

Forward Looking Statements

In this report, in reports subsequently filed by GM with the SEC on Form 10-Q and filed or furnished on Form 8-K, and in related comments by management of GM, our use of the words “expect,” “anticipate,” “estimate,” “forecast,” “initiative,” “objective,” “plan,” “goal,” “project,” “outlook,” “priorities,” “target,” “intend,” “evaluate,” “pursue,” “seek,” “may,” “would,” “could,” “should,” “believe,” “potential,” “continue,” “designed,” “impact,” or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements in subsequent reports which GM may file with the SEC on Form 10-Q and filed or furnished on Form 8-K, other than statements of historical fact, including without limitation, statements about future events and financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable when made, these statements are not guarantees of any events or financial results, and GM’s actual results may differ materially due to numerous important factors that may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: 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; restrictions on GMAC’s and ResCap’s ability to pay dividends and prepay subordinated debt obligations to us; 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; 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; 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; the effect of a potential sale or other extraordinary transaction involving GMAC on the results of GM’s and GMAC’s operations and liquidity; other factors affecting financing and insurance operating segments’ results of operations and financial condition such as credit ratings, adequate access to the market, 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 our contractual servicing rights; shortages of and price increases for fuel; and Changes in economic conditions, commodity prices, currency exchange rates or political stability in the markets in which we operate.

In addition, GMAC’s actual results may differ materially due to numerous important factors that are described in GMAC’s most recent report on SEC Form 10-K, which may be revised or supplemented in subsequent reports on SEC Forms 10-Q and 8-K. Such factors include, among others, the following: the ability of GM to complete a transaction regarding a controlling interest in GMAC while maintaining a significant stake in GMAC, securing separate credit ratings and low cost funding to sustain growth for GMAC and ResCap, and maintaining the mutually beneficial relationship between GMAC and GM; 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 financing sources; our ability to maintain an appropriate level of debt; the profitability and financial condition of GM, including changes in production or sales of GM vehicles, risks based on GM’s contingent benefit guarantees and the possibility of labor strikes or work stoppages at GM or at key suppliers such as Delphi; Funding obligations under GM and its subsidiaries’ qualified U.S. defined benefits pension plans; restrictions on ResCap’s ability to pay dividends and prepay subordinated debt obligations to us; 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; changes in our contractual servicing rights; costs and risks associated with litigation; changes in our accounting assumptions that may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; changes in the credit ratings of GMAC or GM; the threat of natural calamities; changes in economic conditions, currency exchange rates or political stability in the markets in which we operate; and changes in the existing, or the adoption of new, laws, regulations, policies or other activities of governments, agencies and similar organizations.

Investors are cautioned not to place undue reliance on forward-looking statements. GM undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other such factors that affect the subject of these statements, except where expressly required by law.

Also please see the Form 8-K filed by GM on Monday, April 3, 2006 and the Form 8-K filed by GMAC on the same date, (and the Forward Looking Statement Legends contained therein) both of which describe the execution of a definitive agreement relating to GM’s sale of a 51% interest in GMAC to an investor group led by Cerberus Capital Management, L.P. a private investment firm, and including Citigroup Inc., and Aozora Bank Ltd.



Paul Ballew

Executive Director,

Global Market and Industry Analysis

Despite Headlines Economic Back-drop Is Positive . . .

- Macroeconomic back-drop more positive than what the headlines suggest
 - 4.1% growth over the last two years
 - 3.7 million net new jobs since January 2004
 - Interest rates remain accommodative
 - Record home ownership level and gains in affordability in most product categories
- Industry continues to grow – approaching \$500 billion per year business in the U.S.
- 2005 obviously a difficult year – 2006 and beyond require us to get the basics right at an accelerated pace

Economic Performance Since 2002 Reflects A Healthy Expansion

- Payroll Employment Increase: 3.4%; +4.4 million jobs
- Average Annualized GDP Growth: 3.7%
(Real \$)
- Nominal GDP Growth: 20.5%; +\$2.2 trillion
- Consumer Spending Growth: 10.9%; +\$800 billion
(Real \$):
- Average Mortgage Rate: 5.85%
- Median Home Prices: 29.2%
(Existing Homes)
- Household Assets: 31.4%; +\$15 trillion
- Home Ownership From: 68% to 69%

