CHART INDUSTRIES INC
Form S-1/A
July 20, 2006

As filed with the Securities and Exchange Commission on July 20, 2006
Registration No. 333-133254

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

Amendment No. 5
to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHART INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**3443**	**34-1712937**
(State of Incorporation)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ________________

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ________________

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o ________________

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Number of Shares to be Registered(1)**	**Proposed Maximum Offering Price per Share(2)**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee(3)**
Common stock, par value $0.01 per share	14,375,000	$21.00	$301,875,000	$32,300.63

(1) Includes shares of common stock issuable upon exercise of the underwriters option to purchase additional shares of common stock.

(2) Estimated solely for the purpose of calculating the registration fee under Rule 457(a) of the Securities Act of 1933, as amended (the Securities Act).

(3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued July 20, 2006

12,500,000 Shares
Chart Industries, Inc.
Common Stock

Chart Industries, Inc. is offering shares of its common stock. All of the shares of common stock are being sold by us. We intend to use approximately $25.0 million of the net proceeds from the sale of the shares being sold in this offering to repay certain of our indebtedness and approximately $208.8 million of the net proceeds to pay a dividend to our stockholders existing immediately prior to this offering, consisting of affiliates of First Reserve and certain members of our management.

This is our initial public offering and no public market currently exists for our common stock. We anticipate that the initial public offering price will be between $19.00 and $21.00 per share. We have applied to have our common stock approved for quotation on the Nasdaq National Market under the symbol GTLS.

The underwriters have the option to purchase up to an additional 1,875,000 shares of our common stock from us at the initial public offering price, less the underwriting discount to cover over-allotments. We intend to use the proceeds we receive from any shares sold pursuant to the underwriters over-allotment option to pay an additional dividend to our existing stockholders.

Investing in the common stock involves risks. See Risk Factors beginning on page 13.

	Initial Public Offering Price	Underwriting Discount	Proceeds, before expenses, to us
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 is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about , 2006.

Morgan Stanley **Lehman Brothers** **UBS Investment Bank**
Natexis Bleichroeder Inc.
Simmons & Company International
Howard Weil Incorporated

, 2006

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**Darwin LNG liquefaction facility in Northern Territory, Australia,
including Chart vacuum-insulated pipe and
vacuum-insulated pipe riser modules for large storage tanks**

**Chart brazed aluminum heat exchanger core
for use in an air separation cold box**

**Atlantic LNG Plant located in Trinidad, including Chart liquefaction
cold boxes and vacuum-insulated pipe for jetty cool-down lines**

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the shares of common stock.

Through and including , 2006 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it may not contain all of the information that is important to you. We urge you to read this entire prospectus including the section entitled Risk Factors and the financial statements and related notes, before investing in our common stock.

Unless the context otherwise requires, as used in this prospectus, (i) the terms we, our, us, the Company, Cha Industries and similar terms refer to Chart Industries, Inc. and its consolidated subsidiaries and (ii) the term issuer refers to Chart Industries, Inc. and not any of its subsidiaries.

Chart Industries, Inc.

Our Company

We are a leading independent global manufacturer of highly engineered equipment used in the production, storage and end-use of hydrocarbon and industrial gases, based on our sales and the estimated sales of our competitors. We supply engineered equipment used throughout the liquid gas supply chain globally. The largest portion of end-use applications for our products is energy-related, accounting for 51% of sales and 58% of orders in 2005, and 77% of backlog at December 31, 2005. We are a leading manufacturer of standard and engineered equipment primarily used for low-temperature and cryogenic, or very low temperature, applications. We have developed an expertise in cryogenic systems and equipment, which operate at low temperatures sometimes approaching absolute zero (0 kelvin; -273° Centigrade; -459° Fahrenheit). The majority of our products, including vacuum-insulated containment vessels, heat exchangers, cold boxes and other cryogenic components, are used throughout the liquid gas supply chain for the purification, liquefaction, distribution, storage and use of hydrocarbon and industrial gases.

We have attained this position by capitalizing on our low-cost global manufacturing footprint, technical expertise and know-how, broad product offering, reputation for quality, and by focusing on attractive, growing markets. We have an established sales and customer support presence across the globe and low-cost manufacturing operations in the United States, Central Europe and China. We believe we are the number one or two equipment supplier in all of our primary end-use markets. For the three months ended March 31, 2006 and 2005, we generated sales of $120.8 million and $85.2 million, respectively. For the combined year ended December 31, 2005, we generated sales of $403.1 million compared to sales of $305.6 million for the year ended December 31, 2004.

We believe that we are well-positioned to benefit from a variety of long-term trends driving demand in our industry, including:

- increasing demand for natural gas and the geographic dislocation of supply and consumption, which is resulting in the need for a global network for liquefied natural gas, or LNG;

- increasing demand for natural gas processing, particularly in the Middle East, as crude oil producers look to utilize the gas portions of their reserves; and

- increased demand for natural and industrial gases resulting from rapid economic growth in developing areas, particularly Central and Eastern Europe and China.

We operate in three segments: (i) Energy and Chemicals, or E&C, (ii) Distribution and Storage, or D&S, and (iii) BioMedical. While each segment manufactures and markets different cryogenic equipment and systems to distinct end-users, they all share a reliance on our heat transfer and low temperature storage know-how and expertise. The E&C and D&S segments manufacture products used in energy-related and other applications, such as the separation, liquefaction, distribution and storage of hydrocarbon and industrial gases. Through our BioMedical segment, we supply cryogenic equipment used in the storage and distribution of biological materials and oxygen used primarily in the medical, biological research and animal breeding industries.

