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Subject: Honda marks 2.5 millionth ATV built in South Carolina, commits to plant expansion

Honda marks 2.5 millionth ATV built in South Carolina, commits to plant expansion

\$27 million investment expected to create more than 65 new jobs

COLUMBIA, S.C. – November 1, 2012 – Honda of South Carolina Mfg. Inc. (HSC) today marked its 2.5 millionth all-terrain vehicle (ATV) production milestone. The company also announced that it will add production of Honda's next generation of side-by-side (multi-utility vehicle) products in mid-2013 at its Florence County plant. The \$27 million investment is expected to generate more than 65 new jobs.

"Reaching the milestone of 2.5 million units is a testament to the commitment of our associates and the entire Honda team to produce products that exceed our customer's expectations," said HSC plant manager Scott McKenzie. "Adding the new side-by-side production demonstrates the confidence Honda top management has in our associates and their capabilities to produce these new vehicles."

The ATV production milestone occurs just 14 years after Honda began ATV production in the Timmonsville plant. HSC has manufactured many different models of ATVs since its start in 1998, including the FourTrax and SporTrax series, which the plant continues to produce today.

"We congratulate Honda of South Carolina in reaching a milestone with the production of the 2.5 millionth ATV at the Florence facility. We are also excited that Honda has chosen to invest \$27 million and create more than 65 new jobs in Timmonsville. When a world-class company like Honda increases its footprint here, it shows that South Carolina is the right place to do business," said Gov. Nikki Haley.

Since January 2011, South Carolina has recruited more than \$7 billion in capital investment and more than 18,000 jobs in the manufacturing sector.

"South Carolina continues its manufacturing renaissance with the help of world-class companies like Honda. Today's production milestone and expansion announcements are great news not only for Timmonsville, but also for the state as a whole. Foreign-affiliated companies continue to have a huge positive impact on our state's economy," said Secretary of Commerce Bobby Hitt.

Honda side-by-side production will transfer from Honda de Mexico S.A. de C.V. (HDM) to HSC. Based on the potential for increased production and future expansion at HSC, along with plans to expand the side-by-side dealer network throughout the U.S. in 2013, the company determined that HSC was the right location. Following the move of side-by-side production, HDM will increase capacity for the production of additional two-wheel products to meet growing market demand in Mexico.

"We're very fortunate to have another flagship industry decide to expand here," said state Sen. Hugh K. Leatherman Sr. "It is evident that Florence County continues to be a competitive and desirable location for manufacturers."

Florence County Economic Development Partnership Chairman Dr. Charles Gould said, "Honda's presence in Florence County has been and will remain incredibly significant. They have been one of our largest employers for quite some time and the epitome of an outstanding corporate citizen. The Florence County Economic Development Partnership congratulates them on their 2.5 millionth ATV."

As with other Honda plants in North America, the Timmonsville plant has undergone continuous innovation over the years to maintain flexibility and efficiency. HSC is actively renovating an existing 94,000-square-foot building to receive the production equipment from Honda de Mexico's side-by-side plant. In the second half of 2013, HSC will be ready to begin production for a new generation of Honda side-by-side.

“The Timmons ville plant has established a strong foundation in South Carolina by continually improving our plant operations in order to exceed the expectations of our customers,” said Brian Newman, president of Honda South Carolina. “The addition of this new product will allow the Timmons ville plant to grow its commitment to the great state of South Carolina by investing in new expansion, tooling and new jobs for this area. Production of the side-by-side also will benefit the region by increasing the volume and range of parts purchasing from domestic suppliers.”

With the flexibility to produce many powersports product models, associates at the Timmons ville plant currently manufacture all Honda ATVs for the North American market and the vast majority for global sales. HSC is also the exclusive North American production site for all utility models. In addition to manufacturing, Honda has established R&D and engineering, as well as the company’s export handling operations in South Carolina, along with a parts distribution center and other operations that support product development, manufacturing and sales in North America.

About Honda South Carolina Mfg.

Honda South Carolina Mfg. employs more than 850 associates. The plant began production of the four-wheeled Honda FourTrax ATV model line in 1998. In fall 2000, operations expanded to add engine production to the plant. The Timmons ville plant’s production line has the capacity to manufacture a quarter of million vehicles and 310,000 engines per year.

Honda operates nine [manufacturing facilities](#) in the U.S. that produce a wide range of products, including automobiles, light trucks, engines and automatic transmissions, as well as all-terrain vehicles and power equipment products such as lawn mowers, mini-tillers, and general-purpose engines. Honda also operates major research and development centers in the U.S. that fully design, develop and engineer many of the products produced in North America, including ATVs and side-by-sides.

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