

# Forward Looking Statements

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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, health care cost reductions and an accelerated attrition program 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 GM'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; our ability to complete the sale of a 51-percent controlling interest in GMAC and the effect of that sale 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 its mortgage subsidiaries operate, and changes in its 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 the sale of a 51-percent controlling interest in GMAC; significant changes in the competitive environment and the effect of competition in GMAC's and GM's markets, including on GMAC's and GM's pricing policies; GMAC's ability to maintain adequate financing sources and 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 GMAC; changes in the residual value of off-lease vehicles; changes in U.S. government-sponsored mortgage programs or disruptions in the markets in which GMAC's mortgage subsidiaries operate; changes in GMAC's contractual servicing rights; costs and risks associated with litigation; changes in GMAC's 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.

Use of the term "loans" describes products associated with direct and indirect lending activities of GMAC's global operations. The specific products include retail installment sales contracts, loans, lines of credit, leases or other financing products. The term "originate" refers to GMAC's purchase, acquisition or direct origination of various "loan" products.

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.

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## Reg G Reconciliations

Additionally, in accordance with Regulation G, supplemental financial disclosure is included which provides a quantitative reconciliation of non-GAAP financial disclosures addressed in the context of the following chart set to GM's GAAP financial results and provides definition around non-GAAP terminology addressed. Also GM's form 8-K filed 4/20/06 for quantitative reconciliations to GAAP.



# Q1 Financial Review

**Fritz Henderson**  
*Vice Chairman & CFO*

# ***2006 First Quarter Highlights***

- Adjusted EPS \$(0.94), \$(529)M Net Loss more than accounted for by impact of \$1B contribution related to GM-UAW hourly retiree health care agreement [\$681M after-tax, \$(1.20) EPS]
  - Contribution recognized in Q1 due to March 31 court approval and reflected in operating results consistent with future health care savings
- Reported EPS \$(0.57), \$(323)M Net Loss including special items
  - Special items of \$206 million mostly related to gain on sale of Suzuki, partially offset by restructuring charges in GMNA, GME and GMLAAM
- Higher production volumes, improved mix and higher pricing contributed to improved GMNA operating earnings
- Profitability reported in GME, GMLAAM, GMAP and GMAC
- Automotive liquidity stronger at \$21.6B

## *First Quarter Adjusted Results – Net Income*

<b>\$ Millions</b>	<b>2005</b>	<b>2006</b>	<b>2006 Fav/(Unfav) 2005</b>	<b>Memo: DC VEBA Contribution in 2006*</b>
GMNA	(1,513)	(946)	567	(484)
GME	(92)	88	180	0
GMLAAM	31	56	25	0
GMAP	70	81	11	0
Total Auto	<u>(1,504)</u>	<u>(721)</u>	<u>783</u>	<u>(484)</u>
GMAC	728	605	(123)	0
Corporate Other	<u>(212)</u>	<u>(413)</u>	<u>(201)</u>	<u>(197)</u>
Total Net Income	<u>(988)</u>	<u>(529)</u>	<u>459</u>	<u>(681)</u>
EPS (excl. Special Items)	\$(1.75)	\$(0.94)	\$0.81	\$(1.20)
Worldwide Production (000)	2,204	2,411	207	
Global Market Share	13.3%	13.2%	(0.1) p.p.	

\* Represents GM funding of Defined Contribution VEBA per GM-UAW hourly retiree health care agreement approved by the courts on 3/31/06; no benefits from this agreement are included in Q1 2006 results.

For reconciliation to GAAP figures, please refer to supplemental charts provided in the Q1 2006 earnings package reviewed on 4/20/06 and posted at the GM Investor Relations website

# *First Quarter Adjustments to Income*

	\$ Millions	EPS
Adjusted Net Income	(529)	\$(0.94)
<u>Special Items (after-tax)</u>		
Suzuki Gain on Sale	317	0.56
Restructuring Charges/Other	<u>(111)</u>	<u>(0.19)</u>
Total Special Items	206	0.37
Reported Net Income	<u><u>(323)</u></u>	<u><u>\$(0.57)</u></u>

## Exclusion of special items useful for:

- Management to measure operations
- Comparisons between reporting periods
- Investors to measure and assess company performance

