



**Go Further**



# 2014 SECOND QUARTER EARNINGS REVIEW

**JULY 24, 2014**  
(PRELIMINARY RESULTS)

# 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



# **2014 SECOND QUARTER SUMMARY\***



- **Company profitable for 20th consecutive quarter and best quarterly pre-tax profit since Second Quarter 2011; Automotive operating-related cash flow positive; strong liquidity**
- **Year-over-year decline of 1% in wholesale volume and Company revenue; market share higher in Asia Pacific, driven by record share in China**
- **All Automotive Business Units profitable and improved compared with a year ago, except South America**
- **Record quarterly profit in North America; Second Quarter record profit in Asia Pacific; first quarterly profit in Europe in three years**
- **Solid results from Ford Credit**
- **Global new product launches on track**
- **Reconfirming Company pre-tax profit, Automotive revenue, and operating margin guidance for Full Year; improving operating-related cash flow guidance**

\* Excludes special items; Business Unit records are since at least 2000 when we began reporting specific Business Unit results

**Strong Second Quarter Financial Results. Reconfirming  
Company Full Year Pre-Tax Profit Guidance Of \$7 Billion To \$8 Billion**

# **2014 SECOND QUARTER HIGHLIGHTS**



- **Ford and Lincoln made strong improvements in the J.D. Power 2014 U.S. Initial Quality Study; F-150, Edge, and Lincoln MKX ranked highest in their segments for quality**
- **Globally revealed all-new 2015 Edge and Focus ST, all-new Escort in China, Ford Everest Concept in China, S-MAX Vignale Concept in Europe, and Ford Lightweight Research Concept**
- **Launched Lincoln brand in China, including reveal of MKX Concept**
- **Began North America production of Transit from refurbished Kansas City plant, Lincoln MKC from Louisville, and increased Fiesta production in Cologne**
- **Ford Otosan joint venture began vehicle production from a new plant in Turkey; Changan Ford Automobile joint venture opened new transmission plant in China; Ford opened new engine plant in Brazil**
- **Reached agreement with German Works Council to improve flexibility and efficiency at our Cologne plant with production of next-generation Fiesta**
- **Currently implementing a share repurchase program for almost \$2 billion**

# 2014 SECOND QUARTER KEY FINANCIAL SUMMARY

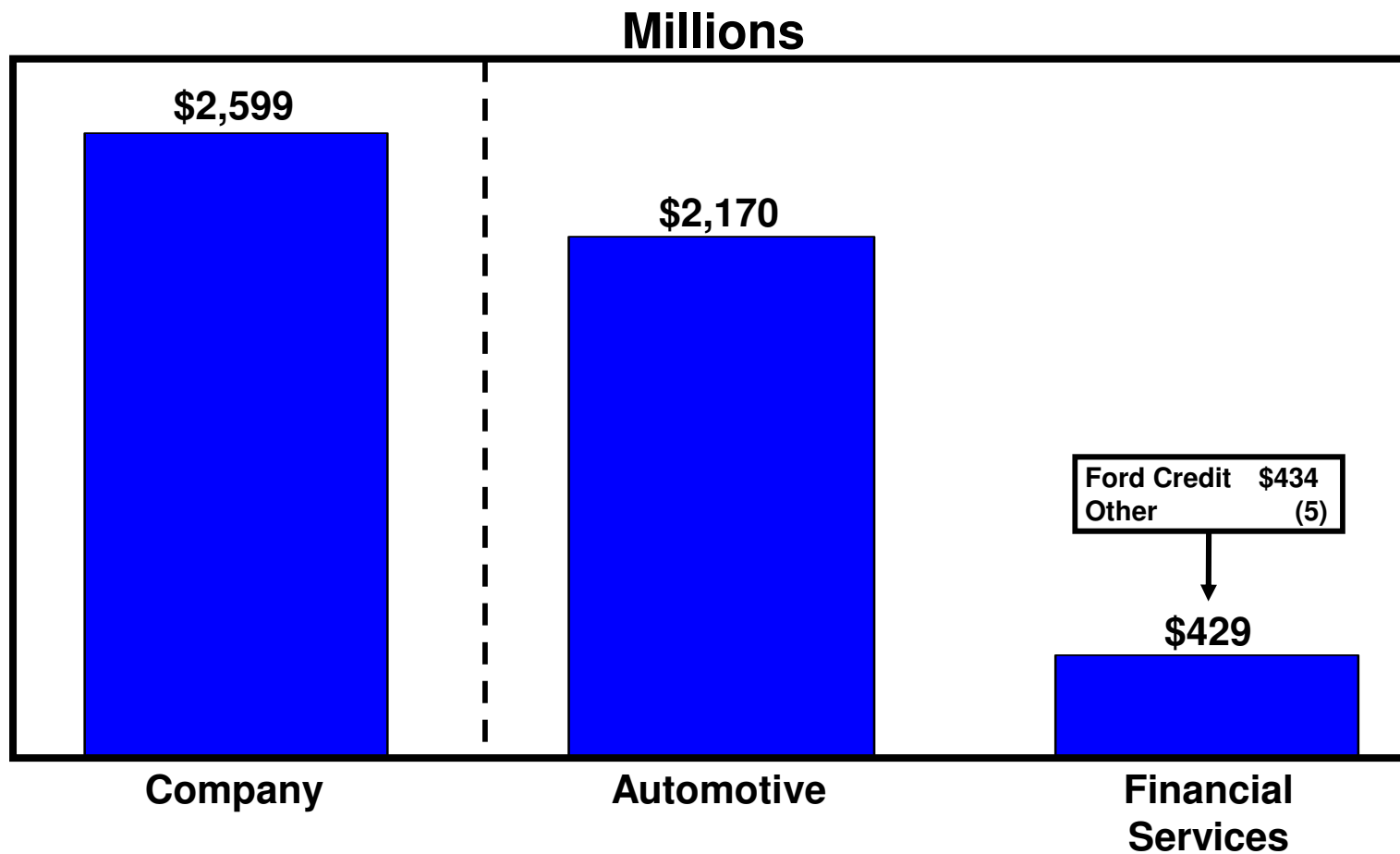


	Second Quarter		First Half	
	2014	B / (W) 2013	2014	B / (W) 2013
Wholesales (000)	1,661	(17)	3,250	75
Revenue (Bils.)	\$ 37.4	\$ (0.5)	\$ 73.3	\$ (0.2)
<b><u>Operating results*</u></b>				
Pre-tax results (Mils.)	\$ 2,599	\$ 44	\$ 3,980	\$ (721)
After-tax results (Mils.)	1,630	(203)	2,649	(826)
Earnings per share	0.40	(0.05)	0.65	(0.21)
<b><u>Special items pre-tax (Mils.)</u></b>	\$ (481)	\$ 255	\$ (603)	\$ 156
<b><u>Net income attributable to Ford</u></b>				
After-tax results (Mils.)	\$ 1,311	\$ 78	\$ 2,300	\$ (544)
Earnings per share	0.32	0.02	0.57	(0.13)
<b><u>Automotive</u></b>				
Operating-related cash flow (Bils.)**	\$ 2.6	\$ (0.7)	\$ 3.8	\$ (0.2)
Gross cash (Bils.)**	\$ 25.8	\$ 0.1	\$ 25.8	\$ 0.1
Debt (Bils.)	(15.4)	0.4	(15.4)	0.4
Net cash (Bils.)**	<u>\$ 10.4</u>	<u>\$ 0.5</u>	<u>\$ 10.4</u>	<u>\$ 0.5</u>

\* Excludes special items; see Appendix for detail and reconciliation to Generally Accepted Accounting Principles (GAAP)

\*\* See Appendix for reconciliation to GAAP; net cash is calculated as Automotive gross cash net of Automotive debt

# 2014 SECOND QUARTER PRE-TAX RESULTS BY SECTOR\*



**Memo:**

B / (W) 2013 2Q	\$ 44	\$ 66	\$(22)
B / (W) 2014 1Q	1,218	1,251	(33)

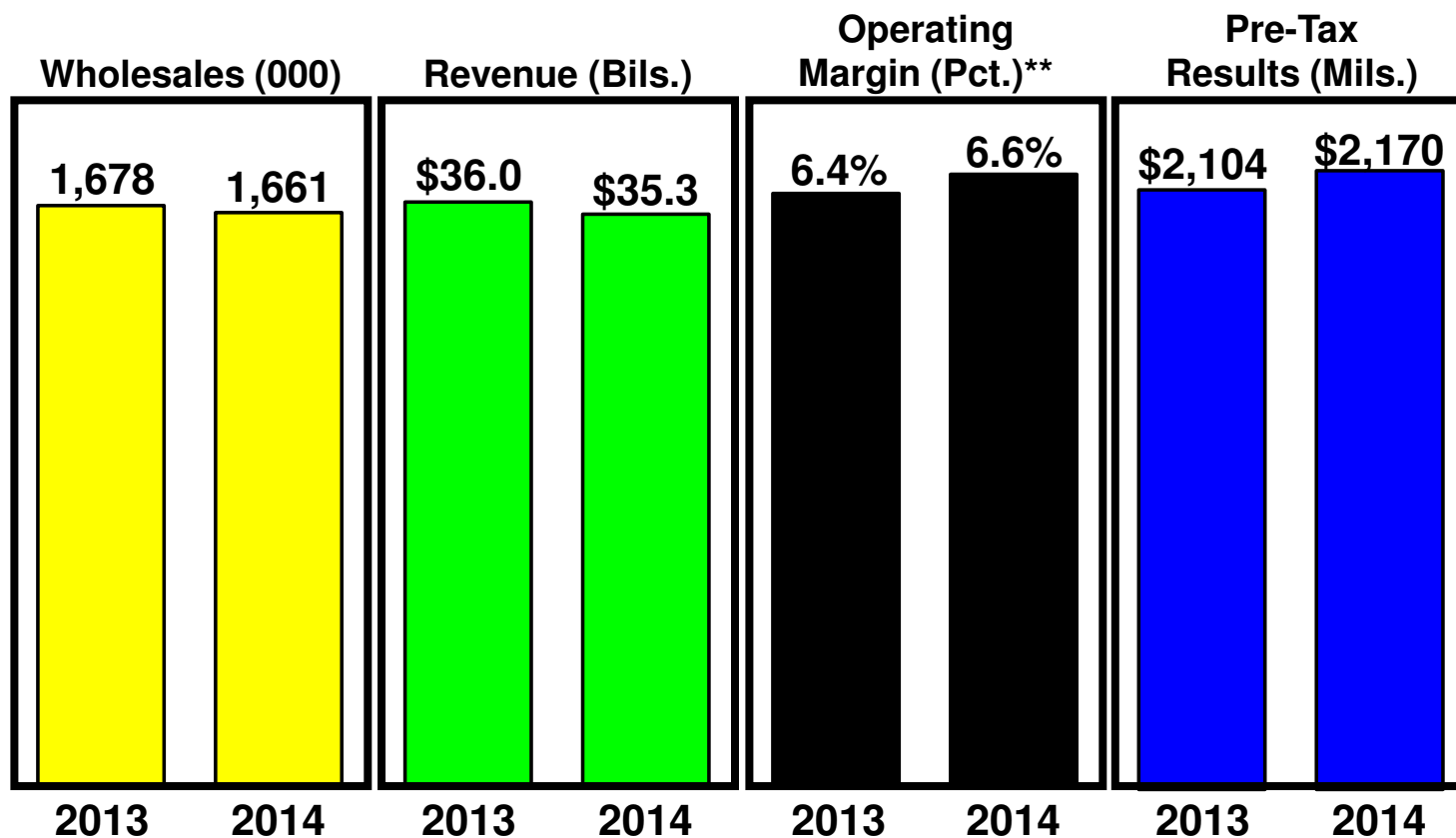
\* Excludes special items; see Appendix for detail and reconciliation to GAAP



