



FORD MOTOR COMPANY
PROGRESS

Joe Hinrichs
Group Vice President,
Global Manufacturing and Labor Affairs



ONE PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
- Accelerate development of new products our customers want and value
- Finance our plan and improve our balance sheet
- Work together effectively as one team – leveraging our global assets



UAW Contract Modifications

2005:

Visteon – ACH Agreement
First VEBA Deal

2006:

Reached 30+ Local Competitive Operating Agreements
Offered Innovative Separation Programs

2007:

Reached Landmark Collective Bargaining Agreement
Reduced Hourly Workforce by 32,000 Through Buyout Program

2008:

Conducted Two Voluntary Hourly Buyouts – 7,000 takers

2009:

Further Modifications to Collective Bargaining Agreement
Additional 1,000 Hourly Employees Accept Buyout Offers



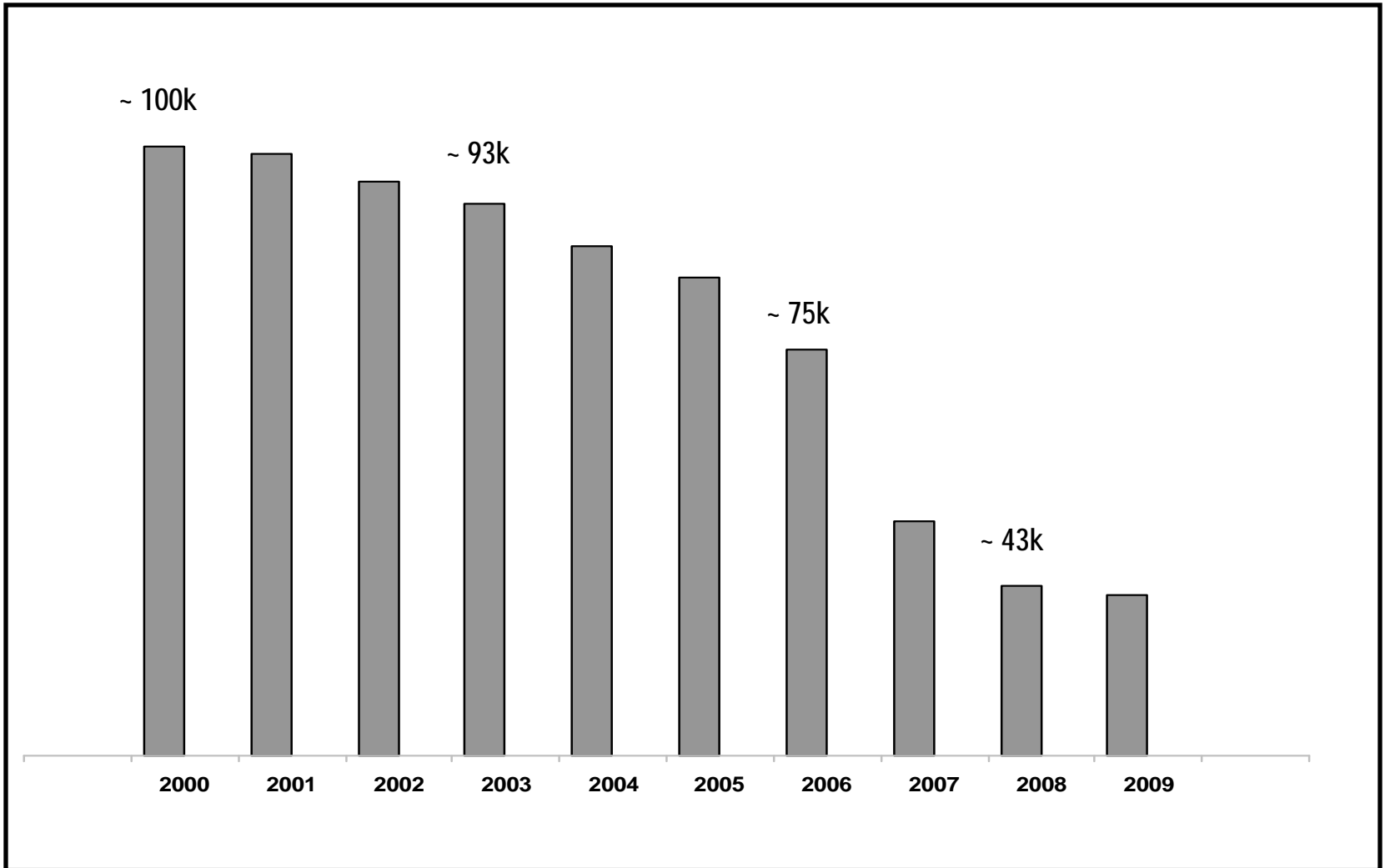
2009 UAW Contract Modifications

- **Operating Agreement Changes:**
 - Wages and Benefits
 - Productivity
 - Job Security Program
 - Capacity Actions

