

LIBBEY INC
Form 10-Q/A
May 15, 2006

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q/A
Amendment No. 1**

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 1-12084

Libbey Inc.

(Exact name of registrant as specified in its charter)

Delaware

34-1559357

(State or other
jurisdiction of
incorporation or
organization)

(IRS Employer
Identification No.)

300 Madison Avenue, Toledo, Ohio 43604

(Address of principal executive offices) (Zip Code)
419-325-2100

(Registrant's telephone number, including area code)

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.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value 14,084,826 shares at April 28, 2006.

TABLE OF CONTENTS

Item 1. Financial Statements

PART II OTHER INFORMATION

EXHIBIT INDEX

SIGNATURES

Certification of Chief Executive Officer

Certification of Chief Financial Officer

906 Certification of Chief Executive Officer

906 Certification of Chief Financial Officer

Table of Contents

Explanatory Note

This Amendment No. 1 on Form 10-Q/A (this "Amendment") to the Quarterly Report on Form 10-Q is being filed to correct certain financial information included in Part I, Item 1. Financial Statements in Note 4. Investments In Unconsolidated Affiliates. This Amendment amends only this one section of Note 4 of the Form 10-Q as originally filed on May 10, 2006. Also, attached to this Amendment is an Exhibit Index disclosing the filing of the certifications required to be filed as exhibits to this Amendment, as well as such certifications.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited condensed consolidated financial statements of Libbey Inc. and all majority owned subsidiaries (Libbey or the Company) have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Item 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2006, are not necessarily indicative of the results that may be expected for the year ended December 31, 2006.

The balance sheet at December 31, 2005, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Table of Contents**4. Investments in Unconsolidated Affiliates**

We are a 49% equity owner in Vitrocrisa Holding, S. de R.L. de C.V. and related companies (Crisa), which manufacture, market and sell glass tableware (beverageware, plates, bowls, serveware and accessories) and industrial glassware (coffee pots, blender jars, meter covers, glass covers for cooking ware and lighting fixtures sold to original equipment manufacturers). We record our 49% interest in Crisa using the equity method.

Condensed unaudited balance sheet information for Crisa is as follows:

	March 31, 2006	December 31, 2005
Current assets	\$ 89,487	\$ 80,102
Non-current assets	94,485	99,940
Total assets	183,972	180,042
Current liabilities	97,864	72,550
Other liabilities	73,427	94,865
Total liabilities	171,291	167,415
Net assets	\$ 12,681	\$ 12,627

Condensed unaudited statements of operations for Crisa are as follows:

Three months ended March 31,	2006	2005
Total revenues	\$47,566	\$45,471
Cost of sales	38,180	36,700
Gross profit	9,386	8,771
Selling, general and administrative expenses	5,721	5,327
Income (loss) from operations	3,665	3,444
Remeasurement gain (loss)	878	88
Other expense		(530)
Earnings (loss) before interest and taxes	4,543	3,002
Interest expense	2,367	1,869
Earnings (loss) before income taxes	2,176	1,133
Income taxes	479	286
Net income	\$ 1,697	\$ 847

Table of Contents

On March 30, 2005, Libbey Inc. entered into a Guarantee pursuant to which it has guaranteed to BP Energy Company the obligation of Libbey Glass Inc. to pay for natural gas supplied by BP Energy Company to Libbey Glass Inc. Libbey Glass Inc. currently purchases natural gas from BP Energy Company under an agreement that expires on December 31, 2006. Libbey Inc.'s guarantee with respect to purchases by Libbey Glass Inc. under that agreement is limited to \$3.0 million, including costs of collection, if any.

On July 29, 2005, Libbey Inc. entered into a guarantee for the benefit of FR Caddo Parish, LLC pursuant to which Libbey Inc. guarantees the payment and performance by Libbey Glass Inc. of its obligation under an Industrial Building Sublease Agreement with respect to the development of a new distribution center in Shreveport, Louisiana. The underlying lease is for a term of 20 years.

On January 23, 2006, Libbey Inc. entered into a guarantee for the benefit of China Construction Bank Corporation Langfang Economic Development Area Sub-Branch (CCB) pursuant to which Libbey Inc. guarantees the payment by Libbey China of its obligation under an RMB Loan Contract, entered into in connection with the construction of our production facility in China.

13. Subsequent Events

Proposed Acquisition of Remaining Equity Interest in Crisa

On April 3, 2006 we entered into a definitive purchase agreement with Vitro, S.A. de C.V. (Vitro), to acquire the remaining 51 percent of Vitrocrisa Holdings, S de R.L. de C.V. and related companies (Crisa), in an \$80 million cash transaction. The transaction, which is expected to close in the second quarter of 2006, will bring our ownership of Crisa to 100 percent.

On May 4, 2006, our stockholders, at the Annual Meeting of Stockholders, elected John F. Meier, Carol B. Moerdyk and Gary L. Moreau to our Board of Directors for a three-year term ending at the annual meeting of stockholders in 2009. Our stockholders also approved the 2006 Omnibus Incentive Plan of Libbey Inc., which is attached as Exhibit 10.1, and ratified the appointment of Ernst & Young LLP as our auditors for 2006.

Table of Contents

PART II OTHER INFORMATION

Item 6. Exhibits

Exhibits: The exhibits listed in the accompanying Exhibit Index are filed as part of this report.

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) (filed herein).
32.1	Chief Executive Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein).
32.2	Chief Financial Officer Certification Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 Of The Sarbanes-Oxley Act of 2002 (filed herein).

Table of Contents

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.

LIBBEY INC.

Date May 12, 2006

By /s/ Scott M. Sellick
Scott M. Sellick,
Vice President, Chief Financial Officer
(duly authorized principal financial
officer)