
SAIC MOTOR CORPORATION

LIMITED 2014 performance

introduction

April 3rd, 2015

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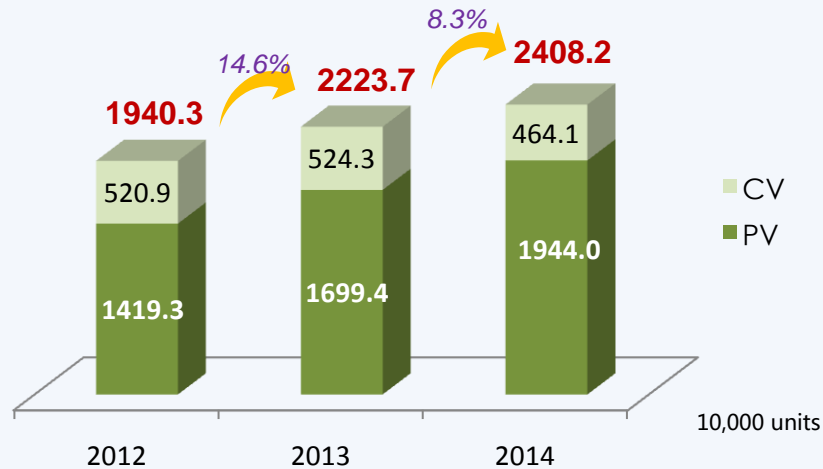
Section One Performance review of 2014

Performance

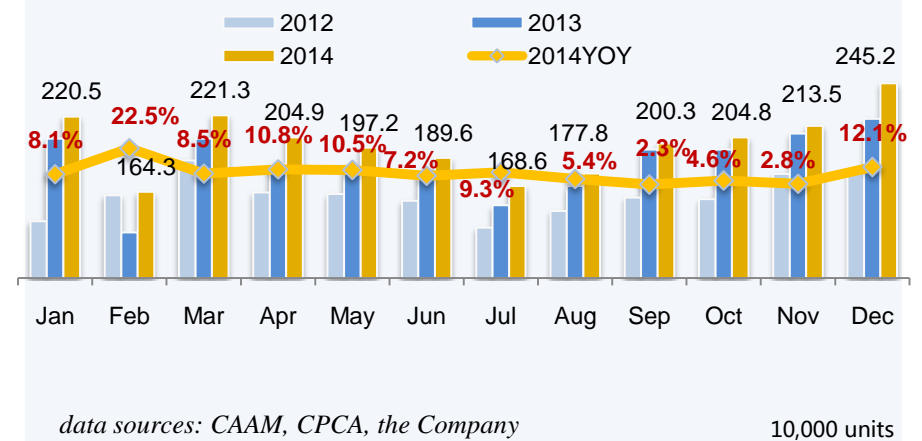
The banner features a collage of business-related images in shades of blue. On the left, there's a close-up of a car's instrument cluster with a speedometer. In the center, a globe is visible. On the right, a 3D bar chart with several vertical bars of varying heights is shown. The overall aesthetic is professional and data-oriented.

2014 overall performance of domestic automobile market

2012-2014 domestic automobile sales volume



Growth of domestic automobile sales volume of 2014



1

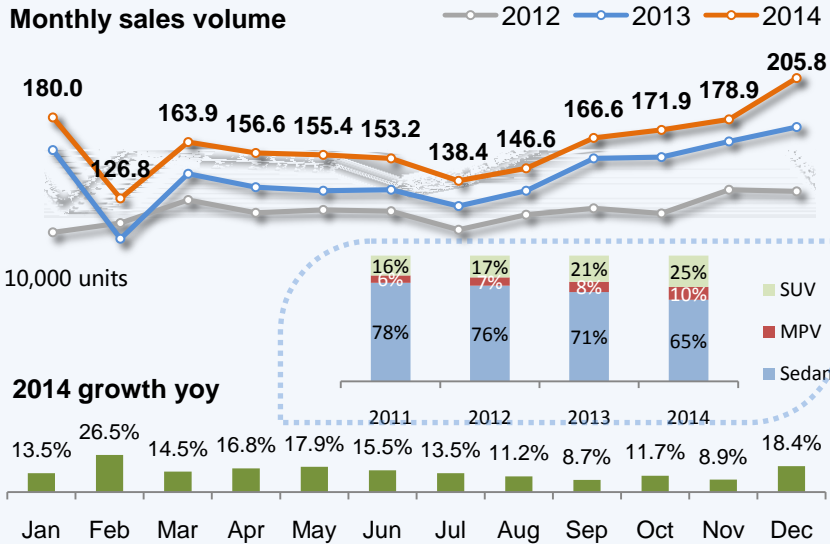
In 2014, domestic automobile market was affected by downward growth of macroeconomy, and the growth of sales volume of domestic automobiles slowed down. Domestic automobile sales volume in 2014 was 24.082 million, increasing by 8.3% compared to prior year.

2

In 2014, affected by factors of decreased investment and decreased growth of economy, the growth of automobile sales volume in the first three quarters decreased quarter-by-quarter. At the end of the year, driven by factors of expected quota policy and promotion of manufacturers, the growth of the market rose again.

