

# *Forward Looking Statements*

In the presentations and in related comments by General Motors' management, we will use words like "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," "designed," or "impact" to identify forward-looking statements that represent our current judgments about possible future events. We believe these judgments are reasonable, but GM's actual results may differ materially due to a variety of important factors. Among other items, such factors include: the ability of GM to realize production efficiencies, to achieve reductions in costs as a result of the turnaround restructuring and health care cost reductions and to implement capital expenditures at levels and times planned by management; the pace of product introductions; market acceptance of the Corporation's new products; significant changes in the competitive environment and the effect of competition in the Corporation's markets, including on the Corporation's pricing policies; our ability to maintain adequate liquidity and financing sources and an appropriate level of debt; changes in the existing, or the adoption of new, laws, regulations, policies or other activities of governments, agencies and similar organizations where such actions may affect the production, licensing, distribution or sale of our products, the cost thereof or applicable tax rates; costs and risks associated with litigation; the final results of investigations and inquiries by the SEC and other governmental agencies; changes in our accounting principles, or their application or interpretation, and our ability to make estimates and the assumptions underlying the estimates, including the range of estimates for the Delphi pension benefit guarantees, which could result in an impact on earnings; changes in relations with unions and employees/retirees and the legal interpretations of the agreements with those unions with regard to employees/retirees and the successful completion of a collective bargaining agreement; negotiations and bankruptcy court actions with respect to Delphi's obligations to GM, negotiations with respect to GM's obligations under the pension benefit guarantees to Delphi employees, and GM's ability to recover any indemnity claims against Delphi; labor strikes or work stoppages at GM or its key suppliers such as Delphi or financial difficulties at GM's key suppliers such as Delphi; additional credit rating downgrades and the effects thereof; factors affecting GMAC's results of operations and financial condition such as credit ratings, interest rates, the housing market, adequate access to the capital, changes in the residual value of off-lease vehicles, changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which our mortgage subsidiaries operate, and changes in its contractual servicing rights; shortages of and price increases for fuel; changes in economic conditions, commodity prices, such as steel and other raw materials, currency exchange rates or political stability in the markets in which we operate; the effects of transactions or alliances entered into by one or more of our competitors; currency exchange rates or political instability in the markets in which we operate; and general economic conditions, in particular stability of consumer confidence.

The most recent annual reports on Form 10-K and quarterly reports on Form 10-Q filed by GM and GMAC provide information about these factors, which may be revised or supplemented in future reports to the SEC on those forms



***Fritz Henderson***

Vice Chairman &  
Chief Financial Officer

# *Agenda*

- Overview of Financial Results
- Regional Outlook
- Emerging Market Growth
- Risk Mitigation
- A Look Ahead

# *Restructuring For The Long-Term*



# Accomplishments to Date

## GMNA Progress

- Addressing legacy costs
- Significant capacity actions
- Accelerated attrition program
- Strong product cadence

## GME Returned to Profitability

- Improved plant/workforce flexibility
- Significant headcount reductions
- Product portfolio overhaul

## Emerging Market Growth

- Strong growth in China
- GMDAT as growth platform
- Chevrolet expansion in E. Europe
- Re-established presence in S. Africa

## Strengthened Liquidity

- Divested non-core equity holdings
- Closed GMAC transaction
- Amended revolving credit facility
- New \$1.5B term loan

# GM Automotive Financial Results

\$ Millions Adj. Net Income	2005 Thru Q3	2006 Thru Q3	2006 O/(U) 2005
GMNA	(4,357)	(914)	3,443
GME	(183)	196	379
GMLAAM	87	396	309
GMAP	441	331	(110)
<b>Total Automotive</b>	<b>(4,012)</b>	<b>9</b>	<b>4,021</b>

\$ Billions Adj. Op. Cash Flow	(7.1)	(4.2)	2.9

- Record automotive revenue of \$128B thru Q3 (up 10% vs. 2005)
- Retained strong liquidity with cash of \$20.4B\* at end of Q3 2006

