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GENERAL MOTORS CORP
Form 8-K
October 14, 2004

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) October 14, 2004

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

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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)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the

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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 October 14, 2004, a news release was issued on the subject of third 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 third quarter earnings release for GM.

GM Earns \$440 Million or \$0.78 Per Share in Third Quarter 2004

- o GMAC reports ninth-consecutive quarter of earnings improvement
- o GM gains market share in all four automotive regions
- o U.S. dealer inventory reduced by 230,000 units in the third quarter

DETROIT - General Motors Corp. (NYSE: GM) today reported net income of \$440 million, or \$0.78 per diluted share, in the third quarter of 2004. These results are at the low end of the range of GM's earnings guidance provided in July. In the year-ago quarter, GM reported net income of \$425 million, or \$0.79 per share, and earnings from continuing operations of \$448 million, or \$0.80 per share. Revenue rose 3 percent to \$44.9 billion.

Profits at General Motors Acceptance Corp. (GMAC) continued to be very strong, compared with the prior year, but automotive results were weaker due to increased losses in Europe, lower production volumes in North America, and slower economic growth in China.

"Competition in the automotive business around the globe remains intense, and we are seeing negative pricing in most major markets," said GM Chairman and Chief Executive Officer Rick Wagoner. "Even though we increased market share in all four regions, our automotive earnings in the third quarter reflect these challenging market conditions, and were frankly disappointing."

"These financial results highlight that we've got to move faster in addressing some tough cost challenges like health care in the United States and our overcapacity and high cost footprint in Europe, where we announced major restructuring actions earlier today. Our business strategy remains sound and on track: introduce great cars and trucks, stay aggressive in the market, strive for industry-leading cost competitiveness and quality, and generate cash. But we've got to move more quickly in addressing these challenging, chronic structural-cost issues."

GM Automotive Operations

GM's global-automotive business reported a loss of \$130 million in the third quarter of 2004, compared with net income of \$34 million in the prior-year period. Positive results at GM's Latin America/Africa/Mid-East (GMLAAM) were more than offset by losses at GM North America (GMNA) and GM Europe (GME), and lower profits at GM Asia Pacific (GMAP).

GM gained market share in all four regions of the world in the third quarter of 2004, with global market share rising to 15.5 percent from 15.1 percent in the year-ago period.

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GMNA reported a loss of \$22 million in the third quarter of 2004, compared with earnings of \$128 million in the third quarter of 2003. GMNA's performance was primarily driven by lower production volumes and unfavorable product mix and pricing, partially offset by lower material costs and a reduction of approximately \$250 million after-tax in the reserve set aside for product-liability matters. This reduction was the result of the annual analysis of product-liability reserves.

In addition, health-care costs in the United States continue to increase at an excessive rate and are a growing burden on GM's financial results.

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"These continuing large increases in health-care costs put GM, and many other U.S. businesses, at a significant disadvantage," Wagoner said. "Clearly, the current situation is not sustainable. All of us -- government, business, the health-care industry, labor and health-care consumers -- need to work together to find solutions that ensure U.S.competitiveness in today's global economy."

GM's market share in North America rose to 28.5 percent in the third quarter of 2004, from 28.2 percent in the year-earlier period. In the United States, GM finished the third quarter with strong sales, posting a 20-percent increase for the month of September. That led to a reduction in dealer inventories of 230,000 units during the quarter to 1.137 million cars and trucks.

"GM continues its product renaissance," Wagoner said. "In fact, over the next four years we will replace more than 90 percent of our portfolio in North America on a volume basis. Through the remainder of this year, we have important product introductions with the all-new Pontiac G6, the Buick LaCrosse, the Cadillac STS, the Chevrolet Cobalt, and the Opel/Vauxhall Astra GTC in Europe. These products, and the many that follow them, will strengthen our brands and improve our competitiveness."

GME reported a loss of \$236 million in the third quarter of 2004, compared with a loss of \$152 million in the year-ago quarter. The most-recent quarterly results reflect intense price competition and foreign-exchange losses. GM's market share in Europe rose to 9.6 percent in the third quarter of 2004 from 9.1 percent in the year-ago period.

"The pricing environment in Europe has deteriorated significantly this year, and growth in some of our largest markets remains weak," Wagoner said. "In light of these factors, we need to move more aggressively to significantly reduce our cost structure in Europe, especially manufacturing and engineering."

GMAP earned \$101 million in the third quarter of 2004, compared with earnings of \$162 million in the year-ago quarter, also reflecting lower pricing and unfavorable mix driven by the economic slowdown in China. GM's market share in the Asia Pacific region rose to 5.1 percent in the third quarter from 5.0 percent a year ago.

"The economic slowdown in China affected our financial performance there during the third quarter," Wagoner said. "However, we see this situation as temporary. We continue to expect to see significant growth in China and throughout the region in the medium and long term."

GMLAAM earned \$27 million in the third quarter of 2004, a substantial improvement from the year-ago loss of \$104 million, and the third consecutive

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quarter of profitability.

"Our strong product portfolio and excellent dealer network have led to market-share gains in South America, South Africa and the Mid-East, while improved economic conditions have led to industry sales growth of 21 percent during the quarter," Wagoner said, adding GM's market share in the GMLAAM region rose to 17.1 percent in the third quarter of 2004 from 15.6 percent a year ago.

GMAC

Reflecting strong performance from GMAC's diversified business, GMAC earned \$656 million in the third quarter of 2004, up from \$630 million in the year-ago quarter.

Net income from financing operations totaled \$259 million in the third quarter of 2004, compared with \$320 million in the prior-year period. Lower credit losses and improved lease residual results were more than offset by lower net margins on stable asset levels.

Mortgage operations earned \$302 million, up from \$253 million in the year-ago period. Higher interest rates had a negative effect on loan production and securitization volumes but a favorable effect on net servicing revenue.

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GMAC Insurance reported net income of \$95 million for the third quarter of 2004, up from \$57 million a year ago. Operational strength across the business unit contributed to improved net underwriting results while investment income remained stable compared with the prior year.

"GMAC once again delivered very impressive financial results, in spite of the more challenging interest rate environment," Wagoner said. "GMAC has done an excellent job diversifying its earnings base across its portfolio of global businesses, and also diversifying its funding base through new sources of liquidity both here and abroad. GMAC enjoys strong liquidity, and expects to continue to have ample access to the capital markets and other financing sources to meet its needs."

