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General Motors Outlines 90 Days of Progress *Accelerates its Focus on Customers, Cars and Culture*

- More competitive operating model and streamlined leadership structure in place
- Especially strong performance of newly launched cars and trucks
- Strengthens its four core brands – Chevrolet, GMC, Buick and Cadillac
- New marketing campaign positively impacts consumer consideration

DETROIT – General Motors today outlined progress it has made toward achieving commitments in its business plan, including implementing a leaner structure, building stronger brands, and driving a company culture that puts the customer at the center of everything it does.

Since launching the new company on July 10, GM has made demonstrable progress in positioning the company for success; putting in place a new global operating structure, a leaner and more streamlined executive leadership team, and a reconstituted Board of Directors. Emerging is a new GM with a cleaner balance sheet, fewer employees, an improved cost structure, a stronger dealer network, and streamlined global operations. Most importantly, the company has successfully launched new vehicles around the world that are performing especially well in their respective markets.

“Over the past ninety days since we created the new GM, we’ve already launched a number of new, fuel-efficient, highly successful cars and crossovers; introduced a new marketing campaign that highlights our best-in-class fuel economy, quality, warranty and safety performance; sworn in a new Board of Directors; and overhauled our management,” said GM President and CEO Fritz Henderson. “We are taking aggressive actions and moving quickly to transform our culture into one that is truly customer focused,” Henderson said.

New vehicle launches perform especially well

Consumer reaction to GM’s newest vehicles is very positive. In the U.S., newly launched vehicles, including the Chevrolet Equinox, Cadillac SRX, Buick LaCrosse, GMC Terrain and Chevrolet Camaro all exceeded sales expectations in September. September year-over-year sales of the all-new Chevrolet Equinox are up 94 percent, and the all-new Cadillac SRX sales are up 105 percent compared with August.

Additional marketplace recognition came from the recent naming of three GM brand cars (Buick LaCrosse, Cadillac CTS Sport Wagon and Chevrolet Camaro) and two GM brand trucks (Cadillac SRX and Chevrolet Equinox) to the short list of nominees in the North American Car/Truck of the Year competition. The winners in each category will be announced at the North American International Auto Show in January.

To help spur demand, in early September, GM launched a new advertising campaign titled "May the Best Car Win," which reinforces the company's confidence in design excellence and award-winning vehicle quality. Edmunds.com reports brand interest in GM vehicles is up approximately 11 percent (from 18.1 to 20 percent) since the campaign launched.

In other world markets, the Daewoo Matiz Creative was launched in South Korea last month and has helped to double GM's market share in the mini segment in that country within the first three weeks of sale. Demonstrating the strength of GM's new global small car, since its introduction to the Australia market in late June, the all new Holden Cruze has become one of the country's top 10 selling nameplates. The Chevrolet Agile is now launching in Brazil and Argentina, and initial receptivity by consumers and media is positive. In Europe, the new Opel Astra, introduced at the Frankfurt Motor Show, is ramping up production. The Astra is expected to perform well as a complement to the award-winning Insignia.

Chevrolet Volt remains on track

The Chevrolet Volt extended-range vehicle remains on track to begin production in late 2010. To date, more than 80 pre-production Volts have been built and are being road-tested. GM also recently announced a \$43 million investment in Brownstown Township, Mich. to manufacture the required lithium-ion battery packs.

Improved sales performance

GM's preliminary global market share in the third quarter was 11.9 percent, up 0.3 percentage points from 11.6 percent share in the first half of the year, compared to 12.4 percent in 2008. The company's U.S. market share was 19.5 percent in the third quarter, consistent with the first half of the year. U.S. market share in 2008 was 22.1 percent. Most recently, GM's September share was 20.6 percent, one of the highest months in 2009, showing that the company's strong new launch products are capturing consumer interest. The four core brands accounted for more than 90 percent of GM's September U.S. sales.

As of September 30, dealer inventory was 424,000 units with 81 days supply, down from 582,000 and 99 days supply at the end of the second quarter. Going forward, production will continue to be aligned tightly with demand. GM is increasing fourth quarter North America production to help rebuild the supply of vehicles in high customer demand.

Rationalizing manufacturing

GM has continued consolidating manufacturing operations while maintaining the flexibility to meet market demand. Third quarter 2009 production was 533,000 vehicles, compared to a fourth quarter production forecast of approximately 655,000, or a 23 percent increase. The company added approximately 60,000 units into the third and fourth quarter North America production schedules to meet growing consumer demand. Shifts have been added at CAMI, which produces the Chevrolet Equinox and GMC Terrain, and the Lordstown Complex, which produces the Chevrolet Cobalt. Additionally, third shifts will be added early next year at three plants to increase production of in-demand vehicles.

In the last 90 days, Pontiac Assembly and Wilmington Assembly both have ceased operation, as part of the previously announced plan to reduce operating plants in the U.S. By year-end 2009, GM will have reduced the number of operating plants in the U.S. to 41, down from 47 in 2008, excluding the component plants recently acquired from Delphi.

