

Society of Indian Automobile Manufacturers

September 5, 2011

Kumar Golhatra

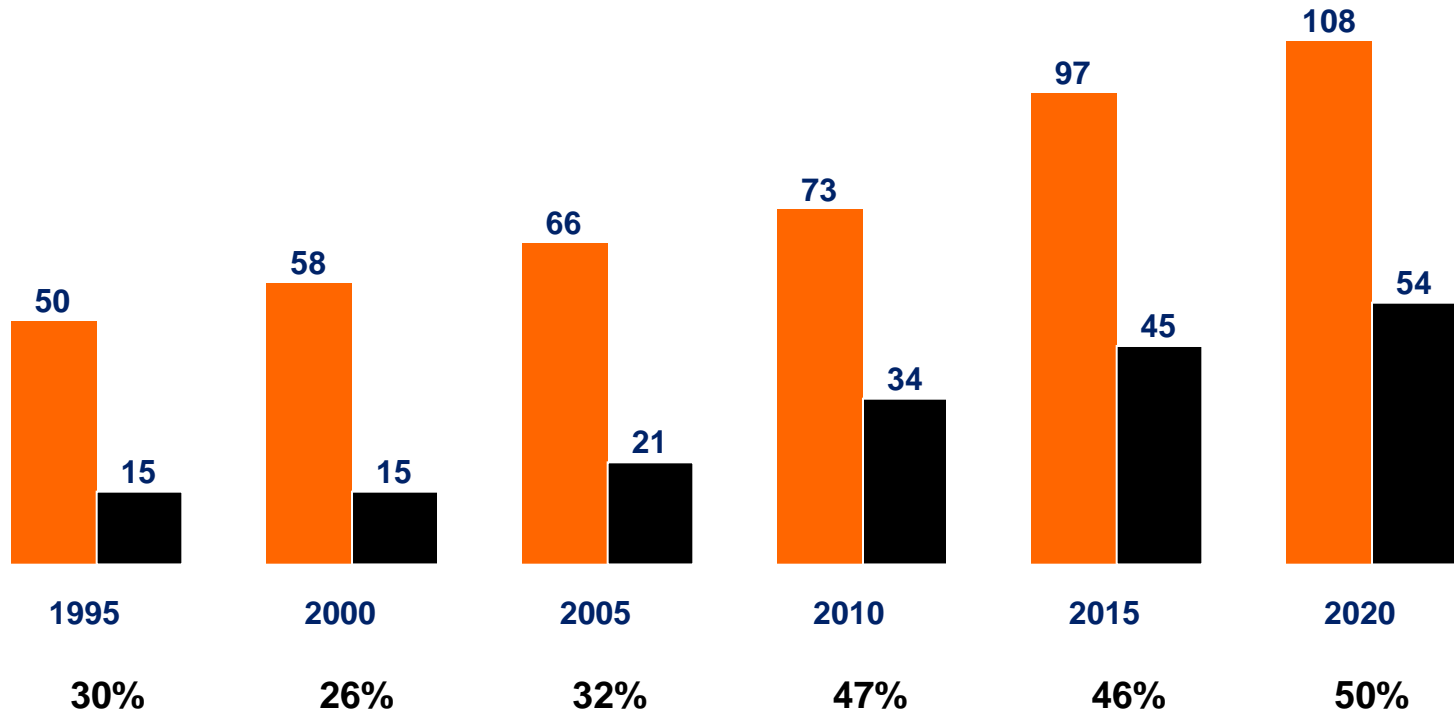
Vice President, Product Development, Ford Asia Pacific and Africa



