

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.  
General Motors Corporation, *et al.*, : Case No. 09-50026 (REG)  
: (Jointly Administered)  
Debtors. :  
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**DECLARATION OF J. STEPHEN WORTH**

I, J. Stephen Worth, make this Declaration under 28 U.S.C. § 1746 and state:

1. I am a Managing Director with Evercore Group L.L.C. (“Evercore”), financial advisor to the Debtors. Relevant facts as to my background and qualifications, and Evercore’s, are set forth in my Declaration of May 31, 2009 (the “May 31 Declaration”), in support of the Proposed Sale of Debtors’ Assets to Vehicle Acquisition Holdings LLC (the “Purchaser”), a U.S. Treasury-sponsored purchaser (the “363 Transaction”). That Declaration has been admitted into evidence in this proceeding and I have been cross-examined with respect thereto at the hearing on the 363 Transaction.

2. I submit this Declaration at the request of the Debtors, and pursuant to the Order of the Court, dated July 7, 2009. Specifically, I submit this affidavit to: (a) address potential harm to the Debtors and their estates in the event that the Court grants the stay of the 363 Transaction that has been requested by certain Asbestos Claimants; and (b) quantify the estimated loss to the Debtors and their estates in the event that the 363 Transaction does not close.

3. In my May 31 Declaration, I provided and explained Evercore's quantification of value, valuation methodology and fairness opinion with respect to the consideration to be received by the Debtors in the 363 Transaction. Specifically, in addition to the U.S. Treasury providing tens of billions of dollars of financing and the Purchaser's assumption of tens of billions of dollars of General Motors Corporation ("GM") debt and other liabilities, the Purchaser is to issue to GM both (i) common stock representing ten (10) percent of the equity in the Purchaser and (ii) warrants to purchase an additional 15 percent of the equity in the Purchaser. As explained in Exhibit F to my May 31 Declaration (a copy of which Exhibit is annexed hereto, for the Court's convenience), Evercore valued (i) the "New GM" equity at approximately \$38 to 48 billion, and (ii) the ten (10) percent equity interest and the additional warrants to be received by the Debtors at approximately \$7.4 to \$9.8 billion. As described more fully in my May 31 Declaration, these valuations were based on a variety of assumptions and models, all of which contemplated an expeditious approval and closing of the 363 Transaction and which further contemplated that absent such expeditious closing and elimination of the uncertainty inherent in the bankruptcy process -- as by virtue of a stay -- and given the tenuous nature of GM's business, the value of the business (and, thus, the securities to be received by the Debtors in the 363 Transaction) would be diminished (assuming one hypothesized that the business could survive at all and that the Purchaser would still be willing to make the acquisition).

4. If the 363 Transaction does not close, the Debtors will not obtain such New GM stock and warrants. Moreover, the sworn statements of Frederick A. Henderson (the Chief Executive Officer of GM), Albert Koch of AlixPartners and William Repko of Evercore -- all of which were admitted into evidence in this proceeding -- state that: (i) there is no other

source of financing for the Debtors; (ii) there is no other purchaser for or investor in GM or its business or assets; (iii) the sole alternative to the 363 Transaction is liquidation; and (iv) in a liquidation, unsecured creditors will receive nothing, while secured creditors will receive far less than the 363 Transaction provides.

5. Based on the foregoing, it is my opinion that if the 363 Transaction does not close, the Debtors and their estates would suffer a loss in excess of \$85 billion, which amount is the calculated difference between (x) the sum of (i) the approximately \$91 billion to \$94 billion of total sale consideration, (ii) plus the estimated value of the pre-existing UAW VEBA of \$21.8 billion that was not assumed by the purchaser under the MSPA, (iii) less the estimated undrawn portion of the DIP of \$17.6 billion – for a total of \$95 billion and \$98 billion and, (y) according to the analysis performed by AlixPartners, upon which I have relied, the \$6 billion to \$10 billion that would be obtained in a liquidation.

6. Moreover, the liquidation analysis performed by AlixPartners, as reflected in the Mr. Koch's Declaration of May 31, 2009, indicates that the U.S. Treasury will suffer a loss ranging from approximately \$22 to \$32 billion upon its total claim of approximately \$32 billion if the 363 Transaction is stayed and does not close. Such loss reflects the calculated difference between the U.S. Treasury's pre- and post-petition loans to GM and its likely far lower recovery in the event of a liquidation.

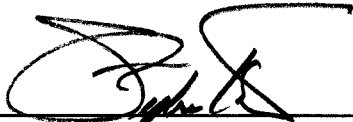
7. Based on discussions with the Debtor and my understanding of their operating plan, a delay in closing the 363 transaction could result in, among other additional costs, weekly operating costs of \$30 million to \$60 million in the form of additional incentives and advertising.

8. None of the foregoing analyses of injury attempts to value, quantify or reflect the damages to any particular party in interest or to any of the suppliers, dealers, employees and retirees, or other persons or businesses and communities dependent upon the survival of GM's business that is the subject of the 363 Transaction, in the event the 363 Transaction does not close.

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I declare, under penalty of perjury, that the forgoing is true and correct, to the best of my knowledge.

Executed this 7th day of July, 2009



J. Stephen Worth

**Exhibit F:**

**Materials Relating to Fairness Opinion Presentation to GM Board of Directors**

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**PROJECT MAINE**

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**Presentation to the Board of Directors**

**May 31, 2009**

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*These materials have been prepared by Evercore Group L.L.C. (“Evercore”) for the Board of Directors of General Motors Corporation (“GM” or the “Company”) to whom such materials are directly addressed and delivered and may not be used or relied upon for any purpose other than as specifically contemplated by a written agreement with Evercore. These materials are based on information provided by or on behalf of the Company and/or other potential transaction participants, from the Company’s other advisors, including AxiomPartners, from public sources or otherwise reviewed by Evercore. Evercore assumes no responsibility for independent investigation or verification of such information and has relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and forecasts of future financial performance prepared by or reviewed with the management of the Company and/or other potential transaction participants and/or the Company’s other advisors or obtained from public sources, Evercore has assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of such management (or, with respect to estimates and forecasts obtained from the Company’s other advisors or public sources, represent reasonable estimates). No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past, the present or the future. These materials were designed for use by specific persons familiar with the business and affairs of the Company. These materials are not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. These materials have been developed by and are proprietary to Evercore and were prepared exclusively for the benefit and internal use of the Board of Directors of the Company.*

