



***SECOND QUARTER  
EARNINGS REVIEW***

***JULY 24, 2008  
(PRELIMINARY RESULTS)***




# ***BUSINESS OVERVIEW***

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



## **TOTAL COMPANY AGENDA**

- **Overview of Second Quarter Results and Accomplishments**
- **Details of Financial Results and Full Year Outlook**
- **Actions to Respond to Changes in the North American Business Environment**
- **Our Plan -- One** 



# TOTAL COMPANY

## 2008 SECOND QUARTER FINANCIAL RESULTS

	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2008</u>	<u>O / (U)</u> <u>2007</u>	<u>2008</u>	<u>O / (U)</u> <u>2007</u>
Wholesales (000)*	1,561	(212)	3,092	(331)
Revenue (Bils.)*	\$ 38.6	\$ (5.6)	\$ 78.0	\$ (9.3)
<b><u>Continuing Operations*</u></b>				
Pre-Tax Results (Mils.)	\$(1,004)	\$(1,487)	\$ (288)	\$ (840)
After-Tax Results (Mils.)	(1,376)	(1,634)	(869)	(956)
Earnings Per Share	(0.62)	(0.75)	(0.39)	(0.44)
<b><u>Special Items Pre-Tax (Mils.)</u></b>	<b>\$(8,026)</b>	<b>\$(8,469)</b>	<b>\$(8,426)</b>	<b>\$(8,756)</b>
<b><u>Net Income</u></b>				
After-Tax Results (Mils.)	\$(8,667)	\$(9,417)	\$(8,567)	\$(9,035)
Earnings Per Share	(3.88)	(4.19)	(3.87)	(4.09)
<b><u>Automotive Gross Cash (Bils.)**</u></b>	<b>\$ 26.6</b>	<b>\$ (10.8)</b>	<b>\$ 26.6</b>	<b>\$ (10.8)</b>

\* Excludes special items, see Slides 7 to 9 and Appendix for reconciliations to GAAP

\*\* Automotive Gross Cash includes cash and cash equivalents, net marketable securities, loaned securities, and for 2007 only, short-term Voluntary Employee Beneficiary Association (VEBA) assets

**TOTAL COMPANY**  
**SECOND QUARTER 2008 OPERATIONS RESULTS\***



- **Ford North America incurred an operating loss of \$1.3 billion; lower volume more than explained the decline from 2007 results**
- **Continued strong results at Ford Europe and Ford South America**
- **Ford Asia Pacific Africa and Mazda were profitable, and improved from 2007**
- **Volvo incurred a loss, but improved sequentially as expected**
- **Ford Credit incurred a pre-tax operating loss of \$294 million**
- **Achieved \$1 billion in cost savings, including over \$600 million in Ford North America, as we remain on track for our \$5 billion cost reduction goal by the end of 2008**
- **Ford brand initial quality in the U.S. improved at a faster rate than the industry average, according to the latest J.D. Power survey**

\* Profit and cost statements exclude special items; cost statements are at constant volume, mix and exchange



**TOTAL COMPANY  
ACHIEVING OUR PLAN -- KEY SECOND QUARTER  
ACCOMPLISHMENTS**

- **Launched the Ford Kuga in Europe, a compact crossover with the best fuel economy of any AWD vehicle in the segment**
- **Launched the 2009 Ford Flex, our all-new fuel efficient crossover vehicle, with fuel economy that is equal to or better than any of its crossover competitors, and the Lincoln MKS luxury sedan in North America**
- **Completed the sale of Jaguar Land Rover to Tata Motors**
- **Reduced North American hourly personnel by about 4,000 since the end of First Quarter. Began 15% reduction of salaried personnel costs**



# ***FINANCIAL RESULTS***

**Don Leclair**  
**Executive Vice President and**  
**Chief Financial Officer**

**TOTAL COMPANY**  
**2008 SECOND QUARTER INCOME FROM CONTINUING**  
**OPERATIONS COMPARED WITH NET INCOME\***



	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2008</u>	<u>B / (W)</u> <u>2007</u>	<u>2008</u>	<u>B / (W)</u> <u>2007</u>
<u>Income (Mils.)</u>				
Pre-Tax Income (Excl. Special Items)	<u>\$(1,004)</u>	\$(1,487)	\$ (288)	\$ (840)
Special Items	<u>(8,026)</u>	<u>(8,469)</u>	<u>(8,426)</u>	<u>(8,756)</u>
Pre-Tax Income (Incl. Special Items)	<u>\$(9,030)</u>	\$(9,956)	\$(8,714)	\$(9,596)
Minority Interest	(89)	(4)	(211)	(68)
Taxes	<u>444</u>	<u>567</u>	<u>349</u>	<u>654</u>
Net Income from Continuing Operations	\$(8,675)	\$(9,393)	\$(8,576)	\$(9,010)
Discontinued Operations	<u>8</u>	<u>(24)</u>	<u>9</u>	<u>(25)</u>
Net Income	<u>\$(8,667)</u>	<u>\$(9,417)</u>	<u>\$(8,567)</u>	<u>\$(9,035)</u>

\* See Slides 8 and 9 for details of Second Quarter 2008 special items





# TOTAL COMPANY

## 2008 SECOND QUARTER SPECIAL ITEMS

	<u>Second Quarter</u> (Mils.)	<u>First Half</u> (Mils.)
North America		
- Personnel Reduction Programs	\$ (274)	\$ (505)
- Related OPEB Curtailment	100	111
- ACH Plant Sales	(303)	(305)
- U.S. Dealer Reductions (Including Investment Write-Off)	(39)	(147)
- Ballard Restructuring	0	(70)
Subtotal North America Before Impairments	<u>\$ (516)</u>	<u>\$ (916)</u>
Other Personnel Actions	(42)	(58)
Jaguar Land Rover	75	75
Debt / Equity Swaps	57	73
Subtotal Special Items Before Impairments	<u>\$ (426)</u>	<u>\$ (826)</u>
Impairments	<u>(7,600)</u>	<u>(7,600)</u>
Total Special Items	<u>\$ (8,026)</u>	<u>\$ (8,426)</u>
Memo:		
Special Items Impact on Earnings Per Share*	\$ (3.26)	\$ (3.48)

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

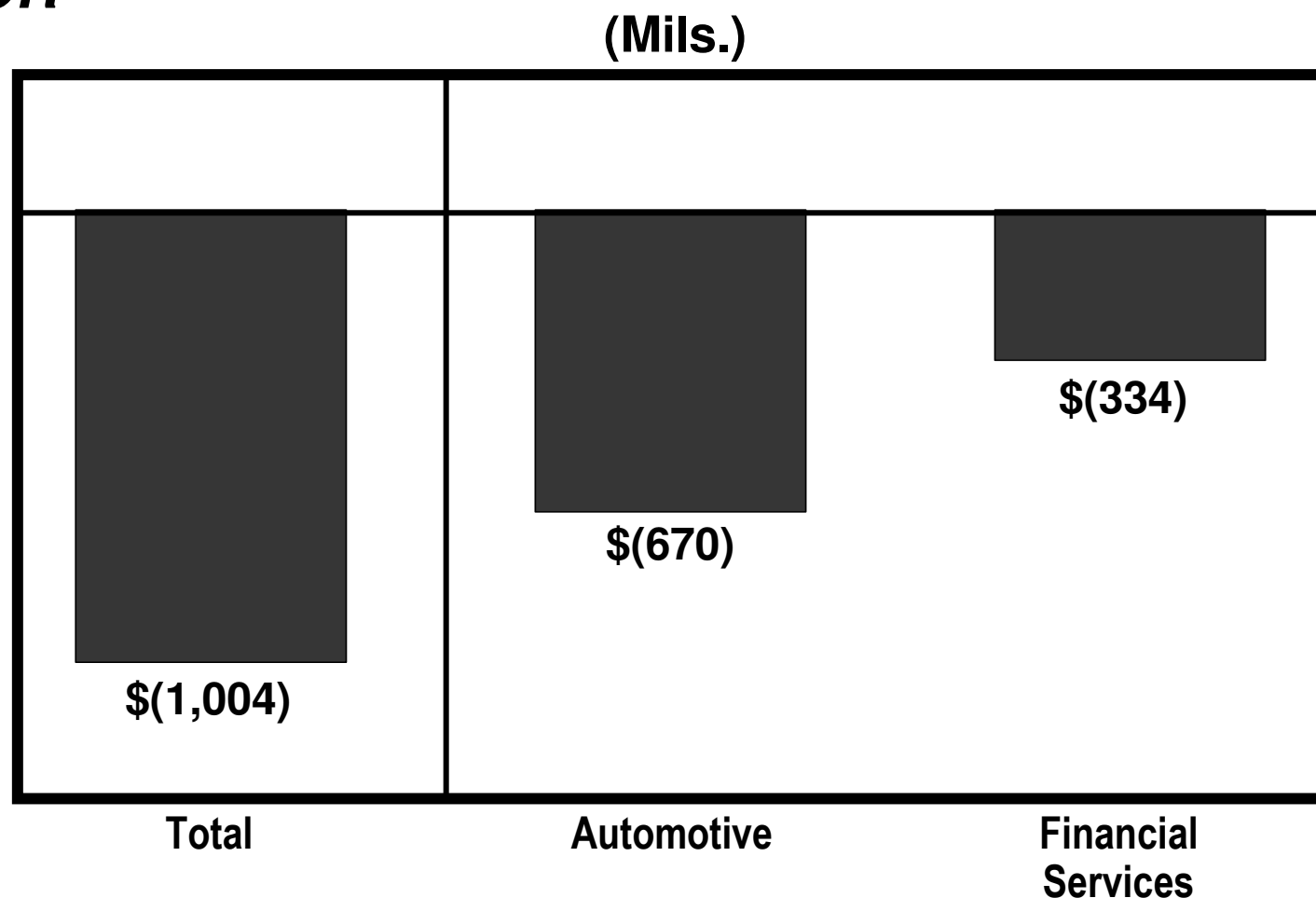


**TOTAL COMPANY  
2008 SECOND QUARTER SPECIAL ITEMS --  
IMPAIRMENTS**

	<u>Amount</u> (Mils.)
North America Long-Lived Assets	\$(5,300)
Ford Credit Operating Lease Portfolio	(2,086)
Mazda Dealership Goodwill	(214)
Total Impairments	<u><u>\$(7,600)</u></u>



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



Memo:  
B / (W) 2007

\$(1,487)

\$(1,048)

\$(439)

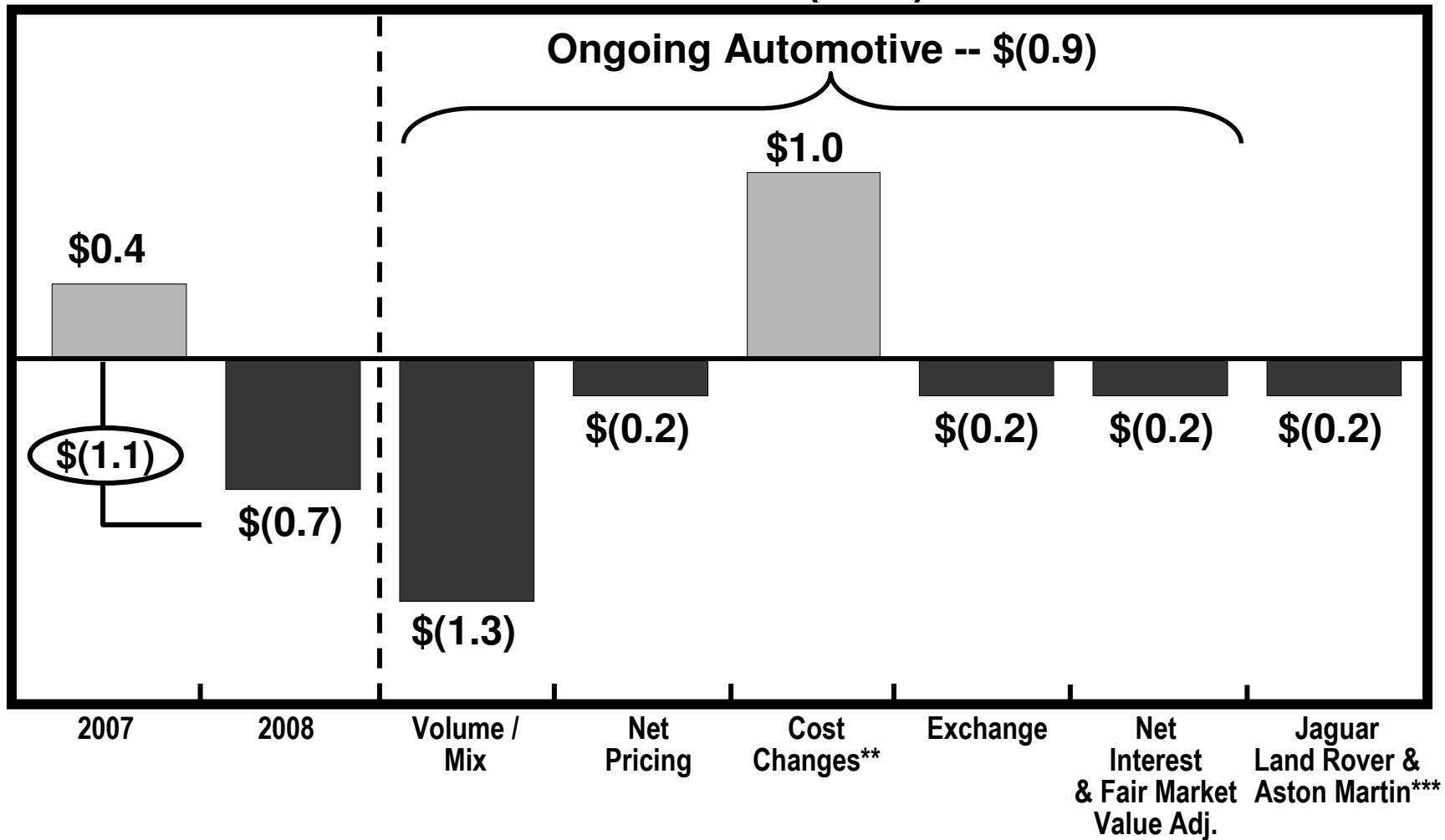
\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

