

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

GENERAL MOTORS CORP
Form 8-K
July 17, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 8-K
CURRENT REPORT PURSUANT TO SECTION 13 OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report
(Date of earliest event reported) July 17, 2001

GENERAL MOTORS CORPORATION

(Exact name of registrant as specified in its charter)

STATE OF DELAWARE ----- (State or other jurisdiction of incorporation)	1-143 ----- (Commission File Number)	38-0572515 ----- (I.R.S. Employer Identification No.)
---	--	--

300 Renaissance Center, Detroit, Michigan ----- (Address of principal executive offices)	48265-3000 ----- (Zip Code)
--	-----------------------------------

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

- 1 -

ITEM 5. OTHER EVENTS

On July 17, 2001, a news release was issued on the subject of second quarter consolidated earnings for General Motors Corporation (GM). The news release did not include certain financial statements, related footnotes and certain other financial information that will be filed with the Securities and Exchange Commission as part of GM's Quarterly Report on Form 10-Q. The following is the second quarter earnings release for GM, and their subsidiary Hughes Electronics Corporation's (Hughes) earnings release dated July 16, 2001.

GM EARNS \$610 MILLION, OR \$1.26 PER SHARE, IN SECOND QUARTER

Net liquidity improves by \$1.4 billion

DETROIT-- General Motors Corp. (NYSE: GM) today reported that it earned \$610 million, or \$1.26 diluted earnings per share, in the second quarter of 2001-- excluding special items-- on revenues of \$46.1 billion.

The second-quarter-2001 results exclude one-time charges totaling \$133 million, or \$0.23 per share, related to the previously announced restructuring of its affiliate Isuzu Motors Ltd. GM earned \$477 million, or \$1.03 per share, in the quarter including the charges. GM financial results described throughout the remainder of this release exclude the charges relating to Isuzu unless otherwise noted.

"We had a reasonably solid quarter considering lower North American production to ensure appropriate levels of inventory in the context of moderating industry demand and the prevailing tough pricing conditions," said GM Chairman Jack Smith.

Cash and net liquidity both increased during the second quarter of 2001. Cash, marketable securities, and assets of the Voluntary Employees' Beneficiary Association (VEBA) trust invested in short-term fixed-income securities, excluding Hughes, totaled \$11.1 billion at June 30, 2001, compared with \$9.4 billion at March 31, 2001, bringing net liquidity up \$1.4 billion, to \$1.9 billion.

The second-quarter results compare with record performance in the prior-year period when GM earned \$1.8 billion, or \$2.93 per share, on revenue of \$48.7 billion.

The highly competitive pricing environment in the United States was exacerbated by the strength of the U.S. dollar compared with key European and Asian currencies. The currency exchange rates resulted in a distinct pricing advantage in the United States for European, Korean and Japanese manufacturers who have made significant gains in U.S. market share and increased the pricing pressure on U.S.-based manufacturers.

"We maintained momentum during the quarter as vehicle sales were stronger than expected in North America," said GM Chief Executive Officer Rick Wagoner. "We're moving faster to deliver innovative new products and services and

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

intensifying actions to lower our structural costs."

"We have significantly strengthened our North American product portfolio this year with the introduction of new sport-utility and innovative crossover vehicles that have been well received by our customers and the automotive media," Wagoner said.

GM's product renaissance continued during the second quarter with the production ramp-ups of the Chevrolet Avalanche and TrailBlazer; the Buick Rendezvous; the GMC Envoy; the Oldsmobile Bravada; the Cadillac Escalade; and the Chevrolet Silverado and GMC Sierra heavy-duty pickup trucks. Later this year, GM will launch the Cadillac CTS and EXT models; and the Saturn VUE, strengthening its product lineup even further.

- 2 -

GM is delivering a broader range of new products in other key markets around the world, as well. GM Europe's new products include the Astra convertible; the Speedster; and Vivaro and Combo commercial vans. In Latin America, the Chevrolet Zafira and Grand Vitara are new entries. In the Asia-Pacific region, the Buick Sail; the Chevrolet Blazer; and the S-10 crewcab pickup, which will be introduced later in the year, are important new products in China. The Zafira was recently introduced in Asia and is produced at GM's Thailand plant. GM will begin production this fall at Suzuki's Kosai plant in Japan of the new Chevrolet Cruze, a small 4X4 lifestyle vehicle.

Big contributors in the second quarter's financial performance were General Motors Acceptance Corp. (GMAC), and GM North America (GMNA).

GMAC

GMAC earned a second-quarter record \$449 million, an increase of more than 13 percent compared with the \$395 million earned in the second quarter of 2000. GMAC's results were driven primarily by stronger earnings in its core automotive finance operations. In this segment, the improvement came primarily from higher asset levels and the positive impact of lower short-term interest rates, only partially offset by higher credit losses and lower off-lease residual values.

Insurance operations posted a decline in earnings due largely to a timing-related reduction in capital gains. In the mortgage operations, the lower interest rate environment led to an acceleration of loan prepayments as more customers refinanced their mortgages requiring a write-down of mortgage servicing rights. Absent this write-down, mortgage operations remained strong with a significant increase in mortgage originations and record earnings from GMAC Commercial Mortgage and Residential Funding Corporation (GMAC's residential mortgage conduit operation). Overall, GMAC remains on track for another record year in 2001.

GM NORTH AMERICA

GMNA earned \$521 million in the second quarter of 2001 as production fell 13 percent, wholesale vehicle sales declined 12 percent, and net vehicle prices declined approximately 0.8 percent from the prior-year period. GMNA earned \$1.4 billion in the second quarter of 2000 when industry demand was at an all-time high. During the second quarter of 2001, U.S. dealer inventories were reduced to less than 1.1 million vehicles, more than 200,000 units below year-end-2000 levels.

In addition, GM outpaced the industry with an 11-percent improvement in

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

quality in the annual J.D. Power and Associates 2001 Initial Quality Study. GM was the highest ranking domestic automaker, with nine vehicles placing among the top three in their categories and three vehicles ranking highest.

GM also was recognized during the quarter for substantial improvements in productivity. The recent annual Harbour report cited an 8.5-percent improvement in GM North America's productivity, outperforming all other multi-plant manufacturers.

"I am especially pleased that the dedicated work of all our employees to improve quality and manufacturing productivity is being recognized and translated into improved results," Wagoner said. "GM's intense focus on quality is having a very positive effect on our products and customers."

GM led all manufacturers in productivity gains in assembly, stamping and engine operations; took the overall lead in transmission productivity for the first time, and had six of the 10 most improved assembly plants in North America. "We've made tremendous progress in productivity and we're working hard to build on that progress, allowing us to further improve our competitiveness in a pricing environment that continues to be aggressive and challenging," Wagoner said.

