

**Remarks by Edward E. Whitacre, Jr. □
GM Chairman and CEO □
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Thanks, Dave [Cole], and good afternoon. It's a pleasure to be here...and it's no wonder why you picked this location.

This really is beautiful country up here. And as a Texan, it pains me to say this, but it's true...your lake really is bigger than any lake in Texas.

This is my first time at this conference, so I hope you will take it easy on me. You were nice enough to invite me last year...but at the time, I was still trying to figure out my way around the RenCen without getting lost.

Plus, this time last year, I had nothing but problems everywhere I looked.

Angry dealers.irate suppliers. Upset customers. Worried employees. You name it. So you can understand why I wasn't racing up here to this event.

Although, come to think about it, when I look around GM today, it feels eerily the same.

Our dealers are angry. Our suppliers are mad. Our employees are worried and our customers are upset.

But, there is a difference.

Today, our dealers are unhappy because we can't make cars, trucks and crossovers fast enough.

Our suppliers are frantically trying to keep up with demand.

Our employees are stressed because many had to forgo the usual summer shutdown so we could keep up production.

And we have some customers upset because they don't want to wait on their new GM vehicles.

Now, no one wants problems. But if you have to have them, these are the kinds of problems we like to have.

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So, how did we trade last summer's problems for the one's we have today?

There are four keys to our ongoing turnaround:

First, we clarified the company's focus.

Today, GM has a clear and simple vision: "Design, build, and sell the world's best vehicles." That's what we do... that's **all** we do. Everyone at GM knows this and has rallied around it. Anything that does not support this vision has either been stopped, or is on its way out.

Second, we reinvigorated the team and restructured the organization.

As the old saying goes, "Nothing concentrates the mind like the prospect of one's own hanging."

And last year, we had a near death experience that has concentrated our thinking and energized everyone.

We know what's at stake. We know how close GM and the entire industry came to collapse. And as a result, we also realize how bright the future can be.

In addition, we have brought new blood and fresh thinking into the management team ... while retaining the auto expertise that is so important to our success. It has also allowed us to open up opportunities for many of our younger talents – Mark Reuss running our North American team is a great example.

We're unleashing the energy and enthusiasm of our people and it's really great to see their response.

Third, we're moving faster and smarter.

We're changing the way we do business at GM – doing all we can to make smart decisions and make them fast... while clearing the underbrush that can impede good thinking.

In June, for example, we launched a new subsidiary called GM Ventures to identify and develop new technologies. It's one of the ways we're working to ensure that GM customers always get the latest technology. And we did it in a matter of weeks.

Last month, we agreed to purchase AmeriCredit to establish the core of a new captive financing arm at GM. This deal came together in about a month, start to finish. No consultants, no drawn out analysis... and no doubts, either.

The fourth key to our ongoing turnaround – we're making vehicles that people just can't wait to buy.

Everything I've just talked about only works... if the company produces cars and trucks that customers absolutely love. And we're doing that today.

Several of these great products are on display here this year. If you haven't seen them yet, I hope you'll have a chance following this session.

Of course, as I've come to learn, it takes years to bring a new vehicle to market. So we owe a debt of gratitude to the people who had the foresight to develop these awesome cars and trucks – people like Rick Wagoner, Fritz Henderson, Bob Lutz and others. And I'm happy to report that the products we have in the pipeline are just as exciting as the ones we're selling now.

So, that's the foundation for GM's turnaround. These actions have enabled us to take more chances and try new things. They are the reason we're making money again. In fact, if you liked our first quarter earnings, stay tuned for our results next week.

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It's an exciting time to be at the New GM.

My thinking about both the company and the industry has changed a lot in the year since I came to Detroit.

I took this job out of a sense of duty – the country put a lot of faith in GM and in the industry, and I wanted both to succeed. After all, I'm a taxpayer too.

But it soon became clear that the opportunity outweighed the obligation. We're not trying to make the New GM a smaller, leaner, more efficient version of the Old GM. That's not success, in my view.

