



Ford Takes Further Actions to Improve European Business; Confirms End of Ford C-MAX Production at Saarlouis

- Ford-Werke GmbH Supervisory Board approves measures to create a sustainably profitable business in Germany and Europe, including ceasing production of Ford C-MAX and Grand C-MAX MAV at Saarlouis by end June 2019
- Cessation of night-shift and move to two-shift operating pattern will reduce structural cost and increase efficiency, supporting Ford's transformation strategy aimed at near-term profitability and a more competitive business for the future
- Ford to continue to invest in new Ford Focus in Saarlouis, particularly for higher margin variants, to maintain competitiveness through the product cycle

Cologne, Germany, March 29, 2019 – The Supervisory Board of Ford-Werke GmbH today announced another measure to accelerate efficiency improvements and reduce structural costs in Ford's business operations in Germany, approving the end of Ford C-MAX and Grand C-MAX MAV production at Saarlouis.

The models will be phased out at the end of the vehicle's normal life cycle in June 2019.

"The actions announced today represent an important step towards delivering the products our customers want and a more competitive business for our stakeholders," said Steven Armstrong, Chairman of the Supervisory Board, Ford-Werke GmbH. "We will continue to invest in Focus and those products that are proving to deliver a healthier business for us going forward."

Ford of Europe announced in January its plans to implement a transformation strategy aimed at strengthening the Ford brand and creating a sustainably profitable business in Europe. As part of the company's global redesign effort, the strategy includes changes to Ford's vehicle portfolio, expanding offerings and volumes in its most profitable growth vehicle segments, while improving or exiting less profitable vehicle lines and addressing underperforming markets.

Ford-Werke GmbH already had informed the workforce in Saarlouis in December 2018 about the plans to phase-out the C-MAX/Grand C-MAX due to the sharp drop in customer demand for Multi Activity Vehicles (MAV) in the segment, and has been in consultation with the employee representatives over the following months.

Both parties have now reached agreement to end C-MAX/Grand C-MAX production and move from a three-shift to a two-shift operating pattern by ceasing the night-shift. In parallel Ford continues to invest in the new Ford Focus in Saarlouis, where we are experiencing strong customer demand, particularly for higher margin Wagon, Active and ST variants, to maintain competitiveness through the product cycle.

"We have made a significant decision to jointly shape the future of Ford in Germany and in Europe. It is important that the employee representatives, management and employees all share this difficult path together," says Gunnar Herrmann, Chairman of the Board, Ford-Werke GmbH. "We know about the challenges ahead. I thank all employees who support this necessary transformation of our company."

The staff-related measures associated with the end of C-MAX/Grand C-MAX production and the cessation of the night shift are part of the planned socially-responsible job reductions at Ford's German sites aiming to reduce in excess of 5,000 jobs at the sites in Cologne and Saarlouis.

All measures are part of Ford of Europe's transformation strategy. Other key actions already underway include:

- Near term actions to improve profitability and reduce structural costs. Parallel longer term redesign initiatives to include a more targeted vehicle line up within three customer-focused business groups
- New all-electric vehicles and electrified options to be offered for all models
- Leveraging relationships, including an alliance with Volkswagen AG, to support commercial vehicle growth
- Ending production at the Ford Aquitaine Industries plant in Bordeaux, France, which manufactures small automatic transmissions, in August 2019
- Improving structural costs — both salaried and hourly — through a redesign of its global management workforce and by offering widespread voluntary separation programs for employees throughout Europe
- Restructuring the Ford Sollers joint venture to focus solely on growing commercial vehicle leadership; discontinuation of passenger vehicle production in Russia to cease by end June 2019, with closure of two vehicle assembly plants – Naberezhnye Chelny and St. Petersburg – and an engine plant in Elabuga
- Consolidation of Ford’s U.K. headquarters and Ford Credit Europe’s headquarters at the Ford Dunton Technical Center in Essex, U.K., to create a customer-centric technical hub and improve business fitness

The Ford plant in Saarlouis currently produces the Ford Focus five-door, Wagon, ST and Active versions, as well as the Ford C-MAX and Grand C-MAX. The C-MAX has been produced at the Saarland plant from 2003 to 2010, and then again since 2014. From 2010 to 2014, C-MAX was manufactured in Valencia, Spain.

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