\* Includes \$2.5B readily available VEBA

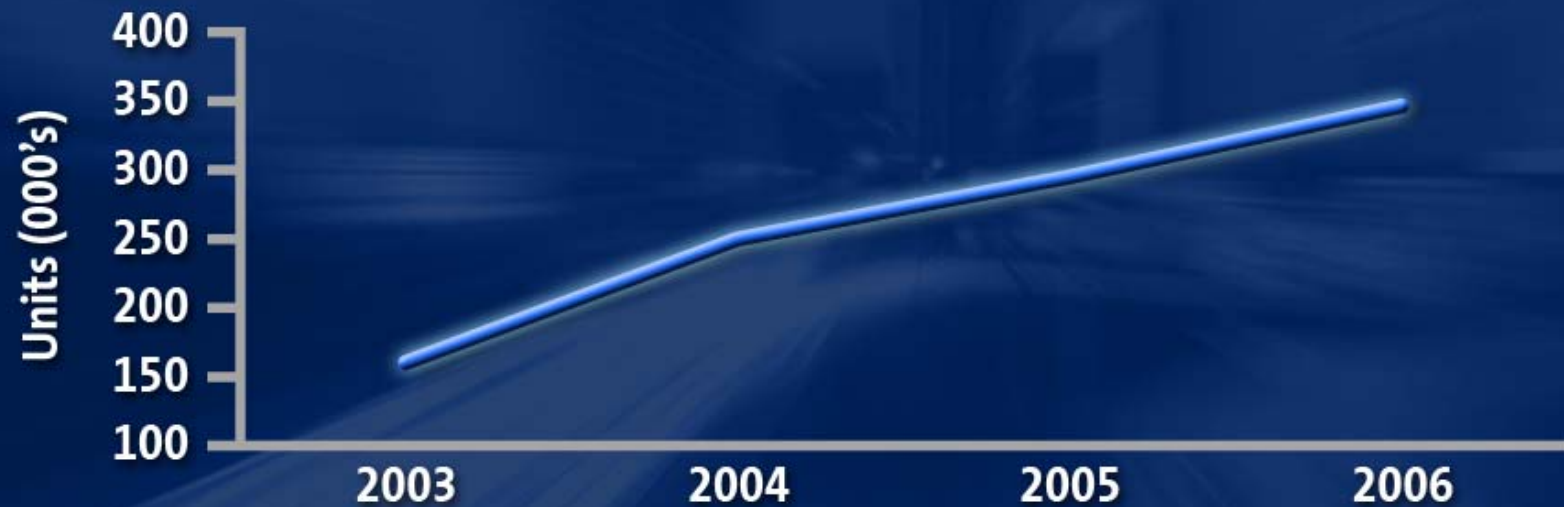
# 2007 vs. 2006 Global Industry

Units Millions	2006	Projected 2007	2007 O/(U) 2006
GMNA	20.2	20.2	-
Memo: U.S.	17.1	17.0	(0.1)
GME	21.7	21.6	(0.1)
GMLAAM	6.1	6.2	0.1
GMAP	19.5	21.3	1.8
<b>Total</b>	<b>67.5</b>	<b>69.3</b>	<b>1.8</b>
-----			
		2007	
	2006	H1	H2
<b>U.S. GDP</b>	<b>3.3%</b>	<b>2.4%</b>	<b>3.0%</b>

# ***GME – Key Strategies***

- **Multi-brand strategy**
  - Chevrolet replaces Daewoo
  - Opel/Vauxhall positioning
  - Expand Saab
  - Cadillac/HUMMER growth
- **Re-commitment to Opel/Vauxhall product excitement**
- **Grow in the East**
- **Increase production in low cost countries**
- **Continue aggressive headcount reduction initiative**

# ***Chevrolet Growth in Europe***



- Volume up 116% since 2003 (share up 0.8 ppt)
- Enables multi-brand strategy
- Focus brand for higher growth Central & E. Europe markets

