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CEO Mary Barra Remarks to 2014 Stockholders' Meeting

DETROIT – General Motors CEO Mary Barra addressed her first stockholder meeting as chief executive on Tuesday. Her prepared remarks are below. As always, the spoken word is definitive.

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Thank you, Tim [Solso].

Good morning and welcome to Detroit and the global headquarters of General Motors. Thank you for being with us.

Today's meeting will show you how we are striving to serve the needs of both stockholders and customers by building great vehicles, working to create an exceptional ownership experience and imbedding strong financial and operating discipline in all that we do.

You can see our strategy at work in a number of ways.

We have award-winning products like the Chevrolet Impala, Cadillac CTS and the Corvette. Our dealers are building new, modern sales and service facilities... and we're earning recognition for our sustainability efforts.

I will also update you on our actions around the ignition switch recall.

But before I do that, I again want to express my deepest sympathies to the victims and their families. I know there are no words that can ease their grief and pain.

You should know that I have and will be guided by two clear principles: to do right thing for those that were harmed and to make sure we accept responsibility for our mistakes and commit to doing everything within our power to prevent this problem from ever happening again.

I'm sure many of you know we made two significant announcements last Thursday in connection with the ignition switch recall.

The first was the completion of the independent investigation conducted by former U.S. Attorney Anton Valukas.

Second, we discussed our commitment to create a compensation program for those who lost loved ones or who suffered serious physical injuries as a result of an ignition switch failure.

The Valukas report was drawn from more than 350 interviews with over 230 individuals and more than 41 million documents. The report highlights a company that operated in silos, with a number of individuals seemingly looking for reasons not to act, instead of finding ways to protect our customers.

Repeatedly, individuals failed to disclose critical pieces of information that could have fundamentally changed the lives of those impacted by a faulty ignition switch. If this information had been disclosed, I truly believe the company would have dealt with this matter appropriately.

Even though investigators found no evidence that any employee made a trade-off between safety and cost in the investigation of the Cobalt, it's clear that no one did enough to protect the basic needs of these customers.

The attitudes and practices that allowed this failure to occur will not be tolerated. That's why 15 individuals who were determined to act inappropriately are no longer with the company and another five have received disciplinary actions.

The report also makes a series of recommendations in eight major areas and I'm committing the company to act on these recommendations. We have already taken action in each major area.

As for the compensation program we announced, we are relying on the expertise of Kenneth Feinberg, who is experienced in designing and administering complex compensation programs.

The program he will administer underscores our commitment to do the right thing...and treat accident victims and their families with compassion, decency and fairness.

Pending Mr. Feinberg's development of final guidelines for the compensation program, we currently expect it to begin accepting claims on August 1.

Our work to ensure customer safety and the redoubling of our efforts in this area explain to a large degree why we have had an increase in the number of recalls this year.

It is also important to note that about 70 percent of the vehicles we have recalled in 2014 in the United States involved vehicles no longer in production.

Having said that, we expect our redoubled efforts to be substantially completed by the end of the second quarter.

In the near term, you might expect to see a few more recalls, like those we announced last Friday.

Nothing is more important to us than the safety of our customers. Nothing.

Today, General Motors is building the highest quality, safest, most efficient and best performing vehicles in its history. That's just not my opinion. Consumers, the media and others are confirming that.

As do the numbers. Last month, GM dealers delivered almost 285,000 cars, trucks and crossovers in the U.S., up 13 percent compared to a year ago, making it the company's best May in seven years and its best total sales since August 2008.

Our commitment to building the best products in the global marketplace guides our corporate strategy. We know, quite simply, that this is essential to both our near and long term success.

That's why I am optimistic about where we are and where we are going.

For more than four years now, we have systematically – and successfully – executed a plan to grow around the world. We are deploying our capital more strategically to generate a higher degree of profitability.

We have invested almost \$11 billion of capital in 35 U.S. facilities since 2009.

Our joint ventures in China are working to boost production capacity by 30 percent to more than 5 million units annually by 2015.

Our strategy there is to stay ahead of industry growth by answering the increasing demand for luxury vehicles, SUVs, multi-purpose vehicles and smaller passenger cars. Growth in China is one reason our global Cadillac sales are up 10 percent this year, compared to a year ago.

