



General Motors Corporation

Company Profile

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COMPANY OVERVIEW

General Motors Corporation (GM) is primarily engaged in the development, production and marketing of cars, trucks and automobile parts. The company is also engaged in finance and insurance operations. The company primarily operates in North America, and Europe. It is headquartered in Detroit, Michigan and employed 266,000 people as on December 2007.

The company recorded revenues of \$181,122 million during the financial year (FY) ended December 2007, a decrease of 11.9% compared with 2006. This was primarily due to de-consolidation of GMAC following the GMAC Transaction in November 2006. The operating loss of the company was \$4,390 million during FY2007, as compared with an operating loss of \$5,823 million in 2006. The net loss was \$38,732 million in FY2007, as compared with the net loss of \$1,978 million in 2005.

KEY FACTS

Head Office	General Motors Corporation 300 Renaissance Center Detroit Michigan 48265 3000 USA
Phone	1 313 556 5000
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Web Address	http://www.gm.com
Revenue / turnover (USD Mn)	181,122.0
Financial Year End	December
Employees	266,000
New York Ticker	GM

BUSINESS DESCRIPTION

General Motors Corporation (GM) is primarily engaged in the production of vehicles. The company designs, manufactures and markets cars, trucks and other automobile parts in North America, Europe, Latin America, and Asia Pacific regions. During 2007, the company accounted for 9.4 million car and truck deliveries. The company also provides vehicle safety, security and information services through its subsidiary, GM's OnStar.

GM sells cars and trucks globally under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Hummer, Opel, Pontiac, Saab, Saturn and Vauxhall.

The company operates through two segments: automotive and financial services.

Automotive

GM primarily operates its automotive business through GM Automotive (GMA), which has four sub-segments with each one concentrating on a separate geographic segment. These four sub-segments are GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/ Mid-East (GMLAAM), and GM Asia Pacific (GMAP).

In North America, GMNA designs, manufactures and markets cars and trucks under the brand names such as Chevrolet, Buick, Saab, Pontiac, Cadillac, Hummer, GMC and Saturn. In Europe, GME operates 10 vehicle production and assembly facilities in seven countries. The Opel/Vauxhall and Chevrolet are the company's key brands in Europe. In Europe, GM sold about 2.2 million passenger cars and light commercial vehicles in over 30 European countries in 2007. GM LAAM comprises its Latin American Operations (LAO) subdivision in South America, and its Africa and Middle East Operations (AMO) subdivision.

The GMAP division markets its products under the following automotive brands: Buick, Cadillac, Chevrolet, Daewoo, Holden, Opel and Saab. GMAP has assembly facilities and sales operations in 11 countries in the Asia Pacific region. The manufacturing and assembly operations of GMAP are based in Australia, China, India, Korea and Thailand.

GM also has equity ownership in various regional subsidiaries and joint ventures such as New United Motor Manufacturing (NUMMI), Suzuki Motor Corporation, Isuzu Motors, Shanghai GM, SAIC-GM-Wuling Automobile Company and CAMI Automotive.

The company operates across 228 locations in approximately 36 states and approximately 151 cities in the US. Of these, approximately 21 are engaged in the final assembly of GM cars and trucks, approximately 27 are service parts operations responsible for distribution or warehousing, and the remaining locations are offices or facilities involved primarily in testing vehicles or manufacturing automotive components and power products. In addition, the company also has approximately 22 locations in Canada. It also maintains assembly, manufacturing, distribution, or warehousing

operations in approximately 50 other countries, including equity interests in associated companies which conduct assembly, manufacturing, or distribution operations.

The company markets all its vehicles through approximately 6,776 GM vehicle dealers in the US, 729 in Canada, and 330 in Mexico. Additionally, GM operated approximately 14,052 distribution outlets throughout the rest of the world for vehicles manufactured by GM and its affiliates. These outlets include distributors, dealers and authorized sales, service, and parts outlets.

Financial services

General Motors provides a range of financial services, including consumer vehicle financing, automotive dealership and other commercial financing, residential mortgage services, automobile service contracts, and personal automobile insurance coverage. The company carries out its finance and insurance operations primarily through GMAC, the successor to General Motors Acceptance and a subsidiary in which the company has 49% stake.

HISTORY

Olds Motor Vehicle Company, the oldest unit of General Motors was organized by Ransom E Olds in 1897. In the same year, the company produced Oldsmobile. After two years, the company merged with Olds Gasoline Engine Works of Lansing to form Olds Motor Works.

The Cadillac Automobile is organized in Detroit by Henry M. Leland, a precision manufacturer of automotive components in 1902. In the following year, Buick Motor was founded by David Dunbar Buick. Also in 1903, the Buick started the construction of first Buick engine plant with funding from Flint Wagon Works, and operations were moved from Detroit to Flint. In the following year, William Crapo Durant of Durant-Dort Carriage, Flint, Michigan, took control of Buick Motor.

The General Motors Company (GM) was organized by incorporating the Buick Motor in 1908. In the same year, GM acquired Olds Motor Works. Also in the same year, Fisher Body was incorporated, by Albert, Fred and Charles Fisher and located in Detroit. In the following year, General Motors purchased Cadillac for \$5.5 million. The company also purchased Oakland Motor Car in 1910.

General Motors Truck Company (later known as GMC) was organized in 1911, to handle sales of GM's Rapid and Reliance products. In the same year, the company established General Motors Export Company to handle the sale of all General Motors products outside the US and Canada. In 1916, General Motors Corporation is incorporated under Delaware law and acquired all stock of General Motors Company. In the following year, GM entered the farm equipment business and purchased Durant, a farm equipment provider.

General Motors bought the operating assets of Chevrolet Motor Company in 1918. In the same year, United Motors Corporation (UMC) was dissolved and its individual businesses continued as part of General Motors. Later, the United Motors Service, UMC manufacturing divisions were also included in General Motors. Also in the same year, the company formed General Motors of Canada through merger of McLaughlin Motor Car Company and Chevrolet Motor Company of Canada.

General Motors acquired 60% interest in Fisher Body Company in 1919. In the same year, the company also started the construction of its building in Detroit. Also In the same year, the company established General Motors Acceptance Corporation to finance the sale of General Motors cars and trucks. General Motors purchased Dayton Wright Company, an airplane manufacturer in the same year.

General Motors Research Corporation, a predecessor of GM Research Laboratories, was established in 1920. In the same year, the company opened GM Export's first Far Eastern branch office in Manila. In 1923, the company established Inland Manufacturing Company of Dayton, Ohio to produce steering wheels for GM cars. Also in the same year, the company acquired Brown-Lipe Chapin Company of Syracuse, New York, a manufacturer of automobile differentials and gears.

General Motors established GM Continental with operations in Antwerp, Belgium in 1924. The company entered South Africa by establishing General Motors South African, in Port Elizabeth in 1926. During the same year, the company formed subsidiaries in Australia, New Zealand, Japan, Egypt, Uruguay and Argentina. In the following year, the company established General Motors Java, and also opened an assembly plant in Osaka, Japan.

In 1943, General Motors acquired all assets of Yellow Truck & Coach, and thereafter the GMC truck and coach division was formed. The company organized Buick-Oldsmobile-Pontiac Assembly Division in 1945. It later became General Motors Assembly Division (GMAD) in 1965.

GM acquired Euclid Road Machinery with plants in Euclid, Ohio, and Lanarkshire, Scotland in 1953. In 1956, the company opened GM Technical Center in Warren, Michigan. The company formed a new Defense Systems Division in 1959 to perform research directed toward the design and development of weapons systems and related activities. The company opened 50-story General Motors Building in New York in 1968. In the following year, the company opened General Motors Chile.

The company acquired 34.2% interest in Isuzu Motors in 1971. In the same year, the company acquired all shares of Capital Motors Assembly in Tampoia, Malaysia, and forms GM Malaysia BHD. In the following year, GM entered a joint venture with Shinjin Motor of Seoul, Korea, to build and market cars in Korea. The joint venture is named General Motors Korea Company. The company was renamed Saehan Motor in 1976. In 1982, Daewoo Group assumed managerial control and renamed it as Daewoo Motor.

In 1975, the company established General Motor Kenya. The company formed Cancer Research Foundation to recognize individual excellence in cancer research in 1978. The company formed GM's new worldwide Truck & Bus Group in 1981 to design, manufacture trucks, buses and vans in North America and throughout the world. In the same year, GM purchased 14 million shares (approximately a 5% interest) in Suzuki.

GM opened its European assembly plant near Zaragoza, Spain in 1982. The plant produces the front-wheel-drive Opel Corsa. In the same year, the company formed a joint venture with Mecaniques Maghebines to produce commercial vans and light-duty trucks at an assembly plant in Kairouan, Tunisia, about 100 miles south of Tunis. GM and Isuzu Motors formed a joint venture to produce light-duty and medium duty trucks and bus chassis at a manufacturing operation near Cairo, Egypt in 1983. In the same year, GM acquired Electronic Data Systems Corporation (EDS), one of the leading IT services in the world.

The company acquired Hughes Aircraft Company, a leading defense electronics firms in the world in 1985. In the same year, Delco Electronics Corporation becomes a subsidiary of GMHE. In the same year, the company established GM Europe to coordinate and organize GM's passenger car business in Europe. In 1989, GM purchased 50% stake in Saab Automobile of Sweden to develop, manufacture and market Saab passenger cars worldwide.

The company formed a joint venture with Toyota Motors, to explore and develop alternative vehicle propulsion technologies in 1991. GM along with Chrysler, Ford joined the New Generation of Vehicles (PNGV) partnership to develop new fuel efficient cars and technologies in 1993. In the same year, the company formed a joint venture company in Indonesia to assemble and distribute passenger cars and light commercial vehicles.

GM and Energy Conversion Devices established GM Ovonic, a joint venture to develop, manufacture and commercialize Ovonic nickel metal hydride batteries for electric vehicles in 1994. In the same year, General Motors and Shanghai Automotive Industry (SAIC) formed a joint venture to build technical development center and other related projects in Shanghai, China. In the same year, Automotive Components Group (ACG) Worldwide of the company is renamed Delphi Automotive Systems.

The company acquired 49% stake in Delta Motors, a South African based leading automobile manufacturer in 1997. In the following year, General Motors and Isuzu Motors formed a joint venture company, DMAX to manufacture 6.6-liter direct-injection diesel engines. General Motors, in collaboration with Toyota Motors started a joint venture assembly plant in Shanghai, China, to produce Buick Regals model of vehicles for the Chinese market in 1999. In the same year, GMAC acquired Arriva Automotive Solutions, one of the UK's leading full-service vehicle fleet leasing companies.

Delphi Automotive Systems became a separate, independent publicly held corporation in 1999. In the following year, General Motors acquired Subaru brand vehicles of Fuji Heavy Industries. Also in the same year, GMAC acquired BNY Financial Corporation, the asset-based commercial lending and factoring business of Bank of New York.

