



ONE FORD
PROFITABLE GROWTH

Bob Shanks
Vice President, Controller

Barclays Global
Automotive Conference
November 16, 2010



TOTAL COMPANY BUSINESS ENVIRONMENT

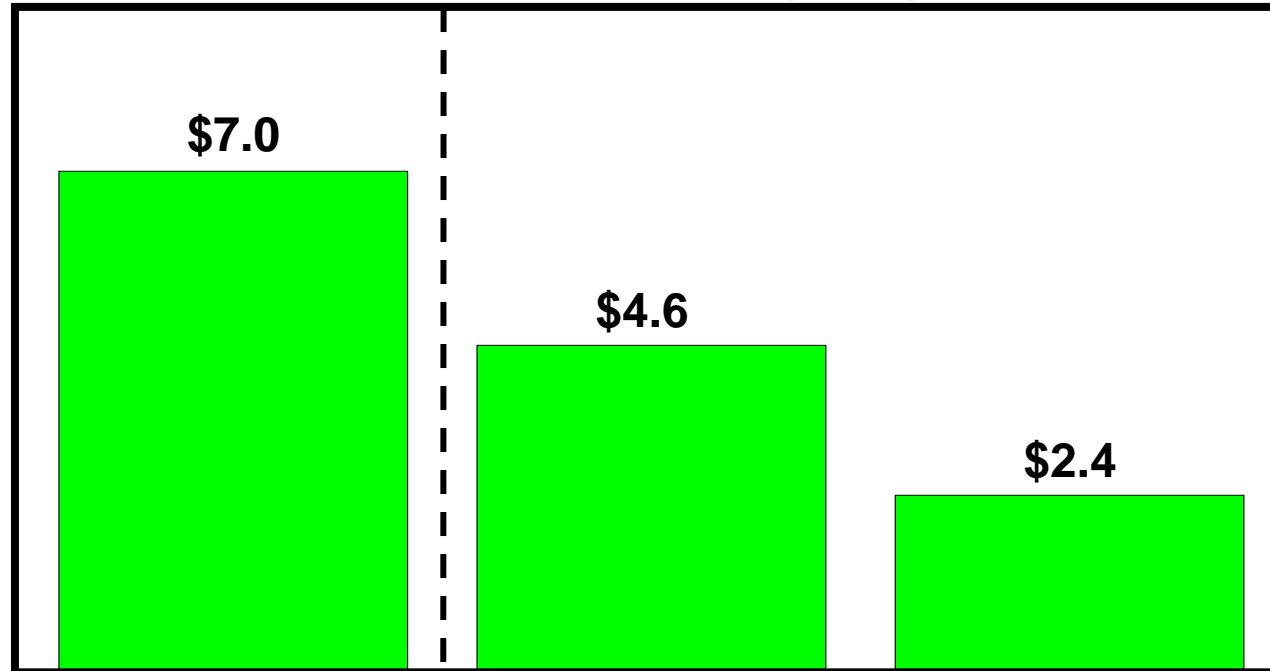
- **Global economic recovery continued through the Third Quarter:**
 - **Strength in China, India, Brazil, and Turkey; solid growth in Germany and Canada**
 - **U.S., U.K., and other European markets growing more modestly**
 - **Jobs, housing, and credit markets remain weak**
- **Economic policy adjustments being made to meet challenges:**
 - **Central Banks in China, India, Brazil, and Canada tightened monetary policy in response to inflation risks**
 - **Due to budget pressures, limited fiscal flexibility in the U.S. and major European countries to respond to slow growth**
 - **Quantitative easing by U.S. Federal Reserve supportive of economic growth. ECB and Bank of England policy rates steady at 1.0% and 0.5%, respectively**
- **Commodity prices returning to long-term, upward trend after declines last year**
- **Global industry volume for Full Year 2010 projected to be 70 million units, up about 8% from 2009**

**Global Business Environment Remains Challenging;
Expect Global Growth To Continue In 2011**



TOTAL COMPANY 2010 FIRST NINE MONTHS PRE-TAX RESULTS BY SECTOR*

Pre-Tax Results (Bils.)



