

Financial Statement Analysis

Intermediate Accounting II

AMA202.0038

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Analysis as of May 5th, 2006

U.S. Economy Analysis

Several GDP components that weakened in the fourth quarter picked up in the first quarter:

- **Consumer spending accelerated, increasing 5.5 percent after increasing 0.9 percent. Spending on motor vehicles turned up.**
- **Business investment in equipment and software increased 16.4 percent after increasing 5.0 percent.**
- **Federal government spending turned up, increasing 10.8 percent after decreasing 2.6 percent.**
- **Exports increased 12.1 percent after increasing 5.1 percent in the fourth quarter and 2.5 percent in the third quarter.**

U.S. Auto Manufacturers Industry Overview

- North American players are having success in Asia while floundering at home.
- In fact as GM and Ford struggle to cut capacity, Chrysler announced in early 2006 that it would increase North American capacity by as much as 43% by 2007.
- Toyota and Honda are leaders in the development of hybrid technology which, as fuel prices soar, will almost certainly be a key product strategy as time goes on.

U.S. ECONOMY ANALYSIS (CONT'D)

Prices

- Inflation, as measured by prices for domestic purchases, increased 2.7 percent, following an increase of 3.7 percent. Excluding food and energy, prices increased 3.1 percent, following a 3.2-percent increase.

Disposable Income

- Real disposable personal income, the amount available for personal spending or saving, increased 3.2 percent after increasing 6.7 percent in the fourth quarter. The fourth-quarter increase reflected a rebound from a hurricane-related decline in the third quarter.

Trend Analysis

■ In 1980, Ford, GM, Chrysler and the now-defunct American Motors Corp., owned 74% of the U.S. passenger car market, according to Ward's AutoInfoBank.

■ By 2004, Detroit's share of passenger car sales had shrunk to 46%. The US\$850 billion global automotive industry is paced by the Japanese, particularly Japan's uber-brand Toyota, which threatens to overtake General Motors as the world's largest automobile manufacturer in 2006.

■ Hot trends: hybrids and crossover SUVs.

U.S. ORIGINATION AUTO MANUFACTURERS



FORD MOTOR COMPANY

- Ford Motor was founded in 1903 and is based in Dearborn, Michigan.

- Ford Motor Company engages in the manufacture and distribution of automobiles worldwide.

- It manufactures and sells cars and trucks, and related service parts under Aston Martin, Ford, Jaguar, Land Rover, Lincoln, Mazda, Mercury, and Volvo brand names.

- Ford markets its products through retail dealers in North America, and through distributors and dealers outside of North America, as well as sells its products to dealers for sale to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies, and governments.

- The company operates in approximately 200 markets across 6 continents.

DAIMLERCHRYSLER AG

■ DaimlerChrysler markets its products and services through dealers and wholesale distributors, as well as through its own retail outlets in Europe and Canada. The company was founded in 1883 and is headquartered in Stuttgart, Germany.

■ DaimlerChrysler AG engages in the development, manufacture, distribution, and sale of various automotive products, primarily passenger cars, light trucks, and commercial vehicles worldwide.

■ The Chrysler Group segment offers cars and minivans, pick-up trucks, sport utility vehicles, and vans under the Chrysler, Jeep, and Dodge brand names. It also sells parts and accessories under the MOPAR brand.

■ The Commercial Vehicles segment produces commercial vehicles, including vans, trucks, and buses under the brand names Mercedes-Benz, Freightliner, Sterling, Mitsubishi Fuso, Setra, Thomas Built Buses, Western Star, and Orion.

GENERAL MOTORS CORPORATION

- General Motors was founded in 1908 and is headquartered in Detroit, Michigan.
- General Motors Corporation, together with its subsidiaries, primarily engages in the design, manufacture, and marketing of automotive products worldwide.
- The Automotive segment designs, manufactures, and markets passenger cars, including small, medium size, sport, and luxury cars; and trucks, including pickups, vans, utilities, and medium duty trucks.
- This segment consists of four automotive regions: GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM), and GM Asia Pacific (GMAP).
- GMNA offers vehicles primarily in North America under the nameplates Chevrolet, Pontiac, GMC, Buick, Cadillac, Saturn, and HUMMER. GME, GMLAAM, and GMAP provide vehicles outside North America under the following nameplates: Opel, Vauxhall, Holden, Saab, Buick, Chevrolet, GMC, Cadillac, and Daewoo.

Stock Price History Comparison

Stock Price History

Beta:

52-Week Change³:

S&P500 52-Week Change³:

52-Week High (18-Jul-05)³:

52-Week Low (29-Dec-05)³:

50-Day Moving Average³:

200-Day Moving Average³:

F

2.42

-28.71%

6.28%

11.48

6.75

7.16

7.8877

FY 2006

DCX

1.95

31.34%

6.28%

60.22

39.19

55.35

54.38

GM

2.19

-12.68%

6.28%

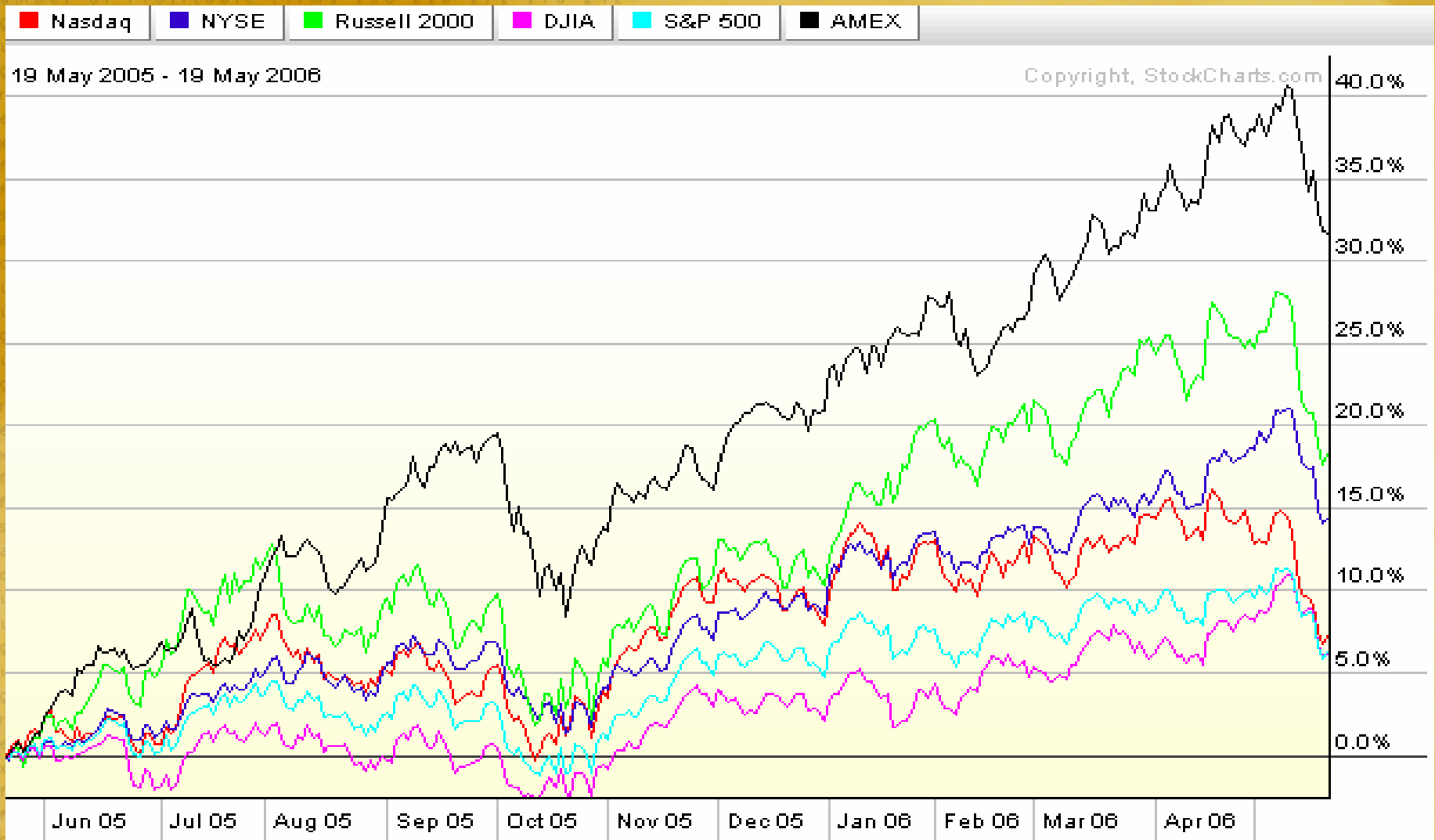
37.7

18.33

22.94

22.08

OVERVIEW OF STOCK PERFORMANCES



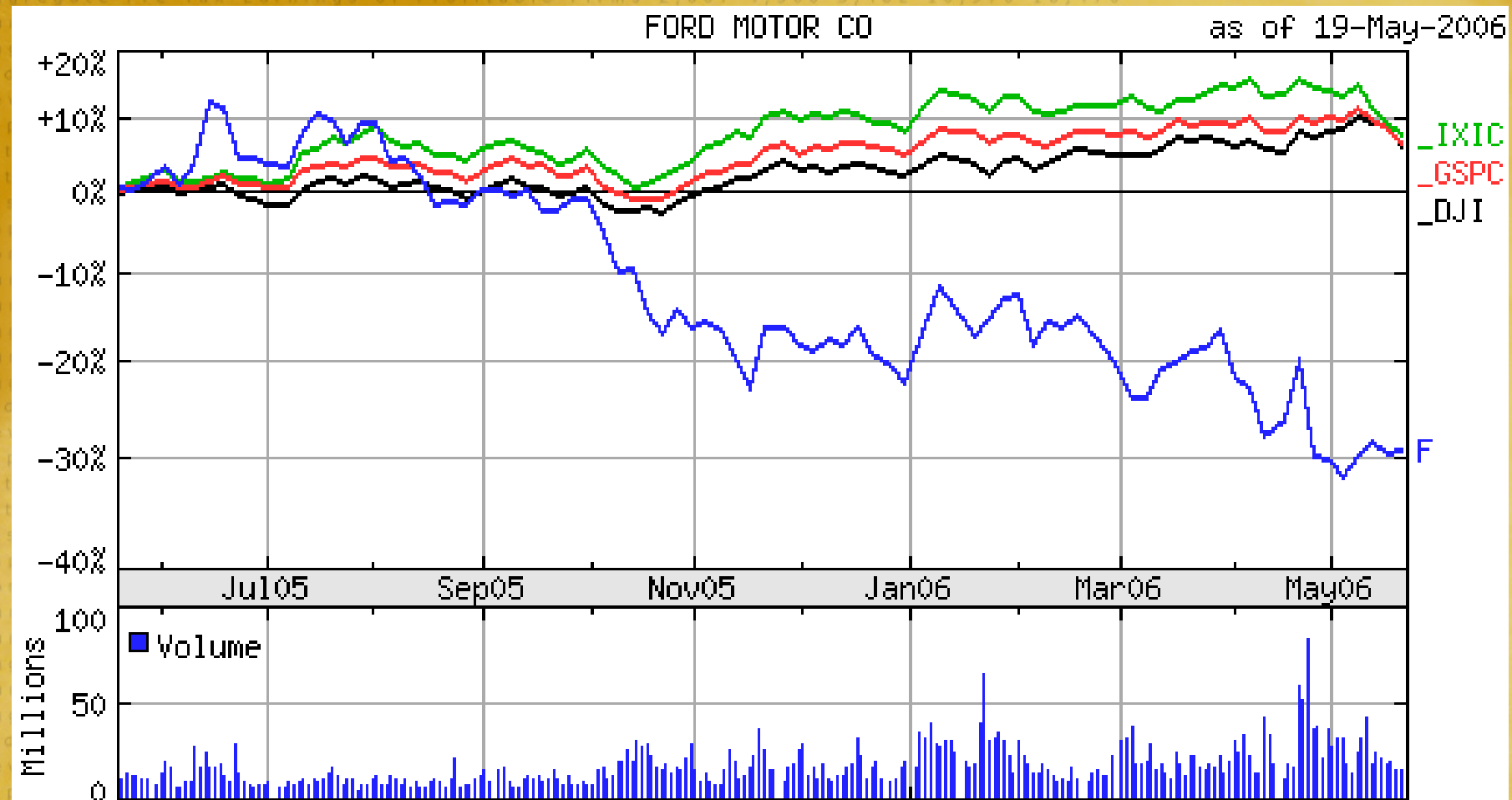
Share Statistical Comparison

Share Statistics

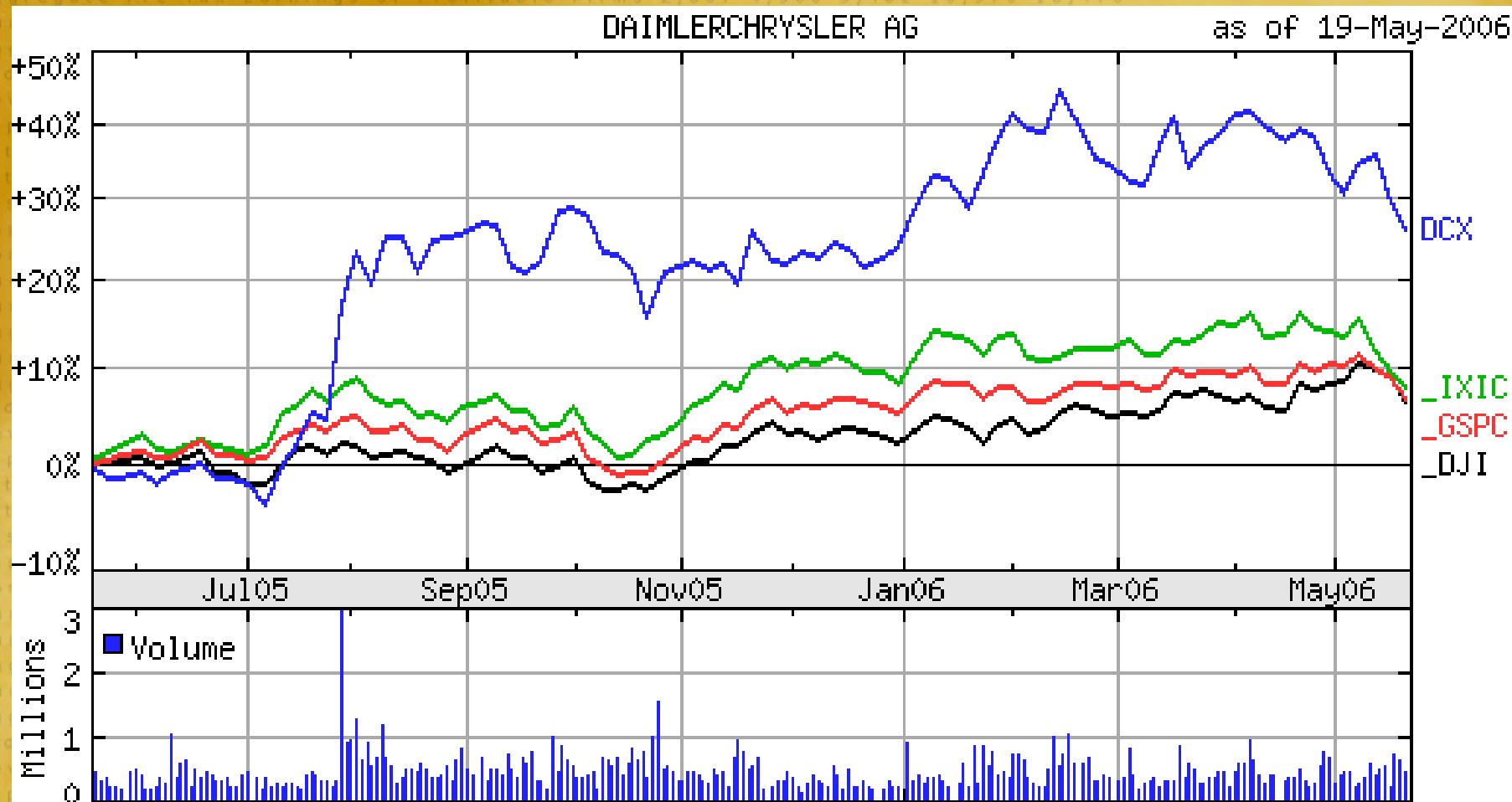
	F	DCX	GM
Average Volume (3 month) ³ :	25,589,700	444,527	12,457,400
Average Volume (10 day) ³ :	22,758,400	475,200	14,592,300
Shares Outstanding:	1.88B	1.02B	565.56M
Float:	1.83B	1.02B	508.89M
% Held by Insiders ⁴ :	1.10%	0.02%	10.20%
% Held by Institutions ⁴ :	49.30%	15.10%	86.20%
Shares Short (as of 10-Apr-06) ³ :	107.84M	3.46M	86.80M
Short Ratio (as of 10-Apr-06) ³ :	5.5	7.4	6.9
Short % of Float (as of 10-Apr-06) ³ :	5.90%	N/A	15.40%
Shares Short (prior month) ³ :	103.62M	3.07M	87.52M

