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Global Manufacturing and Labor  
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**UBS "Best of Americas" Conference  
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## ***BUSINESS ENVIRONMENT***

- **The global economy expanded through the Second Quarter, with modest growth expected to continue**
- **Global industry volume for Full Year 2010 is projected to exceed the 2009 level of 65 million units by 5 - 10%**
- **Asian market recoveries are moderating, but economic growth remains strong**
- **Consumer spending in the U.S. and Europe likely to remain below trend in 2010 due to weak labor markets and tight credit conditions, but is improving slowly**
- **Fiscal tightening will act as a near-term drag on European growth**
- **Central banks in the U.S. and Europe are expected to maintain low interest rates to support economic growth**
- **As global demand conditions improve, commodity prices have increased**

**The Global Business Environment Remains Challenging,  
But We Expect Global Growth To Continue**



# THE ONE FORD PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
- Accelerate development of new products our customers want and value... to deliver profitable growth for all
- Finance our Plan and improve our balance sheet
- Work together effectively as one team





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## ***GLOBAL AUTOMOTIVE KEY ACCOMPLISHMENTS SINCE 2005***

- **Ford has reduced structural costs by about \$15 billion**
- **Reducing N.A. production capacity by approximately 40 percent by end of 2011**
- **Reduced N.A. salaried, hourly headcount by 40-50 percent**
- **Improved our manufacturing competitiveness – particularly by working collaboratively with the UAW**
- **Reduced product engineering and new facility and tooling costs**

**Reduced Structural Costs Significantly;  
Lowered Breakeven Volume**



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# **PRODUCT STRATEGY -- ONE FORD**

