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GENERAL MOTORS CORP
Form 8-K
July 20, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549-1004

FORM 8-K

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

Date of Report (Date of earliest event reported) July 20, 2005

GENERAL MOTORS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

| | | |
|---|---|--|
| STATE OF DELAWARE ----- (State or other jurisdiction of Incorporation or Organization) | 1-143 ----- (Commission File Number) | 38-0572515 ----- (I.R.S. Employer Identification No.) |
| 300 Renaissance Center, Detroit, Michigan | | 48265-3000 (Zip Code) |
| ----- (Address of Principal Executive Offices) | | |

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

=====
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
240.14a-12)

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- [] 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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

On July 20, 2005, a news release was issued on the subject of second quarter consolidated earnings for General Motors Corporation (GM). The news release did not include certain financial statements, related footnotes and certain other financial information that will be filed with the Securities and Exchange Commission as part of GM's Quarterly Report on Form 10-Q. The following is the second quarter earnings release for GM.

GM Reports Second-Quarter Financial Results

- Adjusted loss \$0.56 per share, reported loss \$0.51 per share
- GM North America posts loss, all other operating units profitable
- Global market share 15.2 percent, up 0.5 point

DETROIT - General Motors Corp. (NYSE: GM) today reported a loss of \$318 million, or \$0.56 per diluted share, in the second quarter of 2005, excluding special items and a tax-rate adjustment. These results compare with net income of \$1.4 billion, or \$2.42 per share, in the second quarter of 2004. Revenue was \$48.5 billion, compared with \$49.3 billion a year ago.

For the second quarter of 2005, GM reported a loss of \$286 million, or \$0.51 per share, including special items. The special items include a \$126-million restructuring charge at GM Europe, and recognition of the recurring tax benefits above those reflected in the 15-percent rate used in GM's adjusted earnings. These items had a net favorable effect of \$32 million, or \$0.05 per share.

"Our second-quarter results reflect a mix of some important pluses and minuses," GM Chairman and Chief Executive Officer Rick Wagoner said. "On the positive side, sales were up in all regions and global market share increased as our new cars and trucks continued to gain traction and show strong customer acceptance. In addition, financial results were positive in four of our operating units, with GMAC and GM Latin America/Africa/Mid-East continuing their recent favorable performance and GM Europe and GM Asia Pacific showing significant improvement from the first quarter.

"But, importantly, on the minus side, GM North America's financial performance continued to be very disappointing. While the results reflect a significant reduction in U.S. dealer inventory, with second-quarter inventories down 349,000 units from mid-year 2004 and 224,000 units from the first quarter of 2005, they also re-emphasize the need for us to significantly improve our cost structure in all major areas - material costs, productivity, capacity utilization and especially health care."

GM financial results described throughout the remainder of this release exclude special items unless otherwise noted. See Highlights for reconciliation of adjusted results to results based on Generally Accepted Accounting Principles (GAAP).

GM Automotive Operations

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GM's global-automotive operations reported a loss of \$948 million in the second quarter of 2005, as profitable results in Europe, Asia and the Latin American/Mid-East region were more than offset by losses in North America. GM's global-automotive operations earned \$579 million in the prior-year period. GM's global market share rose to 15.2 percent in the second quarter of 2005, compared with 14.7 percent in the year-ago period, and worldwide deliveries were up more than 10 percent.

GM North America (GMNA) reported a loss of \$1.2 billion in the second quarter of 2005, compared with earnings of \$355 million in the second quarter of 2004. GM's market share in North America rose to 27.3 percent in the second quarter of 2005, up from 26.2 percent in the year-ago quarter.

GMNA's second-quarter 2005 results were adversely affected by lower production volumes - down 142,000 units from the year-ago quarter, a less favorable product mix and increased health-care costs. Sales were up as a result of improved acceptance of new products and highly successful marketing programs. The combination of lower production and stronger sales helped to significantly reduce U.S. dealer inventories during the quarter to just over 1 million vehicles.

"The inventory reduction in the second quarter is a real positive," Wagoner said. "That, plus the strong sales of our new products like the Chevrolet Cobalt and the Hummer H3 and the favorable results of the recent J.D. Power Initial Quality and Vehicle Dependability reports, are indicators that our intense focus on product excellence is paying dividends. We also continue to progress in the re-tooling of our sales and marketing strategy, including the successful value-based consumer marketing program in June.

2

"Where we are not yet making the progress we need is on the cost side of the business. With the intense competitive conditions and pricing pressures continuing in the North American market, it's clear that we need to move faster in implementing the key cost reduction strategies that I outlined at our recent Annual Meeting -- re-energizing our global sourcing efforts, improving U.S. capacity utilization and achieving fully competitive productivity levels," Wagoner said. "Finally, our health-care cost situation remains an extreme burden on our ability to compete; we continue to work intensely on solutions to this crisis with our labor unions."

GM Europe (GME) reported earnings of \$37 million in the second quarter of 2005, compared with a loss of \$45 million in the year-ago quarter. These results reflect continued improvement in cost reduction and the favorable effects of the company's restructuring efforts. GM's market share in Europe was 9.7 percent in the second quarter of 2005, unchanged from the year-ago period.

"We're pleased to achieve our first profitable quarter in five years in Europe, excluding restructuring costs, as GM Europe continues to make significant progress in its turnaround plan," Wagoner said. "The Opel/Vauxhall Astra remains a strong contributor to our overall results in Europe, and we're encouraged by the positive reviews of the new Zafira. We still have work to do in Europe to achieve sustainable profitability, but the improved results so far this year indicate we're on the right track."

GM Asia Pacific (GMAP) earned \$176 million in the second quarter of 2005, up significantly from the \$60 million in the first quarter of this year, but below the \$259 million earned in the year-ago quarter. GM's market share in the Asia-Pacific region rose to 6.3 percent in the second quarter from 5.6 percent a year ago, led by gains in China and Thailand. GM continues to turn in a solid performance in China with sales growing 37 percent in the second quarter,

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compared with an overall industry average of 17 percent. GM's market share in China rose to 11.4 percent in the second quarter of 2005, up from 9.8 percent in the year-ago period.

"Our performance in China continues to be encouraging, especially considering our modest presence there just a few years ago," Wagoner said. "Going forward, we intend to capitalize on our momentum in China and take full advantage of the opportunities presented by this large and rapidly growing market. With the rollout of additional new vehicles in the second half of the year and the strength of our current lineup, we anticipate double-digit sales growth to continue in the second half of 2005."

