Ellen Hughes-Cromwick
Chief Economist
June 4, 2010

PERSPECTIVES ON THE ECONOMIC AND AUTOMOTIVE OUTLOOK

FEDERAL RESERVE BANK OF CHICAGO
SEVENTEENTH ANNUAL AUTOMOTIVE OUTLOOK SYMPOSIUM

Ellen Hughes-Cromwick
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Best-Kept Plants in America

FORBES

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HOW MANY PEOPLE CAN BUY AUTOS?

IS AUTOMOBILE INDUSTRY NEARING THE "SATURATION POINT"?
HOW MANY PEOPLE CAN BUY AUTOS?

Automobiles Owned in 1910
500,000

Automobiles Owned in 1920
7,170,000

Estimated Number of Families with Incomes of from $1000 to $4000 - 18,000,000

Estimated Number of Cars Owned by Them - 6,670,000

Estimated Number of Families Who Might Own a Car and Do Not
9,330,000

Growth of Number of Pleasure Cars in Use and Their Potential Market
KEY TOPICS TODAY

Short-Term Outlook

• Vehicle Sales

• Auto Finance

Long-Term Outlook

• Industry Volume Growth Drivers
  – Driving Age Population
  – GDP per Capita
SHORT-TERM OUTLOOK
SIGNS OF GLOBAL RECOVERY

Purchasing Managers’ Indexes

Note: PMI index based on a 3-month moving average; Manufacturing PMIs (UK is Service Sector PMI)
U.S. GDP GROWTH

% Chg. YOY

Ford's Blue Chip Forecast

SLIDE 6
**U.S. LIGHT NEW VEHICLE SALES**

Vehicle sales pace improving gradually

**Mil. Units SAAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Apr.</th>
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<tbody>
<tr>
<td>2005</td>
<td>9.5</td>
<td>9.6</td>
<td>10.8</td>
<td>11.0</td>
<td>11.2</td>
</tr>
<tr>
<td>2006</td>
<td>16.5</td>
<td>16.1</td>
<td>13.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>16.9</td>
<td>16.5</td>
<td>16.1</td>
<td>13.2</td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Full Year 2009:**
10.3 Mil. Units
U.S. NEW RETAIL SALES

Mil. Units SAAR

2007: 12.8
2008: 10.6
2009: 8.6
Jan.: 8.1
Feb.: 8.0
Mar.: 9.6
Apr.: 9.6

Source: J.D. Power and Associates (05/27/10)

SLIDE 9
TOTAL VEHICLE SALES DOWNTURN

Early 1980s Downturn Compared to Today

Cumulative % Chg. From Peak

- Current Downturn Started in Mid-2005
- 1980 Downturn Started in 1978 and Lasted Nearly 4 Years
- As of October 2009, Sales are Down a Cumulative (41)% From Peak

Based on 6-Month Moving Average
Interest Rates

Fed Funds
- 10-Year Treasury Bond Yield
- 10-Year CITIGroup BBB Bond Yield

Asset-Backed Securities Market

ABCP Outstanding
- Debt by ABS Issuers

* Latest as of March 5, 2010
U.S. CREDIT MARKET CONDITIONS

Consumer Credit Outstanding

SA, Pct. Chg. at Annual Rate
(Over 3-month period)

Commercial Paper Outstanding

Asset-Backed (Bils.)
Non-Financial (Bils.)

Note: Based on 3-month moving average
Total consumer credit was $2.5 trillion as of March 2010, not including mortgage debt
U.S. INTEREST RATES FOR NEW AUTO LOANS

Captive Finance Companies

Period End %

Source: Federal Reserve Board, G.19 Consumer Credit report

SLIDE 13
NEW AUTO LOANS -- AVERAGE AMOUNT FINANCED

Source: Federal Reserve Board, G.19 Consumer Credit Report
Notional Amounts Outstanding

$ Trillions

- 2004: 6 Trillions
- 2005: 14 Trillions
- 2006: 29 Trillions
- 2007: 58 Trillions
- 2008: 42 Trillions
- June 2009: 36 Trillions

Memo: 2008 World GDP $61 Trillion

Source: BIS Quarterly Review, March 2010; GDP: IMF World Economic Outlook
ASSET-BACKED SECURITIES ISSUANCE -- AUTOMOBILE LOANS

$ Billions

Source: SIFMA
ASSET-BACKED SECURITIES OUTSTANDING -- AUTOMOBILE LOANS

Source: SIFMA
AUTO LOANS APPROVAL RATES

Prime > 750
Near Prime 620-749
Sub-Prime < 620

Source: CNW Research

SLIDE 18
LONG-TERM OUTLOOK
GLOBAL DRIVING AGE POPULATION PROJECTIONS

Billions of Drivers

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>% Chg.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008-2020</td>
<td>7%</td>
<td>20%</td>
</tr>
<tr>
<td>% of 2020 Driving Age Pop.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mature Markets*</td>
<td>15%</td>
<td>37%</td>
</tr>
<tr>
<td>China and India</td>
<td>24%</td>
<td>43%</td>
</tr>
<tr>
<td>Other Markets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Memo:
Total Population  6.7  7.6

