

## GM CONTINUES TO BUILD MOMENTUM IN NORTH AMERICA WITH 20 NEW AND REDESIGNED VEHICLES FOR 2003

For 2003, the GM North America story is product.

“Strength in product is driving our market-share gains,” said Gary L. Cowger, president of GM North America. “But it’s just the beginning. With 20 new or significantly upgraded passenger vehicles for the 2003 model year, we plan to continue building on our momentum,” said Cowger. In addition to the 20 new or significantly upgraded passenger vehicles, GM also is debuting an entirely new line of medium-duty trucks.

“Like most ‘overnight success’ stories, our recent gains are based on years of hard work and a focus on the basics – improving quality and productivity, conceiving great designs, sustaining strong divisional brands, and getting to market first with innovative ideas and technologies that excite our customers,” Cowger said.

### New and redesigned trucks

GM’s product story for 2003 naturally begins with its lineup of award-winning trucks. In 2001, GM set industry sales records for trucks and sport utilities. Through the first five months of this year, truck sales were up 9 percent, including a 25 percent upswing in utilities.

Serious about building on its truck leadership, GM is rolling out redesigned versions of the 2003 Chevrolet Silverado and GMC Sierra, just four years after the introduction of an all-new full-size truck platform and just two years after the successful launch of heavy-duty models.



2003 Chevy Silverado 2500HD Extended Cab

The 2003 Silverado/Sierra feature more than 40 major new features or improvements. Highlights include: a passenger-sensing air-bag system; dual-level air bags; advanced electrical architecture; modified instrument panel with a new driver information center; new redundant steering-wheel controls; redesigned seats and center console; the first industry application of a Bose audio system in a full-size pickup truck; a new rear-seat DVD entertainment system for crew cabs; more expressive exterior styling; manual and fully automatic dual-zone climate control systems; and

the expanded availability of the QuadraSteer four-wheel-steering system.

Many of these upgrades also will be made across the lineup of GM’s full-size utilities, which also feature the StabiliTrak stability-control system, optional second-row bucket seats and electrical adjustable pedals. In addition, two new entries add to the breadth and depth of GM’s truck lineup in 2003: the new HUMMER H2, making one of the world’s most aspirational brands more accessible to more people, and the Cadillac Escalade ESV, the largest full-size luxury SUV available. And, GM continues to build on the successful mid-2002 debuts of the Saturn VUE compact sport utility and seven-passenger midsize SUVs (Chevy TrailBlazer EXT and GMC Envoy XL).

GM also is stepping up its commitment to lead in the commercial truck business, investing more than \$2 billion in an unprecedented revamp of its key offerings including an array of industry-leading features. The new commercial lineup includes the debut of new medium-duty trucks, the Chevrolet Kodiak and GMC TopKick with the Crew Cab models to start production later this year; the new Chevy Express/GMC Savana full-size vans; and upgraded commercial versions of the Silverado/Sierra full-size pickups.

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Adding even more excitement to the mix are the Chevrolet SSR and Silverado SS. The SSR (Super Sport Roadster) blends the functionality of a pickup with the performance and open-air excitement of a sports roadster. Meanwhile, the Silverado SS ("Super Sport") will be the first in a series of special-edition, performance-driven cars and trucks designed to stir the emotions.

### Renewed focus on passenger cars

GM also is working to reclaim its heritage of pre-eminence in passenger cars. "We're taking the lessons we've learned from our truck program and applying them to the car side," Cowger said. "A successful car lineup is critical to our long-term success. Today, we're focused on creating compelling designs and world-class interiors, and offering innovative technology and great powertrains that meet the needs of a wide range of customers."



2003 Cadillac CTS

The successful launches of the Cadillac CTS and Pontiac Vibe give GM momentum on the car side. That continues with the introductions of the new Saturn ION sedan and quad coupe, the Saab 9-3 sport sedan, and either refreshed editions or specially packaged versions of several other cars.

### Sneak peek at 2004

Taking a peek into some of the model launches planned for the 2004 model year, GM's product story adds new chapters with the Cadillac SRX luxury utility and XLR luxury roadster, the versatile GMC Envoy XUV with its next-generation Midgate, the Chevy Colorado midsize pickup, and the newest member of GM's midsize-SUV family, the Buick Rainier.