GM Daewoo Auto and Technology Co. delivered strong results in the second quarter of 2005, with sales gains in both the domestic and international markets. During the quarter GM increased its stake in GM Daewoo to 50.9 percent from 48.2 percent. As a result, GM has begun to consolidate GM Daewoo's financial results.

"GM Daewoo has rapidly become a valuable contributor to the GM family, particularly with its growing role in GM product programs in the Asia Pacific region and around the world," Wagoner said. "Our increased investment is consistent with our strategy to further develop GM Daewoo as a major player in our global product development system."

GM Latin America/Africa/Mid-East (GMLAAM) earned \$33 million in the second quarter of 2005, compared with net income of \$10 million a year ago. The latest results reflect higher sales volumes in most markets and continued progress on cost reduction. GM's market share in the LAAM region rose to 18.3 percent in the second quarter of 2005 from 17.1 percent a year ago.

"We're pleased with the overall results in the region, and particularly our performance in the Mid-East and African areas, where GM's market share was up 2.8 percentage points in the second quarter of 2005," Wagoner said.

GMAC

General Motors Acceptance Corp. (GMAC) reported net income of \$816 million in the second quarter of 2005, compared with \$846 million in the second quarter of 2004, as lower earnings from financing operations were partially offset by increased earnings from mortgage and insurance operations.

"GMAC once again reported impressive earnings despite a difficult funding environment and lower credit ratings," Wagoner said. "During the quarter, Residential Capital Corp., the newly formed holding company for GMAC's residential mortgage businesses, successfully completed its first global funding, raising \$4 billion in a private placement. Our ongoing objective for GMAC is to ensure access to ample liquidity on a cost-competitive basis, while maintaining and building the extensive mutual synergies between GMAC and GM."

GMAC's financing operations earned \$378 million in the second quarter of 2005, down from \$452 million a year ago, reflecting lower net interest margins that were partially offset by improved used vehicle prices and favorable credit experience.

Mortgage operations earned \$338 million in the second quarter of 2005, up from the \$319 million in the second quarter of 2004. GMAC's mortgage operations benefited from gains on its investment portfolio and favorable net servicing

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results. This was partially offset by increased borrowing costs and lower gains on sales of loans.

Insurance operations reported earnings of \$100 million in the second quarter of 2005, up from the \$75 million in the second quarter of 2004. Continued improvement in net underwriting revenue due to favorable loss experience contributed to the increase in earnings quarter over quarter.

GMAC continued to maintain adequate liquidity, with a total of \$22.2 billion in cash and certain marketable securities as of June 30, 2005. GMAC also provided a significant source of cash flow to GM through the payment of a \$500 million dividend in the second quarter, bringing total dividends paid to date in 2005 to \$1 billion.

Cash and Liquidity

Cash, marketable securities, and readily available assets of the Voluntary Employees' Beneficiary Association (VEBA) trust, excluding financing and insurance operations, totaled \$20.2 billion at June 30, 2005, up from \$19.8 billion on March 31, 2005. During the second quarter, GM withdrew \$1 billion from the VEBA trust to pay for retiree health care. On July 1, 2005, GM withdrew an additional \$1 billion from the VEBA.

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In this press release and related comments by General Motors management, our use of the words "expect," "anticipate," "estimate," "project," "forecast," "outlook," "target," "objective," "plan," "goal," "pursue," "on track," and similar expressions is intended to identify forward-looking statements. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GM's most recent report on SEC Form 10-K (at page II-20) which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: changes in economic conditions; currency-exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and, the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

4

General Motors Corporation
List of Special Items - After Tax
(dollars in millions except per share amounts)
(unaudited)

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Management believes that the adjusted information set forth herein is useful to investors as it represents how Management views the results of operations and cash of the Corporation and, therefore, is the basis on which internal evaluation metrics are determined. The internal evaluation metrics are those used by the Corporation's Board of Directors to evaluate Management.

| | Three Months Ended June 30, 2005 | | Year to Date June 30, 2005 | |
|------------------------------------|-------------------------------------|----------|-------------------------------|----------|
| | Net | \$1-2/3 | Net | \$1-2/3 |
| | Income | EPS | Income | EPS |
| REPORTED | | | | |
| ----- | | | | |
| Net income | \$(286) | \$(0.51) | \$(1,390) | \$(2.46) |
| | === | ==== | ===== | ===== |
| ADJUSTMENTS | | | | |
| ----- | | | | |
| Salaried Attrition Program (A) | | | 148 | 0.26 |
| Plant and Facility Impairments (B) | | | 84 | 0.15 |
| GME Restructuring Charge (C) | 126 | 0.22 | 548 | 0.97 |
| Tax Items (D) | (158) | (0.27) | (547) | (0.97) |
| | --- | ---- | ----- | ----- |
| Subtotal | (32) | (0.05) | 233 | 0.41 |
| ADJUSTED | | | | |
| ----- | | | | |
| Adjusted Income | \$(318) | \$(0.56) | \$(1,157) | \$(2.05) |
| | === | ==== | ===== | ===== |

(A) Salaried Attrition Program relates to voluntary early retirement and other separation programs in the U.S. in the first quarter of 2005.

(B) Plant and Facility Impairments relates to the first quarter 2005 write-down to fair market value of various plant assets in connection with the cessation of production at the Lansing assembly plant.

(C) In the fourth quarter of 2004, GM Europe announced a restructuring plan targeting a reduction in annual structural costs of an estimated \$600 million by 2006. A total reduction of 12,000 employees, including 10,000 in Germany, from 2005-2007 through separation programs, early retirements, and selected outsourcing initiatives is expected. The restructuring charge of \$126 million in the second quarter of 2005 relates to approximately 500 additional separations in the second quarter, as well as those charges related to previous separations that are required to be amortized over future periods. The year-to-date charge of \$548 million also includes a separation cost of \$422 million in the first quarter of 2005, which related to approximately 5,650 people. The Corporation's plan is on track and anticipates further separations and associated charges in the remaining two quarters of 2005 and into 2006 and 2007. The amount of such future separation charges will be recognized in the respective periods, and will depend both on the type of separations and associated workforce demographics.

(D) Tax Items relate to tax benefits (including the Medicare Part D benefit in the U.S), in excess of GM's previously communicated annual effective tax rate of 15%, which do not vary with the level of pre-tax income. Adjusted loss reflects an effective tax rate of 15%.

General Motors Corporation
List of Special Items - After Tax
(dollars in millions except per share amounts)
(unaudited)

| | Restated Three Months Ended June 30, 2004 | | Restated Year to Date June 30, 2004 | |
|------------|---|--------|---|--------|
| | Net Income | EPS | Net Income | EPS |
| REPORTED | | | | |
| Net income | \$1,377 | \$2.42 | \$2,585 | \$4.54 |

There were no special items in the three or six months ended June 30, 2004.