Memo:
B / (W) First Nine
Months 2009

Total

\$8.6

Automotive

\$7.3

Financial
Services

\$1.3

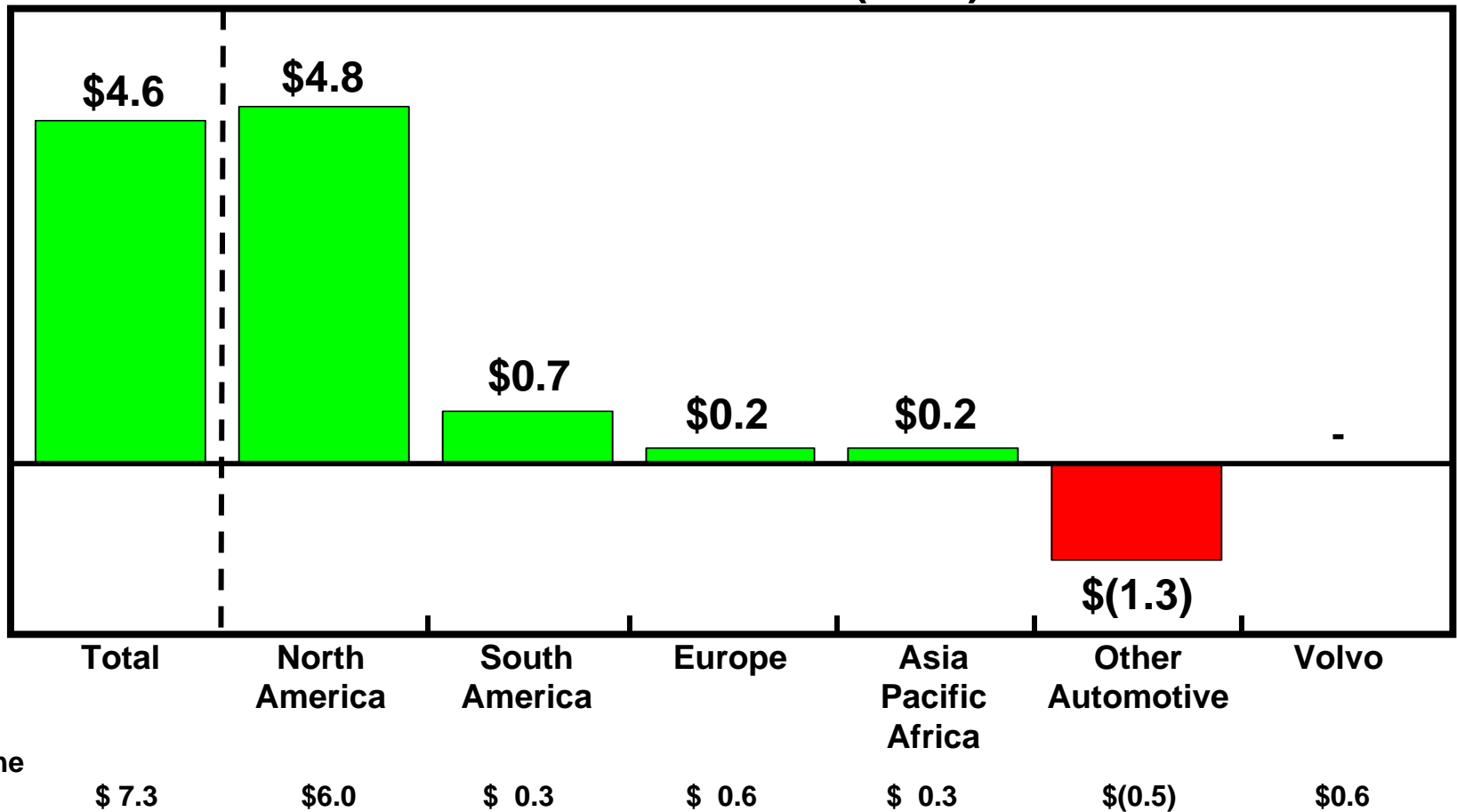
Significant Profits In Each Sector

* Excludes special items, see Quarterly Report on Form 10-Q for the period ended September 30, 2010 at www.Ford.com for reconciliation to GAAP



AUTOMOTIVE SECTOR 2010 FIRST NINE MONTHS PRE-TAX RESULTS BY SEGMENT*

Pre-Tax Results (Bils.)



Memo:
B / (W) First Nine
Months 2009

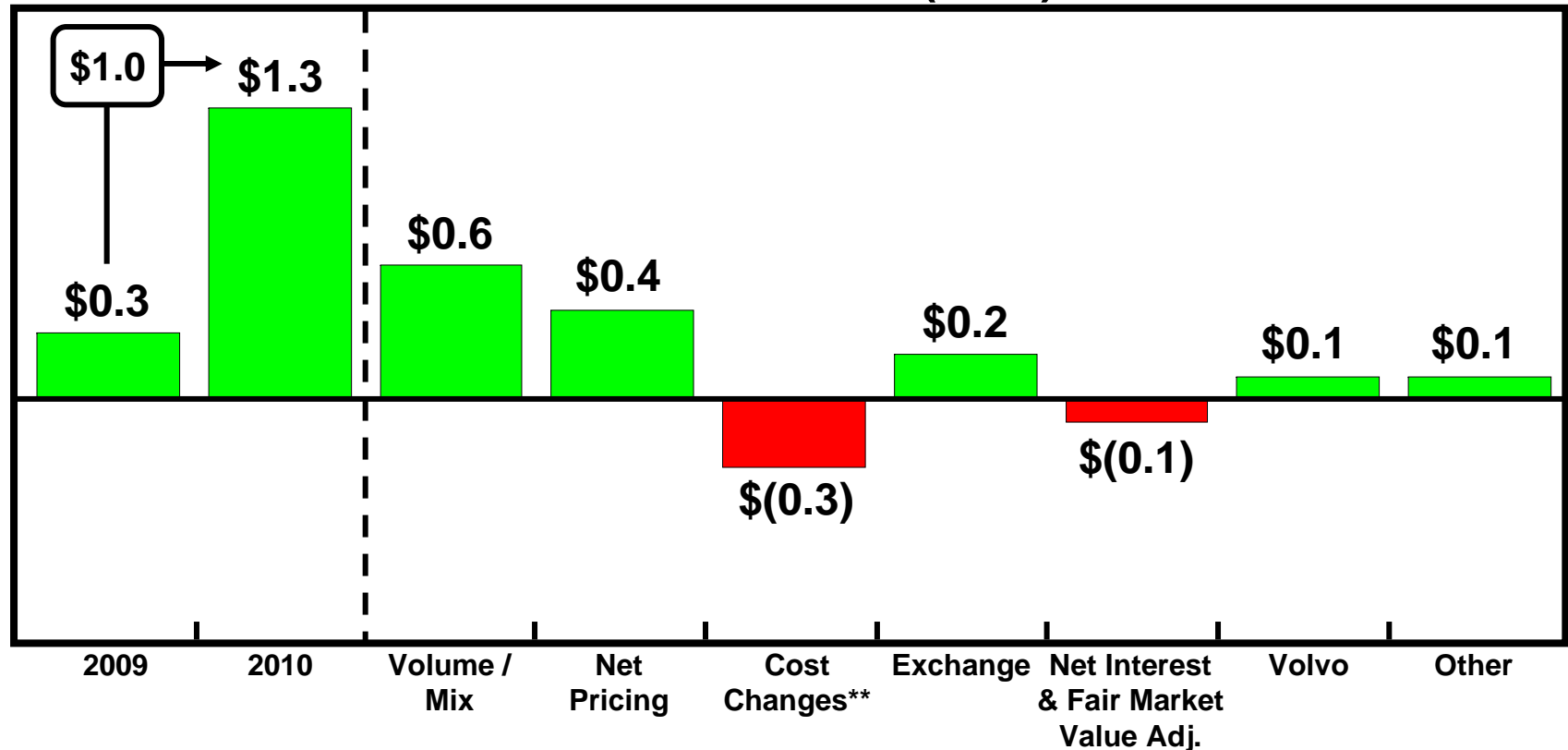
**All Automotive Segments Profitable With Significant
Year-Over-Year Improvements**

* Excludes special items, see Quarterly Report on Form 10-Q for the period ended September 30, 2010 at www.Ford.com for reconciliation to GAAP



AUTOMOTIVE SECTOR 2010 THIRD QUARTER PRE-TAX RESULTS COMPARED WITH 2009*

Pre-Tax Results (Bils.)



