



**FordCredit**

***FORD MOTOR CREDIT COMPANY***

***K.R. Kent***

***Vice Chairman and CFO***

**Deutsche Bank Leveraged  
Finance Conference  
October 5-7, 2010**

# ***DISCUSSION AGENDA***

1.	Business Environment	1
2.	The One Ford Plan	3
3.	Ford Credit	8
4.	Appendix	27

# ***BUSINESS ENVIRONMENT***

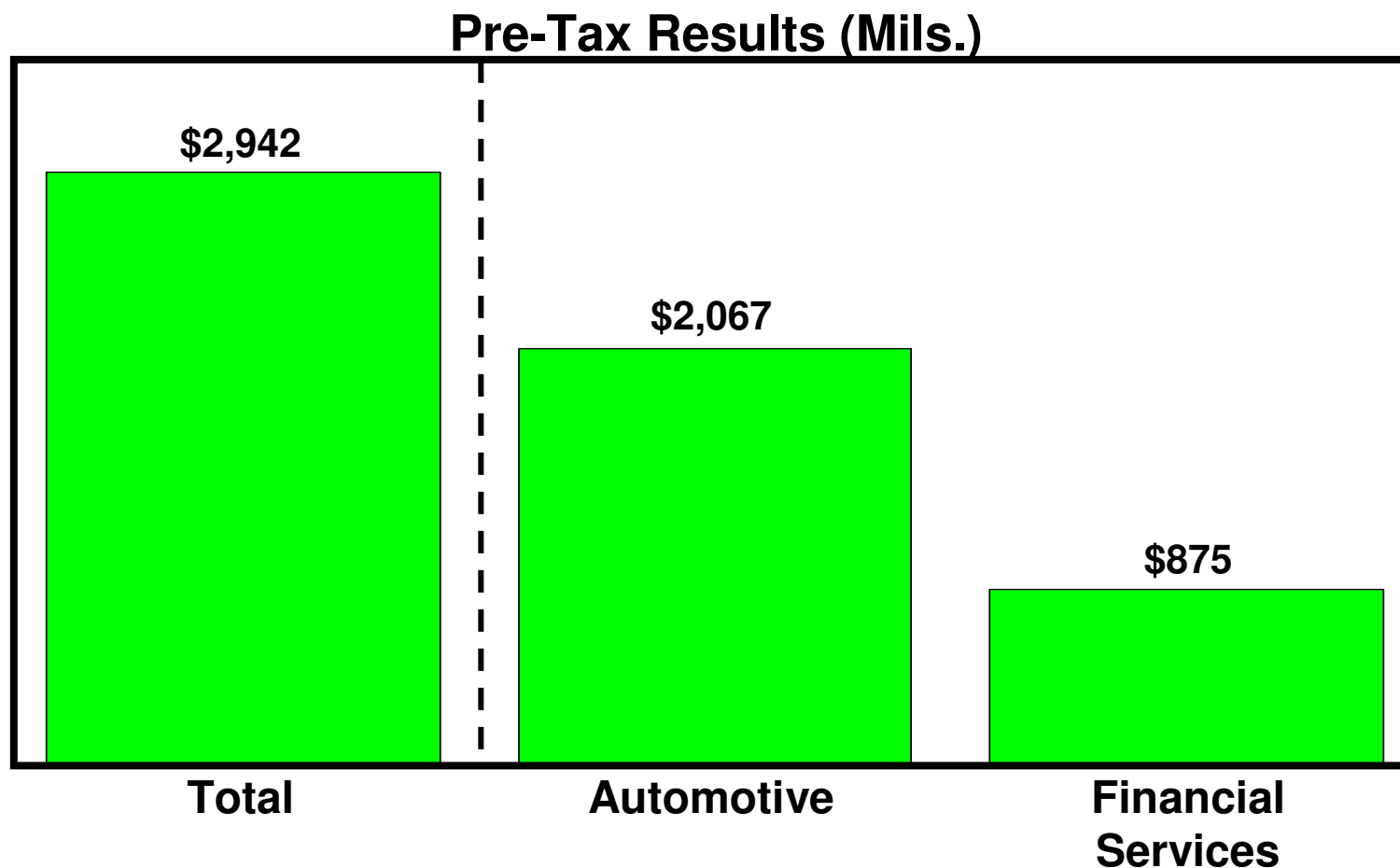
- **Recent economic indicators show a global recovery is underway, with uneven strength across markets**
- **Global industry volume for full year 2010 is projected to exceed the 2009 level of 65 million units by 5 - 10%; however, significant global overcapacity remains**
- **Asian market recoveries are moderating, but economic growth remains solid**
- **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**

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# TOTAL COMPANY 2010 SECOND QUARTER PRE-TAX RESULTS BY SECTOR\*



**Memo:**

B / (W) 2Q 2009**	\$3,496	\$3,216	\$280
B / (W) 1Q 2010	932	872	60

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

\*\* Adjusted to reflect the new accounting standard on VIE consolidation

# TOTAL COMPANY OUR PLAN -- ONE FORD

- Continue implementation of our global **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

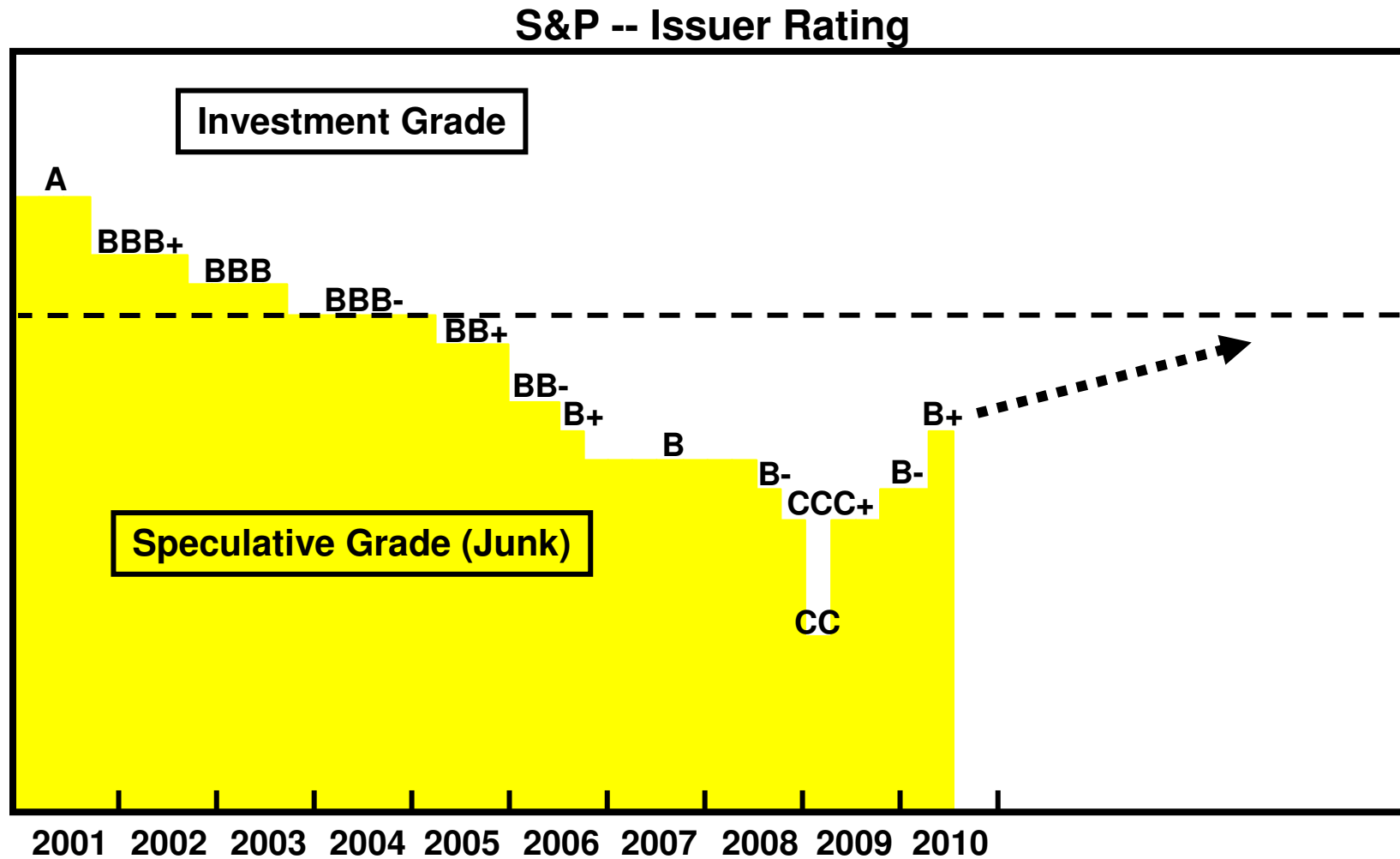


# ***THE ONE FORD PLAN IS WORKING***



- **Restructured and significantly lowered fixed costs and took out idle capacity**
- **Launched new products that are well-received in the marketplace. Grew market share in North America while improving net revenue**
- **Reported strong First Half 2010 results**
- **Paid down \$7 billion of Automotive debt in the Second Quarter**
- **Completed the sale of Volvo; maintaining laser focus on the Ford brand**
- **Launched Fiesta in North America to great reviews. Global Focus will be launched simultaneously in North America and Europe with 80% commonality**
- **Focusing on growth in South America and Asia Pacific Africa with global vehicles and significant facility investments**
- **On track to deliver solid profits in 2010 with positive Automotive operating-related cash flow, and continued improvement in 2011**

