

1Q 2016 EARNINGS REVIEW

April 28, 2016

Ford



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FINANCIAL HEADLINES



Total Company
Pre-Tax Results*



Total Company
Revenue



Global
Market Share



Automotive
Operating Margin*



Automotive Operating-
Related Cash Flow*

1Q 2016

\$3.8B

\$37.7B

7.1%

9.8%

\$2.7B

B/(W)
1Q 2015

\$2.1B ↑

\$3.8B ↑

0.2 pts ↑

5 pts ↑

\$2.2B ↑

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

All-Time Record Quarter; Strong Performance Across The Business

CREATING VALUE



PROGRESS THIS QUARTER



GROWTH

- Grew top line – volume, revenue and global market share
- Announced new Fusion; launched all-new Focus RS; announced plans for four all-new SUVs; introduced all-new Lincoln Continental
- Announced Ford Smart Mobility initiatives including FordPass and FSM LLC



RETURNS

- Record Company pre-tax profit and 1Q Auto operating-related cash flow
- More than doubled net income, operating EPS and Auto operating margin
- Announced investment to assemble EcoSport in Craiova, Romania
- Began implementation of exit plans for Japan and Indonesia



RISK

- Operations outside NA profitable in total and improved YOY
- Upgraded by Moody's, S&P and DBRS



REWARDS

- Distributed \$1.7B to shareholders
- Distributions included supplemental dividend of \$1B

OTHER HIGHLIGHTS



2016 Ford F-150 Consumer Reports **Top Pick**; **SuperCab** and **SuperCrew** earned **IIHS Top Safety Pick**



First automaker to test **autonomous driving in the snow**



Ford a 2016 World's **Most Ethical Company** by Ethisphere Institute – **7th year in a row**



Announced **FordPass** – a digital, physical and personal **mobility experience platform**



China 1Q **Lincoln** sales **up three-fold** compared to a year ago



Launched **Ford Credit Link** – where **multiple customers can lease** a Ford vehicle **together**

BUSINESS ENVIRONMENT

- Global GDP growth for 2016 expected to be in 3.1 - 3.5% range
 - Favorable conditions for industry sales in the U.S.; consumer confidence supported by healthy labor market conditions
 - Ongoing recovery in Europe
 - China growth supported by stimulus measures
- Strong U.S. dollar; low oil and other commodity prices
- Brazil and Russia remain under pressure

FINANCIAL REVIEW

KEY FINANCIAL SUMMARY

	1Q 2016	B / (W) 1Q 2015
Wholesales (000)	1,720	152
Revenue (Bils)	\$37.7	\$3.8
<u>Operating results*</u>		
Automotive sector pre-tax results	\$3,338	\$2,028
Financial Services sector pre tax-results	499	30
Total Company pre-tax results (Mils)	\$3,837	\$2,058
After-tax results (Mils)	2,704	1,551
Operating earnings per share	0.68	0.39
<u>Special items pre-tax (Mils)</u>	\$(186)	\$(186)
<u>Net income attributable to Ford</u>		
After-tax results (Mils)	\$2,452	\$1,299
Earnings per share	0.61	0.32
<u>Automotive</u>		
Operating-related cash flow (Bils)*	\$2.7	\$2.2
Cash (Bils)	\$24.3	\$4.8
Debt (Bils)	(13.0)	0.4
Net cash (Bils)	<u>\$11.3</u>	<u>\$5.2</u>

Strong start for the year

**Wholesale volume up 10%;
revenue up 11%, 15% at
constant exchange**

More than doubled:

- **Company pre-tax profit**
- **Operating EPS**
- **Net income**

**Record 1Q auto operating-
related cash flow**

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

TOTAL COMPANY

1Q 2016 PRE-TAX RESULTS* (MILS)



All-time record quarterly Company profit

All-time record quarterly North America profit

Best quarterly profit in Europe since 2008

Auto operations outside of NA profitable in total

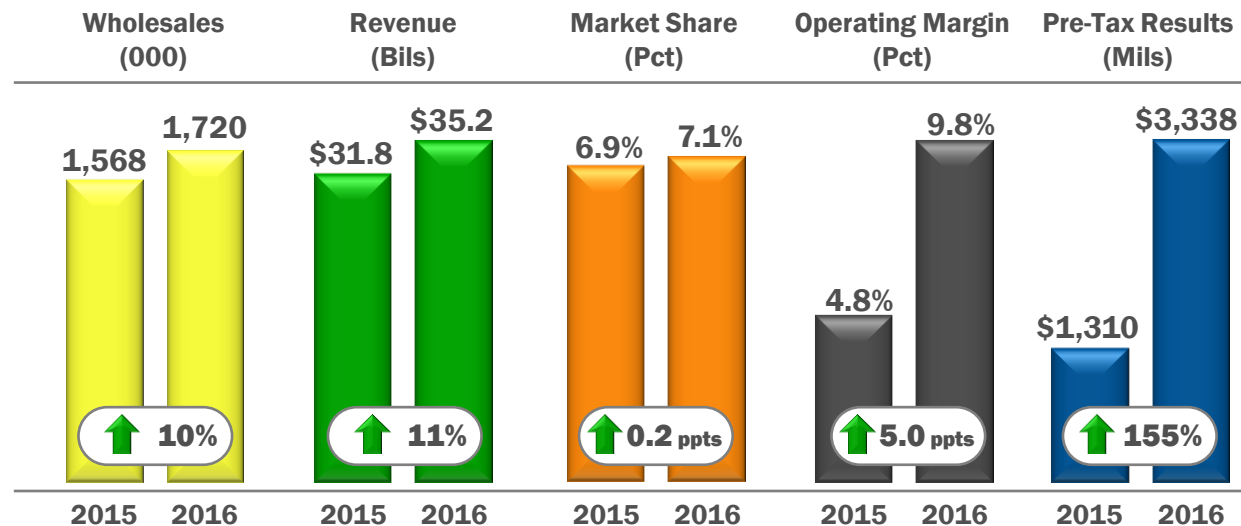
Strong Financial Services profit

B / (W) 1Q 2015	\$2,058	\$1,511	\$(67)	\$476	\$(93)	\$115	\$86	\$30
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* Excludes special items; see Appendix for detail, reconciliation to GAAP, and definitions