Global Sales Are Tracking Above Expectations

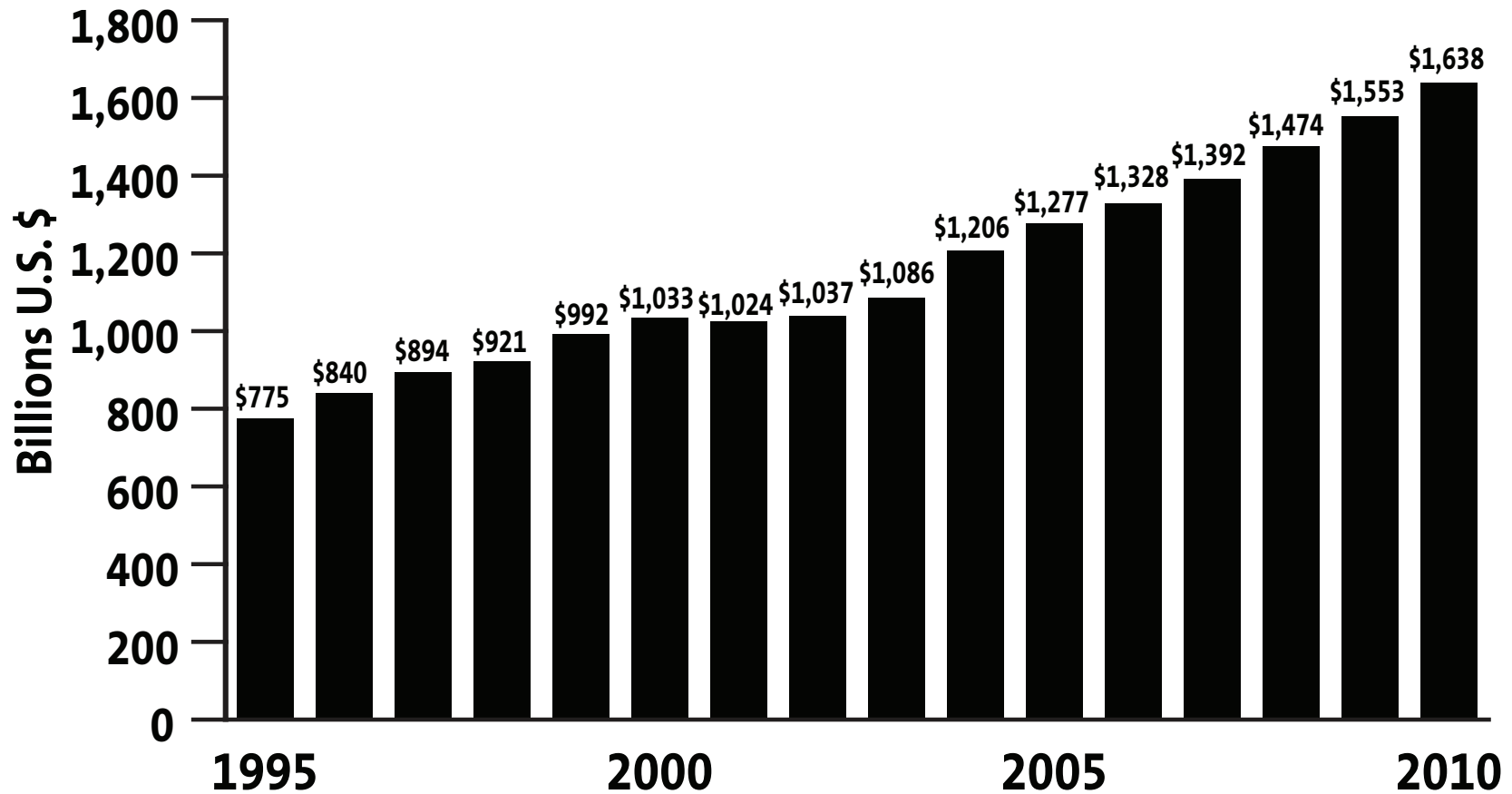
- Industry remains on a record sales pace – up 5.6% CYTD and up 7.8 million units since CY 2000
- Growth in emerging markets is explosive – China up 170% since 2000, India up 71%
- Europe and U.S. remain close to record volume levels and at record revenue levels

Global Sales

| (Millions of Units) | 2005 CY | 2000 CY | '05 vs. '00 % Change |
|---------------------|-------------|-------------|-------------------------|
| North America | 20.5 | 20.5 | 0.0 % |
| Memo: U.S. | 17.5 | 17.8 | (2.0)% |
| Europe | 21.1 | 20.2 | 4.4 % |
| Asia/Pacific | 18.2 | 12.9 | 41.1 % |
| Memo: China | 5.9 | 2.2 | 170.3 % |
| Memo: India | 1.4 | 0.8 | 70.6 % |
| LAAM | 5.1 | 3.6 | 43.6 % |
| Total | 65.0 | 57.2 | 13.6 % |

