

GREENBRIER COMPANIES INC

Form 8-K/A

January 26, 2007

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**Form 8-K/A
Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported) November 7, 2006**

THE GREENBRIER COMPANIES, INC.
(Exact name of registrant as specified in its charter)
Commission File No. 1-13146

Oregon
(State of Incorporation) 93-0816972
(I.R.S. Employer Identification No.)
One Centerpointe Drive, Suite 200, Lake Oswego, OR 97035
(Address of principal executive offices) (Zip Code)
(503) 684-7000
(Registrant's telephone number, including area code)
Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 9.01 Financial Statements and Exhibits

(b) Pro Forma Financial Information.

This filing amends the amendment to the Current Report on Form 8-K/A filed on January 23, 2007 to correct a misalignment of a table between Refurbishment & parts and Leasing segments in the pro forma financial information filed under Item 9.01(b) of the report. There are no other changes to the pro forma financial information. The corrected pro forma statement is furnished herewith in its entirety.

The following pro forma financial information is included in this report:

Combined Unaudited Pro Forma Condensed Statement of Operations for the year ended August 31, 2006
and the Combined Unaudited Condensed Pro Forma Balance Sheet as of August 31, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GREENBRIER COMPANIES, INC.

January 26, 2007

By: /s/ Joseph K. Wilsted
Joseph K. Wilsted
Senior Vice President and Chief
Financial Officer (Principal Financial
and Accounting Officer)

The Greenbrier Companies
Unaudited Pro Forma Condensed Combined Balance Sheet
August 31, 2006
(In Thousands)

| | Historical | | | |
|--|---|--|----------------------------------|-------------------------------|
| | The Greenbrier Companies August 31, 2006 | Meridian Rail Holdings Corp. September 30, 2006 | Pro Forma Adjustments | Pro Forma Combined |
| Assets | | | | |
| Cash and cash equivalents | \$ 142,894 | \$ 1,841 | \$ (131,661) ^(a) | \$ 13,074 |
| Restricted cash | 2,056 | | | 2,056 |
| Accounts and notes receivable | 115,565 | 20,687 | | 136,252 |
| Inventory | 163,151 | 46,501 | | 209,652 |
| Railcars held for sale | 35,216 | | | 35,216 |
| Equipment on operating leases | 301,009 | | | 301,009 |
| Investment in direct finance leases | 6,511 | | | 6,511 |
| Property, plant and equipment | 80,034 | 14,811 | | 94,845 |
| Intangible and goodwill | 3,340 | 93,040 | 85,032 ^(d) | 181,412 |
| Other | 27,538 | 1,438 | | 28,976 |
| Total assets | \$ 877,314 | \$ 178,318 | \$ (46,629) | \$ 1,009,003 |
| Liabilities and Stockholders equity | | | | |
| Revolving notes | \$ 22,429 | \$ | \$ 103,740 ^(a) | \$ 126,169 |
| Accounts payable and accrued liabilities | 204,793 | 23,197 | | 227,990 |
| Participation | 11,453 | | | 11,453 |
| Deferred Income tax | 37,472 | 4,752 | | 42,224 |
| Deferred revenue | 17,481 | | | 17,481 |
| Notes Payable | 362,314 | 71,468 | (71,468) ^(b) | 362,314 |
| Subordinated debt | 2,091 | | | 2,091 |
| Stockholders equity | | | | |
| Common stock | 16 | 48,880 | (48,880) ^(c) | 16 |
| Additional paid in capital | 71,124 | 3,926 | (3,926) ^(c) | 71,124 |
| Retained earnings | 148,542 | 25,524 | (25,524) ^(c) | 148,542 |
| Other comprehensive income | (401) | 571 | (571) ^(c) | (401) |
| Total stockholders equity | 219,281 | 78,901 | (78,901) | 219,281 |
| | \$ 877,314 | \$ 178,318 | \$ (46,629) | \$ 1,009,003 |

Total liabilities and stockholders
equity

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

The Greenbrier Companies
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended August 31, 2006

(In Thousands)

| | Historical | | | |
|--|--|--|---|------------------------------------|
| | The Greenbrier Companies Year Ended August 31, 2006 | Meridian Rail Holdings Corp. Year Ended September 30, 2006 | Pro Forma Adjustments | Pro Forma Combined |
| REVENUE | | | | |
| Manufacturing | \$ 748,819 | \$ | \$ | \$ 748,819 |
| Refurbishment & parts | 102,471 | 229,362 | | 331,833 |
| Leasing | 102,533 | | | 102,533 |
| | 953,823 | 229,362 | | 1,183,185 |
| COST OF REVENUE | | | | |
| Manufacturing | 666,731 | | | 666,731 |
| Refurbishment & parts | 87,690 | 183,005 | | 270,695 |
| Leasing | 42,023 | | | 42,023 |
| | 796,444 | 183,005 | | 979,449 |
| Margin | 157,379 | 46,357 | | 203,736 |
| OTHER COSTS | | | | |
| Selling and administrative | 70,918 | 9,798 | | 80,716 |
| Interest Expense | 25,396 | 7,265 | (169) ^(e) | 32,492 |
| | 96,314 | 17,063 | (169) | 113,208 |
| Earnings before taxes and unconsolidated subs | 61,065 | 29,294 | 169 | 90,528 |
| Income tax expense | (21,698) | (11,688) | (3) ^(f) | (33,389) |
| Earnings before unconsolidated subs | 39,367 | 17,606 | 166 | 57,139 |
| Equity in unconsolidated subs | 169 | | | 169 |
| Earnings before disc ops | 39,536 | 17,606 | 166 | 57,308 |

