

FORD'S NASCAR TEAMS PREPARE FOR DAYTONA, P. 2

FORD

February 18, 2008

World

FRESH OPPORTUNITIES

New buyout packages provide chance for UAW-represented U.S. hourly employees to find new careers

RAVE REVIEWS

New products change perceptions at Chicago Auto Show, p. 3

NADA CONVENTION

Ford dealers meet with Farley and Fields in San Francisco, p. 4

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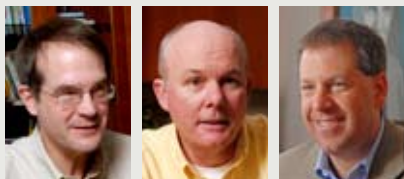
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Cover Photo

After 38 years with Ford, Mike Zimmicki (R) took a 2006 buyout and has found a successful new career with Metropolitan Lincoln Mercury in Garden City, Mich.

'Fiesta' is name of new Ford B-Car

When Ford's new global B-Car, first shown as the Verve Concept, premieres at the upcoming Geneva Motor Show (March 6-16), it will have a familiar name: Fiesta. The original Fiesta debuted in 1976 and has become extremely popular for Ford of Europe. The name is being retained to take advantage of the model's brand recognition and, like the car itself, will be the same in all Ford regions. "With the all-new Fiesta, we want to create a world standard for small-car quality, design and comfort in a vehicle that is as exciting to drive as it is to look at," said President and CEO Alan Mulally. "We believe this all-new model will attract a whole new generation of small-car buyers, whether they are in Britain, Spain, China or California. The new Ford Fiesta will set the standard for delivering to our customers products they really want and value while taking advantage of our wonderful global resources."



The production version of the Verve concept will be called the Fiesta.

Ford crossover named 'pet-friendliest'

Internet radio station DogCatRadio.com recently named the Ford Taurus X the country's "most pet-friendly vehicle." According to DogCatRadio.com owner Adrian Martinez, "The main criteria was safety." The Taurus X's top safety ratings from both the Insurance Institute for Highway Safety and the National Highway Traffic Safety Administration weighed heavily in the decision, said Martinez. Other reasons the Taurus X got the nod – roominess and the visibility it provides for pets. It's good news for Ford, as 47 percent of dog owners think of their pets when buying a car, according to a study by the American Kennel Club, and nearly 50 million U.S. households have a dog and more than 60 million have a cat.



The Ford Taurus X is ideal for pets and pet owners alike.

Ford continues support of NAACP Image Awards

Ford Motor Company sponsored the 4th Annual Hollywood Bureau Symposium last week at the Academy of Television Arts & Sciences in Hollywood. The symposium – designed to help educate college students interested in pursuing careers in the entertainment industry – is one of several events leading up to the 39th Annual NAACP Image Awards, which aired live on FOX Television Network last week. "Our support of the symposium and Image Awards program continues Ford's long tradition of empowering people through education and celebrating the many accomplishments of people of color," said Pamela Alexander, director, Community Development and Business Operations, Ford Motor Company Fund. "What we're trying to do is build the education roadway. We want to prepare as many paths as possible so that we can help young people realize their dreams no matter what those dreams may be."



Lincoln Mercury dealers to raise \$100K to fight cancer

The Philadelphia-area Lincoln Mercury Dealer Association recently committed to raising U.S. \$100,000 through a yearlong series of events called "Driving Towards A Cure." The money will go to the National Ovarian Cancer Coalition (NOCC). "The mission of this partnership is to raise funds and awareness and promote education about ovarian cancer," said Ken Toscano, chairman of the association. "There will be NOCC events that take place every month throughout 2008, all of which will be generously supported and sponsored by The Philadelphia-area Lincoln Mercury Dealer Association." In addition, the association will donate \$25 for each person who takes a test drive during one of the events.



Lincoln Mercury's Pei Wen Hsu; Anne Gutos, president, Southern N.J. Chapter, NOCC; Ken Toscano; and Mark Schirmer, also with Lincoln Mercury, announce the \$100,000 commitment to NOCC.

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Ford's Sprint Cup teams ready to race

BY TOM JENSEN

FORD World

Ford will enter the 2008 NASCAR Sprint Cup championship with one of its strongest squads in years: three full-time teams with eight Ford Fusions and their drivers.

As has been the case in recent years, the effort will be led by Roush Fenway Racing, the team that has won two of the last five NASCAR Cup championships. And within the team is a powerhouse lineup of drivers, all with impressive resumes:

- **Greg Biffle**, who has won championships in the NASCAR Nationwide and Craftsman Truck Series and was runner-up in the NASCAR Cup hunt in 2005
- **Carl Edwards**, the reigning NASCAR Nationwide Series Champion and a driver who has qualified for the Chase for the NASCAR Cup in two of the last three seasons
- **Matt Kenseth**, the 2003 NASCAR Cup Champion and one of only two drivers to qualify for the Chase in all four seasons of its existence
- **Jamie McMurray**, winner of the Daytona race last July and poised to have a breakout third season with Roush
- **David Ragan**, runner-up in the NASCAR Cup Raybestos Rookie of the Year competition last season

With the promotion of Kenseth's longtime crew chief Robbie Reiser to the position of general manager at Roush Fenway Racing, the team's prospects are brighter than ever.

Last year, Roush Fenway Racing began the season behind some other top teams on development of what was then called the Car of Tomorrow (a.k.a. COT and "the new car"). But the squad made tremendous strides with the COT in late 2007, and they've continued so far this year.

"I think with the move our company made putting Robbie Reiser in his new position has accelerated that program some," said Biffle of the development of the new car. "Certainly we've been working really hard on it."

"The Roush group was a little bit slow to get going at the start of the (2007) season, but there has been a huge effort on the part



Racer Greg Biffle tests his Ford Fusion prior to the Daytona 500, results of which were unavailable at press time.

of everybody there to pull together," said Biffle's crew chief, Greg Erwin. "We do a lot of team testing and sharing of ideas and have a kind of delegation from each of the five teams working on certain areas and pulling all of our information together. The ball really got going about midway through last year."

One of the most exciting developments in the Ford camp for 2008 is the restructuring of what used to be known as Robert Yates Racing. With the retirement of team founder Robert Yates at the end of the '07 season, his son, Doug, took over and brought in former Roush Fenway Racing general manager Max Jones as a 50 percent partner. Jones will have responsibility for overseeing Yates Racing on a day-to-day basis, while Doug Yates will continue to manage the hugely successful Yates-Roush engine program.

Yates Racing also has relocated to Concord, N.C., where it is leasing shop space from Ford racer Boris Said in a complex adjacent to Roush Fenway Racing. The Roush organization will build all of Yates Racing's Fusions, and the close proximity of the shops will aid in technology sharing and, hopefully, improved performance.

And, at the storied Wood Brothers operation, veteran Bill Elliott will continue to help the team get back on track and up near the front of the pack every week.

"Last fall, I ended up running a little bit more than I wanted to run, but I was trying to help Len and Eddie (Wood, team co-owners) out and trying to get things sorted out from that standpoint, and now I'm just trying to help them out a little bit at the start of the season," said Elliott. "They've got some plans as far as Jon (Wood) and Marcos (Ambrose) and trying to get all that done for the rest of the year, so, hopefully, we'll transition them in and it will all work out." ●

Latvala sets WRC record, wins Rally Sweden for Ford

BY RICK FRANKS

FORD World

BP Ford Abu Dhabi World Rally Team driver Jari-Matti Latvala made history by becoming the youngest driver to win a World Rally Championship race, taking the victory in Sweden on Feb. 10.

The 22-year-old Finn and co-driver Miikka Anttila claimed their maiden victory in the Swedish Rally in a Focus RS World Rally Car. Teammates Mikko Hirvonen and Jarmo Lehtinen were second and Ford

secured a clean sweep of the podium places as Gigi Galli and Giovanni Bernacchini were third in a Stobart-entered Focus RS.

Latvala's victory in this second round of the FIA World Rally Championship eclipses the late Henri Toivonen's win on the 1980 RAC Rally in Britain when the Finn was 24 years old. The maximum points score moves reigning world champion BP Ford Abu Dhabi into a 10-point lead in the manufacturers' standings. Hirvonen leads the drivers' standings by six points with Latvala tied for second. ●



Jari-Matti Latvala and Miikka Anttila on their way to victory in Sweden.

Ford earns praise at Chicago Auto Show

BY CHRIS RAHI KASSAB

FORD World

If media reaction to new products is an indicator of what people are thinking about Ford, the company passed the litmus test in Chicago, according to Mark Fields, president, The Americas.

"People are starting to believe in Ford again," Fields said after presenting the Ford Transit Connect and Ford Work Solutions to more than 300 journalists at the recent Chicago Auto Show.

