

Forward Looking Statements

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U.S. Sales and Marketing Update

Mark LaNeve

GMNA Vice President

Vehicle Sales, Service and Marketing

Agenda

- Sales and Share Summary
- Divisional Launch Performance
- Brand Summary/Launch Cadence
- 2006 Revenue and Pricing Enhancements
- BPG Alignment

2005 Sales and Share

- Cadillac, HUMMER, Saab, Saturn all had increases
- Chevrolet off 3%, number one brand
- Best Full-Size Pickup CY since 1978
- Total GM crossover volume (HHR, Equinox, VUE, Torrent, Rendezvous, SRX) was 362k units in 2005, an increase of 81k units over 2004
- Decline in Daily Rental volume and employee business accounted for .3 ppt of share loss

	Sales	% Change	Share	Pt. Change
GM	4,517,730	(4.0)%	25.9	(1.3)
Ford	3,168,951	(4.9)%	18.2	(1.1)
DCX	2,675,372	4.8%	15.3	0.5
Toyota	2,264,551	9.8%	13.0	1.1
Honda	1,462,472	4.9%	8.4	0.3
Nissan	1,079,172	9.1%	6.2	0.5
VW	311,214	(7.2)%	1.8	(0.1)
Hyundai	455,012	8.7%	2.6	0.2
Kia	275,851	2.1%	1.6	0.0

Divisional Launch Performance

- December Chevrolet HHR and Cobalt sales set monthly record
 - 2005 Chevrolet Cobalt sales up 9% vs. 2004 Cavalier
 - Chevrolet Equinox sales up 55% vs. 2004
-
- Sold over 5,800 Buick Lucernes in December (first full month)
 - 2005 retail Buick LaCrosse sales were up 10% versus 2004 retail Regal/Century
 - 2005 retail Pontiac G6 sales were 22% higher vs. 2004 retail Grand Am
 - December Pontiac Torrent and Solstice, best month since launch
-
- 2005 Cadillac STS sales up 890% vs. 2004 Seville
 - December HUMMER H3 sales best month since launch

U.S. Market Growth Plan

1. Clearly differentiate all divisional brands and roles
2. Go to market as the “Value Leader”
3. Focus on major metro key markets
4. Become a consistent world-class retail channel
5. Improve customer service retention to drive vehicle repurchase loyalty

U.S. Market Growth Plan

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Go to Market as the Value Leader

ISSUES:

- Incentives have diminishing return on incremental sales volume
- Poor resale value, which leads to higher GM residual support
- Heavy reliance on large corporate campaigns, which drives inconsistency and diminishes brand messaging
- More emphasis on the “deal” versus a focus on our competitive advantages and capabilities
- Not price competitive on 3rd party web sites

Go to Market as the Value Leader

ACTION PLANS:

Step #1 -Developed compelling price points for our launch products (e.g., Chevrolet Cobalt, Pontiac Solstice, HUMMER H3)

Step #2 -Pursue a major price repositioning move on all Chevrolet*, Buick, GMC* and most Pontiac and Cadillac products

- Largest price repositioning in the industry, affecting 87% of our models and approximately 90% of retail sales volume (including 2005 CY price repositioning)
- Requires discipline and Dealer support
- Result: GM will offer more value than any competitor, segment by segment

*Light Duty Trucks only

Revenue and Pricing Enhancements

- Pricing – Further simplify and eliminate complicated incentive offers
 - Continue downward trend in incentive spending started with 2006 models enabling compelling MSRP's for all critical products
 - Dealer margin reduction to assist as we move transaction price closer to MSRP
- Messaging
 - An opportunity to break through on product messages
 - Divisional campaigns that focus on product, superiority proof points, and MSRP comparisons
 - More edge and punch on a brand/product basis
 - Significant emphasis with on-line shopping and 3rd party sites
 - Launched with significant media in the January 2006 timeframe

IntelliChoice-Current Price Comparison

2006 Silverado Reg Cab 2WD-long box

Silverado	\$19,265
F-150	\$20,100
Ram	\$22,085

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SIDE-BY-SIDE COMPARISON

	2006	2006	2006
Year	2006	2006	2006
Make	Chevrolet	Ford	Dodge
Model	Silverado	F150	Ram
Trim	1500 Regular Cab Work Truck 2WD Long Bed	Regular Cab XL 2WD Long Bed	1500 Regular Cab ST 2WD Long Bed
	(refresh data) change_remove	change_remove	change_remove

