

TEXTAINER GROUP HOLDINGS LTD

Form 6-K

November 10, 2008

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the three months ended September 30, 2008

Commission File Number 001-33725

Textainer Group Holdings Limited

(Exact Name of Registrant as Specified in its Charter)

Not Applicable

(Translation of Registrant's name into English)

Century House

16 Par-La-Ville Road

Hamilton HM HX

Bermuda

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(441) 296-2500

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

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): Not applicable

Table of Contents

This report contains the quarterly report of Textainer Group Holdings Limited for the three months ended September 30, 2008.

Exhibits

1. Quarterly report of Textainer Group Holdings Limited for the Three Months ended September 30, 2008

Table of Contents

Exhibit 1

TEXTAINER GROUP HOLDINGS LIMITED

Quarterly Report on Form 6-K for the Three Months Ended September 30, 2008

Table of Contents

	Page
Item 1. Condensed Consolidated Financial Statements (Unaudited):	
<u>Condensed Consolidated Balance Sheets as of September 30, 2008 and December 31, 2007</u>	2
<u>Condensed Consolidated Statements of Income for the Three and Nine Months ended September 30, 2008 and 2007</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2008 and 2007</u>	4
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
Item 3. <u>Quantitative and Qualitative Disclosures About Market and Credit Risk</u>	37
Item 4. <u>Risk Factors</u>	38
<u>Signature</u>	42

Table of Contents**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES**

Condensed Consolidated Balance Sheets

September 30, 2008 and December 31, 2007

(Unaudited)

(All currency expressed in United States dollars in thousands)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 63,147	\$ 69,447
Accounts receivable, net of allowance for doubtful accounts of \$5,293 and \$3,160 in 2008 and 2007, respectively	52,474	44,688
Net investment in direct financing and sales-type leases	17,097	9,116
Containers held for resale	1,796	3,798
Prepaid expenses and other current assets	3,241	2,527
Deferred taxes	352	352
Due from affiliates, net		9
Total current assets	138,107	129,937
Restricted cash	12,032	16,742
Containers, net of accumulated depreciation of \$331,309 and \$322,845 in 2008 and 2007, respectively	1,019,872	856,874
Net investment in direct financing and sales-type leases	68,549	48,075
Fixed assets, net of accumulated depreciation of \$8,124 and \$7,795 in 2008 and 2007, respectively	1,525	1,230
Intangible assets, net of accumulated amortization of \$10,615 and \$4,700 in 2008 and 2007, respectively	66,838	72,646
Interest rate swaps	1,323	127
Other assets	3,492	2,715
Total assets	\$ 1,311,738	\$ 1,128,346
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	\$ 4,668	\$ 4,612
Accrued expenses	10,372	11,115
Container contracts payable	91,866	28,397
Due to owners, net	13,164	18,019
Secured debt facility		6,585
Bonds payable	58,000	58,000
Total current liabilities	178,070	126,728
Revolving credit facilities	32,000	21,500
Secured debt facility	236,070	124,391
Bonds payable	327,667	370,938
Interest rate swaps	3,988	4,409
Long-term income tax payable	17,202	15,733
Deferred taxes	10,818	10,814
Total liabilities	805,815	674,513

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Minority interest	58,682	49,717
Shareholders' equity:		
Common shares, \$0.01 par value. Authorized 140,000,000 shares; issued and outstanding 47,604,640 at 2008 and 2007	476	476
Additional paid-in capital	165,884	163,753
Notes receivable from shareholders		(432)
Accumulated other comprehensive income	246	579
Retained earnings	280,635	239,740
Total shareholders' equity	447,241	404,116
Total liabilities and shareholders' equity	\$ 1,311,738	\$ 1,128,346

See accompanying notes to condensed consolidated financial statements.

Table of Contents**TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES**

Condensed Consolidated Statements of Income

Three and Nine Months ended September 30, 2008 and 2007

(Unaudited)

(All currency expressed in United States dollars in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Revenues:				
Lease rental income	\$ 50,914	\$ 48,574	\$ 147,016	\$ 145,223
Management fees	7,610	6,397	22,019	16,538
Trading container sales proceeds	6,716	6,153	30,799	13,315
Gains on sale of containers, net	4,435	4,184	11,683	9,795
Other, net		4		290
Total revenues	69,675	65,312	211,517	185,161
Operating expenses:				
Direct container expense	5,975	7,955	18,899	26,276
Cost of trading containers sold	5,314	4,768	23,533	10,547
Depreciation expense	10,614	12,505	37,264	35,896
Amortization expense	1,670	908	5,314	1,978
General and administrative expense	4,951	4,341	16,190	12,748
Short-term incentive compensation expense	1,287	879	3,063	3,057
Long-term incentive compensation expense	807		2,288	
Bad debt expense, net	2,477	293	3,100	1,289
Total operating expenses	33,095	31,649	109,651	91,791
Income from operations	36,580	33,663	101,866	93,370
Other income (expense):				
Interest expense	(6,307)	(10,127)	(18,552)	(27,378)
Interest income	362	746	1,255	2,123
Realized (losses) gains on interest rate swaps and caps, net	(1,898)	971	(4,177)	2,712
Unrealized gains (losses) on interest rate swaps, net	711	(3,855)	1,617	(4,077)
Gain on lost military containers, net	480	4,639	2,169	4,639
Other, net	(511)	(8)	180	(121)
Net other income (expense)	(7,163)	(7,634)	(17,508)	(22,102)
Income before income tax and minority interest expense	29,417	26,029	84,358	71,268
Income tax expense	(2,019)	(1,903)	(3,079)	(4,678)
Minority interest expense	(2,839)	(4,816)	(8,965)	(13,966)
Net income	\$ 24,559	\$ 19,310	\$ 72,314	\$ 52,624

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Net income per share:				
Basic	\$ 0.52	\$ 0.50	\$ 1.52	\$ 1.37
Diluted	\$ 0.51	\$ 0.50	\$ 1.51	\$ 1.36
Weighted average shares outstanding (in thousands):				
Basic	47,605	38,605	47,605	38,531
Diluted	47,875	38,605	47,807	38,583

See accompanying notes to condensed consolidated financial statements.

Table of Contents**TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES**

Condensed Consolidated Statements of Cash Flows

Nine Months ended September 30, 2008 and 2007

(Unaudited)

(All currency expressed in United States dollars in thousands)

	Nine months ended September 30,	
	2008	2007
Cash flows from operating activities:		
Net income	\$ 72,314	\$ 52,624
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	37,264	35,896
Bad debt expense, net	3,100	1,289
Unrealized (gains) losses on interest rate swaps, net	(1,617)	4,077
Amortization of debt issuance costs	1,414	1,013
Amortization of intangible assets	5,314	1,978
Amortization of acquired above-market leases	602	
Gains on sale of containers and lost military containers, net	(13,852)	(14,434)
Share-based compensation expense	2,162	
Minority interest expense	8,965	13,966
Changes in operating assets and liabilities	(12,372)	(22,825)
Total adjustments	30,980	20,960
Net cash provided by operating activities	103,294	73,584
Cash flows from investing activities:		
Purchase of containers and fixed assets	(216,505)	(155,260)
Purchase of intangible assets	(108)	(56,000)
Proceeds from sale of containers and fixed assets	54,583	55,287
Receipt of principal payments on direct financing and sales-type leases	10,159	4,820
Net cash used in investing activities	(151,871)	(151,153)
Cash flows from financing activities:		
Proceeds from revolving credit facility	56,500	43,000
Principal payments on revolving credit facility		