# AUTOMOTIVE SECTOR

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



### Pre-Tax Profit (Bils.)\*



\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

\*\* At constant volume, mix and exchange

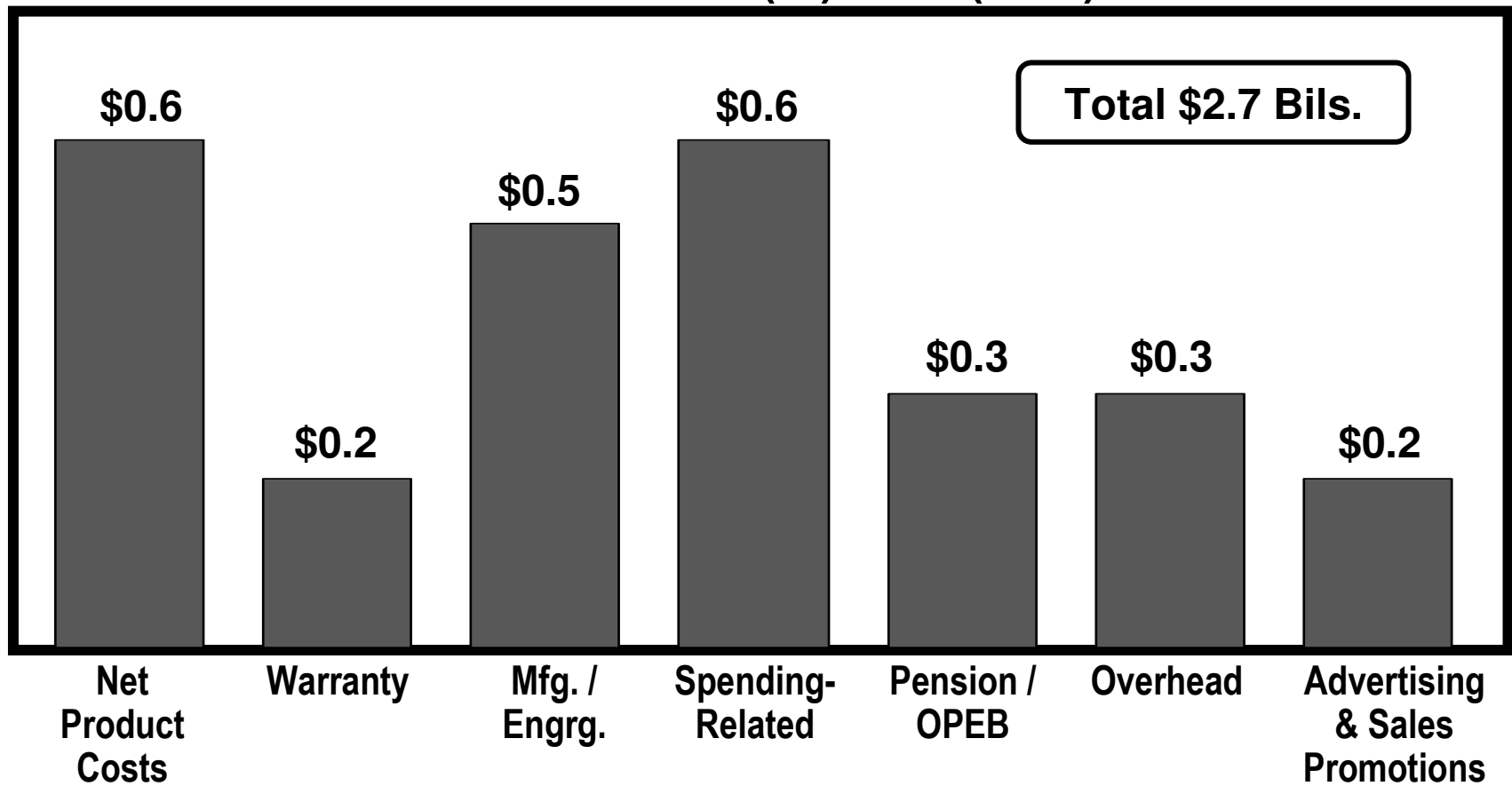
\*\*\* Non-recurrence of 2007 Second Quarter results; 2008 Second Quarter operating results exclude Jaguar Land Rover

# AUTOMOTIVE SECTOR

## 2008 FIRST HALF COST CHANGES\*



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



Memo:

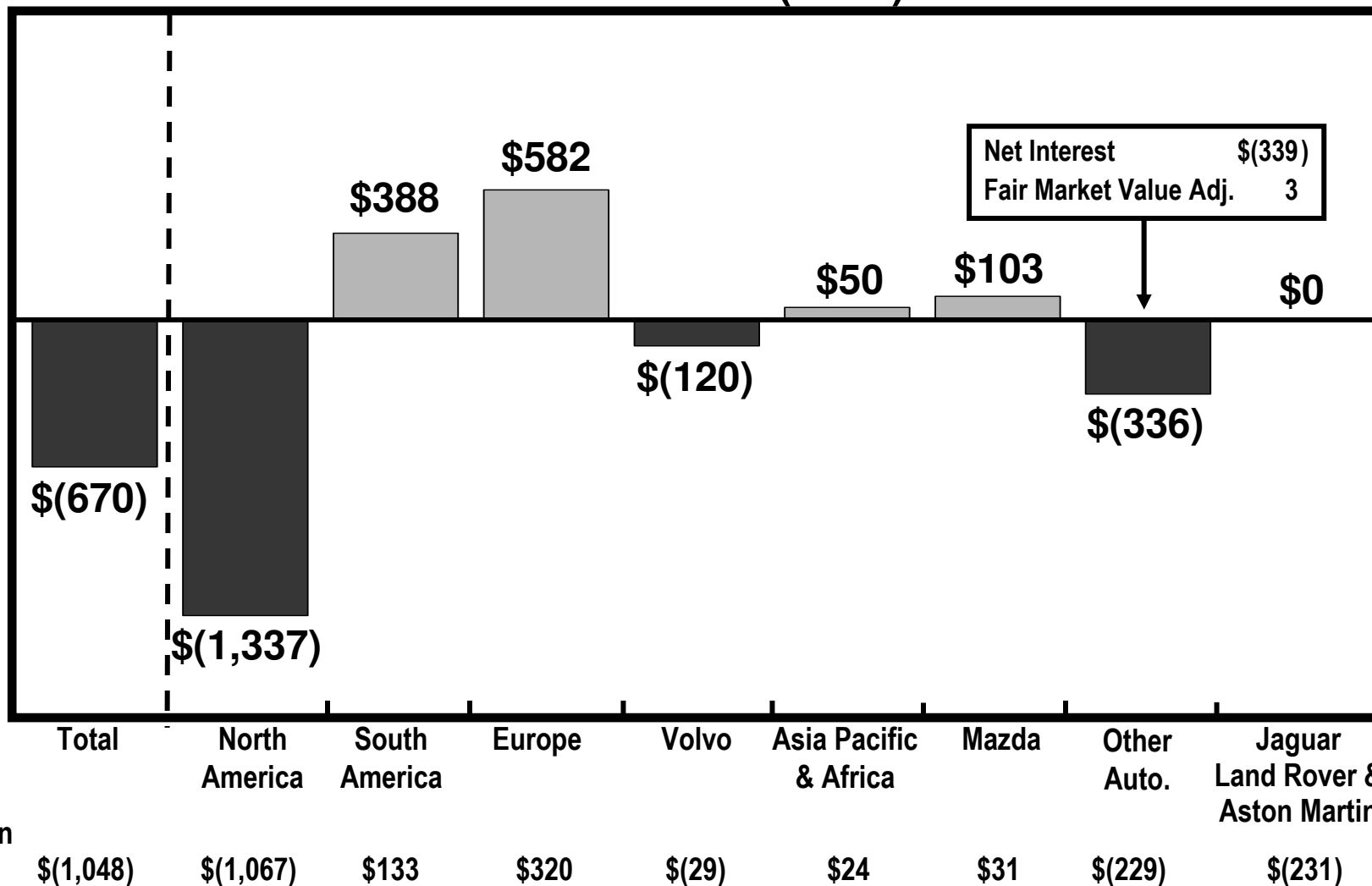
Second Quarter	\$0	\$0	\$0.2	\$0.3	\$0.2	\$0.2	\$0.1
	\$1.0						

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

# AUTOMOTIVE SECTOR 2008 SECOND QUARTER PROFIT / (LOSS) BY SEGMENT\*



Pre-Tax Profit (Mils.)\*

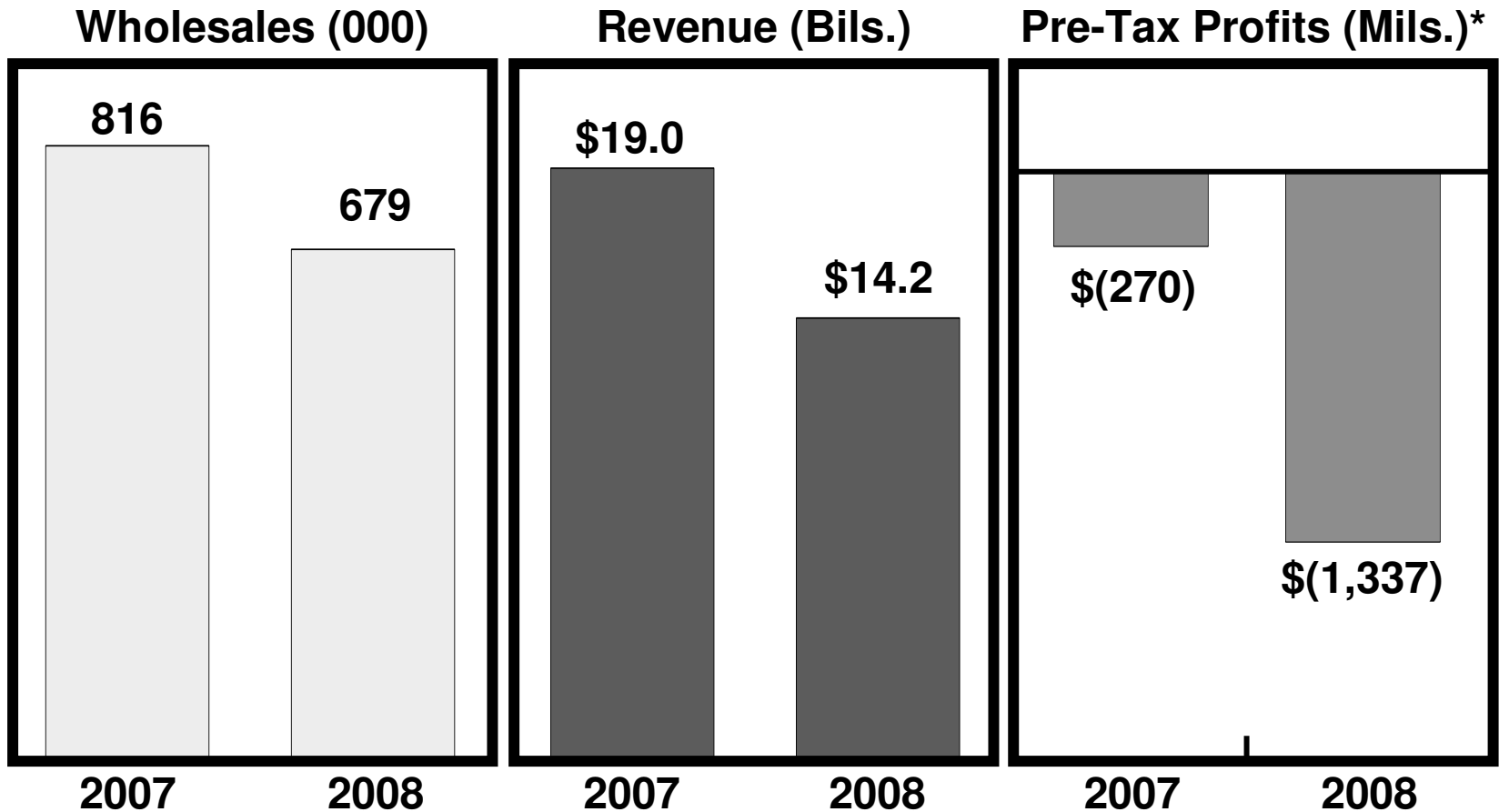


B / (W) Than  
2007

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA

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



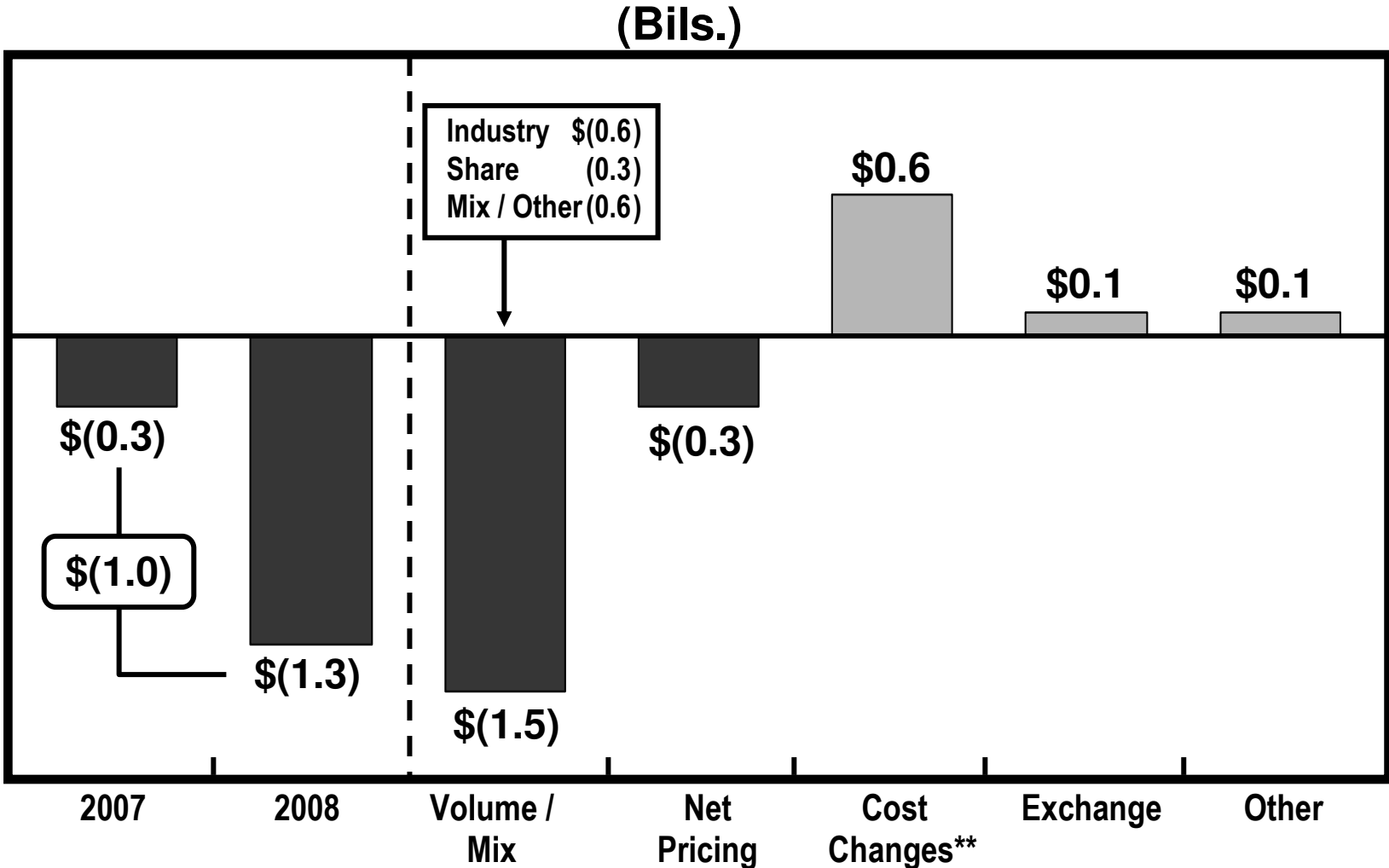
**Memo:**

U.S. Market Share	15.6%	14.4%
U.S. Dealer Inventories		
- Second Quarter	557	559
- O / (U) Prior Quarter	(11)	(6)

