

CADILLAC GLOBAL STRATEGY

J.P. MORGAN AUTO CONFERENCE



Johan de Nysschen- President, Cadillac

August 11, 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,” “on track,” “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 various recalls; our ability to negotiate a successful new collective bargaining agreement with the UAW and avoid any costly work stoppage; 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 reports on Form 10-K and Form 10-Q provide information about these and other factors, which we may revise or supplement in future reports to the Securities and Exchange Commission (the “SEC”).

CONTENT

- I. Assessment
- II. Re-establishing The Standard
- III. Progress Points
- IV. Re-inventing The Brand
- V. Product Portfolio Expansion
- VI. Global Volume Development

WHY IS CADILLAC IMPORTANT TO GM?

• Luxury brands → +10% of global auto sales

• Luxury brands → +50% global auto profits

• General Motors → 9.2% global auto sales

• Cadillac → 3.4% global luxury sales

CADILLAC IS THE AVENUE FOR GM TO UNLOCK THE UNTAPPED PROFIT OPPORTUNITY IN THE LUXURY AUTO MARKET

Sources: IHS Global Insight



GLOBAL ASSESSMENT – ONE YEAR AGO

PRICING	Cadillac pricing power trails product substance
PRODUCT	Lack of entries in new growing segments, global powertrains limited in coverage (e.g. Diesel)
ORGANIZATION	Unclear responsibilities for Cadillac within GM corporation Non-US markets have little to no Cadillac-dedicated staff(s) and little influence
BRAND HEALTH	Cadillac brand health trails segment competitors on every key metric
NETWORK	Network quality in U.S. is a major brand image impediment Volume per outlet significantly lower than that of German competitors, ROS for exclusive stores lower than multi-line stores

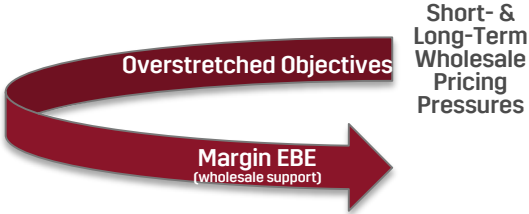
CHALLENGES:

- Brand image
- Brand relevance
- Pricing power trails product substance
- Residual values
- Incentive spend
- Network size
- Network profitability
- Customer demographics
- Structure
- Product portfolio
- Powertrain

CADILLAC PRIORITIES

ADDRESSING HEALTH OF BUSINESS AND BRAND

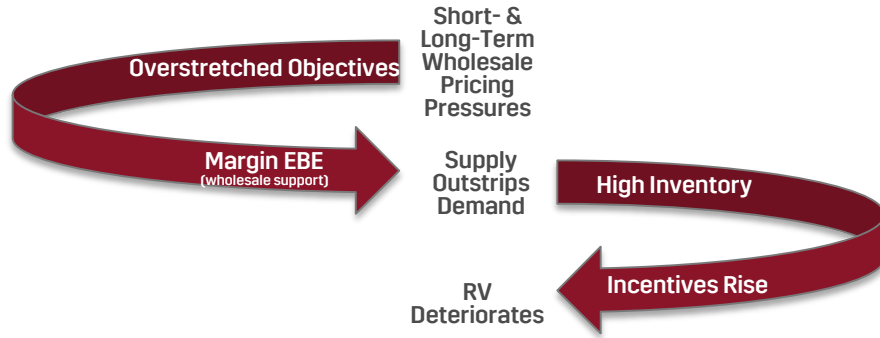
PUSH MODEL: COMPOUNDING NEGATIVE FACTORS



CADILLAC PRIORITIES

ADDRESSING HEALTH OF BUSINESS AND BRAND

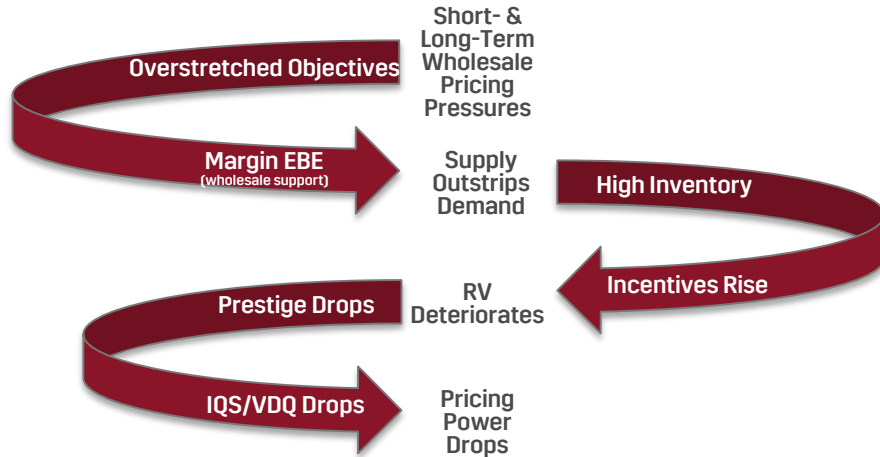
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CADILLAC PRIORITIES

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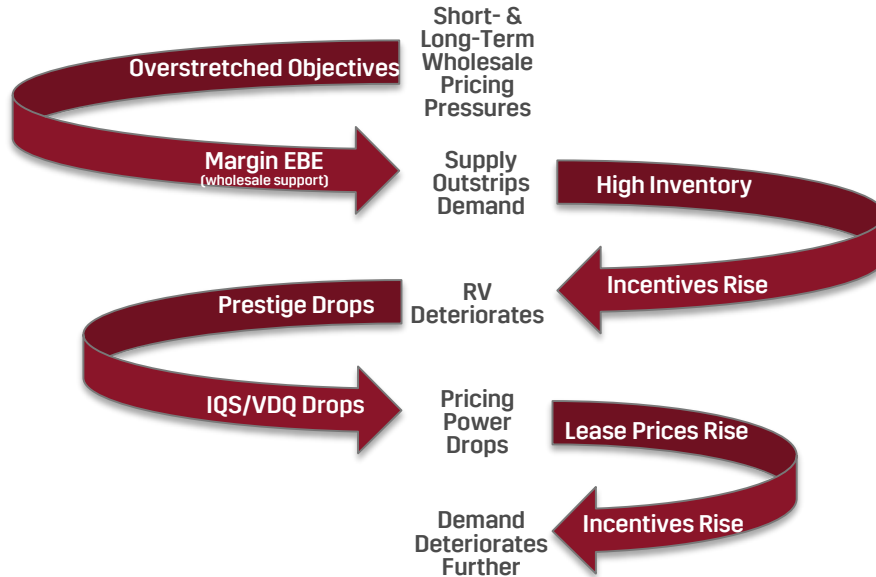
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CADILLAC PRIORITIES

