

# Mergent

## Ford Motor Co. (DE)

One American Road  
Dearborn, MI 48126  
Phone: 313 322-3000  
Country: United States  
Date: August 17, 2001

Ticker: **F**  
Exchange: New York  
Number of Employees: 345,991  
Date of Incorporation: July 1919  
Primary SIC: 3711 *Motor Vehicles and Passenger Car Bodies*  
Secondary SIC: 3714 *Motor Vehicle Parts and Accessories*  
6141 *Personal Credit Institutions*  
6153 *Short-Term Business Credit Institutions, Except Agricultural*  
6331 *Fire, Marine, and Casualty Insurance*  
6351 *Surety Insurance*

## Highlights Report

### PROFITABILITY RATIOS

ROE	29.07
ROA	1.90
Gross Margin	25.84
EBITDA of Revenue	20.03
Operating Margin	14.50
Pre-Tax Margin	4.77
Net Profit Margin	3.18
Effective Tax Rate	33.33

### FINANCIAL STRENGTH INDICATORS

Quick Ratio	0.53
Current Ratio	0.78
Long Term Debt to Equity	9.02
Total Debt to Equity	9.04
Interest Coverage	1.57
Working Cap/Total Assets	-0.04

### FINANCIAL SUMMARY (\$000)

Total Revenue	170,064,000
EBITDA	34,060,000
Operating Income	24,652,000
Total Assets	284,421,000
Current Assets	39,310,000
Total Liabilities	265,811,000
Current Liabilities	50,211,000
Long Term Debt	167,916,000
Stockholder's Equity	18,610,000

## Business

Co. is a producer of cars and trucks, and along with its subsidiaries, is engaged in other businesses, including manufacturing automotive components and systems and financing and renting vehicles and equipment. Co.'s business is divided into two business sectors, Automotive, which is comprised of the Automotive and Visteon Automotive Systems operating segments and Financial Services, which is comprised of the Ford Motor Credit Company and The Hertz Corporation.

### Automotive:

The automotive operating segment sells cars and trucks and automotive components and systems throughout the world. Its vehicle brands include Ford, Mercury, Lincoln, Volvo, Jaguar, Ashton Martin and THINK, as well as a 33.4% ownership of the Mazda brand.

Visteon Automotive Systems is an enterprise of Co. and consists of certain subsidiaries and divisions of Co.. Visteon is a global provider of integrated systems and components to automotive manufacturers and other automotive suppliers. Visteon operates in three business segments: Comfort, Communication & Safety, Dynamics & Energy Conversion and Glass.

Comfort, Communication & Safety, composed of climate control systems and interior/exterior systems product groups. The climate control systems product group produces fluid transport, air handling, heat exchange and compressor products. The interior/exterior product group produces cockpit, instrument panel, interior trim and seats, lighting and bumper products.

Dynamics & Energy Conversion, composed of energy transformation systems and chassis systems product groups. The energy transformation systems product group produces energy management, distributed power generation, electrical conversion, and fuel storage and delivery products. The chassis systems product group produces axle and driveline, steering and chassis component products.

Glass, which produces vehicle glass for Co. and aftermarket customers, and also produces architectural glass.

Co. also has an Automotive Consumer Services Group which is a global automotive service organization that includes the Ford Customer Service Division and an all-makes channel consisting of several automotive service brands.

The Ford Customer Service Division supports consumers of Co.'s vehicles through a network of franchised dealers. This is the principal source of vehicle service and customer support for Ford Motor Company vehicle owners, traditionally recognized by the "Quality Care" brand.

In the all-makes channel, vehicle owners for all automotive brands can access services in areas of maintenance and light repair, collision repair, extended service business and recycling. Co.'s all-makes channel of companies includes: Kwik-Fit (maintenance and light repair in Europe), Pit Stop (maintenance and light repair in Europe), Speedy (maintenance and light repair in Europe), Master Service (maintenance and light repair in Mexico), B-quick (maintenance and light repair in Thailand), Collision Team of America (collision repair in the U.S.), Howard Basford (collision repair in the U.K.), and Automobile Protection Corporation (extended service business selling all-makes policies through dealers in the U.S.). The characteristics of the all-makes channel align closely with the Group's core

dealer business and expand the customer base to consumers previously outside Co.'s network of service providers.

