JORGENSEN EARLE M CO /DE/
Form S-1/A
April 14, 2005
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As filed with the Securities and Exchange Commission on April 14, 2005

Registration No. 333-119434

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 TO

FORM S-1

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

EARLE M. JORGENSEN COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**5051**	**95-0886610**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code No.)**	**(I.R.S. Employer Identification No.)**

10650 Alameda Street, Lynwood, California 90262, (323) 567-1122

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

William S. Johnson

Vice President, Chief Financial Officer and Secretary

10650 Alameda Street, Lynwood, California 90262, (323) 567-1122

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ¨.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of earlier effective registration statement for the same offering: ¨.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: ¨.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion. Dated April 14, 2005

20,000,000 Shares

Earle M. Jorgensen Company

Common Stock

This is an initial public offering of shares of common stock of Earle M. Jorgensen Company. All of the shares of common stock are being sold by the company.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $11.00 and $13.00. Our common stock has been approved for listing on The New York Stock Exchange under the symbol JOR.

To the extent that the underwriters sell more than 20,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 3,000,000 shares from us at the initial public offering price less the underwriting discount.

Investing in our common stock involves risks. See Risk Factors on page 12.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Earle M. Jorgensen Company

Per Share	$	$	$
Total	$	$	$

The underwriters expect to deliver the shares against payment in New York, New York on , 2005.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston **Goldman, Sachs & Co.**

Citigroup

ABN AMRO Rothschild LLC

William Blair & Company

CIBC World Markets

The date of this prospectus is , 2005.

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You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Until , 2005 (the 25th day after commencement of this offering), all dealers that buy, sell or trade in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

This prospectus includes market share and industry data that we have obtained from internal company surveys, market research, consultant surveys, publicly available information and various industry publications. Industry surveys, publications and consultant surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal company surveys, industry forecasts and market research, which we believe to be reliable based upon management s knowledge of the industry, have not been verified by any independent sources. Except where otherwise noted, statements regarding our position relative to our competitors or as to market share refer to recently available data.

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary may not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, including the Risk Factors section and our consolidated financial statements and the notes to those financial statements, before making an investment decision. In this prospectus, unless the context requires otherwise, (1) the terms EMJ, Earle M. Jorgensen, we, us and our refer to Earle M. Jorgensen Company and its subsidiaries, and (2) the term Holding refers to Earle M. Jorgensen Holding Company, Inc. EBITDA is defined and discussed in footnote 7 under the heading Summary Consolidated Financial and Other Data. Our fiscal year ends March 31 of each applicable year.

Earle M. Jorgensen Company

Overview

We are a leading distributor of metal bar and tubular products used by North American manufacturing companies and have been in business for over 80 years. We purchase over 25,000 different metal products in large quantities from primary producers, including a broad mix of carbon, alloy and stainless steel and aluminum bar, tubular and plate products. We sell these metal products in smaller quantities to over 35,000 customers spanning various industries, including machine tools, industrial equipment, transportation, fluid power, oil, gas and energy, fabricated metal, and construction and agricultural equipment. We distribute our broad range of metal products and provide our customers value-added metal processing and inventory management services from our distribution network of 35 strategically located service and processing centers in the United States and Canada.

Our metal processing services consist of cutting to length, burning, sawing, honing, shearing, grinding, polishing and performing other similar services on most of the metal products we sell, all to customer specifications. As part of our inventory management services, we schedule deliveries in the quantities and at the times required by just-in-time manufacturing processes employed by a growing number of leading manufacturing companies and provide our customers with an on-time product delivery guarantee.

In the 12 months ended December 31, 2004, we had revenues of $1,474.7 million, net income of $62.9 million and EBITDA of $139.9 million. During fiscal 2004 and the first nine months of fiscal 2005, we handled approximately 7,900 and 8,100 sales transactions per business day, respectively, at an average sale price of approximately $520 and $750 per transaction, respectively.

