

GRAPHIC PACKAGING CORP
Form 10-Q/A
August 09, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

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

For the quarterly period ended March 31, 2005

COMMISSION FILE NUMBER: 1-13182

Graphic Packaging Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

814 Livingston Court
Marietta, Georgia
(Address of principal executive offices)

58-2205241
(I.R.S. employer
identification no.)

30067
(Zip Code)

(770) 644-3000

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes No

As of April 29, 2005, there were 198,602,294 shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

Explanatory Note

Graphic Packaging Corporation (the Company) is filing this Amendment No. 1 on Form 10-Q/A to its Quarterly Report on Form 10-Q for the period ended March 31, 2005 (Amendment No. 1) to restate the previously issued financial statements for the period ended March 31, 2005 to reflect corrections in accounting for deferred taxes. The restatement is discussed in more detail in Note 10 to the accompanying restated financial statements beginning on page 13 and was previously announced by the Company in its Current Report on Form 8-K filed on August 3, 2005. This Amendment No. 1 does not purport to provide a general update or discussion of developments with respect to the Company subsequent to May 9, 2005, the date that the Company originally filed its Form 10-Q for the period ended March 31, 2005. Such disclosures are contained in subsequent filings with the U.S. Securities and Exchange Commission and should be read in conjunction with this report.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****GRAPHIC PACKAGING CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS**

(Amounts in Millions, Except Share Amounts)

(Unaudited)

	As Restated March 31, 2005	As Restated December 31, 2004
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 8.3	\$ 7.3
Receivables, Less Allowance for Doubtful Accounts of \$1.4 and \$1.8 at March 31, 2005 and December 31, 2004, respectively	239.7	214.9
Inventories	307.6	301.2
Prepaid Expenses	24.7	14.9
Total Current Assets	580.3	538.3
Property, Plant and Equipment, Net of Accumulated Depreciation of \$1,119.6 and \$1,078.7 at March 31, 2005 and December 31, 2004, respectively	1,632.6	1,649.0
Goodwill	643.4	643.4
Intangible Assets, Net of Accumulated Amortization of \$68.3 and \$65.1 at March 31, 2005 and December 31, 2004, respectively	163.8	166.6
Other Assets	112.6	114.0
Total Assets	\$ 3,132.7	\$ 3,111.3
LIABILITIES		
Current Liabilities:		
Short-Term Debt	\$ 13.7	\$ 14.2

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Accounts Payable and Other Accrued Liabilities	355.9	401.8
Total Current Liabilities	369.6	416.0
Long Term Debt, Less Current Portion	2,085.2	2,011.0
Other Noncurrent Liabilities	308.7	297.4
Total Liabilities	2,763.5	2,724.4

SHAREHOLDERS EQUITY

Preferred Stock, par value \$0.01 per share; 50,000,000 shares authorized; no shares issued or outstanding		
Common Stock, par value \$0.01 per share; 500,000,000 shares authorized; 198,602,294 and 198,586,108 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	2.0	2.0
Capital in Excess of Par Value	1,169.4	1,169.2
Unearned Compensation	(0.4)	(0.4)
Accumulated Deficit	(739.1)	(709.5)
Minimum Pension Liability Adjustment	(65.2)	(65.2)
Accumulated Derivative Instruments Gain (Loss)	7.4	(9.0)
Cumulative Currency Translation Adjustment	(4.9)	(0.2)
Total Shareholders Equity	369.2	386.9
Total Liabilities and Shareholders Equity	\$ 3,132.7	\$ 3,111.3

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in Millions, Except Per Share Amounts)

(Unaudited)

	Three Months Ended	
	As Restated March 31, 2005	As Restated March 31, 2004
Net Sales	\$ 583.0	\$ 575.9
Cost of Sales	515.8	486.9
Selling, General and Administrative	47.7	48.2
Research, Development and Engineering	2.3	2.4
Other Expense, Net	4.9	11.7
Income from Operations	12.3	26.7
Interest Income	0.1	0.1
Interest Expense	(37.2)	(38.0)
Loss before Income Taxes and Equity in Net Earnings of Affiliates	(24.8)	(11.2)
Income Tax Expense	(4.9)	(6.3)
Equity in Net Earnings of Affiliates	0.1	0.3
Net Loss	\$ (29.6)	\$ (17.2)
Loss Per Share - Basic	\$ (0.15)	\$ (0.09)
Loss Per Share - Diluted	\$ (0.15)	\$ (0.09)
Weighted Average Number of Shares Outstanding - Basic	198.6	198.4
Weighted Average Number of Shares Outstanding - Diluted	198.6	198.4

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Amounts in Millions)

(Unaudited)

	Three Months Ended	
	As Restated March 31, 2005	As Restated March 31, 2004
Net Loss	\$ (29.6)	\$ (17.2)
Other Comprehensive Income (Loss):		
Derivative Instruments Gain (Loss), Net of Tax of \$0	16.4	(1.1)