



## **CHUCK STEVENS**

Executive Vice President & Chief Financial Officer

*Bank of America Merrill Lynch – 2015 New York Auto Summit – April 1, 2015*

# FORWARD LOOKING STATEMENTS

In this presentation and in related comments by our management, our use of the words “plans,” “expect,” “anticipate,” “possible,” “target,” “believe,” “commit,” “intend,” “continue,” “may,” “would,” “could,” “should,” “project,” “appears,” “potential,” “projected,” “upside,” “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:

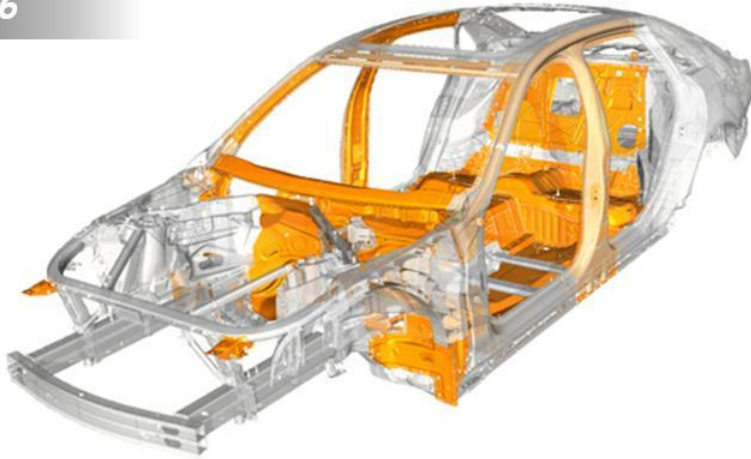
our ability to realize production efficiencies and to achieve reductions in costs as a result of our restructuring initiatives and labor modifications; our ability to maintain quality control over our vehicles and avoid material vehicle recalls and the cost and effect on our reputation of product recalls; our ability to maintain adequate financing sources, including as required to fund our planned significant investment in new technology; 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 and our ability to continue to attract new customers, particularly for our new products. General Motors Co. (“GM”)’s most recent annual report on Form 10-K provides information about these and other factors, which we may revise or supplement in future reports to the Securities and Exchange Commission (the “SEC”).

# WHAT WE HEAR FROM INVESTORS

- Technology leadership and pace of innovation
- Inconsistent track record of delivering results
- Hard to see earnings getting better
- Concern over financial distress in a downturn
- Underfunded pensions perceived as an issue

# TECHNOLOGY LEADERSHIP

CT6



Bolt EV



4G LTE



Super Cruise/V2V



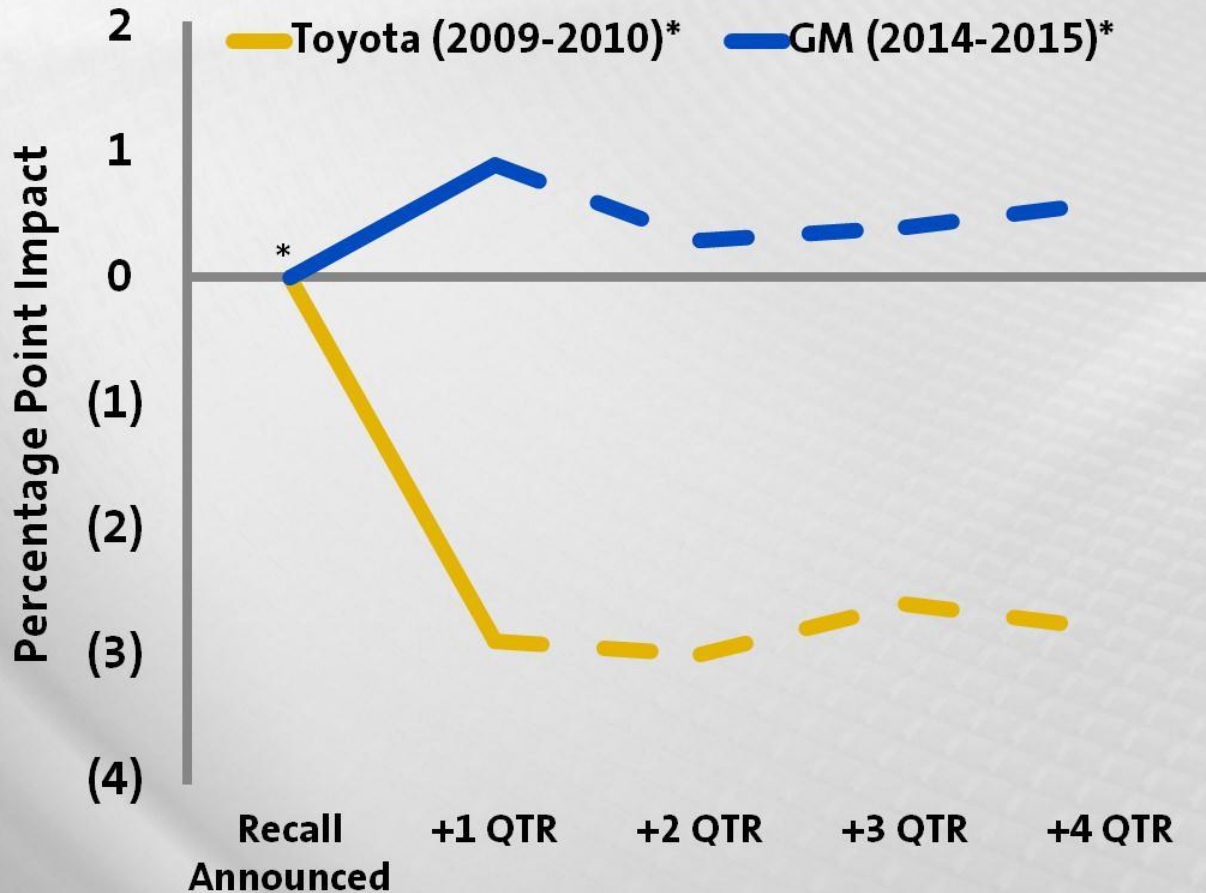
*We are establishing leadership position across many dimensions...*