During the past several years, we have focused our management efforts on automating and reconfiguring our facilities to increase workflow, enhancing our information management systems to improve customer service, and streamlining our management structure, reducing headcount and decreasing corporate overhead to reduce costs. We believe that our efficient operating structure enables us to achieve gross profit per employee levels that are considerably higher than those of our major competitors. From the end of fiscal 1998 to December 31, 2004, we reduced our total headcount by approximately 23% to 1,693 employees. Comparing fiscal 1998 to the 12 months ended December 31, 2004, we increased our tons shipped per employee by approximately 89% to 467 in the 12 months ended December 31, 2004 and EBITDA per employee by approximately 190% to $84,824 in the 12 months ended December 31, 2004, based on the average number of employees in the applicable period.

Industry Overview

Metals service centers function as key intermediaries between the metals producers that desire to sell large volumes to few customers and the end-users that need specific products in smaller quantities. The metals distribution industry is fragmented, with approximately 1,300 participants throughout North America, the largest of which represented less than 5% of estimated industry sales in North America of $50 billion in 2003. The industry includes both general-line distributors, like us, that handle a wide range of metal products and specialty distributors that specialize in particular categories of metal products. The bar and tubular products that are our core products tend to be sold in smaller quantities, with shorter lead times and at higher gross margins than flat products, such as sheet and plate. We believe that a low-cost position coupled with excellent customer service, including breadth and availability of product offerings, timely and reliable delivery and responsiveness to customer needs, are the critical success factors that differentiate between various service centers. For example, metals end-users are increasingly moving to lean manufacturing models that require metal products to be delivered to them on an as-needed basis. This has increased these end-users need for service centers that can meet their delivery requirements by maintaining an extensive inventory of available metal products.

Competitive Strengths

Excellent Product Selection and Service. We are a recognized leader in the metals service center industry, with an excellent reputation for quality and service built over our 80 years of operation. We have an extensive inventory of core products, including one of the most extensive lines of bar and tubular products in North America. Over the last several years, we have further enhanced our reputation by implementing a program for our customers in which we guarantee on-time delivery of our products or they are free. This program, which we believe is unique among our major competitors in North America, has been very successful, with on-time performance of approximately 99% since its inception in 1999. Our broad network of service and processing centers and our proprietary information management systems have been critical to our ability to guarantee our service.

Excellent Supplier Relationships. We believe we are one of the largest purchasers of steel bars and tubing in North America and one of the leading distribution customers in our core products for each of our major suppliers. These supplier relationships enable us to better meet our customers demands for metals during periods of tight supply, such as the one our industry is currently experiencing.

Broad Network of Strategically Located Facilities and Diverse Customer Base. Our 35 service and processing centers are strategically located throughout North America, generally within one day s delivery time to almost all U.S. manufacturing centers. Our broad service network enables us to provide services to national customers with multiple locations, as well as to smaller single-site customers. We serve more than 35,000 customers across a broad range of industries, with no single customer accounting for more than 2% of our revenues in fiscal 2004 or the first nine months of fiscal 2005. Our ten largest customers represented approximately 10% of our revenues in fiscal 2004, and the average length of these customer relationships was approximately 14 years.

Focus on Information Management Systems. Through our proprietary information management systems, we track and allocate inventory among all of our locations, maintain high levels of customer service through better order and product reference data and monitor our operating results. We track our entire inventory on a real-time basis through our information management systems, which allows our salespeople and operating employees to have visibility into in-process orders and enables us to meet our on-time delivery guarantee.

Warehouse Automation. We completed the installation of an automated inventory storage and retrieval system in our largest facility, which is located in Chicago, in the third quarter of fiscal 2004. This fully operational system, which we refer to as the Kasto system, allows us to streamline order filling and improve employee productivity, resulting in reduced material handling and processing costs and increased order fill rates. For example, warehouse cost per ton at our Chicago facility, which services regional customers and also supplies products to all of our other service centers, has decreased approximately 17.1% from $96.33 in the second

quarter of fiscal 2004, the quarter immediately preceding the completion of the automated warehouse system s installation, to $79.86 in the first nine months of fiscal 2005.