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

| | Second Quarter | | Year to Date | |
|---|----------------|------------------|--------------|------------------|
| | 2005 | Restated 2004 | 2005 | Restated 2004 |
| (dollars in millions except per share amounts) | | | | |
| Total net sales and revenues | \$48,512 | \$49,254 | \$94,285 | \$97,084 |
| Adjusted | \$48,512 | \$49,254 | \$94,285 | \$97,084 |
| Net income (loss) | \$ (286) | \$1,377 | \$ (1,390) | \$2,585 |
| Adjusted | \$ (318) | \$1,377 | \$ (1,157) | \$2,585 |
| Net margin (Net income / Total net sales and revenues) | (0.6)% | 2.8% | (1.5)% | 2.7% |
| Adjusted | (0.7)% | 2.8% | (1.2)% | 2.7% |
| Earnings (losses) per share | | | | |
| - basic | | | | |
| \$1-2/3 par value | \$ (0.51) | \$2.44 | \$ (2.46) | \$4.58 |

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| | | | | |
|------------------------------|---------------|---------|-----------|---------|
| Earnings (losses) per share | | | | |
| - diluted | | | | |
| \$1-2/3 par value | \$ (0.51) | \$ 2.42 | \$ (2.46) | \$ 4.54 |
| Earnings (losses) per share | | | | |
| - adjusted diluted | | | | |
| \$1-2/3 par value | \$ (0.56) (1) | \$ 2.42 | \$ (2.05) | \$ 4.54 |
| GM \$1-2/3 par value average | | | | |
| shares outstanding (Mil's) | | | | |
| Basic shares | 565 | 565 | 565 | 564 |
| Diluted shares | 565 | 568 | 565 | 569 |
| Cash dividends per share | | | | |
| of common stocks | | | | |
| GM \$1-2/3 par value | \$ 0.50 | \$ 0.50 | \$ 1.00 | \$ 1.00 |

See reconciliation of adjusted financial results on pages 9 - 14 and footnotes on page 17.

7

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

| | Second Quarter | | Year to Date | |
|--|----------------|---------|--------------|---------|
| | 2005 | 2004 | 2005 | 2004 |
| | ---- | ---- | ---- | ---- |
| Book value per share of common stocks at June 30 | | | | |
| GM \$1-2/3 par value | \$44.30 | \$49.11 | | |
| Auto & Other total cash & marketable securities at June 30 (\$Bil's) | \$16.0 | \$21.5 | | |
| Readily-available assets in VEBA | \$4.2 (2) | \$3.5 | | |
| | ---- | ---- | | |
| Total Auto & Other cash & marketable securities plus readily-available assets in VEBA | \$20.2 | \$25.0 | | |
| | ===== | ===== | | |
| Auto & Other Operations (\$Mil's) | | | | |
| Depreciation | \$1,292 | \$1,441 | \$2,562 | \$2,589 |
| Amortization of special tools | 803 | 774 | 1,619 | 1,500 |
| Amortization of intangible assets | 13 | 9 | 23 | 16 |
| | ----- | ----- | ----- | ----- |
| Total | \$2,108 | \$2,224 | \$4,204 | \$4,105 |
| | ===== | ===== | ===== | ===== |

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GM's share of nonconsolidated
affiliates' net income (loss)
(\$Mil's)

| | | | | |
|-------------|------|-------|-------|-------|
| Italy | \$11 | \$11 | \$32 | \$29 |
| Japan | \$45 | \$53 | \$95 | \$159 |
| China | \$99 | \$148 | \$132 | \$310 |
| South Korea | \$25 | \$15* | \$17 | \$7* |

* Restated; previously reported amounts for the second quarter and year-to-date 2004 were \$(8) and \$(16), respectively.

See footnotes on page 17.

8

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

| (dollars in millions) | Second Quarter 2005 and 2004 ----- | | | | | |
|---------------------------------|--|------------------|---------------|-------|----------|------------------|
| | Reported | | Special Items | | Adjusted | |
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total net sales and revenues | | | | | | |
| GMNA | \$27,125 | \$29,429 | \$ - | \$ - | \$27,125 | \$29,429 |
| GME | 8,463 | 8,094 | - | - | 8,463 | 8,094 |
| GMLAAM | 2,935 | 1,909 | - | - | 2,935 | 1,909 |
| GMAP | 1,922 | 1,693 | - | - | 1,922 | 1,693 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total GMA | 40,445 | 41,125 | - | - | 40,445 | 41,125 |
| Other(3) | (267) | 77 | - | - | (267) | 77 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total Auto & Other | 40,178 | 41,202 | - | - | 40,178 | 41,202 |
| | ----- | ----- | --- | --- | ----- | ----- |
| GMAC | 8,363 | 7,703 | - | - | 8,363 | 7,703 |
| Other Financing(3) | (29) | 349 | - | - | (29) | 349 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total FIO | 8,334 | 8,052 | - | - | 8,334 | 8,052 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total net sales and revenues | \$48,512 | \$49,254 | \$ - | \$ - | \$48,512 | \$49,254 |
| | ===== | ===== | == | == | ===== | ===== |
| Income (loss) before income | | | | | | |

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| | | | | | | |
|---|------------|---------|-------|------|------------|---------|
| taxes, equity income, and minority interests | | | | | | |
| GMNA | \$ (1,414) | \$444 | \$ - | \$ - | \$ (1,414) | \$444 |
| GME | (159) | (96) | 186 | - | 27 | (96) |
| GMLAAM | 52 | 11 | - | - | 52 | 11 |
| GMAP | - | 33 | - | - | - | 33 |
| | ----- | ----- | --- | --- | ----- | --- |
| Total GMA | (1,521) | 392 | 186 | - | (1,335) | 392 |
| Other | (440) | (248) | - | - | (440) | (248) |
| | ----- | ----- | --- | --- | ----- | --- |
| Total Auto & Other | (1,961) | 144 | 186 | - | (1,775) | 144 |
| | ----- | ----- | --- | --- | ----- | ----- |
| GMAC | 1,212 | 1,346 | - | - | 1,212 | 1,346 |
| Other Financing | (15) | (24) | - | - | (15) | (24) |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total FIO | 1,197 | 1,322 | - | - | 1,197 | 1,322 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total income (loss) before income taxes, equity income, and minority interests | \$ (764) | \$1,466 | \$186 | \$ - | \$ (578) | \$1,466 |
| | === | ===== | === | == | === | ===== |

See footnotes on page 17.

