

26 February 2016 :

Joint media statement by Punch Corporation and General Motors International

Viable business model was not possible

General Motors and Punch Corporation have undertaken and completed a detailed global evaluation of a proposal from Punch Corporation to continue manufacturing vehicles at Holden's Elizabeth plant in South Australia.

Both parties concluded that a viable business model was not possible for this case. Therefore the proposal will not be taken forward.

GM and Punch have communicated on this decision.

As discussions have been governed by a Non-Disclosure Agreement, neither party involved is able to discuss details of the proposal, nor the assessment.

The challenges to domestic automotive manufacturing in Australia - lack of scale, high production costs, supply base contraction and increasing market fragmentation - persist and cannot be overcome for this business case.

In particular, the wind down of the supply base following the manufacturing exit of the three existing car makers, and the critical production mass they represent, is insurmountable.

GM thanks Punch Corporation for their proposal. GM will continue to consider Punch Corporation, along with other interested parties, to participate in the sale process of the Elizabeth plant and assets after GM ceases local manufacturing.

Punch Corporation will continue to pursue other business opportunities in the Australian automotive sector.

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For more background on Punch International see :
<http://www.punchpowerglide.com/en/punch-powerglide-strasbourg/home.html>