Drive quality.

World-class quality is at the foundation of Ford Motor Company's North American turnaround. Independent research shows Ford quality is on par with the best in the industry.

PROOF POINTS

- Ford's quality is on par with Toyota and Honda, according to respected third-party research. Ford brand quality continues to improve at a faster rate than the industry average.
- Ford Focus is the most improved vehicle in the 2008 J.D. Power and Associates APEAL Study, which measures customer-pleasing design, content and vehicle performance. Ford Escape scored among the 10 most improved products, and five additional Ford vehicles won second- or third-place honors in their segments.
- Ford's long-term durability also is improving at a faster rate than average, according to the 2008 U.S. Global Quality Research System (GQRS) study conducted by the RDA Group. Ford and Mercury are among the top four non-luxury brands in the study. Mercury has outscored Honda for the past five years.
- Due to improved quality, Ford reduced its overall warranty costs by $1.2 billion over a two-year period.
- Consumer Reports 2009 Annual Auto issue gives Ford far more "Recommended Buys" (70 percent) than its domestic competition.

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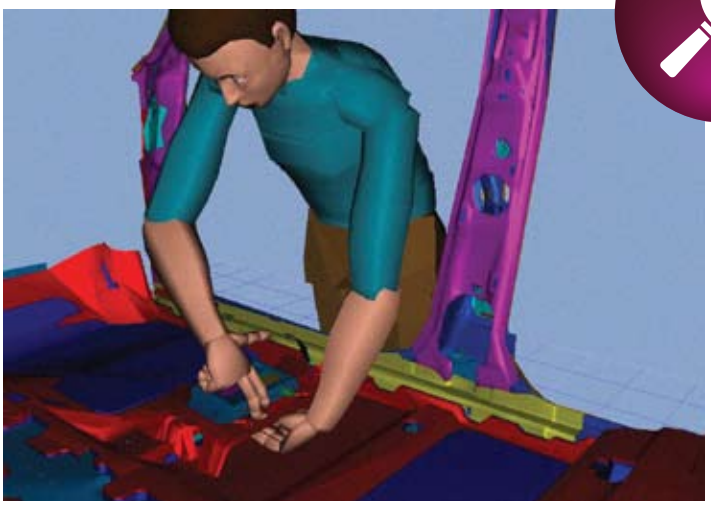
DESIGNING QUALITY

Virtual Design:

- Industry-exclusive virtual tools are used by Ford engineers and designers to shave months off the product development process, while improving the quality, comfort and appeal of its vehicles. Ford's product development is anywhere from eight to 14 months faster than it was as recently as 2004.
- An Immersive Virtual Review (iVR) lab allows Ford to evaluate and test early vehicle designs – before a single unit is built – against various ergonomic considerations such as a person's weight and physical limitations so designs can be quickly and cost-effectively evaluated.
- Specialized tools like the Cave Automated Virtual Environment (CAVE) use advanced motion-tracking equipment and computer software to generate virtual vehicles, reducing the need to build physical prototypes. Ford's industry-first Programmable Vehicle Model (PVM) also re-creates a realistic virtual vehicle and driving experience to let engineers see how their designs are affected by the physical placement of vehicle components.



- Ford also uses virtual employees – nicknamed "Jack and Jill" – that can assemble a vehicle on a virtual assembly line and provide data to predict and eliminate movements and fatigue issues for workers. This enables manufacturing issues to be virtually eliminated before the first physical prototypes are built.

BUILDING QUALITY

Error Proofing Manufacturing:

- Ford has a patented error-proofing system in place at most of its North American assembly plants to ensure a critical-to-quality assembly process, reduce worker strain and allow constant monitoring during the build.

- Computerized Direct Current (CDC) electric hand tools, affectionately known as "screwdrivers with brains," are used on many Ford assembly lines. The tools are connected to the production line through an Assembly Information System (AIS) box, a computer that tells the operator whether all nuts and bolts are screwed into the vehicle at the right torque in precisely the right way.

Electrical System Process Checks:

- In the plant, every vehicle's electrical system is checked, and checked again, to ensure all electrically driven features operate properly before leaving the assembly line.

- Processes such as tireless end-of-line trials and current-based testing are major components of the pre-delivery process and have made Ford's electrical systems the best among competitors.

DELIVERING QUALITY

Paint Pioneers:

- Ford leads the industry with fewer paint chips and scratches and better long-term durability, according to the GQRS.
- The Ford paint team examines competitive vehicles side-by-side against its own products to develop new technologies, pigments and coatings like the new Tuxedo Black coating used on the 2009 Ford F-150 that contains flakes derived from glass rather than metal.
- The company is pioneering new technologies, including an environmentally friendly anti-corrosion system that cuts paint shop water use nearly in half and reduces sludge production by 90 percent, as well as a three-part wet application process that reduces CO_2 emissions by 15 percent.

Interior Quietness:

- In four years, Ford's wind noise rating has risen to best in class, according to GQRS, due to a manufacturing/product development team focusing on closure systems.
- Improvements were achieved by moving sheet metal coordination upfront in the development process to ensure parts fit together, and by using a new inset door to eliminate the path where wind flow typically creates noise.