Experienced Management Team. Our senior management team has an average of 29 years of industry experience. Our chief executive officer, Maurice S. Nelson, Jr., has spent over 42 years in the metals industry with us and at Inland Steel Company and Alcoa Inc. Mr. Nelson was named the Service Center Executive of the Year for 2001 by Metal Center News and served as chairman of the Metal Service Center Institute during the 2002-2003 term.

Operating and Growth Strategy

Focus on Core Products. We believe our purchasing volumes for our core bar and tubular products enable us to achieve among the lowest available product acquisition costs for these products among metals service centers in North America. We believe we can grow our market share and increase profitability by continuing to focus our marketing efforts on our core products and capitalizing on our procurement advantage. We intend to leverage our strength in our core products to enable us to establish competitive advantages in our local markets as well as to allow us to successfully compete for larger national programs with customers.

Focus on Timely and Reliable Delivery and Value-Added Services. We believe our guarantee to provide on-time delivery service will continue to differentiate us from our competition and enable us to increase our market share. In addition, we seek to increase our margins and grow our market share by complementing our metal product sales efforts with value-added services, such as inventory management and processing activities, including our special stocking programs and cutting and honing operations.

Expand Satellite Operations. We believe a key aspect of serving our current customers and acquiring new customers is having a physical presence in markets that require our products and services. Accordingly, we have been implementing a strategy to target those geographic areas where we can justify opening a satellite location. These locations are managed locally by warehouse and delivery personnel, stock a limited inventory of core products and require minimal initial and maintenance capital expenditures, resulting in a low-cost opportunity to serve select markets. Each satellite operation is supported by inventory, inside salespeople and the general management of one of our larger service centers. During the past 18 months, we have opened satellite facilities in Orlando, Florida and northern Ontario and have recently relocated our successful Chattanooga, Tennessee satellite facility to a larger new satellite facility in Birmingham, Alabama. We continue to evaluate additional satellite locations and expect to open a satellite facility in Spokane, Washington in May 2005.

Maintain Technology Leadership. We have made and will continue to make investments in technology in order to differentiate our capabilities from those of our competitors. We intend to continue to enhance our information management systems by upgrading software and hardware to improve the connectivity, stability and reliability of these systems, which will help us continue to improve our customer service. To further improve our productivity and efficiency, we are expanding the automated warehouse system in our Chicago facility and also evaluating the implementation of the system in our other facilities.

General Corporate Information

We were formed on May 3, 1990, when affiliates of Kelso & Company, L.P., a private investment firm, acquired control of and combined two leading metals distributors, Earle M. Jorgensen Company (founded in 1921) and Kilsby-Roberts Holding Co. (successor to C.A. Roberts

Company, founded in 1915). In connection with the combination of these two companies, we became a wholly owned subsidiary of Earle M. Jorgensen Holding Company, Inc., or Holding. Holding has no operations and no significant assets other than our common stock. After the consummation of the financial restructuring transaction described below under Transaction Related to this Offering, Holding will cease to exist and the noteholder and stockholders of Holding will become stockholders of EMJ. However, we have included the consolidated financial statements of Holding in

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this prospectus because the financial restructuring will be accounted for in a manner similar to a pooling-of-interests because it constitutes a transfer of assets and exchange of shares between entities, EMJ and Holding, under common control and, therefore, the financial position and results of operations of Holding will be included in our consolidated financial statements on a historical basis.

Our principal executive offices are located at 10650 Alameda Street, Lynwood, California 90262, and our telephone number there is (323) 567-1122. Our web site is located at www.emjmetals.com. The information on our web site is not a part of this prospectus.

Transaction Related to this Offering

This offering is related to a financial restructuring transaction, which we refer to as the financial restructuring, pursuant to which Holding will be merged into a wholly owned subsidiary of EMJ, resulting in the following:

- the exchange of all of Holding s senior notes, or the Holding notes, including interest accrued through September 29, 2004, for cash and shares of EMJ common stock;
- the conversion of all outstanding shares of Holding series A preferred stock, including dividends accrued through September 29, 2004, into cash and shares of EMJ common stock;
- the conversion of all outstanding shares of Holding series B preferred stock (all accumulated dividends have been paid in-kind through September 29, 2004) into cash and shares of EMJ common stock;
- the conversion of all outstanding shares of Holding common stock into an equal number of shares of EMJ common stock;
- the exchange of all outstanding warrants to purchase shares of Holding common stock for shares of EMJ common stock; and
- our assumption of the obligations of Holding to issue 3,053,668 shares of Holding common stock under all outstanding Holding stock options. These options will become exercisable for an equal number of shares of EMJ common stock at the same exercise prices and on the same terms and conditions as provided in the Holding stock option agreements and stock option plan.

