



Ford Delivers Breakthrough in 2015 with Record Full Year Pre-Tax Profit of \$10.8B; Net Income of \$7.4B; Fourth Quarter Pre-Tax Profit up 96 Percent



2015 FULL YEAR AND FOURTH QUARTER FINANCIAL RESULTS*

	Pre-Tax Results	Net Income	Revenue	Wholesales	Automotive Operating Margin	Automotive Operating-Related Cash Flow
Full Year 2015	\$10.8B	\$7.4B	\$149.6B	6,635K	6.8%	\$7.3B
B/(W) Full Yr 2014	\$3.5B	\$6.1B	\$5.5B	312K	2.2 ppts	\$3.7B
4Q 2015	\$2.6B	\$1.9B	\$40.3B	1,775K	6.1%	\$2.1B
B/(W) 4Q 2014	\$1.3B	\$4.4B	\$4.4B	195K	2.7 ppts	\$1.6B

HIGHLIGHTS

- **Record full year 2015 pre-tax profit**, excluding special items, of **\$10.8B**, up \$3.5B; after-tax earnings per share of \$1.93, excluding special items, up \$0.59 cents from a year ago
- **Full year net income of \$7.4B**, up \$6.1B; after-tax earnings per share of \$1.84, up \$1.53 from a year ago; **\$2.5B distributed to shareholders** in 2015
- **Full year Automotive pre-tax profit** of \$8.8B, up **\$3.3B**; all business units, with the exception of South America, profitable
- **Europe returned to profitability; Asia Pacific best-ever annual profit**; North America and Ford Credit delivered benchmark results
- **Global market share up two-tenths** of a percentage point from a year ago at 7.3 percent with improvement in South America and Europe; **best-selling commercial vehicle brand in Europe**
- **Ford number one brand** in vehicle sales in the U.S. for 2015; Ford F-Series 34th straight year as the best-selling vehicle in the U.S.; successfully **completed 16 global launches**
- Announced plans to invest **\$4.5B by 2020 in electrified solutions**; Ford **number two** in the U.S. in **electrified vehicle sales** for 2015
- **Lincoln best U. S. sales since 2008**; Lincoln SUV sales up 21 percent in 2015
- **Fourth quarter pre-tax profit**, excluding special items, of **\$2.6B, up \$1.3B**; net income of \$1.9B, up \$4.4B; after-tax earnings per share of \$0.58, excluding special items, up \$0.28 from a year ago
- Record full year **Automotive operating-related cash flow** of \$7.3B, including \$2.1B in fourth quarter
- **Company 2016 pre-tax profit**, excluding special items, revenue, Automotive operating margin and earnings per share **equal to or higher than 2015**; Automotive operating-related cash flow expected to be strong but lower than 2015 record



"We promised a breakthrough year in 2015, and we delivered. In 2016, we will continue to build on our strengths and accelerate our pace of progress even further, while transforming Ford into both an auto and a mobility company and creating value for all of our stakeholders."

Mark Fields, Ford President and CEO

PRODUCT NEWS



Lincoln MKZ

The new 2017 Lincoln MKZ combines intuitive technology, effortless performance and distinctive design to deliver an enhanced driving experience Lincoln calls quiet luxury. The luxury midsize sedan is beautifully designed and impressively powerful making it a pleasure to drive.



All-new Shelby GT350 Mustang

Launched one of the most iconic performance Mustang nameplates of all time, the **all-new Shelby® GT350 Mustang**. The Mustang is powered by a unique, high-revving flat-plane crankshaft 5.2-liter V8 engine producing more than 500 horse power – the most powerful naturally aspirated Ford production engine ever.



All-new Taurus in China

Launched the **all-new Ford Taurus** in China, combining Ford's large-car expertise with a clear understanding of what Chinese customers want. Materials used throughout the cabin reinforce a feeling of comfort and exceptional, uncompromised quality.



New Escape

Unveiled the new **Ford Escape** for North America. Newly engineered with even more driver-assist technologies to help enable safer and easier driving and new mobile connectivity that allows owners to interact with their vehicle from anywhere through a smartphone app. The new Escape is the first Ford vehicle in the world available with SYNC® Connect.

*See endnote on page 4.

