



THE MARKET

The car market in Australia is booming, consistently achieving record annual sales. According to the forecast from the Federal Chamber of Automotive Industry (FCAI), 2007 will see sales reach one million vehicles for the first time ever. This boom is driven partly by the fact that vehicle affordability is at record levels.

Rising fuel costs and changing consumer lifestyles have also created a dramatic shift in customer buying preferences with small cars accounting for over 20% of all new cars sold in Australia in 2007, up from 15.4% in 1998.

With its extensive range of vehicles, Ford has a very healthy share of that market. In 2006, one in every eight new passenger vehicles sold in Australia was a Ford.

ACHIEVEMENTS

Henry Ford didn't invent the automobile, although you could be forgiven for thinking that he did. What set Ford apart from the huge number of car manufacturers operating in the United States in the early 1900s was his unique understanding of the potential role of the car in society.

Before Ford, cars were luxury items, manufactured and marketed as "toys for the rich". In fact 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.

Henry Ford's great stroke of genius was recognising that by mass-producing simple, reliable automobiles he could make motoring affordable for everyone. Inspired by this vision, he invented the moving automotive assembly line which, along with the legendary Model T, changed society forever.

Before long a car was simply a part of the lifestyle that Americans – and then the world – expected.

Australia, with its vast distances and limited transport infrastructure, was one of the countries that benefited the most from Henry Ford's innovation.

Australians adopted the car with great enthusiasm and as long ago as 1967 the 1,000,000th Australian built Ford was produced.

Ford was No. 1 in Australia in passenger vehicle sales for 16 years in a row, from 1982 to 1997.

It wasn't just a matter of mass production, either. In 1983, Ford won the Australian Design Award for its Falcon/Fairlane/LTD range, the first time a motor vehicle had been honoured in this way.

Among the many awards Ford garnered over the years, one of the most significant was the Wheels Car of the Year award which was won by BA Falcon in 2002.

The Territory, launched in 2004, has impressed motoring organisations from around Australia and earned itself some of Australia's most prestigious motoring awards. With innovation evident in every detail, the Territory also won the Australian Design

Award for 2004. Judges were impressed by its groundbreaking design, incorporating the handling of a sedan, versatility of a SUV and the flexibility of a people mover. And when it came to the coveted Wheels magazine Car of the Year Award, Territory beat the competition to be named the 2004 Car of the Year. Territory amazed even more judges at the 2004 and 2005 Australia's Best Cars Awards, winning Australia's Best Recreational 4WD Award for its overall design, function, performance and value for money. The Territory continues to be the best selling medium Sports Utility Vehicle in Australia.

HISTORY

Henry Ford grew up on a farm in Michigan where he fell in love with all things mechanical and dreamed of endless new possibilities. He sold his first car, a Model A, in 1903. Five years later his Model T would change transportation forever and eventually make cars affordable for the vast majority of people. The efficiencies of the assembly line he designed drove the price of the Model T down from \$825 to just \$269 by 1922.

Ford has been in Australia almost from the very beginning. Its cars have been sold in Australia since 1904. The Ford Motor Company of Australia was established on March 31, 1925.

Today, Ford Australia directly employs around 5,000 people in design, development, marketing and sales, administration, manufacturing and assembly facilities across Australia. Ford has 230 Dealers around Australia and operates regional offices in each major capital city. The makeup of the workforce at the Campbellfield manufacturing assembly plant is one of the most diverse in the Ford world; the plant employs workers from 65 different nationalities.

The name Australians tend to associate most strongly with Ford would have to be 'Falcon'. Ford began production of the Falcon in 1960 and the nameplate continues to this day. Seven generations of the Falcon have been produced.

Falcon, Falcon Ute and Territory are among the very few cars that are wholly designed, developed and built locally in Australia. They are truly Australian cars.





THE PRODUCT

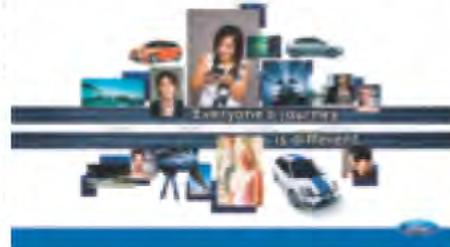
Ford sells a wide range of vehicles in Australia:
 The German engineered sexy Ford Fiesta.
 The German engineered smooth Ford Focus.
 The German engineered Ford Mondeo (on sale October, 2007).
 Ford Falcon. An exhilarating drive.
 Fairlane and LTD. Pure performance and luxury.
 The unbelievable Falcon Ute.
 Ford Escape. Go make some memories.
 The amazing Ford Territory.
 Ford Ranger. Legendary tough.
 Ford Transit. Vans in all sizes.
 Ford produced over 81,000 vehicles in Australia in 2006.

and the development of the State's advanced manufacturing base.

