

Ford Credit Earns Full Year 2012 Pre-Tax Profit of \$1.7 Billion, Net Income of \$1.2 Billion*

DEARBORN, Mich., Jan. 29, 2013 – Ford Motor Credit Company reported a pre-tax profit of \$1.7 billion in 2012, compared with \$2.4 billion a year earlier. The decrease in pre-tax earnings is more than explained by fewer lease terminations, which resulted in fewer vehicles sold at a gain, and lower financing margin as higher yielding assets originated in prior years run off. Ford Credit's net income was \$1.2 billion in 2012, compared with \$1.8 billion in the previous year.

In the fourth quarter of 2012, Ford Credit's pre-tax profit was \$414 million, a decrease of \$92 million from a year earlier. The decrease in pre-tax earnings is primarily explained by lower credit loss reserve reductions and lower financing margin. Ford Credit reported fourth quarter net income of \$268 million, a decrease of \$343 million from a year earlier. The decrease is primarily explained by the non-recurrence of a one-time, non-cash item related to Ford Credit's net deferred tax liability.

"Our 2012 results were solid, and we expect another strong performance in 2013," Ford Credit Chairman and CEO Bernard Silverstone said. "We will remain focused on providing unparalleled support and service for Ford, our dealers and our customers."

On December 31, 2012, Ford Credit's net receivables totaled \$90 billion, compared with \$83 billion at year-end 2011. Managed receivables were \$91 billion on December 31, 2012, up from \$85 billion on December 31, 2011.

On December 31, 2012, managed leverage was 8.3:1, unchanged from December 31, 2011. Ford Credit distributed \$600 million to its parent in 2012.

For 2013, Ford Credit projects a full year pre-tax profit about equal to 2012; managed receivables at year end in the range of \$95 billion to \$105 billion; managed leverage to continue in the range of 8:1 to 9:1; and planned distributions of about \$200 million.

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About Ford Motor Credit Company

Ford Motor Credit Company LLC has provided dealer and customer financing to support the sale of Ford Motor Company products since 1959. Ford Credit is an indirect, wholly owned subsidiary of Ford. For more information, visit www.fordcredit.com or www.lincolnafs.com.

* The financial results discussed herein are presented on a preliminary basis; final data will be included in our Annual Report on Form 10-K for the year ended December 31, 2012.

Cautionary Statement Regarding Forward Looking Statements

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:

- Decline in industry sales volume, particularly in the United States or Europe, due to financial crisis, recession, geopolitical events or other factors;
- Decline in Ford’s market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of new or existing Ford products;
- Market shift away from sales of larger, more profitable vehicles beyond Ford’s 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;
- Economic distress of suppliers that 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 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;
- 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, reputational damage 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, governmental investigations or adverse publicity arising out of alleged defects in Ford products, perceived environmental impacts, or otherwise;
- A change in Ford’s requirements for parts where it has entered into long-term supply arrangements that commit it 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 Ford’s results from a decrease in or cessation or clawback of government incentives related to capital investments;

Ford Credit Related:

- 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 other factors;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- Higher-than-expected credit losses, lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles;
- Cybersecurity risks to operational systems, security systems, or infrastructure owned by us or a third-party vendor, or at a supplier facility;
- 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;
- Adverse effects on Ford’s or our operations resulting from economic, geopolitical, or other events;
- Failure of financial institutions to fulfill commitments under committed credit and liquidity facilities;
- Labor or other constraints on Ford’s or our ability to maintain competitive cost structure;
- Substantial pension and postretirement healthcare and life insurance liabilities impairing Ford’s or our liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for postretirement benefit plans (e.g., discount rates or investment returns); and
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets.

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 our 2011 10-K Report and Item 1A of Part I of Ford’s 2011 10-K Report.

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
PRELIMINARY

CONSOLIDATED INCOME STATEMENT
For the Periods Ended December 31, 2012 and 2011
(in millions)

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(unaudited)		(unaudited)	
Financing revenue				
Operating leases	\$ 707	\$ 593	\$ 2,616	\$ 2,454
Retail	463	496	1,889	2,059
Interest supplements and other support costs earned from affiliated companies	601	671	2,401	2,800
Wholesale	224	242	920	952
Other	13	16	56	56
Total financing revenue	<u>2,008</u>	<u>2,018</u>	<u>7,882</u>	<u>8,321</u>
Depreciation on vehicles subject to operating leases	(660)	(538)	(2,468)	(1,774)
Interest expense	(709)	(831)	(3,027)	(3,507)
Net financing margin	<u>639</u>	<u>649</u>	<u>2,387</u>	<u>3,040</u>
Other revenue				
Insurance premiums earned	30	23	105	100
Other income, net	79	96	286	302
Total financing margin and other revenue	<u>748</u>	<u>768</u>	<u>2,778</u>	<u>3,442</u>
Expenses				
Operating expenses	273	270	1,004	1,076
Provision for credit losses	40	(9)	7	(118)
Insurance expenses	21	1	70	80
Total expenses	<u>334</u>	<u>262</u>	<u>1,081</u>	<u>1,038</u>
Income before income taxes	<u>414</u>	<u>506</u>	<u>1,697</u>	<u>2,404</u>
Provision for income taxes	146	(105)	483	609
Net income	<u>\$ 268</u>	<u>\$ 611</u>	<u>\$ 1,214</u>	<u>\$ 1,795</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Periods Ended December 31, 2012 and 2011
(in millions)