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AUTOMOTIVE RESULTS

	Wholesales	Revenue	Operating Margin	Pre-Tax Results		Wholesales	Revenue	Operating Margin	Pre-Tax Results
Full Year 2015	6,635K	\$140.6B	6.8%	\$ 8.8B	4Q 2015	1,775K	\$37.9 B	6.1%	\$ 2.1B
B/(W) Full Yr 2014	312K	\$4.8B	2.2 ppts	\$3.3B	B/(W) 4Q 2014	195K	\$4.1B	2.7 ppts	\$1.1B

North America

- North America had outstanding full year results, with strong growth in the top line, an operating margin of 10.2 percent, up 1.2 percent, and higher pre-tax profit
- Record 4Q15 with each of the key metrics improving compared with a year ago
- North America full year pre-tax profit of \$9.3B, up \$1.9B, generating profit sharing payments of approximately \$9,300 per eligible UAW-represented employee on a full year basis
- Achieved highest annual sales in the U.S. since 2005; remained the best-selling vehicle brand in the U.S. and Ford F-Series was the best-selling vehicle in the U.S. for the 34th straight year
- For 2016, expect pre-tax results to be about equal to 2015

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
FY 2015	3,073K	\$91.9B	10.2%	\$9.3B
B/(W) FY 2014	231K	\$9.5B	1.2 ppts	\$1.9B

South America

- Wholesale volume, revenue and operating margin were each lower than a year ago, as a result of the continued deterioration of the business environment
- Full year loss better than a year ago reflecting higher net pricing and market share, primarily offset by lower industry
- 4Q15 pre-tax loss deteriorated from a year ago due to lower volume, mainly industry, and adverse exchange
- For 2016, expect pre-tax loss to be greater than 2015

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
FY 2015	381K	\$5.8B	(14.4)%	\$(832)M
B/(W) FY 2014	(82)K	\$(3.0)B	(1.2) ppts	\$332M

Europe

- Returned to profitability
- In 2015, volume was up 10 percent, revenue was down slightly, but up eight percent at constant exchange
- 4Q15 profit improved by \$428M to \$131M driven by market factors and lower costs as a result of the company's transformation plan
- For the full year, Ford was Europe's best-selling commercial vehicle brand, reflecting the strength of the renewed Transit line-up and Ranger
- For 2016, expect pre-tax results to be higher than 2015

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
FY 2015	1,530K	\$28.2B	0.9%	\$259M
B/(W) FY 2014	143K	\$(1.3)B	2.9 ppts	\$857M

Middle East & Africa

- Achieved first pre-tax profit in the two years since the region became a business unit
- 2015 pre-tax result and operating margin improved from a year ago mainly driven by favorable exchange
- For 2016, expect pre-tax results to be equal to or higher than 2015

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
FY 2015	187K	\$4.0B	0.8%	\$31M
B/(W) FY 2014	(5)K	\$(0.4)B	1.3 ppts	\$51M

Asia Pacific

- Delivered an outstanding year with a record pre-tax profit up 29 percent from a year ago; full year result was driven by record profit in 4Q15; record volume, revenue and operating margin in 2015
- For the full year, wholesales, operating margin and pre-tax results were higher than a year ago reflecting the strength of new products including the all-new three-row Edge, Figo, Everest, Taurus, the new Ranger and Lincoln MKX
- 4Q15 pre-tax profit increased due to significant improvements across all key metrics
- For 2016, expect pre-tax results to be higher than 2015

	Wholesales	Revenue	Operating Margin	Pre-Tax Results
FY 2015	1,464K	\$10.7B	7.1%	\$765M
B/(W) FY 2014	25K	—	1.6 ppts	\$172M

FORD CREDIT RESULTS

Ford Credit Pre-Tax Results	FY 2015 B/(W) FY 2014	\$2.1B \$232M
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Ford Credit

- Ford Credit continued to deliver strong profitability, with growth in all products
- World-class operations and consistent underwriting continue to deliver robust portfolio performance with outstanding results
- Managed receivables in 2015 grew again – to \$127B, \$14B higher than 2014
- For 2016, Ford Credit expects full year pre-tax profit to be equal to or higher than 2015, and managed receivables of \$134B to \$139B

"We delivered improvements in 2015 on every single driver of value in our business – growth, returns, risk, and rewards. We look forward to 2016 and strengthening the value proposition at Ford even further."

*Bob Shanks,
Executive Vice President
and CFO*



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, 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, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

CONFERENCE CALL DETAILS

Ford Motor Company [NYSE:F] releases its preliminary 2015 fourth quarter and full year financial results at 7:00 a.m. EST today. The following briefings will be held after the announcement:

At 9:00 a.m. (EST), Mark Fields, president and chief executive officer, and Bob Shanks, executive vice president and chief financial officer, will host a conference call to discuss Ford's preliminary 2015 fourth quarter and full year results.

At 11:00 a.m. (EST), Neil Schloss, vice president and treasurer; Stuart Rowley, vice president and controller, and Marion Harris chief financial officer, Ford Motor Credit Company, will host a conference call focusing on Ford Motor Credit Company's preliminary 2015 fourth quarter and full year results.

