

General Motors Corp.

S&P Recommendation **SELL** ★★☆☆☆

Price
\$29.42 (as of Dec 22, 2006)

12-Mo. Target Price
\$28.00

Investment Style
Large-Cap Value

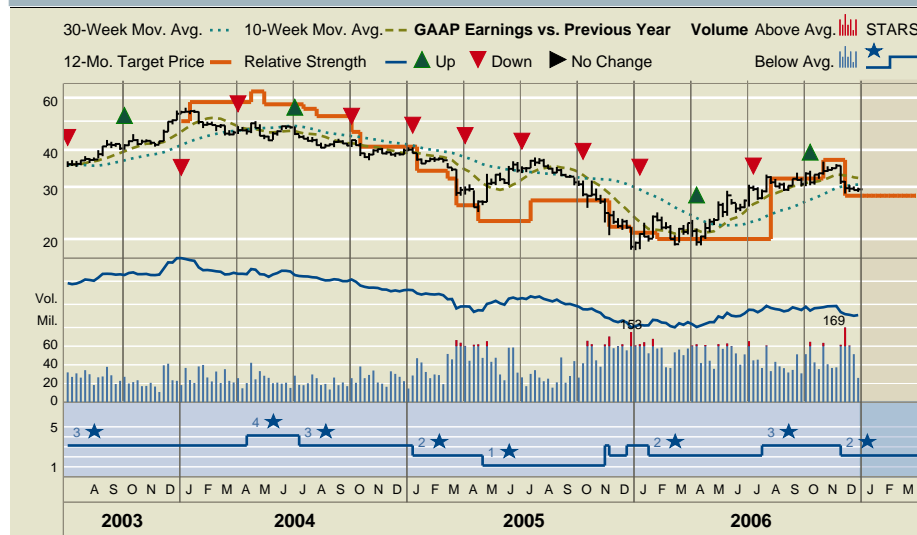
GICS Sector Consumer Discretionary
Sub-Industry Automobile Manufacturers

Comment GM is the world's largest producer of cars and trucks, and has significant finance, aerospace, defense, and electronics operations.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$36.56-18.33	S&P Oper. EPS 2006E	4.73	P/E on S&P Oper. EPS 2006E	6.2	Dividend Rate/Share	\$1.00
Trailing 12-Month EPS	\$-16.95	S&P Oper. EPS 2007E	3.73	Common Shares Outstg. (M)	565.6	Yield (%)	3.40
Trailing 12-Month P/E	NM	S&P Core EPS 2006E	5.46	Market Capitalization(B)	\$16.640	Beta	1.10
\$10K Invested 5 Yrs Ago	\$7,914	S&P Core EPS 2007E	4.16	Institutional Ownership (%)	87	S&P Credit Rating	B

Price Performance



Options: ASE, CBOE, P, Ph

Analysis prepared by **Efraim Levy, CFA** on December 01, 2006, when the stock traded at **\$ 29.25**.

Highlights

- We expect U.S. car and light truck sales of 16.6 million units in 2006 to decline to 16.4 million units in 2007. We project that GM will continue to lose market share in 2007. We look for results from continuing operations to benefit from 2006's health care agreements and better than expected buyout acceptance among union employees and the rollout of new and updated light trucks and SUVs.
- We expect automotive results to improve in 2007, as GM introduces its new line of trucks and utility vehicles and Europe and other markets see benefits from expense reductions. Results from finance operations will no longer be consolidated in GM's financial statements due to the sale of a 51% interest in GMAC.
- Our 2006 EPS estimate is \$4.73, before unusual items. We recently reduced our 2007 EPS estimate by \$1.02, to \$3.73, to reflect the dilutive impact of the GMAC sale. Further improvement could be more challenging without additional union concessions to GM and a steady flow of new vehicles. The difference between our operating EPS forecast and our S&P Core Earnings estimate reflects adjustments for projected pension and retirement-related income.