Competitive Strengths

We believe that the following competitive strengths position us to enhance our growth and profitability:

Focus on Attractive Growing End Markets. We anticipate growing demand in the end markets we serve, with particularly strong growth in LNG, natural gas processing, specific international markets across all segments, and biomedical equipment. Rapid economic development in developing areas, particularly Central and Eastern Europe and China, has caused a significant increase in the demand for natural and industrial gases.

Substantial Revenue Visibility. We have a large and growing backlog, which provides us with a high degree of visibility in our forecasted revenue. Our backlog as of March 31, 2006 was $237.0 million, compared to $233.6 million, $129.3 million and $49.6 million as of December 31, 2005, 2004 and 2003, respectively. Projects for energy-related applications totaled approximately $180.0 million in backlog as of December 31, 2005.

Leading Market Positions. We believe we are the #1 or #2 equipment supplier in each of our primary end markets both domestically and internationally. We believe that our strong industry positioning makes us typically one of only two or three suppliers qualified to provide certain products to key customers.

Diverse, Long-Standing Customer Base. We currently serve over 2,000 customers worldwide. Our primary customers are large, multinational producers and distributors of hydrocarbon and industrial gases that provide us with revenue stability. Customers and end-users also include high growth LNG processors, petrochemical processors and biomedical companies. We have developed strong, long-standing relationships with these customers.

Highly Flexible and Low-Cost Manufacturing Base. Given our long-term investment in global manufacturing facilities and specialized equipment, we have developed a substantial comparative scale and geographic advantage within the markets for the cryogenic products that we manufacture with more than 1.6 million square feet of manufacturing space across 14 primary facilities and three continents. This scale and the related substantial operational flexibility enable us to be a low-cost producer for our products.

Product Expertise, Quality, Reliability and Know-How. Within our end markets, we have established a reputation for quality, reliability and technical innovation. We believe that the main drivers of our target customers purchasing decisions are a supplier s product expertise, quality, reliability and know-how rather than pricing and terms, giving us an advantage based on our reputation and consequent brand recognition. We believe it would be difficult for a new entrant to duplicate our capabilities.

Experienced Management Team. We have assembled a strong senior management team with over 250 combined years of related experience and complementary skills. This team is responsible for our strong performance since 2003.

Business Strategy

We believe that we are well-positioned to maintain our leadership in providing highly engineered equipment for use in low-temperature and cryogenic applications and meet the world s growing demand for hydrocarbon and industrial gases with more economical, reliable and environmentally friendly systems. The principal elements of our strategy are as follows:

Continue to develop innovative, high-growth, energy-specific products. We plan to continue to focus on extending our cryogenic technological leadership, both to capitalize on increasing demand for energy and to create new applications.

Leverage our global platform to capitalize on growing international demand. We expect growth in hydrocarbon and industrial gas demand and investment over the next five years in the Middle East, 2

Central and Eastern Europe, Russia and China. We believe that our investment in manufacturing, sales and marketing capabilities positions us to increase our market share in growing international markets.

Capitalize on our position as a market leader. We plan to continue to grow our long-standing relationships with the leading users of cryogenic equipment and expand our customer base.

Maintain our position as a low-cost producer while continuing to improve operating performance. We believe we are the lowest cost manufacturer for most of our products and we intend to continue to leverage our scale, scope, technical expertise and know-how to deliver to our customers higher quality and more reliable products and services at lower cost. Our disciplined approach to capital expenditures is intended to enhance capacity where we expect to realize significant and timely returns.

Recent Developments

On May 26, 2006, we purchased the common stock of Cooler Service Company, Inc., or Cooler Service, a Tulsa, Oklahoma-based company that designs and manufactures custom air cooled heat exchangers utilizing advanced technology in thermal and mechanical design. Cooler Service provides air cooled heat exchangers into multiple markets, including hydrocarbon, petrochemical and industrial gas processing. The aggregate purchase price for the acquisition was approximately $16.5 million, which we paid in cash.

Risk Factors

Investing in our common stock involves substantial risk. You should carefully consider all the information in this prospectus prior to investing in our common stock. Our ability to execute our strategy is subject to the risks that are generally associated with the production, storage and end-use of hydrocarbon and industrial gases. We are also subject to a number of risks related to our competitive position and business strategies. For example, our acquisitive business strategy exposes us to the risks involved in consummating and integrating acquisitions, including the risk that in a future acquisition we could incur additional debt and contingent liabilities which could adversely affect our operating results. For additional risks relating to our business and the offering, see Risk Factors beginning on page 13 of this prospectus.

The Acquisition

On August 2, 2005, Chart Industries entered into an agreement and plan of merger with certain of its stockholders, First Reserve Fund X, L.P., which we refer to as First Reserve, a Delaware limited partnership, and CI Acquisition, Inc., which we refer to as CI Acquisition, a Delaware corporation and a wholly-owned subsidiary of First Reserve, which provided for:

- the sale of shares of common stock of Chart Industries, Inc. by certain of its stockholders to CI Acquisition; and

- the merger of CI Acquisition with and into Chart Industries, with Chart Industries surviving the merger as an indirect, wholly-owned subsidiary of First Reserve.

We refer to the stock purchase, the merger and the related financing thereof collectively as the Acquisition. The Acquisition closed on October 17, 2005. In connection with the Acquisition, entities affiliated with First Reserve contributed $111.3 million in cash to fund a portion of the purchase price of the equity interests in Chart Industries, and management contributed $6.4 million in the form of rollover options. The remainder of the cash needed to finance the Acquisition, including related fees and expenses, was provided by funds raised by the offering of our $170.0 million senior subordinated notes due 2015, which we refer to as our notes, and borrowings under our $240.0 million senior secured credit facility. The senior secured credit facility originally consisted of a $180.0 million term loan facility and a $60.0 million revolving credit facility and will be amended effective upon the closing of this offering to increase the size of the revolving credit facility to $115.0 million. See The Transactions and Description of Indebtedness.