# TREND OF CREDIT RATINGS FOR FORD



**We Continue To Strive To Return To Investment Grade**



# ***DISCUSSION AGENDA***

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**Capital and Facility Loans**



**Inventory Financing**



**Inventory Insurance**



**ESB / Fee Income**



**Dealer Consulting**



**Commercial Loans**



**Lease Financing**



**Retail Loans**

# ***BUSINESS AND REGULATORY ENVIRONMENT***



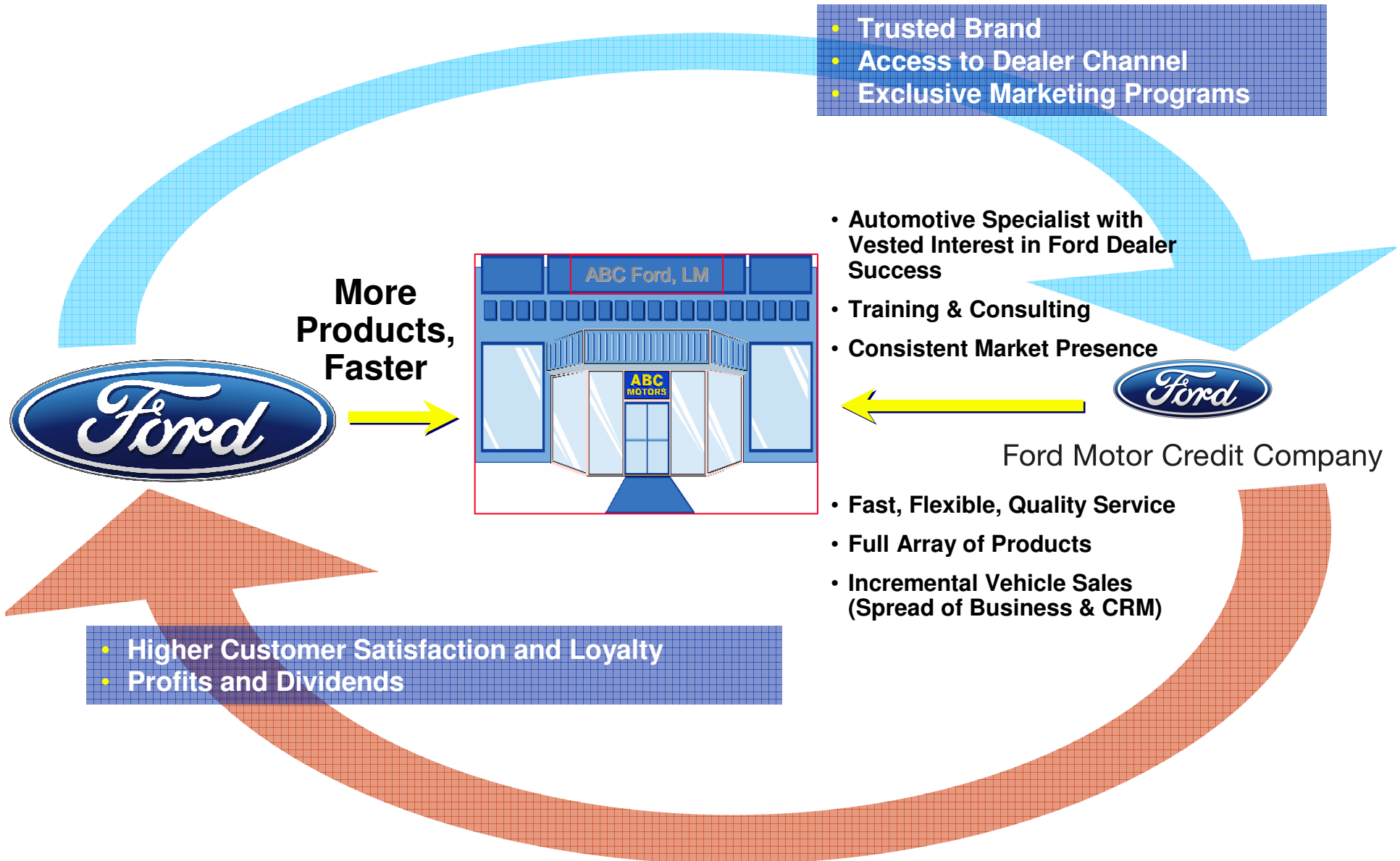
- **Global economic recovery is under way, although pace is uneven**
- **Our access to capital markets and spreads on funding transactions have improved**
- **Regulatory changes underway (Basel III, Dodd-Frank Act, etc.) and our position remains unchanged.**
  - **We comply with all regulations**
  - **We operate transparently and responsibly**
  - **We treat customers fairly**

# ***FORD CREDIT STRATEGIC PRIORITIES***



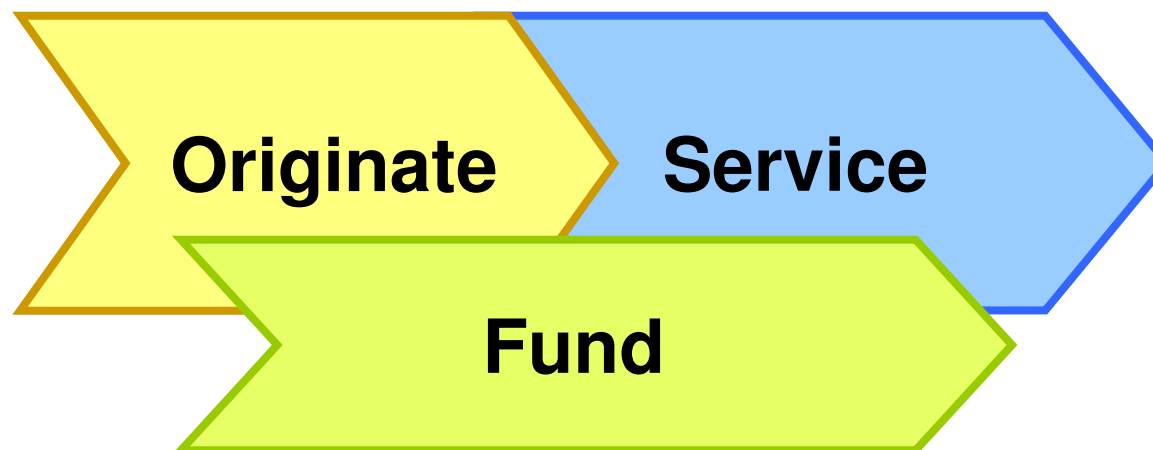
- **Profitably support the sale of Ford Motor Company brand vehicles**
- **Support synergies with automotive brand partners**
- **Maximize customer and dealer satisfaction and loyalty**
- **Make efficient use of capital**

# FORD CREDIT'S VALUE PROPOSITION



# **FORD CREDIT ORIGINATION & SERVICING STRATEGY**

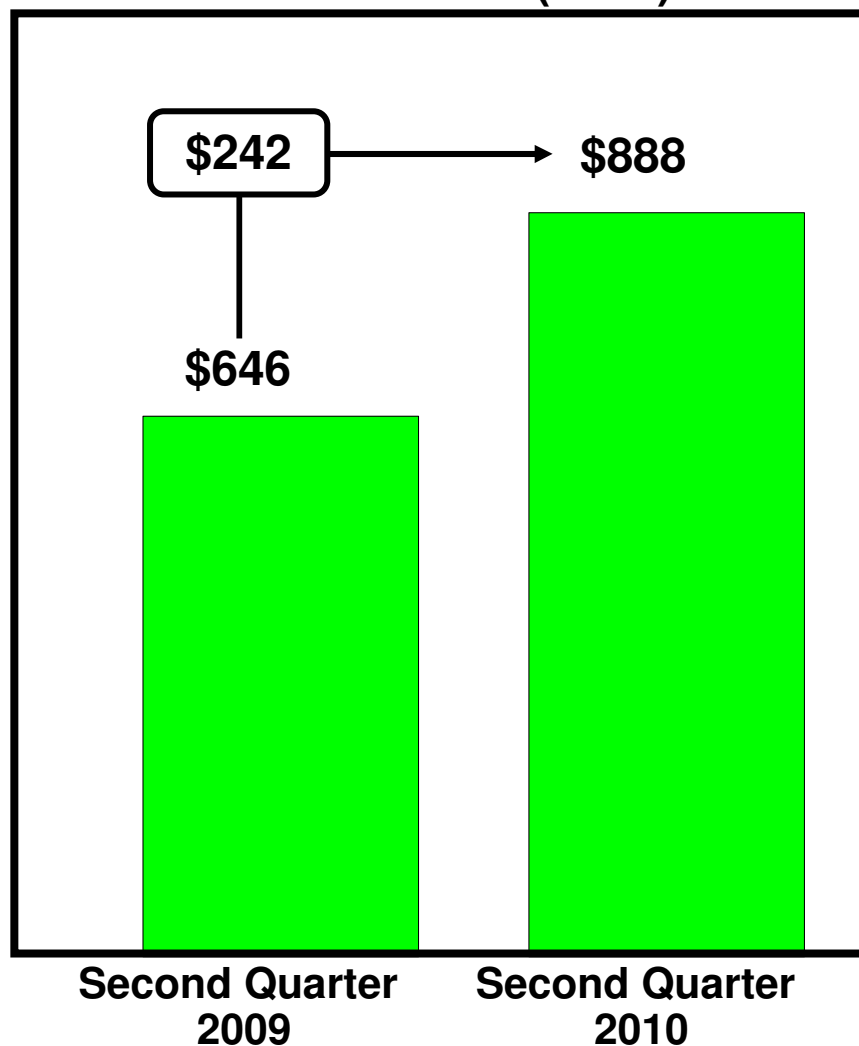
- Buy it Right
- Collect it Effectively
- Operate Efficiently