Cash and Liquidity

Cash, marketable securities, and short-term assets of the Voluntary Employees' Beneficiary Association (VEBA) Trust totaled \$24.5 billion at Sept. 30, 2004, excluding financing and insurance operations, down from \$25.0 billion on June 30, 2004. Cash flow is typically lower in the third quarter due to lower production volumes and costs related to the introduction of new vehicles.

In addition, GM experienced higher spending on health care than in prior years and additional losses in Europe. For the nine months ended Sept. 30, 2004, automotive cash flow stood at \$2.0 billion. While GM expects positive automotive cash flow in the fourth quarter, it has become more challenging to achieve GM's previously stated target of \$5 billion for the full year.

Looking Ahead

GM continues to expect total U.S. industry sales of approximately 17.2 million vehicles in calendar year 2004. As a result of increased losses in Europe and slower growth in Asia Pacific, GM is revising its 2004-calendar-year earnings guidance to between \$6.00 and \$6.50 per share, excluding one-time items. This is in line with GM's original target at the start of the year and down from the

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midyear guidance of approximately \$7.00 per share.

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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.

About GM

General Motors Corp. (NYSE: GM), the world's largest vehicle manufacturer, employs about 325,000 people globally. Founded in 1908, GM has been the global automotive-sales leader since 1931. GM today has manufacturing operations in 32 countries and its vehicles are sold in 192 countries. In 2003, GM sold nearly 8.6 million cars and trucks, about 15 percent of the global vehicle market. GM's global headquarters are at the GM Renaissance Center in Detroit. More information on GM and its products can be found on the company's corporate website at www.gm.com.

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

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 | | Year to Date | |
|------------|--------------------|--------|----------------|--------|
| | Sept. 30, 2004 | | Sept. 30, 2004 | |
| | ----- | | ----- | |
| | Net | Net | Net | Net |
| | Income | EPS | Income | EPS |
| | ----- | ----- | ----- | ----- |
| REPORTED | | | | |
| ----- | | | | |
| Net income | \$440 | \$0.78 | \$3,061 | \$5.39 |

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There were no special items in the Third Quarter of 2004.

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

| | Three Months Ended Sept. 30, 2003 | | Year to Date Sept. 30, 2003 | |
|-------------------------------------|--------------------------------------|--------|--------------------------------|--------|
| | Net Income | EPS | Net Income | EPS |
| | ----- | ----- | ----- | ----- |
| REPORTED | | | | |
| ----- | | | | |
| Income from continuing operations | \$448 | \$0.80 | \$2,864 | \$5.10 |
| (Loss) from discontinued operations | (23) | (0.01) | (55) | (0.02) |
| | --- | ---- | ----- | ----- |
| Net income | 425 | 0.79 | 2,809 | 5.08 |
| ADJUSTMENTS | | | | |
| ----- | | | | |
| Gain on Sale of GM Defense (A) | - | - | (505) | (0.90) |
| | --- | ---- | ----- | ----- |
| Subtotal | - | - | (505) | (0.90) |
| ADJUSTED | | | | |
| ----- | | | | |
| Income from continuing operations | \$448 | \$0.80 | \$2,359 | \$4.20 |
| (Loss) from discontinued operations | (23) | (0.01) | (55) | (0.02) |
| | --- | ---- | ----- | ----- |
| Adjusted income | \$425 | \$0.79 | \$2,304 | \$4.18 |
| | === | ===== | ===== | ===== |

(A) The Gain on Sale of GM Defense relates to the sale of GM's light armored vehicle business to General Dynamics Corporation for net proceeds of approximately \$1.1 billion.

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General Motors Corporation Summary Corporate Financial Results (unaudited)

| | Third Quarter | | Year to Date | |
|---|---------------|----------|--------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| (dollars in millions except per share amounts) | | | | |
| Total net sales and revenues | \$44,858 | \$43,519 | \$141,691 | \$136,451 |
| Adjusted | \$44,858 | \$43,519 | \$141,691 | \$135,637 |
| Income from continuing operations | \$440 | \$448 | \$3,061 | \$2,864 |
| Adjusted | \$440 | \$448 | \$3,061 | \$2,359 |
| (Loss) from discontinued operations | - | (23) | - | (55) |
| Adjusted | - | (23) | - | (55) |
| Net income | \$440 | \$425 | \$3,061 | \$2,809 |
| Adjusted | \$440 | \$425 | \$3,061 | \$2,304 |
| Net margin from continuing operations (Income from continuing operations / Total net sales and revenues) | 1.0% | 1.0% | 2.2% | 2.1% |
| Adjusted | 1.0% | 1.0% | 2.2% | 1.7% |
| Earnings per share - basic \$1-2/3 par value | | | | |
| Continuing operations | \$0.78 | \$0.80 | \$5.42 | \$5.11 |
| Discontinued operations | - | (0.01) | - | (0.02) |
| | ---- | ---- | ---- | ---- |
| Earnings per share | \$0.78 | \$0.79 | \$5.42 | \$5.09 |
| Earnings per share - diluted \$1-2/3 par value | | | | |
| Continuing operations | \$0.78 | \$0.80 | \$5.39 | \$5.10 |
| Discontinued operations | - | (0.01) | - | (0.02) |
| | ---- | ---- | ---- | ---- |
| Earnings per share | \$0.78 | \$0.79 | \$5.39 | \$5.08 |
| Earnings per share - diluted adjusted \$1-2/3 par value | | | | |
| Continuing operations | \$0.78 | \$0.80 | \$5.39 | \$4.20 |
| Discontinued operations | - | (0.01) | - | (0.02) |
| | ---- | ---- | ---- | ---- |
| Earnings per share | \$0.78 (1) | \$0.79 | \$5.39 | \$4.18 |
| GM \$1-2/3 par value average shares outstanding (Mil's) | | | | |
| Basic shares | 565 | 561 | 565 | 561 |
| Diluted shares | 567 | 561 | 568 | 561 |
| Cash dividends per share of common stocks | | | | |
| GM \$1-2/3 par value | \$0.50 | \$0.50 | \$1.50 | \$1.50 |

See reconciliation of adjusted financial results on pages 9 - 14 and footnotes on page 16.