# MANAGEMENT TEAM IS DELIVERING RESULTS

- Recall crisis management
- Did what we said – 2014 business results
  - Six straight quarters of Y-O-Y GMNA margin growth\*
- Made tough decisions
  - Exit Chevy Europe; exit Australia, Indonesia, and Russia manufacturing
  - Restructuring Thailand
- Capital allocation framework/\$5B share buyback
- Management not standing still – more to do

# 2014 RECALLS: STRONG LEADERSHIP

## U.S. Market Share Impact – After Major Recall



### Key Principles/Actions

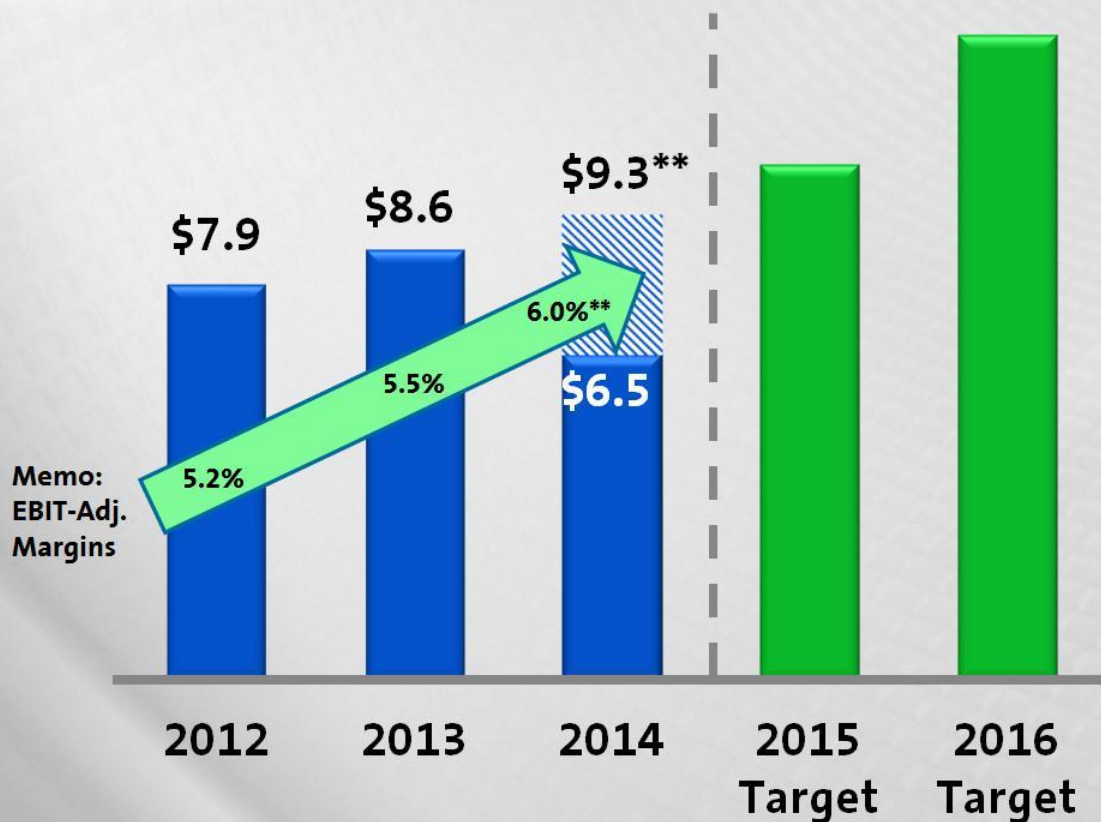
- “Do the right thing”
- Independent investigation
- Compensation Program
- Disciplinary actions
- Process changes
- Behavior changes
- Delivered results

\* Denotes Toyota Motor Company announced initial recall for unintended acceleration;  
 General Motors Company announced initial recall for ignition switch  
 Source: Internal company reports

# DELIVERING ON OUR COMMITMENTS

## GM Consolidated EBIT-Adjusted\*

\$Billions



### 2015 Target

- EBIT-Adjusted and EBIT-Adjusted margins improving in all automotive regions

### 2016 Target

- 10% EBIT-Adjusted margins in North America
- Profitability in Europe
- Sustained margins in China
- GM Financial full captive
- Continued progress in developing markets

\* Reconciliation of EBIT-Adjusted on slide S2

\*\* Represents Core Operating Performance - excluding recalls

# DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

**Reinvest in Business  
to Drive Growth  
and 20+% ROIC**

**Maintain  
\$20B Target  
Cash**

**Maintain  
Investment Grade  
Balance sheet**



**All Available  
Free Cash Flow  
to Shareholders**

*Transparent and disciplined capital allocation  
framework driving shareholder value*

