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GENERAL MOTORS CORP
Form 8-K
April 20, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549-1004

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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) April 20, 2004

GENERAL MOTORS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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

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

ITEM 12. Disclosure of information on financial conditions

On April 20, 2004, a news release was issued on the subject of first 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 first quarter earnings release for GM.

GM EARNS \$1.3 BILLION OR \$2.25 PER SHARE IN FIRST QUARTER 2004

- GM first-quarter earnings rise 24 percent versus adjusted 2003 results
- GMAC reports record first-quarter results, driven by financing and insurance
- GM increases 2004 earnings forecast to approximately \$7.00 per share

DETROIT - General Motors Corp. (NYSE: GM) today reported earnings of \$1.3 billion, or \$2.25 per diluted share of GM common stock, in the first quarter of 2004. These results represent an increase of 24 percent from the year-ago period, when GM earned \$1.0 billion, or \$1.84 per share, from continuing operations and before special items. Revenue rose 3.1 percent to \$47.8 billion.

The year-ago results exclude a gain of \$505 million, or \$0.90 per share, from the sale of GM Defense. The year-ago results also exclude Hughes Electronics (Hughes), which was split off from GM in late 2003 and is now reported for 2003 as a discontinued operation. Including the gain from GM Defense, GM earned \$1.5 billion, or \$2.74 per share, in the first quarter of 2003 from continuing operations. There were no special items in the first quarter of 2004.

"Our financial results in the first quarter reflect continued progress," said GM Chairman and Chief Executive Officer Rick Wagoner. "General Motors Acceptance Corp. had yet another record quarter, and our automotive operations, led by very strong results at GM Asia Pacific, reported a 12-percent increase in earnings.

"GM continues to improve in key areas such as productivity and quality. Even more important, our many new products around the world are being well received," Wagoner said. "But, we still have more work to do to improve our profitability, as we face a challenging competitive environment, continuing high health-care costs and the effects of the artificially weakened Japanese yen."

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

GM Automotive Operations

GM's global automotive earnings increased 12 percent in the first quarter of 2004 to \$611 million from \$546 million in the prior-year period, despite lower production levels in North America and Europe. The increase was driven by improved results in the GM Latin America/Africa/Mid-East and Asia Pacific regions, offset by lower earnings in North America and higher losses in Europe.

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GM's global market share increased in the first quarter of 2004 to 13.7 percent from 13.6 percent in the year-ago period, with three out of four regions gaining share.

GM North America (GMNA) earned \$451 million in the first quarter of 2004, compared with \$548 million in the first quarter of 2003, principally reflecting a tough pricing environment, lower production volumes, and continued high pretax health-care costs of approximately \$1.5 billion per quarter. GM's market share in North America rose to 26.4 percent in the first quarter of 2004, from 26.1 percent in the year-earlier period.

"The automotive market in North America remains very competitive, and our results reflect that," Wagoner said. "We're pleased with our new vehicles and our progress in rebuilding many of our brands, such as Cadillac and Chevrolet. But, improving market share and profitability remain an important priority."

GM's aggressive product assault so far this model year includes the Chevrolet Malibu, Equinox and Aveo, the Pontiac GTO, the Cadillac CTS-V, and the GMC Canyon and Chevrolet Colorado. The rollout continues with the introduction of additional new and important vehicles later this year, such as Saab 9-2X, the Hummer H2 SUT, the Cadillac STS, the next-generation Chevrolet Corvette, the Buick LaCrosse, the Chevrolet Cobalt and the Pontiac G6.

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GM Europe (GME) reported a loss of \$116 million in the first quarter of 2004 compared with a loss of \$65 million in the year-ago quarter, reflecting continued pricing pressure, higher foreign-exchange losses and launch costs for the new Opel Astra. GM's market share in Europe declined slightly to 9.5 percent in the first quarter of 2004 from 9.6 percent in the year-ago period.

"Our first-quarter financial results in Europe were below expectations," Wagoner said. "Going forward, we expect to see improved results through the balance of the year as we ramp up production of the new Astra, which has been well received."

GM Asia Pacific (GMAP) earned \$275 million in the first quarter of 2004, up from \$75 million in the year-ago quarter. Continued strong performance by Shanghai GM in China, Holden in Australia, smaller losses at GM-Daewoo Auto & Technology Co. and improved results from GM's equity alliances in Japan contributed to GMAP's overall performance. GM's market share in the Asia Pacific region rose to 4.7 percent in the first quarter from 4.3 percent a year ago, led by gains in China and India.

"GM Asia Pacific continues to deliver impressive growth and financial results," Wagoner said. "I'm especially pleased that our position in the rapidly growing China market continues to strengthen as we expand our vehicle lineup, production capacity, sales and market share."

