



Go Further



Joe Hinrichs

**Executive Vice President, Ford Motor Company
President, The Americas**

Deutsche Bank Conference
June 4, 2014

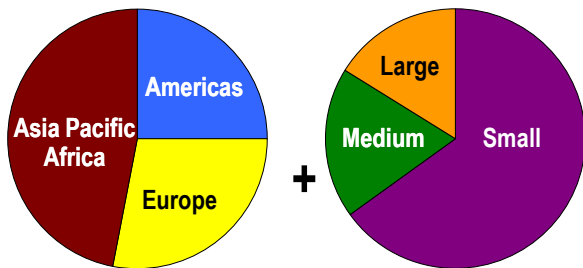


AGENDA

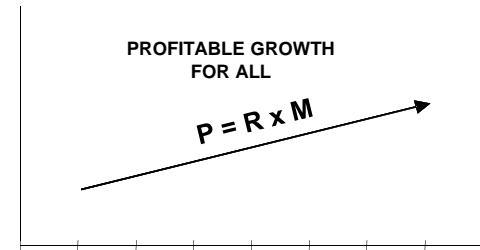
- **ONE Ford Plan Update**
 - **North America**
 - **South America**
- **Assumptions and Key Metrics**
- **Closing Remarks**
- **Q&A**

OUR PLAN -- ONE FORD

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



Profits & Cash



THE PLAN



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



THE PLAN (CONT'D)



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



GLOBAL CORE PLATFORMS



B-Platform (Fiesta)



C-Platform (Focus)



C/D Platform (Fusion / Mondeo)



Sports Car (Mustang)



D-Platform (Explorer)



Light Truck (Ranger)



Full-Size Pickup (F-150)



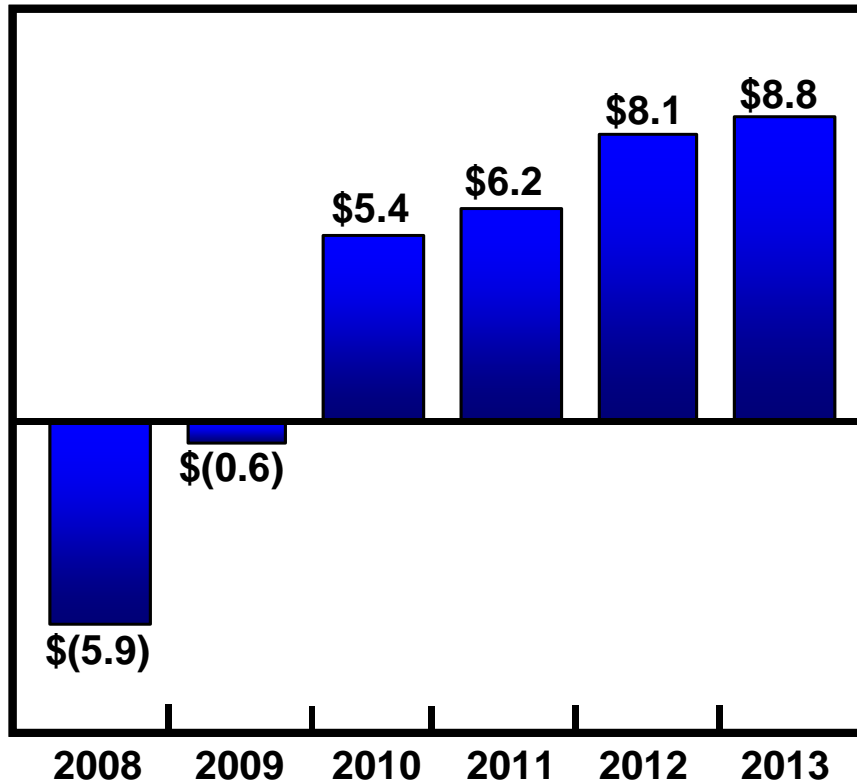
Over 8500 Pickup (Super Duty)



Full-Size Van (Transit)

NORTH AMERICA -- OVERVIEW

Pre-Tax Results (Bils.)



- Significant transformation of Ford North America since 2008

- Continuing to implement global product strategy and launch new products that our customers want and value
- Delivering significant improvements in fuel economy
- Driving quality improvements
- Controlling structural costs
- Aligning production capacity with demand
- Generating strong cash flow to support corporate balance sheet improvements

Operating Margin

(Neg.) (Neg.) 8.4% 8.3% 10.6% 10.2%

North America Transformation Has Driven Higher Sequential Profits In Each Of The Last Five Years