Completion of the financial restructuring is conditioned upon, among other things, (1) consummation of this offering at an initial public offering price that is not less than $7.00 per share and (2) the offering resulting in at least $100 million of net proceeds to EMJ. The consummation of this offering is conditioned upon and will occur on the same day as the completion of the financial restructuring.

Using an exchange or conversion ratio based on a value of $12.00 for each share of EMJ common stock, which is the assumed initial public offering price per share based on the mid-point of the range shown on the cover of this prospectus, and assuming net proceeds of this offering of $223,800,000 (before taking into account estimated offering expenses payable by us, as set forth under Use of Proceeds), we will issue the following amounts of EMJ common stock and pay the following amounts of cash to holders of Holding notes, Holding series A preferred stock and Holding series B preferred stock upon consummation of the financial restructuring:

6,980,351 shares of EMJ common stock and $173.3 million in cash based on the $257.1 million aggregate amount of Holding notes outstanding as of the date of this prospectus (including interest accrued through September 29, 2004);

1,276,733 shares of EMJ common stock and $31.7 million in cash based on 57,573 outstanding shares of Holding series A preferred stock valued at approximately $47.0 million as of the date of this prospectus (including dividends accrued through September 29, 2004);

757,091 shares of EMJ common stock and $18.8 million in cash based on 27,882 outstanding shares of Holding series B preferred stock valued at approximately $27.9 million as of the date of this prospectus (all accumulated dividends have been paid in-kind through September 29, 2004);

11,197,122 shares of EMJ common stock based on 11,197,122 shares of Holding common stock outstanding as of the date of this prospectus; and

2,935,467 shares of EMJ common stock based on warrants to purchase 2,937,915 shares of Holding common stock outstanding as of the date of this prospectus.

If the initial public offering price per share is higher than $12.00 or the net proceeds of this offering, before taking into account estimated offering expenses payable by us, are greater than $223,800,000, we will issue fewer shares of our common stock to the Holding stockholders and noteholder upon consummation of the financial restructuring. If the initial public offering price per share is less than $12.00 or the net proceeds of this offering, before taking into account estimated offering expenses payable by us, are less than $223,800,000, we will issue more shares of our common stock to the Holding stockholders and noteholder upon consummation of the financial restructuring. If the offering price per share is $7.00 and the net proceeds of this offering are $100 million, which are the minimum conditions to closing the financial restructuring, we would issue 47,269,426 shares of EMJ common stock to the Holding stockholders and noteholder upon consummation of the financial restructuring.

All of the shares of EMJ common stock issued in connection with the financial restructuring have been registered under the Securities Act on a registration statement on Form S-4 filed by EMJ. This means the shares issued pursuant to the financial restructuring will be freely tradable without restriction or further registration under the Securities Act, unless held by an affiliate as that term is defined in Rule 144 under the Securities Act or subject to the terms of the lock-up agreements, transfer restriction agreements or restrictions on transfer contained in the stock bonus plan described under the heading Shares Eligible for Future Sale.

To effect the financial restructuring, we have entered into (1) an agreement and plan of merger and reorganization, as amended, with Holding and a wholly owned subsidiary of EMJ and (2) an exchange agreement with Holding and Kelso Investment Associates, L.P., or KIA I, Kelso Equity Partners II, L.P., or KEP II, KIA III-Earle M. Jorgensen, L.P., or KIA III-EMJ, and Kelso Investment Associates IV, L.P., or KIA IV (collectively known as the Kelso funds). The Holding stockholders approved and adopted the merger agreement and approved the financial restructuring at a special meeting of stockholders held on April 13, 2005.