The presentations (listen-only) and supporting materials will be available at www.shareholder.ford.com. Representatives of the investment community will have the opportunity to ask questions on both conference calls, as will representatives of the news media on the first call.

[Access Information](#) - Thursday, Jan. 28, 2016

Earnings Call: 9 a.m. EST

Toll-Free: 1.877.299.4454

International: 1.617.597.5447

Earnings Passcode: Ford Earnings

Fixed Income: 11 a.m. EST

Toll-Free: 1.888.339.2688

International: 1.617.847.3007

Fixed Income Passcode: Ford Fixed Income

REPLAYS

(Available after 12:00 p.m. EST the day of the event through Friday, Feb. 5, 2016)

www.shareholder.ford.com

Toll Free: 1.888.286.8010

International: 1.617.801.6888

Replay Passcodes:

Earnings: 55983017

Fixed Income: 67020334

About Ford Motor Company

Ford Motor Company is a global automotive and mobility company based in Dearborn, Michigan. With about 199,000 employees and 67 plants worldwide, the company's core business includes designing, manufacturing, marketing, financing and servicing a full line of Ford cars, trucks, SUVs and electrified vehicles, as well as Lincoln luxury vehicles. At the same time, Ford is aggressively pursuing emerging opportunities through Ford Smart Mobility, the company's plan to be a leader in connectivity, mobility, autonomous vehicles, the customer experience and data and analytics. The company provides financial services through Ford Motor Credit Company. For more information regarding Ford and its products worldwide or Ford Motor Credit Company, visit www.corporate.ford.com.

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* The following applies to the information throughout this release:

- Pre-tax results **exclude special items** unless otherwise noted.
- See tables at the end of this release for the nature and amount of special items, and reconciliation of items designated as "excluding special items" to U.S. generally accepted accounting principles ("GAAP"). Also see the tables for reconciliation to GAAP of Automotive operating-related cash flow and net interest.
- Discussion of overall Automotive cost changes is measured primarily at present-year exchange and excludes special items and discontinued operations; in addition, costs that vary directly with production volume, such as material, freight and warranty costs, are measured at present-year volume and mix.
- Wholesale unit sales and production volumes include Ford brand and Jiangling Motors Corporation ("JMC") brand vehicles produced and sold in China by our unconsolidated affiliates; revenue does not include these sales. See materials supporting the Jan. 28, 2016 conference calls at www.shareholder.ford.com for further discussion of wholesale unit volumes.
- Automotive operating margin is defined as Automotive pre-tax results, excluding special items and Other Automotive, divided by Automotive revenue.
- All references to records by Automotive business units are since at least 2000 when Ford began reporting specific business unit results.
- All references to records for Automotive operating-related cash flows are since 2001.

2015 CALCULATION OF EARNINGS PER SHARE

	4Q		FY	
	Net Income Attributable to Ford	After-Tax Operating Results Excluding Special Items*	Net Income Attributable to Ford	After-Tax Operating Results Excluding Special Items*
After-Tax Results (Mils)				
After-tax results*	\$ 1,868	\$ 2,319	\$ 7,373	\$ 7,716
Diluted after-tax results	<u>\$ 1,868</u>	<u>\$ 2,319</u>	<u>\$ 7,373</u>	<u>\$ 7,716</u>
Basic and Diluted Shares (Mils)				
Basic shares (Average shares outstanding)	3,969	3,969	3,969	3,969
Net dilutive options	33	33	33	33
Diluted shares	<u>4,002</u>	<u>4,002</u>	<u>4,002</u>	<u>4,002</u>
EPS (Diluted)	\$ 0.47	\$ 0.58	\$ 1.84	\$ 1.93

