

General Motors Co  
Form S-1/A  
November 16, 2010  
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As filed with the Securities and Exchange Commission on November 16, 2010

No. 333-168919

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## AMENDMENT NO. 8

TO

## FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

## GENERAL MOTORS COMPANY

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**3711**

(Primary Standard Industrial

Classification Code Number)

**300 Renaissance Center**

**Detroit, Michigan 48265-3000**

**27-0756180**

(I.R.S. Employer Identification No.)

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**(313) 556-5000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Nick S. Cyprus**

**Vice President, Controller and Chief Accounting Officer**

**General Motors Company**

**300 Renaissance Center**

**Detroit, Michigan 48265-3000**

**(313) 556-5000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies of all communications, including communications sent to agent for service, should be sent to:*

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**New York, New York 10017**

**Chicago, Illinois 60654-3456**

**(212) 450-4000**

**(312) 222-9350**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer "  Accelerated filer "   
 Non-accelerated filer (Do not check if a smaller reporting company) x  Smaller reporting company "

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Common stock, par value \$0.01 per share	419,750,000	\$33	\$13,851,750,000	\$987,630
Series B mandatory convertible junior preferred stock, par value \$0.01 per share (3)	92,000,000	\$50	\$4,600,000,000	\$327,980
Common stock, par value \$0.01 per share	24,982,758 (4)	\$29	\$724,500,000	\$51,657
Common stock, par value \$0.01 per share	7,318,181 (4)	\$33	\$241,500,000	\$17,219

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(2) An aggregate of \$1,165,560 of this amount was previously paid in connection with (1) the August 18, 2010 filing of the original Registration Statement on Form S-1 to which this Amendment No. 8 relates and (2) the November 3, 2010 filing of the Amendment No. 5 to such original Registration Statement on Form S-1.

(3) In accordance with Rule 457(i) under the Securities Act, this registration statement also registers the shares of our common stock that are initially issuable upon conversion of the Series B preferred stock registered hereby. The number of shares of our common stock issuable upon such conversion is subject to adjustment upon the occurrence of certain events described herein and will vary based on the public offering price of the common stock registered hereby. Pursuant to Rule 416 under the Securities Act, the number of shares of our common stock to be registered includes an indeterminate number of shares of common stock that may become issuable upon conversion of the Series B preferred stock as a result of such adjustments.

(4) Represents common stock that may be issued as dividends on Series B preferred stock in accordance with the terms thereof.

**The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**EXPLANATORY NOTE**

This Registration Statement contains a prospectus relating to an offering of shares of our common stock (for purposes of this Explanatory Note, the Common Stock Prospectus), together with separate prospectus pages relating to an offering of shares of our Series B preferred stock (for purposes of this Explanatory Note, the Series B Preferred Stock Prospectus). The complete Common Stock Prospectus follows immediately. Following the Common Stock Prospectus are the following alternative and additional pages for the Series B Preferred Stock Prospectus:

front and back cover pages, which will replace the front and back cover pages of the Common Stock Prospectus;

pages for the Prospectus Summary The Offering section, which will replace the Prospectus Summary The Offering section of the Common Stock Prospectus;

pages for the Risk Factors Risks Relating to this Offering and Ownership of Our Series B Preferred Stock and Common Stock section, which will replace the Risk Factors Risks Relating to this Offering and Ownership of Our Common Stock section of the Common Stock Prospectus;

pages for the Ratio of Earnings to Fixed Charges and Preferred Stock Dividends section, which will be added to the Series B Preferred Stock Prospectus;

pages for the Description of Series B Preferred Stock section, which will replace the Concurrent Offering of Series B Preferred Stock section of the Common Stock Prospectus;

pages for the Material U.S. Federal Tax Considerations section, which will replace the Material U.S. Federal Tax Considerations for Non-U.S. Holders section of the Common Stock Prospectus; and

pages for the Underwriting section, which will replace the Underwriting section of the Common Stock Prospectus.

In addition, the following disclosures contained within the Common Stock Prospectus will be replaced in the Series B Preferred Stock Prospectus as follows:

the reference to Risks Relating to this Offering and Ownership of Our Common Stock contained in the last sentence of footnote (2) to the beneficial ownership table included in the Principal and Selling Stockholders section of the Common Stock Prospectus will be replaced with a reference to Risks Relating to this Offering and Ownership of Our Series B Preferred Stock and Common Stock in the Series B Preferred Stock Prospectus.

the reference to Risk Factors Risks Relating to this Offering and Ownership of Our Common Stock Canada Holdings, a selling stockholder in the common stock offering, is a wholly owned subsidiary of Canada Development Investment Corporation, which is owned by the federal Government of Canada, and your ability to bring a claim against Canada Holdings under the U.S. securities laws or otherwise, or to recover on any judgment against it, may be limited contained in the last sentence of footnote (3) to the beneficial ownership table included in the Principal and Selling Stockholders section of the Common Stock Prospectus will be replaced with a reference to Risk Factors Risks Relating to this Offering and Ownership of Our Series B Preferred Stock and

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Common Stock Canada Holdings is a wholly owned subsidiary of Canada Development Investment Corporation, which is owned by the federal Government of Canada, and your ability to bring a claim against Canada Holdings alleging any complaint, or to recover on any judgment against it, may be limited in the Series B Preferred Stock Prospectus.

Each of the complete Common Stock Prospectus and Series B Preferred Stock Prospectus will be filed with the Securities and Exchange Commission in accordance with Rule 424 under the Securities Act of 1933, as amended. The closing of the offering of common stock is not conditioned upon the closing of the offering of Series B preferred stock, but the closing of the offering of Series B preferred stock is conditioned upon the closing of the offering of common stock.

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The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell the securities and it is not soliciting an offer to buy the securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED NOVEMBER 16, 2010**

PRELIMINARY PROSPECTUS

**365,000,000 Shares**

**Common Stock**

Selling stockholders, including the United States Department of the Treasury, are offering 365,000,000 shares of our common stock. We are not selling any shares of our common stock in this offering. We will not receive any proceeds from the sale of the shares by the selling stockholders.

Currently, no public market exists for our common stock. We currently estimate that the public offering price of our common stock will be between \$32.00 and \$33.00 per share. Our common stock has been approved for listing on the New York Stock Exchange under the symbol GM . The Toronto Stock Exchange has conditionally approved the listing of our common stock under the symbol GMM , subject to our fulfilling all of the requirements of the Toronto Stock Exchange.

