



Go Further

HAU THAI-TANG
GROUP VICE PRESIDENT
GLOBAL PURCHASING


J. P. MORGAN AUTO CONFERENCE
AUGUST 12, 2015

OUR FOCUS



- One Ford
Acceleration
- Product Excellence
Delivered with Passion
- Innovation
In Every Part of Our Business

THE PLAN


Go Further
ONE FORD
ONE TEAM • ONE PLAN • ONE GOAL

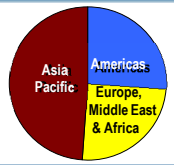
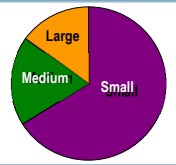

<p>ONE TEAM</p> <p>People working together as a lean, global enterprise for automotive leadership, as measured by:</p> <p><i>Customer, Employee, Dealer, Investor, Supplier, Union/Council, and Community Satisfaction</i></p>	<p>Expected Behaviors</p> <p>Foster Functional and Technical Excellence</p> <ul style="list-style-type: none">• Know and have a passion for our business and our customers• Demonstrate and build functional and technical excellence• Ensure process discipline• Have a continuous improvement philosophy and practice <p>Own Working Together</p> <ul style="list-style-type: none">• Believe in skilled and motivated people working together• Include everyone; respect, listen to, help and appreciate others• Build strong relationships; be a team player; develop ourselves and others• Communicate clearly, concisely and candidly <p>Role Model Ford Values</p> <ul style="list-style-type: none">• Show initiative, courage, integrity and good corporate citizenship• Improve quality, safety and sustainability• Have a can do, find a way attitude and emotional resilience• Enjoy the journey and each other; have fun - never at others' expense <p>Deliver Results</p> <ul style="list-style-type: none">• Deal positively with our business realities; develop compelling and comprehensive plans, while keeping an enterprise view• Set high expectations and inspire others• Make sound decisions using facts and data• Hold ourselves and others responsible and accountable for delivering results and satisfying our customers
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ONE 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

ONE GOAL

An exciting viable Ford delivering profitable growth for all

 +  +  = Profits & Cash

PROFITABLE GROWTH FOR ALL
 $P = R \times M$

ONE FORD LONG-TERM OBJECTIVES

People Working Together As A Lean,
Global Enterprise For Automotive Leadership

ONE TEAM
People working together as a lean, global enterprise for automotive leadership, as measured by: Customer, Employee, Dealer, Investor, Supplier, Union/Council, and Community Satisfaction

ONE PLAN

- Aggressively restructure to operate profitably at the current demand and changing model mix
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ONE GOAL
An exciting viable Ford delivering profitable growth for all

Expected Behaviors

- Foster Functional and Technical Excellence**
 - Know and have a passion for our business and our customers
 - Demonstrate and build functional and technical excellence
 - Ensure process discipline
 - Have a continuous improvement philosophy and practice
- Own Working Together**
 - Believe in skilled and motivated people working together
 - Include everyone, respect, listen to, help and appreciate others
 - Build strong relationships, be a team player, develop ourselves and others
 - Communicate clearly, concisely and candidly
- Rule Model Ford Values**
 - Show initiative, courage, integrity and good corporate citizenship
 - Improve quality, safety and sustainability
 - Have a can-do, find a way attitude and emotional resilience
 - Enjoy the journey and each other, have fun - never at others' expense
- Deliver Results**
 - Deal positively with our business realities, develop competing and comprehensive plans, while keeping an enterprise view
 - Set high expectations and inspire others
 - Make sound decisions using facts and data
 - Hold ourselves and others responsible and accountable for delivering results and satisfying our customers



Top 5
Sales /
10%+
Global
Share

More
Balanced
Regional
& Segment
Profits

Operating
Margins
8%+

Top Quartile
Total
Shareholder
Return
(TSR)