Investment Rationale/Risk

- Including the dilutive impact of the GMAC sale, we think 2006 could be a peak unless GM can continue its steady flow of new products and cost cutting. We think GM has sufficient near-term liquidity for its operating needs. GM's reduction of its reserves for costs related to bankrupt Delphi suggests to us progress toward an agreement and that the probability of a costly strike against Delphi is reduced.
- Risks to our recommendation and target price include greater than expected demand for the company's vehicles, faster cost and restructuring savings, and decreases in gas prices. GMAC, the company's 49%-owned financial services division, could post better than projected net income.
- Based on our 2007 EPS estimate, the stock recently traded in the lower portion of its historical P/E range, but below DaimlerChrysler (DCX: strong sell, \$58) and Japanese competitors. We project a loss for Ford (F: hold, \$8). Based on historical and peer multiples, we have applied a multiple of 7.5X to our 2007 EPS forecast, arriving at our 12-month target price of \$28.

Qualitative Risk Assessment

LOW **MEDIUM** **HIGH**

Our risk assessment for General Motors reflects the highly cyclical nature of its markets as well as our view of the current and long-term challenges that GM faces, with its highly leveraged balance sheet, intensifying competition, high fixed and legacy costs, and the risk of a strike at a bankrupt major parts supplier.

Quantitative Evaluations

S&P Quality Ranking **B-**

D C **B-** B B+ A- A A+

Relative Strength Rank **WEAK**

15 LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2006	52,245	54,395	48,888	--	--
2005	45,773	48,469	47,182	51,180	192,604
2004	47,862	49,293	44,934	51,428	193,517
2003	47,146	45,944	43,351	49,084	185,524
2002	46,264	48,265	43,578	48,656	186,763
2001	42,615	46,220	42,475	45,950	177,260

Earnings Per Share (\$)	2006	2005	2004	2003	2002	2001
	0.78	-5.97	-0.16	E0.97	E4.73	
	-2.22	-1.75	-2.94	-11.59	-18.50	
	2.12	2.42	0.56	-0.17	4.95	
	2.74	1.57	0.80	Nil	5.03	
	0.57	2.43	-1.42	1.71	3.35	
	0.53	1.03	-0.41	0.60	1.77	

Fiscal year ended Dec. 31. Next earnings report expected: Late January. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.250	02/07	02/14	02/16	03/10/06
0.250	05/02	05/10	05/12	06/10/06
0.250	08/01	08/09	08/11	09/09/06
0.250	11/07	11/15	11/17	12/09/06

Dividends have been paid since 1915. Source: Company reports.

General Motors Corp.

Business Summary December 01, 2006

CORPORATE OVERVIEW. General Motors is the world's largest manufacturer of cars and trucks. The majority of its business is derived from the automotive industry, but it also has financing and insurance and financial services operations through 49%-owned General Motors Acceptance Corp. (GMAC), and produces products and provides services in other industries. Competition has been increasing for this once dominant market leader. With Toyota Motor (TM: hold, \$120), already the world's most profitable automaker, steadily and rapidly expanding its global vehicle sales and production, the Japanese company is likely to overtake GM as the world volume leader in vehicle sales and production in 2007, in our opinion.

IMPACT OF MAJOR DEVELOPMENTS. In November, GM sold 51% of GMAC to an investor group. GM believes this will enhance GMAC's credit rating and thereby reduce the unit's borrowing costs, in addition to the funds it raises for the automaker. The downside of the transaction, in our view, is the partial loss of GMAC income contributions.

In October 2005, Delphi Corp. (formerly Delphi Automotive Systems) filed for Chapter 11 bankruptcy protection. Delphi is GM's largest parts supplier. We have assumed that the direct costs of the Delphi bankruptcy filing, including a possible but unlikely strike by Delphi workers, could hurt the 2006 bottom line by \$300 million, although visibility for these costs is very low. Workers at GM's largest parts supplier have threatened to strike if a wage and benefits agreement cannot be worked out with Delphi. A work stoppage at General Motors itself in mid-1998 cost GM about \$2 billion in lost profits; a strike against Delphi that could halt GM production could be even more costly for the struggling automaker, in our view.

