Forward Looking Statements

In these and following presentations and in related comments by General Motors management, we will use words like "expect," "anticipate," "estimate," "forecast," "objective," "plan," "goal," "project," "outlook," "targets," and similar expressions to identify forward looking statements that represent our current judgments about possible future events. We believe these judgments are reasonable, but actual results may differ materially due to a variety of important factors.

Among other items, such factors include: our ability to comply with the requirements of our credit agreement with the U.S. Department of Treasury; the availability of funding for future loans under that credit agreement; our ability to execute the restructuring plans that we have disclosed; our ability to maintain adequate liquidity and financing sources and an appropriate level of debt; continued economic instability or poor economic conditions in the U.S. and global markets, including the credit markets, or changes in economic conditions, commodity prices, housing prices, currency exchange rates or political stability in the markets in which we operate; volatility in fuel prices; the ability of our customers, dealers, distributors and suppliers to obtain adequate financing on acceptable terms to continue their business relationships with us; the effect of competition on our markets, including on our pricing policies or use of incentives; negotiations and bankruptcy court actions with respect to obligations owed to us by Delphi Corporation, a key supplier, and our obligations to Delphi; additional credit rating downgrades and the effects thereof; changes in our relations with unions and employees/retirees; GMAC’s ability to maintain adequate financing sources; developments in the residential mortgage market, especially the nonprime sector; and changes in the competitive markets in which GMAC operates, including increased competition in the automotive financing, mortgage and/or insurance markets or generally in the markets for securitizations or asset sales.

GM’s most recent annual report on Form 10-K and quarterly report on Form 10-Q provide information about these factors, which we may revise or supplement in future reports to the SEC on Form 8-K.
Current State of Restructuring Plan

- December 2\textsuperscript{nd} plan indicated that once restructuring actions were completed, GM would operate profitably (EBIT) in a U.S. industry of 12.5 – 13.0M units
  - At the time, considered to be a reasonably conservative assumption for gauging liquidity needs
- Currently updating our industry and share estimates based on the changing economic environment (Globally)
- Continuing to refine our restructuring plans around revenue and structural cost (Globally)
- Building on our December 2\textsuperscript{nd} viability plan and assessment of current market conditions, must aggressively drive our business to breakeven at a lower U.S. industry volume
  - Aggressive plans under development globally
Key Operating Concerns Regarding GM

GM’s response to outside concerns regarding...

- Optimistic industry volumes
- Breakeven point too high
- Too many brands and dealers
- Supply chain challenges (including Delphi)
- Softening overseas markets
- Challenges with GMAC
Global Economic Outlook
Current Forecast

- GDP projections show a decline in 2009 economic levels with growth thereafter

<table>
<thead>
<tr>
<th>GDP Projections (%)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>2.3</td>
<td>0.5</td>
<td>2.7</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>1.1</td>
<td>(1.5)</td>
<td>3.2</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td>(1.8)</td>
<td>3.2</td>
<td>2.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Europe</td>
<td>1.5</td>
<td>(0.2)</td>
<td>1.3</td>
<td>2.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>4.2</td>
<td>3.3</td>
<td>3.9</td>
<td>4.8</td>
<td>4.9</td>
</tr>
<tr>
<td>LAAM</td>
<td>4.8</td>
<td>2.3</td>
<td>3.2</td>
<td>3.5</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis
Global Industry Sales
Preliminary Forecast

GM will plan the business around lower industry volumes for liquidity/viability planning purposes.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>16.5</td>
<td>13.0</td>
<td>15.3</td>
<td>16.9</td>
<td>18.4</td>
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<tr>
<td>Memo: U.S.</td>
<td>13.5</td>
<td>10.5</td>
<td>12.5</td>
<td>14.0</td>
<td>15.5</td>
</tr>
<tr>
<td>Europe</td>
<td>22.0</td>
<td>18.4</td>
<td>19.0</td>
<td>20.2</td>
<td>21.8</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>21.1</td>
<td>20.4</td>
<td>22.0</td>
<td>24.2</td>
<td>26.4</td>
</tr>
<tr>
<td>LAAM</td>
<td>7.5</td>
<td>5.7</td>
<td>6.1</td>
<td>6.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>67.1</td>
<td>57.5</td>
<td>62.4</td>
<td>67.8</td>
<td>73.6</td>
</tr>
</tbody>
</table>

