

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”, “priorities/targets,” “outlook” 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; market acceptance of the corporation's new products; 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.



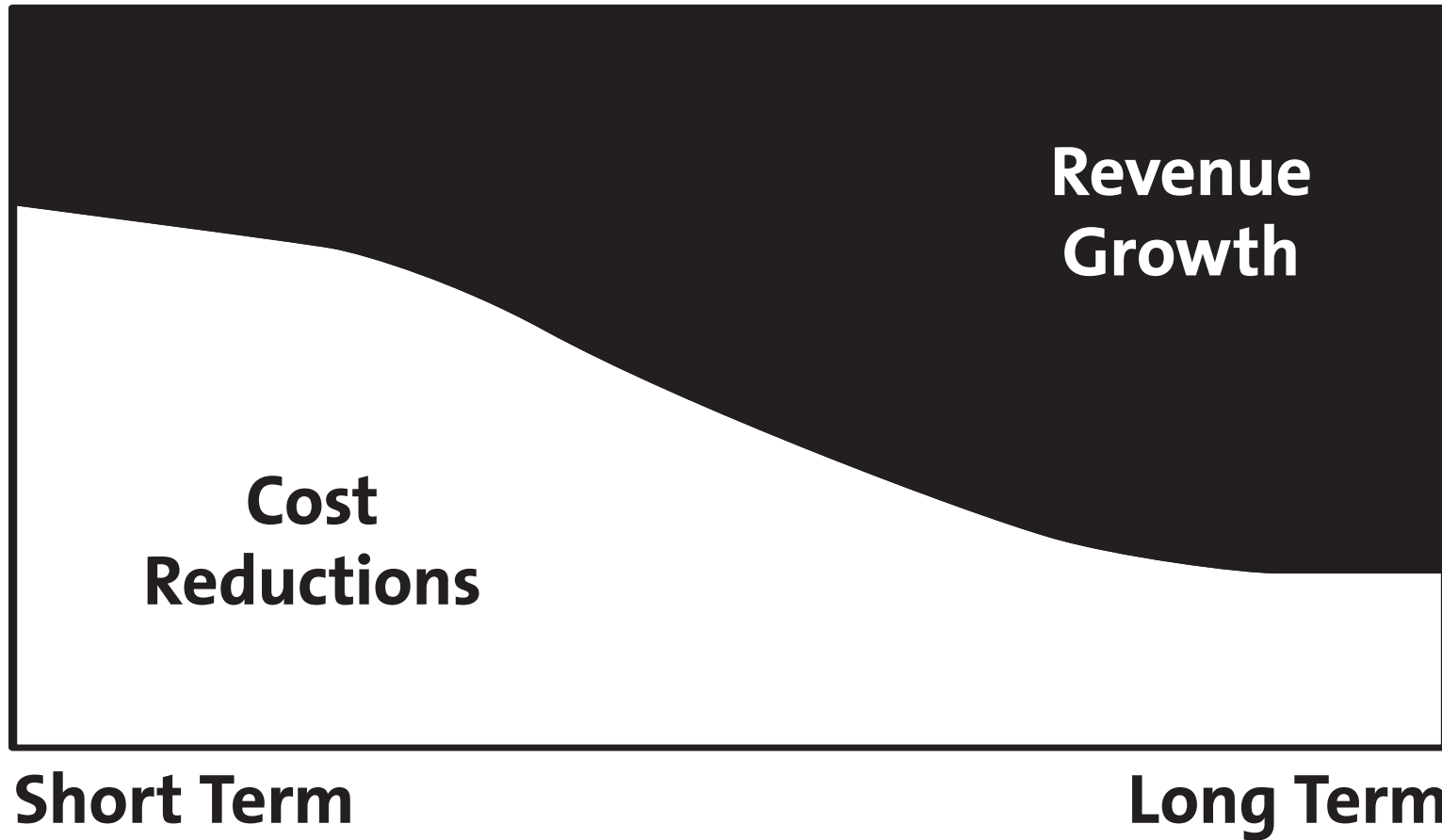
