

13:26 **Leanne Wandoff:** Welcome everyone! Ray will be in the room in a few minutes ... get your questions ready.

13:36 **Leanne Wandoff:** Ray is running a few minutes late, please stay with us.

13:40 **Ray Young:** Hi everyone - sorry I am a bit late. Just finished off some broadcast interviews. Let's start!

13:41 [Comment From Brian Johnson#CFO ]

What is amount of cash new GM starts with? If old GM spends more on restructuring does that reduce the cash at new GM; conversely, if old GM spends less than budgeted does new GM get that unspent cash?

13:44 **Ray Young:** Hi Brian - We fully drew on the \$33 B DIP facility. We have cash well in excess of our minimum operating requirements. We have put this into escrow. Not ready to talk about our cash mgt strategies yet but will soon.

We expect the amount of cash we left in OldGM (\$1.175B) will be adequate to cover the liquidation expenses. If there is cash left over, it goes back to the US Treasury as repayment of the loan.

13:44 [Comment From chris ceraso#cfo ]

Hi, Ray - interested to talk about changes to the cost structure - can you give us an average per-head savings number for New GM vs. Old GM? What about benefit costs - any changes to OPEB - or that was going to disappear in 2010 anyway? Any change to pension expense or the obligation (outside of returns and discount rates)? thanks, Chris Ceraso

13:48 **Ray Young:** Hi Chris - we are going to be labor cost competitive through a combination of our per hour labor cost competitive with the US transplants and reducing the size of the US hourly workforce to about 38k. This will get us competitive from a manufacturing cost per unit basis with the transplants.

OPEB for retiree health will disappear with the VEBA agreement - - naturally we still have the financing cost of the Veba debt and Veba preferred. We still have OPEB related to US Hourly Life and Salaried Health and Life - - but the latter two have been significantly reduced with benefit changes recently.

No change to pension expense resulting from the recent UAW agreement other than having the "pension pass through" eliminated which will reduce our funding obligation to the US hourly pension plan in the future.

13:49 [Comment From John Murphy#CFO ]

What is GM's current total cash and debt (including preferreds)? Does that include the remaining loans to be drawn from the government? If not, how much is available to be drawn?

13:51 **Ray Young:** Hi John - I answered the question on cash from Brian earlier. On Debt, we have the \$8B of debt to the US and Cdn govts, \$2.5B to the US Veba, \$0.9B to the Cdn Veba and about \$5B in rest of the world debt. So about \$17B as we emerge as NewGM.

13:51 [Comment From chris ceraso#cfo ]

Ray, What are the outstanding unsecured claims - is it 10% of the new company?

13:53 **Ray Young:** Hi Chris - the largest claimant in OldGM are the \$27B of unsecured bondholders. There are other claimants as well, such as Tort, etc.

The most valuable asset of OldGM is its 10% holdings in NewGM.

13:54 [Comment From Colin Langan#CFO ]

What is the annual cost savings associated with dealer closings? What are the components of these savings?

- 13:55 **Ray Young:** Hi Colin - we will have material structural cost savings associated with the dealer rationalization strategy. But the big savings that we have not really quantified but which is real is that we will be able to be more surgical in our incentive strategies. The expression "the chain is as strong as its weakest link" is very applicable in terms of our incentive strategies. We currently design our incentive strategies to support our weakest dealers to keep them viable. This is going to go away.
- 13:56 [Comment From chris ceraso#cfo ]  
The \$17b in debt from John's question does not include the preferreds, does it? Isn't that another ~\$9b or so?
- 13:56 **Ray Young:** Does not include preferreds. Preferreds are \$9B.
- 13:57 [Comment From John Murphy#CFO ]  
If GM's market share in the US is significantly below the 18%-19% target is there flexibility to reduce capacity, headcount, and other costs further?
- 14:00 **Ray Young:** First, we believe we have a realistic marketshare range of 18%-19%. In fact, the consultants/advisors would indicate that we have upside in the out years of the plan. We have a cumulative share YTD of over 19% despite all the negative news and our production cuts that impacted fleet sales. If for some reason our share drops down into a lower range, of course we would take actions to take out more capacity. But that is not our main scenario for planning. We cannot cut ourselves to prosperity. We need to focus on revenue and ACM growth again. That is where Fritz will be spending most of his time.
- 14:00 [Comment From chris ceraso#cfo ]  
have you received the questions we sent so far?
- 14:00 **Ray Young:** Yes I am typing as fast as I can.
- 14:01 [Comment From chris ceraso#cfo ]  
will old GM still have a cap-ex budget?
- 14:02 **Ray Young:** Ask Al Koch. I am no longer CFO of OldGM. But realistically they are in liquidation mode.
- 14:02 [Comment From Brian Johnson#CFO ]  
Are you considering using your Troubled Supplier Program to support American Axle? Would you do so to keep it out of bankruptcy or only post any potential AXL filing?
- 14:02 **Ray Young:** AAM has the option of using the facility if they want to.
- 14:03 [Comment From chris ceraso#cfo ]  
how much will be pension funding obligation be reduced per that change in the "pass through" you mentioned?
- 14:03 **Ray Young:** Not ready for prime time discussion yet. But there will be a reduction in the funding obligations.
- 14:04 [Comment From Colin Langan#CFO ]  
Do you still anticipate needing to fund you pension in 2012 – 2013? Also, will you be applying for DOE loans in the future?
- 14:05 **Ray Young:** No required contributions for US Hourly until 2013 at the earliest.
- We have applied for DoE loans already. They have been waiting for us to emerge before processing. I have been in personal contact with them.
- 14:05 [Comment From chris ceraso#cfo ]  
I didn't quite catch it during the media call with Fritz, can you explain what Bob Lutz's new role and responsibilities will include?
- 14:06 **Ray Young:** Chris - you are typing too fast.
- Bob is going to be in charge of all the creative elements of GM. Design, marketing, brand, communications. More clarity to come as Fritz finalizes the organizational structure.