The selling stockholders have granted the underwriters an option to purchase up to an additional 54,750,000 shares of common stock to cover over-allotments at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

Concurrently with this offering, we are also making a public offering of 80,000,000 shares of our Series B preferred stock. In that offering, we have granted the underwriters an option to purchase up to an additional 12,000,000 shares of Series B preferred stock to cover over-allotments. We cannot assure you that the offering of Series B preferred stock will be completed or, if completed, on what terms it will be completed. The closing of this offering is not conditioned upon the closing of the offering of Series B preferred stock, but the closing of our offering of Series B preferred stock is conditioned upon the closing of this offering.

**Investing in our common stock involves risks. See Risk Factors beginning on page 16 of this prospectus.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or the accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to investors on or about \_\_\_\_\_, 2010.

**Morgan Stanley  
Barclays Capital  
Goldman, Sachs & Co.**

**J.P. Morgan**

**BofA Merrill Lynch  
Credit Suisse**

**Citi  
Deutsche Bank Securities  
RBC Capital Markets**

**Bradesco BBI**

**CIBC**

**COMMERZBANK**

**BNY Mellon Capital Markets, LLC**

**ICBC International**

**Itaú BBA**

**Lloyds TSB Corporate Markets**

**CICC**

**Loop Capital Markets**

**The Williams Capital Group, L.P.**

**Soleil Securities Corporation**

The date of this prospectus is \_\_\_\_\_, 2010.

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**ABOUT THIS PROSPECTUS**

In this prospectus, unless the context indicates otherwise, for the periods on or subsequent to July 10, 2009, references to we, our, us, ourselves, the Company, General Motors, or GM refer to General Motors Company and, where appropriate, its subsidiaries. General Motors Company is the successor entity solely for accounting and financial reporting purposes to General Motors Corporation, which is sometimes referred to in this prospectus, for the periods on or before July 9, 2009, as Old GM.

General Motors Company was formed by the United States Department of the Treasury (UST) in 2009. Prior to July 10, 2009, our business was operated by Old GM. On June 1, 2009, Old GM and three of its domestic direct and indirect subsidiaries filed voluntary petitions for relief under Chapter 11 (Chapter 11 Proceedings) of the U.S. Bankruptcy Code (Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court). On July 10, 2009, we, through certain of our subsidiaries, acquired substantially all of the assets and assumed certain liabilities of Old GM (the 363 Sale). The accompanying audited consolidated financial statements and unaudited condensed consolidated interim financial statements include the financial statements and related information of Old GM as it is our predecessor entity solely for accounting and financial reporting purposes. On July 10, 2009 in connection with the closing of the 363 Sale, General Motors Corporation changed its name to Motors Liquidation Company, which is sometimes referred to in this prospectus for the periods on or after July 10, 2009 as MLC. MLC continues to exist as a distinct legal entity for the sole purpose of liquidating its remaining assets and liabilities.

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Neither we, the selling stockholders nor the underwriters have authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We, the selling stockholders and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We have not, the selling stockholders have not, and the underwriters have not, authorized any other person to provide you with different information. We are not, the selling stockholders are not and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and in any free writing prospectus prepared by or on behalf of us to which we have referred you is accurate only as of the date on the front cover of this prospectus or the date of such free writing prospectus, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we, the selling stockholders nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

**MARKET AND INDUSTRY DATA**

Information relating to our relative position in the global automotive industry is based upon the good faith estimates of management, and includes all sales by joint ventures on a total vehicle basis, not based on the percentage of ownership in the joint venture.

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### PROSPECTUS SUMMARY

This summary highlights aspects of our business and this offering, but it does not contain all of the information that you should consider in making your investment decision. You should read this entire prospectus carefully, including the Risk Factors section and our audited consolidated financial statements and unaudited condensed consolidated interim financial statements and related notes, before making an investment decision.

### GENERAL MOTORS COMPANY

#### Our Company

We are a leading global automotive company. Our vision is to design, build and sell the world's best vehicles. We seek to distinguish our vehicles through superior design, quality, reliability, telematics (wireless voice and data) and infotainment and safety within their respective vehicle segments. Our business is diversified across products and geographic markets, with operations and sales in over 120 countries. We assemble our passenger cars, crossover vehicles, light trucks, sport utility vehicles, vans and other vehicles in 71 assembly facilities worldwide and have 88 additional global manufacturing facilities. With a global network of over 21,000 independent dealers we meet the local sales and service needs of our retail and fleet customers. In 2009, we and Old GM sold 7.5 million vehicles, representing 11.6% of total vehicle sales worldwide. Approximately 72% of our and Old GM's total 2009 vehicle sales volume was generated outside the United States, including 38.7% from emerging markets, such as Brazil, Russia, India and China (collectively BRIC), which have recently experienced the industry's highest volume growth.

Our business is organized into three geographically-based segments:

General Motors North America (GMNA), with manufacturing and distribution operations in the U.S., Canada and Mexico and distribution operations in Central America and the Caribbean, represented 33.2% of our and Old GM's total 2009 vehicle sales volume. In North America, we sell our vehicles through four brands—Chevrolet, GMC, Buick and Cadillac—which are manufactured at plants across the U.S., Canada and Mexico and imported from other GM regions. In 2009, GMNA had the largest market share of any competitor in this market at 19.0% based on vehicle sales volume.

General Motors International Operations (GMIO), with manufacturing and distribution operations in Asia-Pacific, South America, Russia, the Commonwealth of Independent States, Eastern Europe, Africa and the Middle East, is our largest segment by vehicle sales volume, and represented 44.5% of our and Old GM's total 2009 vehicle sales volume including sales through our joint ventures. In these regions, we sell our vehicles under the Buick, Cadillac, Chevrolet, Daewoo, FAW, GMC, Holden, Isuzu, Jiefang, Opel and Wuling brands. In 2009, GMIO had the second largest market share for this market at 10.2% based on vehicle sales volume and the number one market share across the BRIC markets based on vehicle sales volume. Approximately 54.9% of GMIO's volume is from China, where, primarily through our joint ventures, we had the number one market share at 13.3% based on vehicle sales volume in 2009.

General Motors Europe (GME), with manufacturing and distribution operations across Western and Central Europe, represented 22.3% of our and Old GM's total 2009 vehicle sales volume. In Western and Central Europe, we sell our vehicles under the Opel and Vauxhall (U.K. only) brands, which are manufactured in Europe, and under the Chevrolet brand, which is imported from South Korea where it is manufactured by GM Daewoo Auto & Technology, Inc. (GM Daewoo) of which we own 70.1%. In 2009, GME had the number five market share in this market, at 8.9% based on vehicle sales volume.

