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## GM reports record \$9.7 billion earnings in 2015

BY MICHAEL MARTINEZ (excerpt)

General Motors Co. on Wednesday said it earned a record \$9.7 billion in 2015, including \$6.3 billion in the fourth quarter.

The Detroit automaker posted a record \$10.8 billion pre-tax profit, with profit margins of 7.1 percent. The strong numbers were driven by good performances in China and North America, where GM earned a record \$11 billion with record adjusted profit margins of 10.3 percent. It reached the milestone 10 percent margins a year ahead of schedule. ...

...GM's adjusted earnings per share last year was \$5.02 a share, beating the consensus of \$4.83. Its earnings per share in the fourth quarter was \$1.39 a share, beating the consensus of \$1.21 per share.

"It was an outstanding performance across the board," said Chuck Stevens, GM's chief financial officer. ...

..."It was a strong year on many fronts, capped with record sales and earnings, and a substantial return of capital to our shareholders," GM Chairman and CEO Mary Barra said in a statement. "We continue to strengthen our core business, which is laying the foundation for the company to lead in the transformation of personal mobility. We believe the opportunities this will create in connectivity, autonomous, car-sharing and electrification will set the stage for driving value for our owners for years to come."

The automaker's earnings were nearly entirely driven by North America, where a continued demand for SUVs and trucks fueled record sales.

In Europe, GM lost \$800 million, better than the \$1.4 billion it lost there a year ago. Its fourth quarter loss of \$300 million is attributed to costs related to the launch of the Astra and costs from a troubled Russian market that GM is leaving. ...

...GM's troubled South America business unit lost \$600 million in 2015, a greater loss than the \$200 million from 2014. But the automaker was encouraged by breakeven results there in the fourth quarter. ...

...GM's total net revenue for the year was \$152.4 billion, down from \$155.9 billion a year ago. GM said the numbers are a result of a negative net foreign currency exchange impact of \$9.3 billion.

The automaker predicts its adjusted earnings per share in 2016 will fall between \$5.25 and \$5.75 in 2016.

Some analysts expect the momentum to continue.

"We remain bullish on GM," David Kudla, CEO and chief investment strategist of Mainstay Capital Management in Grand Blanc, said in a statement. "We expect the company to take full advantage of continued robust demand, successful product launches and low energy costs this year." ...