

PERINI CORP
Form 424B3
September 09, 2004
Table of Contents

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement 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.

Filed pursuant to Rule 424(b)(3)

Registration No. 333-117344

PROSPECTUS SUPPLEMENT

(To Prospectus dated July 21, 2004 as supplemented on August 27, 2004)

SUBJECT TO COMPLETION, DATED SEPTEMBER 8, 2004

750,000 Shares

Common Stock

The selling stockholder is offering 750,000 shares of our common stock in this offering. The selling stockholder has granted the underwriter an option to purchase up to 112,500 additional shares of common stock to cover over-allotments. We will not receive any of the proceeds from the sale of the shares.

Our common stock is listed on the New York Stock Exchange under the symbol PCR. The last reported sale price of our common stock on the New York Stock Exchange on September 7, 2004 was \$15.46 per share.

Investing in our common stock involves risks. See the section entitled **Risk Factors** beginning on page 5 of the prospectus, as supplemented by the **Risk Factors** beginning on page S-2 of the prospectus supplement, dated August 27, 2004, before deciding to invest in our common stock.

Price to

Underwriting Discounts and

Proceeds to Selling

	<u>Public</u>	<u>Commissions</u>	<u>Stockholder</u>
Per Share			
Total			

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus dated July 21, 2004, as may be supplemented from time to time, is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares to purchasers on or about , 2004.

D.A. Davidson & Co.

The date of this prospectus supplement is , 2004.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement	Page
<u>About this Prospectus Supplement</u>	S2-ii
<u>Prospectus Supplement Summary</u>	S2-1
<u>Cautionary Note Regarding Forward-Looking Statements</u>	S2-3
<u>Use of Proceeds</u>	S2-3
<u>Market Price of Our Common Stock</u>	S2-3
<u>Capitalization</u>	S2-4
<u>Selected Historical Consolidated Financial Data</u>	S2-5
<u>Selling Stockholders</u>	S2-7
<u>Plan of Distribution</u>	S2-8
<u>Underwriting</u>	S2-11
<u>Legal Matters</u>	S2-13
Prospectus Supplement dated August 27, 2004	Page
Risk Factors	S-2
Cautionary Note Regarding Forward-Looking Statements	S-4
Consolidated Balance Sheets as of June 30, 2004 (unaudited) and December 31, 2003	S-5
Consolidated Statements of Income (unaudited) for the Three Months and Six Months Ended June 30, 2004 and 2003	S-6
Consolidated Statements of Cash Flows (unaudited) for the Six Months Ended June 30, 2004 and 2003	S-7
Notes to Consolidated Condensed Financial Statements	S-8
Management's Discussion and Analysis of Financial Condition and Results of Operations	S-17
Prospectus	Page
Prospectus Summary	1
Risk Factors	5
Cautionary Note Regarding Forward-Looking Statements	15
Use of Proceeds	15
Dividend Policy	15
Market Price of Our Common Stock	16
Capitalization	17
Selected Historical Consolidated Financial Data	18
Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Business	37
Management	50
Certain Transactions	58
Selling Stockholders	61
Principal Stockholders	63
Description of Capital Stock	66
Plan of Distribution	72
Legal Matters	74
Experts	74
Where You Can Find More Information	74
Index to Financial Statements	F-1

You should rely only on the information contained in this document or to which we have referred you. Neither we nor the underwriter has authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell these

securities. The information in this document may be accurate only on the date of this document.

S2-i

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in three parts. The first part is this prospectus supplement, which describes specific terms of this offering. The second part is the prospectus supplement dated August 27, 2004 (Prospectus Supplement No. 1), which adds to and updates the information contained in the accompanying prospectus (the Base Prospectus). The third part, the Base Prospectus, gives more general information, some of which may not apply to this offering. To the extent of any conflict between the information contained in this prospectus supplement and the information contained in Prospectus Supplement No. 1 or the Base Prospectus, the information in this prospectus supplement shall control. Similarly, to the extent of any conflict between the information contained in Prospectus Supplement No. 1 and the information contained in the Base Prospectus, the information in Prospectus Supplement No. 1 shall control.