We offer a global vehicle portfolio of cars, crossovers and trucks. We are committed to leadership in vehicle design, quality, reliability, telematics and infotainment and safety, as well as to developing key energy efficiency,



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energy diversity and advanced propulsion technologies, including electric vehicles with range extending capabilities such as the new Chevrolet Volt.

Our company commenced operations on July 10, 2009 when we completed the acquisition of substantially all of the assets and assumption of certain liabilities of Old GM through a 363 Sale under the U.S. Bankruptcy Code. Immediately prior to this offering, our common stock was held of record by four stockholders: the United States Department of the Treasury, Canada GEN Investment Corporation (Canada Holdings), the UAW Retiree Medical Benefits Trust (New VEBA) and Motors Liquidation Company. As a result of the 363 Sale and other recent restructuring and cost savings initiatives, we have improved our financial position and level of operational flexibility as compared to Old GM when it operated the business. We commenced operations upon completion of the 363 Sale with a total amount of debt and other liabilities at July 10, 2009 that was \$92.7 billion less than Old GM's total amount of debt and other liabilities at July 9, 2009. We reached a competitive labor agreement with our unions, began restructuring our dealer network and reduced and refocused our brand strategy in the U.S. to our four brands.

Our results for the three months ended March 31, June 30 and September 30, 2010 included net income of \$1.2 billion, \$1.6 billion and \$2.2 billion. For the period from July 10, 2009 to December 31, 2009, we had a net loss of \$3.8 billion, which included a settlement loss of \$2.6 billion related to the 2009 revised UAW settlement agreement. We reported revenue of \$31.5 billion, \$33.2 billion and \$34.1 billion in the three months ended March 31, June 30 and September 30, 2010, representing 40.3%, 43.9% and 27.2% year-over-year increases as compared to Old GM's revenue for the three months ended March 31 and June 30, 2009 and GM and Old GM's combined revenue for the three months ended September 30, 2009. For the period from July 10, 2009 to December 31, 2009, our revenue was \$57.5 billion.

### **Our Industry and Market Opportunity**

The global automotive industry sold 66 million new vehicles in 2009. Vehicle sales are widely distributed across the world in developed and emerging markets. We believe that total vehicle sales in emerging markets (Asia, excluding Japan, South America and Eastern Europe) will equal or exceed those in mature markets (North America, Western Europe and Japan) starting in 2010, as rising income levels drive secular growth. We believe that this expected growth in emerging markets, combined with an estimated recovery in mature markets, creates a potential growth opportunity for the global automotive industry.

Designing, manufacturing and selling vehicles is capital intensive. It requires substantial investments in manufacturing, machinery, research and development, product design, engineering, technology and marketing in order to meet both consumer preferences and regulatory requirements. Large original equipment manufacturers (OEMs) are able to benefit from economies of scale by leveraging their investments and activities on a global basis across brands and nameplates (commonly referred to as models). The automotive industry is also cyclical and tends to track changes in the general economic environment. OEMs that have a diversified revenue base across geographies and products and have access to capital are well positioned to withstand industry downturns and to capitalize on industry growth. The largest automotive OEMs are GM, Toyota, Volkswagen, Hyundai and Ford, all of which operate on a global basis and produce cars and trucks across a broad range of vehicle segments.

### **Our Competitive Strengths**

We believe the following strengths provide us with a foundation for profitability, growth and execution on our strategic vision to design, build and sell the world's best vehicles:

*Global presence, scale and dealer network.* We are currently the world's second largest automaker based on vehicle sales volume and, as a result of our relative market positions in GMNA and GMIO,

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are positioned to benefit from future growth resulting from economic recovery in developed markets and continued secular growth in emerging markets. In 2009, we and Old GM sold 7.5 million vehicles in over 120 countries and generated \$104.6 billion in revenue, although our and Old GM's combined worldwide market share of 11.6% based on vehicle sales volume in 2009 had declined from Old GM's worldwide market share of 13.2% based on vehicle sales volume in 2007. We operate a global distribution network with over 21,000 independent dealers. Our presence and scale enable us to deploy our purchasing, research and development, design, engineering, marketing and distribution resources and capabilities globally across our vehicle production base.

*Market share in emerging markets, such as China and Brazil.* Across the BRIC markets, we and Old GM had the industry-leading market share of 12.7% based on vehicle sales volume in 2009, which has grown from a 9.8% share in 2004. In China, the fastest growing global market by volume of vehicles sold, through our joint ventures we and Old GM had the number one market position with a share of 13.3% based on vehicle sales volume in 2009. We and Old GM also held the third largest market share in Brazil at 19.0% based on vehicle sales volume in 2009.

*Portfolio of high-quality vehicles.* Our global portfolio includes vehicles in most key segments, with 31 nameplates in the U.S. and another 140 nameplates internationally. Our and Old GM's long-term investment over the last decade in our product portfolio has resulted in successful recent vehicle launches such as the Chevrolet Equinox, GMC Terrain, Buick LaCrosse and Cadillac SRX. Sales of these vehicles have had higher transaction prices than the products they replaced and have increased vehicle segment market shares. These vehicles also have had higher residual values. The design, quality, reliability and safety of our vehicles has been recognized worldwide by a number of third parties, including J.D. Power, Consumers Digest, the European Car of the Year Organizing Committee, the Chinese Automotive Media Association and Brazil's AutoEsporte Magazine.

*Commitment to new technologies.* We have invested in a diverse set of new technologies designed to meet customer needs around the world. Our research and product development efforts in the areas of energy efficiency and energy diversity have been focused on advanced and alternative propulsion and fuel efficiency. Our investment in telematics and infotainment technology enables us to provide through OnStar a service offering that creates a connection to the customer and a platform for future infotainment initiatives.

*Competitive cost structure in GMNA.* We have substantially completed the restructuring of our North American operations, which has reduced our cost base and improved our capacity utilization and product line profitability. We accomplished this through brand rationalization, manufacturing footprint reduction, ongoing dealer network optimization, salaried and hourly headcount reductions, labor agreement restructuring and transfer of hourly retiree healthcare obligations to the New VEBA. The reduced costs resulting from these actions, along with our improved price realization and lower incentives, have reduced our profitability breakeven point in North America. For the three months ended September 30, 2010 and based on GMNA's current market share, GMNA's earnings before interest and income taxes (EBIT) (EBIT is not an operating measure under U.S. GAAP refer to the section of this prospectus entitled Management's Discussion and Analysis of Financial Condition and Results of Operations Reconciliation of Segment Results for additional discussion) would have achieved breakeven at an implied annual U.S. industry sales of approximately 10.5 to 11.0 million vehicles.