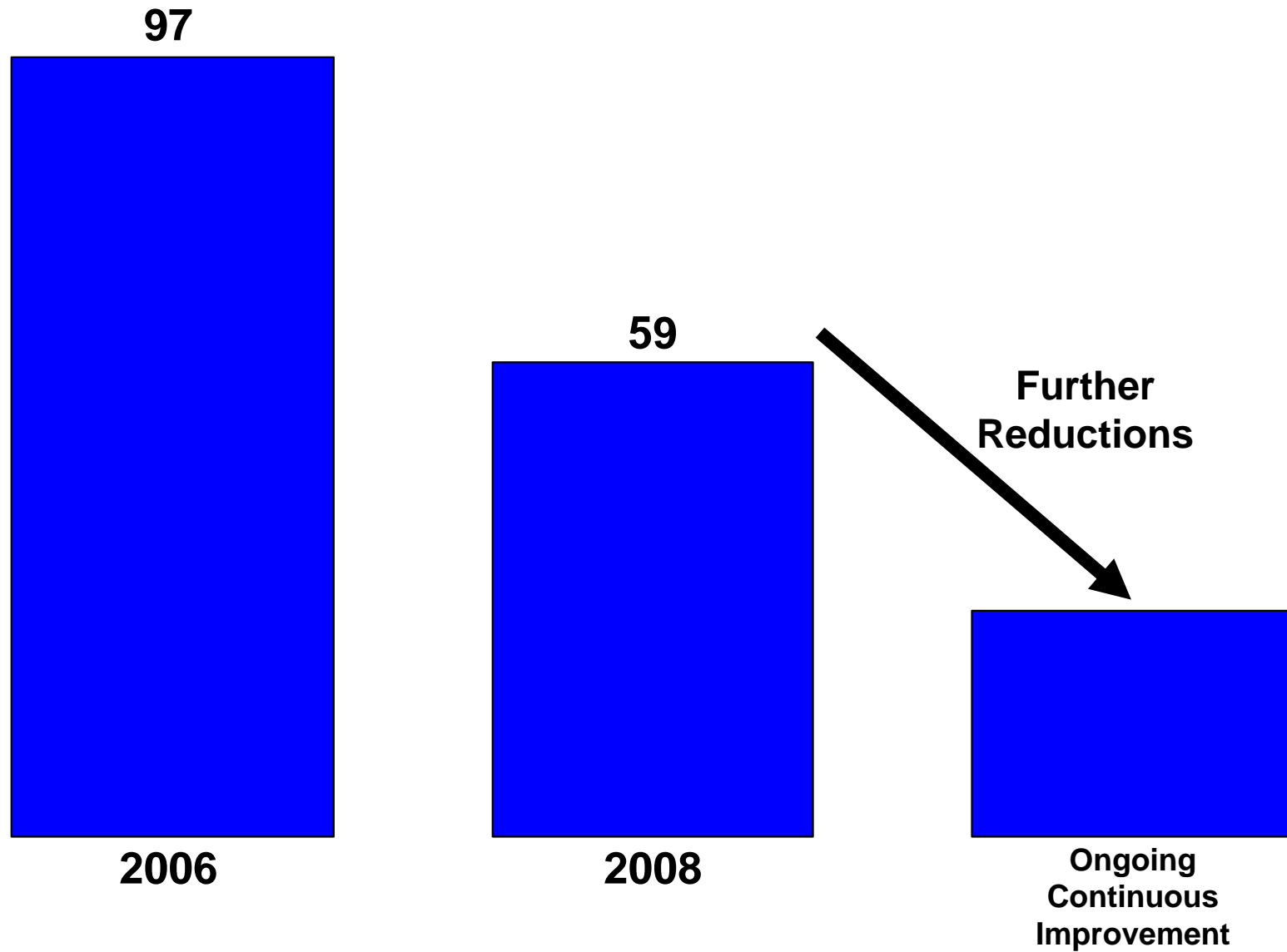


- **One Ford plan accelerates development of new products customers want and value:**
  - **Laser focus on the Ford brand, facilitated by divesting brands and other non-core assets**
  - **A complete balanced portfolio of small, medium, and large, cars, utilities, and trucks**
