

# ARCHIVED REPORT

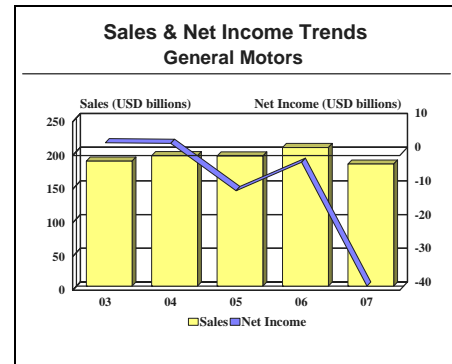
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## General Motors Corporation

### Outlook

- General Motors is the largest manufacturing corporation in the United States
- In August 2007, GM sold Allison Transmission for approximately \$5.6 billion
- With the sale of Allison Transmission, GM's portion of defense-related work is negligible



### Headquarters

General Motors Corporation  
300 Renaissance Center  
Detroit, MI 48265-3000  
Telephone: +1 (313) 556-5000  
Fax: +1 (248) 696-7600  
Web site: <http://www.gm.com>

General Motors was incorporated in 1912 under the laws of the state of Delaware. Although the major portion of the company's business operations is derived from the automotive products industry segment, GM also maintains financing and insurance operations and provides services and products in other industry segments.

The Automobiles product segment designs, manufactures, assembles, and sells automobiles, trucks, and related parts and accessories. The Financing and Insurance operations assist in the merchandising of GM's products, as well as other commodities. General Motors Acceptance Corporation (GMAC), its subsidiaries, and certain other subsidiaries of GM offer financial services and certain types of insurance to dealers and customers. In terms of manufacturing, General Motors is the largest company in the United States.

Currently, the company's worldwide employment is approximately 266,000 people. The company's stock is sold on all major worldwide exchanges.

### Structure and Personnel

Because General Motors is the largest corporation in the United States, its structure and personnel organization is large and complex. Because of the sheer size of the company, only GM's executive officers and key operations personnel are listed in this report.

G. Richard Wagoner, Jr.  
Chairman and Chief Executive Officer  
Frederick A. Henderson  
President and Chief Operating Officer

Robert A. Lutz  
Vice Chairman, Global Product Development  
Ray G. Young  
Executive Vice President and Chief Financial Officer

For a full listing of senior leadership, please visit:

[http://www.gm.com/corporate/investor\\_information/corp\\_gov/officers.jsp](http://www.gm.com/corporate/investor_information/corp_gov/officers.jsp)

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### Product Area

Although the major portion of the company's revenue is derived from automotive products, General Motors also has major interests in the finance and insurance industry (General Motors Acceptance Corporation).

#### General Motors

1. North American Operations (Automobiles)
2. International Operations
3. GMAC Financial Services

GM's total worldwide car and truck deliveries were 9.4 million, 9.1 million, and 9.2 million for 2007, 2006, and 2005, respectively.

**North American Operations.** Little, if any, additional explanation is needed. General Motors is the number-one car and truck producer in the world. Vehicle brands for this market include Buick, Cadillac, Chevrolet, GMC, HUMMER, Pontiac, Saab, and Saturn.

**International Operations.** The demands of customers outside North America are primarily met with vehicles developed, manufactured, and/or marketed under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, HUMMER, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling.

GM also has equity ownership stakes directly or indirectly through various regional subsidiaries, including GM Daewoo Auto & Technology Company (GM Daewoo), New United Motor Manufacturing Inc, Shanghai General Motors Co Ltd, SAIC-GM-Wuling Automobile Company Ltd, and CAMI Automotive Inc.

**General Motors Acceptance Corporation (GMAC).** This financing and insurance operation assists in the merchandising of General Motors products, in addition to providing other financial services. GMAC consists of three units: Vehicle Financing and Leasing, the GMAC Insurance Group, and the GMAC Mortgage Group.

### Facilities

The following is a listing of the major General Motors facilities or business-operation centers that serve government, defense, and aerospace market needs.

