



***2011 SECOND QUARTER  
EARNINGS REVIEW***

***JULY 26, 2011  
(PRELIMINARY RESULTS)***



# ***BUSINESS OVERVIEW***

**Alan Mulally**

**President and Chief Executive Officer**

# **TOTAL COMPANY AGENDA**



- **Business Overview of Financial Results and Highlights**
- **Details of Financial Results**
- **Our Plan -- **ONE FORD** and Outlook**



# **TOTAL COMPANY**

## **2011 SECOND QUARTER OVERVIEW**

- **Second Quarter business performance marked by Automotive growth, solid profitability, and strong positive Automotive operating-related cash flow**
  - **Volume up 7% and revenue up 13% compared with a year ago**
  - **Eighth consecutive quarter of pre-tax operating profit -- \$2.9 billion**
  - **Each Automotive operation and Financial Services profitable**
  - **Net income of \$2.4 billion**
  - **Automotive operating-related cash flow of \$2.3 billion**
- **Total Automotive debt at \$14 billion, \$2.6 billion reduction from First Quarter**
- **Market share in North America, Europe, and Asia Pacific Africa improved compared with a year ago**
- **First Half pre-tax operating profit of \$5.7 billion, net income of \$4.9 billion, and Automotive operating-related cash flow of \$4.5 billion**
- **Continuing to invest for the future and profitable growth for all**



# TOTAL COMPANY

## 2011 KEY FINANCIAL SUMMARY

	Second Quarter		First Half	
	2011	B / (W) 2010	2011	B / (W) 2010
Wholesales (000)*	1,519	101	2,922	251
Revenue (Bils.)**	\$ 35.5	\$ 4.2	\$ 68.6	\$ 9.2
<b><u>Operating results**</u></b>				
Pre-tax results (Mils.)	\$ 2,878	\$ (64)	\$ 5,715	\$ 763
After-tax results (Mils.)	2,637	(67)	5,249	784
Earnings per share	0.65	(0.03)	1.27	0.14
Special items pre-tax (Mils.)	\$ (272)	\$ (177)	\$ (333)	\$ (363)
<b><u>Net income / (loss) attributable to Ford</u></b>				
After-tax results (Mils.)	\$ 2,398	\$ (201)	\$ 4,949	\$ 265
Earnings per share	0.59	(0.02)	1.20	0.10
Automotive gross cash (Bils.)***	\$ 22.0	\$ 0.1	\$ 22.0	\$ 0.1
Net cash (Bils.)***	8.0	13.4	8.0	13.4

\* Excludes special items; see Appendix for definition of wholesales and additional information

\*\* Excludes special items; see Appendix for detail and reconciliation to GAAP

\*\*\* See Appendix for reconciliation to GAAP; net cash is calculated as Automotive gross cash net of Automotive debt



# **TOTAL COMPANY**

## **2011 SECOND QUARTER PRODUCT AND SALES HIGHLIGHTS**

- **Demonstrated strength in established markets**
  - Increased market share in the U.S. and Europe
  - Remained number one in Canada, including best June result in 22 years
- **Gained momentum in emerging markets**
  - Increased sales volume by over 40 percent in Turkey and by over 30 percent in Russia
  - Increased market share in China and ASEAN
- **Continued building reputation and competitiveness of product line**
  - Focus, F-150 and MKX won IIHS Top Safety Pick; Focus won Euro NCAP's five-star rating
  - Lincoln was named the top brand in the 2011 AutoPacific Vehicle Satisfaction Awards
  - Previewed 2013 Taurus at New York Auto Show
  - Announced plan to build 1.0-liter three-cylinder EcoBoost engine and all-new eight-speed transmission



## **TOTAL COMPANY**

# **2011 SECOND QUARTER BUSINESS HIGHLIGHTS**

**Announced several new growth initiatives in key markets, including:**

- **\$350 million investment with JV partners to build Ford's first transmission plant in China with initial capacity of 400,000 six-speed transmissions**
- **Plan to add 340 new dealerships in China by 2015**
- **Made commitment to build next-generation small SUV in China**
- **\$72 million investment to increase production capacity at the Chennai Engine Plant in India**
- **Began production of Duratorq TDCi engine in South Africa**
- **Announced plan to export Ranger to 148 markets from South Africa**
- **New production plans in Europe that will enable the launch of at least 20 all-new or significantly freshened vehicles in next three years**
- **Signed agreement for a 50-50 joint venture in Russia with Sollers to provide even more products and expanded services for the market**
- **Announced plan to triple production capacity of electrified vehicles in the U.S. to more than 100,000 by 2013**



# ***FINANCIAL RESULTS***

**Lewis Booth**  
**Chief Financial Officer**





# TOTAL COMPANY

## 2011 SECOND QUARTER FINANCIAL RESULTS

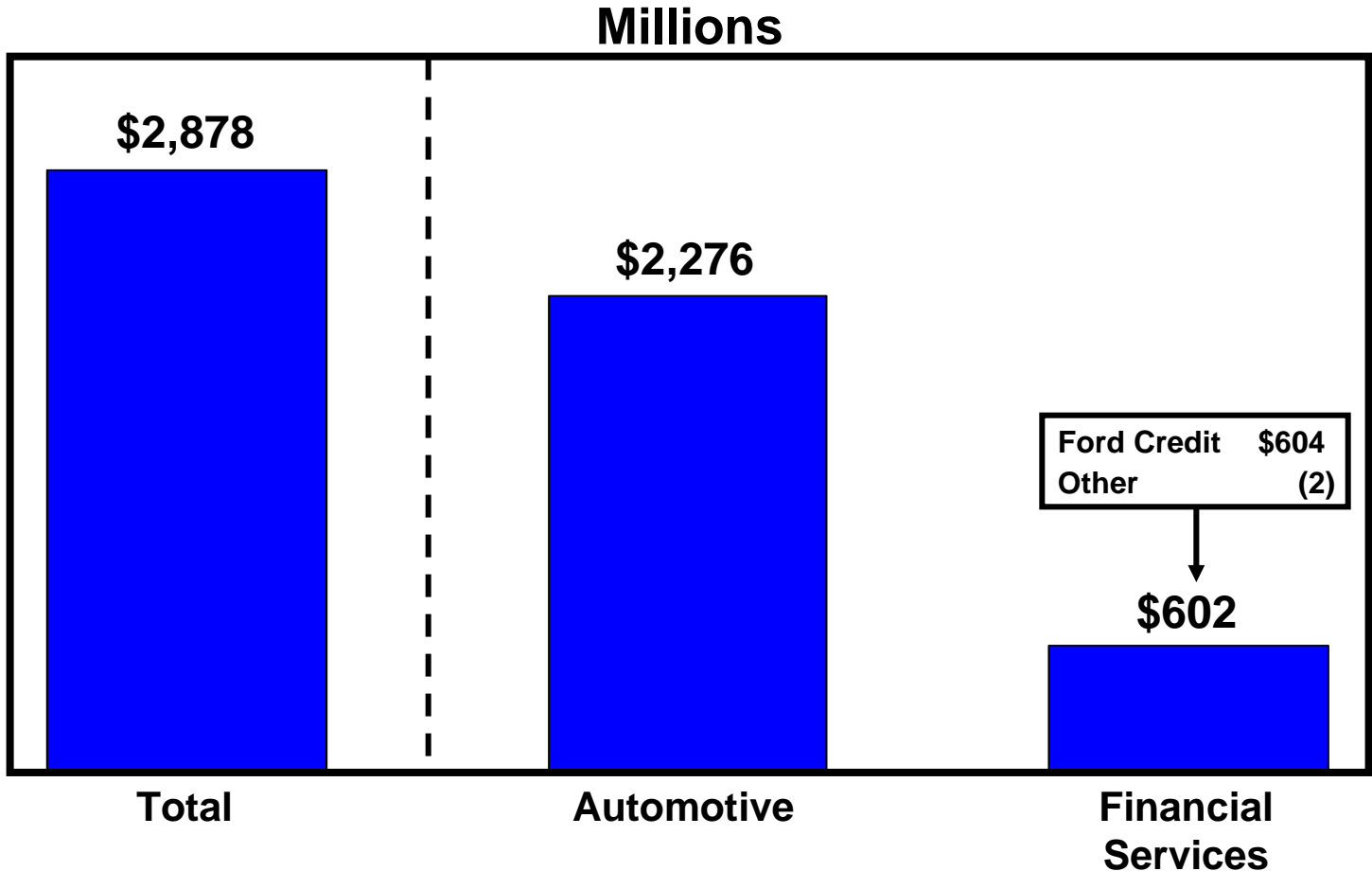
	Second Quarter		First Half	
	2011 (Mils.)	B / (W) 2010 (Mils.)	2011 (Mils.)	B / (W) 2010 (Mils.)
<b><u>Income / (Loss)</u></b>				
Pre-tax results (excl. special items)	\$ 2,878	\$ (64)	\$ 5,715	\$ 763
Special items*	<u>(272)</u>	<u>(177)</u>	<u>(333)</u>	<u>(363)</u>
Pre-tax results (incl. special items)	\$ 2,606	\$ (241)	\$ 5,382	\$ 400
(Provision for) / Benefit from income taxes	<u>(206)</u>	<u>45</u>	<u>(426)</u>	<u>(125)</u>
Net income / (loss)	\$ 2,400	\$ (196)	\$ 4,956	\$ 275
Less: Income / (Loss) attributable to non-controlling interests	<u>2</u>	<u>5</u>	<u>7</u>	<u>10</u>
Net income / (loss) attributable to Ford	<u>\$ 2,398</u>	<u>\$ (201)</u>	<u>\$ 4,949</u>	<u>\$ 265</u>
Automotive Gross Cash (Bils.)**	\$ 22.0	\$ 0.1	\$ 22.0	\$ 0.1

\* See Appendix for details of special items

\*\* See Appendix for reconciliation to GAAP



# TOTAL COMPANY 2011 SECOND QUARTER PRE-TAX RESULTS BY SECTOR\*



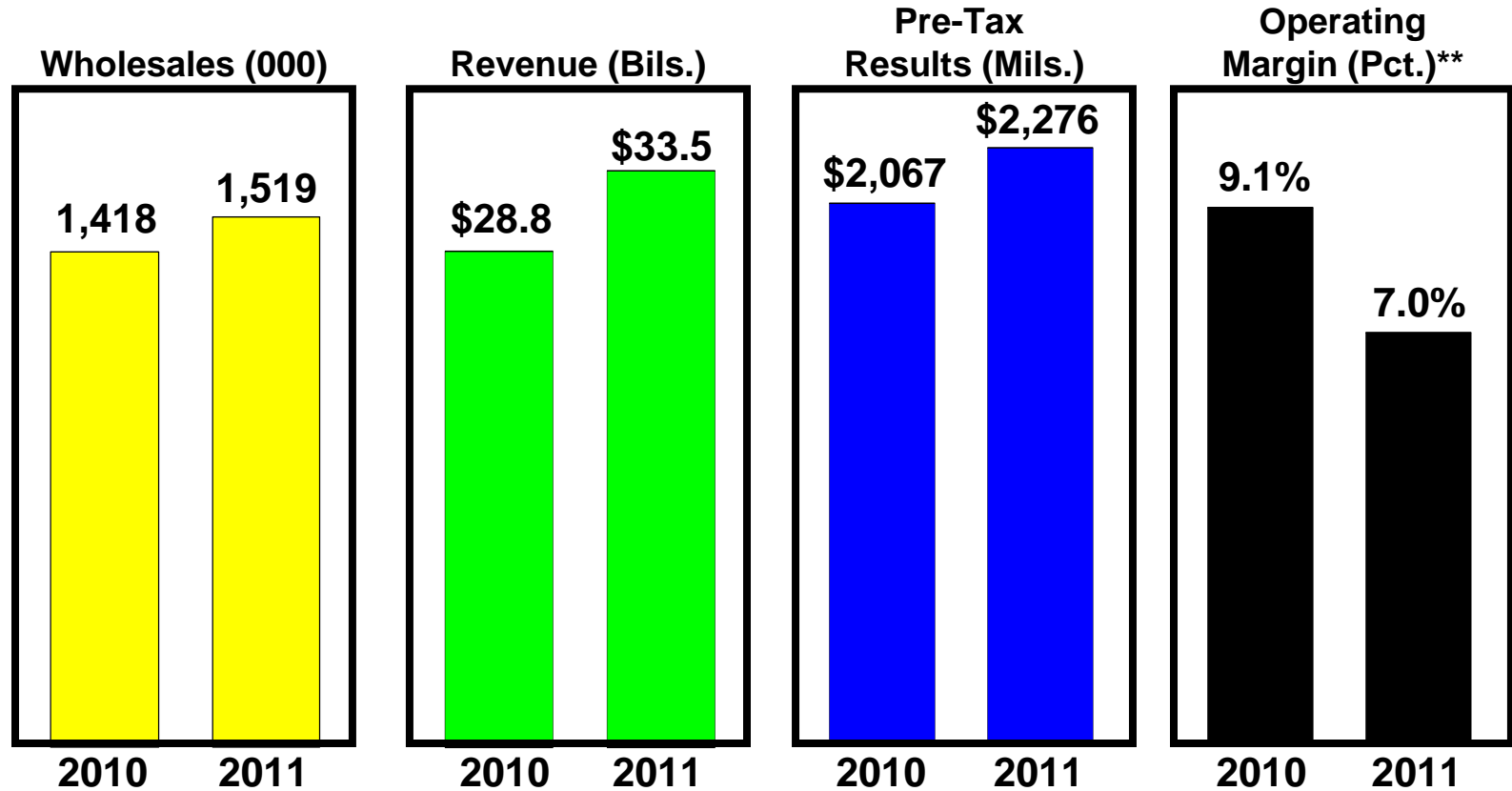
**Memo:**

	Total	Automotive	Financial Services
B / (W) 2010 2Q	\$(64)	\$209	\$(273)
B / (W) 2011 1Q	41	145	(104)

