



Go Further

CFO LET'S CHAT

November 17, 2016

Ford



Bob Shanks

Executive Vice President & CFO

AGENDA

- Global business environment
- North America
 - Industry sales
 - Pricing environment
 - Super Duty / Continental launch
 - U.S. election results
- Europe
 - Industry sales
 - Pricing environment
 - Edge / Kuga launch
- Asia Pacific
 - China industry sales
 - Pricing environment
 - China reporting structure
- Ford Credit
 - Auction values / used car pricing
- Pension/OPEB
 - Year end remeasurement / MTM
- Taxes
- Company outlook 2016 - 2017

INDUSTRY AND GDP PLANNING ASSUMPTIONS

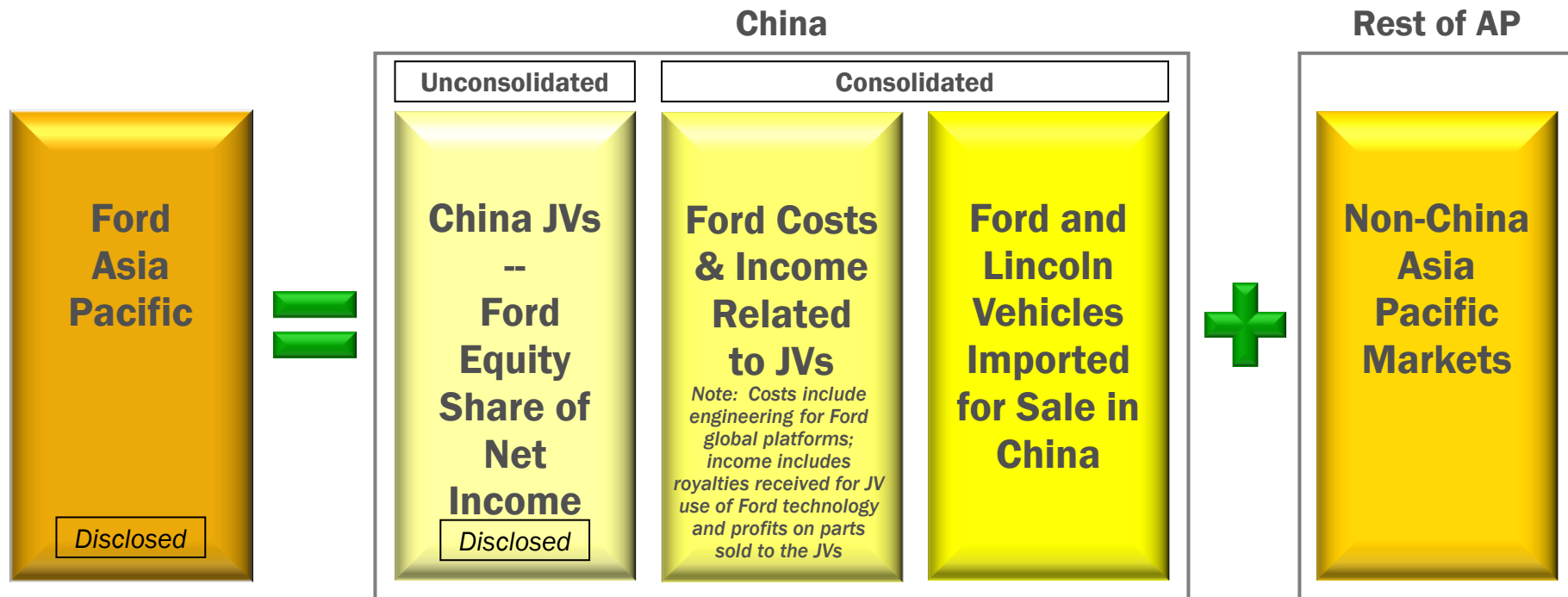
	GDP Growth (Pct)			Industry (Mils)		
	2015	2016*	2017*	2015	2016*	2017*
Global	3.1%	2.9%	3.6%	88.2	91.1	92.4
U.S.	2.6%	1.6%	2.2%	17.8	17.8	17.7
Brazil	(3.8)%	(3.5)%	0.8%	2.6	2.0	2.2
Europe	1.2%	1.5%	1.5%	19.2	20.0	20.2
China	6.9%	6.7%	6.7%	23.5	26.1	26.0