GM Latin America/Africa/Mid-East (GMLAAM) earned \$1 million in the first quarter of 2004, an improvement from the year-ago loss of \$12 million. Higher production volumes and improved results in Venezuela and South Africa offset continued losses in Brazil. GM's market share in the GMLAAM region rose to 17.1 percent in the first quarter of 2004 from 15.7 percent a year ago.

GMAC

General Motors Acceptance Corporation (GMAC) reported record first-quarter

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earnings of \$786 million, up from \$699 million a year ago, as increased profitability in GMAC's financing and insurance operations offset moderating earnings at its mortgage unit.

Both GMAC's North American and international financing operations posted strong performances with combined earnings of \$442 million in the quarter, up \$140 million from a year ago, reflecting lower credit-loss provisions and improved off-lease remarketing results. First quarter earnings at the insurance group were \$91 million, up \$65 million from a year ago, due to continued growth in underwriting income and improved investment-portfolio performance. Earnings at the mortgage group totaled \$253 million, down from last year's record earnings of \$371 million; this was a result of lower mortgage-origination volume versus the prior year and decreased pricing margins resulting from reduced mortgage-refinancing activity.

"GMAC remains a critical contributor to GM's business and financial results," Wagoner said. "The benefit of GMAC's balanced business portfolio was clear in the first quarter, as increased profitability in its financing and insurance sectors more than offset lower profits in its mortgage activities."

Cash and Liquidity

GM generated approximately \$1.4 billion in automotive cash in the first quarter of 2004. Cash, marketable securities, and assets of the Voluntary Employees' Beneficiary Association (VEBA) trust invested in short-term fixed-income securities totaled \$23.5 billion at March 31, 2004, excluding financing and insurance operations, compared with \$26.9 billion on Dec. 31, 2003. As previously announced, GM contributed \$5 billion to its VEBA trust in the first quarter of 2004.

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Looking Ahead

GM continues to expect improved economic conditions in the United States in 2004, resulting in total U.S. industry vehicle sales of approximately 17.3 million units. Reflecting this robust U.S. market, GM's strong first-quarter results, the positive environment in Asia Pacific and GMAC, and a lower corporate tax rate, GM is increasing its 2004-calendar-year earnings estimate to approximately \$7.00 per share, excluding special items and at current dilution levels. This compares with the previous target of \$6.00 to \$6.50 per share and represents a further step toward GM's mid-decade target of earning at least \$10 per share.

For the second quarter of 2004, GM expects to earn approximately \$2.00 to \$2.25 per share, excluding special items. In the first quarter of 2004, GM's effective

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tax rate was 21 percent and GM expects a lower effective tax rate in the second quarter due to anticipated tax settlements. Excluding these settlements, GM's effective tax rate is expected to be about 21 percent on an ongoing quarterly basis.

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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" 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.

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(dollars in millions except per share amounts)

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 March 31, 2004 | |
|-----------------------------------|--------------------------------------|---------|
| | ----- | |
| | (Unaudited) | |
| | Net | \$1-2/3 |
| | Income | EPS |
| | ----- | ----- |
| REPORTED | | |
| ----- | | |
| Income from continuing operations | \$1,280 | \$2.25 |
| | ===== | ===== |

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

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

| | Three Months Ended March 31, 2003 | |
|-----------------------------------|--------------------------------------|---------|
| | ----- | |
| | (Unaudited) | |
| | Net | \$1-2/3 |
| | Income | EPS |
| | ----- | ----- |
| REPORTED | | |
| ----- | | |
| Income from continuing operations | \$1,537 | \$2.74 |
| Loss from discontinued | | |

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| | | |
|-----------------------------------|---------|--------|
| operations | (54) | (0.03) |
| | ----- | ----- |
| Net income | 1,483 | 2.71 |
| ADJUSTMENTS | | |
| ----- | | |
| Gain on Sale of GM Defense (A) | (505) | (0.90) |
| | ----- | ----- |
| Subtotal | (505) | (0.90) |
| | ----- | ----- |
| ADJUSTED | | |
| ----- | | |
| Income from continuing operations | \$1,032 | \$1.84 |
| Loss from discontinued operations | (54) | (0.03) |
| | ----- | ----- |
| Adjusted income | \$978 | \$1.81 |
| | ===== | ===== |