- **VEBA**



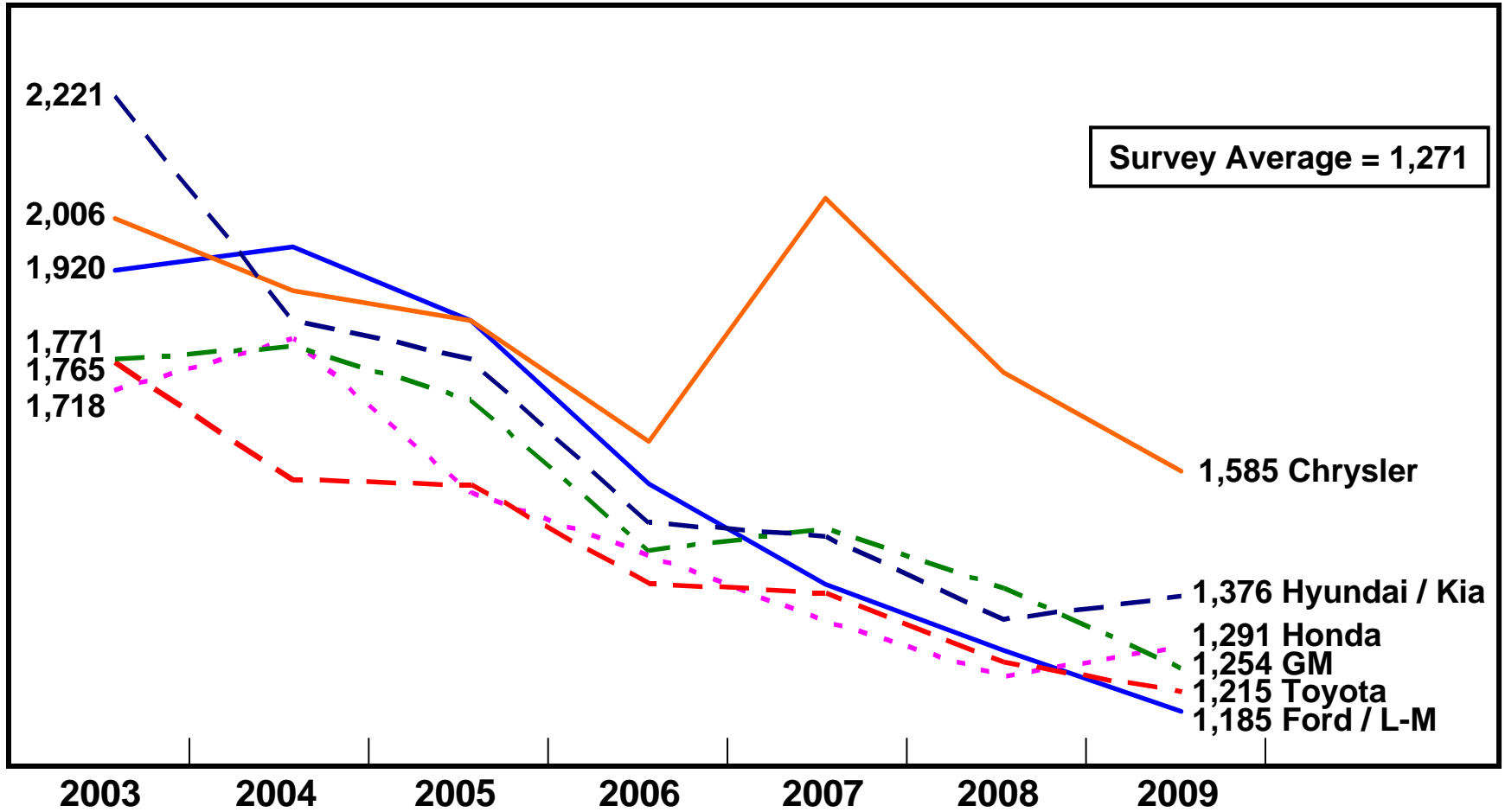
U.S. HOURLY EMPLOYMENT – FORD & ACH





QUALITY

U.S. Initial Vehicle Quality -- Things Gone Wrong per 1,000 Vehicles*



* Source: U.S. Global Quality Research System (GQRS) study conducted for Ford by RDA Group of Bloomfield Hills, Michigan

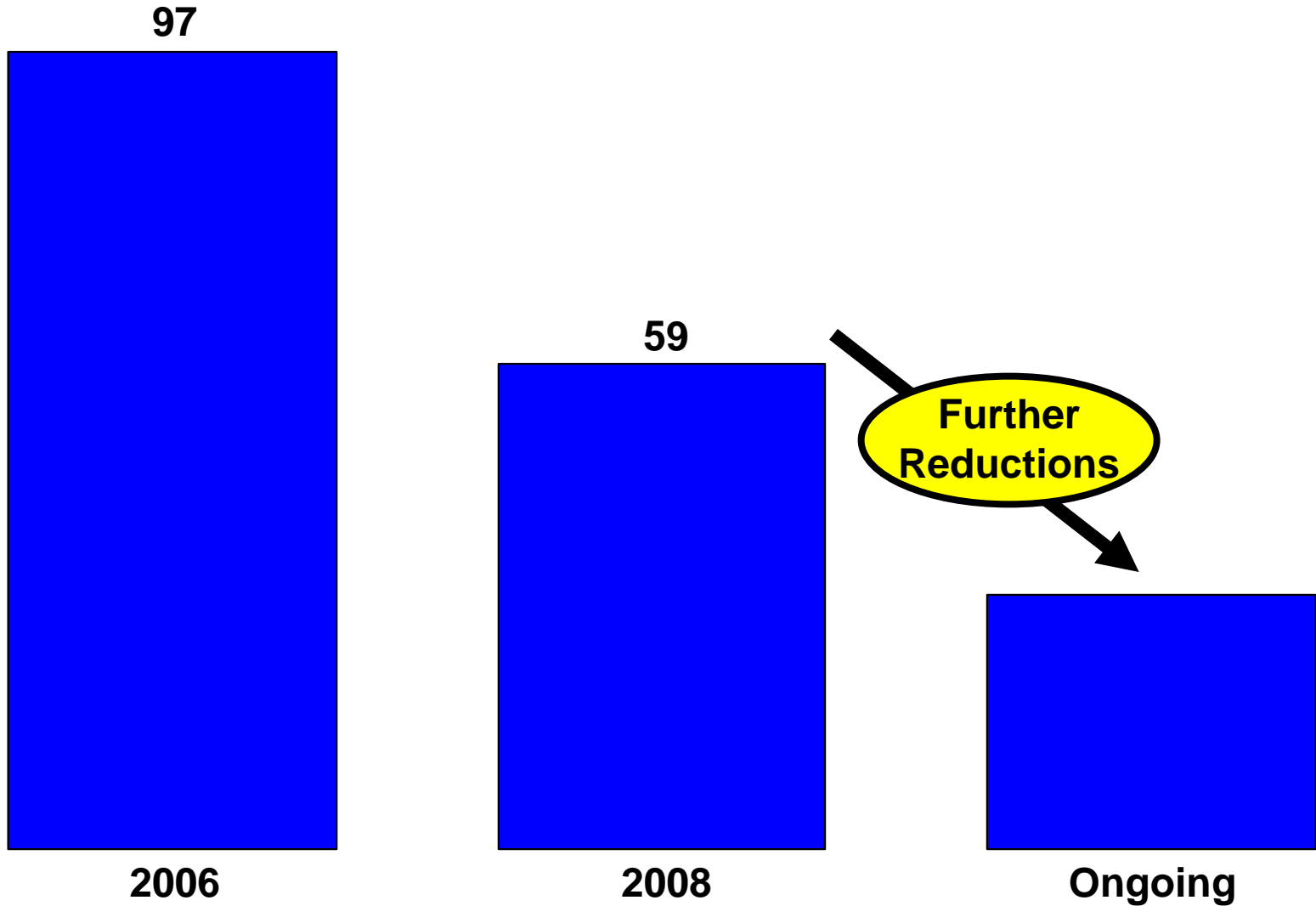


Ford and the UAW – Where Are We Now?



