

TOWER AUTOMOTIVE INC
Form 8-K
March 26, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (Date of earliest event reported): March 11, 2004

TOWER AUTOMOTIVE, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

1-12733
(Commission File Number)

41-1746238
(I.R.S. Employer Identification No.)

27175 HAGGERTY ROAD, NOVI, MICHIGAN 48377
(Address of Principal Executive Offices) (Zip Code)

(248) 675-6000
(Registrant's Telephone Number, Including Area Code)

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

Item 2. Acquisition or Disposition of Assets

On March 11, 2004, the Registrant sold its 30.76 percent equity interest in Yorozu Corporation (Japan) to Yorozu, through a share buy-back transaction on the Tokyo Stock Exchange. The Registrant received proceeds of \$51.6 million in cash from this transaction. The consideration for the sale was based on the prevailing price of Yorozu stock, as traded on the Tokyo Stock Exchange.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(b) Pro forma financial information

Unaudited pro forma financial information reflecting the Registrant's disposition of this interest is attached as Exhibit 99.1. This pro forma information should be read in conjunction with the Registrant's Form 10-K for the year ended December 31, 2003.

(c) Exhibits

99.1 Unaudited pro forma consolidated financial information

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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.

TOWER AUTOMOTIVE, INC.

Date: March 25, 2004

BY: /s/ James A. Mallak

Name: James A. Mallak

Title: Chief Financial Officer and Treasurer

TOWER AUTOMOTIVE, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
December 31, 2003

| ASSETS | Tower Automotive, Inc. Historical | Pro Forma Adjustments | Tower Automotive, Inc. Pro Forma |
|--|--|----------------------------------|---|
| (Amounts in thousands, except share data) | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 160,899 | \$ 51,598(a) | \$ 212,497 |
| Accounts receivable | 325,599 | -- | 325,599 |
| Inventories | 130,004 | -- | 130,004 |
| Deferred income taxes, net | 20,116 | -- | 20,116 |
| Prepaid tooling and other | 91,662 | -- | 91,662 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 728,280 | 51,598 | 779,878 |
| | <hr/> | <hr/> | <hr/> |
| Property, Plant and Equipment, net | 1,055,873 | -- | 1,055,873 |
| Investments in Joint Ventures | 248,133 | (44,805)(a) | 203,328 |
| Deferred Income Taxes, net | 146,944 | -- | 146,944 |
| Goodwill | 498,663 | -- | 498,663 |
| Other Assets, net | 168,516 | -- | 168,516 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 2,846,409 | \$ 6,793 | \$ 2,853,202 |
| | <hr/> | <hr/> | <hr/> |
| LIABILITIES AND STOCKHOLDERS' INVESTMENT | | | |
| Current Liabilities: | | | |
| Current maturities of long-term debt and capital lease obligations | \$ 99,597 | \$ -- | \$ 99,597 |
| Convertible Subordinated Notes | 199,984 | -- | 199,984 |
| Accounts payable | 556,036 | -- | 556,036 |
| Accrued liabilities | 249,984 | -- | 249,984 |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 1,105,601 | -- | 1,105,601 |
| | <hr/> | <hr/> | <hr/> |
| Long-Term Debt, net of current maturities | 1,060,859 | -- | 1,060,859 |
| Obligations Under Capital Leases, net of current maturities | 42,798 | -- | 42,798 |
| Other Noncurrent Liabilities | 223,641 | -- | 223,641 |
| | <hr/> | <hr/> | <hr/> |
| Total noncurrent liabilities | 1,327,298 | -- | 1,327,298 |
| | <hr/> | <hr/> | <hr/> |
| Commitments and Contingencies | | | |
| Stockholders' Investment: | | | |
| Preferred stock, par value \$1; 5,000,000 shares authorized; no shares issued or outstanding | -- | -- | -- |
| Common stock, par value \$.01; 200,000,000 shares authorized; 66,133,731 issued and 57,341,805 outstanding in 2003; 65,878,655 issued and 56,050,855 outstanding in 2002 | 661 | -- | 661 |
| Additional paid-in capital | 680,608 | -- | 680,608 |
| Retained earnings (deficit) | (181,849) | 6,793(a) | (175,056) |
| Deferred compensation plans | (9,609) | -- | (9,609) |
| Accumulated other comprehensive loss | (22,751) | -- | (22,751) |
| Treasury stock, at cost: 8,791,926 shares in 2003 and 9,827,800 shares in 2002 | (53,550) | -- | (53,550) |
| | <hr/> | <hr/> | <hr/> |

