



***FORD MOTOR COMPANY***  
***and***  
***FORD MOTOR CREDIT COMPANY***

**J.P. Morgan Global High Yield &  
Leveraged Finance Conference  
March 1 - 3, 2010**



***FORD MOTOR COMPANY***

***Neil Schloss***

***Vice President & Treasurer***

# ***KEY PRIORITIES***

**Dealing With Reality**

**Protecting The Product Pipeline**

**Repairing The Balance Sheet  
And Return To Investment Grade**

**Establishing A Foundation  
For Long-Term Growth**



## **KEY PRIORITIES**

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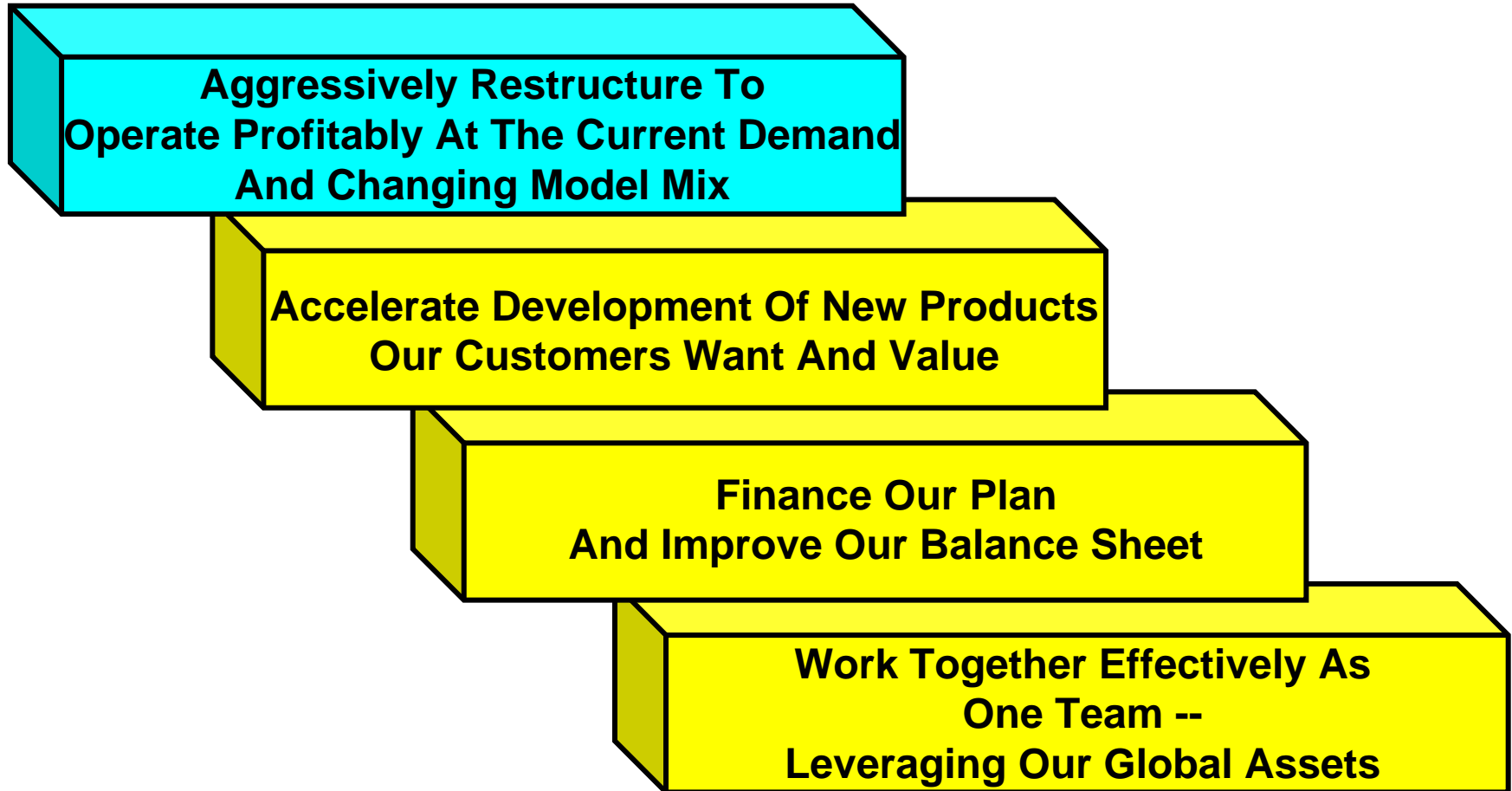
## **OUR PLAN -- ONE FORD**

- **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**

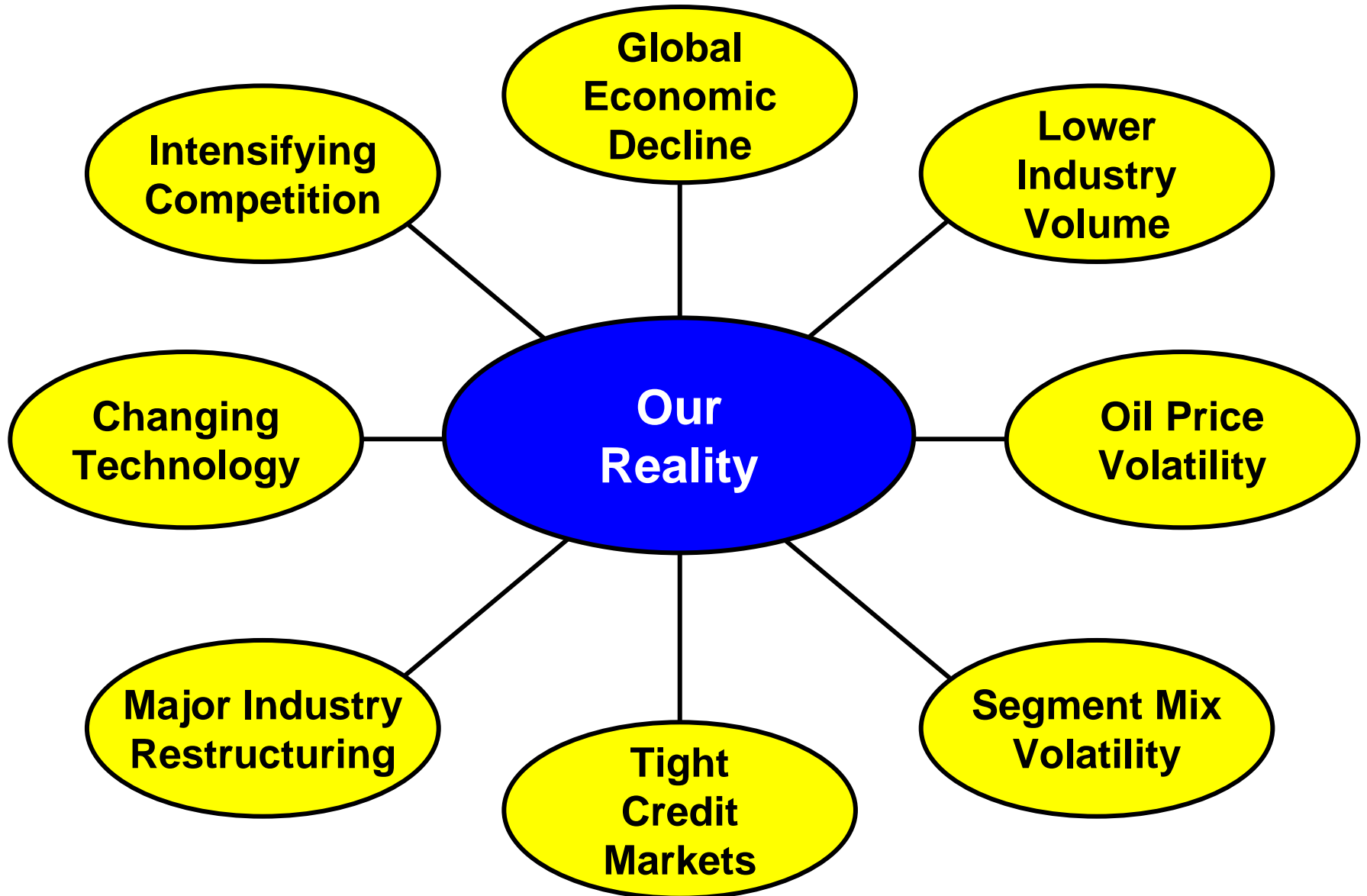


# OUR PLAN -- **ONE FORD**

- Continue implementation of our global **ONE FORD**



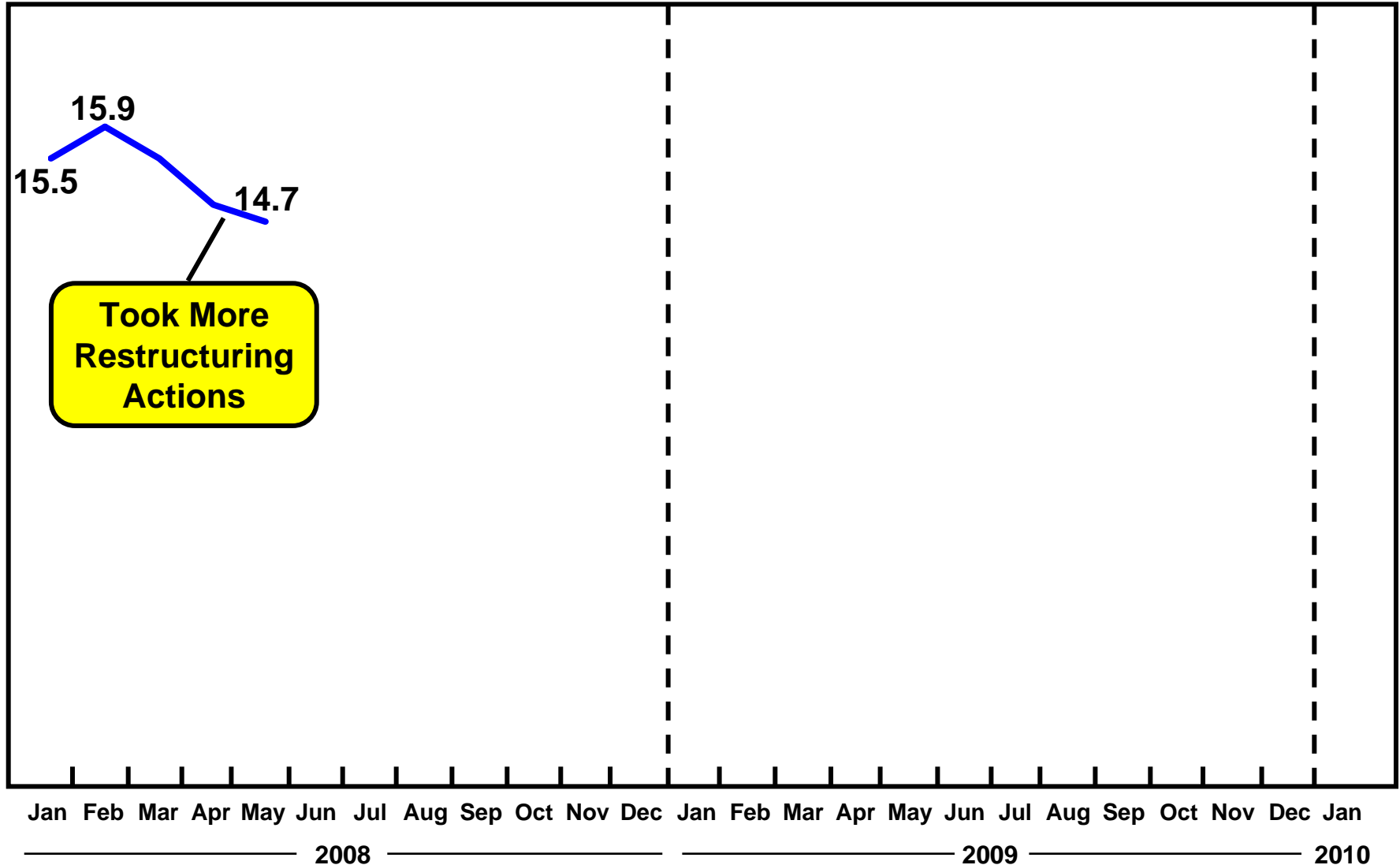
# ***DEALING WITH REALITY***





# DEALING WITH REALITY

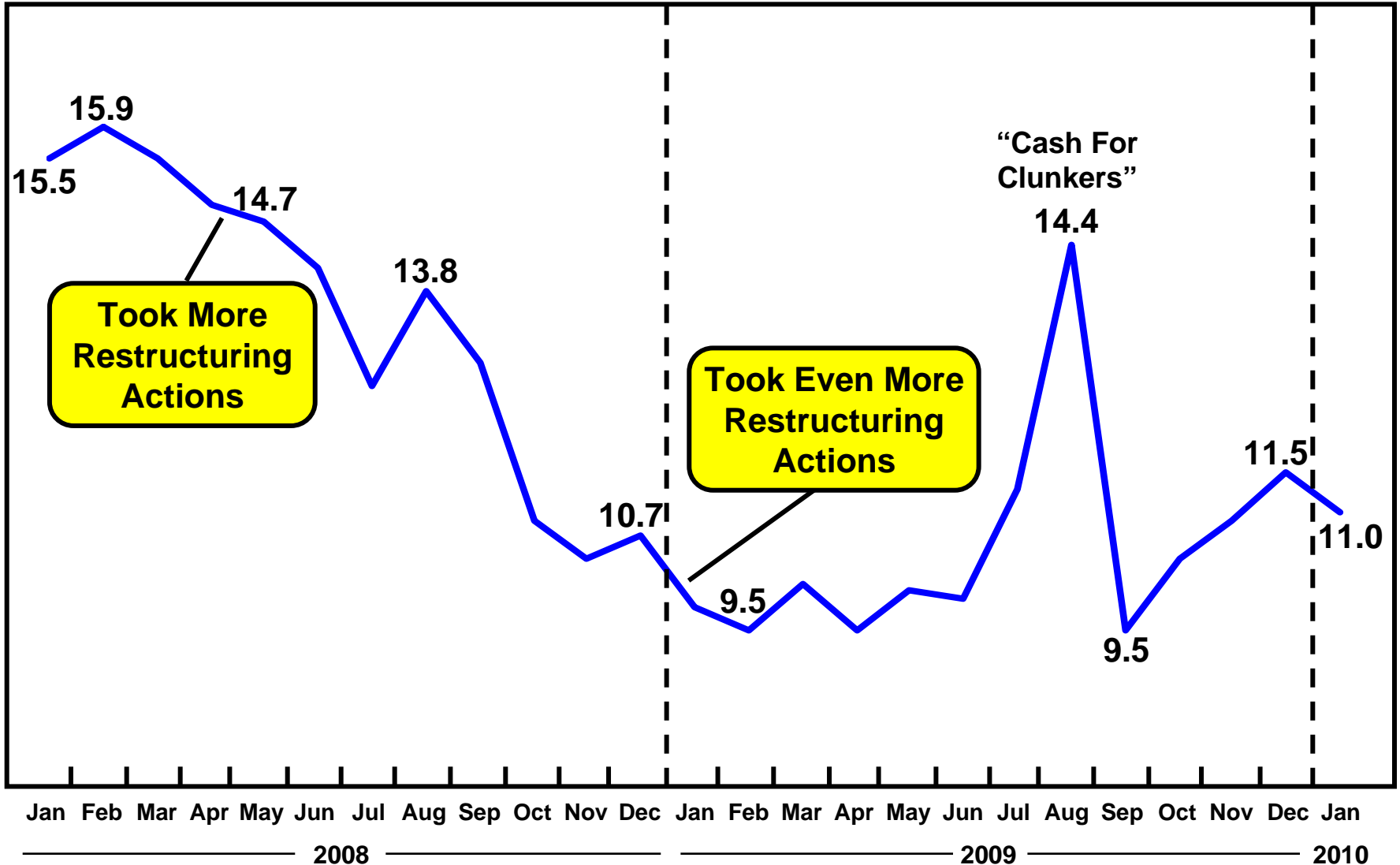
## U.S. Industry Sales -- Seasonally Adjusted Annual Rates (Mils.)





# DEALING WITH REALITY

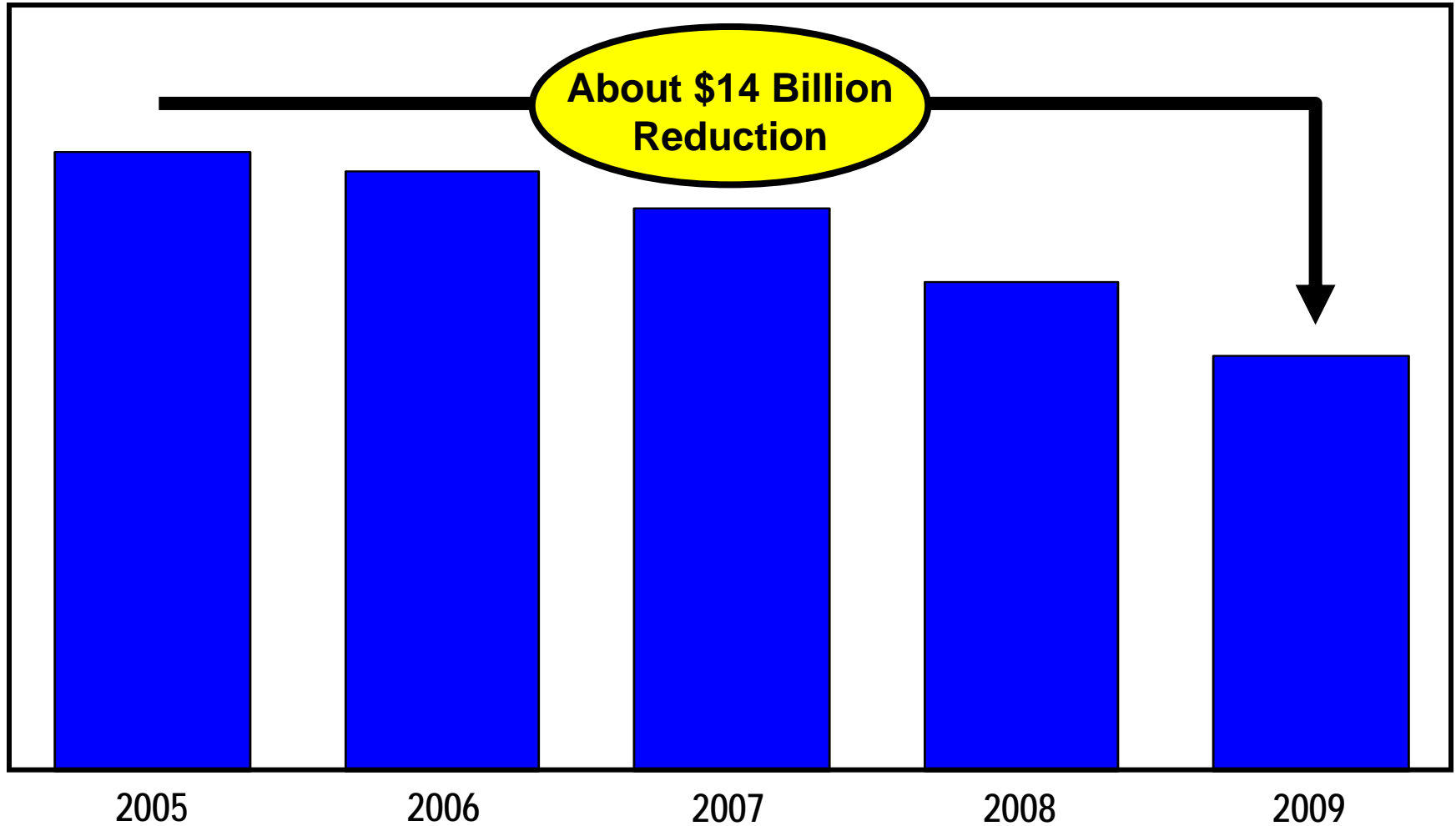
## U.S. Industry Sales -- Seasonally Adjusted Annual Rates (Mils.)





