

**DEUTSCHE BANK
GLOBAL AUTOMOTIVE
CONFERENCE**

January 10, 2017

Ford



Mark Fields
President & CEO



Ford is a solid investment with a strong core business and 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

We achieved significant progress in 2016



GROWTH

- Wholesale volume and Automotive revenue about flat YoY
- Launched **11** new products including all-new Super Duty, Focus RS and Lincoln Continental
- Global Lincoln sales up **47%** YoY



RISK

- Operations outside NA profitable in total and improved YoY
- Contributed **\$1.2 billion** to global funded pension plans; global funded plans nearly fully funded at year end
- Upgraded by S&P, Moody's, Fitch and DBRS



RETURNS

- Achieved **2nd** best Company adjusted PBT since 2000 and record FY profit in Europe
- Double-digit China JV net income margins
- Achieved Automotive operating margin **>6%** and ROIC **>cost of capital**
- Generated strong Auto operating cash flow

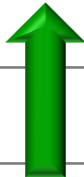
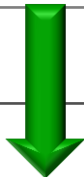


REWARDS

- Distributed **\$3.5 billion** to shareholders, including **1st** supplemental dividend

We are on track to deliver 2016 full year guidance; adjusted tax rate expected to be in the low 30s



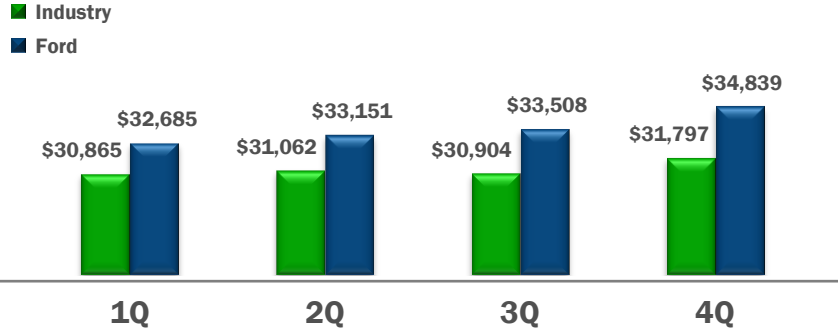
	2015 FY	2016 FY	
	Results	Guidance	Status
Total Company Adjusted Pre-Tax Results*	\$10.8B	≈ \$10.2B	
Adjusted EPS*	\$1.93	< 2015	
Automotive Segment Revenue	\$140.6B	≥ 2015	On Track
Automotive Segment Operating Margin	6.8%	< 2015	
Automotive Segment Operating Cash Flow	\$7.3B	> \$4.9B	
Adjusted Effective Tax Rate* (Pct)	28.6%	High 20s	Low 30s

* Excluding special items; see Appendix for detail, reconciliation to GAAP, and definitions

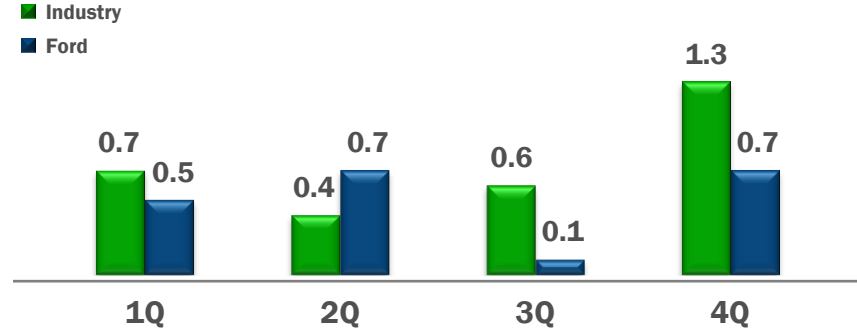
We took a disciplined approach to the business in 2016



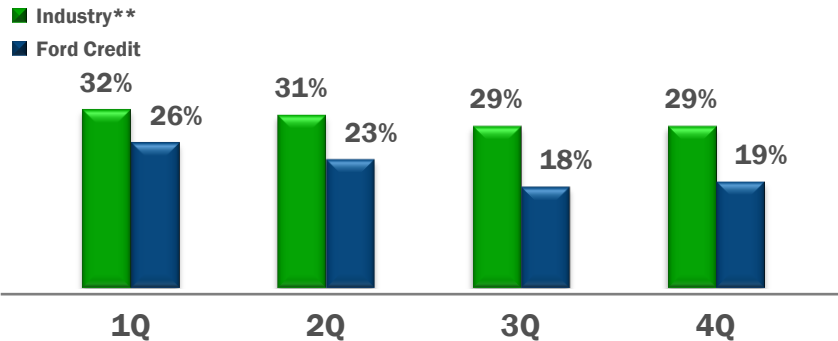
U.S. Blended Transaction Price* (USD)



U.S. Incentives* (YoY Change as Pct. Of Vehicle Price)



U.S. Lease Mix (Pct.)



