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GM Reports Second Quarter Net Income of \$0.2 Billion

- EBIT-adjusted of \$1.4 billion, after \$1.2 billion in recall-related costs and \$0.2 billion in restructuring costs
- Company records strong core operating performance in the second quarter
- Special charge of \$0.4 billion for GM ignition switch compensation program

DETROIT – General Motors Co. (NYSE: GM) today announced second quarter net income attributable to common stockholders of \$0.2 billion, or \$0.11 per diluted share. Strong core operating performance during the quarter was offset by a pre-tax net loss from special items of \$1.3 billion, or \$(0.47) per diluted share, and costs of \$1.2 billion pre-tax primarily for recall-related repairs, or \$(0.44) per diluted share.

"Our underlying business performance in the first half of the year was strong as we grew our revenue on improved pricing and solid new vehicle launches," said GM CEO Mary Barra. "We remain focused on keeping our customers at the center of all we do, and executing our plan to operate profitably in every region of the world."

In the second quarter of 2013, GM's net income attributable to common stockholders was \$1.2 billion, or \$0.75 per diluted share, which included a net loss from special items that reduced net income by \$0.2 billion, or \$(0.09) per diluted share.

Earnings before interest and tax (EBIT) adjusted was \$1.4 billion and included the impact of \$1.2 billion in recall-related costs and \$0.2 billion in restructuring costs. This compares to the second quarter of 2013, when the company recorded EBIT-adjusted of \$2.3 billion, which included a charge of \$0.2 billion for recalls and \$0.1 billion in restructuring costs.

Net revenue in the second quarter of 2014 was \$39.6 billion, compared to \$39.1 billion in the second quarter of 2013. In the first six months of 2014, revenue rose to \$77 billion, up from \$76 billion in the same period a year ago.

GM Results Overview (in billions except for per share amounts)

	Q2 2014	Q2 2013
Revenue	\$39.6	\$39.1
Net income attributable to common stockholders	\$0.2	\$1.2
Earnings per share (EPS) diluted	\$0.11	\$0.75
Impact of special items on EPS diluted	\$(0.47)	\$(0.09)

EBIT-adjusted	\$1.4	\$2.3
Automotive net cash flow from operating activities	\$3.6	\$4.5
Adjusted automotive free cash flow	\$1.9	\$2.6

Segment Results

- GM North America reported EBIT-adjusted of \$1.4 billion which included the impact of \$1.0 billion in recall-related costs in the quarter. This compared with EBIT-adjusted of \$2.0 billion in the second quarter of 2013, which included the impact of \$0.1 billion in recall-related costs in the quarter.
- GM Europe reported an EBIT-adjusted of \$(0.3) billion, which includes \$0.2 billion for restructuring costs. This compares with \$(0.1) billion of EBIT-adjusted in the second quarter of 2013.
- GM International Operations reported EBIT-adjusted of \$0.3 billion, compared to \$0.2 billion in the second quarter of 2013.
- GM South America reported EBIT-adjusted of \$(0.1) billion, compared with EBIT-adjusted of \$0.1 billion in the second quarter of 2013.
- GM Financial earnings before tax was \$0.3 billion for the quarter, compared to \$0.3 billion in the second quarter of 2013.

Special Items

A special charge of \$0.4 billion was taken for the GM ignition switch compensation program. There is no cap on this program, but this charge is the company's best estimate of the amounts that may be paid to claimants. Due to the unique nature of the program, this estimate contains significant uncertainty and it is possible the total cost could increase by approximately \$0.2 billion.

As previously disclosed, going forward the company expects recall expense to normalize to a slightly higher rate than it experienced prior to this year, but not materially. The company is changing how it estimates future recall expense and will now accrue at the time of vehicle sale an amount that represents management's best estimate of future recall costs in North America. As a consequence of this change, GM is taking a \$0.9 billion non-cash pre-tax special charge in the second quarter for the estimated costs of future possible recalls for up to the next 10 years on 30 million GM vehicles on the road today.

Cash Flow and Liquidity

For the quarter, automotive cash flow from operating activities was \$3.6 billion and automotive free cash flow adjusted was \$1.9 billion. GM ended the quarter with very strong total automotive liquidity of \$38.8 billion. Automotive cash and marketable securities was \$28.4 billion compared with \$27.0 billion for the first quarter of 2014.

"With successful new vehicle launches, we continue to generate strong results in the U.S. and China and remain on track to be profitable in Europe by mid-decade," said Chuck Stevens, GM executive vice president and chief financial officer. "We are confident we are currently on or ahead of plan to deliver the results we promised earlier this year, excluding the effects of recalls."

General Motors Co. (NYSE:GM, TSX: GMM) and its partners produce vehicles in 30 countries, and the company has leadership positions in the world's largest and fastest-growing automotive markets. GM, its subsidiaries and joint venture entities sell vehicles under the Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Opel, Vauxhall and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety, security and information services, can be found at <http://www.gm.com>.

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Forward-Looking Statements

In this press release and in related comments by our management, our use of the words "expect," "anticipate," "possible," "potential," "target," "believe," "commit," "intend," "continue," "may," "would," "could," "should," "project," "appears," "projected," "positioned," "outlook" or similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. We believe these judgments are reasonable, but these statements are not guarantees of any events or financial results, and our actual results may differ materially due to a variety of important factors. Among other items, such factors may include: our ability to realize production efficiencies and to achieve reductions in costs as a result of our restructuring initiatives and labor modifications; our ability to maintain quality control over our vehicles and avoid material vehicle recalls and the cost and effect on our reputation of product recalls; our ability to maintain adequate financing sources, including as required to fund our planned significant investment in new technology; our ability to successfully integrate Ally Financial's International Operations; the ability of our suppliers to timely deliver parts, components and systems; our ability to realize successful vehicle applications of new technology; overall strength and stability of our markets, particularly outside of North America and China; costs and risks associated with litigation and government investigations including those related to our recent recalls; our ability to remain competitive in Korea and our ability to continue to attract new customers, particularly for our new products. GM's most recent annual report on Form 10-K and quarterly report on Form 10-Q provides information about these and other factors, which we may revise or supplement in future reports to the SEC.