



Go Further

INVESTOR DAY

September 14, 2016

Ford

Today's agenda



I. Welcome and Forward Looking Statements

Ted Cannis

II. Why Ford, Why Now

Mark Fields

III. Emerging Opportunities Electrification

Hau Thai-Tang

Autonomy

Raj Nair

Mobility

Jim Hackett

IV. Key Capabilities: Data and Analytics

Paul Ballew

V. Looking Forward: Guidance & Rewards

Bob Shanks

VI. Why Ford, Why Now

Mark Fields

VII. Panel



Go Further

Why Ford, Why Now

Mark Fields

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, layered geometric shapes that create a sense of motion and depth.

A solid investment with an attractive upside on emerging opportunities



1

Proven management team, robust and defensible core business

2

Strong balance sheet and business structure protects dividend through downturn

3

Investment in future mobility provides for significant transformation upside

Profits and cash flow strong for the last six years; record level for last 18 months



Billions

- Total company adjusted pre-tax profit*
- Automotive segment operating cash flow



* See Appendix for reconciliation to GAAP

Continued progress to balance geographic performance



North America

- Strong returns
- U.S. industry plateau

Europe

- Profitable transformation continues
- Brexit related risks

Middle East & Africa

- Positioning for growth
- Difficult external environment

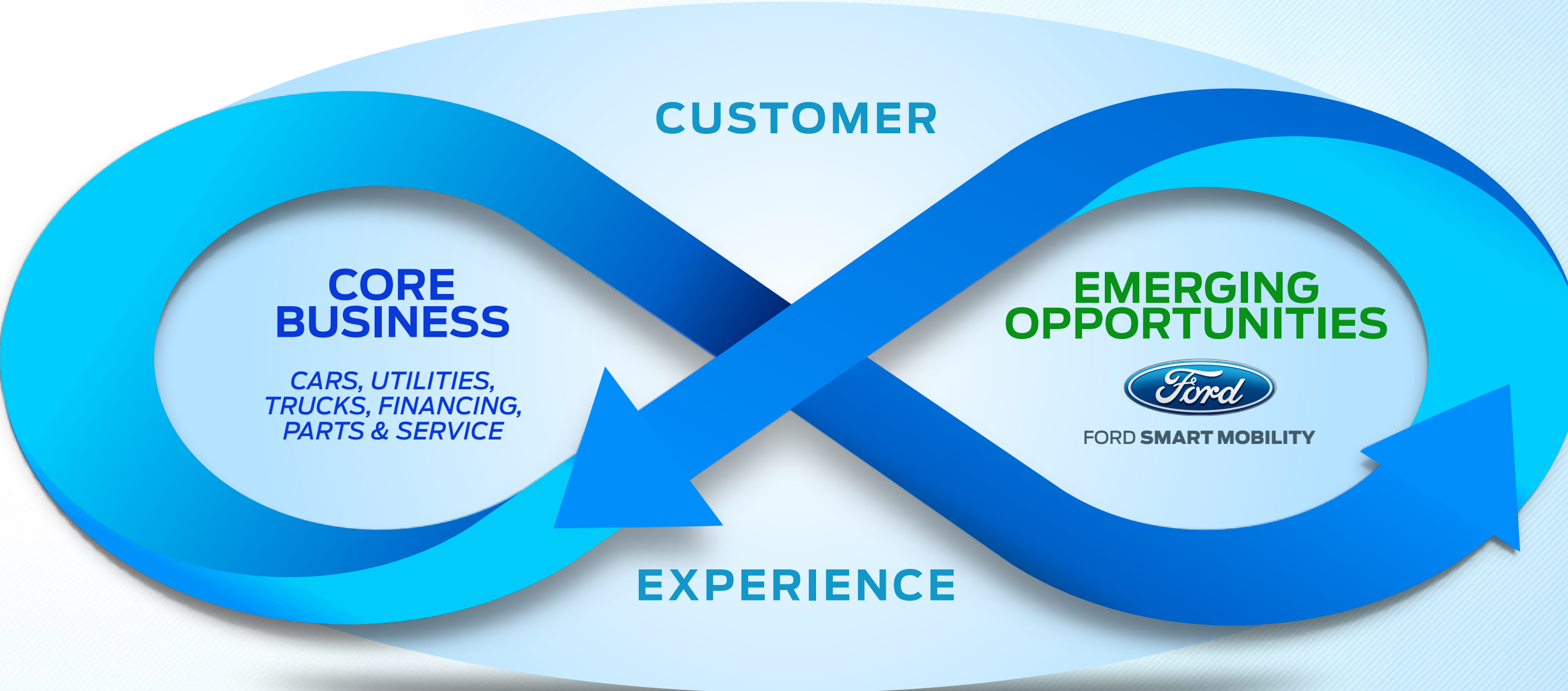
Asia Pacific

- China at 5% market share
- Asia, net China, improving
- Industry growth continues

South America

- Strong cost focus
- Difficult external environment

Fortifying and transforming core business enables expansion into emerging opportunities



Vision, strategy define where to play and how to win



VISION MAKING PEOPLE'S LIVES BETTER BY CHANGING THE WAY THE WORLD MOVES

STRATEGY Deliver top quartile shareholder returns through focused automotive and high-growth mobility businesses, building on Ford's unique legacy of advancing human progress through a culture driven by the customer and technology and business model innovation

OBJECTIVES

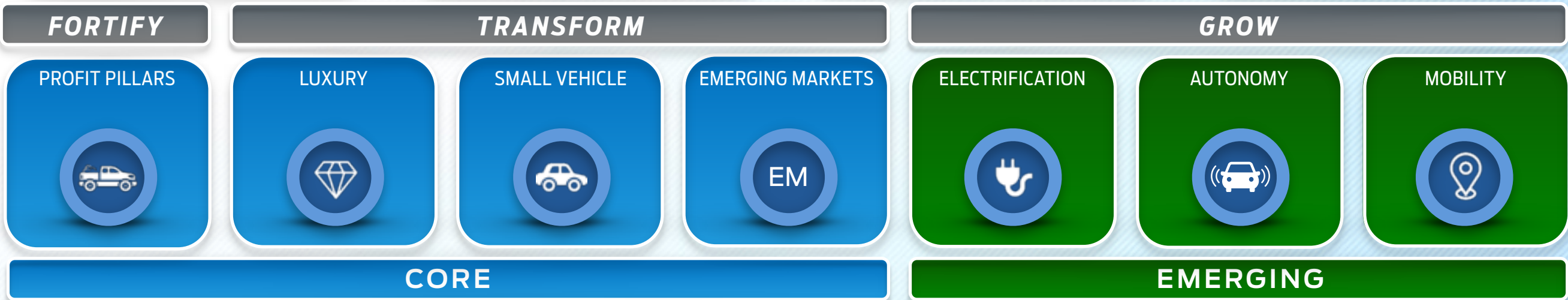
GROWTH
 Revenue growth that drives profit growth

RISK
 Optimized risk profile

RETURNS
 ROIC > Cost of Capital and Margins 8% + Core, 20% New

REWARDS
 Top quartile shareholder returns

STRATEGIC PRIORITIES



KEY CAPABILITIES AND ORGANIZATION

First priority is fortifying profit pillars of strong core business



Building on global leadership in highly profitable truck and van markets



2015 Truck and Commercial Vehicle Market Share and Rank



F-Series

- Best-selling U.S. pickup 39 yrs.
- Best-in-class attributes

Full-Size Pickup



Transit

- European leadership, 35% U.S. share
- Best-in-class fuel economy

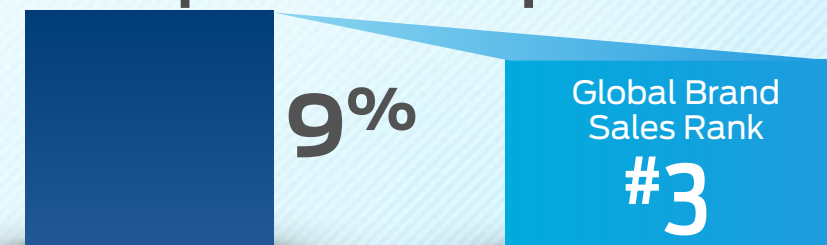
Large Van / Bus



Ranger

- Three manufacturing hubs serve 180 markets
- Strong high series mix

Compact Pickup



Ford is uniquely positioned in global trucks and van markets



Deep Customer Insights



- Hands on with customers
- Engineered for extremes

Configuration Range



- Full product span, F-150 – F-750
- Pre-prepped for upfitters

Trusted Relationships



- Sales and service capability and convenience
- Top U.S. commercial and government share

Advanced Manufacturing



- More than 2,100 F-Series body shop robots
- More than 220 F-Series body configurations daily
- F-150 every 53 seconds at Dearborn Truck

Driving to leadership in all global utility vehicle segments



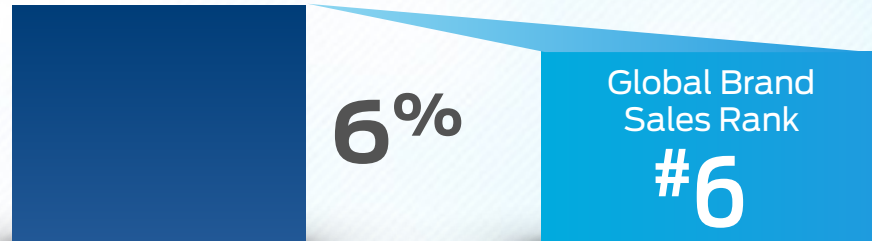
2015 Utility Market Share And Rank



Small: EcoSport, Escape / Kuga



Medium: Edge / Everest



Large: Explorer, Expedition



Utility vehicle growth led by new products



Ecosport & Escape / Kuga

- EcoSport and Escape / Kuga for global markets



Edge / Everest

- Unique 3-row Edge for China; Europe 2016 launch
- All-new Everest production in Thailand, South Africa and India



Explorer & Expedition

- Explorer sales in U.S., China, and Middle East, Russia
- All-new aluminum Expedition launch in 2017

Launching four all-new SUVs to further capitalize on segment growth and profitability



Performance portfolio profitably builds Ford brand



12 New Ford Performance Vehicles

Coming by 2020



Focus ST

Building at maximum capacity;
Sales up 12% YTD



Focus RS

Outstanding reviews and
overwhelming demand



Ford GT

Received more than 6,500 applications
globally to purchase one of the first 500



Shelby Mustang GT350 / GT350R

Sold out through 2017



F-150 Raptor

More than 2 million website
visits since January reveal

Ford Credit and aftermarket businesses provide loyalty, stable profitability



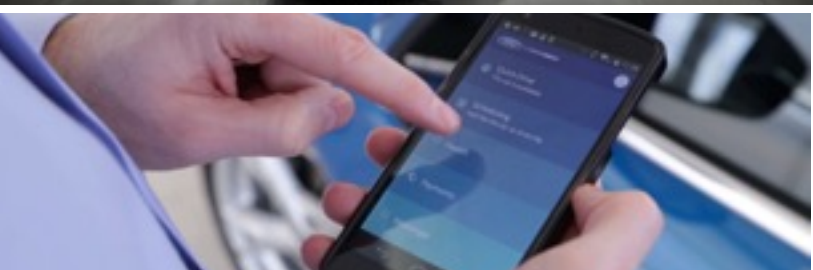
FORD CREDIT



- Over the past 20 years:
 - \$42 billion in pre-tax profits
 - \$27 billion in distributions



- Supports Ford, Lincoln sales
- Consistent through cycles



- Financial products, services to enable mobility



- Dealer, customer support
- Higher customer loyalty



Parts & Service



Transforming parts of the business that traditionally have underperformed



Profit Pillars

Maintain a Leadership Position in Truck, Van, and Performance and Grow Utility
Leverage Ford Credit and Parts and Service

CORE BUSINESS

CARS, UTILITIES,
TRUCKS, FINANCING,
PARTS & SERVICE



Luxury

Develop a Significant Luxury Position



Small Vehicle

Reinvent the Small Vehicle Business Model

EM

Emerging Markets

Build a Leadership Position in Select Emerging Markets

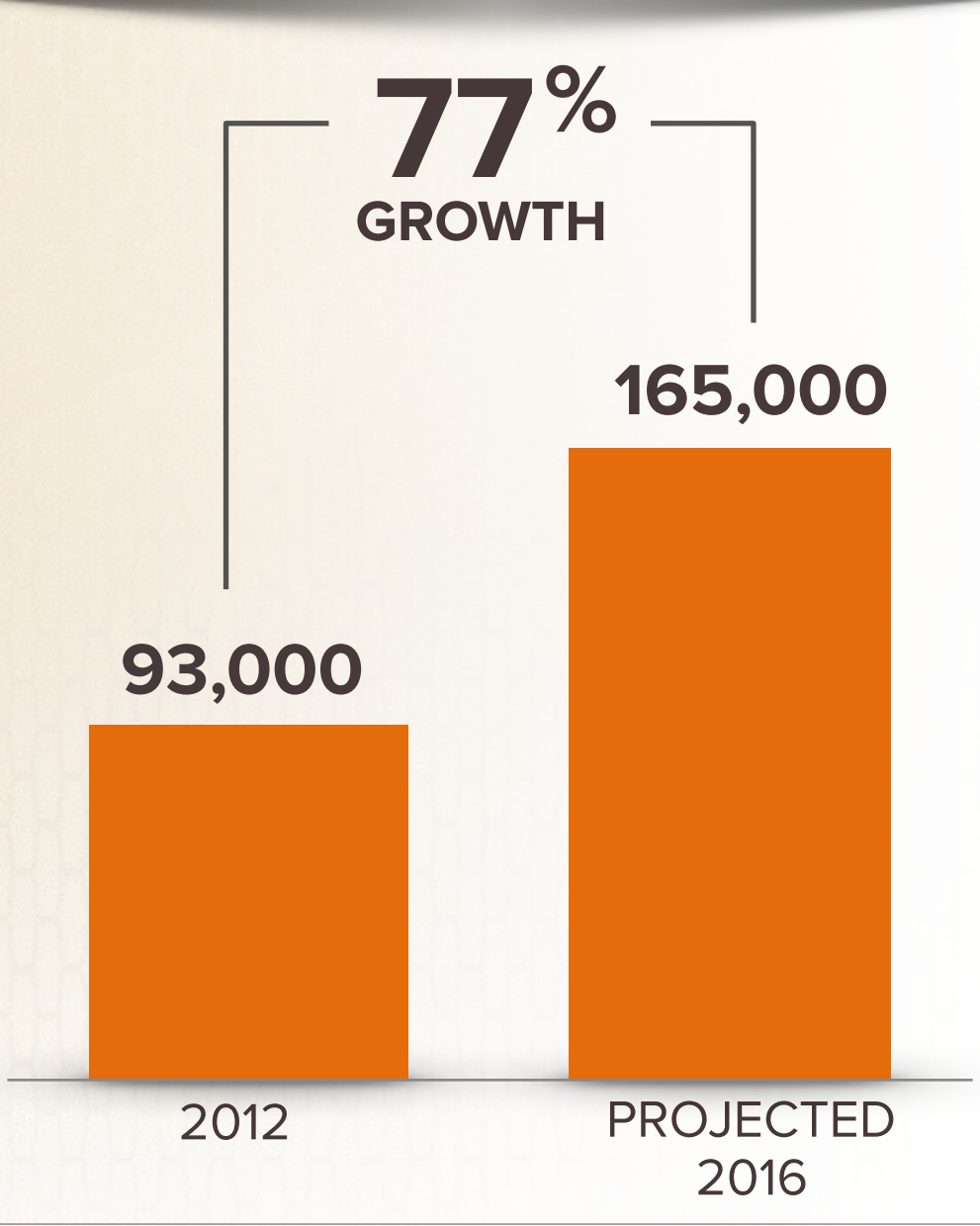
FIRST GENERATION OF TRANSFORMATIONAL LINCOLN VEHICLES NEARLY COMPLETE



WORLD-CLASS LUXURY PRODUCT, CLIENT EXPERIENCE AND CHINA LAUNCH DELIVER LINCOLN GROWTH



GLOBAL LINCOLN SALES



SUCCESSFUL CHINA LAUNCH

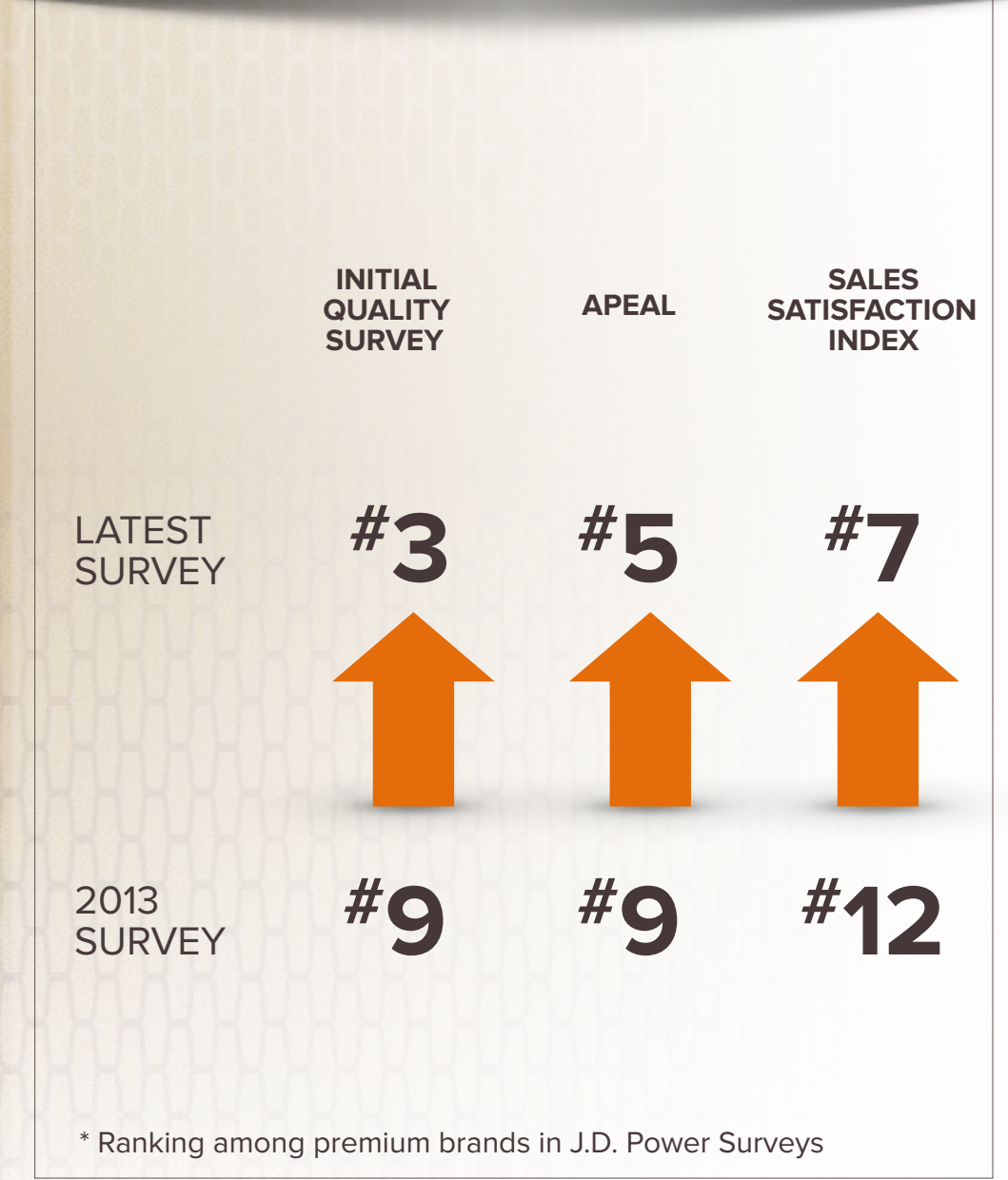
THE LINCOLN WAY,
DELIVERS WARM, HUMAN, AND PERSONALLY-CRAFTED EXPERIENCES

49 DEALERSHIPS OPEN;
ON TRACK TO OPEN 60 BY YEAR END 2016

FASTEST GROWING LUXURY BRAND IN CHINA --
VOLUME PROJECTED TO MORE THAN DOUBLE IN 2016

STRONG BRAND PERCEPTION,
EQUAL TO LEXUS

U.S. QUALITY AND CUSTOMER EXPERIENCE



Reinventing small vehicle business model through focus on critical success factors



Fiesta

Global Brand Sales Rank
#2



Focus

Global Brand Sales Rank
#3



EcoSport

Global Brand Sales Rank
#2

Brand Resonance

Tailored Designs

Effective Scale

Low-Cost Footprint

Reduce Complexity

Note: Global brand sales rankings noted above are for B-segment, C-segment and small utility respectively

Growth in select emerging markets based on clear path to profitability



Russia

Positioned for market recovery

- Restructured joint venture
- Focus on SUVs, vans
- Improving results



India

Reviewing alternatives

- Plants and products launched
- Established as small vehicle export base
- Domestic growth below plan



ASEAN

Profitable

- Production realigned to truck and van
- Exited Indonesia
- Closed Philippines manufacturing



Middle East and Africa

Path to profitable growth

- Business unit established
- Focus on truck and SUV strength
- Leadership in South Africa



South America

Positioned for recovery

- Historically profitable
- Difficult external environment
- Restructuring cost base

Emerging opportunities provide potential for significant future growth



Electrification

Become a Top Player in Electrified Solutions



Autonomy

Lead Development and Application of Fully Autonomous Vehicle Technology and Businesses



Mobility

Develop Services and Business Models

EMERGING OPPORTUNITIES



FORD SMART MOBILITY

Transforming to auto and mobility company allows significant revenue growth potential



Ford Share 6%



Traditional Auto Revenue

\$5.4 Trillion



Other Transportation Services Revenue

Ford Potential Revenue	
Retail / Fin.	1.5
Insurance	0.5
Mass Transit	0.9
Motorcycle	0.4
Taxi	0.4
Total	\$3.7

Other Transportation Revenue	
Fuel / Taxes	\$1.7

Ford Share 0%

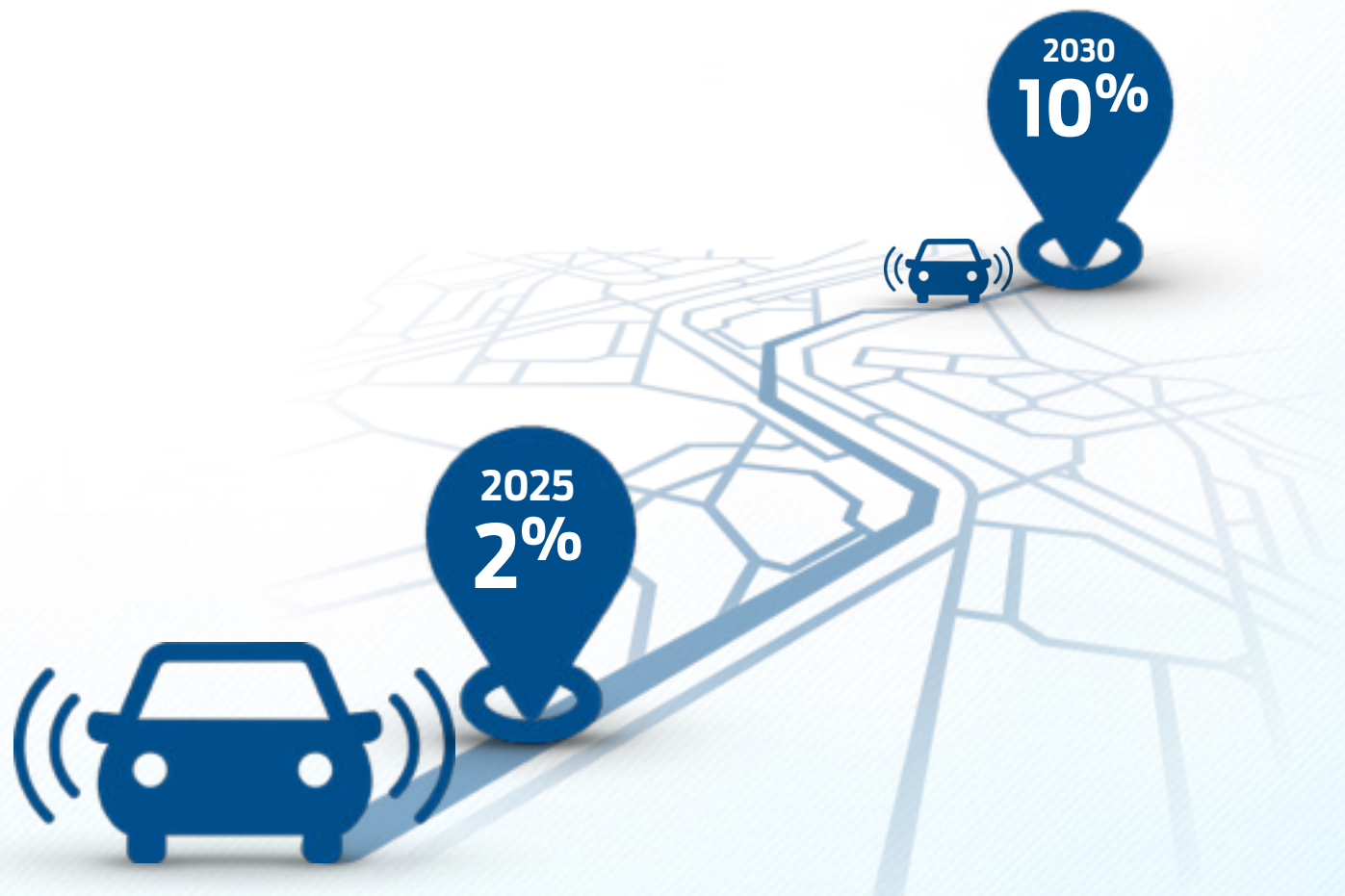
We plan to capitalize on new emerging ecosystems on our own or through partnerships and acquisitions



