

JOE HINRICHS

EVP & PRESIDENT, THE AMERICAS

Ford



August 9, 2016



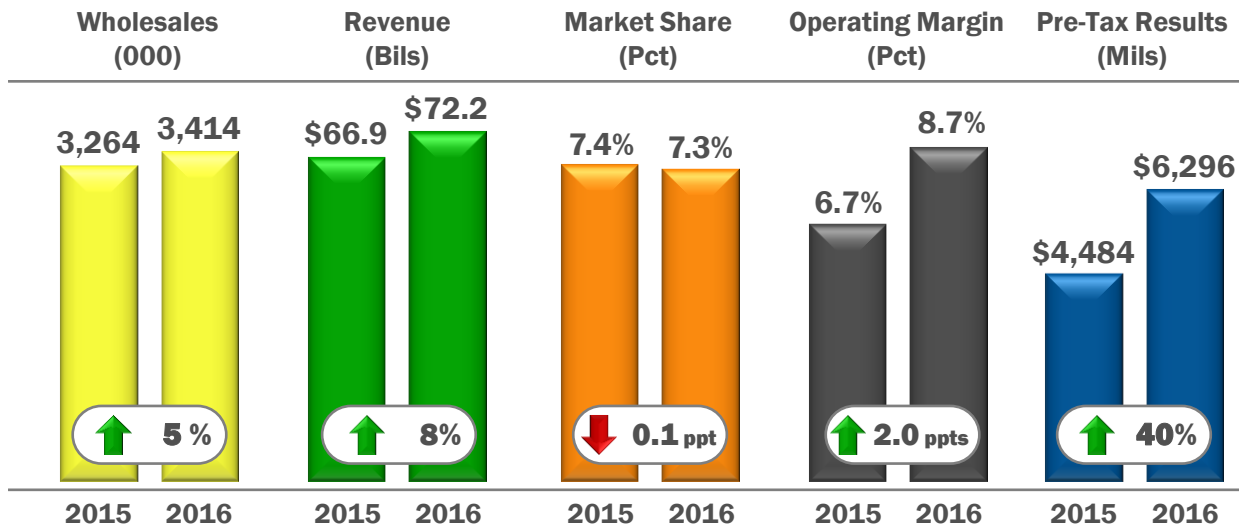
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KEY TOPICS



- First Half Automotive Segment Results
- First Half North America Results
- North America First Half Vs. Second Half
- U.S. Industry Sales
- U.S. Incentives
- Ford U.S. Stocks
- 2017 Lincoln Continental
- 2017 Ford Super Duty

AUTOMOTIVE SEGMENT FIRST HALF RESULTS



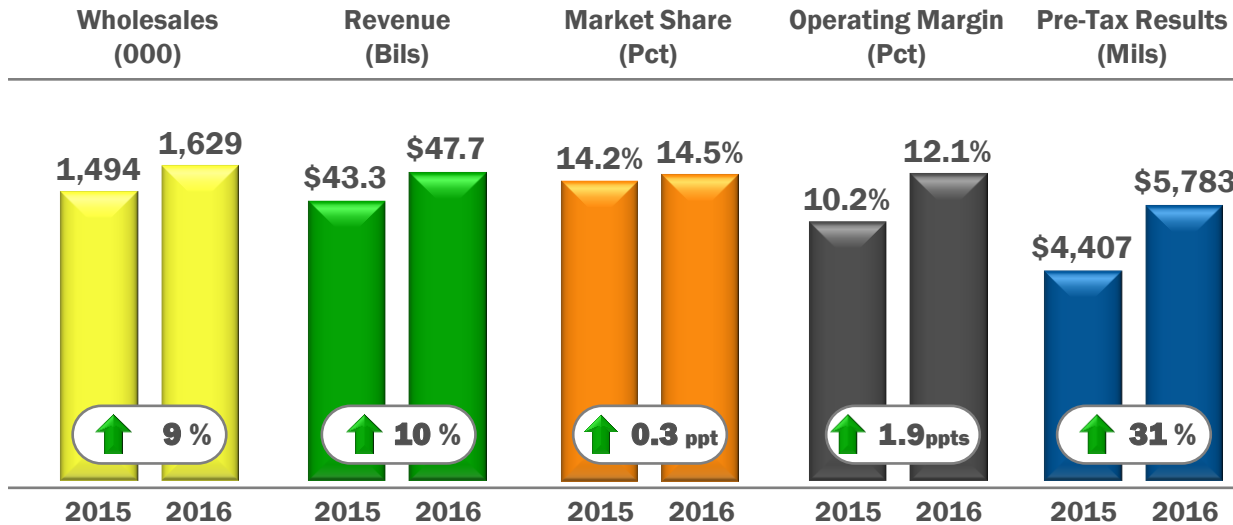
1H key metrics strong and up YOY except global market share

