

BWAY Holding CO
Form 10-Q
February 13, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended:

December 30, 2007

Registrant, State of

Incorporation, Address and

I.R.S. Employer

Commission File Number
001-33527

Telephone Number

Identification No.
55-0800054

BWAY Holding Company

(A Delaware Corporation)

8607 Roberts Drive Suite 250 Atlanta,
Georgia 30350-2237 (770) 645-4800

001-12415

BWAY Corporation
(A Delaware Corporation)

36-3624491

8607 Roberts Drive Suite 250 Atlanta,

Georgia 30350-2237 (770) 645-4800

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.

Registrant

BWAY Holding Company

Yes No

BWAY Corporation

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Registrant	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company
BWAY Holding Company	x	..
BWAY Corporation	x	..

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(Response applicable to all registrants).

Registrant	Description of Common Stock	Shares Outstanding at February 11, 2008
BWAY Holding Company	Par Value \$0.01 per share	21,680,937
BWAY Corporation	Par Value \$0.01 per share	1,000

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BWAY HOLDING COMPANY

BWAY CORPORATION

Quarterly Report on Form 10-Q

For the quarterly period ended December 30, 2007

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****BWAY HOLDING COMPANY AND SUBSIDIARIES****UNAUDITED CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands, except share data)	December 30, 2007	September 30, 2007
Assets		
CURRENT ASSETS		
Cash and cash equivalents	\$ 23,772	\$ 53,423
Accounts receivable, net of allowance for doubtful accounts of \$1,884 and \$1,741	96,052	107,151
Inventories, net	130,544	111,792
Income taxes receivable	9,426	6,162
Deferred tax assets	8,065	7,928
Other	5,346	5,789
TOTAL CURRENT ASSETS	273,205	292,245
PROPERTY, PLANT AND EQUIPMENT, NET	144,920	141,750
OTHER ASSETS		
Goodwill	254,906	253,618
Other intangible assets, net	155,533	159,214
Deferred financing costs, net of accumulated amortization of \$6,693 and \$6,156	8,553	9,074
Other	2,418	2,032
TOTAL OTHER ASSETS	421,410	423,938
TOTAL ASSETS	\$ 839,535	\$ 857,933
Liabilities and Stockholders Equity		
CURRENT LIABILITIES		
Accounts payable	\$ 121,970	\$ 132,890
Accrued salaries and wages	10,977	11,146
Accrued interest	5,877	12,074
Accrued rebates	11,757	10,089
Current portion of long-term debt	2,699	2,284
Other	14,332	17,269
TOTAL CURRENT LIABILITIES	167,612	185,752
LONG-TERM DEBT	423,377	423,314
OTHER LIABILITIES		
Deferred tax liabilities	69,511	69,786
Other	23,830	21,825

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TOTAL OTHER LIABILITIES	93,341	91,611
TOTAL LIABILITIES	684,330	700,677
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
STOCKHOLDERS EQUITY		
Preferred stock, \$.01 par value, 20,000,000 shares authorized; no shares issued		
Common stock, \$.01 par value, 200,000,000 and 23,995,088 shares authorized; 21,660,737 shares issued and outstanding	217	217
Additional paid-in capital	127,621	125,853
Retained earnings	24,701	28,808
Accumulated other comprehensive income	2,666	2,378
TOTAL STOCKHOLDERS EQUITY	155,205	157,256
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 839,535	\$ 857,933

The accompanying Notes to Unaudited Consolidated Financial Statements are an integral part of these statements.

Table of Contents**BWAY HOLDING COMPANY AND SUBSIDIARIES****UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in thousands except per share amounts)	Three Months Ended	
	December 30, 2007	December 31, 2006
NET SALES	\$ 217,387	\$ 202,376
COSTS AND EXPENSES		
Cost of products sold <i>(excluding depreciation and amortization)</i>	196,872	178,350
Depreciation and amortization	11,127	11,398
Selling and administrative expense	5,880	4,215
Restructuring charge	24	39
Interest expense, net	9,455	9,403
Other expense, net	134	57
TOTAL COSTS AND EXPENSES	223,492	203,462
LOSS BEFORE INCOME TAXES	(6,105)	(1,086)
Benefit from income taxes	(2,202)	(479)
NET LOSS	\$ (3,903)	\$ (607)
NET LOSS PER SHARE (NOTE 7)		
Basic and Diluted	\$ (0.18)	\$ (0.03)

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Table of Contents**BWAY HOLDING COMPANY AND SUBSIDIARIES**

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)	Three Months Ended	
	December 30, 2007	December 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (3,903)	\$ (607)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	7,123	7,517
Amortization of other intangible assets	4,004	3,881
Amortization of deferred financing costs	533	525
Provision for (benefit from) doubtful accounts	143	(391)
Loss (gain) on disposition of property, plant and equipment	28	(5)
Deferred income taxes	(137)	(1,601)
Stock-based compensation expense	1,768	223
Changes in assets and liabilities		
Accounts receivable	11,113	18,170
Inventories	(18,656)	(6,261)
Other assets	533	(1,538)
Accounts payable	(9,364)	(27,332)
Accrued and other liabilities	(6,954)	(7,724)
Income taxes	(3,219)	1,079
NET CASH USED IN OPERATING ACTIVITIES	(16,988)	(14,064)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(12,306)	(5,273)
Other	2	1
NET CASH USED IN INVESTING ACTIVITIES	(12,304)	(5,272)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of term loan	(144)	(20,122)
Principal repayments under capital leases	(41)	(55)
NET CASH USED IN FINANCING ACTIVITIES	(185)	(20,177)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(174)	(263)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(29,651)	(39,776)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	53,423	50,979
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 23,772	\$ 11,203
SUPPLEMENTAL DISCLOSURES		
Cash paid during the period for:		
Interest	\$ 15,178	\$ 13,002
Income taxes	1,728	38
Non-cash investing and financing activities:		

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Amounts owed for capital expenditures

1,226

462

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