# AUTOMOTIVE SECTOR

## 2014 SECOND QUARTER KEY METRICS

### COMPARED WITH 2013\*



**Memo:**

First Half	3,175	3,250	\$69.9	\$69.2	5.8%	5.0%	\$3,747	\$3,089
Second Quarter								
Global Industry SAAR (Mils.)***	84.4	87.3						
Global Market Share***	7.7%	7.5%						

\* Excludes special items; see Appendix for detail, reconciliation to GAAP, and definition of wholesales

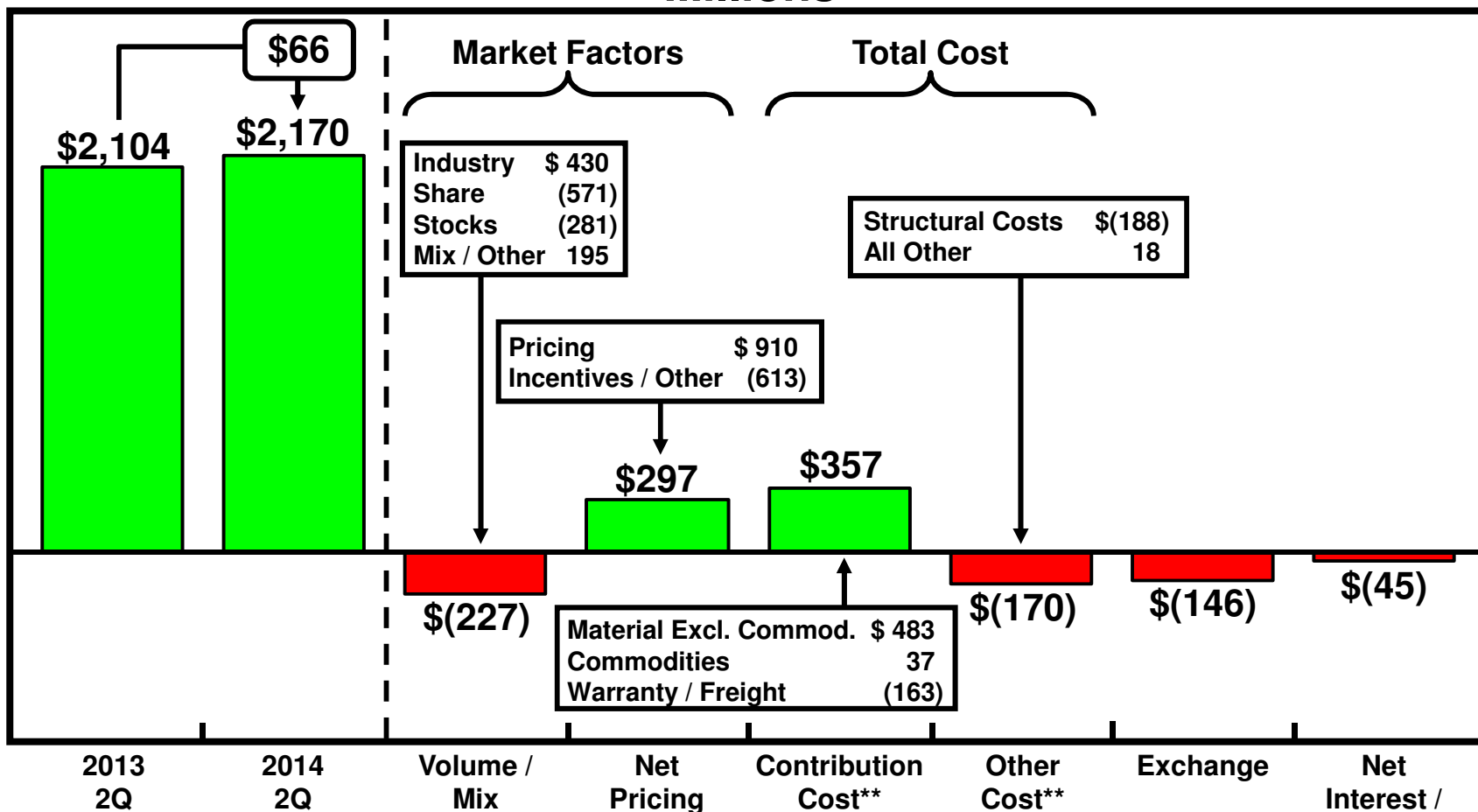
\*\* Automotive operating margin defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive revenue

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



# AUTOMOTIVE SECTOR 2014 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2013\*

Millions



**Memo:**

B / (W) Than 2014 1Q	\$1,251	\$962	\$(6)	\$288	\$(333)	\$365	\$(25)
----------------------	---------	-------	-------	-------	---------	-------	--------

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

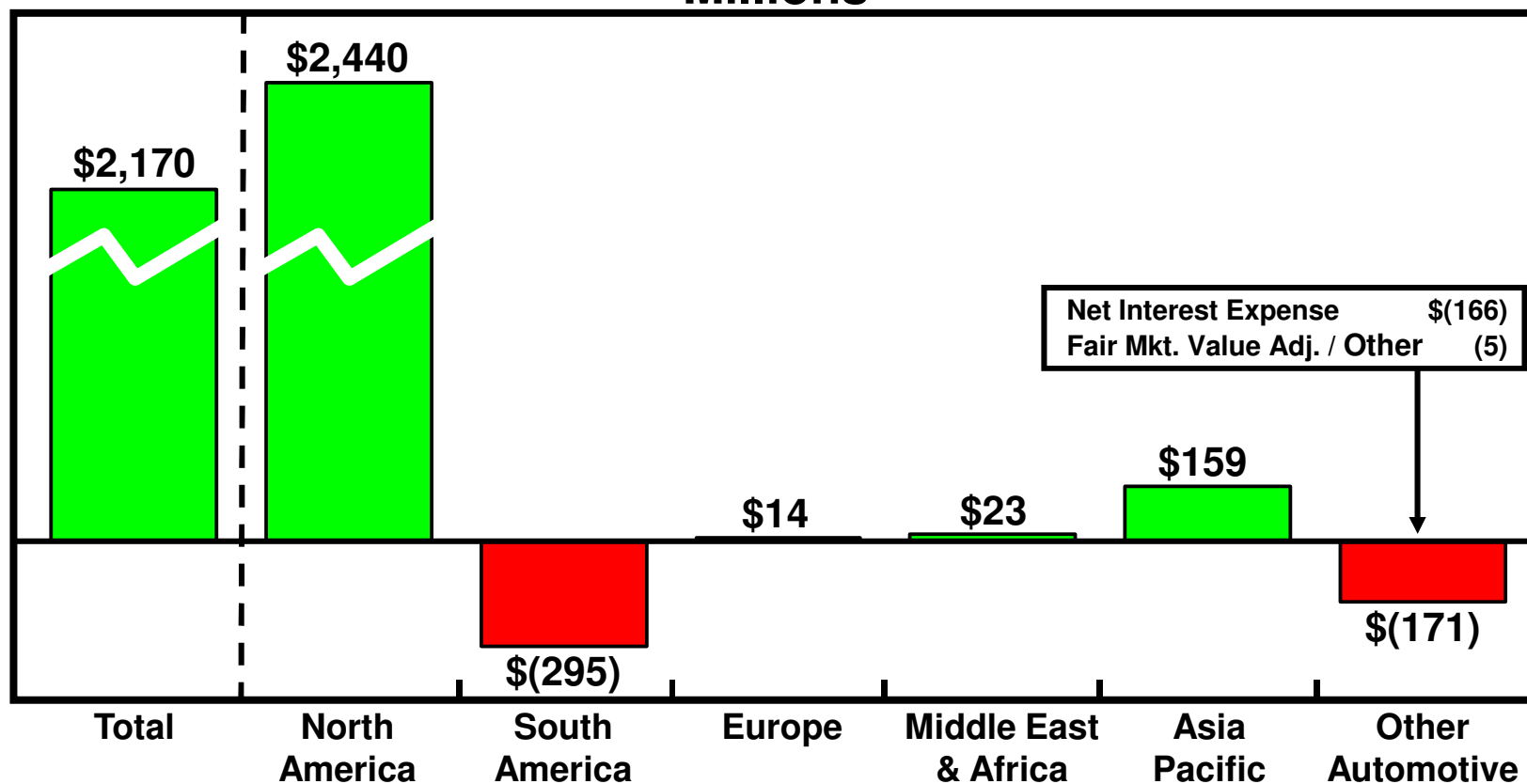
\*\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix





# AUTOMOTIVE SECTOR 2014 SECOND QUARTER PRE-TAX RESULTS BY SEGMENT\*

Millions



**Memo:**

B / (W) 2013 2Q	\$ 66	\$119	\$(446)	\$320	\$ 10	\$ 29	\$34
B / (W) 2014 1Q	1,251	940	215	208	(31)	(132)	51

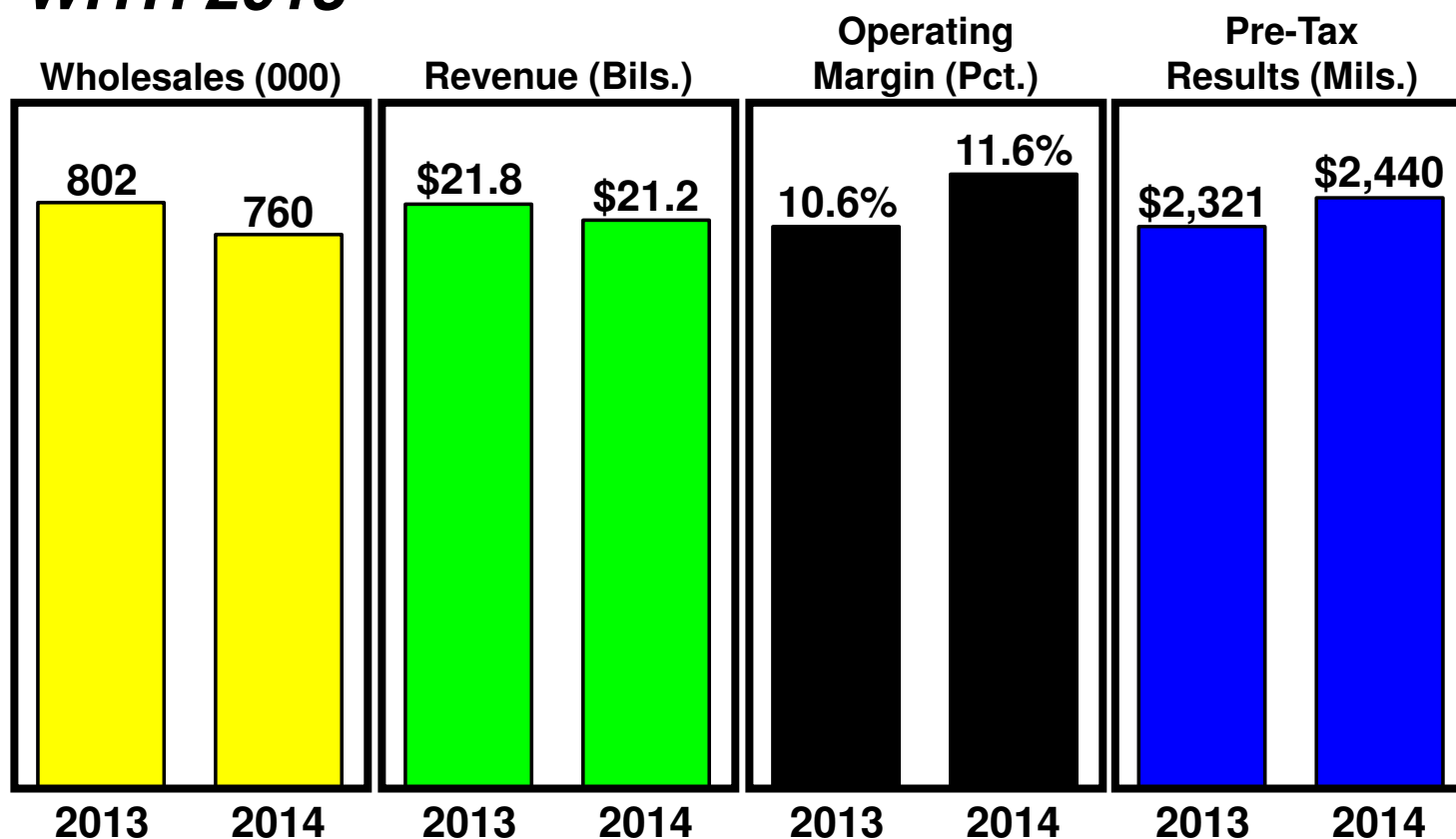
\* Excludes special items; see Appendix for detail and reconciliation to GAAP



# AUTOMOTIVE SECTOR -- NORTH AMERICA

## 2014 SECOND QUARTER KEY METRICS

### COMPARED WITH 2013



**Memo:**

First Half	1,537	1,477	\$43.3	\$41.6	10.9%	9.5%	\$4,713	\$3,940
Second Quarter								
N.A. Industry SAAR (Mils.)*	18.9	20.2						
N.A. Market Share*	16.0%	14.8%						
U.S. Industry SAAR (Mils.)*	15.7	16.9						
U.S. Market Share*	16.5%	15.3%						

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

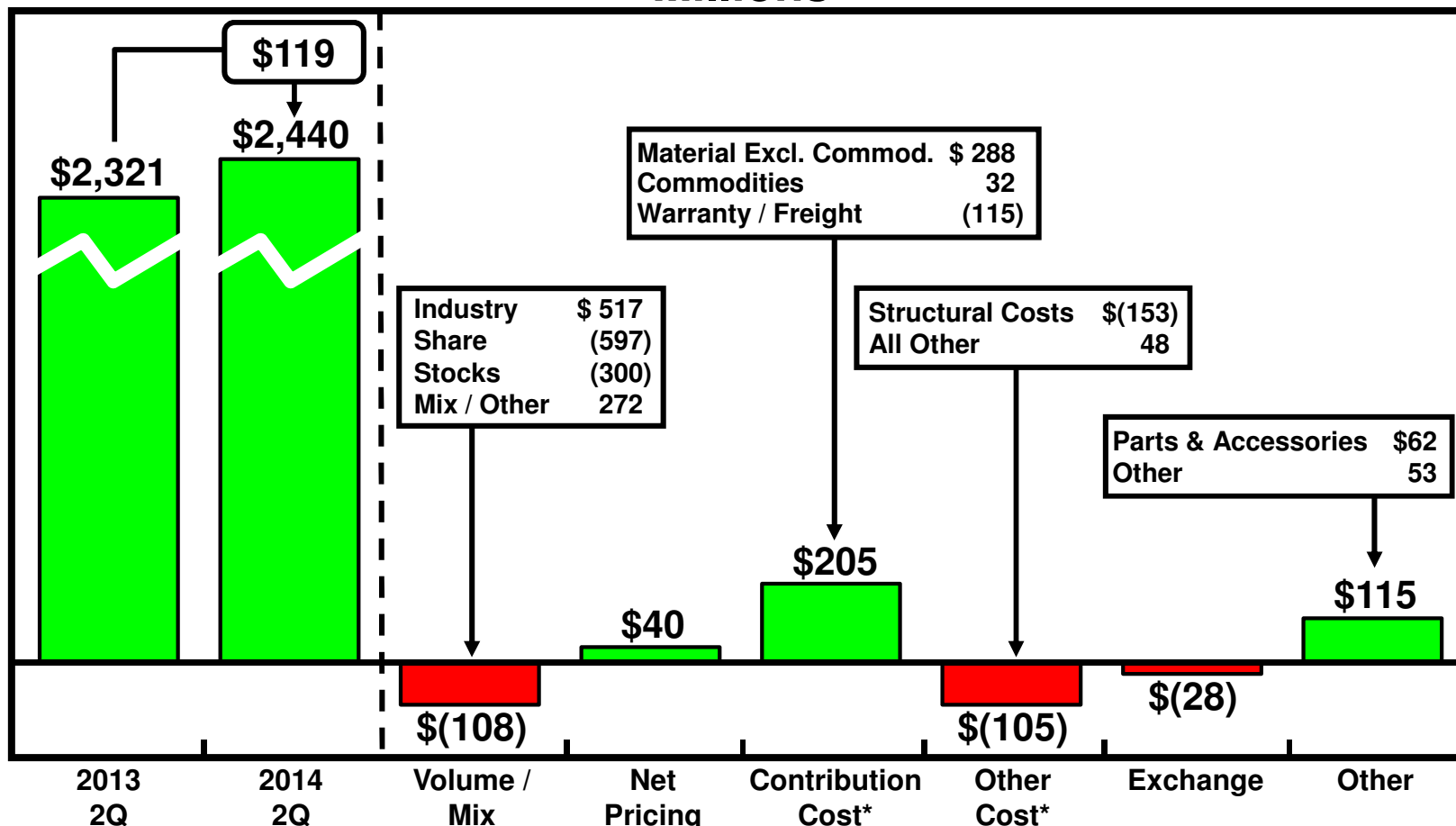


# AUTOMOTIVE SECTOR -- NORTH AMERICA

## 2014 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2013

Millions



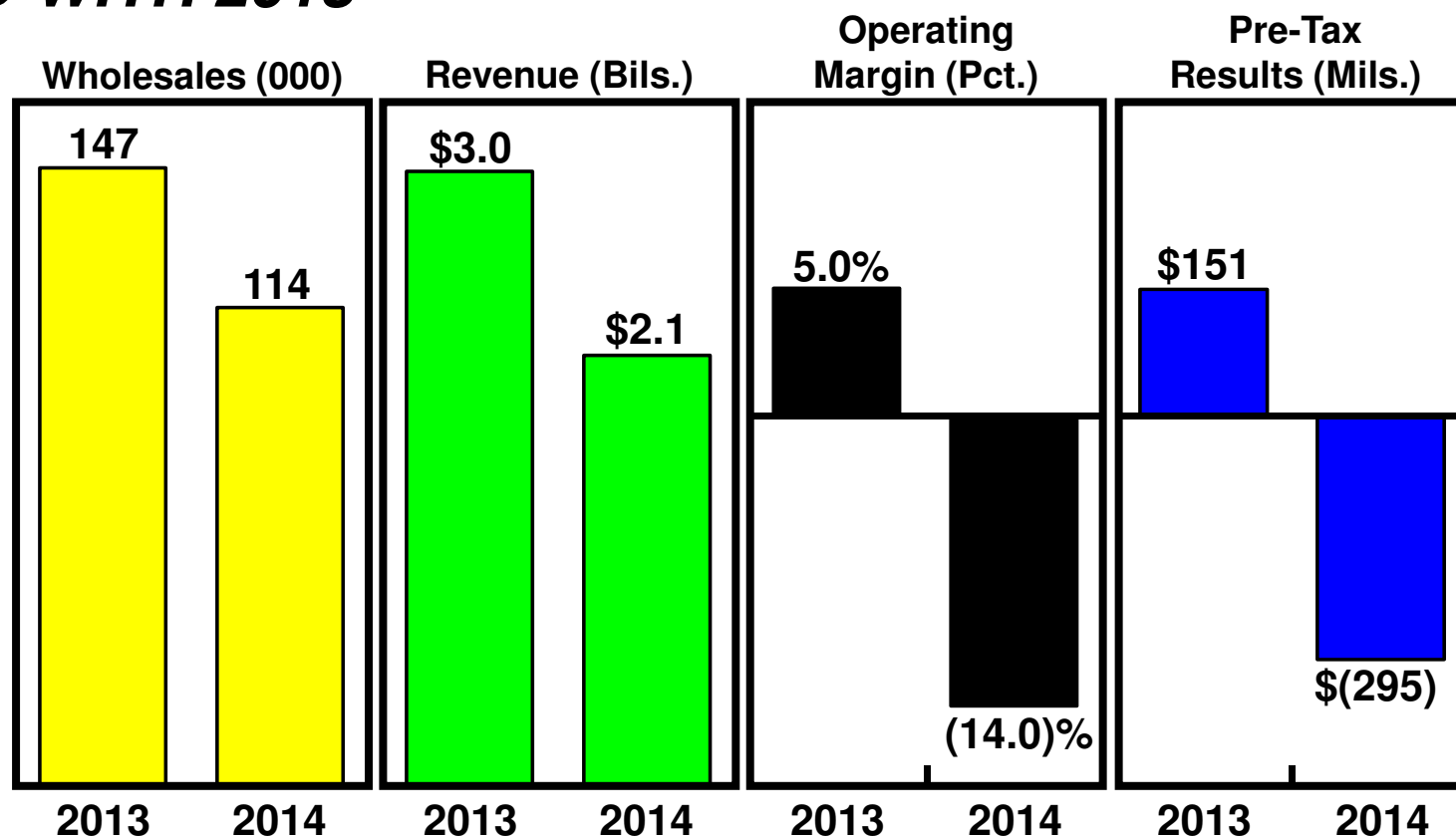
Memo:

