



GENERAL MOTORS

## MARK REUSS

EXECUTIVE VICE PRESIDENT,  
GLOBAL PRODUCT DEVELOPMENT,  
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## FORWARD LOOKING STATEMENTS

In this presentation and in related comments by our management, our use of the words “plans,” “expect,” “anticipate,” “possible,” “potential,” “target,” “believe,” “commit,” “intend,” “continue,” “may,” “would,” “could,” “should,” “project,” “appears,” “projected,” “positioned,” “outlook” or similar expressions is intended to identify forward-looking statements that represent our current judgment about possible future events. We believe these judgments are reasonable, but these statements are not guarantees of any events or financial results, and our actual results may differ materially due to a variety of important factors. Among other items, such factors may include: our ability to realize production efficiencies and to achieve reductions in costs as a result of our restructuring initiatives and labor modifications; our ability to maintain quality control over our vehicles and avoid material vehicle recalls and the cost and effect on our reputation of product recalls; our ability to maintain adequate financing sources, including as required to fund our planned significant investment in new technology; our ability to successfully integrate Ally Financial’s International Operations; the ability of our suppliers to timely deliver parts, components and systems; our ability to realize successful vehicle applications of new technology; overall strength and stability of our markets, particularly outside of North America and China; costs and risks associated with litigation and government investigations including those related to our recent recalls; our ability to remain competitive in Korea and our ability to continue to attract new customers, particularly for our new products.

GM's most recent annual report on Form 10-K and quarterly reports on Form 10-Q provides information about these and other factors, which we may revise or supplement in future reports to the SEC.





## TODAY'S DISCUSSION

Vehicle Set Strategy

Strategic Supplier Engagement

Knowing the Customer

Robust Global Vehicle Pipeline



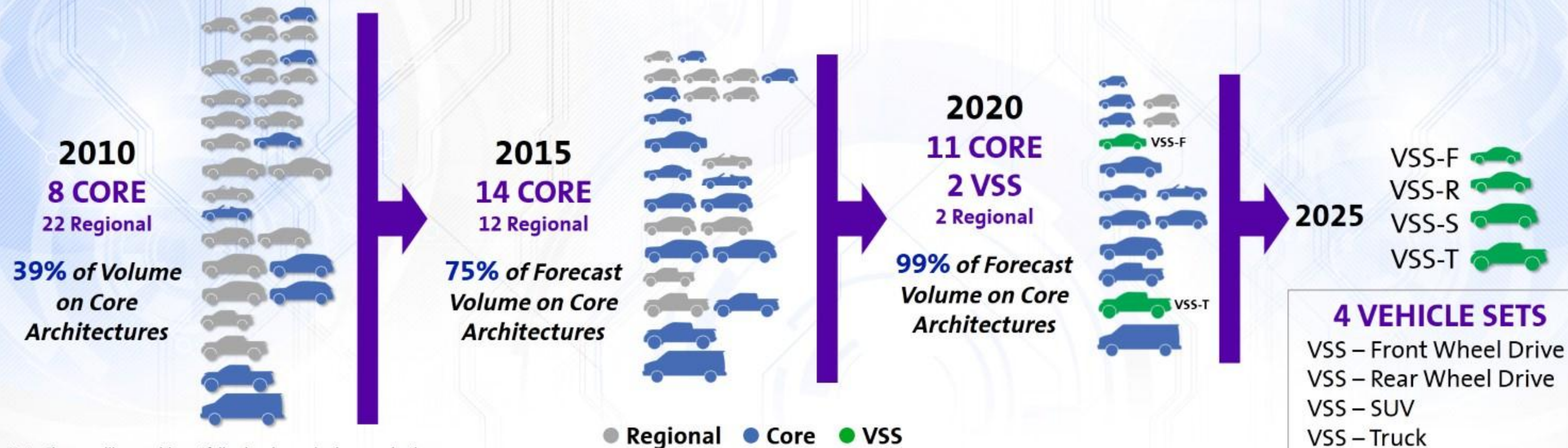
The background features a blue and white geometric pattern of overlapping circles and lines, resembling a stylized globe or a technical diagram. On the right side, there is a circular inset showing a close-up of a yellow mechanical component, likely a transmission or engine part, installed in a vehicle's chassis.

GENERAL MOTORS

ARCHITECTURE  
**EVOLUTION**



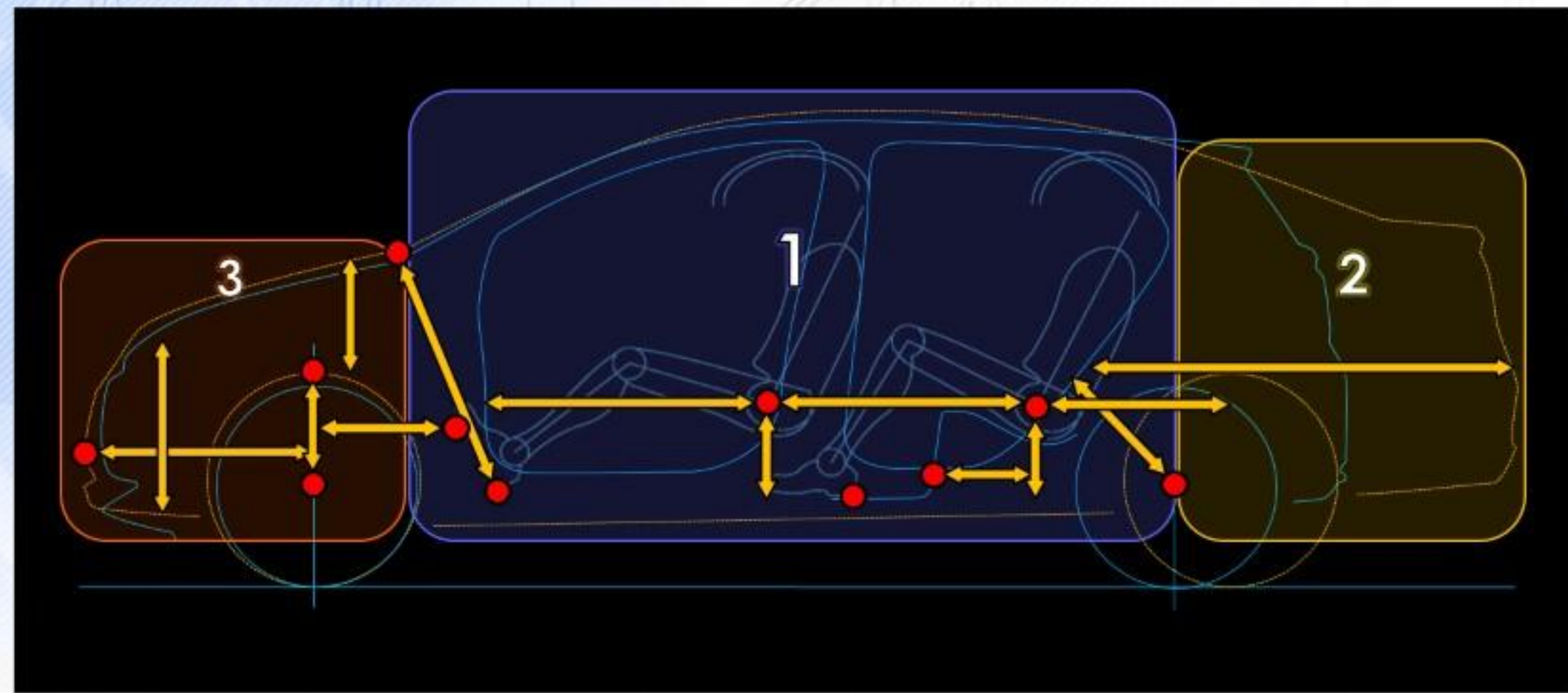
# CONVERGENCE FROM ARCHITECTURES TO FLEXIBLE VEHICLE SET STRATEGY



Note: Figures will vary with portfolio planning and volume projections



## A FOCUS ON THE CUSTOMER



### **CUSTOMER USE PRIORITY**

Maximize efficiency and deliver emotional designs

Consumers value interior and cargo space





# VEHICLE SET STRATEGY

Great Product  
Fast to Market  
Customer Value  
Tailored to Regional Requirements

## COMMON INTERFACES

- Inner Front Rail
- Front of Dash
- HVAC module to Dash
- Etc.

## PROTECTED SPACES

- Engine Position
- Battery Location
- Rear A-Bushing Location
- Etc.

## FIXED CONCEPTS

- Splayed Rails
- Hard-Mounted Front Cradle
- Compound Crank RR Susp
- Etc.

## DEFINED DIMENSIONS

- BoF – CoW
- Tire OD
- H-Point
- Vehicle Proportions

Efficient sharing and scaling requires

**STRONG MANAGEMENT**

of the

**FOUR PILLARS**



# COMPARTMENT FAMILIES EXAMPLE: VSS – FRONT WHEEL DRIVE CARS

SEGMENTS

CAR B

CAR C

CAR D

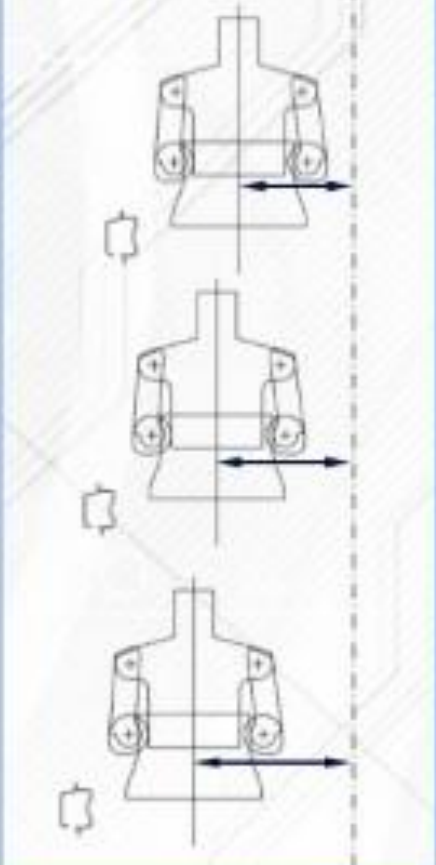
CAR E

FRONT



Powertrain & Tire  
Dimensions

CENTER



Occupant  
Space

REAR



Compound  
Crank Family



4 Link Family

Suspension  
Concept

COMMON INTERFACES





## GEAR SET STRATEGY/CYLINDER SET STRATEGY

- Holistic approach between engine (CSS), Transmission Gear Set Strategy (GSS) and Vehicle Set Strategy (VSS)
- Gear set determination has been an integrated, iterative process
- CSS engines and VSS to optimize the powercube for highest efficiency performance





# CURRENT ENGINE VS. CSS

## CURRENT ENGINE



### Bandwidth Engine Family Strategy

- Range of displacements within families
- Front take down exhaust
- Unique topology
- Optimized for manufacturing
- Compromised design for vehicle range

vs.