- Achieved average transaction prices higher than industry due to strong products and favorable mix
- Delivered YoY incentives increase below overall industry
- Managed lease mix lower over the year as auction values weakened

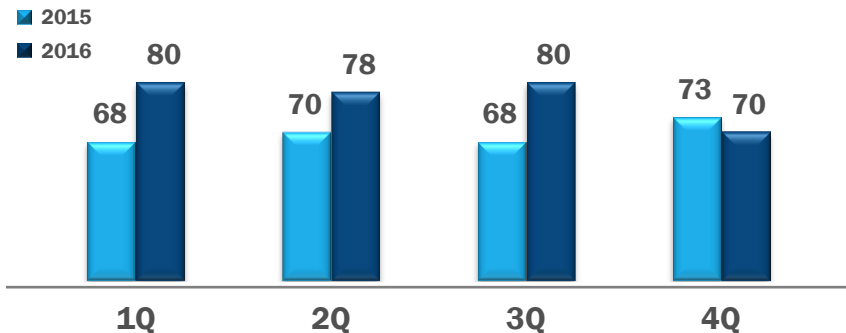
* Source: J.D. Power PIN ISR data – Cash / APR / Lease (Blended) Transaction; Industry data includes Ford

** Source: J.D. Power PIN

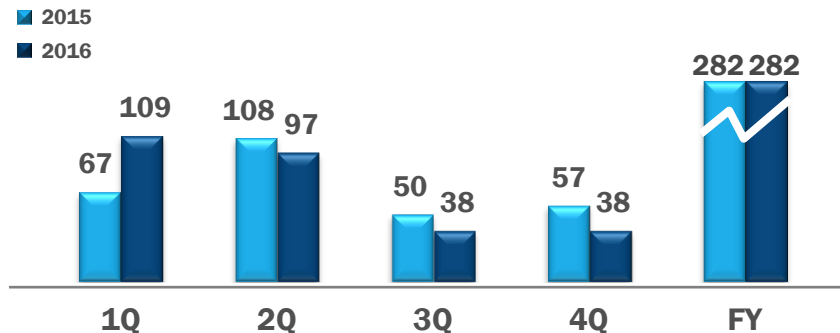
We delivered on key metrics in 2016



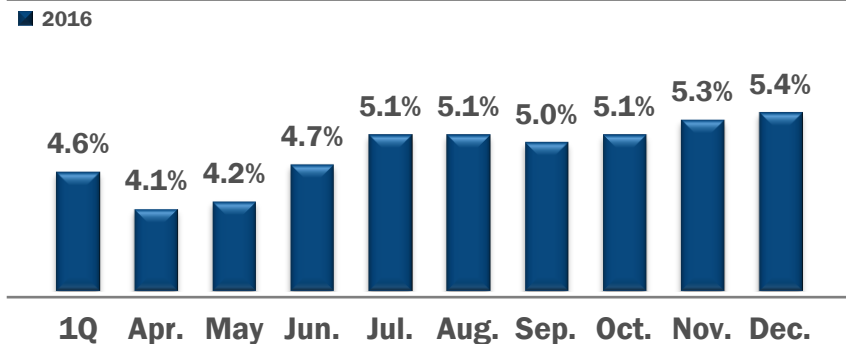
Ford U.S. Days Supply



Ford U.S. Rental Sales (000)



Ford China Share (Pct.)



- Achieved inventory targets post-Super Duty launch by managing production in line with demand
- Delivered FY rental volume in line with 2015, as guided earlier in the year
- Successfully increased China share post-April








We have defined our vision and strategy for 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	RISK	RETURNS	REWARDS
	 Revenue growth that drives profit growth	 Optimized risk profile	 ROIC > Cost of Capital and Margins 8% + Core, 20% New	 Top quartile shareholder returns

STRATEGIC PRIORITIES	FORTIFY		TRANSFORM		GROW		
	PROFIT PILLARS	LUXURY	SMALL VEHICLE	EMERGING MARKETS	ELECTRIFICATION	AUTONOMY	MOBILITY
							
	CORE				EMERGING		

KEY CAPABILITIES AND ORGANIZATION

Going forward, the core business will remain strong as we also invest in emerging opportunities; our focus will continue to be on the drivers of value