9

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Second Quarter
2005 and 2004

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|-----------------------|------------|------------------|---------------|-------|------------|------------------|
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) | | | | | | |
| GMNA | \$ (1,194) | \$355 | \$ - | \$ - | \$ (1,194) | \$355 |
| GME | (89) | (45) | 126 | - | 37 | (45) |
| GMLAAM | 33 | 10 | - | - | 33 | 10 |
| GMAP | 176 | 259 | - | - | 176 | 259 |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | (1,074) | 579 | 126 | - | (948) | 579 |
| Other | (20) | (34) | (158) | - | (178) | (34) |
| | --- | --- | --- | --- | --- | --- |
| Total Auto & Other | (1,094) | 545 | (32) | - | (1,126) | 545 |
| | ----- | ----- | --- | --- | ----- | ----- |
| GMAC | 816 | 846 | - | - | 816 | 846 |
| Other Financing | (8) | (14) | - | - | (8) | (14) |

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| | | | | | | |
|-----------------------|----------|---------|---------|------|----------|---------|
| | --- | --- | -- | -- | --- | --- |
| Total FIO | 808 | 832 | - | - | 808 | 832 |
| | --- | ----- | --- | --- | --- | ----- |
| Net income (loss) | \$ (286) | \$1,377 | \$ (32) | \$ - | \$ (318) | \$1,377 |
| | === | ===== | == | == | === | ===== |
| Income tax expense | | | | | | |
| (benefit) | | | | | | |
| GMNA | \$ (244) | \$67 | - | - | \$ (244) | \$67 |
| GME | (50) | (36) | 60 | - | 10 | (36) |
| GMLAAM | 21 | (2) | - | - | 21 | (2) |
| GMAP | (4) | (1) | - | - | (4) | (1) |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | (277) | 28 | 60 | - | (217) | 28 |
| Other | (417) | (216) | 158 | - | (259) | (216) |
| | --- | --- | --- | --- | --- | --- |
| Total Auto & Other | (694) | (188) | 218 | - | (476) | (188) |
| | --- | --- | --- | --- | --- | --- |
| GMAC | 396 | 500 | - | - | 396 | 500 |
| Other Financing | (7) | (10) | - | - | (7) | (10) |
| | --- | --- | --- | --- | --- | --- |
| Total FIO | 389 | 490 | - | - | 389 | 490 |
| | --- | --- | --- | --- | --- | --- |
| Income tax expense | | | | | | |
| (benefit) | | | | | | |
| | \$ (305) | \$302 | \$218 | \$ - | \$ (87) | \$302 |
| | === | === | === | == | === | === |

10

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Second Quarter
2005 and 2004

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|------------------------|----------|------------------|---------------|-------|----------|------------------|
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Effective tax rate | | | | | | |
| Total GM Corp. | 40% | 21% | 117% | - | 15% | 21% |
| GMNA | 17% | 15% | - | - | 17% | 15% |
| GME | 31% | 38% | 32% | - | 37% | 38% |
| GMAC | 33% | 37% | - | - | 33% | 37% |
| Equity income (loss) | | | | | | |
| and minority interests | | | | | | |
| GMNA | \$ (24) | \$ (22) | \$ - | \$ - | \$ (24) | \$ (22) |
| GME | 20 | 15 | - | - | 20 | 15 |
| GMLAAM | 2 | (3) | - | - | 2 | (3) |

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| | | | | | | |
|-----------|-------|-------|------|------|-------|-------|
| GMAP | 172 | 225 | - | - | 172 | 225 |
| | --- | --- | -- | -- | --- | --- |
| Total GMA | \$170 | \$215 | \$ - | \$ - | \$170 | \$215 |
| | === | === | == | == | === | === |

11

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Year to Date
2005 and 2004

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|---|----------|------------------|---------------|------|----------|------------------|
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| Total net sales and revenues | | | | | | |
| GMNA | \$52,503 | \$58,532 | \$ - | \$ - | \$52,503 | \$58,532 |
| GME | 16,420 | 15,637 | - | - | 16,420 | 15,637 |
| GMLAAM | 5,234 | 3,742 | - | - | 5,234 | 3,742 |
| GMAP | 3,616 | 3,292 | - | - | 3,616 | 3,292 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total GMA | 77,773 | 81,203 | - | - | 77,773 | 81,203 |
| Other | (292) | 136 | - | - | (292) | 136 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total Auto & Other | 77,481 | 81,339 | - | - | 77,481 | 81,339 |
| | ----- | ----- | -- | -- | ----- | ----- |
| GMAC | 16,584 | 15,273 | - | - | 16,584 | 15,273 |
| Other Financing | 220 | 472 | - | - | 220 | 472 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total FIO | 16,804 | 15,745 | - | - | 16,804 | 15,745 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total net sales and revenues | \$94,285 | \$97,084 | \$ - | \$ - | \$94,285 | \$97,084 |
| | ===== | ===== | == | == | ===== | ===== |
| Income (loss) before income taxes, equity | | | | | | |

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| | | | | | | |
|---|------------|----------|----------|------|------------|----------|
| income, and minority interests | | | | | | |
| GMNA | \$ (3,337) | \$ 1,019 | \$ 357 | \$ - | \$ (2,980) | \$ 1,019 |
| GME | (1,034) | (319) | 857 | - | (177) | (319) |
| GMLAAM | 119 | 19 | - | - | 119 | 19 |
| GMAP | (36) | 46 | - | - | (36) | 46 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total GMA | (4,288) | 765 | 1,214 | - | (3,074) | 765 |
| Other | (885) | (568) | 13 | - | (872) | (568) |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total Auto & Other | (5,173) | 197 | 1,227 | - | (3,946) | 197 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| GMAC | 2,318 | 2,558 | - | - | 2,318 | 2,558 |
| Other Financing | (17) | (25) | - | - | (17) | (25) |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total FIO | 2,301 | 2,533 | - | - | 2,301 | 2,533 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total income (loss) before income taxes, equity income, and minority interests | \$ (2,872) | \$ 2,730 | \$ 1,227 | \$ - | \$ (1,645) | \$ 2,730 |
| | ===== | ===== | ===== | == | ===== | ===== |