* Consistent with Outlook at 3Q earnings and Investor Day

2016 KEY BUSINESS UNIT TOPICS

- North America
 - Industry sales
 - Pricing environment
 - Super Duty / Continental launch
 - U.S. election results
- Europe
 - Industry sales
 - Pricing environment
 - Edge / Kuga launch
- Asia Pacific
 - China industry sales
 - Pricing environment
 - China reporting structure

FORD ASIA PACIFIC FINANCIAL RESULTS



Ford Asia Pacific Profit Includes China Joint Venture Entities, Ford Costs And Income Related To JVs, Ford And Lincoln Imports, And Non-China Markets

FORD JOINT VENTURES IN CHINA

**Changan Ford
Automobile
Corporation (CAF)**

**Non-Premium
Passenger**

**Local
Manufacture**

**50%
Equity
Investment**

**Jiangling Motors
Company (JMC)**

**Trucks,
Commercial,
Non-Premium
Passenger**

**Local
Manufacture**

**32%
Equity
Investment**

**Changan Ford
Mazda Engine
Company (CFME)**

Engines

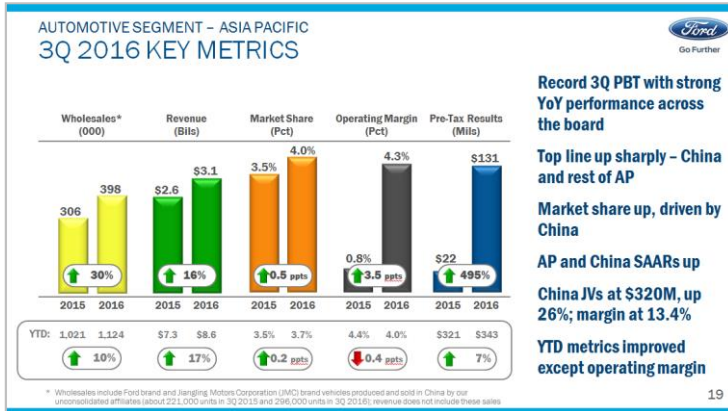
**Local
Manufacture**

**25%
Equity
Investment**

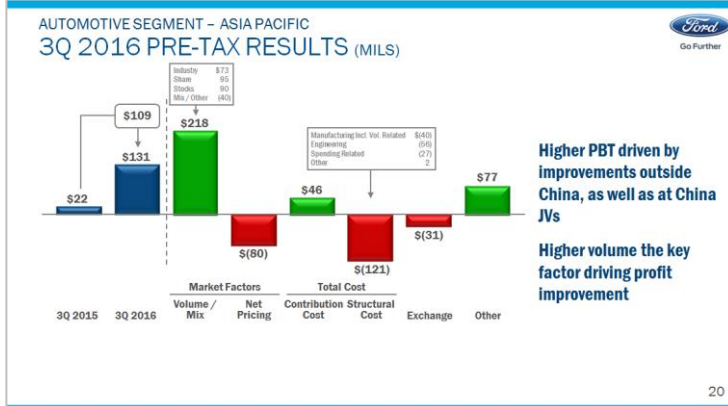
- JVs self-fund their capital spending requirements; JV capital spending not included in Ford consolidated capital spending levels
- Ford discloses net income from China JVs, i.e., after-tax results at Ford's equity share
- First nine months 2016 Ford equity income of \$1.1 billion

FORD JOINT VENTURES IN CHINA

Slides: Ford Motor Company, 3Q 2016 Earnings Review



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- JV results reflected in these AP key metrics:
 - Wholesales
 - Market Share
 - Operating Margin
 - Pre-Tax Results

