



WINDSOR TALKS



2009 continues to be a very difficult year for our industry and the economy in general. At Ford Motor Company, we continue to focus on our recovery plan and although we have not filed for bankruptcy as some of our domestic competitors have, we must remember that our company has a number of difficult challenges ahead. Ford continues to lose money each month and we now face the

challenge of competing with other auto manufacturers who have restructured and can operate as leaner competitors. It is essential that we continue to work together as ONE TEAM so that we can execute our ONE PLAN and achieve our goal of being an exciting, viable Ford, delivering profitable growth for all.

In Windsor, we have our own set of challenges to face in the months ahead. Frequent and clear communication is critical for our Windsor team to be aligned as we move forward. We will be increasing the Windsor Talks newsletter to a monthly publication, instead of quarterly and we are planning to have two “All-Up” meetings each year, so that employees can have timely updates on the state of the Windsor site.

With nearly six months gone by in 2009, I am happy to tell you that Windsor has made very good progress on meeting the majority of our plant objectives this year. Year-over-year improvement in Safety, Quality, Delivery, Cost, Morale and Environment (SQDCME) is expected of Ford manufacturing sites and I am happy to report that our Windsor team is making excellent progress this year in achieving and, in some cases, exceeding most of our objectives. This is great work by everyone and I thank all of our teams for your sincere efforts. Our goal, however, must be for Windsor to be Best-In-Class (BIC). If we want to be the supplier of choice for future powertrain or automotive components to Ford Motor Company, we must demonstrate that we deliver on our commitments and we are achieving BIC results. I will be updating you shortly on where we stand with regard to BIC in safety, quality and productivity.

Please work safely at all times and practice good housekeeping in your work areas. Secondly, I ask that you always follow our quality procedures and continue to make Quality Job One! If you are off for shutdown, have a safe and enjoyable holiday! For those who are working, please work safely. Thank you!

Alex Maciag, Windsor Site Operations Manager

First Quarter Financial Results

In late April, the Company announced first quarter operating losses of \$1.8 billion, which is \$2.3 billion worse than first quarter 2008. Other 1st quarter highlights include:

- Annual U.S. industry volumes plummeted to 9.8 million units.
- North American production volumes were 50% lower than 1st quarter 2008.
- First quarter revenue dropped nearly 40% from 2008 levels.
- Significant negative operating cash flow (1st quarter operating cash flow was \$3.2 billion negative).
- Slight improvement in monthly retail market shares (vs. prior year)

While the Company’s results reflect today’s difficult economic and industry conditions, the Company has achieved some successes: avoided the need for government bailouts (because of debt arranged prior to the financial markets seizing), reached a new UAW labour agreement, reduced structural costs in North America by \$1.3 billion and launched several new products.

Mr. Alan Mulally stresses the need to stay focused on delivering the plan—aggressively restructuring to operate profitably at the current demand and changing model mix, accelerating the development of new products that customers want and value, financing the plan and improving the balance sheet and working together effectively as one team, leveraging Ford’s global assets.

How Can Windsor Site Contribute?

We are all interested in ensuring the long-term health of Ford—there are many things we can do, on a daily basis, to help improve our financial health:

- Identifying areas of waste that can be reduced
- Following shutdown procedures each week to save energy during non-production hours
- Looking for ways to extend tool life
- Finding and fixing coolant, oil and air leaks on our equipment
- Operating at targeted JPH’s (operating costs) and inventory levels (cash improvement)
- Performing required quality checks and keeping bad parts from leaving the department and plant
- Avoiding all unnecessary overtime
- Preparing Essex Engine Plant for a flawless launch

Rich Rothmann, Controller

Update On Coyote Program At Essex Engine Plant and Annex

Tearout and Demolition:

- Tearout and demolition activities are complete for areas required for program installations. Tearout and demolition activities for the purpose of maintenance consolidation are ongoing.

Crank Line Status:

- Conversion of the line for production of Coyote Cranks is complete. Capability proveout is in process to support early production machining scheduled for June.

Engine Assembly—MVL:

- MVL is in the “Install and Debug” phase. During this phase the MVL Team will achieve: “OK Sample”, prove capability (repeatability) and ability to run at cycle rate on equipment.
- The MVL team is utilizing an “Ergo Lab” (manual station simulation) to validate Engineering simulation of manual assembly stations.
- Early production builds are scheduled for mid-August.

Head Assembly:

- Head assembly build and retool is on schedule at B&K (Kuka). Head Assembly system early production is scheduled for the week of 6/15 at B&K (Kuka). Shipment and installation/debug at EEP is scheduled for late July completion.

Piston and Rod Assembly:

- Piston and Rod assembly build and retool is on schedule at Micromatic. Shipment and installation/debug at EEP are on schedule for late June/early July timing.

Rod Machining—Annex:

- Conversion of the line for production of Coyote Rods is complete. Capability proveout is complete. Early production machining is scheduled for early June.

Head Machining—Annex:

- Single pass conversion is complete. Capability is in process. Early production (single pass) machining is scheduled for early June.

Larry Stiers, EEP Launch Mgr.

Update—WEP Engine Assembly

Our customer demand remains at 2,160 engines per day. It is imperative that we meet our daily customer requirements. The Engine Line is having difficulty achieving their daily requirement on a daily basis. Daily shift end meetings have been scheduled to review FTV's, FTT, maintenance concerns and station over cycles. Year-To-Date, we have missed our requirements by 2,890 engines. These lost units equates to \$7,514,000. The Team Leaders and Maintenance Team needs to continue focusing on Mean-Time-To-Respond and Mean-Time-To-Repair. The MA's and team members need to identify and resolve any concerns related to station-over-cycles.

Tony Savoni, Area Mgr., Machining and Assembly

Working Safely Is Not A Choice

By: Dr. Greg Stone

Here are a few suggestions for a safe work environment.

- Clean up spills promptly. You can usually wipe up small spills by yourself but might want to seek help with larger ones. Mark the area with caution signs and report the spill to your maintenance department. Remember, chemical spills require special equipment and training to clean up.
- Pick up your tools.
- Make sure all your tools are clean and in good working condition before you put them away.
- Keep objects out of traffic areas. Unexpected items can lead to a tripping accident.
- Check all floor surfaces for loose or broken tiles to prevent falls.
- Place all items in an orderly fashion on shelves (not precariously balanced on each other).
- Clearly label all chemicals and cleaning supplies and store according to the manufacturer's instructions.
- Make sure lids and caps are replaced and securely tightened down.
- Keep drawers and cabinet doors closed when not in use.
- Put trash in the appropriate garbage containers.
- Dispose of oily cloths or rags in the approved metal containers.
- Take smoke breaks in designated areas only. Remember to dispose of smoking materials in a safe manner.
- Avoid using emergency exits and stairways as storage areas. In a fire you may be too panicked to find your way past the accumulation of boxes and the boxes can be a fuel source to the fire.
- When you leave work each day, turn around and take a good look at the entrance of your building. Safety walkways and entrances are important for everyone. If you see something out of line with safety, make sure you get it taken care of.
- Remember our 5S principle; everything has a place and everything in its place.

Safety is the responsibility of each of us. If we do our part, we should never have another safety incident!

JDRF Update - Windsor Engine Plant

We are pleased to report that Windsor Engine Plant donated **\$11,100.00** to the **Juvenile Diabetes Research Foundation** – via raffles, hot dog days, 50/50 draws and walk-a-thon pledges. Congratulations to all who participated!!