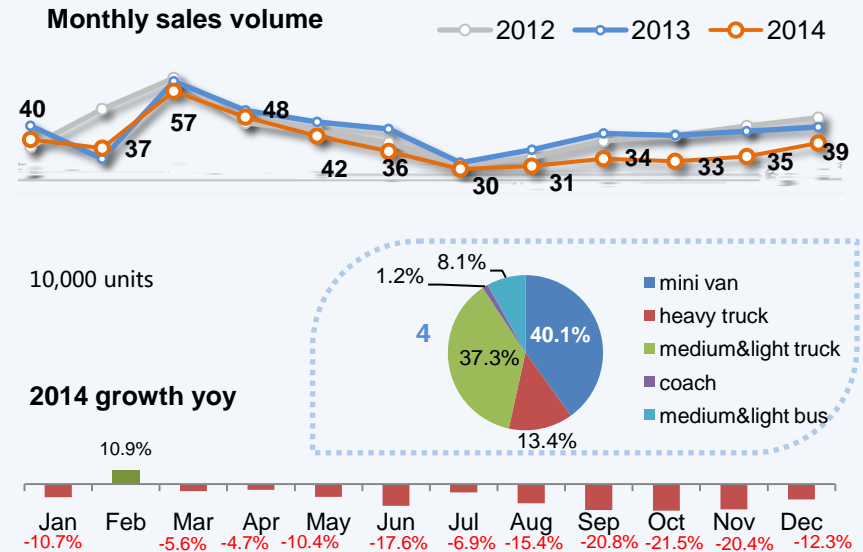
2014 domestic PV and CV market

Passenger vehicles market remained growing and showed the trend of personalization consumption



3 In 2014, sales volume of domestic passenger vehicles was 19.44 million, increased by 14.4%, 5.3 percentage points lower than that of last year; The change of market structure continued the trend of prior period, and the need for personalization and upgrade increased obviously.

Commercial vehicles market decreased entirely affected by the economy



4 In 2014, sales volume of commercial vehicles market was 4.614 million, decreased by 11.5%, resulted from the impact of macro-economy. The sales of mini buses, light buses and coaches increased because of the increasing needs for logistics and bus travelling, but other market segments decreases obviously.

2014 domestic automobile market overview

In 2014, the influence of downward growing rate of

Sales of domestically produced vehicles of SAIC

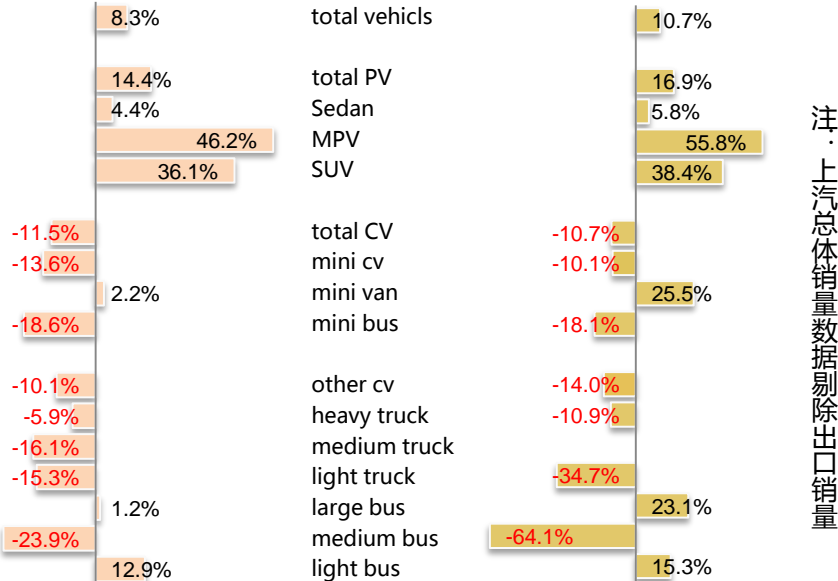
Vehicles		2014	2013	YOY
Passenger vehicles	owned brand	111.6	86.1	29.7%
	JV brand	348.5	310.0	12.4%
	subtotal	460.1	396.1	16.2%
Commercial vehicles	minivan	87.3	97.0	-10.0%
	other commercial vehicles	14.6	17.5	-16.9%
	subtotal	101.9	114.5	-11.0%
Total(including export)		562.0	510.6	10.1%

In 2014, sales volume of the Company is 5.62 million, and main economic targets are well completed.

* PV owned brand including Roewe, MG, Baojun and Wuling hongguang.

