

## **GM to begin repaying government loans**

*Bernard Simon and John Reed*

*General Motors on Monday reported a further loss in its first quarter since leaving bankruptcy, but said it would begin repaying its bail-out loans to the US and Canadian governments next month.*

The US government-controlled carmaker reported a \$1.15bn after-tax loss for the 83 days from then to the end of September, in the first snapshot of its finances since emerging from Chapter 11 protection in July.

Fritz Henderson, GM's chief executive, said the loss, while smaller than GM had planned before going into bankruptcy, was "nonetheless a loss and we cannot be satisfied with it".

GM lost just over \$400m at its European Opel/Vauxhall business, but its Asia-Pacific and Latin American operations were solidly profitable.

Mr Henderson said the search for a new chief executive officer for Opel would take "months, not weeks".

Nick Reilly, Opel's acting chief executive, will visit the UK on Wednesday for talks with the British government and Vauxhall's unions on GM's plans to restructure its European arm.

Mr Henderson would not be drawn on projected job cuts at GM's UK operations following the company's decision this month to scrap a sale to outside investors and restructure Opel.

GM reported an operating profit of \$651m from its international operations, but an operating loss in its core US business of \$261m for the period.

GM is now a private company owned by the US and Canadian governments, an United Auto Workers union healthcare trust and a group of former bondholders. All but \$8.1bn of the US and Canadian government loans has been converted into equity.

GM said it would begin repaying the outstanding \$6.7bn of US government and \$1.4bn of Canadian loans next month. The first payment would be worth \$1.2bn.

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