



***FORD OF EUROPE and  
PREMIER AUTOMOTIVE GROUP***

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# FORD OF EUROPE AND PREMIER AUTOMOTIVE GROUP TODAY'S PRESENTATION



- Total Europe 2007 Results
- Ford of Europe 2007 Results
- Premier Automotive Group 2007 Results
- Premier Automotive Group update
- Ford of Europe in 2008
- Volvo in 2008
- Geneva Motor Show Product Highlights



# FORD OF EUROPE AND PREMIER AUTOMOTIVE GROUP FULL YEAR 2007 REVIEW\*



## Overview

- \$1.5 billion profit
- \$1.4 billion improvement versus 2006
- New products continue to be well received
- Volume growth
- Increased revenue
- Cost reductions

## Pre-Tax Profits (Mils.)



\* Excluding special items; for 2006 and 2007, special items are \$(2,062) and \$(2,629) million respectively, primarily reflecting asset impairment charges (for Jaguar Land Rover in 2006 and for Volvo in 2007).

**EUROPEAN BUSINESS PROFITABLE IN 2007**

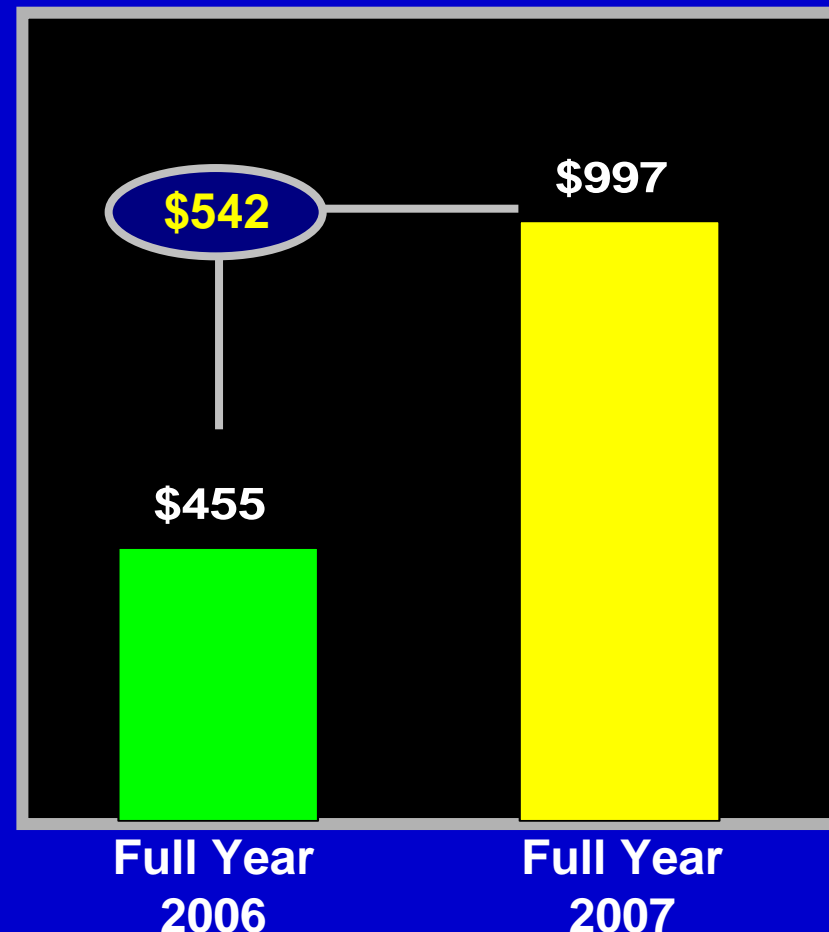


**FULL YEAR 2007 REVIEW\***

Overview

- Automotive profit improved by \$542 million compared to 2006
- Sales growth in Eastern Europe
- Share growth and strong product mix in traditional Western European markets
- Favourable net pricing
- Strong cost performance
- Continued cost pressures on raw materials

Pre-Tax Profits (Mils.)



\* Excluding special items; for 2006 and 2007, special items are \$(84) and \$(253) million respectively, consisting of charges for previously announced improvement actions.

**ALL-ROUND STRENGTHENING OF THE BUSINESS FUNDAMENTALS**

# PREMIER AUTOMOTIVE GROUP FULL YEAR 2007 REVIEW\*



## Overview

- P.A.G. earned \$504 million
- Significant volume growth at Land Rover and Volvo
- Pricing improvement at Land Rover
- Cost reductions at all brands
- Profit improvements more than sufficient to offset adverse currency movements

## Pre-Tax Profits (Mils.)



\* Excluding special items; for 2006 and 2007, special items are \$(1,978) and \$(2,376) million respectively, primarily reflecting asset impairment charges (for Jaguar Land Rover in 2006 and for Volvo in 2007).