Note: Includes Chevrolet models previously badged as Daewoo in 2003/2004

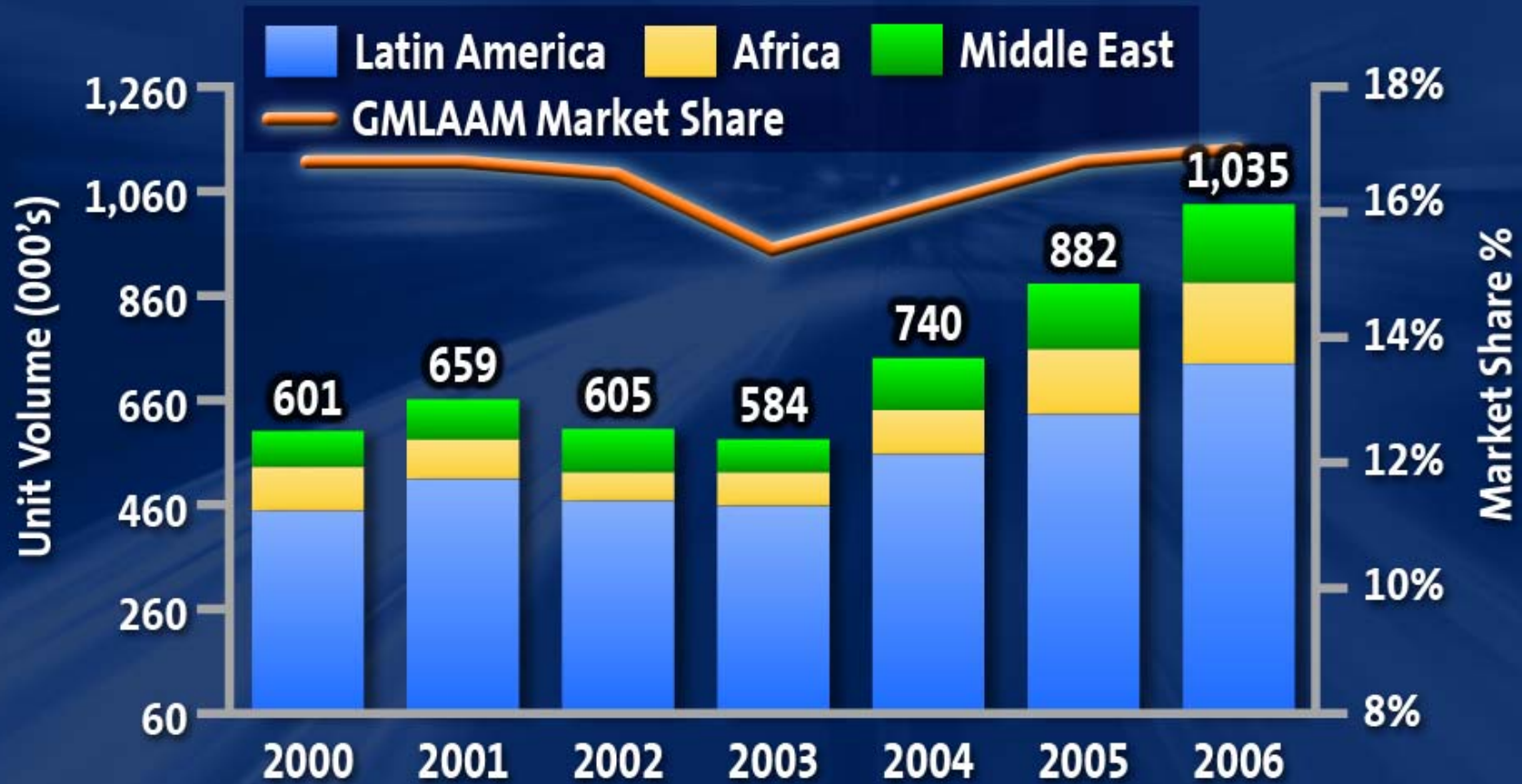
# ***GME – Key Metrics 2007 vs. 2006***

Industry Volume	Essentially Flat	<i>Declining Western/Central largely offset by E. Europe growth</i>
Total Revenue	Increase	<i>Gains in E. Europe, improved residuals and fleet/retail mix</i>
Mix	Unfavorable	<i>Increasing Corsa volume as % of total</i>
Material Performance	Favorable	<i>Ongoing performance offsets steel/commodities pressure</i>
Structural Cost	Flat	<i>On track in Euro terms</i>

# ***GMLAAM – Key Strategies***

- Take advantage of continued growth in Middle East and South Africa
  - GM global products
  - Multi-brand strategy
- Leverage strength in Mercosul
  - Complete GM Brazil revitalization plan
  - Grow engineering capability
  - Rebalance production to low cost countries
- Maintain leadership position in Andean markets

# GMLAAM – Growth Trend



# ***GMLAAM – Manufacturing Footprint***

	Production Change (000's) 2000 - 2006	% of LAAM Production	
		2000	2006
<b>Higher Cost Sites</b>			
GM Brazil (Sao Jose; Sao Caetano)	+11	62%	42%
<b>Lower Cost Sites</b>			
GM Brazil (Gravatai)	+117		
GM Venezuela	+41		
GM Colombia	+35		
GM Ecuador	+34		
GM Argentina	+30		
GM S. Africa	+24		
Other	-1		
	<b>+280</b>	<b>38%</b>	<b>58%</b>