Source: GMIA

Supporting Steady Growth In Global Vehicle Revenue



Source: GMIA

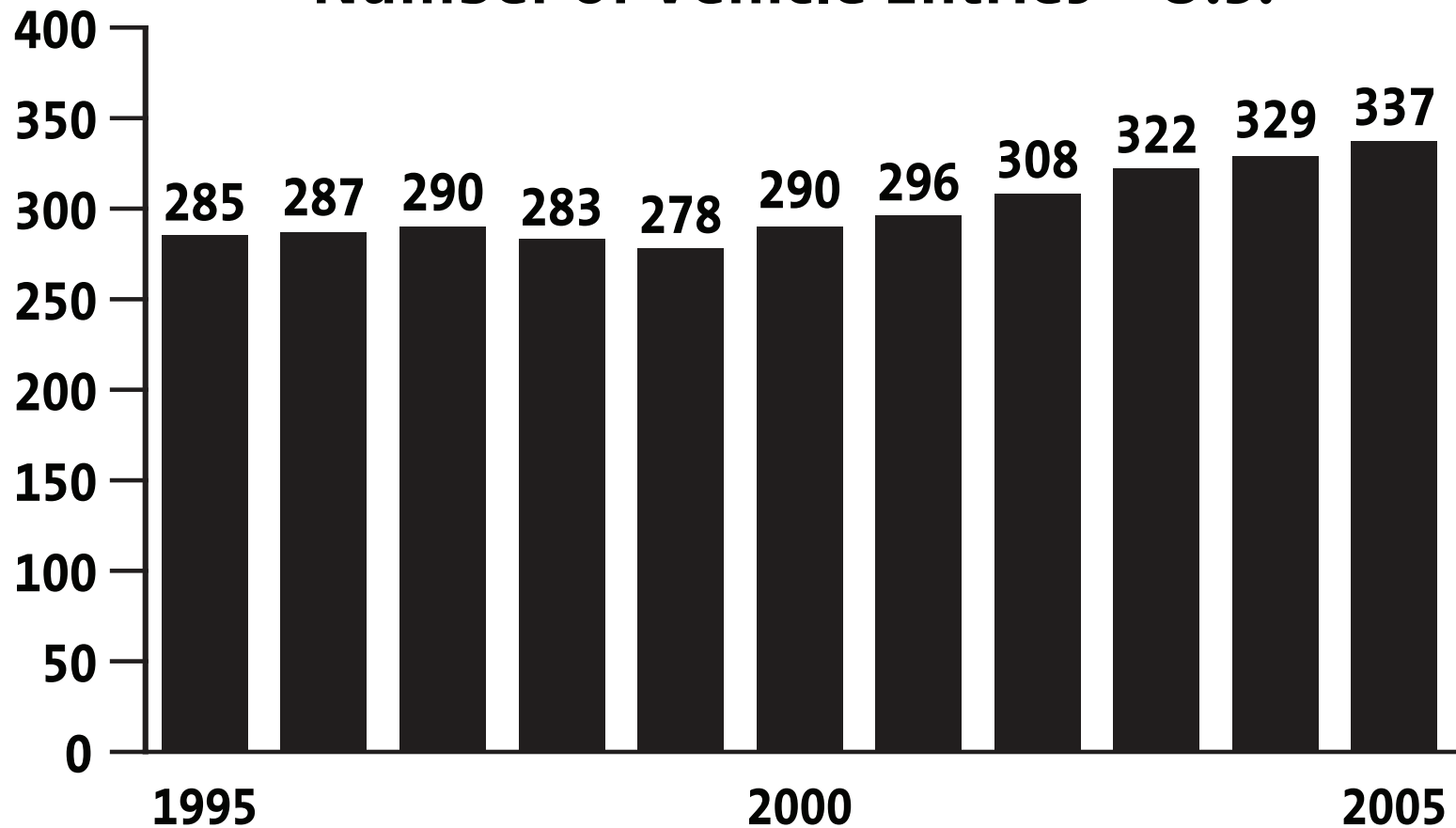
U.S. Industry Sales – Top 10

| Rank | CY | Total Units (Millions) |
|-------------|-----------|-----------------------------------|
| 1 | 2000 | 17.8 |
| 2 | 2001 | 17.5 |
| 3 | 2005 | 17.5 |
| 4 | 1999 | 17.4 |
| 5 | 2004 | 17.3 |
| 6 | 2002 | 17.1 |
| 7 | 2003 | 17.0 |
| 8 | 1986 | 16.3 |
| 9 | 1998 | 16.0 |
| 10 | 1988 | 15.8 |

Source: GMIA

The Primary Challenge Is Not Lack Of Growth But Intense Competition

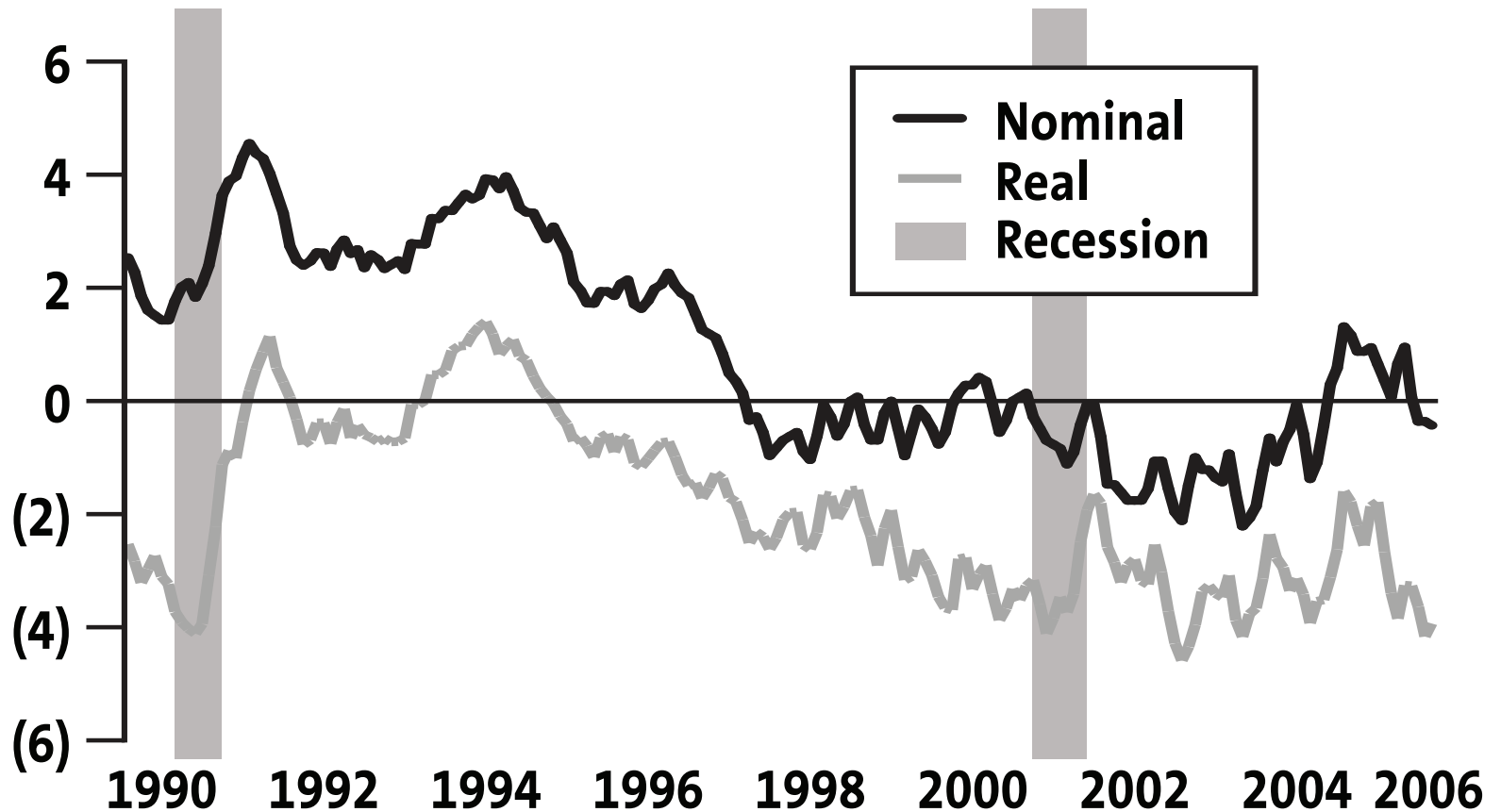
Number of Vehicle Entries – U.S.



