



Go Further

***ACCELERATING
EUROPEAN
TRANSFORMATION***

October 25, 2012



PROFITABLE GROWTH IN EUROPE AGENDA

- Our Plan -- **ONE FORD**
- Ford Europe Profile
- Business Environment
- Strategy
- Plan
- Ford Europe Outlook
- Company Outlook
- Summary

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





FORD EUROPE PROFILE

- **Second-largest automotive region in the world**
- **Ford Europe 2011 net revenue of \$34 billion -- 26% of Ford Automotive**
- **Wholesales of 1.6 million units -- 28% of Ford Automotive**
- **Second largest-selling brand in Europe; Ford market share consistently above 8%; market leader in the U.K. and Turkey**
- **2,600 dealers (including Russia and Turkey)**
- **Important center of Ford engineering and research**
- **Three major joint ventures -- Ford Otosan, Ford Sollers, Getrag Ford Transmissions**
- **47,000 employees at Year-End 2011**
- **Profitable over the last 8 years; loss in First Half 2012**

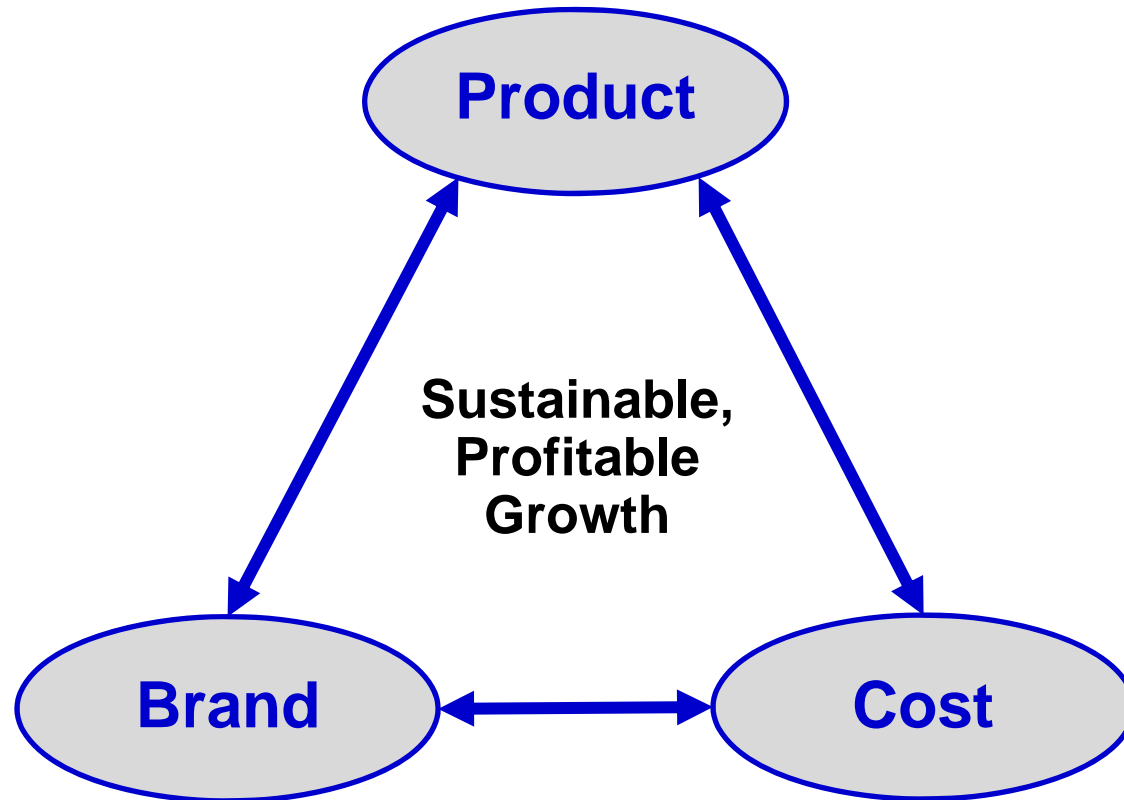
Europe An Important Part Of ONE Ford

EUROPE BUSINESS ENVIRONMENT

- **Expect continuing severe economic weakness in Europe extending into 2013 as debt crisis continues**
 - **Industry volume of about 14 million units for 2012, the weakest industry since 1994; flat to lower volume for 2013**
 - **Project industry volume of about 15 million units by mid-decade**
- **Strong growth in emerging markets of Europe such as Russia and Turkey**
- **Korean and potential Japanese and Indian Free Trade Agreements exacerbating pressure on European auto industry**
- **High degree of industry regulation; expected to intensify**
- **Continued excess industry capacity in Europe limiting pricing opportunities**

Structural Issues Challenging Europe; Flat To Lower Industry Volume For 2013; About 15 Million Units By Mid-Decade

STRATEGY FOR PROFITABLE GROWTH IN EUROPE