  - **Substantial and continuous 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**

# ***FOCUS ON THE FORD BRAND***



## **Number of Global Nameplates**

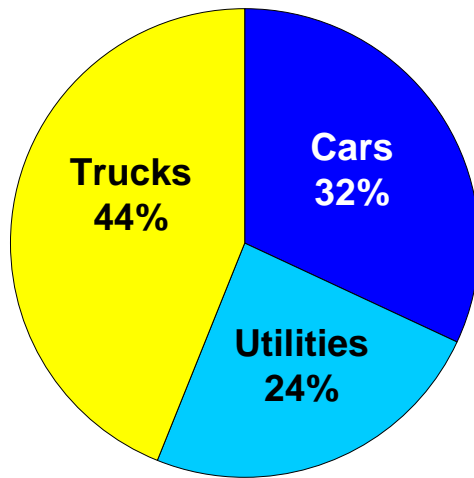




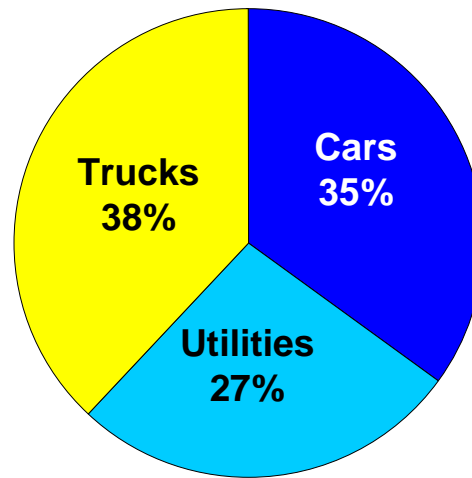
# BALANCED PORTFOLIO OF VEHICLES



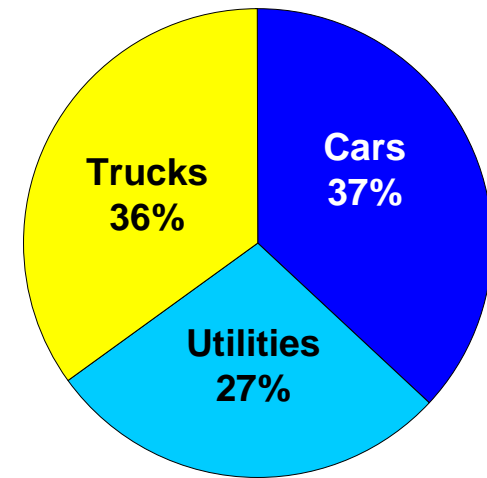
## U.S. Ford, Lincoln, and Mercury Product Mix