Europe Business Update

Fritz Henderson
Chairman, GM Europe

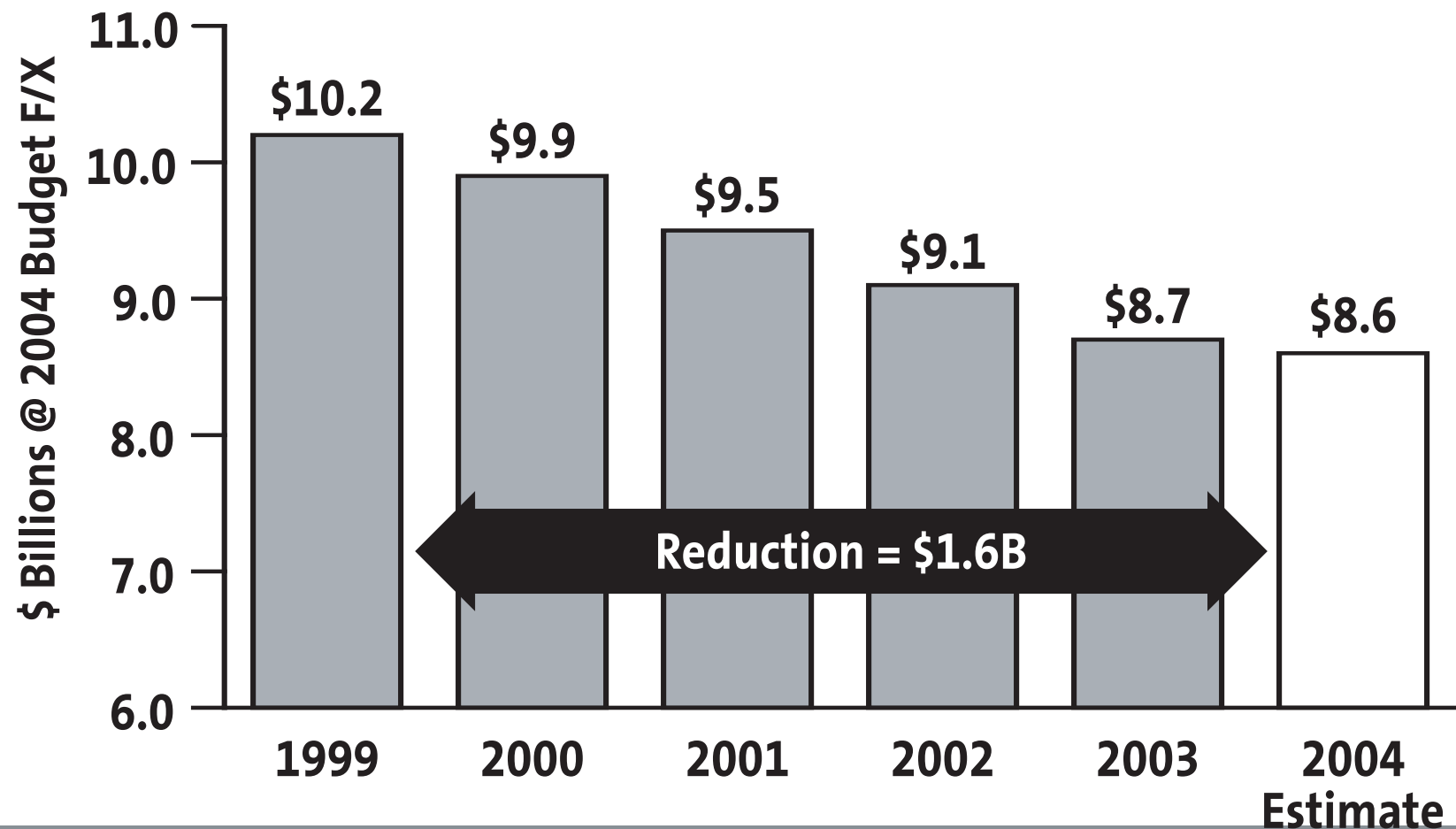
GM Europe Business Update

- Olympia – retrospective look
- Margin evolution and Opel/Vauxhall brand health
- 2004-2005 Restructuring Plan
- Restructuring Plan status
- GME turnaround priorities