No dealer, sales representative or other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by us or any other person.

This prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock to which it relates or an offer to, or a solicitation of, any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs or that information contained in this prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus is correct as of any time subsequent to the date stated or the date hereof.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains information about our business. It does not contain all of the information that you need to consider in making an investment decision. You should read this prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus carefully, including the information under Risk Factors and our consolidated financial statements and the related notes included in Prospectus Supplement No. 1 and the Base Prospectus. In this prospectus supplement, unless the context requires otherwise, Perini, we, us and our refer to Perini Corporation, a Massachusetts corporation, and our subsidiaries, including the operations of businesses we acquired prior to the date of acquisition.

Our Company

We are a construction services company offering diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. We have provided construction services since 1894 and offer general contracting, preconstruction planning and comprehensive project management services, including the planning and scheduling of the manpower, equipment, materials and subcontractors required for a project. We also offer self-performed construction services including site work, concrete forming and placement and steel erection. Our common stock is listed on the New York Stock Exchange under the symbol PCR. We are a Massachusetts corporation. Our principal office is located at 73 Mt. Wayte Avenue, Framingham, Massachusetts, 01701 and our telephone number is (508) 628-2000. Our website address is www.perini.com. We do not incorporate the information on, or accessible through, our website into this prospectus supplement, and you should not consider it part of this prospectus supplement.

Our business is conducted through three primary segments: building, civil and management services. Our building segment is comprised of Perini Building Company and James A. Cummings, Inc. and focuses on large, complex projects in the hospitality and gaming, sports and entertainment, educational, transportation and healthcare markets. Our civil segment is involved in public works construction primarily in the northeastern United States, including the repair, replacement and reconstruction of public infrastructure such as highways, bridges and mass transit systems. Our management services segment provides diversified construction, design-build and maintenance services to the U.S. military and government agencies as well as power producers, surety companies and multi-national corporations.

The Offering

Common stock offered by the selling stockholder (1)	750,000 shares
Common stock outstanding before and after this offering	24,489,501 shares
Use of proceeds	We will not receive any proceeds from the sale of common stock by the selling stockholder.
New York Stock Exchange Symbol	PCR

(1) Assumes no exercise by the underwriter to exercise its option to purchase 112,500 additional shares from the selling stockholder to cover over-allotments.

Recent Developments

Edgar Filing: PERINI CORP - Form 424B3

On September 3, 2004, we entered into a non-binding letter of intent to acquire Cherry Hill Construction Company, a civil construction company based in Jessup, Maryland, for \$20 million in cash, subject to certain

S2-1

Table of Contents

adjustments. We expect to finance the acquisition through the use of cash on hand and existing capacity under our credit facility. Cherry Hill had revenues of \$119 million and pre-tax net income of \$3.6 million for the year ended December 31, 2003. If consummated, we expect the acquisition will expand our civil construction market presence in the Mid-Atlantic and Southeast regions of the U.S. Assuming completion of the acquisition, we expect Cherry Hill to operate as a wholly owned subsidiary of Perini Corporation with Cherry Hill's senior management team remaining in place. Consummation of the acquisition is subject to satisfactory completion of due diligence, negotiation of a definitive agreement, board and lender approvals and other customary conditions. We can give no assurance that we will reach a definitive agreement to acquire Cherry Hill or, if a definitive agreement is reached, that the acquisition will be consummated.

S2-2

Table of Contents**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The statements contained in this prospectus supplement, Prospectus Supplement No. 1 and the Base Prospectus, including under the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding us or our management's expectations, hopes, beliefs, intentions or strategies regarding the future. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks associated with the acquisition of Cherry Hill Construction Company, Inc., including, without limitation, whether a definitive agreement is entered into, whether the acquisition will be consummated and our ability to integrate the acquired company's operations and systems, as well as those factors described under the headings "Risk Factors" in Prospectus Supplement No. 1 and the Base Prospectus. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as may be required under applicable securities laws.