(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

| | First Quarter | |
|---|---------------|----------|
| | ----- | |
| | (Unaudited) | |
| | 2004 | 2003 |
| | ---- | ---- |
| (Dollars in millions except per share amounts) | | |
| Total net sales and revenues | \$47,779 | \$47,146 |
| Adjusted | \$47,779 | \$46,332 |
| Income from continuing operations | \$1,280 | \$1,537 |
| Adjusted | \$1,280 | \$1,032 |
| Loss from discontinued operations | - | \$(54) |
| Adjusted | - | \$(54) |
| Net income | \$1,280 | \$1,483 |
| Adjusted | \$1,280 | \$978 |
| Net margin from continuing operations (Income from continuing operations/Total net sales and revenues) | 2.7% | 3.3% |
| Adjusted | 2.7% | 2.2% |
| Earnings per share - basic | | |

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| | | |
|-------------------------------|------------|----------|
| \$1-2/3 par value | | |
| Continuing operations | \$2.27 | \$2.74 |
| Discontinued operations | \$ - | \$(0.03) |
| | ---- | ---- |
| Earnings per share | \$2.27 | \$2.71 |
| Earnings per share - diluted | | |
| \$1-2/3 par value | | |
| Continuing operations | \$2.25 | \$2.74 |
| Discontinued operations | \$ - | \$(0.03) |
| | ---- | ---- |
| Earnings per share | \$2.25 | \$2.71 |
| Earnings per share - adjusted | | |
| \$1-2/3 par value | | |
| Continuing operations | \$2.25 | \$1.84 |
| Discontinued operations | \$ - | \$(0.03) |
| | ---- | ---- |
| Earnings per share | \$2.25 (1) | \$1.81 |
| GM \$1-2/3 par value average | | |
| shares outstanding (Mil's) | | |
| Basic shares | 564 | 561 |
| Diluted shares | 569 | 561 |
| Cash dividends per share | | |
| of common stocks | | |
| GM \$1-2/3 par value | \$0.50 | \$0.50 |

See reconciliation of adjusted financial results on pages 9 - 11 and footnotes on page 13.

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General Motors Corporation
Summary Corporate Financial Results

| | First Quarter | |
|--|---------------|---------|
| | ----- | |
| | (Unaudited) | |
| | 2004 | 2003 |
| | ---- | ---- |
| Book value per share of common stocks at March 31 | | |
| GM \$1-2/3 par value | \$46.71 | \$11.98 |
| Auto & Other total cash & marketable securities at March 31 | | |
| (\$Bil's) | \$20.0 | \$17.2 |
| Cash in short-term VEBA | \$3.5 | \$3.4 |
| | ---- | ---- |
| Total Auto & Other cash & marketable securities plus short-term VEBA | \$23.5 | \$20.6 |
| | ===== | ===== |
| Auto & Other Operations (\$Mil's) | | |
| Depreciation | \$1,148 | \$986 |
| Amortization of special tools | 726 | 702 |

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| | | |
|-----------------------------------|---------|---------|
| Amortization of intangible assets | 7 | 5 |
| | ----- | ----- |
| Total | \$1,881 | \$1,693 |
| | ===== | ===== |

See reconciliation of adjusted financial results on pages 9 - 11.

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General Motors Corporation
Summary Corporate Financial Results

| (Dollars in millions) | First Quarter 2004 and 2003 | | | | | |
|--|--------------------------------|----------|---------------|----------|----------|----------|
| | (Unaudited) | | | | | |
| | Reported | | Special Items | | Adjusted | |
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Total net sales and revenues | | | | | | |
| GMNA | \$29,103 | \$29,963 | \$ - | \$ - | \$29,103 | \$29,963 |
| GME | 7,543 | 6,622 | - | - | 7,543 | 6,622 |
| GMLAAM | 1,833 | 1,045 | - | - | 1,833 | 1,045 |
| GMAP | 1,599 | 1,147 | - | - | 1,599 | 1,147 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total GMA | 40,078 | 38,777 | - | - | 40,078 | 38,777 |
| Other | 59 | 1,038 | - | (814) | 59 | 224 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total Auto & Other | 40,137 | 39,815 | - | (814) | 40,137 | 39,001 |
| | ----- | ----- | --- | --- | ----- | ----- |
| GMAC | 7,634 | 7,338 | - | - | 7,634 | 7,338 |
| Other Financing | 8 | (7) | - | - | 8 | (7) |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total FIO | 7,642 | 7,331 | - | - | 7,642 | 7,331 |
| | ----- | ----- | --- | --- | ----- | ----- |
| Total net sales and revenues | \$47,779 | \$47,146 | \$ - | \$ (814) | \$47,779 | \$46,332 |
| | ===== | ===== | == | === | ===== | ===== |
| Income (loss) from continuing operations before income taxes and minority interest | | | | | | |
| GMNA | \$586 | \$739 | \$ - | \$ - | \$586 | \$739 |
| GME | (223) | (114) | - | - | (223) | (114) |