LASER FOCUS ON FORD GLOBAL BRAND

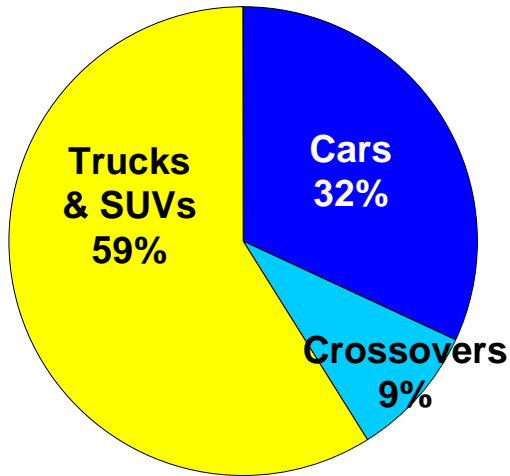
Number of Nameplates



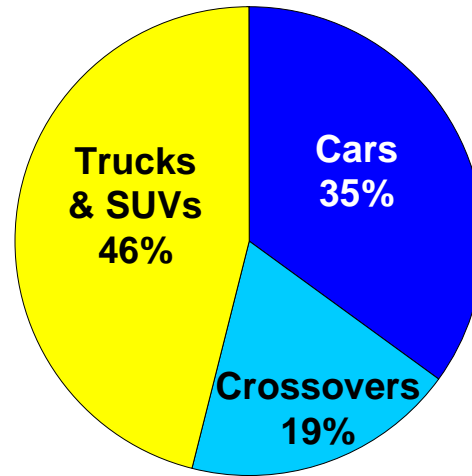


COMPLETE BALANCED PORTFOLIO OF VEHICLES

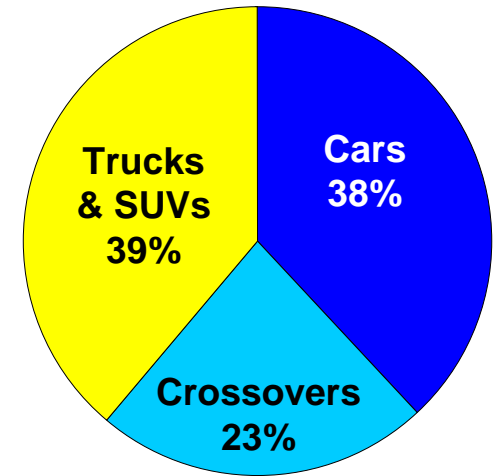
U.S. Ford, Lincoln, Mercury Product Mix



2005



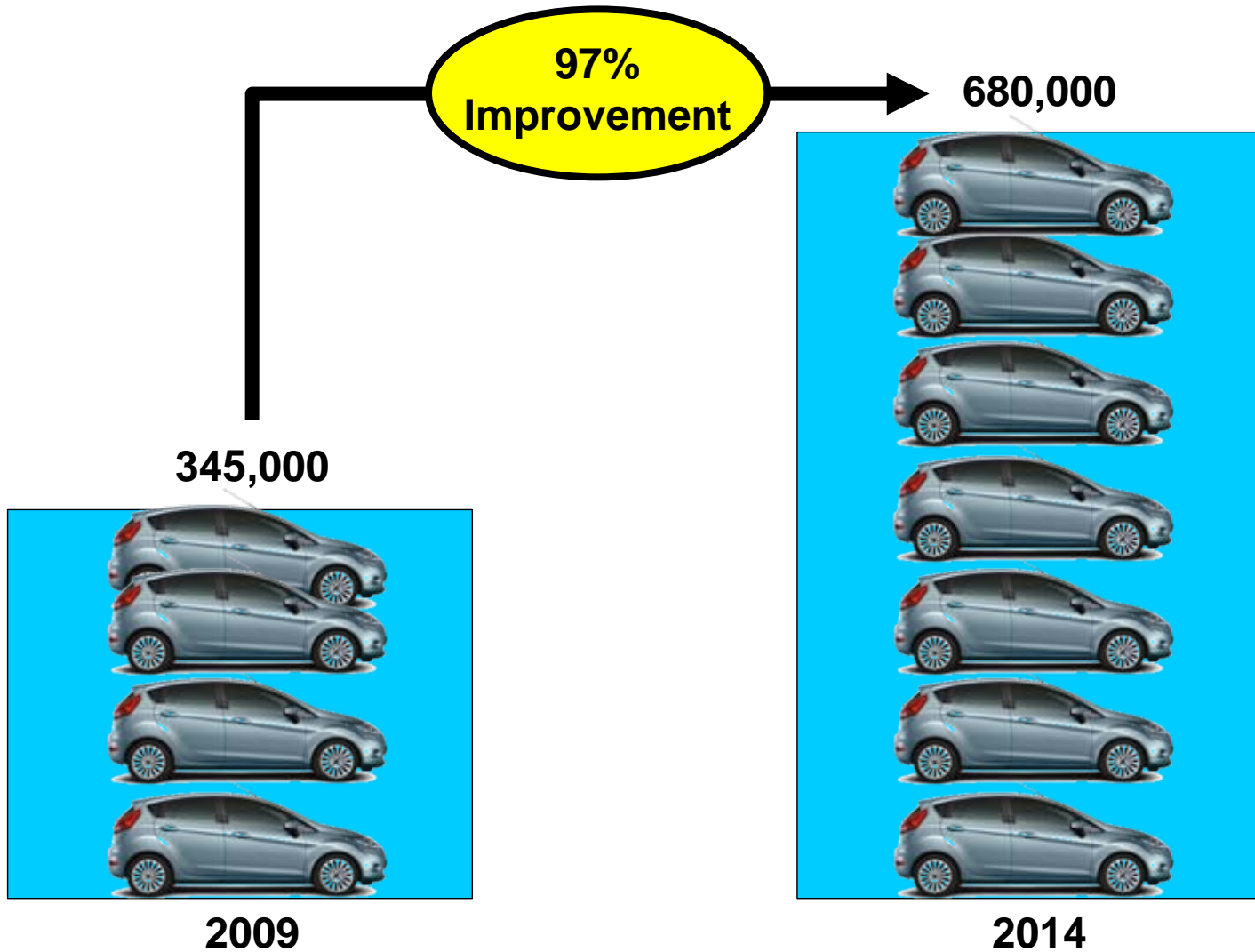
2008



Projected 2011



GLOBAL CYCLE PLAN – VOLUME PER CORE PLATFORM





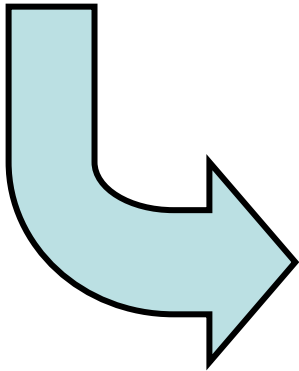