# GLOBAL STRUCTURAL COST CHANGES

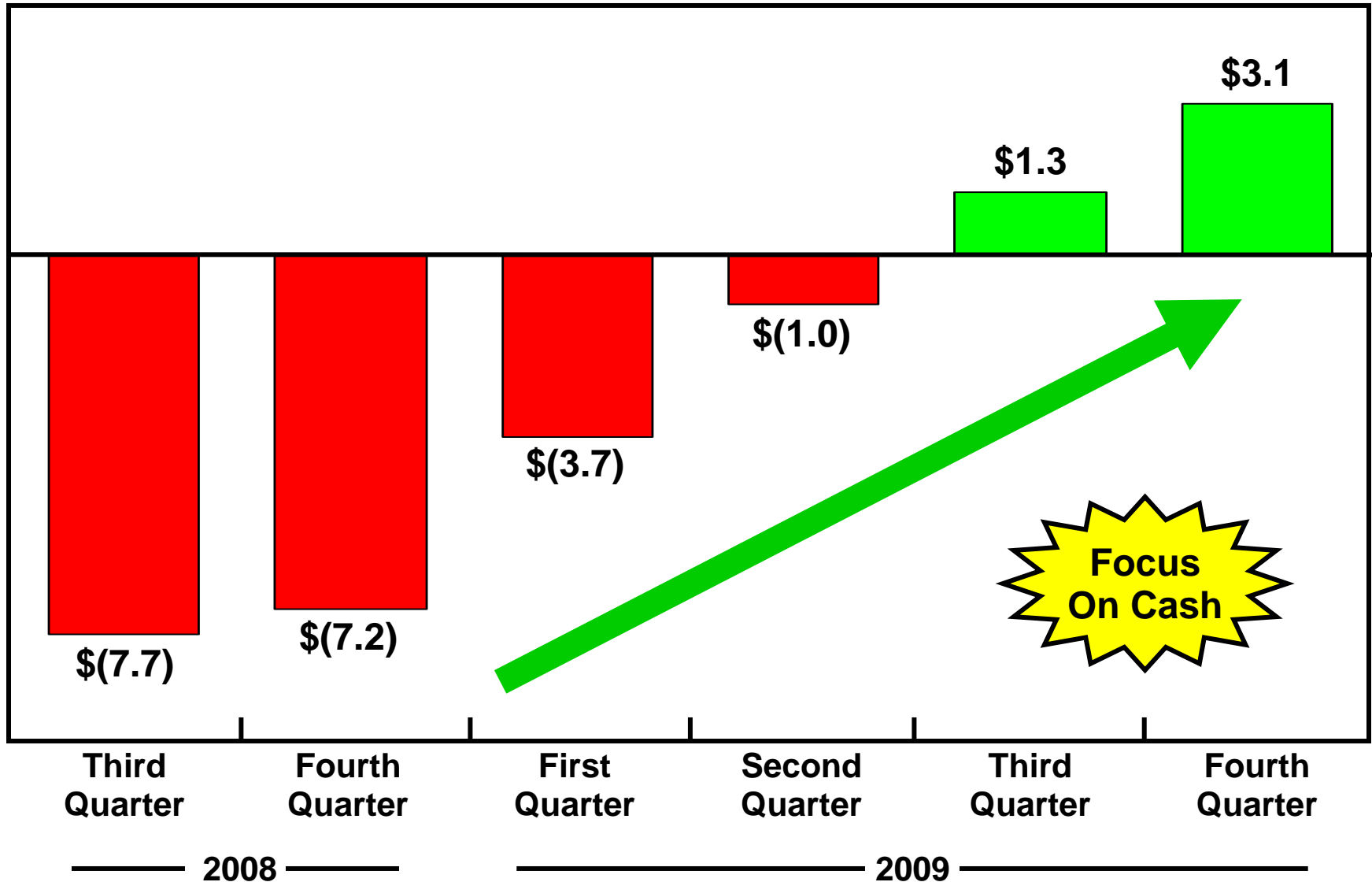
Billions\*



\* At constant exchange; excludes special items

# REVERSING THE CASH BURN

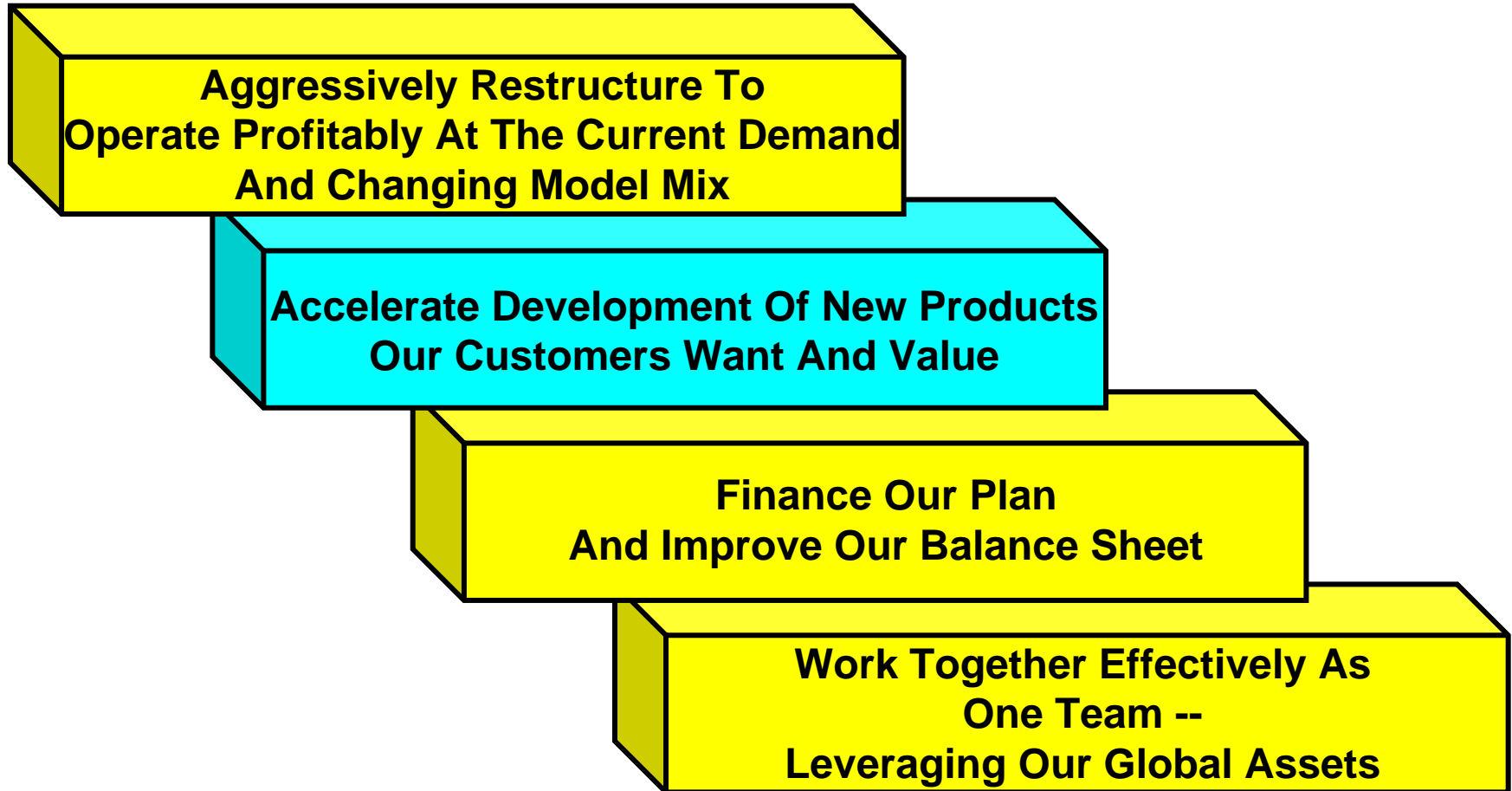
Automotive Operating-Related Cash Flow (Bils.)





# OUR PLAN -- **ONE FORD**

- Continue implementation of our global **ONE FORD**



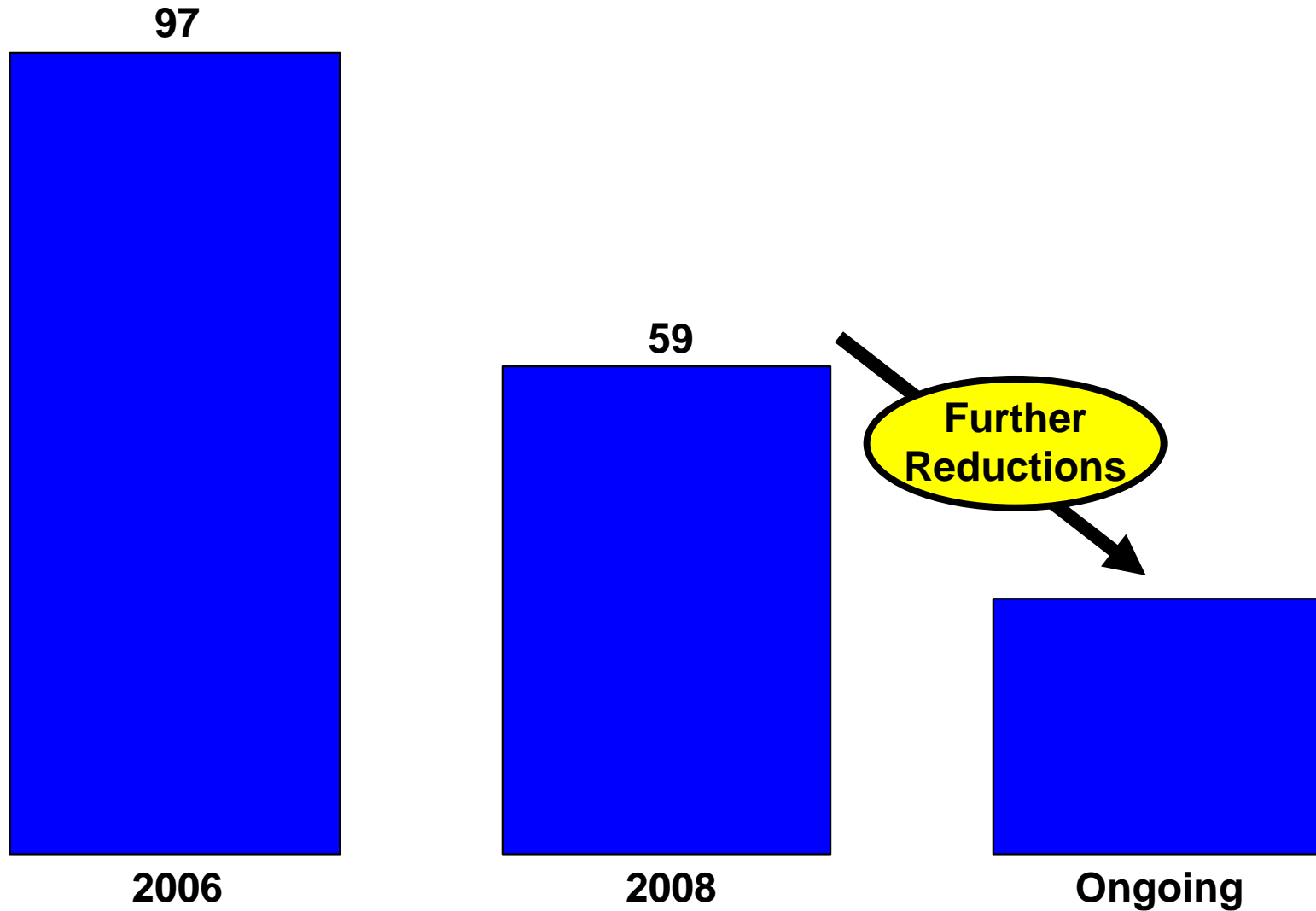


# **PRODUCT STRATEGY -- ONE FORD**

- **One Ford plan accelerates development of new products customers want and value:**
  - **Laser focus on the Ford brand, facilitated by divesting of brands and other non-core assets**
  - **A complete balanced portfolio of small, medium, and large cars, utilities, and trucks**
  - **Substantial and continuous improvement in engineering and investment efficiency**
    - **Leveraging the global assets of One Ford**
    - **Reducing the number of vehicle platforms, engines, transmissions, and customer offered complexity**
  - **Reduce average age of showroom portfolio**
  - **Product excellence = the best designed vehicles in the world**

# LASER FOCUS ON FORD BRAND

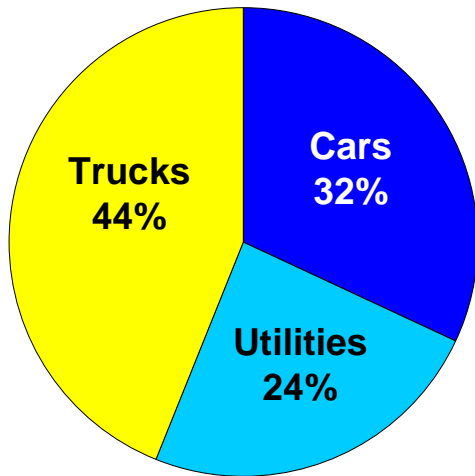
## Number of Global Nameplates



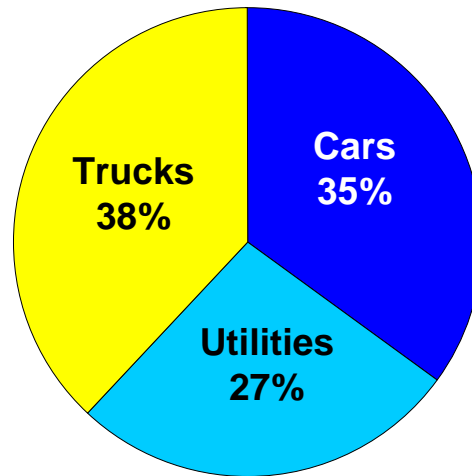


# COMPLETE BALANCED PORTFOLIO OF VEHICLES

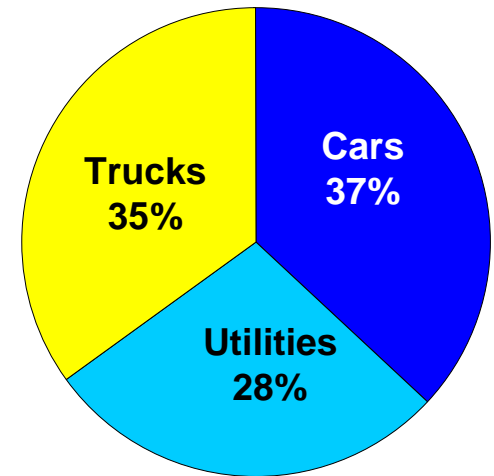
## U.S. Ford, Lincoln, and Mercury Product Mix



2005

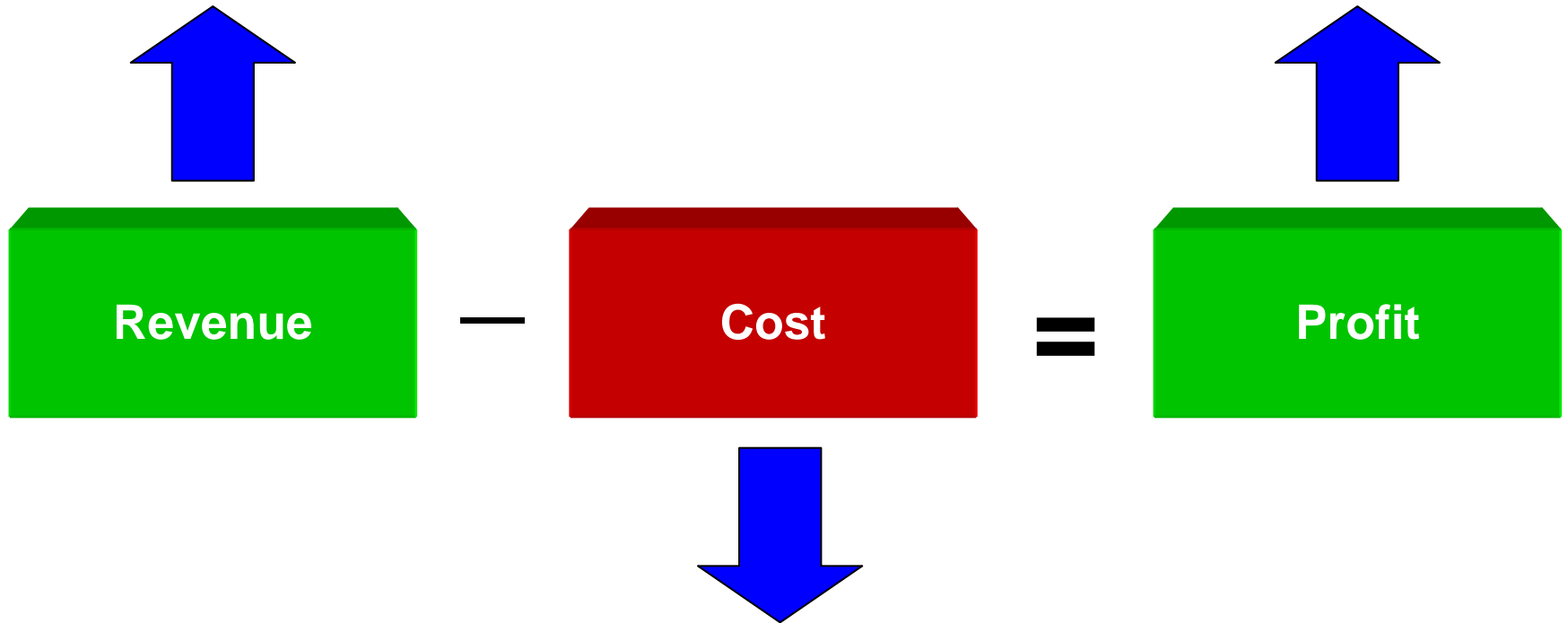


2008



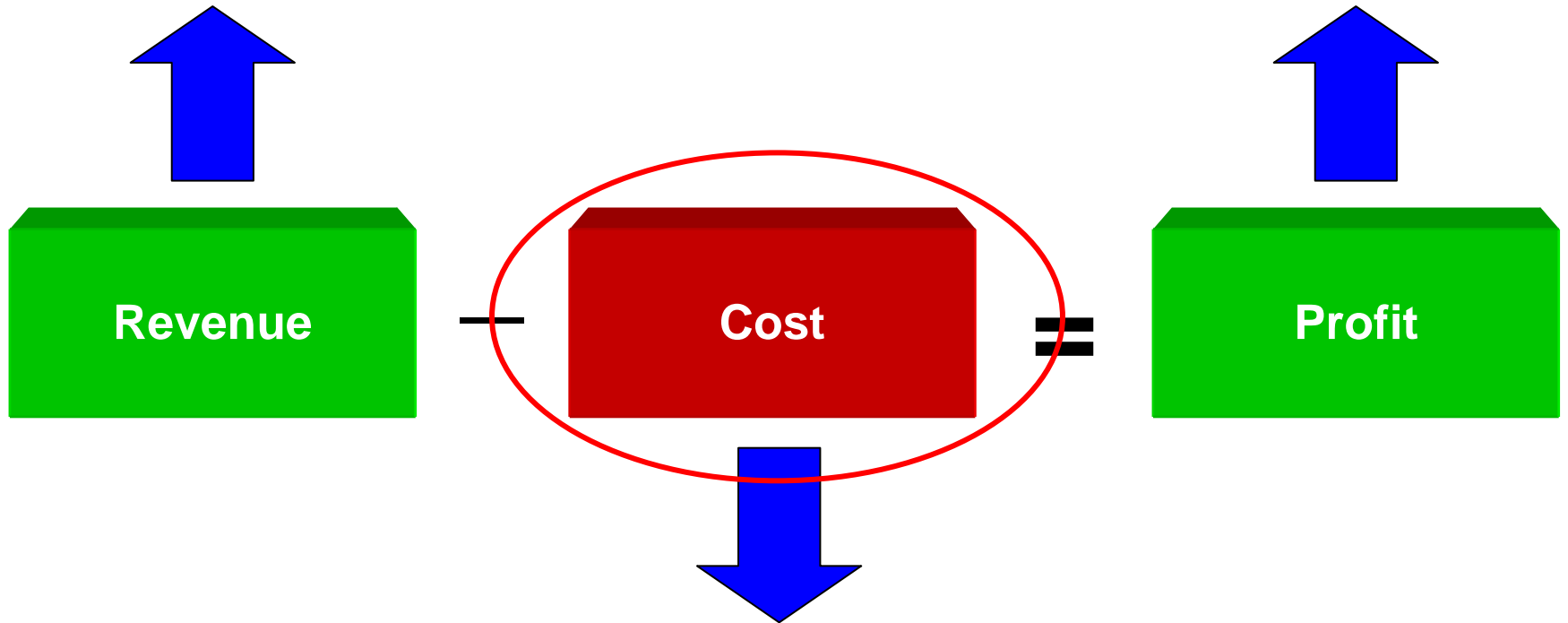
2009

# ***IMPROVING REVENUE AND REDUCING COST***



**Strengthening Our Business Requires A Balance Of  
Improving Revenue And Reducing Costs**

# IMPROVING REVENUE AND REDUCING COST



**Strengthening Our Business Requires A Balance Of  
Improving Revenue And Reducing Costs**



# GLOBAL CYCLE PLAN: B AND C-CAR LEVERAGE

2008

**NA Focus**

(2/4 door)

~ 220K



2012

**Global Focus**

(4/5 door)

> 900K

**C – Platform**  
> 2M

2010

**NA Fiesta**

(4/5 door)



2012

**Global Fiesta**

(4/5 door)

> 600K

**B – Platform**  
> 1M

**Global Vehicles and Platforms Improve Scale and Material Cost for Both Us and Our Supplier Partners**

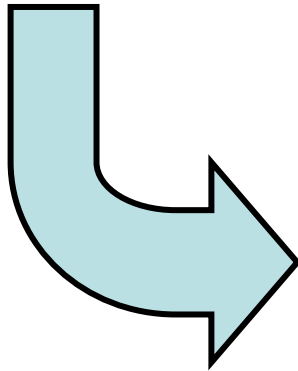
# MIGRATING TO ONE FIESTA



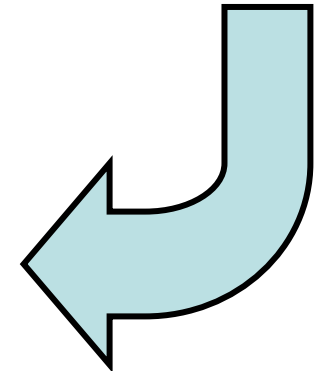
**South America**



**Europe / Asia Pacific**



**Global**

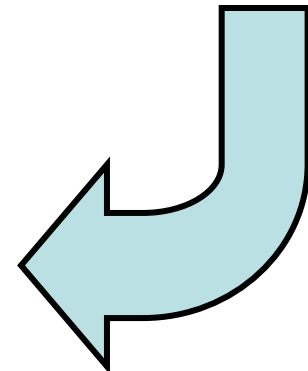
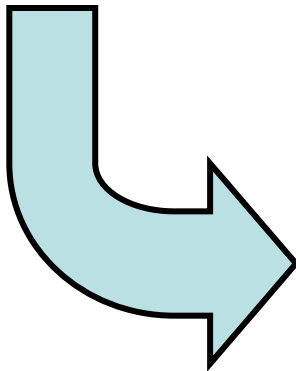