2005



2008



2010 YTD

Memo:  
Crossovers

9%

19%

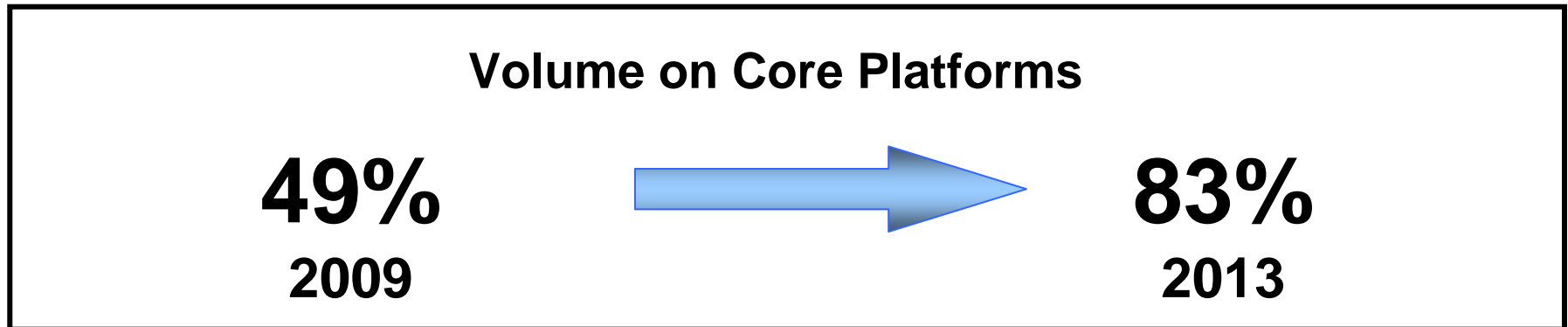
21%

**Product Mix Is Shifting To Satisfy Consumer Demand**



# TOTAL NUMBER OF PLATFORMS

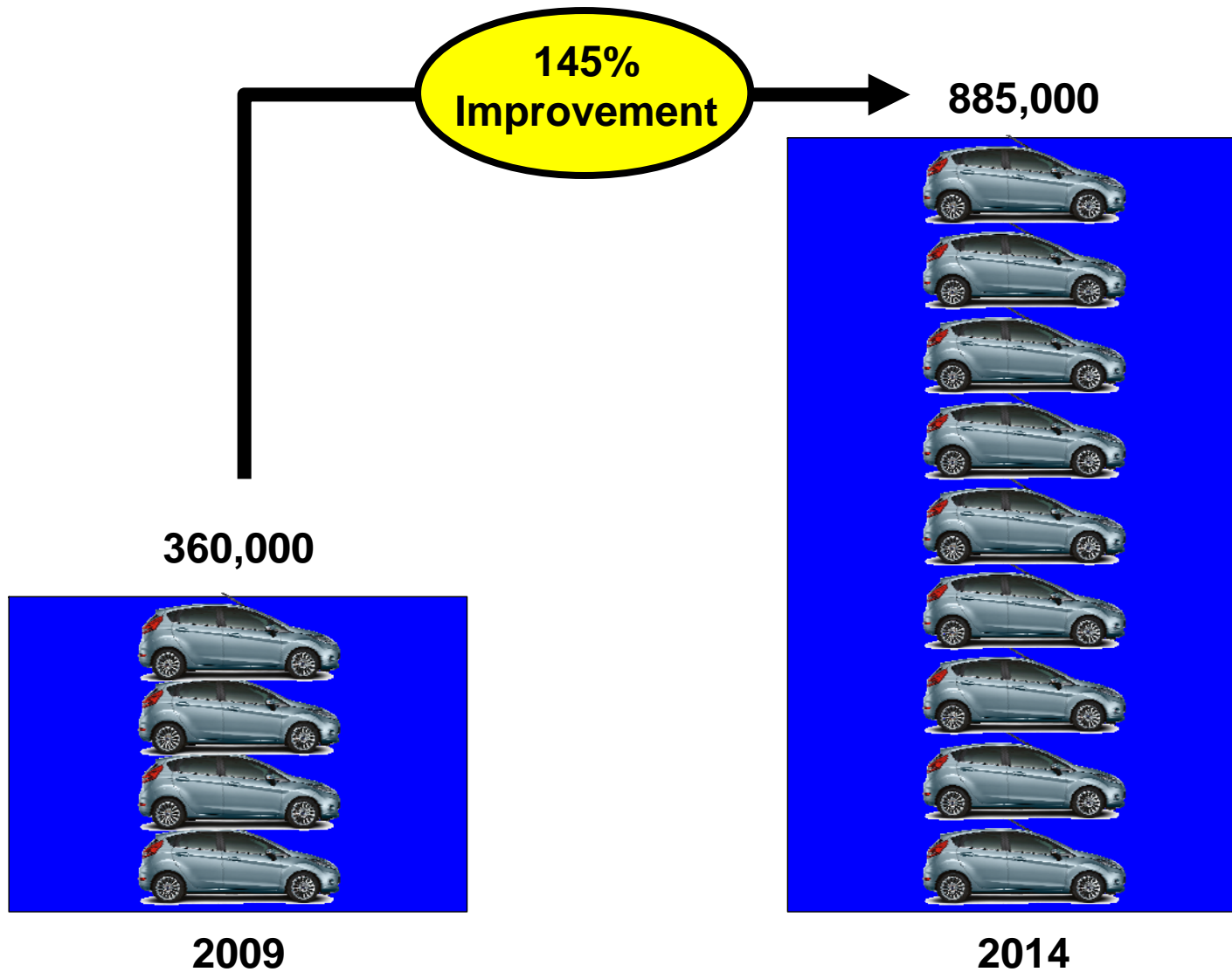
|              | 2009      | 2013      |
|--------------|-----------|-----------|
| <b>Ford</b>  | <b>25</b> | <b>12</b> |
| Competitor A | 18        | 18        |
| Competitor B | -         | 15        |