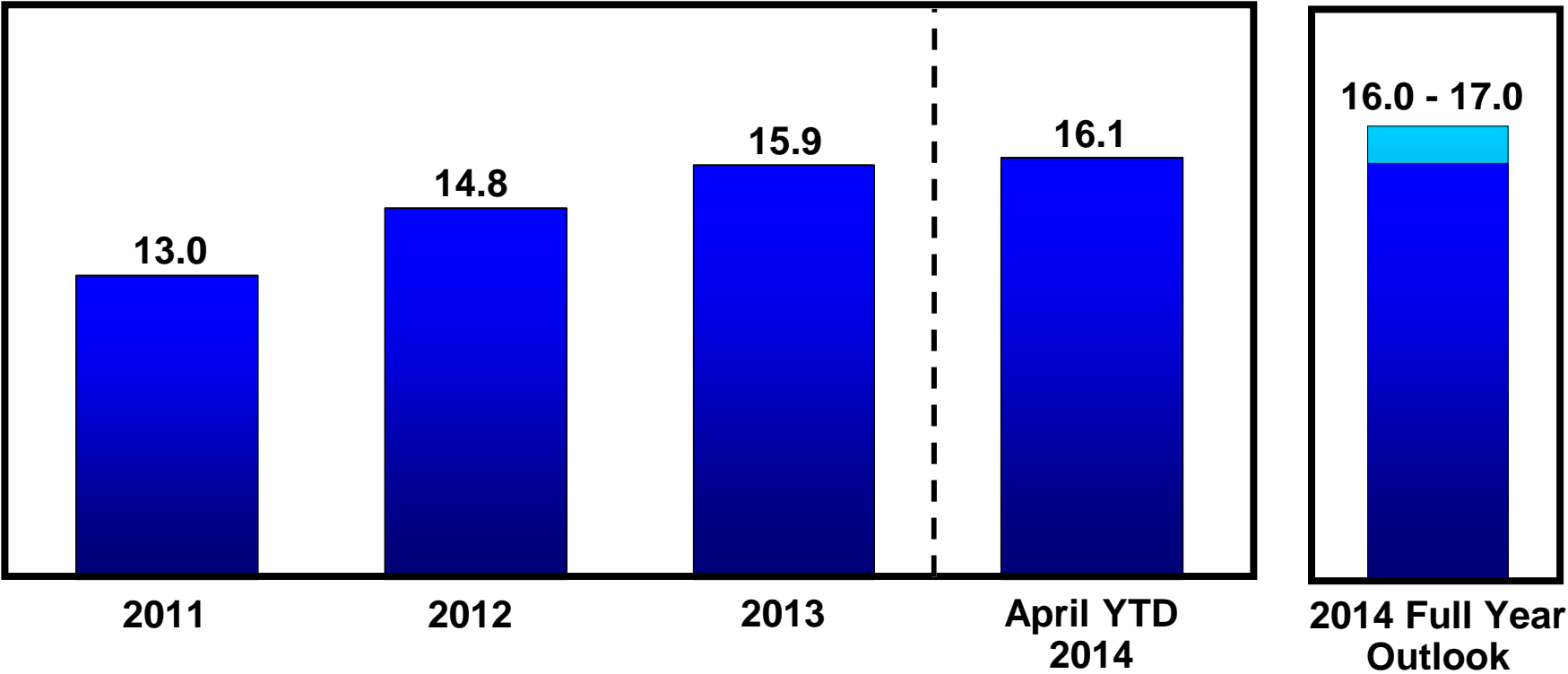
NORTH AMERICA -- KEY PRIORITIES

- **Deliver profitable growth**
- **Accelerate quality improvements**
- **Develop and launch outstanding products**
- **Continue to revitalize the Lincoln brand**
- **Control costs as we grow the business**



U.S. INDUSTRY SALES RATES

SAAR (Millions)



Retail SAAR (Mils.)