*Preliminary forecast as of January 9, 2009 for liquidity/viability planning purposes
**Global Industry Sales**  
*Change vs. December 2nd Submission*

- Lower North America industry expectations in 2009 and 2010, rebounding stronger beginning 2011
- Lower industry expectation 2009 – 2012 for rest of the world

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>N/A</td>
<td>(1.8)</td>
<td>(0.6)</td>
<td>0.1</td>
<td>0.8</td>
</tr>
<tr>
<td><em>Memo: U.S.</em></td>
<td></td>
<td>(1.5)</td>
<td>(1.0)</td>
<td>(0.5)</td>
<td>0.5</td>
</tr>
<tr>
<td>Europe</td>
<td>N/A</td>
<td>(1.6)</td>
<td>(1.1)</td>
<td>(0.9)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>N/A</td>
<td>(1.6)</td>
<td>(2.0)</td>
<td>(1.4)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>LAAM</td>
<td>N/A</td>
<td>(1.3)</td>
<td>(1.1)</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Total</td>
<td>N/A</td>
<td>(6.3)</td>
<td>(4.8)</td>
<td>(3.2)</td>
<td>(2.3)</td>
</tr>
</tbody>
</table>

*Memo: % reduction from December 2nd submission*  
| N/A | 9.9% | 7.1% | 4.5% | 3.0% |

* Preliminary forecast as of January 9, 2009 for liquidity/viability planning purposes
What GM Told Washington

“The net effect of the operational and financial restructuring elements contained in The Plan will be a company (GMNA) that is profitable (at an EBIT basis) in a U.S. industry with annual sales between 12.5-13.0 million units”
GMNA Plan to Breakeven by 2010
At U.S. Industry of 12.5 – 13.0M units

- $8.5 – $9.0B improvement in EBIT is required over the 2009 – 2010 timeframe to achieve breakeven

<table>
<thead>
<tr>
<th></th>
<th>vs. 2008 CY Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share Decline</td>
<td>$(0.5)B – $(1.0)B</td>
</tr>
<tr>
<td>Contribution Margin</td>
<td>$4.0 B – $4.5 B</td>
</tr>
<tr>
<td>Structural Cost</td>
<td>$5.0 B – $5.5 B</td>
</tr>
<tr>
<td>EBIT</td>
<td>$8.5 B – $9.0 B</td>
</tr>
</tbody>
</table>

Based on December 2nd Congressional submission
U.S. Market Share
Assumed in December 2\textsuperscript{nd} Submission

- U.S. market share assumptions in December 2\textsuperscript{nd}
  Congressional submission

\begin{itemize}
\item 2008: 22.1\%
\item 2009: 21.5\%
\item 2010: 21.3\%
\item 2011: 20.3\%
\item 2012: 20.5\%
\end{itemize}
2008 U.S. Market Share

2008 market share held steady despite significant headwinds

- Negative press coverage driven by liquidity issues
- Lack of significant customer financing options in 4th quarter
  - Limited APR support and virtually no leasing
- Partially supported by H2 fleet sale increases and slight recovery in trucks due to lower gas prices

Leasing % of Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>H1</th>
<th>H2</th>
<th>CY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM</td>
<td>21.1%</td>
<td>15.4%</td>
<td>4.9%</td>
<td>3.4%</td>
<td>18.2%</td>
<td>4.3%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Ford</td>
<td>24.1%</td>
<td>18.8%</td>
<td>13.6%</td>
<td>10.8%</td>
<td>21.4%</td>
<td>12.4%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Toyota</td>
<td>15.8%</td>
<td>15.8%</td>
<td>16.8%</td>
<td>13.5%</td>
<td>15.8%</td>
<td>15.3%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

