

GENERAL MOTORS NYSE-GM

RECENT PRICE **9.95** P/E RATIO **NMF** (Trailing: NMF Median: 12.0) RELATIVE P/E RATIO **NMF** DIV'D YLD **Nil** VALUE LINE

TIMELINESS 5 Lowered 8/15/08	High: 72.4	76.7	94.9	94.6	67.8	68.2	54.4	55.6	40.8	36.6	43.2	29.3	Target Price Range		
SAFETY 4 Lowered 7/18/08	Low: 52.3	47.1	59.8	48.4	39.2	30.8	29.8	36.9	18.3	18.5	24.5	8.8	2011	2012	2013
TECHNICAL 5 Lowered 8/8/08															
BETA 1.65 (1.00 = Market)	<p>Options: Yes Shaded area indicates recession</p>														

2011-13 PROJECTIONS				Ann'l Total	
Price	Gain	Return			
High 45	(+350%)	47%			
Low 25	(+150%)	28%			
Insider Decisions					
	O	N	D	J	F
to Buy	0	0	0	0	0
Options	0	0	0	0	0
to Sell	0	0	0	0	0
Institutional Decisions					
	3Q2007	4Q2007	1Q2008		
to Buy	230	214	192		
to Sell	195	243	206		
Hlds(000)	547262	535381	575547		

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
187.36	191.94	205.41	224.21	216.84	249.72	246.28	285.04	336.81	317.08	333.24	328.58	342.68	340.59	366.52	319.97	296.20	308.75	Revenues per sh	337.35
8.53	12.06	16.52	20.08	21.71	32.32	23.95	28.76	32.44	23.99	26.10	29.83	31.49	21.84	23.24	16.48	2.15	14.40	"Cash Flow" per sh	28.75
d4.85	2.13	6.20	7.28	5.72	7.89	5.24	8.53	6.68	1.77	3.35	5.03	6.39	d6.05	3.89	d3.33	d15.50	d5.00	Earnings per sh ^{A1}	4.00
1.40	.80	.80	1.10	1.60	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	.50	Nil	Div'ds Decl'd per sh ^B	1.00
9.32	8.99	9.58	8.43	13.15	14.88	14.68	11.92	17.74	15.44	13.28	12.98	13.73	14.46	14.02	13.32	14.15	13.80	Cap'l Spending per sh	12.80
8.47	7.77	17.00	31.00	30.95	25.24	22.87	33.33	54.79	35.25	12.16	44.75	49.10	25.81	d9.62	d65.53	d81.60	d86.60	Book Value per sh ^F	d79.80
706.83	720.11	754.35	753.01	756.62	693.46	655.01	619.41	548.18	559.04	560.45	564.62	564.72	565.50	565.73	566.06	566.00	566.00	Common Shs Outst'g ^C	566.00
--	20.7	8.3	6.3	9.2	7.7	12.8	8.8	10.3	30.2	14.6	7.7	7.0	--	7.0	--	Bold figures are Value Line estimates	--	Avg Ann'l P/E Ratio	9.0
--	1.22	.54	.42	.58	.44	.67	.50	.67	1.55	.80	.44	.37	--	.38	--	--	--	Relative P/E Ratio	.60
3.9%	1.8%	1.6%	2.4%	3.0%	3.3%	3.0%	2.7%	2.9%	3.7%	4.1%	5.2%	4.5%	6.4%	3.7%	3.1%	--	--	Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 6/30/08 ^D				161315		176558		184632		177260		186763		185524		193517		192604		207349		181122		167655		174750		Revenues (\$mill)		190950	
Total Debt \$43.2 bill. Due in 5 Yrs \$33.1 bill.				--		--		--		--		--		--		--		--		24.1%		23.5%		21.8%		21.0%		Market Share		20.0%	
LT Debt \$33.7 bill. LT Interest \$2.2 bill. (Total interest coverage: 7.5x)				16.1%		17.5%		16.3%		13.0%		18.4%		14.2%		14.1%		7.6%		18.4%		29.3%		1.5%		6.5%		Operating Margin		11.0%	
Pension Assets \$133.7 bill. Oblig. \$173.0 bill. Prd Stock \$8.1 bill. Prd Div'd \$190.0 mill. Incl. \$1.2 bill. 4.5% Series A, 48 mill shs., \$25.00 par, due 2032.; \$2.6 bill. 5.25% Series B, 1.04 bill shs., \$25.00 par, due 2032.; \$4.3 bill. 6.25% Series C, \$25.00 par, due 2033. (2% of Cap'l)				3662.0		5576.0		4452.0		601.0		1736.0		2862.0		3630.0		d3417		2199.0		d187.0		d8795		d2840		Net Profit (\$mill)		2265	
Current Assets				31.8%		34.5%		33.4%		50.6%		25.6%		24.5%		--		--		56.3%		NMF		NMF		NMF		Income Tax Rate		20.0%	
Current Liab.				2.3%		3.2%		2.4%		.3%		.9%		1.5%		1.9%		NMF		1.1%		NMF		NMF		NMF		Net Profit Margin		1.2%	
MARKET CAP: \$5.6 billion (Large Cap)				21335		10244		18929		57190		130382		d16718		207943		115941		d6499		d10605		d13375		d11010		Working Cap'l (\$mill) ^D		1430	
CURRENT POSITION ^P				52574		62745		68464		104437		140601		29593		228957		202177		38105		34692		39000		41000		Long-Term Debt (\$mill) ^D		32000	
Cash Assets				14984		20862		30175		19707		6814.0		25268		27726		14597		d5441		d37094		d46175		d49850		Shr. Equity (\$mill)		d45170	
Accounts Payable				7.8%		8.8%		6.0%		2.9%		3.4%		11.6%		3.1%		1.9%		28.7%		NMF		NMF		NMF		Return on Total Cap'l		NMF	
Debt Due				24.4%		26.7%		14.8%		3.0%		25.5%		11.3%		13.1%		NMF		--		--		NMF		NMF		Return on Shr. Equity		NMF	
Other				15.2%		20.4%		10.5%		NMF		7.6%		6.9%		9.0%		NMF		--		--		NMF		NMF		Retained to Com Eq		NMF	
Current Liab.				38%		25%		29%		NMF		70%		39%		31%		NMF		26%		NMF		NMF		NMF		All Div'ds to Net Prof		25%	