Highly
Regarded
By All
Stakeholders

Delivering Profitable Growth For All

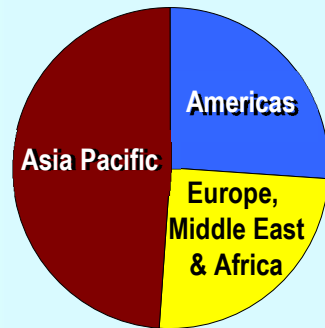
ONE FORD STRATEGIC FRAMEWORK



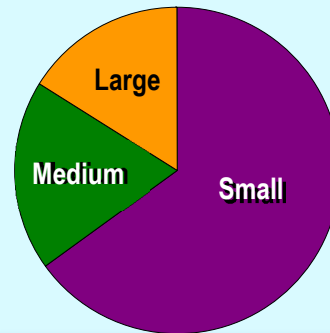
Strong Brands



Serving All Markets



Complete Family Of Best-In-Class Vehicles



Ford Smart Mobility



Profit = Revenue X Margin

PROFITABLE GROWTH FOR ALL

$$P = R \times M$$

Product Excellence

ONE FORD
ONE TEAM • ONE PLAN • ONE GOAL

Innovation

2015 PURCHASING PRIORITIES TO SUPPORT ONE FORD



**Great
Products**

**Outstanding
Quality**

**Best
Value**

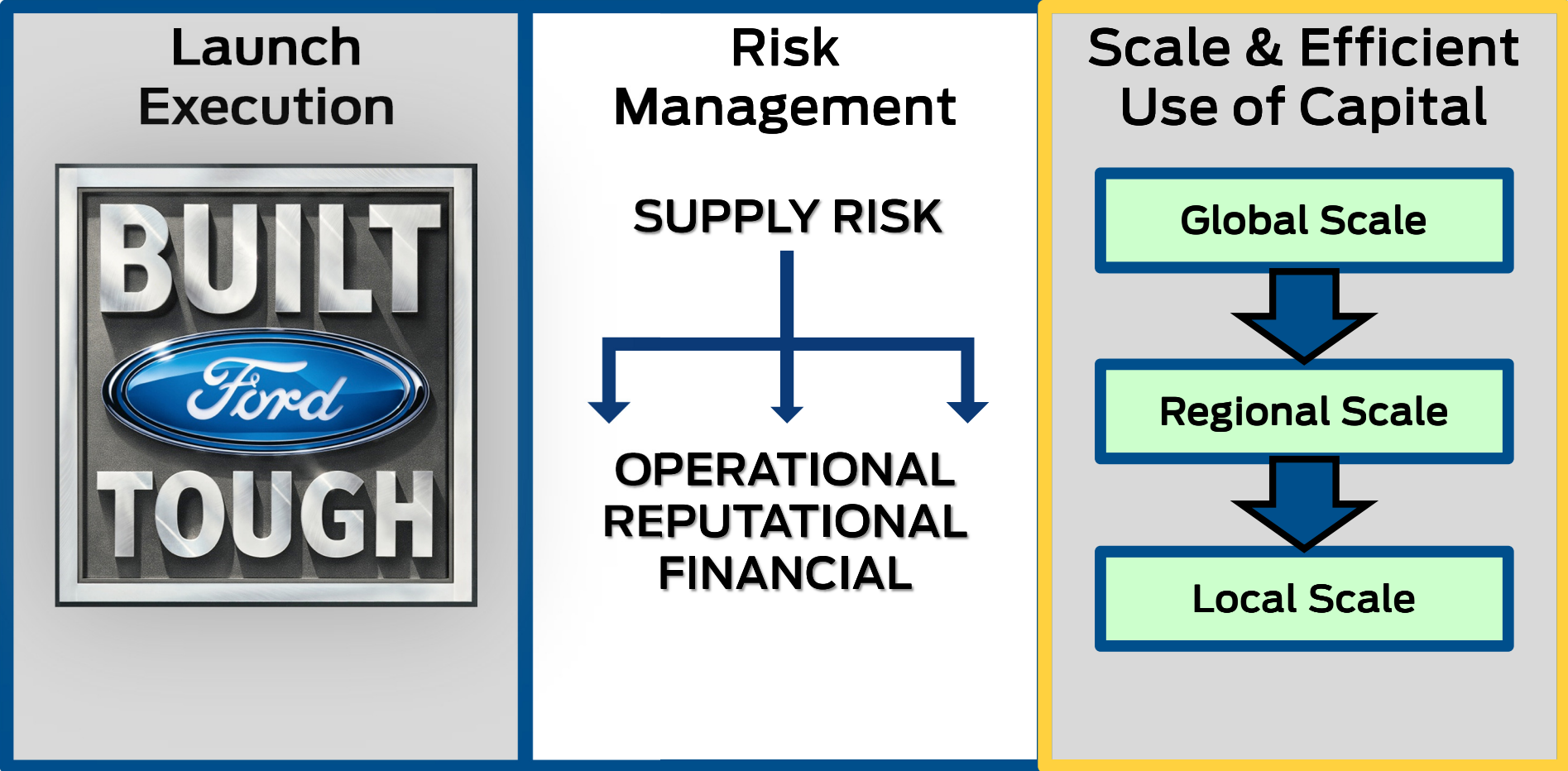
**Sustainable
Business**

**Trusted
Relationships**

**High Performing
Teams**

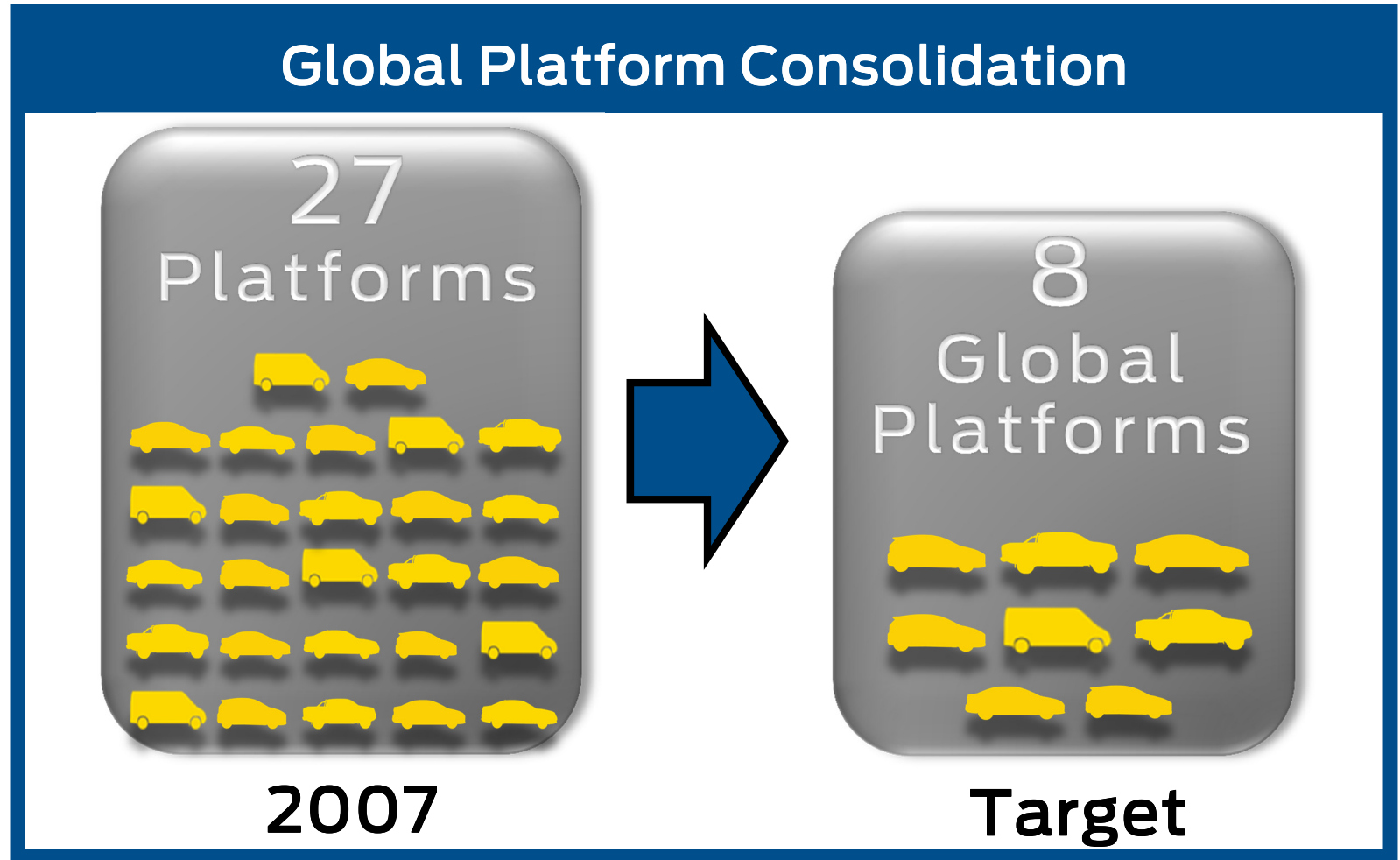
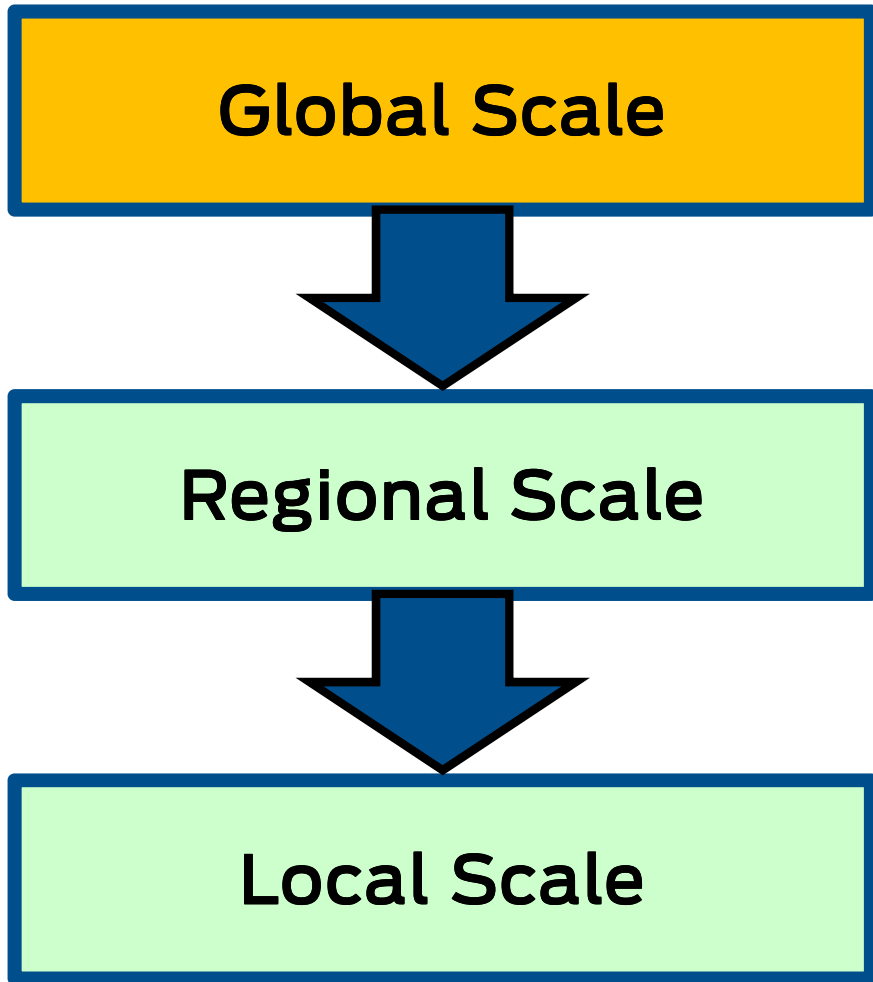
Creating Value Through Operational Excellence And Innovation