*Competitive global cost structure.* Global architectures (that is, vehicle characteristics and dimensions supporting common sets of major vehicle underbody components and subsystems) allow us to streamline our product development and manufacturing processes, which has resulted in reduced material and engineering costs. This allows us to design and engineer our vehicles globally while



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balancing cost efficient production locations and proximity to the end customer. Approximately 43% of our vehicles are manufactured in regions we believe to be low-cost locations, such as China, Mexico, Eastern Europe, India and Russia, with all-in active labor costs of less than \$15 per hour.

*Strong balance sheet and liquidity.* As of September 30, 2010, we had available liquidity (cash, cash equivalents and marketable securities) of \$33.5 billion and outstanding debt of \$8.6 billion. On October 26, 2010, we repaid \$2.8 billion of our then outstanding debt (together with accreted interest thereon) utilizing available liquidity and entered into a new five year \$5.0 billion secured revolving credit facility. In addition, we have no significant contractual debt maturities until 2015. Although our U.S. and non-U.S. pension plans were underfunded by \$17.1 billion and \$10.3 billion on a U.S. GAAP basis at December 31, 2009, a hypothetical valuation as of September 30, 2010 projects total contributions of \$0.6 billion to U.S. pension plans through 2013. (Refer to the section of this prospectus entitled Management's Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations and Other Long-Term Liabilities. ) We believe that our combination of cash and cash equivalents, cash flow from operations and availability under our new secured revolving credit facility should provide sufficient cash to fund our new product and technology development efforts, European restructuring program, growth initiatives and further cost-reduction initiatives in the medium term.

*Strong leadership team with focused direction.* Our new executive management team, which includes our new Chief Executive Officer and Chief Financial Officer from outside the automotive industry as well as many senior officers who have been promoted to new roles from within the organization, combines years of experience at GM and new perspectives on growth, innovation and strategy deployment, and operates in a streamlined organizational structure. This allows for more direct lines of communication, quicker decision-making and direct responsibility for individuals in various areas of our business. The members of our Board of Directors, a majority of whom were not directors of Old GM, are directly involved in strategy formation and review.

**Our Strategy**

Our vision is to design, build and sell the world's best vehicles. The primary elements of our strategy to achieve this vision are to:

Deliver a product portfolio of the world's best vehicles, allowing us to maximize sales under any market conditions;

Sell our vehicles globally by targeting developed markets, which are projected to have increases in vehicle demand as the global economy recovers, and further strengthening our position in high growth emerging markets;

Improve revenue realization and maintain a competitive cost structure to allow us to remain profitable at lower industry volumes and across the lifecycle of our product portfolio; and

Maintain a strong balance sheet by reducing financial leverage given the high operating leverage of our business model.

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Our management team is focused on hiring new and promoting current talented employees who can bring new perspectives to our business in order to execute on our strategy as follows:

***Deliver quality products.*** We intend to maintain a broad portfolio of vehicles so that we are positioned to meet global consumer preferences. We plan to do this in several ways.

*Concentrate our design, engineering and marketing resources on fewer brands and architectures.* We plan to increase the volume of vehicles produced from common global architectures to more than 50% of our total volumes in 2014 from less than 17% today. We expect that this initiative will result in greater investment per architecture and brand and will increase our product development and manufacturing flexibility, allowing us to maintain a steady schedule of important new product launches in the future. We believe our four-brand strategy in the U.S. will continue to enable us to allocate higher marketing expenditures per brand.

*Develop products across vehicle segments in our global markets.* We plan to develop vehicles in each of the key segments of the global markets in which we compete. For example, in September 2010 we introduced the Chevrolet Cruze in the U.S. small car segment, an important and growing segment where we have historically been under-represented.

*Continued investment in a portfolio of technologies.* We will continue to invest in technologies that support energy diversity and energy efficiency as well as in safety, telematics and infotainment technology. We are committed to advanced propulsion technologies and intend to offer a portfolio of fuel efficient alternatives that use energy sources such as petroleum, bio-fuels, hydrogen and electricity, including the new Chevrolet Volt. Additionally, we are expanding our telematics and infotainment offerings and, as a result of our OnStar service and our partnerships with companies such as Google, are in a position to deliver safety, security, navigation and connectivity systems and features.

***Sell our vehicles globally.*** We will continue to compete in the largest and fastest growing markets globally.

*Broaden GMNA product portfolio.* We plan to launch 19 new vehicles in GMNA across our four brands between 2010 and 2012, primarily in the growing car and crossover segments, where, in some cases, we are under-represented, and an additional 28 new vehicles between 2013 and 2014.

*Increase sales in GMIO, particularly China and Brazil.* We plan to continue to execute our growth strategies in countries where we already hold strong positions, such as China and Brazil, and to improve share in other important markets, including South Korea, South Africa, Russia, India and the Association of Southeast Asian Nations (ASEAN) region. We aim to launch 84 new vehicles throughout GMIO through 2012. We plan to enhance and strengthen our GMIO product portfolio through three strategies: leveraging our global architectures, pursuing local and regional solutions to meet specific market requirements and expanding our joint venture partner collaboration opportunities.

*Refresh GME's vehicle portfolio.* To improve our product quality and product perception in Europe, by the start of 2012, we plan to have 80% of our Opel/Vauxhall carlines volume refreshed such that the model stylings are less than three years old. We have three product launches scheduled in 2010 and another four product launches scheduled in 2011.

*Ensure competitive financing is available to our dealers and customers.* Through our long-standing arrangements with Ally Financial Inc., formerly GMAC, Inc. (Ally Financial), and a variety of other worldwide, regional and local lenders, we provide our customers and dealers with access to financing



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alternatives. We plan to further expand the range of financing options available to our customers and dealers to help grow our vehicle sales. In particular, on October 1, 2010, we acquired AmeriCredit Corp. (AmeriCredit), which we subsequently renamed General Motors Financial Company, Inc. (GM Financial) and which we expect will enable us to offer increased availability of leasing and sub-prime financing for our customers throughout economic cycles.

**Reduce breakeven levels through improved revenue realization and a competitive cost structure.** In developed markets, we are improving our cost structure to become profitable at lower industry volumes.

*Capitalize on cost structure improvement and maintain reduced incentive levels in GMNA.* We plan to sustain the cost reduction and operating flexibility progress we have made as a result of our North American restructuring. We aim to increase our vehicle profitability by maintaining competitive incentive levels with our strengthened product portfolio and by actively managing our production levels through monitoring of our dealer inventory levels.

