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August 2008

## World

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### ACCELERATED PLANS

- Details on the products and the plants that will help Ford meet the future
- Kuzak: Fiesta is only the beginning
- What analysts say about the moves

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Education and invitations rate high among the many ways to make our points.

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NHRA drag-racing star answers questions about driving 300 mph, how she relaxes.

## J.D. Power lauds Ford – again – on quality, appeal

Ford brand vehicles scored high again in two recent studies by J.D. Power and Associates. In the customer-based, three-month Initial Quality Study (IQS), Ford vehicles improved faster than the industry average, with Ford and Mercury both placing in the top ten quality brands. Lincoln also exceeded the industry average and Mazda was the most improved brand over last year. The Automotive Performance, Execution and Layout (APEAL) customers' study also ranked the Ford Focus the industry's most improved vehicle. The Focus performed better than its segment in every category, especially in fuel economy, interior and exterior styling and audio/entertainment/navigation.



J.D. Power award

## Czubay named head of U.S. Sales and Marketing

Ken Czubay is Ford's new vice president, U.S. Sales and Marketing. The veteran auto industry executive and retailer served in several management roles at Ford from 1970 to 1983 and rejoins the company from the Florida-based Southeast Toyota Distributors and JM Lexus, where he was president. He will oversee day-to-day sales and marketing of Ford, Lincoln and Mercury vehicles in the U.S. and report to Jim Farley, group vice president, Marketing and Communications.



Ken Czubay

## "Marathon of Hope" van restored by Ford of Canada

Ford of Canada has restored a piece of Canadian history – the van used by marathon runner Terry Fox to raise money and awareness for cancer research in 1980. Fox, who lost his right leg to cancer at the age of 18, used the van as his home-on-the-road in his "Marathon of Hope" campaign. On his artificial leg, he ran 26 miles a day for 143 days straight, working his way across Canada until his cancer returned and eventually claimed him. The restored van, originally donated to Fox by Ford of Canada, is crisscrossing the country this year in the drive, which has raised more than CAN \$400 million for cancer research since 1980.



Marathon van

## Ford delivers plug-in hybrid to U.S. Dept. of Energy

To showcase technologies and get real world experience, Ford has delivered its first flex-fuel capable plug-in hybrid SUV to the U.S. Department of Energy in Washington, D.C. The Ford Escape Hybrid, which runs on gasoline or E85, is equipped with an advanced lithium-ion battery that can power the vehicle at speeds up to 40 mph for up to 30 miles. At higher speeds or when the battery is low, it's powered by a fuel-sipping 4-cylinder engine. When fueled by E85 ethanol, the Escape's fuel economy can reach up to 88 mpg in the city and up to 50 mpg on the highway.



Plug it in

## Kbb.com puts Escape Hybrid on 'Top 10 Green Cars' list

The new KBB Green section of Kelley Blue Book's Web site has named the Ford Escape Hybrid to its first Top 10 Green Cars list. Launched July 31, the new feature showcases tools, advice, forums and more for environmentally minded and fuel-conscious new car shoppers. Kelley editors said they "really liked the Escape Hybrid's handy size and versatile carrying capacity." They also called its hybrid system "better than ever."

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# Focus, the little car that could, bucks July trend; gains sales

BY ROBERT MUSIAL

FORD World

A very challenging economic outlook compounded by increasingly tight credit continued to depress U.S. auto sales for the month of July – a situation that is not likely to change for the next several months.

Overall, industry sales experienced a double-digit decline in July with sales of Ford, Lincoln and Mercury vehicles down 13 percent versus a year ago.

By comparison, Toyota sales were down 12 percent while GM sales were down 26 percent and Chrysler was down 29 percent. Honda sales were also down 2 percent while Nissan, buoyed by increased rebate spending, was up 8 percent.

The good news came from the Ford Focus, which saw sales climb 16 percent versus a year ago. Year-to-date, Focus sales were up 26 percent, while the small car segment grew approximately 9 percent.

“Focus continues to surprise and delight customers throughout the country,” said Jim Farley, group vice president, Marketing and Communications. “The bombshell is in Texas, where Focus retail sales have almost doubled. If we can increase small car sales in Texas, we can increase them anywhere.”

Year-to-date, retail sales of Focus were up a whopping 91 percent in Texas and 46 percent nationwide.

Consistent with industry trends, sales of crossover vehicles – which include the Ford Escape, Edge and Flex – were down 8 percent for the month. Sport utility vehicles, such as Ford Explorer and Expedition, slumped 54 percent while trucks and vans, including the Ford F-Series and Econoline, were down 18 percent.

Ford’s full-year industry forecast for sales ranges from 14 to 14.5 million, including medium and heavy trucks, down from a first-half sales rate of 15 million.

“We expect the second half of 2008 will be more challenging than the first half as economic and credit conditions weaken,” said Farley. ●



2008 Ford Focus

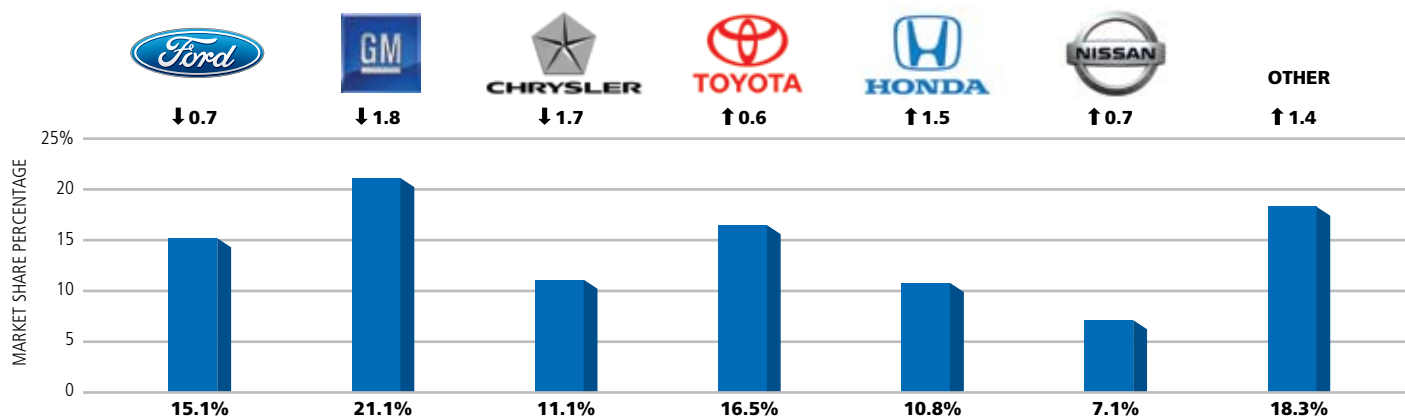
## Vehicle Sales

2008 July Year-to-Date  
U.S. Top-Selling Cars and Trucks

Rank/Nameplate	Units Sold
1 Ford F-Series	319,542
2 Toyota Camry	282,012
3 Chevrolet Silverado	264,309
4 Honda Accord	247,244
5 Honda Civic	234,086
6 Toyota Corolla/Matrix	228,926
7 Nissan Altima	182,435
8 Chevrolet Impala	152,320
9 Dodge RAM	150,272
10 Ford Focus	138,649
11 Chevrolet Cobalt	130,660
12 Honda CR-V	122,230
13 Toyota Prius	106,225
14 Chevrolet Malibu	105,212
15 Ford Escape	102,486
16 Pontiac G6	98,943
17 Ford Fusion	98,530
18 Toyota Tacoma	95,730
19 GMC Sierra	94,770
20 Toyota Tundra	89,929
21 Ford Econoline	85,721
22 Honda Odyssey	85,712
23 Toyota RAV4	83,522
24 Dodge Caravan	81,920
25 Hyundai Sonata	77,336
26 Ford Edge	77,235
30 MAZDA3	73,257
35 Ford Mustang	65,764

Source: Manufacturers' Reports

## U.S. Market Share – 2008 Year-to-Date



Source: Manufacturers' Reports

*In front of a European Ford Kuga, president and CEO Alan Mulally detailed the company's latest moves to employees.*



# SHIFTING INTO THE FUTURE

**Ford's planned moves and what analysts say**

**BY ROBERT MUSIAL** FORD World

**Ford Motor Company's plans to bring a half-dozen fuel efficient small vehicles from its European portfolio to North America along with a host of other fuel efficient vehicles are critical to the company's transformation into a lean and profitable global automaker.**

**T**he changes, announced in late July, made headlines worldwide and helped provide balance as Ford announced a record U.S. \$8.7 billion loss in the second quarter of 2008.

More than \$7.4 billion of the loss came from impairments related to a drop in value of company facilities, tools and the leasing portfolio of Ford Credit – all brought on by the rapid consumer shift away from large vehicles in the face of soaring gas prices.

Ford also announced a significant shift in Ford's North American manufacturing capability, including plans to convert three North American truck and SUV plants to produce small cars. That retooling will begin in December.

The moves follow announcements in May and June that Ford is reducing its North American production plans for large trucks and SUVs and increasing production of smaller cars and crossovers for the year. Production of the new EcoBoost™ engines, 6-speed transmissions and other fuel-saving technologies will also be expanded.

As part of the latest changes, Ford also set the goal of being the best or among the best in fuel economy with every new vehicle. The company also is doubling its capacity to make 4-cylinder engines in North America.