Our strategic priorities are focused on fortifying profit pillars, transforming underperforming parts of the business and growing emerging opportunities

FORTIFY

**Truck And Van
Commercial Vehicles
Utilities
Performance
Ford Credit
FCSD**

TRANSFORM

**Luxury
Small Vehicles
Emerging Markets**

GROW

**Electrification
Autonomy
Mobility**

Decision-Making Driven By Enhanced Capital Allocation Process

We are fortifying our profit pillars

TRUCKS, VANS AND COMMERCIAL VEHICLES



- 40 years of U.S. truck leadership with F-Series
- Commercial vehicle leader in Europe for the 2nd consecutive year
- Ranger the #1 selling midsize pickup in Europe, South Africa and New Zealand
- New Super Duty off to strong start with high average transaction price / mix
- Announced new F-150 with two new engines including diesel, ten-speed transmission, Wi-Fi hotspot and advanced emergency braking
- Electrifying F-150 and Transit Custom in Europe by 2020
- Announced plan to introduce Ranger in North America in 2019; to be built at Michigan Assembly plant

We are fortifying our profit pillars

UTILITIES



- Expanding SUVs globally
- All-new aluminum Expedition and Navigator to be introduced later this year
- Plan to introduce 5 new utilities by 2020 including all-new Bronco and fully electric small SUV
- Utilities to be our first EcoBoost-powered hybrids

We are fortifying our profit pillars



PERFORMANCE VEHICLES



FORD CREDIT / PARTS AND SERVICE



- Sold over 200,000 performance vehicles in 2016
- On track to deliver 12 new performance vehicles by end of the decade
- All-new F-150 Raptor being delivered to dealers
- Ford GT production extended through 2020 model year
- Announced Mustang Hybrid by 2020, delivering V-8 power with greater low-end torque
- Ford Credit remains a strategic asset to our auto business around the world, with class-leading services and a strong balance sheet
 - J.D. Power highest ranking for U.S. mass market and luxury customer financing for 2nd year in a row
- Growing parts and service business, including significant expansion of Quick Lane globally

We are transforming underperforming parts of the business



LINCOLN



SMALL VEHICLES IN DEVELOPED MARKETS



- Lincoln sales up 47% globally YoY – up 17% in the U.S. and nearly triple in China
- Expanded China dealer network to 65 in 2016
- Dramatically improved J.D. Power U.S. APEAL, U.S. IQS and U.S. Customer Sales and Service Satisfaction
- Launched Continental flagship; off to strong sales start
- Introducing all-new aluminum Navigator in 2017

- Introduced next-generation upscale Fiesta for Europe, underpinned by new Ka+ sourced from India
- Announced EcoSport for Europe sourced from low-cost Romania plant and EcoSport for NA sourced from India
- Canceling new Mexico plant; next-generation Focus to be built in existing Hermosillo plant

We are transforming underperforming parts of the business



EMERGING MARKETS



- In 2016, exited Indonesia market along with Japan
- Returned Ford ASEAN to profit
- Improved Russia business substantially, with further improvement expected in 2017
- In 2017, South America results begin to recover
- Middle East & Africa business expected to improve with focus on strengthening distribution, particularly in Middle East
- Re-evaluating business model for India

We are playing to our global strengths with electrification



ELECTRIFICATION



Play To Our Strengths

Build Brand & Credibility

Leverage Scale & Technology

Business Model Innovation



- **Playing to our global strengths** – trucks and commercial vehicles, vans, utilities and performance vehicles
- **Electrifying vehicles to provide more** – more capability, productivity and performance and better fuel economy
- **Announced 7 of 13 new electrified vehicles coming globally** – all-new long-range small utility BEV, new F-150 Hybrid, new Mustang Hybrid, new Transit Custom PHEV, two new police vehicles and the all-new AV Hybrid in 2021
- **Planning EcoBoost hybrids**, starting with utilities
- **Evaluating build of ultra-fast charging network in Europe** with other automakers
- **Announced new wireless charging pilot**; FordPass to help users reserve charging time
- **EV plan an essential part of mobility and autonomy plans**

We are progressing our autonomy growth plans

AUTONOMY



- Intend to produce a high-volume, Level 4 AV in 2021
- Compared to the first-generation vehicle, based on 2013 Fusion, new Fusion Hybrid vehicles features:
 - Two smaller LiDAR sensors rather than four, enhancing vehicle design and enabling the vehicle to see farther down the road
 - Seven cameras and more advanced radar to help the car see in a variety of situations such as rain, snow and fog
 - Most recent version of our virtual driver software takes advantage of the upgraded sensors and computer platform to make driving decisions in real-time
- Expanded AV fleet to 30 vehicles; 60 additional vehicles in 2017
- Expanding fleet testing to Europe
- Announced \$700 million investment in Flat Rock, Michigan for all-new BEV and high-volume AV Hybrid