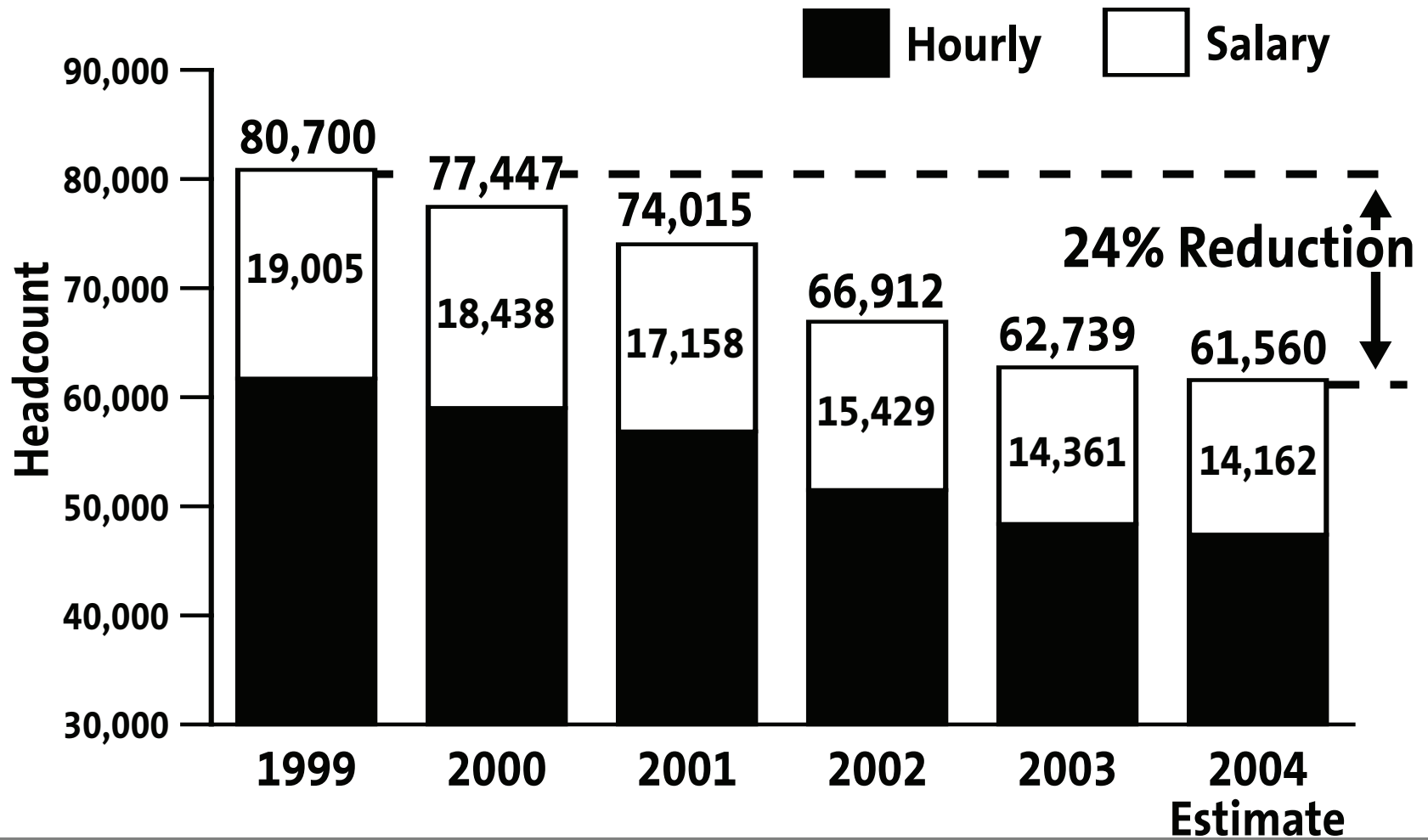
Project Olympia



GME Structural Cost Overview



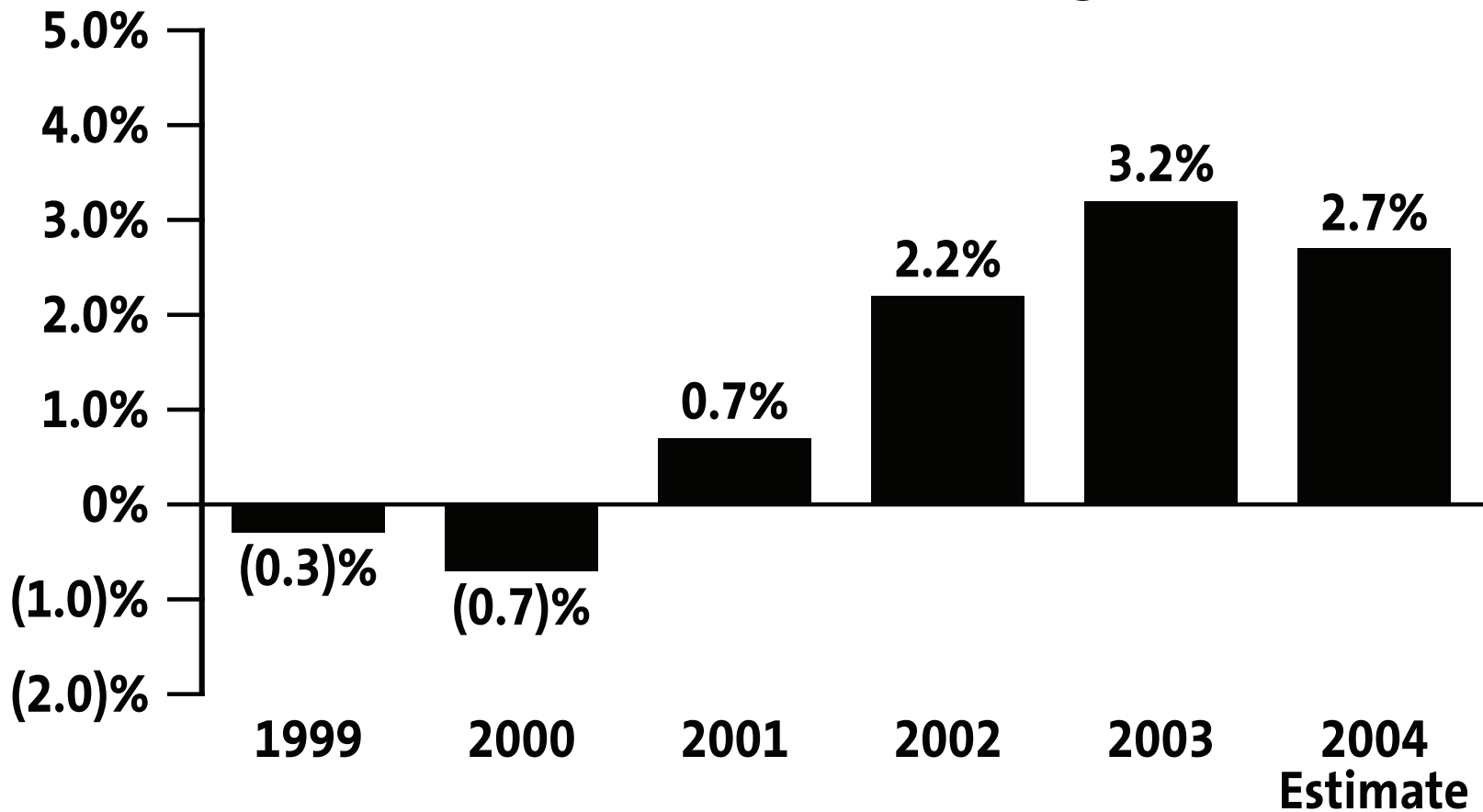
Headcount



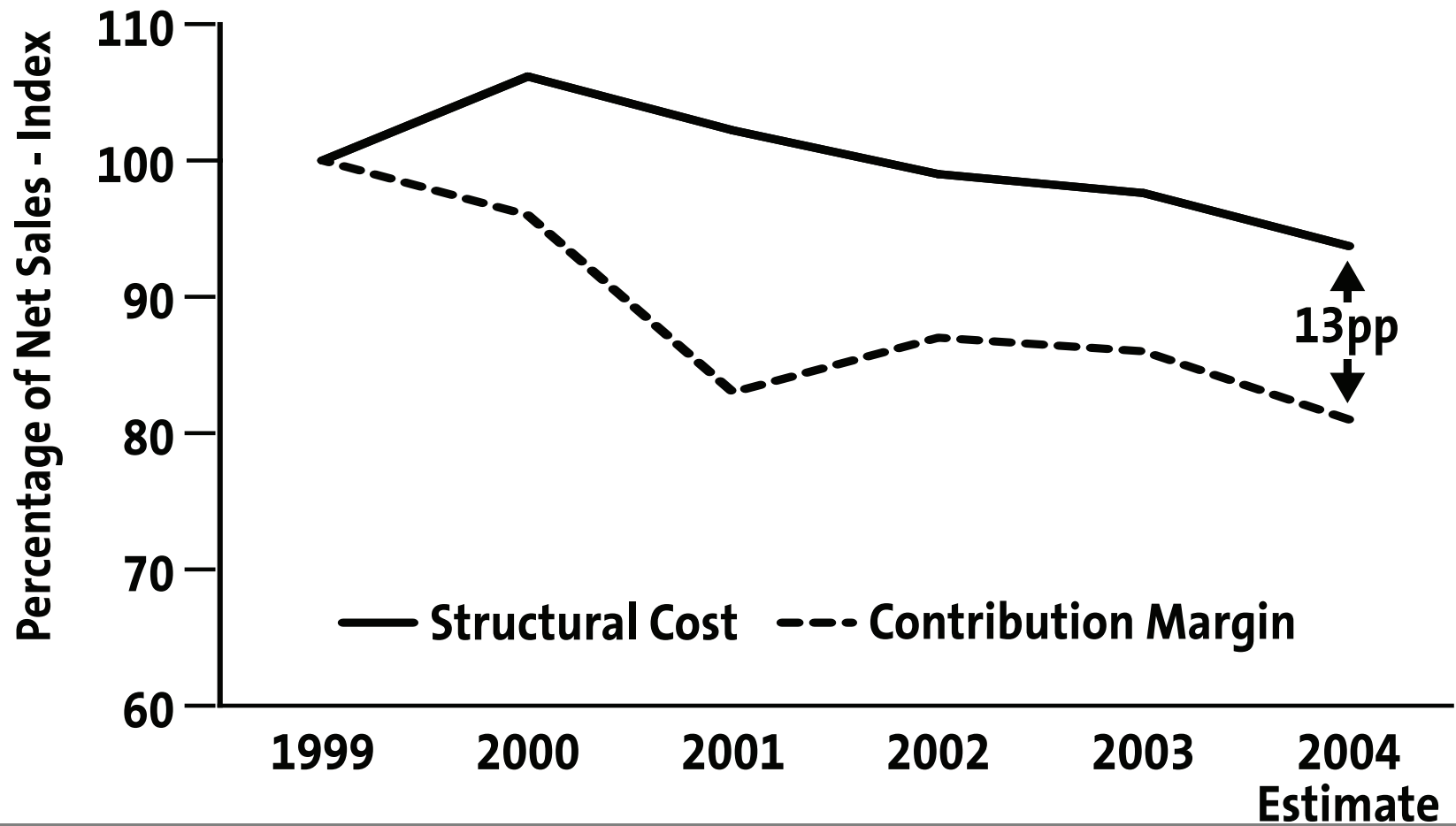
Note: Excluding JV's

Annual Net Material Cost Performance