The changes also put to rest rumors that the company had no new product plans for Mercury. That brand will now concentrate on smaller, more fuel-efficient vehicles, including a new small car coming in 2010.

Also coming in 2010 is another small vehicle based on a European model and representing a new type of vehicle in North America.

Alan Mulally, Ford president and CEO, said the company made the moves to respond to the rapidly changing market, which shifted to small cars and away from large vehicles as U.S. gas prices passed \$3.50 a gallon this spring.

"Ford is moving aggressively to use our global product strengths to introduce additional smaller vehicles in North America," Mulally said. "We are accelerating the development of new products that customers will want and value."

Many analysts and auto industry observers reacted positively to the planned moves.

The dramatic shift will make Ford "the best-positioned American automaker for this still-new century," said Peter De Lorenzo, whose AutoExtremist blog has covered the car business since 1999.

"The results will be truly breathtaking to see, to the point that Ford's product lineup will bear little resemblance to today's lineup in just 24 months," he said.

David Cole, chairman of the Center for Automotive Research,

## Economic projections for the near future



### Ford has updated its current North American planning assumptions, which include:

- U.S. economic recovery to begin by early 2010.
- U.S. industry sales to return to trend levels as the economy returns to health.
- Product mix changes are permanent, but some recovery will occur from the current share-of-industry for full-size pickups – though not back to levels experienced previously – as the economy and housing sector recover.
- Oil prices to remain volatile and high.
- No near-term relief from current level of commodity prices.
- About 14 percent U.S. market share for Ford, Lincoln and Mercury brands.
- Two-thirds of Ford spending to be on cars and crossovers by 2010 – up from one-half today.
- Sales mix for Ford, Lincoln and Mercury vehicles to be 38 percent car, 38 percent truck and 24 percent crossover by 2013, compared to 52 percent truck, 30 percent car and 18 percent crossover in 2007.

said the plan to forge "One Ford" out of the company's regional divisions was a good one.

"My outlook for Ford is positive. I think the moves are the right ones," Cole said.

Calling on Ford of Europe's expertise in small cars – and not developing separate small cars for Europe, Asia and the Americas – should "considerably reduce engineering costs and provide economies of scale," Cole said.

The North American Ford Focus will be based on the European version in 2010, as will the Ford Fiesta, the company's B-sized small car, coming in 2010.

And when the European Ford Mondeo and the similarly sized North American Ford Fusion reach the end of their product cycle in 2011, both vehicles will be replaced with a model derived from the popular Mondeo.

**"The results will be truly breathtaking to see, to the point that Ford's product lineup will bear little resemblance to today's lineup in just 24 months."**

– Peter De Lorenzo, *autoextremist.com*



Jean Jennings, the editor-in-chief of *Automobile* magazine, is among many auto journalists familiar with Ford's European lineup.

"We have driven all of these cars. Anyone with a pulse is gonna

love these cars," Jennings said in an interview on the Fox Business News network.

Company leaders said Ford's proven small car expertise is a major asset.

"We know what success looks like. We have dynamite cars and small SUVs in Europe – and we make a reasonable return on them," Mulally told *The Wall Street Journal*.

David Healy, an auto analyst at Burnham Securities, endorsed the moves.

"Given the trends in the U.S., small cars with high performance turbocharged 4-cylinder engines will be very much in demand," Healy said. "The sector has traditionally been neglected (here) by General Motors and Ford."

Given current gas prices, it makes sense to convert current truck plants to make smaller, more fuel-efficient cars developed in Europe, he said.

## Changes in manufacturing, staffing



### Among the changes being made in manufacturing and staffing are these:

- Michigan Truck Plant in Wayne, Mich., which currently builds the Ford Expedition and Lincoln Navigator full-size SUVs, will be converted beginning this December to production of small cars derived from Ford's global C-car platform in 2010.
- Production of the Ford Expedition and Lincoln Navigator will be moved to the Kentucky Truck Plant in Louisville, Ky., early next year.
- Cuautitlán Assembly Plant in Mexico, which currently produces F-Series pickups, will be converted to begin production of the new Fiesta small car for North America in early 2010.
- Louisville (Ky.) Assembly Plant, which builds the Ford Explorer midsize SUV, will be converted to produce small vehicles from Ford's global C-car platform beginning in 2011.
- Twin Cities (Minn.) Assembly Plant – which was scheduled to close in 2009 – will continue production of the Ford Ranger through 2011 to meet consumer demand for the compact pickup.
- As previously announced, Kansas City Assembly Plant this year will add a third crew to its small utility line for the Ford Escape, Escape Hybrid and Mercury Mariner and Mariner Hybrid.
- Targeted hourly buyouts offered at U.S. plants and facilities, working with the UAW to secure competitive employment levels.
- Reduction of salaried-related costs by 15 percent in North America by Aug. 1.

**"What impresses me so much about Ford is the speed at which they have just blown through the toughest culture in the industry and turned it into what is looking like a fairly nimble culture."**

— John Wolkonowicz, analyst with Global Insight

"The conversion of a plant is not as much of a challenge in terms of investment and time as creating an entirely new model," noted Healy.

Other analysts were surprised by the speed and the depth of Ford's plans.

"What impresses me so much about Ford is the speed at which they have just blown through the toughest culture in the industry and turned it into what is looking like a fairly nimble culture," said John Wolkonowicz, an analyst with Global Insight.

De Lorenzo put it another way.

"What Mulally and his team have done is actually skipped a model cycle with these new cars headed for the U.S. market," he said. "Instead of doing a series of baby-step changes over the next three years, Ford will bring its 2012-2014 products forward to the 2010-2011 timeframe in a blaze of models and configurations that will set the U.S. market – and its competitors – on its ear."

"We're talking a full range of smaller, more efficient sedans, sports coupes, crossovers, people movers and even urban delivery vehicles that will change people's perceptions of what the Ford Motor Company is almost overnight," De Lorenzo said.

One of America's biggest car dealers also praised the plans.

Mike Jackson, chief executive of AutoNation, said it was "amazing" to watch the speed at which Ford was cutting production and switching from trucks to cars.

"The old Detroit would have taken ages to come to terms with this," said Jackson. ●



## New products on the way



### The Ford, Lincoln and Mercury lines will be almost completely upgraded by the end of 2010, including:

- 2009 Ford F-150, on sale in late fall, with the most capability, most choice and most smart features of any full-size pickup, and with more than a 7 percent fuel economy improvement.
- 2010 Ford Fusion, Mercury Milan and Lincoln MKZ sedans, on sale in early 2009, with Fusion and Milan's 4-cylinder fuel economy expected to top Honda Accord and Toyota Camry.
- 2010 Ford Fusion Hybrid and Mercury Milan Hybrid, beginning production late this year and on sale in early 2009 – with fuel economy expected to top the Toyota Camry hybrid.
- New Ford Mustang – coupe, convertible and glass-roof models – in early 2009.
- New Ford Taurus sedan – with EcoBoost™ engine and even more advanced safety and convenience technologies – in mid-2009.
- New European Transit Connect small multipurpose van in mid-2009.
- New Lincoln seven-passenger crossover – with EcoBoost engine – in mid-2009.
- New European Ford Fiesta, in both four- and five-door versions, in early 2010.
- New European Ford Focus, in both four- and five-door versions, in 2010.
- New Mercury small car in 2010.
- New European small vehicle that doesn't currently exist in North America in 2010.
- Next-generation Ford Explorer – with unibody construction, EcoBoost, 6-speed, weight savings and improved aerodynamics for up to 25 percent better fuel economy – in 2010.
- Nearly all North American engines will be upgraded or replaced by the end of 2010.
- Nearly all of Ford's North American lineup will offer fuel-saving 6-speed automatic transmissions within two years.



*The new 2008 Ford Fiesta begins production this month in Europe. A North American version of the Fiesta debuts in early 2010.*



*A 2008 Ford Mondeo Titanium S edition. The award-winning Mondeo, which is very popular in Europe, could provide the basis for the 2011 Ford Fusion.*



*The Explorer America concept vehicle hints at the next-generation Ford Explorer coming in 2010.*



*A 2008 European Ford Focus. For 2010, the European and North American versions will be integrated.*

# Big loss posted in second quarter 2008

On July 24, Ford Motor Company reported a second quarter net loss of U.S. \$8.7 billion, including pretax special items totaling \$8 billion.

The results reflected deteriorating economic conditions and increases in fuel prices, which has cut demand for large pickups and SUVs in North America, and a rapid rise in commodity costs.

Highlights include:

- Net loss of \$8.7 billion, or \$3.88 a share, for the second quarter of 2008, which compares to a net profit of \$750 million a year ago.
- Pretax special charges of \$8 billion, including pretax non-cash impairments of \$5.3 billion for Ford North America long-lived assets and \$2.1 billion for Ford Motor Credit Company's operating lease portfolio.
- Pretax loss of \$1 billion from continuing operations, excluding special items.
- Cost reductions of \$1 billion, including more than \$600 million in North America (at constant volume, mix and exchange; excluding special items). The company remains on track to reach \$5 billion in annual cost reductions in North America by the end of 2008 compared with 2005.
- Pretax loss of \$1.3 billion for Ford North America automotive operations, compared to a loss of \$270 million a year ago.
- Pretax profit of \$388 million for Ford South America, up from \$255 million a year ago.