APA Industry- 54 Million Units by 2020

Millions of Vehicles

Global Industry
Asia Pacific and Africa



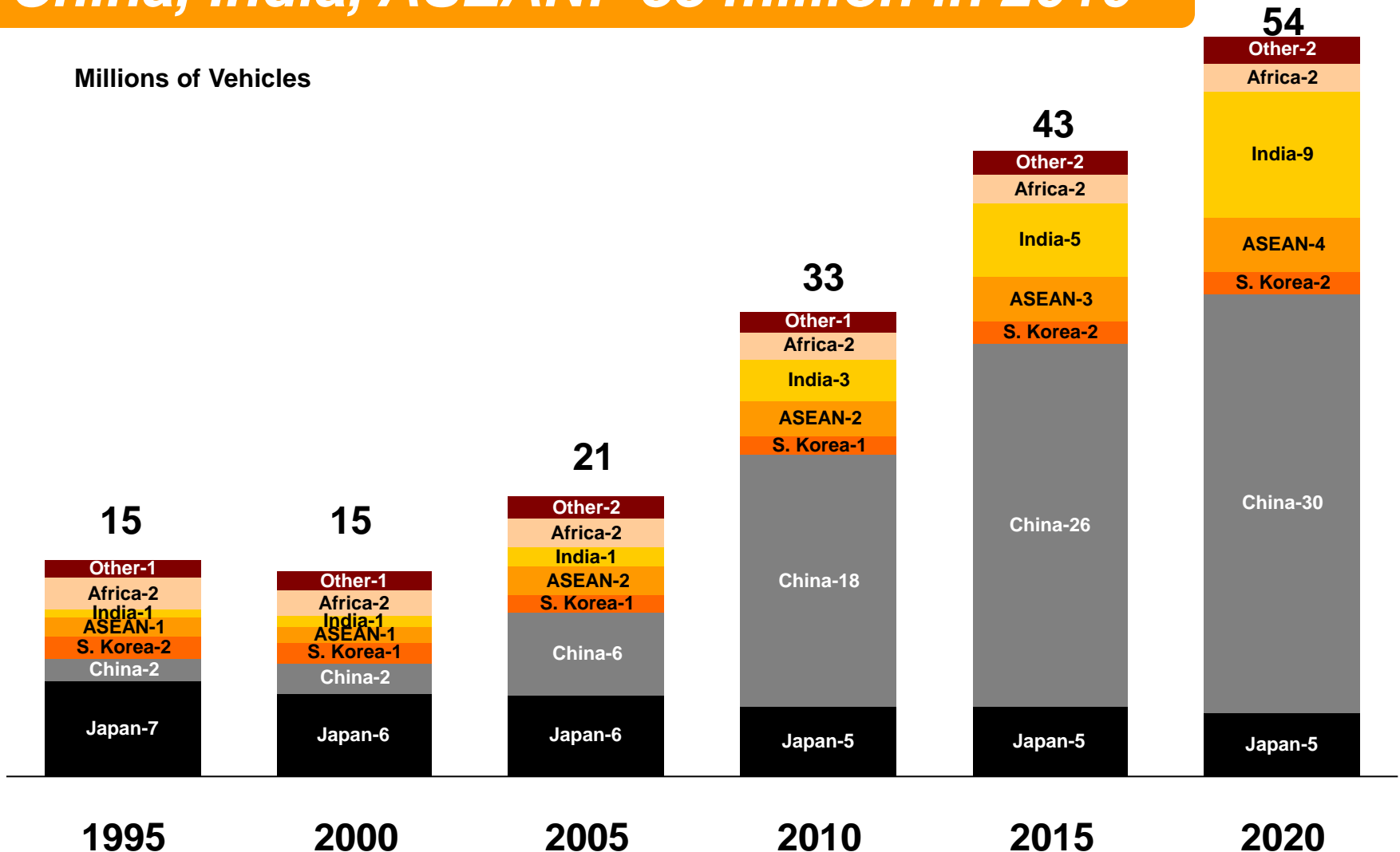
Over 60% of Total Growth is in APA Countries