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Summary Corporate Financial Results (unaudited)

| | Third Quarter | | Year to Date | |
|---|---------------|---------|--------------|---------|
| | 2004 | 2003 | 2004 | 2003 |
| Book value per share of common stocks at Sept. 30 GM \$1-2/3 par value | \$49.34 | \$13.76 | | |
| Auto & Other Operations total cash & marketable securities at Sept. 30 (\$Bil's) | \$21.0 | \$25.9 | | |
| Cash in short-term VEBA | \$3.5 | \$3.4 | | |
| Total Auto & Other cash & marketable securities plus short-term VEBA | \$24.5 | \$29.3 | | |
| Auto & Other Operations (\$Mil's) | | | | |
| Depreciation | \$1,117 | \$1,063 | \$3,706 | \$3,146 |
| Amortization of special tools | 737 | 676 | 2,237 | 2,029 |
| Amortization of intangible assets | 9 | 10 | 25 | 20 |
| Total | \$1,863 | \$1,749 | \$5,968 | \$5,195 |
| GM's share of nonconsolidated affiliates' net income (loss) (\$Mil's) | | | | |
| Italy | \$30 | \$- | \$59 | \$23 |
| Japan | \$32 | \$42 | \$191 | \$125 |
| China | \$80 | \$142 | \$390 | \$311 |
| South Korea | \$(2) | \$(22) | \$(18) | \$(50) |

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General Motors Corporation Summary Corporate Financial Results (unaudited)

| | Third Quarter 2004 and 2003 | | | | | |
|-----------------------|--------------------------------|-------|---------------|-------|----------|-------|
| | Reported | | Special Items | | Adjusted | |
| (dollars in millions) | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |

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| | | | | | | |
|---|----------|----------|------|------|----------|----------|
| Total net sales and revenues | | | | | | |
| GMNA | \$26,343 | \$26,810 | \$ - | \$ - | \$26,343 | \$26,810 |
| GME | 6,935 | 6,270 | - | - | 6,935 | 6,270 |
| GMLAAM | 2,166 | 1,304 | - | - | 2,166 | 1,304 |
| GMAP | 1,601 | 1,384 | - | - | 1,601 | 1,384 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total GMA | 37,045 | 35,768 | - | - | 37,045 | 35,768 |
| Other | 57 | 77 | - | - | 57 | 77 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total Auto & Other | | | | | | |
| | 37,102 | 35,845 | - | - | 37,102 | 35,845 |
| | ----- | ----- | -- | -- | ----- | ----- |
| GMAC | 7,724 | 7,649 | - | - | 7,724 | 7,649 |
| Other Financing | 32 | 25 | - | - | 32 | 25 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total FIO | 7,756 | 7,674 | - | - | 7,756 | 7,674 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total net sales and revenues | | | | | | |
| | \$44,858 | \$43,519 | \$ - | \$ - | \$44,858 | \$43,519 |
| | ===== | ===== | == | == | ===== | ===== |
| Income (loss) from continuing operations before income taxes, equity income, and minority interests | | | | | | |
| GMNA | \$ (69) | \$200 | \$ - | \$ - | \$ (69) | \$200 |
| GME | (439) | (251) | - | - | (439) | (251) |
| GMLAAM | 45 | (146) | - | - | 45 | (146) |
| GMAP | (18) | - | - | - | (18) | - |
| | --- | --- | -- | -- | --- | --- |
| Total GMA | (481) | (197) | - | - | (481) | (197) |
| Other | (148) | (374) | - | - | (148) | (374) |
| | --- | --- | -- | -- | --- | --- |
| Total Auto & Other | | | | | | |
| | (629) | (571) | - | - | (629) | (571) |
| | --- | --- | -- | -- | --- | --- |
| GMAC | 969 | 962 | - | - | 969 | 962 |
| Other Financing | (2) | (4) | - | - | (2) | (4) |
| | --- | --- | -- | -- | --- | --- |
| Total FIO | 967 | 958 | - | - | 967 | 958 |
| | --- | --- | -- | -- | --- | --- |
| Total income (loss) from continuing operations before income taxes, equity income, and minority interests | | | | | | |
| | \$338 | \$387 | \$ - | \$ - | \$338 | \$387 |
| | === | === | == | == | === | === |

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2004 and 2003

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|--|----------|-------|---------------|------|----------|-------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Income (loss) from continuing operations | | | | | | |
| GMNA | \$ (22) | \$128 | \$ - | \$ - | \$ (22) | \$128 |
| GME | (236) | (152) | - | - | (236) | (152) |
| GMLAAM | 27 | (104) | - | - | 27 | (104) |
| GMAP | 101 | 162 | - | - | 101 | 162 |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | (130) | 34 | - | - | (130) | 34 |
| Other | (83) | (212) | - | - | (83) | (212) |
| | --- | --- | --- | --- | --- | --- |
| Total Auto & Other | (213) | (178) | - | - | (213) | (178) |
| | --- | --- | --- | --- | --- | --- |
| GMAC | 656 | 630 | - | - | 656 | 630 |
| Other Financing | (3) | (4) | - | - | (3) | (4) |
| | --- | --- | --- | --- | --- | --- |
| Total FIO | 653 | 626 | - | - | 653 | 626 |
| | --- | --- | --- | --- | --- | --- |
| Income (loss) from continuing operations | \$440 | \$448 | \$ - | \$ - | \$440 | \$448 |
| (Loss) from discontinued operations | - | (23) | - | - | - | (23) |
| | --- | --- | --- | --- | --- | --- |
| Net income (loss) | \$440 | \$425 | \$ - | \$ - | \$440 | \$425 |
| | === | === | == | == | === | === |
| Income tax expense (benefit) | | | | | | |
| GMNA | \$ (13) | \$52 | \$ - | \$ - | \$ (13) | \$52 |
| GME | (167) | (96) | - | - | (167) | (96) |
| GMLAAM | 13 | (51) | - | - | 13 | (51) |
| GMAP | (9) | 7 | - | - | (9) | 7 |
| | --- | --- | --- | --- | --- | --- |
| Total GMA | (176) | (88) | - | - | (176) | (88) |
| Other | (65) | (152) | - | - | (65) | (152) |
| | --- | --- | --- | --- | --- | --- |
| Total Auto & Other | (241) | (240) | - | - | (241) | (240) |
| | --- | --- | --- | --- | --- | --- |
| GMAC | 311 | 374 | - | - | 311 | 374 |
| Other Financing | 1 | - | - | - | 1 | - |
| | --- | --- | --- | --- | --- | --- |
| Total FIO | 312 | 374 | - | - | 312 | 374 |
| | --- | --- | --- | --- | --- | --- |
| Income tax expense (benefit) | \$71 | \$134 | \$ - | \$ - | \$71 | \$134 |
| | === | === | == | == | === | === |