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**EVERCORE PARTNERS**



# **I. Overview of Transaction & Evercore Process**

**EVERCORE PARTNERS**

# Overview of Transaction & Evercore Process

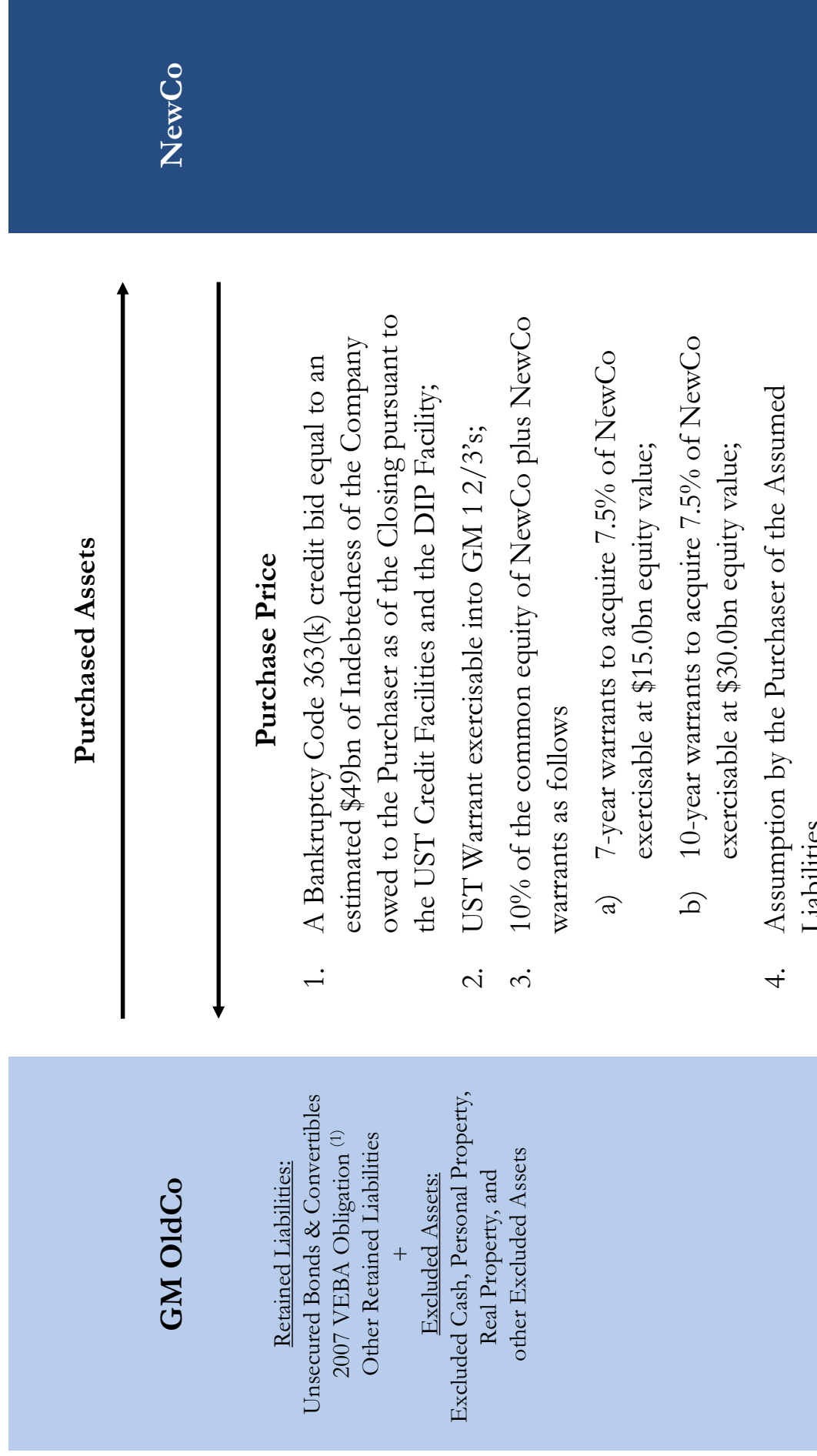
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## Transaction Overview

- Scope of Assignment**
  - Evercore Group L.L.C. (“Evercore”) has been asked by the General Motors Corporation (“GM”, “GM OldCo” or the “Company”) Board of Directors whether, in Evercore’s opinion, the Purchase Price is fair, from a financial point of view, to the Company in connection with the sale and transfer (the “363 Sale”) of the Purchased Assets (the “Purchased Assets”) to NewCo (“NewCo” or the “Purchaser”) as defined in the Master Sale and Purchase Agreement (the “MSPA”). The terms and conditions of the 363 Sale are more fully set forth in the MSPA, and terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Agreement
  - The Purchaser intends to acquire from the Company the Purchased Assets in exchange for the Purchase Price (the “Purchase Price”) as defined in MSPA, including the Assumed Liabilities (the “Assumed Liabilities”) as defined in the MSPA, all in accordance with the terms outlined in the MSPA and subject to section 363(k) of the Bankruptcy Code
- Key Provisions on the DIP**
  - The Purchaser is providing debtor-in-possession financing to the Company at the commencement of the Bankruptcy Case in connection with and conditioned on the 363 Sale
  - The Purchaser’s DIP financing matures on the earlier of (a) 90 days, (b) the Closing of the 363 Sale or (c) in the event the Bankruptcy Court enters an order approving an Alternative Transaction
  - If the Bankruptcy Court does not approve the 363 Sale, the DIP loan would be in default

Note: All capitalized terms within this document refer to their definition in the Master Sale and Purchase Agreement

## Transaction Overview

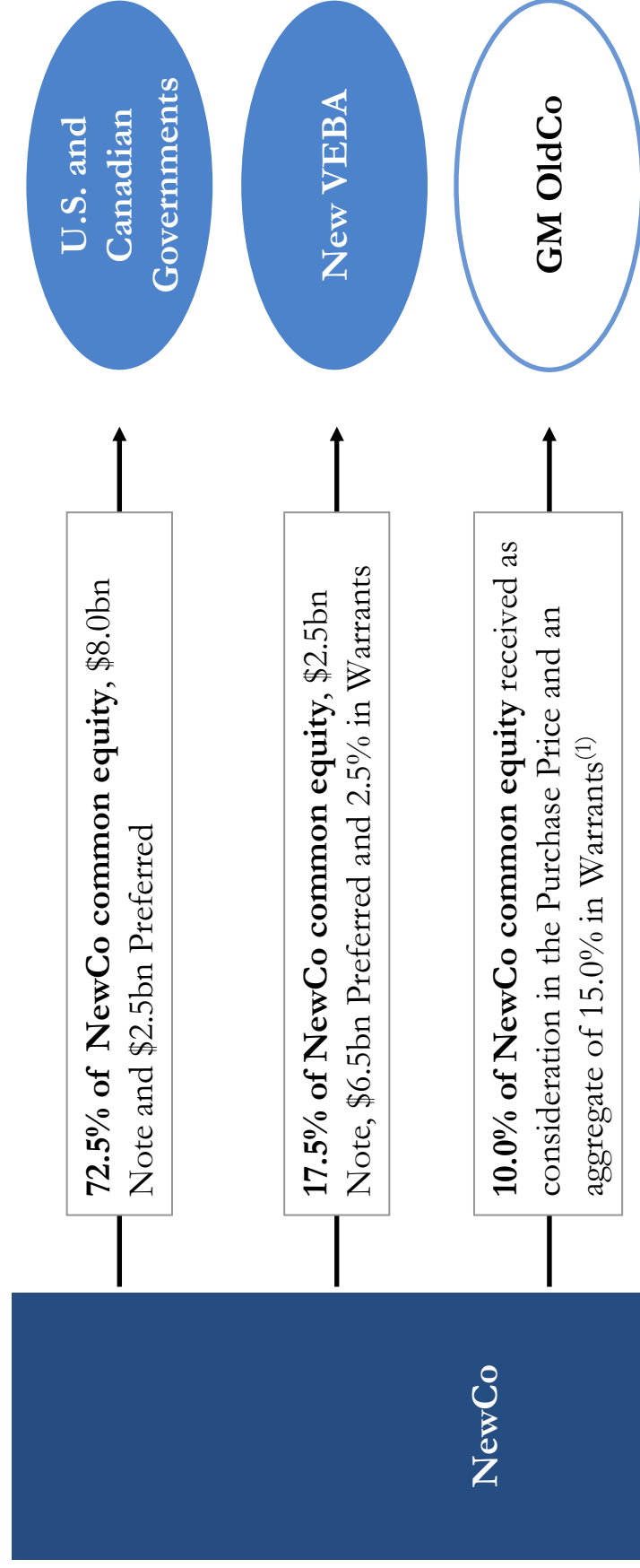


(1) It is assumed that the 2007 VEBA Obligation will be waived post Closing

# Overview of Transaction & Evercore Process

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## Overview of NewCo Capitalization



### Pension & OPEB Obligations

- Establishment of a Canadian Health Care Trust structure to defease OPEB obligations with \$0.9bn cash and \$0.7bn note
- Pre-funding of assumed Canadian Pension with \$3.6bn cash
- Significant reduction in other non-UAW OPEB obligations

(1) In the event the total allowed unsecured claims against Old GM exceed \$35.0bn the U.S Treasury has agreed that New GM would issue up to an additional 2% of New GM common equity to Old GM

### Information Considered

- In connection with rendering our opinion, Evercore has, among other things:
  - i. Reviewed a draft of the Agreement (and related documents) dated May 31, 2009, which we assume are in substantially final form and will not vary in any respect material to our analysis;
  - ii. Analyzed certain publicly available financial statements and other publicly available business information relating to GM that we deemed relevant to our analysis;
  - iii. Analyzed certain internal non-public financial and operating data concerning GM prepared and furnished to us by the management of GM;
  - iv. Analyzed certain financial projections concerning NewCo (the “NewCo Projections”) furnished to us by the management of GM;
  - v. Reviewed certain non-public historical and projected operating data relating to the Company and to NewCo prepared and furnished to us by the management of GM;
  - vi. Discussed the past and current operations, financial condition, prospects and projections of GM and NewCo with the management of GM (including their views on the risks and uncertainties of achieving such projections, including the NewCo Projections);
  - vii. Compared the financial performance of GM with that of other selected companies and their securities;
  - viii. Considered the experience of Evercore professionals who worked with GM with respect to potential financing opportunities and strategic alternatives considered by the Company;
  - ix. Reviewed a liquidation analysis of GM (the “Liquidation Analysis”) prepared by AlixPartners LLP (“AlixPartners”) with the support of the management of GM;
  - x. Discussed the Liquidation Analysis with AlixPartners and the management of the Company; and
  - xi. Performed such other analyses and examinations and considered such other factors as we have, in our sole judgment, deemed appropriate for purposes of this opinion.

