

GENERAL MOTORS CORP

Form 8-K/A

June 19, 2003

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 8-K/A
CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report
(Date of earliest event reported) June 5, 2003

GENERAL MOTORS CORPORATION
(Exact name of registrant as specified in its charter)

STATE OF DELAWARE

1-143

38-0572515

(State or other jurisdiction
of incorporation)

(Commission File Number)

(I.R.S. Employer
Identification No.)

300 Renaissance Center, Detroit,
Michigan

48265-3000

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (313)-556-5000

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ITEM NO. 7 Pro Forma Financial Information.

This amends the Current Report on Form 8-K dated June 5, 2003, by revising the unaudited pro forma financial data to reflect the split-off of Hughes Electronics Corporation from General Motors Corporation at book value, rather than at fair market value.

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GENERAL MOTORS

**UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed consolidated financial statements as of and for the three months ended March 31, 2003 and for the year ended December 31, 2002 have been derived from the historical financial statements of GM and Hughes to give effect to the separation of Hughes from GM and acquisition by News Corporation of 34% of Hughes (the transactions).

The unaudited pro forma condensed consolidated statements of income from continuing operations giving effect to the transactions for the three months ended March 31, 2003 and the year ended December 31, 2002 reflect adjustments as if the transactions had taken place on January 1, 2002. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2003 gives effect to the transactions as if the transactions had occurred on March 31, 2003.

Certain pro forma adjustments described in the accompanying notes are based on estimates and various assumptions that GM believes are reasonable under the circumstances.

Certain amounts and percentages have been rounded for presentation purposes. Accordingly, certain arithmetic operations may not be recalculated exactly.

The unaudited pro forma condensed consolidated financial statements are not intended to be indicative of either future results of operations or results that might have been achieved had the transactions actually occurred on the dates specified. In the opinion of GM management, all adjustments necessary to fairly present such unaudited pro forma condensed consolidated financial statements have been made based upon the proposed terms of the transactions.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the GM and Hughes financial statements, including the respective notes thereto, as of and for the three months ended March 31, 2003, each of which is contained in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, and as of and for the year ended December 31, 2002, each of which is contained in its 2002 Form 10-K, and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2002 for GM, which has been restated to comply with SEC Regulation G and Item 10 of Regulation S-K and is included in this Current Report on Form 8-K.

Table of Contents**GENERAL MOTORS****UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED BALANCE SHEET**

As of March 31, 2003

| | GM Historical | Pro Forma Adjustments | GM with Hughes Recorded as Discontinued Operations | Special Cash Dividend From Hughes to GM | GM/News Stock Sale | Other Pro Forma Adjustments | Pro Forma |
|---|--------------------------|----------------------------------|---|--|-------------------------------|--|------------------|
| (in millions) | | | | | | | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 26,982 | \$ (2,915) (a) | \$ 24,067 | \$ 275 (d) | \$ 3,073 (e) | \$ | \$ 27,415 |
| Other marketable securities | 16,841 | | 16,841 | | | | 16,841 |
| Total cash and marketable securities | 43,823 | (2,915) | 40,908 | 275 | 3,073 | | 44,256 |
| Finance Receivables net | 141,273 | | 141,273 | | | | 141,273 |
| Accounts and notes receivables (less allowance) | 16,209 | (1,126) (a) 6 (c) | 15,089 | | | | 15,089 |
| Inventories (less allowances) | 10,769 | (290) (a) | 10,479 | | | | 10,479 |
| Net assets of discontinued operations | | 10,576 (b) | 10,576 | (275) (d) | (2,058) (e) | (8,308) (f) 65 (j) | |
| Deferred income taxes | 39,000 | (1,098) (a) | 37,902 | | | | 37,902 |
| Equipment on operating leases (less accumulated depreciation) | 36,997 | (1,984) (a) | 35,013 | | | | 35,013 |
| Equity in net assets of nonconsolidated associates | 4,990 | 38 (a) | 5,028 | | | | 5,028 |
| Property | 37,681 | (1,552) (a) | 36,129 | | | | 36,129 |
| Intangible assets net | 17,961 | (7,140) (a) | 10,821 | | | | 10,821 |
| Other assets | 33,733 | (4,316) (a) | 29,417 | | 768 (e) | | 30,185 |
| Total assets | \$ 382,436 | \$ (9,801) | \$ 372,635 | \$ | \$ 1,783 | \$ (8,243) | \$ 366,175 |
| Liabilities and Stockholders Equity | | | | | | | |
| Accounts payable (principally trade) | \$ 28,738 | \$ (1,150) (a) 6 (c) | \$ 27,594 | \$ | \$ | \$ 100 (g) | \$ 27,694 |
| Notes and loans payable | 211,726 | (5,015) (a) | 206,711 | | | | 206,711 |
| Postretirement benefits other than pensions | 38,239 | (31) (a) | 38,208 | | | | 38,208 |
| Pensions | 22,536 | (83) (a) | 22,453 | | | | 22,453 |
| Deferred income taxes | 7,342 | (1,549) (a) | 5,793 | | | | 5,793 |
| Accrued expense and other liabilities | 63,654 | (1,415) (a) | 62,239 | | 561 (e) | | 62,800 |
| Total liabilities | 372,235 | (9,237) | 362,998 | | 561 | 100 | 363,659 |
| Minority Interests | 835 | (564) (a) | 271 | | | | 271 |
| Stockholders Equity | | | | | | | |