- JV results are not included in Revenue

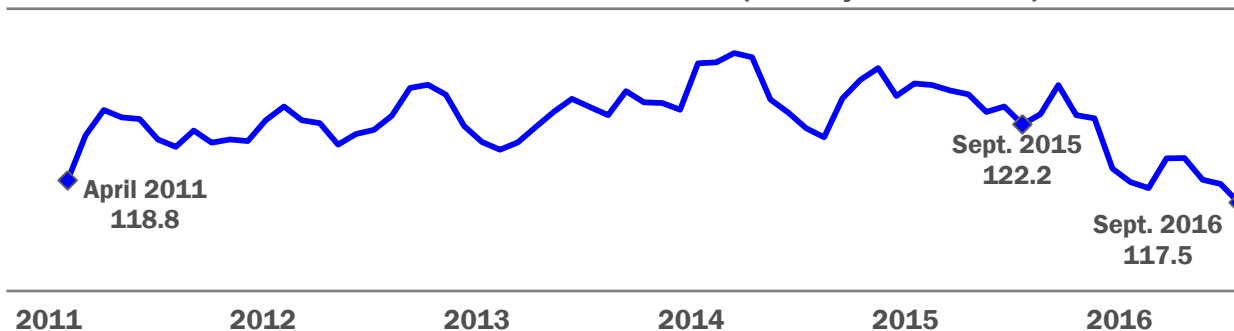
- China JV results included in all six causal factors on an after-tax equity share basis

FINANCIAL SERVICES SEGMENT – FORD CREDIT

USED VEHICLE AUCTION VALUES



NADA Used Vehicle Auction Value Index (January 2010 = 100)*



Trend of lower auction values now spreading to most vehicle segments

In 4Q, Ford Credit reducing its outlook for auction values across portfolio

Continue to expect 2016 PBT of about \$1.8 billion; now expect 2017 PBT of about \$1.5 billion due to higher ASD

YTD Change in NADA 3-Year-Old Used Car Guide Value – 2013MY vs. 2012MY**

	Sept. 2016	Sept. 2015	2016 YTD H/(L) 2015 YTD
Compact Car	(10.1)%	(7.7)%	(2.4) Pts.
Compact Utility	(9.8)	(5.3)	(4.5)
Mid-Size Car	(10.8)	(5.6)	(5.2)
Mid-Size Utility	(6.9)	(2.8)	(4.1)
Large Pick-Up	(6.1)	(3.9)	(2.2)
Large Utility	(6.0)	1.6	(7.6)
Mid Luxury Car	(15.0)	(11.2)	(3.8)
Luxury Mid-Size Utility	(14.1)	(16.6)	2.5

* September 2016 publication

** October 2016 NADA Used Car Guide and October 2015 NADA Used Car Guide

PENSION/OPEB IMMEDIATE RECOGNITION

- At year end 2015, Ford adopted immediate recognition for pension and OPEB expense, also referred to as mark-to-market
- Provides greater transparency of our operating performance and segment results
 - eliminates costs associated with prior periods
- Improves alignment of operating results with cash flows; reflects current performance of our pension and OPEB plans as a special item in net income
- Enhances comparability with key automotive competitors
- Has no impact on cash, funding requirements, or employees' pension and OPEB benefits

Mark-To-Market Provides Greater Transparency To Our Operating Results

PENSION/OPEB YEAR END REMEASUREMENT

- Recognized as Fourth Quarter special item
- Consistent with year end discount rates and asset values. Expected year end 2016 discount rates:
 - Down in all markets from year end 2015
 - Have limited U.S. impact as a result of de-risking strategy
 - Down significantly in U.K. and Germany, where de-risking is less advanced*
 - Are offset partially by higher asset returns
- Along with normal accruals and contributions recorded throughout the year, remeasurement impacts the year-over-year change in funded status

* Based on 11/11/2016 estimated discount rates compared with 12/31/15 discount rates