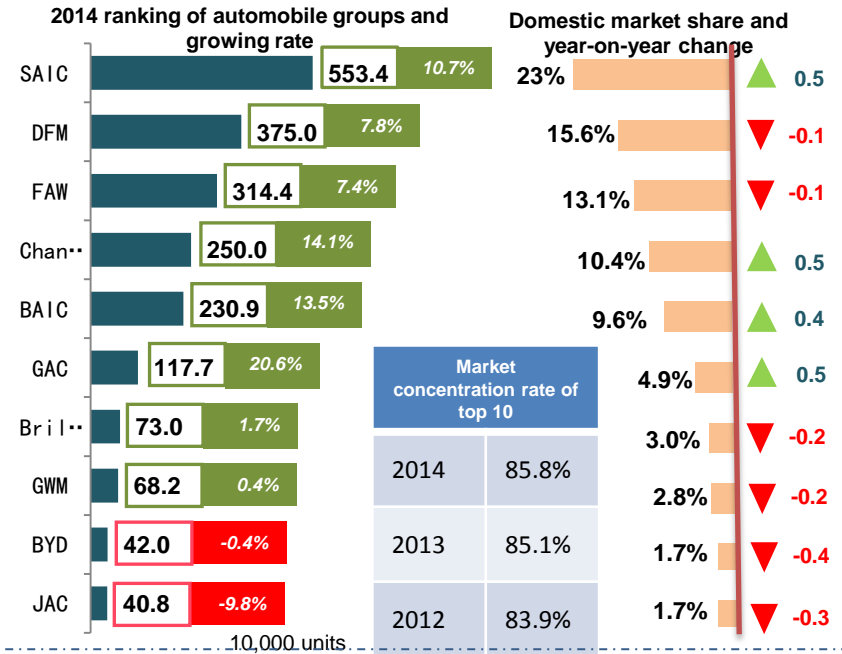
SAIC keeps leading position in domestic market

Comparison of growing rate of sales of vehicles between domestic market and SAIC



In 2014, growing rate of the company is higher than average level of domestic market in main market segment.

SAIC keeps leading position in domestic market



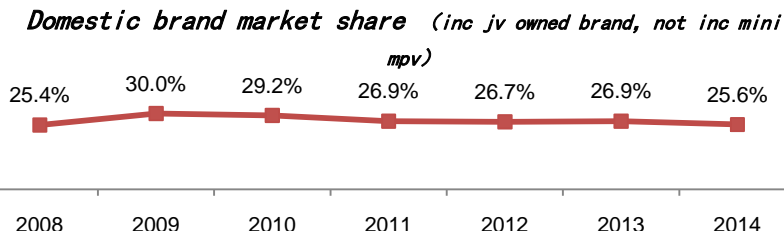
In 2014, the share of domestic market is 23%, increased by 0.5 percentage point.

Operation performance of passenger vehicles of owned brand

SAIC's owned brand of passenger vehicles is optimizing brand positioning and developing differentiation competitive advantage

Owned brand	2013	2014	YOY
SAIC (domestic sales)	230,020	180,018	-21.7%

In recent years, affected by decreased price of vehicles of joint venture brands, share of domestic self-owned passenger vehicles is decreasing year by year. Living space of owned brands is facing unprecedented challenges.



Other than the influence of external competition, the owned brand of passenger vehicles business has issues of weak brand influence, inadequate customer orientation and unsophisticated regional management, resulting in decrease of sales volume in 2014.



Optimize brand positioning



Further clarified the target market segment for double brands and core competitive models, adjusted core value of the brands and completed the re-position the brands, established the brand slogan of Roewe and MG;

Actively advanced the optimization of network layout of the two brands, covering 100% of tier 1 & 2 cities, more than 90% of tier 3 cities, and more than 30% of tier 4 cities.



SGE



NSE

Differentiated competitive advantage



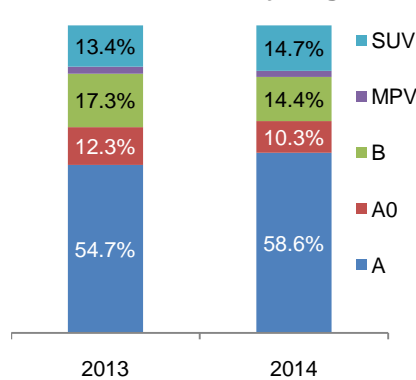
DCT

Furthered strategic cooperation and determined the mid-and-long term product strategy and scheme of technology roadmap, and reorganized products portfolio, strengthened the strategy of market segment ; In the field of new energy vehicles, we mastered core technology of Motor, Electric Control and ; Advanced research and study of internet car, preliminarily determined the products position after demands of target consumers.

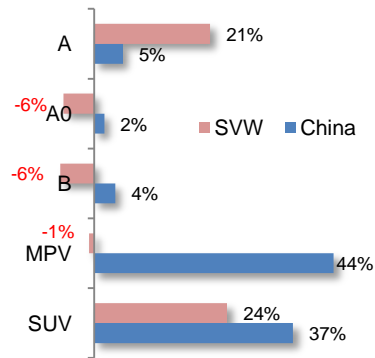
Operation performance of SVW

SVW adjusts product structure and pattern of production, and promotes sales and service satisfaction

2013-2014 sales by segment



growth by segment



10,000 units



Total sales volume

2013	1,293,808	231,200	1,525,008
2014	1,442,616	282,390	1,725,006
	+11.5%	+22.1%	+13.1%

Production optimization Enhanced productivity to guarantee the market supply through implementation of new plants construction and new logistics scheme ;

Quality Enhancement Strengthened preventive controls and in-process inspection; enhanced quality management of purchase for new projects, increased satisfaction on products quality, and awarded the national quality prize of 2014 ;

Sales Promotion Continued the action of front-line , motivated the dealership, and built sales and service system oriented by value of customers.