In October 2002, GM invested \$251 million for a 42.1% controlling stake in a new company that owns selected assets of South Korea's Daewoo Motor Co. GM partners own 24.9%, and Daewoo creditors own the remaining 33%. GM's strategy is to use these vehicles to compete in low-priced vehicle segments around the world. We see profit contributions and market gains via these operations.

In November 2006, Kirk Kerkorian's Tracinda Corp. announced that it had reduced its 56 million GM share stake in half to 28 million shares or about 4.95% of the shares outstanding. This followed GM's rebuff of a Kerkorian championed alliance with Renault S.A./Nissan Motors (NSANY: hold, \$24) and the subsequent resignation of his representative, Jerome York, from GM's board of directors.

MARKET PROFILE. General Motors has seen a steady erosion in its U.S. market share. We believe that a shift to smaller vehicles will hurt GM market share in 2006, despite the company's upcoming introduction of new and updated SUVs. Chevrolet, Buick, Cadillac, Oldsmobile, Pontiac, Saturn and GEO models accounted for 22.6% of total new U.S. car registrations (including imports) in 2005, versus 24.9% in 2004, and 25.7% in 2003. Comparable figures for Chevrolet, GMC, Pontiac and Oldsmobile trucks were 28.5%, 29.0%, and 30.0% in the respective years.

FINANCIAL TRENDS. Asian and European manufacturers are adding to the vehicle offering, thus increasing competition in the critical U.S. automotive market, in our view. Sustained higher gas prices will likely accelerate the shift from larger SUVs and trucks to smaller, less profitable vehicles. These factors could hurt profitability, in our opinion.

Exact expenses related to the Delphi bankruptcy for 2006 and beyond, which will likely be in the billions of dollars, should be determined by bankruptcy proceedings and by actuarial assumptions.

We consider earnings visibility to be unusually limited due to volatile sales and margins and uncertainty stemming from the Delphi bankruptcy filing. However, with new products expected in 2006, we see a return to profitability. Also, we project positive free cash flow (net income before depreciation minus capital expenditures) for GM in 2006. Financial trends for GM have fluctuated in recent years, with most trends down in 2005, but they should rebound in 2006, in our opinion.

Corporate Information

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Website
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Officers

Chrmn & CEO G.R. Wagoner, Jr. **Vice Chrmn & CFO** F. Henderson

Vice Chrmn J.M. Devine **EVP & General Counsel** T.A. Gottschalk

Vice Chrmn R.A. Lutz

Board of Directors

P. N. Barnevik
E. Bowles
J. H. Bryan
A. M. Codina
G. M. Fisher
K. Katen
K. Kresa
E. J. Kullman
P. A. Laskawy
E. Pfeiffer
G. R. Wagoner, Jr.

Domicile
Delaware

Founded
1908

Employees
335,000

Stockholders
384,375

General Motors Corp.

Quantitative Evaluations

S&P Fair Value Rank	1	1	2	3	4	5
		LOWEST				HIGHEST
Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).						

Fair Value Calculation	\$22.70	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that GM is overvalued by \$6.72 or 22.8%.
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Investability Quotient Percentile	90
	LOWEST = 1 HIGHEST = 100
GM scored higher than 90% of all companies for which an S&P Report is available.	

Volatility	LOW	AVERAGE	HIGH
GM has had High price volatility over the past year.			

Technical Evaluation	BEARISH	Since November, 2006, the technical indicators for GM have been BEARISH.
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Insider Activity	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2005	2004	2003	2002
Price/Revenue	0.06	0.12	0.16	0.11
Price/EBITDA	0.75	0.83	1.15	0.91
Price/Pretax Income	NM	11.99	8.46	9.96
Price/Net Income	NM	8.10	10.62	11.93
Avg. Diluted Shares Outstg (M)	565.0	567.0	569.0	562.0

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-0.47	1.35	1.35	1.74
Net Income	NM	NM	-99.82	-92.17

Ratio Analysis (Annual Avg.)