# MIGRATING TO ONE FOCUS



**North America**

**Europe / South America / Asia Pacific**



**Global**

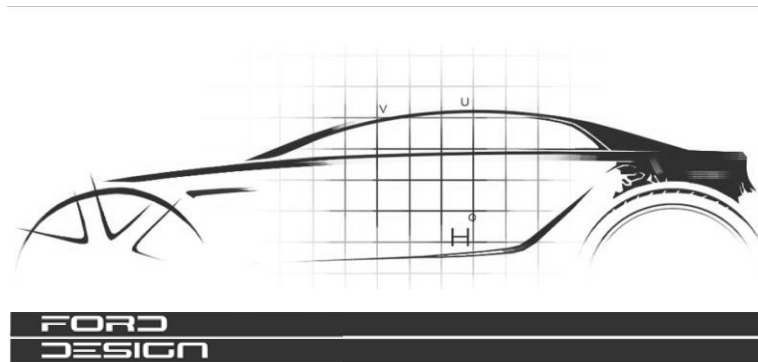
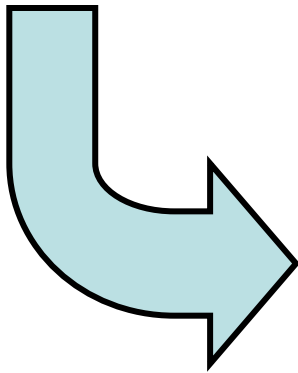
# MIGRATING TO ONE CD VEHICLE



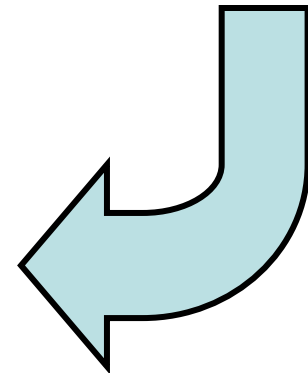
**North America Fusion**



**Europe / Asia Pacific Mondeo**



**Global**



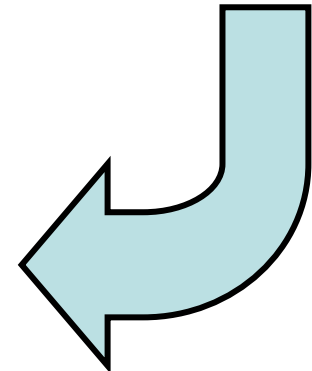
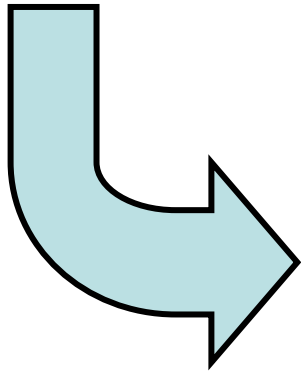
# TRANSIT CONNECT GONE GLOBAL

Previously No Entry



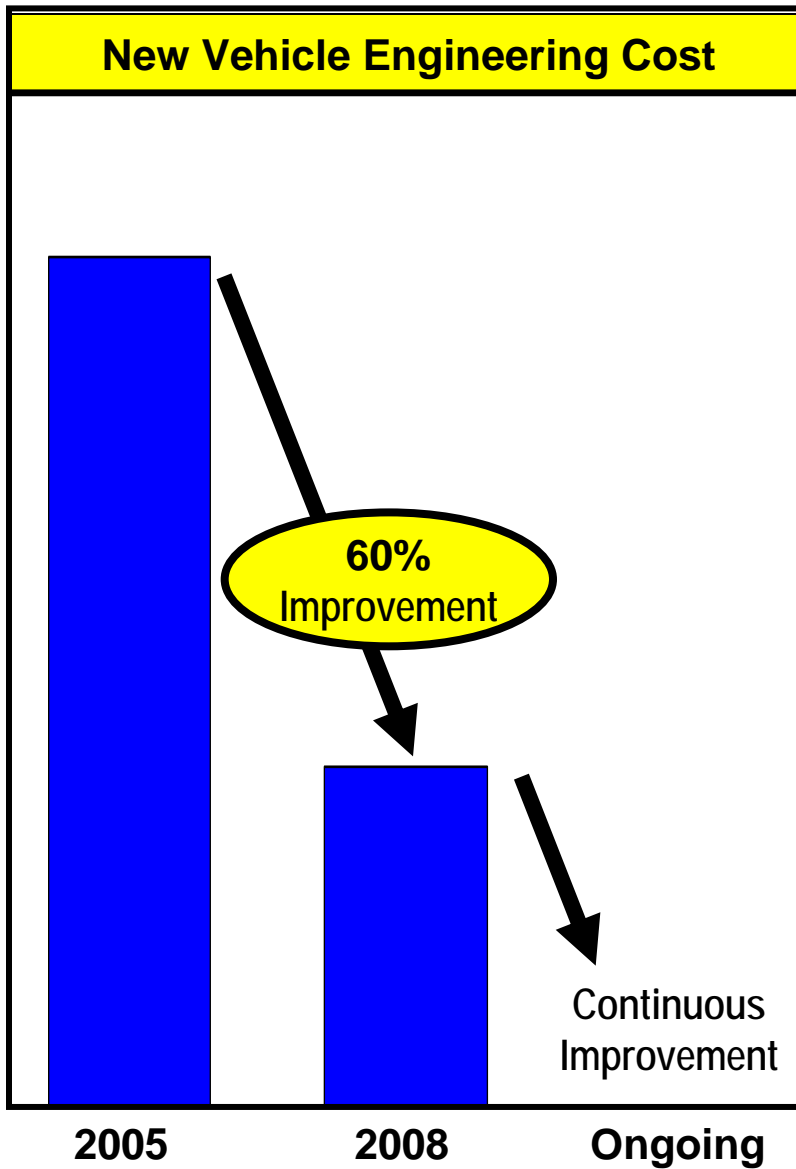
North America

Europe

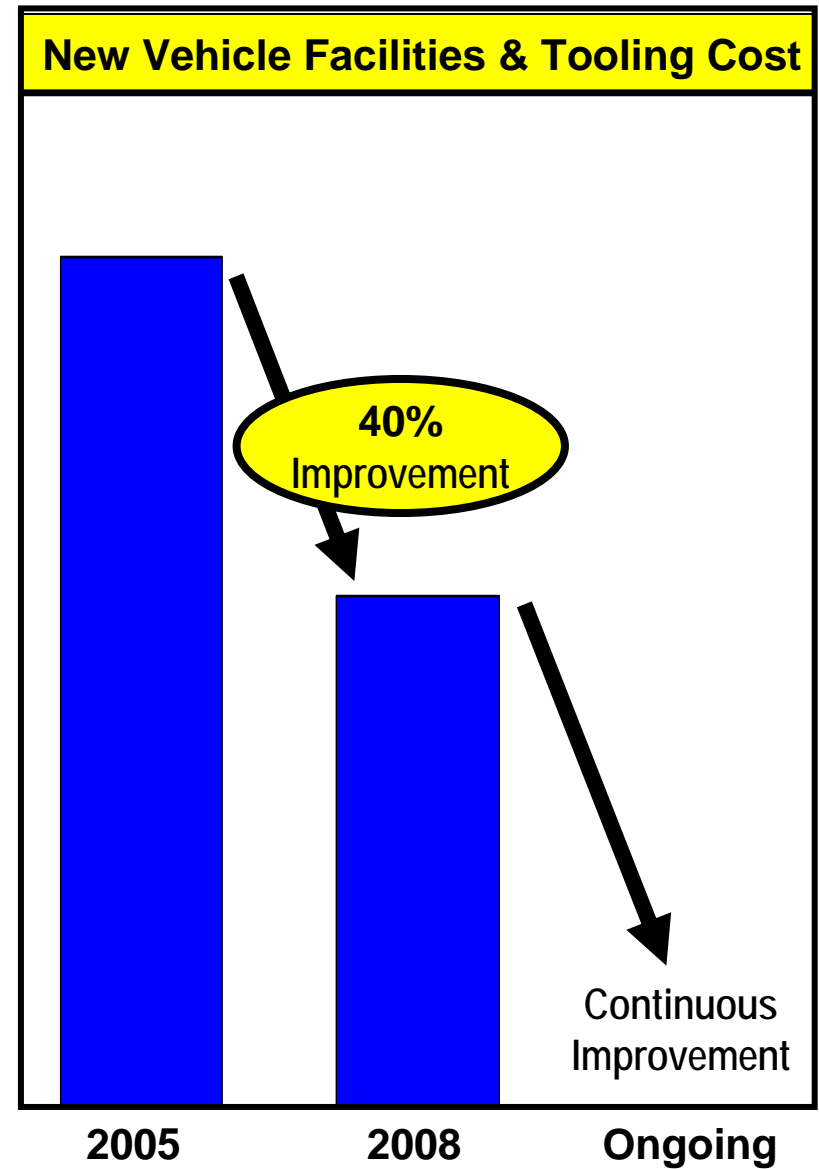
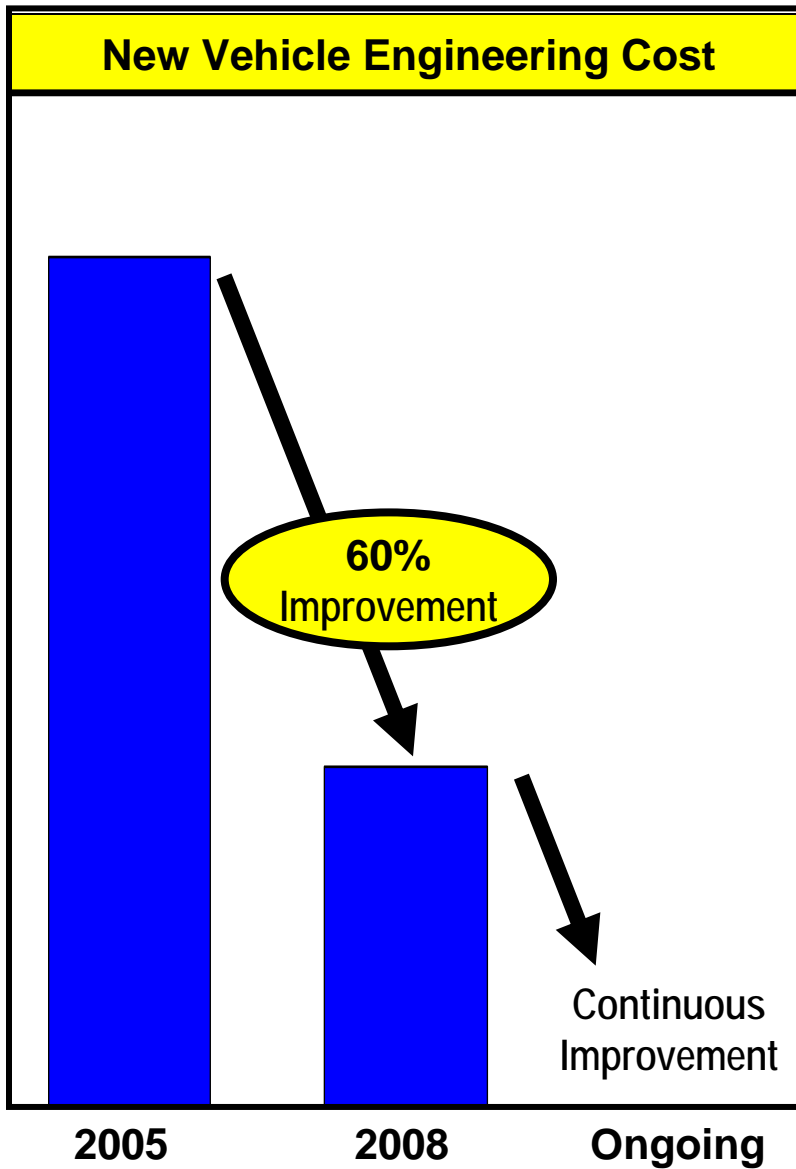


Global

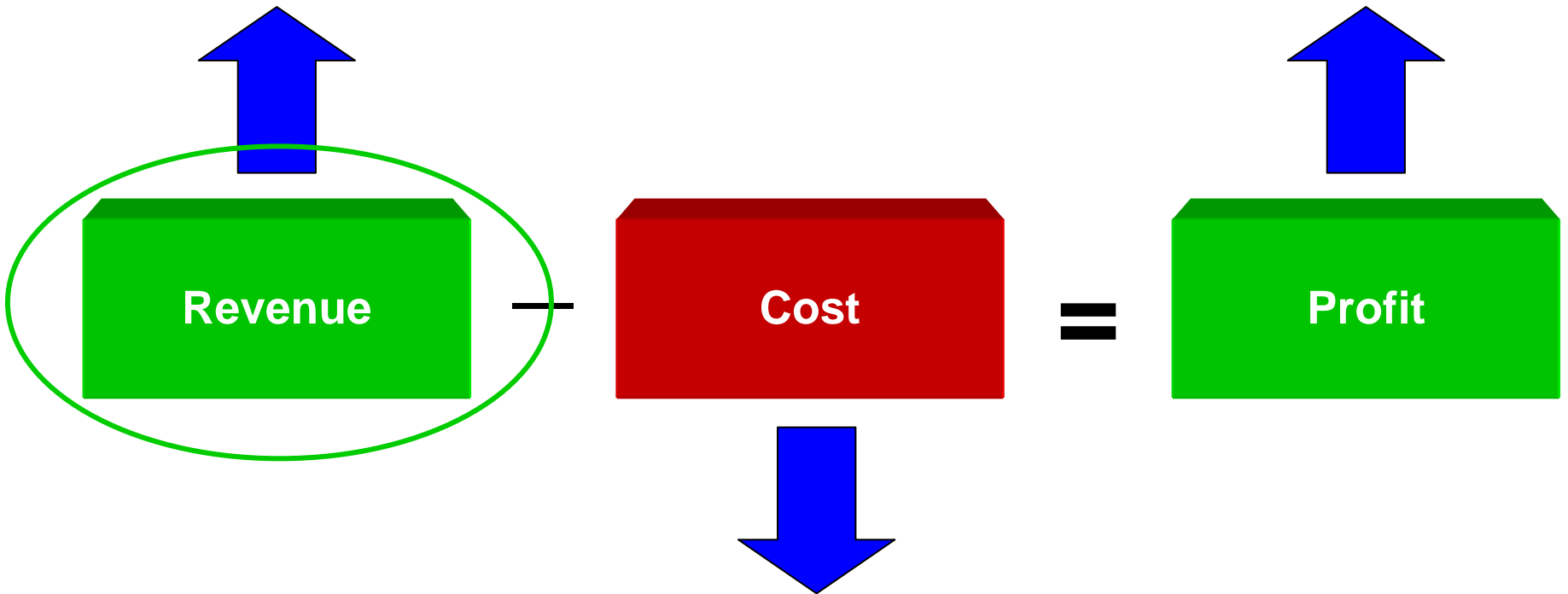
# VEHICLE DEVELOPMENT EFFICIENCY



# VEHICLE DEVELOPMENT EFFICIENCY



# IMPROVING REVENUE AND REDUCING COST



**Strengthening Our Business Requires A Balance Of  
Improving Revenue And Reducing Costs**



# ***DEVELOP NEW PRODUCTS OUR CUSTOMERS WANT AND VALUE***

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

**45%  
By Volume**

<b>MKS</b>	<b>Mustang</b>
<b>Flex</b>	<b>Shelby GT500</b>
<b>F-150</b>	<b>Taurus</b>
<b>Fusion</b>	<b>MKT</b>
<b>Milan</b>	<b>Transit Connect</b>
<b>MKZ</b>	



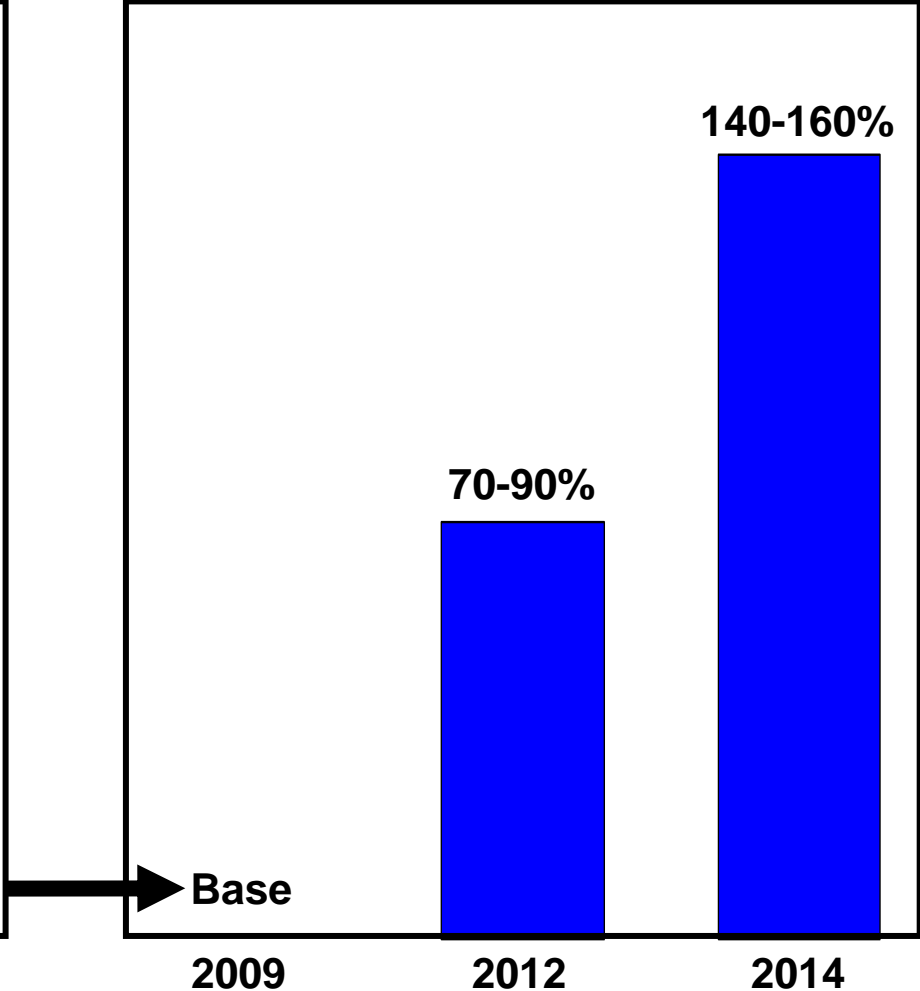
# DEVELOP NEW PRODUCTS OUR CUSTOMERS WANT AND VALUE

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

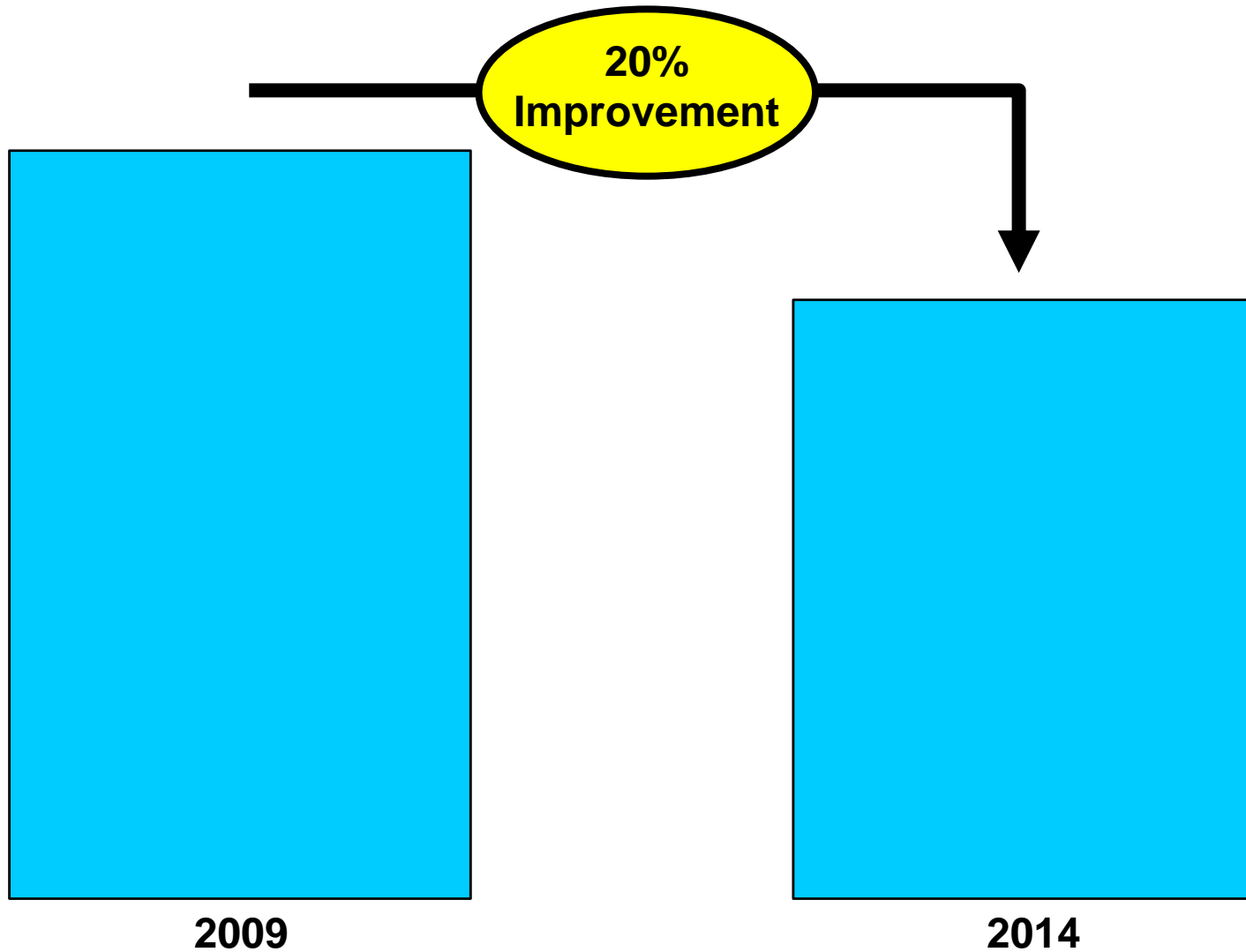
**45%  
By Volume**

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

## Global All-New and Major Refreshed Products Compared With 2009



# GLOBAL CYCLE PLAN -- AVERAGE AGE OF PORTFOLIO



# COMMITMENT TO PRODUCT EXCELLENCE





## **PRODUCT EXCELLENCE -- FIESTA**



***“Good looking, capable, a hoot to drive, refined and excellent value. All in all, a terrific car. Sometimes a car comes along that is just so brilliantly conceived that you wonder how everyone else gets it wrong.” --  
Autocar (UK)***