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** Cost changes are measured primarily at prior-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at prior-year volume and mix

**Improved Year-Over-Year Profit Driven By
Volume / Mix And Net Pricing**



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
- Finance our Plan and improve our balance sheet
- Work together effectively as one team





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GLOBAL AUTOMOTIVE KEY ACCOMPLISHMENTS SINCE 2005

- **Reduced structural costs by over \$14 billion**
- **Reducing N.A. production capacity by approximately 40% by end of 2011**
- **Reduced N.A. salaried and hourly headcount by 40 - 50%**
- **Improved our manufacturing competitiveness -- particularly by working collaboratively with the UAW**
- **Continued restructuring efforts in Europe**
- **Restructured Asia Pacific Africa business and relocated headquarters to Shanghai**
- **Implementing global platforms and reducing product engineering and facility and tooling costs**

**Business Restructured Significantly;
Breakeven Volume Lowered**



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PRODUCT STRATEGY -- ONE FORD



- **One Ford plan accelerates development of new products customers want and value:**
 - **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

"FOUR PILLARS" OF GLOBAL PRODUCT STRATEGY



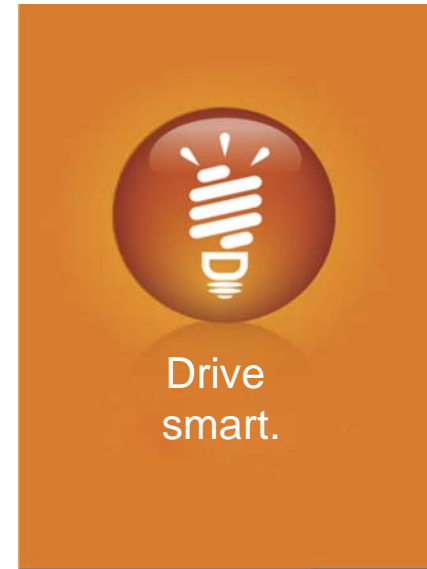
**Quality
Leadership**



**Fuel Economy
Leadership**



**Safety
Leadership**



**Infotainment
Leadership**





THE ONE FORD PLAN

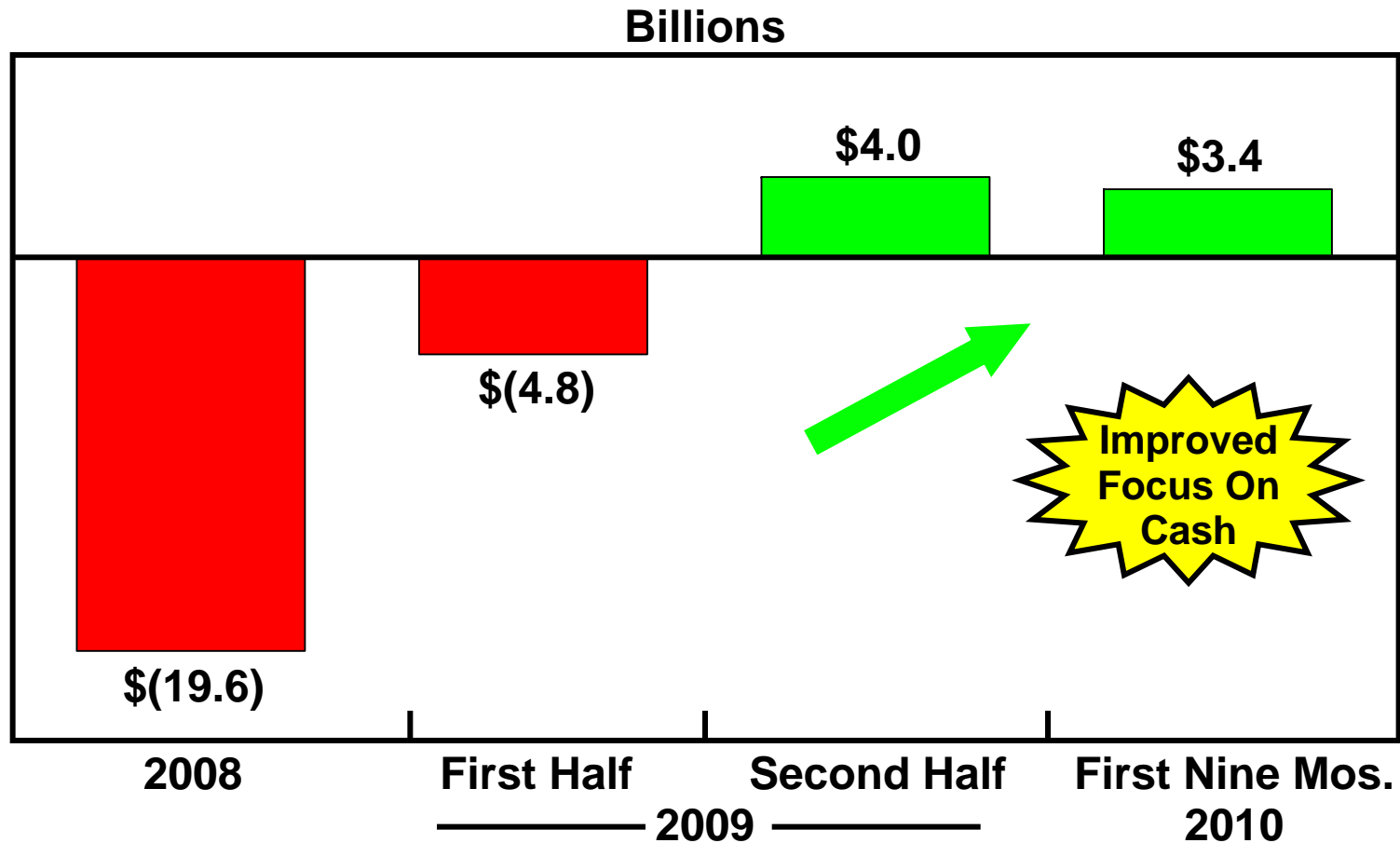
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AUTOMOTIVE OPERATING-RELATED CASH FLOW*