- Fund it Efficiently
- Manage Balance Sheet Risk

# FORD CREDIT RESULTS AND METRICS -- 2010 SECOND QUARTER

## Pre-Tax Profit (Mils.)

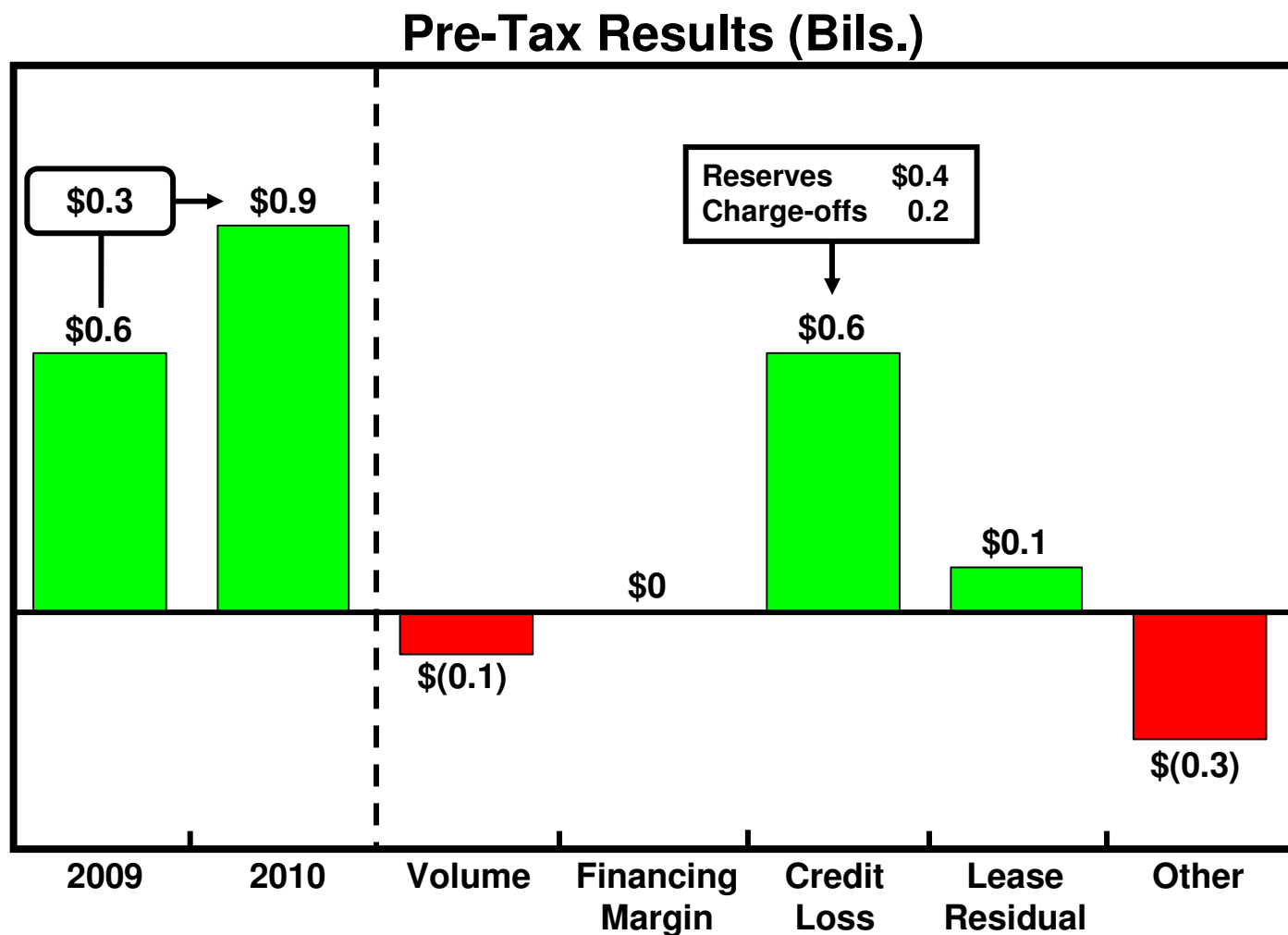


## Key Metrics

	Second Quarter	
	2009	2010
<b>On-Balance Sheet</b>		
Receivables (Bils.)	\$ 99	\$ 85
Charge-Offs (Mils.)	\$ 285	\$ 86
<b>Loss-to-Receivables Ratio</b>		
- Worldwide	1.09%	0.39%
- U.S. Retail and Lease	1.09	0.45
<b>Allowance for Credit Losses</b>		
- Worldwide Amount (Bils.)	\$ 1.8	\$ 1.1
- Pct. Of EOP Receivables	1.81%	1.26%
<b>Financial Statement</b>		
Leverage (To 1)	10.2	8.1
Distribution (Bils.)	\$ 0	\$ 0
Net Income / (Loss) (Mils.)	\$ 413	\$ 556
<b>Managed*</b>		
Receivables (Bils.)	\$ 100	\$ 87
Leverage (To 1)	8.4	6.6