General Motors entered into electronic business (e-business) partnerships with Sony, NetZero, and America Online in 2000. In the same year, GM and Fiat entered a strategic alliance, with General Motors holding 20% equity in Fiat and the two companies creating several joint ventures to share powertrains and components. Also in the same year, the company inaugurated a new automotive assembly complex in Gravatai, Brazil. The company inaugurated a new assembly plant in Rayong, Thailand, modeled in the same year. During the year, the company also increased its stake in Suzuki Motors to 20%.

GM and the Russian automaker AvtoVAZ established a joint venture, with each partner holding 41.5% equity and the European Bank of Reconstruction and Development holding the remaining 17%, to build a sport utility vehicle for the Russian market at a plant in Togliatti, Russia in 2001. In the same year, General Motors and General Hydrogen, a leader in hydrogen fuel cell research, announced a 25-year collaboration agreement aimed at accelerating the development of hydrogen fuel cell vehicles. Also in the same year, the company reorganized its North American car and truck groups into a new manufacturing group and a new engineering group.

The company began production at Adam Opel's new facility at Russelsheim, Germany in 2002. The new plant was designed to build up to four different models on a three-shift, flexible line system with total capacity of 270,000 vehicles a year. In the same year, GM inaugurated the all-new Grand River

vehicle assembly complex in Lansing, Michigan. Also in the same year, General Motors acquired a bulk of Daewoo Motor's automotive assets and a new company called GM Daewoo Auto & Technology was created. The company also formed a three-way partnership with Shanghai Automotive Industry Corporation (SAIC) and Liuzhou Wuling Automotive to manufacture mini-vehicles in China during the same year.

The company expanded its Chinese operations including an extension of its flagship Shanghai plant to make and import cars bearing the Cadillac brand in 2003. In the same year, the company opened a new technical center in Bangalore, India, focused on engineering and research and development work in support of GM's global product portfolio. Also in the same year, GM completed the sale of its GM Defense unit, which was engaged in building Light Armored Vehicles (LAVs), to General Dynamics Corporation. Also during the year, the company partnered with Shell Hydrogen, a division of Shell Oil to develop a real-life demonstration of hydrogen fuel cells and fueling infrastructure technology in the Washington.

GM opened a new Vehicle Engineering Center at its Warren, Michigan, Technical Center campus in 2003 to enhance the collaboration between engineering, design, and manufacturing groups. Also during the year, GM and FedEx together launched the first commercial test of fuel cell vehicles in Japan, with the GM HydroGen3 fuel cell vehicle being used by FedEx in regular service and on regular routes in the metropolitan Tokyo area.

General Motors launched Hybrid versions of both the Chevrolet Silverado and the GMC Silverado pickup in 2004. The hybrid Chevrolet Silverado was expected to deliver up to 12% fuel economy improvement over comparable pickups, giving it the best highway fuel economy of any full-size truck on the market. In the same year, GMAC and joint venture partner Shanghai Automotive Group Finance Company (SAICFC) opened an automotive financing company in China. Also in the same year, GM and DaimlerChrysler* partnered to develop full hybrid propulsion architecture for application in the two companies' passenger cars.

GM launched a new affordable hybrid system, using a belt alternator starter in 2005. The belt alternator starter hybrid was one of three hybrid systems GM planned to introduce on up to 12 different models. In the same year, GM, BMW and DaimlerChrysler* signed a memorandum of understanding during 2005 to create an alliance to develop hybrid drive systems. Also in the same year, GM collaborated with the US Department of Energy (DOE) to build a 40-vehicle fuel cell fleet and further develop the technology. A month later, GM partnered with the US Army to introduce the world's first fuel cell-powered truck into the US military service.

GM sold its electro-motive division (EMD) division during 2005, to an investor group led by Greenbriar and Berkshire Partners. In the same year, GM and Fiat signed cross-supply agreements for engines and transmissions both in Europe and Latin America. Also in the same year, GM sold its 20.1% investment in Fuji Heavy Industries (FHI). During the same year, GMAC entered into a definitive agreement to sell a 60% equity interest in GMAC Commercial Holdings.

GM divested 92.4 million shares (reducing its stake from 20% to 3%) in Japanese manufacturer Suzuki, in order to raise \$2.3 billion, during March 2006. In the following month, GM announced the

sale of a 51% stake in General Motors Acceptance Corporation (GMAC) to a consortium led by Cerberus Capital Management, raising \$14 billion over three years. GM would continue to hold a stake of 49% in GMAC.

GM commenced discussions with Renault-Nissan during July 2006, for a possible strategic alliance involving the three companies. In the same month, GM announced the addition of new E85 ethanol fueling sites in central Ohio in collaboration with Kroger Stores and the State of Ohio. In the following month, GM opened first ever US Green Building Council's Leadership in Energy and Environmental Design (LEED)-Gold certified automobile manufacturing facility. In the same month, GM launched diesel-electric hybrid propulsion system to its mass transit fleet and provided three such vehicles to The Capital Area Transportation Authority (CATA) of Michigan. In the following month, General Motors and the University Of Michigan College Of Engineering launched a new collaborative research laboratory on the U-M campus in Ann Arbor where researchers would work jointly to develop the emerging capabilities of mechatronics.

The company introduced the new 2007 Chevrolet Silverado with a 2,800-mile Chevy Silverado Drive in September 2006. In the following month, General Motors started the production of the Hummer H3 model vehicles at its Struandale Assembly Facility in Port Elizabeth, South Africa. Also in October 2006, the company introduced its Cadillac luxury brand in South Africa to sell three Cadillac models - the BLS mid-size sedan, the SRX crossover SUV, and the STS full-size sedan. In the same month, the company launched full-size pickups, SUVs, crossovers and cars at the Specialty Equipment Market Association (SEMA) Show.

In November 2006, General Motors announced its plans to produce a Saturn Vue Green Line plug-in hybrid SUV. This sports utility vehicle would incorporate GM's 2-mode hybrid system and plug-in technology, a Lithium Ion battery pack and was scheduled to be launched in 2008. In the same month, the company completed the sale of 51% stake in GMAC to a consortium of investors led by Cerberus FIM Investors, and including wholly owned subsidiaries of Citigroup, Aozora Bank and The PNC Financial Services Group. Post transaction, GMAC would operate as an independent financial services company.

General Motors announced the investment of approximately \$225 million in its Spring Hill manufacturing complex in December 2006 to renovate the plant's paint shop in preparation for future vehicle production. In the same month, Chevrolet launched the new 2008 Equinox Sport, a variant of the popular compact SUV with 18-inch wheels, 263-horsepower (196 kW) DOHC engine – backed up. Also in the same month, General Motors invested \$208 million in the Fairfax Assembly plant to prepare the facility for production of the all-new 2008 Chevrolet Malibu.

The company launched four new models including the Holden EFIJY, Chevrolet T2X, Chevrolet WTCC and Opel Antara GTC in January 2007. In the following month, General Motors Ypsilanti Transmission operations produced a new variant of its Hydra-Matic rear-wheel-drive six-speed transmission technology to be used for all new 2007 GMC Sierra and Chevrolet Silverado heavy-duty pickups. Also in February 2007, General Motors and the government of Colorado announced plans for the addition of forty new E85 ethanol fueling locations to be opened throughout the state by the end of 2007.

In April 2007, Shanghai General Motors (Shanghai GM) introduced the Park Avenue luxury sedan, a newest member of its Buick lineup. Also in the same month, GM unveiled the E-Flex electric architecture configured with GM's hydrogen fuel cell system for its Chevrolet Volt model. In the following month, the company launched Inspired the new Saab 9-3 range which includes Sport Sedan, SportCombi and Convertible models. The company also received a contract from King County for the 500 buses powered by General Motors' 2-mode hybrid system in May 2007. In the same month, General Motors invested \$44 million in its Bedford Foundry to produce transmission cases and converter housings for GM's family of fuel-efficient, six-speed transmissions.

A month later in June 2007, the Regional Transit Service (RTS), a subsidiary of the Rochester Genesee Regional Transportation Authority (RGRTA), ordered for 19 buses equipped with GM's hybrid technology. In the same month, General Motors moved more than 500 fuel cell experts from advanced development laboratories to core engineering functions to prepare this technology for future production. In the same month, General Motors announced its plans to launch 4.5L V-8 Duramax turbo-diesel that improved engine fuel efficiency by 25%, reduced CO₂ emissions by 13% and cut particulates and NO_x emissions by at least 90% for North American light duty trucks and the HUMMER H2 built after 2009. Also in the same month, the 'Chevrolet Volt concept' was awarded the 2007 North American specialty concept vehicle of the year. The Holden EFIJY, a coupe shape having V8 Supercar power under the Chevrolet Corvette underbody automotive technology, won the 2007 North American concept car of the year award.

In July 2007, General Motors reached a joint venture agreement with Penske Corporation (a retail automotive sales and services company engaged in the truck leasing, and supply chain logistics management activities) to purchase 50% equity of VM Motori, a designer and manufacturer of diesel engines based in Cento, Italy. In the same month, General Motors announced its plans to invest \$500 million in its operations in Argentina and Brazil for the development of a new generation of small vehicles for Latin America and other emerging markets. The investment also included the expansion of GM's Brazilian product development center.

The company sold its Allison, a transmission commercial and military business to the Carlyle Group and Onex Corporation for approximately \$5.6 billion in August 2007. In the same month, General Motors and A123Systems, one of the leading suppliers of lithium ion batteries, entered into an agreement to co-develop cells with A123System's nanophosphate battery chemistry for a long-lasting, safe and powerful battery for use in GM's electric drive E-Flex system. The agreement was expected to improve the development process of the batteries for both electric plug-in vehicles and fuel cell variants of the E-Flex architecture.

In September 2007, SAIC-GM-Wuling, GM's mini-vehicle joint venture in southwestern China, opened its new engine plant, situated at the joint venture's main production base in Liuzhou, Guangxi Zhuang Autonomous Region with an annual capacity of 300,000 engines. In the same month, General Motors and its Shanghai General Motors joint venture signed a multi-year agreement worth more than \$800 million to export US built Buick Enclave premium crossover sport utility vehicles along with other vehicles and components to China beginning in 2008.

A month later in October 2007, the company's United Auto Workers Association (UAW)-represented employees ratified the GM-UAW 2007 national labor agreement. The new four-year agreement covered various issues for approximately 74,000 hourly employees located in more than 80 US facilities. In the same month, General Motors' Baltimore Transmission Plant launched its production of technologically advanced 2-Mode hybrid transmission to reduce gasoline consumption and emissions. In the same month, Cadillac announced that it would launch the SLS, the stretched version of the STS luxury sedan, in the Middle East in the first quarter of 2008.

In the following month, General Motors, Shanghai Automotive Industry Corporation Group (SAIC) and OnStar established a telematics joint venture called Shanghai OnStar Telematics Company Limited. The joint venture would provide a range of OnStar's trademark in-vehicle safety, security and communication services including advanced automatic crash notification, roadside assistance, remote door unlock, hands-free calling, vehicle diagnostics and turn-by-turn navigation. In December 2007, Cadillac, a luxury brand from GM announced to make its debut in Australia in the fourth quarter of 2008.

