



WINDSOR TALKS

ONE TEAM. ONE PLAN. ONE GOAL. ONE FORD.



It was my pleasure to have shared with you during our town hall meeting that we are on track through the first half of this year to achieve and/or exceed our objectives in safety, quality, delivery, cost, morale and environment or SQDCME.

I thank all of you for your efforts and ask that we stay focused on continuous improvement as we move forward through the remainder of the year. Please recall that each of us must adhere to the roles and responsibilities of our positions for safety and work together to drive a zero injury mindset. Additionally, we must continue to work to resolve quality issues and

ensure that we always follow our QOS process and procedures.

With the exception of the August shutdown week, our engine assembly schedule for the next few months will be increasing to two (2) shifts, five (5) days with no downshifts in assembly. This is very good news for us, as Ford Motor Company increases production for the 3rd Quarter. It will also be a challenge for WEP and Annex, as we demonstrate to all that we can meet our daily schedule as required.

The first production trial run for the new engine program will take place during the week of August 17, 2009 at Essex Engine Plant. This will be an exciting and somewhat emotional event for our site. Essex is back! Thanks to the Windsor Engine, Annex and Essex Engine teams for your commitment to ensure we have a successful launch.

Best Regards, Alex Maciag, Site Operations Mgr.

TOWN HALL FOLLOW-UP

Among the several questions from our recent Town Hall was a question about differences between Horsepower and Torque targets from Car to Truck applications for Coyote Engines. Product Engineering has informed us that the differences are primarily due to variation in exhaust manifolds/exhaust systems, combined with different intake camshafts/air induction systems.

Coyote Program Updates—EEP and Annex:

Tearout and Demolition Activities:

Tearout and demolition activities are nearing completion for areas required for Program installations.

Crank Line Status:

Conversion of the line for production of Coyote Cranks is complete. Cranks for Production “TT” Build/Trial Run #1 are in-line.

Engine Assembly—MVL:

MVL is reaching the final stages of the “Install and Debug” phase. “OK Sample” has been accomplished in several areas of the line. The MVL Team continues to utilize “Ergo Lab” (manual station simulation) to validate Engineering simulation of manual assembly stations. Capability (repeatability) and equipment cycle rate will be accomplished during “TT” Build/Production Trial Run #1 beginning the week of August 17th, 2009.

Larry Stiers, EEP Launch Mgr.

COST - Second Quarter Results:

On July 23, the Company announced second quarter pre-tax operating losses of \$429 million (excluding special items), which is \$609 million better than second quarter 2008. Other 2nd quarter highlights include:

- The \$429 million loss is explained by Automotive (worldwide) related losses of \$1 billion, partially offset by Financial Services profits.
- North American Automotive losses were \$851 million—\$901 million better than 1st quarter 2009.
- Annual U.S. industry volumes remained below 10 million units.
- North American production volumes were 35% lower than 2nd quarter 2008.
- Operating negative cash flow of \$1.0 billion—significantly improved over 1st quarter.

While the Company’s results reflect continued difficulties in the industry and economy, we can be proud of our successes: reduced structural costs by \$1.2 billion in North America, improved market share, increased net pricing and achieved quality leadership. The results for the quarter are exciting and indicate that the ONE FORD plan is working...however, we need to remember that we are still losing money and cash. The Windsor site can contribute to our improving financial condition, by remaining focused on cost and operating efficiencies, quality and safety.

Rich Rothmann, Windsor Site Controller

Head Assembly:

Head Assembly build and retool is behind schedule at B&K (Kuka). Head Assembly system “TT” build will be accomplished at B&K (Kuka). EEP/ME Team is monitoring the “TT” build to ensure quality. Facility shipment begins this week and installation/debug at EEP is scheduled for early September completion.

Piston and Rod Assembly:

Piston and Rod assembly build and retool was completed on schedule at Micromatic. Installation/debug at EEP is on schedule to support “TT” build/Production Trial Run timing.

Rod Machining—Annex:

Conversion of the line for production of Coyote Rods is complete. Capability proveout is complete. “TT” build/Production Trial Run #1 requirements are machined—ready for assembly.

Head Machining—Annex:

Single pass conversion is complete. Capability is ongoing. “TT” build requirements are complete. The Team is working through Nematik cubed casting quality concerns to support Production Trial #1 requirements.

SAFETY—DID YOU KNOW . . . Recently, Windsor Site Manager, Alex Maciag delivered a very important Health and Safety Cascade to all site employees emphasizing the need to pay attention to safety. As you may know, we unfortunately lost a Ford family member earlier this year at Bramalea Parts Distribution Centre. Moreover, flagrant violations continue to be a concern for Ford Motor, with 20 such cases year-to-date involving ECPL, PMHV, Working at Heights and Work Rule infractions.

