



News

**General Motors
Corporation**

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GM RECEIVES COURT AUTHORIZATION TO CONTINUE VEHICLE PROTECTION AND INCENTIVE PROGRAMS

Judge Authorizes Access to \$15 Billion in Debtor-in-Possession (DIP) Financing

GM Can Maintain Normal Operations without Impacting Customers, Employees and Key Suppliers

New York – General Motors Corporation today reported that it has received U.S. Bankruptcy Court approval to continue honoring all vehicle warranty programs and dealer incentive plans. This and other Court orders today enable GM to assure consumers that warranty coverage on GM vehicles will continue without interruption, whether they already own a GM vehicle or intend to buy a new one; that genuine GM parts will be supplied; and that GM-trained Goodwrench specialists will perform all services.

The Court also granted approval for GM to access a new approximately \$33.3 billion debtor-in-possession (DIP) financing facility from the U.S. Treasury and the Canadian and Ontario governments. The court authorized GM to use up to \$15 billion of the facility on an interim basis pending a final order approving the full facility. This credit facility will be used, among other things, for the company's normal liquidity requirements, including employee wages, healthcare benefits, supplier payments, and other operating expenses.

GM intends to make payment for goods received and services provided to it on or after the filing date in the normal course of business and in accordance with terms of existing supplier agreements.

In addition, Judge Robert E. Gerber of the U.S. Bankruptcy Court for the Southern District of New York today also granted approval for a number of other first-day motions that GM made as part of its chapter 11 filings to preserve the value of GM and facilitate an expedited sale of assets to the New GM as a healthy business outside of the chapter 11 context. The orders granted by the Court will ensure that the company's business continues to function without disruption. GM has received authorization to, among other things:

- Respect our operating and financing agreements with GMAC, supporting continued wholesale financing for dealers and retail financing for customers

- Pay dealers' open accounts
- Pay essential suppliers and logistics providers for goods and services provided before and after the company's court filings
- Pay all non-U.S. suppliers to GM Corporation and its U.S. subsidiaries.
- Continue pay and benefits for employees and retirees; however, the amount of non-qualified pension for some executive retirees may be affected
- Preserves, on an interim basis, GM's tax carryforwards, including a substantial amount of foreign tax credits
- Approved, on an interim basis, sale procedures and a hearing date of June 30 for the proposed sale of assets under section 363 of the U.S. Bankruptcy Code

Importantly, the Court ordered all banks to honor employee paychecks, including those dated prior to the company's June 1, 2009 court filing.

GM's president and CEO Fritz Henderson said, "Today's rulings provide important assurance to customers and ensure that GM can maintain normal operations as we work to create and launch the New GM. We will proceed with continued focus on meeting the needs of our customers in everything we do."

GM earlier today filed under chapter 11 to rapidly implement the sale of substantially all of its assets to the New GM, which will be built from GM's strongest operations and supported by a stronger balance sheet and a competitive cost structure. Because GM's sale of assets to the New GM already has the support of the U.S. Treasury, the UAW and a substantial portion of GM's unsecured bondholders, GM expects the sale to be approved and consummated expeditiously.

The case is in the U.S. Bankruptcy Court for the Southern District of New York, with case number 09-50026. More information about GM's chapter 11 case is available at www.gm.com/restructuring. Court filings and claims information are available at www.GMcourtdocs.com.

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About GM

General Motors Corp., one of the world's largest automakers, was founded in 1908, and today manufactures cars and trucks in 34 countries. With its global headquarters in Detroit, GM employs 235,000 people in every major region of the world, and sells and services vehicles in some 140 countries. In 2008, GM sold 8.35 million cars and trucks globally under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, Hummer, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling. GM's largest national market is the U.S., 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. More information on GM can be found at www.gm.com.

Forward Looking Statements

This news release and management's comments on it contain "forward-looking statements." These statements are based on GM management's current expectations and assumptions, and as such involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that we now anticipate — both in connection with the Chapter 11 filings we are announcing today and GM's business and financial prospects. Those risks are described in GM's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 which was filed March 5, 2009, GM's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 which was filed on May 8, 2009, GM's Current Report on Form 8-K filed on May 14, 2009 and other GM filings with the Securities and Exchange Commission.

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