

Safe Harbor

In the presentation that follows and in related comments by General Motors management, our use of the words “expect”, “anticipate”, “estimate”, “forecast”, “objective”, “plan”, “goal”, “project”, “outlook”, “priorities/targets” and similar expressions is intended to identify forward looking statements.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described in GM’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: changes in economic conditions, currency exchange rates or political stability; shortages of and price increases for fuel, labor strikes or work stoppages; health care costs; market acceptance of the corporation's new products; pace of product introductions; significant changes in the competitive environment; changes in laws, regulations and tax rates; and, the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.



Global Purchasing Update

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Global Purchasing and Supply Chain

Global Purchasing

- What We Do
- How We Do It
- Challenges and Opportunities

Global Purchasing Summary

- Supply Base performance good in areas of Delivery, Quality and Launch
- Convergence of issues (raw material, global competition) presenting challenges
- GM's growth in Eastern Europe, Korea and China highlighting new opportunities
- To regain and increase previous momentum:
 - Continue to leverage global size
 - Aggressive restructuring of Supply Base
 - Accelerate footprint shift
 - Increase speed of execution on global complexity reduction

***Our Goal Is to Manage GM's Global Supply Chain
and Help Us Build Competitive Advantage***

3,200 Suppliers

15,000-20,000 New Parts

65 Vehicles/14 Architectures

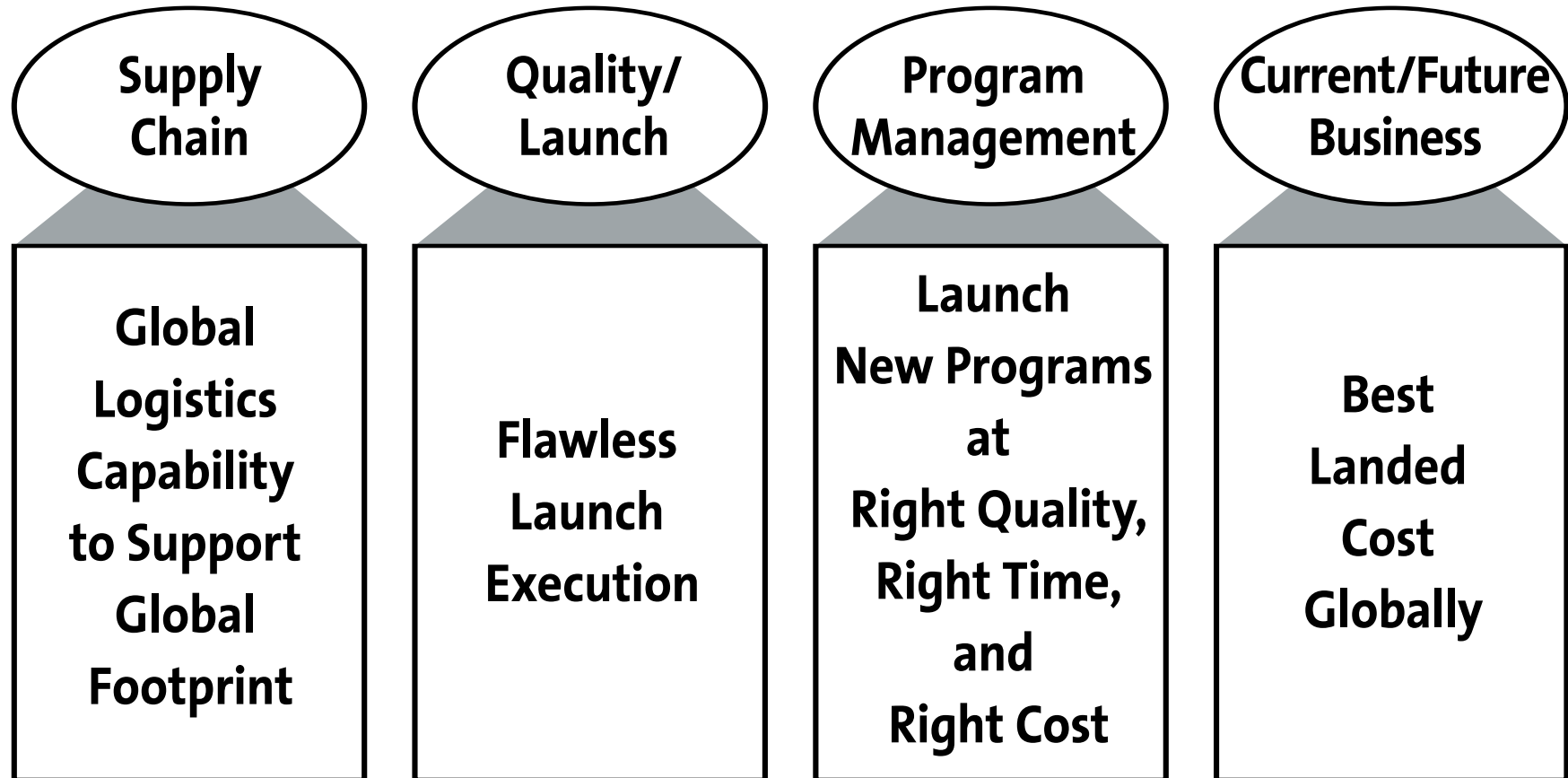
160,000 Part Numbers

\$6 Billion Logistics/\$13 Billion Indirect M&E

\$85 Billion in Direct Material Purchases

Managed by 4,000 Employees in 40 Countries

Global Purchasing and Supply Chain Priorities



Priorities Aligned with Corporate Strategies

How We Work

Pre 2005

Chemical

Electrical

Metallic

2005

Exterior

Interior

Electrical

HVAC

Chassis

Powertrain

Structures & Closures

Benefits of Restructuring

- Greater alignment with Global Engineering
- Product focused/global platforms
- More focus on parts/components and opportunities
- More global focus on complexity reduction