- 3 -

GM EUROPE

Fierce price competition, and unfavorable product mix and country mix were key factors in GM Europe's (GME) loss of \$154 million in the second quarter of 2001. That compares with earnings of \$166 million in the second quarter last year.

"The restructuring initiatives announced last year represent only the first step in returning our European operations to solid profitability. GME and our Opel unit have announced that they are aggressively identifying additional actions required to restore profitability and revitalize the Opel/Vauxhall brands," Wagoner said. "We will announce these actions later this year."

OTHER AUTOMOTIVE REGIONS

GM Asia Pacific (GMAP) had net income of \$12 million in the second quarter of 2001, excluding GM's portion of the severance payments and asset write-downs that were part of the previously announced restructuring of Isuzu. That compares with a loss of \$123 million in the second quarter of 2000. The improvement resulted primarily from decreased operating losses at Isuzu and strong equity earnings from GM's alliance partners Fuji Heavy Industries and Suzuki.

GM's Latin America/Africa/Mid-East (GMLAAM) region had net income of \$31 million in the second quarter of 2001, compared with \$10 million in the same period last year. The profit improvement was driven primarily by increased volume. The region had its highest market penetration for any quarter in the last 10 years as market share hit 17.8 percent in the second quarter of 2001 - an increase of nearly two percentage points from the same period a year ago.

HUGHES

Hughes' net loss of \$156 million in the second quarter of 2001 was related primarily to the continued growth of DIRECTV. Hughes added approximately 200,000 net new DIRECTV subscribers in the second quarter, bringing the total subscriber base to 11.4 million.

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

LOOKING AHEAD

Sales levels in the first half of 2001 were more robust than initially projected, while some moderation is expected in the second half of the year. GM now expects that total U.S. vehicle sales will be approximately 16.8 million units in calendar-year 2001.

In the European market, sales have moderated from the strong levels last year. GM expects industry vehicle sales in Europe to be in the range of 19 million to 19.5 million units for the calendar year.

Regarding the earnings outlook, the present analysts' consensus of approximately \$0.83 per share for the third quarter of 2001 appears reasonable and is consistent with GM's outlook for the quarter. GM's outlook for the full year remains at \$4.25 per share.

#

- 4 -

In this press release and related comments by General Motors management, our use of the words "outlook," "expect," "anticipate," "estimate," "forecast," "objective," "plan," "goal" 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-10,11) 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.

- 5 -

General Motors Corporation
Adjusted Corporate Financial Results

	Second Quarter		Year to Date	
	2001 (1)	2000	2001 (2)	2000
Total net sales and revenues (\$Mil's)	\$46,119	\$48,743	\$88,742	\$95,601
Consolidated net income (\$Mil's)	\$610	\$1,751	\$835	\$3,534
Net margin from consolidated net income	1.3%	3.6%	0.9%	3.7%
GM \$1-2/3 par value earnings per share				

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Basic EPS	\$1.29	\$2.99	\$1.80	\$5.87
Diluted EPS	\$1.26	\$2.93	\$1.77	\$5.74
GM Class H				
earnings per share (3)				
Basic EPS	\$(0.14)	\$(0.07)	\$(0.23)	\$(0.15)
Diluted EPS	\$(0.14)	\$(0.07)	\$(0.23)	\$(0.15)
Earnings attributable to				
GM \$1-2/3 par value (\$Mil's)				
Consolidated net income	\$610	\$1,751	\$835	\$3,534
Preferred dividends	(23)	(27)	(51)	(56)
Losses attributable				
to GM Class H	120	38	201	71
	---	-----	---	-----
Total earnings attributable				
to GM \$1-2/3 par value	\$707	\$1,762	\$985	\$3,549
	===	=====	===	=====
GM \$1-2/3 par value average				
shares outstanding (Mil's)				
Basic shares	549	590	549	605
Diluted shares	559	602	559	618
Cash dividends per share				
of common stocks				
GM \$1-2/3 par value	\$0.50	\$0.50	\$1.00	\$1.00
GM Class H	-	-	-	-
Book value per share of				
common stocks at June 30				
GM \$1-2/3 par value	\$38.85	\$38.44		
GM Class H (3)	\$7.77	\$7.69		
Total cash at June 30				
(\$Bil's) (4)	\$12.2	\$13.3		
Automotive, Communications Services,				
and Other Operations (\$Mil's)				
Depreciation	\$1,137	\$972	\$2,168	\$1,962
Amortization of special				
tools	573	661	1,138	1,315
Amortization of intangible				
assets	85	81	158	152
	-----	-----	-----	-----
Total	\$1,795	\$1,714	\$3,464	\$3,429
	=====	=====	=====	=====

See footnotes on page 10.

- 6 -

General Motors Corporation
Adjusted Segment Financial Results

Second Quarter		Year to Date	
-----		-----	
2001(1)	2000	2001(2)	2000

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

(dollars in millions)				
Total net sales and revenues				
GMNA	\$28,117	\$30,569	\$53,223	\$59,813
GME	6,231	7,142	12,499	13,976
GMLAAM	1,739	1,368	3,134	2,758
GMAP	1,128	790	2,138	1,653
	-----	-----	-----	-----
Total GMA	37,215	39,869	70,994	78,200
Hughes	2,003	2,260	3,920	4,378
Other	513	741	981	1,487
	-----	-----	-----	-----
Total ACO	39,731	42,870	75,895	84,065
GMAC	6,321	5,755	12,698	11,376
Other Financing	67	118	149	160
	-----	-----	-----	-----
Total FIO	6,388	5,873	12,847	11,536
	-----	-----	-----	-----
Consolidated net sales and revenues	\$46,119	\$48,743	\$88,742	\$95,601
	=====	=====	=====	=====
Pre-tax income (loss)				
GMNA	\$666	\$2,059	\$882	\$3,982
GME	(194)	278	(347)	627
GMLAAM	74	(32)	82	(68)
GMAP	35	6	35	33
	---	-----	-----	-----
Total GMA	581	2,311	652	4,574
Hughes (5)	(248)	(57)	(400)	(265)
Other	(113)	(70)	(259)	(113)
	---	-----	-----	-----
Total ACO	220	2,184	(7)	4,196
GMAC	714	628	1,432	1,260
Other Financing	(9)	23	(23)	11
	---	-----	-----	-----
Total FIO	705	651	1,409	1,271
	---	-----	-----	-----
Consolidated pre-tax income	\$925	\$2,835	\$1,402	\$5,467
	===	=====	=====	=====
Net income (loss)				
GMNA	\$521	\$1,411	\$641	\$2,700
GME	(154)	166	(240)	387
GMLAAM	31	10	37	11
GMAP	12	(123)	(8)	(116)
	---	-----	---	-----
Total GMA	410	1,464	430	2,982
Hughes (5) (6)	(156)	(64)	(252)	(141)
Other	(82)	(69)	(201)	(105)
	---	-----	---	-----
Total ACO	172	1,331	(23)	2,736
GMAC	449	395	880	792
Other Financing	(11)	25	(22)	6
	---	-----	---	-----
Total FIO	438	420	858	798
	---	-----	---	-----
Consolidated net income	\$610	\$1,751	\$835	\$3,534
	===	=====	===	=====

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

See footnotes on page 10.