## CSS POINT SOLUTION ENGINE



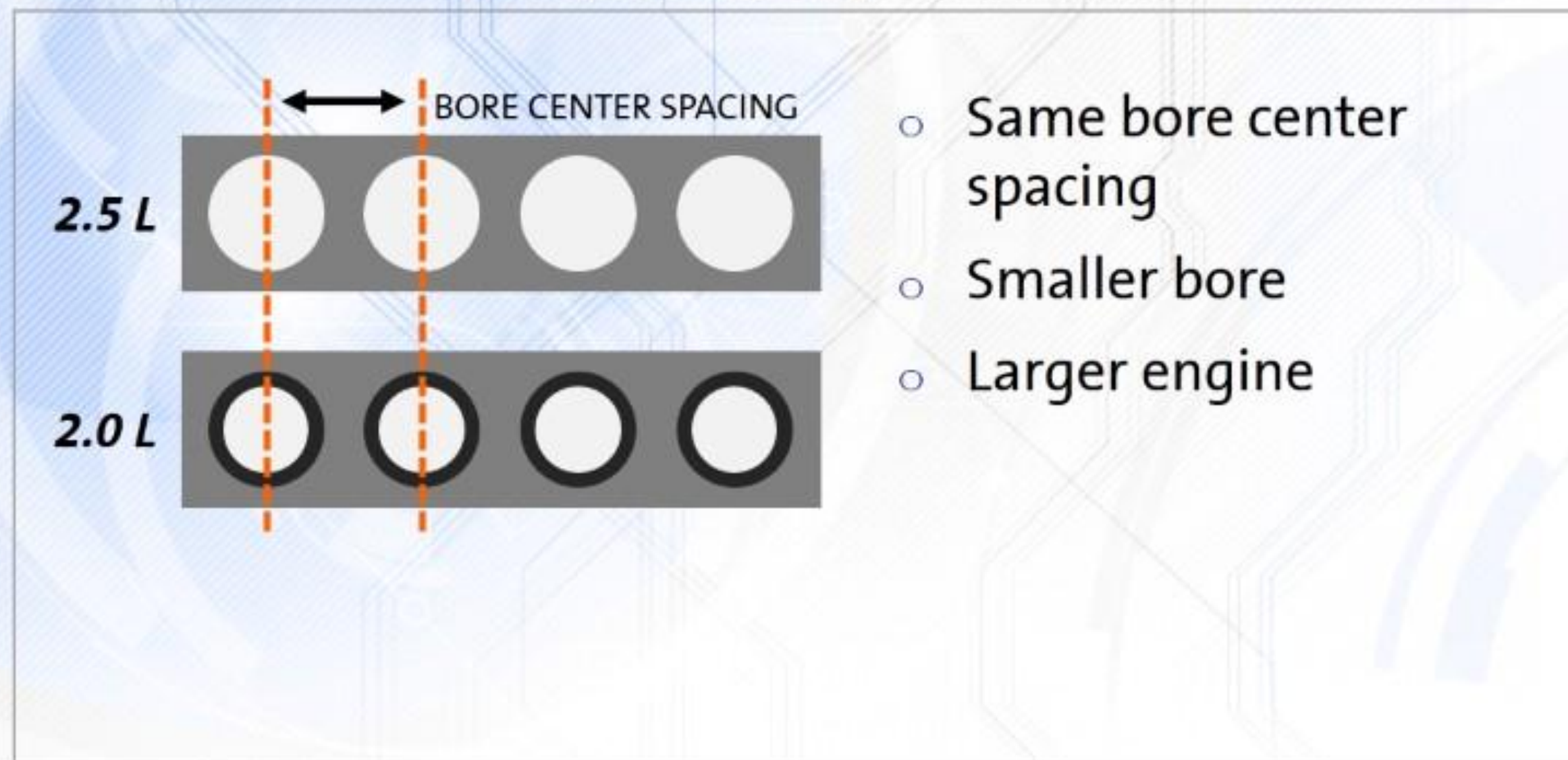
### Cylinder Set Strategy

- Point solution variants
- Rear take down exhaust
- Converged topology
- Optimized for the customer
- Optimized fuel economy/CO<sub>2</sub>
- Common technology