We are growing mobility by developing services and related businesses to reduce transportation congestion and increase transportation capacity in dense cities

MOBILITY



- “Where to Play” and “How to Win” clearly understood
- **Building leadership capability and team** to innovate new mobility technologies, services and product concepts to accelerate Ford Smart Mobility value creation
- Ride sharing play – **expanding Chariot from 2 cities today to at least 8 by end of 2017 including one outside U.S.**
- **Building technology platforms** to support owned and shared models
- **Aggressively developing new products and services**, e.g., dynamic routing, digital payments, ride security, fleet services and systems compliance
- **Developing city prioritization list** to build relationships for Ford Smart Mobility products and services
- **Early indications point to 20+% margins in services and related businesses**

We are advancing connectivity as an enabling platform supporting core and emerging business growth opportunities

CONNECTIVITY



- Ford and Toyota establishing SmartDeviceLink consortium to promote industry-driven standard for in-vehicle apps
- Ford and Amazon Alexa to let vehicle occupants shop, search and access smart home features with voice commands
- Ford to add high-speed Wi-Fi hotspot to SYNC Connect to keep commuters and families connected on the go
- Ford SYNC AppLink developer program using hackathons to tap into latest trends for mobile payments, navigation, usage-based insurance, wearables and digital assistances

2017 OUTLOOK

GDP and industry volumes are expected to grow in 2017 and 2018 except for U.S. industry volume



	GDP Growth (Pct)			Industry (Mils)		
	2016	2017	2018	2016	2017	2018
Global	2.9%	3.4%	3.8%	91.2	93.1	95.2
U.S.	1.6%	2.2%	2.1%	17.9	17.7	17.5
Brazil	(3.7)%	0.5%	2.0%	2.1	2.1	2.6
Europe	1.5%	1.6%	1.9%	20.1	20.3	20.8
China	6.7%	6.7%	6.6%	26.4	27.2	27.1

11 global product launches are planned for 2017



**Fiesta
5-door**



F-150



**Focus
Electric**



**Fiesta
3-door**



EcoSport

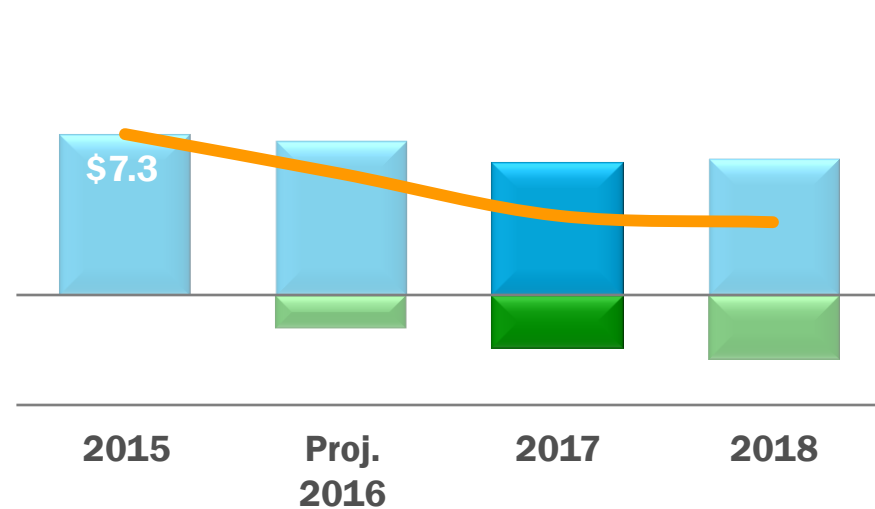
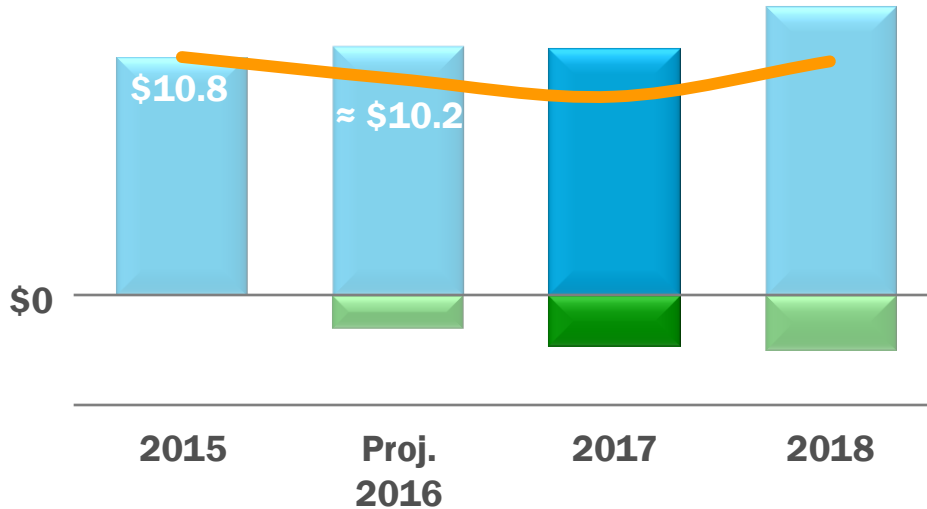
As previously guided, profit and cash flow remain strong in 2017 but are lower than 2016; profit strengthens in 2018