Fields says he can sense the change from the kinds of questions journalists are asking him.

"The overall tone of the questioning has changed dramatically over the last 18 months," he said. "It went from skepticism and a lot of questions focused on, 'Are you going to survive?' to 'Okay, you're dealing with getting your business structure in place, now show us the product.' And that's a very, very different type of questioning."

Journalists who attended Wednesday's press conference were openly optimistic about Ford's future.

"Ford is on the comeback trail," said Dan Wiese, a reporter for the *St. Louis Post-Dispatch* and Fox 2 News in St. Louis. "I like the Edge. I love the Mustang. And the new Flex is a very intriguing vehicle."

Wiese also says that when he saw the Ford Flex, he thought it was very cleverly designed.

"You've got a polarizing design there that Ford desperately needs," he said. "Probably 80 percent of the people will hate the vehicle, but 20 percent will absolutely love it. The difference is they'll love it and they'll write a check for it."

David Finkelstein, a reporter for Emmis Broadcasting and New Times Publishing, was impressed by the new F-150.

"You've got some great innovations with it – a lot of forward thinking out of the box," he said referring to the Ford Work Solutions technology and other new smart features on the F-Series. "You don't see things like that on the Nissan Titan, the full-size Toyota or the Dodge Ram pickups. This is going to lure people into the dealerships I'm sure."



Car and Driver magazine chose the Ford Transit Connect as one of its most significant debuts at the Chicago Auto Show.



Mark Fields, president, The Americas, introduced the new F-150 and the revolutionary Ford Work Solutions at the Chicago Auto Show.

Anita Leinart, writing about Ford Work Solutions at Edmunds.com, said that "Automakers have long preached that vehicle interiors are the 'next frontier.' Ford proves it's a pioneer by one-upping the competition, at least on the truck side."

Doug Scott, manager, Product Planning and Marketing, Ford Truck Group, says Ford's leadership in the truck segment comes from really listening to customers.

"We're paying attention to what our customers are looking for and what they need," he said. "That's where Ford Work Solutions came in. We knew we needed to innovate outside of the vehicle, not just in terms of vehicle features, but in terms of services and software that could deliver productivity solutions."

Scott says the Ford truck team has always been focused on the three Ps: Power, Package and Performance, but now they've added a new "P" for Productivity.

"That's what today's customer is really looking for, and Ford Work Solutions is something that we don't think our competitors can easily copy."

Speaking of competitors, there are none for the new Ford of Europe-designed Transit Connect, according to Dave Gutman, manager, Sales and Marketing, Commercial Truck Sales and Marketing.

"We call it a 'white space' vehicle right now because there's nothing that can truly compete against it," he said. "The fact is, nobody has a small cargo van specifically designed on a commercial vehicle architecture that has proved in Europe that it can take the punishment of commercial vehicle operations."

George Schaefer Jr., owner of a fine wine and food shop in Chicago, agrees. His business was one of four selected to help communicate the Transit Connect story at the show. Ford worked closely with each of the businesses, customizing the vehicle inside and out to meet their needs.

"Parking and maneuverability are big issues downtown," Schaefer said. "Because of the vehicle's lower height (6 feet, 8 inches), you can get in and out of parking garages easier, and I think it will be a lot less intimidating to drive than a big truck. We'll probably be in the market for another truck next year, and this will definitely get our consideration. I think it will be the ideal thing."

Fields, Farley discuss profits, products with dealers at NADA

BY KRISTOPHER SPENCER

FORD World

Ford Motor Company leaders met with Ford and Lincoln Mercury dealers throughout North America in San Francisco during the National Automobile Dealers Association (NADA) Convention, held Feb. 9-11.

Mark Fields, president, The Americas, and Jim Farley, group vice president, Marketing and Communications, talked with dealers about products and profitability as well as the progress of the company's turnaround plan.

"Dealer profitability was the theme of NADA. We've had a very disciplined process over the past year to improve dealer profitability, such as keeping production in line with market demand. As a result, we're seeing dealers' bottom line improve," Fields said. "Going forward we have to work on our mutual profitability. And having a strong dealer network is critical."

Fields said dealer profits are up at both Ford and Lincoln Mercury, with Ford showing the first year-over-year increase in profits since 2001. He explained that profits were driven in 2007 by reduced floor plan, and the strategic goal for 2008 is to focus on revenue. The drive will be fueled by the launch of great new products like Lincoln MKS, Ford F-150 and Ford Flex; increasing sales of vehicles such as Lincoln MKX, Ford Edge and Ford Focus; and new and ongoing Ford Customer Service Division (FCSD) programs.



Jim Farley, group vice president, Marketing and Communications, stressed his confidence in Ford's new products.

Fields called attention to gains made in vehicle quality and residual values as key indicators of the company's progress toward profitability and revitalization. He also acknowledged that the company needs to manage its material costs better and leverage the small-car expertise of its successful Ford of Europe operations.

"We're taking advantage of our assets around the world to get world-class products to our dealers in North America," Fields said.

Fields also said the Ford leadership team is eager to work with dealers to drive showroom traffic, build brand consideration, increase market share and boost profit margins – an issue about which many dealers expressed concern.

"We have a healthy dialogue going about how we can improve dealers' margins, and by working together we'll get this done in a way that helps their profitability and our turnaround plan," Fields said.

What the dealers were saying at NADA

"We're seeing a renaissance at Ford Motor Company under Alan Mulally's leadership. The addition of Jim Farley has been a good one. His attitude about the way to get the job done is to bring the marketing dollars to the dealer level, which is the right direction."

Jim Seavitts, Village Ford, Dearborn, Mich.

"We've got some great new products now, and we've got great products coming. The biggest concern among dealers is the company being over-dealer. The dealer count needs to be trimmed to a manageable level so that all dealers are profitable."

Ron Loveys, White Oak Ford Lincoln, Mississauga, Ont., Canada

"I'm optimistic about the new products. The Flex is cool. Obviously, we need to be more competitive on mileage, but I think Ford is working on it."

Colleen Chapleski, Dean Arbor Ford-Mercury, Tawas City, Mich.

"I'm excited about the products coming out, and the vehicles we have now are pretty darn good. Now that Jim Farley is on board, I believe we'll get a nice boost. We're turning the corner and it's going to get really, really good. But I'd like to get a B-car a little sooner than expected."

Mark Smith, Dick Smith Ford, Kansas City, Mo.

"We're real excited about the new Lincoln and the Flex. The F-150 will be a home run – they got it right. I've been to all of the automaker booths (at NADA) and have seen their products. What Ford is getting ready to launch right now puts Ford in the best position of all of the automakers."

Rick Berry, Tate's Auto Center, Holbrook, Ariz.

An advertisement for Carlite SoundScreen Acoustic Windshield. The background is a blue-tinted image of a car's interior. The text reads: "Carlite® SoundScreen™ Acoustic Windshield. Escape to your quiet place. Enjoy your ride with advanced glass technology from Carlite, a leader in original-equipment auto glass. The SoundScreen acoustic windshield helps quiet traffic and road noise so you can enjoy a more comfortable ride. SoundScreen by Carlite is available on select Ford, Lincoln and Mercury models. Ask your auto glass retailer for more details on SoundScreen. Less Noise • OE Quality. Carlite. Because the name on the glass matters." The Carlite logo is at the bottom right, and the website carlite.com is at the bottom left.

Nine dealers saluted at NADA

Ford honored nine dealer principals with 2008 Salute to Dealers awards in conjunction with the NADA Convention, recognizing them for outstanding service to their communities. Salute to Dealers was established in 2001 and is conducted under the guidance of Edsel Ford II. Honorees are chosen from a field of more than 6,000 dealers across the United States and Canada. This year's honorees:

- **W. Kevin Collins**, Bill Collins Ford Lincoln Mercury, Louisville, Ky.
- **Joe and Paul Cotton**, Joe Cotton Ford, Carol Stream, Ill.
- **Jim Ellis**, Jim Ellis Mazda, Marietta, Ga., and Jim Ellis Mazda of Atlanta
- **David T. Fischer**, Suburban Ford of Sterling Heights and Waterford, Mich., Suburban Mazda of Sterling Heights and Troy, Mich., and Suburban Volvo of Troy, Mich., and Palm Beach, Fla.
- **Sam Galloway Jr.**, Sam Galloway Ford, Fort Myers, Fla.
- **John and Seana Holtz**, John Holtz Mazda, Rochester, N.Y.
- **Doug and Tom North**, North Brothers Ford, Westland, Mich., and North Brothers Lincoln Mercury, Troy, Mich.
- **Stuart Powell**, Stuart Powell Ford Lincoln Mercury Mazda, Danville, Ky.
- **Allan Vigil**, Allan Vigil Ford, Morrow, Ga., and Fayetteville, Ga.