**Significant Reduction In Platform Count And % Volume On Core Platform Is Accelerated To Achieve Best-In-Industry Levels By 2013**



# GLOBAL VOLUME PER CORE PLATFORM



# MIGRATING TO GLOBAL PLATFORMS



Fiesta

South America



Fiesta

Europe / Asia Pacific



Global Fiesta



Focus

North America



Focus

Europe / South America  
Asia Pacific



Global Focus



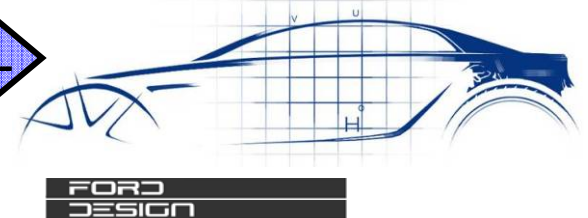
Fusion

North America



Mondeo

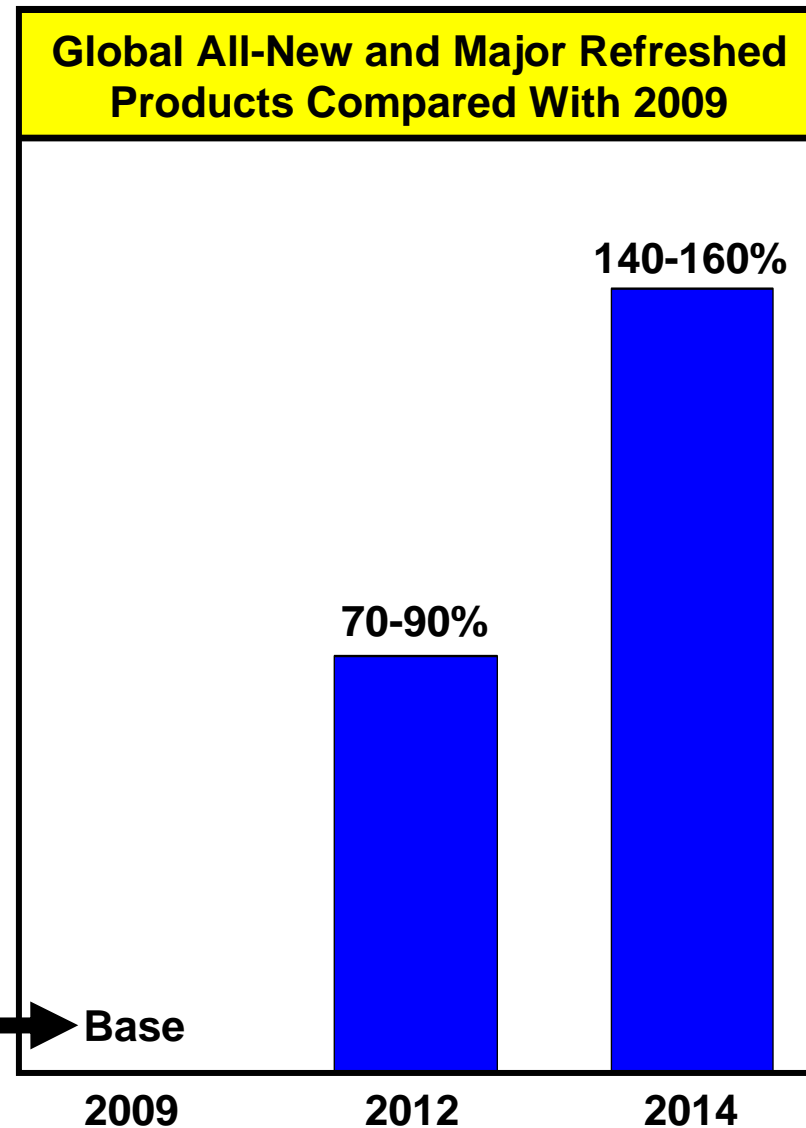
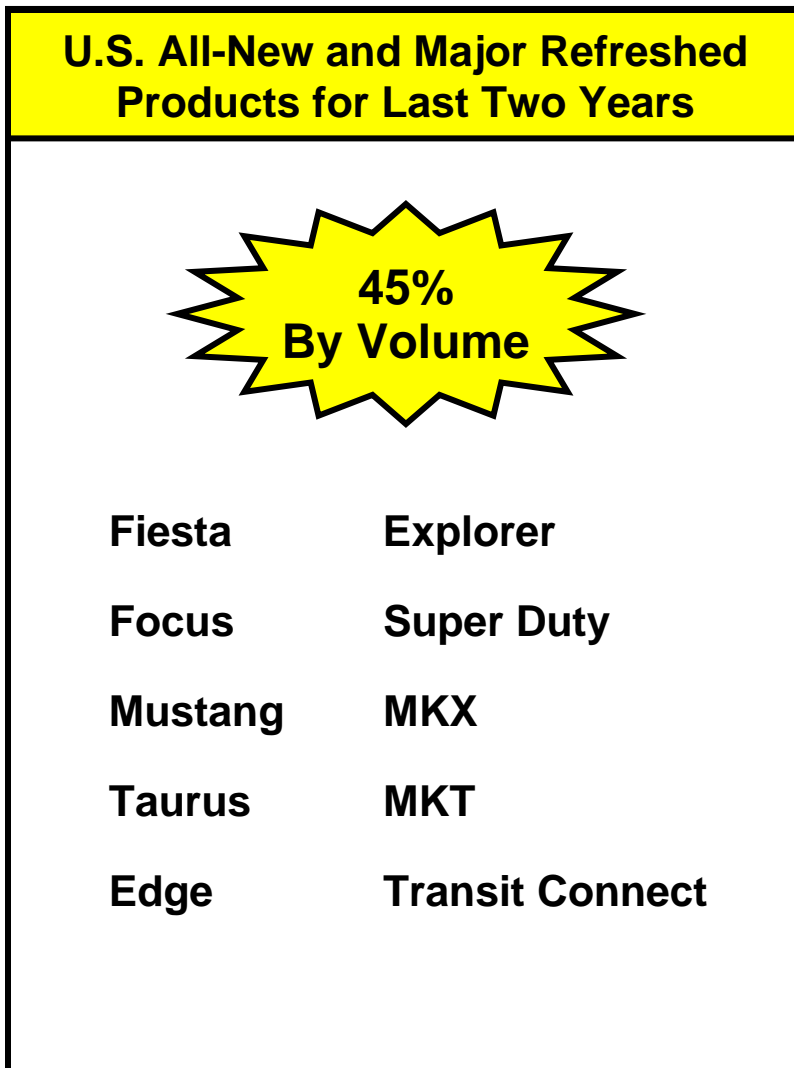
Europe / Asia Pacific