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(unaudited)		(unaudited)	
Net income	\$ 268	\$ 611	\$ 1,214	\$ 1,795
Other comprehensive income/(loss), net of tax:				
Foreign currency translation	<u>2</u>	<u>(139)</u>	<u>143</u>	<u>(221)</u>
Total other comprehensive income/(loss), net of tax	<u>2</u>	<u>(139)</u>	<u>143</u>	<u>(221)</u>
Comprehensive income	<u>\$ 270</u>	<u>\$ 472</u>	<u>\$ 1,357</u>	<u>\$ 1,574</u>

**FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
PRELIMINARY**

**CONSOLIDATED BALANCE SHEET
(in millions)**

	December 31, 2012	December 31, 2011
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 9,189	\$ 8,713
Marketable securities	2,106	3,835
Finance receivables, net	75,063	71,907
Net investment in operating leases	14,701	11,098
Notes and accounts receivable from affiliated companies	1,173	1,152
Derivative financial instruments	1,256	1,365
Other assets	<u>2,256</u>	<u>2,172</u>
Total assets	<u>\$ 105,744</u>	<u>\$ 100,242</u>
LIABILITIES		
Accounts payable		
Customer deposits, dealer reserves and other	\$ 1,072	\$ 901
Affiliated companies	<u>234</u>	<u>773</u>
Total accounts payable	1,306	1,674
Debt	89,258	84,659
Deferred income taxes	1,669	1,134
Derivative financial instruments	400	286
Other liabilities and deferred income	<u>3,458</u>	<u>3,593</u>
Total liabilities	96,091	91,346
SHAREHOLDER'S INTEREST		
Shareholder's interest	5,274	5,274
Accumulated other comprehensive income	743	600
Retained earnings	<u>3,636</u>	<u>3,022</u>
Total shareholder's interest	<u>9,653</u>	<u>8,896</u>
Total liabilities and shareholder's interest	<u>\$ 105,744</u>	<u>\$ 100,242</u>

The following table includes assets to be used to settle the liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheet above.

	December 31, 2012	December 31, 2011
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 2,877	\$ 3,356
Finance receivables, net	47,190	49,329
Net investment in operating leases	6,308	6,354
Derivative financial instruments	4	157
LIABILITIES		
Debt	\$ 40,245	41,421
Derivative financial instruments	134	97

FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
APPENDIX

In evaluating Ford Credit's financial performance, Ford Credit management uses financial measures based on Generally Accepted Accounting Principles ("GAAP"), as well as financial measures that include adjustments from GAAP.

RECONCILIATION OF NON-GAAP MEASURES TO GAAP:

Net Finance Receivables and Operating Leases

	December 31, 2012	December 31, 2011
	(in billions)	
Receivables (a)		
Finance Receivables – North America Segment		
<u>Consumer</u>		
Retail installment and direct financing leases	\$ 39.5	\$ 38.4
<u>Non-Consumer</u>		
Wholesale	18.1	15.5
Dealer loan	1.4	1.1
Other	1.1	1.0
Total North America Segment – finance receivables	60.1	56.0
Finance Receivables – International Segment		
<u>Consumer</u>		
Retail installment and direct financing leases	9.0	9.1
<u>Non-Consumer</u>		
Wholesale	7.4	8.5
Dealer loan	0.1	0.0
Other	0.4	0.4
Total International Segment – finance receivables	16.9	18.0
Unearned interest supplements	(1.5)	(1.6)
Allowance for credit losses	(0.4)	(0.5)
Finance receivables, net	75.1	71.9
Net investment in operating leases	14.7	11.1
Total receivables	\$ 89.8	\$ 83.0
Memo: Total managed receivables (b)	\$ 91.3	\$ 84.6

Managed Leverage Calculation

	December 31, 2012	December 31, 2011
	(in billions)	
Total debt (c)	\$ 89.3	\$ 84.7
Adjustments for cash, cash equivalents, and marketable securities (d)	(10.9)	(12.1)
Adjustments for derivative accounting (e)	(0.8)	(0.7)
Total adjusted debt	\$ 77.6	\$ 71.9
Equity (f)	\$ 9.7	\$ 8.9
Adjustments for derivative accounting (e)	(0.3)	(0.2)
Total adjusted equity	\$ 9.4	\$ 8.7
Managed leverage (to 1) = Total adjusted debt / Total adjusted equity	8.3	8.3
Memo: Financial statement leverage (to 1) = Total debt / Equity	9.2	9.5

- (a) Includes finance receivables (retail and wholesale) and net investment in operating leases reported on Ford Credit's balance sheet 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.
- (b) Equals total receivables, excluding unearned interest supplements of \$(1.5) billion at December 31, 2012 and \$(1.6) billion December 31, 2011.
- (c) Includes debt reported on Ford Credit's balance sheet including 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.
- (d) Excludes marketable securities related to insurance activities.
- (e) 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.
- (f) Shareholder's interest reported on Ford Credit's balance sheet.