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GENERAL MOTORS CORP  
Form 8-K  
July 21, 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) July 21, 2004

GENERAL MOTORS CORPORATION

-----  
(Exact Name of Registrant as Specified in its Charter)

STATE OF DELAWARE

-----  
(State or other jurisdiction of  
Incorporation or Organization)

300 Renaissance Center, Detroit, Michigan

-----  
(Address of Principal Executive Offices)

38-0572515

-----  
(I.R.S. Employer  
Identification No.)

48265-3000

-----  
(Zip Code)

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

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ITEM 12. Disclosure of information on financial conditions

On July 21, 2004, 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 Earns \$1.3 Billion or \$2.36 Per Share in Second Quarter 2004

GMAC posts record quarterly earnings, driven by financing and insurance

Automotive earnings increase to \$529 million

Calendar year earnings forecast of \$7.00 per share remains unchanged

DETROIT - General Motors Corp. (NYSE: GM) today reported earnings from continuing operations of \$1.3 billion, or \$2.36 per diluted share, in the second quarter of 2004. These results compare with earnings of \$879 million, or \$1.57 per share, in the second quarter of 2003. Revenue rose 7.1 percent to \$49.1 billion.

"Overall, our financial results for the quarter were reasonably good," said GM Chairman and Chief Executive Officer Rick Wagoner. "General Motors Acceptance Corp. once again had an outstanding quarter, setting another record, and our automotive operations reported improved earnings as well. But competition in the global automotive market remains very intense, and we still have much work to do to improve our automotive profitability to targeted levels."

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

GMAC

GMAC earned a record \$860 million in the second quarter of 2004, up from \$834 million in the year-ago period.

"We're very pleased with GMAC's record-breaking performance," Wagoner said. "GMAC continues to do an outstanding job managing its global portfolio of businesses. Its auto-financing business, in addition to supporting GM sales, is turning in strong profitability around the globe. Insurance earnings are strengthening, and mortgage earnings, while understandably lower, still remain solid."

Earnings from GMAC's financing operations rose 14 percent to \$452 million in the

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second quarter, up from \$396 million a year ago, as lower credit losses and improved lease-residual values more than offset narrower net-interest margins.

Second-quarter earnings at the insurance group were \$75 million, a significant improvement from earnings of \$23 million a year ago, reflecting continued growth in underwriting income and improved performance in the investment portfolio in 2004.

Earnings from the mortgage unit totaled \$333 million, compared with record year-ago earnings of \$415 million. As expected, lower mortgage volume and decreased pricing margins were somewhat offset by higher asset levels. Despite the decline in second-quarter earnings, GMAC's mortgage unit continues to be a significant contributor to GMAC's overall performance.

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#### GM Automotive Operations

GM's global-automotive earnings totaled \$529 million in the second quarter of 2004, up from \$140 million in the prior-year period, reflecting improved earnings in North America, Asia Pacific, and the Latin America/Africa/Mid-East region, partially offset by increased losses in Europe. In the second quarter, GM's market share was up in three out of four regions of the world; global share totaled 14.7 percent, down from 14.9 percent in the year-ago period. For the six months ended June 30, 2004, GM's market share was also up in three out of four regions, and totaled 14.1 percent, compared with 14.2 percent in the year-ago period.

GM North America (GMNA) earned \$328 million in the second quarter of 2004, compared with earnings of \$83 million in the second quarter of 2003. Improvements in material costs and pricing more than offset less-favorable mix and higher recall costs. GM's market share in North America was 26.2 percent in the second quarter of 2004, compared with 27.2 percent in the year-earlier period. For the six months ended June 30, 2004, GM's market share in North America was 26.3 percent, versus 26.7 percent in the year-ago period.

"While earnings at GM North America improved, overall sales, market share and financial results were well below our expectations. For sure, the competition is tough, but we also must move faster to implement our strategy -- introducing great cars and trucks, reducing costs, improving quality, and generating cash," Wagoner said. "There were some bright spots in the quarter, such as our strong performance in recent quality and productivity surveys, and the market reception of new vehicles, like the Chevrolet Equinox and the Cadillac SRX."

GM's quality and productivity gains were recognized during the second quarter by two major independent surveys. According to the 2004 J.D. Power and Associates Initial Quality Study, GM recorded a 10-percent improvement in initial quality overall, with Cadillac emerging as the top luxury-car brand. GM also continued its steady improvement in manufacturing productivity. In the recently released Harbour Report North America 2004, GM posted a 5.2-percent improvement in North American manufacturing productivity in 2003, bringing GM's overall improvement over the last six years to more than 24 percent.

"We've had a decade-long focus on improving our quality and manufacturing productivity, and with the great work of our employees and labor unions, we're now reaching industry-leading performance in many categories and plants," Wagoner said. "That's something we're proud of, but the fact is that we've still got more to do in this area in order to offset our high-cost manufacturing footprint and the huge burden of legacy costs that we carry."

