



**Go Further**

***2012 THIRD QUARTER  
FIXED INCOME PRESENTATION***

***OCTOBER 30, 2012  
(PRELIMINARY RESULTS)***



# ***AGENDA***

- **Ford Credit performance**
- **Ford Credit funding and liquidity**
- **Automotive cash, debt and liquidity**
- **Summary**



## **FORD CREDIT OPERATING HIGHLIGHTS\***

- **Another strong performance with Third Quarter pre-tax profit of \$393 million, net income of \$355 million**
- **Managed receivables of \$87 billion at Quarter End, up \$2 billion from Year End 2011**
- **Third Quarter charge-offs down \$10 million versus prior year to \$35 million; loss-to-receivables ratio of 0.17%**
- **Quarter End credit loss reserve at \$416 million, or 0.48% of receivables**
- **Distributions of \$300 million in the Third Quarter**
- **Managed leverage of 8.0 to 1 at Quarter End**

\* See slide 3 and appendix for reconciliation to GAAP

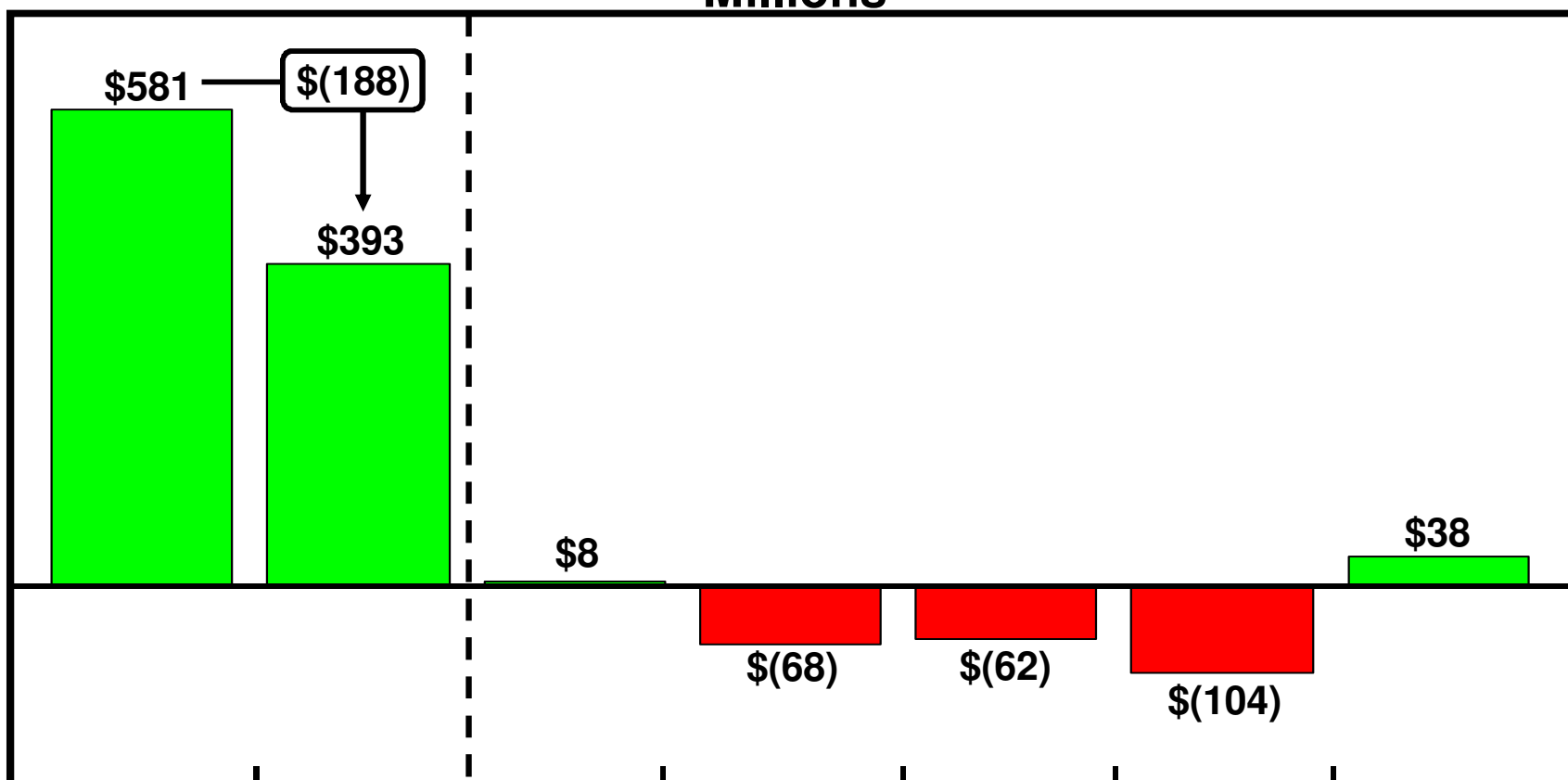


# FORD CREDIT

## 2012 THIRD QUARTER PRE-TAX RESULTS

### COMPARED WITH 2011

Millions



Memo:

B / (W) 2012 2Q

Receivables (Bils.)\*

Total  
Managed

2011  
3Q

\$80  
82

2012  
3Q

\$ 85  
87

Volume

\$(4)

Financing  
Margin

\$35

Credit  
Loss

\$(93)

