



SECOND QUARTER EARNINGS REVIEW

***JULY 26, 2007
(PRELIMINARY RESULTS)***



BUSINESS OVERVIEW

Alan Mulally
President and Chief Executive Officer

TOTAL COMPANY

2007 SECOND QUARTER FINANCIAL RESULTS



| | <u>Second Quarter</u> | | <u>First Six Months</u> | |
|--|-----------------------|------------------------|-------------------------|------------------------|
| | <u>2007</u> | O / (U) <u>2006</u> | <u>2007</u> | O / (U) <u>2006</u> |
| Wholesales (000) | 1,773 | (33) | 3,423 | (139) |
| Revenue (Bils.) | \$ 44.2 | \$ 2.3 | \$ 87.3 | \$ 4.6 |
| <u>Continuing Operations (Excluding Special Items)*</u> | | | | |
| Pre-Tax Profits (Mils.) | \$ 483 | \$ 774 | \$ 552 | \$ 671 |
| After-Tax Profits (Mils.) | 258 | 376 | 87 | (18) |
| Earnings Per Share** | 0.13 | 0.19 | 0.05 | (0.01) |
| <u>Special Items Pre-Tax (Mils.)</u> | \$ 443 | \$ 820 | \$ 330 | \$3,227 |
| <u>Net Income</u> | | | | |
| After-Tax Profits (Mils.) | \$ 750 | \$1,067 | \$ 468 | \$2,208 |
| Earnings Per Share** | 0.31 | 0.48 | 0.22 | 1.15 |
| <u>Automotive Gross Cash (Bils.)***</u> | \$ 37.4 | \$ 13.8 | \$ 37.4 | \$ 13.8 |

* See Slide 7 and Appendix for reconciliations to GAAP

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

*** Automotive Gross Cash includes cash and cash equivalents, net marketable securities, loaned securities and short-term Voluntary Employee Beneficiary Association (VEBA) assets



***TOTAL COMPANY
SECOND QUARTER 2007 OPERATIONS RESULTS***

- **Ford North America reported a \$279 million loss, an improvement of more than \$500 million compared with 2006**
- **Profitable at Ford Europe, Ford South America, Premier Automotive Group, Ford Asia Pacific & Africa, and Mazda**
- **Significant improvements in all Automotive operations compared with the same period a year ago**
- **Ford Credit continues to be profitable**



TOTAL COMPANY SECOND QUARTER PROGRESS

- **We continue to make progress on executing the four priorities of our plan -- restructuring the Company, accelerating product development, funding our plan, and working effectively as one team**
- **Achieved \$1.1 billion in cost savings in First Half of 2007, including \$600 million in the Second Quarter**
- **Reduced North America personnel by 6,400**
- **Continued reducing North America capacity to match demand**
- **Completed sale of APCO and Aston Martin**
- **Began exploring strategic options for Jaguar and Land Rover**
- **Initiated trust preferred exchange offer in early July**



TOTAL COMPANY SECOND QUARTER / FIRST HALF HIGHLIGHTS

- **North America**
 - Five segment winners in J. D. Power’s Initial Quality Survey -- Ford Mustang, Mercury Milan, Lincoln MKZ and Mark LT, and Mazda MX-5 Miata
 - Ford Edge recognized as “Highest-Ranked Midsize MAV” by J. D. Power & Associates
 - Ford Edge was the best-selling mid-size crossover in Second Quarter
 - Lincoln sales up for nine straight months
- **South America**
 - Ford South America sales up 20% in First Half of 2007
- **Ford Europe and PAG**
 - Ford Europe sales up about 5% in First Half of 2007
 - Mondeo launching with great reviews
 - Record Land Rover sales -- up 8% through First Half of 2007
 - Continuing Eastern Europe expansion
- **Asia**
 - Ford China sales up 22% in First Half of 2007
 - Announced cessation of engine production in Australia in 2010 and plan to commence local production of Ford Focus in 2011



FINANCIAL RESULTS

Don Leclair
Chief Financial Officer



TOTAL COMPANY
2007 SECOND QUARTER INCOME FROM CONTINUING
OPERATIONS COMPARED WITH NET INCOME

| | <u>Second Quarter</u> | | <u>First Six Months</u> | |
|---|-----------------------|----------------|-------------------------|----------------|
| | | B / (W) | | B / (W) |
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Revenue (Bils.) | \$44.2 | \$ 2.3 | \$ 87.3 | \$ 4.6 |
| <u>Income (Mils.)</u> | | | | |
| Pre-Tax Income from Continuing Operations (Excl. Special Items) | <u>\$ 483</u> | \$ 774 | \$ 552 | \$ 671 |
| Special Items* | <u>443</u> | <u>820</u> | <u>330</u> | <u>3,227</u> |
| Pre-Tax Income from Continuing Operations | \$ 926 | \$1,594 | \$ 882 | \$3,898 |
| Minority Interest | (85) | (66) | (143) | (65) |
| Taxes | (123) | (487) | (305) | (1,651) |
| Net Income from Continuing Operations | \$ 718 | \$1,041 | \$ 434 | \$2,182 |
| Discontinued Operations | <u>32</u> | <u>26</u> | <u>34</u> | <u>26</u> |
| Net Income | <u>\$ 750</u> | <u>\$1,067</u> | <u>\$ 468</u> | <u>\$2,208</u> |

* See Slide 8 for detail of Second Quarter 2007 Special Items



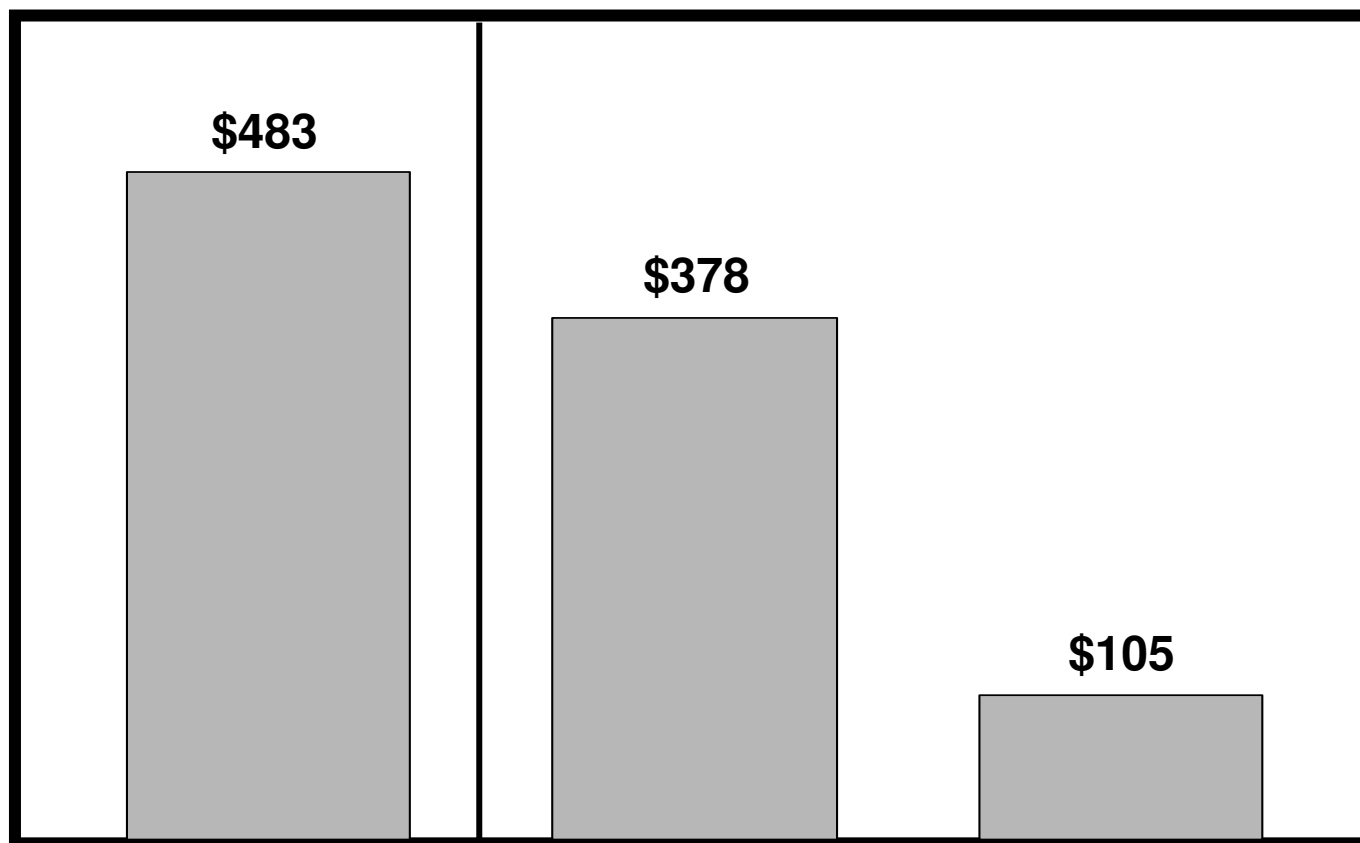
TOTAL COMPANY 2007 SECOND QUARTER SPECIAL ITEMS

| | <u>Second Quarter</u> (Mils.) | <u>First Six Months</u> (Mils.) |
|---|---|---|
| Ford North America Separation Programs | \$ 55 | \$ (819) |
| Related OPEB Curtailment | 148 | 1,108 |
| Related Pension Curtailment | 0 | (175) |
| Subtotal Ford North America | <u>\$ 203</u> | <u>\$ 114</u> |
| PAG Sale of Aston Martin | 206 | 214 |
| PAG Recognition of Previously Deferred Hedging Gains | 182 | 182 |
| Ford Europe Personnel Reduction Programs / Other | (78) | (89) |
| PAG Personnel Reduction Programs / Other | (62) | (81) |
| Ford Asia Pacific and Africa Personnel Reduction Programs | (8) | (10) |
| Total Pre-Tax Special Items | <u>\$ 443</u> | <u>\$ 330</u> |
| | | |
| Memo: Special Items Impact on Earnings Per Share* | \$0.17 | \$ 0.16 |

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



TOTAL COMPANY
2007 SECOND QUARTER PRE-TAX PROFIT / (LOSS)
BY SECTOR*
(Mils.)



Total

Automotive

**Financial
Services**

Memo:
B / (W) 2006

\$774

\$1,094

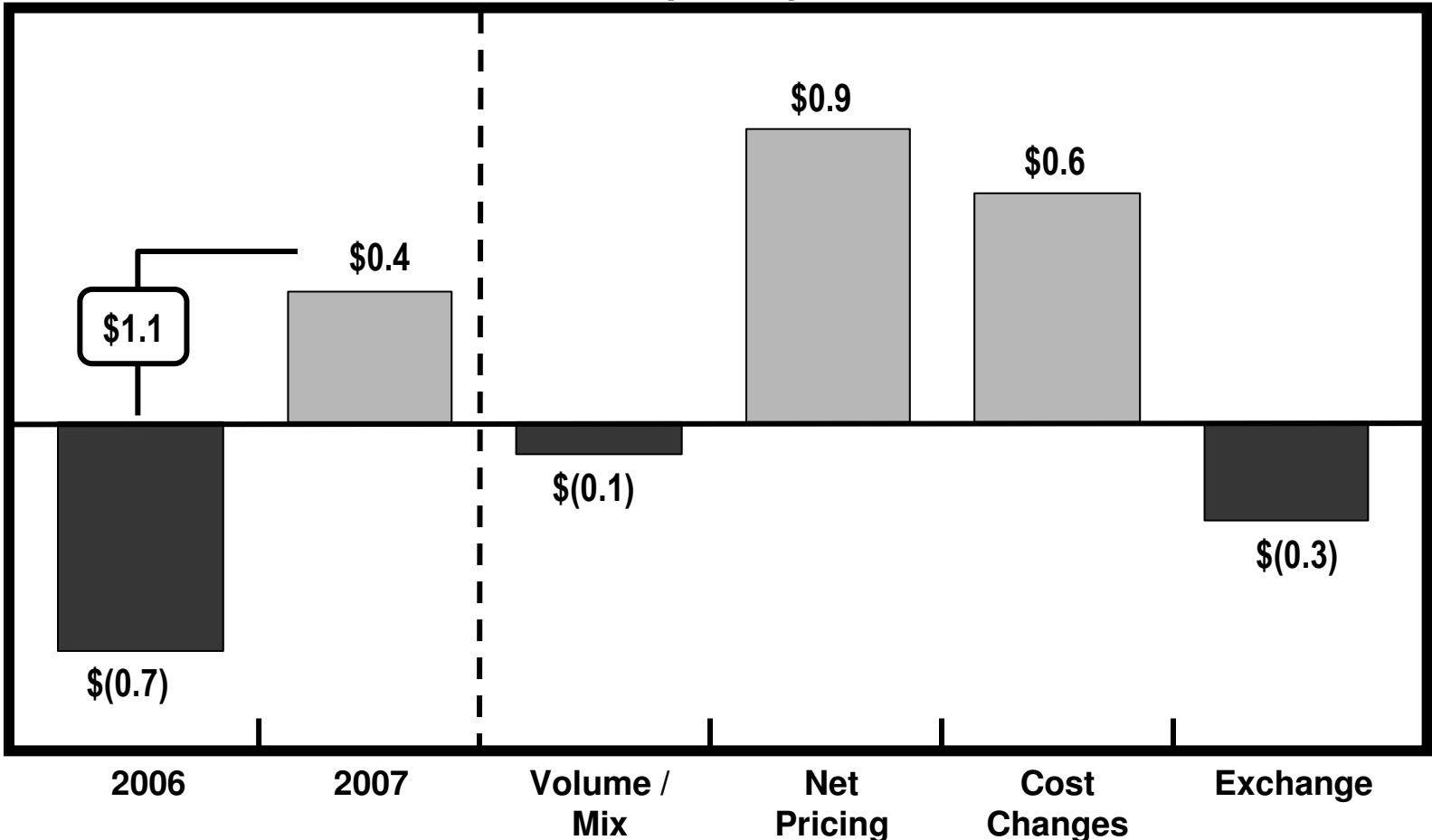
\$(320)

* Excludes special items; see Slide 7 and Appendix for reconciliation to GAAP



AUTOMOTIVE SECTOR 2007 SECOND QUARTER AUTOMOTIVE PRE-TAX PROFITS COMPARED WITH 2006*

(Bils.)