## ***North America First Quarter Adjusted Results***

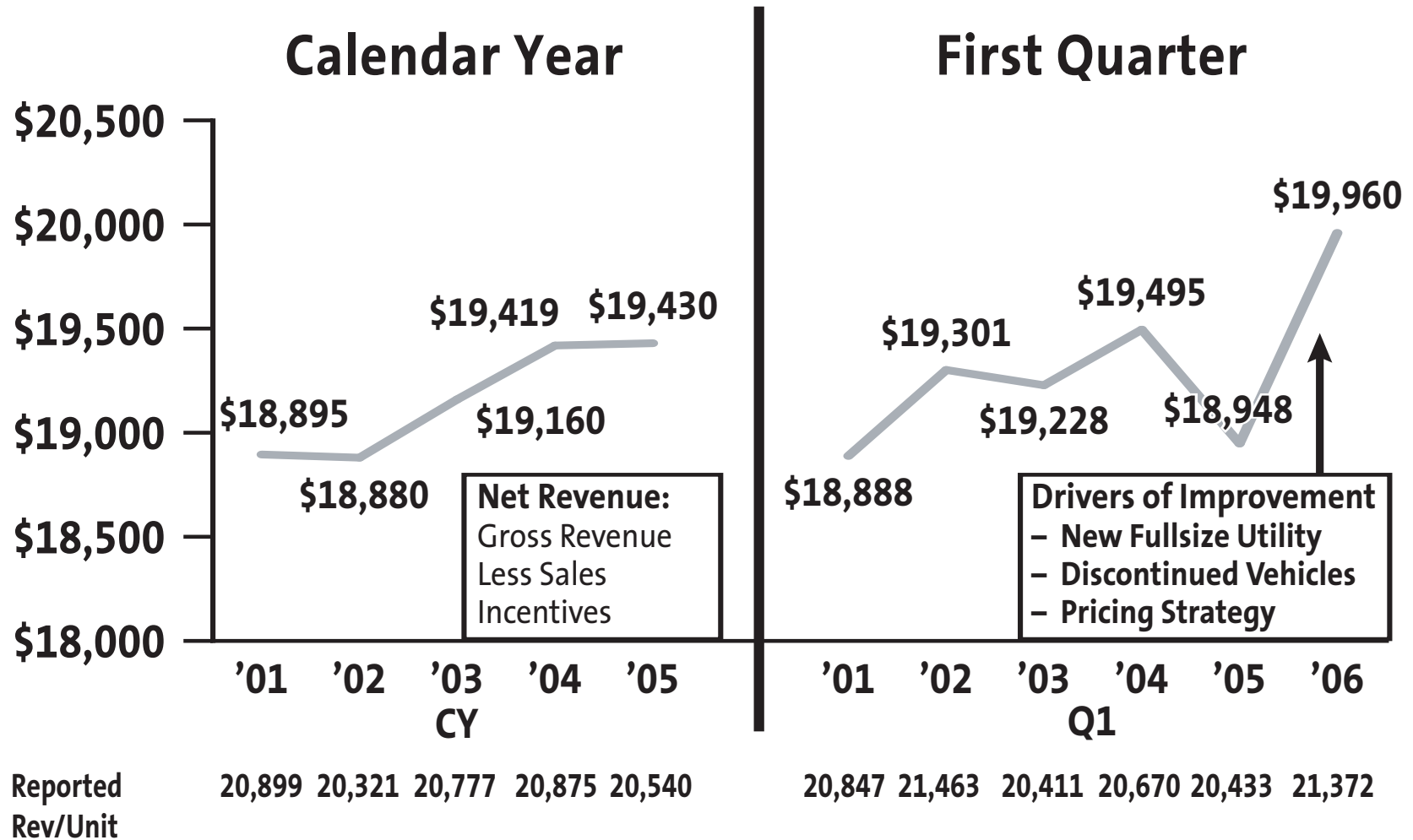
<b>\$ Millions</b>	<b>2005</b>	<b>2006</b>	<b>2006 Fav/(Unfav) 2005</b>
Revenue	25,227	28,531	3,304
Net Income (Loss)	(1,513)	(946)	567
Memo: DC VEBA included in above	0	(484)	(484)
Net Margin	(6.0)%	(3.3)%	2.7 p.p.
<b>North America</b>			
Production Volume (000)	1,182	1,255	73
Market Share	25.2%	23.7%	(1.5)p.p.
<b>United States</b>			
Industry SAAR (Mil.)	17.1	17.4	0.3
Market Share	25.4%	23.8%	(1.6)p.p.
Retail/Fleet Mix - % Fleet	26.9%	30.0%	(3.1)p.p.
Dealer Inventory (000)	1,243	1,169	74

# ***North America Adjusted Net Income***

## ***Q1 2005 vs. Q1 2006***

Q1 2005 Net Income	\$ (1.5) B
DC VEBA Contribution	(0.5)
Volume & Mix	0.6
Net Price (Including Sales Allowances)	0.5
	<hr/>
Q1 2006 Net Income	\$ (0.9) B

# GMNA Vehicle Revenue Per Unit



Memo: Vehicle Revenue per Unit excludes such items as impact of daily rental acctg., Service Parts, other outside sales and OnStar  
 For reconciliation to GAAP figures, please refer to supplemental charts provided in the Q1 2006 earnings package reviewed on 4/20/06 and posted at the GM Investor Relations website