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GM Europe (GME) reported a loss of \$45 million in the second quarter of 2004 compared with a loss of \$3 million in the year-ago quarter. The most recent quarter's results reflect intense price competition, foreign-exchange losses and continuing restructuring costs for GM's share of the GM-Fiat powertrain joint venture, partially offset by continuing cost improvements. GM's market share in Europe rose to 9.8 percent in the second quarter of 2004 from 9.4 percent in the year-ago period. For the six months ended June 30, 2004, GM's market share in Europe was 9.6 percent, up from 9.5 percent in the year ago period.

"Our European operations are making significant progress in reducing costs and improving quality," Wagoner said. "However, despite growing market share, we're not getting the revenue growth that we had hoped for, particularly in the traditionally large western European markets. So, that means we have to pick up the pace in new-model introductions, while we simultaneously reduce costs. That's a tough assignment, and it's going to require GME to do a better job of leveraging our global resources to bring new products to market faster and at lower cost."

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GM Asia Pacific (GMAP) earned \$236 million in the second quarter of 2004, up from \$163 million in the year-ago quarter. Continued strong performance by Shanghai GM in China, improved earnings in India and Thailand, and smaller losses at GM-Daewoo Auto & Technology Co. (GMDAT) contributed to GMAP's overall performance. GM's market share in the Asia Pacific region rose to 5.4 percent in the second quarter from 4.8 percent a year ago, led by gains in China and India. Through the first six months of 2004, GM's market share in the Asia Pacific region was 5.0 percent, up from 4.6 percent in the comparable period a year ago.

"GMAP registered another great quarter, growing sales, market share and profitability," Wagoner said. "For example, in the first six months of 2004, GM sales in China rose 58 percent and GM continued to gain share in Thailand and India. We expect continued strong growth in Asia, and we plan to stay aggressive and capitalize on our momentum."

Wagoner also pointed out recently announced plans to invest \$3 billion in China over the next three years with GM's joint-venture partners. "This investment will further strengthen GM's already solid position in China by expanding our capacity and broadening GM's product portfolio with the introduction of the Cadillac brand."

GM Latin America/Africa/Mid-East (GMLAAM) earned \$10 million in the second quarter of 2004, a significant improvement from the year-ago loss of \$103 million. This year's results reflect higher production volumes and improved earnings in Venezuela and South Africa. GM's market share in the GMLAAM region rose to 17.4 percent in the second quarter of 2004 from 15.6 percent a year ago. For the six months ended June 30, 2004, GM's market share in the LAAM region was 17 percent, up from 15.6 percent in the year-ago period.

"We're pleased with the improving performance of GMLAAM," Wagoner said. "Our market share continues to be impressive and we reported a profit for the second consecutive quarter."

### Cash and Liquidity

GM generated approximately \$1.2 billion in automotive cash in the second quarter

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of 2004. For the six months ended June 30, 2004, total automotive cash generated by GM stood at \$2.6 billion. Cash, marketable securities, and short-term assets of the Voluntary Employees' Beneficiary Association (VEBA) trust totaled \$25 billion at June 30, 2004, excluding financing and insurance operations, compared with \$23.5 billion on March 31, 2004.

### Looking Ahead

GM expects total U.S. industry sales of approximately 17.2 million vehicles in calendar year 2004, reflecting strengthening labor markets and increases in household income. Through the first six months of 2004, industry sales came in at an annualized rate of around 16.9 million units.

For the third quarter of 2004, GM expects to earn approximately \$0.75 to \$1.00 per share, excluding special items and at current dilution levels. GM's 2004-calendar-year earnings estimate remains unchanged at approximately \$7.00 per share, excluding special items and at current dilution levels.

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.

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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 June 30, 2004		Year to Date June 30, 2004	
-----		-----	
Net		Net	
Income	EPS	Income	EPS
-----	-----	-----	-----

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## REPORTED

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Net income	\$1,341	\$2.36	\$2,621	\$4.61
	=====	=====	=====	=====

There were no special items in the Second 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 June 30, 2003		Year to Date June 30, 2003	
	-----		-----	
	Net Income	EPS	Net Income	EPS
	-----	-----	-----	-----
REPORTED				
-----				
Income from continuing operations	\$879	\$1.57	\$2,416	\$4.30
Income (loss) from discontinued operations	22	0.01	(32)	(0.01)
	---	----	-----	-----
Net income	901	1.58	2,384	4.29
ADJUSTMENTS				
-----				
Gain on Sale of GM Defense (A)	-	-	(505)	(0.90)
	---	----	-----	-----
Subtotal	-	-	(505)	(0.90)
ADJUSTED				
-----				
Income from continuing operations	\$879	\$1.57	\$1,911	\$3.40
Income (loss) from discontinued operations	22	0.01	(32)	(0.01)
	---	----	-----	-----
Adjusted Income	\$901	\$1.58	\$1,879	\$3.39
	===	=====	=====	=====

(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)