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Company Information

Chart Industries, Inc. is a Delaware corporation incorporated in 1992. Our principal executive offices are located at One Infinity Corporate Centre Drive, Suite 300, Garfield Heights, Ohio, 44125 and our telephone number is (440) 753-1490. On July 8, 2003, we and all of our then majority-owned U.S. subsidiaries filed voluntary petitions for reorganization relief under Chapter 11 of the U.S. Bankruptcy Code. On September 15, 2003, we and those subsidiaries emerged from Chapter 11 proceedings. Before the closing of our Acquisition by First Reserve on October 17, 2005, we filed periodic and other reports with the Securities and Exchange Commission. We ceased filing those reports upon the closing of the Acquisition when our pre-Acquisition securities were cancelled and ceased to be outstanding. The financial statements and other financial data presented in this prospectus are of Chart Industries, Inc. and its direct and indirect subsidiaries.

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The Offering

Shares of common stock offered by Chart Industries, Inc.	12,500,000 shares.
Shares of common stock to be outstanding after this offering	25,588,049 shares (including 1,875,000 shares that will be dividended to our stockholders existing immediately prior to this offering, consisting of affiliates of First Reserve and certain members of our management, assuming the underwriters do not exercise their option to purchase additional shares and giving effect to the 4.6263-for-one stock split we effected prior to the consummation of this offering).
Over-allotment option	1,875,000 shares.
Use of proceeds	We estimate that the net proceeds to us from this offering, after deducting underwriting discounts, will be approximately $233.8 million. We intend to use approximately $25.0 million of the net proceeds to repay certain indebtedness. We intend to use the remaining net proceeds of approximately $208.8 million to pay a dividend to our stockholders existing immediately prior to the offering, consisting of affiliates of First Reserve and certain members of our management. See Use of Proceeds. We also intend to use the proceeds we receive from any shares sold pursuant to the underwriters over-allotment option to pay an additional dividend to our existing stockholders.
Nasdaq National Market symbol	GTLS

Unless we specifically state otherwise, all information in this prospectus:

assumes no exercise by the underwriters of their option to purchase additional shares;

gives effect to (i) the 4.6263-for-one stock split we effected prior to the consummation of the offering and (ii) a 10.1088-for-one adjustment with respect to the number of shares underlying options outstanding on the date of this prospectus and a corresponding adjustment to the exercise prices of such options (assuming the mid-point of the price range set forth on the cover page hereof);

assumes that we issue an additional 1,875,000 shares of our common stock to our existing stockholders pursuant to a stock dividend that we will declare prior to the consummation of this offering, the terms of which will require that shortly after the expiration of the underwriters over-allotment option (assuming the option is not exercised in full), we issue to our existing stockholders the number of shares equal to (x) the number of additional shares the underwriters have an option to purchase minus (y) the actual number of shares the underwriters purchase from us pursuant to that option. See Dividend Policy for a description of the purpose of the stock dividend;

gives effect to the issuance of 2,651,012 shares which have been issued to FR X Chart Holdings LLC, an affiliate of First Reserve, upon exercise of its warrant (see Certain Related Party Transactions);

gives effect to the issuance of 609,856 shares which have been issued to certain members of management upon exercise of their rollover options (see Management Management Equity); and

excludes 2,478,235 shares of common stock reserved for issuance under stock options that we expect to continue to be outstanding under our plans after this offering, after adjusting for the 4.6263-for-one stock split, the dividend of the $208.8 million of the net proceeds (assuming the mid-point of the range set forth on the cover page hereof) described above, and the stock dividend assumed in the third bullet point above, which options would be exercisable at a weighted average exercise price of $7.02.

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The size of the 4.6263-for-one stock split referenced herein is intended to achieve an estimated share price between $19.00 and $21.00 per share and has been calculated based on the mid-point of the estimated price range shown on the cover page of this prospectus. The 10.1088-for-one adjustment with respect to the number of shares underlying options outstanding on the date of this prospectus (assuming the mid-point of that estimated price range) reflects both the 4.6263-for-one stock split on our shares of common stock outstanding before the consummation of the offering, plus additional adjustments to both the exercise price and the number of shares underlying the options in order to also take into account, consistent with applicable tax standards and in accordance with the terms of the Amended and Restated 2005 Stock Incentive Plan, the decrease in value of our common stock which would result from the payment of the dividends to be received by our stockholders existing immediately prior to the offering. Other than through these adjustments to their options, option holders will not participate in the stock split or the dividends. In accordance with Statement of Financial Accounting Standard 123(R), *Share Based Payments*, we have concluded that this cumulative 10.1088-for-one adjustment for the shares underlying options will result in no additional stock-based compensation expense because our Amended and Restated 2005 Stock Incentive Plan includes an anti-dilution modification provision that applies to share splits and extraordinary cash dividends and this modification represents an adjustment to keep the option holder in the same economic position. A $1.00 increase in the offering price to $21.00 per share would result in an increase of the cumulative adjustment ratio to approximately 10.1301-for-one, and a $1.00 decrease in the offering price to $19.00 per share would result in a reduction of the cumulative adjustment ratio to approximately 10.0853-for-one.