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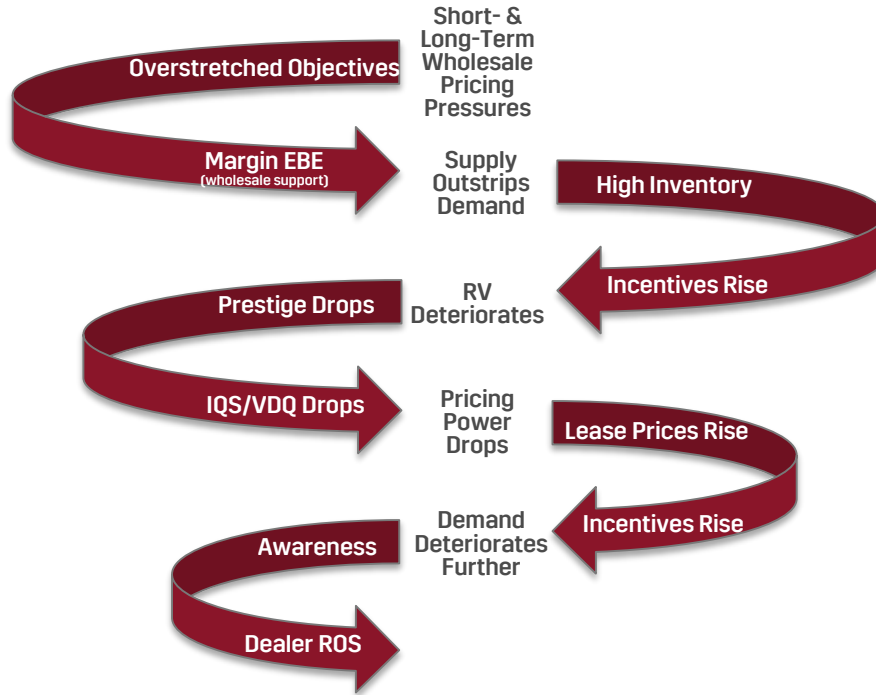
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CADILLAC PRIORITIES

ADDRESSING HEALTH OF BUSINESS AND BRAND

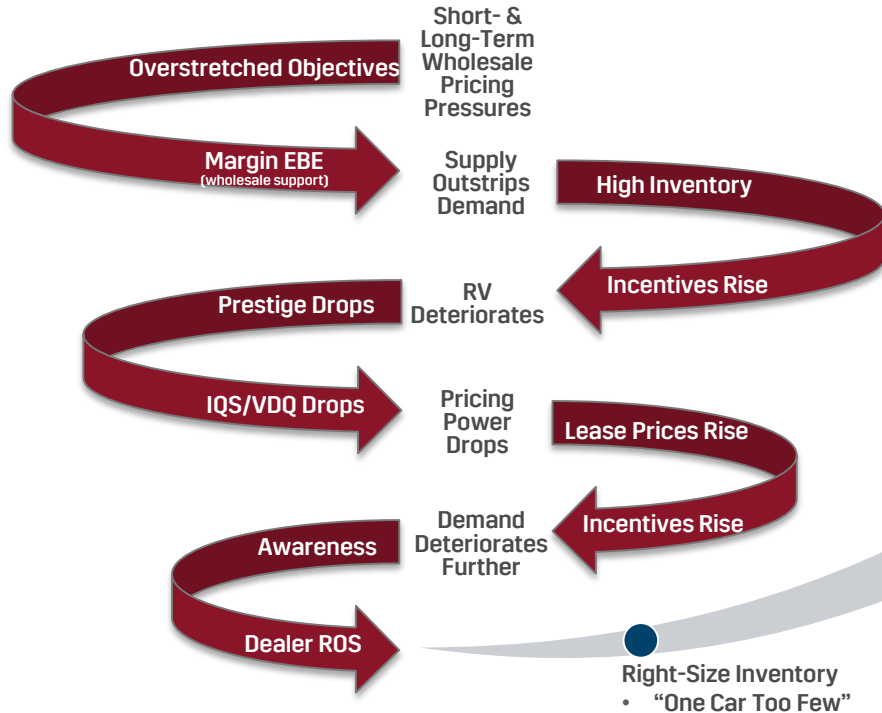
PUSH MODEL: COMPOUNDING NEGATIVE FACTORS



