

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

XTRA CORP /DE/

CIK: **217591** | IRS No.: **060954158** | State of Incorporation: **DE** | Fiscal Year End: **0930**
Type: **8-K** | Act: **34** | File No.: **001-07654** | Film No.: **1697104**
SIC: **7359** Equipment rental & leasing, nec

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WESTPORT CT 06880

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2032211005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: August 3, 2001

XTRA Corporation

(Exact name of registrant as specified in its charter)

Delaware	1-7654	06-0954158

State of incorporation of organization	(Commission File Number)	(IRS Employer Identification No.)
200 Nyala Farms Road, Westport, CT		06880

(Address of principal executive offices)		Zip Code

Registrant's telephone number including area code: (203) 221-1005

(Former name or former address, if changed since last report)

Item 5 - Other Events:

On July 31, 2001, XTRA Corporation issued a press release disclosing certain financial information for the third fiscal quarter ended June 30, 2001, which financial information is contained herein on pages 3-8.

2

FOR IMMEDIATE RELEASE

Contact:

XTRA Corporation
Stephanie L. Johnson
Vice President and Treasurer
Tel: (203) 221-1005

XTRA Reports 2001 Third Quarter Earnings

Westport, CT (July 31, 2001) XTRA Corporation (NYSE: XTR) today announced diluted earnings per share and net income of \$.55 and \$6 million, respectively, for the third quarter ended June 30, 2001, compared to \$1.15 and \$14 million for the same quarter a year ago. The average number of diluted shares outstanding declined to 10.6 million in the third quarter of fiscal 2001 from 12.1 million in the third quarter of fiscal 2000 due to the \$80 million of stock repurchased during the fifteen months ended June 30, 2001. These repurchases were accretive to earnings per share.

Business Summary

Net income for the fiscal third quarter ended June 30, 2001 was \$6 million, or \$.55 diluted earnings per share, on revenues of \$102 million. Overall equipment utilization for the third quarter of fiscal 2001 averaged 76%, compared to 83% for the third quarter of fiscal year 2000.

For the nine months ended June 30, 2001, the Company reported diluted earnings per share and net income of \$2.82 and \$32 million, respectively. This compares to diluted earnings per share and net income of \$3.89 and \$47 million for the comparable period of the prior year.

The primary drivers of this weaker performance versus the prior year were lower domestic and international utilization rates; higher losses on international

containers identified for sale; higher storage costs; expenditures related to the Company's e-Business initiative; and higher repair and maintenance expenses.

3

Despite lower net income, the Company's cash flow from operations has remained strong, enabling a year-to-date reduction in net debt of \$76 million and \$71 million of stock repurchases.

The contributions to diluted earnings per share from the Company's North American and International segments were as follows:

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<S>	Three Months Ended June 30,		Nine Months Ended June 30,	
	<C> 2001	<C> 2000	<C> 2001	<C> 2000
North America	\$.76	\$1.15	\$3.33	\$ 3.97
International	(.21)	-	(.51)	(0.08)
	=====	=====	=====	=====
	\$.55	\$1.15	\$2.82	\$ 3.89
	=====	=====	=====	=====

</TABLE>

Economic conditions in the domestic and international transportation markets have slowed substantially since the fourth quarter of fiscal 2000. XTRA's North American and International utilization rates for the third quarter of fiscal 2001 averaged 77% and 71%, respectively, versus 83% and 84%, respectively, a year ago.

Outlook

Lewis Rubin, XTRA's President and Chief Executive Officer, commented, "We are disappointed that the economic slowdown is lengthening. We had hoped for a better seasonal recovery in our fiscal third quarter than has occurred. It is clear that the Company's fourth quarter and full year financial performance will continue to lag behind last year's results. We still expect cash flow from operations for fiscal 2001 to be quite healthy, approximating \$270 million. XTRA's current committed capital spending for the year is \$71 million, compared to \$240 million in fiscal 2000."

Interested parties are invited to listen to a webcast of the Company's Fiscal 2001 Third Quarter analyst conference call tomorrow, Wednesday, August 1, 2001, at 10:00 a.m. EDT. The webcast can be accessed via the corporate section of the Company's Web site, www.xtra.com. A replay of the

4

webcast as well as a copy of the presentation will be available on the Web site for one week following the call.