AUTOMOTIVE SECTOR

1Q 2016 KEY METRICS*



All metrics strong and improved

Top line up YOY

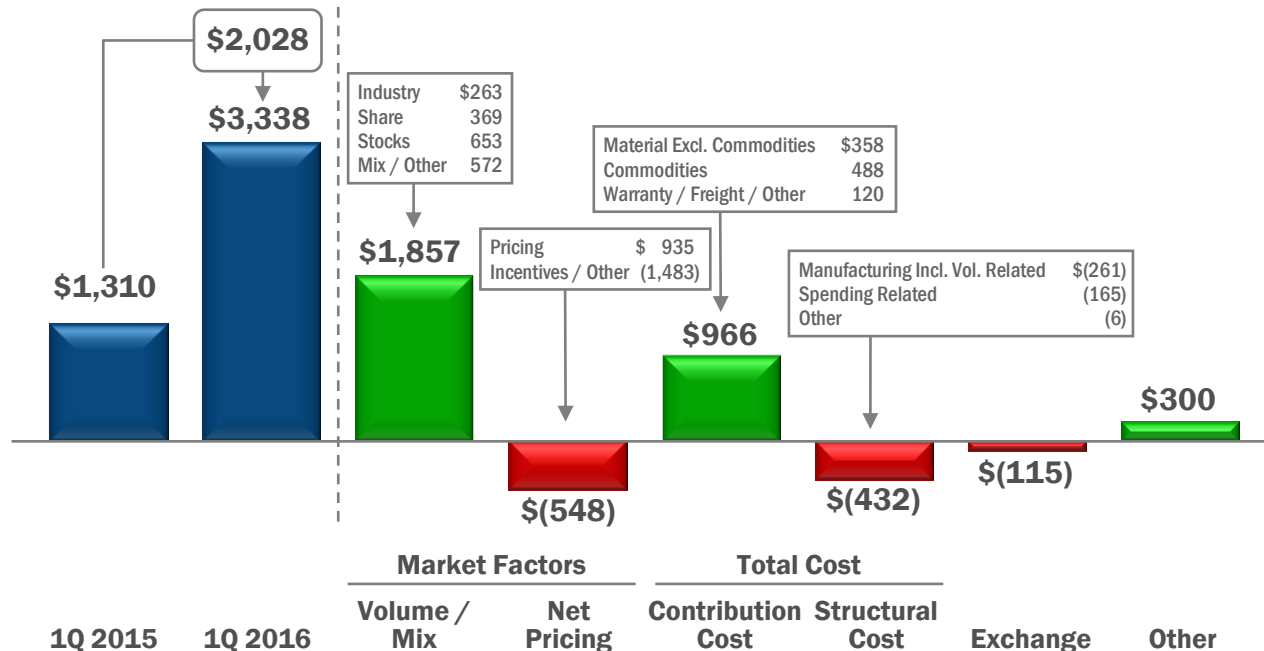
Global market share increased driven by NA, Europe and AP

Global SAAR up 3%

Operating margin and Auto profit more than doubled

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

1Q 2016 PRE-TAX RESULTS* (MIL\$)

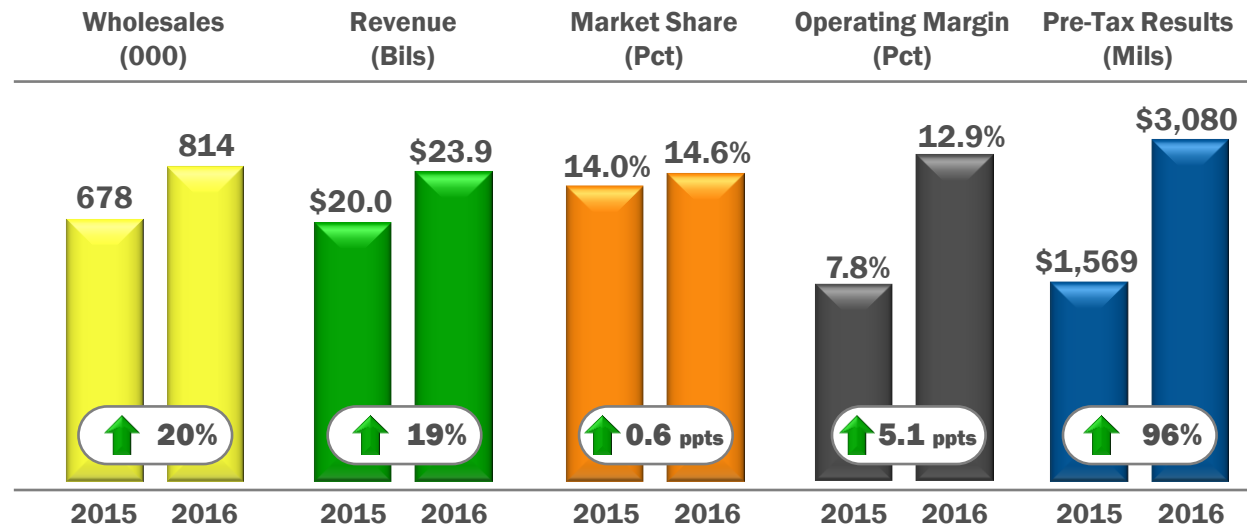


Profit gain driven by higher volume, favorable mix and lower costs

Net pricing lower driven by NA due mainly to one-time stock accrual effect

AUTOMOTIVE SECTOR – NORTH AMERICA

1Q 2016 KEY METRICS



Strong performance across the board

Wholesale volume and revenue sharply higher

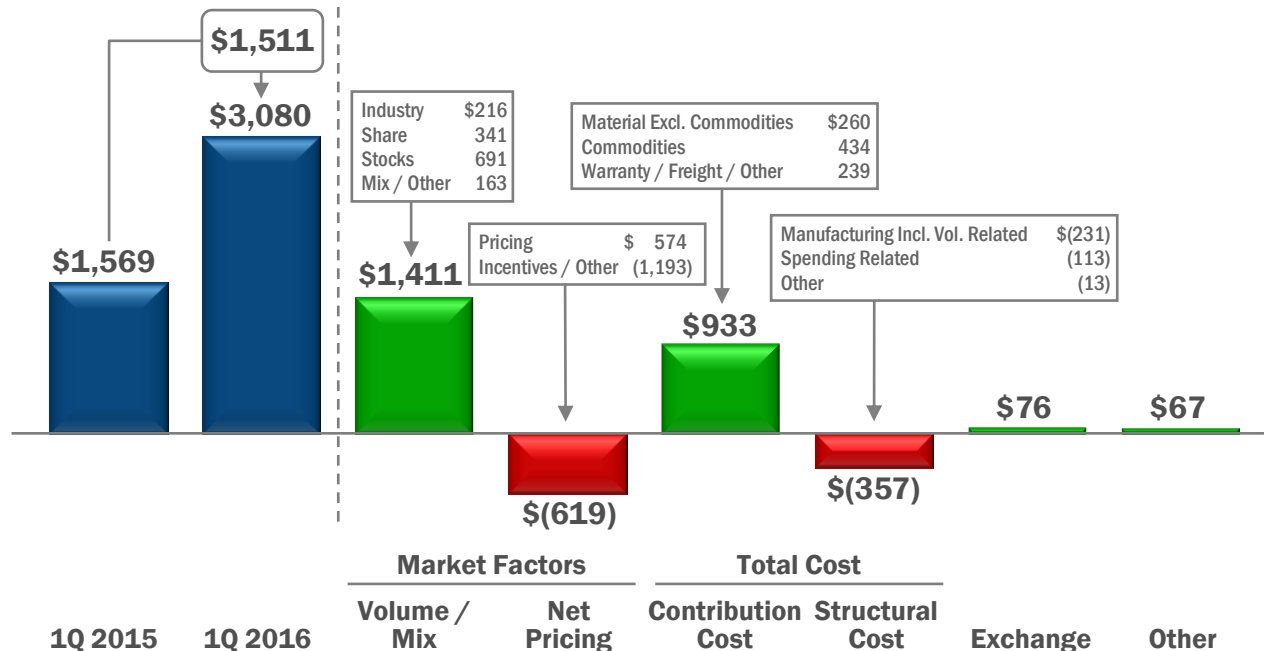
Market share up – strong fleet sales driven by SUVs, Transit and F-Series