- 7 -

General Motors Corporation
Supplementary Adjusted Segment Financial Results

	Second Quarter		Year to Date	
	2001(1)	2000	2001(2)	2000
(dollars in millions)				
Income tax expense (benefit)				
GMNA	\$143	\$645	\$208	\$1,260
GME	(36)	115	(100)	245
GMLAAM	27	(24)	29	(47)
GMAP	21	1	19	11
	---	---	---	---
Total GMA	\$155	\$737	\$156	\$1,469
	===	===	===	=====
Equity income (loss) and minority interests				
GMNA	\$ (2)	\$ (3)	\$ (33)	\$ (22)
GME	4	3	7	5
GMLAAM	(16)	18	(16)	32
GMAP	(2)	(128)	(24)	(138)
	--	---	--	---
Total GMA	\$ (16)	\$ (110)	\$ (66)	\$ (123)
	==	===	==	===
Effective income tax rate				
GMNA	21.5%	31.3%	23.6%	31.6%
GME	18.6%	41.4%	28.8%	39.1%
GMLAAM	36.5%	75.0%	35.4%	69.1%
GMAP	60.0%	16.7%	54.3%	33.3%
Net margins				
GMNA	1.9%	4.6%	1.2%	4.5%
GME	(2.5%)	2.3%	(1.9%)	2.8%
GMLAAM	1.8%	0.7%	1.2%	0.4%
GMAP	1.1%	(15.6%)	(0.4%)	(7.0%)
Total GMA	1.1%	3.7%	0.6%	3.8%
Hughes (5) (6)	(7.8%)	(2.8%)	(6.4%)	(3.2%)
Total ACO	0.4%	3.1%	(0.0%)	3.3%
GMAC	7.1%	6.9%	6.9%	7.0%
Consolidated net income	1.3%	3.6%	0.9%	3.7%

See footnotes on page 10.

- 8 -

General Motors Corporation
Operating Statistics

	Second Quarter		Year to Date	
	2001	2000	2001	2000
	-----	-----	-----	-----
(units in thousands)				
Worldwide Wholesale Sales				
United States - Cars	542	684	1,048	1,306
United States - Trucks	634	669	1,202	1,343
	-----	-----	-----	-----
Total United States	1,176	1,353	2,250	2,649
Canada, Mexico, and Other	186	223	337	416
	-----	-----	-----	-----
Total GMNA	1,362	1,576	2,587	3,065
GME	495	539	963	1,038
GMLAAM	187	154	346	289
GMAP	100	95	239	211
	-----	-----	-----	-----
Total Worldwide	2,144	2,364	4,135	4,603
	=====	=====	=====	=====
 Vehicle Unit Deliveries				
Chevrolet - Cars	227	242	459	475
Chevrolet - Trucks	466	468	888	921
Pontiac	144	165	281	320
GMC	144	150	269	289
Buick	95	111	182	214
Oldsmobile	60	81	136	158
Saturn	85	81	151	145
Cadillac	41	46	79	98
Other	13	11	26	18
	-----	-----	-----	-----
Total United States	1,275	1,355	2,471	2,638
Canada, Mexico, and Other	186	196	348	355
	-----	-----	-----	-----
Total GMNA	1,461	1,551	2,819	2,993
GME	502	516	999	1,038

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

GMLAAM	174	143	338	282
GMAP	116	118	245	233
	-----	-----	-----	-----
Total Worldwide	2,253	2,328	4,401	4,546
	=====	=====	=====	=====
Market Share				
United States - Cars	26.2%	28.4%	27.5%	28.6%
United States - Trucks	28.4%	27.3%	28.2%	27.7%
Total United States	27.3%	27.8%	27.8%	28.2%
Total North America	27.0%	27.7%	27.5%	27.9%
Total Europe	9.5%	9.6%	9.5%	9.5%
Latin America (7)	22.8%	20.5%	22.1%	20.0%
Asia and Pacific	3.7%	3.8%	3.7%	3.6%
Total Worldwide	15.2%	15.6%	15.0%	15.2%
U.S. Retail/Fleet Mix				
% Fleet Sales - Cars	24.5%	25.1%	28.7%	26.9%
% Fleet Sales - Trucks	15.8%	18.2%	15.0%	16.7%
Total Vehicles	20.0%	21.7%	21.7%	21.9%
Retail Lease as % of Retail Sales				
Total Smartlease and Smartbuy	16.0%	24.1%		
Days Supply of Inventory at June 30				
United States - Cars	57	64		
United States - Trucks	84	90		
Capacity Utilization				
U.S. and Canada (2 shift rated)	80.7%	94.7%	75.5%	91.2%
GMNA Net Price	(0.8%)	0.0%		
See footnotes on page 10.				

- 9 -

General Motors Corporation
Operating Statistics

	Second Quarter		Year to Date	
	2001	2000	2001	2000
	----	----	----	----
GMAC's U.S. Cost of Borrowing	5.90%	6.56%		
Current Debt Spreads Over				
U.S. Treasuries				
2 Year	105 bp	100 bp		
5 Year	150 bp	145 bp		
10 Year	178 bp	185 bp		
Worldwide Employment				
at June 30 (in 000's)				
United States Hourly	130	139		
United States Salary	43	44		
	---	---		
Total United States	173	183		

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Canada, Mexico, and Other	34	35
	---	---
GMNA	207	218
GME	76	90
GMLAAM	25	24
GMAP	11	11
Hughes	11	18
GMAC	29	27
Other	13	13
	---	---
Total	372	401
	===	===

Worldwide Payrolls (\$Mil's) \$5,164 \$5,769 \$10,166 \$11,360

Footnotes:

-
- (1) The Q2 2001 adjusted amounts represent the reported amounts excluding General Motors' portion of severance payments and asset impairments that were part of the previously announced restructuring of its affiliate Isuzu Motors Ltd. General Motors' share of such charges decreased GMAP and consolidated net income by \$133 million.
 - (2) The year-to-date 2001 adjusted amounts represent the reported amounts excluding General Motors' portion of severance payments and asset impairments that were part of the previously announced restructuring of its affiliate Isuzu Motors Ltd., less the net Q1 2001 impact from initially adopting SFAS No. 133, Accounting for Derivatives and Hedging Activities. The Isuzu restructuring charges decreased consolidated net income by \$133 million during Q2 2001 while the net impact from initially adopting SFAS No. 133 increased consolidated net income by \$12 million during Q1 2001.
 - (3) The 2000 GM Class H common stock earnings per share and book value per share amounts have been adjusted to reflect the three-for-one stock split, in the form of a 200% stock dividend, paid on June 30, 2000.
 - (4) Represents total cash for Automotive, Communications Services, and Other Operations which includes cash and marketable securities, as well as \$3.0 billion invested in short-term fixed income securities of the Corporation's Voluntary Employees' Beneficiary Association Trust.
 - (5) Excludes the effects of purchase accounting adjustments related to General Motors' acquisition of Hughes in 1985.
 - (6) Excludes Hughes Series A Preferred Stock dividends payable to General Motors.
 - (7) Latin America excludes the Middle East and Africa.

- 10 -

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Three Months Ended		Six Months Ended	
June 30,		June 30,	
-----		-----	
2001	2000	2001	2000
----	----	----	----

(dollars in millions except per share amounts)

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Total net sales and revenues	\$46,119	\$48,743	\$88,734	\$95,601
	-----	-----	-----	-----
Cost of sales and other expenses	37,181	38,069	71,691	75,210
Selling, general, and administrative expenses	5,754	5,481	11,144	10,338
Interest expense	2,259	2,358	4,470	4,586
	-----	-----	-----	-----
Total costs and expenses	45,194	45,908	87,305	90,134
	-----	-----	-----	-----
Income before income taxes and minority interests	925	2,835	1,429	5,467
Income tax expense	304	929	512	1,712
Equity income/(loss) and minority interests	(144)	(155)	(203)	(221)
	---	---	---	---
Net income	477	1,751	714	3,534
Dividends on preference stocks	(23)	(27)	(51)	(56)
	---	---	---	---
Earnings attributable to common stocks	\$454	\$1,724	\$663	\$3,478
	===	=====	===	=====
Basic earnings (losses) per share attributable to common stocks				
Earnings per share attributable to \$1-2/3 par value	\$1.05	\$2.99	\$1.59	\$5.87
	=====	=====	=====	=====
Earnings per share attributable to Class H	\$ (0.14)	\$ (0.07)	\$ (0.24)	\$ (0.15)
	=====	=====	=====	=====
Earnings (losses) per share attributable to common stocks assuming dilution				
Earnings per share attributable to \$1-2/3 par value	\$1.03	\$2.93	\$1.56	\$5.74
	=====	=====	=====	=====
Earnings per share attributable to Class H	\$ (0.14)	\$ (0.07)	\$ (0.24)	\$ (0.15)
	=====	=====	=====	=====

- 11 -

CONSOLIDATED STATEMENTS OF INCOME - concluded
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30	
30,	2001 ----	2000 ----	2001 ----	2000 ----
	(dollars in millions)			
AUTOMOTIVE, COMMUNICATIONS SERVICES, AND OTHER OPERATIONS				
Total net sales and revenues	\$39,731	\$42,870	\$75,895	\$84,065
	-----	-----	-----	-----
Cost of sales and other expenses	35,182	36,260	67,676	71,581
Selling, general, and administrative expenses	4,091	4,032	7,730	7,539
	-----	-----	-----	-----
Total costs and expenses	39,273	40,292	75,406	79,120
	-----	-----	-----	-----
Interest expense	151	222	313	438
Net expense from transactions with Financing and Insurance Operations	87	172	218	311
	-----	-----	-----	-----
Income (loss) before income taxes and minority interests	220	2,184	(42)	4,196
Income tax expense (benefit)	68	698	(13)	1,240
Equity income/(loss) and minority interests	(113)	(155)	(149)	(220)
	---	---	---	---
Net income (loss) - Automotive, Communications Services, and Other Operations	\$39	\$1,331	\$(178)	\$2,736
	==	=====	===	=====
FINANCING AND INSURANCE OPERATIONS				
Total revenues	\$6,388	\$5,873	\$12,839	\$11,536
	-----	-----	-----	-----
Interest expense	2,108	2,136	4,157	4,148
Depreciation and amortization				

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

expense	1,443	1,483	2,952	3,006
Operating and other expenses	1,628	1,391	3,345	2,697
Provision for financing and insurance losses	591	384	1,132	725
	-----	-----	-----	-----
Total costs and expenses	5,770	5,394	11,586	10,576
	-----	-----	-----	-----
Net income from transactions with Automotive, Communications Services, and Other Operations	(87)	(172)	(218)	(311)
	---	---	---	---
Income before income taxes and minority interests	705	651	1,471	1,271
Income tax expense	236	231	525	472
Equity income/(loss) and minority interests	(31)	-	(54)	(1)
	---	---	---	---
Net income - Financing and Insurance Operations	\$438	\$420	\$892	\$798
	===	===	===	===

- 12 -

CONSOLIDATED BALANCE SHEETS			
	June 30, 2001 (Unaudited)	Dec. 31, 2000	June 30, 2000 (Unaudited)
	-----	----	-----
GENERAL MOTORS CORPORATION AND SUBSIDIARIES			
ASSETS	(dollars in millions)		
Automotive, Communications Services, and Other Operations			