**PAG RESULTS IMPROVED SIGNIFICANTLY**



## **2007-2008 CHANGES**

- **Sold a profitable Aston Martin to new owners in 2007**
- **Significant progress made in discussions with Tata Motors Limited on the sale of Jaguar Land Rover**
- **No major roadblocks but still some work to do**
- **We are leaving Jaguar Land Rover with a solidly profitable business**
- **Volvo becomes a more stand-alone business**

**FUTURE FOCUS ON FORD OF EUROPE AND VOLVO**



# **FORD OF EUROPE**

## **2008 OUTLOOK**

- **Ford of Europe expects another strong year**
- **Launch of four great new products in 2008, plus the introduction of the EConetic Range across Europe**
- **New products drive a net pricing improvement**
- **Continuing strong focus on growth markets complementing growth in traditional markets**
- **Continued laser focus on cost and 100% manned capacity utilization**
- **Investment in Romania, Turkey and Russia**

**NEW PRODUCTS DRIVE PROFITABILITY: MAINTAIN URGENCY**

# **VOLVO**

## **2008 OUTLOOK**



- **Developing a new business plan for Volvo**
- **Top priority is to return Volvo to sustainable profitability**
- **Maintain synergies with Ford in development of shared technologies**
- **Establish appropriate business arrangements to allow Volvo to operate on a more stand-alone basis**

**STRENGTHEN THE VOLVO BUSINESS**









## **FORD OF EUROPE AND VOLVO**

### **2008 BUSINESS REALITIES**

- The competitive environment remains difficult
- Nervousness in financial markets; slowing growth; consumer confidence concerns
- Exchange remains an issue
- CO<sub>2</sub> regulation – do not underestimate its impact

**COMPETITIVE ENVIRONMENT REMAINS DIFFICULT**



# **FORD OF EUROPE AND VOLVO BUSINESS SUMMARY**

- **Ford of Europe is solidly profitable**
- **Plan to strengthen Volvo business**
- **Jaguar and Land Rover sale**

**KEY TO CONTINUED SUCCESS IS DELIVERING  
INNOVATIVE AND EXCITING FORD AND VOLVO  
PRODUCTS TO OUR CUSTOMERS IN EUROPE AND  
AROUND THE WORLD**

Volvo XC60



SLIDE 12

# Volvo XC60





Volvo XC90 Ocean  
Race Edition









**Ford Focus Coupé-Cabriolet**

## Ford Focus Coupé-Cabriolet



## Ford Kuga



## Ford Kuga



# Ford Kuga interior





Ford Verve Concept  
Frankfurt 2007



**Ford Verve Concept  
Guangzhou 2007**



Ford Verve Concept  
NAIAS 2008



Ford Fiesta



SLIDE 25



Ford Fiesta

**Ford Fiesta**







# **FORD MOTOR COMPANY**

## **ONE PLAN**

- **Aggressively restructure to operate profitably at 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**

**Ford Motor Company**  
**One Team....One Plan....One Goal**

# Q&A



Statements included or incorporated by reference 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 decline in market share;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations or other factors;
- An increase in or acceleration of market shift away from sales of trucks, sport utility vehicles, or other more profitable vehicles, particularly in the United States;
- A significant decline in industry sales, particularly in the United States or Europe, resulting from slowing economic growth, geo-political events or other factors;
- Lower-than-anticipated market acceptance of new or existing products;
- Continued or increased high prices for or reduced availability of fuel;
- Currency or commodity price fluctuations;
- Adverse effects from the bankruptcy or insolvency of, change in ownership or control of, or alliances entered into by a major competitor;
- Economic distress of suppliers that has in the past and may in the future require us to provide financial support or take other measures to ensure supplies 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;
- Single-source supply of components or materials;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Inability to implement Memorandum of Understanding with UAW to fund and discharge retiree health care obligations because of failure to obtain court approval or otherwise;
- Worse-than-assumed economic and demographic experience for our postretirement benefit plans (e.g., discount rates, investment returns, and health care cost trends);
- The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns or increased warranty costs;
- Increased safety, emissions (e.g., CO<sub>2</sub>), fuel economy or other regulation resulting in higher costs, cash expenditures, and/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 where we have entered into long-term supply arrangements that commit us to purchase minimum or fixed quantities of certain 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 additional secured debt);
- Inability of Ford Credit to access debt or securitization markets around the world at competitive rates or in sufficient amounts due to additional credit rating downgrades, market volatility, market disruption or otherwise;
- Higher-than-expected credit losses;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- Changes in interest rates;
- 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; and
- New or increased credit, consumer or data protection or other regulations resulting in higher costs and/or additional financing restrictions.

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, see “Item 1A. Risk Factors” in our