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GENERAL MOTORS CORP  
Form 8-K  
October 15, 2003

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) October 14, 2003

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

|   |  |
|---|--|
| STATE OF DELAWARE<br>-----<br>(State or other jurisdiction of<br>Incorporation or Organization) | 38-0572515<br>-----<br>(I.R.S. Employer<br>Identification No.) |
| 300 Renaissance Center, Detroit, Michigan<br>-----<br>(Address of Principal Executive Offices)  | 48265-3000<br>-----<br>(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 October 14, 2003, a news release was issued on the subject of third quarter consolidated earnings for General Motors Corporation (GM). The news release did not include certain financial statements, related footnotes and certain other financial information that will be filed with the Securities and Exchange Commission as part of GM's Quarterly Report on Form 10-Q. The following is the third quarter earnings release for GM, and their subsidiary Hughes Electronics Corporation's (Hughes) earnings release dated October 14, 2003.

GM Reports Third Quarter Net Income of \$425 million, or \$0.79 per share  
Adjusted net income \$448 million, or \$0.80 per share, excluding Hughes  
Automotive operations profitable, global market share up in third quarter  
Substantial contributions, strong asset returns bolster U.S. pension plans

DETROIT - General Motors Corp. (NYSE: GM, GMH) today reported net income of \$425 million, or \$0.79 per diluted share of GM's \$1-2/3 par value common stock, in the third quarter of 2003, compared with a net loss of \$804 million, or \$1.42 a share, in the third quarter of 2002. Total net sales and revenues increased 5.4 percent to \$45.9 billion.

GM's adjusted income, which excludes results from Hughes, totaled \$448 million, or \$0.80 per share, in the third quarter of 2003. GM's adjusted net income in the third quarter of 2002, excluding special items and Hughes, totaled \$696 million, or \$1.24 per share. The third-quarter-2002 results included special items totaling an unfavorable \$1.42 billion, or \$2.62 per share. There were no special items in the third quarter of 2003.

"On balance, General Motors posted solid business results despite ongoing pricing pressure, lower production volumes and increased pension and health care costs," said GM Chairman and Chief Executive Officer Rick Wagoner. "And the accelerating U.S. economy and the enthusiastic response to our new products give us reason for optimism as we look forward."

#### GM AUTOMOTIVE OPERATIONS

GM's global automotive operations earned \$34 million in the third quarter of 2003, compared with \$368 million in the year-ago quarter. GM North America, GM Europe and GM Asia Pacific each reported market-share gains during the third quarter. GM's global market share rose to 15.2 percent in the third quarter of 2003 from 15.1 percent in the third quarter of 2002.

Net income at GM North America (GMNA) totaled \$128 million versus \$533 million in the third quarter of 2002. Improvements in sales mix, material-cost performance, and productivity were offset by a production decline of nearly 5 percent, intense pricing pressure and increased pension and health care expense, versus the year-ago period. The results were also affected by a \$55 million favorable adjustment in GMNA's recall reserves, reflecting reduced costs associated with previously announced vehicle-recall programs, and a \$27 million unfavorable adjustment for the adoption of a new accounting interpretation, FIN 46, which relates to the consolidation of variable interest entities.

GM's U.S. market share rose to 28.7 percent in the quarter, compared with 28.0 percent in the same period last year and 27.9 percent in the second quarter of 2003.

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GM continued to set numerous sales records during the third quarter. In the United States, GM established a new industry sales record for total trucks, sport utilities, and full-sized pickups. Through the first nine months of 2003, GM sold 920,573 sport-utility vehicles, more than any other manufacturer has previously sold in a full calendar year. Chevrolet continued to make progress with sales rising 10 percent in the third quarter, and Cadillac is on pace to surpass 200,000 annual vehicle sales for the first time since 1994.

"We expect that our sales momentum will continue to build, based on great new vehicles that are just arriving in dealers' showrooms now such as the Chevrolet Malibu and SSR, Cadillac XLR and SRX, and the Buick Rainier," Wagoner said. "In addition, we will launch 17 more new car and truck models over the next year."

During the quarter GM reached an agreement with the United Auto Workers on a new four-year contract.

"We believe this agreement very effectively addresses the needs of our represented employees and the requirement that we continue to improve our competitive position. Our close collaboration with the UAW remains an important aspect of our steady improvement in quality and productivity," Wagoner said.

GM Europe (GME) reported a loss of \$152 million in the third quarter of 2003, an improvement from the \$180 million loss in the year-ago period. Continued progress in GME's cost-reduction efforts were partially offset by unfavorable currency-exchange rates.

"Our market share in Europe has improved for the fourth consecutive quarter. We expect this to continue as we launch new products, such as the highly anticipated Opel Astra, early next year," Wagoner said.

GM Asia-Pacific reported a profit of \$162 million in the third quarter of 2003 compared with earnings of \$76 million a year ago, led by continued strong performance at Shanghai GM and improved equity earnings from GM's Japanese automotive alliances. GM Asia-Pacific wholesale vehicle sales rose 10 percent in the third quarter, led by record sales in China.

"Our results in Asia were very encouraging. We are well positioned to participate in the continued growth in the region as a result of our joint ventures in China and South Korea," Wagoner said.

GM Latin America/Africa/Mid-East reported a loss of \$104 million in the third quarter of 2003 compared with a loss of \$61 million a year ago. Results were negatively affected by unfavorable economic and market conditions in Brazil and lower sales in Venezuela.

3

### GMAC

GMAC reported earnings of \$630 million, up more than 30 percent from the \$476 million earned in the third quarter of 2002. Financing operations remained strong as lower credit provisions more than offset narrower net-interest margins. Results from insurance operations more than doubled compared to the prior year, when earnings were adversely affected by the write-down of certain investment securities. Mortgage operations generated the biggest year-over-year improvement reflecting higher origination and securitization volumes in both the

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residential and commercial mortgage sectors.

"Once again, GMAC turned in an outstanding performance," Wagoner said. "GMAC is firing on all cylinders, with all three business sectors contributing to a record third quarter."

### HUGHES

Hughes reported a loss of \$23 million in the third quarter of 2003, compared with a loss of \$81 million in the year ago period. Revenue rose to \$2.6 billion in the third quarter of 2003, up from \$2.2 billion in the same quarter last year, led by the growing subscriber base of DIRECTV. Total DIRECTV U.S. subscriptions increased approximately 326,000 from the third quarter of 2002 to 11.9 million.

Earlier this month, GM stockholders voted to approve transactions that would result in the split off of Hughes and the acquisition of 34 percent of Hughes common stock by News Corp. (NYSE: NWS, NWS.A). In September, GM received a private-letter ruling from the Internal Revenue Service confirming that the distribution of Hughes common stock to the holders of GM Class H common stock would be tax-free to GM and its Class H stockholders for U.S. federal income-tax purposes. The transactions remain subject to certain regulatory clearances, including antitrust clearance from the U.S. Department of Justice and action by the U.S. Federal Communications Commission. GM expects to complete the transactions in late 2003 or early 2004.

4

### CASH AND PENSION UPDATE

Automotive cash, marketable securities, and assets of the VEBA trust invested in short-term fixed-income securities totaled \$29.3 billion at Sept. 30, 2003, excluding financing and insurance operations and Hughes, compared with \$23.7 billion on June 30, 2003.

GM contributed \$5.5 billion to its U.S. pension plans in September and another \$8.0 billion in early October, bringing its year-to-date contributions to \$14.4 billion. In addition, GM contributed \$3 billion to the VEBA trust for retiree-health-care benefits in the third quarter.

As a result of the contributions, GM now expects 2003 pretax pension expense will be approximately \$2.6 billion, down from the previous estimate of \$2.8 billion. For 2004, GM expects pretax pension expense to decline by at least \$500 million to \$2.1 billion or less. However, this reduction in pension expense will be largely offset by higher interest expense related to the recent global debt offerings.

Through the end of the third quarter, GM's pension-plan assets earned a return of 14 percent. If asset returns remain at or above these levels for the remainder of 2003, the funded status of GM's U.S. hourly and salaried pension plans would improve dramatically by the end of the year and, with additional contributions, could approach a fully funded position in the near term.

### LOOKING AHEAD

General Motors said the U.S. vehicle market continues to be strong. GM expects auto industry sales of approximately 16.9 million units in 2003. GM is

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forecasting North American production of about 1.35 million vehicles in the fourth quarter of 2003, which would bring total 2003-calendar-year production volume to approximately 5.4 million vehicles.

GM expects to earn approximately \$1.00 per share, excluding Hughes and any special items, in the fourth quarter of 2003. As a result, GM said it would exceed its original 2003-calendar-year earnings target of \$5.00 per share, excluding special items and Hughes.

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

###

5

In this press release and related comments by General Motors management, our use of the words "expect," "anticipate," "estimate," "forecast," "objective," "plan," "goal," "target," 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-18) 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.

In connection with the proposed transactions, on August 21, 2003, General Motors Corporation ("GM"), Hughes Electronics Corporation ("Hughes") and The News Corporation Limited ("News Corporation") filed definitive materials with the Securities and Exchange Commission ("SEC"), including a Definitive Consent Solicitation Statement of GM on Schedule 14A, a Registration Statement of Hughes on Form S-4 and a Registration Statement of News Corporation on Form F-4 that contain a consent solicitation statement of GM, a prospectus of Hughes and a prospectus of News Corporation. Investors and security holders are urged to read these materials, as well as any other relevant documents filed or that will be filed with the SEC, as they become available, because these documents contain or will contain important information. These materials and other relevant materials (when they become available) and any other documents filed by GM, Hughes or News Corporation with the SEC, may be obtained for free at the SEC's website, [www.sec.gov](http://www.sec.gov). In addition, the definitive materials contain information about how to obtain transaction-related documents for free from GM.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Materials included in this document contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. The factors that could cause actual results of GM, Hughes and/or News Corporation to differ materially, many of which are beyond the control of GM, Hughes or News Corporation include, but are not limited to, the following: (1) operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, which may be greater than expected following the transaction; (2) the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; (3) the effects of legislative and regulatory changes; (4) an inability to retain necessary authorizations from the FCC; (5) an increase in competition from cable as a result of digital cable or otherwise, direct broadcast satellite, other satellite system operators, and other providers of subscription television services; (6) the introduction of new technologies and competitors into the subscription television business; (7) changes in labor, programming, equipment and capital costs; (8) future acquisitions, strategic partnerships and divestitures and the ability to access capital to maintain financial flexibility; (9) general business and economic conditions; and (10) other risks described from time to time in periodic reports filed by GM, Hughes or News Corporation with the SEC. Those other risks relating to Hughes include, but are not limited to, the uncertainties regarding the operations of DIRECTV Latin America, LLC, Hughes' 75% owned subsidiary, which is currently operating under Chapter 11 bankruptcy proceedings, and the performance of its satellites. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," "outlook," "objectives," "strategy," "target," or the negative of those words or other comparable words to be uncertain and forward-looking. This cautionary statement applies to all forward-looking statements included in this document.

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

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

|                                | Three Months Ended<br>Sept. 30, 2003 |                | Year to Date<br>Sept. 30, 2003 |                |
|--------------------------------|--------------------------------------|----------------|--------------------------------|----------------|
|                                | Net<br>Income                        | \$1-2/3<br>EPS | Net<br>Income                  | \$1-2/3<br>EPS |
| Net Income                     | \$425                                | \$0.79         | \$2,809                        | \$5.08         |
| Gain on Sale of GM Defense (A) | -                                    | -              | (505)                          | (0.90)         |
| Adjusted Income                | \$425                                | \$0.79         | \$2,304                        | \$4.18         |
|                                | ===                                  | ====           | =====                          | =====          |

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

8

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

|  | Three Months Ended<br>Sept. 30, 2002 |                | Year to Date<br>Sept. 30, 2002 |                |
|--|--------------------------------------|----------------|--------------------------------|----------------|
|  | Net<br>Income                        | \$1-2/3<br>EPS | Net<br>Income                  | \$1-2/3<br>EPS |
| Reported                               | (\$804)                              | (\$1.42)       | \$716                          | \$1.63         |
| Write-down of<br>Fiat Investment (A)   | 1,371                                | 2.44           | 1,371                          | 2.43           |
| GMNA Production<br>Footprint (B)       | 116                                  | 0.21           | 116                            | 0.20           |
| Hughes Sale of Equity<br>Interests (C) | (68)                                 | (0.03)         | (68)                           | (0.04)         |
| GME End of Life Vehicle<br>Charge (D)  | -                                    | -              | 55                             | 0.10           |

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|                                     |       |        |         |        |
|-------------------------------------|-------|--------|---------|--------|
| GME Restructuring Charge (E)        | -     | -      | 407     | 0.73   |
| Hughes Space Shuttle Settlement (F) | -     | -      | (59)    | (0.04) |
| Hughes GECC Contractual Dispute (G) | -     | -      | 51      | 0.03   |
| Hughes Loan Guarantee Charge (H)    | -     | -      | 18      | 0.01   |
|                                     | ----- | -----  | -----   | -----  |
| Adjusted                            | \$615 | \$1.20 | \$2,607 | \$5.05 |
|                                     | ===== | =====  | =====   | =====  |

See Notes on next page.