#### Financial Services:

Ford Credit is an indirect wholly owned subsidiary of Co. Ford Credit and its subsidiaries provide wholesale financing and capital loans to Co.'s retail dealerships and associated non-Ford dealerships throughout the world. Most of these dealerships are privately owned. Ford Credit also purchases from these dealerships retail installment sale contracts and retail leases. In addition, it makes loans to vehicle leasing companies, the majority of which are affiliated with such dealerships. Subsidiaries of Ford Credit provide these financing services in the United States, Europe, Canada, Australia, Indonesia, Brazil, Mexico, Argentina, Taiwan, Puerto Rico, New Zealand, Japan, Thailand, the Philippines and India to Ford and non-Ford dealerships. A majority of all new vehicles financed by Ford Credit and its subsidiaries are manufactured by Ford and its affiliates. Ford Credit also provides retail financing for used vehicles built by Co. and other manufacturers. In addition to vehicle financing, Ford Credit makes loans to affiliates of Co. and finances certain receivables of Co. and its subsidiaries.

Outside the United States, Ford Credit operates FCE Bank plc. FCE Bank's primary business is to support the sale of Co.'s vehicles in Europe through the Ford dealer network. It provides a variety of retail, leasing and wholesale finance plans in most countries in which it operates.

Ford Credit also conducts insurance operations through The American Road Insurance Company and its subsidiaries in the United States and Canada. American Road's business primarily consists of: extended service plan contracts for new and used vehicles manufactured by affiliated and nonaffiliated companies, primarily originating from Ford dealers; physical damage insurance covering vehicles and equipment financed at wholesale by Ford Credit; and the reinsurance of credit life and credit disability insurance for retail purchasers of vehicles and equipment.

The Hertz Corporation and its affiliates and independent licensees rent and lease cars and trucks, rent industrial and construction equipment, sell their used cars and equipment, provide third-party claim management services and provide telecommunications services.

#### **Joint Ventures**

In May 1991, Co. and Fiat S.P.A. announced that, following approval by European and North American regulatory agencies, they have completed the agreement signed on Dec. 19, 1990, aimed at combining their worldwide tractor, farm and industrial equipment operations. As a result of the agreement, Fiat S.P.A. is forming a new holding company, N.H. Geotech N.V., incorporated in the Netherlands, into which Co.'s Ford New Holland subsidiaries and Fiat's FiatGeotech Group are being transferred. Fiat will own 80% of N.H Geotech, while Co. will hold a 20% interest.

In June 1991, Chrysler Corp., Co. and General Motors Corporation announced that they had formed a partnership to conduct cooperative research and development on high-speed serial data communication. The new venture, the High-Speed Serial Data Communication Research and Development Partnership, will conduct joint research and development into the capabilities and requirements of serial data links, sometimes known as "multiplexing." The partnership's goal is to research advanced multiplexing in such complex areas as braking systems and electronic transmissions. Potential advantages of an advanced data link system include reduced weight for better fuel efficiency, greater manufacturing and assembly

simplicity, reduced cost and easier servicing. The partnership expects to perform jointly the data link research and development that each would otherwise have done separately, thereby accelerating results and avoiding inefficient duplication of effort and expense. The application of such technology to product development, however, will remain the independent responsibility of each partner.

In Sept. 1993, Co. signed a three-year, \$6,000,000 joint development and licensing agreement with Aries Technology Inc. of Lowell, Mass. The MacNeal-Schwendler Corp. is in the process of acquiring the privately held Aries through an exchange of stock valued at \$20,000,000. Aries develops and markets the ConceptStation series of mechanical computer-aided engineering modeling software. The two companies have been jointly developing and marketing products aimed at the design-engineer marketplace for 18 months. The merger, which is being accounted for as a pooling of interest, is scheduled to close by the end of September. The Aries ConceptStation software system and MacNeal-Schwendler's MSC/NASTRAN analysis system have both contributed to Co.'s overall success in reducing the time of the product design-to-market cycle.

On June 28, 1995, Co. and First Auto Works have agreed to establish a joint venture that will manufacture brazed aluminum radiators for China's automotive industry and several export markets.