Source: GMIA

Leading To Aggressive Pricing...

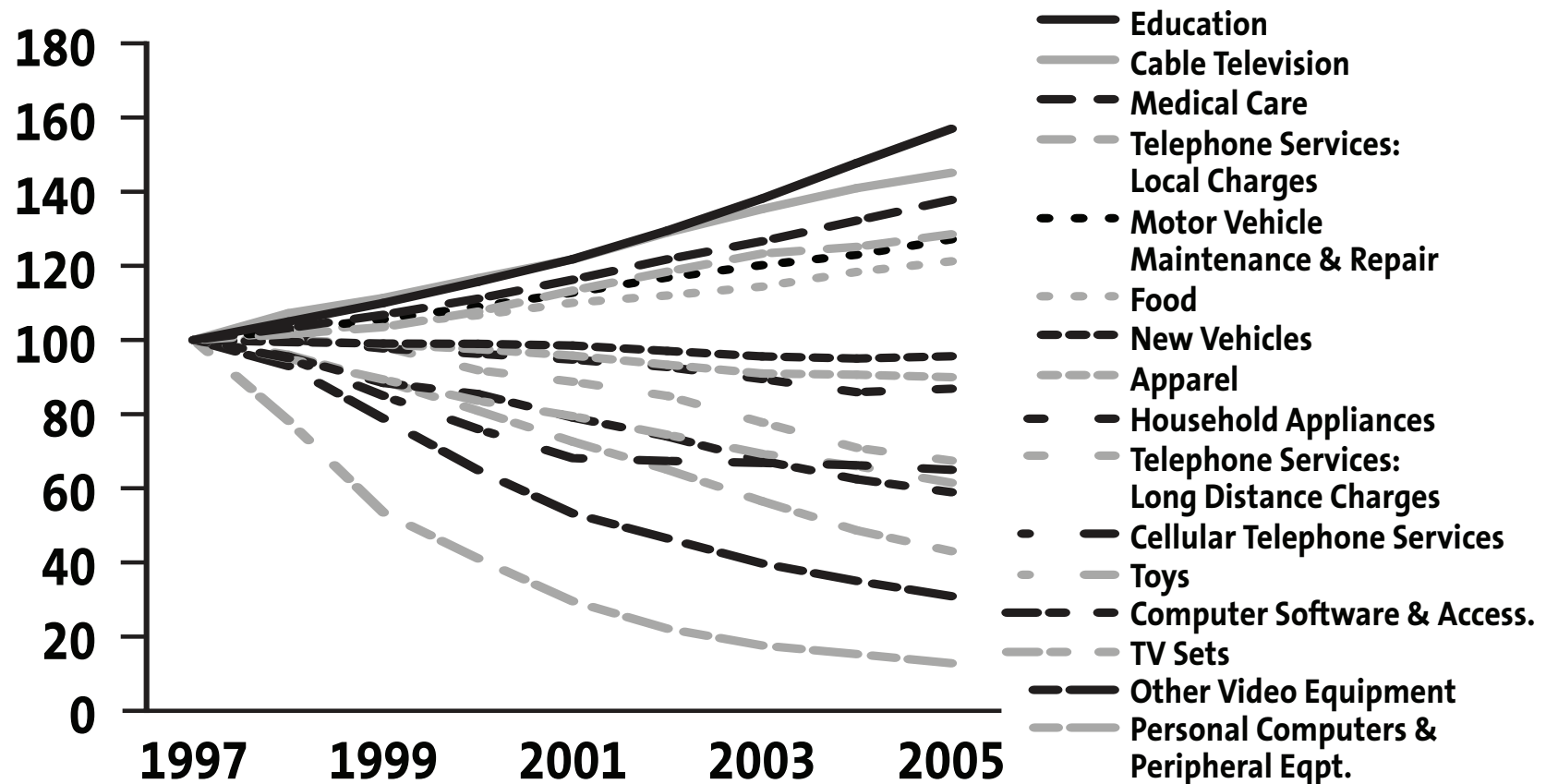
CPI – New Vehicles, Year-Over-Year Percentage Change