More than \$1B Savings



GME Contribution Margin and Structural Cost



Overall European Market Observations

- Leading company share 16.6% (VW Group)
- Leading brand share 11.3% (Renault), with 7 brands between 5-10%
- Aggregate: Western European demand stagnant, from 17.2M units in 1999 to 16.7M in 2004
- Regulatory/policy pressures remain intense: fuel economy, emissions, pedestrian protection, block exemption, etc.
- Segment growth at low-end and premium, with squeeze for middle market brands like Opel/Vauxhall
 - On plus side, Daewoo/Chevrolet retail volumes in Europe grew 70.6% or 77.5K units in 2004 over 2002, without Diesels (to be introduced in 2006)

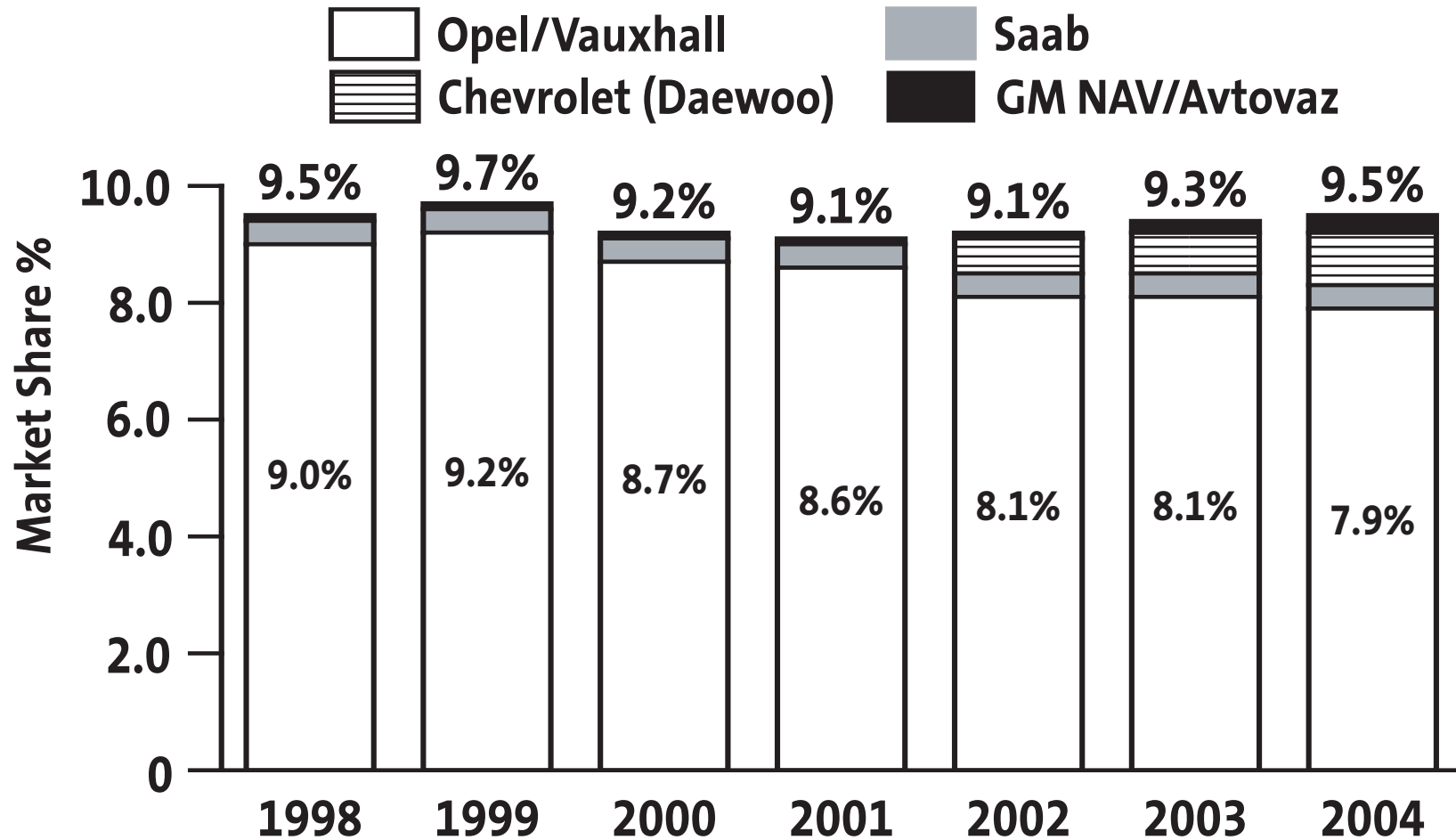
Opel/Vauxhall Brand Health Requires Urgent Action