## ***GMLAAM – Key Metrics 2007 vs. 2006***

Industry Volume	Increase	<i>Continued but moderating growth</i>
Total Revenue	Increase	<i>Moderate GM share growth</i>
Mix	Unfavorable	<i>Impact of higher GMDAT imports partially offset by Mideast growth</i>
Material Performance	Favorable	<i>Active supply base negotiations</i>
Structural Cost	Flat	<i>Production shift to lower cost sites offsets volume-related increases</i>

# ***GMAP – Key Strategies***

- Leverage global product opportunities from China
  - Multi-brand strategy: Buick, Cadillac, Chevrolet, Wuling
- Continue to fully leverage GM Daewoo product development capabilities
- Continue Holden Turnaround
  - Reduce structural cost and manufacturing capacity; optimize sourcing footprint
- Growth in India
  - Leverage GM Daewoo products, grow manufacturing base
- ASEAN Growth

# GM Presence in Asia Pacific\* – 2000



Note: Holden established presence not included

# GM Presence in Asia Pacific\* – 2006



Note: Holden established presence not included

## ***GM Presence in Asia Pacific\****

	2000	2006
Vehicle Assembly Plants	5	14
Capacity (000's)	254	1,950
# of Brands Sold	11	9
Sales Volumes (000's)	313	1,105

Note: Holden established presence not included

# ***GMAP – Key Metrics 2007 vs. 2006***

Industry Volume	Increase	<i>Strong growth throughout region</i>
Total Revenue	Increase	<i>Continued China/GMDAT growth</i>
Mix	Favorable	<i>New launches in China, ASEAN &amp; GMDAT</i>
Material Performance	Favorable	<i>Increased supplier localization and footprint optimization</i>
Structural Cost	Increase	<i>Headcount/capacity additions to support growth and globalization</i>

# Focus on Emerging Markets



- Key emerging markets expected to collectively deliver >150% growth this decade
- GM focus in these markets has delivered leadership share position of about 11% in 2006

# Top Emerging Markets

	GM			Industry	
	Units in 000's 2000	2006	2000-2006 CAGR	2000-2006 CAGR	2006-2011 CAGR*
China	75	877	51%	23%	9%
Russia	1	133	126%	11%	5%
Brazil	319	410	4%	5%	3%
India	7	35	31%	13%	8%

\* Based on GM projections for 2011 industry volume

# ***Key GM Strategies***

## ***China***

- Continued product and capacity investment to maintain sales leadership
- Multi-brand marketing approach
- Leverage strong partnership with SAIC

## ***Russia***

- Expansion via new plant in St. Petersburg

## ***Brazil***

- Leverage existing strength in region and flex-fuel vehicles

## ***India***

- Minicar expansion via second plant

## ***South Korea***

- Continue to integrate/leverage GMDAT assets for global growth

# ***GMDAT Production Growth***



# ***Risk Mitigation Initiatives***

- **Strong liquidity profile retained**
  - \$20.4B liquidity at end of Q3 2006\*
  - \$4.6B revolving credit facility
  - \$1.5B term loan established
- **Actions to temper long-term balance sheet risk**
  - Health care and pension plan changes to reduce liabilities
  - U.S. pension plans fully funded
- **Delphi Framework Agreement**
- **GMAC transaction successfully closed**
  - GM received approximately \$10B in transaction-related net proceeds prior to closing (total of \$14B over three years), before \$1.4B purchase of preferred interests in GMAC