	Second Quarter		Year to Date	
	2004	2003	2004	2003
	-----	-----	-----	-----
(dollars in millions except per share amounts)				
Total net sales and				
revenues	\$49,148	\$45,881	\$96,833	\$92,932
Adjusted	\$49,148	\$45,881	\$96,833	\$92,118
Income from continuing				
operations	\$1,341	\$879	\$2,621	\$2,416
Adjusted	\$1,341	\$879	\$2,621	\$1,911
Income (loss) from				
discontinued operations	-	22	-	(32)
Adjusted	-	22	-	(32)
Net income	\$1,341	\$901	\$2,621	\$2,384
Adjusted	\$1,341	\$901	\$2,621	\$1,879
Net margin from continuing				
operations				
(Income from continuing				
operations / Total net				
sales and revenues)	2.7%	1.9%	2.7%	2.6%
Adjusted	2.7%	1.9%	2.7%	2.1%
Earnings per share - basic				
\$1-2/3 par value				
Continuing operations	\$2.37	\$1.57	\$4.64	\$4.31
Discontinued operations	-	\$0.01	-	\$(0.01)
	-----	-----	-----	-----
Earnings per share	\$2.37	\$1.58	\$4.64	\$4.30
Earnings per share - diluted				
\$1-2/3 par value				
Continuing operations	\$2.36	\$1.57	\$4.61	\$4.30
Discontinued operations	-	\$0.01	-	\$(0.01)
	-----	-----	-----	-----
Earnings per share	\$2.36	\$1.58	\$4.61	\$4.29
Earnings per share - adjusted				
\$1-2/3 par value				
Continuing operations	\$2.36	\$1.57	\$4.61	\$3.40
Discontinued operations	-	\$0.01	-	\$(0.01)
	-----	-----	-----	-----
Earnings per share	\$2.36 (1)	\$1.58	\$4.61	\$3.39
GM \$1-2/3 par value average				
shares outstanding (Mil's)				
Basic shares	565	561	564	561
Diluted shares	568	561	569	561
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 16.

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## General Motors Corporation Summary Corporate Financial Results (unaudited)

	Second Quarter		Year to Date	
	2004	2003	2004	2003
	----	----	----	----
Book value per share of common stocks at June 30 GM \$1-2/3 par value	\$49.18	\$13.27		
Auto & Other Operations total cash & marketable securities at June 30 (\$Bil's)	\$21.5	\$20.3		
Cash in short-term VEBA	\$3.5	\$3.4		
	----	----		
Total Auto & Other cash & marketable securities plus short-term VEBA	\$25.0	\$23.7		
	=====	=====		
Auto & Other Operations (\$Mil's)				
Depreciation	\$1,441	\$1,097	\$2,589	\$2,083
Amortization of special tools	774	651	1,500	1,353
Amortization of intangible assets	9	5	16	10
	-----	-----	-----	-----
Total	\$2,224	\$1,753	\$4,105	\$3,446
	=====	=====	=====	=====

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## General Motors Corporation Summary Corporate Financial Results (unaudited)

	Second Quarter 2004 and 2003					
	Reported		Special Items		Adjusted	
	2004	2003	2004	2003	2004	2003
	-----	-----	-----	-----	-----	-----
(dollars in millions)						
Total net sales and revenues						
GMNA	\$29,429	\$28,558	\$ -	\$ -	\$29,429	\$28,558
GME	8,094	7,303	-	-	8,094	7,303
GMLAAM	1,909	1,119	-	-	1,909	1,119
GMAP	1,693	1,267	-	-	1,693	1,267
	-----	-----	---	---	-----	-----
Total GMA	41,125	38,247	-	-	41,125	38,247
Other	77	96	-	-	77	96



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Total Auto & Other	41,202	38,343	-	-	41,202	38,343
GMAC	7,709	7,542	-	-	7,709	7,542
Other Financing	237	(4)	-	-	237	(4)
Total FIO	7,946	7,538	-	-	7,946	7,538
Total net sales and revenues	\$49,148	\$45,881	\$ -	\$ -	\$49,148	\$45,881
Income (loss) from continuing operations before income taxes, equity income, and minority interests						
GMNA	\$423	\$90	\$ -	\$ -	\$423	\$90
GME	(96)	(34)	-	-	(96)	(34)
GMLAAM	11	(123)	-	-	11	(123)
GMAP	33	11	-	-	33	11
Total GMA	371	(56)	-	-	371	(56)
Other	(248)	(357)	-	-	(248)	(357)
Total Auto & Other	123	(413)	-	-	123	(413)
GMAC	1,358	1,331	-	-	1,358	1,331
Other Financing	(24)	13	-	-	(24)	13
Total FIO	1,334	1,344	-	-	1,334	1,344
Total income (loss) from continuing operations before income taxes, equity income, and minority interests	\$1,457	\$931	\$ -	\$ -	\$1,457	\$931

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## General Motors Corporation Summary Corporate Financial Results (unaudited)

Second Quarter  
2004 and 2003

(dollars in millions)	Reported		Special Items		Adjusted	
	2004	2003	2004	2003	2004	2003
Income (loss) from continuing operations						
GMNA	\$328	\$83	\$ -	\$ -	\$328	\$83