*Execute on our Opel/Vauxhall restructuring plan.* The objective of our Opel/Vauxhall restructuring plan along with the refreshed product portfolio pipeline is to restore the profitability of the GME business. The restructuring plan includes an agreement to reduce our European manufacturing capacity by 20% and reduce labor costs by \$323 million per year.

*Enhance manufacturing flexibility.* We primarily produce vehicles in locations where we sell them and we have significant manufacturing capacity in medium- and low-cost countries. We intend to maximize capacity utilization across our production footprint to meet demand without requiring significant additional capital investment.

**Maintain a strong balance sheet.** Given our business's high operating leverage and the cyclical nature of our industry, we intend to minimize our financial leverage. We plan to use excess cash to repay debt and to make discretionary contributions to our U.S. pension plan. Based on this planned reduction in financial leverage and the anticipated benefits resulting from our operating strategy described above, we will aim to attain an investment grade credit rating over the long term.

### **Risks Affecting Us**

Investing in our securities involves substantial risk, and our business is subject to numerous risks and uncertainties. You should carefully consider all of the information set forth in this prospectus and, in particular, the information under the heading "Risk Factors," prior to making an investment in our securities.

### **UST Ownership of our Common Stock**

Immediately following this offering, the UST will own approximately 43.3% of our outstanding shares of common stock (40.6% if the underwriters in the offering of common stock exercise their over-allotment option in full). As a result of this stock ownership interest, the UST has the ability to exert control, through its power to vote for the election of our directors, over various matters. Although we believe that the UST has not exerted control to influence our business and operations since the July 10, 2009 closing of the 363 Sale, to the extent the UST elects to exert such control in the future, its interests (as a government entity) may differ from those of our other stockholders. In particular, the UST may have a greater interest in promoting U.S. economic growth and jobs than our other stockholders. For example, while we have repaid in full our indebtedness under our credit agreement with the UST that we entered into on the closing of the 363 Sale, a continuing covenant requires that we use our commercially reasonable best efforts to ensure, subject to exceptions, that our manufacturing volume in the United States is consistent with specified benchmarks.

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In addition, due to the UST's ownership interest in the Company, we are subject to executive compensation limitations under various statutes and regulations. Various executive compensation covenants in our credit agreement with the UST also continue to apply to us. These statutes, regulations and covenants restrict the compensation that we can provide to our top executives and prohibit certain types of compensation or benefits for any employees. Despite these compensation limitations, we have been able to recruit strong people to join our senior leadership team from outside our Company, including our new Chief Executive Officer and Chief Financial Officer, and we have been able to retain other strong members of our senior leadership team that have many years of experience at GM.

### **Corporate Information**

Our principal executive offices are located at 300 Renaissance Center, Detroit, Michigan 48265-3000, and our telephone number is (313) 556-5000. Our website is [www.gm.com](http://www.gm.com). Our website and the information included in, or linked to on, our website are not part of this prospectus. We have included our website address in this prospectus solely as a textual reference.

### **Recent Developments**

#### ***Capital Structure Actions***

We have taken recent actions, and expect to take additional actions after the completion of the common stock offering and Series B preferred stock offering, to reduce our financial leverage. We implemented the following capital structure actions in October 2010:

Repayment in full of the \$2.8 billion outstanding amount (including accreted interest thereon) of the notes (the VEBA Notes) issued under our secured note agreement with the New VEBA (as amended and restated, the VEBA Note Agreement) and that accreted interest at an implied 9% annual rate. We will record a \$0.2 billion non-cash gain in the three months ending December 31, 2010 related to this early extinguishment of debt.

Entry into a new five year, \$5.0 billion secured revolving credit facility. While we do not believe the proceeds of the secured revolving credit facility are required to fund operating activities, the facility is expected to provide additional liquidity and financing flexibility.

We expect to implement the following additional capital structure actions after the completion of the common stock offering and Series B preferred stock offering:

Purchase of 83.9 million shares of our Series A Fixed Rate Cumulative Perpetual Preferred Stock (Series A Preferred Stock), which accrue cumulative dividends at a 9% annual rate, from the UST for a purchase price equal to 102% of their \$2.1 billion aggregate liquidation amount pursuant to an agreement that we entered into with the UST in October 2010. We expect to record a \$0.7 billion charge to Net income attributable to common stockholders for the difference between the purchase price and the carrying amount of the shares of Series A Preferred Stock.

Contribution of \$4.0 billion in cash and \$2.0 billion of our common stock to our U.S. hourly and salaried pension plans. The common stock contribution is contingent on Department of Labor approval, which we expect to receive in the near-term. Based on the number of shares determined using an assumed public offering price per share of our common stock in the common stock offering of \$32.50, the midpoint of the range set forth on the cover of this prospectus, the anticipated common stock contribution would consist of 61.5 million shares of our common stock. Although the \$2.0 billion common stock contribution would be valued as a plan asset for pension funding purposes at the time of



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contribution, we would not reflect the contributed stock as plan assets for accounting purposes until the shares become freely tradable, which we expect would be at some later date. While we currently expect to make the cash and common stock pension plan contributions, we are not obligated to do so and cannot assure you that those actions will occur.

***Projected Fourth Quarter Results***

**With respect to the projected fourth quarter results for 2010, our independent registered public accounting firm has not compiled, examined, or performed any procedures with respect to this information, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, it.**

We expect to generate positive EBIT in the fourth quarter of 2010, albeit at a significantly lower level than that of each of the first three quarters, due to the fourth quarter having a different production mix, new vehicles launch costs (in particular the Chevrolet Cruze and Volt) and higher engineering expenses for future products.

As the fourth quarter of 2010 is still in progress, any forecast of our operating results is inherently speculative, is subject to substantial uncertainty, and our actual results may differ materially from management's views. Refer to the section of the prospectus entitled "Risk Factors" for a discussion of risks that could affect our future operating results. Our views for the fourth quarter rely in large part upon assumptions and analyses we have developed.

As a result of the foregoing considerations and the other limitations of non-GAAP measures described elsewhere in this prospectus, investors are cautioned not to place undue reliance on this forecasted financial information. There are material limitations inherent in stating our views of our results for future periods. Refer to the sections of this prospectus entitled "Risk Factors," "Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Summary Historical Consolidated Financial Data," "Selected Historical Consolidated Financial Data" and our audited consolidated financial statements and our unaudited condensed consolidated interim financial statements.