MIGRATING TO ONE FIESTA



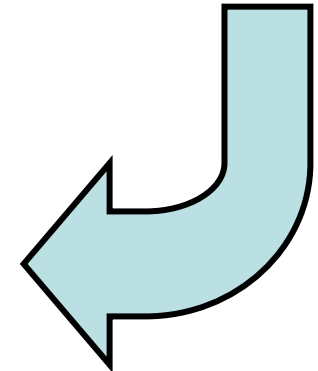
South America



Europe / Asia Pacific



Global



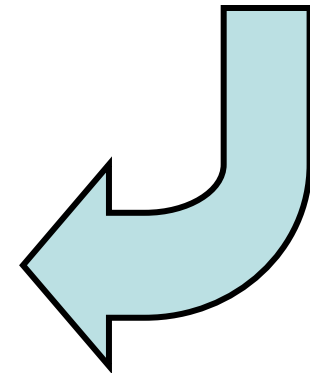
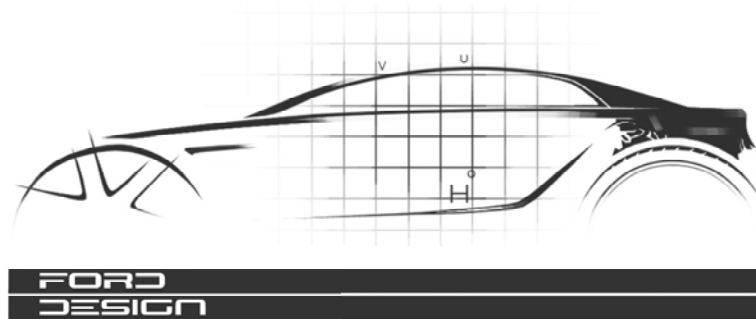
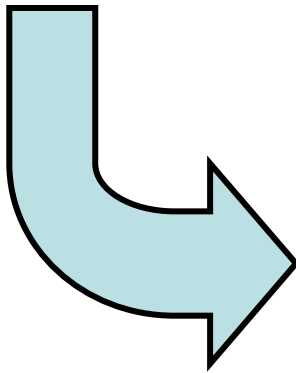


MIGRATING TO ONE FOCUS



North America

Europe / South America / Asia Pacific



Global



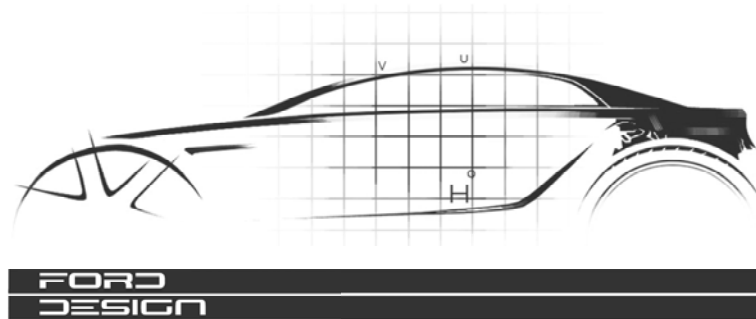
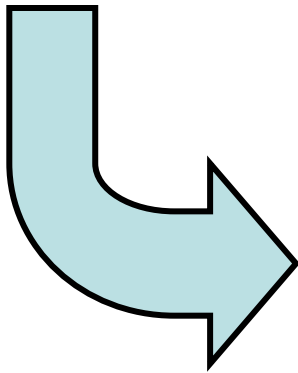
MIGRATING TO ONE CD VEHICLE