Lease  
Residual

\$(29)

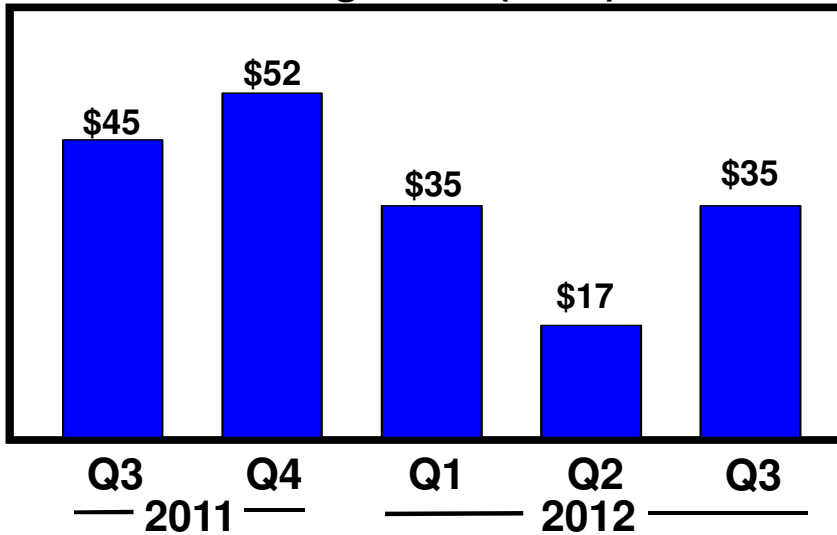
Other

\$46

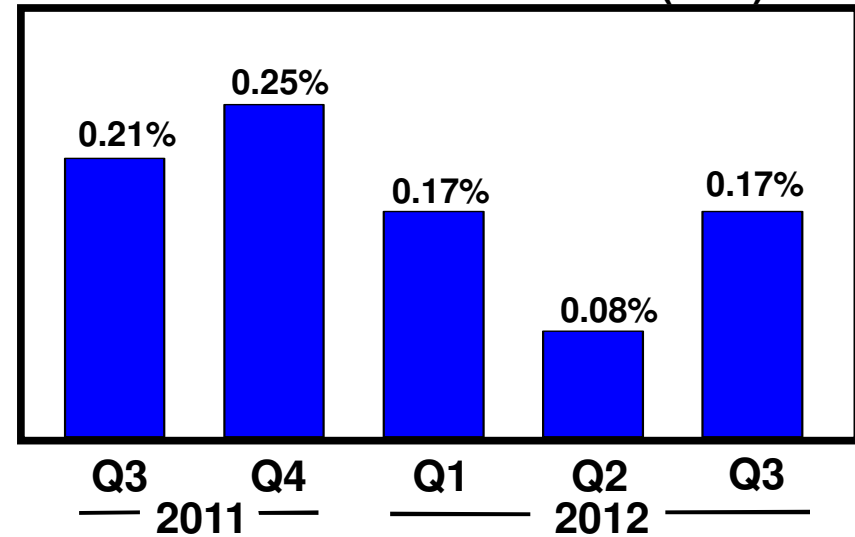
\* Total receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet. Managed receivables equal total receivables, excluding unearned interest supplements of \$(2) billion at September 30, 2011 and September 30, 2012