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**THE OFFERING**

Common stock offered by the selling stockholders	365,000,000 shares
Common stock to be outstanding immediately after this offering	1,500,000,000 shares
Voting rights	Holders of our common stock are entitled to one vote for each share of common stock held.
Common stock listing	Our common stock has been approved for listing on the New York Stock Exchange under the symbol <b>GM</b> . The Toronto Stock Exchange has conditionally approved the listing of our common stock under the symbol <b>GMM</b> , subject to our fulfilling all of the requirements of the Toronto Stock Exchange.
Use of proceeds	<p>We will not receive any proceeds from the sale of our common stock by the selling stockholders in this offering.</p> <p>We estimate that the net proceeds to us from the concurrent offering of our Series B preferred stock, after deducting underwriting discounts and commissions and estimated offering expenses, will be approximately \$3.9 billion (or approximately \$4.4 billion if the underwriters in that offering exercise their over-allotment option in full). We intend to use the net proceeds from the concurrent offering of our Series B preferred stock, together with cash on hand, to purchase shares of our Series A Preferred Stock in accordance with our agreement with the UST and to make a voluntary contribution to our U.S. hourly and salaried pension plans.</p>
Underwriters' option	The selling stockholders have granted the underwriters a 30-day option to purchase up to 54,750,000 additional shares of our common stock to cover over-allotments at the public offering price, less the underwriting discount.
Dividend policy	We have no current plans to pay dividends on our common stock. Our payment of dividends on our common stock in the future will be determined by our Board of Directors in its sole discretion and will depend on business conditions, our financial condition, earnings, liquidity and capital requirements, the covenants in our new secured revolving credit facility, and other factors. So long as any share of our Series A Preferred Stock or our Series B preferred stock remains outstanding, no dividend or distribution may be declared or paid on our common stock unless all accrued and unpaid dividends have been paid on our Series A Preferred Stock and our Series B preferred stock, subject to exceptions such as dividends on our common stock payable solely in shares of our common stock.



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Transfer Restrictions

Our certificate of incorporation contains provisions restricting transfers of various securities of the Company (including shares of our common

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stock and warrants to purchase our common stock, and shares of our Series B preferred stock issued in the Series B preferred stock offering) if the effect would be to (1) generally increase the direct or indirect stock ownership by any person or group from less than 4.9% of the value of all such securities of the Company to 4.9% or more or (2) generally increase the direct or indirect stock ownership of a person or group having or deemed to have a stock ownership of 4.9% or more of the value of all such securities of the Company. These restrictions are intended to protect against a limitation on our ability to use net operating loss carryovers and other tax benefits. See the section of this prospectus entitled "Description of Capital Stock - Certain Provisions of Our Certificate of Incorporation and Bylaws - Transfer Restrictions" for a more detailed description of these restrictions.

Concurrent Series B preferred stock offering

Concurrently with this offering of common stock, we are making a public offering of 80,000,000 shares of our Series B preferred stock, and we have granted the underwriters of that offering a 30-day option to purchase up to 12,000,000 additional shares of Series B preferred stock to cover over-allotments. Such shares of Series B preferred stock will be convertible into an aggregate of up to \_\_\_\_\_ shares of our common stock (up to \_\_\_\_\_ shares of our common stock if the underwriters in that offering exercise their over-allotment option in full), in each case subject to anti-dilution, make-whole and other adjustments.

We cannot assure you that the offering of Series B preferred stock will be completed or, if completed, on what terms it will be completed. The closing of this offering is not conditioned upon the closing of the Series B preferred stock offering, but the closing of our offering of Series B preferred stock is conditioned upon the closing of this offering. See the section of this prospectus entitled "Concurrent Offering of Series B Preferred Stock" for a summary of the terms of our Series B preferred stock and a further description of the concurrent offering.

Conflicts of Interest

Because Citigroup Global Markets, Inc. is an affiliate of the UST under Rule 2720 of the Conduct Rules of the Financial Industry Regulatory Authority, Inc. (FINRA), a conflict of interest is deemed to exist under Rule 2720. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 2720 of the FINRA Conduct Rules. For more information, see the section of this prospectus entitled "Underwriting - Conflicts of Interest."

Risk factors

See "Risk Factors" beginning on page 16 of this prospectus for a discussion of risks you should carefully consider before deciding whether to invest in our common stock.

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The number of shares of common stock that will be outstanding after this offering is based on 1,500,000,000 shares of our common stock outstanding as of November 2, 2010 and excludes:

136,363,635 shares of our common stock issuable upon the exercise of warrants held by MLC as of November 2, 2010 at an exercise price of \$10.00 per share;

136,363,635 shares of our common stock issuable upon the exercise of warrants held by MLC as of November 2, 2010 at an exercise price of \$18.33 per share; and

45,454,545 shares of our common stock issuable upon the exercise of warrants held by the New VEBA as of November 2, 2010 at an exercise price of \$42.31 per share.

The number of shares of common stock that will be outstanding after this offering also excludes up to approximately 17 million shares issuable upon settlement of restricted stock units awarded pursuant to the General Motors Company 2009 Long-Term Incentive Plan and salary stock units awarded pursuant to the General Motors Company Salary Stock Plan as of September 30, 2010. Upon completion of this offering, substantially all of these awards will be reclassified from cash-based awards recorded as liabilities to equity-based awards and, consequently, these awards will be considered in the determination of basic and diluted earnings per share. Because the salary stock unit awards vest immediately, upon completion of this offering, our basic and diluted earnings per share calculation will include approximately 2 million additional shares underlying the salary stock unit awards. Similarly, we have approximately 2 million restricted stock units outstanding to retirement eligible participants which are fully vested and accordingly, upon completion of this offering, will be included in our basic and diluted earnings per share calculation. In addition, we have approximately 13 million restricted stock units outstanding which will not be included in basic earnings per share until they are vested. The vesting period is over a 3 year period that began on their initial grant date of March 15, 2010. Assuming a common stock price of \$32.50 per share, the midpoint of the range for the common stock offering set forth on the cover of this prospectus, under the application of the treasury stock method, these unvested restricted stock units will result in the inclusion of approximately 2 million additional shares in the denominator of our diluted earnings per share computation immediately after this offering.

The number of outstanding shares also excludes any additional shares of our common stock we are obligated to issue to MLC (Adjustment Shares) in the event that allowed general unsecured claims against MLC, as estimated by the Bankruptcy Court, exceed \$35.0 billion. The number of Adjustment Shares to be issued is calculated based on the extent to which estimated general unsecured claims exceed \$35.0 billion with the maximum number of Adjustment Shares (30,000,000 shares, subject to adjustment for stock dividends, stock splits and other transactions) issued if estimated general unsecured claims total \$42.0 billion or more. We currently believe that it is probable that general unsecured claims allowed against MLC will ultimately exceed \$35.0 billion by at least \$2.0 billion. In the circumstance where estimated general unsecured claims equal \$37.0 billion, we would be required to issue 8.6 million Adjustment Shares to MLC.