Wholesales up 5%; revenue up 8%

Operating margin up 2 pts; Profit up 40%

Record 1H operating cash flow

AUTOMOTIVE SEGMENT – NORTH AMERICA FIRST HALF RESULTS



Strong 1H performance

**Wholesales up 9%;
revenue up 10%**

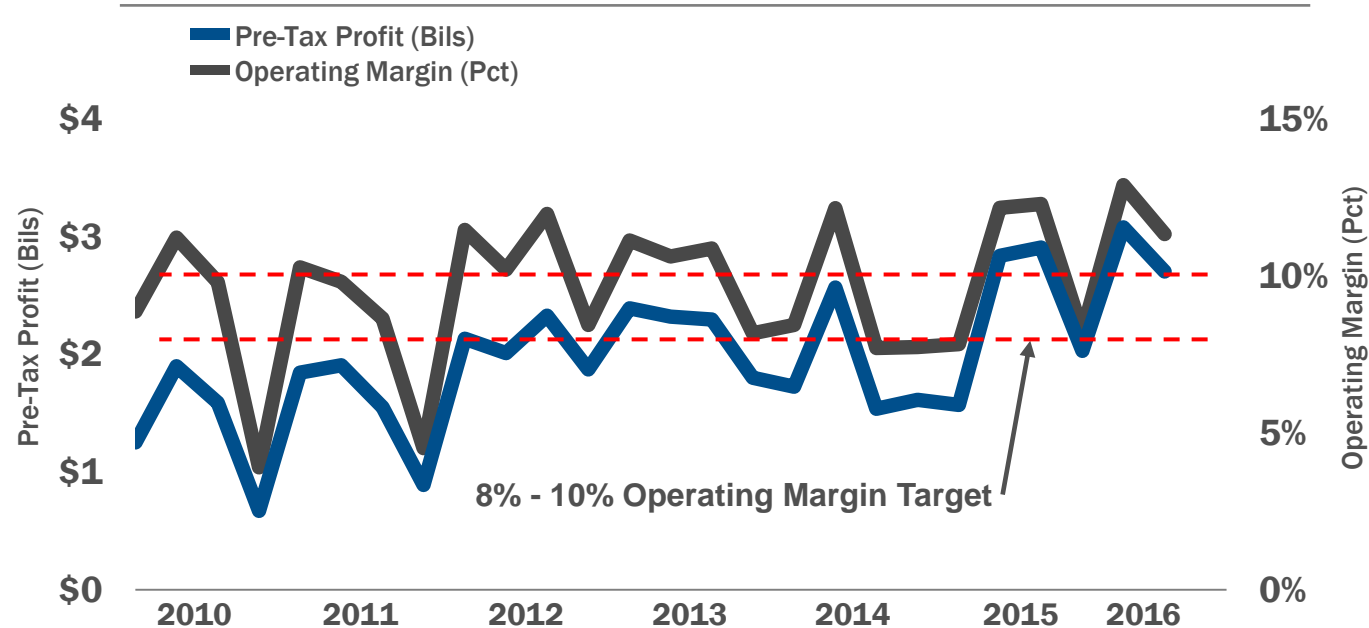
**Higher NA market share
includes higher U.S. share
– fleet and retail F-Series**

