



## 2005 Second Quarter Results

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Additionally, per Regulation G, supplemental financial disclosure is included which provides a quantitative reconciliation of non-GAAP financial disclosures addressed in the context of the following chart set to GM’s GAAP financial results and provides definition around non-GAAP terminology addressed.

# 2005 Second Quarter Highlights

- Adjusted EPS (\$0.56) (excludes special items), (\$318) million Net Loss, \$48.5 billion Revenue
  - Reported EPS (\$0.51), (\$286) million Net Loss
- Global market share was 15.2% up 0.5 p.p.
- Significant loss at GMNA due to lower production and capacity utilization, material cost pressure, and growing uncompetitive health care expense
  - Sales performance and massive inventory reduction a significant plus
- Restructuring efforts led GME to profitable quarter
- Solid performance at GMAP and GMLAAM
- GMAC continues to achieve strong results despite challenging environment
- Operating cash outflow of \$1.4B, total cash\* up \$0.4B compared to Q1

\* Cash, Mkt. Securities & ST VEBA (excluding financing operations)  
Refer to Supplemental Chart 1 for reconciliation to GAAP figures

# Second Quarter Adjusted Results – Net Income

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
GMNA	\$355	(\$1,194)	(\$1,549)
GME	(45)	37	82
GMLAAM	10	33	23
GMAP	259	176	(83)
Total Automotive	579	(948)	(1,527)
GMAC	846	816	(30)
Corporate Other	(48)	(186)	(138)
Total Net Income	<b>1,377</b>	<b>(318)</b>	<b>(1,695)</b>
EPS (excl. special items)	2.42	(0.56)	(2.98)
Worldwide Production (000)	2,401	2,344	(57)
Global Market Share	14.7%	15.2%	0.5 p.p.

Refer to Supplemental Chart 1 for reconciliation to GAAP figures

## Second Quarter 2005 Adjustments to Income

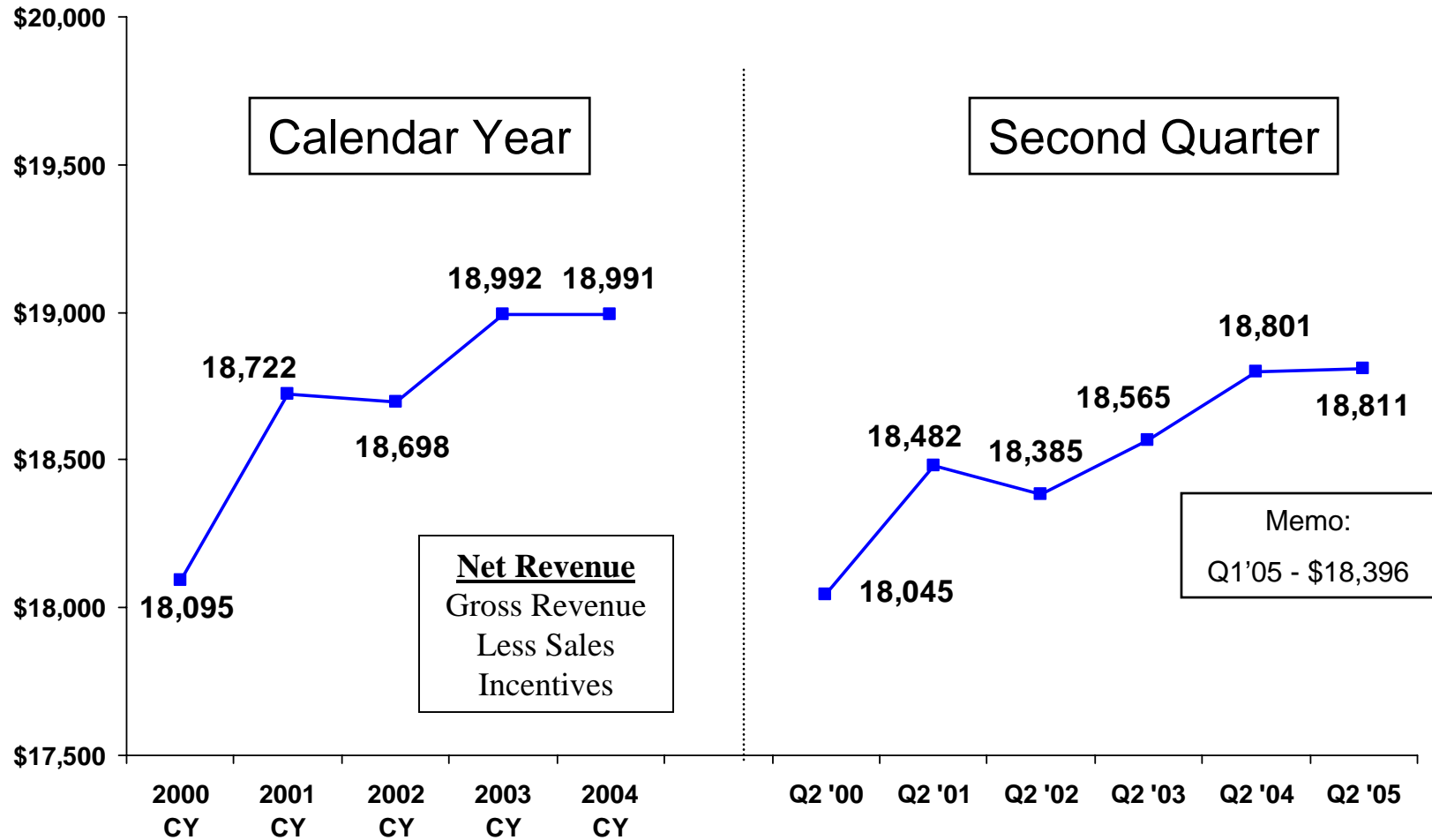
	<u>\$ Mils.</u>	<u>EPS</u>
Adjusted Net Income	(318)	(\$0.56)
<i><u>Special Items (after-tax)</u></i>		
GME Restructuring	(126)	(\$0.22)
Tax Rate Normalization*	158	\$0.27
Total Special Items	<u>32</u>	<u>\$0.05</u>
Reported Net Income	<u>(286)</u>	<u>(\$0.51)</u>