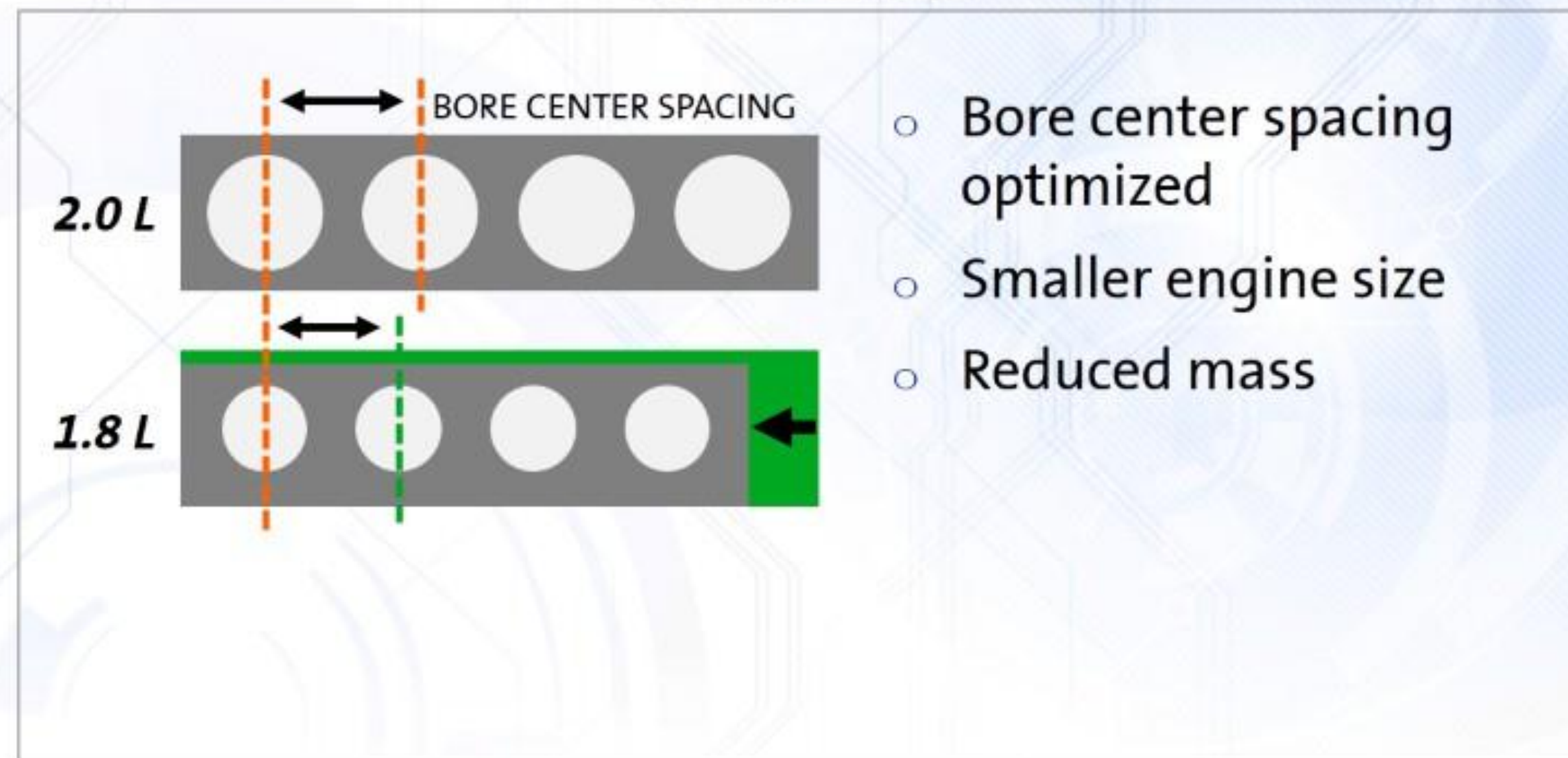


# CSS ELIMINATION OF 'SCAR MASS'

## CURRENT ENGINE FAMILIES



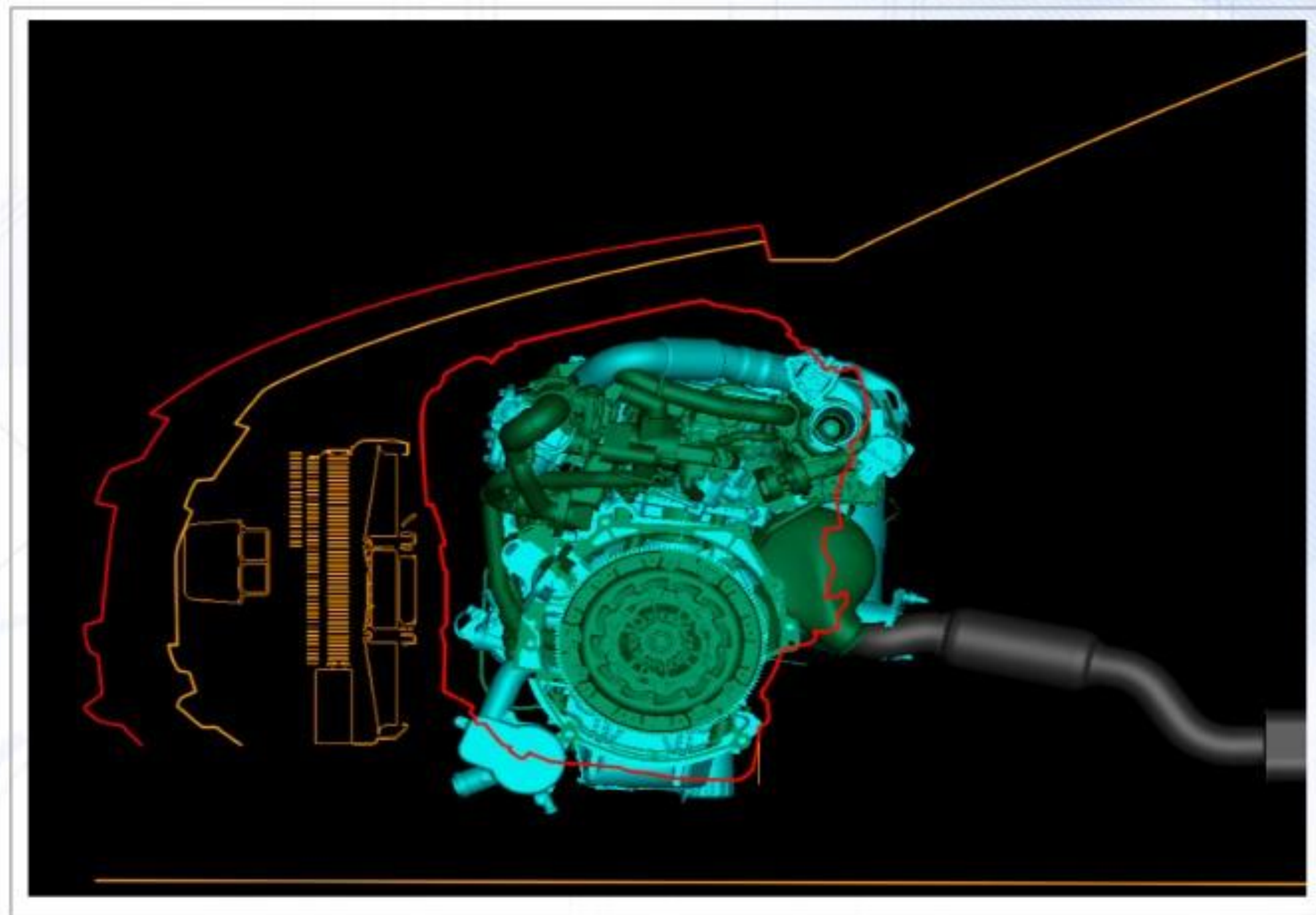
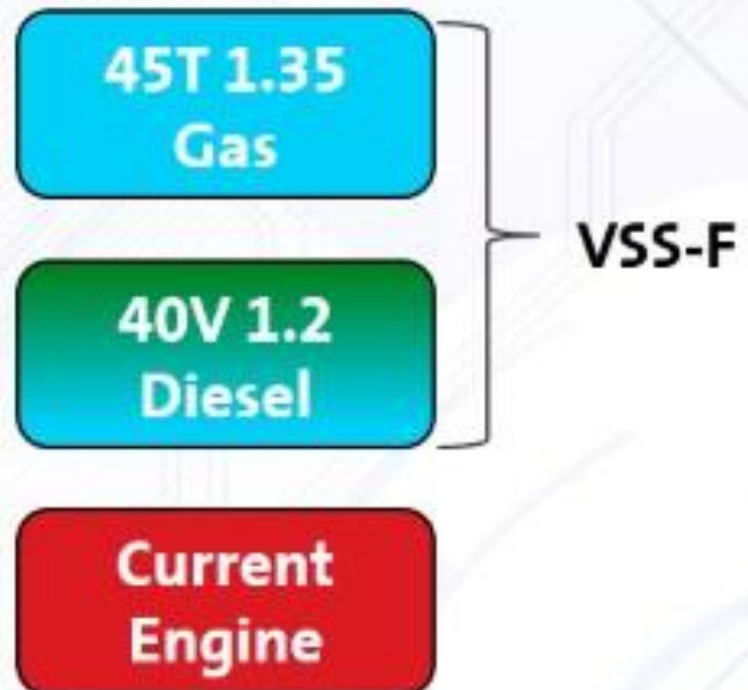
## CSS ENGINES





## PACKAGING BENEFITS

- Common vehicle interface locations
- Reduced front compartment footprint
- Reduced mass
- Rear take down exhaust





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# SUPPLIER RELATIONS

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## **GPSC – 2014 BUSINESS PRIORITIES**

- Launches with Quality and Volume
- Material Cost – Current and Future Programs
- Logistics Cost – Current and Future Programs





## GPSC – 2014 BEHAVIOR PRIORITIES

- Nurture strategic relationships with suppliers
- Develop stronger cross-functional partnerships
- Move from a functional focus to an enterprise focus







## VOICE OF THE SUPPLIERS

### HELPS

- Productive Face to Face Meetings
- Communications
- Strategic Supplier Engagement (SSE)/ Strategic Sourcing Process (SSP)

### HINDERS

- Program Churn (scope, volume, footprint)
- Lack of empowerment at lower levels
- Poor execution of initiatives





# ROADMAP FOR IMPROVEMENT







## Workstream

Volume, Scope and Footprint Changes  
– Define Process for How We Deal With

Buyer Empowerment

One Cost Model – Rules of Engagement

Capacity Control/Mgmt.

Innovation/New Technology/Intellectual Property

ROADMAP  
**FOR**  
**IMPROVEMENT**



# SOURCING STRATEGY EVOLUTION

## Then: MEXICO SOURCING PIPELINE

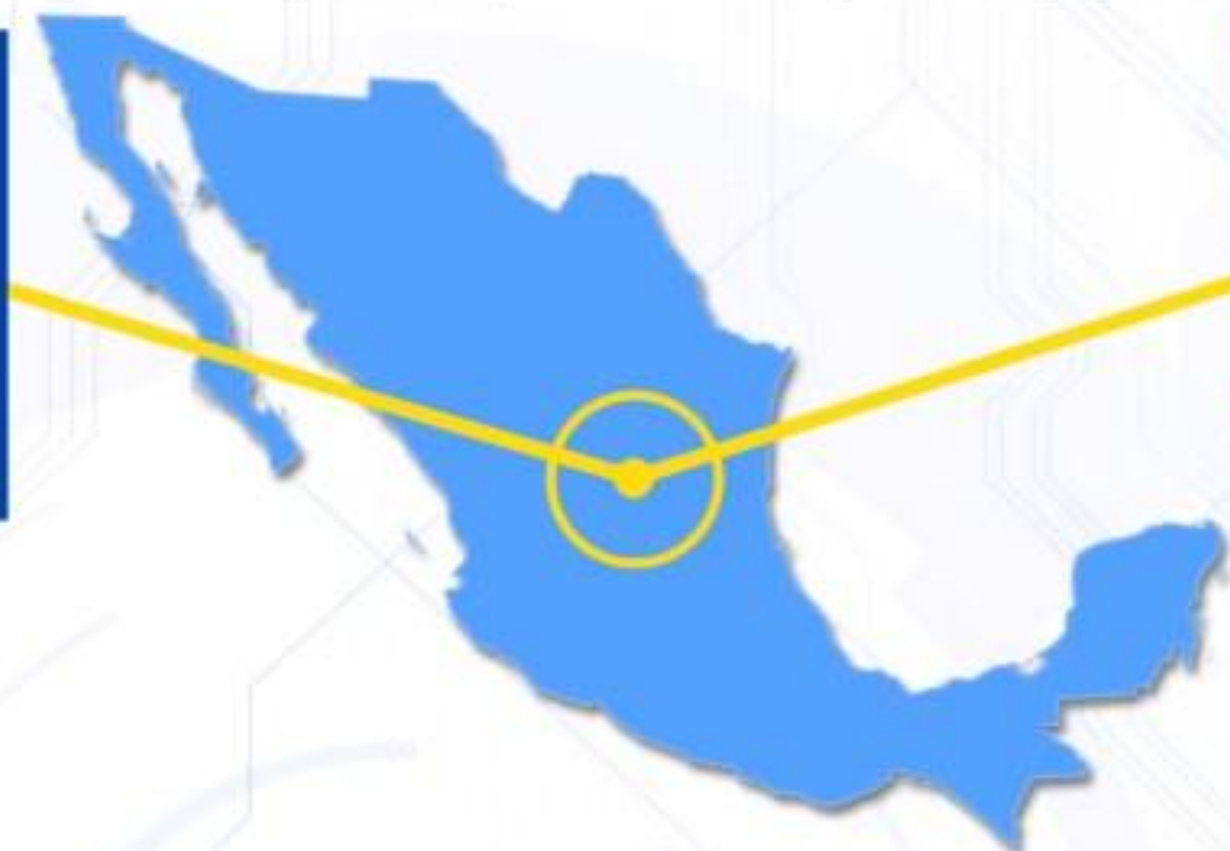
- ✓ Source as 7 separate programs
- ✓ Average ~100,000 vehicle volume per sourcing event
- ✓ Low localization
- ✓ High logistics cost & Fx exposure

- Sourcing based on program timing with program specific volume
- Sourcing based on GM requirements
- Competitive bidding (transactional)
- Reliance on import of parts from global locations

## Now: MEXICO STRATEGIC SOURCING

- ✓ 3 GM assembly plants
- ✓ Bundle ~1 million vehicle scale across 5 main platforms
- ✓ Deep Tier I/II supplier localization

- Sourcing based on country long term planning
- Source scale – maximize capital utilization (multi generations and/or multiple platforms)
- Strategic Sourcing Process with early supplier engagement (Design to Cost)
- Leverage increased part sharing plans
- Total enterprise cost localization (based on optimum cost, logistics, investment)





# SUPPLIER FEEDBACK

“The roll out of the SSE initiative was clear and seemed to be well received. Like anything else, consistency of execution will determine its success over time. We see the biggest advantage is the details offered in the ratings and the transparency of that data. It allows the supplier the ability to build a recovery plan based on facts.”