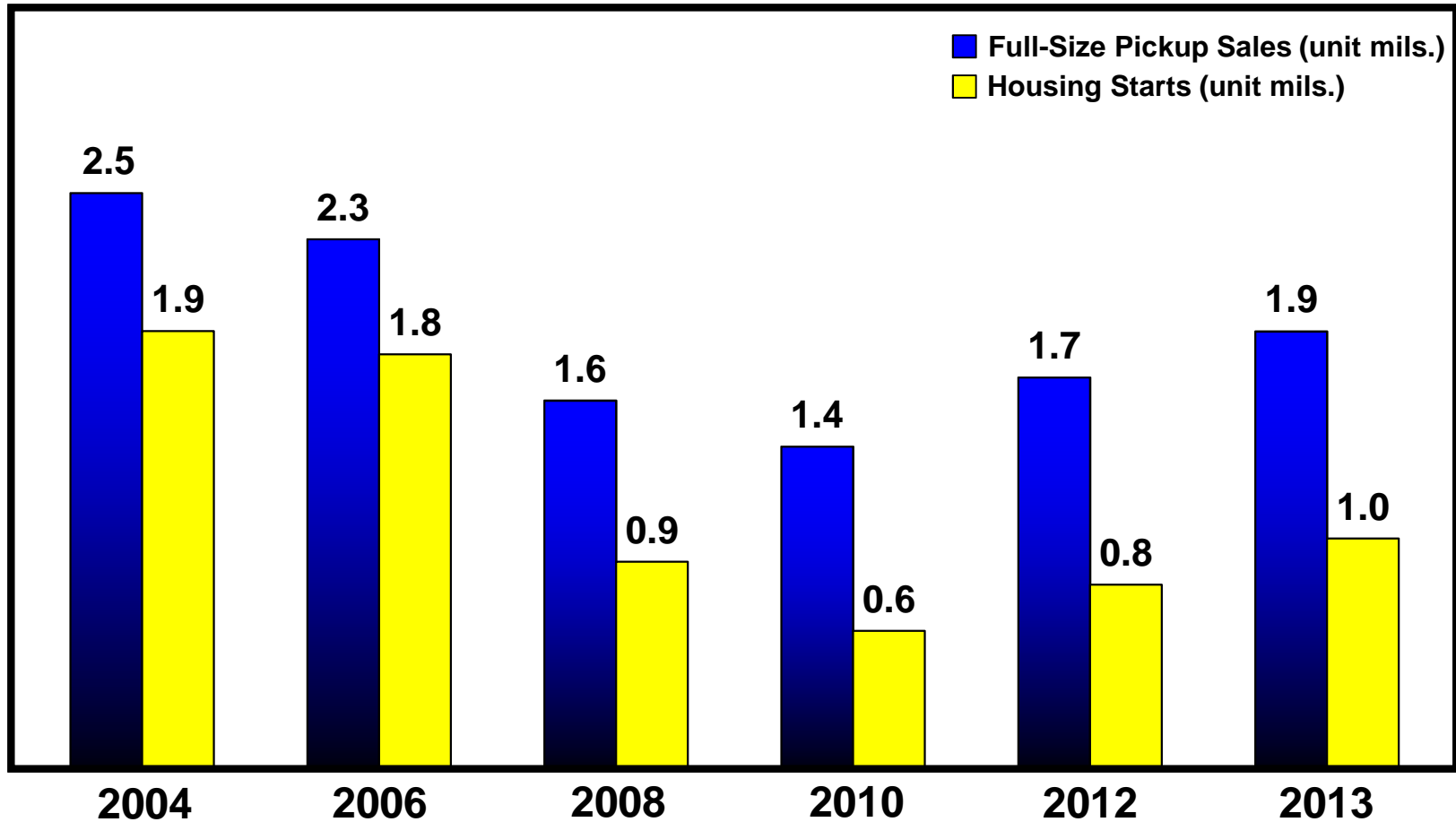
10.2	11.7	12.9	12.8
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**U.S. Industry Sales Are Projected To Continue To Grow
With A 2014 Full Year Outlook Of 16 - 17 Million Units**