Remeasurement Can Be Estimated Using Data Provided In Our 10-K / 10-Q

PENSION/OPEB YEAR END REMEASUREMENT

	YOY Change In Disc Rates* (bps)	10-K Sensitivity Per 100 Bps (\$ Bils.)	Est. G/(L) (\$ Bils.)	% Of Obligation
U.S. Pension	~(35)	\$(0.3)	~\$(0.1)	<1%
Non-U.S. Pension	~(85)	\$(1.9)	~\$(1.6)	~5%
OPEB	~(35)	\$(0.7)	~\$(0.3)	~5%
Estimated Remeasurement – Rates Only			~\$(2.0)	
Other Factors**			~\$(1.0)	
Total Estimated Remeasurement***			~\$(3.0)	~4%

* Based on 11/11/2016 estimated discount rates compared with 12/31/15 discount rates.

** Primarily impact of spot rate method, other fixed income return components and growth asset returns

*** Actual result will be based on 12/31/16 discount rates and asset values

**Total Pension / OPEB Remeasurement Loss Expected To Be Around \$3 Billion;
Global Funded Status Down ~ 1 Percentage Point; Funded Plans 95% Funded**

2016 COMPANY GUIDANCE

	2015 FY	2016 FY		Memo: 2016 3Q YTD Results
	Results	Plan	Outlook	
Total Company Adjusted Pre-Tax Results*	\$10.8B	≥ 2015	≈ \$10.2B	\$8.2B
Adjusted EPS*	\$1.93	≥ 2015	Lower	\$1.46
Automotive Segment Revenue	\$140.6B	≥ 2015	On Track	\$105.5B
Automotive Segment Operating Margin	6.8%	≥ 2015	Lower	7.0%
Automotive Segment Operating Cash Flow	\$7.3B	Strong, but < 2015	On Track	\$4.9B
Adjusted Effective Tax Rate* (Pct)	28.6%	Low 30s	High 20s	29.1%

* Excluding special items; see Appendix for detail, reconciliation to GAAP, and definitions. GAAP effective tax rate for 2016 Outlook also high 20s

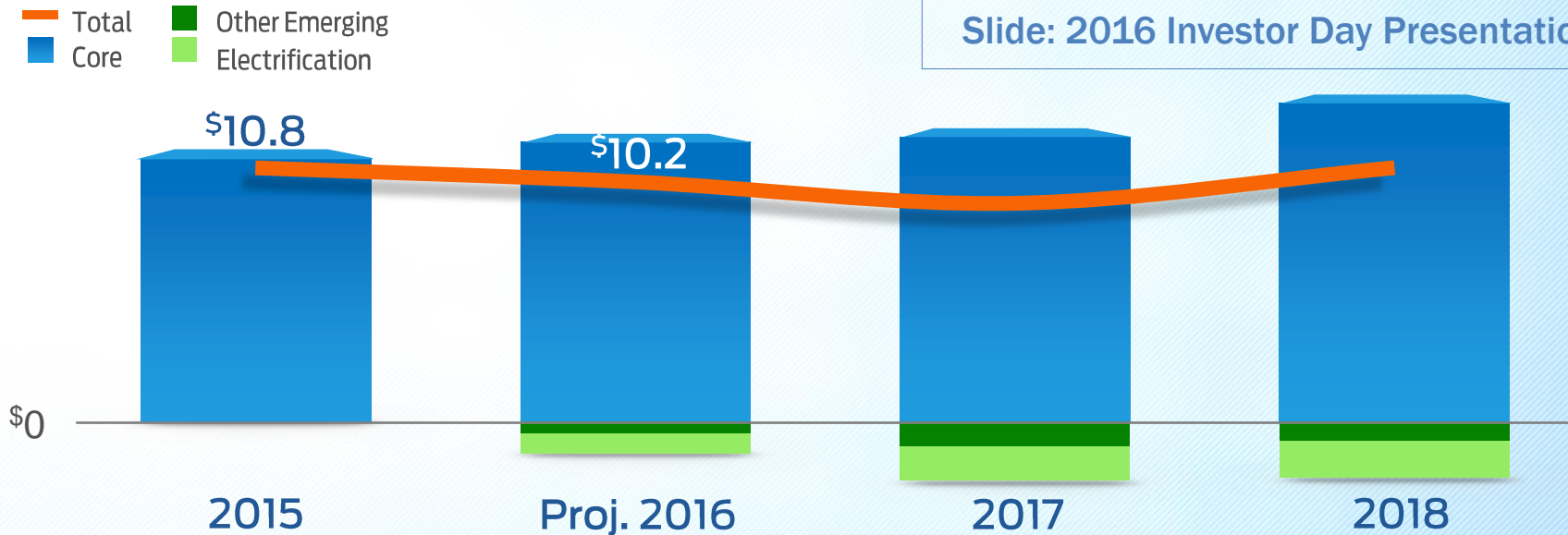
We Continue To Expect 2016 Full Year Adjusted Pre-Tax Profit To Be About \$10.2 Billion; Adjusted Effective Tax Rate Revised

