

FORD MOTOR CO
Form 8-K
December 22, 2005

**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: December 21, 2005
(Date of earliest event reported)

FORD MOTOR COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-3950
(Commission File Number)

38-0549190
(IRS Employer Identification No.)

One American Road, Dearborn, Michigan
(Address of principal executive offices)

48126
(Zip Code)

Registrant's telephone number, including area code 313-322-3000

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:

- ☐ 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 140.14a-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 2.01. Completion of Acquisition or Disposition of Assets.

Pursuant to a Stock Purchase Agreement dated as of September 12, 2005, Ford Motor Company, through its wholly-owned subsidiary, Ford Holdings LLC, sold its 100% ownership interest in The Hertz Corporation to CCMG Holdings, Inc. (or a wholly owned subsidiary) (the "Buyer") on December 21, 2005. The Buyer is owned by an investor group composed of Clayton Dubilier & Rice, The Carlyle Group and Merrill Lynch Global Private Equity.

Ford received \$5.6 billion in cash for the sale of Hertz. As part of the transaction, Ford provided cash-collateralized letters of credit in an aggregate amount of \$200 million to support the asset-backed portion of the Buyer's financing for the transaction. These letters of credit will expire no later than December 21, 2011. The value of these letters of credit (estimated at \$27 million) will reduce the gain Ford will recognize on the sale of Hertz, which gain is estimated to be in the range of \$1.1 billion to \$1.3 billion pre-tax. The actual amount of the gain is dependent on Hertz' results to be consolidated by Ford through December 20, 2005.

Item 9.01. Financial Statements and Exhibits.

The following unaudited pro forma condensed statements of income (consolidated and sector) for the year ended December 31, 2004 and the nine months ended September 30, 2005 have been prepared to present Ford's results of operations with the deletion of the previously consolidated Hertz' results of operations as if the sale of Hertz had occurred on January 1, 2004 and do not include the nonrecurring gain from the sale of Hertz. The unaudited pro forma condensed balance sheets (consolidated and sector) as of September 30, 2005 have been prepared to present Ford's financial position as if the sale of Hertz had occurred on September 30, 2005.

The unaudited pro forma statements do not purport to be indicative of the financial position or results of operations of Ford as of such date or for such periods, nor are they indicative of future results. Furthermore, these unaudited pro forma financial statements do not reflect changes which may occur as a result of activities after the sale of Hertz.

Item 9.01. Financial Statements and Exhibits (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)

	Nine Months Ended September 30, 2005			Year Ended December 31, 2004		
	Historical Statement	Pro Forma Adjustments -- Hertz --	Pro Forma Statement	Historical Statement	Pro Forma Adjustments -- Hertz --	Pro Forma Statement
	(a)			(a)		
Sales and revenues						
Automotive sales	\$ 112,692	\$ —	\$ 112,692	\$ 147,128	\$ —	\$ 147,128
Financial Services revenues	17,848	(5,639)	12,209	24,518	(6,681)	17,837
Total sales and revenues	130,540	(5,639)	124,901	171,646	(6,681)	164,965
Costs and expenses						
Cost of sales	105,803	—	105,803	135,852	—	135,852
Selling, administrative and other expenses	18,200	(4,597)	13,603	23,901	(5,627)	18,274
Interest expense	5,659	(379)	5,280	7,071	(408)	6,663
Provision for credit and insurance losses	350	(127)	223	1,212	(153)	1,059
Total costs and expenses	130,012	(5,103)	124,909	168,036	(6,188)	161,848
Automotive interest income and other non-operating income/(expense), net	1,111	—	1,111	988	—	988
Automotive equity in net income/(loss) of affiliated companies	259	—	259	255	—	255
Income/(loss) before income taxes	1,898	(536)	1,362	4,853	(493)	4,360
Provision for/(benefit from) income taxes	(127)	(120)	(247)	938	(134)	804
Income/(loss) before minority interests	2,025	(416)	1,609	3,915	(359)	3,556
Minority interests in net income/(loss) of subsidiaries	196	(9)	187	282	(3)	279
Income/(loss) from continuing operations	\$ 1,829	\$ (407)	\$ 1,422	\$ 3,633	\$ (356)	\$ 3,277
AMOUNTS PER SHARE OF COMMON AND CLASS B STOCK						
Basic income/(loss)						
Income/(loss) from continuing operations	\$ 0.99	\$ (0.22)	\$ 0.77	\$ 1.99	\$ (0.20)	\$ 1.79

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Number of shares used to compute amounts per share	1,839	—	1,839	1,826	—	1,826
Diluted income/(loss)						
Income/(loss) from continuing operations	\$ 0.93	\$ (0.19)	\$ 0.74	\$ 1.80	\$ (0.16)	\$ 1.64
Number of shares used to compute amounts per share	2,131	—	2,131	2,126	—	2,126

(a) To delete Hertz' results of operations previously consolidated in Ford's historical statements.

Item 9.01. Financial Statements and Exhibits (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED SECTOR STATEMENTS OF INCOME
(in millions, except per share amounts)

	Nine Months Ended September 30, 2005			Year Ended December 31, 2004		
	Historical Statement	Pro Forma Adjustments -- Hertz --	Pro Forma Statement	Historical Statement	Pro Forma Adjustments -- Hertz --	Pro Forma Statement
	(a)			(a)		
AUTOMOTIVE						
Sales	\$ 112,692	\$ —	\$ 112,692	\$ 147,128	\$ —	\$ 147,128
Costs and expenses						
Cost of sales	105,803	—	105,803	135,852	—	135,852
Selling, administrative and other expenses	8,996	—	8,996	11,453	—	11,453
Total costs and expenses	114,799	—	114,799	147,305	—	147,305
Operating income/(loss)	(2,107)	—	(2,107)	(177)	—	(177)
 Interest expense	 960	 —	 960	 1,221	 —	 1,221
 Interest income and other non-operating income/(expense), net	 1,111	 —	 1,111	 988	 —	 988
Equity in net income/(loss) of affiliated companies	259	—	259	255	—	255
Income/(loss) before income taxes — Automotive	(1,697)	—	(1,697)	(155)	—	(155)
FINANCIAL SERVICES						
Revenues	17,848	(5,639)	12,209	24,518	(6,681)	17,837
Costs and expenses						
Interest expense	4,699	(379)	4,320	5,850	(408)	5,442
Depreciation	4,591	(1,214)	3,377	6,618	(1,603)	5,015
Operating and other expenses	4,613	(3,383)	1,230	5,830	(4,024)	1,806
Provision for credit and insurance losses	350	(127)	223	1,212	(153)	1,059
Total costs and expenses	14,253	(5,103)	9,150	19,510	(6,188)	13,322
Income/(loss) before income taxes — Financial Services	3,595	(536)	3,059	5,008	(493)	4,515
TOTAL COMPANY						
Income/(loss) before income taxes	1,898	(536)	1,362	4,853	(493)	4,360
Provision for/(benefit from) income taxes	(127)	(120)	(247)	938	(134)	804