\* Normalizing our tax rate to be in line with the 15% effective tax rate assumed in our original earnings guidance.

# North America Second Quarter Results

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
<b>Pre-Tax Income</b>	\$444	(\$1,414)	(\$1,858)
<b>Net Income/(Loss)</b>	355	(1,194)	(1,549)
<b>Net Margin</b>	1.2%	(4.4%)	(5.6) p.p.
<hr/>			
<b>North America:</b>			
- Production Volume (000)	1,389	1,247	(142)
- Market Share	26.2%	27.3%	1.1 p.p.
<b>United States:</b>			
- Industry SAAR (Mil.)	17.0	17.7	0.7 p.p.
- Market Share	26.7%	27.9%	1.2 p.p.
- Dealer Inventory (000)	1,367	1,018	(349)

# North America Vehicle Revenue Per Unit



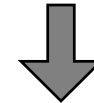
Reported Rev/Unit	19,719	20,899	20,321	20,777	20,882	19,624	20,632	19,638	20,413	20,413	20,770
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Memo: Vehicle Revenue Per Unit excludes such items as impact of daily rental acctg., Service Parts, other outside sales and OnStar

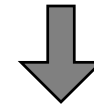
# North America

## Net Income Q2 '05 vs Q2 '04

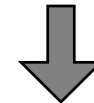
Production Volume



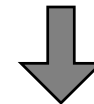
Health Care



Mix



Material



Pricing



Other Structural Cost



P&W Reserves



# North America Recovery Plan

- Execution of new products
  - Continue to project a \$1B increase in capex spending this year
  - Pull-ahead of GMT900 program on track
  - Recently launched vehicles performing well
    - Cobalt, LaCrosse, H3, G6, STS
  - Important near term launch vehicles
    - HHR, Solstice, DTS, Impala, Lucerne
- Re-tool sales and marketing strategy
  - Differentiated brand and roles
    - Incremental advertising to support launch brands
  - Total Value Proposition
    - Pricing and content changes on almost 50% of '06 models
  - Key market focus
    - Employee pricing promotion has been very successful in these markets
  - World Class Retail Channel
    - Continue to make progress on getting dealers “on-channel”

# North America Recovery Plan

- Reduce cost and improve quality
  - J.D. Powers IQS – Top 3 North America plant awards and led in 5 vehicle segments
  - J.D. Power Dependability Study – Led in 8 vehicles segments; Cadillac and Buick both in top 5 brands
  - Harbour Report – Most productive plant; 3 of the top 5 assembly plants; led in 7 of 13 segments
  - Capacity has been reduced to approximately 5M units with the recent actions at Baltimore and Linden
    - Continuing work on additional reductions
  - Continuing efforts to reduce material cost through supplier global footprint
- Address health care cost burden
  - Actively engaged in discussion with UAW