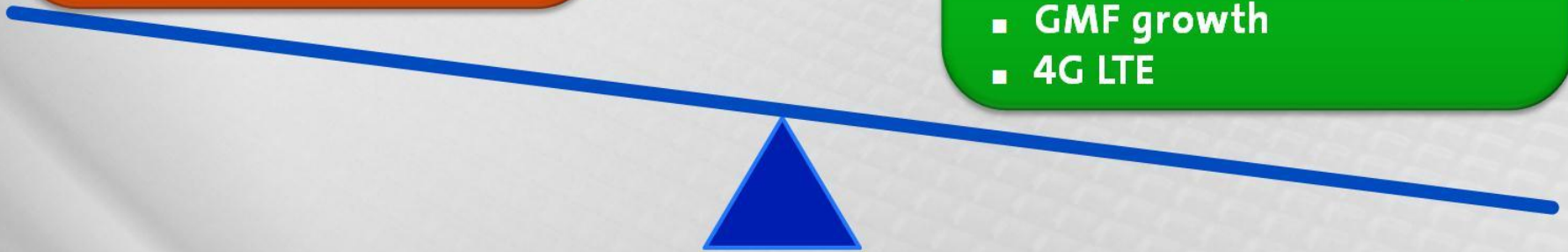
# EXPECT EARNINGS WILL GET BETTER – NUMEROUS CATALYSTS

## Market Risks:

- U.S. cycle
- Pricing (ie. passenger cars)
- Interest rates
- Oil prices
- FX

## Controllable Opportunity:

- Material costs / suppliers
- Overhead efficiencies
- New product contribution (high volume launches)
- GMF growth
- 4G LTE



