



Ford Exits Heavy Truck Business in South America; Key Milestone in Global Redesign of Company

- Confirms exit from heavy commercial truck business as a key step toward returning its South America operations to sustainable profitability
- Ford remains committed to South America with a lean and agile business model, strengthened product offerings, and global partnerships
- Ford expects to record pre-tax special item charges of about \$460 million as a result of the action
- Production will cease at the São Bernardo do Campo plant in Brazil during 2019

SAO PAULO, Feb. 19, 2019 – As part of a comprehensive redesign of its global business, Ford Motor Company today announced it will exit the commercial heavy truck business in South America. As a result, the company will cease production at the São Bernardo do Campo plant in Brazil during 2019, ending sales of the Cargo lineup, F-4000 and F-350 -- along with the Fiesta small car -- once inventories are sold.

“Ford is committed to the South American region by building a sustainable and profitable business with strengthened product offerings, outstanding customer experience, and a leaner more agile business model,” said Lyle Watters, president, Ford of South America.

The decision to exit the heavy commercial trucks business came after months of pursuing viable alternatives, including possible partnerships and a sale of the operation. The business would have required significant capital investments to meet market needs and increasing regulatory costs with no viable path to profitability.

“We know this action will have a major impact on our employees in São Bernardo and we will be working closely with all our stakeholders on the next steps,” Watters said. “Working closely with our dealers and suppliers, Ford will continue to provide support for our customers with warranty, parts and service.”

This decision follows other recent initiatives in the on-going redesign of the South American region including:

- Reducing salaried and administrative costs region-wide by more than 20 percent over the past few months
- Strengthening portfolio with SUVs and pickups that are growing in popularity with consumers while ceasing Focus production in Argentina

- Leveraging global partnerships, such as the recently announced alliance with VW to develop mid-size pickup trucks

In connection with this announcement, the company expects to record pre-tax special item charges of about \$460 million. The charges will include approximately \$100 million of non-cash charges for accelerated depreciation and amortization. The remaining charges of about \$360 million will be paid in cash and are primarily attributable to separation and termination payments for employees, dealers, and suppliers. Most of these pre-tax special item charges and cash outflows will be recorded in 2019 and are part of the \$11 billion in EBIT charges with cash-related effects of \$7 billion the company expects to take in the re design of its global business.

About Ford Motor Company

Ford Motor Company is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford cars, trucks, SUVs, electrified vehicles and Lincoln luxury vehicles, provides financial services through Ford Motor Credit Company and is pursuing leadership positions in electrification, autonomous vehicles and mobility solutions. Ford employs approximately 199,000 people worldwide. For more information regarding Ford, its products and Ford Motor Credit Company, please visit www.corporate.ford.com.

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