Edsel Ford II (C) and Ford Motor Company recognized outstanding individuals at the 2008 Salute to Dealers awards, including Doug North (L) and Tom North, of North Brothers Ford.

NADA also served as Ford and Lincoln Mercury dealers' introduction to Jim Farley, who spoke about his decision to leave Toyota to join Ford.

"This is like coming home for me," said Farley, whose grandfather was a Lincoln Mercury dealer in Detroit. Farley also invited dealers to contact him directly via e-mail. "I have a deep connection with the company, and my family – just like yours – depends on its success."

Farley also expressed excitement about Ford and Lincoln Mercury products and talked about some of the company's product marketing plans for 2008.

"I have utter confidence in the products that Ford has coming. They really will distinguish Ford as a car company," Farley said, adding that growing market share is the leadership team's No. 1 priority as it works with dealers to restore North American profitability.

Dealer-integrated marketing efforts, with an emphasis on regional campaigns and increased local ad spending, will support launches for

Ford Flex, Ford F-150 and Lincoln MKS, Farley explained. He also talked about how the company's advanced technologies, such as EcoBoost and SYNC, will distinguish the vehicles in a crowded marketplace.

"People who have seen the technology on the F-150, Flex and MKS are blown away by it," Farley said. "We need to tell more people and we will."

Farley also discussed the development of a Tier III co-op program to generate more local ad spending while at the same time implementing advertising guidelines to promote the brand. It is anticipated this program, which will launch in April, will generate significantly more Tier III advertising in 2008.

"We'll work with dealers to increase local advertising – digital, print, whatever it takes – because it's a perfect time with new products coming to market," Farley said. "This will be a big lift for dealer businesses."

In addition, Farley spoke about the ongoing reduction in complexity of orderable configurations, the launch of the Owner Advantage customer loyalty incentive program and vehicle personalization.

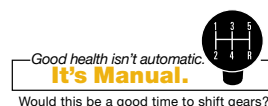
"The Flex and Focus are dealers' biggest opportunities to grow profit through vehicle personalization," Farley said, adding that he also sees big opportunities for Quick Lane and Extended Service Plans (ESP).

Both Fields and Farley talked about how dealers are very much a part of the One Ford plan going forward, particularly because the half million dealer and company employees form a powerful vocal advocacy group for the company's products and services.

"One Ford means one plan to invest in products that people want to buy," Farley said. "I'm confident that by working together we'll be able to help each other." ●



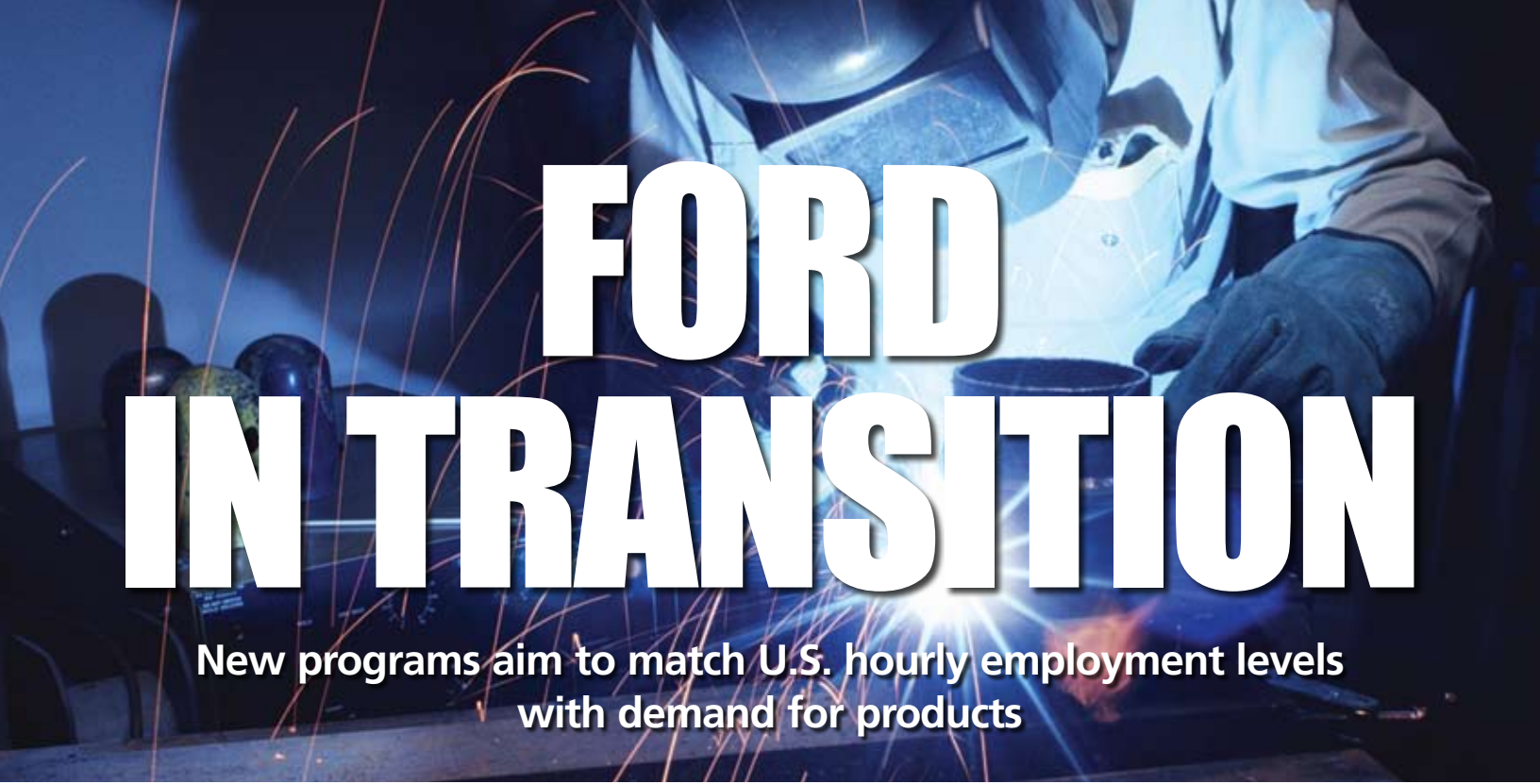
Pei-Wen Hsu, Marketing Manager



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A message from Ford Healthcare Management





FORD IN TRANSITION

New programs aim to match U.S. hourly employment levels with demand for products

BY ROBERT MUSIAL
FORD World

In an effort to right-size its North American business and achieve its goal of automotive profitability in 2009, Ford Motor Company is working together with the

United Auto Workers to offer 10 different voluntary retirement and separation packages to its hourly UAW-represented U.S. employees.

The buyouts are part of Ford's aggressive and ongoing restructuring effort to better align its vehicle-production capacity with the market demand for its cars and trucks.

They are also needed to create openings to accommodate employees transferring from Ford facilities that already have been closed or are being idled in the near future, and to accommodate the flow back of employees from Automotive Component Holdings (ACH) facilities, which will be sold or closed by the end of this calendar year.

Based on length of service and available to all 54,000 of the company's UAW-represented hourly employees, the packages include special retirement incentives, tuition reimbursements toward two- or four-year degrees or lump sum pre-tax payouts, some with options to continue health care coverage. Another plan offers a family scholarship fund of up to \$100,000 to be used within 10 years. See more details of the packages on pages 8 and 9.

The buyout window opens for

hourly employees on Feb. 19, and those interested have until March 18 to choose one of the programs. Employees who accept one of the plans are expected to leave Ford beginning April 1 of this year. The transition will continue over the course of a few months and is expected to be primarily complete by July – fully complete by the end of the year.

Joe Hinrichs, group vice president, Global Manufacturing, said the buyouts are part of the plan to get Ford's North American operations back in the black.

"We recognize the need to make the changes that are necessary based on the market demand for our products. We are committed to that," said Hinrichs.

"We must also continue to run our business more efficiently, because our customers expect us to offer more for less every year. That is just the competitive nature of our industry," he said.

Like Hinrichs, Marty Mulloy, vice president, Labor Affairs, credited the UAW for its role in the effort.

"We view the UAW as a partner in trying to figure out exactly how we're going to work through a very difficult time to get the company back in shape," he said.

Ford and the UAW worked together to develop the 10 buyout packages.

Bob King, UAW vice president and director of the National Ford Department, agreed that the packages were needed.

"Because of the loss of market share and because the economy is so bad, there aren't enough jobs for everybody," he said.