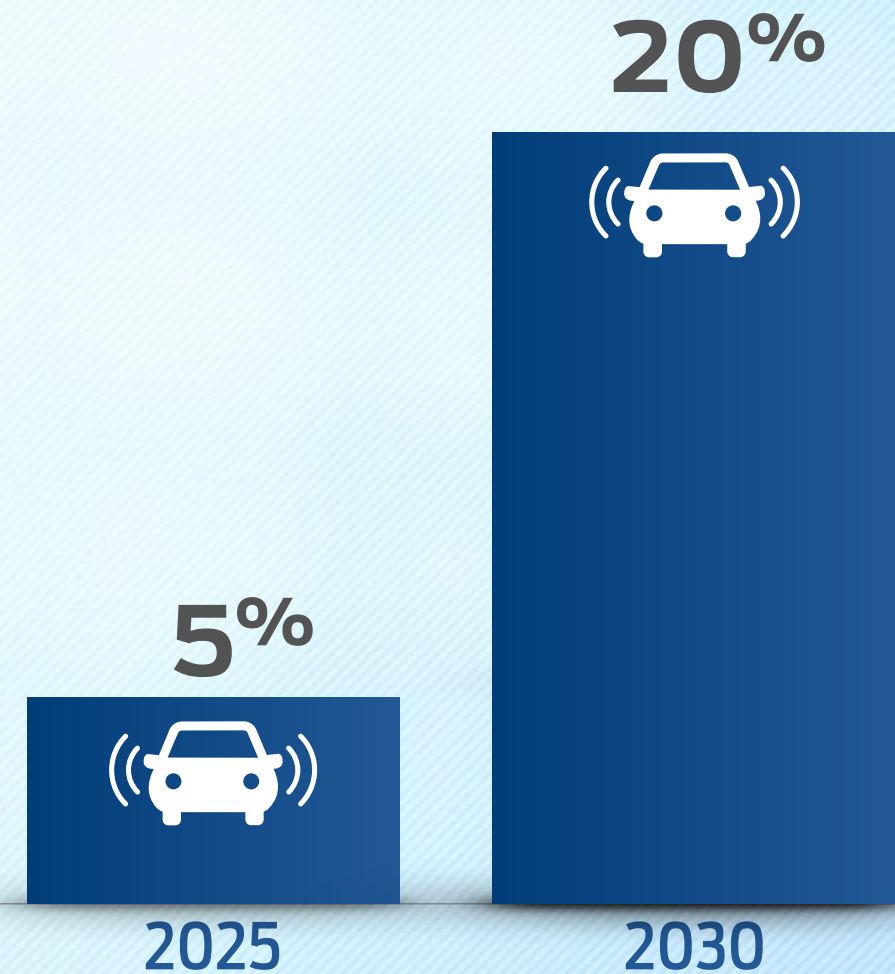
Autonomous vehicles might account for up to one in 10 miles traveled and one in five sales



U.S. Autonomous Miles Traveled (Percent of Total)



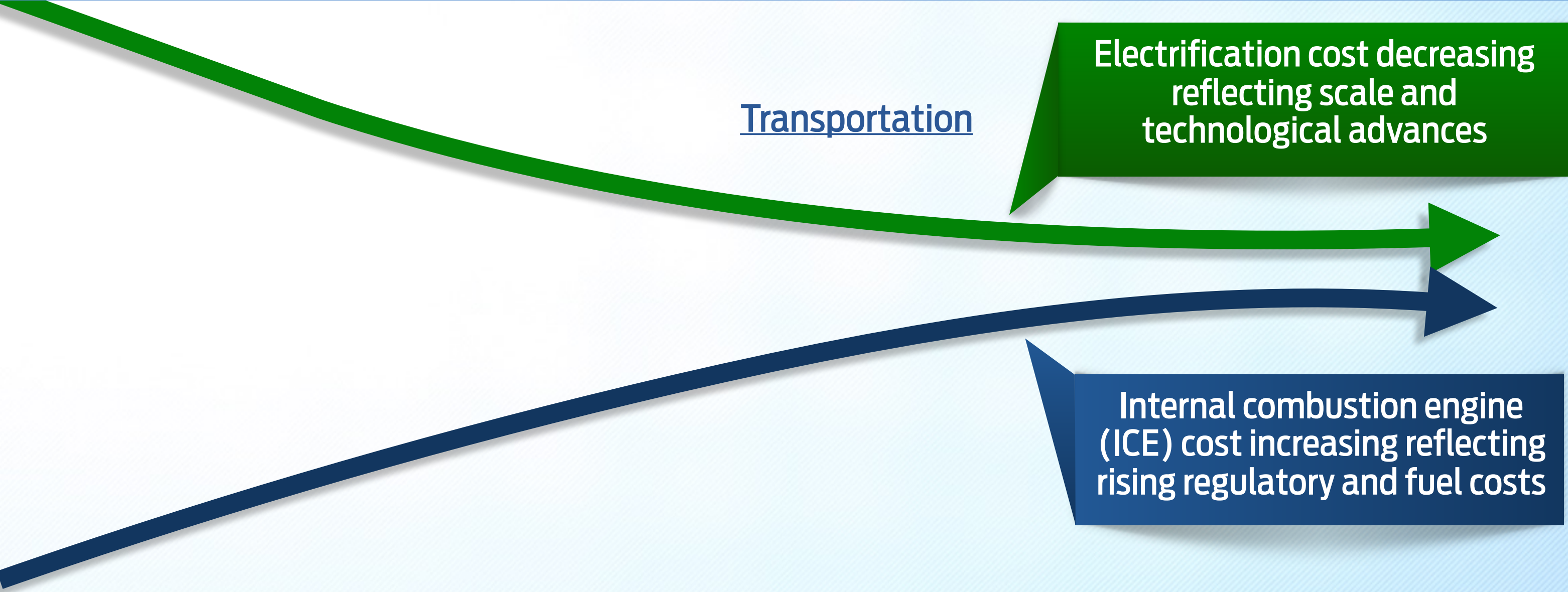
U.S. Autonomous Annual Sales (Percent of Total)



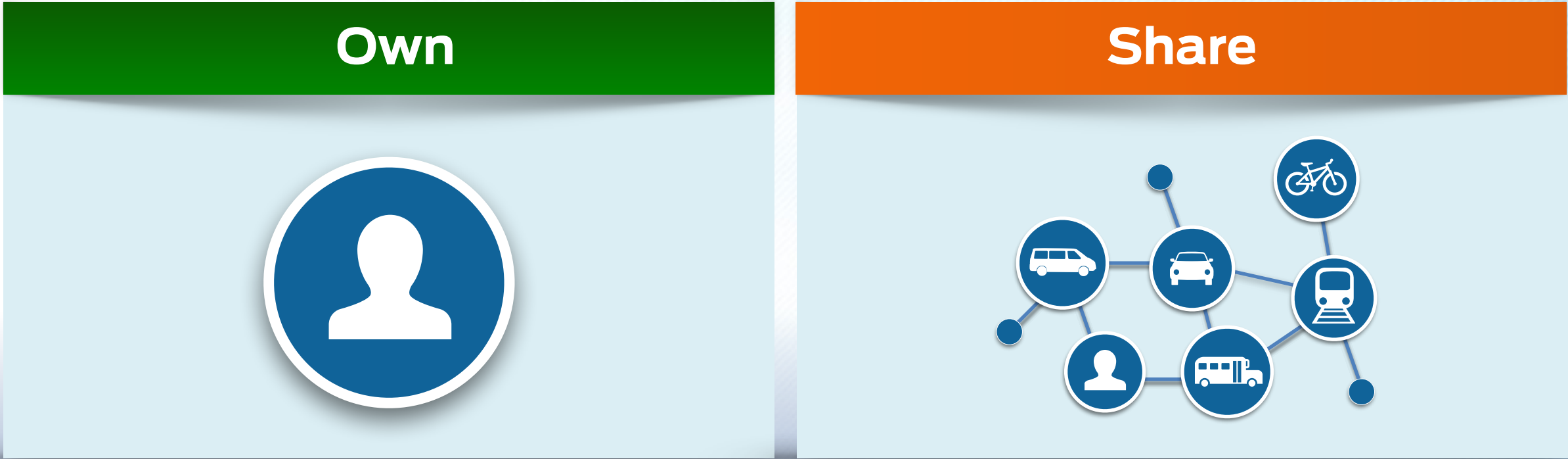
Electrification cost of ownership will continue to decrease with scale and technological advances



Cost Of Ownership Over Time



Technology platforms support both owned and shared usage models



Ford technology platforms support both models

Connectivity

Data / Yield Management

Autonomy

FinTech

Vision, strategy define where to play and how to win



Developing new capabilities to leverage deep automotive expertise



Continuing to Build

User experience innovation

Business model innovation

Data and analytics, software talent

Agile mergers and acquisitions team

Unique Strengths Today

World class vehicle platforms

Automotive grade quality and reliability

Technology development and engineering systems integration

Manufacturing at scale and complexity

Global distribution, financing and customer service



Go Further

Why Ford, Why Now

Ford



Hau Thai-Tang

Group Vice President, Purchasing
Ford Motor Company



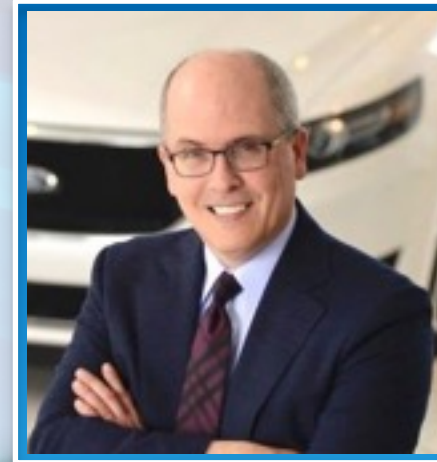
Raj Nair

Exec. Vice President, Product Development
Ford Motor Company



Jim Hackett

Chairman
Ford Smart Mobility LLC



Paul Ballew

Chief Data and Analytics Officer
Ford Motor Company



Bob Shanks

Chief Financial Officer
Ford Motor Company



Go Further

Emerging Opportunities

Ford



Go Further

Electrification

Hau Thai-Tang

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, abstract shapes that resemble water or a road. The logo is the central focus of the lower half of the slide.

The world is changing; electrification is key to addressing consumer needs and societal trends



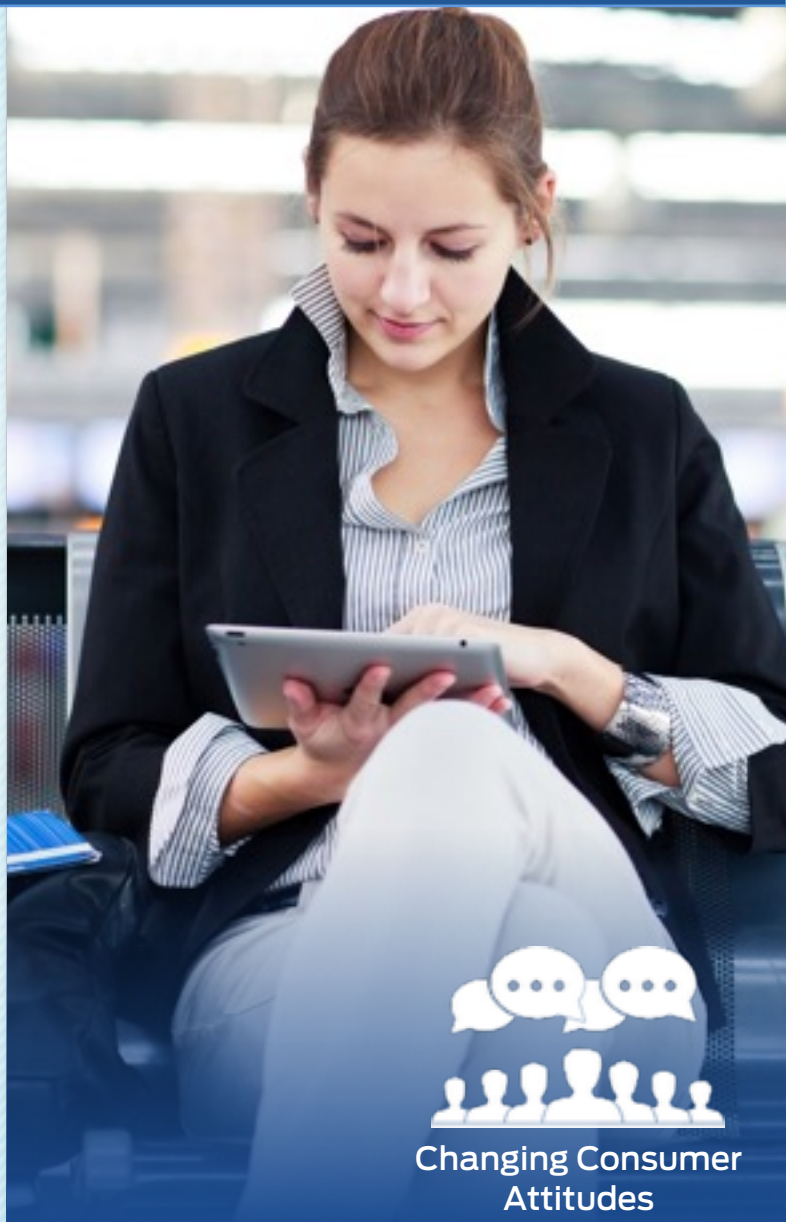
Urbanization



Global Middle Class Growth



Air Quality



Changing Consumer Attitudes

Ford is already a top player in U.S. electrification



1st full hybrid SUV in North America



2005 MY Escape Hybrid



HYBRID
ELECTRIC VEHICLE

#1 brand in U.S. for plug-in hybrids



Fusion and C-MAX



PLUG-IN-HYBRID
ELECTRIC VEHICLE

#2 brand in U.S. for electrified vehicles



500,000
Electrified Vehicles



HYBRID
ELECTRIC VEHICLE

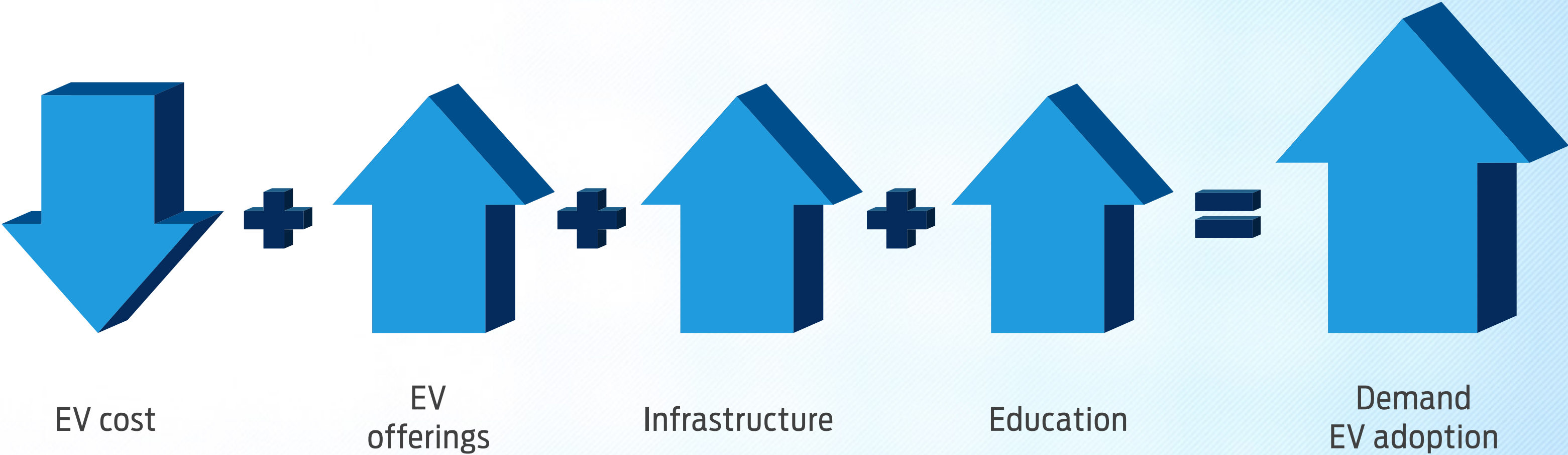


PLUG-IN-HYBRID
ELECTRIC VEHICLE



ALL-ELECTRIC
VEHICLE

EV adoption will rise as barriers come down



Projected BEV battery cell cost at scale



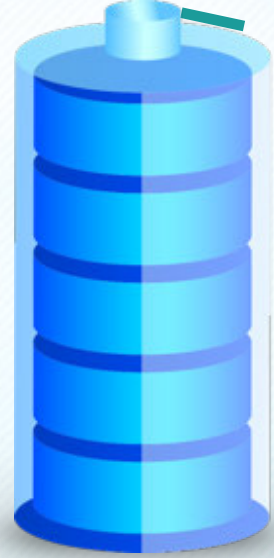
\$/kWh

\$120



2020CY

\$95



2025CY

Advanced Li-Ion

\$85



2030CY

Post Li-Ion

\$75

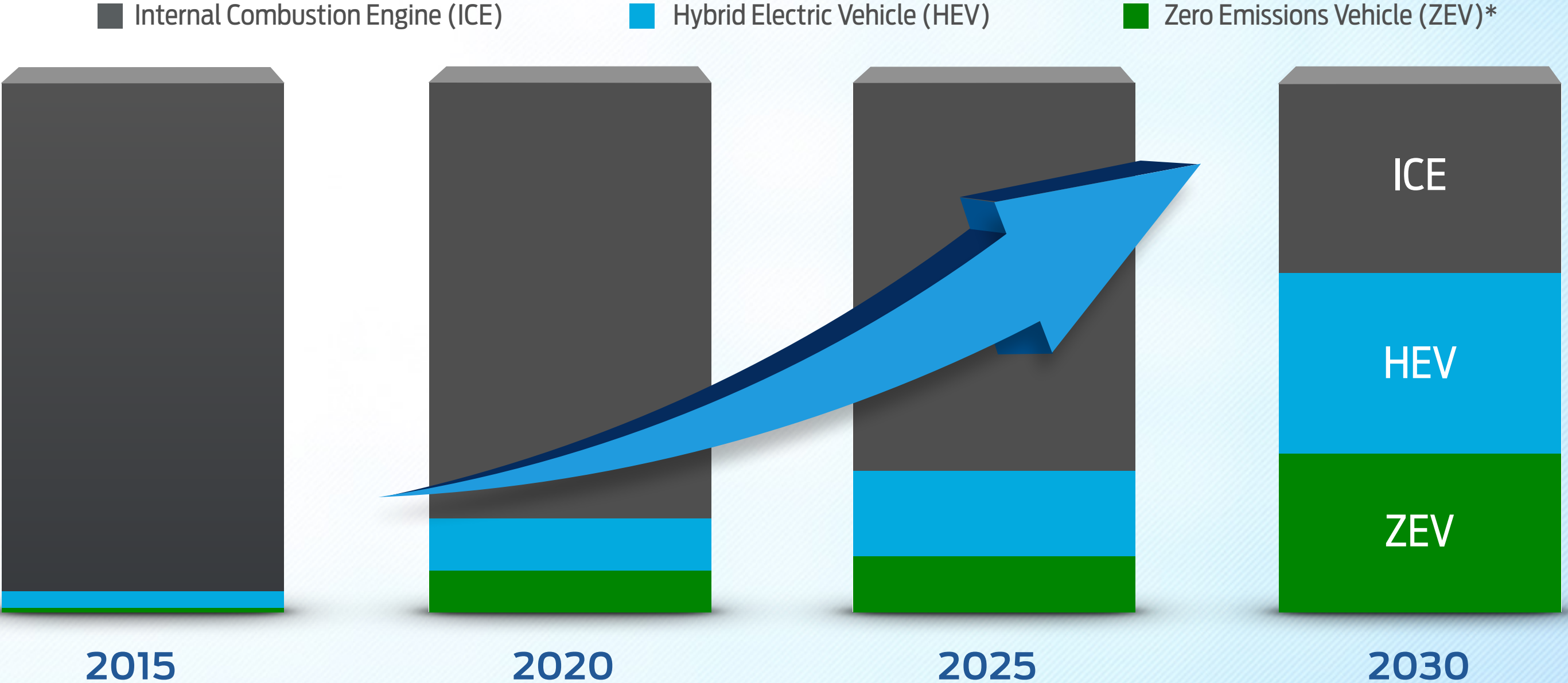


Source: Ford internal estimate

Electrification will reach tipping point



Anticipated Global Electrification Mix Rates



* Full Battery Electric (BEV), Plug-in Hybrid Vehicle (PHEV) and fuel cells
Source: Navigant, LMC, BNEF, Juniper, MIT, IHS, Accenture, KPMG, PwC, JATO, FSS, Exxon, GM, Hyundai, Honda, Nissan, Toyota, Ford

Our strategic approach focuses on building a foundation for long term success



Play To Our Strengths

Commercial, trucks, utilities, performance

Build Brand and Credibility

Zero compromise battery electric vehicles and go to market strategy

Leverage Scale and Technology

Design, volume, manufacturing and purchasing power

Business Model Innovation

Ecosystem approach, Ford Smart Mobility, autonomous vehicles, Vehicle Management as a Service

Ford's phased approach for electrification focuses simultaneously on building the ecosystem and brand



\$4.5 Billion Investment and 13 New Nameplates



- Commercial vehicles
- Trucks and SUVs
- Performance vehicles
- Zero compromise BEV



- Charging infrastructure
- Ecosystem development
- Grow scale and build brand

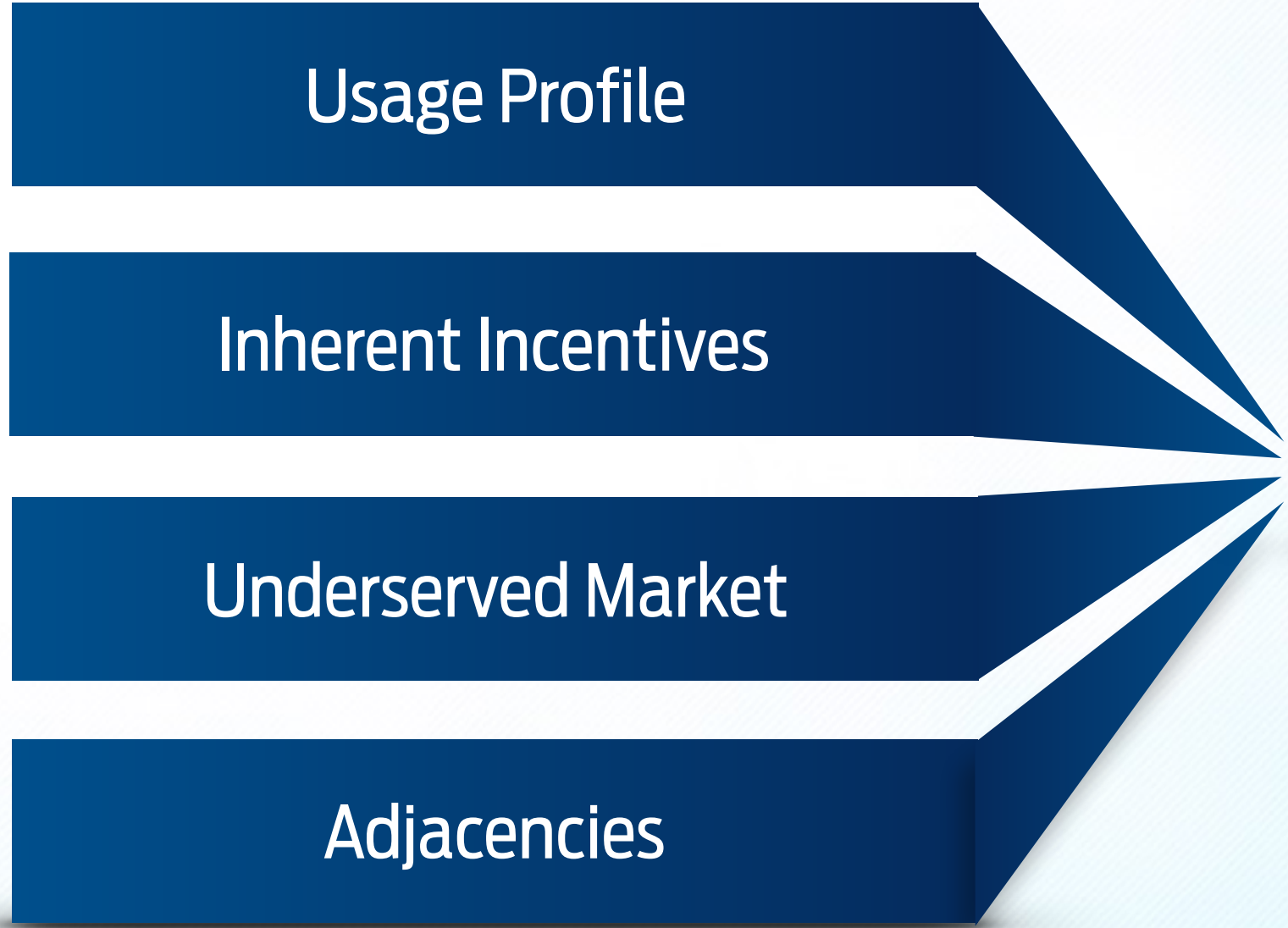


- Top player in electrified solutions
- EVs a key element of Ford Smart Mobility solutions

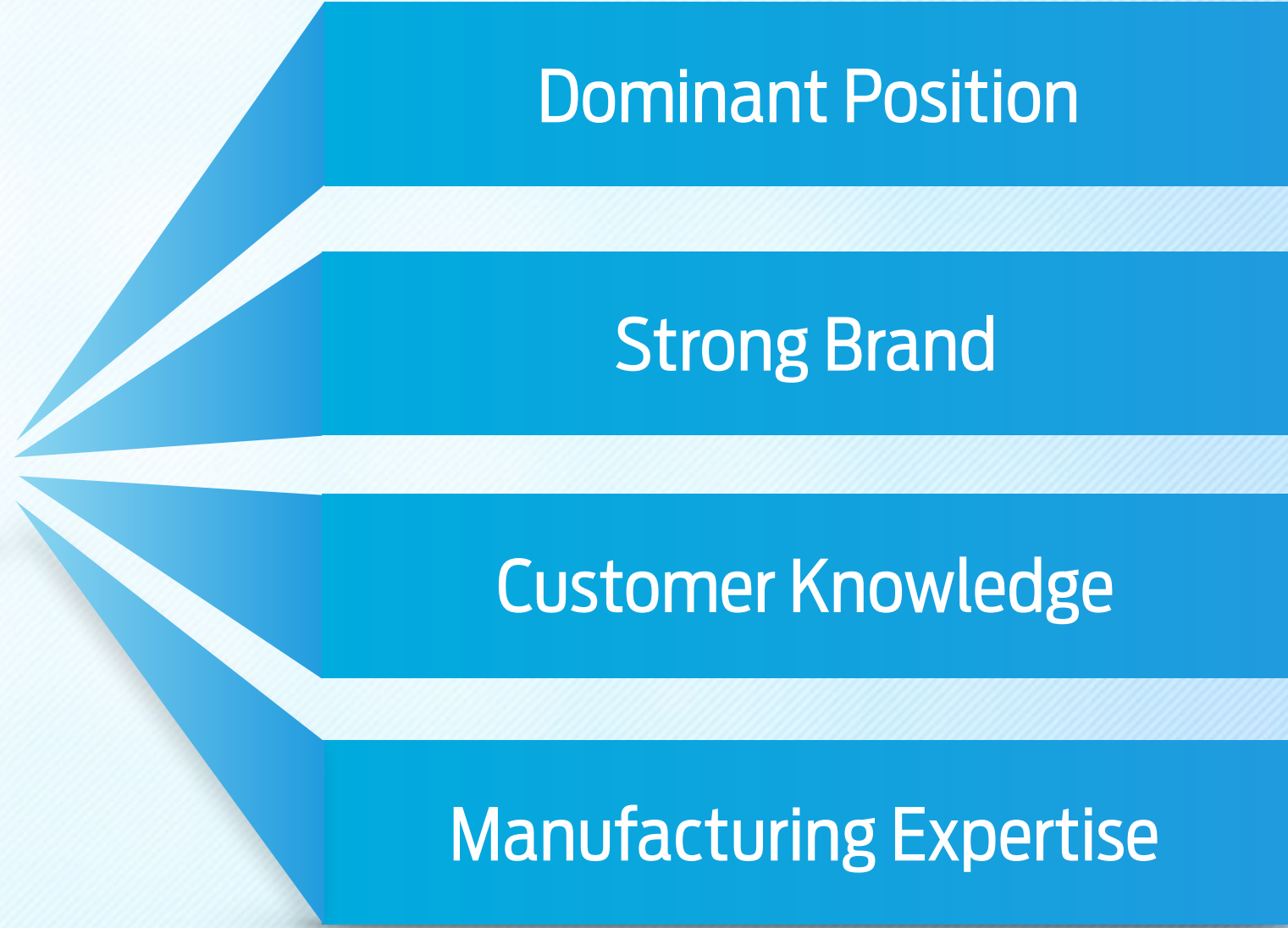
The use case for commercial delivery is an ideal fit for electrified vehicles



Sector Attractiveness



Ford Strengths



We are building from a strong base and are investing to remain a top player in electrification



Ford Electrified Product Offerings



Ford Capabilities

- More than 1,000 Ford electrified vehicle patents
- 240% increase in EV resources since 2010
- Hybrid, plug-in hybrid and full battery electric expertise and capabilities
- Software and controls knowledge
- In-house design, integration and assembly of battery packs

Electrification key takeaways



1

Electrification is an important part of Ford's transformation to a leading mobility company

2

Electrified vehicles will reach a tipping point by 2030 – Ford is pivoting and deploying resources accordingly to win in the future

3

Ford's blueprint for electrification plays to our strengths and allows us to develop a holistic ecosystem approach

4

Commercial delivery is ideally suited for electrification and is a sector that Ford leads globally

5

Electrification is an integral element of Ford Smart Mobility solutions targeted at incremental profit pools



Go Further

Autonomy

Raj Nair

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, abstract shapes that resemble water or a dynamic landscape.