### Relevant technology

The foundation for GM's new-product rollout is its strength in technology. GM is focused on technologies that are relevant to meeting customers' performance, comfort and lifestyle needs, such as:

**Powertrain** – For 2003, GM Powertrain introduces a new Vortec 5300 – featuring an aluminum block – to power the seven-passenger Chevrolet TrailBlazer EXT and GMC Envoy XL, as well as the new Chevy SSR. The highly-acclaimed Vortec 4200 inline six, a key to the success of GM's midsize SUVs, is already improved with a boost in horsepower from 270 to 275.

GM's leadership in engine-control electronics is providing breakthroughs such as the innovative Displacement on Demand cylinder-deactivation that will debut in the 2004 calendar year on the next generation of Vortec V8 engines. Displacement on Demand saves fuel by using only half of the engine's cylinders during most driving conditions, and seamlessly reactivates the other cylinders when a driver demands full power for acceleration or load hauling.

**Intelligent chassis control systems** – A leader in chassis-control systems since the mid-1980s, GM has developed a variety of systems that help drivers maintain stability and control of their vehicles and improve ride and handling. But the greatest industry achievement has been the integration of all the different chassis control systems, which enable powertrain, brakes, steering and suspension components to share vital information.

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For 2003, GM is expanding the availability of innovative chassis technologies. StabiliTrak, a vehicle stability enhancement system, will be available on GM's full-size utilities. QuadraSteer four-wheel steering – which improves low-speed maneuverability and high-speed stability – will be extended to several more GM full-size trucks this year, including Chevy and GMC 1500 Series Extended Cab and 1500HD Crew-Cab pickups and 2500 Series Suburbans and Yukon XLs. And Magnetic Ride Control – a next-generation real-time suspension system that uses a revolutionary damper design to control wheels and body motion – debuts on the Corvette coupe and convertible and Cadillac Seville.

**Telematics/Electronics** – Technologies such as Global Positioning Systems (GPS), integrated cellular phones and DVD entertainment systems are dramatically changing how people view and use their vehicles. GM has been in the forefront of this revolution by being first to market with features such as head-up display, Night Vision, OnStar and XM Satellite Radio. GM also recognizes the potential of driver distraction, and was the first OEM to develop and publish a set of safety-driven principles to guide research and development.

To handle the increasing demands for telematics and other electronic-based technologies, GM is moving to a “smarter” electrical architecture that takes multiplexing to a new level. Multiplexing uses a common wire to send information between modules.

For 2003, all of the products based on GM's full-size truck platform use this advanced architecture to integrate the entire electrical system. The leaner, cleaner design simplifies assembly, reduces cost and weight, and improves reliability and durability.

**Reconfigurability** – GM is focused on giving consumers inventive, innovative ways to make a vehicle more useful and practical. Reconfigurability crosses through all areas of the vehicle, including interiors, seating, storage areas, body structure and roofs, allowing customers to transform their vehicles. Examples include a third-row seat that folds flat and stows for more cargo space, a storage bin that doubles as a cooler, or a pop-up camper in the back.

The Chevrolet Avalanche and Cadillac Escalade EXT are leaders in the reconfigurability trend, featuring the innovative Midgate and other versatile features. The next-generation Midgate system featuring a power window will debut on the 2004 GMC Envoy XUV, which will also be the world's first vehicle with a power-sliding rear roof.

**Hydroforming** – Depending on the application, hydroforming can save weight, improve fuel economy, minimize waste, and result in stronger, stiffer components that require less welding. Hydroformed frame rails give the Corvette unprecedented stiffness and dramatically improved ride and handling while reducing weight and improving step-in height. In the Chevy Silverado and GMC Sierra, hydroforming has produced a significantly lighter, stronger frame, with vastly improved structural integrity.

Hydroforming has been used on an assortment of GM vehicles. The newest vehicles to benefit are the 2003 Chevy SSR, with fully hydroformed steel side rails, and HUMMER H2, which features a modular frame design incorporating a number of hydroformed components.