NA SAAR higher YOY driven by U.S., at 17.5M units

Record quarterly operating margin and profit

AUTOMOTIVE SECTOR – NORTH AMERICA

1Q 2016 PRE-TAX RESULTS (MILS)



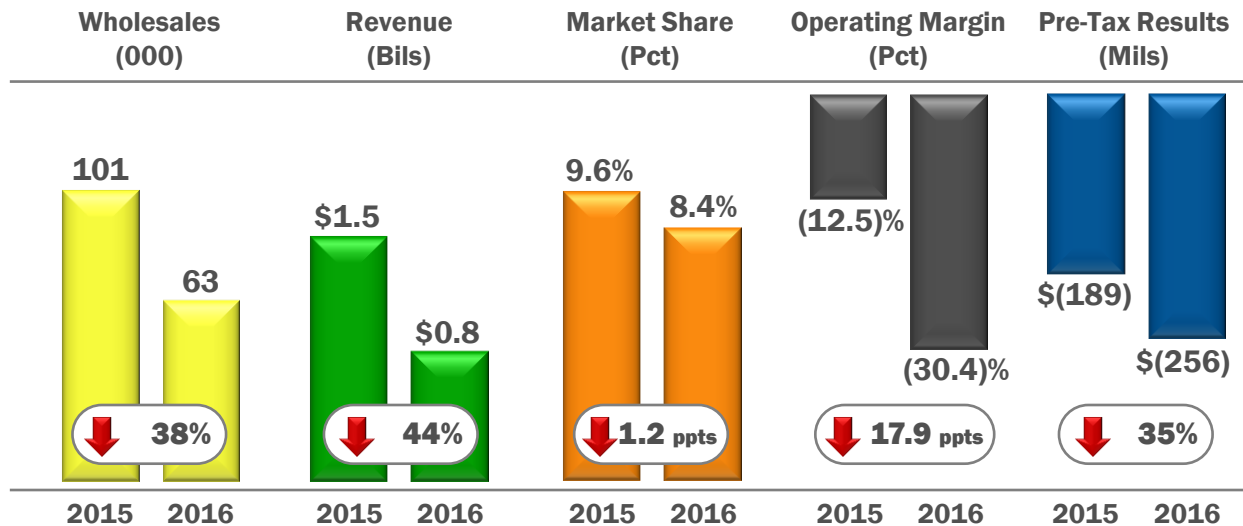
Profit improvement due to higher volume, favorable mix and lower costs

Favorable stocks and about 40% of incentives increase (stock accrual) driven by normalization of F-150

Average U.S. retail transaction prices higher due to mix and pricing net of incentives

AUTOMOTIVE SECTOR – SOUTH AMERICA

1Q 2016 KEY METRICS



Results driven by difficult external conditions

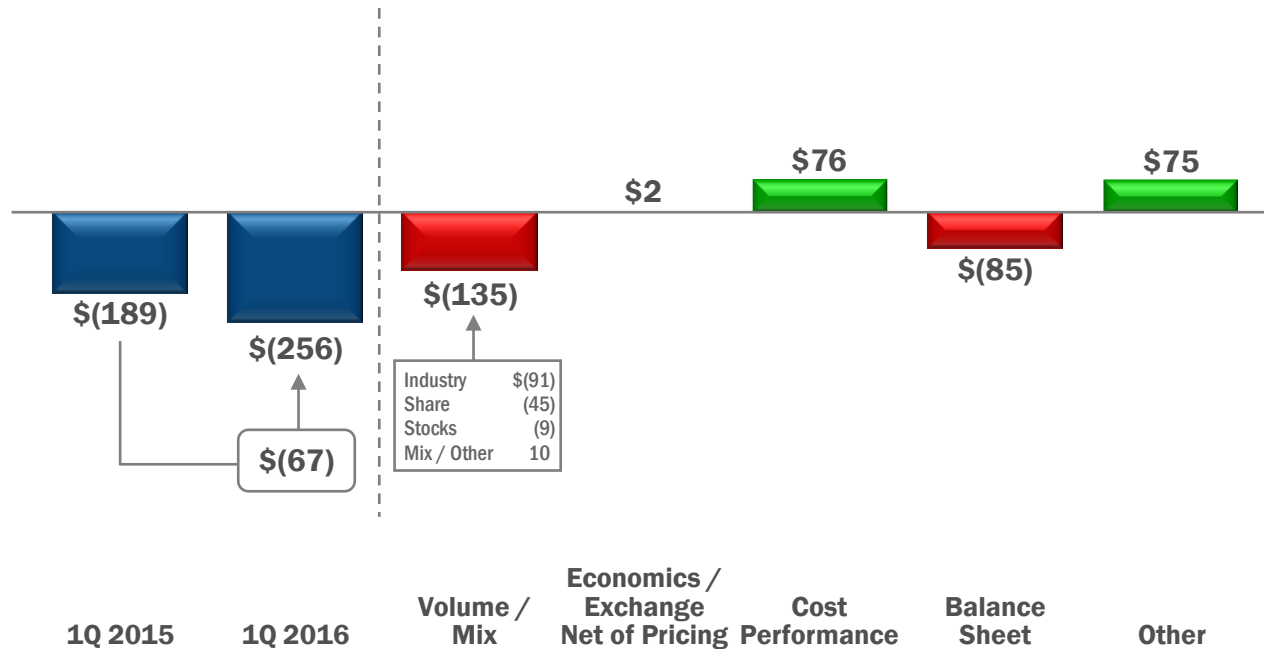
Top line down sharply – industry and exchange

Market share down – focused on profitable share amid higher industry discounts

SA and Brazil SAARs at very low levels

AUTOMOTIVE SECTOR – SOUTH AMERICA

1Q 2016 PRE-TAX RESULTS (MILS)



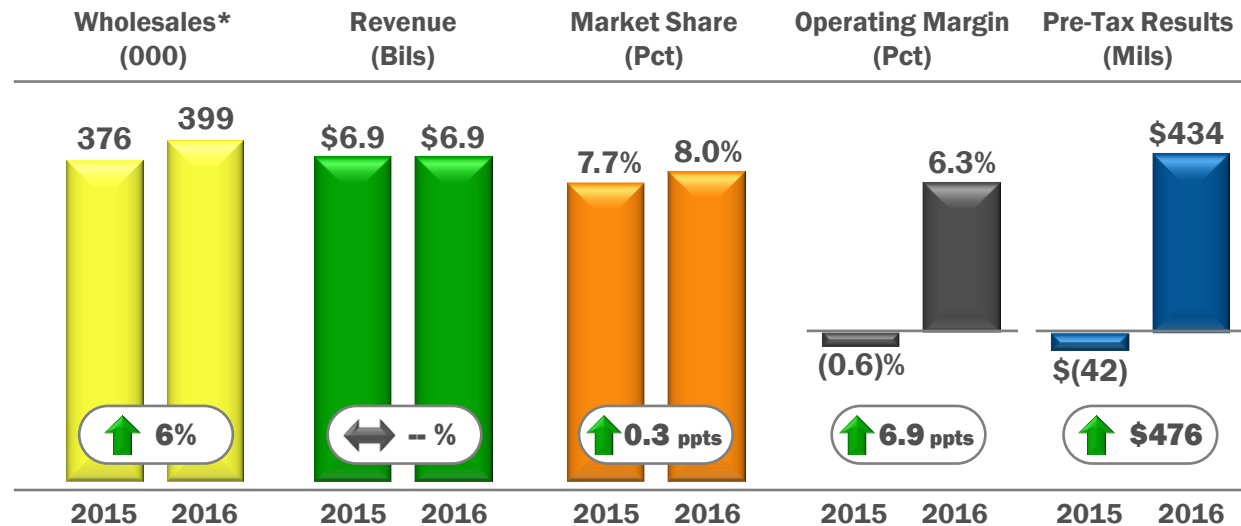
Higher loss due to lower industry – Brazil down 29%