FY 2006

FORD MOTOR COMPANY STOCK PERFORMANCE

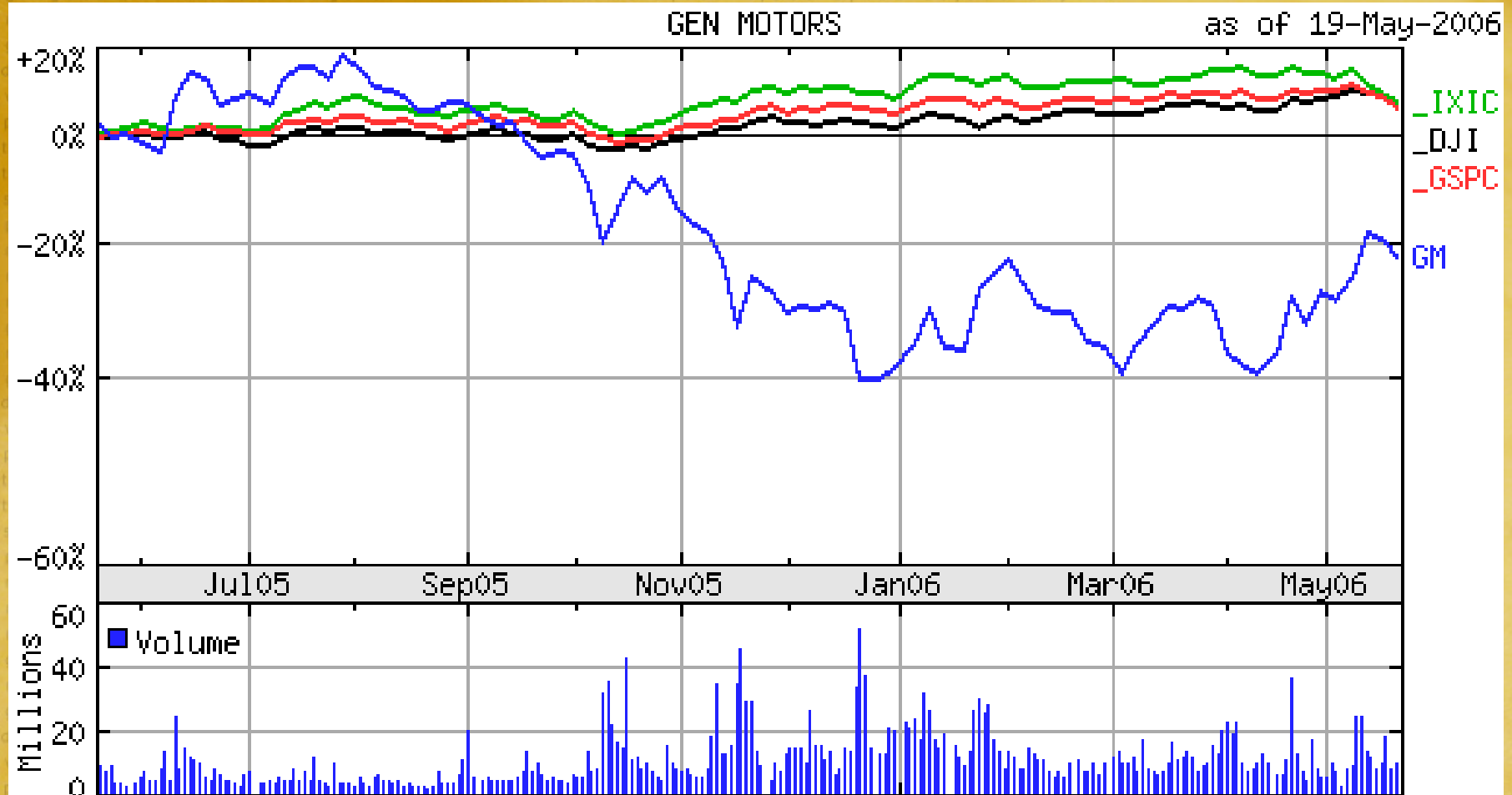


DAIMLERCHRYSLER AG STOCK PERFORMANCE



GENERAL MOTORS CORPORATION

STOCK PERFORMANCE



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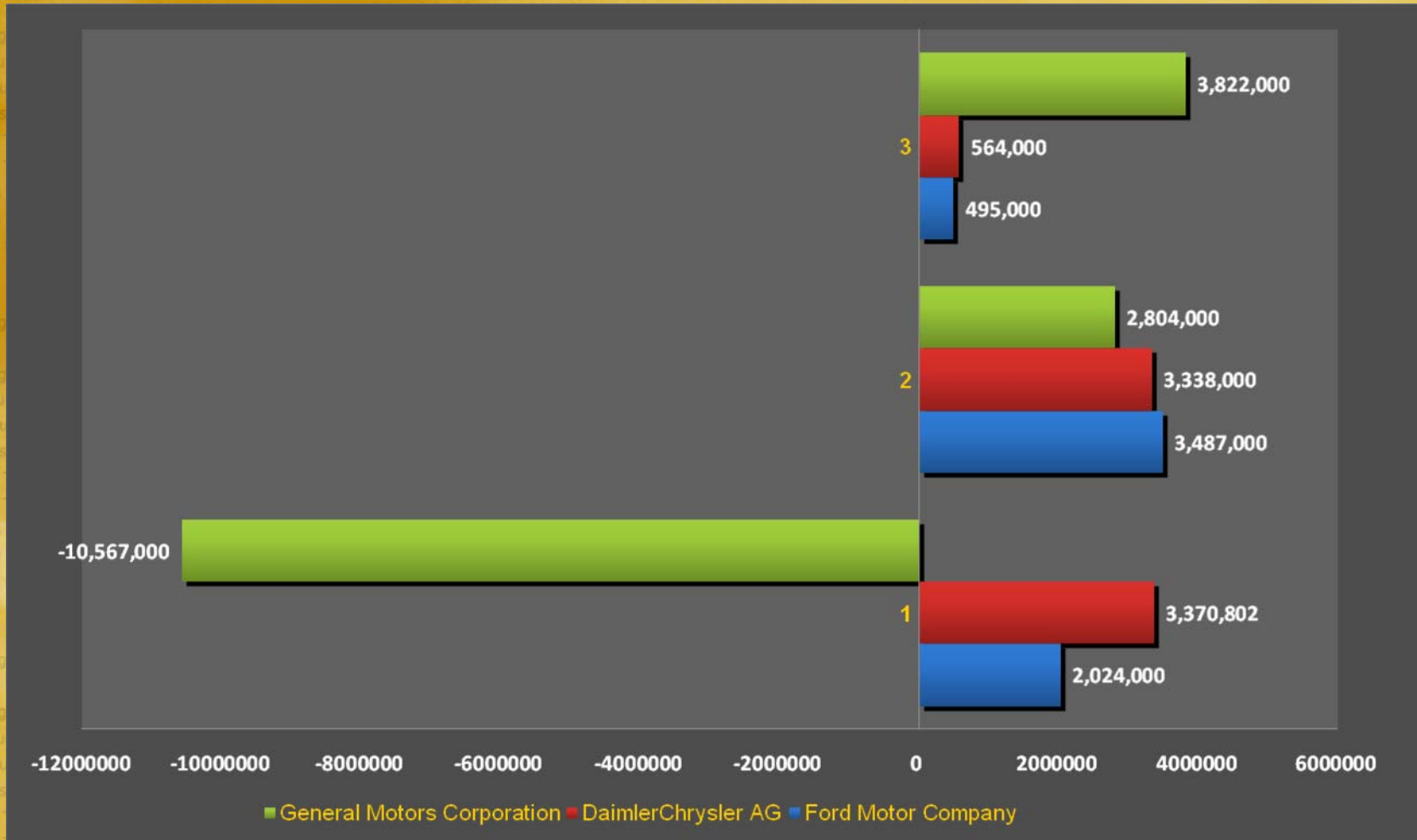
<http://finance.yahoo.com/>

Dividends and Splits Comparison

Dividends & Splits

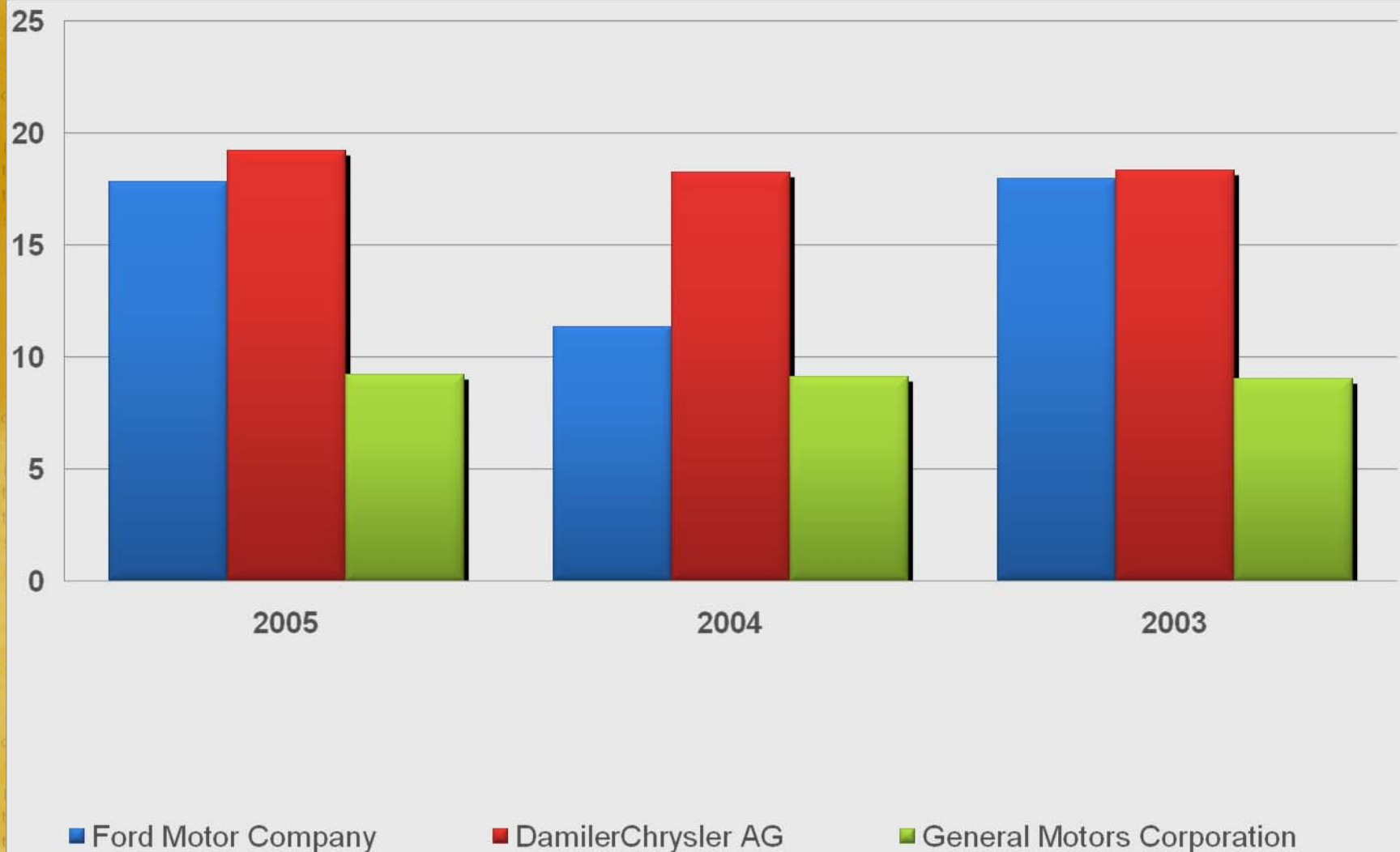
	F	DCX	GM
Forward Annual Dividend Rate ⁵ :	0.4	1.82	1
Forward Annual Dividend Yield ⁵ :	5.80%	3.50%	3.80%
Trailing Annual Dividend Rate ³ :	0.4	1.82	1.5
Trailing Annual Dividend Yield ³ :	5.60%	3.40%	5.40%
5 Year Average Dividend Yield ⁵ :	4.10%	3.80%	5.70%
Payout Ratio ⁵ :	N/A	124%	N/A
Dividend Date ³ :	1-Jun-06	13-Apr-06	10-Jun-06
Ex-Dividend Date ⁵ :	28-Apr-06	13-Apr-06	10-May-06
Last Split Factor (new per old) ² :	2:01	N/A	2:01
Last Split Date ³ :	6-Jul-94	N/A	29-Mar-89
FY 2006			