Ford Australia will add a new model line to its Campbellfield assembly plant when it begins manufacturing the Ford Focus in Australia in 2011. In doing so, Ford will become the first Australian car manufacturer to respond to the increasing popularity of smaller vehicles by producing the company's globally successful small car in Australia, alongside its current Falcon, Falcon Ute

communicate that Ford understands the diversity of needs amongst small car buyers, and that Ford has a suitable small car for everyone. Appropriately, the campaign was titled 'Everyone's journey is different', with messages focusing on the different aspirations and motivations of small car buyers, as well as building awareness of the range of Focus and Fiesta vehicles.

Ford's sponsorship of the Geelong Cats is the longest running continuous sponsorship in the world, currently at 83 years! Other major sponsorships include Cricket Australia, Rugby Australia (The Wallabies), the Sydney Swans and V8 Supercar teams.



All Falcon sedan and wagon, Fairlane, Falcon Ute and Territory variants are built on the one production line in the Campbellfield assembly plant.

Ford Performance Vehicles currently produces the GT, GT-P, Pursuit and Super Pursuit as well as the F6 Typhoon, F6 Tornado and the luxury high performance Force 6 and Force 8 models.

In addition to the Ford brand, the company's core and affiliated automotive brands include Jaguar, Land Rover, Lincoln, Mazda and Volvo.

RECENT DEVELOPMENTS

Ford Australia's Product Development team is taking a leading role as an engineering and design centre of excellence for the Asia Pacific region. The team will have lead design and engineering responsibility for new vehicle architecture that is targeted to underpin a range of light commercial vehicles in more than 80 countries worldwide.

Meanwhile a collaborative agreement formed between Ford and the University of Melbourne in late 2006 will see three new automotive test facilities being developed under the Advanced Centre for Automotive Research and Testing (ACART) banner. Once operational, the three new facilities will contribute to the economic prosperity of Victoria

and Territory model lines. The Ford Focus is also likely to represent the most fuel efficient and environmentally friendly vehicle produced in Australia.

PROMOTION

Ford utilises a mixture of television, radio, press, outdoor, sponsorship and internet promotion and advertising. Marketing campaigns are extremely carefully targeted, matching people and their lifestyles to relevant vehicles.

For instance, the tagline for the new Falcon Ute campaign is "Falcon XR8 Ute. The power it gives blokes is unbelievable." The message that the unbelievable Falcon Ute enables and empowers customers to achieve their goals in work life and leisure time is communicated in a fun, light hearted manner with humour and the use of fantasy. It aligns this to the dreams and desires of the target market by portraying the Falcon Ute in an ideal world for these men.

Similarly, the new Focus with Fiesta and the new Fiesta XR4, takes centre stage in an exciting campaign to promote Ford's range of small cars. The strategy behind the campaign was to

BRAND VALUES

Ford is dedicated to creating exciting, enduring vehicles that are within reach. For Ford customers, this means they can afford the car that allows them to live more of the life they want.

The brand embodies Aussie irreverence, an adventurous spirit and positive energy. Ford is a trustworthy friend; "Ford understands me and my lifestyle; it makes a car that suits me."

Ford is true to customers' lifestyles and concentrates on the way the vehicle facilitates their lifestyles.

THINGS YOU DIDN'T KNOW ABOUT FORD

- In 1914 a Model T was the first car to circumnavigate Australia.
- From 1940 to 1944 all Ford Australia plants concentrated on wartime production. Geelong produced military vehicles, ships, aircraft fuel tanks and ammunition materials to manufacture landing barges, military vehicles and ammunition materials. The Brisbane plant was converted to recondition aeroplane engines, as well as producing landing barges and assembling jeeps and heavy-duty trucks. The Sydney plant built Bren Gun Carriers and assembled jeeps.
- The 1,000,000th Australian built Ford was produced in 1967.
- In 1983 Ford won the Australian Design Award for the Falcon/Fairlane/LTD range – the first time a motor vehicle won the award.
- From 1982 to 1997 Ford was No. 1 in passenger vehicle sales (16 years in a row).
- Ford Motor Company sells vehicles in 200 markets across six continents and employs approximately 300,000 people.