	2005	2004	2003	2002
Net Margin (%)	NM	NM	NM	1.11
LTD of Capitalization (%)	91.00	87.23	86.02	77.87
Return on Equity (%)	NM	NM	NM	10.20

Company Financials

Per Share Data (\$) Year Ended Dec. 31	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Tangible Book Value	18.12	40.35	36.49	NM	1.93	13.60	16.03	6.25	5.80	7.30
Cash Flow	9.38	29.91	29.60	26.03	24.12	30.04	27.20	22.39	31.93	22.11
Earnings	-18.50	4.95	5.03	3.35	1.77	6.68	8.53	4.18	8.62	6.07
S&P Core Earnings	-11.92	7.11	7.91	-1.49	-5.77	NA	NA	NA	NA	NA
Dividends	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.60
Payout Ratio	NM	40%	40%	60%	113%	30%	23%	48%	23%	26%
Prices:High	40.80	55.55	54.39	68.17	67.80	94.63	94.88	76.69	72.44	59.38
Prices:Low	18.33	36.90	29.75	30.80	39.17	48.44	59.75	47.06	52.25	45.75
P/E Ratio:High	NM	11	11	20	38	14	11	18	8	10
P/E Ratio:Low	NM	7	6	9	22	7	7	11	6	8

Income Statement Analysis (Million \$)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Revenue	192,604	193,517	185,524	186,763	177,260	184,632	176,558	161,315	178,174	164,069
Operating Income	14,606	27,324	26,423	22,733	23,016	30,127	29,115	23,706	30,443	23,484
Depreciation	15,769	14,152	13,978	12,938	12,908	13,411	12,318	12,201	16,616	11,840
Interest Expense	15,768	11,980	9,464	7,715	8,590	9,552	7,750	6,893	6,113	5,695
Pretax Income	-16,336	1,894	3,593	2,080	1,518	7,164	8,722	4,428	7,714	6,676
Effective Tax Rate	NM	NM	20.3%	25.6%	50.6%	33.4%	35.7%	33.0%	13.9%	25.8%
Net Income	-10,458	2,805	2,862	1,736	601	4,452	5,576	2,956	6,698	4,953
S&P Core Earnings	-6,741	4,040	4,510	-838	-3,209	NA	NA	NA	NA	NA

Balance Sheet & Other Financial Data (Million \$)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Cash	50,452	57,730	54,769	38,274	30,014	21,040	21,250	20,024	22,984	22,262
Total Assets	476,078	479,603	448,507	370,782	323,969	303,100	274,730	257,389	228,888	222,142
Long Term Debt	202,177	207,174	191,133	134,272	104,638	65,843	62,963	52,794	42,194	38,074
Total Debt	285,750	300,279	271,756	201,940	166,314	144,655	131,906	114,372	93,249	85,300
Common Equity	14,597	27,726	25,268	6,814	19,707	30,175	20,644	14,983	17,505	23,417
Capital Expenditures	8,179	7,753	7,330	7,443	8,631	9,722	7,384	9,618	10,320	9,949
Cash Flow	5,311	16,957	16,840	14,627	13,410	17,753	17,814	15,094	23,216	16,712
% Return on Assets	NM	0.6	0.7	0.5	0.2	1.5	2.1	1.2	3.0	2.3
% Return on Equity	NM	10.6	17.8	12.7	2.0	17.1	30.8	17.8	32.4	21.1
% Long Term Debt of Capitalization	91.0	85.5	85.2	89.0	79.4	63.8	69.3	71.0	66.6	58.8

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

General Motors Corp.

Sub-Industry Outlook

Our fundamental outlook for the automobile manufacturers sub-industry is negative. While we expect demand this year and next to be at the high end of the historical volume range, unfavorable mix shifts and heightened competition should restrain profits. We project that 2007 U.S. light vehicle sales volume will be about 16.4 million, down from the 16.6 million we see for 2006 and the nearly 17.0 million sold in 2005. Competition should remain intense in our view, on new product introductions and incentives. Relatively high gasoline prices are hurting demand for fuel-inefficient but profitable light trucks. Weakening housing demand could also hurt vehicle sales. Domestic company profits before special items should benefit from cost cutting including employee buyouts.