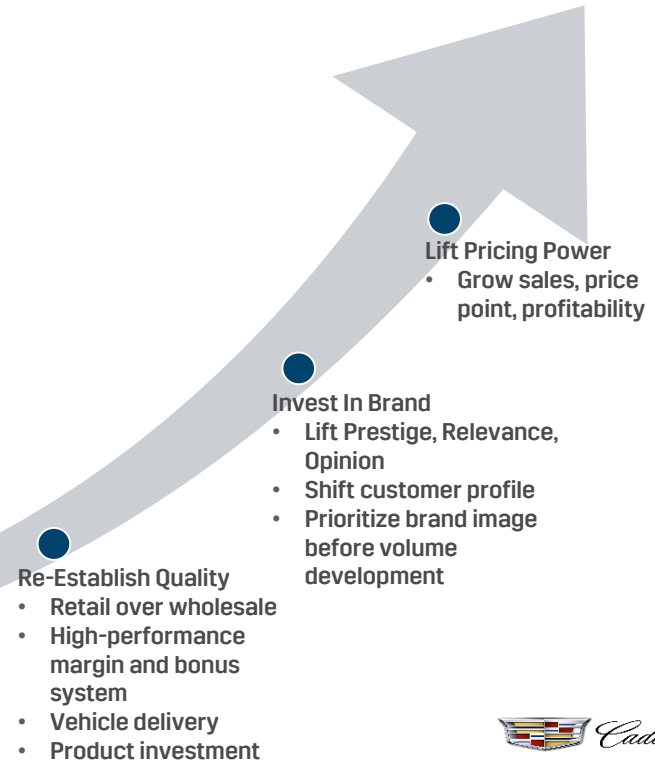
CADILLAC PRIORITIES

ADDRESSING HEALTH OF BUSINESS AND BRAND

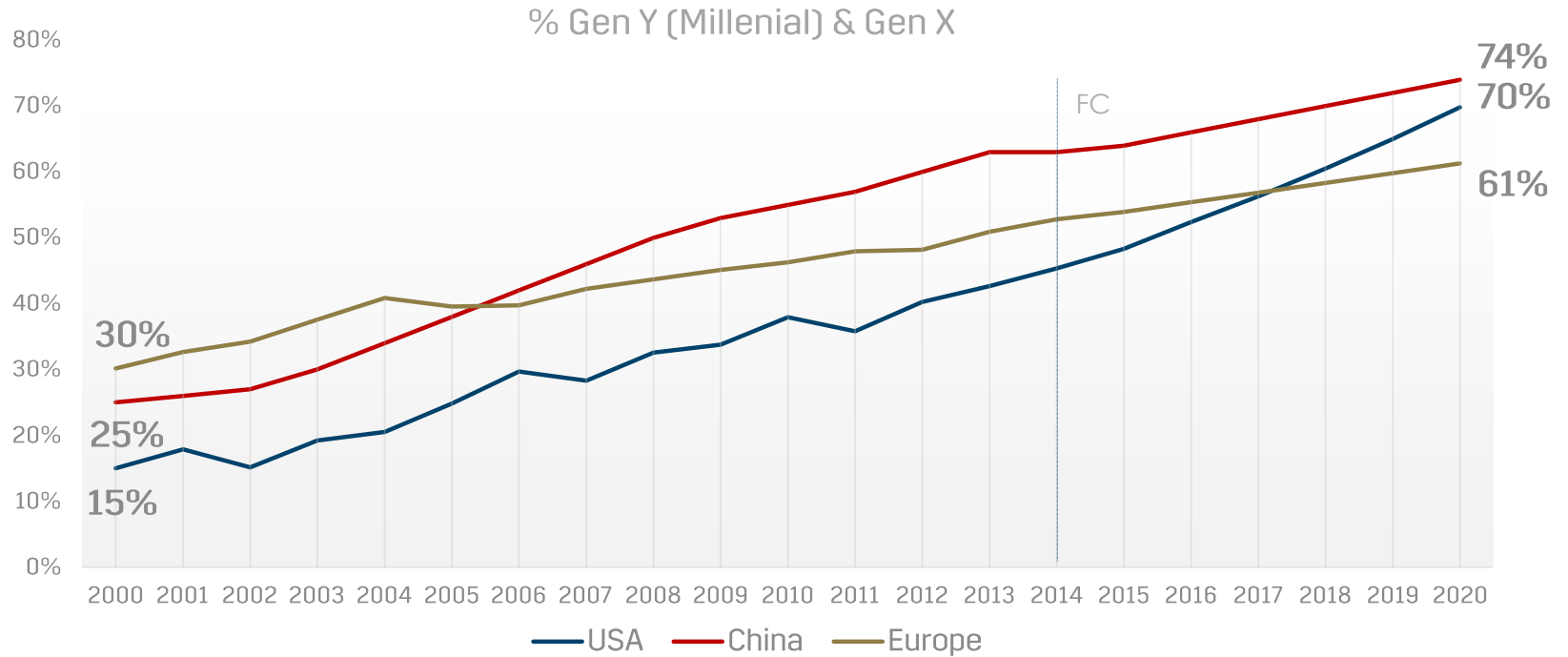
PUSH MODEL: COMPOUNDING NEGATIVE FACTORS



PULL MODEL: SUSTAINABLE LONG-TERM LUXURY BUSINESS



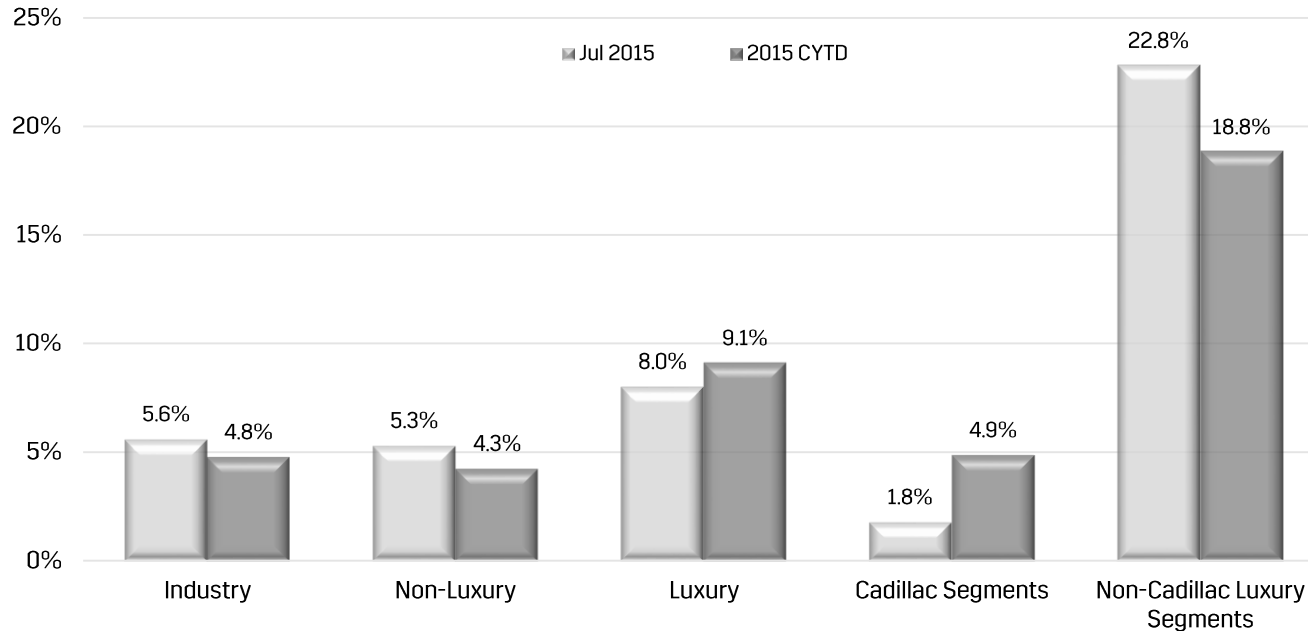
GLOBAL GENERATIONAL SHIFT: Evaluation – Problem Definition



Sources: SRAA Forecasts based on IHS POLK & NVCS, NCBS; Europe estimates based on LUX weighted avg. UK, GER, FRA, ITA, RUS



SECTOR TOTAL SALES YOY % DELTA



CADILLAC SEGMENTS ARE GROWING AT JUST 54% OF THE LUXURY RATE OF GROWTH
NON-CADILLAC SEGMENTS ARE EXPANDING MORE THAN 3X FASTER THAN CADILLAC SEGMENTS



U.S. COMPETITIVE NETWORK OVERVIEW 2014 CYE

CADILLAC HAS A HUGE AMOUNT OF DEALERS WHO SELL LESS THAN 100 VEHICLE UNITS A YEAR



	Cadillac	Mercedes-Benz	BMW	Audi
Retail Sales	165,000	337,000	382,000	182,000
Number of Dealerships	928	365	362	282
Average Throughput	178	923	1055	645
Number of Metro Dealerships	273	244	229	201
Number Dealerships w/ Retail Sales <100	541	17	6	27
% Dealerships selling 70% of Volume	24%	35%	37%	39%



RE-ESTABLISHING THE STANDARD

CADILLAC GLOBAL STRATEGY

VISION

To be a leading, iconic, global premium brand, which sets standards for aspirational appeal — beyond the boundaries of our industry.

MISSION

To deliver profitable and sustainable growth, with a long-term commitment to brand development.