BUSINESS: General Motors is the world's second largest auto manufacturer. Automotive products accounted for 98% of 2007 sales. Makes Chevrolet and GMC trucks, GM diesel locomotives, and engines. Operates plants in 17 foreign countries, principally in Western Europe, which make Vauxhall, Opel, and Holden cars and trucks; owns stakes in Saab and Isuzu. Sold 51% stake in GMAC in '06. Divested Electronic Data Systems in '96; GM Defense in '03. Fgn. bus. accounts for 36%. 2007 depr. rate: 11%. Has abt. 266,000 empls. State St. owns 13.9% of stk. Offs. and dirs. own 1% of stock (4/08 Proxy). Chairman & CEO: G. Richard Wagoner. Incorporated: DE. Address: 300 Renaissance Center, Detroit, Michigan 48265. Telephone: 313-556-5000. Internet: www.gm.com.

The lure of General Motors' shares is mainly as a very speculative long-term recovery play at this juncture. Investors already on board here have watched the stock's price plummet to a level not seen in five decades. Historic earnings losses, a sizable cash drain, and a worsening operating climate are only a few of the forces scaring away investors. And with GM's stay in the red probably extending into 2009, the stock will likely plod along at a depressed valuation in the near term. Indeed, the issue currently holds our Lowest rank (5) for relative year-ahead price performance. In addition, the Safety rank is Below Average (4) and the company's Financial Strength rating has fallen two notches, to C+, since our May review. We do believe GM is capable of a turnaround and, thus, foresee better days ahead for these shares. Still, those eager to take advantage of the stock's substantial regression must be willing to face what will likely be a very tumultuous ride. **The company needs to stop burning through its cash.** The quarterly depletion is in the \$2 billion-\$3 billion range. GM has suspended the dividend, which is a necessary move. A 20% workforce reduction and the sale of \$4 billion in assets, including the Hummer brand, are also part of the cost-saving blueprint. In all, GM aims to trim its cost structure by \$10 billion through 2009. **Further inventory reductions are also likely.** Sizable production cuts are already under way and a return to "employee pricing" should help. These discounts provided a sales spark back in 2005 and may do the same this year, though, for now, the timing of the promotion is very limited. **A showroom makeover is a critical piece of a turnaround here.** U.S. sales continue to decline, falling 26% in July, to just over 233,300 units, primarily due to sinking demand for SUVs and trucks. GM is stepping up its efforts to get into the fuel-efficient small-car game, including the anticipated 2010 launch of the plug-in hybrid Chevy Volt.

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^{DE}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	45773	48469	47182	51180	192604
2006	52376	54464	49300	51209	207349
2007	43387	46844	43806	47085	181122
2008	42670	38156	41505	45324	167655
2009	43170	42480	42765	46335	174750
Cal-endar	EARNINGS PER SHARE ^{ADHI}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	d1.48	d.56	d1.92	d2.09	d6.05
2006	.62	2.03	.88	.36	3.89
2007	.17	2.30	d2.88	.08	d.33
2008	d.62	d11.21	d2.25	d1.42	d15.50
2009	d1.75	d1.35	d1.00	d.90	d5.00
Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2004	.50	.50	.50	.50	2.00
2005	.50	.50	.50	.50	2.00
2006	.25	.25	.25	.25	1.00
2007	.25	.25	.25	.25	1.00
2008	.25	.25	.25	.25	1.00

Company's Financial Strength C+
Stock's Price Stability 2
Price Growth Persistence 5
Earnings Predictability 5