Dealer consolidations continue

As previously announced, GM is consolidating U.S. dealers through wind-down agreements, including Pontiac and Saturn dealerships. The company continues to work toward a more competitive dealer distribution structure, with approximately 5,800 dealers at the end of the third quarter, down from approximately 6,375 dealers at the end of 2008. Even after the dealership consolidation is completed in 2010, GM will have more dealerships serving customers than any competitor in the U.S.

Workforce reductions

In the U.S., GM reduced its workforce from approximately 29,700 salaried at the end of 2008 to approximately 24,300 salaried as of October 7, 2009, or 18.2 percent. GM's hourly employment has been reduced from approximately 62,000 people to 49,200 people in the same time period, or 21 percent.

Expanding international operations

In the Asia Pacific region, General Motors India and Reva Electric Car Company entered into a collaboration agreement and have begun feasibility studies to jointly develop electric vehicles for the Indian market. The agreement will accelerate GM's progress toward meeting future electric vehicle needs in markets around the world.

GM also recently announced the establishment of its China Science Lab in Shanghai. This facility will conduct important research projects and is expected to contribute to worldwide technological innovation. The Lab's initial focus will be on research related to advanced propulsion technology. The China Science Lab is GM's eighth research facility.

Also in China, GM China and China FAW Group recently created FAW-GM Light Duty Commercial Vehicle Co. Ltd. to produce and sell light-duty trucks and vans. The 50-50 joint venture will also engage in research and development, exports and aftersales support.

In Brazil, GM do Brasil opened a new, expanded technical center in Sao Paulo. The Center employs more than 2,000 engineers and designers to develop new vehicles. It is the largest automotive technical center in Latin America.

Asset sales near completion

GM continues to work toward closing the sale of the Hummer and Saab brands. The company has made further progress on agreements and necessary regulatory approvals for the sale of Hummer to Sichuan Tengzhong Heavy Industrial Machinery Co. Ltd., and has reached agreement with Koenigsegg Group AB to purchase Saab.

GM also is working to close the sales transaction of a majority stake in Opel/Vauxhall. Opel/Vauxhall operations will be 55 percent owned by Magna International and Sberbank; 10 percent by employees; and the balance retained by GM.

Delphi

As part of the resolution to the Delphi bankruptcy, GM recently acquired Delphi's global steering business and four key U.S. sites. In addition, the Pension Benefit Guaranty Corporation is assuming Delphi's pensions covering 70,000 Delphi workers and retirees, while GM will provide benefits to a limited group of Delphi hourly employees and retirees. These agreements were finalized on October 6.

Looking ahead – key GM priorities

Leading into 2010, GM will continue to focus on its customers, cars and culture. The company will continue to promote its full range of vehicles with special attention paid to new launches, while emphasizing its brands in-market, and allocating resources to improve consumer consideration of GM vehicles.

GM will maintain an intense focus on business performance, improving cash flow and EBIT. Additionally, the company will work to grow the revenue line through stabilization of market share in the U.S. and growth in important markets like China and India.

As a newly created entity, GM is continuing to implement "fresh-start" reporting, which encompasses the determination of the fair value of its assets and liabilities, by March 31, 2010. The company is also continuing to prepare for an IPO as soon as practical.

While significant progress has been made since the new company emerged, challenges still remain. These include uncertainty in the rate of recovery of the U.S. economy and the auto industry, the company's ability to continue rebuilding consumer purchase consideration and completing the remaining structuring actions.

"We've made a lot of progress in 90 days, but we don't think for a second that we can begin to ease off the accelerator," Henderson said. "We have been granted an extraordinary second chance to reinvent this company. We are driving hard to change the way we interact with our customers, to ensure our new cars and trucks are the best in their segment, and to change the way we operate and how think about the business. We need to prove ourselves every day, and we will."

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About General Motors: GM, one of the world's largest automakers, traces its roots back to 1908. With its global headquarters in Detroit, GM employs 219,000 people in every major region of the world and does business in some 140 countries. GM and its strategic partners produce cars and trucks in 34 countries, and sell and service these vehicles through the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Opel, Vauxhall and Wuling. GM's largest national market is the United States, followed by China, Brazil, the United Kingdom, Canada, Russia and Germany. GM's OnStar subsidiary is the industry leader in vehicle safety, security and information services. GM acquired operations from General Motors Corporation on July 10, 2009, and references to prior periods in this and other press materials refer to operations of the old General Motors Corporation. More information on the new GM can be found at www.gm.com.

Contacts:

Tom Wilkinson

313-667-0366 (o)

313-378-6233 (c)

tom.wilkinson@gm.com

Reneé Rashid-Merem

313-665-3128 (o)

313-701-8560 (c)

renee.rashid-merem@gm.com

Noreen Pratscher

313-667-5051 (o)

586-899-2760 (c)

Noreen.pratscher@gm.com