New terms for technologies and businesses in the autonomous vehicle space



Transportation as a Service (TaaS)

Point to point mobility for a fee – ride-sharing, ride-hailing, dynamic shuttle or package delivery



Autonomous Vehicle (AV)

Virtual Driving System (VDS)

Computer, sensors, software and electronics that replace the human driver

Autonomous Vehicle Platform (AVP)

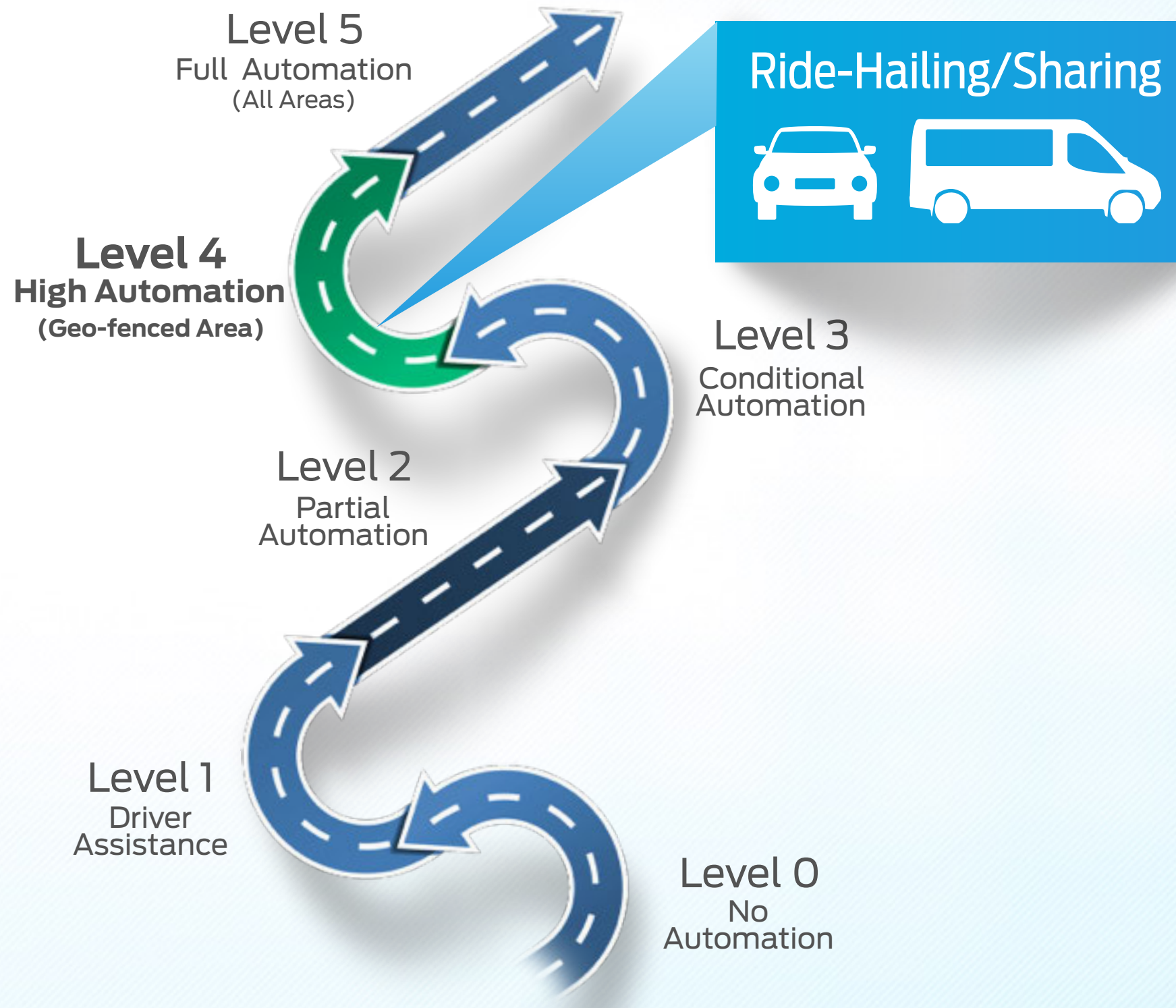
Platform that integrates and supports operation of VDS and TaaS functions



Vehicle Management as a Service (VMaaS)

Integrated end-to-end fleet management: vehicle acquisition, financing, insurance, maintenance and disposal

We plan to launch a high volume, SAE Level 4 autonomous vehicle for ride-hailing or ride-sharing in 2021

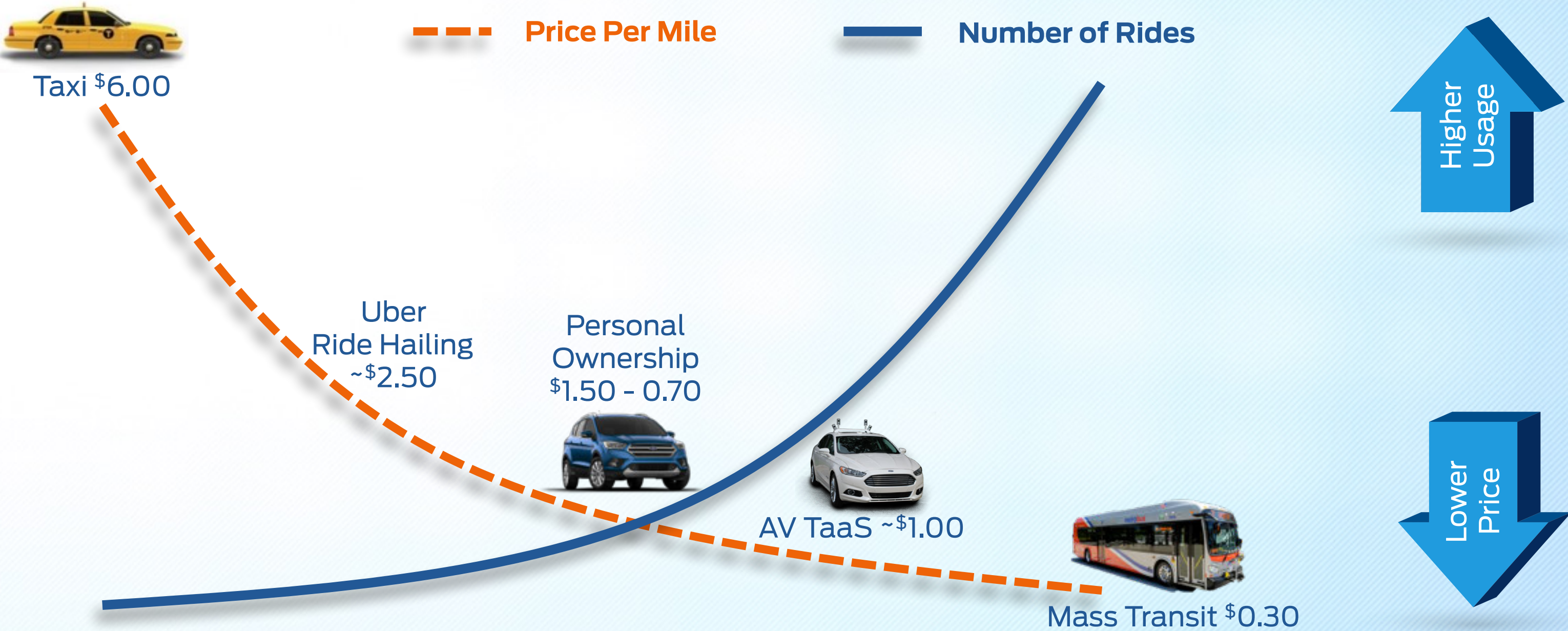


- Announced our intent to have a high-volume, fully autonomous Society of Automotive Engineers (SAE) Level 4-capable vehicle in commercial operation in 2021
- Initial application in a ride-hailing or ride-sharing service, with personal use to follow at a later date
- Vehicle being specifically designed for commercial mobility services without a steering wheel or gas and brake pedals
- Investing or collaborating with four startups on autonomous vehicle development

AV technology will lower TaaS prices and increase access and usage



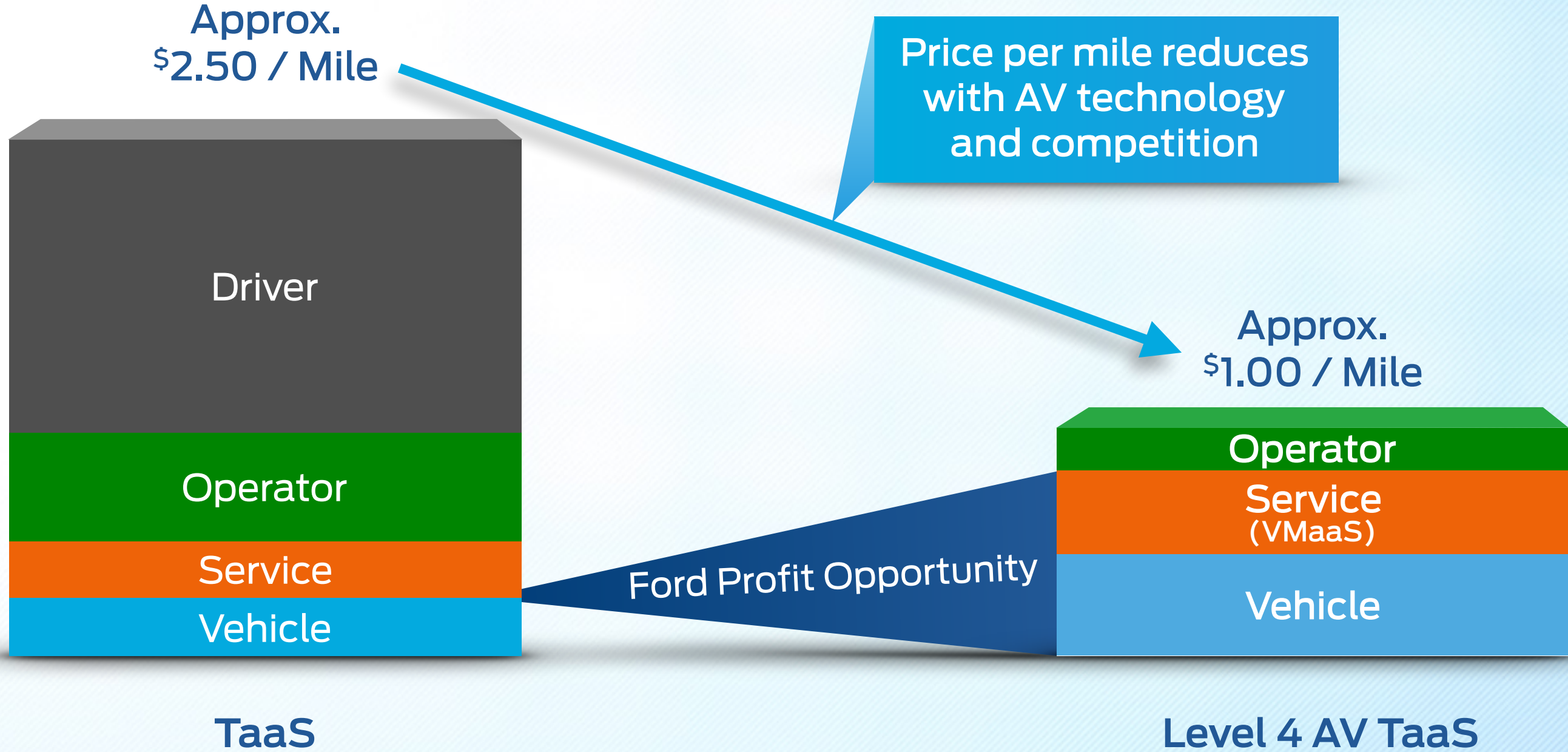
Transportation as a Service Evolution



With Level 4 AV technology, Ford can reduce TaaS price per mile and participate in larger share of TaaS per mile profit



Transportation as a Service Price Per Mile



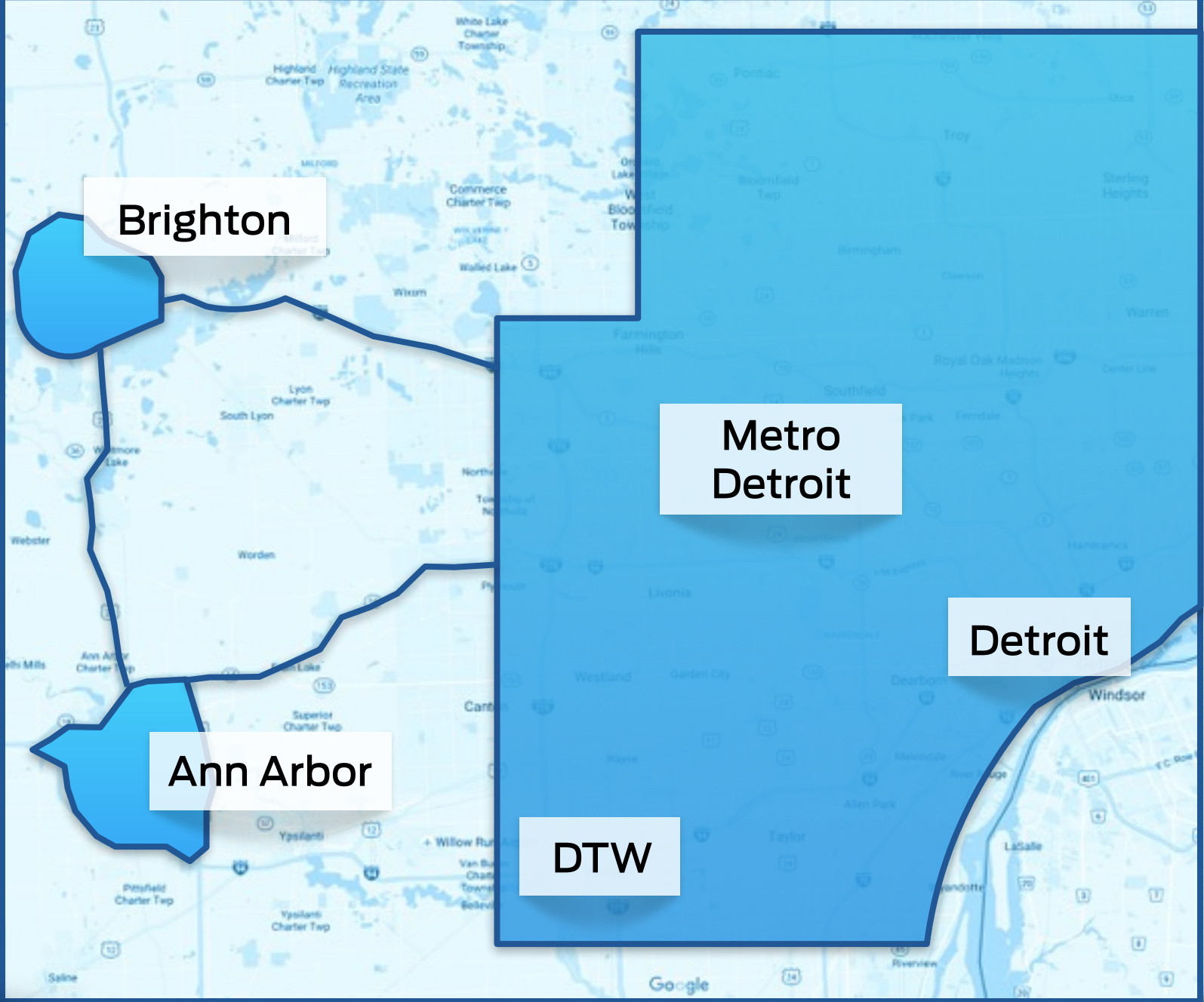
Initial deployment will be in large geo-fenced urban markets and with geo-fenced corridors



New York City Geo-Fenced Area With Corridors



Detroit Geo-Fenced Area With Suburbs Linked By Corridors



Under a moderate TaaS adoption scenario, up to 20% of vehicle sales could be autonomous by the end of the next decade



Vehicle Mix

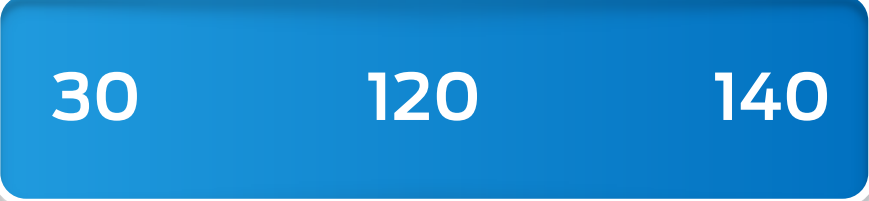


Low volume AV TaaS production vehicles will be introduced in 2018, paving the way for a high volume all-new product in 2021



2016 2017 2018 2019 2020 2021 2022 2023

Development



Production



SAE Level 4 - With Safety Driver

SAE Level 4 – No Safety Driver Or Controls

Fusion AV

All-New Product

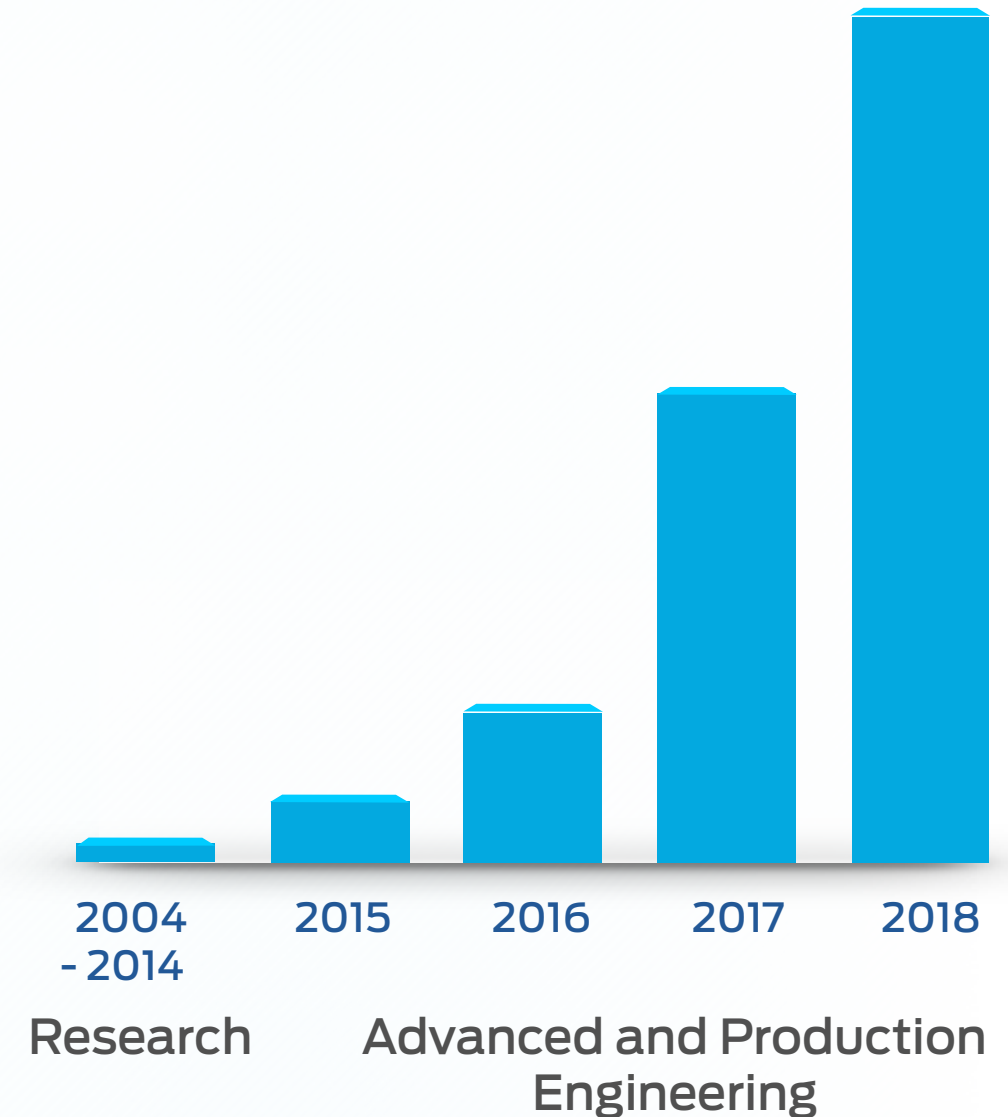
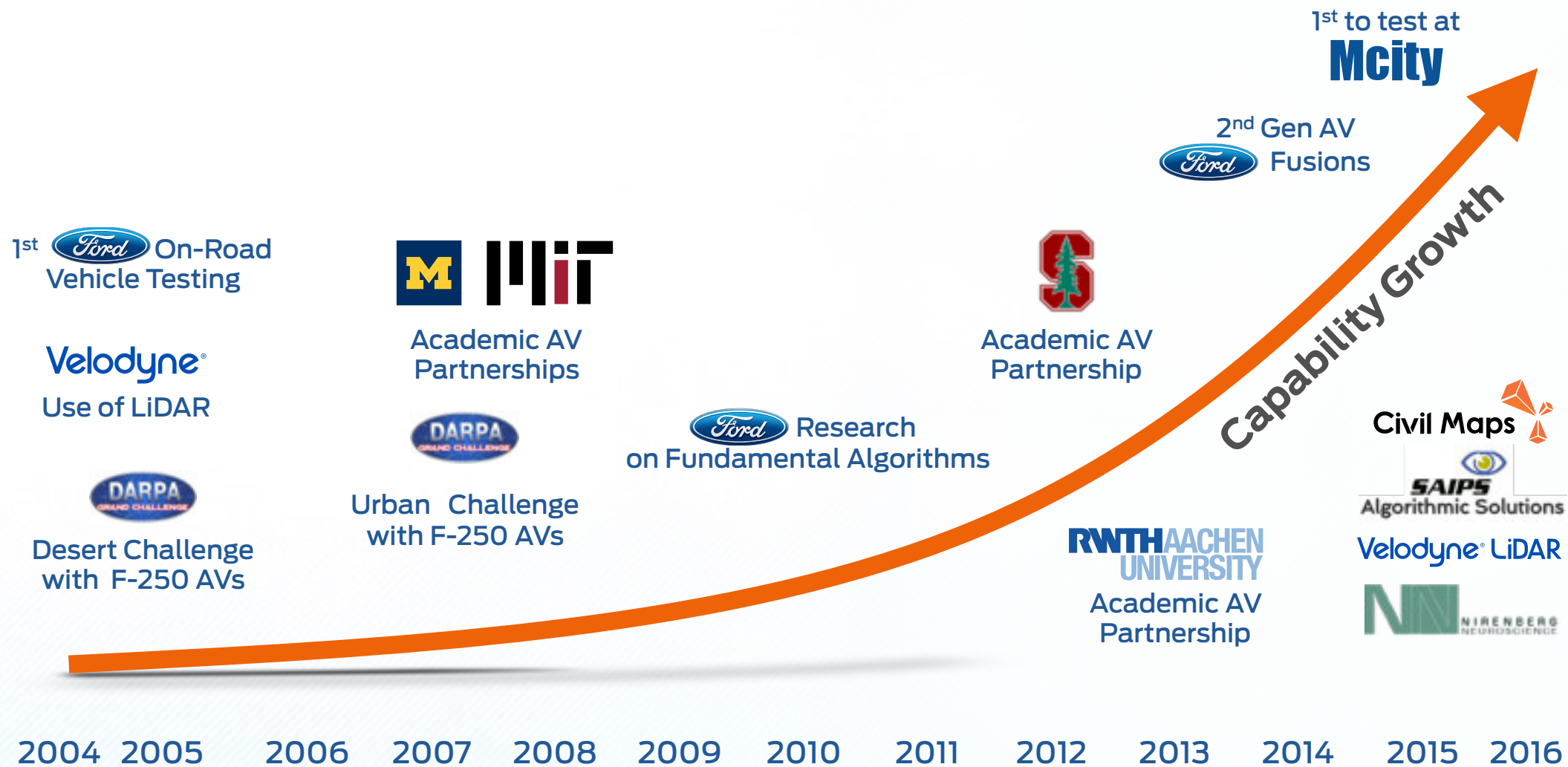


Our position as a leading OEM in autonomous vehicle technology will allow us to lead commercialization