*Robert Fisher  
President  
Takata*

“The great thing about SSE is the solidity of the input: business data source is the objective metrics and the cultural data source is identified to the very person, it is broad based and hence not questionable. I cannot think about a more open, honest, wider and clear feedback from a customer on a supplier performance. It really helps suppliers to identify and address performance gaps without questioning the data accuracy.”

*Ramiro Gutierrez  
Vice President, Global Account Director  
TRW*

“SSE is a benchmark process that drives to the core of robust supplier relationships - trust, candid feedback, and measurable performance.”

*James Kamsickas  
President and CEO  
International Automotive Components*

“It provides a platform for the supply base to open the dialogue on how GM can improve their approach.”

*Mike Martini  
President, Original Equipment  
Bridgestone Americas*

“It helps to paint the picture of where you are positioned against the competitors. For us, that’s a very good indicator that we need to speed up our own competitive analysis in this market to ensure that we’re taking the next technological steps that we need to make.”

*Alfred Weber  
CEO  
Mann+Hummel*





## ELIMINATION OF “THE GM TAX”

- Decades of behavior demonstrating missed commitments
  - Volume, footprint
- When we ask a supplier to “*trust us*” on capital footprint...  
Why would they?
- Must share risk of new programs and eliminate “piece cost tax”





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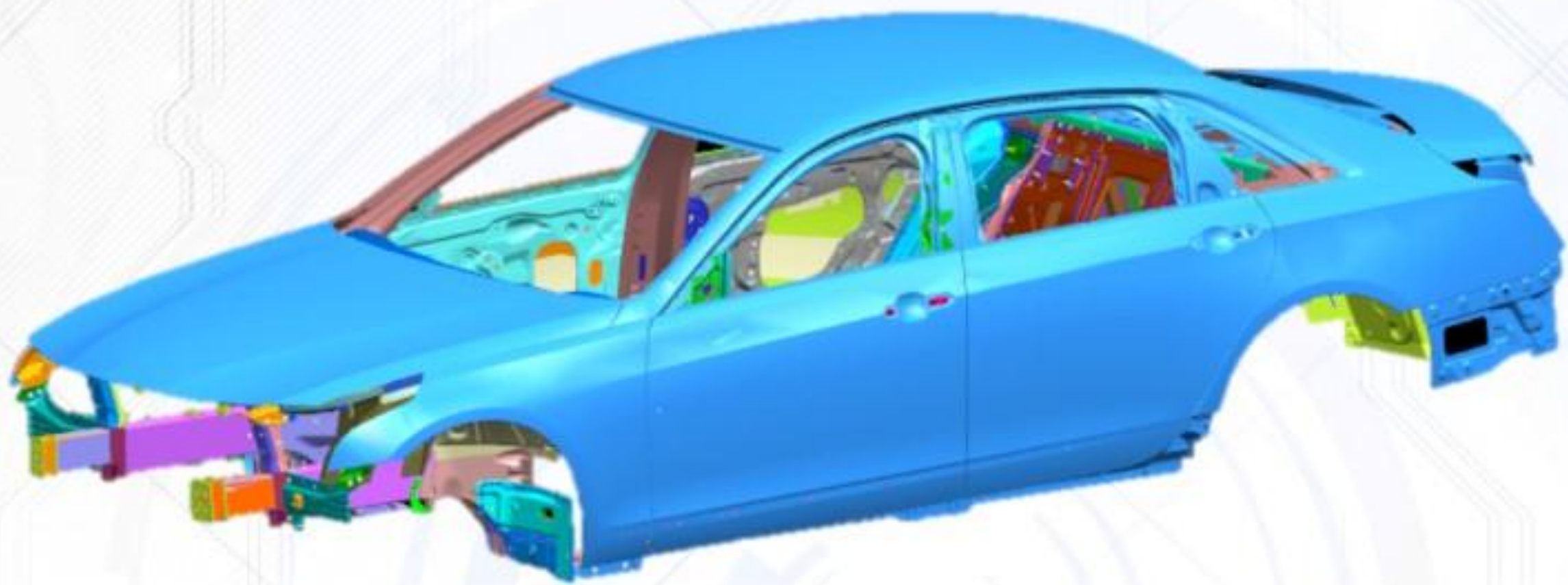
# KNOWING THE CUSTOMER

RIGHT PRODUCT,  
RIGHT PROCESS,  
RIGHT MATERIALS





**WORLD'S MOST  
ADVANCED  
BODY  
STRUCTURE**



**A Stronger,  
Smarter, Safer  
Premium  
Luxury Vehicle**



**FIRST TO  
PRODUCTION  
THRU VIEW  
MIRROR  
TECHNOLOGY**

Normal  
Mirror  
Function





**FIRST TO  
PRODUCTION  
THRU VIEW  
MIRROR  
TECHNOLOGY**

Full  
Display  
Mirror







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DELIVERING  
**VALUE**  
TO THE  
**CUSTOMER**





GENERAL MOTORS

2014

GLOBAL BUSINESS  
CONFERENCE





GENERAL MOTORS

2014

GLOBAL BUSINESS  
CONFERENCE







GENERAL MOTORS

# CHUCK STEVENS

EXECUTIVE VICE PRESIDENT  
& CHIEF FINANCIAL OFFICER







## AGENDA

North America: Path to 10% Margins by 2016

China: Sustaining Strong Margins

Europe: Path to Profitability by 2016

Capital Allocation





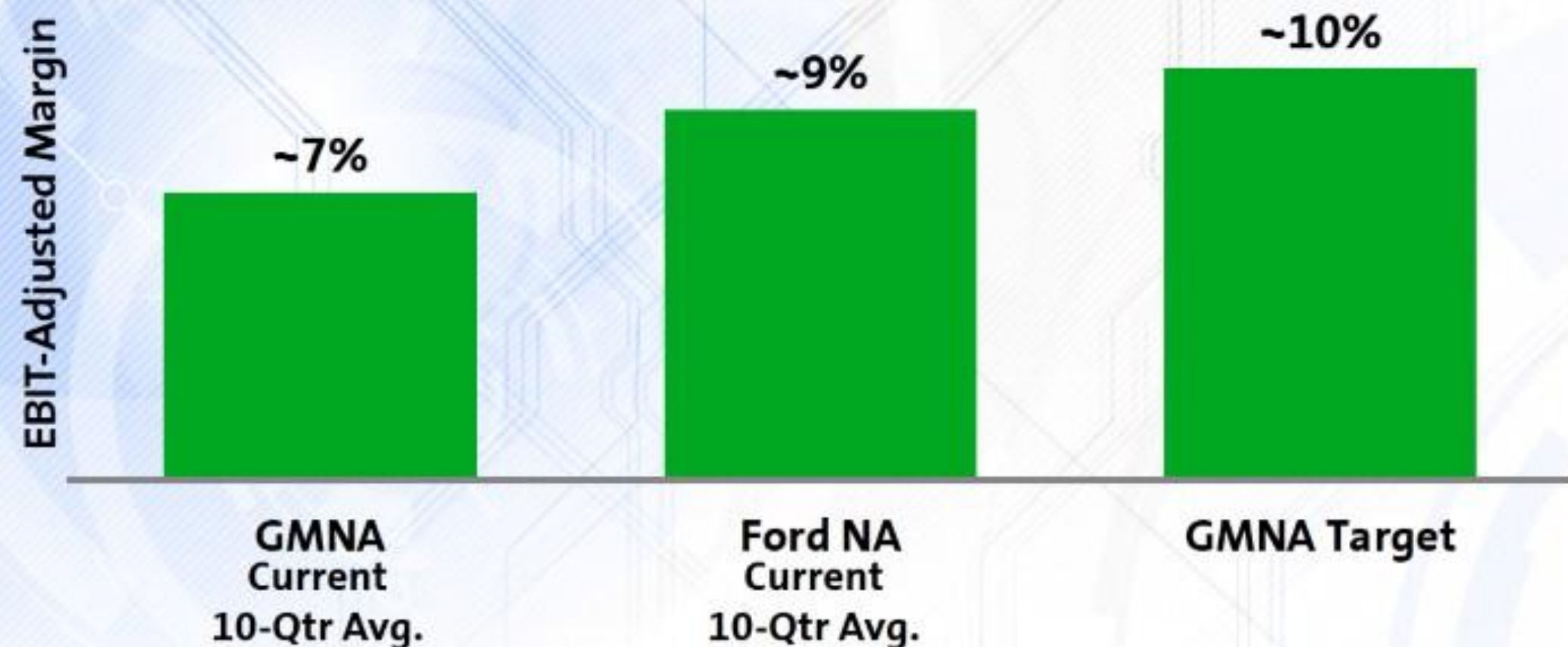
GM  
NORTH AMERICA

THE PATH TO  
**10%**  
**MARGINS**



# CITI GLOBAL INDUSTRIALS CONFERENCE – SEPTEMBER 2012

Good progress – but more to do



How are we going to drive to 10% margins?