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP



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



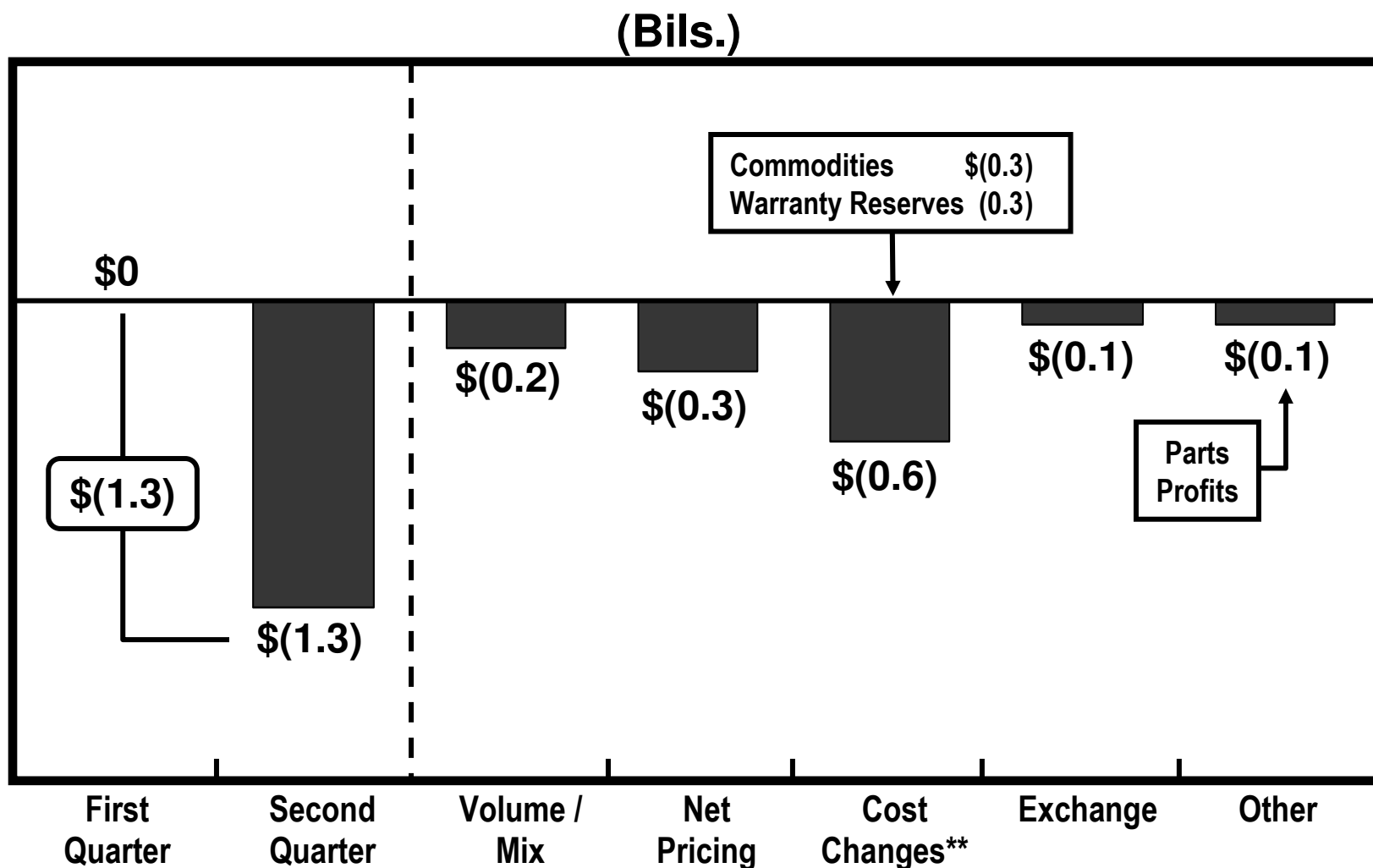
\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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





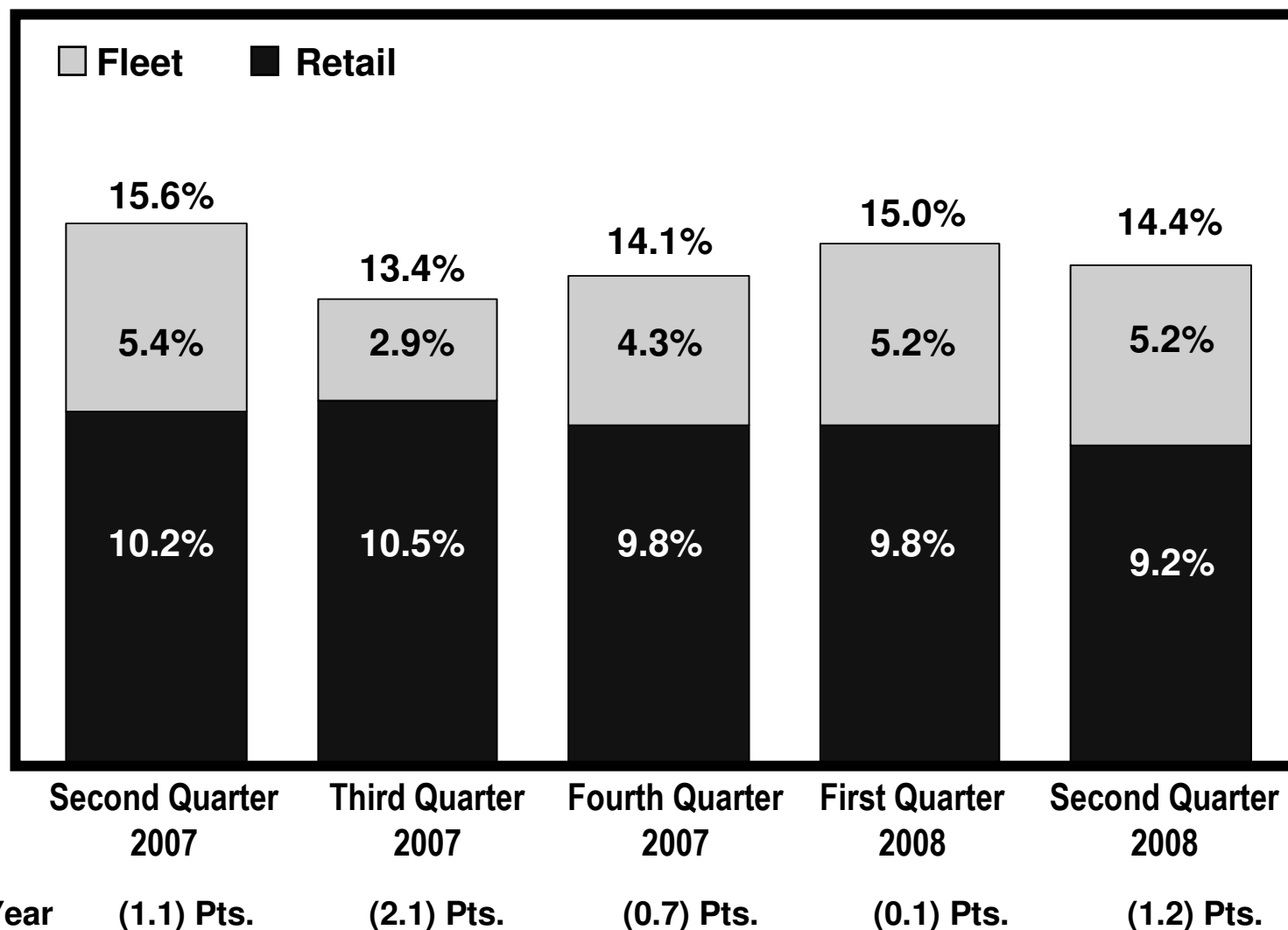
# AUTOMOTIVE SECTOR -- FORD NORTH AMERICA 2008 SECOND QUARTER AUTOMOTIVE PRE-TAX RESULTS COMPARED WITH FIRST QUARTER\*



\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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

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



**Memo: Total  
(Worse) Than Prior Year**

\* Ford and Lincoln Mercury



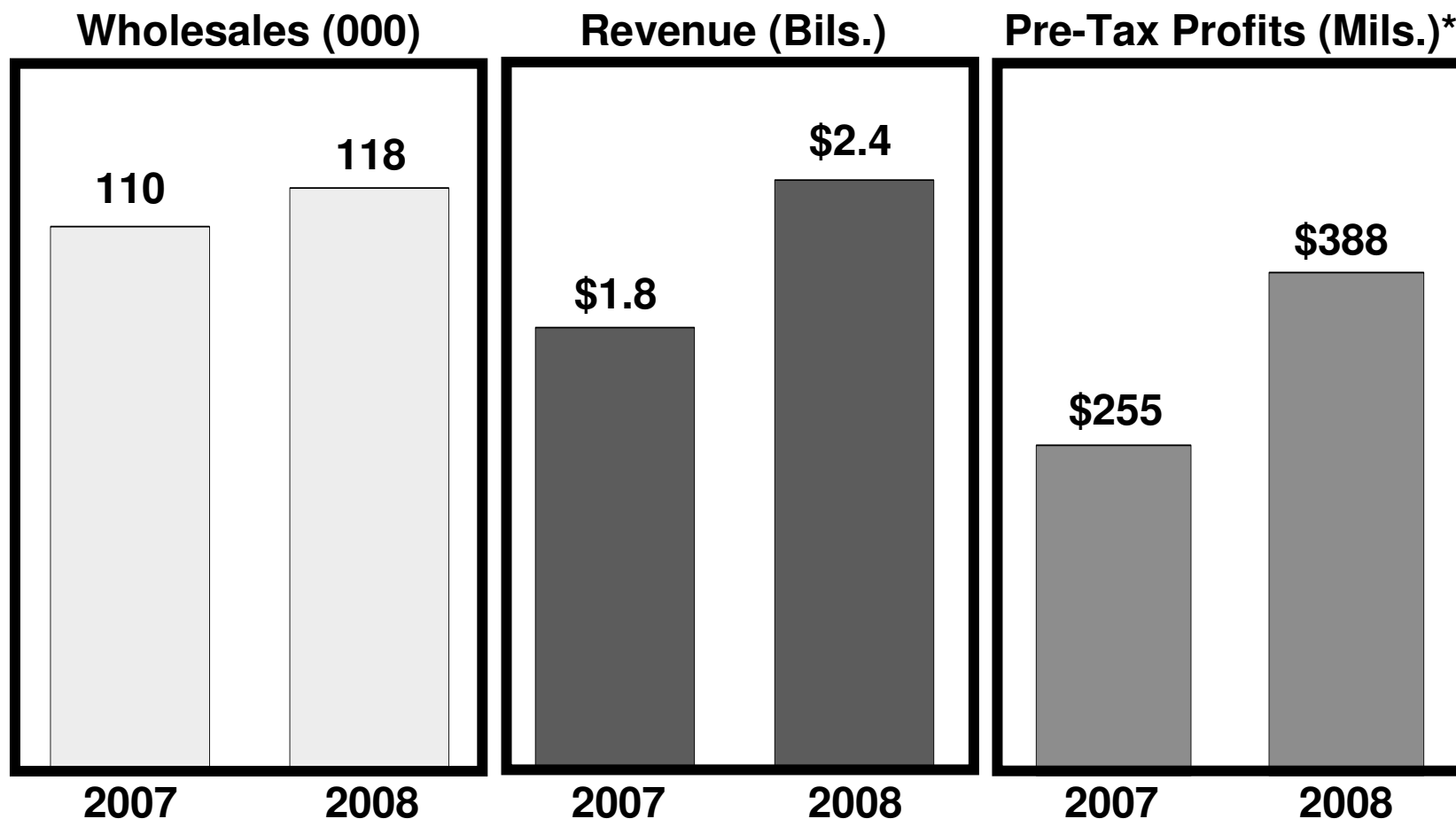
# AUTOMOTIVE SECTOR -- NORTH AMERICA

## OPERATING-RELATED COST REDUCTIONS\*

	2008					
	<u>2006</u>	<u>2007</u>	<u>First</u>	<u>Second</u>	<u>Projected</u>	
	(Bils.)	(Bils.)	Quarter	Quarter	Half	Full Year
			(Bils.)	(Bils.)	(Bils.)	(Bils.)
<b><u>Net Product Costs</u></b>						
Product Adds	\$(0.9)	\$(2.0)	\$(0.1)	\$(0.1)	\$(0.5)	\$ (0.7)
Commodities	(0.3)	(0.8)	0.1	(0.2)	(0.8)	(0.9)
Material Cost Reductions / Other	<u>1.2</u>	<u>0.8</u>	<u>0.3</u>	<u>0.3</u>	<u>0.7</u>	<u>1.3</u>
Subtotal	\$ 0	\$(2.0)	\$ 0.3	\$ 0	\$(0.6)	\$(0.3)
<b><u>Structural / Other</u></b>	<u>1.5</u>	<u>2.6</u>	<u>0.9</u>	<u>0.6</u>	<u>1.7</u>	<u>3.2</u>
Total	<u>\$ 1.5</u>	<u>\$ 0.6</u>	<u>\$ 1.2</u>	<u>\$ 0.6</u>	<u>\$ 1.1</u>	<u>\$ 2.9</u>
Cumulative	\$ 1.5	\$ 2.1	\$ 3.3	\$ 3.9	\$ 5.0	\$ 5.0
<b>Memo (Absolute):</b>						
Total Personnel Level (000)	122	89	89	85		

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

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



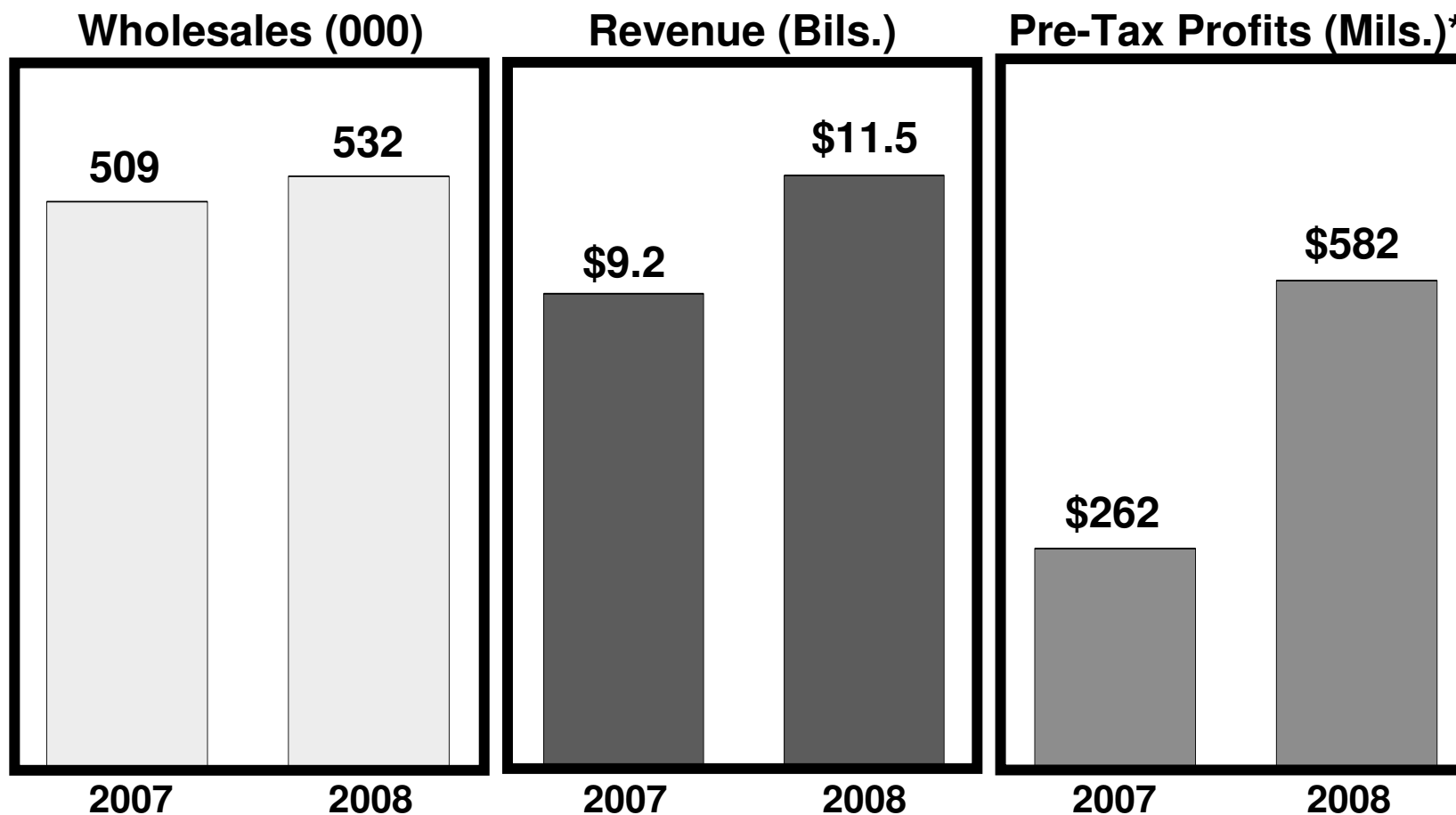
Memo:

Market Share\*\*      10.9%      9.5%

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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

# AUTOMOTIVE SECTOR -- FORD EUROPE SECOND QUARTER KEY METRICS -- 2008 vs. 2007



Memo:

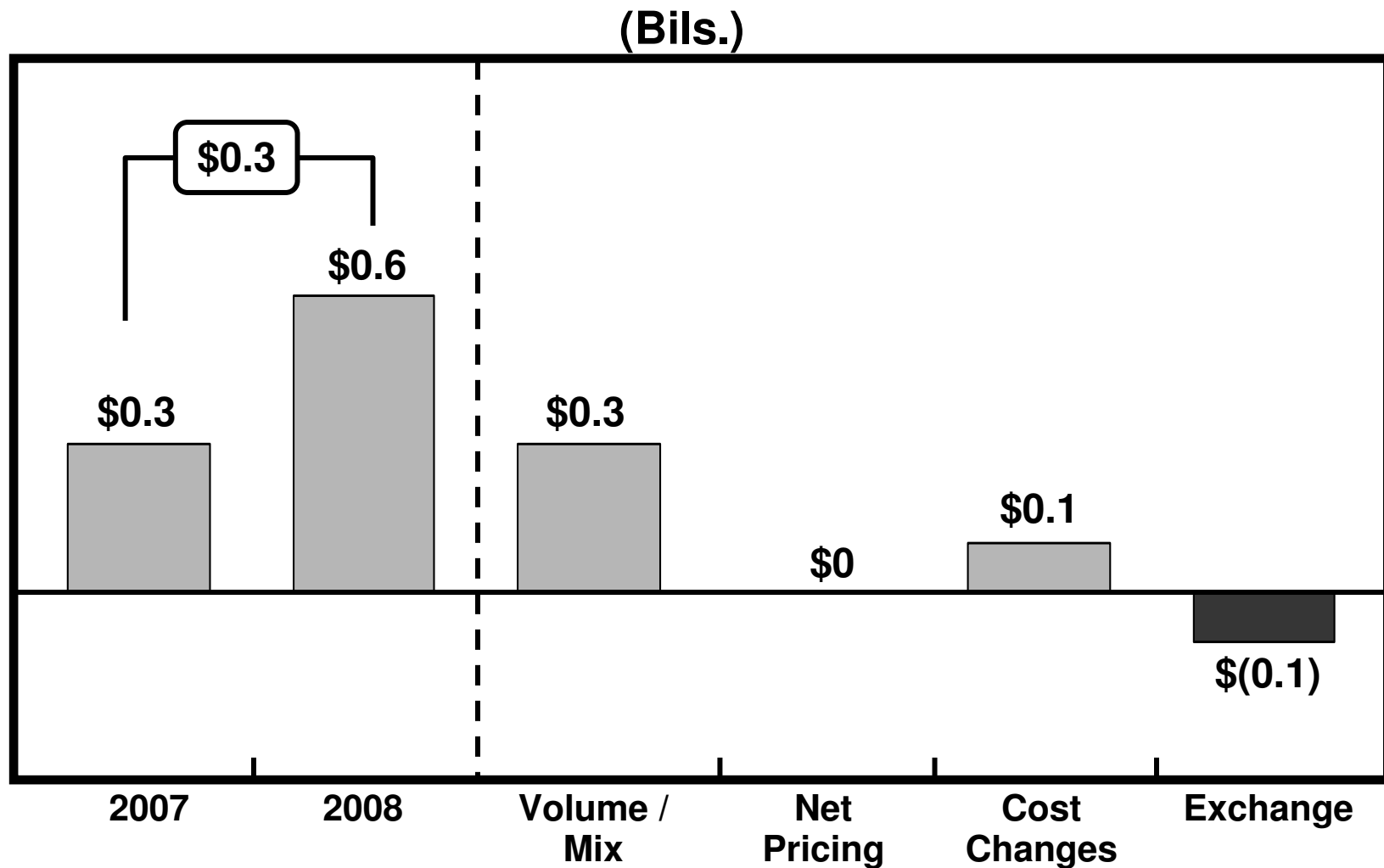
Market Share\*\* 8.3% 8.5%

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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



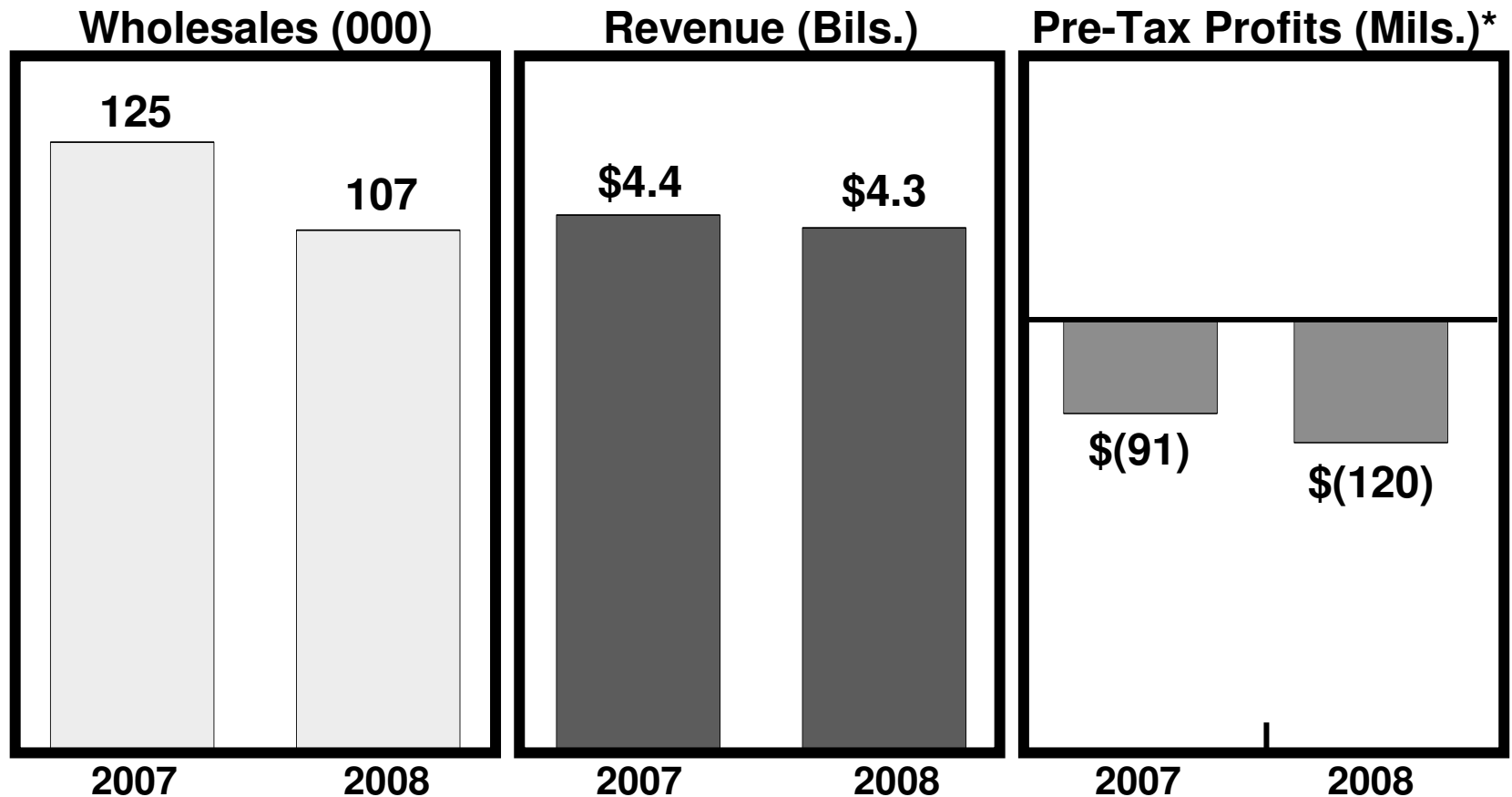
# **AUTOMOTIVE SECTOR -- FORD EUROPE 2008 SECOND QUARTER AUTOMOTIVE PRE-TAX RESULTS COMPARED WITH 2007\***



\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

# AUTOMOTIVE SECTOR -- VOLVO

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



Memo:  
Market Share\*\*

Region	2007	2008
U.S.	0.6%	0.5%
Europe	1.4	1.3

0.6%  
1.4

0.5%  
1.3

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

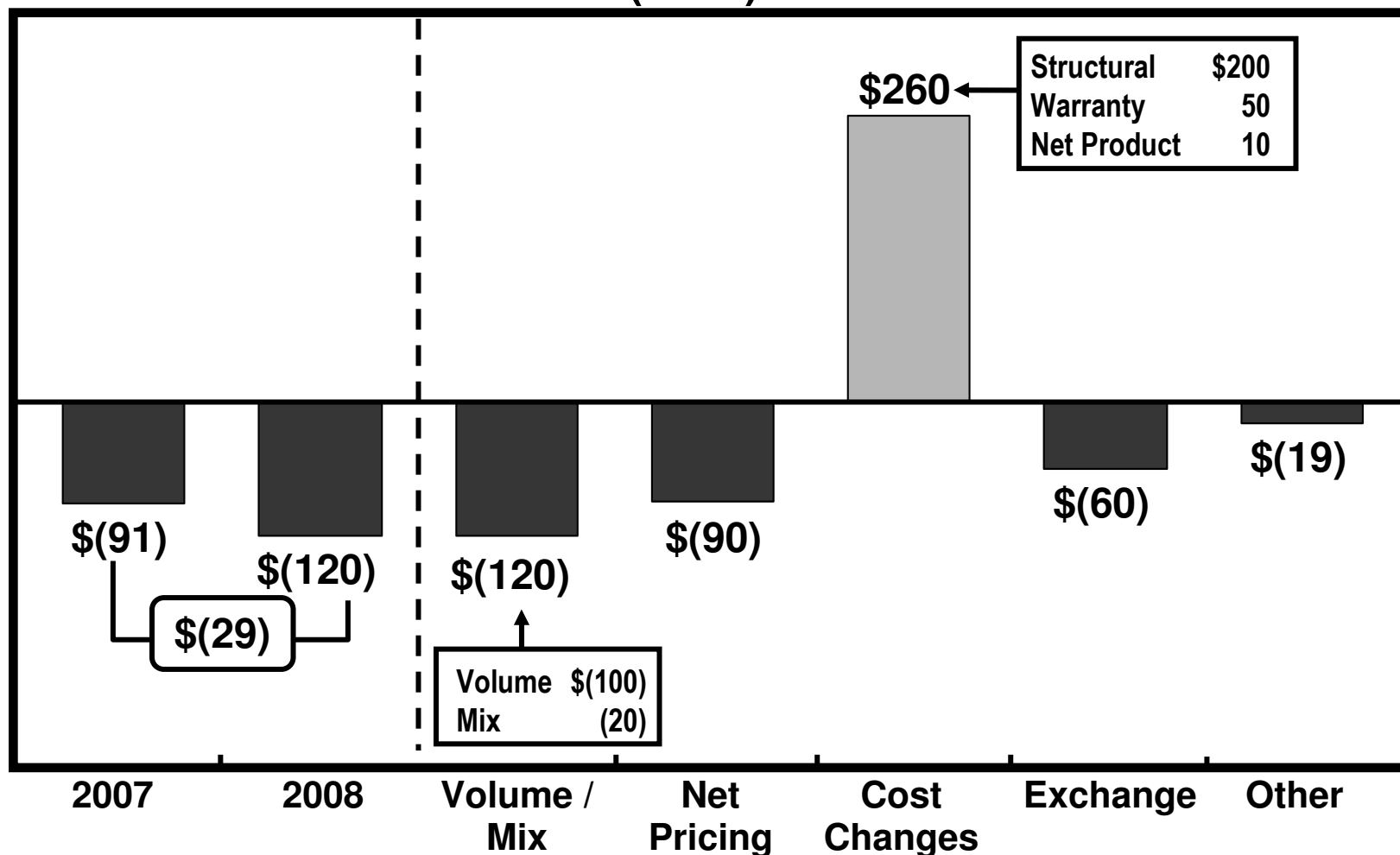
\*\* Europe market share for Volvo is based, in part, on estimated vehicle registrations for our 19 major European markets



# AUTOMOTIVE SECTOR -- VOLVO

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

(Mils.)



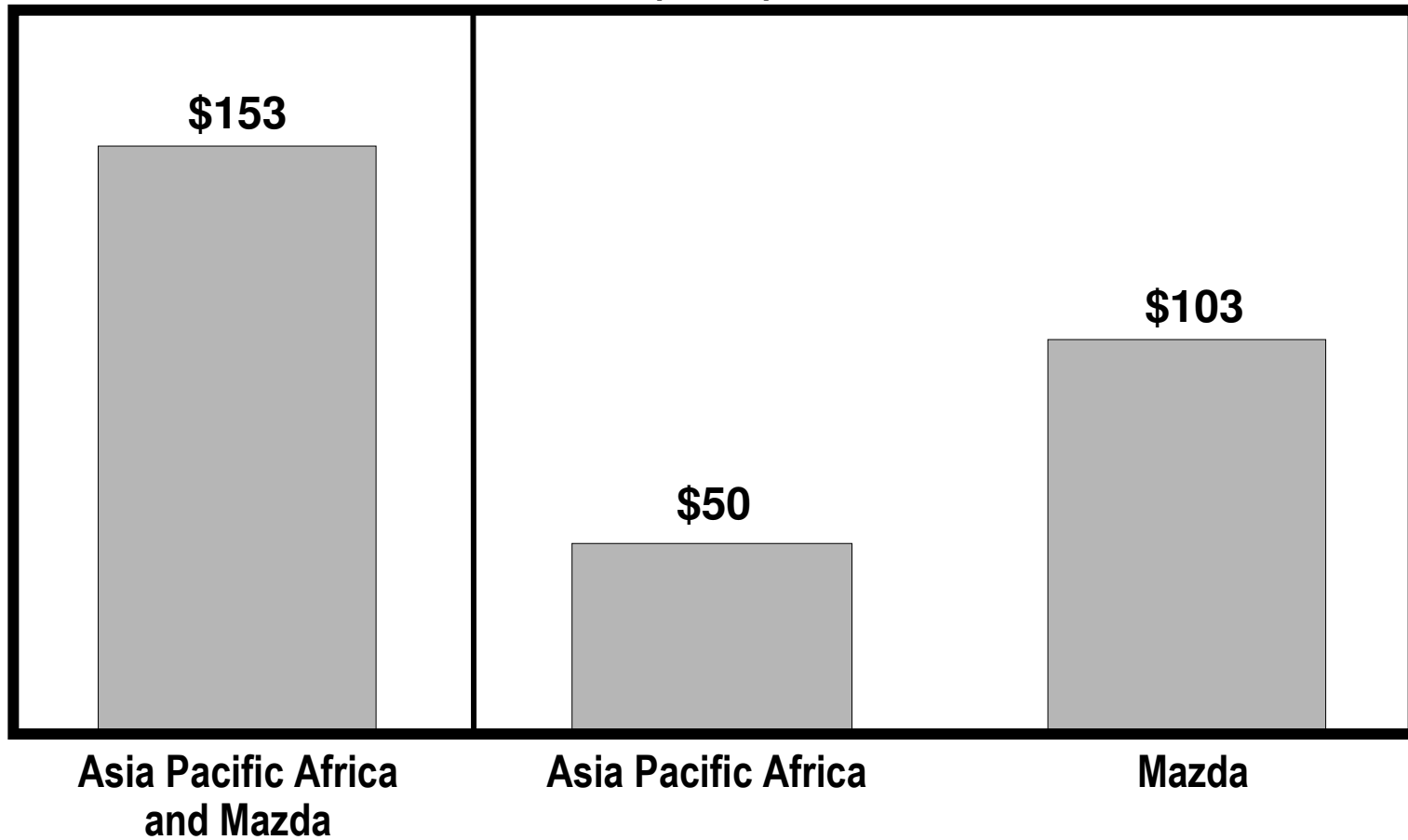
\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP



**AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AFRICA AND MAZDA  
2008 SECOND QUARTER PRE-TAX PROFITS\***



(Mils.)