Key Strategic Pillars

BRAND
MANAGEMENT

PRODUCT
PORTFOLIO

DRIVER
PROFILE

PRICING
DISCIPLINE

DEALER
NETWORK

RESIDUAL VALUE
MANAGEMENT

PRODUCT SUBSTANCE & QUALITY

DEDICATED ORGANIZATION

BOLD

OPTIMISTIC

SOPHISTICATED

CADILLAC STRATEGIC PHASES



SUSTAINABLE PROFITABILITY	<ul style="list-style-type: none"> • Accelerate non-N.A. Production • Establish China as a second volume hub
BRAND MANAGEMENT	<ul style="list-style-type: none"> • Clarify and launch distinctive & impactful long-term brand positioning • Begin transformation to consistent brand communication and representation globally • Identify clear “Hot-Buttons & Heroes” messaging to lift Prestige & Generation X&Y Relevance • Instill distinctive Brand Separation
PRODUCT	<ul style="list-style-type: none"> • Identify major portfolio threats and opportunities • Support successful launches of major products (XT5, CT6) • Invest in expanded product & powertrain portfolio
RV MGMT./ PRICE DISCIPLINE	<ul style="list-style-type: none"> • Return N.A. days supply to health targeting <70 ds • Reduce dependence on incentives and short-term tactics
DRIVER PROFILE	<ul style="list-style-type: none"> • Identify demographic gaps to LUX market & develop action plans • Identify key customer target segments for product & brand development
NETWORK	<ul style="list-style-type: none"> • LaunchUSA Margin & Bonus system change-over to performance-based structure • Re-launch brand and strategic mission with dealer body
ORGANIZATION	<ul style="list-style-type: none"> • Develop high performance organization with top talent, premium mindset, clear vision, emphasis on training, clear goals and empowerment

CADILLAC STRATEGIC PHASES

PHASE I
Prepare for Investment
(2015-2017)

Phase II
Expand & Strengthen
Foundation (2018-2020)

Phase III
Accelerate Prestige
(2021-2023)