## Near to Mid-Term

- ✓ Product launches
- ✓ Maintain pricing discipline
- ✓ Fixed Cost focus
  - Selling, general and administrative
  - Global marketing
  - Manufacturing initiatives

## Long-Term

- Global architectures
- Strategic sourcing
- Footprint – manufacturing and supplier

Executing to well defined plan... **~150BPS IMPROVEMENT OVER AVG. OF LAST 4 QTRS.**



# GMNA PATH TO 10% EBIT-ADJ. MARGINS



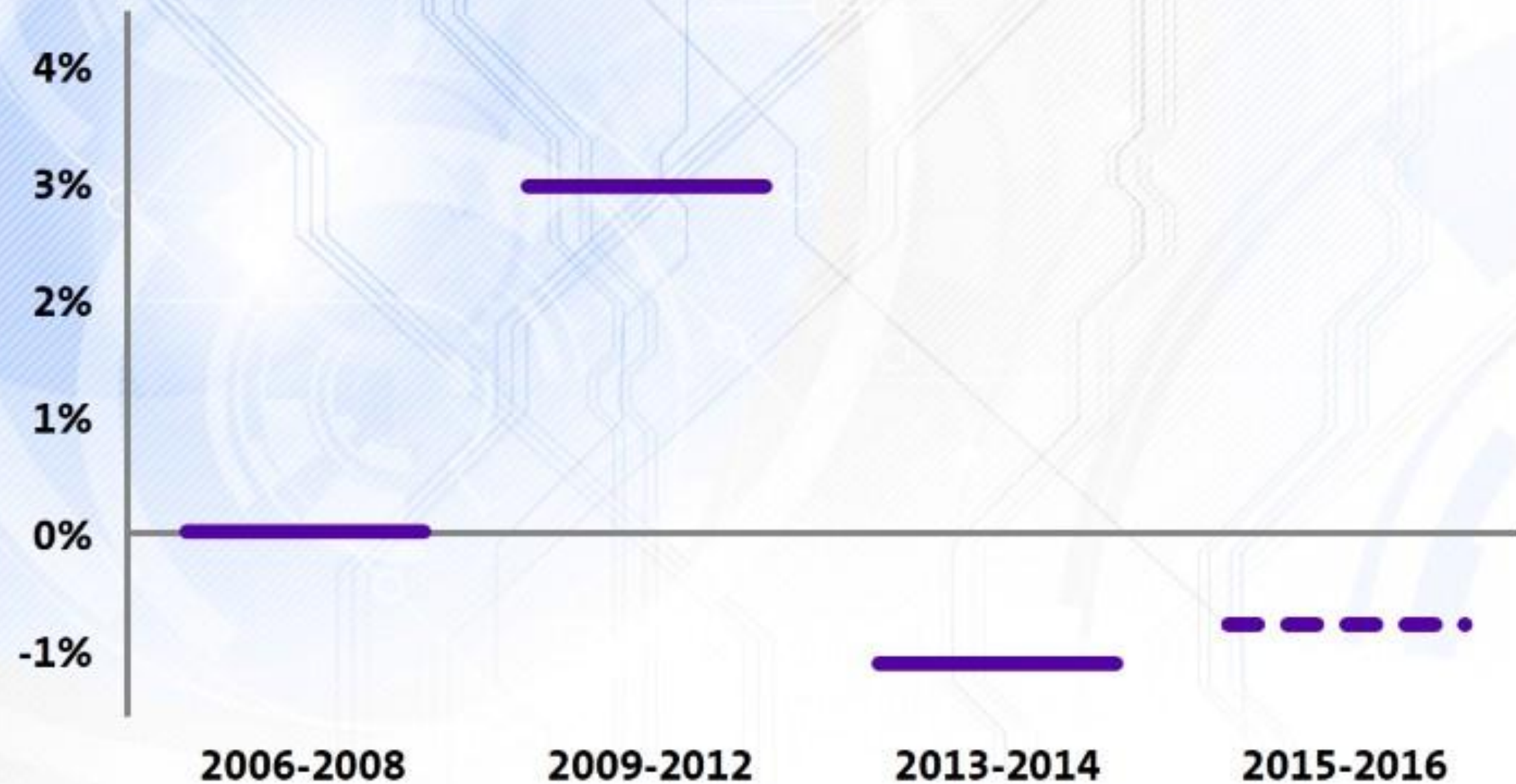
- Price
  - Deterioration driven by FSPU, Compact and Mid SUV heuristic
- New Entrants
  - Mid-Size Truck, Cadillac CT6, Buick Compact SUV, and Chevrolet Trax
- Next Gen
  - Primarily Chevrolet Malibu and Cruze
- Cost
  - Continued carryover material performance
  - Launch related impacts – Marketing and D&A

We Are **ON PLAN**



# GMNA NET PRICE – CARRYOVER MODELS

## U.S. Vehicle Net Price Retention



## 2015-2016 Net Price

- Normalized full-size pickup market dynamics
- Core passenger car portfolio refresh
- Continued strength in full-size SUV – share and ATP growth
- Additional targeted full-size truck entries





## GMNA NEXT GEN PRODUCTS

	CRUZE	MALIBU
Annual Volume 000's*	~300	~225
Segment Share	↑	↑
VP Improvement/Unit	~\$1,500	~\$1,500

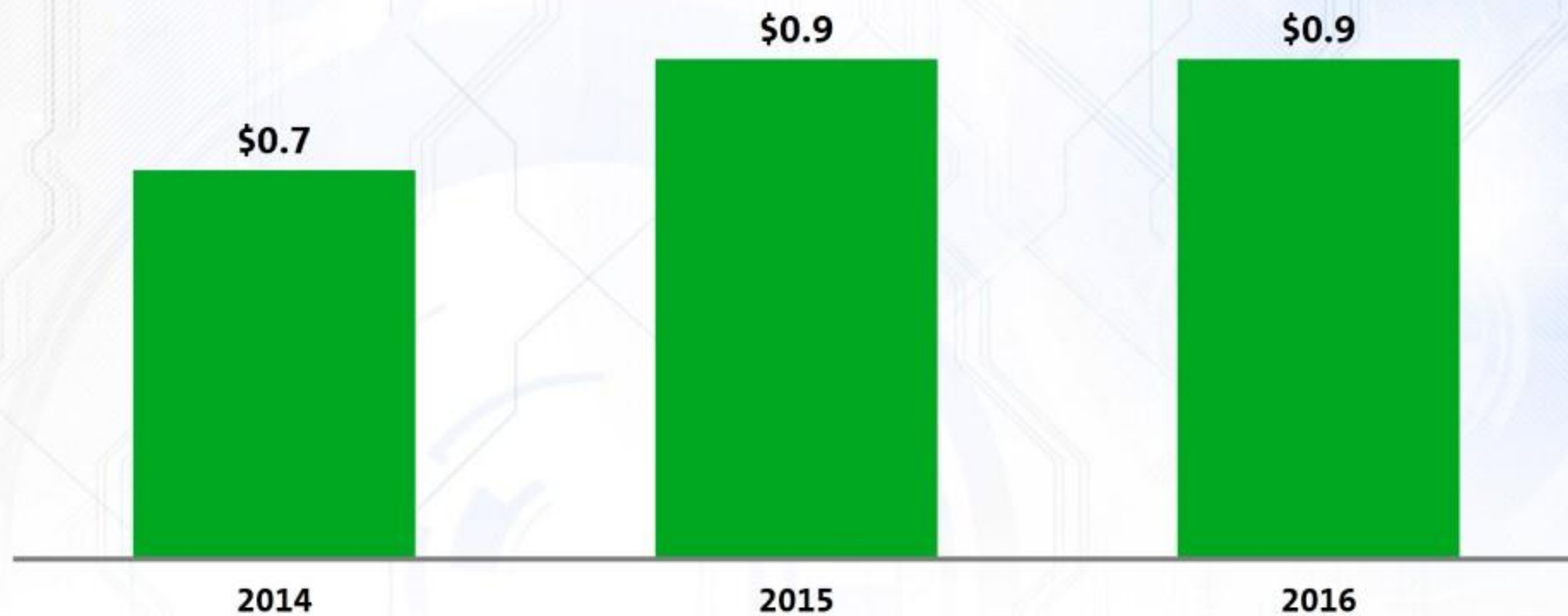
\* 2016 Volume Estimate





## GMNA NON-RAW MATERIAL AND LOGISTICS COST SAVINGS

(BILLIONS)







# GMNA BREAKEVEN POINT

U.S. INDUSTRY (SAAR MILLIONS)