Memo: Passenger Cars as a % of Industry Sales

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>H1</th>
<th>H2</th>
<th>CY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>47.5%</td>
<td>53.8%</td>
<td>50.4%</td>
<td>47.4%</td>
<td>50.8%</td>
<td>49.1%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

Source: Leasing % of sales: JD Power PIN data
Impact of Brand Rationalization

Impact of brand rationalization can be partially mitigated

- Protect fleet volumes
- Interaction between brands will allow for some customer transition
- Expected benefit from stronger/fewer dealers and nameplates

<table>
<thead>
<tr>
<th></th>
<th>2008 CY</th>
</tr>
</thead>
<tbody>
<tr>
<td>(000’s)</td>
<td>Hummer</td>
</tr>
<tr>
<td>Total Deliveries</td>
<td>27.5</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Fleet</td>
<td>3.1</td>
</tr>
<tr>
<td>Employee Sales</td>
<td>3.8</td>
</tr>
<tr>
<td>“True” Retail</td>
<td>20.6</td>
</tr>
<tr>
<td>Memo</td>
<td></td>
</tr>
<tr>
<td>Lease</td>
<td>9.9</td>
</tr>
<tr>
<td>APR</td>
<td>7.0</td>
</tr>
</tbody>
</table>
Building Strength Across All Segments

- Continue strength in Full-size pickups and utilities (45.6% share of segment in 2008)
- Build strong and balanced portfolio with successful launches in key car and crossover segments (Core Brands)

### Key Car Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share of Segment 2008 CY</th>
<th>Share of Segment ’08 CY o/(u) ’07 CY</th>
<th>2007/08 Launches</th>
<th>2009/10 Launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>11.3%</td>
<td>(4.6)</td>
<td>Chevrolet Aveo 5 Door</td>
<td></td>
</tr>
<tr>
<td>Compact</td>
<td>13.1%</td>
<td>(1.0)</td>
<td></td>
<td>Chevrolet Cruze Chevrolet Volt</td>
</tr>
<tr>
<td>Mid</td>
<td>17.9%</td>
<td>2.8</td>
<td>Chevrolet Malibu</td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>47.2%</td>
<td>0.5</td>
<td></td>
<td>Buick LaCrosse</td>
</tr>
<tr>
<td>Mid Luxury</td>
<td>19.6%</td>
<td>1.9</td>
<td>Cadillac CTS</td>
<td>Cadillac CTS Wagon/Coupe</td>
</tr>
<tr>
<td>Sport</td>
<td>10.7%</td>
<td>(1.8)</td>
<td></td>
<td>Chevrolet Camaro</td>
</tr>
</tbody>
</table>
# Building Strength Across All Segments

## Key Crossover Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share of Segment 2008 CY</th>
<th>Share of Segment '08 CY o/(u)’07 CY</th>
<th>2007/08 Launches</th>
<th>2009/10 Launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact Crossover</td>
<td>15.6%</td>
<td>(1.7)</td>
<td></td>
<td>Chevrolet Equinox GMC Terrain</td>
</tr>
<tr>
<td>Mid Crossover</td>
<td>19.9%</td>
<td>1.8</td>
<td>Buick Enclave GMC Acadia</td>
<td>Chevrolet Traverse</td>
</tr>
<tr>
<td>Mid Luxury Crossover</td>
<td>5.2%</td>
<td>(0.6)</td>
<td></td>
<td>Cadillac SRX</td>
</tr>
</tbody>
</table>
Pricing Actions to Improve EBIT

- Full year impact of pricing actions taken in latter part of 2008
  - 2.5% increase with 2009 MY introductions
  - Additional 1.1% increase taken in December 2008

- Decrease in costly leasing and APR sales

- Pricing opportunity exists on replacement entries (LaCrosse, SRX, Equinox, Cruze)
  - Contribution margin of new Malibu and CTS vs. prior models have increased by 50% and 40% respectively

- New entries in segments where GM has been absent (Chevrolet Camaro)
Pricing Actions to Improve EBIT (Cont.)