PROGRESS POINTS

BUILDING A WORLD-CLASS ORGANIZATION NEW CADILLAC TEAM IN NEW YORK

68%

Master's degree or higher

53%

Luxury Experience

75%

Automotive Experience

AUTOMOTIVE



NON-AUTOMOTIVE



BRAND EXPERIENCE CENTERS NEW YORK / SHANGHAI

NEW YORK



SHANGHAI

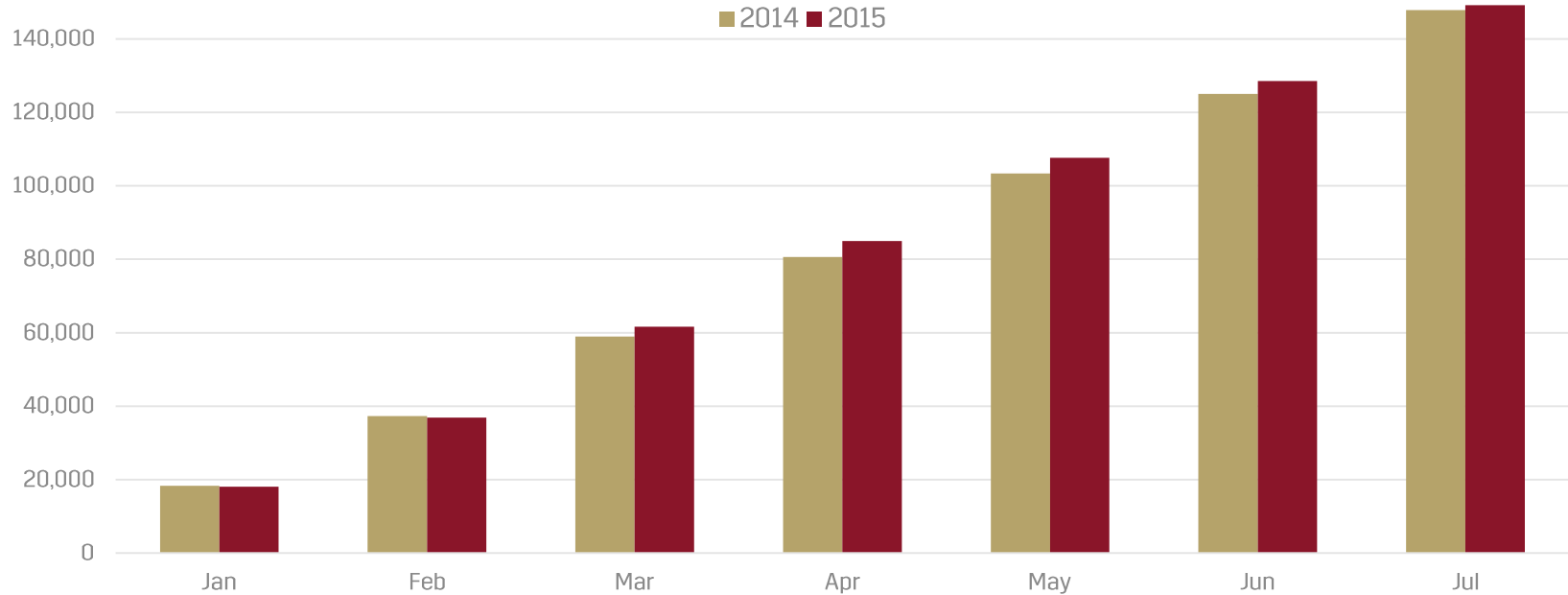


VOLUME DEVELOPMENT

GLOBAL – Year Over Year Growth 1.5% July YTD

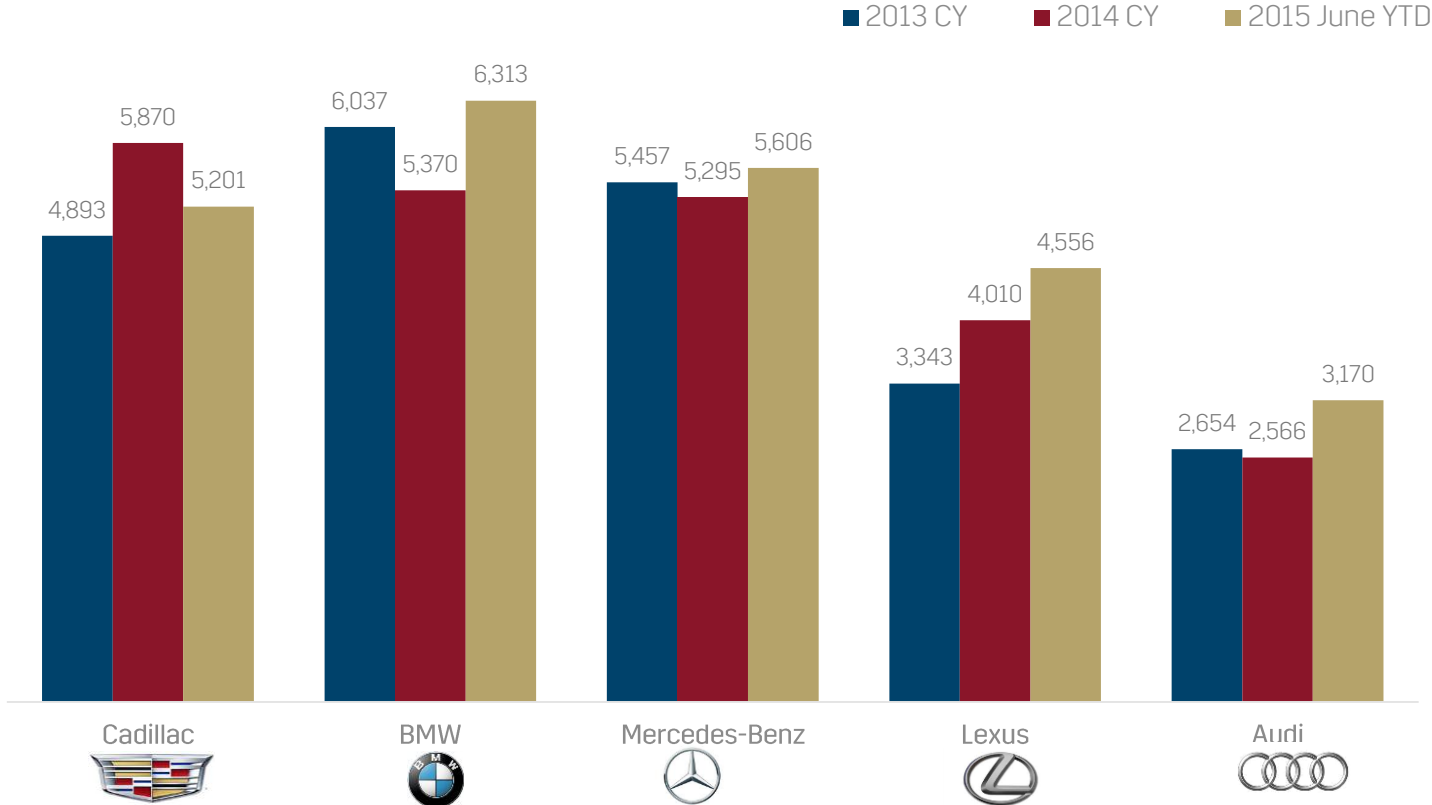


Global Cadillac Sales Comparison (Cumulative YTD)



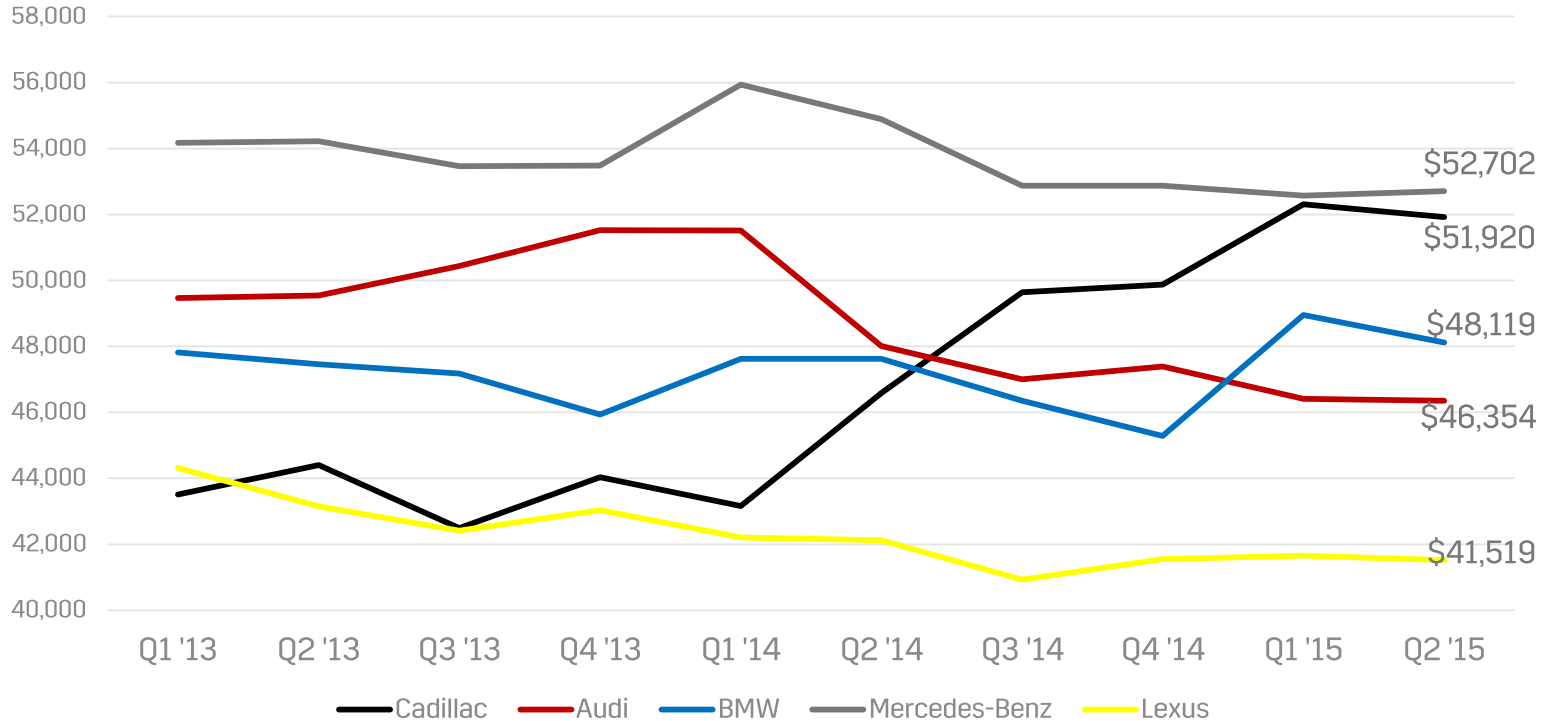
AVERAGE INCENTIVE SPEND: 2013 – 2015 YTD