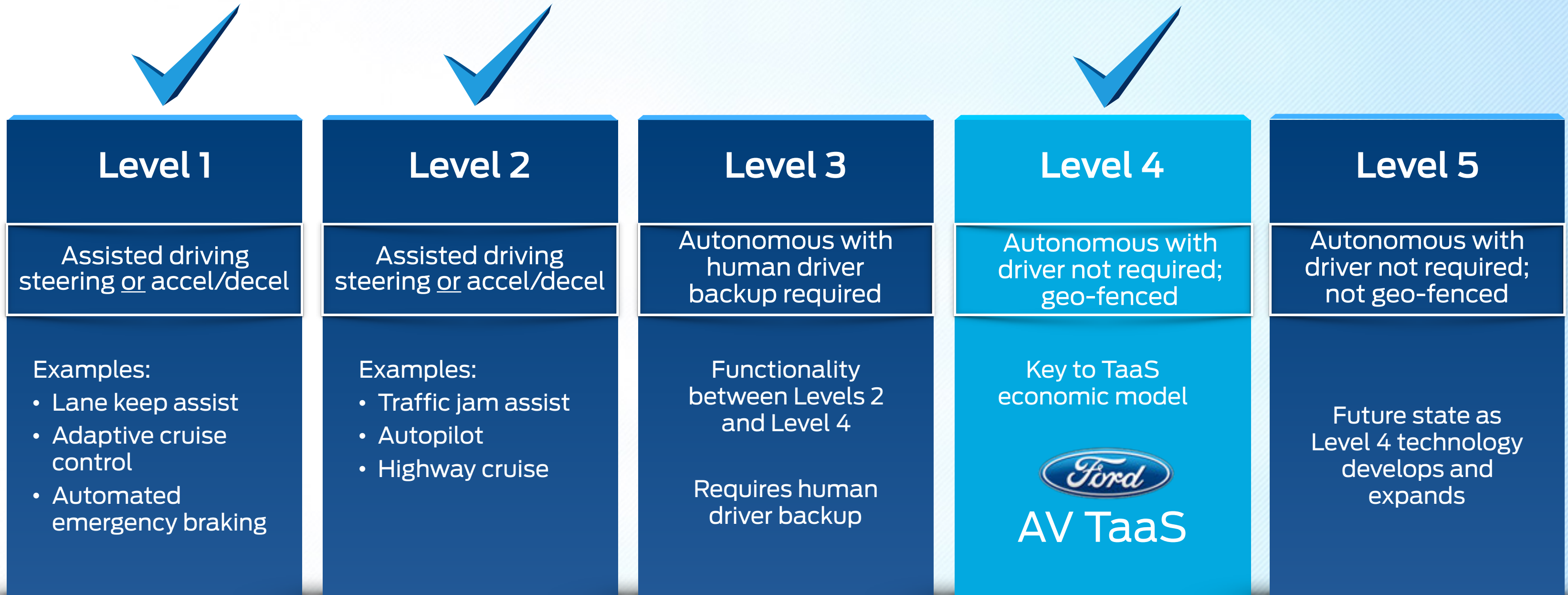


AV Expertise

Advanced and Production Engineering Staffing

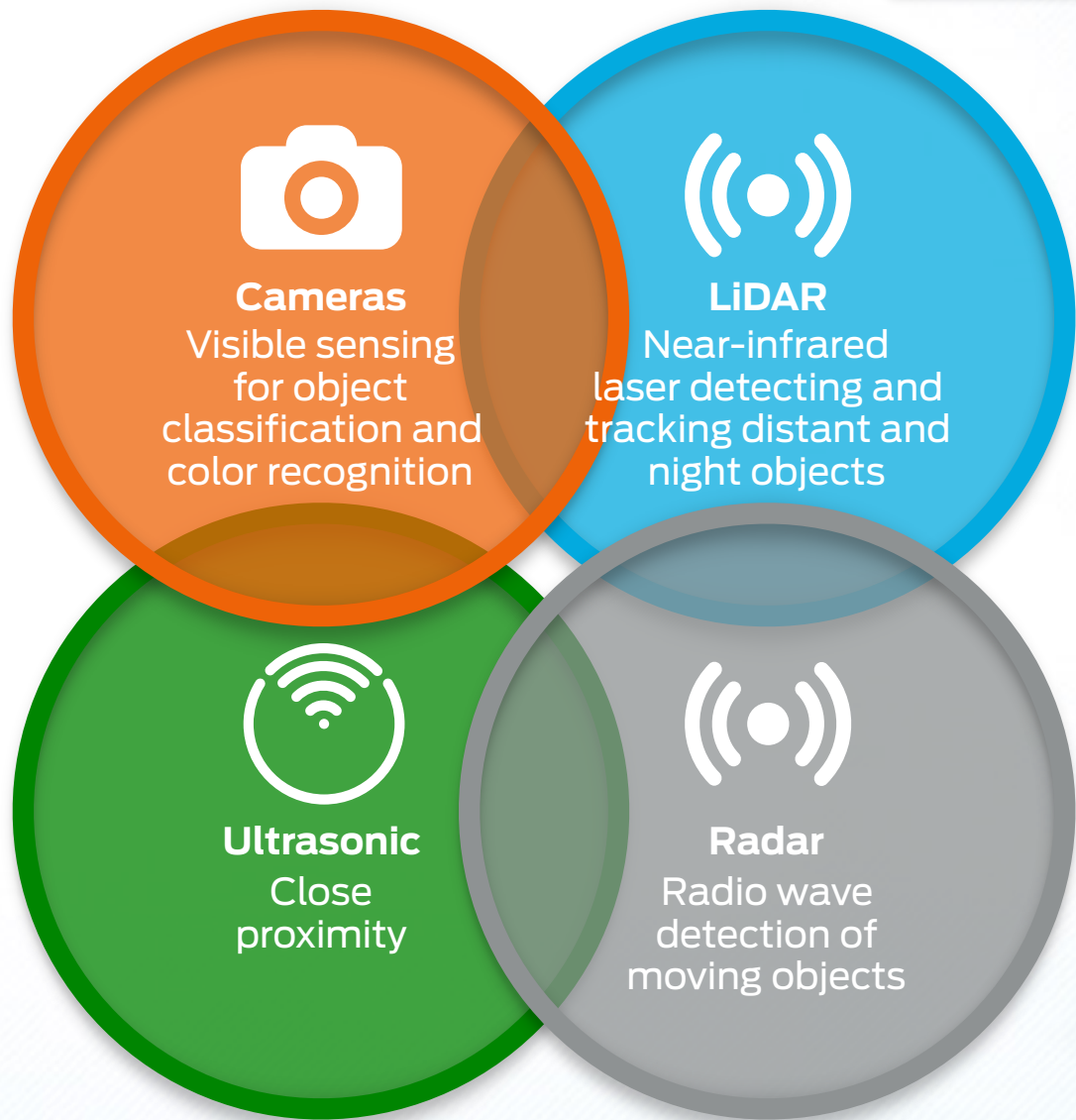


Ford to introduce AV technology at a SAE Level 4



 **Ford current focus**

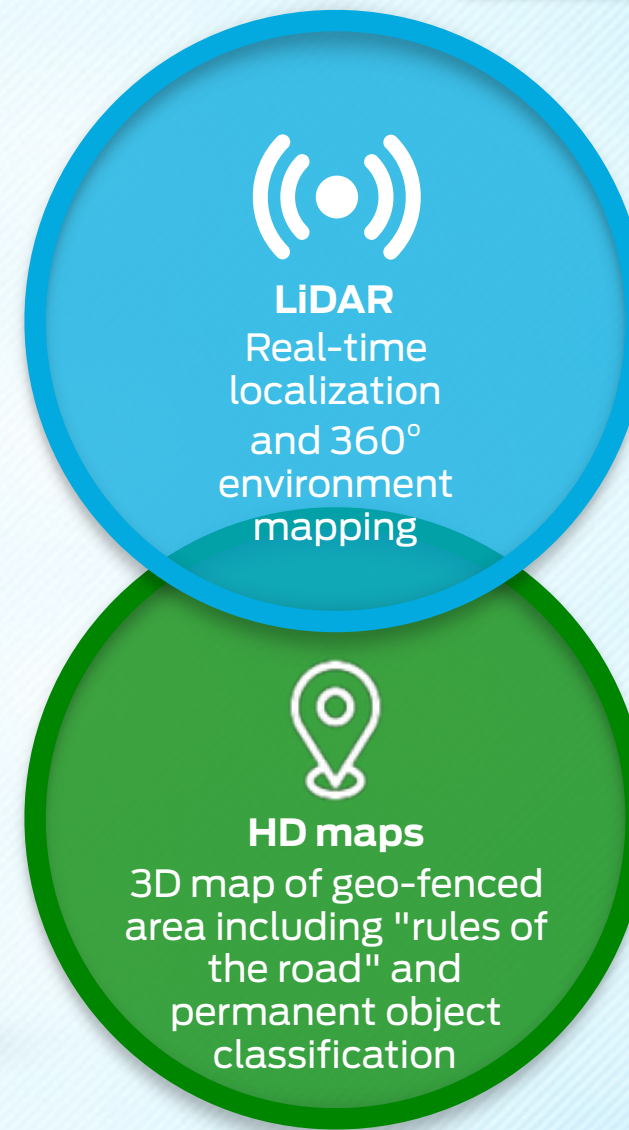
We are using mediated perception methods with direct perception to correctly determine driving solutions



Direct Perception

Use of sensors to develop real-time view of environment to use in conjunction with mediated perception to correctly determine driving solutions

Combination of sensors covers the full environment from day to night, from distant to near, from still to moving, from metallic to organic



Meditated Perception

Comparison of real-time LiDAR mapping to existing HD map to determine which direct sensed objects are of concern and which are not

Provides baseline "rules of the road" for driving solutions of current environment

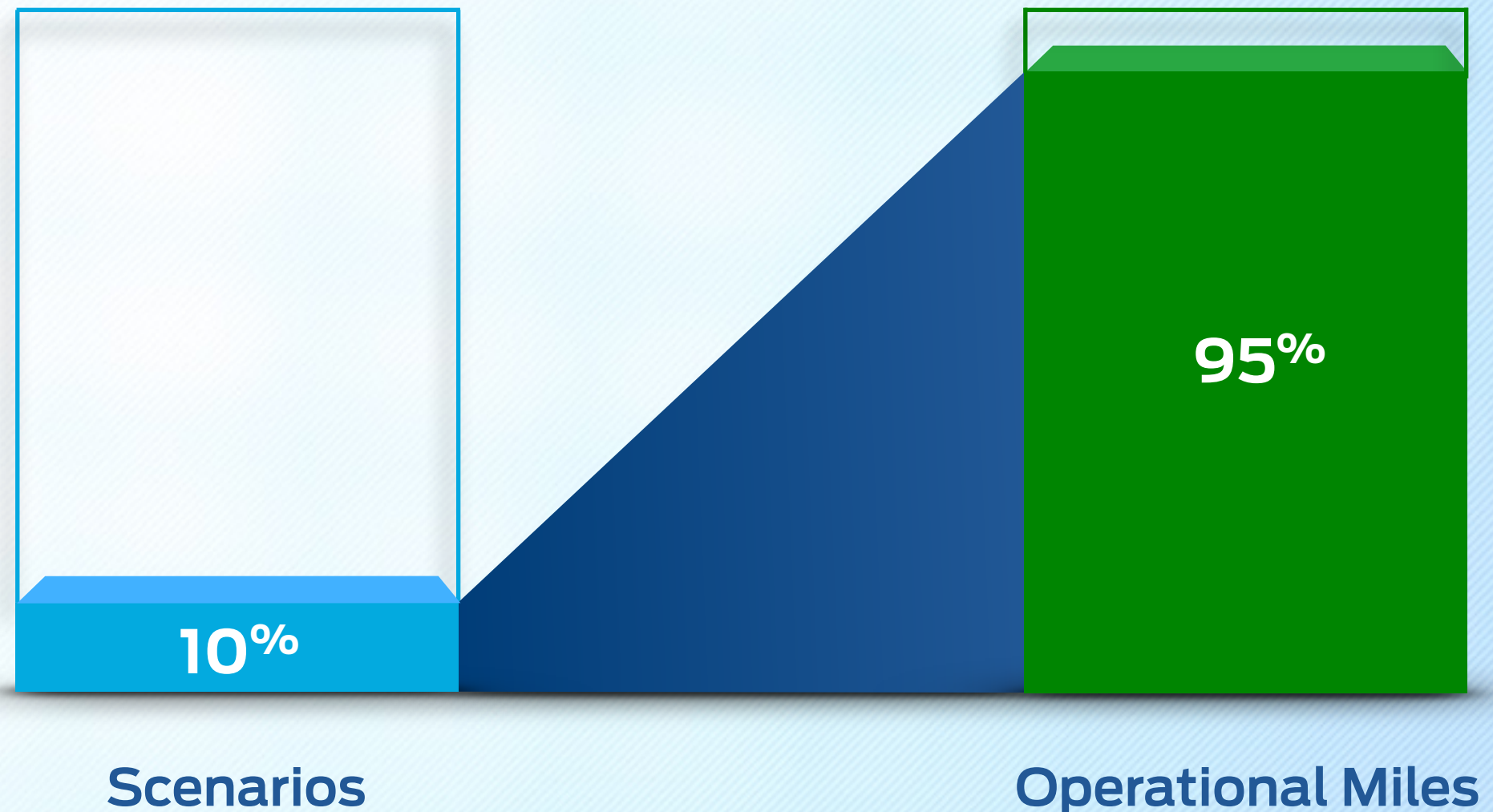


We are focusing on solving scenarios instead of accumulating miles



Testing Coverage

- A scenario is a vehicle maneuver in a driving environment combined with 'noise' factors
- Ford is focused on correctly solving the scenarios an AV will encounter in its operational environment
- Mileage accumulation is an outcome, not a goal, of our AV technology development



Scenario example illustrates the benefits of our direct and mediated perception approach

Ford's Approach



Scenario: Making a right turn at a stoplight with a left turn lane in an urban environment with moderate density of pedestrians and vehicles

- 3D maps lay the foundation (rules of the road and fixed objects in the environment)
- LiDAR is primary sensor for localization and for providing a real-time 360° view of the environment and objects at long distances
- Radars, cameras and LiDARs combine to identify and track moving objects
- Cameras provide short to mid-range object and scene characterizations
- The Virtual Driving System integrates the 3D map and direct perception data to create a more robust mediated perception

Autonomy key takeaways



1

Ford believes the potential for the AV business is very large

2

Ford has been a leading player in AV technology development for more than 10 years

3

Ford is testing Level 4 AVs with safety drivers on the road right now

4

Ford is in a unique position to marry our AV technology expertise with our proven ability to commercialize at scale in the automotive environment

5

Ford intends to have a high volume, dedicated Level 4 AV in production in 2021

6

Ford's initial approach will support AV Transportation as a Service



Go Further

Mobility

Jim Hackett

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, abstract shapes that suggest motion and water. The logo is the central focus of the lower half of the slide.

As we move from our traditional sales business, there are significant opportunities for participation in far more transactions



Each minute in the U.S. ...



New vehicles sold



9 million miles traveled



125K taxis / Ubers on the road



60K "shared" rides



450K bytes of vehicle data from a connected vehicle

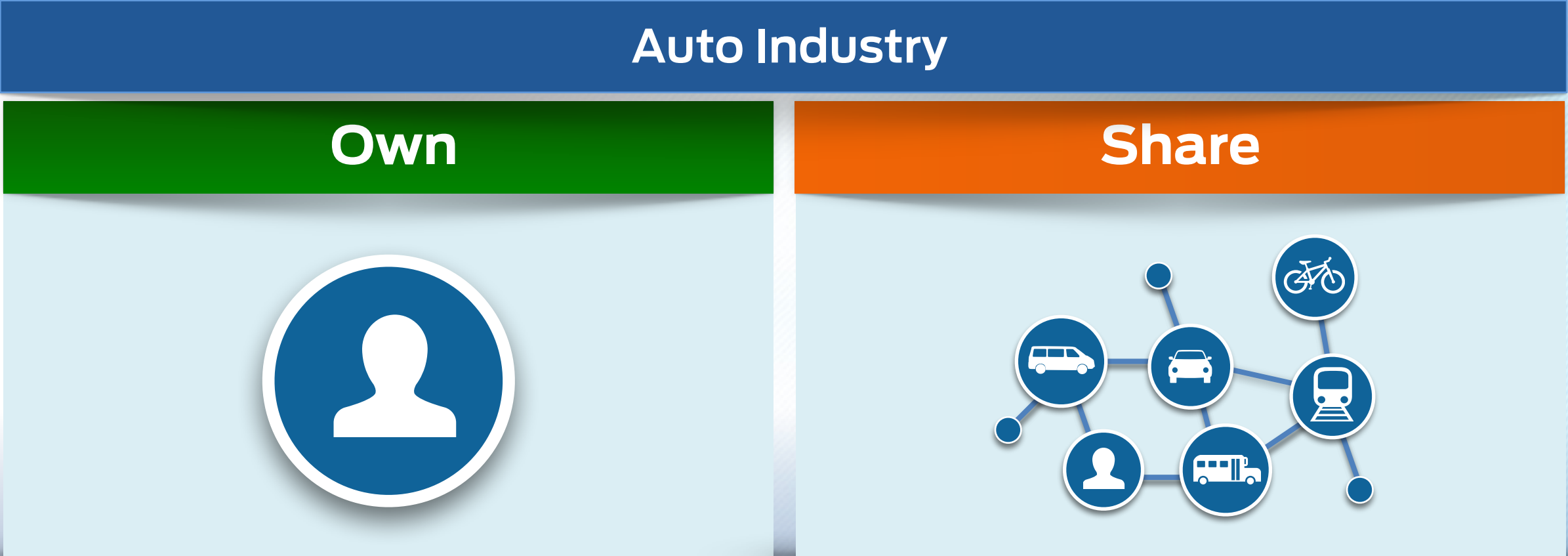


500K+ gigabytes of data transmitted on the Internet



350K cell phone apps downloaded

*Our traditional business is about selling cars to individuals and fleets;
our emerging businesses are about providing transportation for
passengers and goods*



Car

Truck

Fleet

Ride share

Ride hail

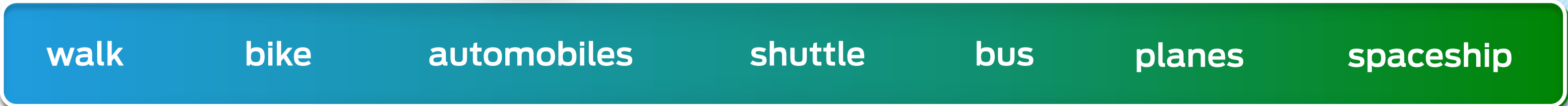
Ride pooling

Vehicle sharing

We see a new business model where we can leverage our history to take advantage of the full mobility value chain



Ford's Historical Orientation



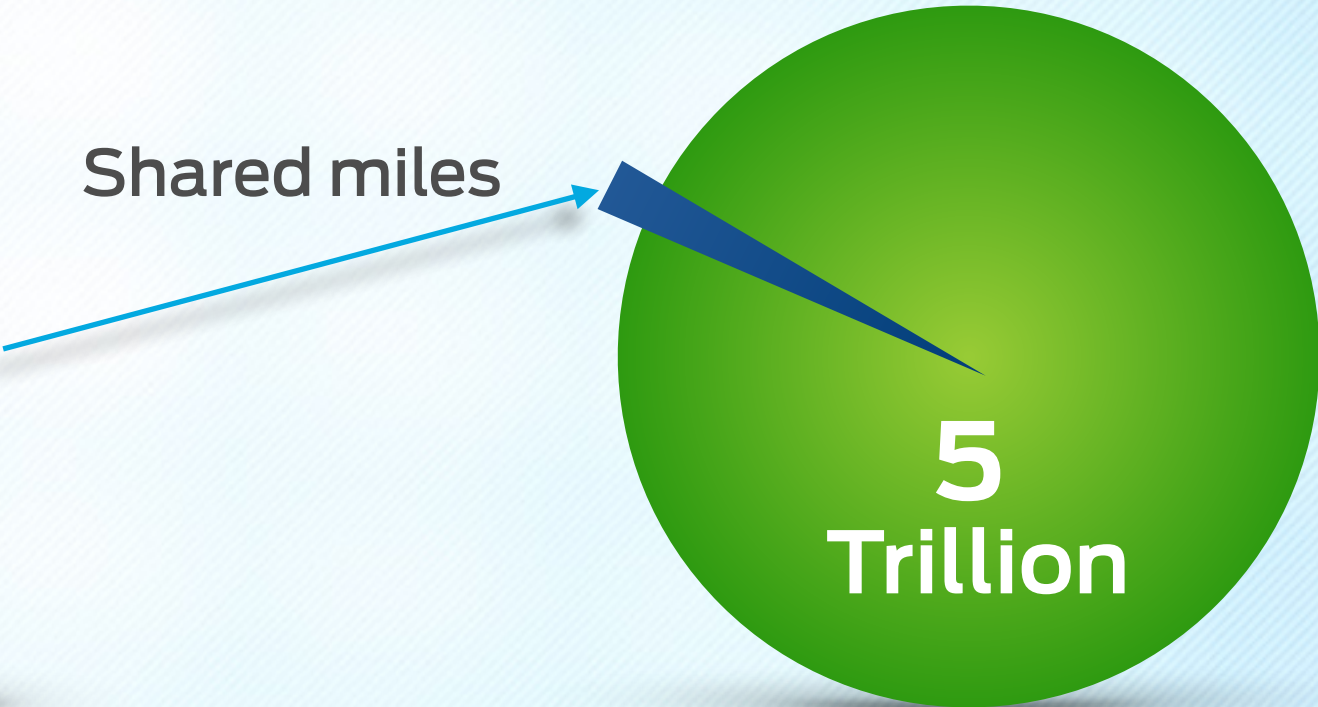
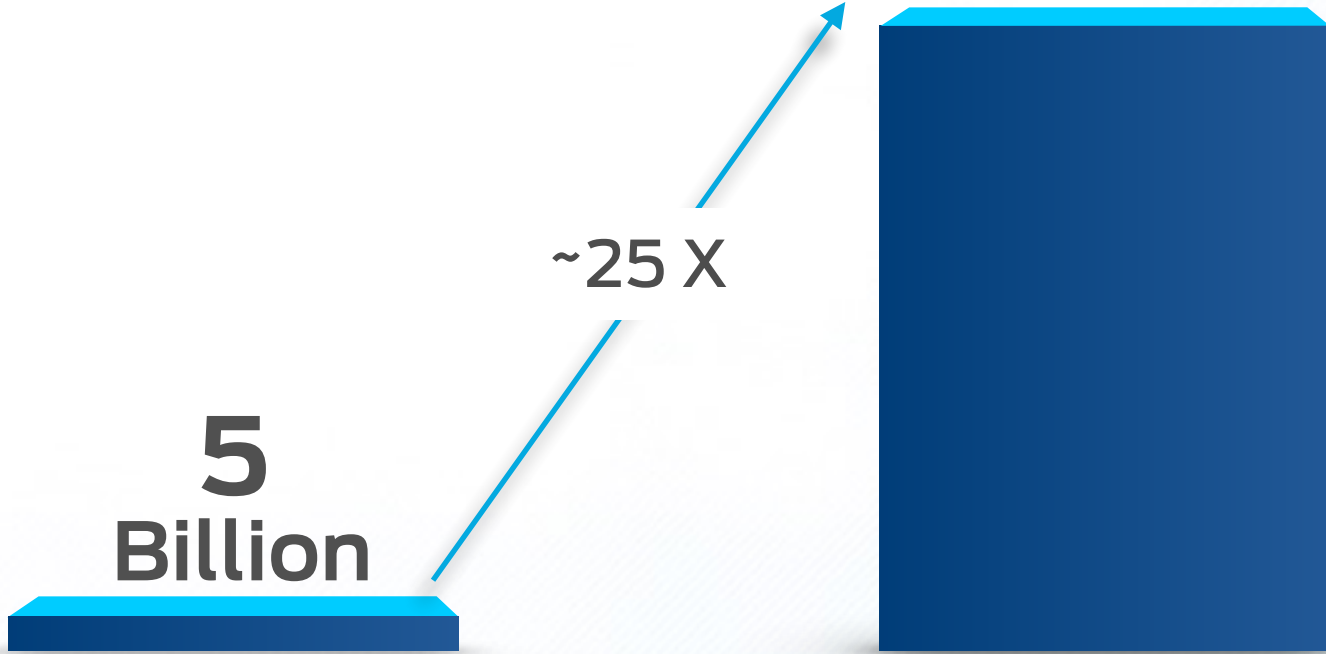
Ford's Mobility Orientation

Post-AV, shared miles will grow exponentially, especially in densely populated areas, but will still represent only 3% of total passenger miles



U.S. shared* miles traveled
110 - 140 Billion

U.S. passenger miles traveled



2015 (Pre-AV)

2025 (Post-AV)

2025 (Post-AV)

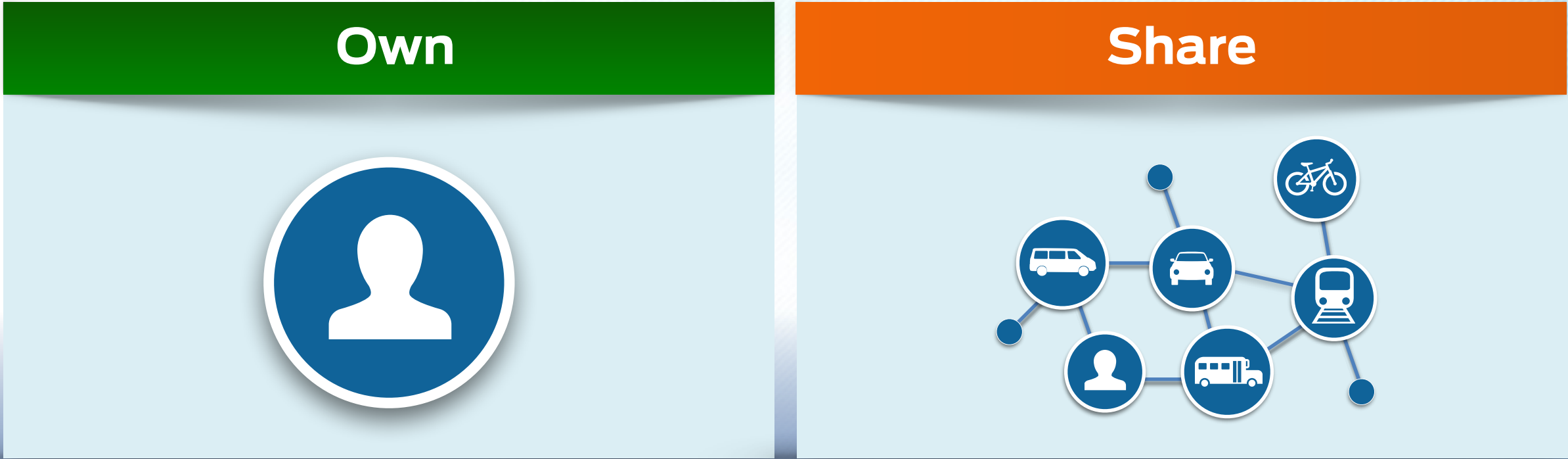
Memo: Passenger miles traveled
4.7 Trillion

5.0 Trillion

Source: Ford passenger miles traveled / Vehicle miles traveled mModel

*Taxi, Uber & other TaaS modes

We are building, partnering or buying technology platforms to support and benefit our traditional and mobility businesses



Ford technology platforms support both models

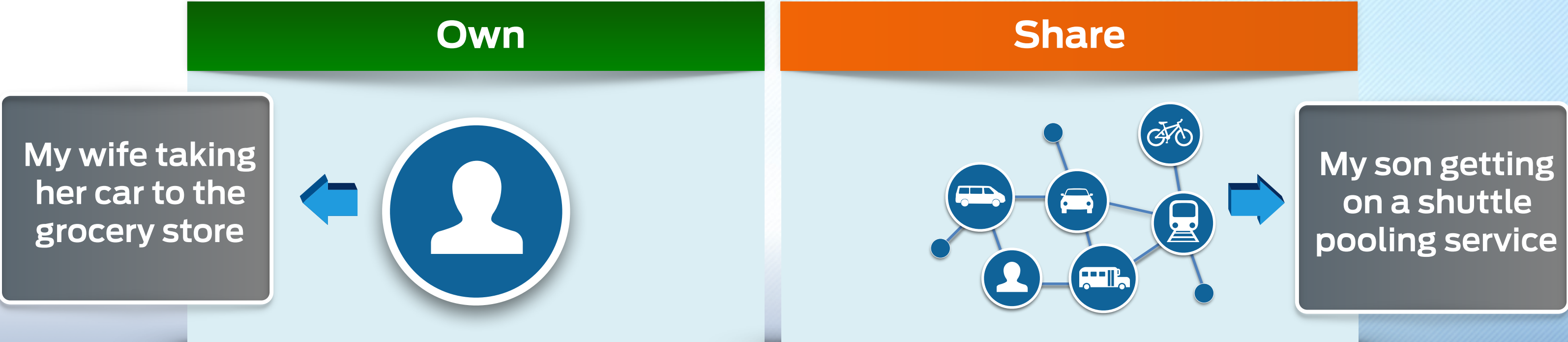
Connectivity

Data / Yield Management

Autonomy

FinTech

Example: connectivity shared platform

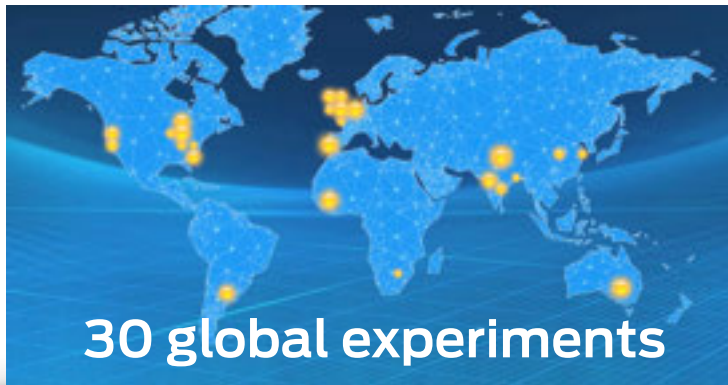


Ford technology platforms support both models

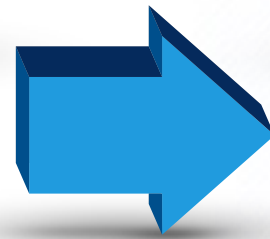
- Connectivity
- Data / Yield Management
- Autonomy
- FinTech

What we've done so far...