\* Excludes special items; see Appendix for detail and reconciliation to GAAP



# AUTOMOTIVE SECTOR -- TOTAL AUTOMOTIVE 2011 SECOND QUARTER KEY METRICS COMPARED WITH 2010\*



**Memo:**

First Half

2,671

2,922

\$54.2

\$64.5

\$3,262

\$4,407

7.8%

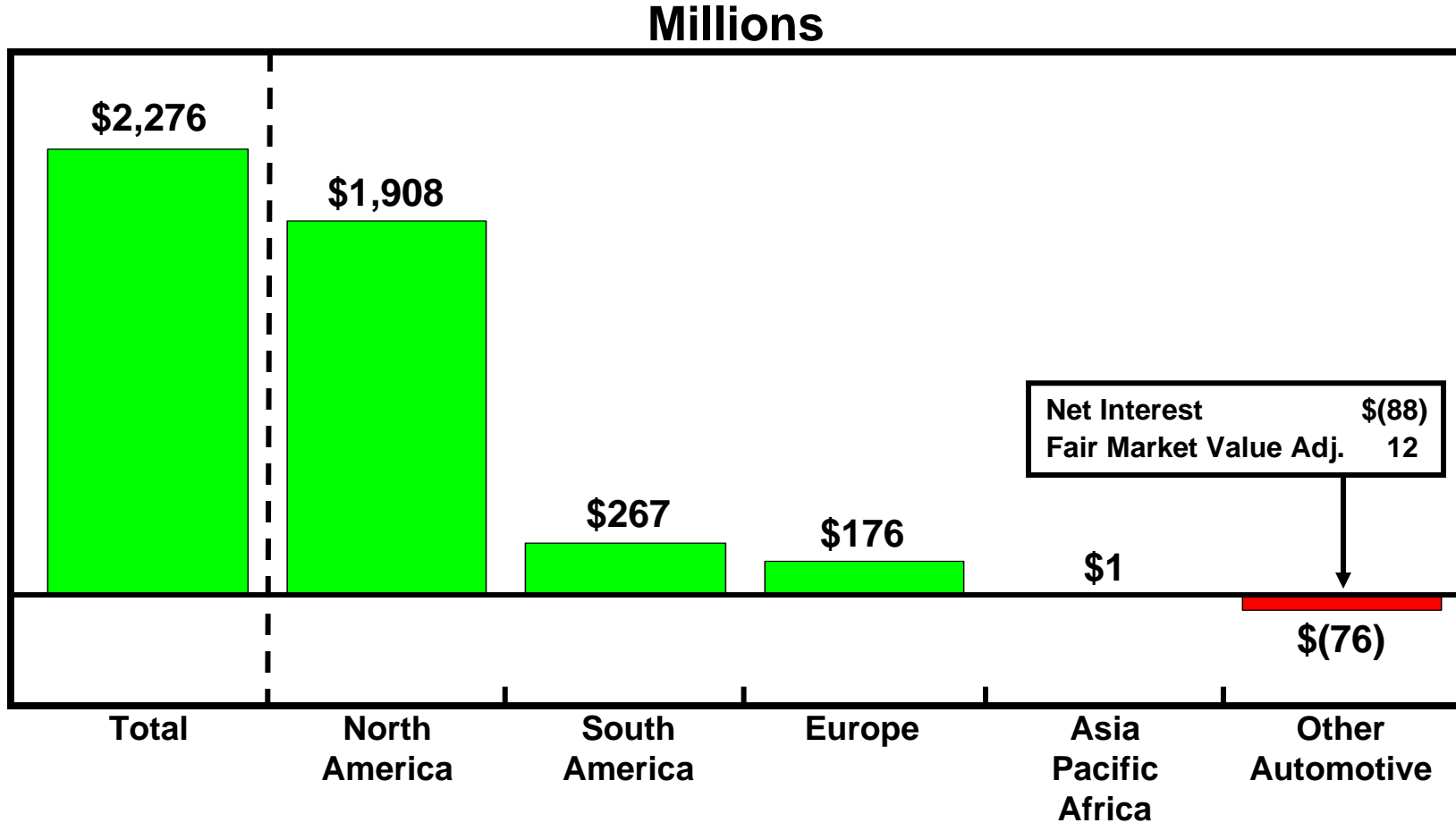
7.3%

\* Excludes special items; see Appendix for detail and reconciliation to GAAP and definitions of wholesales

\*\* Automotive operating margin defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive revenue



# AUTOMOTIVE SECTOR 2011 SECOND QUARTER PRE-TAX RESULTS BY SEGMENT\*



**Memo:**

B / (W) 2010 2Q	\$209	\$10	\$(18)	\$(146)	\$(112)	\$475
B / (W) 2011 1Q	145	64	57	(117)	(32)	173

\* Excludes special items; see Appendix for detail and reconciliation to GAAP

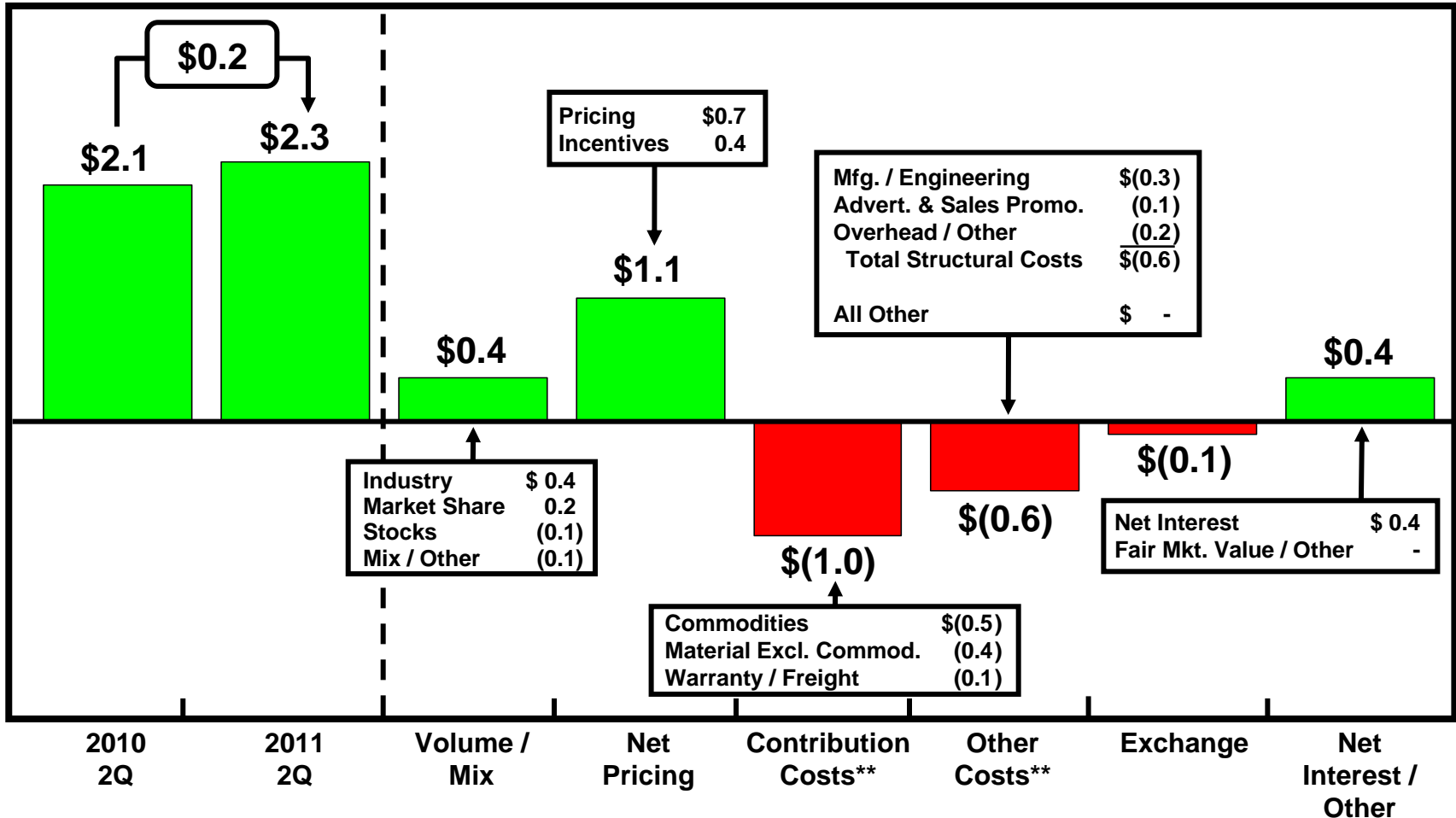


# AUTOMOTIVE SECTOR

## 2011 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2010\*

Billions



\* Excludes special items; see Appendix for detail and reconciliation to GAAP

\*\* Cost changes are measured primarily at present-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 present-year volume and mix