9

### General Motors Corporation List of Special Items - After Tax

- (A) The Write-down of Fiat Investment relates to GM's investment in Fiat Auto Holdings, B.V. and reflects completion of an impairment study relating to the carrying value of that investment, which was reduced from \$2.4 billion to \$220 million.
- (B) The GMNA Production Footprint charge primarily relates to costs associated with the transfer of commercial truck production from Janesville, Wis., to Flint, Michigan.
- (C) The Hughes Sale of Equity Interests relates primarily to the Hughes investment in Thomson Multimedia S.A.
- (D) The GME End of Life Vehicle Charge relates to the European Union's directive requiring member states to enact legislation regarding end-of-life vehicles and the responsibility of manufacturers for dismantling and recycling vehicles they have sold.
- (E) The GME Restructuring Charge relates to the initiative implemented in the first quarter of 2002 to improve the competitiveness of GM's automotive operations in Europe.
- (F) The Hughes Space Shuttle Settlement relates to the favorable resolution of a lawsuit that was filed against the U.S. government on March 22, 1991, based upon the National Aeronautics and Space Administration's (NASA) breach of contract to launch ten satellites on the Space Shuttle.
- (G) The Hughes GECC Contractual Dispute relates to a loss associated with a contractual dispute with General Electric Capital Corporation.
- (H) The Hughes Loan Guarantee Charge relates to a loan guarantee for a Hughes Network Systems' affiliate in India.

10



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### General Motors Corporation Summary Corporate Financial Results

|  | Third Quarter |          | Year to Date |           |
|--|---------------|----------|--------------|-----------|
|  | 2003          | 2002     | 2003         | 2002      |
| Total net sales and revenues (\$Mil's)                             | \$45,929      | \$43,580 | \$143,602    | \$138,133 |
| Adjusted   | \$45,929      | \$43,605 | \$142,788    | \$138,187 |
| Adjusted excluding Hughes (Automotive and Financing)               | \$43,343      | \$41,402 | \$135,586    | \$131,702 |
| Net income (loss) (\$Mil's)  | \$425         | \$(804)  | \$2,809      | \$716     |
| Adjusted   | \$425         | \$615    | \$2,304      | \$2,607   |
| Adjusted excluding Hughes  | \$448         | \$696    | \$2,359      | \$2,990   |
| Net margin (net income / total net sales and revenues)             | 0.9%          | (1.8%)   | 2.0%         | 0.5%      |
| Adjusted   | 0.9%          | 1.4%     | 1.6%         | 1.9%      |
| Adjusted excluding Hughes  | 1.0%          | 1.7%     | 1.7%         | 2.3%      |
| Earnings per share   |               |          |              |           |
| Basic \$1-2/3  | \$0.79        | \$(1.42) | \$5.09       | \$1.65    |
| Diluted \$1-2/3  | \$0.79        | \$(1.42) | \$5.08       | \$1.63    |
| Basic Class H  | \$(0.02)      | \$(0.01) | \$(0.04)     | \$(0.28)  |
| Diluted Class H  | \$(0.02)      | \$(0.01) | \$(0.04)     | \$(0.28)  |
| Adjusted earnings per share  |               |          |              |           |
| Basic \$1-2/3  | \$0.79        | \$1.20   | \$4.19       | \$5.09    |
| Diluted \$1-2/3  | \$0.79 (1)    | \$1.20   | \$4.18       | \$5.05    |
| Diluted \$1-2/3 excluding Hughes                                   | \$0.80        | \$1.24   | \$4.20       | \$5.29    |
| Basic Class H  | \$(0.02)      | \$(0.06) | \$(0.04)     | \$(0.32)  |
| Diluted Class H  | \$(0.02)      | \$(0.06) | \$(0.04)     | \$(0.32)  |
| GM \$1-2/3 par value average shares outstanding (Mil's)            |               |          |              |           |
| Basic shares   | 561           | 560      | 561          | 560       |
| Diluted shares   | 561           | 561      | 561          | 565       |
| Cash dividends per share of common stocks                          |               |          |              |           |
| GM \$1-2/3 par value   | \$0.50        | \$0.50   | \$1.50       | \$1.50    |
| Book value per share of common stocks at Sept. 30                  |               |          |              |           |
| GM \$1-2/3 par value   | \$13.76       | \$25.44  |              |           |
| GM Class H   | \$2.75        | \$5.09   |              |           |
| ACO total cash & marketable securities at Sept.30 (\$Bil's')       | \$28.6        | \$16.0   |              |           |
| Cash in short-term VEBA  | \$3.4         | \$3.0    |              |           |
| ACO total cash & marketable securities plus short-term VEBA        | \$32.0        | \$19.0   |              |           |
| Less: Hughes cash & marketable securities                          | \$2.7         | \$0.8    |              |           |
| Total Automotive cash & Marketable securities plus Short-term VEBA | \$29.3        | \$18.2   |              |           |
| Automotive, Communication Services and Other Operations (\$Mil's)  |               |          |              |           |

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|                                      |         |         |         |         |
|--------------------------------------|---------|---------|---------|---------|
| Depreciation                         | \$1,326 | \$1,166 | \$3,904 | \$3,441 |
| Amortization of special tools        | 676     | 645     | 2,029   | 1,896   |
| Amortization of intangible<br>Assets | 29      | 3       | 77      | 6       |
|                                      | -----   | -----   | -----   | -----   |
| Total                                | \$2,031 | \$1,814 | \$6,010 | \$5,343 |
|                                      | =====   | =====   | =====   | =====   |

See reconciliation of adjusted financial results on pages 12 -15, and  
and footnotes on page 17.

11

General Motors Corporation  
Summary Corporate Financial Results

Third Quarter  
2003 and 2002

(Dollars in millions)

| Total net sales and<br>revenues                                    | Reported |          | Special Items |       | Adjusted |          |
|--|----------|----------|---------------|-------|----------|----------|
|  | 2003     | 2002     | 2003          | 2002  | 2003     | 2002     |
|  | -----    | -----    | -----         | ----- | -----    | -----    |
| GMNA   | \$26,810 | \$26,704 | \$ -          | \$ -  | \$26,810 | \$26,704 |
| GME  | 6,270    | 5,564    | -             | -     | 6,270    | 5,564    |
| GMLAAM   | 1,304    | 1,161    | -             | -     | 1,304    | 1,161    |
| GMAP   | 1,384    | 1,158    | -             | -     | 1,384    | 1,158    |
|  | -----    | -----    | ---           | ---   | -----    | -----    |
| Total GMA  | 35,768   | 34,587   | -             | -     | 35,768   | 34,587   |
| Hughes   | 2,586    | 2,178    | -             | 25    | 2,586    | 2,203    |
| Other  | 77       | (108)    | -             | -     | 77       | (108)    |
|  | -----    | -----    | ---           | ---   | -----    | -----    |
| Total ACO  | 38,431   | 36,657   | -             | 25    | 38,431   | 36,682   |
|  | -----    | -----    | ---           | ---   | -----    | -----    |
| GMAC   | 7,473    | 6,801    | -             | -     | 7,473    | 6,801    |
| Other Financing  | 25       | 122      | -             | -     | 25       | 122      |
|  | -----    | -----    | ---           | ---   | -----    | -----    |
| Total FIO  | 7,498    | 6,923    | -             | -     | 7,498    | 6,923    |
|  | -----    | -----    | ---           | ---   | -----    | -----    |
| Total net sales and<br>revenues                                    | \$45,929 | \$43,580 | \$ -          | \$25  | \$45,929 | \$43,605 |
|  | =====    | =====    | ==            | ==    | =====    | =====    |
| Income / (expense)<br>before income taxes and<br>minority interest |          |          |               |       |          |          |
| GMNA   | \$200    | \$586    | \$ -          | \$186 | \$200    | \$772    |
| GME  | (251)    | (248)    | -             | -     | (251)    | (248)    |
| GMLAAM   | (146)    | (96)     | -             | -     | (146)    | (96)     |
| GMAP   | -        | 9        | -             | -     | -        | 9        |
|  | ---      | -----    | ---           | ----- | ---      | ---      |
| Total GMA  | (197)    | 251      | -             | 186   | (197)    | 437      |
| Hughes   | (44)     | 5        | -             | (109) | (44)     | (104)    |
| Other  | (374)    | (2,426)  | -             | 2,211 | (374)    | (215)    |
|  | ---      | -----    | ---           | ----- | ---      | ---      |

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|  |       |            |      |         |       |       |
|--|-------|------------|------|---------|-------|-------|
| Total ACO  | (615) | (2,170)    | -    | 2,288   | (615) | 118   |
|  | ---   | -----      | --   | -----   | ---   | ---   |
| GMAC   | 962   | 789        | -    | -       | 962   | 789   |
| Other Financing  | (4)   | (24)       | -    | -       | (4)   | (24)  |
|  | ---   | -----      | --   | -----   | ---   | ---   |
| Total FIO  | 958   | 765        | -    | -       | 958   | 765   |
| Total income /<br>(expense) before<br>income taxes and<br>minority interests | ---   | -----      | --   | -----   | ---   | ---   |
|  | \$343 | \$ (1,405) | \$ - | \$2,288 | \$343 | \$883 |
|  | ===   | =====      | ==   | =====   | ===   | ===   |

12

General Motors Corporation  
Summary Corporate Financial Results

Third Quarter  
2003 and 2002

| (Dollars in millions)           | Reported |          | Special Items |         | Adjusted |       |
|---------------------------------|----------|----------|---------------|---------|----------|-------|
|                                 | 2003     | 2002     | 2003          | 2002    | 2003     | 2002  |
| Net income                      |          |          |               |         |          |       |
| GMNA                            | \$128    | \$417    | \$ -          | \$ 116  | \$128    | \$533 |
| GME                             | (152)    | (180)    | -             | -       | (152)    | (180) |
| GMLAAM                          | (104)    | (61)     | -             | -       | (104)    | (61)  |
| GMAP                            | 162      | 76       | -             | -       | 162      | 76    |
|                                 | -----    | -----    | --            | -----   | -----    | ----- |
| Total GMA                       | 34       | 252      | -             | 116     | 34       | 368   |
| Hughes                          | (23)     | (13)     | -             | (68)    | (23)     | (81)  |
| Other                           | (212)    | (1,486)  | -             | 1,371   | (212)    | (115) |
|                                 | -----    | -----    | --            | -----   | -----    | ----- |
| Total ACO                       | (201)    | (1,247)  | -             | 1,419   | (201)    | 172   |
|                                 | -----    | -----    | --            | -----   | -----    | ----- |
| GMAC                            | 630      | 476      | -             | -       | 630      | 476   |
| Other Financing                 | (4)      | (33)     | -             | -       | (4)      | (33)  |
|                                 | -----    | -----    | --            | -----   | -----    | ----- |
| Total FIO                       | 626      | 443      | -             | -       | 626      | 443   |
|                                 | -----    | -----    | --            | -----   | -----    | ----- |
| Net income (loss)               | \$425    | \$ (804) | \$ -          | \$1,419 | \$425    | \$615 |
|                                 | =====    | =====    | ==            | =====   | =====    | ===== |
| Income tax expense<br>(benefit) |          |          |               |         |          |       |
| GMNA                            | \$52     | \$177    | \$ -          | \$ 70   | \$52     | \$247 |
| GME                             | (96)     | (63)     | -             | -       | (96)     | (63)  |
| GMLAAM                          | (51)     | (47)     | -             | -       | (51)     | (47)  |
| GMAP                            | 7        | 21       | -             | -       | 7        | 21    |
|                                 | ---      | ---      | --            | ---     | ---      | ---   |
| Total GMA                       | (88)     | 88       | -             | 70      | (88)     | 158   |
| Hughes                          | (45)     | (5)      | -             | (41)    | (45)     | (46)  |
| Other                           | (152)    | (918)    | -             | 840     | (152)    | (78)  |
|                                 | ---      | ---      | --            | ---     | ---      | ---   |
| Total ACO                       | (285)    | (835)    | -             | 869     | (285)    | 34    |
|                                 | ---      | ---      | --            | ---     | ---      | ---   |

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|  |        |          |      |       |        |        |
|--|--------|----------|------|-------|--------|--------|
| GMAC   | 374    | 289      | -    | -     | 374    | 289    |
| Other Financing                                | -      | (5)      | -    | -     | -      | (5)    |
|  | ---    | ---      | ---  | ---   | ---    | ---    |
| Total FIO                                      | 374    | 284      | -    | -     | 374    | 284    |
|  | ---    | ---      | ---  | ---   | ---    | ---    |
| Income tax expense<br>(benefit)                | \$89   | \$(551)  | \$ - | \$869 | \$89   | \$318  |
|  | ===    | =====    | ==   | ===   | ===    | ===    |
| Effective tax rate                             |        |          |      |       |        |        |
| GMNA   | 26.0%  | 30.2%    | -    | 37.6% | 26.0%  | 32.0%  |
| GME  | 38.2%  | 25.4%    | -    | -     | 38.2%  | 25.4%  |
| GMLAAM   | 34.9%  | 49.0%    | -    | -     | 34.9%  | 49.0%  |
| GMAP   | -      | 233.3%   | -    | -     | -      | 233.3% |
| Hughes   | 102.3% | (100.0%) | -    | 37.6% | 102.3% | 44.2%  |
| GMAC   | 38.9%  | 36.6%    | -    | -     | 38.9%  | 36.6%  |
| Total GM Corp.                                 | 25.9%  | 39.2%    | -    | 38.0% | 25.9%  | 36.0%  |
| Equity income (loss)<br>and minority interests |        |          |      |       |        |        |
| GMNA   | \$(20) | \$8      | \$ - | \$ -  | \$(20) | \$8    |
| GME  | 3      | 5        | -    | -     | 3      | 5      |
| GMLAAM   | (9)    | (12)     | -    | -     | (9)    | (12)   |
| GMAP   | 169    | 88       | -    | -     | 169    | 88     |
|  | ---    | ---      | ---  | ---   | ---    | ---    |
| Total GMA                                      | \$143  | \$89     | \$ - | \$ -  | \$143  | \$89   |
|  | ===    | ==       | ==   | ==    | ===    | ==     |

See footnotes on page 17.