- Leverage brand portfolio rationalization to grow equity of remaining brands driving improved pricing opportunities

- Continued pricing opportunities possible due to industry capacity actions (impacting all manufacturers)

- Current inventory situation has improved
  - Continue to optimize inventory levels

- Pricing actions will be tempered by very competitive environment
## Material Cost – GMNA

<table>
<thead>
<tr>
<th>(Increase)/Decrease $ Billions</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 Estimate</th>
<th>2009 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Performance</td>
<td>1.7</td>
<td>1.6</td>
<td>1.4</td>
<td>0.9</td>
<td>0.4</td>
</tr>
<tr>
<td>Delphi Penalty Reduction</td>
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<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Commodities/Steel</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>(1.0)</td>
<td>(0.5)</td>
<td>0.2</td>
</tr>
<tr>
<td>Major Product Programs</td>
<td>(1.0)</td>
<td>(1.0)</td>
<td>(1.3)</td>
<td>(0.4)</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Net Performance</strong></td>
<td>0.3</td>
<td>0.3</td>
<td>(0.7)</td>
<td>0.1</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Other Factors**

- Reduced automotive demand
- Impact of economic downturn on supplier health
- Continued leveraging of global platforms for sourcing economies
GM's U.S. hourly manufacturing costs have declined from $18.4B in 2003 to an estimated $8.0B in 2008, and estimated $5.0B in 2010.
Structural Cost Reduction

- 2004: $39.6
- 2005: $40.5
- 2006: $35.2
- 2007: $33.2
- 2008 Estimate: $30.3
- 2009 Estimate: $25.8
- 2010 Estimate: $25.1

December 2nd Congressional submission

2004 not adjusted to exclude Allison
Brand Portfolio Rationalization

Current Brand Strategy

Future Brand Strategy

Significant changes

- Pontiac serves as a specialty focused brand
- Hummer/Saab put under strategic review
- Accelerated discussion with Saturn retailers to explore future alternatives
- Reduces GM nameplates from 48 in 2008 to 40 in 2012
Future Brand Portfolio Advantages

- Grow equity for remaining brands
  - Allowing for opportunity to improve revenue and volume, thus improving contribution margin
  - More effective marketing spend (higher marketing spend/nameplate)

- Improves product offering and differentiation
  - Reduction in product redundancy/badge engineering
  - More efficient product development
  - Better plant utilization

- Better market coverage per channel
  - Improved awareness, sales and customer satisfaction
  - More profitable dealer network, providing world class customer experience
# Dealer Network Restructuring

## Implementation and Benefits

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2012</th>
<th>Memo: Avg. GM Share of Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Markets</td>
<td>3,664</td>
<td>2,500</td>
<td>~20%</td>
</tr>
<tr>
<td>Rural Markets</td>
<td>2,786</td>
<td>2,200</td>
<td>~28%</td>
</tr>
<tr>
<td>Total</td>
<td>6,450</td>
<td>4,700</td>
<td></td>
</tr>
</tbody>
</table>

- Rural dealers are considered a strategic strength and typically exist with all GM brands under one roof
  - Provide a valued service to their customers and communities

- Drivers that will allow restructuring
  - Brand/channel consolidation
  - Normal attrition and retirements
  - Ongoing facilitated voluntary closures and consolidation

- Benefits of dealer network restructuring include:
  - Higher throughput attracts private equity to best operators
  - Improved facilities through ongoing investment thus improving the customer experience
GM Supply Base Breakdown ($ Billions)