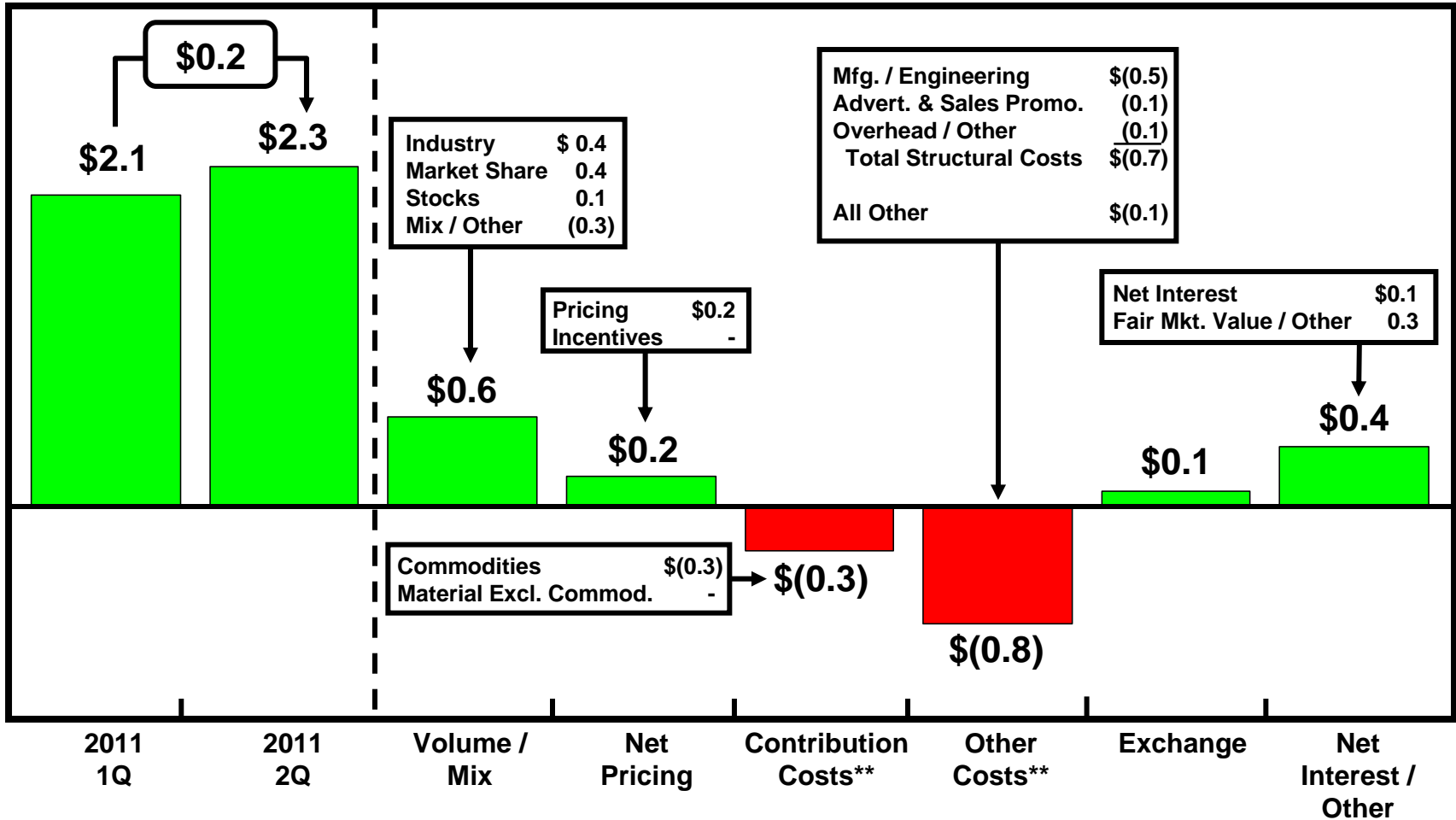


# AUTOMOTIVE SECTOR

## 2011 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2011 FIRST QUARTER\*

Billions



\* Excludes special items; see Appendix for detail and reconciliation to GAAP

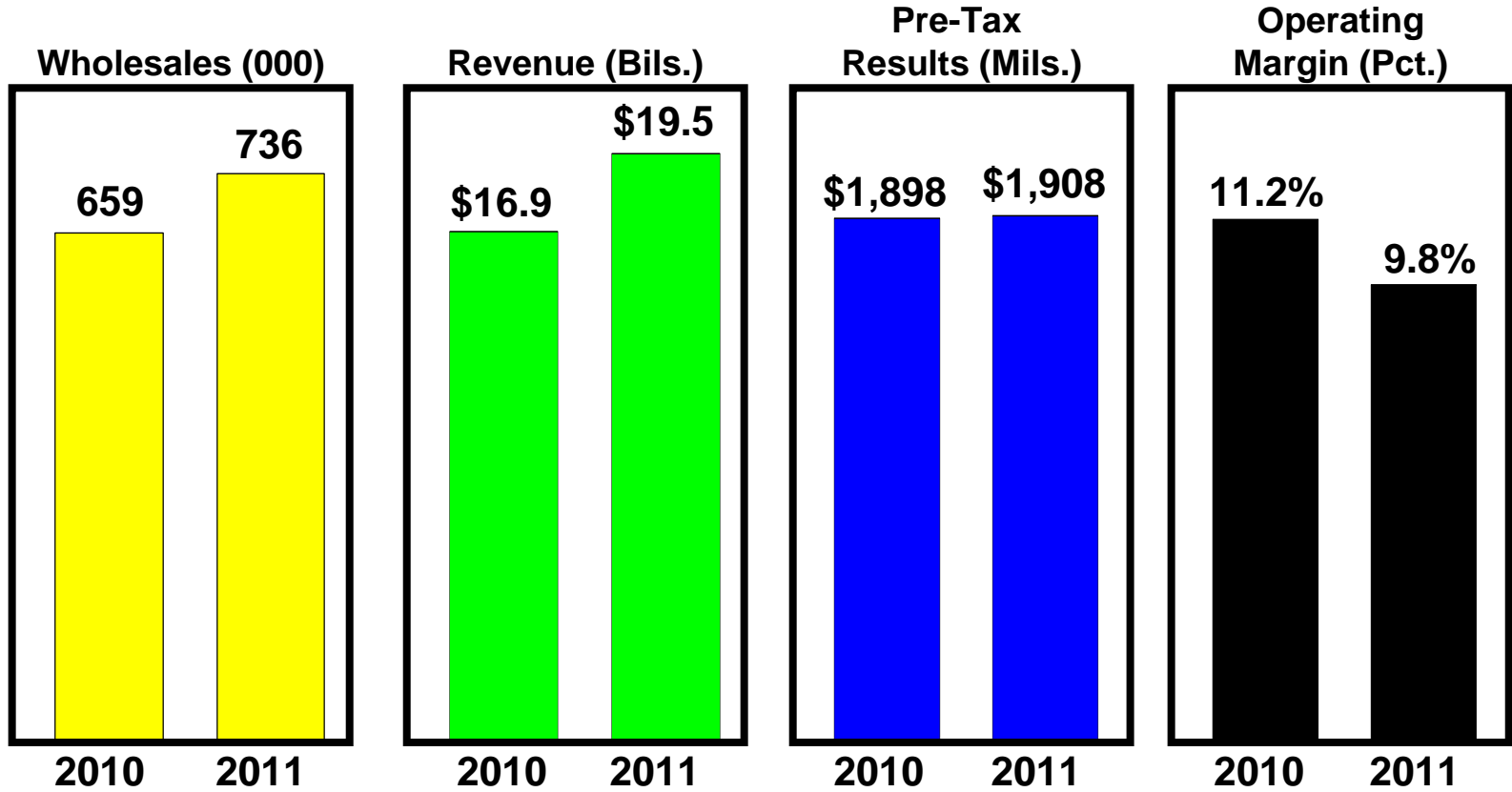
\*\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# AUTOMOTIVE SECTOR -- NORTH AMERICA

## 2011 SECOND QUARTER KEY METRICS

### COMPARED WITH 2010



**Memo:**

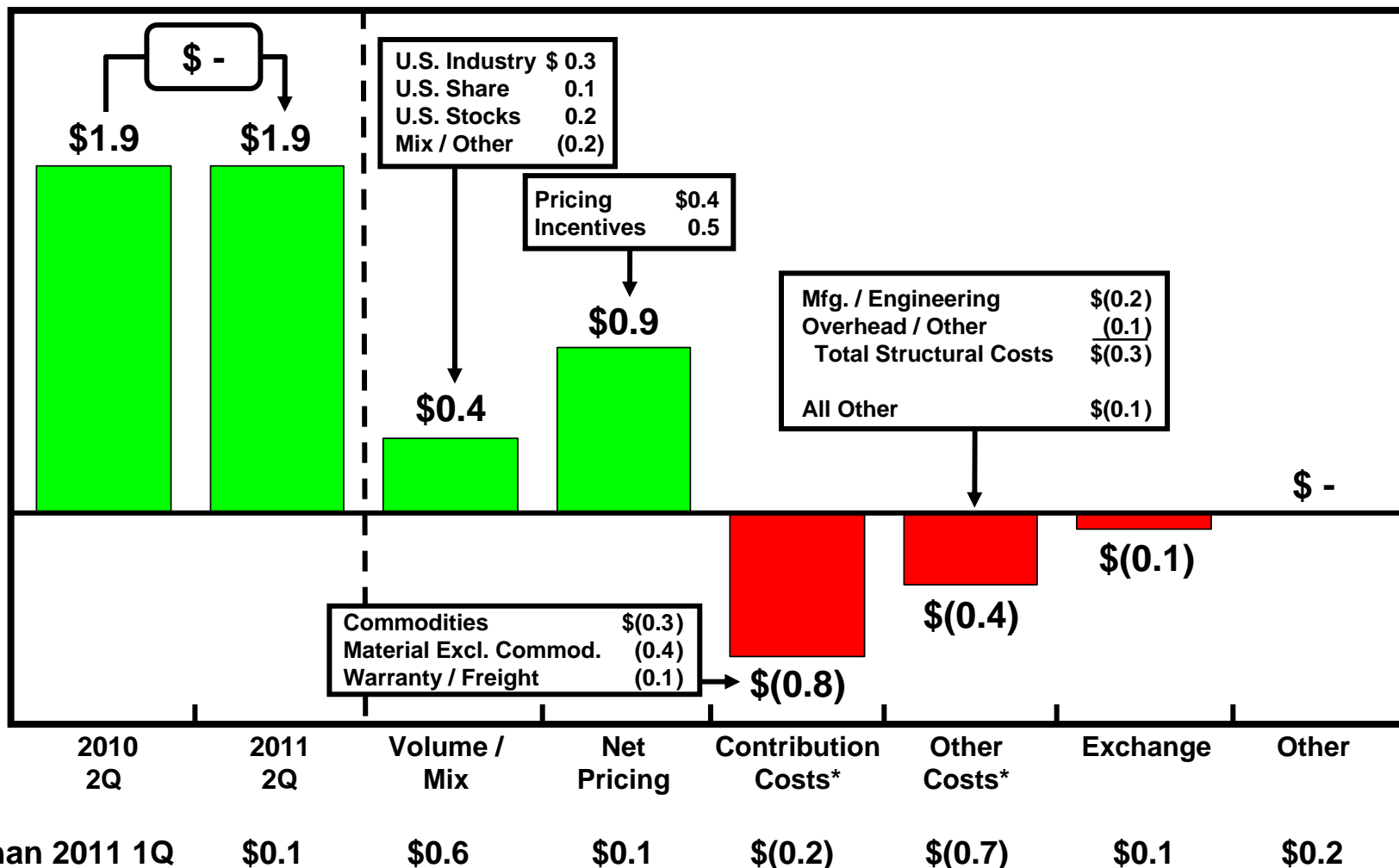
First Half	1,206	1,351	\$31.0	\$37.4	\$3,151	\$3,752	10.2%	10.0%
Second Quarter (U.S. Market)								
U.S. Industry SAAR (Mils.)	11.5	12.4						
U.S. Market Share	16.9%	17.3%						

# AUTOMOTIVE SECTOR -- NORTH AMERICA

## 2011 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2010



Billions



\* Cost changes are measured primarily at present-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 present-year volume and mix

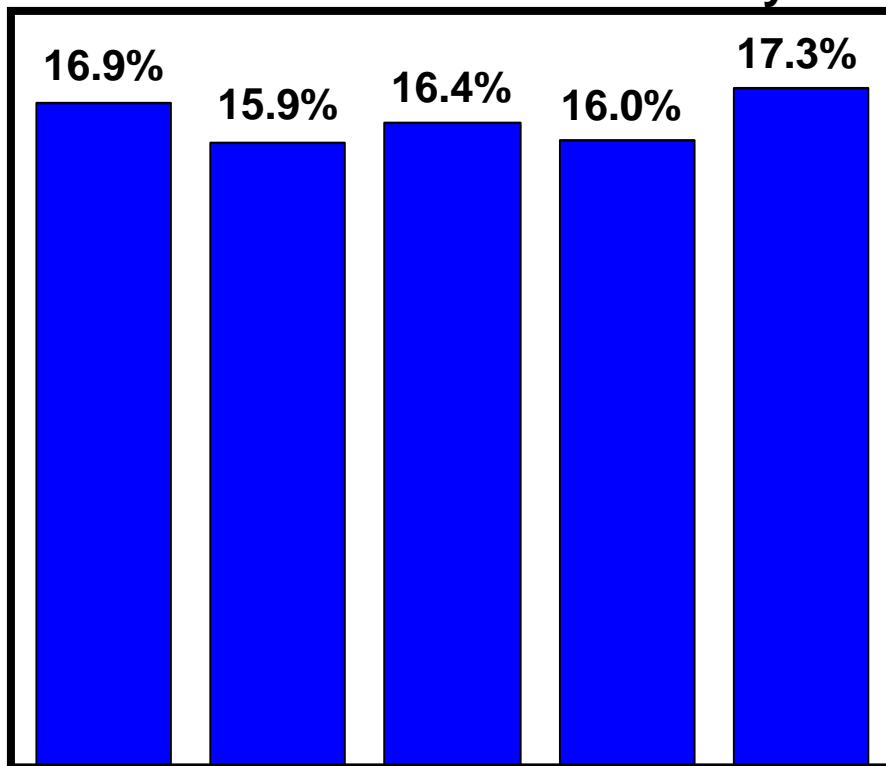


# AUTOMOTIVE SECTOR -- NORTH AMERICA

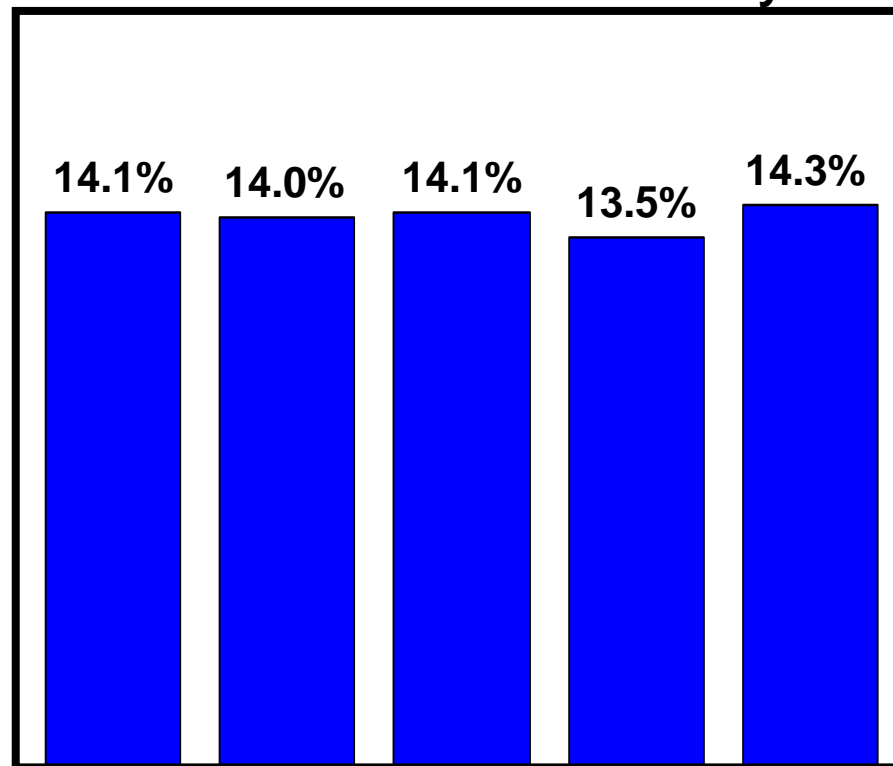
## U.S. MARKET SHARE\*



### Total Share of Total Industry



### Retail Share of Retail Industry\*\*



Second Quarter 2010    Third Quarter 2010    Fourth Quarter 2010    First Quarter 2011    Second Quarter 2011

Second Quarter 2010    Third Quarter 2010    Fourth Quarter 2010    First Quarter 2011    Second Quarter 2011

Memo:

B / (W) Prior Yr.