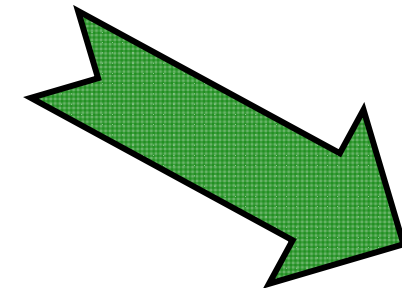
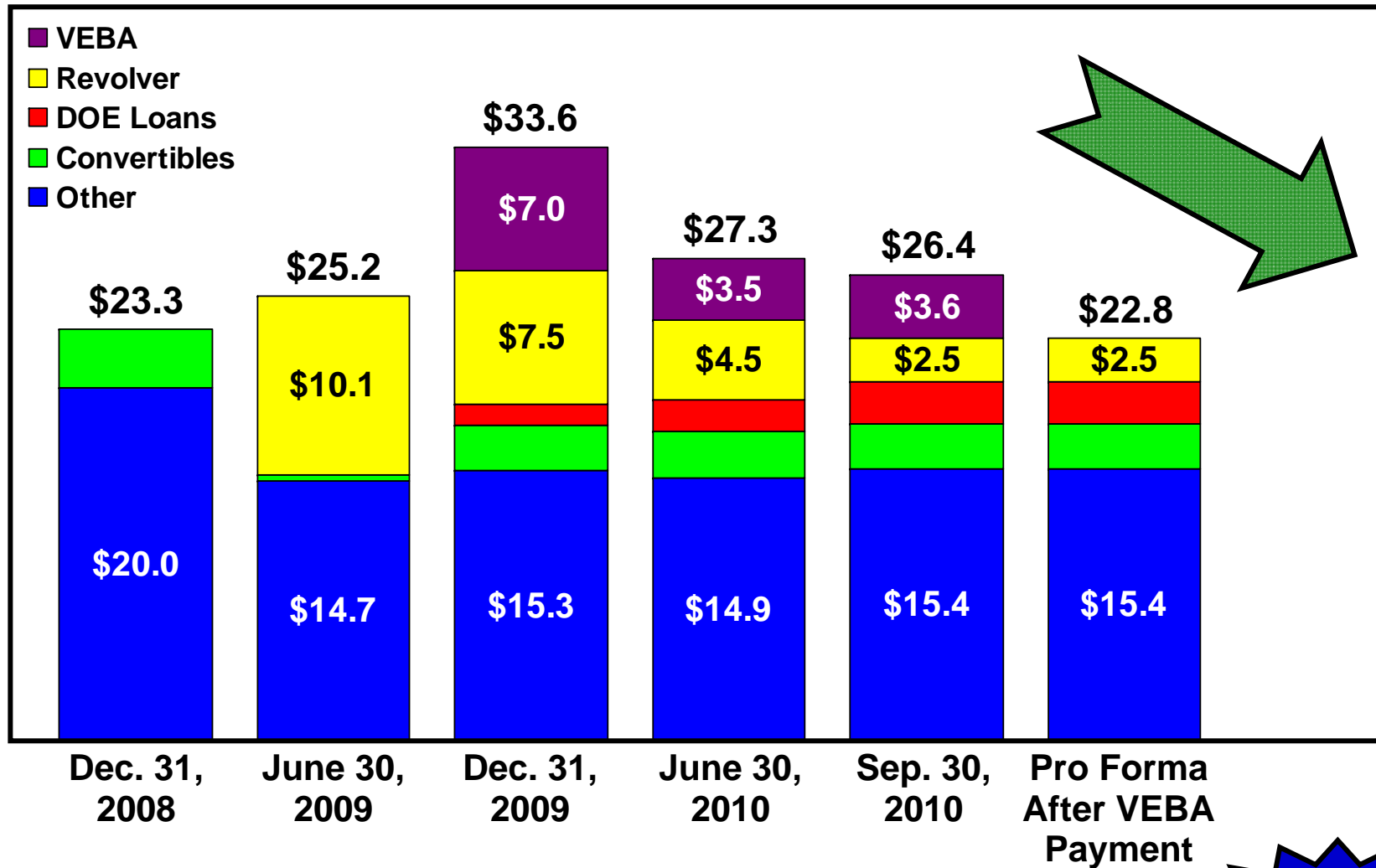
Reversed The Cash Burn

* See Quarterly Report on Form 10-Q for the period ended September 30, 2010 at www.ford.com for reconciliation to GAAP