## **PRODUCT EXCELLENCE -- FOCUS RS**



***“Overall, the RS is an amazing package. It’s easy to live with day to day, while delivering an incredibly intense adrenaline hit when you’re in the right mood. If you’re after thrills, the new Focus RS hot hatch makes the Brand X GTI (our previous benchmark, don’t forget) seem positively pedestrian.” -- Car (UK)***



## **PRODUCT EXCELLENCE -- FUSION**



***“OK, let’s just get it out there: The 2010 Ford Fusion hybrid is the best gasoline-electric hybrid yet.” -- USA Today***



## **PRODUCT EXCELLENCE -- TAURUS**



***"This fresh, dramatic exterior styling ... an astonishing coterie of high-tech widgets to satisfy even the most jaded technophile combine to promote the Taurus to the level of personal luxury car." -- MSNBC***





# **PRODUCT EXCELLENCE -- TRANSIT CONNECT**



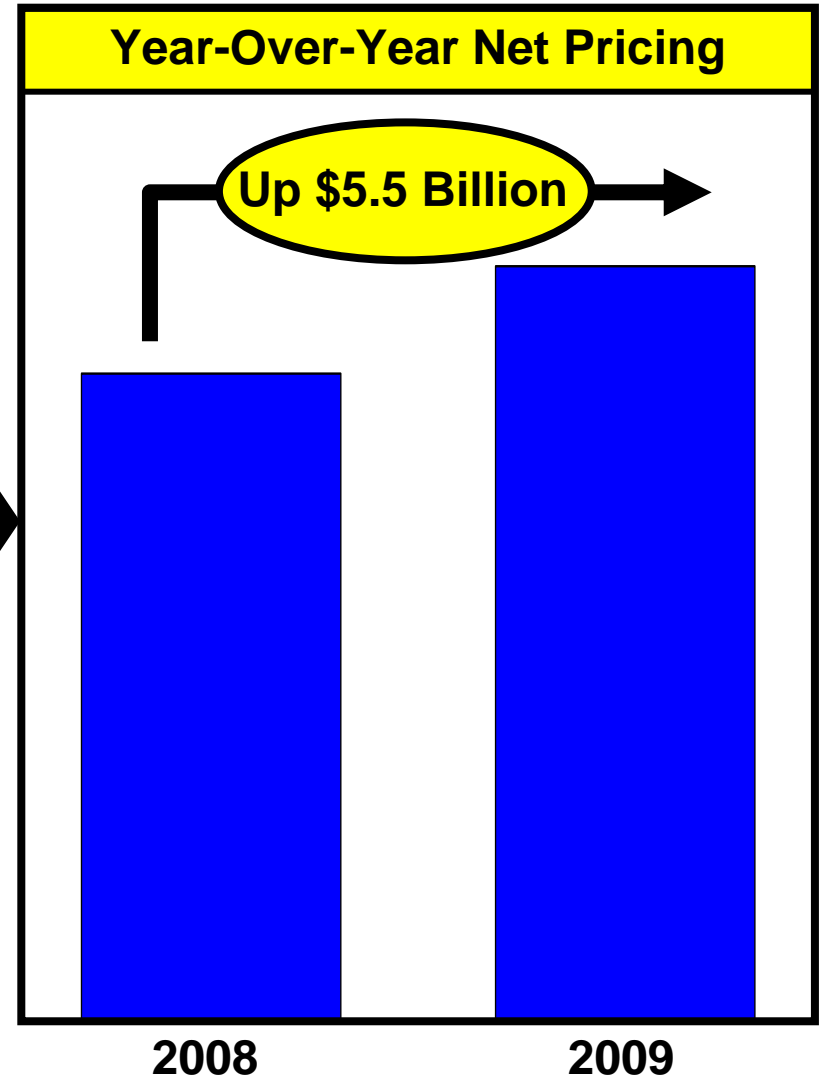
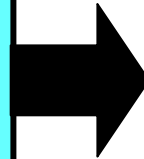
***“You can't compare the Transit Connect with other vehicles like it, because there aren't any. It has its own category right above the vans we see at soccer practice and right below the familiar, large box vans we see everywhere -- old news for Europe, a new concept on American shores.” -- Los Angeles Times***

# UNIT REVENUE IMPROVING

Delivering new products our customers want and value is resulting in higher revenue

- Richer mix of vehicles
- Added equipment
- Lower incentives

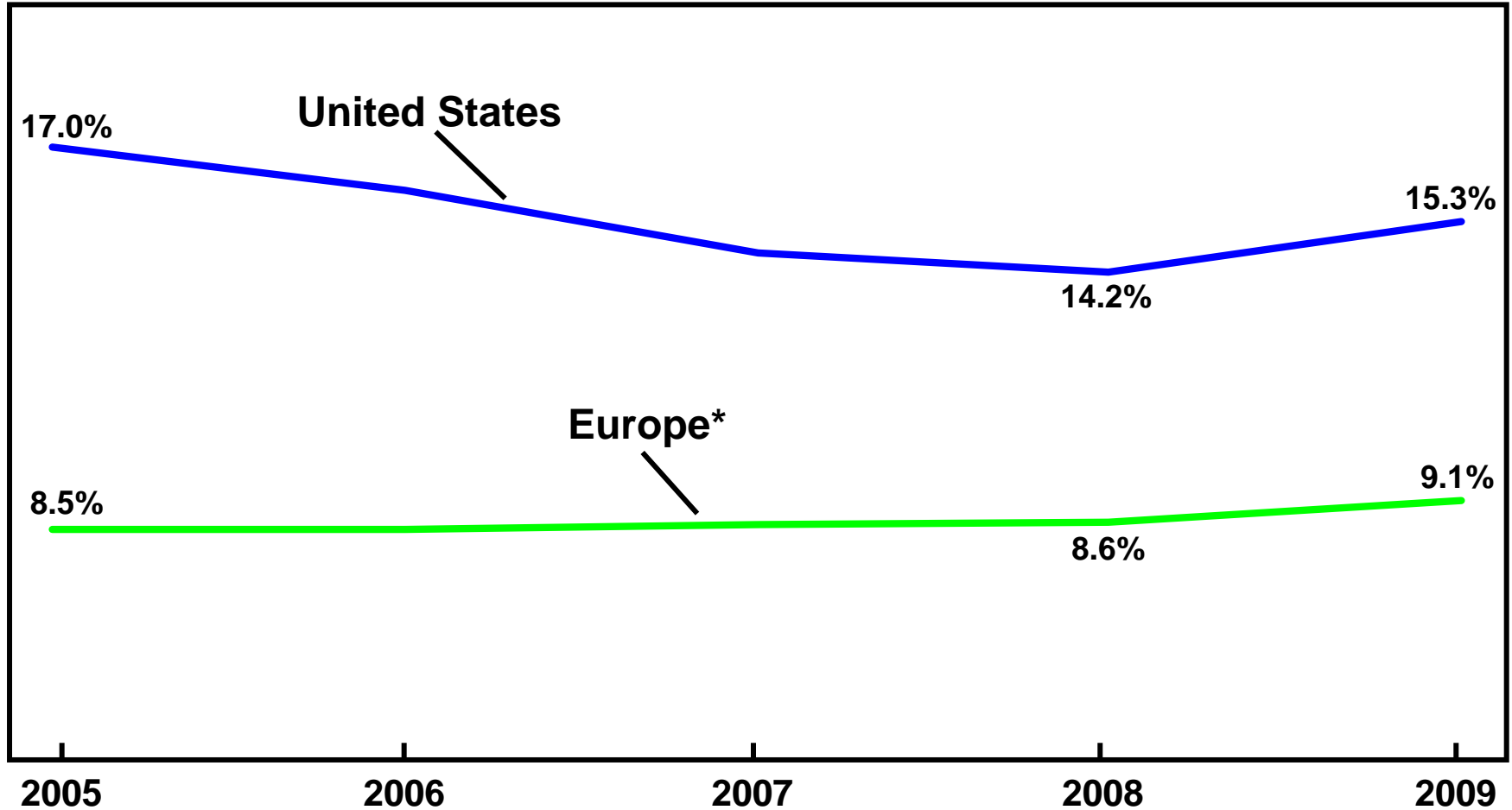
Results in lower brand discount





# REBUILDING MARKET SHARE

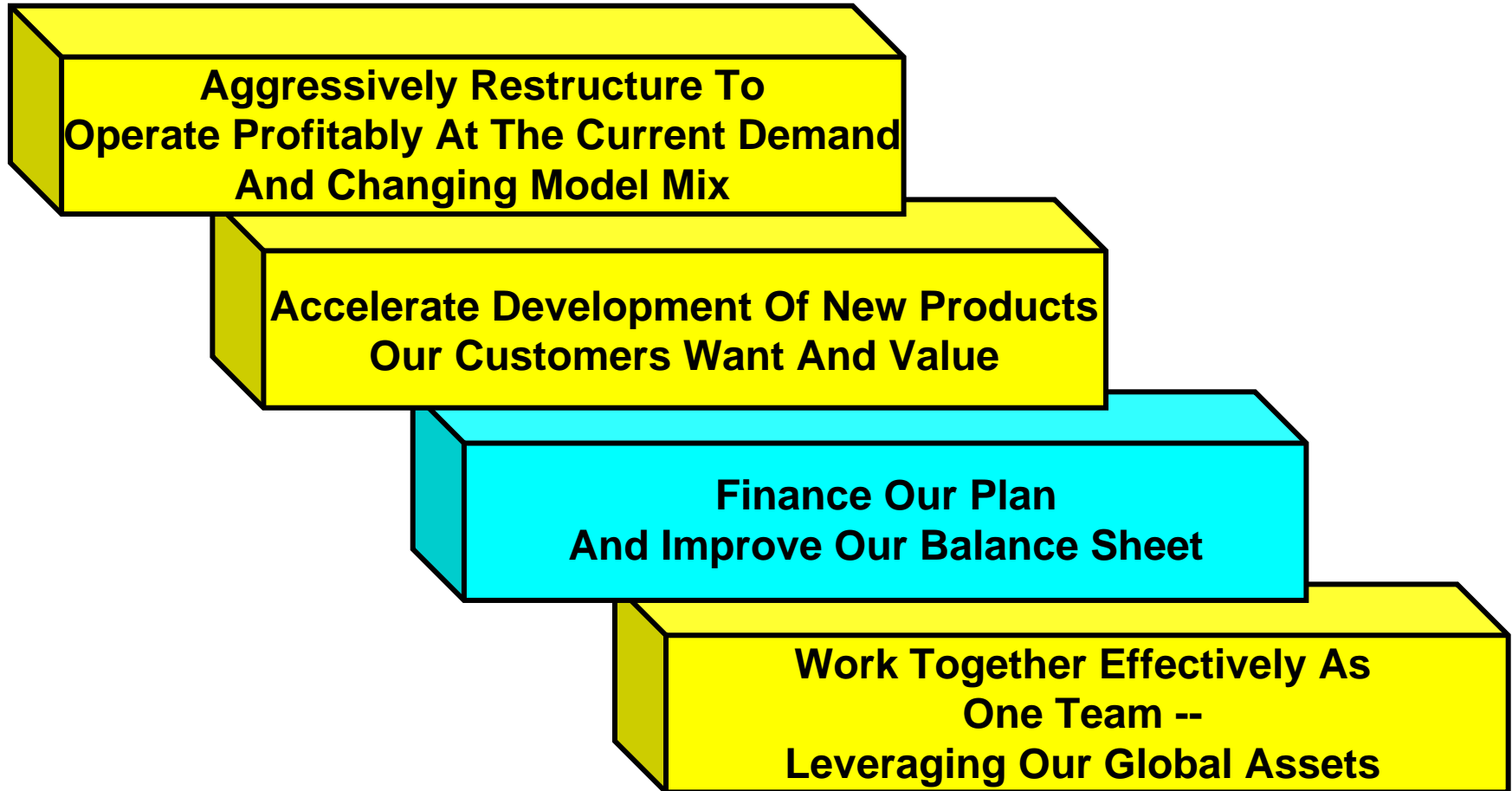
## Ford, Lincoln, and Mercury



\* European market share is based, in part, on estimated vehicle registrations for the 19 European markets that we track (excludes Russia)

# OUR PLAN -- **ONE FORD**

- Continue implementation of our global **ONE FORD**



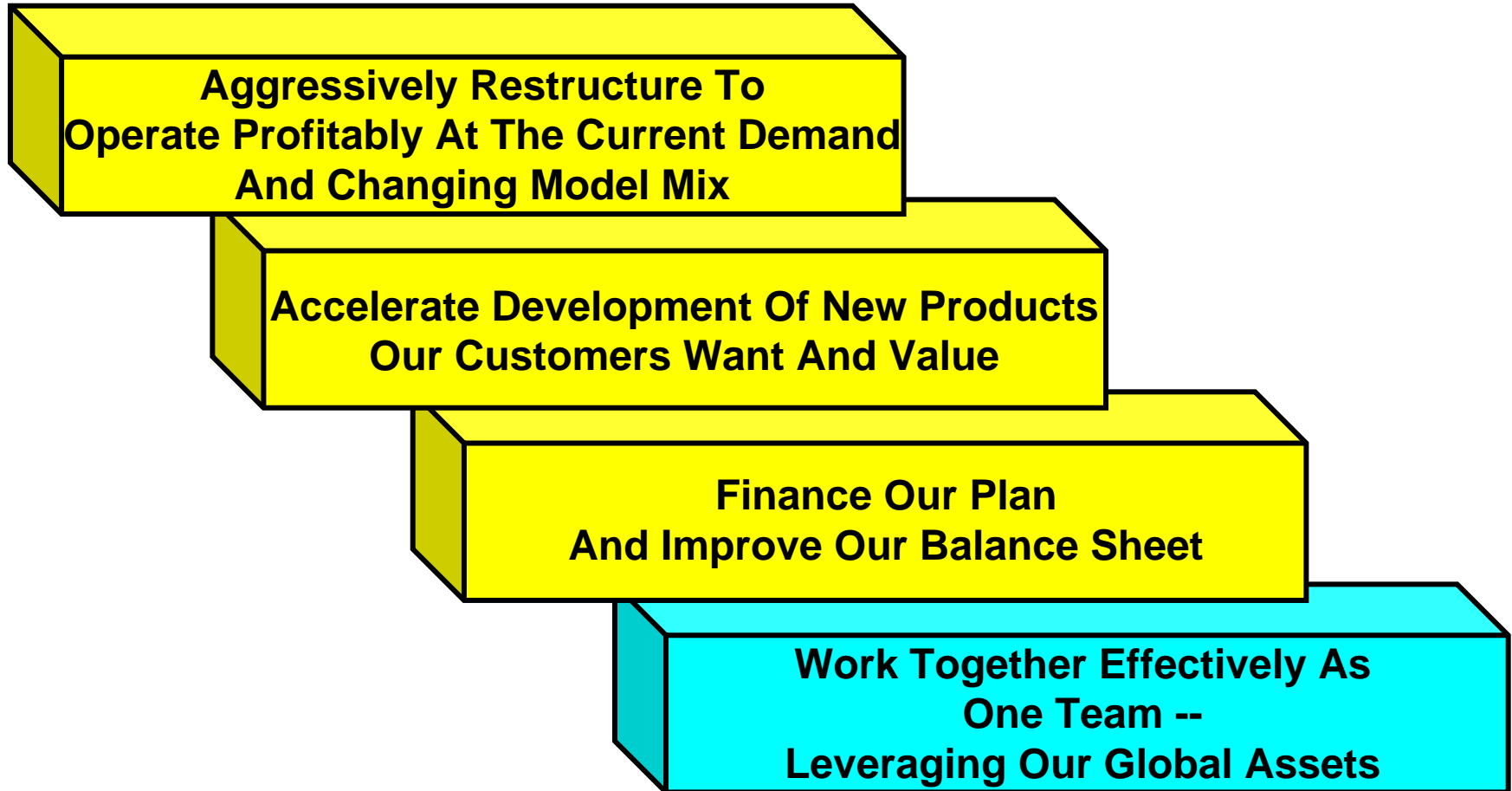


## **FINANCE OUR PLAN**

- **Raised \$23.5 billion at the end of 2006 to provide liquidity to execute our restructuring plan and for a cushion for unexpected events**
- **Executed actions in 2009 to improve our balance sheet:**
  - **Reduced Automotive debt obligations \$10.1 billion in March with market transactions when pricing was favorable, lowering annual cash interest payments more than \$500 million**
  - **Raised \$1.6 billion in equity in May**
  - **Qualified for \$5.9 billion in loans for 2009-2011 from the U.S. Department of Energy for advanced fuel-saving vehicles**
  - **Extended our revolving line of credit, issued \$2.9 billion of convertible bonds, and disclosed a new \$1 billion equity program in November**
  - **Completed transfer of UAW VEBA including a \$500 million prepayment; have option to pay up to half of \$13 billion obligation with Ford stock**
  - **Continued focus on cash flow**
- **More work to do on balance sheet**

# OUR PLAN -- **ONE FORD**

- Continue implementation of our global **ONE FORD**





# WORKING TOGETHER



**People Working Together  
As A Global Enterprise  
For Automotive Leadership**

One Team...One Plan...One Goal...One





# TOTAL COMPANY 2009 FOURTH QUARTER AND FULL YEAR FINANCIAL RESULTS\*

	Fourth Quarter		Full Year	
	2009	B / (W) 2008**	2009	B / (W) 2008**
Wholesales (000)***	1,440	301	4,817	(590)
Revenue (Bils.)***	\$ 35.4	\$ 6.4	\$ 118.3	\$ (19.8)
<b><u>Operating Results***</u></b>				
Pre-Tax Results (Mils.)	\$1,771	\$ 5,494	\$ 472	\$ 7,322
After-Tax Results (Mils.)	1,583	4,916	26	7,297
Earnings Per Share	0.43	1.83	0.00	3.20
<b><u>Special Items Pre-Tax (Mils.)</u></b>	<b>\$ (711)</b>	<b>\$ 718</b>	<b>\$ 2,554</b>	<b>\$10,202</b>
<b><u>Net Income / (Loss) attributable to Ford****</u></b>				
After-Tax Results (Mils.)	\$ 886	\$ 6,864	\$ 2,717	\$17,483
Earnings Per Share	0.25	2.76	0.86	7.36
<b><u>Automotive Gross Cash (Bils.)*****</u></b>	<b>\$ 25.5</b>	<b>\$ 12.1</b>	<b>\$ 25.5</b>	<b>\$ 12.1</b>

\* Unless otherwise indicated throughout this presentation, financial results do not reflect the new accounting standard effective January 1, 2010 related to the consolidation of variable interest entities

\*\* 2008 results adjusted for the effect of a new accounting standard related to convertible debt and for the reclassification of certain Financial Services sector revenue items

\*\*\* Excludes special items, see Appendix for reconciliation to GAAP

\*\*\*\* Formerly labeled "Net Income / (Loss)", reflects new presentation as required under new accounting standards

\*\*\*\*\* See Appendix for reconciliation to GAAP





# AUTOMOTIVE SECTOR

## 2009 CASH\*

	<u>Fourth Quarter</u> (Bils.)	<u>Full Year</u> (Bils.)
<u>Gross Cash</u>		
December 31, 2009	\$25.5	\$25.5
September 30, 2009 / December 31, 2008	<u>23.8</u>	<u>13.4</u>
Change in Gross Cash	<u>\$ 1.7</u>	<u>\$12.1</u>
<u>Operating-Related Cash Flow</u>		
Automotive Pre-Tax Profits**	\$ 1.1	\$ (1.4)
Capital Spending	(1.1)	(4.5)
Depreciation and Amortization	1.2	4.6
Changes in Working Capital / Other (Incl. Timing Differences)	<u>2.3</u>	<u>3.0</u>
Total	\$ 3.5	\$ 1.7
Up-Front Subvention Payments to Ford Credit	(0.4)	(2.0)
Total Automotive Operating-Related Cash Flow	<u>\$ 3.1</u>	<u>\$ (0.3)</u>
<u>Other Changes in Gross Cash</u>		
Personnel-reduction actions	-	(0.7)
Pension Contributions	(0.1)	(0.9)
Net receipts from Financial Services Sector	0.1	1.0
VEBA Related***	(2.5)	(0.8)
Revolving Line of Credit / New Term Loan	(1.9)	8.3
Equity Issuances, Net	0.2	2.4
Convertible debt issuance / Other	<u>2.8</u>	<u>3.1</u>
Change in Gross Cash	<u>\$ 1.7</u>	<u>\$12.1</u>

\* See Appendix for reconciliation to GAAP

\*\* Excludes special items, see Appendix for reconciliation to GAAP

\*\*\* Includes transfers to and from Temporary Asset Account ("TAA")