**Memo:**

**B / (W) 2007**

**\$55**

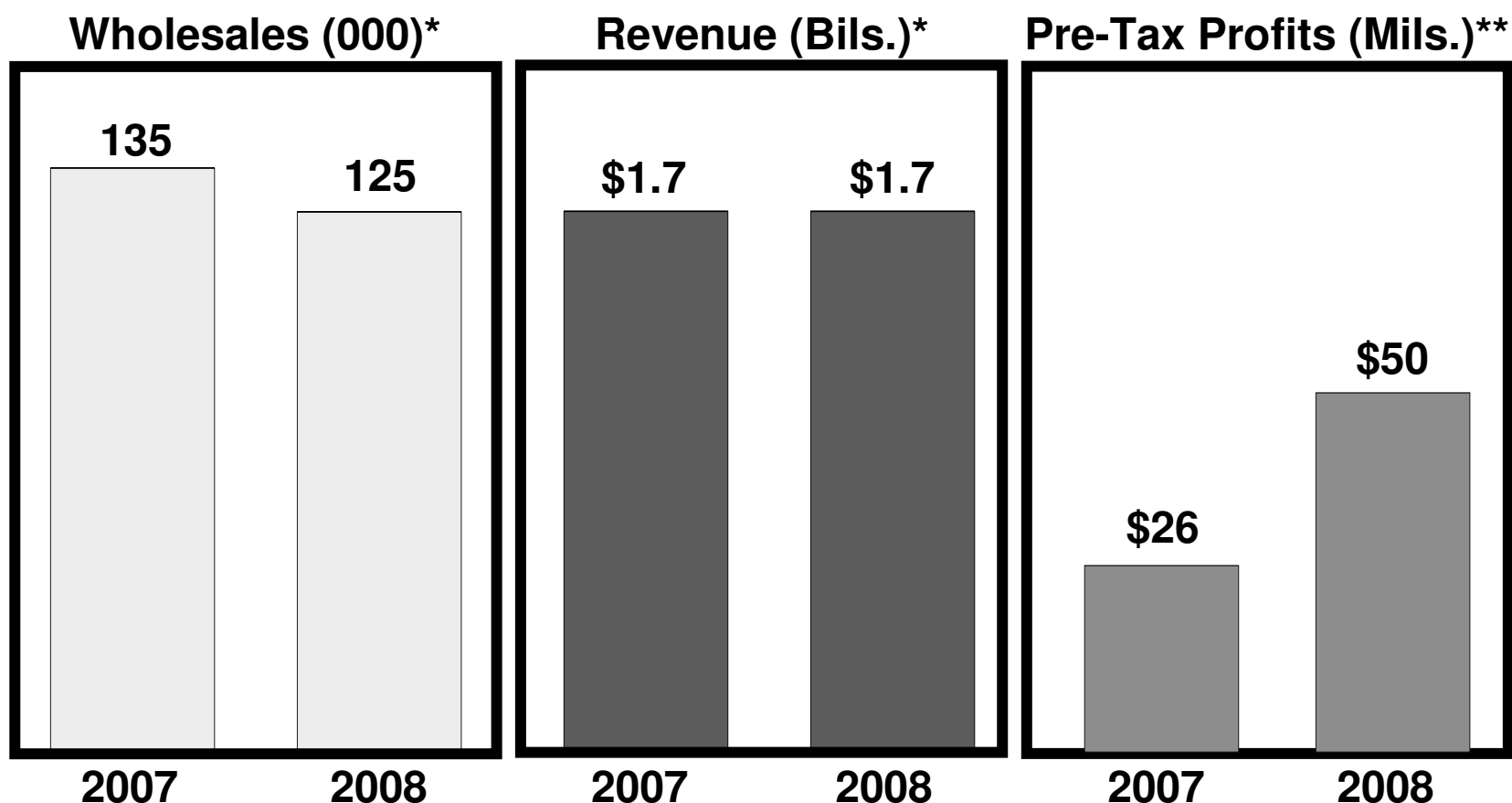
**\$24**

**\$31**

\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP



# **AUTOMOTIVE SECTOR -- FORD ASIA PACIFIC AFRICA SECOND QUARTER KEY METRICS -- 2008 vs. 2007**



Memo:

Market Share\*\*\*      2.2%                  1.9%

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

\*\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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



# **AUTOMOTIVE SECTOR**

## **2008 SECOND QUARTER CASH\***

### Gross Cash

June 30, 2008

March 31, 2008 / December 31, 2007

Change in Gross Cash

### Operating-Related Cash Flow

Automotive Pre-Tax Profits\*\*

Capital Spending

Depreciation and Amortization

Changes in Working Capital / Other (incl. Timing Differences)

Subtotal

Up-Front Subvention Payments to Ford Credit

Total Automotive Operating-Related Cash Flow

### Other Changes in Cash

Personnel Separation Programs

Pension Contributions

VEBA Related\*\*\*

Tax Refunds, Tax Payments, and Tax Receipts from Affiliates

Divestitures

All Other

Change in Gross Cash

	<u>Second Quarter (Bils.)</u>	<u>First Half (Bils.)</u>
	\$26.6	\$26.6
	<u>28.7</u>	<u>34.6</u>
	<u>\$ (2.1)</u>	<u>\$ (8.0)</u>
	\$ (0.7)	\$ 0
	(1.6)	(2.9)
	1.5	3.0
	<u>(1.5)</u>	<u>(3.1)</u>
	<u><b>\$(2.3)</b></u>	<u><b>\$(3.0)</b></u>
	<u>(0.8)</u>	<u>(1.6)</u>
	<u>\$(3.1)</u>	<u>\$ (4.6)</u>
	\$(0.2)	\$ (0.3)
	(0.2)	(0.8)
	0	(4.5)
	0	0.9
	1.7	1.8
	<u>(0.3)</u>	<u>(0.5)</u>
	<u>\$(2.1)</u>	<u>\$ (8.0)</u>

\* See Appendix for reconciliation to GAAP

\*\* Excludes special items; see Slides 7 to 9 and Appendix for reconciliation to GAAP

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



# **AUTOMOTIVE SECTOR AUTOMOTIVE FINANCIAL RESOURCES**

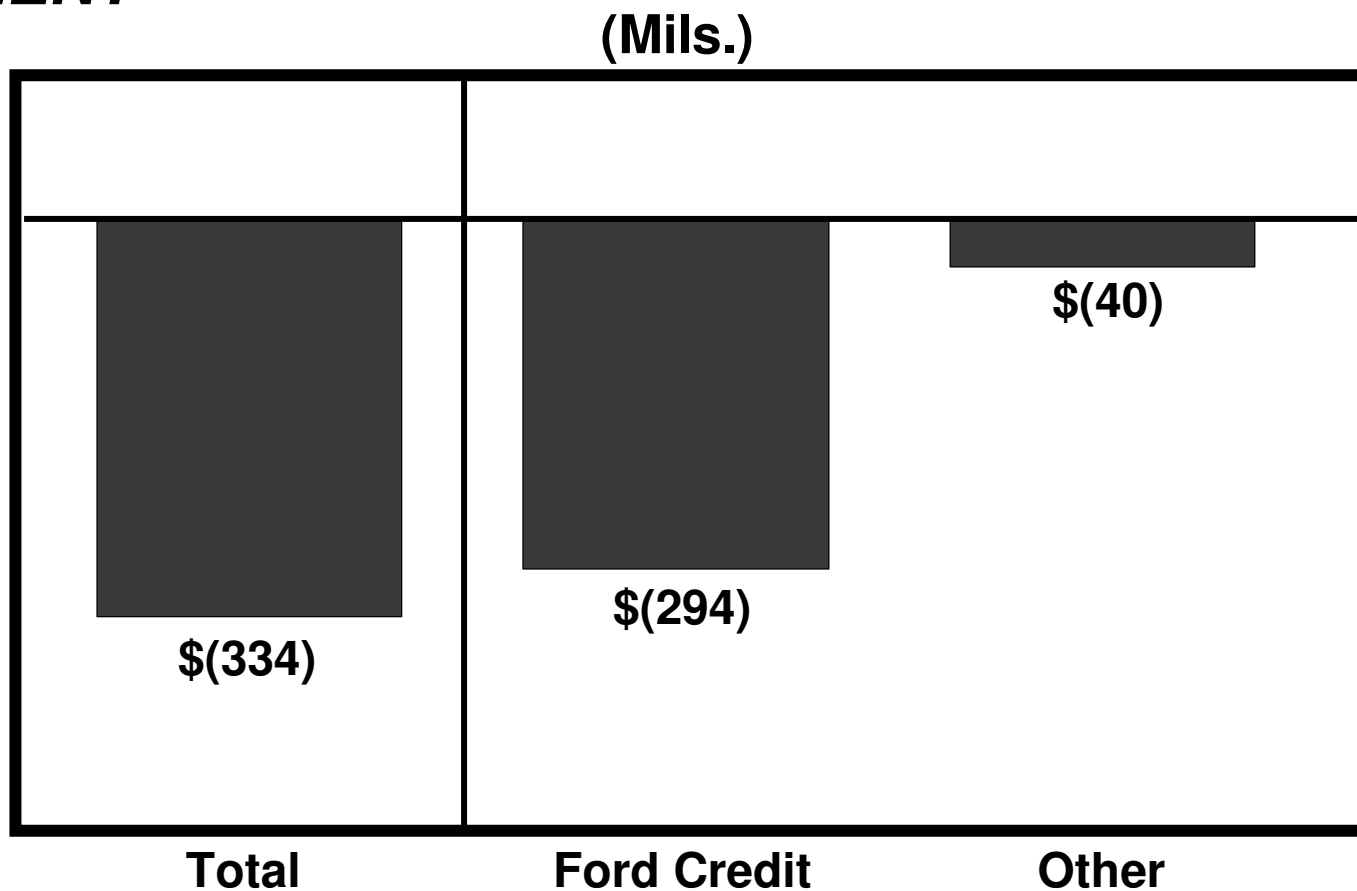
	<b><u>June 30, 2008</u></b> <b>(Bils.)</b>
<b>Gross Cash*</b>	<b>\$ 26.6</b>
<b>Available Automotive Credit Lines (Secured and Unsecured)**</b>	<b><u>11.6</u></b>
<b>Total Liquidity</b>	<b><u><u>\$ 38.2</u></u></b>
 <b>Memo: Debt</b>	 <b>\$ 26.5</b>

\* Includes cash and cash equivalents, net marketable securities, and loaned securities, and excludes UAW-Ford Temporary Asset Account securities

\*\* As of July 1, 2008, total committed secured and unsecured Automotive credit lines (including local lines available to foreign affiliates) were \$12.2 billion



**FINANCIAL SERVICES SECTOR**  
**2008 SECOND QUARTER PRE-TAX PROFIT / (LOSS)**  
**BY SEGMENT\***



**Memo:**

**B / (W) 2007**

**\$(439)**

**\$(406)**

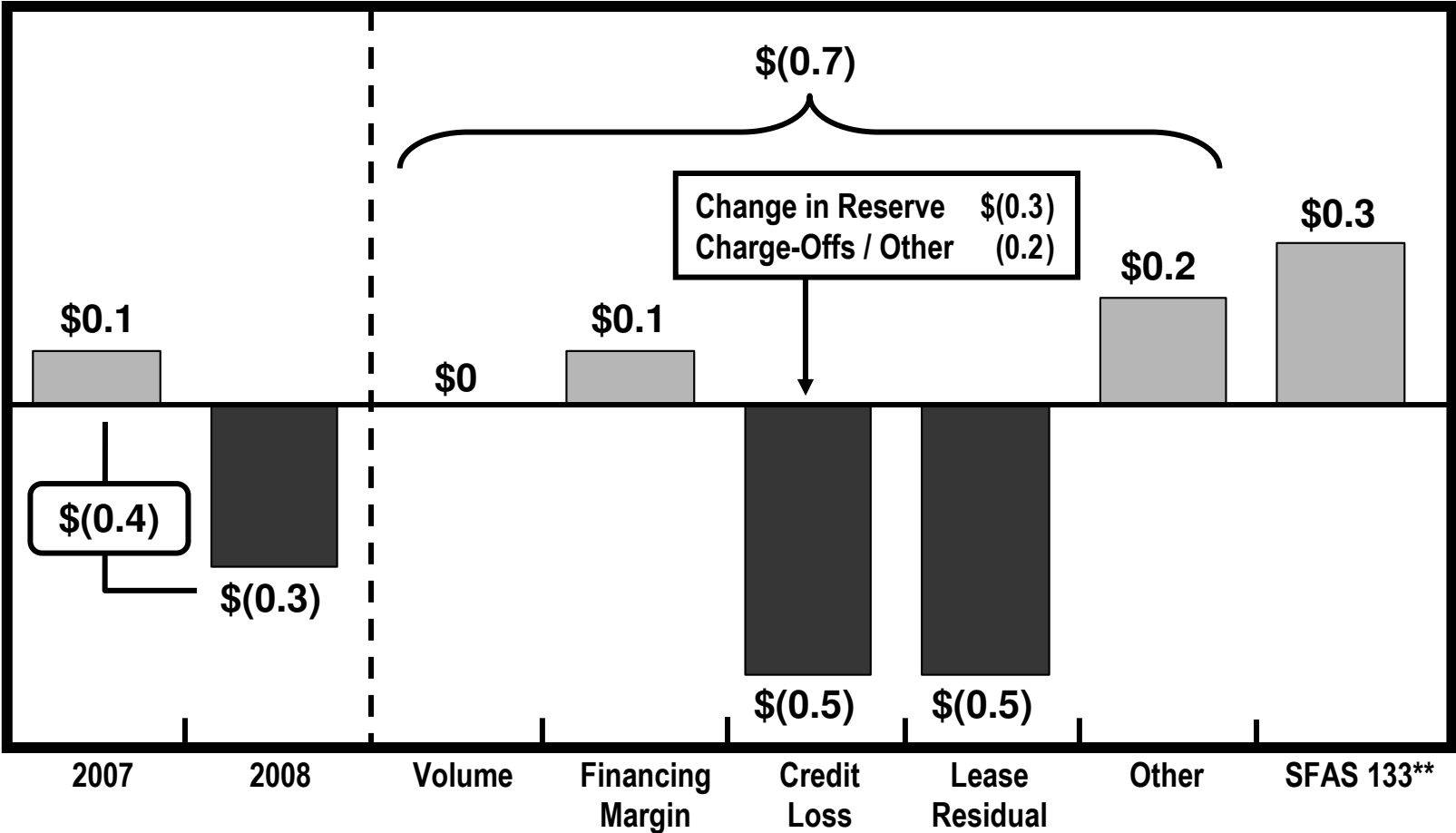
**\$(33)**

\* Excludes special items, see Slides 7 to 9 and appendix for reconciliation to GAAP



**FINANCIAL SERVICES SECTOR**  
**2008 SECOND QUARTER FORD CREDIT PRE-TAX**  
**RESULTS COMPARED WITH 2007\***

(Bils.)



