

# ***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 Business Update

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*Vice Chairman & CFO*

# ***Agenda***

- Economic /Auto Industry Update
- GM Regional Business Update
- Balance Sheet Strength

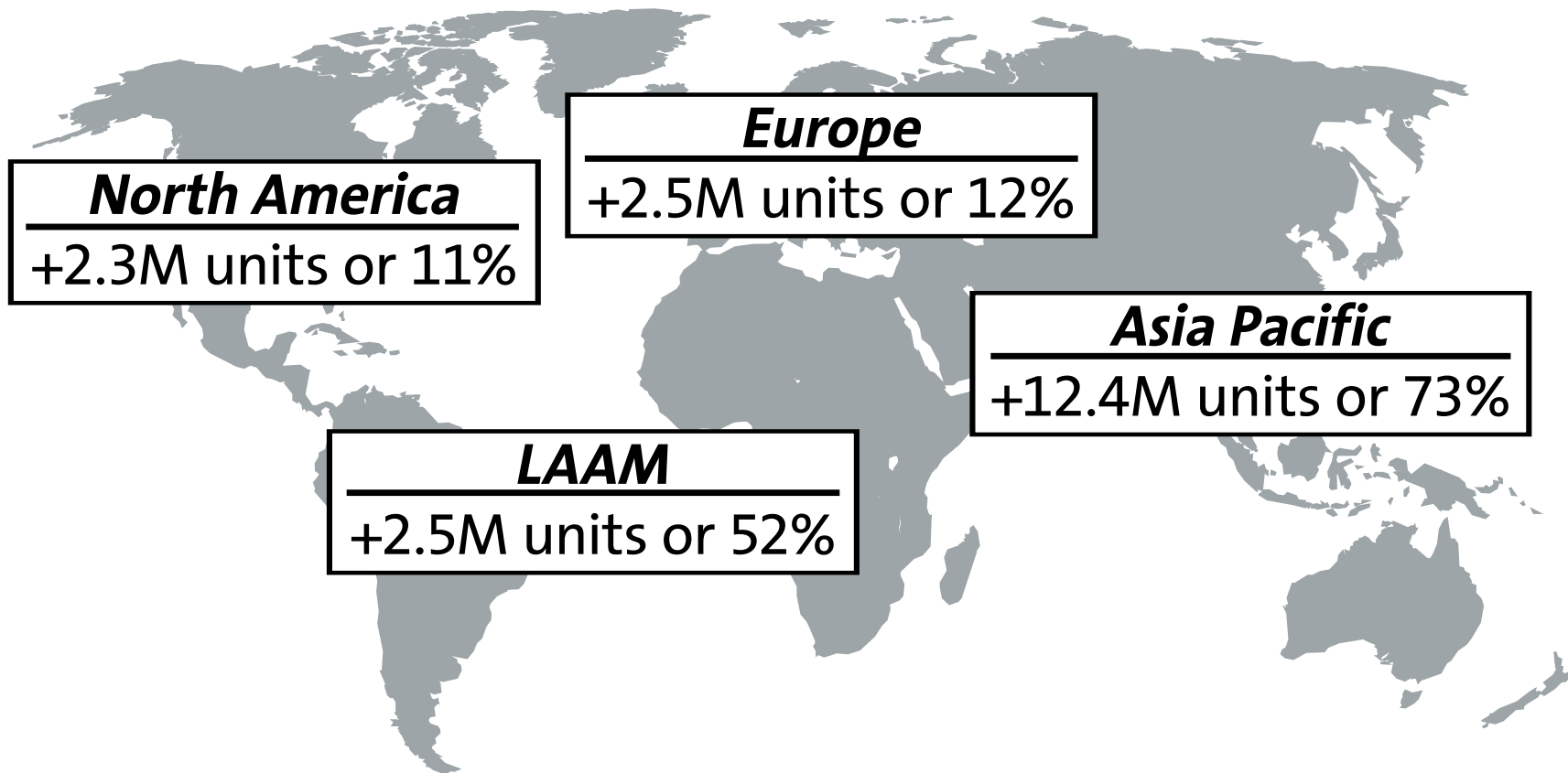
# ***Global Economic Update***

- Flattening of yield curve
- Oil price increases have exceeded expectations
- Global economic growth remains healthy
- U.S. economic expansion remains solid
- Western Europe shows some signs of a partial rebound
- AP has regained growth momentum
- LAAM economies continue to grow robustly