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| | | | | | | |
|--|---------|---------|------|----------|---------|---------|
| GMLAAM | 8 | (17) | - | - | 8 | (17) |
| GMAP | 13 | 19 | - | - | 13 | 19 |
| | --- | ----- | -- | --- | --- | --- |
| Total GMA | 384 | 627 | - | - | 384 | 627 |
| Other | (320) | 449 | - | (814) | (320) | (365) |
| | --- | ----- | -- | --- | --- | --- |
| Total Auto & Other | 64 | 1,076 | - | (814) | 64 | 262 |
| | ----- | ----- | -- | --- | ----- | ----- |
| GMAC | 1,238 | 1,147 | - | - | 1,238 | 1,147 |
| Other Financing | (1) | (25) | - | - | (1) | (25) |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total FIO | 1,237 | 1,122 | - | - | 1,237 | 1,122 |
| | ----- | ----- | -- | --- | ----- | ----- |
| Total income (loss) from continuing operations before income taxes and minority interest | \$1,301 | \$2,198 | \$ - | \$ (814) | \$1,301 | \$1,384 |
| | ===== | ===== | == | === | ===== | ===== |

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General Motors Corporation
Summary Corporate Financial Results

First Quarter
2004 and 2003

(Unaudited)

| (Dollars in millions) | Reported | | Special Items | | Adjusted | |
|--|----------|---------|---------------|----------|----------|---------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| Income (loss) from continuing operations | | | | | | |
| GMNA | \$451 | \$548 | \$ - | \$ - | \$451 | \$548 |
| GME | (116) | (65) | - | - | (116) | (65) |
| GMLAAM | 1 | (12) | - | - | 1 | (12) |
| GMAP | 275 | 75 | - | - | 275 | 75 |
| | --- | --- | -- | --- | --- | --- |
| Total GMA | 611 | 546 | - | - | 611 | 546 |
| Other | (117) | 309 | - | (505) | (117) | (196) |
| | --- | --- | -- | --- | --- | --- |
| Total Auto & Other | 494 | 855 | - | (505) | 494 | 350 |
| | --- | --- | -- | --- | --- | --- |
| GMAC | 786 | 699 | - | - | 786 | 699 |
| Other Financing | - | (17) | - | - | - | (17) |
| | --- | --- | -- | --- | --- | --- |
| Total FIO | 786 | 682 | - | - | 786 | 682 |
| | --- | --- | -- | --- | --- | --- |
| Income (loss) from continuing operations | \$1,280 | \$1,537 | \$ - | \$ (505) | \$1,280 | \$1,032 |

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| | | | | | | |
|-----------------------------------|---------|---------|------|----------|---------|-------|
| Loss from discontinued operations | - | (54) | - | - | - | (54) |
| Net income (loss) | \$1,280 | \$1,483 | - | \$ (505) | \$1,280 | \$978 |
| Income tax expense (benefit) | | | | | | |
| GMNA | \$102 | \$191 | \$ - | \$ - | \$102 | \$191 |
| GME | (85) | (43) | - | - | (85) | (43) |
| GMLAAM | 5 | (7) | - | - | 5 | (7) |
| GMAP | 6 | 11 | - | - | 6 | 11 |
| Total GMA | 28 | 152 | - | - | 28 | 152 |
| Other | (204) | 100 | - | (309) | (204) | (209) |
| Total Auto & Other | (176) | 252 | - | (309) | (176) | (57) |
| GMAC | 450 | 438 | - | - | 450 | 438 |
| Other Financing | (1) | (8) | - | - | (1) | (8) |
| Total FIO | 449 | 430 | - | - | 449 | 430 |
| Income tax expense (benefit) | \$273 | \$682 | \$ - | \$ (309) | \$273 | \$373 |

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General Motors Corporation
Summary Corporate Financial Results

First Quarter
2004 and 2003

(Unaudited)

| (Dollars in millions) | Reported | | Special Items | | Adjusted | |
|--------------------------------------|----------|------|---------------|------|----------|------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Effective tax rate | | | | | | |
| Total GM Corp. | 21% | 31% | - | 38% | 21% | 27% |
| GMNA | 17% | 26% | - | - | 17% | 26% |
| GME | 38% | 38% | - | - | 38% | 38% |
| GMAC | 36% | 38% | - | - | 36% | 38% |
| Equity income and minority interests | | | | | | |
| GMNA | \$ (33) | \$ - | \$ - | \$ - | \$ (33) | \$ - |
| GME | 22 | 6 | - | - | 22 | 6 |
| GMLAAM | (2) | (2) | - | - | (2) | (2) |
| GMAP | 268 | 67 | - | - | 268 | 67 |

