FORD MOTOR COMPANY

SEPTEMBER 2010

WINDSOR TALKS

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

Windsor/Essex Engine Plants:

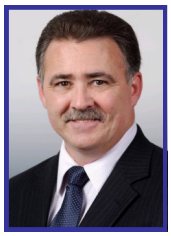
The Challenge Ahead

The next three months will be the most challenging three months we will face this year across the Windsor site. Essex Engine Plant will be fully staffed for two shifts of engine assembly and three shifts of machining for 5.0L by mid-October. Windsor Engine Plant will run two shifts of engine assembly through the entire month of October and be reduced to one shift of engine assembly, effective Monday, November 1, 2010. Throughout the next few weeks and months, a significant number of our workforce will be transitioning to new positions and a sizeable number of employees will be laid off, some for the first time in many years. Personally, I am excited about our future and, at the same time, concerned for many of our employees.

I would like to take this opportunity to thank everyone for the great work you have done this year. To date, Windsor remains the best engine plant in North America for quality. Essex Engine Plant and Annex are doing a great job to ensure that the 5.0L engine is being built to the highest degree of quality. As you move to new positions across the site, it is the quality of our product that will be most important to the success of the site, today and in the future.

Please read Jim Tetreault's message in this month's Windsor Talks. I am sure that no one at the Windsor site takes our business improvements in the Company for granted and we are painfully aware that there are significant challenges ahead of us. I believe you would also agree that to be a competitive world class site, we must produce a quality product, make schedule without wasteful overtime, meet our financial objectives for labour and overhead budget costs and, most importantly, work together; employees, management and suppliers, towards continuous improvement in SQDCME, year after year. The next three months will challenge us as a team. Working together, we can win!

Alex Maciag,
Site Operations Manager



Jim Tetreault, VP, North America Mfg.

Keeping Our Focus On The Future: A Message from Jim Tetreault

As we continue to execute the ONE Ford plan, we are making significant progress on the building blocks essential to the future of our business. By working together, Ford and the CAW have helped our company survive the economic crisis and position it for profitable growth.

The fact that we took tough actions earlier than our competitors is one of the critical components of the success we are seeing. And, even as we've been focused on deeply restructuring the business in recent years, we have never stopped investing in the future. By continuing to invest in our product lines and our plants – even during the darkest of times – we positioned ourselves to go to market with a world-class lineup of cars, utilities and trucks, and a state-of-the-art manufacturing base.

If the events of the recent past have taught us anything, it's that the most important step we can take to safeguard our future is keeping our eye on the fundamentals and not falling back into the old way of doing business. Losing focus on our core business, particularly by allowing our costs to become out-of-line with our domestic and transplant competitors, or giving up our leadership position in quality, will jeopardize Ford's ability to compete both in the U.S. and in the global auto industry. To be competitive globally, we must always aim to be the best in the industry in every corner of the business. We clearly know what this takes and we know how to achieve it.

As key stakeholders in the ONE Ford plan, we all should be proud to not have taken the emergency government loans and to not have gone into bankruptcy. We all should be proud that we found our own way. And we should be proud that the company has reported five straight quarters of net profits and projects growth in the foreseeable future.

> *"To be competitive globally, we must always aim to be the best in the industry in every corner of the business. We clearly know what this takes and we know how to achieve it."*
> — Jim Tetreault

But we also should realize that it is as important as ever that we do not take our business improvements for granted. We have learned in the past that as Ford's business overall becomes healthier, we still face significant challenges ahead due to the fast-moving pace of the global auto industry and the current state of our balance sheet. Because we did not follow our competitors into bankruptcy, we now carry a heavy debt load that our competitors don't have. This affects our credit and how much it costs us to borrow money, which in turn limits our ability to invest back into the business, including new products and technologies and manufacturing upgrades in our plants.

All world-class competitive plants, whether our own, or our competitors, have certain performance characteristics in common. First, they make their production schedules without unscheduled and wasteful overtime. Second, they produce a quality product first-time, every time, without repair and rework. Third, these plants meet their financial objectives on labor, overhead costs and budget, so the company can project costs accurately in the future when assigning product for production. Fourth, and most importantly, world-class plants have a culture of working together. Employees, management and suppliers all strive to work toward continuous improvement in all aspects of the plant's performance – and they can be counted on to deliver improvements in Safety, Product Quality, Schedule Performance, Costs, etc., year after year and have a history of doing so.