### Evercore Evaluation Process

- In conducting its analysis and determination of fairness for purposes of this opinion, Evercore has considered that GM faces extremely difficult operating and financial circumstances. Evercore has assumed, with the Company's permission, the following regarding GM's financial situation as of the date hereof:
  - Should GM not receive adequate additional financing from the U.S. government or other sources, the Company expects to have insufficient liquidity to operate its business in June of 2009 and beyond.
  - Having unsuccessfully sought capital from a wide variety of potential private sources over the past year, the Company and its advisors believe that there are no sources of private capital willing to fund the Company's near-term cash needs in the ordinary course of business.
  - The Company and its advisors have attempted to find sources of financing other than the debtor in possession financing proposal (the "DIP Proposal") being offered by the U.S. government in conjunction with the 363 Sale, but have not found any entity that has expressed any interest in pursuing an alternative financing transaction.
  - The U.S. government has not offered any additional financial assistance to GM other than the DIP Proposal offered in connection with the 363 Sale.
  - If GM were to decline the DIP Proposal, and in doing so decline the 363 Sale, the Company would be forced to seek relief under the Bankruptcy Code and liquidate its assets as described in the Liquidation Analysis.
  - The Company is not aware of any other potential partners, purchasers or acquirers that have proposed an alternative, or a serious or credible interest in developing an alternative, to the 363 Sale.
- Therefore, Evercore has, with the Company's permission, relied on management's and Evercore's conclusion that GM's range of options has narrowed to a choice between (i) the 363 Sale or (ii) a bankruptcy liquidation as described in the Liquidation Analysis.



### Evercore Evaluation Process (continued)

- In arriving at our opinion, we have also taken into consideration the financial position of the Company, including the fact that it is contemplating a filing under Chapter 11 of the Bankruptcy Code, and the effect that such a filing would have on the Company's operations, financial position and business outlook. We have taken into account the foregoing facts and assumptions (together with the other facts and assumptions set forth in this opinion, including, among other things, the Company's belief that, should it not proceed with the 363 Sale, it would be forced to liquidate within bankruptcy) when assessing the "fairness" of the Purchase Price for the purposes of this opinion.
- For purposes of our analysis and opinion, we have assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by us, including the Liquidation Analysis, and we assume no liability therefore.
- At the Company's direction, we (i) did not rely upon any standalone financial forecasts relating to the Company (except for the Liquidation Analysis) and (ii) did not perform certain analyses that we would customarily prepare for the Company in connection with a fairness opinion, because of the Company's determination that such forecasts and analyses are not meaningful as a result of the extraordinary circumstances of the Company described herein.
- With respect to the NewCo Projections referred to above, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of the Company as to the future financial performance of NewCo under the business assumptions reflected therein.
- With respect to the Liquidation Analysis, we have assumed that it has been reasonably prepared by AlixPartners on bases reflecting the best currently available information and good faith judgments of AlixPartners and GM management, as well as the business assumptions reflected therein.

## Overview of Transaction & Evercore Process

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### Evercore Evaluation Process (continued)

- We express no view as to any of the NewCo Projections or financial data relating to the Company or to NewCo, or the assumptions upon which any of those projections or data are based, nor do we express any view as to the feasibility of NewCo's achieving those projections or for NewCo's ability to support the capital structure upon which those projections are based, nor do we express any view, or assume any liability, as to the projected proceeds of a liquidation of the Company, including with respect to the distribution of such proceeds or other assets of the Company to any class of creditors or interest holders, relying as we do on the Liquidation Analysis.
- Furthermore, we express no view, and assume no liability, as to the future distribution of the Purchase Price to holders of any securities of the Company, to any creditor or interest holder of the Company, or to any class of creditors or interest holders of the Company; nor do we evaluate or express any opinion as to the absolute or relative recoveries that might be available to the holders of any securities of the Company, to any creditor or interest holder of the Company, or to any class of creditors or interest holders of the Company in a bankruptcy proceeding or other liquidation or restructuring of the Company, whether or not the Company proceeds with the 363 Sale.
- We have assumed, at the direction of the Company, that the value of the Assumed Liabilities equals the dollar amount of such liabilities as they would be reflected on the Company's balance sheet, with the exception of the Company's pension and OPEB liabilities to be assumed by the Purchaser, which we have assumed, with the permission of the Company, to be valued at the present value of NewCo's expected future cash contributions.
- The full text of our opinion sets forth the procedures followed, assumptions made, matters considered and limitations on the review we have undertaken in connection with our opinion. **You are urged to read the opinion in its entirety.**



## **II. Analysis of Proposed Transaction**

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## Analysis of Proposed Transaction

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### Framework for Financial Analysis

#### Components of Purchase Price

- **Indebtedness to the Purchaser**, the amount of which was estimated based on the expected balance outstanding (provided by the Company) as of July 31, 2009
- **The UST Warrant** exercisable into 20% of GM 1 2/3's common stock, which the Seller and Purchaser agree have a value of no less than \$1,000
- **The value of NewCo equity**, which was estimated based on (i) discounted cash flow analysis, (ii) present value of future equity value analysis, and (iii) peer group trading multiples analysis, each as applied to the NewCo financial projections attached in the Appendix, and **the value of warrants** for an aggregate 15% in NewCo stock estimated using a combination of (a) Black Scholes Merton option pricing model and (b) discounted intrinsic values
- **Assumed Liabilities** of the Debtor transferred to the Purchaser, the amounts of which were estimated as of July 31, 2009

#### Comparison

- The Purchase Price, net of cash transferred to the Purchaser
- The **Liquidation Analysis** prepared by AlixPartners reflecting the estimated proceeds from the liquidation of all of the assets of the Company, net of the costs to achieve those proceeds

# Analysis of Proposed Transaction

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## Composition of Credit Bid

(\$ in billions)