\* Includes \$2.5B readily available VEBA

# **GMAC**

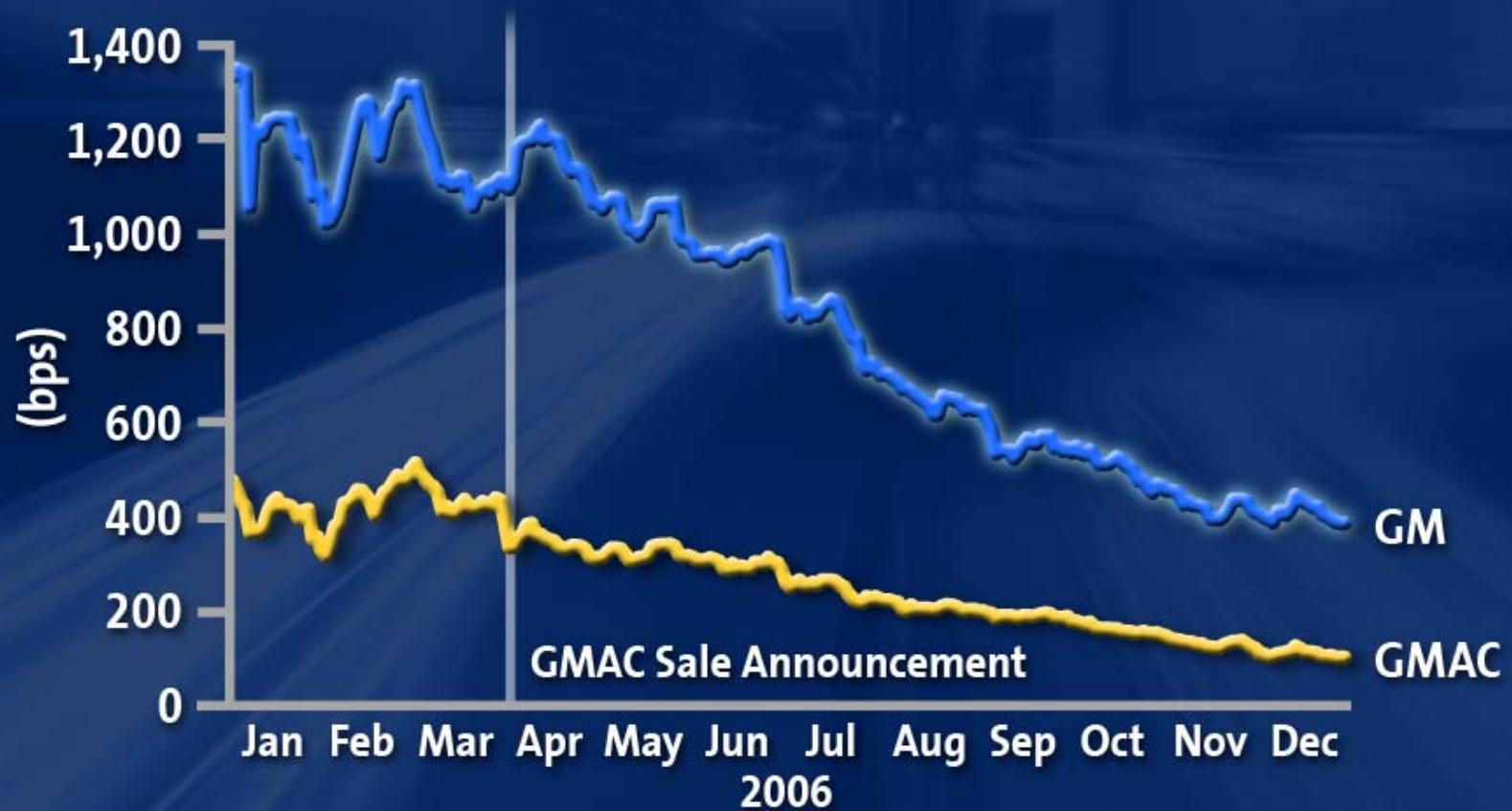
## ***Improved Bond Spreads***



As compared to Treasuries: GM based on 30-year benchmark; GMAC based on 10-year benchmark

# GMAC

## Improved Credit Default Swap Spreads



5-year CDS as compared to LIBOR

# GMAC

## Improved Debt Ratings

	Senior Unsecured Long-term Debt		
	Jan 2006	Change	Dec 2006
<b>S&amp;P</b>			
GMAC	BB	+1 Notch	BB+
GM	B	-1 Notch	B-
<hr/>			
<b>Moody's</b>			
GMAC	Ba1	–	Ba1
GM	B1	-3 Notches	Caa1
<hr/>			
<b>Fitch</b>			
GMAC	BB	+1 Notch	BB+
GM	B+	-1 Notch	B

# *Delphi Status*

- Resolution continues to be top priority
- Plan Framework Support Agreement
  - GM would receive over \$2.6B in cash, as well as equity
  - GM would assume up to \$2B of Delphi net U.S. pension obligations, ultimately offset by cash payment to GM
- Alternatives
- Restructuring provides opportunity to address purchase price premium of about \$2B annually
- Contingent exposure estimate remains \$6B - \$7.5B pre-tax