* Excludes income / (loss) attributable to non-controlling interests

INCOME FROM CONTINUING OPERATIONS

	4Q		FY	
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)
Automotive				
North America	\$ 1,614	\$ 2,029	\$ 7,443	\$ 9,345
South America	(187)	(295)	(1,164)	(832)
Europe	(297)	131	(598)	259
Middle East & Africa	(82)	13	(20)	31
Asia Pacific	95	444	593	765
Other Automotive	(218)	(254)	(755)	(796)
Total Automotive (excl. special items)	\$ 925	\$ 2,068	\$ 5,499	\$ 8,772
Special items -- Automotive	(5,296)	(714)	(6,059)	(548)
Total Automotive	\$ (4,371)	\$ 1,354	\$ (560)	\$ 8,224
Financial Services				
Ford Credit	\$ 423	\$ 556	\$ 1,854	\$ 2,086
Other	(15)	(14)	(60)	(58)
Total Financial Services	\$ 408	\$ 542	\$ 1,794	\$ 2,028
Company				
Pre-tax results	\$ (3,963)	\$ 1,896	\$ 1,234	\$ 10,252
(Provision for) / Benefit from income taxes	1,443	(32)	(4)	(2,881)
Net income	\$ (2,520)	\$ 1,864	\$ 1,230	\$ 7,371
Less: Income / (Loss) attributable to non-controlling interests	(3)	(4)	(1)	(2)
Net income / (loss) attributable to Ford	<u>\$ (2,517)</u>	<u>\$ 1,868</u>	<u>\$ 1,231</u>	<u>\$ 7,373</u>
Memo: Excluding special items				
Pre-tax results	\$ 1,333	\$ 2,610	\$ 7,293	\$ 10,800
(Provision for) / Benefit from income taxes	(149)	(295)	(1,909)	(3,086)
Less: Income / (Loss) attributable to non-controlling interests	(3)	(4)	(1)	(2)
After-tax results	<u>\$ 1,187</u>	<u>\$ 2,319</u>	<u>\$ 5,385</u>	<u>\$ 7,716</u>

SPECIAL ITEMS

	4Q		FY	
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)
<u>Pension and OPEB Remeasurement Gains / (Losses)</u>	\$ (4,123)	\$ (698)	\$ (4,123)	\$ (698)
<u>Separation-related actions</u>	\$ (247)	\$ -	\$ (681)	\$ -
<u>Other Items</u>				
Nemak IPO	\$ -	\$ (16)	\$ -	\$ 150
Venezuela Deconsolidation	(800)	-	(800)	-
Ford Sollers equity impairment	-	-	(329)	-
Debt Reduction Action	(126)	-	(126)	-
Total Other Items	<u>\$ (926)</u>	<u>\$ (16)</u>	<u>\$ (1,255)</u>	<u>\$ 150</u>
Total Special Items	<u>\$ (5,296)</u>	<u>\$ (714)</u>	<u>\$ (6,059)</u>	<u>\$ (548)</u>
 Tax Special Items	 \$ 1,592	 \$ 263	 \$ 1,905	 \$ 205
 <u>Memo:</u>				
Special items impact on earnings per share*	\$ (0.93)	\$ (0.11)	\$ (1.03)	\$ (0.09)

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

AUTOMOTIVE SECTOR NET INTEREST RECONCILIATION TO GAAP

	4Q		FY	
	2014 (Mils)	2015 (Mils)	2014 (Mils)	2015 (Mils)
Interest expense (GAAP)	\$ (178)	\$ (212)	\$ (797)	\$ (773)
Investment-related interest income (GAAP)	48	72	193	233
Interest income / (expense) on income taxes (GAAP)	75	(1)	108	-
Subtotal	<u>\$ (55)</u>	<u>\$ (141)</u>	<u>\$ (496)</u>	<u>\$ (540)</u>
 <u>Adjusted for items included / excluded from net interest</u>				
Include: Gains / (Losses) on cash equiv. and marketable securities*	(9)	(106)	9	(61)
Include: Gains / (Losses) on extinguishment of debt	-	-	(5)	1
Other	<u>(19)</u>	<u>(7)</u>	<u>(91)</u>	<u>(76)</u>
Net Interest	<u>\$ (83)</u>	<u>\$ (254)</u>	<u>\$ (583)</u>	<u>\$ (676)</u>

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

AUTOMOTIVE SECTOR OPERATING-RELATED CASH FLOWS RECONCILIATION TO GAAP

	4Q		FY	
	2014	2015	2014	2015
	(Bils)	(Bils)	(Bils)	(Bils)
<u>Net cash provided by / (used in) operating activities (GAAP)</u>	\$ 2.1	\$ 3.6	\$ 8.8	\$ 12.3
<u>Items included in operating-related cash flows</u>				
Capital spending	(2.2)	(1.8)	(7.4)	(7.1)
Proceeds from the exercise of stock options	-	0.1	0.2	0.2
Net cash flows from non-designated derivatives	0.1	-	0.2	(0.1)
<u>Items not included in operating-related cash flows</u>				
Separation payments	0.1	-	0.2	0.6
Funded pension contributions	0.4	0.2	1.5	1.1
Tax refunds and tax payments from affiliates	-	-	(0.2)	-
Other	-	-	0.3	0.3
Operating-related cash flows	<u>\$ 0.5</u>	<u>\$ 2.1</u>	<u>\$ 3.6</u>	<u>\$ 7.3</u>