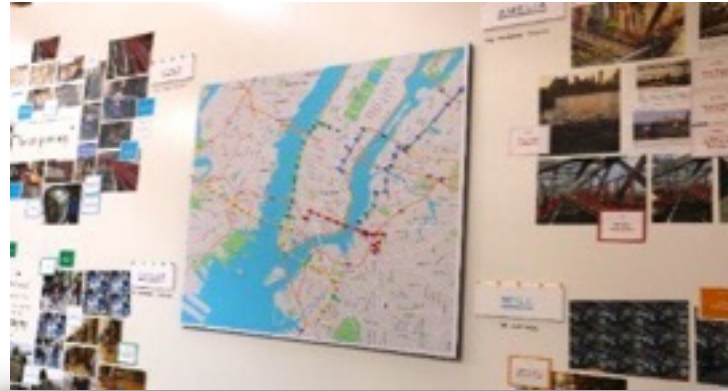
Ford Smart Mobility



- Consumer experience
- Flexible usership
- Social collaboration
- Open innovation
- Technical developments
- Established an independent, new Ford entity



Greenfield Labs



- Draws on existing Ford resources and selected new talent
- Focuses on consumer experience in shared transportation
- Explores and launches new businesses using design thinking methodology



New announcements



New City Solutions organization to foster low-friction multi-modal travel in cities

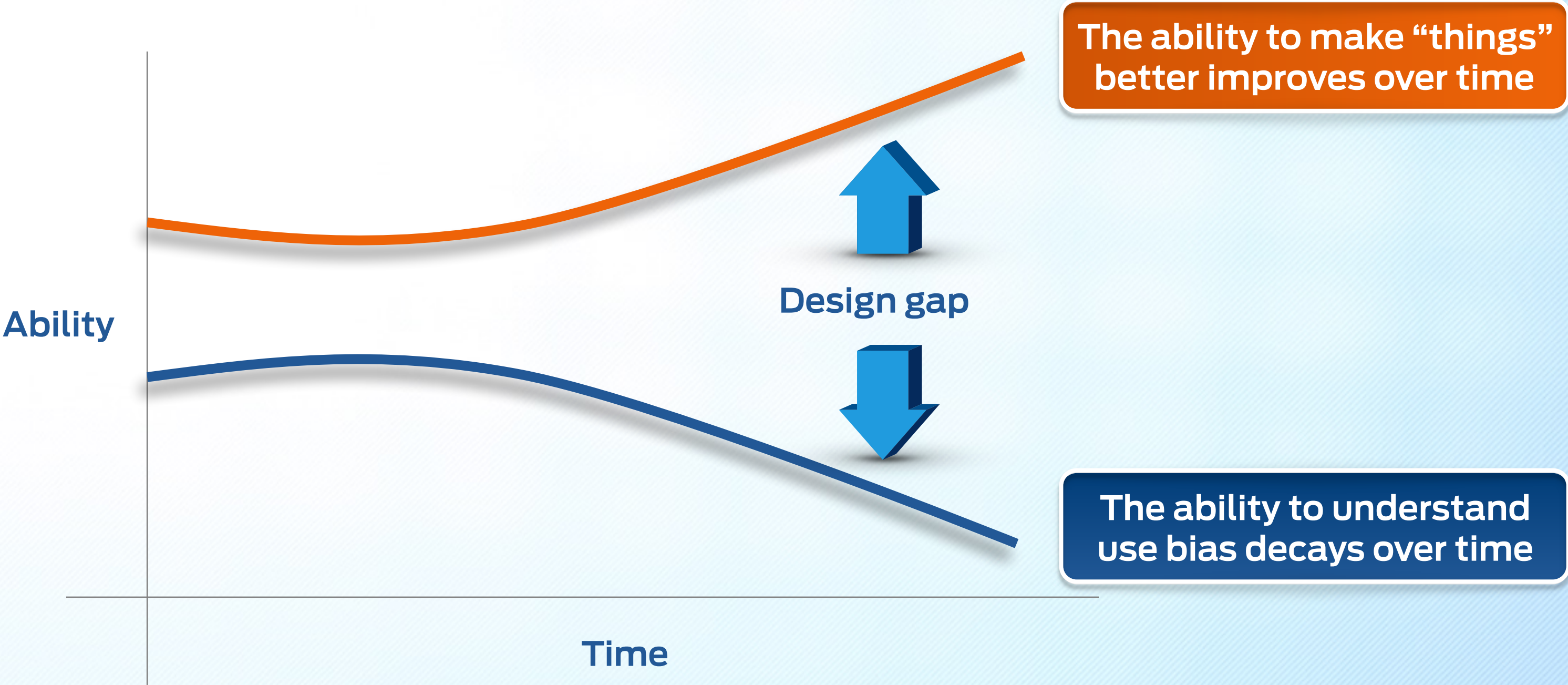


Purchase of Chariot – Bay area shuttle-based commuter transit



Partnership in San Francisco with Motivate Bike Share







How to win... Greenfield Labs' user experience focus will incubate new mobility applications



Ford will play and win in businesses that are part of a mobility system and offer unique value to customers and cities






Layers of value in mobility

-  9 million miles traveled
-  125K taxis / Ubers on the road
-  60K “shared” rides
-  450K bytes of vehicle data from a connected vehicle
-  500K+ gigabytes of data transmitted on the internet
-  350K cell phone apps downloaded



Where we will play and win

-  City solutions
-  Chariot
Dynamic shuttle
-  Bike sharing

Source: Estimates based on government and industry data

Dynamic shuttle leverages global van and fleet strength with Chariot acquisition to grow rapidly



Market leader in vans and commercial / government fleets

Shuttle will beam route and use information to the cloud for storage and analytical design

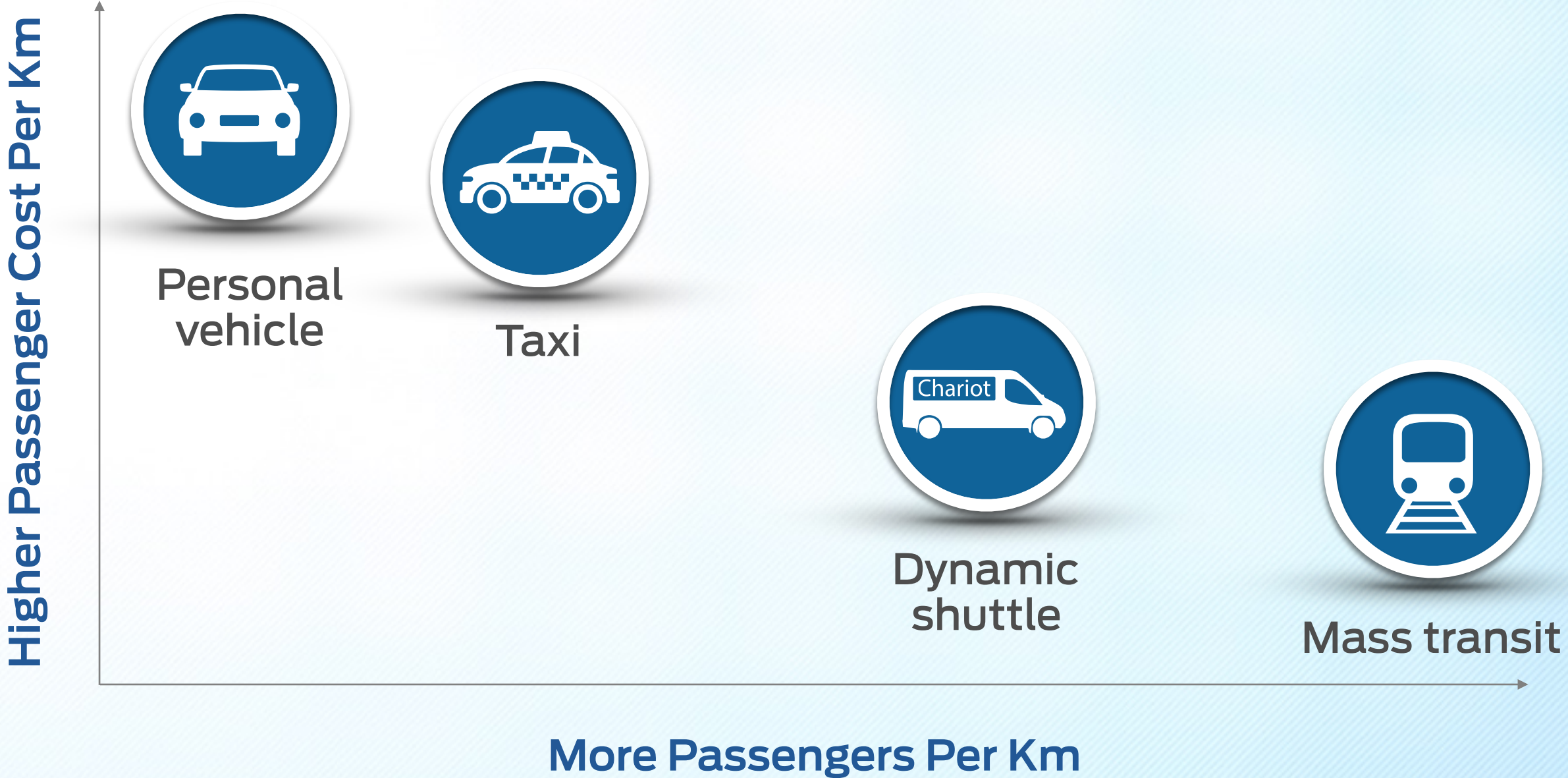


Routes are dynamic; driven by user demand. This allows us to produce yield pricing opportunities.

Dynamic shuttle provides near-taxi convenience at a near-mass transit price



China Market Example



Increasing occupancy by 10% can improve profits by 30%



Number of Rides (Sample City)

10% increase



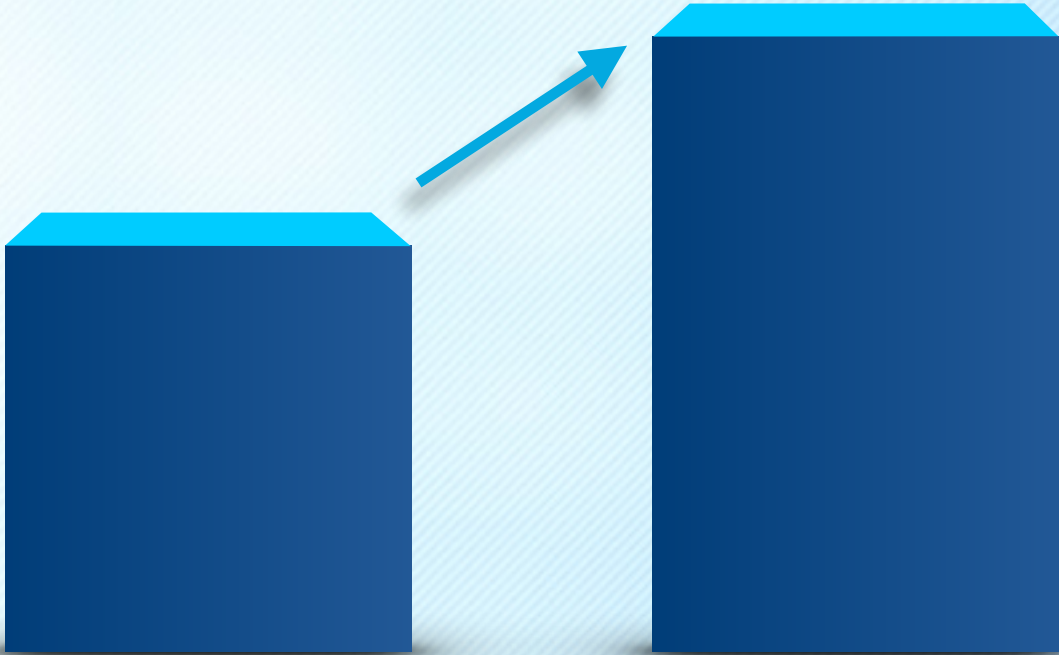
Base

Increased occupancy



Gross Profits (Sample City)

30% increase



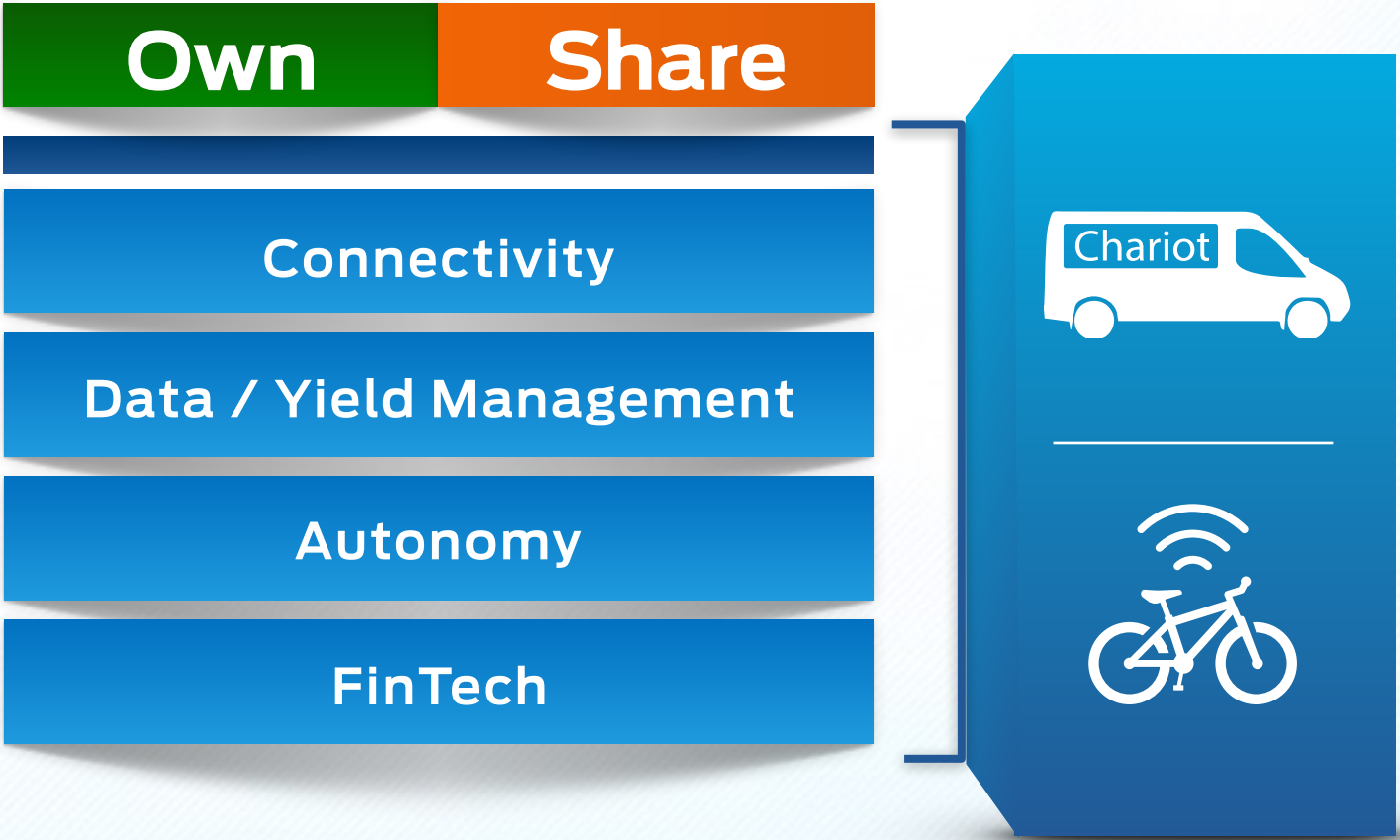
Base

Increased occupancy

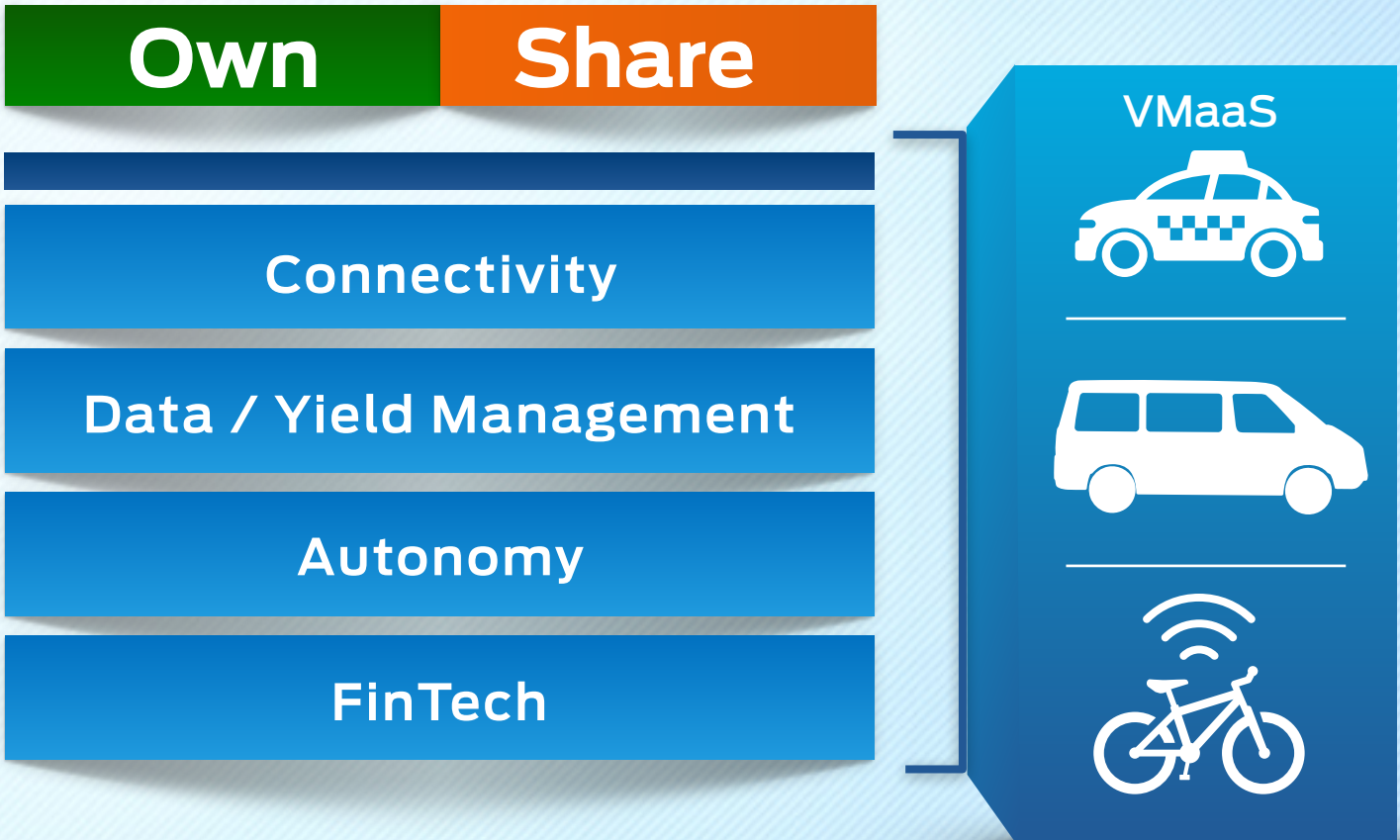
Pre-AV focus on bike sharing and dynamic shuttle; post-AV adds VMaaS



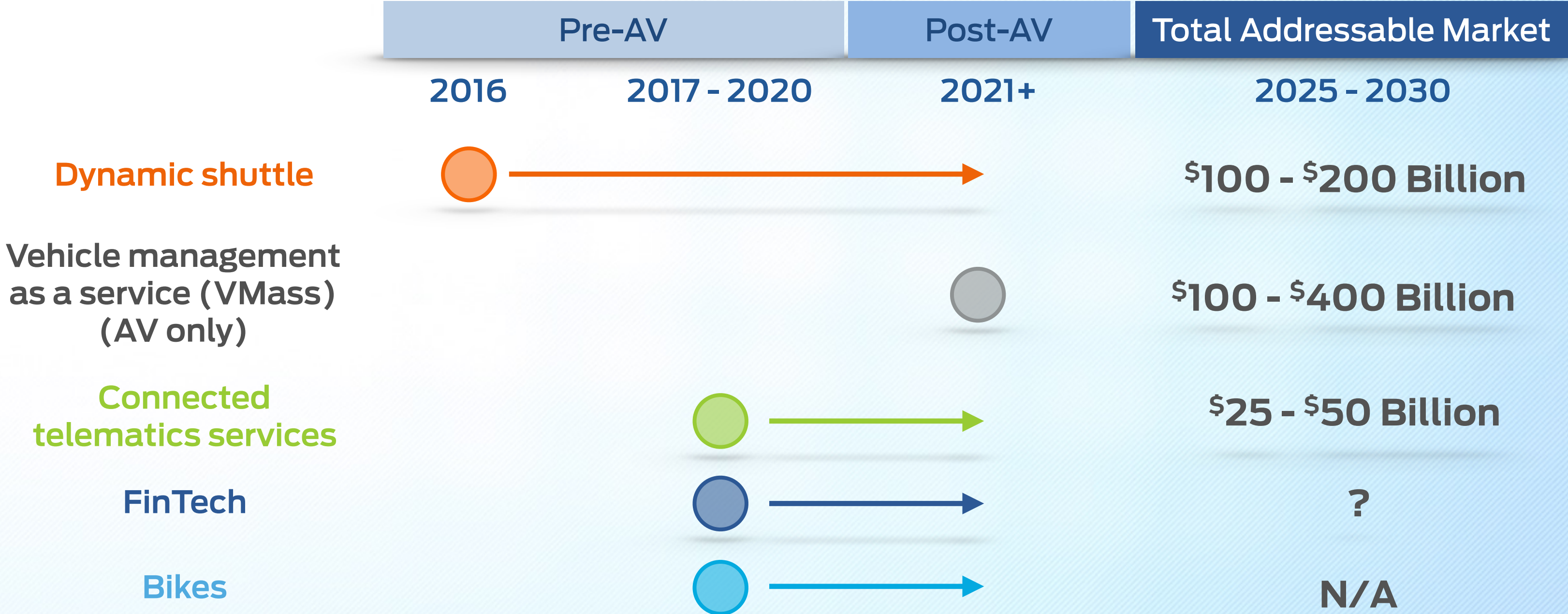
Pre-AV



Post-AV



Beyond dynamic shuttle and bikes, we'll develop data-based services like telematics and vehicle management for AV fleets



Mobility key takeaways



1

As we move from our traditional sales business, there are significant opportunities for participating in far more transactions, revenue and profit potential with low capital investment and to increase our interactions with many more customers

2

Ford Smart Mobility focused on two business models – owned and shared, which will provide transportation for passengers and goods

3

Dynamic shuttle will capitalize on Ford's existing strengths in vans and large fleets

4

Post autonomous vehicles, VMaaS will be added to our strategy to leverage our strengths at Ford including Ford Credit and Parts and Service businesses

5

We are leveraging key technology platforms – connectivity, data / yield management, autonomy and FinTech – to support the owned and shared business model

6

Where to play and win will initially focus on city solutions, dynamic shuttle and data and customer experiences from bike sharing



Go Further

Key Capabilities: Data and Analytics

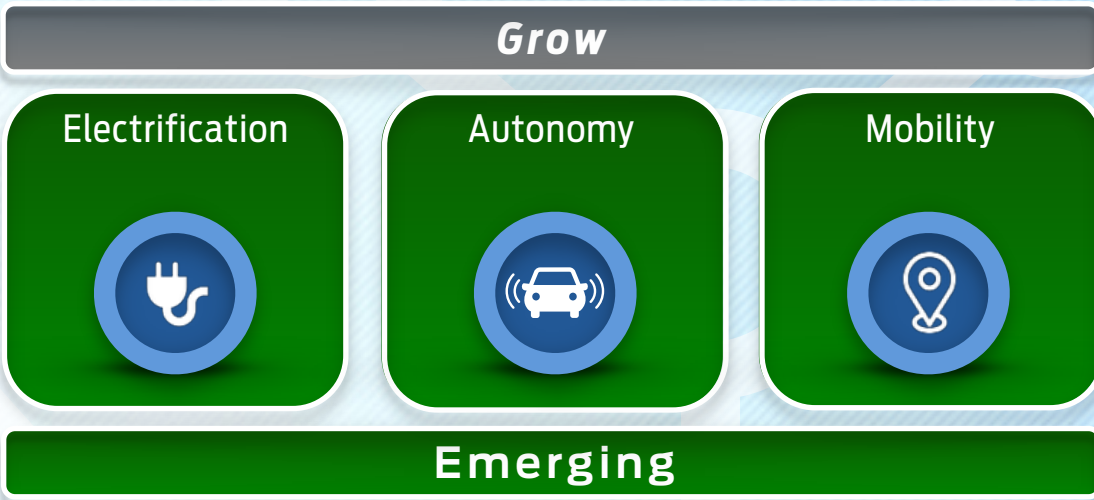
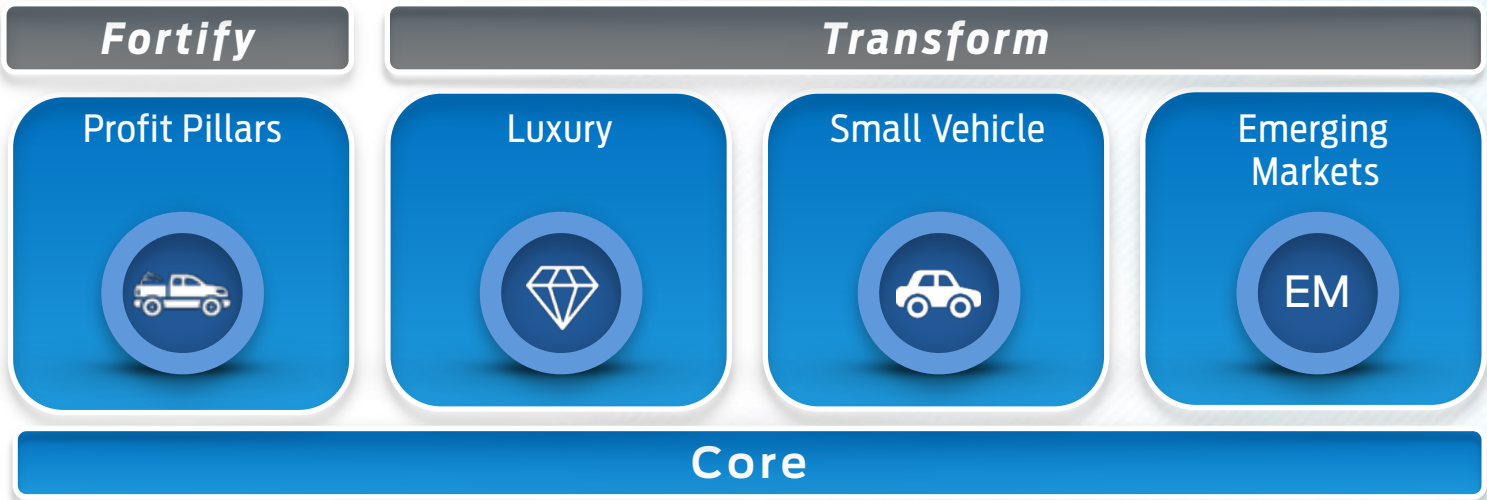
Paul Ballew

A large, white, stylized script logo of the word "Ford" is positioned in the lower right quadrant of the slide. The background consists of abstract, layered blue shapes that create a sense of motion and depth, with a gradient from light blue at the top to darker blue at the bottom.