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Summary Historical and Pro Forma Financial Information

The financial statements referred to as the Predecessor Company financial statements include the consolidated audited financial statements of Chart Industries, Inc. and its subsidiaries prior to our Chapter 11 bankruptcy proceedings. Our emergence from Chapter 11 bankruptcy proceedings in September 2003 resulted in a new reporting entity and the adoption of fresh start accounting in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7, Financial Reporting by Entities in Reorganization Under the Bankruptcy Code. The financial statements referred to as the Reorganized Company financial statements include the consolidated audited financial statements of Chart Industries, Inc. and its subsidiaries after our emergence from Chapter 11 bankruptcy proceedings and prior to the Acquisition and related financing thereof. The financial statements referred to as the Successor Company financial statements include the consolidated audited financial statements of Chart Industries, Inc. and its subsidiaries after the Acquisition and the related financing thereof.

The following table sets forth our summary historical consolidated financial and other data as of the dates and for the periods indicated. The Predecessor Company summary historical financial statements and other data for the nine months ended September 30, 2003 are derived from our audited financial statements for such period included elsewhere in this prospectus, which have been audited by Ernst & Young LLP, an independent registered public accounting firm. The Reorganized Company summary historical financial statements and other data for the three months ended December 31, 2003, the year ended December 31, 2004 and the period from January 1, 2005 to October 16, 2005, which we refer to as the 2005 Reorganized Period, are derived from our audited financial statements for such periods included elsewhere in this prospectus, which have been audited by Ernst & Young LLP. The Successor Company summary historical financial statements and other data as of and for the period from October 17, 2005 to December 31, 2005, which we refer to as the 2005 Successor Period, are derived from our audited financial statements for such periods included elsewhere in this prospectus, which have been audited by Ernst & Young LLP. The Reorganized Company and Successor Company unaudited summary historical financial statements and other data for the three months ended March 31, 2005 and as of and for the three months ended March 31, 2006, respectively, have been derived from the unaudited condensed financial statements and related notes which are included elsewhere in this prospectus, and reflect all adjustments, consisting of normal, recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the Reorganized Company and Successor Company financial position, results of operations and cash flows for the three months ended March 31, 2005 and as of and for the three months ended March 31, 2006 and are not necessarily indicative of our results of operations for the full year. The data should be read in conjunction with the consolidated financial statements, related notes and other financial information included herein.

The following summary unaudited pro forma balance sheet information as of March 31, 2006 has been prepared to give pro forma effect to this offering and the application of the proceeds therefrom as if they had occurred on March 31, 2006. The following summary unaudited pro forma statements of operations information for the year ended December 31, 2005 and the three months ended March 31, 2006 have been prepared to give pro forma effect to this offering, the application of the proceeds therefrom and the Acquisition as if they had occurred on January 1, 2005. The pro forma adjustments used in preparing the pro forma financial information reflect estimates, which we believe are reasonable but may change upon finalization of our analysis. The assumptions used in the preparation of unaudited financial information may not prove to be correct. The pro forma financial information is for informational purposes only and should not be considered indicative of actual results that would have been achieved had the Acquisition and this offering actually been consummated on the dates indicated and do not purport to indicate balance sheet information or results of operations as of any future date or any future period.

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The historical consolidated financial data presented below is not necessarily indicative of our future performance. This information is only a summary and should be read in conjunction with Selected Historical Consolidated Financial Data, Unaudited Pro Forma Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Predecessor Company		Reorganized Company			Successor Company			
	Nine Months Ended September 30, 2003	Three Months Ended December 31, 2003	Year Ended December 31, 2004	January 1, 2005 to October 16, 2005	Three Months Ended March 31, 2005	October 17, 2005 to December 31, 2005	Three Months Ended March 31, 2006	Pro Forma As Adjusted Year Ended December 31, 2005	Pro Forma As Adjusted Three Months Ended March 31, 2006
					(unaudited)		(unaudited)		
	(Dollars and shares in thousands, except per share data)								
Statement of Operations Data:									
Sales	$ 197,017	$ 68,570	$ 305,576	$ 305,497	$ 85,170	$ 97,652	$ 120,840	$ 403,149	$ 120,840
Cost of sales(1)	141,240	52,509	211,770	217,284	60,532	75,733	83,853	293,017	83,853
Gross Profit	55,777	16,061	93,806	88,213	24,638	21,919	36,987	110,132	36,987
Selling, general and administrative expenses	44,211	14,147	53,374	59,826	14,401	16,632	21,039	84,764	21,039
Restructuring and other operating expenses, net(2)(3)(4)	13,503	994	3,353	7,528	604	217	162	7,745	162
	57,714	15,141	56,727	67,354	15,005	16,849	21,201	92,509	21,201
Operating income (loss)	(1,937)	920	37,079	20,859	9,633	5,070	15,786	17,623	15,786
Interest expense, net(5)	10,300	1,344	4,712	4,164	985	5,556	6,545	24,088	5,717
Other expense (income)	(3,737)	(350)	(465)	659	21	409	222	2,239	222
	6,563	994	4,247	4,823	1,006	5,965	6,767	26,327	5,939

