

Queensboro, L.L.C.
Form 424B3
August 15, 2006
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Filed Pursuant to Rule No. 424(b)(3)

Registration No. 333-132918

PROSPECTUS SUPPLEMENT
TO PROSPECTUS DATED AUGUST 4, 2005
Flag Intermediate Holdings Corporation
and
Metals USA, Inc.

\$275,000,000 aggregate principal amount of our 11 1/8% Senior Secured Notes Due 2015, which have been registered under the Securities Act of 1933 for \$275,000,000 aggregate principal amount of our 11 1/8% Senior Secured Notes Due 2015

This prospectus supplement supplements information contained in our prospectus dated August 4, 2006 (the "Prospectus") relating to Metal USA, Inc.'s offer to exchange up to \$275,000,000 aggregate principal amount of its registered 11 1/8% Senior Secured Notes due 2015 for a like principal amount of its outstanding 11 1/8% Senior Secured Notes due 2015 solely by including in the Prospectus the Quarterly Report on Form 10-Q of Flag Intermediate Holdings Corporation and Metals USA, Inc. for the quarter ended June 30, 2006. This prospectus supplement does not reflect any change in the terms of the exchange offer. This prospectus supplement is not complete without, and may not be delivered or used except in connection with, the Prospectus, including any supplements or amendments to the Prospectus.

See Risk Factors beginning on page 23 of the Prospectus for a discussion of risks that you should consider before participating in the exchange offer.

Neither The Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus or this prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is August 14, 2006.

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

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006

Commission File Number 333-132918

**FLAG INTERMEDIATE
HOLDINGS CORPORATION**

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

20-3779375
(I.R.S. Employer
Identification Number)

METALS USA, INC.

(Exact name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

76-0533626
(I.R.S. Employer
Identification Number)

One Riverway, Suite 1100
Houston, Texas
(Address of Principal Executive Offices)

77056
(Zip Code)

Registrants telephone number, including area code: (713) 965-0990

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject

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to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

Number of shares of common stock outstanding at August 14, 2006 of Flag Intermediate Holdings Corporation: 100

Number of shares of common stock outstanding at August 14, 2006 of Metals USA, Inc.: 100

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**FLAG INTERMEDIATE HOLDINGS CORPORATION AND
METALS USA, INC. AND SUBSIDIARIES**

SAFE HARBOR STATEMENT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Quarterly Report, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including Management's Discussion and Analysis of Financial Condition and Results of Operations. These statements represent our reasonable judgment on the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as anticipate, believe, estimate, expect, forecast, may, will, should, plan, project and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

projected operating or financial results, including anticipated cash flows from operations;

expectations regarding capital expenditures, interest expense and other payments;

our beliefs and assumptions relating to our liquidity position, including our ability to adapt to changing market conditions;

our ability to compete effectively for market share with industry participants;

Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors including, among others:

supply, demand, prices and other market conditions for steel and other commodities;

the timing and extent of changes in commodity prices;

the effects of competition in our business lines;

the condition of the steel and metal markets generally, which will be affected by interest rates, foreign currency fluctuations and general economic conditions;

the ability of our counterparties to satisfy their financial commitments;

tariffs and other government regulations relating to our products and services;

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operational factors affecting the ongoing commercial operations of our facilities, including catastrophic weather-related damage, regulatory approvals, permit issues, unscheduled blackouts, outages or repairs, unanticipated changes in fuel costs or availability of fuel emission credits or workforce issues;

our ability to operate our businesses efficiently, manage capital expenditures and costs (including general and administrative expenses) tightly and generate earnings and cash flow; and

general political conditions and developments in the United States and in foreign countries whose affairs affect supply, demand and markets for steel, metals and metal products.

In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included elsewhere in this Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations. Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward-looking statements contained in this Form 10-Q are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Form 10-Q, except as otherwise required by applicable law.