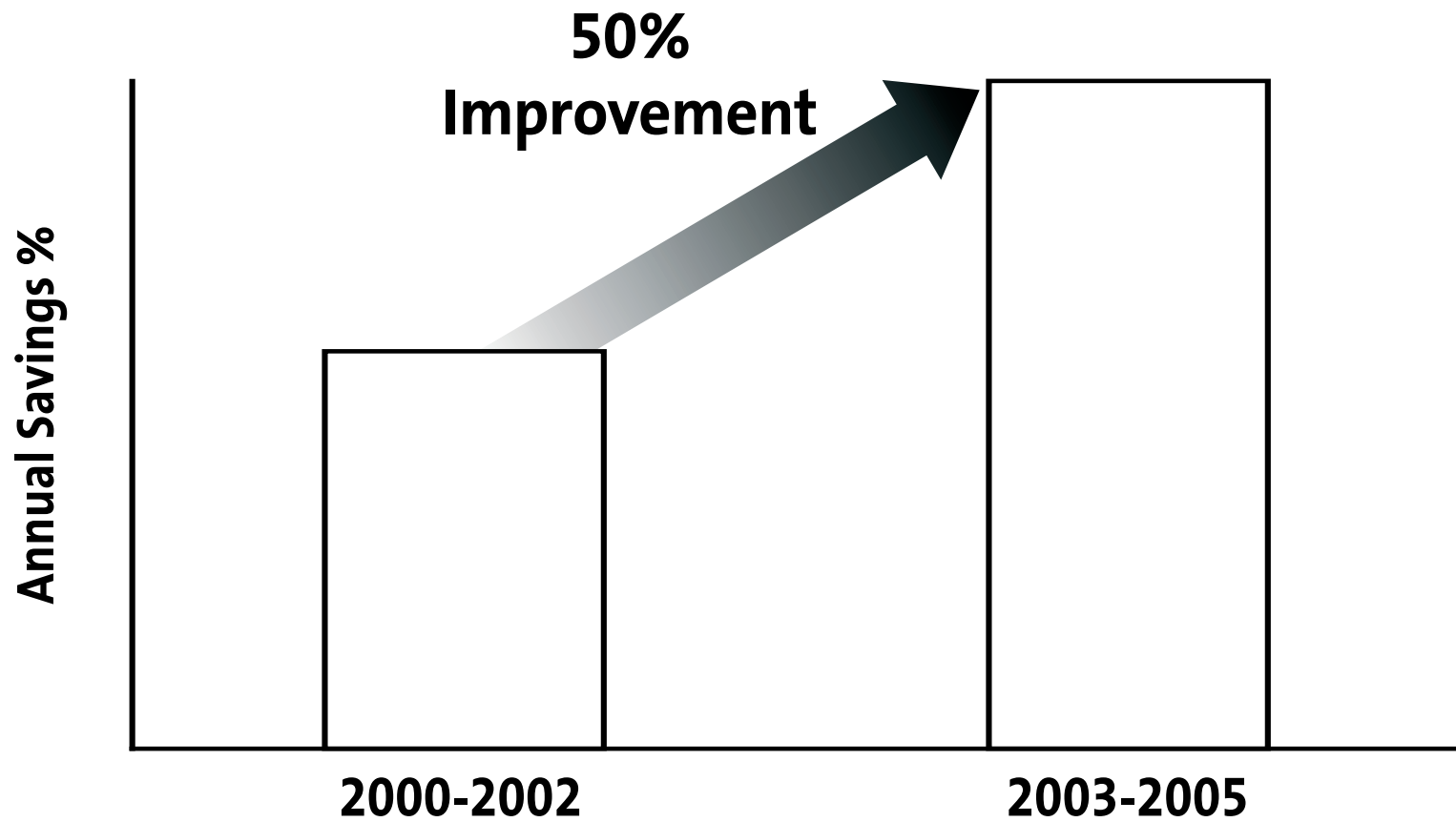
“20 in 3” What We Learned

Has been effective to drive:

- Stretch mentality (internal and external)
- Multiple year focus/targets
- Purchasing/Engineering alignment
- Consistent metrics and message to Supply Base
- Development of new tools (e.g., Benchmark/
Teardown, Co-Sourcing and Value Chain)

Driven Different Behavior Internally and Externally

“20 in 3” Results – Top 28 Suppliers



Improved Results vs. Prior Years

Material Cost Reduction Over Time

Present

- + Competitive sourcing
- + Capabilities in low cost regions
- + Deeper into value chain
- Raw material pressures
- Reduced GMNA volume
- Excess capacity
- Added content w/o price



Future

- + Global platforms
- + Restructure Supply Base
- + Component sourcing
- + Footprint optimization
- + Raw material mitigation