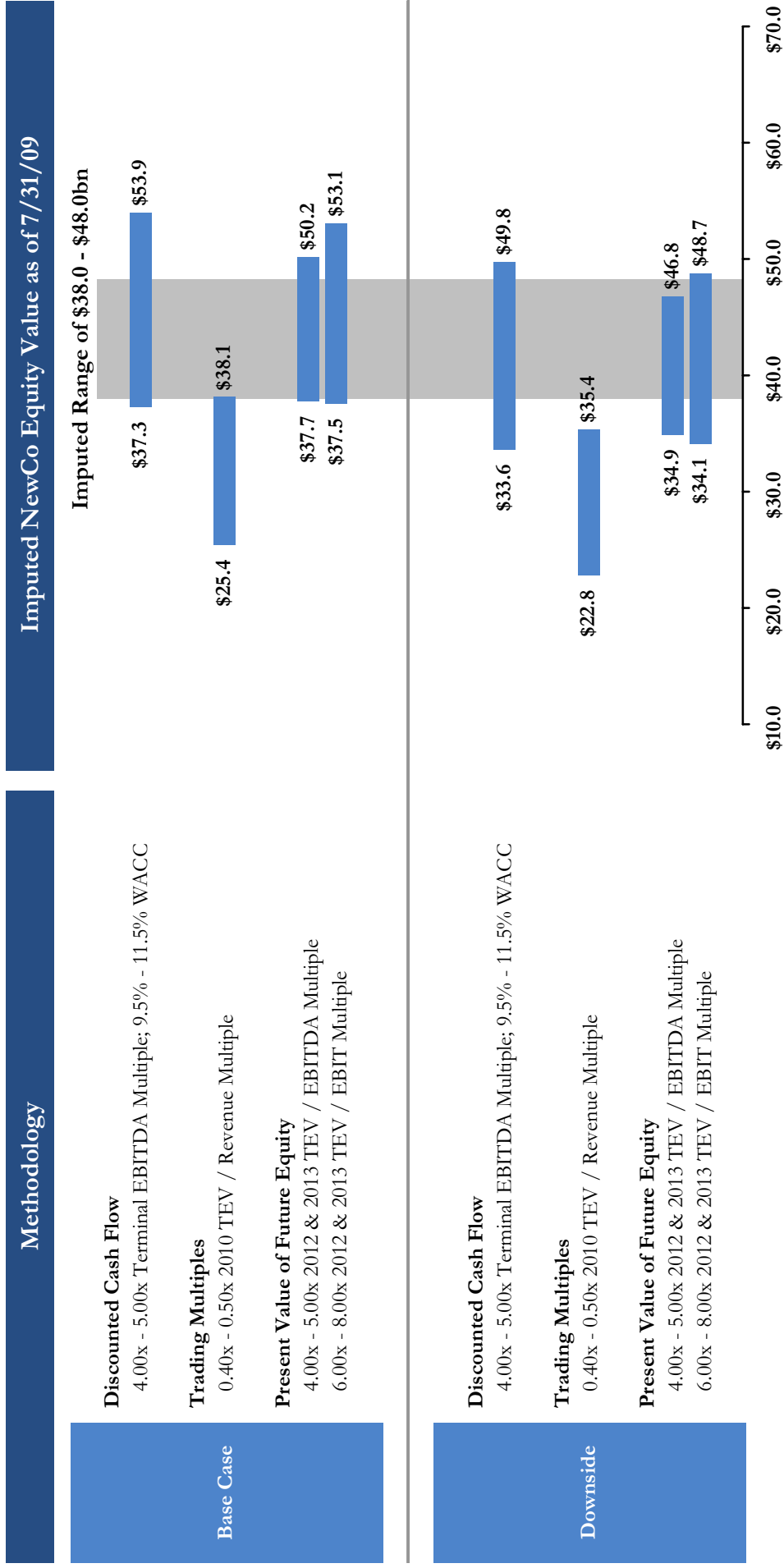
⊠ = Direct and Post-Closing Canadian Fundings; excludes Canadian participation in DIP

# Analysis of Proposed Transaction

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## Summary of NewCo Imputed Valuation Analysis

(\$ in billions)



# Analysis of Proposed Transaction

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## NewCo Equity and Warrants

(\$ in billions)

### Imputed Value of Equity and Warrants in NewCo

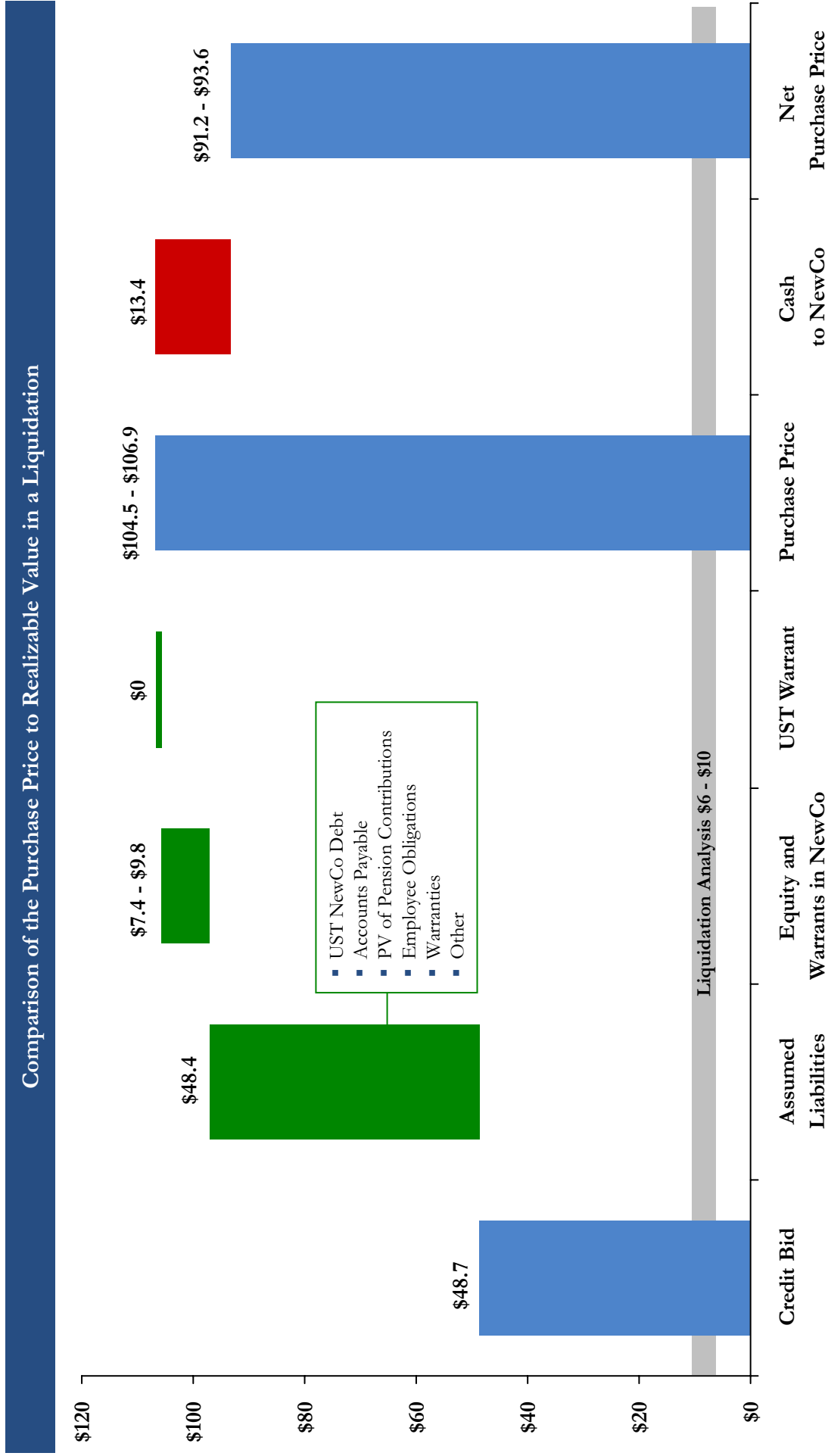
	<u>% NewCo Ownership</u>	<u>Strike Price</u>	<u>Term</u>	<u>NewCo Value</u>
Purchaser Warrant A	7.5%	\$15.0	7 years	\$2.1
Purchaser Warrant B	7.5%	\$30.0	10 years	1.5
<b>Total Value from Warrants</b>	<b>15.0%</b>			<b>\$3.6</b>
<b>Value of 10% in NewCo</b>	<b>10.0%</b>	<b>NA</b>	<b>NA</b>	<b>\$3.8</b>
<b>Total Equity and Warrants in NewCo</b>				<b>\$7.4</b>
				<b>\$9.8</b>

# Analysis of Proposed Transaction

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## Summary Purchase Price Analysis

(\$ in billions)



Note: Does not include realizable value of Excluded Assets

## Analysis of Proposed Transaction

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### Capitalization of NewCo

(\$ in billions)

- NewCo's capital structure is expected to be substantially improved as a result of:
  - The Purchaser's credit bid of \$49bn in indebtedness in exchange for NewCo equity and \$2.5bn of Preferred Stock
  - The elimination of \$27bn of unsecured debt
  - The decrease of \$18bn in the VEBA obligation in exchange for NewCo equity and \$6.5bn of Preferred Stock
  - The reduction in projected Canadian pension contributions, CAW OPEB obligation and Other OPEB obligations
- The Transaction achieves the strategic objective of providing sufficient liquidity to execute the operating plan and significantly deleverage the capital structure

