

Go Further

JIM FARLEY:

EXECUTIVE VICE PRESIDENT AND PRESIDENT EUROPE, MIDDLE EAST AND AFRICA

DEUTSCHE BANK IAA CARS CONFERENCE

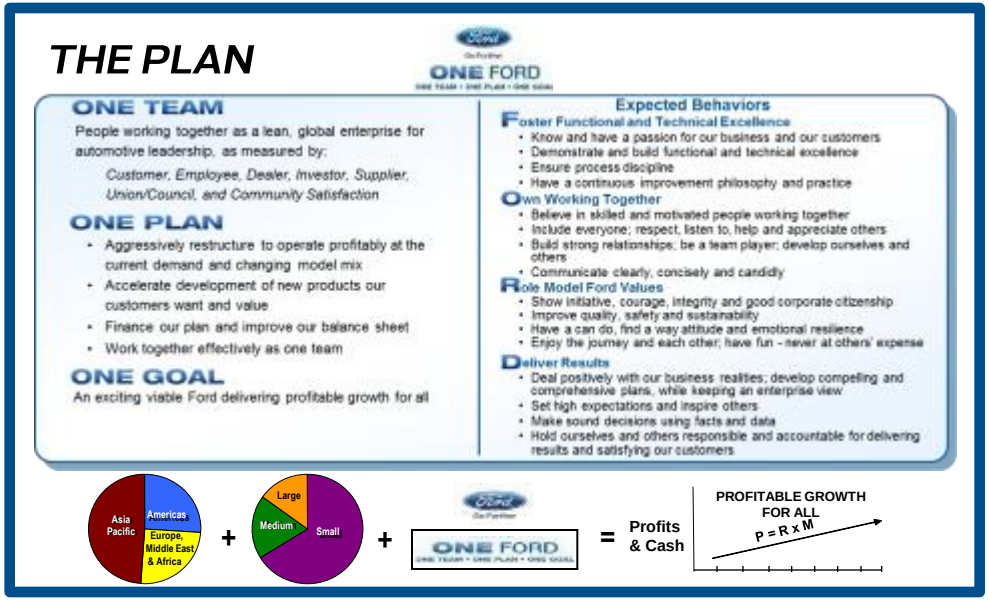
SEPTEMBER 16, 2015

AGENDA

- ONE FORD
- FORD EUROPE BUSINESS UPDATE
- FORD EUROPE OUTLOOK
- TOTAL COMPANY GUIDANCE
- Q & A

OUR FOCUS

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



ONE FORD LONG-TERM OBJECTIVES



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

- 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

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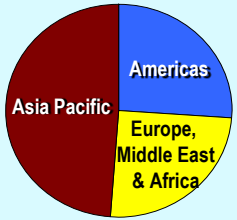
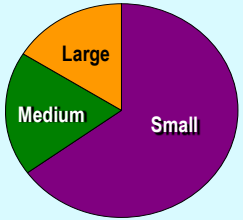
Strong Brands

Serving All Markets



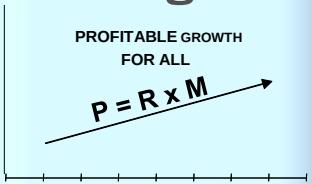
Complete Family Of Best-In-Class Vehicles