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| ASSETS | Tower Automotive, Inc. Historical | Pro Forma Adjustments | Tower Automotive, Inc. Pro Forma |
|--------------------------------|--|----------------------------------|---|
| Total stockholders' investment | 413,510 | 6,793 | 420,303 |
| | <u>\$ 2,846,409</u> | <u>\$ 6,793</u> | <u>\$ 2,853,202</u> |

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

TOWER AUTOMOTIVE, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2003

| | Tower Automotive, Inc. Historical | Pro Forma Adjustments | Tower Automotive, Inc. Pro Forma |
|--|--|----------------------------------|---|
| Revenues | \$ 2,815,749 | \$ -- | \$ 2,815,749 |
| Cost of sales | 2,560,689 | -- | 2,560,689 |
| Gross profit | 255,060 | -- | 255,060 |
| Selling, general and administrative expenses | 155,500 | -- | 155,500 |
| Restructuring and asset impairment charges, net | 157,532 | -- | 157,532 |
| Operating income (loss) | (57,972) | -- | (57,972) |
| Interest expense | 95,222 | -- | 95,222 |
| Interest income | (2,475) | -- | (2,475) |
| Income (loss) before provision for income taxes, equity in earnings of joint ventures, and minority interest | (150,719) | -- | (150,719) |
| Provision (benefit) for income taxes | (50,811) | -- | (50,811) |
| Income (loss) before equity in earnings of joint ventures and minority interest | (99,908) | -- | (99,908) |
| Write-down of joint venture investment to market value, net of tax | (27,436) | 27,436(b) | -- |
| Equity in earnings of joint ventures, net of tax | 13,298 | (5,584)(c) | 7,714 |
| Minority interest, net of tax | (10,629) | -- | (10,629) |
| Net income (loss) | \$ (124,675) | \$ 21,852 | \$ (102,823) |
| Basic loss per share: | | | |
| Net loss | \$ (2.20) | | \$ (1.81) |
| Weighted average number of shares | 56,703 | | 56,703 |
| Diluted loss per share: | | | |
| Net loss | \$ (2.20) | | \$ (1.81) |
| Weighted average number of shares | 56,703 | | 56,703 |

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

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TOWER AUTOMOTIVE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited pro forma consolidated balance sheet as of December 31, 2003 adjusts Tower Automotive, Inc. and Subsidiaries (Tower Automotive) balance sheet for the disposition of its 30.76 percent interest in Yorozu Corporation (Japan) to Yorozu, through a stock buy-back transaction on the Tokyo Stock Exchange, as if the transaction had occurred on December 31, 2003. The accompanying unaudited pro forma consolidated statement of operations for the year ended December 31, 2003 adjusts the historical operations of Tower Automotive for the disposition of Yorozu as if the transaction had occurred on January 1, 2003.

These pro forma statements may not be indicative of the results that actually would have occurred if the disposition had occurred on the date indicated.

This pro forma information should be read in conjunction with the Tower Automotive Form 10-K for the year ended December 31, 2003.

2. Adjustments

The following is a list of adjustments to reflect the following (amounts in thousands):

(a) The disposition of the 30.76 percent interest in Yorozu Corporation

| | | |
|---|----|--------------|
| Cash received | \$ | 51,598 |
| Investment in Yorozu at December 31, 2003 | | (44,805) |
| | | <hr/> |
| Excess of cash received over investment at December 31, 2003 | \$ | <u>6,793</u> |

(b) The elimination of the write-down of the Yorozu investment to market value recorded during the year ended December 31, 2003.

(c) The elimination of the equity in earnings of Yorozu recorded during the year ended December 31, 2003.

There is no deferred income tax impact as a result of this sale due to the previously established valuation allowance.

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3. Loss per share

Pro forma basic loss per share is computed by dividing pro forma loss by the weighted average number of shares outstanding during the year ended December 31, 2003. None of the potentially dilutive shares, totaling approximately 16.6 million shares, were included in the calculation of loss per share for the historical or pro forma results for the year ended December 31, 2003 because their impact was anti-dilutive.

| | Year Ended December 31, 2003 | |
|---|--|------------------|
| | Historical | Pro Forma |
| | (in thousands, except per share data) | |
| Net loss-- basic and diluted | \$ (124,675) | \$ (102,823) |
| Weighted average number of common shares outstanding-- basic and diluted | 56,703 | 56,703 |
| Basic and diluted loss per share | \$ (2.20) | \$ (1.81) |