Cost performance continued to be favorable

Removed 3rd crew at Camaçari during the quarter

AUTOMOTIVE SECTOR – EUROPE

1Q 2016 KEY METRICS



Europe Transformation Strategy is delivering

Top line grew – revenue up 6% at constant exchange

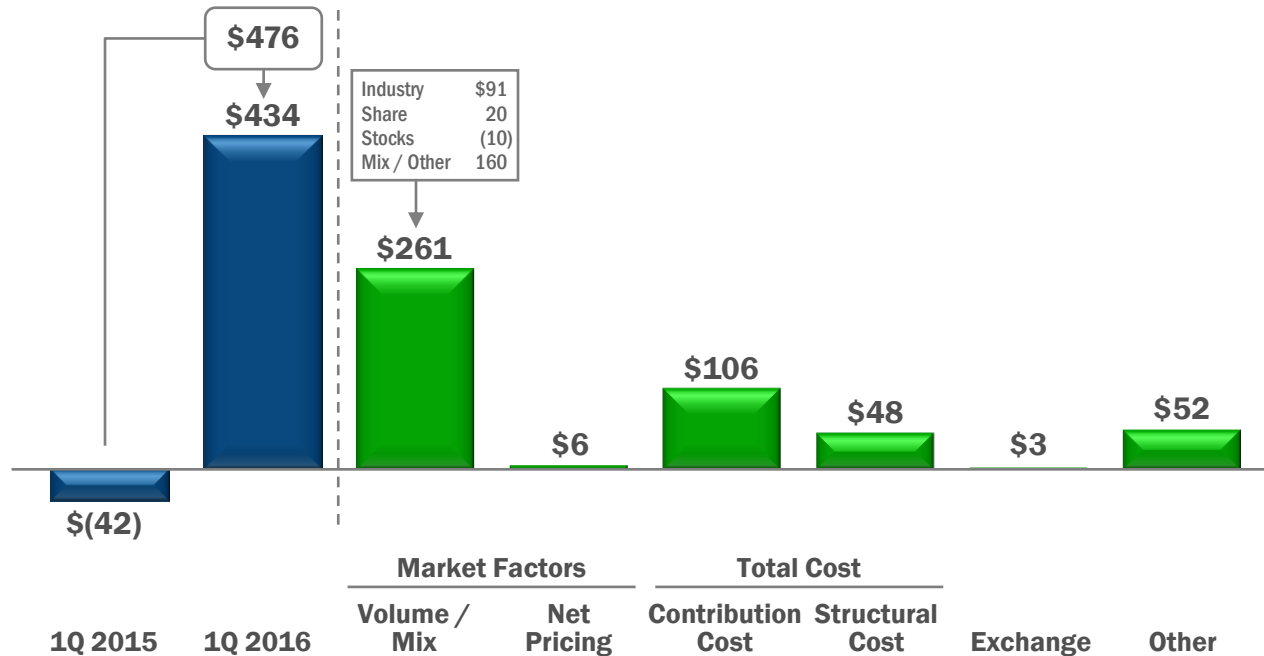
Share higher – driven by commercial vehicles and SUVs

Europe SAAR improved

Operating margin >6%; strong quarterly profit exceeded FY 2015

* Includes Ford brand vehicles produced and sold by our unconsolidated affiliate in Turkey (about 17,000 units in 1Q 2015 and 14,000 units in 1Q 2016). 2015 includes about 5,000 Ford brand vehicles produced and sold by our previously unconsolidated affiliate in Russia. Revenue does not include these sales

1Q 2016 PRE-TAX RESULTS (MILS)