Income Statement Comparison

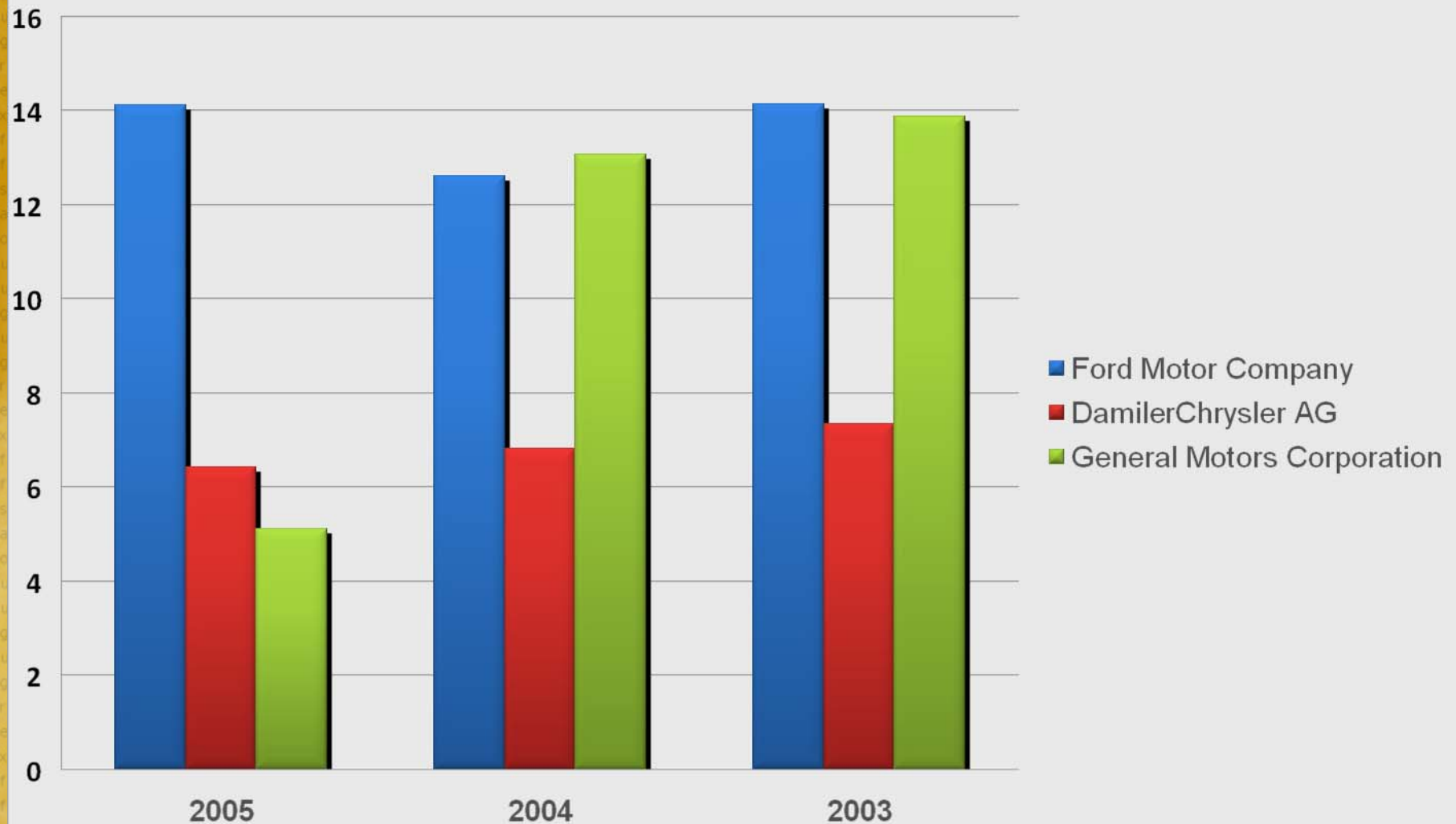


				Ford Motor Company	DaimlerChrysler AG	General Motors Corporation
INCOME STATEMENT				31-Dec-05	31-Dec-05	31-Dec-05
Period Ending						
Total Revenue				177,089,000	177,394,694	192,604,000
Cost of Revenue				144,944,000	145,555,654	171,033,000
Gross Profit				32,145,000	31,839,041	21,571,000
Research Development					6,690,676	-
Selling General and Administrative				24,652,000	22,484,650	22,734,000
Non Recurring				-	-1,151,237	-
Others				483,000	-	-
Operating Income or Loss				7,010,000	3,814,952	-1,163,000
Total Other Income/Expenses Net				2,629,000	257,015	-
Earnings Before Interest And Taxes				9,639,000	4,071,967	-1,163,000
Interest Expense				7,643,000	-	15,768,000
Income Before Tax				1,996,000	4,071,967	-16,931,000
Income Tax Expense				-512,000	607,597	-5,878,000
Minority Interest				-280,000	-87,646	595,000
Net Income From Continuing Ops				2,228,000	3,376,724	-10,458,000
Discontinued Operations				47,000		-
Effect Of Accounting Changes				-251,000	-5,922	-109,000
Net Income				2,024,000	3,370,802	-10,567,000
N.I. Applicable To Com. Shares				\$2,024,000	\$3,370,802	(\$10,567,000)

Accounts Receivable Turnover Rate



Inventory Turnover Rate



Ford Motor Company

Income Statement Footnotes

- In May 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections* – a replacement of APB Opinion
- No. 20 and SFAS No. 3. This statement changes the requirements for accounting and reporting of a voluntary change in accounting principle and changes required by an accounting pronouncement when the specific transition provisions are absent. This statement requires retrospective application to prior periods' financial statements of changes in accounting principle. If it is impracticable to determine either the period-specific effects or the cumulative effect of the change, this statement requires that the new accounting principle be adopted prospectively from the earliest practicable date.

DaimlerChrysler AG

Income Statement Footnotes

■ The accounting for securitized sold receivables is based upon the financial component approach that focuses on control according to the provisions of Statement of Financial Accounting Standards (“SFAS”) 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities.”

■ In June 2005 the FASB ratified EITF 05-5, “Accounting for Early Retirement or Postemployment Programs with Specific Features.” EITF 05-5 provides guidance on the accounting for the German Altersteilzeit (“ATZ”) early retirement program and other types of benefit arrangements with the same or similar terms.

General Motors Corporation

Income Statement Footnotes

■ In December 2005, the FASB released FASB Staff Position (FSP) SFAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards," which provides a practical transition election related to accounting for the tax effects of share-based payment awards to employees. The Corporation is currently reviewing the transition alternatives and will elect the appropriate alternative within one year of the adoption of SFAS 123(R).

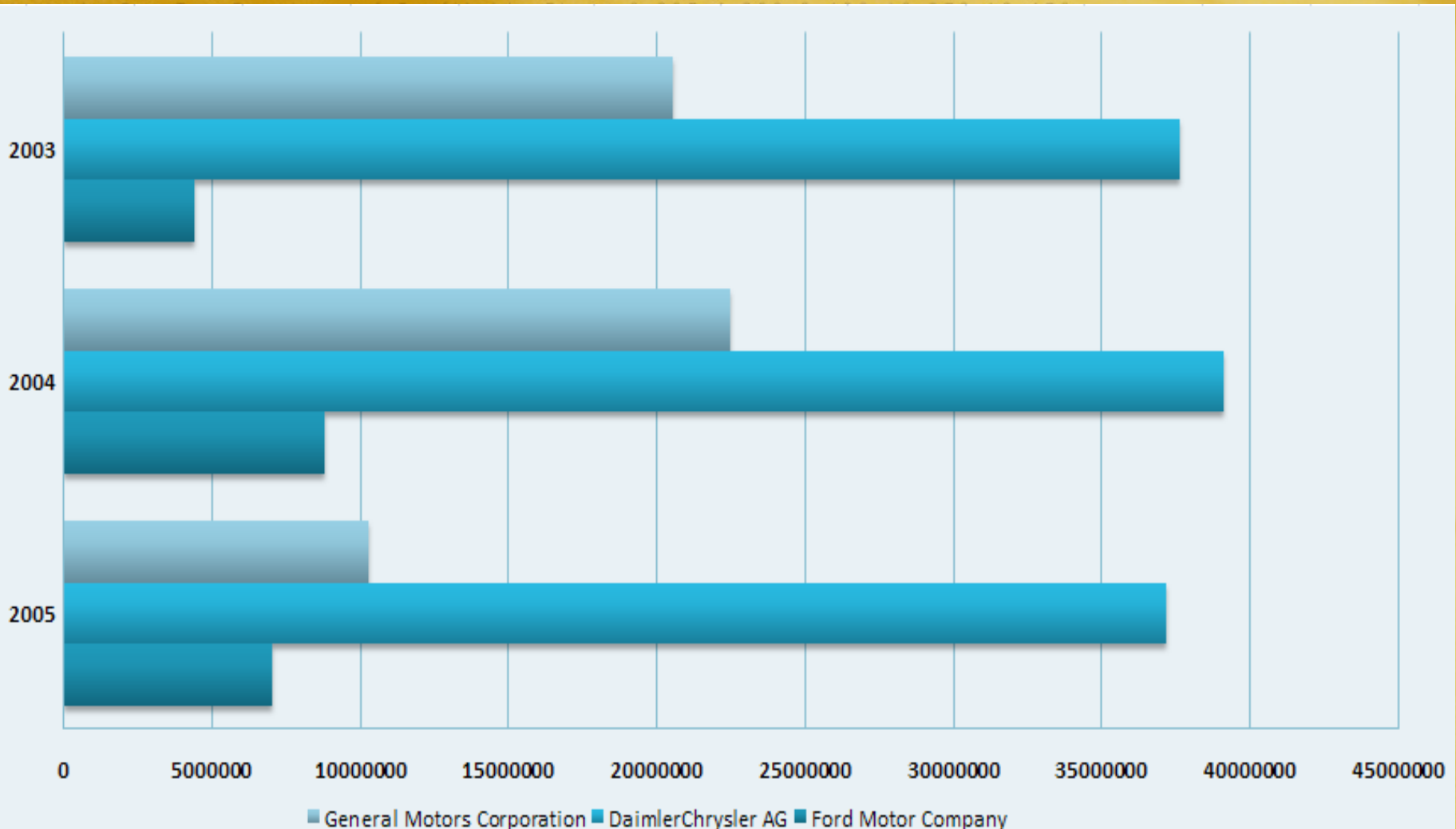
■ To estimating the residual value at lease termination, we must also evaluate the current value of the operating lease assets and test for the impairment to the extent necessary in accordance with Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS 144)*.