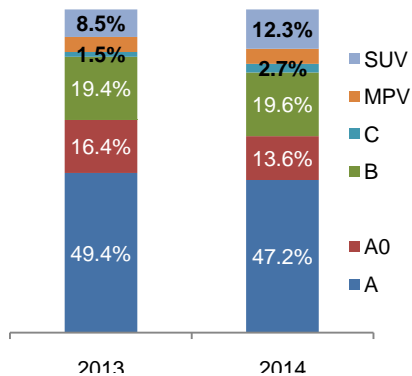
Brand of Volkswagen Strengthened influence of the brand, and kept market competitiveness of products. Passat has been taking a leading position in market of B class automobiles, and Lavida and sales is outstanding in market segment; Volkswagen brand achieved higher ranking of J.D. SSI and CSI by 2 positions and 4 positions, respectively;

Brand of Skoda Strengthened brand marketing and public relation of Skoda, leading rapid increase in sales; optimized organization structure of Skoda to meet the requirements of sales promotion; Expanded after-sales services and enhanced satisfaction of customers.

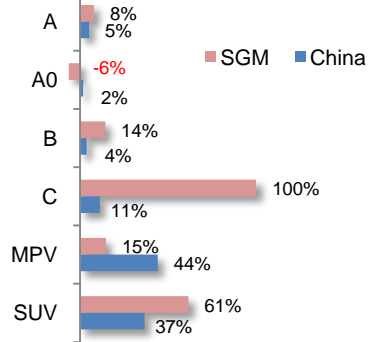
Operation performance of SGM




SGM continued to further the strategy of “multiple brands, comprehensive models” and focused on key models and new products

2013-2014 sales by segment



growth by segment



10,000 units	 CHEVROLET			total sales volume
2013	715,244	809,918	50,005	1,575,167
2014	767,140	919,518	73,500	1,760,158
	+7.3%	+13.5%	+47.0%	+11.7%

Network penetration Quantity of stores is over 1600 by the end of 2014, furthered business development in tier 3 & 4 cities with 64% of new stores located in tier 3 & 4 cities;

Research and development Relying on capability of vehicles and powertrain development, SGM is highly involved in global-wise R&D in vehicle framework and core technology of powertrain;

Business development: Extended warranty covers 96% of the domestic market; volume of wholesale, retail and certification of pre-owned vehicles increased rapidly; established business division of customer and internet products.


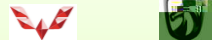
Cadillac Newly launched model of ATS-L performed well in the market, and sales volume of Cadillac products increased rapidly. We will speed up the planning of new models for China market to fill the vacancy of the products portfolio, and accelerate the process of localization;

Buick LaCrosse, Regal and Encore remained popular in the market, sales of Regal and Encore increased by 30% compared with prior year; newly launched Envision has drawn high attention with volume of both wholesale and retail exceeding the target;

Chevrolet Deepen brand communication, expanded marketing channel and promoted the image of Cruze by when launching of New Cruze.

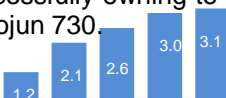
Operation performance of SGMW and other commercial vehicles

SGMW exploited market of home use MPV successfully

10,000 units	 Mini	 Hongguang Baojun		4 4
2013	970,000	530,050	100,500	1,600,550
2014	873,236	751,028	181,586	1,805,850
	-10.0%	+41.7%	+ 80.7%	+12.8%

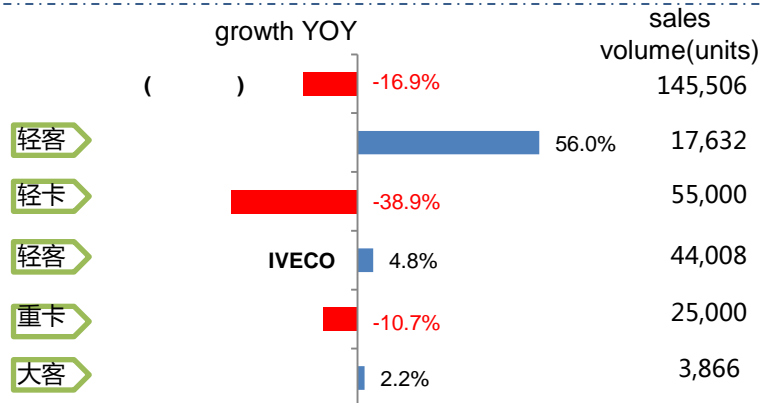
Commercial vehicles business Facing continuous negative effect of consumption upgrade and substitution of MPV on domestic mini commercial vehicles market, taking advantage of sales network, keeping leading position of the market through products upgrade, and the market share rose to 47.3%;

Passenger vehicles business sales volume exceeded commercial vehicles, effect of re-position and upgrade is obvious, exploited home use MPV market segment successfully owing to the Wuling Hongguang and newly launched Baojun 730.



宝骏730上市以来累计销售突破12万辆

Other commercial vehicles are affected by decrease of overall market



SAIC commercial vehicles Keep trend of fast growth, market share of V80 bus is 14.5%, and sales of G10 increases rapidly, export volume of the year is 4,000;

SIH Keep advantage of dump truck, actively exploring tractor market, balancing products structure effectively, to lay a foundation for further development;

Nanjing IVECO affected by market competition, products structure and production consistency check, sales of Yuejin decreases obviously;

Sunwin Focus on new energy business, and cooperate with the group on coach business management.