CADILLAC INCENTIVE SPEND PER UNIT DECLINES



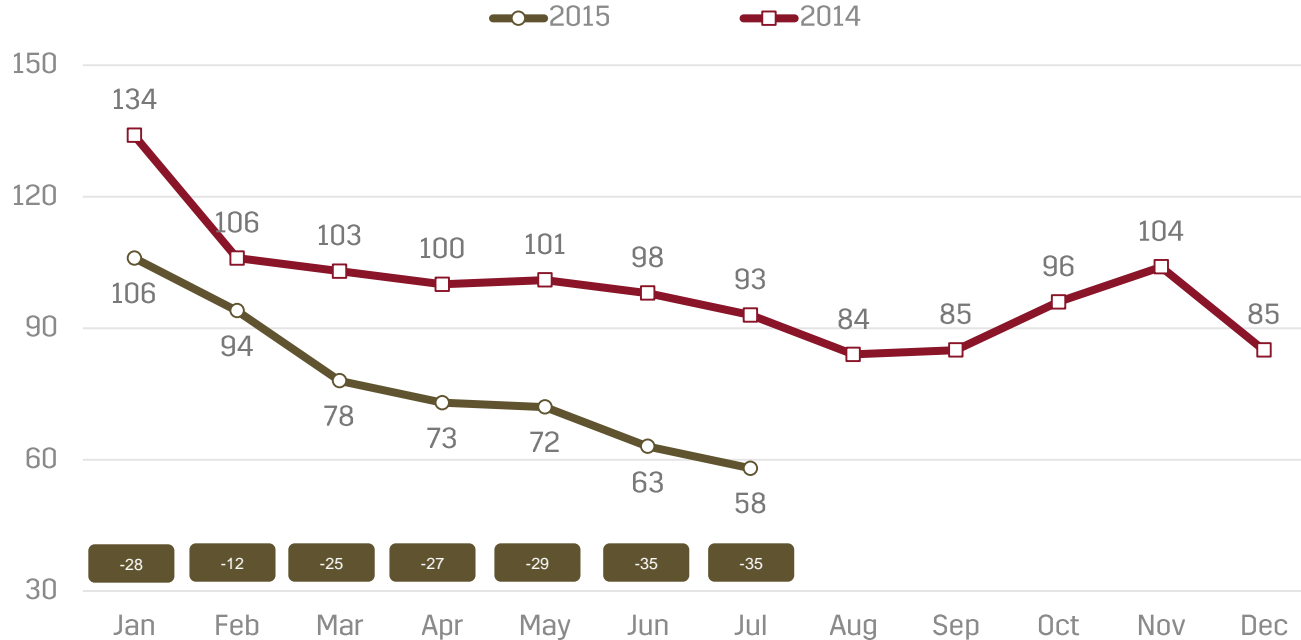
AVERAGE TRANSACTION PRICE

CADILLAC TRANSACTION PRICES INCREASE



CADILLAC GROUNDED INVENTORY DAYS SUPPLY**

DEALER INVENTORIES DECLINE 40%



DEALER GROUNDED INVENTORY IS MORE THAN 19K UNITS AND 35 DAYS BELOW YEAR-AGO LEVELS

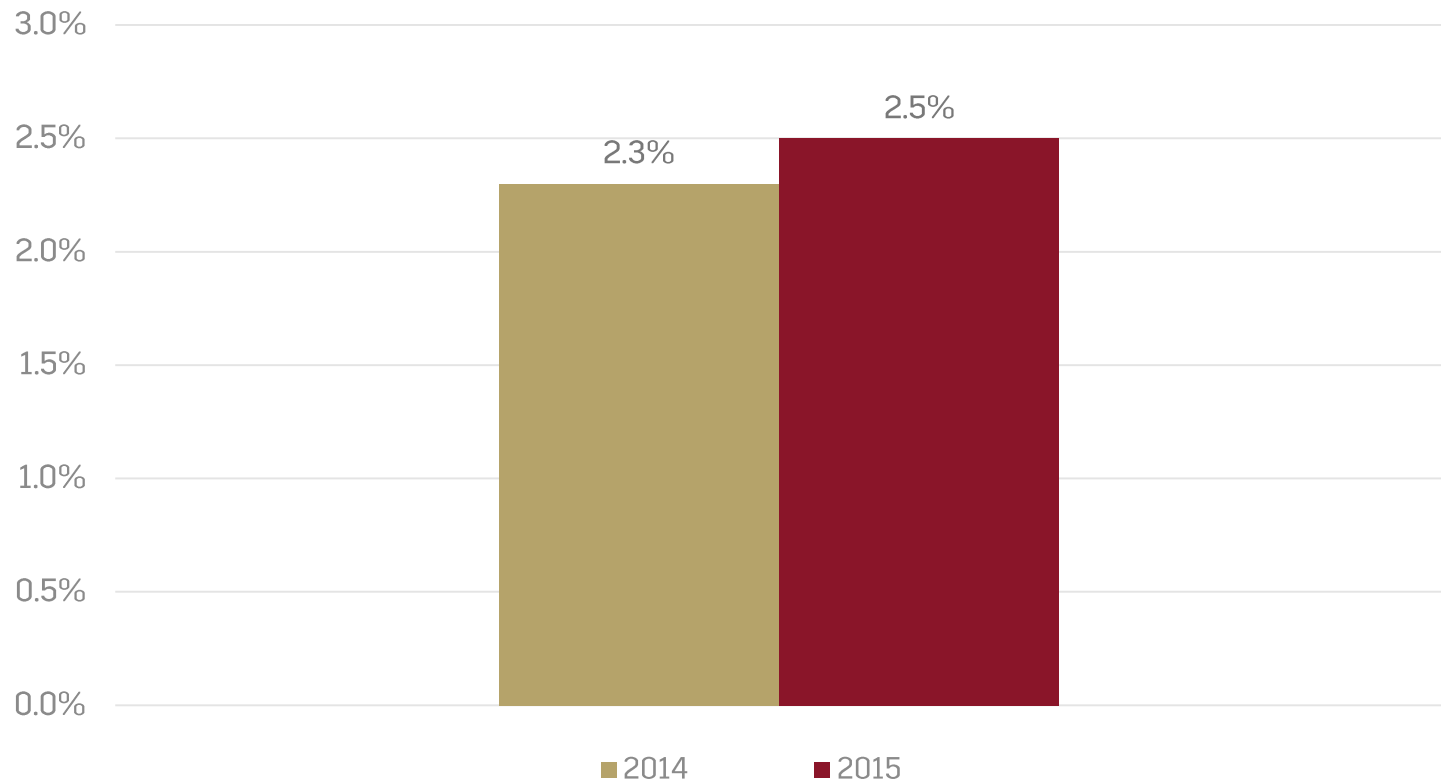
* All retail units readily available for sale to the end customer. Excludes in-transit.
 ** 30-day rearward
 *** All retail units invoiced to dealers, including grounded stock and in-transit.

Source: GM NA EZQ



DEALER PROFITABILITY METRICS

% RETURN ON SALES – NPPBT—BASED JUNE 2015 CYTD



RE-INVENTING THE BRAND

Re-INVENTING THE BRAND: Rules Across Luxury Industries

“TRADITIONAL LUXURY”



THE RITZ-CARLTON®

Heritage, Status,
Opulence, Indulgence

PRODUCT

Relevance
Emotion
Excellence
Self-Expression
Distinction

BRAND

Aspiration Resonance
Affirmation
Mythology

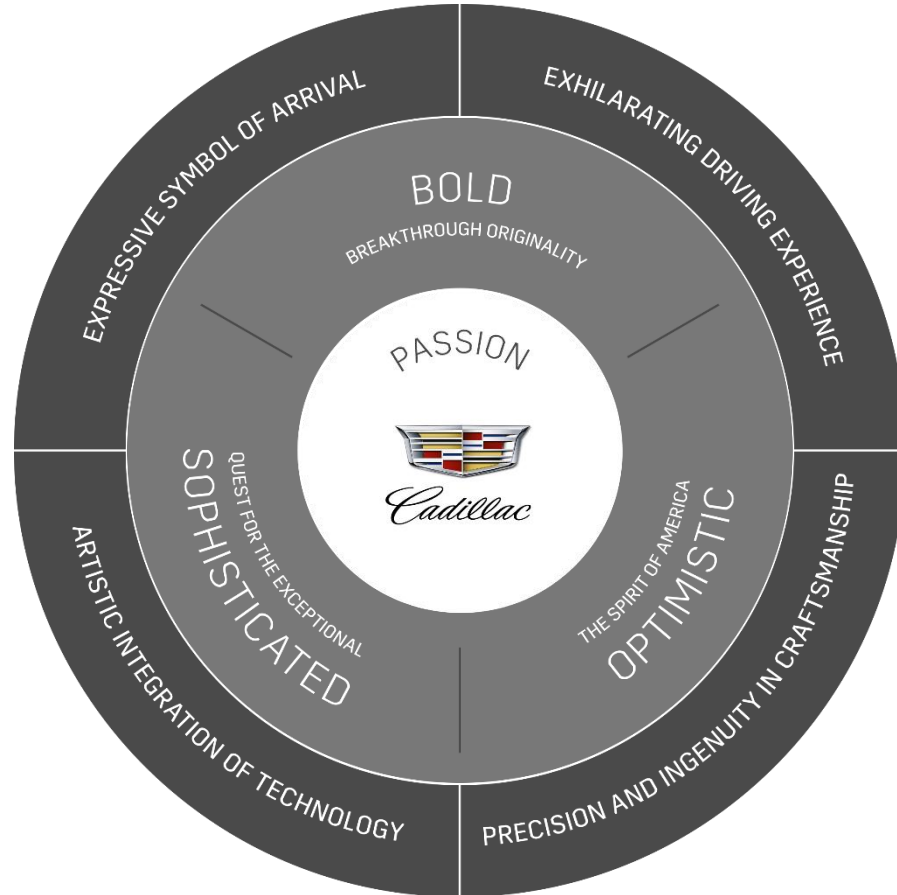
Positively
Distinguished ...not just
different