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)*

Slide: 2016 Investor Day Presentation



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

Q&A

Ford



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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.

APPENDIX

TOTAL COMPANY SPECIAL ITEMS



(Mils, except amounts per share data)

	3Q		YTD		Memo:
	2015	2016	2015	2016	FY 2015
Pre-tax Special Items					
Separation-related actions	\$ --	\$ (17)	\$ --	\$ (293)	\$ --
Japan / Indonesia market closure	--	(9)	--	(26)	--
Nemak IPO	166	--	166	--	150
Pension & OPEB remeasurement gains / (losses)	--	--	--	(11)	(698)
Total Pre-tax special items	\$ 166	\$ (26)	\$ 166	\$ (330)	\$ (548)
Tax Special Items					
Net tax effect of Pre-tax special items	\$ (58)	\$ 9	\$ (58)	\$ 116	\$ 205
Tax expense of entity restructurings	--	(69)	--	(243)	--
Total tax special items	\$ (58)	\$ (60)	\$ (58)	\$ (127)	\$ 205
Memo:					
Special items impact on earnings per share	\$ 0.03	\$ (0.02)	\$ 0.03	\$ (0.11)	\$ (0.09)

TOTAL COMPANY NET INCOME RECONCILIATION TO ADJUSTED PRE-TAX PROFIT



(Mils)

	3Q		YTD		Memo:
	2015	2016	2015	2016	FY 2015
Net income / (loss) attributable to Ford (GAAP)	\$ 2,192	\$ 957	\$ 5,505	\$ 5,379	\$ 7,373
Income / (Loss) attributable to non-controlling interests	--	4	2	9	(2)
Net income	\$ 2,192	\$ 961	\$ 5,507	\$ 5,388	\$ 7,371
Less: (Provision for) / Benefit from income taxes	(1,099)	(426)	(2,849)	(2,525)	(2,881)
Income before income taxes	\$ 3,291	\$ 1,387	\$ 8,356	\$ 7,913	\$ 10,252
Less: Special items pre-tax	166	(26)	166	(330)	(548)
Adjusted pre-tax profit / (loss) (Non-GAAP)	<u>\$ 3,125</u>	<u>\$ 1,413</u>	<u>\$ 8,190</u>	<u>\$ 8,243</u>	<u>\$ 10,800</u>

EARNINGS PER SHARE RECONCILIATION TO ADJUSTED EARNINGS PER SHARE

	2016	
	3Q	YTD
<u>Diluted After-Tax Results (Mils)</u>		
Diluted After-tax results (GAAP)	\$ 957	\$ 5,379
Less: Impact of Pre-tax and tax special items	(86)	(457)
Adjusted Net Income (Non-GAAP)	<u>\$ 1,043</u>	<u>\$ 5,836</u>
<u>Basic and Diluted Shares (Mils)</u>		
Basic shares (Average shares outstanding)	3,974	3,972
Net dilutive options and unvested restricted stock units	26	25
Adjusted Diluted shares	<u>4,000</u>	<u>3,997</u>
Earnings Per Share – Diluted (GAAP)	\$ 0.24	\$ 1.35
Net impact of adjustments	<u>0.02</u>	<u>0.11</u>
Adjusted Earnings Per Share – Diluted (Non-GAAP)	<u>\$ 0.26</u>	<u>\$ 1.46</u>