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| | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$1 2/3 par value common stock (outstanding, 560,616,422) | 934 | | 934 | | | | 934 |
| Class H common stock (outstanding, 1,107,517,793) | 111 | | 111 | | | (111) (f) | |
| Capital surplus (principally paid-in capital) | 22,808 | | 22,808 | | | (8,197) (f) | 14,611 |
| Retained earnings | 11,234 | | 11,234 | | 1,222 (e) | (100) (g) | 12,356 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Subtotal | 35,087 | | 35,087 | | 1,222 | (8,408) | 27,901 |
| Accumulated foreign currency translation adjustments | (2,665) | | (2,665) | | | 27 (j) | (2,638) |
| Net unrealized loss on derivatives | (196) | | (196) | | | 3 (j) | (193) |
| Net unrealized gains on securities | 344 | | 344 | | | 3 (j) | 347 |
| Minimum pension liability adjustment | (23,204) | | (23,204) | | | 32 (j) | (23,172) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Accumulated other comprehensive loss | (25,721) | | (25,721) | | | 65 | (25,656) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Stockholders' Equity | 9,366 | | 9,366 | | 1,222 | (8,343) | 2,245 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Stockholders' Equity | \$ 382,436 | \$ (9,801) | \$ 372,635 | \$ | \$ 1,783 | \$ (8,243) | \$ 366,175 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

The accompanying notes are an integral part of the
Unaudited Pro Forma Condensed Consolidated Financial Statements.

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GENERAL MOTORS

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF INCOME FROM CONTINUING OPERATIONS**

For the Three Months Ended March 31, 2003

| | GM | Pro Forma | Pro Forma After Transactions | Other Pro Forma Adjustments | Pro Forma |
|--|--------------------------------------|--------------|---------------------------------------|--------------------------------------|--------------|
| | Historical | Adjustments | Adjustments | Adjustments | Adjustments |
| | _____ | _____ | _____ | _____ | _____ |
| | (in millions, except per share data) | | | | |
| Total net sales and revenues | \$49,365 | \$(2,227) | \$47,138 | \$ | \$47,138 |
| Cost of sales and other expenses | 39,383 | (1,480) | 37,903 | | 37,903 |
| Selling, general, and administrative expenses | 5,706 | (716) | 4,990 | | 4,990 |
| Interest expense | 2,128 | (81) | 2,047 | | 2,047 |
| <hr/> | | | | | |
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| <hr/> | | | | | |
| <hr/> | | | | | |
| Total costs and expenses | 47,217 | (2,277) | 44,940 | | 44,940 |
| Income from continuing operations before income taxes and minority interests | 2,148 | 50 | 2,198 | | 2,198 |
| Income tax expense | 656 | 26 | 682 | | 682 |
| Equity and minority interests income (loss) | (9) | 30 | 21 | | 21 |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| Income (loss) from continuing operations | 1,483 | 54 | 1,537 | | 1,537 |

Income (loss) from discontinued operations
(54) (54) 54

Net income

1,483 1,483 54 1,537
Dividends on preference stocks

Earnings attributable to common stocks

\$1,483 \$ 1,483 \$54 \$1,537

Earnings Per Share:

GM \$1 2/3 par value common stock:

Basic earnings per share (EPS) from continuing operations

\$2.71 \$2.74

Diluted EPS from continuing operations

\$2.71 \$2.74

GM Class H common stock:

Basic EPS from continuing operations

\$(0.04) \$ (h)

Diluted EPS from continuing operations

\$(0.04) \$ (h)

Shares Outstanding:

GM \$1 2/3 par value common stock:

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Average shares outstanding
560.6 560.6
Adjusted diluted shares outstanding
560.7 560.7
GM Class H common stock:

Average shares outstanding
989.8 (h)
Adjusted diluted shares outstanding
989.8 (h)

The accompanying notes are an integral part of the
Unaudited Pro Forma Condensed Consolidated Financial Statements.