We expect the "Big Three" U.S. automakers collectively to lose market share to foreign car makers this year and next. Of special concern to us is the highly profitable light truck, minivan, and sport utility segment, which we think is facing increasing pricing pressure now that the Big Three's dominance is waning, gasoline prices have risen sharply, and sales of lower-margin crossover utility vehicles are taking share from SUVs. We project that margins will come down in this segment. Increased sales of luxury import models are also hurting domestic manufacturers margins in the luxury vehicle category, in our view. We think restructuring and other cost-reduction efforts should offset some of the margin pressure in 2006 and 2007. However, we expect retiree and health care costs to squeeze margins, and that lower production will be a near-term negative.

We believe relatively high employment and aggressive vehicle incentives in the form of discounted prices and financing rates bode well for a continuation of relatively high demand for motor

vehicles. However, we think rising competition will make profits harder to come by. Through a combination of cost reductions and a move to more profitable non-car vehicle sales, automakers' profits have been strong this upcycle. While a new higher sales plateau in North America may be sustainable, we have concerns about an acceleration of already-heavy incentive activity.

Year to date through December 8, 2006, the S&P Automobile Manufacturers Index increased 16.5% versus a 12.9% rise for the S&P 1500. The sub-industry index underperformed the S&P 1500 Index in 2005 with a 46.0% decline versus a 3.8% rise.

--Efraim Levy, CFA

Stock Performance

GICS Sector: Consumer Discretionary
Sub-Industry: Automobile Manufacturers

Based on S&P 1500 Indexes
Month-end Price Performance as of 11/30/06



Sub-Industry Sector S&P 1500

NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Automobile Manufacturers Peer Group*: Automakers

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price	P/E Ratio	12-Mo. Trailing EPS	30-Day Price Chg(%)	1 Year Price Chg(%)	Beta	Yield (%)	Quality Ranking	Ret. on Equity (%)	Pretax Margin (%)	LTD to Cap (%)
General Motors	GM	16,640	29.42	NM	-16.95	-5%	58%	1.10	3.4	B-	NM	NM	91.0
Brilliance China Automotive	CBA	623	16.99	NM	-1.48	3%	19%	1.01	Nil	NR	NM	NM	Nil
DaimlerChrysler	DCX	61,905	60.80	14	4.46	0%	20%	1.50	3.0	NR	8.1	2.3	51.8
Fiat S.p.A.	FIA	21,958	18.80	13	1.49	-1%	116%	1.26	Nil	NR	20.5	4.9	72.4
Ford Motor	F	13,490	7.42	NM	-3.36	-14%	-7%	1.88	Nil	B-	15.4	1.1	82.9
Fuji Heavy Ind ADS	FUJHY	3,840	51.40	14	3.64	0%	-6%	-0.03	1.3	NR	3.9	1.5	25.2
Honda Motor	HMC	70,100	38.39	13	2.85	10%	31%	0.43	1.2	NR	16.1	9.2	31.3
Nissan Motor	NSANY	52,385	23.92	11	2.13	-1%	17%	0.54	1.9	NR	24.6	9.2	43.2
Toyota Motor	TM	212,125	131.91	18	7.15	10%	28%	0.57	1.3	NR	14.0	10.7	31.5
Volkswagen ADS	VLKAY	35,662	22.15	32	0.69	4%	112%	1.43	1.0	NR	2.5	1.8	38.8

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

General Motors Corp.**S&P Analyst Research Notes and other Company News****December 1, 2006**

09:51 am EST... S&P REITERATES SELL OPINION ON SHARES OF GENERAL MOTORS (GM 29.48**): Based on an unconfirmed Wall Street Journal report, as well as stock trading activity yesterday afternoon, we believe investor Kirk Kerkorian has divested the balance of his 56M GM shares. While we would not rule out the chance of a Kerkorian strategic return to GM, we think he will focus on other investments. This should leave company management focused on progress in its restructuring. For a successful turnaround, we believe GM must implement existing plans that include successful new products rollouts, and negotiate savings and efficiencies with the UAW in '07. /E.Levy-CFA

December 1, 2006

NEW YORK (Standard & Poor's)--No. 7, 2006, General Motors Corp., announced 3Q loss per share of \$0.16 vs. loss of \$2.94 and 9 mos. loss per share of \$5.35 vs. loss of \$6.90. Results include net non-recurring charges of \$1.13 & \$8.69 per share for the 2006 3Q & 9 mos. and \$0.97 & \$2.77 for the like periods of 2005. Results for 2006 are revised by Co.