Source: BLS (calculations GMIA)

... Of Course This Is Not Unique Just To Auto Sector

CPI Comparison – Selected Consumer Goods Indexed to 1997

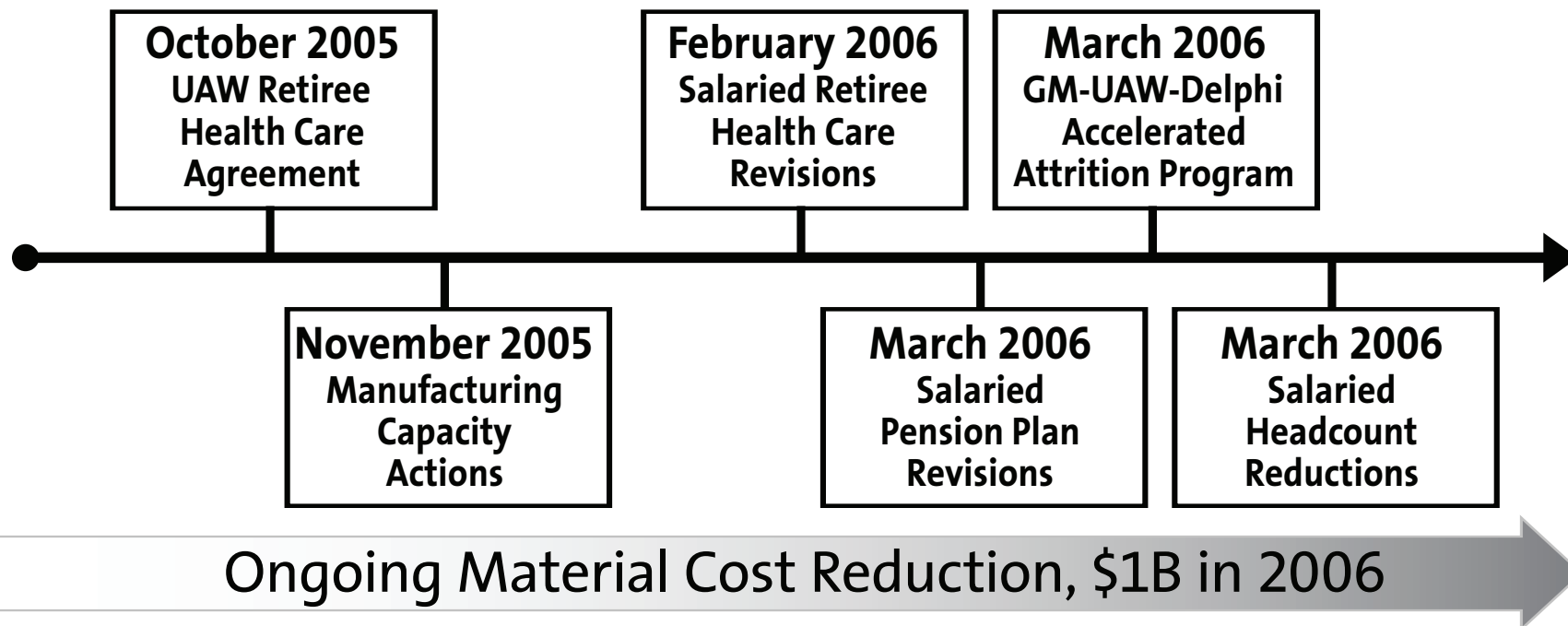


Source: BLS (calculations GMIA)

Winning Business Model Requires...

- Competitive challenges in automotive industry will remain substantial
- Operating environment requires:
 - World class cost structure
 - Revenue growth through best-in-class products and brands
- GM's restructuring plan is centered around these two pillars