# WORLDWIDE CREDIT LOSS METRICS

**Charge-Offs (Mils.)**



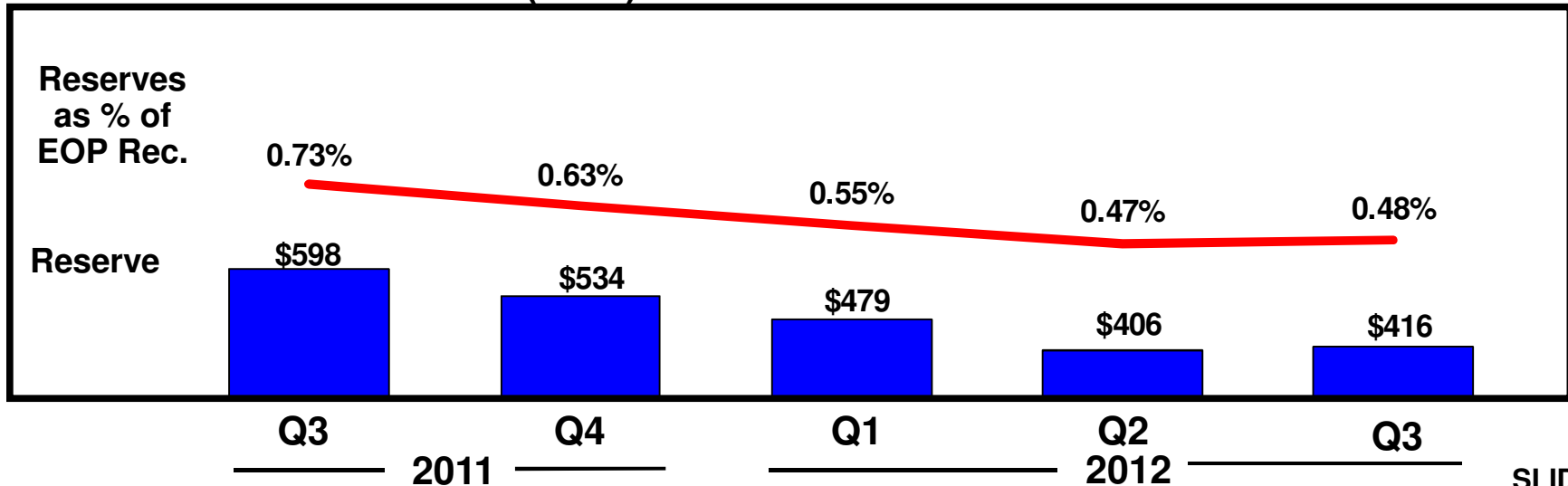
**Loss-to-Receivables Ratio (LTR)**



Memo: Retail & Lease

\$45      \$53      \$36      \$16      \$37

**Credit Loss Reserve (Mils.) and Reserves as a Pct. of EOP Receivables**

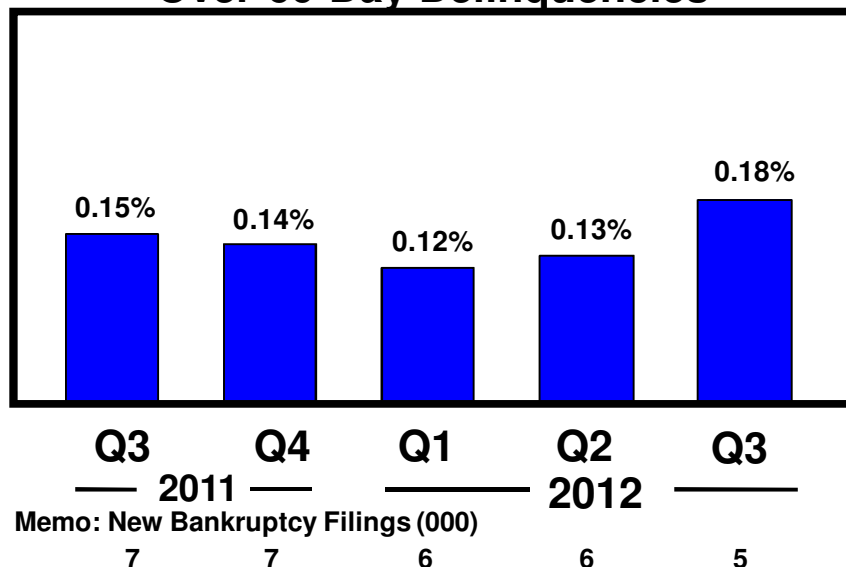




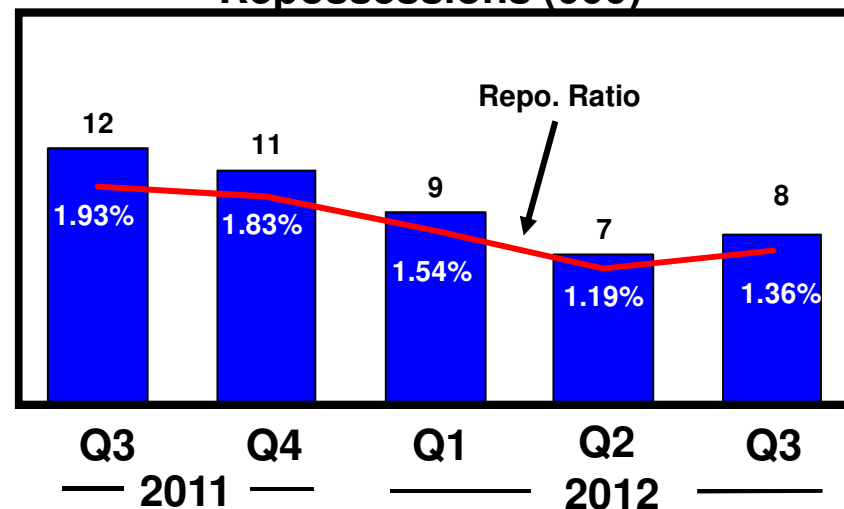
