Cayman Islands Branch, as Administrative Agent, Goldman Sachs Credit Partners L.P., as Syndication Agent, and UBS AG, Stamford Branch, as Documentation Agent
10.9(F)	Guarantee, dated as of July 30, 2004, among the Subsidiaries of Rockwood Specialties Group, Inc. named therein and Credit Suisse First Boston, acting through its Cayman Islands Branch, UBS Securities LLC and Goldman Sachs Credit Partners L.P. and UBS AG, Stamford Branch, as Agents
10.10(C)	Deed of Tax Covenant dated September 25, 2000 between Rockwood Holdings, Inc. and Laporte plc
10.11(C)	Environmental Deed dated September 25, 2000 between Rockwood Holdings, Inc. and Laporte plc
10.12(C)	Form of Management Stockholder's Agreement, dated as of February 2, 2001, between Rockwood Holdings, Inc. and each Management Stockholder (as defined therein)
10.13(B)	Form of Management Stockholder's Agreement, dated as of November 30, 2004 between Rockwood Holdings, Inc. and each Management Stockholder (as defined therein)
10.14(B)	Form of Amended and Restated Management Stockholder's Agreement, dated as of October , 2004, between Rockwood Holdings, Inc. and each Management Stockholder (as defined therein)
10.15(C)	Form of Sale Participation Agreement, dated as of January 30, 2001, among Rockwood Holdings, Inc., each Management Stockholder party to the Management Stockholders' Agreement, dated as of January 30, 2001, KKR Partners II L.P. and KKR 1996 Fund L.P.
10.16(B)	Form of Sale Participation Agreement, dated as of November 30, 2004, among KKR 1996 Fund L.P., KKR Partners II L.P., KKR Millennium Fund, L.P., KKR Partners III, L.P. and KKR European Fund, Limited Partnership and each Management Stockholder (as defined therein)
10.17(B)	Form of Amended and Restated Sale Participation Agreement, dated as of October , 2004, between Rockwood Holdings, Inc. and each Management Stockholder (as defined therein)
10.18(C)	Form of Pledge Agreement in favor of Rockwood Specialties, Inc. made by an executive officer in connection with 2001 management equity program
10.19(C)	Form of Promissory Note made by an executive officer in connection with 2001 management equity program
10.20(I)	Amended and Restated Management Stockholder's Agreement, dated as of September 24, 2004, between Rockwood Holdings, Inc. and Seifollah Ghasemi
10.21(I)	Amended and Restated Sale Participation Agreement, dated as of September 24, 2004, among Seifollah Ghasemi, KKR 1996 Fund L.P., KKR Partners II, L.P., KKR Millennium Fund, L.P., KKR Partners III, L.P. and KKR European Fund, Limited Partnership
10.22(I)	Time Stock Option Agreement, dated as of September 24, 2004, between Rockwood Holdings, Inc. and Seifollah Ghasemi (included as Exhibit A to the Second Amendment to the Employment Agreement listed as Exhibit 10.38 herewith)