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Financial Results Summary	Second Quarter	
	2008	O/(U) 2007
Wholesales (000)	1,561	(212)
Revenue (Bils.)	\$ 38.6	\$ (5.6)
<b>Continuing Operations*</b>		
Automotive Results (Mils.)	\$ (670)	\$ (1,048)
Financial Services (Mils.)	(334)	(439)
Pretax Results (Mils.)	\$ (1,004)	\$ (1,487)
After-Tax Results (Mils.)	(1,376)	(1,634)
Earnings Per Share**	(0.62)	(0.75)
<b>Special Items Pretax (Mils.)</b>	<b>\$ (8,026)</b>	<b>\$ (8,469)</b>
<b>Net Income</b>		
After-Tax Results (Mils.)	\$ (8,667)	\$ (9,417)
Earnings Per Share	(3.88)	(4.19)
<b>Automotive Gross Cash (Bils.)</b>	<b>\$ 26.6</b>	<b>\$ (10.8)</b>

\* Excluding special items.

\*\* Earnings per share from continuing operations, excluding special items.

- Pretax profit of \$582 million for Ford Europe, up from \$262 billion a year ago.
- Pretax loss of \$120 million for Volvo, compared with a loss of \$91 million a year ago.
- Pretax profit of \$50 million for Ford Asia Pacific, up from \$26 million a year ago.
- Earnings of \$103 million from its investment in Mazda, up from \$72 million a year ago.
- Pretax loss of \$294 million for Ford Motor Company Credit, compared with a \$112 million profit last year.

The 2008 operating data excludes Jaguar Land Rover, which was sold on June 2, 2008. Jaguar Land Rover and Aston Martin data are, however, included in the 2007 data, except where noted. ●

## Retirees: Stay connected

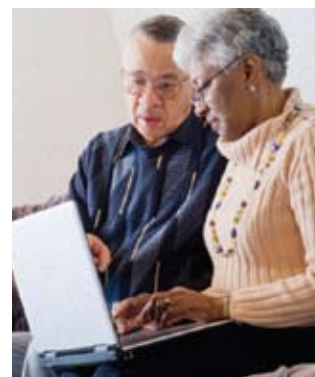
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# Buyouts boost Ford's accelerated transformation plan

BY ROBERT MUSIAL

FORD World

Faced with a shrinking vehicle market caused by economic worries and high fuel prices, Ford Motor Company is offering voluntary retirement and separation packages to its hourly UAW-represented employees at targeted plants in the U.S.

"We continue to face tough challenges and we are expecting things to stay very difficult through the next few years," said Joe Hinrichs, group vice president, Global Manufacturing and Labor Affairs.

- Overall, the U.S. auto industry has declined from annual sales of 17 million vehicles two years ago to a sales rate of 14 million this year.

- Commodities like steel and oil are at historically high prices – and are expected to stay there.

- Consumers are shifting away from trucks and SUVs – Ford's traditional strengths – to smaller cars and crossovers, leading to a significant market share decline for Ford.

This decline has led to reductions in shifts, overtime and line speed at many Ford plants – and the result is more people than jobs.

Because of this, the UAW and Ford have worked together to provide another opportunity for employees, on a plant-by-plant basis, to take advantage of separation programs that have been offered in the past.

"The ten UAW/Ford programs provide opportunities that are the best in any industry," said Bob King, UAW vice

**"We continue to face tough challenges and we are expecting things to stay very difficult through the next few years."**

*– Joe Hinrichs,  
group vice president,  
Global Manufacturing  
and Labor Affairs*

president and director of the National Ford Department.

The selection of separation programs for employees includes retirement incentives and packages, educational programs and entrepreneurial opportunities.

As part of the targeted buyouts, Ford will be providing many tools to help workers make decisions about their future.

- Personal contacts will be available to discuss options with employees.

- Fidelity will provide retirement workshops.

- Job fairs will be conducted at some locations.

- The Web site **[www.yourjobconnection.org](http://www.yourjobconnection.org)** has a wealth of information to help employees make their decision.

It offers job search tools; sections on retirement, educational



**"The ten UAW/Ford programs provide opportunities that are the best in any industry."**

*– Bob King, UAW vice president  
and director of the National Ford Department*

opportunities; career transition and training plus videos on growing industries and the success stories of former Ford employees.

It also offers complete buyout package information, details, videos and more.

"We've worked hard to give you these tools and options. Now it's up to you to know the facts and make an informed decision," King told UAW members.

"I urge you to carefully consider these programs and your individual situation to decide what is best for you and your family," he said.

As part of the separation program, Ford and the UAW will also provide employees with job application and interview skills and present "life after Ford" case studies of others who have made that choice earlier.

Weekly flyers about job opportunities and in-plant events and a weekly newsletter are also being developed to inform employees about the separation program. ●



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# Mulally to employees: ONE Ford is key to company's future

BY JOHN FOSSEN  
FORD World

During a recent employee Town Hall meeting, Ford President and CEO Alan Mulally joked about the lack of similarity between today's North American and European models of the Ford Focus.

"The names are the same – which I think is a great start," he said, drawing a roar of laughter from the employees gathered in an auditorium at Ford World Headquarters.

They were there to hear details of Ford's latest financial results and its accelerated product plan and manufacturing realignment for North America. Thousands of other employees around the world tuned in via the Ford Intranet.

Most of the meeting had a serious, but optimistic tone. Standing between a red North American Ford Focus and a silver European Ford Kuga, Mulally indicated that such lack of commonality will become a thing of the past as the company integrates its global operations to truly become One Ford.

"The world has changed and Ford has developed a plan to deal with that. The die is cast. This is a new Ford," he said.

The dramatic changes for Ford North America include retooling three truck and SUV plants to build smaller, more fuel-efficient vehicles and the introduction of six European vehicles into the market by the end of 2012.



**President and CEO Alan Mulally talks to employees during Town Hall.**

"We haven't had a balanced portfolio (in North America), but in three to four years, we will be transformed to what the market looks like with a mix of small, medium and large vehicles," Mulally said.

In his remarks, Mulally complimented the UAW for helping forge a new basic labor agreement with the company that is a key component of the manufacturing realignment. He also said that, with more than U.S. \$38 billion in cash and available credit, Ford has "sufficient liquidity" to finance the aggressive transformation.

Mulally also answered numerous employee questions, on topics ranging from plug-in electric vehicles to the financial health of suppliers. ●

## Leaders review strategy at quarterly Americas meeting in Dearborn

BY ROBERT MUSIAL  
FORD World

In a meeting with 400 of the company's top managers, Ford Motor Company's Americas leadership team detailed the steps being taken to transform the automaker's product portfolio and its business.

After detailing the "perfect storm" that had battered the balance sheets of most automakers this year, Mark Fields, president, The Americas, used the business review meeting to outline the successes Ford could build on.

These included the successful launches of the Ford Flex and the Lincoln MKS, the company's continuing improvements in vehicle quality and the fact that the company is on track to achieve its goal of U.S. \$5 billion in cumulative savings since 2005.

As the market shifts away from pickups and large SUVs, Fields stressed that the challenge is to sell more small cars. "We are going to launch a small car offensive...by leveraging the Ford of Europe portfolio," he said.

While maintaining Ford's truck leadership, Derrick Kuzak, group vice president, Global Product Development, said Ford would utilize

its global portfolio to offer more vehicles that customers want.

That includes bringing six small vehicles to North America from the company's acclaimed European lineup and building more 4-cylinder and fuel-efficient engines.

During the question-and-answer session at the end of the meeting, Fields said it was critical to keep people motivated during these difficult times.

Ford will get through this because of its people and its products, he said.

"We're not 'playing to stay in the game' anymore. We're playing to win," he said. ●



**"Ford will get through this because of its people and its products. We're not 'playing to stay in the game' anymore. We're playing to win."**

*– Mark Fields, president, The Americas*

# FIESTA:

A global car from global strength and global organization

BY PETER NOBLE

FORD World

**W**hen the first new-generation Fiesta model rolls off the assembly line in Cologne this month, it will mark the start of a new era for Ford Motor

Company. The eagerly awaited small car will be Ford's first truly global vehicle, supported by a truly global organization.

After its introduction in Europe, the Fiesta will be subsequently introduced in Asia-Pacific in 2009 and North America in early 2010. But it's not just a question of simply establishing an assembly line in each of those regions. A global car needs a global organization behind it, and that is what Ford is establishing.

Under changes made this spring, senior leaders in the product development and purchasing organizations have been assigned global responsibility for key vehicle segments and major purchasing functions.

The company is also designating a global network of engineering centers that will be responsible for developing the core attributes of Ford brand vehicles worldwide. The global core engineering teams will ensure that all Ford brand vehicles around the world share common DNA, including consistent



**"What does it take to build a global car? It takes a global car company. And the Fiesta is only the beginning."**

*— Derrick Kuzak, Group vice president, Global Product Development, Ford Motor Company*

driving dynamics,

interior quietness and other vehicle attributes.

In addition, the core engineering and purchasing teams also will improve their interaction with Ford's global supply base, to leverage economies of scale through common sourcing and to reduce complexity and to increase the sharing of common parts.

"What does it take to build a global car? It takes a global car company," said Derrick Kuzak, group vice president, Global Product Development, Ford Motor Company.

"It takes ONE Ford, where core engineering, product development and purchasing all work as partners across regions and time zones, overcoming old barriers and focusing keenly on the Ford brand," he said.

