

GENERAL MOTORS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|--------------------------------------|------------------------------|-----------------------|
| | 2007 | 2006 (Unaudited) (As restated) | 2007 | 2006 (As restated) |
| Net sales and revenue | | | | |
| Automotive sales | \$ 45,918 | \$ 44,812 | \$ 88,298 | \$ 87,808 |
| Financial services and insurance revenue..... | 894 | 9,087 | 1,830 | 17,934 |
| Total net sales and revenue | 46,812 | 53,899 | 90,128 | 105,742 |
| Costs and expenses | | | | |
| Automotive cost of sales | 41,674 | 47,406 | 80,407 | 87,177 |
| Selling, general, and administrative expense..... | 3,293 | 3,219 | 6,604 | 6,585 |
| Financial services and insurance expense | 811 | 7,727 | 1,694 | 16,012 |
| Other expenses | 575 | 1,208 | 575 | 1,208 |
| Total costs and expenses..... | 46,353 | 59,560 | 89,280 | 110,982 |
| Operating income (loss) | 459 | (5,661) | 848 | (5,240) |
| Equity in income (loss) of GMAC LLC | 118 | — | (65) | — |
| Automotive and other interest expense..... | (681) | (694) | (1,480) | (1,332) |
| Automotive interest income and other non-operating income | 555 | 987 | 991 | 1,783 |
| Income (loss) from continuing operations before income taxes, other equity income and minority interests | 451 | (5,368) | 294 | (4,789) |
| Income tax benefit | (320) | (1,715) | (381) | (1,546) |
| Equity income and minority interests, net of tax | 13 | 159 | 67 | 242 |
| Income (loss) from continuing operations..... | 784 | (3,494) | 742 | (3,001) |
| Income from discontinued operations, net of tax (see Note 3) | 107 | 111 | 211 | 220 |
| Net income (loss) | <u>\$ 891</u> | <u>\$ (3,383)</u> | <u>\$ 953</u> | <u>\$ (2,781)</u> |
| Basic earnings (loss) per share: | | | | |
| Continuing operations..... | \$ 1.38 | \$ (6.18) | \$ 1.31 | \$ (5.31) |
| Discontinued operations..... | .19 | .20 | .37 | .39 |
| Total..... | <u>\$ 1.57</u> | <u>\$ (5.98)</u> | <u>\$ 1.68</u> | <u>\$ (4.92)</u> |
| Weighted average common shares outstanding, basic (millions).... | <u>566</u> | <u>566</u> | <u>566</u> | <u>566</u> |
| Diluted earnings (loss) per share: | | | | |
| Continuing operations..... | \$ 1.37 | \$ (6.18) | \$ 1.30 | \$ (5.31) |
| Discontinued operations..... | .19 | .20 | .37 | .39 |
| Total..... | <u>\$ 1.56</u> | <u>\$ (5.98)</u> | <u>\$ 1.67</u> | <u>\$ (4.92)</u> |
| Weighted average common shares outstanding, diluted (millions) | <u>569</u> | <u>566</u> | <u>569</u> | <u>566</u> |
| Cash dividends per share | <u>\$.25</u> | <u>\$.25</u> | <u>\$.50</u> | <u>\$.50</u> |

