Topics Today

- Global Backdrop
- U.S. Vehicle Buying Fundamentals
- Outlook
Global
Global Economic Growth

Global GDP growth above trend for four consecutive years

Long-run trend: 3.6%

Source: IMF World Economic Outlook September 2006, annual % change in real GDP
Higher energy prices pose risks

Source: U.S. Department of Labor, Eurostat and Ford Motor Company
Vehicles in Operation

Average annual growth of 3.6% during last 30 years

Source: OECD
Global Vehicle Sales

Average Annual % Change

- Mils: 2.3%
- 0.9%
- 4.6%

2005 Share of Sales By Region
- N America: 33%
- W Europe: 27%
- Japan: 9%
- Rest of World: 31%

Note: Vehicle sales include heavy trucks
Source: Ford Motor Company
Real GDP and Vehicle Sales

Average annual growth during 2000-2005
Bubble size represents relative real GDP level in 2006
Real GDP (%)

Vehicle Sales (%)

Source: Ford Motor Company
## U.S. Economic Outlook

<table>
<thead>
<tr>
<th>Annual Rate (%)</th>
<th>GDP Growth*</th>
<th>Inflation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2005 Act.</td>
<td>3.2%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Q2 2006 Fcst.</td>
<td>3.3%</td>
<td>3.3%</td>
</tr>
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<td>Q3 2007 Fcst.</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Q4 Fcst.</td>
<td>1.8%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

* % Change From Prior Year

Source: U.S. Department of Commerce and Ford Motor Company
Cash outs don’t explain rise in vehicle sales during late 1990s

Source: U.S. Department of Commerce and Federal Reserve
Since early 2003, de-coupling of housing and autos spending trends -- Spending on housing grew by $160 billion since 2000, while autos grew by $24 billion.
Housing Starts and Vehicle Sales

Note: Vehicle sales include heavy trucks
Source: U.S. Department of Commerce
Real Household Net Wealth*

Real estate represents 75% of cumulative net wealth gains since 2001

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>2001</td>
<td>19</td>
<td>13</td>
<td>7</td>
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<td>2002</td>
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<td>2005</td>
<td>22</td>
<td>13</td>
<td>10</td>
<td>22</td>
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</table>

* Measured in $2000 Trillions

Source: Federal Reserve
Gasoline and fuel oil spending has exceeded 3% of consumer incomes since mid-2005, while the saving rate turned negative.

Over $200 billion increase in nominal fuel spending since low point in 2002, at 1.8% of income.
Vehicle Miles Traveled (VMT)

VMT growth slowed to 1.3% annualized increase since April 2003, down from 2.4% in prior 10 years.

Annual vehicle distance traveled in trillion miles

Slowdown during 1990-1991 Oil Price Increase
Volatility in U.S. Economy Has Fallen

* Real GDP Volatility*

% Real GDP Volatility*

* Standard deviation of real GDP growth over previous 20 quarters

Source: U.S. Department of Commerce and Ford Motor Company
So Has Light Vehicle Sales Volatility...

Light Vehicle Sales Volatility*

Light Sales  20% - 25%
Real GDP      2% - 2.5%

* Standard deviation of light vehicle sales growth over previous 20 quarters
Source: U.S. Department of Commerce and Ford Motor Company
But Different for Heavy Truck Sales

Heavy Truck Sales Volatility*

<table>
<thead>
<tr>
<th>Year</th>
<th>Heavy Truck Sales</th>
<th>Light Sales</th>
<th>Real GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>30% - 35%</td>
<td>20% - 25%</td>
<td>2% - 2.5%</td>
</tr>
<tr>
<td>80</td>
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<tr>
<td>85</td>
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</tbody>
</table>

* Standard deviation of heavy truck sales growth over previous 20 quarters

Source: U.S. Department of Commerce and Ford Motor Company
Auto Spending Trends

% of GDP

Long-term Average is 4.3%

Source: U.S. Department of Commerce and Ford Motor Company
In 2004, over 40% of sales included transactions prices above $30,000.

Source: Ford Motor Company
New Vehicle Average Transaction Prices

% Change Over Year Ago

                    Q4 2000:  $24,277

Source: U.S. Department of Commerce and Ford Motor Company
SUV and Crossover Sales

(000s)

Traditional SUVs

Crossover SUVs

Source: U.S. Department of Commerce and Ford Motor Company

Memo:
Crossover
As % of Total  
0 15 48 53

2000

0

0

95 00 05 YTD 06

2,370

2,100
Premium Vehicle Sales

% of Total

Source: U.S. Department of Commerce and Ford Motor Company
## Business Outlook

<table>
<thead>
<tr>
<th>Region</th>
<th>Real GDP*</th>
<th>Inflation*</th>
<th>Vehicle Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
</tr>
<tr>
<td>Canada</td>
<td>3.3%</td>
<td>3.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.0</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>U.S.</td>
<td>3.2</td>
<td>3.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Germany</td>
<td>0.9</td>
<td>2.3</td>
<td>1.5</td>
</tr>
<tr>
<td>UK</td>
<td>1.9</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>China</td>
<td>10.2</td>
<td>10.5</td>
<td>9.5</td>
</tr>
</tbody>
</table>

* % Change From Prior Year
Summary

• Global economic and industry conditions have been very favorable, with several markets reaching the “take-off” stage of vehicle buying

• Near-term U.S. light vehicle sales projected to stay above 16.5 million units for eighth consecutive year

• Characteristics of U.S. market are dynamic with buyers moving upscale and toward a growing crossover segment
Forecasts contained in this presentation are based on current assessment of economic and industry conditions. Risk factors (e.g., significant changes in the economic environment) would alter the economic and industry forecasts.