12

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Year to Date
2005 and 2004

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|-----------------------|------------|------------------|---------------|-------|------------|------------------|
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) | | | | | | |
| GMNA | \$ (2,754) | \$ 756 | \$ 224 | \$ - | \$ (2,530) | \$ 756 |
| GME | (614) | (161) | 548 | - | (66) | (161) |
| GMLAAM | 79 | 11 | - | - | 79 | 11 |
| GMAP | 236 | 534 | - | - | 236 | 534 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total GMA | (3,053) | 1,140 | 772 | - | (2,281) | 1,140 |
| Other | 126 | (151) | (539) | - | (413) | (151) |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total Auto & Other | (2,927) | 989 | 233 | - | (2,694) | 989 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| GMAC | 1,544 | 1,610 | - | - | 1,544 | 1,610 |
| Other Financing | (7) | (14) | - | - | (7) | (14) |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Total FIO | 1,537 | 1,596 | - | - | 1,537 | 1,596 |
| | ----- | ----- | ----- | --- | ----- | ----- |
| Net income (loss) | \$ (1,390) | \$ 2,585 | \$ 233 | \$ - | \$ (1,157) | \$ 2,585 |

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| | ===== | ===== | === | == | ===== | ===== |
|---------------------------------|------------|-------|--------|------|----------|-------|
| Income tax expense (benefit) | | | | | | |
| GMNA | \$ (648) | \$208 | \$ 133 | \$ - | \$ (515) | \$208 |
| GME | (377) | (121) | 309 | - | (68) | (121) |
| GMLAAM | 43 | 3 | - | - | 43 | 3 |
| GMAP | (17) | 5 | - | - | (17) | 5 |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | (999) | 95 | 442 | - | (557) | 95 |
| Other | (1,002) | (420) | 552 | - | (450) | (420) |
| | ----- | --- | --- | --- | ----- | --- |
| Total Auto & Other | (2,001) | (325) | 994 | - | 1,007 | (325) |
| | ----- | --- | --- | --- | ----- | --- |
| GMAC | 771 | 946 | - | - | 771 | 946 |
| Other Financing | (10) | (11) | - | - | (10) | (11) |
| | --- | --- | --- | --- | --- | --- |
| Total FIO | 761 | 935 | - | - | 761 | 935 |
| | ----- | --- | --- | --- | --- | --- |
| Income tax expense (benefit) | \$ (1,240) | \$610 | \$994 | \$ - | \$ (246) | \$610 |
| | ===== | === | === | == | === | === |

13

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Year to Date
2005 and 2004

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|--|----------|------------------|---------------|-------|----------|------------------|
| | 2005 | Restated 2004 | 2005 | 2004 | 2005 | Restated 2004 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Effective tax rate | | | | | | |
| Total GM Corp. | 43% | 22% | 81% | - | 15% | 22% |
| GMNA | 19% | 20% | 37% | - | 17% | 20% |
| GME | 36% | 38% | 36% | - | 38% | 38% |
| GMAC | 33% | 37% | - | - | 33% | 37% |
| Equity income (loss) and minority interests | | | | | | |
| GMNA | \$ (65) | \$ (55) | \$ - | \$ - | \$ (65) | \$ (55) |
| GME | 43 | 37 | - | - | 43 | 37 |
| GMLAAM | 3 | (5) | - | - | 3 | (5) |
| GMAP | 255 | 493 | - | - | 255 | 493 |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | \$236 | \$470 | \$ - | \$ - | \$236 | \$470 |
| | === | === | == | == | === | === |

General Motors Corporation
Operating Statistics

| | Second Quarter | | Year to Date | |
|-----------------------------|----------------|-------|--------------|-------|
| | 2005 | 2004 | 2005 | 2004 |
| (units in thousands) | | | | |
| Worldwide Production Volume | | | | |
| GMNA - Cars | 458 | 543 | 928 | 1,068 |
| GMNA - Trucks | 789 | 846 | 1,502 | 1,666 |
| | ----- | ----- | ----- | ----- |
| Total GMNA | 1,247 | 1,389 | 2,430 | 2,734 |
| GME | 501 | 503 | 1,003 | 976 |
| GMLAAM | 196 | 172 | 381 | 331 |
| GMAP | 400 | 337 | 735 | 633 |
| | ----- | ----- | ----- | ----- |
| Total Worldwide | 2,344 | 2,401 | 4,549 | 4,674 |
| | ===== | ===== | ===== | ===== |
| Vehicle Unit Deliveries | | | | |
| Chevrolet - Cars | 244 | 223 | 463 | 437 |
| Chevrolet - Trucks | 549 | 489 | 946 | 876 |
| Pontiac | 114 | 135 | 214 | 256 |
| GMC | 185 | 153 | 308 | 283 |
| Buick | 88 | 84 | 149 | 162 |
| Oldsmobile | 1 | 7 | 1 | 24 |
| Saturn | 56 | 61 | 104 | 113 |
| Cadillac | 72 | 55 | 122 | 106 |
| Other | 28 | 22 | 45 | 39 |
| | ----- | ----- | ----- | ----- |
| Total United States | 1,337 | 1,229 | 2,352 | 2,296 |
| Canada, Mexico, and Other | 201 | 185 | 367 | 348 |
| | ----- | ----- | ----- | ----- |
| Total GMNA | 1,538 | 1,414 | 2,719 | 2,644 |
| GME | 549 | 539 | 1,063 | 1,040 |
| GMLAAM | 226 | 174 | 409 | 333 |
| GMAP | 281 | 226 | 513 | 450 |
| | ----- | ----- | ----- | ----- |
| Total Worldwide | 2,594 | 2,353 | 4,704 | 4,467 |
| | ===== | ===== | ===== | ===== |
| Market Share | | | | |
| United States - Cars | 23.5% | 23.5% | 23.4% | 24.6% |
| United States - Trucks | 31.3% | 29.4% | 29.4% | 28.4% |
| Total United States | 27.9% | 26.7% | 26.7% | 26.7% |
| Total North America | 27.3% | 26.2% | 26.4% | 26.3% |
| Total Europe | 9.7% | 9.7% | 9.7% | 9.5% |
| Total LAAM | 18.3% | 17.1% | 17.2% | 16.6% |
| Asia and Pacific | 6.3% | 5.6% | 5.6% | 5.2% |
| Total Worldwide | 15.2% | 14.7% | 14.3% | 14.1% |

U.S. Retail/Fleet Mix

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| | | | | |
|-----------------------------|----------|----------|-------|-------|
| % Fleet Sales - Cars | 34.7% | 37.6% | 36.9% | 37.7% |
| % Fleet Sales - Trucks | 17.2% | 17.9% | 17.6% | 18.1% |
| Total Vehicles | 23.8% | 25.7% | 25.1% | 26.1% |
| GMNA Capacity Utilization | | | | |
| (2 shift rated, annualized) | 92.4% | 91.1% | 90.0% | 90.6% |
| GMNA Vehicle Revenue | | | | |
| Per Unit | \$18,811 | \$18,801 | | |

