



WINDSOR TALKS

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



Thank you to all of our Windsor/Annex/NEMAK/Essex volunteers and employees for supporting JDRF. Not only did your teams exceed the goal for 2010 but you raised approximately \$10,000 more than last year! Outstanding!!

Ford continues to achieve significant progress and improves its rank position in the J. D. Powers IQS (Initial Quality Study) again this year, moving from 8th place in 2009 to rank 5th place this year! This is the highest rank position Ford has achieved in the IQS and continues the progress the brand has made since ranking in 23rd place in 2004. Lincoln is the 3rd most improved nameplate from 2009 IQS and finished in 8th place or eighteen places better than 2009. Each of you should be very proud of the work you have done to contribute to the tremendous improvement in quality. Your daily focus and dedication continues to demonstrate what we can do as a ONE FORD team.

Windsor Engine Plant is highlighted in Ford's 2009/10 Sustainability Report. The report highlights the actions implemented by the WEP/Annex teams to achieve impressive best in powertrain (BIP) results in environmental performance for energy, water usage, reduction of hydrocarbons and zero waste into landfills. Great job everyone, thank you!

As a result of the misses to schedule in the past month, -1,912 engines, we have had to remove several downshifts from the July schedule at Windsor Engine Plant. Our schedule will remain at 2 shifts until early November when it is forecasted we will go to 1 shift at WEP and 2 shifts at EEP. The launch at EEP continues to progress and improvement can be seen each week. It is critical that both plants come back from the shutdown with all improvement actions completed and ready for production.

Have a safe and enjoyable vacation if you are off during any time this shutdown. If you are scheduled to work, remember to work safely and follow all safety procedures. Remember, even "routine" work can result in serious injury or a fatality if something goes wrong. Make sure a pre-task analysis is performed and reviewed before you or any member of your work team begins the job. Many people are depending on you to work safe and come home without injury. Thank you.

Alex Maciag, Site Operations Mgr.

Covote Program Updates:

Construction Activities

Central Maintenance Shop installation continues, targeted completion is the end of August.

Crank Line Status

PV8 (6.2L) Marposh gauge has been removed for future programs. The week of June 21, 2010 is a planned training week for IMS's and Trades. Training includes classes in: Balance Engineering, Hommel Gauging, Liebherr Gantries, ABB Washer and Boehringer operations.

Engine Assembly—MVL

Significant shutdown work is planned in MVL. Some of the major work includes: A-section installation of a clamp-on for MBC auto bolt backout and a camera installation to detect dowel presence for rerun blocks, B-section error-proofing for oil pump complexity, C-line new turntables for cylinder head load and one touch cam installation process, D-line t-stat clamp installation assist & complexity error proofing, EFG-lines rebalance and station moves (i.e., water pump pulley) resulting in engine rotation reduction.

D35 Rod Machining

Regular production shipments to CEP ongoing. Production shipments to LEP begin the week of June 21, 2010.

Congratulations to the Essex Team for a successful SHARP audit. No non-conformances were noted in the process. This is a vote of confidence as we strive to improve the Safety process at EEP.

Larry Stiers, EEP Launch Mgr.

Lincoln Brand to Expand, Mercury Phases Out *Reprinted from @FordMagazine, June Edition*

As Ford continues the growth of the Ford brand, it is expanding and enhancing its Lincoln brand lineup with seven all new or significantly refreshed vehicles in the next four years. Ford also will end production of Mercury vehicles in the fourth quarter of this year to devote its financial, product development, production and marketing, sales and service resources toward the continued growth of its core Ford brand while enhancing the Lincoln brand.

Mark Fields, President of The Americas, shares more insight on this announcement.

How does this help deliver on our ONE FORD plan?

This is really the continued evolution of executing our ONE FORD strategy. It all starts with being very consistent and very devoted to having world class products come into the market place from either Ford or Lincoln. Also, staying focused on our four product pillars of Quality, Green, Safe and Smart. It's just the next step in the ONE FORD plan and the next step in profitably growing our business and bringing satisfied customers along the way.

Why is this the right time to take action?

Although a difficult decision, we think this is the right time to take this action on Mercury. We've gone through our normal process this spring where we review and lock in our business and product plans. It became evident that as we've seen the strength of the Ford brand accelerate, many customers who would be purchasing Mercury products have migrated to Ford vehicles. So, we felt this was the optimal time to make this decision. This will allow us to focus the majority of our efforts on further accelerating improvements we've seen in our Ford portfolio but also allow us to focus more on bringing Lincoln to the next level.

What changed for the Mercury brand?