(Pts.)

0.5

1.3

0.3

(0.5)

0.4

1.0

1.2

0.4

(0.6)

0.2

\* Ford, Lincoln, Mercury

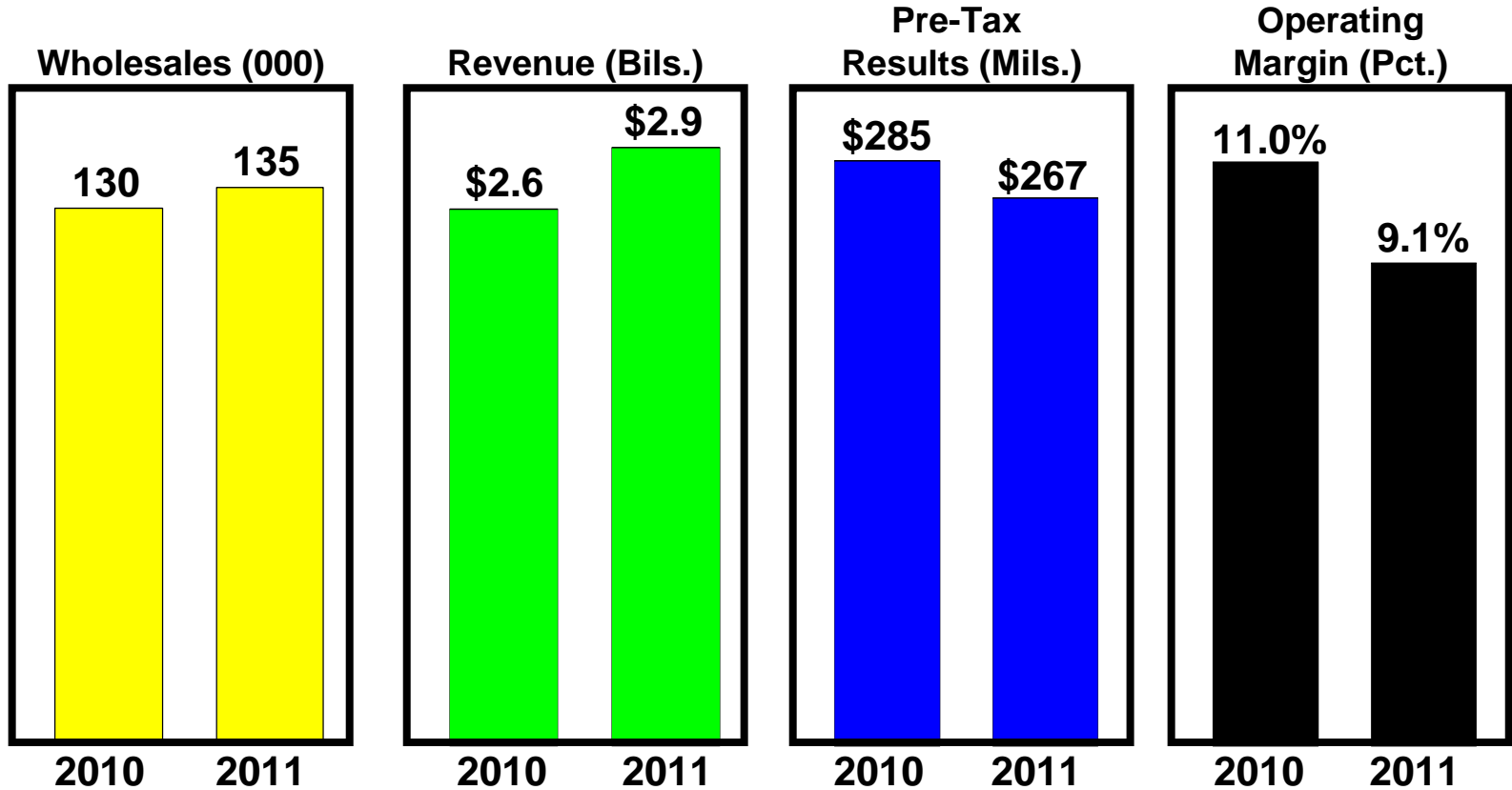
\*\* Current quarter estimated; prior quarters based on latest Polk data



# AUTOMOTIVE SECTOR -- SOUTH AMERICA

## 2011 SECOND QUARTER KEY METRICS

### COMPARED WITH 2010



Memo:	2010	2011
First Half	231	249
Second Quarter		
Industry SAAR (Mils.)*	4.5	5.4
Market Share*	9.5%	9.5%

\* South America industry SAAR and market share are based, in part, on estimated vehicle sales for our six major markets in that region

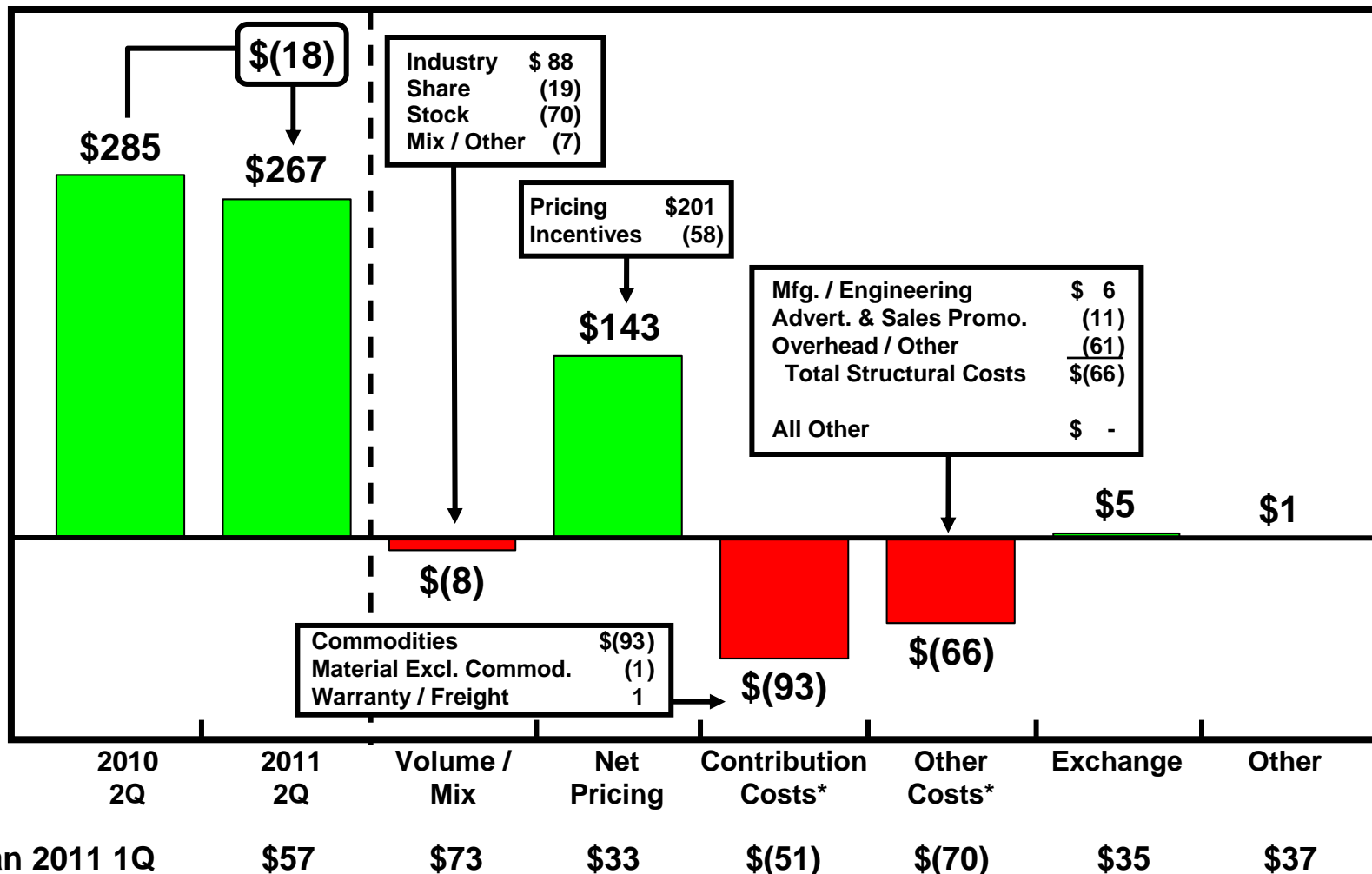
# AUTOMOTIVE SECTOR -- SOUTH AMERICA

## 2011 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2010



Millions



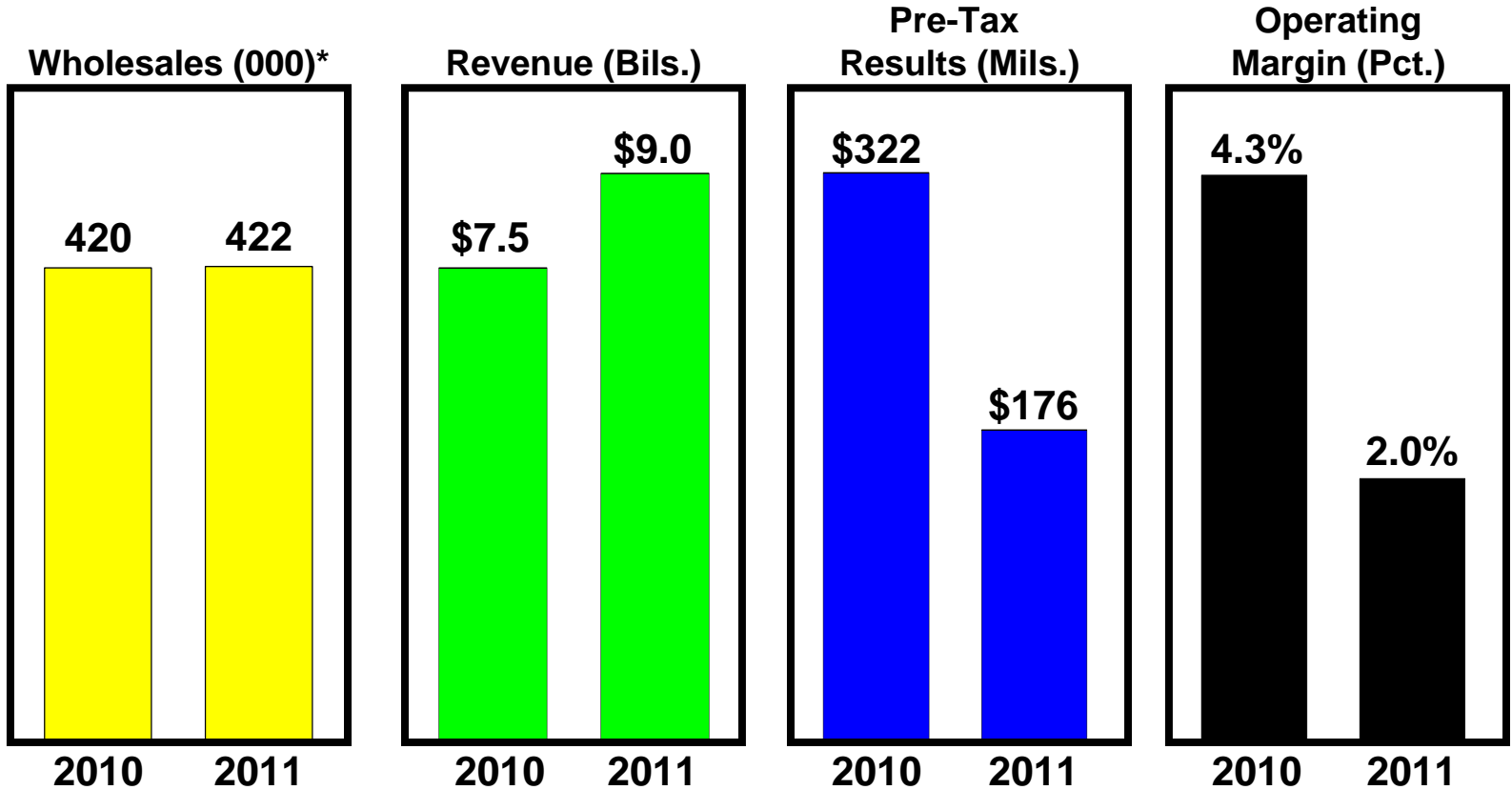
\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# AUTOMOTIVE SECTOR -- EUROPE

## 2011 SECOND QUARTER KEY METRICS

### COMPARED WITH 2010



Memo:	2010	2011
First Half	836	854
Second Quarter		
Industry SAAR (Mils.)**	14.9	14.9
Market Share**	7.9%	8.3%

\* Includes Ford brand vehicles sold in Turkey by our unconsolidated affiliate, although revenue does not include these sales; see Appendix for additional information  
 \*\* Europe industry SAAR and market share are based, in part, on estimated vehicle sales for the 19 markets we track