### Creating compelling designs

Great product begins with a compelling design that creates an immediate emotional connection with the customer. GM has made it a priority to unlock the creative talents at GM Design by streamlining the development process. The new structure also replaces the traditional brand-character studio with an architecture-based system.

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This renewed emphasis on breakthrough design can be seen in new production vehicles such as the '03 Chevy SSR and HUMMER H2 as well as the 2004 Cadillac XLR. Concept unveilings such as the striking Cadillac Cien and the sporty Pontiac Solstice – which went from sketch to show in only four months – add more evidence of an ongoing revitalization at GM Design.

### Global Manufacturing System delivers results

The continuing implementation of GM's Global Manufacturing System (GMS) has enabled the company to make significant strides in improving safety, quality, productivity and cost. Under the GMS, plant layouts and manufacturing processes are designed around providing support for the operators and teams on the plant floor, so that they can build high-quality vehicles at a competitive cost. "Our success in manufacturing is a team effort," said Cowger, who emphasized that the support of the United Auto Workers has played a critical role in the company's efforts.

The lessons learned from benchmarking competitors and from GM operations around the world have come together at the Lansing Grand River (LGR) plant in Lansing, Mich., which builds the new 2003 Cadillac CTS sport luxury sedan and will build other GM luxury vehicles in the future. But the benefits of the GMS aren't limited to new facilities. All GM plants, including assembly, powertrain and stamping, are in various stages of implementing the system's principles, such as the benefits of working in small teams that are empowered to manage safety, quality and productivity.

As the GMS spreads, GM is making significant progress in productivity and quality as measured by third parties. In the 2001 Harbour Report, the industry's measuring stick for productivity, GM outpaced all other North American multi-plant manufacturers with an overall productivity improvement of nearly 8.5 percent.

In the 2002 J. D. Power and Associates Initial Quality Study, GM was recognized as the best-performing domestic manufacturer. GM had 12 top-three performing vehicles, including four that were ranked highest in their segments – Chevrolet Malibu, Buick Century, Chevrolet Corvette and Buick LeSabre. GM dominated North America in plant quality, as the Oshawa 2, Ontario, Canada, car plant (Buick Century and Regal) ranked first; the Bowling Green, Ky., car plant (Chevrolet Corvette) placed second; and the Lansing C, Mich., car plant (Pontiac Grand Am, Oldsmobile Alero) tied for third with the New United Motor Manufacturing, Inc. (NUMMI) plant in Fremont, Calif., a joint venture between GM and Toyota. According to J. D. Power, GM outpaced all domestic manufacturers with a 30 percent initial quality improvement over the last five years.

### Strength in divisional brands

Strong divisional brands are an essential part of GM's history. GM is showing its support with compelling products that evoke the spirit of the individual brands. Here's a look at divisional highlights.



2003 Buick Park Avenue Ultra

**Buick:** For 2003, its centennial year, Buick will produce about 10,000 LeSabre Celebration Editions that include exterior and interior trim changes and standard OnStar, StabiliTrak and head-up display. The supercharged Park Avenue Ultra gets a more prominent grille, new 17-inch chrome wheels, low-profile tires and three "portholes" in each front fender as well as a specially-tuned suspension and rear stabilizer bar. Following up on the successful 2002 model year debut of Rendezvous, Buick will offer the Rainier – the newest member of GM's award-winning midsize SUV family – as a 2004 model.

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**Cadillac:** In the midst of a product renaissance, Cadillac launches the entry luxury CTS sedan, substantially enhanced versions of the Escalade luxury sport utility and Escalade EXT luxury ultimate utility, and the new Escalade ESV luxury full-size SUV as 2003 models. In mid-2003, the SRX luxury utility and XLR luxury roadster will enter the mix, both as '04 models. The SRX will combine performance with functionality and feature Cadillac's signature bold styling. The XLR debuted at the 2002 North American International Auto Show to rave reviews. In addition, Cadillac will debut a CTS performance edition, yet-to-be-named, during the 2004 calendar year.

**Chevrolet:** GM's volume vehicle brand plans to take the market by storm with its dramatic new vehicle, the SSR, in mid-2003. The Cavalier sports a fresh new exterior and other enhancements, highlighted by a new powerplant, GM's global four-cylinder, the Ecotec 2.2L inline four. Corvette marks a half-century of power and performance with a special 50th Anniversary Edition.