**Record 1H profit and
operating margin**

AUTOMOTIVE SEGMENT – NORTH AMERICA CONSISTENTLY STRONG RESULTS



Pre-Tax Results and Operating Margin



Profits and operating margins have been strong for 6+ years

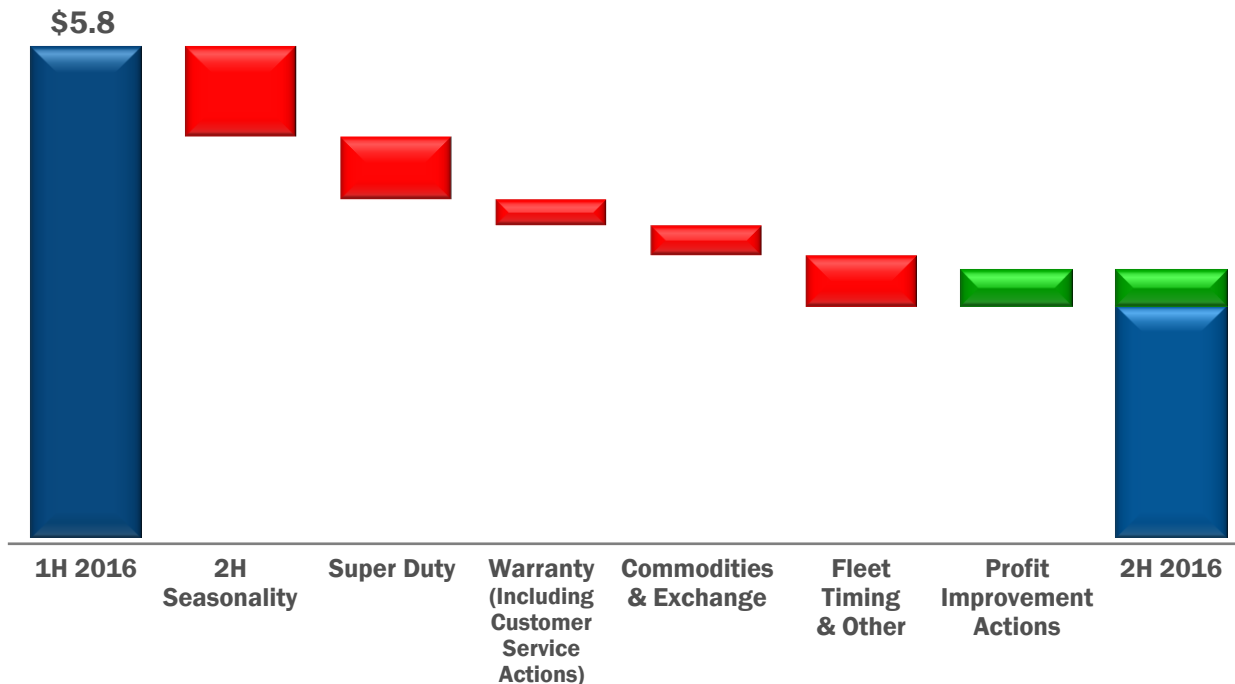
27 consecutive profitable quarters in North America

Profits and operating margins include seasonal patterns and major new product launch impacts

AUTOMOTIVE SEGMENT – NORTH AMERICA FIRST HALF VS. SECOND HALF



Pre-Tax Results (Bils)



2H seasonally weaker than 1H. Factors driving further weakness this year:

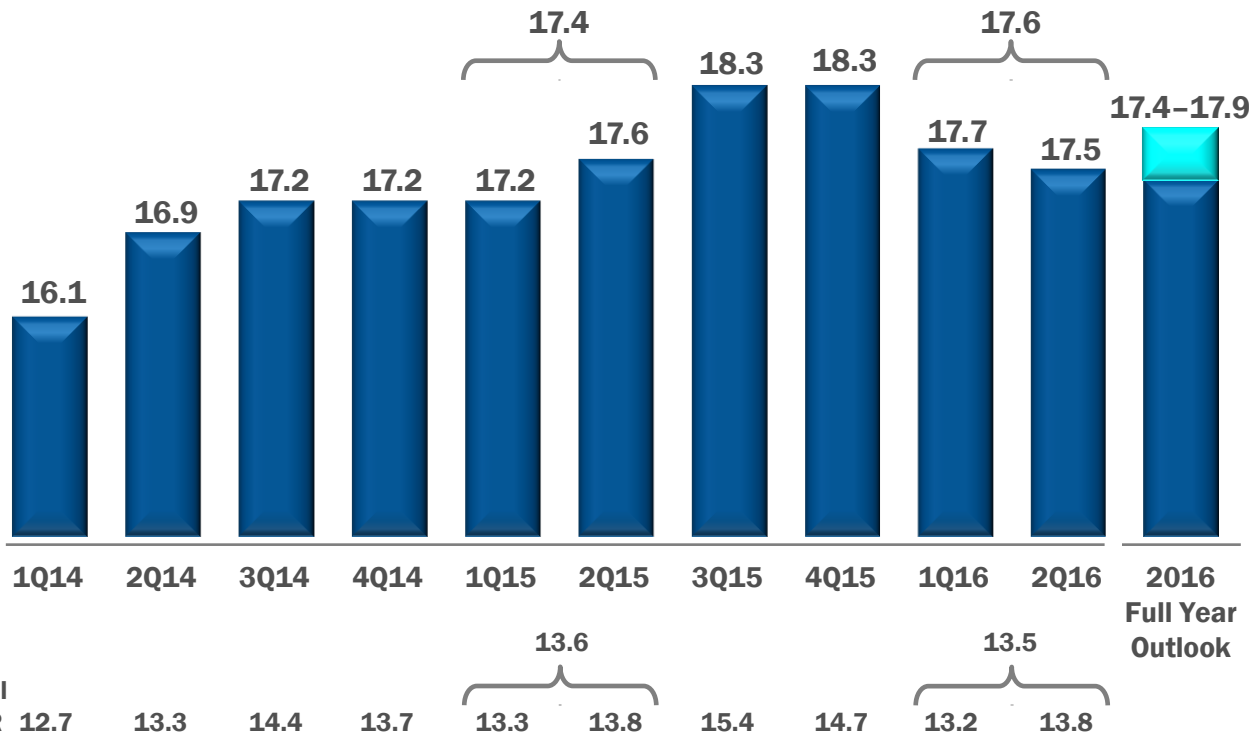
- Super Duty launch – major impact in 3Q
- Higher warranty cost including latch recall
- Higher commodities, exchange headwinds
- Fleet sales to rental companies about 130K lower in 2H vs. 1H

Profit improvement actions in progress

AUTOMOTIVE SEGMENT – UNITED STATES INDUSTRY SAAR



U.S. Industry SAAR (Mils)*



1H U.S. industry SAAR up 0.2M from 1H 2015 but lower than 2H 2015 run rate

1H U.S. retail industry SAAR down 0.1M from 1H 2015 and lower than 2H 2015 run rate

Full year industry planning assumption at 17.4M - 17.9M units

July SAAR at 18.2M

* Includes medium and heavy truck
SAAR data based upon the 8/2/16 Release of Seasonal Factors for Automotive Sales from the U.S. Federal Reserve

AUTOMOTIVE SEGMENT – UNITED STATES INCENTIVES AS A PERCENT OF VEHICLE PRICE*



	2Q		YTD (through July 24)	
	2016 (Pct)	H/(L) 2015 (Ppts)	2016 (Pct)	H/(L) 2015 (Ppts)
<u>Car</u>				
Ford	15.7 %	1.6 ppts	16.0 %	2.0 ppts
Industry	12.9	1.2	13.1	1.3
<u>SUV</u>				
Ford	12.2	(0.5)	12.3	(0.1)
Industry	8.1	0.4	8.3	0.4
<u>Truck / Van</u>				
Ford	9.0	2.2	8.9	0.9
Industry	8.5	0.5	8.7	0.3
<u>Total</u>				
Ford	11.5	0.7	11.6	0.5
Industry	9.8	0.5	10.0	0.6

Car incentives increased reflecting weakness in segment, while SUV incentives generally were lower

Truck incentives at Ford increased reflecting launch during early 2015

Ford incentives as a percent of vehicle price increased 0.5 ppts YTD compared to prior year

* Source: J.D. Power PIN ISR data
Cash / APR / Lease (Blended) Incentive
Industry data includes Ford