Total Company Adjusted Pre-Tax Profit (Bils)*

Auto Operating Cash Flow (Bils)*

■ Core — Total
■ Emerging



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

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

Consistent with previous guidance, 2017 Company outlook is generally lower than 2016 driven by investments in emerging opportunities



Total Company Adjusted Pre-Tax Results*



Adjusted EPS*



Automotive Segment Revenue



Automotive Segment Operating Margin



Automotive Segment Operating Cash Flow



Adjusted Effective Tax Rate* (Pct)

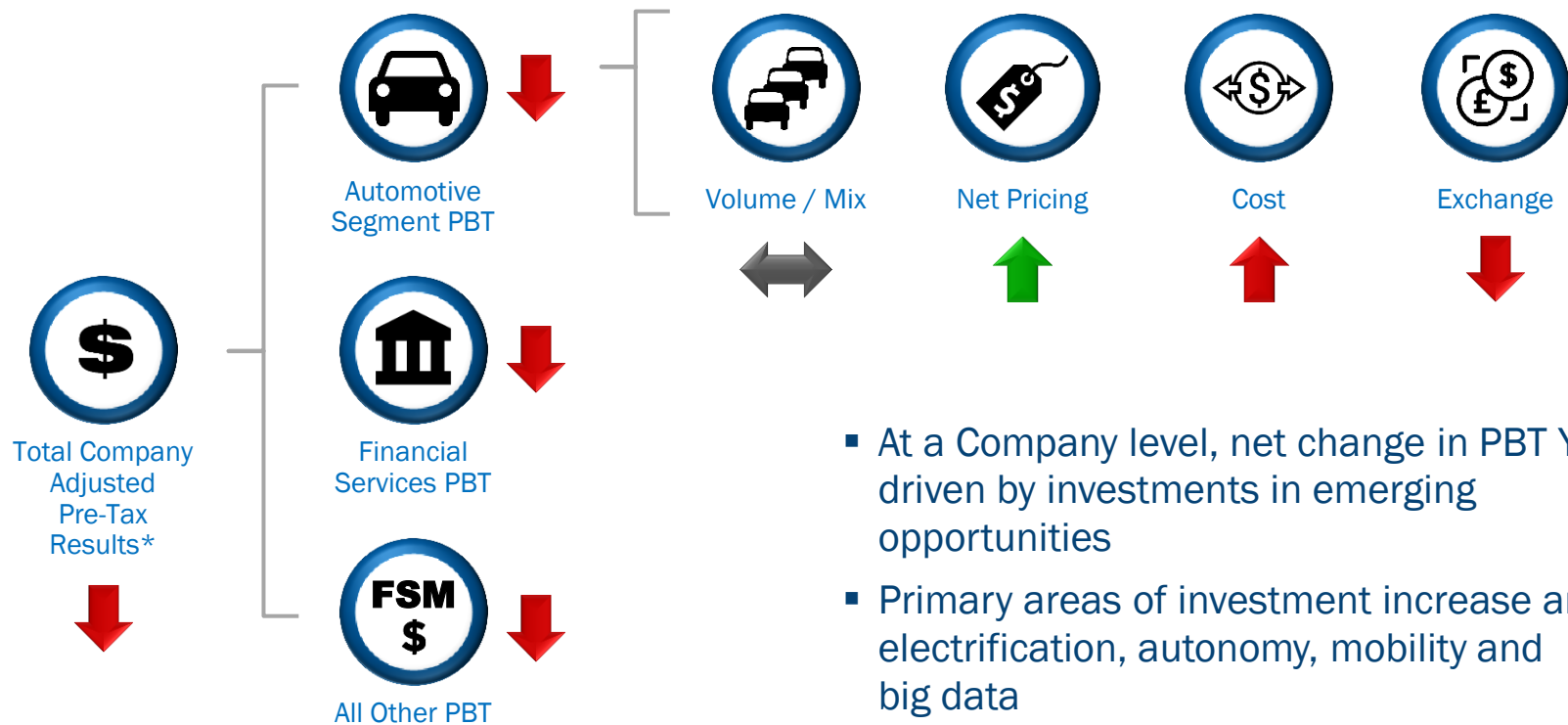
B/(W)
2016



* Excludes special items; see Appendix for definitions

