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DETROIT (AP) — Shares of Ford Motor Co. surged to a five-year high Wednesday after a ratings agency upgraded the automaker's debt and said Ford has the potential to improve its finances even further.

The Dearborn, Mich., automaker's stock hit \$14.11 per share in afternoon trading, a 4 percent surge to levels not seen since January 2005.

Moody's Investors Service raised its ratings on Ford's debt Wednesday, as well as the debt of Ford Motor Credit Co., which makes loans to dealers and customers.

Still, Ford shares were already on the rise as the resurgent automaker benefits from increased quality rankings and the fact that it didn't take government aid like crosstown rivals General Motors Co. and Chrysler Group LLC.

In January, Ford defied a slow economy that sent its U.S.-based rivals into bankruptcy protection, posting a \$2.7 billion profit for 2009. It was the automaker's first annual profit in four years.

Moody's on Wednesday said that the restructured Ford is performing better than it had expected and the ratings agency is now reviewing Ford for another upgrade.

"Ford clearly has a much more robust and competitive business model that is capable of supporting significant improvement in performance over time," Bruce Clark, Moody's senior vice president, said in a statement.

Moody's raised Ford's corporate family rating and probability of default rating to B2 from B3. The company's secured credit facility went to Ba2 from Ba3, and its senior unsecured debt rose to B3 from Caa1.

Moody's said it expects Ford's business model will generate significantly improved financial performance, fueled by its new product program. Ford plans to start selling a new global Fiesta subcompact this year and a new Focus compact early in 2011.

Several Ford models now consistently score above Honda Motor Co. and Toyota Motor Corp. in widely followed rankings by Consumer Reports magazine. The Japanese automakers had been considered quality leaders.

Other models, including the midsize Fusion and its cousin, the Mercury Milan, consistently have been at or near the top of their classes, a trend that led Consumer Reports editors to declare that Ford is now making some vehicles with world-class reliability.

Ford is not without problems, though. The automaker finished last year with \$34.3

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billion in debt, up \$7.4 billion from Sept. 30. The company took on \$7 billion in debt it owes a retiree health care trust fund run by the United Auto Workers union. That puts Ford at a disadvantage to GM and Chrysler Group, which were able to shed debt in bankruptcy court.

Chief Financial Officer Lewis Booth said the company has "an uncompetitive balance sheet" and will work on cutting debt this year.

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