U.S. INDUSTRY -- PICKUP SALES DRIVERS



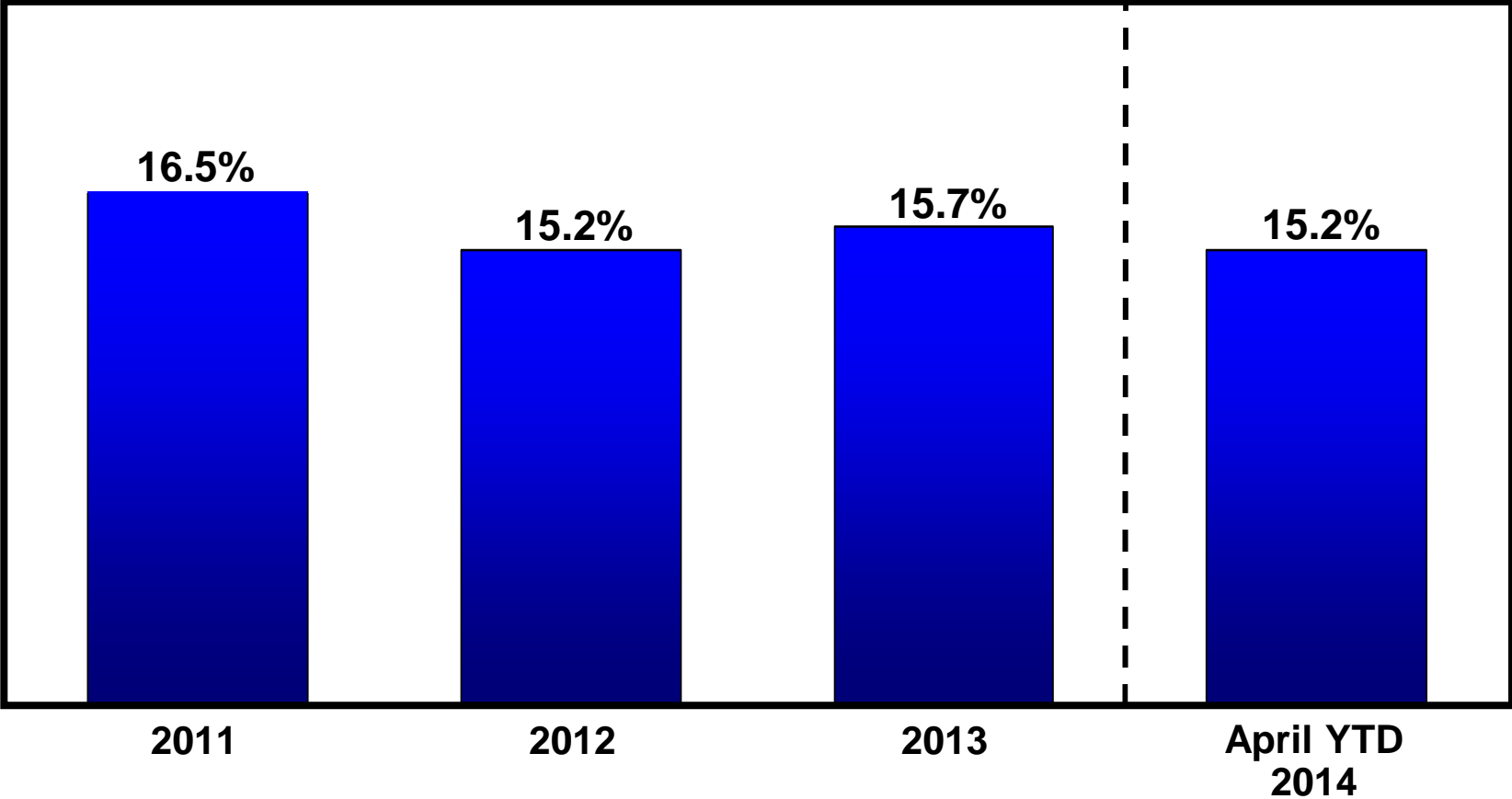
Housing Starts and Full-Size Pickup Sales



Full-Size Pickup Sales Rebound Supported By Improved Housing Sector

U.S. MARKET SHARE

Total Ford / Lincoln Share (Pct.)



B / (W) Prior Year
0.1 Pts.

(1.3) Pts.

0.5 Pts.

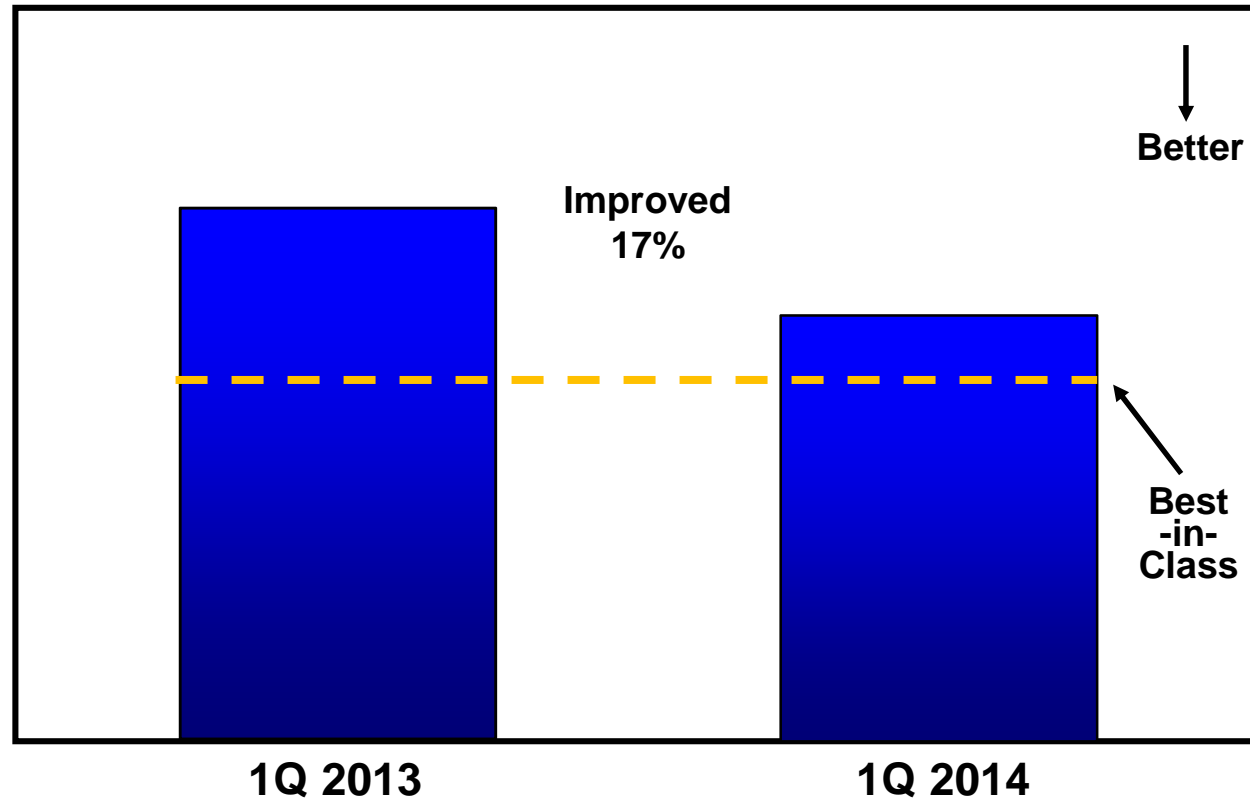
(0.8) Pts.