(Loss) income from continuing operations before income taxes and minority interest	(8,500)	(74)	32,832	16,036	8,627	(895)	9,019	(8,704)	9,847
Income tax (benefit) expense	1,755	(125)	10,134	7,159	3,071	(441)	2,980	(2,343)	3,295
(Loss) income from continuing operations before minority interest	(10,255)	51	22,698	8,877	5,556	(454)	6,039	(6,361)	6,552
Minority interest, net of taxes and other	(63)	(20)	(98)	(19)	(21)	(52)	6	(71)	6
(Loss) income from continuing operations	(10,318)	31	22,600	8,858	5,535	(506)	6,045	(6,432)	6,558
Income from discontinued operation, including gain on sale of $3,692, net of tax of $1,292(6)	3,233								
Net (loss) income	$ (7,085)	$ 31	$ 22,600	$ 8,858	$ 5,535	$ (506)	$ 6,045	$ (6,432)	$ 6,558
Earnings (loss) per share data(7):									
Basic (loss) earnings per share:	$ (0.27)	$ 0.01	$ 4.22	$ 1.65	$ 1.03	$ (0.06)	$ 0.76	$ (0.25)	$ 0.26
Diluted (loss) earnings per share(8)	$ (0.27)	$ 0.01	$ 4.10	$ 1.57	$ 0.99	$ (0.06)	$ 0.73	$ (0.25)	$ 0.26
Weighted average shares basic	26,336	5,325	5,351	5,366	5,358	7,952	7,952	25,604	25,604
Weighted average shares diluted(8)	26,336	5,325	5,516	5,649	5,609	7,952	8,285	25,604	25,604
Cash flow data:									
	$ 19,466	$ 4,988	$ 35,059	$ 15,641	$ (4,063)	$ 18,742	$ 12,327		

Cash provided by (used in) operating activities									
Cash provided by (used in) investing activities	15,101	154	(3,317)	(20,799)	(1,629)	(362,250)	(2,566)		
Cash (used in) provided by financing activities	(15,907)	(13,976)	(35,744)	1,708	(624)	348,489	(5,839)		
Other financial data:									
Depreciation and amortization(9)	$ 9,260	$ 2,225	$ 8,490	$ 6,808	$ 1,944	$ 4,396	$ 5,194	$ 20,987	$ 5,194
EBITDA(10)	15,522	3,475	45,936	26,989	11,535	9,005	20,764	36,300	20,764
Capital expenditures	1,907	518	9,379	11,038	1,734	5,601	2,566		
Backlog	51,781	49,635	129,278	206,215	160,113	233,639	237,033		

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	As of March 31, 2006	
	Actual	As Adjusted
	(unaudited) (In thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 19,462	$ 31,341(11)
Working capital(12)	55,685	55,685
Total assets	656,483(13)	668,362(13)
Debt:		
Short-term debt	1,513	1,513
Long-term debt	340,000	290,000
Total debt	341,513	291,513
Shareholder s equity	$ 124,146	$ 186,025

(1) The three months ended December 31, 2003 and the 2005 Successor Period include non-cash inventory valuation charges of $5.4 million and $8.9 million, respectively, related to Fresh-Start and purchase accounting.

(2) In March 2003, we completed the closure of our Wolverhampton, United Kingdom manufacturing facility, operated by Chart Heat Exchangers Limited, or CHEL. On March 28, 2003, CHEL filed for voluntary administration under the U.K. Insolvency Act of 1986. CHEL s application for voluntary administration was approved on April 1, 2003 and an administrator was appointed. In accordance with SFAS No. 94, Consolidation of All Majority-Owned Subsidiaries, we are not consolidating the accounts or financial results of CHEL subsequent to March 28, 2003 due to the assumption of control of CHEL by the insolvency administrator. Effective March 28, 2003, we recorded a non-cash impairment charge of $13.7 million to write off our net investment in CHEL.

(3) In September 2003, in accordance with Fresh-Start accounting related to our emergence from Chapter 11 bankruptcy, all assets and liabilities were adjusted to their fair values. The adjustment to record the assets and liabilities at fair value resulted in net other income of $5.7 million. Further information about the adjustment is included in the notes to our audited consolidated financial statements included elsewhere in this prospectus.

(4) Includes gain or loss on sale of assets.

(5) Includes derivative contract valuation income or expense for interest rate collars to manage interest exposure relative to term debt.

(6) This relates to the sale of our former Greenville Tube, LLC business in July 2003. See Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

(7) Unaudited pro forma basic and diluted earnings (loss) per share have been calculated in accordance with the Securities and Exchange Commission, or SEC, rules for initial public offerings. These rules require that the weighted average share calculation give retroactive effect to any changes in our capital structure as well as the number of shares whose sale proceeds would be necessary to repay any debt or to pay any dividend as reflected in the pro forma adjustments. In addition, pro forma weighted average shares for purposes of the unaudited pro forma basic and diluted earnings per share calculation, has been adjusted to reflect (i) the 4.6263-for-one stock

split we effected prior to consummation of this offering and (ii) the stock dividend of 1,875,000 shares to our existing stockholders that will be made shortly after the expiration of the underwriters over-allotment option assuming no exercise of that option and 12,500,000 shares of our common stock being offered hereby.

(8) The basic and diluted loss or earnings per share for the nine months ended September 30, 2003, the three months ended December 31, 2003, the 2005 Successor Period, the pro forma as adjusted year ended December 31, 2005 and the pro forma as adjusted three months ended March 31, 2006 are the same because incremental shares issuable upon conversion are anti-dilutive.

(9) The nine months ended September 30, 2003, the 2005 Successor Period and the three months ended March 31, 2006 include financing costs amortization of $1.7 million, $0.3 million and $0.4 million, respectively.

