



By Michael Wayland
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Analysts: Expectations high for GM's 2012 earnings



David Kudla

GRAND BLANC, MI -- Even with losing some of its U.S. market share in 2012, expectations for General Motors Co.'s 2012 earnings are high.

In the first three quarters of 2012, GM's earnings per share were \$2.76. Earnings expectations for the fourth quarter range between \$0.36 and \$0.71 per share, according to analysts.

"Consensus estimates for 2012 call for General Motors to earn \$3.26 per share," said David Kudla, CEO and chief investment strategist of Mainstay Capital Management LLC, in a note. "At the moment, \$3.60 per share is the consensus estimate for 2013. Given the strong tailwinds and improving economic environment, we believe these 2013 estimates could prove to be conservative."

GM sold about 2.6 million cars and trucks domestically in 2012, a 4 percent increase from 2011. But its market share in the U.S. shrunk nearly 2 percent, according to TrueCar.com

Jesse Toprak, TrueCar.com senior analyst, said the Detroit-based automaker had a solid year overall – particularly in Asia.

"Even though the automaker lost market share in its' home turf, GM still posted a 4 percent sales growth while also benefiting from the Chinese market expansion," he said in a statement. "However, Europe continued to drag down profitability with no imminent recovery on the horizon."

Toprak added, as GM looks to roll out more than a dozen new or refreshed models this year, including a new lineup of full-size pickup trucks, expectations remain high.

GM is scheduled to release its 2012 fourth-quarter and full-year earnings at 7:30 a.m. Thursday. It is the last of the Detroit automakers to do so.

Last month, Chrysler reported full-year 2012 net income increased more than eight-fold to \$1.7 billion, from \$183 million in 2011. Ford reported earnings of \$5.67 billion, or \$1.42 per share, for last year, trumping analysts' estimates of \$1.34 per share.

GM's stock [NYSE: GM] was up about 12 cents in pre-market trading to about \$28.67 per share.

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