# FORD CREDIT

## U.S. RETAIL AND LEASE CREDIT LOSS DRIVERS

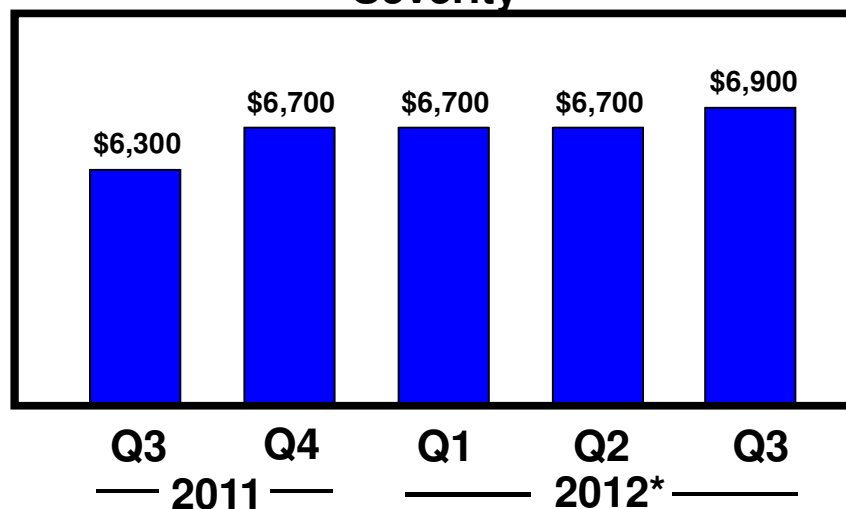
### Over-60-Day Delinquencies



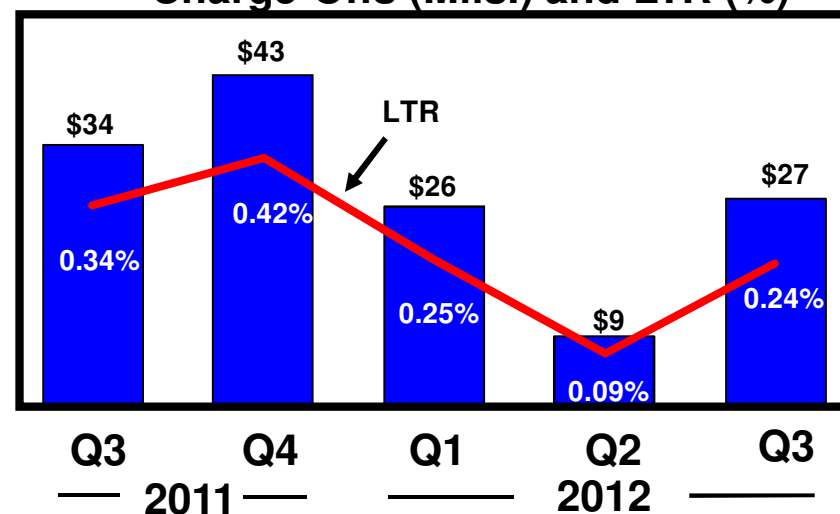
### Repossessions (000)



### Severity



### Charge-Offs (Mils.) and LTR (%)

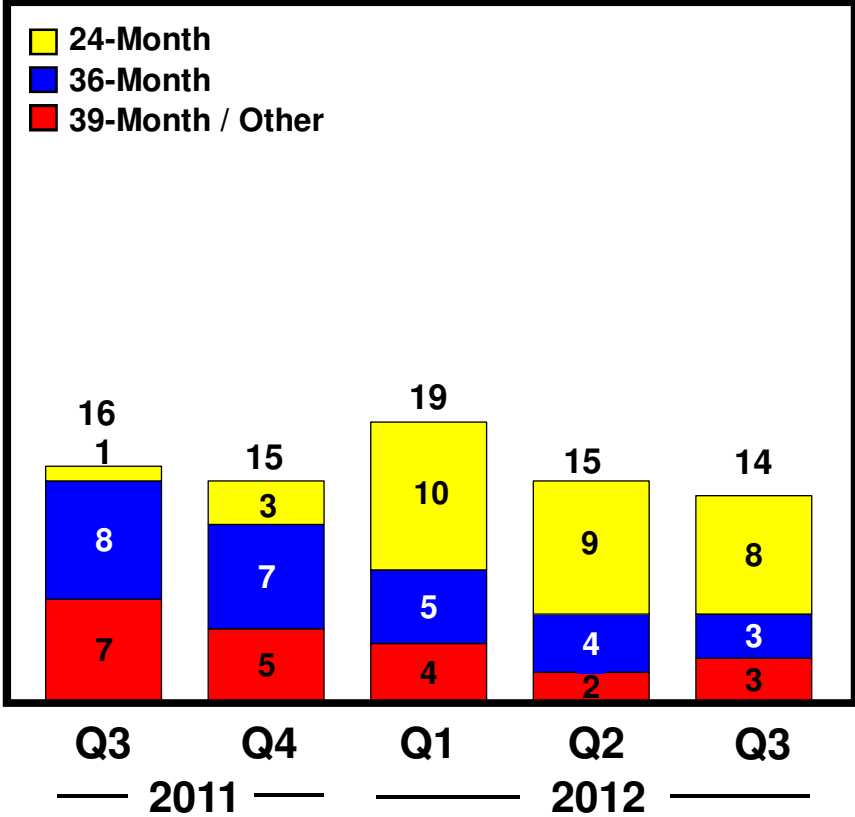


\* Reflects a change to include certain repossession expenses in charge-offs.