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FLAG INTERMEDIATE HOLDINGS CORPORATION AND

METALS USA, INC. AND SUBSIDIARIES

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(In millions, except share amounts)

	June 30, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS:		
Cash	\$ 19.3	\$ 11.3
Accounts receivable, net of allowance of \$7.7 and \$7.8, respectively	220.7	172.9
Inventories	392.9	350.7
Deferred tax asset	15.5	8.3
Prepaid expenses and other	13.6	25.2
Total current assets	662.0	568.4
PROPERTY AND EQUIPMENT, net	191.8	171.6
GOODWILL, net	39.0	15.8
OTHER ASSETS, net	35.3	39.5
Total assets	\$ 928.1	\$ 795.3
LIABILITIES AND STOCKHOLDER S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 102.7	\$ 68.2
Accrued liabilities	44.8	46.3
Current portion of long-term debt	0.6	0.6
Total current liabilities	148.1	115.1
LONG-TERM DEBT, less current portion	575.3	472.9
DEFERRED INCOME TAX LIABILITY	59.3	60.0
OTHER LONG-TERM LIABILITIES	21.3	15.3
Total liabilities	804.0	663.3
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER S EQUITY:		
Common stock, \$.01 par value, 100 shares authorized, issued, and outstanding; at June 30, 2006 and December 31, 2005, respectively		
Additional paid-in capital	117.4	134.0
Retained earnings (deficit)	6.7	(2.0)
Total stockholder s equity	124.1	132.0
Total liabilities and stockholder s equity	\$ 928.1	\$ 795.3

See notes to unaudited consolidated financial statements.

Table of Contents**FLAG INTERMEDIATE HOLDINGS CORPORATION AND SUBSIDIARY****UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Successor	Predecessor	Successor	Predecessor
	Company	Company	Company	Company
	Three Months	Three Months	Six Months	Six Months
	Ended	Ended	Ended	Ended
	June 30,	June 30,	June 30,	June 30,
	2006	2005	2006	2005
	(In millions)			
NET SALES	\$ 458.2	\$ 426.8	\$ 887.8	\$ 854.4
OPERATING COSTS AND EXPENSES:				
Cost of sales (exclusive of operating and delivery, and depreciation and amortization shown below)	343.4	336.6	684.4	670.4
Operating and delivery	43.5	37.9	85.2	75.7
Selling, general and administrative	30.1	24.7	57.3	49.0
Depreciation and amortization	4.6	0.9	8.8	1.6
Operating income	36.6	26.7	52.1	57.7
OTHER (INCOME) EXPENSE:				
Interest expense	12.9	3.2	24.9	6.4
Other (income) expense, net	(0.1)		(0.2)	(0.2)
NET INCOME BEFORE INCOME TAXES	23.8	23.5	27.4	51.5
Provision for income taxes	9.9	9.2	11.4	19.9
NET INCOME	\$ 13.9	\$ 14.3	\$ 16.0	\$ 31.6

See notes to unaudited consolidated financial statements.

Table of Contents**FLAG INTERMEDIATE HOLDINGS CORPORATION AND SUBSIDIARY****UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Successor	Predecessor
	Company Six Months	Company Six Months
	Ended	Ended
	June 30,	June 30,
	2006	2005
	(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 16.0	\$ 31.6
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for bad debts	2.8	1.6
Adjustment to Predecessor Company tax attribute valuation allowance		1.8
Depreciation and amortization	9.2	1.8
Amortization of debt issuance costs	1.2	0.2
Deferred income taxes	(8.1)	
Non-cash stock-based compensation	1.1	
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(42.7)	(23.2)
Inventories	(36.4)	61.1
Prepaid expenses and other	11.8	1.0
Accounts payable and accrued liabilities	27.6	(4.0)
Income taxes payable	2.3	0.8
Other operating	(0.7)	(0.3)
Net cash provided by (used in) operations	(15.9)	72.4
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of assets		0.1
Purchases of assets	(7.0)	(8.4)
Acquisition costs, net of cash acquired	(45.5)	
Net cash provided by (used in) investing activities	(52.5)	(8.3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings on credit facility	102.6	(52.6)
Repayments on long-term debt	(0.2)	(10.1)
Debt issuance costs	(1.0)	(0.1)
Dividends paid	(25.0)	
Issuance of common stock		0.1
Net cash provided by (used in) financing activities	76.4	(62.7)
NET INCREASE IN CASH	8.0	1.4
CASH, beginning of period	11.3	12.6
CASH, end of period	\$ 19.3	\$ 14.0

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SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid for interest	\$ 23.2	\$ 5.0
Cash paid for income taxes	\$ 5.3	\$ 17.0

See notes to unaudited consolidated financial statements.

