

As we execute our accelerated Way Forward plan and work together to return our business to sustained profitability and eventual growth, we are announcing adjustments to our Total Compensation program for salaried employees and salaried retirees. The changes include reducing or eliminating some benefits while adding or increasing others.

Overall, we are working hard to ensure we continue to provide competitive total compensation to our work force, while attacking our uncompetitive cost structure, including employee health care costs.

The most significant Total Compensation changes include the difficult but necessary cancellation of the Merit Increase Program in 2007, as well as coverage changes and increases in employee monthly contributions, deductibles, and co-pays for various health care plans. In 2008, the Company will be replacing health care coverage for retirees and surviving spouses, who are age 65 and older or eligible for Medicare, with a Health Reimbursement Arrangement (HRA).

In addition, we are changing the date we issue year-end paychecks for all hourly and salaried employees to the last business day of December – versus our prior practice of the last day before the holiday shutdown. This change alone will save the company \$70 million of cash flow this year without reducing compensation to employees.

At the same time, we are reinstating the SSIP matching contribution and shortening the vesting period for the Ford Retirement Plan. Many of you underscored the importance of the matching contributions in our recent compensation survey, and you should know that we are listening and acting accordingly.

Full details of these and other benefit changes are contained in the [2007 Salaried Total Compensation Announcement](#) on [HR ONLINE](#). Please review the information carefully so you can make the most informed decisions on the benefits available to you.

As you look at all of our Way Forward actions – from our accelerated product plans to our attack on costs – you can see that we are meeting our challenges head on. We recognize that, in doing so, this is a period of uncertainty and anxiousness for the entire Ford team. But we remain committed to candid and open communications throughout the process. Rest assured that, by working together, we are building a much stronger Ford Motor Company and a more secure future.

Thank you for your hard work and your continued support.

Mark Fields

President, The Americas
Group Vice President, Ford Motor Company