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GME	(45)	(3)	-	-	(45)	(3)
GMLAAM	10	(103)	-	-	10	(103)
GMAP	236	163	-	-	236	163
	---	---	---	---	---	---
Total GMA	529	140	-	-	529	140
Other	(34)	(104)	-	-	(34)	(104)
	---	---	---	---	---	---
Total Auto & Other	495	36	-	-	495	36
	---	---	---	---	---	---
GMAC	860	834	-	-	860	834
Other Financing	(14)	9	-	-	(14)	9
	---	---	---	---	---	---
Total FIO	846	843	-	-	846	843
	---	---	---	---	---	---
Income (loss) from continuing operations	\$1,341	\$879	\$ -	\$ -	\$1,341	\$879
Income from discontinued operations	-	22	-	-	-	22
	-----	-----	-----	-----	-----	-----
Net income (loss)	\$1,341	\$901	\$ -	\$ -	\$1,341	\$901
	=====	=====	=====	=====	=====	=====
Income tax expense (benefit)						
GMNA	\$73	\$25	\$ -	\$ -	\$73	\$25
GME	(36)	(13)	-	-	(36)	(13)
GMLAAM	(2)	(25)	-	-	(2)	(25)
GMAP	(1)	8	-	-	(1)	8
	---	---	---	---	---	---
Total GMA	34	(5)	-	-	34	(5)
Other	(216)	(251)	-	-	(216)	(251)
	---	---	---	---	---	---
Total Auto & Other	(182)	(256)	-	-	(182)	(256)
	---	---	---	---	---	---
GMAC	498	496	-	-	498	496
Other Financing	(10)	4	-	-	(10)	4
	---	---	---	---	---	---
Total FIO	488	500	-	-	488	500
	---	---	---	---	---	---
Income tax expense (benefit)	\$306	\$244	\$ -	\$ -	\$306	\$244
	===	===	===	===	===	===

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General Motors Corporation  
Summary Corporate Financial Results  
(unaudited)

Second Quarter  
2004 and 2003

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(dollars in millions) Reported Special Items Adjusted

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	2004	2003	2004	2003	2004	2003
Effective tax rate						
Total GM Corp.	21%	26%	-	-	21%	26%
GMNA	17%	28%	-	-	17%	28%
GME	38%	38%	-	-	38%	38%
GMAC	37%	37%	-	-	37%	37%

Tax settlements that were previously expected in the second quarter of 2004 are now expected to be completed in the second half 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	\$ (22)	\$ 18	\$ -	\$ -	\$ (22)	\$ 18
GME	15	18	-	-	15	18
GMLAAM	(3)	(5)	-	-	(3)	(5)
GMAP	202	160	-	-	202	160
	---	---	--	--	---	---
Total GMA	\$192	\$191	\$ -	\$ -	\$192	\$191
	===	===	==	==	===	===

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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	\$58,532	\$58,521	\$ -	\$ -	\$58,532	\$58,521
GME	15,637	13,925	-	-	15,637	13,925
GMLAAM	3,742	2,164	-	-	3,742	2,164
GMAP	3,292	2,414	-	-	3,292	2,414
	-----	-----	--	--	-----	-----
Total GMA	81,203	77,024	-	-	81,203	77,024
Other	136	1,134	-	(814)	136	320
	-----	-----	--	--	-----	-----
Total Auto & Other	81,339	78,158	-	(814)	81,339	77,344
	-----	-----	--	--	-----	-----
GMAC	15,249	14,785	-	-	15,249	14,785
Other Financing	245	(11)	-	-	245	(11)
	-----	-----	--	--	-----	-----
Total FIO	15,494	14,774	-	-	15,494	14,774
	-----	-----	--	--	-----	-----
Total net sales						

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and revenues	\$96,833	\$92,932	\$ -	\$ (814)	\$96,833	\$92,118
	=====	=====	==	===	=====	=====
Income (loss) from continuing operations before income taxes, equity income, and minority interests						
GMNA	\$1,009	\$829	\$ -	\$ -	\$1,009	\$829
GME	(319)	(148)	-	-	(319)	(148)
GMLAAM	19	(140)	-	-	19	(140)
GMAP	46	30	-	-	46	30
	---	---	--	---	---	---
Total GMA	755	571	-	-	755	571
Other	(568)	92	-	(814)	(568)	(722)
	---	---	--	---	---	---
Total Auto & Other	187	663	-	(814)	187	(151)
	-----	-----	--	---	-----	-----
GMAC	2,596	2,478	-	-	2,596	2,478
Other Financing	(25)	(12)	-	-	(25)	(12)
	-----	-----	--	---	-----	-----
Total FIO	2,571	2,466	-	-	2,571	2,466
	-----	-----	--	---	-----	-----
Total income (loss) from continuing operations before income taxes, equity income, and minority interests	\$2,758	\$3,129	\$ -	\$ (814)	\$2,758	\$2,315
	=====	=====	==	===	=====	=====

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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
	-----	-----	-----	-----	-----	-----
Income (loss) from continuing operations						
GMNA	\$779	\$631	\$ -	\$ -	\$779	\$631
GME	(161)	(68)	-	-	(161)	(68)
GMLAAM	11	(115)	-	-	11	(115)
GMAP	511	238	-	-	511	238
	-----	-----	--	---	-----	---
Total GMA	1,140	686	-	-	1,140	686
Other	(151)	205	-	(505)	(151)	(300)
	-----	---	--	---	-----	---
Total Auto & Other	989	891	-	(505)	989	386
	-----	-----	--	---	-----	-----