While our plants have somewhat differing performance metrics depending on whether they are in Powertrain, Stamping, Components or Assembly, these metrics help drive the same end goal – to help the company achieve long-term success and profitable growth for all. This can only happen if we work collectively to ensure a safe workplace, continuously improve quality, reduce costs and increase productivity and efficiency.

Continued on the Reverse Side …

Keeping Our Focus On The Future: A Message from Jim Tetreault

(Continued from the reverse side)

Each and every Ford team member plays a significant role in the company's progress and ultimate success. Don't underestimate your ability to make a difference. Thank you for your continued hard work and intense focus on making Ford Motor Company the best in the business. Working together, we can win!

Operator Instruction Sheets/Job Safety Analysis and Personal Protective Equipment — Are They Really That Important?

By: Harry Tarrant,

Safety Security Manager, NA Manufacturing

Take a few minutes and think about the following scenarios:

- Boarding a plane when the pilots chose to disregard the pre-flight checklist!
  Would you fly with them?
- Cutting a tree down in your yard without calculating where it will fall!
  Would you do that?
- Letting your child ride in a car without buckling them in a seat belt or car seat!
  There is no way -right?

The obvious answer to all of these questions is "NO" — you cannot accept that level of risk!!

Now think about your day at work and the level of risk you could assume if you do not follow:

- Your Operator Instruction Sheet (OIS) — your "pre-flight" checklist — designed to be followed each day.
- Your Job Safety Analysis (JSA) — it has "calculated" the potential risk of your job and outlines the safe guards.
- And finally your Personal Protective Equipment (PPE) — your "seat belt" - designed to prevent you from injury.

These processes are designed with your safety in mind! And yes, they **REALLY ARE** that important!

Remember your OIS/JSA and PPE are there to ensure that you return to your family in the same condition that you arrived at work.

QUALITY:

Our **QUALITY** performance is doing fairly well at both WEP and EEP. At WEP, we are meeting all our quality objectives for warranty R/1000, CPU, TGW and Pulls & Repairs at Vehicles Operations. However, we have deteriorated slightly in our Pulls & Repairs at VO. At EEP, our 5.0L warranty information is starting to accumulate. Early indicators show good performance. However, it is still too early and a low sample size exists because not enough engines are in 3 months in service warranty yet. We are reviewing and reacting to every single warranty claim.

Everyone is aware of the shift changes coming for both WEP and EEP. With any shift change, there are quality risks. It is extremely important that every one of us does not lose sight of our quality during the churn. When starting a new job, be sure you are trained and completely confident in performing the job. Perform all job elements and required checks to the process. Continue to identify problems in assembly or machining even if you think it is small. **"Don't Take It, Don't Make It and Don't Pass It On."** Our quality is critical to our customers and our future. Treat every single engine as if it was going into your own vehicle. Thanks.

Joe Intravaia, Site Quality Manager

ENVIRONMENTAL:

Back to School—Eco Tips 101

The days are getting cooler, the swimming pools are closed up and the kids are back to school. Yes, fall is here. As everyone in the household is getting back to their usual routine, here are some tips you and your children can use.

Start With The Basics: Remind kids to turn off the lights in the bathroom or any unoccupied room at home and at school. Encourage them to throw away any trash they find on the school playground, tell them to use both sides of their notebook and to use up unused supplies.

Driving and Commuting: Start a car pool and take turns with other parents in the neighbourhood to drop off and pick up the kids from school. You'll each save time, energy and fuel. Do you need a new vehicle to take the kids to school? Fuel economy ratings for new model-year cars are available in October. You have a choice to buy a vehicle that's cleaner and more fuel efficient.

Pack A Waste Free Lunch: Purchase a reusable cloth bag or lunch box, instead of a throw-away paper bag. Use a thermos or canteen for drinks instead of cartons, plastic water bottles or cans. Instead of plastic wrap, foil or Styrofoam, purchase reusable containers than can easily be washed or wiped down. Choose cloth napkins and silverware instead of throw away paper napkins and plastic utensils.

Lunch Facts: 1) Aluminum Cans and Tins. In the time it takes you to read this sentence, more than 50,000 12-oz aluminum cans were made. 2) **Juice Boxes.** Most non-organic trash. It retains its weight, volume and form for at least four decades. 3) **Paper Bags and Napkins**. It is estimated that 17 trees are cut down for every ton of non-recycled paper.

Keep In Touch With Nature: Encourage your kids to get outside for an hour or two each day. Take a family walk after dinner. Devote your weekends to outdoor only activities like biking and hiking or start a nature club for your family.

Karen Leblanc, Windsor Operations Central Engrg. Team Mgr.