Allison Transmission, 4700 W Tenth St, Indianapolis, IN 46222. Telephone: + 1 (317) 242-5000. This division makes transmissions and gearboxes for Allison engines, as well as for other vehicle requirements. A major program at this division is M1A1 tank transmissions. *This unit was sold in August 2007.*

Web site: <http://www.allisontransmission.com>

GM Defense, Mail Code: 482-A19-A24, 100 GM Renaissance Center, PO Box 100, Detroit, MI 48265-1000. GM Defense is the General Motors unit that supplies the special tactical support requirements of military organizations in the United States and around the world. Products include the Light Service Support Vehicle, Commercial Utility Cargo Vehicle, Commercial Enhanced-Mobility Medium-duty Vehicle, and Enhanced Mobility Package vehicles.

Web site:

<http://www.gmfleet.com/government/products/GMDefense.jsp?navSec=products>

### Corporate Overview

General Motors is the largest corporation in the United States. As a corporation, General Motors is an automobile company with associated interests in financing.

#### New Products and Services

**GM Delivers First Fuel Cell Truck.** In April 2005, the U.S. Army took delivery of the crew cab pickup at the GM research facility outside Rochester, New York, where the vehicle's two fuel-cell power modules were made. The modified Chevrolet Silverado is equipped with two 94-kW fuel cell stacks, capable of generating

188 kW and 317 foot-pounds of torque, or roughly the motor torque generated by GM's 5.3-liter V-8 engine.

The U.S. Army evaluated the experimental truck at an Army base in Ft. Belvoir, Virginia. The vehicle was used to deliver packages, but not in combat. Rigorous testing is planned in different climates and locations around the U.S. to assess performance and give the military first-hand experience with hydrogen and fuel cells.

Despite weighing 7,500 pounds, the GMT800 accelerates in a similar fashion to a V-8-powered production

## General Motors Corporation

truck, but produces no tailpipe emissions. Fuel cells chemically convert hydrogen into electricity and water. Three 10,000-psi compressed hydrogen storage tanks, provided by Quantum Technologies, provide a range of 125 miles, even though the vehicle was not optimized for range.

The U.S. Army has the largest fleet of vehicles in the world. Improving fuel economy and reducing the logistics of the fuel supply chain could save millions of dollars. For example, it can cost the U.S. Army up to \$400 for a gallon of gas to ship fuel to Iraq and Afghanistan.

### Plant Expansion/Organization Update

No aerospace- or defense-related expansions or organizational changes have been reported in the past two years.

### Mergers/Acquisitions/Divestitures

**Allison Transmission Sold.** In August 2007, GM completed the sale of its Allison Transmission commercial and military business to The Carlyle Group and Onex Corporation for approximately \$5.6 billion. The company expects to use the funds to strengthen liquidity and support heavy investments in new products and technology, such as its continued energy diversity initiatives. Allison Transmission employs 3,400 people, and has seven plants in Indianapolis. The unit generates annual sales of \$2 billion. Plans to sell the operation were first announced in January 2007.

**Locomotive Group Divested.** In April 2005, General Motors, Greenbriar Equity Group LLC and Berkshire Partners LLC concluded the sale of Electro-Motive Division (EMD) by GM to an investor group led by Greenbriar and Berkshire Partners. Terms of the transaction were not disclosed. The new company, Electro-Motive Diesel (EMD) Inc, will continue to be based in LaGrange, Illinois. The sale covers substantially all of the Electro-Motive businesses, including North American and international locomotives; power, marine and industrial products; the spare parts and parts rebuild business; and all of Electro-Motive's locomotive maintenance contracts worldwide. Both the LaGrange (Illinois) and London (Ontario) manufacturing facilities were included in the sale.