Feel the difference



China, India, ASEAN: 33 million in 2010

Millions of Vehicles

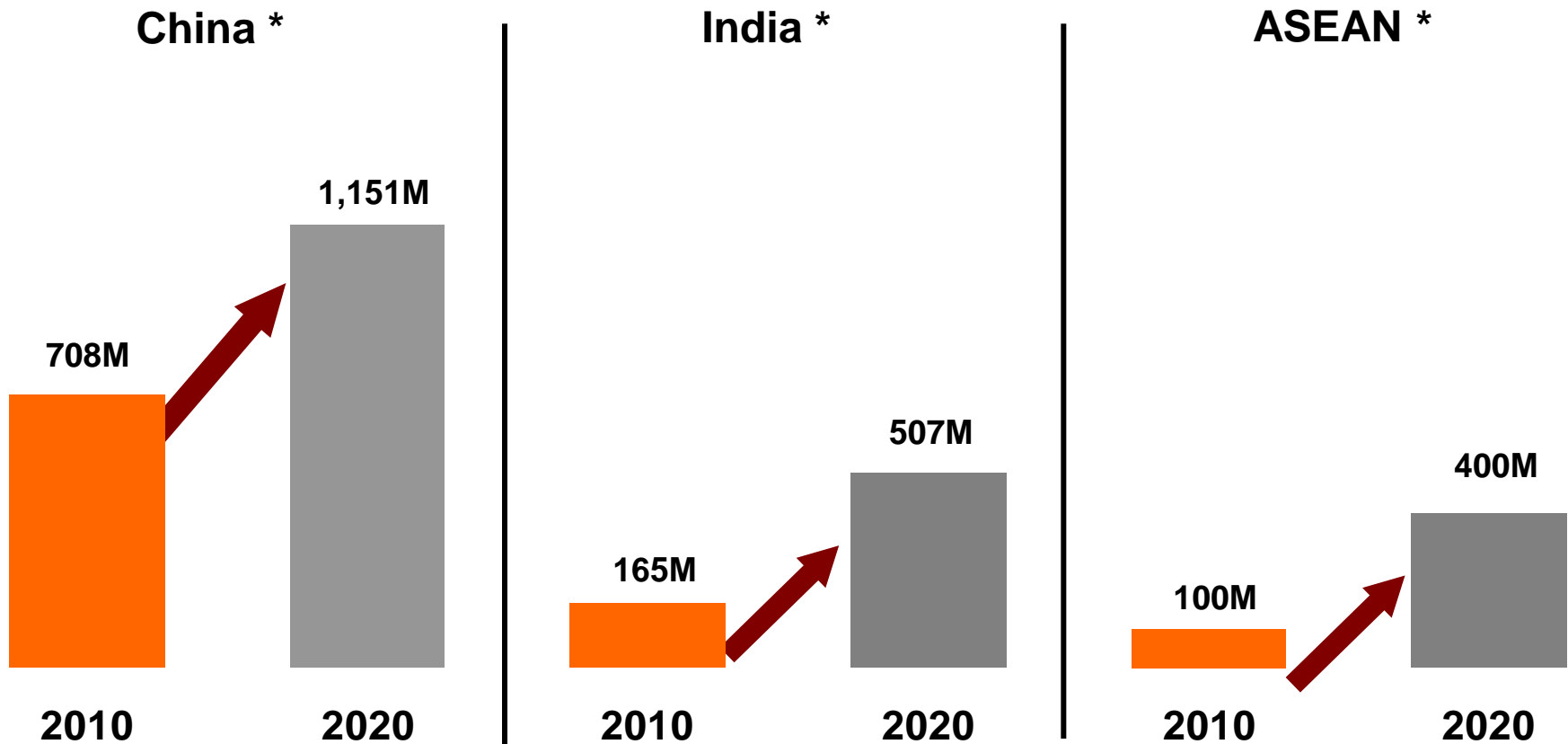


China, India & ASEAN Were 30% of Global Industry in 2010, up from 14% in 2005

Feel the difference



More than 2 billion potential new buyers by 2020



* \$5,000~\$6,000 is the take-off level income for vehicle purchase and rapid growth in automotive industry