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GENERAL MOTORS

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
STATEMENT OF INCOME FROM CONTINUING OPERATIONS**

For the Year Ended December 31, 2002

| | GM | Pro Forma | Pro Forma After | Other Pro Forma | Pro Forma |
|--|--------------------------------------|--------------|-----------------------|-----------------------|--------------|
| | Historical | Adjustments | Transaction | Adjustments | Pro Forma |
| | _____ | _____ | _____ | _____ | _____ |
| | (in millions, except per share data) | | | | |
| Total net sales and revenues | \$186,763 | \$(9,487) | \$177,276 | \$ | \$177,276 |
| Cost of sales and other expenses | 153,344 | (6,165) | 147,179 | | 147,179 |
| Selling, general, and administrative expenses | 23,624 | (3,244) | 20,380 | | 20,380 |
| Interest expense | 7,715 | (336) | 7,379 | | 7,379 |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| <hr/> | | | | | |
| Total costs and expenses | 184,683 | (9,745) | 174,938 | | 174,938 |
| Income from continuing operations before income taxes and minority interests | 2,080 | 258 | 2,338 | | 2,338 |
| Income tax expense | 533 | 111 | 644 | | 644 |
| Equity and minority interests income (loss) | 189 | 92 | 281 | | 281 |
| <hr/> | | | | | |
| <hr/> | | | | | |
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| <hr/> | | | | | |
| <hr/> | | | | | |
| Income (loss) from continuing operations | 1,736 | 239 | 1,975 | | 1,975 |

Income (loss) from discontinued operations
 (239) (239) 239

Net income

1,736 1,736 239 1,975
 Dividends on preference stocks
 (47) (47) 47(i)

Earnings attributable to common stocks

\$1,689 \$ 1,689 \$286 \$1,975

Earnings Per Share:

GM \$1 2/3 par value common stock:

Basic earnings per share (EPS) from continuing operations
 \$3.37 \$3.53
 Diluted EPS from continuing operations
 \$3.35 \$3.51

GM Class H common stock:

Basic EPS from continuing operations
 \$(0.21) \$ (h)
 Diluted EPS from continuing operations
 \$(0.21) \$ (h)

Shares Outstanding:

GM \$1 2/3 par value common stock:

Average shares outstanding

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| | |
|-------------------------------------|-------|
| 560.0 | 560.0 |
| Adjusted diluted shares outstanding | |
| 562.0 | 562.0 |

GM Class H common stock:

| | |
|-------------------------------------|-----|
| Average shares outstanding | |
| 919.8 | (h) |
| Adjusted diluted shares outstanding | |
| 919.8 | (h) |

The accompanying notes are an integral part of the
Unaudited Pro Forma Condensed Consolidated Financial Statements.

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Notes to General Motors Unaudited Pro Forma

Condensed Consolidated Financial Statements

- (a) Records removal of the assets and liabilities of Hughes prior to the items discussed in notes (b), (d), and (g), and the reclassification of Hughes' operating results to income from discontinued operations upon the receipt of the requisite GM common stockholder approval of each of the five proposals relating to the transactions and the satisfaction of all regulatory related conditions to the transactions.
- (b) Records the net assets of Hughes as discontinued operations.
- (c) Consolidation adjustments which are not required if Hughes is a separate company.
- (d) Reflects the receipt by GM of the \$275 million special cash dividend from Hughes and an associated reduction in GM's investment book value in Hughes.
- (e) Records the sale of GM's 19.9% retained economic interest in Hughes to News Corporation pursuant to the GM/News stock sale. For pro forma purposes, GM's retained economic interest percentage as of March 31, 2003 is used. The gain was calculated as follows:

Proceeds:
 Total shares of Hughes
 Class B common stock
 (in millions)
 274
 Price per share
 x\$14.00