# Europe

## Second Quarter Results

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
<b>Pre-Tax Income/(Loss)</b>	(\$96)	\$27	\$123
<b>Net Income/(Loss)</b>	(45)	37	82
<b>Net Margin</b>	(0.6%)	0.4%	1.0 p.p.
<hr/>			
<b>Total Europe:</b>			
- Production Volume (000)	503	501	(2)
- Industry SAAR (Mil.)	20.8	20.5	(0.3)
- Market Share	9.7%	9.7%	0.0 p.p.
<b>Germany:</b>			
- Industry SAAR (Mil.)	3.6	3.6	0.0
- Market Share	10.8%	11.1%	0.3 p.p.
<b>UK:</b>			
- Industry SAAR (Mil.)	2.9	2.7	(0.2)
- Market Share	13.9%	15.5%	1.6 p.p.
<b>Saab – Global Sales (000)</b>	37.0	36.6	(0.4 )

# Latin America, Africa & Middle East Second Quarter Results

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
<b>Pre-Tax Income/(Loss)</b>	\$11	\$52	\$41
<b>Net Income/(Loss)</b>	10	33	23
<b>Net Margin</b>	0.5%	1.1%	0.6 p.p.
<hr/>			
<b>Total LAAM:</b>			
- Production Volume (000)	172	196	24
- Industry SAAR (Mil.)	4.3	5.2	0.9
- Market Share	17.1%	18.3%	1.2 p.p.
<b>Brazil:</b>			
- Industry SAAR (Mil.)	1.5	1.7	0.2
- Market Share	23.5%	21.9%	(1.6) p.p.
<b>Argentina:</b>			
- Industry SAAR (000)	285	407	122
- Market Share	16.6%	18.0%	1.4 p.p.
<b>South Africa:</b>			
- Industry SAAR (000)	434	578	144
- Market Share	10.7%	14.1%	3.4 p.p.

# Asia Pacific Second Quarter Results

2005  
Fav/(Unfav)  
2004

	<u>2004</u>	<u>2005</u>	
	-----	\$ Millions	-----
<b>Pre-Tax Income</b>	\$33	\$0	(\$33)
<b>Equity/Minority Interest</b>	225	172	(53)
<b>Net Income/(Loss)</b>	259	176	(83)
<b>Net Margin</b>	15.3%	9.2%	(6.1) p.p.
<hr/>			
<b>Total Asia-Pacific:</b>			
- Industry SAAR (Mil.)	16.4	18.3	1.9
- Market Share	5.6%	6.3%	0.7 p.p.
<b>China:</b>			
- Industry SAAR (Mil.)	5.0	5.8	0.8
- Market Share	9.8%	11.4%	1.6 p.p.
<b>Australia:</b>			
- Industry SAAR (Mil.)	0.9	1.0	0.1
- Market Share	19.3%	18.0%	(1.3) p.p.
<b>GM- DAT:</b>			
- Production (Complete Build Units)	135	149	14

# GMAC

## Second Quarter Results

### Net Income

	<u>2004</u>	<u>2005</u>	2005 Fav/(Unfav) <u>2004</u>
	-----	\$ Millions	-----
<b>Financing</b>	\$452	\$378	(\$74)
<b>Mortgage</b>	319	338	19
<b>Insurance</b>	<u>75</u>	<u>100</u>	<u>25</u>
<b>Total</b>	\$846	\$816	(\$30)

# GMAC Outlook

- Financing Operations
  - Unfavorable impact of rising borrowing costs and resulting impact on net interest margins, somewhat mitigated by
    - Change in funding mix – secured funding and whole loan sales versus unsecured funding
    - Favorable credit experience and continued strong remarketing results on off-lease vehicles
  - Continued transition to “originate/sell” model driving lower auto finance asset base and reduced capital needs
- Mortgage Operations
  - Earnings supported by higher market share, growth in fee-based revenue and international operations
  - Benefit from ResCap’s recent stand-alone financing
- Insurance Operations
  - Premium growth and continued improvement in underwriting performance
  - Continued growth in international markets
  - Growing investment portfolio generating steady income stream