GENERAL MOTORS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

| | June 30, 2007 | December 31, 2006 | June 30, 2006 |
|---|--------------------------|------------------------------|--------------------------------------|
| | (Unaudited) | | (Unaudited) (As restated) |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 22,040 | \$ 23,774 | \$ 19,997 |
| Marketable securities | <u>1,573</u> | <u>138</u> | <u>115</u> |
| Total cash and marketable securities | 23,613 | 23,912 | 20,112 |
| Accounts and notes receivable, net | 10,233 | 8,216 | 7,572 |
| Inventories | 15,073 | 13,921 | 14,496 |
| Assets held for sale | 683 | — | — |
| Equipment on operating leases, net..... | 5,889 | 6,125 | 6,891 |
| Deferred income taxes and other current assets | <u>11,518</u> | <u>11,957</u> | <u>10,376</u> |
| Total current assets | 67,009 | 64,131 | 59,447 |
| Financing and Insurance Operations Assets | | | |
| Cash and cash equivalents | 258 | 349 | 2,848 |
| Assets held for sale | — | — | 274,267 |
| Equipment on operating leases, net..... | 9,145 | 11,794 | 16,533 |
| Investment in GMAC LLC | 7,555 | 7,523 | — |
| Other assets..... | <u>3,011</u> | <u>2,457</u> | <u>5,857</u> |
| Total Financing and Insurance Operations Assets | 19,969 | 22,123 | 299,505 |
| Non-Current Assets | | | |
| Property, net..... | 41,404 | 41,934 | 38,639 |
| Deferred income taxes | 32,337 | 32,967 | 24,382 |
| Prepaid pension..... | 18,305 | 17,366 | 37,480 |
| Other assets..... | <u>7,503</u> | <u>7,671</u> | <u>9,538</u> |
| Total non-current assets | 99,549 | 99,938 | 110,039 |
| Total Assets | <u>\$ 186,527</u> | <u>\$ 186,192</u> | <u>\$ 468,991</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | | |
| Current Liabilities | | | |
| Accounts payable (principally trade) | \$ 30,742 | \$ 26,931 | \$ 27,930 |
| Short-term borrowings and current portion of long-term debt | 5,150 | 5,666 | 1,340 |
| Liabilities related to assets held for sale..... | 526 | — | — |
| Accrued expenses | <u>35,487</u> | <u>35,225</u> | <u>48,516</u> |
| Total current liabilities..... | 71,905 | 67,822 | 77,786 |
| Financing and Insurance Operations Liabilities | | | |
| Liabilities related to assets held for sale..... | — | — | 267,925 |
| Debt | 7,133 | 9,438 | 12,849 |
| Other liabilities and deferred income taxes | <u>855</u> | <u>2,139</u> | <u>2,278</u> |
| Total Financing and Insurance Operations Liabilities..... | 7,988 | 11,577 | 283,052 |
| Non-Current Liabilities | | | |
| Long-term debt | 34,134 | 33,067 | 32,946 |
| Postretirement benefits other than pensions | 48,030 | 50,086 | 30,668 |
| Pensions | 11,654 | 11,934 | 11,498 |
| Other liabilities and deferred income taxes | <u>15,106</u> | <u>15,957</u> | <u>20,014</u> |
| Total non-current liabilities | 108,924 | 111,044 | 95,126 |
| Total liabilities..... | 188,817 | 190,443 | 455,964 |
| Minority interests..... | 1,268 | 1,190 | 1,084 |
| Stockholders' Equity (Deficit) | | | |
| Preferred stock, no par value, authorized 6,000,000, no shares issued and outstanding | — | — | — |
| \$1 2/3 par value common stock (2,000,000,000 shares authorized, 756,637,541 and 565,864,695 shares issued and outstanding at June 30, 2007, respectively 756,637,541 and 565,670,254 shares issued and outstanding at December 31, 2006, respectively and 756,637,541 and 565,607,779 shares issued and outstanding at June 30, 2006, respectively)..... | 943 | 943 | 943 |
| Capital surplus (principally additional paid-in capital) | 15,255 | 15,336 | 15,306 |
| Retained earnings (deficit) | 788 | 406 | (117) |
| Accumulated other comprehensive loss | <u>(20,544)</u> | <u>(22,126)</u> | <u>(4,189)</u> |
| Total stockholders' equity (deficit)..... | (3,558) | (5,441) | 11,943 |
| Total Liabilities, Minority Interests, and Stockholders' Equity (Deficit) | <u>\$ 186,527</u> | <u>\$ 186,192</u> | <u>\$ 468,991</u> |