Ford 2012 Profits Better Than Expected

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DEARBORN, Michigan (AP) — Ford earned better-than-expected profits in 2012 as record results in North America trumped losses in Europe. It will have to do even better at home this year as the losses in Europe mount.

The No. 2 U.S. automaker earned $5.7 billion for the year, or $1.42 per share. That was down by $300 million, or $1.51 per share, in 2011, as a $1.75 billion loss in Europe took its toll.

But Ford reported a record pretax profit of $8.3 billion in North America, where sales rose and Ford made more money on every vehicle it sold. The company is planning to give out record profit-sharing bonuses of $8,300 to 45,800 workers based on its North American results.

Chief Financial Officer Bob Shanks said Ford expects even higher results for North America this year, as demand for Ford's pickups and its newest products will likely grow. But Shanks said Ford now expects to lose $2 billion in Europe, up from the $1.5 billion loss it predicted a few months ago.

"Europe will hit bottom this year," Shanks said. He said the company is on track with a plan to close plants and introduce new vehicles in the region. Ford's sales fell by 15.5 percent in Europe last year.

Worldwide, Ford's sales rose 7.5 percent to 1.5 million in 2012. The company saw some of its biggest gains in Asia, where it's introducing a slew of new products and building seven new plants. Sales in Ford's Asia Pacific and Africa region were up 41 percent over 2011.

For the fourth quarter, Ford said its pretax results were the best in a decade.

The company earned $1.6 billion in the final three months of 2012 as sales rose in every region outside Europe. Ford's net income fell from $13.6 billion in the same quarter last year, but that figure included a big accounting-related gain. Without that gain, Ford's earnings were up from $1 billion in the fourth quarter of last year.

Ford earned 31 cents per share, up from an adjusted 20 cents per share in the fourth quarter of 2011. That beat analysts' forecast of 25 cents per share, according to FactSet.

Fourth-quarter revenue rose 5 percent to $36.5 billion, beating analysts' forecast of $33.5 billion.

In North America, Ford's pretax profit more than doubled in the fourth quarter to $1.87 billion.

Sales of cars and trucks in the U.S. totaled 14.5 billion in 2012 — the industry's best performance in five years. Forecasts are for an even better 2013, with the Polk auto research firm forecasting 15.3 million vehicle sales as the economy continues to improve.

Ford lost some U.S. market share in 2012 as its Japanese rivals roared back from earthquake-related losses the prior year. But Ford expects its share to grow in 2013.

Shares fell 23 cents to $13.55 in premarket trading.

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