#### Pro-Forma Enterprise Value of NewCo

<b>NewCo Equity Value</b>	<b>\$38.0</b>	<b>-</b>	<b>\$48.0</b>
Excess Cash		(12.3)	
Government Debt		8.0	
Other Debt		6.1	
PV of UAW VEBA Obligations		3.7	
PV of CAW VEBA Obligations		0.7	
PV of Expected Future Pension Contributions Preferred		9.9	9.0
<b>Total NewCo Enterprise Value</b>	<b>\$63.1</b>	<b>-</b>	<b>\$73.1</b>

#### Credit Statistics

	2010	2011	2012
Net Debt & Pfd. / EBITDA	2.5x	1.2x	0.6x
Total Debt & Pfd. / EBITDA	3.8	2.2	1.9
EBITDA / Interest	3.6	6.6	7.5
EBITDA / (Interest + Capex)	1.0	1.5	1.8

# Appendix

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## NewCo Financial Summary – Income Statement

(\$ in billions)

## Consolidated NewCo

	NewCo Base					NewCo Downside						
	PF 2009	2010	2011	2012	2013	2014	PF 2009	2010	2011	2012	2013	2014
<b>Net Sales</b>	\$78.3	\$97.6	\$108.9	\$121.4	\$125.8	\$126.0	\$75.4	\$96.3	\$107.1	\$119.5	\$123.9	\$124.0
Contribution Costs	(55.7)	(66.0)	(73.8)	(83.0)	(86.0)	(86.3)	(53.5)	(65.0)	(72.5)	(81.7)	(84.6)	(84.9)
<b>Contribution Margin</b>	\$22.7	\$31.7	\$35.1	\$38.3	\$39.8	\$39.7	\$21.9	\$31.3	\$34.6	\$37.8	\$39.3	\$39.1
Structural Costs	(\$38.3)	(\$30.4)	(\$30.2)	(\$31.0)	(\$31.4)	(\$31.0)	(\$38.2)	(\$30.4)	(\$30.1)	(\$30.9)	(\$31.3)	(\$30.9)
FX and Other Income	0.1	0.3	0.5	0.4	0.5	0.7	0.1	0.3	0.5	0.4	0.5	0.7
<b>EBIT <sup>(1)</sup></b>	<b>(\$15.6)</b>	<b>\$1.6</b>	<b>\$5.4</b>	<b>\$7.8</b>	<b>\$8.9</b>	<b>\$9.4</b>	<b>(\$16.3)</b>	<b>\$1.2</b>	<b>\$5.0</b>	<b>\$7.3</b>	<b>\$8.4</b>	<b>\$8.9</b>
Equity Income	\$0.3	\$0.4	\$0.5	\$0.5	\$0.6	\$0.6	\$0.3	\$0.4	\$0.5	\$0.5	\$0.6	\$0.6
Minority Interest	0.5	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)	0.5	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)
Net Interest Expense	(2.8)	(3.1)	(2.7)	(2.6)	(2.1)	(1.7)	(2.8)	(3.2)	(2.8)	(2.6)	(2.1)	(1.7)
<b>Earnings Before Tax</b>	<b>(\$17.5)</b>	<b>(\$1.3)</b>	<b>\$3.0</b>	<b>\$5.3</b>	<b>\$6.9</b>	<b>\$7.8</b>	<b>(\$18.3)</b>	<b>(\$1.7)</b>	<b>\$2.5</b>	<b>\$4.9</b>	<b>\$6.5</b>	<b>\$7.4</b>
<i>Manza:</i>												
EBITDA <sup>(2)</sup>	(\$7.8)	\$6.4	\$10.2	\$12.8	\$13.8	\$14.4	(\$8.6)	\$6.0	\$9.7	\$12.3	\$13.4	\$13.9
US SAAR (Light and Heavy Vehicles)	10.5	12.5	14.3	16.0	16.4	16.8	10.5	12.5	14.3	16.0	16.4	16.8
US Market Share	18.5%	18.5%	18.1%	18.0%	18.1%	18.0%	17.7%	18.0%	17.7%	17.5%	17.6%	17.5%
Wholesale Volumes (000's)	3,894	4,586	5,123	5,805	6,087	6,144	3,747	4,528	5,045	5,720	6,002	6,059
Revenue Per Unit	\$20,121	\$21,291	\$21,258	\$20,909	\$20,671	\$20,500	\$20,117	\$21,265	\$21,237	\$20,887	\$20,641	\$20,470

Source: GM Viability Plan as of 5/31/09

Note: Pro Forma 2009 figures reflect GM "OldCo" through July 31, 2009 and GM "NewCo" thereafter

(1) EBIT adjusted to exclude Equity Income and Minority Interest

(2) EBITDA equals EBIT adjusted to exclude Equity Income, Minority Interest plus D&amp;A

## NewCo Financial Summary – EBT to OCF

(\$ in billions)

## Consolidated NewCo

	NewCo Base					NewCo Downside						
	PF 2009	2010	2011	2012	2013	2014	PF 2009	2010	2011	2012	2013	2014
<b>Automotive Adjusted EBT</b>	<b>(\$17.5)</b>	<b>(\$1.3)</b>	<b>\$3.0</b>	<b>\$5.3</b>	<b>\$6.9</b>	<b>\$7.8</b>	<b>(\$18.3)</b>	<b>(\$1.7)</b>	<b>\$2.5</b>	<b>\$4.9</b>	<b>\$6.5</b>	<b>\$7.4</b>
<u>Adjustments for Capital Spending</u>												
Depreciation & Amortization	7.7	4.8	4.8	5.0	5.0	5.0	7.7	4.8	4.8	5.0	5.0	5.0
Capital Expenditures	(4.5)	(4.5)	(5.1)	(5.5)	(4.9)	(4.9)	(4.5)	(4.5)	(5.1)	(5.5)	(4.9)	(4.9)
Capex Setups	(0.5)	(0.0)	0.2	0.1	(0.1)	0.0	(0.5)	(0.0)	0.2	0.1	(0.1)	0.0
<u>Adjustments for Retirement Benefits</u>												
Pension Expense / (Income)	1.8	1.8	1.9	1.7	1.7	0.9	1.8	1.8	1.9	1.7	1.7	0.9
OPEB Expense (Incl. Mitigation VEBA)	0.1	(0.3)	(0.3)	(0.3)	(0.3)	0.2	0.1	(0.3)	(0.3)	(0.3)	(0.3)	0.2
OPEB Cash Payments	(3.4)	(0.9)	(0.6)	(0.7)	(0.6)	(0.6)	(3.4)	(0.9)	(0.6)	(0.7)	(0.6)	(0.6)
Other Cash Retirement Payments	(4.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(4.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)
<u>Other Adjustments</u>												
Net Tax Refunds / (Payments)	(0.2)	(0.1)	(0.3)	(0.4)	(0.4)	(0.4)	(0.2)	(0.1)	(0.3)	(0.4)	(0.4)	(0.4)
Working Capital	1.0	0.2	0.6	0.4	0.2	(0.3)	0.7	0.3	0.6	0.4	0.2	(0.3)
Sales Allowances	(3.0)	0.0	0.2	0.6	0.2	0.2	(3.2)	0.0	0.2	0.6	0.2	0.2
Other Adjustments	(2.9)	1.6	1.4	1.1	1.1	0.7	(3.0)	1.6	1.4	1.1	1.1	0.7
<b>Automotive OCF before Special Items</b>	<b>(\$25.8)</b>	<b>\$1.0</b>	<b>\$5.4</b>	<b>\$6.9</b>	<b>\$8.2</b>	<b>\$8.2</b>	<b>(\$27.0)</b>	<b>\$0.8</b>	<b>\$4.8</b>	<b>\$6.4</b>	<b>\$7.7</b>	<b>\$7.7</b>

Source: GM Viability Plan as of 5/31/09

Note: Pro Forma 2009 figures reflect GM "OldCo" through July 31, 2009 and GM "NewCo" thereafter