13

General Motors Corporation  
Summary Corporate Financial Results

Year to Date  
2003 and 2002

(Dollars in millions)

| Total net sales and<br>revenues | Reported |          | Special Items |      | Adjusted |          |
|---------------------------------|----------|----------|---------------|------|----------|----------|
|                                 | 2003     | 2002     | 2003          | 2002 | 2003     | 2002     |
| GMNA                            | \$85,331 | \$86,619 | \$ -          | \$ - | \$85,331 | \$86,619 |
| GME                             | 20,195   | 17,149   | -             | -    | 20,195   | 17,149   |
| GMLAAM                          | 3,468    | 3,768    | -             | -    | 3,468    | 3,768    |
| GMAP                            | 3,798    | 3,344    | -             | -    | 3,798    | 3,344    |
|                                 | -----    | -----    | ---           | ---  | -----    | -----    |
| Total GMA                       | 112,792  | 110,880  | -             | -    | 112,792  | 110,880  |
| Hughes                          | 7,202    | 6,431    | -             | 54   | 7,202    | 6,485    |
| Other                           | 1,211    | 837      | (814)         | -    | 397      | 837      |
|                                 | -----    | -----    | ---           | ---  | -----    | -----    |
| Total ACO                       | 121,205  | 118,148  | (814)         | 54   | 120,391  | 118,202  |
|                                 | -----    | -----    | ---           | ---  | -----    | -----    |
| GMAC                            | 22,383   | 19,753   | -             | -    | 22,383   | 19,753   |
| Other Financing                 | 14       | 232      | -             | -    | 14       | 232      |
|                                 | -----    | -----    | ---           | ---  | -----    | -----    |
| Total FIO                       | 22,397   | 19,985   | -             | -    | 22,397   | 19,985   |
|                                 | -----    | -----    | ---           | ---  | -----    | -----    |
| Total net sales and             |          |          |               |      |          |          |

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|  |           |           |          |         |           |           |
|--|-----------|-----------|----------|---------|-----------|-----------|
| revenues   | \$143,602 | \$138,133 | \$ (814) | \$54    | \$142,788 | \$138,187 |
|  | =====     | =====     | ===      | ==      | =====     | =====     |
| Income / (expense)<br>before income taxes<br>and minority interest           |           |           |          |         |           |           |
| GMNA   | \$1,029   | \$3,305   | \$ -     | \$186   | \$1,029   | \$3,491   |
| GME  | (399)     | (1,290)   | -        | 726     | (399)     | (564)     |
| GMLAAM   | (286)     | (234)     | -        | -       | (286)     | (234)     |
| GMAP   | 30        | (35)      | -        | -       | 30        | (35)      |
|  | -----     | -----     | ---      | -----   | -----     | -----     |
| Total GMA  | 374       | 1,746     | -        | 912     | 374       | 2,658     |
| Hughes   | (5)       | (456)     | -        | (92)    | (5)       | (548)     |
| Other  | (282)     | (2,749)   | (814)    | 2,211   | (1,096)   | (538)     |
|  | -----     | -----     | ---      | -----   | -----     | -----     |
| Total ACO  | 87        | (1,459)   | (814)    | 3,031   | (727)     | 1,572     |
|  | -----     | -----     | ---      | -----   | -----     | -----     |
| GMAC   | 3,440     | 2,223     | -        | -       | 3,440     | 2,223     |
| Other Financing  | (16)      | (34)      | -        | -       | (16)      | (34)      |
|  | -----     | -----     | ---      | -----   | -----     | -----     |
| Total FIO  | 3,424     | 2,189     | -        | -       | 3,424     | 2,189     |
| Total income /<br>(expense) before<br>income taxes and<br>minority interests | \$3,511   | \$730     | \$ (814) | \$3,031 | \$2,697   | \$3,761   |
|  | =====     | =====     | ===      | =====   | =====     | =====     |

14

General Motors Corporation  
Summary Corporate Financial Results

Year to Date  
2003 and 2002

| (Dollars in millions) | Reported |         | Special Items |         | Adjusted |         |
|-----------------------|----------|---------|---------------|---------|----------|---------|
|                       | 2003     | 2002    | 2003          | 2002    | 2003     | 2002    |
| Net income            |          |         |               |         |          |         |
| GMNA                  | \$759    | \$2,348 | \$ -          | \$116   | \$759    | \$2,464 |
| GME                   | (220)    | (882)   | -             | 462     | (220)    | (420)   |
| GMLAAM                | (219)    | (174)   | -             | -       | (219)    | (174)   |
| GMAP                  | 400      | 122     | -             | -       | 400      | 122     |
|                       | -----    | -----   | ---           | -----   | -----    | -----   |
| Total GMA             | 720      | 1,414   | -             | 578     | 720      | 1,992   |
| Hughes (2)            | (55)     | (325)   | -             | (58)    | (55)     | (383)   |
| Other                 | (7)      | (1,685) | (505)         | 1,371   | (512)    | (314)   |
|                       | -----    | -----   | ---           | -----   | -----    | -----   |
| Total ACO             | 658      | (596)   | (505)         | 1,891   | 153      | 1,295   |
|                       | -----    | -----   | ---           | -----   | -----    | -----   |
| GMAC                  | 2,163    | 1,346   | -             | -       | 2,163    | 1,346   |
| Other Financing       | (12)     | (34)    | -             | -       | (12)     | (34)    |
|                       | -----    | -----   | ---           | -----   | -----    | -----   |
| Total FIO             | 2,151    | 1,312   | -             | -       | 2,151    | 1,312   |
|                       | -----    | -----   | ---           | -----   | -----    | -----   |
| Net income (loss)     | \$2,809  | \$716   | \$ (505)      | \$1,891 | \$2,304  | \$2,607 |
|                       | =====    | =====   | ===           | =====   | =====    | =====   |

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|                        |         |         |          |         |         |         |
|------------------------|---------|---------|----------|---------|---------|---------|
| Income tax expense     |         |         |          |         |         |         |
| (benefit)              |         |         |          |         |         |         |
| GMNA                   | \$268   | \$967   | \$ -     | \$70    | \$268   | \$1,037 |
| GME                    | (152)   | (374)   | -        | 264     | (152)   | (110)   |
| GMLAAM                 | (83)    | (79)    | -        | -       | (83)    | (79)    |
| GMAP                   | 26      | 12      | -        | -       | 26      | 12      |
|                        | -----   | -----   | ---      | -----   | -----   | -----   |
| Total GMA              | 59      | 526     | -        | 334     | 59      | 860     |
| Hughes                 | (50)    | (190)   | -        | (34)    | (50)    | (224)   |
| Other                  | (303)   | (1,020) | (309)    | 840     | (612)   | (180)   |
|                        | -----   | -----   | ---      | -----   | -----   | -----   |
| Total ACO              | (294)   | (684)   | (309)    | 1,140   | (603)   | 456     |
|                        | -----   | -----   | ---      | -----   | -----   | -----   |
| GMAC                   | 1,308   | 828     | -        | -       | 1,308   | 828     |
| Other Financing        | (4)     | (7)     | -        | -       | (4)     | (7)     |
|                        | -----   | -----   | ---      | -----   | -----   | -----   |
| Total FIO              | 1,304   | 821     | -        | -       | 1,304   | 821     |
|                        | -----   | -----   | ---      | -----   | -----   | -----   |
| Income tax expense     |         |         |          |         |         |         |
| (benefit)              |         |         |          |         |         |         |
|                        | \$1,010 | \$137   | \$ (309) | \$1,140 | \$701   | \$1,277 |
|                        | =====   | ====    | ===      | =====   | =====   | =====   |
| Effective tax rate     |         |         |          |         |         |         |
| GMNA                   | 26.0%   | 29.3%   | -        | 37.6%   | 26.0%   | 29.7%   |
| GME                    | 38.1%   | 29.0%   | -        | 36.4%   | 38.1%   | 19.5%   |
| GMLAAM                 | 29.0%   | 33.8%   | -        | -       | 29.0%   | 33.8%   |
| GMAP                   | 86.7%   | (34.3%) | -        | -       | 86.7%   | (34.3%) |
| Hughes                 | 1000.0% | 41.7%   | -        | 37.0%   | 1000.0% | 40.9%   |
| GMAC                   | 38.0%   | 37.2%   | -        | -       | 38.0%   | 37.2%   |
| Total GM Corp.         | 28.8%   | 18.8%   | 38.0%    | 37.6%   | 26.0%   | 34.0%   |
| Equity income (loss)   |         |         |          |         |         |         |
| and minority interests |         |         |          |         |         |         |
| GMNA                   | \$ (2)  | \$10    | \$-      | \$-     | \$ (2)  | \$10    |
| GME                    | 27      | 34      | -        | -       | 27      | 34      |
| GMLAAM                 | (16)    | (19)    | -        | -       | (16)    | (19)    |
| GMAP                   | 396     | 169     | -        | -       | 396     | 169     |
|                        | ---     | ---     | ---      | ---     | ---     | ---     |
| Total GMA              | \$405   | \$194   | \$ -     | \$ -    | \$405   | \$194   |
|                        | ===     | ===     | ===      | ===     | ===     | ===     |

See footnotes on page 17.

15

General Motors Corporation  
Operating Statistics

|                           | Third Quarter |       | Year to Date |       |
|---------------------------|---------------|-------|--------------|-------|
|                           | 2003          | 2002  | 2003         | 2002  |
|                           | ----          | ----  | ----         | ----  |
| (units in thousands)      |               |       |              |       |
| Worldwide Wholesale Sales |               |       |              |       |
| United States - Cars      | 453           | 495   | 1,439        | 1,568 |
| United States - Trucks    | 686           | 661   | 2,205        | 2,078 |
|                           | -----         | ----- | -----        | ----- |
| Total United States       | 1,139         | 1,156 | 3,644        | 3,646 |
| Canada, Mexico, and Other | 113           | 152   | 479          | 581   |

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|  |          |          |       |       |
|--|----------|----------|-------|-------|
| Total GMNA                                   | 1,252    | 1,308    | 4,123 | 4,227 |
| GME  | 372      | 364      | 1,246 | 1,225 |
| GMLAAM                                       | 134      | 162      | 377   | 476   |
| GMAP   | 131      | 119      | 412   | 313   |
|  | -----    | -----    | ----- | ----- |
| Total Worldwide                              | 1,889    | 1,953    | 6,158 | 6,241 |
|  | =====    | =====    | ===== | ===== |
| Vehicle Unit Deliveries                      |          |          |       |       |
| Chevrolet - Cars                             | 221      | 187      | 612   | 585   |
| Chevrolet - Trucks                           | 517      | 485      | 1,395 | 1,430 |
| Pontiac                                      | 125      | 132      | 352   | 401   |
| GMC  | 163      | 151      | 426   | 415   |
| Buick  | 90       | 135      | 258   | 324   |
| Oldsmobile                                   | 29       | 38       | 96    | 123   |
| Saturn                                       | 70       | 66       | 217   | 212   |
| Cadillac                                     | 58       | 56       | 154   | 145   |
| Other  | 25       | 20       | 72    | 50    |
|  | -----    | -----    | ----- | ----- |
| Total United States                          | 1,298    | 1,270    | 3,582 | 3,685 |
| Canada, Mexico, and Other                    | 183      | 183      | 514   | 570   |
|  | -----    | -----    | ----- | ----- |
| Total GMNA                                   | 1,481    | 1,453    | 4,096 | 4,255 |
| GME  | 433      | 416      | 1,387 | 1,354 |
| GMLAAM                                       | 137      | 152      | 391   | 433   |
| GMAP   | 192      | 174      | 542   | 509   |
|  | -----    | -----    | ----- | ----- |
| Total Worldwide                              | 2,243    | 2,195    | 6,416 | 6,551 |
|  | =====    | =====    | ===== | ===== |
| Market Share                                 |          |          |       |       |
| United States - Cars                         | 26.3%    | 25.1%    | 25.4% | 25.4% |
| United States - Trucks                       | 30.6%    | 30.6%    | 29.9% | 30.6% |
| Total United States                          | 28.7%    | 28.0%    | 27.8% | 28.1% |
| Total North America                          | 28.2%    | 27.6%    | 27.3% | 27.7% |
| Total Europe                                 | 9.2%     | 9.0%     | 9.4%  | 9.1%  |
| Total LAAM                                   | 15.4%    | 16.7%    | 15.3% | 15.8% |
| Asia and Pacific                             | 4.9%     | 4.7%     | 4.6%  | 4.7%  |
| Total Worldwide                              | 15.2%    | 15.1%    | 14.5% | 14.9% |
| U.S. Retail/Fleet Mix                        |          |          |       |       |
| % Fleet Sales - Cars                         | 30.5%    | 31.0%    | 30.1% | 28.6% |
| % Fleet Sales - Trucks                       | 9.5%     | 10.9%    | 12.9% | 11.6% |
| Total Vehicles                               | 18.1%    | 19.6%    | 20.1% | 19.0% |
| Retail Lease as % of Retail Sales            |          |          |       |       |
| Total Smartlease<br>and Smartbuy             | 6.6%     | 8.4%     |       |       |
| Days Supply of Inventory<br>at September 30  |          |          |       |       |
| United States - Cars                         | 69       | 75       |       |       |
| United States - Trucks                       | 104      | 96       |       |       |
| GMNA Capacity Utilization<br>(2 shift rated) |          |          |       |       |
|  | 86.1%    | 89.8%    | 88.3% | 88.3% |
| GMNA Vehicle Revenue                         |          |          |       |       |
| Per Unit                                     | \$18,984 | \$18,782 |       |       |