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Cash and cash equivalents	\$8,370	\$9,119	\$9,441
Marketable securities	795	1,161	893
	-----	-----	-----
Total cash and marketable securities	9,165	10,280	10,334
Accounts and notes receivable			
(less allowances)	6,533	5,835	5,968
Inventories (less allowances)	11,072	10,945	11,680
Equipment on operating leases			
(less accumulated depreciation)	5,084	5,699	5,973
Deferred income taxes and other current assets	8,499	8,388	9,678
	-----	-----	-----
Total current assets	40,353	41,147	43,633
Equity in net assets of nonconsolidated associates	4,934	3,497	3,377
Property - net	33,922	33,977	33,436
Intangible assets - net	7,743	7,622	8,726
Deferred income taxes	15,560	14,870	13,456
Other assets	31,226	32,243	30,207
	-----	-----	-----
Total Automotive, Communications Services, and Other Operations assets	133,738	133,356	132,835
Financing and Insurance Operations			
Cash and cash equivalents	1,139	1,165	692
Investments in securities	10,614	9,595	9,447
Finance receivables - net	89,608	92,415	85,782
Investment in leases and other receivables	35,701	36,752	37,883
Other assets	31,281	27,846	23,528
Net receivable from Automotive, Communications Services, and Other Operations	1,582	1,971	1,182
	-----	-----	-----
Total Financing and Insurance Operations assets	169,925	169,744	158,514
	-----	-----	-----
Total assets	\$303,663	\$303,100	\$291,349
	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Automotive, Communications Services, and Other Operations			
Accounts payable (principally trade)	\$19,177	\$18,309	\$17,329
Loans payable	2,430	2,208	2,554
Accrued expenses	34,512	33,252	32,527
Net payable to Financing and Insurance Operations	1,582	1,971	1,182
	-----	-----	-----
Total current liabilities	57,701	55,740	53,592
Long-term debt	8,662	7,410	8,518
Postretirement benefits other than pensions	34,109	34,306	33,931
Pensions	3,111	3,480	3,338
Other liabilities and deferred income taxes	14,791	15,768	17,279
	-----	-----	-----
Total Automotive, Communications Services, and Other Operations liabilities	118,374	116,704	116,658
Financing and Insurance Operations			
Accounts payable	6,348	7,416	4,611
Debt	133,088	135,037	128,164
Other liabilities and deferred income taxes	15,494	12,922	12,161
	-----	-----	-----
Total Financing and Insurance Operations liabilities	154,930	155,375	144,936
Minority interests	699	707	647

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

General Motors - obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated debentures of General Motors Series G	-	139	139
Stockholders' equity			
\$1-2/3 par value common stock (issued, 549,606,968; 548,181,757; and 536,912,451 shares)	916	914	895
Class H common stock (issued, 876,465,865; 875,286,559 and 873,646,596 shares)	88	88	87
Capital surplus (principally additional paid-in capital)	21,114	21,020	19,668
Retained earnings	10,233	10,119	9,816
	-----	-----	-----
Subtotal	32,351	32,141	30,466
Accumulated foreign currency translation adjustments	(2,814)	(2,502)	(2,252)
Net unrealized loss on derivatives	(187)	-	-
Net unrealized gains on securities	355	581	876
Minimum pension liability adjustment	(45)	(45)	(121)
	-----	-----	-----
Accumulated comprehensive loss	(2,691)	(1,966)	(1,497)
	-----	-----	-----
Total stockholders' equity	29,660	30,175	28,969
	-----	-----	-----
Total liabilities and stockholders' equity	\$303,663	\$303,100	\$291,349
	=====	=====	=====

- 13 -

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,			
	2001		2000	
	Automotive, Comm.Serv. and Other	Financing and Insurance	Automotive, Comm.Serv. and Other	Financing and Insurance
	-----	-----	-----	-----
	(dollars in millions)			
Net cash provided by operating activities	\$3,455	\$1,278	\$6,235	\$3,283
Cash flows from investing activities				
Expenditures for property	(4,220)	(42)	(3,791)	(213)
Investments in marketable securities				
- acquisitions	(773)	(15,691)	(1,399)	(11,823)
Investments in marketable securities				
- liquidations	1,139	14,734	2,204	11,836

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Mortgage servicing rights - acquisitions	-	(813)	-	(398)
Mortgage servicing rights - liquidations	-	18	-	-
Finance receivables - acquisitions	-	(107,883)	-	(108,780)
Finance receivables - liquidations	-	68,560	-	73,835
Proceeds from sales of finance receivables	-	41,156	-	28,906
Operating leases - acquisitions	(3,182)	(6,448)	(3,967)	(8,883)
Operating leases - liquidations	3,576	5,138	3,507	4,602
Investments in companies, net of cash acquired	(612)	(119)	(1,554)	-
Net investing activity with Financing and Insurance Operations	-	-	(998)	-
Other	(351)	129	(371)	151
	-----	-----	-----	-----
Net cash used in investing activities	(4,423)	(1,261)	(6,369)	(10,767)
	-----	-----	-----	-----
Cash flows from financing activities				
Net increase (decrease) in loans payable	222	(21,634)	488	2,127
Long-term debt - borrowings	3,451	28,904	3,417	12,619
Long-term debt - repayments	(2,225)	(7,703)	(3,337)	(8,098)
Net financing activity with Automotive, Communications Services, and Other Operations	-	-	-	998
Repurchases of common and preference stocks	(264)	-	(417)	-
Proceeds from issuing common stocks	71	-	356	-
Cash dividends paid to stockholders	(600)	-	(679)	-
	---	---	---	---
Net cash provided by (used in) financing activities	655	(433)	(172)	7,646
	---	---	---	---
Effect of exchange rate changes on cash and cash equivalents	(47)	1	(164)	(1)
Net transactions with Automotive/Financing Operations	(389)	389	181	(181)
	---	---	---	---
Net decrease in cash and cash equivalents	(749)	(26)	(289)	(20)
Cash and cash equivalents at beginning of the period	9,119	1,165	9,730	712
	-----	-----	-----	---
Cash and cash equivalents at end of the period	\$8,370	\$1,139	\$9,441	\$692
	=====	=====	=====	===

- 14 -

HUGHES REPORTS SECOND QUARTER 2001
FINANCIAL RESULTS

DIRECTV U.S. Business Grows Revenue by 19%; Nearly Triples EBITDA

Company Updates Full Year Financial Projections

El Segundo, Calif., July 16, 2001 -- Hughes Electronics Corporation, the world's leading provider of digital television entertainment, broadband services, satellite-based private business networks, and global video and data

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

broadcasting, today reported second quarter 2001 revenues increased 8.1% to \$1,985.1 million, compared with \$1,837.0 million in the second quarter of 2000. EBITDAL for the quarter was \$82.0 million and EBITDA margin was 4.1%. Included in EBITDA was the negative impact of one-time severance charges of \$22 million. In the second quarter of 2000, EBITDA was \$179.6 million and EBITDA margin was 9.8%.

"Our revenue growth continues to be driven by our DIRECTV businesses in the United States and Latin America," explained Jack A. Shaw, HUGHES' chief executive officer. "DIRECTV, which now serves more than 10 million customers in the United States, generated more than \$1.3 billion in revenue for the quarter--a 19% increase over the second quarter of last year. In addition, DIRECTV Latin America increased its revenue by 43% over the year-ago period, generating \$175 million in the second quarter of 2001."

Shaw continued, "Driven by its larger subscriber base and industry-leading monthly subscriber revenue, DIRECTV U.S. attained EBITDA of \$75 million, nearly three times the \$26 million of EBITDA reported in the second quarter of 2000. However, this significant improvement in EBITDA was more than offset by the reduced EBITDA associated with lower new outright sales and sales-type leases of satellite transponders at PanAmSat and lower sales of Hughes Network Systems' (HNS) DIRECTV receiving systems, as well as increased investment in HNS' DIRECWAY(TM) broadband business. Also impacting EBITDA were the losses related to our new DIRECTV DSLTM service, which was formerly known as Telocity."