New energy automobiles and technology innovation

Quicken the pace of industrialization of new energy automobiles, and strengthen the growth potential of owned brand

Promote existing new energy products actively

The sales of new energy automobiles of year is 4,106, increases by 6 times. In 2014, 74 models of new energy automobiles of SAIC have been included in recommendation catalogue.

Completed journey-2014 new energy automobiles demonstrates the achievements on new energy automobiles of SAIC.



In 12th Michelin Challenge Bibendum, SAIC has become the first company to get the 1st prize in all-electric, hybrid power and fuel cell groups since the event started.



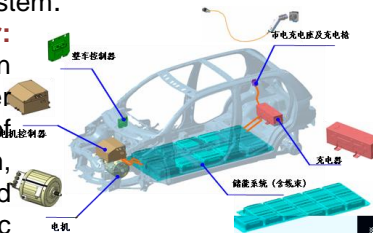
In 2014 CIIF, the plan of EV time sharing lease integrated with internet technology is released.



Strengthen R&D of core components and parts

Electronic control Control strategy, software test/integration, electric integration, hybrid calibration form complete development system.

Battery, electric motor/power: Having ability of application in automobile, aiming to master the development ability of battery management system, battery system integration and control technology of electric motor.



As the national innovation project, the company is in the process of developing fuel cell system, pile, membrane electrode, catalyst and metal bipolar plate, and 6 finished automobiles are used in trial operation in 2014.



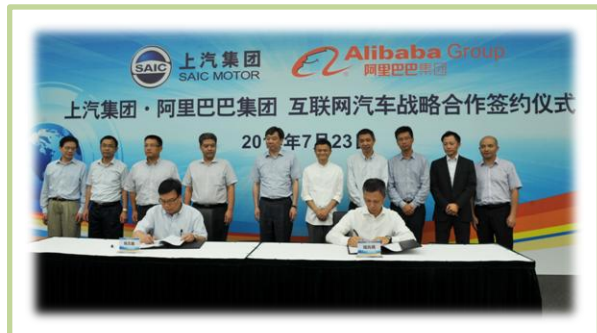
accelerate the development of fuel-cell cars

Innovation of business models

Apply internet thinking, and further exploring innovation of business models

R&D end

Create automobile products with internet nature by applying internet thinking, and endeavor to form new industry standard and platform, strive to make new strength in the competition of era of internet automobiles.



Strategic cooperation with Alibaba group

Sales end

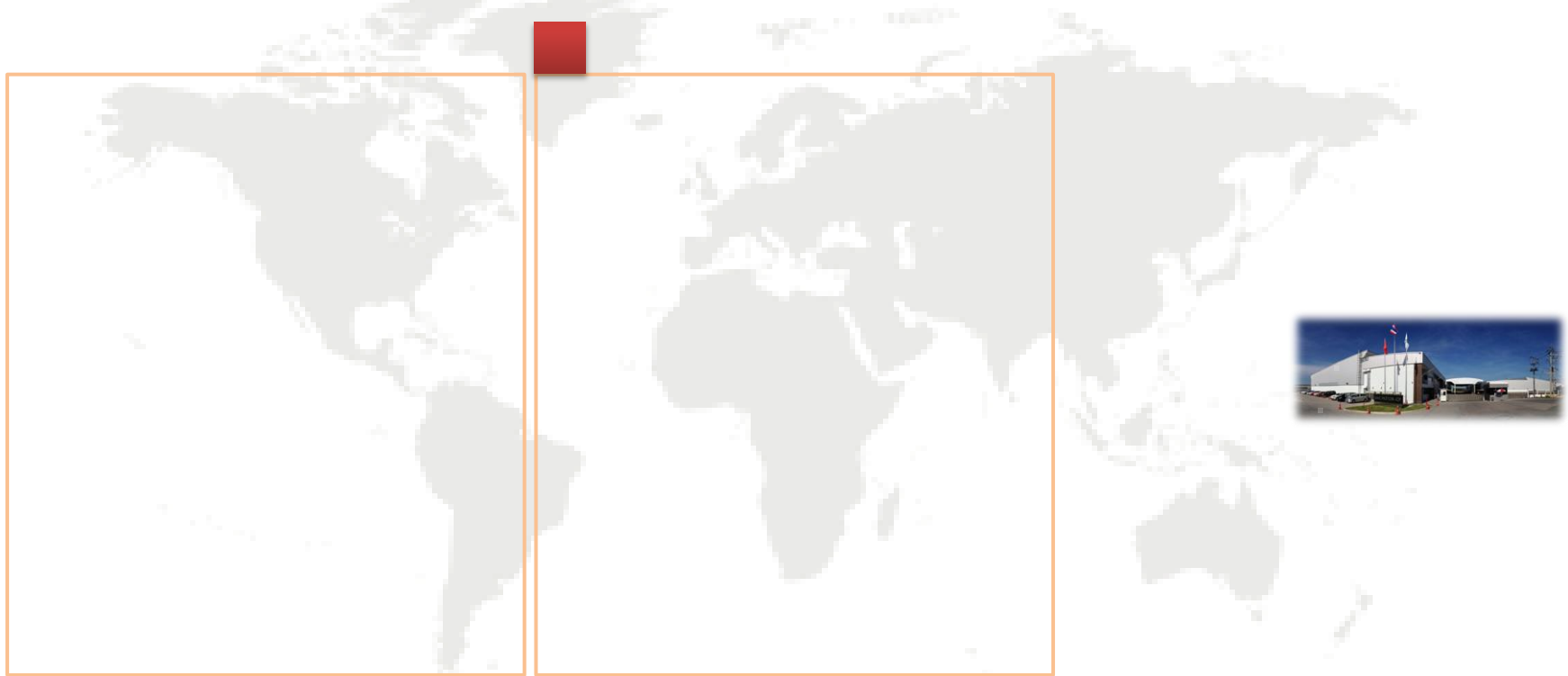
Based on the E-commerce platform, started the operation of service modules of Che Xiang Hui, Bao Yang Guan Jia and Che Xiang Pai, registered WeChat service account, and established the offline service centers in six cities including Shanghai and Beijing, forming closed loop of O2O.