"Ford has really stepped up by offering people a number of voluntary packages that would allow some higher seniority people who want to go, to go now. It would allow some people to go back to school and others to start businesses. And then, those who want to stay at Ford will be able to stay at Ford rather than being laid off."

– Bob King, vice president, United Auto Workers

King added that the packages are very fair. "Working with the UAW, Ford has really stepped up by offering people a number of voluntary packages that will allow some higher seniority people who want to go, to go now. It will allow some people to go back to school and others to start businesses. And then, those who want to stay at Ford will be able to stay at Ford rather than being laid off," he said.

"From my perspective, this treats our members and Ford employees the best way we can under really difficult circumstances," said King.

In addition, the UAW and Ford have created a comprehensive outreach program to help hourly employees consider and choose the offer that is best for them and their families.

The outreach includes a DVD that will be mailed to employees' homes at the end of February. The DVD contains videos on growing industries and vignettes of former Ford workers who have successfully transitioned to the next phase of their lives. It also shows employees how to market themselves for new careers.

A special edition of *FORD World* called *Your JobConnection* complements the DVD materials, offering information on growing industries, job opportunities and more.

Hourly employees can also access the Your JobConnection Web site, which provides "one-stop shopping" for those considering a buyout offer.

JobConnection events at many plant facilities will feature local employers and educational and franchise organizations. Larger, regional JobConnection events to bring together interested employees with new employers and entrepreneurial and educational opportunities are also being planned.

To further help employees with their future, JobConnection live webcasts will also be available during the open window via the Internet and Ford intranet. These 30-minute programs will feature guest employers, industry experts and former Ford employees answering often-asked questions from those contemplating a buyout offer and interested in seeking a new life after Ford.

Hinrichs said the retirement offer has been enhanced to incentivize more of the 12,000 Ford employees who are eligible to retire to consider the package. "We are currently investigating additional tax-efficient ways for our employees to receive their Special Retirement Incentives," said Hinrichs.

The offers are necessary to create openings that will allow employees to transition to new facilities from plants that have been closed or are being idled, and from ACH facilities.

"It's important for us to be able to accommodate those ACH employees who want to come back to Ford by creating openings inside of Ford," said Hinrichs. "We also encouraged our ACH employees to take advantage of other options they have – taking a buyout package or continuing employment with the companies that buy their plants."

"We recognize the need to make the changes that are necessary based on the market demand for our products. We are committed to that. We must also continue to run our business more efficiently, because our customers expect us to offer more for less every year. That is just the competitive nature of our industry."

– Joe Hinrichs, group vice president, Global Manufacturing

Under the current master agreement with the UAW, hourly employees from ACH facilities have the opportunity to transfer to Ford facilities before any new hires will be made.

Those ACH employees at plants that are sold will also be able to choose from two additional jointly developed programs specially designed to address this unique situation.

"What I'm especially proud of in Ford, and I give the Ford leadership team and the family a lot of credit, is the way that ACH has been handled. In my opinion, it's been handled humanely and cooperatively," said King.

Ford is still forecasting a return to automotive profitability next year, and the buyouts currently being offered are part of the drive toward that goal as the company better matches its capacity to demand.

Having employees depart over a period of several months rather than all at once enables Ford to maintain production efficiency and quality.

Hourly employees at plants that have already closed – Atlanta, St. Louis, Edison, N.J., Maumee, Ohio and Norfolk, Va. – began to contemplate buyout or relocation offers in late January and their deadline to decide is this week.

Hinrichs said he was grateful that the UAW understood Ford's current business situation.

"We have a partnership and we deal with issues openly and together and we look for solutions that can work for both parties," said Hinrichs.

"We don't agree on everything. But, in the end, we know that there are hundreds of thousands of people counting on us to work these issues out in the best manner possible for everybody," he said. ●



The health care field offers many opportunities for Ford employees who take a buyout package.

UAW-FORD HOURLY EMPLOYEE VOLUNTARY BUYOUT PROGRAMS

ENHANCED RETIREMENT PLAN INCENTIVE (ERPI)

Payable from the UAW-Ford Retirement Plan, ERPI provides eligible active employees a retirement incentive having a pre-tax gross value of \$50,000 for production (non-skilled) employees or \$70,000 for skilled trade employees. Employees must:

- **Have 30 or more years of credited service, or**
- **Be at least age 55 and have 10 or more years of credited service, or**
- **Be at least age 65 and have one or more years of credited service.**
- Eligible employees will have the following options available to direct the incentive payment distribution:
 - "Rollover" the total distribution into an Individual Retirement Account (IRA), TESPHE, or another tax-qualified plan; or
 - Receive the total distribution in cash less 20% for mandatory Federal withholding; or
 - Elect to receive the incentive payment as a monthly annuity benefit. (Single employees will receive the annuity benefit in the form of a single life annuity while married employees will receive the annuity based on a 75% joint and survivor benefit option; no contingent annuitant option is available.)
- If the eligible employee is married, notarized spousal consent will be required for the incentive payment distribution as a lump sum or rollover.
- Appropriate deductions for taxes and/or other legally required actions, such as a Qualified Domestic Relations Order (QDRO), may be withheld from the payment distribution.

SPECIAL EARLY RETIREMENT PLUS (SER PLUS)

Employee granted additional years of credited service for benefit computation purposes based upon length of his/her service:

- **Break in service less than or equal to one year = employee is granted one additional year of credited service.**
- **Break in service greater than one year but less than or equal to two years = employee is granted two additional years of credited service.**
- **Break in service greater than two years = employee is granted an additional three years of credited service.**
- **Total credited service, including additional years added due to break in service, not to exceed 30 years.**
- Employee must reach age 50, but not normal retirement age, between the dates of March 31, 2008, and Nov. 30, 2008, and have 10 or more years of credited service, between the dates of March 31, 2008 and Nov. 30, 2008, under the UAW-Ford Retirement Plan and have a break in service of greater than one day.
- Provides unreduced life income benefits for the life of the retiree for those with less than 30 years of service.
- Employees with 30 years of credited service after the additional service credits as described above will be processed as a "30 & Out Retirement" and will receive their life income benefit and supplements accordingly.
- Employee's earliest retirement date will be May 1, 2008.
- Employees may grow into eligibility conditions until Nov. 30, 2008.

FOLLOWING THE PLAN

In a changing business environment, Ford's buyout programs are aimed at helping both the company and its employees adjust to new realities. For the company, the buyouts are directly in line with the first prong of Ford's four-point plan for success: aggressively restructure to operate profitably at the current demand and changing model mix. For UAW-represented U.S. hourly employees, the wide variety of available packages was designed to help them achieve their own long-term success in a way that balances their needs with those of Ford. Read on for more about the basic elements of these 10 packages.

For videos and up-to-date information about the special programs and incentives, go to <http://employees.ford.com> or www.newlineofwork.com.

SPECIAL EARLY RETIREMENT (SER)

Provides unreduced life income benefits for the life of the retiree, temporary benefits payable until age 62 and one month, and any applicable supplements based on the provisions of the UAW-Ford Retirement Plan.

- Eligibility requirements are:
 - Active employees who are age 50, but not normal retirement age, and
 - Who have 10 or more years of credited service under the UAW-Ford Retirement Plan.

SPECIAL TERMINATION OF EMPLOYMENT PROGRAM (STEP)

Employees with at least one year of seniority receive a lump sum pre-tax payment of \$100,000 (retirement-eligible employees must wait 23 months before retiring).

- Provided with basic healthcare coverage for a period of six months.

PRE-RETIREMENT LEAVE PROGRAM (PRLP)

Active employees with at least 28, but less than 30, years of credited service receive 85% of straight-time pay while on PRLP, and do not report to work.

- Ends with retirement when the employee has 30 years of credited service.

ENHANCED SPECIAL TERMINATION OF EMPLOYMENT PROGRAM (ESTEP)

Terminating active retirement-eligible UAW-Ford employees with at least 30 years of credited service under the UAW-Ford Retirement Plan or who are at least 55 years old with at least 10 years of credited service will receive a lump sum pre-tax payment of \$140,000.

- No retirement waiting period.
- Provided with basic healthcare coverage for a period of six months.
- Ineligible for post-retirement healthcare or any ancillary retirement benefits.

EDUCATIONAL OPPORTUNITY PROGRAM (EDOPP)

Terminating employees with at least one year of seniority can receive the following benefits for up to four continuous years or for duration of participation in EDOPP:

- Annual tuition reimbursement(s) up to \$15,000.
- Annual living expense stipend equal to 50% of the employee's annualized straight-time hourly wage rate at time of termination (50% x 2,080 hours x the employee's straight-time hourly wage rate at time of termination, excluding COLA).
- Continuation of healthcare coverage (hospital, surgical, medical, drug, vision, hearing and dental) for program participants, their spouses, and eligible dependents.
- Life insurance coverage up to a maximum of \$50,000 for the duration of participation in the EDOPP.
- Continuation of A-Plan privileges.
- Preferential rehire consideration for five years after completion/discontinuation in EDOPP.