Shaw added, "Upon assuming the position of CEO seven weeks ago, I, along with the senior leadership team, began performing an extensive review of each of our businesses and the challenges that are facing them in this difficult economy. Accordingly, we've updated our financial projections and are lowering our consolidated HUGHES' revenue projections to approximately \$8.3 billion and EBITDA estimates to a range of \$450-500 million. This incorporates the recently announced changes to PanAmSat's financial outlook as well as reductions to our DIRECTV U.S. estimates for subscriber additions, to about 1.1 million, and EBITDA, to \$250-300 million." Shaw emphasized, "My number one operational objective is to get the company back on-track and meet or exceed these financial commitments. In the coming weeks, we will be sharing with you the specific operational and structural changes that will enable us to meet this objective."

- 15 -

HUGHES had a second quarter 2001 net loss of \$156.5 million, compared to a net loss of \$69.1 million in the same period of 2000. The decline was due to the reduced EBITDA and increased depreciation and amortization expense in the Direct-To-Home segment, mostly related to the growth in customer leased DIRECTV set-top boxes in Latin America and the United States and the acquisition of Telocity during the quarter, and at PanAmSat, primarily associated with its larger satellite fleet. These declines were partially offset by lower net interest expense in 2001 and the elimination of operating losses reported in 2000 from the DIRECTV Japan business.

Hughes Financial Guidance

	Q3 Guidance	Prior Full Year 2001	Revised Full Year 2001
<hr style="border-top: 1px dashed black;"/>			
Hughes			
<hr style="border-top: 1px dashed black;"/>			
Revenues	~\$2.1B	~20% growth over	~\$8.3B

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

2000's \$7.3B

EBITDA	\$90 - 110M	\$575M - 650M	\$450-500M
Cash Requirements	N/A	\$2.5 - 3.0B	\$2.5 - 3.0B
DIRECTV U.S.			
Revenue	~\$1.4B	\$5.5 - 5.7B	\$5.5 - 5.6B
EBITDA	\$50-75M	~\$350 -425M	\$250-300M
Net Subscriber Adds	225 -275K	~1.3M	~1.1M
DIRECTV DSL			
EBITDA	\$(35)M-(45)M	\$(120)M - (140)M	\$(100)M - (120)M
Net Subscriber Adds	N/A	~100K	~75K
DIRECTV Latin America			
Revenue	~\$180M	~750M	~725M
EBITDA	~\$(20)M	~\$(100)M	~\$(100)M
Net Subscriber Adds	50 - 75K	~350K	~300K
PanAmSat			
Revenue	\$205 -210M	~\$1B	\$825 - 835M
New Outright Sales and Sales-Type Leases	None	10 - 15% of total sales	None
EBITDA Margin	Mid to high 60% range	Mid to high 60% range	Mid to high 60% range
Hughes Network Systems			
Revenue	\$340 - 370M	10% growth over 2000's \$1.4B	~\$1.3B
EBITDA	~\$(40)M	\$(100)M - \$(150)M	\$(100)M - \$(150)M
Spaceway (Included in HNS totals)	\$(5)M - \$(10)M	\$(25)M - (35)M	\$(25)M - (35)M
DIRECWAY Net Sub Adds	N/A	~200K	~150K
DIRECWAY EBITDA (Included in HNS totals)	~(45)M	\$(160)M - (200)M	\$(150)M - (180)M

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Six-Month Financial review

For the first half of 2001, revenues increased 9.5% to \$3,878.1 million, compared to \$3,540.1 million in the first half of 2000. This increase was due to subscriber growth at DIRECTV in the United States and Latin America, partially offset by the lower sales and sales-type leases at PanAmSat and lower sales of HNS' DIRECTV receiving systems.

EBITDA for the first six months of 2001 was \$195.2 million and EBITDA margin was 5.0%, compared to EBITDA of \$332.3 million and EBITDA margin of 9.4% in the same period of 2000. The decrease in EBITDA and EBITDA margin was primarily attributable to the large outright sales and sales-type leases at PanAmSat in the first half of 2000, for which there were no comparable sales in the first half of 2001. In addition, EBITDA and EBITDA margin were negatively impacted by increased investment in DIRECWAY, lower shipments of DIRECTV receiving systems and the consolidation of Telocity Delaware, Inc. ("Telocity") which was acquired by HUGHES in April 2001.

For the first six months of 2001, net losses totaled \$261.8 million, compared to net losses of \$151.0 million in 2000. The change was primarily due to the reduced EBITDA and an increase in depreciation and amortization expense in the Direct-To-Home segment, primarily associated with the growth in customer leased DIRECTV set-top boxes in Latin America and the United States and the acquisition of Telocity during the second quarter, and at PanAmSat, mostly due to its larger satellite fleet. These declines were partially offset by the elimination of operating losses and one-time after-tax charges related to the discontinued DIRECTV Japan business, and lower net interest expense.

Segment Financial Review: Second Quarter 2001

Direct-To-Home Broadcast

The Direct-To-Home Broadcast segment now includes the results of the DIRECTV DSL service (formerly known as Telocity), a broadband Internet service using Digital Subscriber Line (DSL) technology. Second quarter 2001 revenues for the segment increased 22.0% to \$1,527.7 million from \$1,252.2 million in the second quarter of 2000. The segment had negative EBITDA of \$1.3 million compared with negative EBITDA of \$14.0 million in the second quarter of 2000.

United States: DIRECTV reported quarterly revenues of \$1,345 million, an increase of 19% from last year's second quarter revenues of \$1,129 million. The increase was primarily due to DIRECTV's larger subscriber base compared to 2000.

DIRECTV added about 745,000 gross subscribers in the quarter. After accounting for churn, net subscriber additions in the quarter were 175,000. As of June 30, 2001, DIRECTV had more than 10.0 million subscribers, representing a 15% increase over the 8.7 million customers attained as of June 30, 2000.

EBITDA for the second quarter of 2001 was \$75 million compared to EBITDA of \$26 million in last year's second quarter. This increase was principally due to the revenues generated by the larger subscriber base.

DIRECTV DSL: The DIRECTV DSL service was created following HUGHES' April 2001 acquisition of Telocity. No comparative financial data for DIRECTV DSL is provided for the second quarter 2000.

