Go Further

FORD UNIVERSITY

Bob Shanks
Vice President and Controller
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March 9, 2012

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Purpose of Ford University

- **Review our 2012 key financial metrics and guidance**
- **Review recent headline topics in more detail**
- **Provide additional texture on select topics from last year**
- **Address frequently asked questions**

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Agenda for today's discussion

- **2012 key financial metrics and guidance**

- **Headline topics**
  - **Pension de-risking**
  - **Tax matters**
  - **Key elements of Automotive operating margin**
    - **Focus on structural costs, commodity hedging, and warranty**
- **More texture**
  - **Treatment of Chinese joint ventures**
  - **Compensation costs**
  - **Production vs. wholesales**
  - **2012 production calendarization**

Included but not part of today's discussion

- **Topics from last year's Auto University -- updated to latest status**
- **Credit University**

*2012 KEY FINANCIAL METRICS**

	2011	2012 Plan/Outlook
Automotive Pre-Tax Operating Profit	$6.3 Bils.	Higher
Ford Credit Pre-Tax Operating Profit	$2.4 Bils.	Lower
Total Company Pre-Tax Operating Profit	$8.8 Bils.	About Equal
Automotive Operating Margin	5.4%	Improve
Automotive Structural Costs Increase	$1.4 Bils.	Less than $2 Bils.
Capital Spending	$4.3 Bils.	$5.5 Bils. - $6 Bils.
Memo:		
Commodity Cost Increase	$2.3 Bils.	Non-material increase over 2011

* Excludes Special Items; explained on Slide 44

**Financial Metrics Are Published In Our 2011 Form 10-K Report;
Progress Against Most Metrics Will Be Reviewed In Our Quarterly Earnings Calls**

2012 AUTOMOTIVE GUIDANCE BY SEGMENT

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Pre-Tax Profit/(Loss)*	2011	2012 Outlook
North America	$6.2 Bils.	Improve
South America	$861 Mils.	Solid profitability, somewhat lower than 2011
Europe	$(27) Mils.	Loss of $500 Mils. - $600 Mils.
Asia Pacific Africa	$(92) Mils.	Profitable
Other Automotive		
Net Interest	$(500) Mils.	About equal to 2011
Fair Market Value Adjustment	$(101) Mils.	No Guidance

* Excludes Special Items; explained on Slide 44

2012 FORD CREDIT GUIDANCE

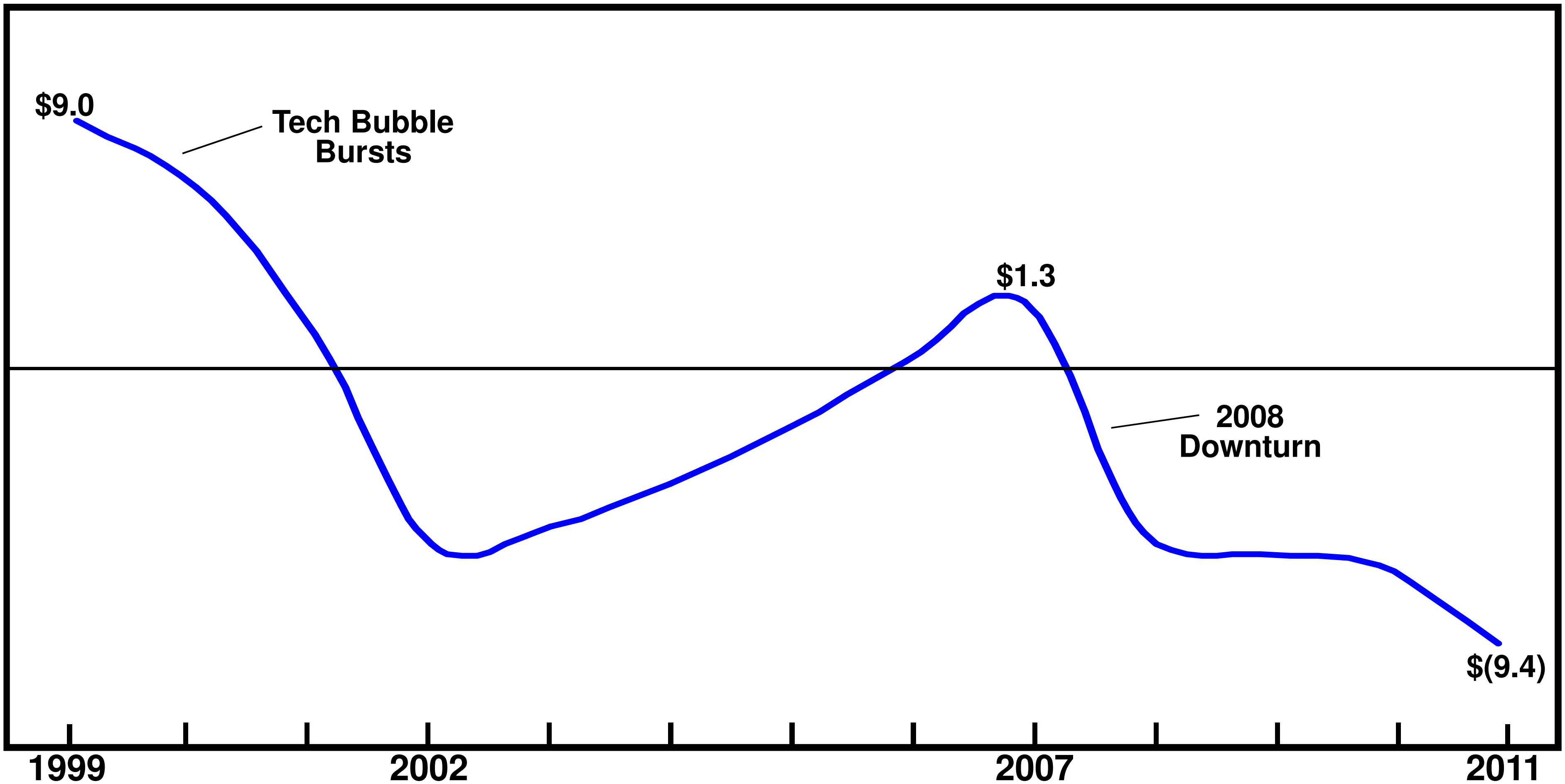
- **We expect Ford Credit to be solidly profitable for full-year 2012 but at a lower level than 2011, primarily reflecting:**
  - **Fewer leases being terminated and the related vehicles sold at a gain;**
  - **Lower credit loss reserve reductions; and**
  - **Lower financing margin driven, in part, by our move toward an investment grade balance sheet and the run off of higher yielding assets**
- **Of Ford Credit's $2.4 billion pre-tax profit for 2011, the contribution related to the lease and credit loss factors was about $800 million favorable; these factors are expected to be minimal for 2012**
- **Managed receivables are projected in the range of $85 billion to $95 billion at 2012 Year End**
- **We anticipate distributions of between $500 million and $1 billion**

HEADLINE TOPICS

- **Pension De-Risking**
- **Tax Matters**
- **Automotive Operating Margin**

PENSION RISK -- VOLATILE

Ford's Year-End Funded Surplus / (Shortfall) For U.S. Plans (Bils.)



Pension Funded Status Can Be Volatile And Impacted By Market Factors

PENSION RISK -- LARGE

	2011 YE Automotive "Debt" (Bils.)
Debt	
Unsecured	$ 5.9
Secured	5.0
International / Other	2.2
Total Debt	$13.1
Pension	
Net Worldwide Shortfall	15.4
Total Debt and Net Pension	$28.5

Pension Risk Is Large -- Need To Reduce This Risk

PENSION FINANCIAL IMPACT ON BUSINESS

Underfunded Pension Plan

Impacts
- **Profitability**
- **Cash flow**
- **Ability to borrow**
- **Credit rating**
- **Company valuation**

Volatility Of Over / (Under) Funded Position

- **Drives volatility in Company profitability and cash flow**
- **Adds non-core financial risk**

Pension De-Risking Strategy Needed

PENSION DE-RISKING STRATEGY

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Objective

- De-risk and fully fund our global funded pension plans over the next few years

Key Elements

- Limit liability growth -- many plans have been closed to new entrants; lump sum payout option at retirement for future U.S. retirees
- Cash contributions
  - About $3.5 billion globally in 2012 to funded plans including $2 billion discretionary to U.S. plans
  - Future contributions determined annually
- Match plan assets to plan obligations
  - Rebalance assets to more fixed income as funded status improves
- Other actions under development

De-Risking Strategy Mitigates Exposure To Pension Obligations

PENSION ASSET AND LIABILITY MATCHING

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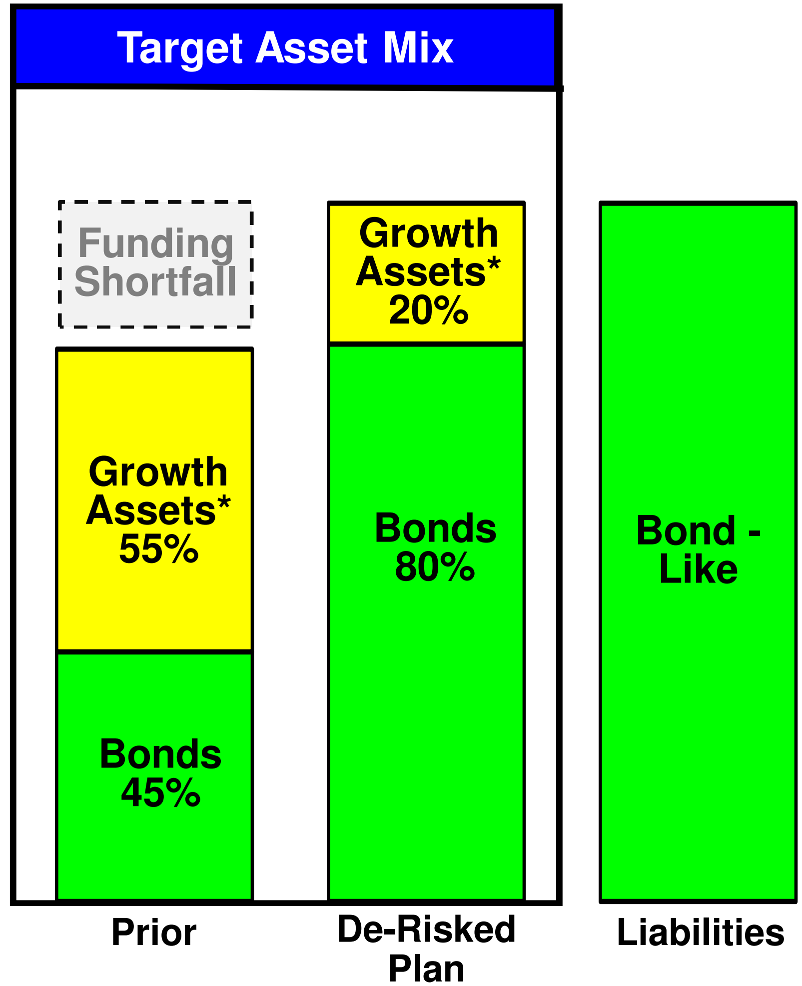
Characteristics

- **Pension liabilities are similar to bonds in their exposure to interest rates**
  - **As interest rates rise, values fall and as rates fall, values rise**

Rates	Bonds	Liabilities
↑	↓	↓
↓	↑	↑

- **Assets will become better matched as a result of**
  - **Increasing the bond allocation over time to 80% as funded status improves**
  - **Contributions to help achieve full funding**



* Includes hedge funds, real estate, private equity and public equity

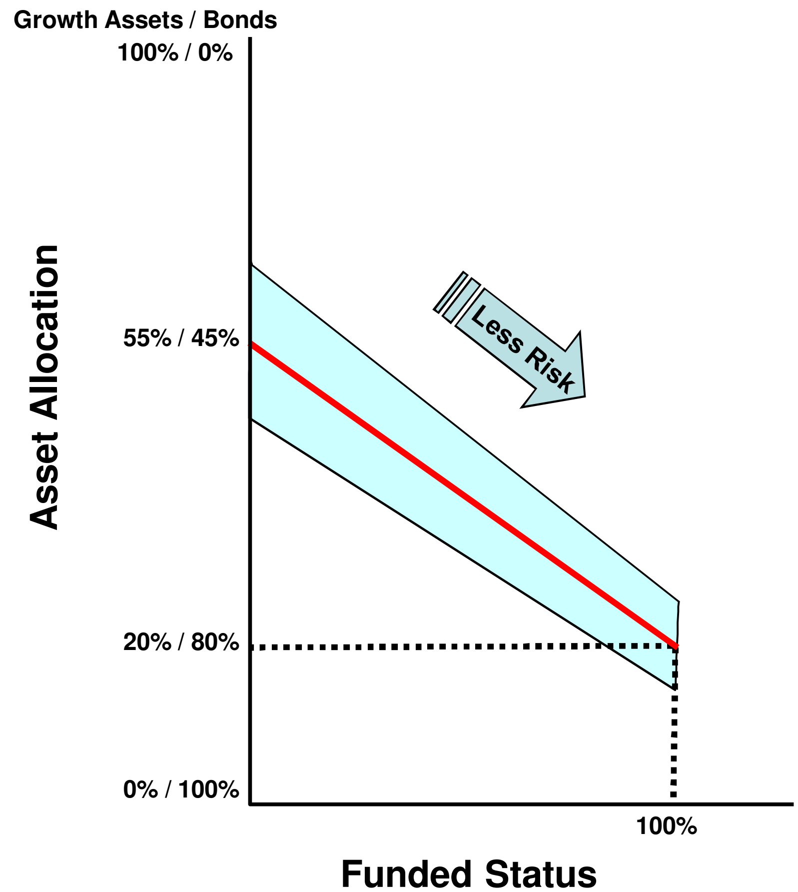
Increasing Bond Asset Allocation Over Time As Funded Status Improves Will Provide Better Match To Pension Liabilities

PENSION DE-RISKING GLIDE PATH

Investment / Asset Mix Guidelines

- **As funded status improves, bond asset mix will increase**
- **Progress along glide path contingent on funded status (driven by market performance and cash contributions) and likely to take several years**

Asset Allocation



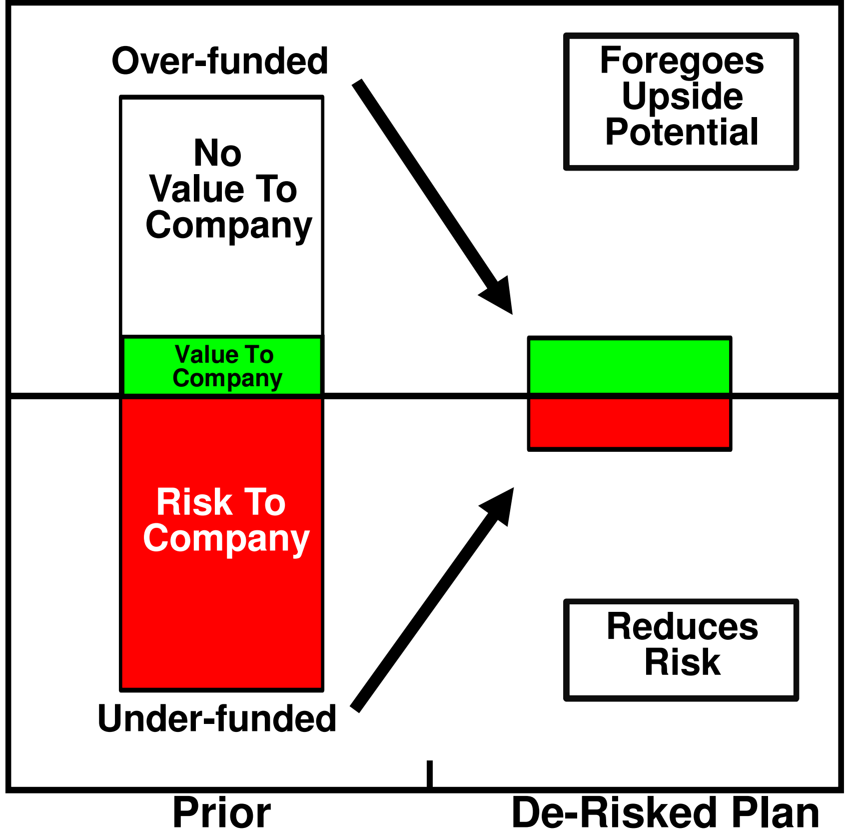
De-Risking Over Time As Funded Status Improves

PENSION DE-RISKING -- RISK / REWARD TRADEOFF

Risk / Reward Implications

- With de-risking, higher bond assets and (bond-like) liabilities move together which significantly reduces funded status volatility
- Value of risk reduction is asymmetrical
  - Upside potential has limited value
  - Downside risk protection eliminates risk of unplanned cash contributions when business can least afford
- Downside risk protection of funded status makes plan more secure for participants and Company

Lower Risk / Better Tradeoff



De-Risking Improves Risk / Return Tradeoff For Participants And Company

PENSION DE-RISKING SUMMARY

Strategy	Impact
• Limit liability growth • De-risk and fully fund plans over time – Cash contributions of \$3.5 billion in 2012 – Match plan assets to plan obligations as funded status improves • Other actions under development	• Plans more secure for participants and Company • Reduced volatility in funded status, profitability and cash flow • Strengthened risk profile of Company -- reduced financial risk • Improved Company valuation

HEADLINE TOPICS

- Pension De-Risking
- Tax Matters
  - Valuation Allowance
  - Cash Taxes
  - Effective Tax Rate
- Automotive Operating Margin

TAX MATTERS -- VALUATION ALLOWANCE

- **Valuation Allowance**
  - **Release of almost all of the valuation allowance in Fourth Quarter 2011 recorded as a tax benefit in the income statement**
  - **This release will result in an increase in ongoing book tax expense**
  - **Retained approximately $1.5 billion of the valuation allowance primarily related to various state and local operating loss carryforwards and our South American operations**

- **Cash Taxes**

- **Effective Tax Rate**

TAX MATTERS -- VALUATION ALLOWANCE RELEASE / REVISED OPERATING EPS

2011 Operating Results Previously Reported

	1Q	2Q	3Q	4Q	FY
Operating results					
Pre-tax results	$2,837	$2,878	$1,944	n/a	
(Provision for) / Benefit from income taxes	(220)	(239)	(95)		
Less: Income / (Loss) attributable to non-controlling interests	5	2	3		
After-tax results	$2,612	$2,637	$1,846		
Earnings per share	$ 0.62	$ 0.65	$ 0.46		
Net income					
Earnings per share	$ 0.61	$ 0.59	$ 0.41		

Proforma 2011 Operating Results Revised to Reflect Normalized Tax Rate

	1Q	2Q	3Q	4Q	FY
Operating results					
Pre-tax results	$2,837	$2,878	$1,944	$1,104	$8,763
(Provision for) / Benefit from income taxes	(852)	(896)	(579)	(308)	(2,635)
Less: Income / (Loss) attributable to non-controlling interests	5	2	3	(1)	9
After-tax results	$1,980	$1,980	$1,362	$ 797	$6,119
Earnings per share	$ 0.47	$ 0.49	$ 0.34	$ 0.20	$ 1.51
Net income					
Earnings per share	$ 0.61	$ 0.59	$ 0.41	$ 3.40	$ 4.94

EPS for all YoY Comps.

TAX MATTERS -- CASH TAXES

- **Valuation Allowance**

- **Cash Taxes**
  - **Release of valuation allowance has no impact on underlying tax attributes**
  - **Ford's cash taxes are expected to remain low for a number of years**

- **Effective Tax Rate**

TAX MATTERS -- EFFECTIVE TAX RATE

- Valuation Allowance

- Cash Taxes

- Effective Tax Rate
  - Statutory tax rates vary by country
  - Accounting rules introduce quarter to quarter volatility as year-to-date tax expense is recorded based on full-year projections with a cumulative catch-up effect in the current quarter
  - Calculation of our disclosed effective tax rate in the 10-K excludes equity interests in net results of affiliated companies accounted for on an after-tax basis

TAX MATTERS -- EFFECTIVE TAX RATE

Proforma 2011 Operating Results Revised to Reflect Normalized Tax Rate	1Q	2Q	3Q	4Q	FY
Pre-tax results (excl. special items)	2,837	2,878	1,944	1,104	8,763
Less: Equity in net results of affiliates	167	135	104	94	500
Adjusted Pre-Tax Results	2,670	2,743	1,840	1,010	8,263
(Provision for) / Benefit from income taxes	(852)	(896)	(579)	(308)	(2,635)
Effective tax rate	31.9%	32.7%	31.4%	30.5%	31.9%
Memo: Effective tax rate as a percentage of pre-tax results (excl. special Items)	30.0%	31.1%	29.8%	27.9%	30.1%

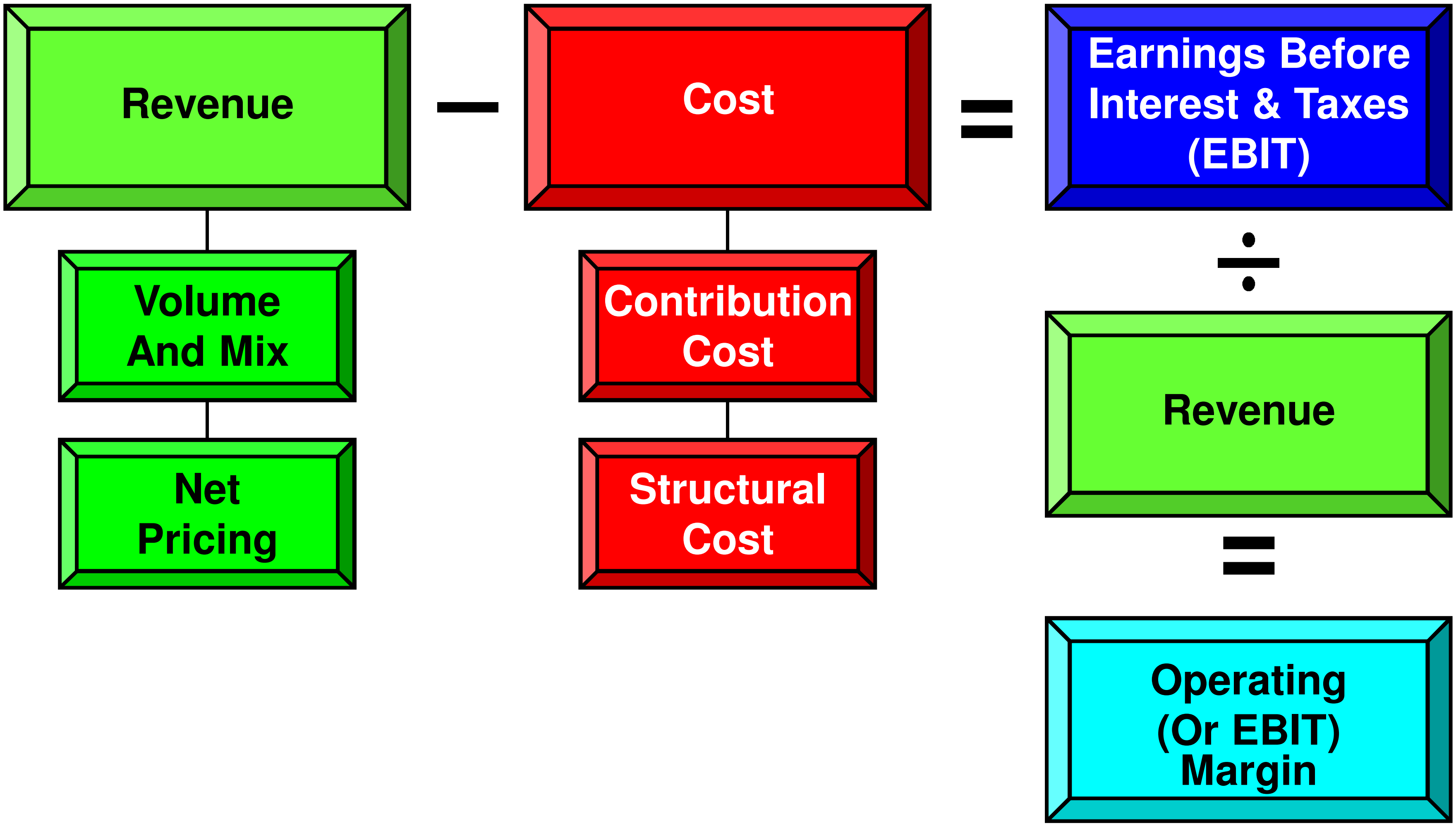
2011 Total Results (incl. special items)	1Q	2Q	3Q	4Q	FY
Pre-tax results (incl. special items)	2,776	2,606	1,846	1,453	8,681
Less: Equity in net results of affiliates	167	135	104	94	500
Adjusted Pre-Tax Results	2,609	2,471	1,742	1,359	8,181
(Provision for) / Benefit from income taxes	(220)	(206)	(194)	12,161	11,541
Effective tax rate	8.4%	8.3%	11.1%	-894.8%	-141.1%

2012 Full-Year Rate Should Be Similar To 2011;
First Quarter Rate Will Be Closer To 35%

HEADLINE TOPICS

- **Pension De-Risking**
- **Tax Matters**
- **Automotive Operating Margin**

*AUTOMOTIVE OPERATING MARGIN**



* Excluding special items. Automotive business only; excludes Financial Services; EBIT Excludes Other Automotive

Earnings Before Interest And Taxes As A Percentage Of Revenue

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS

Volume And Mix	Net Pricing	Contribution Cost	Structural Cost*
Wholesale Volumes	Pricing	Material Cost • Component Purchases • Commodities	Manufacturing
Component Sales	Incentives	Freight	Engineering
Product Mix		Warranty	Depreciation and Amortization
Series Mix and Option Rates			Advertising and Sales Promotions
			Administrative and Selling Expenses
			Pension and Other Fringe Benefits

* All salaries, wages, and fringe benefits are included in structural cost

Key Elements Of Automotive Operating Margin

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS

Volume And Mix	Net Pricing	Contribution Cost	Structural Cost*
Wholesale Volumes	Pricing	Material Cost	Manufacturing
Component Sales	Incentives	• Component Purchases	Engineering
Product Mix		• Commodities	Depreciation and Amortization
Series Mix and Option Rates		Freight	Advertising and Sales Promotions
		Warranty	Administrative and Selling Expenses
			Pension and Other Fringe Benefits

* All salaries, wages, and fringe benefits are included in structural cost

Key Elements Of Automotive Operating Margin

AUTOMOTIVE OPERATING MARGIN – KEY ELEMENTS -- COMMODITY HEDGING

- Commodity prices are highly volatile -- we use index pricing for our supply base to isolate price volatility related to changes in commodity prices
- We hedge the underlying commodities to reduce the risk; using forward contracts with a maximum maturity of two years
- Liquid hedge instruments do not exist for steel and a number of other commodities. Presently, about 25% of our annual buy of commodities and raw materials are hedged
- Additionally, less than 100% of these exposures are hedged with the hedge percentage declining over time. As a result, hedging provides a partial offset to the change in underlying commodity costs

AUTOMOTIVE OPERATING MARGIN – KEY ELEMENTS -- COMMODITY HEDGING

- **Most commodities we purchase are embedded in components and not purchased directly; therefore, our hedges generally do not qualify for hedge accounting treatment -- the hedges are “non-designated”**

- **Consequently, a change in market value of all forward hedges must be booked to income in the present period (no cash impact), while the impact to component prices is realized over time**

- **The cash impact of hedging is recognized in the future when the forward contracts are settled, and is determined by market prices at the time of settlement**

We Hedge to Reduce Volatility Of Cash Flow and Long-Term Profits

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS -- WARRANTY

- **Warranty costs include costs for warranty coverage, product recalls, and other customer service actions**
- **Initial warranty estimates are established using historical information for each vehicle line by model year. These initial estimates of lifetime warranty costs are accrued for when the vehicle is wholesaled**
- **Accruals are compared with actual experience over the life of the vehicle line resulting in one-time reserve adjustments. The nature and timing of these adjustments can make comparisons between periods difficult**
- **Changes in the warranty reserves as shown in the 2011 Form 10-K include changes for vehicle warranty coverages, product recalls and warranties on aftermarket parts**
- **All elements of warranty are included in the reported year over year profit variance**

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS

Go Further

Volume And Mix	Net Pricing	Contribution Cost	Structural Cost*
Wholesale Volumes	Pricing	Material Cost • Component Purchases • Commodities	Manufacturing
Component Sales	Incentives	Freight	Engineering
Product Mix		Warranty	Depreciation and Amortization
Series Mix and Option Rates			Advertising and Sales Promotions
			Administrative and Selling Expenses
			Pension and Other Fringe Benefits

* All salaries, wages, and fringe benefits are included in structural cost

Key Elements Of Automotive Operating Margin

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS -- STRUCTURAL COSTS

Structural Cost*	Components	Key Cost Drivers
Manufacturing	Personnel, Plant Overhead, Launch	Volume, Sourcing Changes, Content
Engineering	Personnel, Prototype Material, Outside Engineering Services	Product Programs
Depreciation and Amortization	Depreciation and Amortization, Asset Retirements, Op. Leases	Past and Present Period Capital Spending
Advertising and Sales Promotions	Advertising (all media), marketing programs, Brand promos, Auto Shows	Vehicle Launches, Brand Building
Administrative and Selling Expenses	Salary and Purchased Service cost related to Staff activities, IT	Growth Support
Pension and Other Fringe Benefits	Pension, OPEB	Discount Rates and Asset Returns

* All salaries, wages, and fringe benefits are included in structural cost

AUTOMOTIVE OPERATING MARGIN KEY ELEMENTS -- STRUCTURAL COSTS

Timing of Cost Compared With Revenue and Profit

	Present Year	Year 1	Year 2	Year 3
Engineering	Cost	Cost	Cost	Revenue
Advertising/Sales Promo -- Brand	Cost		Revenue	Revenue
-- Launch	Cost Revenue	Revenue		
Manufacturing	Cost Revenue	Revenue		
Depreciation and Amortization	Cost Revenue			

MORE TEXTURE

- **Treatment of Chinese Joint Ventures**
- **Compensation Costs**
- **Production vs. Wholesales**
- **2012 Production Calendarization**

MORE TEXTURE -- TREATMENT OF CHINESE JOINT VENTURES

Go Further

<u>Joint venture results are reported within each segment as follows:</u>

• **Unit Volumes**	✓ **Included**
• **Revenue**	- **Not included**
• **Profits**	✓ **Ford's share of after-tax profits included**

- **Profit variances related to Ford share of profits at most Joint Ventures are included in "Other" variance category**
- **Variances related to our two major China Joint Ventures with Changan and Jiangling are reported at Ford share across all variance categories (Volume / Mix, Net Pricing, Costs, etc.)**

MORE TEXTURE -- COMPENSATION COSTS

- **Contingent compensation (e.g., performance-related bonuses) for both salaried and hourly personnel and the ratification bonus for the UAW are included in Net Interest / Other**

- **Contingent compensation is accrued quarterly based on projected full-year payments**

- **Changes in full-year projections can result in different compensation accruals by quarter**

- **Ratification bonus is expensed when the obligation is incurred (i.e. 4Q11)**

MORE TEXTURE -- PRODUCTION VS. WHOLESALES

Production
+ / - Net Imports / Exports
+ / - Changes in Company Stocks
= Wholesales
+ / - Changes in Dealer Stocks
- Sales to Other OEMs
= Retail Sales

Seasonality

North America (000)

	2010				2011				2012
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Production	574	653	586	593	657	710	656	675	675
Wholesales	547	659	592	615	615	736	642	693	
Wholesales O/(U) Prod	(27)	6	6	22	(42)	26	(14)	18	

MORE TEXTURE -- 2012 PRODUCTION CALENDARIZATION

- **Many of our new product launches and capacity actions will occur later in the year**

- **This includes major new product launches such as the Escape, Fusion, B-MAX, and EcoSport as well as moves to three-crew shifts at our Chicago, Michigan and Louisville assembly plants**

- **In addition, we have planned dealer stock reduction actions in First Quarter 2012**

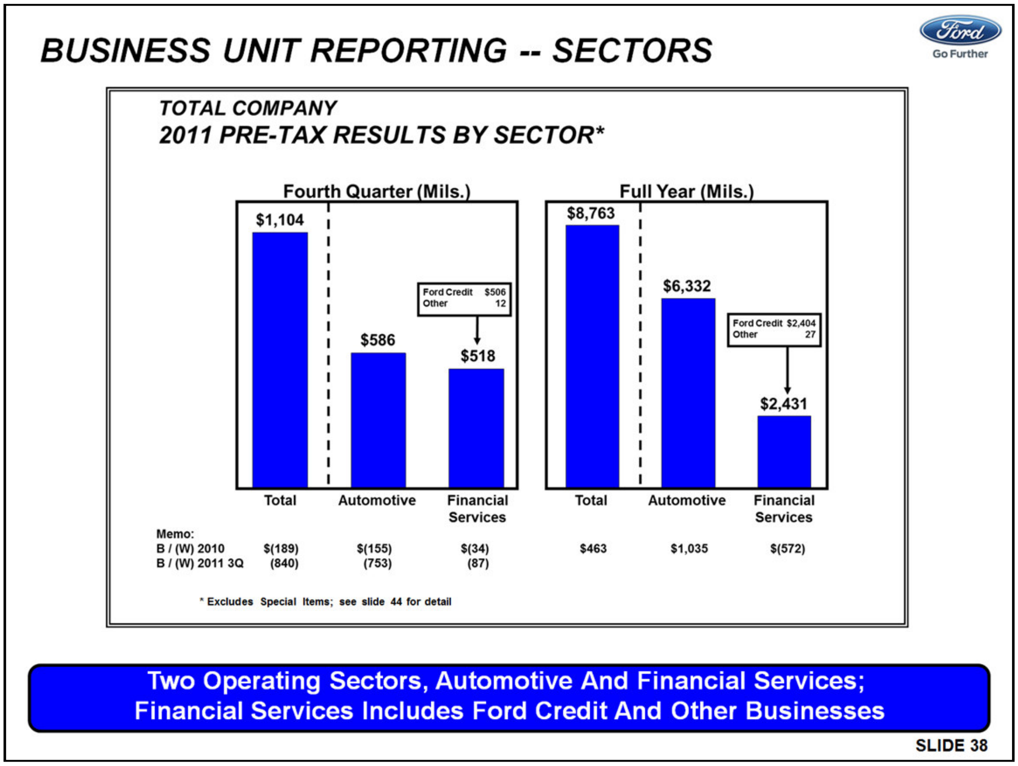
- **As a result, volumes and profitability are expected to be more back-loaded this year than in a “normal” year**

REFERENCE MATERIAL

Carryover Topics from 2011 -- Updated to Latest Status

- Auto University
  - ✓ Business Unit Reporting
  - ✓ Automotive Sector Key Metrics
  - ✓ Special Items
  - ✓ Profit Variance Analysis
  - ✓ Daily Rental Accounting
  - ✓ Automotive Cost Details
  - ✓ EPS
  - ✓ Automotive Cash and Balance Sheet
  - ✓ Pension and OPEB
  - ✓ Calendarization Factors

SLIDE 37

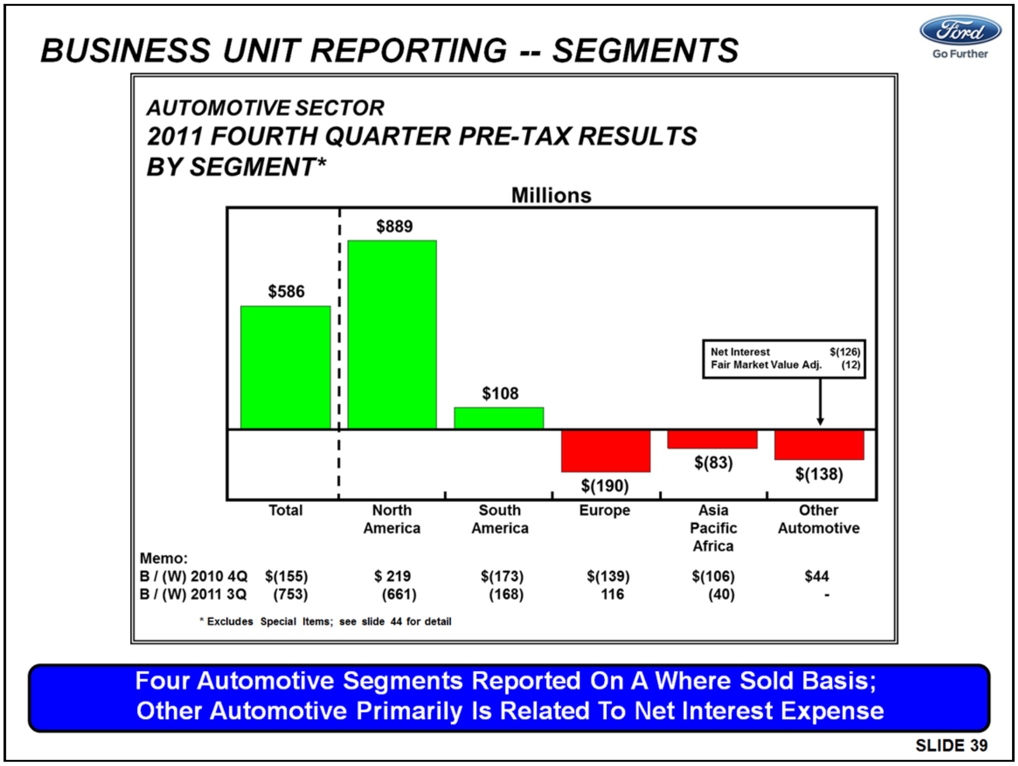


Ford consists of two operating sectors, Automotive and Financial Services.

The Financial Services sector includes the following segments: 1) Ford Credit, and 2) Other Financial Services.

Ford Credit provides vehicle-related financing, leasing, and insurance.

Other Financial Services includes a variety of businesses including holding companies, and real estate.



Ford's Automotive segments are based on the organizational structure used to evaluate performance and make decisions on resource allocation.

Automotive consists of the following four segments.

North America

South America

Europe -- includes Turkey and Russia.

Asia Pacific Africa

Each of these segments includes the associated revenues and costs to develop, manufacture, distribute, and service vehicles and parts and generally exclude interest. Segment results are reported on a where sold basis.

BUSINESS UNIT REPORTING -- MARKET SHARE MAJOR MARKETS DEFINED

- North America -- U.S.
- South America -- Argentina, Brazil, Chile, Colombia, Ecuador and Venezuela (6)
- Europe -- Austria, Belgium, Britain, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, and Switzerland (19)
- Asia Pacific Africa -- Australia, China, Japan, India, Indonesia, Malaysia, New Zealand, Philippines, South Africa, Taiwan, Thailand and Vietnam (12)

SLIDE 40

BUSINESS UNIT REPORTING -- OTHER AUTOMOTIVE

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	2011 FY (Mils.)
Interest Income / Other	**$ 317**
Interest Expense	**(817)**
Total Net Interest	**$(500)**
Fair Market Value Adjustments	**(101) ***
Total Other Automotive	**$(601)**

* Primarily related to investment in Mazda (Ford owns about 3.5%)

Other Automotive Does Not Include Any Other Central Corporate Expenses; These Are Allocated To The Segments

SLIDE 41

Other Automotive primarily consists of net interest and fair market value adjustments on Ford's investment and loan portfolio.

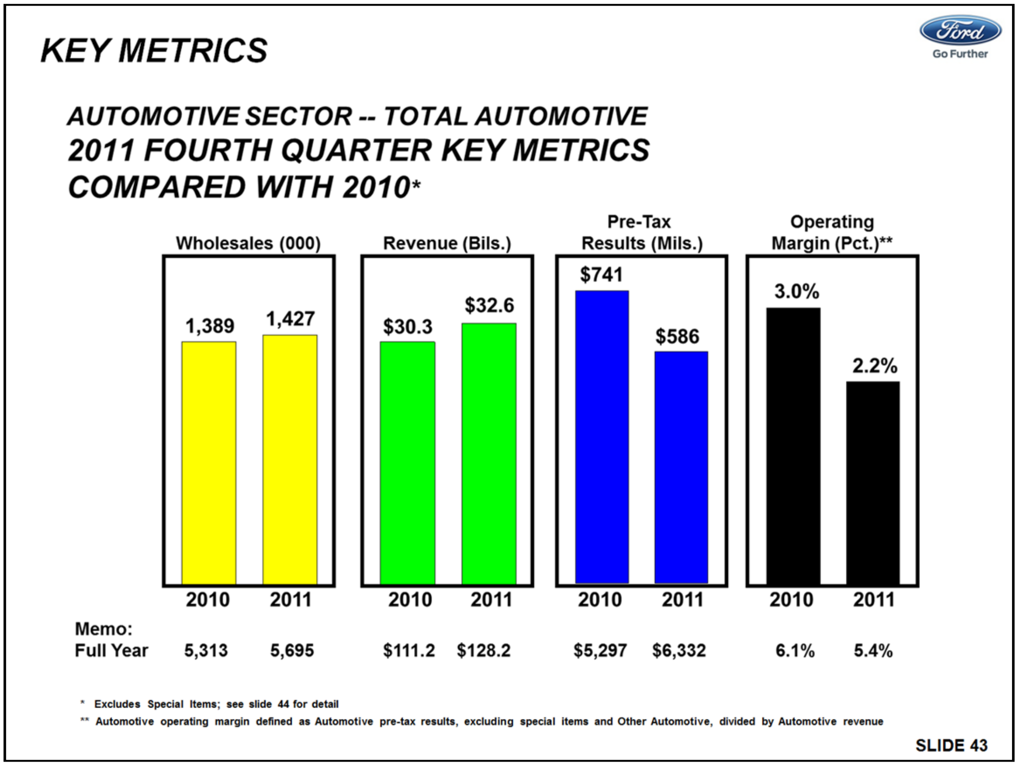
- Interest income primarily represents the interest generated on the cash portfolios.
- Cash, cash equivalents and marketable securities are held primarily in highly liquid investments.
- Interest expense primarily represents the expense associated with external debt obligations. It also contains the expense component of debt fee amortization and debt premium/discount amortizations.
- Fair Market Value Adjustments primarily represents the quarterly market valuation adjustment of Ford's investment portfolio. Quarterly movements in this line have primarily been driven by changes in the value of Ford's investment in Mazda.
- The impact of Mazda's stock price on Ford's profits should be reduced in line with the reduction in ownership to about 3.5% -- an absolute investment amount of about $110 million as of year-end 2011.

Other Automotive does not include any other central corporate expenses, all other expenses are allocated to the business segments.

BUSINESS UNIT REPORTING -- WHERE SOLD BASIS

- Segment results are reported on a "where sold" basis
  - Segment results include total corporate profit on all vehicles sold in its markets no matter where the vehicle or its components are produced
  - For example, the revenue and profit of Edges produced in North America and sold in China would be reported in our Asia Pacific Africa Segment
  - Profits associated with vehicles or components sold to another OEM accrue to the production source

SLIDE 42



- Wholesale volumes -- which reflect when vehicles are produced and shipped or delivered to dealers. This is when revenue and profit generally are recognized.
- Revenue -- this is generated largely by vehicle wholesales and part sales.
- Pre-Tax Results -- reporting focuses on pre-tax operating profits excluding “Special Items” – these are defined on the next slide.
- Operating Margin -- this is equal to Automotive Pre-Tax results, excluding Special Items and Other Automotive, divided by Automotive Revenue.

KEY METRICS -- SPECIAL ITEMS

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TOTAL AUTOMOTIVE SPECIAL ITEMS

	Fourth Quarter 2010 (Mils.)	Fourth Quarter 2011 (Mils.)	Full Year 2010 (Mils.)	Full Year 2011 (Mils.)
Personnel and Dealer-Related Items				
Personnel-reduction actions	$ (35)	$ (56)	$ (145)	$ (269)
Mercury discontinuation / Other dealer actions	(49)	(47)	(339)	(151)
Job Security Benefits / Other	(39)	60	36	93
Total Personnel and Dealer-Related Items	$ (123)	$ (43)	$ (448)	$ (327)
Other Items				
Belgium pension settlement	$ -	$ (5)	$ -	$ (109)
Debt reduction actions	(893)	-	(853)	(60)
Sale of Volvo and related charges	(1)	-	179	8
FordSollers Gain	-	401	-	401
Other (Incl. Foreign Currency Translation Adjustment)	4	(4)	(29)	5
Total Other Items	$ (890)	$ 392	$ (703)	$ 245
Total Special Items	$ (1,013)	$ 349	$ (1,151)	$ (82)
Tax Special Items*	$ 2	$ 12,469	$ 134	$ 14,176
Memo:				
Special Items impact on earnings per share	$ (0.24)	$ 3.20	$ (0.25)	$ 3.43

* Primarily represents valuation allowance reversal at Year End ($12.4 billion) and valuation allowance consumed against operating results

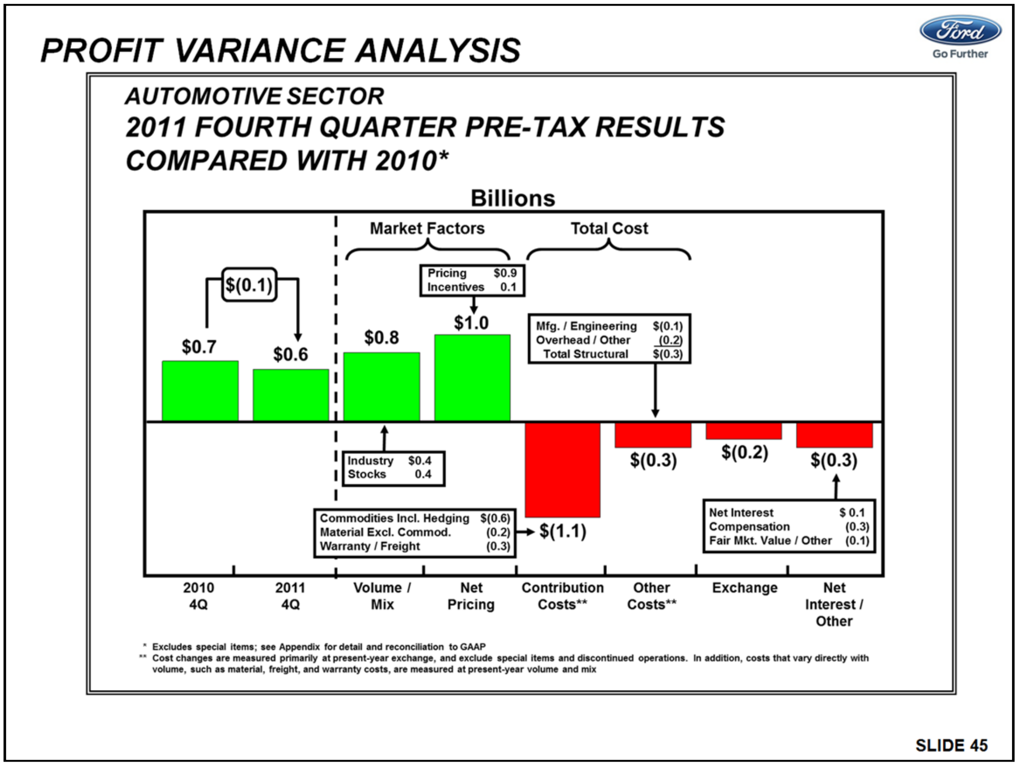
SLIDE 44

Special items are reported as a separate reconciling item as opposed to being allocated back to the operating segments. This approach is consistent with how management reviews the operating segments internally.

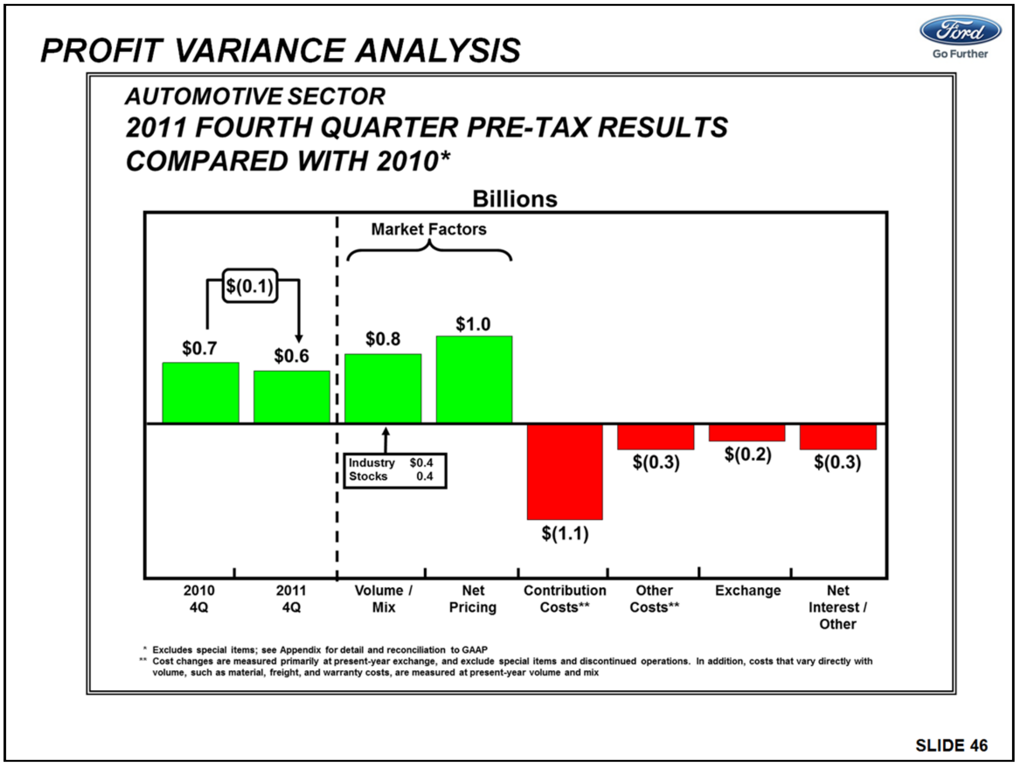
There are two groupings for Special Items

Personnel and Dealer-related -- these are items that reflect Ford's efforts to match production capacity and cost structure to market demand and changing model mix, therefore helping investors track amounts related to those activities.

Other -- includes infrequent significant items generally not considered to be indicative of ongoing operating activities, therefore, investors may wish to exclude when considering the trend of ongoing operating results.



Ford measures year-over-year and sequential quarter-over-quarter changes in Automotive pre-tax operating profit for total Automotive sector (excluding special items) and for the individual segments using the causal factors defined on the next several slides, with revenue and cost variances calculated at present-year volume, mix and exchange.



Volume and mix measures the profit variance from changes in wholesale volumes (at prior-year average margin per unit) driven by changes in industry volume, market share, and dealer stocks, as well as the profit variance resulting from changes in product mix, including mix among vehicle lines and mix of trim levels and options within a vehicle line.

Detailed variances for industry, shares, stocks, and mix are developed for each major market. The total volume effect for other markets, and sales of vehicles and components to other manufacturers are included in other volume changes.

Industry volume variance is calculated first and isolates the impact of the change in industry volumes, holding all other variables constant.

Market share variance isolates the impact of the change in market share, at present-year industry volume, holding contribution margin constant.

Dealer stock variance isolates the impact of the change in dealer stocks in the present period compared with the change in the prior period, holding contribution margin constant.

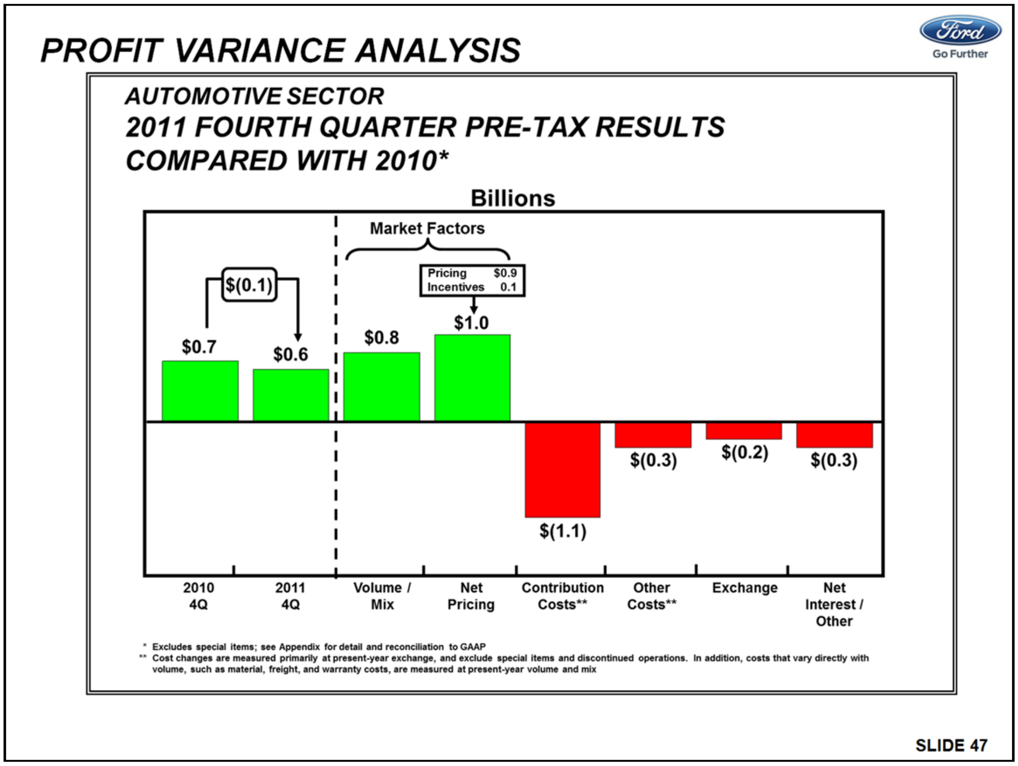
Mix among vehicles variance isolates the impact of changes in the mix of vehicles sold, holding all other factors constant.

Series and option mix variance isolates the impact of changes to series mix and option take rates, holding all other factors constant. This calculation is done on a vehicle line basis.

All of the above variances are calculated for each major market.

The volume effect of other markets, and sales of vehicles and components to other manufacturers are included in other volume variance.

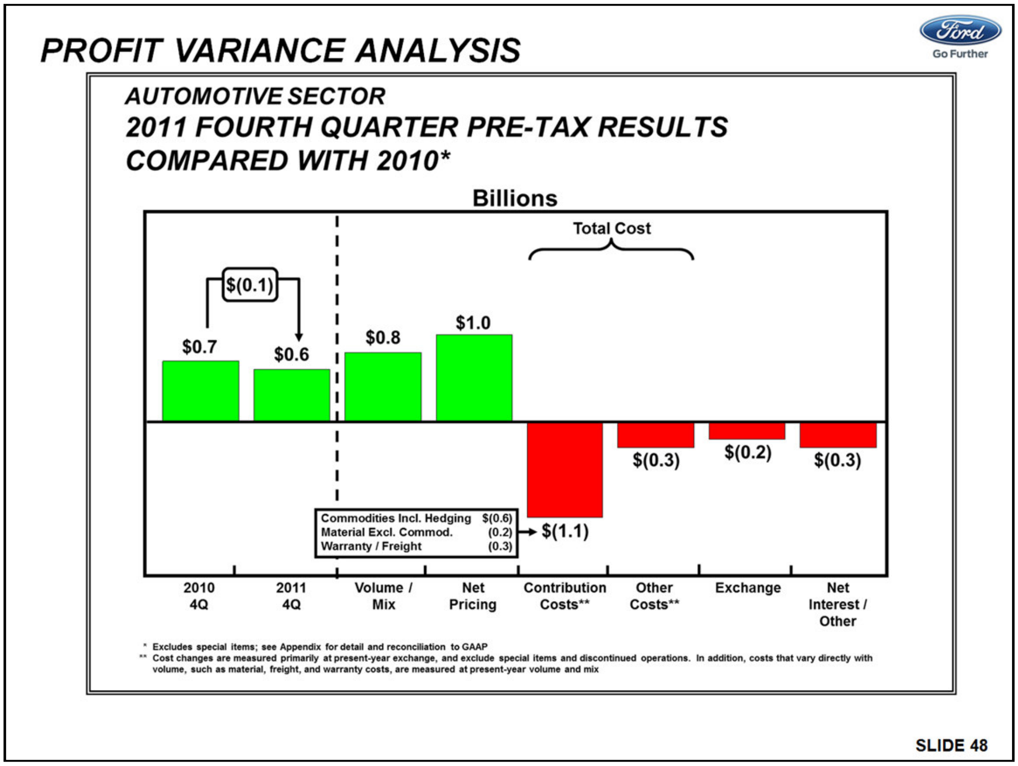
The profit impact of vehicles that enter a new segment of a market (e.g., the Fiesta in the U.S.) is entirely picked up in volume.



Net pricing: Primarily measures the profit variance driven by changes in wholesale prices to dealers and marketing incentive programs such as rebate programs, low-rate financing offers, and special lease offers.

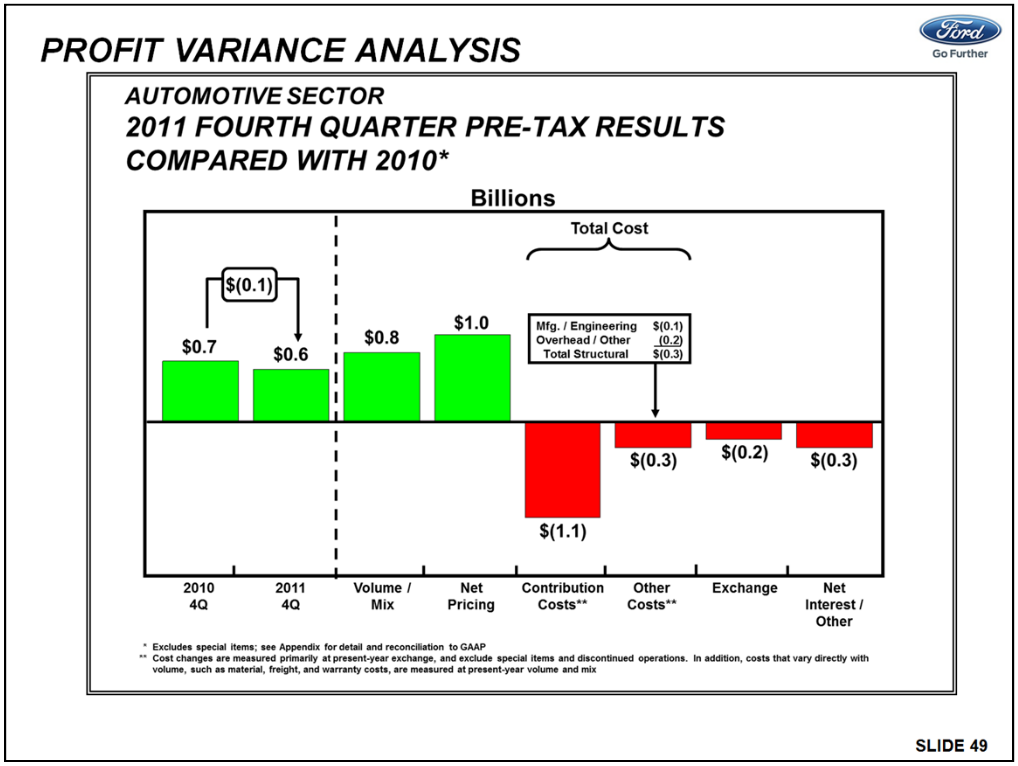
Wholesale price changes include both pricing for new design features added to a vehicle (e.g. a more powerful engine) and “pure” pricing (actions taken to better align a vehicle competitively or recover higher commodity costs)

Estimated marketing incentive costs are accrued for at the time the vehicle is sold to a dealer. Following a defined set of rules of the road, these accruals are compared with actual experience and, as appropriate, reserve adjustments are recorded



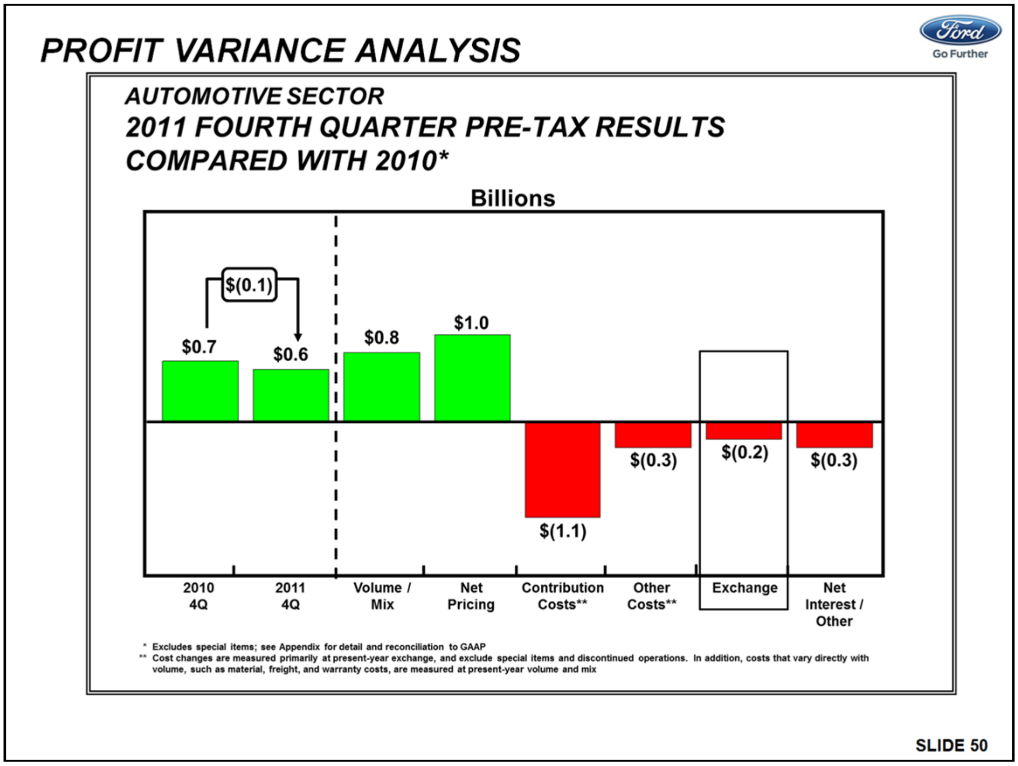
The contribution costs variance measures the profit variance driven by per unit changes in cost categories that typically vary with volume, such as material costs, freight including duty, and warranty expense.

See slides 26 through 28 for further discussion on commodity hedging and warranty.



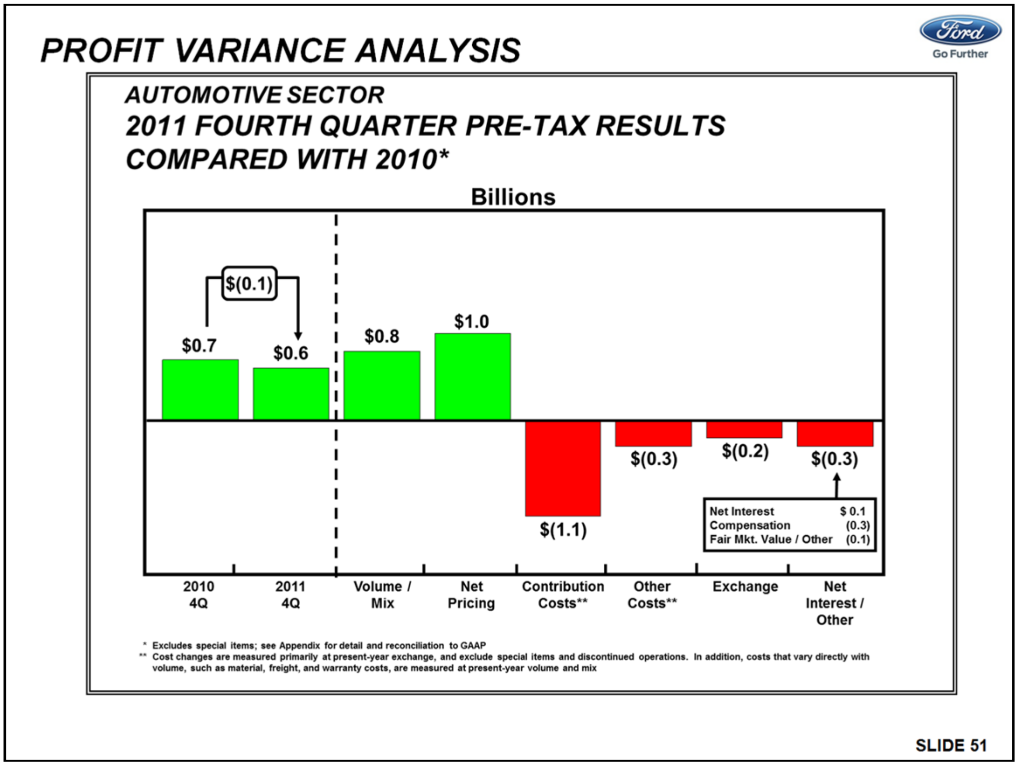
Other costs: Primarily measures the profit variance driven by the absolute change in cost categories that typically do not have a directly proportionate relationship to production volume – mainly structural costs, such as Manufacturing, Engineering, Depreciation and Amortization (“spending-related”), Advertising and Sales Promotions, Administrative and Selling (“overhead”), and Pension and Other Fringe Benefits.

These are described in greater detail on Slides 29-31.



Exchange primarily measures the profit variance driven by one or more of the following:

- The impact of gains or losses arising from transactions denominated in currencies other than the functional currency of the countries.
- The effect of remeasuring income, assets and liabilities of foreign subsidiaries using U.S. dollars as the functional currency, or
- The results of foreign currency hedging activities.



Net interest and other measures the profit variance driven by changes in the Automotive sector's centrally-managed net interest expense and related fair value market adjustments in Ford’s investment portfolio and marketable securities as well as other factors not included above.

PROFIT VARIANCE ANALYSIS --
SAAR AND ABSOLUTE INDUSTRY VOLUMES

	US Market				
	1Q	2Q	3Q	4Q	FY
SAAR's (Mils.)					
2011	13.4	12.4	12.7	13.8	13.0
2010	11.3	11.5	11.7	12.7	11.8
Year-to-Year Change	19 %	8 %	9 %	9 %	10 %
Quarter-to-Quarter Change	6	(7)	2	9	
Industry Volumes (000)					
2011	3,113	3,338	3,256	3,339	13,046
2010	2,590	3,116	3,052	3,017	11,775
Year-to-Year Change	20 %	7 %	7 %	11 %	11 %
Quarter-to-Quarter Change	3	7	(2)	3	

Note Year-to-Year Change is generally the same; Quarter-to-Quarter changes can be substantially different

Profit Variances Are Based On Changes In Absolute Industry Volumes, Not SAARs

SLIDE 52

SAARs are seasonally-adjusted annualized volumes, and are useful when evaluating changes in industry volumes. However, absolute industry volumes are used to calculate the profit impact of industry changes.

By definition, year-to-year changes on a percentage basis are generally similar between SAARs and absolute Industry Volumes; quarter-to-quarter changes, however, can be substantially different.

PROFIT VARIANCE ANALYSIS -- IMPACT OF DEALER STOCK CHANGES

SELECTED MARKETS
2011 FOURTH QUARTER DEALER STOCKS

	2010* (000)	2011 (000)	
U.S. Dealer Stocks			
December 31	394	469	
September 30	404	425	
4Q Stock Change H / (L)	(10)	44	54
South America Dealer Stocks**			
December 31	52	49	
September 30	43	48	
4Q Stock Change H / (L)	9	1	(8)
Europe Dealer Stocks***			
December 31	213	212	
September 30	198	203	
4Q Stock Change H / (L)	15	9	(6)
Asia Pacific Africa Dealer Stocks****			
December 31	75	87	
September 30	81	95	
4Q Stock Change H / (L)	(6)	(8)	(2)
Total			
December 31	734	817	
September 30	726	771	
4Q Stock Change H / (L)	8	46	38

* Excludes Volvo
** South America dealer stocks are based, in part, on estimated vehicle registrations for the six markets we track
*** Europe dealer stocks are based, in part, on estimated vehicle registrations for the 19 markets we track
**** Asia Pacific Africa dealer stocks are based, in part, on estimated vehicle sales for the 12 markets we track

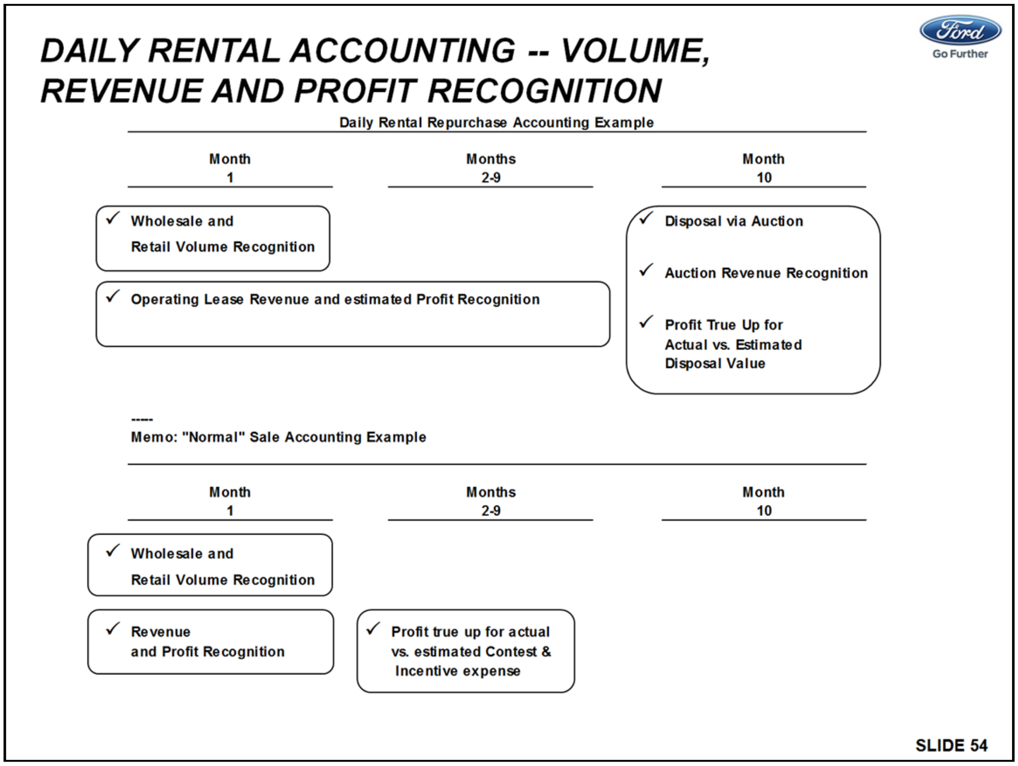
SLIDE 53

The sum of the Industry, Share, and Dealer Stock change variances explain the total change in wholesale volume.

Change in dealer stocks during the period is calculated by taking the difference between retail sales and wholesales. If retail sales exceed wholesales, the dealer stocks decrease. If retail sales are less than wholesales, dealer stocks increase.

The absolute impact of dealer stocks in any one period is based on multiplying the stock change in that period by the average contribution margin.

The period-to-period variance attributable to dealer stock changes is based on the change in present period compared with the change in the prior period.



Generally vehicles are deemed sold and revenue and profit are recognized when produced and shipped or delivered to customers. This is not the case, however, with respect to vehicles produced for sale to daily rental companies that are subject to a guaranteed repurchase option.

Vehicles that are subject to a guaranteed repurchase are accounted for as operating leases. The wholesale and retail sale are reported at the time the vehicle is initially delivered, while lease revenue and profits are recognized over the lease term.

The majority of revenue, however, is recognized when the vehicle is sold at auction and at the same time any gain or loss is recognized on the difference between estimated and actual auction value.

This practice where the volumes recognized in one period and the majority of the revenue is recognized in a different period can create a significant variance when comparing per unit revenue between the two periods.

AUTOMOTIVE COST DETAILS -- FINANCIAL STATEMENTS

Ford's financial statements break costs into two categories:

- **Cost of Sales -- costs related to the development, manufacture and distribution of our vehicles, parts, and accessories.**
  - **Material (including commodities)**
  - **Freight**
  - **Warranty and related costs**
  - **Labor and other costs directly related to the development and manufacture of our products**
  - **Depreciation and amortization**
  - **Other associated costs**
- **Selling, administrative and other**
  - **Labor and other costs not directly related to the development and manufacture of our products**
  - **Advertising and Sales Promotions**
  - **Other associated costs**

*AUTOMOTIVE COST DETAILS -- VARIANCE ANALYSIS**

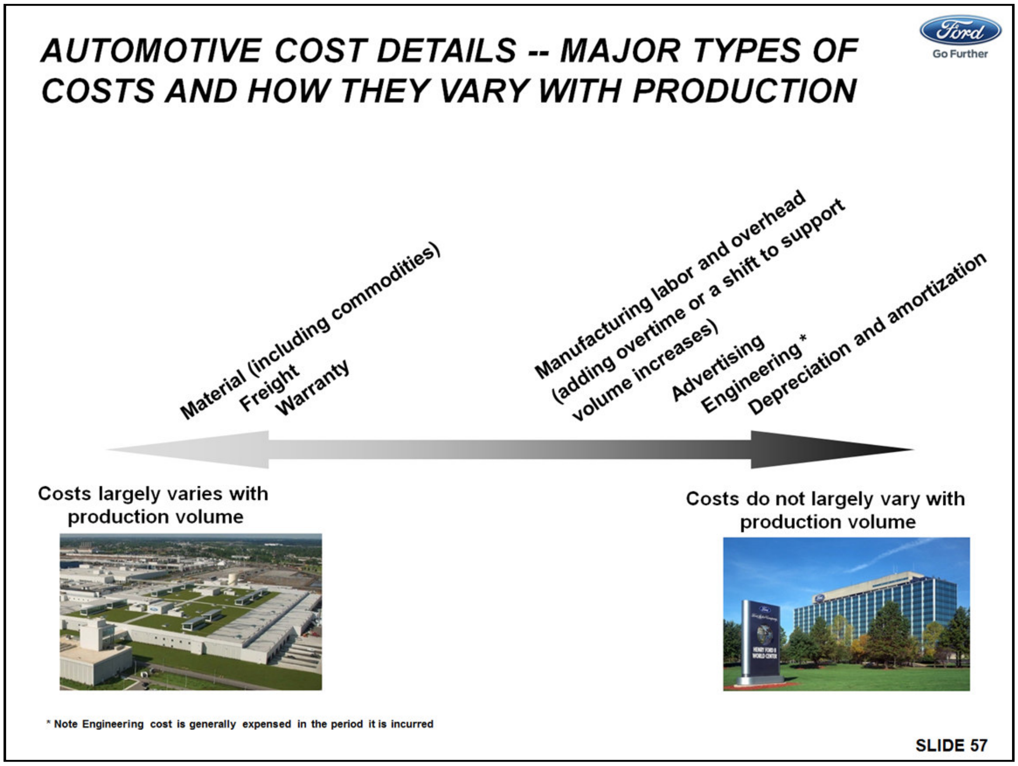
Go Further

Our variance analysis breaks costs into two major buckets:

- **Contribution costs (variances reflect changes in cost per unit)**
  - **Material**
    - » **Commodities**
    - » **Material excluding commodities (includes design changes and cost reductions)**
  - **Freight**
  - **Warranty and related costs (includes base coverage, recalls, etc.)**

- **Other Costs (variances reflect absolute changes)**
  - **Structural (Described in more detail on Slides 29-31)**
    - » **Manufacturing**
    - » **Engineering**
    - » **Depreciation and Amortization**
    - » **Advertising and Sales Promotions**
    - » **Administrative and Selling Expenses**
    - » **Pension and Other Fringe Benefits**
  - **Other -- such as legal costs**

* All cost changes are measured primarily at present-year exchange and exclude special items. Contribution costs also are measured at present-year volume and mix.



While material (including commodities), freight and warranty costs generally vary directly with production, elements within the structural costs category are impacted to different degrees by changes in production volume.

Ford also has varying degrees of discretion when it comes to controlling different elements within structural costs. For example, current period depreciation and amortization expense is largely associated with prior capital spending decisions, but decisions can be made to increase, decrease or defer advertising and engineering expenses in response to changing economic or competitive conditions.

In addition, manufacturing labor and overhead costs naturally vary somewhat with changes in volume – examples include adding overtime or a shift to support volume increases.

Consistent with GAAP accounting, engineering costs are generally expensed as incurred.

AUTOMOTIVE COST DETAILS -- WHERE TO FIND THEM

Go Further

	Income Statement	Published	Statement
Contribution Costs			
Material (including commodity costs)	Cost of Sales	2011 10-K P.32	Commodity/Material are about 2/3 of Total Automotive
Freight	Cost of Sales		Ford does not disclose this separately
Warranty (costs for basic warranty coverage on products sold and product recalls)	Cost of Sales	2011 10-K P. FS-97	2011 cost $2.9 Bils
Customer service actions	Cost of Sales	--	Ford does not disclose this separately
Structural			
Depreciation/Amortization	Cost of Sales	2011 10-K P. 60	2011 cost $3.6 Bils
Labor	Cost of Sales/S&A	2011 10-K P.16	Total number of employees was approximately 164,000
Engineering/R&D	Cost of Sales	2011 10-K P.16 and P. FS-16	2011 cost $5.3 Bils.
Advertising	S&A	2011 10-K P. FS-16	2011 cost $4.1 Bils.
Other	Cost of Sales/S&A	--	Ford does not disclose this separately
Other			
Legal	Cost of Sales		Ford does not disclose this separately
Special Items			
Personnel–reduction actions	Mixed	2011 10-K P. 41	$(269) Mils in 2011. Reduction actions attributable to hourly labor fall primarily into COS, salary-related reductions primarily fall into S&A.
Mercury discontinuation/Other dealer actions	Cost of Sales	2011 10-K P. 41	$(151) Mils in 2011
Belgium Pension Settlement	Cost of Sales	2011 10-K P. 41	$(109) Mils in 2011
Gain on Sale of Ford Russia Operations	Automotive interest income and other non-operating income/(expense), net	2011 10-K P. 41 & FS-79	$401 Mils net profit impact in 2011
Total Automotive Cost of Sales		2011 10-K P. FS-3	2011 cost $113 Bils.
S&A		2011 10-K P. FS-3	2011 cost $9 Bils.
Total Automotive Cost and Expense		2011 10-K P. 32 & FS-3	2011 cost $122 Bils.

SLIDE 58

EARNINGS PER SHARE

Go Further

	Fourth Quarter 2011		Full Year 2011	
	Net Income Attributable to Ford	After-Tax Operating Excl. Special Items	Net Income Attributable to Ford	After-Tax Operating Excl. Special Items
After-Tax Results (Mils.)				
After-tax results*	$ 13,615	$ 797	$ 20,213	$ 6,119
Effect of dilutive 2016 Convertible Notes**	16	11	64	44
Effect of dilutive 2036 Convertible Notes**	1	-	2	-
Effect of dilutive convertible Trust Preferred Securities**/***	-	-	40	27
Diluted after-tax results	$ 13,632	$ 808	$ 20,319	$ 6,190
Basic and Diluted Shares (Mils.)				
Basic shares (Average shares outstanding)	3,800	3,800	3,793	3,793
Net dilutive options and warrants****	117	117	187	187
Dilutive 2016 Convertible Notes	95	95	95	95
Dilutive 2036 Convertible Notes	3	3	3	3
Dilutive convertible Trust Preferred Securities***	-	-	33	33
Diluted shares	4,015	4,015	4,111	4,111
EPS (Diluted)	$ 3.40	$ 0.20	$ 4.94	$ 1.51

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

** 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 Full Year average shares outstanding does reflect the common stock underlying the Trust Preferred Securities only through March 15. However, the quarterly dilution calculation for the Fourth Quarter of 2011 does not include the underlying common stock as the Trust Preferred Securities have been redeemed

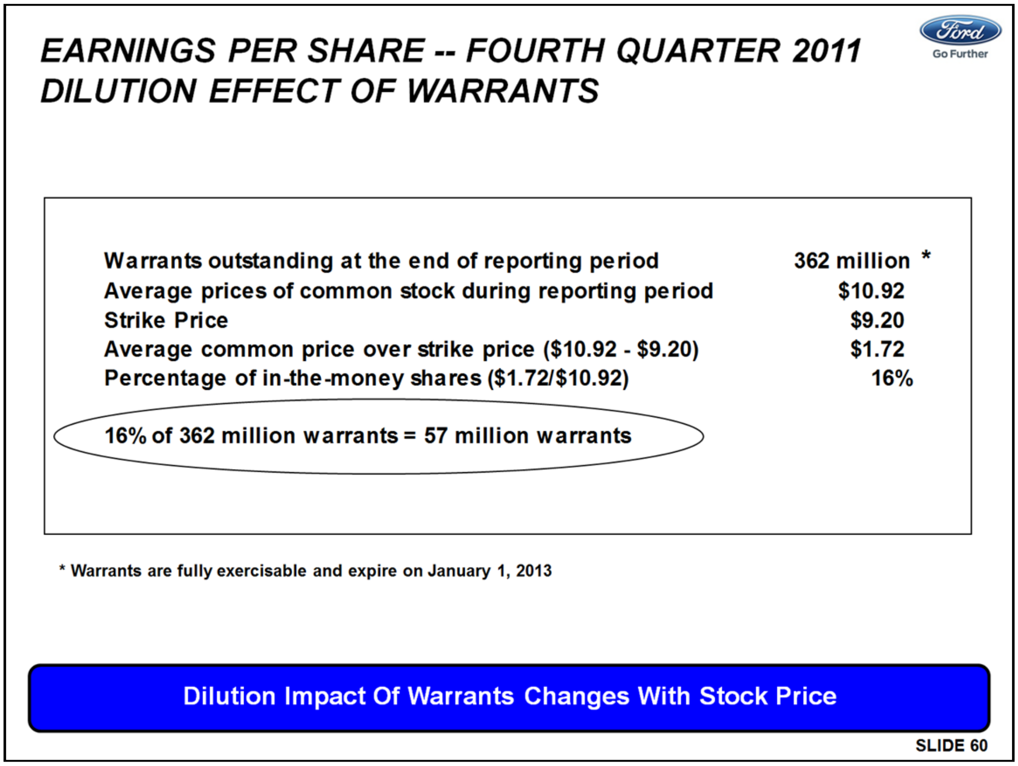
**** Net dilutive effect includes approximately 57 million and 111 million dilutive shares for Fourth Quarter and Full Year, respectively, representing the net share settlement methodology for the 362 million warrants outstanding as of December 31, 2011

SLIDE 59

This slide can be used for guidance when calculating EPS.

The warrants initially issued to the UAW have a dilution effect on outstanding shares; however, they do not have an effect on net income.

The warrant dilution methodology is outlined on the next slide.



At the end of the Fourth Quarter there were 362 million warrants outstanding.

To determine the dilution effect of the Warrants on share count for purposes of calculating EPS, simply multiply the percentage of in-the-money shares by the total number of outstanding warrants.

Basically, the dilution impact of these warrants changes with changes in the stock price. For example, as the stock price increases, the value of the warrants increase, and their dilution impact becomes greater.

AUTOMOTIVE CASH AND BALANCE SHEET – GROSS CASH

Go Further

	Dec. 31, 2011 (Bils.)
Cash and cash equivalents	$ 7.9
Marketable securities*	15.0
Total cash and marketable securities	$ 22.9
Securities in transit**	-
Gross cash	$ 22.9

* Included at December 31, 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 $201 million. Also included are Mazda marketable securities with a fair value of $110 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

SLIDE 61

- Automotive gross cash includes cash, cash equivalents, and marketable securities.
- These are held primarily in highly liquid investments, which protect for anticipated and unanticipated cash needs.
- Excluded from gross cash are securities in transit, which represent the purchase or sale of a marketable security for which the cash settlement was not made by period-end.
- Also excluded from Gross Cash are items classified as restricted cash. Examples include cash collateral required to be held against loans from the European Investment Bank (EIB) and cash collateral required for bank guarantees.
- Restricted cash is reflected in *Other Assets* on the balance sheet.

AUTOMOTIVE CASH AND BALANCE SHEET – CASH FLOW

AUTOMOTIVE SECTOR 2011 CASH*

	2011 (Bils.)
Gross Cash	
End of period	$ 22.9
Beginning of Period	20.5
Change in gross cash	$ 2.4
Automotive pre-tax profits**	$ 6.3
Capital spending	(4.3)
Depreciation and amortization	3.6
Changes in working capital	0.3
Other / timing differences	-
Up-front subvention payments to Ford Credit	(0.3)
Automotive operating-related cash flow	$ 5.6
Separation payments	(0.3)
Receipts from Ford Credit	4.2
Other	(0.2)
Cash flow before other actions	$ 9.3
Changes in debt	(6.0)
Pension contributions	(1.1)
Proceeds fro Sale of Volvo/Other	0.2
Change in gross cash	$ 2.4

See slides 63 and 67 for further detail

Includes distributions and tax receipts from Ford Credit

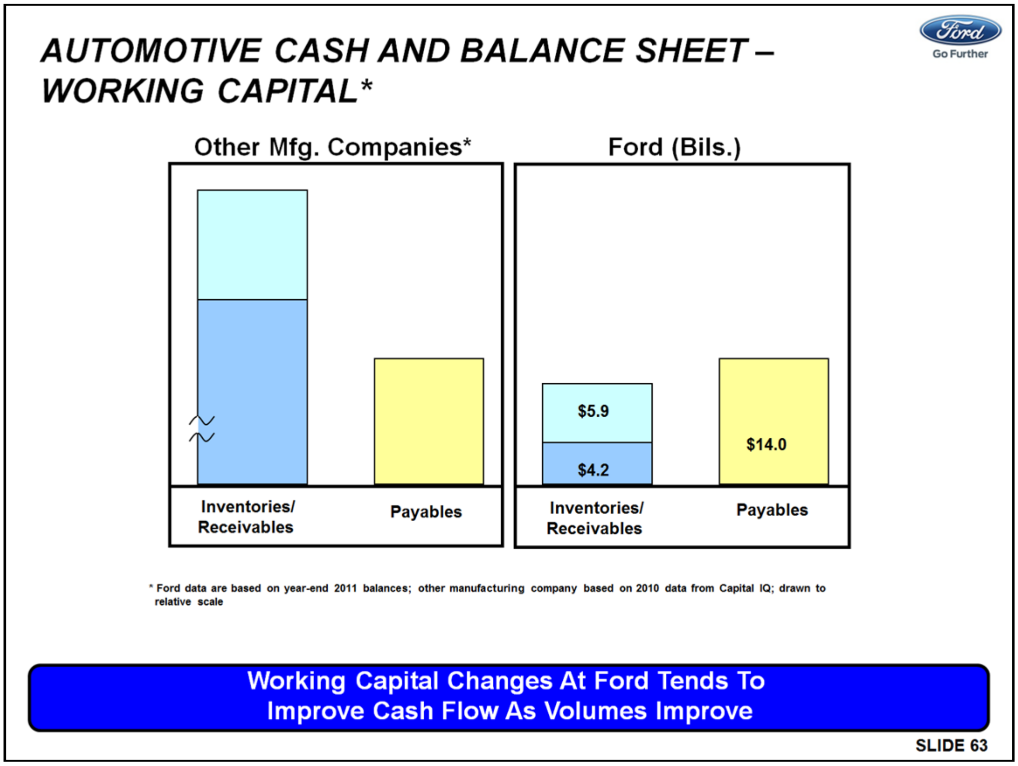
See slides 64 and 65 for further detail

* Excludes special items

SLIDE 62

In managing the business, changes in Automotive gross cash are classified into three categories – Automotive Operating-related cash flows; other cash flows; and cash flows of a financing nature:

- Operating-related cash flows best represent the ability of the Automotive business to generate cash. This is comprised of:
  - Automotive pre-tax profits;
  - Capital spending net of depreciation and amortization -- note for GAAP purposes capital spending is reported as an investing cash flow
  - Changes in working capital balances, i.e. trade receivables, payables and inventories, and
  - Timing differences; these take into consideration the recognition of revenues and expenses on an accrual basis in pre-tax profits and the actual cash movements of these items. For example, bonuses are accrued throughout the year but generally payments are made during the First Quarter. Other examples include warranty cash payments vs. accruals, pension benefit payments for non-funded plans vs. total pension accruals, and transactions between Automotive and Financial Services.
- The second category, other cash flows, includes such items as non-recurring separation payments and Ford Credit distributions and tax payments to Automotive. Additionally, this is where the currency impact on cash balances is reported.
- The third category, cash flow of a financing nature, includes such items as the impact of debt actions and contributions to funded pension plans. 2012 dividend payments will be reflected here. Additionally, if new equity were to be issued, the cash flows from these items would be reported in this category as would proceeds from the divestiture of a subsidiary.



- Included within Automotive cash flows are changes in working capital balances -- trade receivables, trade payables and inventories.

- In general Ford has relatively low trade receivables as the majority of the Automotive wholesales are financed through Ford Credit.

- In addition, Ford's inventories are relatively lean as Ford builds to order, not for inventory, and immediately sells to the dealers.