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

# 2010 SECOND QUARTER FORD CREDIT PRE-TAX RESULTS COMPARED WITH 2009



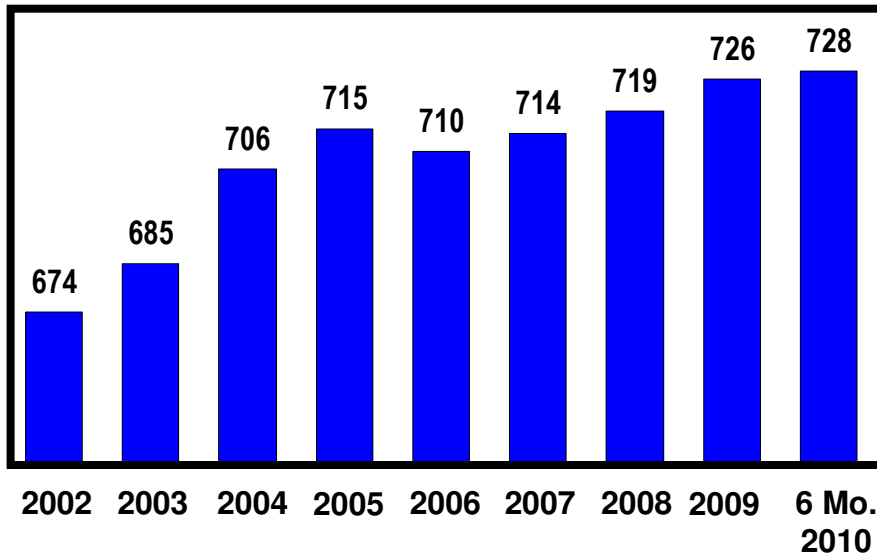


# FORD CREDIT U.S. HISTORICAL PORTFOLIO QUALITY AND CREDIT LOSS METRICS

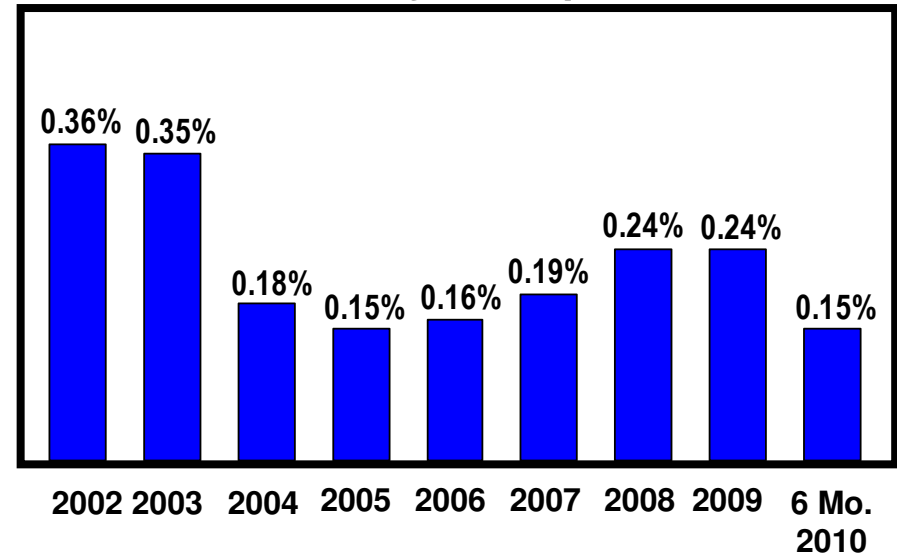


U.S. Retail & Lease Average Placement

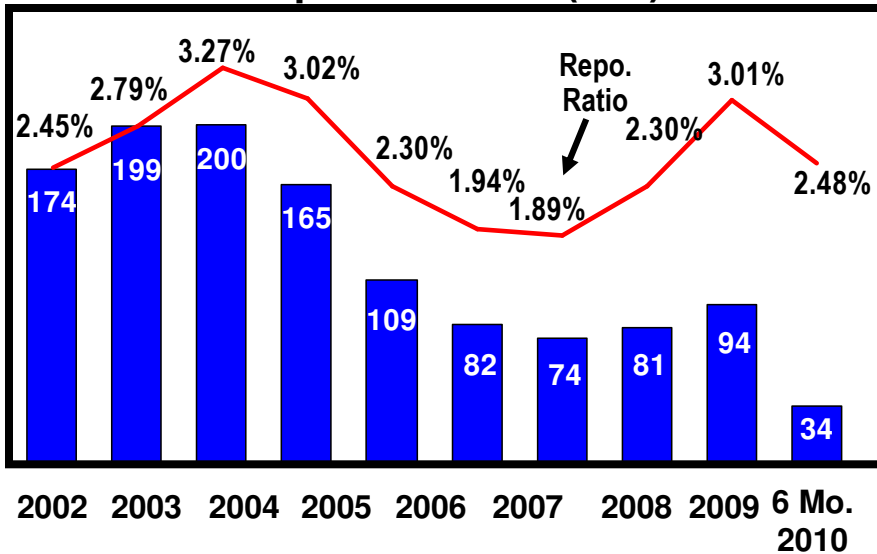
### FICO Score



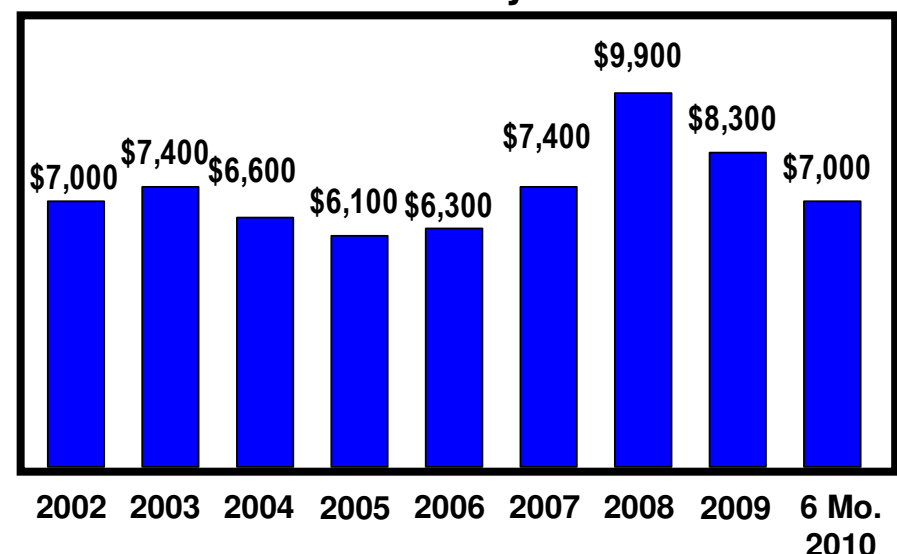
### Over-60-Day Delinquencies



### Repossessions (000)



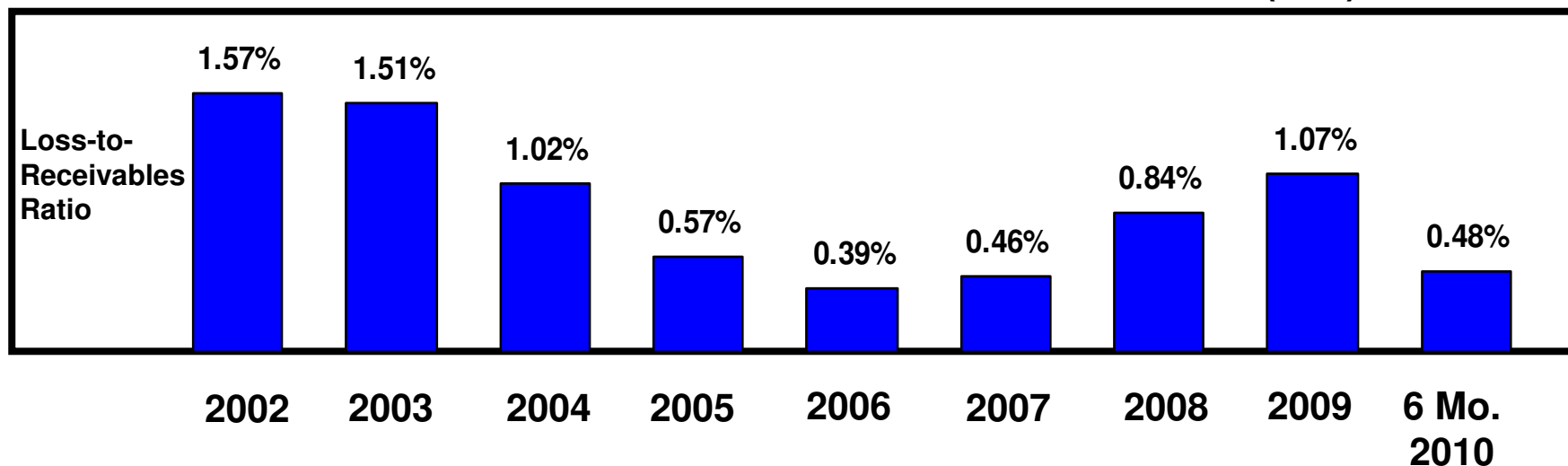
### Severity



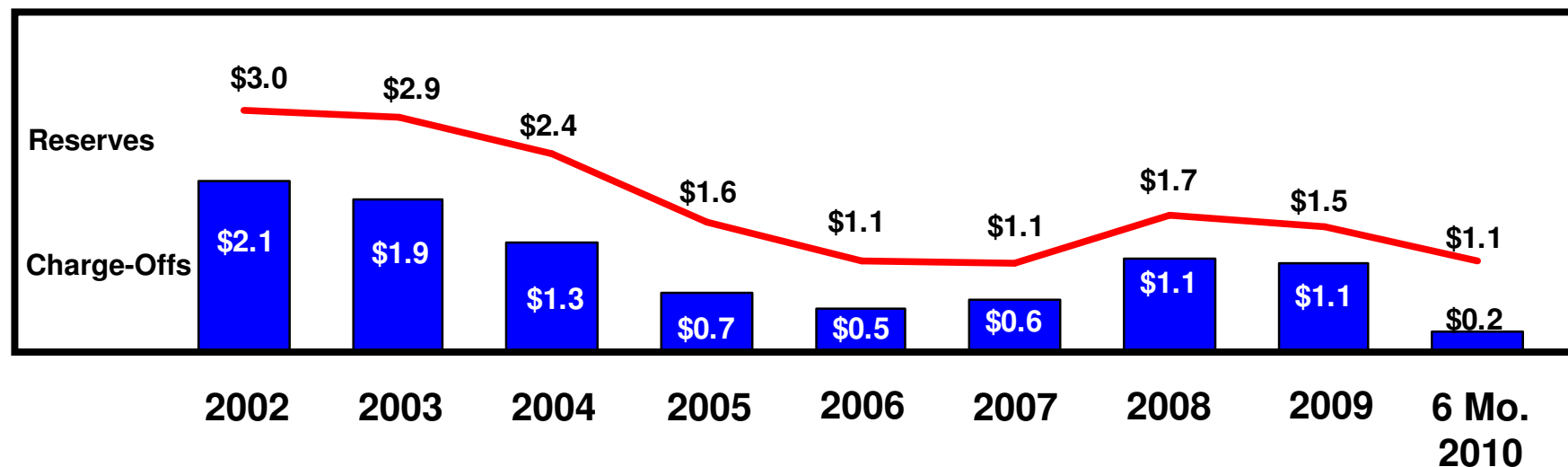
# FORD CREDIT HISTORICAL CREDIT LOSS METRICS



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



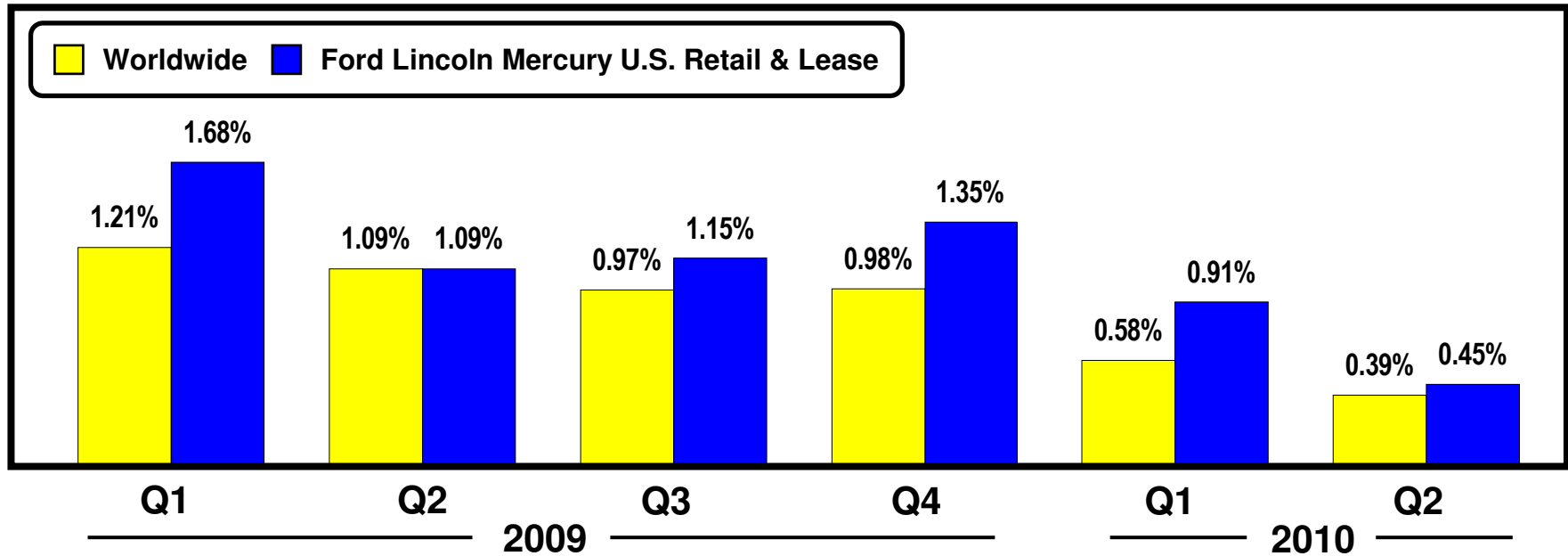
Worldwide On-Balance Sheet Charge-Offs and Allowance for Credit Losses (Bils.)



