

## GLOBAL IDEAS

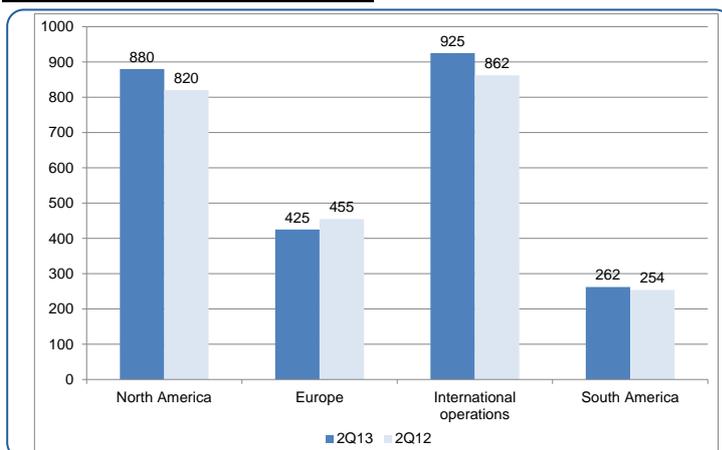
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### GM: 2Q13 results show a drop in profit but ahead of analyst expectations

General Motors (GM) reported a 24% drop in 2Q13 profit yesterday despite strong US sales. However, the company still beat Wall Street expectations. Earnings came in at \$1.41bn, or US\$93/share, which reflects preferred dividends, compared with \$1.85bn in the corresponding period last year. Excluding some costs, GM earned US\$84/share, exceeding consensus analyst estimates of US\$76/share. Revenue rose 4% to \$39.1bn vs \$37.6bn in 2Q12. The company's North America unit generated a pre-tax profit of \$1.98bn, while European operations made a loss of \$110mn as unemployment and austerity measures curbed consumer spending. Nevertheless GM's efforts to reduce costs at the German-based Adam Opel and Vauxhall operations did bear some fruit as its European loss narrowed from \$394mn in 2Q12.

and Cadillac brands. However, GM lagged its main rival, Ford which released its results on Wednesday showing it generated a North America pre-tax profit of \$2.33bn during the same quarter.

#### GM: Global deliveries\* ('000):



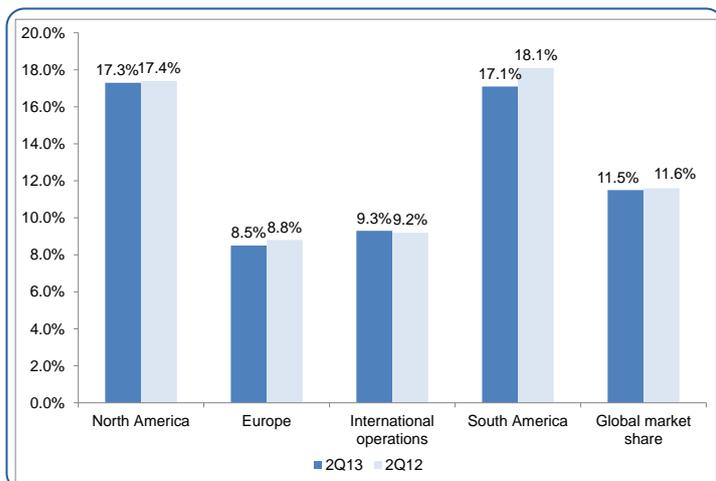
Source: Company data, Anchor Capital

Note GM deliveries include vehicles sold around the world under GM and JV brands, and through GM-branded distribution network..

\*International Operations deliveries excludes Chevrolet Europe and Russia

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#### GM: Global market share\*:



Source: Company data, Anchor Capital

Note: GM market share includes vehicles sold around the world under GM and JV brands, and through GM-branded distribution network but excludes the

Despite GM's retail vehicle sales in the quarter coming in at 2.49mn units, up 4% from 2.39mn in 2Q12, the company's global market share edged down to 11.5% from 11.6% in the comparative year-ago period. GM chairman and CEO Dan Akerson, said the company continues to perform well in the US and China, the two most important global markets and also made further progress in its European business which saw a steady performance from its Chevrolet



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We scan the globe looking for good opportunities. We provide our model portfolios, as well as news and views on our watchlist, which is continually reviewed and updated.



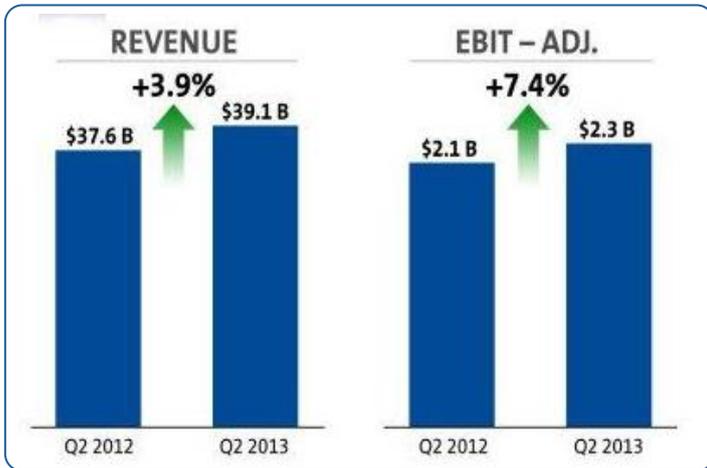
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The group's biggest negative impact came from the international operations, where higher costs in Australia resulted in a drop in pre-tax profit to \$228mn from \$627mn in 2Q12. The company said it is working towards reducing worker wages in Australia, where GM's competitive edge is seen slipping on the back of the introduction of more imports into that country.

**GM: 2Q13 results:**



Source: Company data

GM ended the quarter with a strong total liquidity of \$34.8bn. The company increased its full-year guidance on the back of surging demand for its Fusion family cars and F-Series pickups and an improving operating environment in Europe.

GM closed 0.2% down at \$37.08 yesterday.

**Marco de Matos**



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