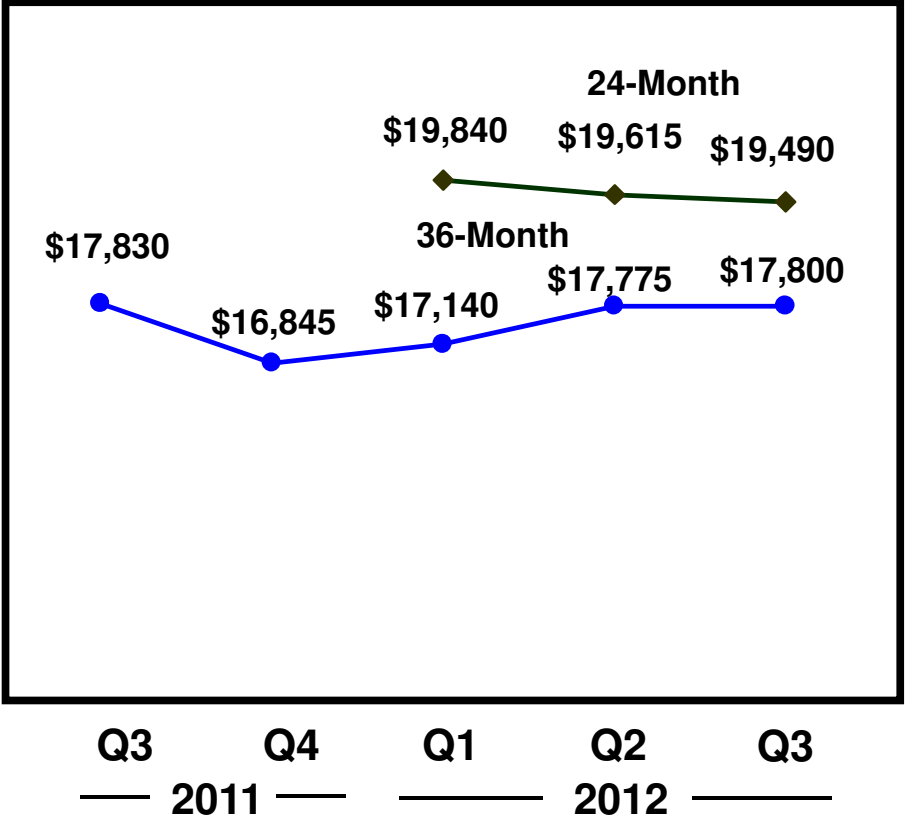


# FORD CREDIT U.S. LEASE RESIDUAL PERFORMANCE

Lease Return Volume (000)



Auction Values (At Q3 2012 Mix)



Memo: U.S. Return Rates

48%      58%      66%      59%      61%

Memo: Worldwide Net Investment in Operating Leases (Bils.)

\$10.4      \$11.1      \$11.9      \$12.9      \$14.0



## **FORD CREDIT FUNDING HIGHLIGHTS**

- **Our Full Year public term funding plan is largely complete with \$21 billion of funding year-to-date**
- **Issued \$6 billion of public term funding in the Third Quarter and an additional \$1 billion in October, including:**
  - **U.S. and European unsecured debt transactions totaling about \$3 billion**
  - **U.S. public asset-backed transactions totaling over \$4 billion**
- **Ended the quarter with about \$32 billion of committed capacity and renewed about \$2 billion in the Third Quarter**
- **Credit ratings upgraded to investment grade by DBRS. S&P revised its outlook to positive from stable**
- **Key elements of our funding strategy remain unchanged and our liquidity remains strong**