B / (W) Than 2014 1Q	\$940	\$815	\$15	\$267	\$(271)	\$(50)	\$164
----------------------	-------	-------	------	-------	---------	--------	-------

\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# AUTOMOTIVE SECTOR -- SOUTH AMERICA 2014 SECOND QUARTER KEY METRICS COMPARED WITH 2013



**Memo:**

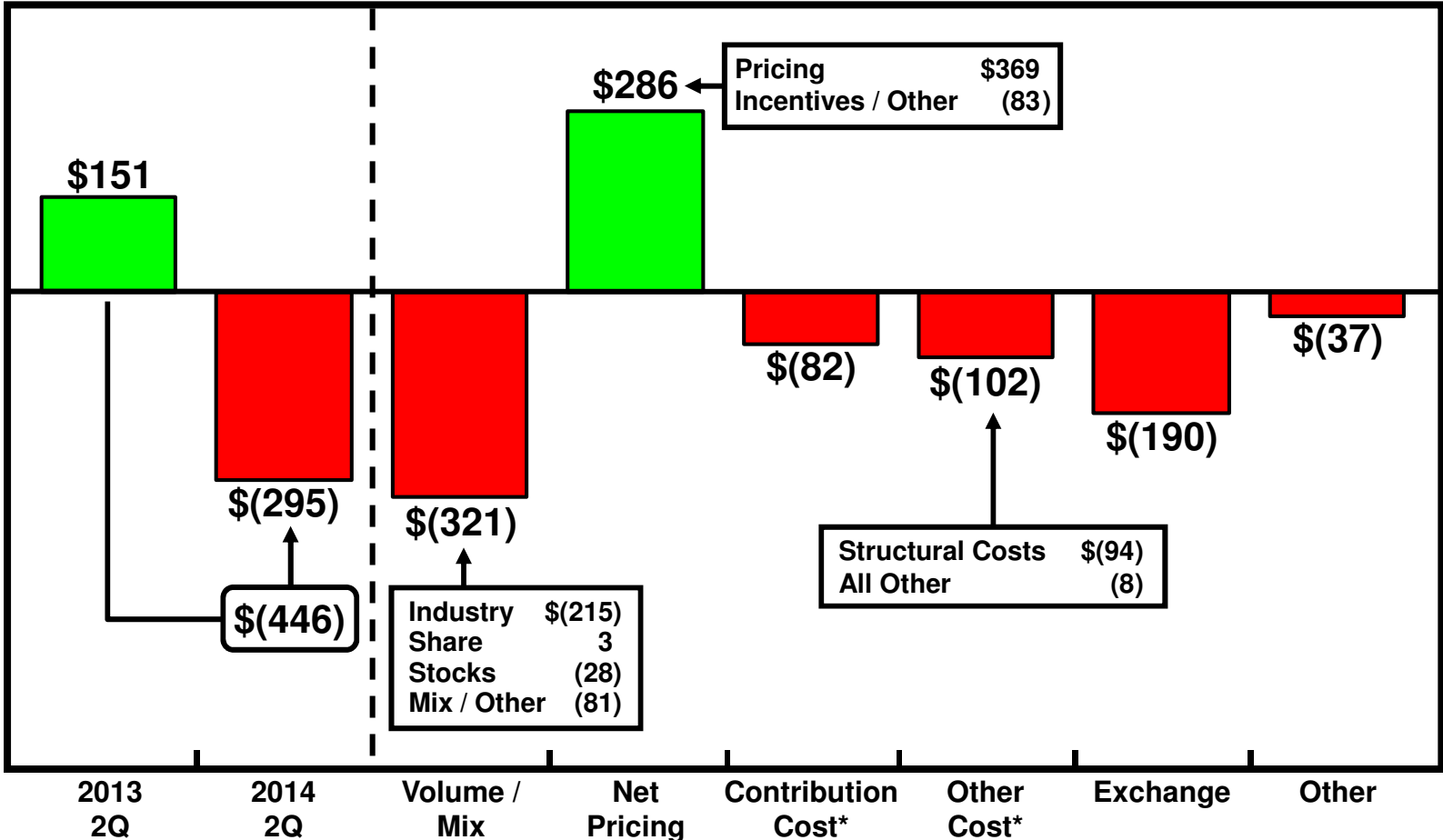
First Half	260	218	\$5.3	\$4.0	(1.3)%	(20.1)%	\$(67)	\$(805)
Second Quarter								
S.A. Industry SAAR (Mils.)*	6.1	5.3						
S.A. Market Share*	9.1%	8.8%						
Brazil Industry SAAR (Mils.)*	3.9	3.6						
Brazil Market Share*	9.2%	9.1%						

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



# AUTOMOTIVE SECTOR -- SOUTH AMERICA 2014 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2013

Millions



Memo:

2013 2Q	2014 2Q	Volume / Mix	Net Pricing	Contribution Cost*	Other Cost*	Exchange	Other
B / (W) Than 2014 1Q	\$215	\$9	\$30	\$(67)	\$(59)	\$380	\$(78)

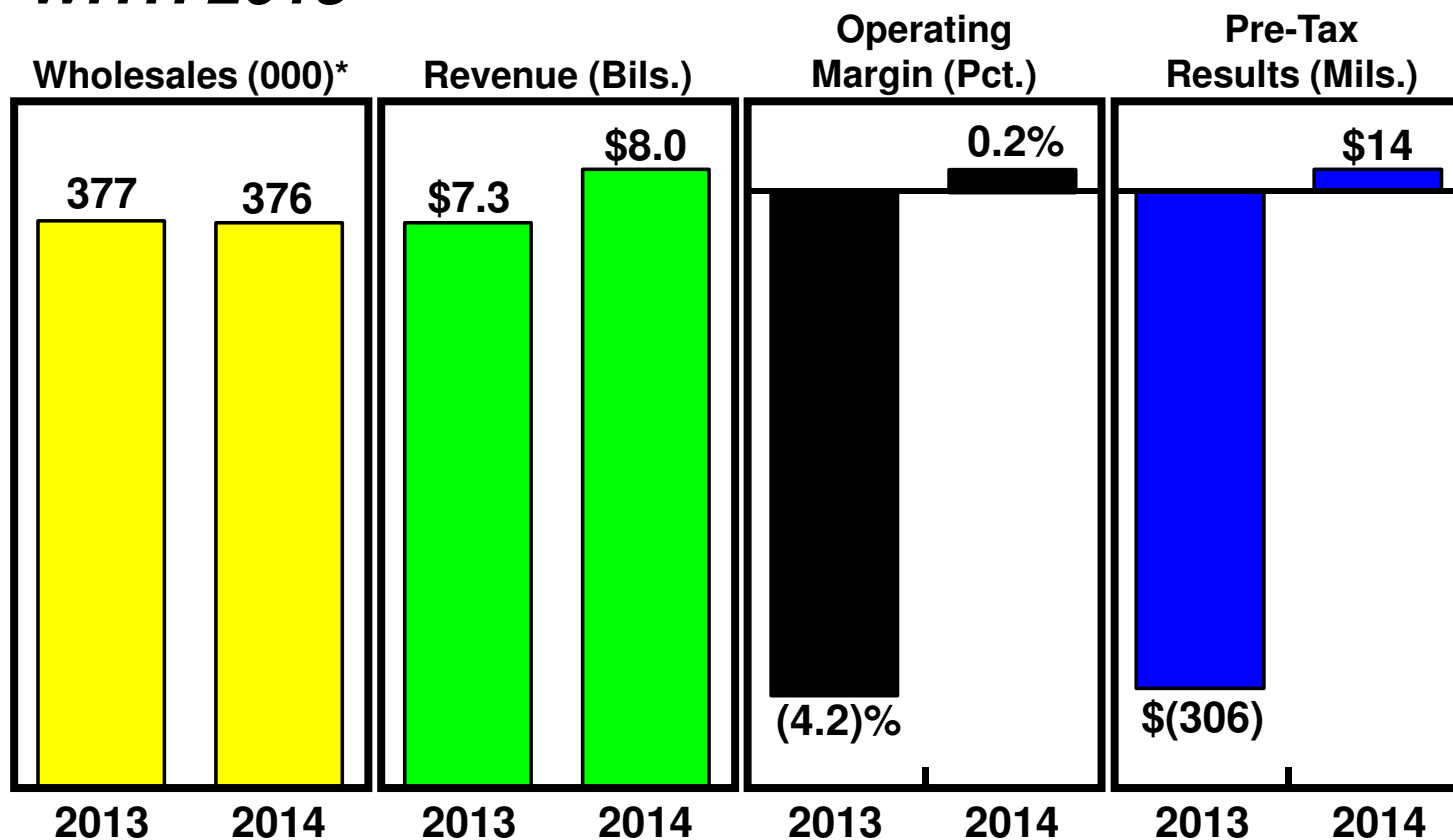
\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# AUTOMOTIVE SECTOR -- EUROPE

## 2014 SECOND QUARTER KEY METRICS

### COMPARED WITH 2013



**Memo:**

First Half	707	743	\$13.9	\$15.8	(5.2)%	(1.1)%	\$(731)	\$(180)
Second Quarter								
Europe Industry SAAR (Mils.)**	18.0	18.2						
Europe Market Share**	7.5%	7.1%						
Europe 20 Industry SAAR (Mils.)**	13.7	14.4						
Europe 20 Market Share**	8.1%	7.9%						

\* Includes Ford brand vehicles sold by our unconsolidated affiliates in Turkey (totaling about 14,000 and 11,000 units in Second Quarter 2013 and 2014, respectively) and in Russia (totaling about 34,000 and 9,000 units in Second Quarter 2013 and 2014, respectively); revenue does not include these sales