On Aug. 3, 1995, Ford Motor Company and Mazda Motor Corporation have decided to proceed with a joint manufacturing venture to produce pickup trucks in Thailand. With this joint project, the two companies will increase their competitiveness by achieving economies of scale and expand their pickup truck sales in both Thailand and in neighboring markets where demand is increasing. The vehicles also would be exported to overseas markets worldwide, excluding North America, under both Ford and Mazda brand names and sold through their respective sales networks. After obtaining certification from the Thai government's Board of Investment, to which Mazda and Ford have already submitted an investment application, both companies will establish the new joint venture manufacturing company in Thailand. The joint venture will accommodate engine assembly, stamping, body manufacturing, painting and final vehicle assembly facilities. The new plant, where the newly developed pickup truck will be built, will have an annual capacity of approximately 135,000 units. The new Co.'s total investment in land and facilities will be approximately \$500 million. Ford and Mazda will hold equal equity shares, and each will have a local partner in the venture. Ford and Mazda will share joint management to take advantage of the know-how and expertise of each company. The manufacturing and assembly complex will employ approximately 2,000 people and will be located within the eastern seaboard area, southeast of Bangkok. Plant construction will begin in the spring of 1996 and production is expected to start in mid-1998. This cooperative venture is a major action developed under the new strategic relationship between Ford and Mazda to globally pursue various business opportunities for mutual benefit.

On Sept. 6, 1995, Co. and Mahindra & Mahindra Limited filed an application with the Government of India for approval to establish a joint venture company to manufacture and distribute Ford vehicles in India. The application was approved on Nov. 1, 1995 by government of India. Co. will form a 50/50 joint venture that will be called Mahindra Ford India Ltd. The joint venture will be formed to manufacture and distribute Ford products beginning with the latest European versions of the Ford Escort and Ford Fiesta and later expanding to other products from the complete Ford range of vehicles. The proposal calls for an investment of more than \$800 million between the two companies and will result in the creation of at least 1,500 new jobs and 20,000 indirect jobs in India. Following a two-location strategy, initial Ford vehicle manufacture will be at Mahindra's existing facility in Nashik. Beginning in mid-1996, Mahindra will manufacture Ford Escort (European-design) vehicles for the joint venture using a combination of locally produced and imported components, with planned capacity of 25,000 vehicles per year. Facilities planned to be added at Nashik to support this strategy include a new paint

facility, new tooling, assembly lines and power distribution systems. At the second location, the Ford Fiesta will be the first Ford product to be manufactured within the all-new, fully-integrated manufacturing facility scheduled for completion by year-end 1998. The new plant, to be built on a "greenfield" site, will have a capacity of 100,000 vehicles per year. The location for this manufacturing facility is yet to be finalized. All Indian-built Ford vehicles will be sold by Mahindra Ford India Ltd., under the Ford name, through the joint venture's network of independent authorized dealers.

On Sept. 7, 1995, Ford Motor Company and Song Cong Diesel Company received government approval to establish the joint venture company, Ford Vietnam Limited, an automotive company licensed for automotive assembly in Vietnam. The two companies will now move quickly to establish Ford Vietnam Limited. Construction of a new, 15,000 square meter assembly plant to be located in Hai Hung Province is scheduled to begin later this year. The joint venture company will produce a range of Ford cars and trucks offering the latest vehicle technology, fuel economy, quality and competitive prices to the Vietnamese consumer. Production is scheduled to begin in late 1997.

On Nov. 30, 1995, Co. and Mazda Motor Corporation established a new joint venture company, AutoAlliance (Thailand) Company Limited, which will manufacture compact pickup trucks for sale through the companies' respective sales networks in Thailand and in selected export markets, excluding North America. Formation of AutoAlliance Thailand was completed after the Thai Ministry of Commerce formally approved the new company's structure. The Thai government's Board of Investment had earlier approved the joint investment and manufacturing plans. Mazda and Ford each hold a 45 percent equity in the newly established joint venture, and each also has a local partner. Ford has selected KPN Group Corporation Limited, a Thai conglomerate involved in motorcycle and automotive component manufacturing and services, while Mazda's partner is Sukosol and Mazda Company Limited, a Thai company which distributes Mazda vehicles in Thailand. Each local partner holds a 5 percent equity in AutoAlliance Thailand.