## NewCo Financial Summary – OCF to NCF

(\$ in billions)

## Consolidated NewCo

	NewCo Base					NewCo Downside						
	PF 2009	2010	2011	2012	2013	2014	PF 2009	2010	2011	2012	2013	2014
<b>Automotive OCF before Special Items</b>	<b>(\$25.8)</b>	<b>\$1.0</b>	<b>\$5.4</b>	<b>\$6.9</b>	<b>\$8.2</b>	<b>\$8.2</b>	<b>(\$27.0)</b>	<b>\$0.8</b>	<b>\$4.8</b>	<b>\$6.4</b>	<b>\$7.7</b>	<b>\$7.7</b>
Asset Sales	0.1	0.1	0.1	0.1	-	-	0.1	0.1	0.1	0.1	-	-
Delphi Impact	(3.7)	(0.5)	(0.1)	(0.0)	0.0	0.1	(3.7)	(0.5)	(0.1)	(0.0)	0.0	0.1
Cash Restructuring Costs	(4.2)	(1.4)	(0.3)	(0.1)	(0.0)	(0.0)	(4.2)	(1.4)	(0.3)	(0.1)	(0.0)	(0.0)
Hourly Pension Plan Contributions	-	-	-	-	(1.9)	(4.4)	-	-	-	-	(1.9)	(4.4)
<b>Automotive OCF after Special Items</b>	<b>(\$33.5)</b>	<b>(\$0.7)</b>	<b>\$5.2</b>	<b>\$6.9</b>	<b>\$6.3</b>	<b>\$3.9</b>	<b>(\$34.8)</b>	<b>(\$1.0)</b>	<b>\$4.6</b>	<b>\$6.4</b>	<b>\$5.8</b>	<b>\$3.4</b>
GMAC Asset Carve-Out Cash Flows	1.0	0.5	-	-	-	-	1.0	0.5	-	-	-	-
GMAC Distributions/GMAC Flows	(2.5)	1.4	0.5	0.2	0.1	0.1	(2.5)	1.4	0.5	0.2	0.1	0.1
<b>Automotive OCF after Special Items</b>	<b>(\$35.0)</b>	<b>\$1.2</b>	<b>\$5.7</b>	<b>\$7.1</b>	<b>\$6.4</b>	<b>\$4.0</b>	<b>(\$36.3)</b>	<b>\$1.0</b>	<b>\$5.1</b>	<b>\$6.6</b>	<b>\$5.9</b>	<b>\$3.5</b>
VEBA Withdrawals (Salaried and Hourly)	0.0	-	-	-	-	-	0.0	-	-	-	-	-
UAW/CAW IT VEBA Contributions	(1.0)	(0.6)	(0.6)	(0.6)	(2.3)	(0.6)	(1.0)	(0.6)	(0.6)	(0.6)	(2.3)	(0.6)
Credit Facility Draws/(Repayments)	(5.4)	-	-	-	-	-	(5.4)	-	-	-	-	-
Debt Maturities	(3.3)	(0.2)	(0.4)	(0.7)	(0.6)	(0.6)	(3.3)	(0.2)	(0.4)	(0.7)	(0.6)	(0.6)
Debt Financing	0.3	0.3	0.2	0.2	0.1	0.1	0.3	0.3	0.2	0.2	0.1	0.1
US Government Funding	45.5	(3.9)	(2.8)	-	-	-	45.5	(2.8)	(3.9)	-	-	-
Canadian Government Funding	9.5	(0.7)	(0.6)	-	-	-	9.5	(0.5)	(0.8)	-	-	-
Gov't Loan for GMAC Rights Offering	0.9	-	-	-	-	-	0.9	-	-	-	-	-
Section 136 Loans	-	2.0	1.8	1.4	0.5	(0.0)	-	2.0	1.8	1.4	0.5	(0.0)
Other Non-Operating Cash Flows	(10.1)	1.7	(0.2)	(0.2)	(0.2)	(0.2)	(10.1)	1.7	(0.2)	(0.2)	(0.2)	(0.2)
<b>Net Cash Flow</b>	<b>\$1.3</b>	<b>(\$0.2)</b>	<b>\$3.0</b>	<b>\$7.1</b>	<b>\$3.8</b>	<b>\$2.6</b>	<b>\$0.0</b>	<b>\$0.9</b>	<b>\$1.2</b>	<b>\$6.6</b>	<b>\$3.3</b>	<b>\$2.1</b>
<b>Cash Balance (incl. ST-VEBA)</b>	<b>\$15.3</b>	<b>\$15.1</b>	<b>\$18.1</b>	<b>\$25.2</b>	<b>\$29.0</b>	<b>\$31.6</b>	<b>\$14.0</b>	<b>\$14.9</b>	<b>\$16.1</b>	<b>\$22.7</b>	<b>\$26.0</b>	<b>\$28.1</b>
Managerial Debt Balance (Incl. Preferred)	(22.8)	(20.3)	(18.5)	(19.3)	(19.2)	(18.6)	(22.8)	(21.6)	(18.5)	(19.3)	(19.2)	(18.6)
<b>Net Liquidity</b>	<b>(\$7.5)</b>	<b>(\$5.2)</b>	<b>(\$0.4)</b>	<b>\$5.9</b>	<b>\$9.8</b>	<b>\$13.0</b>	<b>(\$8.8)</b>	<b>(\$6.7)</b>	<b>(\$2.4)</b>	<b>\$3.4</b>	<b>\$6.8</b>	<b>\$9.5</b>

Source: GM Viability Plan as of 5/31/09

Note: Pro Forma 2009 figures reflect GM "OldCo" through July 31, 2009 and GM "NewCo" thereafter

## NewCo Capital Structure

(\$ in billions)