AUTOMOTIVE DEBT

Billions



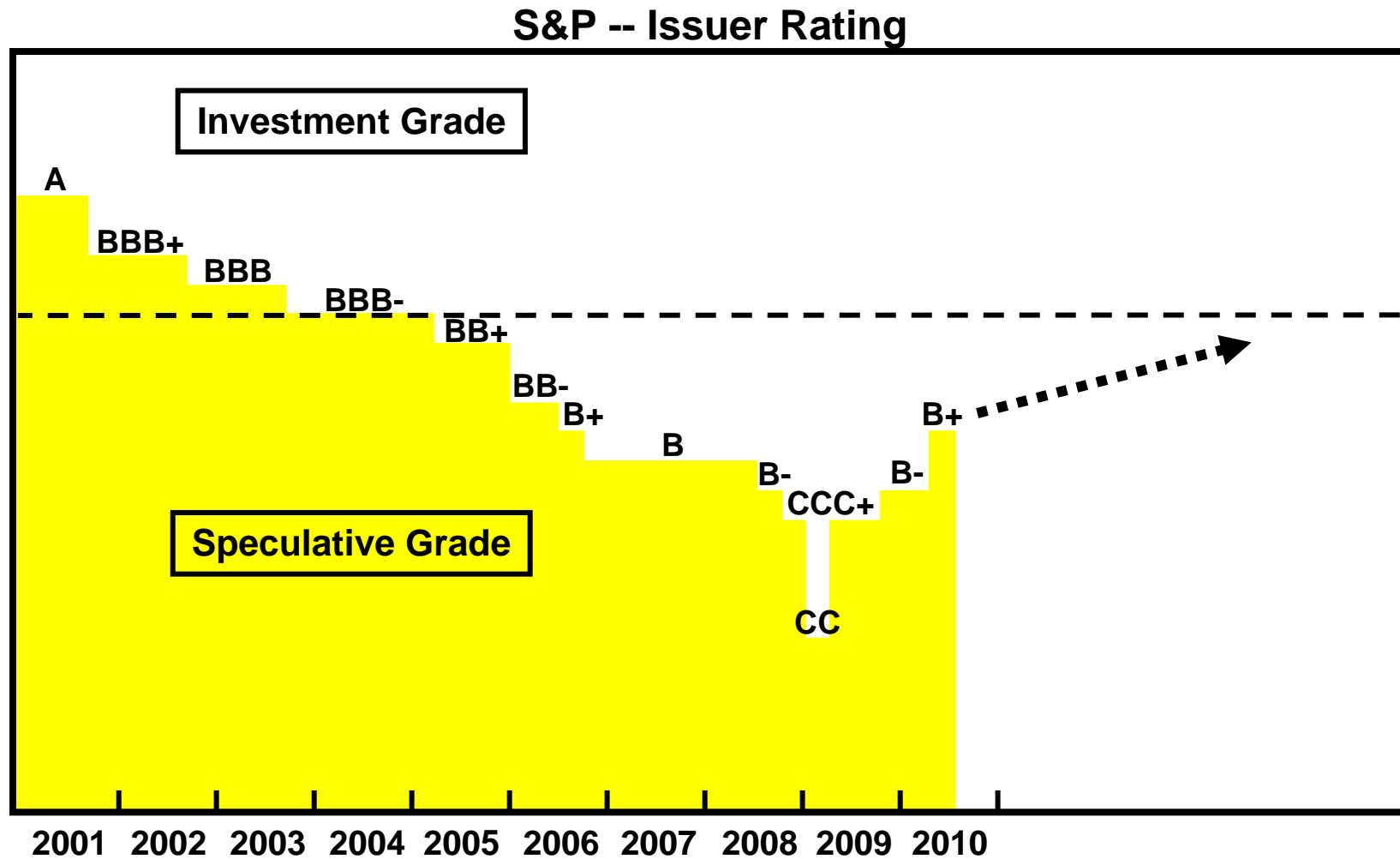
Cash Net Of Debt*	Dec. 31, 2008	June 30, 2009	Dec. 31, 2009	June 30, 2010	Sep. 30, 2010	Pro Forma After VEBA Payment
	\$(10.2)	\$(4.8)	\$(8.7)	\$(5.4)	\$(2.6)	\$(2.5)



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TREND OF CREDIT RATINGS FOR FORD



Targeting To Return To Investment Grade



PENSION UPDATE

- **First Nine Months of 2010 pension impact**
 - **\$524 million expense**
 - **\$1.2 billion cash contributions**
- **Expect full year 2010 cash contributions of about \$1.5 billion**
- **For 2011, profit impact related to pension to be determined by discount rates at year-end 2010 and asset returns earned throughout 2010**
 - **Based on current rates and returns, pension expense for 2011 to increase moderately**
 - **No impact on cash contributions expected for 2011 -- cash contributions presently expected to be about the same as in 2010**

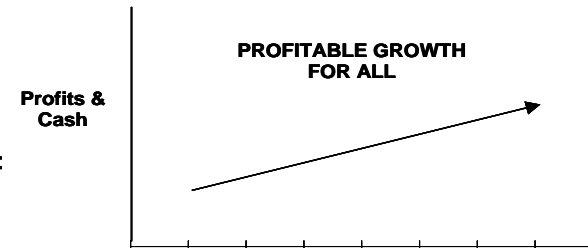
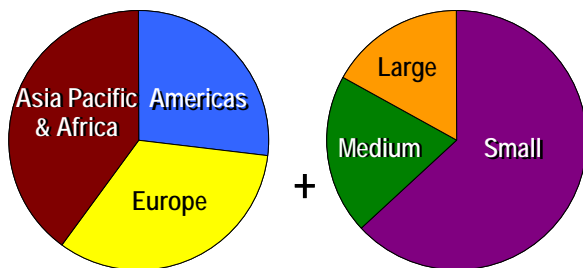
**Pension Expense To Increase Moderately In 2011 With
No Impact On Cash Contributions**



