

NEWPORT NEWS SHIPBUILDING INC
Form SC TO-C
April 25, 2001

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SC TO-C

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

NEWPORT NEWS SHIPBUILDING INC.
(Name of Subject Company (issuer))

GENERAL DYNAMICS CORPORATION
GRAIL ACQUISITION CORPORATION
(Name of Filing Persons (offeror))

Common Stock, Par Value \$0.01 Per Share
(including associated rights)
(Title of Class of Securities)

652228107
(CUSIP Number of Class of Securities)

David A. Savner
Senior Vice President and General Counsel
General Dynamics Corporation
3190 Fairview Park Drive
Falls Church, Virginia 22042-4523
(703) 876-3000

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)

Copy to:

Charles J. McCarthy, Esq.
Jenner & Block, LLC
One IBM Plaza
Chicago, Illinois 60611
(312) 222-9350

CALCULATION OF FILING FEE

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Transaction Valuation* Amount of Filing Fee

Not applicable. Not applicable.

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*Set forth the amount on which the filing fee is calculated and state how it

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was determined.

[X] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. [] Check the appropriate boxes to designate any transactions to which this statement relates:

[X] third party tender offer subject to Rule 14d-1 [] going-private transaction
[] issuer tender offer subject to Rule 13e-4 [] amendment to Schedule

Check the following box if the filing is a final amendment reporting the results of the tender offer: []

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General Dynamics Corporation ("General Dynamics") and Newport News Shipbuilding Inc. ("Newport News") jointly announced on April 25, 2001 that they have signed a definitive agreement and plan of merger under which General Dynamics will acquire Newport News. The acquisition is to be accomplished through a cash tender offer followed by a merger.

The description contained herein is neither an offer to purchase nor a solicitation of an offer to sell shares of Newport News. At the time the tender offer is commenced, General Dynamics will file a Tender Offer Statement and Newport News will file a Solicitation/Recommendation Statement with respect to the offer. The Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Solicitation/Recommendation Statement will contain important information that should be read carefully before any decision is made with respect to the offer.

The offer to purchase, the related letter of transmittal and certain other documents, as well as the Solicitation/Recommendation Statement, will be made available to all shareholders of Newport News, at no expense to them. The Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Solicitation/Recommendation Statement will also be available at no charge at the SEC's website at www.sec.gov.

The following six charts were presented at a conference at which the media, financial analysts and investors were invited, which was held at 9:00 a.m. EDT on April 25, 2001.

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GENERAL DYNAMICS

ACQUISITION OF
NEWPORT NEWS SHIPBUILDING

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Investor Presentation
New York, NY

N. D. Chabraja - CEO General Dynamics
W. P. Fricks - CEO Newport News
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GENERAL DYNAMICS

GENERAL DYNAMICS CAUTIONS THAT "FORWARD-LOOKING STATEMENTS" IN THIS PRESENTATION AS TO FUTURE RESULTS OF OPERATIONS AND FINANCIAL PROJECTIONS REFLECT THE COMPANY'S VIEWS, BUT ARE NECESSARILY SUBJECT TO RISKS AND UNCERTAINTIES AND NO ASSURANCES CAN BE GIVEN THAT SUCH EXPRESSED OR IMPLIED RESULTS WILL BE ACHIEVED. A MORE COMPLETE EXPRESSION OF THESE RISKS AND UNCERTAINTIES IS CONTAINED IN THE COMPANY'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, AND YOU ARE ENCOURAGED TO REVIEW THESE FILINGS, OF WHICH THE FORM 10-K AND FORMS 10-Q MAY BE OF PARTICULAR INTEREST.

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GENERAL DYNAMICS

THIS PRESENTATION IS NEITHER AN OFFER TO PURCHASE NOR A SOLICITATION OF AN OFFER TO SELL SHARES OF NEWPORT NEWS SHIPBUILDING. AT THE TIME THE OFFER IS COMMENCED, GENERAL DYNAMICS WILL FILE A TENDER OFFER STATEMENT WITH THE SEC AND NEWPORT NEWS WILL FILE A SOLICITATION/RECOMMENDATION STATEMENT WITH RESPECT TO THE OFFER.

THE TENDER OFFER STATEMENT (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND OTHER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE OFFER TO PURCHASE, THE RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER DOCUMENTS, AS WELL AS THE SOLICITATION/RECOMMENDATION STATEMENT, WILL BE MADE AVAILABLE TO ALL SHAREHOLDERS OF NEWPORT NEWS, AT NO EXPENSE TO THEM. THE TENDER OFFER STATEMENT (INCLUDING THE OFFER TO PURCHASE, THE RELATED LETTER OF TRANSMITTAL AND ALL OTHER OFFER DOCUMENTS FILED WITH THE SEC) AND THE SOLICITATION/RECOMMENDATION STATEMENT WILL ALSO BE AVAILABLE AT NO CHARGE AT THE SEC'S WEBSITE AT WWW.SEC.GOV.

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NEWPORT NEWS TRANSACTION

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- o \$67.50 CASH OFFERED FOR EACH NNS SHARE
- o GD NET CASH OUTLAY = \$2.1 BILLION
- o GD ASSUMES ~\$500 MILLION DEBT
- o TRANSACTION SUBJECT TO:
 - > Majority of NNS Shares Tendered
 - > Regulatory Approval
- o CLOSING CONTEMPLATED 3RD QUARTER 2001

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NNS Excellent Strategic Fit

- o STREAMLINES MANAGEMENT OF US NUCLEAR SHIPYARDS
- o POTENTIAL TO FREE BILLIONS FOR NAVAL SHIPBUILDING
- o BUSINESSES ARE COMPLEMENTARY
 - > Nuclear Ship Competition Ended in 1991
- o IMMEDIATELY ACCRETIVE WITHOUT SYNERGIES

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NEWPORT NEWS TRANSACTION METRICS

Based on Estimates of 2001 Financial Results

- o PRICE / '01 EST. SALES - ~ 1.2 X
- o PRICE / '01 EST. EBIT - ~ 11 X
- o PRICE / '01 EST. EBITDA - ~ 9 X

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LOGICAL NEXT STEP FOR NEWPORT NEWS

- o SHAREHOLDERS RECEIVE A GOOD PREMIUM

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- o EMPLOYEES AND COMMUNITIES BENEFIT FROM BEING PART OF A LARGER AND MORE DIVERSE COMPANY
- o CUSTOMER IS PROVIDED SIGNIFICANT COST SAVINGS

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