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(10) EBITDA is calculated as net income (loss) before income tax expense and interest expense plus depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted as indicated below. EBITDA and Adjusted EBITDA are not intended to represent cash flow from operations as defined by GAAP and should not be used as an alternative to net income as an indicator of operating performance or to cash flow as a measure of liquidity. EBITDA and Adjusted EBITDA are included in this prospectus because they are a basis upon which our management assesses financial performance. The senior secured credit facility also includes the definition of pro forma EBITDA which is used in the calculation of certain covenants. Pro forma EBITDA is calculated based on EBITDA and is adjusted in a manner similar to that described herein. While EBITDA and Adjusted EBITDA are frequently used as a measure of operations and the ability to meet debt service requirements, they are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the method of calculation. The following table reconciles EBITDA to net income (loss):

	Predecessor Company	Reorganized Company				Successor Company			
	Nine Months Ended September 30, 2003	Three Months Ended December 31, 2003	Year Ended December 31, 2004	January 1, 2005 to October 16, 2005	Three Months Ended March 31, 2005	October 17, 2005 to December 31, 2005	Three Months Ended March 31, 2006	Pro Forma Year As Adjusted Ended December 31, 2005	Pro Forma As Adjusted Three Months Ended March 31, 2006
					(unaudited)		(unaudited)		
	(Dollars in thousands)								
Net income (loss)	$ (7,085)	$ 31	$ 22,600	$ 8,858	$ 5,535	$ (506)	$ 6,045	$ (6,432)	$ 6,558
Income tax expense (benefit)	3,047	(125)	10,134	7,159	3,071	(441)	2,980	(2,343)	3,295
Interest expense net(a)	10,300	1,344	4,712	4,164	985	5,556	6,545	24,088	5,717
Depreciation and amortization(b)	9,260	2,225	8,490	6,808	1,944	4,396	5,194	20,987	5,194
EBITDA	$ 15,522	$ 3,475	$ 45,936	$ 26,989	$ 11,535	$ 9,005	$ 20,764	$ 36,300	$ 20,764

(a) Includes derivative contract valuation income or expense for interest rate collars to manage interest exposure relative to term debt.

(b) The nine months ended September 30, 2003, the 2005 Successor Period and the three months ended March 31, 2006 include financing costs amortization of $1.7 million, $0.3 million and $0.4 million, respectively.

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The following table reconciles EBITDA to Adjusted EBITDA as such terms are defined in our senior secured credit facility and the indenture governing the notes. Certain covenants under the senior secured credit facility are also tied to ratios based on Adjusted EBITDA and our ability to engage in activities such as incurring additional debt, making investments and paying dividends under both our indenture and senior secured credit facility is also tied to ratios based on Adjusted EBITDA:

	Predecessor Company	Reorganized Company				Successor Company			Pro Forma As Adjusted
	Nine Months Ended September 30, 2003	Three Months Ended December 31, 2003	Year Ended December 31, 2004	January 1, 2005 to October 16, 2005	Three Months Ended March 31, 2005	October 17, 2005 to December 31, 2005	Three Months Ended March 31, 2006	Pro Forma As Adjusted Year Ended December 31, 2005	Three Months Ended March 31, 2006
	(Dollars in thousands)								
EBITDA	$ 15,522	$ 3,475	$ 45,936	$ 26,989	$ 11,535	$ 9,005	$ 20,764	$ 36,300	$ 20,764
Stock-based compensation expense(a)			2,433	9,508	592	437	321	9,945	321
Inventory valuation charge(b)		5,368				8,903		8,903	
Acquisition expenses(c)				6,602				6,602	
In-process research and development charge(d)				2,768				2,768	
Hurricane losses(e)				1,057		406	182	1,463	182
Employee separation and plant closure costs(f)	1,338	1,010	3,346	1,700	703	255	162	1,955	162
Reorganization expenses(g)	369	357	706	1,470	73	88	45	1,558	45
Appraisal rights settlement(h)						500		500	
Management fees(i)			380	306	95				
(Gain) loss on sale of assets(j)	8,929	(57)	133	(131)		78		(53)	
	(833)								

Income from discontinued operations(k)									
Adjusted EBITDA	$ 25,325	$ 10,153	$ 52,934	$ 50,269	$ 12,998	$ 19,672	$ 21,474	$ 69,941	$ 21,474

(a) Represents stock-based compensation charges for stock and stock options issued to key employees and directors, and an additional charge for the cash-out of stock options in the 2005 Reorganized Period as a result of the Acquisition. Although it may be of limited relevance to holders of our debt instruments, it may be of more relevance to our equity holders, since such equity holders ultimately bear such expenses.

(b) Represents a non-cash inventory valuation charge recorded in cost of sales for the adjustment of inventory to fair value as a result of Fresh-Start accounting as of September 30, 2003 and purchase accounting as of October 17, 2005, the closing date of the Acquisition. Under Fresh-Start and purchase accounting, inventory was adjusted to the fair value as of the dates indicated above, and a corresponding charge was taken in the subsequent three months ended December 31, 2003 and the 2005 Successor Period cost of sales as the inventory was sold.

(c) Represents acquisition expenses, primarily professional fees, incurred by us as a result of the Acquisition.

(d) Represents a non-cash charge for purchased in-process research and development in conjunction with the acquisition of Changzhou CEM Cryo Equipment Co., Ltd., or CEM, in 2005.

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(e) Represents losses and costs incurred related to the damaged caused by Hurricane Rita at our New Iberia, Louisiana facilities.

(f) Includes inventory valuation charges recorded in cost of sales, and severance expenses, facility exit costs and non-operating expenses related to the execution of our operational restructuring plan, which primarily included moving the Burnsville, Minnesota manufacturing operations to Canton, Georgia, closing the Plaistow, New Hampshire and Wolverhampton, United Kingdom manufacturing facilities and closing the Westborough, Massachusetts engineering office. See Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

(g) Includes pre-bankruptcy debt restructuring-related fees, Fresh-Start accounting adjustments and expenses, and a claim settlement related to our 2003 bankruptcy reorganization. See Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

(h) Represents a charge for the settlement of former Reorganized Company shareholders appraisal rights claims as a result of the Acquisition.