Construct closed loop of O2O sales service

Overseas operation

Integrate group resources, quicken the exploring of emerging market, and enhance overseas operation capability



Automobile service and trade

In 2014, service and trade segment continued to operate stably based on overall group strategy, and focused on consumer service, supply chain guarantee and international operation, and started business transformation and re-position.

Automobile logistics: Transportation volume of automobile of the year is 7.89 million, increased by 9.4% compared with prior year, optimized and adjusted the structure of highway, waterway and railway transportation, promoting construction of domestic logistics hub, Thailand joint venture of logistics operates smoothly.

Services: The company continues to construct the sales network in major market and maintain the stable operation of the network.

International business:

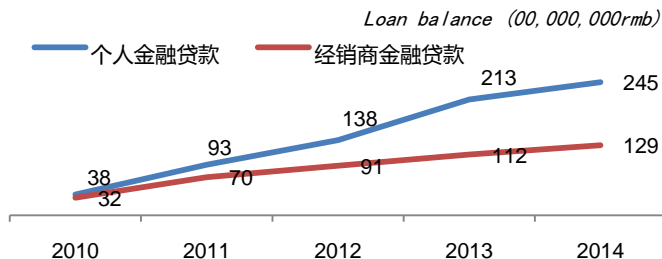


Automobile finance business

Continue to play the role as service platform and take advantage of fund to support vehicle manufacturers to develop market, and accelerate business innovation

SAIC Finance

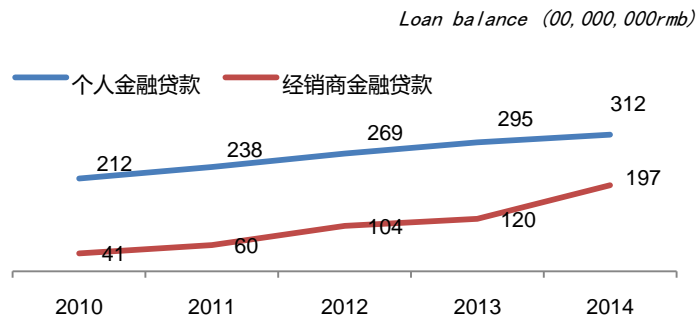
In 2014, the size of automobile finance loans of SFC is RMB 37.4 billion, with non-performing loan ratio of 0.25%, and the penetration ratio of automobile loans is 12.8%, the penetration ratio owned automobile loans is 40.4%.



Advanced the construction of O2O financial e-commerce platform, launched e-commerce projects in multiple cities; made breakthroughs in the finance segment of the industry chain, became one of the first five financial companies involved in the pilot project of industry chain finance.

GAMC-SAIC

In 2014, the size of automobile financial loans of GMAC is 50.9 billion yuan, with non-performing loan ratio of 0.43%, and the penetration ratio of automobile loans is 15.9%.





