



BOLD MOVES

THE MARKET

Henry Ford didn't invent the automobile. He invented a way to deliver it to a market no one else had conceived.

In 1902, a year before Henry Ford introduced his Model A, there was only one car on the road for every 1.5 million people. Cars were called "toys of the rich." Henry Ford's greatest innovation was the creation of the automobile assembly line, a cost-effective process that brought affordable motoring to the world.

Today, there are 800 million cars and trucks on the world's roads. That number will become an even 1 billion by 2020, one for every six and a half people on the planet, according to *The Wall Street Journal*.

Ford still subscribes to Henry Ford's original brand vision to make the desirable affordable and maintain its edge over the competition.

Ford has extended that vision with a vehicle and marketing platform called "Bold Moves" to better connect the brand with the customer and meet the challenge of today's hypercompetitive automobile industry.

ACHIEVEMENTS

Ford is the leading car and truck brand in the United States; 29 percent of Americans live in a household that has at least one new or used Ford in the driveway, according to the most recent Scarborough Research survey of more than



210,000 Americans. Its lead is slightly higher among 18- to 34-year-olds, the most coveted segment in the current marketplace.

As the central spoke of the Ford Motor Company, the Ford brand is the world's largest light-truck producer and the third-largest maker of cars in the world. Ford sells vehicles in 200 markets across six continents and employs about 300,000 people. In addition to the Ford brand, the company's core and affiliated automotive brands include Aston Martin, Jaguar, Land Rover, Lincoln, Mazda, Mercury, and Volvo.



The Ford brand is a great corporate citizen with the simple philosophy that helping make a better world is better for business. Two recent examples: Ford made a bold move in 2006 by stepping up its institutional 12-year, \$100 million support of the fight against breast cancer with Warriors in Pink, Powered by Ford. In 2003, Ford constructed the world's largest "living roof" — consisting of low-growing vegetation as part of the revitalization of its iconic 83-year-old Rouge manufacturing plant in Dearborn, Michigan, that will become the environmental benchmark for the greening of "smokestack" industries.

HISTORY

Ford history is almost universally known, having been required reading for generations of middle-school American History classes.

Henry Ford grew up on a farm in Michigan where he fell in love with mechanics and dreamed of endless new possibilities. He sold his first car, a Model A — "so simple that a boy of 15 can run it" — to a Chicago dentist in 1903. Five years later, his Model T would change transportation forever. To make sure his employees could buy it, he paid them an unprecedented \$5 a day, more than twice the going wage rate. The efficiencies of the assembly line drove down the price of the Model T from \$825 to just \$269 by 1922, boosting company sales and the American economy.

Innovations continued to characterize the company throughout its first century. Some highlights:

The Model T. The Model T was the car that launched the Ford Motor

Company to global status, putting the world on wheels. It is perhaps the most significant consumer product in history.

The F-Series Pickup. After World War II, Ford was on the brink of financial disaster. Enter the 1948 F-Series pickup, with its advertising claim of "Built Stronger to Last Longer." Since its introduction, the F-Series has been an American truck icon.

The 1949 Ford. The 1949 Ford was the first new postwar car from Ford. Its highly styled sheet metal and signature "bullet" grille made it a huge success, driving customers to Ford showrooms for an indulgent and optimistic piece of the renewed American dream. Along with the F-Series, the 1949 Ford is credited with saving Ford Motor Company and solidifying its future.

The Ford Mustang. Ford was one of the first corporations to take the freewheeling baby boomers seriously. The 1964½ Mustang sports car demonstrated to them that fast and fun could also be affordable. Ford soon had the competition furiously playing catch-up with its own popular-priced pony cars. At the end of the twentieth century, Americans, mostly school kids, in a U.S. Postal Service survey, voted Mustang — along with the Beatles and the manned moon landing —



one of the most popular icons of the 1960s.

The Ford Taurus. The design for the Taurus was so unorthodox that critics referred to it as a “jellybean.” But it turned out to be a jumping bean, setting the stage for future aerodynamic design trends. Taurus became the best-selling car in America.

The Ford Explorer. Ford defined the SUV category that propelled the Explorer to best-seller status in this explosive segment category in the 1990s.

THE PRODUCT

Next to a home, a new car or truck is the most important and significant purchase a person makes. And like a home, the new vehicle purchase decision is very emotional. Ford products start with the customer. The brand’s vision is to provide products that inspire customers with bold American design and deliver built-to-last quality, making the desirable affordable. A few examples:

- The redesigned Mustang, which debuted in the fall of 2004, has been largely a smash hit because Ford asked the pony car’s fan clubs (yes, the car really has them, with some 40,000 registered members) what they wanted. “Make it new,” they said, “but maintain its performance heritage and pay due homage and respect to what stirred our passions 40 years ago.”
- The Ford F-Series has been the best-selling vehicle in America for 25 years and the best-selling truck for 29 years. F-Series simply dominates the truck market by delivering Built Ford Tough truck strength year in and year out. The new 2004 F-150 completely changed the truck landscape when introduced in 2003. Ford sold more than 900,000 F-Series trucks in 2004 and 2005.
- As gasoline prices and concern for the planet



The response? “Make the design bold to distinguish it from the midsize appliances out there, and add in quality and fuel economy . . . and make it more affordable.” The result: the 2006 Ford Fusion.