Total Suppliers

- Logistics: 574 Suppliers, $5.8B
- Direct Material: 3,387 Suppliers, $56.6B
- Indirect/M&E: 27,836 Suppliers, $12.2B

Direct Material Suppliers

- 198 Suppliers Shipping to All Regions, $30.3B
- 269 Suppliers Shipping to 3 Regions, $11.5B
- 514 Suppliers Shipping to 2 Regions, $5.8B
- 2,406 Suppliers Shipping to 1 Region, $9.0B
GM Supply Base Concerns

- GM supply base experiencing effects of extreme economic downturn
  - Reduced credit availability
  - Reduced volumes
  - Unfavorable product mix
  - Brand elimination

- GM has worked with various distressed suppliers and have managed the risk with:
  - Maintaining good communication with suppliers
  - Use of special arrangements to help facilitate sale/restructuring

- GM anticipating an increase in troubled supplier situations

- Efforts to offset implications of supply base risk include:
  - Growing our global supply base
  - Achieving best landed cost
  - Ensuring our best suppliers have the right scale

- We will look after our best suppliers, which will result in supplier compression
Delphi Considerations

- Delphi obtained DIP accommodation through June 30, 2009
  - Maturity accelerated to May 5th if certain milestones not met

- GM agreed to:
  - Extend $300 million credit facility through maturity of DIP
  - Accelerated payment terms (~$300 million) beginning in March
    - Previously at emergence

- GM continues to work with Delphi and other stakeholders toward a resolution on a timeline consistent with GM’s restructuring plans
Emerging Markets

Preliminary Industry Assumptions

- Revised industry liquidity planning assumptions for emerging markets indicate significant slowing

<table>
<thead>
<tr>
<th>Industry Forecast*</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>2.8</td>
<td>2.1</td>
<td>2.4</td>
<td>2.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Russia</td>
<td>3.1</td>
<td>2.3</td>
<td>2.4</td>
<td>2.9</td>
<td>3.3</td>
</tr>
<tr>
<td>India</td>
<td>2.0</td>
<td>1.9</td>
<td>2.1</td>
<td>2.5</td>
<td>2.9</td>
</tr>
<tr>
<td>China</td>
<td>9.2</td>
<td>9.5</td>
<td>10.3</td>
<td>11.5</td>
<td>12.7</td>
</tr>
</tbody>
</table>

<table>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>N/A</td>
<td>(0.5)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Russia</td>
<td>N/A</td>
<td>(0.3)</td>
<td>(0.4)</td>
<td>(0.2)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>India</td>
<td>N/A</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>China</td>
<td>N/A</td>
<td>(0.3)</td>
<td>(1.1)</td>
<td>(1.0)</td>
<td>(1.0)</td>
</tr>
</tbody>
</table>

* Preliminary forecast as of January 9, 2009 for liquidity/viability planning purposes
Emerging Markets
Action Plans for Improvement

■ Defend and grow emerging markets core brands
  – Leverage GM’s global architectures

■ Relentless focus on lean cost structure
  – Improved material cost performance
  – Productivity improvements and lean investment

■ Develop alternative finance opportunities to supplement GMAC

■ Minimize cash usage/maximize cash generation
  – Optimize capital spending/reduce discretionary spending
  – Improved working capital through lean inventory management
  – Target lower, sustainable structural cost levels
  – Continue to focus on profitable growth
Issues Currently Facing GME

<table>
<thead>
<tr>
<th>Preliminary Forecast*</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Forecast</td>
<td>22.0</td>
<td>18.4</td>
<td>19.0</td>
<td>20.2</td>
<td>21.8</td>
</tr>
<tr>
<td>Western</td>
<td>15.8</td>
<td>13.5</td>
<td>14.1</td>
<td>14.6</td>
<td>15.4</td>
</tr>
<tr>
<td>Central</td>
<td>2.2</td>
<td>1.8</td>
<td>1.8</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Eastern</td>
<td>4.1</td>
<td>3.0</td>
<td>3.0</td>
<td>3.6</td>
<td>4.2</td>
</tr>
</tbody>
</table>