USE OF PROCEEDS

The proceeds from the sale of shares of common stock offered pursuant to this prospectus supplement are solely for the account of the selling stockholder. We will not receive any proceeds from the sale of shares by the selling stockholder.

MARKET PRICE OF OUR COMMON STOCK

Our common stock trades on the New York Stock Exchange under the symbol "PCR." Until April 1, 2004, our common stock traded on the American Stock Exchange. The quarterly market high and low sales prices for our common stock for 2004 (through September 7, 2004), 2003, and 2002 are summarized below:

	<u>High</u>	<u>Low</u>
Year Ending December 31, 2002		
First Quarter	\$ 7.28	\$ 5.75
Second Quarter	6.40	3.40
Third Quarter	4.58	3.50
Fourth Quarter	4.44	3.00
Year Ending December 31, 2003		
First Quarter	4.70	3.62
Second Quarter	9.05	3.80
Third Quarter	8.99	6.26
Fourth Quarter	10.10	6.95
Year ending December 31, 2004		
First Quarter	19.99	8.80
Second Quarter	17.30	9.18
Third Quarter (through September 7, 2004)	15.99	10.10

Edgar Filing: PERINI CORP - Form 424B3

On September 7, 2004, the closing sale price of our common stock as reported on the New York Stock Exchange was \$15.46 per share. At September 7, 2004, there were 1,002 holders of record of our common stock, based on the stockholders list maintained by our transfer agent.

S2-3

Table of Contents**CAPITALIZATION**

The table below sets forth our consolidated short-term debt and capitalization as of June 30, 2004 (in thousands, except share data). We have not provided an adjusted capitalization table because we will not receive any of the proceeds from the sale of shares by the selling stockholder. You should read the following information in conjunction with our consolidated financial statements and related notes included in Prospectus Supplement No. 1 and the Base Prospectus and the information provided under the caption "Selected Historical Financial Data" included elsewhere in this prospectus supplement and under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Prospectus Supplement No. 1 and the Base Prospectus.

Short-term debt:	
Notes payable to banks	\$
Current maturities of long-term debt	2,015
	<hr/>
Total short-term debt	\$ 2,105
	<hr/>
Long-term debt:	
Mortgages on real estate	\$ 8,294
Revolving credit loans (1)	
Other indebtedness	709
	<hr/>
Total long-term debt	9,003
	<hr/>
Stockholders' equity:	
Preferred stock, \$1.00 par value	
Authorized 1,000,000 shares	
Designated, issued and outstanding 55,927 shares, aggregate liquidation preference of \$13,982	56
Series A junior participating preferred stock, \$1.00 par value	
Designated 200,000 shares	
Issued none	
Stock purchase warrants	1,965
Common stock, \$1.00 par value	
Authorized 40,000,000 shares (2)	
Issued 23,269,814 shares (2)	23,270
Paid-in surplus (2)	94,156
Retained earnings	52,810
Less common stock in treasury, at cost 60,529 shares (2)	(965)
Accumulated other comprehensive loss	(24,882)
	<hr/>
Total stockholders' equity	146,410
	<hr/>
Total capitalization	\$ 155,413
	<hr/>

(1) The revolving credit facility provides for revolving loans up to a maximum of \$50 million to June 20, 2005, at which time any amounts unpaid convert to a three-year term loan with equal quarterly principal payments. The weighted average interest rate at June 30, 2004 was 4.0%.