Targeting All Areas Of The Business To Return To Profitability

FORD PASSENGER VEHICLE PORTFOLIO EXPANSION



B-MAX



Fiesta ST



Fiesta



EcoSport



Focus ST



C-MAX



Grand C-MAX



Kuga



Focus **ELECTRIC**



C-MAX **ENERGY**



Mondeo

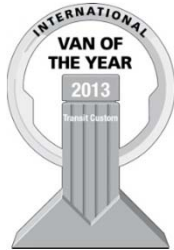


Explorer



15 Global New Vehicles Within Five Years; Expanding The Portfolio;
Targeting Growth Segments

FORD COMMERCIAL PORTFOLIO EXPANSION



Transit Custom
International Van of the Year



Ranger
Five-Star Safety Rating



Transit



Transit Connect



Transit Courier



Tourneo Custom



Tourneo Connect



Tourneo Courier

**Transit Brand Family Expanded To Four Distinct Commercial Vehicles
And Three All New Tourneo Products; New Ranger Pick-Up**

NEW TECHNOLOGIES



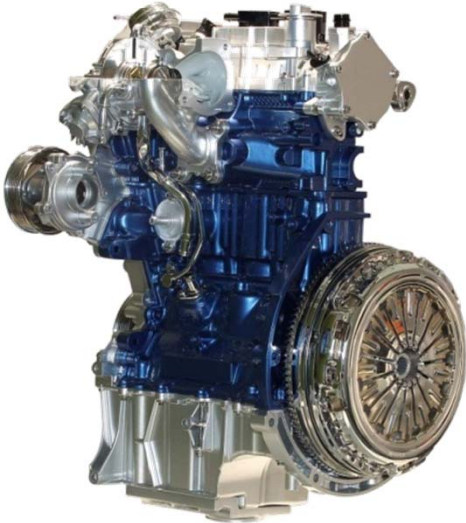
Smart Gauge



SYNC



MyKey



1.0-Liter EcoBoost



International Engine of the Year
Ford 999cc three-cylinder turbo



Rear Inflatable Seat Belts



Active Park Assist

Investing In New Technologies



PROFITABLE GROWTH IN EUROPE BRAND

- **Execute our Quality, Green, Safe, and Smart brand strategy; technology key to differentiation**
- **Invest in innovative, integrated marketing support for new products, technologies, and brand**
- **Increase investment in exciting, brand-enhancing, incremental products valued by our retail and commercial fleet customers. Targeting growth opportunities in segments such as large cars, sport utilities, and commercial vehicles**
- **Use new products to deliver healthier business channel mix. Grow retail and commercial fleet; rebalance rental and dealer self-registrations / demo sales**
- **Leverage new series mix opportunities**
- **Strengthen retail network profitability and customer retail experience; strategically reduce dealer stock levels**
- **Grow aggressively in expanding markets of Europe such as Russia and Turkey**

