

GM customers, talent likely to return

BY MELISSA BURDEN (excerpt)

The U.S. Treasury's shrinking stake in General Motors Co. — and plans to be free of all shares by early 2014 — mean the automaker should see a boost in earnings and sales, as well as consumer and employee confidence as it sheds the Government Motors moniker.

The moves announced Wednesday — ahead of some analyst predictions and at a time of concern over the U.S. and European economies — signify that distancing GM from government ownership was a top priority for management. ...

...GM Chief Financial Officer Dan Ammann said the buyback of 200 million government shares would reduce GM's outstanding shares by 11 percent and improve earnings per share.

GM said it would take a special item charge of \$400 million in the fourth quarter related to the sale. Analysts boosted their 2013 earnings estimates for the automaker, given the expected lower share count, following GM's announcement. ...

...Investors should feel more certain about the company's stock price knowing Treasury's plan, said David Kudla, chief investment strategist for Mainstay Capital Management LLC in Grand Blanc.

"This move should attract customers to showrooms who were previously bothered by government ownership," Kudla said in a statement. "The timing couldn't be better as GM rolls out the redesign of its profitable new full-size truck." ...