These are the key factors driving YoY change in 2017

Company adjusted PBT



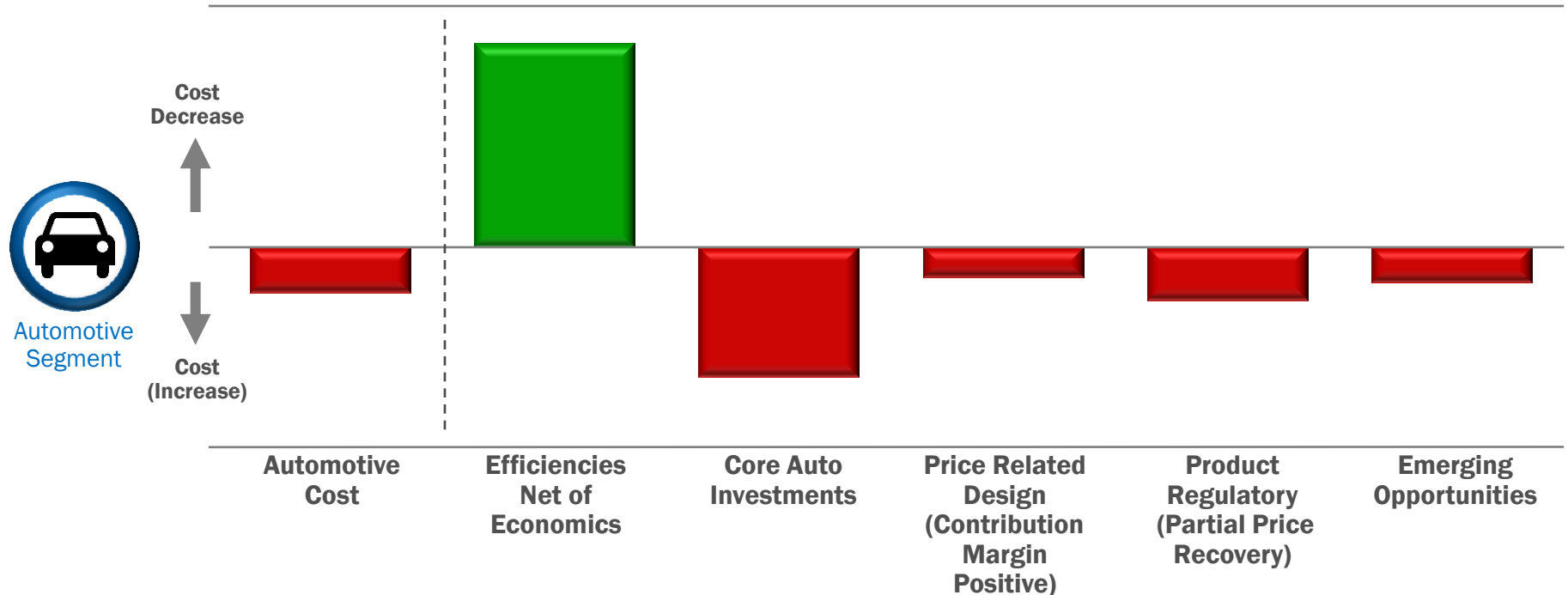
- At a Company level, net change in PBT YoY driven by investments in emerging opportunities
- Primary areas of investment increase are electrification, autonomy, mobility and big data

* Excludes special items; see Appendix for definitions

We expect Automotive costs to increase moderately in 2017 driven mainly by emerging opportunities; net efficiencies of approximately \$3 billion nearly offset all other costs



Year-Over-Year Cost Changes – 2017



This is our 2017 PBT outlook by business unit versus 2016. SA, MEA and AP to improve YoY; others to decline