Have Strategies to Regain Momentum

Supplier Integration – Seat System Example

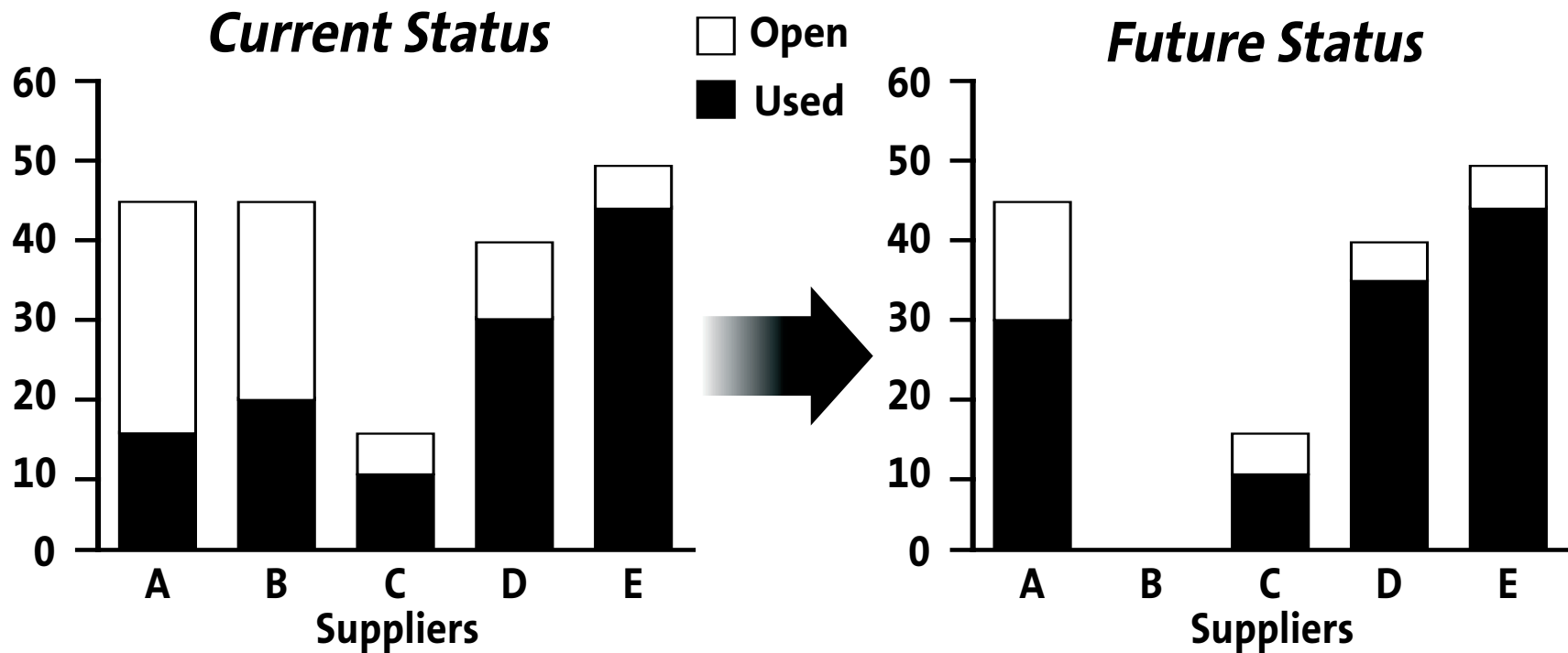


Strategies

- “Right” level of supplier integration
- Capitalize on opportunity for Bill of Material re-use of structures
- Optimize footprint for trim covers, leather and fabric

***The Key Is Finding Right Level of Supplier Integration
to Maximize Value for the End Customer***

Restructuring of Supply Base – Capacity Utilization Example



- 5 global suppliers
- 62% average capacity utilization

- 4 global suppliers
- 80% average capacity utilization

Consolidating Volume with Best Suppliers

Restructuring of Supply Base – Example

	Supply Chain	Quality/Launch	Program Management	Current/Future Business
Supplier A	G	G	Y	Y
Supplier B	G	Y	G	G
Supplier C	G	R	Y	Y
Supplier D	G	G	Y	R
Supplier E	R	R	R	R
Supplier F	Y	Y	Y	R

Grow
Supplier A
Supplier B

Fix
Supplier C
Supplier D

Exit
Supplier E
Supplier F

Supplier Footprint

- Develop local Supply Base for emerging markets
 - China, Korea, Eastern Europe
- Improve competitiveness in mature markets by sourcing right components to the right place globally
 - Centers of expertise and sustainable cost structure
- Supported by global organization and global strategies (architecture, Bill of Material re-use, etc.)

Objective to Achieve the Best Landed Cost Globally

Raw Material Mitigation Strategies

<i>Material</i>	<i>Mitigation Strategies</i>
Steel	<ul style="list-style-type: none"> ■ Multi-year contracts ■ Resale program for suppliers ■ Reduce usage/improve yield
Aluminum	<ul style="list-style-type: none"> ■ Switch to steel (ex. 800 liftgate)
Precious Metals	<ul style="list-style-type: none"> ■ Thrifting ■ Material substitution ■ Hedging
Copper	
Lead	<ul style="list-style-type: none"> ■ Hedging
Magnesium	

Troubled Supplier Challenges

- U.S. competitive pressures currently driving additional stress in domestic supply community
- Common themes in recent bankruptcies
 - Highly leveraged
 - Substantial merger/acquisition activity
 - Higher labor costs
 - High exposure of raw materials (petroleum, steel)
- Pro-active supplier management process
- Delphi continues to present its own challenges and opportunities

Conclusions

- Global Purchasing and Supply Chain has a long track record of contribution to GM
- Currently have some challenges to work through
- Strategies in place to overcome challenges and regain momentum