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Summary Corporate Financial Results (unaudited)

Third Quarter
2004 and 2003

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|-----------------------|----------|-------|---------------|-------|----------|-------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Effective tax rate | | | | | | |
| Total GM Corp. | 21% | 35% | - | - | 21% | 35% |
| GMNA | 19% | 26% | - | - | 19% | 26% |
| GME | 38% | 38% | - | - | 38% | 38% |
| GMAC | 32% | 39% | - | - | 32% | 39% |

Tax settlements that were previously expected in the second quarter of 2004 are now expected to be completed in the fourth quarter of 2004. Excluding these settlements, GM's effective tax rate is expected to be approximately 21% on an ongoing quarterly basis.

| Equity income (loss) and minority interests | | | | | | |
|--|-------|---------|------|------|-------|---------|
| GMNA | \$34 | \$ (20) | \$ - | \$ - | \$34 | \$ (20) |
| GME | 36 | 3 | - | - | 36 | 3 |
| GMLAAM | (5) | (9) | - | - | (5) | (9) |
| GMAP | 110 | 169 | - | - | 110 | 169 |
| | ---- | ---- | -- | -- | ---- | ---- |
| Total GMA | \$175 | \$143 | \$ - | \$ - | \$175 | \$143 |
| | ==== | ==== | == | == | ==== | ==== |

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General Motors Corporation Summary Corporate Financial Results (unaudited)

Year to Date
2004 and 2003

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|---------------------------------|----------|----------|---------------|-------|----------|----------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total net sales and revenues | | | | | | |
| GMNA | \$84,875 | \$85,331 | \$ - | \$ - | \$84,875 | \$85,331 |
| GME | 22,572 | 20,195 | - | - | 22,572 | 20,195 |
| GMLAAM | 5,908 | 3,468 | - | - | 5,908 | 3,468 |
| GMAP | 4,893 | 3,798 | - | - | 4,893 | 3,798 |
| | ----- | ----- | -- | -- | ----- | ----- |
| Total GMA | 118,248 | 112,792 | - | - | 118,248 | 112,792 |
| Other | 193 | 1,211 | - | (814) | 193 | 397 |
| | ----- | ----- | -- | --- | ----- | ----- |

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| | | | | | | |
|---|-----------|-----------|------|----------|-----------|-----------|
| Total Auto & Other | 118,441 | 114,003 | - | (814) | 118,441 | 113,189 |
| | ----- | ----- | -- | --- | ----- | ----- |
| GMAC | 22,973 | 22,434 | - | - | 22,973 | 22,434 |
| Other Financing | 277 | 14 | - | - | 277 | 14 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total FIO | 23,250 | 22,448 | - | - | 23,250 | 22,448 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total net sales and revenues | \$141,691 | \$136,451 | \$ - | \$ (814) | \$141,691 | \$135,637 |
| | ===== | ===== | == | === | ===== | ===== |
| Income (loss) from continuing operations before income taxes, equity income, and minority interests | | | | | | |
| GMNA | \$940 | \$1,029 | \$ - | \$ - | \$940 | \$1,029 |
| GME | (758) | (399) | - | - | (758) | (399) |
| GMLAAM | 64 | (286) | - | - | 64 | (286) |
| GMAP | 28 | 30 | - | - | 28 | 30 |
| | --- | --- | -- | --- | --- | --- |
| Total GMA | 274 | 374 | - | - | 274 | 374 |
| Other | (716) | (282) | - | (814) | (716) | (1,096) |
| | --- | --- | -- | --- | --- | --- |
| Total Auto & Other | (442) | 92 | - | (814) | (442) | (722) |
| | ----- | ----- | -- | --- | ----- | ----- |
| GMAC | 3,565 | 3,440 | - | - | 3,565 | 3,440 |
| Other Financing | (27) | (16) | - | - | (27) | (16) |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total FIO | 3,538 | 3,424 | - | - | 3,538 | 3,424 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total income (loss) from continuing operations before income taxes, equity income, and minority interests | \$3,096 | \$3,516 | \$ - | \$ (814) | \$3,096 | \$2,702 |
| | ===== | ===== | == | === | ===== | ===== |

12

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Year to Date
2004 and 2003

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|--|----------|-------|---------------|-------|----------|-------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income (loss) from continuing operations | | | | | | |
| GMNA | \$757 | \$759 | \$ - | \$ - | \$757 | \$759 |
| GME | (397) | (220) | - | - | (397) | (220) |

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| | | | | | | |
|--|---------|---------|------|----------|---------|---------|
| GMLAAM | 38 | (219) | - | - | 38 | (219) |
| GMAP | 612 | 400 | - | - | 612 | 400 |
| | ----- | ---- | -- | --- | ----- | ---- |
| Total GMA | 1,010 | 720 | - | - | 1,010 | 720 |
| Other | (234) | (7) | - | (505) | (234) | (512) |
| | ----- | ---- | -- | --- | ----- | ---- |
| Total Auto & Other | 776 | 713 | - | (505) | 776 | 208 |
| | ----- | ----- | -- | --- | ----- | ----- |
| GMAC | 2,302 | 2,163 | - | - | 2,302 | 2,163 |
| Other Financing | (17) | (12) | - | - | (17) | (12) |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total FIO | 2,285 | 2,151 | - | - | 2,285 | 2,151 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Income (loss) from continuing operations | \$3,061 | \$2,864 | \$ - | \$ (505) | \$3,061 | \$2,359 |
| (Loss) from discontinued operations | - | (55) | - | - | - | (55) |
| | ----- | ----- | -- | --- | ----- | ----- |
| Net income (loss) | \$3,061 | \$2,809 | \$ - | \$ (505) | \$3,061 | \$2,304 |
| | ===== | ===== | == | === | ===== | ===== |
| Income tax expense (benefit) | | | | | | |
| GMNA | \$162 | \$268 | \$ - | \$ - | \$162 | \$268 |
| GME | (288) | (152) | - | - | (288) | (152) |
| GMLAAM | 16 | (83) | - | - | 16 | (83) |
| GMAP | (4) | 26 | - | - | (4) | 26 |
| | --- | --- | -- | --- | --- | --- |
| Total GMA | (114) | 59 | - | - | (114) | 59 |
| Other | (485) | (303) | - | (309) | (485) | (612) |
| | --- | --- | -- | --- | --- | --- |
| Total Auto & Other | (599) | (244) | - | (309) | (599) | (553) |
| | ----- | ----- | -- | --- | ----- | ----- |
| GMAC | 1,259 | 1,308 | - | - | 1,259 | 1,308 |
| Other Financing | (10) | (4) | - | - | (10) | (4) |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total FIO | 1,249 | 1,304 | | | 1,249 | 1,304 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Income tax expense (benefit) | \$650 | \$1,060 | \$ - | \$ (309) | \$650 | \$751 |
| | === | ===== | == | === | === | === |