Tony Brown, group vice president, Global Purchasing, Ford Motor Company, says the move to an integrated Global Product Development and Purchasing organization means that "from now on, everyone needs to be on





one team, with everyone's eyes on the same goal: an exciting, viable Ford delivering profitable growth for all.

"We know it's a goal we can meet, and we know that ONE Ford is the only way to get there," said Brown.

Ford of Europe colleagues are excited about the new direction.

"The great thing about the global organization is that we will be a 24-hour powerhouse," says Birgit Behrendt, executive director and vice president, Global Programs & Purchasing, Ford of Europe.

While the goal is clear, the process of transitioning to a global Ford brand will be challenging.

"Most of us spent many years working on how to optimize products for our own region, but now we've got to move to a global mindset," says Joe Bakaj, vice president, Product Programs and Product Development, Ford of Europe. "And that means that we've got to start to think about the needs of customers in the other regions and how we design a product that can meet the needs of each region."

Brown agreed. "At Ford, we already have a wealth of global expertise. Now it's time to leverage what we have to standardize performance and build quality products," he said.

If the challenges are many, so are the benefits.

"It means that we all start with a common focus, leveraging our global volumes, simplifying our processes and uniting our efforts to provide customers with more exciting vehicles," says Kuzak. "And we'll be able to deliver these products faster and with greater efficiency, thanks to improved manufacturing flexibility and customer-based, global product planning."

This change is necessary to allow Ford to improve its product lineup, efficiency and to improve profitability, he said.

"We will achieve this by delivering new vehicles faster and with more mid-cycle updates, more often," said Kuzak.

The new Fiesta is at the forefront of Ford's drive to be a truly global brand. Unveiled earlier this year at the Geneva Motor Show, it represents a new world standard for quality, design and comfort in the small-car segment.

"We achieved this with engineering done by one team and by maximizing commonality," notes Kuzak. "And the Fiesta is only the beginning."

By the end of 2012, he said, Ford will reduce its global platforms by 40 percent and reduce the number of engine architectures by 25 percent.

"We will achieve this through aligned PD and Purchasing teams working jointly, putting the saved time and financial resources back into more new products," said Kuzak.

Behrendt said another global benefit will come from dealing with Ford's key business partners, its suppliers, with a single voice.

"They will be able to more easily provide us with their new ideas and new technologies, and that's one of the key advantages," she said. "Taking the complexity out of the business will be a key benefit for both them and us."

To ensure that Product Development and Purchasing function as ONE team, both organizations will work as matched pairs on

such processes as commodity strategy, sourcing, program planning and management, launch, cost targets and negotiations, supplier relationships, capacity and quality, among others.

"That's a lot of working together, but that's what we're committed to do," said Kuzak. "It's how we will draw on Ford's collective strength and talent and how we are going to deliver exciting new products that will resonate with our customers around the globe."

"ONE Ford – it's the only way to face the future," he said. ●

## Evolution of the new Fiesta

From a rough sketch to a rendering to the production vehicle, the Ford Fiesta has been designed with worldwide customers in mind.

It's the blueprint for Ford's future global product development, bringing together Europe, the Americas and Asia, where it will be tailored for each region and go on sale between now and 2010.



# EARLY FLEX R

## First Flex drivers and passengers rave about the experience

BY DIANE MAJESKE  
FORD World

At 2½ years old, Dominic Pecoraro doesn't know the Ford Flex he's riding in offers new technologies and a head-turning design.

What he knows is that the window above his seat offers a great view of the airplanes flying overhead.

"He loves his airplane window," said his dad, Chuck Pecoraro, a residual forecast manager at Ford. "He loves looking at the underside of bridges. I mean, who would have thought THAT would be cool? But it's just expanding his world."

That multi-panel Vista Roof™ is just one reason why Pecoraro, who was sold on the Flex's distinctive design from the moment he saw it, loves his Flex. And like many other Ford employees who

choose to drive the contemporary, stylish 2009 Flex, he's more than happy to sing its praises.

### FLEX OWNERS BELIEVE GOOD NEWS IS MEANT FOR SHARING

That's why Jeff Powers, manager, Server Strategy, Planning and Implementation, has started an internal Ford blog about his experiences with his Flex. On his blog, he pairs information on mileage and fuel efficiency with funny anecdotes about the attention his car receives.

"This car is terrific," he said. "I've probably driven hundreds of new cars with my 20 years with the company, and this is a top five car" in appeal, driving dynamics and functionality.

"It's fun to drive and turns heads at every stop. It reinforces to me that Ford is on the right track and makes me prouder than ever to be a Ford employee," he said.

Ford employees can read Powers' blog at: [www.tc.ford.com/pps/jpowers2/blog/default.aspx](http://www.tc.ford.com/pps/jpowers2/blog/default.aspx)

"It's different, it's distinctive, and it's not trying to be something it's not," he said. "It's not pretending to be an SUV; it's not pretending to be off-road. It's very good at its purpose – I can fit my family, my double-stroller and a dog. This is a car for the rest of my life."

These days, Ford employees are happily carting their friends, family, groceries, gear – you name it – in the spacious Flex and turning heads in the process. And while they don't mind the attention, they're sometimes a little surprised at the depth of it.

"It's unbelievable," said Kathy Rhind, a receiving manager for finance, purchasing and Ford Credit.

"I've never had a vehicle before where people are stopping me to ask about it. They're saying, 'I love it; where can I buy it?' Just the other day, I was at a stoplight and an older gentleman pulled up beside me, rolled down his window, and was asking me questions about it. And it's an absolutely beautiful car – it's quiet, smooth and it takes turns so well. I want people to know more about it."

The more she drives the car, Rhind said, the more attention she gets, particularly at her children's softball games – when she uses her satellite system to pull up the weather.

"The coach will come over. He'll say, 'What's your map look like? Is it going to rain all day?'" she said, laughing.

*Parents Katie and Chuck Pecoraro with sons Dominic and Gabriel, who, at 3 months, is a new model himself. The family says they love their new Ford Flex.*



# EACTION

She's not the only one whose Flex is drawing attention at sporting events. When Chip Conrad drove his Flex to Cooperstown, N.Y., for his son's weeklong national baseball tournament, the attention was widespread, to say the least.

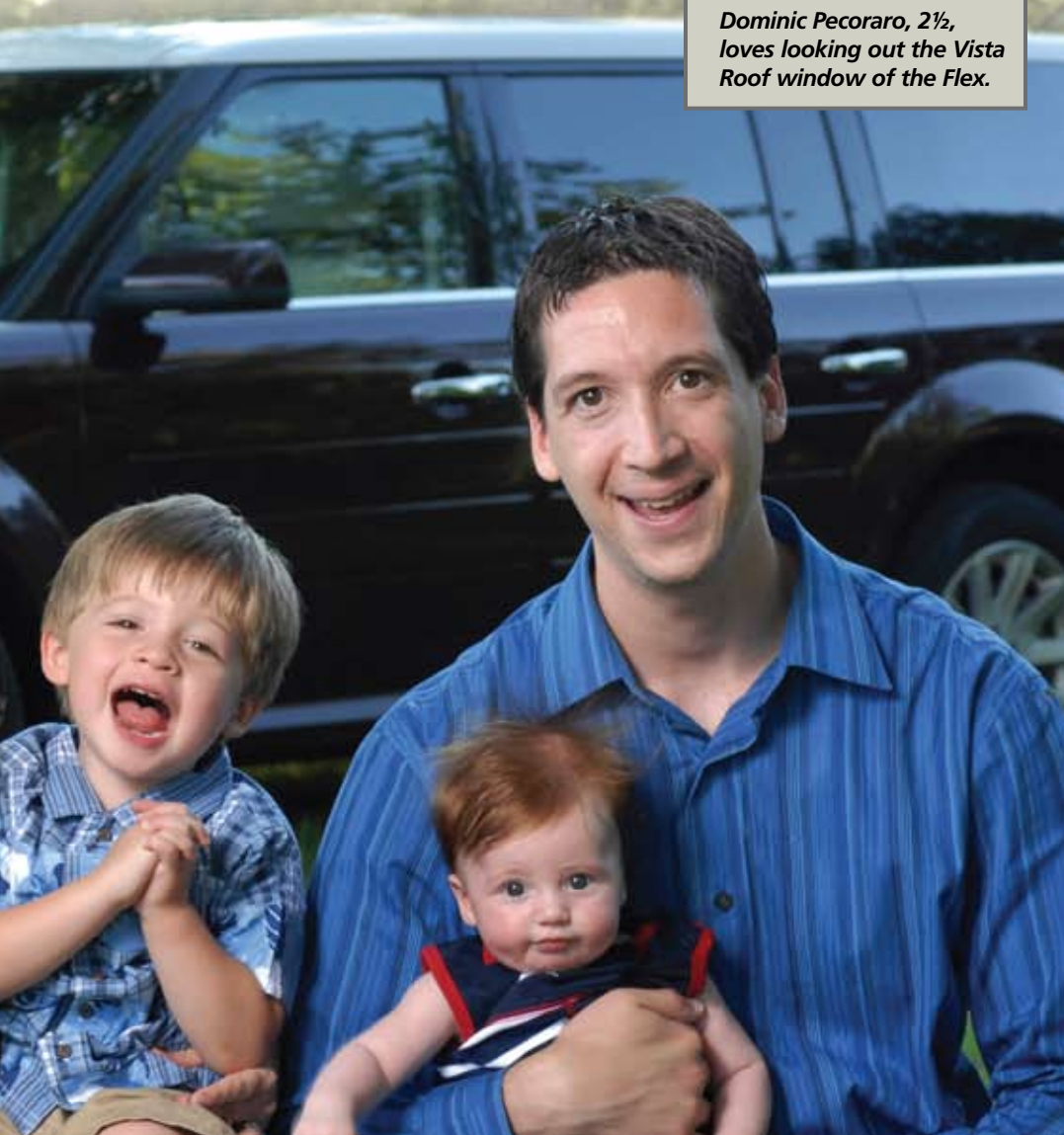
"My wife and I couldn't go anywhere in town that we weren't stopped and asked what the vehicle was," he recalls. "We had people yelling at us in traffic jams asking us about it. We went out one night to find a group of motorcycle riders surrounding the Flex, commenting on how much they liked it," said Conrad, a business planning supervisor.