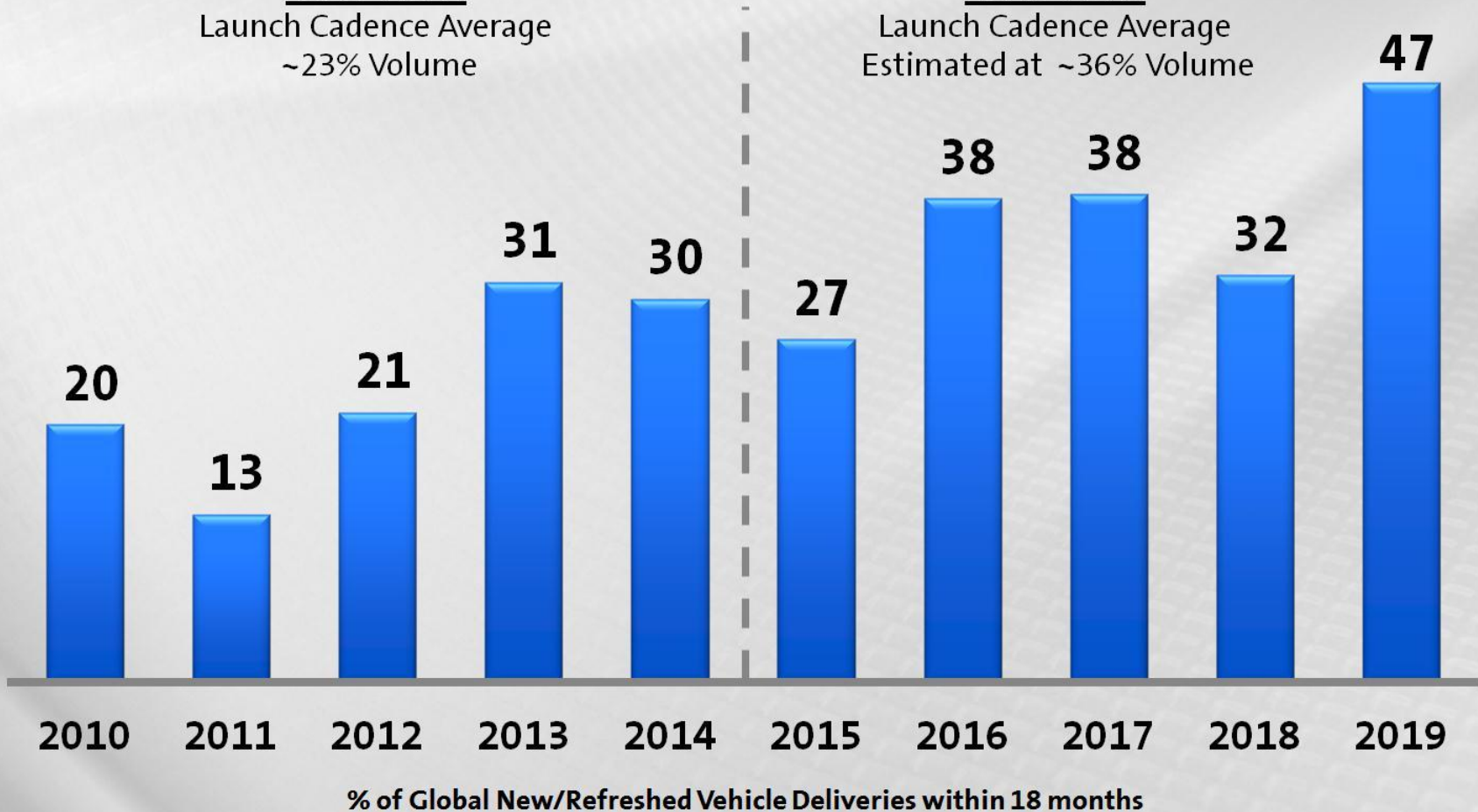
# FUTURE PRODUCT PORTFOLIO

2010-2014

Launch Cadence Average  
~23% Volume

2015-2019

Launch Cadence Average  
Estimated at ~36% Volume



*The product cycle story is just beginning ...*

# CHEVROLET MALIBU



# CADILLAC CT6



# PLACING MORE FOCUSED BETS...

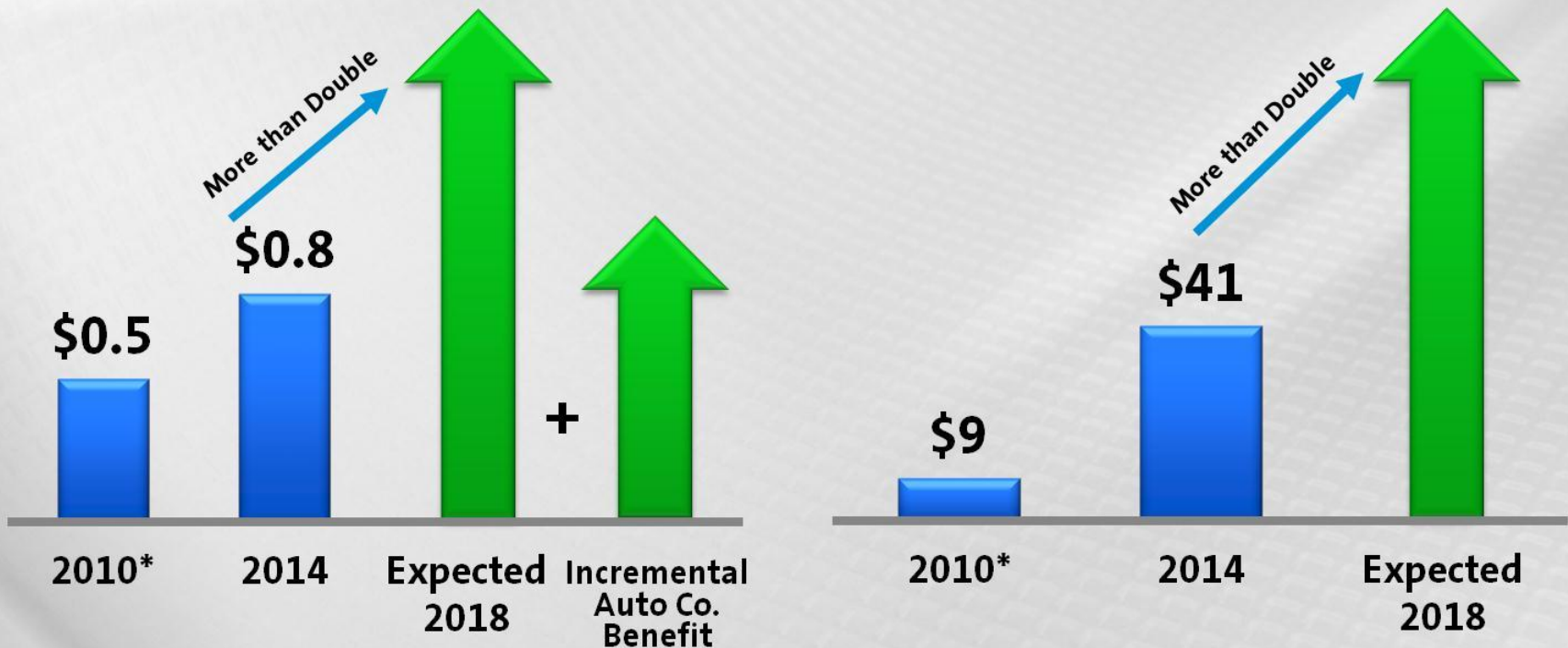


*Full-line global automotive company...  
tremendous growth/profit potential*

# GMF – UNAPPRECIATED OPPORTUNITY

**EBT-Adjusted**  
\$ Billions

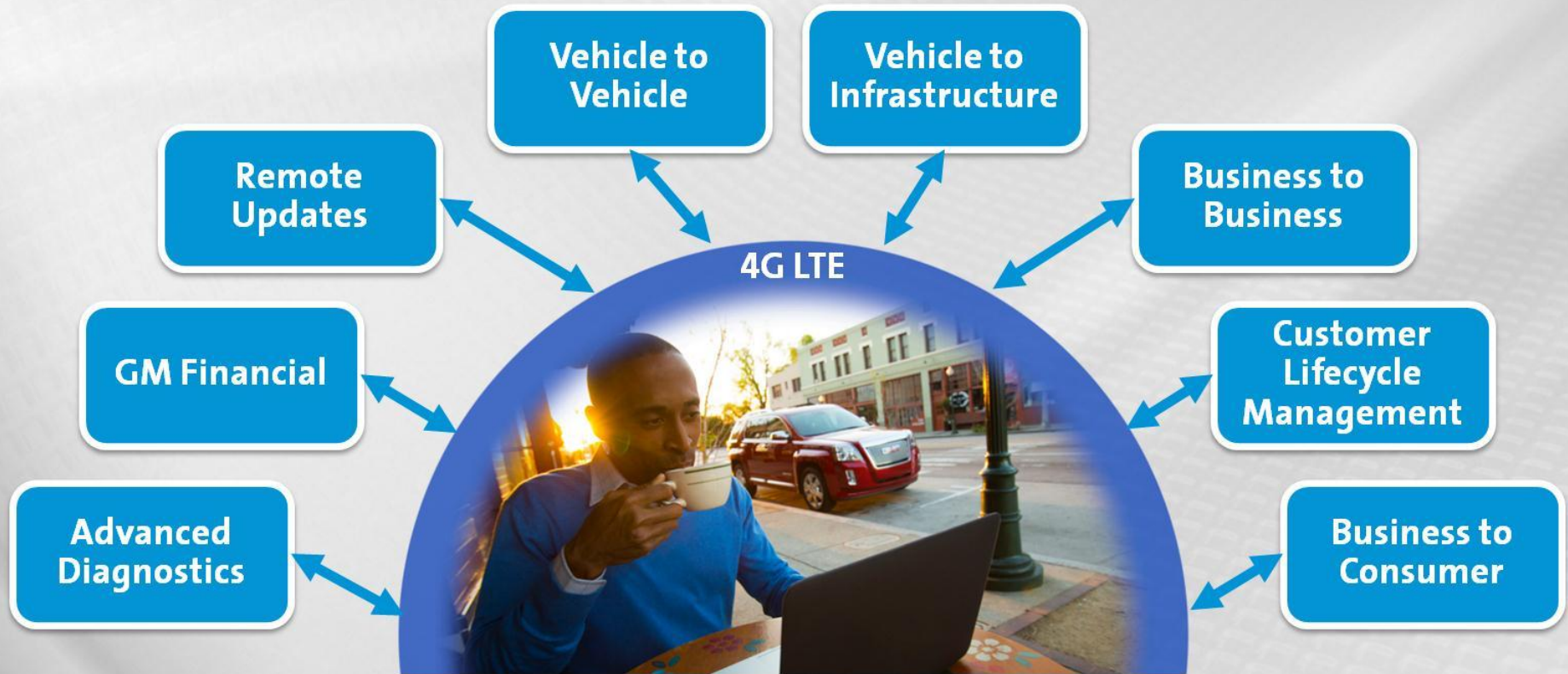
**Ending Earning Assets**  
\$ Billions



*No additional capital contributions, retained earnings support growth  
Earnings and assets to grow faster than equity capital base  
Double digit after-tax ROE, greater than cost of capital*

\* GMF acquired in 2010 and reported in Form 10-K

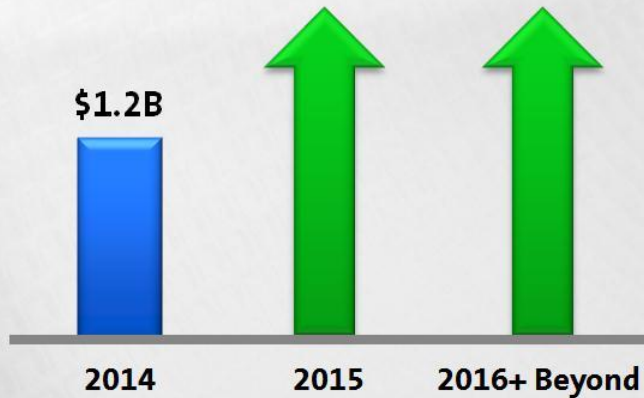
# 4G LTE – AN UNTAPPED OPPORTUNITY



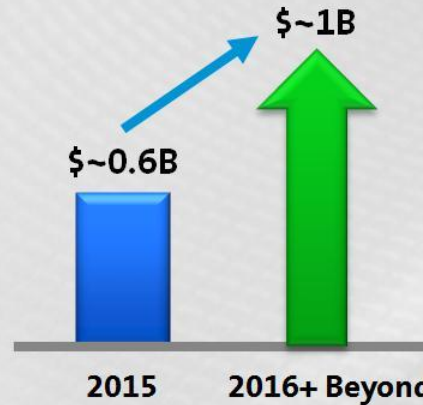
*Significant margin/profit opportunity...  