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WORKING TOGETHER



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

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

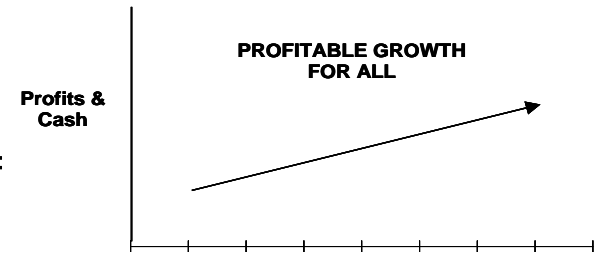
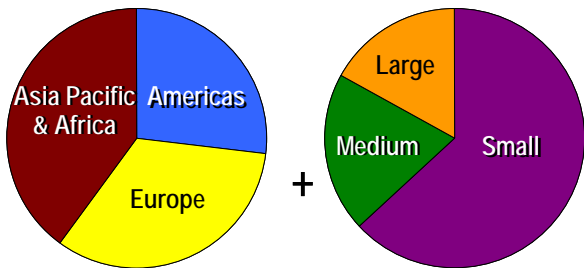
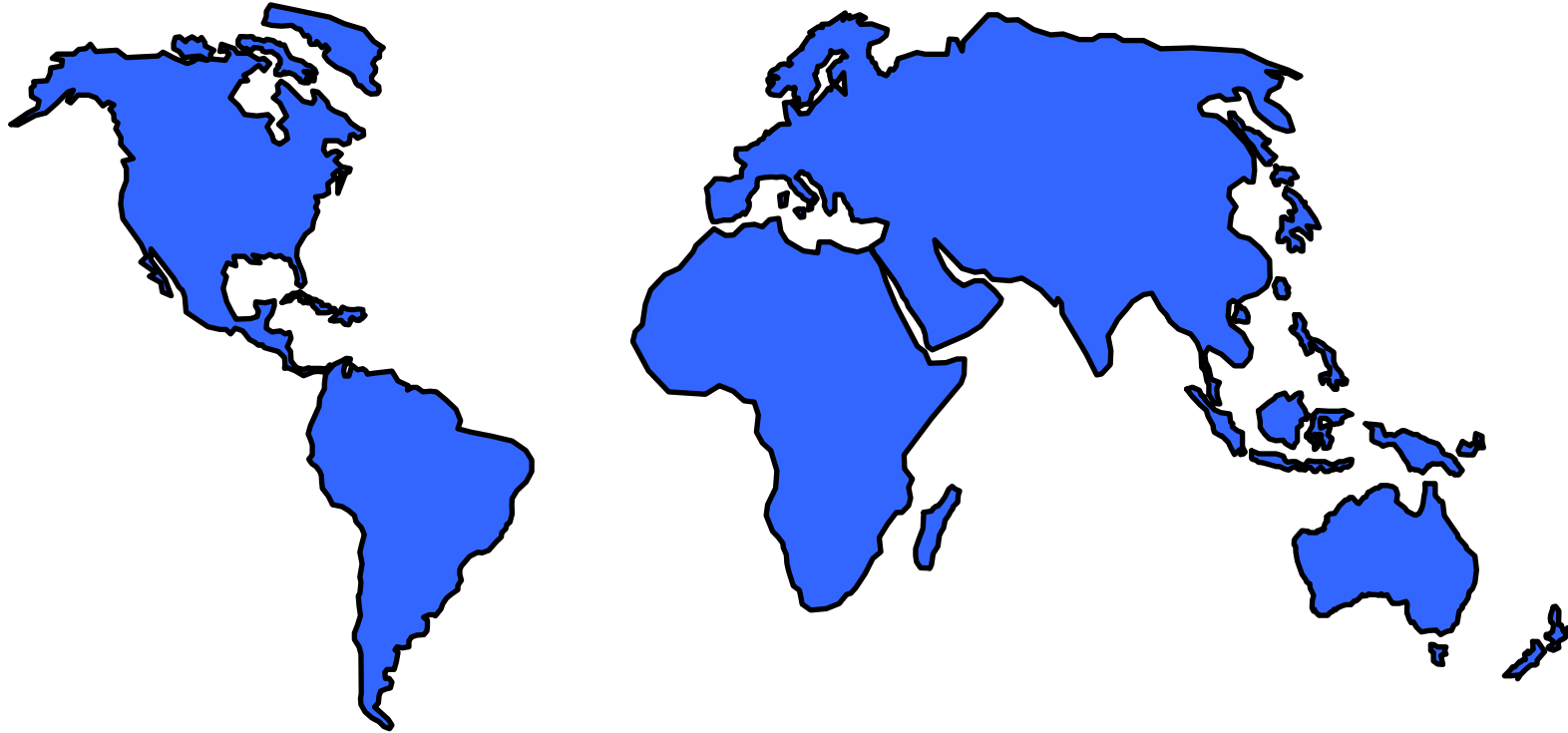
ONE TEAM -- WORKING TOGETHER EFFECTIVELY



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

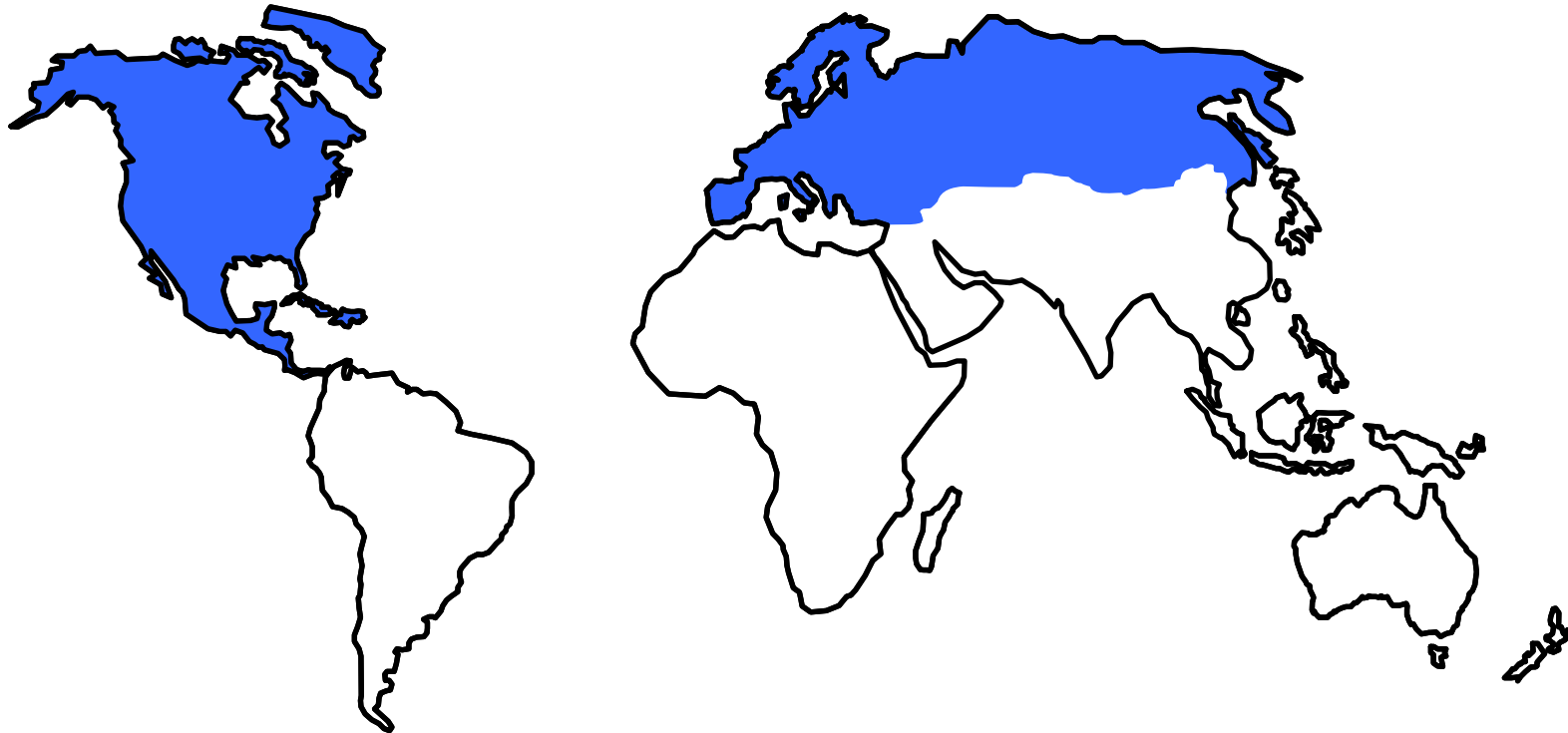
**All Stakeholders Involved, Contributing To,
And Pleased With Our Progress**

