GENERAL MOTORS **News**

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General Motors Accelerates Transformation

- Transforming the global enterprise to advance the company's vision of Zero Crashes, Zero Emissions, Zero Congestion
- Taking cost actions and optimizing capital expenditures to drive annual run-rate cash savings of approximately $6 billion by year-end 2020

DETROIT – General Motors (NYSE: GM) will accelerate its transformation for the future, building on the comprehensive strategy it laid out in 2015 to strengthen its core business, capitalize on the future of personal mobility and drive significant cost efficiencies.

Today, GM is continuing to take proactive steps to improve overall business performance including the reorganization of its global product development staffs, the realignment of its manufacturing capacity and a reduction of salaried workforce. These actions are expected to increase annual adjusted automotive free cash flow by $6 billion by year-end 2020 on a run-rate basis.

"The actions we are taking today continue our transformation to be highly agile, resilient and profitable, while giving us the flexibility to invest in the future," said GM Chairman and CEO Mary Barra. "We recognize the need to stay in front of changing market conditions and customer preferences to position our company for long-term success."

Contributing to the cash savings of approximately $6 billion are cost reductions of $4.5 billion and a lower capital expenditure annual run rate of almost $1.5 billion. The actions include:

- Transforming product development – GM is evolving its global product development workforce and processes to drive world-class levels of engineering in advanced technologies, and to improve quality and speed to market. Resources allocated to electric and autonomous vehicle programs will double in the next two years. Additional actions include:

  - Increasing high-quality component sharing across the portfolio, especially those not visible and perceptible to customers.
  - Expanding the use of virtual tools to lower development time and costs.
  - Integrating its vehicle and propulsion engineering teams.
  - Compressing its global product development campuses.

- Optimizing product portfolio – GM has recently invested in newer, highly efficient vehicle architectures, especially in trucks, crossovers and SUVs. GM now intends to prioritize future vehicle investments in its next-generation battery-electric architectures. As the current vehicle portfolio is optimized, it is expected that more than 75 percent of GM's global sales volume will come from five vehicle architectures by early next decade.

- Increasing capacity utilization – In the past four years, GM has refocused capital and resources to support the growth of its crossovers, SUVs and trucks, adding shifts and investing $6.6 billion in U.S. plants that have created or maintained 17,600 jobs. With changing customer preferences in the U.S. and in response to market-related volume declines in cars, future products will be allocated to fewer plants next year.

  Assembly plants that will be unallocated in 2019 include:
  - Oshawa Assembly in Oshawa, Ontario, Canada.
  - Detroit-Hamtramck Assembly in Detroit.
  - Lordstown Assembly in Warren, Ohio.

  Propulsion plants that will be unallocated in 2019 include:
  - Baltimore Operations in White Marsh, Maryland.
  - Warren Transmission Operations in Warren, Michigan.

  In addition to the previously announced closure of the assembly plant in Gunsan, Korea, GM will cease the operations of two additional plants outside North America by the end of 2019.

  These manufacturing actions are expected to significantly increase capacity utilization. To further enhance business performance, GM will continue working to improve other manufacturing costs, productivity and the competitiveness of wages and benefits.

- Staffing transformation – The company is transforming its global workforce to ensure it has the right skill sets for today and the future, while driving efficiencies through the utilization of best-in-class tools. Actions are being taken to reduce salaried and salaried contract staff by 15 percent, which includes 25 percent fewer executives to streamline decision making.

Barra added, "These actions will increase the long-term profit and cash generation potential of the company and improve resilience through the cycle."

GM expects to fund the restructuring costs through a new credit facility that will further improve the company's strong liquidity position and enhance its financial flexibility.

GM expects to record pre-tax charges of $3.0 billion to $3.8 billion related to these actions, including up to $1.8 billion of non-cash accelerated asset write-downs and pension charges, and up to $2.0 billion of employee-related and other cash-based expenses. The majority of these charges will be considered special for EBIT-adjusted, EPS diluted-adjusted and adjusted automotive free cash flow purposes. The majority of these charges will be incurred in the fourth quarter of

2018 and first quarter of 2019, with some additional costs incurred through the remainder of 2019.

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General Motors (NYSE:GM) is committed to delivering safer, better and more sustainable ways for people to get around. General Motors, its subsidiaries and its joint venture entities sell vehicles under the Cadillac, Chevrolet, Baojun, Buick, GMC, Holden, Jiefang and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety and security services, Maven, its personal mobility brand, and Cruise, its autonomous vehicle ride-sharing company, can be found at http://www.gm.com.

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Non-GAAP Financial Measures. See our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and our subsequent filings with the U.S. Securities and Exchange Commission for a description of certain non-GAAP measures referenced in this press release, including EBIT-adjusted, Core EBIT-adjusted, EPS-diluted-adjusted, ETR-adjusted, ROIC-adjusted and adjusted automotive free cash flow, along with a description of various uses for such measures. Our calculations of these non-GAAP measures are set forth within these reports and these measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related U.S. GAAP measures.