Ford Smart Mobility



Profit = Revenue X Margin



Product Excellence

ONE FORD
ONE TEAM • ONE PLAN • ONE GOAL

Innovation

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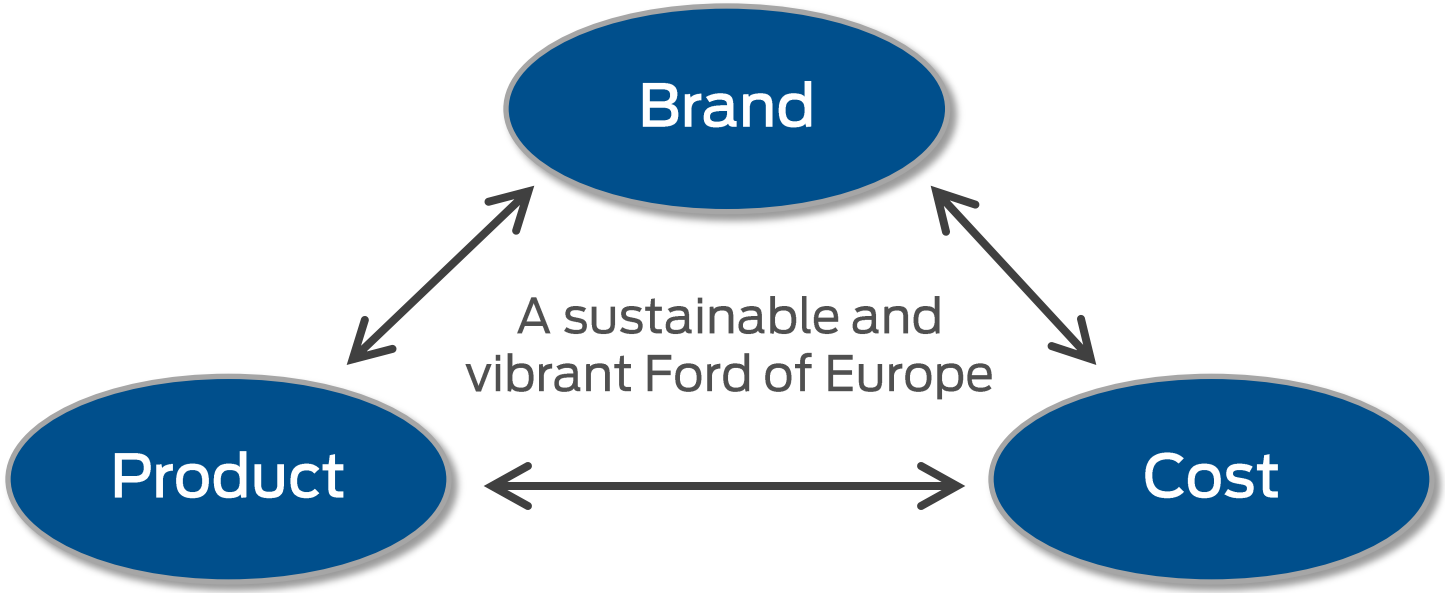
FORD EUROPE TRANSFORMATION PLAN



Meaningful Progress On Transformation Plan Since 2012

PROGRESS TO DATE

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Product

- Delivered on our commitment to launch at least 25 new products since end 2012
- Expanded Ford performance lineup -- Ford GT, Focus RS, Focus ST, Fiesta ST and Mustang
- Best-ever levels of reliability and customer satisfaction
- Safety: Most 5-Star Euro NCAP rated vehicles of any brand

Brand

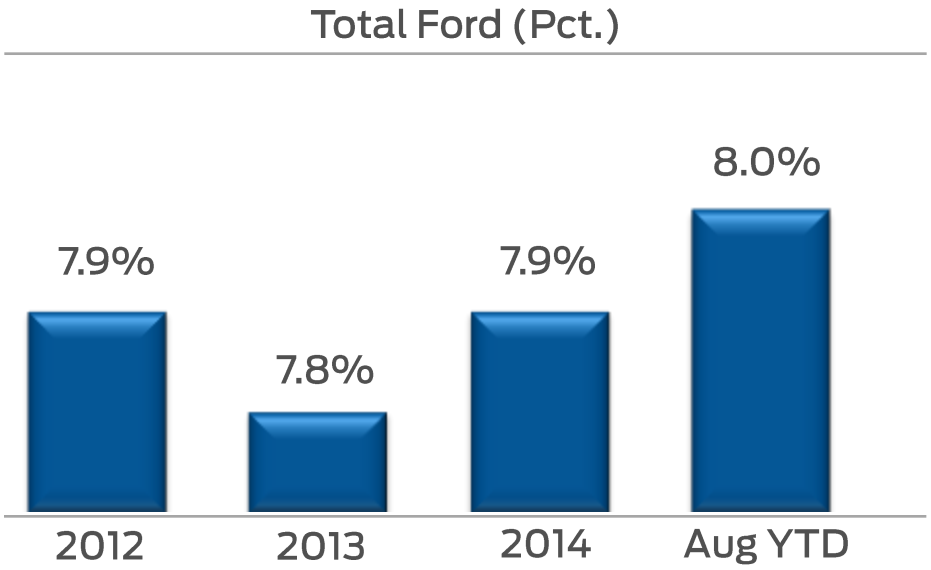
- Ford named "Most Innovative Volume Brand 2015" by German Centre of Automotive Management
- Transforming Ford retail experience: Opening 200 new Ford Stores this year
- Launched new Vignale upscale vehicle and ownership experience
- No. 1 CV brand in Europe, up from No. 7 in 2012; No. 2 total vehicle and passenger car brand in Europe