Source: CESI, U.S. Census Database

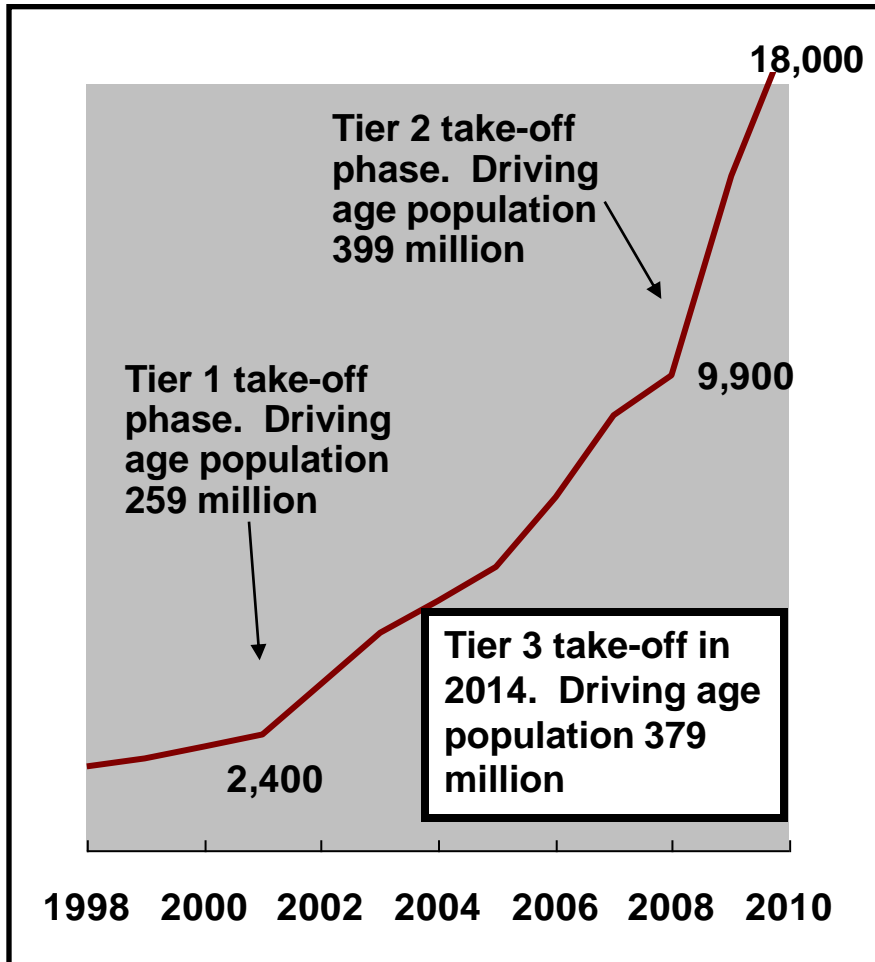
Industry Forecast Assumes Less than 4% of New Buyers Purchase a New Vehicle Each Year