Estimated incremental \$350M impact by 2018*

# FOCUS ON COST EFFICIENCY

## Estimated Global Non-Raw Material & Logistics Cost Savings



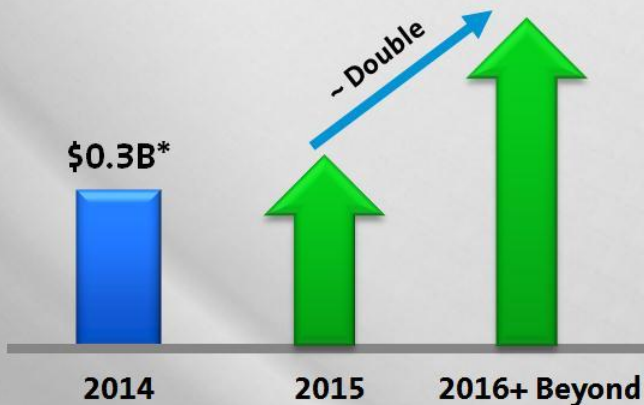
## Estimated Global Operational Excellence (47 Chartered Projects)



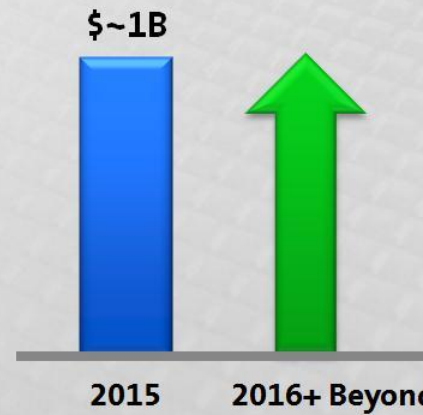
### Project Focus Area

- Global Purchasing & Supply Chain
- Sales & Marketing
- Product Development
- Manufacturing/Other

## Estimated Global IT & Global Business Services Cost Savings



## Estimated Global Manufacturing Performance (Annual performance ~ 4% = Flat Y-O-Y Manufacturing Costs)



### Mfg. Performance Drivers

- People cost efficiencies
- Indirect material savings
- Launch efficiencies
- Scrap / other projects
- Footprint optimization

\* Denotes cost savings vs 2012 rate

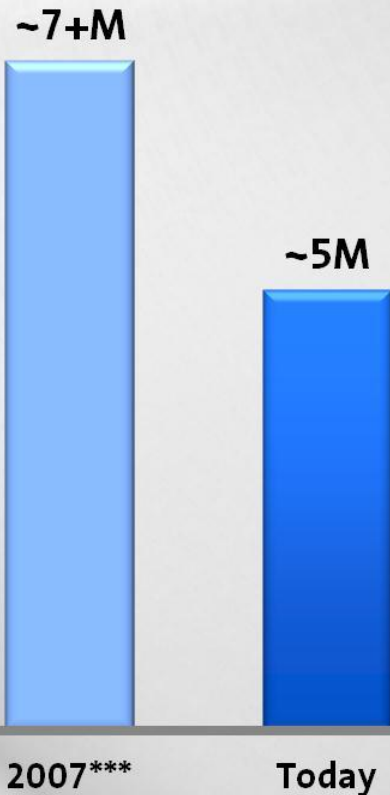
# GM BETTER POSITIONED FOR THE CYCLE

- Lower breakeven point
- Improving quality of earnings
- Investment grade balance sheet/revolver as backstop