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16

General Motors Corporation  
Operating Statistics

|  | Third Quarter |         | Year to Date |          |
|--|---------------|---------|--------------|----------|
|  | 2003          | 2002    | 2003         | 2002     |
| GMAC's U.S. Cost of Borrowing                      | 3.40%         | 4.03%   |              |          |
| Current Debt Spreads Over<br>U.S. Treasuries       |               |         |              |          |
| 2 Year   | 185 bp        | 340 bp  |              |          |
| 5 Year   | 210 bp        | 360 bp  |              |          |
| 10 Year  | 265 bp        | 380 bp  |              |          |
| Worldwide Employment<br>at September 30 (in 000's) |               |         |              |          |
| United States Hourly                               | 119           | 123     |              |          |
| United States Salary                               | 40            | 41      |              |          |
|  | ---           | ---     |              |          |
| Total United States                                | 159           | 164     |              |          |
| Canada, Mexico, and Other                          | 31            | 33      |              |          |
|  | ---           | ---     |              |          |
| GMNA   | 190           | 197     |              |          |
| GME  | 63            | 68      |              |          |
| GMLAAM   | 23            | 23      |              |          |
| GMAP   | 14            | 11      |              |          |
| Hughes   | 12            | 12      |              |          |
| GMAC   | 32            | 31      |              |          |
| Other  | 6             | 8       |              |          |
|  | ---           | ---     |              |          |
| Total  | 340           | 350     |              |          |
|  | ===           | ===     |              |          |
| Worldwide Payrolls (\$Mil's)                       | \$5,008       | \$5,146 | \$15,727     | \$15,568 |

Footnotes:

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- (1) This amount is comparable to First Call analysts' consensus.
- (2) 2002 amounts exclude Hughes Series A Preferred Stock dividends paid to General Motors and Hughes write off of goodwill for DirecTV Latin America and DirecTV Broadband recorded as a cumulative effect of accounting change in the first quarter of 2002 in Hughes' stand alone financial statements. In accordance with SFAS 142, GM evaluated the carrying value of goodwill associated with its Direct-to-Home Broadcast reporting unit in the aggregate and determined that the goodwill was not impaired.

17



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## GENERAL MOTORS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

|   | Three Months Ended |           | Nine Months Ended |           |
|---|--------------------|-----------|-------------------|-----------|
|   | September 30,      |           | September 30,     |           |
|   | 2003               | 2002      | 2003              | 2002      |
|   | -----              | -----     | -----             | -----     |
| (dollars in millions except per share amounts)                                    |                    |           |                   |           |
| Total net sales and revenues  | \$45,929           | \$43,580  | \$143,602         | \$138,133 |
| Cost of sales and other expenses  | 37,016             | 36,957    | 115,339           | 113,754   |
| Selling, general, and<br>administrative expenses                                  | 6,003              | 6,104     | 17,792            | 17,795    |
| Interest expense  | 2,567              | 1,924     | 6,960             | 5,854     |
|   | -----              | -----     | -----             | -----     |
| Total costs and expenses  | 45,586             | 44,985    | 140,091           | 137,403   |
|   | -----              | -----     | -----             | -----     |
| Income before income taxes and<br>minority interests                              | 343                | (1,405)   | 3,511             | 730       |
| Income tax expense (benefit)  | 89                 | (551)     | 1,010             | 137       |
| Equity income (loss) and minority<br>interests                                    | 171                | 50        | 308               | 123       |
|   | ---                | ---       | ---               | ---       |
| Net income (loss)   | 425                | (804)     | 2,809             | 716       |
| Dividends on preference stocks  | -                  | -         | -                 | (47)      |
|   | ---                | ---       | ---               | ---       |
| Earnings attributable to common<br>stocks   | \$425              | \$ (804)  | \$2,809           | \$669     |
|   | ====               | ====      | =====             | ====      |
| Basic earnings (losses) per share<br>attributable to common stocks                |                    |           |                   |           |
| Earnings per share attributable to<br>\$1-2/3 par value                           | \$0.79             | \$ (1.42) | \$5.09            | \$1.65    |
|   | ====               | ====      | ====              | ====      |
| Earnings (losses) per share<br>attributable to Class H                            | \$ (0.02)          | \$ (0.01) | \$ (0.04)         | \$ (0.28) |
|   | ====               | ====      | ====              | ====      |
| Earnings (losses) per share<br>attributable to common stocks<br>assuming dilution |                    |           |                   |           |
| Earnings per share attributable to<br>\$1-2/3 par value                           | \$0.79             | \$ (1.42) | \$5.08            | \$1.63    |
|   | ====               | ====      | ====              | ====      |
| Earnings (losses) per share<br>attributable to Class H                            | \$ (0.02)          | \$ (0.01) | \$ (0.04)         | \$ (0.28) |
|   | ====               | ====      | ====              | ====      |

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18

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |           |
|--|-------------------------------------|------------|------------------------------------|-----------|
|  | 2003                                | 2002       | 2003                               | 2002      |
|  | (dollars in millions)               |            |                                    |           |
| AUTOMOTIVE, COMMUNICATIONS SERVICES,<br>AND OTHER OPERATIONS                 |                                     |            |                                    |           |
| Total net sales and revenues   | \$38,431                            | \$36,657   | \$121,205                          | \$118,148 |
| Cost of sales and other expenses   | 34,900                              | 34,868     | 109,052                            | 107,540   |
| Selling, general, and<br>administrative expenses                             | 3,495                               | 3,645      | 10,617                             | 11,153    |
| Interest expense   | 587                                 | 242        | 1,310                              | 706       |
| Total costs and expenses   | 38,982                              | 38,755     | 120,979                            | 119,399   |
| Net expense from transactions with<br>Financing and Insurance<br>Operations  | 64                                  | 72         | 139                                | 208       |
| Income (loss) before income taxes<br>and minority interests                  | (615)                               | (2,170)    | 87                                 | (1,459)   |
| Income tax expense (benefit)   | (285)                               | (835)      | (294)                              | (684)     |
| Equity income and minority<br>interests                                      | 129                                 | 88         | 277                                | 179       |
| Net income - Automotive,<br>Communications Services, and<br>Other Operations | \$ (201)                            | \$ (1,247) | \$ 658                             | \$ (596)  |
| Operations   | ====                                | =====      | ====                               | ====      |
| FINANCING AND INSURANCE OPERATIONS   |                                     |            |                                    |           |
| Total revenues   | \$7,498                             | \$6,923    | \$22,397                           | \$19,985  |
| Interest expense   | 1,980                               | 1,682      | 5,650                              | 5,148     |
| Depreciation and amortization<br>expense                                     | 1,484                               | 1,395      | 4,568                              | 4,109     |
| Operating and other expenses   | 2,315                               | 2,315      | 6,560                              | 6,171     |
| Provisions for financing and<br>insurance losses                             | 825                                 | 838        | 2,334                              | 2,576     |
| Total costs and expenses   | 6,604                               | 6,230      | 19,112                             | 18,004    |
| Net income from transactions with<br>Automotive, Communications              |                                     |            |                                    |           |

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|   |       |       |         |         |
|---|-------|-------|---------|---------|
| Services, and Other Operations                    | (64)  | (72)  | (139)   | (208)   |
|   | ----- | ----- | -----   | -----   |
| Income before income taxes and minority interests | 958   | 765   | 3,424   | 2,189   |
| Income tax expense                                | 374   | 284   | 1,304   | 821     |
| Equity income (loss) and minority interests       | 42    | (38)  | 31      | (56)    |
|   | ---   | ---   | -----   | -----   |
| Net income - Financing and Insurance Operations   | \$626 | \$443 | \$2,151 | \$1,312 |
|   | ===   | ===   | =====   | =====   |

The above Supplemental Information is intended to facilitate analysis of General Motors Corporation's businesses: (1) Automotive, Communications Services, and Other Operations; and (2) Financing and Insurance Operations.

19

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

|  | Sept. 30,<br>2003<br>(Unaudited) | Dec. 31,<br>2002 | Sept. 30,<br>2002<br>(Unaudited) |
|--|----------------------------------|------------------|----------------------------------|
|  | -----                            | -----            | -----                            |
| ASSETS   |                                  |                  |                                  |
| (dollars in millions)                              |                                  |                  |                                  |
| Cash and cash equivalents                          | \$41,854                         | \$21,449         | \$22,008                         |
| Marketable securities                              | 21,368                           | 16,825           | 15,022                           |
|  | -----                            | -----            | -----                            |
| Total cash and marketable securities               | 63,222                           | 38,274           | 37,030                           |
| Finance receivables - net                          | 160,233                          | 134,647          | 125,958                          |
| Accounts and notes receivable (less allowances)    | 17,817                           | 15,715           | 14,116                           |
| Inventories (less allowances)                      | 11,229                           | 9,967            | 10,673                           |
| Deferred income taxes                              | 38,902                           | 39,865           | 29,778                           |
| Equipment on operating leases - net                | 35,982                           | 32,988           | 32,871                           |
| Equity in net assets of nonconsolidated associates | 5,803                            | 5,044            | 5,045                            |
| Property - net                                     | 39,171                           | 37,514           | 36,328                           |
| Intangible assets - net                            | 18,064                           | 17,954           | 17,100                           |
| Other assets                                       | 44,054                           | 37,028           | 38,777                           |
|  | -----                            | -----            | -----                            |
| Total assets                                       | \$434,477                        | \$368,996        | \$347,676                        |
|  | =====                            | =====            | =====                            |
| LIABILITIES AND STOCKHOLDERS' EQUITY               |                                  |                  |                                  |
| Accounts payable (principally trade)               | \$30,129                         | \$25,082         | \$24,572                         |
| Notes and loans payable                            | 261,323                          | 201,940          | 186,531                          |
| Postretirement benefits other than pensions        | 35,875                           | 38,186           | 37,976                           |
| Pensions   | 19,127                           | 22,762           | 9,785                            |
| Deferred income taxes                              | 6,965                            | 7,178            | 5,969                            |
| Accrued expenses and other liabilities             | 68,965                           | 66,200           | 62,894                           |
|  | -----                            | -----            | -----                            |

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|  |           |           |           |
|--|-----------|-----------|-----------|
| Total liabilities  | 422,384   | 361,348   | 327,727   |
| Minority interests   | 1,324     | 834       | 817       |
| Stockholders' equity   |           |           |           |
| \$1-2/3 par value common stock<br>(outstanding, 560,741,759;<br>560,447,797; and 560,322,989 shares) | 935       | 936       | 936       |
| Class H common stock (outstanding,<br>1,108,731,138; 958,284,272;<br>and 958,110,288 shares)         | 111       | 96        | 96        |
| Capital surplus (principally additional<br>paid-in capital)  | 22,884    | 21,583    | 21,561    |
| Retained earnings  | 12,000    | 10,031    | 9,291     |
|  | -----     | -----     | -----     |
| Subtotal   | 35,930    | 32,646    | 31,884    |
| Accumulated foreign currency translation<br>adjustments  | (2,099)   | (2,784)   | (3,009)   |
| Net unrealized loss on derivatives   | (130)     | (205)     | (286)     |
| Net unrealized gains on securities   | 515       | 372       | 141       |
| Minimum pension liability adjustment   | (23,447)  | (23,215)  | (9,598)   |
|  | -----     | -----     | -----     |
| Accumulated other comprehensive loss   | (25,161)  | (25,832)  | (12,752)  |
|  | -----     | -----     | -----     |
| Total stockholders' equity   | 10,769    | 6,814     | 19,132    |
|  | -----     | -----     | -----     |
| Total liabilities and stockholders' equity   | \$434,477 | \$368,996 | \$347,676 |
|  | =====     | =====     | =====     |

20

GENERAL MOTORS CORPORATION AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED BALANCE SHEETS

|  | Sept. 30,<br>2003<br>(Unaudited) | Dec. 31,<br>2002 | Sept. 30,<br>2002<br>(Unaudited) |
|--|----------------------------------|------------------|----------------------------------|
|  | -----                            | -----            | -----                            |
| ASSETS   |                                  |                  |                                  |
| (dollars in millions)  |                                  |                  |                                  |
| Automotive, Communications Services,<br>and Other Operations     |                                  |                  |                                  |
| Cash and cash equivalents  | \$20,530                         | \$13,291         | \$14,670                         |
| Marketable securities  | 8,022                            | 2,174            | 1,360                            |
|  | -----                            | -----            | -----                            |
| Total cash and marketable securities                             | 28,552                           | 15,465           | 16,030                           |
| Accounts and notes receivable<br>(less allowances)               | 6,613                            | 5,861            | 5,649                            |
| Inventories (less allowances)                                    | 11,229                           | 9,967            | 10,673                           |
| Equipment on operating leases<br>(less accumulated depreciation) | 6,401                            | 5,305            | 4,524                            |
| Deferred income taxes and<br>other current assets                | 10,842                           | 10,816           | 9,061                            |
|  | -----                            | -----            | -----                            |
| Total current assets   | 63,637                           | 47,414           | 45,937                           |
| Equity in net assets of<br>nonconsolidated associates            | 5,803                            | 5,044            | 5,045                            |
| Property - net   | 37,174                           | 35,693           | 34,569                           |
| Intangible assets - net  | 14,808                           | 14,611           | 13,796                           |
| Deferred income taxes  | 30,353                           | 31,431           | 22,884                           |
| Other assets   | 7,980                            | 7,781            | 15,112                           |