AUTOMOTIVE SEGMENT – UNITED STATES

BLENDED TRANSACTION PRICE*



	2Q			YTD (through July 24)		
	2016 (Per Unit)	2016 H/(L) (Per Unit)	2015 (Pct)	2016 (Per Unit)	2016 H/(L) (Per Unit)	2015 (Pct)
Car						
Ford	\$23,375	\$ (262)	(1.1) %	\$23,245	\$ (161)	(0.7) %
Industry	25,004	(277)	(1.1)	24,876	(473)	(1.9)
SUV						
Ford	32,501	986	3.1	32,492	908	2.9
Industry	33,769	725	2.2	33,649	573	1.7
Truck / Van						
Ford	41,227	(339)	(0.8)	41,272	755	1.9
Industry	37,984	1,152	3.1	37,928	1,297	3.5
Total						
Ford	33,151	1,288	4.0	33,035	1,239	3.9
Industry	31,034	734	2.4	30,914	565	1.9

Car transaction price decreased reflecting weakness in car segment

SUV and truck transaction prices were higher

Ford transaction price increased 3.9% YTD compared to prior year

Ford increase was above industry average

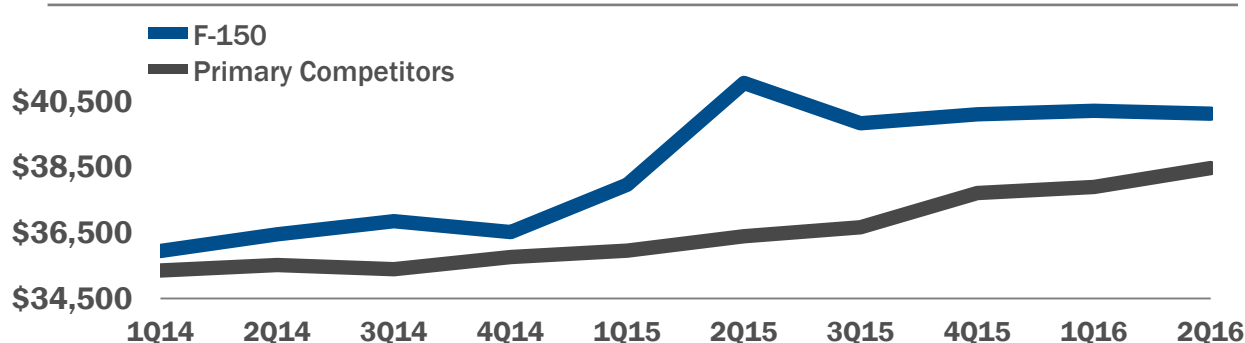
* Source: J.D. Power PIN ISR data
Cash / APR / Lease (Blended) Transaction
Industry data includes Ford

AUTOMOTIVE SEGMENT – UNITED STATES

F-150 TRANSACTION PRICE AND INCENTIVE TRENDS*

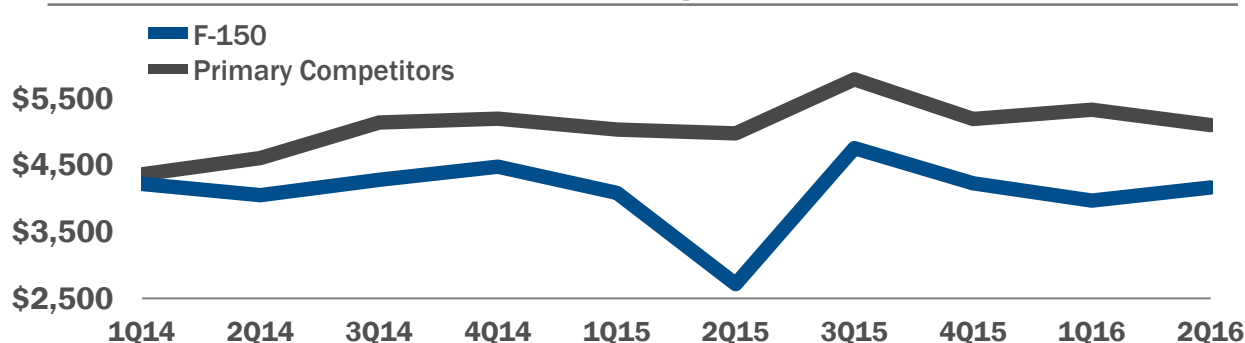


Blended Transaction Price Per Unit



F-150 had lower incentives and higher average transaction price than primary competitors