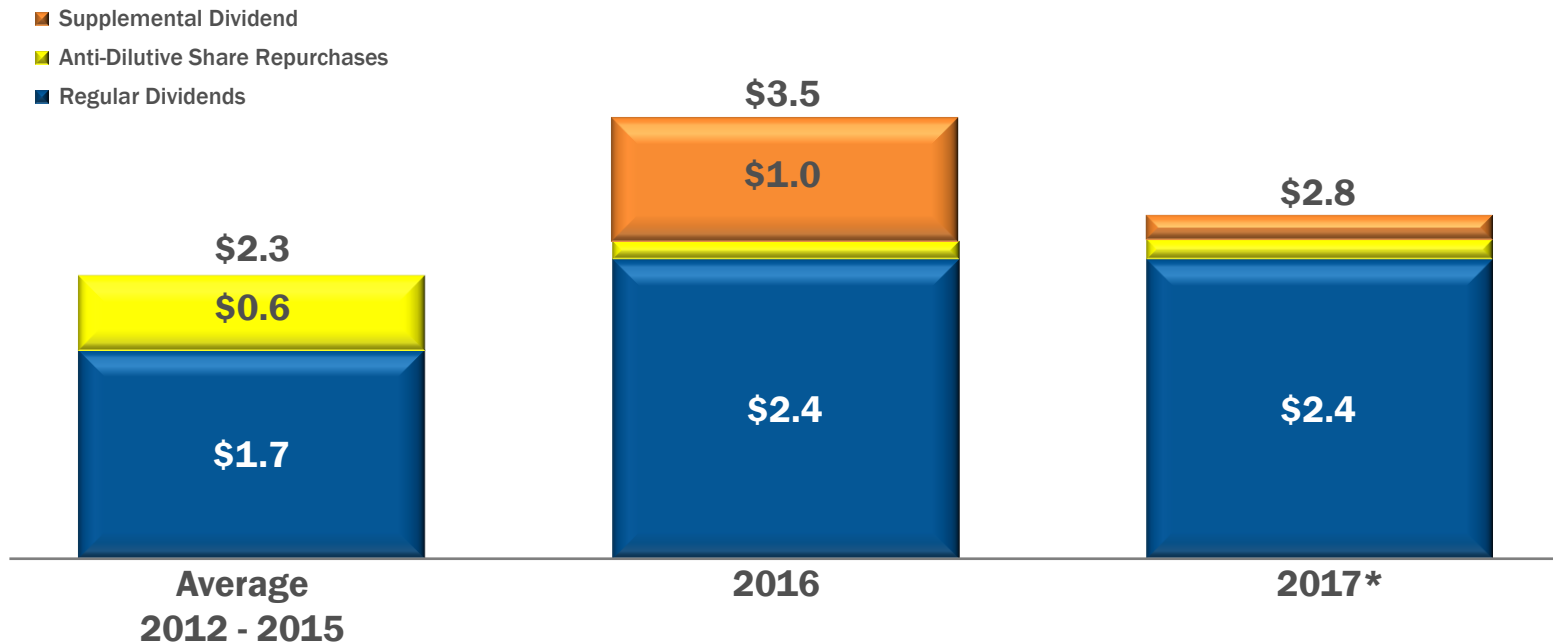
Automotive

	North America	South America	Europe	Middle East & Africa	Asia Pacific	Ford Credit	All Other
PBT B/(W) 2016							
	<ul style="list-style-type: none"> -- Volume, Mix -- Emerging Opps -- Commodities -- Exchange + Costs excl. Emerging Opps 	<ul style="list-style-type: none"> + Net Pricing + Volume -- Exchange -- Cost incl. Commodities 	<ul style="list-style-type: none"> -- Exchange (Brexit) -- Cost incl. Commodities + Net Pricing 	<ul style="list-style-type: none"> + Cost + Net Pricing + Exchange -- Volume, Mix 	<ul style="list-style-type: none"> + Volume, Mix + Costs excl. Emerging Opps -- Net Pricing -- Exchange -- Emerging Opps 	<ul style="list-style-type: none"> -- Residual Values 	<ul style="list-style-type: none"> -- Net Interest Expense (↑Auto Debt) -- Emerging Opps (FSM)

We are declaring a first quarter regular dividend of 15¢ per share and a supplemental dividend of 5¢ per share. We plan 2017 distributions of about \$2.8 billion