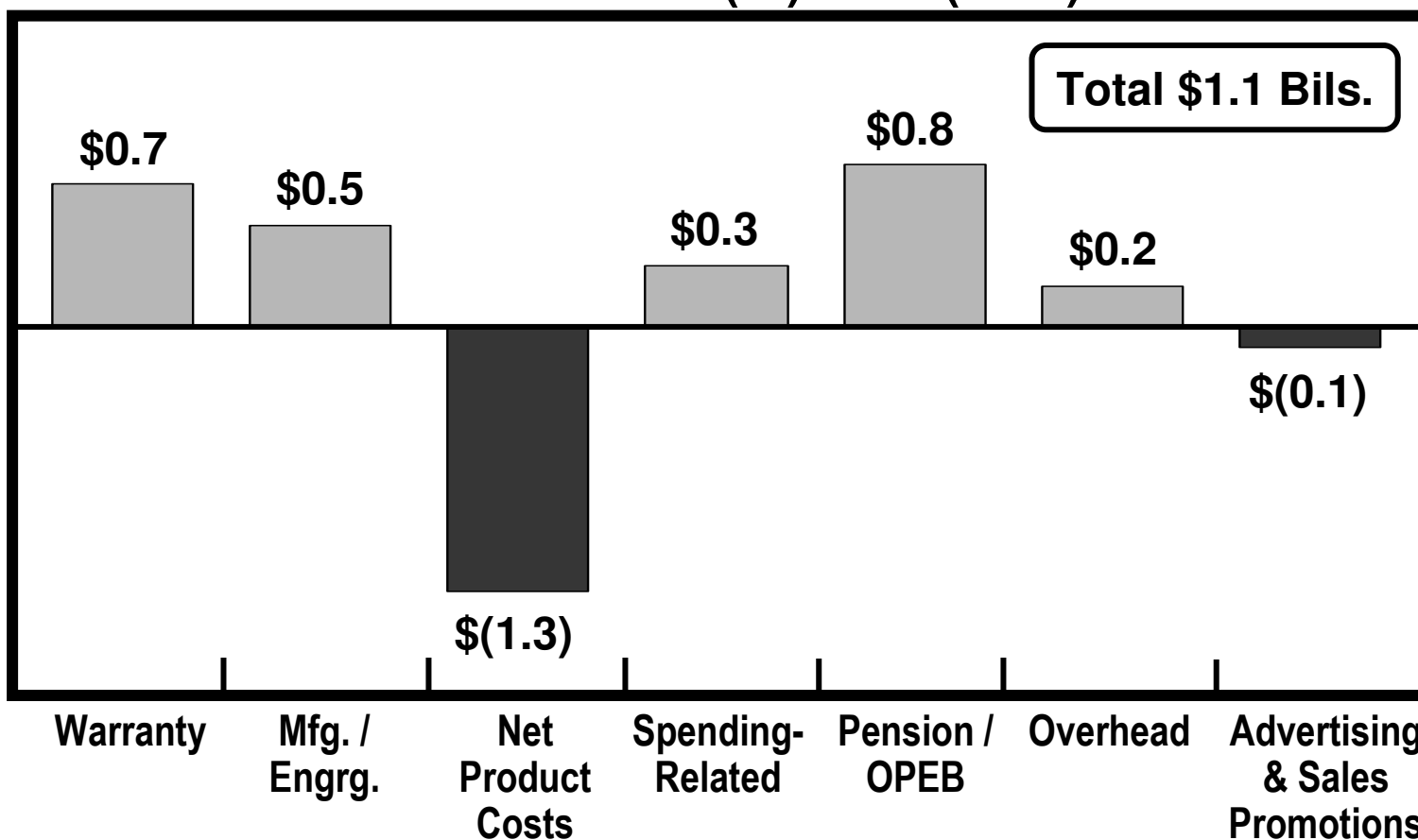
* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP



AUTOMOTIVE SECTOR

2007 FIRST SIX MONTHS COST CHANGES*

2007 Costs B / (W) 2006 (Bils.)



| | | | | | | | |
|----------------|-------|-------|---------|-------|-------|-------|-----|
| Memo: | | | | | | | |
| Second Quarter | \$0.2 | \$0.3 | \$(0.6) | \$0.1 | \$0.4 | \$0.2 | \$0 |

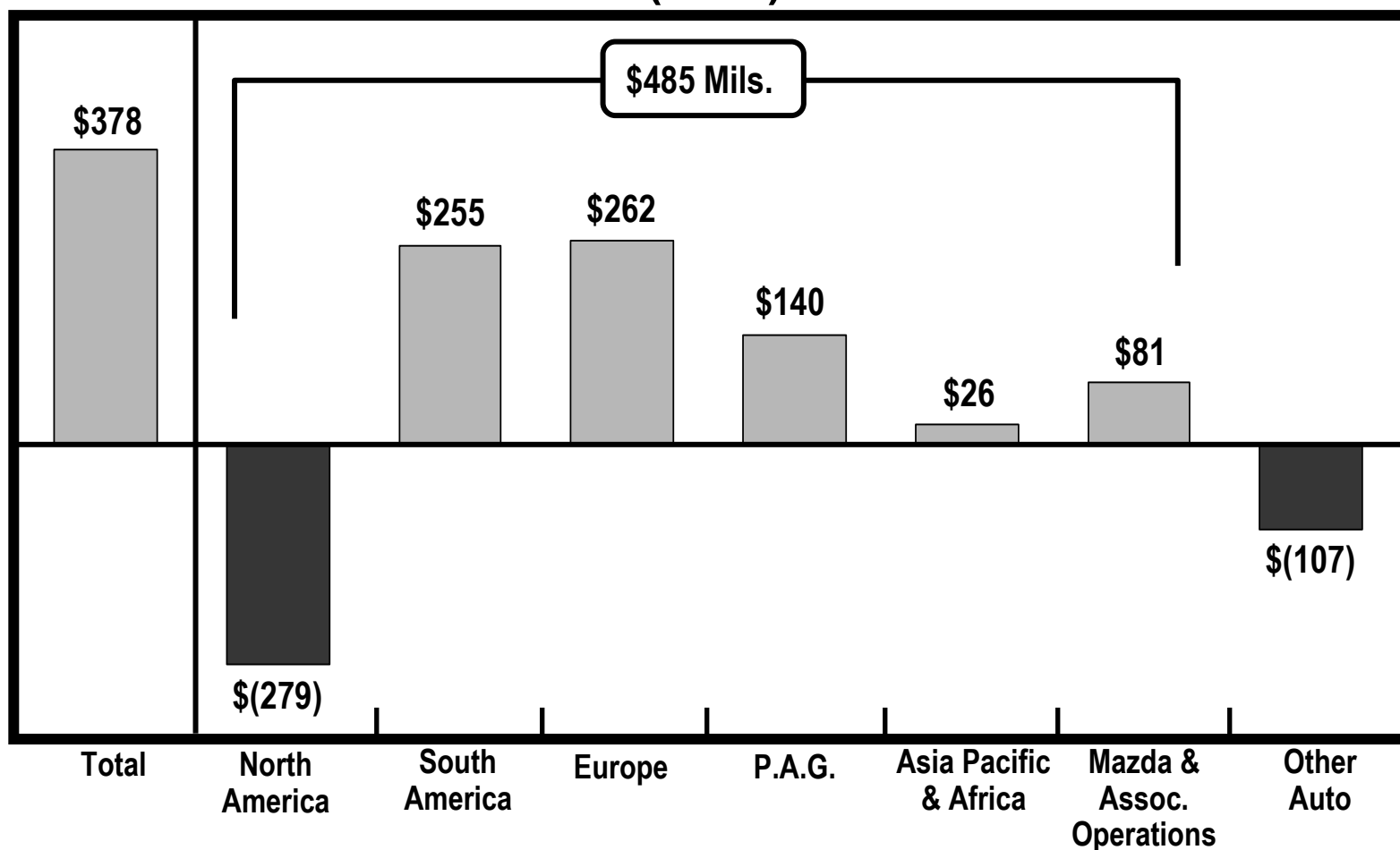
* At constant volume, mix, and exchange; excludes special items



AUTOMOTIVE SECTOR

2007 SECOND QUARTER PROFIT / (LOSS) BY SEGMENT*

(Mils.)



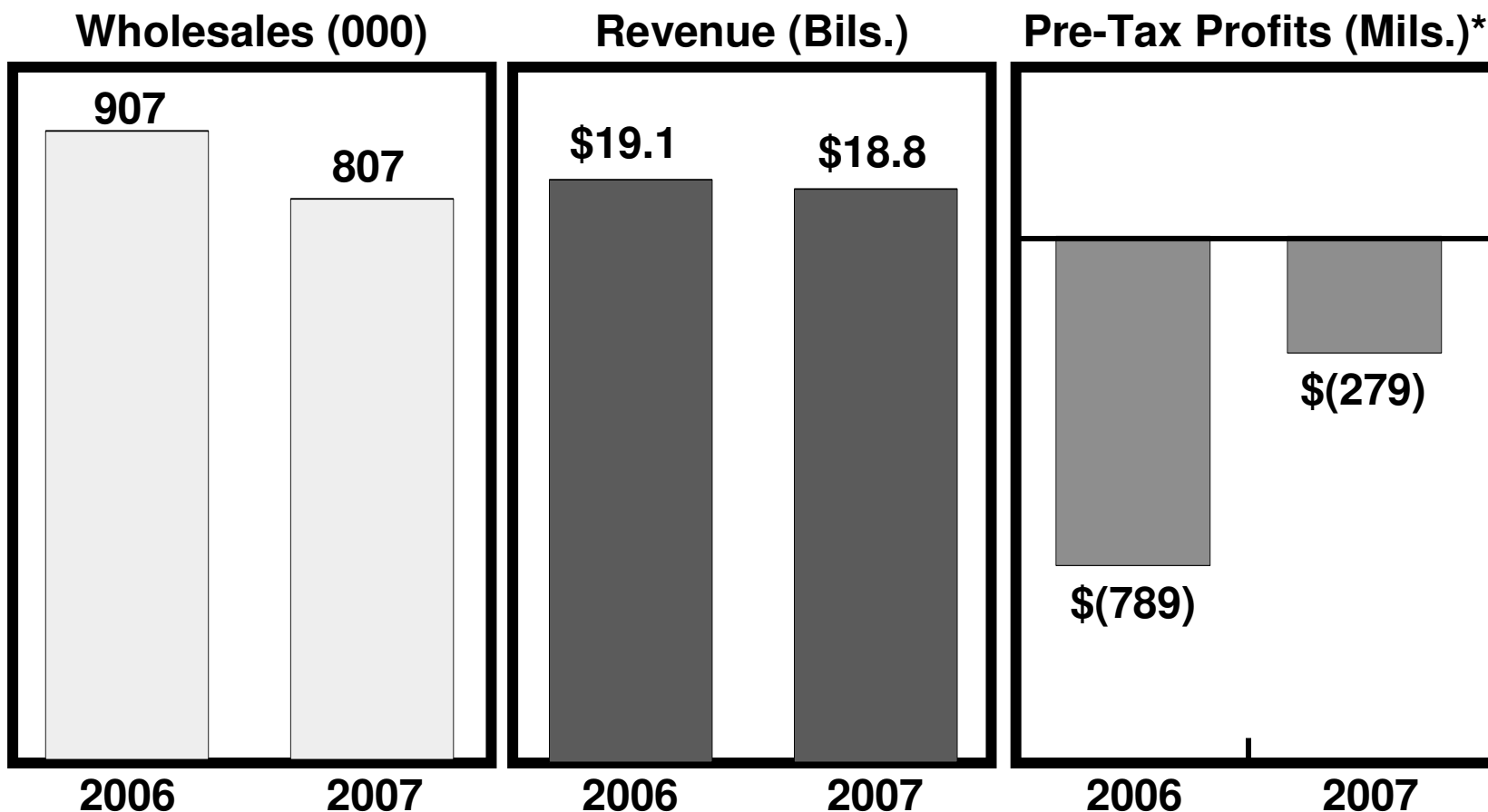
Memo:

| | | | | | | | | |
|--------------|---------|-------|-------|------|-------|------|------|--------|
| B / (W) 2006 | \$1,094 | \$510 | \$156 | \$77 | \$302 | \$22 | \$49 | \$(22) |
|--------------|---------|-------|-------|------|-------|------|------|--------|