November 30, 2006

DOWN 0.85 to 28.65... Tracinda Corp. reportedly files to sell 14 million GM shares, cutting its stake to 28 million.

November 30, 2006

01:32 pm EST... S&P DOWNGRADES SHARES OF GENERAL MOTORS TO SELL FROM HOLD (GM 29.36**): GM's sale of 51% interest in GMAC finance unit concerns us. Expected \$14B net cash proceeds should enhance liquidity. But since we expect GMAC to remain quite profitable, we see transaction as dilutive to EPS, and we are lowering our '07 EPS est. by \$1.02 to \$3.73. Separately, we think reduction of K. Kerkorian's GM stake to below 5% simultaneously reduces potential selling pressure and eliminates potential upward catalyst. Looking ahead, we see execution risk in GM's restructuring. We are lowering our target price by \$9 to \$28, 7.5X our '07 est., at low end of historical range. /E.Levy-CFA

November 22, 2006

DOWN 1.08 to 31.53... Seen lower on speculation that Kirk Kerkorian's proposed increased stake in MGM may be at expense of his GM holdings.

November 22, 2006

01:20 pm EST... S&P REITERATES HOLD OPINION ON SHARES OF GENERAL MOTORS (GM 31.65**): As we had expected after GM's rebuff of Kirk Kerkorian-instigated alliance talks, his Tracinda Corp. is reducing its GM stake. In an SEC filing, Tracinda says it is selling 14 million GM shares, which will lower its 9.9% interest to 7.4%. We think a further reduction is likely over time. With GM shares still up more than 60% this year, and with technical analysis of GM's stock chart suggesting near term weakness, further near-term investor selling would not surprise us. However, since our fundamental view of GM has not changed, we maintain our hold opinion. /E.Levy-CFA

November 21, 2006

DOWN 1.43 to 32.75... GM's No. Amer. Pres. reportedly told Detroit Automotive Press Assoc. there's more work to do to complete turnaround, meet its goal of cutting structural costs... UAW pres. indicated union wants to keep Jobs Bank intact.

November 14, 2006

Announces plan to execute \$1.5B senior secured term loan facility with a seven-year maturity.

November 7, 2006

Narrows previously reported \$115M preliminary Q3 consolidated net loss by \$24M to \$91M net loss... Cites additional loan sales that had not been previously reported by GMAC.

October 25, 2006

Posts \$0.20 Q3 loss (incl. items) vs. \$2.94 loss on 3.5% rev. rise... Posts \$0.93 adj. EPS, excl. items... As result of progress in talks re bankruptcy filing by Delphi, narrows exposure to about \$6B-\$7.5B pre-tax.

October 25, 2006

01:00 pm EDT... S&P REITERATES HOLD OPINION ON SHARES OF GENERAL MOTORS (GM 34.65**): GM posts adjusted Q3 EPS of \$0.93 versus an adjusted loss of \$1.97 per share. On largely favorable tax items, EPS exceeds our \$0.08 EPS projection. A \$4.5B reduction of expected costs in connection with a potential Delphi settlement suggests to us that negotiations with the former unit and the UAW are making progress. Still, GM faces lower earnings contributions from GMAC following its planned sale in Q4. We are raising our '06 EPS forecast \$0.92 to \$4.73, and we see \$4.50 for '07. We are also raising our 12-month target price \$5 to \$37, within GM's historical P/E range. /E.Levy-CFA

October 25, 2006

NEW YORK (Standard & Poor's)--Oct 25, 2006, General Motors Corp., announced 3Q loss per share of \$0.20 vs. loss of \$2.94 and 9 mos. loss per share of \$5.39 vs. loss of \$6.90. Results include net non-recurring charges of \$1.13 & \$8.69 per share for the 2006 3Q & 9 mos. and \$0.97 & \$2.77 for the like periods of 2005.