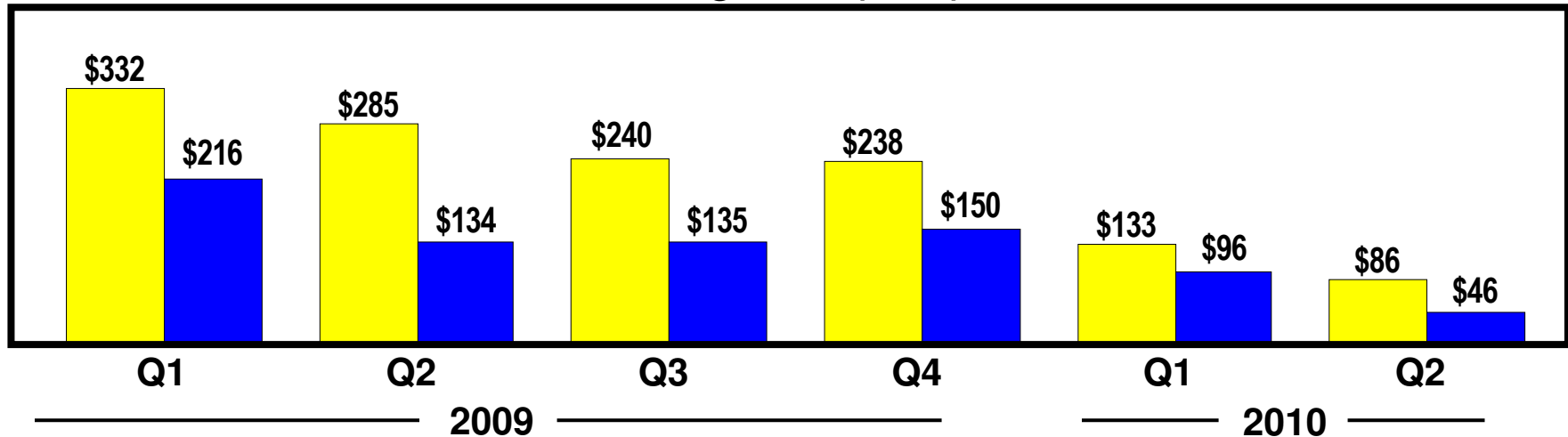
# FORD CREDIT 2009-2010 CREDIT LOSS METRICS\*



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



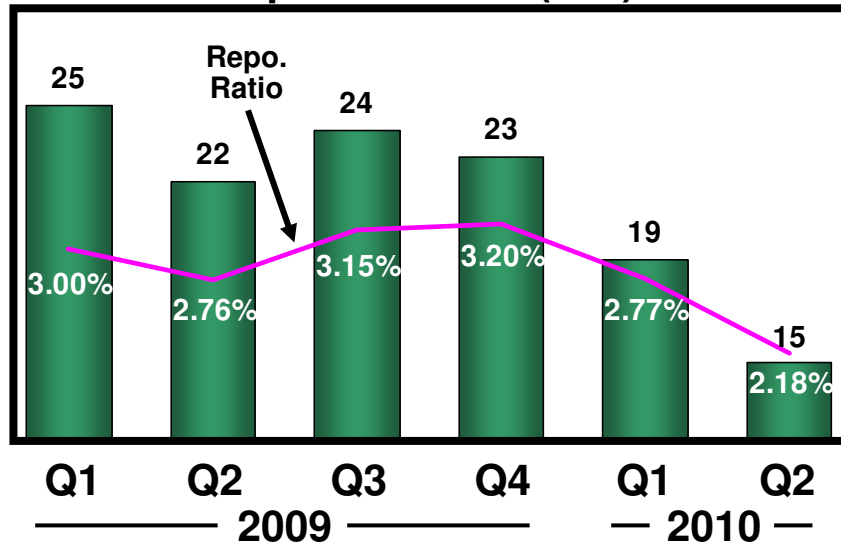
## Charge-Offs (Mils.)



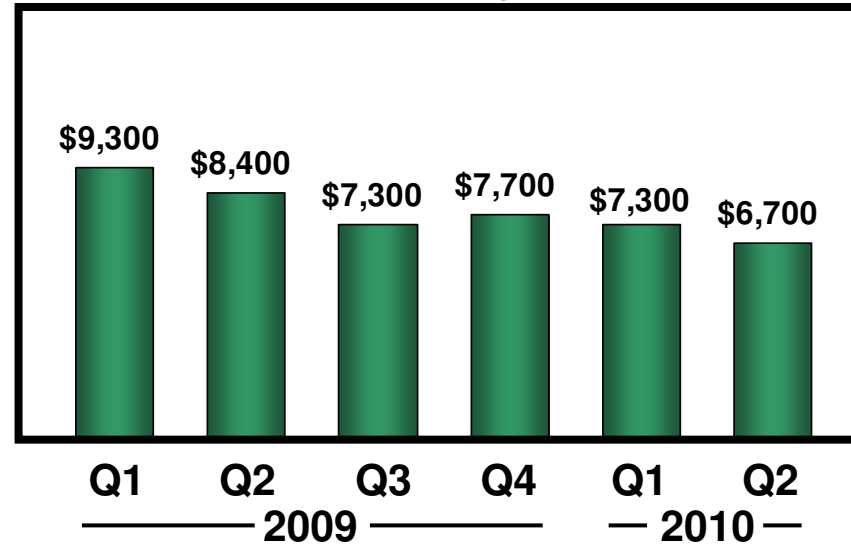
\* On-balance sheet

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

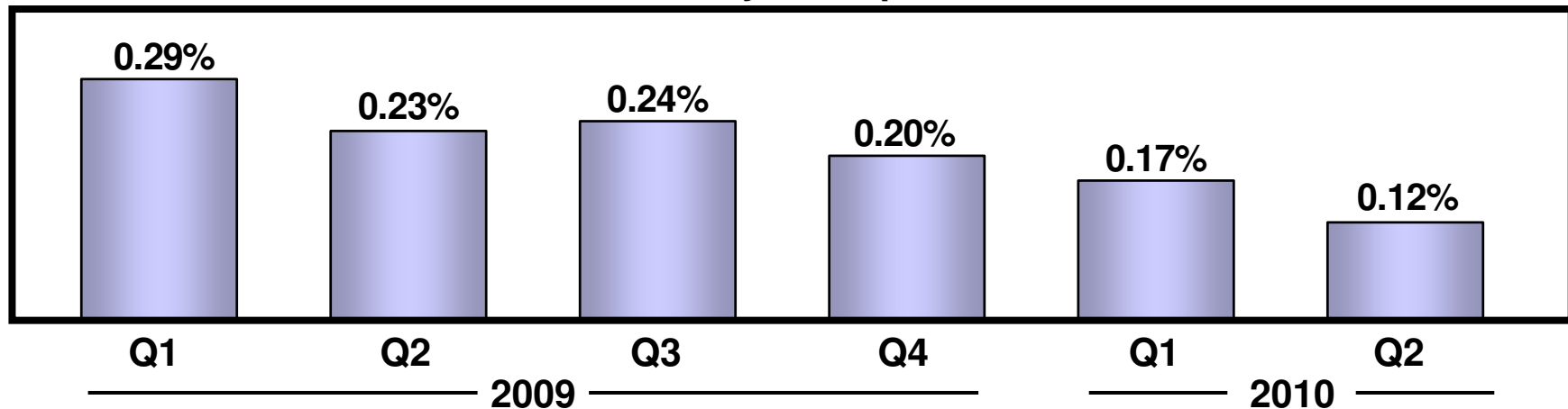
### Repossessions (000)



### Severity



### Over-60-Day Delinquencies



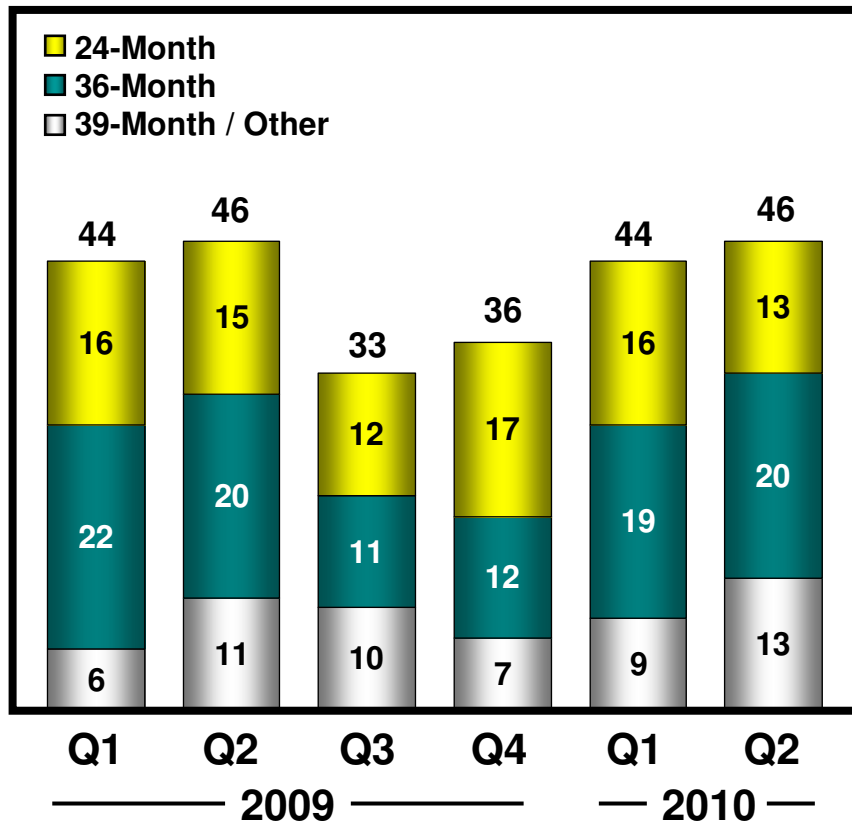
Memo: New Bankruptcy Filings (000)