GROWING THE BUSINESS -- ONE FORD





GROWING THE BUSINESS -- NORTH AMERICA AND EUROPE



- Improve product portfolio
- Introduce global products
- Participate in industry recoveries
- Polish the Ford brand
- Grow in Eastern Europe and Russia

NORTH AMERICAN PRODUCT LAUNCHES



**Improving Our Product Portfolio -- Small, Medium
And Large...Cars, Utilities And Trucks**

EUROPEAN PRODUCT LAUNCHES



Galaxy



S-MAX



Mondeo



C-MAX



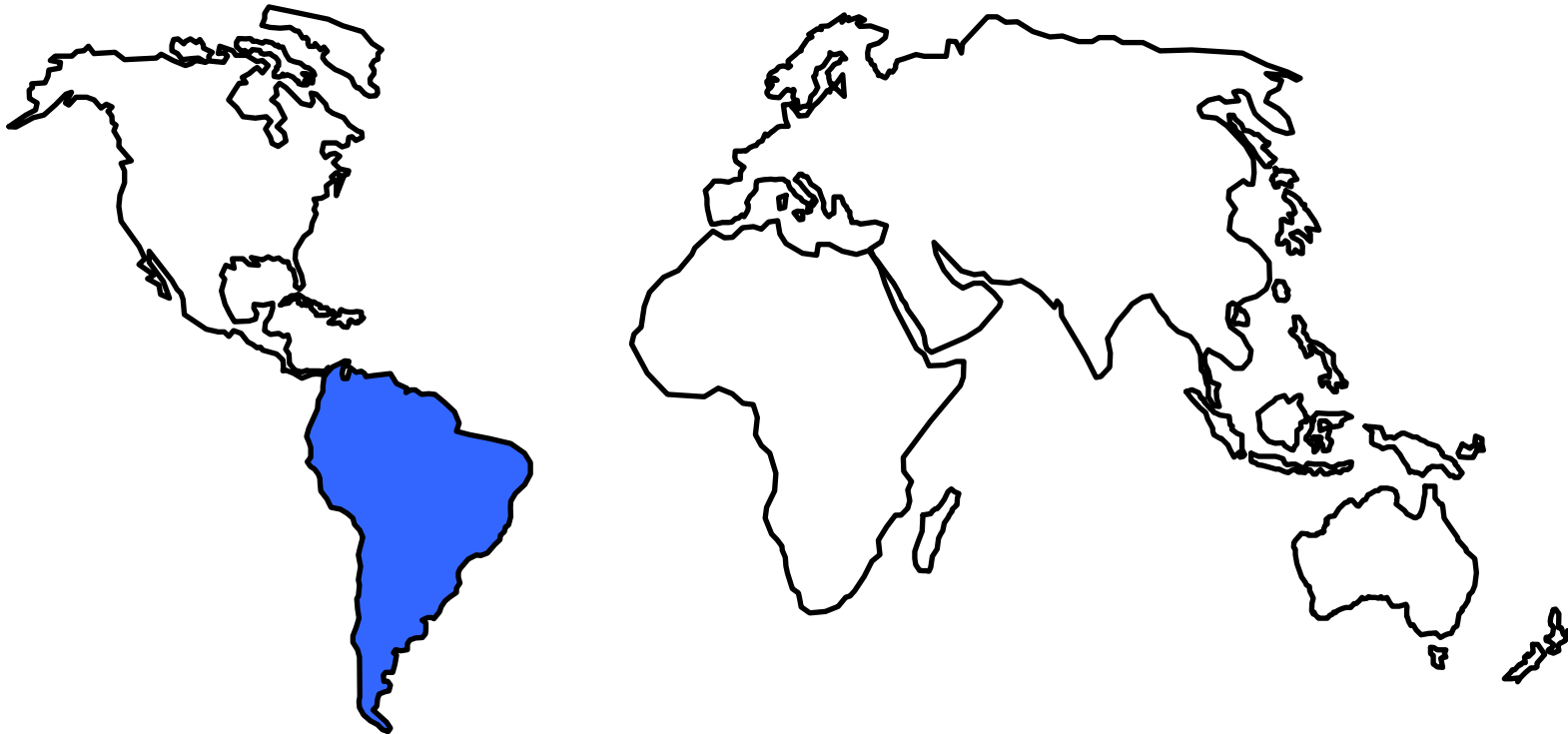
Grand C-MAX



Focus

Strengthening Our Portfolio In The Important C And CD Segments

GROWING THE BUSINESS -- SOUTH AMERICA



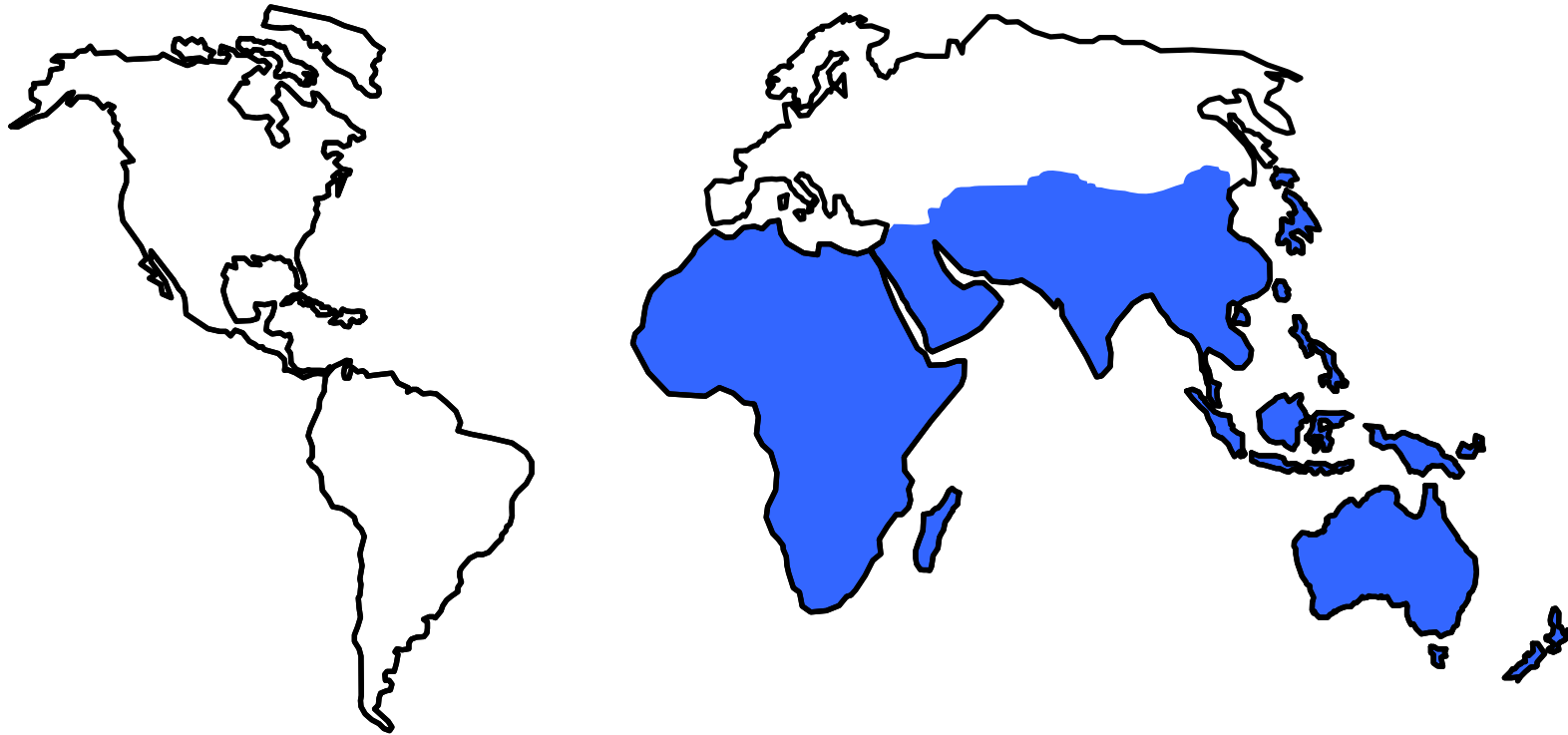
- **Modernize plants**
- **Expand production**
- **Adopt global platforms and vehicles**

GROWING THE BUSINESS -- SOUTH AMERICA



- **\$2.4 billion investment in Brazil over five years to modernize plants and expand production in the region**
- **\$250 million investment in Ford Pacheco Plant in Argentina**
- **Global Fiesta arrived in September**
- **EcoSport created a new B-size sport utility segment in South America and continues to dominate the segment with 38% share**

GROWING THE BUSINESS -- ASIA PACIFIC AFRICA



- **Fastest-growing automotive markets**
- **Adopt global platforms and vehicles**

- **Invest and expand infrastructure**
- **Establish regional centers of excellence**

GROWING THE BUSINESS -- CHINA



- **Global platforms and vehicles**
- **Launched a new assembly plant last year in Nanjing, China, which began production of the Fiesta**
- **Announced a new \$490-million assembly plant in Chongqing, China, to produce the Ford Focus in 2012**
- **Announced plan with joint venture partners in China to invest \$500 million for a new engine plant in Chongqing that will more than double capacity**

GROWING THE BUSINESS -- INDIA



- **Indian market will be the third largest auto market in the world behind China and the U.S. by the end of the decade**