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

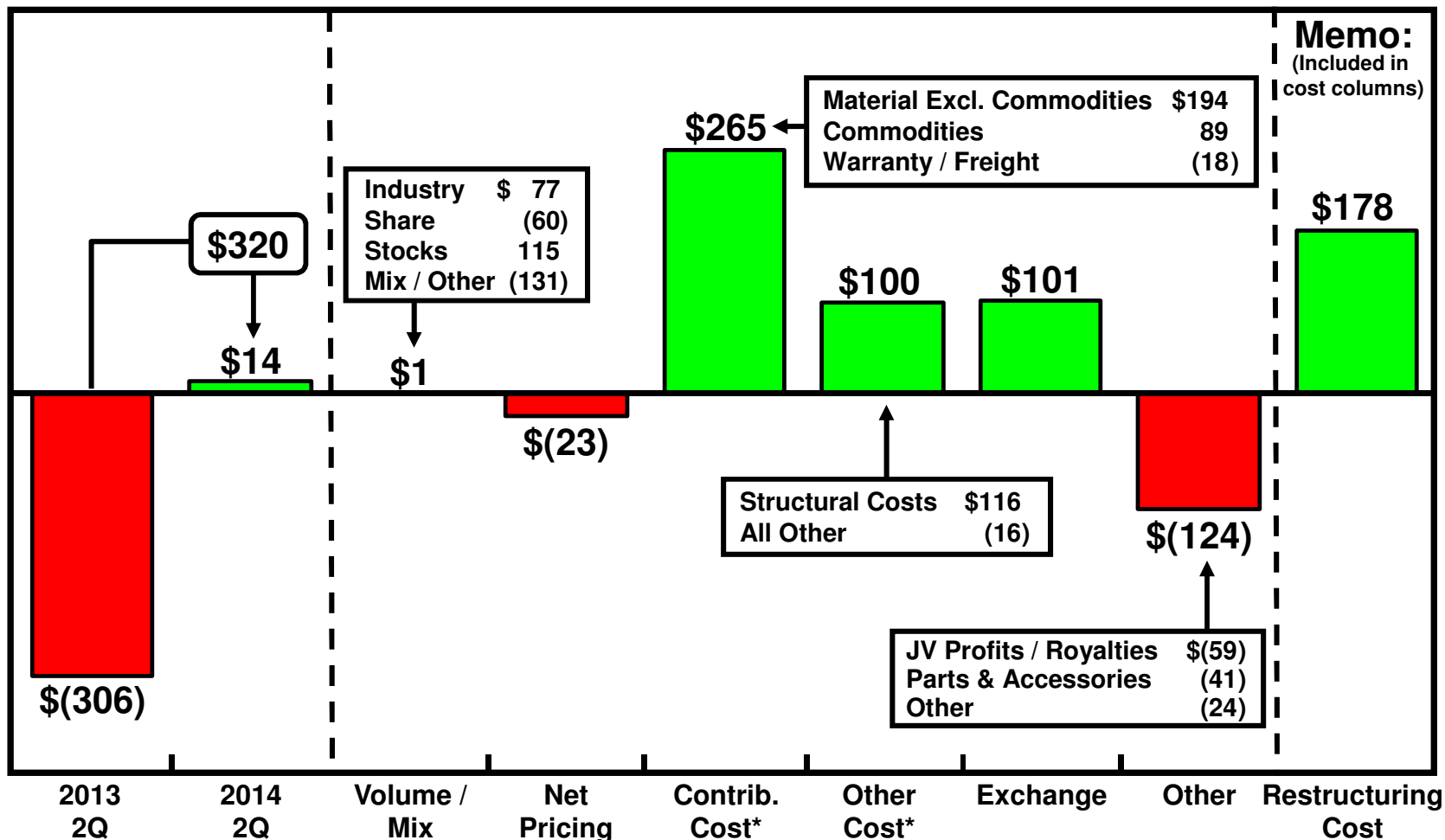


# AUTOMOTIVE SECTOR -- EUROPE

## 2014 SECOND QUARTER PRE-TAX RESULTS

### COMPARED WITH 2013

Millions



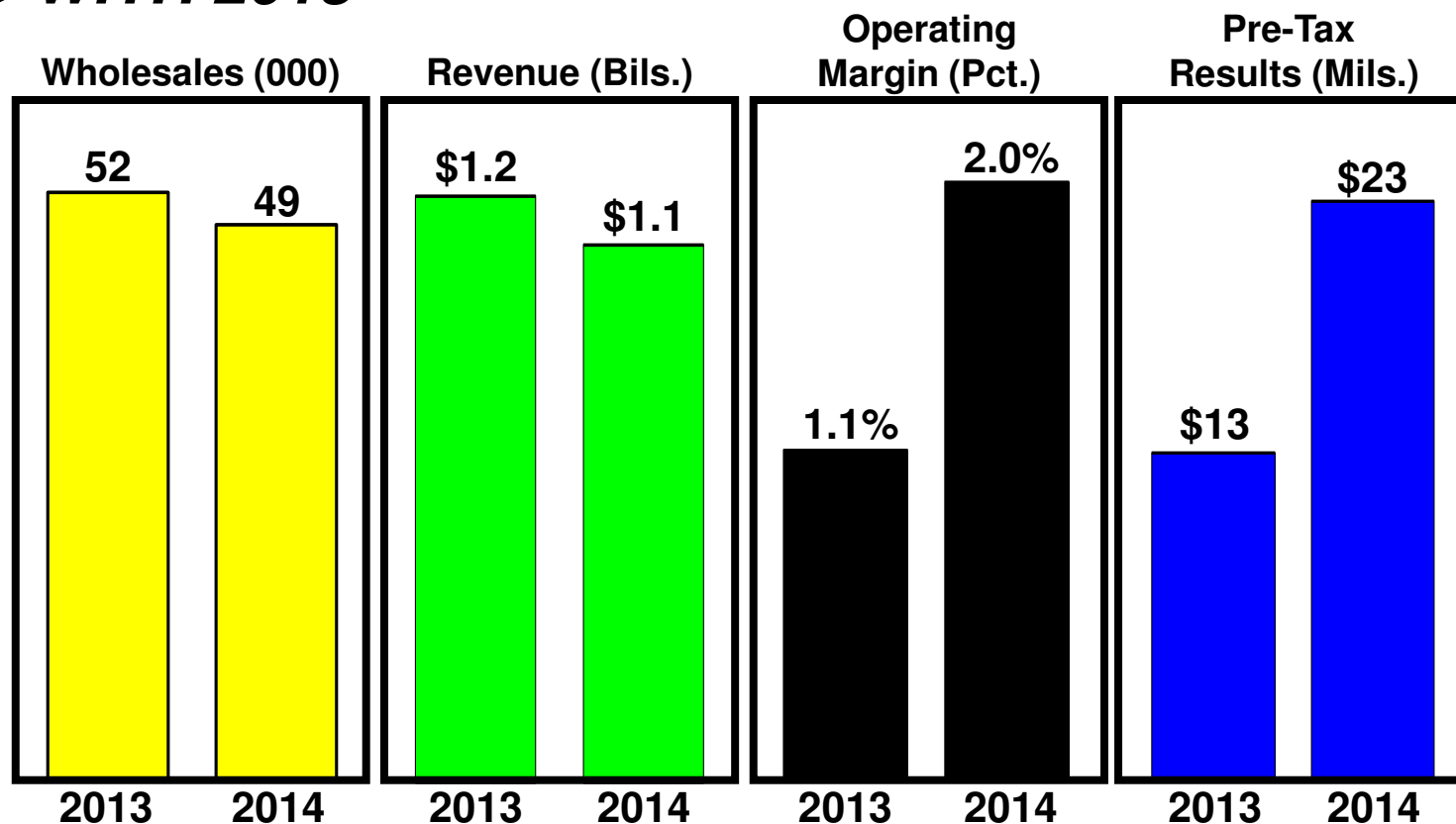
Memo:

B / (W) Than 2014 1Q    \$208    \$90    \$(65)    \$178    \$107    \$31    \$(133)    \$66

\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# AUTOMOTIVE SECTOR -- MIDDLE EAST & AFRICA 2014 SECOND QUARTER KEY METRICS COMPARED WITH 2013



**Memo:**

First Half	106	100	\$2.5	\$2.3	2.4%	3.3%	\$60	\$77
Second Quarter								
MEA Industry SAAR (Mils.)*	4.0	4.0						
MEA Market Share*	4.9%	4.7%						

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

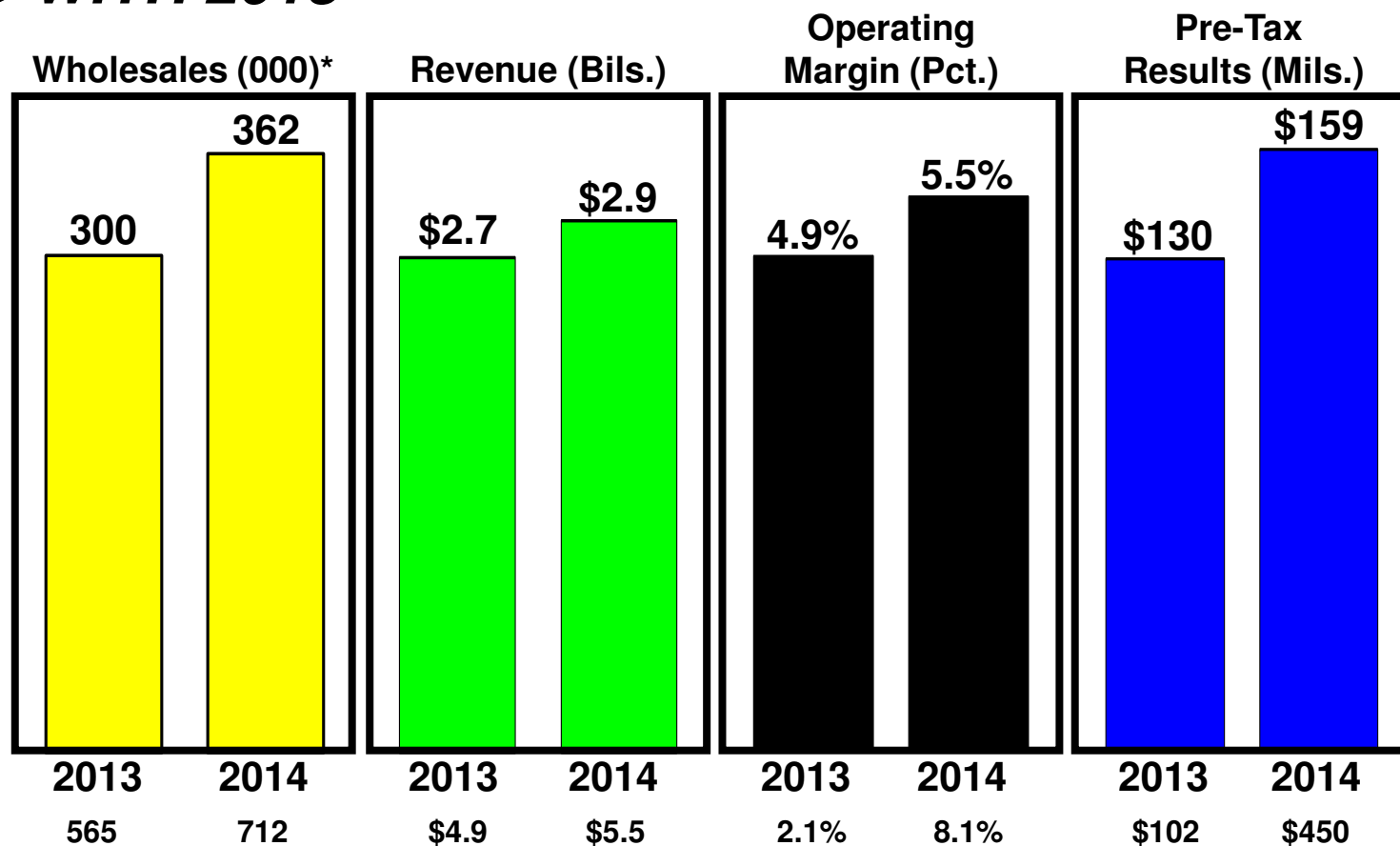




# AUTOMOTIVE SECTOR -- ASIA PACIFIC

## 2014 SECOND QUARTER KEY METRICS

### COMPARED WITH 2013



**Memo:**

**First Half**

<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
565	712	\$4.9	\$5.5	2.1%	8.1%	\$102	\$450