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GMAC	1,646	1,533	-	-	1,646	1,533
Other Financing	(14)	(8)	-	-	(14)	(8)
	-----	-----	--	---	-----	-----
Total FIO	1,632	1,525	-	-	1,632	1,525
	-----	-----	--	---	-----	-----
Income (loss) from continuing operations	\$2,621	\$2,416	\$ -	\$ (505)	\$2,621	\$1,911
Income from discontinued operations	-	(32)	-	-	-	(32)
	-----	-----	--	---	-----	-----
Net income (loss)	\$2,621	\$2,384	\$ -	\$ (505)	\$2,621	\$1,879
	=====	=====	==	==	=====	=====
Income tax expense (benefit)						
GMNA	\$175	\$216	\$ -	\$ -	\$175	\$216
GME	(121)	(56)	-	-	(121)	(56)
GMLAAM	3	(32)	-	-	3	(32)
GMAP	5	19	-	-	5	19
	---	---	--	---	---	---
Total GMA	62	147	-	-	62	147
Other	(420)	(151)	-	(309)	(420)	(460)
	---	---	--	---	---	---
Total Auto & Other	(358)	(4)	-	(309)	(358)	(313)
	---	---	--	---	---	---
GMAC	948	934	-	-	948	934
Other Financing	(11)	(4)	-	-	(11)	(4)
	---	---	--	---	---	---
Total FIO	937	930	-	-	937	930
	---	---	--	---	---	---
Income tax expense (benefit)	\$579	\$926	\$ -	\$ (309)	\$579	\$617
	===	===	==	==	===	===

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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
Effective tax rate						
Total GM Corp.	21%	30%	-	38%	21%	27%
GMNA	17%	26%	-	-	17%	26%
GME	38%	38%	-	-	38%	38%
GMAC	37%	38%	-	-	37%	38%

Tax settlements that were previously expected in the second quarter of 2004 are now expected to be completed in the second half of 2004.

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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	\$ (55)	\$ 18	\$ -	\$ -	\$ (55)	\$ 18
GME	37	24	-	-	37	24
GMLAAM	(5)	(7)	-	-	(5)	(7)
GMAP	470	227	-	-	470	227
	---	---	--	--	---	---
Total GMA	\$447	\$262	\$ -	\$ -	\$447	\$262
	===	===	==	==	===	===

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### General Motors Corporation Operating Statistics

	Second Quarter		Year to Date	
	2004	2003	2004	2003
	----	----	----	----
(units in thousands)				
Worldwide Wholesale Sales				
United States - Cars	503	487	985	986
United States - Trucks	755	761	1,481	1,518
	-----	-----	-----	-----
Total United States	1,258	1,248	2,466	2,504
Canada, Mexico, and Other	190	185	365	367
	-----	-----	-----	-----
Total GMNA	1,448	1,433	2,831	2,871
GME	477	447	910	874
GMLAAM	176	122	344	243
GMAP	71	69	133	131
	-----	-----	-----	-----
Total Worldwide	2,172	2,071	4,218	4,119
	=====	=====	=====	=====
Vehicle Unit Deliveries				
Chevrolet - Cars	223	220	437	391
Chevrolet - Trucks	489	505	876	878
Pontiac	135	120	256	227
GMC	153	155	283	263
Buick	84	85	162	168
Oldsmobile	7	34	24	68
Saturn	61	72	113	147
Cadillac	55	49	106	96
Other	22	26	39	46
	-----	-----	-----	-----
Total United States	1,229	1,266	2,296	2,284
Canada, Mexico, and Other	185	179	348	330
	-----	-----	-----	-----
Total GMNA	1,414	1,445	2,644	2,614
GME	539	481	1,039	956
GMLAAM	174	130	335	262
GMAP	220	181	435	360
	-----	-----	-----	-----
Total Worldwide	2,347	2,237	4,453	4,192
	=====	=====	=====	=====
Market Share				

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United States - Cars	23.5%	24.8%	24.6%	24.9%
United States - Trucks	29.4%	30.4%	28.4%	29.4%
Total United States	26.7%	27.9%	26.7%	27.3%
Total North America	26.2%	27.2%	26.3%	26.7%
Total Europe	9.8%	9.4%	9.6%	9.5%
Total LAAM	17.4%	15.6%	17.0%	15.6%
Asia and Pacific	5.4%	4.8%	5.0%	4.6%
Total Worldwide	14.7%	14.9%	14.1%	14.2%
U.S. Retail/Fleet Mix				
% Fleet Sales - Cars	37.6%	29.5%	37.7%	29.8%
% Fleet Sales - Trucks	17.9%	15.1%	18.1%	14.9%
Total Vehicles	25.7%	21.0%	26.1%	21.3%
Retail Lease as % of Retail Sales				
Total Smartlease and Smartbuy	14.2%	7.3%		
Days Supply of Inventory at June 30				
United States - Cars	87	73		
United States - Trucks	123	98		
GMNA Capacity Utilization (2 shift rated)	87.3%	87.6%	86.2%	89.3%
GMNA Vehicle Revenue Per Unit	\$18,801	\$18,565		