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FLAG INTERMEDIATE HOLDINGS CORPORATION AND SUBSIDIARY

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(In millions, except share amounts)

1. ORGANIZATION AND BASIS OF PRESENTATION

Recent Developments

On May 18, 2005, Metals USA Holdings Corp. (formerly named Flag Holdings Corporation), a Delaware corporation (Metals USA Holdings), and its wholly owned subsidiary, Flag Acquisition Corporation, a Delaware corporation (Flag Acquisition), entered into an Agreement and Plan of Merger (the Merger Agreement) with Metals USA, Inc. (Metals USA, Inc.). On November 30, 2005, Flag Acquisition, then a wholly owned subsidiary of Flag Intermediate Holdings Corporation (Flag Intermediate) merged with and into Metals USA, Inc., (the Merger) with Metals USA, Inc. being the surviving corporation. Flag Intermediate and Flag Acquisition conducted no operations during the period May 9, 2005 (date of inception) to November 30, 2005. See Note 2 Acquisition for additional information regarding the Merger.

Flag Intermediate and its wholly owned subsidiary Metals USA, Inc. are referred to collectively herein as the Company or Successor Company and Metals USA, Inc. prior to the merger on November 30, 2005 is referred to as the Predecessor Company. The Company applied Statement of Financial Accounting Standards No. 141, Business Combinations on the merger date and, as a result, the merger consideration was allocated to the respective values of the assets acquired and liabilities assumed from the Predecessor Company (see Note 2). As a result of the application of purchase accounting, the Successor Company balances and amounts presented in the consolidated financial statements and footnotes are not comparable with those of Predecessor Company.

Organization

We are a leading provider of value-added processed steel, stainless steel, aluminum and specialty metals, as well as manufactured metal components. Our operations are organized into three product group segments. Approximately 88% of our revenue is derived from the metals service center and distribution activities that are segmented into two groups, Flat Rolled and Plates and Shapes. The remaining portion of our revenue is derived from the Building Products Group, which principally manufactures and distributes aluminum products related to the residential and commercial construction and improvement industry. We purchase metal from primary producers who generally focus on large volume sales of unprocessed metals in standard configurations and sizes. In most cases, we perform customized, value-added processing services required to meet specifications provided by end-use customers. The Flat Rolled Group and Plates and Shapes Group customers are in businesses such as machining, furniture, transportation equipment, power and process equipment, industrial/commercial, construction and fabrication, consumer durables, electrical equipment industries, and machinery and equipment manufacturers. The Building Products Group customers are distributors and contractors engaged in residential and commercial building products.

Basis of Presentation

Principles of Consolidation The consolidated financial statements include the accounts of Flag Intermediate, Metals USA, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Interim Financial Information The interim consolidated financial statements included herein are unaudited; however, they include all adjustments of a normal recurring nature which, in our opinion, are necessary to present fairly the interim consolidated financial information as of and for the periods indicated. Accounting measurements at interim dates inherently involve greater reliance on estimates than at year-end. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the entire year.

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Use of Estimates and Assumptions The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) the disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and (iii) the reported amount of net sales and expenses recognized during the periods presented. Adjustments made with respect to the use of estimates often relate to improved information not previously available. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements.

Inventories Inventories are stated at the lower of cost or market. Our inventories are accounted for using a variety of methods including specific identification, average cost and the first-in first-out (FIFO) method of accounting.

Goodwill Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired in connection with the business acquisition. At December 31, 2005, recorded goodwill was \$15.8, resulting from the Merger described in Note 2.

In connection with the acquisitions during the six months ended June 30, 2006 described in Note 2, we recorded an additional \$28.1 of goodwill. There was no amortization of goodwill, however, goodwill was reduced for the six months ended June 30, 2006 by \$4.9, including \$3.8 to adjust the Predecessor Company tax attribute valuation allowance and \$1.1 to recognize the tax benefit realized related to goodwill of the Predecessor Company.

Intangible Assets The Successor Company intangible assets consist of customer lists which were recorded as a result of the Merger described in Note 2. We are amortizing the customer lists over five years using an accelerated amortization method which approximates its useful life and value to us.

As of June 30, 2006, the Successor Company had the following amounts related to intangible assets:

	January 1, 2006 Gross Carrying	Accumulated Amount	June 30, 2006 Gross Carrying
	Amortization		Amortization
Customer lists	\$ 21.5	(4.0)	\$ 17.5

No significant residual value is estimated for these intangible assets. Aggregate amortization expense for the three months and six months ended June 30, 2006 was \$2.0 and \$4.0, respectively. The following table represents the total estimated amortization of intangible assets for 2006 and the four succeeding years:

	Estimated Amortization Expense
For the Year Ending 2006	