GM CHINA

SUSTAINING  
**STRONG**  
**MARGINS**

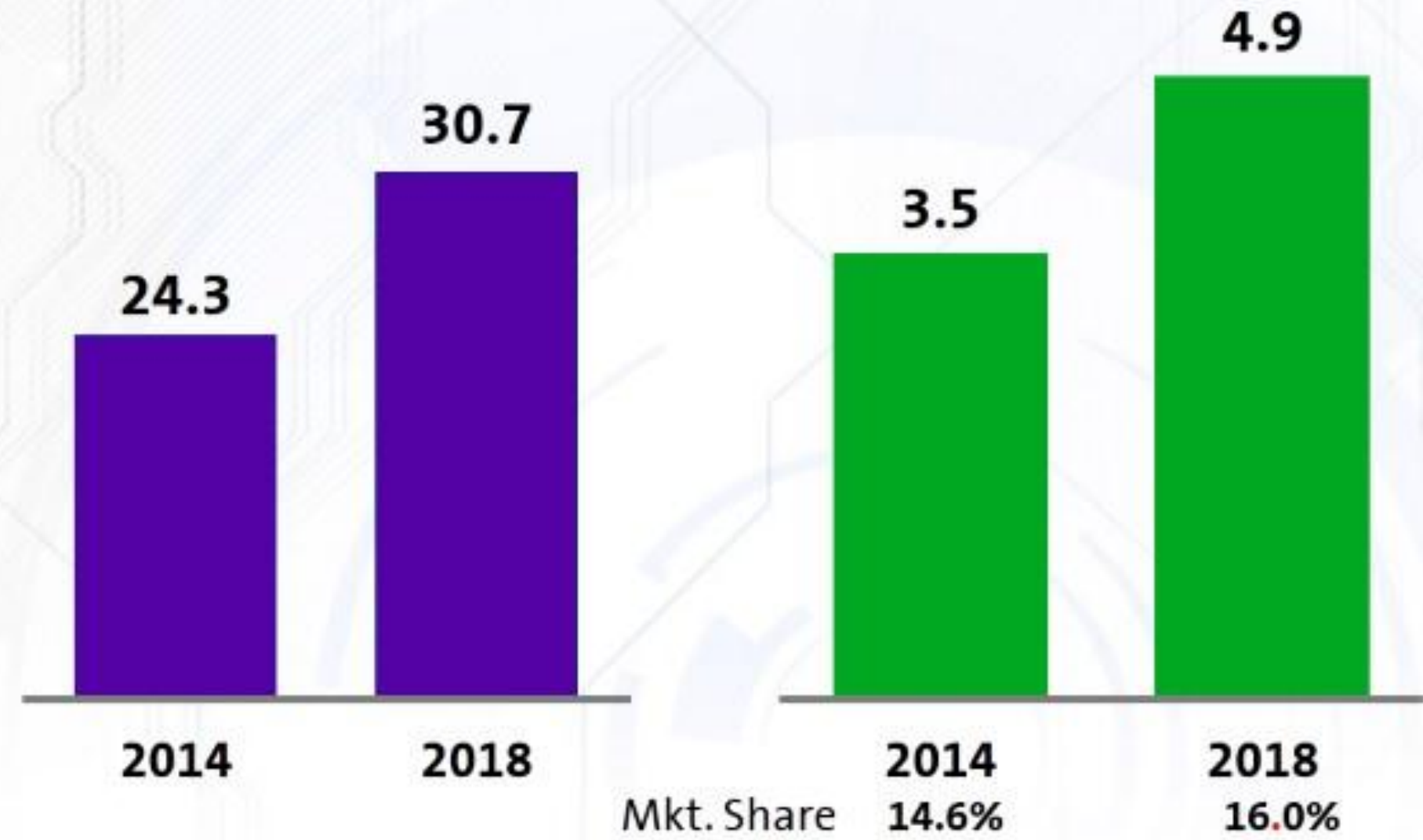




# CHINA INDUSTRY OUTLOOK

INDUSTRY VOLUME  
(Millions)  
**+26%**

GM CHINA VOLUME  
(Millions)  
**+39%**



## Continued Growth Expected

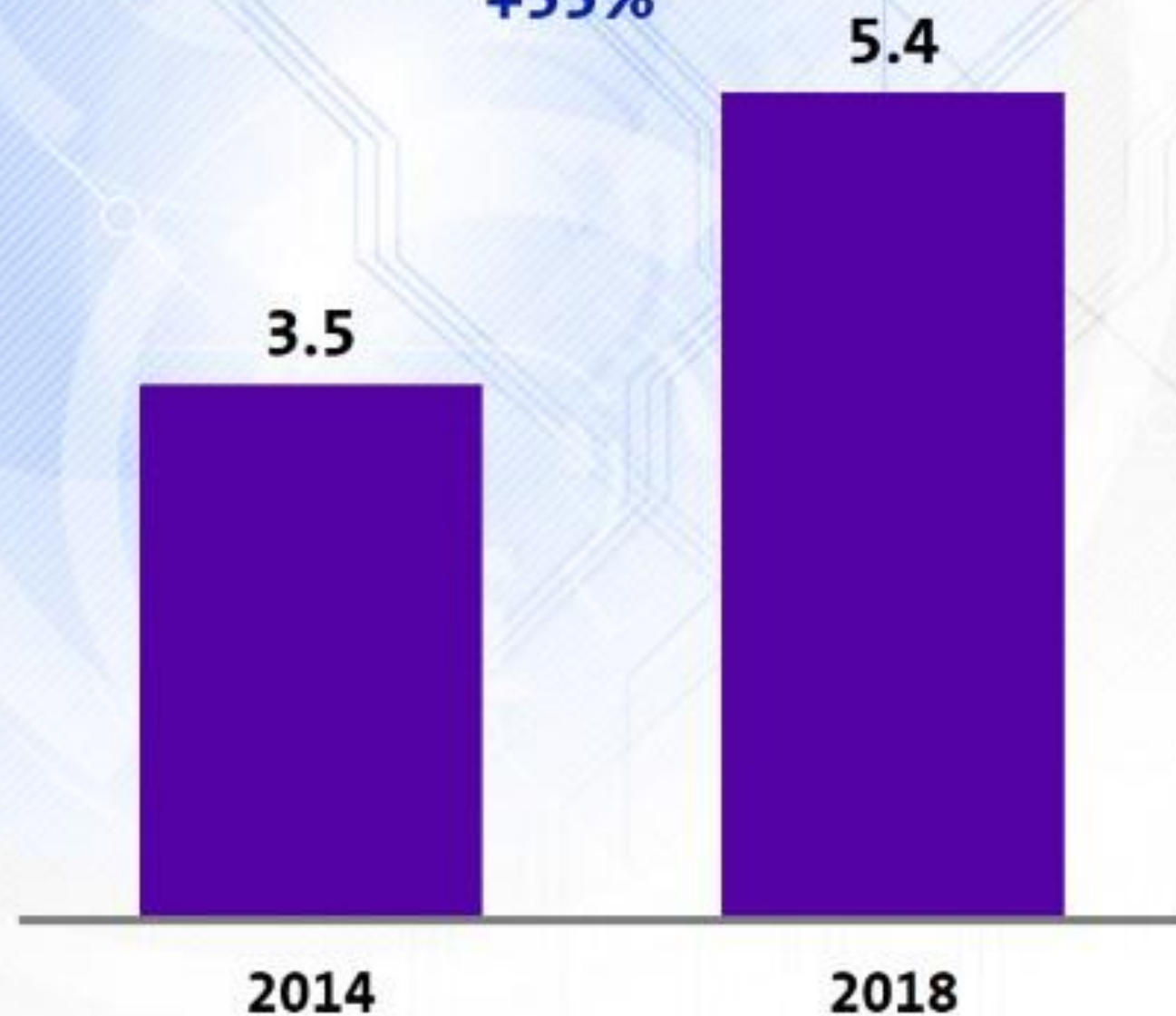
- Increased buying power
- Growing replacement demand
- Low vehicle density (~90 per 1,000 people)



# PLACING BIG BETS IN WORLD'S LARGEST MARKET – CHINA

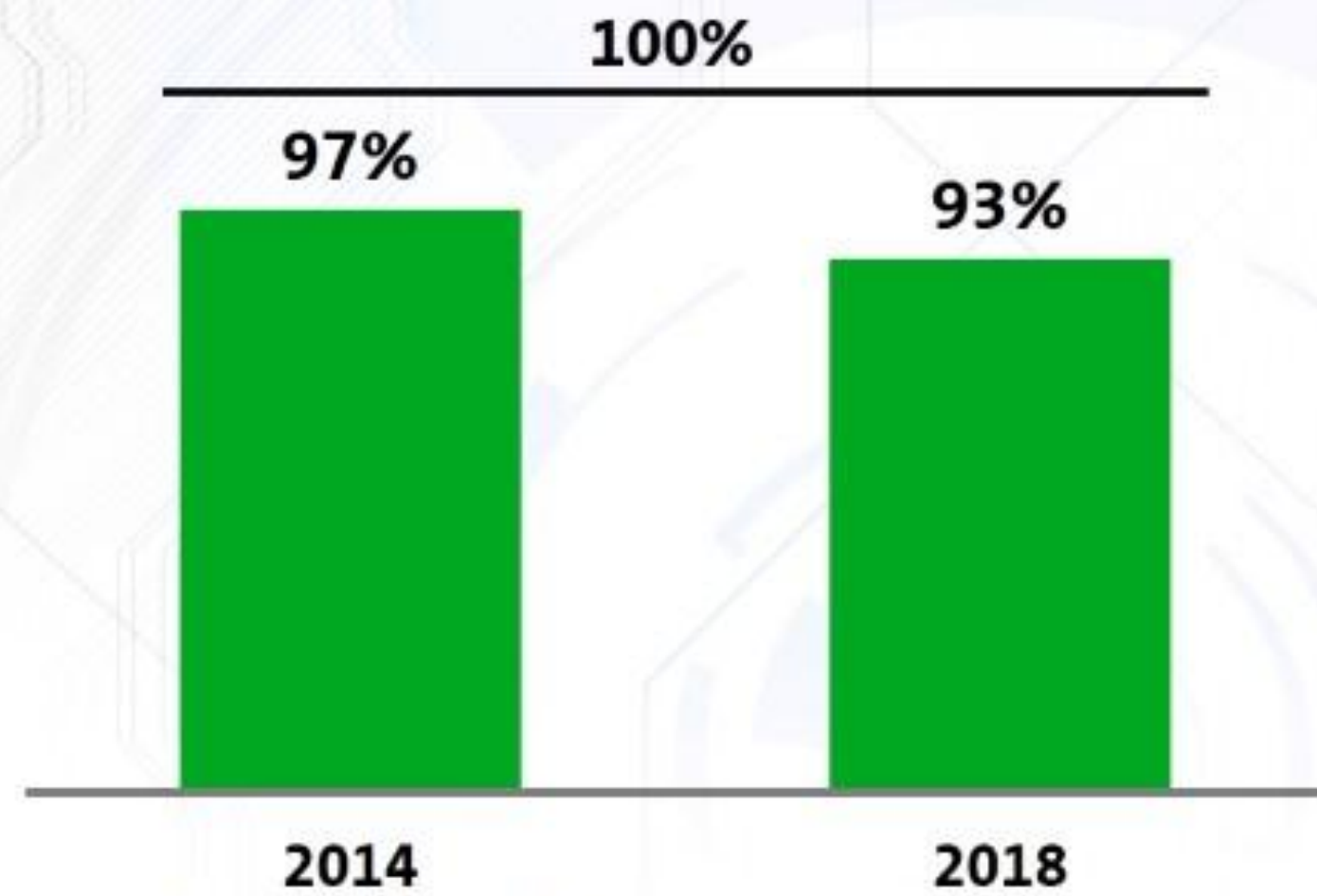
GM CHINA PRODUCTION CAPACITY  
VOLUME (Millions)