- 17 -

The DIRECTV DSL service had second quarter 2001 revenues of \$7 million and negative EBITDA of \$41 million. Approximately 4,000 net customers were added to the DIRECTV DSL service in the quarter. Net subscriber additions in the quarter were negatively impacted by the customer churn related to the bankruptcy of NorthPoint Communications, formerly a wholesale provider of broadband services. As of June 30, 2001, DIRECTV DSL had more than 68,000 residential broadband customers in the United States compared to over 13,000 customers as of June 30, 2000.

Latin America: DIRECTV Latin America generated \$175 million in revenues for the quarter compared with \$122 million in the second quarter of 2000. This 43% increase was primarily due to continued subscriber growth.

The DIRECTV service in Latin America added about 25,000 net subscribers in the second quarter of 2001. The total number of DIRECTV subscribers in Latin America as of June 30, 2001 was approximately 1,431,000 compared to about 1,010,000 as of June 30, 2000, representing an increase of approximately 42%.

DIRECTV Latin America had negative EBITDA of \$35 million in the quarter compared to negative EBITDA of \$40 million in the same period of 2000. The change was primarily due to the larger subscriber base.

Satellite Services

PanAmSat, which is 81%-owned by HUGHES, attained second quarter 2001 revenues of \$208.3 million compared with \$322.3 million in the prior year's period. The decrease was driven by \$123 million of second quarter 2000 outright sales and sales-type leases of satellite transponders, for which there were no comparable sales in the second quarter 2001. While revenues from outright sales and sales-type leases represent substantial long-term commitments for PanAmSat services, virtually all of these revenues are recognized at service commencement. Revenues from operating lease agreements are recognized monthly over the term of the agreement. As a result, revenues from sales and sales-type lease transactions are subject to greater variation from period to period than revenues from operating leases.

EBITDA for the quarter was \$134.5 million, compared with second quarter 2000 EBITDA of \$221.4 million. EBITDA margin in the second quarter of 2001 was 64.6% compared to 68.7% in the same period of 2000. The decrease in EBITDA was principally due to the lower sales and sales-type leases, and an increase in direct operating, and selling, general and administrative (SG&A) costs resulting from the NET-36TM initiative and additional headcount to support the company's services. Excluding the impact of new sales and sales-type leases and operating costs associated with NET-36, EBITDA was \$144 million and EBITDA margin was 69% for the second quarter 2001, compared to EBITDA of \$140 million and EBITDA margin of 70% in the second quarter 2000.

As of June 30, 2001, PanAmSat had contracts for satellite services representing future payments (backlog) of approximately \$6.0 billion compared to approximately \$6.2 billion at the end of the second quarter of 2000.

Network Systems

Hughes Network Systems (HNS) generated second quarter 2001 revenues of \$302.2 million versus \$371.8 million in the second quarter of 2000. The decline was principally due to lower sales of DIRECTV receiving equipment resulting from

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

the completion of the PRIMESTAR By DIRECTV conversion process in the third quarter of 2000. HNS shipped 413,000 DIRECTV receiver systems in the second quarter of 2001 compared to 913,000 units in the same period last year.

- 18 -

In the quarter, HNS had negative EBITDA of \$36.8 million compared to EBITDA of \$0.8 million in the second quarter of 2000. The decline in EBITDA is primarily attributable to lower shipments of and decreased manufacturing subsidies on DIRECTV receivers, and increased investment in the DIRECWAY broadband business. In the quarter, HNS added approximately 12,000 net subscribers, bringing the cumulative total to approximately 74,000 DIRECWAY broadband consumers in the United States.

During the second quarter, HNS launched the DIRECWAY brand, which now - under a single umbrella - offers complete broadband-by-satellite services for enterprises, consumers, small businesses, and telecommuters. With its retail and service partners and "powered by" alliances with a number of service providers, DIRECWAY is linked to more than 45 million users via highly targeted advertising and promotion.

BALANCE SHEET

From December 31, 2000 to June 30, 2001, the company's consolidated cash balance decreased \$455.8 million to \$1,052.3 million and total debt increased \$545.0 million to \$1,861.6 million. The major uses of cash were for satellite and capital expenditures, as well as for the purchase of Telocity.

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

A live webcast of HUGHES' second quarter 2001 earnings call will be available on the company's website at www.hughes.com. The call will begin at 2:00 p.m. ET, today. Investors are advised to allow 15 minutes prior to the call to register and download any necessary software. Following the completion of the call, the webcast will be archived on the Investor Relations portion of the HUGHES' website.

NOTE: Hughes Electronics Corporation believes that some of the foregoing statements may constitute forward-looking statements. When used in this report, the words "estimate," "plan," "project," "anticipate," "expect," "intend," "outlook," "believe," and other similar expressions are intended to identify such forward-looking statements and information. Important factors that may cause actual results of HUGHES to differ materially from the forward-looking statements in this report are set forth in the Form 10-Ks filed with the SEC by General Motors and HUGHES.

1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the sum of operating profit (loss) and depreciation and amortization. EBITDA margin is calculated by dividing EBITDA by total revenues.

###

- 19 -

CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

	June 30, 2001 (Unaudited)	December 31, 2000
ASSETS		

Current Assets		
Cash and cash equivalents	\$1,052.3	\$1,508.1
Accounts and notes receivable	1,235.1	1,253.0
Contracts in process	154.6	186.0
Inventories	396.1	338.0
Deferred income taxes	114.3	89.9
Prepaid expenses and other	881.9	778.7

Total Current Assets	3,834.3	4,153.7
Satellites, net	4,540.2	4,230.0
Property, net	2,027.9	1,707.8
Net Investment in Sales-type Leases	196.8	221.1
Intangible Assets, net	7,354.9	7,151.3
Investments and Other Assets	1,514.1	1,815.4

Total Assets	\$19,468.2	\$19,279.3
=====		
LIABILITIES AND STOCKHOLDER'S EQUITY		

Current Liabilities		
Accounts payable	\$1,367.6	\$1,224.2
Deferred revenues	176.2	137.6
Short-term borrowings and current portion of long-term debt	908.5	24.6
Accrued liabilities and other	1,257.8	1,304.5

Total Current Liabilities	3,710.1	2,690.9
Long-Term Debt	953.1	1,292.0
Other Liabilities and Deferred Credits	1,580.7	1,647.3
Deferred Income Taxes	666.8	769.3
Commitments and Contingencies		
Minority Interests	540.2	553.7
Stockholder's Equity	12,017.3	12,326.1

Total Liabilities and Stockholder's Equity	\$19,468.2	\$19,279.3
=====		

Holders of GM Class H common stock have no direct rights in the equity or assets

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

of Hughes, but rather have rights in the equity and assets of General Motors (which includes 100% of the stock of Hughes).