11	12	13	11	10	12
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\* On a serviced basis

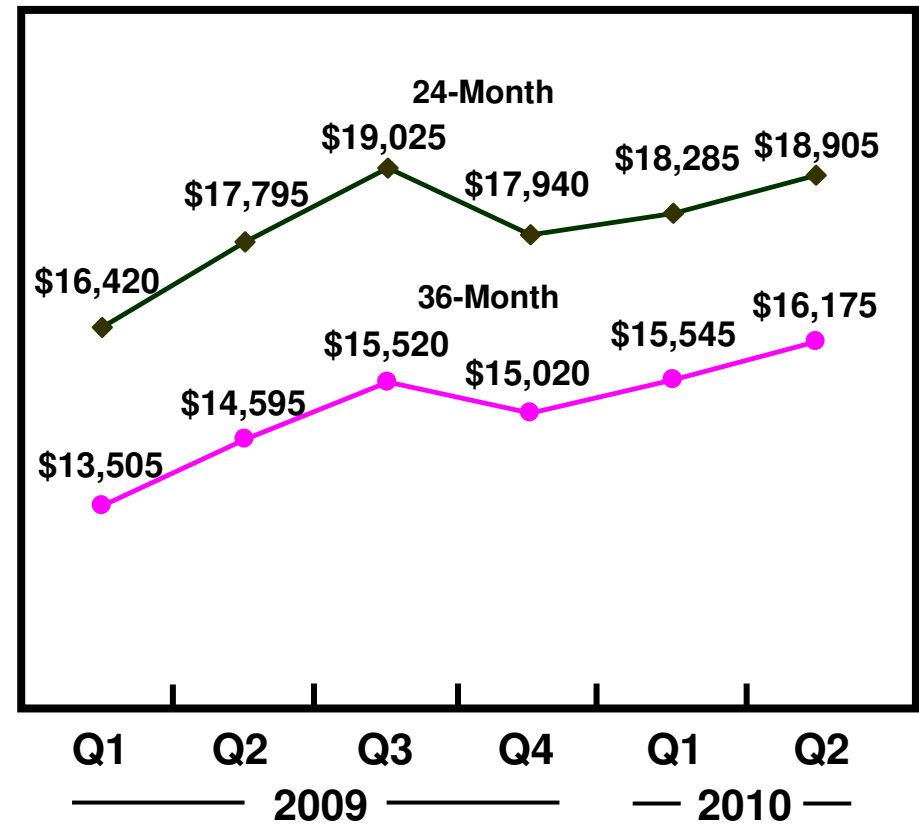
# LEASE RESIDUAL PERFORMANCE -- FORD LINCOLN MERCURY U.S.

### Lease Return Volume (000)



Memo: Ford Lincoln Mercury U.S. Return Rates  
 89%    83%    70%    69%    71%    65%

### Auction Values (At Q2 2010 Mix)



Memo: Worldwide Net Investment in Operating Leases (Bils.)  
 \$20.2    \$18.2    \$16.3    \$14.6    \$13.3    \$11.6

# FORD CREDIT TERM FUNDING PLAN



	2007 <u>Actual</u> (Bils.)	2008 <u>Actual</u> (Bils.)	2009 <u>Actual</u> (Bils.)	2010	
				<u>Forecast</u> (Bils.)	<u>YTD*</u> <u>Actual</u> (Bils.)
<b>Public Transactions</b>					
Unsecured	\$ 6	\$ 2	\$ 5	\$ 4 - 6	\$ 6
Securitized <sup>**</sup>	6	11	15	10 - 12	9
<b>Total Public</b>	<b>\$12</b>	<b>\$13</b>	<b>\$20</b>	<b>\$14 - 17</b>	<b>\$15</b>
					\$21
<b>Private Transactions<sup>***</sup></b>	<b>\$28</b>	<b>\$29</b>	<b>\$11</b>	<b>\$ 7 - 11</b>	<b>\$ 6</b>

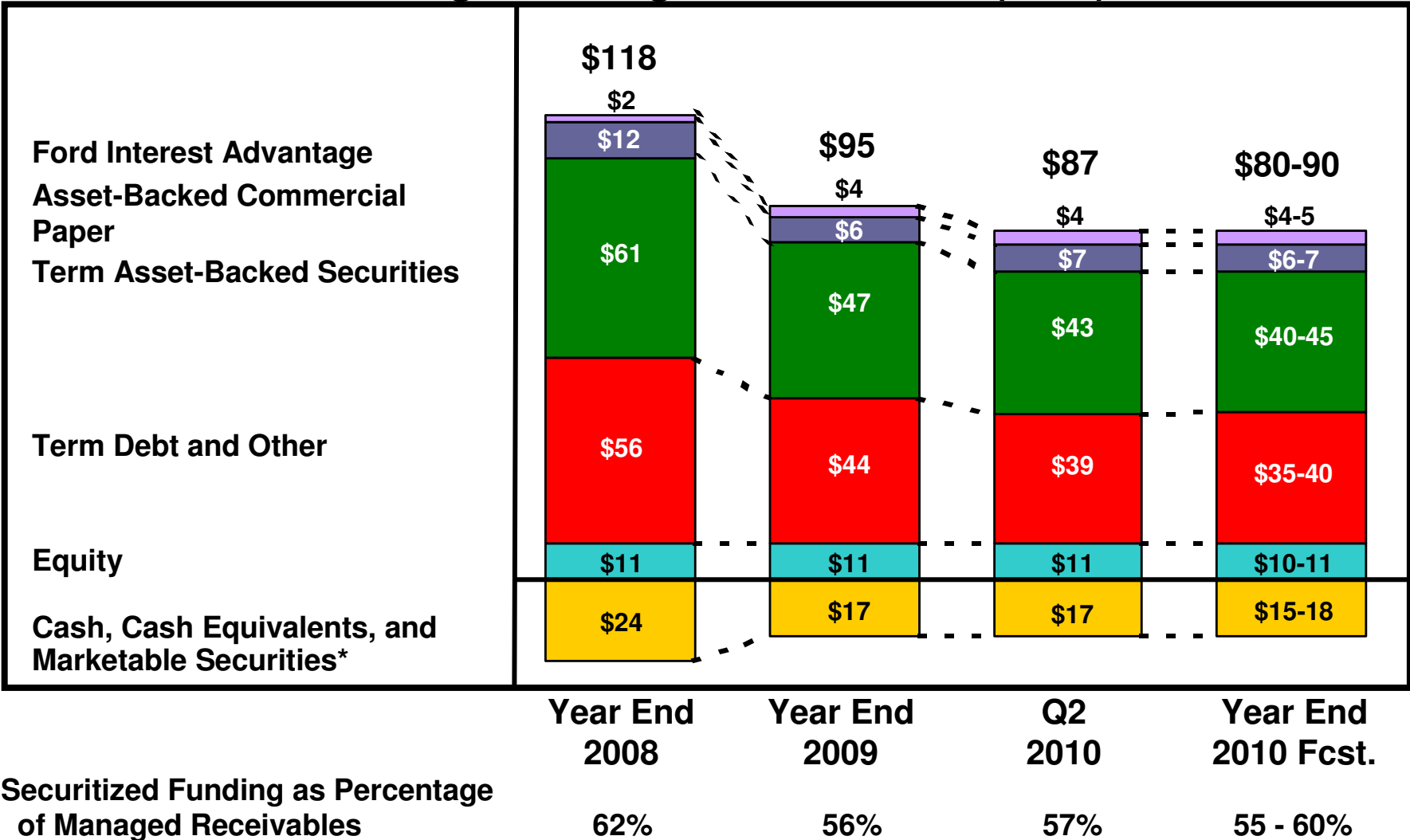
\* YTD Actual through September 30, 2010

\*\* 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)