# AUTOMOTIVE SECTOR

## 2009 AUTOMOTIVE DEBT

	Sep. 30, 2009 <u>(Bils.)</u>	<u>Fourth Quarter Actions</u>		Dec. 31, 2009 <u>(Bils.)</u>
		<u>Additions</u> (Bils.)	<u>Reductions</u> (Bils.)	
<b><u>U.S. Debt</u></b>				
VEBA Debt	\$ -	\$ 9.5*	\$(2.5)	\$ 7.0
Revolving Lines of Credit	10.1	-	(2.6)	7.5
Term Loans	4.6	0.7	-	5.3
Unsecured Notes	5.6	-	-	5.6
Unsecured Trust Preferred	3.1	-	-	3.1
Unsecured Convertible Notes	0.4	2.2*	-	2.6
U.S. Department of Energy Loans	0.9	0.3	-	1.2
Total U.S. Debt	<u>\$24.7</u>	<u>\$12.7</u>	<u>\$(5.1)</u>	<u>\$32.3</u>
<b><u>International / Other Debt</u></b>	2.2	-	(0.2)	2.0
Total Automotive Debt	<u><u>\$26.9</u></u>	<u><u>\$12.7</u></u>	<u><u>\$(5.3)</u></u>	<u><u>\$34.3</u></u>

\* Reflects fair value of debt at date of issuance (including \$150 million of TAA true up for VEBA debt)

# **AUTOMOTIVE SECTOR**

## **2009 AUTOMOTIVE FINANCIAL RESOURCES**



	<b>December 31, 2009</b>
	<u>(Bils.)</u>
<b>Gross Cash*</b>	<b>\$25.5</b>
<b>Less:</b>	
<b>Long-term Debt</b>	<b>\$32.3</b>
<b>Debt payable within one year</b>	<u><b>2.0</b></u>
<b>Total Debt</b>	<b>\$34.3</b>
<b>Net Cash / (Debt)</b>	<u><u><b>\$ (8.8)</b></u></u>

\* See Appendix for reconciliation to GAAP



# TOTAL COMPANY 2009 PLANNING ASSUMPTIONS AND OPERATIONAL METRICS

	Full Year Plan	Full Year Results
<b><u>Planning Assumptions</u></b>		
Industry Volume* -- U.S. (Mils.)	10.5 to 12.5	10.6
-- Europe (Mils.)**	12.5 to 13.5	15.8
<b><u>Operational Metrics</u></b>		
Compared with 2008		
• Quality -- U.S.	Improve	Improved
-- International	Improve	Mixed
• Automotive Structural Costs***	Improve by about \$4 Billion	Improved by \$5.1 Billion
• U.S. Total Mkt. Share (Ford & LM)	Stabilize	15.3%; Improved by 1.1 pts.
- U.S. Share of Retail Market****	Stabilize	13.1%; Improved by 1 pt.
• Europe Market Share**	Equal / Improve	9.1%; Improved by 0.5 pts.
• Auto. Operating-Related Cash Flow*****	Negative but Significant Improvement	\$(300) Million; Improved by \$19.2 Billion
<b>Absolute Amount</b>		
• Capital Spending	\$5 Billion to \$5.5 Billion	\$4.5 Billion

\* Includes medium and heavy vehicles

\*\* European 19 markets we track

\*\*\* Structural cost changes are measured at constant exchange, and exclude special items and discontinued operations

\*\*\*\* Estimated

\*\*\*\*\* See Appendix for reconciliation to GAAP



# TOTAL COMPANY 2010 PLANNING ASSUMPTIONS AND OPERATIONAL METRICS\*

	<u>Full Year Plan**</u>
<b><u>Planning Assumptions</u></b>	
Industry Volume (SAAR)***	
-- U.S. (Mils.)	11.5 to 12.5
-- Europe (Mils.)****	13.5 to 14.5
<b><u>Operational Metrics</u></b>	
Compared with Prior Year	
• Quality	Improve
• Automotive Structural Costs*****	Somewhat Higher
• U.S. Market Share (Ford, Lincoln & Mercury)	Equal / Improve
- U.S. Share of Retail Market	Equal / Improve
• Europe Market Share****	Equal
• Automotive Operating-Related Cash Flow	Positive
Absolute Amount	
• Capital Spending	\$4.5 Billion to \$5 Billion

**For 2010, We Plan To Be Profitable With  
Positive Automotive Operating-Related Cash Flow**

\* Profits on a pre-tax basis, excluding special items

\*\* Excludes Volvo and reflects new accounting standard effective January 1, 2010 related to the consolidation of variable interest entities

\*\*\* Includes medium and heavy vehicles

\*\*\*\* European 19 markets we track

\*\*\*\*\* Structural cost changes are measured at constant exchange, and exclude special items and discontinued operations



**FordCredit**

***FORD MOTOR CREDIT COMPANY***

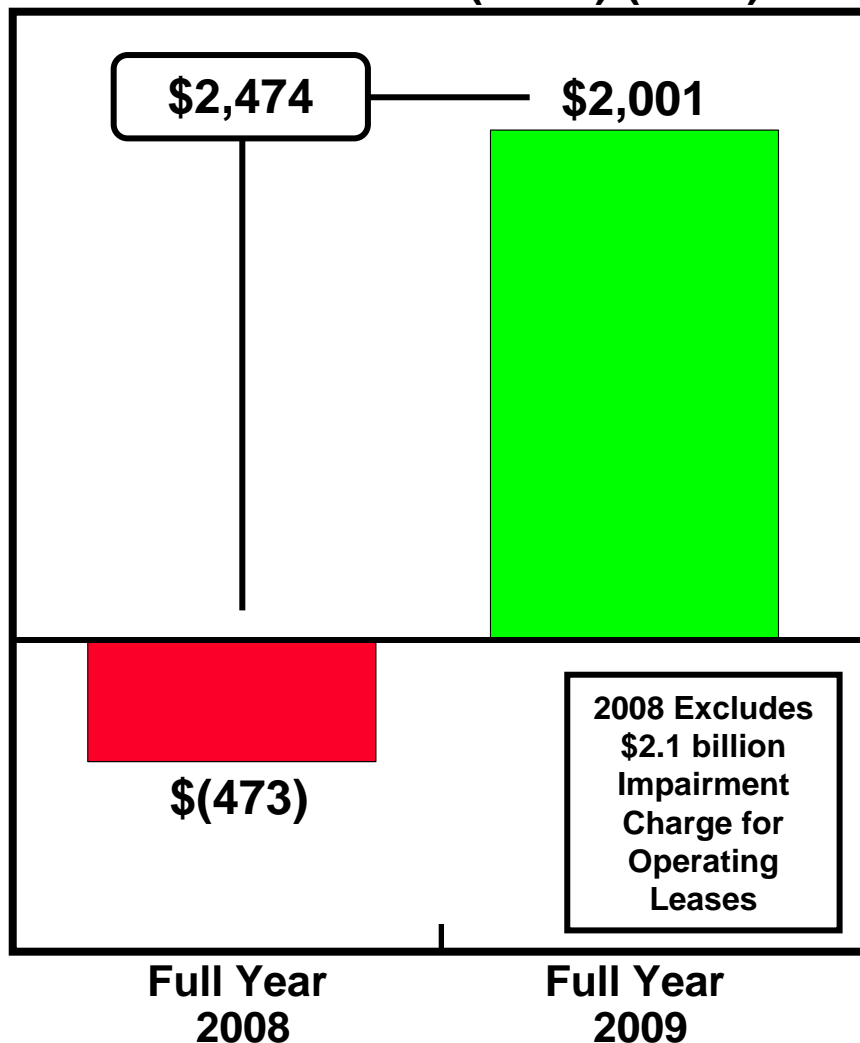
***K.R. Kent***

***Vice Chairman and CFO***

# FORD CREDIT RESULTS AND METRICS -- 2009 FULL YEAR



## Pre-Tax Profit / (Loss) (Mils.)



## Key Metrics

	Full Year	
	2008	2009
<b>On-Balance Sheet</b>		
Receivables (Bils.)	\$ 116	\$ 93
Charge-Offs (Mils.)	\$ 1,135	\$ 1,095
<b>Loss-to-Receivables Ratio</b>		
- Worldwide	0.84%	1.07%
- U.S. Retail and Lease	1.36	1.32
<b>Allowance for Credit Losses</b>		
- Worldwide Amount (Bils.)	\$ 1.7	\$ 1.5
- Pct. Of EOP Receivables	1.40%	1.61%
<b>Financial Statement</b>		
Leverage (To 1)	12.0	8.8
Distribution (Bils.)	\$ -	\$ 1.5
Net Income / (Loss) (Mils.)	\$(1,536)	\$ 1,279
<b>Managed*</b>		
Receivables (Bils.)	\$ 118	\$ 95
Leverage (To 1)	9.9	7.3

\* See Appendix for calculation, definitions, and reconciliation to GAAP

# **FORD CREDIT FUNDING STRATEGY**



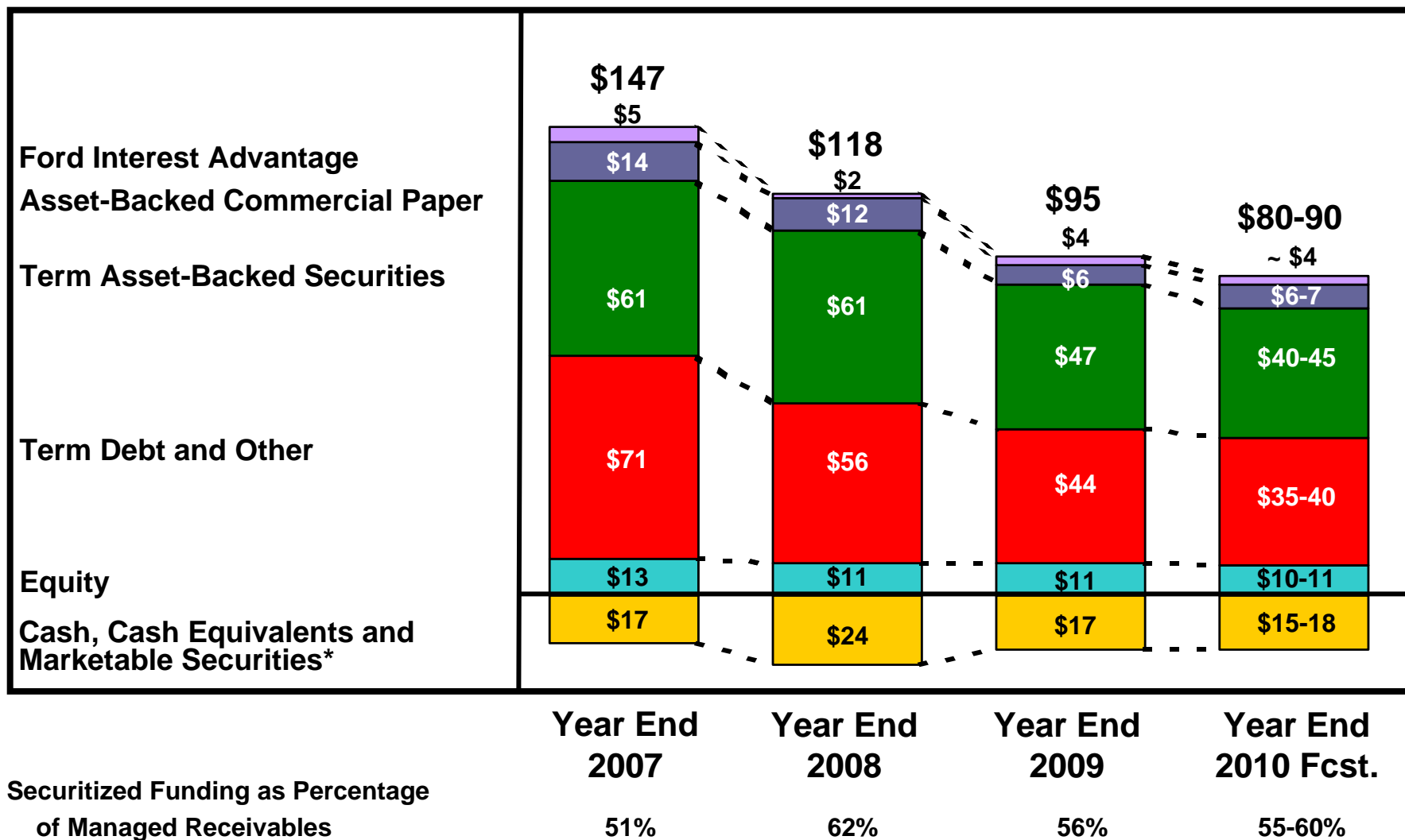
- **We continued to see positive momentum in the capital markets for the third consecutive quarter. Highlights for 2009 include:**
  - **\$5 billion of unsecured debt, including \$1.5 billion in Fourth Quarter**
  - **\$15 billion of public securitizations including a non-TALF public retail trade for \$1.6 billion in November**
  - **\$4.8 billion of term ABS funding in Canada**
  - **Improved spreads on securitizations, unsecured debt, and capacity renewals**
  - **FCAR spreads and term have returned to pre-crisis levels**
- **Key elements of our funding strategy include:**
  - **Access capital markets for securitization and unsecured debt funding**
  - **Extend term of securitization and unsecured funding**
  - **Maintain funding programs and renew committed capacity**
  - **Consider alternative business and funding arrangements**
- **We continue to maintain liquidity and a substantial cash balance to meet funding obligations**



# FORD CREDIT FUNDING STRUCTURE



## Funding of Managed Receivables (Bils.)



\* Excludes marketable securities related to insurance activities

# FORD CREDIT TERM FUNDING PLAN



	2007	2008	2009	2010	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>YTD*</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)	(Bils.)
<b>Public Transactions</b>					
Unsecured	\$ 6	\$ 2	\$ 5	\$ 3 - 6	\$ 1
Securitized <sup>**</sup>	6	11	15	8 - 12	3
<b>Total Public</b>	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 20</u>	<u>\$ 12 - 17</u>	<u>\$ 4</u>
				\$31	
<b>Private Transactions<sup>***</sup></b>	\$ 28	\$ 29	\$ 11	\$ 8 - 13	\$ 1

\* YTD Actual through February 24, 2010

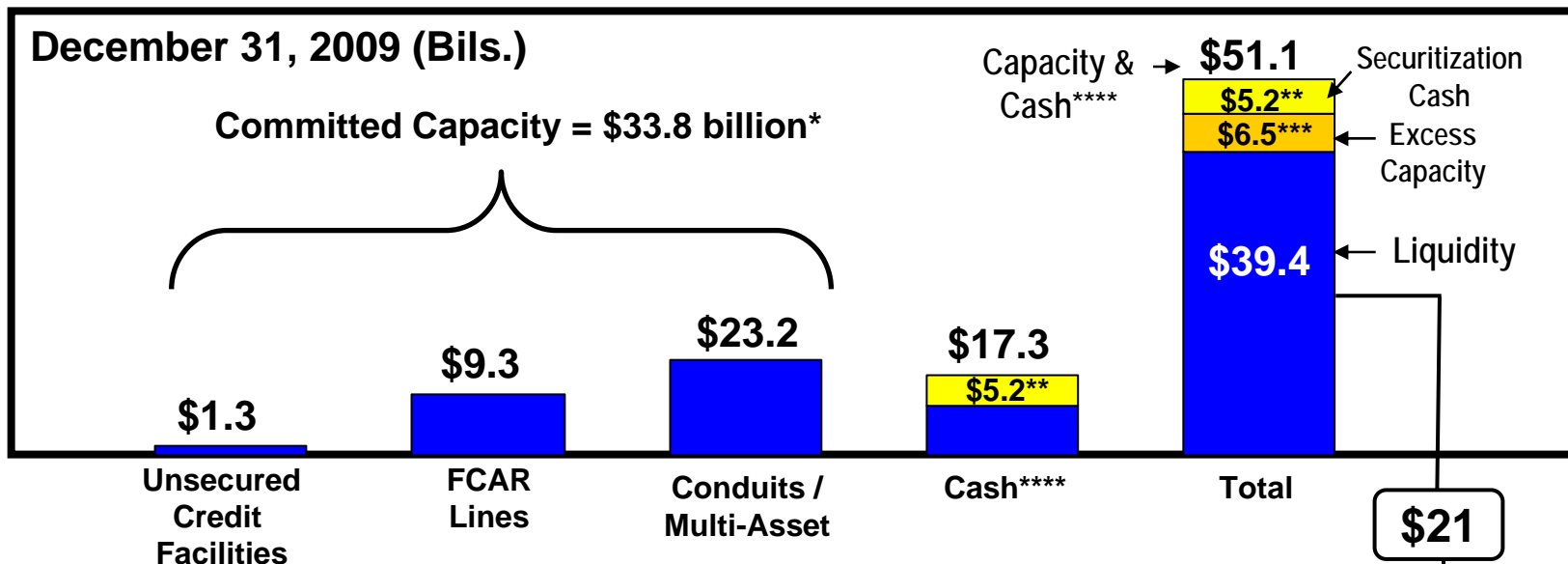
\*\* Reflects new issuance; excludes whole loan sales and other structured financings

\*\*\* Includes private term debt, securitizations, other structured financings, whole loan sales, and other term funding; excludes sales to Ford Credit's on-balance sheet asset-backed commercial paper program (FCAR)

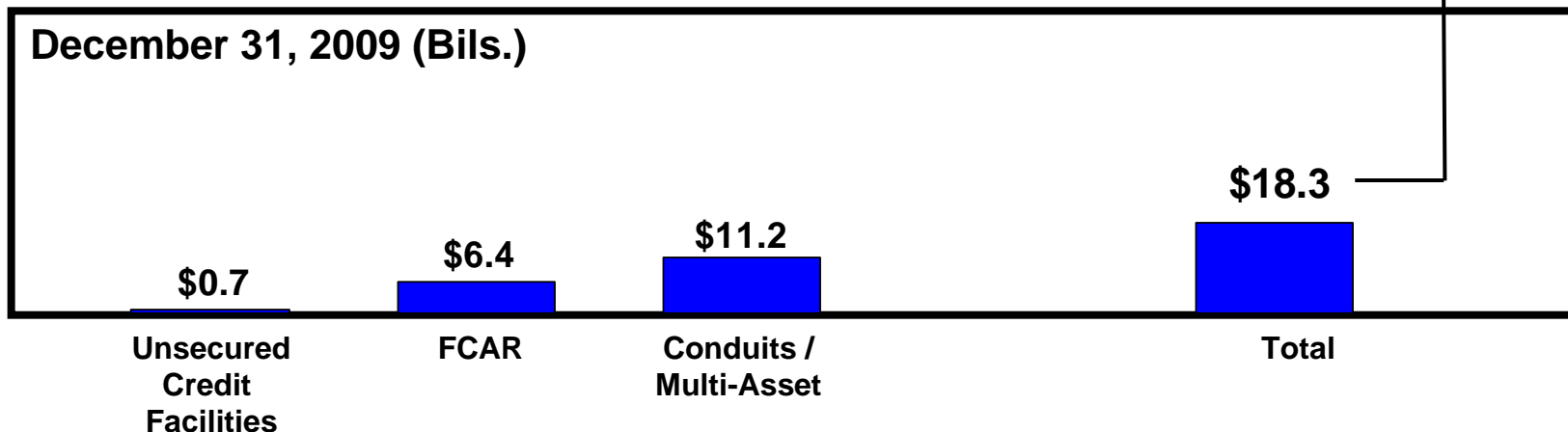
# FORD CREDIT LIQUIDITY PROGRAMS



Committed Capacity / Liquidity



Utilization of Liquidity



**Liquidity available for use is about \$21 billion**

\* FCAR and Conduits subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; FCAR commercial paper must be supported by bank lines equal to at least 100% of the principal amount; conduits includes other committed securitization programs

\*\* Securitization cash is to be used only to support on-balance sheet securitization transactions

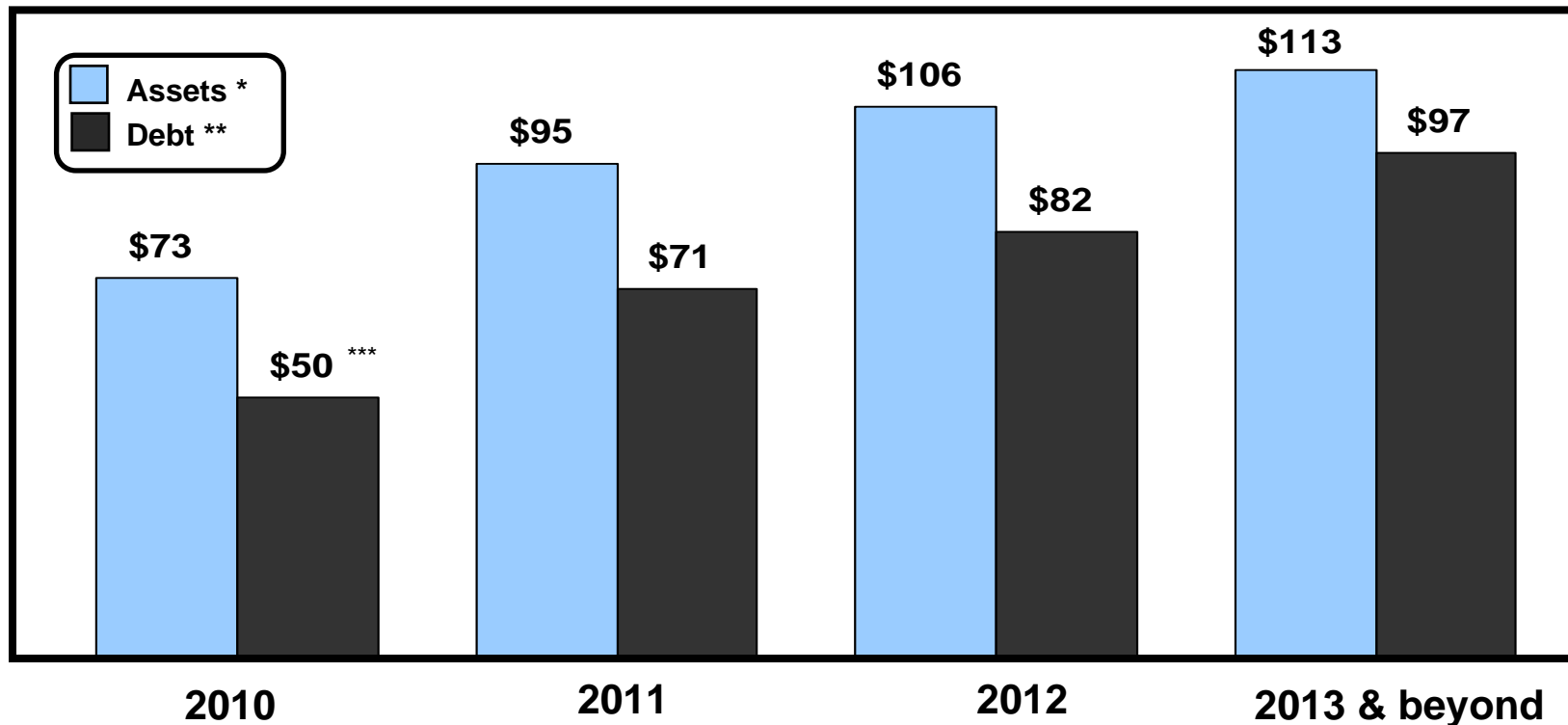
\*\*\* Excess capacity is capacity in excess of eligible receivables

\*\*\*\* Cash, cash equivalents and marketable securities (excludes marketable securities related to insurance activities)

# LIQUIDITY PROFILE OF FORD CREDIT'S BALANCE SHEET



Cumulative Maturities -- As of December 31, 2009 (Bils.)