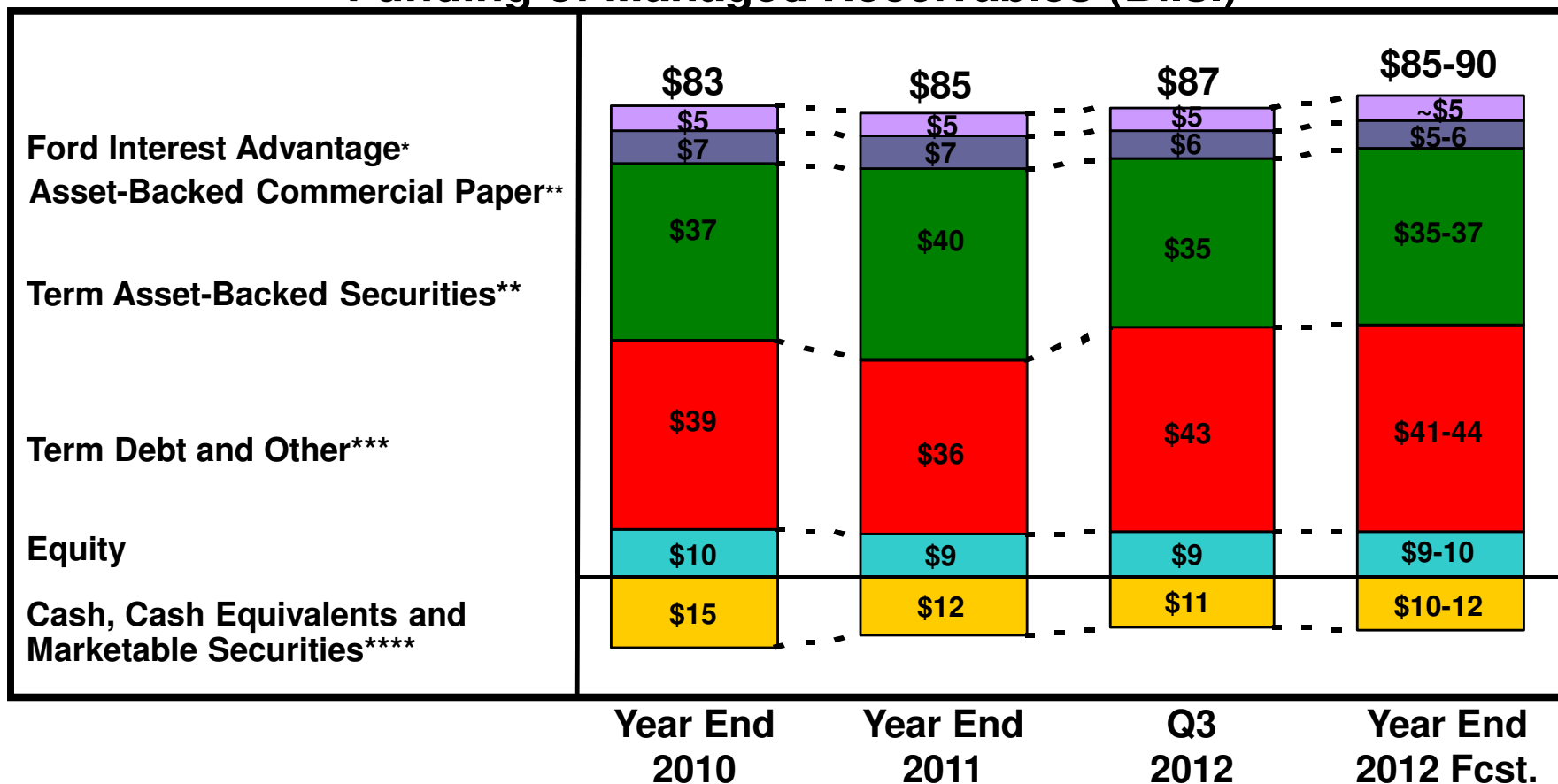




# FORD CREDIT

## FUNDING STRUCTURE

### Funding of Managed Receivables (Bils.)



**Securitized Funding as Percentage of Managed Receivables**

52%

55%

47%

~48%

\* The Ford Interest Advantage program consists of our floating rate demand notes

\*\* Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements

\*\*\* Includes \$1.1 billion of unsecured commercial paper in the U.S. in Q3 2012

\*\*\*\* Excludes marketable securities related to insurance activities

# FORD CREDIT PUBLIC TERM FUNDING PLAN



	2010	2011	2012	
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>YTD Actual*</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
Unsecured	\$ 6	\$ 8	\$ 9 – 10	\$ 9
Securitized <sup>**</sup>	<u>11</u>	<u>11</u>	<u>12 – 14</u>	<u>12</u>
<b>Total</b>	<b>\$ 17</b>	<b>\$ 19</b>	<b>\$ 21 – 24</b>	<b>\$ 21</b>

\* Includes transactions scheduled to settle through October 30, 2012

\*\* Includes Rule 144A offerings



# FORD CREDIT LIQUIDITY PROGRAMS

	2012		
	<u>June 30</u>	<u>Sept. 30</u>	
	(Bils.)	(Bils.)	
<b><u>Liquidity Sources*</u></b>			
Cash**	\$ 11.1	\$ 10.7	
Unsecured Credit Facilities	0.7	0.7	} Committed Capacity \$32.4 billion
FCAR Bank Lines	6.6	6.5	
Conduit / Bank ABS	<u>25.6</u>	<u>25.2</u>	
<b>Total Liquidity Sources</b>	<b>\$ 44.0</b>	<b>\$ 43.1</b>	
<b><u>Utilization of Liquidity</u></b>			
Securitization Cash***	\$ (3.4)	\$ (2.9)	
Unsecured Credit Facilities	-	-	
FCAR Bank Lines	(5.6)	(5.8)	
Conduit / Bank ABS	<u>(9.4)</u>	<u>(9.2)</u>	
<b>Total Utilization of Liquidity</b>	<b>\$ (18.4)</b>	<b>\$ (17.9)</b>	
<b>Gross Liquidity</b>	<b>\$ 25.6</b>	<b>\$ 25.2</b>	
<b>Capacity in Excess of Eligible Receivables</b>	<b>(4.0)</b>	<b>(4.4)</b>	
<b>Liquidity Available For Use</b>	<b><u>\$ 21.6</u></b>	<b><u>\$ 20.8</u></b>	

\* FCAR and Conduits subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; FCAR commercial paper must be supported by bank lines equal to at least 100% of the principal amount; conduits include committed securitization programs

\*\* Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities)

\*\*\* Securitization cash is to be used only to support on-balance sheet securitization transactions



# **AUTOMOTIVE SECTOR**

## **2012 AUTOMOTIVE FINANCIAL RESOURCES**

	<u>June 30</u> (Bils.)	<u>Sep. 30</u> (Bils.)
<b>Automotive Gross Cash*</b>	<b>\$ 23.7</b>	<b>\$ 24.1</b>
<b>Long-Term Debt</b>	<b>\$ (12.9)</b>	<b>\$ (12.9)</b>
<b>Debt Payable Within One Year</b>	<u><b>(1.3)</b></u>	<u><b>(1.3)</b></u>
<b>Total Debt</b>	<b>\$ (14.2)</b>	<b>\$ (14.2)</b>
<b>Net Cash**</b>	<u><u><b>\$ 9.5</b></u></u>	<u><u><b>\$ 9.9</b></u></u>
 <b>Memo: Liquidity***</b>	 <b>\$ 33.9</b>	 <b>\$ 34.4</b>

\* See Appendix for reconciliation to GAAP

\*\* Net cash is calculated as Automotive gross cash net of Automotive debt

\*\*\* As of September 30, 2012, total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$10.3 billion



# ***2012 THIRD QUARTER SUMMARY***

## **Ford\***

- **Record Total Company and Automotive Third Quarter pre-tax operating profits; positive Automotive operating-related cash flow; strong liquidity**
- **Pre-tax operating profit of \$2.2 billion and \$1.6 billion of net income**
- **Highest quarterly operating profit and margin in North America since at least 2000; positive results in South America and Asia Pacific Africa; substantial loss in Europe**
- **Ended the quarter with Automotive net cash of about \$10 billion and liquidity of about \$34 billion**