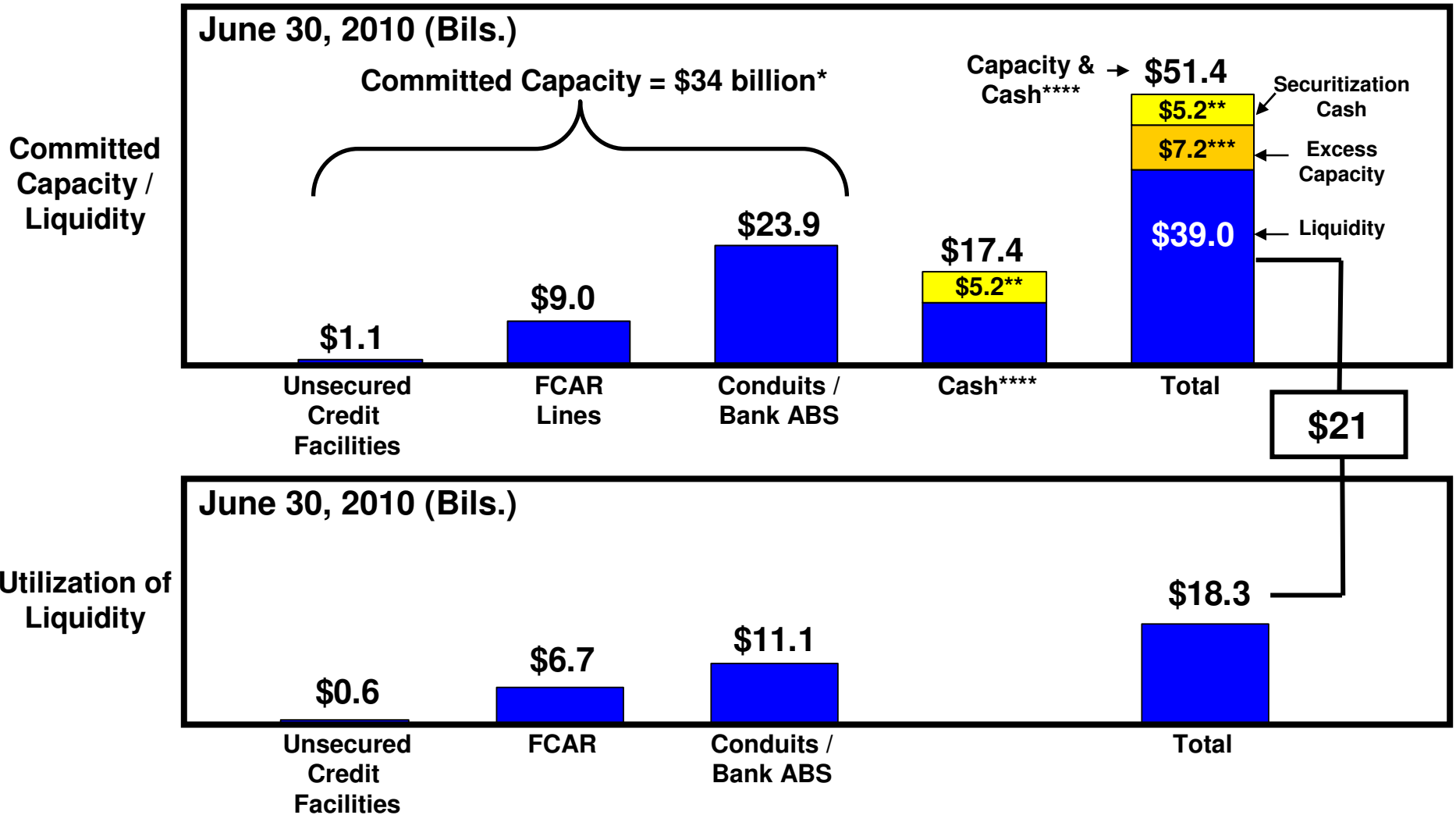
# FORD CREDIT FUNDING STRUCTURE

## Funding of Managed Receivables (Bils.)



\* Excludes marketable securities related to insurance activities

# FORD CREDIT LIQUIDITY PROGRAMS



**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. Reflects Unsecured Credit Facilities and FCAR capacity as of July 1, 2010  
 \*\* 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)



# ***SUMMARY***

- The **ONE FORD** Plan is working
- On track to meet our financial targets this year and next year
- The funding environment continues to improve
- Experiencing substantially improved credit loss performance
- Ford Credit continues to focus and deliver on our strategic priorities

# 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, recession, geo-political events or other factors;
- Decline in Ford’s market share;
- Continued or increased price competition for Ford vehicles resulting from industry overcapacity, currency fluctuations or other factors;
- An increase in or acceleration of market shift beyond Ford’s 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;
- Lower-than-anticipated market acceptance of new or existing Ford products;
- 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;
- Economic distress of suppliers may require Ford to provide substantial 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 production;
- Single-source supply of components or materials;
- Restriction on use of tax attributes from tax law “ownership change”;
- 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, perceived environmental impacts, 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 Ford’s results from a decrease in or cessation of government incentives related to capital investments;
- 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);

## 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, regulatory requirements or otherwise;
- Inability to obtain competitive funding;
- Higher-than-expected credit losses;
- Adverse effects from the government-supported restructuring of, change in ownership or control of, or alliances entered into by a major competitor;
- Increased competition from banks or other financial institutions seeking to increase their share of retail installment 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 laws and 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 or investment returns).

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.



**FordCredit**

**Q & A**

# ***APPENDIX***

# TOTAL COMPANY INCOME / (LOSS) FROM CONTINUING OPERATIONS RECONCILIATION TO GAAP

	Second Quarter		First Half	
	2009*	2010	2009*	2010
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ (899)	\$ 1,898	\$ (1,564)	\$ 3,151
South America	86	285	149	488
Europe	57	322	(528)	429
Asia Pacific Africa	(27)	113	(124)	136
Volvo	(237)	-	(486)	-
Other Automotive	(129)	(551)	(559)	(942)
<b>Total Automotive (Excl. Special Items)</b>	<b>\$ (1,149)</b>	<b>\$ 2,067</b>	<b>\$ (3,112)</b>	<b>\$ 3,262</b>
Special Items - Automotive	2,795	(95)	3,248	30
<b>Total Automotive</b>	<b>\$ 1,646</b>	<b>\$ 1,972</b>	<b>\$ 136</b>	<b>\$ 3,292</b>
Financial Services (Excl. Special Items)	\$ 595	\$ 875	\$ 533	\$ 1,690
Special Items - Financial Services	-	-	(90)	-
<b>Total Financial Services</b>	<b>\$ 595</b>	<b>\$ 875</b>	<b>\$ 443</b>	<b>\$ 1,690</b>
<b>Pre-Tax Results</b>	<b>\$ 2,241</b>	<b>\$ 2,847</b>	<b>\$ 579</b>	<b>\$ 4,982</b>
(Provision for) / Benefit from Income Taxes	15	(251)	242	(301)
<b>Income / (Loss) from Continuing Operations</b>	<b>\$ 2,256</b>	<b>\$ 2,596</b>	<b>\$ 821</b>	<b>\$ 4,681</b>
Discontinued Operations	5	-	5	-
(Income) / Loss attributable to non-controlling interests	-	3	8	3
<b>Net Income / (Loss) attributable to Ford</b>	<b>\$ 2,261</b>	<b>\$ 2,599</b>	<b>\$ 834</b>	<b>\$ 4,684</b>
<b>Memo: Excluding Special Items</b>				
<b>Pre-Tax Results</b>	<b>\$ (554)</b>	<b>\$ 2,942</b>	<b>\$ (2,579)</b>	<b>\$ 4,952</b>
(Provision for) / Benefit from Income Taxes	(84)	(241)	140	(490)
(Income) / Loss attributable to non-controlling interests	-	3	8	3
<b>After-Tax Results</b>	<b>\$ (638)</b>	<b>\$ 2,704</b>	<b>\$ (2,431)</b>	<b>\$ 4,465</b>

\* Adjusted to reflect the new accounting standard on VIE consolidation

# TOTAL COMPANY REVENUE RECONCILIATION TO GAAP

	Second Quarter		First Half	
	2009*	2010	2009*	2010
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ 10,744	\$ 16,908	\$ 20,762	\$ 31,040
South America	1,840	2,620	3,244	4,634
Europe	6,955	7,549	12,724	15,196
Asia Pacific Africa	1,208	1,802	2,373	3,380
Subtotal (Excl. Volvo)	\$ 20,747	\$ 28,879	\$ 39,103	\$ 54,250
Volvo	2,863	-	5,487	-
Total Automotive (Excl. Special Items)	\$ 23,610	\$ 28,879	\$ 44,590	\$ 54,250
Special Items - Volvo	-	3,685	-	7,208
Total Automotive	\$ 23,610	\$ 32,564	\$ 44,590	\$ 61,458
Financial Services	3,200	2,503	6,610	5,175
Total Company	\$ 26,810	\$ 35,067	\$ 51,200	\$ 66,633
<b>Memo:</b>				
Total Company (Excl. Special Items)	\$ 26,810	\$ 31,382	\$ 51,200	\$ 59,425
Total Company (Excl. Volvo)	23,947	31,382	45,713	59,425
- Percentage Change		31 %		30 %

\* Adjusted to reflect the new accounting standard on VIE consolidation

# TOTAL COMPANY WHOLESALES\*

	Second Quarter		First Half	
	2009** (000)	2010 (000)	2009** (000)	2010 (000)
North America	458	659	808	1,206
South America	111	130	204	231
Europe***	400	420	743	836
Asia Pacific Africa****	146	209	277	398
Subtotal (Excl. Volvo)	1,115	1,418	2,032	2,671
Volvo	79	-	148	-
Total Automotive (Excl. Special Items)	1,194	1,418	2,180	2,671
Special Items - Volvo	-	99	-	191
Total Automotive	1,194	1,517	2,180	2,862
<b>Memo: Excl. Volvo</b>				
<b>Total Automotive</b>	<b>1,115</b>	<b>1,418</b>	<b>2,032</b>	<b>2,671</b>
- Percentage Change		27 %		31 %

\* Wholesale unit volumes include all Ford badged units (whether produced by Ford or by an unconsolidated affiliate), units manufactured by Ford that are sold to other manufacturers and units distributed for other manufacturers, and local-brand vehicles produced by our Chinese joint venture Jiangling Motor Corporate (JMC). Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option, as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes

\*\* Adjusted to reflect the new accounting standard on VIE consolidation

\*\*\* Includes Ford brand vehicles sold in Turkey by our unconsolidated affiliate, totaling about 15,000 and 16,000 units in Second Quarter 2009 and 2010, respectively

\*\*\*\* Includes Ford brand and JMC brand vehicles sold in China by unconsolidated affiliates, totaling about 90,000 and 122,000 units in Second Quarter 2009 and 2010, respectively