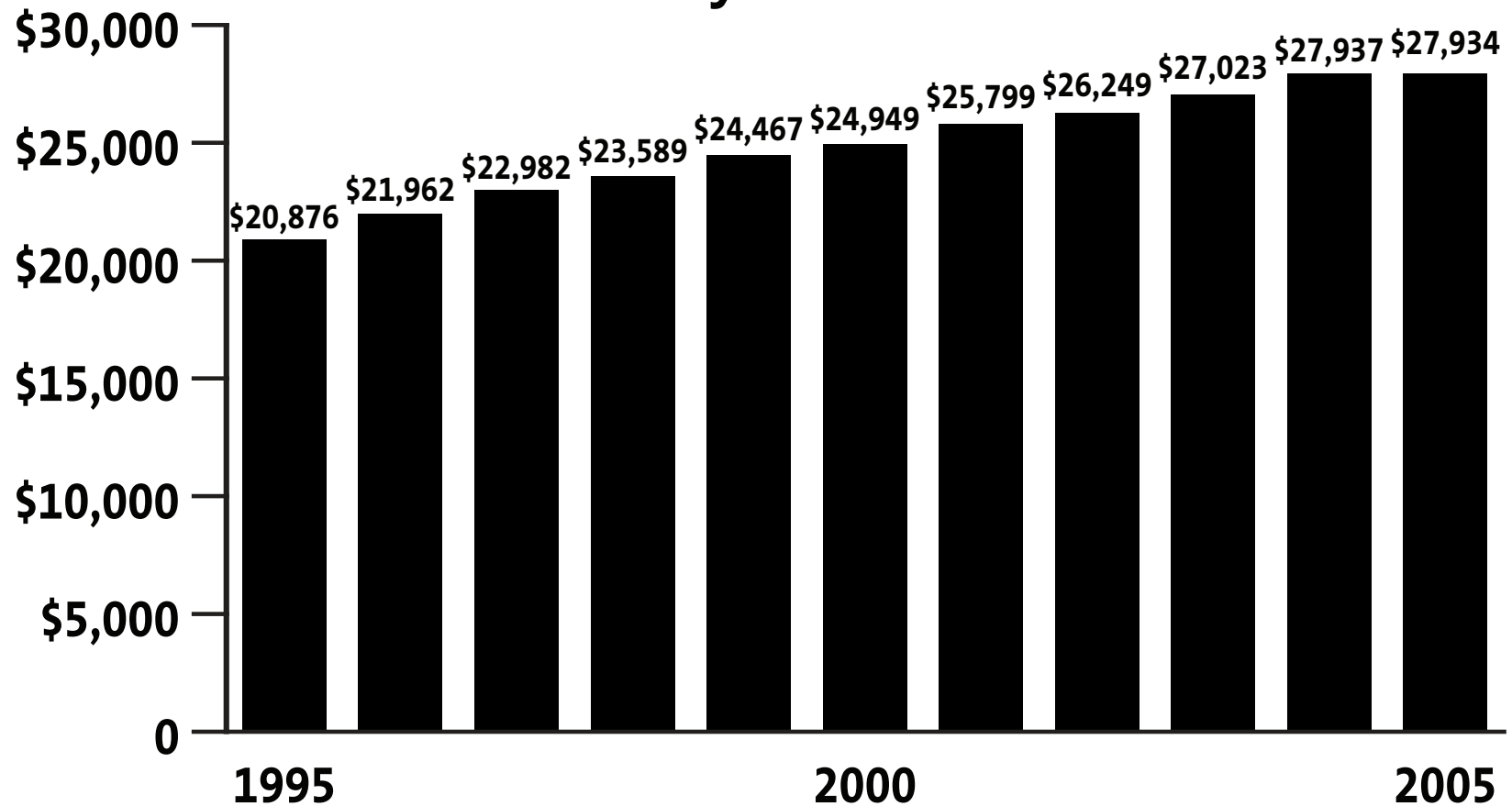
GM Turnaround – Cost Initiatives



GM now expects to reduce structural cost in North America by an average of \$7B on a running rate basis by the end of 2006 up from original target of \$6B thereby lowering GM's breakeven point

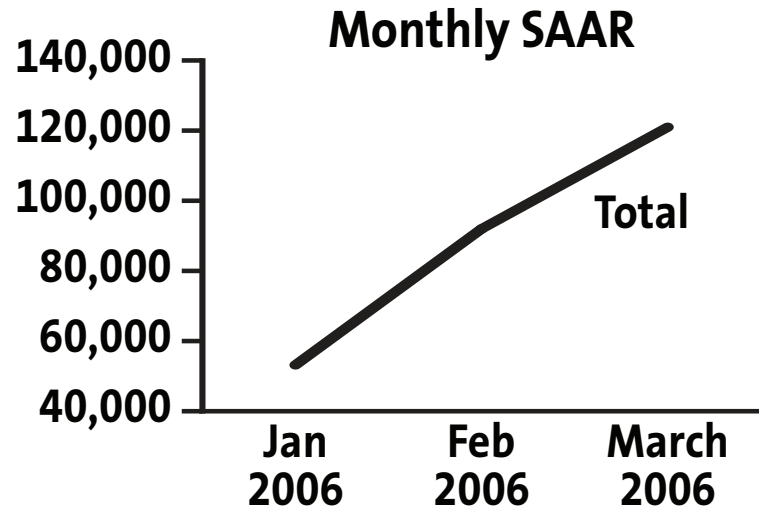
Plan Requires Revenue Growth As Well – An Essential Element Is To Move Up-market

U.S. Industry ATP Net of Incentives



Source: GMIA

2007 Chevrolet Tahoe



| | <u>Month</u> | <u>ATP</u> |
|------------|--------------|------------|
| Tahoe | Feb 2005 | \$33,394 |
| 2007 Tahoe | Feb 2006 | \$41,360 |

“It is classier inside and out, a little roomier in most ways & boasts improved fuel economy.”

– *USA Today*

“The design, especially in the cabin, is sophisticated, almost luxurious.”

– *The Mercury News*

“Ride was smooth without floating or being hard to manage.”