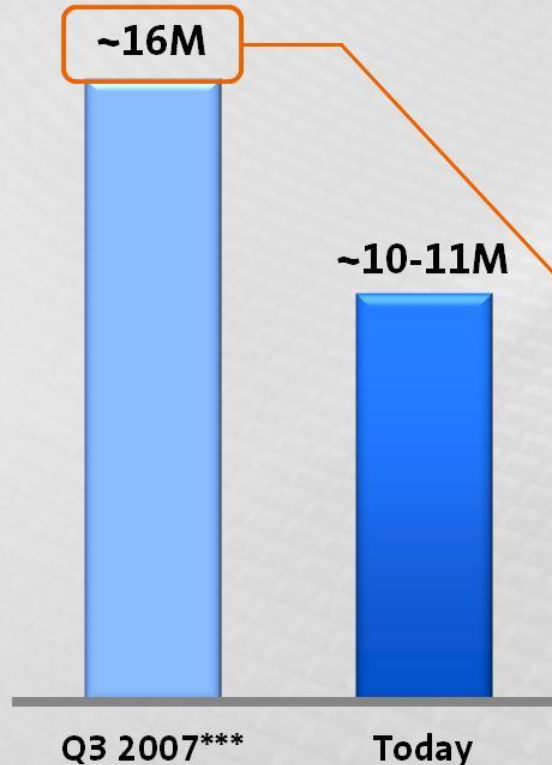
*Ability to “weather” a downturn and appropriately invest through cycle significantly improved...*

# BREAKEVEN SIGNIFICANTLY IMPROVED

**Global Breakeven  
(Wholesale Units)**



**GMNA Breakeven  
(U.S. SAAR)**



**Proof Points**

**2010**

- U.S. SAAR **11.8M**
- GMNA EBIT-Adj. **\$5.7B\***
- GMNA EBIT-Adj. Margin **6.8%\***

**2014**

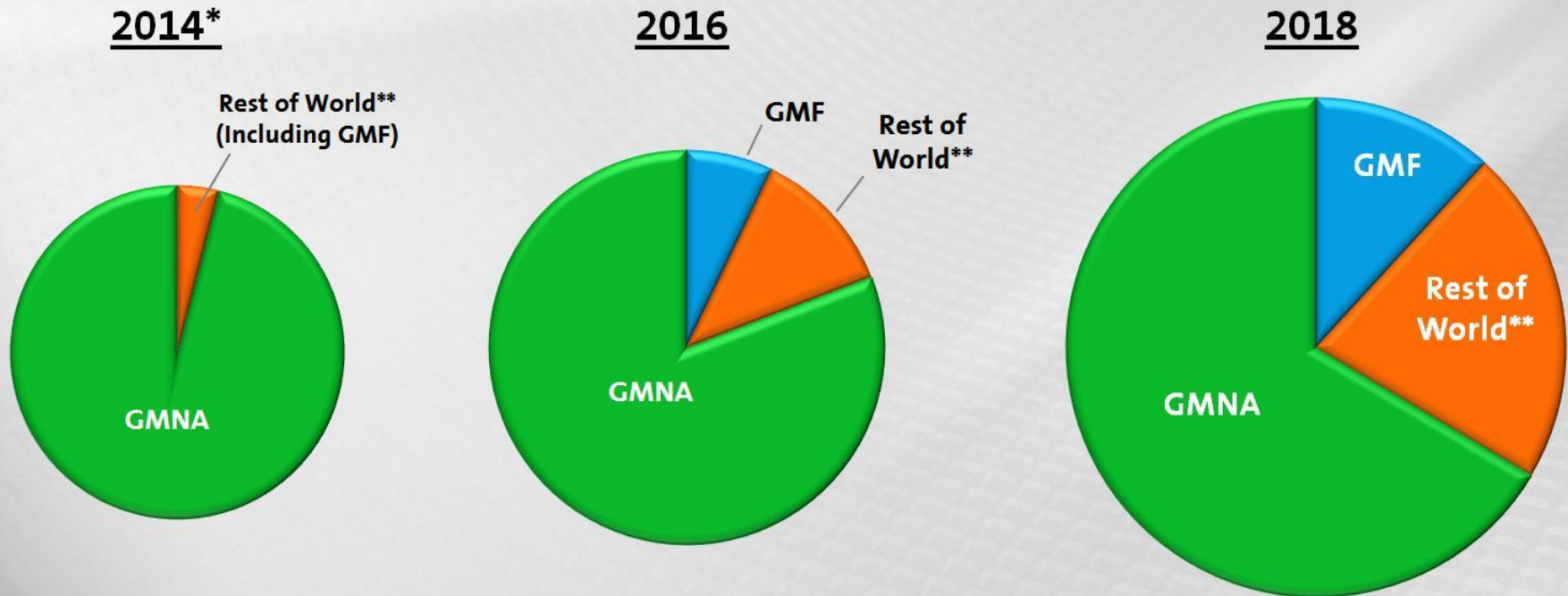
- U.S. SAAR **16.9M**
- GMNA EBIT-Adj. **\$9.0B\*\***
- GMNA EBIT-Adj. Margin **8.9%\*\***

U.S. Mkt. Share ~25%      ~17%

\* As reported on Form 10-K filed in 2013, prior to implementation of country of sale reporting  
 \*\* Represents Core Operating Performance - excluding recalls  
 \*\*\* Represents General Motors Corporation – aka “Old GM”