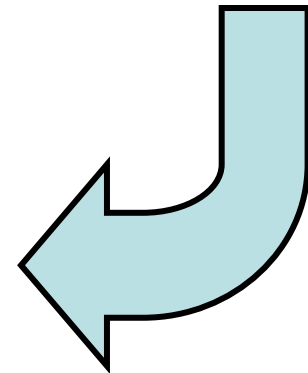
North America Fusion



Europe / Asia Pacific Mondeo

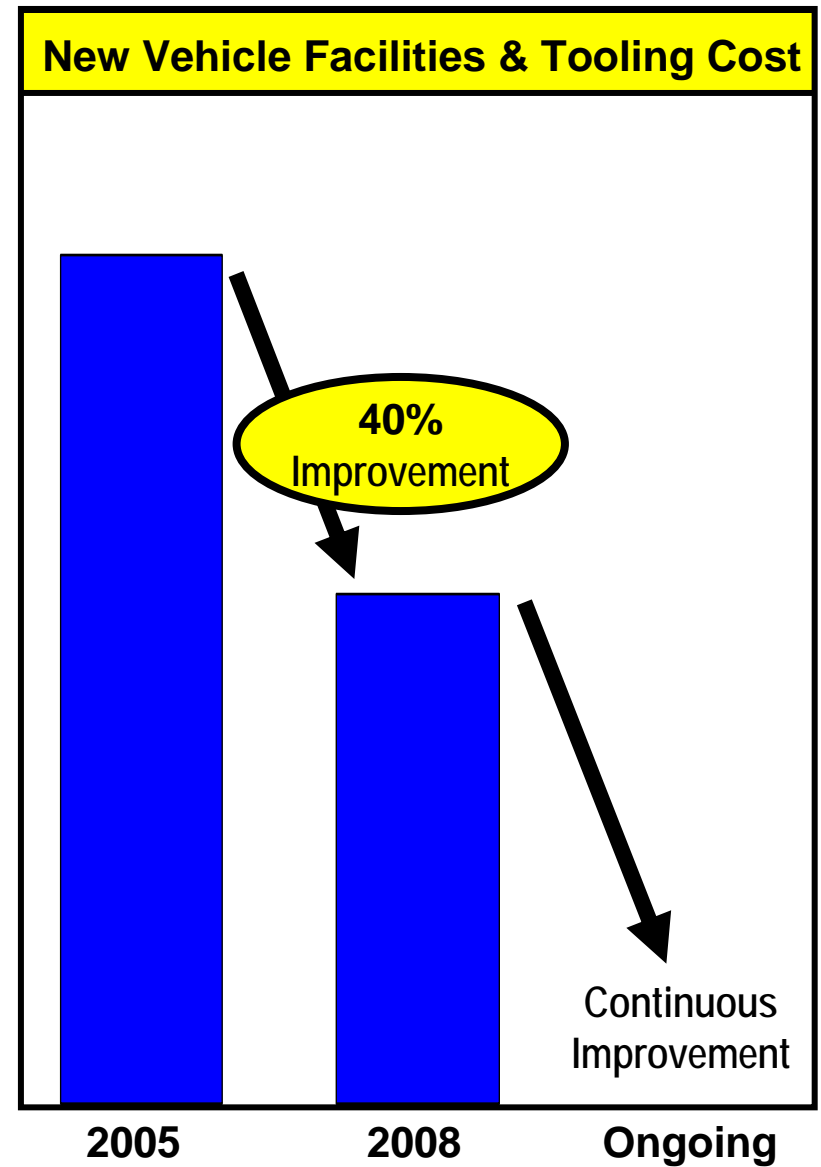
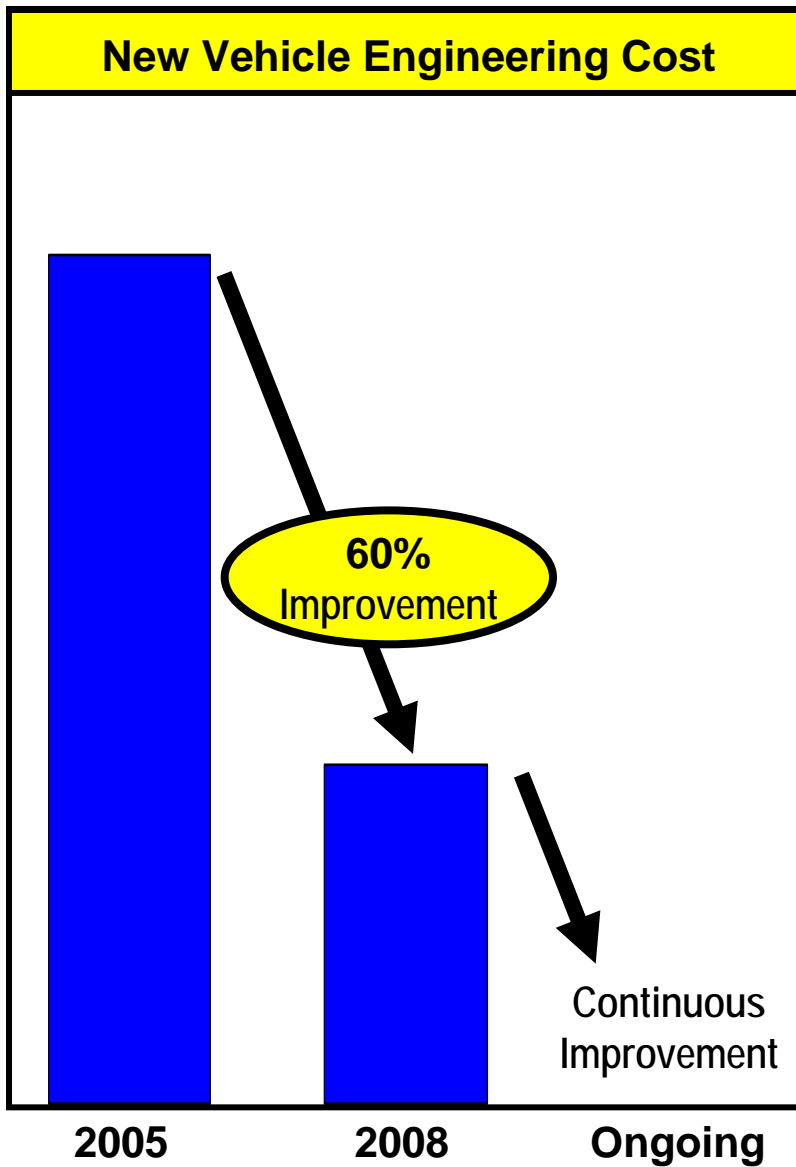