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP



AUTOMOTIVE SECTOR -- FORD NORTH AMERICA SECOND QUARTER KEY METRICS -- 2007 vs. 2006



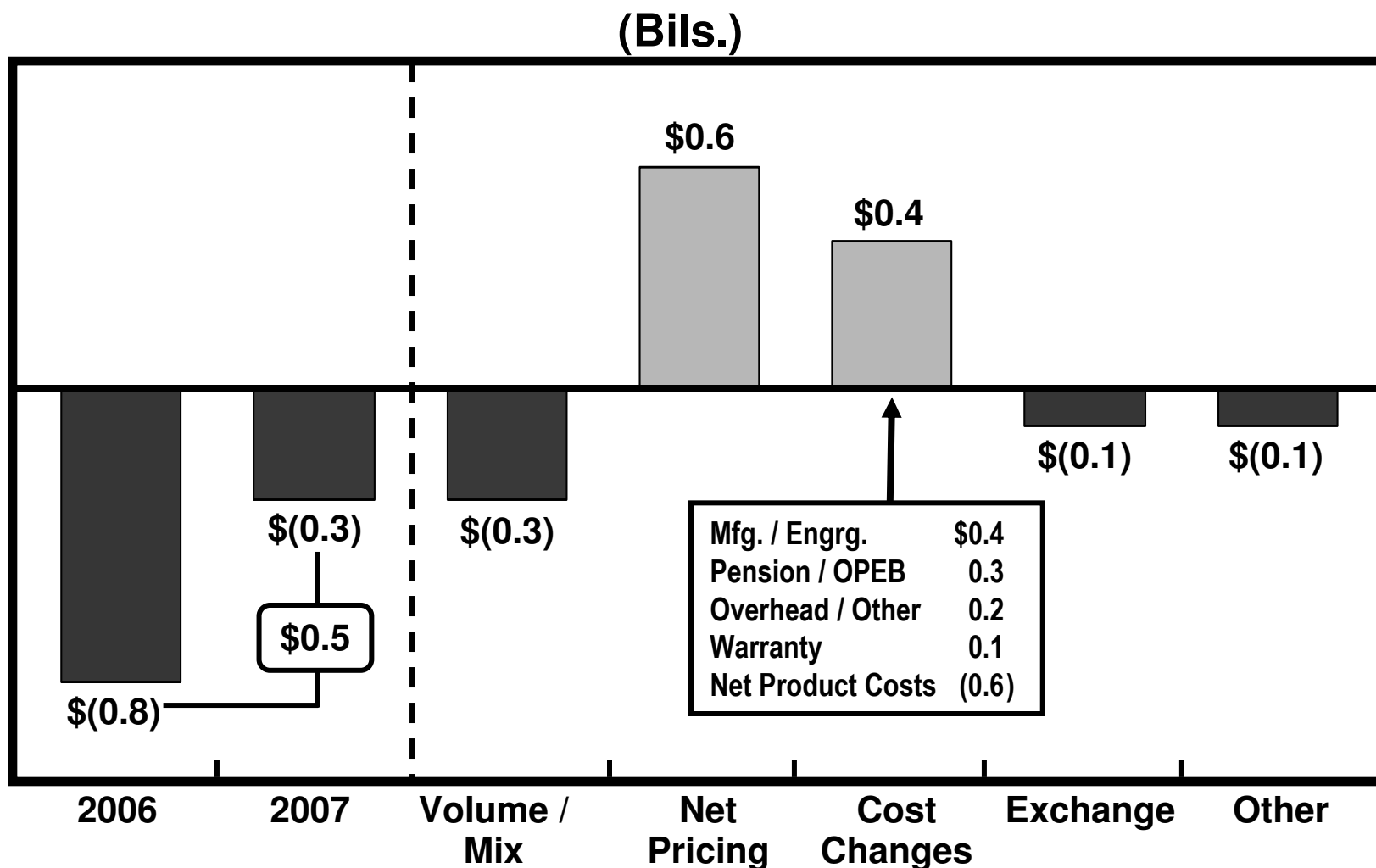
Memo:

| | | |
|-------------------------|-------|-------|
| U.S. Market Share | 16.7% | 15.6% |
| U.S. Dealer Inventories | 796 | 557 |

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP

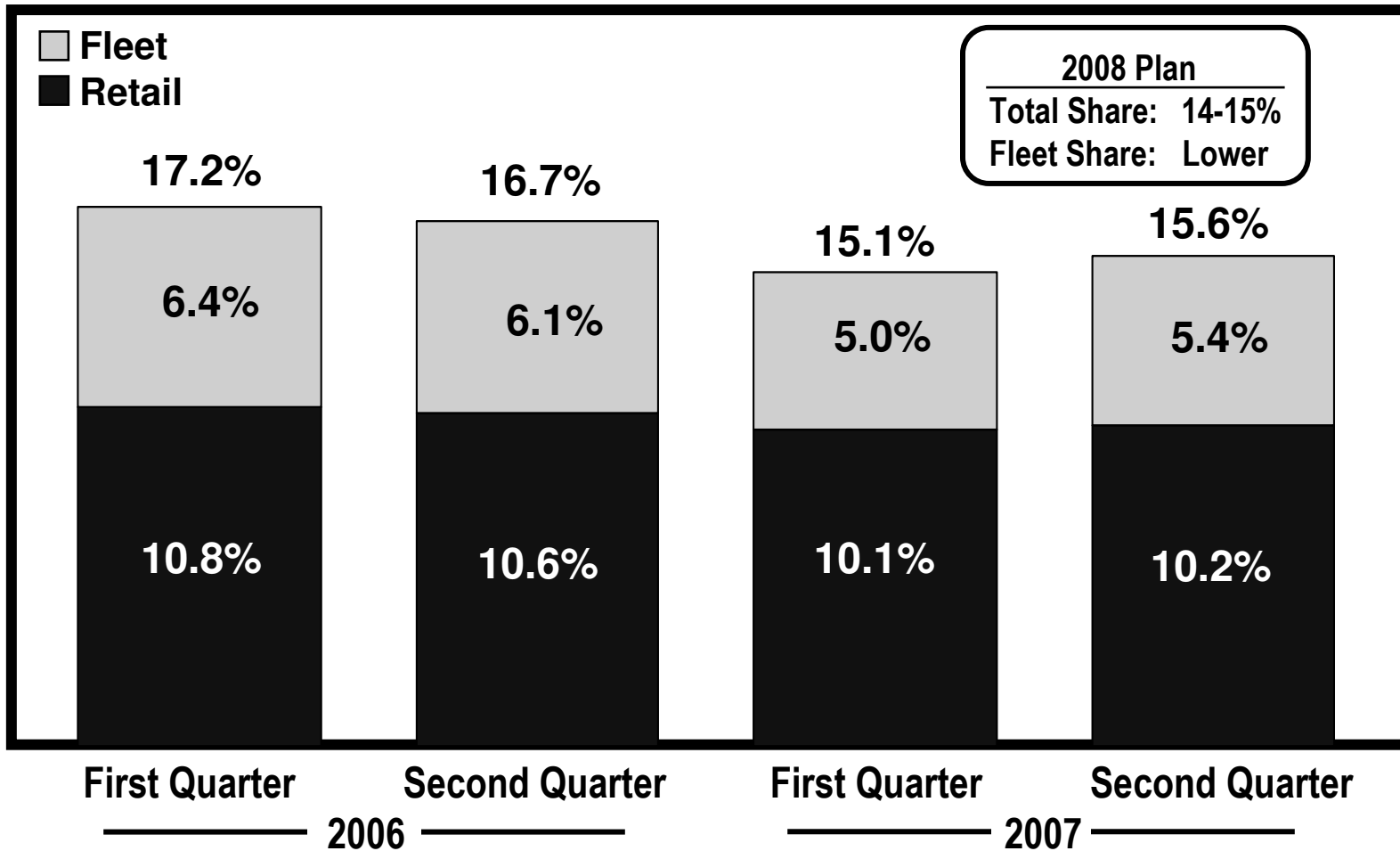


AUTOMOTIVE SECTOR -- FORD NORTH AMERICA 2007 SECOND QUARTER AUTOMOTIVE PRE-TAX PROFITS COMPARED WITH 2006*



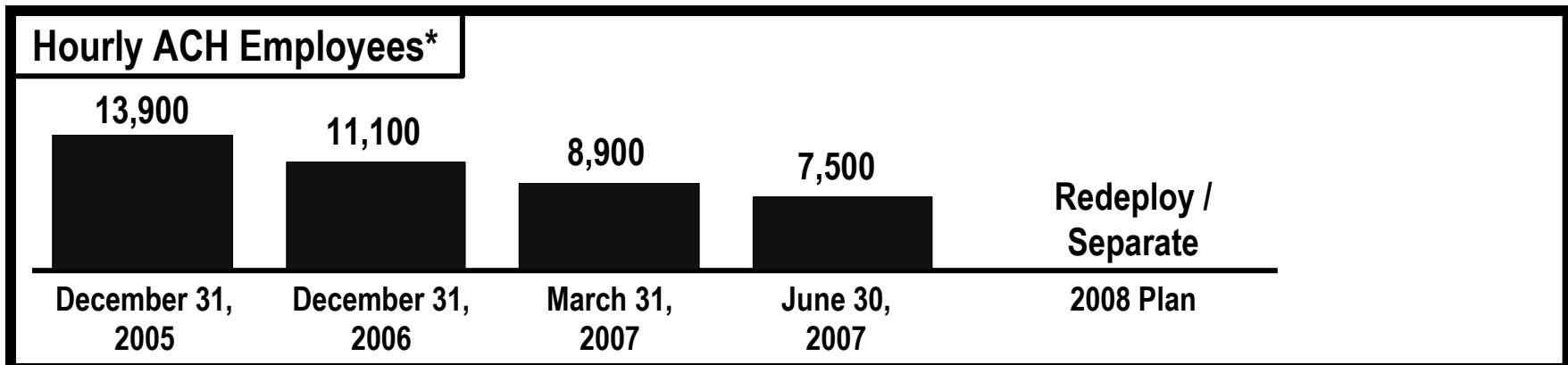
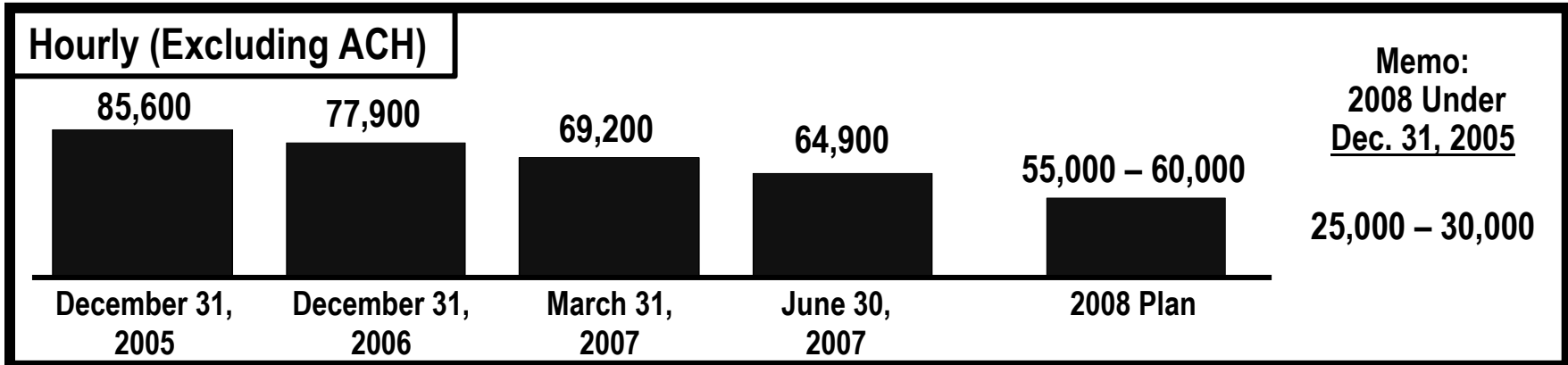
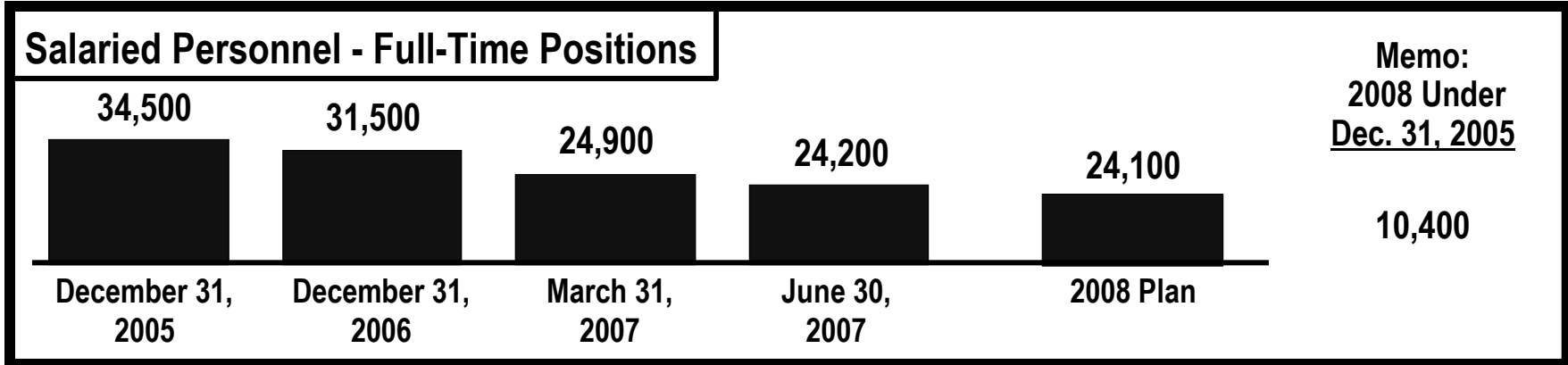
* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP

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



* Ford, Lincoln, and Mercury

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

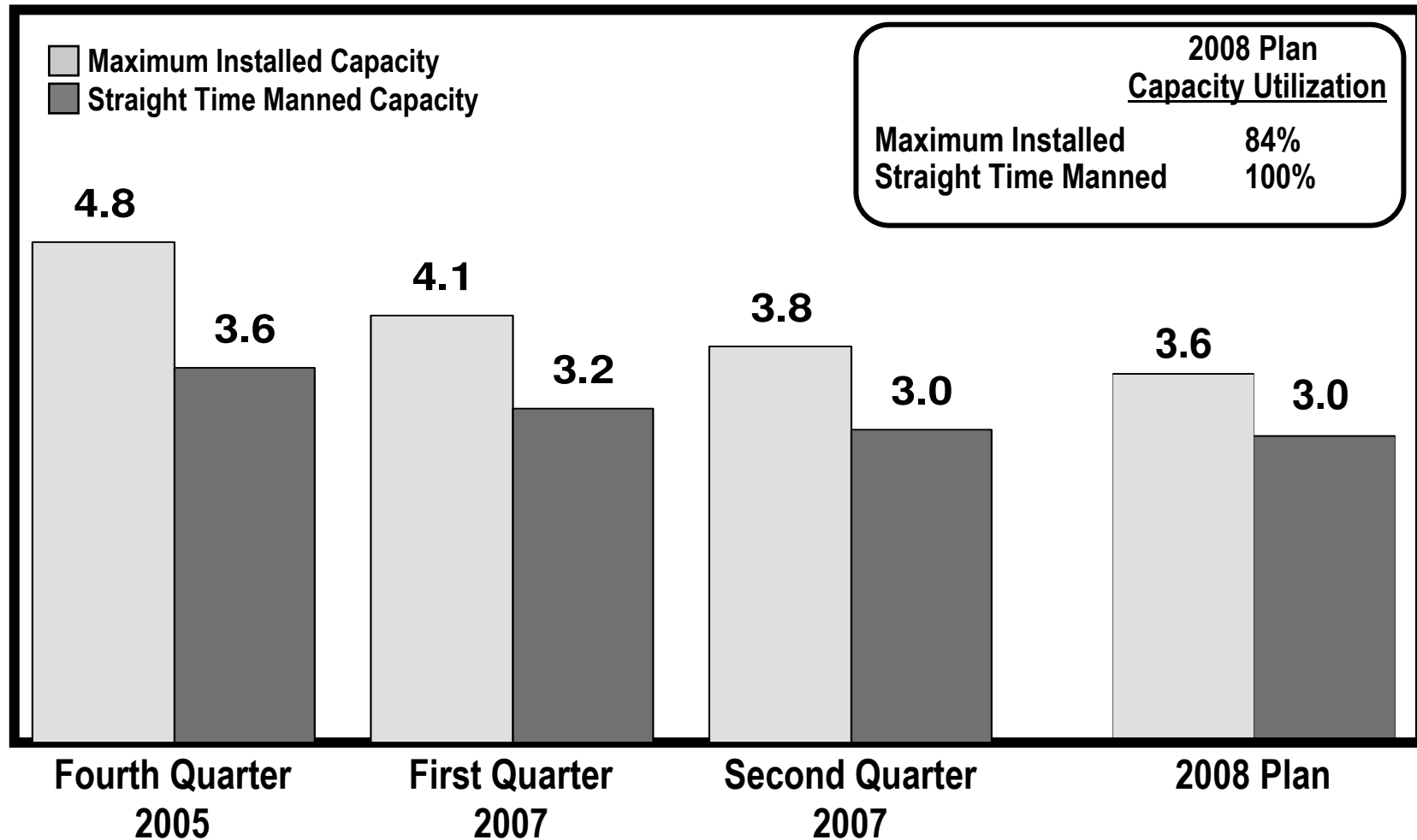


* Excludes Supplemental Replacement Personnel

AUTOMOTIVE SECTOR -- FORD NORTH AMERICA ASSEMBLY CAPACITY



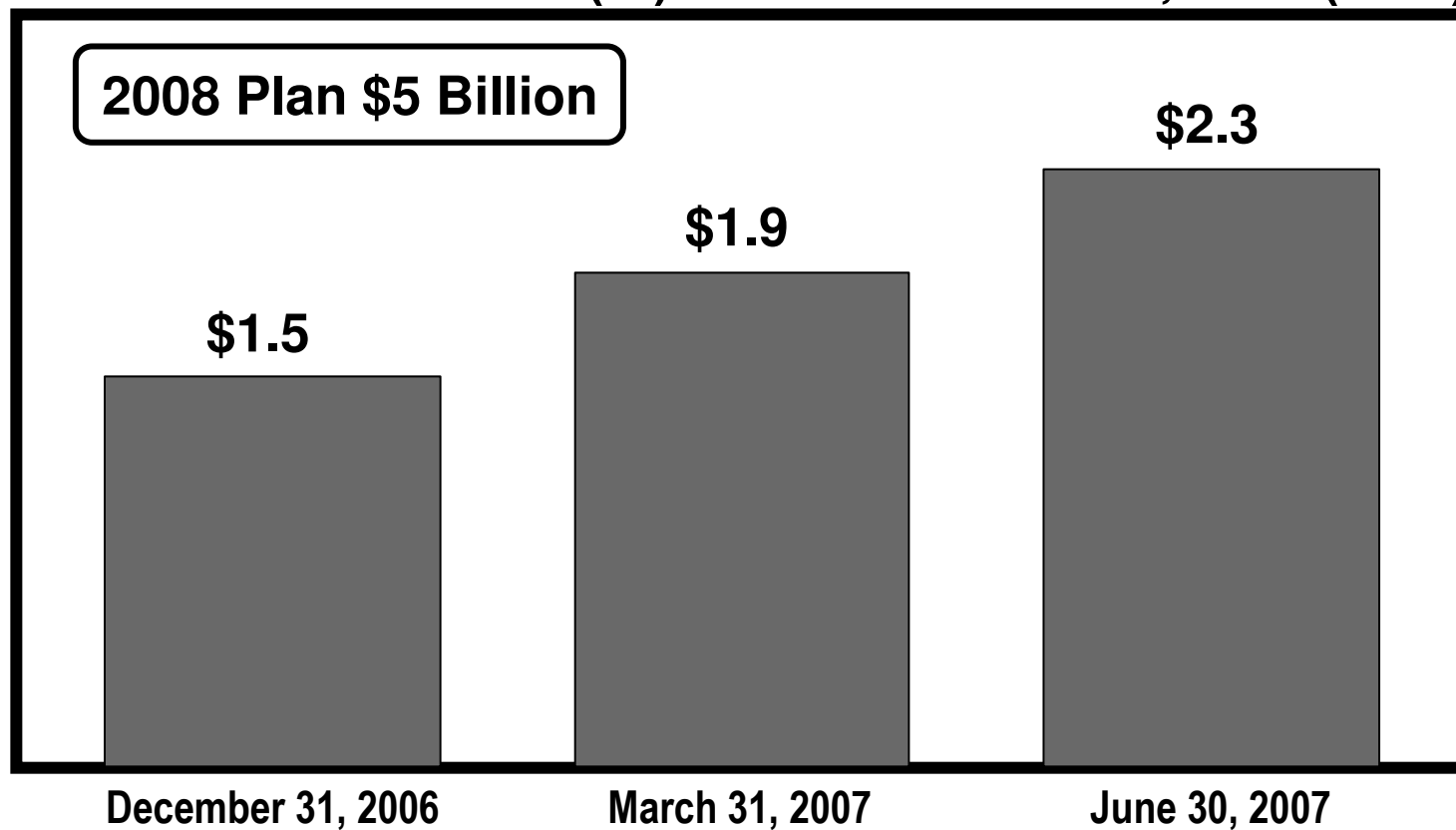
(Millions - Annualized)





AUTOMOTIVE SECTOR -- FORD NORTH AMERICA OPERATING COST REDUCTIONS*

Cumulative Costs B / (W) Than December 31, 2005 (Bils.)

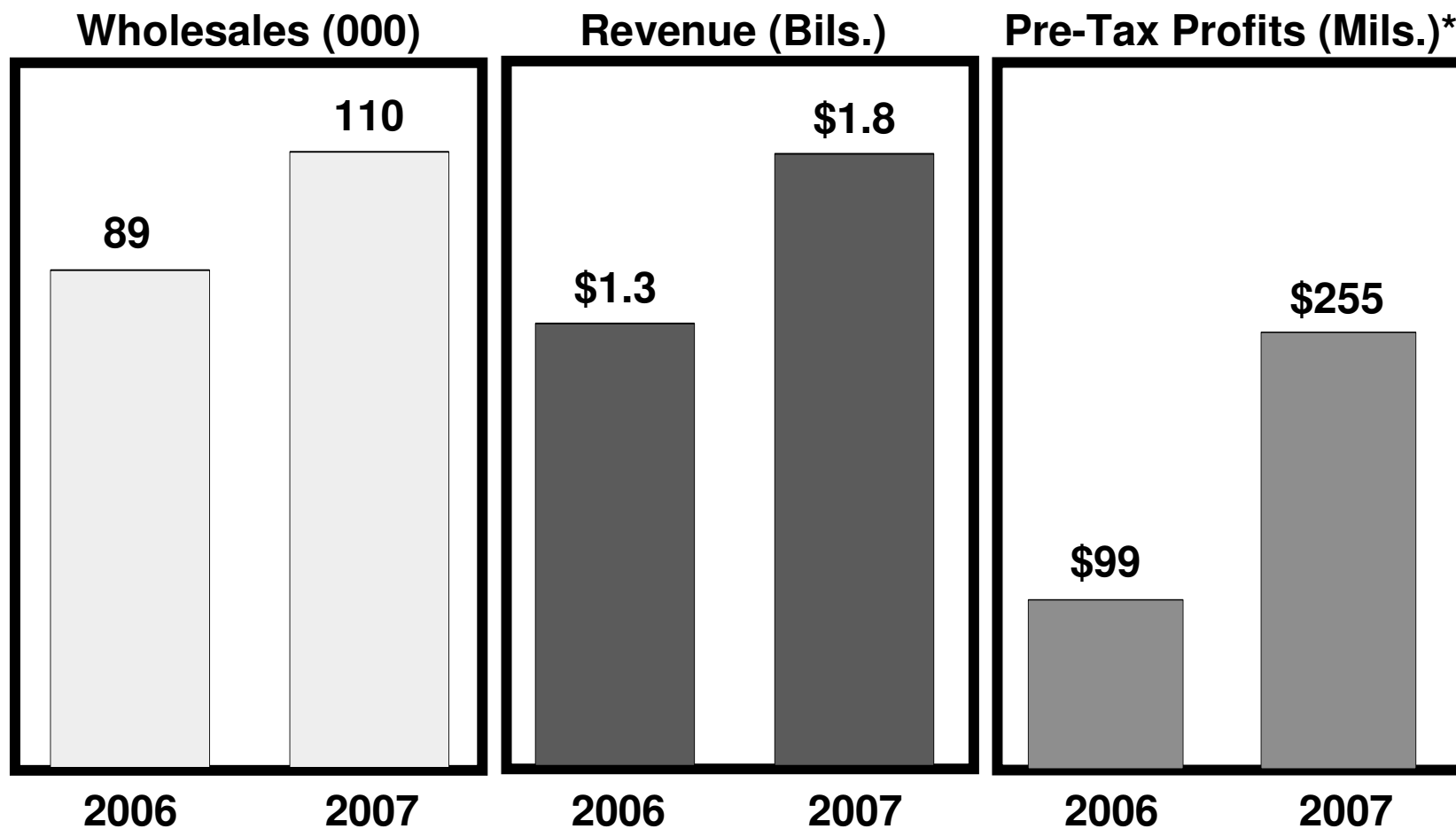


Memo:

| | | | |
|---------------------------|--------------|--------------|--------------|
| Period Performance | \$1.5 | \$0.4 | \$0.4 |
|---------------------------|--------------|--------------|--------------|

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

AUTOMOTIVE SECTOR -- FORD SOUTH AMERICA SECOND QUARTER KEY METRICS -- 2007 vs. 2006



Memo:

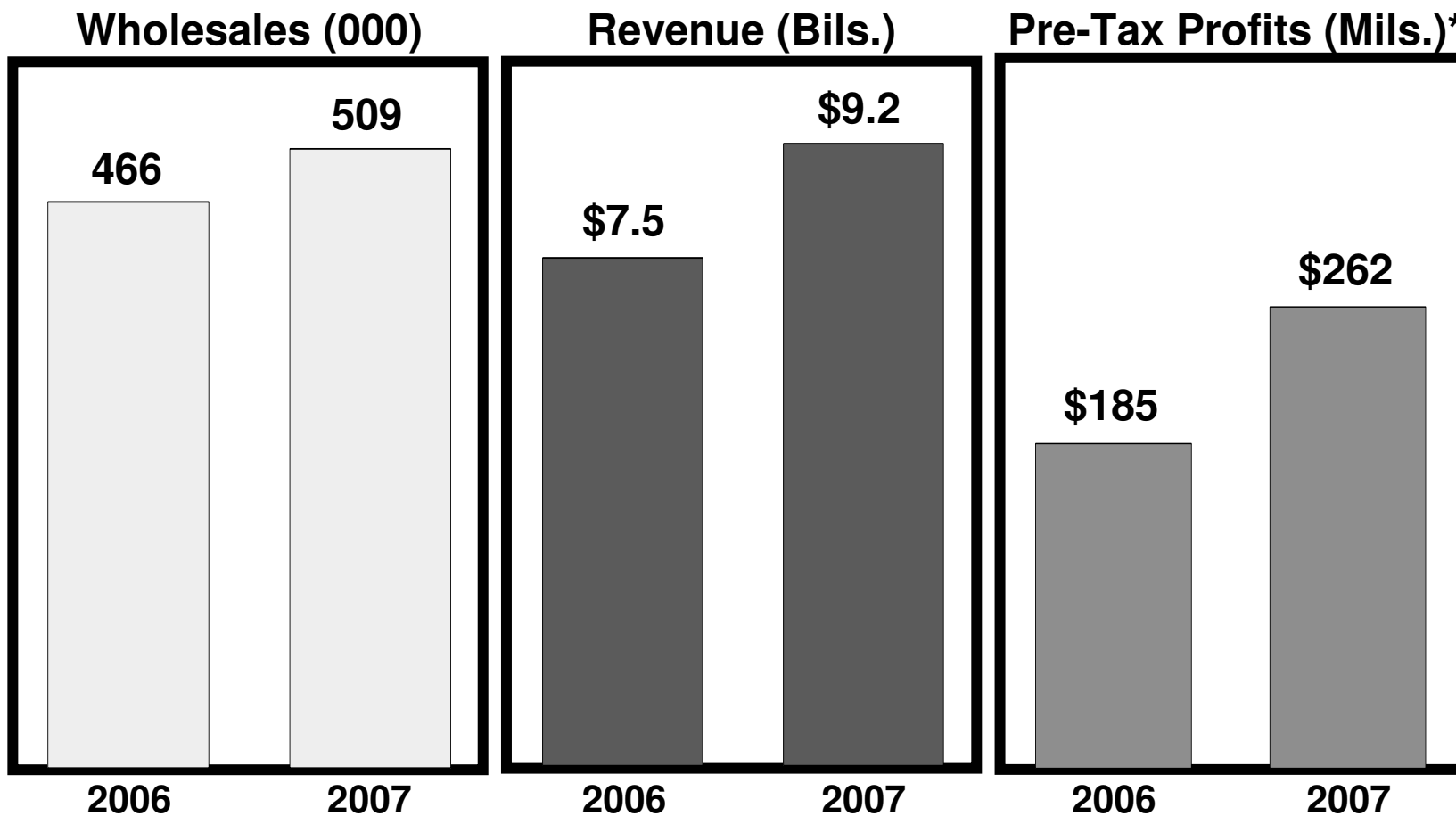
Market Share** 11.1% 10.9%

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP

** South American 2007 market share based on estimated vehicle retail sales for our six major markets in that region



AUTOMOTIVE SECTOR -- FORD EUROPE SECOND QUARTER KEY METRICS -- 2007 vs. 2006



Memo:

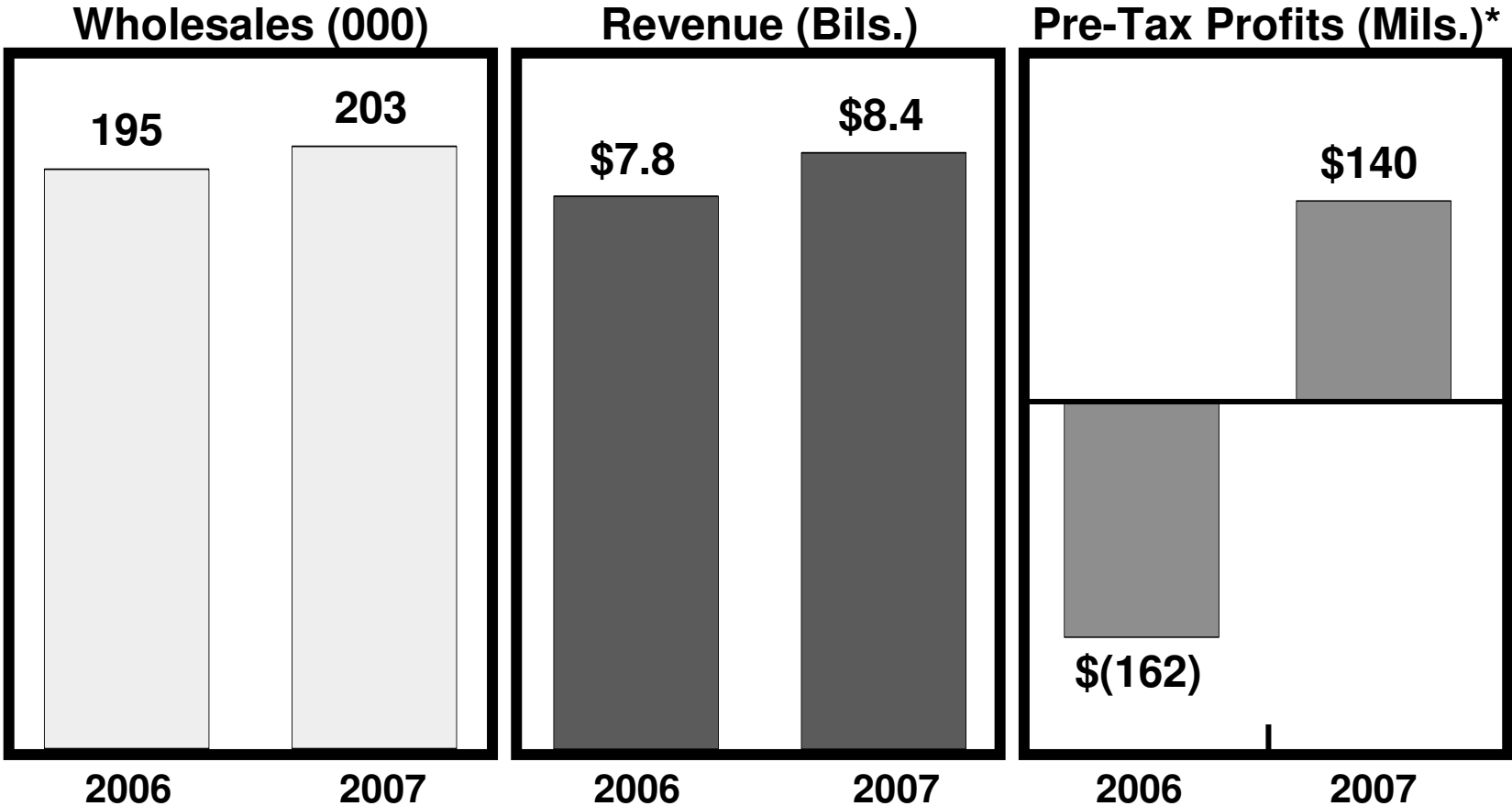
Market Share** 8.3% 8.3%

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP

** European 2007 market share for Ford Europe is based, in part, on estimated vehicle registrations for our 19 major European markets



AUTOMOTIVE SECTOR -- PREMIER AUTOMOTIVE GROUP SECOND QUARTER KEY METRICS -- 2007 vs. 2006



Memo: Market Share**

| | | |
|--------|------|------|
| U.S. | 1.0% | 1.0% |
| Europe | 2.1 | 2.2 |

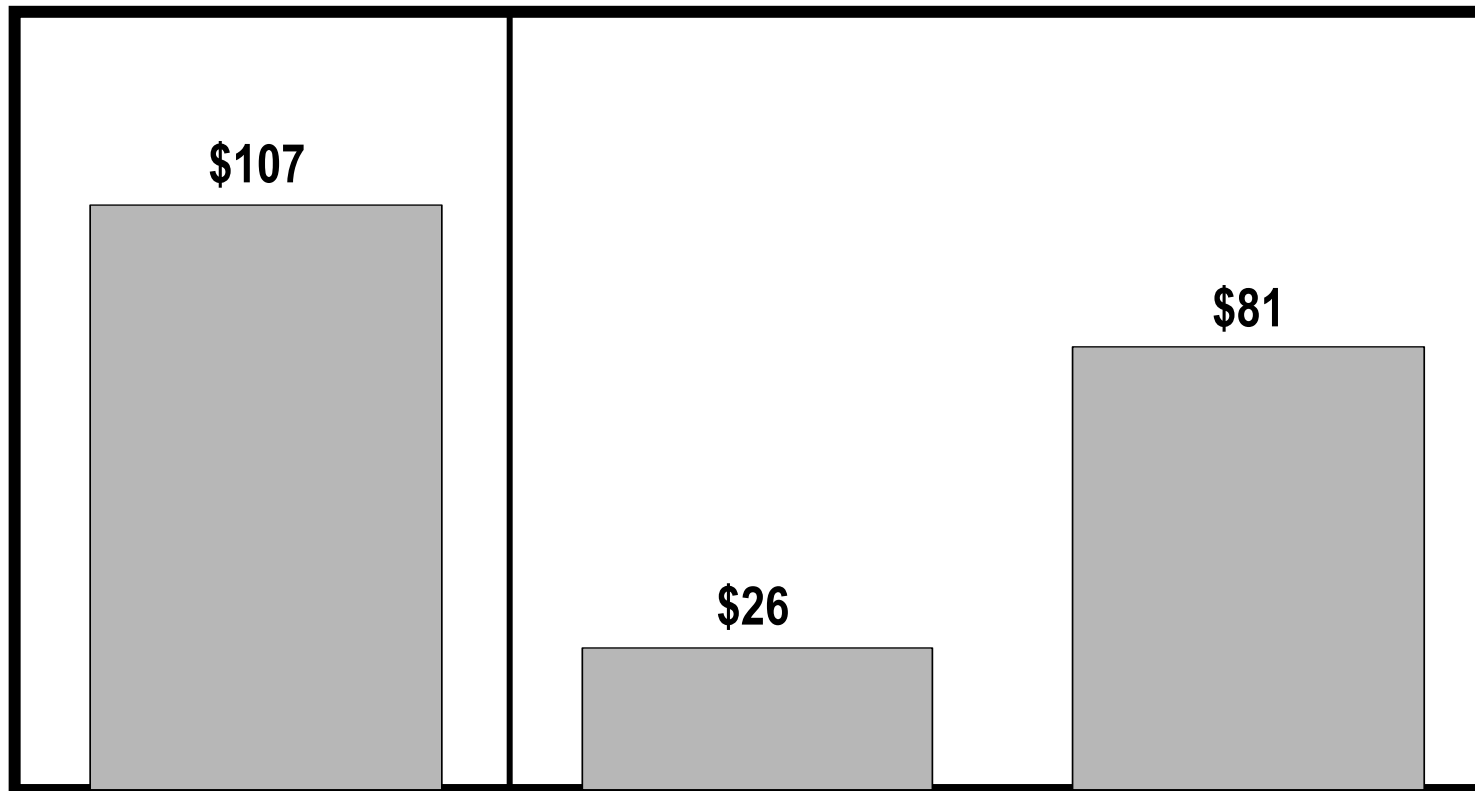
* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP

** European 2007 market share for PAG is based, in part, on estimated vehicle registrations for our 19 major European markets

**AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AND AFRICA / MAZDA
2007 SECOND QUARTER PRE-TAX PROFITS***



(Mils.)



Asia Pacific and Africa / Mazda

Asia Pacific and Africa

Mazda and Assoc. Operations

Memo:

B / (W) 2006

\$71

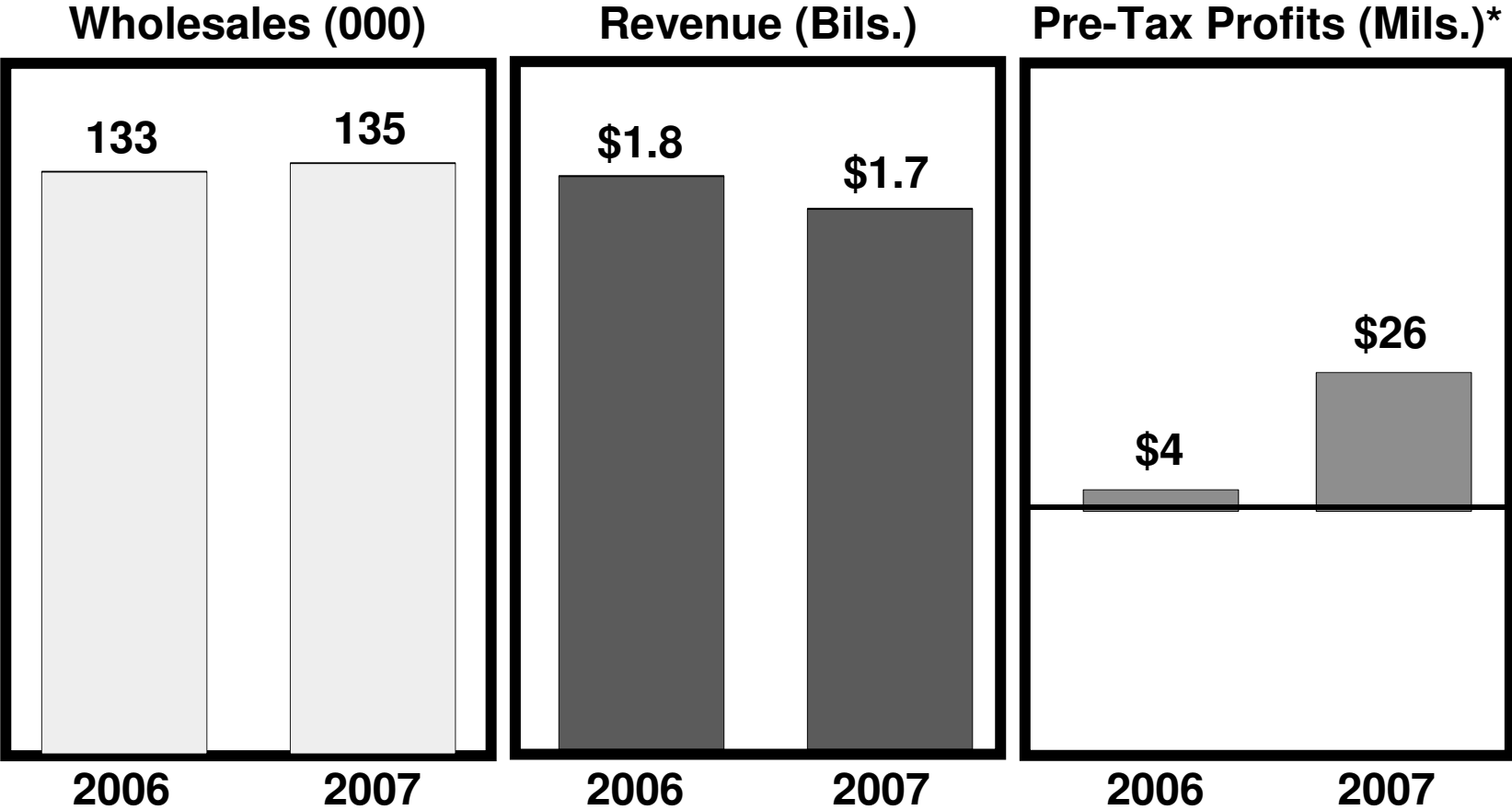
\$22

\$49

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP



AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AND AFRICA SECOND QUARTER KEY METRICS -- 2007 vs. 2006