The Flex is basking in the limelight for a reason, notes Pecoraro.

"I used to be a Mustang driver," said the husband and father of two. "I enjoy vehicles with a distinctive point of view. I'm proud of this car. Flex rocks. This car lets me be cool and be a dad at the same time." ●



**Dominic Pecoraro, 2½,**  
loves looking out the Vista  
Roof window of the Flex.



## WHAT THE MEDIA ARE SAYING:

The new Ford Flex has been getting great reviews from the press. Here's a selection:

"In absolute terms, the Ford Flex is squarely brilliant ... brims with insightful details ... mops the garage floor with your typical full-size SUV...."

— Dan Neil, *Los Angeles Times*

"With its distinctive looks, surefooted performance and groovy interior ... this vehicle is top-notch."

— Scott Burgess, *The Detroit News*

"Undeniably refreshing ... the fact that Ford is thinking outside the box and meant it to be that way is what gives us hope."

— Steve Siler, *Car and Driver*

"...the best-designed Ford since the GT ... (with) a 'wow' factor (that) captures everything good and romantic about American cars while eschewing the bad and the boring."

— Wes Siler, *Jalopnik.com*

"Let's declare Flex is the most honest and best-looking SUV ... a celebration of a top-drawer crossover... And driving a machine that looks like Flex is outrageous fun."

— James R. Healey, *USA Today*

"Wow, this is a Ford? Who knew?"

— Lori Hindman, *Motherproof.com*

"... the coolest ride that Ford has produced in years...."

— Marcus Amick, *The Michigan Chronicle*

"The Blue Oval has struck gold with the Flex ... we think Ford finally struck the bull's-eye."

— Chris Shunk, *Autoblog.com*



*Model T enthusiast Ed Archer, of Hayward, Calif., gets ready for a ride. Hundreds of Model T's lined up at the fairgrounds in Richmond, Ind., and a beautifully restored Model T waits for track time at Winchester Speedway, just north of Richmond.*

# World's largest 'T Party' draws thousands to Model T centennial

BY CORY SIMS

FORD World

More than 950 Ford Model T's from all over the world putt-putted into Richmond, Ind. July 21-25 to celebrate the 100th anniversary of the Model T.

Hosted by the Model T Ford Club of America, the weeklong "T Party" drew Model T owners from as far away as New Zealand and featured the widest assortment of Model T's ever gathered since the cars chugged out of the factory 100 years ago.

As part of the festivities, the event also featured old-fashioned baseball games, a vintage fashion show and even an air show featuring antique pre-World War II aircraft, the earliest of which was a 1911 Wright brothers airplane.

Ford Motor Company was on hand with a tent spotlighting Model T history and current and future Ford products.

Edsel Ford II, the great-grandson of Henry Ford and a member of the company's board of directors, welcomed more than 3,000 Model T collectors and enthusiasts at a centennial banquet at the fairgrounds near the small Indiana town west of Dayton, Ohio, on the first night.

"A company like Ford has a journey that is never complete, but it does have a starting point, and that starting point is the reason we are all gathered here tonight," Ford told the crowd.

"In its day, the Model T was nothing less than revolutionary," said Ford. "The spirit, essence and experience owners got from the Model T made Ford the company it is today." ●

## TOP TEN WAYS THE MODEL T CHANGED THE WORLD

This year, Ford Motor Company is celebrating the 100th anniversary of the Model T, the car credited with "putting the world on wheels." Here are ten ways Henry Ford's iconic vehicle helped changed the world.

### 1. King of the assembly line

The mass production process perfected by the moving assembly line enabled Ford to steadily decrease the price of the Model T. In 1908, the first Model T's sold for \$825. By 1925, it sold for only \$260.

### 2. Friend of the factory worker

The Model T helped establish a minimum wage and the eight-hour work day. Established in 1914 to cut employee



turnover, Ford's \$5 a day wage is often cited as having helped build the middle-class. Ford also hired people who usually could not find work such as immigrants, women, minorities and people with disabilities.

### 3. Personalize it

Accessories for the Model T helped

create the aftermarket supplier industry, which is now a \$38 billion-a-year business. From bumper stickers to chrome wheels, the customization trend began with the Model T.

### 4. The Universal Car

The Model T was the industry's first global car. By 1921, it accounted for almost 57 percent of the world's automobile production. It also was built in several countries and sold in dealerships on six continents.

### 5. The American Way

Before the Model T, early cars had steering wheels on the right, left, or in the center of the dashboard. The Model T standardized the left-hand steering wheel.

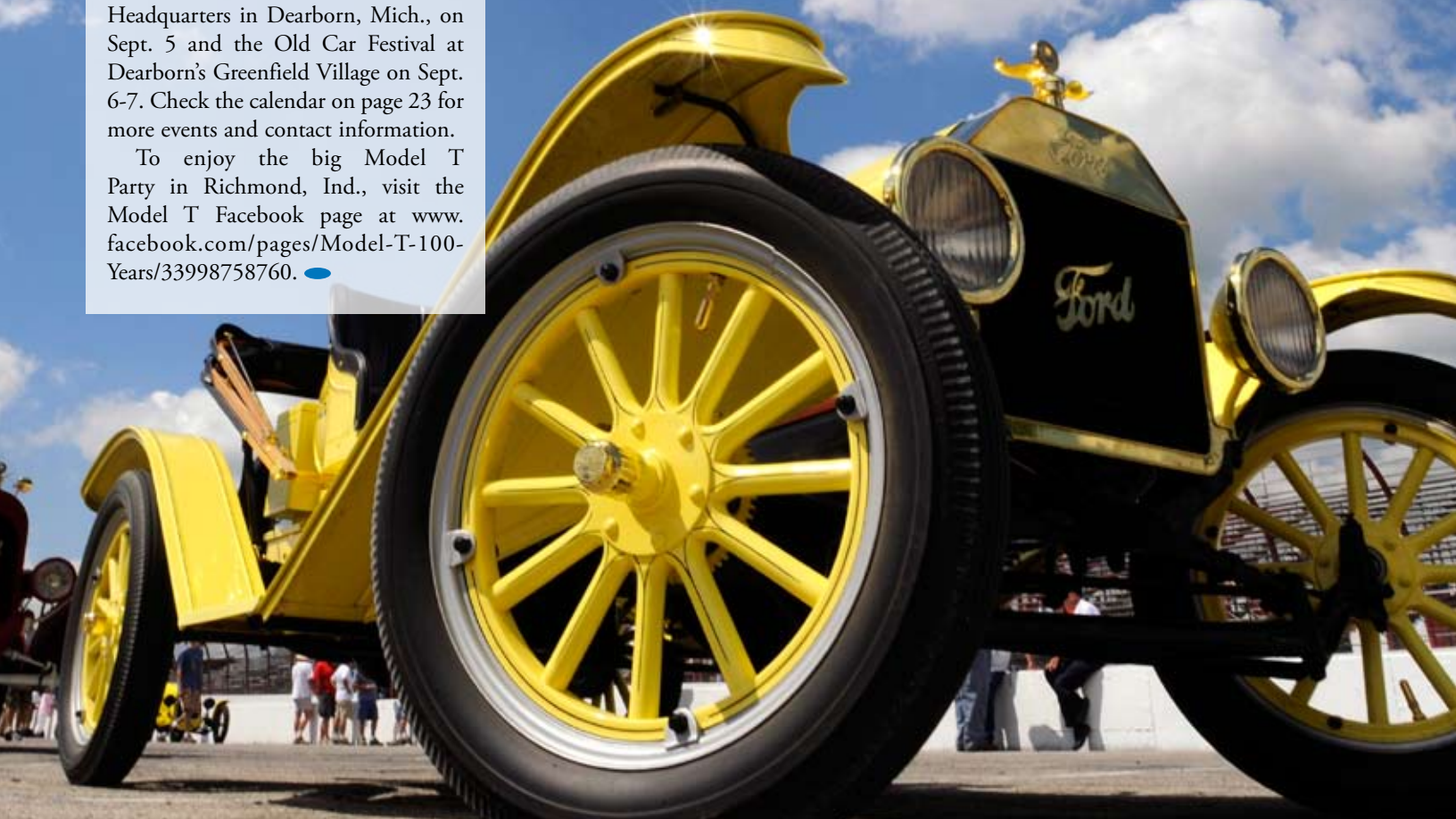


# Plan your very own 'T Party'

Missed the big Model T centennial in Indiana? Don't worry; there are still plenty of Model T events in the next two months, leading up to the actual Oct. 1 centennial date.