Also in December 2007, General Motors launched Chevy Volt, an extended-range electric vehicle concept in San Francisco. In the same month, General Motors and International Truck and Engine, the principal operating subsidiary of Navistar International entered into a non-binding memorandum of understanding under which Navistar would purchase certain assets, intellectual property, and distribution rights for GM's medium-duty truck business.

In January 2008, General Motors abandoned plans to build a V-8 engine for luxury vehicles at a plant near Buffalo because of new federal mileage requirements and high gasoline prices cutting into consumer demand. General Motors entered a partnership with Coskata in the same month, to use Coskata's technology that makes ethanol from practically any renewable source, including garbage, old tires, and plant waste. In the same month, the company received orders from transit agencies in Philadelphia and Minneapolis for up to 1,732 GM-Allison hybrid-powered buses that saved an estimated 2.4 million gallons of fuel annually. In the same month, General Motors formed a new engineering organization dedicated to implementing hybrid and extended- range electric vehicles (E-REV) and advanced battery technology.

Also in January 2008, General Motors formed a new engineering organization for implementing hybrid and extended- range electric vehicles (E-REV) and advanced battery technology. In the next month, General Motors announced plans to invest \$69 million in its DMAX plant in Moraine to manufacture a new Duramax 6.6-liter V-8 turbo diesel engine that would meet stringent emissions standards in 2010. DMAX Limited is a joint venture between GM and Isuzu Motors and was established as a diesel engine company in 1998.

In February 2008, General Motors announced that the company and the United Auto Workers (UAW) union reached an agreement on a comprehensive special attrition program that would be offered to all of the company's 74,000 UAW- represented employees. The special attrition program offers a choice of several pension and buyout incentives.

Later, in April 2008, General Motors announced the company's decision to build a new engine and automotive components plant in Santa Catarina State and Joinville City. The facility would be approximately 500,000 square meters with the plant itself comprising an area of approximately 60,000 square meters. The plant would have the capability to produce 120,000 engines and 50,000 cylinder heads per year. In the next month, General Motors and Mascoma Corp announced a strategic relationship to develop cellulosic ethanol focused on Mascoma's single-step biochemical conversion of non-grain biomass into low-carbon alternative fuels to help address increasing energy demand. In the same month, General Motors offered American Axle & Manufacturing Holdings \$200 million in a bid to clinch a speedy resolution of a strike against a key supplier that had run for more than two months. Also in May 2008, General Motors and Isuzu Motors established new joint venture, GM-Isuzu Camiones Andinos de Colombia for expanding their truck and bus sales in Colombia.

*Note: Daimler sold Chrysler to an affiliate of Cerberus Capital Management, a private investment firm, which acquired 80.1% equity interest in new company Chrysler Holding LLC (a holding company for Chrysler Group business) in May 2007. Daimler retains 19.9% in Chrysler.

KEY EMPLOYEES

Name	Job Title	Board	Compensation
G. Richard Wagoner	Chairman and Chief Executive Officer	Executive Board	14415914 USD
Percy N. Barnevik	Director	Non Executive Board	
Erskine B. Bowles	Director	Non Executive Board	
John H. Bryan	Director	Non Executive Board	
Armando M. Codina	Director	Non Executive Board	
Erroll B. Davis	Director	Non Executive Board	
George M.C. Fisher	Director	Non Executive Board	
Karen Katen	Director	Non Executive Board	
Kent Kresa	Director	Non Executive Board	
Ellen J. Kullman	Director	Non Executive Board	
Philip A. Laskawy	Director	Non Executive Board	
Kathryn V. Marinello	Director	Non Executive Board	
Eckhard Pfeiffer	Director	Non Executive Board	
Frederick A. Henderson	Vice Chairman and Chief Operating Officer	Senior Management	7608011 USD
Robert A. Lutz	Vice Chairman, Global Product Development	Senior Management	6894024 USD
Bo I. Andersson	Vice President, Global Purchasing and Supply Chain operations	Senior Management	
Kathleen S. Barclay	Vice President, Global Human Resources	Senior Management	
Walter G. Borst	Treasurer	Senior Management	
Lawrence D. Burns	Vice President, Research & Development and Strategic Planning	Senior Management	
Troy A. Clarke	President, North America operations	Senior Management	
Gary L. Cowger	Vice President and President, Global Manufacturing and Labor Relations	Senior Management	5092856 USD
Nicholas S. Cyprus	Controller and Chief Accounting Officer	Senior Management	
Carl-Peter Forster	President, Europe operations	Senior Management	
Steven J. Harris	Vice President, Global Communications	Senior Management	

Name	Job Title	Board	Compensation
Maureen Kempston Darkes	President, Latin America, Africa and Middle East operations	Senior Management	
Robert S. Osborne	General Counsel	Senior Management	
David N. Reilly	President, GM Asia Pacific	Senior Management	
Thomas G. Stephens	Executive Vice President, Global Powertrain and Global Quality	Senior Management	4944167 USD
Ralph J. Szygenda	Chief Information Officer	Senior Management	
Ray G. Young	Executive Vice President and Chief Financial Officer	Senior Management	

KEY EMPLOYEE BIOGRAPHIES

G. Richard Wagoner

Board: Executive Board
Job Title: Chairman and Chief Executive Officer
Since: 2003
Age: 54

Mr. Wagoner has been the Chairman and Chief Executive Officer of General Motors (GM) since 2003. Previously, he served as its President and Chief Executive Officer from 1998 to 2000. Before, he served as Executive Vice President of GM and President for its North American Operations since 1994. He also served as its Executive Vice President and Chief Financial Officer from 1992 to 1994 and also had responsibility for worldwide purchasing operations from 1993 to 1994. Mr. Wagoner was President and Managing Director of General Motors do Brazil (GMB) from 1991 to 1992. Prior to that, he was Vice President in charge of finance for General Motors Europe based in Zurich, Switzerland from 1989 to 1990.

Mr. Wagoner began his GM career as an analyst in the Treasurer's Office in New York in 1977. After several promotions there, in 1981 he became treasurer of GMB in Sao Paulo. He became Executive Director of finance for GMB in 1984. He moved to GM Canada in 1987 as Vice President and Finance Manager. He became group director, strategic business planning, for the former Chevrolet-Pontiac-GM of Canada Group in 1988. Mr. Wagoner is a member of the boards of trustees of Duke University and Detroit Country Day School, the Board of Dean's Advisors of the Harvard Business School, and the Board of Directors of Catalyst. He also serves as the Chairman of the 'Society of Automotive Engineers.

Percy N. Barnevik

Board: Non Executive Board
Job Title: Director
Since: 1996
Age: 66

Mr. Barnevik has been a Director of General Motors since 2005. Previously, he served as the Chairman of AstraZeneca, United Kingdom from 1999 to 2004. He also served as the Honorary Chairman of Sandvik, Sweden from 1983 to 2002. He was also the Chairman of Investor, Sweden from 1997 to 2002. Mr. Barnevik also serves as the Member of The Business Council, the International Investment Council advising the South African government, the International Advisory Council of the Federation of Korean Industries, the Advisory Council of Centre for European Reform-UK, Advisory Councils at the Wharton School of Business Administration and at Humboldt University in Berlin, and the Academies of Engineering Sciences in Sweden and Finland. He is also the Foreign

Honorary Member of the American Academy of Arts & Sciences and Honorary Member of the Royal Academy of Engineering, UK.

Erskine B. Bowles

Board: Non Executive Board
Job Title: Director
Since: 2005
Age: 61

Mr. Bowles has been a Director of GM since 2005. He also serves as the President, The University of North Carolina since January 2006. Previously, he served as the Chairman of Erskine Bowles from 2003 to 2005. He served as the Deputy Special Envoy for the Tsunami Recovery, United Nations in 2005. He also served as Senior Advisor, Carousel Capital, a private investment firm from 2002 to 2005. Mr. Bowles also serves as a Director of Cousins Properties, Morgan Stanley, North Carolina Mutual Life Insurance. Mr. Bowel also serves as the Member of the Boards of Chancellors of Columbia University Graduate School of Business and Juvenile Diabetes Research Foundation International.

John H. Bryan

Board: Non Executive Board
Job Title: Director
Since: 1993
Age: 70

Mr. Bryan has been a Director of General Motors since 1993. Previously, he served as the Chairman and Chief Executive Officer of Sara Lee, Chicago, Illinois, since 2001. He is also a Director of the Goldman Sachs Group. Mr. Bryan also serves as a Member of The Business Council and the National Trust Council of the National Trust for Historic Preservation; Life Trustee of The Art Institute of Chicago, the University of Chicago, and Rush University Medical Center. He is also the Chairman of Millennium Park.

Armando M. Codina

Board: Non Executive Board
Job Title: Director
Since: 2002
Age: 60

Mr. Codina has been a Director of GM since 2002. He serves as the President and Chief Executive Officer of Flagler Development Group, a commercial real estate subsidiary of Florida East Coast Industries, a holding company engaged in real estate and railroad businesses in Florida Since 2006. Previously, he served as the Chairman and Chief Executive Officer of Codina Group, a full-service

commercial real estate firm based in Coral Gables, Florida from 1979 to 2006. Mr. Codina is a Director of AMR Corporation, Florida East Coast Industries, Merrill Lynch. He also serves as the Chairman Emeritus of the Board of Trustees of Florida International University.

Erroll B. Davis

Board: Non Executive Board
Job Title: Director
Since: 2007

Mr. Davis has been appointed as a Director of General Motors in June 2007. He also serves as the Chancellor of the University System of Georgia and a former Chairman and Chief Executive Officer of Alliant Energy Corporation. He has also held corporate finance positions at Xerox Corporation and Ford Motor Company. He also serves on the boards of BP, PPG Industries and Union Pacific Corporation.

George M.C. Fisher

Board: Non Executive Board
Job Title: Director
Since: 1996
Age: 66

Mr. Fisher has been a Director of General Motors since 1996. Previously, he served as the Chairman and Chief Executive Officer of Eastman Kodak Company, Rochester, New York, since 2001. He is a Director of Eli Lilly and Company. Mr. Fisher is also a Member of the International Academy of Astronautics, the National Academy of Engineering, and the American Academy of Arts & Sciences. He also serves as the Senior Advisor for Kohlberg Kravis Roberts.

Karen Katen

Board: Non Executive Board
Job Title: Director
Since: 1997
Age: 57

Ms. Katen has been a Director of General Motors since 1997. She also serves as a Chairman of Pfizer Foundation since 2006. Previously, she served as the Vice Chairman of Pfizer, New York and retired as President, Pfizer Human Health in 2007. She held the offices of Vice Chairman, Pfizer and President, Pfizer Human Health from 2005 to 2007. She was also the President, Pfizer Global Pharmaceuticals and Executive Vice President, Pfizer from 2001 to 2005. She served as President, Pfizer U.S. Pharmaceuticals Group from 1995 to 2002. She is also a Director of Harris Corporation. Mr. Katen is also a Member of the Board of Directors of Catalyst, the Board of Directors of the National Alliance for Hispanic Health, the RAND Corporation's Health Board of Advisors, and the

Economic Club of New York's Board of Trustees. She also serves as a Trustee of the University of Chicago and Council Member of the Graduate School of Business; and as Outgoing Chairman, US-Japan Business Council.