## *Other Automotive Regions Profitable*

\$ Millions

Net Income (Adj.)	2003CY	2004CY	2005CY	Q1 2006
GME	(248)	(691)	(357)	88
GMLAAM	(329)	60	147	56
GMAP	576	730	583	81

### GME

- Restructuring program on track – Q1 2006 improved \$180M vs. Q1 2005
- Approx. \$600M in annual structural cost savings by 2007
- Continued focus on contribution margin improvement

### GMLAAM

- Industry growth across all markets – Q1 2006 industry up 14% y-o-y
- GM share up to 16.9% in Q1 2006 vs. 15.4% in Q1 2005

### GMAP

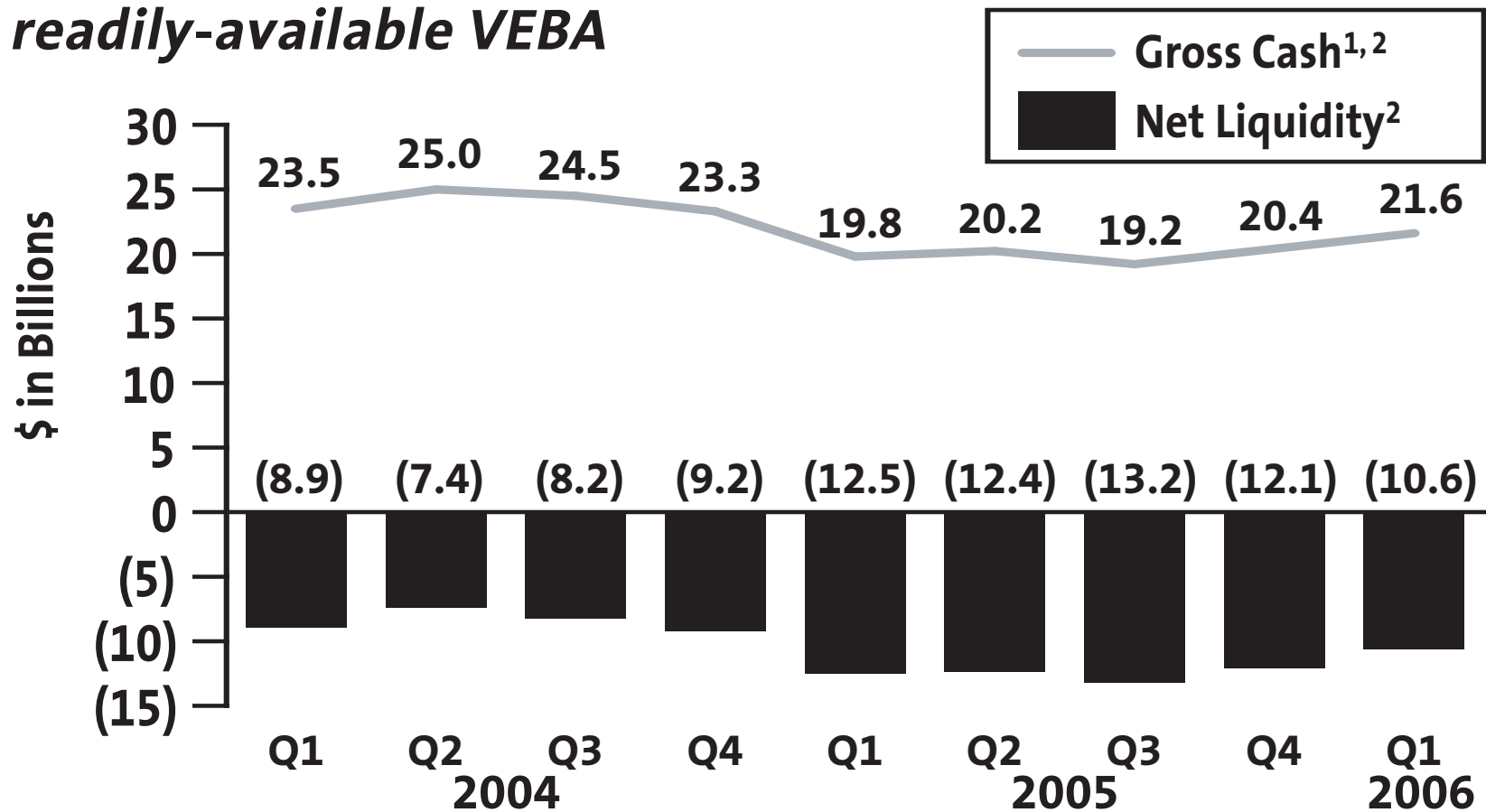
- Industry growth across most markets – Q1 2006 industry up 9% y-o-y
- GM share up to 6.4% in Q1 2006 vs. 5.0% in Q1 2005

