

Buffett's Firm Buys 10M Share Stake In GM

Josh Funk, AP Business Writer

OMAHA, Neb. (AP) — Warren Buffett's company is apparently bullish on the U.S. auto industry.

Berkshire Hathaway Inc. took a new 10-million share stake in General Motors Co. in the first quarter. The investment comes as the Detroit automaker continues to rebound from bankruptcy three years ago. Fueled by U.S. vehicle sales, it posted first-quarter net income of \$1 billion.

Buffett drives a GM-made Cadillac DTS sedan, so the investment could be a further sign of his preference among U.S. automakers. Berkshire is not invested in Ford Motor Co. or Chrysler, which is majority owned by Fiat SpA.

But the purchase of the GM stake, worth about \$214 million as of Tuesday, could also have been made by one of Berkshire's other investment managers. Berkshire's only other known auto investment is its roughly 10 percent stake in Chinese electric car maker BYD.

Omaha-based Berkshire also revealed in a regulatory filing Tuesday that it boosted its stake in Wal-Mart by almost 8 million shares to 46.7 million shares.

The first-quarter move to expand Berkshire's stake in Wal-Mart came before The New York Times published a report detailing allegations that Wal-Mart executives used bribes to speed the retailer's expansion in Mexico.

Buffett told Berkshire shareholders earlier this month, however, that the scandal didn't change his view on Wal-Mart's value or its earning power.

Berkshire officials don't typically comment on the quarterly investment reports, and they did not respond to a message on Tuesday about the latest update.

The documents Berkshire filed with the Securities and Exchange Commission also don't reveal everything Buffett and the company's two new investment managers were buying and selling in the first quarter. That's because regulators allow them to omit some of the company's holdings from the report.

Berkshire tweaked a number of positions in its \$75.3 billion portfolio during the first three months of 2012. It also added a stake of 1.6 million Viacom shares, which was the only new holding reported besides GM.

It also boosted its investments in DirecTV, Liberty Media, DaVita Inc. and the Bank of New York Mellon.

Berkshire reduced its holdings in Intel Corp., Kraft Foods, Dollar General, Procter &

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The IBM stake that Berkshire first reported last fall grew to 64.4 million shares by the end of March from 63.9 million in December.

Initially, the IBM investment surprised many because Buffett had long refused to invest in technology companies because it's too hard to predict which one will prosper in the long run. But Buffett said in November that IBM had become more of a service company with long-lasting customers who are reluctant to change.

Buffett makes most of the investment decisions at Berkshire, but Tuesday's filing didn't differentiate between choices he made and ones made by the company's other investment managers, Todd Combs and Ted Weschler.

Buffett has said he doesn't typically make investments worth less than \$300 million, so many of the moves reported Tuesday are likely the work of Combs or Weschler.

Buffett has praised both Combs and Weschler and said the two men are managing \$2.75 billion each, while Buffett oversees the remaining roughly \$150 billion.

Combs started at Berkshire last year, so he is further along in building his portfolio. Weschler started early this year.

Berkshire's investments are closely watched in the market because of Buffett's successful record.

Berkshire occasionally receives permission from the SEC to delay disclosing some stock purchases to prevent others who follow Buffett's moves from driving up the price of those stocks before Berkshire completes its purchases. Berkshire then discloses the purchases or sales in a subsequent quarter and issues amended reports for previous quarters.

The SEC says it grants such confidentiality to investment managers only when they can show they would be harmed substantially by immediate disclosure.

Besides investments, Berkshire owns roughly 80 subsidiaries, including clothing, furniture and jewelry firms, but its insurance and utility businesses typically account for more than half of the company's net income. Other major investments include Coca-Cola Co.

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