(i) Represents non-recurring management fees charged by our Reorganized Company majority shareholders, which are not charged by First Reserve.

(j) Includes non-recurring gains and losses and charges on the sale, disposal or impairment of assets. See Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

(k) Represents income from our former Greenville Tube, LLC stainless steel tubing business, which was sold in July 2003. See Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information.

(11) The as adjusted cash and cash equivalents excludes the cash payment of the purchase price in the amount of $16.5 million for Cooler Service paid on May 26, 2006. See Capitalization for our cash and cash equivalents giving effect to that payment.

(12) Working capital is defined as current assets excluding cash minus current liabilities excluding short-term debt.

(13) Includes $236.8 million of goodwill and $150.5 million of finite-lived and indefinite-lived intangible assets as of March 31, 2006.

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RISK FACTORS

Investing in our common stock involves substantial risk. You should carefully consider the risks described below, together with the other information in this prospectus, prior to investing in our common stock.

Risks Related to our Business

The markets we serve are subject to cyclical demand, which could harm our business and make it difficult to project long-term performance.

Demand for our products depends in large part upon the level of capital and maintenance expenditures by many of our customers and end users, in particular those customers in the global hydrocarbon and industrial gas markets. These customers expenditures historically have been cyclical in nature and vulnerable to economic downturns. Decreased capital and maintenance spending by these customers could have a material adverse effect on the demand for our products and our business, financial condition and results of operations. In addition, this historically cyclical demand limits our ability to make accurate long-term predictions about the performance of our company.

For example, certain of our core businesses underperformed in the years prior to 2004 due to a general downturn in capital spending in the global and domestic industrial gas markets. While we have experienced demand growth since late 2003 in the global hydrocarbon and industrial gas markets, this growth may not continue and our businesses performance may not be markedly better or may be worse in the future. In addition, changing world economic and political conditions may reduce the willingness of our customers and prospective customers to commit funds to purchase our products and services. Further, in 2005, the U.S. government announced the reduction of the amount of dollars it offered as reimbursement to our customers for purchasing our medical oxygen therapy products, which has adversely affected demand for these products.

The loss of, or significant reduction in, purchases by our largest customers could reduce our revenues and profitability.

Although no single customer accounted for more than 9% of our total sales for the year ended December 31, 2005, a small number of customers has accounted for a substantial portion of our historical net sales, and we expect that a limited number of customers will continue to represent a substantial portion of our sales for the foreseeable future. Approximately 33%, 39%, 36% and 26% of our sales for the years ended December 31, 2005, 2004, 2003 and 2002, respectively, were made to Praxair, Air Liquide, Air Products, Bechtel, Airgas, BOC, JGC and Linde, which management believes are the largest producers and distributors of hydrocarbon and industrial gases, and their suppliers. The loss of any of our major customers or a decrease in orders or anticipated spending by such customers could materially reduce our revenues and profitability. Our largest customers, such as Linde and BOC, could also engage in business combinations which could increase their size and increase or decrease the portion of our total sales concentration to any single customer. Additionally, we currently sell all of our magnetic resonance imaging, or MRI, components to GE, a leading worldwide manufacturer of MRI equipment, which accounted for $7.5 million in sales for the year ended December 31, 2005. The loss of, or significant reduction in, purchases of our MRI components by GE could reduce revenues and profitability in our BioMedical business.

We may be unable to compete successfully in the highly competitive markets in which we operate.

Although many of our products serve niche markets, a number of our direct and indirect competitors in these markets are major corporations, some of which have substantially greater technical, financial and marketing resources than we, and other competitors may enter these markets. Any increase in competition may cause us to lose market share or compel us to reduce prices to remain competitive, which could result in reduced sales and earnings. Companies that operate in our industry are Air Products, Kobe, Linde, Nordon, Puritan-Bennett, a division of Tyco International, Ltd., Sumitomo and Taylor-Wharton, a Harsco Company. Additionally, we compete with several suppliers owned by global industrial gas producers and many smaller fabrication-only facilities around the world. Increased competition with these companies could prevent the institution of price increases or could require price reductions or increased spending on research and development and marketing and sales, any of which could materially reduce our revenues, profitability or both. In the event of an industry downturn, customers who typically outsource their need for cryogenic systems to us may use their excess capacity to produce such systems themselves. We also compete in the sale of a limited number of products with certain of our major customers.

We will soon be required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002 and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.

As a result of this offering, we become subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended, or the Exchange Act . Beginning with the year ending December 31, 2007, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we will be required to furnish a report by our management on our internal control over financial reporting, and our auditors will be required to deliver an attestation report on management s assessment of and operating effectiveness of internal controls. The report by our management must contain, among other matters, an assessment of the effectiveness of our internal control over financial reporting and audited consolidated financial statements as of the end of our fiscal year. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management.

Unlike many companies whose shares are publicly traded, we are not presently in compliance with Section 404 s internal control requirements. We have substantial effort ahead of us to complete documentation of our internal control system and financial processes, information systems, assessment of their design, remediation of control deficiencies identified in these efforts and management testing of the designs and operation of internal controls. We may not be able to complete the required management assessment by our reporting deadline or may not meet applicable standards in following years. An inability to complete and document this assessment or to comply in following years could result in our receiving less than an unqualified report from our auditors with respect to our internal controls. This could cause investors to lose confidence in the accuracy and completeness of our financial reports, which could decrease the price of our stock.