- New product launches best opportunity
- While current quality improved, must deal with prior owner dissatisfaction
- Must continue to exercise true design innovation as we did with the Astra in all future product programs
- Continue work to build true retailer partnership in post-block exemption environment

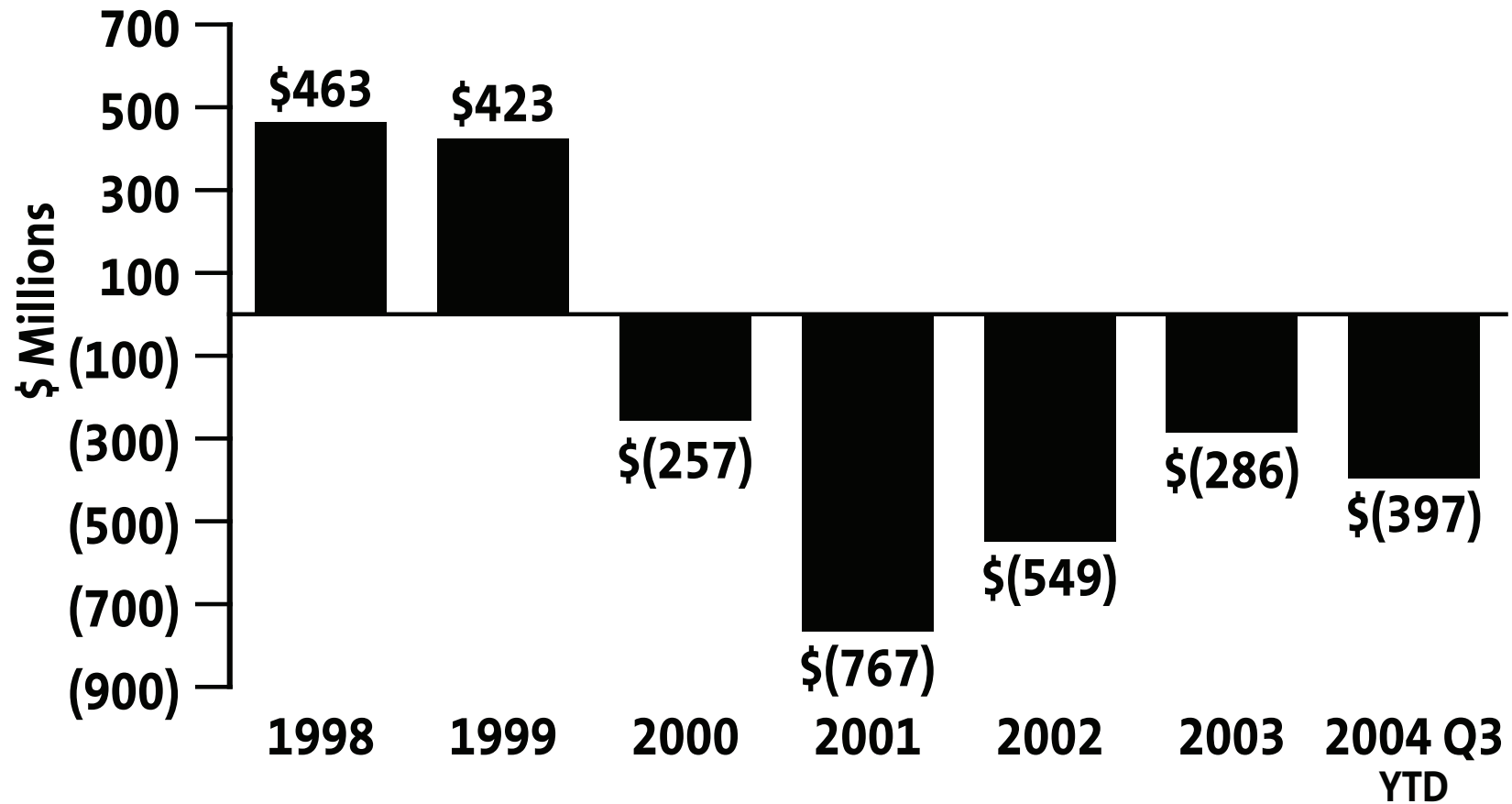
Margin Pressures

- Intensifying price pressure industry-wide
 - List prices down nearly 10% in WE since 1996 in real, equipment-adjusted terms
- Opel/Vauxhall also experienced “mix” pressures
 - Selling more small Corsas than larger Vectras (with Vectra segment shrinking)
 - Selling more to fleets (more large than small)
 - Selling more in Turkey and Eastern Europe, but less in more developed and higher margin markets (e.g., Germany)
 - Growth in diesels relative to gas at lower margins

GME Market Share – Total Europe



GME Net Income 1998-2004 Q3 YTD



Profit Margin: 1.8% 1.6% (0.9)% (2.7)% (1.9)% (1.0)% (1.9)%

Note: Refer to financial highlights for reconciliation to U.S. GAAP

(http://www.gm.com/company/investor_information/earnings/hist_earnings/index.html)

Competitiveness Restructuring Plan

- Manufacturing restructuring
- Engineering and design integration
- Sales and marketing functional reorganization
- Warehousing operation restructuring
- Administration reductions

Framework Agreement Reached on GME Restructuring Program

- Reduce structural costs by at least Euro 500 Million
- Reduction of General Motors workforce in Europe by 12,000
 - Over next two years
 - Majority of savings in 2005
 - Primary impact in Germany
- German program consists of:
 - Establishment of transfer companies