10.23(L)	Time/Performance Stock Option Agreement, dated as of September 24, 2004, between Rockwood Holdings, Inc. and Seifollah Ghasemi
10.24(J)	Amended and Restated Management Stockholder's Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Robert J. Zatta
10.25(J)	Time/Performance Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Robert J. Zatta
10.26(J)	Performance Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Robert J. Zatta
10.27(J)	Amended and Restated Sale Participation Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Robert J. Zatta
10.28(B)	Amendment to Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Robert J. Zatta
10.29(J)	Amended and Restated Management Stockholder's Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Thomas J. Riordan
10.30(J)	Time/Performance Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Thomas J. Riordan
10.31(J)	Performance Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Thomas J. Riordan
10.32(J)	Amended and Restated Sale Participation Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Thomas J. Riordan
10.33(B)	Amendment to Stock Option Agreement, dated as of October 15, 2004, between Rockwood Holdings, Inc. and Thomas J. Riordan
10.35(B)	First Amendment to Amended and Restated 2003 Stock Purchase and Option Plan for Rockwood Holdings, Inc.
10.36(C)	Employment Agreement dated as of September 28, 2001 between Rockwood Holdings, Inc. and Seifi Ghasemi
10.37(I)	First Amendment, dated as of August 9, 2004, to the Employment Agreement dated as of September 28, 2001 between Rockwood Holdings, Inc. and Seifi Ghasemi
10.38(I)	Second Amendment, dated as of September 24, 2004, to the Employment Agreement dated as of September 28, 2001 between Rockwood Holdings, Inc. and Seifi Ghasemi
10.39(C)	Employment Agreement dated as of March 21, 2001 between Rockwood Specialties, Inc. and Robert J. Zatta
10.40(J)	Amendment, dated as of October 19, 2004, to the Employment Agreement, dated as of March 21, 2001 between Rockwood Specialties, Inc. and Robert J. Zatta
10.41(C)	Employment Agreement dated as of October 14, 1994 and amended as of August 26, 1999 between Laporte Inc. and Thomas J. Riordan
10.42(C)	Profit-Sharing/401(K) Plan for Employees of Rockwood Specialties, Inc.
10.43(C)	The Rockwood Specialties, Inc. Money Purchase Pension Plan
10.44(C)	Supplementary Savings Plan of Laporte Inc.
10.45(C)	Rockwood Specialties, Inc. Deferred Compensation Plan

Explanation of Responses:

10.46(B)	Management Services Agreement dated as of July 29, 2004 between Kohlberg Kravis Roberts & Co. L.P., DLJ Merchant Banking Partners III, L.P. and Rockwood Holdings, Inc.
10.47(B)	Termination Agreement dated as of May 13, 2005 between Kohlberg Kravis Roberts & Co. L.P., DLJ Merchant Banking Partners III, L.P. and Rockwood Holdings, Inc.
10.48(B)	Restricted Stock Unit Award Agreement effective as of November 1, 2001 between Rockwood Holdings, Inc. and Seifollah Ghasemi
10.49(B)	Form of 2001 Stock Option Agreement, dated as of February 2, 2001, between K-L Holdings, Inc. and an employee of the Company or a Subsidiary or Affiliate of the Company.
10.50(B)	Form of 2004 Stock Option Agreement between Rockwood Holdings, Inc. and an employee of the Company or a Subsidiary or Affiliate of the Company.
10.51(B)	2005 Amended and Restated Stock Purchase and Option Plan for Rockwood Holdings, Inc. and Subsidiaries
10.52(B)	Short-Term Incentive Plan for Rockwood Holdings, Inc. and Subsidiaries
10.53	Form of Non-Employee Director Stock Option Agreement
21.1(B)	List of Subsidiaries
23.1(B)	Consent of Simpson Thacher & Bartlett LLP (included as part of its opinion filed as Exhibit 5.1 hereto)
23.2	Consent of Deloitte & Touche LLP
23.3	Consent of KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschftsprüfungsgesellschaft
24.1(B)	Powers of Attorney
24.2(B)	Power of Attorney of Douglas L. Maine
99.1(B)	Consent of Douglas L. Maine

(B) Previously filed.

(C) Incorporated by reference to the Registration Statement on Form S-4 of Rockwood Specialties Group, Inc. filed on October 14, 2003.

(D) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on May 4, 2004.

(E) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on November 12, 2004.

(F) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on August 4, 2004.

(G) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on October 12, 2004.

(H) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on December 14, 2004.

(I) Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on September 30, 2004.

(J)
Incorporated by reference to the Current Report on Form 8-K of Rockwood Specialties Group, Inc. filed on October 19, 2004.

(K)
Incorporated by reference to Amendment No. 1 to Registration Statement on Form S-4 of Rockwood Specialties Group, Inc. filed on December 18, 2003.

(L)
Incorporated by reference to the Annual Report on Form 10-K of Rockwood Specialties Group, Inc. filed on April 29, 2005.

QuickLinks