Blended Incentive Spend Per Unit



F-150 incentives returned to normal levels as supply normalized

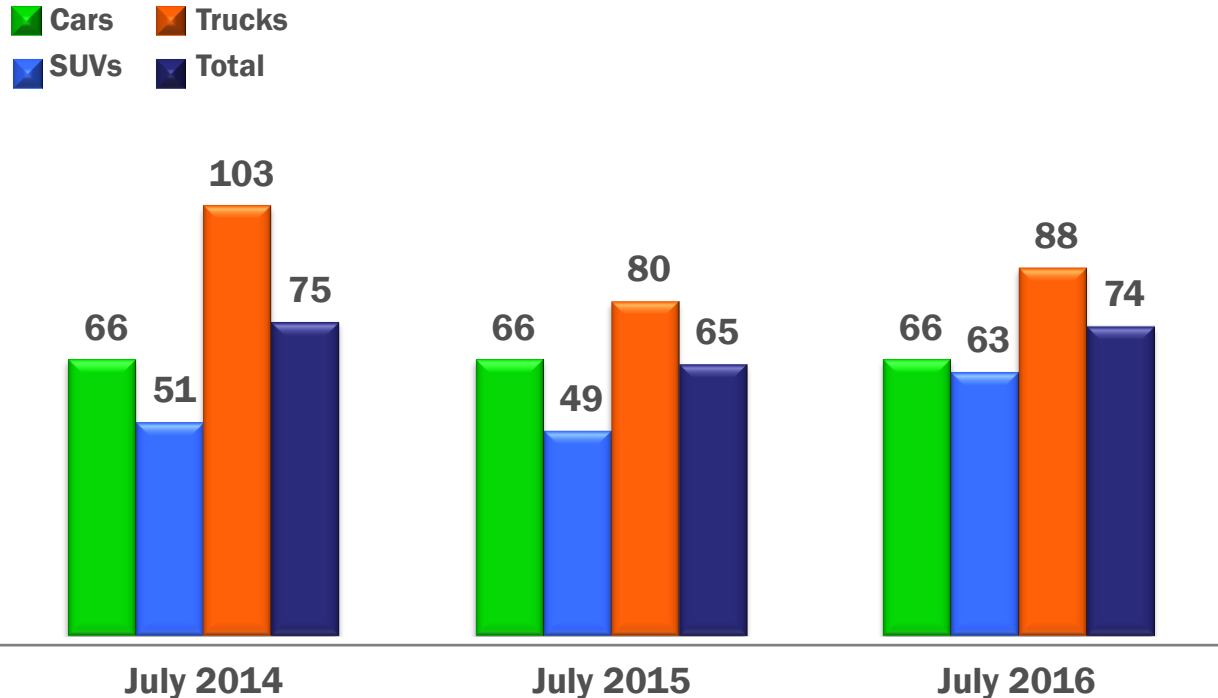
* Source: J.D. Power PIN ISR data; Cash / APR / Lease (Blended) Transaction

AUTOMOTIVE SEGMENT – UNITED STATES

FORD STOCKS



Gross Inventory Days Supply



Days supply was seasonal reflecting sales fluctuations, plant operating patterns, and product launches

Car days supply was flat at 66 days

SUV days supply increased in 2016 as additional capacity actions implemented

Truck days supply were higher before F-150 launch during 2H 2014 and Super Duty launch in 2H 2016

Focused on matching production to demand

2017 LINCOLN CONTINENTAL



- 3.0L Twin-Turbo V6 engine
- 400HP / 400lb.-ft
- Innovative eLatch electronic door handles
- Adaptive Cruise Control with Stop & Go technology
- Pre-Collision Assist with Pedestrian Detection

Elegant Design, Effortless Power

2017 LINCOLN CONTINENTAL



- 30-way Perfect Position seats
- 7 interior environments
- Rear-Seat package with reclining seats
- Revel Ultima sound system
- Active noise control
- Embedded modem