Income Statement Statistical Comparison

Income Statement	F	DCX	GM
Revenue (ttm):	173.01B	199.76B	199.08B
Revenue Per Share (ttm):	93.417	196.599	352.191
Qtrly Revenue Growth (yoy):	-9.00%	17.10%	14.10%
Gross Profit (ttm):	32.15B	-6.52M	21.57B
EBITDA (ttm):	12.15B	21.15B	6.75B
Net Income Avl to Common (ttm):	-136.00M	3.69B	-8.76B
Diluted EPS (ttm):	-0.116	3.6	-15.69
Qtrly Earnings Growth (yoy):	N/A	3.80%	N/A

FY 2006

Balance Sheet Statement Comparison



BALANCE SHEET		Ford Motor Company			DaimlerChrysler AG			General Motors Corporation		
Period Ending	31-Dec-05	31-Dec-04	31-Dec-03	31-Dec-05	31-Dec-04	31-Dec-03	31-Dec-05	31-Dec-04	31-Dec-03	
Assets										
Current Assets										
Cash And Cash Equivalents	31,499,000	23,511,000	21,770,000	9,132,908	10,520,000	13,878,000	30,726,000	35,993,000	32,554,000	
Short Term Investments	-	-	11,872,000	5,846,198	5,258,000	4,117,000	19,726,000	-	22,215,000	
Net Receivables	9,942,000	15,137,000	15,738,000	81,363,542	103,783,000	93,932,000	15,578,000	21,236,000	20,532,000	
Inventory	10,271,000	10,766,000	9,181,000	22,668,232	22,733,000	18,830,000	33,384,000	12,247,000	10,960,000	
Other Current Assets	-	-	-	10,340,996	-	-	-	-	-	
Total Current Assets	51,712,000	49,414,000	58,561,000	129,351,877	142,294,000	130,757,000	99,414,000	69,476,000	86,261,000	
Long Term Investments	146,697,000	155,912,000	151,378,000	7,528,046	9,535,000	11,020,000	205,949,000	241,271,000	198,778,000	
Property Plant and Equipment	40,707,000	44,551,000	43,598,000	85,692,524	82,191,000	72,183,000	78,401,000	73,234,000	72,594,000	
Goodwill	5,125,000	6,104,000	6,147,000	2,227,856	2,712,000	2,288,000	3,203,000	3,874,000	3,790,000	
Intangible Assets	820,000	1,167,000	1,115,000	3,779,420	3,616,000	3,551,000	1,136,000	1,051,000	970,000	
Accumulated Amortization	-	-	-	-	-	-	-	-	-	
Other Assets	18,534,000	30,676,000	36,406,000	1,647,500	1,395,000	1,379,000	58,086,000	64,456,000	58,924,000	
Deferred Long Term Asset Charges	5,881,000	4,830,000	7,389,000	8,585,716	5,591,000	3,386,000	29,889,000	26,559,000	27,190,000	
Total Assets	269,476,000	292,654,000	304,594,000	238,812,941	247,334,000	224,564,000	476,078,000	479,921,000	448,507,000	
Liabilities										
Current Liabilities										
Accounts Payable	95,790,000	52,676,000	50,011,000	72,571,741	37,423,000	49,345,000	113,973,000	107,170,000	99,352,000	
Short/Current Long Term Debt	-	-	-	43,210,465	25,815,000	35,587,000	-	-	-	
Other Current Liabilities	-	-	-	9,978,570	39,236,000	-	-	-	-	
Total Current Liabilities	95,790,000	52,676,000	50,011,000	125,760,776	102,474,000	84,932,000	113,973,000	107,170,000	99,352,000	
Long Term Debt	154,332,000	172,973,000	179,804,000	52,645,396	46,116,000	59,760,000	285,750,000	300,279,000	271,756,000	
Other Liabilities	-	43,912,000	54,030,000	1,656,976	40,681,000	25,682,000	56,242,000	37,637,000	44,316,000	
Deferred Long Term Liability Charges	5,275,000	6,171,000	8,439,000	14,806,184	11,424,000	10,162,000	4,477,000	7,078,000	7,508,000	
Minority Interest	1,122,000	877,000	659,000	773,413	1,231,000	592,000	1,039,000	397,000	307,000	
Total Liabilities	256,519,000	276,609,000	292,943,000	195,642,745	201,926,000	181,128,000	461,481,000	452,561,000	423,239,000	
Stockholders' Equity										
Common Stock	19,000	19,000	19,000	3,135,107	3,565,000	3,317,000	943,000	942,000	937,000	
Retained Earnings	12,461,000	11,175,000	8,421,000	37,531,267	40,657,000	36,638,000	3,880,000	15,402,000	13,421,000	
Treasury Stock	-833,000	-1,728,000	-1,749,000	-	-	-	-	-	-	
Capital Surplus	4,872,000	5,321,000	5,374,000	9,736,952	10,887,000	9,971,000	15,285,000	15,241,000	15,185,000	
Other Stockholder Equity	-3,562,000	1,258,000	-414,000	-7,233,131	-9,701,000	-6,490,000	-5,511,000	-4,225,000	-4,275,000	
Total Stockholder Equity	12,957,000	16,045,000	11,651,000	43,170,196	45,408,000	43,436,000	14,597,000	27,360,000	25,268,000	
Net Tangible Assets	\$7.012.000	\$8.774.000	\$4.389.000	\$37.162.919	\$39.080.000	\$37.597.000	\$10.258.000	\$22.435.000	\$20.508.000	

Ford Motor Company Balance Sheet Footnotes

■ The primary difference between the presentation of our sector balance sheet and our consolidated balance sheet is the netting of deferred tax assets and liabilities.

■ Automotive sector receivables (generated primarily from vehicle and parts sales to third parties) sold to Ford Credit. These receivables are classified as *Other receivables, net on our consolidated balance sheet and Finance Receivables, net on our sector balance sheet.*

■ For off-balance sheet sales of receivables, estimated gains or losses are recognized in the period in which the sale occurs. Certain sales of receivables do not qualify for off-balance sheet treatment.

DaimlerChrysler AG

Balance Sheet Footnotes

■ Net assets are calculated at Group level from the balance sheet components of stockholders' equity (including minority interests) and the financial liabilities and accrued pension obligations of the industrial business.

■ The financial liabilities shown in the consolidated balance sheet primarily serve to refinance the leasing and sales financing business.

■ The disclosure of short-term securities is made in the Consolidated Balance Sheets among "Securities" and is recorded separately in available-for-sale and trading.

General Motors Corporation

Balance Sheet Footnotes

- The balance sheet classification of these unrecognized losses is the subject of a current FASB project.
- The increase in delinquency trends in the North American portfolio is the result of lower on-balance sheet prime retail asset levels, primarily as a result of an increase in whole loan sales, the negative impact of accounts affected by Hurricane Katrina and moderate weakening in the credit quality of the portfolio, as compared to recent years.
- All derivatives are recorded at fair value on the consolidated balance sheet.