Source: U.S. Census Bureau, IDB Database

* Includes Canada, U.S., Europe 19 and Japan

SLIDE 20
**SELECTED “TAKE-OFF” EMERGING MARKETS**

Per Capita Incomes between USD 5,000 - 15,000

(At Purchasing Power Parity in $2005)

<table>
<thead>
<tr>
<th>Country</th>
<th>Per Capita Income</th>
<th>Population 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>China East</td>
<td>$9,040</td>
<td>302</td>
</tr>
<tr>
<td>China Central</td>
<td>4,984</td>
<td>399</td>
</tr>
<tr>
<td>India West</td>
<td>4,519</td>
<td>162</td>
</tr>
<tr>
<td>Brazil</td>
<td>9,517</td>
<td>143</td>
</tr>
<tr>
<td>Russia</td>
<td>14,917</td>
<td>120</td>
</tr>
<tr>
<td>Mexico</td>
<td>13,407</td>
<td>77</td>
</tr>
<tr>
<td>Turkey</td>
<td>12,264</td>
<td>55</td>
</tr>
<tr>
<td>Thailand</td>
<td>7,120</td>
<td>52</td>
</tr>
<tr>
<td>South Africa</td>
<td>9,343</td>
<td>35</td>
</tr>
<tr>
<td>Argentina</td>
<td>13,248</td>
<td>30</td>
</tr>
<tr>
<td>Romania</td>
<td>11,761</td>
<td>19</td>
</tr>
</tbody>
</table>

Memo: Global Driving Age Population 4,867

Selected Take-Off Markets as % of Global Driving Age Population 29%

Source: GDP, World Bank WDI database; Population, U.S. Census Bureau, IDB Database
WORLDWIDE VEHICLE SALES

Average Annual % Change 4.1%

Note: Vehicle sales include heavy trucks
Source: Ford Motor Company

SLIDE 22
GLOBAL VEHICLE SALES MIX AND GROWTH

2008 Global Volume Mix

Global

- Asia Pacific: 30%
- Americas: 31%
- Europe and Export & Growth: 39%

Ford

- Americas: 40%
- Europe and Export & Growth: 8%
- Asia Pacific Africa: 52%

2008 - 2018 Global Volume Increase (Mils.)

- Asia Pacific Africa: 19.3
- Americas: 5.5
- Europe / Export & Growth: 3.8

Source: IHS Global Insight
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:

- Further declines in industry sales volume, particularly in the United States or Europe, due to financial crisis, deepening recession, geo-political events, or other factors;
- Decline in market share;
- Lower-than-anticipated market acceptance of new or existing products;
- An increase in or acceleration of market shift beyond our current planning assumptions from sales of trucks, medium- and large-sized utilities, or other more profitable vehicles, particularly in the United States;
- A return to elevated gasoline prices, as well as the potential for volatile prices or reduced availability;
- Continued or increased price competition resulting from industry overcapacity, currency fluctuations, or other factors;
- Adverse effects from the bankruptcy, insolvency, or government-funded restructuring of, change in ownership or control of, or alliances entered into by a major competitor;
- A prolonged disruption of the debt and securitization markets;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- 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 disruptions;
- Single-source supply of components or materials;
- Labor or other constraints on our ability to restructure our business;
- Work stoppages at Ford or supplier facilities or other interruptions of production;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Worse-than-anticipated 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, or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulation resulting in higher costs, cash expenditures, and/or sales restrictions;
- Unusual or significant litigation or governmental investigations arising out of alleged defects in our products, perceived environmental impacts, or otherwise;
- A change in our requirements for parts or materials where we have long-term supply arrangements that commit us to purchase minimum or fixed quantities of certain parts or materials, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- Adverse effects on our results from a decrease in or cessation of government incentives related to capital investments;
- Adverse effects on our operations resulting from certain geo-political or other events;
- Substantial levels of Automotive indebtedness adversely affecting our financial condition or preventing us from fulfilling our debt obligations (which may grow because we are able to incur substantially more debt, including additional secured debt);
- Failure of financial institutions to fulfill commitments under committed credit facilities;
- Inability of Ford Credit to obtain competitive funding;
- 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, or other factors;
- Higher-than-expected credit losses;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles;
- Collection and servicing problems related to finance receivables and net investment in operating leases;
- Lower-than-anticipated residual values or higher-than-expected return volumes for leased vehicles;
- New or increased credit, consumer, or data protection or other regulations resulting in higher costs and/or additional financing restrictions; and
- Inability to implement our One Ford plan.

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. Risk Factors" in our 2009 Form 10-K Report.