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|  |           |          |           |
|--|-----------|----------|-----------|
| Total Automotive, Communications Services, and<br>Other Operations assets                            | 159,755   | 141,974  | 137,343   |
| Financing and Insurance Operations   |           |          |           |
| Cash and cash equivalents  | 21,324    | 8,158    | 7,338     |
| Investments in securities  | 13,346    | 14,651   | 13,662    |
| Finance receivables - net  | 160,233   | 134,647  | 125,958   |
| Investment in leases and other receivables   | 38,781    | 35,517   | 34,629    |
| Other assets   | 41,038    | 34,049   | 28,746    |
| Net receivable from Automotive, Communications<br>Services, and Other Operations                     | 1,735     | 1,089    | 529       |
| Total Financing and Insurance<br>Operations assets   | 276,457   | 228,111  | 210,862   |
| Total assets   | \$436,212 | 370,085  | \$348,205 |
|  | =====     | =====    | =====     |
| LIABILITIES AND STOCKHOLDERS' EQUITY   |           |          |           |
| Automotive, Communications Services,<br>and Other Operations   |           |          |           |
| Accounts payable (principally trade)   | \$22,727  | \$20,169 | \$19,851  |
| Loans payable  | 836       | 1,516    | 1,472     |
| Accrued expenses   | 42,207    | 40,518   | 36,817    |
| Net payable to Financing and<br>Insurance Operations   | 1,735     | 1,089    | 529       |
| Total current liabilities  | 67,505    | 63,292   | 58,669    |
| Long-term debt   | 34,419    | 16,651   | 16,794    |
| Postretirement benefits other than pensions  | 31,949    | 34,275   | 34,138    |
| Pensions   | 19,063    | 22,709   | 9,742     |
| Other liabilities and deferred income taxes  | 15,560    | 15,461   | 15,764    |
| Total Automotive, Communications Services, and<br>Other Operations liabilities                       | 168,496   | 152,388  | 135,107   |
| Financing and Insurance Operations   |           |          |           |
| Accounts payable   | 7,402     | 4,913    | 4,721     |
| Debt   | 226,068   | 183,773  | 168,265   |
| Other liabilities and deferred income taxes  | 22,153    | 21,363   | 20,163    |
| Total Financing and Insurance Operations   | 255,623   | 210,049  | 193,149   |
| liabilities  |           |          |           |
| Total liabilities  | 424,119   | 362,437  | 328,256   |
| Minority interests   | 1,324     | 834      | 817       |
| Stockholders' equity   |           |          |           |
| \$1-2/3 par value common stock<br>(outstanding, 560,741,759;<br>560,447,797; and 560,322,989 shares) | 935       | 936      | 936       |
| Class H common stock (outstanding,<br>1,108,731,138; 958,284,272;<br>and 958,110,288 shares)         | 111       | 96       | 96        |
| Capital surplus (principally<br>additional paid-in capital)  | 22,884    | 21,583   | 21,561    |
| Retained earnings  | 12,000    | 10,031   | 9,291     |
| Subtotal   | 35,930    | 32,646   | 31,884    |
| Accumulated foreign currency translation<br>adjustments  | (2,099)   | (2,784)  | (3,009)   |
| Net unrealized loss on derivatives   | (130)     | (205)    | (286)     |
| Net unrealized gains on securities   | 515       | 372      | 141       |
| Minimum pension liability adjustment   | (23,447)  | (23,215) | (9,598)   |

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|  |           |           |           |
|--|-----------|-----------|-----------|
| Accumulated other comprehensive loss       | (25,161)  | (25,832)  | (12,752)  |
|  | -----     | -----     | -----     |
| Total stockholders' equity                 | 10,769    | 6,814     | 19,132    |
|  | -----     | -----     | -----     |
| Total liabilities and stockholders' equity | \$436,212 | \$370,085 | \$348,205 |
|  | =====     | =====     | =====     |

The above Supplemental Information is intended to facilitate analysis of General Motors Corporation's businesses: (1) Automotive, Communications Services, and Other Operations; and (2) Financing and Insurance Operations.

21

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

|  | Nine Months Ended<br>September 30, |           |
|--|------------------------------------|-----------|
|  | 2003                               | 2002      |
|  | -----                              | -----     |
|  | (dollars in millions)              |           |
| Net cash provided by operating activities                    | \$10,299                           | \$17,190  |
| Cash flows from investing activities                         |                                    |           |
| Expenditures for property                                    | (5,224)                            | (4,990)   |
| Investments in marketable securities - acquisitions          | (12,600)                           | (35,024)  |
| Investments in marketable securities - liquidations          | 7,997                              | 32,425    |
| Net originations and purchases of mortgage servicing rights  | (2,029)                            | (1,290)   |
| Increase in finance receivables                              | (103,738)                          | (102,899) |
| Proceeds from sales of finance receivables                   | 76,177                             | 85,492    |
| Operating leases - acquisitions                              | (9,282)                            | (9,817)   |
| Operating leases - liquidations                              | 8,137                              | 7,722     |
| Investments in companies, net of cash acquired               | (206)                              | (306)     |
| Proceeds from sale of business units                         | 1,076                              | -         |
| Other  | (918)                              | 223       |
|  | -----                              | -----     |
| Net cash used in investing activities                        | (40,610)                           | (28,464)  |
|  | -----                              | -----     |
| Cash flows from financing activities                         |                                    |           |
| Net increase (decrease) in loans payable                     | (436)                              | 7,528     |
| Long-term debt - borrowings                                  | 80,065                             | 25,731    |
| Long-term debt - repayments                                  | (28,579)                           | (18,009)  |
| Repurchases of common and preference stocks                  | -                                  | (97)      |
| Proceeds from issuing common stocks                          | -                                  | 64        |
| Proceeds from sales of treasury stocks                       | -                                  | 19        |
| Cash dividends paid to stockholders                          | (840)                              | (887)     |
|  | -----                              | -----     |
| Net cash provided by financing activities                    | 50,210                             | 14,349    |
|  | -----                              | -----     |
| Effect of exchange rate changes on cash and cash equivalents | 506                                | 378       |

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|  |          |          |
|--|----------|----------|
| Net increase (decrease) in cash and cash equivalents | 20,405   | 3,453    |
| Cash and cash equivalents at beginning of the period | 21,449   | 18,555   |
| Cash and cash equivalents at end of the period       | \$41,854 | \$22,008 |

22

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

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

|   | Automotive, Comm.<br>Serv. and Other |         | Financing and<br>Insurance |           |
|---|--------------------------------------|---------|----------------------------|-----------|
|   | Nine Months Ended September 30,      |         |                            |           |
|   | 2003                                 | 2002    | 2003                       | 2002      |
|   | (dollars in millions)                |         |                            |           |
| Net cash provided by operating activities                   | \$1,121                              | \$8,147 | \$9,178                    | \$9,043   |
| Cash flows from investing activities                        |                                      |         |                            |           |
| Expenditures for property                                   | (4,756)                              | (4,920) | (468)                      | (70)      |
| Investments in marketable securities - acquisitions         | (7,033)                              | (1,391) | (5,567)                    | (33,633)  |
| Investments in marketable securities - liquidations         | 1,185                                | 821     | 6,812                      | 31,604    |
| Net originations and purchases of mortgage servicing rights | -                                    | -       | (2,029)                    | (1,290)   |
| Increase in finance receivables                             | -                                    | -       | (103,738)                  | (102,899) |
| Proceeds from sales of finance receivables                  | -                                    | -       | 76,177                     | 85,492    |
| Operating leases - acquisitions                             | -                                    | -       | (9,282)                    | (9,817)   |
| Operating leases - liquidations                             | -                                    | -       | 8,137                      | 7,722     |
| Investments in companies, net of cash acquired              | (64)                                 | (156)   | (142)                      | (150)     |
| Proceeds from sale of business units                        | 1,076                                | -       | -                          | -         |
| Other   | (277)                                | 258     | (641)                      | (35)      |
| Net cash used in investing activities                       | (9,869)                              | (5,388) | (30,741)                   | (23,076)  |
| Cash flows from financing activities                        |                                      |         |                            |           |
| Net increase (decrease) in loans payable                    | (866)                                | (930)   | 430                        | 8,458     |
| Long-term debt - borrowings                                 | 17,262                               | 6,149   | 62,803                     | 19,582    |
| Long-term debt - repayments                                 | (588)                                | (183)   | (27,991)                   | (17,826)  |
| Repurchase of common and preference stocks                  | -                                    | (97)    | -                          | -         |
| Proceeds from issuing common stocks                         | -                                    | 64      | -                          | -         |
| Proceeds from sales of treasury stocks                      | -                                    | 19      | -                          | -         |
| Cash dividends paid to stockholders                         | (840)                                | (887)   | -                          | -         |

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|  |          |          |          |         |
|--|----------|----------|----------|---------|
| Net cash provided by financing activities                    | 14,968   | 4,135    | 35,242   | 10,214  |
|  | -----    | -----    | -----    | -----   |
| Effect of exchange rate changes on cash and cash equivalents | 373      | 372      | 133      | 6       |
| Net transactions with Automotive/Financing Operations        | 646      | (1,028)  | (646)    | 1,028   |
|  | -----    | -----    | -----    | -----   |
| Net increase (decrease) in cash and cash equivalents         | 7,239    | 6,238    | 13,166   | (2,785) |
| Cash and cash equivalents at beginning of the period         | 13,291   | 8,432    | 8,158    | 10,123  |
|  | -----    | -----    | -----    | -----   |
| Cash and cash equivalents at end of the period               | \$20,530 | \$14,670 | \$21,324 | \$7,338 |
|  | =====    | =====    | =====    | =====   |

The above Supplemental Information is intended to facilitate analysis of General Motors Corporation's businesses: (1) Automotive, Communications Services, and Other Operations; and (2) Financing and Insurance Operations.

23

### HUGHES ANNOUNCES THIRD QUARTER GROWTH OF 17% IN REVENUES AND 33% IN OPERATING PROFIT BEFORE DA OPERATING PROFIT QUADRUPLES

DIRECTV U.S. Adds 326,000 Owned and Operated  
Subscribers in the Quarter, a 58% Increase over Last Year

El Segundo, Calif., October 14, 2003 -- Hughes Electronics Corporation ("HUGHES"), a world-leading provider of digital television entertainment, broadband satellite networks and services, and global video and data broadcasting, today reported that third quarter 2003 revenues increased 17% to \$2.57 billion compared with \$2.19 billion in the third quarter of 2002. Operating profit before depreciation and amortization<sup>1</sup> for the quarter increased 33% to \$359 million compared with \$270 million in the same period last year. Operating profit increased to \$77 million compared with operating profit of \$16 million in the third quarter of 2002. In addition, HUGHES reported a third quarter 2003 net loss of \$23 million compared to a net loss of \$14 million in the same period of 2002.

"This quarter's results are yet another indication of the rather significant changes we have made across our company to continuously improve operational performance. Compared to last year, each of our businesses generated higher revenues and operating profit before depreciation and amortization in the quarter," said Jack A. Shaw, HUGHES' president and chief executive officer. "Importantly, DIRECTV U.S. had its second best quarter ever in terms of gross owned and operated subscriber additions, and the 326,000 net new subscribers added in the quarter represented a 58% increase over last year's third quarter. I believe that this sharp increase in DIRECTV's subscriber growth reflects consumers' desire for DIRECTV's superior, all digital television programming as well as their continued dissatisfaction with their cable television service."

Shaw continued: "At the top line, DIRECTV U.S. once again was the major contributor to our growth in the quarter with a nearly 20% increase in revenues driven by continued strong subscriber growth and a \$4.50 increase in average monthly revenue per subscriber to \$63.70. Hughes Network Systems - or HNS - also contributed to HUGHES' growth with a 17% increase in revenues principally due to



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strong sales in its enterprise and residential DIRECWAY broadband businesses, as well as in its set-top box business. Driven by the gross profit on this revenue growth, DIRECTV U.S. and HNS were also the primary contributors to HUGHES' 33% growth in operating profit before depreciation and amortization."

Shaw finished: "We're also demonstrating significant improvement in our cash flow--which we define as cash flows from operating activities plus cash flows from investing activities--where, for the third quarter in a row, HUGHES generated positive cash flow. Also for the third consecutive quarter, HUGHES is increasing its full-year guidance for revenues, operating profit and cash flow primarily due to the strong DIRECTV U.S. and HNS results in the third quarter as well as the continued solid results expected for the remainder of the year."

HUGHES' operating profit increased to \$77 million in the third quarter of 2003 from \$16 million in the same period of last year. The improvement was due to the higher operating profit before depreciation and amortization partially offset by higher depreciation and amortization, primarily at DIRECTV U.S. due to the reinstatement of amortization expense during the fourth quarter of 2002 related to certain intangible assets in accordance with Emerging Issues Task Force ("EITF") Issue No. 02-17, as well as additional infrastructure expenditures during the last year.

HUGHES recorded a third quarter 2003 net loss of \$23 million compared to a net loss of \$14 million in the same period of 2002. The higher net loss was primarily due to a \$159 million pre-tax gain in 2002 resulting from the sale of 8.8 million shares of Thomson Multimedia common stock and a third quarter 2003 non-cash charge of \$65 million recorded as "Cumulative effect of accounting change, net of taxes" related to the adoption of FASB Interpretation No. 46 ("FIN 46"). These changes were partially offset by the higher 2003 operating profit discussed above, the favorable resolution of certain tax refund claims for \$48 million in the quarter, a \$32 million write-down of two equity investments and a pre-tax loss of \$25 million related to the sale of SkyPerfectTV! common stock in the third quarter of 2002, and the absence of net losses in 2003 at DIRECTV Broadband due to its shutdown on February 28, 2003.