Memo:
Market Share** 2.5% 2.2%

* Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP
** Asia Pacific and Africa 2007 market share is based on estimated vehicle sales for our twelve major markets in that region



AUTOMOTIVE SECTOR

2007 SECOND QUARTER CASH*

| | Second Quarter (Bils.) | First Six Months (Bils.) |
|--|---------------------------------------|---|
| <u>Cash, Net Marketable Securities, Loaned Securities, Short-Term VEBA Assets</u> | | |
| June 30, 2007 | \$37.4 | \$37.4 |
| March 31, 2007 / December 31, 2006 | <u>35.2</u> | <u>33.9</u> |
| Change in Gross Cash | <u>\$ 2.2</u> | <u>\$ 3.5</u> |
| <u>Operating-Related Cash Flows</u> | | |
| Automotive Pre-Tax Profits** | \$ 0.4 | \$ 0.2 |
| Capital Spending | (1.3) | (2.6) |
| Depreciation and Amortization | 1.8 | 3.5 |
| Changes in Receivables, Inventory, and Trade Payables | (0.1) | 0.7 |
| Other -- Primarily Expense and Payment Timing Differences | <u>1.0</u> | <u>1.1</u> |
| Total Automotive Operating-Related Cash Flow | \$ 1.8 | \$ 2.9 |
| <u>Other Changes in Cash</u> | | |
| Cash Impact of Jobs Bank / Employee Separation Programs | (0.4) | (1.7) |
| Pension Contributions | (0.4) | (1.2) |
| Net Effect of VEBA on Cash | 0.4 | 0.7 |
| Tax Refunds and Tax Payments from Affiliates | 0 | 2.0 |
| Divestitures | 0.9 | 1.0 |
| All Other | <u>(0.1)</u> | <u>(0.2)</u> |
| Total Change in Gross Cash | <u>\$ 2.2</u> | <u>\$ 3.5</u> |

* See Appendix for reconciliation to GAAP

** Excludes special items; see Slide 8 and Appendix for reconciliation to GAAP



TOTAL COMPANY STRENGTHENING OUR BALANCE SHEET

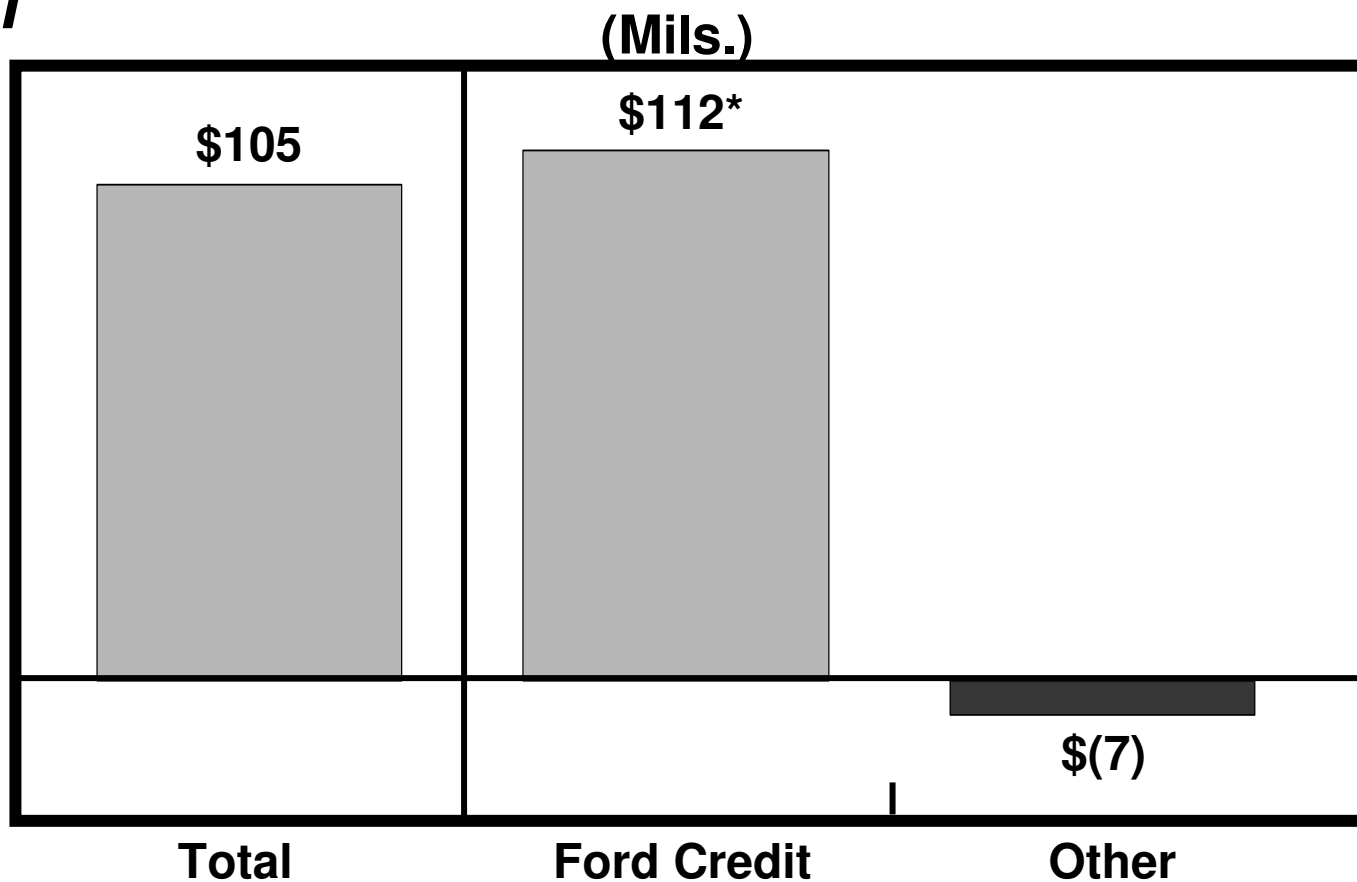
- Trust Preferred Securities Exchange
- U.S. Pension Fund Asset Allocation Change

| | <u>Prior Target</u> (Pct.) | <u>Revised Target (by Year-End 2007)</u> (Pct.) |
|-----------------------|---|--|
| Fixed Income | 30% | 45% |
| Equity / Other | 70 | 55 |



FINANCIAL SERVICES SECTOR

2007 SECOND QUARTER PRE-TAX PROFIT / (LOSS) BY SEGMENT



Memo:

B / (W) 2006

\$(320)

\$(323)

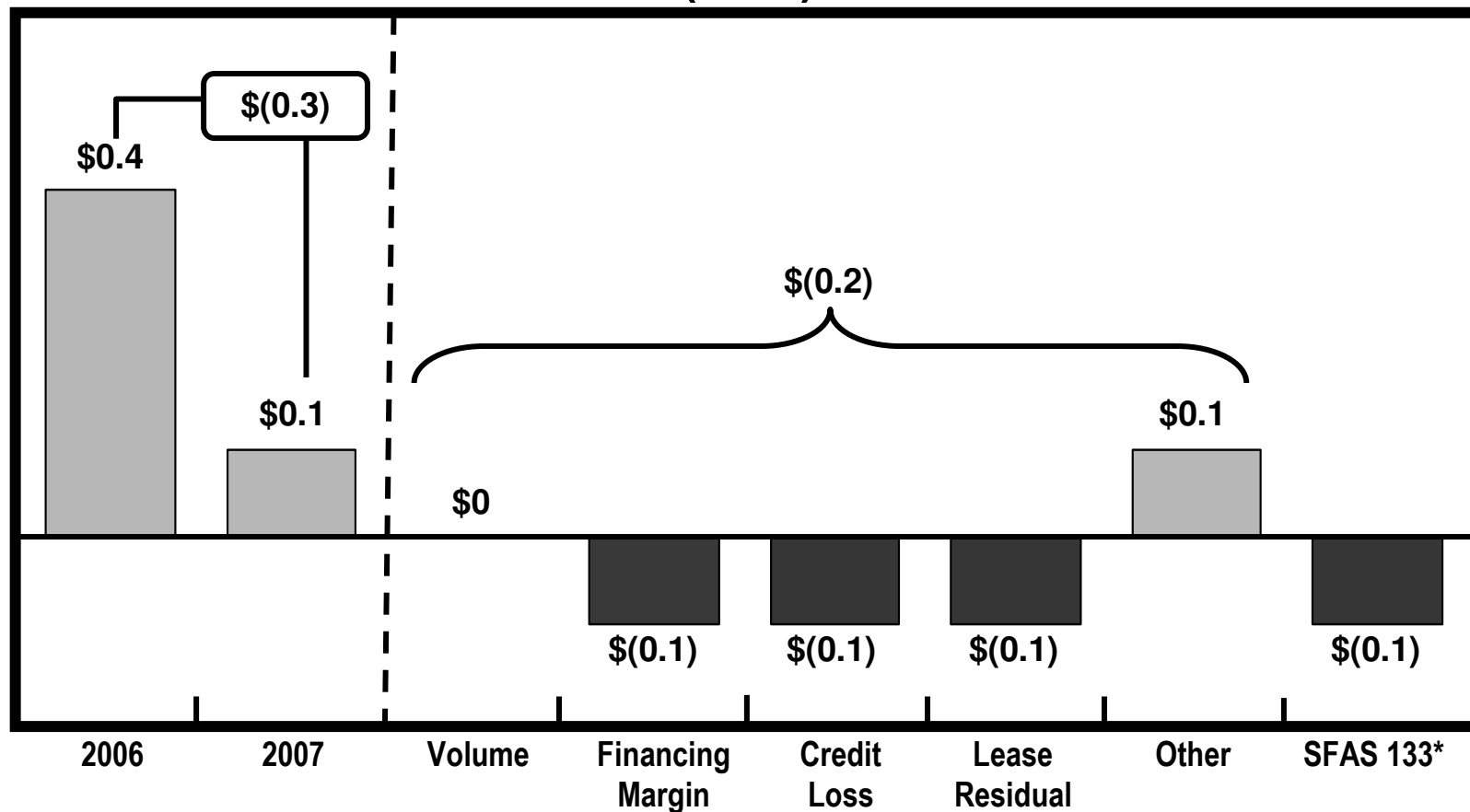
\$3

* Includes net losses of \$316 million related to market valuation adjustments from derivatives



FINANCIAL SERVICES SECTOR 2007 SECOND QUARTER FORD CREDIT PRE-TAX PROFIT COMPARED WITH 2006

(Bils.)