“CONTEMPORARY LUXURY”



Experience, Purpose,
Tech, Life Integration

RE-DEFINING CADILLAC'S BRAND IDENTITY



CAMPAIGN RESONATED WITH YOUNGER AUDIENCE

GEN X AND GEN Y REACTION TO DARE GREATLY TV SPOT

Cadillac is...	GEN X / GEN Y	AGE 50+
BOLD	90%	74%
SOPHISTICATED	85%	68%
A BRAND FOR ME	73%	52%

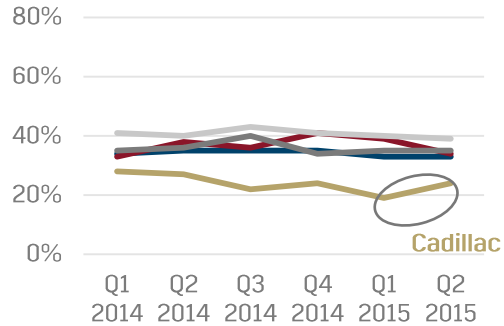
YOUNGER AUDIENCE PARTICIPATION

117% YoY increase in GEN X and GEN Y attendees at Cadillac events

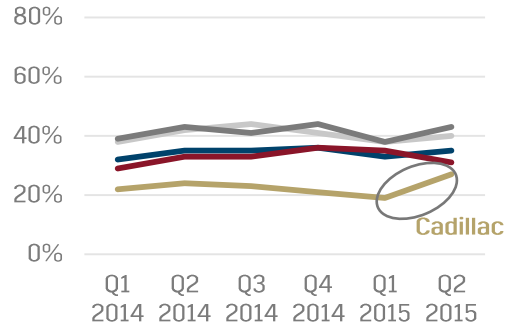


CAMPAIGN RESONATED WITH YOUNGER AUDIENCE

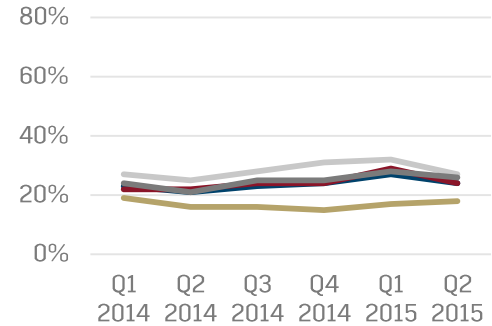
A Brand For Me



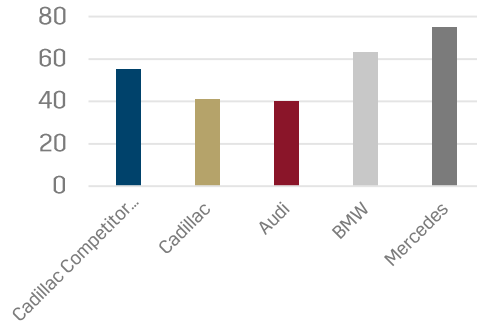
Excellent Opinion



Purchase Consideration



Is Prestigious*



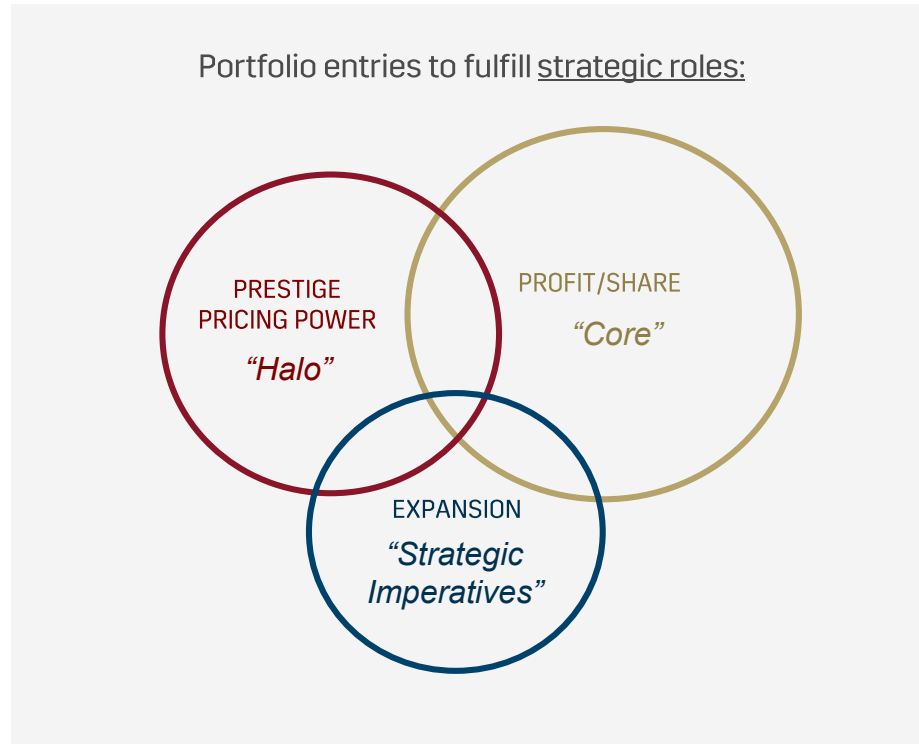
*Began tracking in Q2 2015



PRODUCT PORTFOLIO EXPANSION

PRODUCT STRATEGY FUNDAMENTALS

Objective: A global portfolio to establish a solid foundation for the business and deliver the product substance of the brand