"From my perspective, this treats our members and Ford employees the best way we can under really difficult circumstances."

– Bob King, vice president, United Auto Workers

FOCUSED EDUCATIONAL OPPORTUNITY PROGRAM (FEDOPP)

Terminating employees with at least one year of seniority can receive the following benefits for up to two continuous years or for duration of participation in FEDOPP:

- Annual tuition reimbursement(s) up to \$15,000.
- Annual living expense stipend equal to 70% of the employee's annualized straight-time hourly wage rate at time of termination (70% x 2,080 hours x the employee's straight-time hourly wage rate at time of termination, excluding COLA).
- Continuation of healthcare coverage (hospital, surgical, medical, drug, vision, hearing and dental) for program participants, their spouses, and eligible dependents.
- Life insurance coverage up to a maximum of \$50,000 for the duration of participation in the FEDOPP.
- Continuation of A-Plan privileges.
- Preferential rehire consideration for five years after completion/discontinuation in FEDOPP.

FAMILY SCHOLARSHIP PROGRAM (FSP)

Active employees with at least one year of seniority who agree to voluntarily terminate or retire under this program receive:

- Up to \$100,000 to fund scholarships for tuition for certain eligible family members (spouse, children or stepchildren, grandchildren or step-grandchildren).
- Funding is available for a period of 10 years from the employee's termination or retirement date under this program.
- Scholarship payments will be paid as net amount after applicable taxes have been taken out.

ENTREPRENEUR SPECIAL PROGRAM (ESP)

Applicable to active employees with at least one year of seniority but less than 25 years of seniority who are at work on or after Nov. 19, 2007.

- Provides a lump sum \$50,000 payment (less applicable taxes and offsets) and the employee's choice of one of two healthcare options:
- Five-year continuation of employee's present healthcare coverage (subject to the same changes or modifications, should any occur). Coverage does not continue, nor does surviving spouse receive coverage if a participant dies during this five-year period; or
- Seven-year basic/catastrophic healthcare plan (same as plan offered to hourly retirees who do not pay the contributions or co-pays associated with the national PPO/HMO retiree plan design; and subject to the same changes or modifications, should any occur). Coverage does not continue, nor does surviving spouse receive coverage if a participant dies during this seven-year period.
- Coverage will commence upon termination.
- Employees eligible for a regular early retirement benefit upon termination shall not be permitted to retire until the first of the month 12 months following the employee's termination ("Allocation Period"). On and after the retirement effective date, the employee shall become eligible for post-retirement healthcare and life insurance on the same basis as other retirees retiring at the same time, with or without incentive, and eligibility for the active healthcare coverage selected under ESP shall cease.
- Employees taking this special program will remain eligible for A-Plan privileges under the same terms and conditions as an active UAW employee.

Web site is resource for employees considering new careers

BY MICHAEL COLLINS
FORD World

A new and improved one-stop Web site called “Your JobConnection” has been created for Ford employees considering buyouts and looking for new career directions and opportunities.

Complete with links to various employment Web sites, Your JobConnection offers career tips, insights into new career opportunities, information on educational programs and a calendar listing the latest news on job fairs and other events.

The site is available for employees with a CDS ID at <http://employees.ford.com>. Or they can access the Web site externally by going to www.newlineofwork.com and clicking on the Your JobConnection icon.

The Your JobConnection homepage features three main sections: **Latest Job Listings**, **JobConnection Channel**, and **Job Fair & Event Calendar**.

Under **Latest Job Listings** employees can search for jobs by job title, industry or specific company. This section also allows users to hotlink directly to a company’s Web site for more information and to apply for jobs online.

For employees interested in pursuing careers outside of the automotive industry, an area called **JobConnection Channel** is available. The videos in this section give viewers an inside look at numerous high-growth careers including health care, manufacturing, automotive dealerships, transportation and more.

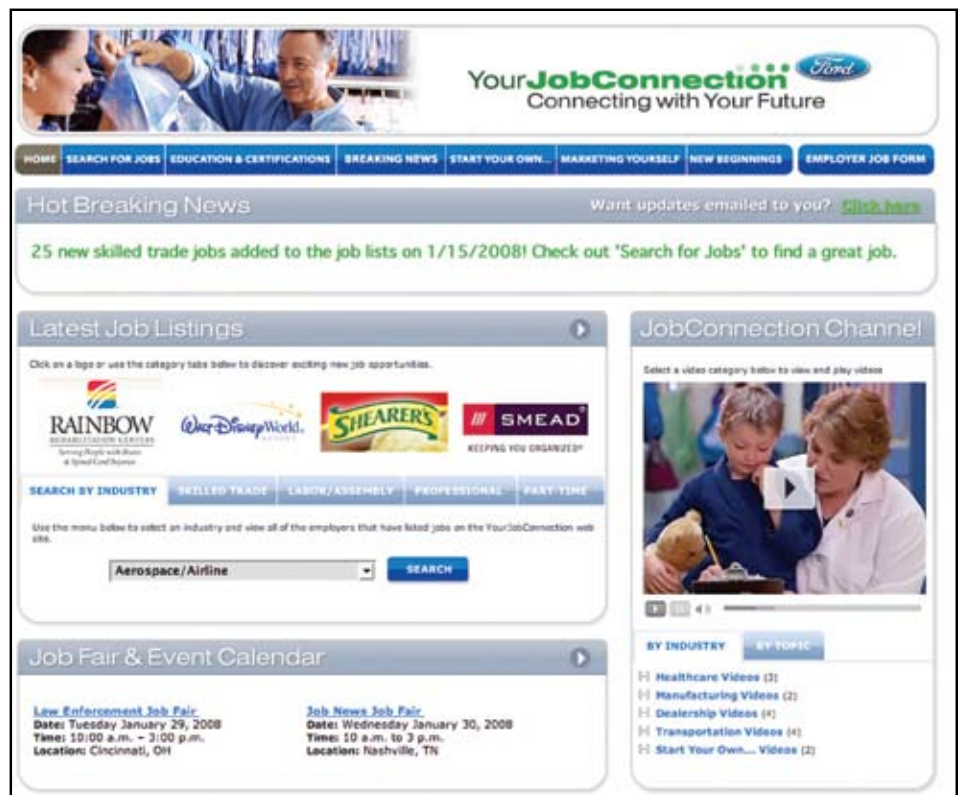
This section also includes video stories that profile a “Day in the Life” of employees in various industries, as well as interviews with former Ford hourly employees who have accepted Ford buyouts in the past and are enjoying new careers or exploring future opportunities.

The **Job Fair & Event Calendar** lets viewers learn about job-related happenings in their area. They can search by date or region to find events that best fit their schedule.

For those looking to start a new business, a section called “Start Your Own...” shows where viewers can find free or low-cost resources. It also shows how Ford employees can leverage their skills and experiences to start a franchise or begin a new business venture.

Finally, to help viewers decide if accepting a UAW-Ford buyout is the right decision for them and their family, the “New Beginnings” section features interviews and personal perspectives from former Ford hourly employees who explain how and why they came to their decisions and how they have connected to their future today.

Updated daily, the Your JobConnection Web site is a great source of information and education for all Ford hourly employees. So check it out! ●



The Your JobConnection Web site can help employees investigate a wide range of new career opportunities.

Bob King
Marty Mulloy
Joe Hinrichs



"I'm really excited about Alan Mulally's vision that we're going to right-size this company and then we're going to move back up."

– Bob King, vice president, UAW



As part of its plan to return to profitability, Ford soon will be offering enterprise-wide buyout packages to eligible UAW-represented U.S. hourly

employees. Here, the company's Marty Mulloy, vice president, Labor Relations, and Joe Hinrichs, group vice president, Global Manufacturing, along with UAW Vice President Bob King, explain how the move is good for both the company and its people.

Q: Ford and the UAW agreed last year on packages similar to those being offered again. Why is it important to offer these packages now?

BK: Because of the loss of market share and because the economy is so bad, there aren't enough jobs for everybody. Working with the UAW, Ford has really stepped up by offering people a number of voluntary packages that would allow some higher seniority people who want to go, to go now. It would allow some people to go back to school and others to start businesses. And then, those who want to stay at Ford will be able to stay at Ford rather than being laid off. From my perspective this treats our members and Ford employees the best way we can under really difficult circumstances. It is the most humane way to do it.