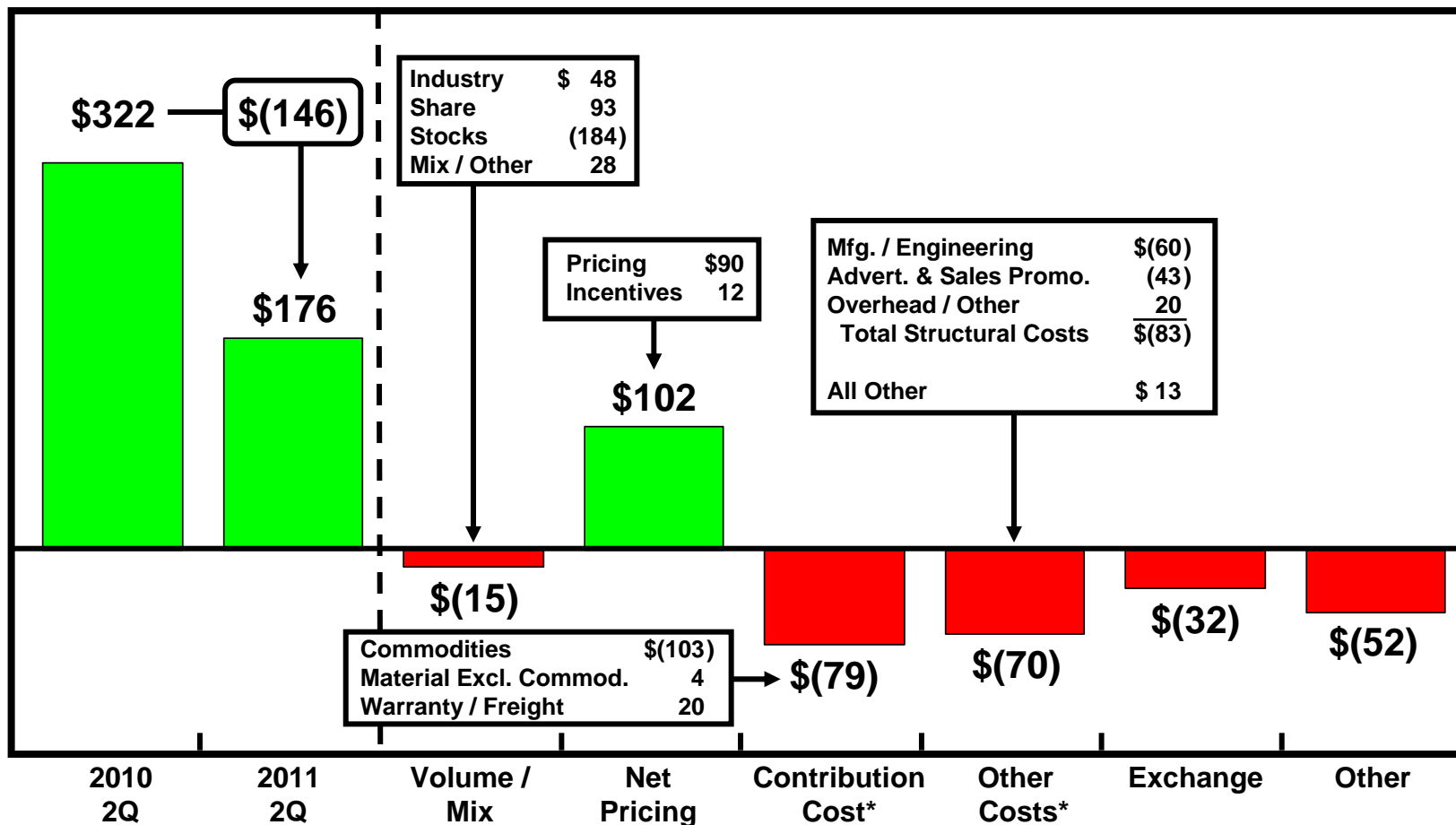
# AUTOMOTIVE SECTOR -- EUROPE

## 2011 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2010



Millions

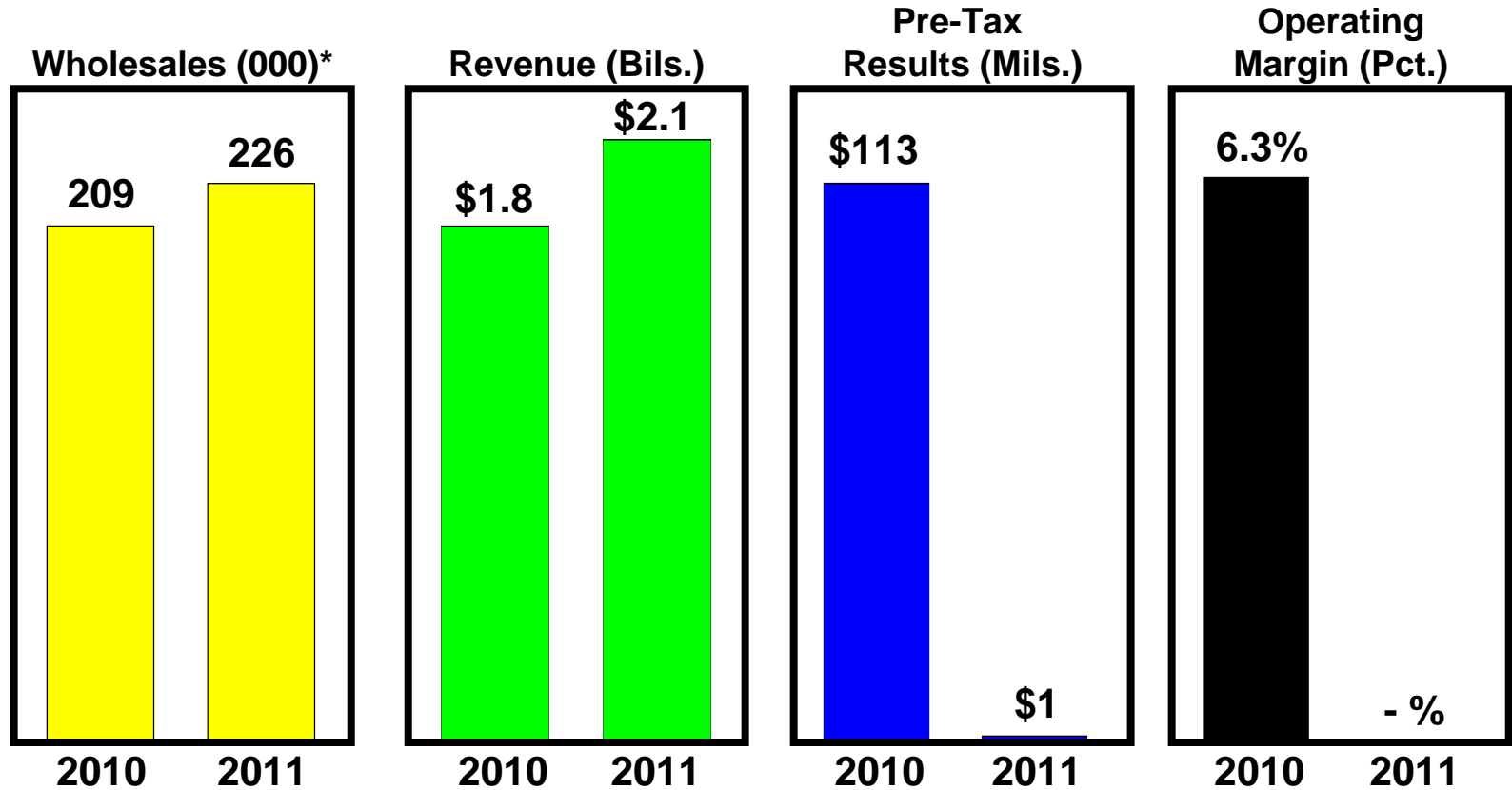


**B / (W) Than 2011 1Q**      **\$ (117)**      **\$ (78)**      **\$ 76**      **\$ 31**      **\$ (42)**      **\$ (24)**      **\$ (80)**

\* Cost changes are measured primarily at present-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 present-year volume and mix



# AUTOMOTIVE SECTOR -- ASIA PACIFIC AFRICA 2011 SECOND QUARTER KEY METRICS COMPARED WITH 2010



**Memo:**

First Half	398	468	\$3.4	\$4.2	\$136	\$34	4.0%	0.8%
Second Quarter								
Industry SAAR (Mils.)**	28.8	27.8						
Market Share**	2.4%	2.9%						

\* Includes Ford brand and Jiangling Motors Corporation (JMC) brand vehicles sold in China by unconsolidated affiliates, although revenue does not include these sales; see Appendix for additional information

\*\* Asia Pacific Africa industry SAAR and market share, are based, in part, on estimated vehicle sales for our 12 major markets we track; market share includes Ford brand and JMC brand vehicles sold in China by unconsolidated affiliates

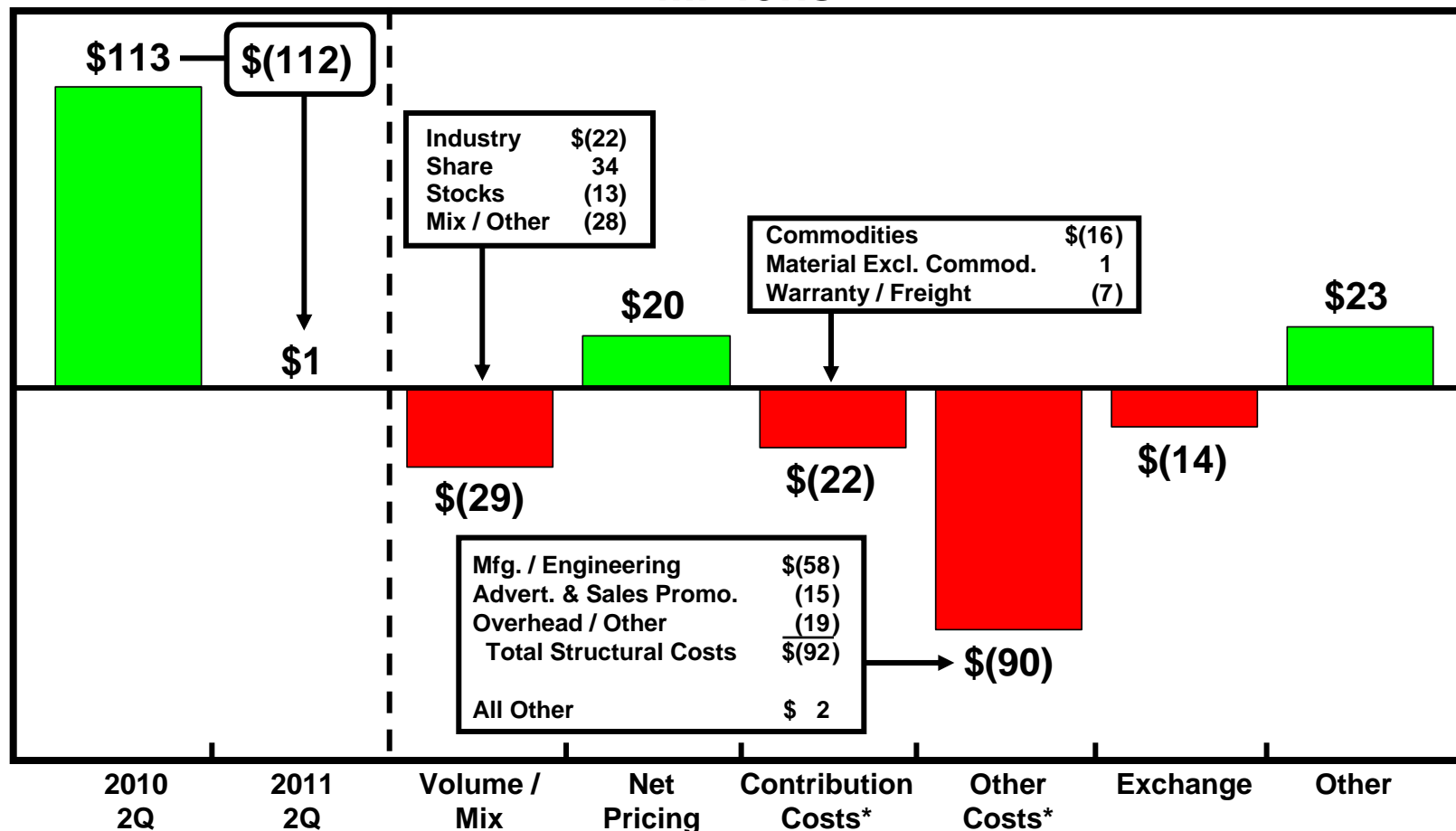
# AUTOMOTIVE SECTOR -- ASIA PACIFIC AFRICA

## 2011 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2010



Millions



**Memo:**

B / (W) Than 2011 1Q	\$(32)	\$(18)	\$34	\$(22)	\$(84)	\$15	\$43
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\* Cost changes are measured primarily at present-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 present-year volume and mix

# AUTOMOTIVE SECTOR

## 2011 PRODUCTION VOLUMES\*



	2011			
	Second Quarter		Third Quarter	
	Actual		Forecast	
	Units	O / (U)	Units	O / (U)
(000)	2010	(000)	2010	
	(000)	(000)	(000)	(000)
North America	710	57	630	44
South America	130	(1)	135	22
Europe	435	(16)	355	3
Asia Pacific Africa	<u>224</u>	<u>16</u>	<u>230</u>	<u>23</u>
Total	<u><u>1,499</u></u>	<u><u>56</u></u>	<u><u>1,350</u></u>	<u><u>92</u></u>