U.S. Year-To-Date Market Share Is Down Reflecting Planned Reductions In Daily Rental Sales And Lower Small Car Retail Share

NORTH AMERICA QUALITY IMPROVEMENT ACTIONS



Ford U.S. First Quarter Things-Gone-Wrong At Three Months In Service



Source: Global Quality Research System (GQRS)

**Accelerated Quality Actions Are Driving Improvement
And Closing Gap To Best-In-Class Competition**



Focus



Fiesta



Fusion



Mustang



Taurus



F-150



Escape



**Go Further
NORTH AMERICA**



Transit



Flex



Explorer



Expedition



Edge



Transit Connect



C-MAX



Super Duty

2015 FORD F-150



All-New Ford F-150 Is The Toughest, Smartest, Most Capable F-150 Ever

2015 FORD MUSTANG



**All-New Ford Mustang Sets New Performance
And Dynamic Benchmark For Brand**

2015 FORD TRANSIT



All-New Ford Transit Offers Broadest Configuration Lineup With Best-In-Class Fuel Economy And Increased Capability And Durability



THE LINCOLN MOTOR COMPANY

MKZ



MKS



MKC



MKX



MKT



Navigator



2015 LINCOLN MKC



**All-New Lincoln MKC Is Lincoln's New Entry
In The Fast Growing Small Premium Utility Segment**

NORTH AMERICA -- MARGIN OUTLOOK

2013 Operating Margin 10.2%

2014 Projected Changes

Market Factors - Unfavorable volume and mix including impact of new vehicle launches

Material Cost + Efficiencies offset partially by added product costs

Warranty - Higher warranty costs for prior model year vehicles

Structural Cost / Other - Higher costs to support new product introductions

Projected 2014
Operating Margin 8 - 9%

**Strong Margins Projected To Continue During Key
New Product Launch Year**

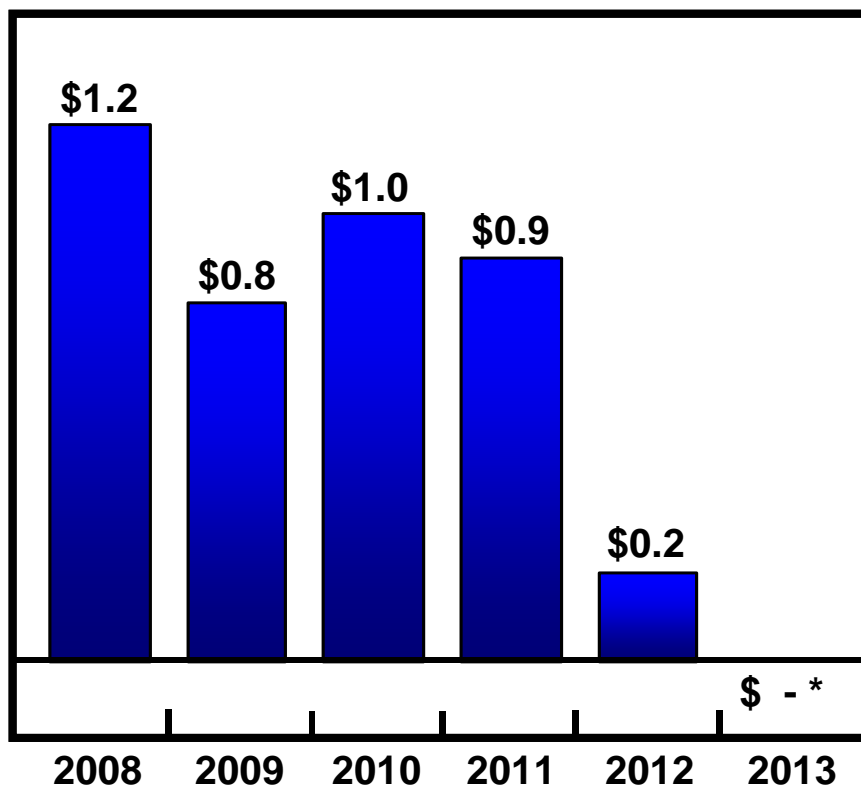
NORTH AMERICA -- KEY TAKEAWAYS

- **Ford North America is focused on delivering key 2014 launches including Ford F-150, Mustang, Transit, and Lincoln MKC**
- **Accelerated quality actions are driving improvement and closing the gap to best-in-class**
- **Industry sales growth is forecasted to continue this year**
- **Strong margins projected to continue during key new product launch year**
- **Lean cost structure is key to maintaining / improving operating efficiency**

**Continue To Focus On Driving Profitability, Launching Key Products,
And Improving Quality**

SOUTH AMERICA -- OVERVIEW

Pre-Tax Results (Bils.)