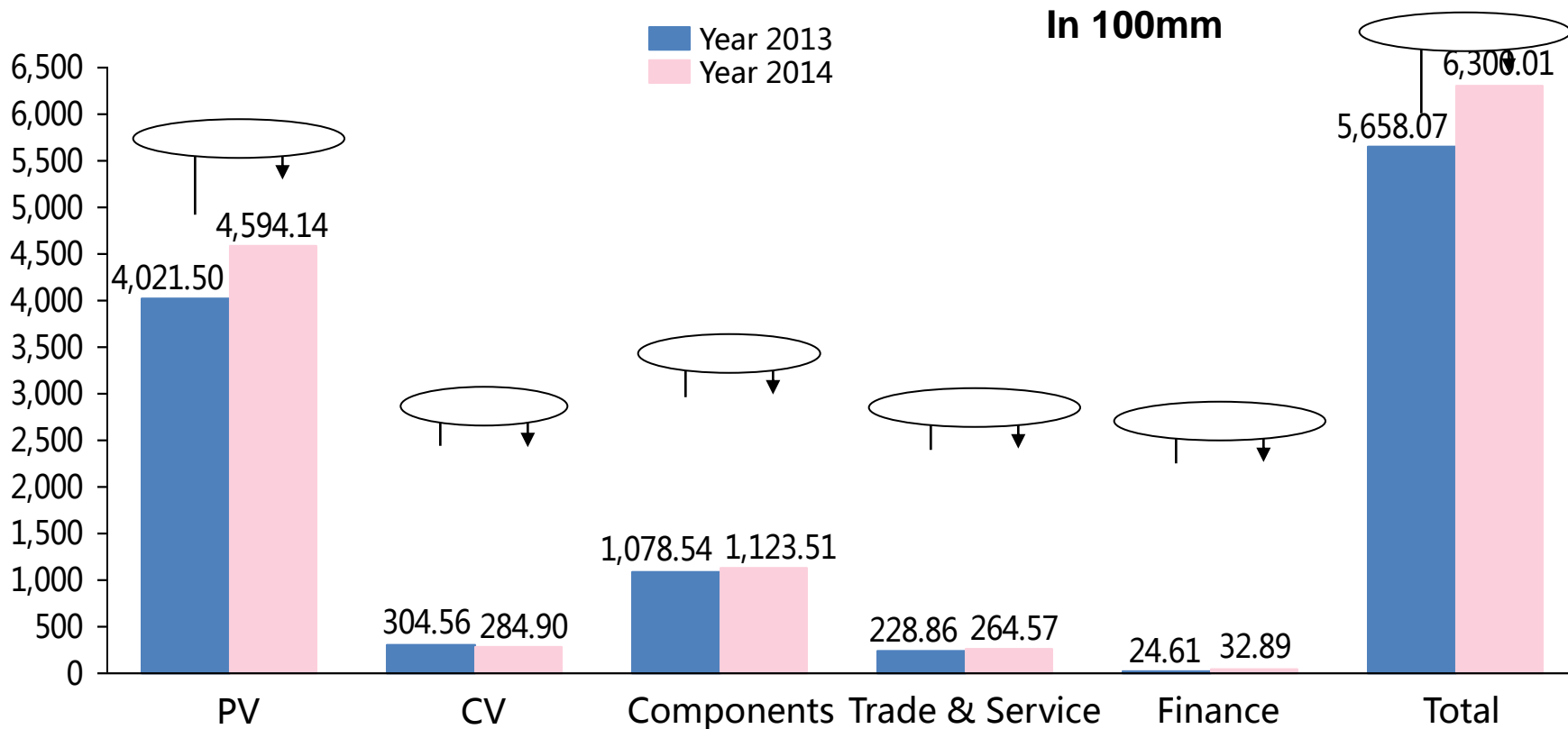
Financial performance

Summary Consolidated Financials

	2014	2013	Change (%)
Sales Volume (unit:10,000)	562.02	510.58	10.07
Revenue (RMB 100mm)	6300.01	5658.07	11.35
Net Profit(RMB 100mm)	382.51	355.84	7.49
Net Profit attributable to equity holders of the company(RMB 100mm)	279.73	248.04	12.78
EPS-Basic(RMB)	2.537	2.250	12.76
EPS-after deducting non recurring gains and losses (RMB)	2.351	2.066	13.79
Net cash flow generated from operation activities per share(RMB)	2.112	1.869	13.01
Net cash flow generated from operation activities(RMB 100mm)	232.84	206.03	13.01
ROE(weighted)(%)	18.97	19.07	-0.1 percentage point