Cost

- Reduced our manufacturing capacity; improved capacity utilization
- Transformed Valencia into one of the most advanced, flexible and productive auto plants worldwide
- Innovative Cologne investment agreement (2017-2021), yielding $400 million total savings

Progress Made In Key Areas Of Product, Brand And Cost

MARKET SHARE – EUROPE 20



- Europe 20 market share up compared with 2012 underpinned by new product
- Commercial vehicle share at 12.5% year-to-date, No 1 in Europe
- Europe 5 retail share remains strong at 8.1%
- Share of short-cycle sales below industry average

Europe 20 Market Share Up Year-to-Date
Strong Performance On Commercial Vehicles

QUALITY OF SHARE – PASSENGER CARS YEAR TO DATE

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EUROPE 5

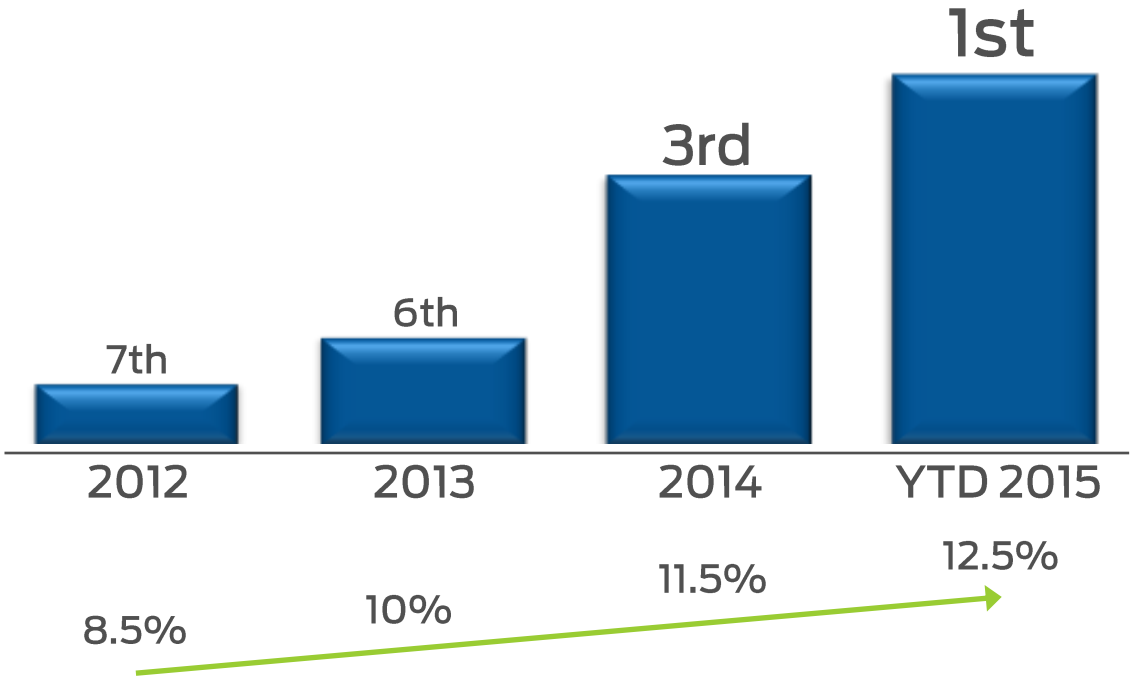
	Industry	Ford	B / (W) Industry
Retail	47%	49%	2ppts
Fleet	23%	24%	1ppt
Rental	12%	16%	4ppts
Demo	18%	11%	(7)ppts