13

General Motors Corporation
Summary Corporate Financial Results
(unaudited)

Year to Date
2004 and 2003

| (dollars in millions) | Reported | | Special Items | | Adjusted | |
|-----------------------|----------|------|---------------|------|----------|------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |

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| Effective tax rate | ----- | ----- | ----- | ----- | ----- | ----- |
|--------------------|-------|-------|-------|-------|-------|-------|
| Total GM Corp. | 21% | 30% | - | 38% | 21% | 28% |
| GMNA | 17% | 26% | - | - | 17% | 26% |
| GME | 38% | 38% | - | - | 38% | 38% |
| GMAC | 35% | 38% | - | - | 35% | 38% |

Tax settlements that were previously expected in the second quarter of 2004 are now expected to be completed in the fourth quarter of 2004. Excluding these settlements, GM's effective tax rate is expected to be approximately 21% on an ongoing quarterly basis.

| Equity income (loss) and minority interests | | | | | | |
|--|---------|--------|------|------|---------|--------|
| GMNA | \$ (21) | \$ (2) | \$ - | \$ - | \$ (21) | \$ (2) |
| GME | 73 | 27 | - | - | 73 | 27 |
| GMLAAM | (10) | (16) | - | - | (10) | (16) |
| GMAP | 580 | 396 | - | - | 580 | 396 |
| | ---- | ---- | -- | -- | ---- | ---- |
| Total GMA | \$622 | \$405 | \$ - | \$ - | \$622 | \$405 |
| | ==== | ==== | == | == | ==== | ==== |

14

General Motors Corporation
Operating Statistics

| | Third Quarter | | Year to Date | |
|---------------------------|---------------|-------|--------------|-------|
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| (units in thousands) | | | | |
| Worldwide Wholesale Sales | | | | |
| United States - Cars | 416 | 453 | 1,401 | 1,439 |
| United States - Trucks | 679 | 686 | 2,160 | 2,205 |
| | ----- | ----- | ----- | ----- |
| Total United States | 1,095 | 1,139 | 3,561 | 3,644 |
| Canada, Mexico, and Other | 160 | 113 | 525 | 479 |
| | ----- | ----- | ----- | ----- |
| Total GMNA | 1,255 | 1,252 | 4,086 | 4,123 |
| GME | 386 | 372 | 1,297 | 1,246 |
| GMLAAM | 190 | 134 | 534 | 377 |
| GMAP | 72 | 71 | 204 | 202 |
| | ----- | ----- | ----- | ----- |
| Total Worldwide | 1,903 | 1,829 | 6,121 | 5,948 |
| | ===== | ===== | ===== | ===== |
| Vehicle Unit Deliveries | | | | |
| Chevrolet - Cars | 265 | 221 | 701 | 612 |
| Chevrolet - Trucks | 531 | 517 | 1,407 | 1,395 |
| Pontiac | 122 | 125 | 378 | 352 |
| GMC | 175 | 163 | 458 | 426 |
| Buick | 87 | 90 | 249 | 258 |
| Oldsmobile | 3 | 29 | 27 | 96 |
| Saturn | 58 | 70 | 171 | 217 |
| Cadillac | 63 | 58 | 169 | 154 |
| Other | 21 | 25 | 60 | 72 |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|--|----------|----------|-------|-------|
| Total United States | 1,325 | 1,298 | 3,620 | 3,582 |
| Canada, Mexico, and Other | 169 | 184 | 518 | 514 |
| | ----- | ----- | ----- | ----- |
| Total GMNA | 1,494 | 1,482 | 4,138 | 4,096 |
| GME | 461 | 434 | 1,500 | 1,390 |
| GMLAAM | 188 | 140 | 522 | 402 |
| GMAP | 209 | 197 | 659 | 557 |
| | ----- | ----- | ----- | ----- |
| Total Worldwide | 2,352 | 2,253 | 6,819 | 6,445 |
| | ===== | ===== | ===== | ===== |
| Market Share | | | | |
| United States - Cars | 26.9% | 26.3% | 25.4% | 25.3% |
| United States - Trucks | 31.1% | 30.6% | 29.4% | 29.9% |
| Total United States | 29.3% | 28.7% | 27.6% | 27.8% |
| Total North America | 28.5% | 28.2% | 27.0% | 27.2% |
| Total Europe | 9.6% | 9.1% | 9.5% | 9.3% |
| Total LAAM | 17.1% | 15.6% | 16.8% | 15.6% |
| Asia and Pacific | 5.1% | 5.0% | 5.2% | 4.7% |
| Total Worldwide | 15.5% | 15.1% | 14.6% | 14.5% |
| U.S. Retail/Fleet Mix | | | | |
| % Fleet Sales - Cars | 36.2% | 30.5% | 37.1% | 30.1% |
| % Fleet Sales - Trucks | 12.7% | 9.5% | 16.1% | 12.9% |
| Total Vehicles | 22.0% | 18.1% | 24.6% | 20.1% |
| Retail Lease as % of Retail Sales | | | | |
| Total Smartlease and Smartbuy | 10.8% | 6.6% | | |
| Days Supply of Inventory at Sept. 30 | | | | |
| United States - Cars | 64 | 69 | | |
| United States - Trucks | 81 | 104 | | |
| GMNA Capacity Utilization (2 shift rated) | | | | |
| | 83.7% | 86.1% | 85.5% | 88.3% |
| GMNA Vehicle Revenue Per Unit | | | | |
| | \$18,339 | \$18,984 | | |