+55%



GM CHINA  
CAPACITY UTILIZATION %\*

100%



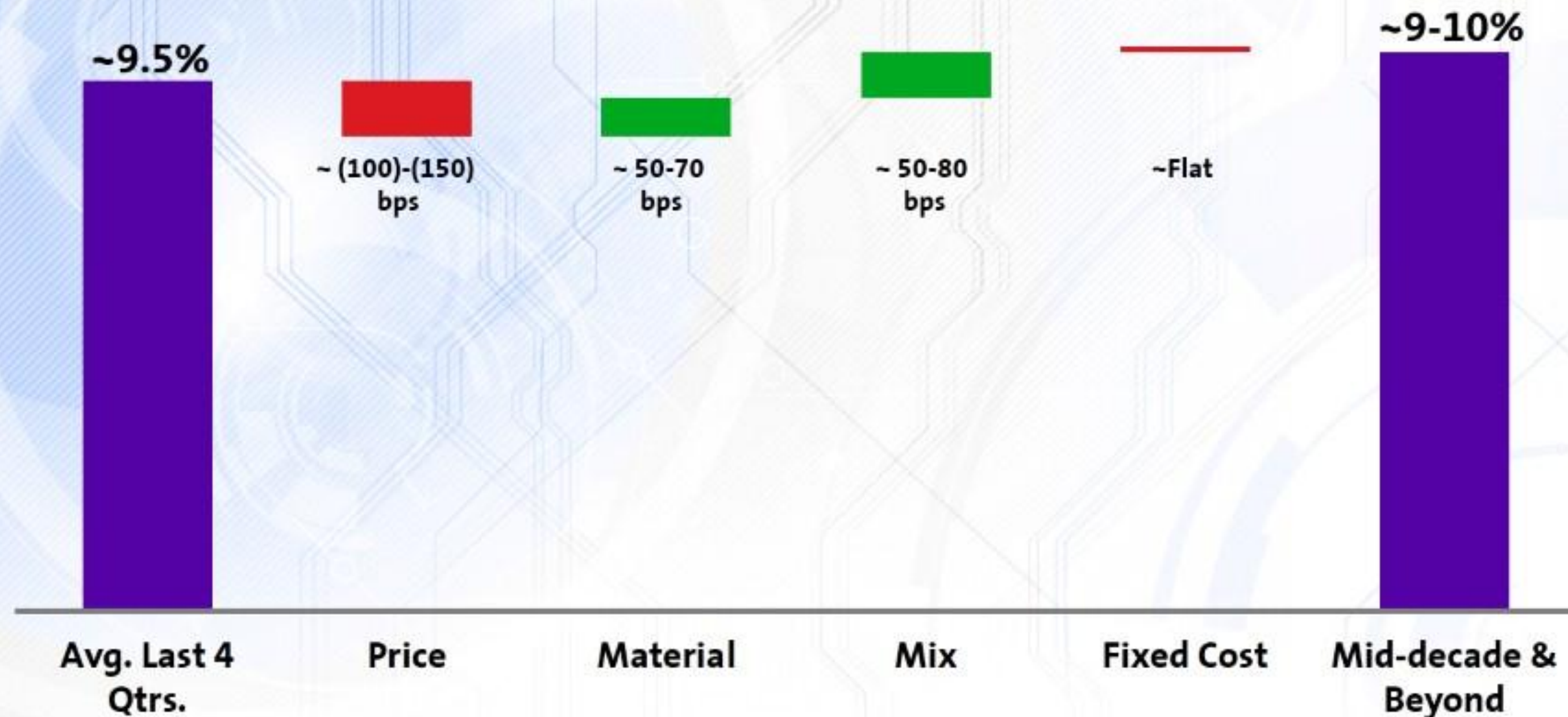
\* Based on 3 crew/3 shift @250

## 2014-2018

- \$14B self-funded investment
- 5 vehicle plants
- 2 powertrain facilities



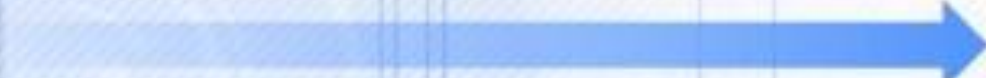
# SUSTAINING STRONG CHINA MARGINS THROUGH MID-DECADE AND BEYOND



- Price
  - Carryover pricing (2-3%)
- Material
  - Strong performance on carryover products
  - Deep localization
- Mix
  - Growth in luxury and SUV segments
- Fixed Cost
  - Operating leverage from higher volumes
  - Increased costs from capacity expansion

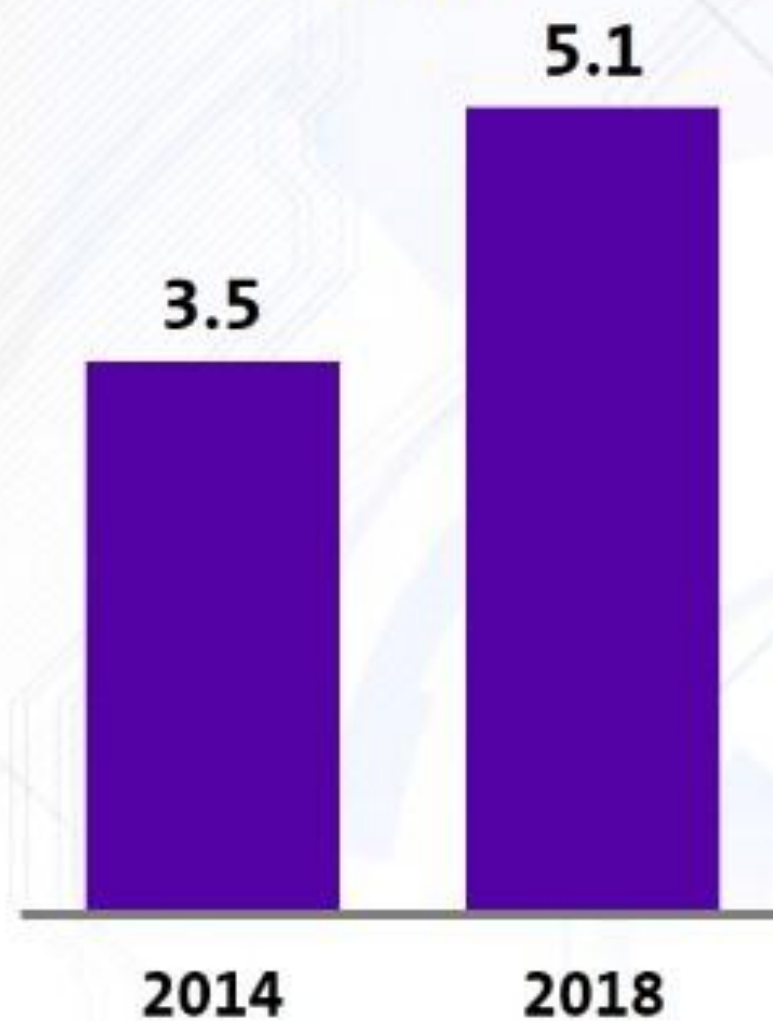


# MIX – KEY PRODUCT LAUNCHES IN GROWING SUV SEGMENT

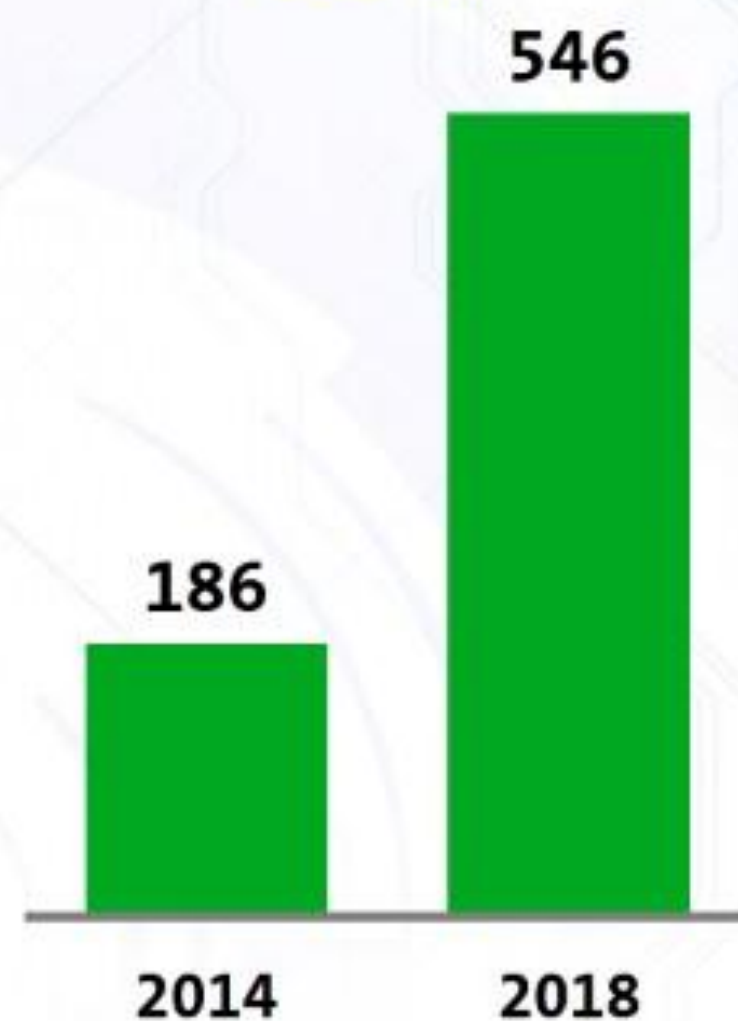
2014  2018

- 9 new SUVs by SGM and SGMW
- Target to double SGM volume
- SUV VP/unit ~\$1,600 above average passenger vehicle