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| | | | | | | |
|-----------|-------|------|------|------|-------|------|
| | --- | -- | -- | -- | --- | -- |
| Total GMA | \$255 | \$71 | \$ - | \$ - | \$255 | \$71 |
| | === | == | == | == | === | == |

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General Motors Corporation
Operating Statistics

| | First Quarter | |
|---------------------------|---------------|-------|
| | 2004 | 2003 |
| | ---- | ---- |
| (units in thousands) | | |
| Worldwide Wholesale Sales | | |
| United States - Cars | 482 | 500 |
| United States - Trucks | 726 | 756 |
| | ----- | ----- |
| Total United States | 1,208 | 1,256 |
| Canada, Mexico, and Other | 175 | 182 |
| | ----- | ----- |
| Total GMNA | 1,383 | 1,438 |
| GME | 433 | 427 |
| GMLAAM | 167 | 121 |
| GMAP | 62 | 62 |
| | ----- | ----- |
| Total Worldwide | 2,045 | 2,048 |
| | ===== | ===== |
| Vehicle Unit Deliveries | | |
| Chevrolet - Cars | 214 | 171 |
| Chevrolet - Trucks | 387 | 373 |
| Pontiac | 120 | 107 |
| GMC | 130 | 108 |
| Buick | 78 | 83 |
| Oldsmobile | 17 | 33 |
| Saturn | 52 | 75 |
| Cadillac | 51 | 46 |
| Other | 18 | 22 |
| | ----- | ----- |
| Total United States | 1,067 | 1,018 |
| Canada, Mexico, and Other | 163 | 151 |
| | ----- | ----- |
| Total GMNA | 1,230 | 1,169 |
| GME | 501 | 475 |
| GMLAAM | 160 | 132 |
| GMAP | 215 | 179 |
| | ----- | ----- |
| Total Worldwide | 2,106 | 1,955 |
| | ===== | ===== |
| Market Share | | |
| United States - Cars | 25.9% | 24.9% |
| United States - Trucks | 27.3% | 28.2% |
| Total United States | 26.7% | 26.7% |
| Total North America | 26.4% | 26.1% |
| Total Europe | 9.5% | 9.6% |

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| | | |
|--|----------|----------|
| Total LAAM | 17.1% | 15.7% |
| Asia and Pacific | 4.7% | 4.3% |
| Total Worldwide | 13.7% | 13.6% |
| U.S. Retail/Fleet Mix | | |
| % Fleet Sales - Cars | 37.8% | 30.3% |
| % Fleet Sales - Trucks | 18.2% | 14.7% |
| Total Vehicles | 26.7% | 21.6% |
| Retail Lease as % of Retail Sales | | |
| Total Smartlease and Smartbuy | 13.6% | 13.9% |
| Days Supply of Inventory at March 31 | | |
| United States - Cars | 78 | 88 |
| United States - Trucks | 117 | 109 |
| GMNA Capacity Utilization (2 shift rated) | 83.6% | 90.9% |
| GMNA Vehicle Revenue Per Unit | \$19,084 | \$19,089 |

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General Motors Corporation
Operating Statistics

| | First Quarter | |
|--|---------------|--------|
| | 2004 | 2003 |
| | ---- | ---- |
| GMAC's U.S. Cost of Borrowing | 3.33% | 3.53% |
| Current Debt Spreads Over U.S. Treasuries | | |
| 2 Year | 140 bp | 290 bp |
| 5 Year | 175 bp | 310 bp |
| 10 Year | 220 bp | 350 bp |
| Worldwide Employment at March 31 (in 000's) | | |
| United States Hourly | 114 | 121 |
| United States Salary | 40 | 41 |
| | --- | --- |
| Total United States | 154 | 162 |
| Canada, Mexico, and Other | 32 | 32 |
| | --- | --- |
| GMNA | 186 | 194 |
| GME | 63 | 66 |
| GMLAAM | 22 | 23 |
| GMAP | 14 | 12 |
| GMAC | 33 | 31 |
| Other | 5 | 7 |
| | --- | --- |
| Total | 323 | 333 |
| | === | === |
| Worldwide Payrolls (\$Bil's) | \$5.5 | \$5.3 |

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Footnotes:

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

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| | Three Months Ended March 31, | |
|---|---|----------|
| | 2004 | 2003 |
| | ---- | ---- |
| | (dollars in millions except per share amounts) | |
| Total net sales and revenues | \$47,779 | \$47,146 |
| Cost of sales and other expenses | 38,663 | 37,762 |
| Selling, general, and administrative expenses | 5,048 | 5,106 |
| Interest expense | 2,767 | 2,080 |
| | ----- | ----- |
| Total costs and expenses | 46,478 | 44,948 |
| Income from continuing operations before income taxes, equity income and minority interests | 1,301 | 2,198 |
| Income tax expense | 273 | 682 |
| Equity income (loss) and minority interests | 252 | 21 |
| | ----- | ----- |
| Income from continuing operations | 1,280 | 1,537 |
| Loss from discontinued operations | - | (54) |
| | ----- | ----- |
| Net income | \$1,280 | \$1,483 |
| | ===== | ===== |
| Basic earnings (loss) per share attributable to common stocks | | |
| \$1-2/3 par value | | |
| Continuing Operations | \$2.27 | \$2.74 |
| Discontinued Operations | \$ - | \$(0.03) |
| | ---- | ---- |
| Earnings per share attributable to \$1-2/3 par value | \$2.27 | \$2.71 |
| | ===== | ===== |
| Losses per share from discontinued operations attributable to Class H | \$ - | \$(0.04) |
| | ===== | ===== |
| Earnings (loss) per share attributable to common stocks assuming dilution | | |
| \$1-2/3 par value | | |
| Continuing Operations | \$2.25 | \$2.74 |
| Discontinued Operations | \$ - | \$(0.03) |
| | ---- | ---- |
| Earnings per share attributable to \$1-2/3 par value | \$2.25 | \$2.71 |
| | ===== | ===== |
| Losses per share from discontinued operations | | |

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| | | |
|---|-------|-------|
| Income tax expense | 449 | 430 |
| Equity income (loss) and minority interests | (2) | (10) |
| | ---- | ---- |
| Net income - Financing and Insurance Operations | \$786 | \$682 |
| | ==== | ==== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

| | Mar. 31, 2004 (Unaudited) | Dec. 31, 2003 | Mar. 31, 2003 (Unaudited) |
|--|---------------------------------|------------------|---------------------------------|
| | ----- | ----- | ----- |
| ASSETS | | | |
| (dollars in millions) | | | |
| Cash and cash equivalents | \$28,535 | \$32,554 | \$24,020 |
| Marketable securities | 21,036 | 22,215 | 16,841 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 49,571 | 54,769 | 40,861 |
| Finance receivables - net | 184,563 | 173,137 | 140,764 |
| Loans held for sale | 18,285 | 19,609 | 12,496 |
| Accounts and notes receivable (less allowances) | 19,515 | 20,532 | 16,784 |
| Inventories (less allowances) | 11,718 | 10,960 | 10,479 |
| Assets of discontinued operations | - | - | 20,414 |
| Deferred income taxes | 27,357 | 27,190 | 38,915 |
| Net equipment on operating leases - (less accumulated depreciation) | 33,624 | 34,383 | 35,068 |
| Equity in net assets of nonconsolidated associates | 6,054 | 6,032 | 5,027 |
| Property - net | 37,664 | 38,211 | 36,133 |
| Intangible assets - net | 4,727 | 4,760 | 10,821 |
| Other assets | 61,149 | 58,924 | 14,729 |
| | ----- | ----- | ----- |
| Total assets | \$454,227 | \$448,507 | \$382,491 |
| | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Accounts payable (principally trade) | \$27,163 | \$25,422 | \$22,489 |
| Notes and loans payable | 278,972 | 271,756 | 208,151 |
| Liabilities of discontinued operations | - | - | 9,773 |
| Postretirement benefits other than pensions | 31,512 | 36,292 | 38,205 |
| Pensions | 7,795 | 8,024 | 22,446 |
| Deferred income taxes | 7,660 | 7,508 | 6,738 |
| Accrued expenses and other liabilities | 74,440 | 73,930 | 65,052 |
| | ----- | ----- | ----- |
| Total liabilities | 427,542 | 422,932 | 372,854 |
| Minority interests | 319 | 307 | 271 |
| Stockholders' equity | | | |
| \$1-2/3 par value common stock (outstanding, 564,488,127; 561,997,725; and 560,616,422 shares) | 961 | 937 | 934 |

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| | | | |
|--|-----------|-----------|-----------|
| Class H common stock (outstanding 1,107,517,793 shares at March 31, 2003 | - | - | 111 |
| Capital surplus (principally additional paid-in capital) | 15,135 | 15,185 | 22,808 |
| Retained earnings | 13,750 | 12,752 | 11,234 |
| | ----- | ----- | ----- |
| Subtotal | 29,846 | 28,874 | 35,087 |
| Accumulated foreign currency translation adjustments | (1,788) | (1,815) | (2,665) |
| Net unrealized gains (losses) on derivatives | (8) | 51 | (196) |
| Net unrealized gains on securities | 762 | 618 | 344 |
| Minimum pension liability adjustment | (2,446) | (2,460) | (23,204) |
| | ----- | ----- | ----- |
| Accumulated other comprehensive loss | (3,480) | (3,606) | (25,721) |
| | ----- | ----- | ----- |
| Total stockholders' equity | 26,366 | 25,268 | 9,366 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$454,227 | \$448,507 | \$382,491 |
| | ===== | ===== | ===== |