Global



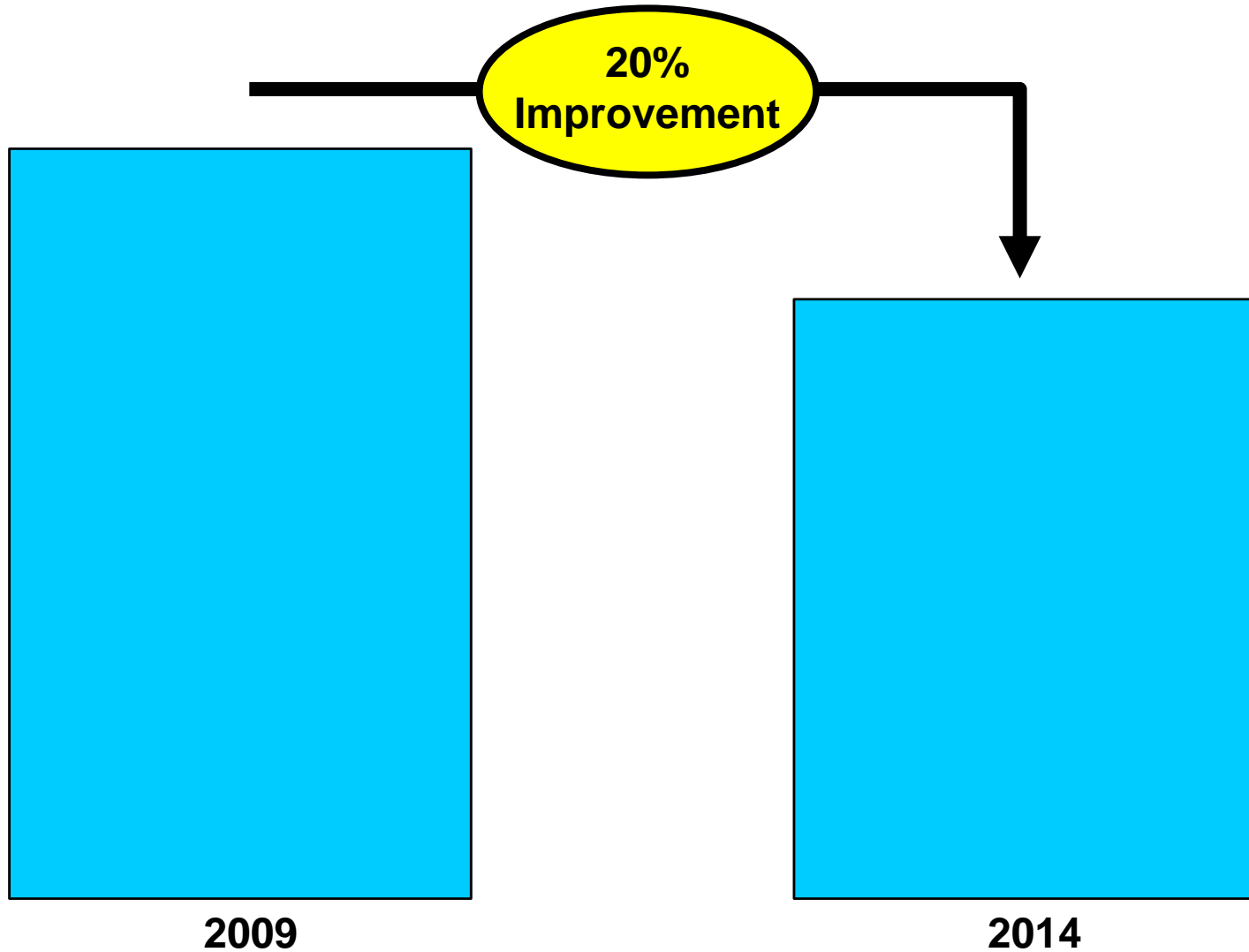


GLOBAL VEHICLE DEVELOPMENT EFFICIENCY





GLOBAL CYCLE PLAN – AVERAGE AGE OF PORTFOLIO





DEVELOP NEW PRODUCTS OUR CUSTOMERS WANT AND VALUE

U.S. All-New and Major Refreshed Products for Last Two Years

**45%
By Volume**

MKS

Mustang

Flex

Shelby GT500

F-150

Taurus

Fusion

MKT

Milan

Transit Connect

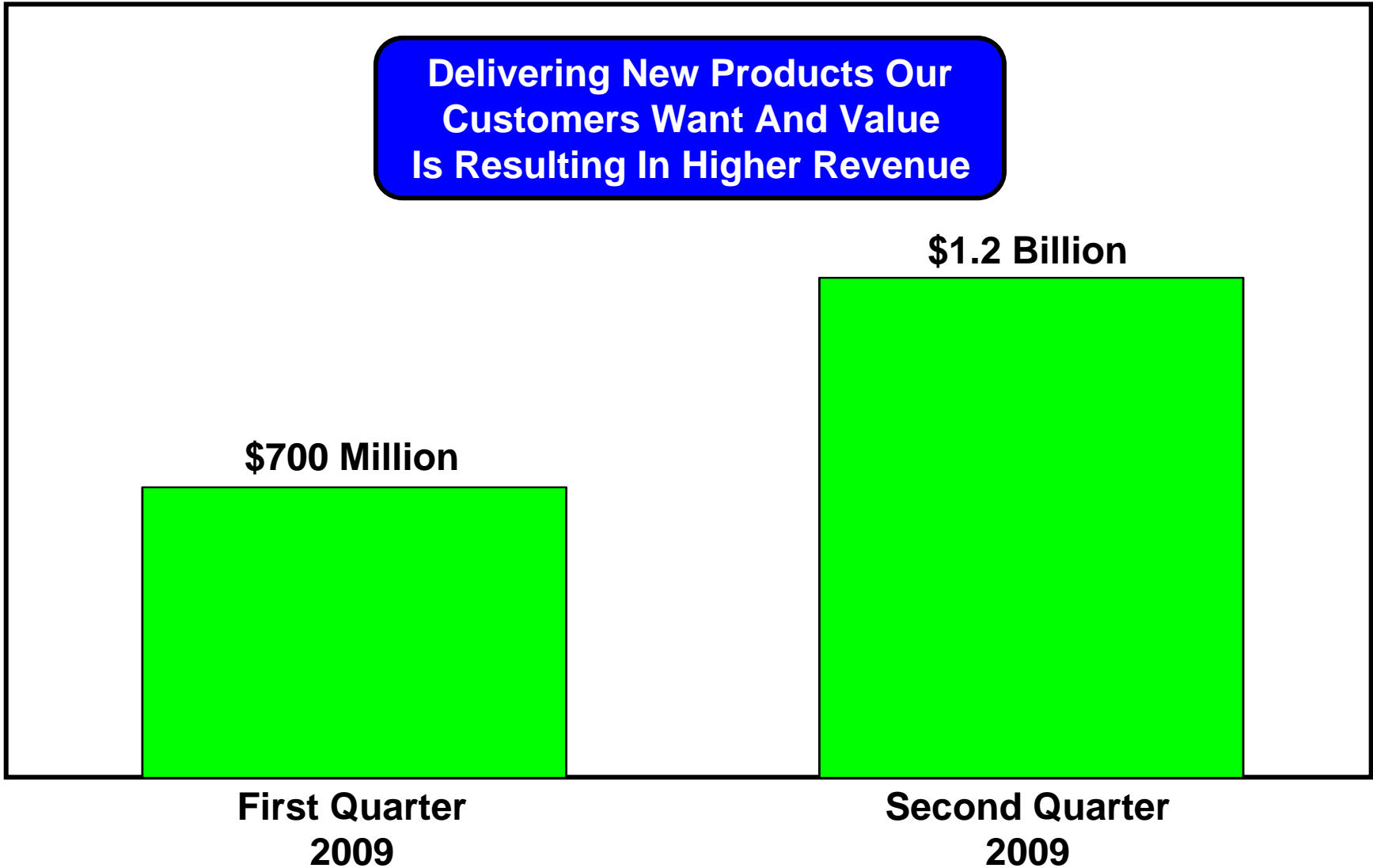
MKZ



REVENUE IMPROVING