CREATING VALUE THROUGH OPERATIONAL EXCELLENCE



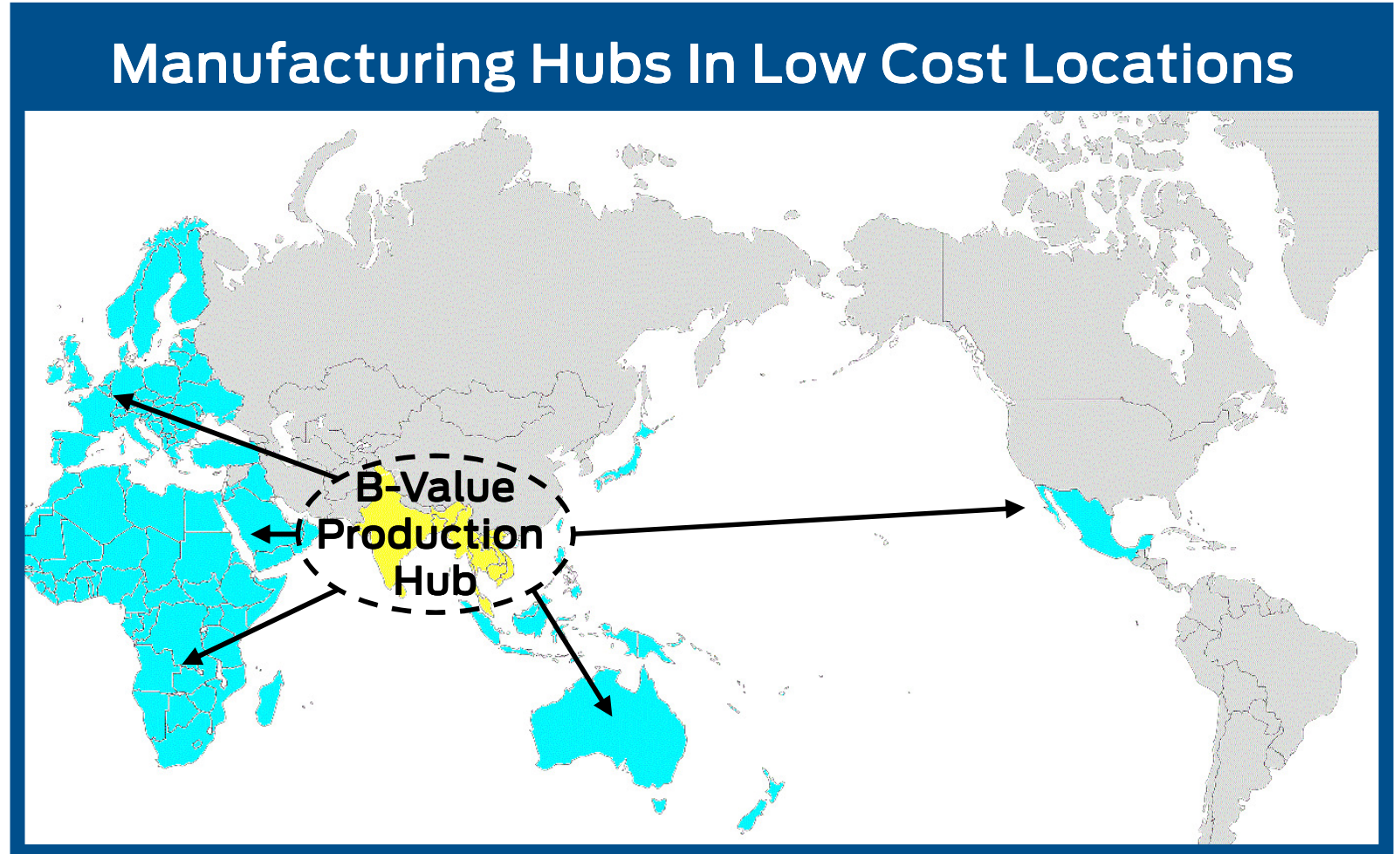
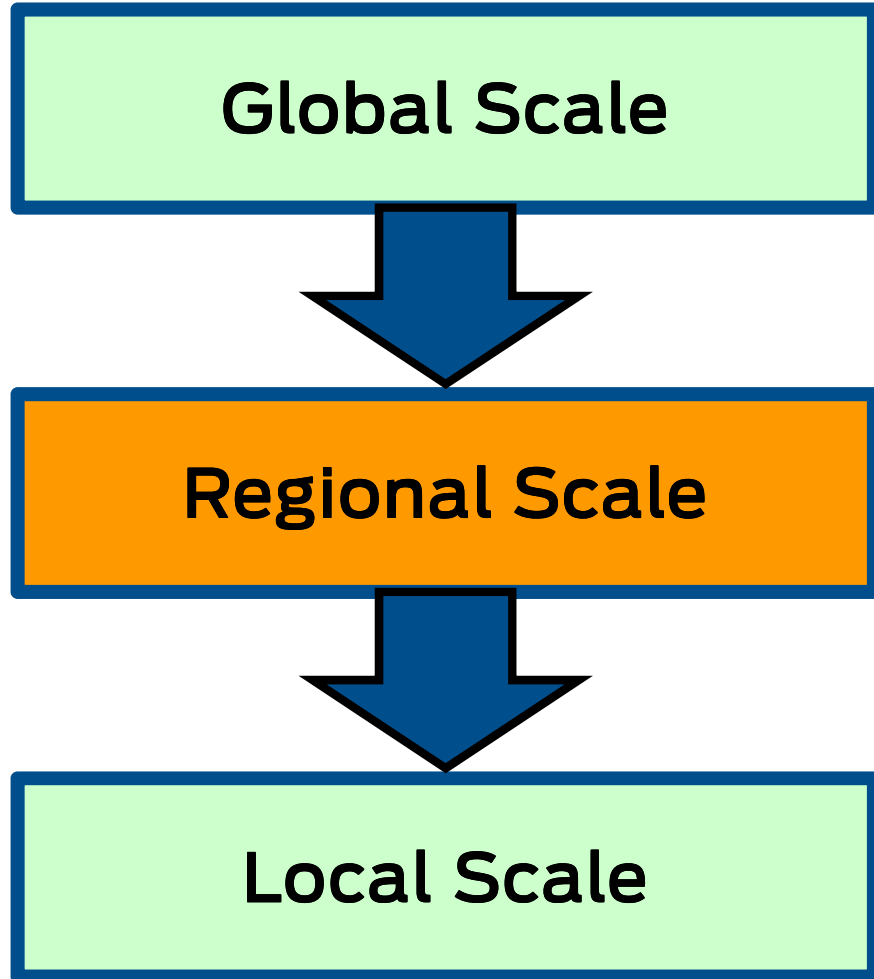
Critical Elements Of Delivering The ONE Ford Plan

