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## Strong North American Earnings Boost GM In Third Quarter

By Jeff Gilbert – October 30, 2013 (excerpt)

DETROIT (WWJ) - One time charges cut General Motors' overall profit in the third quarter, but take those charges out, and the company out performed Wall Street expectations.

"We made gains in the third quarter as we improved our North American margins," said GM CEO Dan Akerson. "Our efforts to build great cars and trucks and deliver solid financial results were recognized this quarter by Moody's investment grade rating."

GM earned \$698 million in the quarter, well below the \$1.5 billion it earned last year. But the company also spent a lot of money to buy back shares owned by the UAW retiree health care trust, and that had an impact. GM's pretax income of \$2.6 billion was significantly higher than last year.

GM increased its performance in North America, earning \$2.1 billion in its home market. It also cut its losses to \$214 million in Europe.

General Motors is in the midst of a number of product launches, which the company hopes will build profit momentum going forward.

"Customers are reacting really well to these new launches," said GM Chief Financial Officer Dan Ammann. "It's showing up in the financial results. Revenue was up. Market share was up. Profits up. Cash flow up. So, a really strong quarter across the board."

General Motors was helped by strong sales of pickup trucks, both the all-new 2014 models, and leftover 2013's. Pickups, which have always been profitable vehicles, are even more profitable today.

"We look back a decade ago, the average truck sold for \$26,640," said David Kudla, CEO of Mainstay Capital Management. "Today, thirty percent of pickup trucks sell for 40 thousand dollars or more."

Kudla says General Motors has a lot going its way.

"Overall they have continued growth in emerging markets, especially China. Europe looks like it's turning, and the profitable truck segment in the U.S."...

... "We're not providing a specific fourth quarter outlook," said Ammann. "But, we have good momentum throughout the company, and we're going to look to continue that as we can."