JH: And this year is very important because this is a year we're finalizing most of the sales of the Automotive Component Holdings (ACH) plants. It's important for us to be able to accommodate those ACH employees who want to come back to Ford by creating openings inside of Ford, net of the market share changes and other volume changes associated with the business. We also encouraged our ACH employees

to take advantage of other options they have – staying with the companies that buy their plants or taking the buyout packages. But as Bob said, we want to accommodate those who wish to stay at Ford.

Q: Are these the same packages that were offered to employees during the last round of buyouts?

MM: Quite a few of our employees are retirement eligible and we have enriched the retirement program that previously offered U.S. \$35,000 to everyone, skilled trades and non-trades. We've upgraded that to \$50,000 for the non-trade employees and \$70,000 for those with trades. We think that change might make retirement more attractive to those employees who were considering retirement right now anyway.

I also think it's important to mention, based on the comments Bob and Joe just made, that we don't view this as a program we will continue to offer. We've had a very good response to the last program. We have another opportunity now. And we have a responsibility to try to make positions available as we sell our ACH plants. After that our goal is to get back to normal, where we're not incentivizing people to leave the company.

JH: We are currently investigating additional tax-efficient ways for our employees to receive their Special Retirement Incentives.

Q: What is the thinking behind the education packages being offered?

BK: That's a great program that no other company is offering and that Ford and the UAW put together for our members who have always wanted to go back to school. They may have thought about a different career – whether it was in engineering, nursing, teaching or any of a number of other

areas. This program allows them a great opportunity to go back to school, get their tuition covered, and still have an income and health care coverage. It's a great opportunity. I'm really proud that the UAW and Ford are able to offer this to our members.

Q: Why would someone decide to take a package this time if they didn't take one last year?

JH: There are several reasons. First, at this time they may now be retirement eligible or more interested in retiring. Their lives or interests may have changed. They may now want to take advantage of the educational opportunities or start their own businesses. They may also have seen what's going on with folks who took the packages last year and noticed that many have gone on to other careers and had success. Finally, I think we have a responsibility – both the UAW and Ford – to create an opening for the ACH employees coming back so that we can work through that together. After the last national contract we did together, it's very important that we create openings for people so that we can handle the job security provisions in the contract in the most humane way.

Q: How will you roll out this program to employees?

BK: We jointly send teams out to explain all the programs to the membership and take questions and answers. We have put



together a Web site. There are written communications. We want people to be fully informed on what the options are.

JH: We also are going to hold job fairs at some locations and we are encouraging potential employers to come in and talk to our employees, so they can really look at what skilled trade opportunities there are out there. We want to communicate real clearly what the options are and we want to make sure that all employees – especially retirement-eligible employees – understand the benefits of the packages we're offering. In many instances, if you do the math, we have retirement-eligible employees who could be earning almost as much taking the package as they do working, and we want to make sure we explain that to people.

MM: Joe's right. In fact, we've got a very informative DVD that's done by a professional tax advisor to explain the benefits of retirement versus ordinary income and how that all stacks up. It's very well done.

BK: Working together, the UAW and Ford are saying there are great opportunities to work in the community and help other people after many years of having the benefits of the UAW-Ford agreement in wages and benefits. I'm excited that some people will take that opportunity, whether it be for Habitat for Humanity or some church group. And there are a lot of employers that need skilled tradespersons. Some people might want to relocate to a different part of the country. There are great opportunities. And their families are going to be extremely well served with the incentive that we're offering – the \$70,000 – plus the wages that are in the industries that they can hire into, plus their pension program. People are going to be in really great shape.

Q: As many of our employees leave the company, how do we maintain and improve the quality of the vehicles we're building?

JH: Right from the beginning when the UAW and Ford talked about the buyout packages the first time around, we sat down together and talked about how we were going to work together to manage this churn and to do so in a way that not only minimizes the impact on quality but actually in a way quality is improved. The data speaks for itself. We are really proud of the results all of our teams have put together. The amount of churn that took place last year was historic for Ford and the UAW, but our quality improved. It just goes to show that when we stay focused and we work together – and I mean it's very important that we work together on this – that we get the kind of results that we might not have thought were even possible before. We'll have the same focus, the same processes, the same joint cooperation and commitment this time around, with some experience and learning from last year. I don't think our people are going to let that change. They're not going to let that happen.

BK: It is exciting and unique to see the amount of buy-in and ownership there is to quality by both the UAW and Ford. After I got this assignment, UAW people involved in the quality process at Ford came to me and said, 'Hey, we've really got to jump on top of this churning. We need a plan.' We are extremely proud of the job our members have done by working together with their local management and nationally working together to keep quality. We are all extremely committed to continuing to improve the quality of Ford products.

Q: The auto industry is still struggling. What is your prediction for the year to come?

JH: We cannot stand still. We already talked about the flow back to Ford of ACH employees and being able to facilitate that in a very critical year when we've said that by the end of the year we would close or sell all ACH plants. We also recognize a need to make changes that are necessary based on the market demand for our products. We are committed to that and it's helped our business results. We must also continue to run our business more efficiently, because our customers expect us to offer more for less every year. That is just the competitive nature of our industry. And longer term, we jointly negotiated a contract last year that enables entry-level hires and we're all interested in that growth of employment and bringing new people into our business. The more we can get ourselves organized, the closer we'll come to that day when we can



Joe Hinrichs

actually hire again. So, there are a lot of reasons why this is important to us and why it's such a critical year and why we did up the ante on the retirement packages. Because this is the year when we think this is our last enterprise-wide buyout, so that we can then jointly set ourselves up for the future.

Q: What would you tell an employee who says, 'Well, Ford is supposed to do better in 2009. They're supposed to achieve a profit. I think I'll wait until next year to see what kind of packages you offer.'

BK: What I'd say is that my honest expectation is that there will not be additional packages company wide. It's really important that we communicate that from all of our best intelligence this is the last set of packages people are going to have for a long time. We want to be hiring and bringing new people in.

JH: From what we know today – and as Bob said, the best intelligence we have – our plans going forward don't call for the same kind of package expectations that we have this year. And, again, the biggest difference is having to address the ACH issues this year.

Q: Encouraging people to consider these packages, at some point, could translate into fewer members for the UAW. What would you say to people who ask if this is really a smart thing to do?

BK: In my opinion, it's about being honest with yourself and with your members, and it's about the UAW and Ford working together. I'm really excited about Alan Mulally's vision that we're going to right-size this company and then we're going to move back up. And our sales are going to go up, our employment is going to go up, the UAW membership will go up. So, we've got to right-size to stay in business and be profitable. We've got to right-size so we have the money to invest in new products and new facilities then move forward together and grow together.

Q: What is the difference between the way Ford is handling separations in a situation like this versus some other manufacturers?

BK: Well, let me comment first. You know, all three of the companies are handling situations in a very humane way. All three of them are offering packages. What I'm especially proud of in Ford and give the Ford leadership team and the

family a lot of credit for the way that ACH has been handled. In my opinion it's been handled much better, much more humanely, much more jointly than Delphi was. And, to Ford's credit, as Joe has said three or four times in this Q&A, these buyout packages are largely driven so we make sure that we can live up to our commitments to the ACH members who want to flow back to Ford, that they can be 'blue coverall' and can be still part of the Ford master agreement.

MM: I think one differentiating factor, among many, would be the transparency of exchange of information with the union. And the frequency and the level of engagement of senior management, where the leaders like Joe, Mark Fields and others engage in discussion and exchange information so people understand what the challenges are for the enterprise.



Marty Mulloy

We view the UAW as a partner in trying to figure out exactly how we're going to work through a very difficult time to get the company back in shape.

JH: I would add that we have a partnership and we deal with issues openly and together and we look for solutions that can work with both parties. That doesn't mean that they're easy issues to resolve, and I appreciate very much the UAW's understanding of our current business situation and the need for us to continue to restructure and deal with the ACH issue. At the same time, we all have the same vision: make this business profitable again so that we can enjoy profitable growth for all. And the 'all' is very important because it includes suppliers, the employees, the unions, the dealers, everybody. And so that's what we're about. So, it's a partnership and that's how we approach it.

Q: Is there anything else you want to say?

JH: I believe we have learned that if you can trust each other and talk openly about the issues, you can get through the tough times. We spend a lot of time together and we've got to trust each other and respect each other's positions and perspectives. We don't agree on everything. But in the end we know that there are hundreds of thousands of people counting on us to work these issues out in the best manner possible for everybody. And we let hundreds of thousands of people and families down if we don't approach that in a way that's going to find the best solution for everybody. ●

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Hawaii Queens Tour departing the first Monday Monthly: Join others from FERA in 2008 on this 15-day vacation. Start in +Honolulu and spend 5 nights in Waikiki, 3 on Kauai, 2 on Maui, 1 in Hilo and 3 in Kona on the 'big-island-of-Hawaii.' Includes hotels, inter-island flights, escort and sightseeing on every island. Ask to be part of the FERA group. **Prices from \$1428***. Seasonal rates may apply.