Balance Sheet Statement Statistical Comparison

Balance Sheet

F

DCX

GM

Total Cash (mrq):

19.15B

12.35B

18.82B

Total Cash Per Share (mrq):

10.207

12.132

33.282

Total Debt (mrq):

151.10B

102.56B

277.01B

Total Debt/Equity (mrq):

12.541

2.182

17.958

Current Ratio (mrq):

3.221

1.754

3.48

Book Value Per Share (mrq):

6.315

45.811001

27.274

FY 2006

Cash Flow Statement Comparison

■ General Motors Corporation ■ DaimlerChrysler AG ■ Ford Motor Company

2003

\$2,100,000

\$9,549,000

\$12,234,000

2004

\$303,000

\$3,439,000

(\$4,584,000)

2005

\$281,887

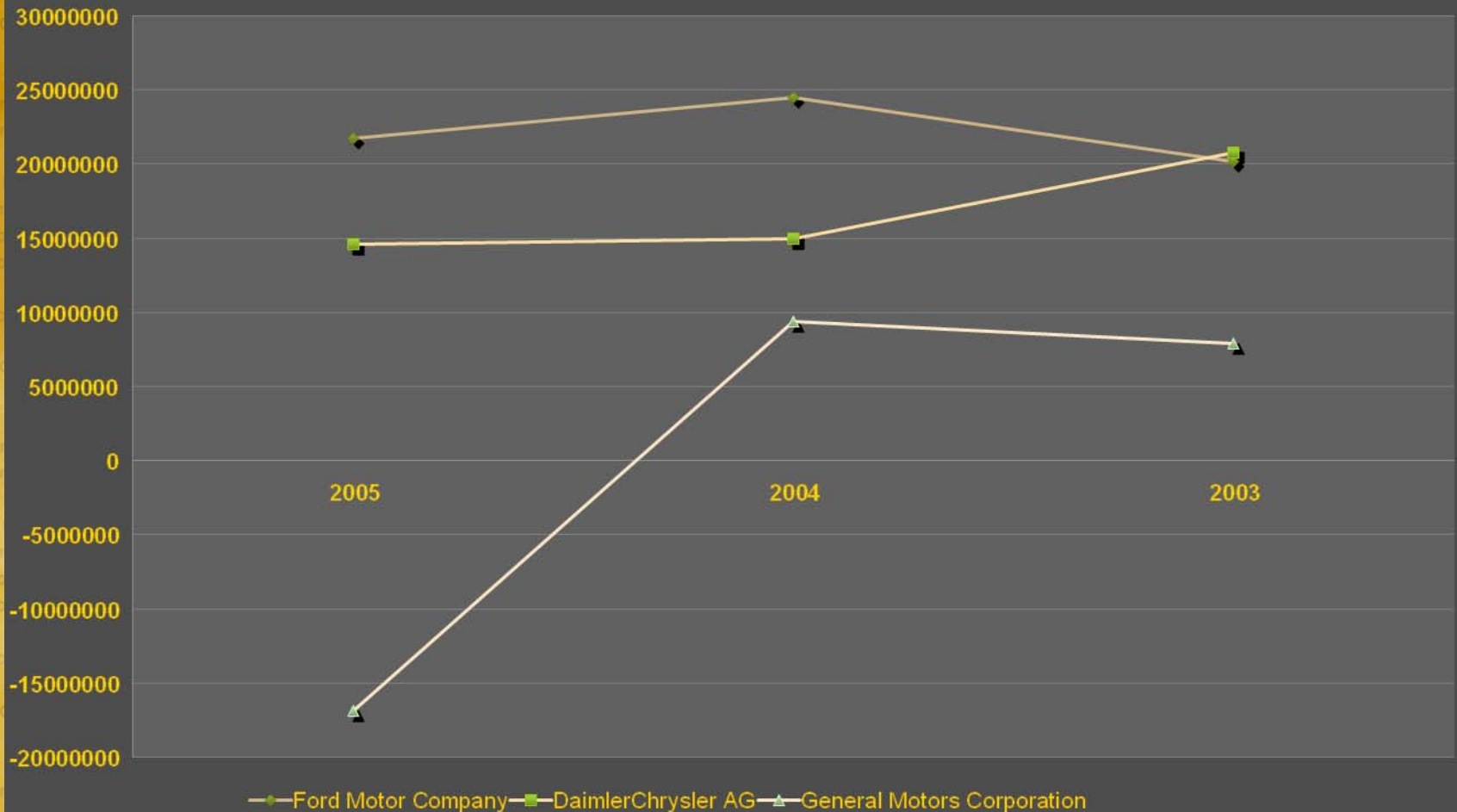
\$7,989,000

(\$5,267,000)

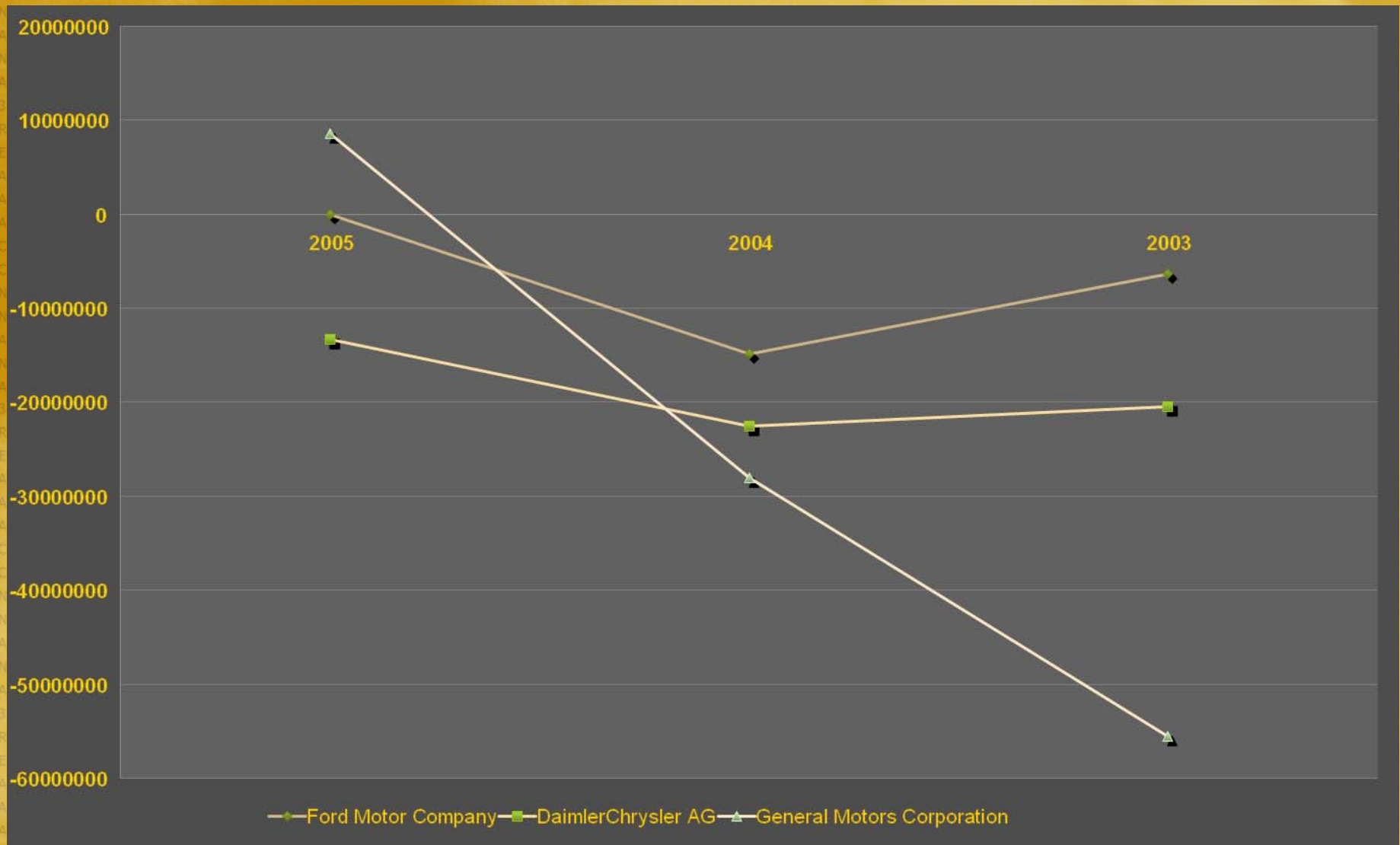
CASH FLOW STATEMENT				Ford Motor Company	DaimlerChrysler AG	General Motors Corporation
Period Ending	31-Dec-05	31-Dec-05	31-Dec-05			
Net Income	2,680,452	2,342,225	2,562,618	2,680,452	3,370,802	-10,567,000
Operating Activities						
Depreciation	14,042,000				14,986,213	15,769,000
Adjustments To Net Income	-395,000				-3,323,426	7,398,000
Changes In Accounts Receivables	-1,058,000				-524,689	-
Changes In Liabilities	-347,000				949,889	-
Changes In Inventories	-76,000				-1,799,104	-
Changes In Other Operating Activities	7,538,000				971,208	-29,565,000
Total C.F. From Operating Activities	21,728,000				14,630,893	-16,856,000
Investing Activities						
Capital Expenditures	-9,069,000				-32,083,027	-8,179,000
Investments	-124,000				3,726,122	25,540,000
Other Cashflows from Investing Activities	16,601,000				15,065,568	-8,796,000
Total C.F. From Investing Activities	7,408,000				-13,291,337	8,565,000
Financing Activities						
Dividends Paid	-738,000				-1,865,430	-1,134,000
Sale/Purchase of Stock	325,000				236,880	-
Net Borrowings	-20,112,000				-163,447	-1,416,000
Other Cash Flows from Financing Activities	-126,000				-	6,030,000
Total C.F. From Financing Activities	-20,651,000				-1,791,997	3,480,000
Effect Of Exchange Rate Changes	-496,000				734,328	-456,000
Change In Cash and Cash Equivalents	\$7,989,000				\$281,887	(\$5,267,000)