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General Motors Corporation
Operating Statistics

| | Third Quarter | | Year to Date | |
|--|---------------|--------|--------------|------|
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| GMAC's U.S. Cost of Borrowing | 3.62% | 3.40% | | |
| Current Debt Spreads Over U.S. Treasuries | | | | |
| 2 Year | 120 bp | 185 bp | | |
| 5 Year | 200 bp | 210 bp | | |
| 10 Year | 250 bp | 265 bp | | |

Worldwide Employment

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at Sept. 30 (in 000's)

| | | |
|---------------------------|-----|-----|
| United States Hourly | 112 | 119 |
| United States Salary | 38 | 40 |
| | --- | --- |
| Total United States | 150 | 159 |
| Canada, Mexico, and Other | 31 | 31 |
| | --- | --- |
| GMNA | 181 | 190 |
| GME | 62 | 63 |
| GMLAAM (2) | 28 | 23 |
| GMAP | 14 | 14 |
| GMAC | 33 | 32 |
| Other | 5 | 6 |
| | --- | --- |
| Total | 323 | 328 |
| | === | === |

| | | | | |
|------------------------------|-------|-------|--------|--------|
| Worldwide Payrolls (\$Bil's) | \$4.9 | \$4.9 | \$15.9 | \$15.3 |
|------------------------------|-------|-------|--------|--------|

Footnotes:

(1) This amount is comparable to First Call analysts' consensus.

(2) 2004 includes 3,000 employees as a result of the consolidation of GM South Africa.

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

| | Three Months Ended | | Nine Months Ended | |
|--|--|----------|-------------------|-----------|
| | September 30, | | September 30, | |
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| | (dollars in millions except per share amounts) | | | |
| Total net sales and revenues | \$44,858 | \$43,519 | \$141,691 | \$136,451 |
| | ----- | ----- | ----- | ----- |
| Cost of sales and other expenses | 37,177 | 35,049 | 115,304 | 109,863 |
| Selling, general, and administrative expenses | 4,364 | 5,576 | 14,731 | 16,268 |
| Interest expense | 2,979 | 2,507 | 8,560 | 6,804 |
| | ----- | ----- | ----- | ----- |
| Total costs and expenses | 44,520 | 43,132 | 138,595 | 132,935 |
| | ----- | ----- | ----- | ----- |
| Income from continuing operations before income taxes, equity income, and minority interests | 338 | 387 | 3,096 | 3,516 |
| Income tax expense | 71 | 134 | 650 | 1,060 |
| Equity income (loss) and minority interests | 173 | 195 | 615 | 408 |
| | --- | --- | ----- | ----- |
| Income from continuing operations | 440 | 448 | 3,061 | 2,864 |
| Income (loss) from | | | | |

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| | | | | |
|--|--------|-----------|---------|-----------|
| discontinued operations | - | (23) | - | (55) |
| | --- | --- | ---- | ---- |
| Net Income | \$440 | \$425 | \$3,061 | \$2,809 |
| | === | === | ===== | ===== |
| Basic earnings (loss) per share attributable to common stocks | | | | |
| \$1-2/3 par value | | | | |
| Continuing Operations | \$0.78 | \$0.80 | \$5.42 | \$5.11 |
| Discontinued Operations | - | (0.01) | - | (0.02) |
| | ---- | ---- | ---- | ---- |
| Earnings per share attributable to \$1-2/3 par value | \$0.78 | \$0.79 | \$5.42 | \$5.09 |
| | ===== | ===== | ===== | ===== |
| Earnings (loss) per share from discontinued operations attributable to Class H | \$ - | \$ (0.02) | \$ - | \$ (0.04) |
| | == | ===== | == | ===== |
| Earnings (loss) per share attributable to common stocks assuming dilution | | | | |
| \$1-2/3 par value | | | | |
| Continuing Operations | \$0.78 | \$0.80 | \$5.39 | \$5.10 |
| Discontinued Operations | - | (0.01) | - | (0.02) |
| | ---- | ---- | ---- | ---- |
| Earnings per share attributable to \$1-2/3 par value | \$0.78 | \$0.79 | \$5.39 | \$5.08 |
| | ===== | ===== | ===== | ===== |
| Earnings (loss) per share from discontinued operations attributable to Class H | \$ - | \$ (0.02) | \$ - | \$ (0.04) |
| | == | ===== | == | ===== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| | (dollars in millions) | | | |
| AUTOMOTIVE AND OTHER OPERATIONS | | | | |
| Total net sales and revenues | \$37,102 | \$35,845 | \$118,441 | \$114,003 |
| | ----- | ----- | ----- | ----- |
| Cost of sales and other expenses | 34,843 | 33,133 | 108,590 | 104,288 |
| Selling, general, and administrative expenses | 2,200 | 2,703 | 8,380 | 8,393 |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|--|----------|----------|---------|---------|
| Total costs and expenses | 37,043 | 35,836 | 116,970 | 112,681 |
| Interest expense | 622 | 516 | 1,780 | 1,091 |
| Net expense from transactions with Financing and Insurance Operations | 66 | 64 | 133 | 139 |
| | ---- | ---- | ---- | ---- |
| Income (loss) from continuing operations before income taxes, equity income, and minority interests | (629) | (571) | (442) | 92 |
| Income tax (benefit) | (241) | (240) | (599) | (244) |
| Equity income (loss) and minority interests | 175 | 153 | 619 | 377 |
| | --- | --- | --- | --- |
| Income from continuing operations | (213) | (178) | 776 | 713 |
| Income (loss) from discontinued operations | - | (23) | - | (55) |
| | --- | --- | --- | --- |
| Net Income - Automotive and Other Operations | \$ (213) | \$ (201) | \$776 | \$658 |
| | === | === | === | === |