Feel the difference

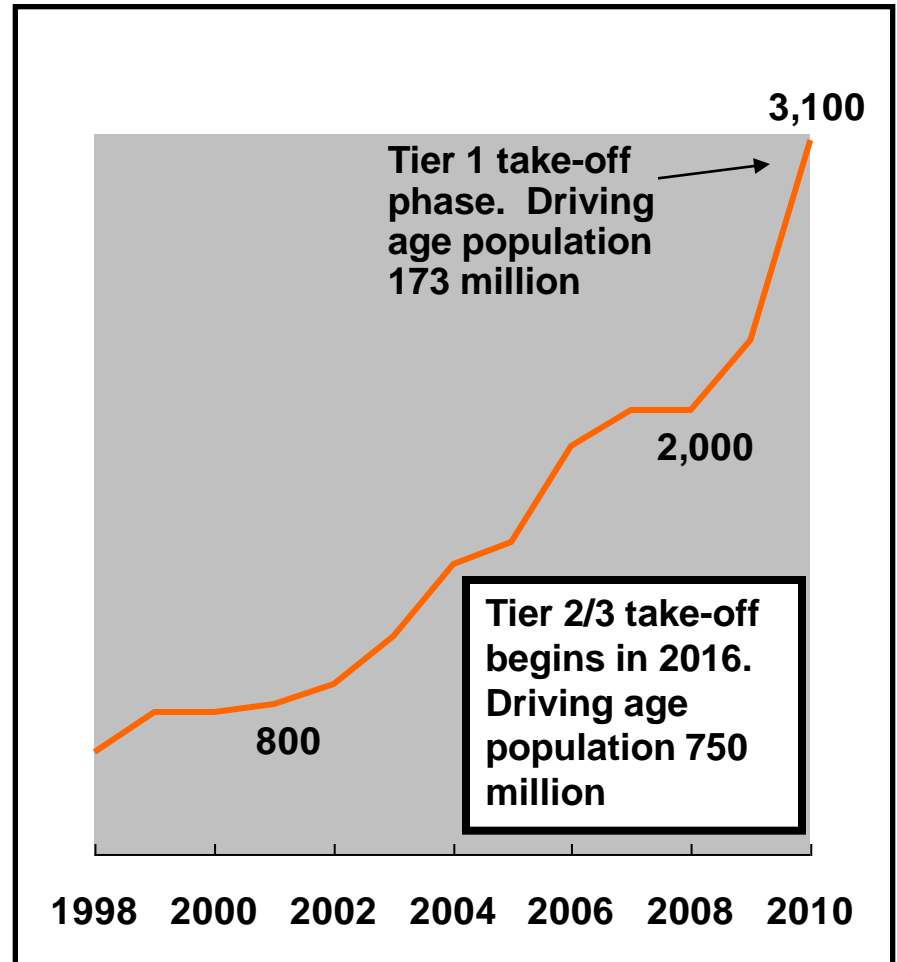


Income and Industry Growth Closely Linked

China



India



Take off generally accepted as GDP Per Capita (PPP) of \$5,000 to \$6,000

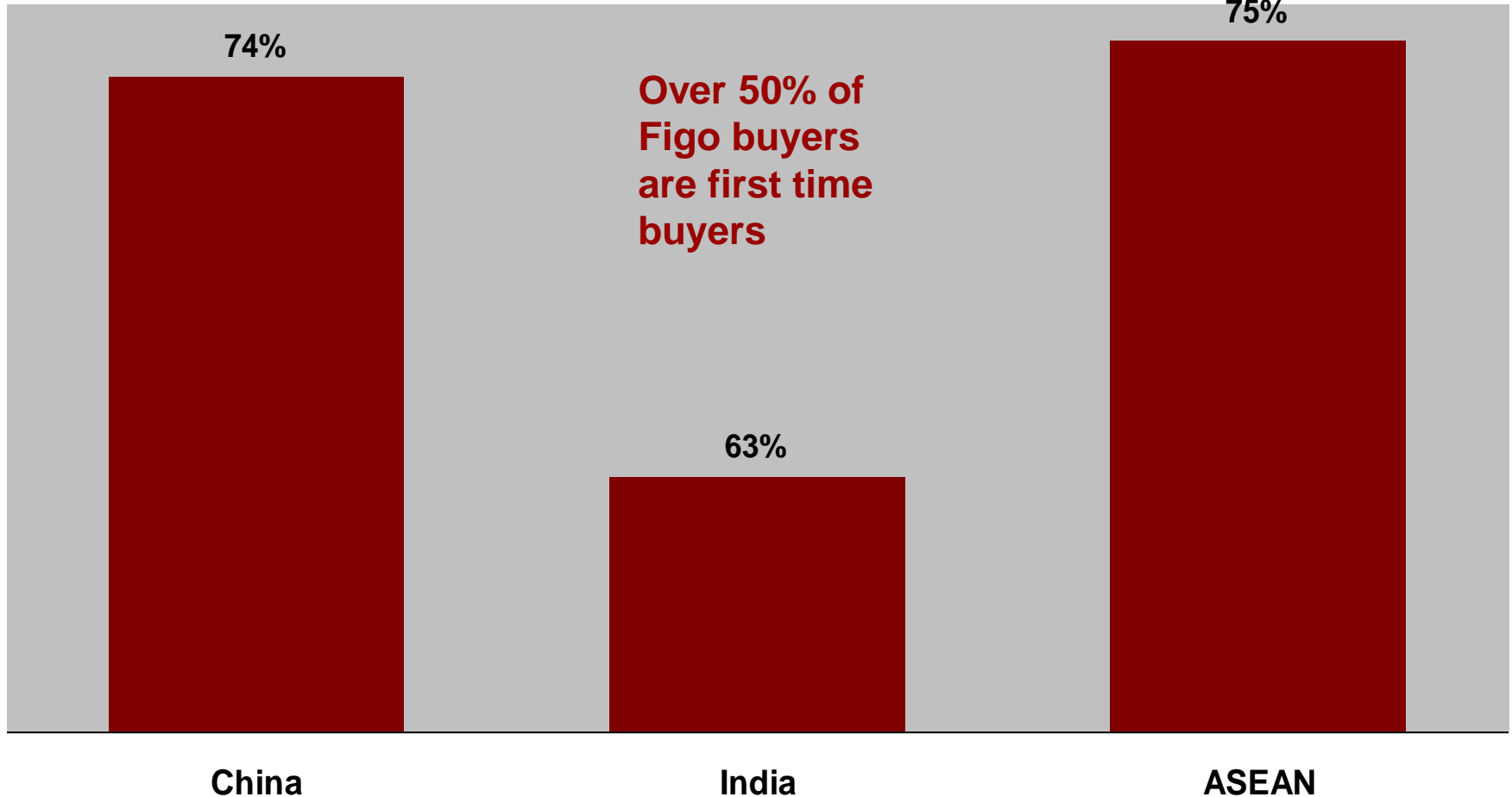
More than 1.6 Billion Potential Buyers in China & India by 2020