Kent Kresa

Board: Non Executive Board
Job Title: Director
Since: 2003
Age: 69

Mr. Kresa has been a Director of General Motors since 2003. He also serves as the Chairman Emeritus, Northrop Grumman Corporation, Los Angeles, California, since 2003. He held the offices of Chairman and Chief Executive Officer for Northrop from 1990 to 2003. He also serves as the Chairman, Avery Dennison; Fluor Corporation; MannKind. Mr. Kresa is also the Chairman of the Board of Trustees of California Institute of Technology; Member of the Boards of Directors of the W.M. Keck Foundation, The Broad Foundation, and Performing Arts Center of Los Angeles County Foundation, the Board of Overseers of the Keck School of Medicine of the University of Southern California, the Board of Visitors of the UCLA Anderson School of Management, the Advisory Board of the Massachusetts Institute of Technology Lincoln Laboratory, and the Board of Trustees of the Haynes Foundation.

Ellen J. Kullman

Board: Non Executive Board
Job Title: Director
Since: 2004
Age: 51

Ms. Kullman has been a Director of General Motors since 2004. She also serves as the Executive Vice President, DuPont Safety & Protection; and DuPont Coatings & Color Technologies' Marketing and Sales division as well as its Safety and Sustainability operations. She is also the Executive Vice President for E.I. du Pont de Nemours and Company since June 2006. She also held the offices of Group Vice President, Safety & Protection operations from 2002 to 2006, and as the Group Vice President and General Manager from 2000 to 2002. She is the Member of the Board of Trustees of Tufts University, the Board of Overseers of the Tufts University School of Engineering, and the Board of Directors of the National Safety Council.

Philip A. Laskawy

Board: Non Executive Board
Job Title: Director
Since: 2003
Age: 66

Mr. Laskawy has been a Director of General Motors since 2003. He is the Retired Chairman and Chief Executive Officer of Ernst & Young, New York, New York, since 2001. He is also a Director of Henry Schein, Loews, The Progressive. He is the Chairman of the Trustees of the International Accounting Standards Committee Foundation.

Kathryn V. Marinello

Board: Non Executive Board
Job Title: Director
Since: 2007

Ms. Marinello has been appointed as a Director of General Motors in June 2007. She is President and Chief Executive Officer of Ceridian Corporation. Previously, she served as the President and Chief Executive Officer of GE Fleet Services and, prior to that, of GE Capital's Consumer Financial Services business. She has extensive experience in financial services, marketing and operations, including positions at First Data Corporation, U.S. Bank Card Services, Chemical Bank, Citibank and Barclays.

Eckhard Pfeiffer

Board: Non Executive Board
Job Title: Director
Since: 1996
Age: 65

Mr. Pfeiffer has been a Director of General Motors since 1996. He is the Retired President and Chief Executive Officer, Compaq Computer Corporation, Houston, Texas, since 1999. He is the Member of the Advisory Board of Deutsche Bank.

Frederick A. Henderson

Board: Senior Management
Job Title: Vice Chairman and Chief Operating Officer
Since: 2007
Age: 49

Mr. Henderson has been the Vice Chairman and Chief Operating Officer of General Motors since 2007. Previously, he served as Chief Financial Officer, Vice President of the group and as the Chairman of GM Europe, based in Zurich, Switzerland. He joined the company in 1984 as a Senior Analyst in the Treasurer's office in New York. After holding a variety of financial assignments, he was transferred to GMAC in 1989 as Director of mortgage banking. He was promoted to several positions of increasing responsibility until becoming GMAC group Vice President of finance in Detroit in 1992. Later, he was appointed Executive in charge of operations for the former Automotive

Components Group in Pontiac, Michigan in 1994, and then he became a GM Vice President and General Manager of Delphi Saginaw in 1996.

Mr. Henderson served as GM Vice President and Managing Director of GM do Brasil from 1997 to 2000. After that, he was named group Vice President and President of GM Latin America, Africa and Middle East (LAAM) headquartered in Florida. Later, in 2002, he moved to Singapore as President of GM Asia Pacific. In 2004, Mr. Henderson assumed responsibility for GM's European operations.

Robert A. Lutz

Board: Senior Management
Job Title: Vice Chairman, Global Product Development
Since: 2005
Age: 75

Mr. Lutz has been the Vice Chairman, product development operations of General Motors since 2005. Previously, he served as the Chairman of GM North America from 2001. He also served as President of GM Europe on an interim basis in 2004. Prior to rejoining GM as Vice chairman, he served as the Chairman and Chief Executive Officer of Exide Technologies. He also served as Chairman until his resignation in 2002, and as a member of Exide's board of directors until 2004. He joined Exide after a distinguished career with the former Chrysler Corporation from 1986 to 1998, where he reached the position of Vice Chairman. He also served as President and Chief Operating Officer, responsible for Chrysler's car and truck operations worldwide. He led all of Chrysler's automotive activities, including sales, marketing, product development, manufacturing, and procurement and supply. He began his service with Chrysler in 1986 as Executive Vice president and was elected to the Chrysler Corporation board.

Before Chrysler, Mr. Lutz spent 12 years at Ford Motor Company, where his last position was Executive Vice president of truck operations. He also served as Chairman of Ford of Europe and as Executive Vice President of Ford's international operations. From 1982 to 1986, he was a member of Ford's board. Prior to that, he began his automotive career in 1963 at GM, where he held a variety of senior positions in Europe until 1971. For the next three years, he served as Executive Vice President of sales at BMW in Munich and as a member of that company's board of management.

Mr. Lutz also serves as Chairman of The New Common School Foundation and as a trustee of the Barbara Ann Karmanos Cancer Institute. He is also a member of the board of trustees for the US Marine Corps University Foundation and Vice Chairman of the board of trustees for the Marine Military Academy in Harlingen, Texas.

Bo I. Andersson

Board: Senior Management
Job Title: Vice President, Global Purchasing and Supply Chain operations
Since: 2007

Age: 52

Mr. Andersson has been elected as GM group Vice President, global purchasing and supply chain operations in April 2007. Previously, he was Vice President of global purchasing and supply chain operations of the company from 2001 to 2007. He joined the company in 1987 as a Manager with Saab. After holding various leadership positions, he was appointed Vice President of purchasing for Saab in 1990. He moved from Saab to GM as the Executive Director of the worldwide purchasing electrical commodity group in 1993. In the following year, he was appointed Executive Director for the chemical commodity group. Later, he was promoted to Vice President of purchasing for General Motors Europe in 1997. In 1999, he returned to GM as the executive in charge for worldwide purchasing. Before joining GM, Andersson served as an Officer in the Swedish army after graduating from Sweden's Military Academy.

Kathleen S. Barclay

Board: Senior Management
Job Title: Vice President, Global Human Resources
Since: 1998
Age: 52

Ms. Barclay has been the Vice President, Global Human Resources of General Motors since 1998. She joined the company in 1985.

Walter G. Borst

Board: Senior Management
Job Title: Treasurer
Since: 2003
Age: 46

Mr. Borst has been the Treasurer of General Motors since 2003. He has been associated with General Motors since 1980. Previously, he served as Executive Director of Finance and Chief Financial Officer for company's German subsidiary, Adam Opel, since October 2000. He is currently a Director of GMAC.

Lawrence D. Burns

Board: Senior Management
Job Title: Vice President, Research & Development and Strategic Planning
Since: 1998
Age: 56

Mr. Burns has been the Vice President, Research & Development and Strategic Planning of General Motors since 1998. He joined the company in 1969.

Troy A. Clarke

Board: Senior Management
Job Title: President, North America operations
Since: 2006
Age: 52

Mr. Clarke has been President of GM North America since 2006. Previously, he served as President of GM Asia Pacific and GM group Vice President from 2004. He also served as GM group Vice President of manufacturing and labor relations beginning in 2002. He had been Vice President of group's labor relations operations since 2001. Prior to this, Mr. Clarke was President and Managing Director of GM de Mexico and a GM corporate Vice President since 1998. He also served as a Director of manufacturing for GM de Mexico June 1997.

Mr. Clarke joined GM as a co-op student at Pontiac Motor Division in Pontiac, Michigan, in 1973. He remained at Pontiac for ten years, holding a series of engineering and manufacturing assignments of increasing responsibility. Mr. Clarke is the Co-Chairman of the National Center for Asia Pacific Economic Cooperation and a member of the University of Michigan Business School Visiting Council. He serves as directors of the GM-Toyota NUMMI manufacturing joint venture in California.

Gary L. Cowger

Board: Senior Management
Job Title: Vice President and President, Global Manufacturing and Labor Relations
Since: 2005
Age: 60

Mr. Cowger has been Vice President of global manufacturing and labor relations operations of General Motors since 2005. Previously, he served as the group's Vice President and President of General Motors North America since 2001. He joined the group in 1965 at the GM Assembly Division plant in Kansas City, Kansas. He held a variety of engineering and manufacturing assignments of increasing responsibility at the plant. After working in various positions, he was appointed Manufacturing Manager of Cadillac Motor Division in 1987. In 1990, he became Executive Director of advanced manufacturing engineering for the Advanced Engineering Staff at the GM Technical Center in Warren, Michigan. He was appointed Executive in charge of the North American Operations Manufacturing Center in 1993. Later, he was named President and Managing Director of GM de Mexico in 1994. He was elected a Vice President of General Motors Corporation from 1994.

Mr. Cowger was named Vice President, manufacturing, General Motors Europe in 1993. Later, he was placed in charge of the overall coordination of all Opel/Vauxhall vehicle manufacturing, assembly, and component operations in Europe, which comprised 14 plants in ten countries. In 1998, he was appointed Chairman and Managing Director of Adam Opel, Germany, before becoming group Vice President, labor relations, for GM North America in 1998 and then group Vice President in charge of manufacturing and labor relations for GM North America in 2001.

Nicholas S. Cyprus

Board: Senior Management
Job Title: Controller and Chief Accounting Officer
Since: 2006
Age: 54

Mr. Cyprus has been the Controller and Chief Accounting Officer of General Motors since 2006. Previously, he served as Senior Vice President, Controller and Chief Accounting Officer for the Interpublic Group of Companies from 2004 to 2006. Prior to that, he was Vice President, Controller and Chief Accounting Officer from 1999 to 2004 at AT&T Corporation.