In Europe, Opel is conducting the largest product offensive in its history and will introduce 27 new models and 17 new engines by 2018.

In South America, we have revitalized our Chevrolet product lineup with a full range of sophisticated, fuel-efficient and high-tech cars, crossovers and SUVs.

We are working to build stronger businesses in South Korea, Australia and emerging markets around the world.

And we are expanding GM Financial's retail and wholesale finance product offerings in North America and growing its presence in Europe, South America and China.

These investments in our products and plants have driven GM's strongest and most consistent financial performance in decades.

From 2010 through the first quarter of 2014, we generated \$630 billion in revenue, earned \$32 billion before interest and taxes (adjusted for special items) and delivered almost \$18 billion in adjusted free cash flow.

These numbers clearly show that North America and China, our largest regions, are strong and solidly profitable.

North America earned \$7.5 billion before interest and taxes (adjusted for special items) last year... and equity income from our joint ventures in China was a record \$1.8 billion.

GM Financial is also solidly profitable. Earnings before taxes were \$900 million last year, and it is helping us sell more cars and trucks around the world.

In South America, we were profitable in 2013, and we are taking the necessary steps to insure consistent results going forward.

In Europe, the team is doing a great job and our relentless drive to strengthen the Opel brand is accelerating our turnaround.

We will continue to strengthen our brands to keep this momentum growing and build on our success around the world.

Key highlights from 2013 include:

- Record sales from Chevrolet, which also swept the 2014 North American Car and Truck of the Year awards with the Corvette and Silverado.
- Buick's highest sales in its 110-year history.
- Cadillac's re-emergence as the fastest growing full-line luxury brand.
- In addition, we and our joint venture partners sold over 3.1 million vehicles in China in 2013, an 11.4 percent increase over 2012.
- At Opel/Vauxhall we saw the first market share gain in Europe in more than 14 years.
- And GM received the U.S. Environmental Protection Agency's Energy Star Partner of the Year Sustained Excellence Award in 2013, and again in '14, for our ongoing leadership in protecting the environment.

The strong results helped us achieve several important milestones:

- Your Board voted unanimously to declare a quarterly common stock dividend. The dividend for the first quarter of 2014 was paid on March 28.
- GM is now part of the S&P 500 Index.
- Moody's has elevated GM debt to investment grade status.
- And the U.S. Treasury sold its remaining stake in the company.

To be sure, we faced some serious challenges since the beginning of 2013, and we had to make some tough calls. Among those were our decisions to wind down Chevrolet Europe and restructure our operations in Australia.

There will be more difficult decisions and issues ahead. But the path to success demands we step up to every challenge and take decisive action – and we are and will continue to do so.

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The record I have just reviewed demonstrates that GM is changing - rapidly, across the board...and for the good. And while I am proud of these advances, I expect – and I know you expect, more.

In my first few months as CEO, I have come to appreciate more than ever the full potential of this great company. The global auto industry is among the most competitive businesses in the world today. In every market, consumers have more and better automotive choices than ever before.

And the competition is only going to get tougher. This is reality.

Another reality is that GM is positioned to be stronger, leaner and more responsive than ever before as well.

In my remarks last Thursday announcing the results of the Valukas report, I was totally candid about our shortcomings. But I also spoke about unleashing the full power of GM. Going forward, this is my mission.

I want to unleash the full creativity and dedication of our 200,000 plus employees...the full power of our dealers to care for customers and build stronger local relationships... the ingenuity of our engineers and suppliers to discover breakthrough technologies that benefit our customers.

Today GM is a very good company. Tomorrow we can be a truly great company. We can only achieve this goal if we hold each other to the highest possible standards. Unleashing the full power of this company will not be easy to execute, I know. But I believe it's what we must do to make GM the world's best automotive company for customers.

Thank you.

General Motors Co. (NYSE:GM, TSX: GMM) and its partners produce vehicles in 30 countries, and the company has leadership positions in the world's largest and fastest-growing automotive markets. GM, its subsidiaries and joint venture entities sell vehicles under the Chevrolet, Cadillac, Baojun, Buick, GMC, Holden, Jiefang, Opel, Vauxhall and Wuling brands. More information on the company and its subsidiaries, including OnStar, a global leader in vehicle safety, security and information services, can be found at <http://www.gm.com>

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