Memo: Unsecured Long-term debt maturities (Bils.)

\$7.1

\$11.5

\$7.1

\$13.5

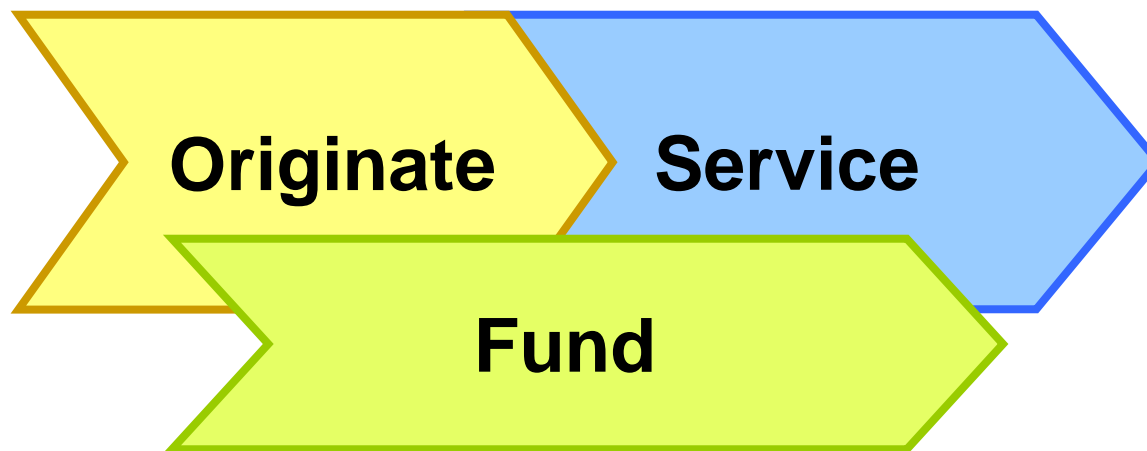
\* Includes finance receivables net of unearned income, and investment in operating leases net of accumulated depreciation; cash and cash equivalents, marketable securities (excludes marketable securities related to insurance activities)

\*\* Retail and lease ABS are treated as amortizing on January 1, 2010 to match the underlying assets

\*\*\* Includes all of the wholesale ABS term and conduit maturities of \$6.5 billion that otherwise contractually extend to 2011 and beyond

# **ORIGINATION & SERVICING STRATEGY**

- Buy it Right
- Collect it Effectively
- Operate Efficiently



- Fund it Efficiently
- Manage Balance Sheet Risk

- Purchase managed level of risks, eliminating highest risks and abuses through prudent origination practices
- Collect using the latest technology and consistent processes which are continually improved

## **PROPRIETARY ORIGINATIONS SCORING MODEL**

- **Ford Credit uses a Probability of Payment (POP) credit risk scoring model**
- **In-house development of multiple scorecards:**
  - **Large sample sizes**
  - **Based on our experience and processes**
  - **Automotive specific**
  - **Supported by internal analytics team**
- **POP adds to credit bureau data, an evaluation of:**
  - **Financing product (retail, lease, term)**
  - **Customer characteristics (stability, income, etc.)**
  - **Contract characteristics (collateral, advance, etc.)**

# **FORD CREDIT SERVICING STRATEGY**



- **Ford Credit has a best in class servicing organization**
- **Credit losses are an expected part of the business; the objective is to collect within purchase expectations over the life of the contract**
- **Collection Strategy Objectives**
  - **Reduce credit losses**
  - **Optimize utilization of resources**
  - **Increase customer satisfaction**

# **FORD CREDIT**

## **SERVICING STRATEGY**



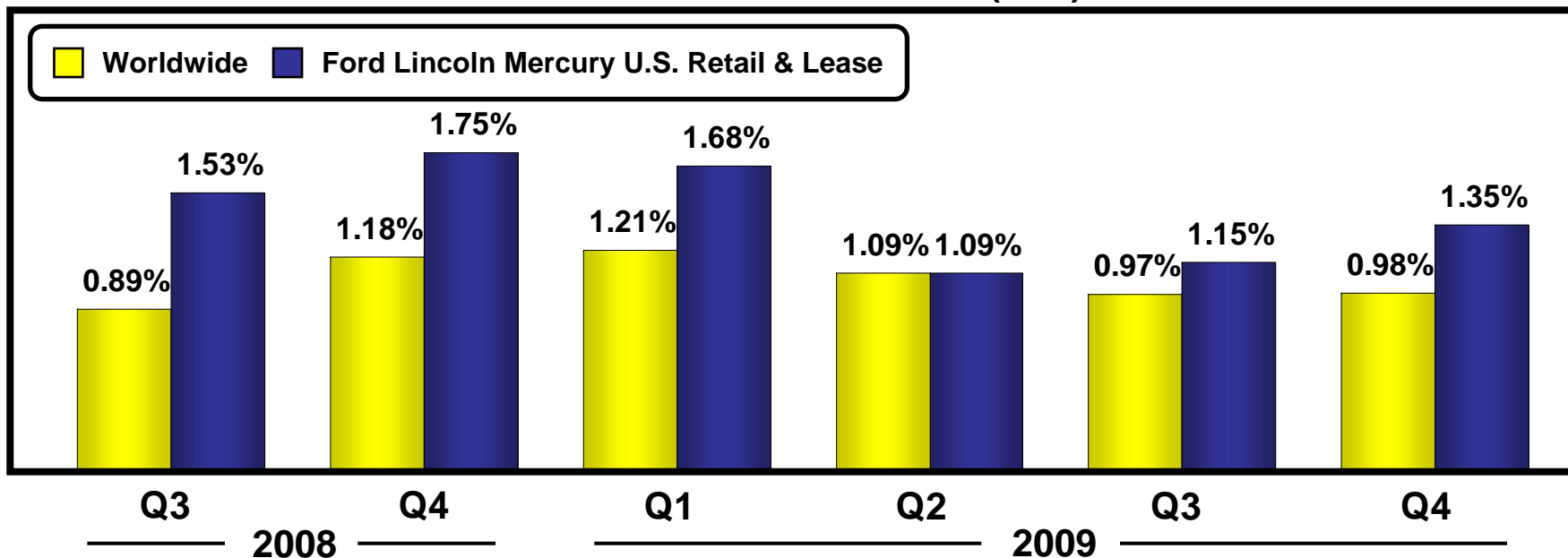
- **Behavioral scorecards used to identify predictors and calculate probability of default**
- **Factors used in the behavior scoring models include origination characteristics and scores, updated credit bureau information, and customer history variables, such as payment patterns**
- **Probability of Default is the primary driver in determining risk classification, which establishes:**
  - **Assignment timing**
  - **Follow-up intensity**
  - **Assignment transfers from Account Maintenance (early stage delinquency) to Loss Prevention (late stage delinquency)**



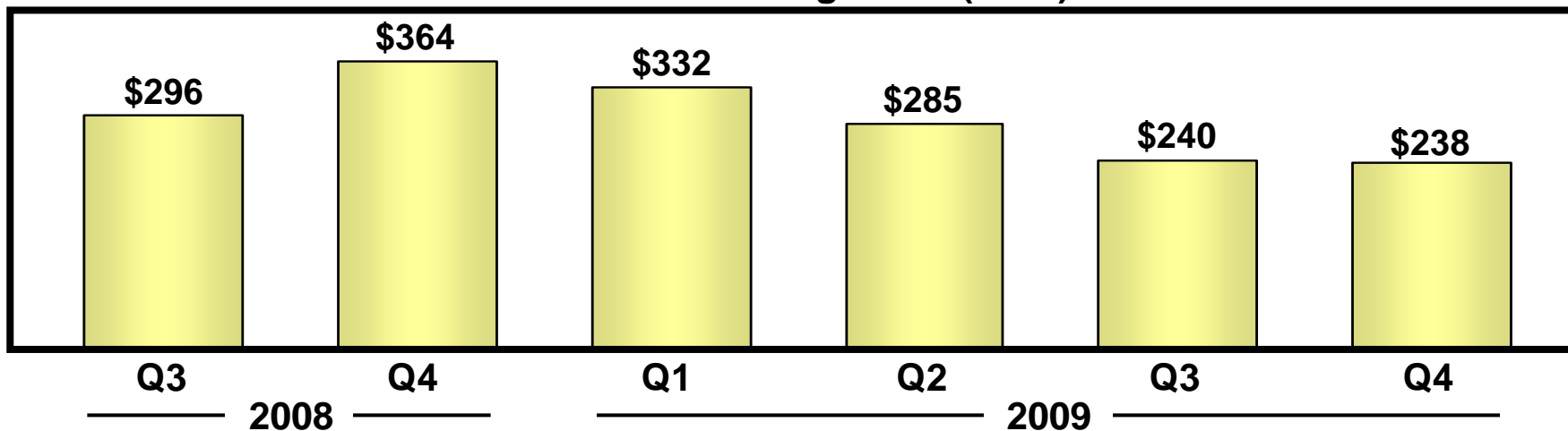
# CREDIT LOSS METRICS\*



## Loss-to-Receivables Ratio (Pct.)



## Worldwide Charge-Offs (Mils.)

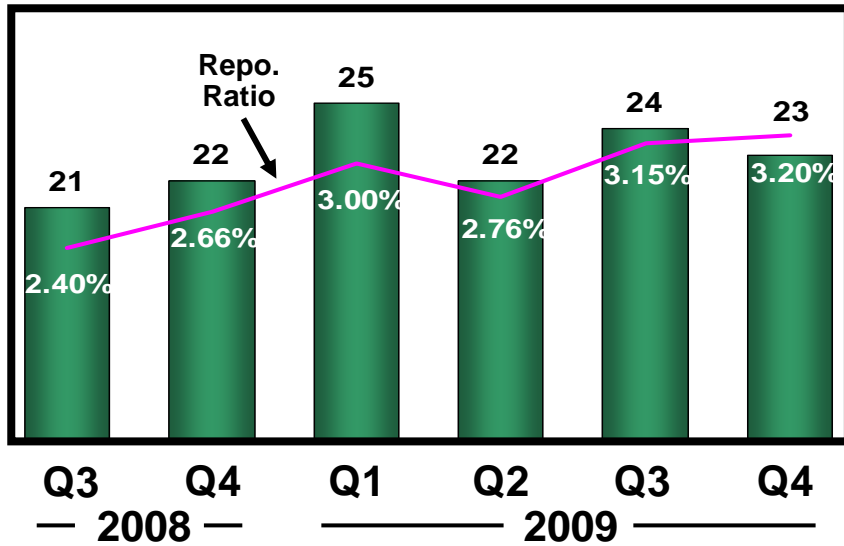


\* On-balance sheet

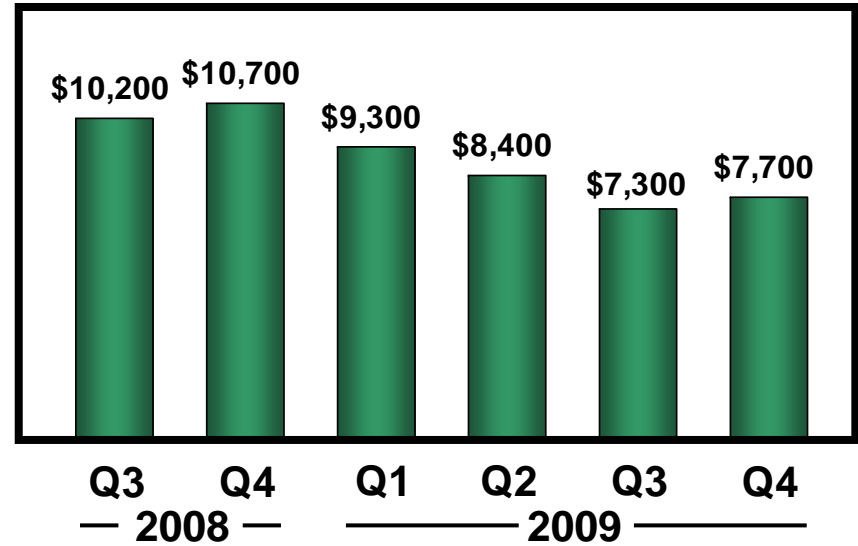
# CREDIT LOSS DRIVERS -- FORD LINCOLN MERCURY U.S. RETAIL AND LEASE\*



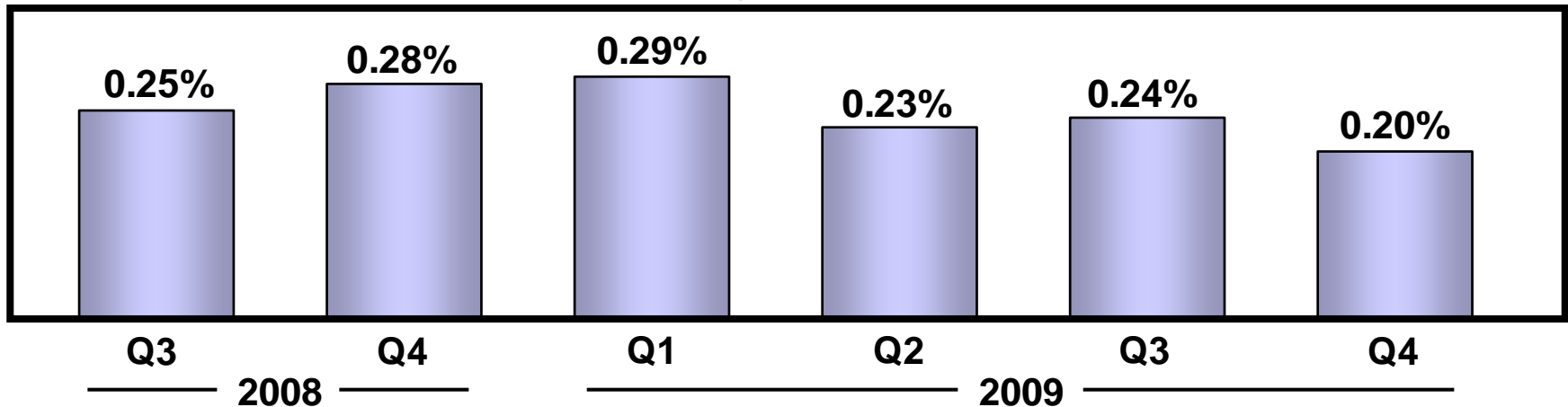
### Repossessions (000)



### Severity



### Over-60-Day Delinquencies



Memo: New Bankruptcy Filings (000)

10

10

11

12

13

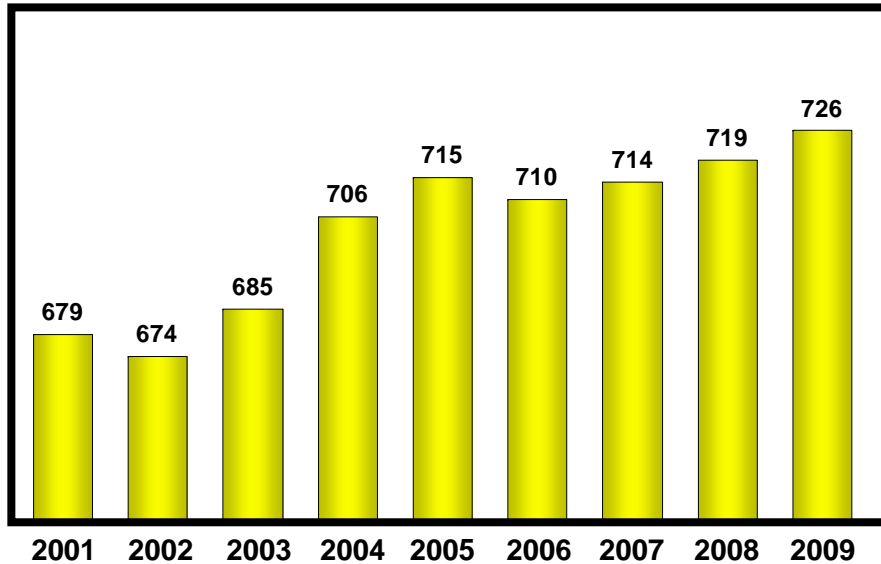
11

\* On a serviced basis

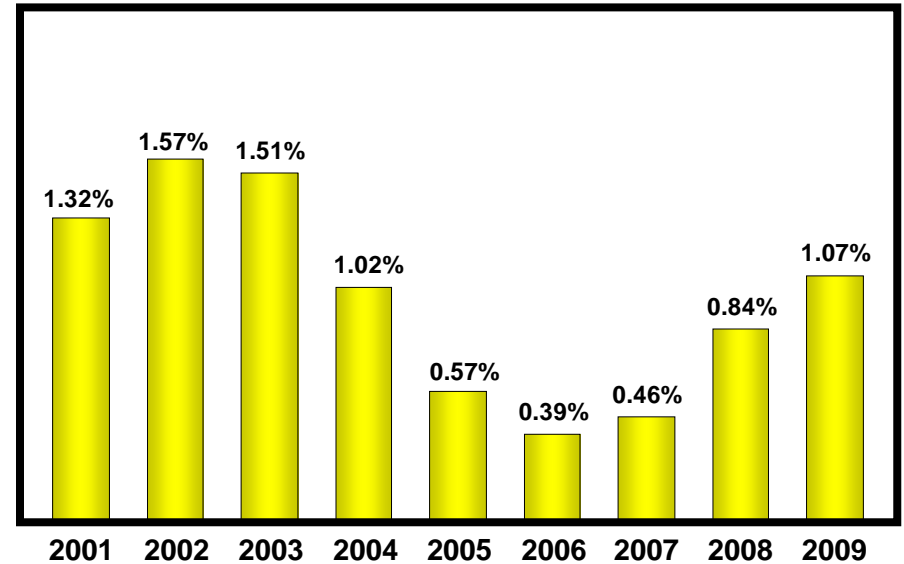
# HISTORICAL CREDIT LOSS METRICS



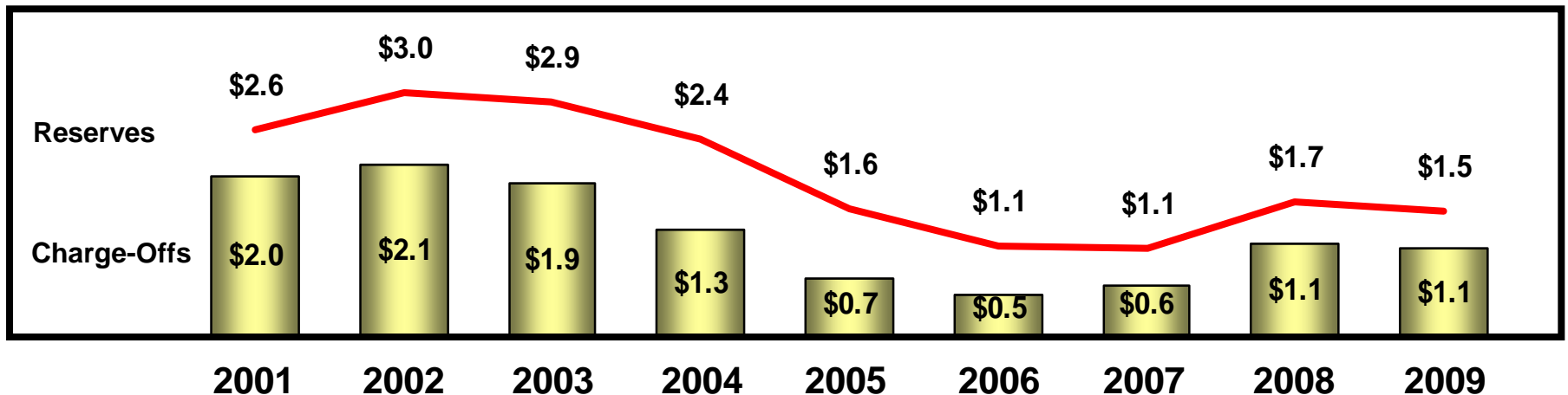
## U.S. Retail & Lease Average Placement FICO Score



## Worldwide On-Balance Sheet Loss-to-Receivables Ratio (Pct.)



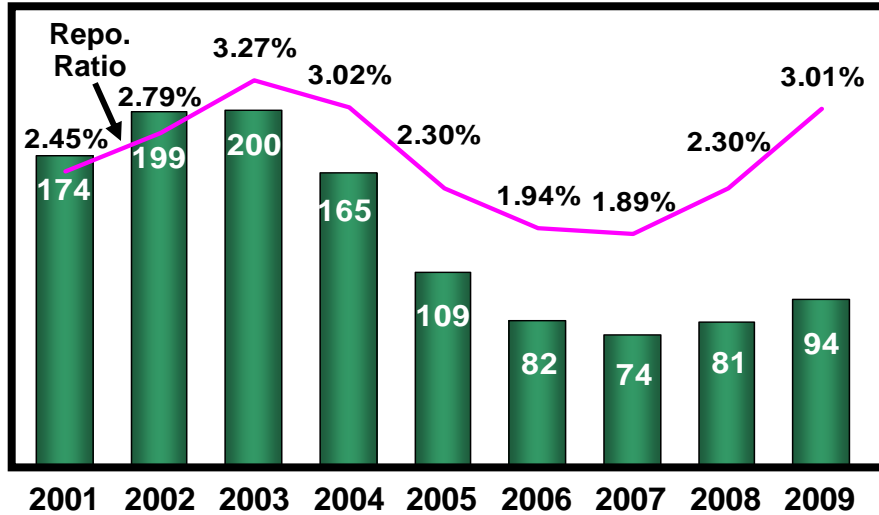
## Worldwide On-Balance Sheet Charge-Offs and Allowance for Credit Losses (Bils.)