Our rapid improvements in data and analytics capabilities will continue to be a catalyst to upside



Strategic priorities



Data and Analytics Capabilities

Operational Efficiency and Effectiveness

Transform the Customer Experience

Enable New Mobility Products and Services

We are leveraging a One Ford approach to data and analytics to optimize agility and scale... unique in our industry



After: One Ford Skill Team

Before: 43 Analytics Organizations

Marketing and Sales = 8 teams

Multiple Product Development support teams

Separate teams for all skill teams and each region

Fragmented data

Limited data governance

Uncoordinated projects

One data and analytics platform which includes modern tools and a flexible data environment

One set of data standards and data governance for the enterprise

Analytic governance to provide robust testing, deployment and innovation

Dedicated analytic teams for core business and emerging opportunities

We are rapidly capturing value from vehicle data and harnessing value trapped in legacy systems



Vehicle Data

Rapidly Capturing Value From Customer Opt-In Data

- **1,500** individual data elements
- Some are being sent at a rate of **50 times** per second
- **25 GB** of data is created per hour of normal driving



Fusion Plug-in Hybrid

Company Data

Integrated Team Unlocking Trapped Value From Systems

- Across **4,500** internal Ford systems, each source is on average **2 Terabytes**
- **Hundreds** of tables per source with at least a dozen elements

What does that look like?
1 Terabyte = 1,000 Gigabytes
or
2 years of non-stop music

We are seeing rapid and growing benefits in manufacturing and logistics operations



Material logistics



Freight and customs

- Complexity / batching
- Route optimization
- Material flow
- Customs, duties, tariffs

Plant floor



Plant floor

- Bottleneck analysis
- Preventive maintenance
- Plant floor data visualization
- Quality tie to stations

Scheduling and sequencing



Scheduling

- Vehicle sequencing
- Labor optimization
- Order bundling
- Economic order quantities

Methods to optimize a single part can scale to \$100M+ when systematized across total buy



Save \$0.15*

Optimized Total Landed Cost
(low cost country, freight, scale)



Reduce Disruptions
With Risk Monitors



Save \$0.06*

Leverage Common Component
(foam block) at nearby source



Save \$0.50*

- Remove buffers / inventory
- Improve forecast stability
- Reduce complexity (eliminate in line vehicle sequencing)

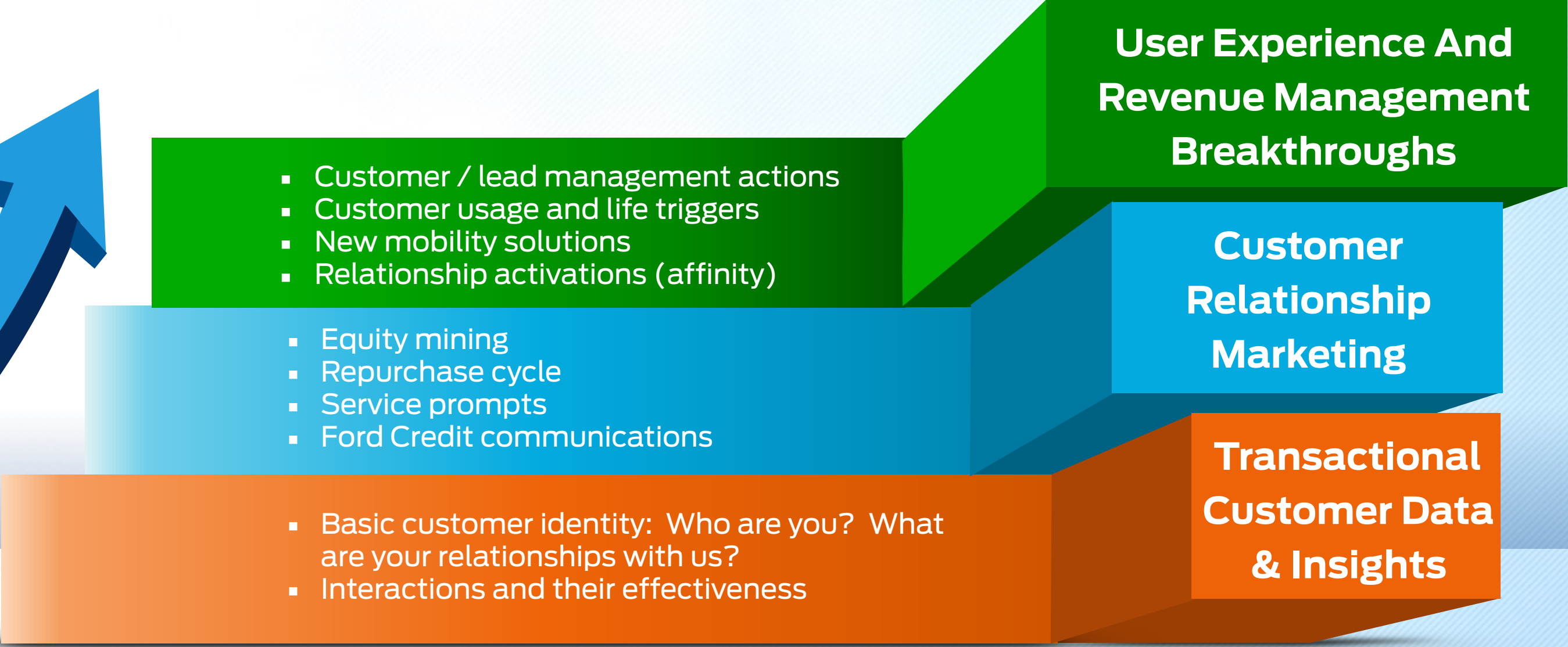
\$20 Variable Cost



Example:

- Optimizing a single part potentially saves \$0.71* on \$20 variable cost, which yields a 3.5% savings
- If this method is utilized on 3% of \$100B buy...it could yield \$100M+ annually

Our integrated approach is generating deeper customer insights and more revenue management opportunities



Our new common data and analytics platforms are also the foundation for emerging opportunities



Connectivity

Vehicle Performance Insights

- Vehicle prognostics
- Vehicle diagnostics
- Driver behavior



Mobility Solutions

Mobility

- Dynamic shuttle
- GoDrive
- GoPark
- Data / Yield management
- FordPass



Autonomous Vehicles

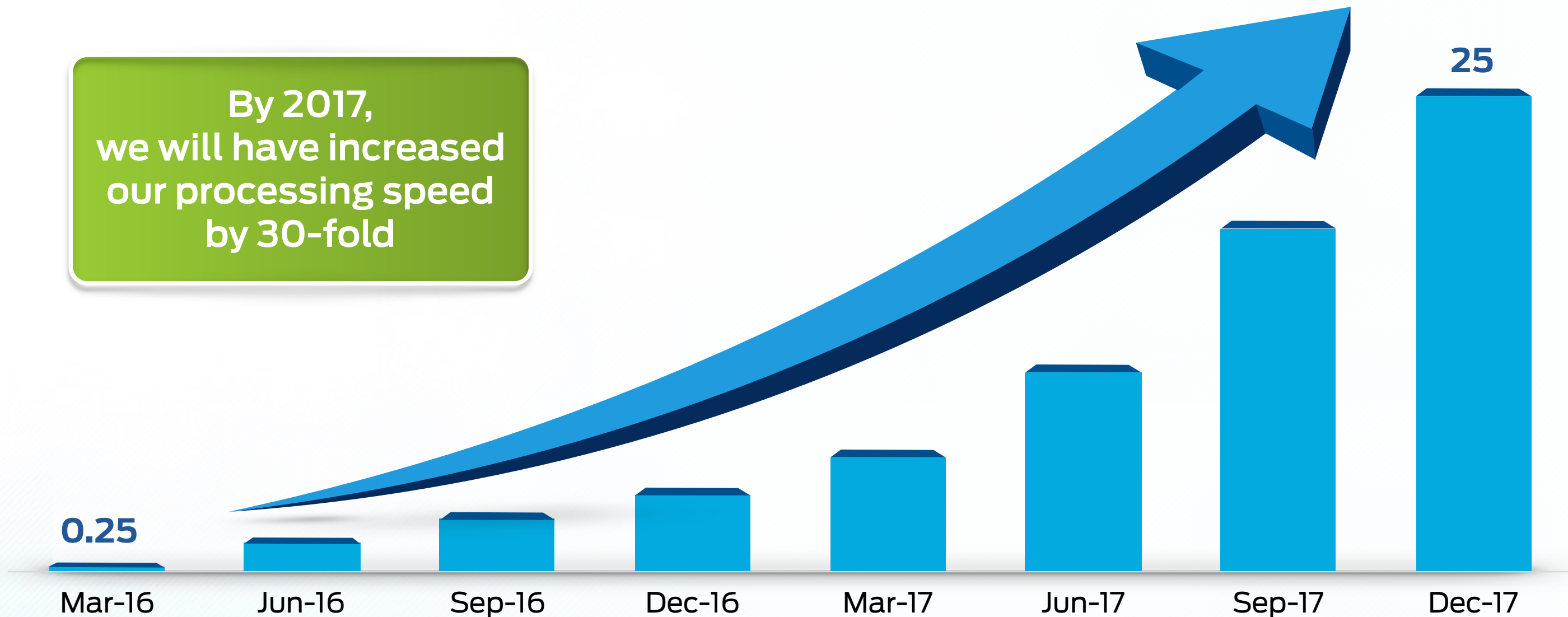
Autonomous and Driver Assist Technology

- Advanced driver assistance systems
- Computer vision for vehicle perception
- Deep learning for autonomous driving
- Sensor fusion

We have laid out the framework to support the exponential data growth from autonomous vehicles



Total Autonomous Vehicle Data Growth Compressed (Stored) – Petabytes



We are expanding our strong capabilities to accelerate core and emerging opportunities



Invest in Talent

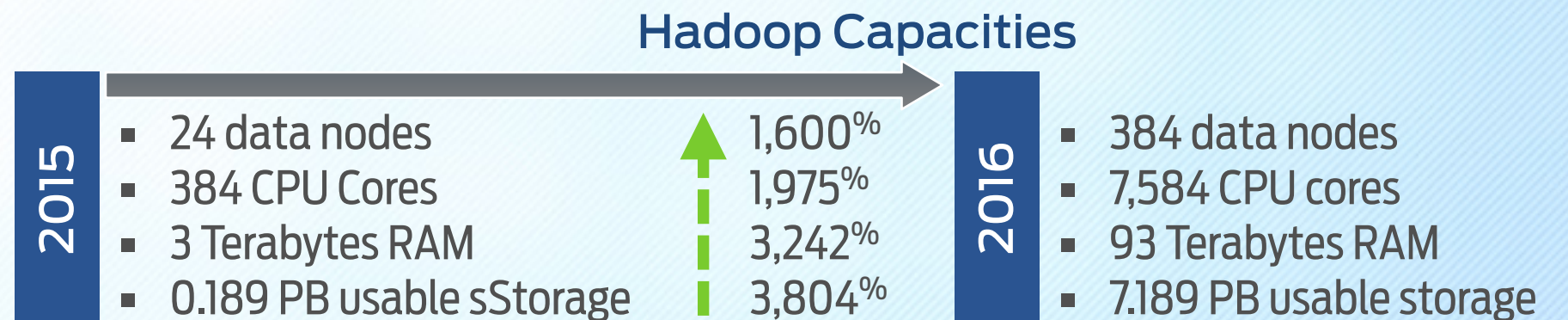


Advanced Data Management

- Ingestion, curation and governance
 - Storage requirements are increasing from 11 Petabytes (PB) in 2016 to +200 PB in 2021
 - 3 million+ data elements that range in frequencies of times per second / minute / hour / day

Build a World-Class Infrastructure

- Storage
- Processing
- Integration

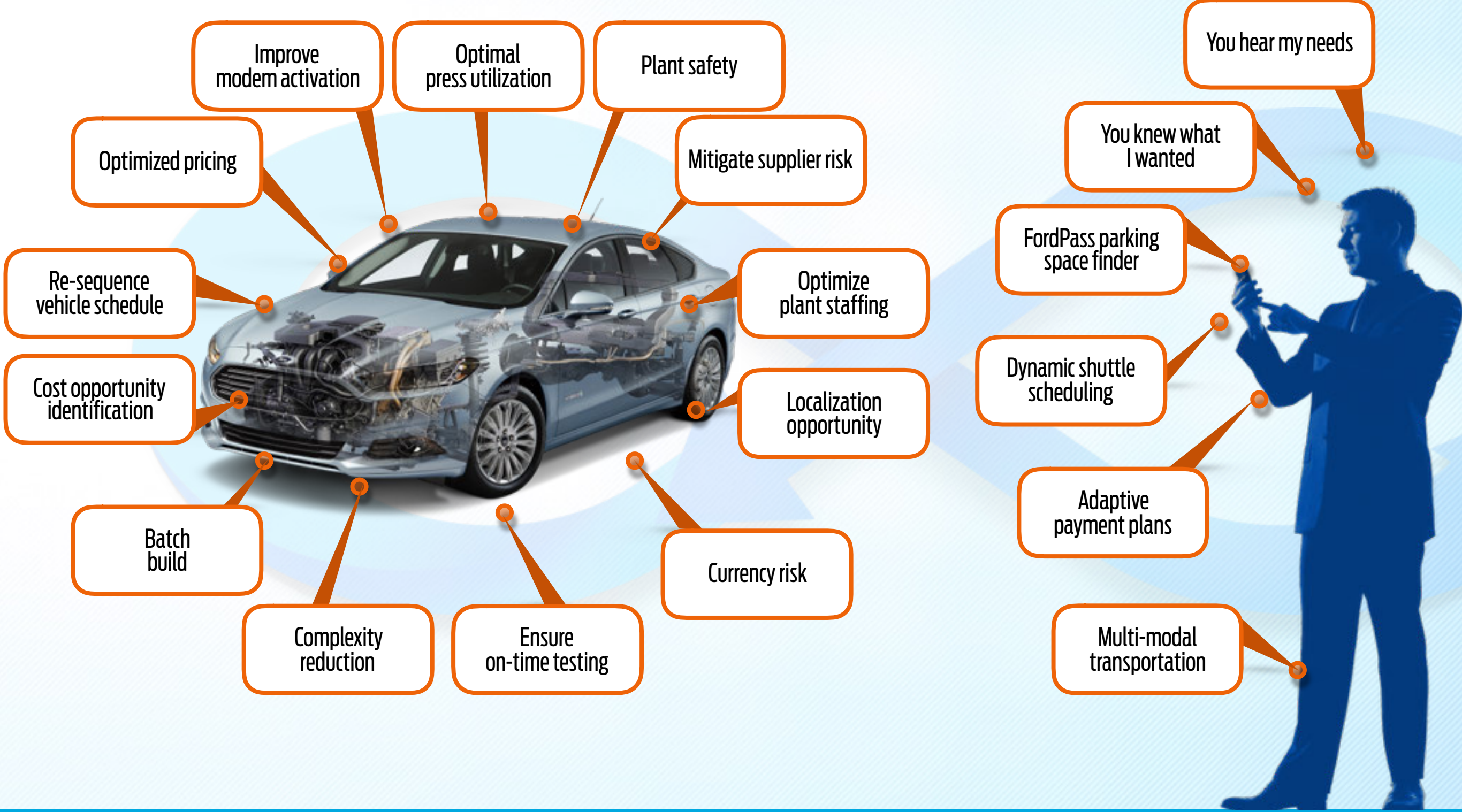


Exceptional Analytic Capabilities

- Platforms
- R&D
- Technical governance
- Machine learning
- Behavioral analytics



Data and analytics strategy is a key enabler for our business transformation



Data and analytics key takeaways



- 1 Data and analytics has been a key catalyst for both core and emerging opportunities
- 2 We are seeing a quantum leap in agility, innovation, scale and efficiency after integrating the data and analytics resources, platforms, and tools across the company
- 3 We are leveraging the faster learning loops of the One Ford integrated team plus modern tools to unlock trapped value across the core automotive operations
- 4 We are accelerating past basic customer insights and relationship marketing into transformational customer experiences and proactive revenue management
- 5 We have an efficient foundation of common and scalable platforms and tools that are activating mobility solutions including connectivity and autonomy
- 6 We are scaling our team and resources to leverage the expanding opportunities in the core and emerging businesses



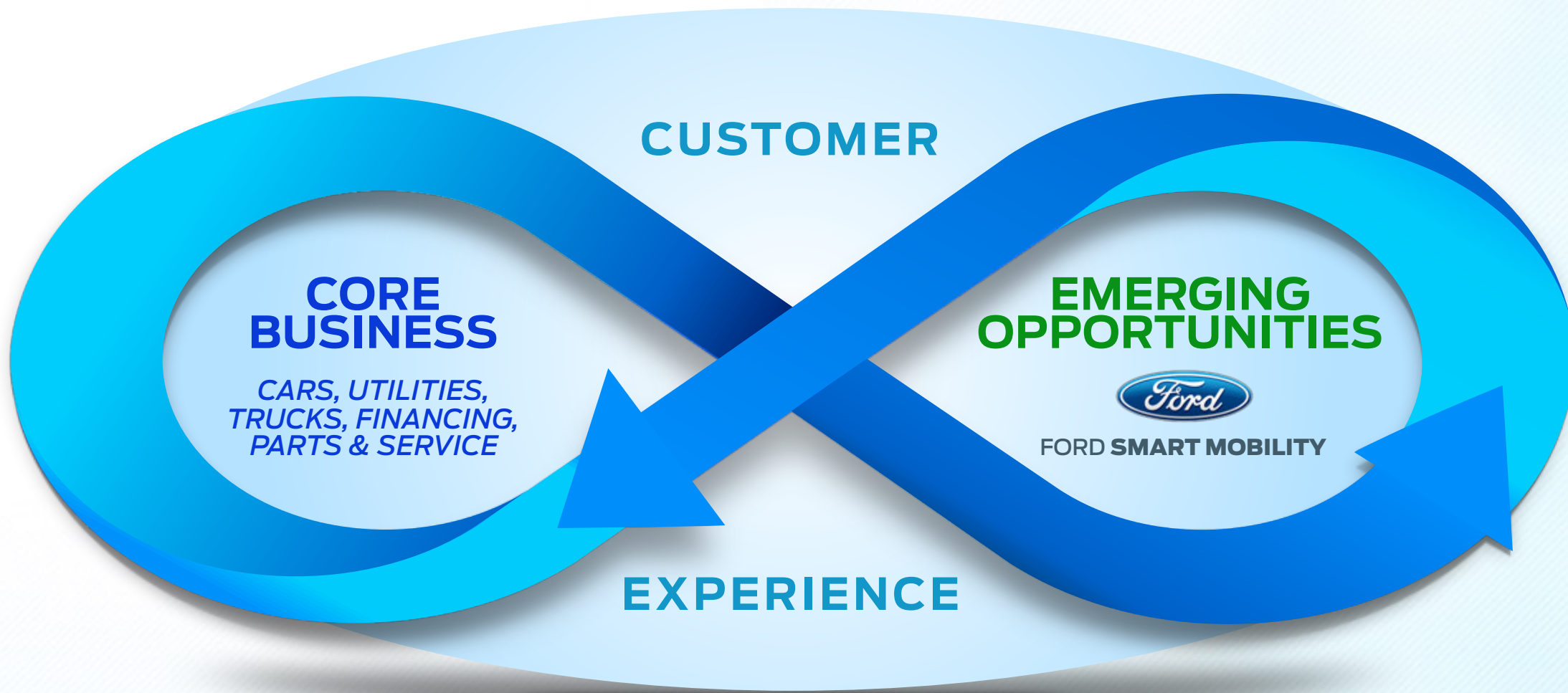
Go Further

Looking Forward

Bob Shanks

A large, white, stylized cursive "Ford" logo is positioned in the lower right quadrant of the slide. The background consists of abstract, layered blue shapes that create a sense of motion and depth, resembling a stylized landscape or a dynamic graphic design.

*Our business outlook focuses on 2016 to 2018;
today we will focus on the core business, emerging
opportunities, and the total business*



EMERGING

- Electrification
- Autonomy
- Mobility
- Connectivity
- User Experience
- Big Data

We expect global industry volume growth to continue with regional variability; pace of industry change will accelerate

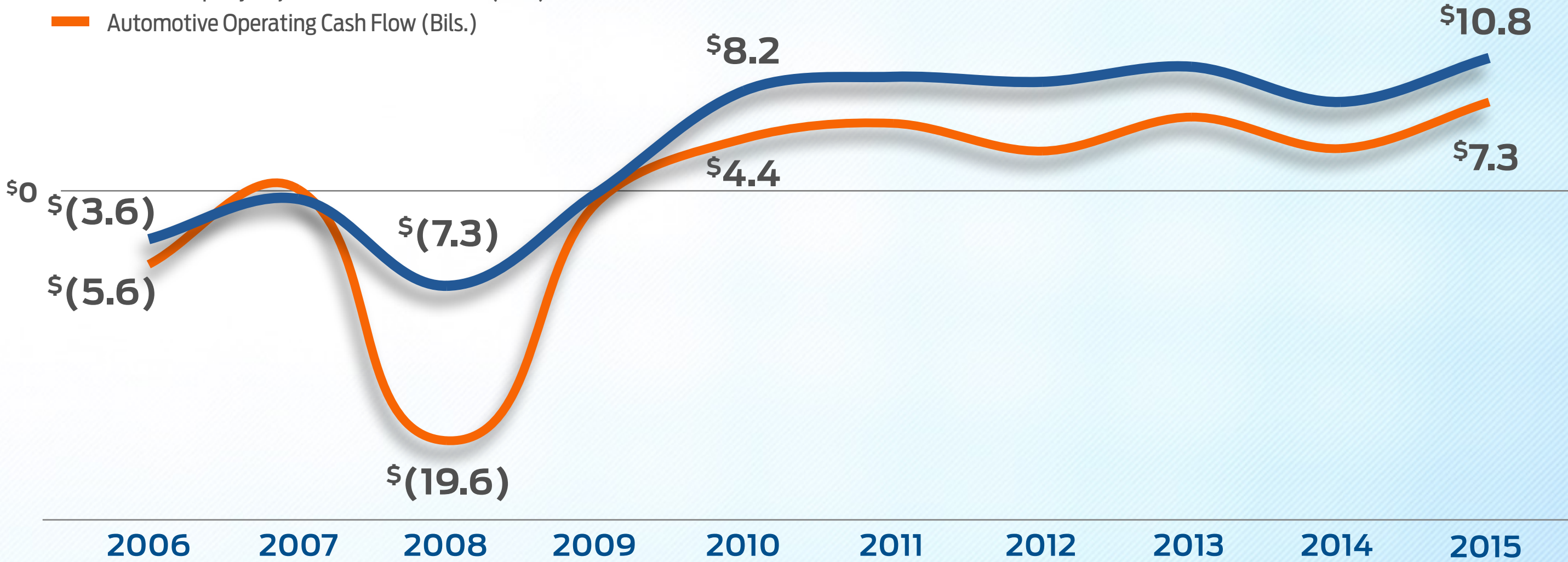


- Global GDP and vehicle industry sales growth to continue; increasing urbanization, growth of emerging market middle classes, aging of population globally and growth of the sharing economy
- U.S. economic cycle maturing; industry sales plateauing at high level
- Euro growth to be modest; adverse Brexit effect to play out
- China continuing transition to consumer- and services-driven economy
- Weak commodity and emerging market cycle ending / turning
- Pace of change in auto industry accelerating driven by technology, sharing economy and macro trends noted above

Our current performance, along with our strong track record, positions us to win in the future



■ Total Company Adjusted Pre-Tax Results (Bils.)*
■ Automotive Operating Cash Flow (Bils.)



