

GENERAL MOTORS NYSE-GM

RECENT PRICE **20.21** P/E RATIO **6.3** (Trailing: 6.2 Median: NMF) RELATIVE P/E RATIO **0.43** DIV'D YLD **Nil** VALUE LINE

TIMELINESS 4 New 8/24/12	High: 37.0	39.5	27.7	Target Price Range	2015	2016	2017
SAFETY 3 New 2/25/11	Low: 33.1	19.0	18.7	128			
TECHNICAL 3 New 8/24/12	LEGENDS ... Relative Price Strength Options: Yes Shaded areas indicate recessions			96			
BETA 1.20 (1.00 = Market)				80			
2015-17 PROJECTIONS				64			
Ann'l Total				48			
Price				40			
Gain				32			
Return				24			
High	60	(+195%)	32%	16			
Low	40	(+100%)	19%	12			
Insider Decisions				% TOT. RETURN 7/12			
S O N D J F M A M				1 yr.	-28.8	VL ARITH. INDEX	-1.0
to Buy	0	0	0	0	0	0	0
Options	1	0	0	5	0	0	1
to Sell	0	0	0	0	0	0	0
U.S. Institutional Decisions				3 yr.	—	50.3	—
3Q2011	4Q2011	1Q2012	Percent	45	5 yr.	—	24.0
to Buy	263	257	shares	30			
to Sell	217	225	traded	15			
Hld's(000)	547305	550525	555979				

Nearly a year and a half after emerging from one of the largest bankruptcy restructurings ever, shares of General Motors were sold in the world's largest IPO on November 18, 2010. A total of 550 million shares, including an over-allotment option, were sold in the IPO. 413 million of which had been owned by the U.S. Treasury, 102 million from the UAW trust, and 35 million from the Canadian government's stake. The stock was priced at \$33 a share. Another \$4.6 billion in preferred shares were also sold.	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
	--	--	--	--	--	--	--	--	86.88	96.04	95.75	103.65	Revenues per sh	116.60
	--	--	--	--	--	--	--	--	7.38	9.20	7.75	8.50	"Cash Flow" per sh	10.20
	--	--	--	--	--	--	--	--	2.89	3.88	3.25	3.90	Earnings per sh ^A	5.70
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	--	--	--	--	--	--	--	2.69	3.99	4.20	4.25	Cap'l Spending per sh	4.70
	--	--	--	--	--	--	--	--	16.52	17.72	27.95	32.30	Book Value per sh	46.95
	--	--	--	--	--	--	--	--	1560.7	1564.7	1565.0	1565.0	Common Shs Outst'g ^B	1565.0
	--	--	--	--	--	--	--	--	12.0	7.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	9.0
	--	--	--	--	--	--	--	--	.76	.46			Relative P/E Ratio	.60
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	--	--	--	--	--	--	--	--	135592	150276	149820	162200	Revenues (\$mill)	182500
	--	--	--	--	--	--	--	--	18.8%	19.2%	18.5%	20.0%	Market Share	21.0%
	--	--	--	--	--	--	--	--	8.9%	9.2%	8.6%	8.9%	Operating Margin	10.5%
	--	--	--	--	--	--	--	--	6172.0	7974.0	6570	7780	Net Profit (\$mill)	10150
	--	--	--	--	--	--	--	--	11.7%	6.5%	5.0%	5.0%	Income Tax Rate	12.0%
	--	--	--	--	--	--	--	--	4.6%	5.3%	4.4%	4.8%	Net Profit Margin	5.6%
	--	--	--	--	--	--	--	--	4154.0	11315	13350	15200	Working Cap'l (\$mill)	17500
	--	--	--	--	--	--	--	--	8342.0	11543	9500	8800	Long-Term Debt (\$mill) ^D	8000
	--	--	--	--	--	--	--	--	36180	38120	43750	50550	Shr. Equity (\$mill)	73500
	--	--	--	--	--	--	--	--	14.7%	16.6%	13.0%	12.5%	Return on Total Cap'l	13.0%
	--	--	--	--	--	--	--	--	17.1%	20.9%	15.0%	15.5%	Return on Shr. Equity	14.0%
	--	--	--	--	--	--	--	--	17.8%	25.5%	15.0%	15.5%	Retained to Com Eq	14.0%
	--	--	--	--	--	--	--	--	25%	11%	14%	12%	All Div'ds to Net Prof ^E	Nil