**Second Quarter**

<b>AP Industry SAAR (Mils.)**</b>	<b>37.4</b>	<b>39.6</b>
<b>AP Market Share**</b>	<b>3.3%</b>	<b>3.7%</b>
<b>China Industry SAAR (Mils.)**</b>	<b>21.8</b>	<b>24.0</b>
<b>China Market Share**</b>	<b>4.3%</b>	<b>4.6%</b>

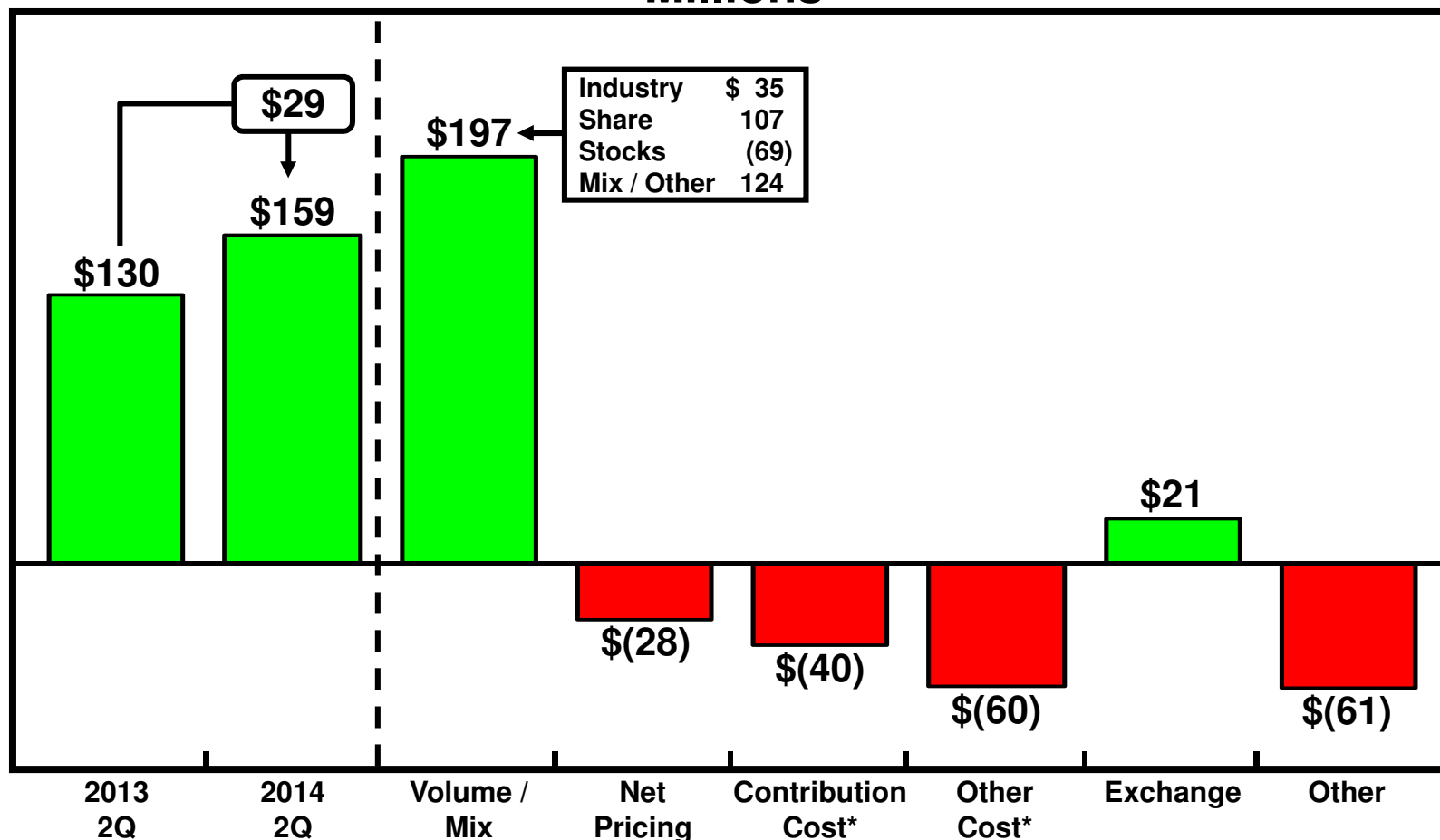
\* Includes Ford brand and Jiangling Motors Corporation (JMC) brand vehicles produced in China by unconsolidated affiliates (totaling about 213,000 and 269,000 units in Second Quarter 2013 and 2014, respectively); revenue does not include these sales

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



# AUTOMOTIVE SECTOR -- ASIA PACIFIC 2014 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2013

Millions



Industry	\$ 35
Share	107
Stocks	(69)
Mix / Other	124

Memo:

B / (W) Than 2014 1Q	\$ (132)	\$ 56	\$ 1	\$ (79)	\$ (74)	\$ (4)	\$ (32)
----------------------	----------	-------	------	---------	---------	--------	---------

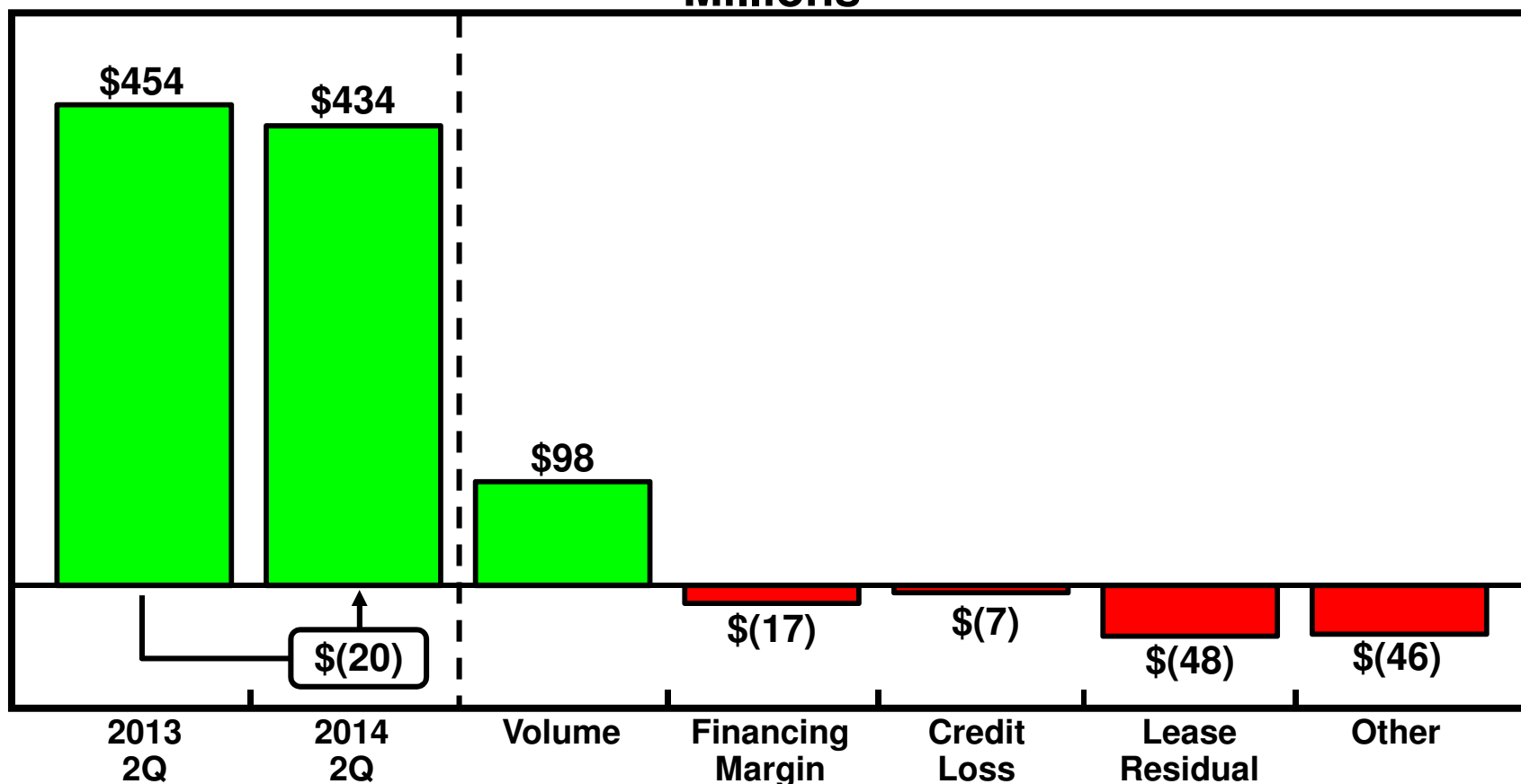
\* Cost changes are measured primarily at present-year exchange, and exclude special items and discontinued operations. In addition, costs that vary directly with volume, such as material, freight, and warranty costs, are measured at present-year volume and mix



# FORD CREDIT

## 2014 SECOND QUARTER PRE-TAX RESULTS COMPARED WITH 2013

Millions



Memo:

B / (W) 2014 1Q

\$(65)

\$28

\$1

\$4

\$(14)

\$(84)

Receivables (Bils.)