Carl-Peter Forster

Board: Senior Management
Job Title: President, Europe operations
Since: 2006
Age: 53

Mr. Forster has been Vice President of General Motors from 2006 and President of GM Europe, based in Zurich, Switzerland, since 2004. Previously, He has been Chairman of the Opel Supervisory Board since 2004 and Chairman of Saab since 2005. He started his career in 1982 as a Consultant for McKinsey & Company in Munich. In 1986, he joined BMW where he held various leadership positions before becoming Managing Director of BMW South Africa in 1996 and the board member responsible for all vehicle development projects in 1999. Prior to being appointed president of GM Europe and chairman of the Opel Supervisory Board, Mr. Forster was Chairman and Managing Director of Adam Opel from 2001.

Steven J. Harris

Board: Senior Management
Job Title: Vice President, Global Communications
Since: 2006
Age: 62

Mr. Harris has been the Vice President, Global Communications of General Motors since 2006. Previously, he served as Vice President of GM Communications.

Maureen Kempston Darkes

Board: Senior Management
Job Title: President, Latin America, Africa and Middle East operations
Since: 2002
Age: 59

Ms. Darkes has been Vice President of General Motors and President, GM Latin America, Africa and Middle East (LAAM) since 2002. Previously, she was President and General Manager of General Motors of Canada (GMCL) and Vice President of General Motors from 1994 to 2001. She joined the General Motors of Canada Legal Staff in 1975 and became Assistant Counsel in 1979. She served on the General Motors Legal Staff in Detroit in 1979-1980 and headed the GM of Canada Tax Staff from 1980 to 1984. She worked in the GM Treasurer's Office in New York and subsequently held the position of acting treasurer for GM of Canada until her appointment as General Director, public affairs, for GMCL in 1987. She was appointed GMCL Vice President of corporate affairs in 1991 and elected to the GMCL Board of Directors. In addition to her corporate affairs responsibilities, she was appointed General Counsel and Secretary of GMCL in 1992.

Ms. Darkes serves on the boards of CN Rail and Thomson. During her tenure as president of GM of Canada, she was a board member of the Vehicle Manufacturers' Association; the Ontario Government Education, Quality and Accountability Board; and the Ontario Minister of Health's Women's Health Council. She was appointed by the federal government to the Free Trade Agreement Automotive Select Panel in 1989 and, in 1994, to the Transportation Equipment Sectoral Advisory Group on International Trade.

Robert S. Osborne

Board: Senior Management
Job Title: General Counsel
Since: 2006
Age: 53

Mr. Osborne has been the Vice President and General Counsel of General Motors since 2006. Prior to joining GM, he was a Senior Partner of Jenner & Block, a national law firm where he served as Chair of the Corporate Department and as a Member of the management and policy committees. He joined Jenner & Block in 2002 after 23 years in the Chicago office of Kirkland & Ellis, where he also served on the firm's management committee. He represented GM as outside counsel in a wide variety of these matters over a period of more than 20 years. While a partner at Kirkland & Ellis, Osborne also served in an outside capacity as Secretary and General Counsel of Lands' End, a public company that he represented from its initial public offering in 1986 through its acquisition by Sears in 2002.

David N. Reilly

Board: Senior Management
Job Title: President, GM Asia Pacific
Since: 2006
Age: 58

Mr. Reilly has been the President of GM Asia Pacific and GM group Vice President since 2006. He joined the group in 1975 with the former Detroit Diesel Allison Division in the UK. He held various

assignments with General Motors in Belgium, the United States, and Mexico from 1978 to 1984. Returning to England, he moved to Vauxhall Motors as General Operations Manager, aftersales. He later held the post of Vauxhall Supply Manager and was appointed a Director of the company in 1986. Mr. Reilly was named Vice President of operations and a member of the board of directors of GM's IBC vehicle joint venture with Isuzu in Luton, England in 1987. In 1990, he was appointed Director of manufacturing at Vauxhall's Ellesmere Port plant.

Mr. Reilly became Vice President of quality and reliability for General Motors Europe in Zurich, Switzerland, and a Member of the GM Europe Strategy Board in 1994. Mr. Reilly became the Chairman and Managing Director of Vauxhall in 1996. In the following year, he was appointed as GM vice president. In 2001, he returned to Zurich, Switzerland, as Vice President of sales, marketing, and aftersales for GM Europe, from where he transferred to Korea to lead GM's transition team in the formation of GM Daewoo, beginning in 2002. He also assumed the duties of President and Chief Executive Officer of GMDAT.

Thomas G. Stephens

Board: Senior Management

Job Title: Executive Vice President, Global Powertrain and Global Quality

Since: 2007

Age: 59

Mr. Stephens is the Vice President, Global Powertrain operations of General Motors since. He joined the company in 1969 as an hourly employee at the Chevrolet Engineering Center in Warren, Michigan, under the University of Michigan's student co-op program. Upon graduation, he became a Junior Engineer at the Cadillac Motor Car Division in Detroit. He served the next nine years as an Experimental Engineer and Staff Project Engineer in the experimental laboratories before being promoted to Supervisor of product engineering operations in 1980. Two years later, he was named Staff Engineer of emissions and transmissions operations.

Mr. Stephens joined the Buick-Oldsmobile-Cadillac Powertrain Division as Senior Staff Engineer of transmissions and powertrain controls in 1985. He served as Assistant Chief Engineer for Cadillac's 4.5 liter V-8 engine. He was promoted to Plant Manager at the B-O-C Powertrain Livonia Engine Plant in 1988. Mr. Stephens was named Director of engineering for GM Engine Division in 1990. In the following year, he became Director of engine engineering for GM Powertrain operations. He was appointed Engineering operations General Manager for GM Powertrain Group in Pontiac, Michigan, in 1993. In following year, he was elected a GM Vice President.

Mr. Stephens was GM Vice President and Group Director of engineering operations for the GM Truck Group from 1996 to 2000. He was appointed Vice President of vehicle integration in 2001 and held this position prior to being named group vice president for GM Powertrain 2001.

Ralph J. Szygenda

Board: Senior Management
Job Title: Chief Information Officer
Since: 2000
Age: 59

Mr. Szygenda has been Vice President and Chief Information Officer of General Motors since 2000. He joined the group in 1996 as Vice President and Chief Information Officer. Before joining GM, he was Vice President and Chief Information Officer at Bell Atlantic Corporation, in Arlington, Virginia, a position he held since 1993. Mr. Szygenda also served as a Director of Sodalía Corporation, a joint software business venture of Bell Atlantic and Telecom Italia. Prior to Bell Atlantic, he spent 21 years with Texas Instruments Incorporated. He was appointed Vice President, information systems and services, and chief information officer of Texas Instruments in 1989. In 1991, he also added the responsibility of Vice President and General Manager of Texas Instruments Enterprise Systems Business Unit.

Mr. Szygenda has been active with various education, business, civic, and charitable organizations throughout his career. At present he is a member of the dean's advisory council for Carnegie Mellon's H. John Heinz III School of Public Policy and Management, the Information Management Advisory Council at the University of Texas, Austin, and the campaign steering committee at Wayne State University. He also serves as a Member of The Research Board and InformationWeek magazine's editorial board.

Ray G. Young

Board: Senior Management
Job Title: Executive Vice President and Chief Financial Officer
Since: 2008
Age: 46

Mr. Young has been the Executive Vice President and Chief Financial Officer of General Motors since 2008. He joined the company in 1986. Previously, he was President and Managing Director of GM do Brasil and Mercosur Operations and prior to that served as Chief Financial Officer of GMNA.

MAJOR PRODUCTS AND SERVICES

General Motors Corporation is the largest vehicle manufacturer in the world. It has operations in approximately 55 countries apart from the US and Canada. The company's key products include the following:

Products:

- Compact cars
- Mid sized cars
- Large sized vehicles
- Luxury vehicles
- Sports utility vehicles
- Crossover utility vehicles
- Small and medium pickup trucks
- Full size pickup trucks
- Passenger vans
- Cargo vans
- Chassis cabs
- Utility Vehicles

Services:

- Financial services
- Communications services

Brands:

- Buick
- Cadillac
- Chevrolet
- GMC
- Holden
- Hummer
- Opel
- Pontiac
- Saab
- Saturn
- Vauxhall

REVENUE ANALYSIS

GM recorded revenues of \$181,122 million during the FY ended December 2007, a decrease of 11.9% compared with 2006. This was primarily due to de-consolidation of GMAC following the GMAC Transaction in November 2006. For the FY2007, North America, the company's largest geographic market, accounted for 63.7% of the total revenues.

The company generates revenues through two business divisions: automotive (98.4% of the total revenues during FY2007), and financing (1.6%).

Revenue by division

During the FY2007, GM automotive* division recorded revenues of \$178,199 million, an increase of 3.9% over 2006. This was primarily due to increase in sales in Asia Pacific, Latin America and Europe.

The financing division recorded revenues of \$2,923 million in FY2007, a decrease of 91.5% compared with 2006.

* The company's automotive revenues comprise revenues from four sub divisions namely GM North America (with revenues of \$109,024 million), GM Europe (\$35,481 million), GM Latin America/Africa/Middle East (\$18,326 million), GM Asia Pacific (\$15,368 million).

Revenues by Geography

Total North America, General Motors's largest geographical market, accounted for 63.7% of the total revenues in the FY2007. Revenues from total North America reached \$115,303 million in 2007, a decrease of 21.7% compared with 2006. This was primarily due to decline in volumes. The decrease in volume was driven by a reduction in year-end dealer inventories of 160,000 units from 2006 year-end levels as a result of lower US industry sales volumes and the impact of company's declining market share in the US and a reduction in daily rental volume of 108,000 units.

Total Europe accounted for 19.6% of the total revenues in the FY2007. Revenues from total Europe reached \$35,416 million in 2007, an increase of 2.9% over 2006. This was primarily due to (1) a favorable impact of \$2.9 billion in Foreign Currency Translation, driven mainly by the strengthening of the Euro, British Pound and Swedish Krona versus the US Dollar; (2) an increase of \$1.6 billion due to higher wholesale sales volume in Russia and UK.

Total Asia Pacific accounted for 8.6% of the total revenues in the FY2007. Revenues from total Asia Pacific reached \$15,633 million in 2007, an increase of 39.1% over 2006. This was primarily due to increase in GM Daewoo export sales and increase in domestic unit sales in the remainder of the region.

Total Latin America accounted for 7.4% of the total revenues in the FY2007. Revenues from total Latin America reached \$13,352 million in 2007, an increase of 37.1% over 2006. This was primarily due to increase in sales volumes across most Latin American business units, including increases in Brazil, Venezuela and Argentina.

All other accounted for 0.8% of the total revenues in the FY2007. Revenues from all other reached \$1,418 million in 2007, a decrease of 52% compared with 2006.

SWOT ANALYSIS

General Motors Corporation (GM) is primarily engaged in the production of vehicles. It designs, manufactures and markets car, truck and other automobile parts all over the world. GM has strong brand portfolio. The company markets its products under Chevrolet, GMC, Hummer, Pontiac, Saab, Saturn, Corvette, Opel, and Vauxhall, Buick, Daewoo, Holden, and Wuling. The company's strong brand portfolio gives it significant competitive advantage. However, sustained decline in light vehicle sales as a result of increasing durability of vehicles and weak economic conditions in the US would put additional pressure on the overall performance of the company.