**Hughes Spun-off.** In December 2003, General Motors, Hughes Electronics, and The News Corporation Ltd successfully completed the spinoff of Hughes from GM and the acquisition by News Corporation of 34 percent of the outstanding common stock of Hughes. In the transactions, GM spun off Hughes by distributing Hughes common stock to the holders of GM Class H common stock in exchange for the shares that they

owned. Simultaneously, GM sold its 19.8 percent economic interest in Hughes to News Corporation in exchange for \$3.1 billion in cash and News Corporation Preferred American Depositary Shares (Preferred ADSs). News Corporation then acquired from the former GM Class H common stockholders an additional 14.2 percent of the outstanding shares of Hughes common stock in exchange for News Corporation Preferred ADSs.

**GM Defense Sold.** In March 2003, General Dynamics acquired General Motors Defense for \$1.1 billion in cash. General Motors Defense of London, Ontario, is a business unit of General Motors Corporation of Detroit, Michigan. GM Defense produces wheeled armored vehicles and turrets. In a joint venture with General Dynamics, GM Defense produces the Stryker, the U.S. Army's transformational combat vehicle. Other GM Defense products include the LAV for Canada, Australia, New Zealand, and Saudi Arabia, and the Piranha combat vehicle for a number of international customers.

The company had 2,400 employees in four operating units: GM Defense, Delco Systems in Goleta, California; GM Defense, Australia in Adelaide, South Australia; GM Defense, Canada in London, Ontario; and MOWAG Motorwagenfabrik AG in Kreuzlingen, Switzerland.

GM retained its Military Trucks business (still operating under the name GM Defense), located in Troy, Michigan, which is now part of GM North America's Fleet and Commercial Operations. The deal was first announced in December 2002.

### Teaming/Competition/Joint Ventures

**AM General.** In July 1999, GM acquired ownership of AM General's HUMMER name, and began marketing and distributing the ultra-heavy-duty, off-road machine in 2000. Under the agreement, AM General continues to manufacture the HUMMER at its plant in Mishawaka, Indiana, and AM General retains the rights to market and distribute the HMMWV (High Mobility Multipurpose Wheeled Vehicle) for military applications. Observers believed the deal would help the smaller company, which had been struggling with declining military spending.

GM does not plan to take an equity interest in AM General. A joint GM/AM General product development team has been formed (led by Ken Lindensmith of GM and Jim Armour of AM General), which consists of personnel from product engineering, design, planning, manufacturing, marketing, purchasing, and finance. This team is to develop the next HUMMER product intended to supplement the current product lineup. A

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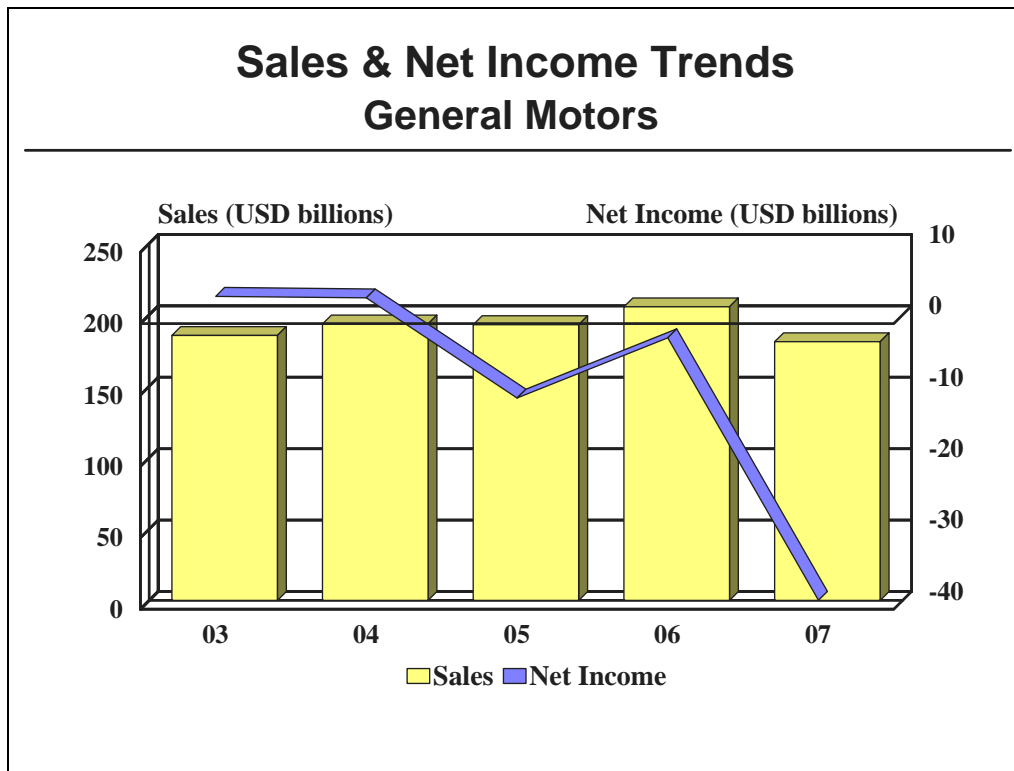
first step in the marketing partnership was the renaming of the current HUMMER to HUMMER H1 (so that GM could bring out H2s). AM General will maintain design responsibility for the H1 and execute future enhancements to the current products.