 - Early retirement programs
 - Severance programs
 - Outsourcing selected operations

Revenue/Margin Building Measures

- Manage multi-brand opportunities, with Chevrolet growth at entry level
 - Position Opel/Vauxhall squarely in middle market segments
 - Saab entry premium
 - Cadillac at top end
- Systematic assessment of fleet business and diesel opportunities
- Brand rejuvenation initiative in 2005
- Continue new product launches with segment leading quality, reliability and durability

Astra Success Story

- Astra 5-door (launched in *Mar/Apr 2004*) received enthusiastic reaction by the public
 - Many segment/industry first innovations
 - Astra Hatch segment share in W/C Europe went up from 10.3% to 12.9% (+25%)
 - Positive press results
- Astra Wagon successfully launched in *Oct/Nov 2004*
- Astra GTC (launch in *Mar/Apr 2005*) was ranked as one of the main highlights of Paris Motor Show by journalists

Six Key Priorities

- Opel/Vauxhall brand health and market performance
- Determine medium to long term GM plan for Saab
- Right-size GME cost structure, including footprint
- Improve organizational alignment, speed and clarity
- Pursue growth initiatives
- Resolve GM/Fiat future relationship

Summary

- Competitive pressures and GME performance delivering unsatisfactory results despite significant Olympia savings
- Further restructuring begun and on track
- For 2005
 - Stabilize contribution margin as % of net sales at 2004 levels for future improvements in 2006
 - On cost side, implementation of restructuring initiatives become effective mid-year
 - Full effect in 2006
 - Continue to drive material cost
 - Net Income target of loss of \$(500)M