## NewCo Capitalization

	NewCo Base Case					NewCo Downside Case														
	Post-363 8/1/09	December 31,				Post-363 8/1/09	December 31,													
		2009	2010	2011	2012		2013	2014	2009	2010	2011	2012	2013	2014						
<u>Secured Debt</u>																				
Government Debt	\$8.0	\$3.4	-	-	-	\$8.0	\$4.7	-	-	-	\$8.0	\$4.7	-	-	-					
Section 136 Funding	-	2.0	3.8	5.2	5.7	-	2.0	3.8	5.2	5.7	-	2.0	3.8	5.2	5.7					
Subsidiary Indebtedness & Other	6.1	5.8	5.9	5.1	4.5	6.1	5.8	5.9	5.6	5.1	6.1	5.8	5.9	5.6	5.1					
<b>Total Secured Debt</b>	<b>\$14.1</b>	<b>\$11.3</b>	<b>\$9.5</b>	<b>\$10.3</b>	<b>\$10.2</b>	<b>\$14.1</b>	<b>\$12.6</b>	<b>\$9.5</b>	<b>\$10.3</b>	<b>\$10.2</b>	<b>\$14.1</b>	<b>\$12.6</b>	<b>\$9.5</b>	<b>\$10.3</b>	<b>\$10.2</b>					
<u>Unsecured Debt</u>																				
UAW VEBA Obligations	\$3.7	\$2.8	\$3.1	\$3.4	\$2.2	\$3.7	\$2.8	\$3.1	\$3.4	\$2.2	\$3.7	\$2.8	\$3.1	\$3.4	\$2.2					
CAW VEBA Note	0.7	0.8	0.8	0.9	0.6	0.7	0.7	0.8	0.9	0.6	0.7	0.7	0.8	0.9	0.6					
<b>Total Unsecured Debt</b>	<b>\$4.4</b>	<b>\$3.6</b>	<b>\$3.9</b>	<b>\$4.3</b>	<b>\$2.8</b>	<b>\$4.4</b>	<b>\$3.6</b>	<b>\$3.9</b>	<b>\$4.3</b>	<b>\$2.8</b>	<b>\$4.4</b>	<b>\$3.6</b>	<b>\$3.9</b>	<b>\$4.3</b>	<b>\$2.8</b>					
<u>Preferred</u>																				
UST / Canadian Preferred Stock	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5	\$2.5					
UAW VEBA Preferred Stock	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5					
<b>Total Preferred</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>	<b>\$9.0</b>					
<b>Total Debt and Preferred</b>	<b>\$27.5</b>	<b>\$26.3</b>	<b>\$24.0</b>	<b>\$23.6</b>	<b>\$22.0</b>	<b>\$27.5</b>	<b>\$26.3</b>	<b>\$25.3</b>	<b>\$23.6</b>	<b>\$22.0</b>	<b>\$27.5</b>	<b>\$26.3</b>	<b>\$25.3</b>	<b>\$23.6</b>	<b>\$22.0</b>					
Less: Excess Cash <sup>(1)</sup>	(12.3)	(9.4)	(7.8)	(16.1)	(19.6)	(10.8)	(8.4)	(7.7)	(8.0)	(13.8)	(16.7)	(16.7)	(8.0)	(13.8)	(16.7)					
<b>Net Debt and Preferred</b>	<b>\$15.1</b>	<b>\$16.2</b>	<b>\$16.2</b>	<b>\$7.5</b>	<b>\$2.5</b>	<b>\$16.7</b>	<b>\$18.0</b>	<b>\$17.6</b>	<b>\$14.4</b>	<b>\$9.8</b>	<b>\$5.3</b>	<b>\$18.0</b>	<b>\$17.6</b>	<b>\$9.8</b>	<b>\$5.3</b>					
<u>Financials and Credit Statistics</u>																				
EBITDA <sup>(2)</sup>	NA	(\$7.8)	\$6.4	\$10.2	\$12.8	NA	(\$8.6)	\$6.0	\$9.7	\$12.3	NA	(\$8.6)	\$6.0	\$9.7	\$12.3					
Net Debt & Pfd. / EBITDA	NM	NM	2.5x	1.2x	0.6x	NM	NM	2.9x	1.5x	0.8x	NM	NM	2.9x	1.5x	0.8x					
Total Debt & Pfd. / EBITDA	NM	NM	3.8	2.2	1.9	NM	NM	4.2	2.3	1.9	NM	NM	4.2	2.3	1.9					
EBITDA / Interest <sup>(3)</sup>	NM	NM	3.6	6.6	7.5	NM	NM	3.3	6.2	7.2	NM	NM	3.3	6.2	7.2					
EBITDA / (Interest + Capex)	NM	NM	1.0	1.5	1.8	NM	NM	1.0	1.5	1.7	NM	NM	1.0	1.5	1.7					

Source: GM Viability plan as of 5/31/09

(1) Excess cash defined as total GM cash less cash required for working capital

(2) EBITDA equals EBIT adjusted to exclude Equity Income, Minority Interest plus D&amp;A

(3) EBITDA to cash interest expense including preferred dividends

## NewCo DCF

(\$ in billions)

## Summary Valuation As of 07/31/09

	Base Case		Downside Case	
	Low	High	Low	High
Terminal Multiple	4.00x	5.00x	4.00x	5.00x
WACC	11.5%	9.5%	11.5%	9.5%
Core Enterprise Value	\$60.5	\$75.4	\$58.4	\$72.9
Value of Unconsolidated Subsidiaries & Other Assets	9.7	12.7	9.7	12.6
PV of Restructuring Costs (Including Delphi)	(4.0)	(4.0)	(4.0)	(4.0)
Minority Interest	(2.9)	(2.9)	(2.9)	(2.9)
<b>Enterprise Value</b>	<b>\$63.2</b>	<b>\$81.1</b>	<b>\$61.1</b>	<b>\$78.5</b>
Net Debt	(\$12.3)	(\$12.3)	(\$13.8)	(\$13.8)
PV of Pension Contributions	(9.3)	(10.6)	(9.3)	(10.6)
PV of CAW/UAW Obligations	(4.4)	(4.4)	(4.4)	(4.4)
<b>Net Obligations</b>	<b>(\$26.0)</b>	<b>(\$27.2)</b>	<b>(\$27.6)</b>	<b>(\$28.8)</b>
<b>NPV</b>	<b>\$37.3</b>	<b>\$53.9</b>	<b>\$33.6</b>	<b>\$49.8</b>

(1) Assumes 2% growth rate on Terminal EBITDA

NewCo Present Value of Equity

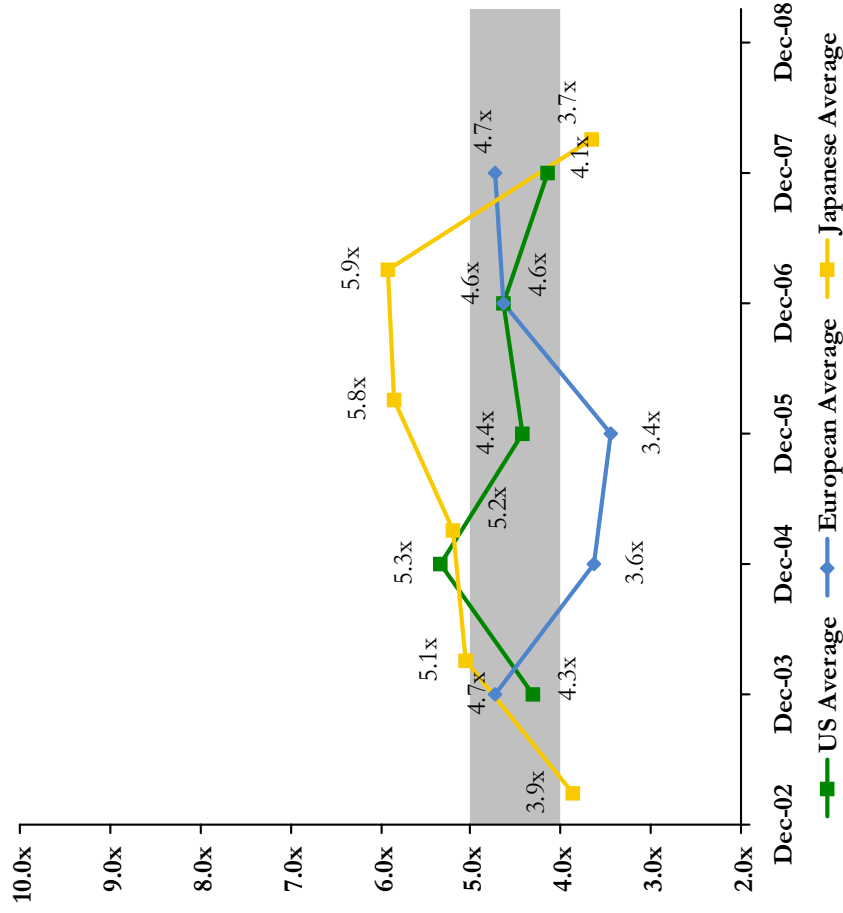
(\$ in billions)