As of the date of this prospectus, the Kelso funds and other Kelso affiliates, including one of our directors, hold 8,259,799 shares of Holding common stock, which represents 73.8% of the issued and outstanding shares of Holding common stock, and 24,519 shares of Holding series A preferred stock, which represents 42.6% of the issued and outstanding shares of Holding series A preferred stock. Pursuant to the exchange agreement, the Kelso funds voted all of the Holding capital stock owned by them in favor of the merger agreement and the financial restructuring. As of the date of this prospectus, KIA IV also holds approximately $257.1 million of the Holding notes (including accrued but unpaid interest) and warrants to purchase 2,937,915 shares of Holding common stock, which represent all of the outstanding Holding notes and all of the outstanding Holding warrants. Upon consummation of the financial restructuring and this offering, the Kelso funds and other Kelso affiliates will own 18,719,350 shares of our common stock, representing 43.4% of our issued and outstanding common stock, and receive $186,804,677 in cash, assuming an initial public offering price of $12.00 per share, the mid-point of the range shown on the cover of this prospectus, and net proceeds of this offering of $223,800,000 (before taking into account estimated offering expenses payable by us, as set forth under Use of Proceeds).

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In connection with the consummation of the financial restructuring and this public offering, we (1) have agreed to contribute up to 2,461,547 shares of our common stock to our stock bonus plan and pay cash bonuses of $1,056,465 in the aggregate to participants who are no longer employed by us in connection with the amended United States Department of Labor consent order for our stock bonus plan that was entered by the court on January 3, 2005 and (2) have committed to pay a taxable public offering bonus to our employees on the closing date who are also participants in our stock bonus plan in an aggregate amount of $8.5 million, as described under the headings Business Legal Proceedings U.S. Department of Labor and Management Public Offering Bonus Plan.

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The Offering

Common stock offered by us	20,000,000 shares
Common stock to be outstanding after this offering	43,146,764 shares
Use of proceeds	We intend to use the net proceeds from this offering to pay the cash portion of the consideration for the Holding notes, the Holding series A preferred stock and the Holding series B preferred stock.
Dividend policy	We do not anticipate paying cash dividends on our common stock in the foreseeable future.
Proposed New York Stock Exchange symbol	JOR
Risk factors	See Risk Factors and other information included in this prospectus for a discussion of factors that you should carefully consider before investing in our common stock.

The number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of the date of this prospectus. This number and, unless otherwise indicated, the information in this prospectus:

- excludes 3,053,668 shares of common stock issuable upon the exercise of stock options outstanding under the Holding stock option plan that will become exercisable for our common stock upon consummation of the financial restructuring, at a weighted average exercise price of $3.35 per share;
- excludes 2,157,338 shares of common stock reserved and available for issuance under our stock incentive plan as of the date of this prospectus, which equals 5% of the aggregate number of shares of our common stock that will be outstanding upon completion of the financial restructuring and this offering and which includes the 50,000 shares issuable upon exercise of options to be granted to certain of our non-officer directors on the date of this prospectus;
- reflects the exchange of the Holding notes for 6,980,351 shares of common stock and cash upon consummation of the financial restructuring;
- reflects the conversion of the Holding series A preferred stock into 1,276,733 shares of common stock and cash upon consummation of the financial restructuring;
- reflects the conversion of the Holding series B preferred stock into 757,091 shares of common stock and cash upon consummation of the financial restructuring;

reflects the conversion of the Holding common stock into 11,197,122 shares of common stock upon consummation of the financial restructuring;

reflects the exchange of the Holding warrants for 2,935,467 shares of common stock upon consummation of the financial restructuring;

assumes, for purposes of determining the number of shares of common stock issuable upon consummation of the financial restructuring as set forth above, an initial public offering price of $12.00 per share, the mid-point of the range shown on the cover of this prospectus, and net cash proceeds

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of $223,800,000 in the aggregate (before taking into account estimated expenses payable by us, as set forth under Use of Proceeds) being paid to the the holders of the Holding notes, the Holding series A preferred stock and the Holding series B preferred stock;

does not reflect the 2,461,547 shares of common stock reserved for issuance to our stock bonus plan pursuant to our obligation to make a special contribution to the stock bonus plan in connection with the amended United States Department of Labor consent order entered on January 3, 2005, as described under Business Legal Proceedings U.S. Department of Labor; and

assumes that the underwriters do not exercise their over-allotment option.

