

Document 0818

[20818001]

The Big Three U.S. auto makers posted losses in their core North American automotive businesses for the third quarter, and expectations of continued slow vehicle sales and price wars are casting a pall over the fourth period.

[20818002]

The strongest sign of the Big Three's woes came from Ford Motor Co., which said it had a loss in its U.S. automotive business for the first time since 1982.

[20818003]

Ford predicted fourth-quarter net income will fall below the year-earlier level, partly because of a likely \$ 500 million charge from the sale of its steel operations.

[20818004]

The bleak automotive results were offset by strong earnings from some non-automotive operations.

[20818005]

Still, the combined profit of Ford, Chrysler Corp. and General Motors Corp. fell 44 % to \$ 1.02 billion from \$ 1.83 billion a year earlier, excluding a one-time gain of \$ 309 million at Chrysler from the sale of Mitsubishi Motors Corp. stock.

[20818006]

The last time all three companies reported North American automotive losses was in the recession year of 1982.

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Yesterday's announcements helped spark a midday wave of program selling in the stock market.

[20818008]

GM's common closed at \$ 44.375 a share, down 50 cents, Ford fell 37.5 cents to end at \$ 47.50, and Chrysler eased 37.5 cents to \$ 22.25, all in New York Stock Exchange composite trading.

[20818009]

The market's pessimism reflects the gloomy outlook in Detroit.

[20818010]

As Japanese auto makers gained market share, the Big Three, with GM in the lead, slashed North American production and launched a retail discounting blitz.

[20818011]

The price war peaked in the third quarter as Big Three factory discounts climbed to more than \$ 1,000 a vehicle, according to industry officials.

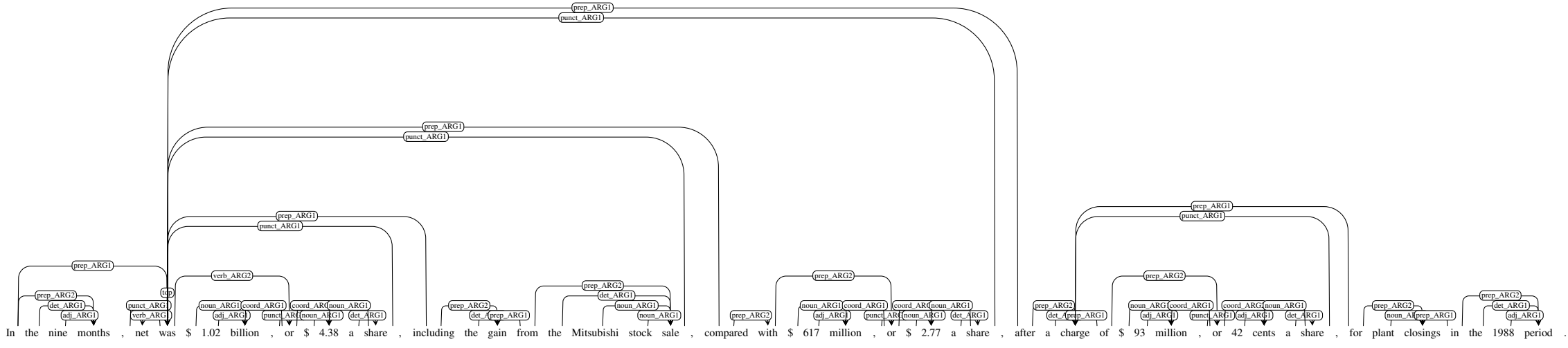
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GM probably had the "heaviest incentives," said Robert S. Miller, Chrysler's chief financial officer.

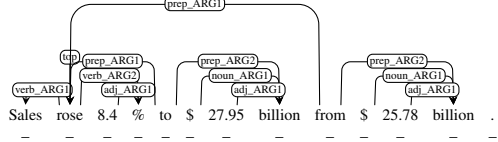
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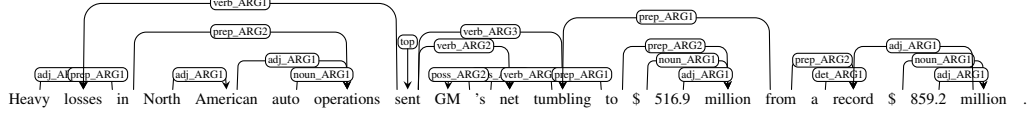