# ***Global Auto Industry Overview***

- Industry growth keeping pace with economy
  - 2.6% annual unit growth thru 2014
  - 6.2% annual revenue growth thru 2014
- Brisk growth in emerging markets
- Richening of mix in more mature markets
- Continued competitive pressure on products and pricing in key markets
- Price pressure and raw material cost increases providing challenges

# ***Global Industry Growth (2004-2014)***



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# ***GME***

- H1 net income loss of \$66M\*; Q2 profitable
- Market share thru July is 9.6%, up 0.1 p.p.
- GMDAT products providing market share gains
- Positive reaction to Zafira launch
- Solid material cost performance
- Pricing continues to be challenging

\* Adjusted basis, see Q2 Earnings Release on GM website for reconciliation to GAAP figures

## ***GME Restructuring Update***

- Expected headcount reduction of about 10,000 employees by end of 2005
- Modest amount of charge-offs in H2
- Results starting to impact profitability
- Continue focus on revenue optimization
- Pursuing growth opportunities in Eastern Europe and Russia

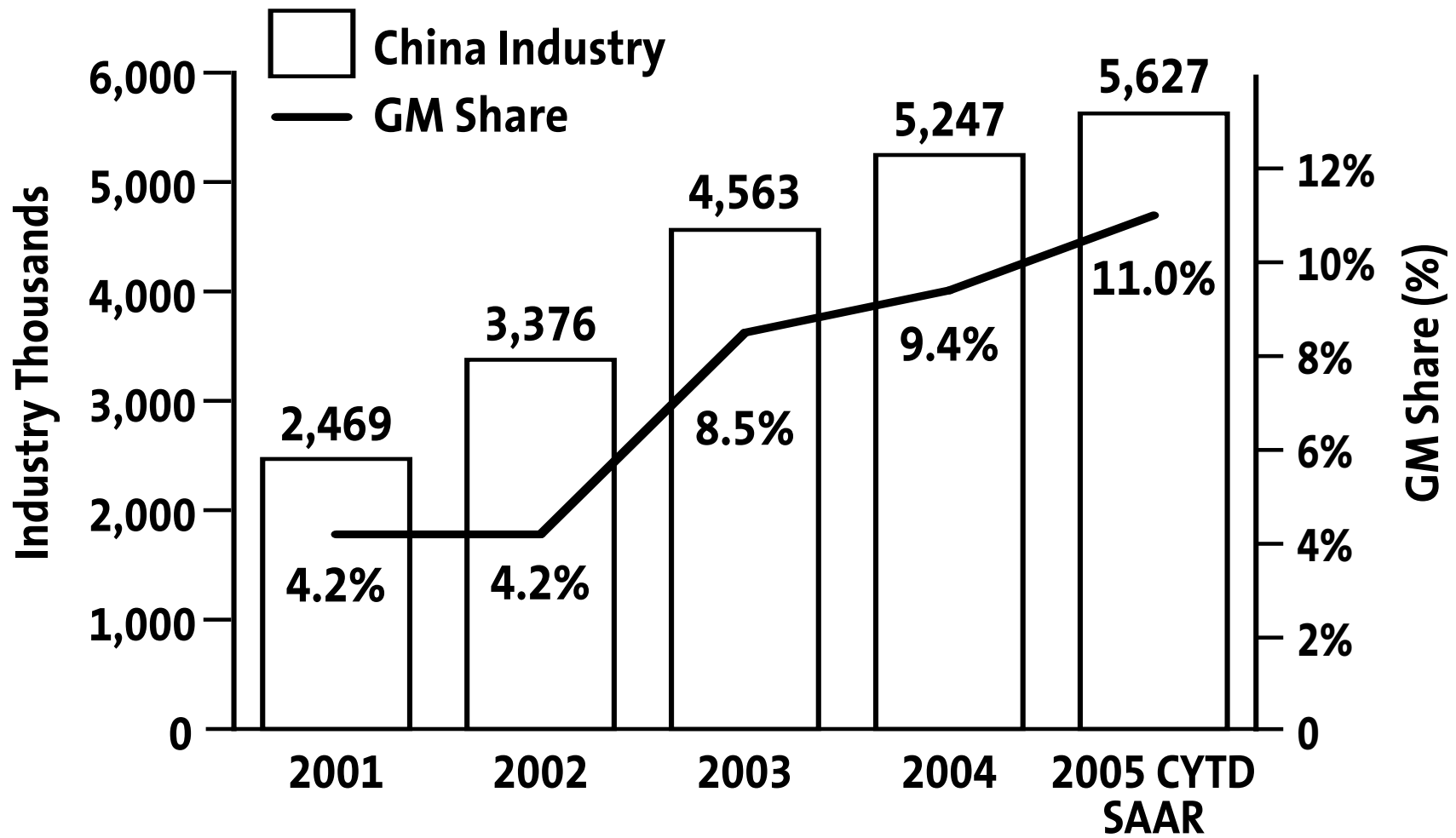
# ***GMLAAM***

- H1 net income \$79M
- Market share thru July is up 0.3 p.p., while industry is up 20%
- Brazilian Real appreciation negatively impacting export profitability
- South Africa industry up 27% and GM share up 2.4 p.p. (GMSA volume up more than 54%)
- Strong growth in Argentina, Venezuela and Middle East

# ***GMAP***

- H1 net income of \$236M
- Market share thru July is 5.6%, up 0.4 p.p., while industry is up 6.9%
- Pricing has moderated in China with resumption of strong industry growth
- GMDAT profitable in Q2 from increased export volume
- Strong industry growth in India and Thailand with GM gaining share
- Continues to provide strong growth opportunity

# China



# ***GMAC***

- H1 net income of \$1,544M
- Profitability on Financing business down
  - Rising borrowing costs