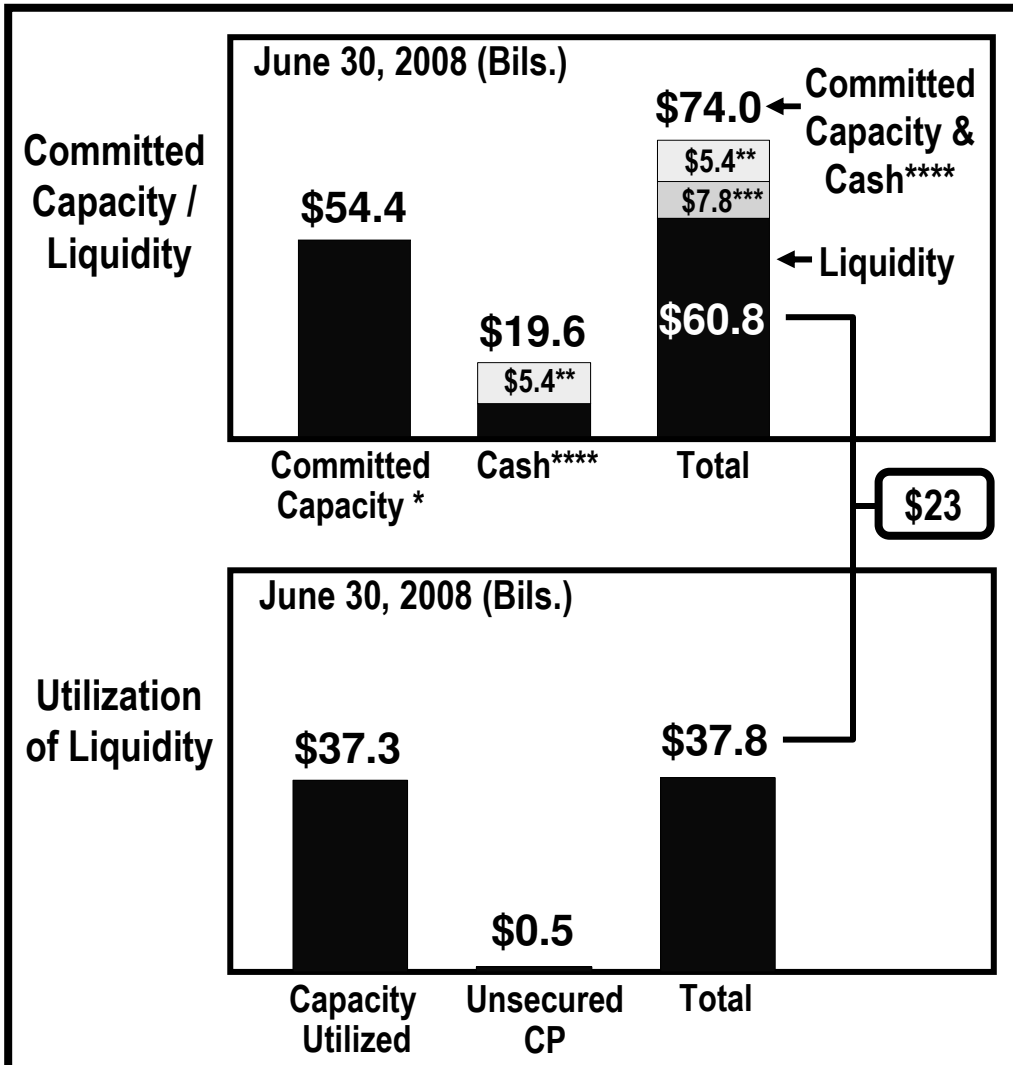
Managed Assets \$149 \$140

\* Excludes special items, see Slides 7 to 9 and Appendix for reconciliation to GAAP

\*\* Market valuation adjustments from derivatives

# FINANCIAL SERVICES SECTOR

## FORD CREDIT LIQUIDITY AND FUNDING STRATEGY



- Maintain liquidity to meet near-term funding obligations
  - Hold substantial cash balance
  - Continue to diversify global asset-backed funding capabilities
  - Renew committed asset-backed funding capacity while maintaining a diversity of liquidity providers
- Continue to explore and execute various alternative business arrangements
- Managed leverage at June 30, 2008 was 10 to 1 – below our 11.5 to 1 target
- Equity at June 30, 2008 was over \$12 bills.

\* Subject to availability of sufficient assets

\*\* To be used only to support on-balance sheet securitization transactions

\*\*\* Capacity in excess of eligible receivables

\*\*\*\* Cash, cash equivalents and marketable securities (excludes marketable securities related to insurance activities)

# AUTOMOTIVE SECTOR 2008 PLANNING ASSUMPTIONS AND OPERATIONAL METRICS



	<u>Full Year Plan</u>	<u>First Half</u>	<u>Full Year Outlook</u>
<u>Planning Assumptions</u>			
Industry Volume (SAAR) -- U.S. (Mils.)*	16.0	15.1	14.0 - 14.5
-- Europe (Mils.)**	17.6	17.5	17.2 - 17.4
 <u>Operational Metrics</u> Compared with 2007			
- Quality	Improve	Improved	On Track
- Automotive Costs***	Improve by about \$3 Billion	\$2.7 Billion	Over \$3 Billion
 <u>Absolute Amount</u>			
- U.S. Market Share (Ford and Lincoln Mercury)	Low End of 14-15% Range	14.7%	High 13%
- Operating-Related Cash Flow	Negative	\$(4.6) Billion	Greater Outflow than Plan
- Capital Spending	Around \$6 Billion	\$2.9 Billion	On Track

**2008 Operating and Overall Results Now Expected to be Worse than 2007**

\* Includes medium and heavy vehicles

\*\* European 19 major markets

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





# **AUTOMOTIVE SECTOR**

## **2008 PRODUCTION VOLUMES**

	Actual		Forecast			
	<u>Second Quarter</u>		<u>Third Quarter</u>		<u>Fourth Quarter</u>	
		O / (U)		O / (U)		O / (U)
	<u>Units</u>	<u>2007</u>	<u>Units</u>	<u>2007</u>	<u>Units</u>	<u>2007</u>
	(000)	(000)	(000)	(000)	(000)	(000)
Ford North America	685	(126)	440	(197)	500	(141)
Ford Europe	565	53	400	(16)	490	1
Volvo	112	(4)	80	(13)	110	(7)



# ***NORTH AMERICA***

**Mark Fields**  
**Executive Vice President and**  
**President of the Americas**

# ***NORTH AMERICA TRANSFORMATION THROUGH “ONE FORD”***



- **Ford uniquely positioned to respond to dramatically changing conditions in North America**
- **“One Ford” to deliver a lineup of highly acclaimed, smaller vehicles in global segments (B, C, C/D and Commercial Van) beginning in mid-2009**
- **Over 40% of Ford’s entries in these segments to be shared with Ford of Europe by 2010, with 100% alignment achieved by 2013**
- **Every new product expected to be the best or among the best in its segment for fuel economy driven by the most extensive powertrain upgrades ever for Ford**
- **The new products to be supported by a lean, flexible manufacturing system in which capacity matches demand**
- **Progress in fixing the fundamentals of the business to continue, including a continued reduction in structural costs in 2009 and broadening the ongoing consolidation of the U.S. dealer network**

# ***NORTH AMERICA CURRENT PLANNING ASSUMPTIONS***



- **U.S. economic recovery to begin by early 2010**
- **U.S. industry sales to return to trend levels as economy returns to health**
- **Product mix changes permanent, but some recovery from current share-of-industry for full-size pickups (but not back to levels experienced previously) as the economy and housing recover**
- **Oil prices to remain volatile and high**
- **No near-term relief from current level of commodity prices**
- **About 14% U.S. market share (Ford, Lincoln and Mercury)**

# ***NORTH AMERICA BALANCED PRODUCT PORTFOLIO***



- **Small car offensive with six vehicles coming to North America from global B-car and C-car platforms compared with two regional vehicles today**
- **Ford, Lincoln and Mercury lineup to be almost completely upgraded by end of 2010**
- **Hybrid vehicle production planned to double in 2009; capacity for North America four-cylinder engine production doubles by 2011**
- **EcoBoost engine technology (gas turbocharged direct-injection technology) introduced on V6 applications next year and I4 engines in 2010. Offered on 80% of the lineup by 2012**
- **Other fuel-saving technologies planned – PowerShift twin-clutch transmissions, start-stop engines, electric power-assisted steering, and direct injection and Twin Independent Variable Cam Timing engines**
- **Expanded crossover offerings and leadership in trucks maintained**

## ***NORTH AMERICA NEW PRODUCTS THROUGH 2009***



- **2009 F-150 – most capability, choice and smart features of any full-size pickup and 7% better fuel economy**
- **2010 Ford Fusion, Mercury Milan and Lincoln MKZ. Fusion's and Milan's four-cylinder fuel economy expected to top Accord and Camry**
- **2010 Ford Fusion Hybrid and Mercury Milan Hybrid – fuel economy expected to top Camry hybrid**
- **New Ford Mustang in early 2009**
- **New Ford Taurus in mid-2009 with EcoBoost engine and advanced safety and convenience technologies**
- **New European Transit Connect small multi-purpose van in mid-2009**
- **New Lincoln seven-passenger crossover with EcoBoost engine in mid-2009**

***NORTH AMERICA  
NEW PRODUCTS THROUGH 2010***



- **New Ford Fiesta, in both four- and five-door versions, in early 2010**
- **New Ford Focus, in both four- and five-door versions, in 2010**
- **New Mercury small car in 2010**
- **New small car “whitespace” entry in 2010**
- **Next-generation Explorer in 2010**

# ***NORTH AMERICA FUEL ECONOMY PLANS***



- **With every new product, Ford expects to be the best or among the best for fuel economy**
- **By the end of 2010, nearly all of Ford's North American engines will have been upgraded or replaced**
- **Within two years, nearly all of the product lineup in North America will offer six-speed transmissions**
- **Other new powertrain technologies to be deployed across the product lineup**
- **Ford to be the largest domestic producer of full hybrid vehicles in North America**



***NORTH AMERICA  
LEAN, FLEXIBLE MANUFACTURING SYSTEM***



- **Three truck assembly plants converted to small car production with initial changeover beginning this December**
- **Nearly all North American assembly plants to have flexible body shops**
- **Nearly half of our transmission and engine plants to be flexible**
- **Assembly capacity to match demand**
- **Targeted hourly buyouts at select U.S. facilities to continue**

# ***NORTH AMERICA MANUFACTURING REALIGNMENTS***



- **Michigan Truck will be converted beginning in December 2008 from full-size SUVs to production of small cars from Ford's global C-car platform in 2010**
- **Ford Expedition and Lincoln Navigator moved to Kentucky Truck in early 2009**
- **Cuautitlan in Mexico, currently producing F-Series pickups, to be converted to new Fiesta small car in early 2010**
- **Louisville, building Ford Explorer mid-size SUV, to be converted to small vehicles from Ford's global C-car platform in 2011**
- **Twin Cities to continue production of Ford Ranger compact pickup truck through 2011**
- **Kansas City to add third crew this year for Ford Escape, Escape Hybrid and Mercury Mariner and Mariner Hybrid**

# ***NORTH AMERICA CONTINUING TO FIX THE FUNDAMENTALS***



- **Significant progress accomplished to date in fixing fundamentals of the North American business**
- **Brands confirmed with focus on Ford (and aligned globally); Ford brand opinion improving**
- **90% reduction in U.S. order complexity by 2009 model year, with another 50%+ targeted for 2010**
- **Initial quality now among the best with continuous improvement planned**
- **Expect \$5 billion reduction in cumulative operating costs this year compared with 2005, with further cost reductions targeted for 2009 and beyond\***
- **U.S. dealer network consolidation progressing well; initiative to be broadened**
- **ACH dispositions continuing**

\* At constant volume, mix and exchange; excluding special items and favorable impact of 2008 impairment

# ***NORTH AMERICA SUMMARY***



- **Building on Way Forward accomplishments and leveraging “One Ford” opportunities to respond quickly and decisively to new environment**
- **Implementing a product plan aligned with Ford of Europe in global segments to deliver a balanced portfolio of products customers want and value**
- **Revamping North American manufacturing systems to rebalance capacity and build in flexibility**
- **Right blueprint for a new environment**



# ***OUR PLAN***

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

**TOTAL COMPANY  
OUR PLAN . . . ONE**



- **Aggressively restructure to operate profitability at the current demand and changing model mix**
- **Accelerate development of new products our customers want and value to deliver profitable growth**
- **Finance our plan and improve our balance sheet**
- **Work together effectively as one team**
- **Create a global “ONE” Ford . . . leveraging our global assets**
- **Introduce a complete, competitive, leading fuel-efficient product family**
- **Continuously improve our quality and productivity, and reduce our costs**
- **Polish the Blue Oval brand**



# TOTAL COMPANY OUR PLAN -- ONE FORD PRODUCT LINEUP

	Number of Different Platforms*	
	<u>Today</u>	<u>Future</u>
B-Vehicles (Fiesta)	4	1
C-Vehicles (Focus)	3	1
C / D-Vehicles (Fusion / Mondeo)	3	1
Commercial Van (Econoline, Transit)	4	1
<b>Memo:</b>		
<b>Total Platforms</b>	<b>25</b>	<b>9</b>

\* Excludes low volume applications

# TOTAL COMPANY PRODUCT HIGHLIGHTS



**European Focus**



**North American Focus**



**Fiesta**



**Transit Connect**



**Fusion**



**Mondeo**



# **TOTAL COMPANY BUILD UPON PROFITABLE OVERSEAS OPERATIONS**



## **Europe**

- New Focus and new Kuga AWD crossover launched earlier this year
- New Fiesta and new Ka small-car debuts later this year
- Adding Mondeo production this year and increasing Focus output in 2009 in St. Petersburg as Russian auto market continues to grow
- Retooling Craiova, Romania, to build Transit Connect for European markets in 2009

## **Asia Pacific and Africa**

- New Fiesta launches later this year in Nanjing
- Expanding capacity in Chennai, India, to produce new small cars and powertrains
- Expanding AAT in Thailand for new small car production
- South Africa to build new small pickup truck and diesel engine

## **South America**

- Launched new Ka in 2008, plan to launch more new vehicles later this year
- Expanding capacity in Brazil for cars, heavy trucks, and engines
- Global products in Brazil and Argentina

**Ford's international automotive operations have earned over \$4 billion during the past 18 months\***

\* Excluding special items



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

**Business conditions have changed quickly but:**

- **We sold Aston Martin and Jaguar Land Rover to raise capital and increase focus on the Ford brand**
- **Took the right steps to obtain financing for our plan, and we continue to implement the UAW VEBA**
- **We are operating Volvo on a more stand-alone basis**
- **We are uniquely positioned through our focus on the Ford brand to leverage our global assets to bring more small, fuel-efficient vehicles to North America and the rest of the world**
- **We are pursuing profitable growth throughout the world**

# SAFE HARBOR



## Risk Factors

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

- Continued 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, Europe, or South America 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 postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Inability to implement Retiree Health Care Settlement Agreement with UAW to fund and discharge retiree health care obligations because of failure to obtain court approval or otherwise;
- 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., CO<sub>2</sub>), fuel economy, or other regulation resulting in higher costs, cash expenditures, and/or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in our products or otherwise;
- A change in our requirements for parts or materials where we have entered into long-term supply arrangements that commit us to purchase minimum or fixed quantities of certain parts or materials, or to pay a minimum amount to the seller (“take-or-pay” contracts);
- Adverse effects on our results from a decrease in or cessation of government incentives;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Substantial negative Automotive operating-related cash flows for the near- to medium-term affecting our ability to meet our obligations, invest in our business or refinance our debt;
- Substantial levels of Automotive indebtedness adversely affecting our financial condition or preventing us from fulfilling our debt obligations (which may grow because we are able to incur substantially more debt, including additional secured debt);
- 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, market volatility, market disruption 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 forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion of these risks, see “Item 1A. Risk Factors” of our 2007 10-K Report.