We want to reshape the company and help change the industry in the process. And the opportunities for doing that are boundless... for all of us. Let me give you three of my personal favorites:

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First, is the industry's growth potential.

You don't have to be in this business long to see that the opportunities here are huge. That's especially true in developing markets like Brazil, Russia, India, and China. By 2015, these four markets alone are expected to grow their annual sales by about 13 million vehicles.

In China, GM's first half sales this year were up almost 50 percent compared to 2009. That's one reason we'll roll out more than 10 new or upgraded products in China this year alone.

For those who are ready, the opportunities to grow the business both here and abroad are tremendous. And I believe no one is better positioned for global success than GM.

Meanwhile, North America remains critically important, and it's very gratifying to see the beginning of a return to normal here.

The economic recovery may be a bit uneven, but we are encouraged. GM is selling more vehicles today with four brands than we were last year with eight, which is very positive.

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The second big industry opportunity we can all be excited about is technology.

Recent events in the Gulf of Mexico – and right here, in the Kalamazoo River – remind us how badly we need to get the most out of our current fuel sources and expand into new ones.

It means improving the efficiency of the internal combustion engine. That’s why we’re so excited about the new Chevy Cruze Eco, which will get 40 mile-per-gallon on the highway.

Reducing our reliance on petroleum means putting more hybrids on the road. It means more vehicles that can use E85 ethanol, bio-diesel, liquefied petroleum gas and compressed natural gas.

Maybe most important, it involves the virtual reinvention of the automobile... through the development of electric vehicles, fuel cells, and so on.

At GM, we’re doing all these things and more. We have aggressive plans to expand the number of hybrids and plug-in vehicles in our portfolio... and I know many of you are working on the same challenges at your companies. The opportunities are huge... and we’re just beginning to see the possibilities.

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The third opportunity is bringing innovation to how we market our products.

We’ve all seen how the Internet has revolutionized vehicle shopping in recent years. At GM, we think there are other “shopping revolutions” out there just waiting to be explored.

Last week, for example, Chevrolet became the first brand to pilot an app for the iPhone and iPad that allows salespeople to sell vehicles anywhere, anytime. They can demonstrate trim levels, pick colors, show videos, search inventory, model pricing, even submit and retrieve quotes. And they can do all this anywhere.

No need to run back to their desks for more information. It makes for faster, smarter negotiations... and it saves customers time and money.

Now, I don’t want to tip my hand about all of the things we’re doing, but I can tell you this – whatever we do in this space will be done with the support of our great GM dealers.

We certainly had our issues over the last year...and putting those issues behind us is critical to GM's future.

In fact, today, I'm pleased to announce that we concluded our dealer arbitration process, paving the way for the new GM dealer network.

Starting November 1, we will have a network of about 4,500 U.S. dealerships in place to sell and service our Chevrolet, Buick, GMC, and Cadillac brands... and it will be the best network in the business.

The GM dealer network will be the right size... and have the right dealers... to make our customers happy and keep them coming back. Our network will be about 25 percent smaller than it was, but it will still be the nation's largest.

In the mean time, we've embarked on what we believe is the largest facility makeover the industry has ever seen. So far, we've updated more than 300 facilities; we expect to update more than 1,000 by the end of this year.

For the first time in a while, our dealers are fully devoted again to what they do best...focusing on our customer.

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So, GM has come a long way in a year's time...and so has the industry. In fact, I'd like to congratulate Chrysler and Ford for their progress during this period...as well as the suppliers, who toughed it out with all of us.

At GM, we were pretty much flat on our backs a year ago.

Now, we're on our feet again... getting into fighting shape... and taking the fight back to the marketplace.

It's a fight we are going to win.

And it's going to be a lot of fun in the process.

Dave – thanks to you and the team at CAR for a great conference.

And thanks to all of you for listening today.

Thank you.

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