Alaska Cruise and Pacific Northwest Vacation: Depart 2008 on this 15-day vacation on a 7-day cruise on Holland America Line and a 7-day motor coach tour of the Pacific Northwest. Sail the inside passage stopping in Juneau, Skagway, Glacier Bay, and Ketchikan. Motor coach with daily included sightseeing in British Columbia; The Cascade Mountains; Grand Coulee Dam; Montana; West Yellowstone; two days in Yellowstone National Park; Grand Teton National Park; Jackson Hole, Wyoming; and Salt Lake City, Utah. **Prices from \$1883***.

*Add \$150 for June and August departures. Add \$300 for July departures. Plan now for the best departure dates May through September.

Canadian Rockies, 14 Days – Departs June, July, August, 2008: There's more than just the Canadian Rockies on this 'cool' vacation. You'll spend a week in the Canadian Rockies and another week in the American Northwest. Start in Sioux Falls for a scenic three-day drive to Calgary, Alberta. Visit Fargo and Bismarck, North Dakota; Saskatchewan and the Royal Canadian Mounted Police Academy. Canadian Rockies sightseeing includes: Calgary; Lake Louise; Banff National Park; Bow Falls; Cascade Gardens; a SnoCoach ride over the Columbia Ice Fields; Kananaskis Country; Waterton Lakes National Park and more! There's also Custer's battlefield at the Little Big Horn; Black Hills National Forest; Deadwood; Mt. Rushmore, Badlands National Park; and more! **Prices from \$1148***.

National Parks Tour of the Golden West, 15-Days: Depart Saturdays in July or August 2008. Start in Salt Lake City and visit six national parks: Yosemite, Sequoia, Zion, Bryce Canyon, Arches, and Canyonlands National Parks. You'll also visit Fresno, CA; Reno; Carson City; Pyramid Lake; Virginia City; Lake Tahoe; and Las Vegas, Nevada; a city tour of Salt Lake City including Mormon Square; The Beehive House; Great Salt Lake; Kennecott Copper Mine; and more! **Prices from \$1048***.

*Prices per person, based on double occupancy; includes all taxes and port charges. Airfare is extra, call for details.

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Year-over-year sales of the Mondeo doubled in January.

Ford of Europe January sales up in a down market

Ford of Europe made a positive start to 2008, increasing sales in its main 21 markets by 1.5 percent, to 142,460. In a reduced overall market, Ford's January share was at 9.0 percent. The Focus was Ford's top-selling model, selling over 37,100 units, but it was the new Mondeo that turned in the most stunning performance, with sales leaping more than 50 percent to 16,800. Elsewhere in the Ford range, the Fiesta sold 29,380 units and C-MAX sales increased to 10,400. Britain was the company's top market, with sales exceeding 33,230 and market share reaching 17.6 percent. The largest volume increase was in Turkey, where sales rose almost 45 percent to 5,160, for a market-leading 17.7 per cent share, Ford's highest in Europe.



The Ford F6X offers horsepower and torque unmatched in its segment.

Ford Performance Vehicles launches F6X in Australia

Ford Performance Vehicles (FPV) has set a new benchmark in performance motoring with the launch of the F6X, the most powerful six-cylinder SUV in the Australian market. Powered by the class-leading high-performance F6 270 Turbo 4.0-liter DOHC I-6 engine, the F6X produces 270 kW of power (about 362 hp) and 550 Nm (approx. 405 lb.-ft.) of torque, figures that are unmatched by any local or imported luxury six-cylinder SUV equivalents. The Australian-designed and -engineered F6X is the first non Falcon-based vehicle produced by FPV, extending the brand into a new market. "FPV has delivered a vehicle that combines the powerful performance of a turbocharged I-6 with luxury sports design cues and outstanding driving dynamics to create the ultimate sports luxury SUV," said Rod Barrett, general manager, FPV. "It is priced well below its imported luxury equivalents, but still delivers the high performance and luxury enhancements expected from a premium SUV vehicle."



Changes to U.S.-China Ford A-Plan process

David Thomas, director, North America Order Management and Sales Planning, recently announced that U.S. Ford employees' family members living in China will be able eligible for discount pricing on Ford vehicles there, while U.S. family members of Ford China Operations employees will be eligible for the discounts here. "It is hoped that the Ford China A-Plan will encourage Ford China employees and their direct family members to own and drive Ford vehicles," says Andrew Jackson, vice president, Human Relations, Ford Motor (China) Ltd. "The purchase of S-MAX, Mondeo and Focus at cost with no dealer mark-up represents very good value for the money." Under the plan, a U.S. employee's immediate family member in China starts the process by completing the ChangAn Ford Mazda (CFMA) A/X Plan application form available on U.S. HR Online. Family members of Ford China Operations (FCO) employees wanting the A-Plan pricing discount in the U.S. should begin by contacting FCO Facility Coordinator Michael Huang (ZHUANG6@ford.com). In either case, proof of the family member's relationship to the employee is required before the vehicle can be sold at dealer cost. Eligible family members include a spouse, mother, father, brother, sister and children – not aunts, uncles, cousins, grandparents or in-laws.



Bernt Ejbyfeldt will be the new head of purchasing for Volvo Cars.

Volvo appoints new senior VP of Purchasing

Bernt Ejbyfeldt has been named senior vice president, Purchasing, at Volvo Cars. He will assume his new position March 1, 2008. For the past five years, Ejbyfeldt, 50, has been CEO of Konstruktions-Bakelit AB, a privately owned industrial company and supplier for the car industry based in southern Sweden with 350 employees. He previously worked 25 years at Volvo Cars, starting as a factory worker at the age of 20 then, after completing his education, working in Volvo Purchasing from 1988-2003. "It will be really nice and interesting to come back and bring with me the experience from the supplier perspective," says Ejbyfeldt.



FoE sold a record 17,500 Flexifuel vehicles – including the Focus Flexifuel – in 2007.

Ford of Europe Flexifuel sales up 60 percent in '07

Last year, Ford of Europe sold 17,500 bioethanol-powered Flexifuel vehicles, setting a new record and seeing a sales increase of 60 percent over 2006. This helped contribute to Ford of Europe's overall 2007 sales record of 1,833,600 units, which was a 5.4 percent (93,500 unit) rise compared to the previous year. For 2008, the Mondeo, Galaxy and S-MAX will join the Focus and C-MAX in Ford's Flexifuel lineup. "We have every reason to be optimistic that our momentum will continue," said Jan Brentebaten, director, Flexifuel/Alternative Fuel Vehicles Strategy, Marketing and Sales. "Together with our brand-new Ford ECONetic line of ultra-low CO₂ vehicles, we will have one of the broadest ranges of affordable, low CO₂ vehicles in Europe."

FEBRUARY

18-March
14**The 2nd Annual 20 Minute Treadmill Challenge (Dearborn, Mich.)**

The Dearborn UAW/Ford Fitness Center and Ford Runners Club want to encourage a new year of good health by bringing you the 20 Minute Treadmill Challenge. This program is open to both walkers and runners. Walkers are expected to maintain treadmill speeds above 3 mph; runners are expected to maintain treadmill speeds between 5-10 mph. The challenge starts Monday, Feb. 4. If you would like to participate, please sign up at the Dearborn Fitness Center. If you would like more information or if you do not work in the Dearborn area and would like to participate, please contact Ford Runners Club President Jeff Roggenbuck (JROGGENB@ford.com).

18-March
31**Special Tire Discounts for Employees**

Ford Customer Service Division is proud to offer Ford employees a special first quarter discount on the most popular tires Ford and Lincoln Mercury dealers sell. You get a great deal on tires during the winter when you need all the grip you can get. This discount is in addition to any other offer or rebate available at the dealership. It's easy to take advantage of the offer: 1. Call Tire Program Headquarters at 1-888-353-3251 to receive your employee approval code. 2. Take that code to your participating local Ford or Lincoln Mercury dealership and buy your tires by March 31, 2008. You will receive 20 percent off the MSRP of Goodyear premium tires (Assurance ComforTred, Assurance TripleTred, Eagle ResponsEdge, Eagle F1 All Season, Fortera TripleTred, Fortera Silent Armor and Wrangler Silent Armor) and 15 percent off the MSRP of all Michelin/BFGoodrich/Uniroyal, Continental/General and Yokohama tires. (Employee must receive approval code from Tire HQ by calling 1-888-353-3251 before purchasing tires. Not valid on prior purchases.)