The number of shares of common stock that will be outstanding after this offering also excludes up to \_\_\_\_\_ shares of our common stock (up to \_\_\_\_\_ shares if the underwriters in our offering of Series B preferred stock exercise their over-allotment option in full), in each case subject to anti-dilution, make-whole and other adjustments, that would be issuable upon conversion of shares of Series B preferred stock issued in our concurrent offering of Series B preferred stock.

The number of shares of common stock that will be outstanding after this offering also excludes the \$2.0 billion of common stock that we expect to contribute to our U.S. hourly and salaried pension plans after the completion of this offering and our concurrent offering of Series B preferred stock. The common stock contribution is contingent on Department of Labor approval, which we expect to receive in the near-term. Based

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on the number of shares determined using an assumed public offering price per share of our common stock in the common stock offering of \$32.50, the midpoint of the range set forth on the cover of this prospectus, this anticipated contribution would consist of 61.5 million shares of our common stock. Although we reserve the right to modify the amount or timing of the contribution, or to not make the contribution at all, we currently expect to complete the contribution to the pension plans in the near-term.

All applicable share, per share and related information in this prospectus for periods on or subsequent to July 10, 2009 has been adjusted retroactively for the three-for-one stock split on shares of our common stock effected on November 1, 2010.

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**SUMMARY FINANCIAL AND OPERATING DATA**

The following table summarizes the consolidated historical financial data of General Motors Company (Successor) and Old GM (Predecessor) for the periods presented. We derived the consolidated historical financial data for the periods July 10, 2009 through December 31, 2009 (Successor) and January 1, 2009 through July 9, 2009 (Predecessor) and the years ended December 31, 2008 and 2007 (Predecessor) and as of December 31, 2009 (Successor) and December 31, 2008 (Predecessor) from the audited consolidated financial statements included elsewhere in this prospectus. We derived the consolidated historical financial statement data for the years ended December 31, 2006 and 2005 (Predecessor) and as of December 31, 2007, 2006 and 2005 (Predecessor) from our audited consolidated financial statements for such years, which are not included in this prospectus. We derived the consolidated historical financial data for the nine months ended September 30, 2010 and as of September 30, 2010 from the unaudited condensed consolidated interim financial statements included elsewhere in this prospectus.

The data set forth in the following table should be read together with the section of this prospectus entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, and our audited consolidated financial statements and related notes thereto included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated interim financial statements on the same basis as our audited consolidated financial statements and, in our opinion, have included all adjustments necessary to present fairly in all material respects our financial position and results of operations. Historical results for any prior period are not necessarily indicative of results to be expected in any future period, and results for any interim period are not necessarily indicative of results for a full fiscal year.

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(Dollars in millions, except per share amounts)

	Successor		January	Predecessor			
	Nine	July 10,	1,	Years Ended December 31,			
	Months	2009	2009	2008	2007	2006	2005
	Ended	Through	Through				
	September 30,	December	July 9,				
	2010(a)	31,	2009				
	Unaudited	2009(a)(b)					
<b>Income Statement Data:</b>							
Total net sales and revenue(c)	\$ 98,710	\$ 57,474	\$ 47,115	\$ 148,979	\$ 179,984	\$ 204,467	\$ 192,143
Reorganization gains, net(d)	\$	\$	\$ 128,155	\$	\$	\$	\$
Income (loss) from continuing operations(d)(e)	\$ 5,031	\$ (3,786)	\$ 109,003	\$ (31,051)	\$ (42,685)	\$ (2,155)	\$ (10,625)
Income from discontinued operations, net of tax(f)				256	445	313	
Gain on sale of discontinued operations, net of tax(f)				4,293			
Cumulative effect of a change in accounting principle(g)							(109)
Net income (loss)(d)	5,031	(3,786)	109,003	(31,051)	(38,136)	(1,710)	(10,421)
Less: Net income (loss) attributable to noncontrolling interests	265	511	(115)	(108)	406	324	48
Less: Cumulative dividends on preferred stock	608	131					
Net income (loss) attributable to common stockholders(d)	\$ 4,158	\$ (4,428)	\$ 109,118	\$ (30,943)	\$ (38,542)	\$ (2,034)	\$ (10,469)
GM \$0.01 par value common stock and Old GM \$1-2/3 par value common stock							
<b>Basic earnings (loss) per share:</b>							
Income (loss) from continuing operations attributable to common stockholders before cumulative effect of change in accounting principle	\$ 2.77	\$ (3.58)	\$ 178.63	\$ (53.47)	\$ (76.16)	\$ (4.39)	\$ (18.87)
Income from discontinued operations attributable to common stockholders(f)				8.04	0.79	0.55	
Loss from cumulative effect of a change in accounting principle attributable to common stockholders(g)							(0.19)
Net income (loss) attributable to common stockholders	\$ 2.77	\$ (3.58)	\$ 178.63	\$ (53.47)	\$ (68.12)	\$ (3.60)	\$ (18.51)
<b>Diluted earnings (loss) per share:</b>							
Income (loss) from continuing operations attributable to common stockholders before	\$ 2.62	\$ (3.58)	\$ 178.55	\$ (53.47)	\$ (76.16)	\$ (4.39)	\$ (18.87)

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cumulative effect of change in accounting principle														
Income from discontinued operations attributable to common stockholders(f)					8.04	0.79	0.55							
Loss from cumulative effect of a change in accounting principle attributable to common stockholders(g)							(0.19)							
Net income (loss) attributable to common stockholders	\$	2.62	\$	(3.58)	\$	178.55	\$	(53.47)	\$	(68.12)	\$	(3.60)	\$	(18.51)
Cash dividends per common share	\$		\$		\$		\$	0.50	\$	1.00	\$	1.00	\$	2.00

**Balance Sheet Data (as of period end):**

Total assets(c)(e)(h)	\$	137,238	\$	136,295	\$	91,039	\$	148,846	\$	185,995	\$	473,938
Notes and loans payable(c)(i)	\$	8,566	\$	15,783	\$	45,938	\$	43,578	\$	47,476	\$	286,943
Series A Preferred Stock	\$	6,998	\$	6,998	\$		\$		\$		\$	
Equity (deficit)(e)(g)(j)(k)	\$	23,718	\$	21,957	\$	(85,076)	\$	(35,152)	\$	(4,076)	\$	15,931