15

General Motors Corporation Operating Statistics

| | Second Quarter | | Year to Date | |
|--|----------------|---------|--------------|---------|
| | 2005 | 2004 | 2005 | 2004 |
| | ----- | ----- | ----- | ----- |
| GMAC's Worldwide Cost of Borrowing (4) | 4.74% | 3.60% | 4.51% | 3.61% |
| Period End Debt Spreads Over U.S. Treasuries | | | | |
| 2 Year | 325 bp | 130 bp | | |
| 5 Year | 485 bp | 195 bp | | |
| 10 Year | 480 bp | 230 bp | | |
| GMAC cash reserve balance (\$Bil's) (5) | \$22.2 | \$16.6 | | |
| GMAC Automotive Finance Operations Consumer credit (North America) | | | | |
| Net charge-offs as a % of managed receivables | 0.90% | 0.99% | 0.93% | 1.11% |
| Retail contracts 30 days delinquent - % of average number of contracts outstanding (6) | 1.94% | 1.97% | 2.02% | 2.02% |
| Retail penetration (U.S. only) | | | | |
| Total retail contract volume and lease as % of retail sales | 37% | 38% | 44% | 39% |
| SmartLease and SmartBuy as % of retail sales | 19% | 14% | 19% | 14% |
| Off-lease vehicle remarketing (U.S. only) | | | | |
| Average net gain per vehicle | \$1,261 | \$587 | \$1,223 | \$523 |
| Off-lease vehicles terminated (units in 000s) | 84 | 114 | 156 | 232 |
| GMAC Mortgage Operations (\$Bil's) | | | | |
| Origination volume | \$50.1 | \$48.1 | \$91.9 | \$83.7 |
| Mortgage servicing rights, net | \$3.8 | \$4.3 | | |
| GMAC Insurance Operations (\$Mil's) | | | | |
| Premium revenue written | \$1,038 | \$989 | \$2,156 | \$2,046 |
| Investment portfolio market value | \$7,526 | \$6,460 | | |
| After-tax net unrealized | | | | |

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| | | | | |
|---|-------|-------|--------|--------|
| capital gains | \$528 | \$408 | | |
| Worldwide Employment at June 30 (in 000's) | | | | |
| United States Hourly | 109 | 114 | | |
| United States Salary | 36 | 39 | | |
| | --- | --- | | |
| Total United States | 145 | 153 | | |
| Canada, Mexico, and Other | 32 | 33 | | |
| | --- | --- | | |
| GMNA | 177 | 186 | | |
| GME | 58 | 62 | | |
| GMLAAM | 30 | 27 | | |
| GMAP | 14 | 14 | | |
| GMAC | 34 | 33 | | |
| Other | 4 | 5 | | |
| | --- | --- | | |
| Total | 317 | 327 | | |
| | === | === | | |
| Worldwide Payrolls (\$Bil's) | \$5.2 | \$5.5 | \$10.5 | \$11.0 |

See footnotes on page 17.

16

General Motors Corporation

Footnotes:

-
- (1) This amount is comparable to First Call analysts' consensus.
 - (2) The increase in readily-available assets results from higher withdrawal capacity from the hourly VEBA trust due to increased other postretirement employee benefit payments, and the addition of withdrawal capacity from the salaried VEBA that was funded in 2004.
 - (3) Other Operations and Other Financing include intercompany eliminations.
 - (4) Calculated by dividing total interest expense (excluding mark to market adjustments) by total debt.
 - (5) Balance at June 30, 2005 comprises \$19.7 billion of cash and cash equivalents and \$2.5 billion in marketable securities with maturities greater than 90 days. Balance at June 30, 2004 consisted entirely of cash and cash equivalents.
 - (6) Excludes accounts in bankruptcy.

17

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CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--|----------|------------------------------|----------|
| | (As restated) | | (As restated) | |
| | 2005 | 2004 | 2005 | 2004 |
| | ---- | ---- | ---- | ---- |
| | (dollars in millions except per share amounts) | | | |
| Total net sales and revenue | \$48,512 | \$49,254 | \$94,285 | \$97,084 |
| Cost of sales and other expenses | 40,089 | 39,778 | 79,402 | 78,551 |
| Selling, general, and administrative expenses | 5,475 | 5,171 | 10,364 | 10,180 |
| Interest expense | 3,712 | 2,839 | 7,391 | 5,623 |
| Total costs and expenses | 49,276 | 47,788 | 97,157 | 94,354 |
| Income (loss) before income taxes, equity income and minority interests | (764) | 1,466 | (2,872) | 2,730 |
| Income tax expense (benefit) | (305) | 302 | (1,240) | 610 |
| Equity income (loss) and minority interests | 173 | 213 | 242 | 465 |
| Net income (loss) | \$ (286) | \$ 1,377 | \$ (1,390) | \$ 2,585 |
| Basic earnings (loss) per share attributable to common stock | \$ (0.51) | \$ 2.44 | \$ (2.46) | \$ 4.58 |
| Earnings (loss) per share attributable to common stock assuming dilution | \$ (0.51) | \$ 2.42 | \$ (2.46) | \$ 4.54 |

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended June 30, | Six Months Ended June 30, |
|--|--------------------------------|------------------------------|
| | ----- | ----- |