Among them is a display of Model T's on the lawn of Ford World Headquarters in Dearborn, Mich., on Sept. 5 and the Old Car Festival at Dearborn's Greenfield Village on Sept. 6-7. Check the calendar on page 23 for more events and contact information.

To enjoy the big Model T Party in Richmond, Ind., visit the Model T Facebook page at [www.facebook.com/pages/Model-T-100-Years/33998758760](http://www.facebook.com/pages/Model-T-100-Years/33998758760). ●



## 6. Any Color As Long As It's Black?

The myth that the Model T only came in black probably comes from the reality that almost 12 million of the 15 million total Model T's were black. But in the early and late years of Model T production, the car was produced in many different colors, including blue, red, green and grey.

## 7. Built Ford Tough

By 1925, Ford was building its first factory-produced domestic pickup truck, the Ford Model T Runabout, with a pickup body. Ford also offered a heavier-duty, one-ton-rated Model TT pickup, akin to today's F-Series Super Duty.

## 8. Look at that thing go!

The Model T's engines offered flexibility and boasted 20 hp, with a top speed of 40-45 mph. The front-mounted, 2.9-liter, 4-cylinder engine was the first single block motor with a removable cylinder head, which remains the basis for most modern engines. With its nine body styles, the Model T also laid the groundwork for modern cars that share the same chassis but have different bodies.

## 9. A Pop Culture Icon

Soon after it appeared in showrooms, the Model T became a part of modern language and culture, generating dozens

of nicknames, including "Tin Lizzie," its most popular. It also has appeared in hundreds of movies since the 1920s while countless jokes, songs and cartoons were created to capture the Model T experience.

## 10. The Car of the Century

The Model T was the best-selling vehicle ever made until the original Volkswagen Beetle passed it in 1972. During 19 years of production, more than 15 million Model T's were sold. Production ended on May 26, 1927. A panel of 126 automotive experts from 32 countries in 1999 chose the Model T as the most influential car of the 20th Century.

# New Escape, Mariner earn their crowns as fuel economy champs

BY ROBERT MUSIAL

FORD World

With a new 2.5-liter engine and new technology, the 2009 Ford Escape and Mercury Mariner are the fuel economy leaders in their class, offering 28 highway and 20 city mpg.

They also offer more horsepower and a smoother ride.

Here's how Ford engineers accomplished that neat trick:



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## Other improvements:

The other powertrains offered on the 2009 Escape and Mariner will also save their owners gas money.

Though the improved 3.0-liter V-6 delivers 40 more horsepower than in 2008, when paired with the new 6-speed transmission, it provides a 2 mpg gain in both front-wheel and all-wheel-drive configurations, for 26 mpg and 24 mpg, respectively.



The 3.0-liter also debuts an industry-first Cam Torque Actuated (CTA) technology that uses the energy of the camshaft to make the engine more efficient and powerful while requiring a smaller oil pump, for further savings.

Meanwhile, the Escape and Mariner Hybrids have strengthened their titles as the most fuel-efficient SUVs on the planet, improving their fuel economy to 34 city and 31 highway mpg.

Among other improvements, a control system upgrade for 2009 lets customers drive more in electric mode, switching over to gas engine power at 40 mph rather than the previous 30 mph, which adds to fuel economy.





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# Education is the key to the 2008 campaign

BY ROBERT MUSIAL

FORD World

In this fall's heavily contested U.S. presidential election, veteran political observers predict the winner will be the candidate who wins the so-called "battleground states" in the Midwest.

Many of these swing states also happen to be auto states, where the domestic automakers have a longtime industrial presence with plants, facilities and parts suppliers.

That means that auto states like Michigan, Ohio, Missouri, Indiana and others will be determining the next occupant of the White House, not to mention the winners of dozens of Congressional seats that are up for grabs.

"The road to the White House leads through the auto states. Neither presidential candidate will win without doing well in the auto states," said Bruce Andrews, vice president of Government Affairs for Ford.

As a company, Ford does not take positions on elections or endorse candidates.

"Our key goal is education; getting our people to understand the issues and participate in the political process," said Andrews.

The other key is educating the candidates about the auto industry and its issues.

"A lot of candidates have never been in an auto plant before so they don't know the industry, so it's working with them to get them to understand us," he said.

Officials in the Washington office where Andrews works and in local and regional facilities make a point of inviting candidates and officials into the plants and research facilities to see what the automakers are doing.

"When people learn about the industry and see all the good things we're doing and working on, we're very successful," said Andrews. "Everyone we've had into a plant or research facility has walked away pretty impressed."

"Very few people know that we're one of the biggest spenders on research and development in the world," he said.

Ford spends approximately U.S. \$7 billion per year on the research and development of safer and more fuel-efficient cars and trucks, not to mention the advanced technologies that will power the cars of the future.

Another part of the job is educating candidates and officeholders about the economic impact that automakers have in their states.

As Ford's chief economist Ellen Hughes-Cromwick notes, every auto job means at least five other jobs in the economy. Each auto job also means jobs at suppliers, local car dealerships and other

businesses, not to mention the economic and voting impact of hundreds of thousands of auto industry retirees.

"It's important to communicate that we're in the process of a transformation of our industry. Since fuel economy and other regulations heavily affect our business, we're looking for governmental policies that will enhance our ability to be competitive and also that are reasonable and achievable," said Andrews.

That's why Ford and other automakers desire one national standard for fuel economy. California and other states are enacting greenhouse gas emissions laws that set state-specific carbon limits on vehicle tailpipe emission, directly regulating vehicle fuel economy. A patchwork of competing individual state fuel economy laws produces little or no environmental benefit, creates regulatory uncertainty and places enormous financial and engineering burdens on automakers.

"This is a huge issue for us. To run a business efficiently and provide customers with the vehicles they want, we need just one set of rules to follow. Otherwise, you'll have to follow complicated rules and restrict products, which would cost us and the customers a lot more," said Andrews.

Along with lobbying for one national fuel economy standard, automakers lately have been seeking to educate candidates on batteries – the kind that will power the next generation of hybrid vehicles.

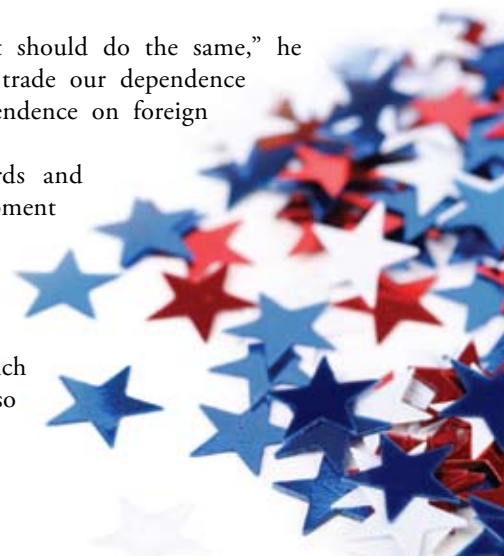
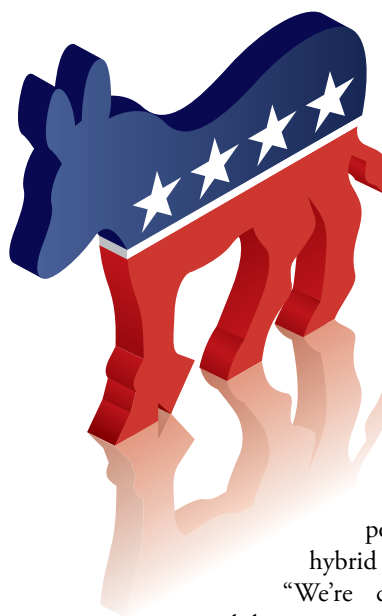
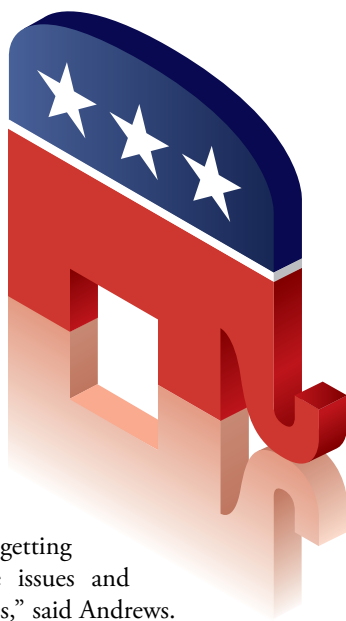
"We're calling on the presidential candidates to significantly increase funding for the manufacture of the next generation of batteries," said Andrews.

He noted that the governments of Japan, Korea, India and China are investing huge amounts of money into research on the latest battery technology. As a case in point, the batteries that power today's Toyota Prius were subsidized by the Japanese government.

"There's no doubt their government heavily subsidized battery development because they wanted to be the world leader in this," said Andrews.

"The U.S. government should do the same," he said. "We don't want to trade our dependence on foreign oil for a dependence on foreign batteries."

Fuel economy standards and U.S.-based battery development are the kinds of critical issues to automakers that the next president and Congress will be facing in the days ahead – which make learning about them so critical. ●





# Ten questions with NHRA Funny Car star Ashley Force

BY ELON WERNER

Special to FORD World

**A**shley Force, 25, races a Ford-powered, fiber-bodied Mustang in the NHRA Funny Car division, where nitro-fueled, 8,000-horsepower cars rocket through the quarter-mile in four seconds at more than 300 mph. In April, she became the first woman to win the Funny Car class, defeating her father, John Force, a 14-time Funny Car champion.