(2) As of June 30, 2004, we had 23,209,285 shares of common stock outstanding. As of June 30, 2004, options to purchase 2,708,800 shares of our common stock were outstanding and 195,634 shares of common stock were available for future awards under our Special Equity Incentive Plan and 1,000,000 shares of our common stock were available for future awards under our 2004 Stock Option and Incentive

Edgar Filing: PERINI CORP - Form 424B3

Plan. In addition, as of June 30, 2004, we had 370,379 shares of common stock reserved for issuance upon conversion of our \$21.25 Preferred Stock at a conversion price of \$377.50 per share (or \$37.75 per Depositary Share) and 369,600 shares of common stock reserved for issuance upon exercise of stock purchase warrants at an exercise price of \$8.30 per share.

S2-4

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The selected historical consolidated financial data shown below for the five-year period ended December 31, 2003 has been derived from our consolidated financial statements audited by Deloitte & Touche LLP (four-year period ended December 31, 2003) and by Arthur Andersen LLP (one-year period ended December 31, 1999), our current and former independent auditors, respectively.

The information for the six months ended June 30, 2004 and 2003 has been derived from unaudited consolidated condensed financial statements and, in our opinion, includes all adjustments (consisting only of normal recurring adjustments) necessary to present fairly such financial information in accordance with generally accepted accounting principles applied on a consistent basis. Our results are generated from a limited number of significant active construction projects. Consequently, quarterly results can vary depending on the timing of progress and changes in the estimated profitability of the projects being reported. For the foregoing and other reasons, results for the six months ended June 30, 2004 may not necessarily be indicative of results to be expected for the full year ended December 31, 2004. Backlog and new business awarded are not measures defined in generally accepted accounting principles and have not been derived from our consolidated financial statements. The selected historical consolidated financial data should be read in conjunction with our consolidated financial statements and related notes included in Prospectus Supplement No. 1 and the Base Prospectus, the section entitled "Capitalization" included elsewhere in this prospectus supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in Prospectus Supplement No. 1 and the Base Prospectus.

	Six Months Ended		Year Ended December 31,				
	June 30,		2003	2002	2001	2000	1999
	2004	2003	2003	2002	2001	2000	1999
	(unaudited)		(in thousands, except per share data)				
Statement of Operations Data:							
CONTINUING OPERATIONS:							
Revenues	\$ 976,112	\$ 577,596	\$ 1,374,103	\$ 1,085,041	\$ 1,553,396	\$ 1,105,660	\$ 1,019,484
Cost Of Operations	928,853	549,523	1,303,851	1,026,391	1,495,834	1,053,328	969,015
Gross Profit	47,259	28,073	70,252	58,650	57,562	52,332	50,469
G&A Expense	18,808	18,672	39,762	32,770	28,061	24,977	26,635
Income From Construction Operations	28,451	9,401	30,490	25,880	29,501	27,355	23,834
Other (Income) Expense, Net	3,251	282	(1,435)	520	227	(949)	(72)
Interest Expense	308	457	1,003	1,485	2,006	3,966	7,128
Income Before Income Taxes	24,892	8,662	30,922	23,875	27,268	24,338	16,778
(Provision) Credit For Income Taxes	(1,495)	6,375	13,096	(801)	(850)	43	(421)
Income From Continuing Operations	23,397	15,037	44,018	23,074	26,418	24,381	16,357
Loss From Discontinued Operations							(100,005)
Net Income (Loss)	\$ 23,397	\$ 15,037	\$ 44,018	\$ 23,074	\$ 26,418	\$ 24,381	\$ (83,648)
Income Available For Common Stockholders (1)	\$ 22,803	\$ 20,647	\$ 49,619	\$ 20,949	\$ 24,293	\$ 7,299	\$ (89,917)
Per Share Of Common Stock:							
Basic Earnings (Loss):							
Income From Continuing Operations	\$ 0.99	\$ 0.91	\$ 2.18	\$ 0.92	\$ 1.07	\$ 0.39	\$ 1.80
Loss From Discontinued Operations							(17.84)

Edgar Filing: PERINI CORP - Form 424B3

Total	\$	0.99	\$	0.91	\$	2.18	\$	0.92	\$	1.07	\$	0.39	\$	(16.04)
		<u> </u>		<u> </u>		<u> </u>		<u> </u>						