# Residential Capital (“ResCap”)

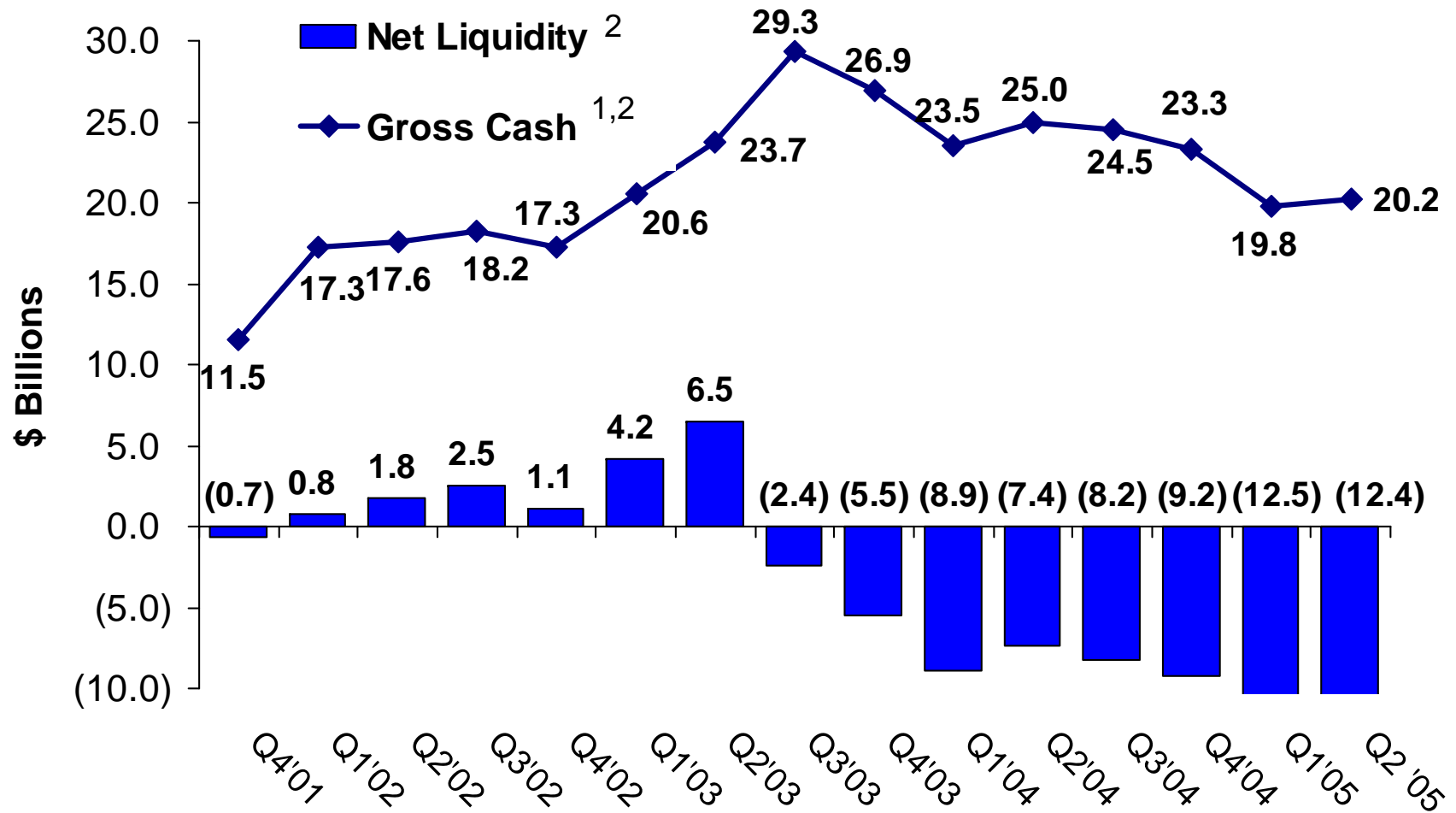
- ResCap is the newly-formed holding company
  - ResCap owns GMAC’s two residential mortgage businesses - - GMAC-RFC Holding Corp and GMAC Residential Holding Corp
- Successfully achieved investment grade credit ratings from all four major agencies
- Provides funding diversity
  - ResCap positioned to be self-funding over medium-term
- Increases GMAC consolidated liquidity
  - Closed \$4B initial private placement of bonds in June at spreads well below GMAC spreads
  - Reduces GMAC parent’s borrowing requirements
- At the end of 2Q 2005
  - Total on-balance sheet assets of \$98.3 billion
  - YTD net income of \$622 million

# GMAC Global Liquidity

- Strong global liquidity position
  - 2Q 2005 cash balance of \$22.2B\*
  - Over \$55B of unutilized bank lines, auto whole loan and conduit capacity
  - Positive liquidity profile
    - Maturing interest-earning assets exceed interest-bearing liabilities for any given period
  - Continued large-scale access to ABS market at attractive spreads
  - Expanded securitization capability
    - \$2B syndicated auto whole loan sale
    - \$2B public lease securitization
    - £350MM UK trade receivables (Commercial Finance)
  - Renewed access to unsecured market with recent €500 million debt offering in Europe and successful \$4B ResCap offering
- Evaluating longer-term strategic options