Strengths	Weaknesses
Strong brand portfolio Growing business in Asia Pacific and Latin America region Large scale operations	Declining market share Product recalls Declining financial performance
Opportunities	Threats
Increasing demand for hybrid electric vehicles Opportunities in emerging markets New models	Declining demand for light vehicles in US Rising raw material prices ELV Directive Stringent emission standards

Strengths

Strong brand portfolio

GM has a strong brand portfolio. The company owns brand names such as Chevrolet and Cadillac. Chevrolet, the company's luxury vehicle, sold more than 4.3 million vehicles worldwide, delivering one out of every 15 vehicles purchased in 2007. Cadillac, GM's flagship brand, is another luxury brand.

The company also has a wide portfolio of regional brands. For instance, in North America, the company sells its products under Buick, Cadillac, Chevrolet, GMC, Hummer, Pontiac, Saab, and Saturn brand names; while in Europe, the company's brands include Corvette, Opel, and Vauxhall. Furthermore, in Asia Pacific, the company's brands include: Buick, Daewoo, Holden, and Wuling. Moreover Buick and Cadillac are among top brands globally, on par with well-known brands such as Honda, Nissan, Mercedes-Benz and Toyota. The company's strong brand portfolio spanning the regional as well as the global markets enhances its customer reach across all automotive markets and gives it significant competitive advantage.

Growing business in Asia Pacific and Latin America region

General Motors registered strong business growth in the Asia Pacific region (GMAP) as well as Latin America, African and Middle East regions. The company increased its vehicle unit sales in the Asia Pacific region by almost 15.1% in 2007, to 1.4 million units from 1.3 million in 2006. GMAP's 2007 market share was 6.9%, a 0.4 percentage point increase over 2006 and a 1.0 percentage point increase over 2005. As a result of increased vehicle unit sales, GMAP revenue rose 39.1% to \$15.6 billion in 2007 compared to \$11.2 billion in 2006.

In Latin America, African and Middle East region, the company sold 1.2 million vehicles in 2007, an increase of 19.4% over 2006, and 40.0% over 2005. This growth led to a 17.2% market share in GMLAAM, a 0.2 percentage point increase compared to 2006 and a 0.6 percentage point increase compared to 2005. As a result of increased sales, the company registered a revenue growth of 37.1% to reach \$13.4 billion in 2007 from the revenues of \$9.7 billion in 2006.

Large scale operations

General Motors has large scale facilities for the manufacture, assembly, and distribution operation of its products. The company has approximately 228 locations operating in 36 states and 151 cities in the US. Of these, approximately 21 are engaged in the final assembly of GM cars and trucks, approximately 27 are service parts operations responsible for distribution or warehousing, and the remaining locations are offices or facilities involved primarily in testing vehicles or manufacturing automotive components and power products.

In addition, the company also operates in approximately 22 locations in Canada. It also maintains assembly, manufacturing, distribution, or warehousing operations in 50 other countries, including equity interests in associated companies which conduct assembly, manufacturing, or distribution operations. The major facilities outside the US and Canada, which are principally vehicle manufacturing and assembly operations, are located in: Germany, Australia, China, South Korea, United Kingdom, Sweden, Thailand, South Africa, Brazil, Belgium, Argentina, India, Mexico, Spain, and Poland.

GM also had approximately 6,776 GM vehicle dealers in the US, 729 in Canada, and 330 in Mexico. Additionally, GM operated approximately 14,052 distribution outlets throughout the rest of the world for vehicles manufactured by GM and its affiliates. These outlets include distributors, dealers and authorized sales, service, and parts outlets. Large scale manufacturing facilities and a wide distribution network allows the company to strengthen its market position all over the world.

Weaknesses

Declining market share

General Motors along with Chrysler and Ford lost market share because of increased competition from Japanese companies in the American and western European automotive markets. The Big Three's light vehicles market share in the US (GM, Ford, and Chrysler) is constantly declined from 53.9% in 2006 to 51.7% in 2007. During 2007, the respective market share of GM, Ford, and DaimlerChrysler were 23.5%, 15.6%, and 12.6% respectively. The market share of General Motors in fiscal years 2005, 2006, and 2007 stood at 25.9%, 24.2% and 23.5% respectively, showing a continuous declining trend.

Further, the new motor vehicle registrations and new passenger car registrations market share remained flat 9.6% and 10.2% in 2007 as compared to 9.6% and 10.2% in 2006. In addition, the light commercial vehicle market share of the company (in terms of new registrations) declined from 7.4% in 2006 to 7.2% in 2007. Where as, the light commercial vehicle market share of Japanese competitor Toyota increased from 2.6% to 3.3% during the same period. The Japanese companies are slowly closing the gap on the US vehicle manufacturers such as General Motors. If the US vehicle manufacturers fail to come up with an appropriate competitive response, then Japanese companies could well capture market leadership in the US and Western European automotive markets in the coming years.

Product recalls

General Motors had to recall a number of vehicles in 2007 and 2008 owing to various reasons. In December 2007, the company's joint venture in China recalled 7,056 Buick cars in the country due to front brake problems. The problem was found in some Buick LaCrosse sedans made between March 10, 2006 and March 22, 2007. In the same month, the company recalled about 313,000 passenger cars and crossover vehicles to fix a fluid leak that could lead to the driver losing control of the vehicle. The recall involves 275,936 vehicles in the US, including the 2005-2007 Cadillac CTS and STS sedans, 2005-2007 Cadillac SRX crossovers, and 2006-2007 Pontiac Solstice and the 2007 Saturn Sky convertibles. About 38,000 additional vehicles are under recall in Mexico, Canada, the Middle East and Asia.

Later, in January 2008, General Motors recalled 86,000 cars sold in Australia, the Middle East, New Zealand and Brazil because of a risk that an engine bay fuel leak could cause a fire. The cars made by the company's subsidiary in 2006 and 2007 are known in Australia and New Zealand as VE Commodore and WM Commodore, as Chevrolet Lumina and Chevrolet Caprice in the Middle East and in Brazil, Chevrolet Omega. The recall includes 53,000 cars sold in Australia, 27,000 in the Middle East, 5,000 in New Zealand and 784 in Brazil. In the same month, the company recalled 15,000 Chevrolet Lumina and Chevrolet Caprice vehicles in the Middle East made by its Australian subsidiary Holden due a defect that may cause fuel leakage and potentially a fire.

In March 2008, General Motors recalled more than 207,500 Buick and Pontiac vehicles because of an engine defect that could cause oil leaks and lead to fires. The recall applies to Buick Regal and Pontiac Grand Prix vehicles with 3.8 liter supercharged V-6 engines, built between 1997 and 2003. Several product recalls indicate inadequate quality assurance and quality control systems.

Declining financial performance

The overall financial performance of the company declined during the FY2007. During 2007, the revenues of the company declined at a rate of 11.9% to reach \$181,122 million in 2007 from \$205,601 million in 2006. This was primarily due to de-consolidation of GMAC following the GMAC Transaction in November 2006. The operating loss of the company was \$4,390 million during FY2007, as compared with an operating loss of \$5,823 million in 2006. The net loss was \$38,732 million in FY2007, as compared with the net loss of \$1,978 million in 2006.

In addition, the profit margins of the company also declined significantly. The operating profit margin of the company declined from 6.7% in 2003 to -2.4% in 2007. The net profit margin of the company stood at -21.4% in 2007, as compared to the net profit margin of 2.1% in 2003. Further, the long-term debt of the company has increased to \$33,384 million in 2007 from \$33,067 million in 2006. The weakening financial performance would affect the future growth plans of the company apart from reducing investor confidence in the company.

Opportunities

Increasing demand for hybrid electric vehicles

Worldwide demand for light hybrid electric vehicles (HEV) is estimated to reach 4.5 million units in 2013. Rising energy costs and increased emissions regulations are likely to increase demand for HEVs. The US is expected to experience the highest level of demand for HEVs, estimated at two million units in 2013. And, it is estimated that 23% of car shoppers plan to purchase a hybrid vehicle in the next fiscal year. Hybrid engines are more fuel efficient and less polluting than conventional gasoline and diesel engines. Hybrid engines, already popular in the passenger car segment, are likely to gain acceptance in heavy vehicle applications such as sports utility vehicles and commercial vehicles.

General Motors is also keen to capitalize on the growing demand for hybrid electric vehicles. The company witnessed a large amount of money for the development of hybrid vehicles. For instance, in January 2008, General Motors formed a new engineering organization dedicated to implementing hybrid and extended- range electric vehicles (E-REV) and advanced battery technology. Also in January 2008, General Motors formed a new engineering organization for implementing hybrid and extended- range electric vehicles (E-REV) and advanced battery technology. The company's focus on hybrid vehicles is likely to drive its medium to long term revenue growth.

Opportunities in emerging markets

China and India are expected to drive the global demand for new cars through 2010. New car production in China is expected to increase from 6.3 million units in 2007 to 9.4 million units in 2012, while in India, it is forecast to increase from 1.3 million units to 2.5 million units. The company also took significant steps towards increasing its presence in the Asian markets.

In China, GM operates seven joint ventures and two wholly owned foreign enterprises. One of its key joint ventures in China includes Shanghai GM, which is a 50-50 joint venture with Shanghai Automotive Industry (SAIC), a leading passenger car manufacturer in China. Shanghai GM was formed in 1997. Shanghai GM has a current annual production capacity of around 320,000 vehicles. In April 2007, Shanghai General Motors (Shanghai GM) introduced the Park Avenue luxury sedan, a newest member of its Buick lineup.

It is expected that the entire Central and Eastern European (CEE) region will account for approximately 5.5 million units, by 2012. The company has strong presence in CEE and a growing automotive market in this region is likely to drive demand for General Motor's automotive business. With greater presence, the company is well positioned to tap the opportunities arising from these growing automotive markets.

New models

The capital expenditures of the company continued to run at a high level during the last fiscal year. During 2007, the company incurred a capital expenditure of \$7.5 billion to support new product launches. Further, the company had also announced its plan to spend to \$9 billion on capital investments in 2008, an increase of nearly \$1 billion from 2007.

During 2008, the company expects that a significant percentage of its retail sales will come from vehicles launched in the 2007, such as the Cadillac CTS and the Chevrolet Malibu, Buick Lucerne and Saturn Aura, fullsize trucks and sport utility vehicles and mid-size crossovers, the Saturn Outlook, GMC Acadia and Buick Enclave. In the fourth quarter of 2007, the company launched two of these vehicles -- the Cadillac CTS and the Chevrolet Malibu, both of which achieved robust sales volumes as well as significant industry awards, the Chevrolet Malibu receiving the 2008 North America Car of the Year award, and the Cadillac CTS being named the 2008 Motor Trend Car of the Year. In 2008, the company plans to launch Cadillac CTS and the Chevrolet Malibu and Pontiac G8 and Chevrolet Traverse. By introducing segment-leading cars and trucks, the company could improve its brand image and revenues.