# APPENDIX



# TOTAL COMPANY CALCULATION OF EARNINGS PER SHARE

	Second Quarter 2008		First Half 2008	
	Net Income (Mils.)	Cont. Ops. -- Excl. Special Items (Mils.)	Net Income (Mils.)	Cont. Ops. -- Excl. Special Items (Mils.)
<b><u>Numerator</u></b>				
Net Income	\$(8,667)	\$(1,376)	\$(8,567)	\$(869)
Impact on Income from assumed exchange of convertible notes and convertible trust preferred securities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Income for EPS	<u>\$(8,667)</u>	<u>\$(1,376)</u>	<u>\$(8,567)</u>	<u>\$(869)</u>
<b><u>Denominator</u></b>				
Average shares outstanding	2,237	2,237	2,213	2,213
Net issuable shares, primarily stock options	0	0	0	0
Convertible notes	0	0	0	0
Convertible trust preferred securities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Average shares for EPS	<u>2,237</u>	<u>2,237</u>	<u>2,213</u>	<u>2,213</u>
EPS	\$ (3.88)	\$ (0.62)	\$ (3.87)	\$(0.39)



**TOTAL COMPANY**  
**SECOND QUARTER AND FIRST HALF INCOME / (LOSS)**  
**FROM CONTINUING OPERATIONS COMPARED WITH 2007**

	<u>Second Quarter</u>		<u>First Half</u>	
	<u>2007</u> (Mils.)	<u>2008</u> (Mils.)	<u>2007</u> (Mils.)	<u>2008</u> (Mils.)
Pre-Tax Results from Continuing Operations (Excluding Special Items)	\$ 483	\$(1,004)	\$ 552	\$ (288)
Minority Interest in Net (Income) / Loss of Subsidiaries	(85)	(89)	(143)	(211)
(Provision for) / Benefit from Income Taxes applied to Pre-Tax Results from Continuing Operations (Excl. Special Items)	<u>(140)</u>	<u>(283)</u>	<u>(322)</u>	<u>(370)</u>
After-Tax Results (Excl. Special Items)	\$ 258	\$(1,376)	\$ 87	\$ (869)
Pre-Tax Special Items*	443	(8,026)	330	(8,426)
(Provision for) / Benefit from Income Taxes on Special Items	<u>17</u>	<u>727</u>	<u>17</u>	<u>719</u>
Income / (Loss) from Continuing Operations	<u>\$ 718</u>	<u>\$(8,675)</u>	<u>\$ 434</u>	<u>\$(8,576)</u>
(Provision for) / Benefit from Income Taxes applied to Pre-Tax Results from Continuing Operations (Excl. Special Items)	\$(140)	\$ (283)	\$(322)	\$ (370)
(Provision for) / Benefit from Income Taxes on Special Items	<u>17</u>	<u>727</u>	<u>17</u>	<u>719</u>
(Provision for) / Benefit from Income Taxes	<u>\$(123)</u>	<u>\$ 444</u>	<u>\$(305)</u>	<u>\$ 349</u>

\* Special items detailed on Slides 8 and 9



# TOTAL COMPANY

## 2007 – 2008 SECOND QUARTER PRE-TAX RESULTS

	Pre-Tax Profits				Pre-Tax Profits	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$ (67)	\$(7,153)	\$ 203	\$(5,816)	\$(270)	\$(1,337)
South America	255	388	0	0	255	388
Europe	184	579	(78)	(3)	262	582
Volvo	(91)	(152)	0	(32)	(91)	(120)
Asia Pacific Africa	18	43	(8)	(7)	26	50
Mazda	72	(111)	0	(214)	72	103
Subtotal	<u>\$ 371</u>	<u>\$(6,406)</u>	<u>\$ 117</u>	<u>\$(6,072)</u>	<u>\$ 254</u>	<u>\$ (334)</u>
Other Automotive	<u>(107)</u>	<u>(279)</u>	<u>0</u>	<u>57</u>	<u>(107)</u>	<u>(336)</u>
Subtotal Ongoing Auto.	<u>\$ 264</u>	<u>\$(6,685)</u>	<u>\$ 117</u>	<u>\$(6,015)</u>	<u>\$ 147</u>	<u>\$ (670)</u>
JLR and Aston Martin	557	75	326	75	231	0
Total Automotive	<u>\$ 821</u>	<u>\$(6,610)</u>	<u>\$ 443</u>	<u>\$(5,940)</u>	<u>\$ 378</u>	<u>\$ (670)</u>
Financial Services	105	(2,420)	0	(2,086)	105	(334)
Total Company	<u><u>\$ 926</u></u>	<u><u>\$(9,030)</u></u>	<u><u>\$ 443</u></u>	<u><u>\$(8,026)</u></u>	<u><u>\$ 483</u></u>	<u><u>\$(1,004)</u></u>



# TOTAL COMPANY

## 2007 – 2008 FIRST HALF PRE-TAX RESULTS

	Pre-Tax Profits				Pre-Tax Profits	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$(769)	\$(7,598)	\$ 114	\$(6,216)	\$(883)	\$(1,382)
South America	368	645	0	0	368	645
Europe	392	1,307	(89)	(14)	481	1,321
Volvo	(1)	(303)	(4)	(32)	3	(271)
Asia Pacific Africa	(10)	39	(10)	(12)	0	51
Mazda	<u>93</u>	<u>(62)</u>	<u>0</u>	<u>(214)</u>	<u>93</u>	<u>152</u>
Subtotal	\$ 73	\$(5,972)	\$ 11	\$(6,488)	\$ 62	\$ 516
Other Automotive	<u>(448)</u>	<u>(461)</u>	<u>0</u>	<u>73</u>	<u>(448)</u>	<u>(534)</u>
Subtotal Ongoing Auto.	\$(375)	\$(6,433)	\$ 11	\$(6,415)	\$(368)	\$ (18)
JLR and Aston Martin	<u>858</u>	<u>75</u>	<u>319</u>	<u>75</u>	<u>539</u>	<u>0</u>
Total Automotive	\$ 483	\$(6,358)	\$ 330	\$(6,340)	\$ 153	\$ (18)
Financial Services	<u>399</u>	<u>(2,356)</u>	<u>0</u>	<u>(2,086)</u>	<u>399</u>	<u>(270)</u>
Total Company	<u>\$ 882</u>	<u>\$(8,714)</u>	<u>\$ 330</u>	<u>\$(8,426)</u>	<u>\$ 552</u>	<u>\$ (288)</u>





# **TOTAL COMPANY**

## **2007 – 2008 SECOND QUARTER REVENUE**

	Revenue				Revenue	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$18,961	\$14,219	\$ 0	\$ 0	\$18,961	\$14,219
South America	1,827	2,346	0	0	1,827	2,346
Europe	9,203	11,559	0	0	9,203	11,559
Volvo	4,373	4,326	0	0	4,373	4,326
Asia Pacific Africa	1,727	1,778	0	0	1,727	1,778
Mazda	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Ongoing Auto.	\$36,091	\$34,228	\$ 0	\$ 0	\$36,091	\$34,228
JLR and Aston Martin	4,015	2,829	0	2,829	4,015	0
Total Automotive	<u>\$40,106</u>	<u>\$37,057</u>	<u>\$ 0</u>	<u>\$ 2,829</u>	<u>\$40,106</u>	<u>\$34,228</u>
Financial Services	4,136	4,455	0	0	4,136	4,455
Total Company	<u>\$44,242</u>	<u>\$41,512</u>	<u>\$ 0</u>	<u>\$ 2,829</u>	<u>\$44,242</u>	<u>\$38,683</u>



## **TOTAL COMPANY 2007 – 2008 FIRST HALF REVENUE**

	Revenue				Revenue	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$37,520	\$31,329	\$ 0	\$ 0	\$37,520	\$31,329
South America	3,110	4,188	0	0	3,110	4,188
Europe	17,835	21,714	0	0	17,835	21,714
Volvo	8,945	8,523	0	0	8,945	8,523
Asia Pacific Africa	3,496	3,446	0	0	3,496	3,446
Mazda	-	-	-	-	-	-
Subtotal Ongoing Auto.	<u>\$70,906</u>	<u>\$69,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$70,906</u>	<u>\$69,200</u>
JLR and Aston Martin	7,830	6,974	0	6,974	7,830	0
Total Automotive	<u>\$78,736</u>	<u>\$76,174</u>	<u>\$ 0</u>	<u>\$ 6,974</u>	<u>\$78,736</u>	<u>\$69,200</u>
Financial Services	<u>8,525</u>	<u>8,866</u>	<u>0</u>	<u>0</u>	<u>8,525</u>	<u>8,866</u>
Total Company	<u><u>\$87,261</u></u>	<u><u>\$85,040</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,974</u></u>	<u><u>\$87,261</u></u>	<u><u>\$78,066</u></u>



# TOTAL COMPANY 2008 SECOND QUARTER WHOLESALLES

	Wholesales				Wholesales	
	(Incl. Special Items)		Special Items		(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(000)	(000)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	816	679	0	0	816	679
South America	110	118	0	0	110	118
Europe	509	532	0	0	509	532
Volvo	125	107	0	0	125	107
Asia Pacific Africa**	135	125	0	0	135	125
Mazda	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>1,695</u>	<u>1,561</u>	<u>0</u>	<u>0</u>	<u>1,695</u>	<u>1,561</u>
Other Automotive	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Automotive Ops.	<u>1,695</u>	<u>1,561</u>	<u>0</u>	<u>0</u>	<u>1,695</u>	<u>1,561</u>
JLR and Aston Martin	<u>78</u>	<u>51</u>	<u>0</u>	<u>51</u>	<u>78</u>	<u>0</u>
Total Automotive	<u><u>1,773</u></u>	<u><u>1,612</u></u>	<u><u>0</u></u>	<u><u>51</u></u>	<u><u>1,773</u></u>	<u><u>1,561</u></u>

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

\*\* Included in wholesales of Asia Pacific Africa are Ford-badged vehicles sold in China and Malaysia by certain unconsolidated affiliates totaling about 49,000 and 55,000 units in 2008 and 2007, respectively.



# TOTAL COMPANY 2008 FIRST HALF WHOLESALLES

	Wholesales		Special Items		Wholesales	
	(Incl. Special Items)				(Excl. Special Items)	
	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>
	(000)	(000)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America*	1,560	1,383	0	0	1,560	1,383
South America	194	210	0	0	194	210
Europe	1,009	1,032	0	0	1,009	1,032
Volvo	253	213	0	0	253	213
Asia Pacific Africa**	261	254	0	0	261	254
Mazda	0	0	0	0	0	0
Subtotal	<u>3,277</u>	<u>3,092</u>	<u>0</u>	<u>0</u>	<u>3,277</u>	<u>3,092</u>
Other Automotive	0	0	0	0	0	0
Subtotal Automotive Ops.	<u>3,277</u>	<u>3,092</u>	<u>0</u>	<u>0</u>	<u>3,277</u>	<u>3,092</u>
JLR and Aston Martin	146	125	0	125	146	0
Total Automotive	<u>3,423</u>	<u>3,217</u>	<u>0</u>	<u>125</u>	<u>3,423</u>	<u>3,092</u>

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

\*\* Included in wholesales of Asia Pacific Africa are Ford-badged vehicles sold in China and Malaysia by certain unconsolidated affiliates totaling about 104,000 and 93,000 units in 2008 and 2007, respectively.



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

	<b>March 31, 2008</b>	<b>June 30, 2008</b>
	<b>(000)</b>	<b>(000)</b>
<b>North America</b>	<b>93</b>	<b>89</b>
<b>South America</b>	<b>14</b>	<b>14</b>
<b>Europe</b>	<b>68</b>	<b>73</b>
<b>Volvo</b>	<b>25</b>	<b>25</b>
<b>Asia Pacific Africa</b>	<b>17</b>	<b>17</b>
<b>Subtotal Ongoing Automotive</b>	<b>217</b>	<b>218</b>
<b>JLR and Aston Martin</b>	<b>16</b>	<b>-</b>
<b>Total Automotive</b>	<b>233</b>	<b>218</b>
<b>Financial Services</b>	<b>11</b>	<b>11</b>
<b>Total Company</b>	<b>244</b>	<b>229</b>

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



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

	<u>Dec. 31, 2005</u>	<u>Dec. 31, 2006</u>	<u>Dec. 31, 2007</u>	<u>March 31, 2008</u>	<u>June 30, 2008</u>
<b>Salaried</b>	<b>35,600</b>	<b>32,400</b>	<b>24,300</b>	<b>24,300</b>	<b>24,100</b>
<b>Hourly</b>					
- Manufacturing / Other	86,200	78,900	58,600	58,300	56,500
- ACH*	<u>13,900</u>	<u>11,100</u>	<u>6,100</u>	<u>6,000</u>	<u>4,100</u>
<b>Total Hourly</b>	<u>100,100</u>	<u>90,000</u>	<u>64,700</u>	<u>64,300</u>	<u>60,600</u>
<b>Subtotal</b>	<b>135,700</b>	<b>122,400</b>	<b>89,000</b>	<b>88,600</b>	<b>84,700</b>
<b>Dealership Personnel**</b>	<u>7,000</u>	<u>5,700</u>	<u>4,600</u>	<u>4,400</u>	<u>4,200</u>
<b>Total</b>	<u><u>142,700</u></u>	<u><u>128,100</u></u>	<u><u>93,600</u></u>	<u><u>93,000</u></u>	<u><u>88,900</u></u>

\* Excludes Supplemental Replacement Personnel

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

# AUTOMOTIVE SECTOR 2008 SECOND QUARTER MARKET RESULTS



	Second Quarter		First Half	
	<u>Absolute</u>	<u>B / (W) 2007</u>	<u>Absolute</u>	<u>B / (W) 2007</u>
<b><u>U.S.</u></b>				
Industry SAAR (Mils.)	14.6	(1.8)	15.1	(1.6)
Market Share (Pct.)				
- Ford and Lincoln Mercury	14.4%	(1.2) Pts.	14.7%	(0.7) Pts.
- Volvo	<u>0.5</u>	<u>(0.1)</u>	<u>0.6</u>	<u>0</u>
Total U.S. Market Share	<u>14.9%</u>	<u>(1.3) Pts.</u>	<u>15.3%</u>	<u>(0.7) Pts.</u>
<b><u>Europe</u></b>				
Industry SAAR (Mils.)	17.2	(0.8)	17.5	(0.4)
Market Share (Pct.)*				
- Ford	8.5%	0.2 Pts.	8.7%	0 Pts.
- Volvo	<u>1.3</u>	<u>(0.1)</u>	<u>1.4</u>	<u>(0.1)</u>
Total Europe Market Share	<u>9.8%</u>	<u>0.1 Pts.</u>	<u>10.1%</u>	<u>(0.1) Pts.</u>
<b><u>Other Regions</u></b>				
Ford Brand Market Share (Pct.)				
- South America**	9.5%	(1.4) Pts.	9.5%	(1.5) Pts.
- Asia Pacific Africa***	1.9	(0.3)	1.9	(0.3)

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

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

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



## **AUTOMOTIVE SECTOR COSTS AND EXPENSES**

	<u>Second Quarter 2008</u>	
	<u>Amount</u>	<u>B / (W)</u>
	<u>(Mils.)</u>	<u>Second Qtr.</u>
		<u>2007</u>
		<u>(Mils.)</u>
<b>Total Costs and Expenses*</b>	<b>\$42,950</b>	<b>\$(3,544)</b>
<b>Select Cost Items:</b>		
<b>Depreciation and Amortization</b>		
- Depreciation	\$ 761	\$ 202
- Amortization -- Special Tools	788	8
- Fixed Asset Impairment	5,300	(5,300)
<b>Total Depreciation / Amortization</b>	<b><u>\$ 6,849</u></b>	<b><u>\$(5,090)</u></b>
<b>Postretirement Expense</b>	<b>\$ 400</b>	<b>\$ 100</b>

\* Includes Jaguar Land Rover





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

	Dec. 31, <u>2007</u> (Bils.)	June 30, <u>2008</u> (Bils.)	June 30, 2008 B / (W) <u>Dec. 31, 2007</u> (Bils.)	<u>Memo:</u>	
				June 30, <u>2007</u> (Bils.)	March 31, <u>2008</u> (Bils.)
Cash and Cash Equivalents	\$20.7	\$16.9	\$(3.8)	\$17.1	\$18.7
Marketable Securities	2.0	5.1	3.1	13.7	6.6
Loaned Securities	<u>10.3</u>	<u>7.4</u>	<u>(2.9)</u>	<u>4.6</u>	<u>6.7</u>
Total Cash / Marketable and Loaned Securities	\$33.0	\$29.4	\$(3.6)	\$35.4	\$32.0
Securities-In-Transit	(0.3)	(0.1)	0.2	(0.3)	(0.7)
Short-Term VEBA Assets*	1.9	-	(1.9)	2.3	-
UAW-Ford Temporary Asset Account	<u>-</u>	<u>(2.7)</u>	<u>(2.7)</u>	<u>-</u>	<u>(2.6)</u>
Gross Cash	<u>\$34.6</u>	<u>\$26.6</u>	<u>\$(8.0)</u>	<u>\$37.4</u>	<u>\$28.7</u>