- 14:07 [Comment From John Murphy#CFO ]  
Ray - \$17bn is the debt in new GM now, but I would assume as the DIP is drawn this will increase, correct? Or will this be somehow converted to equity?
- 14:08 **Ray Young:** \$17B is the amount now. The debt to equity conversion has already occurred as of this morning.
- 14:08 [Comment From Brian Johnson#CFO ]  
With the new organizational structure, where will P&L accountability fall? Are you going to create multiple, smaller profit centers (perennially around functions, as Toyota or Caterpillar) have?
- 14:09 **Ray Young:** Likely that we will have North America and International Operations as our main operating units. TBD as to how we will treat the Latin American subunit.
- Fritz and I will be spending time looking at the big country P&Ls and Balance Sheets (such as China, Korea, Brazil, etc).
- 14:10 [Comment From chris ceraso#cfo ]  
Does the large remaining cash balance in escrow suggest that New GM will still be burning cash in the near term?
- 14:12 **Ray Young:** We do have cash burn forecasted for the rest of CY 2009. Although significantly reduced versus first half of the year as we made our US dealer stock adjustment from 870k units to 570k units in the first half of the year.
- 14:12 [Comment From chris ceraso#cfo ]  
How has your volume, mix, and price been trending in regions outside the US - Europe, China, LatAM, Korea?
- 14:15 **Ray Young:** LAAM - favorable volume, mix. Challenge has been Venezuela.
- Korea - unfavorable volume (domestic and export), FX. Losses on FX derivative contracts.
- China - favorable volume and mix. Wuling a great surprise for us.
- Europe - tail of two cities. Favorable volumes/ mix in Germany. Unfavorable volumes / mix in Russia. Opel Insignia a great success.
- Overall global - industry volumes in line with forecast so far.
- 14:15 [Comment From Colin Langan#CFO ]  
Has the UAW officially assumed responsibility for the VEBA assets and liabilities or will this occur at a later date? Does this still need court or UAW approval?
- 14:16 **Ray Young:** no further court approval required.
- DOL Prohibited Transaction Exemption required for the contribution of stock into the Veba (which is underway).
- Dec 31, 2009 closing of the Veba transaction.
- 14:17 [Comment From chris ceraso#cfo ]  
In one of the previous submissions to the Treasury, GM had outlined potential pension contributions in 2013-2014 in the ~\$13b range (cumulative)... is this still expected/in the ballpark?

14:17 **Ray Young:** Answered already.

14:17 [Comment From chris ceraso#cfo ]

While GM is private, does the company plan to host quarterly earnings conference calls?

14:18 **Ray Young:** Maybe we should do a webchat for quarterly earnings broadcast.

But seriously, yes.

14:18 [Comment From Brian Johnson#CFO ]

What are your 3Q09 production estimates?

14:19 **Ray Young:** Not yet. As we emerge, we will " rereview" our sales, production strategies for rest of the year.

14:19 [Comment From chris ceraso#cfo ]

Are there leverage, minimum liquidity, or other covenants associated with the government debt?

14:20 **Ray Young:** No leverage, minimum liquidity, EBITDA or financial covenants.

14:20 [Comment From chris ceraso#cfo ]

What should we expect for Cap Ex for New GM?

14:21 **Ray Young:** About \$5B globally. (excluding Europe and China)

14:22 [Comment From Brian Johnson#CFO ]

As Opel is sold to Magna (or whomever), will you retain in new GM chevy/Daewoo in Europe? If so, how much of GME (revenues, 2008 income) did those account for -- that is, what remains of GME apart from the equity interest in spun-out Opel?

14:23 **Ray Young:** We retain the GM DAT/Chevrolet distribution network in Europe. The revenues are booked at GM DAT, not GME.

Very little remains in GME. I think for example VM Motori JV with Penske as an example. Bieski Biela JV with Fiat.

14:24 **Ray Young:** Time for one more. Let Randy know how you like this new type of communications.

14:25 [Comment From Colin Langan#CFO ]

Will there be a change in GM's plans to produce cars on global platforms as a result of the Opel deal? Who will be responsible for designing global car platforms in the future, Opel?

14:25 **Ray Young:** We intend to continue to develop vehicles on a global basis. Even with a JV in Europe with Magna or whoever. In this business, scale economies in product development are important for GM and for the partner.

14:26 [Comment From chris ceraso#cfo ]

Now that New GM has emerged from bankruptcy, what's next, do you go to Disney?

14:27 **Ray Young:** Thanks everyone for your participation in this webchat. This is the first time for me to do this.

I need to now catch a plane to Disney. (I wish).

Ray