Worldwide Pre-Tax Profit Impact of Year-Over-Year Net Pricing

Delivering New Products Our Customers Want And Value Is Resulting In Higher Revenue





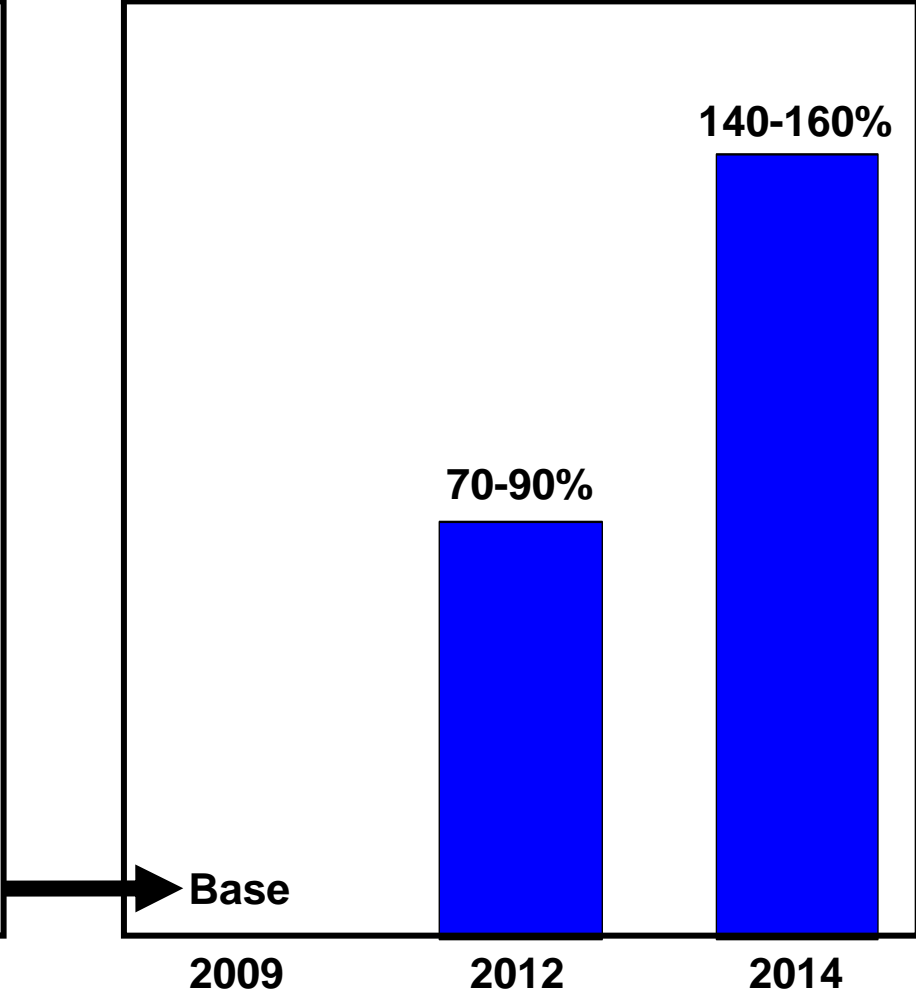
DEVELOP NEW PRODUCTS OUR CUSTOMERS WANT AND VALUE

U.S. All-New and Major Refreshed Products for Last Two Years

**45%
By Volume**

- | | |
|--------|-----------------|
| MKS | Mustang |
| Flex | Shelby GT500 |
| F-150 | Taurus |
| Fusion | MKT |
| Milan | Transit Connect |
| MKZ | |