\* Includes production of Ford brand and JMC brand vehicles to be sold by unconsolidated affiliates



# AUTOMOTIVE SECTOR

## 2011 CASH\*



	<u>Second Quarter</u> (Bils.)	<u>First Half</u> (Bils.)
<b><u>Gross Cash</u></b>		
June 30, 2011	\$ 22.0	\$ 22.0
March 31, 2011 / December 31, 2010	<u>21.3</u>	<u>20.5</u>
Change in gross cash	<u>\$ 0.7</u>	<u>\$ 1.5</u>
<b>Automotive pre-tax profits**</b>	<b>\$ 2.3</b>	<b>\$ 4.4</b>
Capital spending	(1.1)	(2.0)
Depreciation and amortization	0.9	1.8
Changes in working capital	-	1.5
Other / timing differences	0.3	(1.0)
Up-front subvention payments to Ford Credit	(0.1)	(0.2)
Automotive operating-related cash flow	<u>\$ 2.3</u>	<u>\$ 4.5</u>
Separation payments	(0.1)	(0.1)
Receipts from Ford Credit	1.0	2.3
Other	0.4	0.5
Cash flow before other actions	<u>\$ 3.6</u>	<u>\$ 7.2</u>
Changes in debt	(2.6)	(5.1)
Pension contributions	(0.5)	(0.8)
Proceeds from the sale of Volvo / Other	0.2	0.2
Change in gross cash	<u>\$ 0.7</u>	<u>\$ 1.5</u>

\* See Appendix for reconciliation to GAAP

\*\* Excludes special items; see Appendix for detail and reconciliation to GAAP

# AUTOMOTIVE SECTOR

## 2011 AUTOMOTIVE FINANCIAL RESOURCES



	Mar. 31, 2011 <u>(Bils.)</u>	June 30, 2011 <u>(Bils.)</u>
Automotive gross cash*	\$ 21.3	\$ 22.0
Less:		
Long-Term debt	\$ 14.6	\$ 12.9
Debt payable within one year	<u>2.0</u>	<u>1.1</u>
Total debt	\$ 16.6	\$ 14.0
	└───┬───┐ \$ 2.6	
Net cash**	<u>\$ 4.7</u>	<u>\$ 8.0</u>
Memo: Liquidity***	\$ 30.7	\$ 32.2

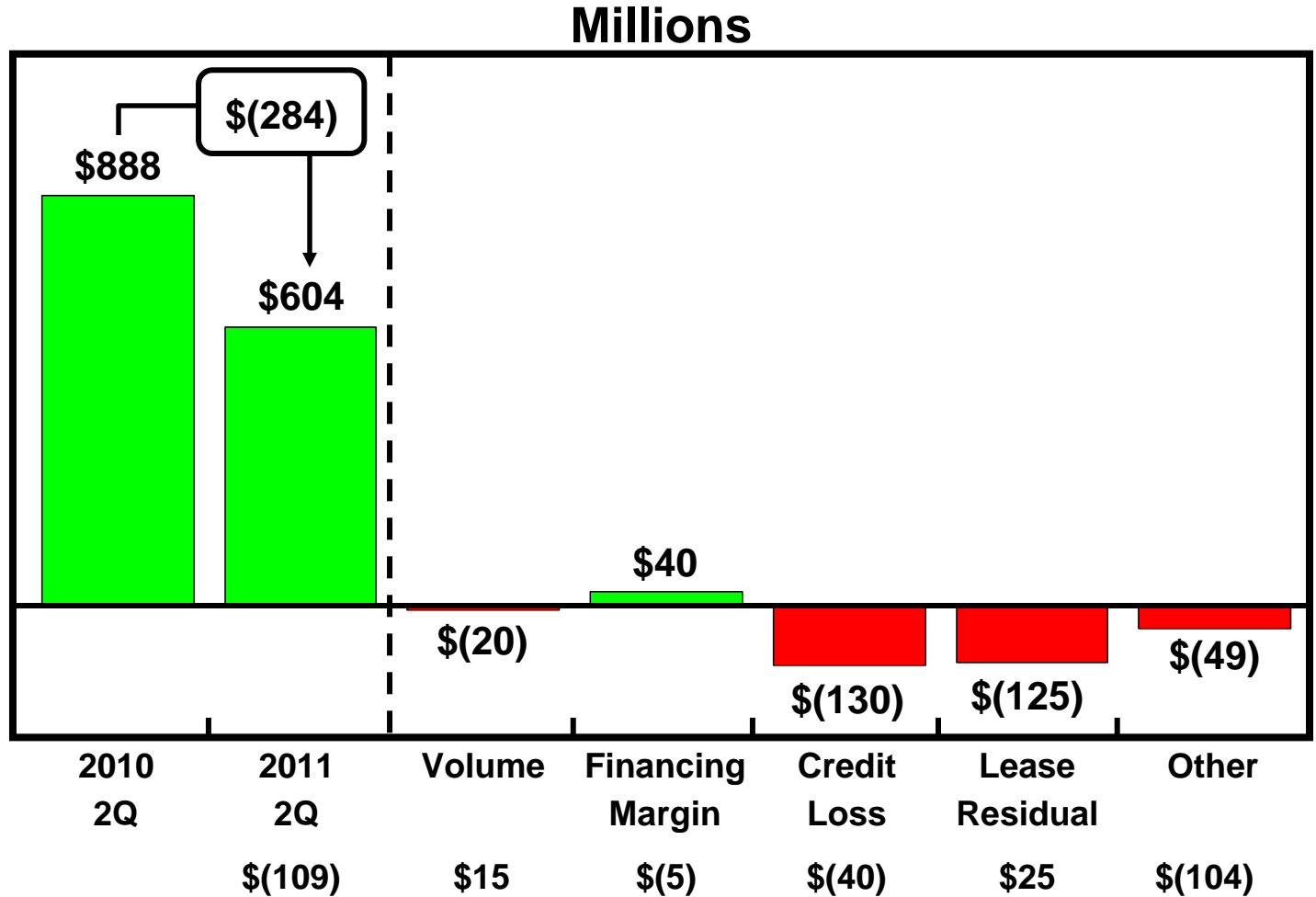
\* See Appendix for reconciliation to GAAP

\*\* Net cash is calculated as Automotive gross cash net of Automotive debt

\*\*\* As of June 30, 2011, total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$10.2 billion



# FINANCIAL SERVICES SECTOR -- FORD CREDIT 2011 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2010



Memo:

B / (W) 2011 1Q

Managed

Receivables (Bils.)\*

\$87

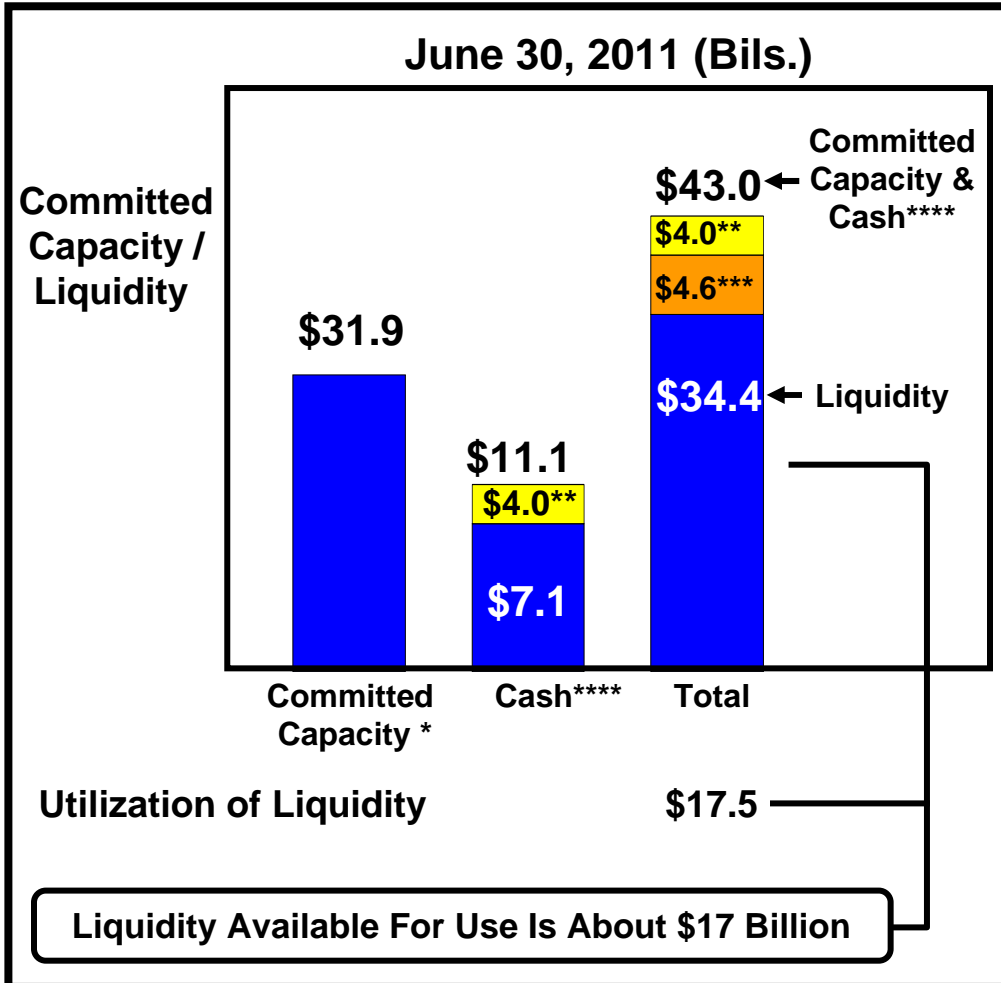
\$86

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



# FINANCIAL SERVICES SECTOR

## 2011 SECOND QUARTER FORD CREDIT LIQUIDITY AND FUNDING



- Completed \$19 billion of funding and on track to deliver our full year funding plan
- Our liquidity remains strong with key elements of our funding strategy unchanged
- Managed Leverage at June 30, 2011 was 7.5 to 1\*\*\*\*\*
- Equity at June 30, 2011 was \$9.7 billion\*\*\*\*\*

\* Subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk

\*\* Cash to be used only to support on-balance sheet securitization transactions

\*\*\* Capacity in excess of eligible receivables

\*\*\*\* Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities)

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



# ***OUR PLAN***

**Alan Mulally**  
**President and Chief Executive Officer**

- **Second Quarter economic growth affected by several recent developments:**
  - **Supply disruptions due to events in Japan**
  - **Policy tightening in emerging markets**
  - **Debt crisis and fiscal austerity programs in Europe**
  - **Uncertainty in policies addressing U.S. budget issues**
  
- **Global economic growth in Full Year 2011 still projected to be 3.0 - 3.5% range:**
  - **Rebound expected as impacts from events in Japan recede**
  - **Fuel prices showing signs of moderating**
  - **Growth in emerging markets becoming more sustainable**

**We Continue To Expect The Global Economy To Grow In 2011**



# TOTAL COMPANY

## 2011 PLANNING ASSUMPTIONS AND KEY METRICS

	First Half	Full Year Plan	Full Year Outlook
<b><u>Planning Assumptions</u></b>			
Industry Volume (SAAR)* -- U.S. (Mils.)	12.8	13.0 - 13.5	On Track
-- Europe (Mils.)**	15.4	14.5 - 15.5	14.8 - 15.3
<b><u>Operational Metrics</u></b>			
Compared with Prior Year:			
- Quality	Mixed	Improve	Mixed
- U.S. Market Share	16.7%	Equal / Improve	On Track
- U.S. Retail Share of Retail Market***	13.9%	Equal / Improve	On Track
- Europe Market Share**	8.4%	Equal / Improve	On Track
<b><u>Financial Metrics</u></b>			
Compared with Prior Year:			
- Total Company Pre-Tax Operating Profit****	\$5.7 Bils.	Improve	On Track
- Automotive Structural Costs*****	\$1.0 Bils. Higher	Higher	About \$2 Bils. Higher
- Commodities Cost	\$0.8 Bils. Higher	Higher	About \$2 Bils. Higher
- Automotive Operating Margin****	7.3%	Equal / Improve	On Track
- Automotive Operating-Related Cash Flow	\$4.5 Bils.	Improve	On Track
Absolute Amount:			
- Capital Spending	\$2.0 Bils.	\$5.0 - \$5.5 Bils.	On Track

\* Includes medium and heavy trucks

\*\* European 19 markets we track

\*\*\* Current quarter estimated; prior quarters based on latest Polk data

\*\*\*\* Excludes special items; Automotive operating margin is defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive revenue

\*\*\*\*\* Structural cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations

**For Full Year Results, We Plan To Deliver Continued Improvement In Pre-Tax Operating Profit And Automotive Operating-Related Cash Flow**

# 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





# 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 or failure to achieve growth;
- 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;
- An increase in fuel prices, continued volatility of fuel prices, or reduced availability of fuel;
- 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;
- 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 constraints or disruptions;
- Single-source supply of components or materials;
- Labor or other constraints on our ability to maintain competitive cost structure;
- 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, 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 our products, perceived environmental impacts, or otherwise;
- A change in our requirements for parts 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;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- Substantial levels of Automotive indebtedness adversely affecting our financial condition or preventing us from fulfilling our debt obligations;
- Failure of financial institutions to fulfill commitments under committed credit facilities;
- A prolonged disruption of the debt and securitization markets;
- 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;
- Imposition of additional costs or restrictions due to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act") and its implementing rules and regulations; 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" of our Annual Report on Form 10-K for the year ended December 31, 2010.