In the event that the underwriters over-allotment is not exercised in full upon closing of this offering, up to an aggregate of 396,227, 234,959 and 2,166,314 shares of common stock will be withheld from the holders of the Holding series A preferred stock, Holding series B preferred stock and Holding notes, respectively, until the earlier of (1) the exercise in full of the over-allotment and (2) the expiration of the 30 day period during which the over-allotment may be exercised. If the over-allotment is exercised in full during this period, each holder of the Holding series A preferred stock, Holding series B preferred stock and Holding notes, in lieu of receiving shares of common stock, will be paid $12.00 in cash per share of common stock it otherwise would have received. If the over-allotment is not exercised during this period or is exercised in part, the appropriate portion of common stock will be delivered to such holders promptly after the expiration of the 30 day period during which the over-allotment option may be exercised if they have returned their transmittal letter to the exchange agent.

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Summary Consolidated Financial and Other Data

The following table presents our summary consolidated financial and other data for the periods and as of the date presented below. We derived the data for the fiscal years ended March 31, 2002, 2003 and 2004 from our audited consolidated financial statements for those periods that are included in this prospectus. We derived the data for the fiscal years ended March 31, 2000 and 2001 from our audited consolidated financial statements for those periods that are not included in this prospectus. We derived the data for the nine months ended January 1, 2004 and December 31, 2004 and the data as of December 31, 2004 from our unaudited consolidated financial statements for those periods and as of that date that are included in this prospectus and, in the opinion of management, reflect all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of our results of operations and financial position for those periods and as of that date. Results for the nine months ended December 31, 2004 are not necessarily indicative of results for the full fiscal year. We derived the data for the 12 months ended December 31, 2004 from our audited consolidated financial statements for the fiscal year ended March 31, 2004 and our unaudited consolidated financial statements for the nine months ended January 1, 2004 and December 31, 2004 that are included in this prospectus. You should read the following information along with Selected Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes, each of which is included elsewhere in this prospectus.

	Fiscal Year Ended March 31,					Nine Months Ended		Twelve Months Ended
	2000	2001	2002	2003	2004	January 1, 2004	December 31, 2004	December 31, 2004
	(dollars in thousands, except per share data)							
Statement of Operations Data:							(unaudited)	(unaudited)
Revenues	$ 938,252	$ 1,059,681	$ 895,058	$ 919,927	$ 1,040,367	$ 718,301	$ 1,152,589	$ 1,474,655
Costs of sales	662,803	767,263	641,991	658,562	754,266	518,394	828,735	1,064,607
Gross profit	275,449	292,418	253,067	261,365	286,101	199,907	323,854	410,048
Expenses(1)	208,058	228,542	204,713	210,277	216,629	154,970	220,091	281,750
Income from operations	67,391	63,876	48,354	51,088	69,472	44,937	103,763	128,298
Net interest expense(2)	41,595	44,855	42,545	47,206	51,093	38,205	40,534	53,422
Income before income taxes	25,796	19,021	5,809	3,882	18,379	6,732	63,229	74,876
Net income	23,987	17,798	5,354	2,382	15,252	5,284	52,932	62,900
Pro Forma Data:								
Unaudited pro forma net income (loss) available to common stockholders(3)	$ (5,174)	$ (14,270)	$ (33,263)	$ (42,389)	$ (34,190)	$ (28,035)	$ 25,672	$ 19,517
Unaudited pro forma net income (loss) available to common stockholders per share(3)(4)								
Basic	$ (0.41)	$ (1.14)	$ (2.69)	$ (3.59)	$ (2.96)	$ (2.42)	$ 2.26	$ 1.71
Diluted	$ (0.41)	$ (1.14)	$ (2.69)	$ (3.59)	$ (2.96)	$ (2.42)	$ 1.67	$ 1.35
Unaudited pro forma weighted average shares outstanding(4)								
Basic	12,519	12,548	12,365	11,820				