# SALARIED PERSONNEL ACTIONS



- Salaried Personnel Levels restructure business to fit current demand
  - Reduced salaried personnel by 36% over the past three years includes 10% reduction effective February 2009
  - Reduced contract personnel by 50%
- Compensation & Benefit Changes
  - Eliminated 2009 merit increases and bonuses
  - Suspended 401k match, tuition assistance and dependent scholarships
  - Capped retiree life insurance at \$25k
  - Improved cost effectiveness of benefit programs through more efficient plan offerings and increased employee cost sharing

## Concurrently, we continue efforts to ensure a skilled and engaged team by:

- Conducting leadership development programs
- Developing future leaders through various developmental functional programs
- Providing flexible work arrangements for maximum workforce efficiency and effectiveness
- Conducting transparent communications with employees
- Conducting events focused on future products to build employees' confidence in the future of the company

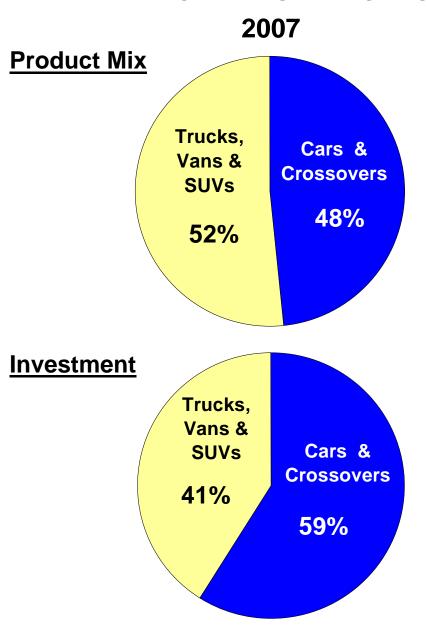
# HOURLY LABOR COST DISADVANTAGE VS. TRANSPLANTS SUBSTANTIALLY REDUCED WITH LATEST UAW AGREEMENT

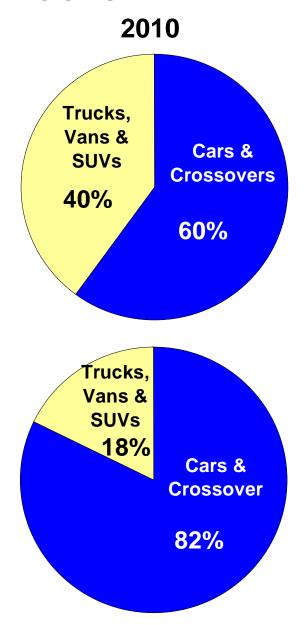


|   | Ford           |              |                    |
|---|----------------|--------------|--------------------|
|   | Without<br>UAW | With<br>UAW  |                    |
|   | <u>VEBA</u>    | <u>VEBA</u>  | <u>Transplants</u> |
| Wages   | \$ 29          | \$ 29        | \$ 26              |
| Wage-Related  | 14             | 14           | 9                  |
| Subtotal  | \$ 43          | \$ 43        | \$ 35              |
| Legacy Cost   | 16             | 3            | 3                  |
| All Other   | 12             | <u>12</u>    | 11                 |
| Total   | <u>\$ 71</u>   | <u>\$ 58</u> | <u>\$ 49</u>       |
| Memo:<br>Average Wage Assuming 20%<br>Entry-Level Employees |                | \$ 53        | APPENDIX 2 OF 4    |
|   |                |              |                    |

# Ford

# **BALANCED PORTFOLIO OF PRODUCTS**





# SUSTAINABILITY PLAN



2007 2011 2020 2030

# Near Term Begin migration to advanced technology

### **Mid Term**

Full implementation of known technology

#### **Long Term**

Continue leverage of Hybrid technologies and deployment of alternative energy sources

### **Near term**

- Significant number of vehicles with EcoBoost engines
- Electric power steering 70 - 80%
- Dual clutch and 6 speed transmissions replacing 4 and 5 speeds
- · Four Hybrid applications
- · Increased unibody applications
- Introduction of additional small vehicles
- Battery management systems 75%
- Aero improvement up to 5%

### Mid term

- EcoBoost engines available in nearly all vehicles
- Electric power steering 100%
- Six speed transmissions 100%
- Weight reduction of 250 - 750 lbs
- Engine displacement reduction aligned with weight save
- Additional Aero improvements up to 5%
- · Increased use of Hybrids
- Introduction of PHEV and BEV
- · Diesel use as market demands

### Long term

- Percentage of internal combustion dependent on renewable fuels
- Volume expansion of Hybrid technologies
- · Continued leverage of PHEV, BEV
- · Introduction of fuel cell vehicles
- Clean electric / hydrogen fuels