## ***Total Automotive – 2007 Outlook vs. 2006***

Global Industry	Increase	<i>Continued strong growth in emerging markets</i>
Total Revenue	Increase	<i>Emerging market strength, key U.S. launches</i>
Material Performance	Flat	<i>Ongoing performance offset by pressures in steel/non-ferrous metals</i>
Structural Cost	Decrease	<i>Continue execution of GMNA/GME turnarounds</i>
Adjusted Earnings	Improve	<i>Continued improvement in GMNA, GME; continued strength in GMLAAM, GMAP</i>
Cash Flow	Improve but Negative	<i>Improved business results, full year impact of accelerated attrition</i>
Capital Spending	Increase	<i>Support continued strong product development</i>

# Material Cost – Total Automotive

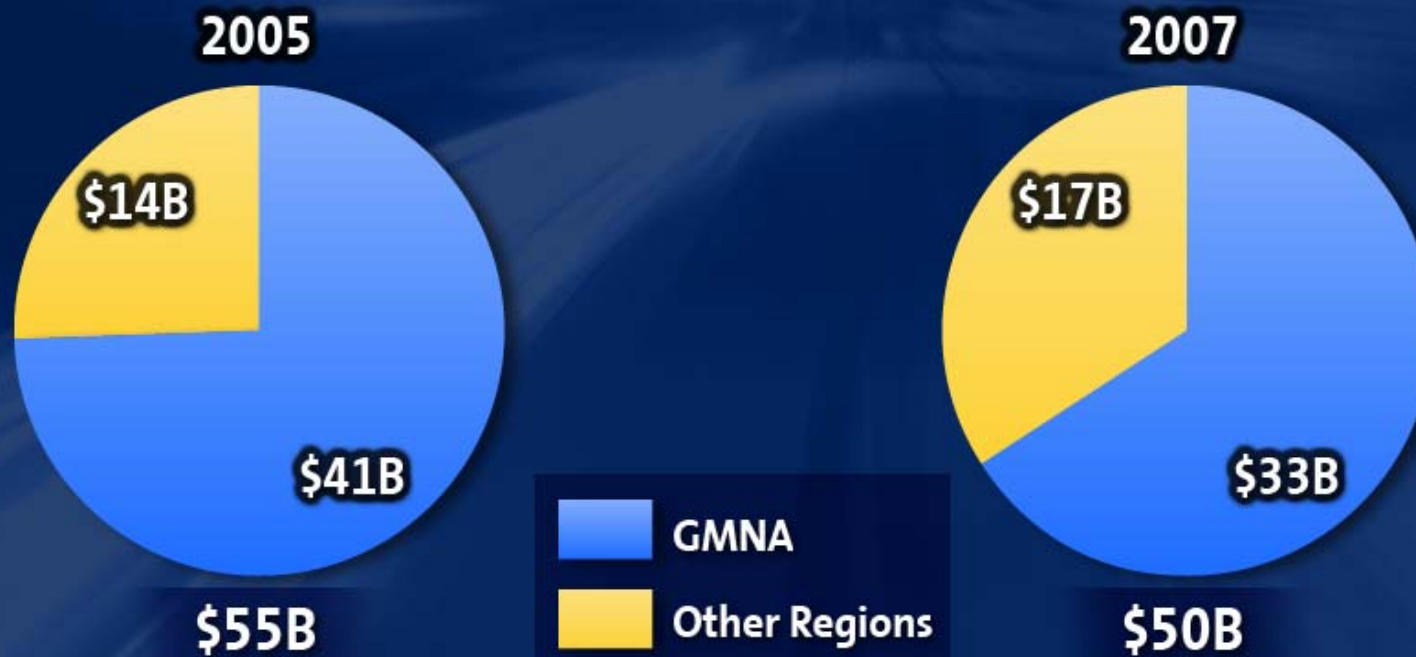
(Increase)/Decrease (\$ Billions)	2005	2006	2007 Est.	Cum. Impact
Steel	~(0.6)	–	~(1.0)	~(1.6)
Non-Ferrous	~(0.1)	~(0.6)	~(0.5)	~(1.2)
<b>Total Commodities</b>	<b>~(0.7)</b>	<b>~(0.6)</b>	<b>~(1.5)</b>	<b>~(2.8)</b>

## Other Factors:

- Increases for improvements and content additions on new programs
- Decreases beginning in 2007 due to addressing Delphi cost penalty
- Favorable impact of focused purchasing actions
  - Benchmarking, supplier footprint optimization, leveraging global platforms

# Structural Cost – Total Automotive

- In parallel with aggressive cost reduction actions in GMNA, costs incurred to strengthen position in emerging markets