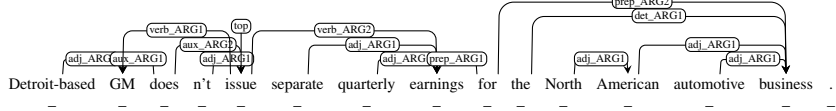
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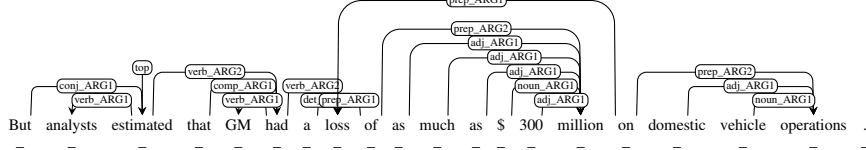
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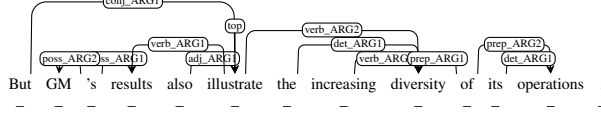
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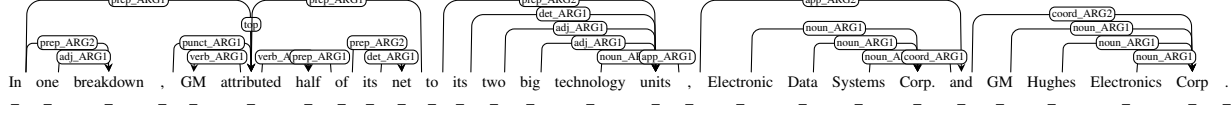
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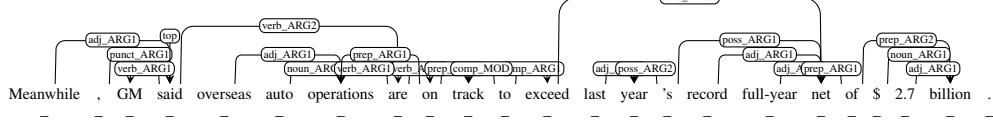
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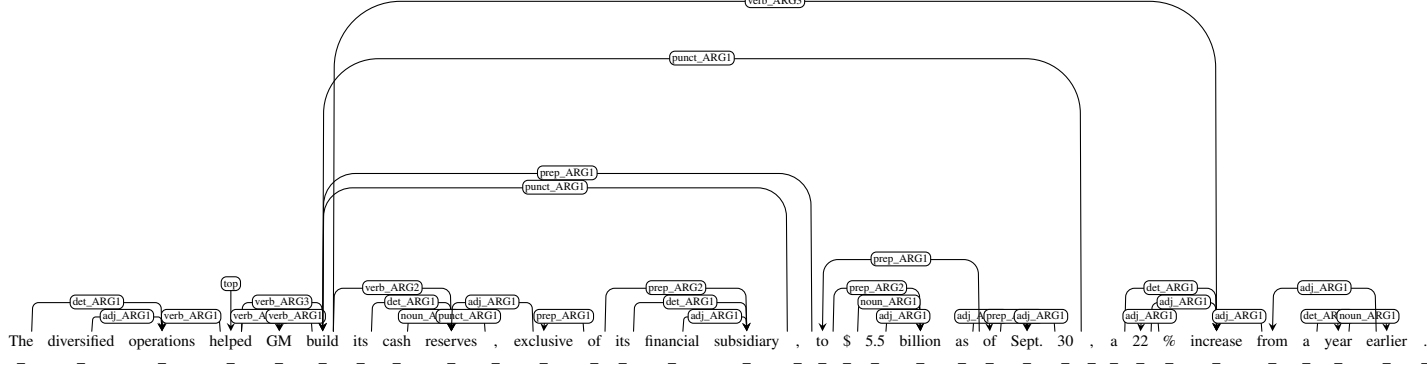
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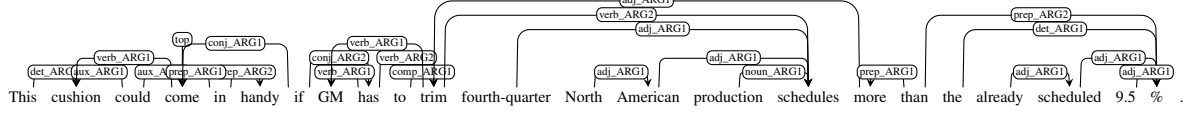
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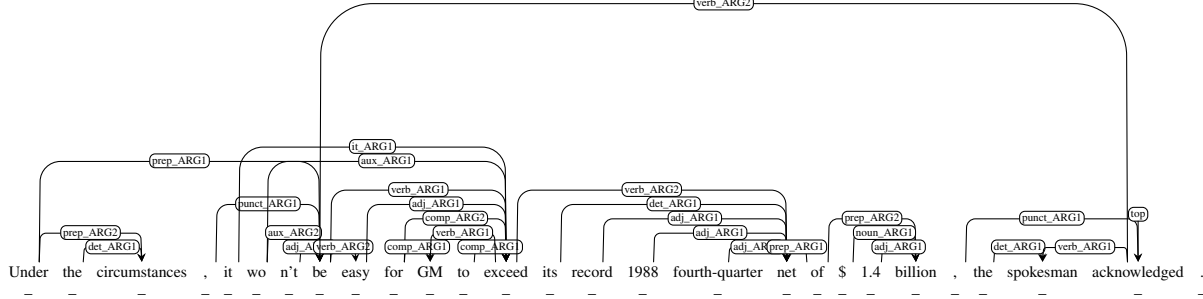
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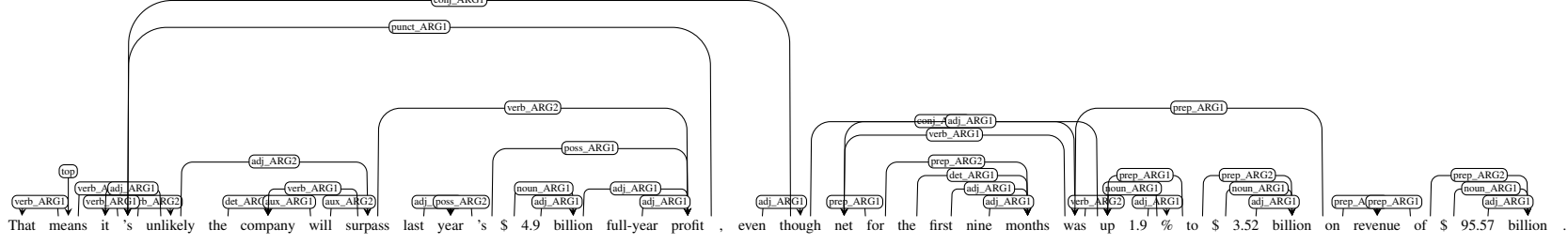
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