INDUSTRY SUV SEGMENT  
(Millions)  
**+46%**



GM CHINA SUV VOLUME  
(Thousands)  
**+194%**

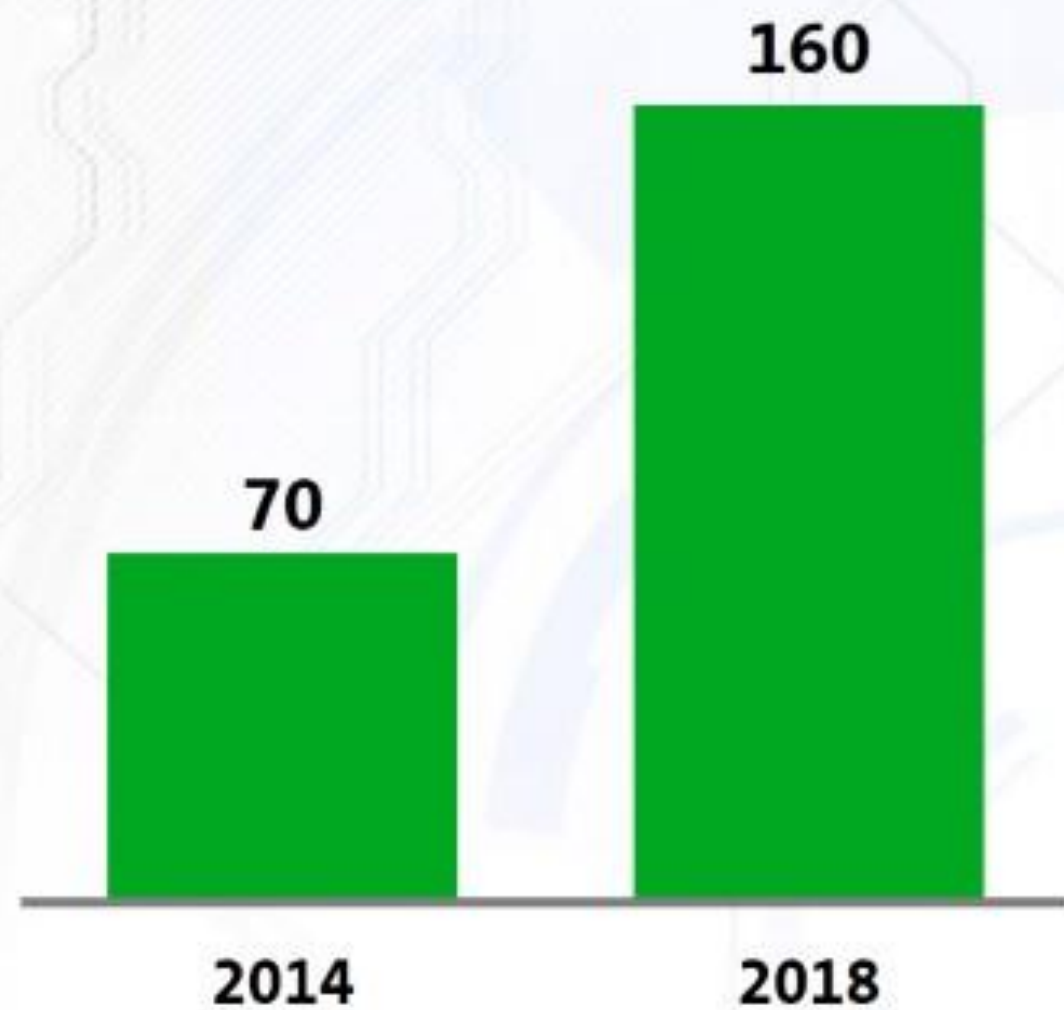






## CADILLAC GROWTH PLAN IN CHINA

CADILLAC SALES VOLUME  
(THOUSANDS)  
**+130%**



- Luxury segment to increase ~70% by 2018
- Launch Cadillac plant in 2016 with 200K capacity
- 9 new models over the next 5 years
- More than 95% localized by 2018





**GM EUROPE**

THE PATH TO  
**PROFITABILITY**  
BY 2016



# EUROPE: 2014 TO PROFITABILITY BY 2016

EBIT-ADJ IMPROVEMENT ~\$1.5B

**FIXED COSTS**

**~\$100M**

**SAVINGS**

**NEW MODELS/ENGINES**

**~\$300M**

Corsa and Astra:  
~50% of total volume

**INDUSTRY**

**~\$400M**

ESTIMATED 6% INCREASE  
~1M Units

MARKET SHARE INCREASE  
~1%

**RESTRUCTURING**

**~\$700M**

**LOWER  
EXPENSES**





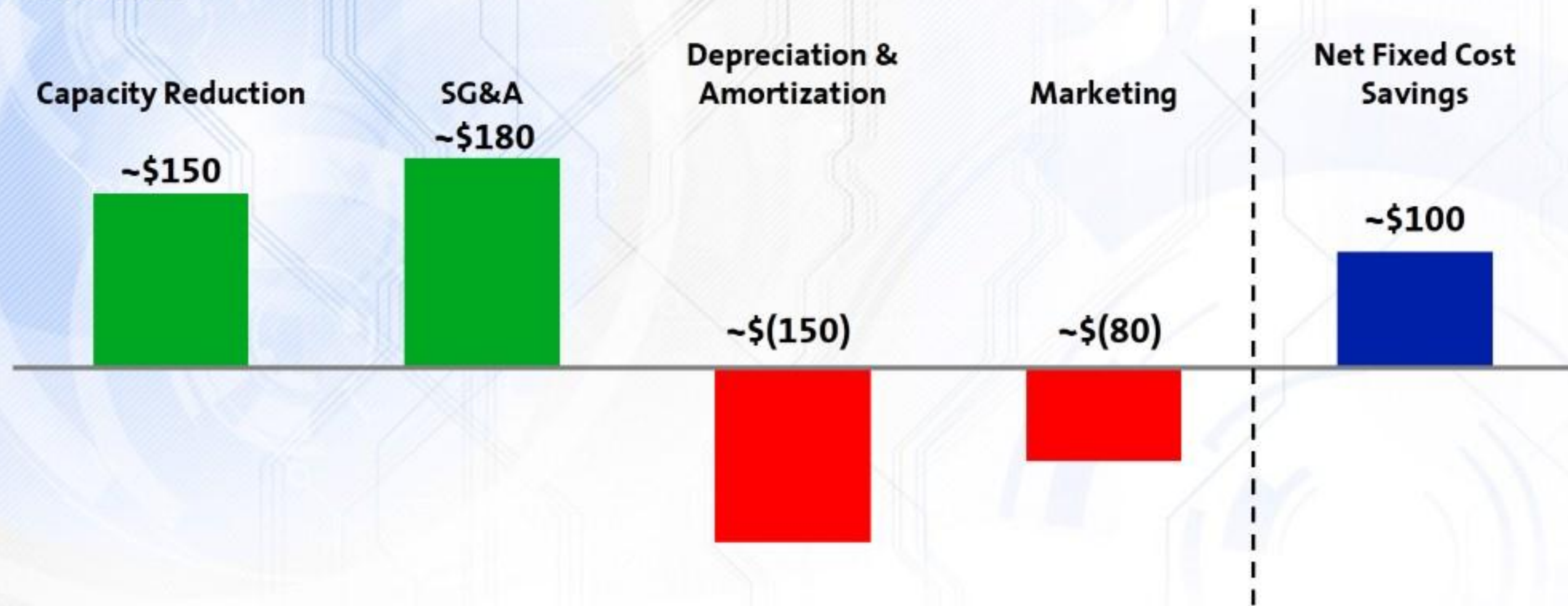
## EUROPE NEXT GENERATION PRODUCTS

	CORSA	ASTRA
Annual Volume 000's	~300	~225
Segment Share	↑	↑
VP Improvement/Unit	~\$900	~\$1,250



# EUROPE FIXED COST IMPROVEMENT – 2014-2016

MILLIONS







## REST OF THE WORLD – SOUTH AMERICA

- Expect marginal losses in 2014
  - Macro weakness in Brazil & Argentina
  - Venezuela challenges
- Long-term margin objective remains mid-single digits
  - Strong products, brands, and dealer network





## REST OF THE WORLD – INTERNATIONAL OPERATIONS

- Expect significant loss in 2014...but in-line or slightly better than plan
- Anticipate substantial improvement in the near term..
  - Chevy Europe wind down, launch products in Middle East, and right-sizing operations
- Longer-term objective of mid-single digit margins
  - Emerging market portfolio, improvement in brand & dealer networks, and efficient / scaled business models





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# CAPITAL ALLOCATION







## BALANCED USE OF CASH

Reinvesting in the Business



Fortress Balance Sheet



Return Capital to Shareholders

**MAXIMIZE**  
Long-term Return  
to Shareholders



## CASH PRIORITIES

### REINVESTING

IN THE  
BUSINESS

- Capital expenditure increases will be based on investment in technology, growth opportunities and improved returns balanced against cash generation of business
- Restructuring expense to return to historical run rates ~\$400M to ~\$500M annually over next two years
- Remain opportunistic towards strategic investments that strengthen the enterprise



## CASH PRIORITIES

# FORTRESS

## BALANCE SHEET

- Target capital structure consistent with strong investment grade rating
- Liquidity buffer to absorb downturns and shocks
  - Target Auto Liquidity of ~\$30-35B
  - Target Auto Cash of ~\$20-25B
- Low debt; de-risk and fully fund global funded pensions over time
  - Target Auto Debt + Net Underfunded Pensions of ~\$25-30B
  - No planned near-term material discretionary contributions
  - Maintain flexibility to be opportunistic



## CASH PRIORITIES

# RETURN CAPITAL TO SHAREHOLDERS

- Return excess cash beyond previously mentioned priorities to shareholders
  - Strong and growing dividends based on improved performance ... and sustainable thru the business cycle
  - Further opportunistic actions as appropriate



## TARGET: EXCESS CASH RETURNED TO SHAREHOLDERS

	Average 2011-2014	Average 2015-2016
<b>Sources:</b>		
Adjusted OCF <sup>2</sup>	~\$11B	Increase
<b>Uses:</b>		
CAPEX	~\$7-\$8B	Increase as Appropriate
U.S. Pension Actions	~\$1B	Minimal
Debt/Preferred Actions <sup>1</sup>	~\$2B	Minimal
Return to Common Shareholders	~\$2B	Increase

<sup>1</sup> Series A Preferred Stock dividends & redemptions and debt balance reductions

<sup>2</sup> Includes 2011-2013 adjustments that were included in Adjusted Free Cash Flow





## **IN SUMMARY**

- ~10% margins in North America in 2016
- ~9-10% margins in China
- Europe return to profitability on track by 2016
- Strategic capital allocation plan focused on long-term shareholder value





We are Building  
the **MOST VALUED**  
Automotive  
Company



GM Targets  
**9-10% MARGINS**  
by Early Next  
Decade  
(Consistent with IPO  
“High” Scenario)