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**FORD MOTOR COMPANY VALUE ENHANCEMENT PLAN
IMPORTANT U.S. FEDERAL INCOME TAX INFORMATION**

Your U.S. federal income tax consequences of the exchange pursuant to the Ford Motor Company recapitalization, known as the Value Enhancement Plan, will depend upon your particular facts and circumstances. The following discussion is general in nature and does not consider your particular facts and circumstances. For a more complete description, please see pages 38 to 41 of the Proxy Statement/Prospectus dated June 29, 2000.

You are strongly urged to consult your own tax advisor as to the tax consequences to you of the recapitalization (particularly if you made a new stock election for only a portion of your shares, own options to acquire shares, are treated as constructively owning shares which are actually (or constructively) owned by other persons, or you are a foreign person).

No Cash Received. If you did not receive any cash in the recapitalization (you made a new stock election with respect to all of your shares actually owned), then you should not recognize any taxable gain or loss. The aggregate tax basis of the shares of new stock you received in the recapitalization will be equal to the aggregate tax basis of the shares of old stock you surrendered in the recapitalization. Your holding period of the new stock will include your holding period of the old stock you surrendered in the recapitalization.

Treatment of Cash Received. If you received a combination of cash and new stock in the recapitalization, you may recognize either capital gain (but not loss) or ordinary dividend income, in either case to the extent of the lesser of the cash you received or the gain you realized in the transaction. Your gain, if any, will equal the difference between (1) the fair market value of the new Ford stock (\$26.4375 per share) plus the amount of cash you received, minus (2) your tax basis in the shares of old stock you surrendered in the recapitalization. On the back of this sheet is a worksheet to assist you in computing your gain realized on the recapitalization and the amount of any gain to be recognized.

The characterization of any gain you recognize will depend on whether or not your receipt of cash has the effect of a distribution of a dividend under the Internal Revenue Code. In general, you should recognize capital gain rather than ordinary dividend income if your percentage ownership in the Company (including stock owned constructively) after the recapitalization is less than your percentage ownership in the Company before the recapitalization (provided your relative stock interest is less than 1% and you exercise no control over corporate affairs). Under the constructive ownership rules, you are deemed to own shares of stock that are actually owned (and in some cases constructively owned) by certain related individuals and entities, and also are deemed to own shares of stock you (or such related individuals or entities) may acquire by exercising an option, including an employee stock option. In addition, the test is applied after taking into account any related transactions you have undertaken pursuant to a single, integrated plan (including dispositions or acquisitions of old stock before the recapitalization or of new stock after the recapitalization).

If you made a \$20 cash election or a pro rata election (or failed to make any election) with respect to all of your shares and you do not constructively own any shares or own any options to acquire shares, your percentage ownership in the Company after the recapitalization will be less than your percentage ownership in the Company before the recapitalization. In such a case, your gain should be capital gain rather than ordinary dividend income (provided your relative stock interest is less than 1% and you exercise no control over corporate affairs). Your gain will be long-term capital gain if, as of August 2, 2000, your holding period for your shares was more than one year. The aggregate tax basis of the shares of new stock you received in the recapitalization will be equal to the aggregate tax basis of the shares of old stock you surrendered in the recapitalization, decreased by the amount of cash you received and increased by the amount of gain you recognized. Your holding period of the new stock will include your holding period of the old stock you surrendered in the recapitalization.

If you made a new stock election for only a portion of your shares, own options to acquire shares or are treated as constructively owning shares which are actually (or constructively) owned by other persons, then the cash you received may be taxable as ordinary dividend income.

Tax Return Attachment. If you received any cash in the recapitalization, attached is a form of a statement that you should complete and attach to your U.S. federal income tax return for 2000. You should maintain copies of these materials for your tax records.

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Gain and Tax Basis Worksheet(1)

A. Calculation of Gain Recognized

- 1. Number of shares of new Ford stock received x \$26.4375 per share _____
Plus
- 2. Amount of cash received _____
- 3. Total gross proceeds _____
Minus
- 4. Adjusted tax basis in shares of old Ford stock surrendered(2) _____
- 5. Gain Realized _____
- 6. **Gain Recognized** (lesser of Gain Realized (Line 5) or Cash received (Line 2)) _____

B. Calculation of Tax Basis in New Ford Stock

- 1. Adjusted tax basis in shares of old Ford stock surrendered(2) _____
Minus
- 2. Amount of cash received (Line 2 above) _____
Plus
- 3. Gain recognized (Line 6 above) _____
- 4. Tax basis in new Ford stock _____

- (1) If you acquired your old Ford shares in more than one transaction, you will need to perform these calculations separately for each group of shares.
- (2) Your basis adjusted for the spin-offs of The Associates and Visteon Corporation, as appropriate.

**DESCRIPTIVE STATEMENT
FOR THE U.S. INTERNAL REVENUE SERVICE**

**(If you received cash in the recapitalization, attach this form
to your tax return for the 2000 tax year.)**

Tax Statement under U.S. Treasury Regulation § 1.368-3(b)

**Ford Motor Company Recapitalization
(August 2, 2000)**

On August 2, 2000, I/we participated in the Ford recapitalization transaction, known as the Value Enhancement Plan.

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|----|---|-------|
| 1. | Tax basis of old Ford stock exchanged | _____ |
| 2. | Fair market value (as of the date of the recapitalization) of the new Ford stock received (\$26.4375 per share) plus the amount of any cash received* | _____ |
| | | |

* This amount of cash is the gross proceeds amount paid to you by your broker.