**Q: You were at the ESPY sports award show in July. How was that?**

**A:** It was cool to go into LA and see so many sport stars. Getting to participate in events like that is neat since those opportunities don't come around that often.

**Q: Do you enjoy the celebrity aspect of your career?**

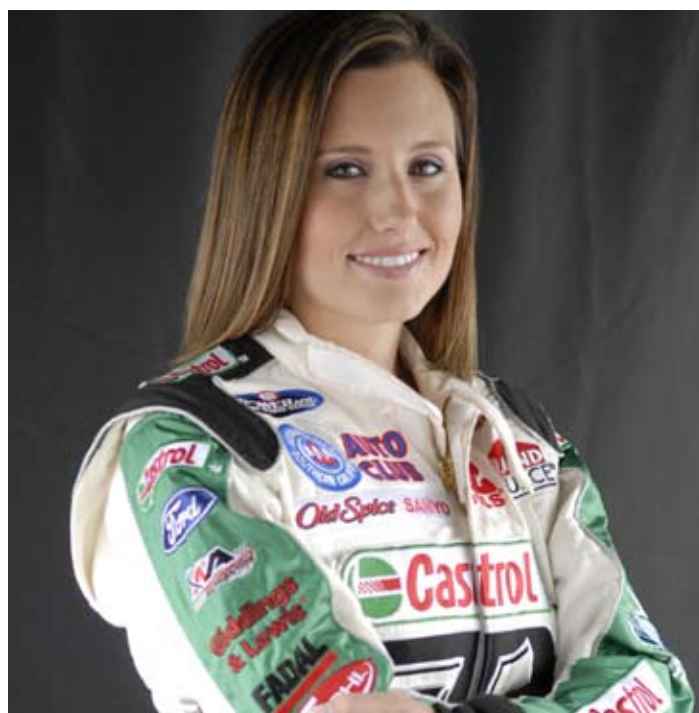
**A:** It's the most nerve-wracking part of being a driver. I'm not really one to be the center of attention or get up in front of people so that part is tough. I think you just enjoy it while you're in that position.

**Q: What's it like to go 300 mph?**

**A:** It is like getting the wind knocked out of you. It's the coolest sensation to be able to go that fast, yet it's terrifying at the same time. You don't have time to sit there and enjoy it. You're thinking about getting down the track in one piece.

**Q: What do you do to get ready before a race?**

**A:** I don't really have a set routine other than get changed into my fire suit and load up all my extra gear into the Expedition. I have all my gear set up exactly the same before we pull out of the pits. That's a relaxing moment because there is no one else around; it's just me getting my stuff together.



**Q: What's it like to race against your dad?**

**A:** I really never want to race him because that means one of us has to lose; you never want to race your own teammate. I think less about who I am running when I race him because I know he is not going to mess with me. He is not going to do anything intentionally to try and screw me up and I won't do anything like that to him.

**Q: How did you feel when you beat your dad for your first Funny Car win at Atlanta?**

**A:** As much as I don't want to race him, I loved racing him in the final. It was really exciting for the fans. He was going for his 1,000th round win in his 500th race and I was trying for my first win. I just happened to get the win.

**Q: Away from the track, are you a "lead foot?"**

**A:** I'm not a real speed person. I live in Southern California so there is lots of traffic. I don't try and do anything crazy because I know how dangerous it is. I've only had one speeding ticket in my life and I hope to keep that record.

**Q: If you weren't racing, what would you be doing?**

**A:** I thought about being a teacher; I love kids. Driving is really fun but there are a lot of other interesting jobs. I've been a fan longer than I've been a driver so I enjoy both sides of racing.

**Q: On the rare day off, what do you do to relax?**

**A:** I like being at home. I'll do laundry, unpack, grab some dinner, and rent some movies. Just being around the house is great. I am home so rarely that any time I can spend in my house, I enjoy.

**Q: What are you listening to on your iPod right now?**

**A:** Actually, I've been listening to a lot of Christmas music. I'm in the process of picking out songs for my wedding in December. We're doing a Christmas theme. ●



## New Fiesta EOnetic scores best mileage ever

Powered by a 1.6-liter diesel engine, the new FiestaEOneticmodel unveiled at the recent British International Motor Show gets an astonishing 63.5 mpg. The Fiesta's ultra-low level of CO<sub>2</sub> emissions will also exempt it from road taxes in the United Kingdom. The car is powered by a specially calibrated version of the Duratorq TDCI engine which gives it a top speed of 110 mph. The car also benefits from improved aerodynamics, low-resistance tires and a weight reduction of 88 pounds versus the previous model, despite improved safety equipment and sound insulation. For those keeping score, the Toyota Prius gets a combined mileage of 46 mpg.



**Fiesta EOnetic**

## Ford of Europe sets first-half sales record

Ford of Europe's sales in its main markets rose by almost 2 percent to a record 1,003,700 in the first half of 2008. "Surpassing the 1 million mark after only six months confirms how well our products are being received by an increasing number of customers," said Ingvar Svinggum, vice president, Marketing, Sales and Service. Ford's top sellers were the Focus, Fiesta and Mondeo. Britain was the company's top market for the six months, with sales of 235,000 vehicles for a market-leading share of 16.2 percent.



**Ford Focus**

## Ford to export vehicles and parts to China

In a deal worth U.S. \$800 million, Ford Motor Company will begin exporting additional vehicles and transmission parts to China in 2009. As part of the agreement, Ford will sell more than 30,000 vehicles built in North America in China and will also begin supplying transmission components and parts this year to its passenger car joint venture in China – Changan Ford Mazda Automobile Co., Ltd. The first Fords were exported to China in 1913 and, most recently, Ford



**Ford Escape**

has sent over the Ford Escape (called the Maverick there) and the Lincoln Navigator. Ford also sells the Focus, Mondeo, S-MAX and Transit in China.

## Volvo gets a 'hat trick' in AutoPacific ratings

Volvo scored three wins in AutoPacific's recent Ideal Vehicle Awards (IVA) ratings. The Volvo S40 was the clear winner in the Luxury Mid-Size Car category, with high ratings for size, visibility, ride, handling and safety. In the Image Compact Car category, the Volvo C30 was a winner, based on exterior styling, ride, safety and interior features. And the Volvo C70 shared the top spot in the Aspirational Luxury Car category for its packaging, equipment, safety and interior features. The IVA awards use tallies from owners of 2008 models in 15 key vehicle attributes.

## Mondeo continues its award-winning ways



**Ford Mondeo**

The Ford Mondeo is on a roll, coming out on top in three recent vehicle comparisons. Germany's *Auto Tests* magazine put the Mondeo up against the Audi A4 and the Citroën C5 and the Mondeo won. "The most surprising outcome is that the roomy and family-friendly Ford beat the expensive A4," said the mag, which named the Mondeo the Best Car of 2008. A similar test by France's *Auto Plus* gave the nod to Mondeo over the Citroën due to its significantly better performance, fuel economy and driving enjoyment. And England's *What Car?* buyer's guide chose the Mondeo Estate (station wagon) as its 2008 Tow Car Award winner for performance, practicality, running costs and attributes.



**Mazda MX5**

## Mazda named "Best Carmaker" by consumer mag

Mazda has scooped up the "Best Carmaker" award from the British consumer magazine *Which?*, edging out

last year's winner Toyota plus runners-up Audi, BMW, Honda and Lexus. The annual awards recognize the companies and individuals in 12 categories that best serve the interests of consumers. Mazda was given its award by the legendary racing driver Sir Stirling Moss in a ceremony at the British Museum in London. The magazine praised Mazda for its "blend of excellent value for money, reliability and innovation" in its latest owners' survey.



## AUGUST

Aug. 15 - 17

### Woodward Dream Cruise (Ferndale, Mich.)

This year, during the world's largest celebration of car culture that attracts 1.5 million spectators and 40,000 classic cars, the "Ford - Drive one" exhibit moves to Ferndale, on Nine Mile Rd., east and west of Woodward Ave. Also on hand will be the 10th annual Mustang Alley with hundreds of Mustangs plus Model T's and lots more. Contact: [www.ferndaledreamcruise.com](http://www.ferndaledreamcruise.com).

Aug. 28 - Sept. 1:

### 2nd Annual Sturgis Mustang Rally (Sturgis, S.D.)

Hosted by Sturgis Mustang Rally on the city's Main Street, event hours are 8 a.m. to midnight with check-in daily. Show and Shine, two poker runs, Mustang drags, Mustang autocross, cruiser night, picnic, pub crawl, and a chance to win a Sturgis Mustang Rally Limited Edition Shelby Mustang. Registration fee is \$65. Contact: [www.sturgismustangrally.com](http://www.sturgismustangrally.com) or call Sturgis Business Alliance at 605-347-1880.

Aug. 29 - 30:

### Regional Falcon Club of America Show (Southgate, Mich.)

The Metro Detroit Chapter of the Falcon Club of America (a nonprofit organization dedicated to preserving the Falcons built from 1960 to 1970) is hosting a Regional Show at the Holiday Inn in Southgate, Mich. This is the first-ever show in the Detroit area and Falcons from many Midwestern states will be on display. Contact: [detroitfca.webs.com](http://detroitfca.webs.com) for registration and info or call Alan Aniol at 734-282-8188 or e-mail JOANAL@wideopenwest.com.