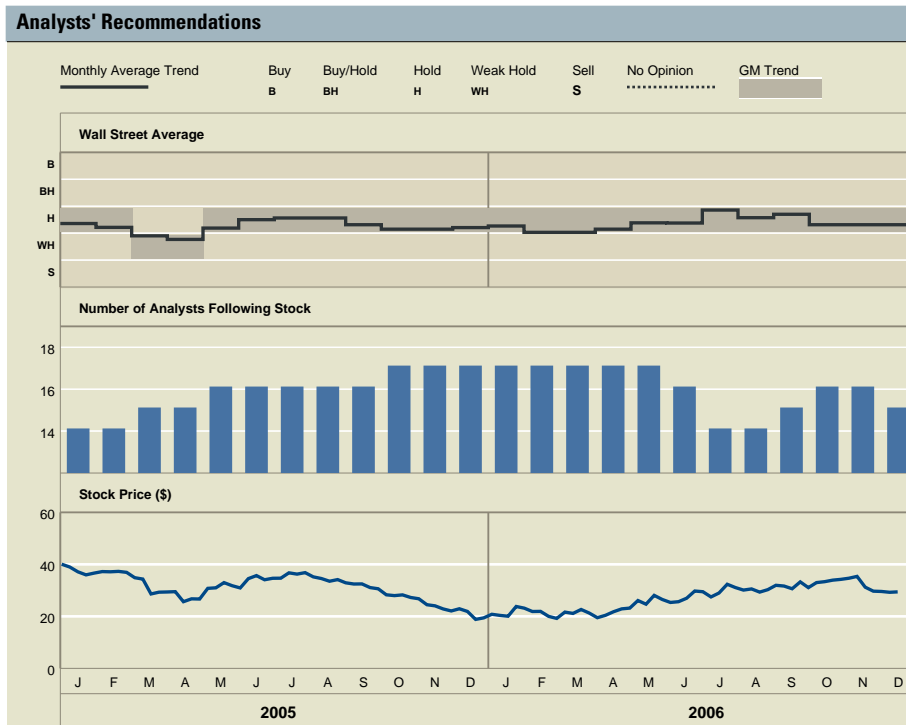
October 18, 2006

GM has hired Goldman Sachs and Morgan Stanley to help it prepare for potential proxy fight or other hostile action led by disgruntled shareholder Kirk Kerkorian to exert control over GM or its board: Detroit News.

October 6, 2006

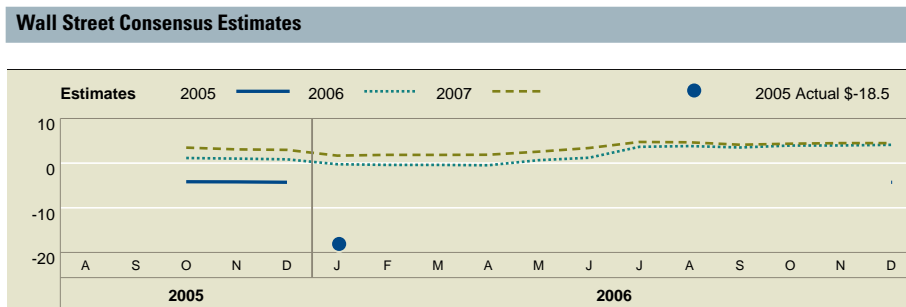
DOWN 1.63 to 31.50... GM Director Jerome York, ally of influential investor Kirk Kerkorian, is quitting the auto maker's board after alliance talks with Nissan-Renault broke down: WSJ.com.

General Motors Corp.



