

## General Motors to end Saturn brand

Vancouver Sun

Thu Oct 1 2009

Page: C2

Section: Businessbc

Dateline: DETROIT

Source: Reuters and Vancouver Sun

General Motors Co. will close Saturn and wind down its dealership network after a deal to sell the faltering brand to Penske Automotive Group collapsed, the automaker said Wednesday.

The breakdown of a deal that had been widely expected to close this week will force some 350 Saturn dealerships in the U.S. to close, and could cut thousands of auto retail jobs that would have been preserved under a plan by auto magnate Roger Penske.

GM's failure to complete the deal also adds uncertainty to the automaker's production plans as it struggles to regain its footing following a \$50-billion taxpayer funded restructuring.

"This is very disappointing news and comes after months of hard work by hundreds of dedicated employees and Saturn retailers who tried to make the new Saturn a reality," GM chief executive Fritz Henderson said.

**Blair Qualey**, president of the New Car Dealers Association of B.C., said Wednesday that five of their members sell Saturns throughout the province.

"They won't be running as a Saturn brand," he said.

Brian Gray, a sales agent at Saturn of Kamloops, said in an interview that his dealership may end up representing another automobile company in the new year, but that nothing has been finalized. He said Saturns will be serviced there until Dec. 31 and at other GM dealerships after that.

GM said it would detail the closure plans for Saturn shortly. Saturn's remaining dealers have already signed wind-down agreements with GM, the automaker said.

GM created the brand in 1983 in a bid to compete with Japanese automakers on quality and service and to provide car buyers with "no-haggle" pricing.

Saturn sales had peaked in 1994, and GM had attempted a turnaround of the brand earlier this decade.

Struggling to regain its financial footing, GM announced in February that it would either spin Saturn off or close the brand. Penske and GM announced a preliminary agreement on Saturn in June after the U.S. automaker filed for bankruptcy.