DELIVERING SCALE BENEFITS – GLOBAL SCALE



Global Scale Enabled By Platform Rationalization Under ONE Ford

DELIVERING SCALE BENEFITS – REGIONAL SCALE

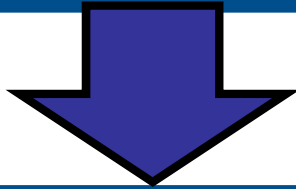


Regional Scale Enabled By Consolidation Of Production

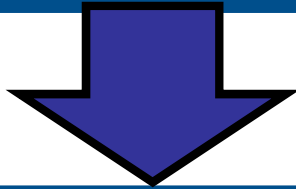
DELIVERING SCALE BENEFITS – LOCAL SCALE



Global Scale



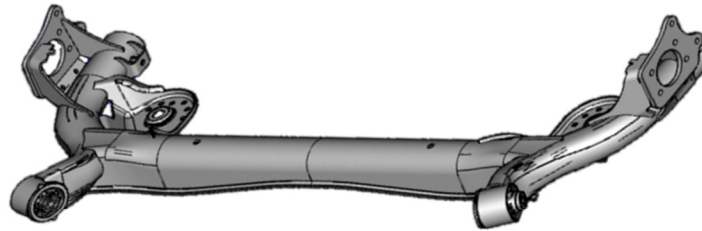
Regional Scale



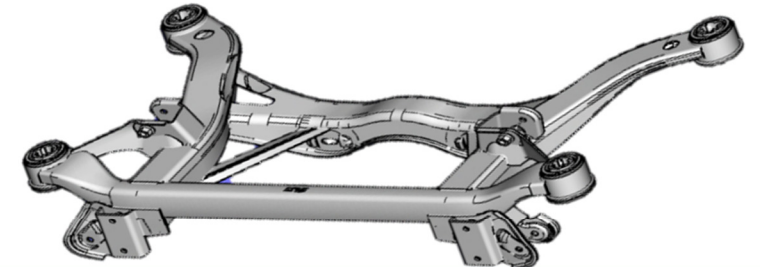
Local Scale

Tailored Designs

Twist Beam Suspension



Independent Suspension

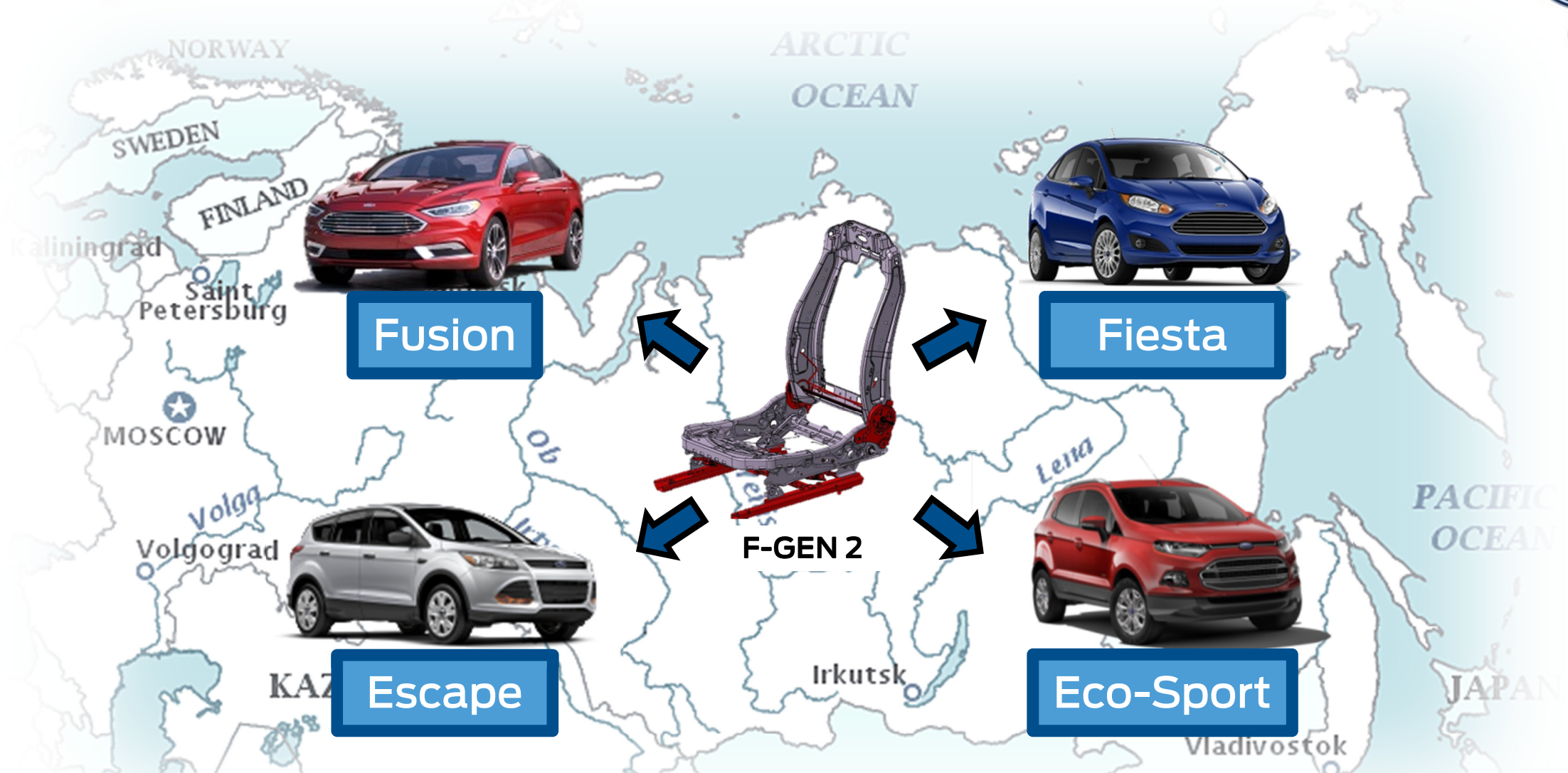


Achieving Local Scale

- Bundled sourcing across programs
- Common bill-of-process
- Sufficient volume for supplier site
- Early supplier involvement

High Local Scale Allows Suppliers To Operate More Efficiently