On Dec. 12, 1995, Representatives of Co., its Belarus dealer and the Belarus Government signed a memorandum of understanding (MOU) to develop a joint venture vehicle assembly project in this newly independent state of the former Soviet Union. Under the terms of the agreement, the parties have agreed to develop the basis for a joint venture to build vehicles in Minsk, Belarus. The assembled vehicles would be distributed through Ford-authorized dealers in Belarus and other selected former Soviet Union countries.

During 1995, Co.'s joint venture with Volkswagen AG in Brazil and Argentina was dissolved. The dissolution resulted in a gain of \$230 million, primarily from a one-time cash compensation payment to Co. Prior to dissolution, Co. held a 49% interest in Autolatina and accounted for it on an equity basis.

## **Executive Listing:**

### **Name**

#### **Officers**

Krygier, Roman J.  
Acton, Elizabeth S.  
Adams, Marvin W.  
Beattie, Richard N.  
Bedi, Gurminder S.  
Boddie, William W.  
Booker, W. Wayne  
Chung, Mei Wei  
Cosgrove, William J.  
de Jonckheere, Terrell M.  
Donaldson, James D.  
Fields, Mark  
Ford, William Clay  
Francis, Karen C.  
Goeser, Louise K.  
Grissom, Janet M.  
Hall, Elliott S.  
Hansen, Lloyd E.  
Hesterberg, Earl J.  
Hutchins, Mark W.  
Inglis, I. Martin  
Jordan, Michael D.  
Kelley, Brian P.  
Klug, Janet E.  
Koshkarian, Vaughn A.  
Leach, Martin  
Ligocki, Kathleen A.  
Macdonald, Malcolm S.  
Mays, J.C.  
Mazzorin, Carlos E.  
Murphy, David L.  
Nasser, Jacques A.  
O'Connor, James G.  
Padilla, James J.  
Parry-Jones, Richard  
Petrauskas, Helen O.  
Reitzle, Wolfgang  
Rewey, Robert L.  
Rintamaki, John M.  
Ross, Dennis E.  
Rushwin, Shamel T.  
Sheele, Nicholas V.  
Stevens, Anne  
Taylor, Frank M.  
Theodore, Chris P.  
Thursfield, David W.  
Ver, Alex P.  
Vines, Jason H.  
Wallace, Henry D. G.  
Winkler, Donald A.  
Yost, James A.  
Zimmerman, Martin B.

### **Title**

V.P., Powertrain Oper.  
V.P., Treas.  
V.P., Chief Info. Officer  
V.P., Investor Relations  
V.P., North American Truck  
V.P., Global Core Engineering  
Vice-Chmn.  
V.P.  
V.P.  
V.P., Ford South America Operations  
Group V.P., Global Business Development  
V.P.  
Chmn.  
V.P.  
V.P., Quality  
V.P., Washington Affairs  
V.P., Dealer Development  
V.P., Contr.  
V.P.  
V.P.  
V.P., Ford North America  
V.P.  
V.P., Global Consumer Services  
V.P., Global Mktg.  
V.P., Ford Asia Pacific Oper.  
V.P.  
V.P., Mexico  
V.P., Fin. and Treasury Matters  
V.P., Design  
Group V.P., Global Purchasing & South America  
V.P. Human Res.  
Pres., C.E.O.  
V.P.  
Group V.P., Global Manufacturing  
Group V.P., Global Product Devel. & Quality  
V.P., Environmental & Safety Engrg.  
Group V.P., Premier Automotive Group  
Group V.P., Global Consumer Services & North America  
Group V.P., Chief of Staff  
V.P., General Counsel  
V.P., Vehicle Oper.  
V.P.  
V.P., North American Assembly Operations  
V.P., Material Planning & Logistics  
V.P., North America Car  
V.P.  
V.P., Advanced Manufacturing Engrg.  
V.P., Communications  
Group V.P., C.F.O.  
V.P.  
V.P., Strategy  
V.P., Governmental Affairs

#### **Directors**

Bond, John R. H.  
Booker, W. Wayne  
Dingman, Michael D.