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## General Motors Corporation Operating Statistics

	Second Quarter		Year to Date	
	2004	2003	2004	2003
GMAC's U.S. Cost of Borrowing	3.33%	3.50%		
Current Debt Spreads Over U.S. Treasuries				
2 Year	130 bp	255 bp		
5 Year	195 bp	330 bp		
10 Year	230 bp	370 bp		
Worldwide Employment at June 30 (in 000's)				
United States Hourly	114	120		
United States Salary	39	41		
	---	---		
Total United States	153	161		
Canada, Mexico, and Other	33	31		
	---	---		
GMNA	186	192		
GME	62	64		
GMLAAM (2)	26	23		
GMAP	14	13		

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GMAC	33	31
Other	5	7
	---	---
Total	326	330
	===	===

Worldwide Payrolls (\$Bil's)      \$5.5      \$5.1      \$11.0      \$10.4

## Footnotes:

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- (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 June 30, -----		Six Months Ended June 30, -----	
	2004	2003	2004	2003
	----	----	----	----
	(dollars in millions except per share amounts)			
Total net sales and revenues	\$49,148	\$45,881	\$96,833	\$92,932
	-----	-----	-----	-----
Cost of sales and other expenses	39,464	37,253	78,127	75,015
Selling, general, and administrative expenses	5,413	5,480	10,367	10,491
Interest expense	2,814	2,217	5,581	4,297
	-----	-----	-----	-----
Total costs and expenses	47,691	44,950	94,075	89,803
	-----	-----	-----	-----
Income from continuing operations before income taxes, equity income, and minority interests	1,457	931	2,758	3,129
Income tax expense	306	244	579	926
Equity income (loss) and minority interests	190	192	442	213
	---	---	---	---
Income from continuing operations	1,341	879	2,621	2,416
Earnings (loss) from discontinued operations	-	22	-	(32)
	-----	---	-----	-----
Net Income	\$1,341	\$901	\$2,621	\$2,384
	=====	===	=====	=====
Basic earnings (loss) per share attributable to common stocks				



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\$1-2/3 par value				
Continuing Operations	\$2.37	\$1.57	\$4.64	\$4.31
Discontinued Operations	-	\$0.01	-	\$ (0.01)
	----	----	----	----
Earnings per share				
attributable to \$1-2/3 par value	\$2.37	\$1.58	\$4.64	\$4.30
	=====	=====	=====	=====
Earnings (loss) per share				
from discontinued operations				
attributable to Class H	\$ -	\$0.02	\$ -	\$ (0.02)
	===	=====	===	=====
Earnings (loss) per share				
attributable to common				
stocks assuming dilution				
\$1-2/3 par value				
Continuing Operations	\$2.36	\$1.57	\$4.61	\$4.30
Discontinued Operations	-	\$0.01	-	\$ (0.01)
	----	----	----	----
Earnings per share				
attributable to \$1-2/3 par value	\$2.36	\$1.58	\$4.61	\$4.29
	=====	=====	=====	=====
Earnings (loss) per share				
from discontinued operations				
attributable to Class H	\$ -	\$0.02	\$ -	\$ (0.02)
	===	=====	===	=====

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## GENERAL MOTORS CORPORATION AND SUBSIDIARIES

### SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	----	----	----	----
	(dollars in millions)			
AUTOMOTIVE AND OTHER OPERATIONS				
Total net sales and revenues	\$41,202	\$38,343	\$81,339	\$78,158
	-----	-----	-----	-----
Cost of sales and other expenses	37,307	35,331	73,747	71,155
Selling, general, and administrative expenses	3,144	3,065	6,180	5,690
	-----	-----	-----	-----
Total costs and expenses	40,451	38,396	79,927	76,845
Interest expense	596	326	1,158	575
Net expense from transactions with Financing and Insurance Operations	32	34	67	75

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	-----	-----	-----	-----
Income (loss) from continuing operations before income taxes, equity income, and minority interests	123	(413)	187	663
Income tax (benefit)	(182)	(256)	(358)	(4)
Equity income (loss) and minority interests	190	193	444	224
	---	---	---	---
Income from continuing operations	495	36	989	891
Income (loss) from discontinued operations	-	22	-	(32)
	---	--	---	---
Net Income - Automotive and Other Operations	\$495	\$58	\$989	\$859
	===	==	===	===