18-May
1**2008 UAW/Ford March of Dimes Campaign Kick-Off (North America)**

Please support the 2008 March of Dimes Campaign that kicks off this month. The event will last through May 1. There will be several opportunities for all to get involved in the campaign through various local fund raisers and walks. For more information click to www.marchofdimes.com.



27

WIM: Extraordinary Women in Leadership Speakers Series (Dearborn, Mich.)

Join WIM in the WHQ Mezzanine in Dearborn from 1 p.m.-4 p.m. as we kick off our quarterly Extraordinary Woman in Leadership Series with insights on succeeding in leadership from Kathleen Ligocki. Ligocki is currently an independent consultant who has also served as President and CEO of Tower Automotive. She also has held numerous leadership positions at Ford including president and CEO of Ford of Mexico.



28

Biofuels Clinic hosted by the PWN Affiliate-Women in Racing and FME (Dearborn, Mich.)

Are you a Ford employee interested in learning more about the history and production of first-generation biofuels and the opportunities for second-generation biofuels? Sherry Mueller, research scientist, Systems Analytics and Environmental Sciences, will be presenting information at the RIC (Research & Innovations Center) Auditorium in Dearborn from 3 p.m.-4 p.m. Register via e-mail by contacting Audrey Zavodsky at AZAVODSK@ford.com.



MARCH

15 Ford Ballroom Dance Club March Dance (Plymouth, Mich.)

Ford Ballroom Dance Club is holding its next meeting at the Mayflower Meeting House Grand Ballroom (499 South Main, Plymouth, Mich. 48170). Dance lesson on the International Tango by Arthur and Yvonne from 8:00 p.m. to 9 p.m. Open dancing from 9 p.m. to midnight. Admission, including dance lesson is \$10. For more information go to www.fera.org.

16 Ford Model Railroad Club (Farmington Hills, Mich.)

Come see the award-winning Ford Model Railroad Display at the Redford Model Railroad Club's Trainorama Extra, Costick Community Center (28600 Eleven Mile Rd., Farmington Hills, Mich.) from 10:00 a.m. to 4:00 p.m. Admission is \$4 for adults. Children under 12 free with a paid adult admission.

24 Frostbite Open Charity Golf Event (Plymouth, Mich.)

Woodhaven Stamping Plant Frostbite Open Charity Golf event has earned over U.S. \$280,000 for the center over the last ten years. More than 2,800 golfers have participated in this event, averaging 300 plus golfers each year. The Frostbite has become one of the largest single-day, single-start golf outings in southeastern Michigan. This year's event will be held at Fox Hills Golf & Country Club. For more information go to www.frostbiteopen.com.



For the latest industry news, employees should visit AutoBeat Daily via FCN Online at www.fcnc.ford.com.

**27th Annual Black History Month Celebration Cruisin' with FAAN**

A celebration of music, Motown and Ford

Join the Ford Employees African Ancestry Network (FAAN) in celebrating Black History Month on Feb. 29, 2008, featuring the legendary Smokey Robinson as the keynote speaker. The event will be held at the Ford Conference and Event Center in Dearborn. A VIP reception will be held from 5-6 p.m., followed by the program and awards presentation from 6-7:30 p.m., then an afterglow reception from 7:30 p.m. to midnight. General admission tickets, which include the program and afterglow, are U.S. \$45 and can be purchased at <http://faan2008bhmccelebration.eventbrite.com/>. Those interested in VIP tickets, which are \$150 and include the VIP reception, should contact Alicia Woods at 313.317.9114 or AWOODS52@ford.com.

EDITOR'S NOTE



Please send information on your local upcoming Ford-related events to FWinfo@ford.com

2008 Auto Show Lineup**February**

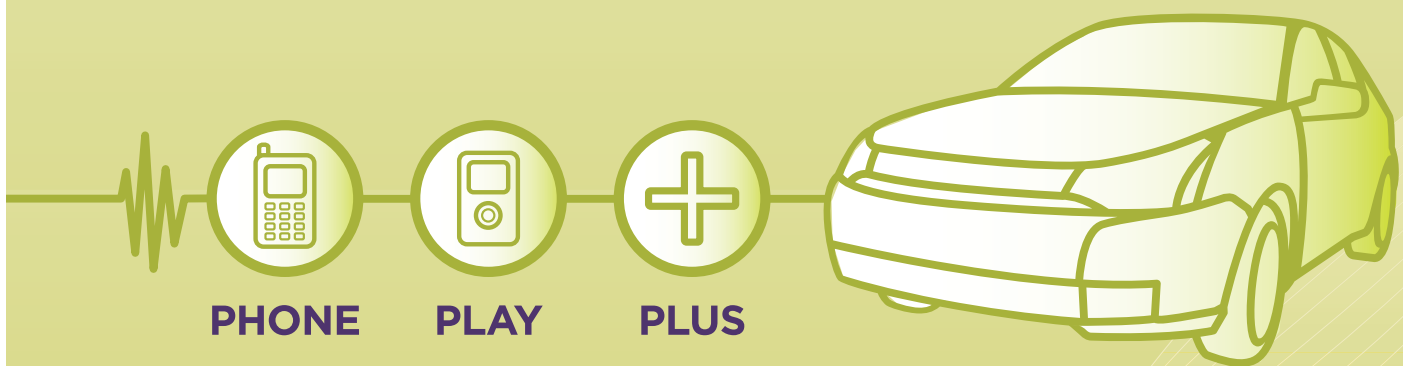
- 23-March 2 Cleveland Auto Show, Cleveland, Ohio
www.clevelandautoshow.com
- 23-March 2 Greater Milwaukee Auto Show, Milwaukee, Wis.
www.motortrendautoshowsmilwaukee.com

March

- 5-9 Greater Kansas City Int'l. Auto Show, Kansas City, Kan. www.kansascityautoshow.com
- 6-9 Oklahoma City Int'l. Auto Show, Oklahoma City, Okla. www.okautoshow.org
- 6-9 First Hawaiian Auto Show, Honolulu, Hawaii
www.motortrendautoshowshonolulu.com
- 8-16 Columbus Int'l. Auto Show, Columbus, Ohio
www.columbusautoshow.com
- 8-16 Twin Cities Auto Show, Minneapolis, Minn.
www.twincitiesautoshow.com
- 13-16 N.C. Int'l. Auto Expo, Raleigh, N.C.
www.ncautoexpo.com
- 21-23 Nashville Int'l. Auto Show, Nashville, Tenn.
www.motortrendautoshowsnashville.com



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- \$100 off your collision deductible on covered repairs³
- Lifetime guarantee on covered repairs for as long as you own the vehicle³
- Quality coverage from Ameriprise Auto & Home insurance, rated "A" (excellent) by A.M. Best⁴
- Use of Genuine Ford Parts on covered repairs³

Get the insurance you deserve.

Spending a lot on insurance doesn't always equal quality coverage or service. With the Ford Motor Company Insurance Services, you can be confident you are receiving exceptional service and benefits, at a fair and competitive price. Ameriprise Auto & Home Insurance offers outstanding customer service throughout the life of your policy; especially when you need it the most, at the time of a claim.

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call: 1-877-411-3673**

**Visit us at
www.fordautoinsurance.com**

Reference Code: G9M



**Ford Motor Company
Insurance Services**

Ameriprise 
Auto & Home Insurance

¹ American Road Services Company, ("AMRO"), a subsidiary of Ford Motor Company ("Ford") is the licensed insurance agency supporting the Ford Motor Company Insurance Services program. Ford Motor Company and Ford Credit are not insurance companies or agents. All insurance is underwritten by the following wholly owned subsidiaries of Ameriprise Financial, Inc.: IDS Property Casualty Insurance Company, or in certain states, Ameriprise Insurance Company, De Pere, WI or other insurance companies for whom Ameriprise Auto & Home Insurance Agency is an agent. In California and Massachusetts, AMRO does business as American Road Insurance Agency. Phone: (866) 673-3673. Ameriprise Auto & Home Insurance's California license number is 0C41813. American Road Insurance Agency's California license number is 0C02678.

² This data represents information provided by Ford Motor Company Insurance Services program customers who became new auto insurance policyholders and reported annual savings with Ameriprise Auto & Home Insurance between 1/1/06 and 5/31/07. Individual savings and experience may vary based upon a variety of factors including but not limited to driving experience and type of vehicle insured. Discounts and savings vary by state and apply to certain coverages.

³ Program and benefits subject to state availability and apply to covered repairs performed by participating dealerships or repair shops. Where available, the specific features, credits and discounts may vary. Applicants are individually underwritten, and some individuals may not qualify. Certain limitations apply.

⁴ A.M. Best, the leading independent rater of insurers in the country, has rated the companies within the Ameriprise Auto & Home Insurance group "A" (Excellent) for financial strength, stability and soundness of operating performance.