Global CD-Car SLIDE 12



# DEVELOP NEW PRODUCTS OUR CUSTOMERS WANT AND VALUE



# 'FOUR PILLARS' OF GLOBAL PRODUCT STRATEGY



|   |   |  |   |
|---|---|--|---|
|  <p>Drive quality.</p> |  <p>Drive green.</p> |  <p>Drive safe.</p> |  <p>Drive smart.</p> |
|---|---|--|---|

**Quality Leadership**

**Fuel Economy Leadership**

**Safety Leadership**

**Infotainment Leadership**

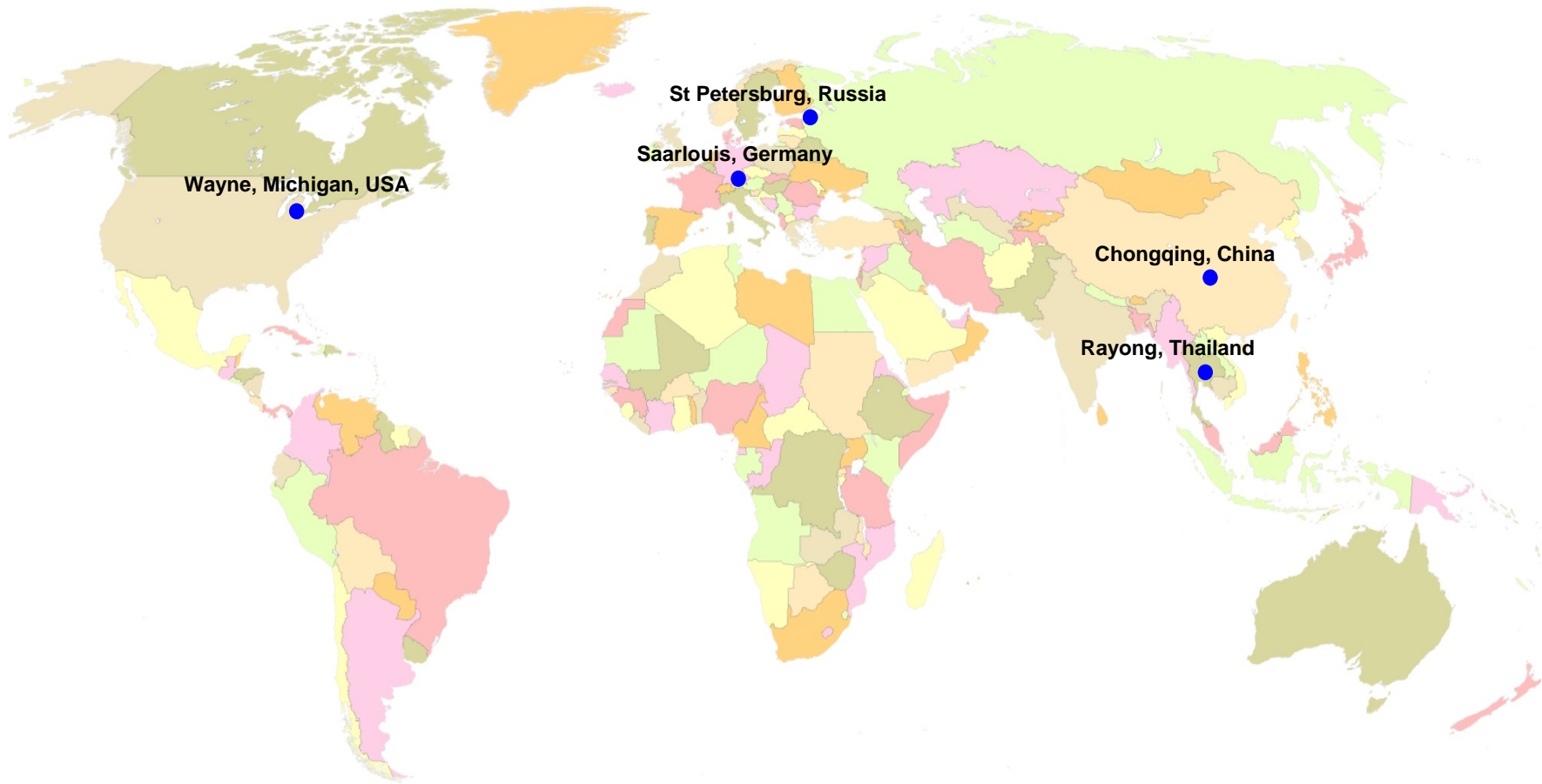