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- All Sections
- Pricing & Warranty
- Ownership Costs
- Specifications
- Performance
- Safety
- Features



2006 Chevrolet Silverado
[Vehicle Report](#)



2006 Ford F150
[Vehicle Report](#)



2006 Dodge Ram
[Vehicle Report](#)

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Pricing & Warranty

Pricing

List Price	\$19,265	\$20,100	\$22,085
Invoice Price			
Target Price	\$17,026	\$17,936	\$18,999

IntelliChoice-Future Price Comparison

2006 Silverado Reg Cab 2WD-long box

Silverado	\$16,990
F-150	\$20,100
Ram	\$22,085

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2006 Chevrolet Silverado
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2006 Dodge Ram
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Pricing & Warranty

Pricing

List Price	\$16,990	\$20,100	\$22,085
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Competitive Compare

Small Car

	Current Cobalt LS Coupe	Proposed Cobalt LS Coupe	Corolla CE Sedan	Civic DX Coupe
MSRP (Incl. DFC)	\$14,490	\$12,990	\$14,545	\$14,910
Fuel Economy (City/Hwy)	26/35	26/35	32/40	30/38
Horsepower	145	145	126	140

Competitive Advantages
(potential advertising claims)

- More horsepower than Toyota and Honda
- More cargo volume than Toyota and Honda
- Tighter turning radius than Toyota and Honda
- More rear seat head room than Toyota and Honda
- More front seat leg room than Toyota

Competitive Compare

Mid Car

	Current G6 Base	Proposed G6 Base	Altima Base w/ 2.5L	Accord Value Package
MSRP (Incl. DFC)	\$17,990	\$16,990	\$18,255	\$18,775
Fuel Economy (City/Hwy)	23/34	23/34	24/31	26/34
Horsepower	167	167	175	166

Competitive Advantages
(potential advertising claims)

- Panoramic roof
- Longest wheelbase
- Most rear leg room
- Factory remote start
- Turning radius

Competitive Compare

Mid Car-Impala

	Current Impala LS	Proposed Impala LS	Camry LE V6	Accord 3.0 LX
MSRP (Incl. DFC)	\$21,990	\$20,990	\$23,320	\$25,650
Fuel Economy (City/Hwy)	21/31	21/31	20/28	20/29
Horsepower	211	211	190	244

Competitive Advantages
(potential advertising claims)

- Better fuel economy than Camry and Accord
- More standard horsepower than Camry
- Six passenger seating versus five passenger seating on Camry and Accord
- Produced at Oshawa 1, the second highest ranked plant in the 2005 J.D. Power Initial Quality Study

Competitive Compare

Full-Size Utilities

	Current 2006 MY Tahoe	Proposed 2007 MY Tahoe	Expedition	Sequoia
MSRP (Incl. DFC) 4.8L	\$36,790	\$32,990		
MSRP (Incl. DFC) 5.3L	\$37,590	\$33,990	\$33,480	\$33,425
Fuel Economy (City/Hwy)	16/20	16/22	14/19	15/18
Horsepower	285	320	300	273

Competitive Advantages
(potential advertising claims)

- Segment leading horsepower (5.3L V8)
- Segment leading fuel economy
- Segment leading aerodynamics (coefficient of drag) which improves fuel economy
- Quietest interior of any full-size SUV
- E85 Capable

2007 GMC Yukon Price Announcement

- Available this spring
- New interior/exterior design, new chassis
- StabiliTrak and OnStar
- Optional features include:
 - Power lift gate, 20" wheels and tires, rear camera system, rain sensing windshield wipers, segment-exclusive power fold and tumble second row seats
- Segment leading fuel economy -- est. MPG 16 city/22 hwy
 - Standard Active Fuel Management
 - Available E85 capability

Starting price of \$34,690 (5.3L V8), nearly \$3,290 less than the model it replaces

Revenue and Pricing - Summary

- Incentive spending trends will be down
- Visible incentives significantly reduced as proven on recent launch vehicles (e.g., HHR, Solstice, DTS)
- Consulted with ALG, residual projections in line and will trend positive
- 3rd party websites have been engaged
 - Specific use of their comparison tools for our Divisions
- Current Dealer inventory will have supplemental window stickers
- Comprehensive Dealer education tour has begun
- National Dealer Council is supportive

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Running the Business

SIMPLIFY

- Everything begins with product, but it doesn't stop there
- Great brands are built on equal parts
 - Product
 - Image/Value
 - Dealer/Retail Experience