Chevy Trucks features a redesign of GM's best-selling vehicle, the Silverado full-size pickup, expanded alternative-fuel availability for the Silverado HD, and significant upgrades to full-size utilities (Tahoe, Suburban and Avalanche). Silverado will offer expanded availability of its QuadraSteer four-wheel-steering system on 1500 Extended Cabs and 1500 Heavy-Duty Crew Cabs. The redesigned Express full-size van offers segment-first all-wheel drive, a left-side entry/load door, unique side-access panels on the Express Access model, and a powerful line of Vortec engines. The Silverado SS, featuring a high-output Vortec 6000 6.0L V8, will be available in the first quarter of 2003.

**GMC:** In addition to a myriad of enhancements, the Sierra full-size pickup gets a refreshed exterior that provides a bolder appearance while creating a family resemblance to Envoy and evoking the Professional Grade characteristics of the brand. The Yukon series is taken to a new level with the availability of StabiliTrak on all models and the innovative QuadraSteer four-wheel-steering system on the 2500 (3/4-ton) model. A major upgrade to the Savana full-size van brings segment-first all-wheel drive, a left-side entry/load door, unique side-access panels on the Savana Pro model, and a powerful line of Vortec engines.



2003 GMC Sierra Regular Cab Sportside



2003 Hummer H2

**HUMMER:** The arrival of the H2 will bring HUMMER's unmatched utility and unrivaled heritage to a wide new audience. H2 refines HUMMER's rugged heritage by adding more creature comforts while maintaining off-road leadership. Its extreme design ensures that H2 has the eye-catching appearance – and brand recognition – of H1.

**Oldsmobile:** The industry's oldest existing nameplate, Oldsmobile continues to be phased out. To commemorate its long history, Oldsmobile is producing Collector Editions for all brands with the last 500 vehicles that roll off the line,

beginning with production of the last 500 Intrigues in June 2002. These vehicles have unique embroidery, wheels, ornamentation, color and badging, as well as a special certificate for the owner.



**2003 Pontiac Vibe**

**Pontiac:** With the introduction of the innovative 2003 Vibe, GM's performance division signals its intent to deliver a contemporary form of Pontiac excitement. The equation includes cleaner, fresher designs and an emphasis on total performance, including handling and acceleration. For 2003, Grand Am features a freshened exterior across the SE lineup and a new, uplevel SE2 package that delivers more power, more standard equipment and more available options. Sunfire sports a host of improvements, including the Ecotec 2.2L I4 and a redesigned exterior.

**Saab:** As the first step in the biggest product development program in its history, Saab launches an all-new 9-3, its first contender in the premium, compact sport sedan segment. The new 9-3 provides customers a level of driver involvement and responsive performance never before offered by Saab. The new model comes with a choice of two new, 2.0-liter, all-aluminum turbocharged engines, with five- and six-speed manual gearboxes and a five-speed automatic with Saab Sentronic manual selection and the option of steering-wheel controls.



**2003 9-3 Vector Sport Sedan**



**2003 Saturn ION**

**Saturn:**

By the end of the year, Saturn will have a showroom full of terrific new products to accompany the best retail experience in the industry, as measured by the J. D. Power and Associates Sales Satisfaction Index. The Saturn VUE compact SUV is off to a strong start since its debut as a mid-2002 model. The L-Series sedan and wagon receive a major update for 2003, with new exterior styling and a more sophisticated interior environment. This year will be capped off by the introduction of the all-new Saturn ION sedan and

quad coupe, designed to re-energize the small-car segment with its customizable looks, innovative features and surprising refinement.

**Bringing it all together**

Many factors help drive the success of an automotive company. But in the end, a company is measured by how it brings together all of these processes and activities in order to produce the ultimate goal: great products that excite customers.

"A passion for great products is part of GM's DNA," Cowger said. "We have tremendous spirit and immense talent at every level of our company. I believe we are at the beginning of a GM renaissance, one based on unleashing this talent and this passion to put great products in our showrooms."