# IMPROVING DIVERSIFICATION OF EARNINGS

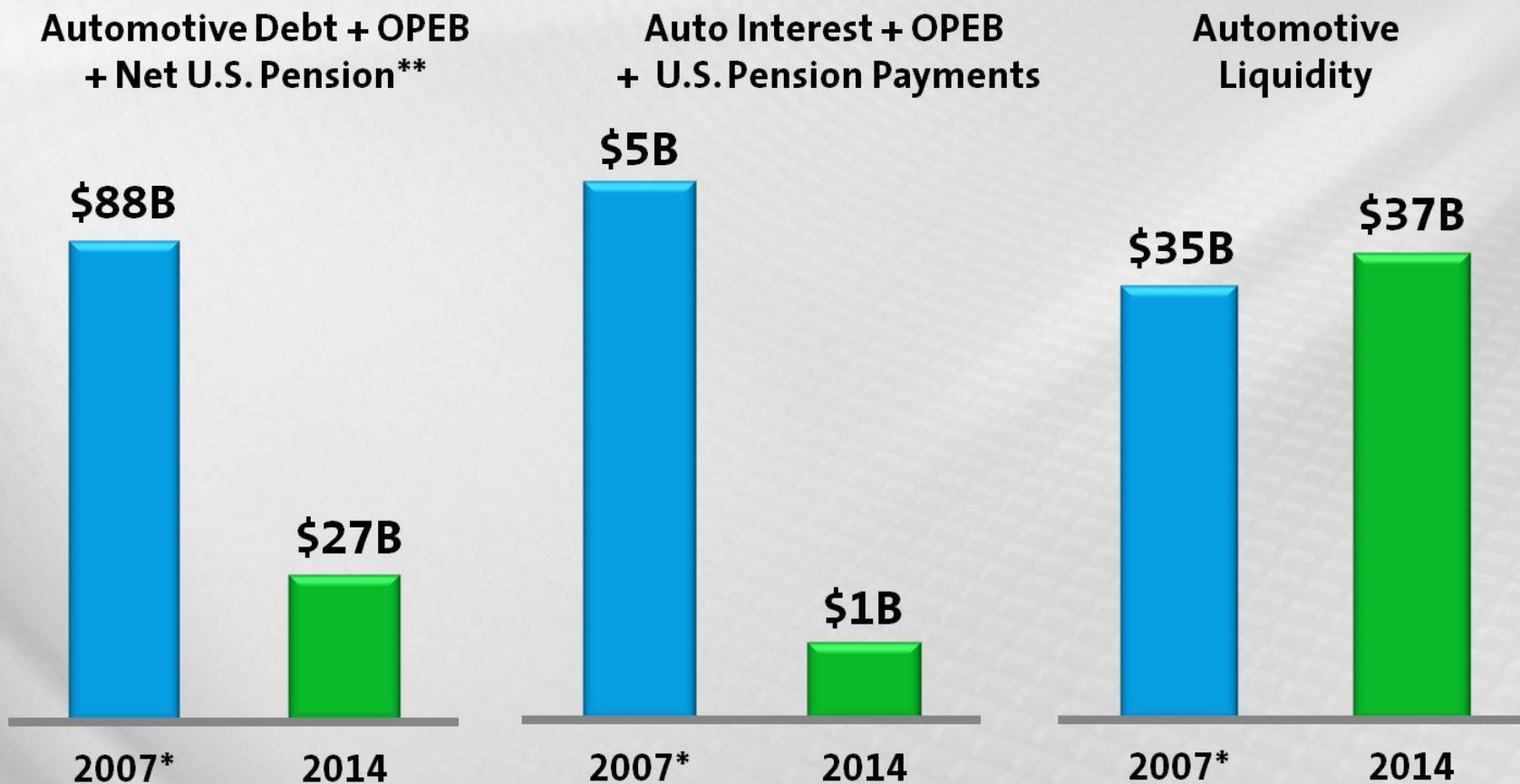
## % OF CONSOLIDATED GM EBIT-ADJ.



*Earnings growth and additional diversification expected*

\* Represents Core Operating Performance - excluding recalls \*\* Contains financial results from Corporate/Elims

