



FORD FIESTA PRODUCTION TO BEGIN IN EARLY 2010; EUROPEAN HATCHBACK ADDED FOR NORTH AMERICA

- **Ford Fiesta for North American customers will be produced at Ford's Cuautitlán Assembly Plant beginning in early 2010**
- **Sporty European hatchback model added for North America, alongside popular sedan**
- **Cuautitlán Assembly Plant transformed from large-truck to small-car production as part of Ford's manufacturing realignment and investment in smaller, fuel efficient vehicles**
- **New diesel engine line at Chihuahua Engine Plant and a new joint venture transmission plant with Getrag in Guanajuato also planned**

MEXICO CITY, May 30, 2008 – Ford Motor Company today announced the new Ford Fiesta small car for North America will be produced at the company's transformed Cuautitlán Assembly Plant beginning in early 2010 and a sporty European hatchback model is being added to the North American lineup alongside the popular sedan.

Transformation of the facility near Mexico City begins this year, as the plant is converted from its current production of F-Series pickups for the Mexican market to small cars for all of North America. The Chihuahua Engine Plant, which builds I-4 engines, also will assemble diesel engines for light- and medium-duty trucks in a variety of global markets. In addition, through a joint venture with Getrag (GFT), Ford will establish a new transmission plant in Guanajuato to support various Ford products. Company officials announced the trio of investments jointly with Mexico President Felipe Calderón Hinojosa.

The new multi-plant development effort represents a \$3 billion U.S. investment, including the support of local suppliers. It is Mexico's largest ever automotive investment. The moves are expected to create approximately 4,500 Ford jobs. Together with all direct and indirect employment at suppliers, the moves affect 30,000 jobs in Mexico.

“Ford is absolutely committed to leveraging our global assets to accelerate the shift to more fuel-efficient small cars and powertrain technologies that people really want and value,” said Ford President and CEO Alan Mulally, who was in Mexico for the announcement. “Our investments in these facilities in Mexico are part of our plan to further realign our manufacturing capacity in line with the introduction of more small cars and crossovers.”

A small car concept called the Verve showcased the design direction for the new Fiesta when it debuted at the North American International Auto Show in Detroit in January. Both sedan and hatchback models were displayed – with high praise from customers and the news media.

“Customers responded very positively after seeing both the sedan and hatchback versions of the Verve small car concept,” said Mark Fields, president of The Americas, Ford Motor Company. “We know the market is headed toward more small cars and crossovers. With our product and manufacturing flexibility, we will be able to offer both models and add production capacity.”

The New Ford Fiesta

When it goes on sale in North America in 2010, the new Fiesta will be bold and sophisticated – to help it clearly stand out from other small cars on the road. Ford is building on decades of small car leadership in Europe as it develops the new Fiesta for North America to appeal to increasingly savvy customers who value technology, design and fuel efficiency.

Momentum in small-car sales is outpacing overall industry growth worldwide. Globally, small car sales have grown from 23 million units in 2002 to an estimated 38 million in 2012.

Driving the growth in the North American market is a group of young people aged 13 to 28 years – dubbed “Millennials.” Today, this group stands 1.7 billion strong worldwide and will represent 28 percent of the total U.S. population by 2010.

The Fiesta is the first of Ford’s new global family of small cars set to debut in Europe and Asia later this year and next year – and in North America early in 2010.

“We’re looking at every aspect of what’s defined Ford as a small-car leader in Europe and working to build on this expertise in driving dynamics and design across a global family of Ford cars that are as exciting to drive as they are to look at,” said Derrick Kuzak, Ford’s group vice president, Global Product Development. “The Fiesta is designed to set a new world standard for quality, design, fuel economy and comfort in the small car segment.”

Ford in Mexico

With this investment, Ford – the first automaker to establish operations in Mexico – is building on a manufacturing presence of more than 80 years and an equally long tradition of supporting local communities.

“This opportunity to strengthen our business and the local industry has been made possible through support from the federal and state governments,” said Louise Goeser, president and CEO, Ford of Mexico. “We look forward to working together to drive continued success in the future.”

Ford officials made the announcements in a joint event featuring President Calderón as well as Governors Enrique Peña Nieto, José Reyes Baeza and Juan Manuel Oliva Ramírez.

The total investment is expected to increase Ford of Mexico’s annual production to nearly 500,000 vehicles and 330,000 engines by 2012, with nearly 80 percent of the vehicles and most of the engines slated for the North American market.

Today, Cuautitlán Assembly Plant makes trucks for the Mexican market, ranging from the Ford F-150 to the F-550. To meet future demand, trucks for Mexico will be imported from the U.S., making room for a new generation of small cars that are stylish and fun to drive.

Ford also has stamping and assembly plants in Hermosillo, Sonora, where the Ford Fusion, Mercury Milan and Lincoln MKZ sedans are built. These mid-size cars are sold throughout North America as well as Venezuela and Brazil and have won numerous quality awards.

“Our workers at the Hermosillo plant have been a key part in boosting Ford’s overall quality,” Fields said. “Ford vehicles are among the best in the business in terms of initial quality, and we intend to keep raising the bar with each new product we bring to market, including Fiesta.”

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