**Best Value**





# ***FOCUS DELIVERS ON THE PRODUCT STRATEGY & DNA BY LEVERAGING GLOBAL ASSETS***



**Scale And Investment Efficiency Delivered Through  
Common Parts, Suppliers, And Processes**



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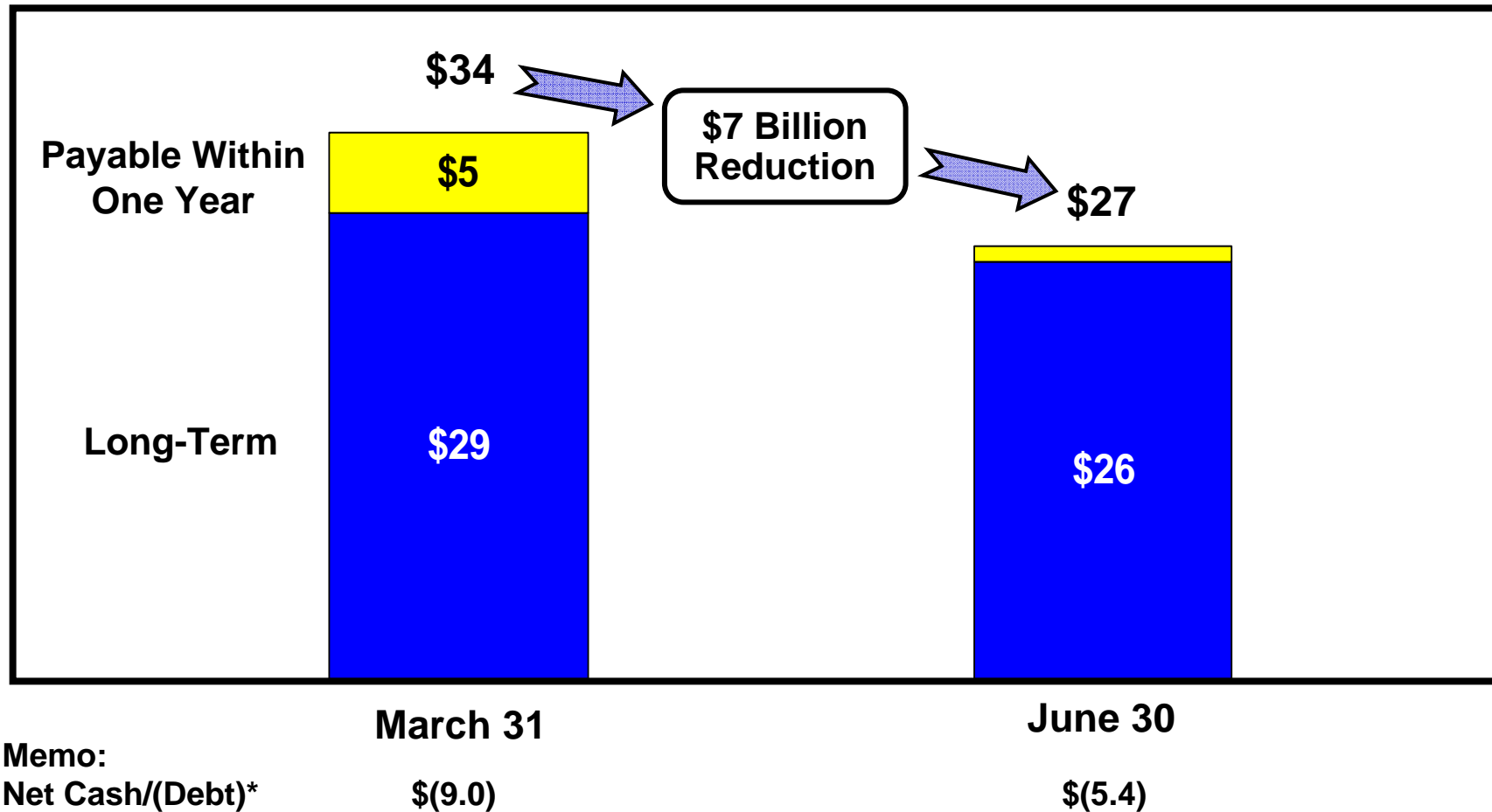






# FINANCING OUR PLAN -- 2010 AUTOMOTIVE DEBT

Total Debt (Bils.)