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



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

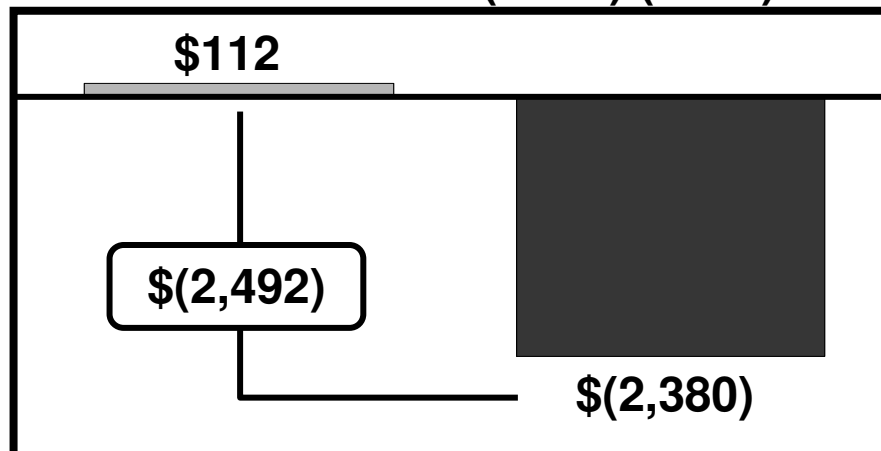
	2008		First Half of 2008 (Bils.)
	Second Quarter (Bils.)	O / (U) 2007 (Bils.)	
Cash Flows from Operating Activities of Continuing Operations	\$ (2.2)	\$ (3.5)	\$ (1.6)
<b>Items Included in Operating-Related Cash Flows</b>			
- Capital Expenditures	(1.6)	(0.3)	(2.9)
- Net Transactions Between Automotive and Financial Services Sectors	(0.7)	(0.8)	(1.3)
- Net Cash Flows from Non-Designated Derivatives	0.6	0.3	0.8
<b>Items Not Included in Operating-Related Cash Flows</b>			
- Cash Impact of Job Security Program & Personnel Reduction Program	0.2	(0.2)	0.3
- Net (Sales) / Purchases of Trading Securities	-	(0.7)	-
- Pension Contributions	0.2	(0.2)	0.8
- VEBA Cash Flows -- Net Reimbursement for Benefits Paid	-	0.3	-
- Tax Refunds and Tax Payments from Affiliates	-	-	(0.9)
- Other	0.4	0.2	0.2
<b>Operating-Related Cash Flows</b>	<u>\$ (3.1)</u>	<u>\$ (4.9)</u>	<u>\$ (4.6)</u>

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

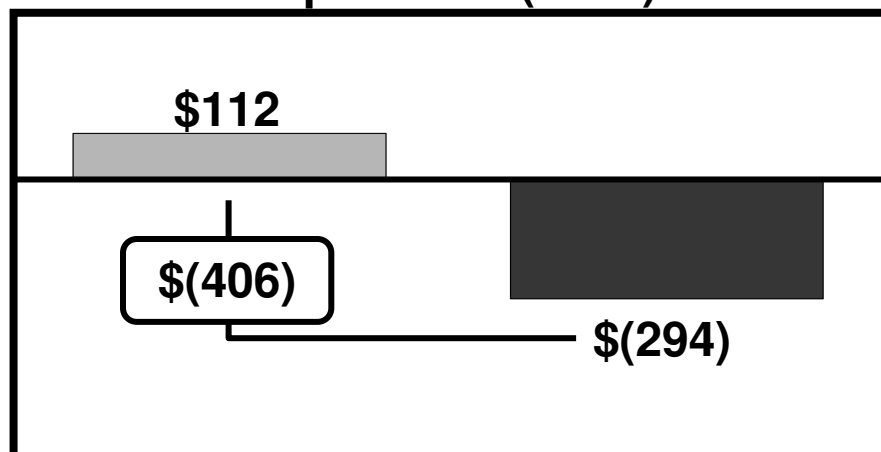
# FINANCIAL SERVICES SECTOR FORD CREDIT RESULTS AND METRICS -- 2008 SECOND QUARTER\*



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



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



Second Quarter  
2007

Second Quarter  
2008

**Key Metrics**

	<u>Second Quarter</u>	
	<u>2007</u>	<u>2008</u>
<u>Receivables (Bils.)</u>		
On-Balance Sheet	\$ 140	\$ 136
Managed	149	140
<u>Charge-Offs (Mils.)</u>		
On-Balance Sheet	\$ 125	\$ 246
Managed	139	254
<u>Loss-to-Receivables Ratio</u>		
On-Balance Sheet	0.36%	0.70%
Managed		
- U.S. Retail and Lease	0.51	1.11
- Worldwide Total	0.38	0.70
<u>Allow. for Credit Losses</u>		
Worldwide Amount (Bils.)	\$ 1.0	\$ 1.5
Pct. Of EOP Receivables	0.72%	1.08%
<u>Leverage (To 1)</u>		
Financial Statement	11.1	11.2
Managed	10.6	10.0
<u>Dividend / Distribution (Bils.)</u>	\$ 0	\$ 0
<u>Net Income / (Loss) (Mils.)</u>	\$ 62	\$(1,427)

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



## ***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, excluding unearned interest supplements related to finance receivables, and receivables Ford Credit sold in off-balance sheet securitizations and continues to service

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

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

**Equity** -- shareholder's interest and historical stockholder's equity reported on Ford Credit's balance sheet

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

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

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

\* Excludes marketable securities related to insurance activities

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



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

	<u>June 30, 2007</u> (Bils.)	<u>June 30, 2008</u> (Bils.)
<b><u>Leverage Calculation</u></b>		
Total Debt*	\$ 137.7	\$137.5
Securitized Off-Balance Sheet Receivables Outstanding	9.3	3.0
Retained Interest in Securitized Off-Balance Sheet Receivables	(0.9)	(0.4)
Adjustments for Cash, Cash Equivalents and Marketable Securities**	(16.7)	(19.6)
Adjustments for Hedge Accounting***	(0.0)	(0.1)
Total Adjusted Debt	<u>\$ 129.4</u>	<u>\$120.4</u>
Total Equity (incl. minority interest)	\$ 12.4	\$ 12.3
Adjustments for Hedge Accounting***	(0.2)	(0.2)
Total Adjusted Equity	<u>\$ 12.2</u>	<u>\$ 12.1</u>
Financial Statement Leverage (to 1)	11.1	11.2
Managed Leverage (to 1)	10.6	10.0

\* Includes \$63.4 billion and \$74.7 billion on June 30, 2007 and June 30, 2008, respectively, of long-term and short-term asset-backed debt obligations issued in securitizations that are payable only out of collections on the underlying securitized assets and related enhancements

\*\* Excludes marketable securities related to insurance activities

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

**TOTAL COMPANY  
2005 - 2008 PRE-TAX RESULTS INCLUDING  
SPECIAL ITEMS**



	<u>Full Year</u>		<u>2007</u>				<u>2008</u>	
	<u>2005</u>	<u>2006</u>	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Full</u>	<u>First</u>
	(Mils.)	(Mils.)	Quarter	Quarter	Quarter	Quarter	Year	Quarter
			(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$(2,461)	\$(16,006)	\$(702)	\$ (67)	\$(689)	\$(2,681)	\$(4,139)	\$(445)
South America	399	661	113	255	386	418	1,172	257
Europe	(437)	371	208	184	254	98	744	728
Volvo	267	(256)	90	(91)	(174)	(2,543)	(2,718)	(151)
Asia Pacific Africa	42	(250)	(28)	18	19	(7)	2	(4)
Mazda	247	259	21	72	14	75	182	49
Subtotal	\$(1,943)	\$(15,221)	\$(298)	\$ 371	\$(190)	\$(4,640)	\$(4,757)	\$ 434
Other Automotive	(55)	247	(341)	(107)	(603)	(8)	(1,059)	(182)
Subtotal Ongoing Automotive	\$(1,998)	\$(14,974)	\$(639)	\$ 264	\$(793)	\$(4,648)	\$(5,816)	252
JLR and Aston Martin	(1,901)	(2,066)	301	557	81	(93)	846	0
Total Automotive	\$(3,899)	\$(17,040)	\$(338)	\$ 821	\$(712)	\$(4,741)	\$(4,970)	\$ 252
Financial Services	4,953	1,966	294	105	556	269	1,224	64
Total Company	<u>\$ 1,054</u>	<u>\$(15,074)</u>	<u>\$ (44)</u>	<u>\$ 926</u>	<u>\$(156)</u>	<u>\$(4,472)</u>	<u>\$(3,746)</u>	<u>\$ 316</u>

**TOTAL COMPANY**  
**2005 - 2008 PRE-TAX SPECIAL ITEMS**



	<u>Full Year</u>		<u>2007</u>				<u>2008</u>	
	<u>2005</u>	<u>2006</u>	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Full</u>	<u>First</u>
	<u>(Mils.)</u>	<u>(Mils.)</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Year</u>	<u>Quarter</u>
North America	\$ (959)	\$(10,020)	\$ (89)	\$ 203	\$ 328	\$(1,135)	\$ (693)	\$(400)
South America	-	110	-	-	-	-	-	0
Europe	(510)	(84)	(11)	(78)	(39)	(125)	(253)	(11)
Volvo	(110)	(217)	(4)	-	(7)	(2,543)	(2,554)	0
Asia Pacific Africa	(19)	(65)	(2)	(8)	(11)	(17)	(38)	(5)
Mazda	-	115	-	-	-	-	-	0
Subtotal	<u>\$(1,598)</u>	<u>\$(10,161)</u>	<u>\$(106)</u>	<u>\$ 117</u>	<u>\$ 271</u>	<u>\$(3,820)</u>	<u>\$(3,538)</u>	<u>\$(416)</u>
Other Automotive	152	-	-	-	(632)	120	(512)	16
Subtotal Ongoing Automotive	<u>\$(1,446)</u>	<u>\$(10,161)</u>	<u>\$(106)</u>	<u>\$ 117</u>	<u>\$(361)</u>	<u>\$(3,700)</u>	<u>\$(4,050)</u>	<u>\$(400)</u>
JLR and Aston Martin	(1,435)	(1,761)	(7)	326	11	(152)	178	0
Total Automotive	<u>\$(2,881)</u>	<u>\$(11,922)</u>	<u>\$(113)</u>	<u>\$ 443</u>	<u>\$(350)</u>	<u>\$(3,852)</u>	<u>\$(3,872)</u>	<u>\$(400)</u>
Financial Services	1,499	-	-	-	-	-	-	0
Total Company	<u>\$(1,382)</u>	<u>\$(11,922)</u>	<u>\$(113)</u>	<u>\$ 443</u>	<u>\$(350)</u>	<u>\$(3,852)</u>	<u>\$(3,872)</u>	<u>\$(400)</u>





**TOTAL COMPANY  
2005 - 2008 PRE-TAX RESULTS EXCLUDING  
SPECIAL ITEMS**

	<u>Full Year</u>		<u>2007</u>				<u>2008</u>	
	<u>2005</u>	<u>2006</u>	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Full</u>	
	(Mils.)	(Mils.)	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>	<u>Year</u>	
			(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	<u>First</u>
								<u>Quarter</u>
			(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
North America	\$(1,502)	\$(5,986)	\$(613)	\$(270)	\$(1,017)	\$(1,546)	\$(3,446)	\$ (45)
South America	399	551	113	255	386	418	1,172	257
Europe	73	455	219	262	293	223	997	739
Volvo	377	(39)	94	(91)	(167)	0	(164)	(151)
Asia Pacific Africa	61	(185)	(26)	26	30	10	40	1
Mazda	247	144	21	72	14	75	182	49
Subtotal	\$ (345)	\$(5,060)	\$(192)	\$ 254	\$ (461)	\$ (820)	\$(1,219)	\$ 850
Other Automotive	(207)	247	(341)	(107)	29	(128)	(547)	(198)
Subtotal Ongoing Automotive	\$ (552)	\$(4,813)	\$(533)	\$147	\$ (432)	\$ (948)	\$(1,766)	\$ 652
JLR and Aston Martin	(466)	(305)	308	231	70	59	668	0
Total Automotive	\$(1,018)	\$(5,118)	\$(225)	\$ 378	\$ (362)	\$ (889)	\$(1,098)	\$ 652
Financial Services	3,454	1,966	294	105	556	269	1,224	64
Total Company	<u>\$ 2,436</u>	<u>\$(3,152)</u>	<u>\$ 69</u>	<u>\$ 483</u>	<u>\$ 194</u>	<u>\$ (620)</u>	<u>\$ 126</u>	<u>\$ 716</u>

# TOTAL COMPANY 2005 - 2008 REVENUE\*



	Full Year		2007					2008
	2005	2006	First	Second	Third	Fourth	Full	First
	(Mils.)	(Mils.)	Quarter	Quarter	Quarter	Quarter	Year	Quarter
North America	\$ 81,162	\$ 70,591	\$18,559	\$18,961	\$16,688	\$17,257	\$ 71,465	\$17,110
South America	4,366	5,697	1,283	1,827	2,064	2,411	7,585	1,842
Europe	29,918	30,394	8,632	9,203	8,328	10,287	36,450	10,155
Volvo	17,109	16,105	4,572	4,373	3,844	5,070	17,859	4,197
Asia Pacific Africa	7,684	6,539	1,769	1,727	1,782	1,768	7,046	1,668
Mazda	-	-	-	-	-	-	-	-
Subtotal Ongoing Automotive	\$140,239	\$129,326	\$34,815	\$36,091	\$32,706	\$36,793	\$140,405	\$34,972
JLR and Aston Martin	13,174	13,923	3,815	4,015	3,564	3,954	15,348	0
Total Automotive	\$153,413	\$143,249	\$38,630	\$40,106	\$36,270	\$40,747	\$155,753	\$34,972
Financial Services	23,422	16,816	4,389	4,136	4,808	4,743	18,076	4,411
Total Company	\$176,835	\$160,065	\$43,019	\$44,242	\$41,078	\$45,490	\$173,829	\$39,383

\* Special items are reductions to Fourth Quarter 2007 revenues of \$1,099 million for North America, \$120 million for Europe, \$87 million for Volvo, \$15 million for Asia Pacific, \$53 million for Jaguar Land Rover and Aston Martin, each representing a one-time non-cash charge related to a change in our business practice for offering and announcing retail variable marketing incentives to our dealers. First Quarter 2008 Jaguar Land Rover revenues of \$4,145 million are excluded as special items



# TOTAL COMPANY 2005 - 2008 WHOLESALLES\*

	<u>Full Year</u>		<u>2007</u>				<u>2008</u>	
	<u>2005</u> (000)	<u>2006</u> (000)	<u>First Quarter</u> (000)	<u>Second Quarter</u> (000)	<u>Third Quarter</u> (000)	<u>Fourth Quarter</u> (000)	<u>Full Year</u> (000)	<u>First Quarter</u> (Mils.)
North America	3,442	3,123	744	816	649	681	2,890	704
South America	335	381	84	110	116	126	436	92
Europe	1,753	1,846	500	509	422	487	1,918	500
Volvo	485	460	128	125	102	127	482	106
Asia Pacific Africa	473	517	126	135	129	145	535	129
Mazda	-	-	-	-	-	-	-	-
Subtotal Ongoing Automotive	<u>6,488</u>	<u>6,327</u>	<u>1,582</u>	<u>1,695</u>	<u>1,418</u>	<u>1,566</u>	<u>6,261</u>	<u>1,531</u>
JLR and Aston Martin	<u>279</u>	<u>270</u>	<u>68</u>	<u>78</u>	<u>69</u>	<u>77</u>	<u>292</u>	<u>0</u>
Total Automotive	<u><u>6,767</u></u>	<u><u>6,597</u></u>	<u><u>1,650</u></u>	<u><u>1,773</u></u>	<u><u>1,487</u></u>	<u><u>1,643</u></u>	<u><u>6,553</u></u>	<u><u>1,531</u></u>

\* First Quarter 2008 Jaguar Land Rover wholesales of 74,000 units are excluded as special items