- South America generated strong pre-tax profit and operating margins through 2011. A more challenging macroeconomic and political environment started in 2012
- 2013 results reflect:
 - Weakening industry
 - Exchange weakness, high inflation, and capital controls
 - Change in regional trade policies
- Transition to global products continuing in 2014

Operating Margin

14.1% 9.7% 10.2% 7.8% 2.1% (0.3)%

* 2013 Pre-tax results were \$(33) million

Results For 2013 Were Lower Than 2012 Reflecting Volatile Business Environment And Global Product Transition

2014 Launches



Fusion



Focus



Fiesta



Mustang



Ka



Escape



Edge



Go Further



EcoSport



Explorer



Heavy Duty



Transit



Cargo



Ranger



F-250



F-150

SOUTH AMERICA

2015 FORD KA



All-New Ka Will Have Leading Fuel Economy And Bring New Technology And Safety Features To The Emerging Consumer Class

SOUTH AMERICA -- BUSINESS ENVIRONMENT



South America macroeconomic and political challenges continue to escalate and include:

- **Slowing GDP growth and weakening industry**
- **Increasing competition and excess capacity**
- **High inflation**
- **Capital controls and reduced foreign reserves**
- **Change in trade policies**
- **Contested tax incentives**
- **Political and social uncertainty in some countries**

**South America Faces Numerous Macroeconomic
And Political Challenges**



SOUTH AMERICA -- MARGIN OUTLOOK

2013 Operating Margin (0.3)%

2014 Projected Changes

- Market Factors + Favorable pricing and improved market share partially offset by lower industry sales
- Material Cost - Higher costs for economics and new products partially offset by efficiencies
- Structural Cost - Higher costs to support new product creation including manufacturing and engineering and higher inflation
- Exchange - Challenging currency controls and deteriorating exchange environment

Projected 2014 Operating Margin Negative

Operating Margin In 2014 Is Projected To Be Worse Than Prior Year

SOUTH AMERICA -- KEY TAKEAWAYS

- **Macroeconomic and political challenges are placing increasing pressure on the operating margin including:**
 - **Increasing competition, excess capacity, and lower industry volumes**
 - **Unfavorable exchange, high inflation, and limited availability of U.S. dollars**
 - **Capital controls and import restrictions**
- **South America continues to expand its product lineup and replace legacy products with global ONE Ford offerings enabling higher sales, increased pricing, and improved favorable opinion as well as scale-related efficiencies**
- **South America is focused on actions to optimize its footprint and logistics, reduce material cost, accelerate incremental localization, and improve structural cost**
- **The environment in the region remains volatile. Longer term South America is viewed as an attractive business region that will return to profitability**

**Operating Margin For 2014 Will Be Lower Than Prior Year Reflecting
Macroeconomic And Political Challenges**



2014 KEY METRICS -- BUSINESS UNITS

	2013 Full Year Results	2014 Full Year Compared With 2013		Memo: 2014 1st Qtr.
		Plan	Outlook	
<u>Automotive</u> (Mils.)*				
North America	\$ 8,809	Lower	On Track	\$ 1,500
- Operating Margin	10.2%	8 - 9%	On Track	7.3%
South America	\$ (33)	About Equal	Lower	\$ (510)
Europe	(1,442)	Better	On Track	(194)
Middle East & Africa	(69)	About Breakeven	On Track	54
Asia Pacific	327	About Equal	Higher	291
Net Interest Expense	(801)	About Equal	About \$(700)	(163)
<u>Ford Credit</u> (Mils.)	\$ 1,756	About Equal	About Equal / Higher	\$ 499

* Excludes special items

Business Unit Guidance Unchanged

2014 PLANNING ASSUMPTIONS AND KEY METRICS



	2013 Full Year Results	2014 Full Year		Memo: 2014 1st Qtr.
		Plan	Outlook	
Planning Assumptions (Mils.)				
Industry Volume* – U.S.	15.9	16.0 - 17.0	On Track	16.0
– Europe 20	13.8	13.5 - 14.5	14.0 - 15.0	14.5
– China	22.2	22.5 - 24.5	On Track	22.9
Key Metrics				
Automotive (Compared with 2013):				
- Revenue (Bils.)	\$139.4	About Equal	On Track	\$ 33.9
- Operating Margin**	5.4%	Lower	On Track	3.4%
- Operating-Related Cash Flow (Bils.)***	\$ 6.1	Substantially Lower	On Track	\$ 1.2
Ford Credit (Compared with 2013):				
- Pre-Tax Profit (Bils.)	\$ 1.8	About Equal	About Equal / Higher	\$ 0.5
Company:				
- Pre-Tax Profit (Bils.)***	\$ 8.6	\$7 - \$8 Billion	On Track	\$ 1.4