### FORD EXPERIENCE TOUR

The traveling Ford Experience Tour lets consumers interact with the Ford brand in entertaining and informative ways. The 8,000-square-foot mobile marketing initiative showcases all of Ford's 2008 vehicles plus the all-new 2009 Ford Flex plus interactive games so people can have fun while learning about Ford products. Product specialists are also on hand to answer questions about vehicles and local dealerships.

*Check out when the Ford Experience Tour will visit a city near you*

- Aug. 16 - 17: Chicago Air and Water (Chicago, Ill.)
- Aug. 22 - 24: Indianapolis Air Show (Indianapolis, Ind.)
- Aug. 28 - 31: Harley-Davidson 105th Anniversary (Milwaukee, Wis.)
- Sept. 9 - 11: Husker Harvest Days (Grand Isle, Neb.)
- Sept. 26 - 28: Taste of St. Louis (St. Louis, Mo.)

## SEPTEMBER

Sept. 5 - 6:

### 12th Annual Astronomy at the Beach (Milford, Mich.)

This year's event will take place at Kensington Metro Park from 6 p.m. to midnight (rain or shine). Learn about astronomy and view the night sky through our telescopes and binoculars. There will be a children's celestial scavenger hunt with prizes, a tour of the constellations, a comet-making demonstration and much more! Contact the Kensington Nature Center at 248-685-0603 or visit [www.boonhill.net/glaac](http://www.boonhill.net/glaac)

Sept. 11

### Ford Volunteer Corps MODEL Teams program (southeastern Mich.)

The Ford Volunteer Corps MODEL Teams program is having an Accelerated Action Day from 9 a.m. - 5 p.m. on Sept. 11. This event's theme is Community Building and volunteers will work at several sites in southeastern Michigan. Supplemental and agency personnel can also help, with approval from their Ford supervisor and their employer. Contact: [www.volunteer.ford.com](http://www.volunteer.ford.com)

Sept. 24:

### Kansas City Ford Salaried Retiree Club Meeting (North Kansas City, Mo.)

The Kansas City Ford Salaried Retiree Club is having a luncheon at Finnigan's Banquet Hall, 503 East 18th Avenue, North Kansas City, Mo. Event begins at 11:30 a.m. Contact Maynard Moore at [MOORE.MAYNARD@gmail.com](mailto:MOORE.MAYNARD@gmail.com).

## SPECIAL OFFER

### Special tire discounts for Ford employees, retirees through Sept. 30

Ford Customer Service Division is offering Ford employees and retirees a special discount on the most popular tires Ford and Lincoln Mercury dealers sell. This discount is in addition to any other offer or rebate available at the dealership.

#### To take advantage of the offer:

1. Call Tire Program Headquarters at 1-888-353-3251 to receive your approval code.
2. Take that code to your participating local Ford or Lincoln Mercury dealership and buy your tires by Sept. 30, 2008.

**You will receive 20 percent off MSRP on Goodyear premium tires (Assurance Comfortred, Assurance TripleTred, Eagle ResponseEdge, Eagle F1 All Season, Fortera TripleTred, Fortera Silent Armor and Wrangler Silent Armor). You will receive 15 percent off MSRP on all Michelin/BFGoodrich/Uniroyal, Continental/General and Yokohama tires.**

*Retirees must receive approval code from Tire HQ before purchasing tires (call 888-353-3251) and will need to provide original hire and retire dates. Offer not valid on prior purchases.*



## Model T events:

As part of the 100th anniversary of the Model T, many groups are having events across the country to celebrate "the car that put America on wheels." To help you plan, here's a list:

Aug. 29 - 31:

20th Annual Ohio Model T Jamboree (Jackson, Ohio)  
Contact: Richard Wells, Ohio River Valley T's, 740-820-8381

Sept. 4 - 7:

Great Canadian T Party (Vancouver Island, British Columbia, Canada)  
Contact: Vintage Car Club of Canada, 250-752-8178 or [lorclay@shaw.ca](mailto:lorclay@shaw.ca)

Sept. 5:

Model T Lawn Display, Ford World Headquarters (Dearborn, Mich.)  
Contact: [mbradl31@ford.com](mailto:mbradl31@ford.com)

Sept. 5 - 7:

Maine Model T Tour (Bethel, Maine)  
Contact: John Anderson, Down East Chapter - MTFCa, 207-778-3596

Sept. 5 - 7:

Glacial Ridge Model T Tour (Willmar, Minn.)  
Contact: Ed at 320-894-6663

Sept. 6 - 7:

Old Car Festival, Greenfield Village (Dearborn, Mich.)  
Contact: Henry Ford Museum, 800-982-6125

Sept. 6 - 11:

Model T Ford Club International Regional Tour (Ypsilanti, Mich.)  
Contact: [www.piquettets.org](http://www.piquettets.org)

Sept. 12 - 14:

Mr. Ford's Model T (Sacramento, Calif.)  
Contact: Kate Bandy, Sacramento Valley Model T Ford Club, 916-966-4919 [www.toweautomuseum.org/html/model\\_t\\_centennial.html](http://www.toweautomuseum.org/html/model_t_centennial.html)

Sept. 27:

Model T Celebration, AACA Museum (Hershey, Penn.)  
Contact: Norm Hutton, AACA, 201-847-4374 or the museum, 717-566-7100

Sept. 27:

"Ford 4" Centennial Motorcade (Dearborn, Mich.)  
Model T motorcade to four key Detroit-area attractions tied to the Model T.  
Contact: [www.motorcities.org](http://www.motorcities.org)



## They said it

"The Taurus sedan gets respect ... fit, finish and material quality are discernibly better in the new Taurus, too...."

— Warren Brown  
*The Washington Post*



"The redesigned 2008 Ford Focus is a serious contender in the green car arena ... we approached 38 mpg on one highway leg that had our speed below 65 mpg. By any measure, that's impressive mileage...."



— Todd Kaho  
*GreenCar.com*

"The (Lincoln) MKX is a well-designed, well-engineered family utility vehicle that can hold its own against anything in its class, including European and Japanese entries."

— G. Chambers Williams III  
*San Antonio Express News*

## Built Ford Tough

The durability of Ford vehicles continues to be a point of pride among owners.

**Jerry L'Heureux**, of Powell, Ohio, has more than 563,000 miles on his 1998 Ford Explorer XLT. Its engine and four-wheel-drive system are still original and the body is in excellent condition.

"It's not too often that any vehicle eclipses 500,000 miles, let alone an SUV that has lived through at least seven Midwest winters," says his son, **Brent L'Heureux**.

In Montgomery, Texas, **Drew Smith** notes that his 1997 F-250 fleet truck has more than 330,000 miles on it, more than enough, he says, to put almost any foreign competitor "in the scrap heap."

And down in Lakeland, Florida, **Henry** and **Lisa Miller** have rolled past 621,000 miles in their 1988 F-150 XLT – which was purchased used.

Their faithful Ford is still being used "from general hauling to hauling Boy Scouts and Girl Scouts," notes brother-in-law **Dave McKinney**.

## Quite a family vacation

The headline in *AutoWeek* magazine said it all: "Brand loyalty doesn't even begin to cover it."

It was referring to **Diego Percivaldi**, who drove his restored 1981 Ford Falcon from his home in Argentina to Dearborn. The 47-day pilgrimage through 13 countries put 10,000 miles on the Argentinean-built car.



"For us, Ford is not just another company. For so many people in Argentina, their first car and favorite car is a Ford," said Percivaldi, whose wife, **Cecelia**, and their two boys, **Tomas**, 3, and **Agustin**, 11 months, joined him in Guatemala on the ultimate family road vacation.

Though the family arrived at Ford World Headquarters with no advance notice, Ford staffers met with them and local media soon showed up to report on the odyssey.

Percivaldi also received personal notes from Chairman **Bill Ford** and President and CEO **Alan Mulally** and lots of Ford souvenirs. The company also arranged to ship their vehicle back to Argentina.

That should help keep miles off the odometer.



## 'Hot Wheels' road trip

**Steve Gilmore's** "Gangster Grin" is the coolest little Ford you can buy for \$2.

The Ford designer's entry was a winner in the Mattel Hot Wheels® Designer's Challenge contest last year and will be part of Hot Wheels' 40th anniversary road trip this month.

The 1/64th scale die-cast car is a sleek little cruiser that sports a radically chopped top and a grille that echoes a 1949 Ford. The tiny burgundy car is accented by subtle flames on its sides.

The Hot Wheels tour rolls into the Automotive Hall of Fame in Dearborn, Mich., on Sept. 1, with life-sized Hot Wheels cars, giveaways, free museum admission and more.



## Downhill racer

**Madison Minch** says racing her Soap Box Derby car is "a lot of fun."

She should know. The 8-year-old recently won the Stock division of the Cleveland Area Soap Box Derby in her gravity-powered little red racer.

Such racing runs in the family. Her dad, **Greg Minch**, a team manager at the Cleveland Engine plant, won the identical race exactly 30 years ago.



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SoundScreen is now standard on several models including Ford Escape, Expedition and Focus; Lincoln MKX and Navigator; Mercury Mariner and Mazda Tribute. It also will be on the all-new Ford Flex, the Lincoln MKS and the Platinum Edition F-150 for the 2009 model year. Ford is continuing to expand this unique glass technology throughout its vehicle lineup.

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- **UV Protection** - SoundScreen maintains excellent UV protection for occupants, upholstery and interior surfaces.
- **Safety** - SoundScreen meets all federal safety standards and regulations.



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