## **Ford Credit**

- **Strong pre-tax profit of \$393 million**
- **Managed receivables ended the quarter at \$87 billion**
- **Credit losses remain at or near historic lows**
- **Full Year public term funding plan is largely complete**
- **Ended the quarter with about \$21 billion of available liquidity**
- **Continued to support Ford business with \$300 million in distributions**

\* See Appendix for reconciliation to GAAP



# SAFE HARBOR

Statements included 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 or Europe, due to financial crisis, recession, geopolitical events, or other factors;
- Decline in market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of new or existing products;
- Market shift away from sales of larger, more profitable vehicles beyond our current planning assumption, particularly in the United States;
- An increase in fuel prices, 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 on our operations resulting from economic, geopolitical, or other events;
- Economic distress of suppliers that may require us to provide substantial financial support or take other measures to ensure supplies of components or materials and could increase our costs, affect our 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, information technology issues, production constraints or difficulties, or other factors);
- Single-source supply of components or materials;
- Labor or other constraints on our 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 our 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, reputational damage, 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 our products, perceived environmental impacts, or otherwise;
- A change in our requirements where we have long-term supply arrangements committing us 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 our 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 us or a third-party vendor, or at a supplier facility;
- Failure of financial institutions to fulfill commitments under committed credit 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 or other financial institutions seeking to increase their share of financing Ford vehicles; and
- New or increased credit, consumer, or data protection or other regulations resulting in higher costs and/or additional financing restrictions.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. For additional discussion of these risks, see Item 1A of Part I of Ford Credit's Annual Report on Form 10-K and Item 1A of Part I of Ford's Annual Report on Form 10-K for the year ended December 31, 2011.

# ***APPENDIX***



# AUTOMOTIVE SECTOR

## GROSS CASH RECONCILIATION TO GAAP

	2011		2012		
	<u>Sep. 30</u> (Bils.)	<u>Dec. 31</u> (Bils.)	<u>Mar. 31</u> (Bils.)	<u>June 30</u> (Bils.)	<u>Sep. 30</u> (Bils.)
Cash and cash equivalents	\$ 8.1	\$ 7.9	\$ 7.3	\$ 7.2	\$ 6.2
Marketable securities	<u>12.7</u>	<u>15.0</u>	<u>15.8</u>	<u>16.6</u>	<u>17.9</u>
Total cash and marketable securities	\$ 20.8	\$ 22.9	\$ 23.1	\$ 23.8	\$24.1
Securities in transit*	-	-	(0.1)	(0.1)	-
Gross cash	<u>\$ 20.8</u>	<u>\$ 22.9</u>	<u>\$ 23.0</u>	<u>\$ 23.7</u>	<u>\$24.1</u>

\* The purchase or sale of marketable securities for which the cash settlement was not made by period end and for which there was a payable or receivable recorded on the balance sheet at period end





# **AUTOMOTIVE SECTOR AUTOMOTIVE DEBT**

	<b>Dec. 31, 2011</b>	<b>2012</b>	
	<u>(Bils.)</u>	<u>June 30</u>	<u>Sep. 30</u>
		<u>(Bils.)</u>	<u>(Bils.)</u>
<b><u>U.S. Debt</u></b>			
- Public unsecured debt	\$ 5.2	\$ 5.4	\$ 5.4
- Convertible notes	0.7	0.8	0.8
- U.S. Dept. of Energy Loans / Ex-Im	<u>5.0</u>	<u>6.0</u>	<u>6.0</u>
<b>Total U.S. Debt</b>	<b>\$ 10.9</b>	<b>\$ 12.2</b>	<b>\$ 12.2</b>
<b><u>International / Other Debt</u></b>	<u>2.2</u>	<u>2.0</u>	<u>2.0</u>
<b>Total Automotive Debt</b>	<b><u>\$ 13.1</u></b>	<b><u>\$ 14.2</u></b>	<b><u>\$ 14.2</u></b>
<b>Memo: Debt payable within one year</b>	<b>\$ 1.0</b>	<b>\$ 1.3</b>	<b>\$ 1.3</b>



# TOTAL COMPANY INCOME / (LOSS) FROM CONTINUING OPERATIONS

	Third Quarter		First Nine Months	
	2011 (Mils.)	2012 (Mils.)	2011 (Mils.)	2012 (Mils.)
North America	\$ 1,550	\$ 2,328	\$ 5,302	\$ 6,471
South America	276	9	753	68
Europe	(306)	(468)	163	(1,021)
Asia Pacific Africa	(43)	45	(9)	(116)
Other Automotive	(138)	(139)	(463)	(408)
Total Automotive (excl. special items)	\$ 1,339	\$ 1,775	\$ 5,746	\$ 4,994
Special items -- Automotive	(98)	83	(431)	(406)
Total Automotive	\$ 1,241	\$ 1,858	\$ 5,315	\$ 4,588
Financial Services	605	388	1,913	1,291
Pre-tax results	\$ 1,846	\$ 2,246	\$ 7,228	\$ 5,879
(Provision for) / Benefit from income taxes	(194)	(613)	(620)	(1,810)
Net income / (loss)	\$ 1,652	\$ 1,633	\$ 6,608	\$ 4,069
Less: Income / (Loss) attributable to non-controlling interests	3	2	10	2
Net income / (loss) attributable to Ford	<u>\$ 1,649</u>	<u>\$ 1,631</u>	<u>\$ 6,598</u>	<u>\$ 4,067</u>
 Memo: Excluding special items				
Pre-tax results	\$ 1,944	\$ 2,163	\$ 7,659	\$ 6,285
(Provision for) / Benefit from income taxes	(579)	(587)	(2,327)	(1,928)
Less: Income / (Loss) attributable to non-controlling interests	3	2	10	2
After-tax results	<u>\$ 1,362</u>	<u>\$ 1,574</u>	<u>\$ 5,322</u>	<u>\$ 4,355</u>