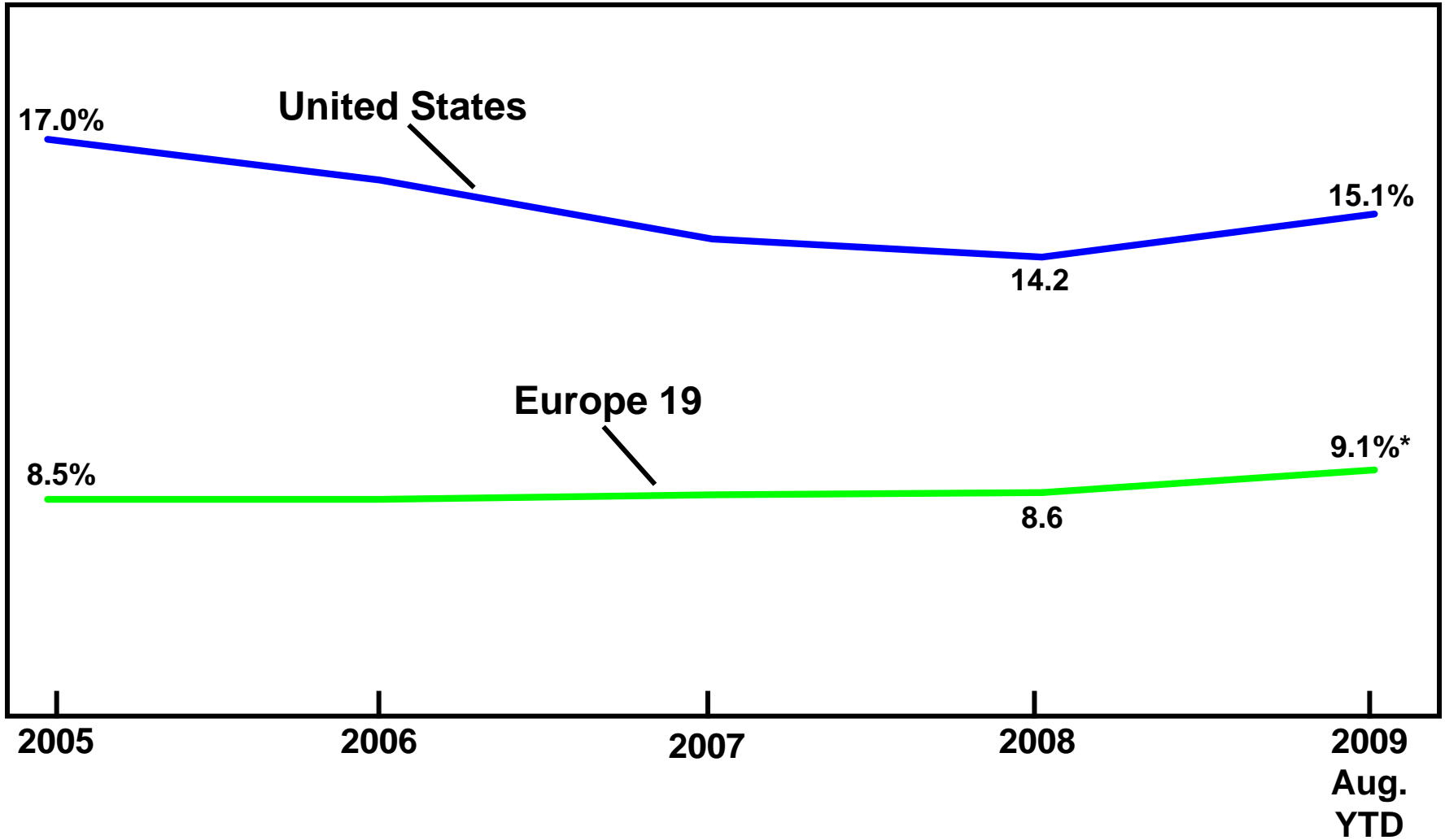
Global All-New and Major Refreshed Products Compared With 2009





REBUILDING MARKET SHARE

Ford, Lincoln, and Mercury



Memo: Growing share in South America, Asia Pacific and Africa

* European 2009 YTD share is through July



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Group Vice President,
Global Manufacturing and Labor Affairs

SAFE HARBOR

Statements included herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Continued or worsening financial crisis;
- Further declines in industry sales volume, particularly in the United States or Europe, due to financial crisis, deepening recessions, geo-political events, or other factors;
- Decline in market share;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations, or other factors;
- A further increase in or acceleration of market shift away from sales of trucks, SUVs, or other more profitable vehicles, particularly in the United States;
- A return to elevated gasoline prices, as well as the potential for volatile prices or reduced availability;
- Lower-than-anticipated market acceptance of new or existing products;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Adverse effects from the bankruptcy of, government-funded restructuring of, change in ownership or control of, or alliances entered into by a major competitor;
- Restriction on use of tax attributes from tax law "ownership change";
- Economic distress of suppliers that may require us to provide financial support or take other measures to ensure supplies of components or materials, which could increase our costs, affect our liquidity, or cause production disruptions;
- Single-source supply of components or materials;
- Labor or other constraints on our ability to restructure our business;
- Work stoppages at Ford or supplier facilities or other interruptions of supplies;
- Pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Inability to implement the amended Retiree Health Care Settlement Agreement regarding UAW hourly retiree health care;
- Worse-than-assumed economic and demographic experience for our postretirement benefit plans (e.g., discount rates or investment returns);
- Discovery of defects in vehicles resulting in delays in new model launches, recall campaigns or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulation resulting in higher costs, cash expenditures, or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in our products or otherwise;
- A change in our requirements for parts or materials subject to long-term supply arrangements that commit us to purchase minimum or fixed quantities of parts or materials, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- Adverse effects on our results from a decrease in or cessation of government incentives;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Substantial negative Automotive operating-related cash flows for the near- to medium-term affecting our ability to meet our obligations, invest in our business, or refinance our debt;
- Substantial levels of Automotive indebtedness adversely affecting our financial condition or preventing us from fulfilling our debt obligations (which may grow because we are able to incur substantially more debt, including secured debt);
- Failure of financial institutions to fulfill commitments under committed credit facilities;
- Ford Credit's need for substantial liquidity to finance its business;
- Inability of Ford Credit to obtain competitive funding;
- Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts due to additional credit rating downgrades, market volatility, market disruption, or other factors;
- A prolonged disruption of the debt and securitization markets;
- Higher-than-expected credit losses;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- Collection and servicing problems related to finance receivables and net investment in operating leases;
- Lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles;
- New or increased credit, consumer, data protection, or other regulation resulting in greater costs or financing restrictions;
- Inability to implement our plans to further reduce structural costs and increase liquidity.

We cannot be certain that any expectation, forecast or assumption made by management in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion of these risks, see "Item 1A. Risk Factors" in our 2008 Form 10-K Report and subsequent Form 10-Q Reports.