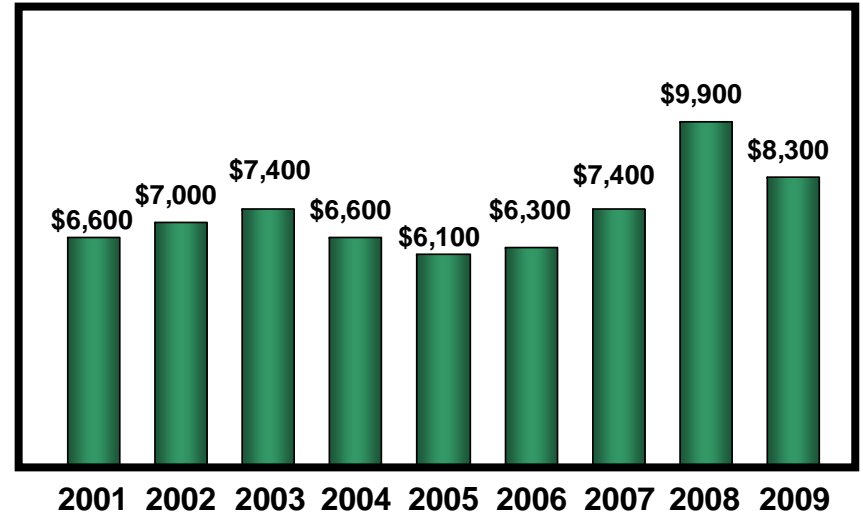


# HISTORICAL CREDIT LOSS DRIVERS -- FORD LINCOLN MERCURY U.S. RETAIL AND LEASE\*

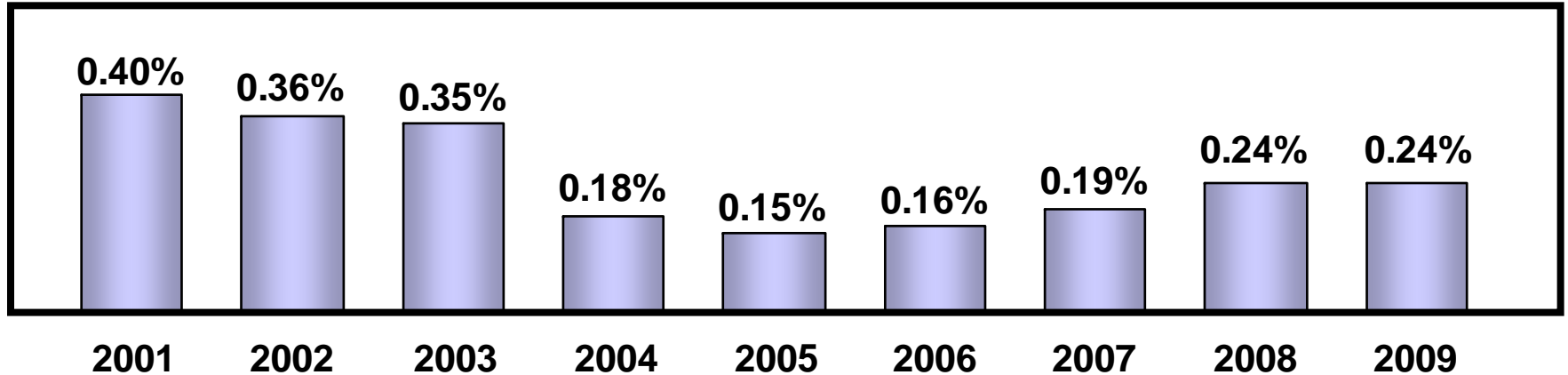
## Repossessions (000)



## Severity



## Over 60-Day Delinquencies



Memo: New Bankruptcy Filings (000)

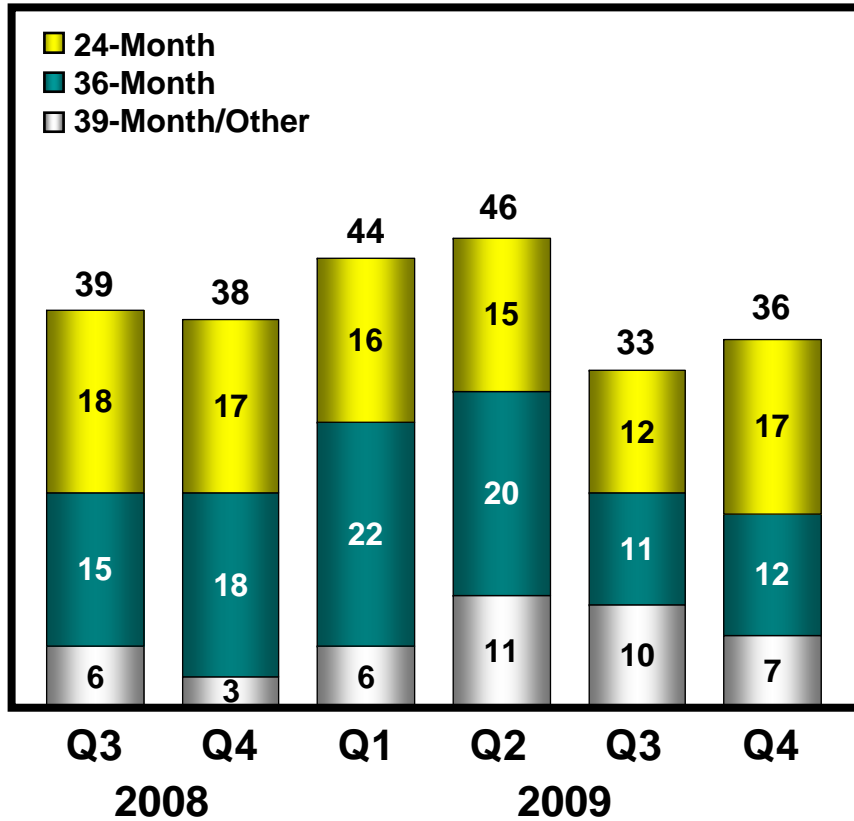
91      117      107      85      84      21      27      37      47

\* On a serviced basis

# LEASE RESIDUAL PERFORMANCE -- FORD LINCOLN MERCURY U.S.



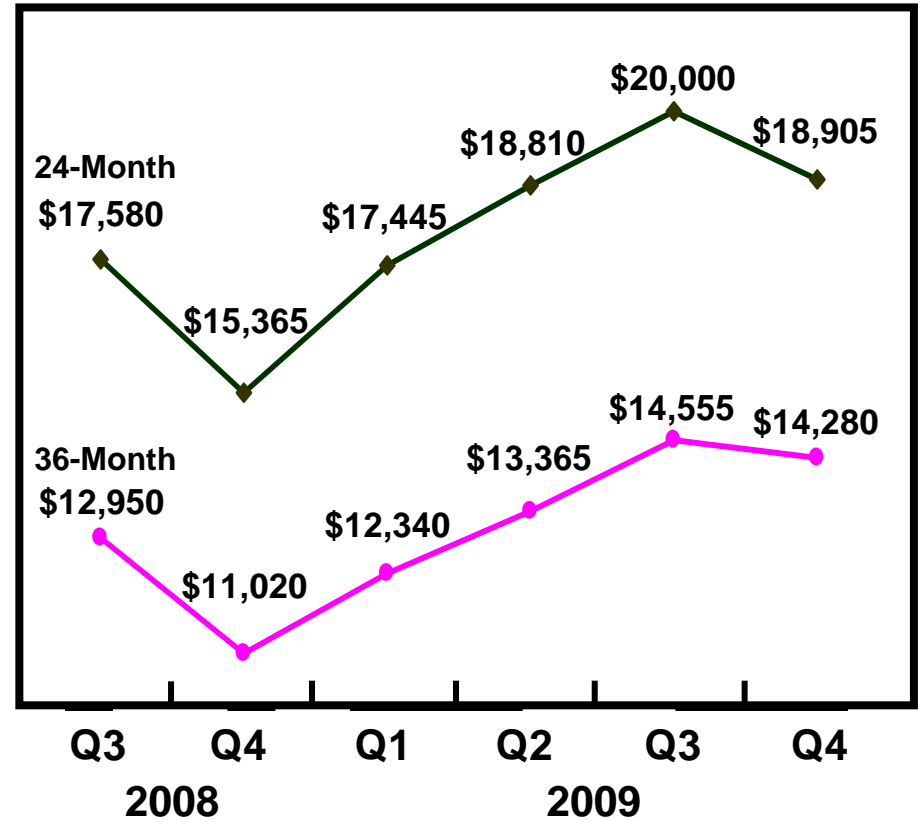
## Lease Return Volume (000)



Memo: Ford Lincoln Mercury U.S. Return Rates

88%    90%    89%    83%    70%    69%

## Auction Values (At Q4 2009 Mix)



Memo: Worldwide Net Investment in Operating Leases (Bils.)

\$25.2    \$22.5    \$20.2    \$18.2    \$16.3    \$14.6

# ***SUMMARY OF KEY ELEMENTS OF OUR PLAN --*** **ONE FORD**



- **Laser focus on our Ford brand**
  - **Divest non-core assets . . . sold Aston Martin, Jaguar, Land Rover, Hertz, and other assets, reduced ownership in Mazda, reviewing Volvo**
- **Maintain complete family of vehicles**
  - **Small, medium, and large; cars, utilities, and trucks**
- **Deliver world class vehicles**
  - **Quality, green, safe, smart, and best value**
- **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**

**An Exciting Viable Ford Motor Company Delivering Profitable Growth For All**

**Q & A**

# SAFE HARBOR



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:

## Automotive Related:

- Further declines in industry sales volume, particularly in the United States or Europe, due to financial crisis, deepening recessions, geo-political events or otherwise;
- Decline in Ford’s market share;
- Continued or increased price competition for Ford vehicles resulting from industry overcapacity, currency fluctuations or other factors;
- A further increase in or acceleration of the market shift away from sales of trucks, sport utility vehicles, or other more profitable vehicles, particularly in the United States;
- Continued or increased high prices for, or reduced availability of, fuel;
- Lower-than-anticipated market acceptance of new or existing Ford products;
- Adverse effects from the bankruptcy, insolvency, or government-sponsored restructuring of, change in ownership or control of, or alliances entered into by a major competitor;
- Economic distress of suppliers may require Ford to provide financial support or take other measures to ensure supplies of components or materials and could increase Ford’s costs, affect Ford’s liquidity, or cause production disruptions;
- Work stoppages at Ford or supplier facilities or other interruptions of supplies;
- Single-source supply of components or materials;
- The discovery of defects in Ford 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 and/or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in Ford products or otherwise;
- A change in Ford’s requirements for parts or materials where it has entered into long-term supply arrangements that commit it 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 Ford’s operations resulting from certain geo-political or other events;
- Substantial levels of indebtedness adversely affecting Ford’s financial condition or preventing Ford from fulfilling its debt obligations (which may grow because Ford is able to incur substantially more debt, including additional secured debt);
- Inability of Ford to implement its One Ford plan;

## Ford Credit Related:

- A prolonged disruption of the debt and securitization markets;
- Inability to access debt, securitization or derivative markets around the world at competitive rates or in sufficient amounts due to credit rating downgrades, market volatility, market disruption or otherwise;
- Inability to obtain competitive funding;
- 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 our 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 or data protection or other regulations resulting in higher costs and/or additional financing restrictions;
- Changes in Ford’s operations or changes in Ford’s marketing programs could result in a decline in our financing volumes;

## General:

- Fluctuations in foreign currency exchange rates and interest rates;
- Failure of financial institutions to fulfill commitments under committed credit and liquidity facilities;
- Labor or other constraints on Ford’s or our ability to restructure its or our business;
- Substantial pension and postretirement healthcare and life insurance liabilities impairing Ford’s or our liquidity or financial condition; and
- Worse-than-assumed economic and demographic experience for postretirement benefit plans (e.g., discount rates, investment returns, and health care cost trends).

We cannot be certain that any expectations, forecasts or assumptions made by management in preparing these forward-looking statements will prove accurate, or that any projections 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 statements, whether as a result of new information, future events or otherwise. For additional discussion of these risk factors, see Item 1A of Part I of Ford’s 2009 10-K Report and Item 1A of Part I of Ford Credit’s 2009 10-K Report as updated by Ford’s and Ford Credit’s subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



# ***APPENDIX***

# TOTAL COMPANY

## 2009 SPECIAL ITEMS



	<u>Fourth Quarter</u> (Mils.)	<u>Full Year</u> (Mils.)
<b><u>Personnel and Dealer-Related Items</u></b>		
Retiree Health Care and related charges	\$ (346)	\$ (658)
Job Security Benefits	(296)	40
Global personnel-reduction actions	(173)	(670)
Dealer actions	<u>(34)</u>	<u>(140)</u>
<b>Total Personnel and Dealer-Related Items</b>	<b>\$ (849)</b>	<b>\$(1,428)</b>
<b><u>Other Items</u></b>		
Volvo held-for-sale impacts and related costs	\$ 134	\$ (226)
Gains on debt-reduction actions	-	4,714
Foreign subsidiary liquidation	-	(281)
Investment impairments / Other	<u>4</u>	<u>(225)</u>
<b>Total Other Items</b>	<b>\$ 138</b>	<b>\$ 3,982</b>
<b>Total Special Items</b>	<b><u>\$ (711)</u></b>	<b><u>\$ 2,554</u></b>
<b>Memo: Special Items impact on Earnings Per Share*</b>	<b>\$(0.18)</b>	<b>\$ 0.86</b>

\* Earnings per share from operations is calculated on a basis that includes pre-tax profit and provision for taxes, and excludes income / (loss) attributable to non-controlling interests and the effect of discontinued operations; see Appendix for method of calculation



# TOTAL COMPANY

## 2009 FOURTH QUARTER AND FULL YEAR FINANCIAL RESULTS

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2009</u>	<u>B / (W) 2008**</u>	<u>2009</u>	<u>B / (W) 2008**</u>
<u>Income / (Loss) (Mils.)</u>				
Pre-Tax Results (Excl. Special Items)	<u>\$1,771</u>	\$ 5,494	\$ 472	\$ 7,322
Special Items*	<u>(711)</u>	718	2,554	10,202
Pre-Tax Results (Incl. Special Items)	<u>\$1,060</u>	<u>\$ 6,212</u>	<u>\$3,026</u>	<u>\$17,524</u>
(Provision for) / Benefit from Income Taxes	<u>(109)</u>	765	<u>(69)</u>	<u>(6)</u>
Income / (Loss) from Continuing Ops.	<u>\$ 951</u>	<u>\$ 6,977</u>	<u>\$2,957</u>	<u>\$17,518</u>
Discontinued Operations	-	-	5	(4)
(Income) / Loss attributable to the non-controlling interests	<u>(65)</u>	<u>(113)</u>	<u>(245)</u>	<u>(31)</u>
Net Income / (Loss) attributable to Ford***	<u>\$ 886</u>	<u>\$ 6,864</u>	<u>\$2,717</u>	<u>\$17,483</u>
Automotive Gross Cash (Bils.)****	\$ 25.5	\$ 12.1	\$ 25.5	\$ 12.1

\* See Appendix for details of special items

\*\* 2008 results adjusted for the effect of a new accounting standard related to convertible debt and for the reclassification of certain Financial Services sector revenue items

\*\*\* Formerly labeled "Net Income / (Loss)"; reflects new presentation as required under new accounting standard

\*\*\*\* See Appendix for reconciliation to GAAP

# TOTAL COMPANY CALCULATION OF EARNINGS PER SHARE



	Fourth Quarter 2009		Full Year 2009	
	Net Income Attributable to Ford (Mils.)	Operating Results Excl. Special Items* (Mils.)	Net Income Attributable to Ford (Mils.)	Operating Results Excl. Special Items* (Mils.)
<b><u>Numerator</u></b>				
Net Income / (Loss) attributable to Ford	\$ 886	\$ 1,583	\$ 2,717	\$ 26
Impact on income from assumed exchange of convertible notes and convertible trust preferred securities	37	84	146	-
Income for EPS	\$ 923	\$ 1,667	\$ 2,863	\$ 26
<b><u>Denominator</u></b>				
Average shares outstanding	3,308	3,308	2,991	2,991
Net issuable shares, primarily restricted stock units	114	114	87	87
Convertible notes	242	242	234	-
Convertible trust preferred securities	-	163	-	-
Average shares for EPS	3,664	3,827	3,312	3,078
EPS	\$ 0.25	\$ 0.44	\$ 0.86	\$ 0.00

\* Excludes income / (loss) attributable to non-controlling interests and the effect of discontinued operations, special items detailed in Appendix



# TOTAL COMPANY INCOME / (LOSS) FROM CONTINUING OPERATIONS COMPARED WITH 2008\*

	Fourth Quarter		Full Year	
	2008	2009	2008	2009
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
Pre-Tax Results from Continuing Operations (Excl. Special Items)	\$ (3,723)	\$ 1,771	\$ (6,850)	\$ 472
(Income) / Loss attributable to Non-Controlling Interests	48	(65)	(214)	(245)
(Provision for) / Benefit from Income Taxes applied to Pre-tax Results from Continuing Operations (Excl. Special Items)	<u>342</u>	<u>(123)</u>	<u>(207)</u>	<u>(201)</u>
After-Tax Results (Excl. Special Items)	\$ (3,333)	\$ 1,583	\$ (7,271)	\$ 26
Pre-Tax Special Items**	(1,429)	(711)	(7,648)	2,554
(Provision for) / Benefit from Income Taxes on Special Items	<u>(1,216)</u>	<u>14</u>	<u>144</u>	<u>132</u>
Income / (Loss) from Continuing Operations attributable to Ford	<u>\$ (5,978)</u>	<u>\$ 886</u>	<u>\$ (14,775)</u>	<u>\$ 2,712</u>
(Provision for) / Benefit from Income Taxes applied to Pre-tax Results from Continuing Operations (Excl. Special Items)	\$ 342	\$ (123)	\$ (207)	\$ (201)
(Provision for) Benefit from Income Taxes on Special Items	<u>(1,216)</u>	<u>14</u>	<u>144</u>	<u>132</u>
(Provision for) / Benefit from Income Taxes	<u>\$ (874)</u>	<u>\$ (109)</u>	<u>\$ (63)</u>	<u>\$ (69)</u>

\* 2008 results adjusted for the effect of a new accounting standard related to convertible debt

\*\* 2009 special items detailed in Appendix



# TOTAL COMPANY

## 2008 - 2009 FOURTH QUARTER PRE-TAX RESULTS

	Pre-Tax Results (Incl. Special Items)		Special Items		Pre-Tax Results (Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ (2,614)	\$ (49)	\$ (704)	\$ (756)	\$ (1,910)	\$ 707
South America	105	368	-	(1)	105	369
Europe	(366)	253	(28)	(52)	(338)	305
Asia Pacific Africa	(305)	11	(97)	(8)	(208)	19
Volvo	(903)	60	(167)	92	(736)	(32)
<b>Total</b>	<b>\$ (4,083)</b>	<b>\$ 643</b>	<b>\$ (996)</b>	<b>\$ (725)</b>	<b>\$ (3,087)</b>	<b>\$ 1,368</b>
Other Automotive*	(637)	(284)	(306)	14	(331)	(298)
<b>Total Ongoing Automotive</b>	<b>\$ (4,720)</b>	<b>\$ 359</b>	<b>\$ (1,302)</b>	<b>\$ (711)</b>	<b>\$ (3,418)</b>	<b>\$ 1,070</b>
Mazda**	(42)	-	(121)	-	79	-
Jaguar Land Rover	(6)	-	(6)	-	-	-
<b>Total Automotive</b>	<b>\$ (4,768)</b>	<b>\$ 359</b>	<b>\$ (1,429)</b>	<b>\$ (711)</b>	<b>\$ (3,339)</b>	<b>\$ 1,070</b>
Financial Services	(384)	701	-	-	(384)	701
<b>Total Company</b>	<b>\$ (5,152)</b>	<b>\$ 1,060</b>	<b>\$ (1,429)</b>	<b>\$ (711)</b>	<b>\$ (3,723)</b>	<b>\$ 1,771</b>

\* 2008 results adjusted for the effect of a new accounting standard related to convertible debt

\*\* Beginning in 2009, our remaining ownership interest in Mazda is treated as marketable securities, with mark-to-market adjustments reported in Other Automotive