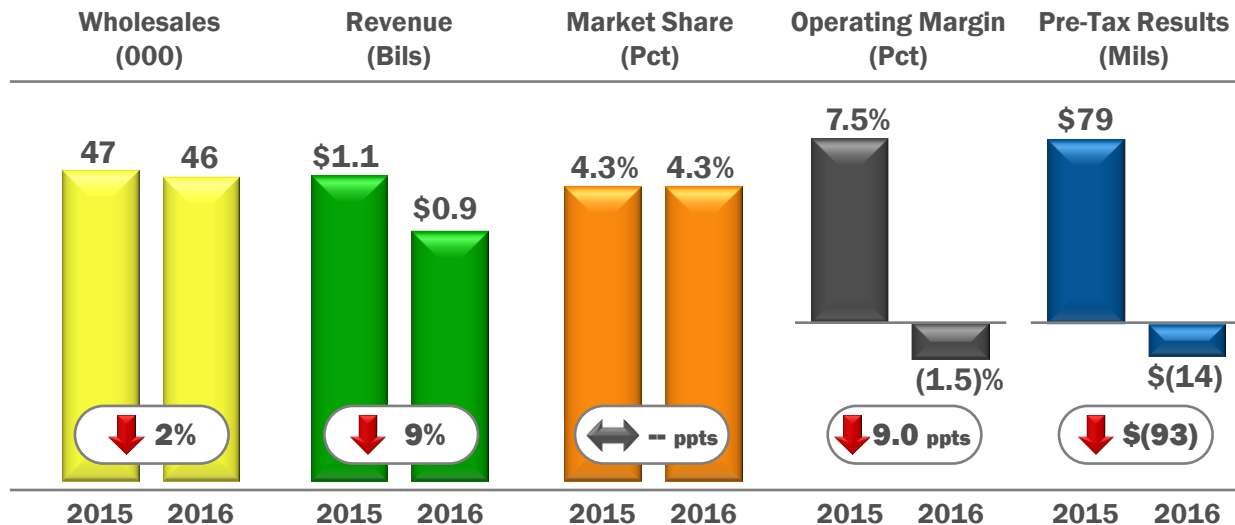
Every part of the business improved

Favorable mix driven by SUVs and commercial vehicles

Reduced both contribution and structural costs

AUTOMOTIVE SECTOR – MIDDLE EAST & AFRICA

1Q 2016 KEY METRICS

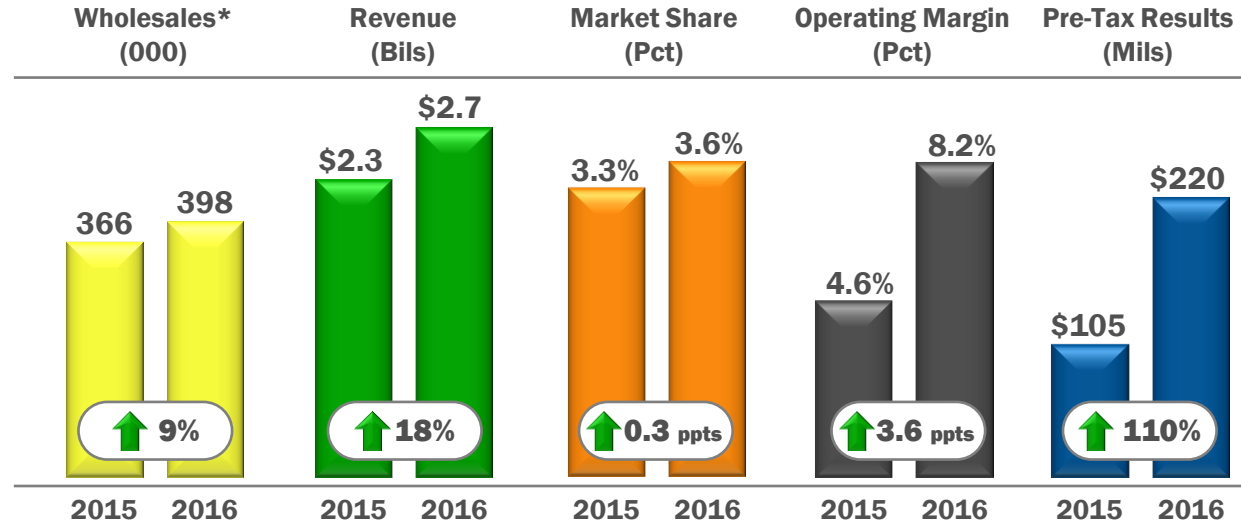


Results adversely impacted by weak currencies, low oil prices and political strife

Decline in operating margin and profit mainly reflects exchange

AUTOMOTIVE SECTOR – ASIA PACIFIC

1Q 2016 KEY METRICS



Another strong quarter driven by new products

Top line grew – revenue up 25% at constant exchange

Market share up – China share of 4.5% up 0.2 pts

AP and China SAARs each improved 2M units or more

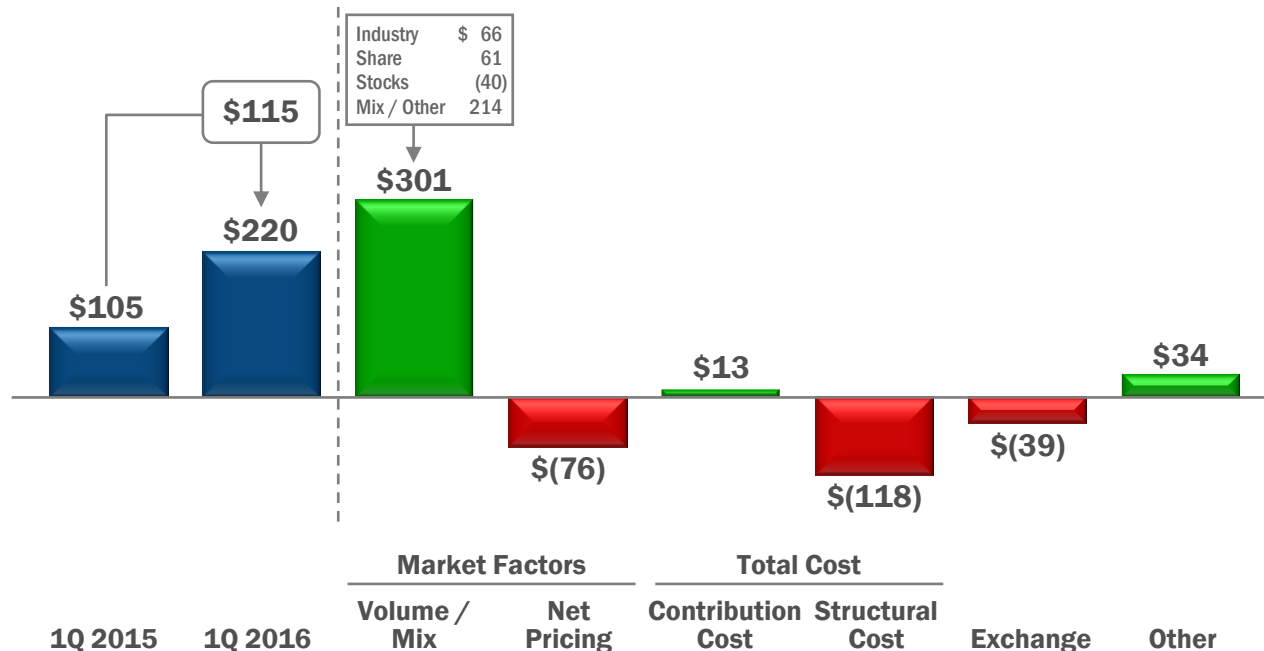
Operating margin and profit up sharply

Ford China JVs at \$443M, up 23%; margin at 16.4%

* Wholesales include Ford brand and Jiangling Motors Corporation (JMC) brand vehicles produced and sold in China by our unconsolidated affiliates (about 289,000 units in 1Q 2015 and 310,000 units in 1Q 2016); revenue does not include these sales

AUTOMOTIVE SECTOR – ASIA PACIFIC

1Q 2016 PRE-TAX RESULTS (MIL\$)



Higher profit driven mainly by favorable mix, primarily SUVs

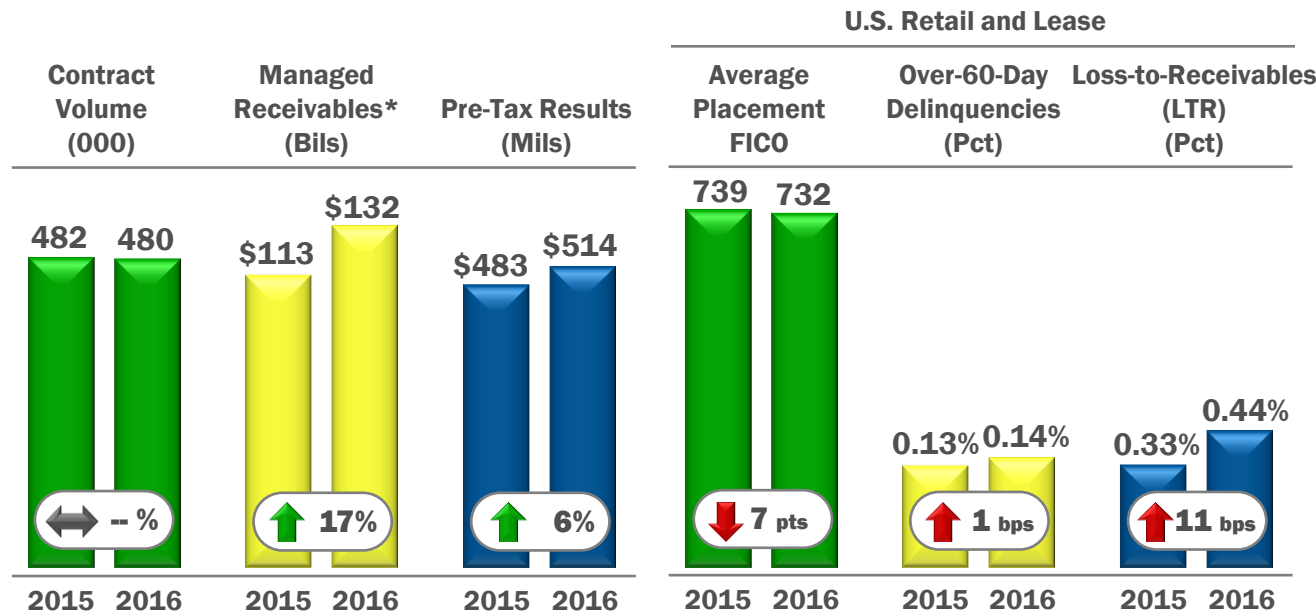
China and ex-China operations contributed to YOY gain