- 20 -

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

	Second Quarter		Six Months Ended June 30,	
	2001	2000	2001	2000
<hr/>				
Revenues				
Direct broadcast, leasing and other services	\$1,738.6	\$1,565.4	\$3,436.8	\$3,037.8
Product sales	246.5	271.6	441.3	502.3
<hr/>				
Total Revenues	1,985.1	1,837.0	3,878.1	3,540.1
<hr/>				
Operating Costs and Expenses				
Broadcast programming and other costs	786.6	686.7	1,525.3	1,354.5
Cost of products sold	189.2	245.9	343.7	434.4
Selling, general and administrative expenses	927.3	724.8	1,813.9	1,418.9
Depreciation and amortization	305.0	224.6	570.7	434.8
<hr/>				
Total Operating Costs and Expenses	2,208.1	1,882.0	4,253.6	3,642.6
<hr/>				
Operating Loss	(223.0)	(45.0)	(375.5)	(102.5)
Interest income	19.0	4.3	42.8	8.2
Interest expense	(42.8)	(57.8)	(93.4)	(102.7)
Other, net	(10.9)	(43.3)	(3.7)	(282.5)
<hr/>				
Loss From Continuing Operations Before Income Taxes, Minority Interests and Cumulative Effect of Accounting Change	(257.7)	(141.8)	(429.8)	(479.5)
Income tax benefit	74.8	54.8	124.7	276.6
Minority interests in net losses of subsidiaries	26.4	4.5	50.7	12.1
<hr/>				
Loss from continuing operations before cumulative effect of accounting change	(156.5)	(82.5)	(254.4)	(190.8)
Income from discontinued operations, net of taxes	-	13.4	-	39.8
<hr/>				
Loss before cumulative effect of accounting change	(156.5)	(69.1)	(254.4)	(151.0)
Cumulative effect of accounting change, net of taxes	-	-	(7.4)	-
<hr/>				
Net Loss	(156.5)	(69.1)	(261.8)	(151.0)
Adjustment to exclude the effect of GM purchase accounting	0.8	5.3	1.6	10.6

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Loss Excluding the Effect of GM Purchase Accounting Adjustment	(155.7)	(63.8)	(260.2)	(140.4)
Preferred stock dividends	(24.1)	(24.1)	(48.2)	(48.8)
Loss Used for Computation of Available Separate Consolidated Net Income (Loss)	\$ (179.8)	\$ (87.9)	\$ (308.4)	\$ (189.2)
Available Separate Consolidated Net Income (Loss)				
Average number of shares of General Motors Class H Common Stock outstanding (in millions) (Numerator)	875.9	562.7	875.7	488.0
Average Class H dividend base (in millions) (Denominator)	1,299.6	1,297.0	1,299.4	1,295.8
Available Separate Consolidated Net Income (Loss)	\$ (121.2)	\$ (38.1)	\$ (207.8)	\$ (71.3)

Certain 2000 amounts have been reclassified to conform to the 2001 presentation.

- 21 -

SELECTED SEGMENT DATA
(Dollars in Millions)
(Unaudited)

	Second Quarter		Six Months Ended June 30,	
	2001	2000	2001	2000
DIRECT-TO-HOME BROADCAST				
Total Revenues	\$1,527.7	\$1,252.2	\$3,017.6	\$ 2,426.0
EBITDA (1)	\$ (1.3)	\$ (14.0)	\$ 4.7	\$ (23.2)
Operating Loss	\$ (182.9)	\$ (134.8)	\$ (328.4)	\$ (260.8)
Depreciation and Amortization	\$ 181.6	\$ 120.8	\$ 333.1	\$ 237.6
Capital Expenditures	\$ 226.3	\$ 219.1	\$ 353.9	\$ 387.1
SATELLITE SERVICES				
Total Revenues	\$ 208.3	\$ 322.3	\$ 413.5	\$ 621.4
EBITDA (1)	\$ 134.5	\$ 221.4	\$ 274.5	\$ 422.4
EBITDA Margin (1)	64.6%	68.7%	66.4%	68.0%
Operating Profit	\$ 32.8	\$ 139.8	\$ 73.9	\$ 267.1
Operating Profit Margin	15.7%	43.4%	17.9%	43.0%
Depreciation and Amortization	\$ 101.7	\$ 81.6	\$ 200.6	\$ 155.3
Capital Expenditures	\$ 94.2	\$ 50.2	\$ 161.4	\$ 208.2
NETWORK SYSTEMS				
Total Revenues	\$ 302.2	\$ 371.8	\$ 550.4	\$ 736.3
EBITDA (1)	\$ (36.8)	\$ 0.8	\$ (75.1)	\$ 17.6
EBITDA Margin (1)	N/A	0.2%	N/A	2.4%
Operating Loss	\$ (56.5)	\$ (17.1)	\$ (109.1)	\$ (17.0)
Depreciation and	\$ 19.7	\$ 17.9	\$ 34.0	\$ 34.6

Edgar Filing: GENERAL MOTORS CORP - Form 8-K

Amortization				
Capital Expenditures	\$ 167.1	\$ 94.2	\$ 345.3	\$ 161.8

ELIMINATIONS and OTHER				
Total Revenues	\$ (53.1)	\$ (109.3)	\$ (103.4)	\$ (243.6)
EBITDA (1)	\$ (14.4)	\$ (28.6)	\$ (8.9)	\$ (84.5)
Operating Loss	\$ (16.4)	\$ (32.9)	\$ (11.9)	\$ (91.8)
Depreciation and	\$ 2.0	\$ 4.3	\$ 3.0	\$ 7.3
Amortization				
Capital Expenditures	\$ 22.6	\$ 1.6	\$ 0.8	\$ 22.3

TOTAL				
Total Revenues	\$1,985.1	\$1,837.0	\$3,878.1	\$ 3,540.1
EBITDA (1)	\$ 82.0	\$ 179.6	\$ 195.2	\$ 332.3
EBITDA Margin (1)	4.1%	9.8%	5.0%	9.4%
Operating Loss	\$ (223.0)	\$ (45.0)	\$ (375.5)	\$ (102.5)
Depreciation and	\$ 305.0	\$ 224.6	\$ 570.7	\$ 434.8
Amortization				
Capital Expenditures	\$ 510.2	\$ 365.1	\$ 861.4	\$ 779.4
=====				

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the sum of operating profit (loss) and depreciation and amortization. EBITDA margin is calculated by dividing EBITDA by total revenues.

- 22 -

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GENERAL MOTORS CORPORATION

(Registrant)

Date July 17, 2001

By

s/Peter R. Bible

(Peter R. Bible,
Chief Accounting Officer)