Valuation and Sensitivities

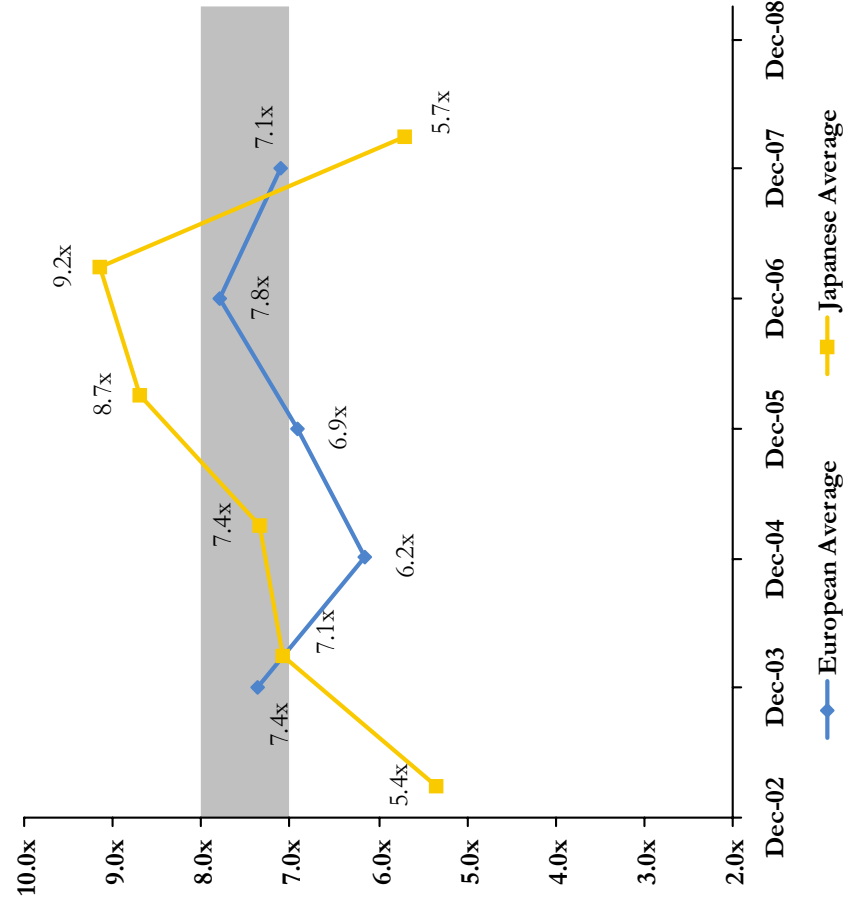
	Base Case						Downside Case					
	EBITDA Multiple			EBIT Multiple			EBITDA Multiple			EBIT Multiple		
	2012		2013	2012		2013	2012		2013	2012		2013
Forward Multiple	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Cost of Equity	4.00x - 5.00x	5.00x - 8.00x	6.00x - 8.00x	6.00x - 8.00x	6.00x - 8.00x	8.00x	4.00x - 5.00x	5.00x - 8.00x	6.00x - 8.00x	6.00x - 8.00x	6.00x - 8.00x	8.00x
	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5% - 13.5%	13.5%
Core Enterprise Value	\$71.6 - \$86.3	\$72.0 - \$86.9	\$71.2 - \$90.7	\$71.6 - \$91.4	\$71.2 - \$90.7	\$91.4	\$69.2 - \$83.5	\$69.8 - \$84.3	\$68.0 - \$86.5	\$68.0 - \$86.5	\$68.5 - \$87.4	\$87.4
Uncon. Subs. & Other Assets	11.6 - 15.7	12.8 - 17.3	11.6 - 15.7	12.8 - 17.3	11.6 - 15.7	17.3	11.6 - 15.6	12.8 - 17.2	11.6 - 15.6	11.6 - 15.6	12.8 - 17.2	17.2
FV of Restr. Costs (Inc. Delphi)	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6 - 0.6	0.6
Minority Interest	(4.1) - (4.1)	(4.5) - (4.5)	(4.1) - (4.1)	(4.5) - (4.5)	(4.1) - (4.1)	(4.5)	(4.1) - (4.1)	(4.5) - (4.5)	(4.1) - (4.1)	(4.1) - (4.1)	(4.5) - (4.5)	(4.5)
<b>Enterprise Value</b>	<b>\$79.7 - \$98.5</b>	<b>\$80.9 - \$100.3</b>	<b>\$79.4 - \$102.9</b>	<b>\$80.6 - \$104.8</b>	<b>\$79.4 - \$102.9</b>	<b>\$104.8</b>	<b>\$77.4 - \$95.6</b>	<b>\$78.8 - \$97.6</b>	<b>\$76.1 - \$98.6</b>	<b>\$76.1 - \$98.6</b>	<b>\$77.5 - \$100.7</b>	<b>\$100.7</b>
Net Debt	(\$4.8) - (\$4.8)	(\$1.2) - (\$1.2)	(\$4.8) - (\$4.8)	(\$1.2) - (\$1.2)	(\$4.8) - (\$4.8)	(\$1.2)	(\$7.2) - (\$7.2)	(\$4.1) - (\$4.1)	(\$7.2) - (\$7.2)	(\$7.2) - (\$7.2)	(\$4.1) - (\$4.1)	(\$4.1)
FV of Pension Contributions	(12.1) - (12.1)	(10.8) - (10.8)	(12.1) - (12.1)	(10.8) - (10.8)	(12.1) - (12.1)	(10.8)	(12.1) - (12.1)	(10.8) - (10.8)	(12.1) - (12.1)	(12.1) - (12.1)	(10.8) - (10.8)	(10.8)
FV of UAW VEBA Obligations	(3.4) - (3.4)	(2.2) - (2.2)	(3.4) - (3.4)	(2.2) - (2.2)	(3.4) - (3.4)	(2.2)	(3.4) - (3.4)	(2.2) - (2.2)	(3.4) - (3.4)	(3.4) - (3.4)	(2.2) - (2.2)	(2.2)
FV of CAW VEBA Obligations	(0.9) - (0.9)	(0.6) - (0.6)	(0.9) - (0.9)	(0.6) - (0.6)	(0.9) - (0.9)	(0.6)	(0.9) - (0.9)	(0.6) - (0.6)	(0.9) - (0.9)	(0.9) - (0.9)	(0.6) - (0.6)	(0.6)
<b>Net Obligations</b>	<b>(\$21.1) - (\$21.1)</b>	<b>(\$14.9) - (\$14.9)</b>	<b>(\$21.1) - (\$21.1)</b>	<b>(\$14.9) - (\$14.9)</b>	<b>(\$21.1) - (\$21.1)</b>	<b>(\$14.9)</b>	<b>(\$23.5) - (\$23.5)</b>	<b>(\$17.7) - (\$17.7)</b>	<b>(\$23.5) - (\$23.5)</b>	<b>(\$23.5) - (\$23.5)</b>	<b>(\$17.7) - (\$17.7)</b>	<b>(\$17.7)</b>
<b>Future Value of Equity</b>	<b>\$58.6 - \$77.3</b>	<b>\$66.0 - \$85.4</b>	<b>\$58.2 - \$81.8</b>	<b>\$65.7 - \$89.9</b>	<b>\$58.2 - \$81.8</b>	<b>\$89.9</b>	<b>\$53.9 - \$72.1</b>	<b>\$61.0 - \$79.9</b>	<b>\$52.6 - \$75.1</b>	<b>\$52.6 - \$75.1</b>	<b>\$59.7 - \$83.0</b>	<b>\$83.0</b>
<b>PV of Future Equity</b>	<b>\$38.0 - \$50.2</b>	<b>\$37.7 - \$48.8</b>	<b>\$37.8 - \$53.1</b>	<b>\$37.5 - \$51.4</b>	<b>\$37.8 - \$53.1</b>	<b>\$51.4</b>	<b>\$34.9 - \$46.8</b>	<b>\$34.9 - \$45.7</b>	<b>\$34.1 - \$48.7</b>	<b>\$34.1 - \$48.7</b>	<b>\$34.1 - \$47.4</b>	<b>\$47.4</b>

## Peer Group Historical Forward EBITDA / EBIT Multiples

Historical Forward EBITDA Multiples



Historical Forward EBIT Multiples



Note: Figures represent Automotive only results excluding one time charges, pension expense and including pension service cost. US average composed of Ford and GM. European average composed of Daimler, BMW, Volkswagen, Peugeot, Fiat and Renault. Japanese average composed of Toyota, Honda and Nissan

# Appendix

Confidential

## Assumed Liabilities

(\$ in billions)

Category	Estimated 7/31/09	Description
Sales & Marketing	\$15.5	▪ Dealer obligations, warranty obligations, customer deposits, deferred revenue and marketing liabilities
Non-UAW VEBA OPEB	8.4	▪ UAW Life, IUJE Health and Life, Salaried Health and Life, Legal Services Plans and SERP
UST NewCo Debt	6.7	▪ Exit financing facility not bid in purchase price and assumed by NewCo
Pension	5.4	▪ Present value of estimated future pension cash contributions
Accounts Payable	5.4	▪ Payables to suppliers
Employee Obligations	3.8	▪ Employee payroll, post-employment benefits, training and Delphi Pension Guarantee
Other	3.1	▪ Rent and other operational liabilities; tax obligations; worker's compensation; legal liabilities, capital leases and other liabilities
<b>Total Assumed Liabilities</b>	<b>\$48.4</b>	