

# UGI CORP /PA/

## FORM 8-K (Current report filing)

Filed 11/29/04 for the Period Ending 11/22/04

|             |  |
|-------------|--|
| Address     | 460 N GULPH RD<br>P O BOX 858<br>KING OF PRUSSIA, PA 19406 |
| Telephone   | 6103371000   |
| CIK         | 0000884614   |
| Symbol      | UGI  |
| SIC Code    | 4932 - Gas and Other Services Combined                     |
| Industry    | Natural Gas Utilities                                      |
| Sector      | Utilities  |
| Fiscal Year | 09/30  |

**UNITED STATES  
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 22, 2004

**UGI CORPORATION**

(Exact name of registrant as specified in its charter)

|   |                          |   |
|---|--------------------------|---|
| Pennsylvania  | 1-11071                  | 23-2668356                              |
| (State or other jurisdiction<br>of incorporation or organization) | (Commission<br>File No.) | (I.R.S. Employer<br>Identification No.) |

460 N. Gulph Road  
King of Prussia, Pennsylvania 19406  
(Address, including zip code,  
of principal executive offices)

(610) 337-1000  
(Registrant's telephone number, including area code)

**NOT APPLICABLE**  
(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 (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act

(17 CFR 230.425)

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

(17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 4.02 (a) -- NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED INTERIM REVIEW**

On November 22, 2004, management concluded that the Company's Balance Sheet and Statement of Stockholders' Equity for its fiscal year ended September 30, 2003 should be restated to reduce the reported amount of stockholders' equity and increase the reported amount of deferred income taxes. The balance sheet changes are attributable to management concluding that the Company should have recorded deferred taxes upon the conversion of the Company's subordinated units in AmeriGas Partners, L.P. ("AmeriGas"), which occurred in November 2002, and upon subsequent sales by AmeriGas of units to the public. The restatement will have no impact on the Company's Income Statement or Statement of Cash Flows. The Company will include the restated Balance Sheet and Statement of Stockholders' Equity in its Annual Report on Form 10-K for the fiscal year ended September 30, 2004 ("2004 Form 10-K"), which it expects to file by December 14, 2004.

Under its interpretation of accounting rules at the time of the conversion, including Staff Accounting Bulletin No. 51, "Accounting for Sales of Common Stock by a Subsidiary," the Company accounted for the gains resulting from the conversion of AmeriGas units, and subsequent sales by AmeriGas of units to the public, as increases in stockholders' equity in amounts equal to the increase in the value of the Company's investment in AmeriGas. The Company did not record deferred taxes relating to the gains because of its intention to hold its investment in AmeriGas indefinitely. While the Company's intention to hold AmeriGas units indefinitely has not changed, it has reconsidered its previous judgments in the application of SFAS No. 109, "Accounting for Income Taxes." The Company believes that its reconsideration of previous judgments in the application of SFAS No. 109 was not a result of ineffective internal controls or procedures.

Accordingly, the Company will reflect an approximate \$70 million decrease in Total common stockholders' equity and a corresponding increase in Deferred income taxes in a restated Balance Sheet and Statement of Stockholders' Equity for its fiscal year ended September 30, 2003 that will be included in its 2004 Form 10-K. The amounts of Total common stockholders' equity and Deferred income taxes in the Company's Balance Sheets for the interim periods of fiscal years 2003 and 2004 require similar adjustment.

Management and the Audit Committee have discussed with the Company's independent auditors the matters described in this Form 8-K.

**ITEM 9.01 -- FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits

99.1 Press Release issued by UGI, dated November 29, 2004, regarding the restatement of previously issued financial statements.

**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.

**UGI CORPORATION**  
(Registrant)

By: /s/ Anthony J. Mendicino

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Anthony J. Mendicino  
Senior Vice President-Finance  
and Chief Financial Officer

Date: November 29, 2004

## EXHIBIT INDEX

| Exhibit<br>----- | Description<br>-----   |
|------------------|--|
| 99.1             | Press Release issued by UGI, dated November 29, 2004, regarding the restatement of previously issued financial statements. |

## EXHIBIT 99.1

**CONTACT: 610-337-1000 FOR RELEASE: November 29, 2004**

Robert W. Krick, Ext. 3141 Immediate Brenda Blake, Ext. 3202

### UGI COMPLETES REVIEW OF 2003 FINANCIAL STATEMENTS

VALLEY FORGE, PA., November 29 - UGI Corporation (NYSE:UGI) today stated that it has completed its previously announced review of whether it is appropriate to increase deferred taxes and reduce stockholders' equity in connection with its ownership of units in AmeriGas Partners, L.P. (NYSE:APU). As a result of this review, UGI has concluded that it should have recognized deferred taxes in connection with the conversion of UGI's subordinated units in AmeriGas Partners to common units in November 2002 and AmeriGas Partners' sale of common units to the public since then. This change will have no impact on UGI's cash flow or earnings for any period and will have no effect on any covenants under existing financing agreements of UGI or any of its subsidiaries.

Lon R. Greenberg, chairman and chief executive officer of UGI, said, "As we disclosed in 2002, we did not record deferred taxes relating to the gains because of our intention to hold our units in AmeriGas Partners indefinitely. While our intention to hold AmeriGas units indefinitely has not changed, we have reconsidered our previous judgments in the application of the relevant accounting provisions, and concluded that it is more appropriate to record these deferred taxes. AmeriGas is one of our core businesses."

Based on this conclusion, UGI will include restated financial statements for fiscal year 2003 in its annual report on Form 10-K for the fiscal year ended September 30, 2004, which it expects to file by December 14. The fiscal year 2003 balance sheet and statement of stockholders' equity will be restated to indicate a decrease in total common stockholders' equity of approximately \$70 million and a corresponding increase in deferred taxes.

At the same time, UGI confirmed its guidance of November 17 that it expects to earn between \$2.80 and \$2.90 per share in fiscal year 2005 ending September 30, 2005.

UGI is a holding company with propane marketing, utility and energy marketing subsidiaries. Through subsidiaries, UGI owns 46% of AmeriGas Partners, L.P. (NYSE:APU), the nation's largest retail propane marketer.

This press release contains certain forward-looking statements which management believes to be reasonable as of today's date only. In particular, the audit of fiscal 2004 and the audit of adjustments to fiscal 2003 financial statements are not complete. You should read UGI's Annual Report on Form 10-K for a more extensive list of other factors that could cause actual results to differ materially from those indicated in the forward-looking statements. Among them are adverse weather conditions, product cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, domestic and international economic and political conditions and currency exchange rates. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

Comprehensive information about UGI Corporation is available on the Internet at **[HTTP://WWW.UGICORP.COM](http://www.ugicorp.com)**.

**C-xx ### 11/29/04**