GM Predicts Modest Profit Growth In 2013

The Associated Press

DETROIT (AP) — General Motors expects only a modest increase in pretax profits this year as it rolls out multiple new cars and trucks worldwide.

The company also thinks global auto sales will grow modestly this year, driven by the U.S. and China, while European car sales fall.

The company told analysts at a Deutsche Bank industry conference in Detroit Tuesday that its pretax profit margin in North America should rise from 8 to 10 percent in the next three or four years. Profit margin is a measure of how much the company earned after costs of doing business.

GM's presentation at the conference began after the stock markets closed. Its shares fell 24 cents to $30.36 in after-hours trading.

The automaker posted nearly $4 billion in net income during the first nine months of last year, including almost $1.5 billion in the third quarter. Analysts polled by FactSet expect GM to report $5.35 billion in net income, or $3.24 per share, when it posts 2012 earnings in a few weeks. Pretax income is expected to be $6.58 billion.

Chief Financial Officer Dan Ammann told the conference that GM is rolling out more new vehicles globally than at any time in the company's history, targeting the two largest markets, the U.S. and China. GM started its latest round of new products last year. It plans to refresh 70 percent of its global products by the end of 2013.

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