# ***APPENDIX***

# TOTAL COMPANY CALCULATION OF EARNINGS PER SHARE



	Second Quarter 2011		First Half 2011	
	Net Income Attributable to Ford	After-Tax Operating Excl. Special Items	Net Income Attributable to Ford	After-Tax Operating Excl. Special Items
<b>After-Tax Results (Mils.)</b>				
After-tax results*	\$ 2,398	\$ 2,637	\$ 4,949	\$ 5,249
Effect of dilutive 2016 Convertible Notes**	14	14	28	28
Effect of dilutive 2036 Convertible Notes**	-	-	1	1
Effect of dilutive convertible Trust Preferred Securities**/**	-	-	36	36
<b>Diluted after-tax results</b>	<b>\$ 2,412</b>	<b>\$ 2,651</b>	<b>\$ 5,014</b>	<b>\$ 5,314</b>
<b>Basic and Diluted Shares (Mils.)</b>				
Basic shares (Average shares outstanding)	3,799	3,799	3,785	3,785
Net dilutive options and warrants****	205	205	234	234
Dilutive 2016 Convertible Notes	95	95	95	95
Dilutive 2036 Convertible Notes	3	3	3	3
Dilutive convertible Trust Preferred Securities***	-	-	66	66
<b>Diluted shares</b>	<b>4,102</b>	<b>4,102</b>	<b>4,183</b>	<b>4,183</b>
<b>EPS (Diluted)</b>	<b>\$ 0.59</b>	<b>\$ 0.65</b>	<b>\$ 1.20</b>	<b>\$ 1.27</b>

Our current low effective tax rate is primarily the result of our valuation allowance against deferred tax assets. Sustained levels of profitability are expected to lead to reversal of the majority of our valuation allowance, which could occur as early as the Fourth Quarter of 2011. This would lead to a more normalized annual operating tax rate for Full Year 2011 (approaching the U.S. statutory tax rate of 35% for the year) for the purpose of determining operating earnings per share. Reversal of the valuation allowance will not affect our cash tax payments, which should remain low for a number of years.

\* Excludes Income / (Loss) attributable to non-controlling interests and the effect of discontinued operations; special items detailed on Appendix 3

\*\* As applicable, includes interest expense, amortization of discount, amortization of fees, and other changes in income or loss that result from the application of the if-converted method for convertible securities

\*\*\* On March 15, 2011, the Trust Preferred Securities, which were convertible into Ford common stock, were fully redeemed and, as a result, for purposes of dilution effect, the year-to-date average shares outstanding will reflect the common stock underlying the Trust Preferred Securities only through March 15. However, the quarterly dilution calculation for the remaining quarters of 2011 will not include the underlying common stock as the Trust Preferred Securities have been redeemed.

\*\*\*\* Net dilutive effect includes approximately 134 million and 145 million dilutive shares for Second Quarter and First Half, respectively, representing the net share settlement methodology for the 362 million warrants outstanding as of June 30, 2011



# TOTAL COMPANY INCOME / (LOSS) FROM CONTINUING OPERATIONS

	Second Quarter		First Half	
	2010 (Mils.)	2011 (Mils.)	2010 (Mils.)	2011 (Mils.)
North America	\$ 1,898	\$ 1,908	\$ 3,151	\$ 3,752
South America	285	267	488	477
Europe	322	176	429	469
Asia Pacific Africa	113	1	136	34
Other Automotive	<u>(551)</u>	<u>(76)</u>	<u>(942)</u>	<u>(325)</u>
Total Automotive (excl. special items)	\$ 2,067	\$ 2,276	\$ 3,262	\$ 4,407
Special items -- Automotive	<u>(95)</u>	<u>(272)</u>	<u>30</u>	<u>(333)</u>
Total Automotive	\$ 1,972	\$ 2,004	\$ 3,292	\$ 4,074
Financial Services (excl. special items)	\$ 875	\$ 602	\$ 1,690	\$ 1,308
Special items -- Financial Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Financial Services	<u>\$ 875</u>	<u>\$ 602</u>	<u>\$ 1,690</u>	<u>\$ 1,308</u>
Pre-tax results	\$ 2,847	\$ 2,606	\$ 4,982	\$ 5,382
(Provision for) / Benefit from income taxes	<u>(251)</u>	<u>(206)</u>	<u>(301)</u>	<u>(426)</u>
Net income / (loss)	\$ 2,596	\$ 2,400	\$ 4,681	\$ 4,956
Less: Income / (Loss) attributable to non-controlling interests	<u>(3)</u>	<u>2</u>	<u>(3)</u>	<u>7</u>
Net income / (loss) attributable to Ford	<u>\$ 2,599</u>	<u>\$ 2,398</u>	<u>\$ 4,684</u>	<u>\$ 4,949</u>
Memo: Excluding special items				
Pre-tax results	\$ 2,942	\$ 2,878	\$ 4,952	\$ 5,715
(Provision for) / Benefit from income taxes	(241)	(239)	(490)	(459)
Less: Income / (Loss) attributable to non-controlling interests	<u>(3)</u>	<u>2</u>	<u>(3)</u>	<u>7</u>
After-tax results	<u>\$ 2,704</u>	<u>\$ 2,637</u>	<u>\$ 4,465</u>	<u>\$ 5,249</u>

# TOTAL AUTOMOTIVE SPECIAL ITEMS



	Second Quarter		First Half	
	2010 (Mils.)	2011 (Mils.)	2010 (Mils.)	2011 (Mils.)
<b><u>Personnel and Dealer-Related Items</u></b>				
Personnel-reduction actions	\$ (27)	\$ (110)	\$ (113)	\$ (132)
Mercury discontinuation / Other dealer actions	(232)	(61)	(247)	(62)
Job Security Benefits / Other	<u>30</u>	<u>5</u>	<u>68</u>	<u>4</u>
Total Personnel and Dealer-Related Items	\$ (229)	\$ (166)	\$ (292)	\$ (190)
<b><u>Other Items</u></b>				
Belgium pension settlement	\$ -	\$ (104)	\$ -	\$ (104)
Trust Preferred redemption	-	-	-	(60)
Sale of Volvo and related charges	94	3	282	9
Gain on debt reduction actions	40	-	40	-
Other (Incl. Foreign Currency Translation Adjustment)	-	(5)	-	12
Total Other Items	<u>\$ 134</u>	<u>\$ (106)</u>	<u>\$ 322</u>	<u>\$ (143)</u>
Total Special Items	<u>\$ (95)</u>	<u>\$ (272)</u>	<u>\$ 30</u>	<u>\$ (333)</u>
<b>Memo:</b>				
Special items impact on earnings per share*	\$ (0.02)	\$ (0.06)	\$ 0.05	\$ (0.07)

\* Includes related tax effect on special items and tax special items not detailed above; see Appendix



# TOTAL COMPANY REVENUE RECONCILIATION TO GAAP

	Second Quarter		First Half	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
North America	\$ 16.9	\$ 19.5	\$ 31.0	\$ 37.4
South America	2.6	2.9	4.6	5.2
Europe	7.5	9.0	15.2	17.7
Asia Pacific Africa	<u>1.8</u>	<u>2.1</u>	<u>3.4</u>	<u>4.2</u>
Total Automotive (excl. special items)	\$ 28.8	\$ 33.5	\$ 54.2	\$ 64.5
Special items -- Volvo	<u>3.7</u>	<u>-</u>	<u>7.2</u>	<u>-</u>
Total Automotive	\$ 32.5	\$ 33.5	\$ 61.4	\$ 64.5
Financial Services	<u>2.5</u>	<u>2.0</u>	<u>5.2</u>	<u>4.1</u>
Total Company	<u>\$ 35.0</u>	<u>\$ 35.5</u>	<u>\$ 66.6</u>	<u>\$ 68.6</u>
 Memo:				
Total Company (excl. Volvo)	\$ 31.3	\$ 35.5	\$ 59.4	\$ 68.6

# TOTAL COMPANY WHOLESALES\*



	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
	(000)	(000)	(000)	(000)
North America	659	736	1,206	1,351
South America	130	135	231	249
Europe**	420	422	836	854
Asia Pacific Africa***	<u>209</u>	<u>226</u>	<u>398</u>	<u>468</u>
Total Automotive (excl. special items)	1,418	1,519	2,671	2,922
Special items -- Volvo	<u>99</u>	<u>-</u>	<u>191</u>	<u>-</u>
Total Automotive	<u>1,517</u>	<u>1,519</u>	<u>2,862</u>	<u>2,922</u>

\* 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 Motors Corporation (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 ("rental repurchase"), 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

\*\* Includes Ford brand vehicles sold in Turkey by our unconsolidated affiliate, totaling about 16,000 and 20,000 units in Second Quarter 2010 and 2011, respectively

\*\*\* Includes Ford brand and JMC brand vehicles sold in China by unconsolidated affiliates, totaling about 122,000 and 133,000 units in Second Quarter 2010 and 2011, respectively



# SELECTED MARKETS

## 2011 SECOND QUARTER DEALER STOCKS

	<u>2010*</u> (000)	<u>2011</u> (000)
<b>U.S. Dealer Stocks</b>		
June 30	405	429
March 31	<u>405</u>	<u>407</u>
2Q Stock Change H / (L)	<u>-</u>	<u>22</u>
	┌ (22) ───────────┐	
<b>South America Dealer Stocks**</b>		
June 30	53	49
March 31	<u>28</u>	<u>42</u>
2Q Stock Change H / (L)	<u>25</u>	<u>7</u>
	┌ (18) ───────────┐	
<b>Europe Dealer Stocks***</b>		
June 30	216	218
March 31	<u>187</u>	<u>226</u>
2Q Stock Change H / (L)	<u>29</u>	<u>(8)</u>
	┌ (37) ───────────┐	
<b>Asia Pacific Africa Dealer Stocks****</b>		
June 30	79	102
March 31	<u>59</u>	<u>94</u>
2Q Stock Change H / (L)	<u>20</u>	<u>8</u>
	┌ (12) ───────────┐	
<b>Total</b>		
June 30	753	798
March 31	<u>679</u>	<u>769</u>
2Q Stock Change H / (L)	<u>74</u>	<u>29</u>
	┌ (45) ───────────┐	

\* Excludes Volvo

\*\* South America dealer stocks are based, in part, on estimated vehicle sales for the six major markets we track

\*\*\* Europe dealer stocks are based, in part, on estimated vehicle sales for the 19 markets we track

\*\*\*\* Asia Pacific Africa dealer stocks are based, in part, on estimated vehicle sales for our 12 major markets we track





# **TOTAL COMPANY EMPLOYMENT DATA BY BUSINESS UNIT**

	<b>Dec. 31, 2010 <u>(000)</u></b>	<b>Mar. 31, 2011 <u>(000)</u></b>	<b>June 30, 2011 <u>(000)</u></b>
<b>North America</b>	<b>75</b>	<b>76</b>	<b>76</b>
<b>South America</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Europe</b>	<b>49</b>	<b>50</b>	<b>50</b>
<b>Asia Pacific Africa</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>Total Automotive</b>	<b>157</b>	<b>159</b>	<b>159</b>
<b>Financial Services</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Total Company</b>	<b><u>164</u></b>	<b><u>166</u></b>	<b><u>166</u></b>

# AUTOMOTIVE SECTOR MARKET RESULTS\*



	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
<u>U.S.</u>				
Industry SAAR (Mils.)	11.5	12.4	11.4	12.8
Market share	16.9 %	17.3 %	16.7 %	16.7 %
<u>South America**</u>				
Industry SAAR (Mils.)	4.5	5.4	4.7	5.4
Market share	9.5 %	9.5 %	10.0 %	9.5 %
<u>Europe***</u>				
Industry SAAR (Mils.)	14.9	14.9	15.5	15.4
Market share	7.9 %	8.3 %	8.7 %	8.4 %
<u>Asia Pacific Africa****</u>				
Industry SAAR (Mils.)	28.8	27.8	29.0	30.0
Market share	2.4 %	2.9 %	2.2 %	2.7 %

\* Includes medium and heavy trucks; market share excludes Volvo

\*\* South America industry SAAR and market share are based, in part, on estimated vehicle registrations for the six major markets we track

\*\*\* Europe industry SAAR and market share are based, in part, on estimated vehicle registrations for the 19 markets we track

\*\*\*\* Asia Pacific Africa industry SAAR and market share are based, in part, on estimated vehicle sales for the 12 major markets we track; market share includes Ford brand and JMC brand vehicles sold in China by unconsolidated affiliates

# AUTOMOTIVE SECTOR GLOBAL INDUSTRY (SAAR)\*



	2010					2011	
	First Quarter (Mils.)	Second Quarter (Mils.)	Third Quarter (Mils.)	Fourth Quarter (Mils.)	Full Year (Mils.)	First Quarter (Mils.)	Second Quarter (Mils.)
United States	11.3	11.5	11.7	12.7	11.8	13.4	12.4
South America**	4.9	4.5	5.0	5.7	5.0	5.3	5.4
Europe***	16.0	14.9	14.5	15.8	15.3	15.9	14.9
Asia Pacific Africa****	29.4	28.8	31.7	33.3	30.7	32.2	27.8
<b>Total</b>	<b>61.6</b>	<b>59.7</b>	<b>62.9</b>	<b>67.5</b>	<b>62.8</b>	<b>66.8</b>	<b>60.5</b>
Other markets					11.1		
<b>Total global industry*****</b>					<b>73.9</b>		