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GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED BALANCE SHEETS

| | Mar. 31, 2004 (Unaudited) | Dec. 31, 2003 | Mar. 31, 2003 (Unaudited) |
|---|---------------------------------|------------------|---------------------------------|
| | ----- | ----- | ----- |
| ASSETS | (dollars in millions) | | |
| Automotive and Other Operations | | | |
| Cash and cash equivalents | \$11,262 | \$14,424 | \$14,015 |
| Marketable securities | 8,763 | 9,067 | 3,239 |
| | ----- | ----- | ----- |
| Total cash and marketable securities | 20,025 | 23,491 | 17,254 |
| Accounts and notes receivable (less allowances) | 6,868 | 5,380 | 4,975 |
| Inventories (less allowances) | 11,718 | 10,960 | 10,479 |
| Assets of discontinued operations | - | - | 20,414 |
| Net equipment on operating leases - (less accumulated depreciation) | 6,519 | 7,173 | 5,661 |
| Deferred income taxes and other current assets | 10,855 | 10,851 | 9,858 |
| | ----- | ----- | ----- |
| Total current assets | 55,985 | 57,855 | 68,641 |
| Equity in net assets of nonconsolidated associates | 6,054 | 6,032 | 5,027 |
| Property - net | 35,768 | 36,071 | 34,308 |
| Intangible assets - net | 1,438 | 1,479 | 7,483 |
| Deferred income taxes | 18,302 | 18,086 | 30,473 |
| Other assets | 42,103 | 42,262 | 1,451 |
| | ----- | ----- | ----- |

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| | | | |
|---|-----------|-----------|-----------|
| Total Automotive and Other Operations assets | 159,650 | 161,785 | 147,383 |
| Financing and Insurance Operations | | | |
| Cash and cash equivalents | 17,273 | 18,130 | 10,005 |
| Investments in securities | 12,273 | 13,148 | 13,602 |
| Finance receivables - net | 184,563 | 173,137 | 140,764 |
| Loans held for sale | 18,285 | 19,609 | 12,496 |
| Net equipment on operating leases (less accumulated depreciation) | 27,105 | 27,210 | 29,407 |
| Other assets | 35,078 | 35,488 | 28,834 |
| Net receivable from Automotive and Other Operations | 1,660 | 1,492 | 486 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations assets | 296,237 | 288,214 | 235,594 |
| | ----- | ----- | ----- |
| Total assets | \$455,887 | \$449,999 | \$382,977 |
| | ===== | ===== | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | | |
|--|-----------|-----------|-----------|
| Automotive and Other Operations | | | |
| Accounts payable (principally trade) | \$23,970 | \$21,542 | \$19,076 |
| Loans payable | 2,868 | 2,813 | 2,212 |
| Liabilities of discontinued operations | - | - | 9,773 |
| Accrued expenses | 45,255 | 45,417 | 40,412 |
| Net payable to Financing and Insurance Operations | 1,660 | 1,492 | 486 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations liabilities | 73,753 | 71,264 | 71,959 |
| Long-term debt | 29,557 | 29,593 | 14,248 |
| Postretirement benefits other than pensions | 27,519 | 32,285 | 34,260 |
| Pensions | 7,731 | 7,952 | 22,398 |
| Other liabilities and deferred income taxes | 15,617 | 15,567 | 13,684 |
| | ----- | ----- | ----- |
| Total Automotive and Other Operations liabilities | 154,177 | 156,661 | 156,549 |
| Financing and Insurance Operations | | | |
| Accounts payable | 3,193 | 3,880 | 3,413 |
| Debt | 246,547 | 239,350 | 191,691 |
| Other liabilities and deferred income taxes | 25,285 | 24,533 | 21,687 |
| | ----- | ----- | ----- |
| Total Financing and Insurance Operations liabilities | 275,025 | 267,763 | 216,791 |
| | ----- | ----- | ----- |
| Total liabilities | 429,202 | 424,424 | 373,340 |
| Minority interests | 319 | 307 | 271 |
| Total stockholders' equity | 26,366 | 25,268 | 9,366 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$455,887 | \$449,999 | \$382,977 |
| | ===== | ===== | ===== |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|----------|
| | 2004 | 2003 |
| | ----- | ----- |
| | (dollars in millions) | |
| Net cash provided by operating activities | \$1,098 | \$8,938 |
| Cash flows from investing activities | | |
| Expenditures for property | (1,399) | (1,612) |
| Investments in marketable securities - acquisitions | (2,652) | (2,830) |
| Investments in marketable securities - liquidations | 2,905 | 2,906 |
| Net originations and purchases of mortgage servicing rights | (300) | (455) |
| Increase in finance receivables | (34,156) | (33,947) |
| Proceeds from sales of finance receivables | 25,034 | 23,446 |
| Proceeds from sale of business units | - | 1,076 |
| Operating leases - acquisitions | (3,163) | (3,661) |
| Operating leases - liquidations | 2,028 | 2,510 |
| Investments in companies, net of cash acquired | 5 | (21) |
| Other | (2,626) | 78 |
| | ----- | ----- |
| Net cash used in investing activities | (14,324) | (12,510) |
| Cash flows from financing activities | | |
| Net increase (decrease) in loans payable | 2,217 | (19) |
| Long-term debt - borrowings | 20,677 | 16,832 |
| Long-term debt - repayments | (15,068) | (10,019) |
| Proceeds from issuing common stocks | 34 | - |
| Cash dividends paid to stockholders | (282) | (280) |
| Other | 1,730 | 809 |
| | ----- | ----- |
| Net cash provided by financing activities | 9,308 | 7,323 |
| Effect of exchange rate changes on cash and cash equivalents | (101) | (51) |
| | ----- | ----- |
| Net (decrease) increase in cash and cash equivalents | (4,019) | 3,700 |
| Cash and cash equivalents at beginning of the period | 32,554 | 20,320 |
| | ----- | ----- |
| Cash and cash equivalents at end of the period | \$28,535 | \$24,020 |
| | ===== | ===== |

