

## Ford Reports \$2.6 Billion Profit for First Quarter

by Gerald Scott  
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In spite of a quarter that included retail gas prices hitting \$4 per gallon and significant blowback from the earthquake in Japan, all in all, Ford Motor Co. fared quite well.

That's all because Ford reported first quarter net income of \$2.6 billion, an increase of \$466 million from the first quarter of 2010, as new, fuel-efficient products, continued investment in global growth and the strengthening of Ford's core business together boosted Ford's results.

Ford CEO Alan Mulally was pleased with the turn of events that gave the Dearborn automaker a solidly profitable first quarter for 2011.

"Our team delivered a great quarter, with solid growth and improvements in all regions," Mulally said in a statement.

"We continue to accelerate our One Ford plan around the world, delivering on our commitments to serve our global customers with a full family of best-in-class vehicles and deliver profitable growth for all, despite uncertain economic conditions."

Ford said that its first-quarter 2011 pre-tax operating profit was actually \$2.8 billion, an increase of \$827 million, from first quarter of 2010.

This increase reflects improved profits in each American segment, led by a strong performance in North America and solid improvement in Europe.

Ford also generated positive Automotive operating-related cash flow of \$2.2 billion in the first quarter, an improvement of \$2.3 billion from the first quarter of 2010.

The automaker said it also made significant progress in strengthening its balance sheet, with a net reduction in Automotive debt of \$2.5 billion in the first quarter, including the redemption of all outstanding Trust Preferred Securities.

Ford ended the first quarter with \$21.3 billion of Automotive gross cash, an increase of \$800 million compared with Dec. 31, 2010. Automotive gross cash exceeded debt by \$4.7 billion, which was an improvement of \$3.3 billion from year-end 2010.

"Our business is improving

as we achieve growth in volume and revenue, while maintaining our focus on increasing competitiveness," said Lewis Booth, Ford executive vice president and CFO, in a statement.

"The quarter was another encouraging step as we invest for an even stronger business for the future."

It was a busy quarter for Ford as it also announced an investment of \$400 million and retention of 3,750 full-time jobs at the Kansas City Assembly Plant for a new vehicle to be built at the facility.

Ford said it posted a 16 percent increase in U.S. sales in the quarter due to strong demand from fuel-efficient products such as the Fiesta, Fusion, Edge, Escape, Explorer and F-Series trucks.



Ford senior executive Mark Fields with the Ford Explorer, which was named North American Truck of the Year back in January. Today, the streamlined 2011 Explorer is helping Ford to achieve record earnings for the first quarter.



Dearborn Truck Plant workers build an F-150 pickup truck. The Department of Defense recently named Ford as a semifinalist for the Freedom Award, which salutes companies that support their military reservists and called-up employees.

## Ford Among Semifinalists for U.S. Freedom Award

ARLINGTON, Va. – The Department of Defense has announced that two Michigan employers have been selected as semifinalists for the 2011 Secretary of Defense Employer Support Freedom Award.

The Freedom Award is the DoD's highest recognition given to employers for exceptional support of their employees serving in the Guard and Reserve. Michigan's semifinalists stood out for their support of military employees, as nationwide nominations for the Freedom Award rose 64 percent over last year.

Among the 148 semifinalists are Ford Motor Company in

Dearborn and 50th District Court in Pontiac. These Michigan employers distinguished themselves from a pool of 4,049 nominations submitted by service members in 2011.

Employers chosen as semifinalists support their Guard and Reserve employees through a variety of formal and informal initiatives, including providing the difference between military and civilian salary during deployments, continuation of full benefits, sending care packages and supporting the families of employees fulfilling military obligations.

"Our nation's ability to rely on the Guard and Reserve through nearly 10 years of war and during historic natural disasters is made possible by the tremendous support of em-

ployers," said Employer Support of the Guard and Reserve National Chair James G. Reholz.

"The employers selected as semifinalists have distinguished themselves by going above and beyond what the law requires, and I want to thank them for their critical support on behalf of our service members and our nation."

A national review board will narrow the group of 148 semifinalists to 30 finalists for the Freedom Award. Then, a national selection board composed of senior defense officials, business leaders and prior awardees will select the 15 recipients for the 2011 Freedom Award.

The DoD is expected to announce finalists in May and award recipients this summer.

The 2011 recipients will be honored in Washington, D.C., at the 16th annual Secretary of Defense Employer Support Freedom Award Ceremony on Sept. 22, 2011. Last year's recipients met privately with Vice President Joe Biden and Secretary of Defense Robert Gates prior to the ceremony.

The Freedom Award was instituted in 1996 under the auspices of ESGR to recognize exceptional support from the employer community.

ESGR was established in 1972 to develop and maintain employer support for Guard and Reserve service. ESGR advocates relevant initiatives, recognizes outstanding support, increases awareness of applicable laws, and resolves conflict between service members and employers.

## Car Colors Change According to Region

DEARBORN – Despite an array of bright, vibrant car colors, U.S. customers on the coasts and customers in most European countries prefer the classic core colors – white, black, silver and gray.

Gray and silver are most popular in New York and Los Angeles. San Franciscans like white and Bostonians like black.

Only one country in Europe has a top color other than white, black or silver: The Czech Republic chooses blue.