Translating Into Better Value For Ford

DELIVERING SCALE BENEFITS – BUNDLED SOURCING



Cross Program And Cross Platform Bundled Sourcing
To Support Localization Objectives

EARLY SUPPLIER ENGAGEMENT



Ford/Supplier Design Analysis

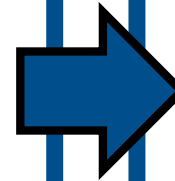
OEM Part 1



OEM Part 2



OEM Part 3



Ford/Supplier Target Setting (illustrative)

		Supplier 1	Supplier 2	Supplier 3
Part 1	Purchased parts	2.0	-	-
	Raw material	-	1.0	0.5
	Process	-	0.5	1.5

			1.0	
Part 2	Purchased parts	-	-	-
	Raw material	2.0	1.0	0.5
	Process	8.0	11.0	8.5

			8.5	
...	Assembly	2.0	1.5	1.0
	Markups	2.0	0.5	1.0

		16.0	15.5	13.0
BoB				11.0

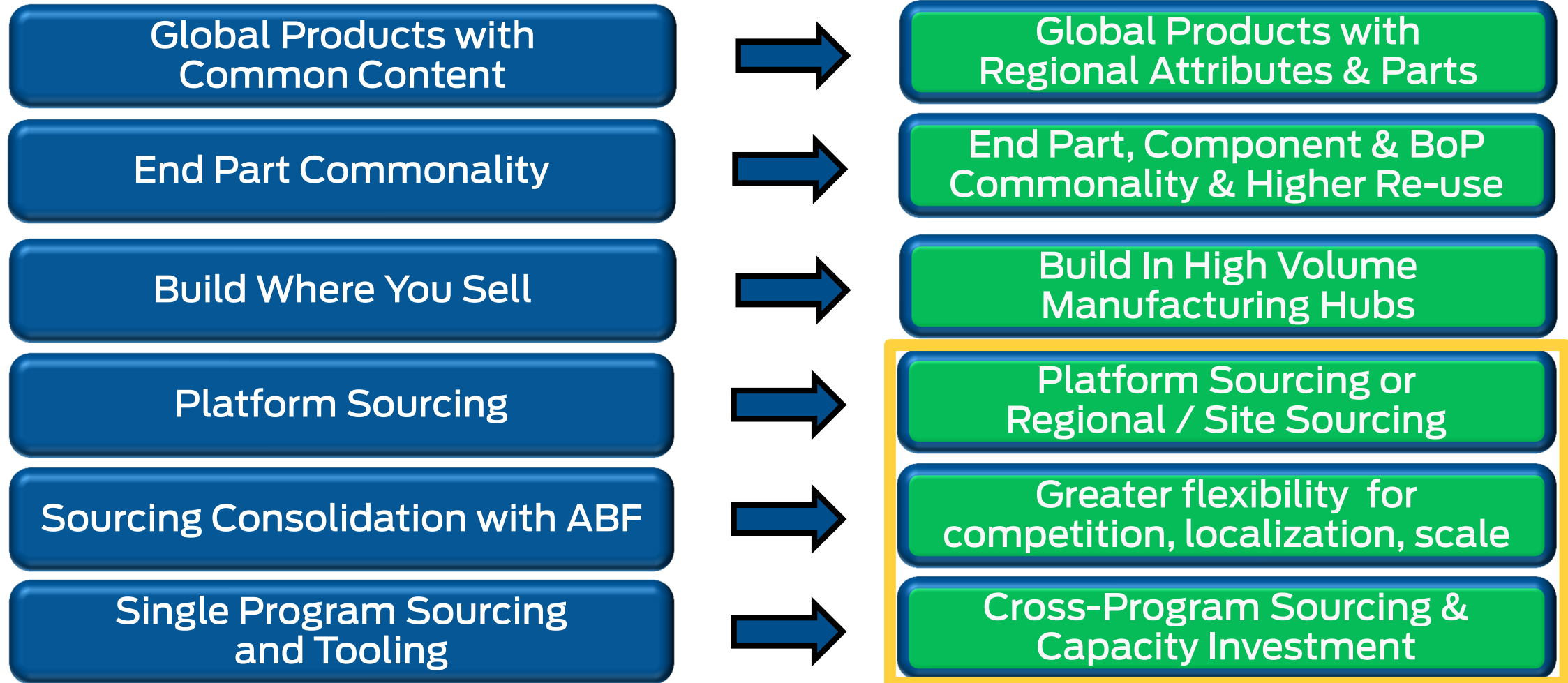
Leveraging Supplier Knowledge To Optimize Design And Value