**Strengthening The Ford Brand A Critical Element Of Plan
For Profitable Growth In Europe**



PROFITABLE GROWTH IN EUROPE COST

- **Planning an 18% reduction in installed vehicle assembly capacity for gross cost savings of \$450 million to \$500 million annually**
- **Intend to close the Genk, Belgium vehicle plant in late 2014**
 - **Plan to produce next-generation Mondeo, S-MAX, and Galaxy in Valencia, Spain. Pending further study, produce C-MAX and Grand C-MAX in Saarlouis, Germany**
 - **Triggers start of an information and consultation process with Genk employee representatives**
- **Plan to close Southampton vehicle assembly plant and Dagenham tooling and stamping operations in the U.K. in 2013**
 - **Transit production to be consolidated in Kocaeli, Turkey**
 - **Continue to develop our U.K. operations as a center of excellence for powertrain development and production**

Plan To Close Three Facilities For A More Efficient Manufacturing Footprint



OUTLOOK FOR FORD EUROPE

- **Expect 2012 loss for Ford Europe to exceed \$1.5 billion**
- **Outlook for 2013 similar to 2012**
- **Projecting profitability by mid-decade**
- **Targeting long-term operating margin of 6% to 8%**

**Profitable By Mid-Decade, But Substantial Losses In 2012 and 2013.
Targeting Long-Term Operating Margin Of 6% to 8% In Europe**



COMPANY OUTLOOK*

- **Total Company pre-tax profit and operating EPS for Third Quarter 2012 are better than Second Quarter, despite the substantial loss in Europe**
- **Continue to expect strong Total Company Full Year pre-tax profit and positive Automotive operating-related cash flow**
- **Continuing to work toward our mid-decade guidance**

* Pre-tax results excludes special items

Expect Strong Total Company Pre-Tax Profits For Third Quarter And Full Year 2012 With Positive Automotive Operating-Related Cash Flow



SUMMARY

- **Ford announces plans to achieve profitable growth in Europe**
- **Actions focused on all parts of the business -- product, brand, and cost**
- **Aggressive new product rollout expanding the portfolio and targeting key European growth opportunities -- 15 global vehicles within five years**
- **New initiatives to continue strengthening the Ford brand**
- **Plan to close three facilities for a more efficient manufacturing footprint, reducing installed capacity by 18%; gross annual cost savings of \$450 million to \$500 million**
- **Expect 2012 loss for Europe to exceed \$1.5 billion; projecting profitability by mid-decade, with long-term operating margin target of 6% to 8%**
- **Total Company Third Quarter pre-tax profit and operating EPS to improve compared with Second Quarter; project strong Total Company Full Year pre-tax profit with positive Automotive operating-related cash flow**

Profitable Growth In Europe -- Product, Brand, And Cost



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, geopolitical events, or other factors;
- Decline in market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of new or existing products;
- Market shift away from sales of larger, more profitable vehicles beyond our current planning assumption, particularly in the United States;
- An increase in fuel prices, continued volatility of fuel prices, or reduced availability of fuel;
- Continued or increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Adverse effects on our operations resulting from economic, geopolitical, or other events;
- 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 constraints or disruptions;
- Work stoppages at Ford or supplier facilities or other limitations on production (whether as a result of labor disputes, natural or man-made disasters, tight credit markets or other financial distress, information technology issues, production constraints or difficulties, or other factors);
- Single-source supply of components or materials;
- Labor or other constraints on our ability to maintain competitive cost structure;
- 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, reputational damage, or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulations resulting in higher costs, cash expenditures, and / or sales restrictions;
- Unusual or significant litigation, governmental investigations or adverse publicity arising out of alleged defects in our products, perceived environmental impacts, or otherwise;
- A change in our requirements where we have long-term supply arrangements committing us to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- Adverse effects on our results from a decrease in or cessation or clawback of government incentives related to investments;
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- Cybersecurity risks to operational systems, security systems, or infrastructure owned by us or a third-party vendor, or at a supplier facility;
- Failure of financial institutions to fulfill commitments under committed credit facilities;
- 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, lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford 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 initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011.