



Go Further



2013 UPDATE AND 2014 OUTLOOK

Bob Shanks

Chief Financial Officer

December 18, 2013

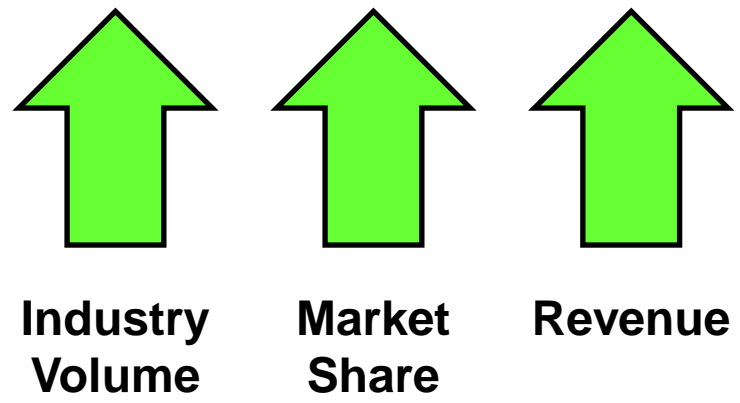
TOTAL COMPANY OUR PLAN -- **ONE FORD**

- Continue implementation of our global **ONE FORD** Plan:
 - Aggressively restructure to operate profitably at the current demand and changing model mix
 - Accelerate development of new products our customers want and value
 - Finance our Plan and improve our balance sheet
 - Work together effectively as one team -- leveraging our global assets



TOTAL COMPANY 2013 FULL YEAR HIGHLIGHTS

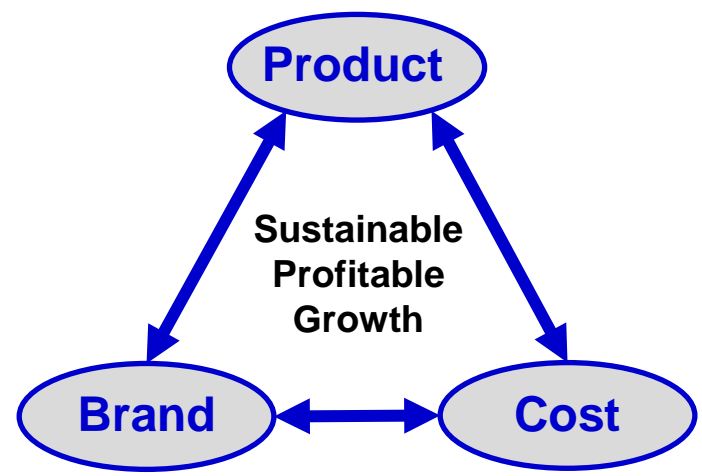
Top Line Growth



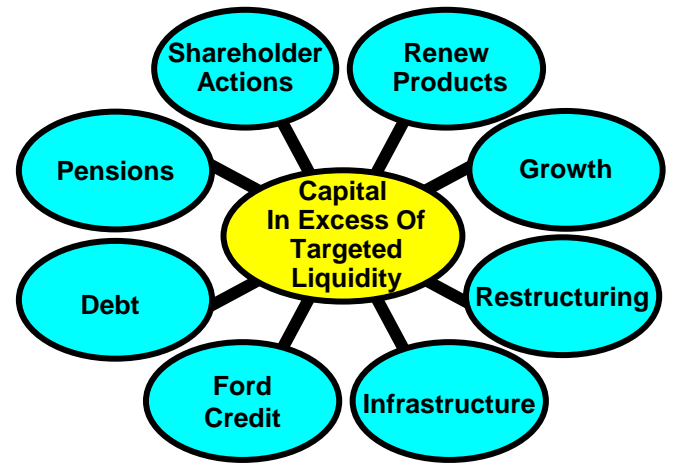
Product



Europe Transformation



Capital Strategy



TOTAL COMPANY 2013 PLANNING ASSUMPTIONS AND KEY METRICS

	2012 Full Year Results	2013 Full Year		Memo: 2013 First Nine Months
		Plan	Outlook	
Planning Assumptions (Mils.)				
Industry Volume* -- U.S.	14.8	15.0 - 16.0	15.9	15.8
-- Europe**	14.0	13.0 - 14.0	13.7	13.6
-- China	19.0	19.5 - 21.5	21.9	21.6
Operational Metrics				
Compared with Prior Year:				
- Market Share -- U.S.	15.2%	Higher	On Track	15.8%
-- Europe**	7.9	About Equal	On Track	8.0
-- China***	3.2	Higher	On Track	4.0
- Quality	Mixed	Improve	Mixed	Mixed
Financial Metrics ****				
Compared with Prior Year:				
- Total Company Pre-Tax Profit (Bils.)	\$ 8.0	About Equal	Higher	\$ 7.3
- Automotive Operating Margin	5.3%	About Equal / Lower	Higher	6.2%
- Automotive Operating-Related Cash Flow (Bils.)	\$ 3.4	Higher	Substantially Higher	\$ 5.6

* Includes medium and heavy trucks

** The 19 markets we track

*** Includes Ford and JMC brand vehicles produced in China by unconsolidated affiliates

**** Excludes special items; Automotive operating margin is defined as Automotive pre-tax results, excluding Other Automotive, divided by Automotive revenue; See Appendix for 2013 reconciliation to GAAP; Full Year 2012 reconciliation provided in our 2012 Form 10K Report

**Expect Outstanding Results For 2013
As We Continue To Invest For The Future**

TOTAL COMPANY 2013 PROFIT OUTLOOK*

	2012 Results	2013	
		Prior Outlook	Updated Outlook
<u>Automotive</u> (Mils.)			
North America	\$ 8,343	Higher Than 2012 Operating Margin About 10%	On Track 9.5% - 10%
South America	213	Breakeven to Profitable	About Breakeven
Europe	(1,753)	Better Than 2012	On Track
Asia Pacific Africa	(77)	Profitable	On Track
Net Interest Expense	(489)	About \$(800) million	On Track
<u>Ford Credit</u> (Mils.)	\$ 1,697	About Equal to 2012	On Track
<u>Operating Tax Rate</u>	32%	Less than 30%	About 27%

* Excluding special items

Expect Total Company Full Year Pre-Tax Profits To Be About \$8.5 Billion

PENSION UPDATE

- **Underfunded status of global pension plans at year-end 2013 projected at about \$10 billion*, nearly cutting in half the gap at the end of last year**
- **Projected year-end 2013 U.S. asset mix at about 70% fixed income compared with long-term target of 80%**
- **U.S. salaried retiree voluntary lump sum program complete**
 - **About 35,000 people received payouts since program start**
 - **\$4.2 billion of obligation settled -- about 25% of related liability**
- **Annual contributions to fully fund our funded plans over next three years now expected to range between \$1 billion to \$2 billion per year, down from \$2 billion to \$3 billion per year**

* Based on preliminary discount rate and asset return estimates -- final results will be determined at year-end 2013

Substantial Progress In Pension Funding Status And De-Risking Strategy

BUSINESS ENVIRONMENT OVERVIEW

Global

- **Global economic growth at about 2% for 2013; leading economic indicators suggest acceleration to a range of 2.5% to 3% for 2014**
- **Monetary policies supportive of improving economic activity, particularly in mature markets**

Americas

- **U.S. economic growth around 2.5% for 2014, supported by a continued recovery in housing and business investment spending**
- **Higher interest rates generating slower growth in Brazil; significant policy-related risks in Venezuela and Argentina**

Europe

- **Signs of economic recovery in several European markets based on leading indicators; modest economic growth next year above 1% in Europe 20***
- **Policy officials working toward a banking union and fiscal reforms; monetary policy support critical in limiting deflation risk**

Asia Pacific

- **Stable growth for China in the 7.5% range for 2014 supported by improving domestic and external demand; policy makers focusing on structural reform and transition**
- **Modest improvement for India for 2014 in the 5% - 5.5% range as elections likely to produce more pro-growth policy**

* Europe 20 consists of our traditional 19 markets plus Romania

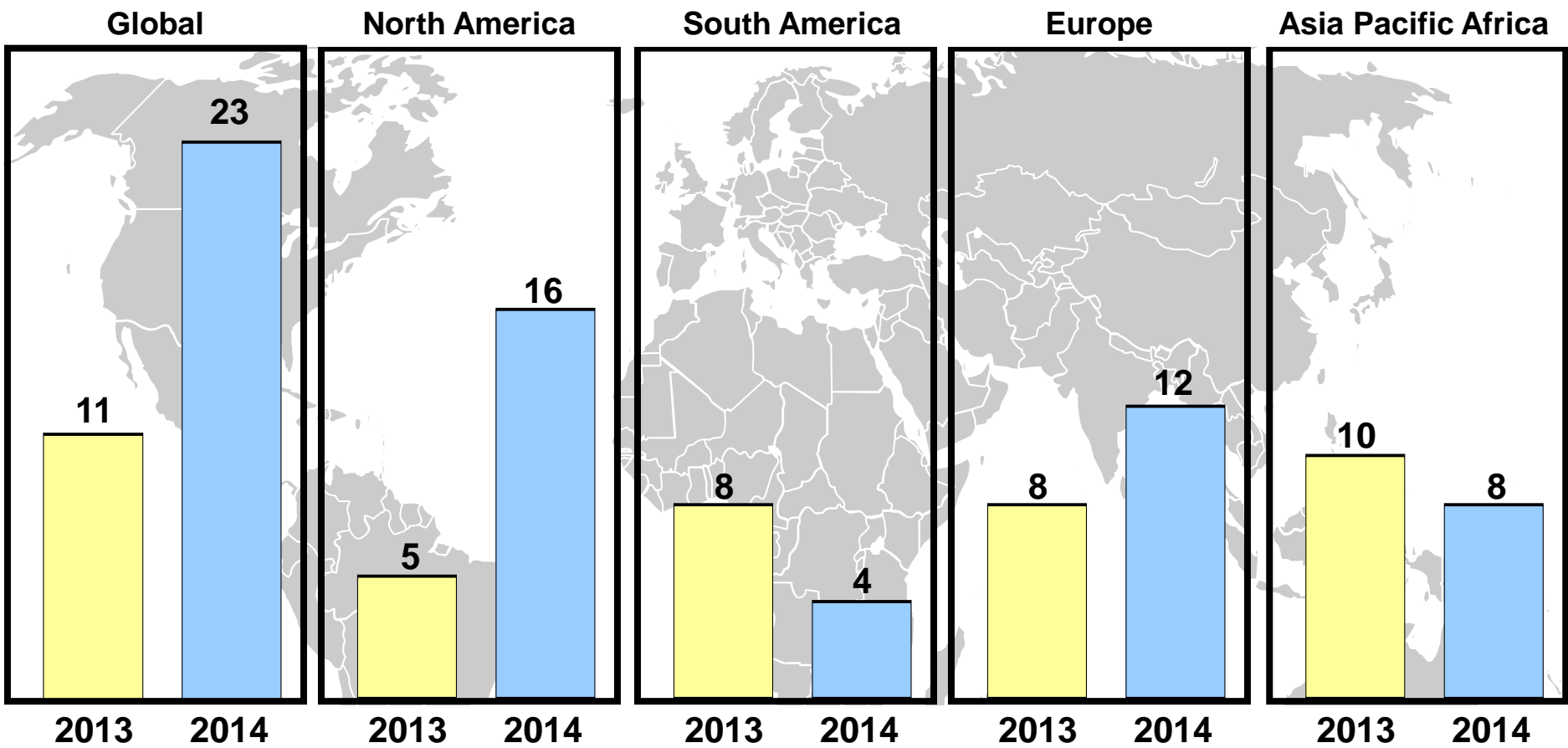
**Global Economic Growth At About 2% For 2013;
Improved Business Conditions Emerging For 2014**

2014 AREAS OF FOCUS

- **One Ford Plan to grow the business profitably**
- **Quality**
- **Global product launches**
- **Sustaining North America's strong business performance**
- **Continuing new product rollout in South America; managing risks in Venezuela and Argentina**
- **Continuing to execute Europe's transformation plan**
- **Continuing to implement growth plans in Asia Pacific**
- **Launching Middle East and Africa Business Unit**
- **Continuing to leverage strategic benefits of Ford Credit**
- **Financing our Plan, strengthening our balance sheet, and providing attractive shareholder returns**

One Ford Plan

2014 PRODUCT LAUNCHES COMPARED WITH 2013 -- ALL NEW AND SIGNIFICANTLY REFRESHED PRODUCTS*



* Regions not additive to global total

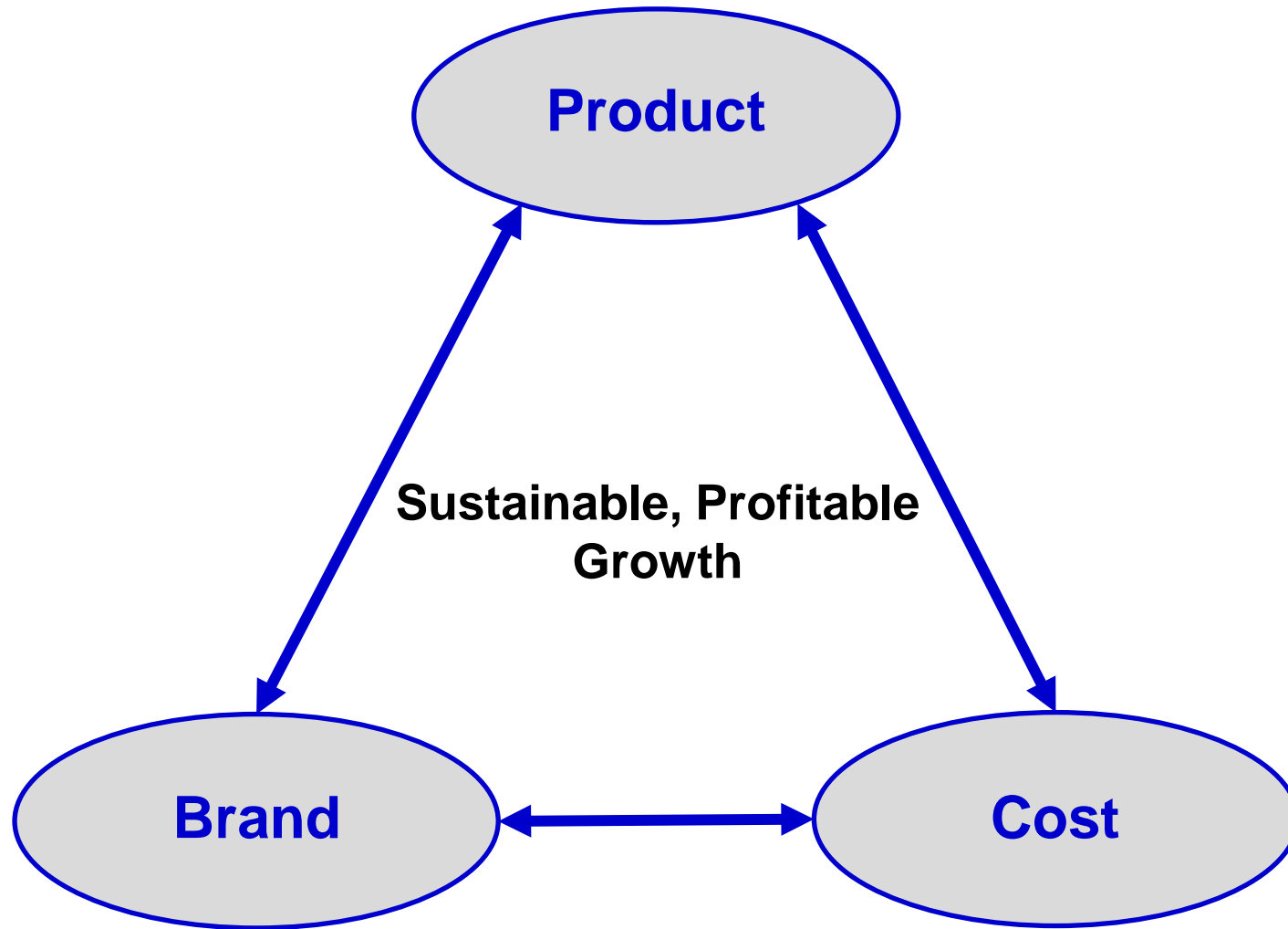
Major Increase In Product Launches In 2014, Especially North America

SOUTH AMERICA



A Very Volatile And Difficult Business Environment In Venezuela

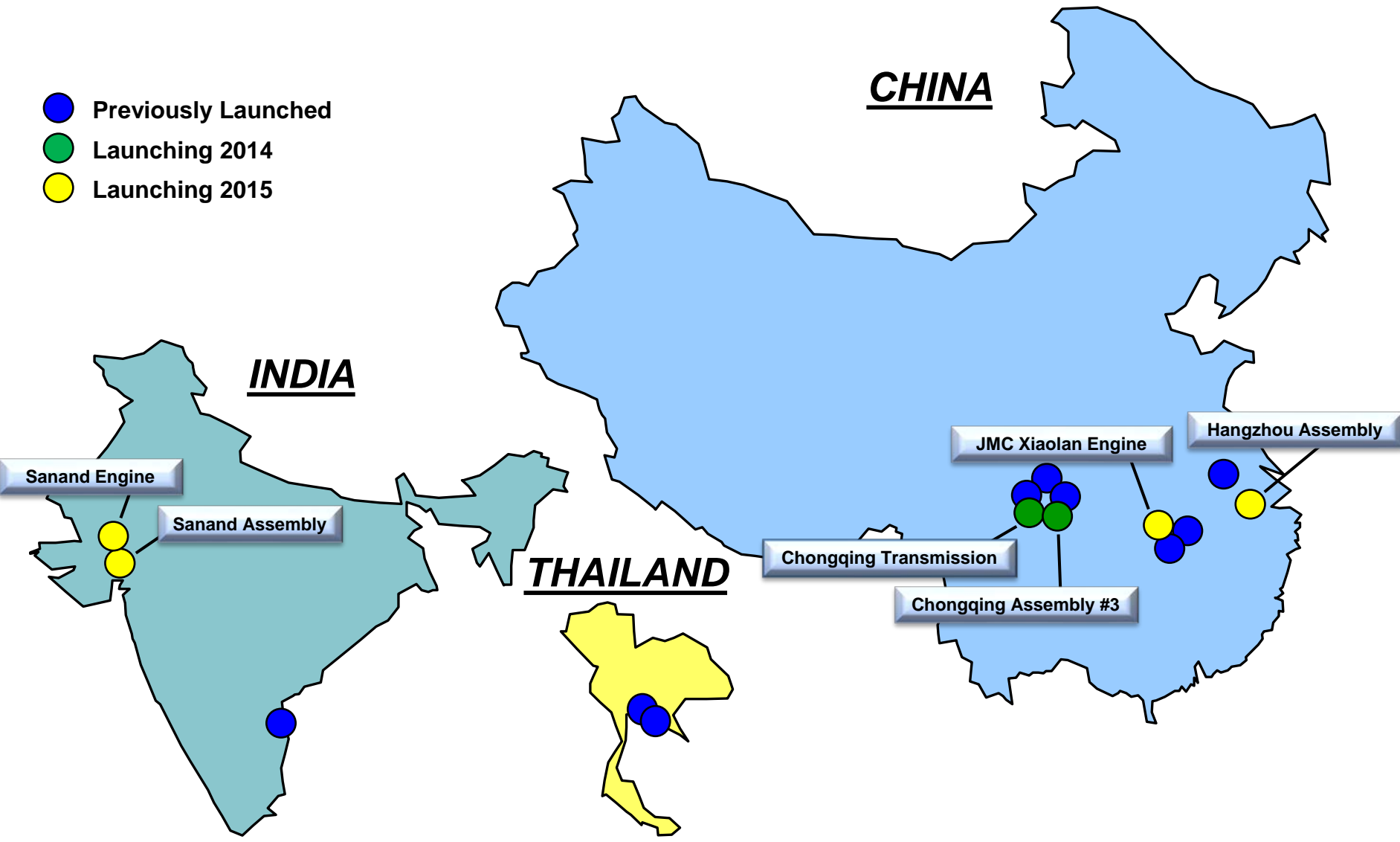
EUROPE TRANSFORMATION PLAN



**Europe Transformation Continuing...
About \$400 Million Of Restructuring Costs In 2014**

ASIA PACIFIC CAPACITY EXPANSION

- Previously Launched
- Launching 2014
- Launching 2015



**Continuing To Invest In Asia Pacific,
Including Capacity Expansion During The Next Two Years**

2014 PRE-TAX PROFIT OUTLOOK

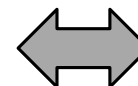
Compared With 2013

Automotive*

North America



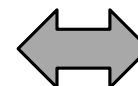
South America



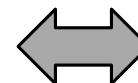
Europe



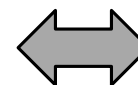
Asia Pacific



Net Interest Expense



Ford Credit



* Middle East and Africa is expected to be about breakeven

2014 Outlook Compared To 2013 Varies By Business Unit

2014 PLANNING ASSUMPTIONS AND KEY METRICS

2014 Full Year Plan

Planning Assumptions (Mils.)

Industry Volume* -- U.S.	16.0 - 17.0
-- Europe**	13.5 - 14.5
-- China***	22.5 - 24.5

Key Metrics (Compared with 2013)

Automotive:

- Revenue (Bils.)
- Operating Margin****
- Operating-Related Cash Flow (Bils.)



Ford Credit:

- Pre-Tax Profits (Bils.)



Total Company:

- Pre-Tax Profits (Bils.)****



* Includes medium and heavy trucks

** The 20 markets we track

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**** Excludes special items; Automotive operating margin defined as Automotive pre-tax profit, excluding Other Automotive, divided by Automotive revenue

**2014 The Next Step In Delivering Profitable Growth For All;
Total Company Pre-Tax Profit Projected At \$7 Billion to \$8 Billion**

MID-DECADE OUTLOOK



	<u>Mid-Decade Outlook*</u>	<u>Assessment</u>
Wholesale Volumes	About 8 Million	On Track
Revenue / Pricing	Improving	On Track
Automotive Operating Margins		
– North America	8% - 10%	On Track
– Global	8% - 9%	At Risk
Ford Credit Return on Equity**	High Single Digits	On Track
Capital Spending**	About \$7.5 Billion	On Track
Total Automotive Debt	About \$10 Billion	On Track
Investment Rating**	Achieve Investment Grade In Near Term	Achieved
	Remain Investment Grade Thru Economic Cycle	On Track
Dividends**	Growing, Sustainable Dividends	On Track

* First presented June 2011; at trend economic assumptions and industry volume

** Updated from initial presentation

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RISK FACTORS



Statements included or incorporated by reference herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Decline in industry sales volume, particularly in the United States or Europe, due to financial crisis, recession, geopolitical events, or other factors;
- Decline in Ford's market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of Ford's new or existing products;
- Market shift away from sales of larger, more profitable vehicles beyond Ford's current planning assumption, particularly in the United States;
- An increase in or continued volatility of fuel prices, or reduced availability of fuel;
- Continued or increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Adverse effects resulting from economic, geopolitical, or other events;
- Economic distress of suppliers that may require Ford to provide substantial financial support or take other measures to ensure supplies of components or materials and could increase costs, affect liquidity, or cause production constraints or disruptions;
- Work stoppages at Ford or supplier facilities or other limitations on production (whether as a result of labor disputes, natural or man-made disasters, tight credit markets or other financial distress, production constraints or difficulties, or other factors);
- Single-source supply of components or materials;
- Labor or other constraints on Ford's ability to maintain competitive cost structure;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for postretirement benefit plans (e.g., discount rates or investment returns);
- Restriction on use of tax attributes from tax law "ownership change;"
- The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns, or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulations resulting in higher costs, cash expenditures, and / or sales restrictions;
- Unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- A change in requirements under long-term supply arrangements committing Ford 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 results from a decrease in or cessation or clawback of government incentives related to investments;
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- Cybersecurity risks to operational systems, security systems, or infrastructure owned by Ford, Ford Credit, or a third-party vendor or supplier;
- Failure of financial institutions to fulfill commitments under committed credit and liquidity facilities;
- Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts, due to credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles; and
- New or increased credit, consumer, or data protection or other regulations resulting in higher costs and / or additional financing restrictions.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of 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, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

APPENDIX

TOTAL COMPANY

2013 INCOME FROM CONTINUING OPERATIONS

	<u>First Nine Months</u>	
	<u>2012</u>	<u>2013</u>
	(Mils.)	(Mils.)
<u>Automotive</u>		
North America	\$ 6,471	\$ 7,079
South America	68	92
Europe	(1,021)	(1,038)
Asia Pacific Africa	(116)	309
Other Automotive	<u>(408)</u>	<u>(469)</u>
Total Automotive (excl. special items)	\$ 4,994	\$ 5,973
Special items -- Automotive	<u>(406)</u>	<u>(1,257)</u>
Total Automotive	\$ 4,588	\$ 4,716
<u>Financial Services</u>		
Ford Credit	\$ 1,283	\$ 1,388
Other Financial Services	<u>8</u>	<u>(71)</u>
Total Financial Services	\$ 1,291	\$ 1,317
<u>Total Company</u>		
Pre-tax results	\$ 5,879	\$ 6,033
(Provision for) / Benefit from income taxes	<u>(1,810)</u>	<u>(1,914)</u>
Net income	\$ 4,069	\$ 4,119
Less: Income attributable to non-controlling interests	<u>2</u>	<u>3</u>
Net income attributable to Ford	<u>\$ 4,067</u>	<u>\$ 4,116</u>
Memo: Excluding special items		
Pre-tax results	\$ 6,285	\$ 7,290
(Provision for) / Benefit from income taxes	(1,928)	(1,991)
Less: Income attributable to non-controlling interests	<u>2</u>	<u>3</u>
After-tax results	<u>\$ 4,355</u>	<u>\$ 5,296</u>

TOTAL COMPANY SPECIAL ITEMS



	<u>First Nine Months</u>	
	<u>2012</u>	<u>2013</u>
	(Mils.)	(Mils.)
<u>Personnel and Dealer-Related Items</u>		
Separation-related actions*	\$ (290)	\$ (700)
Mercury discontinuation / Other dealer actions	<u>(47)</u>	<u>-</u>
Total Personnel and Dealer-Related Items	\$ (337)	\$ (700)
<u>Other Items</u>		
U.S. pension lump sum program	\$ -	\$ (439)
Loss on sale of two component businesses	(174)	-
FCTA -- subsidiary liquidation	(4)	(103)
AAI consolidation	136	-
Other	<u>(27)</u>	<u>(15)</u>
Total Other Items	<u>\$ (69)</u>	<u>\$ (557)</u>
Total Special Items	<u>\$ (406)</u>	<u>\$ (1,257)</u>
Tax Special Items	\$ 118	\$ 77
Memo:		
Special Items impact on earnings per share**	\$ (0.07)	\$ (0.29)

* For 2013, primarily related to separation costs for personnel at the Genk and U.K. facilities

** Includes related tax effect on special items and tax special items

AUTOMOTIVE SECTOR

NET INTEREST RECONCILIATION TO GAAP

	First Nine Months	
	2012	2013
	(Mils.)	(Mils.)
Interest expense (GAAP)	\$ (571)	\$ (617)
Interest income (GAAP)	<u>220</u>	<u>125</u>
Subtotal	\$ (351)	\$ (492)
Adjusted for items included / excluded from net interest		
Include: Gains / (Losses) on cash equiv. and marketable securities*	64	(7)
Include: Gains / (Losses) on extinguishment of debt	-	(18)
Other	<u>(55)</u>	<u>(80)</u>
Net Interest	<u>\$ (342)</u>	<u>\$ (597)</u>

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

AUTOMOTIVE SECTOR

OPERATING-RELATED CASH FLOWS

RECONCILIATION TO GAAP

	<u>First Nine Months</u>	
	<u>2012</u>	<u>2013</u>
	(Bils.)	(Bils.)
Cash flows from operating activities of continuing operations (GAAP)	\$ 4.1	\$ 6.4
Items included in operating-related cash flows		
Capital expenditures	(3.6)	(4.6)
Proceeds from the exercise of stock options	-	0.3
Net cash flows from non-designated derivatives	(0.6)	(0.3)
Items not included in operating-related cash flows		
Cash impact of Job Security Benefits and personnel-reduction actions	0.3	0.2
Pension contributions	2.5	3.9
Tax refunds and tax payments from affiliates	(0.1)	(0.3)
Settlement of outstanding obligation with affiliates	(0.3)	-
Other	<u>0.1</u>	<u>-</u>
Operating-related cash flows	<u>\$ 2.4</u>	<u>\$ 5.6</u>