REVISED SOURCING APPROACH BASED ON LEARNINGS



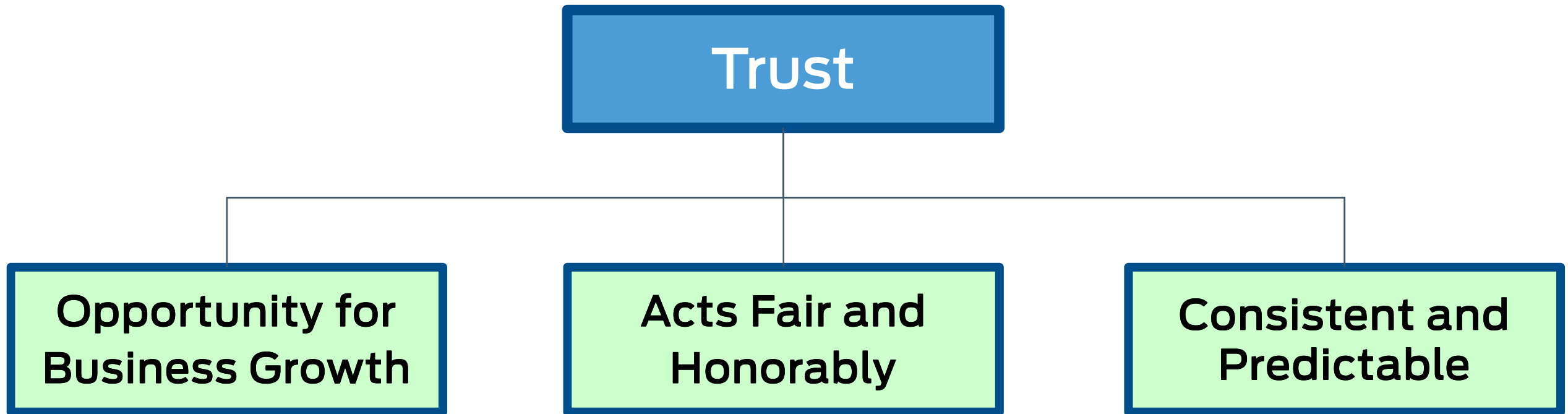
FROM

TO



Leveraging The Full Value Of ONE Ford To Deliver Optimal Value

FORD RATED 3RD OVERALL¹ FOR SUPPLIER RELATIONSHIP



¹According to Planning Perspectives, inc. North American Automotive - Tier 1 Supplier Working Relations Index® Study

Ford's Goal Is To Remain The Customer Of Choice For Suppliers

CREATING VALUE THROUGH INNOVATION



Supplier Contribution



Suppliers

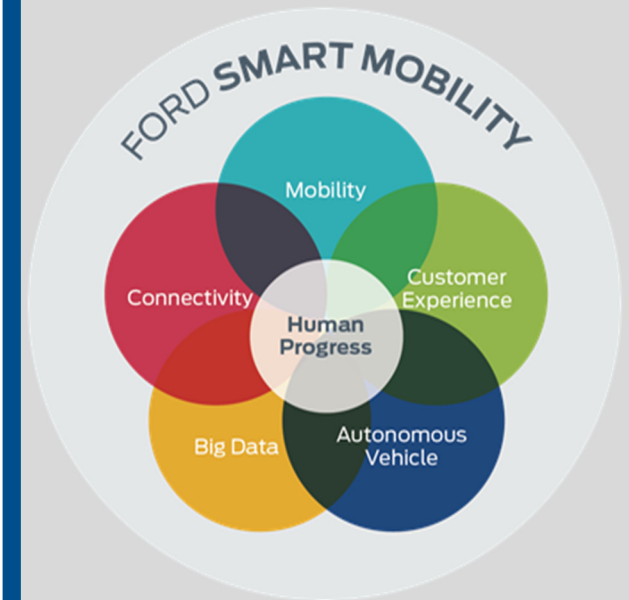
Innovation Mindset



Brand Signature Technologies



Smart Mobility Solutions



Suppliers Are Key Contributors To Ford's Delivery Of Smart Mobility

2015 PLANNING ASSUMPTIONS AND KEY METRICS



	2014 FY Results	2015 FY		Memo: 2015 1H Results
		Plan	Outlook	
<u>Planning Assumptions (Mils)</u>				
Industry Volume -- U.S.	16.8	17.0 - 17.5	On Track	17.3
-- Europe 20	14.6	14.8 - 15.3	15.7 - 16.2	15.7
-- China	24.0	24.5 - 26.5	23.0 - 24.0	23.8
<u>Key Metrics</u>				
Automotive (Compared with 2014):				
- Revenue (Bils)	\$ 135.8	Higher	↑ On Track ↓	\$ 66.9
- Operating Margin	3.9%	Higher		5.5%
- Operating-Related Cash Flow (Bils)*	\$ 3.6	Higher		\$ 2.4
Ford Credit (Compared with 2014):				
- Pre-Tax Profit (Bils)	\$ 1.9	Equal To Or Higher		\$ 1.0
Total Company:				
- Pre-Tax Profit (Bils)*	\$ 6.3	\$8.5 - \$9.5		\$ 4.3