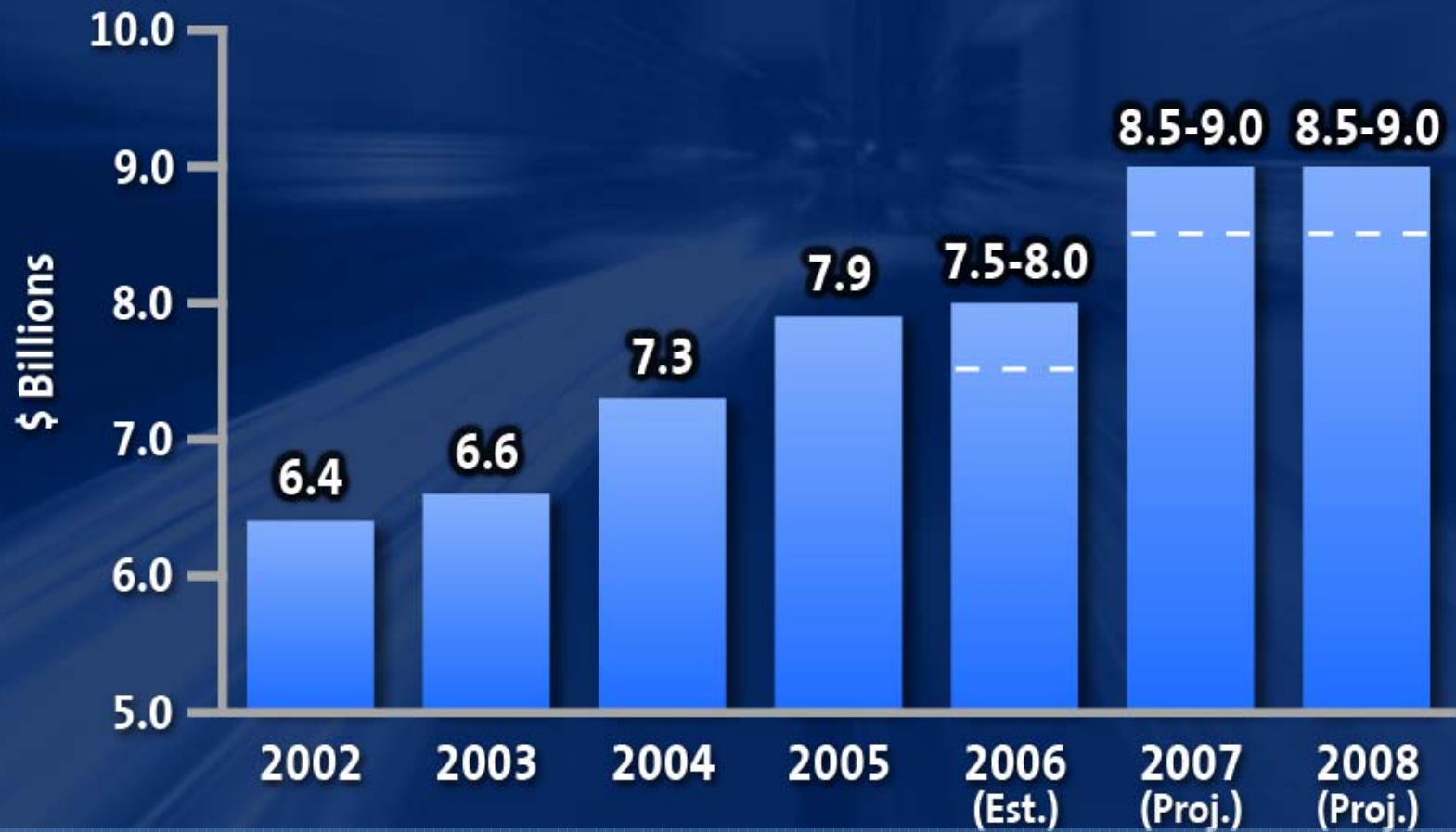
Note: Change in GMNA reflects vast majority of \$9B structural cost reduction in North America; balance of savings is realized outside automotive operations in Corp. sector

# Global Automotive Structural Cost



- Leverage emerging markets for revenue growth
- Support growth via expansion in low cost countries
- Increased use of global architectures
- Continued focus on health care costs, uncompetitive labor practices