\* Includes medium and heavy trucks

\*\* South America industry SAAR is based, in part, on estimated vehicle registrations for the six major markets we track

\*\*\* Europe industry SAAR is based, in part, on estimated vehicle registrations for the 19 European markets we track

\*\*\*\* Asia Pacific Africa industry SAAR is based, in part, on estimated vehicle sales for the 12 major markets we track

\*\*\*\*\* Global quarterly SAAR is not tracked internally; Full Year estimate



# AUTOMOTIVE SECTOR COSTS AND EXPENSES

	Second Quarter		First Half	
	<u>2010*</u>	<u>2011</u>	<u>2010*</u>	<u>2011</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b>Total costs and expenses</b>	<b>\$ 30,252</b>	<b>\$ 31,598</b>	<b>\$ 57,611</b>	<b>\$ 60,517</b>
<b>Select costs items:</b>				
<b>Depreciation and amortization</b>				
- Depreciation	\$ 511	\$ 444	\$ 1,003	\$ 880
- Amortization -- special tools	<u>511</u>	<u>460</u>	<u>934</u>	<u>885</u>
<b>Total depreciation and amortization</b>	<b><u>\$ 1,022</u></b>	<b><u>\$ 904</u></b>	<b><u>\$ 1,937</u></b>	<b><u>\$ 1,765</u></b>
<b>Postretirement expense / (gain)</b>	<b>\$ 131</b>	<b>\$ 344</b>	<b>\$ 278</b>	<b>\$ 542</b>

\* Includes Volvo

# AUTOMOTIVE SECTOR

## NET INTEREST RECONCILIATION TO GAAP



	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)
Interest expense	\$ (518)	\$ (202)	\$ (1,060)	\$ (453)
Interest income	<u>60</u>	<u>105</u>	<u>107</u>	<u>190</u>
Subtotal	\$ (458)	\$ (97)	\$ (953)	\$ (263)
Adjusted for items included / excluded from net interest				
Include: Gains / (Losses) on cash equiv. and marketable securities*	11	25	26	22
Exclude: Special items	-	-	-	(2)
Other	<u>(12)</u>	<u>(16)</u>	<u>(24)</u>	<u>(30)</u>
Net Interest	<u>\$ (459)</u>	<u>\$ (88)</u>	<u>\$ (951)</u>	<u>\$ (273)</u>

\* Excludes mark-to-market adjustments of our investment in Mazda



# AUTOMOTIVE SECTOR

## GROSS CASH RECONCILIATION TO GAAP

	<u>June 30, 2010</u> (Bils.)	<u>Dec. 31, 2010</u> (Bils.)	<u>Mar. 31, 2011</u> (Bils.)	<u>June 30, 2011</u> (Bils.)
Cash and cash equivalents	\$ 8.7	\$ 6.3	\$ 12.6	\$ 9.8
Marketable securities*	<u>13.2</u>	<u>14.2</u>	<u>8.8</u>	<u>12.2</u>
Total cash and marketable securities	\$ 21.9	\$ 20.5	\$ 21.4	\$ 22.0
Securities in transit**	<u>-</u>	<u>-</u>	<u>(0.1)</u>	<u>-</u>
Gross cash	<u>\$ 21.9</u>	<u>\$ 20.5</u>	<u>\$ 21.3</u>	<u>\$ 22.0</u>

\* Included at June 30, 2011 are Ford Credit debt securities that we purchased, which are reflected in the table at a carrying value of \$201 million; the estimated fair value of these securities is \$200 million. Also included are Mazda marketable securities with a fair value of \$164 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



# AUTOMOTIVE SECTOR OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP

	Second Quarter		First Half	
	2010 (Bils.)	2011 (Bils.)	2010 (Bils.)	2011 (Bils.)
Cash flows from operating activities of continuing operations*	\$ 3.0	\$ 2.7	\$ 3.0	\$ 5.7
Items included in operating-related cash flows				
Capital expenditures	(1.0)	(1.1)	(1.9)	(2.0)
Proceeds from the exercise of stock options	-	-	0.1	0.1
Net cash flows from non-designated derivatives	(0.1)	0.1	(0.2)	0.1
Items not included in operating-related cash flows				
Cash impact of Job Security Benefits and personnel-reduction actions	0.1	0.1	0.2	0.1
Pension contributions	0.4	0.5	0.7	0.8
Tax refunds and tax payments from affiliates	-	-	-	(0.4)
Other**	0.2	-	0.6	0.1
Operating-related cash flows	<u>\$ 2.6</u>	<u>\$ 2.3</u>	<u>\$ 2.5</u>	<u>\$ 4.5</u>

\* 2010 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 Volvo cash flows

# AUTOMOTIVE SECTOR AUTOMOTIVE DEBT



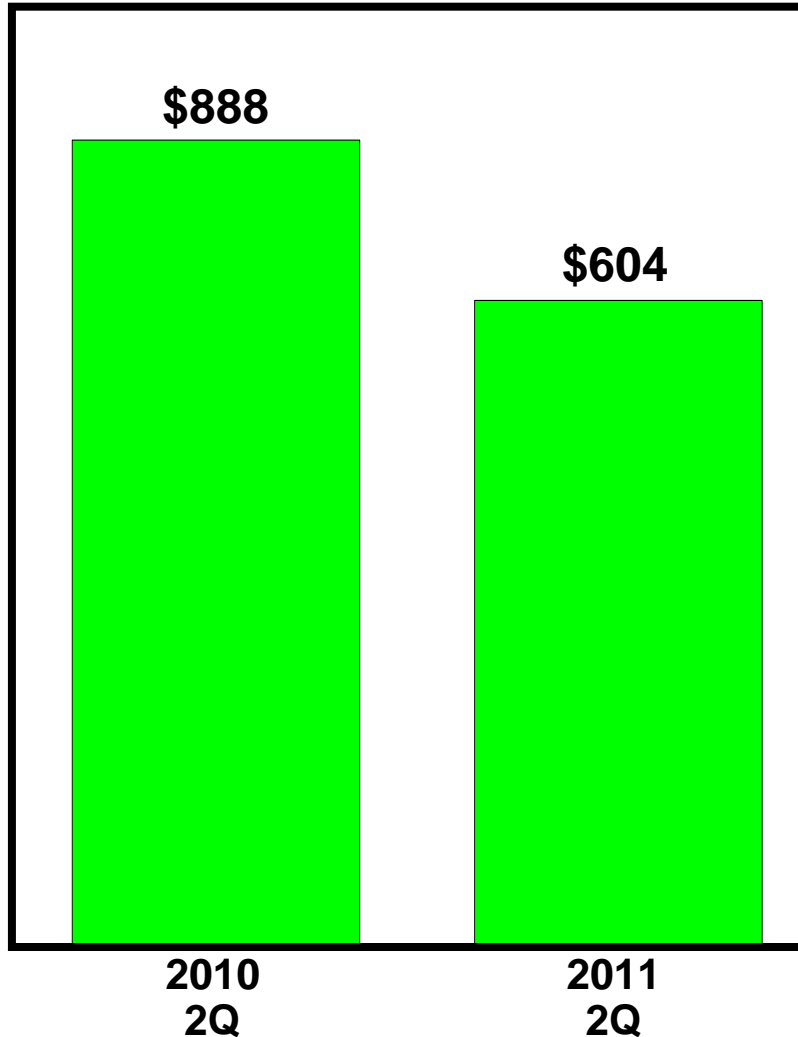
	Dec. 31, 2009 <u>(Bils.)</u>	Dec. 31, 2010 <u>(Bils.)</u>	Mar. 31, 2011 <u>(Bils.)</u>	June 30, 2011 <u>(Bils.)</u>
<b><u>U.S. Debt</u></b>				
Unsecured notes	\$ 5.5	\$ 5.2	\$ 5.2	\$ 5.2
Unsecured convertible notes	<u>2.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Total unsecured notes	\$ 8.1	\$ 5.9	\$ 5.9	\$ 5.9
Unsecured portion of VEBA debt	4.0	-	-	-
Trust Preferred	<u>3.1</u>	<u>3.0</u>	<u>-</u>	<u>-</u>
Total unsecured debt	\$ 15.2	\$ 8.9	\$ 5.9	\$ 5.9
Secured portion of VEBA debt	\$ 3.0	\$ -	\$ -	\$ -
Term loan	5.3	4.1	4.1	1.8
Revolving line of credit	7.5	0.8	0.8	-
U.S. Dept. of Energy Loans / EXIM	<u>1.2</u>	<u>3.0</u>	<u>3.6</u>	<u>4.1</u>
Total secured debt	\$ 17.0	\$ 7.9	\$ 8.5	\$ 5.9
Total U.S. debt	\$ 32.2	\$ 16.8	\$ 14.4	\$ 11.8
<b><u>International / Other debt</u></b>	<u>1.4</u>	<u>2.3</u>	<u>2.2</u>	<u>2.2</u>
Total Automotive debt	<u>\$ 33.6</u>	<u>\$ 19.1</u>	<u>\$ 16.6</u>	<u>\$ 14.0</u>
Memo: Debt payable within one year	\$ 1.6	\$ 2.0	\$ 2.0	\$ 1.1





# FINANCIAL SERVICES SECTOR FORD CREDIT RESULTS AND METRICS -- 2011 SECOND QUARTER

**Pre-Tax Profit (Mils.)**



**Key Metrics**

	Second Quarter	
	2010	2011
Receivables (Bils.)	\$ 85	\$ 84
Charge-Offs (Mils.)	\$ 86	\$ 49
Loss-to-Receivables Ratio		
- Worldwide	0.39%	0.23%
- U.S. Retail and Lease	0.45	0.24
Allowance for Credit Losses		
- Worldwide Amount (Bils.)	\$ 1.1	\$ 0.7
- Pct. Of EOP Receivables	1.26%	0.78%
Financial Statement		
Leverage (To 1)	8.1	8.5
Distribution (Bils.)	\$ -	\$ 1.0
Net Income (Mils.)	\$ 556	\$ 383
Managed Receivables* (Bils.)	\$ 87	\$ 86
Managed Leverage (To 1)	6.6	7.5

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

## **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

**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:

$$\text{- Financial Statement Leverage} = \frac{\text{Total Debt}}{\text{Equity}}$$

$$\text{- Managed Leverage} = \frac{\text{Total Debt} - \text{Cash, Cash Equivalents \& Marketable Securities}^* - \text{Adjustments for Derivative Accounting on Total Debt}^{**}}{\text{Equity} - \text{Adjustments for Derivative Accounting on Equity}^{**}}$$

\* 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 NET FINANCE RECEIVABLES AND OPERATING LEASES

	June 30, 2010 <u>(Bils.)</u>	Dec. 31, 2010 <u>(Bils.)</u>	June 30, 2011 <u>(Bils.)</u>
<b><u>Receivables</u></b>			
Retail installment	\$ 51.5	\$ 49.7	\$ 49.1
Wholesale	21.8	22.0	24.6
Other finance receivables	2.6	2.3	2.6
Unearned interest supplements	(2.0)	(1.9)	(1.9)
Allowance for credit losses	<u>(1.0)</u>	<u>(0.8)</u>	<u>(0.6)</u>
Finance receivables, net	\$ 72.9	\$ 71.3	\$ 73.8
Net investment in operating leases	<u>11.6</u>	<u>10.0</u>	<u>10.2</u>
Total receivables	<u>\$ 84.5</u>	<u>\$ 81.3</u>	<u>\$ 84.0</u>
<b>Memo:</b>			
Total managed receivables*	\$ 86.5	\$ 83.2	\$ 85.9

\* Includes receivables, excluding unearned interest supplements related to finance receivables of about \$2 billion, \$1.9 billion and \$1.9 billion at June 30, 2010, December 31, 2010 and June 30, 2011, respectively.



# FINANCIAL SERVICES SECTOR FORD CREDIT RECONCILIATION OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE

	<u>Jun. 30,</u> <u>2010</u> <u>(Bils.)</u>	<u>Jun. 30,</u> <u>2011</u> <u>(Bils.)</u>
<b><u>Leverage Calculation</u></b>		
Total Debt*	\$ 88.5	\$ 82.4
Adjustments for Cash, Cash Equivalents, and Marketable Securities**	(17.4)	(11.1)
Adjustments for Derivative Accounting***	<u>(0.4)</u>	<u>(0.3)</u>
Total Adjusted Debt	<u>\$ 70.7</u>	<u>\$ 71.0</u>
Equity	\$ 10.9	\$ 9.7
Adjustments for Derivative Accounting***	<u>(0.1)</u>	<u>(0.2)</u>
Total Adjusted Equity	<u>\$ 10.8</u>	<u>\$ 9.5</u>
Financial Statement Leverage (to 1)	8.1	8.5
Managed Leverage (to 1)	6.6	7.5

\* Includes \$49.4 billion and \$43.6 billion on June 30, 2010 and June 30, 2011, respectively, of long-term and short-term asset-backed debt obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements

\*\* 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