## Financial Results/Corporate Statistics

Consolidated sales for GM totaled \$207.3 billion in 2006, up more than 6 percent from the \$194.6 billion posted in 2005. The company recorded a loss of \$1.98 billion for the year, compared to a loss of \$10.42 billion in 2005. The 2007 loss is almost entirely attributable to the non-cash \$38.3 billion special charge in the third quarter related to the valuation allowance against deferred tax assets. The additional losses in 2005-2006 are attributed to GM's cost-cutting plan, which involves closing factories and reducing wages and benefits, including retiree benefits. The following tables list some of the recent key financial factors for General Motors. Results have been restated to the company's current presentation.

**Note:** These figures include all of the General Motors operations and subsidiaries.

Y/E December 31	2002	2003	2004	2005	2006	2007
(USD millions)						
Sales	177,324	185,524	193,517	193,050	205,601	181,122
Net Income	1,736	3,822	3,614	-10,417	-1,978	-38,732



## Strategic Outlook

The sale of Hughes Aircraft operations to Raytheon in 1997 plunged GM's percentage of defense work to below 1 percent of sales. This was followed some years later with the sale of the majority of GM Defense to General Dynamics. More recently, the company has divested its Allison Transmission operation. The result

of these divestitures is that GM no longer has any real defense-oriented operations aside from the sale of commercial vehicles – basically, militarized civilian trucks – for the armed services.

Because of the sale of Allison Transmission, this report will be archived next year.

## Prime Award Summary

### Department of Defense Top 100 Companies and Their Subsidiaries

Data unavailable, as this company did not place within the top 100. For more information, please see Appendix I, "100 Companies Receiving the Largest Dollar Volume of Prime Contract Awards."

## Program Activity

Some important aerospace and government programs currently under way at General Motors are listed below. The following are the company's business interests:

- Power Systems
- Military Vehicles

### Military Vehicle Programs

#### Commercial Utility Cargo Vehicle (CUCV)

The CUCV family consists of tactical, standard mobility, and light-duty 4x4 trucks that are commercially available and are modified to meet unique military requirements. The CUCV family is replacing portions of the M151A2 1/4-ton truck family and the

M880/M890 1/4-ton commercial truck series. The CUCV family includes the following: the M1008 1-1/4-ton tactical truck (cargo), M1009 3/4-ton tactical truck (utility), M1010 1-1/4-ton tactical truck (ambulance), M1028 1-1/4-ton tactical truck (cargo shelter carrier), and M1031 1-1/4-ton tactical truck (truck chassis). GM also produces the Commercial Enhanced-Mobility Medium-duty Vehicle (CEMMV) for military use.

#### Vehicle Power Transmissions

This is an ongoing program at Allison Transmission Division. The contract awards section lists specific transmissions and platforms for which contracts have been awarded in recent years.