# Capital Spending – Total Automotive



# Is 2007 a Peak Year?

## ***Opportunities beyond 2007***

- U.S. market returns to trend
- Commodity cost inflation abates
- Approximately \$2B Delphi cost penalty begins to be addressed
- Impact of 2007 labor negotiations
- Continued attrition and planned capacity reductions
- Great products/benefit of global architectures
  - Actually increasing capital spending
- Strength in emerging markets
- Lower GMAC cost of funds

## ***Challenges beyond 2007***

- Tapering product cadence following strong 2006/2007
- Competitive global pricing environment
- Continued pressure from industry over capacity

## ***Summary – 2007 Priorities***

- Continue to execute GMNA turnaround
- Profitable growth in emerging markets
- Leveraging our global scale and scope
- Advanced technology leadership
- Improved business results

# ***Supplemental Charts***

The following supplemental charts are provided to reconcile adjusted financial data comprehended in the primary chart set with GAAP-based data (per GM's financial statements) and/or provide clarification with regard to definition of non-GAAP terminology

## Reconciliation to Adjusted Net Income CYTD Thru Q3 – 2005 & 2006

\$ Millions					
<b>YTD September 30, 2006</b>	<b>GMNA</b>	<b>GME</b>	<b>GMLAAM</b>	<b>GMAP</b>	<b>Total Auto Operations</b>
Total Net Sales & Revenue	82,018	24,321	10,596	11,875	128,810
Net Income	(4,818)	(113)	353	1,063	(3,515)
EPS - Basic					
<b>Adjustments (after-tax):</b>					
Special Attrition	(3,554)	–	–	–	(3,554)
Vehicle Impairments	(309)	–	–	–	(309)
Restructuring Charge	(41)	(309)	(43)	–	(393)
Sale of Isuzu	–	–	–	212	212
Sale of Suzuki	–	–	–	372	372
GMDAT DTA	–	–	–	110	110
Suzuki Residual Taxes	–	–	–	38	38
Total Adjust. - Net Income	(3,904)	(309)	(43)	732	(3,524)
Total Adjust. - Net Revenue	–	–	–	941	941
Adjusted Net Revenue	82,018	24,321	10,596	10,934	127,869
Adjusted Net Income	(914)	196	396	331	9
<b>YTD September 30, 2005</b>					
Total Net Sales & Revenue	76,911	23,949	8,225	7,368	116,453
Net Income	(5,049)	(963)	(12)	(409)	(6,433)
EPS - Basic					
<b>Adjustments (after-tax):</b>					
Salaried Attrition Program	(140)	–	–	–	(140)
Plant & Facility Impairments	(552)	(176)	(99)	(62)	(889)
Restructuring	–	(604)	–	–	(604)
FHI Impairment	–	–	–	(788)	(788)
Total Adjust. - Net Income	(692)	(780)	(99)	(850)	(2,421)
Total Adjust. - Net Revenue	–	–	–	–	–
Adjusted Net Revenue	76,911	23,949	8,225	7,368	116,453
Adjusted Net Income	(4,357)	(183)	87	441	(4,012)

## ***Reconciliation of Automotive Cash Flow CYTD Thru Q3 – 2005 & 2006***

### **Automotive & Other**

\$ Billions	<u>CYTD 2006 Thru Q3</u>	<u>CYTD 2005 Thru Q3</u>
Net Cash Provided By Operating Activities (GAAP)	4.4	(1.7)
Reclassifications to/ (from) U.S. GAAP		
- Expenditures for PPE & Special Tools	(5.1)	(4.9)
- VEBA Withdrawals	(4.0)	(2.0)
- Cash Restructuring Costs	1.7	2.6
- Delphi - Cash Restructuring Costs	0.2	-
- Other	(1.4)	(1.1)
 Total Reconciling Items	 <u>(8.6)</u>	 <u>(5.4)</u>
 Total Operating before Special Items	 (4.2)	 (7.1)

## ***Reconciliation of Automotive Structural Cost – CY 2005***

### **2005 Reported Results vs. 2005 Structural Cost**

\$ Billions

<u>Structural Cost Reconciliation</u>	<u>2005 CY</u>
Automotive & Other Cost of Sales	162.2
Automotive & Other SG&A	<u>13.2</u>
Sub-Total	175.4
Less Costs Excluded from Automotive Structural Cost Measure:	
Restructurings and Impairments Included in Cost of Sales	(11.6)
Other -- Primarily Material Cost and Policy and Warranty Expense	<u>(108.5)</u>
Automotive Structural Cost	55.3