Contribution Margins

Ford Over-Indexing On Higher Margin Channels
Limited Participation In Low Margin Demonstrator Channel

COMMERCIAL VEHICLE PERFORMANCE





Ford Has Become Europe's Best Selling Commercial Vehicle Brand On Strength Of Renewed Transit Line-Up And Ranger Pickup

EUROPE BUSINESS ENVIRONMENT

- Euro Area in a moderate expansion with support from the European Central Bank, but with varying growth rates across countries
- UK economic growth outpacing Euro Area, supported by strong labor market and rising wages
- Europe 20 industry volume to grow to 16 - 17 million units by end of decade
- Conditions in Russia to remain weak in 2015 amid sanctions and low oil prices
- Drive for lower CO2 emissions, higher safety requirements, and potentially unbalanced free-trade agreements likely to continue
- Highly competitive landscape continues to put pressure on pricing

Euro Area Expansion Expected To Continue, With Strong Growth In The UK; Recession In Russia Likely To Continue In Near-Term

REGIONAL DEVELOPMENT OF THE INDUSTRY YEAR TO DATE

Ford
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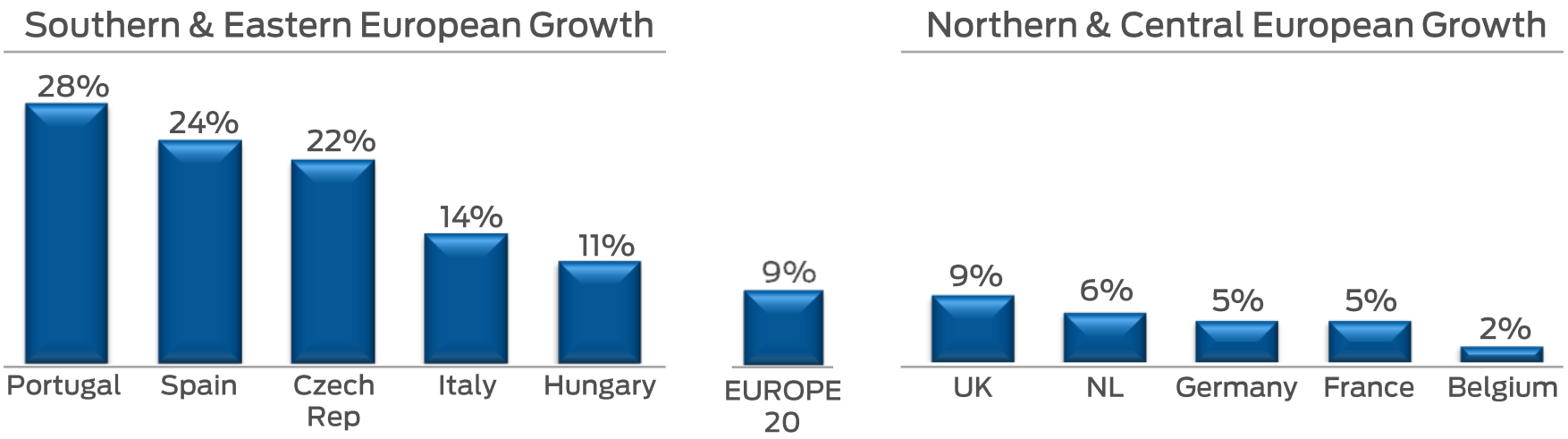


- Moderate expansion underway -- Europe 20 industry forecast up by around 10% year-over year
- As market leader, Ford benefits from strong UK growth and Sterling
- Russia in recession; remains volatile in the short-term