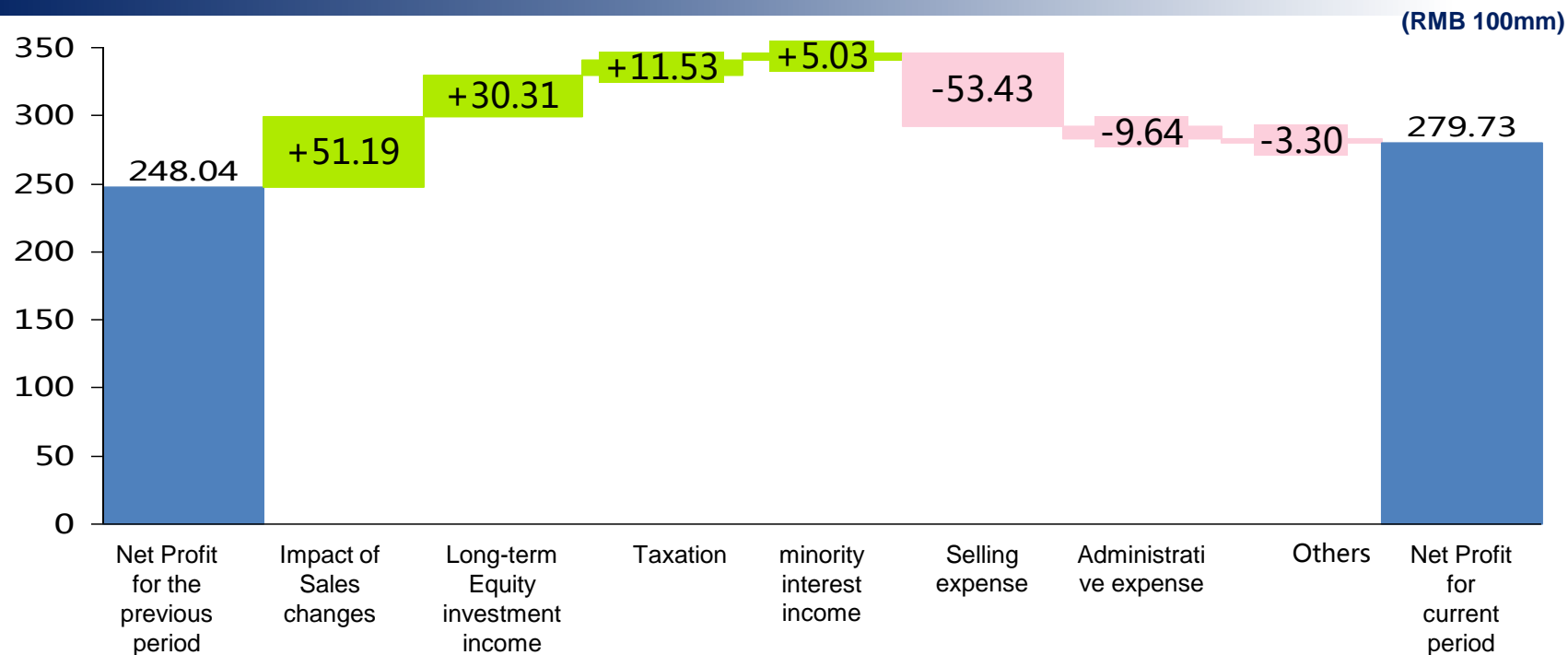
	2014.12.31	2013.12.31	Change (%)
Total Assets(RMB 100mm)	4,148.71	3,736.41	11.03
Equity(RMB 100mm)	1,849.99	1,617.32	14.39
Equity attributable to the equity holders of the Company(RMB 100mm)	1,576.64	1,377.57	14.45
Net Assets per share (RMB)	14.30	12.49	14.49
Debt/Asset Ration (%)	55.41	56.71	-1.3 percentage point

Analysis on Drivers to Change In Consolidated Sales Revenue (RMB 100mm)



Analysis of investment income on associated enterprises and Joint Ventures	RMB 10,000
Vehicle	2,012,968
Component	429,505
Finance	72,824
Trade and Service	14,767
Total	2,530,064

Analysis on Drivers to Change In Consolidated Net Profit



The analysis for net profit contributed to equity shareholders of the company is based on consolidated statement.

Analysis on R&D expense

RMB 100 mm)

Consolidated R&D expense of 2014					
	<u>Dec.31,2013</u>	<u>2014</u> <u>expense</u>	<u>Transfer to</u> <u>Intangible Assets</u>	<u>Defined Current Profit</u> <u>and Lost</u>	<u>Dec.31,2014</u>
Research Expense	0.00	18.02	0.00	18.02	0.00
Develop Expense	0.41	50.30	0.00	50.63	0.08
Total	0.41	68.32	0.00	68.65	0.08
Total/Revenue		1.09%		1.09%	

Company R&D Expense of 2014					
	<u>Dec.31,2013</u>	<u>2014</u> <u>expense</u>	<u>Transfer to</u> <u>Intangible Assets</u>	<u>Defined Current Profit</u> <u>and Lost</u>	<u>Dec.31,20</u> <u>14</u>
Research Expense	0.00	16.15	0.00	16.15	0.00
Develop Expense	0.00	18.54	0.00	18.54	0.00
Total	0.00	34.69	0.00	34.69	0.00
Total/Revenue		22.67%		22.67%	

Section One Performance review of 2014

Section Two Market outlook of 2015

Outlook of domestic automobile market of 2015

To be prudent and neutral, the growing rate of domestic automobile market will continue to decrease in 2015

Market of passenger vehicles: There is still a large development space by consideration of regional development differentiation of China and promotion of urbanization. The market demand of tier 3 and 4 cities will continue to rise, and the demand for additional car purchase and car replacement of tier 1 and 2 cities will be increasing.

Market of commercial vehicles: The elimination of heavy-polluting vehicles, development of e-commerce and logistics and promotion of new energy buses, will bring growing opportunities to market development.

advantages



disadvantages

Pressure of downward growing rate of economy restrict the increasing demand, confidence of consumers and purchasing power; Automobile policy will be more strict; Industry capacity and new products will continue to increase and market competition will be more fierce. Meanwhile, profits will decrease, which will impose challenges to the stability of sales channels.



	2014 Sales volume 0,000 units	2015 expected sales volume 0,000 units	YOY %
PV	1944.0	2120	9.1%
CV	464.1	460	-0.9%
Total	2408.2	2580	7.1%



Focuses of 2015

1 Seize the market opportunities, ensure the accomplishment of targets and stable promotion of operation quality

2 Build differentiated competitive advantages, and deepen the construction of owned brands

3 Strengthen segments synergy and business model innovation, and enhance competitiveness of industry chain

4 Improve the overseas business chain, and advance overseas operation

5 Plan development scientifically, and formulate 13th five plan

The end

April 3rd, 2015