# ***China Growth Remains Strong***

- China has demonstrated explosive growth this decade, with industry sales up 170% since 2000
  - Recent growth remains strong, with industry up 13% in 2005 following 15% growth in 2004
- GM results in China steadily outpacing industry growth
  - 35% overall growth in 2005 vs. 2004
  - 11.2% market share in 2005, 1.8 p.p. increase vs. 2004
  - Year-on-year share increases every quarter in 2005
  - China was GM's second largest market in 2005
- China off to a strong start again in 2006
  - Industry volume up 33% in Q1 2006 vs. Q1 2005
  - GM volume up 76% in Q1 2006, 13.5% GM share up 3.3 p.p. vs. Q1 2005

# Gross/Net Liquidity

**Automotive liquidity strong at \$21.6B including readily-available VEBA**



1 Cash, Mkt. Securities & Readily Available VEBA

2 Excluding Financing Operations

# *Managerial Cash Flow Summary\**

\$ Billions	Q1 2006
<b>Operating Related</b>	
Net Income (Automotive and Corp/Other)	(0.9)
Depreciation and Amortization	1.9
Capital Expenditures	(1.3)
Change in Receivables, Payables and Inventory	(1.6)
Pension/OPEB Expense (Net of Payments)	0.6
Proceeds from Asset Sales	2.0
DC VEBA Payable	1.0
Accrued Expenses and Other	(0.9)
<b>Total Operating - excluding VEBA Withdrawals</b>	<b>0.8</b>
VEBA Withdrawals	2.0
Total Non-Operating Related	(1.6)
<b>Net Change in Cash and Cash-related</b>	<b>1.2</b>

\* Excludes GMAC

# ***Liquidity & Balance Sheet Summary***

- GM has taken numerous steps recently to reduce long-term balance sheet risk and significantly bolster liquidity
- Balance sheet risk managed via:
  - UAW Retiree Health Care Agreement
  - Salaried Retiree Health Care Revisions
  - Salaried Pension Revisions
- Liquidity already strengthened via:
  - Sale of FHI stake – \$0.8B realized Q4
  - Sale of Suzuki – \$2.0B realized Q1
  - Dividend cut announced Q1 – savings of \$0.5B annually
- Additional actions to strengthen liquidity yet to be realized
  - Sale of Isuzu stake - \$0.3B to be recognized Q2
  - Sale of 51% interest in GMAC

# ***GMAC Transaction Summary***

Transaction ..... Sale of 51% of GMAC common interest by GM to consortium (Certain retail and lease assets retained by GM)

GM Cash Proceeds..... Anticipate \$14B over 3 years \$10B by closing

Consortium Investors..... Cerberus Capital Management, L.P.  
Citigroup  
Aozora Bank Ltd.

Anticipated Closing..... Fourth Quarter 2006

## ***GMAC Transaction Benefits to GM***

- De-linked GMAC credit rating preserves value
- Liquidity benefit: \$14B in cash over 3 years, \$10B received upfront
- 49% equity in a stronger GMAC
- Strong Services Agreements that preserve mutually beneficial historical relationship
- Significant annual payments to GM

# *Delphi Update*

- Resolution of Delphi is top GM priority
- GM/UAW/Delphi attrition program was a good start
- All parties motivated to find a consensual solution without disruption to GM supply
- GM has estimated that it will incur obligations, including those under the Benefit Guarantee, ranging from \$5.5B - \$12.0B
  - GM believes that the likely outcome is in the low end of this range
- The restructuring of Delphi also provides GM with an opportunity to reduce or eliminate a purchase price premium of about \$2B a year

## Key GMNA Financial Drivers 2006 CY vs. 2005 CY

Revenue	1/13/06 Outlook	Current Outlook vs. 1/13	Cost	1/13/06 Outlook	Current Outlook vs. 1/13
U.S. Industry Volume	↔/↓	Same (Lower U.S. Share)	Material Cost	↓	Worse
Impact of Reduced Fleet on Revenue/Unit	↑	Same	Health Care	↓	Better
U.S. Inventory	↔	Same	Capacity Related	↓	Same
Net Pricing	↓	Better	Other Structural Cost	↓	Better
Product Mix	↑	Same	Pension Asset Returns	↓	Same
			Discount Rate	↑	Better

***Continue to Expect Significant Improvement in Operating Profitability vs. 2005 CY\****

\* Before special items

# *Summary*

- Significant improvement in corporate profitability vs. Q1 2005
- Improved results in GMNA driven by volume, mix, and price
- GME, GMLAAM, GMAP, and GMAC all profitable
- Automotive liquidity stronger at \$21.6B
- Overall, good progress; much more work to do