

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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)

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

- [] 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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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,

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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.

#

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)

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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
	=====	=====	=====	=====

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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						

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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)

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

	---	---	--	--	---	---
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)

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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						

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

	=====	=====	===	==	=====	=====
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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

% 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				

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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,
	-----	-----

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

	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) -----

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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			

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

	----	----
	(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
-------------------------	----------------------------

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

	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
	=====	=====	=====	=====

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

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)