Multi-Speed Industry Growth Across Europe

RUSSIA

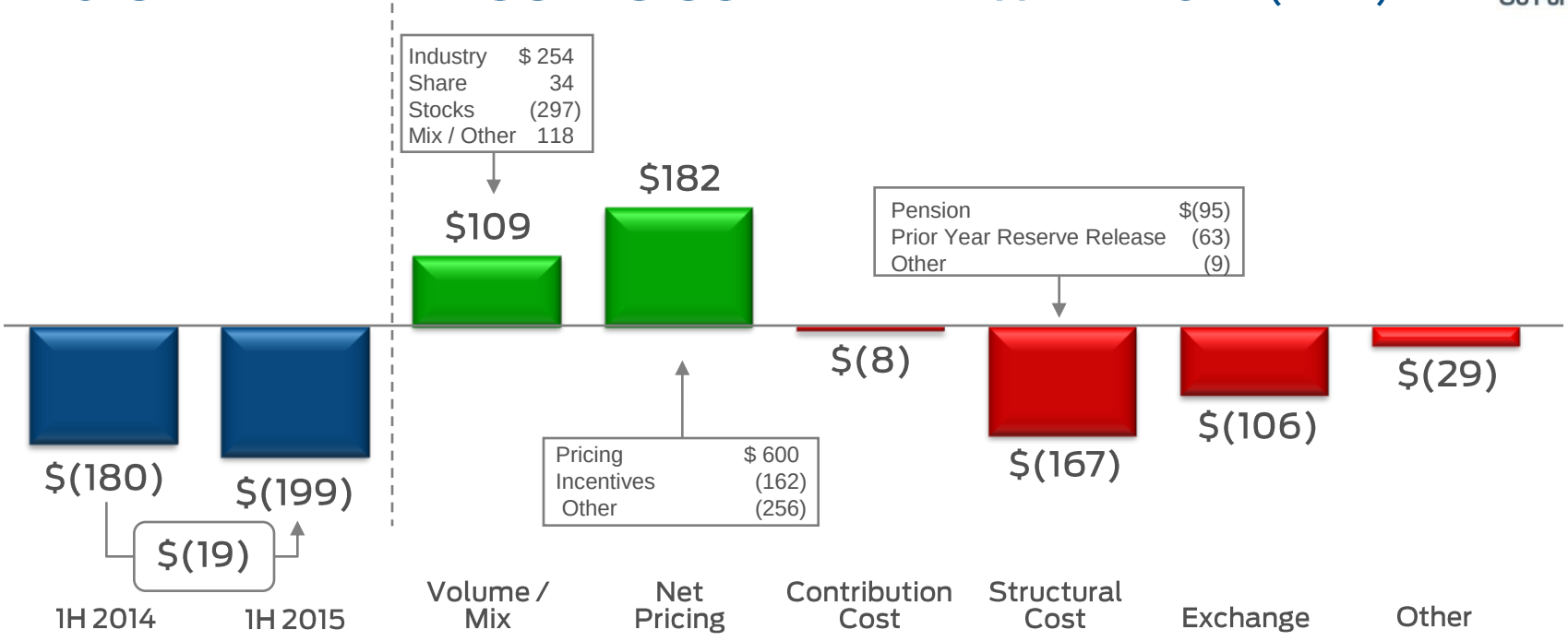


- Ford Sollers is a 50/50 JV with Sollers
- Effective March 31, Ford has a controlling interest in Ford Sollers
- 7 localized products and newly launched engine plant
- Russia share improving with new product launches
- Russian economy remains under pressure due to oil price and sanctions
- Ruble depreciation continues to adversely impact importers
- Ford well positioned for future market growth

Market Provides Significant Long-Term Growth And Profit Potential

AUTOMOTIVE SECTOR – EUROPE

1H 2015 PRE-TAX RESULTS COMPARED WITH 2014 (MILS)



Favorable Industry, Improved Pricing And Share/Mix Performance, More Than Offset By Non-Repeat Of 2014 Dealer Stock Increase And Reserve Release

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FUTURE AREAS OF FOCUS

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Product

- Increase focus on growth segments; expand and refresh line-up of SUV's and all-wheel-drive vehicles
- Expand line-up of performance vehicles and Vignale upscale product including customer experience
- Grow light commercial vehicle sales and services

Brand

- More emotional and distinctive brand communication
- Transform and deepen customer relationship
- Develop new business opportunities in growing mobility space

Cost

- Continue structure cost reductions and achieve lower breakeven
- Actions to improve margin to mitigate higher product regulatory costs

Focus On Growth Segments, Customer Engagement, Mobility And Cost Reduction

FOCUS ON PRODUCT

Ford
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SUVs







VIGNALE







CORE







PERFORMANCE













CVs

Product Offensive Underway Introduces High Revenue, Expressive And Exciting Products: 50% Of Our Line-Up Refreshed In 2015