**Improved Operating Performance Is Enabling Us To Continue The Process Of Strengthening Our Balance Sheet**

\*See Quarterly Report on Form 10-Q for the period ended June 30, 2010 at [www.ford.com](http://www.ford.com) for reconciliation to GAAP



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## ***ONE TEAM -- WORKING TOGETHER EFFECTIVELY***



- **Dealer Relations are at an all-time high. In a recent NADA survey, Ford scored all-time high marks in 9 of 12 categories**
- **Employee satisfaction continues to improve -- future outlook dimension is at 90% favorable**
- **Relations with suppliers continues to outpace industry -- Ford rose from last place in 2007 to first place in the First Quarter 2010**
- **Corporate reputation continues to improve; Ford now the #1 automotive brand in the U.S.**

**All Stakeholders Involved, Contributing to,  
And Pleased With Our Progress**



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# ***GROWING THE BUSINESS -- NORTH AMERICA AND EUROPE***



- **Participate in industry recoveries**
- **Sustain traditional Ford strengths**
- **Leverage balanced product portfolio and global platforms, vehicles, and assets for product segments and markets (e.g., Russia) where we have growth opportunities**
- **Polish the Ford brand**

# ***GROWING THE BUSINESS -- SOUTH AMERICA AND ASIA PACIFIC AFRICA***



- **South America**
  - **Global platforms and vehicles**
  - **Announced a \$2.4 billion investment in Brazil over five years to modernize plants and expand production in the region**
- **Asia Pacific Africa**
  - **Global platforms and vehicles**
  - **Launched a \$500-million passenger car plant in Thailand in 2009, in partnership with Mazda, to build the Ford Fiesta and Mazda2**
  - **Completed a \$500 million expansion at Ford India's Chennai assembly plant to build the new Ford Figo**
  - **Announced a new \$490-million assembly plant in Chongqing, China and a new \$450-million assembly plant in Rayong, Thailand to produce the Ford Focus in 2012**
  - **With Mazda, announced a \$350-million investment at our AutoAlliance plant in Rayong, Thailand, to produce our next generation compact pickup trucks in mid-2011**



## ***THE ONE FORD PLAN IS WORKING***

- **Restructured and significantly lowered fixed costs, took out idle capacity, and reduced engineering and new facility / tool costs**
- **Starting to see the benefits of aggressive new product plan and balanced portfolio**
- **New products well-received in the marketplace**
- **Have broken into the top 5 in initial vehicle quality among all manufacturers in the U.S.; Ford is the only full-line, non-premium brand to make it there**
- **Ford, Lincoln and Mercury vehicles recorded the U.S. industry's largest gain in resale values from the 2009 to 2010 model year**
- **Successfully stabilized and grown market share in North America, while improving net revenue**
- **Paid down \$7 billion of Automotive debt in the Second Quarter**
- **For 2010, we are on track to deliver solid profits with positive Automotive operating-related cash flow**
- **For 2011, we expect continued improvement in total profitability and Automotive operating-related cash flow**

# 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:

- Further declines in industry sales volume, particularly in the United States or Europe, due to financial crisis, recession, geo-political events, or other factors;
- Decline in market share;
- Lower-than-anticipated market acceptance of new or existing products;
- An increase in or acceleration of market shift beyond our current planning assumptions from sales of trucks, medium- and large-sized utilities, 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;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations, or other factors;
- Adverse effects from the bankruptcy, insolvency, or government-funded restructuring of, change in ownership or control of, or alliances entered into by a major competitor;
- A prolonged disruption of the debt and securitization markets;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Economic distress of suppliers that may require us to provide substantial financial support or take other measures to ensure supplies of components or materials and 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 production;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for our postretirement benefit plans (e.g., discount rates or investment returns);
- Restriction on use of tax attributes from tax law "ownership change;"
- The 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, and/or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in our products, perceived environmental impacts, or otherwise;
- A change in our requirements for parts or materials where we have 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 related to capital investments;
- Adverse effects on our operations resulting from certain geo-political or other events;
- 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);
- Failure of financial institutions to fulfill commitments under committed credit facilities;
- 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 credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- 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; 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 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 2009 Form 10-K Report.





**QUESTIONS  
AND  
ANSWERS**