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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 | |
|--|------------------------------|----------|----------------------------|----------|
| | Three Months Ended March 31, | | | |
| | 2004 | 2003 | 2004 | 2003 |
| | ---- | ---- | ---- | ---- |
| | (dollars in millions) | | | |
| Net cash provided by operating activities | \$ (1,809) | \$ 4,447 | \$ 2,907 | \$ 4,491 |
| Cash flows from investing activities | | | | |
| Expenditures for property | (1,298) | (1,508) | (101) | (104) |
| Investments in marketable securities - acquisitions | (700) | (1,155) | (1,952) | (1,675) |
| Investments in marketable securities - liquidations | 1,004 | 90 | 1,901 | 2,816 |
| Net change in mortgage services rights | - | - | (300) | (455) |
| Increase in finance receivables | - | - | (34,156) | (33,947) |
| Proceeds from sales of finance receivables | - | - | 25,034 | 23,446 |
| Proceeds from sale of business units | - | 1,076 | - | - |
| Operating leases - acquisitions | - | - | (3,163) | (3,661) |
| Operating leases - liquidations | - | - | 2,028 | 2,510 |
| Investments in companies, net of cash acquired | (16) | (21) | 21 | - |
| Other | (16) | (176) | (2,610) | 254 |
| | ----- | ----- | ----- | ----- |
| Net cash used in investing activities | (1,026) | (1,694) | (13,298) | (10,816) |
| Cash flows from financing activities | | | | |
| Net (decrease) increase in loans payable | (149) | (23) | 2,366 | 4 |
| Long-term debt - borrowings | 24 | 7 | 20,653 | 16,825 |
| Long-term debt - repayments | (26) | (1) | (15,042) | (10,018) |
| Proceeds from issuing common stocks | 34 | - | - | - |
| Cash dividends paid to stockholders | (282) | (280) | - | - |
| Other | - | - | 1,730 | 809 |
| | --- | --- | ----- | ----- |
| Net cash (used in) provided by financing activities | (399) | (297) | 9,707 | 7,620 |
| Effect of exchange rate changes on cash and cash equivalents | (96) | 1 | (5) | (52) |
| Net transactions with Automotive/Financing Operations | 168 | (604) | (168) | 604 |
| | ----- | ----- | --- | ----- |
| Net (decrease) increase in cash and cash equivalents | (3,162) | 1,853 | (857) | 1,847 |
| Cash and cash equivalents at beginning of the period | 14,424 | 12,162 | 18,130 | 8,158 |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|---|----------|----------|----------|----------|
| Cash and cash equivalents at end of the period | \$11,262 | \$14,015 | \$17,273 | \$10,005 |
| | ===== | ===== | ===== | ===== |

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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: April 20, 2004

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

(Peter R. Bible,
Chief Accounting Officer)

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