24

### NINE-MONTH FINANCIAL REVIEW

For the first nine months of 2003, revenues increased 12% to \$7.17 billion, compared to \$6.41 billion in the first nine months of 2002. The increase was primarily due to continued subscriber growth and higher average monthly revenue per subscriber ("ARPU") at DIRECTV U.S. as well as increased sales in the residential DIRECWAY(R) broadband business at HNS, partially offset by lower DIRECTV Latin America revenues related to the World Cup programming services in 2002 as well as a smaller subscriber base and further devaluations to several Latin American currencies in 2003.

Operating profit before depreciation and amortization for the first nine months of 2003 was \$1.07 billion compared with \$586 million in the same period of 2002. Operating profit before depreciation and amortization margin was 15% compared to 9% in the first nine months of 2002. The 82% increase in operating profit before depreciation and amortization and the corresponding increase in margin were primarily attributable to the additional gross profit gained from the DIRECTV U.S. revenue growth, reduced losses from the 2002 World Cup programming at DIRECTV Latin America and improved efficiencies associated with HNS' larger residential DIRECWAY subscriber base. Also impacting the 2002 operating profit before depreciation and amortization results was a charge of \$48 million related to a settlement with GECC and a \$95 million one-time gain

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due to the favorable resolution of a lawsuit filed against the U.S. government on March 22, 1991.

HUGHES' operating profit for the first nine months of 2003 was \$258 million compared with an operating loss of \$170 million in the same period of 2002. The improvement was due to the higher operating profit before depreciation and amortization discussed above partially offset by higher depreciation and amortization expense, particularly at DIRECTV U.S. resulting from the reinstatement of amortization expense related to certain intangible assets in accordance with EITF Issue No. 02-17 during the fourth quarter of 2002, as well as additional infrastructure expenditures during the last year.

For the first nine months of 2003, HUGHES had a net loss of \$52 million compared to a net loss of \$1.01 billion in the same period of 2002. The improvement was primarily due to a first quarter 2002 charge associated with HUGHES' adoption of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" of \$681 million, recorded as "Cumulative effect of accounting change, net of taxes." Also contributing to the change was the improved 2003 operating profit discussed above, a 2002 net interest expense charge of \$74 million related to the GECC settlement and higher losses in 2002 at DIRECTV Broadband. These improvements were partially offset by the \$159 million pre-tax gain on the sale of Thomson shares in 2002, a higher income tax benefit generated in 2002 resulting from the larger pre-tax loss and the \$65 million charge related to the adoption of FIN 46 in 2003.

### Segment Financial Review: third Quarter 2003 Direct-To-Home Broadcast

Third quarter 2003 revenues for the segment increased 18% to \$2.09 billion from \$1.76 billion in the third quarter of 2002. The segment had operating profit before depreciation and amortization of \$222 million compared with \$177 million in the third quarter of 2002. Operating profit for the segment was \$42 million in the third quarter of 2003 compared to \$21 million in the same period of 2002.

On February 28, 2003, HUGHES completed the shutdown of the DIRECTV DSLTM service. As a result, DIRECTV Broadband is accounted for as a discontinued operation in the consolidated financial statements and its revenues, operating costs and expenses, and non-operating results are no longer included in the Direct-To-Home Broadcast segment for the periods presented.

United States<sup>2</sup>: Excluding subscribers in the National Rural Telecommunications Cooperative ("NRTC") territories, DIRECTV U.S. added 811,000 gross subscribers and after accounting for churn, 326,000 net subscribers in the quarter. DIRECTV U.S. owned and operated subscribers totaled 10.28 million as of September 30, 2003, 12% more than the 9.20 million subscribers as of September 30, 2002. For the third quarter of 2003, the total number of subscribers in NRTC territories fell by 32,000, reducing the total number of NRTC subscribers as of September 30, 2003, to 1.57 million. As a result, the DIRECTV U.S. platform ended the quarter with 11.85 million total subscribers.

DIRECTV U.S. reported quarterly revenues of \$1.93 billion, an increase of 20% over last year's third quarter revenues of \$1.62 billion. The increase was primarily due to continued strong subscriber growth as well as higher ARPU. ARPU increased approximately \$4.50, or 8%, to \$63.70 in the quarter primarily due to the March 2003 price increase, additional fees from the increased number of customers that have multiple set-top receivers, the adoption of EITF Issue No. 00-21 that relates to the recognition of certain customer-related revenues, increased revenues from the NFL SUNDAY TICKET(R) package and increased customer purchases of local channels.

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Operating profit before depreciation and amortization for the third quarter of 2003 increased 15% to \$235 million compared to \$205 million in last year's third quarter. The increase was due to the additional gross profit gained from the increased revenues, an improved mix of higher-margin revenues primarily related to fees from customers that have multiple set-top receivers and increased sales of local channel packages, and the favorable impact from a continued emphasis on cost management. These were partially offset by increased marketing expenses associated with the larger gross subscriber additions and higher acquisition costs per subscriber ("SAC") in the quarter.

Operating profit in the quarter increased to \$112 million compared to \$102 million in the third quarter of 2002. The improved operating profit was primarily due to the reasons discussed above for the change in operating profit before depreciation and amortization partially offset by the reinstatement of amortization expense related to certain intangible assets in accordance with EITF Issue No. 02-17 during the fourth quarter of 2002, as well as increased depreciation expense due to additional infrastructure expenditures during the last year.

Latin America: On March 18, 2003, DIRECTV Latin America, LLC announced that in order to aggressively address the company's financial and operational challenges, it had filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The filing applies only to DIRECTV Latin America, LLC, a U.S. company, and does not include any of its operating companies in Latin America and the Caribbean. DIRECTV Latin America, LLC and its operating companies are continuing regular operations.

The DIRECTV(R) service in Latin America lost 44,000 net subscribers in the third quarter of 2003 mostly due to significantly higher involuntary churn in Mexico resulting from changes in disconnection processes associated with past-due subscribers. The total number of DIRECTV subscribers in Latin America as of September 30, 2003, was 1.45 million compared to 1.60 million as of September 30, 2002, representing a decline of 10%.

Revenues for DIRECTV Latin America increased to \$155 million in the quarter from \$146 million in the third quarter of 2002 primarily due to the consolidation of the local operating companies in Puerto Rico and Venezuela in accordance with HUGHES' adoption of FIN 46, partially offset by lower revenues from the smaller subscriber base.

DIRECTV Latin America recorded an operating loss before depreciation and amortization of \$17 million in the quarter compared to an operating loss before depreciation and amortization of \$29 million in the same period of 2002. The operating loss in the quarter was \$74 million compared to an operating loss of \$84 million in the third quarter of 2002. These improvements were primarily due to aggressive cost cutting over the past year including programming cost reductions resulting from the rejection of certain contracts in connection with the Chapter 11 reorganization, partially offset by reduced revenues associated with the smaller subscriber base.

### Satellite Services

PanAmSat Corporation ("PanAmSat"), which is approximately 81%-owned by HUGHES, generated third quarter 2003 revenues of \$210 million compared with \$199 million in the same period of the prior year. The increase was primarily due to additional government revenues related to PanAmSat's new G2 Satellite Solutions(TM) division, which was formed after the acquisition of Hughes Global Services on March 7, 2003, and an increase in network service revenues.

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PanAmSat's operating profit before depreciation and amortization for the quarter was \$152 million compared with \$145 million in the third quarter 2002. Operating profit remained relatively unchanged at \$67 million in the third quarter of 2003. The increase in operating profit before depreciation and amortization was primarily due to lower bad debt expense and improved operational efficiencies. The operating profit was also impacted by higher depreciation expense primarily related to the shorter estimated useful lives of two satellites that experienced anomalies in 2003.

As of September 30, 2003, PanAmSat's contracts for satellite services representing future payments (backlog) declined to approximately \$4.8 billion compared to approximately \$5.3 billion at the end of the second quarter of 2003 primarily due to reduced contract values related to a satellite anomaly.

26

### Network Systems

HNS generated third quarter 2003 revenues of \$353 million compared with \$300 million in the third quarter of 2002. The 17% increase was principally due to higher revenues in the enterprise and residential DIRECWAY(R) broadband businesses, and increased sales of DIRECTV(R) receiver systems. HNS shipped 946,000 DIRECTV receiver systems in the third quarter of 2003 compared to 737,000 units in the same period last year. Additionally, as of September 30, 2003, the DIRECWAY service had approximately 178,000 residential subscribers in North America compared to 138,000 one year ago, representing an increase of approximately 29%.

HNS reported operating profit before depreciation and amortization of \$9 million compared to an operating loss before depreciation and amortization of \$23 million in the third quarter of 2002. The operating loss in the quarter was \$10 million compared to an operating loss of \$43 million in the third quarter of 2002. These improvements were primarily attributable to a smaller loss in the residential DIRECWAY business due to improved efficiencies associated with the larger subscriber base, increased revenues and profit margins in the set-top box and DIRECWAY enterprise businesses, as well as a \$9 million charge taken in the third quarter of 2002 related to severance costs and an inventory provision.

### BALANCE SHEET

From December 31, 2002, to September 30, 2003, HUGHES' consolidated cash balance increased \$1.50 billion to \$2.63 billion and total debt increased \$1.58 billion to \$4.70 billion.

In the third quarter, HUGHES' consolidated cash balance decreased by \$558 million and debt decreased by \$311 million compared to the June 30, 2003, balances. During the quarter, HUGHES generated over \$100 million of cash flow (cash flows from operating activities plus cash flows from investing activities) bringing the total cash flow generated by HUGHES to approximately \$400 million through September 30, 2003. Also in the quarter, HUGHES and The Boeing Company reached an agreement whereby HUGHES paid Boeing \$360 million to settle the outstanding purchase price adjustment disputes arising from Boeing's October 2000 acquisition of HUGHES' satellite manufacturing operations. This payment will be reported as "Net cash used in discontinued operations" in the Condensed Consolidated Statements of Cash Flows. Additionally, PanAmSat made an optional prepayment of \$350 million in the quarter under its \$1.25 billion bank facility from available cash on hand. The prepayment was applied pro rata

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against PanAmSat's Term Loan A and Term Loan B.

During 2003, DIRECTV U.S. completed several financing transactions, which included \$1.40 billion of borrowings under a senior notes offering and approximately \$1.23 billion of borrowings under a \$1.68 billion credit facility. Approximately \$2.56 billion of the proceeds from the financings were distributed to HUGHES to repay \$506 million of outstanding short-term debt and to fund HUGHES' business plan through projected cash flow breakeven.

Hughes Electronics Corporation is a unit of General Motors Corporation. The earnings of HUGHES are used to calculate the earnings attributable to the General Motors Class H common stock (NYSE:GMH).

A live webcast of HUGHES' third quarter 2003 earnings call will be available on the company's website at [www.hughes.com](http://www.hughes.com) or [www.directv.com](http://www.directv.com). The call will begin at 2:00 p.m. ET, today. The dial in number for the call is (913) 981-4900. The webcast will be archived on the Investor Relations portion of the HUGHES' website and a replay of the call will be available (dial in number: 719-457-0820, code: 438314) beginning at 7:00 p.m. ET on Wednesday, October 15 through Monday, October 20 at 1:00 a.m. ET.

(1) Operating profit (loss) before depreciation and amortization, which is a non-GAAP financial measure, should be used in conjunction with other GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with accounting principles generally accepted in the United States of America. Please see HUGHES and DIRECTV Holdings LLC recent SEC filings for further discussion of operating profit (loss) before depreciation and amortization.

27

(2) The discussion of financial results for DIRECTV U.S. reflects amounts included in the stand-alone financial statements of DIRECTV Holdings LLC that are included later in this earnings release. HUGHES records certain items as corporate expenses in HUGHES consolidated financial statements pursuant to Statement of Financial Accounting Standards No. 131, "Disclosure about Segments of an Enterprise and Related Information." Generally accepted accounting principles also require these expenses to be reflected in the stand-alone financial statements of DIRECTV Holdings LLC. As a result, the DIRECTV U.S. operating profit before depreciation and amortization and operating profit results include approximately \$3 million and \$4 million of pension expense in the third quarter of 2002 and 2003, respectively, which HUGHES includes in "Eliminations and Other" for segment reporting purposes in its consolidated statements.

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NOTE: This release may contain certain statements that Hughes and/or DIRECTV U.S. believe are, or may be considered to be, "forward-looking statements," within the meaning of various provisions of the Securities Act of 1933 and of the Securities Exchange Act of 1934. These forward-looking statements generally can be identified by use of statements that include phrases such as we "believe," "expect," "anticipate," "intend," "plan," "foresee" or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. All of these forward-looking statements are subject to certain risks and uncertainties that could cause Hughes' and/or DIRECTV U.S.' actual results to differ materially from historical results or from those expressed or implied by the relevant forward-looking statement. Risk factors which could cause actual performance and

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future actions to differ materially from forward-looking statements made herein may include, but are not limited to, economic conditions, product demand and market acceptance, government action, local political or economic developments in or affecting countries where Hughes has operations, including political, economic and social uncertainties in many Latin American countries in which the DIRECTV Latin America businesses operate, potential adverse effects of the DIRECTV Latin America, LLC Chapter 11 bankruptcy proceedings, foreign currency exchange rates, ability to obtain export licenses, competition, the outcome of legal proceedings, ability to achieve cost reductions, ability to timely perform material contracts, ability to renew programming contracts under favorable terms, technological risk, limitations on access to distribution channels, the success and timeliness of satellite launches, in-orbit performance of satellites, loss of uninsured satellites, ability of customers to obtain financing, ability to access capital to maintain financial flexibility and the effects of the strategic transactions that GM and Hughes have entered into with News Corporation.