Lower net pricing driven by China; pace of decline in prices slowed in 1Q vs 4Q

New products in China well received

FINANCIAL SERVICES SECTOR – FORD CREDIT

1Q 2016 KEY METRICS



Strong quarterly profit

Receivables growth in line with guidance

Portfolio performance remains robust; higher LTR reflects higher severities

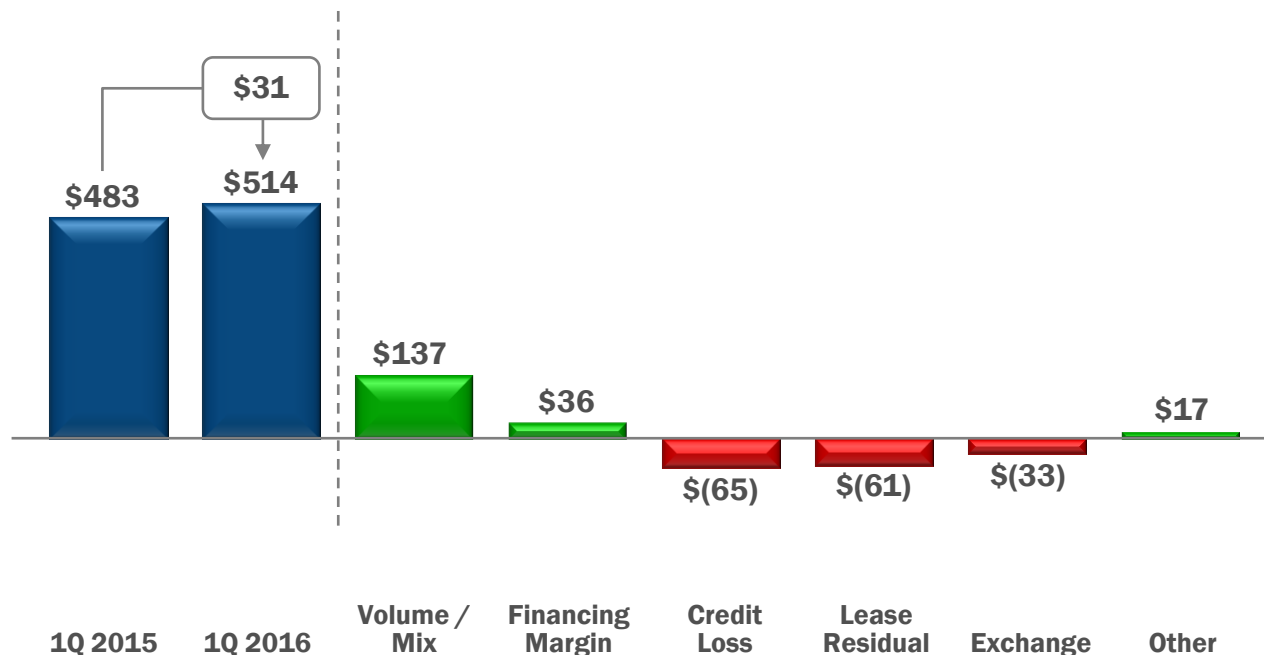
Consistent originations, servicing and collections

1Q	2015	2016
Debt (Bils)	\$109	\$127
Managed Leverage* (to 1)	8.8	9.4

* See Appendix for reconciliation to GAAP

FINANCIAL SERVICES SECTOR – FORD CREDIT

1Q 2016 PRE-TAX RESULTS (MILS)



Strong profit

Growth in all products and regions

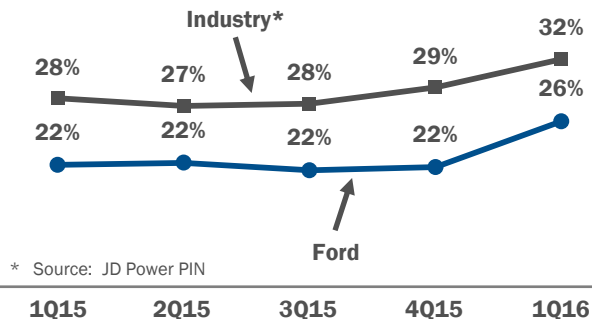
Credit losses and residual performance primarily driven by lower auction values

FINANCIAL SERVICES SECTOR – FORD CREDIT

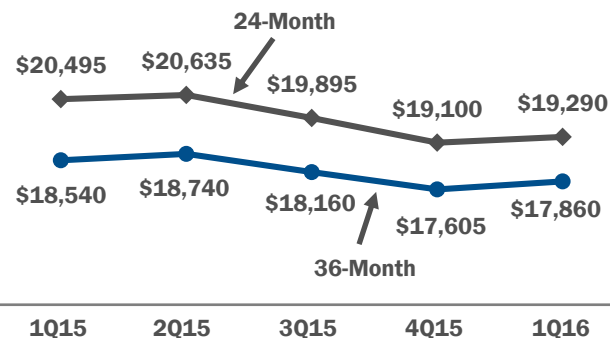
U.S. AUTOMOTIVE FINANCING TRENDS



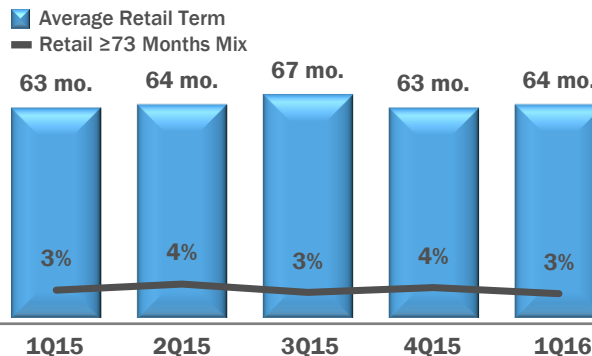
Lease Share of Retail Sales



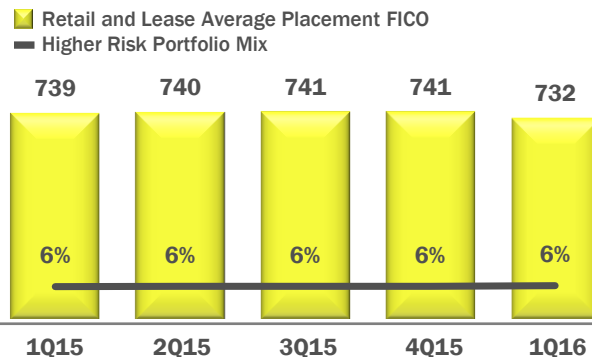
Auction Values (At 1Q 2016 Mix)



Retail Contract Placement Terms



FICO and Higher Risk Mix



Balanced lease portfolio through One Ford Lease Strategy

Auction value outlook somewhat lower

Longer-term financing small part of business

Consistent FICOs and higher-risk mix

AUTOMOTIVE SECTOR CASH

(Bils)

