



***FOURTH QUARTER AND  
FULL YEAR 2008  
EARNINGS REVIEW  
AND 2009 OUTLOOK***

***JANUARY 29, 2009  
(PRELIMINARY RESULTS)***



# ***BUSINESS OVERVIEW***

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



# ***TOTAL COMPANY AGENDA***

- **Overview of Fourth Quarter Results and Accomplishments**
- **Global Business Environment and Details of Financial Results**
- **2009 Outlook**
- **Our Plan -- **ONE FORD****



# TOTAL COMPANY

## 2008 FOURTH QUARTER AND FULL YEAR RESULTS

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2008</u>	<u>O / (U)</u> <u>2007</u>	<u>2008</u>	<u>O / (U)</u> <u>2007</u>
Wholesales (000)*	1,138	(505)	5,404	(1,149)
Revenue (Bils.)*	\$ 29.2	\$ (16.3)	\$ 139.3	\$ (34.6)
<b><u>Continuing Operations*</u></b>				
Pre-Tax Results (Mils.)	\$(3,663)	\$(3,043)	\$ (6,698)	\$ (6,824)
After-Tax Results (Mils.)	(3,273)	(2,786)	(7,119)	(6,695)
Earnings Per Share	(1.37)	(1.14)	(3.13)	(2.92)
<b><u>Special Items Pre-Tax (Mils.)</u></b>	<b>\$(1,386)</b>	<b>\$ 2,466</b>	<b>\$ (7,605)</b>	<b>\$ (3,733)</b>
<b><u>Net Income / (Loss)</u></b>				
After-Tax Results (Mils.)	\$(5,875)	\$(3,064)	\$(14,571)	\$(11,848)
Earnings Per Share	(2.46)	(1.13)	(6.41)	(5.03)
<b><u>Automotive Gross Cash (Bils.)**</u></b>	<b>\$ 13.4</b>	<b>\$ (21.2)</b>	<b>\$ 13.4</b>	<b>\$ (21.2)</b>

\* Excludes special items, see Slide 9 and Appendix for reconciliations to GAAP

\*\* See Appendix for reconciliation to GAAP



## **TOTAL COMPANY 2008 FOURTH QUARTER OPERATIONS PRE-TAX RESULTS\***

- **Results at all operations were worse than last year because of sharply lower industry volumes and our actions to reduce dealer stocks. Cost reductions provided a partial offset to these declines**
- **Ford reduced automotive costs by \$1.4 billion compared to 2007; Ford North America exceeded our \$5 billion cost reduction target\*\***
- **Ford North America incurred an operating loss of \$1.9 billion**
- **Ford South America earned an operating profit of \$105 million**
- **Ford Europe incurred a \$330 million operating loss**
- **Volvo incurred a \$736 million operating loss**
- **Ford Asia Pacific Africa incurred an operating loss of \$208 million; we earned \$79 million from our investment in Mazda**
- **Financial Services incurred an operating loss of \$384 million**

\* Excludes special items, see Slide 9 and Appendix for reconciliations to GAAP

\*\* At constant volume, mix and exchange

# **TOTAL COMPANY ACHIEVING OUR PLAN -- KEY FOURTH QUARTER PRODUCT HIGHLIGHTS**



- **New 2009 Ford F-150 named North American Truck of the Year at the North American International Auto Show and *Motor Trend's* Truck of the Year. The F-Series pickup has been the best-selling truck in the U.S. for 32 straight years**
- **F-150 named "Top Safety Pick" by the U.S. Insurance Institute for Highway Safety (IIHS); Ford has the highest number (16) of IIHS "Top Safety Picks" in the industry. Ford brand also has more U.S.-government five-star safety-rated vehicles than any other brand**
- **Launched production of the 2010 Ford Fusion, Mercury Milan and Lincoln MKZ sedans as well as Fusion and Milan hybrids. Both gas-powered and hybrid version of Fusion and Milan offer best-in-class fuel economy**
- **The 2010 Ford Mustang, America's favorite muscle car, debuted with a new exterior and interior. Mustang arrives in dealerships this spring**
- **Announced a new electric vehicle strategy; Ford will produce new battery electric vehicles, hybrids, and plug-in hybrids during the next four years**
- **Ford Ka reaches full production in Europe and is off to a strong sales start**
- **New Ford Fiesta named "Car of the Year" by *What Car?* magazine, Britain's leading source of new car advice. Fiesta was the best-selling model in the U.K. in November and December, and is already the second best selling Ford model in Europe**
- **Ford Galaxy and Ford S-MAX both named No. 1 for reliability among multi-activity vehicles by German vehicle testing agency DEKRA**
- **Volvo launched the new XC60 crossover in Europe that will reach U.S. showrooms this spring**



# **TOTAL COMPANY ACHIEVING OUR PLAN -- KEY FOURTH QUARTER BUSINESS HIGHLIGHTS**

- **Ford announced that we are evaluating strategic options for Volvo Cars, including the possible sale of the automaker. Volvo continues to implement restructuring actions and substantially implemented its global personnel reduction of around 25% by quarter end**
- **Ford sold a portion of our ownership stake in Mazda Motor Corp. for around \$530 million; Ford and Mazda to continue successful strategic relationship**
- **Large SUV production ended at Michigan Truck Plant, one of three North American truck plants being retooled to produce small, fuel-efficient cars beginning in 2010 as part of Ford's global product transformation**
- **Ford, Lincoln and Mercury collectively increased U.S. overall and retail market share in October, November and December -- the first time the brands have posted three consecutive months of market share improvements in 12 years**
- **Ford Europe improved its Fourth Quarter and Full-Year market share in the 19 markets we track and became the No. 2 selling brand in Europe**
- **Maintained sufficient liquidity and did not need to access government bridge loans**
- **Ford defined its plans with the U.S. Department of Energy to invest about \$14 billion over seven years to produce advanced fuel efficient vehicles. This could allow Ford to qualify for up to \$5 billion of direct loans by 2011. Similar actions are being taken with the European Investment Bank**



# ***FINANCIAL RESULTS***

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





# TOTAL COMPANY 2008 FOURTH QUARTER AND FULL YEAR RESULTS\*

	Fourth Quarter		Full Year	
	2008	B / (W) 2007	2008	B / (W) 2007
<u>Income / (Loss) (Mils.)</u>				
Pre-Tax Results (Excl. Special Items)	<u>\$(3,663)</u>	\$ (3,043)	\$ (6,698)	\$ (6,824)
Special Items	<u>(1,386)</u>	<u>2,466</u>	<u>(7,605)</u>	<u>(3,733)</u>
Pre-Tax Results (Incl. Special Items)	<u>\$(5,049)</u>	\$ (577)	\$ (14,303)	\$ (10,557)
Taxes	(874)	(2,635)	(63)	(1,357)
Minority Interest	<u>48</u>	<u>155</u>	<u>(214)</u>	<u>98</u>
Net Income / (Loss) from Continuing Ops.	<u>\$(5,875)</u>	\$ (3,057)	\$ (14,580)	\$ (11,816)
Discontinued Operations	<u>0</u>	<u>(7)</u>	<u>9</u>	<u>(32)</u>
Net Income / (Loss)	<u>\$(5,875)</u>	<u>\$(3,064)</u>	<u>\$ (14,571)</u>	<u>\$ (11,848)</u>
Automotive Gross Cash (Bils.)**	\$ 13.4	\$ (21.2)	\$ 13.4	\$ (21.2)

\* See Slide 9 for details of 2008 Fourth Quarter and Full Year special items

\*\* See Appendix for reconciliation to GAAP



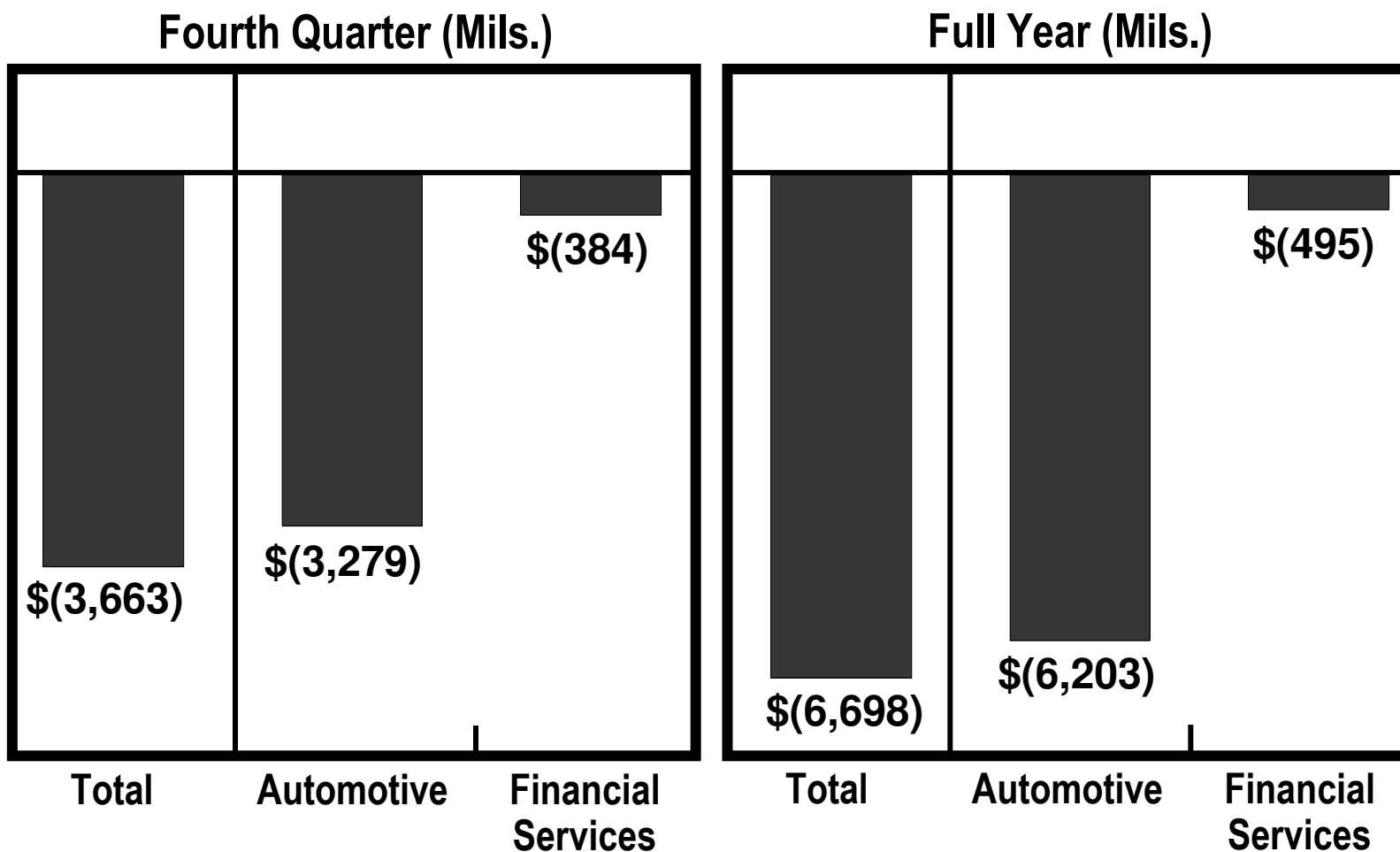
## **TOTAL COMPANY 2008 SPECIAL ITEMS**

	<u>Fourth Quarter</u> (Mils.)	<u>Full Year</u> (Mils.)
<u>Personnel-Related Charges</u>		
North America personnel-reduction programs	\$ (229)	\$ (873)
Other International personnel-reduction program	(280)	(380)
Job Security Benefits	82	344
Total Personnel-related charges	\$ (427)	\$ (909)
<u>Other Charges</u>		
Accelerated depreciation related to AAI lease buyout	(224)	(306)
Mazda loss on sale / mark to market adjustment	(201)	(201)
Dealer reductions	(45)	(250)
Sale of ACH plants / assets	0	(324)
Gain on debt conversions and purchases	76	184
Supplier settlement / other	(209)	(273)
Subtotal Special Items before Curtailment / Impairments	<u>\$(1,030)</u>	<u>\$(2,079)</u>
Retiree health care (curtailment / other)	(356)	2,074
Impairments	0	(7,600)
Total Special Items	<u><u>\$(1,386)</u></u>	<u><u>\$(7,605)</u></u>
Memo:		
Special Items impact on Earnings Per Share*	\$ (1.09)	\$ (3.28)

\* Earnings per share from continuing operations is calculated on a basis that includes pre-tax profit, provision for taxes, and minority interest; see Appendix for method of calculation



**TOTAL COMPANY  
2008 PRE-TAX PROFIT / (LOSS) BY SECTOR\***



**Memo:**

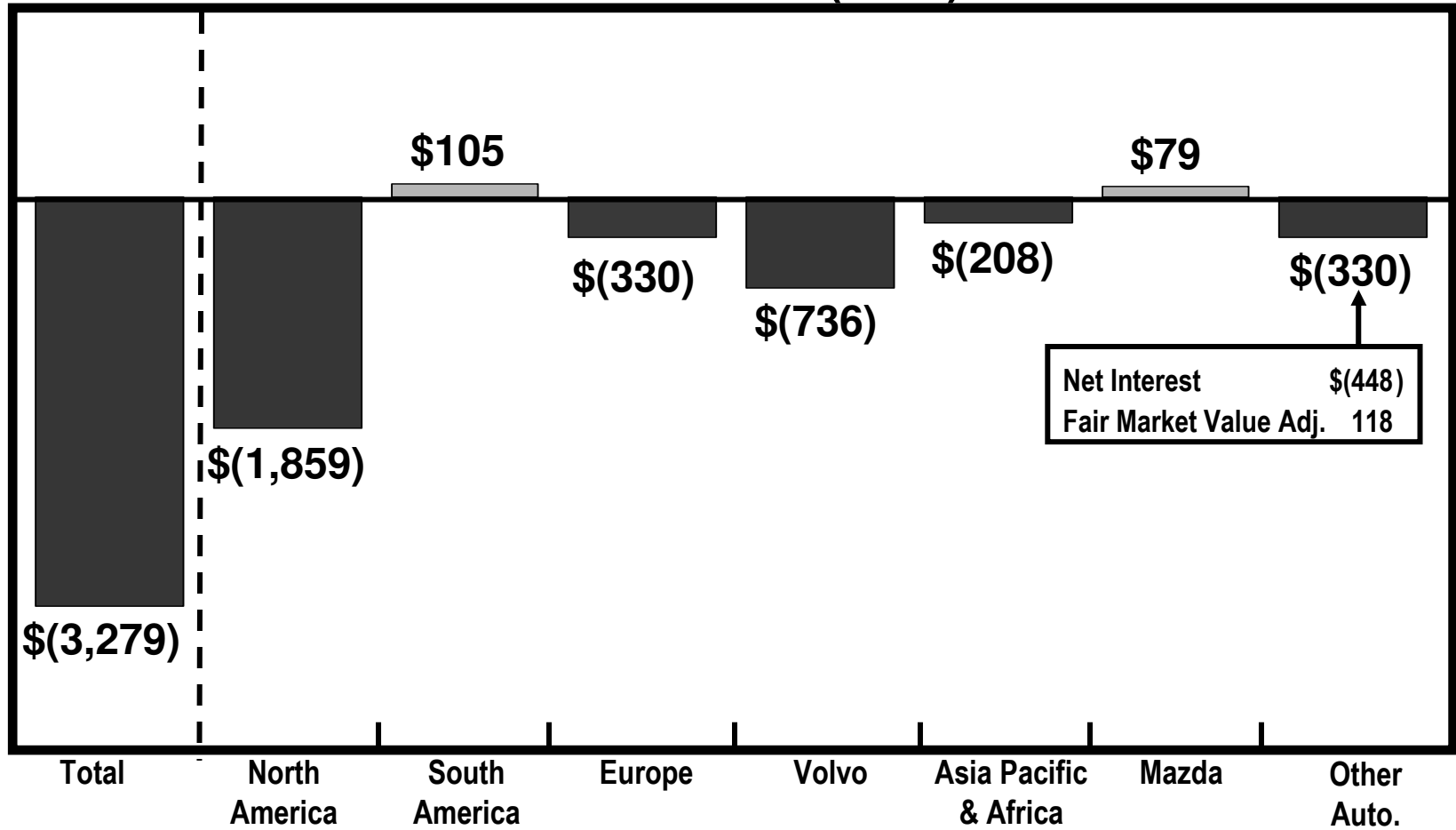
<b>B / (W) 2007</b>	<b>\$(3,043)</b>	<b>\$(2,390)</b>	<b>\$(653)</b>	<b>\$(6,824)</b>	<b>\$(5,105)</b>	<b>\$(1,719)</b>
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\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

**AUTOMOTIVE SECTOR**  
**2008 FOURTH QUARTER PRE-TAX PROFIT / (LOSS)**  
**BY SEGMENT\***



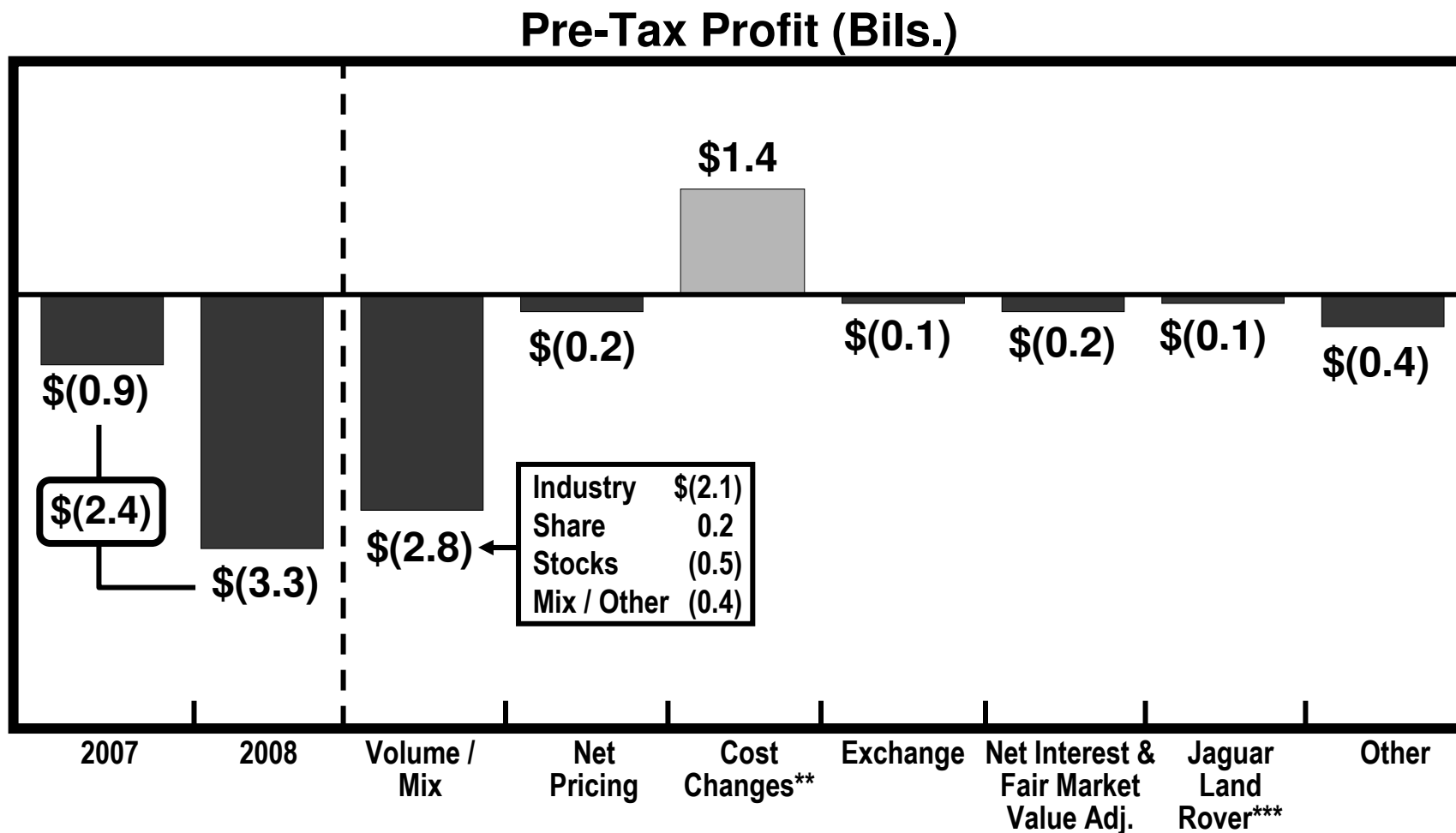
Pre-Tax Profit (Mils.)



Memo:	Total	North America	South America	Europe	Volvo	Asia Pacific & Africa	Mazda	Other Auto.
Full Year	\$(6,203)	\$(5,830)	\$1,230	\$1,060	\$(1,465)	\$(153)	\$230	\$(1,275)

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

# AUTOMOTIVE SECTOR 2008 FOURTH QUARTER PRE-TAX RESULTS COMPARED WITH 2007\*



**Memo:**

Full Year	\$(1.1)	\$(6.2)	\$(6.9)	\$(0.8)	\$4.4	\$(0.4)	\$(0.7)	\$(0.7)	\$0
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\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

\*\* At constant volume, mix and exchange

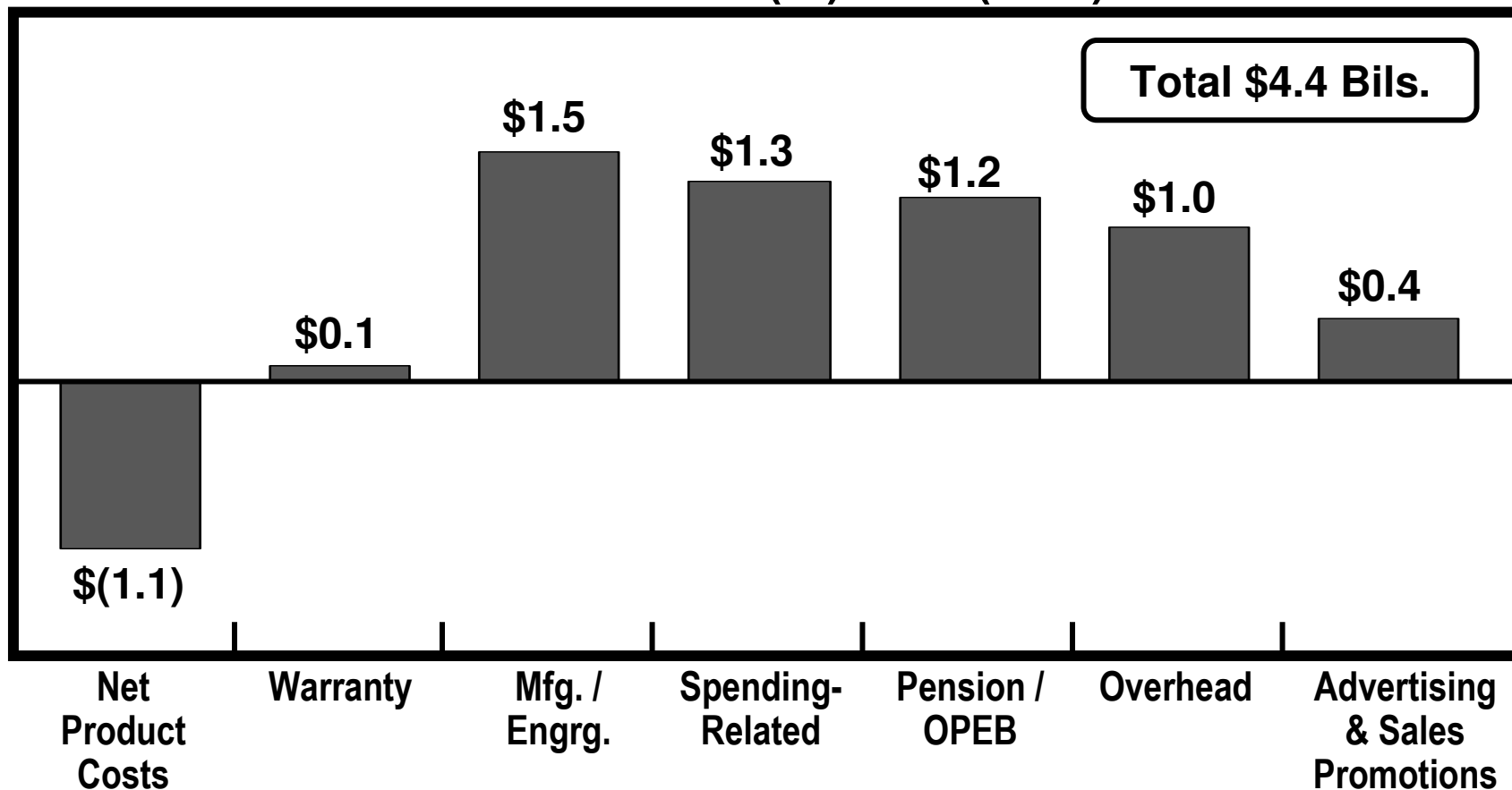
\*\*\* Non-recurrence of 2007 Fourth Quarter results

# AUTOMOTIVE SECTOR

## 2008 FULL YEAR COST CHANGES\*



2008 Costs B / (W) 2007 (Bils.)



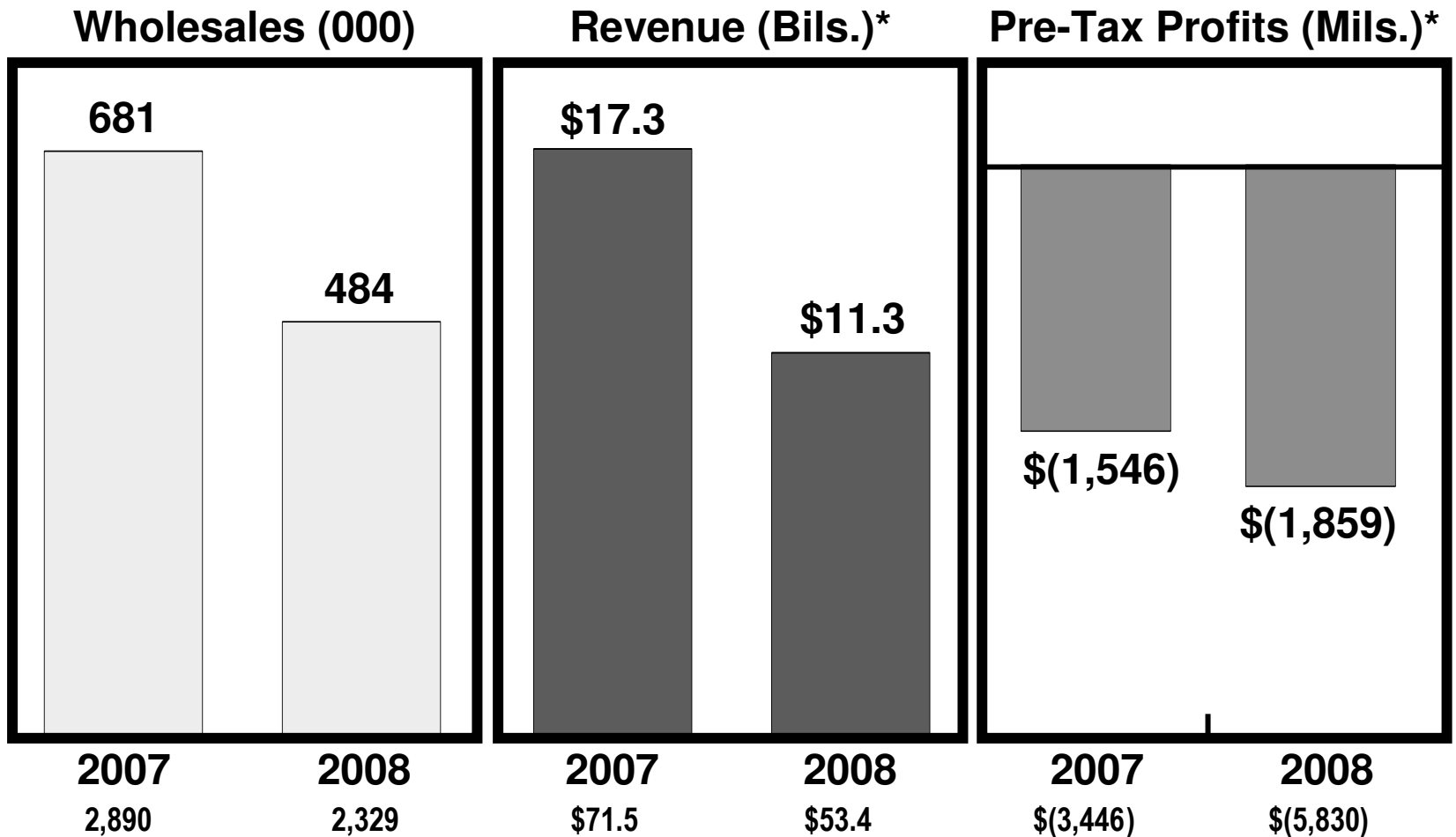
Memo:

	Net Product Costs	Warranty	Mfg. / Engrg.	Spending-Related	Pension / OPEB	Overhead	Advertising & Sales Promotions
Fourth Quarter	\$(0.8)	\$(0.1)	\$0.8	\$0.4	\$0.5	\$0.4	\$0.2
	\$1.4						

\* At constant volume, mix, and exchange; excludes special items

# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA

## FOURTH QUARTER KEY METRICS -- 2008 vs. 2007



### Memo: U.S. Industry SAAR (Mils.)

- Fourth Quarter	16.3	10.6
- Full Year	16.5	13.5

### U.S. Dealer Inventories (000)

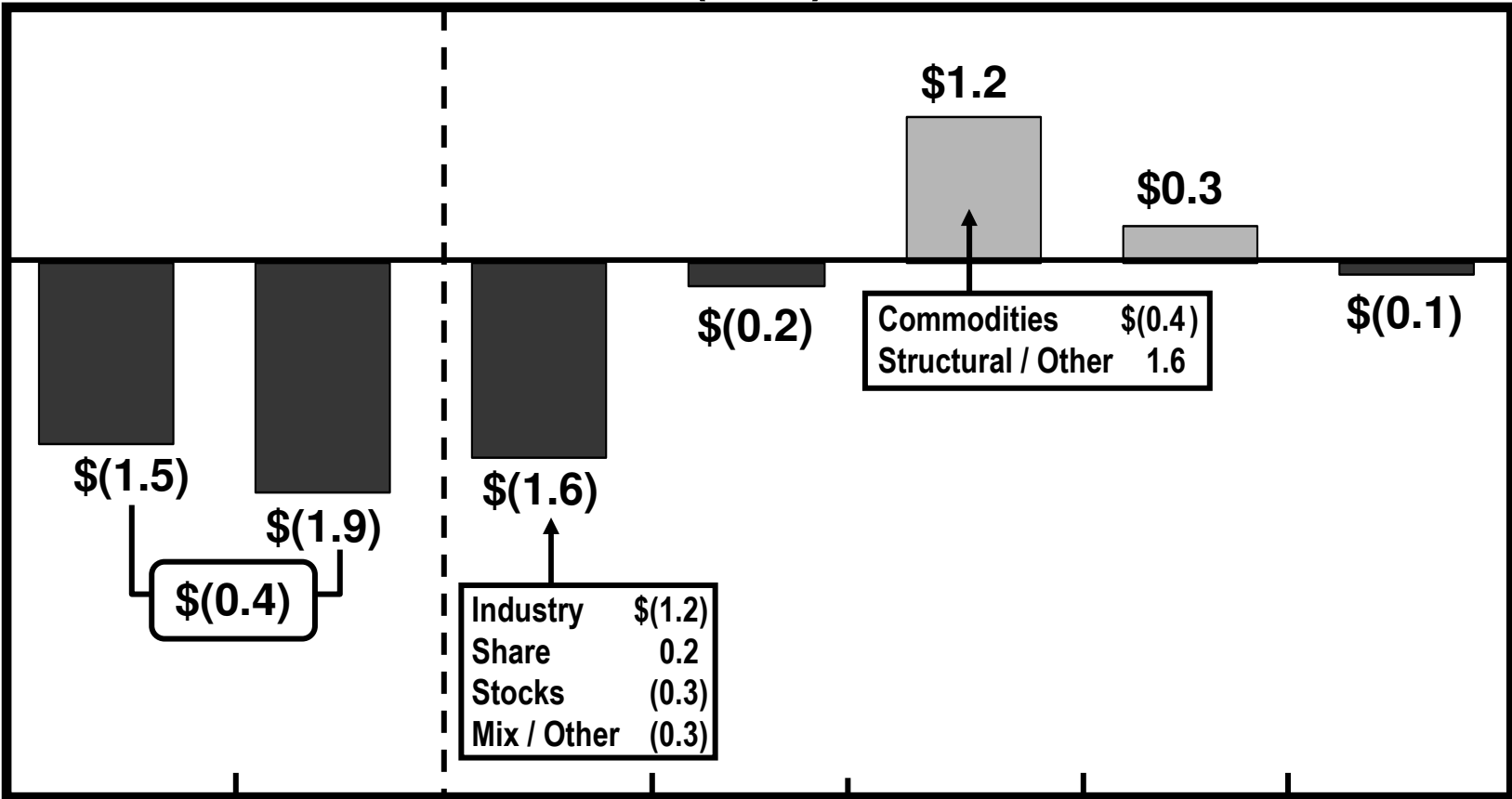
- Fourth Quarter	533	442
- O / (U) Prior Quarter	(5)	(36)

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP



# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA 2008 FOURTH QUARTER PRE-TAX RESULTS COMPARED WITH 2007\*

(Bils.)



Memo:

	2007	2008	Volume / Mix	Net Pricing	Cost Changes**	Exchange	Other
Full Year	\$(3.4)	\$(5.8)	\$(5.4)	\$(1.3)	\$3.5	\$0.7	\$0.1

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

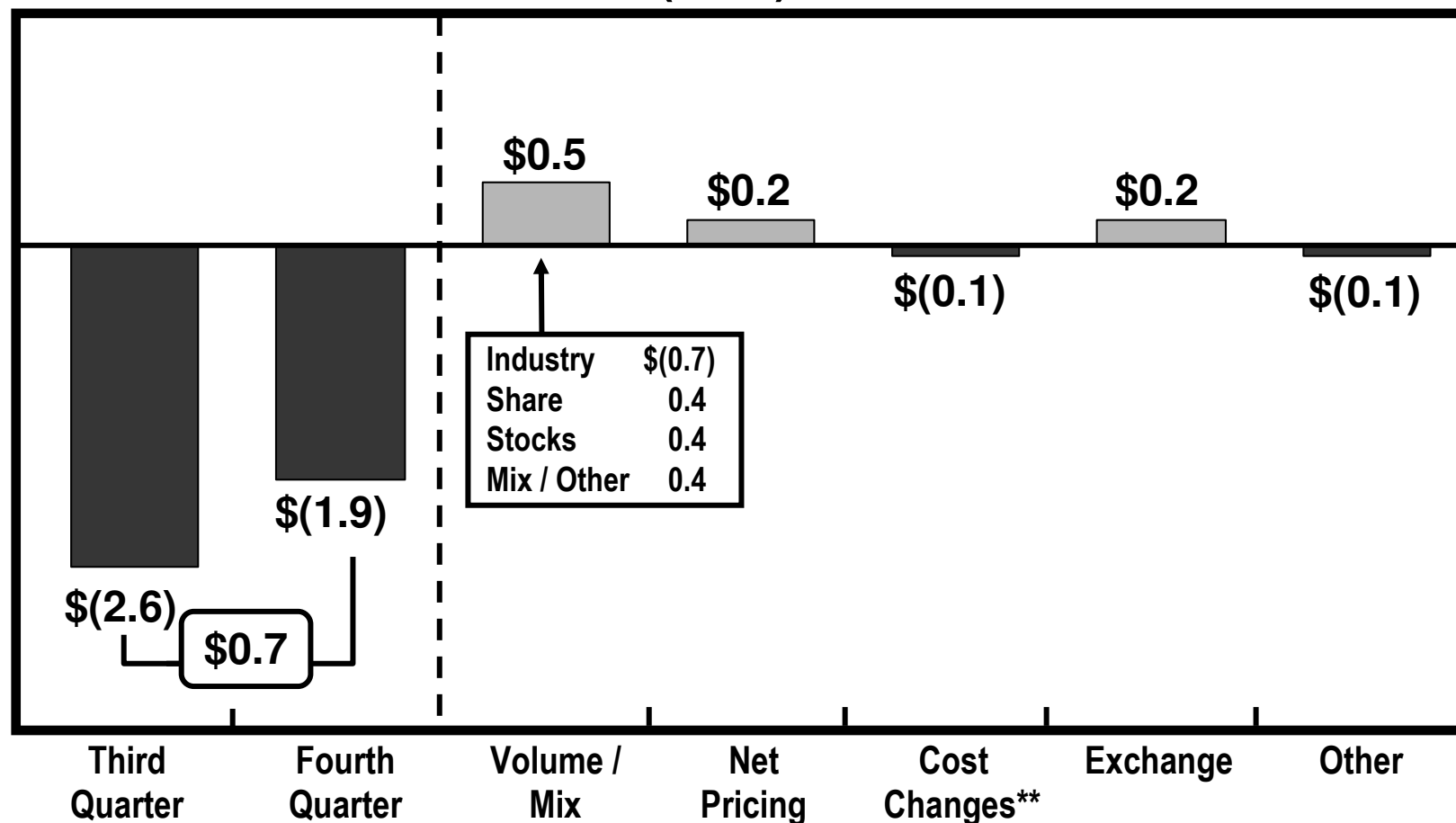
\*\* At constant volume, mix and exchange





# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA 2008 FOURTH QUARTER PRE-TAX RESULTS COMPARED WITH THIRD QUARTER\*

(Bils.)



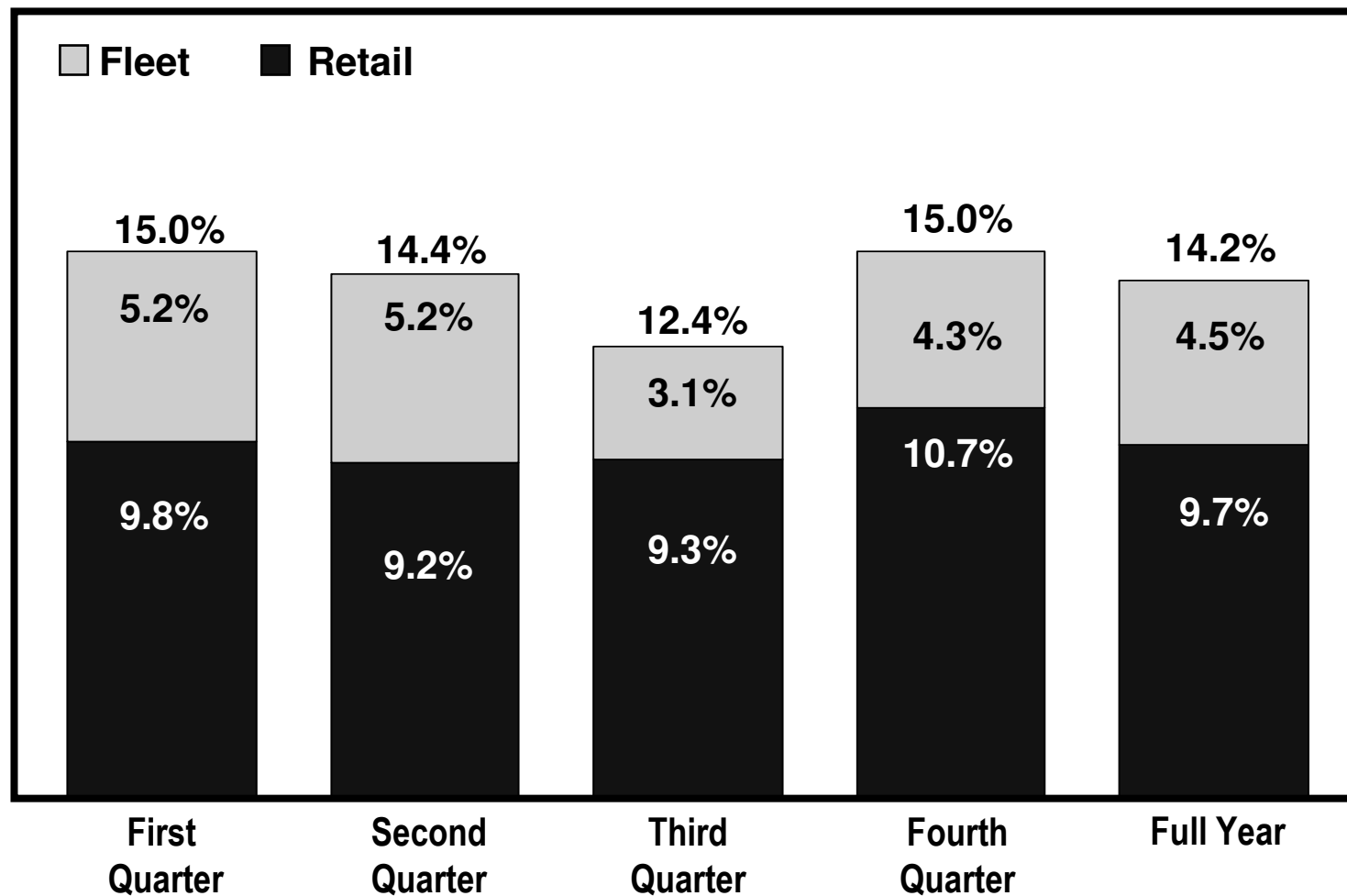
\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

\*\* At constant volume, mix and exchange

# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA U.S. MARKET SHARE\*



2008



Memo:

B / (W) 2007

(0.1) Pts.

(1.2) Pts.

(1.0) Pts.

**0.9 Pts.**

(0.4) Pts.

\* Ford and Lincoln Mercury

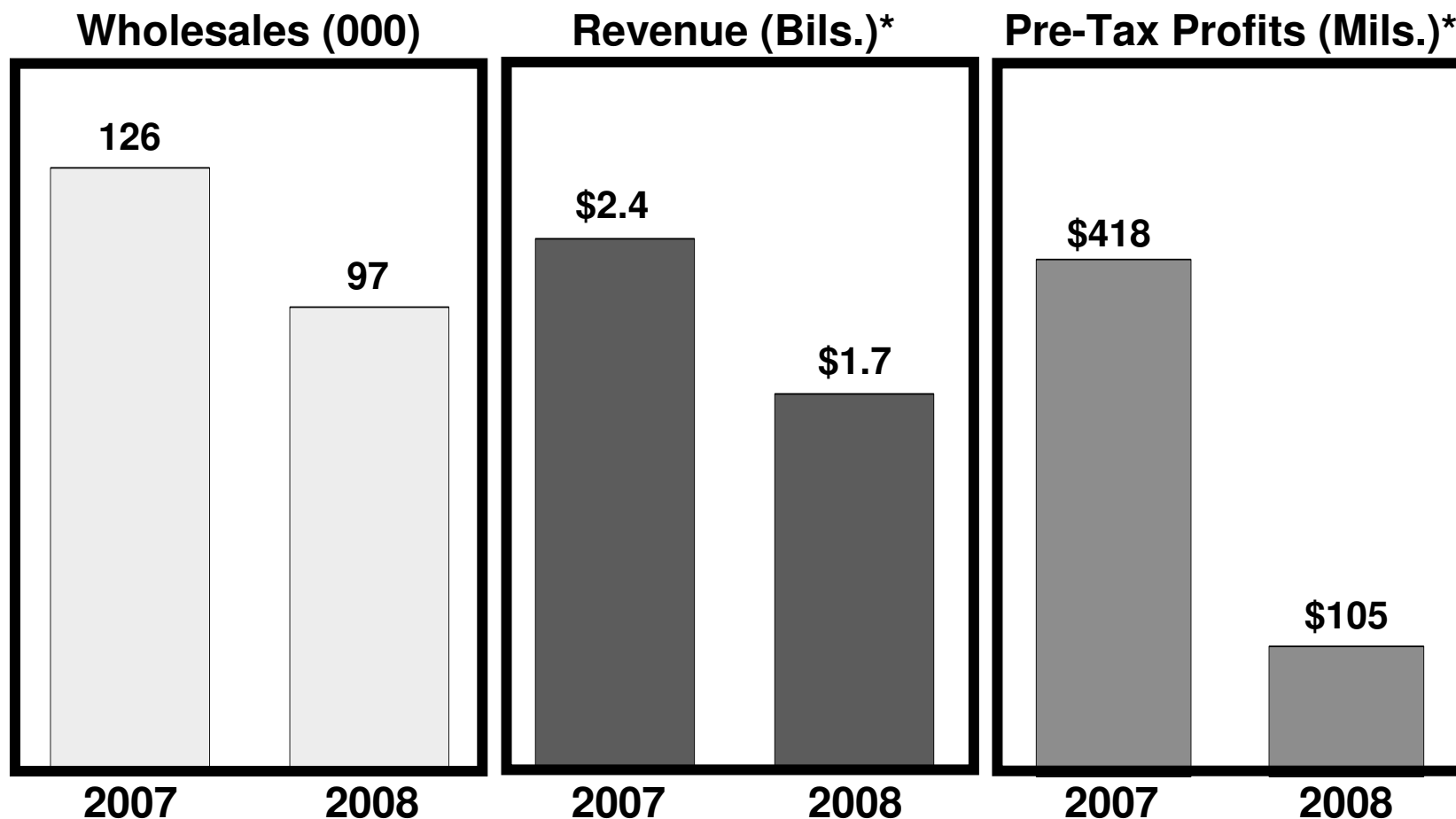


# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA OPERATING-RELATED COST REDUCTIONS\*

	2008				
	2006 (Bils.)	2007 (Bils.)	First Nine Months (Bils.)	Fourth Quarter (Bils.)	Full Year (Bils.)
<u>Net Product Costs</u>					
Product Adds	\$(0.9)	\$(2.0)	\$(0.4)	\$(0.3)	\$(0.7)
Commodities	(0.3)	(0.8)	(0.8)	(0.4)	(1.2)
Material Cost Reductions / Other	<u>1.2</u>	<u>0.8</u>	<u>0.8</u>	<u>0.2</u>	<u>1.0</u>
Subtotal	\$ 0	\$(2.0)	\$(0.4)	\$(0.5)	\$(0.9)
<u>Structural / Other</u>	<u>1.5</u>	<u>2.6</u>	<u>2.7</u>	<u>1.7</u>	<u>4.4</u>
Total	<u>\$ 1.5</u>	<u>\$ 0.6</u>	<u>\$ 2.3</u>	<u>\$ 1.2</u>	<u>\$ 3.5</u>
Cumulative	\$ 1.5	\$ 2.1	\$ 4.4	\$ 5.6	<b>\$ 5.6</b>
<b>Memo:</b>					
Cumulative Excl. D & A					
Impact of Impairment (Bils.)	\$ 1.5	\$ 2.1	\$ 4.2	\$ 5.1	<b>\$ 5.1</b>
Absolute Personnel Level (000)	122	89	80	75	

\* At constant volume, mix and exchange; excluding special items

# AUTOMOTIVE SECTOR -- FORD SOUTH AMERICA FOURTH QUARTER KEY METRICS -- 2008 vs. 2007



Full Year	436	432	\$7.6	\$8.6	\$1,172	\$1,230
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## Memo: Industry SAAR (Mils.)

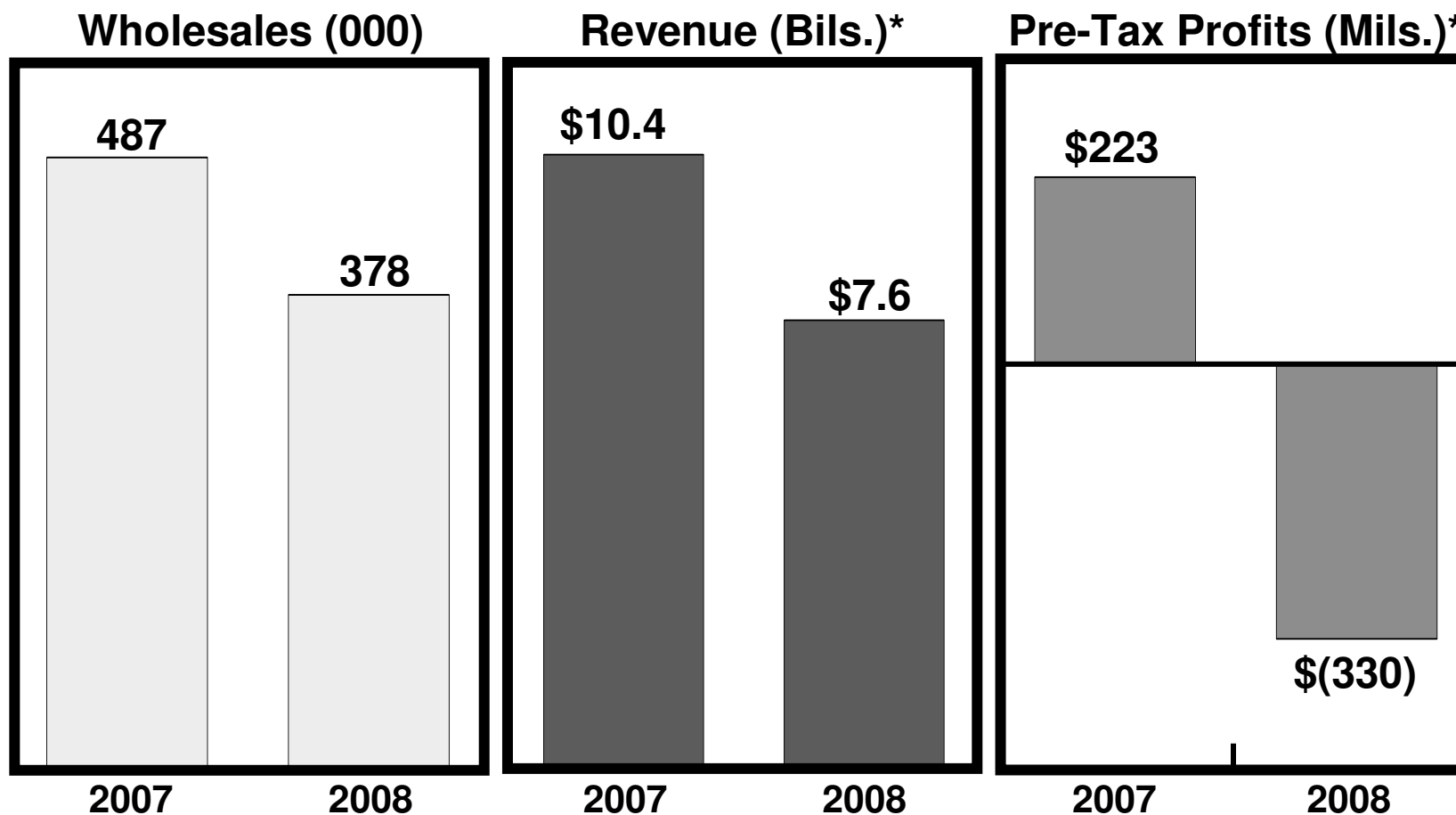
- Fourth Quarter	4.5	3.3
- Full Year	4.1	4.3

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP



# AUTOMOTIVE SECTOR -- FORD EUROPE

## FOURTH QUARTER KEY METRICS -- 2008 vs. 2007



	2007	2008
Full Year	1,918	1,820
	\$36.5	\$39.0
	\$997	\$1,060

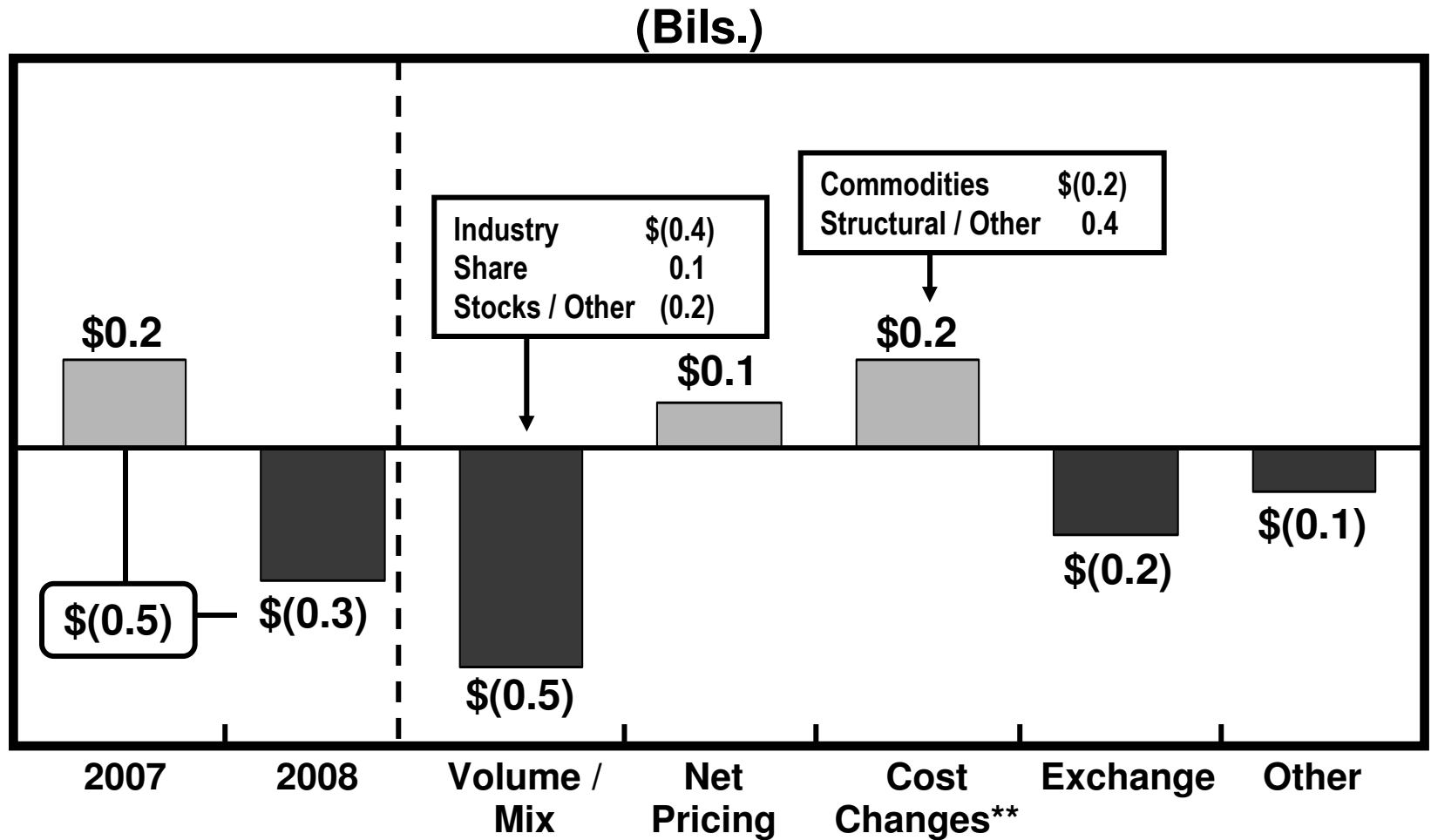
**Memo: Industry SAAR (Mils.)\*\***

- Fourth Quarter	18.3	14.8
- Full Year	18.1	16.6

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

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

# AUTOMOTIVE SECTOR -- FORD EUROPE 2008 FOURTH QUARTER PRE-TAX RESULTS COMPARED WITH 2007\*



Memo:  
Full Year

2007	2008	Volume / Mix	Net Pricing	Cost Changes**	Exchange	Other
\$1.0	\$1.1	\$(0.2)	\$0.4	\$0.5	\$(0.6)	\$0

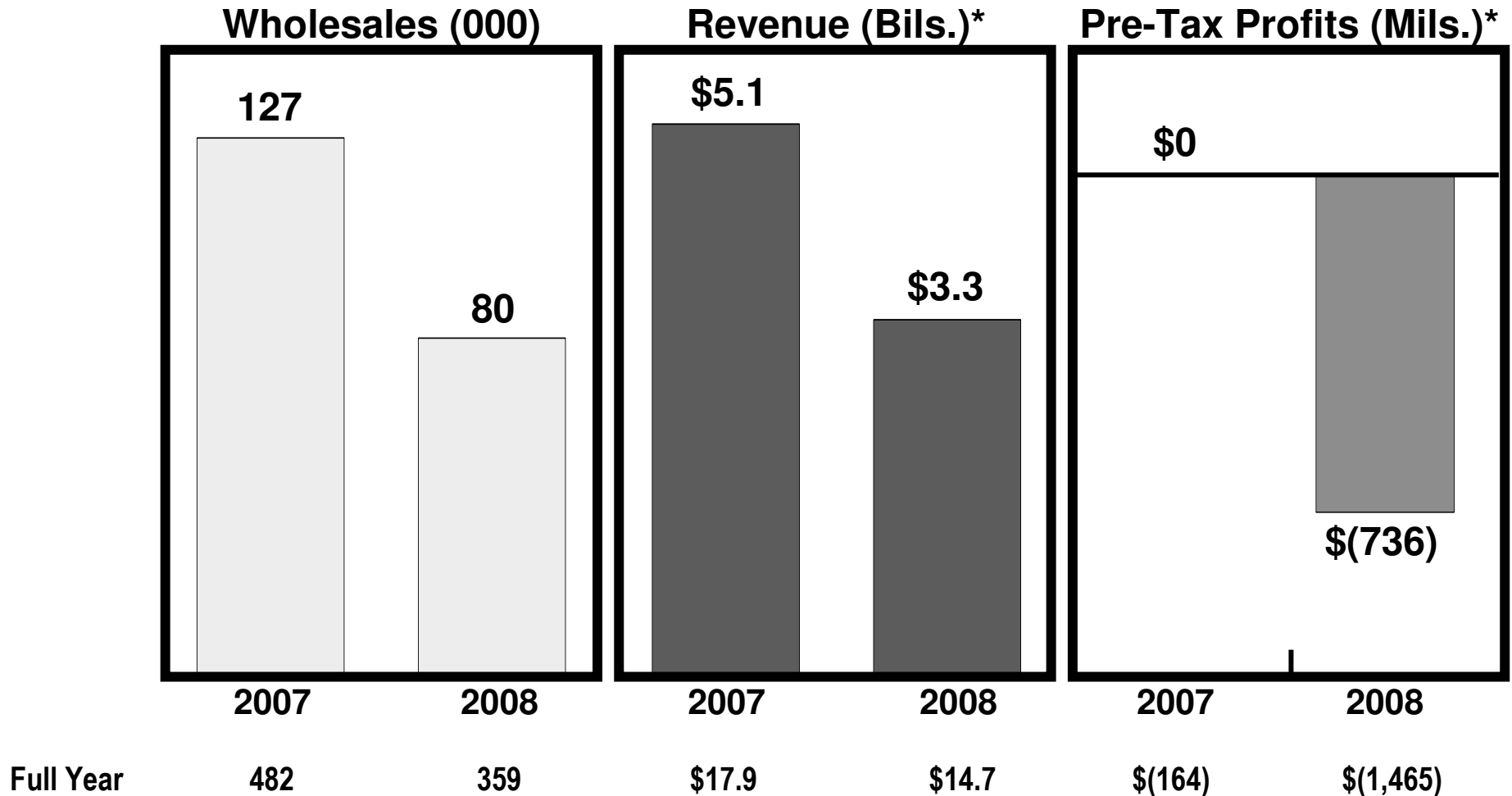
\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

\*\* At constant volume, mix and exchange

# AUTOMOTIVE SECTOR -- VOLVO



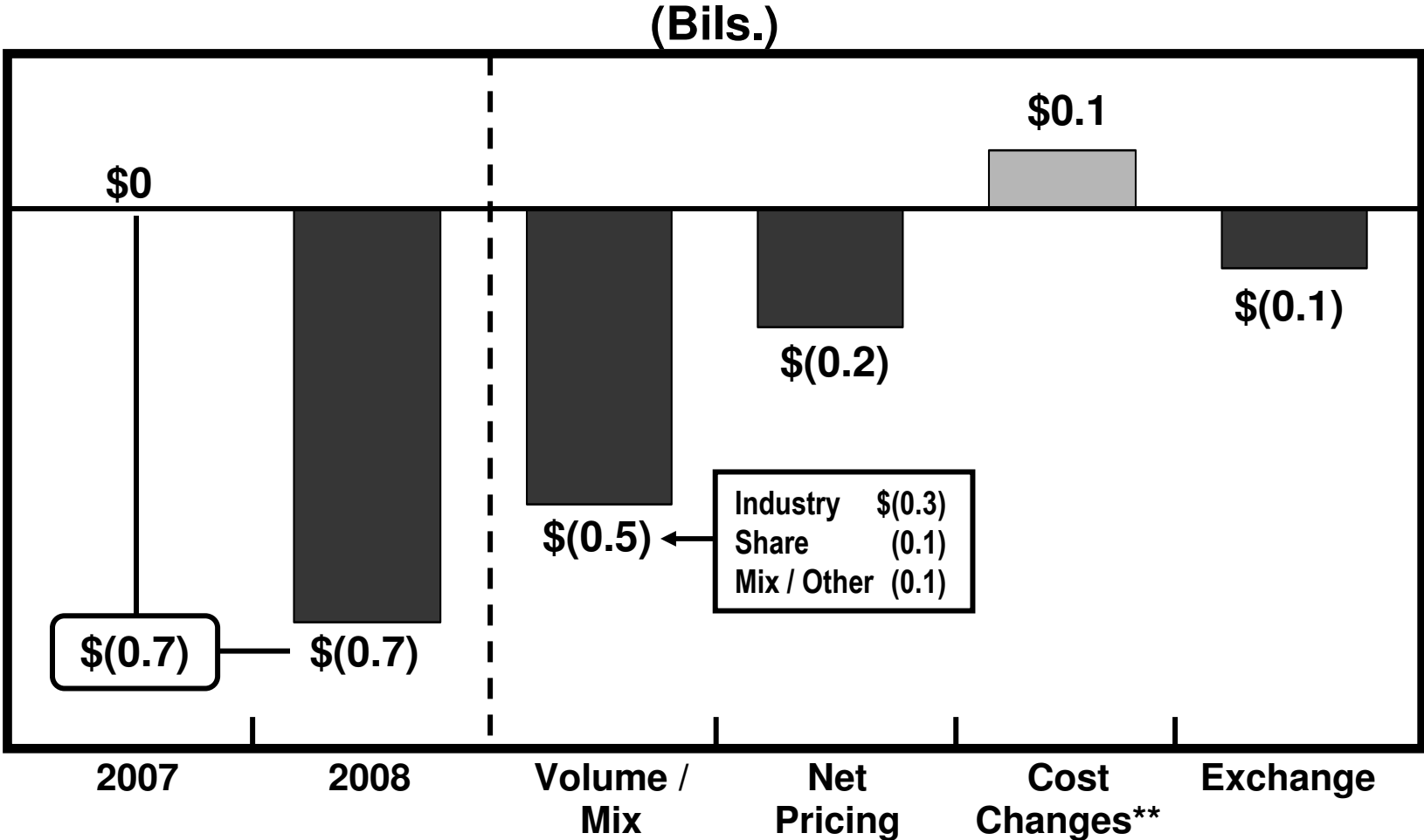
## FOURTH QUARTER KEY METRICS -- 2008 vs. 2007



\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP



**AUTOMOTIVE SECTOR -- VOLVO**  
**2008 FOURTH QUARTER PRE-TAX RESULTS**  
**COMPARED WITH 2007\***

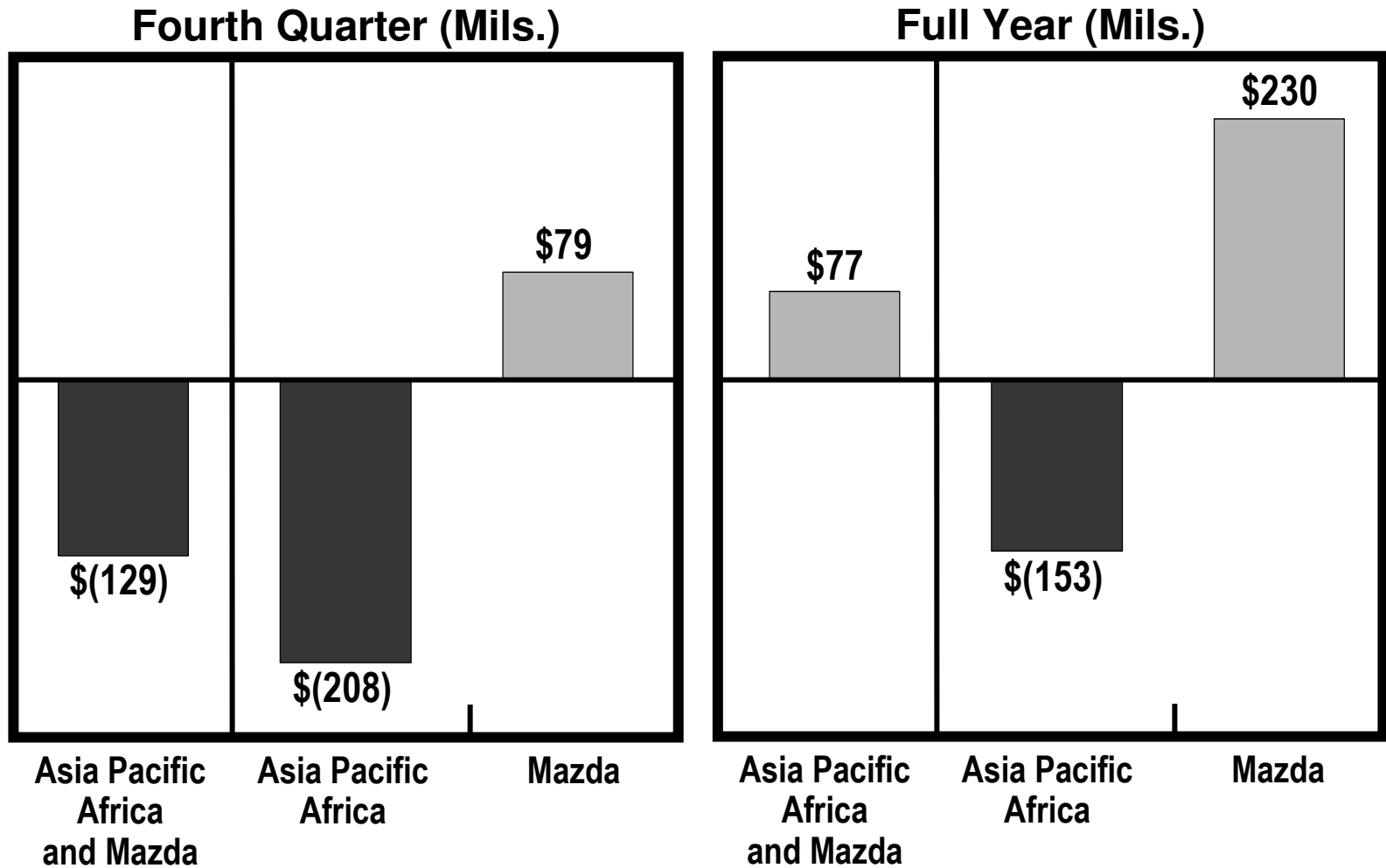


Memo:	2007	2008	Volume / Mix	Net Pricing	Cost Changes**	Exchange
Full Year	\$(0.2)	\$(1.5)	\$(1.1)	\$(0.4)	\$0.6	\$(0.4)

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP  
 \*\* At constant volume, mix and exchange



# AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AFRICA AND MAZDA 2008 PRE-TAX PROFIT / (LOSS) BY SEGMENT\*



Memo:  
B / (W) 2007

\$(214)

\$(218)

\$4

\$(145)

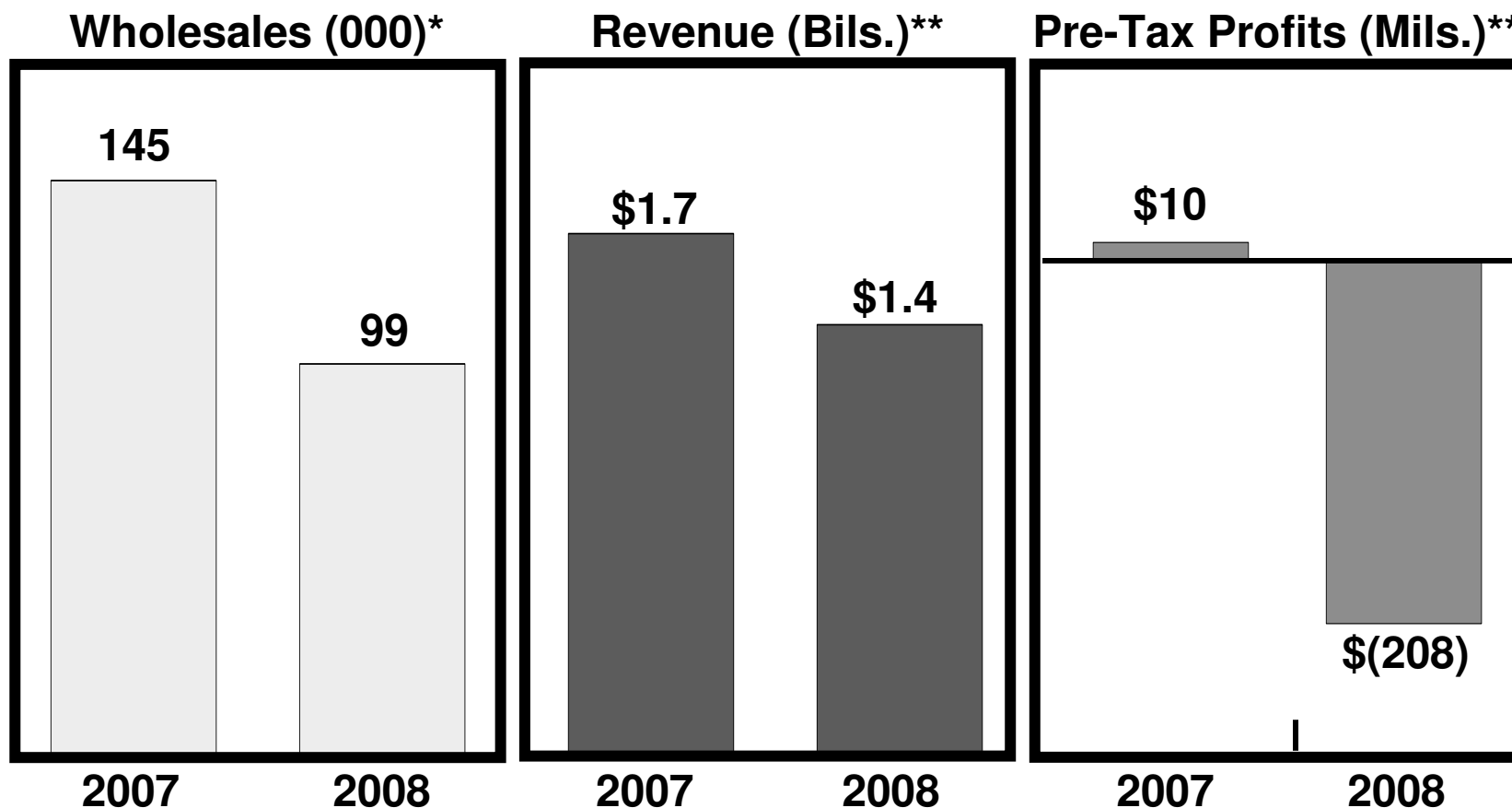
\$(193)

48

\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

# AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AFRICA

## FOURTH QUARTER KEY METRICS -- 2008 vs. 2007



Full Year	535	464	\$7.0	\$6.5	\$40	\$-(153)
Memo: Industry SAAR (Mils.)***						
- Fourth Quarter	20.3	17.9				
- Full Year	20.4	20.9				

\* Wholesales include Ford-badged vehicles sold in China and Malaysia by unconsolidated affiliates; revenue does not include these sales

\*\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

\*\*\* Asia Pacific Africa Industry SAAR is based on estimated vehicle sales for our twelve major markets in that region



# **AUTOMOTIVE SECTOR**

## **2008 CASH\***

	<u>Fourth Quarter</u> (Bils.)	<u>Full Year</u> (Bils.)
<u>Gross Cash</u>		
December 31, 2008	\$13.4	\$ 13.4
September 30, 2008 / December 31, 2007	18.9	34.6
Change in Gross Cash	<u>\$ (5.5)</u>	<u>\$(21.2)</u>
<u>Operating-Related Cash Flow</u>		
Automotive Pre-Tax Profits**	\$ (3.3)	\$ (6.2)
Capital Spending	(1.8)	(6.5)
Depreciation and Amortization	1.2	5.5
Changes in Working Capital/Other (incl. Timing Differences)	<u>(2.7)</u>	<u>(9.4)</u>
Subtotal	<u>\$ (6.6)</u>	<u>\$(16.6)</u>
Up-Front Subvention Payments to Ford Credit	<u>(0.6)</u>	<u>(2.9)</u>
Total Automotive Operating-Related Cash Flow	<u>\$ (7.2)</u>	<u>\$(19.5)</u>
<u>Other Changes in Gross Cash</u>		
Personnel Separation Programs	(0.2)	(0.7)
Pension Contributions	(0.1)	(1.0)
VEBA Related***	-	(4.6)
Tax Refunds, Tax Payments, and Tax Receipts from Affiliates	1.3	2.2
Acquisitions and Divestitures	0.5	2.5
All Other (incl. Equity Issuances)	<u>0.2</u>	<u>(0.1)</u>
Change in Gross Cash	<u>\$ (5.5)</u>	<u>\$(21.2)</u>

\* See Appendix for reconciliation to GAAP

\*\* Excludes special items; see Slide 9 and Appendix for reconciliation to GAAP

\*\*\* Includes transfers to Temporary Asset Account



# **AUTOMOTIVE SECTOR**

## **AUTOMOTIVE FINANCIAL RESOURCES**

	<u>December 31, 2008</u> (Bils.)
<b>Gross Cash*</b>	<b>\$ 13.4</b>
<b>Available Automotive Credit Lines (Secured and Unsecured)**</b>	<u>10.6</u>
<b>Total Liquidity</b>	<u><u>\$ 24.0</u></u>
<b>Memo: Debt</b>	<b>\$ 25.8</b>

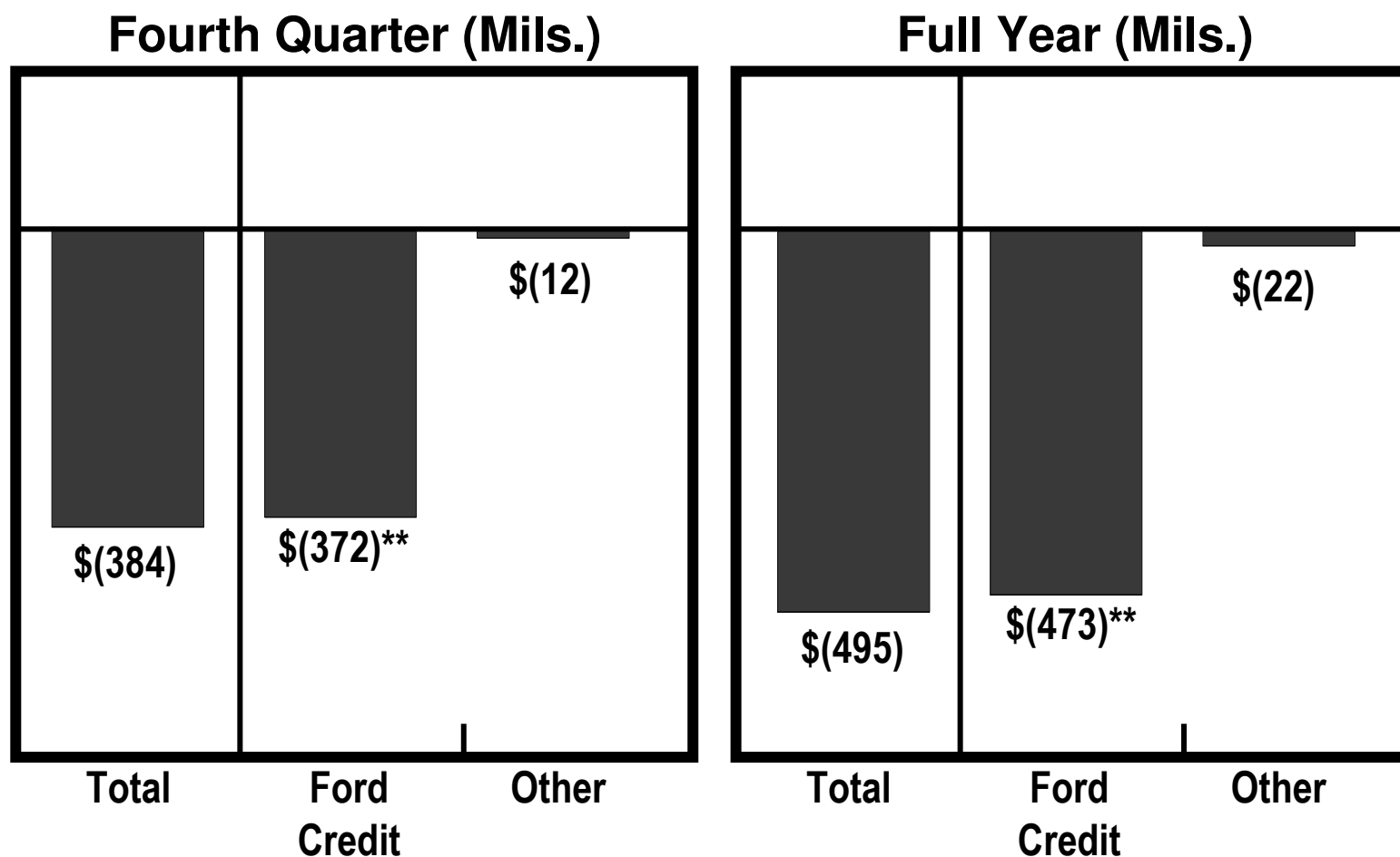
\* See Appendix for reconciliation to GAAP

\*\* As of December 31, 2008, total committed secured and unsecured Automotive credit lines (including local lines available to foreign affiliates) were \$11.3 billion



# FINANCIAL SERVICES SECTOR

## 2008 PRE-TAX PROFIT / (LOSS) BY SEGMENT\*



Memo:

B / (W) 2007	\$(653)	\$(635)	\$(18)	\$(1,719)	\$(1,688)	\$(31)
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\* Excludes special items, see Slide 9 and appendix for reconciliation to GAAP

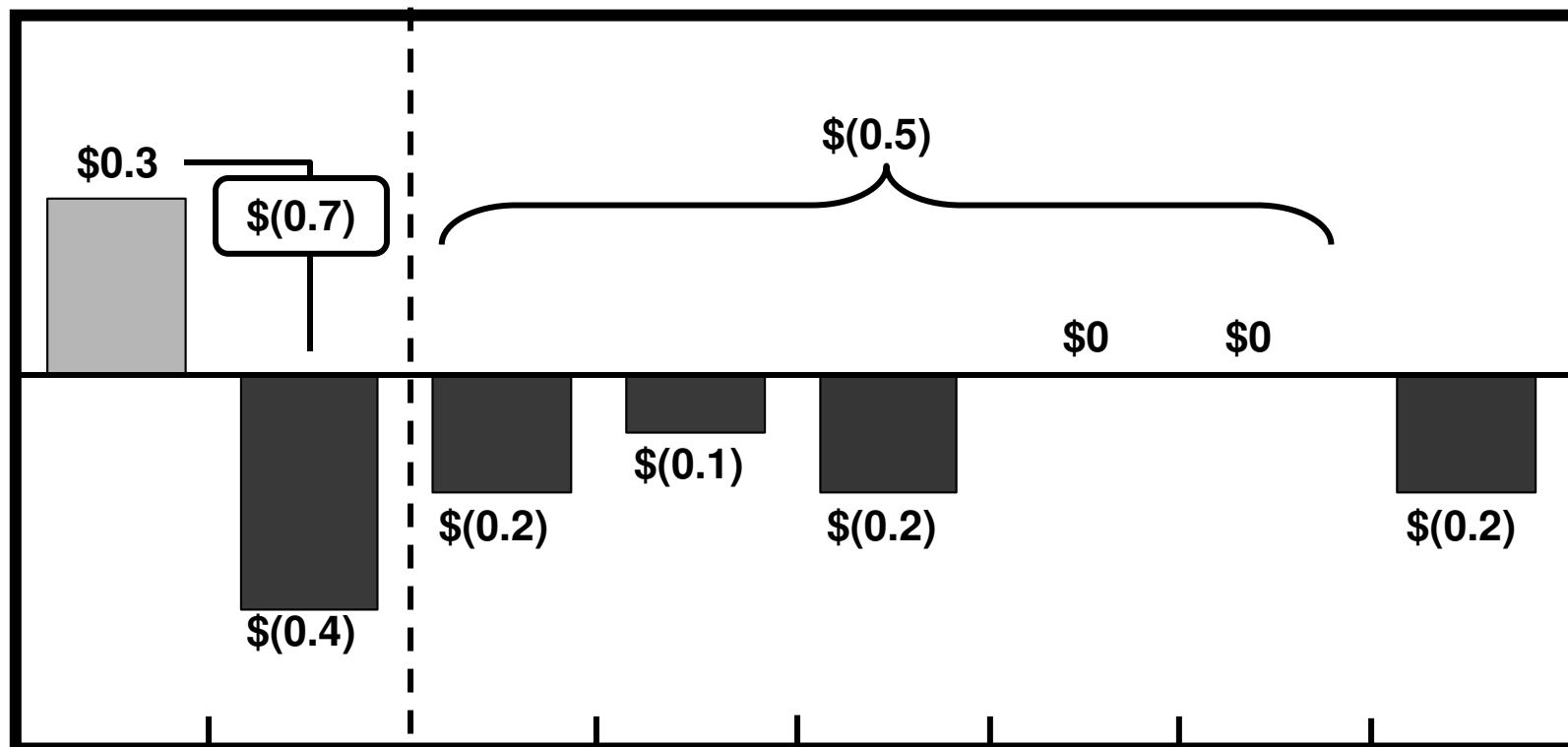
\*\* Includes net losses of \$143 million and \$317 million in the Fourth Quarter and Full Year, respectively, related to market valuation adjustments to derivatives



# FINANCIAL SERVICES SECTOR

## 2008 FOURTH QUARTER FORD CREDIT PRE-TAX RESULTS COMPARED WITH 2007

(Bils.)



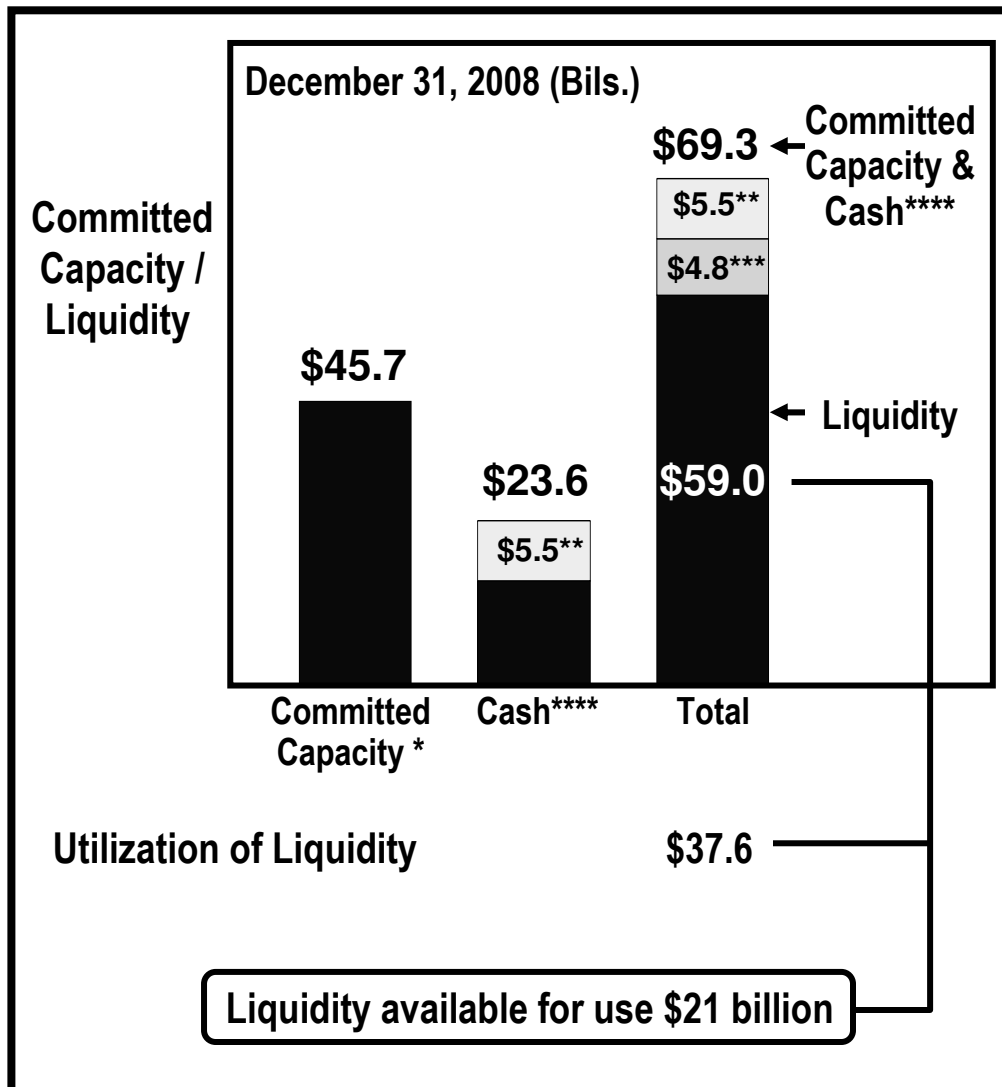
	2007	2008	Volume	Financing Margin	Credit Loss	Lease Residual	Other	SFAS 133*
Full Year**	\$ 1.2	\$(0.5)	\$(0.3)	\$0.2	\$(1.2)	\$(0.7)	\$0.5	\$(0.2)
Managed Assets	\$147	\$118						

\* Market valuation adjustments to derivatives

\*\* Excludes special items, see Slide 9 and appendix for reconciliation to GAAP

# FINANCIAL SERVICES SECTOR

## FORD CREDIT LIQUIDITY AND FUNDING STRATEGY



- We view Ford Credit as a strategic asset
- We continue to fund the business and maintain liquidity, including a substantial cash balance
- Key elements of our funding strategy are:
  - Maintaining funding programs and renewing committed capacity
  - Utilization of government sponsored programs in the short-term
  - Approval of our application for an Industrial Loan Corporation as a diversified, low cost funding source
  - Alternative business and funding arrangements and exiting certain markets
- Managed Leverage at December 31, 2008 was 9.9 to 1
- Equity at December 31, 2008 was \$10.6 billion

\* Subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; capacity utilization excludes \$70 million of FCAR asset-backed commercial paper held by Ford Credit

\*\* 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)



## **TOTAL COMPANY PENSION UPDATE**

	<u>2007</u>	<u>2008</u>
• Worldwide Pre-Tax Expense (Bils.)	\$ 2.0	\$ 1.0
Memo: Excluding Special Items	0.8	0.5
• Worldwide Pension Fund Contributions (Bils.) (Funded Plans)	\$ 1.6	\$ 1.7
• Year-End Over / (Under) Funded Status (Bils.)*		
– U.S. -- Funded Only	\$ 3.0	\$ (4.1)
– U.S. -- Total	1.3	(5.7)
– Worldwide	(3.3)	(11.9)
• Actual U.S. Asset Returns	11.3%	(10.1)%
<u>U.S. Assumptions (Year-End)</u>		
• Expected Long-Term Asset Return	8.25%	8.25%
• Discount Rate -- Weighted Average	6.25%	6.50%

\* Excludes Jaguar Land Rover





**TOTAL COMPANY**

**OTHER POSTRETIREMENT EMPLOYEE BENEFITS (OPEB)**

	<u>2007</u>	<u>2008</u>
• Worldwide Pre-Tax (Income) / Expense (Bils.)	\$ 0.4	\$ (1.8)
Memo: Excluding Special Items	1.7	0.8
• Worldwide Retiree Benefit Payments (Bils.)	\$ 1.6	\$ 1.5
• Worldwide Year-End Over / (Under) Funded Status (Bils.)	\$(24.2)	\$(16.3)

# **AUTOMOTIVE SECTOR 2008 PLANNING ASSUMPTIONS AND OPERATIONAL METRICS**



	<b>Full Year <u>Plan</u></b>	<b>Full Year <u>Results</u></b>
<b><u>Planning Assumptions</u></b>		
Industry Volume (SAAR)* -- U.S. (Mils.)	16.0	13.5
-- Europe (Mils.)**	17.6	16.6
 <b><u>Operational Metrics</u></b>		
<b>Compared with 2007</b>		
- Quality	Improve	Improved
- Automotive Costs***	Improve by about \$3 Billion	Improved by \$4.4 Billion
 <b>Absolute Amount</b>		
- U.S. Market Share (Ford and Lincoln Mercury)	Low End of 14-15% Range	14.2%
- Operating-Related Cash Flow****	Negative	\$(19.5) Billion
- Capital Spending	Around \$6 Billion	\$6.5 Billion

\* Includes medium and heavy vehicles

\*\* European 19 markets we track

\*\*\* At constant volume, mix, and exchange; excludes special items

\*\*\*\* See Appendix for reconciliation to GAAP



## **AUTOMOTIVE SECTOR PRODUCTION VOLUMES**

	<b>2008</b>				<b>2009</b>	
	<b>Fourth Quarter</b>		<b>Full Year</b>		<b>First Quarter</b>	
	<b>Units</b> <b>(000)</b>	<b>O / (U)</b> <b>2007</b> <b>(000)</b>	<b>Units</b> <b>(000)</b>	<b>O / (U)</b> <b>2007</b> <b>(000)</b>	<b>Units</b> <b>(000)</b>	<b>O / (U)</b> <b>2008</b> <b>(000)</b>
<b>North America</b>	<b>429</b>	<b>(212)</b>	<b>2,224</b>	<b>(605)</b>	<b>400</b>	<b>(292)</b>
<b>Europe</b>	<b>365</b>	<b>(124)</b>	<b>1,863</b>	<b>(77)</b>	<b>325</b>	<b>(214)</b>
<b>Volvo</b>	<b>68</b>	<b>(49)</b>	<b>364</b>	<b>(97)</b>	<b>67</b>	<b>(45)</b>



# ***OUR PLAN***

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



## **TOTAL COMPANY BUSINESS ENVIRONMENT**

- **Very weak global volumes, with likely decline over 10% this year following a weak 2008. Most of the 2008 weakness outside of U.S. occurred late in the year**
- **Government policy stimulus to support recovery beginning late in 2009**
- **Global credit markets remain under stress going into 2009; government and central bank actions necessary to stabilize conditions**
- **Suppliers and dealers also have been weakened by the global economic downturn and financial crisis**
- **Lower oil, fuel, and other raw material prices provide a partial offset to weak demand conditions**
- **Exchange risks centered on currency volatility, weak British pound, Russian ruble devaluation, and some Asian currency weakness**



**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

**TOTAL COMPANY  
CONTINUING TO MAINTAIN THE BASIC ELEMENTS  
OF TRANSFORMATION THROUGH **ONE FORD** WHILE  
IMPLEMENTING OUR CASH IMPROVEMENT ACTIONS**



- Our product plan remains intact
- **ONE FORD** to deliver a broad range of highly acclaimed global vehicles in global segments (B, C, C/D, and Commercial Van) beginning this year
- About 40% of Ford's entries in these segments to be shared between Ford North America and Ford Europe by 2010, with alignment achieved by 2013
- Every new product, as evidenced by the new Fusion, to be the best or among the best in its segment for fuel economy
- The new products to be supported by a lean, flexible manufacturing system in which capacity matches demand
- Continuing to fix the fundamentals of the business as evidenced by our plan to reduce Automotive structural costs by another \$4 billion this year\*

\* At constant volume, mix and exchange; excludes special items



## **TOTAL COMPANY DEVELOPING ADDITIONAL RESTRUCTURING ACTIONS**

- **Based on our current planning assumptions, Ford has sufficient liquidity to make it through this global downturn and to maintain our product plans without the need for government bridge loans**
- **We are on our way to delivering the \$14 to \$17 billion of Automotive cash improvement actions we defined in November. These actions included:**
  - **Reducing spending and inventories and achieving other working capital improvements**
  - **Further reducing salaried personnel-related costs and achieving additional efficiencies in engineering, manufacturing, advertising, and information technology**
  - **Releasing capital consistent with Ford Credit's smaller balance sheet and focus on Ford brands**
  - **Developing incremental sources of funding, including sale of non-core assets**
- **In addition, we are pursuing other restructuring opportunities in conjunction with our various stakeholders and will have more to discuss on this at a later date**
- **These restructuring opportunities are being pursued on a global basis with each business unit throughout the Ford world focused on restructuring its operations**
- **Ford remains on track for both its overall and its North American Automotive pre-tax results to be breakeven or profitable in 2011 (excluding special items)**





# **AUTOMOTIVE SECTOR 2009 OUTLOOK**

## Planning Assumptions

	<u>Plan</u>
Industry Volume (SAAR)* -- U.S. (Mils.)	11.5 to 12.5
-- Europe (Mils.)**	12.5 to 13.5

## Operational Metrics

Compared with 2008

- Quality	Improve
- Automotive Structural Costs (Bils.) ***	Improve by about \$4 Bils.
- U.S. Market Share (Ford and Lincoln Mercury)	Stabilize
- U.S. Share of Retail Market	Stabilize
- Europe Market Share **	Equal / Improve
- Operating-Related Cash Flow	Negative but Significant Improvement

Absolute Amount

- Capital Spending (Bils.)	\$5 to \$5.5 Bils.
----------------------------	--------------------

\* Includes medium and heavy vehicles

\*\* European 19 markets we track

\*\*\* At constant volume, mix, and exchange; excludes special items



## **TOTAL COMPANY WE ARE EXECUTING OUR PLAN**

**Business conditions have deteriorated rapidly on a global scale  
but:**

- Our **ONE FORD** plan is more right than ever
- We are focused on swift and decisive actions to stay on course with the four elements of our plan
- We are working on longer term restructuring actions on a global basis and managing all of the elements that we control to respond to changing economic conditions

# 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:

- Continued or worsening financial crisis;
- Further declines in industry sales volume, particularly in the United States or Europe, due to financial crisis, deepening recessions, geopolitical events or otherwise;
- Decline in market share;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations or other factors;
- A further increase in or acceleration of market shift away from sales of trucks, SUVs, or other more profitable vehicles, particularly in the United States;
- Continued or increased high prices for or reduced availability of fuel;
- Lower-than-anticipated market acceptance of new or existing products;
- Currency or commodity price fluctuations;
- Adverse effects from the bankruptcy or insolvency of, change in ownership or control of, or alliances entered into by a major competitor;
- Economic distress of suppliers of the type that has in the past and may in the future require us to provide financial support or take other measures to ensure supplies 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 supplies;
- Single-source supply of components or materials;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Inability to implement the Retiree Health Care Settlement Agreement to fund and discharge UAW hourly retiree health care obligations;
- Worse-than-assumed economic and demographic experience for our postretirement benefit plans (e.g., discount rates, investment returns, and health care cost trends);
- 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 or otherwise;
- A change in our requirements for parts or materials where we have entered into 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;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Substantial negative Automotive operating-related cash flows for the near- to medium-term affecting our ability to meet our obligations, invest in our business, or refinance our debt;
- 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 an industrial bank charter or similar banking status;
- Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts due to additional credit rating downgrades, market volatility, market disruption, or otherwise;
- \* A prolonged disruption of the debt and securitization markets;
- \* Higher-than-expected credit losses;
- \* Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- \* Changes in interest rates;
- \* 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;
- \* New or increased credit, consumer or data protection or other regulations resulting in higher costs and/or additional financing restrictions; and
- \* Inability to implement our plans to further reduce structural costs and increase liquidity.

We cannot be certain that any expectation, forecast or assumption made by management 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 2007 Form 10-K Report and subsequent Form 10-Q Reports.



# APPENDIX



# TOTAL COMPANY CALCULATION OF EARNINGS PER SHARE

	Fourth Quarter 2008		Full Year 2008	
	Net Income (Mils.)	Cont. Ops. -- Excl. Special Items (Mils.)	Net Income (Mils.)	Cont. Ops. -- Excl. Special Items (Mils.)
<b><u>Numerator</u></b>				
Net Income	\$(5,875)	\$(3,273)	\$(14,571)	\$(7,119)
Impact on Income from assumed exchange of convertible notes and convertible trust preferred securities	-	-	-	-
Income for EPS	<u>\$(5,875)</u>	<u>\$(3,273)</u>	<u>\$(14,571)</u>	<u>\$(7,119)</u>
<b><u>Denominator</u></b>				
Average shares outstanding	2,384	2,384	2,272	2,272
Net issuable shares, primarily stock options	-	-	-	-
Convertible notes	-	-	-	-
Convertible trust preferred securities	-	-	-	-
Average shares for EPS	<u>2,384</u>	<u>2,384</u>	<u>2,272</u>	<u>2,272</u>
EPS	\$(2.46)	\$ (1.37)	\$ (6.41)	\$ (3.13)



**TOTAL COMPANY**  
**FOURTH QUARTER AND FULL YEAR INCOME / (LOSS)**  
**FROM CONTINUING OPERATIONS COMPARED WITH 2007**

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2007</u> (Mils.)	<u>2008</u> (Mils.)	<u>2007</u> (Mils.)	<u>2008</u> (Mils.)
Pre-Tax Results from Continuing Operations (Excluding Special Items)	\$ (620)	\$(3,663)	\$ 126	\$ (6,698)
Minority Interest in Net (Income) / Loss of Subsidiaries	(107)	48	(312)	(214)
(Provision for) / Benefit from Income Taxes applied to Pre-Tax Results from Continuing Operations (Excl. Special Items)	<u>240</u>	<u>342</u>	<u>(238)</u>	<u>(207)</u>
After-Tax Results (Excl. Special Items)	\$ (487)	\$(3,273)	\$ (424)	\$ (7,119)
Pre-Tax Special Items*	(3,852)	(1,386)	(3,872)	(7,605)
(Provision for) / Benefit from Income Taxes on Special Items	<u>1,521</u>	<u>(1,216)</u>	<u>1,532</u>	<u>144</u>
Income / (Loss) from Continuing Operations	<u>\$(2,818)</u>	<u>\$(5,875)</u>	<u>\$(2,764)</u>	<u>\$(14,580)</u>
(Provision for) / Benefit from Income Taxes applied to Pre-Tax Results from Continuing Operations (Excl. Special Items)	\$ 240	\$ 342	\$ (238)	\$ (207)
(Provision for) / Benefit from Income Taxes on Special Items	<u>1,521</u>	<u>(1,216)</u>	<u>1,532</u>	<u>144</u>
(Provision for) / Benefit from Income Taxes	<u>\$ 1,761</u>	<u>\$ (874)</u>	<u>\$ 1,294</u>	<u>\$ (63)</u>

\* Special items detailed on Slide 9



# TOTAL COMPANY

## 2007 – 2008 FOURTH QUARTER PRE-TAX RESULTS

	Pre-Tax Profits				Pre-Tax Profits	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$(2,681)	\$(2,563)	\$(1,135)	\$ (704)	\$(1,546)	\$(1,859)
South America	418	105	0	0	418	105
Europe	98	(358)	(125)	(28)	223	(330)
Volvo	(2,543)	(903)	(2,543)	(167)	0	(736)
Asia Pacific Africa	(7)	(305)	(17)	(97)	10	(208)
Mazda	75	(42)	0	(121)	75	79
Subtotal	<u>\$(4,640)</u>	<u>\$(4,066)</u>	<u>\$(3,820)</u>	<u>\$(1,117)</u>	<u>\$ (820)</u>	<u>\$(2,949)</u>
Other Automotive	(8)	(593)	120	(263)	(128)	(330)
Subtotal Ongoing Auto.	<u>\$(4,648)</u>	<u>\$(4,659)</u>	<u>\$(3,700)</u>	<u>\$(1,380)</u>	<u>\$ (948)</u>	<u>\$(3,279)</u>
Jaguar Land Rover	(93)	(6)	(152)	(6)	59	0
Total Automotive	<u>\$(4,741)</u>	<u>\$(4,665)</u>	<u>\$(3,852)</u>	<u>\$(1,386)</u>	<u>\$ (889)</u>	<u>\$(3,279)</u>
Financial Services	269	(384)	0	0	269	(384)
Total Company	<u><u>\$(4,472)</u></u>	<u><u>\$(5,049)</u></u>	<u><u>\$(3,852)</u></u>	<u><u>\$(1,386)</u></u>	<u><u>\$ (620)</u></u>	<u><u>\$(3,663)</u></u>



# TOTAL COMPANY

## 2007 – 2008 FULL YEAR PRE-TAX RESULTS

	Pre-Tax Profits				Pre-Tax Profits	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$(4,139)	\$(10,197)	\$ (693)	\$(4,367)	\$(3,446)	\$(5,830)
South America	1,172	1,230	0	0	1,172	1,230
Europe	744	978	(253)	(82)	997	1,060
Volvo	(2,718)	(1,690)	(2,554)	(225)	(164)	(1,465)
Asia Pacific Africa	2	(290)	(38)	(137)	40	(153)
Mazda	<u>182</u>	<u>(105)</u>	<u>0</u>	<u>(335)</u>	<u>182</u>	<u>230</u>
Subtotal	\$(4,757)	\$(10,074)	\$(3,538)	\$(5,146)	\$(1,219)	\$(4,928)
Other Automotive	<u>(1,059)</u>	<u>(1,680)</u>	<u>(512)</u>	<u>(405)</u>	<u>(547)</u>	<u>(1,275)</u>
Subtotal Ongoing Auto.	\$(5,816)	\$(11,754)	\$(4,050)	\$(5,551)	\$(1,766)	\$(6,203)
JLR and Aston Martin	<u>846</u>	<u>32</u>	<u>178</u>	<u>32</u>	<u>668</u>	<u>0</u>
Total Automotive	\$(4,970)	\$(11,722)	\$(3,872)	\$(5,519)	\$(1,098)	\$(6,203)
Financial Services	<u>1,224</u>	<u>(2,581)</u>	<u>0</u>	<u>(2,086)</u>	<u>1,224</u>	<u>(495)</u>
Total Company	<u>\$(3,746)</u>	<u>\$(14,303)</u>	<u>\$(3,872)</u>	<u>\$(7,605)</u>	<u>\$ 126</u>	<u>\$(6,698)</u>





# **TOTAL COMPANY**

## **2007 – 2008 FOURTH QUARTER REVENUE**

	Revenue				Revenue	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$16,158	\$11,305	\$(1,099)	\$ 0	\$17,257	\$11,305
South America	2,411	1,748	0	0	2,411	1,748
Europe	10,167	7,643	(120)	0	10,287	7,643
Volvo	4,983	3,240	(87)	0	5,070	3,240
Asia Pacific Africa	1,753	1,331	(15)	0	1,768	1,331
Mazda	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Ongoing Auto.	\$35,472	\$25,267	\$(1,321)	\$ 0	\$36,793	\$25,267
Jaguar Land Rover	<u>3,901</u>	<u>0</u>	<u>(53)</u>	<u>0</u>	<u>3,954</u>	<u>0</u>
Total Automotive	\$39,373	\$25,267	\$(1,374)	\$ 0	\$40,747	\$25,267
Financial Services	<u>4,743</u>	<u>3,933</u>	<u>0</u>	<u>0</u>	<u>4,743</u>	<u>3,933</u>
Total Company	<u>\$44,116</u>	<u>\$29,200</u>	<u>\$(1,374)</u>	<u>\$ 0</u>	<u>\$45,490</u>	<u>\$29,200</u>



# TOTAL COMPANY

## 2007 – 2008 FULL YEAR REVENUE

	Revenue				Revenue	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ 70,366	\$ 53,382	\$(1,099)	\$ 0	\$ 71,465	\$ 53,382
South America	7,585	8,648	0	0	7,585	8,648
Europe	36,330	39,017	(120)	0	36,450	39,017
Volvo	17,772	14,679	(87)	0	17,859	14,679
Asia Pacific Africa	7,031	6,474	(15)	0	7,046	6,474
Mazda	0	0	0	0	0	0
Subtotal Ongoing Auto.	<u>\$139,084</u>	<u>\$122,200</u>	<u>\$(1,321)</u>	<u>\$ 0</u>	<u>\$140,405</u>	<u>\$122,200</u>
JLR and Aston Martin	15,295	6,974	(53)	6,974	15,348	0
Total Automotive	<u>\$154,379</u>	<u>\$129,174</u>	<u>\$(1,374)</u>	<u>\$6,974</u>	<u>\$155,753</u>	<u>\$122,200</u>
Financial Services	<u>18,076</u>	<u>17,111</u>	<u>0</u>	<u>0</u>	<u>18,076</u>	<u>17,111</u>
Total Company	<u><u>\$172,455</u></u>	<u><u>\$146,285</u></u>	<u><u>\$(1,374)</u></u>	<u><u>\$6,974</u></u>	<u><u>\$173,829</u></u>	<u><u>\$139,311</u></u>



# TOTAL COMPANY

## 2008 FOURTH QUARTER WHOLESALLES

	Wholesales				Wholesales	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(000)	(000)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	681	484	0	0	681	484
South America	126	97	0	0	126	97
Europe	487	378	0	0	487	378
Volvo	127	80	0	0	127	80
Asia Pacific Africa**	145	99	0	0	145	99
Mazda	0	0	0	0	0	0
Subtotal	<u>1,566</u>	<u>1,138</u>	<u>0</u>	<u>0</u>	<u>1,566</u>	<u>1,138</u>
Other Automotive	0	0	0	0	0	0
Subtotal Automotive Ops.	<u>1,566</u>	<u>1,138</u>	<u>0</u>	<u>0</u>	<u>1,566</u>	<u>1,138</u>
Jaguar Land Rover	77	0	0	0	77	0
Total Automotive	<u>1,643</u>	<u>1,138</u>	<u>0</u>	<u>0</u>	<u>1,643</u>	<u>1,138</u>

\* Includes consolidation of Automotive Alliance International (AAI) wholesales from production of Mazda6 vehicles only

\*\* Included in wholesales of Asia Pacific Africa are Ford-badged vehicles sold in China and Malaysia by certain unconsolidated affiliates totaling about 40,000 and 61,000 units in 2008 and 2007, respectively.



# TOTAL COMPANY 2008 FULL YEAR WHOLESALLES

	Wholesales		Special Items		Wholesales	
	(Incl. Special Items)				(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(000)	(000)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	2,890	2,329	0	0	2,890	2,329
South America	436	432	0	0	436	432
Europe	1,918	1,820	0	0	1,918	1,820
Volvo	482	359	0	0	482	359
Asia Pacific Africa**	535	464	0	0	535	464
Mazda	0	0	0	0	0	0
Subtotal	<u>6,261</u>	<u>5,404</u>	<u>0</u>	<u>0</u>	<u>6,261</u>	<u>5,404</u>
Other Automotive	0	0	0	0	0	0
Subtotal Automotive Ops.	<u>6,261</u>	<u>5,404</u>	<u>0</u>	<u>0</u>	<u>6,261</u>	<u>5,404</u>
JLR and Aston Martin	292	125	0	125	292	0
Total Automotive	<u>6,553</u>	<u>5,529</u>	<u>0</u>	<u>125</u>	<u>6,553</u>	<u>5,404</u>

\* Includes consolidation of Automotive Alliance International (AAI) wholesales from production of Mazda6 vehicles only

\*\* Included in wholesales of Asia Pacific Africa are Ford-badged vehicles sold in China and Malaysia by certain unconsolidated affiliates totaling about 185,000 and 205,000 units in 2008 and 2007, respectively.



**TOTAL COMPANY  
FOURTH QUARTER EMPLOYMENT DATA BY  
BUSINESS UNIT\***

	<b>Sept. 30, 2008</b>	<b>Dec. 31, 2008</b>
	<b>(000)</b>	<b>(000)</b>
<b>North America</b>	<b>84</b>	<b>79</b>
<b>South America</b>	<b>15</b>	<b>15</b>
<b>Europe</b>	<b>73</b>	<b>70</b>
<b>Volvo</b>	<b>25</b>	<b>24</b>
<b>Asia Pacific Africa</b>	<b>17</b>	<b>15</b>
<b>Subtotal Automotive</b>	<b>214</b>	<b>203</b>
<b>Financial Services</b>	<b>10</b>	<b>10</b>
<b>Total Company</b>	<b>224</b>	<b>213</b>

\* This slide includes the approximate number of individuals employed by us and our consolidated entities (including entities we do not control)



## **AUTOMOTIVE SECTOR -- FORD NORTH AMERICA PERSONNEL LEVELS FROM YEAR-END 2005**

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>Sept. 30, 2008</u>	<u>Dec. 31, 2008</u>
<b>Salaried</b>	<b>35,600</b>	<b>32,400</b>	<b>24,300</b>	<b>22,600</b>	<b>22,400</b>
<b>Hourly</b>					
<b>- Manufacturing / Other</b>	<b>86,200</b>	<b>78,900</b>	<b>58,600</b>	<b>54,000</b>	<b>49,600</b>
<b>- ACH*</b>	<u><b>13,900</b></u>	<u><b>11,100</b></u>	<u><b>6,100</b></u>	<u><b>3,600</b></u>	<u><b>3,200</b></u>
<b>Total Hourly</b>	<u><b>100,100</b></u>	<u><b>90,000</b></u>	<u><b>64,700</b></u>	<u><b>57,600</b></u>	<u><b>52,800</b></u>
<b>Subtotal</b>	<b>135,700</b>	<b>122,400</b>	<b>89,000</b>	<b>80,200</b>	<b>75,200</b>
<b>Dealership Personnel**</b>	<u><b>7,000</b></u>	<u><b>5,700</b></u>	<u><b>4,600</b></u>	<u><b>4,100</b></u>	<u><b>3,700</b></u>
<b>Total</b>	<u><u><b>142,700</b></u></u>	<u><u><b>128,100</b></u></u>	<u><u><b>93,600</b></u></u>	<u><u><b>84,300</b></u></u>	<u><u><b>78,900</b></u></u>

\* Excludes Supplemental Replacement Personnel

\*\* Primarily entities that we do not control but are consolidated under FIN46



# **AUTOMOTIVE SECTOR**

## **2008 FOURTH QUARTER MARKET RESULTS\***

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>Absolute</u>	<u>B / (W)</u> <u>2007</u>	<u>Absolute</u>	<u>B / (W)</u> <u>2007</u>
<b><u>U.S.</u></b>				
Industry SAAR (Mils.)	10.6	(5.7)	13.5	(3.0)
Market Share (Pct.)				
- Ford and Lincoln Mercury	15.0%	0.9 Pts.	14.2%	(0.4) Pts.
<b><u>Europe</u></b>				
Industry SAAR (Mils.)**	14.8	(3.5)	16.6	(1.5)
- Russia	2.7	(0.3)	3.0	0.3
Market Share (Pct.)**				
- Ford	8.5%	0.3 Pts.	8.6%	0.1 Pts.
<b><u>Volvo</u></b>				
Market Share (Pct.)				
- U.S.	0.5%	(0.2) Pts.	0.5%	(0.1) Pts.
- Europe**	1.5	(0.1)	1.3	(0.2)
<b><u>Other Regions</u></b>				
Ford Brand Market Share (Pct.)				
- South America***	10.4%	(0.1) Pts.	9.7%	(1.0) Pts.
- Asia Pacific Africa****	2.0	(0.4)	2.0	(0.3)

\* Industry SAAR includes medium and heavy vehicles

\*\* European industry and market share for Ford and Volvo is based, in part, on estimated vehicle registrations for the 19 major European markets that we track

\*\*\* South American market share is based, in part, on estimated vehicle registrations for our six major markets in that region

\*\*\*\* Asia Pacific Africa 2008 market share is based, in part, on estimated vehicle sales for our twelve major markets in that region



## **AUTOMOTIVE SECTOR COSTS AND EXPENSES**

	<u>Fourth Quarter 2008</u>		<u>Full Year 2008</u>	
	<u>Amount</u> (Mils.)	B / (W) Fourth Qtr. <u>2007</u> (Mils.)	<u>Amount</u> (Mils.)	B / (W) Full Year <u>2007</u> (Mils.)
<b>Total Costs and Expenses</b>	<b>\$29,154</b>	<b>\$15,044</b>	<b>\$138,408</b>	<b>\$20,239</b>
<b>Select Cost Items:</b>				
<b>Depreciation and Amortization</b>				
- Depreciation	\$ 807	\$ (8)	\$ 3,053	\$ 421
- Amortization -- Special Tools	601	238	2,768	521
Fixed Asset Impairment	0	0	5,300	(5,300)
<b>Total Depreciation / Amortization</b>	<b><u>\$ 1,408</u></b>	<b><u>\$ 230</u></b>	<b><u>\$ 11,121</u></b>	<b><u>\$ (4,358)</u></b>
<b>Postretirement Expense / (Gain)</b>	<b>\$ 400</b>	<b>\$ 300</b>	<b>\$ (800)</b>	<b>\$ 3,100</b>