* Excludes special items; see Appendix for reconciliation to GAAP

We are focused on delivering top-quartile TSR through disciplined capital allocation

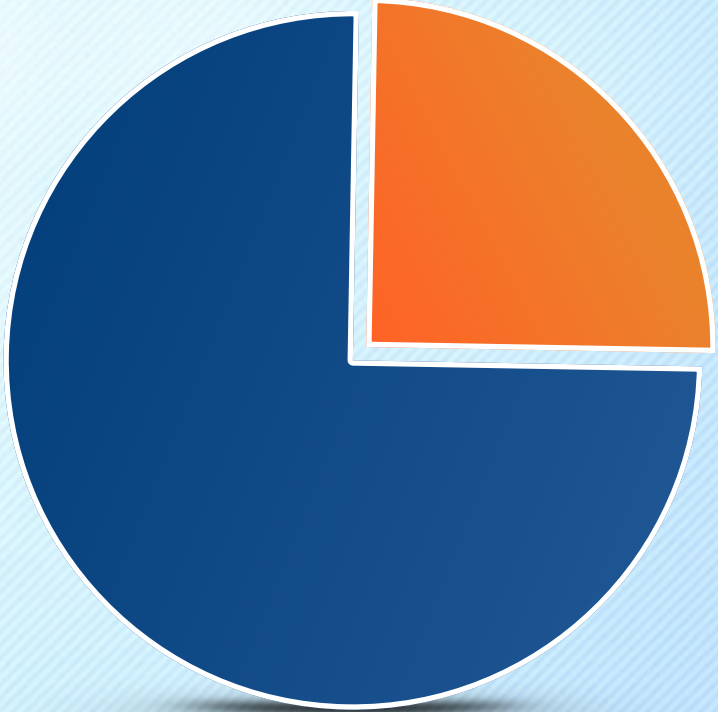


Strategic Framework






Capital Allocation

Top-Quartile Shareholder Returns Of Peer Group



2015 was our best year ever; the first half of 2016 was our best ever for Company and North America



	Company		North America	
	2015	1H 2016	2015	1H 2016
 Adjusted Pre-Tax Profits (Bils.)*	\$10.8	\$6.8	\$9.3	\$5.8
 Auto Operating Margin (Pct.)	6.8%	8.7%	10.2%	12.1%
 Auto Operating Cash Flow (Bils.)	\$7.3	\$6.9	NA	NA

* Company excludes special items; see Appendix for reconciliation to GAAP

The Company profit outlook for 2H 2016, however, is lower than normal – beyond seasonal effects



Total Company Adjusted Pre-Tax Results (Billions)*



* See Appendix for reconciliation to GAAP

We expect 2016 full year adjusted pre-tax profit to be about \$10.2 billion, including recent door latch recall



	2015 FY	2016 FY		Memo:
	Results	Guidance	Status	2016 1H Results
Total Company Adjusted Pre-Tax Results*	\$10.8B	≥ 2015	Lower	\$6.8B
Adjusted EPS*	\$1.93	≥ 2015	Lower	\$1.20
Automotive Segment Revenue	\$140.6B	≥ 2015	On Track	\$72.2B
Automotive Segment Operating Margin	6.8%	≥ 2015	Lower	8.7%
Automotive Segment Operating Cash Flow	\$7.3B	Strong, but < 2015	On Track	\$6.9B
Adjusted Effective Tax Rate* (Pct)	28.6%	Low 30s	On Track	29.8%

* See Appendix for reconciliation to GAAP

During the next several years, the core business will remain strong as we invest in emerging opportunities; our focus will remain on the drivers of value



Growth



Risk



Returns



Rewards

In 2017 and 2018, we expect growth in line with or higher than global GDP growth of 3.5% to 4.0%

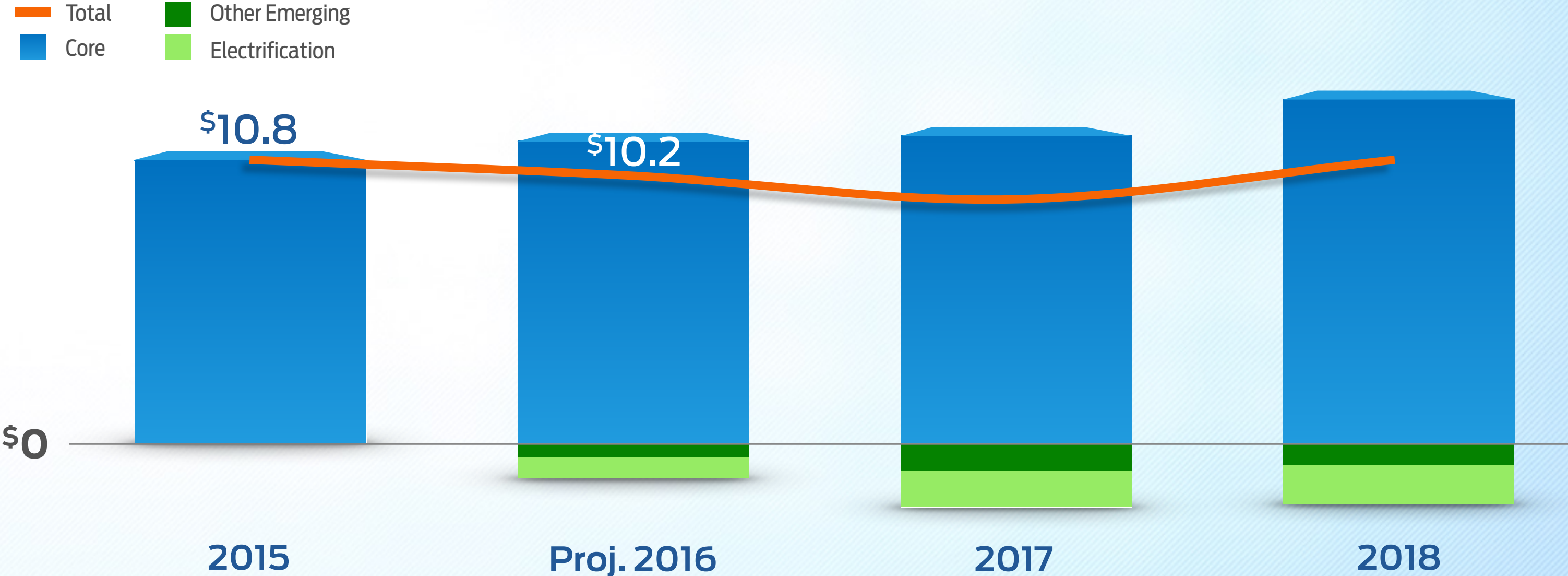


	2015	Proj. 2016	2017	2018
Wholesales	5%	≥	≥ Global GDP	
Revenue	4%	≥	≥ Global GDP	

Core business profitability to improve through 2018; total Company results decline in 2017 as we invest in emerging opportunities, then improve in 2018



Total Company Adjusted Pre-Tax Profit (Billions)*



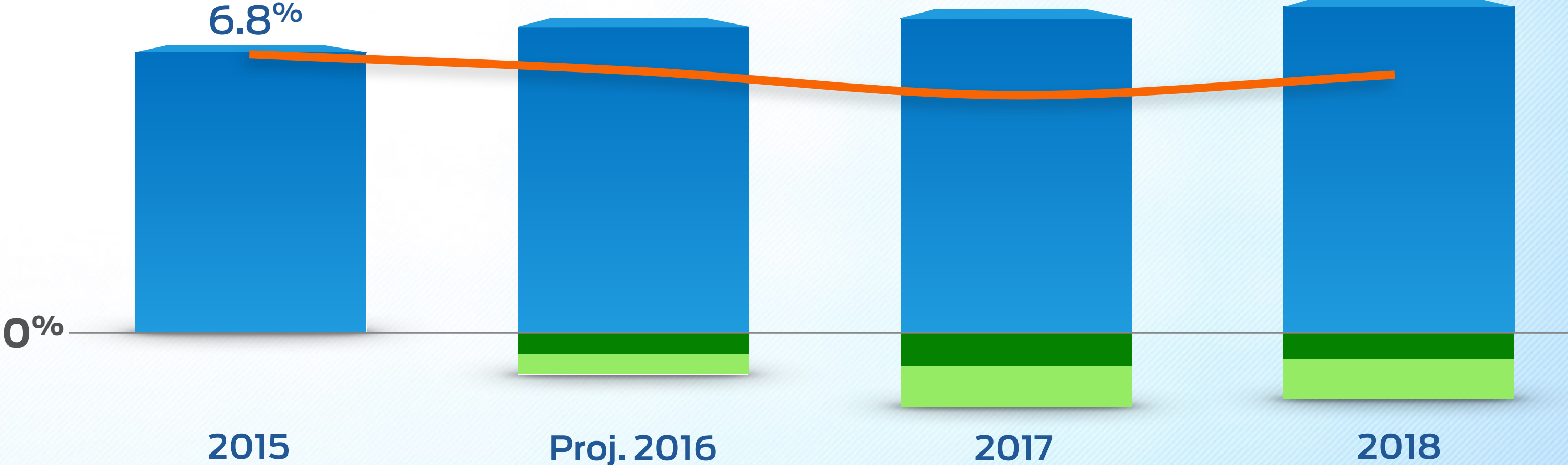
* Excludes special items; see Appendix for reconciliation to GAAP; electrification and other emerging included in core in 2015

Operating margin follows profitability trend... strong and improving for core Auto... but total Auto to decline in 2017 before improving in 2018



Auto Operating Margin (Percent)*

- Total
- Core
- Other Emerging
- Electrification

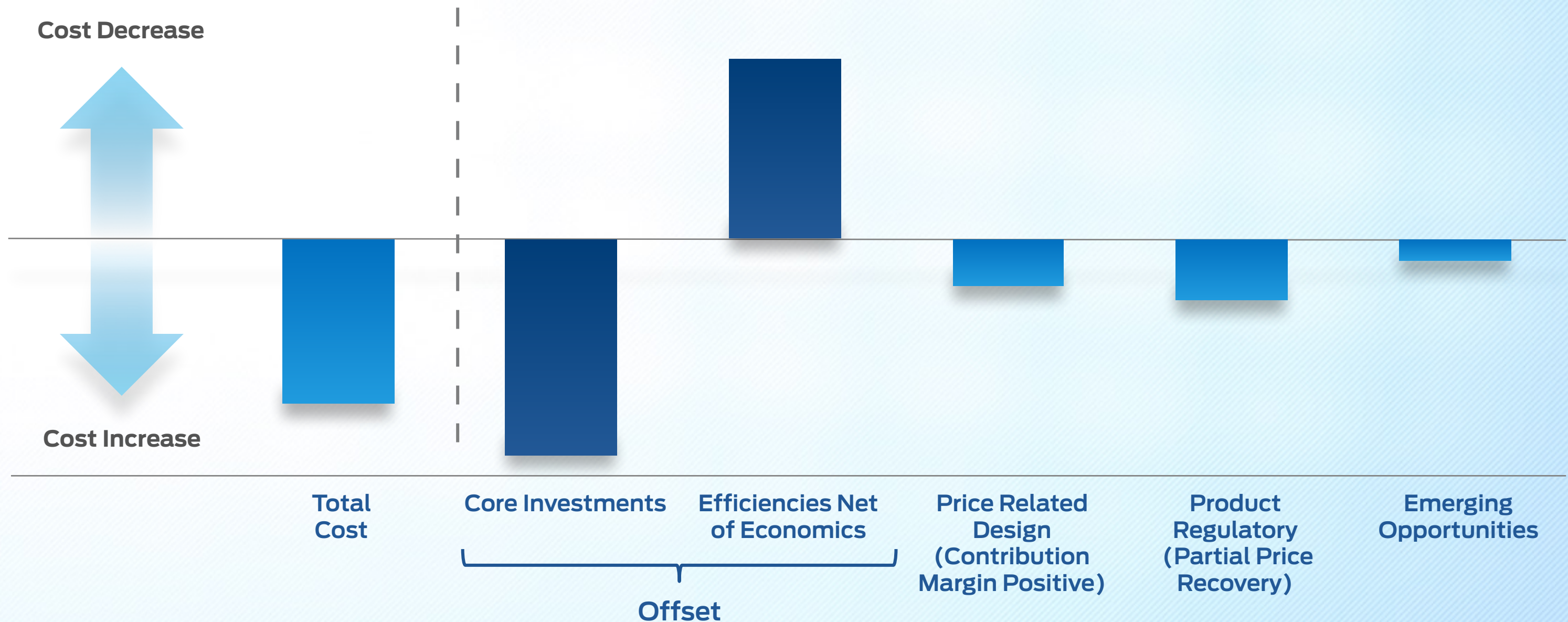


* Electrification and other emerging included in core in 2015

We continue to focus on cost efficiencies, which will offset most cost increases



Year-Over-Year Cost Changes – Average 2016 - 2018



Generating cost efficiencies across all parts of the business... averaging \$3 billion annually in the 2016 to 2018 period



MATERIAL



- Annual material cost reductions
- Profit optimizing complexity reduction
- Low-cost designs suited for market
- Freight analytics

MANUFACTURING



- Labor and overhead efficiencies supported by technology advances
- Lower cost footprint
- High capacity utilization

STRUCTURAL



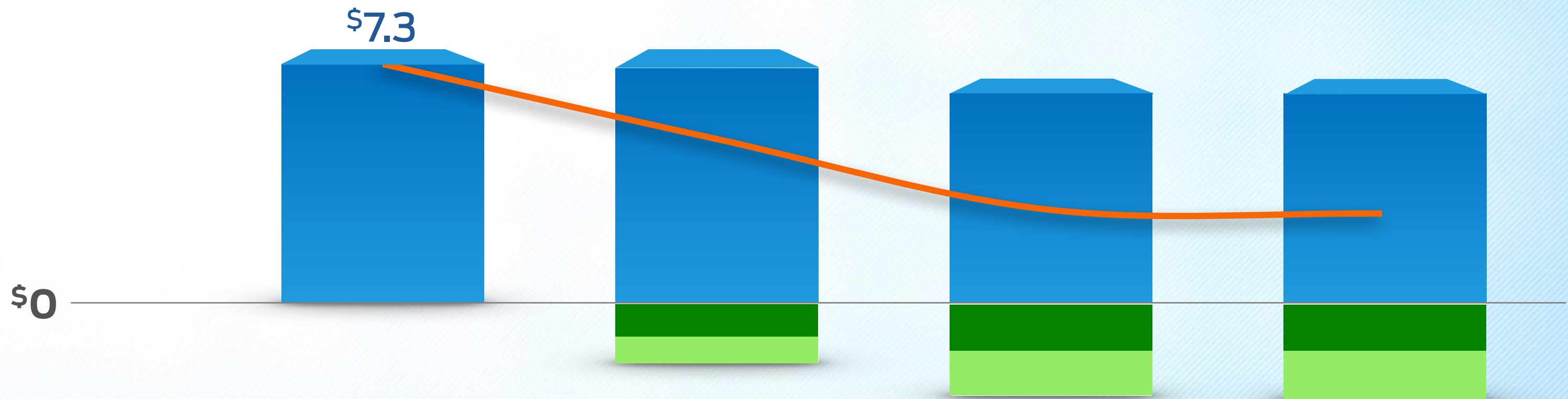
- Zero-based budgeting
- Waste elimination
- Lower cost footprint

Total Auto operating cash flow remains positive through 2018; core Auto strong, offset partly by investments to support emerging opportunities



Auto Operating Cash Flow (Billions)*

- █ Total
- █ Core
- █ Other Emerging
- █ Electrification



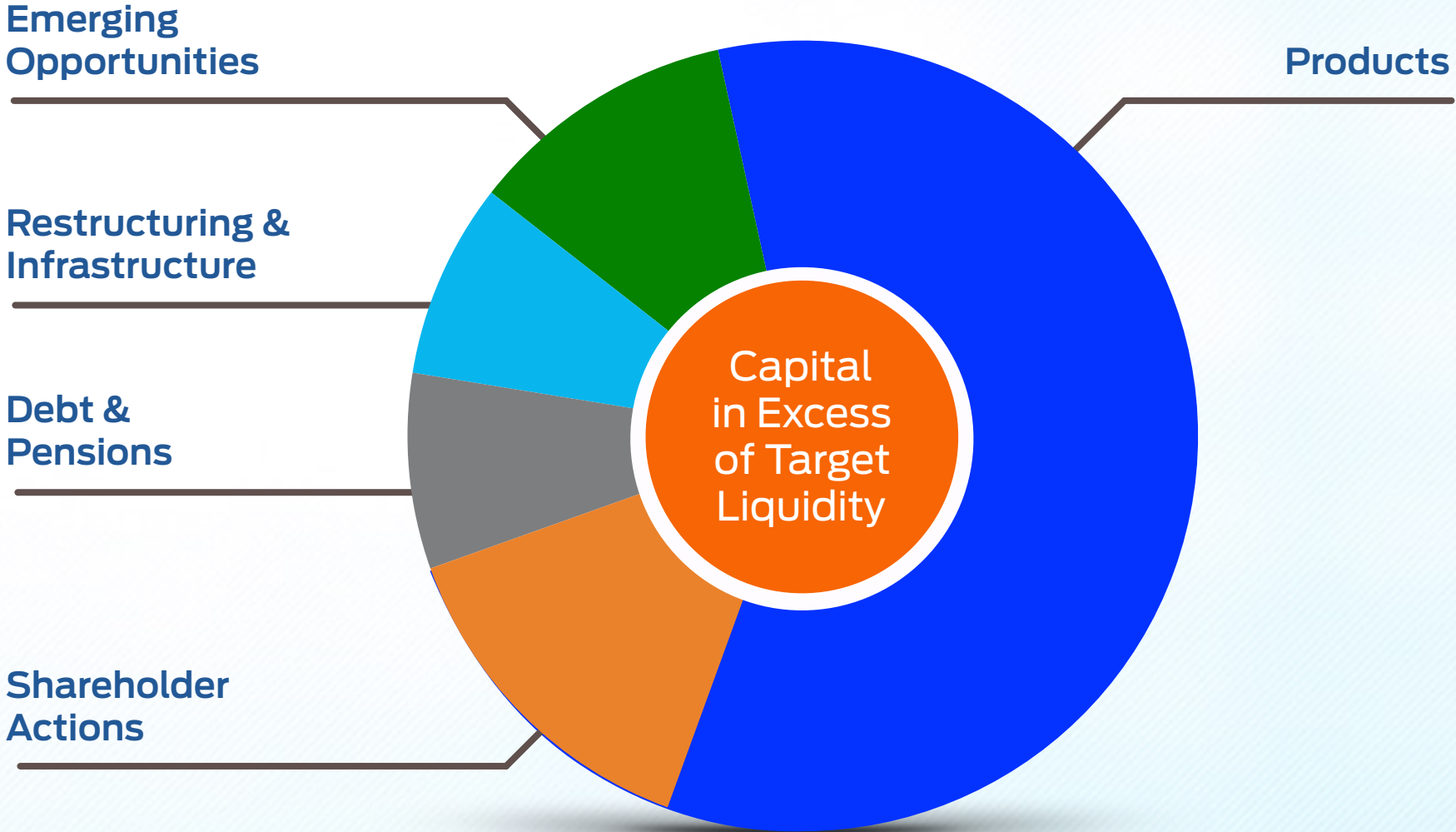
Auto Cash Balance (Bils.)	2015	Proj. 2016	2017	2018
	\$23.6	≥ \$20	≥ \$20	≥ \$20

* Electrification and other emerging included in core in 2015

Capital allocation in the 2016 to 2018 period focuses on product, emerging opportunities and shareholder actions



2016 – 2018 Capital Allocation*



Change In Mix vs Recent Periods

- ↑ Products
- ↑ Emerging Opportunities
- ↔ Restructuring & Infrastructure
- ↓ Debt & Pensions
- ↑ Shareholder Actions

* Includes capex, engineering, cash for acquisitions and equity investments, etc.

Majority of investment for emerging opportunities is for electrification and a cash provision related to strategic acquisitions and equity investments



2016 - 2018 Capital Allocation – Emerging Opportunities

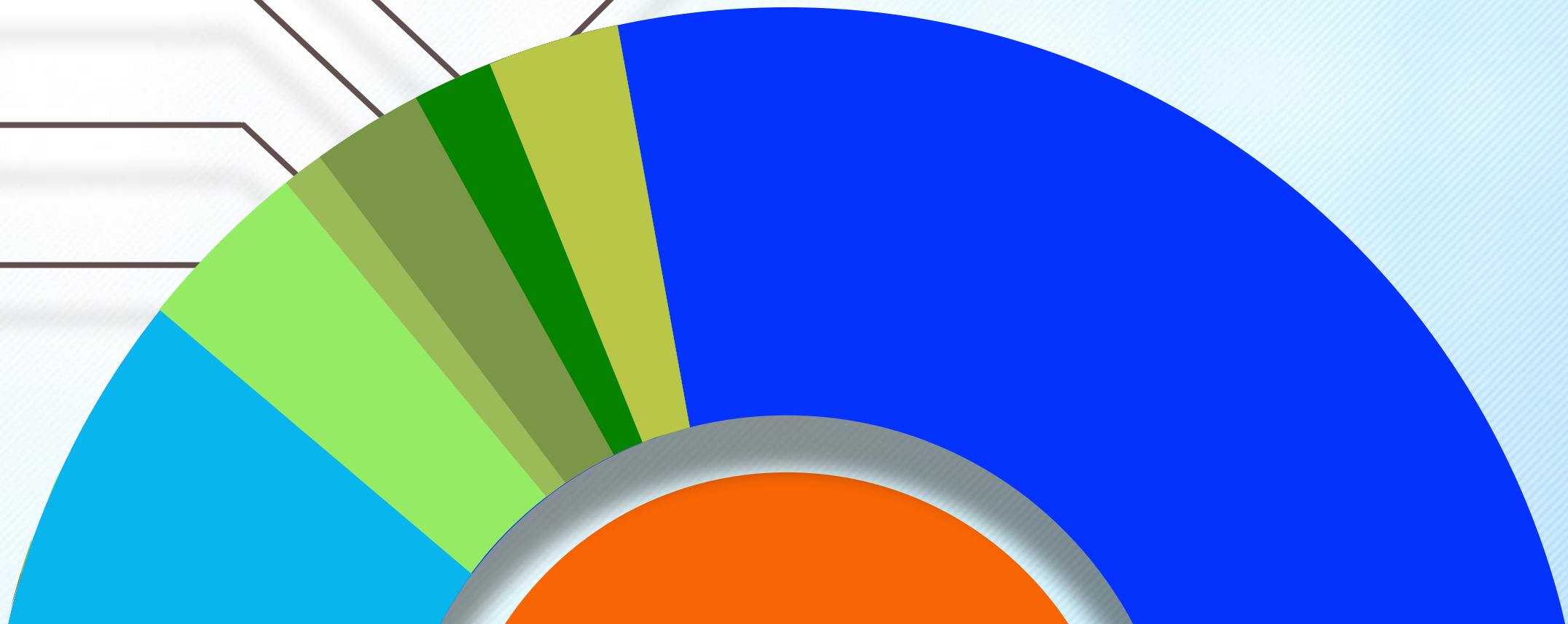
Data Analytics

Equity Investments & Acquisitions

Mobility, Connectivity & User Experience

Autonomous Vehicles

Electrification



Capital spending to increase as a percent of Auto revenue through 2018, then decline



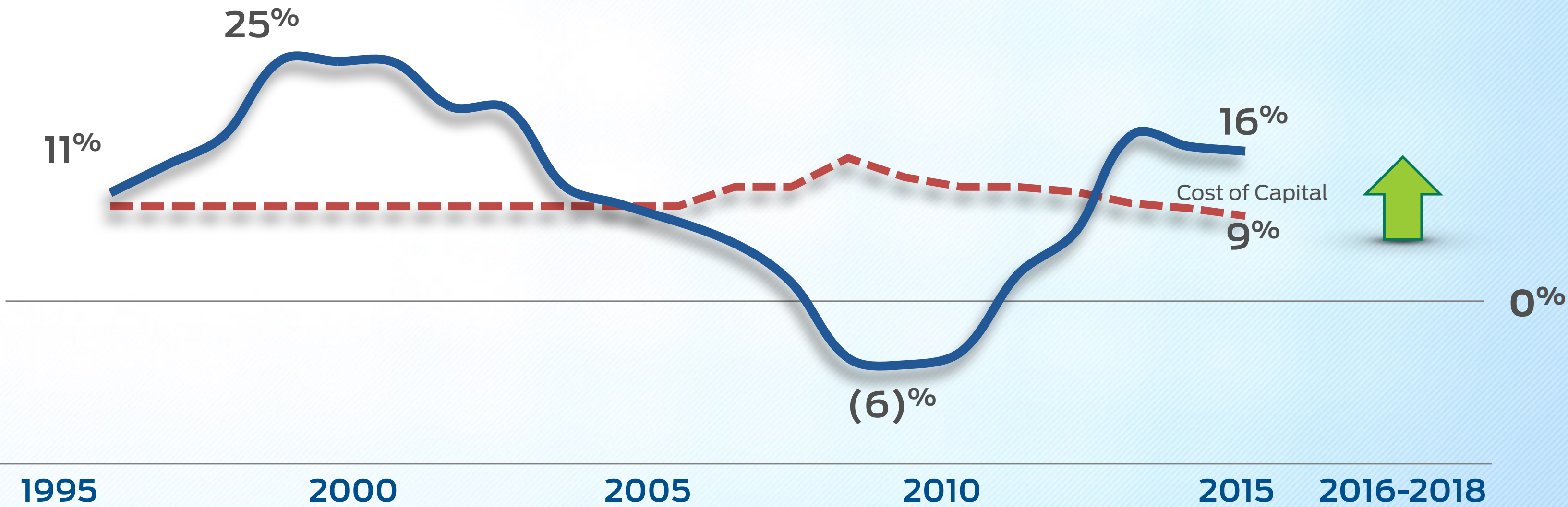
- Capital Spending
- Equity Investments & Acquisitions
- Capital Spending as % of Auto Revenue



Outlook for Company ROIC through 2018 expected to continue to exceed cost of capital



After-Tax Five-Year Average ROIC* (Pct.)