# TOTAL COMPANY DEBT RATINGS

	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
<b><u>Issuer Ratings</u></b>				
Ford Motor	BB+	N/A	BBB-	BBB (low)
Ford Credit	BB+	N/A	BBB-	BBB (low)
FCE Bank plc	BBB-	N/A	BBB-	NR
<b><u>Senior Long-Term Unsecured</u></b>				
Ford Motor	BB+	Baa3	BBB-	BBB (low)
Ford Credit	BB+	Baa3	BBB-	BBB (low)
FCE Bank plc	BBB-	Baa3	BBB-	NR
<b><u>Short-Term Unsecured</u></b>				
Ford Credit	NR	P-3	F3	R-3
<b><u>Outlook</u></b>	Positive	Stable	Stable	Stable



# FORD CREDIT OPERATING HIGHLIGHTS

	Third Quarter		First Nine Months	
	2011	2012	2011	2012
<b>Financing Shares</b>				
<b>United States</b>				
Financing share -- Ford and Lincoln				
Retail installment and lease	38 %	42 %	36 %	39 %
Wholesale	79	77	81	78
<b>Europe</b>				
Financing share -- Ford				
Retail installment and lease	30 %	34 %	28 %	31 %
Wholesale	99	98	99	98
<b>Contract Placement Volume -- New and used retail / lease (000)</b>				
<b>North America Segment</b>				
United States	227	259	645	740
Canada	29	29	84	86
Total North America Segment	256	288	729	826
<b>International Segment</b>				
Europe	94	94	293	295
Other international	14	15	39	40
Total International Segment	108	109	332	335
Total Contract Volume	364	397	1,061	1,161



# FORD CREDIT

## NET FINANCE RECEIVABLES AND OPERATING LEASES

	Dec. 31, 2011 <u>(Bils.)</u>	Sep. 30, 2012 <u>(Bils.)</u>
<b>Receivables</b>		
<b>Finance receivables – North America Segment</b>		
<u>Consumer</u>		
Retail installment and direct financing leases	\$ 38.4	\$ 39.3
<u>Non-Consumer</u>		
Wholesale	15.5	15.6
Dealer loan and other	<u>2.1</u>	<u>2.2</u>
Total North America Segment – finance receivables	\$ 56.0	\$ 57.1
<b>Finance receivables – International Segment</b>		
<u>Consumer</u>		
Retail installment and direct financing leases	\$ 9.1	\$ 8.9
<u>Non-Consumer</u>		
Wholesale	8.5	7.0
Dealer loan and other	<u>0.4</u>	<u>0.4</u>
Total International Segment – finance receivables	\$ 18.0	\$ 16.3
Unearned interest supplements	(1.6)	(1.5)
Allowance for credit losses	<u>(0.5)</u>	<u>(0.4)</u>
<b>Finance receivables, net</b>	\$ 71.9	\$ 71.5
<b>Net investment in operating leases</b>	<u>11.1</u>	<u>14.0</u>
<b>Total receivables</b>	<u>\$ 83.0</u>	<u>\$ 85.5</u>
 <b>Memo:</b>		
<b>Total managed receivables*</b>	\$ 84.6	\$ 87.0

\* Total receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet. Managed receivables equal total receivables, excluding unearned interest supplements of \$(1.6) billion at December 31, 2011 and \$(1.5) billion September 30, 2012.



# **FORD CREDIT**

## **RECONCILIATION OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE**

	<u>Dec. 31,</u> <u>2011</u>	<u>Sep. 30,</u> <u>2012</u>
	(Bils.)	(Bils.)
<b><u>Leverage Calculation</u></b>		
<b>Total Debt*</b>	<b>\$ 84.7</b>	<b>\$ 84.7</b>
<b>Adjustments for Cash, Cash Equivalents, and Marketable Securities*</b>	<b>(12.1)</b>	<b>(10.7)</b>
<b>Adjustments for Derivative Accounting**</b>	<b><u>(0.7)</u></b>	<b><u>(0.9)</u></b>
<b>Total Adjusted Debt</b>	<b><u>\$ 71.9</u></b>	<b><u>\$ 73.1</u></b>
<b>Equity***</b>	<b>\$ 8.9</b>	<b>\$ 9.4</b>
<b>Adjustments for Derivative Accounting**</b>	<b><u>(0.2)</u></b>	<b><u>(0.3)</u></b>
<b>Total Adjusted Equity</b>	<b><u>\$ 8.7</u></b>	<b><u>\$ 9.1</u></b>
<b>Financial Statement Leverage (to 1)</b>	<b>9.5</b>	<b>9.0</b>
<b>Managed Leverage (to 1)****</b>	<b>8.3</b>	<b>8.0</b>

\* Excludes marketable securities related to insurance activities

\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings

\*\*\* Shareholder's interest reported on Ford Credit's balance sheet

\*\*\*\* Equals total adjusted debt over total adjusted equity