Of the total 18 companies following GM, 17 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	2	12	2	4
Buy/Hold	1	6	1	1
Hold	8	47	8	6
Weak Hold	1	6	2	2
Sell	3	18	3	2
No Opinion	2	12	2	1
Total	17	100	18	16



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2007	4.73	7.87	2.85	16	6.2
2006	4.34	4.92	3.75	13	6.8
2007 vs. 2006	▲9%	▲60%	▼-24%	▲23%	▼-9%
Q4'07	0.74	1.18	-0.27	7	39.8
Q4'06	1.05	1.63	0.47	15	28.0
Q4'07 vs. Q4'06	▼-30%	▼-28%	▼-157%	▼-53%	▲42%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

HOLD

Companies Offering Coverage

- Argus Research Corp.
- Banc of America Securities Llc.
- Bear Stearns & Co.
- Burnham Securities
- Calyon Securities (usa) Inc.
- Credit Suisse First Boston
- Deutsche Bank
- Goldman Sachs & Co.
- Griffin Securities, Inc.
- JP Morgan Securities
- Keybanc Capital Mkts / McDonald
- Lehman Brothers, Inc.
- Merrill Lynch Research
- Morgan Stanley & Company
- Smith Barney
- Soleil - Ward Transportation
- Thomas Weisel Partners
- UBS Warburg

Wall Street Consensus vs. Performance

For fiscal year 2006, analysts estimate that GM will earn \$4.34. For the 3rd quarter of fiscal year 2006, GM announced earnings per share of \$-0.16, representing -4% of the total annual estimate. For fiscal year 2007, analysts estimate that GM's earnings per share will grow by 9% to \$4.73.

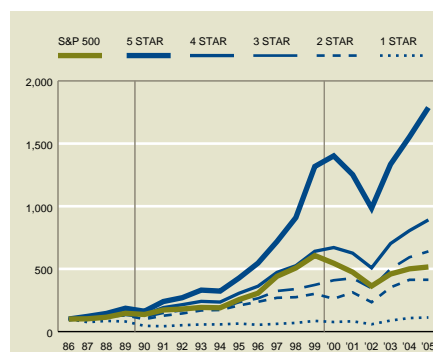
General Motors Corp.

Glossary

S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

STARS Average Annual Performance



S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Investment Style Classification

Characterizes the stock as either a growth- or value-oriented investment, and, indicates the market value (size) of the company as large-cap, mid-cap or small-cap. Growth stocks typically have a higher price-to-earnings and price-to-cash flow ratio, that represents the premium that is being paid for the expected higher growth. Value stocks typically have higher dividends and more moderate price-to-earnings ratios consistent with their current return policies.

Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capitalize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:

Genl Motors	Raw Score	Max Value
Proprietary S&P Measures	26	115
Technical Indicators	16	40
Liquidity/Volatility Measures	19	20
Quantitative Measures	73	75
IQ Total	134	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and

trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

S&P Core Earnings

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes Standard & Poor's LLC-London and Standard & Poor's AB (Sweden); Standard & Poor's Equity Research Services Asia includes Standard & Poor's LLC's offices in Hong Kong, Singapore and Tokyo, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

General Motors Corp.

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S&P Global STARS Distribution

In the U.S.: As of September 30, 2006, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 33.9% of issuers with buy recommendations, 56.6% with hold recommendations and 9.5% with sell recommendations.

In Europe: As of September 30, 2006, research analysts at Standard & Poor's Equity Research Services Europe have recommended 43.8% of issuers with buy recommendations, 40.5% with hold recommendations and 15.7% with sell recommendations.

In Asia: As of September 30, 2006, research analysts at Standard & Poor's Equity Research Services Asia have recommended 31.2% of issuers with buy recommendations, 59.6% with hold recommendations and 9.2% with sell recommendations.

Globally: As of September 30, 2006, research analysts at Standard & Poor's Equity Research Services globally have recommended 34.7% of issuers with buy recommendations, 55.2% with hold recommendations and 10.1% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STAR (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In the U.S. the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Lee Leng Hoe, or Ching Wah Tam.

This investment analysis was prepared from the following sources: S&P MarketScope, S&P Compustat, S&P Industry Reports, I/B/E/S International, Inc.; Standard & Poor's, 55 Water St., New York, NY 10041.