* Based, in part, on estimated vehicle registrations; includes medium and heavy trucks

** Automotive operating margin is defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive revenue

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

**Total Company Guidance Unchanged;
2014 Is The Next Step In Delivering Profitable Growth For All**

MID-DECADE OUTLOOK



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

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

** Updated from initial presentation



Go Further

QUESTIONS?



RISK FACTORS

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

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

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



2014 INCOME FROM CONTINUING OPERATIONS

	First Quarter		Memo:
	2013	2014	Full Year
	(Mils.)	(Mils.)	2013
			(Mils.)
<u>Automotive</u>			
North America	\$ 2,392	\$ 1,500	\$ 8,809
South America	(218)	(510)	(33)
Europe	(425)	(194)	(1,442)
Middle East & Africa	47	54	(69)
Asia Pacific	(28)	291	327
Other Automotive	(125)	(222)	(656)
Total Automotive (excl. special items)	\$ 1,643	\$ 919	\$ 6,936
Special items -- Automotive	(23)	(122)	(1,568)
Total Automotive	\$ 1,620	\$ 797	\$ 5,368
<u>Financial Services</u>			
Ford Credit	\$ 507	\$ 499	\$ 1,756
Other Financial Services	(4)	(37)	(84)
Total Financial Services	\$ 503	\$ 462	\$ 1,672
<u>Company</u>			
Pre-tax results	\$ 2,123	\$ 1,259	\$ 7,040
(Provision for) / Benefit from income taxes	(511)	(270)	135
Net income	\$ 1,612	\$ 989	\$ 7,175
Less: Income attributable to non-controlling interests	1	-	(7)
Net income attributable to Ford	\$ 1,611	\$ 989	\$ 7,182
Memo: Excluding special items			
Pre-tax results	\$ 2,146	\$ 1,381	\$ 8,608
(Provision for) / Benefit from income taxes	(503)	(362)	(2,022)
Less: Income attributable to non-controlling interests	1	-	(7)
After-tax results	\$ 1,642	\$ 1,019	\$ 6,593

SPECIAL ITEMS



	First Quarter		Full Year
	2013	2014	2013
	(Mils.)	(Mils.)	(Mils.)
<u>Personnel-Related Items</u>			
Separation-related actions*	\$ (8)	\$ (122)	\$ (856)
<u>Other Items</u>			
U.S. pension lump sum program	\$ -	\$ -	\$ (594)
FCTA -- subsidiary liquidation	-	-	(103)
Ford Romania consolidation loss	(15)	-	(15)
Total Other Items	\$ (15)	\$ -	\$ (712)
Total Special Items	\$ (23)	\$ (122)	\$ (1,568)
Tax Special Items	\$ (8)	\$ 92	\$ 2,157
Memo:			
Special Items impact on earnings per share**	\$ (0.01)	\$ (0.01)	\$ 0.14

* Primarily related to separation costs for personnel at the Genk and U.K. facilities

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



AUTOMOTIVE SECTOR

NET INTEREST RECONCILIATION TO GAAP

	<u>First Quarter</u>		<u>Full</u>
	<u>2013</u>	<u>2014</u>	<u>Year</u>
	<u>(Mils.)</u>	<u>(Mils.)</u>	<u>2013</u>
			<u>(Mils.)</u>
Interest expense (GAAP)	\$ (206)	\$ (208)	\$ (829)
Interest income (GAAP)	<u>44</u>	<u>70</u>	<u>163</u>
Subtotal	\$ (162)	\$ (138)	\$ (666)
<u>Adjusted for items included / excluded from net interest</u>			
Include: Gains / (Losses) on cash equiv. and marketable securities*	14	13	(7)
Include: Gains / (Losses) on extinguishment of debt	(18)	(5)	(18)
Other	<u>(23)</u>	<u>(33)</u>	<u>(110)</u>
Net Interest	<u>\$ (189)</u>	<u>\$ (163)</u>	<u>\$ (801)</u>