28

### Hughes Financial Guidance

|   | Fourth Quarter 2003 | Prior Full Year<br>2003 | Revised Full Year<br>2003 |
|---|---------------------|-------------------------|---------------------------|
| <b>HUGHES</b>   |                     |                         |                           |
| Revenues  | \$2.75 - 2.8B       | \$9.7 - 9.8B            | \$9.9 - 9.95B             |
| Operating profit<br>before depreciation<br>and amortization | \$250 - 300M        | \$1.25 - 1.35B          | \$1.3B - 1.35B            |
| Operating<br>profit/(loss)                                  | \$0 - (50)M         | \$125 - 225M            | \$200 - 250M              |
| Cash Flow(a)  | N/A                 | \$100 - 200M            | ~\$500M                   |
| <b>DIRECTV U.S.</b>   |                     |                         |                           |
| Revenues  | ~\$2.16B            | ~\$7.5B                 | ~\$7.6B(c)                |
| Operating profit<br>before depreciation<br>and amortization | ~\$200M             | ~\$1.0B                 | ~\$1.0Bc                  |
| Operating profit  | ~\$60M              | ~\$475M                 | ~\$475Mc                  |
| Net subscriber<br>additions(b)                              | N/A                 | ~900K                   | ~1.05M(c)                 |
| <b>DIRECTV Latin America</b>                                |                     |                         |                           |
| Revenues  | \$140 - 160M        | \$550 - 600M            | \$575 - 600M              |

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|   |                  |                   |           |
|---|------------------|-------------------|-----------|
| Operating loss before depreciation and amortization | \$ (20) - (40)M  | \$ (90) - (110)M  | No Change |
| Operating loss                                      | \$ (90) - (110)M | \$ (310) - (330)M | No Change |

Hughes Network Systems

|   |            |                 |                 |
|---|------------|-----------------|-----------------|
| Revenues  | ~\$350M    | \$1.1 - 1.2B    | ~\$1.25B        |
| Operating profit before depreciation and amortization | \$20 - 25M | Breakeven       | No Change       |
| Operating profit/(loss)                               | \$5 - 10M  | \$ (65) - (75)M | \$ (70) - (75)M |

PanAmSat

|   |              |              |              |
|---|--------------|--------------|--------------|
| Revenues  | \$200 - 215M | \$800 - 840M | \$813 - 828M |
| New outright sales and sales-type leases              | None         | None         | None         |
| Operating profit before depreciation and amortization | \$140 - 150M | \$580 - 600M | \$589 - 599M |
| Operating profit                                      | \$55 - 75M   | \$250 - 300M | \$272 - 292M |

- a Defined as "cash flows from operating activities" plus "cash flows from investing activities"
- b Excludes subscribers in NRTC territories
- c Originally updated on September 29, 2003

NON-GAAP FINANCIAL RECONCILIATION SCHEDULE\*

|   | Third Quarter 2003 Actual | Third Quarter 2002 Actual | Fourth Quarter 2003 Guidance | Prior Full Year 2003 Guidance | Revised Full Year 2003 Guidance |
|---|---------------------------|---------------------------|------------------------------|-------------------------------|---------------------------------|
| HUGHES                                  |                           |                           |                              |                               |                                 |
| Operating profit/(loss)                 | \$77M                     | \$16M                     | \$0 - (50)M                  | \$125 - 225M                  | \$200 - 250M                    |
| Plus: depreciation & amortization (D&A) | \$282M                    | \$254M                    | ~\$300M                      | ~\$1.125B                     | ~\$1.1B                         |
| Operating profit before depreciation    |                           |                           |                              |                               |                                 |

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|                                    |         |         |                 |                  |                |
|------------------------------------|---------|---------|-----------------|------------------|----------------|
| and amortization                   | \$359M  | \$270M  | \$250 - 300M    | \$1.25 - 1.35B   | \$1.3B - 1.35B |
| -----                              |         |         |                 |                  |                |
| DIRECTV U.S.                       |         |         |                 |                  |                |
| Operating profit                   | \$112M  | \$102   | ~\$60M          | ~\$475M          | No Change      |
| Plus: D&A                          | \$123M  | \$102   | ~\$140M         | ~\$525M          | No Change      |
|                                    | -----   | -----   | -----           | -----            | -----          |
| Operating profit before D&A        | \$235M  | \$205+  | ~\$200M         | ~\$1.00B         | No Change      |
| -----                              |         |         |                 |                  |                |
| DIRECTV Latin America              |         |         |                 |                  |                |
| Operating loss                     | \$(74)M | \$(84)M | \$(90) - (110)M | \$(310) - (330)M | No Change      |
| Plus: D&A                          | \$57M   | \$55M   | ~\$70M          | ~\$220M          | No Change      |
|                                    | -----   | -----   | -----           | -----            | -----          |
| Operating loss before D&A          | \$(17)M | \$(29)M | \$(20) - (40)M  | \$(90) - (110)M  | No Change      |
| -----                              |         |         |                 |                  |                |
| Hughes Network Systems             |         |         |                 |                  |                |
| Operating profit/(loss)            | \$(10)M | \$(43)M | \$5 - 10M       | \$(65) - (75)M   | \$(70) - (75)M |
| Plus: D&A                          | \$19M   | \$20M   | ~\$15M          | \$65 - 75M       | \$70 - 75M     |
|                                    | -----   | -----   | -----           | -----            | -----          |
| Operating profit (loss) before D&A | \$9M    | \$(23)M | \$20 - 25M      | ~\$0             | ~\$0           |
| -----                              |         |         |                 |                  |                |
| PanAmSat                           |         |         |                 |                  |                |
| Operating profit                   | \$67M   | \$66M   | \$55 - 75M      | \$250 - 300M     | \$272 - 292M   |
| Plus: D&A                          | \$85M   | \$79M   | \$75 - 85M      | \$300 - 330M     | \$307 - 317M   |
|                                    | -----   | -----   | -----           | -----            | -----          |
| Operating profit before D&A        | \$152M  | \$145M  | \$140 - 150M    | \$580 - 600M     | \$589 - 599M   |

|   | Nine months ended<br>September 30, 2003<br>Actual | Nine months ended<br>September 30, 2002<br>Actual |
|---|---|---|
| -----   |   |   |
| HUGHES  |   |   |
| Operating profit/(loss)                               | \$258M  | \$(170)M  |
| Plus: Depreciation & Amortization (D&A)               | \$810M  | \$756M  |
|   | -----   | -----   |
| Operating profit before depreciation and amortization | \$1.07B   | \$586M  |
| -----   |   |   |

\*Additional DIRECTV U.S. non-GAAP financial reconciliation is included with the DIRECTV U.S. stand-alone financial statements included in this earnings release.

+ Does not add due to rounding.

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HUGHES ELECTRONICS CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS AND  
AVAILABLE SEPARATE CONSOLIDATED NET INCOME (LOSS)  
(Dollars in Millions)  
(Unaudited)

|  | Three Months<br>Ended September 30, |           | Nine Months<br>Ended September 30, |           |
|--|-------------------------------------|-----------|------------------------------------|-----------|
|  | 2003                                | 2002      | 2003                               | 2002      |
| <hr/>  |                                     |           |                                    |           |
| Revenues   |                                     |           |                                    |           |
| Direct broadcast, leasing and<br>other services  | \$2,311.8                           | \$1,952.8 | \$6,579.7                          | \$5,784.0 |
| Product sales  | 258.4                               | 241.9     | 588.5                              | 627.8     |
| <hr/>  |                                     |           |                                    |           |
| Total Revenues   | 2,570.2                             | 2,194.7   | 7,168.2                            | 6,411.8   |
| <hr/>  |                                     |           |                                    |           |
| Operating Costs and Expenses,<br>Exclusive of Depreciation and<br>Amortization Expenses Shown<br>Separately Below                    |                                     |           |                                    |           |
| Broadcast programming and<br>other costs   | 1,186.9                             | 965.1     | 3,323.9                            | 2,950.9   |
| Cost of products sold  | 234.7                               | 209.5     | 547.5                              | 567.2     |
| Selling, general and<br>administrative expenses  | 789.8                               | 750.3     | 2,228.3                            | 2,307.8   |
| Depreciation and amortization  | 282.3                               | 253.8     | 810.1                              | 756.3     |
| <hr/>  |                                     |           |                                    |           |
| Total Operating Costs and Expenses   | 2,493.7                             | 2,178.7   | 6,909.8                            | 6,582.2   |
| <hr/>  |                                     |           |                                    |           |
| Operating Profit (Loss)  | 76.5                                | 16.0      | 258.4                              | (170.4)   |
| Interest income  | 10.6                                | 5.4       | 32.5                               | 17.1      |
| Interest expense   | (76.3)                              | (76.1)    | (241.0)                            | (273.8)   |
| Reorganization expense   | (8.2)                               | -         | (19.2)                             | -         |
| Other, net   | 0.6                                 | 78.7      | (38.0)                             | 46.0      |
| <hr/>  |                                     |           |                                    |           |
| Income (Loss) From Continuing<br>Operations Before Income Taxes,<br>Minority Interests and Cumulative<br>Effect of Accounting Change | 3.2                                 | 24.0      | (7.3)                              | (381.1)   |
| Income tax benefit (expense)   | 44.3                                | (9.2)     | 48.0                               | 144.8     |
| Minority interests in net<br>earnings of subsidiaries  | (6.0)                               | (4.1)     | (20.8)                             | (14.3)    |
| <hr/>  |                                     |           |                                    |           |
| Income (loss) from continuing<br>operations before cumulative<br>effect of accounting changes  | 41.5                                | 10.7      | 19.9                               | (250.6)   |
| Income (loss) from discontinued<br>operations, net of taxes  | 0.1                                 | (24.3)    | (7.6)                              | (74.5)    |
| <hr/>  |                                     |           |                                    |           |
| Income (loss) before cumulative<br>effect of accounting changes  | 41.6                                | (13.6)    | 12.3                               | (325.1)   |
| Cumulative effect of accounting<br>changes, net of taxes   | (64.6)                              | -         | (64.6)                             | (681.3)   |
| <hr/>  |                                     |           |                                    |           |

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|   |           |           |           |              |
|---|-----------|-----------|-----------|--------------|
| Net Loss  | (23.0)    | (13.6)    | (52.3)    | (1,006.4)    |
| Preferred stock dividends   | -         | -         | -         | (46.9)       |
| -----   |           |           |           |              |
| Loss Used for Computation of Available<br>Separate Consolidated Net<br>Income (Loss)                        | \$ (23.0) | \$ (13.6) | \$ (52.3) | \$ (1,053.3) |
| =====   |           |           |           |              |
| Available Separate Consolidated Net<br>Income (Loss)  |           |           |           |              |
| Average number of shares of General<br>Motors Class H Common Stock outstanding<br>(in millions) (Numerator) | 1,108.4   | 958.1     | 1,068.7   | 906.6        |
| Average Class H dividend base<br>(in millions) (Denominator)  | 1,382.8   | 1,381.7   | 1,382.2   | 1,330.2      |
| Available Separate Consolidated<br>Net Income (Loss)  | \$ (18.4) | \$ (9.4)  | \$ (40.4) | \$ (717.9)   |
| =====   |           |           |           |              |

31

HUGHES ELECTRONICS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Dollars in Millions)

|   | September<br>30,<br>2003<br>(Unaudited) | December 31,<br>2002 |
|---|---|----------------------|
| -----   |   |                      |
| ASSETS  |   |                      |
| Current Assets  |   |                      |
| Cash and cash equivalents   | \$2,627.9                               | \$1,128.6            |
| Accounts and notes receivable,<br>net of allowances of \$122.9<br>and \$102.4 | 835.6                                   | 1,133.9              |
| Contracts in process  | 127.4                                   | 165.9                |
| Inventories   | 292.5                                   | 230.3                |
| Deferred income taxes   | 6.0                                     | 97.7                 |
| Prepaid expenses and other  | 954.6                                   | 900.0                |
| -----   |   |                      |
| Total Current Assets  | 4,844.0                                 | 3,656.4              |
| Satellites, net   | 4,715.2                                 | 4,922.6              |
| Property, net   | 2,018.6                                 | 2,017.4              |
| Goodwill, net   | 5,779.4                                 | 5,775.2              |
| Intangible Assets, net  | 594.0                                   | 644.7                |
| Net Investment in Sales-type Leases   | 120.9                                   | 161.9                |
| Investments and Other Assets  | 859.8                                   | 706.9                |
| -----   |   |                      |
| Total Assets  | \$18,931.9                              | \$17,885.1           |
| =====   |   |                      |
| LIABILITIES AND STOCKHOLDER'S EQUITY  |   |                      |
| -----   |   |                      |
| Current Liabilities   |   |                      |
| Accounts payable  | \$1,040.3                               | \$1,039.0            |
| Deferred revenues   | 241.1                                   | 166.4                |
| Short-term borrowings and current portion of<br>long-term debt                | 96.1                                    | 727.8                |

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|  |            |            |
|--|------------|------------|
| Accrued liabilities and other              | 948.0      | 1,269.9    |
| -----                                      |            |            |
| Total Current Liabilities                  | 2,325.5    | 3,203.1    |
| Long-Term Debt                             | 4,601.7    | 2,390.0    |
| Other Liabilities and Deferred Credits     | 1,011.0    | 1,178.4    |
| Deferred Income Taxes                      | 424.2      | 581.2      |
| Commitments and Contingencies              |            |            |
| Minority Interests                         | 583.9      | 555.3      |
| Stockholder's Equity                       | 9,985.6    | 9,977.1    |
| -----                                      |            |            |
| Total Liabilities and Stockholder's Equity | \$18,931.9 | \$17,885.1 |
| =====                                      |            |            |

Holders of GM Class H common stock have no direct rights in the equity or assets of Hughes, but rather have rights in the equity and assets of General Motors (which includes 100% of the stock of Hughes).