  - Partially offset by diversified funding and favorable credit experience
- Mortgage business net income up significantly y-o-y
  - Growth in market share, fee-based revenue and international operations
- Solid increase in net income from Insurance operations
  - Underwriting performance and portfolio returns

# ***GMAC Global Liquidity***

- Strong cash position of \$22.2B\*
- Over \$55B of unutilized bank lines, auto whole loan and conduit capacity
- Positive liquidity profile
- Continued large-scale access to ABS market at attractive spreads
- Expanded securitization capability
- Renewed access to unsecured market with recent €500 million debt offering in Europe and successful \$4B ResCap offering

\* Includes cash of \$19.7 billion and marketable securities of \$2.5 billion as of June 30, 2005

# ***GMAC Strategic Alternatives***

## ■ Objectives

- Maintain mutually beneficial “hand-in-glove” relationship between GMAC and GM
- Insure ongoing access to liquidity and cost competitive funding

## ■ Actions taken to date

- Formation of ResCap
- Auto Whole Loan Sale Agreement with Bank of America (up to \$55B)
- Agreement to sell a majority stake in commercial mortgage business

## ■ Continuing to evaluate options -- we will update as appropriate

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# ***Balance Sheet Strength***

- Strong, but needed, cash position
- U.S. Hourly and Salary pension plans fully funded
- Approximately \$20B in VEBA assets
- Automotive near-term funding requirements are not significant
- Positive liquidity profile at GMAC

# *Key Takeaways*

## ■ What is working

- Product – Focus on “Best Products”
- Balance Sheet strength
- GMAC profitability despite challenging environment
- Auto Business outside GMNA

## ■ Areas of focus for improvement

- GMNA structural cost – health care and capacity
- Material cost – supplier footprint, global platforms and working with troubled suppliers
- GMNA revenue enhancement – Total Value Proposition and reduce daily rent