## FINANCING AND INSURANCE OPERATIONS

Total revenues	\$7,946	\$7,538	\$15,494	\$14,774
	-----	-----	-----	-----
Interest expense	2,218	1,891	4,423	3,722
Depreciation and amortization expense	1,145	1,578	2,600	3,084
Operating and other expenses	2,434	2,015	4,283	4,081
Provisions for financing and insurance losses	847	744	1,684	1,496
	-----	-----	-----	-----
Total costs and expenses	6,644	6,228	12,990	12,383
	-----	-----	-----	-----
Net income from transactions with Automotive and Other Operations	(32)	(34)	(67)	(75)
	---	---	---	---
Income before income taxes, equity income, and minority interests	1,334	1,344	2,571	2,466
Income tax expense	488	500	937	930
Equity income (loss) and minority interests	-	(1)	(2)	(11)
	-----	-----	-----	-----
Net income - Financing and Insurance Operations	\$846	\$843	\$1,632	\$1,525
	===	===	=====	=====

## GENERAL MOTORS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

June 30, 2004      Dec. 31,      June 30, 2003

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	(Unaudited)	2003	(Unaudited)
	-----	----	-----
ASSETS	(dollars in millions)		
Cash and cash equivalents	\$29,901	\$32,554	\$27,824
Marketable securities	20,816	22,215	18,777
	-----	-----	-----
Total cash and marketable securities	50,717	54,769	46,601
Finance receivables - net	191,563	174,731	154,449
Loans held for sale	17,393	19,609	17,385
Accounts and notes receivable (less allowances)	16,989	20,532	20,019
Inventories (less allowances)	11,576	10,960	10,796
Assets of discontinued operations	-	-	20,417
Deferred income taxes	27,379	27,190	39,027
Net equipment on operating leases - (less accumulated depreciation)	32,800	32,790	33,207
Equity in net assets of nonconsolidated affiliates	6,381	6,032	5,325
Property - net	37,578	38,211	36,859
Intangible assets - net	4,696	4,760	10,944
Other assets	58,408	58,923	15,894
	-----	-----	-----
Total assets	\$455,480	\$448,507	\$410,923
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Accounts payable (principally trade)	\$26,377	\$25,422	\$22,974
Notes and loans payable	277,027	271,756	228,281
Liabilities of discontinued operations	-	-	9,724
Postretirement benefits other than pensions	31,691	36,292	38,583
Pensions	7,559	8,024	23,873
Deferred income taxes	8,101	7,508	6,773
Accrued expenses and other liabilities	76,624	73,930	69,920
	-----	-----	-----
Total liabilities	427,379	422,932	400,128
Minority interests	328	307	414
Stockholders' equity			
\$1-2/3 par value common stock (outstanding, 564,721,304; 561,997,725; and 560,712,564 shares)	941	937	935
Class H common stock (outstanding, 1,108,139,876 shares at June 30, 2003)	-	-	111
Capital surplus (principally additional paid-in capital)	15,181	15,185	22,815
Retained earnings	14,809	12,752	11,855
	-----	-----	-----
Subtotal	30,931	28,874	35,716
Accumulated foreign currency translation adjustments	(1,685)	(1,815)	(2,292)
Net unrealized gain (loss) on derivatives	369	51	(205)
Net unrealized gains on securities	557	618	612
Minimum pension liability adjustment	(2,399)	(2,460)	(23,450)
	-----	-----	-----
Accumulated other comprehensive loss	(3,158)	(3,606)	(25,335)
	-----	-----	-----

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Total stockholders' equity	27,773	25,268	10,381
	-----	-----	-----
Total liabilities and stockholders' equity	\$455,480	\$448,507	\$410,923
	=====	=====	=====

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## GENERAL MOTORS CORPORATION AND SUBSIDIARIES

### SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED BALANCE SHEETS

	June 30, 2004 (Unaudited)	Dec. 31, 2003	June 30, 2003 (Unaudited)
	-----	----	-----
ASSETS			
	(dollars in millions)		
Automotive and Other Operations			
Cash and cash equivalents	\$13,182	\$14,424	\$15,397
Marketable securities	8,319	9,067	4,913
	-----	-----	-----
Total cash and marketable securities	21,501	23,491	20,310
Accounts and notes receivable (less allowances)	6,396	5,380	5,528
Inventories (less allowances)	11,576	10,960	10,796
Assets of discontinued operations	-	-	20,417
Net equipment on operating leases (less accumulated depreciation)	6,914	7,173	5,946
Deferred income taxes and other current assets	10,876	10,851	9,884
	-----	-----	-----
Total current assets	57,263	57,855	72,881
Equity in net assets of nonconsolidated affiliates	6,381	6,032	5,325
Property - net	35,684	36,071	34,882
Intangible assets - net	1,412	1,479	7,591
Deferred income taxes	18,316	18,086	30,496
Other assets	41,657	42,262	1,743
	-----	-----	-----
Total Automotive and Other Operations assets	160,713	161,785	152,918
Financing and Insurance Operations			
Cash and cash equivalents	16,719	18,130	12,427
Investments in securities	12,497	13,148	13,864
Finance receivables - net	191,563	174,731	154,449
Loans held for sale	17,393	19,609	17,385
Net equipment on operating leases (less accumulated depreciation)	25,886	25,617	27,261
Other assets	30,709	35,487	32,619
Net receivable from Automotive and Other Operations	2,004	1,492	1,128
	-----	-----	-----
Total Financing and Insurance Operations assets	296,771	288,214	259,133
	-----	-----	-----