Memo:
Excl. SFAS 133*
(Mils.)

| | |
|-------|-------|
| \$667 | \$428 |
|-------|-------|

* Market valuation adjustments from derivatives



AUTOMOTIVE SECTOR 2007 PLANNING ASSUMPTIONS AND OPERATIONAL METRICS

| | <u>Plan</u> | <u>First Six Months</u> | <u>Full Year Outlook</u> |
|--|---------------|-------------------------|--------------------------------|
| <u>Planning Assumptions</u> | | | |
| Industry Volume (SAAR) -- U.S. (Mils.) | 16.8 | 16.7 | ~16.8 |
| -- Europe (Mils.) | 17.6 | 17.9 | 17.8 |
| <u>Operational Metrics</u> | | | |
| Compared with 2006 | | | |
| - Quality | Improved | Improved | Improved |
| - Market Share | | | |
| » U.S. | Lower | Lower | Lower |
| » Other Regions | Higher | Flat | Flat |
| - Automotive Costs* | Better | \$1.1 Billion Better | Better |
| Absolute Amount | | | |
| - Operating-Related Cash Flow | Negative | \$2.9 Billion Positive | Negative, but Better than Plan |
| - Capital Spending | ~ \$7 Billion | \$2.6 Billion | ≤ \$6.5 Billion |

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



AUTOMOTIVE SECTOR PRODUCTION VOLUMES

| | <u>Second Quarter Actual</u> | | <u>Third Quarter Forecast</u> | |
|---------------|----------------------------------|--|-----------------------------------|--|
| | <u>Units</u> (000) | <u>O / (U)</u> <u>2006</u> (000) | <u>Units</u> (000) | <u>O / (U)</u> <u>2006</u> (000) |
| North America | 811 | (86) | 640 | (2) |
| Europe | 512 | 49 | 410 | (14) |
| P.A.G. | 193 | 9 | 168 | 32 |

TOTAL COMPANY 2007 OUTLOOK



| | <u>Outlook</u> | <u>Comparison With Plan</u> |
|--|-------------------------------|---------------------------------|
| Automotive Operations | Loss, but improved vs. 2006 | Better |
| Other Automotive -- Interest | \$(800) million | Better |
| Financial Services | \$1.3 - \$1.4 billion profit* | Equal / Better |
| Pre-Tax Results (Excl. Special Items) | Loss, but improved vs. 2006 | Better |
| Special Charges | \$(1) - \$(2) billion** | Equal |
| Net Income | Loss, but improved vs. 2006 | Better |

* Excluding market valuation adjustments from derivatives

** Excluding gain / loss on divestitures and Trust Preferred exchange offer



TOTAL COMPANY FORWARD YEAR KEY BUSINESS METRICS

| | <u>Status</u> |
|--|----------------------|
| • Profitable in North America and Total Automotive by 2009 | On Plan |
| • \$5 billion cost reductions in North America by 2008 compared with 2005 | On Plan |
| • 14 - 15% U.S. market share (Ford, Lincoln-Mercury) | On Plan |
| • \$17 billion cash outflow in 2007 - 2009 to fund operating losses and restructuring | Better |



TOTAL COMPANY KEY PRIORITIES / OVERVIEW

- **We remain committed to our plan and are encouraged with our progress; recognize we have a long way to go**
- **Our plan has not changed:**
 - **Restructure the company; be profitable at lower volume and changed mix**
 - **Accelerate product development and reduce manufacturing complexity**
 - **Secure financing; strengthen the balance sheet**
 - **Leadership and teamwork**

SAFE HARBOR



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:

- Continued decline in market share;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations or other factors;
- An increase in or acceleration of market shift away from sales of trucks, sport utility vehicles, or other more profitable vehicles, particularly in the United States;
- A significant decline in industry sales, particularly in the United States or Europe, resulting from slowing economic growth, geo-political events, or other factors;
- Lower-than-anticipated market acceptance of new or existing products;
- Continued or increased high prices for or reduced availability of fuel;
- Currency or commodity price fluctuations;
- Adverse effects from the bankruptcy or insolvency of, change in ownership or control of, or alliances entered into by a major competitor;
- Economic distress of suppliers that has in the past and may in the future require us to provide financial support or take other measures to ensure supplies of components or materials;
- Labor or other constraints on our ability to restructure our business;
- Work stoppages at Ford or supplier facilities or other interruptions of supplies;
- Single-source supply of components or materials;
- Substantial pension and post-retirement healthcare 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, investment returns, and health care cost trends);
- The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns or increased warranty costs;
- Increased safety, emissions (e.g., CO₂), fuel economy or other (e.g., pension funding) regulation resulting in higher costs, cash expenditures, and/or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in our products or otherwise;
- A change in our requirements for parts or materials where we have entered into long-term supply arrangements that commit us to purchase minimum or fixed quantities of certain parts or materials, or to pay a minimum amount to the seller (“take-or-pay contracts”);
- Adverse effects on our results from a decrease in or cessation of government incentives;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Substantial negative Automotive operating-related cash flows for the near- to medium-term affecting our ability to meet our obligations, invest in our business or refinance our debt;
- Substantial levels of Automotive indebtedness adversely affecting our financial condition or preventing us from fulfilling our debt obligations (which may grow because we are able to incur substantially more debt, including additional secured debt);
- Inability of Ford Credit to access debt or securitization markets around the world at competitive rates or in sufficient amounts due to additional credit rating downgrades or otherwise;
- Higher-than-expected credit losses;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- Changes in interest rates;
- Collection and servicing problems related to finance receivables and net investment in operating leases;
- Lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles; 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 by management in preparing these 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.

APPENDIX

TOTAL COMPANY CALCULATION OF EARNINGS PER SHARE



| | <u>Second Quarter 2007</u> | | <u>First Six Months 2007</u> | |
|--|-----------------------------------|--|-----------------------------------|--|
| | <u>Net Income (Mils.)</u> | <u>Cont. Ops. -- Excl. Special Items (Mils.)</u> | <u>Net Income (Mils.)</u> | <u>Cont. Ops. -- Excl. Special Items (Mils.)</u> |
| <u>Numerator</u> | | | | |
| After-Tax Profits | \$ 750 | \$ 258 | \$ 468 | \$ 87 |
| Impact on Income from assumed exchange of convertible notes and convertible trust preferred securities | 88 | 88 | 69 | 0 |
| Income for EPS | <u>\$ 838</u> | <u>\$ 346</u> | <u>\$ 537</u> | <u>\$ 87</u> |
| <u>Denominator</u> | | | | |
| Average shares outstanding | 1,895 | 1,895 | 1,893 | 1,893 |
| Net issuable shares, primarily stock options | 11 | 11 | 10 | 10 |
| Convertible notes | 538 | 538 | 538 | 0 |
| Convertible trust preferred securities | 282 | 282 | 0 | 0 |
| Average shares for EPS | <u>2,726</u> | <u>2,726</u> | <u>2,441</u> | <u>1,903</u> |
| EPS | \$ 0.31 | \$ 0.13 | \$ 0.22 | \$ 0.05 |



TOTAL COMPANY
2007 SECOND QUARTER EFFECTIVE TAX RATE

| | Continuing Operations | | | | | |
|--|-------------------------|-------------------------|---------------------------|-------------------------|-------------------------|---------------------------|
| | Excluding Special Items | | | Including Special Items | | |
| | <u>PBT</u> (Mils.) | <u>Taxes</u> (Mils.) | <u>Tax Rate</u> (Pct.) | <u>PBT</u> (Mils.) | <u>Taxes</u> (Mils.) | <u>Tax Rate</u> (Pct.) |
| PBT | \$ 483 | | | \$ 926 | | |
| Less: Unconsolidated Subsidiaries | <u>(143)</u> | | | <u>(143)</u> | | |
| Adjusted PBT | <u>\$ 340</u> | \$(119) | 35.0% | <u>\$ 783</u> | \$(274) | 35.0% |
| Tax Credits / Adjustments | | <u>29</u> | <u>(8.5)</u> | | <u>19</u> | <u>(2.4)</u> |
| Ongoing Tax Before Valuation Allowance | | \$ (90) | 26.5% | | \$(255) | 32.6% |
| Deferred Tax Asset Valuation Allowance | | <u>(50)</u> | <u>14.7</u> | | <u>132</u> | <u>(16.9)</u> |
| Tax Provision | | <u>\$(140)</u> | <u>41.2%</u> | | <u>\$(123)</u> | <u>15.7%</u> |

TOTAL COMPANY

2006 – 2007 SECOND QUARTER PRE-TAX RESULTS*



| | Pre-Tax Profits | | | | Pre-Tax Profits | |
|----------------------------------|-----------------------|---------------|-----------------|---------------|-----------------------|---------------|
| | (Incl. Special Items) | | Special Items | | (Excl. Special Items) | |
| | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> |
| | (Mils.) | (Mils.) | (Mils.) | (Mils.) | (Mils.) | (Mils.) |
| North America | \$ (1,271) | \$ (76) | \$ (482) | \$ 203 | \$ (789) | \$ (279) |
| South America | <u>99</u> | <u>255</u> | <u>0</u> | <u>0</u> | <u>99</u> | <u>255</u> |
| Total Americas | \$ (1,172) | \$ 179 | \$ (482) | \$ 203 | \$ (690) | \$ (24) |
| Europe | \$ 171 | \$ 184 | \$ (14) | \$ (78) | \$ 185 | \$ 262 |
| P.A.G. | <u>(180)</u> | <u>466</u> | <u>(18)</u> | <u>326</u> | <u>(162)</u> | <u>140</u> |
| Total Europe / P.A.G. | \$ (9) | \$ 650 | \$ (32) | \$ 248 | \$ 23 | \$ 402 |
| Asia Pacific and Africa | \$ 4 | \$ 18 | \$ 0 | \$ (8) | \$ 4 | \$ 26 |
| Mazda & Assoc. Operations | <u>169</u> | <u>81</u> | <u>137</u> | <u>0</u> | <u>32</u> | <u>81</u> |
| Total AP and Africa / Mazda | \$ 173 | \$ 99 | \$ 137 | \$ (8) | \$ 36 | \$ 107 |
| Subtotal Automotive Ops. | \$ (1,008) | \$ 928 | \$ (377) | \$ 443 | \$ (631) | \$ 485 |
| Other Auto. (Primarily Interest) | <u>(85)</u> | <u>(107)</u> | <u>0</u> | <u>0</u> | <u>(85)</u> | <u>(107)</u> |
| Total Automotive | \$ (1,093) | \$ 821 | \$ (377) | \$ 443 | \$ (716) | \$ 378 |
| Financial Services | <u>425</u> | <u>105</u> | <u>0</u> | <u>0</u> | <u>425</u> | <u>105</u> |
| Total Company | <u>\$ (668)</u> | <u>\$ 926</u> | <u>\$ (377)</u> | <u>\$ 443</u> | <u>\$ (291)</u> | <u>\$ 483</u> |

* From continuing operations

TOTAL COMPANY

2006 – 2007 FIRST SIX MONTHS PRE-TAX RESULTS*



| | Pre-Tax Profits | | | | Pre-Tax Profits | |
|----------------------------------|-----------------------|---------------|-------------------|---------------|-----------------------|---------------|
| | (Incl. Special Items) | | Special Items | | (Excl. Special Items) | |
| | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> |
| | (Mils.) | (Mils.) | (Mils.) | (Mils.) | (Mils.) | (Mils.) |
| North America | \$ (4,232) | \$ (779) | \$ (3,001) | \$ 114 | \$ (1,231) | \$ (893) |
| South America | <u>247</u> | <u>368</u> | <u>11</u> | <u>0</u> | <u>236</u> | <u>368</u> |
| Total Americas | \$ (3,985) | \$ (411) | \$ (2,990) | \$ 114 | \$ (995) | \$ (525) |
| Europe | \$ 227 | \$ 392 | \$ (23) | \$ (89) | \$ 250 | \$ 481 |
| P.A.G. | <u>(31)</u> | <u>857</u> | <u>(21)</u> | <u>315</u> | <u>(10)</u> | <u>542</u> |
| Total Europe / P.A.G. | \$ 196 | \$ 1,249 | \$ (44) | \$ 226 | \$ 240 | \$ 1,023 |
| Asia Pacific and Africa | \$ 6 | \$ (10) | \$ 0 | \$ (10) | \$ 6 | \$ 0 |
| Mazda & Assoc. Operations | <u>214</u> | <u>103</u> | <u>137</u> | <u>0</u> | <u>77</u> | <u>103</u> |
| Total AP and Africa / Mazda | \$ 220 | \$ 93 | \$ 137 | \$ (10) | \$ 83 | \$ 103 |
| Subtotal Automotive Ops. | \$ (3,569) | \$ 931 | \$ (2,897) | \$ 330 | \$ (672) | \$ 601 |
| Other Auto. (Primarily Interest) | <u>(247)</u> | <u>(448)</u> | <u>0</u> | <u>0</u> | <u>(247)</u> | <u>(448)</u> |
| Total Automotive | \$ (3,816) | \$ 483 | \$ (2,897) | \$ 330 | \$ (919) | \$ 153 |
| Financial Services | <u>800</u> | <u>399</u> | <u>0</u> | <u>0</u> | <u>800</u> | <u>399</u> |
| Total Company | <u>\$ (3,016)</u> | <u>\$ 882</u> | <u>\$ (2,897)</u> | <u>\$ 330</u> | <u>\$ (119)</u> | <u>\$ 552</u> |

* From continuing operations



**TOTAL COMPANY
SECOND QUARTER EMPLOYMENT DATA BY
BUSINESS UNIT***

| | March 31, 2007 | June 30, 2007 |
|----------------------------------|---------------------------|--------------------------|
| | (000) | (000) |
| <u>Automotive</u> | | |
| North America | 110 | 104 |
| South America | 14 | 14 |
| Total Americas | 124 | 118 |
| Europe | 67 | 67 |
| P.A.G | 44 | 43 |
| Total Europe / P.A.G. | 111 | 110 |
| Asia Pacific and Africa | 17 | 17 |
| Total Automotive Ops. | 252 | 245 |
| <u>Financial Services</u> | 12 | 12 |
| Total Company | 264 | 257 |

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

AUTOMOTIVE SECTOR

2007 SECOND QUARTER AUTOMOTIVE SUMMARY



| | <u>Wholesales</u> | | <u>Revenue</u> | | <u>Pre-Tax Profits*</u> | |
|------------------------------------|-------------------|--------------|-----------------|-----------------|-------------------------|----------------|
| | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> |
| | (000) | (000) | (Mils.) | (Mils.) | (Mils.) | (Mils.) |
| North America | 907 | 807 | \$19,155 | \$18,791 | \$(789) | \$(279) |
| South America | 89 | 110 | 1,289 | 1,827 | 99 | 255 |
| Total Americas | 996 | 917 | \$20,444 | \$20,618 | \$(690) | \$ (24) |
| Europe | 466 | 509 | \$ 7,526 | \$ 9,203 | \$ 185 | \$ 262 |
| P.A.G. | 195 | 203 | 7,768 | 8,388 | (162) | 140 |
| Total Europe / P.A.G. | 661 | 712 | \$15,294 | \$17,591 | \$ 23 | \$ 402 |
| Asia Pacific and Africa** | 133 | 135 | \$ 1,799 | \$ 1,727 | \$ 4 | \$ 26 |
| Mazda and Assoc. Operations*** | 16 | 9 | 274 | 170 | 32 | 81 |
| Total AP and Africa / Mazda | 149 | 144 | \$ 2,073 | \$ 1,897 | \$ 36 | \$ 107 |
| Subtotal Automotive Ops. | 1,806 | 1,773 | \$37,811 | \$40,106 | \$(631) | \$ 485 |
| Other Auto. (Primarily Interest) | - | - | - | - | (85) | (107) |
| Total Automotive | 1,806 | 1,773 | \$37,811 | \$40,106 | \$(716) | \$ 378 |