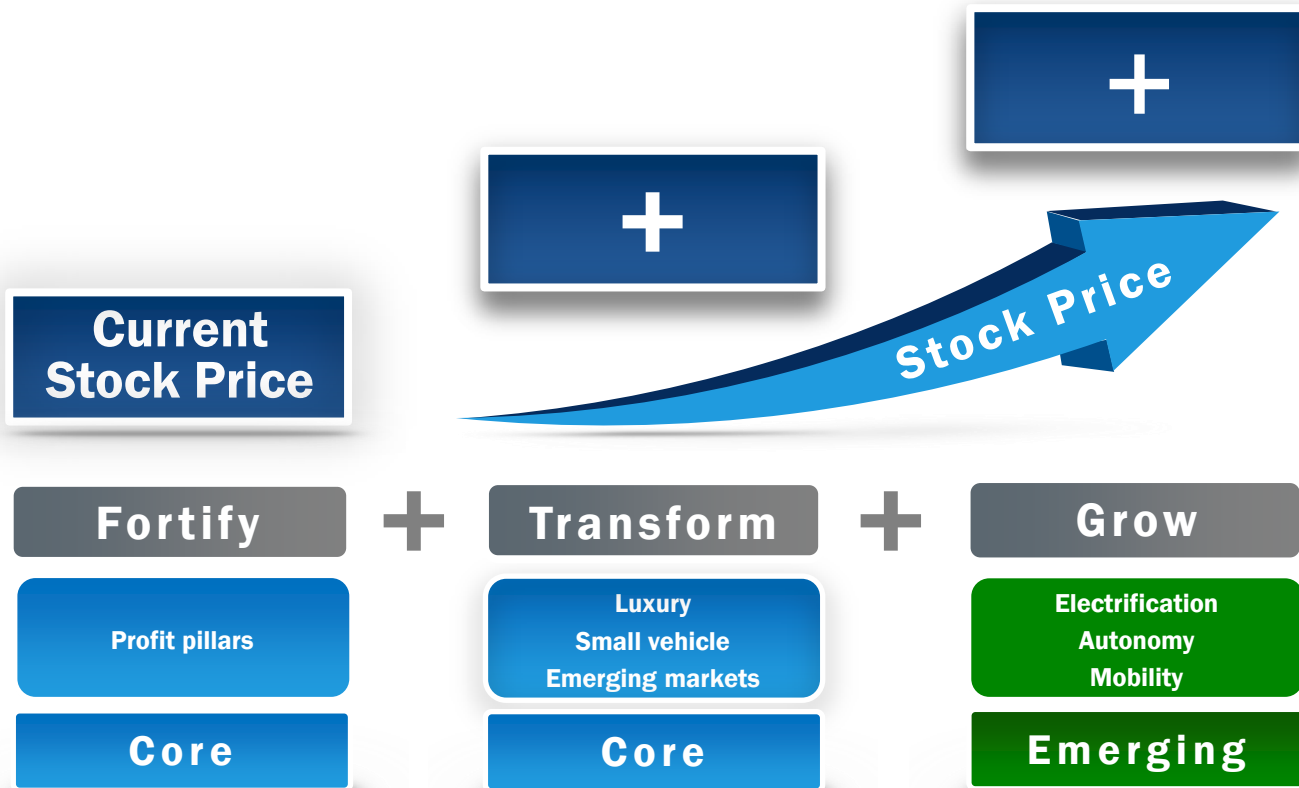


Shareholder Distributions (Bils.)



* Assumes 2017 regular dividends of \$0.15 per share per quarter

Ford is a solid investment with an attractive upside on emerging opportunities



Q&A

January 10, 2017

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.

APPENDIX

TOTAL COMPANY

Special Items



(Mils, except amounts per share data)

	<u>FY 2015</u>
<u>Pre-tax Special Items</u>	
Separation-related actions	\$ --
Japan / Indonesia market closure	--
Nemak IPO	150
Pension & OPEB remeasurement gains / (losses)	<u>(698)</u>
Total Pre-tax special items	<u><u>\$ (548)</u></u>
<u>Tax Special Items</u>	
Net tax effect of Pre-tax special items	\$ 205
Tax expense of entity restructurings	<u>--</u>
Total tax special items	<u><u>\$ 205</u></u>
<u>Memo:</u>	
Special items impact on earnings per share	\$ (0.09)

Net Income Reconciliation To Adjusted Pre-tax Profit



(Mils)

	<u>FY 2015</u>
Net income / (loss) attributable to Ford (GAAP)	\$ 7,373
Income / (loss) attributable to non-controlling interests	(2)
Net income	\$ 7,371
Less: (Provision for) / benefit from income taxes	(2,881)
Income before income taxes	\$ 10,252
Less: Special items pre-tax	(548)
Adjusted pre-tax profit / (loss) (Non-GAAP)	<u>\$ 10,800</u>

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 rereasurement 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.

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