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| | 2005 | (As restated) 2004 | 2005 | (As restated) 2004 |
|--|-----------------------|-----------------------|------------|-----------------------|
| | ---- | ---- | ---- | ---- |
| | (dollars in millions) | | | |
| AUTOMOTIVE AND OTHER OPERATIONS | | | | |
| Total net sales and revenues | \$40,178 | \$41,202 | \$77,481 | \$81,339 |
| | ----- | ----- | ----- | ----- |
| Cost of sales and other expenses | 38,048 | 37,259 | 74,954 | 73,690 |
| Selling, general, and administrative expenses | 3,320 | 3,144 | 6,157 | 6,167 |
| | ----- | ----- | ----- | ----- |
| Total costs and expenses | 41,368 | 40,403 | 81,111 | 79,857 |
| | ----- | ----- | ----- | ----- |
| Interest expense | 671 | 596 | 1,356 | 1,158 |
| Net expense from transactions with Financing and Insurance Operations | 100 | 59 | 187 | 127 |
| | ----- | --- | ----- | --- |
| Income (loss) before income taxes, equity income, and minority interests | (1,961) | 144 | (5,173) | 197 |
| Income tax (benefit) | (694) | (188) | (2,001) | (325) |
| Equity income (loss) and minority interests | 173 | 213 | 245 | 467 |
| | ----- | --- | ----- | --- |
| Net income (loss) - Automotive and Other Operations | \$ (1,094) | \$545 | \$ (2,927) | \$989 |
| | ===== | === | ===== | === |
| FINANCING AND INSURANCE OPERATIONS | | | | |
| Total revenues | \$8,334 | \$8,052 | \$16,804 | \$15,745 |
| | ----- | ----- | ----- | ----- |
| Interest expense | 3,041 | 2,243 | 6,035 | 4,465 |
| Depreciation and amortization expense | 1,404 | 1,333 | 2,802 | 2,663 |
| Operating and other expenses | 1,995 | 2,190 | 4,138 | 4,109 |
| Provisions for financing and insurance losses | 797 | 1,023 | 1,715 | 2,102 |
| | ----- | ----- | ----- | ----- |
| Total costs and expenses | 7,237 | 6,789 | 14,690 | 13,339 |
| Net income from transactions with Automotive and Other Operations | (100) | (59) | (187) | (127) |
| | ----- | ----- | ----- | ----- |
| Income before income taxes, equity income, and minority interests | 1,197 | 1,322 | 2,301 | 2,533 |
| Income tax expense | 389 | 490 | 761 | 935 |
| Equity income (loss) and minority interests | - | - | (3) | (2) |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|---|-------|-------|---------|---------|
| Net income - Financing and Insurance Operations | \$808 | \$832 | \$1,537 | \$1,596 |
| | === | === | ===== | ===== |

19

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | June 30, 2005 (Unaudited) | Dec. 31, 2004 | (As restated) June 30, 2004 (Unaudited) |
|--|---------------------------------|------------------|---|
| | (dollars in millions) | | |
| ASSETS | | | |
| Cash and cash equivalents | \$32,261 | \$35,993 | \$29,901 |
| Marketable securities | 23,013 | 21,737 | 20,816 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 55,274 | 57,730 | 50,717 |
| Finance receivables - net | 178,137 | 199,600 | 192,023 |
| Loans held for sale | 26,903 | 19,934 | 17,393 |
| Accounts and notes receivable (less allowances) | 18,465 | 21,236 | 16,989 |
| Inventories (less allowances) | 13,350 | 12,247 | 12,274 |
| Deferred income taxes | 27,640 | 26,241 | 27,379 |
| Net equipment on operating leases - (less accumulated depreciation) | 36,076 | 34,214 | 32,321 |
| Equity in net assets of nonconsolidated affiliates | 4,969 | 6,776 | 6,381 |
| Property - net | 40,325 | 39,020 | 37,578 |
| Intangible assets - net | 4,947 | 4,925 | 4,696 |
| Other assets | 60,512 | 57,680 | 57,709 |
| | ----- | ----- | ----- |
| Total assets | \$466,598 | \$479,603 | \$455,460 |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Accounts payable (principally trade) | \$28,694 | \$28,830 | \$26,377 |
| Notes and loans payable | 283,621 | 300,279 | 277,027 |
| Postretirement benefits other than pensions | 30,525 | 28,111 | 31,691 |
| Pensions | 9,722 | 9,455 | 7,559 |
| Deferred income taxes | 6,657 | 7,078 | 8,101 |
| Accrued expenses and other liabilities | 81,425 | 77,727 | 76,641 |
| | ----- | ----- | ----- |
| Total liabilities | 440,644 | 451,480 | 427,396 |
| Minority interests | 902 | 397 | 328 |
| Stockholders' equity | | | |
| \$1-2/3 par value common stock (outstanding, 565,503,422; 565,132,021; and 564,721,304 shares) | 943 | 942 | 941 |
| Capital surplus (principally additional paid-in capital) | 15,255 | 15,241 | 15,181 |

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| | | | |
|--|-----------|-----------|-----------|
| Retained earnings | 12,468 | 14,428 | 14,772 |
| | ----- | ----- | ----- |
| Subtotal | 28,666 | 30,611 | 30,894 |
| Accumulated foreign currency translation adjustments | (1,645) | (1,194) | (1,685) |
| Net unrealized gains (losses) on derivatives | 331 | 589 | 369 |
| Net unrealized gains on securities | 687 | 751 | 557 |
| Minimum pension liability adjustment | (2,987) | (3,031) | (2,399) |
| | ----- | ----- | ----- |
| Accumulated other comprehensive loss | (3,614) | (2,885) | (3,158) |
| | ----- | ----- | ----- |
| Total stockholders' equity | 25,052 | 27,726 | 27,736 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$466,598 | \$479,603 | \$455,460 |
| | ===== | ===== | ===== |

20

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED BALANCE SHEETS

| | June 30, 2005 (Unaudited) | Dec. 31, 2004 | (As restated) June 30, 2004 (Unaudited) |
|---|---------------------------------|------------------|---|
| | ----- | ---- | ----- |
| ASSETS | | | |
| (dollars in millions) | | | |
| Automotive and Other Operations | | | |
| Cash and cash equivalents | \$12,445 | \$13,148 | \$13,182 |
| Marketable securities | 3,629 | 6,655 | 8,319 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 16,074 | 19,803 | 21,501 |
| Accounts and notes receivable (less allowances) | 8,087 | 6,713 | 6,396 |
| Inventories (less allowances) | 12,818 | 11,717 | 11,576 |
| Net equipment on operating leases - (less accumulated depreciation) | 6,723 | 6,488 | 6,914 |
| Deferred income taxes and other current assets | 10,570 | 10,794 | 10,876 |
| | ----- | ----- | ----- |
| Total current assets | 54,272 | 55,515 | 57,263 |
| Equity in net assets of nonconsolidated affiliates | 4,969 | 6,776 | 6,381 |
| Property - net | 38,480 | 37,170 | 35,684 |
| Intangible assets - net | 1,658 | 1,599 | 1,412 |
| Deferred income taxes | 18,976 | 17,399 | 18,316 |
| Other assets | 41,415 | 40,844 | 41,657 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations assets | 159,770 | 159,303 | 160,713 |
| Financing and Insurance Operations | | | |
| Cash and cash equivalents | 19,816 | 22,845 | 16,719 |
| Investments in securities | 19,384 | 15,082 | 12,497 |
| Finance receivables - net | 178,137 | 199,600 | 192,023 |
| Loans held for sale | 26,903 | 19,934 | 17,393 |
| Net equipment on operating leases (less | | | |