Net \*

\$93

\$107

Managed \*\*

96

111

\* Net receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet. The prior period was revised to conform to the presentation in our 2013 10-K Report

\*\* Managed receivables equal net receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The prior period was revised to conform to the presentation in our 2013 10-K Report



# **AUTOMOTIVE SECTOR**

## **2014 CASH\***

	<u>Second Quarter</u> (Bils.)	<u>First Half</u> (Bils.)
Gross cash at end of period	\$ 25.8	\$ 25.8
Gross cash at beginning of period	<u>25.2</u>	<u>24.8</u>
Change in gross cash	<u>\$ 0.6</u>	<u>\$ 1.0</u>
Automotive pre-tax profits**	\$ 2.2	\$ 3.1
Capital spending	(1.9)	(3.4)
Depreciation and tooling amortization	1.0	2.0
Changes in working capital	(0.7)	1.0
Other / Timing differences	<u>2.0</u>	<u>1.1</u>
Automotive operating-related cash flow	\$ 2.6	\$ 3.8
Separation payments	(0.1)	(0.1)
Net receipts from Financial Services sector	-	0.2
Other	<u>0.1</u>	<u>0.1</u>
Cash flow before other actions	\$ 2.6	\$ 4.0
Changes in debt	(0.4)	(0.4)
Funded pension contributions	(0.3)	(0.8)
Dividends / Other items	<u>(1.3)</u>	<u>(1.8)</u>
Change in gross cash	<u>\$ 0.6</u>	<u>\$ 1.0</u>

\* See Appendix for reconciliation to GAAP

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



# **AUTOMOTIVE SECTOR**

## **2014 AUTOMOTIVE FINANCIAL RESOURCES**

	<u>Mar. 31,</u> <u>2014</u> (Bils.)	<u>June 30,</u> <u>2014</u> (Bils.)
<b>Automotive gross cash*</b>	<b>\$ 25.2</b>	<b>\$ 25.8</b>
<b>Less:</b>		
<b>Long-term debt</b>	<b>\$ (13.6)</b>	<b>\$ (13.2)</b>
<b>Debt payable within one year</b>	<u><b>(2.1)</b></u>	<u><b>(2.2)</b></u>
<b>Total debt</b>	<b>\$ (15.7)</b>	<b>\$ (15.4)</b>
<b>Net cash**</b>	<u><u><b>\$ 9.5</b></u></u>	<u><u><b>\$ 10.4</b></u></u>
<b>Memo: Liquidity***</b>	<b>\$ 36.6</b>	<b>\$ 36.7</b>

\* See Appendix for reconciliation to GAAP

\*\* Net cash is calculated as Automotive gross cash net of Automotive debt

\*\*\* Total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$10.9 billion at June 30, 2014

# **2014 BUSINESS ENVIRONMENT OVERVIEW**

## **Global**

- **2014 global economic growth of 2.5% - 3% range; global industry sales of 85 - 90 million units**

## **Americas**

- **U.S. economic growth revised down to the 2% range after negative First Quarter data, with improving conditions expected for the balance of 2014**
- **South America remains challenging, with slowing growth and inflation pressures in Brazil and severe economic policy imbalances in Argentina and Venezuela**

## **Europe**

- **Incoming data consistent with ongoing recovery, with 2014 growth in the 1% range for the Euro Area and 2.5% - 3% range for the U.K.**
- **European Central Bank eased monetary policy by cutting interest rates and announcing a new lending facility to spur growth and limit deflation risks**

## **Asia Pacific**

- **China's economic growth projected in the 7.5% range, with economy recently stabilizing**
- **India projected to be in the 5% range; more positive sentiment after elections**

**2014 Global Economic Growth In The 2.5% To 3% Range**

# 2014 KEY METRICS -- BUSINESS UNITS



	2013 Full Year Results	2014 Full Year Compared With 2013		Memo: First Half Results
		Plan	Outlook	
<u>Automotive (Mils.)*</u>				
North America	\$ 8,809	Lower	On Track	\$3,940
- Operating Margin	10.2%	8% - 9%	On Track	9.5%
South America	\$ (33)	About Equal	Larger Loss	\$ (805)
Europe	(1,442)	Better	On Track	(180)
Middle East & Africa	(69)	About Breakeven	On Track	77
Asia Pacific	327	About Equal	Higher	450
Net Interest Expense	(801)	About Equal	About \$(700)	(329)
<u>Ford Credit (Mils.)</u>	\$ 1,756	About Equal	Higher	\$ 933

\* Excludes special items

**Business Unit Guidance Deteriorated For South America;  
Improved For Ford Credit**

# 2014 PLANNING ASSUMPTIONS AND KEY METRICS



	2013 Full Year	2014 Full Year		Memo: First Half Results
	Results	Plan	Outlook	
<b>Planning Assumptions (Mils.)</b>				
Industry Volume* – U.S.	15.9	16.0 - 17.0	16.3 - 16.8	16.5
– Europe 20	13.8	13.5 - 14.5	14.3 - 14.8	14.4
– China	22.2	22.5 - 24.5	23.3 - 24.3	23.5
<b>Key Metrics</b>				
<b>Automotive (Compared with 2013):</b>				
- Revenue (Bils.)	\$139.4	About Equal	On Track	\$ 69.2
- Operating Margin**	5.4%	Lower	On Track	5.0%
- Operating-Related Cash Flow (Bils.)***	\$ 6.1	Substantially Lower	Lower	\$ 3.8
<b>Ford Credit (Compared with 2013):</b>				
- Pre-Tax Profit (Bils.)	\$ 1.8	About Equal	Higher	\$ 0.9
<b>Company:</b>				
- Pre-Tax Profit (Bils.)***	\$ 8.6	\$7 - \$8 Billion	On Track	\$ 4.0

\* 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 At \$7 Billion To \$8 Billion.  
2014 Is The Next Step In Delivering Profitable Growth For All**



# 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



# 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.

# ***APPENDIX***



# **2014 SECOND QUARTER EARNINGS -- APPENDIX INDEX**

	<u>Slide</u>
• Calculation of Earnings Per Share	1
• Income from Continuing Operations	2
• Special Items	3
• Preliminary Sector Income Statement	4
<u>Automotive Sector</u>	
• Production Volumes	5
• Dealer Stocks and Definition of Wholesales	6
• Market Share	7
• Automotive Debt	8
<u>Reconciliation to GAAP</u>	
Automotive Sector	
• Net Interest	9
• Gross Cash	10
• Operating-Related Cash Flows	11

# 2014 CALCULATION OF EARNINGS PER SHARE



	Second Quarter		First Half	
	Net Income Attributable to Ford	After-Tax Operating Results Excluding Special Items*	Net Income Attributable to Ford	After-Tax Operating Results Excluding Special Items*
<b>After-Tax Results (Mils.)</b>				
After-tax results*	\$ 1,311	\$ 1,630	\$ 2,300	\$ 2,649
Effect of dilutive 2016 Convertible Notes**	<u>12</u>	<u>12</u>	<u>24</u>	<u>24</u>
Diluted after-tax results	<u>\$ 1,323</u>	<u>\$ 1,642</u>	<u>\$ 2,324</u>	<u>\$ 2,673</u>
<b>Basic and Diluted Shares (Mils.)</b>				
Basic shares (Average shares outstanding)	3,940	3,940	3,943	3,943
Net dilutive options	47	47	46	46
Dilutive 2016 Convertible Notes	<u>101</u>	<u>101</u>	<u>100</u>	<u>100</u>
Diluted shares	<u>4,088</u>	<u>4,088</u>	<u>4,089</u>	<u>4,089</u>
EPS (Diluted)	\$ 0.32	\$ 0.40	\$ 0.57	\$ 0.65

\* Excludes Income / (Loss) attributable to non-controlling interests; special items detailed on Appendix 3

\*\* As applicable, includes interest expense, amortization of discount, amortization of fees, and other changes in income or loss that result from the application of the if-converted method for convertible securities

# 2014 INCOME FROM CONTINUING OPERATIONS



	Second Quarter		First Half		Memo:
	2013	2014	2013	2014	Full Year
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	2013
					(Mils.)
<b>Automotive</b>					
North America	\$ 2,321	\$ 2,440	\$ 4,713	\$ 3,940	\$ 8,809
South America	151	(295)	(67)	(805)	(33)
Europe	(306)	14	(731)	(180)	(1,442)
Middle East & Africa	13	23	60	77	(69)
Asia Pacific	130	159	102	450	327
Other Automotive	(205)	(171)	(330)	(393)	(656)
Total Automotive (excl. special items)	\$ 2,104	\$ 2,170	\$ 3,747	\$ 3,089	\$ 6,936
Special items -- Automotive	(736)	(481)	(759)	(603)	(1,568)
Total Automotive	\$ 1,368	\$ 1,689	\$ 2,988	\$ 2,486	\$ 5,368
<b>Financial Services</b>					
Ford Credit	\$ 454	\$ 434	\$ 961	\$ 933	\$ 1,756
Other Financial Services	(3)	(5)	(7)	(42)	(84)
Total Financial Services	\$ 451	\$ 429	\$ 954	\$ 891	\$ 1,672
<b>Company</b>					
Pre-tax results	\$ 1,819	\$ 2,118	\$ 3,942	\$ 3,377	\$ 7,040
(Provision for) / Benefit from income taxes	(585)	(803)	(1,096)	(1,073)	135
Net income	\$ 1,234	\$ 1,315	\$ 2,846	\$ 2,304	\$ 7,175
Less: Income attributable to non-controlling interests	1	4	2	4	(7)
Net income attributable to Ford	\$ 1,233	\$ 1,311	\$ 2,844	\$ 2,300	\$ 7,182
<b>Memo: Excluding special items</b>					
Pre-tax results	\$ 2,555	\$ 2,599	\$ 4,701	\$ 3,980	\$ 8,608
(Provision for) / Benefit from income taxes	(721)	(965)	(1,224)	(1,327)	(2,022)
Less: Income attributable to non-controlling interests	1	4	2	4	(7)
After-tax results	\$ 1,833	\$ 1,630	\$ 3,475	\$ 2,649	\$ 6,593

# SPECIAL ITEMS



	Second Quarter		First Half		Memo:
	2013	2014	2013	2014	Full Year
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	2013
					(Mils.)
<b><u>Personnel-Related Items</u></b>					
Separation-related actions*	\$ (442)	\$ (152)	\$ (450)	\$ (274)	\$ (856)
<b><u>Other Items</u></b>					
Ford Sollers equity impairment	\$ -	\$ (329)	\$ -	\$ (329)	\$ -
U.S. pension lump sum program	(294)	-	(294)	-	(594)
FCTA -- subsidiary liquidation	-	-	-	-	(103)
Ford Romania consolidation loss	-	-	(15)	-	(15)
Total other items	<u>\$ (294)</u>	<u>\$ (329)</u>	<u>\$ (309)</u>	<u>\$ (329)</u>	<u>\$ (712)</u>
Total special items	<u>\$ (736)</u>	<u>\$ (481)</u>	<u>\$ (759)</u>	<u>\$ (603)</u>	<u>\$ (1,568)</u>
Tax special items	\$ 136	\$ 162	\$ 128	\$ 254	\$ 2,157
<b>Memo:</b>					
Special items impact on earnings per share**	\$ (0.15)	\$ (0.08)	\$ (0.16)	\$ (0.08)	\$ 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

