



Fellow Cessnans,

Earlier this month I updated all of you on the state of the business. I wish today I could report good news. Unfortunately, it is not getting better. We all know the global economy is in crisis and the challenges we face are unprecedented in recent memory. Cessna's customers and potential customers continue to feel the impact of declining corporate profits and tight credit markets, and that translates to a weaker market for our products and services.

It's extremely difficult to forecast this year's delivery number because, ultimately, it will depend on how the economy and other factors affect customer orders and cancellations. As a result it will be necessary for us to further reduce our production rates based on our current outlook for a weakening order book. That, unfortunately, means we will also have to further reduce our workforce.

As you are aware, over the last couple of months we announced workforce reductions of just over 2,600. Now, because of the continuing deterioration and reduced production rates, we will need to increase that number by an additional 2,000 affecting all facilities, bringing our total workforce reduction to 4,600.

Also, because of the reduced workload at our Citation Service Center in Toledo, we will close that facility. In most cases, the layoffs and the closure of the Toledo facility will be effective at the end of March. It will also be necessary for us to conduct furloughs beginning in March. That analysis continues and we will communicate details as we finalize that plan.

These numbers are profound, especially when you look beyond the numbers to the Cessna families that are affected. It's extremely painful for all of us to lose so many of our colleagues and friends. Making this decision is difficult for your leadership team and me personally. These actions are necessary to secure our future.

In closing, I want to remind Cessnans impacted by this reduction of the resources available through our Human Resources department. There are a number of contact avenues for you and I urge you to take advantage of them.

This continues to be a trying time for all Cessnans, and the depth of the reduction here is the last thing anyone expected even three months ago. As I said to you earlier this month, this is no fault of dedicated Cessnans. Your ability to focus on your job is going to be severely tested, but critical to the long-term health of our company. But, most importantly, remain respectful of those affected and, as always, treat them with the utmost dignity, in line with the strong Cessna values I know you all live by.

As always, I will continue to keep you updated on the industry and our company.

Jack