- In fall 2006, Ford redefines the popular new crossover category, the fastest-growing part of the market, when it launches the new 2007 Ford Edge.



RECENT DEVELOPMENTS

The hallmark of Ford for 103 years has been making bold moves, as articulated simply and clearly in its advertising beginning in

May 2006. The process started by truly engaging its customers through in-depth research.

Instead of targeting many different groups as it had in the past — based on age, gender, and number of children, or by price or vehicle segment — the “Bold Moves” approach targets customers based on attitudes and values, because that’s what drives purchase behavior and brand preferences. And those attitudes cross occupations, gender, age, and multicultural groups. Ford calls this target customer “Lust 4 Life.”

For them, family, friends, and fun fuel their souls and their active lifestyles. They have a strong American spirit and sense of values. And they’re hard-working and successful, motivated and optimistic. They describe themselves as risk-takers who live life boldly.

They perceive Ford as a company that shares these values. They know about how Henry Ford changed the world and made lives better for so

many people. And they expect Ford to deliver strong and bold cars, SUVs, and trucks.

PROMOTION

Ford’s first promotion was in 1901 when Henry Ford beat the then-current racing champion and largest auto manufacturer to prove his credibility. The marketing credo, “Win on Sunday, sell on Monday,” would come much later, but its spirit was there when Henry Ford used the publicity

of the victory to win financial backing for the Ford Motor Company. Today, Ford is a leading manufacturer in racing around the world, with thousands of championship events, none more deeply engrained into the Lust 4 Life customer than NASCAR, where Ford teams race the Fusion, which lives the “Win on Sunday, sell on Monday” promise.

Promotions on the truck side of the business punctuate “Built Ford Tough.” Ford sponsorships include the Professional Bull Riders “Built Ford Tough” series, the Ford Iron Man competition, and the National Future Farmers Association. Ford is

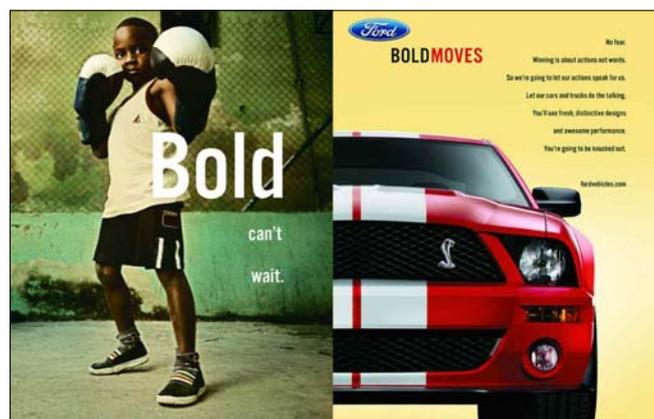
the presenting sponsor of Toby Keith’s “Big Throwdown” concert tour. Keith, with his American anthems such as “Courtesy of the Red, White and Blue” and his fun and edgy song pictures of the good- ol’-boy lifestyle, such as “I Love This Bar,” personify the Built Ford Tough brand while reaffirming Ford’s longstanding commitment to the country music genre.

BRAND VALUES

The Ford brand stands for innovation and boldness, from its proven ability to put the world on wheels 103 years ago to anticipating and responding to today’s wheels of change.

THINGS YOU DIDN'T KNOW ABOUT FORD

- The “Pony Car” Mustang isn’t named after the horse after all, but a World War II fighter plane.
- The Model T made up almost 57 percent of world automobile production in 1921 and played a central role in World War I as an ambulance.
- Ford’s Haren Gandhi, Senior Technical Fellow in the Ford Research and Innovation Center, invented the three-way catalyst, the global standard for catalytic converters that is used on every vehicle on the road today. Gandhi was awarded the U.S. National Medal of Technology for this achievement.
- The Ford Foundation is one of the world’s largest private philanthropic institutions with an asset base of \$10.8 billion, and is completely independent from the company. No one from company management or the Ford family serves on its board.
- America’s first commercial airlines used 199 Ford Tri-Motor airplanes in 1925.
- Businessman George Selden had a patent on “road locomotives” and formed a syndicate to collect royalties for every “horseless carriage” built or sold in America. Convinced the patent was invalid, Henry Ford ignored it, and Selden unsuccessfully sued.



escalated at the start of the millennium, Ford chairman and CEO Bill Ford responded with the Ford Escape Hybrid, the world’s first hybrid that the whole family can pile into, along with their luggage. By the end of the decade, Ford will sell more than 250,000 hybrids per year as well as continue its innovative leadership in flex-fuel capable vehicles.

- Ford asked midsize buyers what it would have to do to recapture that important market segment.