

GREENMAN TECHNOLOGIES INC  
Form 8-K  
November 20, 2008

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 17, 2008

GREENMAN TECHNOLOGIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

1-13776  
(Commission  
File Number)

71-0724248  
(IRS Employer  
Identification No.)

12498 Wyoming Ave So.  
Savage, MN 55378  
(Address of principal executive offices, including zip code)

(781) 224-2411  
(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act

Soliciting material pursuant to Rule 14a-12 under the Exchange Act

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act



Item 2.01 Completion of Acquisition or Disposition of Assets

On November 17, 2008, GreenMan Technologies, Inc. (“GreenMan”) along with its two wholly owned subsidiaries, GreenMan Technologies of Iowa, Inc. and GreenMan Technologies of Minnesota, Inc. (together, the “Sellers”) completed the sale of substantially all assets of the Sellers related to the businesses of tire collection, disposal, shredding, processing, recycling and sale of used tires located primarily in Iowa and Minnesota (the “Business”) to Liberty Tire Services of Ohio, LLC (“Purchaser”), a wholly-owned subsidiary of Liberty Tire Services, LLC (“LTS”), in exchange for approximately \$27.5 million in cash (the “Purchase Price”). The sale was made pursuant to an Asset Purchase Agreement between GreenMan, the Sellers, Purchaser and LTS. The Asset Purchase Agreement was previously filed as an exhibit to GreenMan’s Current Report on Form 8-K filed with the Securities and Exchange Commission on September 17, 2008.

The Purchase Price is equal to (i) \$5.00 for each dollar of earnings before interest, taxes, depreciation and amortization (EBITDA) for the Business for the 12-month period commencing on October 1, 2007 and ending on September 30, 2008, minus (ii) \$492,000, minus (iii) all outstanding indebtedness assumed by the Purchaser and not paid by Sellers at the closing, plus (iv) the assumption of certain liabilities by the Purchaser. The Purchase Price may be subject to adjustment pursuant to the terms of the Asset Purchase Agreement.

Item 7.01. Regulation FD Disclosure

On November 18, 2008, GreenMan issued a press release announcing the completion of the transaction. A copy of the press release is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The information contained in Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise be subject to the liabilities of that section. The information in this Item 7.01 (including Exhibit 99.1) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise expressly stated in such filing.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION  
GREENMAN TECHNOLOGIES, INC., AND SUBSIDIARIES

General Information

The following unaudited pro forma consolidated financial information sets forth the pro forma consolidated results of operations of GreenMan Technologies, Inc. (the “Company”) for the nine months ended June 30, 2008 and the twelve months ended September 30, 2007, and the pro forma consolidated financial position of the Company as of June 30, 2008.

The unaudited pro forma consolidated results of operations for the nine months ended June 30, 2008 and the twelve months ended September 30, 2007 have been derived from the Company’s historical consolidated financial information and give effect to the following transaction as if it had occurred on October 1, 2006 (the earliest period presented). In addition, the unaudited pro forma consolidated balance sheet as of June 30, 2008 has been derived from the Company’s historical consolidated financial information and gives effect to the following transaction as if it had occurred on October 1, 2007:

- Transaction — The sale of substantially all of the net assets of the Company’s Tire Recycling Business to Liberty Tire Services of Ohio, LLC, a wholly-owned subsidiary of Liberty Tire Services, LLC (collectively, “Liberty”) in exchange for approximately \$27.5 million in cash. At closing, we used approximately \$12.8 million to pay-off our Laurus credit facility, \$3.1 million was used to retire certain transaction related obligations, \$1.5 million will be due in federal and state income taxes, \$1.375 million (5% of gross proceeds) of the cash proceeds will be placed in a restricted account to cover possible indemnification claims, \$.95 million will be used to pay down a portion of other debt including approximately \$.85 million of related party debt and other transaction related fees to legal and accounting services.

The unaudited pro forma consolidated financial information has been prepared as of June 30, 2008.

The unaudited pro forma consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the Company’s historical audited consolidated financial statements and unaudited interim consolidated financial statements.

The unaudited pro forma consolidated financial information does not purport to represent what the Company’s consolidated results of operations or consolidated financial position would have been if this transaction had occurred on the date indicated and are not intended to project the Company’s consolidated results of operations or consolidated financial position for any future period or date.

The unaudited pro forma adjustments are based on estimates and certain assumptions that the Company believes are reasonable. The unaudited consolidated pro forma adjustments and primary assumptions are described in the accompanying notes herein.