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| | | | |
|--|-----------|-----------|-----------|
| accumulated depreciation) | 29,353 | 27,726 | 25,407 |
| Other assets | 33,235 | 35,113 | 30,708 |
| Net receivable from Automotive and Other Operations | 2,846 | 2,426 | 2,004 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations assets | 309,674 | 322,726 | 296,751 |
| | ----- | ----- | ----- |
| Total assets | \$469,444 | \$482,029 | \$457,464 |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Automotive and Other Operations | | | |
| Accounts payable (principally trade) | \$25,361 | \$24,257 | \$23,084 |
| Loans payable | 1,563 | 2,062 | 2,625 |
| Accrued expenses | 44,390 | 46,147 | 46,726 |
| Net payable to Financing and Insurance Operations | 2,846 | 2,426 | 2,004 |
| | ----- | ----- | ----- |
| Total current liabilities | 74,160 | 74,892 | 74,439 |
| Long-term debt | 31,043 | 30,460 | 29,814 |
| Postretirement benefits other than pensions | 25,815 | 23,406 | 27,721 |
| Pensions | 9,629 | 9,371 | 7,489 |
| Other liabilities and deferred income taxes | 15,946 | 15,657 | 15,467 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations liabilities | 156,593 | 153,786 | 154,930 |
| Financing and Insurance Operations | | | |
| Accounts payable | 3,333 | 4,573 | 3,293 |
| Debt | 251,015 | 267,757 | 244,588 |
| Other liabilities and deferred income taxes | 32,549 | 27,790 | 26,589 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations liabilities | 286,897 | 300,120 | 274,470 |
| | ----- | ----- | ----- |
| Total liabilities | 443,490 | 453,906 | 429,400 |
| Minority interests | 902 | 397 | 328 |
| Total stockholders' equity | 25,052 | 27,726 | 27,736 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$469,444 | \$482,029 | \$457,464 |
| | ===== | ===== | ===== |

21

GENERAL MOTORS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Six Months Ended June 30,

(As
restated)
2005 2004

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| | ---- | ---- |
|---|-----------------------|----------|
| | (dollars in millions) | |
| Net cash provided by operating activities | \$2,603 | \$803 |
| Cash flows from investing activities | | |
| Expenditures for property | (2,944) | (3,201) |
| Investments in marketable securities - acquisitions | (10,830) | (6,466) |
| Investments in marketable securities - liquidations | 10,269 | 7,064 |
| Net originations and purchases of mortgage servicing rights | (784) | (816) |
| Increase in finance receivables | (5,970) | (17,800) |
| Proceeds from sales of finance receivables | 17,578 | 9,012 |
| Operating leases - acquisitions | (8,378) | (7,118) |
| Operating leases - liquidations | 3,258 | 3,992 |
| Investments in companies, net of cash acquired | 1,355 | (32) |
| Other | (2,411) | 982 |
| | ----- | ----- |
| Net cash provided by investing activities | 1,143 | (14,383) |
| Cash flows from financing activities | | |
| Net increase in loans payable | (8,411) | 2,137 |
| Long-term debt - borrowings | 30,440 | 37,784 |
| Long-term debt - repayments | (32,144) | (30,986) |
| Cash dividends paid to stockholders | (570) | (564) |
| Other | 3,619 | 2,804 |
| | ----- | ----- |
| Net cash provided by (used in) financing activities | (7,066) | 11,175 |
| Effect of exchange rate changes on cash and cash equivalents | (412) | (248) |
| | ----- | ----- |
| Net decrease in cash and cash equivalents | (3,732) | (2,653) |
| Cash and cash equivalents at beginning of the period | 35,993 | 32,554 |
| | ----- | ----- |
| Cash and cash equivalents at end of the period | \$32,261 | \$29,901 |
| | ===== | ===== |

22

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENTS OF
CASH FLOWS
(Unaudited)

| Automotive and Other | Financing and Insurance |
|-------------------------|----------------------------|
|-------------------------|----------------------------|

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| | Six Months Ended June 30, | | | |
|--|---------------------------|----------|----------|--------------------------|
| | 2005 | 2004 | 2005 | (As restated) 2004 |
| | ----- | ----- | ----- | ----- |
| | (dollars in millions) | | | |
| Net cash provided by operating activities | \$(2,138) | \$955 | \$4,741 | \$(152) |
| Cash flows from investing activities | | | | |
| Expenditures for property | (2,813) | (3,038) | (131) | (163) |
| Investments in marketable securities - acquisitions | (271) | (855) | (10,559) | (5,611) |
| Investments in marketable securities - liquidations | 3,137 | 1,603 | 7,132 | 5,461 |
| Net change in mortgage services rights | - | - | (784) | (816) |
| Increase in finance receivables | - | - | (5,970) | (17,800) |
| Proceeds from sales of finance receivables | - | - | 17,578 | 9,012 |
| Operating leases - acquisitions | - | - | (8,378) | (7,118) |
| Operating leases - liquidations | - | - | 3,258 | 3,992 |
| Net investing activity with Financing and Insurance Operations | 1,000 | - | - | - |
| Investments in companies, net of cash acquired | 1,355 | (53) | - | 21 |
| Other | (591) | 110 | (1,820) | 872 |
| | ----- | ----- | ----- | ----- |
| Net cash provided by (used in) investing activities | 1,817 | (2,233) | 326 | (12,150) |
| Cash flows from financing activities | | | | |
| Net increase (decrease) in loans payable | 46 | (437) | (8,457) | 2,574 |
| Long-term debt - borrowings | 25 | 756 | 30,415 | 37,028 |
| Long-term debt - repayments | (20) | (55) | (32,124) | (30,931) |
| Net financing activity with Automotive & Other | - | - | (1,000) | - |
| Cash dividends paid to stockholders | (570) | (564) | - | - |
| Other | - | - | 3,619 | 2,804 |
| | ----- | ----- | ----- | ----- |
| Net cash provided by (used in) financing activities | (519) | (300) | (7,547) | 11,475 |
| Effect of exchange rate changes on cash and cash equivalents | (283) | (176) | (129) | (72) |
| Net transactions with Automotive/Financing Operations | 420 | 512 | (420) | (512) |
| | --- | ----- | ----- | ----- |
| Net decrease in cash and cash equivalents | (703) | (1,242) | (3,029) | (1,411) |
| Cash and cash equivalents at beginning of the period | 13,148 | 14,424 | 22,845 | 18,130 |
| | ----- | ----- | ----- | ----- |
| Cash and cash equivalents at end of the period | \$12,445 | \$13,182 | \$19,816 | \$16,719 |
| | ===== | ===== | ===== | ===== |

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SIGNATURES

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: July 20, 2005

By: /s/PETER R. BIBLE

(Peter R. Bible,
Chief Accounting Officer)

