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## Ford earns \$1.6 billion net in 4Q; average profit-sharing of \$8,300

By Alisa Priddle  
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Strong North American profits will net record profit sharing checks of \$8,300 on average for 45,800 hourly workers, to be paid March 14.

The news flows from positive fourth-quarter and full-year earnings released today that exceeded Wall Street's expectations.

Ford reported its highest fourth-quarter pre-tax profit since the same period in 1999 at \$1.7 billion or 31 cents per share, beating analyst expectations of 25 cents per share. Net income for the quarter was \$1.6 billion despite losses in Europe of \$732 million. Revenue was \$36.5 billion, up from \$34.6 billion a year ago.

And full-year pre-tax profit of \$8 billion, driven by \$1.9 billion from North America, contributed to Total 2012 net income was \$5.7 billion or \$1.41 per share, beating the average of analyst estimates of \$1.34 per share. A year ago, full-year operating profit was \$8.8 billion. ...

...Company guidance is that North America will see gains in both profit and share in 2013 with stronger pickup demand and a full-year of Escape and Fusion sales. Operating profit should be about 10%, similar to 2012's 10.4%.

Ford has said it wants to achieve profit margins of 8-10% in North America over the long term and impressed investors in the third quarter with a 12% margin. That fell to 8.4% in the fourth quarter.

North America's strength will offset bigger losses of about \$2 billion projected for Europe this year as the market is expected to hit bottom and is showing signs it is stabilizing. ...

...Overall, Ford is calling for profits in 2013 to be the same as in 2012.

Mulally said the Ford team "delivered strong results once again," and said the company is "well-positioned for another strong year in 2013."

The resulting profit sharing for workers exceeds the average of \$6,200 for 2011 which was paid in two installments.

The street expected Ford to earn \$1.53 per share in 2012 and the consensus is the company will earn \$1.62 per share for 2013, David Kudla, CEO of Mainstay Capital Management, said in a report.

"Given the strong tailwinds and improving economic environment, we believe these 2013 estimates could prove to be conservative," Kudla said in a report. "Upward earnings revisions would certainly be a primary factor in continuing the recent rally in Ford's share price."

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