As a global business, we are exposed to economic, political and other risks in different countries which could materially reduce our revenues, profitability or cash flows, or materially increase our liabilities.

Since we manufacture and sell our products worldwide, our business is subject to risks associated with doing business internationally. In 2005, 51% of our sales were made in international markets. Our future results could be harmed by a variety of factors, including:

- changes in foreign currency exchange rates;
- exchange controls and currency restrictions;
- changes in a specific country s or region s political, social or economic conditions, particularly in emerging markets;
- civil unrest, turmoil or outbreak of disease in any of the countries in which we operate;
- tariffs, other trade protection measures and import or export licensing requirements;
- potentially negative consequences from changes in U.S. and international tax laws;
- difficulty in staffing and managing geographically widespread operations;
- differing labor regulations;
- requirements relating to withholding taxes on remittances and other payments by subsidiaries;

different regulatory regimes controlling the protection of our intellectual property;

restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in these jurisdictions;

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- restrictions on our ability to repatriate dividends from our foreign subsidiaries;
- difficulty in collecting international accounts receivable;
- difficulty in enforcement of contractual obligations under non-U.S. law;
- transportation delays or interruptions;
- changes in regulatory requirements; and
- the burden of complying with multiple and potentially conflicting laws.

Our international operations also expose us to different local political and business risks and challenges. For example, we are faced with potential difficulties in staffing and managing local operations and we have to design local solutions to manage credit and legal risks of local customers and distributors. In addition, because some of our international sales are to suppliers that perform work for foreign governments, we are subject to the political risks associated with foreign government projects. For example, certain foreign governments may require suppliers for a project to obtain products solely from local manufacturers or may prohibit the use of products manufactured in certain countries.

International growth and expansion into emerging markets, such as China, Central and Eastern Europe, and the Middle East, may cause us difficulty due to greater regulatory barriers than in the United States, the necessity of adapting to new regulatory systems, problems related to entering new markets with different economic, social and political systems, and significant competition from the primary participants in these markets, some of which may have substantially greater resources than us.

Our overall success as a global business depends, in part, upon our ability to succeed in differing economic, social and political conditions. We may not succeed in developing and implementing policies and strategies to counter the foregoing factors effectively in each location where we do business and the foregoing factors may cause a reduction in our revenues, profitability or cash flows, or cause an increase in our liabilities.

If we are unable to successfully manage our growth, it may place a significant strain on our management and administrative resources and lead to increased costs and reduced profitability.

We expect to continue to expand our operations in the United States and abroad, particularly in China and the Czech Republic. Our ability to operate our business successfully and implement our strategies depends, in part, on our ability to allocate our resources optimally in each of our facilities in order to maintain efficient operations as we expand. Ineffective management of our growth could cause manufacturing inefficiencies, increase our operating costs, place significant strain on our management and administrative resources and prevent us from implementing our business plan.

For example, we plan to invest over $20 million in new capital expenditures in the United States in 2006 and 2007 related to the expected growth of our Energy & Chemicals business. If we fail to implement this capital project in a timely and effective manner, we may lose the opportunity to obtain some customer orders. Even if we effectively implement this project, the orders needed to support the capital expenditure may not be obtained or may be less than expected, which may result in sales or profitability at lower levels than anticipated. In addition, potential cost overruns, delays or unanticipated problems in any capital expansion could make the expansion more costly than originally predicted.

In addition, we are in the process of establishing our internal audit function, and adverse developments in the implementation of this function may impair our ability to manage our growth.

If we lose our senior management or other key employees, our business may be adversely affected.

Our ability to successfully operate and grow our business and implement our strategies is largely dependent on the efforts, abilities and services of our senior management and other key employees. Our future success will also depend on, among other factors, our ability to attract and retain qualified personnel, such as engineers and other skilled labor, either through direct hiring or the acquisition of other businesses employing such professionals. Our products, many of which are highly engineered, represent specialized applications of

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cryogenic or low temperature technologies and know-how, and many of the markets we serve represent niche markets for these specialized applications. Accordingly, we rely heavily on engineers, salespersons, business unit leaders, senior management and other key employees who have experience in these specialized applications and are knowledgeable about these niche markets, our products, and our company. The loss of the services of these senior managers or other key employees or the failure to attract or retain other qualified personnel could reduce the competitiveness of our business or otherwise impair our business prospects.

Fluctuations in the prices and availability of raw materials and our exposure to fixed-price contracts could negatively impact our financial results.

The pricing and availability of raw materials for use in our businesses can be volatile due to numerous factors beyond our control, including general, domestic and international economic conditions, labor costs, production levels, competition, consumer demand, import duties and tariffs and currency exchange rates. This volatility can significantly affect the availability and cost of raw materials for us, and may, therefore, increase the short-term or long-term costs of raw materials.

The commodity metals we use, including aluminum and stainless steel, have experienced significant upward fluctuations in price. On average, approximately half of our cost of sales is represented by the cost of commodities metals. We have generally been able to recover the cost increases through price increases to our customers; however, during periods of rising prices of raw materials, such as in 2004 and 2005, we may be unable to pass a portion of such increases on to our customers. Conversely, when raw material prices decline, customer demands for lower prices could result in lower sale prices and, to the extent we have existing inventory, lower margins. As a result, fluctuations in raw material prices could result in lower revenues and profitability.

In addition, a substantial portion of our revenues is derived from fixed-price contracts for large system projects. To the extent that original cost estimates prove to be inaccurate or the contracts do not permit us to pass increased costs on to our customers, profitability from a particular contract may decrease, which, in turn, could decrease our revenues and overall profitability.