XTRA Corporation leases, primarily on an operating basis, over-the-road trailers, marine containers, and intermodal equipment, including intermodal trailers, chassis, and domestic containers.

This press release contains, in addition to historical information, certain forward-looking statements that involve risks and uncertainties. These include statements relating to such factors as expected demand and utilization, business conditions, and capital expenditures. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that may cause such a difference include, but are not limited to, the variability of the Company's revenues and its fixed operating expenses; the impact of the North American and international economies on revenues, lease rates and utilization; and fluctuations in interest rates and foreign exchange rates. These risks are discussed under the caption "Cautionary Statements for Purposes of the 'Safe Harbor' Provisions of the Private Securities Litigation Reform Act of 1995" in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000 on file with the SEC.

5

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XTRA CORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS
(Millions of dollars, except per share and share amounts)
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 102	\$ 116	\$ 330	\$ 358
Operating expenses				
Depreciation on rental equipment	37	38	112	113
Rental equipment lease financing expense	2	2	7	6
Rental equipment operating expenses	29	26	83	81
Selling and administrative expense	12	12	37	35
	-----	-----	-----	-----
	80	78	239	235
	-----	-----	-----	-----
Operating income	22	38	91	123
Interest expense	13	15	42	45
Foreign exchange (gain) loss	-	-	-	-
	-----	-----	-----	-----
Income before provision for income taxes and unusual item	9	23	49	78
Unusual item: income related to acquisition break-up fee	-	-	2	-
	-----	-----	-----	-----
Pretax income	9	23	51	78
Provision for income taxes	3	9	19	31
	-----	-----	-----	-----
Net income	\$ 6	\$ 14	\$ 32	\$ 47
	=====	=====	=====	=====
Basic earnings per common share	\$0.55	\$1.15	\$2.83	\$3.90
Weighted average basic shares outstanding (in millions)	10.5	12.0	11.2	12.2
Diluted earnings per share	\$0.55	\$1.15	\$2.82	\$3.89
Weighted average diluted shares outstanding (in millions)	10.6	12.1	11.2	12.2

*Note: Certain amounts in the prior year financial statements have been reclassified to be consistent with the current year presentation.

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

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6

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XTRA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions of dollars)

	June 30, 2001 (Unaudited)	September 30, 2000
<S>	<C>	<C>
Assets		
Property and Equipment, net	\$1,345	\$1,432
Receivables, net	101	116
Other Assets	17	18
	-----	-----

Total Assets	\$1,463	\$1,566
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities		
Debt	\$ 710	\$ 788
Deferred Income Taxes	369	350
Other Liabilities	56	67
Stockholders' Equity	328	361
	-----	-----
Total Liabilities and Stockholders' Equity	\$1,463	\$1,566
	=====	=====
Net Debt Outstanding	\$ 710	\$ 786
	=====	=====

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7

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XTRA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of dollars)

(Unaudited)

	Nine Months Ended June 30,	
	2001	2000
	-----	-----
	<C>	<C>
Cash Provided from Operations (1)	\$ 205	\$ 233
Cash Used for Investment Activities (2)	(61)	(173)
Cash Used for Financing Activities	(68)	(29)
	-----	-----
Decrease in Net Debt Outstanding (Debt - Cash)	\$ 76	\$ 31
	=====	=====

(1) The nine months ended June 30, 2000 includes \$10 million of sale proceeds from equipment purchased in the prior fiscal year and refinanced as a part of a \$34 million, 10-year operating lease agreement entered into during the first quarter of fiscal 2000.

(2) The nine months ended June 30, 2000 excludes \$24 million of equipment financed under the 10-year off-balance sheet operating lease.

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8

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.

XTRA CORPORATION

(Registrant)

Date: August 3, 2001

/s/ Stephanie L. Johnson

Stephanie L. Johnson
Vice President and
Treasurer

Date: August 3, 2001

/s/ Thomas G. Schaefer

Thomas G. Schaefer
Vice President and
Controller