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Total assets	\$457,484	\$449,999	\$412,051
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Automotive and Other Operations			
Accounts payable (principally trade)	\$23,084	\$21,542	\$19,371
Loans payable	2,625	2,813	1,599
Liabilities of discontinued operations	-	-	9,724
Accrued expenses	46,726	45,417	42,286
Net payable to Financing and Insurance Operations	2,004	1,492	1,128
	-----	-----	-----
Total current liabilities	74,439	71,264	74,108
Long-term debt	29,814	29,593	15,567
Postretirement benefits other than pensions	27,721	32,285	34,642
Pensions	7,489	7,952	23,812
Other liabilities and deferred income taxes	15,467	15,567	14,074
	-----	-----	-----
Total Automotive and Other Operations liabilities	154,930	156,661	162,203
Financing and Insurance Operations			
Accounts payable	3,293	3,880	3,603
Debt	244,588	239,350	211,115
Other liabilities and deferred income taxes	26,572	24,533	24,335
	-----	-----	-----
Total Financing and Insurance Operations liabilities	274,453	267,763	239,053
	-----	-----	-----
Total liabilities	429,383	424,424	401,256
Minority interests	328	307	414
Total stockholders' equity	27,773	25,268	10,381
	-----	-----	-----
Total liabilities and stockholders' equity	\$457,484	\$449,999	\$412,051
	=====	=====	=====

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## GENERAL MOTORS CORPORATION AND SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	-----	-----
	2004	2003
	----	----
	(dollars in millions)	
Net cash provided by operating activities	\$7,599	\$10,648
Cash flows from investing activities		

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Expenditures for property	(3,201)	(3,146)
Investments in marketable securities - acquisitions	(6,466)	(7,198)
Investments in marketable securities - liquidations	7,064	5,804
Net originations and purchases of mortgage servicing rights	(816)	(1,152)
Increase in finance receivables	(66,456)	(71,799)
Proceeds from sales of finance receivables	51,172	49,635
Proceeds from sale of business units	-	1,076
Operating leases - acquisitions	(7,015)	(6,131)
Operating leases - liquidations	4,019	5,362
Investments in companies, net of cash acquired	(32)	(59)
Other	552	(606)
	-----	-----
Net cash used in investing activities	(21,179)	(28,214)
Cash flows from financing activities		
Net increase in loans payable	2,137	1,100
Long-term debt - borrowings	37,784	40,063
Long-term debt - repayments	(30,986)	(17,302)
Cash dividends paid to stockholders	(564)	(560)
Other	2,804	1,333
	-----	-----
Net cash provided by financing activities	11,175	24,634
Effect of exchange rate changes on cash and cash equivalents	(248)	436
	----	---
Net increase (decrease) in cash and cash equivalents	(2,653)	7,504
Cash and cash equivalents at beginning of the period	32,554	20,320
	-----	-----
Cash and cash equivalents at end of the period	\$29,901	\$27,824
	=====	=====

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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 -----	
	Six Months Ended June 30,			
	-----			
	2004	2003	2004	2003
	----	----	----	----
	(dollars in millions)			
Net cash provided by operating activities	\$955	\$6,844	\$6,644	\$3,804

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Cash flows from investing activities				
Expenditures for property	(3,038)	(2,762)	(163)	(384)
Investments in marketable securities - acquisitions	(855)	(2,837)	(5,611)	(4,361)
Investments in marketable securities - liquidations	1,603	100	5,461	5,704
Net change in mortgage servicing rights	-	-	(816)	(1,152)
Increase in finance receivables	-	-	(66,456)	(71,799)
Proceeds from sales of finance receivables	-	-	51,172	49,635
Proceeds from sale of business units	-	1,076	-	-
Operating leases - acquisitions	-	-	(7,015)	(6,131)
Operating leases - liquidations	-	-	4,019	5,362
Investments in companies, net of cash acquired	(53)	(59)	21	-
Other	110	35	442	(571)
	---	--	---	---
Net cash used in investing activities	(2,233)	(4,517)	(18,946)	(23,697)
Cash flows from financing activities				
Net increase (decrease) in loans payable	(437)	(427)	2,574	1,527
Long-term debt - borrowings	756	1,501	37,028	38,562
Long-term debt - repayments	(55)	(18)	(30,931)	(17,284)
Cash dividends paid to stockholders	(564)	(560)	-	-
Other	-	-	2,804	1,333
	----	----	-----	-----
Net cash (used in) provided by financing activities	(300)	496	11,475	24,138
Effect of exchange rate changes on cash and cash equivalents	(176)	373	(72)	63
Net transactions with Automotive/Financing Operations	512	39	(512)	(39)
	---	---	---	--
Net increase (decrease) in cash and cash equivalents	(1,242)	3,235	(1,411)	4,269
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	\$13,182	\$15,397	\$16,719	\$12,427
	=====	=====	=====	=====

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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.

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Date: July 21, 2004

GENERAL MOTORS CORPORATION  
(Registrant)  
By: /s/PETER R. BIBLE  
-----  
(Peter R. Bible,  
Chief Accounting Officer)