# PRELIMINARY SECTOR INCOME STATEMENT DATA



For the periods ended June 30 (unaudited)	Second Quarter		First Half	
	2013 (Mils.)	2014 (Mils.)	2013 (Mils.)	2014 (Mils.)
<b>AUTOMOTIVE</b>				
<b>Revenues</b>	\$ 36,079	\$ 35,365	\$ 69,937	\$ 69,241
<b>Costs and expenses</b>				
Cost of sales	32,524	31,247	62,529	62,268
Selling, administrative, and other expenses	2,488	2,551	4,969	5,027
Total costs and expenses	35,012	33,798	67,498	67,295
Interest expense	207	207	413	415
Interest income and other income / (loss), net	241	270	486	484
Equity in net income / (loss) of affiliated companies	267	59	476	471
<b>Income before income taxes -- Automotive</b>	<u>1,368</u>	<u>1,689</u>	<u>2,988</u>	<u>2,486</u>
<b>FINANCIAL SERVICES</b>				
<b>Revenues</b>	1,844	2,046	3,635	4,046
<b>Costs and expenses</b>				
Interest expense	705	683	1,411	1,361
Depreciation on vehicles subject to operating leases	558	742	1,041	1,448
Operating and other expenses	157	183	317	373
Provision for credit and insurance losses	53	104	93	143
Total costs and expenses	1,473	1,712	2,862	3,325
Other income / (loss), net	74	87	170	155
Equity in net income / (loss) of affiliated companies	6	8	11	15
<b>Income before income taxes -- Financial Services</b>	<u>451</u>	<u>429</u>	<u>954</u>	<u>891</u>
<b>COMPANY</b>				
<b>Income before income taxes</b>	1,819	2,118	3,942	3,377
Provision for / (Benefit from) income taxes	585	803	1,096	1,073
<b>Net income</b>	<u>1,234</u>	<u>1,315</u>	<u>2,846</u>	<u>2,304</u>
Less: Income / (Loss) attributable to non-controlling interests	1	4	2	4
<b>Net income attributable to Ford Motor Company</b>	<u>\$ 1,233</u>	<u>\$ 1,311</u>	<u>\$ 2,844</u>	<u>\$ 2,300</u>





# **AUTOMOTIVE SECTOR PRODUCTION VOLUMES\***

	<b>2014</b>			
	<b>Second Quarter</b>		<b>Third Quarter</b>	
	<b>Actual</b>		<b>Forecast</b>	
	<b>Units</b>	<b>O / (U)</b>	<b>Units</b>	<b>O / (U)</b>
<b>(000)</b>	<b>2013</b>	<b>(000)</b>	<b>2013</b>	
<b>(000)</b>	<b>(000)</b>	<b>(000)</b>	<b>(000)</b>	
<b>North America</b>	<b>802</b>	<b>(18)</b>	<b>720</b>	<b>(31)</b>
<b>South America</b>	<b>103</b>	<b>(31)</b>	<b>115</b>	<b>(10)</b>
<b>Europe</b>	<b>402</b>	<b>1</b>	<b>330</b>	<b>7</b>
<b>Middle East &amp; Africa</b>	<b>20</b>	<b>3</b>	<b>20</b>	<b>7</b>
<b>Asia Pacific</b>	<b><u>365</u></b>	<b><u>69</u></b>	<b><u>350</u></b>	<b><u>15</u></b>
<b>Total</b>	<b><u><u>1,692</u></u></b>	<b><u><u>24</u></u></b>	<b><u><u>1,535</u></u></b>	<b><u><u>(12)</u></u></b>

\* Includes Ford brand and JMC brand vehicles produced by unconsolidated affiliates



# SELECTED MARKETS

## 2014 SECOND QUARTER DEALER STOCKS AND DEFINITION OF WHOLESALERS\*

	Second Quarter Dealer Stock**				
	U.S.	Brazil	Europe 20	MEA	China
	(000)	(000)	(000)	(000)	(000)
<b>2014</b>					
June 30, 2014	643	34	192	86	106
March 31, 2014	683	35	160	84	98
Stock Change H / (L)	(40)	(1)	32	2	8
<b>2013</b>					
June 30, 2013	550	32	157	89	68
March 31, 2013	563	23	154	86	76
Stock Change H / (L)	(13)	9	3	3	(8)
<b>Year-Over-Year Stock Change</b>	<b>(27)</b>	<b>(10)</b>	<b>29</b>	<b>(1)</b>	<b>16</b>

\* Wholesale unit volumes include all Ford and Lincoln badged units (whether produced by Ford or by an unconsolidated affiliate) that are sold to dealerships, units manufactured by Ford that are sold to other manufacturers, units distributed by Ford for other manufacturers, and local brand units produced by our Chinese joint venture JMC that are sold to dealerships. Vehicles sold to daily rental car companies that are subject to a guaranteed repurchase option (i.e., rental repurchase), as well as other sales of finished vehicles for which the recognition of revenue is deferred (e.g., consignments), also are included in wholesale unit volumes. Revenue from certain vehicles in wholesale unit volumes (specifically, Ford badged vehicles produced and distributed by our unconsolidated affiliates, as well as JMC brand vehicles) are not included in our revenue.

\*\* Based, in part, on estimated vehicle registrations



# AUTOMOTIVE SECTOR MARKET SHARE\*

	2013			2014		2014 B / (W) 2013		Memo: First Half	
	2Q (Pct.)	3Q (Pct.)	4Q (Pct.)	1Q (Pct.)	2Q (Pct.)	1Q (Pts.)	2Q (Pts.)	2013 (Pct.)	2014 (Pct.)
<b><u>Total Share of Total Industry</u></b>									
<b><u>North America</u></b>									
Total	16.0	14.6	14.6	14.7	14.8	(0.6)	(1.2)	15.7	14.8
U.S.	16.5	14.9	15.4	15.3	15.3	(0.6)	(1.2)	16.2	15.3
<b><u>South America</u></b>									
Total	9.1	9.2	8.5	8.5	8.8	(0.3)	(0.3)	9.0	8.6
Brazil	9.2	10.0	9.4	9.2	9.1	0.1	(0.1)	9.1	9.1
<b><u>Europe</u></b>									
Total	7.5	7.3	7.1	7.2	7.1	-	(0.4)	7.4	7.2
Europe 20	8.1	8.0	7.4	8.0	7.9	0.3	(0.2)	7.9	7.9
<b><u>Middle East &amp; Africa</u></b>									
Total	4.9	5.1	5.3	4.6	4.7	-	(0.2)	4.8	4.7
<b><u>Asia Pacific**</u></b>									
Total	3.3	3.4	3.6	3.4	3.7	0.7	0.4	3.0	3.5
China	4.3	4.3	4.4	4.5	4.6	0.9	0.3	3.9	4.6
<b><u>Global</u></b>									
Total	7.7	7.4	7.1	6.9	7.5	-	(0.2)	7.3	7.2
<b><u>Retail Share of Retail Industry</u></b>									
U.S.***	13.7	13.2	13.7	13.5	12.9	(0.5)	(0.8)	13.9	13.2
Europe****	8.4	8.3	7.6	8.2	8.3	(0.2)	(0.1)	8.4	8.3

\* Based, in part, on estimated vehicle registrations; includes medium and heavy trucks; prior periods revised to reflect present year Automotive segment structure

\*\* Asia Pacific market share includes Ford brand and JMC brand vehicles produced in China by unconsolidated affiliates

\*\*\* Present quarter is estimated, prior quarters are based on latest Polk data

\*\*\*\* Europe passenger car retail share of retail industry reflects the five major markets (U.K., Germany, France, Italy, and Spain); present quarter is estimated, prior quarters are based on latest Data Force data



# ***AUTOMOTIVE SECTOR AUTOMOTIVE DEBT***

	<b>Dec. 31, 2013</b>	<b>2014</b>	
	<u>(Bils.)</u>	<u>Mar. 31</u>	<u>June 30</u>
		<u>(Bils.)</u>	<u>(Bils.)</u>
<b>Public unsecured debt</b>	<b>\$ 6.7</b>	<b>\$ 6.6</b>	<b>\$ 6.6</b>
<b>Convertible notes</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>U.S. Department of Energy</b>	<b>5.0</b>	<b>4.9</b>	<b>4.7</b>
<b>Other debt (including International)</b>	<b><u>3.2</u></b>	<b><u>3.4</u></b>	<b><u>3.3</u></b>
<b>Total Automotive debt</b>	<b><u>\$ 15.7</u></b>	<b><u>\$ 15.7</u></b>	<b><u>\$ 15.4</u></b>
<b>Memo:</b>			
<b>Automotive debt payable within one year</b>	<b>\$ 1.3</b>	<b>\$ 2.1</b>	<b>\$ 2.2</b>



# AUTOMOTIVE SECTOR

## NET INTEREST RECONCILIATION TO GAAP

	Second Quarter		First Half		Memo:
	2013	2014	2013	2014	Full Year
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	2013
					(Mils.)
Interest expense (GAAP)	\$ (207)	\$ (207)	\$ (413)	\$ (415)	\$ (829)
Interest income (GAAP)	43	41	87	80	163
Interest income / (expense) on income taxes (GAAP)	-	11	-	37	-
Subtotal	\$ (164)	\$ (155)	\$ (326)	\$ (298)	\$ (666)
<b><u>Adjusted for items included / excluded from net interest</u></b>					
Include: Gains / (Losses) on cash equiv. and marketable securities*	(55)	17	(41)	30	(7)
Include: Gains / (Losses) on extinguishment of debt	-	-	(18)	(5)	(18)
Other	(28)	(28)	(51)	(56)	(110)
Net Interest	\$ (247)	\$ (166)	\$ (436)	\$ (329)	\$ (801)

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



# **AUTOMOTIVE SECTOR**

## **GROSS CASH RECONCILIATION TO GAAP**

	<u>2013</u>		<u>2014</u>	
	<u>June 30</u>	<u>Dec. 31</u>	<u>Mar. 31</u>	<u>June 30</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
Cash and cash equivalents	\$ 5.5	\$ 5.0	\$ 4.5	\$ 4.7
Marketable securities	<u>20.2</u>	<u>20.1</u>	<u>20.7</u>	<u>21.1</u>
Total cash and marketable securities (GAAP)	\$ 25.7	\$ 25.1	\$ 25.2	\$ 25.8
Securities in transit*	<u>-</u>	<u>(0.3)</u>	<u>-</u>	<u>-</u>
Gross cash	<u>\$ 25.7</u>	<u>\$ 24.8</u>	<u>\$ 25.2</u>	<u>\$ 25.8</u>

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



# AUTOMOTIVE SECTOR OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP

	Second Quarter		First Half		Memo:
	2013	2014	2013	2014	Full Year
	(Bils.)	(Bils.)	(Bils.)	(Bils.)	2013
					(Bils.)
<b><u>Net cash provided by / (used in) operating activities (GAAP)</u></b>	\$ 3.7	\$ 4.1	\$ 4.4	\$ 6.1	\$ 7.7
<b><u>Items included in operating-related cash flows</u></b>					
Capital spending	(1.6)	(1.9)	(3.1)	(3.4)	(6.6)
Proceeds from the exercise of stock options	0.2	-	0.2	0.1	0.3
Net cash flows from non-designated derivatives	-	0.1	(0.2)	0.1	(0.3)
<b><u>Items not included in operating-related cash flows</u></b>					
Cash impact of Job Security Benefits and personnel-reduction actions	-	0.1	0.1	0.1	0.3
Funded pension contributions	1.0	0.3	2.8	0.8	5.0
Tax refunds and tax payments from affiliates	-	-	(0.3)	(0.2)	(0.3)
Other	-	(0.1)	0.1	0.2	-
Operating-related cash flows	<u>\$ 3.3</u>	<u>\$ 2.6</u>	<u>\$ 4.0</u>	<u>\$ 3.8</u>	<u>\$ 6.1</u>