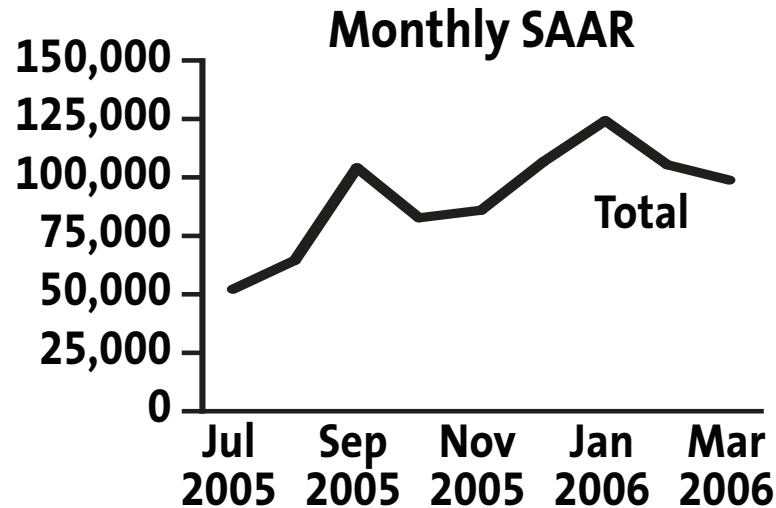
– *Chicago Tribune*

“The Tahoe is a quiet cruiser on the highway, with muted engine sounds & little wind or road noise. Interior materials have a quality look & workmanship, & there are no exposed nuts or bolts. Even the seat tracks are concealed.”

– *JS Online*

Source: GMIA, JD POWER PIN, PIN Spending Report

2006 Chevrolet HHR



| | <u>Month</u> | <u>ATP</u> |
|----------|--------------|------------|
| 2006 HHR | Feb 2006 | \$19,044 |

“Judged by performance and comfort attributes, as well as solid build quality, the HHR is actually one of GM’s most appealing vehicles.”

– cars.com

“The switch gear had a good feel, and the audio system had a sophisticated look, decent sound and an audio input jack for MP3 players. Nice touch.”

– The Morning Call

“...the HHR has a commendable feel of solidity far beyond what we typically expect at this price point.”

– Orlando Sentinel

“The interior is airy, comfortable and easy to get in and out of.”

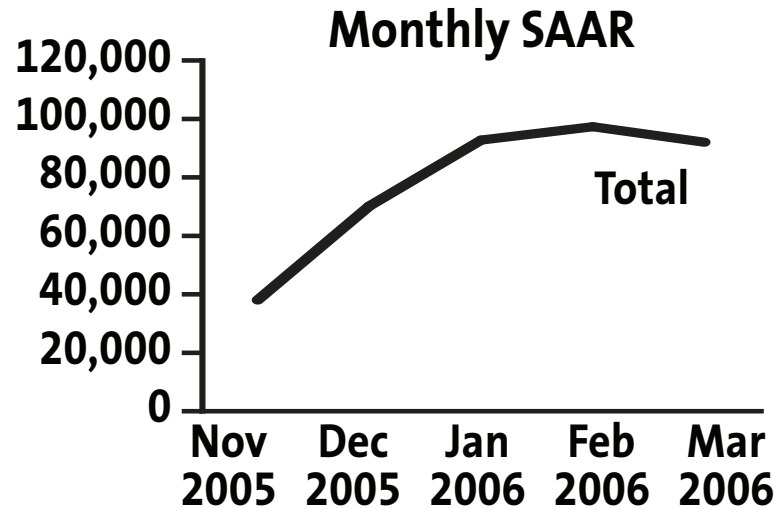
– LA Times

Source of Sales

| | <u>GM</u> | <u>Non-GM</u> |
|----------|-----------|---------------|
| Feb 2006 | 48.7% | 51.3% |

Source: GMIA, JD POWER PIN, PIN Spending Report

2006 Buick Lucerne



| | Month | ATP |
|--------------|----------|----------|
| LeSabre | Feb 2005 | \$25,408 |
| 2006 Lucerne | Feb 2006 | \$29,030 |

“What a fine surprise. Buick has replaced two cars, Park Avenue and LeSabre, with a single big sedan called Lucerne, and it’s a honey.”

– USA Today

“The Lucerne’s shape is modern, with tall shoulders, a short greenhouse and a windshield, roof and rear window line that flows smoothly, giving the body a more contemporary look than the three-box profile of its predecessors”

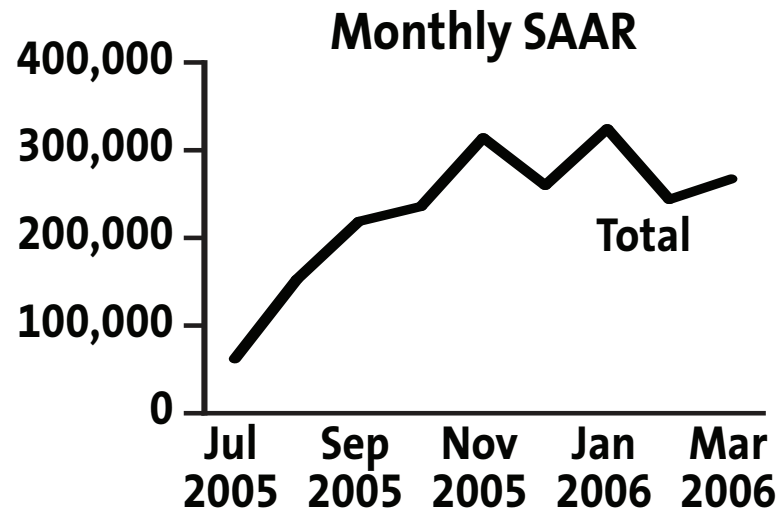
– NY Newsday

“It has plenty of spirit to stay ahead of the pack on the interstate, climbing inclines or pulling out to pass without hesitating on country roads. Lively yet quiet.”