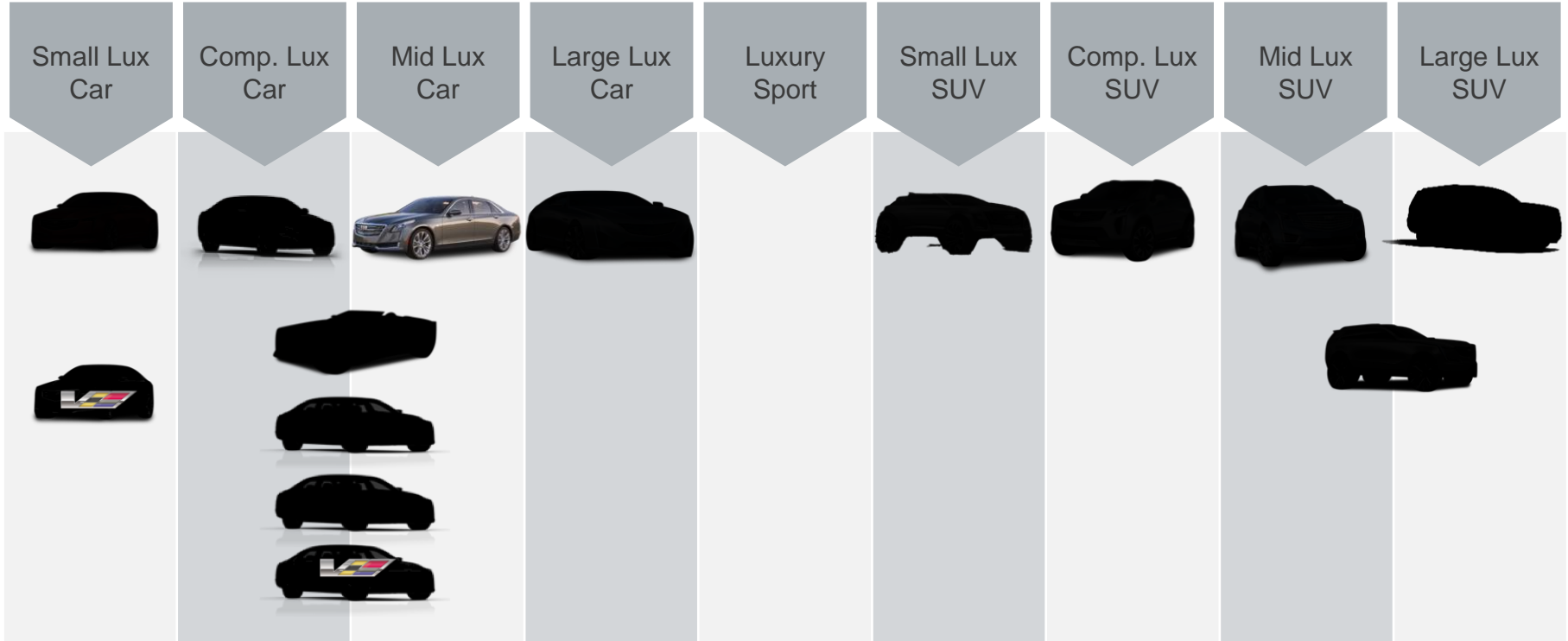


CADILLAC N.A. LUXURY SEGMENT COVERAGE - CURRENT



CADILLAC PRODUCT PORTFOLIO OVERLAPS IN SEGMENTS, DOES NOT COVER LUX MARKET GROWTH SEGMENTS

CADILLAC N.A. LUXURY SEGMENT COVERAGE - FUTURE



ANTICIPATED FUTURE PORTFOLIO COVERS 90% OF LUXURY MARKET SEGMENTS BY VOLUME

GLOBAL VOLUME DEVELOPMENT

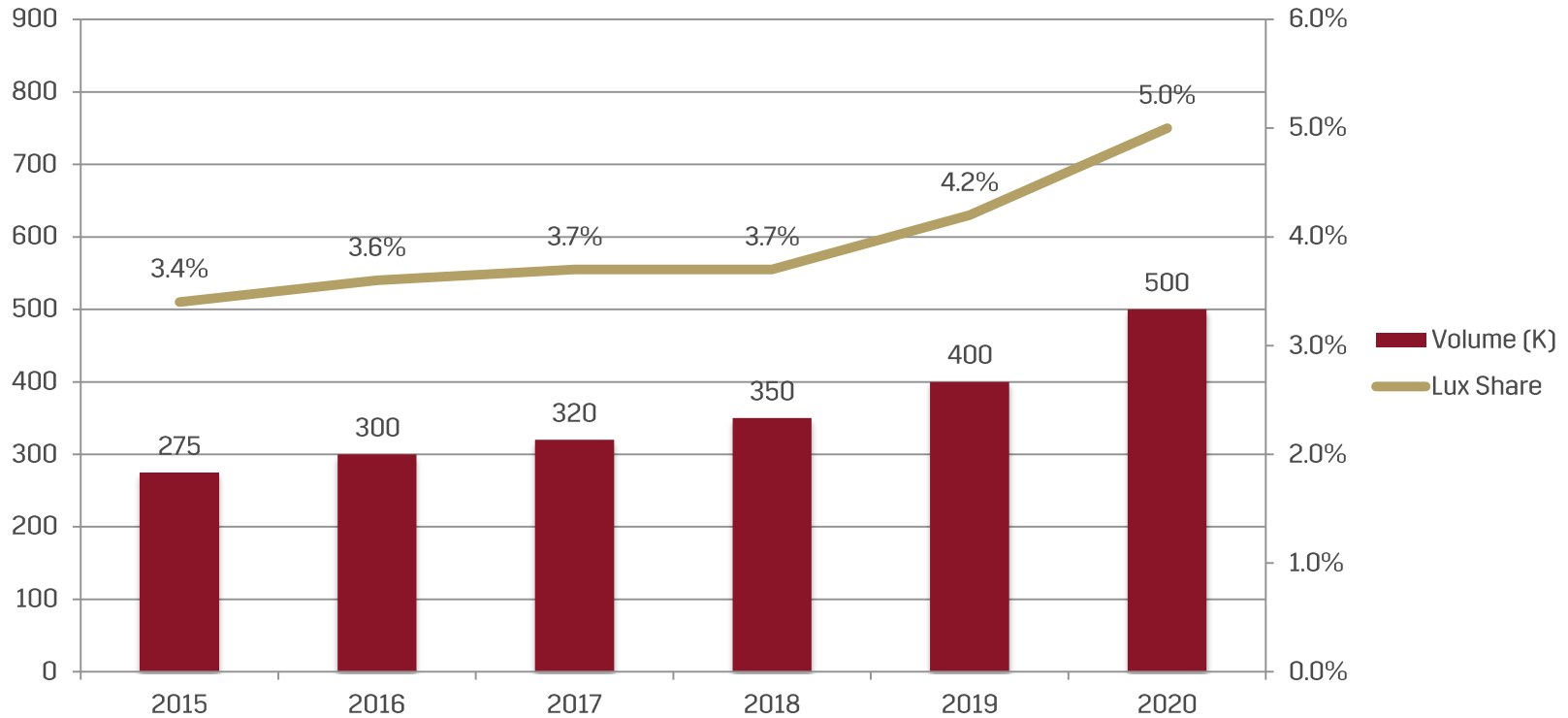
CADILLAC VOLUME DEVELOPMENT

- **Expand geographic footprint**
 - **China as second volume hub**
 - **Middle East / Russia**
 - **Europe beyond 2020**

- **Enter new market segments**



CADILLAC GLOBAL SALES VOLUME



Source: Cadillac SRAA Internal Forecasts



THANK YOU / Q & A