- **Completed a \$500 million expansion at Ford India's Chennai assembly plant to build the Ford Figo**
- **Export the Figo to 50 new markets including Mexico, North Africa, and the Middle East**
- **Introduce 8 new vehicles by the middle of the decade**
- **Increase dealership presence**
- **Grow local supply base -- recently added 30 new suppliers from India; more to come**

GROWING THE BUSINESS -- OTHER ASIA PACIFIC AFRICA COUNTRIES



- **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**
- **Announced a \$350-million investment with partner Mazda in our pickup truck plant in Thailand**
- **Launched the 2012 Ranger at the Australian International Auto Show last month**
- **Announced a new \$450-million assembly plant in Rayong, Thailand, to produce the Ford Focus in 2012**



SUMMARY

- **Restructured the business significantly**
- **New products well received in the marketplace. Growing market share in North America while improving net revenue**
- **Reported strong financial results in First Nine Months of 2010**
- **Improving the balance sheet**
- **Completed the sale of Volvo; focused on the Ford brand**
- **Launched Fiesta in North America to strong reviews. Global Focus to 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 the Fourth Quarter and Full Year 2010 with positive Automotive operating-related cash flow; continued improvement in 2011**

One Ford Is Working



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:

- Decline 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;
- Inability of Ford Credit to access public securitization markets in the United States on or after January 24, 2011 due to rating agencies withholding consent to the required use of their credit ratings in registration statements;
- 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 laws or 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 and subsequent Form 10-Q Reports.