



# ADMINISTRATIVE MESSAGE

Message Date: 09/28/99 Admin Number: VSG19990107

Originating Dept:	
Subject:	GM RETAIL HOLDINGS MEDIA ANNOUNCEMENT
Action Required:	
Contact Person: (for Dealership)	Name: REGIONAL GENERAL MANAGER Phone: Email: @ Fax:
Contact Person: (for Dealership)	Name: Phone: Email: Fax:
Contact Person: (for Dealership)	Name: Phone: Email: Fax:
Dealership cc: (Recommended Distribution):	Dealer Operator, Dealer Principal

### Message Categorization Information:

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To: TO: ALL GENERAL MOTORS DEALERS

GENERAL MOTORS PRESS RELEASE

For Release: Sept. 28, 1999

General Motors Forms GM Retail Holdings  
New Subsidiary Aims to Strengthen GM Brands, Dealer Network

DETROIT - General Motors Corporation today announced the formation of an independent subsidiary, General Motors Retail Holdings (GMRH), targeted to build strength in GM brands and its dealer network, and to positively impact changes occurring in today's retail automotive landscape.

"General Motors must work alongside our franchised dealer body in retail distribution in order to be able to shape and be an industry leader in the tremendous changes that are occurring today in product distribution and customer buying patterns," said Roy S. Roberts, group vice president of GM North America Vehicle Sales, Service and Marketing  
"We need to get closer to the retail environment to better understand the changes occurring in the marketplace and the effect they have on our business. This is a competitive necessity," Roberts added.

While plans are evolving, GMRH ultimately could grow to own and operate 5 to 10 percent of select dealerships over the next decade. "We strongly believe the entire GM dealership network will greatly benefit from this initiative," he said.

Roberts highlighted several competitive aspects of GMRH:

- GMRH will not be a factory outlet store or operate as a mass merchandiser discounter.
- GMRH will employ industry-leading retailers to run the day-to-day operations.
- GMRH plans to acquire a limited number of dealerships from willing sellers located in the top 130 retail markets.
- GMRH dealerships will not receive favored treatment over any other GM dealerships. All GM dealers will be on a level playing field.
- GMRH learnings will be leveraged with the entire GM dealer network to strengthen overall retail competitiveness and long-term relationships with the retail consumer.

"The customers are dictating the changes that are occurring in the retail environment today. By participating at the retail level, we believe we will become a better manufacturer," Roberts said.

"It is critical to GM's future competitiveness that we improve our market performance where we lag, enhance our revenues, understand our customers better and look for ways to reduce distribution costs and improve the customer's buying experience," he added.

GM's dealer network currently consists of over 7,700 dealerships and 21,000 franchises in the United States.

Roberts named GM Vice President Darwin E. Clark as chief executive officer of GMRH. "GMRH is first and foremost a sales and marketing company for GM brands, not factory outlets for discounted goods," Clark said. "GMRH will strengthen GM brands, in cooperation with other GM dealers, by using new sales concepts designed to improve consumer satisfaction with the retailing experience. Our goal is to go outside the GM fold and bring in the non-GM customer."