\* Includes cash of \$19.7 billion and marketable securities of \$2.5 billion

# Gross / Net Liquidity



<sup>1</sup> Cash, Mkt. Securities & ST VEBA

<sup>2</sup> Excluding Financing Operations

# Managerial Cash Flow Summary

## (Excludes GMAC)

\$ Billions

	<u>Q2</u>	Memo: <u>Q2 YTD</u>
<b><u>Operating Related</u></b>		
Net Income (Automotive & Corp/Other)	(1.1)	(2.9)
Depreciation & Amortization	2.1	4.2
Capital Expenditures	(1.6)	(2.8)
Change in Receivables, Payables & Inventory	(1.1)	(2.2)
Pension / OPEB Expense (net of payments)	0.8	1.6
Accrued Expenses & Other	<u>(0.5)</u>	<u>(2.3)</u>
<b>Total Operating</b>	<b>(1.4)</b>	<b>(4.4)</b>
FIAT Settlement & GME Restructuring	(0.8)	(2.5)
GMDAT Consolidation	1.6	1.5
Pension Contributions	-	-
VEBA Withdrawal	<u>1.0</u>	<u>1.0</u>
Total Operating incl. other items	<b>0.4</b>	<b>(4.4)</b>
<b><u>Non-Operating Related</u></b>		
Dividends	(0.3)	(0.6)
Change in Debt	(0.1)	0.1
GMAC Dividends	0.5	1.0
Other	<u>(0.1)</u>	<u>0.8</u>
Total Non-Operating Related	-	1.3
<b>Net Change in Cash and Cash-related</b>	<b>0.4</b>	<b>(3.1)</b>

Refer to Supplemental Chart 2 for reconciliation to GAAP Operating Cash Flow

# 2005 Priorities / Targets

- **Priorities**

- \$4.00 - \$5.00 EPS\*

R

- Operating cash flow of \$2B\*\*

R

- Capital spending of \$8B

G

- Grow global volume

G

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- **Regional / Sector Income Targets**

- North America: \$500M

R

- Europe: (\$500M)

G

- LAAM: \$100M

G

- Asia-Pacific: \$600M

G

- GMAC:  $\geq$  \$2,500M

G

\* EPS excluding any special items; at current dilution levels

\*\* Excludes any one-time items

# Supplemental Charts

The following supplemental charts are provided to reconcile adjusted financial data comprehended in the primary chart set with GAAP-based data (per GM's financial statements) and/or provide clarification with regard to definition of non-GAAP terminology

# Reconciliation to Adjusted Net Revenue, Net Income / EPS

Q2 – 2004 & 2005

\$ Millions

	<u>GMNA</u>	<u>GME</u>	<u>GMLAAM</u>	<u>GMAP</u>	<u>Total Auto Operations</u>	<u>GMAC</u>	<u>Other</u>	<u>Total Operations</u>
<b>Q2 2005</b>								
Total Net Sales & Revenue	27,125	8,463	2,935	1,922	40,445	8,363	(296)	48,512
Net Income	(1,194)	(89)	33	176	(1,074)	816	(28)	(286)
EPS								(\$0.51)
<u>Adjustments (after-tax):</u>								
Restructuring Items	-	(126)	-	-	(126)	-		(126)
Tax Items	-	-	-	-	-	-	158	158
Total Adjust. - Net Income	-	(126)	-	-	(126)	-	158	32
Adjusted Net Revenue	27,125	8,463	2,935	1,922	40,445	8,363	(296)	48,512
Adjusted Net Income	(1,194)	37	33	176	(948)	816	(186)	(318)
Adjusted EPS								(\$0.56)
<b>Q2 2004</b>								
Total Net Sales & Revenue	29,429	8,094	1,909	1,693	41,125	7,703	426	49,254
Net Income	355	(45)	10	259	579	846	(48)	1,377
EPS								\$2.42
Total Adjust. - Net Income	-	-	-	-	-	-	-	-
Adjusted Net Revenue	29,429	8,094	1,909	1,693	41,125	7,703	426	49,254
Adjusted Net Income	355	(45)	10	259	579	846	(48)	1,377
Adjusted EPS								\$2.42

# Reconciliation of Operating Cash Flow

## Automotive & Other

\$ Billions

Q2 2005

Net Cash Provided By Operating Activities (GAAP)

0.4

### Reclassifications to/ (from) U.S. GAAP

- Expenditures for PPE & Special Tools

(1.6)

- VEBA Withdrawal

(1.0)

- FIAT Settlement & GME Restructuring

0.7

- Net Other

0.1

**Total Reconciling Items**

**(1.8)**

**Total Operating Related (shown on Chart 17)**

**(1.4)**