## U.S. Contract Awards

Below is a listing of major contracts awarded to General Motors and Allison Transmission by the United States government in recent years (contracts as of press date).

Date	Award (USD millions)	Contract #	Description
<b>2002</b>			
3/25/02	22.2	DAAE07-01-C-N040	Two upgraded X1100-3B transmissions for the Wolverine and 103 X1100-3Bs for the M1 Abrams.
8/8/02	38.5	DAAE07-01-C-N040	100 new-production X1100-3B transmissions.
10/8/02	20.9	DAAE07-02-D-S073	4,812 cylinder heads for the HMMWV engine.
11/27/02	13.0	DAAE07-03-D-S015	8,700 HMMWV transmissions.
<b>2003</b>			
9/24/03	6.1	DAAE07-03-C-N079	77 X200-4A transmission units for the M113 family of vehicles.
<b>2004</b>			
1/26/04	7.7	DAAE07-03-C-N079	92 X200-4A transmission units for the M113 family of vehicles.
11/3/04	75.0	DAAE07-01-C-N040	125 X1100-3B transmissions with containers for the M1.
11/29/04	11.4	DAAE07-01-C-N040	64 zero-timed X1100-3B transmissions.
11/29/04	6.1	DAAE07-01-C-N040	50 zero-timed X1100-3B transmissions.
12/2/04	15.8	W56HZV-04-C-0422	240 X200-4 to X200-4A transmission upgrades and 240 reconditioned containers.
12/3/04	30.0	DAAE07-01-C-N040	33 zero-timed X1100-3B modification kits in support of Abrams integrated management and return to stock programs.
<b>2005</b>			
1/24/05	5.8	DAAE07-02-E-N001	Cost-reimbursement contract for industrial & other plant equipment.

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<b>Date</b>	<b>Award (USD millions)</b>	<b>Contract #</b>	<b>Description</b>
6/17/05	31.7	W56HZV-05-C-0233	New production of X200-4A transmissions.
6/29/05	13.6	DAAE07-01-C-N040	Zero-timed X1100-3B transmissions in support of the system enhancement package retrofit program.
7/5/05	11.7	DAAE07-03-C-N197	X200-4A transmissions in containers.
<b>2006</b>			
4/5/06	14.5	W56HZV-04-C-0422	X200-4 to X200-4A transmission upgrade and repair.
4/5/06	5.5	W56HZV-05-C-0233	X200-4A transmissions.
7/31/06	5.8	DAAE07-03-C-N197	X200-4A transmissions in containers.
11/21/06	27.9	W56HZV-05-C-0233	X200-4A transmissions without containers.
11/21/06	6.1	DAAE07-03-C-N197	X200-4A transmissions in containers.
11/27/06	33.9	DAAE07-01-C-N040	X1100-3B transmission overhaul and partial overhaul kits for the Abrams integrated management program.
11/27/06	32.6	DAAE07-01-C-N040	X1100-3B transmissions in support of the improved system enhancement package reset program.
11/27/06	24.2	DAAE07-01-C-N040	X1100-3B transmissions in support of the improved system enhancement package reset program.
11/27/06	16.1	DAAE07-01-C-N040	X1100-3B transmissions with refurbished containers in support of the system enhancement package reset program.
11/27/06	11.0	DAAE07-01-C-N040	X1100-3B transmissions in support of the improved system enhancement package reset program.
11/27/06	9.8	DAAE07-01-C-N040	X1100-3B transmission overhaul kits.
11/27/06	5.7	DAAE07-01-C-N040	X1100-3B transmissions in support of the improved system enhancement package reset program.
<b>2007</b>			
7/5/07	32.3	DAAE07-01-C-N040	Upgrade of X1100-3B transmissions.
7/5/07	12.6	W56HZV-04-C-0422	X200-4 to X200-4A transmission upgrades and reconditioned containers.
12/26/07	6.3	DAAE07-01-C-N040	X1100-3B transmission overhaul kits.

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