Total
 3,841
 Fixed price shares
 percentage
 x80%

Fixed price shares' cash
 proceeds
 3,073
 Variable price shares
 percentage
 x20%

Variable price
 shares' News Corp
 Preferred ADSs
 768

Total proceeds
 3,841 Historical
 book value of GM's
 investment in Hughes as

of March 31,
2003 \$10,641

Adjustment to reflect the
special cash dividend
from Hughes (275)

Pro forma book value
of GM's investment in
Hughes as of March 31,
2003 10,366 GM's
percentage retained
economic interest in
Hughes 19.9%

Pro forma book value
of GM's 19.9% retained
economic interest in
Hughes as of March 31,
2003 2,058 Pre-tax
gain 1,783 Tax
expense, calculated at
38% of the proceeds less
the tax basis of GM's
economic interest in
Hughes (561)

Net gain \$1,222

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- (f) Records the distribution, in the Hughes split-off exchange, of Hughes common stock at book value based on Accounting Principles Board (APB) Opinion No. 29, Accounting for Nonmonetary Transactions, and the Financial Accounting Standards Board's Emerging Issues Task Force Issue 01-02, Interpretations of APB Opinion No. 29.
- (g) Adjustment to reflect estimated transaction costs including financial advisory, legal and accounting fees.
- (h) After the Hughes split-off and the GM/News stock sale are completed, the GM Class H common stock will no longer be outstanding and GM will only have one class of common stock outstanding, the GM \$1 2/3 par value common stock.
- (i) Assumes the cancellation of the GM Series H preference stock at the time of the transactions.
- (j) To reflect the removal of other comprehensive income items as a result of the Hughes split-off.

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The following table sets forth the capitalization of General Motors and its consolidated subsidiaries at March 31, 2003, and as adjusted to reflect the completion of the separation of Hughes from GM and acquisition by News Corporation of 34% of Hughes. The table below should be read in conjunction with GM's consolidated financial statements (including the notes thereto) in GM's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and with Management's Discussion and Analysis of Financial Condition and Results of Operations which has been restated to comply with SEC Regulation G and is included in this Current Report on Form 8-K, and GM's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003.

The pro forma information gives effect to the transactions.

| | As of March 31, 2003 | | |
|--|----------------------|-----------------|----------------|
| | Historical | Adjustments | Pro Forma |
| | (in millions) | | |
| Notes and loans payable | \$ 211,726 | \$ (5,015) | \$ 206,711 |
| Minority Interests | 835 | (564) | 271 |
| Stockholders' Equity | | | |
| GM common stock | | | |
| GM \$1 2/3 par value common stock | 934 | | 934 |
| GM Class H common stock | 111 | (111) | |
| Capital surplus (principally additional paid-in capital) | 22,808 | (8,197) | 14,611 |
| Retained earnings | 11,234 | 1,122 | 12,356 |
| | <u>35,087</u> | <u>(7,186)</u> | <u>27,901</u> |
| Subtotal | 35,087 | (7,186) | 27,901 |
| Accumulated foreign currency translation adjustments | (2,665) | 27 | (2,638) |
| Net unrealized loss on derivatives | (196) | 3 | (193) |
| Net unrealized gains on securities | 344 | 3 | 347 |
| Minimum pension liability adjustment | (23,204) | 32 | (23,172) |
| | <u>9,366</u> | <u>(7,121)</u> | <u>2,245</u> |
| Total stockholders' equity | \$ 9,366 | \$ (7,121) | \$ 2,245 |
| | <u>221,927</u> | <u>(12,700)</u> | <u>209,227</u> |
| Total capitalization | \$ 221,927 | \$ (12,700) | \$ 209,227 |
| Amount Available for the Payment of Dividends | | | |
| GM \$1 2/3 par value common stock | \$ 11,596 | \$ 15,371 | \$ 26,967 |
| GM Class H common stock | 22,446 | (22,446) | |
| | <u>34,042</u> | <u>(7,075)</u> | <u>26,967</u> |
| Total | \$ 34,042 | \$ (7,075) | \$ 26,967 |

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SIGNATURE

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 hereunto duly authorized.

GENERAL MOTORS CORPORATION

(Registrant)

Date June 19, 2003

By
/s/ Peter R. Bible

(Peter R. Bible,
Chief Accounting Officer)

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