EFFECTIVE TAX RATE RECONCILIATION TO ADJUSTED EFFECTIVE TAX RATE

	2016		Memo:
	3Q	YTD	FY 2015
<u>Pre-Tax Results (Mils)</u>			
Income before Income Taxes (GAAP)	\$ 1,387	\$ 7,913	\$ 10,252
Less: Impact of special items	(26)	(330)	(548)
Adjusted Pre-tax results (Non-GAAP)	<u>\$ 1,413</u>	<u>\$ 8,243</u>	<u>\$ 10,800</u>
<u>Taxes (Mils)</u>			
(Provision for) / Benefit from income taxes (GAAP)	\$ (426)	\$ (2,525)	\$ (2,881)
Less: Impact of special items	(60)	(127)	205
Adjusted (Provision for) / Benefit from income taxes (Non-GAAP)	<u>\$ (366)</u>	<u>\$ (2,398)</u>	<u>\$ (3,086)</u>
Effective Tax Rate (GAAP)	30.7%	31.9%	28.1%
Adjusted Effective Tax Rate (Non-GAAP)	25.9	29.1	28.6

NON-GAAP FINANCIAL MEASURES THAT SUPPLEMENT GAAP MEASURES

We use both GAAP and non-GAAP financial measures for operational and financial decision making, and to assess Company and segment business performance. The non-GAAP measures listed below are intended to be considered by users as supplemental information to their equivalent GAAP measures, to aid investors in better understanding our financial results. We believe that these non-GAAP measures provide useful perspective on underlying business results and trends, and a means to assess our period-over-period results. These non-GAAP measures should not be considered as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as similarly titled measures used by other companies due to possible differences in method and in items or events being adjusted.

Total Company Adjusted Pre-tax Profit (Most Comparable GAAP Measure: Net income attributable to Ford) – The non-GAAP measure is useful to management and investors because it allows users to evaluate our pre-tax results excluding pre-tax special items. Pre-tax special items consist of (i) pension and OPEB remeasurement gains and losses that are not reflective of our underlying business results, (ii) significant restructuring actions related to our efforts to match production capacity and cost structure to market demand and changing model mix, and (iii) other items that we do not necessarily consider to be indicative of earnings from ongoing operating activities.

Adjusted Earnings Per Share (Most Comparable GAAP Measure: Earnings Per Share) – Measure of Company's diluted net earnings per share adjusted for impact of pre-tax special items (described above), and tax special items. The measure provides investors with useful information to evaluate performance of our business excluding items not indicative of underlying run rate of our business.

Adjusted Effective Tax Rate (Most Comparable GAAP Measure: Effective Tax Rate) – Measure of Company's tax rate excluding pre-tax special items (described above) and tax special items. The measure provides an ongoing effective rate which investors find useful for historical comparisons and for forecasting.

Ford Credit Managed Receivables – (Most Comparable GAAP Measure: Net Finance Receivables plus Net Investment in Operating Leases) – Measure of Ford Credit's Total net receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The measure is useful to management and investors as it closely approximates the customer's outstanding balance on the receivables, which is the basis for earning revenue.

Ford Credit Managed Leverage (Most Comparable GAAP Measure: Financial Statement Leverage) – Ford Credit's debt-to-equity ratio adjusted (i) to exclude cash, cash equivalents, and marketable securities (other than amounts related to insurance activities), and (ii) for derivative accounting. The measure is useful to investors because it reflects the way Ford Credit manages its business. Cash, cash equivalents, and marketable securities are deducted because they generally correspond to excess debt beyond the amount required to support operations and on-balance sheet securitization transactions. Derivative accounting adjustments are made to asset, debt, and equity positions to reflect the impact of interest rate instruments used with Ford Credit's term-debt issuances and securitization transactions. Ford Credit generally repays its debt obligations as they mature, so the interim effects of changes in market interest rates are excluded in the calculation of managed leverage.