* Excludes special items; see Slide 7 and Appendix for reconciliation to GAAP

** Included in wholesales of Asia Pacific and Africa are Ford-badged vehicles sold in China and Malaysia by certain unconsolidated affiliates totaling about 54,000 and 37,000 units in 2007 and 2006, respectively. "Revenue" above does not include revenue from these units

*** Includes consolidation of Automotive Alliance International (AAI): wholesales and revenue from production of Mazda6 vehicles only; pre-tax profits include Ford's share of Mazda's results and profits from AAI's production of Mazda6 vehicles only

AUTOMOTIVE SECTOR

2007 SECOND QUARTER MARKET RESULTS



| | <u>Second Quarter</u> | | <u>First Six Months</u> | |
|--------------------------------|-----------------------|-------------------------------|-------------------------|-------------------------------|
| | <u>Absolute</u> | <u>B / (W)</u> <u>2006</u> | <u>Absolute</u> | <u>B / (W)</u> <u>2006</u> |
| <u>U.S.</u> | | | | |
| Industry SAAR (Mils.) | 16.4 | (0.7) | 16.7 | (0.5) |
| Market Share (Pct.) | | | | |
| - Ford and Lincoln Mercury | 15.6% | (1.1) Pts. | 15.3% | (1.6) Pts. |
| - P.A.G. | <u>1.0</u> | <u>0</u> | <u>1.1</u> | <u>0</u> |
| Total U.S. Market Share | <u>16.6%</u> | <u>(1.1) Pts.</u> | <u>16.4%</u> | <u>(1.6) Pts.</u> |
| <u>Europe</u> | | | | |
| Industry SAAR (Mils.) | 17.9 | (0.1) | 17.9 | 0.1 |
| Market Share (Pct.)* | | | | |
| - Ford | 8.3% | 0 Pts. | 8.7% | 0.2 Pts. |
| - P.A.G. | <u>2.2</u> | <u>0.1</u> | <u>2.3</u> | <u>0.1</u> |
| Total Europe Market Share | <u>10.5%</u> | <u>0.1 Pts.</u> | <u>11.0%</u> | <u>0.3 Pts.</u> |
| <u>Other Regions</u> | | | | |
| Ford Brand Market Share (Pct.) | | | | |
| - South America** | 10.9% | (0.2) Pts. | 11.1% | (0.5) Pts. |
| - Asia Pacific and Africa*** | 2.2 | (0.3) | 2.2 | (0.2) |

* European market share for Ford Europe and P.A.G. is based, in part, on estimated vehicle registrations for our 19 major European markets

** South American market share based on estimated vehicle retail sales for our six major markets in that region

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



AUTOMOTIVE SECTOR COSTS AND EXPENSES

| | Second Quarter | | |
|--------------------------------------|-----------------------|--------------------|--------------------|
| | <u>2006</u> | <u>2007</u> | 2007 |
| | (Mils.) | (Mils.) | B / (W) |
| | | | <u>2006</u> |
| | | | (Mils.) |
| Total Costs and Expenses | \$39,073 | \$39,406 | \$ (333) |
| Select Cost Items: | | | |
| Depreciation and Amortization | | | |
| - Depreciation | \$ 918 | \$ 963 | \$ (45) |
| - Amortization -- Special Tools | 820 | 796 | 24 |
| Post-Retirement Expense | \$ 1,562 | \$ 493 | \$1,069 |



AUTOMOTIVE SECTOR

GROSS CASH RECONCILIATION TO GAAP

| | Dec. 31, 2006 (Bils.) | June 30, 2007 (Bils.) | June 30, 2007 B / (W) Dec. 31, 2006 (Bils.) | Memo: June 30, 2006 (Bils.) | March 31, 2007 (Bils.) |
|---|--------------------------------------|--------------------------------------|--|--|---------------------------------------|
| Cash and Cash Equivalents | \$16.0 | \$17.1 | \$1.1 | \$14.7 | \$15.7 |
| Marketable Securities | 11.3 | 13.7 | 2.4 | 8.9 | 16.8 |
| Loaned Securities | 5.3 | 4.6 | (0.7) | 0 | 0.7 |
| Total Cash / Market. and Loaned Securities | <u>\$32.6</u> | <u>\$35.4</u> | <u>\$ 2.8</u> | <u>\$23.6</u> | <u>\$33.2</u> |
| Securities-In-Transit | (0.5) | (0.3) | 0.2 | - | (0.2) |
| Short-Term VEBA Assets | 1.8 | 2.3 | 0.5 | - | 2.2 |
| Gross Cash | <u>\$33.9</u> | <u>\$37.4</u> | <u>\$ 3.5</u> | <u>\$23.6</u> | <u>\$35.2</u> |



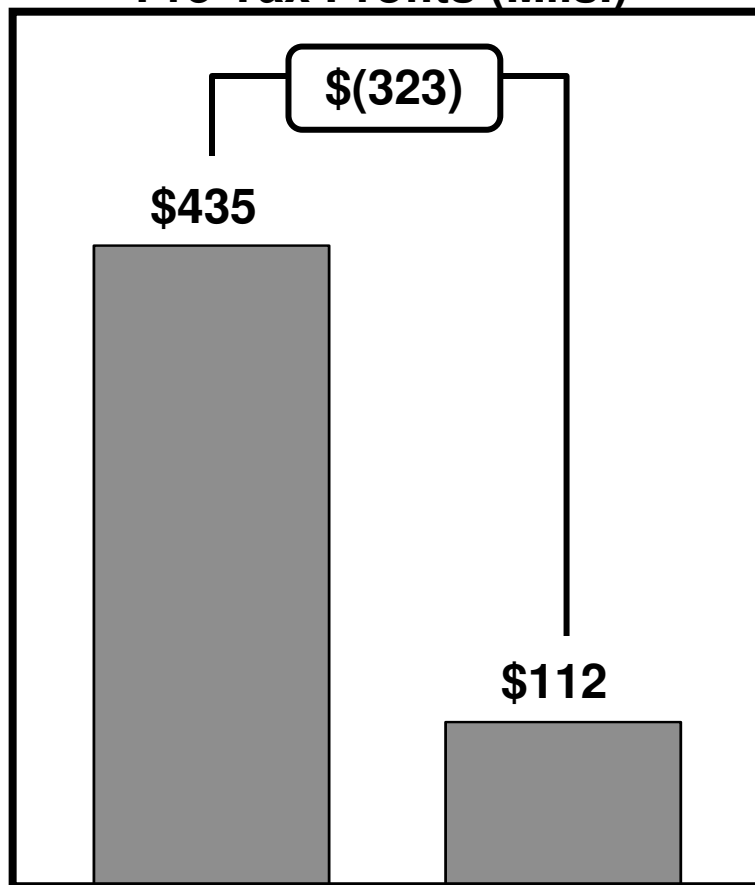
AUTOMOTIVE SECTOR GAAP RECONCILIATION OF OPERATING-RELATED CASH FLOWS

| | 2007 | | First |
|--|---------------|---------------|---------------|
| | Second | B / (W) | Six Months |
| | Quarter | Than 2006 | of 2007 |
| | (Bils.) | (Bils.) | (Bils.) |
| Cash Flows from Operating Activities of Continuing Operations | \$ 1.3 | \$(4.6) | \$ 2.8 |
| Items Included in Operating-Related Cash Flows | | | |
| – Capital Expenditures | (1.3) | 0.3 | (2.6) |
| – Net Transactions Between Automotive and Financial Services Sector | 0.1 | 0.5 | (0.4) |
| Items Not Included in Operating-Related Cash Flows | | | |
| – Cash Impact of Jobs Bank Benefits & Separation Programs | 0.4 | 0.1 | 1.7 |
| – Net (Sales) / Purchases of Trading Securities | 0.7 | 3.8 | 1.5 |
| – Pension Contributions | 0.4 | 0.2 | 1.2 |
| – VEBA Cash Flows – Net Reimbursement for Benefits Paid | (0.3) | 1.1 | (0.3) |
| – Tax Refunds and Tax Payments from Affiliates | 0 | 0 | (2.0) |
| – Other | 0.5 | 0.2 | 1.0 |
| Operating-Related Cash Flows | <u>\$ 1.8</u> | <u>\$ 1.6</u> | <u>\$ 2.9</u> |

FINANCIAL SERVICES SECTOR FORD CREDIT RESULTS AND METRICS -- 2007 SECOND QUARTER



Pre-Tax Profits (Mils.)



Key Metrics*

| | Second Quarter | |
|----------------------------------|----------------|--------------|
| | 2006 | 2007 |
| <u>Receivables (Bils.)</u> | | |
| On-Balance Sheet | \$136 | \$140 |
| Securitized Off-Balance Sheet | 15 | 9 |
| Managed | <u>\$151</u> | <u>\$149</u> |
| <u>Charge-Offs (Mils.)</u> | | |
| On-Balance Sheet | \$ 83 | \$125 |
| Managed | 102 | 139 |
| <u>Loss-to-Receivables Ratio</u> | | |
| On-Balance Sheet | 0.25% | 0.36% |
| Managed | | |
| - U.S. Retail and Lease | 0.30 | 0.51 |
| - Worldwide Total | 0.27 | 0.38 |
| <u>Allow. for Credit Losses</u> | | |
| Worldwide Amount (Bils.) | \$ 1.4 | \$ 1.0 |
| Pct. Of EOP Receivables | 0.99% | 0.72% |
| <u>Leverage (To 1)</u> | | |
| Financial Statement | 11.4 | 11.1 |
| Managed | 11.5 | 10.6 |
| <u>Dividend (Bils.)</u> | \$ 0.4 | \$ 0 |

| | | |
|-----------------------|---------------|---------------|
| Net Income (Mils.) | 2nd Qtr. 2006 | 2nd Qtr. 2007 |
| | \$ 304 | \$ 62 |
| ROE | 10.4% | 2.2% |
| Pre-Tax Profits Excl. | | |
| SFAS 133** (Mils.) | \$ 667 | \$ 428 |

* See Appendix for calculation, definitions and reconciliation to GAAP

** Market valuation adjustments from derivatives



FORD CREDIT KEY METRIC DEFINITIONS

In addition to evaluating Ford Credit's financial performance on a GAAP financial statement basis, Ford Credit management also uses other criteria, some of which were previously disclosed in this presentation and are defined below. Information about the impact of on-balance sheet securitization is also included below:

Managed Receivables -- receivables reported on Ford Credit's balance sheet and receivables Ford Credit sold in off-balance-sheet securitizations and continues to service

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

Charge-offs on Managed Receivables -- charge-offs associated with receivables reported on Ford Credit's balance sheet plus charge-offs associated with receivables Ford Credit sold in off-balance sheet securitizations and continues to service

Impact of On-Balance Sheet Securitization -- finance receivables (retail and wholesale) and net investment in operating leases reported on Ford Credit's balance sheet include assets included in securitizations that do not qualify for accounting sale treatment. These assets are available only for repayment of the debt or other obligations issued or arising in the securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors. Debt reported on Ford Credit's balance sheet includes obligations issued or arising in securitizations that are payable only out of collections on the underlying securitized assets and related enhancements

FINANCIAL SERVICES SECTOR

FORD CREDIT RATIO DEFINITIONS



In addition to evaluating Ford Credit's financial performance on a GAAP financial statement basis, Ford Credit management also uses other criteria, some of which were previously disclosed in this presentation and are defined below:

$$\text{Loss-to-Receivables Ratio} = \frac{\text{Charge-offs}}{\text{Average Receivables}}$$

Leverage:

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

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

* Excludes marketable securities related to insurance activities

FINANCIAL SERVICES SECTOR
FORD CREDIT RECONCILIATIONS OF MANAGED
LEVERAGE TO FINANCIAL STATEMENT LEVERAGE



| | June 30, 2006 <u>(Bils.)</u> | June 30, 2007 <u>(Bils.)</u> |
|---|------------------------------------|------------------------------------|
| <u>Leverage Calculation</u> | | |
| Total Debt* | \$133.2 | \$137.7 |
| Securitized Off-Balance Sheet Receivables Outstanding | 14.6 | 9.3 |
| Retained Interest in Securitized Off-Balance Sheet Receivables | (1.1) | (0.9) |
| Adjustments for Cash, Cash Equivalents and Marketable Securities** | (16.0) | (16.7) |
| Adjustments for Hedge Accounting | (0.2) | 0 |
| Total Adjusted Debt | <u>\$130.5</u> | <u>\$129.4</u> |
| Total Stockholder's Equity (incl. minority interest) | \$ 11.7 | \$ 12.4 |
| Adjustments for Hedge Accounting | (0.4) | (0.2) |
| Total Adjusted Equity | <u>\$ 11.3</u> | <u>\$ 12.2</u> |
| Managed Leverage (to 1) | 11.5 | 10.6 |
| Financial Statement Leverage (to 1) | 11.4 | 11.1 |

* Includes \$54.8 billion and \$63.4 billion on June 30, 2006 and June 30, 2007, respectively of long-term and short-term asset-backed debt that is payable out of collections on these receivables and interests in operating leases and the related vehicles and is not the legal obligation of Ford Credit

** Excludes marketable securities related to insurance activities