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

**Total Company Guidance Unchanged;
Total Company Pre-Tax Profit To Be \$8.5 Billion To \$9.5 Billion**



Q&A

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, Europe, or China 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, financial institutions, or other third parties 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, 2014, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



APPENDIX

INCOME FROM CONTINUING OPERATIONS



	2Q		1H		Memo:
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)	FY 2014 (Mils)
<u>Automotive</u>					
North America	\$ 2,440	\$ 2,597	\$ 3,940	\$ 3,937	\$ 6,898
South America	(295)	(185)	(805)	(374)	(1,162)
Europe	14	(14)	(180)	(199)	(1,062)
Middle East & Africa	23	(46)	77	33	(20)
Asia Pacific	159	192	450	295	589
Other Automotive	(171)	(167)	(393)	(379)	(755)
Total Automotive (excl. special items)	\$ 2,170	\$ 2,377	\$ 3,089	\$ 3,313	\$ 4,488
Special items -- Automotive	(481)	-	(603)	-	(1,940)
Total Automotive	\$ 1,689	\$ 2,377	\$ 2,486	\$ 3,313	\$ 2,548
<u>Financial Services</u>					
Ford Credit	\$ 434	\$ 506	\$ 933	\$ 989	\$ 1,854
Other	(5)	(15)	(42)	(29)	(60)
Total Financial Services	\$ 429	\$ 491	\$ 891	\$ 960	\$ 1,794
<u>Company</u>					
Pre-tax results	\$ 2,118	\$ 2,868	\$ 3,377	\$ 4,273	\$ 4,342
(Provision for) / Benefit from income taxes	(803)	(982)	(1,073)	(1,462)	(1,156)
Net income	\$ 1,315	\$ 1,886	\$ 2,304	\$ 2,811	\$ 3,186
Less: Income / (Loss) attributable to non-controlling interests	4	1	4	2	(1)
Net income attributable to Ford	\$ 1,311	\$ 1,885	\$ 2,300	\$ 2,809	\$ 3,187
Memo: Excluding special items					
Pre-tax results	\$ 2,599	\$ 2,868	\$ 3,980	\$ 4,273	\$ 6,282
(Provision for) / Benefit from income taxes	(965)	(982)	(1,327)	(1,462)	(1,650)
Less: Income / (Loss) attributable to non-controlling interests	4	1	4	2	(1)
After-tax results	\$ 1,630	\$ 1,885	\$ 2,649	\$ 2,809	\$ 4,633

SPECIAL ITEMS



	2Q		1H		Memo:
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)	FY 2014 (Mils)
Personnel-Related Items					
Separation-related actions*	\$ (152)	\$ -	\$ (274)	\$ -	\$ (685)
Other Items					
Venezuela accounting change	\$ -	\$ -	\$ -	\$ -	\$ (800)
Ford Sollers equity impairment	(329)	-	(329)	-	(329)
2016 Convertible Notes settlement	-	-	-	-	(126)
Total Other Items	<u>\$ (329)</u>	<u>\$ -</u>	<u>\$ (329)</u>	<u>\$ -</u>	<u>\$ (1,255)</u>
Total Special Items	<u><u>\$ (481)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (603)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,940)</u></u>
Tax Special Items	\$ 162	\$ -	\$ 254	\$ -	\$ 494
Memo:					
Special items impact on earnings per share**	\$ (0.08)	\$ -	\$ (0.08)	\$ -	\$ (0.36)

* 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

GROSS CASH RECONCILIATION TO GAAP



	2014		2015	
	<u>June 30</u> (Bils)	<u>Dec. 31</u> (Bils)	<u>Mar. 31</u> (Bils)	<u>June 30</u> (Bils)
Cash and cash equivalents	\$ 4.7	\$ 4.6	\$ 5.1	\$ 6.1
Marketable securities	<u>21.1</u>	<u>17.1</u>	<u>14.4</u>	<u>14.6</u>
Total cash and marketable securities (GAAP)	\$ 25.8	\$ 21.7	\$ 19.5	\$ 20.7
Securities in transit*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross cash	<u>\$ 25.8</u>	<u>\$ 21.7</u>	<u>\$ 19.5</u>	<u>\$ 20.7</u>

* The purchase or sale of marketable securities for which the cash settlement was not made by period end and the related payable or receivable remained on the balance sheet

AUTOMOTIVE SECTOR OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP



	2Q		1H		Memo:
	2014 (Bils)	2015 (Bils)	2014 (Bils)	2015 (Bils)	FY 2014 (Bils)
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 4.1	\$ 3.5	\$ 6.1	\$ 4.5	\$ 8.8
<u>Items included in operating-related cash flows</u>					
Capital spending	(1.9)	(1.7)	(3.4)	(3.5)	(7.4)
Proceeds from the exercise of stock options	-	-	0.1	0.1	0.2
Net cash flows from non-designated derivatives	0.1	(0.1)	0.1	-	0.2
<u>Items not included in operating-related cash flows</u>					
Separation payments	0.1	0.1	0.1	0.5	0.2
Funded pension contributions	0.3	0.1	0.8	0.9	1.5
Tax refunds and tax payments from affiliates	-	-	(0.2)	-	(0.2)
Other	(0.1)	-	0.2	(0.1)	0.3
Operating-related cash flows	<u>\$ 2.6</u>	<u>\$ 1.9</u>	<u>\$ 3.8</u>	<u>\$ 2.4</u>	<u>\$ 3.6</u>