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- (a) All applicable Successor share, per share and related information has been adjusted retroactively for the three-for-one stock split effected on November 1, 2010.
- (b) At July 10, 2009 we applied fresh-start reporting following the guidance in ASC 852, Reorganizations. The audited consolidated financial statements for the periods ended on or before July 9, 2009 do not include the effect of any changes in the fair value of assets or liabilities as a result of the application of fresh-start reporting. Therefore, our financial information at and for any period after July 10, 2009 is not comparable to Old GM's financial information. We have not included pro forma financial information giving effect to the Chapter 11 Proceedings and the 363 Sale because the latest filed balance sheet, as well as the December 31, 2009 audited financial statements, include the effects of the 363 Sale. As such, we believe that further information would not be material to investors.
- (c) In November 2006 Old GM sold a 51% controlling ownership interest in Ally Financial, resulting in a significant decrease in total consolidated net sales and revenue, assets and notes and loans payable.
- (d) In the period January 1, 2009 through July 9, 2009 Old GM recorded Reorganization gains, net of \$128.2 billion directly associated with the Chapter 11 Proceedings, the 363 Sale and the application of fresh-start reporting. Refer to Note 2 to our audited consolidated financial statements for additional detail.
- (e) In September 2007 Old GM recorded full valuation allowances of \$39.0 billion against net deferred tax assets in Canada, Germany and the United States.
- (f) In August 2007 Old GM completed the sale of the commercial and military operations of its Allison business. The results of operations, cash flows and the 2007 gain on sale of Allison have been reported as discontinued operations for all periods presented.
- (g) In December 2005 Old GM recorded an asset retirement obligation of \$181 million, which was \$109 million net of related income tax effects.
- (h) In December 2006 Old GM recorded the funded status of its benefit plans on the consolidated balance sheet with an offsetting adjustment to Accumulated other comprehensive loss of \$16.9 billion in accordance with the adoption of new provisions of ASC 715, Compensation Retirement Benefits (ASC 715).
- (i) In December 2008 Old GM requested and received financial assistance from the U.S. government and entered into a loan and security agreement with the UST (as amended, the UST Loan Agreement), pursuant to which the UST agreed to provide a \$13.4 billion loan facility (UST Loan Facility). In December 2008 Old GM borrowed \$4.0 billion under the UST Loan Facility.
- (j) In January 2007 Old GM recorded a decrease to Retained earnings of \$425 million and a decrease of \$1.2 billion to Accumulated other comprehensive loss in accordance with the early adoption of the measurement provisions of ASC 715.
- (k) In January 2007 Old GM recorded an increase to Retained earnings of \$137 million with a corresponding decrease to its liability for uncertain tax positions in accordance with ASC 740-10, Income Taxes.



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**RISK FACTORS**

Investing in our securities involves risk. You should carefully consider each of the following risks and all of the other information contained in this prospectus before deciding to invest in our securities. Any of the following risks could materially adversely affect our business, financial condition, or results of operations. In such case, the trading price of our securities could decline, and you may lose all or part of your original investment. While we describe each risk separately, some of the risks are interrelated and certain risks could trigger the applicability of other risks described below.

**Risks Relating to Our Business**

*Our business is highly dependent on sales volume. Global vehicle sales have declined significantly from their peak levels, and there is no assurance that the global automobile market will recover in the near future or that it will not suffer a significant further downturn.*

Our business and financial results are highly sensitive to sales volume, as demonstrated by the effect of sharp declines in vehicle sales on our business in the U.S. since 2007 and globally since 2008. Vehicle sales in the U.S. have fallen significantly on an annualized basis since their peak in 2007, and sales globally have shown steep declines on an annualized basis since their peak in January 2008. Many of the economic and market conditions that drove the drop in vehicle sales, including declines in real estate and equity values, increases in unemployment, tightened credit markets, depressed consumer confidence and weak housing markets, continue to affect sales. In addition, recent concerns over levels of sovereign indebtedness have contributed to a renewed tightening of credit markets in some of the markets in which we do business. Although vehicle sales began to recover in certain of our markets in the three months ended December 31, 2009 and the recovery has continued through September 30, 2010, the recovery in vehicle sales in certain of our markets, including North America, has been proceeding slowly and there is no assurance that this recovery in vehicle sales will continue or spread across all our markets. Further, sales volumes may again decline severely or take longer to recover than we expect, and if they do, our results of operations and financial condition will be materially adversely affected.

*Our ability to change public perception of our company and products is essential to our ability to attract a sufficient number of consumers to consider our vehicles, particularly our new products, which is critical to our ability to achieve long-term profitability.*

Our ability to achieve long-term profitability depends on our ability to entice consumers to consider our products when purchasing a new vehicle. The automotive industry, particularly in the U.S., is very competitive, and our competitors have been very successful in persuading customers that previously purchased our products to purchase their vehicles instead as is reflected by our loss of market share over the past three years. We believe that this is due, in part, to a negative public perception of our products in relation to those of some of our competitors. Changing this perception, including with respect to the fuel efficiency of our products, as well as the perception of our company in light of Old GM's bankruptcy and our status as a recipient of aid under TARP, will be critical to our long-term profitability. If we are unable to change public perception of our company and products, especially our new products, including cars and crossovers, our results of operations and financial condition could be materially adversely affected.

*The pace of introduction and market acceptance of new vehicles is important to our success, and the frequency of new vehicle introductions and vehicle improvements may be materially adversely affected by reductions in capital expenditures.*

Our competitors have introduced new and improved vehicle models designed to meet consumer expectations and will continue to do so. Our profit margins, sales volumes, and market shares may decrease if we are unable to produce models that compare favorably to these competing models. If we are unable to produce new and improved vehicle models on a basis competitive with the models introduced by our competitors, including models of smaller vehicles, demand for our vehicles may be materially adversely affected. Further, the

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pace of our development and introduction of new and improved vehicles depends on our ability to implement successfully improved technological innovations in design, engineering, and manufacturing, which requires extensive capital investment. Any capital expenditure cuts in these areas that we may determine to implement in the future to reduce costs and conserve cash could reduce our ability to develop and implement improved technological innovations, which may materially reduce demand for our vehicles.

*Our future competitiveness and ability to achieve long-term profitability depends on our ability to control our costs, which requires us to successfully implement restructuring initiatives throughout our automotive operations.*

We are continuing to implement a number of cost reduction and productivity improvement initiatives in our automotive operations, including labor modifications and substantial restructuring