# TOTAL COMPANY

## 2008 - 2009 FULL YEAR PRE-TAX RESULTS

	Pre-Tax Results (Incl. Special Items)		Special Items		Pre-Tax Results (Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ (10,248)	\$ (1,649)	\$ (4,367)	\$ (1,225)	\$ (5,881)	\$ (424)
South America	1,230	745	-	(20)	1,230	765
Europe	970	(226)	(82)	(312)	1,052	86
Asia Pacific Africa	(290)	(97)	(137)	(22)	(153)	(75)
Volvo	<u>(1,690)</u>	<u>(934)</u>	<u>(225)</u>	<u>(281)</u>	<u>(1,465)</u>	<u>(653)</u>
Total	\$ (10,028)	\$ (2,161)	\$ (4,811)	\$ (1,860)	\$ (5,217)	\$ (301)
Other Automotive*	<u>(1,816)</u>	<u>3,370</u>	<u>(448)</u>	<u>4,492</u>	<u>(1,368)</u>	<u>(1,122)</u>
Total Ongoing Automotive	\$ (11,844)	\$ 1,209	\$ (5,259)	\$ 2,632	\$ (6,585)	\$ (1,423)
Mazda**	(105)	-	(335)	-	230	-
Jaguar Land Rover	<u>32</u>	<u>3</u>	<u>32</u>	<u>3</u>	<u>-</u>	<u>-</u>
Total Automotive	\$ (11,917)	\$ 1,212	\$ (5,562)	\$ 2,635	\$ (6,355)	\$ (1,423)
Financial Services	<u>(2,581)</u>	<u>1,814</u>	<u>(2,086)</u>	<u>(81)</u>	<u>(495)</u>	<u>1,895</u>
Total Company	<u>\$ (14,498)</u>	<u>\$ 3,026</u>	<u>\$ (7,648)</u>	<u>\$ 2,554</u>	<u>\$ (6,850)</u>	<u>\$ 472</u>

\* 2008 results adjusted for the effect of a new accounting standard related to convertible debt

\*\* Beginning in 2009, our remaining ownership interest in Mazda is treated as marketable securities, with mark-to-market adjustments reported in Other Automotive



# TOTAL COMPANY

## 2008 - 2009 FOURTH QUARTER REVENUE

	Revenue		Special Items		Revenue	
	(Incl. Special Items)				(Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	\$ 11,305	\$ 15,809	\$ -	\$ -	\$ 11,305	\$ 15,809
South America	1,747	2,614	-	-	1,747	2,614
Europe	7,635	8,643	-	-	7,635	8,643
Asia Pacific Africa	1,331	1,681	-	-	1,331	1,681
Volvo	3,240	3,919	-	-	3,240	3,919
Total Ongoing Automotive	\$ 25,258	\$ 32,666	\$ -	\$ -	\$ 25,258	\$ 32,666
Jaguar Land Rover	-	-	-	-	-	-
Total Automotive	\$ 25,258	\$ 32,666	\$ -	\$ -	\$ 25,258	\$ 32,666
Financial Services**	3,716	2,783	-	-	3,716	2,783
Total Company	\$ 28,974	\$ 35,449	\$ -	\$ -	\$ 28,974	\$ 35,449

\* Includes sales of Mazda6 by our consolidated subsidiary, Automotive Alliance International (AAI)

\*\* 2008 adjusted for reclassification of certain Financial Services Sector revenue items





# TOTAL COMPANY

## 2008 - 2009 FULL YEAR REVENUE

	Revenue		Special Items		Revenue	
	(Incl. Special Items)				(Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	\$ 53,382	\$ 50,514	\$ -	\$ -	\$ 53,382	\$ 50,514
South America	8,647	7,947	-	-	8,647	7,947
Europe	39,009	29,454	-	-	39,009	29,454
Asia Pacific Africa	6,474	5,536	-	-	6,474	5,536
Volvo	14,679	12,442	-	-	14,679	12,442
Total Ongoing Automotive	\$ 122,191	\$ 105,893	\$ -	\$ -	\$ 122,191	\$ 105,893
Jaguar Land Rover	6,974	-	6,974	-	-	-
Total Automotive	\$ 129,165	\$ 105,893	\$ 6,974	\$ -	\$ 122,191	\$ 105,893
Financial Services**	15,949	12,415	-	-	15,949	12,415
Total Company	\$ 145,114	\$ 118,308	\$ 6,974	\$ -	\$ 138,140	\$ 118,308

\* Includes sales of Mazda6 by our consolidated subsidiary, Automotive Alliance International (AAI)

\*\* 2008 adjusted for reclassification of certain Financial Services Sector revenue items



# TOTAL COMPANY

## 2008 - 2009 FOURTH QUARTER WHOLESALLES

	Wholesales (Incl. Special Items)		Special Items		Wholesales (Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(000)	(000)	(000)	(000)	(000)	(000)
North America*	484	631	-	-	484	631
South America	98	131	-	-	98	131
Europe	378	432	-	-	378	432
Asia Pacific Africa**	99	146	-	-	99	146
Volvo	80	100	-	-	80	100
<b>Total Ongoing Automotive</b>	<b>1,139</b>	<b>1,440</b>	-	-	<b>1,139</b>	<b>1,440</b>
Jaguar Land Rover	-	-	-	-	-	-
<b>Total Automotive</b>	<b>1,139</b>	<b>1,440</b>	-	-	<b>1,139</b>	<b>1,440</b>

\* Includes sales of Mazda6 by our consolidated subsidiary, Automotive Alliance International (AAI)

\*\* Included in wholesale unit volumes of Ford Asia Pacific Africa are Ford-badged vehicles sold in China by unconsolidated affiliates totaling about 73,000 and 39,000 units in 2009 and 2008, respectively



# TOTAL COMPANY

## 2008 - 2009 FULL YEAR WHOLESALLES

	Wholesales				Wholesales	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	2008	2009	2008	2009	2008	2009
	(000)	(000)	(000)	(000)	(000)	(000)
North America*	2,329	1,959	-	-	2,329	1,959
South America	435	443	-	-	435	443
Europe	1,820	1,568	-	-	1,820	1,568
Asia Pacific Africa**	464	523	-	-	464	523
Volvo	359	324	-	-	359	324
Total Ongoing Automotive	5,407	4,817	-	-	5,407	4,817
Jaguar Land Rover	125	-	125	-	-	-
Total Automotive	5,532	4,817	125	-	5,407	4,817

\* Includes sales of Mazda6 by our consolidated subsidiary, Automotive Alliance International (AAI)

\*\* Included in wholesale unit volumes of Ford Asia Pacific Africa are Ford-badged vehicles sold in China by unconsolidated affiliates totaling about 264,000 and 184,000 units in 2009 and 2008, respectively. Also included in the 184,000 units in 2008 are Ford-badged vehicles sold by unconsolidated affiliates in Malaysia during the First Quarter



# AUTOMOTIVE SECTOR

## GAAP RECONCILIATION OF GROSS CASH

	<u>Dec. 31, 2008</u>	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2009</u> B / (W) <u>Dec. 31, 2008</u>	<u>Memo:</u> <u>Sep. 30, 2009</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
Cash and Cash Equivalents	\$ 6.4	\$ 10.3	\$ 3.9	\$ 10.1
Marketable Securities*	<u>9.3</u>	<u>15.2</u>	<u>5.9</u>	<u>14.6</u>
Total Cash and Marketable Securities	\$ 15.7	\$ 25.5	\$ 9.8	\$ 24.7
Securities in Transit**	-	-	-	(0.2)
UAW-Ford Temporary Asset Account / Other***	<u>(2.3)</u>	<u>-</u>	<u>2.3</u>	<u>(0.7)</u>
Gross Cash	<u>\$ 13.4</u>	<u>\$ 25.5</u>	<u>\$ 12.1</u>	<u>\$ 23.8</u>

\* Included in 2009 and 2008 are Ford Credit debt securities that we purchased, which are reflected in the table at a carrying value of \$646 million and \$492 million, respectively; the estimated fair value of these securities is \$656 million and \$437 million, respectively. Also included are Mazda marketable securities with a fair value of \$447 million and \$322 million at December 31, 2009 and 2008, respectively

\*\* The purchase or sale of marketable securities for which the cash settlement was not made by period end and for which there was a payable or receivable recorded on the balance sheet at period end

\*\*\* Amount transferred to UAW-Ford TAA that, due to consolidation, was shown in cash and marketable securities



# AUTOMOTIVE SECTOR

## GAAP RECONCILIATION OF OPERATING-RELATED CASH FLOWS\*

	Fourth Quarter		Full Year	
	2009	B / (W) 2008	2009	B / (W) 2008
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
<b>Cash Flows from Operating Activities of Continuing Operations**</b>	<b>\$ 3.4</b>	<b>\$ 8.6</b>	<b>\$ 4.2</b>	<b>\$ 16.6</b>
<b>Items Included in Operating-Related Cash Flows</b>				
Capital Expenditures	(1.1)	0.7	(4.5)	2.0
Net Transactions Between Automotive and Financial Services Sectors***	0.5	(0.1)	(0.8)	-
Net Cash Flows from Non-Designated Derivatives	-	(0.1)	(0.1)	(1.3)
<b>Items Not Included in Operating-Related Cash Flows</b>				
Cash Impact of Job Security Benefits & Personnel Reduction Program	-	(0.2)	0.7	-
Pension Contributions	0.1	-	0.9	(0.1)
Tax Refunds and Tax Payments from Affiliates	(0.1)	1.2	(0.6)	1.6
Other**	0.3	0.2	(0.1)	0.4
<b>Operating-Related Cash Flows</b>	<b><u>\$ 3.1</u></b>	<b><u>\$ 10.3</u></b>	<b><u>\$ (0.3)</u></b>	<b><u>\$ 19.2</u></b>

\* Except where noted, 2008 data excludes Jaguar Land Rover

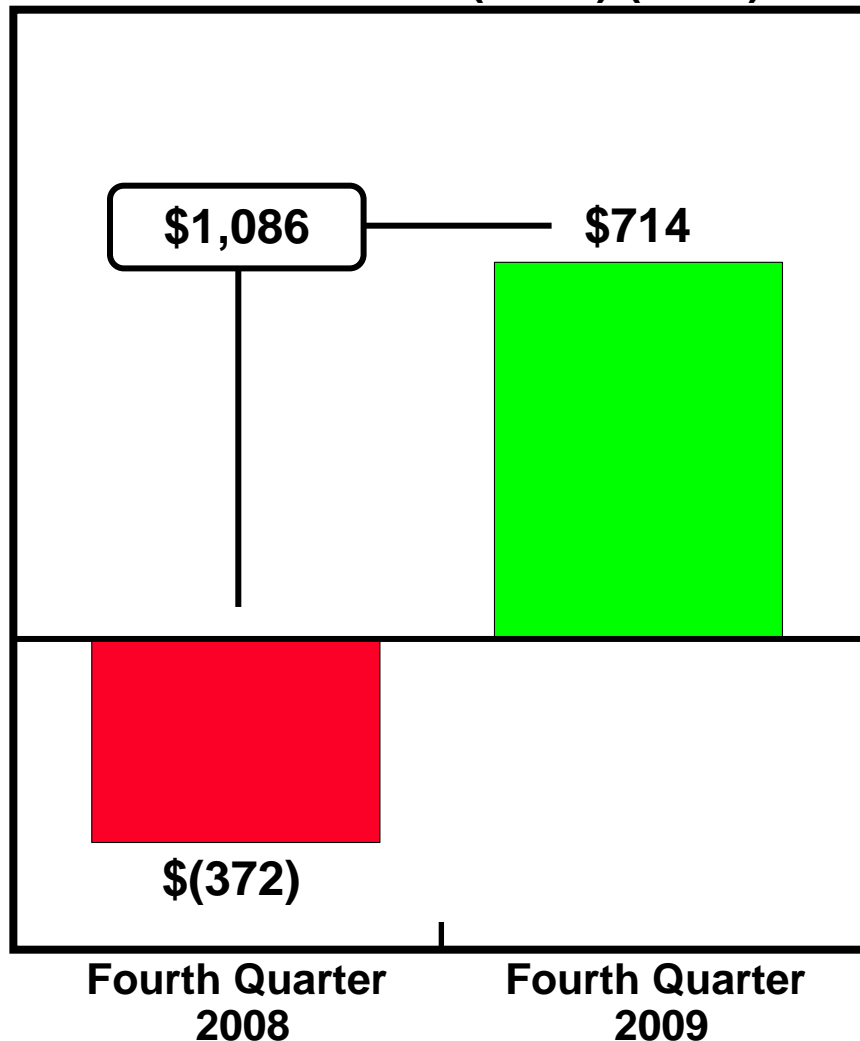
\*\* Includes Jaguar Land Rover

\*\*\* Primarily payables and receivables between the Automotive and Financial Services sectors in the normal course of business

# FORD CREDIT RESULTS AND METRICS -- 2009 FOURTH QUARTER



## Pre-Tax Profit / (Loss) (Mils.)



## Key Metrics

	Fourth Quarter	
	2008	2009
<b>On-Balance Sheet</b>		
Receivables (Bils.)	\$ 116	\$ 93
Charge-Offs (Mils.)	\$ 364	\$ 238
Loss-to-Receivables Ratio		
- Worldwide	1.18%	0.98%
- U.S. Retail and Lease	1.75	1.35
Allowance for Credit Losses		
- Worldwide Amount (Bils.)	\$ 1.7	\$ 1.5
- Pct. Of EOP Receivables	1.40%	1.61%
<b>Financial Statement</b>		
Leverage (To 1)	12.0	8.8
Distribution (Bils.)	\$ -	\$ -
Net Income / (Loss) (Mils.)	\$(228)	\$ 452
<b>Managed*</b>		
Receivables (Bils.)	\$ 118	\$ 95
Leverage (To 1)	9.9	7.3

\* See Appendix for calculation, definitions, and reconciliation to GAAP



# ***FORD CREDIT INCOME / (LOSS) BEFORE INCOME TAXES COMPARED WITH NET INCOME / (LOSS)***

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
<u>Income</u>	(Mils.)	(Mils.)	(Mils.)	(Mils.)
Income / (Loss) before income taxes (excludes impairment)	\$ (372)	\$ 714	\$ (473)	\$2,001
Impairment of operating leases	-	-	(2,086)	-
Income / (Loss) before income taxes	\$ (372)	\$ 714	\$ (2,559)	\$2,001
Less: Provision for / (Benefit from) income taxes	(144)	262	(1,014)	724
Gain on disposal of discontinued operations	-	-	9	2
Net income / (loss)	<u>\$ (228)</u>	<u>\$ 452</u>	<u>\$ (1,536)</u>	<u>\$1,279</u>

# FORD CREDIT OPERATING HIGHLIGHTS



	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
<b><u>Shares</u></b>				
<b>United States</b>				
Financing share – Ford, Lincoln and Mercury				
Retail installment and lease	34%	28%	39%	29%
Wholesale	78	80	77	79
<b>Europe</b>				
Financing share – Ford				
Retail installment and lease	30%	31%	28%	28%
Wholesale	98	99	98	99
<b><u>Contract Volume – New and used retail/lease (in thousands)</u></b>				
<b>North America Segment</b>				
United States	179	142	1,043	591
Canada	27	17	149	85
Total North America Segment	206	159	1,192	676
<b>International Segment</b>				
Europe	125	110	629	468
Other international	24	12	129	49
Total International Segment	149	122	758	517
Total contract volume	355	281	1,950	1,193
<b><u>Borrowing Cost Rate*</u></b>				
	5.8%	4.8%	5.6%	4.9%

\* On-balance sheet debt includes the effects of derivatives and facility fees





# **FORD CREDIT CHARGE-OFFS AND LOSS-TO-RECEIVABLES RATIO**

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
<b><u>Charge-offs – On-Balance Sheet (Mils.)</u></b>				
Retail installment and lease	\$ 332	\$ 215	\$1,089	\$ 989
Wholesale	19	21	29	94
Other	13	2	17	12
Total charge-offs – on-balance sheet	<u>\$ 364</u>	<u>\$ 238</u>	<u>\$1,135</u>	<u>\$1,095</u>
<b>Total loss-to-receivables ratio – on-balance sheet</b>	<b>1.18%</b>	<b>0.98%</b>	<b>0.84%</b>	<b>1.07%</b>
<b>Memo:</b>				
Total charge-offs – managed (Mils.)*	\$ 366	\$ 238	\$1,166	\$1,100
Total loss-to-receivables ratio – managed*	1.18%	0.98%	0.84%	1.07%

\* See Appendix for definition



# **FINANCIAL SERVICES SECTOR FORD CREDIT NET FINANCE RECEIVABLES AND OPERATING LEASES**

	<u>Dec. 31, 2008</u> (Bils.)	<u>Dec. 31, 2009</u> (Bils.)
<b><u>Receivables -- On-Balance Sheet</u></b>		
Retail installment	\$ 65.5	\$ 56.3
Wholesale	27.7	22.4
Other finance receivables	2.8	2.4
Unearned interest supplements	(1.3)	(1.9)
Allowance for credit losses	(1.4)	(1.3)
Finance receivables, net	<u>\$ 93.3</u>	<u>\$ 77.9</u>
Net investment in operating leases	22.5	14.6
<b>Total receivables -- on-balance sheet</b>	<u><u>\$115.8</u></u>	<u><u>\$ 92.5</u></u>
 <b>Memo:</b>		
<b>Total receivables -- managed*</b>	<b>\$117.7</b>	<b>\$ 94.5</b>

\* Includes on-balance sheet receivables, excluding unearned interest supplements related to finance receivables of \$1.3 billion and \$1.9 billion at December 31, 2008 and December 31, 2009, respectively; and includes off-balance sheet retail receivables of about \$600 million and about \$100 million at December 31, 2008 and December 31, 2009, respectively

# **FINANCIAL SERVICES SECTOR**

## **FORD CREDIT KEY METRIC DEFINITIONS**



In evaluating Ford Credit's financial performance, Ford Credit management uses financial measures based on GAAP, as well as financial measures that include adjustments from GAAP; these measures are defined below. Information about the impact of on-balance sheet securitization is also included below:

**Managed Receivables** -- receivables reported on Ford Credit's balance sheet, excluding unearned interest supplements related to finance receivables, and securitized off-balance sheet receivables that Ford Credit continues to service

**Serviced Receivables** -- includes managed receivables and receivables Ford Credit sold in whole-loan sale transactions where Ford Credit retains no interest in the sold receivables, but which Ford Credit continues to service

**Charge-offs on Managed Receivables** -- charge-offs associated with receivables reported on Ford Credit's balance sheet and charge-offs associated with receivables that Ford Credit sold in off-balance sheet securitizations and continues to service

**Equity** -- shareholder's interest reported on Ford Credit's balance sheet

**Impact of On-Balance Sheet Securitization** -- finance receivables (retail and wholesale) and net investment in operating leases reported on Ford Credit's balance sheet include assets that have been sold for legal purposes in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables are available only for payment of the debt and other obligations issued or arising in the securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors. Debt reported on Ford Credit's balance sheet includes obligations issued or arising in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in each of these securitization transactions

# FINANCIAL SERVICES SECTOR

## FORD CREDIT RATIO DEFINITIONS



In addition to evaluating Ford Credit's financial performance on a GAAP financial statement basis, Ford Credit management also uses other criteria, some of which were previously disclosed in this presentation and are defined below:

$$\text{Loss-to-Receivables Ratio} = \frac{\text{Charge-offs}}{\text{Average Receivables}}$$

Leverage:

$$\text{- Financial Statement Leverage} = \frac{\text{Total Debt}}{\text{Equity}}$$

$$\text{- Managed Leverage} = \frac{\text{Total Debt} + \text{Securitized Off-Balance Sheet Receivables} - \text{Retained Interest in Securitized Off-Balance Sheet Receivables} - \text{Cash, Cash Equivalents \& Marketable Securities*} - \text{Adjustments for Derivative Accounting on Total Debt**}}{\text{Equity} - \text{Adjustments for Derivative Accounting on Equity**}}$$

\* Excludes marketable securities related to insurance activities

\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings



# **FINANCIAL SERVICES SECTOR FORD CREDIT RECONCILIATIONS OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE**

	<u>Dec. 31, 2008</u> (Bils.)	<u>Dec. 31, 2009</u> (Bils.)
<b><u>Leverage Calculation</u></b>		
<b>Total Debt*</b>	<b>\$ 126.5</b>	<b>\$ 96.3</b>
<b>Securitized Off-Balance Sheet Receivables Outstanding</b>	<b>0.6</b>	<b>0.1</b>
<b>Retained Interest in Securitized Off-Balance Sheet Receivables</b>	<b>(0.1)</b>	<b>0.0</b>
<b>Adjustments for Cash, Cash Equivalents and Marketable Securities**</b>	<b>(23.6)</b>	<b>(17.3)</b>
<b>Adjustments for Derivative Accounting***</b>	<b>(0.4)</b>	<b>(0.2)</b>
<b>Total Adjusted Debt</b>	<b><u>\$ 103.0</u></b>	<b><u>\$ 78.9</u></b>
<b>Equity</b>	<b>\$ 10.6</b>	<b>\$ 11.0</b>
<b>Adjustments for Derivative Accounting***</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Total Adjusted Equity</b>	<b><u>\$ 10.4</u></b>	<b><u>\$ 10.8</u></b>
<b>Financial Statement Leverage (to 1)</b>	<b>12.0</b>	<b>8.8</b>
<b>Managed Leverage (to 1)</b>	<b>9.9</b>	<b>7.3</b>

\* Includes \$72.2 billion and \$52.9 billion on December 30, 2008 and December 30, 2009, respectively, of long-term and short-term asset-backed debt obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements

\*\* Excludes marketable securities related to insurance activities

\*\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings