



Go Further

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CHIEF FINANCIAL OFFICER

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TODAY'S AGENDA

- **One Ford Plan**
- **Capital Strategy**
- **Planning Assumptions and Key Metrics**
- **Q&A**



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



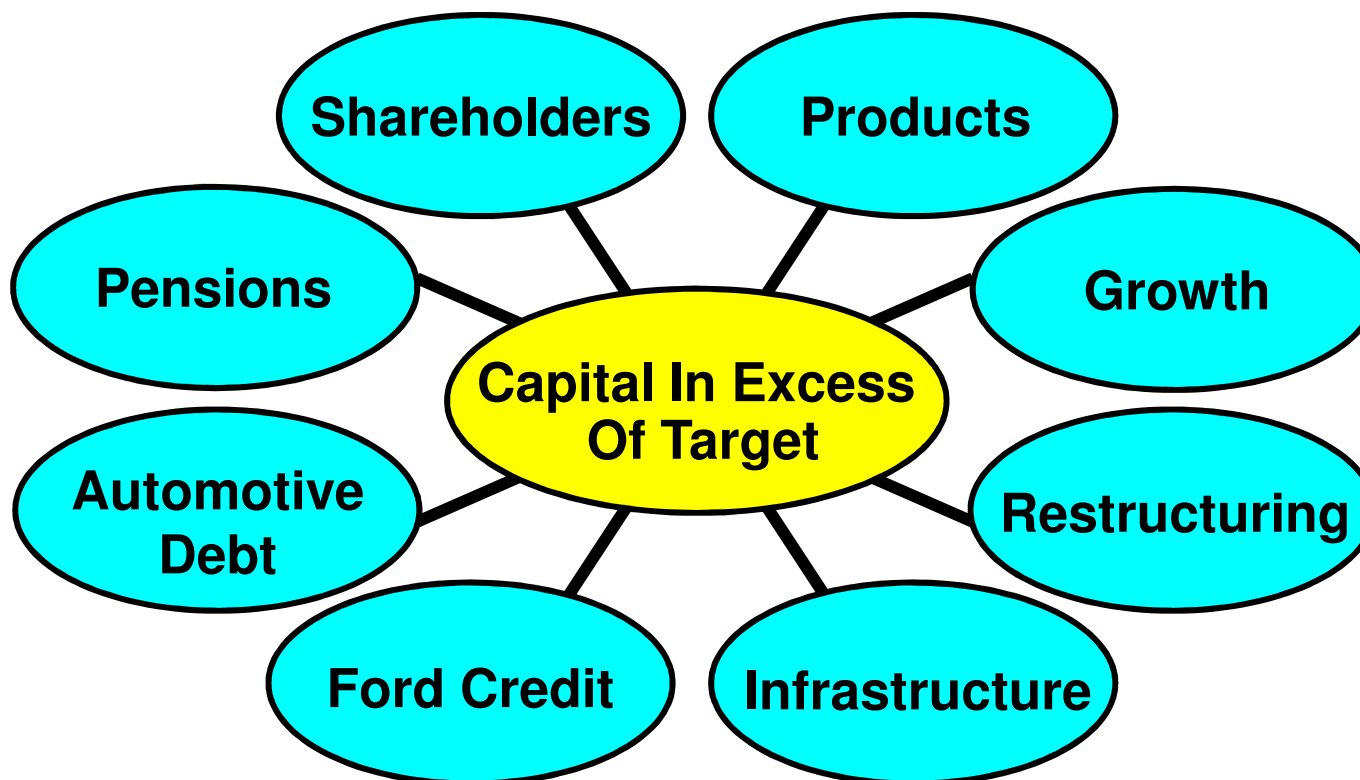


CAPITAL STRATEGY

- **Maintain An Investment Grade Balance Sheet**
 - Hold sufficient liquidity
 - Maintain investment grade credit rating
 - Achieve appropriate level of Automotive debt
 - De-risk and fully fund global funded pension plans
- **Finance The One Ford Plan**
 - Invest in products to maintain a best-in-class product portfolio
 - Grow our business (product, market, capacity, technologies, and infrastructure)
 - Aggressively restructure our business where required
 - Sustain a competitive business infrastructure
 - Maintain a strong Ford Credit that supports growth and provides solid profits and dividends
- **Deliver Shareholder Value**
 - Pay a sustainable dividend growing with earnings
 - Implement other shareholder distributions where appropriate

**Our Capital Strategy Is To Maintain An Investment Grade Balance Sheet,
Finance The One Ford Plan, And Deliver Shareholder Value**

CAPITAL STRATEGY -- CALLS ON CAPITAL



There Are Multiple Competing Calls On Our Capital

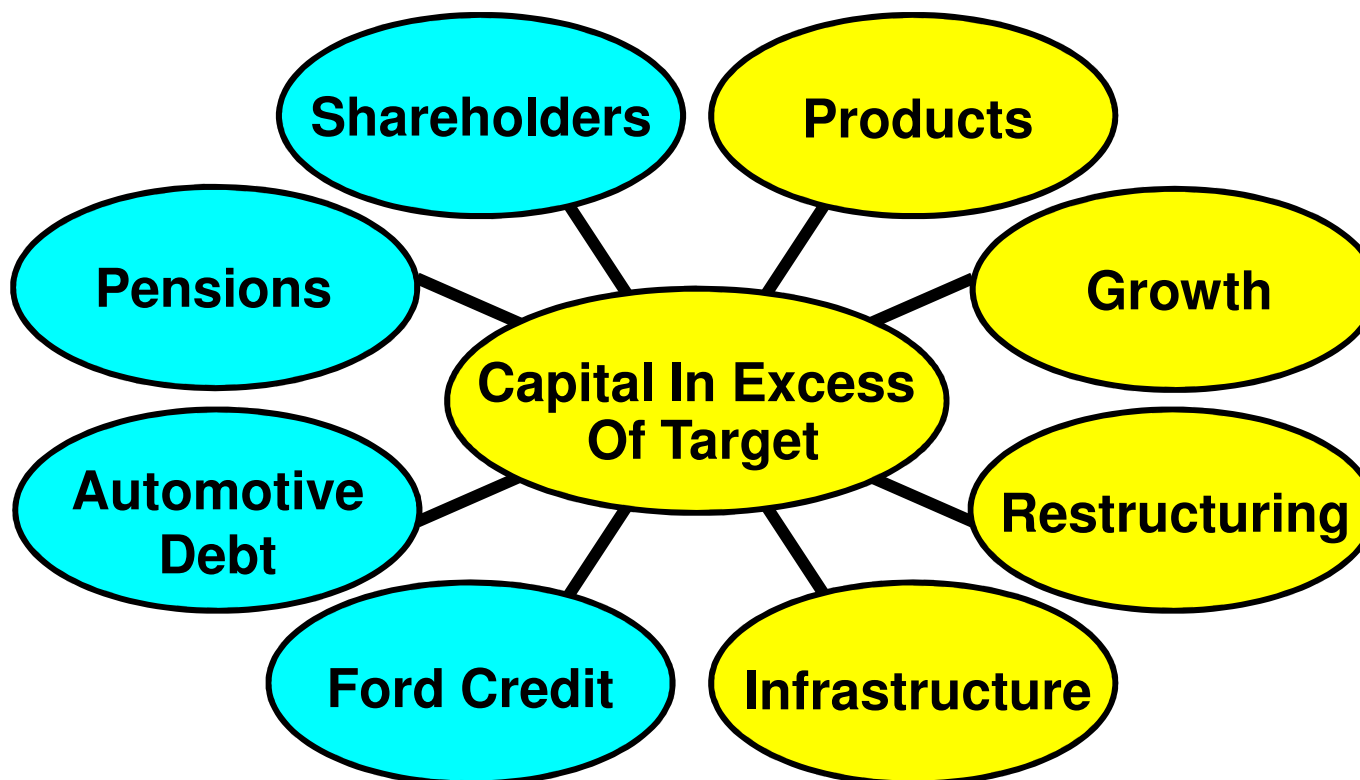


TARGET AUTOMOTIVE CASH AND LIQUIDITY

- Present ongoing target is on average about \$20 billion for Automotive gross cash and about \$30 billion for total Automotive liquidity
- Cash target is comprised of:
 - Minimum required operating cash
 - Protection for negative cash flow during a severe downturn that materially stresses global industry volumes
 - Provision to protect credit ratings in downturn
- In addition to cash, an unsecured revolver of up to \$10 billion protects for a shock during a downturn

**We Target Automotive Cash And Liquidity To Support Business Priorities
And Protect Against A Downturn Plus An Exogenous Shock**

CAPITAL STRATEGY -- CALLS ON CAPITAL



We Allocate Significant Capital To Investments And Expect To Generate Returns In Excess Of Our Cost Of Capital

THE PLAN



- **Great Products...Strong Business...Better World**
- **Serve all major markets**
- **Expand in BRIC markets**
- **Focus on the Ford and Lincoln brands**
- **Full line-up of vehicles**
 - **Small, Medium and Large...Cars, Utilities and Trucks**
 - **Electrification strategy -- “Power of Choice”**
 - **Commitment to product excellence**
- **Best-in-class vehicles**



THE PLAN (CONT'D.)

- **Improve time to market**
- **Freshest showroom**
- **Enhance customer experience**
- **Deliver the brand promise**
- **Fully competitive revenue**
- **Global platforms and scale**
- **Flexible and efficient production**
- **Fully competitive costs**
- **Return to and maintain investment grade**
- **Skilled and motivated team**



TOTAL COMPANY GLOBAL CORE PLATFORMS



B-Platform (Fiesta)



C-Platform (Focus)



C/D Platform (Fusion / Mondeo)



Sports Car (Mustang)



D-Platform (Explorer)



Light Truck (Ranger)



Full-Size Pickup (F-150)

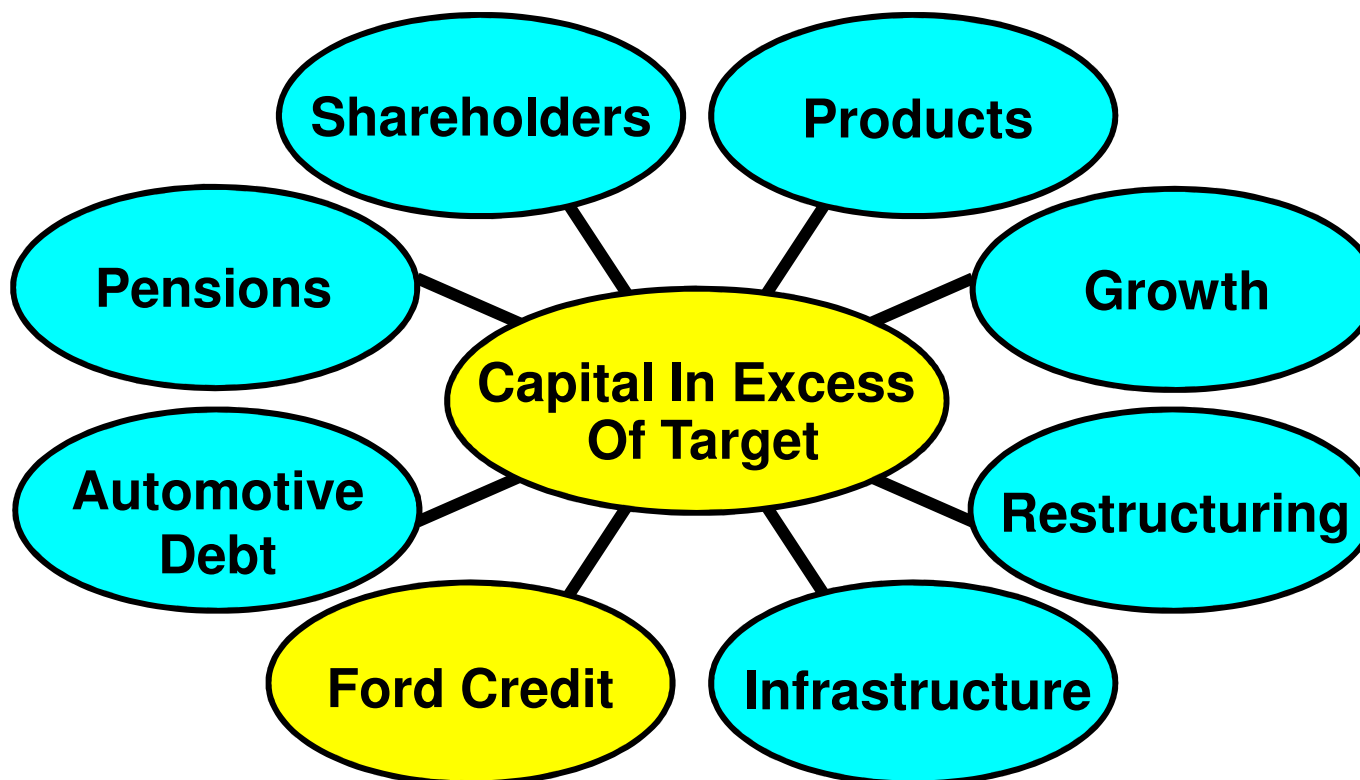


Over 8500 Pickup (Super Duty)



Full-Size Van (Transit)

CAPITAL STRATEGY -- CALLS ON CAPITAL



Ford Credit Is A Strategic Asset And A Net Contributor Of Capital



FORD CREDIT CAPITAL STRATEGY

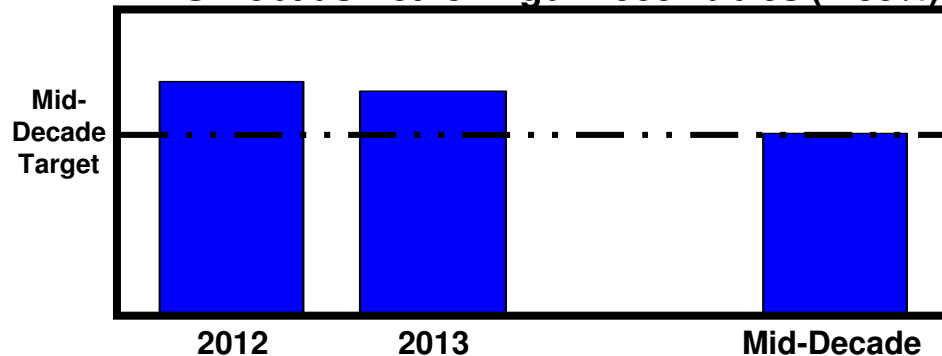
- **Well capitalized to support the global business**
- **Strong liquidity profile to withstand periods of market disruption while continuing to originate new business**
- **Balanced funding strategy**
 - **Best-in-class securitization capabilities**
 - **Increased percentage of unsecured funding**
 - **Diversity of funding that balances liquidity with cost**
- **Maintain key financial metrics via robust operating and risk management to enable strong investment grade ratings**
- **Target return on equity in high single digits**
- **Return excess capital to parent**

Ford Credit's Capital Strategy Supports Ford Through Economic Cycles

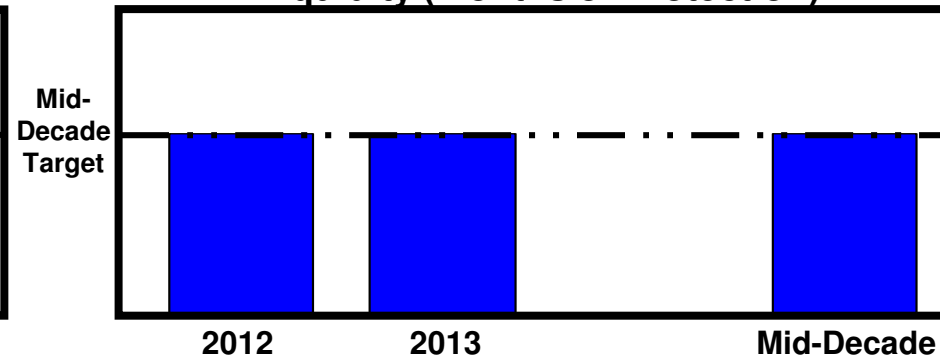


FORD CREDIT KEY CAPITAL STRATEGY METRICS

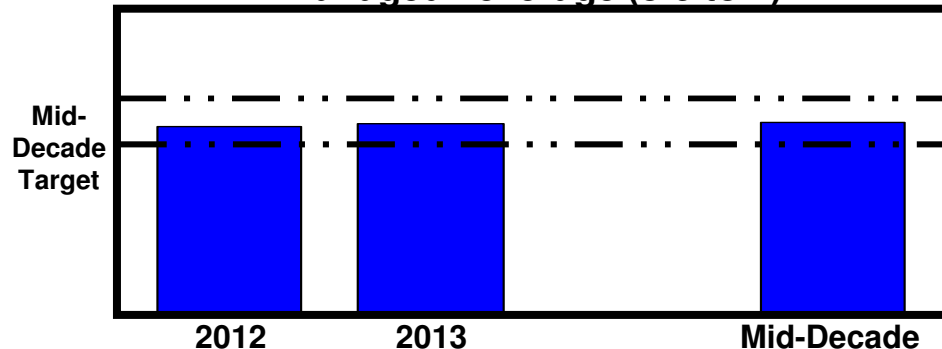
ABS Debt as Pct. of Mgd. Receivables (~ 35%)



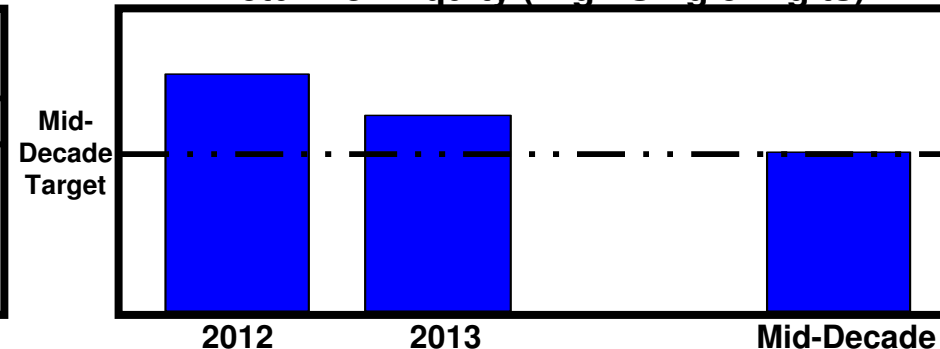
Liquidity (Months of Protection)



Managed Leverage (8-9 to 1)

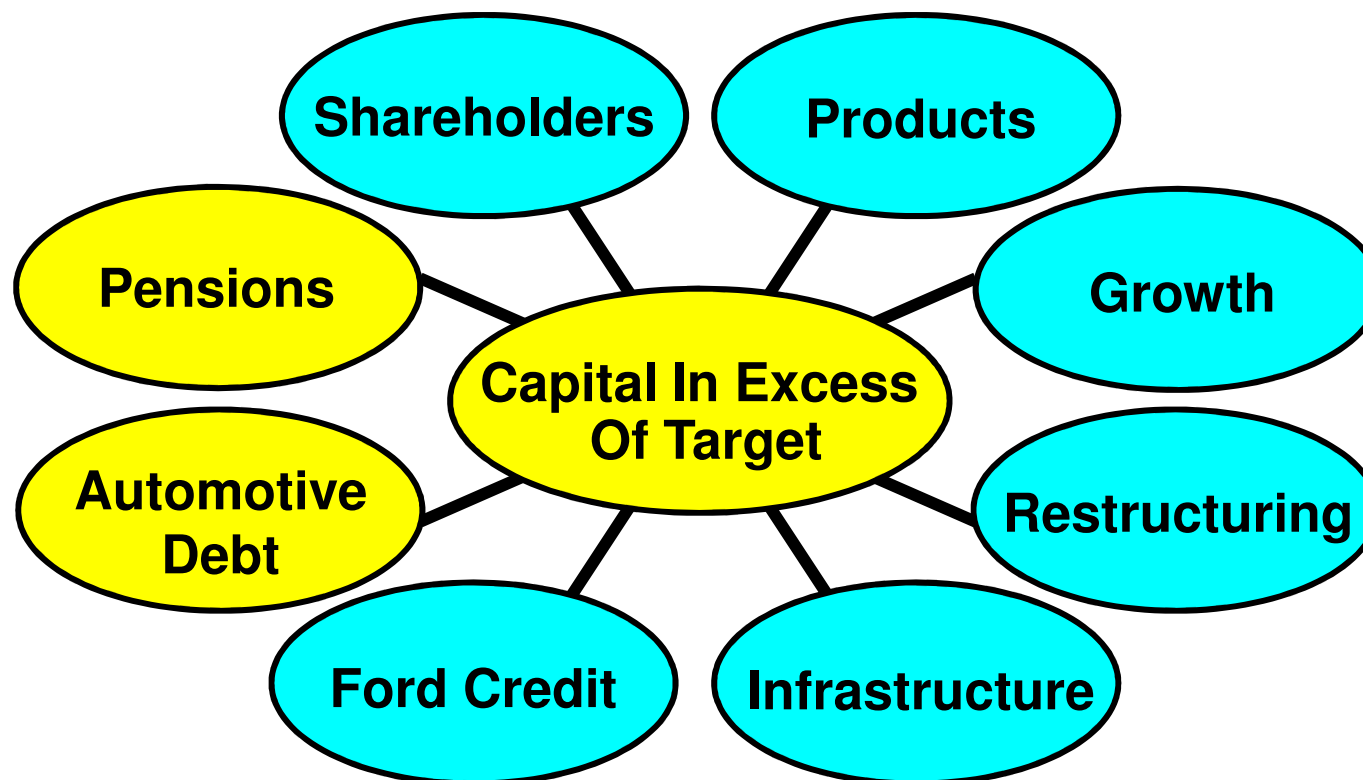


Return on Equity (High Single Digits)



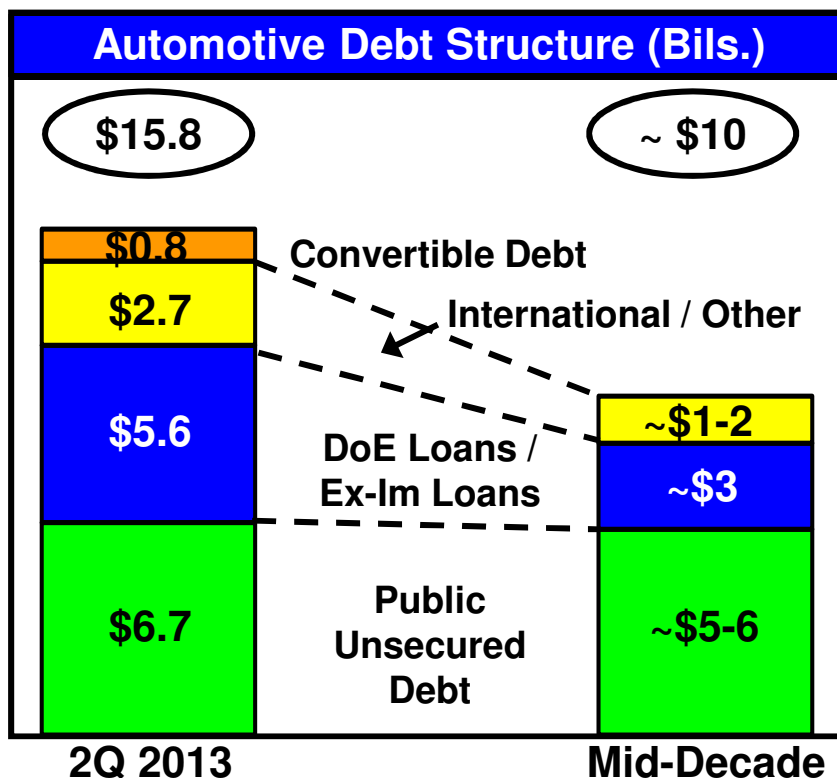
**Ford Credit Is On Track To Deliver All Key Financial Metrics By Mid-Decade
With Three Of Four Key Metrics Already Achieved**

CAPITAL STRATEGY -- CALLS ON CAPITAL



We Allocate Capital To Balance Sheet Improvement

AUTOMOTIVE DEBT



- Strategy**
- Maintaining target level of debt optimizes capital structure and achieves competitive cost of capital
 - Scheduled debt maturities through mid-decade total about \$5 billion
 - Target debt structure
 - Long term public debt
 - International debt to finance growth, manage exchange risk
 - Unsecured revolver
 - Ongoing we will continue to assess an appropriate level of debt relative to our growth plans, capital structure, and credit ratings

On Track To Achieve Target Level Of Automotive Debt



PENSION FUNDING AND DE-RISKING STRATEGY

- **Fully fund and de-risk global funded plans through:**
 - **Discretionary contributions**
 - **Liability actions**
 - » **Defined benefit plans closed to new participants**
 - » **Lump sums offered**
 - **Discount rate increases**
 - **Asset returns**
- **As plans are de-risked, migrate asset allocation to higher percentage of fixed income assets**

**De-risking Funded Pension Plans Significantly Reduces Financial Risk
And Potential Calls On Capital**



PENSION UPDATE

- **Contributed \$2.8 billion to global funded plans in First Half, including \$2 billion discretionary contributions to U.S. plans. Continue to expect Full Year 2013 contributions of \$5 billion**
- **U.S. salaried voluntary lump sum program**
 - **Settled \$1.5 billion of obligation in Second Quarter; \$2.7 billion settled to date**
 - **Second Quarter special item charge of \$294 million reflecting acceleration of unrecognized losses**
 - **Completed about 60% of expected settlements; program to conclude by year end**
- **Progressing pension asset de-risking to reduce funded status volatility -- U.S. asset mix at 60% fixed income (80% long-term target)**
- **Strategic actions and recent increase in discount rates significantly improved funded status at June 30 compared with Year-End 2012**

**Making Good Progress With Long-Term Strategy
To Fully Fund And De-Risk Global Funded Pension Plans**



PENSION CONTRIBUTIONS

- Annual global contributions are planned to achieve full funding of funded plans
- Funding will vary by plan based on market conditions and funded status

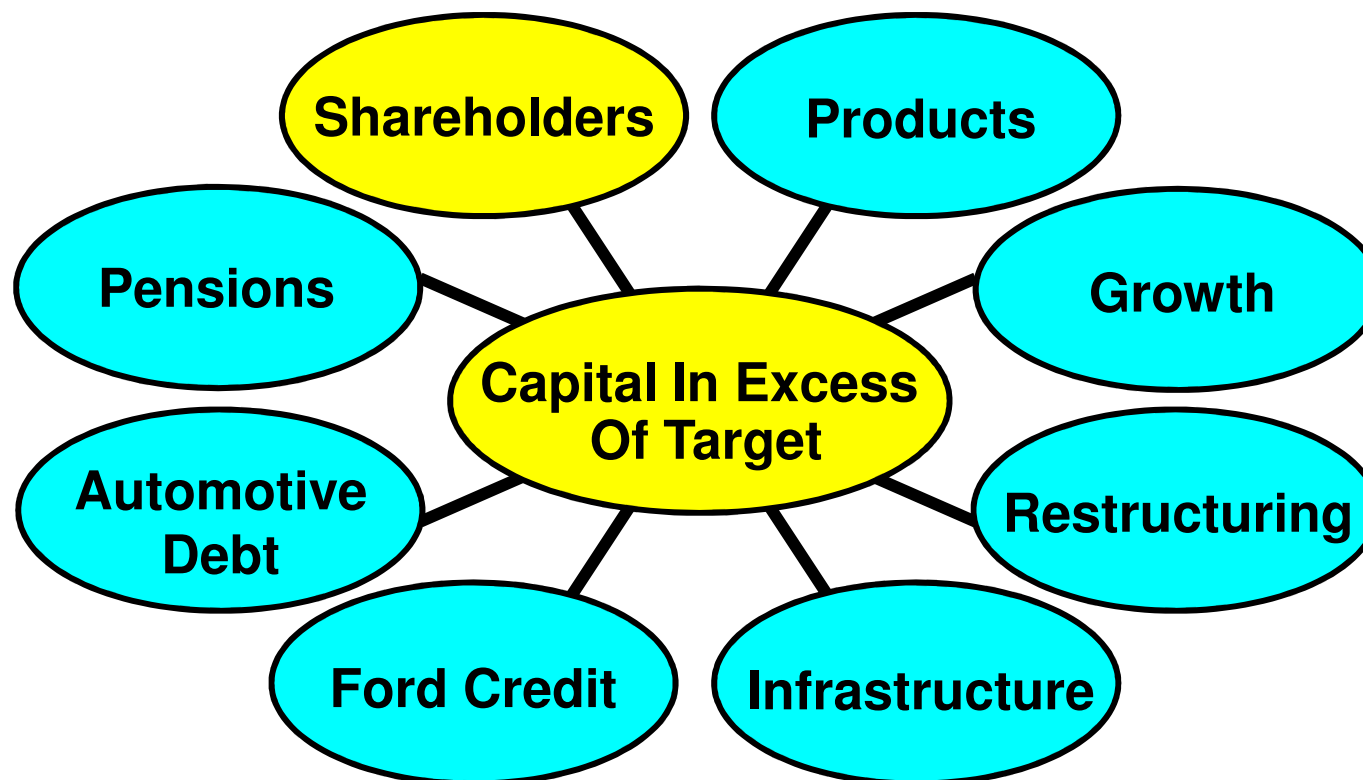
	<u>2012</u> (Bils.)	<u>2013</u> (Bils.)	<u>Next Three Years*</u> (Bils.)	<u>Ongoing**</u> (Bils.)
Funded Plans				
– Mandatory	\$1.4	\$1.6		
– Discretionary	<u>2.0</u>	<u>3.4</u>		
Total Funded Plans	\$3.4	\$5.0	\$2.0 - \$3.0	\$0.7 - \$1.0
Memo:				
Unfunded Plans	\$0.4	\$0.4	\$0.4	\$0.4

* Average annual amount

** Represents average annual ongoing service costs

**Cash To Fund Pensions Expected To Decline
Over Time As Funded Plans Are De-Risked**

CAPITAL STRATEGY -- CALLS ON CAPITAL



**Rewarding Shareholders Through Dividends And
Other Actions Is One Of Our Key Priorities**



SHAREHOLDER ACTIONS

Regular Dividend

- Resumed dividend in 2012; distributed \$800 million
- Increased annual dividend from 20¢ to 40¢ per share in 2013; year-to-date declared \$1.2 billion
- Target regular dividends
 - Growing with earnings
 - Sustainable over a cycle
 - Per share amount (instead of payout or yield)

Other Shareholder Distributions

- Share repurchase program
 - Started 2012
 - Offsets ongoing dilution from new grants of stock-based compensation
- Settlement of convertible debt
 - Potential option to settle in cash starting late 2014
- Other actions over time as appropriate

**Recent And Future Actions Highlight Objective
Of Enhancing Returns To Shareholders**

TOTAL SHAREHOLDER RETURN

Total Shareholder Return

Capital Appreciation

- Earnings Growth
(Revenue Growth x Operating Margins)
- Price / Earnings Ratio

+

Cash Flow Yield

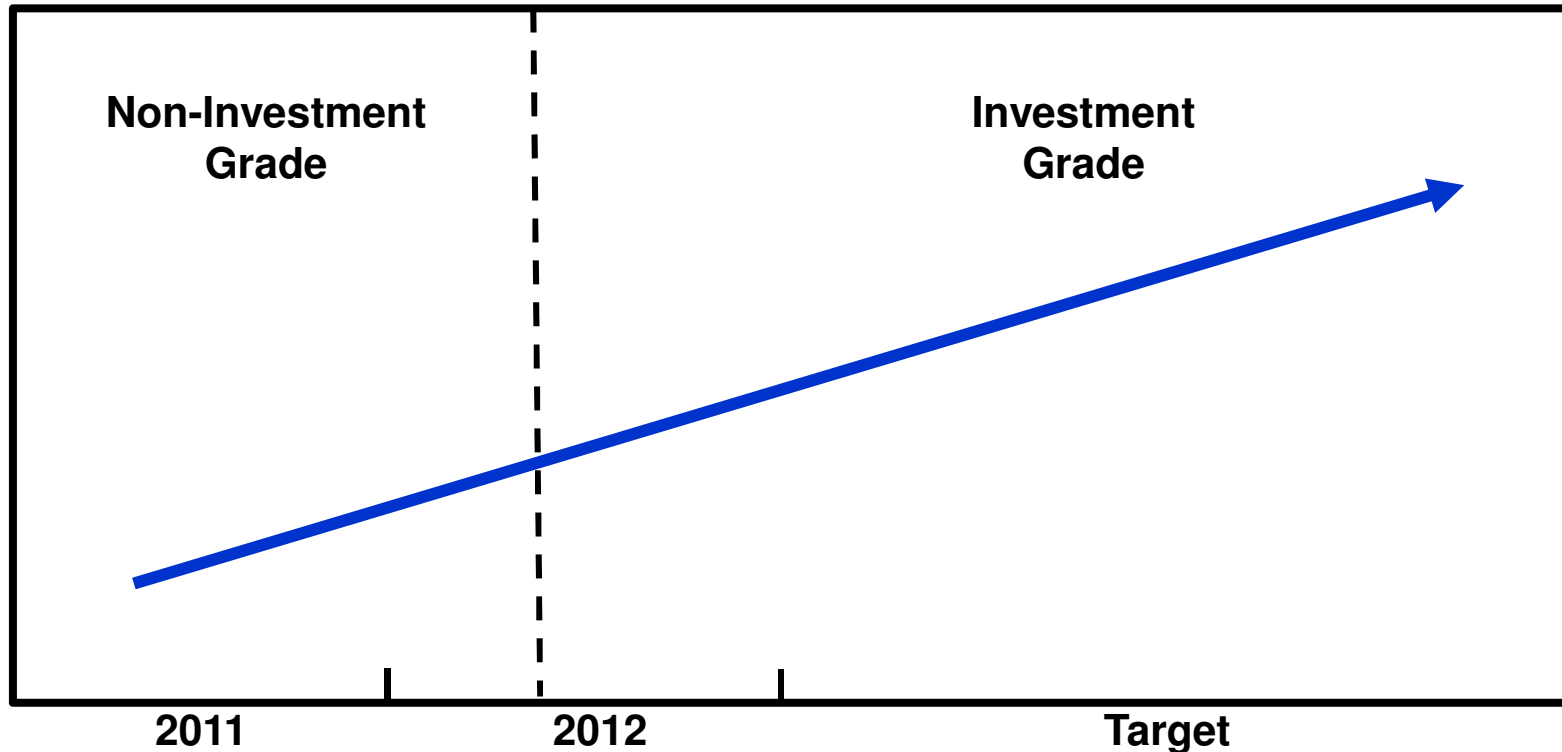
- Regular Dividends
- Other Distributions

Strategy

- The following factors are highly correlated with the market valuation of the company:
 - Revenue Growth
 - Operating Margins
 - Sustainable Dividends
 - Strong Balance Sheet and Credit Ratings
- These factors align with our One Ford Plan and capital allocation priorities

**We Expect The One Ford Plan Will Continue
To Provide Attractive Total Shareholder Returns**

CREDIT RATING TRAJECTORY



**Operating And Capital Strategy Targets
Are Aligned With Improving, Strong Investment Grade Ratings**

TOTAL COMPANY 2013 PLANNING ASSUMPTIONS AND KEY METRICS



	2012 Full Year Results	2013 Full Year		Memo: 2013 First Half Results
		Plan	Outlook	
Planning Assumptions (Mils.)				
Industry Volume* -- U.S.	14.8	15.0 - 16.0	15.5 - 16.0	15.6
-- Europe**	14.0	13.0 - 14.0	13.0 - 13.5	13.5
-- China	19.0	19.5 - 21.5	20.5 - 21.5	21.4
Operational Metrics				
Compared with Prior Year:				
- Market Share -- U.S.	15.2 %	Higher	On Track	16.2 %
-- Europe**	7.9	About Equal	On Track	7.9
-- China***	3.2	Higher	On Track	3.9
- Quality	Mixed	Improve	Mixed	Mixed
Financial Metrics				
Compared with Prior Year:				
- Total Company Pre-Tax Profit (Bils.)****	\$ 8.0	About Equal	About Equal / Higher	\$ 4.7
- Automotive Operating Margin****	5.3 %	About Equal / Lower	About Equal	5.8 %
- Automotive Operating-Related Cash Flow (Bils.)	\$ 3.4	Higher	Substantially Higher	\$ 4.0

* 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 defined as Automotive pre-tax operating profit, excluding Other Automotive, divided by Automotive Revenue

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

WORKING TOWARD MID-DECADE OUTLOOK



	Mid-Decade Outlook*
Wholesale Volumes	About 8 million
Revenue / Pricing	Improving
Automotive Operating Margins	
- North America	8 - 10%
- Global	8 - 9%
Ford Credit Return on Equity**	High Single Digits
Capital Spending**	About \$7.5 billion
Total Automotive Debt	About \$10 billion
Investment Rating**	Remain investment grade through economic cycle
Dividends**	Sustainable dividend growing with earnings

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

** Updated from initial presentation



Go Further

QUESTIONS?



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.



FURTHER INFORMATION

Investor Relations Contact:

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Information on Ford:

www.shareholder.ford.com

- 10-K Annual Reports
- 10-Q Quarterly Reports
- 8-K Current Reports
- Ford University

Information on Ford Motor Credit Company:

www.fordcredit.com/investorcenter

- 10-K Annual Reports
- 10-Q Quarterly Reports
- 8-K Current Reports
- Ford Credit University