32

HUGHES ELECTRONICS CORPORATION

SELECTED SEGMENT DATA

(Dollars in Millions)

(Unaudited)

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2003                                | 2002       | 2003                               | 2002       |
| -----  |                                     |            |                                    |            |
| DIRECT-TO-HOME BROADCAST   |                                     |            |                                    |            |
| Total Revenues   | \$ 2,087.2                          | \$ 1,761.5 | \$ 5,878.2                         | \$ 5,168.2 |
| Operating Profit Before<br>Depreciation and Amortization (1)           | 221.8                               | (177.1)    | 732.5                              | 216.7      |
| Operating Profit Before<br>Depreciation and Amortization<br>Margin (1) | 10.6%                               | 10.1%      | 12.5%                              | 4.2%       |
| Operating Profit (Loss)  | \$ 42.1                             | \$ 20.8    | \$ 210.3                           | \$ (228.4) |
| Operating Profit Margin  | 2.0%                                | 1.2%       | 3.6%                               | N/A        |
| Depreciation and Amortization  | \$ 179.7                            | \$ 156.3   | \$ 522.2                           | \$ 445.1   |
| Capital Expenditures   | 79.6                                | 89.2       | 218.4                              | 353.8      |
| -----  |                                     |            |                                    |            |

SATELLITE SERVICES

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| Total Revenues   | \$ 210.1 | \$ 199.1 | \$ 613.4 | \$ 615.5 |
| Operating Profit Before<br>Depreciation and Amortization (1)           | 151.5    | (145.4)  | 449.4    | 447.2    |
| Operating Profit Before<br>Depreciation and Amortization<br>Margin (1) | 72.1%    | 73.0%    | 73.3%    | 72.7%    |
| Operating Profit   | \$ 66.5  | \$ 66.4  | \$ 217.2 | \$ 184.5 |
| Operating Profit Margin  | 31.7%    | 33.4%    | 35.4%    | 30.0%    |
| Depreciation and Amortization  | \$ 85.0  | \$ 79.0  | \$ 232.2 | \$ 262.7 |
| Capital Expenditures   | 32.4     | 76.5     | 87.2     | 260.0    |
| -----  |          |          |          |          |

NETWORK SYSTEMS

|  |          |          |          |          |
|--|----------|----------|----------|----------|
| Total Revenues   | \$ 352.7 | \$ 300.2 | \$ 899.7 | \$ 797.4 |
| Operating Profit Before<br>Depreciation and Amortization (1) | 8.6      | (22.9)   | (22.8)   | (80.4)   |
| Operating Profit Before<br>Depreciation and Amortization     |          |          |          |          |

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|                                   |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|
| Margin (1)                        | 2.4%       | N/A        | N/A        | N/A        |
| Operating Loss                    | \$ (10.1)  | \$ (42.9)  | \$ (79.7)  | \$ (135.0) |
| Depreciation and Amortization     | 18.7       | 20.0       | 56.9       | 54.6       |
| Capital Expenditures              | (18.3)     | 99.3       | 91.1       | 315.4      |
| -----                             |            |            |            |            |
| ELIMINATIONS and OTHER            |            |            |            |            |
| Total Revenues                    | \$ (79.8)  | \$ (66.1)  | \$ (223.1) | \$ (169.3) |
| Operating Profit Before           |            |            |            |            |
| Depreciation and Amortization (1) | (23.1)     | (29.8)     | (90.6)     | 2.4        |
| Operating Profit (Loss)           | (22.0)     | (28.3)     | (89.4)     | 8.5        |
| Depreciation and Amortization     | (1.1)      | (1.5)      | (1.2)      | (6.1)      |
| Capital Expenditures              | 25.8       | 22.6       | 82.2       | 54.7       |
| -----                             |            |            |            |            |
| TOTAL                             |            |            |            |            |
| Total Revenues                    | \$ 2,570.2 | \$ 2,194.7 | \$ 7,168.2 | \$ 6,411.8 |
| Operating Profit Before           |            |            |            |            |
| Depreciation and Amortization (1) | 358.8      | (269.8)    | 1,068.5    | 585.9      |
| Operating Profit Before           |            |            |            |            |
| Depreciation and Amortization     |            |            |            |            |
| Margin (1)                        | 14.0%      | 12.3%      | 14.9%      | 9.1%       |
| Operating Profit (Loss)           | \$ 76.5    | \$ 16.0    | \$ 258.4   | \$ (170.4) |
| Operating Profit Margin           | 3.0%       | 0.7%       | 3.6%       | N/A        |
| Depreciation and Amortization     | \$ 282.3   | \$ 253.8   | \$ 810.1   | \$ 756.3   |
| Capital Expenditures              | 119.5      | 287.6      | 478.9      | 983.9      |
| =====                             |            |            |            |            |

(1) See footnote 1 on page 27.

The Following Pages Reflect DIRECTV U.S.' Financial Statements and  
Other Data as a Stand Alone Entity

DIRECTV HOLDINGS LLC  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in Millions)  
(Unaudited)

|  | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |           |
|--|-------------------------------------|-----------|------------------------------------|-----------|
|  | 2003                                | 2002      | 2003                               | 2002      |
| Revenues   | \$1,932.2                           | \$1,616.4 | \$5,440.5                          | \$4,631.8 |
| Operating Costs and Expenses,<br>exclusive of depreciation and<br>amortization expense shown<br>separately below |                                     |           |                                    |           |
| Programming and other costs  | 770.1                               | 651.0     | 2,168.5                            | 1,878.4   |
| Subscriber service expenses  | 159.3                               | 147.0     | 466.5                              | 444.7     |
| Subscriber acquisition costs:  |                                     |           |                                    |           |
| Third party customer<br>acquisitions   | 366.4                               | 332.4     | 985.6                              | 1,014.9   |
| Direct customer acquisitions   | 111.9                               | 45.9      | 249.1                              | 111.7     |
| Retention, upgrade and other<br>marketing costs  | 143.3                               | 92.2      | 325.8                              | 286.2     |
| Broadcast operations expenses  | 26.8                                | 32.9      | 98.9                               | 93.1      |
| General and administrative<br>expenses   | 119.6                               | 110.5     | 356.1                              | 348.0     |
| Depreciation and amortization expense  | 122.6                               | 102.1     | 371.1                              | 283.2     |
| Total Operating Costs and<br>Expenses  | 1,820.0                             | 1,514.0   | 5,021.6                            | 4,460.2   |
| Operating Profit   | 112.2                               | 102.4     | 418.9                              | 171.6     |
| Interest expense, net  | (54.6)                              | 19.2)     | (141.1)                            | (74.0)    |
| Other income (loss), net   | -                                   | 159.7     | (4.0)                              | 159.4     |
| Income Before Income Taxes   | 57.6                                | 242.9     | 273.8                              | 257.0     |
| Income tax expense   | (21.6)                              | (91.4)    | (102.7)                            | (96.7)    |
| Net Income   | \$36.0                              | \$151.5   | \$171.1                            | \$160.3   |

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35

DIRECTV HOLDINGS LLC  
 CONSOLIDATED BALANCE SHEETS  
 (Dollars in Millions)  
 (Unaudited)

|  | September 30,<br>2003 | December 31,<br>2002 |
|--|-----------------------|----------------------|
|  | -----                 | -----                |
| ASSETS   |                       |                      |
| Current Assets   |                       |                      |
| Cash and cash equivalents                                      | \$380.2               | \$14.1               |
| Accounts receivable, net of allowances<br>of \$51.2 and \$54.3 | 450.9                 | 506.7                |
| Inventories, net   | 129.0                 | 62.6                 |
| Prepaid expenses and other                                     | 554.3                 | 545.8                |
|  | -----                 | -----                |
| Total Current Assets   | 1,514.4               | 1,129.2              |
| Satellites, net  | 981.5                 | 1,011.3              |
| Property, net  | 728.7                 | 838.6                |
| Goodwill, net  | 2,891.1               | 2,888.5              |
| Intangible Assets, net   | 568.2                 | 623.7                |
| Other Assets   | 118.3                 | 87.3                 |
|  | -----                 | -----                |
| Total Assets   | \$6,802.2             | \$6,578.6            |
|  | =====                 | =====                |
| LIABILITIES AND OWNER'S EQUITY                                 |                       |                      |
| Current Liabilities  |                       |                      |
| Accounts payable and accrued liabilities                       | \$1,223.0             | \$1,139.2            |
| Unearned subscriber revenue and deferred credits               | 214.9                 | 156.6                |
| Current portion of long-term debt                              | 12.2                  | --                   |
|  | -----                 | -----                |
| Total Current Liabilities                                      | 1,450.1               | 1,295.8              |
| Long-Term Debt   | 2,612.8               | --                   |
| Other Liabilities and Deferred Credits                         | 354.3                 | 477.6                |
| Deferred Income Taxes  | 244.0                 | 246.7                |
| Commitments and Contingencies                                  |                       |                      |
| Owner's Equity   |                       |                      |
| Capital stock and additional paid-in capital                   | 2,793.6               | 5,385.1              |
| Accumulated deficit  | (652.6)               | (823.7)              |
|  | -----                 | -----                |
| Subtotal Owner's Equity  | 2,141.0               | 4,561.4              |
|  | -----                 | -----                |
| Accumulated Other Comprehensive Loss                           |                       |                      |
| Accumulated unrealized losses on securities                    | --                    | (2.9)                |
|  | -----                 | -----                |
| Total Owner's Equity   | 2,141.0               | 4,558.5              |
|  | -----                 | -----                |
| Total Liabilities and Owner's Equity                           | \$6,802.2             | \$6,578.6            |
|  | =====                 | =====                |

36

DIRECTV HOLDINGS LLC

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Non-GAAP Financial Reconciliation and Other Data  
(Dollars in Millions)  
(Unaudited)

| -----<br>Pre-Marketing Margin Reconciliation to Operating Profit<br>----- |  |         |   |           |                                  |
|---|--|---------|---|-----------|----------------------------------|
|   | For the Three<br>Months Ended<br>September 30,<br>2003 |         | For the Nine<br>Months Ended<br>September 30,<br>2002 |           | Guidance<br>Full<br>Year<br>2003 |
| Operating Profit  | \$112.2  | \$102.4 | \$418.9   | \$171.6   | ~ \$475                          |
| Add back: Subscriber<br>acquisition costs:                                |  |         |   |           |                                  |
| Third party customer<br>acquisitions                                      | 366.4  | 332.4   | 985.6   | 1,014.9   | **                               |
| Direct customer<br>acquisitions   | 111.9  | 45.9    | 249.1   | 111.7     | **                               |
| Retention, upgrade and<br>other marketing costs                           | 143.3  | 92.2    | 325.8   | 286.2     | **                               |
| Depreciation and<br>amortization expense                                  | 122.6  | 102.1   | 371.1   | 283.2     | ~ 525                            |
| Subtotal  | 744.2  | 572.6   | 1,931.6   | 1,696.0   | ~ 2,715                          |
| Pre-marketing margin*   | \$856.4  | \$675.0 | \$2,350.5   | \$1,867.6 | ~\$3,190                         |
| percentage of revenue*  | 44.3%  | 41.8%   | 43.2%   | 40.3%     | ~ 42%                            |

| -----<br>Other Data<br>-----                     |  |         |   |         |  |
|--|--|---------|---|---------|--|
|  | For the Three<br>Months Ended<br>September 30,<br>2003 |         | For the Nine<br>Months Ended<br>September 30,<br>2002 |         |  |
| Average monthly revenue per<br>subscriber (ARPU) | \$63.70  | \$59.20 | \$61.20   | \$58.10 |  |
| Average monthly churn-%:                         | 1.6%   | 1.7%    | 1.5%  | 1.7%    |  |
| Average subscriber acquisition<br>costs (SAC)    | \$590  | \$555   | \$575   | \$535   |  |
| Total number of subscribers-<br>platform (000's) | 11,852   | 10,921  | 11,852  | 10,921  |  |
| Total owned and operated<br>subscribers (000's)  | 10,275   | 9,201   | 10,275  | 9,201   |  |

(\*) Pre-Marketing Margin, which is a financial measure that is not determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, is calculated by adding amounts under the captions "Subscriber acquisition costs", "Retention, upgrade and other marketing costs" and "Depreciation and amortization expense" to "Operating Profit". This financial

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measure should be used in conjunction with other GAAP financial measures and is not presented as an alternative measure of operating results, as determined in accordance with GAAP. Hughes and DIRECTV U.S. management use Pre-Marketing Margin to evaluate the profitability of DIRECTV U.S.'s current subscriber base for the purpose of allocating resources to discretionary activities such as, adding new subscribers, retaining and upgrading existing subscribers and for capital expenditures. To compensate for the exclusion of "Subscriber acquisition costs" and "Retention, upgrade and other marketing costs", management also uses operating profit and operating profit before depreciation and amortization expense to measure profitability.

Hughes and DIRECTV U.S. believe this measure is useful to investors, along with other GAAP measures (such as revenues, operating profit and net income), to compare DIRECTV U.S.'s operating performance to other communications, entertainment and media companies. Hughes and DIRECTV U.S. believe that investors also use current and projected Pre-Marketing Margin to determine the ability of DIRECTV U.S.'s current and projected subscriber base to fund discretionary spending and to determine the financial returns for subscriber additions.

(\*\*) No individual guidance provided.

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37

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: October 15, 2003

By: /s/PETER R. BIBLE.

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(Peter R. Bible,  
Chief Accounting Officer)

38