



**News**

**General Motors  
Corporation**

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## **GM Asset Sale Approved by U.S. Bankruptcy Court** *Marks Another Step Toward the Launch of an Independent New GM*

**Tokyo** – General Motors achieved another milestone in its reinvention today when Judge Robert E. Gerber of the U.S. Bankruptcy Court for the Southern District of New York approved the sale of substantially all of General Motors Corporation’s assets to NGMCO, Inc., an entity funded by the U.S. Department of the Treasury. In connection with the closing of the sale transaction, NGMCO, Inc. will change its name to General Motors Company and continue to operate under GM’s historic corporate and sub brands. The approval marks another step toward the launch of an independent new GM.

The new company will acquire GM’s strongest operations. They include GM subsidiaries outside the United States, including its operations in **Japan** and the rest of Asia Pacific, which are expected to continue to operate without interruption. The new company will have a competitive operating cost structure, partly as a result of recent agreements with the United Auto Workers (UAW) and Canadian Auto Workers (CAW).

The new GM will have lower leverage and a stronger balance sheet, which when combined with a lower break-even point, will allow it to reduce its risk, operate profitably at much lower volume levels, and reinvest in the business in the key areas of advanced technology and product development.

“This has been an especially challenging period, and we’ve had to make very difficult decisions to address some of the issues that have plagued our business for decades. Now it’s our responsibility to fix this business and place the company on a clear path to success without delay,” said Henderson.

“The launch of the new GM will have a positive impact on GM’s operations across **Japan**,” said Rick Brown, President and Representative Director, GMAPJ. “It will enable us to continue to take advantage of our company’s global resources through the introduction of exciting new products and the expansion of our presence in this important market.”

The new GM’s common stock will be owned by:

- U.S. Department of the Treasury: 60.8 percent
- UAW Retiree Medical Benefits Trust: 17.5 percent
- Canada and Ontario governments: 11.7 percent
- The old GM: 10 percent

Additionally, the old GM and the UAW Retiree Medical Benefits Trust will hold warrants that are exercisable for 15 percent and 2.5 percent of the interests in the new GM, respectively.

The UAW Retiree Medical Benefits Trust and the Canadian government each may nominate one member to serve on the board of the new GM. The retiree benefits trust has selected seasoned auto industry analyst Stephen Girsky. Also selected to serve on the board of directors of the new GM are six current members of the General Motors Corporation board, including Erroll Davis, Neville Isdell, Kent Kresa, Philip Laskawy, Kathryn Marinello and Fritz Henderson. The Canadian government representative and four additional board members to be identified by the U.S. Treasury will be announced at a later date.

Judge Gerber's order includes a four-day stay before closing of the sale can occur. However, GM expects the sale to close in the near future. The new GM's business is expected to be immediately operational and fully competitive, with an exciting line of new products, a smaller, more focused brand portfolio and the rationalization of its dealer network well under way. Current GM employees will be offered positions by the new company.

In connection with the closing, General Motors Corporation will change its name to Motors Liquidation Company. Retained assets will be wound down or sold. A new board of directors will oversee that process and the liquidation of the company under the supervision of the Bankruptcy Court.

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### ***Forward Looking Language***

*This news release and management's comments on it contain "forward-looking statements." These statements are based on GM management's current expectations and assumptions, and as such involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that we now anticipate – both in connection with the chapter 11 filings we made on June 1, 2009 and GM's business and financial prospects. We believe our judgments about these possible future events are reasonable, but actual results may differ materially due to a variety of important factors. Among other items, such factors might include: our ability to complete the 363 sale on our expected timeline; the ability of our foreign subsidiaries to restructure, enter into the new*

*investment arrangements they have announced, and receive other financial support from their local governments; our ability to build consumers' confidence in our viability following Chapter 11 proceedings and to continue to attract customers, particularly for our new products; our ability to continue to sell, spin-off or phase out some of our brands, to manage the distribution channels for our products, and to complete other planned asset sales; and the overall strength and stability of general economic conditions and of the automotive industry, both in the U.S. and globally. Those risks are described in GM's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 which was filed March 5, 2009, GM's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 which was filed on May 8, 2009, GM's Current Reports on Form 8-K and other GM filings with the Securities and Exchange Commission.*

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