GREENMAN TECHNOLOGIES, INC.  
Pro Forma Consolidated Balance Sheet  
As of June 30, 2008  
(Unaudited)

	GreenMan Historical Consolidated	Tire Recycling Businesses	Pro Forma Adjustments		Pro Forma Consolidated
<b>ASSETS</b>					
Cash	\$ 543,057	\$ 461,820	\$ 27,500,000 (1,375,000) (18,917,960) 461,820	(1) (1) (2) (3)	\$ 7,750,097
Restricted cash	--	--	1,375,000	(1)	1,375,000
Accounts receivable, net	3,658,640	2,893,316	--		765,324
Product inventory	1,992,927	927,010	--		1,065,917
Other current assets	1,305,754	856,180	--		449,574
Total current assets	7,500,378	5,138,326	9,043,860		11,405,912
Property, plant and equipment	6,623,658	6,050,985	--		572,673
Other assets	3,799,838	169,088	--		3,630,750
Total assets	\$ 17,923,874	\$ 11,358,399	\$ 9,043,860		\$ 15,609,335
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>					
Notes payable, current	\$ 10,275,467	\$ 381,353	\$ 489,176 (9,800,000) (200,000)	(4),(6) (5) (7)	\$ 383,290
Notes payable, line of credit	2,999,662	--	(2,999,662)	(5)	--
Obligations under capital leases, current	337,555	337,555		(6)	--
Accounts payable	2,612,077	1,693,690			918,387
Income taxes payable	--	--	1,500,000	(9)	1,500,000
Accrued expenses and other liabilities	2,598,182	895,720	(112,720)	(7)	1,589,742
Total current liabilities	18,822,943	3,308,318	(11,123,206)		4,391,419
Notes payable, non-current	2,088,087	1,422,559	--	(6)	665,529
Notes payable, related party, non-current	534,320	--	(534,320)	(7)	--
Obligations under capital leases, non-current	1,529,791	1,529,791		(6)	--
Other liabilities, non-current	823,434	242,894	--		580,540
Total liabilities	23,798,575	6,503,562	(11,657,526)		5,637,487
Preferred stock	--	--	--		--
Common stock	308,804	--	--		308,804
Additional paid in capital	38,829,920	--	--		38,829,920

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Accumulated deficit	(45,013,425)	4,854,837	(489,176)	(4)	(30,666,876)
			(100,000)	(8)	--
	--	--	(1,500,000)	(9)	--
	--	--	22,790,562	(10)	--
Total stockholders' equity (deficit)	(5,874,701)	8,926,907	20,701,386		8,471,848
Total liabilities and stockholders' equity (deficit)	\$ 17,923,874	\$ 15,430,469	\$ 9,043,860		\$ 15,609,335

See the accompanying notes to the unaudited pro forma consolidated financial information.

GREENMAN TECHNOLOGIES, INC.  
Pro Forma Consolidated Statement of Operations  
Nine Months Ended June 30, 2008  
(Unaudited)

	GreenMan Historical Consolidated	Tire Recycling Businesses	Pro Forma Adjustments	Pro Forma Consolidated
Net sales	\$ 17,710,424	\$ 15,616,828	\$ --	\$ 2,093,596
Cost of sales	12,410,169	10,939,317	--	1,470,852
Gross profit	5,300,255	4,677,511	--	622,744
Operating expenses:				
Selling, general and administrative	3,996,505	1,693,993	--	2,302,512
Operating income from continuing operations	1,303,750	2,983,518	--	(1,679,768)
Other income (expense):			(1)	
Interest and financing costs	(1,489,457)	(406,942)	984,299	(98,216)
Other, net	7,878	(18,103)	--	25,981
Other expense, net	(1,481,579)	(425,045)	984,299	(72,235)
Income (loss) from continuing operations before income taxes	(177,829)	2,558,473	984,299	(1,752,003)
Provision for income taxes	52,438	52,438	--	--
Income (loss) from continuing operations	(230,267)	2,506,035	984,299	(1,752,003)
Discontinued operations:				
Income from discontinued operations	2,360,930	--	--	2,360,930
	2,360,930	--	--	2,360,930
Net income (loss)	\$ 2,130,663	\$ 2,506,035	\$ 984,299	\$ 608,927
Income (loss) from continuing operations per share – basic	\$ (0.01)	\$ 0.08	\$ 0.03	\$ (0.06)
Income from discontinued operations per share – basic	0.08	--	--	0.08
Net Income (loss) per share – basic	\$ 0.07	\$ 0.08	\$ 0.03	\$ 0.02
Net Income (loss) per share – diluted	\$ 0.06	\$ 0.07	\$ 0.03	\$ 0.02
Weighted average shares outstanding - basic	30,880,435	30,880,435	30,880,435	30,880,435
Weighted average shares outstanding - diluted	35,558,341			