



SPEECH AS DRAFTED

FORD OF EUROPE - FRANKFURT MOTOR SHOW NEWS CONFERENCE SPEECH, SEPTEMBER 15th, 11.00am

Ladies and Gentlemen - Mr John Fleming, Chairman & CEO, Ford of Europe

Good morning and welcome to Ford.

We have some exciting news for you today, and I want to start by talking about Sustainability – a key theme for the show.

The car to my left is no ordinary Ford Focus – it's electrically powered.

It's the first of fifteen Focus Battery Electric prototypes we're building for fleet trials in the UK next year.

It's further evidence that Ford's global electrification plans are advancing, and that we're serious about exploring possibilities here in Europe for targeted solutions to longer term, sustainable mobility.

The Focus BEV is a highly plausible opportunity for a zero emissions version of our best selling C-car – provided we hear that customers want it, and provided governments continue to develop the infrastructure that allows electric vehicles to operate cost effectively.

Our fleet is part of the UK's Low Carbon Vehicle initiative, and we applaud the UK government for providing support for this, as well as our consortium partner, Scottish and Southern Energy.

And we're planning to participate in a similar initiative here in Germany, and we'll have more to say on that in the near future.

I'm excited about the possibilities for this car. It is based on the technology already under development for North America and I look forward to updating you on the progress of our trials.

Electrification is only one part of Ford's sustainability story.

For quite a few years here in Europe, we've enjoyed the fuel economy and performance feel our latest generation turbo diesel engines deliver. Diesels now account for around half of all new cars sold here.

But even here, many customers still prefer petrol engines and in a lot of markets elsewhere in the world they are still the No.1 choice. And the push is on to make them cleaner and more economical, but without sacrificing power.

The secret is smaller displacement engines, with higher fuel economy and lower emissions, but the performance feel of a larger engine.

The global Ford EcoBoost engine family delivers just that.

EcoBoost combines petrol direct injection and turbocharging to give customers responsive, highly efficient engines with up to 20% better fuel consumption and significantly improved CO₂ – allowing them to downsize without sacrificing performance.

Globally, we will offer EcoBoost engines across 90% of our portfolio by 2013. We'll build more than 1.3 million of these engines a year, and they will power a wide range of vehicles.

The EcoBoost revolution has already started in North America, where we now offer a fuel efficient V6 with the performance of a V8.

And for the vehicles we enjoy here in Europe, we have developed a new range of four cylinder EcoBoost units.

(REVEAL)

The 1.6 litre will appear first in our C-car family, and be joined by a 2.0-litre EcoBoost for our larger cars.

Power outputs will range from 150PS to beyond 200PS. Production of the 1.6 is already underway at our Bridgend plant in the UK, and the 2.0 litre at Valencia in Spain. We start launching them early in 2010.

And as this is a global engine family, you will see these four cylinder units in other Ford vehicles around the world – the 2.0 litre, for example, will launch in North America in 2010, and in the rear wheel drive Falcon in Australia in 2011.

Secondly, we're just starting our EcoBoost journey – there's more to come, including a small displacement engine that we'll build here in Germany and also at our new plant in Romania. We'll tell you more about this in the near future.

Two years ago, here in Frankfurt, we launched our ECONetic range of ultra-low CO₂ diesels and we're pleased with the reaction to them. Customers tell us they appreciate the gains they're making in fuel economy and CO₂.

And today we're taking this to the next level, with a new version of the Focus ECONetic. Its optional Auto Start Stop technology delivers 99g/km and 3.8 litres per 100km fuel economy.

And, this is the first Ford production model anywhere to use Auto Start Stop – and of course we have designed it to be easy to use, great to drive, and dependable to own.

So that's three of our key stories here in Frankfurt – Electrification, EcoBoost and ECONetic.

But technology is just part of our story and I know you're here to see new cars. But first let me first say a few words about the state of our business and industry.

It is no understatement to say that the speed with which the global economic climate changed last year and the effect it had on our industry was devastating

We had already been working globally to bring together our operations under our "One Ford" initiative, so although the speed of the deterioration left us – like everyone else - in shock, we believe we had the right strategy already in place at the right time to be able to react quickly.

And it's this strategy that continues to drive our business forwards.

"One Ford" is about working together as a lean, global enterprise for automotive leadership, accelerating the development of products our customers want and value - and that's what we are doing.

We have stayed on track with our business and we're continuing to deliver great new products that customers around the world are queuing up to buy – like the new Fiesta, the Ka and the amazing RS, which is sold out almost everywhere.

We have grown our market share although the underlying market is still very weak. Some governments – especially here in Germany – have helped through scrappage incentives for example, allowing people who've never had a new car or not bought one for many years to get on the ladder of new car ownership.

But when these incentives end, a sudden dip in the fragile recovery might prove disastrous for many, including dealers and suppliers. It could undo all the positive progress made so far this year.

If am therefore asking governments to consider extending scrappage schemes where possible, or at least to phase them out gradually to allow the market time to adjust. I also call on them to find other ways to assist the industry and to encourage consumer confidence until it has reached a more stable position.

It is new products that are key to sustained growth, and that brings me to my next highlight.

We've said before that we're planning a new generation of global C cars, including an all-new Ford Focus next year.

Our new C-car platform is critical to our future. We expect it to underpin up to 10 models globally and to account for a volume of over two million cars annually by 2012.

In Europe the segment already accounts for 30% of the overall car market and we expect that growth to be mirrored around the world, so I promise you we will be single-minded when it comes to having the best range of C-cars in the business.

And the story starts here, today.

At Geneva we showed you the iosis MAX concept. We said it hinted at the design direction we would take for our new C-cars, in particular a new Ford C-MAX.

C-MAX is our compact multi-activity vehicle. Many manufacturers have C-MAVs, but we wanted our car to stand out as sporty in style and great to drive.

And in developing an all-new C-MAX we wanted to make that distinction even more obvious.

So, Ladies and Gentlemen – here is....The new Ford C-MAX!

(REVEAL)

Thanks to Martin Smith's team, Ford kinetic design has given this car a unique profile and stance. It's a five-seater, but now even sportier and I can assure you even more fun to drive because it will be our first car to feature the new Ford EcoBoost 1.6-litre engine.

But there's more.

With our larger S-MAX and Galaxy we proved you can develop two distinct models that are technically similar but are two very different cars.

We also believe there is room in the C-segment for this approach. So the new C-MAX is not a single model – it is a range, and we'll launch it in Europe starting in the second half of next year.

And for the first time, we decided to develop a more spacious seven-seater model.

It shares the new C-MAX technologies like semi automatic parallel parking, blind spot detection and power tailgate, plus, as you'd expect, Ford's acclaimed driving quality.

But it has its own style, and offers valuable extra space that larger families require.

Last year, Alan Mulally promised that a number of European-developed global models would be available soon in North America, one of which would be a "white space" vehicle for Ford there.

I pleased to confirm today that you are about to see that car, and that it will be introduced in North America in 2011.

This model will reach a new group of customers, both here in Europe and also in North America.

I am delighted now to bring on Martin Smith and Gunnar Herrmann representing the teams that created....

(DRIVE ON) The new Ford Grand C-MAX!

Ladies and Gentlemen – Thank you for joining us – have a great show!