– Chicago Tribune

Source: GMIA, JD POWER PIN, PIN Spending Report

2006 Chevrolet Impala



| | Month | ATP |
|-------------|----------|----------|
| Impala | Feb 2005 | \$18,937 |
| 2006 Impala | Feb 2006 | \$21,573 |

“A well-equipped, nice-driving, good-looking alternative to those Asian brands you’ve been thinking about.”
 – *USA Today*

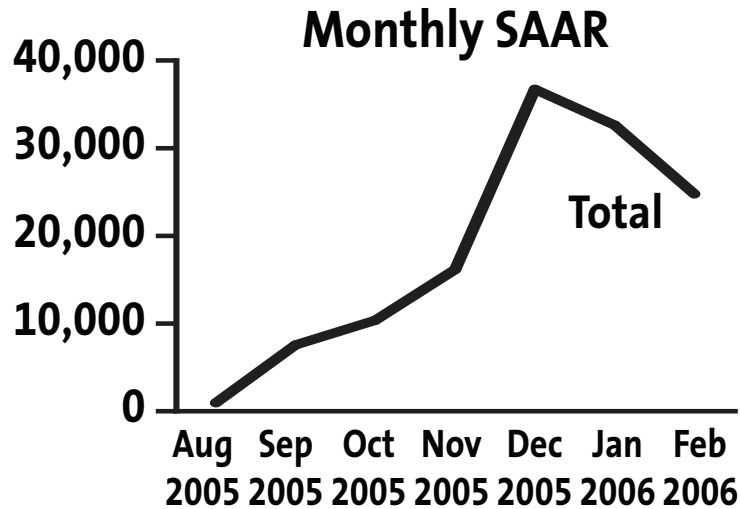
“And you can still put five adults inside quite comfortably, something that’s hard to do with some of the popular Japanese midsize sedans. The Impala has a midsize exterior, but the interior is roomy enough to earn the vehicle that large-car designation.”
 – *Star Telegram.com*

“Interior fit and finish are a huge improvement over the 2005 Impala and switchgear felt great; there was none of the gray plastic that has afflicted GM for too long. The design was clean and contemporary.”
 – *The Morning Call*

“The instrument panel is well designed, with most dials and switches placed within easy reach of the driver.”
 – *Washington Post*

Source: GMIA, JD POWER PIN, PIN Spending Report

2006 Pontiac Solstice



| | <u>Month</u> | <u>ATP</u> |
|---------------|--------------|------------|
| 2006 Solstice | Feb 2006 | \$25,442 |

“Visually, Pontiac’s two-seat roadster is a knockout. One of my friends asked if it was a Porsche.”
 – *Kansas City.com*

“It shows that Pontiac’s parent, General Motors, can hustle up credible models from scratch in quick time – a little more than two years.”
 – *USA Today*

“But the Solstice packs a visceral punch from almost any angle and exhibits the agility of a large cat.”
 – *Detroit News*

“Its stubby roadster proportions are perfect, with the compact aggression of a Japanese short sword. The twin headrest humps on the rear deck look like they were borrowed from a Zagato-bodied Aston Martin.”
 – *LA Times*

Source of Sales

| | <u>GM</u> | <u>Non-GM</u> |
|----------|-----------|---------------|
| Feb 2006 | 48% | 52% |

Source: GMIA, JD POWER PIN, PIN Spending Report

More To Be Done And It Is Essential That We Go To Market As the “Value” Leader

Issue

- Ever increasing sales incentives have led to:
 - Poor resale values
 - Consumer confusion
 - Salesperson focus on the “deal” instead of the product
- Dramatic month to month swings in retail volume

This is inconsistent with successful business model in the U.S. market

Go To Market As The “Value” Leader

- Developed compelling price points in early January, price repositioned 57 of 76 models or 80% of sales volume
- Focus on brand/product strengths – best-in-class needs to be communicated
- Reduce marginally profitable vehicle sales – improve residuals and brand equity to support long-term growth

Near-Term Challenges Are Substantial

- A number of challenges continue to impact sales/share in the U.S.
 - Reduction in daily rent
 - Aggressive competitor actions
 - Focus on moving away from marginally profitable business
 - Industry mix has also been a challenge

- Our strategy is consistent with the GMNA restructuring goal to stabilize our retail sales rate in a profitable manner, while leveraging our new products and focusing on building our brands

Key For GM Is To Execute Our Strategy In A Global Competitive Market

- Address cost competitiveness
- As part of the GMNA restructuring plan, aggressively reduce marginal unprofitable business
- New products, emphasis on industry leading value and building our brands are the keys to stabilizing and then improving U.S. business – signs below top-line results are initially positive
- Long-term winning business model requires profitable revenue growth – and this requires world class product and healthy brands