- Challenges maintaining volume & share in rapidly eroding markets
  - GM maintained 3rd place in European market with a 9.2% share, down 0.2 p.p. vs. a year ago
  - Deteriorating economic conditions persisted across all markets with Western Europe generating more rapid industry decline, down 8.6% vs. prior year
  - Expect 2009 to remain challenging, with recovery heading into 2010

- Fundamental changes negatively impacting GME results
  - External headwinds with foreign exchange volatility and CO₂ pressure
  - Shift in country mix to Central and Eastern Europe
  - Shift in product mix to small vehicle segments

*Preliminary forecast as of January 9, 2009 for liquidity/viability planning purposes
**GME Future Operating Initiatives**

- Key focus area is cash
  - Tight management of working capital and reduced capital expenditure
  - Reduction in company owned finished vehicle inventory

- Unprecedented labor strategy, including deferral of CPI-based increases and decrease in weekly hours paid

- Announcement of $750M people cost reduction initiative for 2009

- Continue momentum on material cost reduction despite uncertainty of steel/other commodities

- New product lifecycle competitiveness including award winning 2009 Opel Insignia

- Key government intervention with funding (Germany, Sweden, Spain, U.K. and Poland)
GMAC Challenges

- GMAC supports sale of GM vehicles by providing both wholesale and retail financing
  - GMAC has historically financed over 75% of new GM vehicles on dealer lots and over 40% of GM retail sales in North America

- GMAC faced a challenging environment in 2008
  - Lack of funding in capital markets, in particular for lease assets
  - Capital constraints at GMAC driven by losses at ResCap
  - Sharp declines in sales proceeds from off-lease vehicles

- GMAC’s challenges resulted in increased cost to GM and lost sales
  - GMAC responded by passing along increased pricing to GM, significantly reducing lease originations, reducing financing to lower credit retail customers and increasing pricing to dealers
GMAC Recent Actions

- Federal Reserve approval of GMAC’s bank holding company (BHC) application provides GMAC access to new capital and funding
  - Preferred equity investment of $5B from U.S. Government TARP
  - Potential for FDIC-backed debt issuances under Temporary Liquidity Guarantee Program (TLGP)
  - Total deposit base as of Q3 2008 were $17.7B, with potential for increased retail deposit providing a more stable and lower cost funding source

- For GMAC to obtain BHC approval, GM also had to fulfill certain conditions
  - Commit to reduce ownership stake in GMAC to 9.9%
  - Implement changes to commercial agreement with GMAC
  - Invest up to $1B in GMAC via a federal loan to GM
  - Additionally, Cerberus to invest at least $0.25B

- GMAC completed bond exchange
  - Approximately $21B in principal amount of GMAC and ResCap notes tendered
  - Bolsters GMAC capital and enhances liquidity by reducing debt burden
GMAC Assessment

- GMAC now in a stronger position to provide financing to GM dealers and consumers to support the sale of GM vehicles
  - Greater capacity to increase lending
    - Driven by access to new sources of funding in current challenging market
  - Lower cost to GM dealers, consumers and GM for subvented financing
    - Driven by access to cost-effective and stable sources of funding

- At year end, GM and GMAC launched special financing programs for select 2008 and 2009 models
Current State of Restructuring Plan

- December 2nd plan indicated that once restructuring actions were completed, GM would operate profitably (EBIT) in a U.S. industry of 12.5 – 13.0M units
  - At the time, considered to be a reasonably conservative assumption for gauging liquidity needs

- Currently updating our industry and share estimates based on the changing economic environment (Globally)

- Continuing to refine our restructuring plans around revenue and structural cost (Globally)

- Building on our December 2nd viability plan and assessment of current market conditions, must aggressively drive our business to breakeven at a lower U.S. industry volume
  - Aggressive plans under development globally