- In contrast, Ford's Automotive Trade payables are based primarily on industry standard production supplier payment terms of up to 45 days.

- As a result, Ford's cash flow tends to improve as volumes increase, but, as experienced during late 2008, can deteriorate when volumes drop sharply.

- In comparison, many other manufacturers require a significant investment in working capital to support higher volume – which limits their cash flow generation when they are in a growth mode.

PENSION AND OPEB ACCOUNTING AND REPORTING*
CASH AND BALANCE SHEET

	Year-End/Full Year 2011			
	Pension			
	US (Bils)	Non-US (Bils)	Total (Bils)	OPEB (Bils)
Balance Sheet (Provided Annually)				
<u>Asset/(Liability)</u>				
Benefit Obligation	$ (48.8)	$ (25.2)	$ (74.0)	$ (6.6)
Fair Value of Plan Assets	39.4	19.2	58.6	-
Funded Status	$ (9.4)	$ (6.0)	$ (15.4)	$ (6.6)
<u>Amounts Recognized on the Balance Sheet</u>				
Prepaid Assets	$ -	$ 0.1	$ 0.1	$ -
Accrued Liabilities	(9.4)	(6.1)	(15.5)	(6.6)
Total	$ (9.4)	$ (6.0)	$ (15.4)	$ (6.6)
Accumulated <u>Other Comprehensive (Income)/Loss</u>				
Unamortized prior service costs/(credits)	$ 1.2	$ 0.3	$ 1.5	$ (1.6)
Unamortized net (gains)/losses and other	9.4	7.6	17.0	2.3
Total	$ 10.6	$ 7.9	$ 18.5	$ 0.7
Cash (Pension data provided Quarterly)				
<u>Plan Contributions / Benefit Payments</u>				
Funded (included in cash flow of a financing nature)			$ 1.1	$ -
Non-Funded (included in operating-related cash flow)			0.4	0.4

* Shown on pages FS-49 and 50 of 2011 Form 10-K Report

SLIDE 64

As shown on Slide 64, the Pension and OPEB balance sheet impacts are presently available annually in the 10-K “Retirement Benefits” footnote. Cash impacts for pensions are updated quarterly in each 10-Q.

<u>Balance Sheet</u>

The net liability is measured as the difference between our benefit plan obligation and the fair value of plan assets. This is known as the funded status.

Accumulated Other Comprehensive (Income) / Loss - includes unamortized balances from plan amendments (changes in plan design) and actual vs. expected results for all assumptions such as asset returns, demographic and discount rate changes. This amount is reflected in Other Comprehensive Income (OCI) within Equity.

<u>Cash</u>

Plan contributions for funded plans include contributions to plan assets required by local regulations, and discretionary contributions. Annual benefit payments to participants are paid from plan assets held by a trust. These out flows are included in cash flows of a financing nature.

Benefit Payments for non-funded plans are made directly to participants from company cash (pay-as-you-go). These payments are included in operating-related cash flows.

*PENSION AND OPEB ACCOUNTING AND REPORTING**
EXPENSE AND INCOME -- WORLDWIDE

Go Further

Expense / (Income) (Mils.) (Provided Quarterly)

	Full Year 2011 Pension	Full Year 2011 OPEB
Service cost	$ 794	$ 63
Interest cost	3,601	327
Expected return on assets	(4,432)	-
Amortization of:		
Prior service costs / (credits)	415	(612)
(Gains) / losses and other	519	94
Subtotal Operating Expense	$ 897	$ (128)
Separation programs	147	10
Settlements	111	(26)
Total Expense / (Income)	$ 1,155	$ (144)

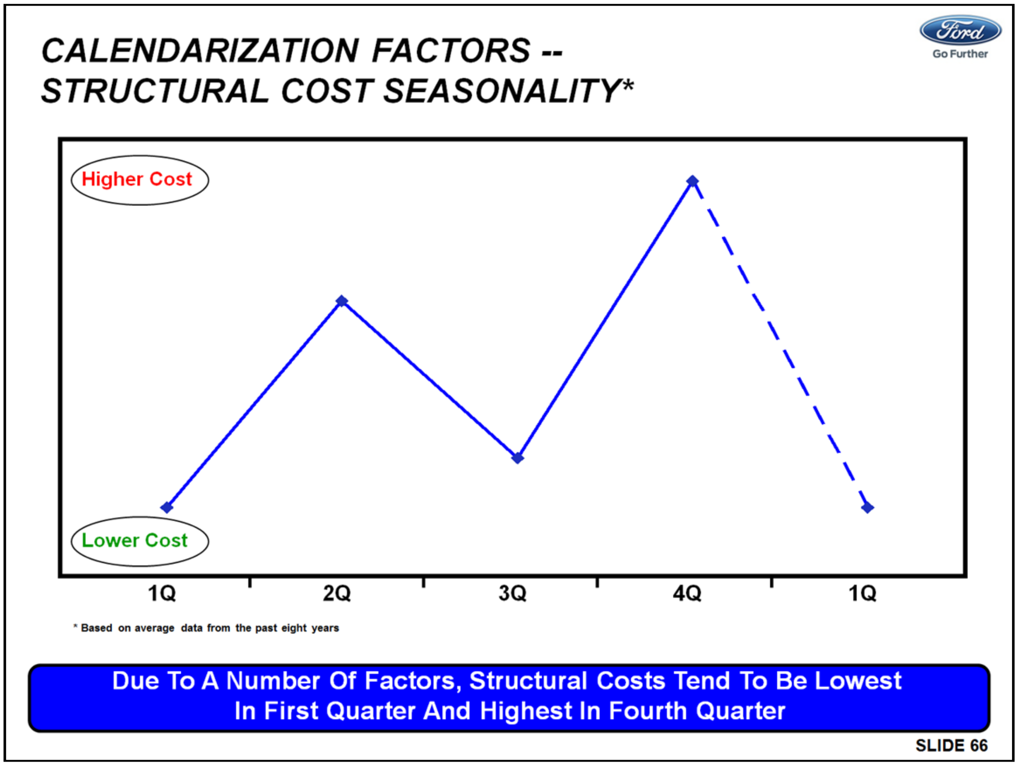
* Defined on pages FS-45 through 48 of 2011 Form 10-K Report

SLIDE 65

Slide 65 includes the Pension and OPEB expense elements that are shown in the 10-Q and 10-K "Retirement Benefits" footnote. The U.S. GAAP expense or (income) reported in the period contains elements of present year as well as past years' activity.

The specific components of expense include:

- Service cost – the benefit earned by active plan participants in the reported period.
- Interest cost – present-period economics on existing obligation using the defined discount rate as economic growth factor.
- Expected return on assets – expected earnings on plan assets based on long term rate of return assumption (e.g., U.S. presently at 7.5%).
- Prior service cost/(credit) amortization – partial recognition of amounts in Other Comprehensive Income (OCI) from plan amendments that affect previously earned benefits. These are recognized in expense / (income) generally over years of future service (averages approximately 12 to 13 years for U.S. plans)
- (Gain) / loss amortization – partial recognition of amounts in OCI from differences in actual vs. expected results for all assumptions. These are recognized in expense / (income) over years of future service.
- The combination of all of the above factors are included in our operating expense.
- Separation programs include the change in obligation related to restructuring actions; these are reported as "special item" in Ford non-GAAP disclosure.
- Settlements – reflects all cost associated with the elimination of all or part of the obligation; also reported as "special item" in Ford non-GAAP disclosure.



Production seasonality leads to some structural cost elements having a seasonal pattern.

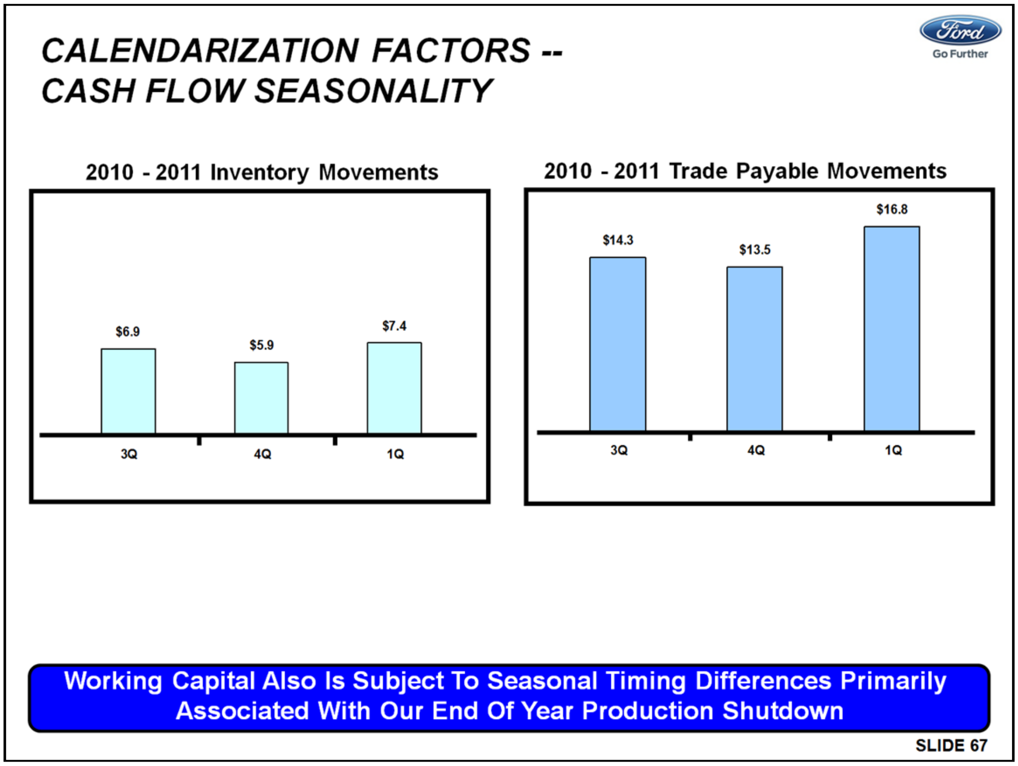
As the company stops its production for the holiday break in late December, the break results in a reduction in company finished goods inventory as of the end of the Fourth Quarter. Inventory increases again when production gets back to normal in the First Quarter.

As production is re-started in the First Quarter and company inventory is increased back to normal levels, structural costs associated with production of the units are reflected in inventory on the balance sheet, resulting in a lower manufacturing expense for the period. As the company inventory levels are reduced during the Fourth Quarter, the reversal of the First Quarter impact occurs.

In addition, advertising costs are typically higher in the Fourth Quarter, related to year-end sales events followed by a lower spend in the First Quarter.

A combination of seasonal inventory changes underlying business fundamentals generally result in a significant difference in structural cost between the Fourth and First Quarters.

In addition, structural costs tend to be lower in the Third Quarter, in part related to summer shutdowns and vacation periods around the globe.



Working capital also is subject to seasonal timing differences.

- Inventories – Due to the annual company-wide December shut-down, finished vehicle and work-in-process inventories are typically at their lowest point at the end of the Fourth Quarter each year, resulting in improved cash flow from inventory reductions. As production resumes in the First Quarter, inventories are replenished and cash outflows are typically experienced during this period.
- Trade Payables – Consistent with the inventory movements associated with year-end shut-down, payables are typically at their lowest point at the end of the Fourth Quarter each year, resulting in significant cash outflows. As production resumes in January, payable balances increase and cash flow improves.
- Due to the relative size of payable balances to inventories, the cash impact of this seasonality factor tends to be larger on payables.

CALENDARIZATION FACTORS -- ADDITIONAL FACTORS THAT CAN VARY QUARTER BY QUARTER

Go Further

- Product launches
- Reserve Adjustments
  - Warranty
  - Marketing
- Year-to-date true-ups
  - Compensation
  - Taxes
- "One-time" gains or losses
  - Distress supplier Payments / Recoveries
  - Insurance Settlements
- Fair Market Value / Balance Sheet revaluations

SLIDE 68

Listed here are some of the items that can vary greatly from quarter to quarter and could not be easily modeled without significant knowledge of the internal processes at Ford. For example:

- Some activities are tied to launches of the new vehicles and may cause some uneven spending through the calendar year depending on when the product launches occur.
- At any given time, there exist significant reserves on the balance sheet for warranty and marketing programs. These reserves are reviewed on a recurring basis to ensure they accurately represent Ford's financial statements. As new data becomes available, it may lead to re-assessment of the reserves, which can impact the results in the quarter when the re-assessment occurs.
- Performance-related bonuses are accrued quarterly based on the projected full-year payment amount; the reserve is adjusted each quarter as needed.
- Year-to-date tax expense is recorded based on full-year projections with a cumulative catch-up effect in the current quarter
- Additionally, there may be profit impacts such as one-time payments or receipts from suppliers, insurance settlements, and litigation related items.
- Finally, based on changes to external factors, including exchange rates, interest rates, commodity prices, and stock values, there may be a need to re-value items such as hedging contracts, net equity exposures, and the investment in Mazda.

SAFE HARBOR

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

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

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011.