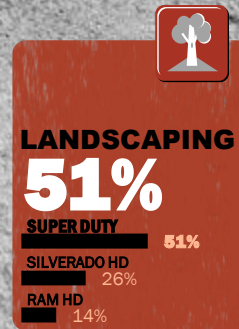
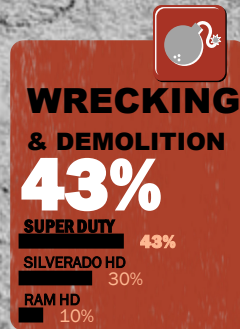
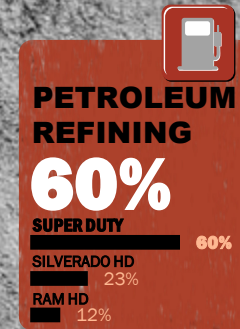
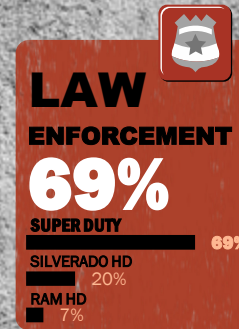
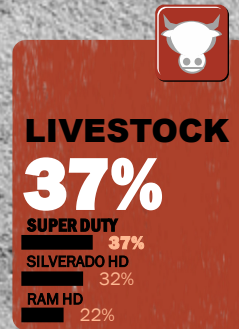
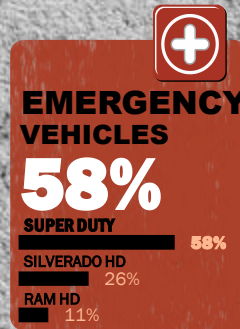
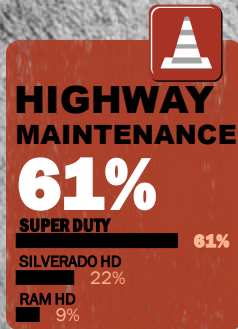
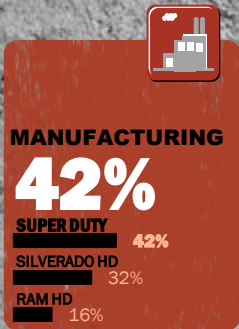
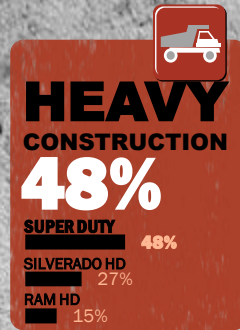
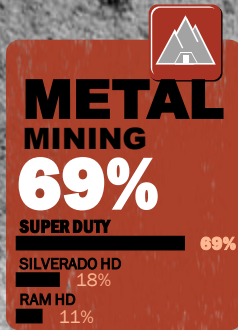
Serene Interior, Thoughtfully Crafted

2017 FORD SUPER DUTY



- Over 8,500 GVWR segment leader
 - 43% U.S. share of segment
- First complete product overhaul in 18 years
- Built Ford Tough
 - New high-strength steel, fully boxed frame
 - New military grade aluminum-alloy body and box for weight reduction
 - Improved powertrains
 - More capability and performance
 - » Best-in-class towing, hauling
 - » Unsurpassed fuel economy
 - » Best-in-class torque gas and diesel
- Versatile: F-250 / 350 / 450 / 550
- 17 class-exclusive new features and driver-assistance technologies

Toughest, Smartest, Most Capable Super Duty Will Continue To Lead Segment



WE OWN WORK.



KEY TAKEAWAYS



- Strong first half performance
- 2016 U.S. industry volumes about same or slightly lower than 2015
- Incentive discipline is a priority
- Dealer inventory appropriately managed
- Expect weaker than normal 2H, and particularly 3Q, due to Super Duty launch, warranty, commodities and exchange, and fleet timing; profit improvement recovery actions under way
- Expect strong full year results; Ford team committed to delivering Company financial guidance and mitigating risks
- Key areas of focus:
 - Leverage new products to grow share and revenue
 - Drive for improved quality and launch execution
 - Continue cost improvement efforts

Q&A

Ford



Go Further

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 or services;
- 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 regulations, consumer or data protection regulations, 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, 2015, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.