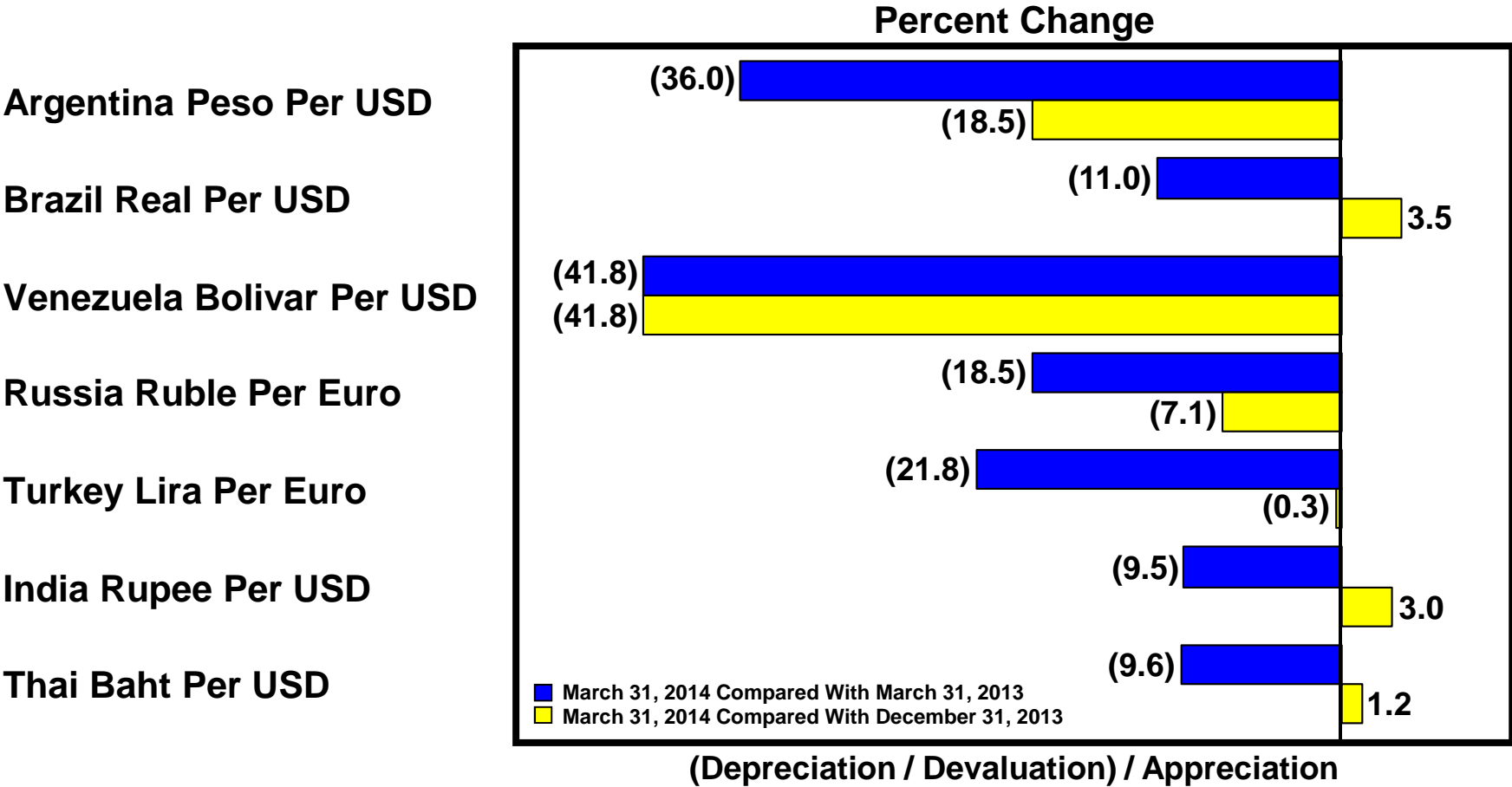
* Excludes mark-to-market adjustments of our investment in Mazda



AUTOMOTIVE SECTOR OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP

	<u>First Quarter</u>		<u>Memo:</u> <u>Full Year</u>
	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Bils.)	(Bils.)	(Bils.)
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 0.7	\$ 2.0	\$ 7.7
<u>Items included in operating-related cash flows</u>			
Capital spending	(1.5)	(1.5)	(6.6)
Proceeds from the exercise of stock options	-	0.1	0.3
Net cash flows from non-designated derivatives	(0.2)	-	(0.3)
<u>Items not included in operating-related cash flows</u>			
Cash impact of Job Security Benefits and personnel-reduction actions	0.1	-	0.3
Funded pension contributions	1.8	0.5	5.0
Tax refunds and tax payments from affiliates	(0.3)	(0.2)	(0.3)
Other	0.1	0.3	-
Operating-related cash flows	<u>\$ 0.7</u>	<u>\$ 1.2</u>	<u>\$ 6.1</u>

EMERGING MARKETS CURRENCY UPDATE



Broad Based Weakening In Emerging Market Currencies



FURTHER INFORMATION

Investor Relations Contact:

Larry Heck

313-594-0613

lheck@ford.com

Information on Ford:

www.shareholder.ford.com

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

Information on Ford Motor Credit Company:

www.fordcredit.com/investorcenter

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