	1Q 2016
Cash at end of period	\$24.3
Cash at beginning of period	23.6
Change in Cash	\$0.7
Automotive pre-tax profits	\$3.3
Capital spending	(1.5)
Depreciation and tooling amortization	1.1
Changes in working capital	--
Other / Timing differences	(0.2)
Automotive operating-related cash flow	\$2.7
Separation payments	--
Net receipts from Financial Services sector	--
Other	0.2
Cash flow before other actions	\$2.9
Changes in debt	(0.1)
Funded pension contributions	(0.4)
Dividends / Other items	(1.7)
Change in Cash	\$0.7
Memo:	
Liquidity*	\$35.2
Automotive Debt	13.0

* Total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$10.9 billion at March 31, 2016



**Strength of cash flow
highlights quality of
earnings**

**Cash and liquidity
balances remain strong**

**Record 1Q operating-
related cash flow**

**Shareholder distributions
of \$1.7B incl.
supplemental dividend**

**Automotive leverage
remains very healthy**

INDUSTRY AND GDP PLANNING ASSUMPTIONS

	Industry (Mils)		GDP Growth (Pct)	
	2015	2016	2015	2016
Global	88.2	88.0 – 92.0	3.2%*	3.1 – 3.5%*
U.S.	17.8	17.5 – 18.5	2.4%	2.1 – 2.6%
Brazil	2.6	2.0 – 2.5	(3.8)%	(3.0) – (4.0)%
Europe	19.2	19.0 – 20.0	1.0%	1.2 – 1.7%
China	23.5	23.5 – 25.5	6.9%	6.5 – 7.0%

Global industry to grow modestly in 2016

Outlook for major market industry volumes unchanged from prior guidance

Outlook for GDP unchanged from prior guidance except Brazil, where prolonged recession expected

* Global GDP growth now reflects updated weighting as calculated by the World Bank

2016 BUSINESS UNIT GUIDANCE

	2015 FY Results	2016 FY Guidance
Automotive		
North America	\$9,345M	≈ 2015
Operating Margin	10.2%	9.5% or higher
South America	\$(832)M	Loss > 2015
Europe	259M	> 2015
Middle East & Africa	31M	≥ 2015
Asia Pacific	765M	> 2015
Other Automotive	(796)M	~ \$(800)M
Ford Credit	\$2,086M	≥ 2015

Business Unit Guidance Unchanged

2016 COMPANY GUIDANCE

	2015 FY Results	2016 FY Guidance
Automotive Revenue	\$140.6B	≥ 2015
Automotive Operating Margin*	6.8%	≥ 2015
Automotive Operating-Related Cash Flow*	\$7.3B	Strong, but < 2015
Total Company Pre-Tax Profits*	\$10.8B	≥ 2015
Operating Effective Tax Rate* (Pct)	28.6%	Low 30s
Operating EPS*	\$1.93	≥ 2015

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

**Continue To Expect 2016 To Be An Outstanding Year;
On Track To Deliver 2016 Financial Guidance**

KEY TAKEAWAYS

1. Record quarter following a record year
2. Top line grew; global market share increased
3. Net income, Company pre-tax profit and operating EPS more than doubled a year ago
4. Record quarterly North America profit; best quarterly profit in Europe since 2008; operations outside North America profitable in total and improved
5. Record quarterly Automotive operating margin of 9.8%
6. Cash and liquidity remain strong; distributed \$1.7B to shareholders
7. Company financial guidance on track

Q&A

April 28, 2016

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

INCOME FROM CONTINUING OPERATIONS

	1Q	
(Mils)	2015	2016
<u>Automotive</u>		
North America	\$1,569	\$3,080
South America	(189)	(256)
Europe	(42)	434
Middle East & Africa	79	(14)
Asia Pacific	105	220
Other Automotive	(212)	(126)
Total Automotive (excl. special items)	\$1,310	\$3,338
Special items – Automotive	–	(186)
Total Automotive	\$1,310	\$3,152
<u>Financial Services</u>		
Ford Credit	\$483	\$514
Other	(14)	(15)
Total Financial Services	\$469	\$499
<u>Company</u>		
Pre-tax results	\$1,779	\$3,651
(Provision for) / Benefit from income taxes	(625)	(1,196)
Net income	\$1,154	\$2,455
Less: Income / (Loss) attributable to non-controlling interests	1	3
Net income / (loss) attributable to Ford	\$1,153	\$2,452
Memo: Excluding special items		
Pre-tax results	\$1,779	\$3,837
(Provision for) / Benefit from income taxes	(625)	(1,130)
Less: Income / (Loss) attributable to non-controlling interests	1	3
After-tax results	\$1,153	\$2,704

SPECIAL ITEMS

(Mils)	1Q	
	2015	2016
Pre-tax Special Items		
Separation-related actions	\$ --	\$(174)
Japan / Indonesia Market Closure	--	(12)
Total Pre-tax Special Items	\$ --	\$(186)
Tax-related Special Items*	\$ --	\$(66)
<u>Memo:</u>		
Special Items impact on earnings per share*	\$ --	\$(0.07)

* Includes related tax effect on special items and tax special items

SECTOR INCOME STATEMENT

For the quarters ended March 31,

Unaudited (Mils)

	1Q	
	2015	2016
AUTOMOTIVE		
Revenues	\$31,800	\$35,257
Costs and Expenses		
Cost of sales	28,472	30,281
Selling, administrative, and other expenses	2,472	2,562
Total costs and expenses	30,944	32,843
Interest expense	165	200
Interest income and other income / (loss), net	190	404
Equity in net income of affiliated companies	429	534
Income / (Loss) before income taxes -- Automotive	1,310	3,152
FINANCIAL SERVICES		
Revenues	2,100	2,461
Costs and expenses		
Interest expense	647	658
Depreciation on vehicles subject to operating leases	816	1,014
Operating and other expenses	177	247
Provision for credit and insurance losses	73	141
Total costs and expenses	1,713	2,060
Other income / (loss), net	74	91
Equity in net income / (loss) of affiliated companies	8	7
Income before income taxes -- Financial Services	469	499
COMPANY		
Income before income taxes	1,779	3,651
Provision for / (Benefit from) income taxes	625	1,196
Net income	1,154	2,455
Less: Income / (Loss) attributable to non-controlling interests	1	3
Net income attributable to Ford Motor Company	\$1,153	\$2,452

2016 CALCULATION OF EARNINGS PER SHARE

	1Q	
	Net Income Attributable to Ford	After-Tax Operating Results Excluding Special Items
<u>After-Tax Results (Mils)</u>		
Diluted after-tax results	\$2,452	\$2,704
<u>Basic and Diluted Shares (Mils)</u>		
Basic shares (Average shares outstanding)	3,970	3,970
Net dilutive options	26	26
Diluted shares	3,996	3,996
EPS (Diluted)	\$0.61	\$0.68

AUTOMOTIVE SECTOR AUTOMOTIVE DEBT



<i>(Bils)</i>	Dec. 31, 2015	Mar. 31, 2016
Public unsecured debt	\$6.4	\$6.4
U.S. Department of Energy	3.8	3.7
Other debt (including international)	2.6	2.9
Total Automotive debt	\$12.8	\$13.0
Memo:		
Automotive debt payable within one year	\$1.8	\$1.9