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| | | | | | | |
|------------------------------------|----|--------|----|--------|---------|-----------|
| Disc ops (net of tax) | | 62 | | | 62 | |
| Net earnings | \$ | 39,598 | \$ | 17,606 | \$ 166 | \$ 57,370 |
| Basic Earnings per common share: | \$ | 2.51 | \$ | 1.12 | \$ 0.01 | \$ 3.64 |
| Diluted earnings per common share: | \$ | 2.48 | \$ | 1.10 | \$ 0.01 | \$ 3.60 |
| Weight average common shares: | | | | | | |
| Basic | | 15,751 | | 15,751 | 15,751 | 15,751 |
| Diluted | | 15,937 | | 15,937 | 15,937 | 15,937 |

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

The Greenbrier Companies

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Note 1 Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial statements are based on historical financial statements of The Greenbrier Companies (Greenbrier) and Meridian Rail Holdings Corp. (Meridian) after giving effect to borrowings used to finance the Meridian acquisition, as well as certain assumptions and adjustments.

The unaudited pro forma condensed combined balance sheet as of August 31, 2006 is presented as if the Meridian acquisition and related bank financing occurred on August 31, 2006.

The unaudited pro forma condensed combined statement of operations of Greenbrier and Meridian for the year ended August 31, 2006 are presented as if the Meridian acquisition and related bank financing had taken place on September 1, 2005. Meridian historical year end is December 31. The unaudited pro forma condensed combined balance sheet and statement of operations have been prepared using the twelve months ending September 30, 2006 for Meridian.

Greenbrier accounts for acquisitions under Financial Accounting Standards Board Statement No. 141 *Business Combinations* (FASB No. 141). In accordance with business combination accounting, Greenbrier has preliminarily allocates the purchased price of the acquired company to the tangible and intangibles assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the net tangible and identifiable intangible assets has been preliminarily assigned to goodwill.

The allocation of the purchase price among certain assets and liabilities is still in process. As a result, the information shown below is preliminary and subject to further refinement upon completion of analyses.

The unaudited pro forma condensed combined financial statements are not intended to represent or be indicative of the consolidated results of operations or financial position of Greenbrier that would have been reported had the acquisition and borrowings been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of Greenbrier. The unaudited pro forma condensed combined financial statements do not reflect any operating efficiencies and cost savings that Greenbrier may achieve with respect to the combined companies.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements and accompanying notes of Greenbrier's Annual Report on Form 10-K for the year ending August 31, 2006, and the Quarterly Report on Form 10-Q for the quarter ended November 30, 2006 and the unaudited financial statements of Meridian included as Item 9.01 (a) in this Current Report on Form 8-K/A.

Note 2 Preliminary Purchase Price

On November 6, 2006, the Company acquired 100% of the stock of Meridian Rail Holdings Corp. (Meridian) for \$238.4 million in cash which includes the purchase price of \$227.5 million plus preliminary working capital adjustments. Meridian is a leading supplier of wheel maintenance services to the North American freight car industry. Operating out of six facilities, Meridian supplies replacement wheel sets and axles to approximately 170 freight car maintenance locations where worn or damaged wheels, axles, or bearings are replaced. Meridian also performs coupler reconditioning and railcar repair at one of its facilities.

The total preliminary purchase price is estimated at \$238.4 million and is comprised of:

| | <i>(In Thousands)</i> |
|--|---------------------------|
| Cash consideration at closing plus working capital and other adjustments | \$ 234,404 |
| Acquisition-related transaction costs | 3,970 |
| Total preliminary purchase price | \$ 238,374 |

Acquisition related transaction costs. Acquisition-related acquisition costs of \$4.0 million include Greenbrier's estimate of investment banking fees of \$3.3 million, and legal, accounting and other professional fees of \$0.7 million.

Preliminary Purchase Price Allocation

The total preliminary purchase price will be allocated to Meridian's tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. The excess of purchase price over the net tangible and identifiable intangible assets will be recorded as goodwill. Based upon a preliminary valuation, the total preliminary purchase price was allocated as follows:

| <i>(In thousands)</i> | |
|--|------------|
| Cash and cash equivalents | \$ 3,053 |
| Accounts and notes receivable | 19,614 |
| Inventories | 50,029 |
| Property, plant and equipment | 15,154 |
| Goodwill and intangibles | 181,171 |
| Other | 334 |
| Total assets acquired | 269,355 |
| Accounts payable and accrued liabilities | 27,694 |
| Deferred income taxes | 3,287 |
| Total liabilities assumed | 30,981 |
| Net assets acquired | \$ 238,374 |

The allocation of the purchase price among certain assets and liabilities is still in process. As a result, the information shown is preliminary and subject to further refinement upon completion of analyses and valuations.

Note 3 Pro Forma Adjustments

In preparation of the pro forma unaudited financial statements the following adjustments have been recorded:

- (a) Represents the cash purchase price of \$238.4 million less amount drawn on the revolving bank line of \$103.7 million and cash received from Meridian of \$3.1 million.
- (b) Represents the amount paid on Meridian's existing debt at the time of the acquisition. All debt at Meridian at the time of acquisition was paid in full.
- (c) Represents elimination of the historical equity in Meridian as Greenbrier purchased all outstanding equity of Meridian.
- (d) Represents Greenbrier's removal of all goodwill and intangible assets of Meridian of \$93.0 million at the time of acquisition offset by the recording the estimate value of goodwill and intangibles based on managements best estimate of \$178.0 million. This is preliminary and subject to further refinement upon completion of analyses and valuations.
- (e) Represents removal of interest expense of Meridian and the addition of estimated interest expense as if the draw on the Greenbrier line of credit occurred on September 1, 2005.
- (f) Represents the tax effect of adjusting entries at Greenbrier at 41.0% tax rate and Meridian's adjustment at a tax rate of 40.0% for the year ending August 31, 2006.