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## NET LOSS US\$3.25B

### Asia, Latin America lessen Q1 loss at GM

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General Motors Corp.,  
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the world's largest automaker, yesterday posted a smaller first-quarter loss than analysts estimated as rising sales in Asia and Latin America tempered declines in the United States.

GM shares gained as much as 14%, the most in three years, in New York trading. The Detroit-based company's loss, excluding charges for former parts subsidiary Delphi Corp. and the GMAC LLC finance unit, was US\$350-million, or US62¢ a share, beating the US\$1.52 average estimate of 13 analysts surveyed by Bloomberg.

Rising revenue overseas, where GM now sells almost two-thirds of its vehicles, helped Rick Wagoner, chief executive, blunt the impact of a deteriorating performance in North America. The automaker was hurt in its home market by a supplier strike, a slowing U.S. economy and mortgage defaults at GMAC.

"They're doing the right thing internationally; they're growing in developing countries, China primarily," said Dennis Virag, president of the Automotive Consulting Group in Ann Arbor, Mich. "North America is the albatross around their neck."

The net loss of US\$3.25-billion, or US\$5.74 a share, was GM's third straight quarterly deficit and compares with a profit of US\$62-million (US11¢) for the same period in 2007. Sales fell 1.6% to US\$42.7-billion, GM said in a statement yesterday.

The company is the world's 10th largest ranked by revenue while failing to place among the top 500 on the basis of market capitalization, according to Bloomberg data.

In North America, its largest region, GM had an US\$812-million pre-tax loss, wider than a US\$208-million deficit a year earlier, in part because of an US\$800-million expense from a strike at its largest axle supplier.

Mr. Wagoner has closed plants, negotiated less-expensive labour deals and bought out the highest-paid union workers. GM's U.S. sales have fallen in each of Mr. Wagoner's eight years as CEO and were down 11% through March of this year.

The automaker was profitable in each of its other three regions. GM's European profit grew by more than 18 times to US\$75-million. The Latin America-Africa-Middle East and Asia-Pacific regions, on the strength of Chevrolet small cars, each doubled earnings, to US\$517-million and US\$286-million, respectively.

GM recorded charges of US\$731-million related to bankrupt Delphi and US\$1.45-billion for its investment in GMAC.

The cost to protect General Motors from default fell as Mr. Wagoner said GM has "very strong" cash and liquidity. GM said yesterday its supply of cash, marketable securities and other funds available for liquidity fell to US\$23.9-billion from US\$24.7-billion.

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