Total Cash Flow from Operating Activities

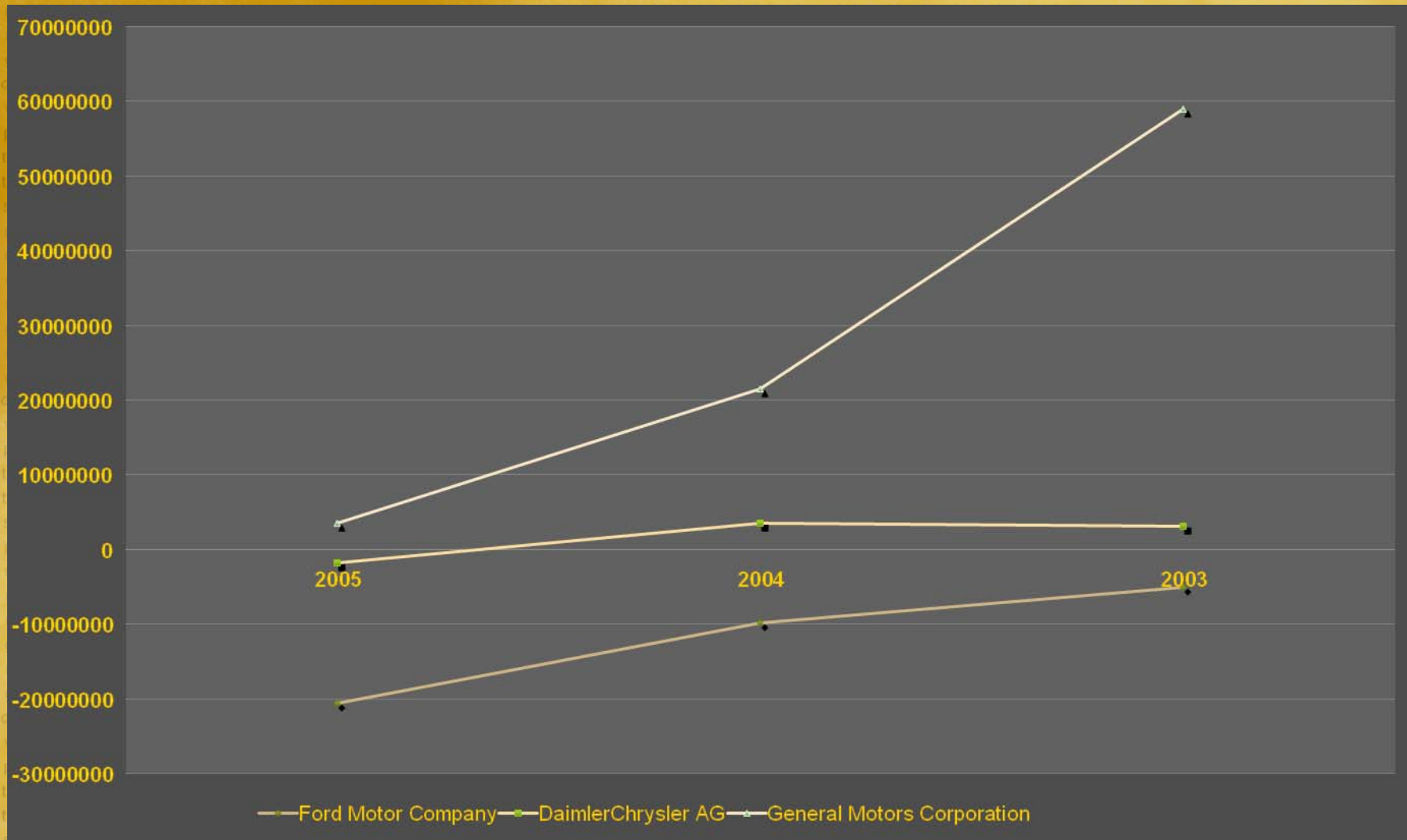
Chart Title



Total Cash Flow from Investing Activities



Total Cash Flow from Financing Activities



Ford Motor Company

Cash Flow Statement Footnote

■ Included in net investment in operating leases at December 31, 2005 were interests in operating leases and the related vehicles of \$6.5 billion that have been transferred for legal purposes to consolidated securitization SPEs and are available only for repayment of debt issued by those entities, and to pay other securitization investors and other participants; they are not available to pay our other obligations or the claims of our other creditors.

DaimlerChrysler AG

Cash Flow Statement Footnote

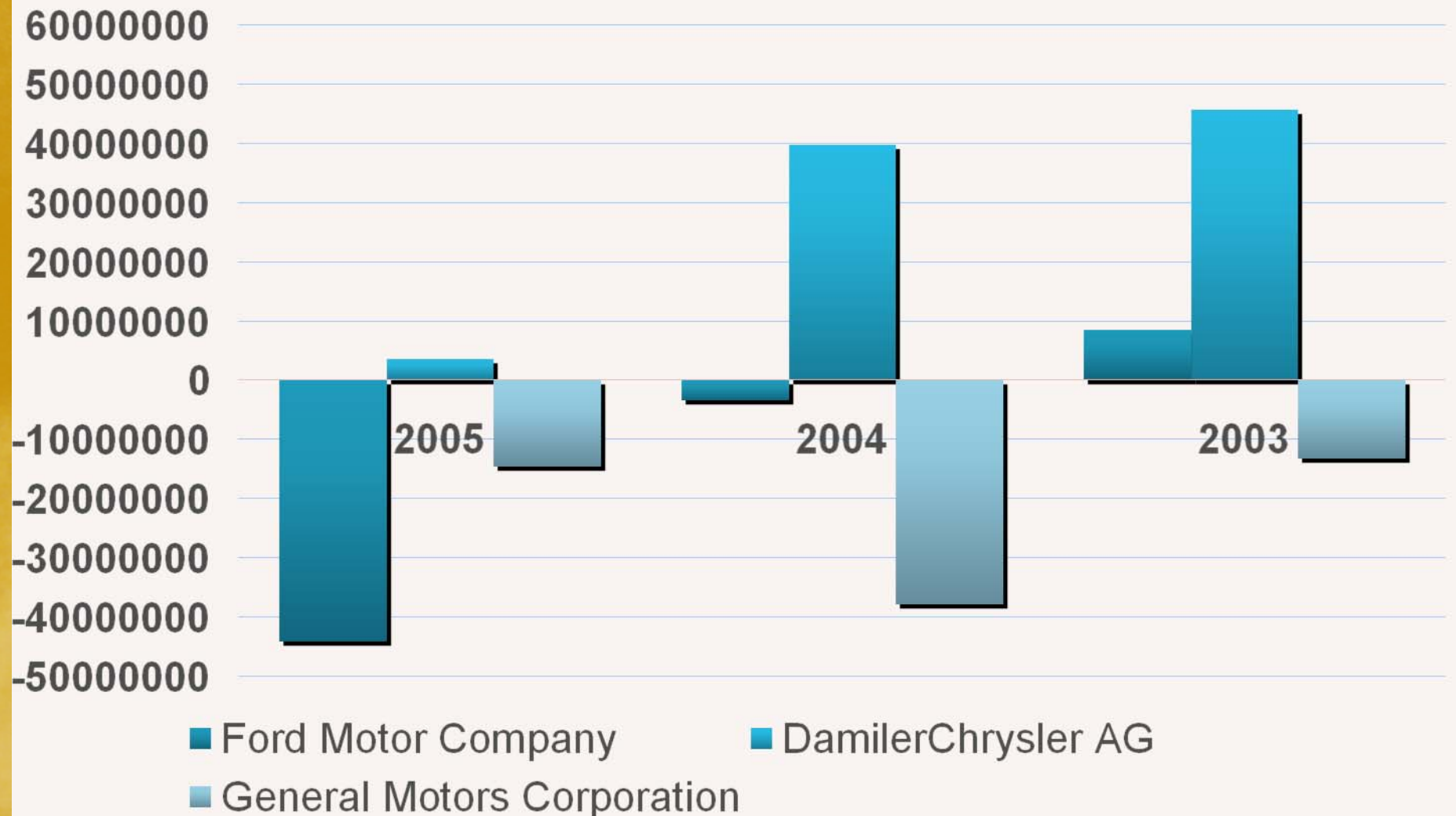
- The accounting of derivative instruments is based upon the provisions of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. On the date a derivative contract is entered into, DaimlerChrysler designates the derivative as either a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge), or a hedge of a net investment in a foreign operation.