CHINA UNCONSOLIDATED AFFILIATES



	1Q		Memo:
	2015	2016	FY 2015
<u>China Unconsolidated Affiliates</u>			
Wholesales (000)	289	310	1,123
Ford Equity Income (Mils)*	\$360	\$443	\$1,514
China JV Net Income Margin	15.8%	16.4%	15.6%

* Ford equity share of China joint ventures net income

1Q INDUSTRY SAAR

<i>Units (Mils)</i>	2015	2016	B / (W)
North America	20.6	21.3	0.7
U.S.	17.1	17.5	0.4
South America	4.6	3.7	(0.9)
Brazil	3.0	2.2	(0.8)
Europe	19.1	20.1	1.0
Middle East & Africa	4.3	4.0	(0.3)
Asia Pacific	38.9	40.9	2.0
China	23.8	26.2	2.4
Global	87.5	90.1	2.6

AUTOMOTIVE SECTOR

1Q MARKET SHARE



(Percent)

	2015	2016	B / (W)
<u>Total Share of Total Industry</u>			
North America	14.0%	14.6%	0.6 ppts
U.S.	14.7	15.5	0.8
South America	9.6	8.4	(1.2)
Brazil	10.5	8.8	(1.7)
Europe	7.7	8.0	0.3
Middle East & Africa	4.3	4.3	--
Asia Pacific	3.3	3.6	0.3
China*	4.3	4.5	0.2
Global	6.9	7.1	0.2
<u>Retail Share of Retail Industry</u>			
U.S.**	13.3	13.1	(0.2)
Europe***	8.6	8.3	(0.3)

* Present quarter is estimated pending audit by Chinese Public Security Bureau

** Present quarter is estimated, prior quarters are based on latest Polk data

*** Europe passenger car retail share of retail industry reflects the five major markets (U.K., Germany, France, Italy, and Spain); present quarter is estimated, prior quarters are based on latest Data Force data

AUTOMOTIVE SECTOR

PRODUCTION VOLUMES



(000)

	1Q 2016		2Q 2016	
	Units	O / (U) 2015	Units	O / (U) 2015
North America	854	131	850	35
South America	65	(37)	75	(19)
Europe	425	(11)	440	37
Middle East & Africa	21	-	24	1
Asia Pacific	424	51	345	(17)
Total	1,789	134	1,734	37

SELECTED MARKETS DEALER STOCKS



(000)	U.S.	Brazil	Europe 21	MEA	China
<u>1Q</u>					
March 31, 2016	755	19	230	70	169
December 31, 2015	676	24	235	67	165
Stock Change H / (L)	79	(5)	(5)	3	4
<u>1Q Prior Year</u>					
March 31, 2015	619	35	187	73	155
December 31, 2014	611	31	185	72	132
Stock Change H / (L)	8	4	2	1	23
Year-Over-Year Stock Change	71	(9)	(7)	2	(19)

NET INTEREST RECONCILIATION TO GAAP



	1Q	
(Mils)	2015	2016
Interest expense (GAAP)	\$(165)	\$(200)
Investment-related interest income (GAAP)	45	61
Interest income / (expense) on income taxes (GAAP)	(9)	(2)
Subtotal	\$(129)	\$(141)
Adjustment for items included / excluded from net interest		
Include: Gains / (Losses) on cash equiv. and marketable securities*	24	55
Include: Gains / (Losses) on extinguishment of debt	1	--
Other	(33)	(42)
Net Interest	\$(137)	\$(128)

* Excludes mark-to-market adjustments of strategic equity investments held in marketable securities

OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP



(Bils)

	<u>1Q 2015</u>	<u>1Q 2016</u>	<u>Memo: FY 2015</u>
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$1.0	\$3.6	\$12.3
<u>Items included in operating-related cash flows</u>			
Capital spending	(1.8)	(1.5)	(7.1)
Proceeds from the exercise of stock options	0.1	--	0.2
Net cash flows from non-designated derivatives	0.1	0.1	(0.1)
<u>Items not included in operating-related cash flows</u>			
Separation payments	0.4	--	0.6
Funded pension contributions	0.8	0.4	1.1
Tax refunds and tax payments from affiliates	--	--	--
Other	(0.1)	0.1	0.3
Operating-related cash flows	<u>\$0.5</u>	<u>\$2.7</u>	<u>\$7.3</u>

MANAGED RECEIVABLES RECONCILIATION TO GAAP



(Bills)

Net Receivables*

Finance receivables – North America Segment

Consumer retail financing

Non-consumer: Dealer financing**

Non-consumer: Other

Total finance receivables – North America Segment

Finance receivables – International Segment

Consumer retail financing

Non-consumer: Dealer financing**

Non-consumer: Other

Total finance receivables – International Segment

Unearned interest supplements

Allowance for credit losses

Finance receivables, net

Net investment in operating leases

Total net receivables**Managed Receivables**

Total net receivables

Unearned interest supplements and residual support

Allowance for credit losses

Other, primarily accumulated supplemental depreciation

Total managed receivables

	Mar. 31, 2015	Dec. 31, 2015	Mar. 31, 2016
	\$43.7	\$49.2	\$49.4
	22.5	25.5	27.1
	0.9	0.9	0.9
	\$67.1	\$75.6	\$77.4
	\$11.5	\$12.9	\$13.8
	9.5	10.5	11.4
	0.4	0.3	0.3
	\$21.4	\$23.7	\$25.5
	(1.7)	(2.1)	(2.2)
	(0.3)	(0.4)	(0.4)
	\$86.5	\$96.8	\$100.3
	22.0	25.1	25.9
	\$108.5	\$121.9	\$126.2
	\$108.5	\$121.9	\$126.2
	3.8	4.5	4.6
	0.4	0.4	0.5
	0.2	0.4	0.5
	\$112.9	\$127.2	\$131.8

* Includes finance receivables (retail and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors

** Dealer financing primarily includes wholesale loans to dealers to finance the purchase of vehicle inventory

MANAGED LEVERAGE RECONCILIATION TO GAAP

<i>(Bils)</i>	Mar. 31, 2015	Dec. 31, 2015	Mar. 31, 2016
<u>Leverage Calculation</u>			
Total debt*	\$109.1	\$119.6	\$127.4
Adjustments for cash**	(13.0)	(11.2)	(14.9)
Adjustments for derivative accounting***	(0.7)	(0.5)	(1.0)
Total adjusted debt	<u>\$95.4</u>	<u>\$107.9</u>	<u>\$111.5</u>
Equity****	\$11.2	\$11.7	\$12.2
Adjustments for derivative accounting***	(0.4)	(0.3)	(0.3)
Total adjusted equity	<u>\$10.8</u>	<u>\$11.4</u>	<u>\$11.9</u>
Financial statement leverage (to 1)	9.8	10.2	10.4
Managed leverage (to 1)	8.8	9.5	9.4

* Includes debt issued in securitization transactions and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions

** Cash, cash equivalents, and marketable securities (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

DEFINITIONS AND CALCULATIONS

Automotive Records

- References to Automotive records for operating-related 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 Operating Margin

- Automotive operating margin is defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive 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 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, and special lease offers