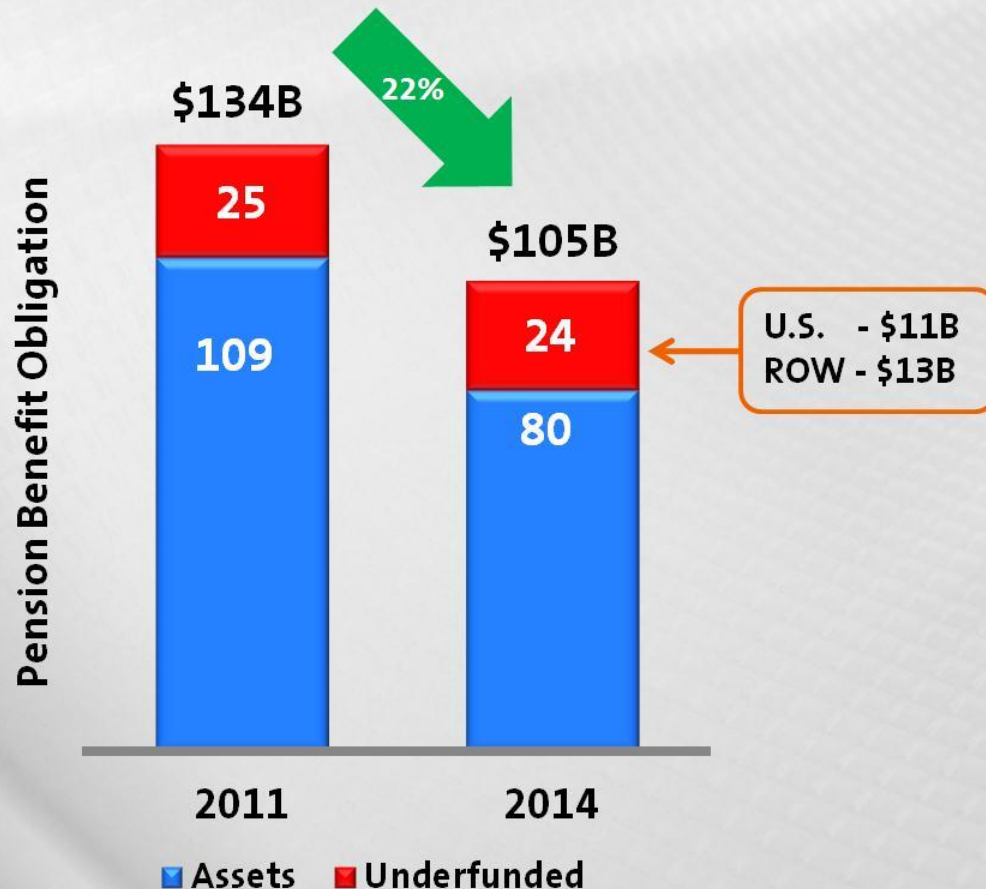
# SIGNIFICANTLY LOWER BALANCE SHEET/ CASH OBLIGATIONS



\* Represents General Motors Corporation – aka “Old GM”

\*\* 2007 U.S. pension plan fully funded; 2014 U.S. pension plan underfunded \$11B

# PENSION OBLIGATION DOWNSIZED & DERISKED



- No material mandatory U.S. contributions required for ~5 years
- Discount rates likely supportive over mid-term
- ROW-majority pay as you go

*We have extended the time horizon to mitigate pension obligation*

# SUMMARY

- Leadership positions in technology
- We are delivering results...and on track to deliver medium and long-term commitments
- Numerous catalysts will enable earnings to further improve
- GM is not the same company it was prior to last downturn --- well positioned for the cycle
- Pension obligation manageable



# **GENERAL MOTORS COMPANY**

## **SELECT SUPPLEMENTAL FINANCIAL INFORMATION**

# NON-GAAP MEASURES

Management uses earnings before interest and taxes (EBIT)-adjusted and return on invested capital (ROIC) in its financial and operational decision making processes, for internal reporting and as part of its forecasting and budgeting processes as they provide additional transparency of our core operations. EBIT-adjusted and ROIC allow management to view operating trends, perform analytical comparisons and benchmark performance amongst other companies in our industry. In addition, ROIC allows management to assess how effectively we are deploying our assets.

We use EBIT-adjusted for our automotive segments because it excludes interest income, interest expense and income taxes and includes certain additional adjustments. We use income before income taxes-adjusted for GM Financial because we believe interest income and interest expense are part of operating results.

We define ROIC as EBIT-adjusted for the trailing four quarters divided by average net assets during that period. We consider average net assets to be the average of our ending total equity, plus average automotive debt and interest related liabilities (excluding capital leases), plus average automotive net pension and OPEB liabilities, less average automotive net income tax assets and average fresh start accounting goodwill for each quarter in that period.

Our calculation of EBIT-adjusted and ROIC are considered non-GAAP financial measures because we calculate them using financial measures that have been adjusted from the most directly comparable U.S. GAAP financial measure. Our calculation of these non-GAAP 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 our non-GAAP measures has limitations and should not be considered in isolation from, or as a substitute for, related U.S. GAAP measures.

# RECONCILIATION OF EBIT-ADJUSTED

| (\$B)  | 2012       | 2013       | 2014       |
|--|------------|------------|------------|
| Income (loss) before income taxes                            | (28.7)     | 7.5        | 4.2        |
| <b>Add Back</b>  |            |            |            |
| Interest Expense   | 0.5        | 0.3        | 0.4        |
| Interest Income  | (0.3)      | (0.2)      | (0.2)      |
| Net (income) loss attributable to noncontrolling interests   | 0.1        | 0.0        | (0.1)      |
| Gain/(Loss) on Extinguishment of Debt                        | 0.3        | 0.2        | (0.2)      |
| <b>Special Items</b>   |            |            |            |
| Goodwill Impairment Charges*                                 | 27.1       | 0.4        | 0.1        |
| Impairment Charges of Property and Intangible Assets*        | 5.5        | 0.8        | 0.4        |
| Pension Settlement Charges*                                  | 2.7        | 0.1        | -          |
| Venezuela Currency Devaluation*                              | -          | 0.2        | 0.4        |
| GM Korea Wage Litigation*                                    | 0.3        | (0.6)      | -          |
| Recall Campaign Catch-up Adjustment*                         | -          | -          | 0.9        |
| Ignition Switch Recall Compensation Program*                 | -          | -          | 0.4        |
| Other**  | 0.5        | (0.1)      | 0.1        |
| Total Special Items  | 36.1       | 0.8        | 2.3        |
| <b>EBIT-Adjusted</b>   | <b>7.9</b> | <b>8.6</b> | <b>6.5</b> |
| <b>Memo: Recall Related Expenses</b>                         | <b>-</b>   | <b>-</b>   | <b>2.8</b> |
| <b>Memo: EBIT-Adjusted excluding Recall Related Expenses</b> |            |            | <b>9.3</b> |

\*Included in Operating Income

\*\* Please refer to filed 10K and 10Q documents for additional detail on other special items

Note: EBIT-Adjusted includes GM Financial on an EBT-Adjusted basis. Results may not foot due to rounding