FINANCING AND INSURANCE OPERATIONS

| | | | | |
|---|---------|---------|----------|----------|
| Total revenues | \$7,756 | \$7,674 | \$23,250 | \$22,448 |
| | ----- | ----- | ----- | ----- |
| Interest expense | 2,357 | 1,991 | 6,780 | 5,713 |
| Depreciation and amortization expense | 1,359 | 1,398 | 3,959 | 4,282 |
| Operating and other expenses | 2,171 | 2,561 | 6,454 | 6,842 |
| Provisions for financing and insurance losses | 968 | 830 | 2,652 | 2,326 |
| | ----- | ----- | ----- | ----- |
| Total costs and expenses | 6,855 | 6,780 | 19,845 | 19,163 |
| | ----- | ----- | ----- | ----- |
| Net income from transactions with Automotive and Other Operations | (66) | (64) | (133) | (139) |
| | ----- | ----- | ----- | ----- |
| Income before income taxes, equity income, and minority interests | 967 | 958 | 3,538 | 3,424 |
| Income tax expense | 312 | 374 | 1,249 | 1,304 |
| Equity income (loss) and minority interests | (2) | 42 | (4) | 31 |
| | ----- | ----- | ----- | ----- |
| Net income - Financing and Insurance Operations | \$653 | \$626 | \$2,285 | \$2,151 |
| | === | === | ===== | ===== |

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| | Sept. 30, 2004 (Unaudited) | Dec. 31, 2003 | Sept. 30, 2003 (Unaudited) |
|--|----------------------------------|------------------|----------------------------------|
| ASSETS | (dollars in millions) | | |
| Cash and cash equivalents | \$37,589 | \$32,554 | \$39,184 |
| Marketable securities | 21,168 | 22,215 | 21,368 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 58,757 | 54,769 | 60,552 |
| Finance receivables - net | 189,763 | 174,731 | 161,160 |
| Loans held for sale | 16,786 | 19,609 | 19,931 |
| Accounts and notes receivable (less allowances) | 17,385 | 20,532 | 19,163 |
| Inventories (less allowances) | 12,035 | 10,960 | 10,936 |
| Assets of discontinued operations | - | - | 19,687 |
| Deferred income taxes | 27,219 | 27,190 | 38,896 |
| Net equipment on operating leases - (less accumulated depreciation) | 33,483 | 32,790 | 32,564 |
| Equity in net assets of nonconsolidated affiliates | 6,637 | 6,032 | 5,780 |
| Property - net | 37,432 | 38,211 | 37,637 |
| Intangible assets - net | 4,732 | 4,760 | 10,952 |
| Other assets | 58,216 | 58,923 | 17,264 |
| | ----- | ----- | ----- |
| Total assets | \$462,445 | \$448,507 | \$434,522 |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Accounts payable (principally trade) | \$26,929 | \$25,422 | \$25,052 |
| Notes and loans payable | 284,071 | 271,756 | 257,647 |
| Liabilities of discontinued operations | - | - | 8,985 |
| Postretirement benefits other than pensions | 31,948 | 36,292 | 35,841 |
| Pensions | 7,824 | 8,024 | 19,025 |
| Deferred income taxes | 6,181 | 7,508 | 6,467 |
| Accrued expenses and other liabilities | 77,255 | 73,930 | 69,996 |
| | ----- | ----- | ----- |
| Total liabilities | 434,208 | 422,932 | 423,013 |
| Minority interests | 369 | 307 | 740 |
| Stockholders' equity | | | |
| \$1-2/3 par value common stock (outstanding, 564,804,464; 561,997,725; and 560,741,759 shares) | 941 | 937 | 935 |
| Class H common stock (outstanding, 1,108,731,138 shares at September 30, 2003) | - | - | 111 |
| Capital surplus (principally additional paid-in capital) | 15,209 | 15,185 | 22,884 |
| Retained earnings | 14,966 | 12,752 | 12,000 |
| | ----- | ----- | ----- |
| Subtotal | 31,116 | 28,874 | 35,930 |
| Accumulated foreign currency translation adjustments | (1,678) | (1,815) | (2,099) |
| Net unrealized gain (loss) on derivatives | 215 | 51 | (130) |
| Net unrealized gains on securities | 697 | 618 | 515 |
| Minimum pension liability adjustment | (2,482) | (2,460) | (23,447) |
| | ----- | ----- | ----- |
| Accumulated other comprehensive loss | (3,248) | (3,606) | (25,161) |
| | ----- | ----- | ----- |

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| | | | |
|--|-----------|-----------|-----------|
| Total stockholders' equity | 27,868 | 25,268 | 10,769 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$462,445 | \$448,507 | \$434,522 |
| | ===== | ===== | ===== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED BALANCE SHEETS

| | Sept. 30, 2004 (Unaudited) | Dec. 31, 2003 | Sept. 30, 2003 (Unaudited) |
|---|----------------------------------|------------------|----------------------------------|
| | ----- | ----- | ----- |
| ASSETS | | | |
| (dollars in millions) | | | |
| Automotive and Other Operations | | | |
| Cash and cash equivalents | \$12,984 | \$14,424 | \$17,860 |
| Marketable securities | 7,969 | 9,067 | 8,022 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 20,953 | 23,491 | 25,882 |
| Accounts and notes receivable (less allowances) | 6,542 | 5,380 | 5,777 |
| Inventories (less allowances) | 12,035 | 10,960 | 10,936 |
| Assets of discontinued operations | - | - | 19,687 |
| Net equipment on operating leases (less accumulated depreciation) | 6,764 | 7,173 | 6,401 |
| Deferred income taxes and other current assets | 10,813 | 10,851 | 9,796 |
| | ----- | ----- | ----- |
| Total current assets | 57,107 | 57,855 | 78,479 |
| Equity in net assets of nonconsolidated affiliates | 6,637 | 6,032 | 5,780 |
| Property - net | 35,583 | 36,071 | 35,640 |
| Intangible assets - net | 1,445 | 1,479 | 7,696 |
| Deferred income taxes | 18,086 | 18,086 | 30,353 |
| Other assets | 41,251 | 42,262 | 1,807 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations assets | 160,109 | 161,785 | 159,755 |
| Financing and Insurance Operations | | | |
| Cash and cash equivalents | 24,605 | 18,130 | 21,324 |
| Investments in securities | 13,199 | 13,148 | 13,346 |
| Finance receivables - net | 189,763 | 174,731 | 161,160 |
| Loans held for sale | 16,786 | 19,609 | 19,931 |
| Net equipment on operating leases (less accumulated depreciation) | 26,719 | 25,617 | 26,163 |
| Other assets | 31,264 | 35,487 | 32,843 |
| Net receivable from Automotive and Other Operations | 2,548 | 1,492 | 1,735 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations assets | 304,884 | 288,214 | 276,502 |
| | ----- | ----- | ----- |
| Total assets | \$464,993 | \$449,999 | \$436,257 |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |

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| | | | |
|--|----------|-----------|-----------|
| Automotive and Other Operations | | | |
| Accounts payable (principally trade) | \$23,287 | \$21,542 | \$20,540 |
| Loans payable | 2,540 | 2,813 | 2,154 |
| Liabilities of discontinued operations | - | - | 8,985 |
| Accrued expenses | 45,330 | 45,417 | 41,056 |
| Net payable to Financing and Insurance Operations | 2,548 | 1,492 | 1,735 |
| | ----- | ----- | ----- |
| Total current liabilities | 73,705 | 71,264 | 74,470 |
| Long-term debt | 30,065 | 29,593 | 29,548 |
| Postretirement benefits other than pensions | 27,996 | 32,285 | 31,917 |
| Pensions | 7,755 | 7,952 | 18,968 |
| Other liabilities and deferred income taxes | 15,402 | 15,567 | 14,178 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations liabilities | 154,923 | 156,661 | 169,081 |
| Financing and Insurance Operations | | | |
| Accounts payable | 3,642 | 3,880 | 4,512 |
| Debt | 251,466 | 239,350 | 225,945 |
| Other liabilities and deferred income taxes | 26,725 | 24,533 | 25,210 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations liabilities | 281,833 | 267,763 | 255,667 |
| | ----- | ----- | ----- |
| Total liabilities | 436,756 | 424,424 | 424,748 |
| Minority interests | 369 | 307 | 740 |
| Total stockholders' equity | 27,868 | 25,268 | 10,769 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | 464,993 | \$449,999 | \$436,257 |
| | ===== | ===== | ===== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Nine Months Ended September 30, | |
|---|------------------------------------|----------|
| | 2004 | 2003 |
| | ---- | ---- |
| | (dollars in millions) | |
| Net cash provided by operating activities | \$11,813 | \$7,287 |
| Cash flows from investing activities | | |
| Expenditures for property | (4,762) | (4,935) |
| Investments in marketable securities - acquisitions | (10,321) | (12,600) |
| Investments in marketable securities - liquidations | 10,496 | 7,997 |

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| | | |
|--|----------|-----------|
| Net originations and purchases of mortgage servicing rights | (1,151) | (1,988) |
| Increase in finance receivables | (93,163) | (103,811) |
| Proceeds from sales of finance receivables | 79,430 | 76,177 |
| Proceeds from sale of business unit | - | 1,076 |
| Operating leases - acquisitions | (10,364) | (8,719) |
| Operating leases - liquidations | 5,637 | 7,801 |
| Investments in companies, net of cash acquired | (85) | (187) |
| Other | 370 | 42 |
| | ----- | ----- |
| Net cash used in investing activities | (23,913) | (39,147) |
| Cash flows from financing activities | | |
| Net increase in loans payable | 1,559 | (238) |
| Long-term debt - borrowings | 57,492 | 77,505 |
| Long-term debt - repayments | (44,810) | (27,815) |
| Cash dividends paid to stockholders | (847) | (840) |
| Other | 3,763 | 1,606 |
| | ----- | ----- |
| Net cash provided by financing activities | 17,157 | 50,218 |
| Effect of exchange rate changes on cash and cash equivalents | (22) | 506 |
| | ----- | ----- |
| Net increase (decrease) in cash and cash equivalents | 5,035 | 18,864 |
| Cash and cash equivalents at beginning of the period | 32,554 | 20,320 |
| | ----- | ----- |
| Cash and cash equivalents at end of the period | \$37,589 | \$39,184 |
| | ===== | ===== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

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

| | Automotive and Other | | Financing and Insurance | |
|---|---------------------------------|---------|----------------------------|---------|
| | ----- | | | |
| | Nine Months Ended September 30, | | | |
| | ----- | | | |
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| | (dollars in millions) | | | |
| Net cash provided by operating activities | \$1,273 | \$242 | \$10,540 | \$7,045 |
| Cash flows from investing activities | | | | |
| Expenditures for property | (4,502) | (4,467) | (260) | (468) |
| Investments in marketable securities - acquisitions | (2,218) | (7,033) | (8,103) | (5,567) |

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| | | | | |
|--|----------|----------|----------|-----------|
| Investments in marketable securities | | | | |
| - liquidations | 3,316 | 1,185 | 7,180 | 6,812 |
| Net change in mortgage servicing rights | - | - | (1,151) | (1,988) |
| Increase in finance receivables | - | - | (93,163) | (103,811) |
| Proceeds from sales of finance receivables | - | - | 79,430 | 76,177 |
| Proceeds from sale of business unit | - | 1,076 | - | - |
| Operating leases - acquisitions | - | - | (10,364) | (8,719) |
| Operating leases - liquidations | - | - | 5,637 | 7,801 |
| Investments in companies, net of cash acquired | (94) | (45) | 9 | (142) |
| Other | 348 | 266 | 22 | (224) |
| | ----- | ----- | ----- | ----- |
| Net cash used in investing activities | (3,150) | (9,018) | (20,763) | (30,129) |
| Cash flows from financing activities | | | | |
| Net increase (decrease) in loans payable | (498) | (388) | 2,057 | 150 |
| Long-term debt - borrowings | 845 | 14,702 | 56,647 | 62,803 |
| Long-term debt - repayments | (72) | (19) | (44,738) | (27,796) |
| Cash dividends paid to stockholders | (847) | (840) | - | - |
| Other | - | - | 3,763 | 1,606 |
| | ----- | ----- | ----- | ----- |
| Net cash provided by (used in) financing activities | (572) | 13,455 | 17,729 | 36,763 |
| Effect of exchange rate changes on cash and cash equivalents | (47) | 373 | 25 | 133 |
| Net transactions with Automotive/Financing Operations | 1,056 | 646 | (1,056) | (646) |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) in cash and cash equivalents | (1,440) | 5,698 | 6,475 | 13,166 |
| Cash and cash equivalents at beginning of the period | 14,424 | 12,162 | 18,130 | 8,158 |
| | ----- | ----- | ----- | ----- |
| Cash and cash equivalents at end of the period | \$12,984 | \$17,860 | \$24,605 | \$21,324 |
| | ===== | ===== | ===== | ===== |

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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.

Date: October 14, 2004

GENERAL MOTORS CORPORATION
 (Registrant)
 By: /s/PETER R. BIBLE.

 (Peter R. Bible,
 Chief Accounting Officer)