CAPITAL STRUCTURE as of 6/30/12
Total Debt \$14.8 bill. **Due in 5 Yrs** \$8.8 bill.
LT Debt \$9.7 bill. **LT Interest** \$650 mill.
 (18% of Total cap'l)
Pension Assets 12/10 - \$105.9 bill. **Oblig.** \$138.1 bill.
Leases, Uncapitalized Annual rentals \$460 mill.
Pfd Stock \$4.9 bill. 100 mill. of 4.75% Series B Pfd. shrs. convert. to 1.2626 comm. shrs. if greater than \$39.60, 1.5152 shrs. If less than \$33.00, \$50/shr. If in between, subject to dilution adj.
Common Stock 1,566 mill. shares as of 7/27/12
MARKET CAP: \$31.6 billion (Large Cap)

CURRENT POSITION	2010	2011	6/30/12
Cash Assets	28946	32219	33565
Receivables	8699	9964	11117
Inventory (FIFO)	12125	14324	15433
Other	4373	8416	10118
Current Assets	54143	64923	70233
Accts Payable	21497	24551	26425
Debt Due	4448	5800	5092
Other	24044	22875	25134
Current Liab.	49989	53226	56651

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11	'15-'17
of change (per sh)				
Sales	--	--	5.5%	5.5%
"Cash Flow"	--	--	8.5%	8.5%
Earnings	--	--	8.5%	8.5%
Dividends	--	--	NMF	NMF
Book Value	--	--	11.0%	11.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	--	--	--	--	--
2010	31476	33174	34060	36882	135592
2011	36194	39373	36719	37990	150276
2012	37759	37614	35900	38547	149820
2013	39700	40800	39500	42200	162200

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	--	--	--	--	--
2010	.55	.83	1.20	.31	2.89
2011	.95	1.54	1.03	.39	3.90
2012	.93	.90	.70	.72	3.25
2013	.90	1.00	.95	1.05	3.90

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
2008	NO CASH DIVIDENDS				
2009	BEING PAID				
2010	BEING PAID				
2011	BEING PAID				
2012	BEING PAID				

BUSINESS: General Motors Company is the nation's largest automobile manufacturer; sales represented 19% of U.S. car and truck market in 2011. Including strategic partnerships, GM manufacturers vehicles in over 30 countries, with sales in over 120 nations. Foreign operations accounted for about 46% of 2011 sales. Ops. considered "Old GM" incl. four major U.S. brands: *Buick*, *Cadillac*, *Chevrolet*, and *GMC*. Has about 205,000 employees. Operates OnStar subsidiary. U.S. Department of the Treasury owns 30.0% of stock; VEBA Trust, 12.3%; Canada GEN Investment Corp., 8.4% (4/12 Proxy). Chairman & CEO: Daniel F. Akerson. Inc. Address: 300 Renaissance Center, Detroit, MI 48265. Tel.: 313-556-5000. Internet: www.gm.com.

General Motors maintained relatively solid results through the first half of 2012. The automaker delivered share net of \$0.90 in the second quarter, which was below our \$0.97 estimate, but pretty decent considering the lower-than-anticipated top-line result. Revenues declined nearly 5%, though practically all of the dropoff was attributable to currency translation. As in recent periods, earnings were driven by strength in the domestic market. Indeed, adjusted EBIT in the North American business was above our expectations, at \$2.0 billion. Yet, it's worth noting that some of the earnings upside was timing-related, as management indicated that expenses were deferred into the third quarter. Meanwhile, Europe remains a substantial drag on results, as the segment posted a \$361 million operating loss. **We have lowered our 2012 share-net estimate by \$0.40, to \$3.25, while reducing our 2013 number by \$0.50, to \$3.90.** We look for more-modest profitability from the North American segment in the back half of this year, while Europe should continue to weigh on the bottom line. Meanwhile, the South American

business may face some additional pressure from a combination of costs associated with new vehicle launches, as well as overall pricing pressure. **Despite some ongoing headwinds, we look for earnings to recover in 2013.** The domestic business should receive a boost from a broad refresh of its vehicle lineup, which should help lift sales and, more importantly, provide additional pricing power. Moreover, the multiple new model launches should result in market-share gains. Meanwhile, we anticipate the company taking restructuring/cost-cutting actions in the European business in the near term, which could provide meaningful year-over-year savings in 2013. **We have assigned a Timeliness rank of 4 (Below Average) for these previously unranked shares.** GM still faces a challenging near-term outlook, without any meaningful catalyst for immediate improvement. However, it is positioned for solid earnings growth in the coming years. The stock's valuation is appealing, and investors with a longer-term perspective stand to reap above-average gains.

Joel Schwed
August 24, 2012

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '11 .82¢. Next earnings report due mid November. Quarterly total may not sum due to rounding. (B) In millions. (C) Unranked due to short trading history. (D) Long-Term Debt includes GM Financial securitized notes payable. (E) Based on preferred dividends.

Company's Financial Strength B+
 Stock's Price Stability 70
 Price Growth Persistence NMF
 Earnings Predictability NMF