Threats

Declining demand for light vehicles in US

The US sales of light vehicles have been weak since 2003. The demand for light vehicles (new cars and trucks) in the US slowed down by 3.4% in 2007 to reach the total number of vehicles to 16.5 million in 2007 from 17.1 million vehicles in 2006. During 2008, the demand for light vehicles is further expected to decline by more than 14% to reach the number of vehicle to 14.4 million.

In addition to this, the economic situation in the US is weakening. According to the IMF world economy outlook, The IMF projects that the U.S. GDP growth will slow to 1.5% in 2008, down from 2.2% in 2007. This in turn could depress consumer spending on vehicles. The sustained decline in light

vehicle sales as a result of increasing durability of vehicles and weak economic situation in the region will put additional pressure on the overall performance of the company.

Further, the sub prime crisis is rattling the US auto industry, making new car purchases more difficult for many consumers. The consumers with lower credit scores now face increased difficulty finding affordable financing as loan delinquencies rise among higher-risk customers. Some lenders are raising interest rates on vehicle loans, costing consumers hundreds of dollars in increased payments. A four-year, \$20,000 loan at 7% costs the buyer about \$880 more than the same loan at 5%. Subprime mortgage problems could decline car and truck sales further, with many consumers delaying vehicle purchases or buying lower-priced cars and trucks and aftermarket products to pare their monthly payments.

Rising raw material prices

The primary raw materials that the group uses include steel and aluminum. The company's raw material cost is increasing due to the rise in the prices of aluminum and steel. Globally, the prices of primary aluminum ingot increased to \$3,005.3 per ton by the end of March 2008, an increase of 1.8% over 2007. Similarly, the price of cold rolled steel coil rose from \$530 per ton in March 2007 to \$805 per ton in March 2008. Hot rolled steel prices, a major commodity used by suppliers, increased from \$508 a ton in February 2007 to \$663 a ton in February 2008. Rising raw material prices could lead to higher component and production costs, which could negatively impact the future profitability and cash flows of the company.

ELV Directive

Japan enacted the Automobile Recycling Law in July 2002, which required manufacturers to take back air bags, fluorocarbon and shredder residue derived from end-of-life vehicles (ELV). The law became effective from 2005. Broadly the ELV directive makes vehicle manufacturers responsible for taking back end-of-life vehicles offered for sale after July 2002 for dismantling and recycling. As per this law, effective from January 1, 2006, 80% of ELV by weight must be reused or recycled, with a total recovery of 85%. Effective January 1, 2015, 85% of ELV (by weight) must be reused or recycled, with a total recovery of 95%.

This law is also applicable in Europe. Further, Taiwan, Korea and China plan to implement automobile recycling laws in the near future, following the regulations established by the European Union and Japan. ELV regulations would impose additional costs on the group, which could adversely affect its margins. Moreover, manufacturers are prohibited from using specified hazardous materials in vehicles offered for sale in the European Union after 2003 and 95% of vehicle parts in new vehicle types sold in the European Union after December 2008, must be designed to be re-usable and recoverable. The ELV directive would impose additional costs obligations on GM, which would adversely affect its margins.

Stringent emission standards

The emission standard in the automobile industry, which prescribes norms for engine standards, has been changing rapidly, and in recent times several countries have subscribed to new emission standards. The European Union (EU) Commission and the EU Parliament have adopted a directive that establishes increasingly stringent emission standards for passenger and light commercial vehicles for model years 2005 and thereafter (EURO 4). Under the directive, manufacturers will be responsible for the emissions performance of these vehicles for five years or 100,000 kilometers, whichever occurs first. A more stringent emission standard (EURO 5) is also in the final discussion stage within the EU legislative bodies, expected to be effective in 2009. The EU Commission intends to define even more stringent emission standards (EURO 6), that, if adopted, would become mandatory around 2014 or 2015.

Further, in 2005, in the US, the states of New York, Massachusetts and Vermont adopted the California Zero Emission Vehicle (ZEV) regulation. The ZEV was implemented in model year 2007. The state of Maine would adopt the ZEV regulation starting from the 2009 model year. The state of Rhode Island and Connecticut will propose the ZEV regulation starting from the 2008 model year. The state of New Jersey will adopt the ZEV regulation starting from January 2009.

China adopted Step3 and Step4 emission regulations for light-duty vehicles in 2005. These regulations are similar to EURO 3 and EURO 4. Step3 was implemented in 2007 and Step4 would be implemented in 2010. South Korea adopted the enforcement regulation of the Special Act on Capital Region Air Quality Improvement. Accordingly, some manufacturers shall be required to sell low emission vehicles, which meet a more stringent emission standard than those meeting the national standard. In addition, several Asian countries adopted regulations which are similar to the Euro2 and Euro3 norms. In Australia, Euro4-equivalent regulations will be implemented in July 2008. The emission standards adopted across various regions can result in additional costs for product development, testing, and manufacturing operations of GM.

TOP COMPETITORS

The following companies are the major competitors of General Motors Corporation

AB Volvo
Fiat S.p.A.
Ford Motor Company
Honda Motor Co., Ltd.
Isuzu Motors Limited
Mazda Motor Corporation
Nissan Motor Co., Ltd.
PSA Peugeot Citroen S.A.
Renault S.A.
Toyota Motor Corporation
Volkswagen AG
Hyundai Motor Co.
Bayerische Motoren Werke AG
Daimler AG
PACCAR Inc.

COMPANY VIEW

A statement by G. Richard Wagoner, Chairman and Chief Executive Officer of General Motors is given below. The statement has been taken from the company's annual report for the year ended December 2007.

GM's centennial comes at an exciting time for the auto industry, as we move aggressively to realize the potential of two huge trends that are transforming the global auto industry and society itself. The first trend is the rapidly growing role, and importance, of emerging markets. 2007 was the auto industry's sixth consecutive year of record global sales: about 71 million units. That's up about 24 percent in just six years – all of it attributable to emerging markets. Going forward, we expect the growth and importance of emerging markets to accelerate.

This extraordinary growth is helping to define the second trend transforming our industry and world today, and that is the need to develop robust alternatives to our traditional almost-complete reliance on oil to power our vehicles. It's clear that biofuels and advanced propulsion technologies will be required to address key societal issues of energy supply, energy security and CO2 emissions.

Together, these two enormous trends provide an extraordinary opportunity for GM to redefine our self and to lead the reinvention of the global auto industry. We are committed to take full advantage of these two extraordinary trends to drive GM's transformation from a 100-year-old company, to a company that is ready to lead for 100 years to come.

But first things first. To achieve the future that we envision for GM, we first must complete the transformation of GM that we've been aggressively driving for several years.

2007 Year in review

2007 was another year of important progress for GM, as we implemented further significant structural cost reductions in North America, grew aggressively in emerging markets, negotiated an historic labor contract with our United Auto Workers union partners in the U.S., further developed a broad range of advanced propulsion technologies and, most importantly, introduced a series of breakthrough cars and trucks around the world.

We're pleased with the improvement trend in our automotive results. But we know we have more work to do to achieve the profitability and positive cash flow that we need, and that our stockholders expect and deserve.

GM's core automotive business generated record revenue of \$178 billion in 2007, a \$7 billion improvement over 2006. In total, GM generated \$181 billion in revenue in 2007, compared with \$206 billion in 2006. The decrease is primarily due to the deconsolidation of GMAC, following our sale of 51 percent of GMAC in November 2006.

Adjusted automotive earnings before tax, excluding special items, were \$553 million in 2007, an improvement of nearly \$900 million versus 2006, despite a slowing U.S. economy, weak market conditions in the U.S. and record high commodity costs – trends that will continue to impact our results in 2008.

GM's total adjusted net loss in 2007, excluding special items, was \$23 million, reflecting a \$1.1 billion loss attributed to our 49 percent stake in GMAC. While GMAC's traditional auto financing business performed well, those results were more than offset by massive losses in GMAC's mortgage businesses.

Including special items, GM reported a loss of \$38.7 billion, or \$68.45 per diluted share in 2007. This loss is almost entirely attributable to the non-cash \$38.3 billion special charge in the third quarter related to a non-cash valuation allowance against deferred tax assets. The valuation allowance has no impact on cash, and does not reflect a change in the company's view of its long-term financial outlook.

While these results are disappointing, in many respects the bigger story for GM in 2007 is what went on behind the numbers – under the hood, if you will. Look under the hood, and we see that 2007 was a “tipping point” for GM in terms of structuring the company and building the product and technology momentum necessary to position us for sustained profitability and growth in the rapidly changing global auto industry.

Massive turnaround

In 2007, we continued to aggressively implement the turnaround plan for North America that we initiated in 2005, starting with the successful launch of several great new cars and trucks. We began 2007 by winning both the North American Car and Truck of the Year awards, with the Saturn Aura and Chevy Silverado, respectively. In 2008, we won the North American Car of the Year award for the second year in a row, this time with the all-new Chevy Malibu sedan.

In between, the Cadillac CTS was named Motor Trend's 2008 Car of the Year, the Buick Enclave luxury crossover was picked as Urban Wheel's Truck of the Year, and the Chevy Corvette, Chevy Malibu and Cadillac CTS were picked as Automobile magazine “All Stars,” and as three of Car and Driver's “10 Best Cars.”

In 2007, we continued to implement major improvements to our U.S. sales and marketing strategy. Over the past two years, we've re-focused our marketing efforts to emphasize the strength and value of our products and brands, cut incentives, reduced low-profit daily rental sales, introduced the industry's best powertrain warranty coverage and worked to consolidate our Buick-Pontiac-GMC distribution channel. These actions have enabled us to stabilize our U.S. retail market share, improve average transaction prices and residual values, and reduce dealer inventories, despite challenging market conditions.

On the cost-side of our turnaround plan, we realized the full benefit of our massive cost-reduction efforts in 2005 and 2006, with GM North America now running at an annual structural-cost base that

is \$9 billion less than in 2005. We also continued to make progress in our long-term effort to improve quality. As one example, in the latest J.D. Power vehicle dependability survey, Buick finished tied for first place among all manufacturers, and Cadillac came in third. We've also witnessed, since 2005, an 89 percent reduction in vehicle recall campaigns involving safety and non-compliance.

And, very importantly, we also negotiated a new labor agreement with our primary union, the United Auto Workers, in 2007. In addition to effectively addressing our healthcare cost burden, as discussed below, this agreement will enable us to significantly improve our competitive position in the U.S. I want to acknowledge the UAW leadership and membership for their willingness to work creatively with us to address some very tough issues, and their important role in reaching last year's agreement.

Addressing the legacy cost burden

We've also made tremendous progress on what has been probably our single-most challenging issue in recent years: GM's healthcare and legacy cost burden. Our progress has been the result of a series of actions and agreements over the last several years affecting both salaried and hourly workers. In total, they represent a major milestone in reestablishing GM's ability to be fully cost competitive in the U.S.

