

## General Motors 1Q Earnings Top \$1B

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DETROIT (AP) — General Motors earned \$1 billion in the first quarter as a strong performance in North America helped it overcome troubles in Europe.

The results easily beat Wall Street estimates, lifting GM's stock price in pre-market trading Thursday.

Despite problems, GM was able to post its sixth straight quarterly profit since emerging from bankruptcy and having its stock return to publicly traded markets in November 2010.

GM said Thursday it earned \$1 billion, or 60 cents per share, in the quarter. That compared with \$3.2 billion, or \$1.77 per share, a year earlier, when earnings were boosted by the sale of GM's stake in a parts company.

Revenue rose 4 percent to \$37.8 billion.

North America clearly is pulling the company along. GM earned a combined \$1.7 billion before taxes in the U.S., Mexico and Canada. Sales rose by 19,000 vehicles to 703,000, and the company got higher prices for cars and trucks.

The big profit in North America offset Europe, where GM's operations lost \$256 million before taxes. It also overcame a \$590 million charge due to a change in Europe's pension values.

"The U.S. economic recovery, record demand for GM vehicles in China and the global growth of the Chevrolet brand helped deliver solid earnings for General Motors," said Dan Akerson, chairman and CEO. "Europe remains a work in progress."

Chief Financial Officer Dan Amman wouldn't predict when Europe would return to profitability and said there won't be any "big bang" moves to get there. "It's an ongoing set of actions," he said.

GM's struggles in Europe mirror the region's overall economy, which likely has slipped into a recession. Other automakers, including Ford Motor Co., also are losing money there.

Economists think the 17 countries that use the euro are already in a recession. Output is expected to have shrunk slightly in the first quarter after a 0.3 percent decline in the final three months of 2011. Two quarters of falling output is a common definition of recession.

Unemployment is 10.9 percent in the euro countries, the highest since the currency

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was introduced in 1999, and that figure masks an even worse situation in southern Europe. Spain and Italy are struggling with shrinking economies and budget woes, while Greece, Portugal and Ireland have needed bailout loans from the other eurozone countries and the International Monetary Fund.

Besides North America, there were other bright spots for GM. The carmaker earned \$83 million in South America, helped by new models for the region. The company earned \$529 million pretax in Asia.

There were some signs of trouble in the U.S., GM's home market. Its share of sales fell by 1.2 percentage points in the first quarter to 14.3 percent. The company's share of the global market dropped 0.1 percentage points to 11.3 percent.

Excluding one-time charges, GM earned 93 cents per share from January through March. That soundly beat Wall Street estimates. Analysts had forecast 85 cents on revenue of \$37.9 billion, according to FactSet.

GM's stock price rose 17 cents to \$23.10 in premarket trading Thursday.

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