## **AUTOMOTIVE SECTOR GROSS CASH RECONCILIATION TO GAAP**

	<b>Dec. 31, 2007 (Bils.)</b>	<b>Dec. 31, 2008 (Bils.)</b>	<b>Dec. 31, 2008 B / (W) Dec. 31, 2007 (Bils.)</b>	<b>Memo: Sept. 30, 2008 (Bils.)</b>
Cash and Cash Equivalents	\$20.7	\$ 6.4	\$(14.3)	\$10.6
Marketable Securities	2.0	9.3	7.3	11.5
Loaned Securities	<u>10.3</u>	<u>-</u>	<u>(10.3)</u>	<u>-</u>
Total Cash / Marketable and Loaned Securities	\$33.0	\$15.7	\$(17.3)	\$22.1
Securities-In-Transit	(0.3)	-	0.3	(0.7)
UAW-Ford Temporary Asset Account	-	(2.3)	(2.3)	(2.5)
Short-Term VEBA Assets*	<u>1.9</u>	<u>-</u>	<u>(1.9)</u>	<u>-</u>
Gross Cash	<u>\$34.6</u>	<u>\$13.4</u>	<u>\$(21.2)</u>	<u>\$18.9</u>

\* Historically, amounts accessible within 18 months; short-term VEBA is no longer reported within gross cash as of January 1, 2008, consistent with our new UAW VEBA agreement

# **AUTOMOTIVE SECTOR GAAP RECONCILIATION OF OPERATING-RELATED CASH FLOWS\***



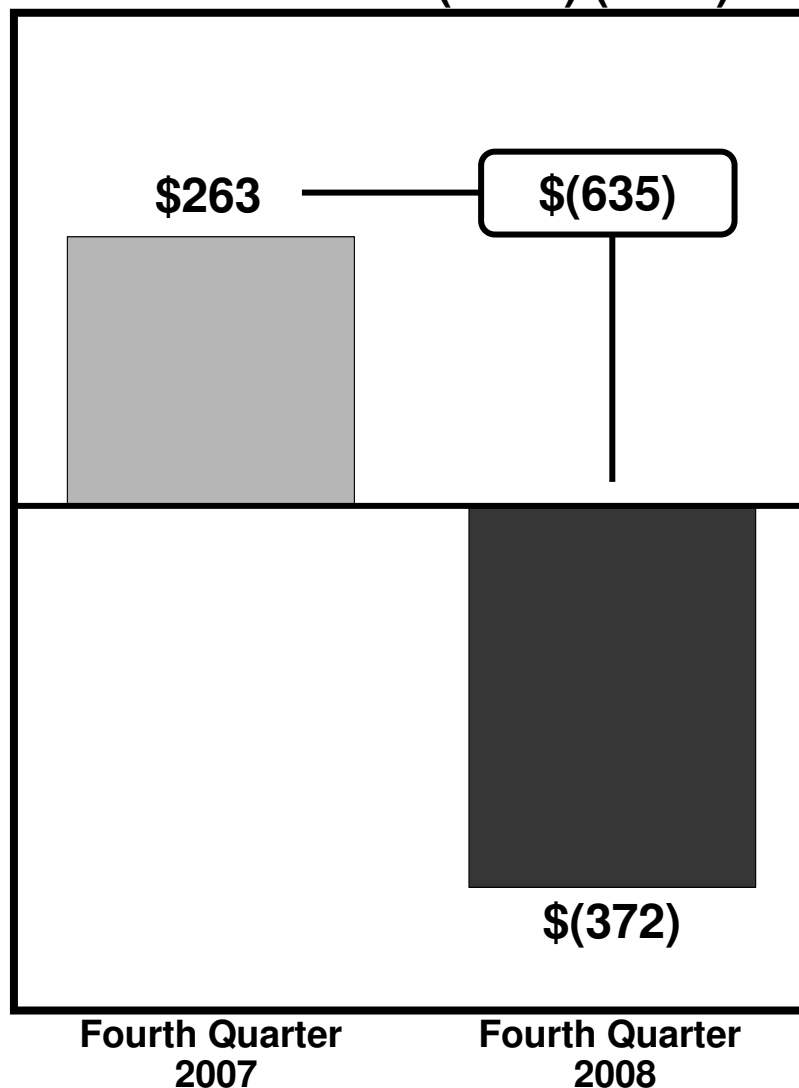
	2008			
	<u>Fourth</u> <u>Quarter</u> (Bils.)	<u>O / (U)</u> <u>2007</u> (Bils.)	<u>Full</u> <u>Year</u> (Bils.)	<u>O / (U)</u> <u>2007</u> (Bils.)
Cash Flows from Operating Activities of Continuing Operations	\$(5.3)	\$(8.1)	\$ (12.4)	\$(21.1)
Items Included in Operating-Related Cash Flows				
- Capital Expenditures	(1.8)	-	(6.5)	(0.5)
- Net Transactions Between Automotive and Financial Services Sectors	0.6	0.1	(0.8)	(0.5)
- Net Cash Flows from Non-Designated Derivatives	-	(0.3)	1.2	0.1
- Foreign Currency Translation	(0.1)	(0.3)	(0.3)	(0.8)
Items Not Included in Operating-Related Cash Flows				
- Cash Impact of Job Security Program & Personnel Reduction Program	0.2	(0.1)	0.7	(1.8)
- Net (Sales) / Purchases of Trading Securities	-	2.7	-	4.5
- Pension Contributions	0.1	(0.1)	1.0	(0.6)
- VEBA Cash Flows -- Net Reimbursement for Benefits Paid	-	0.4	-	1.1
- Tax Refunds and Tax Payments from Affiliates	(1.3)	(0.6)	(2.2)	0.4
- Other	0.4	0.3	(0.2)	(0.7)
<b>Operating-Related Cash Flows</b>	<u><u>\$ (7.2)</u></u>	<u><u>\$ (6.0)</u></u>	<u><u>\$ (19.5)</u></u>	<u><u>\$ (19.9)</u></u>

\* 2008 excludes Jaguar Land Rover and 2007 includes Jaguar Land Rover

# FORD CREDIT RESULTS AND METRICS -- 2008 FOURTH QUARTER\*



## Pre-Tax Profit / (Loss) (Mils.)



## Key Metrics

	Fourth Quarter	
	2007	2008
<u>Receivables (Bils.)</u>		
On-Balance Sheet	\$ 141	\$ 116
Managed	147	118
<u>Charge-Offs (Mils.)</u>		
On-Balance Sheet	\$ 216	\$ 364
Managed	233	366
<u>Loss-to-Receivables Ratio</u>		
On-Balance Sheet	0.61%	1.18%
Managed		
- U.S. Retail and Lease	1.13	1.73
- Worldwide Total	0.62	1.18
<u>Allow. for Credit Losses</u>		
Worldwide Amount (Bils.)	\$ 1.1	\$ 1.7
Pct. Of EOP Receivables	0.77%	1.40%
<u>Leverage (To 1)</u>		
Financial Statement	10.4	12.0
Managed	9.8	9.9
<u>Dividend / Distribution (Bils.)</u>	\$ 0	\$ 0
<u>Net Income / (Loss) (Mils.)</u>	\$ 186	\$ (228)

SFAS 133\*\* (Mils.)      2007      \$ 40      2008      \$(143)

Pre-Tax Profit / (Loss)  
Excl. SFAS 133\*\* (Mils.)      223      (229)

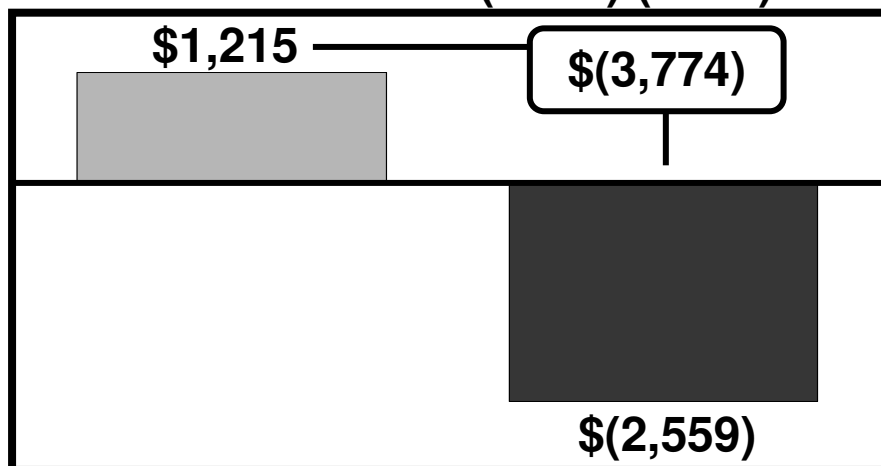
\* See Appendix for calculation, definitions and reconciliation to GAAP

\*\* Market valuation adjustments to derivatives

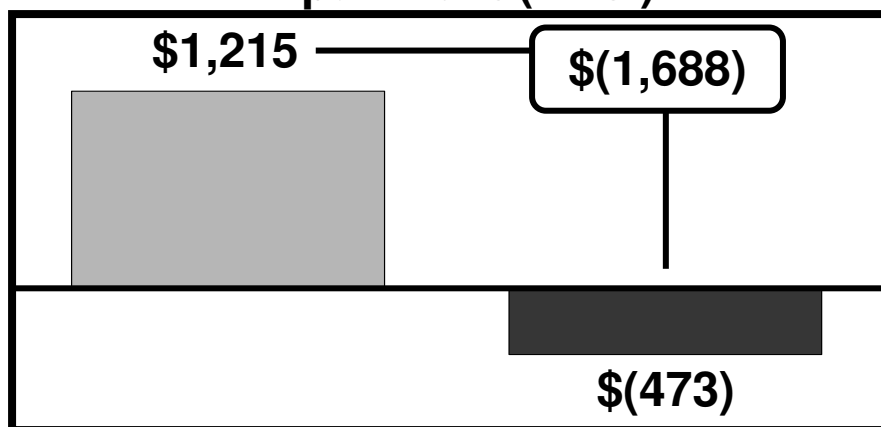
# FORD CREDIT RESULTS AND METRICS -- 2008 FULL YEAR\*



## Pre-Tax Profit / (Loss) (Mils.)



## Pre-Tax Profit / (Loss) Excluding Impairment (Mils.)



Full Year  
2007

Full Year  
2008

SFAS 133\*\* (Mils.) \$ (108)

\$ (317)

Pre-Tax Profit / (Loss)

Excl. SFAS 133\*\* (Mils.) 1,323

(156)

## Key Metrics

	Full Year	
	2007	2008
<u>Receivables</u> (Bils.)		
On-Balance Sheet	\$ 141	\$ 116
Managed	147	118
<u>Charge-Offs</u> (Mils.)		
On-Balance Sheet	\$ 632	\$ 1,135
Managed	697	1,166
<u>Loss-to-Receivables Ratio</u>		
On-Balance Sheet	0.46%	0.84%
Managed		
- U.S. Retail and Lease	0.73	1.35
- Worldwide Total	0.47	0.84
<u>Allow. for Credit Losses</u>		
Worldwide Amount (Bils.)	\$ 1.1	\$ 1.7
Pct. Of EOP Receivables	0.77%	1.40%
<u>Leverage</u> (To 1)		
Financial Statement	10.4	12.0
Managed	9.8	9.9
<u>Dividend / Distribution</u> (Bils.)	\$ 0	\$ 0
<u>Net Income / (Loss)</u> (Mils.)	\$ 775	\$ (1,536)

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

\*\* Market valuation adjustments to derivatives



## ***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 receivables Ford Credit sold in off-balance sheet securitizations and continues to service

**Serviced Receivables** -- includes managed receivables and receivables Ford Credit sold in whole-loan sale transactions (i.e., receivables for which Ford Credit has no continuing exposure or risk of loss)

**Charge-offs on Managed Receivables** -- charge-offs associated with receivables reported on Ford Credit's balance sheet plus charge-offs associated with receivables 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 included in securitizations that do not qualify for accounting sale treatment. These assets are available only for repayment of the debt or 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 until the associated debt or other obligations are satisfied. Debt reported on Ford Credit's balance sheet includes obligations issued or arising in securitizations that are payable only out of collections on the underlying securitized assets and related enhancements



# 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:

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

$$\text{- Managed Leverage} = \frac{\text{Total Debt} + \text{Securitized Off-Balance Sheet Receivables} - \text{Securitized Off-Balance Sheet Receivables} - \text{Cash, Cash Equivalents \& Marketable Securities*} - \text{Adjustments for Hedge Accounting on Total Debt**}}{\text{Equity} + \text{Minority Interest} - \text{Adjustments for Hedge Accounting on Equity**}}$$

\* Excludes marketable securities related to insurance activities

\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates



# **FINANCIAL SERVICES SECTOR**

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

	December 31, <u>2007</u> (Bils.)	December 31, <u>2008</u> (Bils.)
<b><u>Leverage Calculation</u></b>		
<b>Total Debt*</b>	<b>\$ 139.4</b>	<b>\$126.5</b>
<b>Securitized Off-Balance Sheet Receivables Outstanding</b>	<b>6.0</b>	<b>0.6</b>
<b>Retained Interest in Securitized Off-Balance Sheet Receivables</b>	<b>(0.7)</b>	<b>(0.1)</b>
<b>Adjustments for Cash, Cash Equivalents and Marketable Securities**</b>	<b>(16.7)</b>	<b>(23.6)</b>
<b>Adjustments for Hedge Accounting***</b>	<b>0.0</b>	<b>(0.4)</b>
<b>Total Adjusted Debt</b>	<b><u>\$ 128.0</u></b>	<b><u>\$103.0</u></b>
<b>Total Equity (incl. minority interest)</b>	<b>\$ 13.4</b>	<b>\$ 10.6</b>
<b>Adjustments for Hedge Accounting***</b>	<b>(0.3)</b>	<b>(0.2)</b>
<b>Total Adjusted Equity</b>	<b><u>\$ 13.1</u></b>	<b><u>\$ 10.4</u></b>
<b>Financial Statement Leverage (to 1)</b>	<b>10.4</b>	<b>12.0</b>
<b>Managed Leverage (to 1)</b>	<b>9.8</b>	<b>9.9</b>

\* Includes \$69.2 billion and \$72.2 billion on December 31, 2007 and December 31, 2008, respectively, of long-term and short-term asset-backed debt obligations issued in securitizations that are payable only out of collections on the underlying securitized assets and related enhancements

\*\* Excludes marketable securities related to insurance activities

\*\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates



## **TOTAL COMPANY GLOBAL INDUSTRY (SAAR)**

	<u>2005</u> (Mils.)	<u>2006</u> (Mils.)	<u>2007</u> (Mils.)	2008				
				<u>First Quarter</u> (Mils.)	<u>Second Quarter</u> (Mils.)	<u>Third Quarter</u> (Mils.)	<u>Fourth Quarter</u> (Mils.)	<u>Full Year</u> (Mils.)
<b>United States*</b>	<b>17.5</b>	<b>17.1</b>	<b>16.5</b>	<b>15.6</b>	<b>14.6</b>	<b>13.1</b>	<b>10.6</b>	<b>13.5</b>
<b>Europe**</b>	<b>17.6</b>	<b>17.9</b>	<b>18.1</b>	<b>18.0</b>	<b>17.2</b>	<b>16.4</b>	<b>14.8</b>	<b>16.6</b>
<b>South America</b>	<b>2.7</b>	<b>3.2</b>	<b>4.1</b>	<b>4.6</b>	<b>4.7</b>	<b>4.6</b>	<b>3.3</b>	<b>4.3</b>
<b>Asia Pacific Africa</b>	<b>17.3</b>	<b>18.6</b>	<b>20.4</b>	<b>23.4</b>	<b>22.4</b>	<b>20.0</b>	<b>17.9</b>	<b>20.9</b>
<b>Total Global Industry***</b>	<b>65.5</b>	<b>67.8</b>	<b>71.5</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>68.0</b>

\* Includes medium and heavy vehicles

\*\* European 19 markets we track, including medium and heavy vehicles

\*\*\* Global quarterly SAAR is not tracked internally