Consider that from 1993 through 2007, GM has spent a total of \$103 billion in the U.S. to fund legacy pensions and retiree healthcare – an average of about \$7 billion a year – a dramatic competitive and cash-flow disadvantage. Based on our recent actions and agreements, our U.S. hourly and salaried pension plans were over-funded by more than 20 percent at year-end 2007, and we do not expect to be required to make any cash contributions to these plans for the foreseeable future. In addition, U.S. salaried retiree healthcare has been capped beginning this year, and UAW retiree healthcare is scheduled to be paid exclusively from a new independent trust that we will establish on the later of January 1, 2010, or receipt of the necessary approvals.

The result of these and other actions in this area: we expect our cash spending on U.S. pensions and retiree healthcare to decline from the annual average of \$7 billion over the last 15 years, to about \$1 billion per year starting in 2010. That savings of approximately \$6 billion a year offers us a tremendous opportunity to improve GM's earnings and balance sheet, and to invest in new products and advanced propulsion technology.

Global growth

As noted earlier, a major trend affecting the global auto industry today is the rapidly growing role and importance of emerging markets. GM is very well positioned to take advantage of this growth. Overall, we sold more than 9 million cars and trucks in 2007 for the third year in a row, and only the fourth time in GM history. Of those sales, a record 59 percent were outside the U.S., a percentage that will continue to grow as we drive to increase sales in expanding markets like China, Brazil, Russia and India.

The strategy of taking advantage of global growth opportunities is one that takes GM back to its roots. Way back in the mid-1920s, GM was already exporting vehicles to much of the world. In 1923,

GM opened its first assembly plant outside North America, in Copenhagen, Denmark. Within a few years, GM had purchased Britain's Vauxhall, Germany's Adam Opel and Australia's Holden, and was manufacturing in more than a dozen countries.

Today, the growth opportunities around the world are even better. But our business approach to grow in them has changed in the face of intense global competition. Now, we're working to effectively leverage our global scale, scope and resources, and share our best practices and ideas. GM now operates as an integrated global auto company, with one global product development organization, one global purchasing process, and one global manufacturing system and so on. The difference is profound, and is literally changing the way we think about and operate our business.

And it's yielding impressive results. In 2007, our sales in Europe were up about 9 percent to a record 2.2 million units, despite weak market conditions in Germany. Strong demand for GM cars and trucks in the United Kingdom, Ukraine, Italy, Greece and Russia – where sales doubled to almost 260,000 units – made GM the fastest growing major automobile manufacturer in Europe in 2007.

In our Asia Pacific region, we continue to see very strong growth in sales, and solid profitability. GM was once again the number one automaker in the fast-growing China market; in fact, in 2007, we, with our local partners, became the first global automaker to sell more than one million vehicles there. Other highlights include 74 percent sales growth in India, and 30 percent growth in export sales from GM Daewoo in Korea.

In our Latin America, Africa and Middle East region, sales were up 19 percent to a record 1.2 million units in 2007. All-time sales records were set in the important Brazilian market, as well as in Argentina, Chile, Colombia, Egypt and Venezuela.

Advanced propulsion technology

The second major trend affecting the global auto industry today is the rapid development of advanced propulsion technology, based on the very important fact that oil alone will not be able to supply the world's automotive energy requirements in the years to come.

In 2007, we made tremendous progress in pursuit of GM's advanced propulsion technology strategy, which, in short, is to offer a broad range of clean and efficient vehicles, powered by different sources of energy, to respond optimally to local consumer needs around the world. Some evidence of this progress:

GM will offer 17 models in the U.S. market this year that get 30 miles-per-gallon highway – more than any other automaker.

By the end of 2008, GM will offer 25 ethanol enabled Flex Fuel cars and trucks around the world, and produce more than one million new Flex Fuel vehicles, in addition to the four million we've already produced.

Between 2007 and 2010, we'll introduce 16 new hybrid vehicles – an average of one every three months. This includes the new Chevrolet Tahoe and GMC Yukon two-mode hybrids, which get 50 percent better city fuel economy than their gasoline counterparts, which already get the best fuel economy in their class.

We've begun delivering 100 Chevy Equinox Fuel Cell SUVs to customers in the U.S. and Europe, to create the world's largest hydrogen fuel-cell test fleet.

And then there's our revolutionary new E-Flex propulsion system, which drives the Chevy Volt, Opel/Saturn Flextrime, and Cadillac Provoq concept vehicles. It's fair to say that no concept car in my GM career has created more excitement than the Chevy Volt. We're running all-out to get this technology to market as soon as possible.

Overall, our goal is nothing less than leadership in energy and environmental technology, as we move into an extended period of stronger global energy demand, and heightened environmental awareness. This is a great example of where GM's scale and scope will be a significant competitive advantage for us, as we roll out these technologies across a broad range of vehicle makes and models around the globe.

Strong liquidity position

Despite the reported net loss for 2007, we made additional progress on strengthening GM's liquidity. Over the past two years, we have improved GM's available liquidity by \$7 billion, to more than \$27 billion at year-end 2007. Asset sales have played a key role in this. So far, we have received about \$9 billion from the sale of 51 percent of our equity in GMAC in late 2006, and \$5.4 billion from the sale of our Allison Transmission division last year.

But we have more work to do in generating cash flow from our operating businesses. GM ended 2007 with negative adjusted automotive operating cash flow of \$2.4 billion, a \$2 billion improvement compared to 2006. That's good progress, but moving the business to positive operating cash flow as soon as possible remains one of our top priorities.

GMAC/DELPHI

Our sale of 51 percent of GM's equity in GMAC to Cerberus in late 2006 was successful in de-linking the GM and GMAC credit ratings and, very importantly, preserving what has been a very productive relationship between GM's auto and auto finance businesses. We expect GM's relationship with GMAC to remain close and mutually beneficial for many years to come.

2007, however, was a challenging year for GMAC, which reported a net loss of \$2.3 billion, compared with net income of \$2.1 billion in 2006. Positive results in GMAC's global automotive and insurance businesses were more than offset by the \$4.3 billion loss in its mortgage businesses. As a result of our 49 percent equity interest and preferred dividends received for the full year 2007, GM reported a \$1.1 billion net loss attributable to GMAC.

While market conditions remain uncertain, GMAC took aggressive actions in 2007 across all its businesses in an effort to mitigate future risk, rationalize its cost structure and position itself for growth. Looking forward, GMAC continues to target a return to profitability, while maintaining or improving its global leadership position in its core businesses.

In 2007, we also reached important agreements with Delphi Corporation, the United Auto Workers and other interested parties on Delphi's Chapter 11 restructuring. We continue to work with Delphi and its stakeholders on Delphi's successful exit from bankruptcy, while insuring that GM significantly reduces its \$1.5 billion annual cost penalty on purchases of parts from Delphi. We remain committed to achieving a solution that works for Delphi and us.

What's next?

Overall, in 2007, we made further major progress in advancing GM's turnaround – but we need to do more. So, what's next?

In 2008, we forecast continued solid growth in global vehicle sales, driven by the emerging markets of Asia, South America, and Central and Eastern Europe. In contrast, in the U.S., we anticipate continued headwinds in 2008, including a broad-based housing correction, higher gas prices and lower consumer confidence, leading to a relatively weak overall economic environment and auto industry sales. We are committed to continuing to take the actions to build our future, at the same time as we respond to the difficult U.S. market conditions.

As always, the most important element of our future success will be great cars, trucks and brands, and in 2008 we'll work to build on the product momentum we gained last year by launching many exciting new vehicles throughout the world, including:\

The all-new Chevy Traverse mid-size crossover

The Cadillac Escalade and Chevy Silverado two-mode hybrids

The exciting Opel/Vauxhall Insignia across Europe

The Buick LaCrosse Hybrid in China

The Holden Sportwagon in Australia and New Zealand

The Chevrolet Captiva in Brazil

And much more.

Going forward, we have plans to further reduce our structural costs in North America by about \$5 billion by 2011, beyond the \$9 billion we have realized so far since 2005. Based on this, we are now targeting to reduce our global automotive structural costs from 34 percent of revenue in 2005 to 25

percent of revenue by 2010 – and then to 23 percent of revenue by 2012, a clear benchmark among major global auto manufacturers.

We will continue to drive for rapid growth in emerging markets, which have grown from 20 percent of industry unit sales in 1997, to 38 percent in 2007. By 2017, we forecast that today's emerging markets will account for more than half of industry unit sales, and our plan is to play a major role in this growth.

We will continue to pursue our advanced propulsion technology strategy with all the urgency we can muster, driven by the need to reduce oil imports, oil consumption and CO2 emissions around the world.

We will continue to drive the benefits of running the business in a globally integrated manner, which continues to be perhaps the most profound change taking place inside the company today.

And we'll pursue these strategies with a strong and committed GM team. In March, I was pleased to announce several important moves to further strengthen our top leadership structure. We reestablished GM's traditional President and Chief Operating Officer Position, and promoted Fritz Henderson to this role. Fritz has had a broad range of experiences in leading three of our regions and in a number of other GM businesses over the years, and he's made a tremendous contribution in each role.

I look forward to working closely with Fritz; Bob Lutz, who so capably leads our global product development team; Ray Young, just promoted to the Chief Financial Officer position; Tom Stephens, who was promoted to Executive Vice President and is leading our advanced propulsion technology initiatives; and the entire GM leadership team around the world.

Equally important, I look forward to continuing to work with our extremely talented and committed team of GM employees around the globe. To win in today's hypercompetitive global auto business; we need a strong team at every level and in every position. At GM, we have that team in place, from boardroom to factory floor...and I feel privileged to work with a group of automotive professionals whom I consider to be the best team in the business.

GMnext

GM today stands at the juncture between our first and second centuries, between a tremendous heritage and a bright and exciting future. We've come a long way since the challenge of 2005, and still we have a lot of work ahead of us...but I believe that 2007 will stand as a tipping point in the history of GM, as we position the company for sustained competitiveness, profitability and growth.

Everyone at our company is working hard to make GM the industry leader with great cars and trucks, great brands and great business results. It's a position that GM has attained many times in our history, and one we desire to achieve again. We have the right strategy, the right products and technology and, most important, the right people to do it again, and we're committed to making it happen. We appreciate your continued support as we work to make this vision a reality.

LOCATIONS AND SUBSIDIARIES

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<p>OnStar 400 Renaissance Center Detroit Michigan 48265 USA</p>	<p>GM Daewoo Auto & Technology 199 Chongchon dong Pupyong ku Inchon KOR</p>
<p>Saturn Corporation 4701 Lydell road Cheverly Maryland 20781 USA</p>	<p>Adam Opel Postfach 1710 65423 Russelsheim DEU</p>
<p>Vauxhall Motors Griffen House Osbourne Road Luton LU1 3YT GBR</p>	<p>Saab Automobile S-461 80 Trollhattan SWE</p>

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