PRODUCT – SUV AND AWD EXPANSION



- 5 all-new or redesigned vehicles competing in the SUV and crossover space in Europe in the next three years, starting with the Edge
- 200% increase in Ford SUV sales projected by end 2016 compared with 2013
- 50% increase in sales of AWD equipped vehicles 2016 compared with 2014; Offering 8 AWD models in early 2013 vs 3 in 2012

Expanded Line-Up Of Utility Vehicles – The Fastest Growing Segment In Europe Continue To Build On Success Of Kuga

PRODUCT – PERFORMANCE VEHICLES



With introduction of the GT next year, Ford will offer Fiesta ST, Focus ST, Focus ST diesel, Focus RS, and Mustang – an un-rivalled performance line-up for any volume brand in Europe

Expanding Line-Up Of Brand Building Higher Margin Performance Vehicles

FOCUS ON SMART MOBILITY

- Ford Smart Mobility is the umbrella for Ford's global strategy
- Focus on targeted solutions with revenue opportunities
- Initiatives already implemented in London -- Peer-to-peer and on-demand car-sharing pilots -- providing valuable learnings
- Successful collaboration with Deutsche Bahn for on-demand service in Germany



go drive
a car when you need it

- 50 Cars, 20 Locations in London, 2,000 Invites
- On Demand, Pay as you Go, Pay by the Minute
- One-way Rentals with Guaranteed Parking
- Electric and Petrol Vehicles
- Platform for Experimentation



Ford Smart Mobility Is An Umbrella For Customer Targeted Solutions

KEY TAKEAWAYS

- Meaningful progress on Europe Transformation Plan (Product, Brand, Cost)
- Further opportunities being exploited including Smart Mobility
- All new CD line-up being rolled out across Europe
- Expanding SUV and Crossover offerings
- Building on our leading Commercial Vehicle position, including Ranger Pick-Up opportunities
- 2015 is a year of growth, product innovation and financial progress

Accelerating Our Transformation
To Build A Solidly Profitable, Sustainable And Vibrant Ford Europe

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2015 PLANNING ASSUMPTIONS AND KEY METRICS

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	2014 FY Results	2015 FY Plan	2015 FY Outlook	Memo: 2015 1H Results
Planning Assumptions (Mils)				
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
Key Metrics				
Automotive (Compared with 2014):				
- Revenue (Bils)	$ 135.8	Higher		$ 66.9
- Operating Margin	3.9%	Higher		5.5%
- Operating-Related Cash Flow (Bils)*	$ 3.6	Higher	On Track	$ 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

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	2Q		1H		Memo: FY
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)	2014 (Mils)
Automotive					
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
Financial Services					
Ford Credit	$ 434	$ 506	$ 933	$ 989	$ 1,854
Other	(5)	(15)	(42)	(29)	(60)
Total Financial Services	$ 429	$ 491	$ 891	$ 960	$ 1,794
Company					
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: FY
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)	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	$ (329)	$ -	$ (329)	$ -	$ (1,255)
Total Special Items	$ (481)	$ -	$ (603)	$ -	$ (1,940)
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	
	June 30 (Bils)	Dec. 31 (Bils)	Mar. 31 (Bils)	June 30 (Bils)
Cash and cash equivalents	$ 4.7	$ 4.6	$ 5.1	$ 6.1
Marketable securities	21.1	17.1	14.4	14.6
Total cash and marketable securities (GAAP)	$ 25.8	$ 21.7	$ 19.5	$ 20.7
Securities in transit*	-	-	-	-
Gross cash	$ 25.8	$ 21.7	$ 19.5	$ 20.7

* 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: FY
	2014 (Bils)	2015 (Bils)	2014 (Bils)	2015 (Bils)	2014 (Bils)
Net cash provided by / (used in) operating activities (GAAP)	$ 4.1	$ 3.5	$ 6.1	$ 4.5	$ 8.8
Items included in operating-related cash flows					
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
Items not included in operating-related cash flows					
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	$ 2.6	$ 1.9	$ 3.8	$ 2.4	$ 3.6