## **Executive Listing:**

### **Name**

Ford, William Clay  
Ford, Edsel B.  
Ford, William Clay  
Hockaday, Irvine O.  
Kravis, Marie-Josee  
Manoogian, Richard A.  
Marram, Ellen R.  
Nasser, Jacques  
Neal, Homer A.  
Ollila, Jorma J.  
Reichardt, Carl E.  
Rubin, Robert E.  
Thornton, John L.

### **Title**

## Subsidiaries Listing:

<u>Company</u>	<u>Percent Owned</u>
FAH Investments	100.00%
Kwik-Fit plc	100.00%
Ford Ardennes Industrie SAS	100.00%
Ford Argentina S.A.	100.00%
Ford Brasil Ltda.	100.00%
Ford Capital B.V.	100.00%
Ford Motor Company (Belgium) N.V.	100.00%
Ford Nederland B.V.	100.00%
Ford Electronica Portuguesa, Ltd.	100.00%
Ford Electronics and Refrigeration LLC	100.00%
Ford Electronics Manufacturing Corporation	100.00%
Ford Enhanced Investment Partnership	100.00%
Ford Enhanced Return Partnership	100.00%
Ford Espana S.A.	100.00%
Ford Export Services B.V.	100.00%
Ford European Holdings, Inc.	100.00%
Ford Deutschland Holding, GmbH	100.00%
Ford Werke AG	100.00%
Ford Motor Company (Austria) K.G.	100.00%
Ford Treasury Services Dublin	100.00%
Ford Global Technologies, Inc.	100.00%
Ford FSG, Inc.	100.00%
Ford Motor Credit Company	100.00%
The American Road Insurance Company	100.00%
Ford Credit Auto Receivables Corporation	100.00%
Ford Credit Auto Receivables LLC	100.00%
Ford Credit International, Inc.	100.00%
Ford Credit Canada Limited	100.00%
Ford Credit Canada Leasing Limited	100.00%
Primus Automotive Financial Services, Inc.	100.00%
The Hertz Corporation	100.00%
Hertz Equipment Rental Corporation	100.00%
Ford Holdings, Inc.	100.00%
Ford Motor Land Development Corporation	100.00%
Ford International Capital Corporation	100.00%
Ford Automotive Holdings	100.00%
FCE Bank plc	100.00%
Ford Motor Company Limited	100.00%
Jaguar Cars Export Limited	100.00%
Jaguar Cars Limited	100.00%
Volvo Car UK Limited	100.00%
Ford Investment Partnership	100.00%
Ford Italiana S.p.A.	100.00%
Ford Japan Limited	100.00%
Ford Motor Company of Canada, Limited	100.00%
Essex Manufacturing	100.00%
Ford Motor Company of Australia Limited	100.00%
Ford Lio Ho Motor Company Ltd.	100.00%
Ford Motor de Venezuela, S.A.	100.00%
Ford Motor Vehicle Assurance Company	100.00%
Ford Super Enhanced Return Partnership	100.00%
Ford VAC Corporation	100.00%
Ford VHC AB	100.00%
Volvo Personvagnar Holding AB	100.00%
Volvo Personvagnar AB	100.00%
Snebe Holding B.V.	100.00%
Volvo Cars Europe Industry NV	100.00%



## **Subsidiaries Listing:**

<b><u>Company</u></b>	<b><u>Percent Owned</u></b>
Swene Holding B.V.	100.00%
Volvo Cars Japan Corporation	100.00%
Volvo Car Holding Germany GmbH	100.00%
Volvo Deutschland GmbH	100.00%
Volvo Personbilar Sverige Aktiebolag	100.00%
Volvo Personvagnar Komponenter Aktiebolag	100.00%
Gentle Winds Reinsurance, Ltd.	100.00%
Groupe Ford France SAS	100.00%
Ford Automotive Group SAS	100.00%
Ford Aquitaine Industrie SAS	100.00%
Ford France Automobile SAS	100.00%
Grupo Ford S. de R.L. de C.V.	100.00%
Ford Motor Company, S.A. de C.V.	100.00%
Transcon Insurance Limited	100.00%
Visteon Automotive Holdings, LLC	100.00%
Grupo Visteon S de R.L. de C.V.	100.00%
Carplastic S.A. de C.V.	100.00%
Volvo Car Holdings (U.S.), Inc.	100.00%
Volvo Cars of North America, Inc.	100.00%