General Motors Corporation

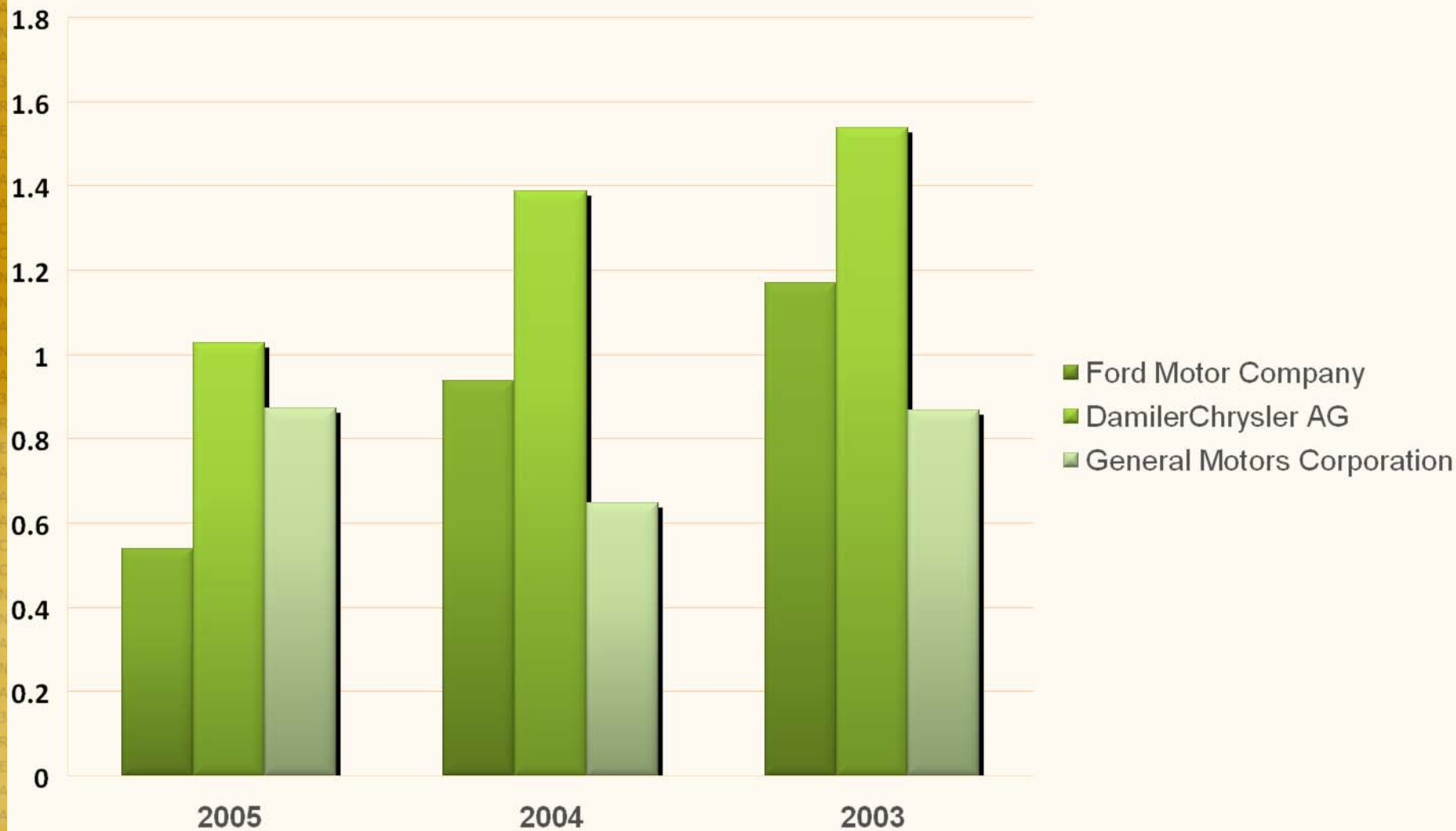
Cash Flow Statement Footnote

■ During 2005, Auto & Other had cash inflows related to investments in companies, net of cash acquired, of approximately \$1.4 billion. This amount is driven primarily by GM's acquisition in 2005 of a majority interest in GM Daewoo, which resulted in GM consolidating GM Daewoo's cash balance of approximately \$1.6 billion (net of \$70 million cash paid by GM to acquire the additional 6.3% interest in GM Daewoo).

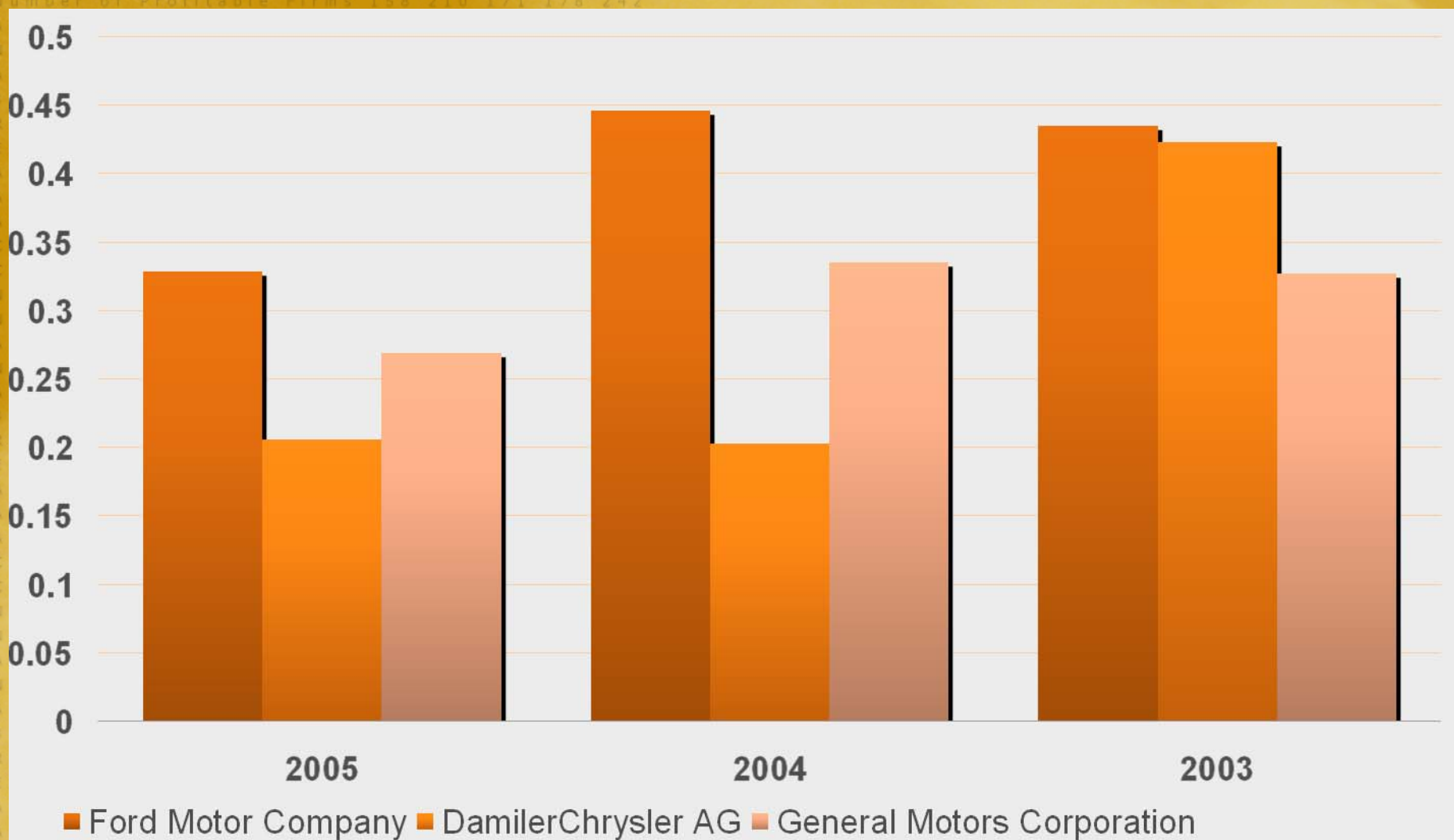
Working Capital



Current Ratio



Quick Ratio



Cash Flow Statement Statistical Comparison

Cash Flow Statement

Operating Cash Flow (ttm):

Levered Free Cash Flow (ttm):

F

DCX

GM

10.60B

15.31B

-9.92B

-10.94B

-22.29B

4.05B

FY 2006

Valuation Measures Comparison

VALUATION MEASURES

F

DCX

GM

Market Cap (intraday):

13.83B

53.95B

16.11B

Enterprise Value (26-May-06)³:

145.37B

144.40B

273.96B

Trailing P/E (ttm, intraday):

N/A

14.71

N/A

Forward P/E (fye 31-Dec-07) ¹:

12.28

10.77

13.19

PEG Ratio (5 yr expected):

2.65

2.15

N/A

Price/Sales (ttm):

0.08

0.27

0.08

Price/Book (mrq):

1.13

1.16

1.02

Enterprise Value/Revenue (ttm)³:

0.84

0.72

1.38

Enterprise Value/EBITDA (ttm)³:

11.962

6.827

40.617

FY 2006

Financial Highlights Comparison

FINANCIAL HIGHLIGHTS

F

DCX

GM

Fiscal Year

Fiscal Year Ends:

31-Dec

31-Dec

31-Dec

Most Recent Quarter (mrq):

31-Mar-06

31-Mar-06

31-Mar-06

Profitability

Profit Margin (ttm):

-0.22%

1.84%

-4.46%

Operating Margin (ttm):

-1.09%

2.38%

-5.34%

Management Effectiveness

Return on Assets (ttm):

-0.35%

1.22%

-1.34%

Return on Equity (ttm):

-0.98%

8.08%

-43.24%

FY 2006

New Accounting Rule

Impact on Financial Statements

FYE



SFAS 132r

Employers' Disclosures About Pensions and Other Postretirement Benefits

SFAS 132r FYE Impact on Financial Statements

In the yearend of 2006, companies would have to comply with the new accounting rule for pension plans. It would cost a lot of money to implement the new procedure and operate under the new accounting standard.

However, companies that followed both legal and accounting regulations properly before this new accounting rule may not have a huge problem. The new accounting rule addresses the financial status uncertainty of companies dealing with pension plan abuses. The new accounting rule cause unethical treatment of pension plans to stop, new disclosures in financial statement, and reduction in the equity statement.

SFAS 132r FYE Impact on Financial Statements (cont'd)

The media have shown in the past few years that pension plans were terminated very often by companies and its being seen as abuse by the financial community. Companies manipulated their financial statements by shortchanging the pension system. By terminating their employee's pension plan can free additional resources to compensate some losses that can be reported on their income statement or balance sheet. Research also shown that there were manipulations in the pension asset returns. Companies have also known to issue stock as a portion of their employee's pension plan. They it would save them the time and money for their stock going through the steps in order to enter the secondary market. Companies also have officers that are willing to terminate their employee's pension plan to keep their own.

SFAS 132r FYE Impact on Financial Statements (cont'd)

Under the new accounting rule, employers are required to disclose about pensions and other postretirement benefits. Companies are required to disclose their percentage of the fair value of assets in ownership, investment policies and strategies, interim financial reports for each financial report presented, accumulated benefit obligations, and extensive disclosures of contributions. Timely interlude pension disclosure can determine the company's evaluation. It is to evaluate return rate on assets, company's funded status, and the pension cost on the net income. Knowing the pension asset returns can be useful for explaining future pension plan returns. Before, the percentages of plan assets in the shareholder's equity statement were not disclosed.

SFAS 132r FYE Impact on Financial Statements (cont'd)

The new accounting rule makes can cause a huge reduction in the shareholder's equity for some companies. However, the impact for the balance sheet may vary by their prospective industry that affects their shareholder's equity. The durable manufacturing, services, transportation, communications, and utilities estimated to suffer more than ten percent loses. A loss or reinstatement in the shareholder's equity statement would hurt the company's investors. The change in the financial ratio would degrade the companies' investment such as bond ratings or stock performance. Companies would have to negotiate with bank lenders if there is a significant reduction in the equity statement.

THANK YOU!