During the past year or so, we've seen such an improvement in the Ford brand. To put it into perspective, the Ford brand's market share has grown 2.2 percentage points this year alone. Overall market share is 0.8 of a percentage point. Ford brand's improvement has been twice Mercury's overall market share and customers really like our new Ford product lineup.

Safety: There Are No Routine Jobs!

How often have you heard someone describe a job or a task as routine? Many folks think of driving a car, walking to and from work or performing a job at work as routine.

But the truth is there is no such thing as a routine job! Each and every time you perform a job, whether at home or at work, the circumstances surrounding that task can change. While it is true that the changes can be very subtle—change can influence any job—just enough to increase the risk of a serious injury or a fatality.

With the vacation shutdown fast approaching, it is important for all of us to realize the importance of:

- Planning all of our jobs thoroughly
- Pausing before you start a job, taking a moment to ensure that all the safeguards are in place
- Re-checking the job frequently to ensure that everyone is safe and the pre-planning safeguards are still in place
- And finally remembering that there is no such thing as a routine job or task.

Tony Buttice, Health & Safety Dept.

Cost: Windsor Budget Performance

Each year, budgets are created for every manufacturing facility in North America—the Windsor site is no exception. The budgets are established to ensure a continuous focus on efficiency and cost competitiveness. Additionally, the savings which are built into the budgets are necessary to fund new vehicles and pay down our debt. As you can see, the ability to achieve our budget is critical to the Company's success.

Windsor's performance for the first quarter was \$400,000 better than budget. JPH performance, minimal overtime and lower overhead spending contributed to a successful first quarter. The second quarter has been much more difficult. April was \$100,000 worse than budget. May was \$200,000 worse than budget and June isn't looking any better. The key contributors to the decline in performance are as follows:

- Lost engine production
- Catastrophic equipment failures in machining
- Quality containment issues
- Excessive overtime due to low JPH productivity
- Higher spending on overheads

The bottom line is that the 2nd Quarter performance has wiped out our strong 1st Quarter. Windsor has a history as a high performing team that meets its budgets. We as a team, need to focus on items we can control and seek ways to improve the business.

Rich Rothmann, Windsor Site Controller

Environment: Greening Windsor

As we all know, summer is just around the corner and what better way to enjoy the warm weather than to do a little gardening project around the house. Here are a couple of ideas for some gardening fun:

- Pot Up Your Natives! Acquire native plants, seeds, cuttings and root divisions from garden or nursery stock in preference to transplants from the wild. Use plants and seeds that have originated locally, as these plants and seeds are best adapted to local climate, soil and predators. Make the best effort not to transport and plant locally adapted seed more than 250 km from a collection site. For more information, check out <http://www.gardenideas.com/>
- Get Herb Done! Instead of a traditional garden, try potting an herb garden. Basil, fennel, dill and lavender can all be planted in the Windsor area. Check out the Better Homes and Gardens website <http://www.bhg.com/gardening/vegetable/herbs/>
- Compost Anyone? A backyard compost is the simplest way to start on the green path. For more information, check out <http://www.peelregion.ca/pw/waste/compost/byc-tips.htm>

Get your family involved and make your home a little greener by completing one of these projects during the summer!

Karen Leblanc, WEP/EEP Central Engineering Manager

Delivery: Our customer demand remains at 2,180 engines per ay. There are currently no downshifts scheduled throughout July. As of the end of May, we are +2943 for the year to our required build schedule. June has not been a good month for us. We have lost several units due to internal part shortages. Our YTD finished engine inventory will be severely affected. The lost units in June will reflect negatively on our budget. We must continue to stay focused on managing our line flow. It is important that we all understand how many parts are required by the hour in our own departments and equally as important, understand what are the root causes for us not making our hourly JPH. The departmental JPH's are listed below. These JPH's are updated up to the end of May.

<u>Department</u>	<u>2010 JPH Target</u>	<u>2010 YTD JPH (May 3/10)</u>	<u>(+/-) JPH</u>	<u>YTD Trend</u>
Engine Assembly	149	150	+1.0	Objective Met
Cylinder Block Dept.	82	82	0	Objective Met
V8 Cranks Dept.	82	79	-3.0	Not Meeting Objective
3 Valve Machining	60	55	0	Objective Met
Rod Dept.	113	120.1	+7.1	Objective Met
Camshaft Dept.	126.5	129.8	+3.3	Objective Met
2V Cylinder Head	53	53.7	+0.7	Objective Met

Congratulations to the departments that are meeting their JPH targets!

Tony Savoni, Machining/Assembly Area Manager, WEP