# **AUTOMOTIVE SECTOR**

## **GROSS CASH RECONCILIATION TO GAAP**

	June 30, 2009* <u>(Bils.)</u>	Dec. 31, 2009* <u>(Bils.)</u>	Mar. 31, 2010 <u>(Bils.)</u>	June 30, 2010 <u>(Bils.)</u>
Cash and Cash Equivalents	\$ 11.2	\$ 9.7	\$ 12.8	\$ 8.7
Marketable Securities**	<u>9.7</u>	<u>15.2</u>	<u>12.5</u>	<u>13.2</u>
<b>Total Cash and Marketable Securities</b>	<b>\$ 20.9</b>	<b>\$ 24.9</b>	<b>\$ 25.3</b>	<b>\$ 21.9</b>
Securities in Transit***	(0.1)	-	-	-
UAW-Ford Temporary Asset Account / Other****	<u>(0.4)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Gross Cash</b>	<b><u>\$ 20.4</u></b>	<b><u>\$ 24.9</u></b>	<b><u>\$ 25.3</u></b>	<b><u>\$ 21.9</u></b>

\* Adjusted to reflect the new accounting standard on VIE consolidation

\*\* Included at June 30, 2010 are Ford Credit debt securities that we purchased, which are reflected in the table at a carrying value of \$314 million; the estimated fair value of these securities is \$310 million. Also included are Mazda marketable securities with a fair value of \$463 million. For similar datapoints for the other periods listed here, see our prior period SEC reports

\*\*\* 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 OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP**

	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2010</u>	<u>B / (W)</u> <u>2009*</u>	<u>2010</u>	<u>B / (W)</u> <u>2009*</u>
	<u>(Bils.)</u>	<u>(Bils.)</u>	<u>(Bils.)</u>	<u>(Bils.)</u>
<b>Cash Flows from Operating Activities of Continuing Operations**</b>	<b>\$ 2.9</b>	<b>\$ 3.3</b>	<b>\$ 2.9</b>	<b>\$ 6.2</b>
<b>Items Included in Operating-Related Cash Flows</b>				
<b>Capital Expenditures</b>	(1.0)	-	(1.9)	0.2
<b>Net Cash Flows from Non-Designated Derivatives</b>	(0.1)	0.1	(0.2)	(0.2)
<b>Items Not Included in Operating-Related Cash Flows</b>				
<b>Cash Impact of Job Security Benefits and Personnel Reduction Program</b>	0.1	(0.1)	0.2	(0.3)
<b>Pension Contributions</b>	0.4	0.1	0.7	-
<b>Tax Refunds and Tax Payments from Affiliates</b>	-	-	-	0.3
<b>Other***</b>	0.3	0.5	0.8	1.1
<b>Operating-Related Cash Flows</b>	<u><u>\$ 2.6</u></u>	<u><u>\$ 3.9</u></u>	<u><u>\$ 2.5</u></u>	<u><u>\$ 7.3</u></u>

\* Adjusted to reflect the new accounting standard on VIE consolidation

\*\* Adjusted to reflect the reallocation of amounts previously displayed in "Net change in intersector receivables / payables and other liabilities" on our Sector Statement of Cash Flows. These amounts are being reallocated from a single line item to the individual cash flow line items within operating, investing, and financing activities of continuing operations on our Sector Statement of Cash Flows

\*\*\* 2010 includes cash flows of held-for-sale operations

# **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

\*\* Related primarily 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

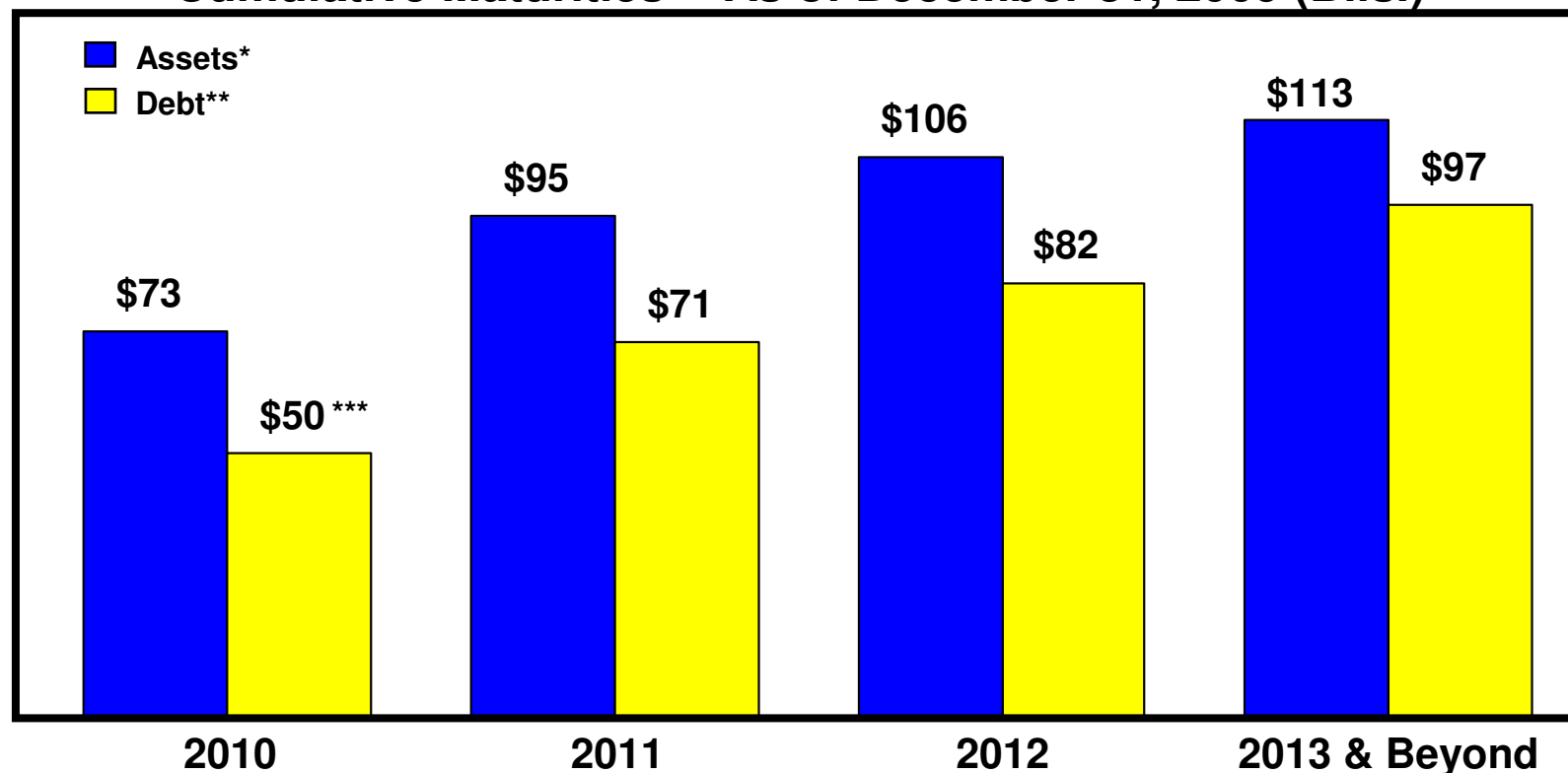
# **FINANCIAL SERVICES SECTOR**

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

	June 30, 2009 <u>(Bils.)</u>	June 30, 2010 <u>(Bils.)</u>
<b><u>Leverage Calculation</u></b>		
<b>Total Debt*</b>	<b>\$ 104.9</b>	<b>\$ 88.5</b>
<b>Securitized Off-Balance Sheet Receivables Outstanding</b>	<b>0.1</b>	<b>-</b>
<b>Retained Interest in Securitized Off-Balance Sheet Receivables</b>	<b>(0.1)</b>	<b>-</b>
<b>Adjustments for Cash, Cash Equivalents, and Marketable Securities**</b>	<b>(19.1)</b>	<b>(17.4)</b>
<b>Adjustments for Derivative Accounting***</b>	<b><u>(0.2)</u></b>	<b><u>(0.4)</u></b>
<b>Total Adjusted Debt</b>	<b><u>\$ 85.6</u></b>	<b><u>\$ 70.7</u></b>
<b>Equity</b>	<b>\$ 10.3</b>	<b>\$ 10.9</b>
<b>Adjustments for Derivative Accounting***</b>	<b><u>(0.1)</u></b>	<b><u>(0.1)</u></b>
<b>Total Adjusted Equity</b>	<b><u>\$ 10.2</u></b>	<b><u>\$ 10.8</u></b>
<b>Financial Statement Leverage (to 1)</b>	<b>10.2</b>	<b>8.1</b>
<b>Managed Leverage (to 1)</b>	<b>8.4</b>	<b>6.6</b>

# 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

# TOTAL COMPANY

## 2010 SECOND QUARTER SPECIAL ITEMS

	<b>Second Quarter (Mils.)</b>	<b>First Half (Mils.)</b>
<b><u>Personnel and Dealer-Related Items</u></b>		
Personnel-reduction programs	\$ (31)	\$ (117)
Mercury discontinuation / U.S. dealer reductions	(232)	(247)
Job security benefits / other	<u>34</u>	<u>72</u>
Total Personnel and Dealer-Related Items	\$ (229)	\$ (292)
<b><u>Other Items</u></b>		
Volvo held-for-sale and related items	\$ 94	\$ 282
Gain on debt reduction actions	<u>40</u>	<u>40</u>
Total Other Items	<u>\$ 134</u>	<u>\$ 322</u>
<b>Total Special Items</b>	<b><u>\$ (95)</u></b>	<b><u>\$ 30</u></b>
<b>Memo:</b>		
Volvo operating profit included above (Mils.)*	\$ 53	\$ 102
Special Items impact on Earnings Per Share*	\$ (0.02)	\$ 0.05