* See Appendix for definition

Our business structure remains robust



- Ford is a dramatically different and improved company than in 2008 - 2009
- A proven, deep and collaborative global leadership team with a clear point of view of the future and a strategic framework of where to play and how to win
- Sustaining a strong North America and Ford Credit while continuing to improve operations in the rest of the world
- Making prudent investments and taking actions now to position for success in a transformed industry
- Underpinning everything with a very strong balance sheet, including global funded pensions that will be fully funded and de-risked by year end 2017

Our operations are in much better shape than before the Great Recession



Brands



Vehicle Platforms



Age Of Portfolio



Plants At 3 Shifts

(N.America)



Avg. Dealer Throughput

(F/L, U.S.)



APEAL* Ford

(Non-Premium)



APEAL* Lincoln

(Premium)

2015

2 ✓

9 ✓

2.6 yrs ✓

50% ✓

594 ✓

#4 ✓

#5 ✓

2007

7

27

4.9 yrs

20%

417

#13

#11

* J.D. Power, 2016 model

Our financial health is much improved as well



Transaction Price vs Mkt
(F/L, U.S.)



Operating Margin



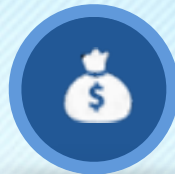
Return on Invested Capital



North America Breakeven
(% of Wholesale)



Pension & OPEB Obligation



Automotive Debt



Credit Rating

2015

+6 ✓

7% ✓

16% ✓

64% ✓

\$14B ✓

\$13B ✓

BBB Stable ✓

2007

(1)%

(1)%

2%

122%

\$28B

\$27B

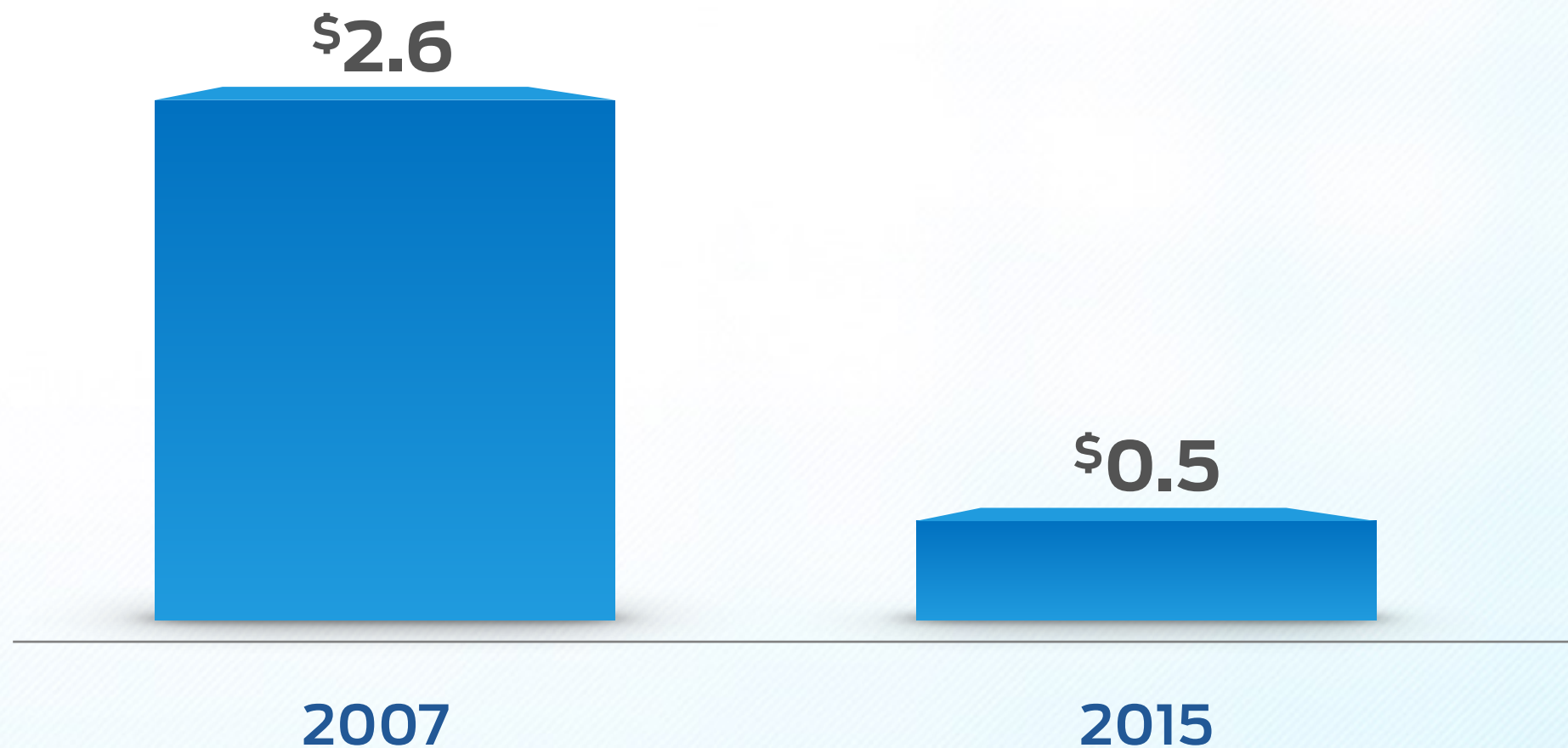
B Negative

* J.D. Power, 2016 model

Our present UAW agreement provides much greater flexibility and lower cost than in the past



U.S. Lay-Off Costs for Hypothetical ~40% Volume Reduction (Bils.)

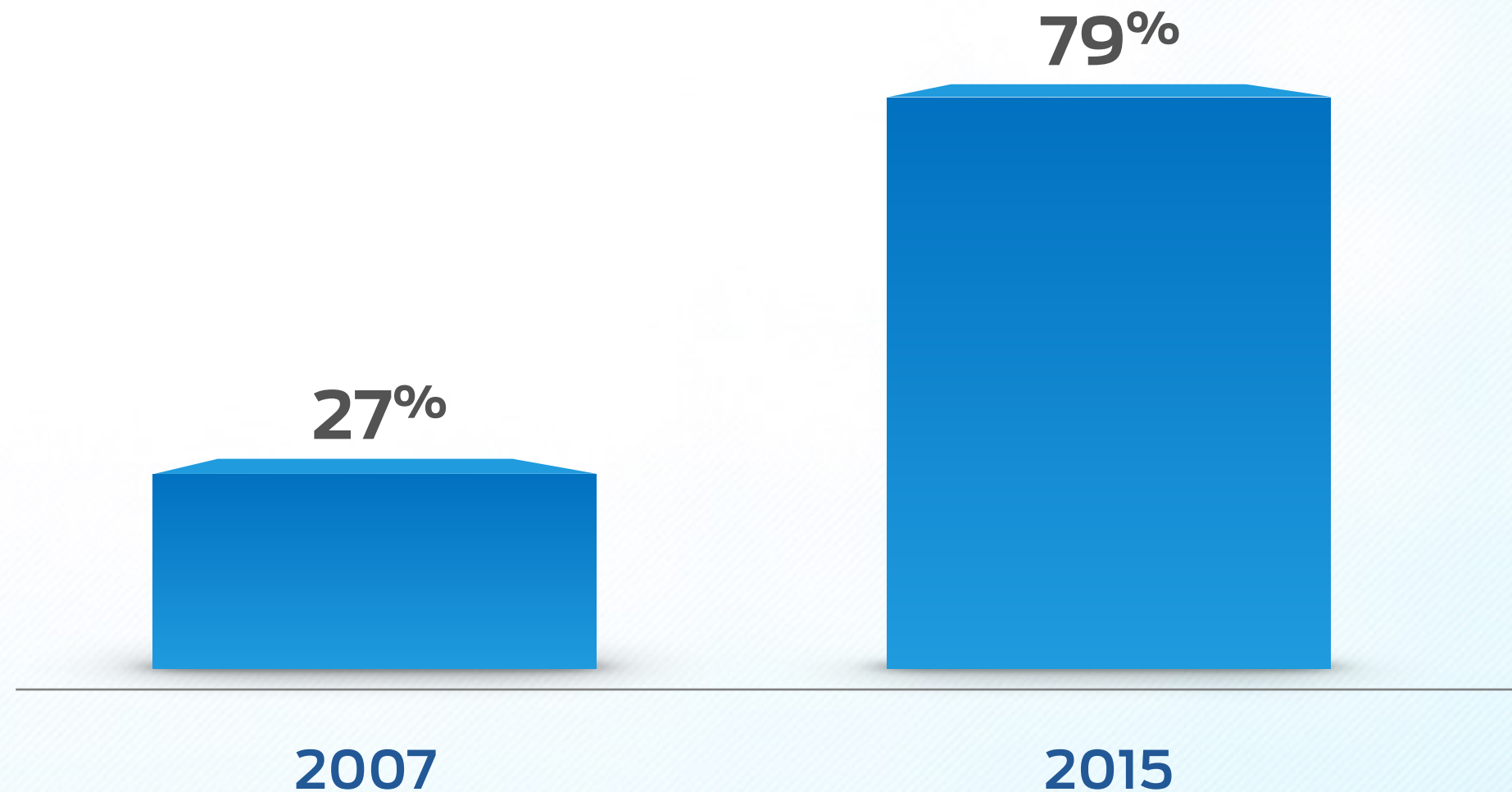


- Reduced hourly employees by 28% since 2006
- Temporary employees provide flexibility in event of downturn
- Jobs bank eliminated
- Cap on income security benefits

We are well positioned if fuel prices increase given significant improvements in our fuel economy



North America Pct. of Vehicles with Competitive Fuel Economy Labels*



- EcoBoost leadership
- Light-weighting
- Hybrids, plug-in hybrid and electric vehicles
- 6-speed transmissions
- Start-stop technology
- Electronic power assist steering
- Aerodynamic improvements

* EPA city, highway and combined labels all within 1 mpg of best competitor

The difference in annual fuel costs across our trucks, utilities and cars is much less than in the past



F-150

Edge

Fusion

2007: \$950
Incremental Fuel Cost

2015: \$400
Incremental Fuel Cost

**60%
Improvement**

2007: \$700
Incremental Fuel Cost

2015: \$500
Incremental Fuel Cost

**30%
Improvement**

* At \$4.00 a gallon

We test our business robustness against downturn scenarios; here is a potential North America downturn modeled on the Great Recession



Assumptions	2017	2018
U.S. Industry Volumes (Mils.)	11.4	12.7
U.S. Industry Volume vs. 2015 (Pct.)	36% ↓	29% ↓
NA Wholesale Volume (Mils.)	1.8	2.3
NA Wholesale Volume vs. 2015 (Pct.)	43% ↓	26% ↓
Net Pricing (YoY)	2% ↓	- ↔

Our North America Auto business should stay at or above breakeven in a Great Recession-like downturn



Downturn Scenario	Downturn Impact*	
	2017	2018
Industry		
Dealer Stock Impact		
Pricing		
Volume-Related Manufacturing Cost		
Other Costs		
Pre-Tax Profit Outlook	Breakeven	Profitable
Breakeven -- U.S. Industry (Mils.)	About 11	< 11

* On a year-over-year basis

We can maintain Automotive cash at or above \$10 billion during a downturn, while continuing to pay regular dividends



**Breakeven
or Profitable**



**Cash and
Liquidity**

(Committed credit lines unused)



**Regular
Dividend**



During a downturn, Ford Credit would remain profitable and increase cash distributions to parent



Downturn Scenario	Downturn Impact*	
	2017	2018
Credit & Residual Losses	↑	↓
Ford Credit Financing Share	↔	↔
Managed Receivables	↓	↔
Pre-Tax Profit	↓	↑
Distributions to Parent	↑	↑
Leverage	↓	↔

- Strong liquidity enables consistent support to Ford and its customers
- Balance sheet shrinks with assets running off faster than liabilities
- Distributions to parent increase as smaller balance sheet requires less equity

* Global, on a year-over-year basis

Rewarding our shareholders is a high priority at Ford; we have a plan to pay regular dividends through a business cycle



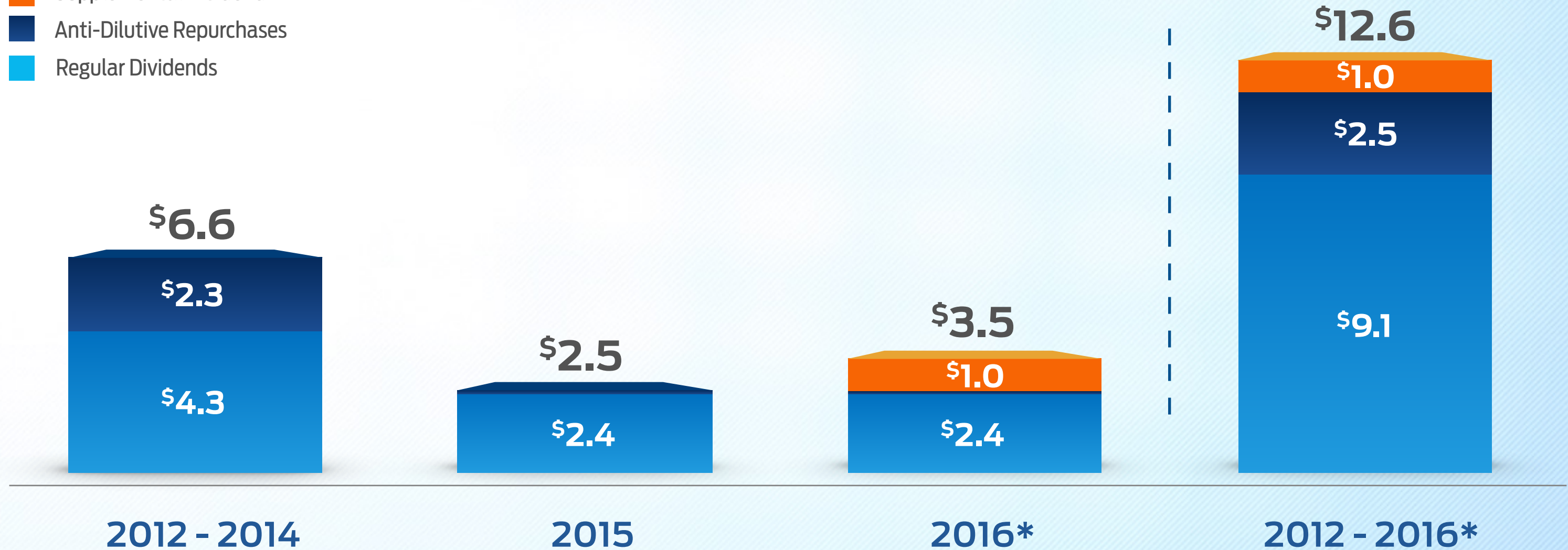
- Pay a regular dividend
 - Sustainable through a business cycle and...
 - Targeting a top-quartile auto yield
- Pay a supplemental cash dividend – principal mechanism for shareholder distributions when able and appropriate to provide in excess of regular dividend
- Pay to shareholders an amount equivalent to 40% to 50% of prior year net income*
- Offset through share repurchases any dilution from compensation-related share issuances

* Excluding pension and OPEB re-measurement gains and losses

By year end, we will have distributed \$12.6 billion to shareholders since restoring our regular dividend in 2012, including \$3.5 billion this year

Billions

- Supplemental Dividend
- Anti-Dilutive Repurchases
- Regular Dividends



* Assumes 2016 regular dividend of \$0.15 per share per quarter

2016 – 2018 Business Unit Outlook



North America				
	2015	2016	2017	2018
GDP (U.S.)	2.6%	1.6%	2.2%	2.1%
Industry (U.S.)	17.8	17.8	17.7	17.5

South America				
	2015	2016	2017	2018
GDP (Brazil)	(3.8)%	(3.5)%	0.8%	2.0%
Industry (Brazil)	2.6	2.1	2.2	2.6

- Moderate GDP growth to continue
- Expect U.S. industry sales to remain strong, although declining slightly
- Profit and operating margin to remain strong, declining in 2017, then improving in 2018

- GDP and industry volume expected to begin slow recovery in 2017
- Pre-tax loss to reduce in 2017 and 2018, closely tied to improvement in external conditions

2016 – 2018 Business Unit Outlook



Europe				
	2015	2016	2017	2018
GDP (Europe)	1.2%	1.5%	1.5%	2.0%
Industry (Europe)	19.2	19.9	20.2	20.9

Middle East & Africa				
	2015	2016	2017	2018
GDP (Saudi Arabia)	3.3%	1.5%	2.0%	2.8%
Industry (ME&A region)	4.3	3.9	4.2	4.6

- Moderate GDP growth to continue, with U.K. decelerating and Russia beginning to recover
- Industry volume growth driven by Western Europe except U.K.
- Europe to remain profitable, although below 2016 outlook as team works to mitigate effects of Brexit

- GDP and industry volume expected to begin recovery as weak oil / commodity cycle begins to turn
- Pre-tax loss in 2017 similar to 2016 and with a potential return to profitability in 2018 with improving external conditions

2016 – 2018 Business Unit Outlook



Asia Pacific				
	2015	2016	2017	2018
GDP (China)	6.9%	6.7%	6.7%	6.6%
Industry (China)	23.5	25.7	26.0	27.1

Ford Credit				
	2015	2016	2017	2018
Industry (U.S.)	17.8	17.8	17.7	17.5
Industry (Europe)	19.2	19.9	20.2	20.9

- GDP and industry volume growth in China and India (not shown) expected to continue
- Expect negative industry pricing in China to continue but decelerate
- AP profit expected to improve from 2016

- Moderate receivables growth along with industry
- Consistently profitable with 2017 results about equal to 2016 and then improving in 2018
- Distributions resume in 2017 with leverage returning to target range

Our financial performance to remain strong through 2018



- Core business to improve
- Investing for emerging opportunities important to our future success
- Proven, strong management team
- Clear strategic framework
- Disciplined capital allocation delivering strong ROIC
- Fully prepared for a downturn
- Offer a secure dividend with option for upside as the Company transforms to win in the world ahead



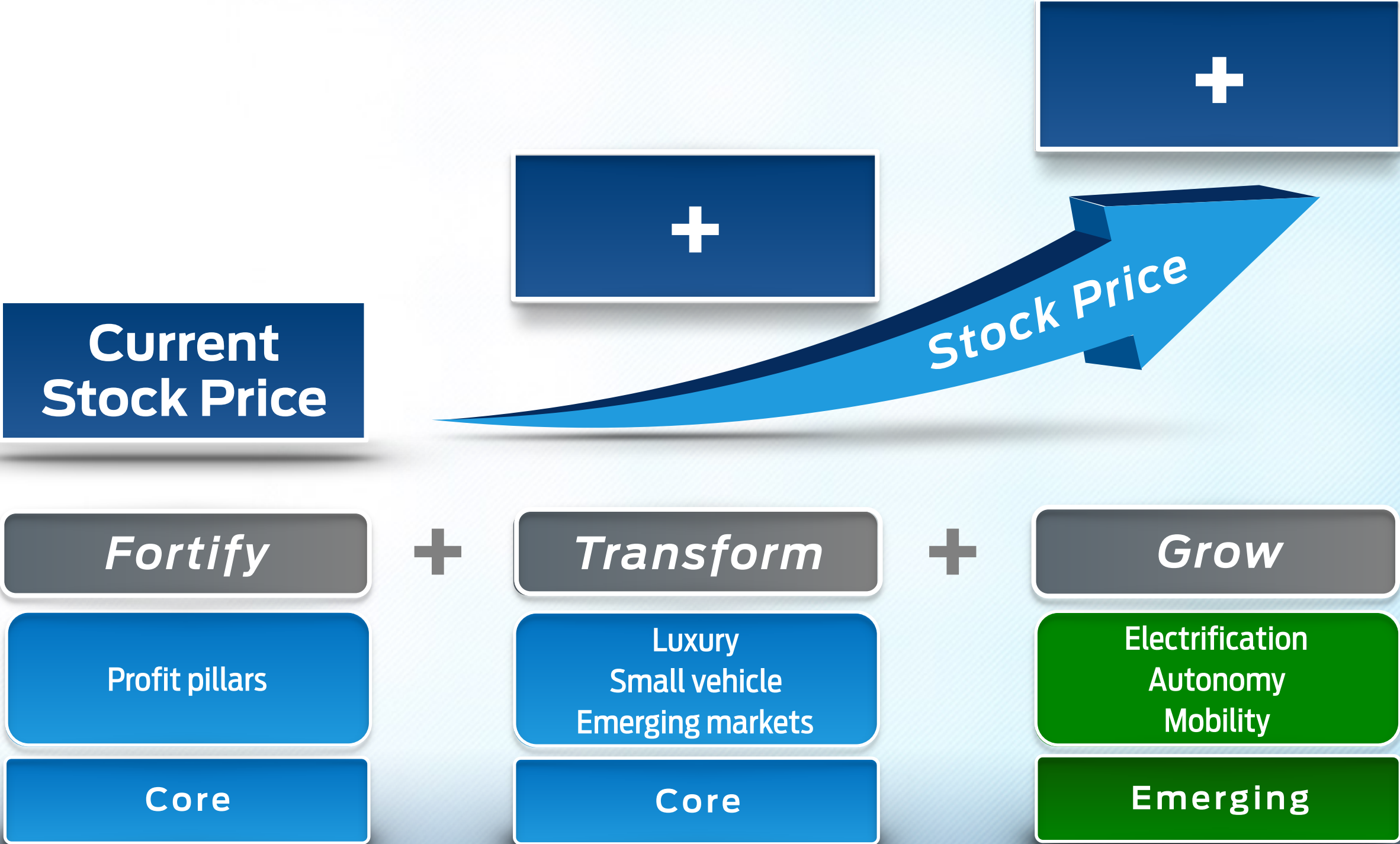
Go Further

Why Ford, Why Now

Mark Fields

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, abstract shapes that resemble water or a dynamic landscape. The logo is the central focus of the lower half of the slide.

A solid investment with an attractive upside on emerging opportunities





Go Further

INVESTOR DAY

September 14, 2016

Ford

Risk Factors



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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.



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Appendix

A large, white, stylized script version of the Ford logo, set against a background of blue, wavy, abstract shapes that resemble water or a road. The logo is the central focus of the lower half of the page.

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Definitions and Calculations



Automotive Records

- References to Automotive records for operating cash flow, operating margin and business units are since at least 2000

Wholesales and Revenue

- 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 China joint venture, Jiangling Motors Corporation, Ltd. (“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

Automotive Segment Operating Margin

- Automotive segment operating margin is defined as Automotive segment pre-tax results divided by Automotive segment revenue

Industry Volume and Market Share

- Industry volume and market share are based, in part, on estimated vehicle registrations; includes medium and heavy duty trucks

SAAR

- SAAR means seasonally adjusted annual rate

Automotive Cash

- Automotive cash includes cash, cash equivalents, and marketable securities

Market Factors

- Volume and Mix - primarily measures profit variance from changes in wholesale volumes (at prior-year average contribution margin per unit) driven by changes in industry volume, market share, and dealer stocks, as well as the profit variance resulting from changes in product mix, including mix among vehicle lines and mix of trim levels and options within a vehicle line
- Net Pricing - primarily measures profit variance driven by changes in wholesale prices to dealers and marketing incentive programs such as rebate programs, low-rate financing offers, special lease offers and stock accrual adjustments on dealer inventory

Net Income Reconciliation To Adjusted Pre-tax Profit



(Mils)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1H 2016
Net income / (loss) attributable to Ford (GAAP)	\$ (12,617)	\$ (2,795)	\$ (14,766)	\$ 2,717	\$ 6,481	\$ 16,885	\$ 1,917	\$ 11,953	\$ 1,231	\$ 7,373	\$ 4,422
Income / (Loss) attributable to non-controlling interests	7	(24)	(67)	(5)	(4)	9	(1)	(7)	(1)	(2)	5
Net income	\$ (12,610)	\$ (2,819)	\$ (14,833)	\$ 2712	\$ 6,477	\$ 16,894	\$ 1,916	\$ 11,946	\$ 1,230	\$ 7,371	\$ 4,427
Less: (Provision for) / Benefit from income taxes	2,880	1,467	62	113	(592)	13,207	(89)	(2,425)	(4)	(2,881)	(2,099)
Income before income taxes	\$ (15,490)	\$ (4,286)	\$ (14,895)	\$ 2,599	\$ 7,069	\$ 3,687	\$ 2,005	\$ 14,371	\$ 1,234	\$ 10,252	\$ 6,526
Less: Special items pre-tax	(11,922)	(3,872)	(7,642)	2,561	(1,151)	(5,647)	(6,860)	4,276	(6,059)	(548)	(304)
Adjusted pre-tax profit / (loss) (Non-GAAP)	\$ (3,568)	\$ (414)	\$ (7,253)	\$ 38	\$ 8,220	\$ 9,334	\$ 8,865	\$ 10,095	\$ 7,293	\$ 10,800	\$ 6,830

Effective Tax Rate Reconciliation To Adjusted Effective Tax Rate



	<u>FY 2015</u>	<u>1H 2016</u>
<u>Pre-Tax Results (Mils)</u>		
Pre-tax results (GAAP)	\$ 10,252	\$ 6,526
Less: Impact of special items	(548)	(304)
Adjusted Pre-tax results (Non-GAAP)	\$ 10,800	\$ 6,830
<u>Taxes (Mils)</u>		
(Provision for) / Benefit from income taxes (GAAP)	\$ (2,881)	\$ (2,099)
Less: Impact of special items	205	(67)
Adjusted (Provision for) / Benefit from income taxes (Non-GAAP)	\$ (3,086)	\$ (2,032)
Effective Tax Rate (GAAP)	28.1%	32.2%
Adjusted Effective Tax Rate (Non-GAAP)	28.6	29.8

Earning Per Share Reconciliation To Adjusted Earnings Per Share



	<u>FY 2015</u>	<u>1H 2016</u>
<u>Diluted After-Tax Results (Mils)</u>		
Diluted After-tax results (GAAP)	\$ 7,373	\$ 4,422
Less: Impact of Pre-tax and tax special items	(343)	(371)
Adjusted Net Income (Non-GAAP)	\$ 7,716	\$ 4,793
<u>Basic and Diluted Shares (Mils)</u>		
Basic shares (Average shares outstanding)	3,968	3,972
Net dilutive options and unvested restricted stock units	34	24
Adjusted Diluted shares	4,002	3,996
Earnings Per Share – Diluted (GAAP)	\$ 1.84	\$ 1.11
Net impact of adjustments	0.09	0.09
Adjusted Earnings Per Share – Diluted (Non-GAAP)	\$ 1.93	\$ 1.20

Return on Invested Capital Calculation



Approach

- Reflects an “all-in” after-tax measure providing a true return on total capital employed
- Focus is on rolling five-year average ROIC, which reflects our industry’s product and investment cycles

Operating Return (NOPAT)

- GAAP income before taxes
- Excludes costs associated with funding capital structure (i.e., cost of capital)
 - Automotive debt interest expense
 - Funding-related pension and OPEB costs
- Less Cash Taxes (deferred tax assets inherent in invested capital)

Invested Capital

- Average year balance sheet equity, Auto debt and net unfunded pension and OPEB obligations



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INVESTOR DAY

September 14, 2016

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