"The trend continues to be toward core colors – the classics," said Susan Swek, Ford's group chief designer for Color and Materials. "We strive within Ford to achieve the best black, silver, white and gray. We're always working to make them even more appealing."

Paint, she said, is no different from clothing when it comes to color and style.

"The classics are continually upgraded – and always with a modern twist," Swek said. "In Europe, we've added tri-coat pearl technology to give gray-scale colors a glimmer. And in North America, we are creating more tinted clear coats for a rich, luscious effect."

A new core color, Silver Diamond PC (for premium colorant), takes silver to a whole new dimension with an "elegant, liquidy look," explained Color Designer Jon Hall.

"We're generally paying more attention to fundamental col-



U.S. and European new car customers have significantly different tastes in car colors that they order. Guessing market tastes in paint colors is a favorite pastime of the global auto industry.

ors," Hall said. "They are 60 percent of the global market. Cars and trucks are a major purchase, and customers think of things like resale value and the fact that they want to be seen in the vehicle for the next few years."

Meanwhile, in other parts of the U.S., customers have different preferences. Red is popular in the Midwest. Drivers in Philadelphia, Washington, D.C., and Pittsburgh like green. And Phoenix and Miami customers like warm colors – orange and gold.

Across the ocean, tastes tend to be equally as diverse: French and Italian motorists like cream-colored vehicles, not a surprise

given their café cultures. The Irish like silver. Customers in Denmark prefer black, while those in Belgium like gray.

Vehicle owners everywhere use color choice to convey messages about themselves, says Julie Francis, of the European Color and Materials team.

"There is something very personal to buyers about the color of their cars," said Francis. "When you look at the culture, you can see how fashion and other tastes influence the colors customers choose."

Nearly 50 percent of all vehicles sold in Turkey are white. Black is the color of choice for

CONTINUED ON PAGE 2

## Ford Expands Its Education Program To Improve Safe Driving for Teenagers

NEW YORK – Nearly all (95 percent) parents believe they're safe drivers, yet 82 percent of teens report seeing their parents be careless when driving.

More than three-quarters of teens say they will rely heavily on their parents' advice when they start to drive. A nationally renowned family psychologist says parents can have a positive impact by serving as role models and discussing safe driving practices with their children.

Ford expands its award-winning teen safe driving program as 25 percent of teens say they have had no formal driver education training and 83 percent of parents who have seen cutbacks in such programs express concern.

Federal statistics show motor vehicle crashes remain the leading cause of death for teens. According to the National Highway Traffic Safety Administration (NHTSA), 16 percent of all drivers younger than 20 involved in fatal crashes were reported to have been distracted while driving.

U.S. teens and tweens say their parents are riskier drivers than they claim, according to a

new national survey commissioned by Ford Motor Company. While nearly all parents say they are safe drivers and good role models for their kids, more than half (51 percent) admit their teens and tweens have asked them to slow down, stop talking or texting by hand, or practice other safe driving behaviors.

An even larger number (80 percent) of teens and tweens have seen their parents engage

in risky actions behind the wheel while looking to their elders as driving role models. Meantime, 78 percent of tweens say their mothers and fathers have "a lot of influence" on the way they will drive and 66 percent of teenage drivers say their parents' actions influence their driving.

"There seems to be a gap between parents saying they drive

CONTINUED ON PAGE 3



Teenage drivers claim in a recent survey that they are getting mixed signals from their parents regarding safe driving habits. Above, teens compete in the Ford Driving Skills for Life program.

## Roush CleanTech Modifies Ford Vans With Liquid Propane System for Fleet

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Useful ideas sometimes come from the unlikelyst of inspirations.

Take A.J. Fillipis, president of Wright & Fillipis, for example, who was telling a story the other day about where the inspiration for converting his delivery fleet to liquid propane fuel first came from.

It seems that four-five years ago, Fillipis and a colleague were in a taxicab in Las Vegas, stuck in traffic, when the cabbie mentioned that his firm's taxi fleet ran on propane, which gave them great mileage and reduced emissions.

"Why can't we do something like that?" Fillipis said he rhetorically asked his colleague, in part because the W&F corporate delivery fleet employs 40 vehicles that put on 1 million road miles annually.

And a useful idea was born. Just last week, Fillipis hosted a variety of corporate guests to kick off the launch of 12 new Ford vans and trucks powered by this alternative fuel.

Thanks to a U.S. Department of Energy/Recovery and Reinvestment Act grant secured by the Clean Energy Coalition, Wright & Fillipis, a leader in the rehabilitative healthcare field, unveiled 12 new Ford propane autogas-powered Ford E-350 and E-450 cargo vans, all fea-

turing Roush CleanTech liquid propane autogas fuel systems.

So, by switching to propane gas, W&F will be burning 48,000 fewer gallons of gasoline and eliminating more than 930,000 pounds of carbon dioxide from its annual carbon footprint.

In addition, Wright & Fillipis will be saving \$3,000 per vehicle, per year, by utilizing propane autogas, showing an immediate return on investment.

"We can't take chances when we are delivering products that are critical to people's lives," said Fillipis. "We have to make sure our vehicles are reliable, and we have that comfort level

CONTINUED ON PAGE 3



PHOTO: GERALD SCOTT

One of 12 new Ford utility vans that run on liquid propane that is now part of the Wright & Fillipis delivery fleet. W&F health care has 40 vehicles that put on 1 million road miles per year.