So how does our workplace measure up? The Windsor Site safety metrics continue to lag behind most other Ford facilities. More specifically, the year-to-date Windsor Engine Plant DART (Days Away Restricted Time) rate is one of the worst in all of North American Powertrain Operations, despite the relentless daily focus on Health and Safety. Essex Engine Plant DART rate fared somewhat better but they have been in launch mode. As a point of clarification, regarding questions asked at the Health & Safety Cascades, the calculation of DART uses a consistent formula to ensure all Ford facilities are assessed equally.

The fact that Windsor is one of the worst locations is unacceptable news. It makes us appear that our Team does not value working safely. Furthermore, from a safety metric perspective, we are not competitive within Powertrain, nor when compared to Industry Best-In-Class facilities.

So, what can each of us do to help make a positive impact on our Safety Metrics?

We must all make a personal commitment to safety and collectively work towards a renewed emphasis on improving Health and Safety behaviours. **Process Adherence** must be an absolute requirement of our daily activities. As such, all employees must continuously ensure that all work is performed in compliance with work rules and procedures that will allow us to return home at the end of the day to our families in the same manner that we left them. Anything short of 100% compliance cannot and should not be tolerated. Equally important in our endeavour towards improvement is **Process Verification**. This can be achieved through the use of PJO's, safety walks and Pre-Task Analysis to name a few. Remaining diligent in the identification and correction of hazards, including unsafe conditions, reporting Near Misses and enforcing Health & Safety policies/procedures is essential if we are going to effect favourable change.

In summary, we must all commit to "Be Safe-Think Safe-Act Safe". As "One Ford Team", we owe it to ourselves not to violate safety processes or cut corners. We will hold each other accountable and not turn a blind eye. We will step up our game and strive towards a zero injury mindset!

Tony Buttice, Health & Safety Dept.

Great West Life: As previously announced, the Fidelity to Great West Life transition took effect July 27, 2009. Should you have any questions, please contact:

Great West Life at 1-800-724-3402

Have ideas for upcoming issues of the Windsor Talks??

Please e-mail me, Helen McLaughlin, Windsor Talks Editor, hmclaugh@ford.com with your ideas/suggestions. I'd like to hear from you. This is YOUR newsletter!

Ford Motor Company of Canada Limited -

June 2009 National Sales Results—Highlights:

- Ford of Canada—#1 manufacturer for the first time in over 50 years!
- #2 manufacturer in total sales, calendar year-to-date!
- The Ford brand remains the "best selling brand" in Canada!
- F-series remains the #1 nameplate in Canada on a calendar year-to-date basis!
- Lincoln outsold Cadillac for the 5th month in a row!
- Customer Satisfaction—Up 3 points vs. same-point-in-time for Overall Service Satisfaction for the month!
- Non-warranty parts sales are up 1.0% for the month!
- Ford of Canada's June total vehicle sales were up 24.6% in an industry that was down 13.9% vs. same-point-last-year!
- Ford retail performance for June was up 28.8% vs. same-point-in-time in a retail industry that is estimated to be down 12.5% vs. same-point-last-year!
- Ford of Canada's June estimated retail share of industry is 13.2%, up 4.4 pts. vs. same-point-last-year!

C-Y-T-D June 2009—Vehicle Sales Pride Pegs

- Best selling Brand
- Achieved #1 Nameplate—F-Series
- Achieved Best Selling Small Utility
- Achieved Best Selling Pickup
- Achieved Best Selling Compact Utility
- F-150 leads U8500-GVW segment
- F-Series outsells Silverado/Sierra
- Best Selling Brand of SUV's
- Best Selling Brand of SUV's and CUV's combined
- F Super Duty leads 08500 GVW segment
- Lincoln outselling Cadillac in total sales

QUALITY: Ford has passed Toyota in initial Quality for the first time according to the latest Global Quality Research System (GQRS) study. Ford vehicles had the lowest number of defects of any manufacturer with a Things Gone Wrong (TGW) score of 1,185. Second place Toyota's TGW score was 1,215 and third place Honda was 1,291. The GQRS study of new vehicle problems during the first three months of ownership is conducted by RDA Group of Michigan. Ford improved 102 TGW from 2008 score. Also, F150 significantly improved by 118 TGW and remains a segment leader. Keep up the outstanding focus on our engine Quality!

Joe Intraivaia, Site Quality Mgr.

DELIVERY: Our customer demand remains at 2,160 engines per day. There is minimal or no downtime for the next several months. It is imperative that all departments meet their daily requirements. YTD, we are 2,350 engines behind schedule. The Engine Line JPH is starting to improve. They have shown they are more than capable of meeting their daily schedule. Continued focus on FTT and station-over-cycle is required on a daily basis. It is equally as important for the machining departments to achieve their daily requirements. Utilize your constraint management tools around your department bottleneck and breakdowns. *Tony Savoni, Area Mgr., Machining & Assy.*