Feel the difference



First-time Buyers Dominate

First Time Buyers



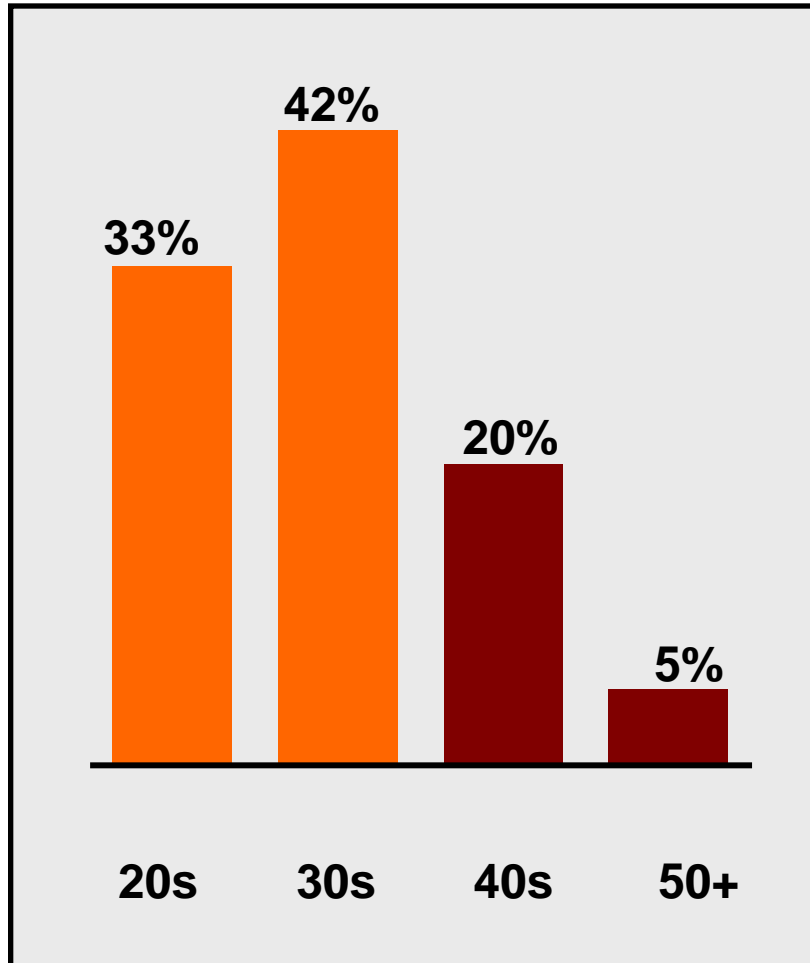
Over 60% Of Car Buyers Earn Less Than \$16,000/Year

Feel the difference

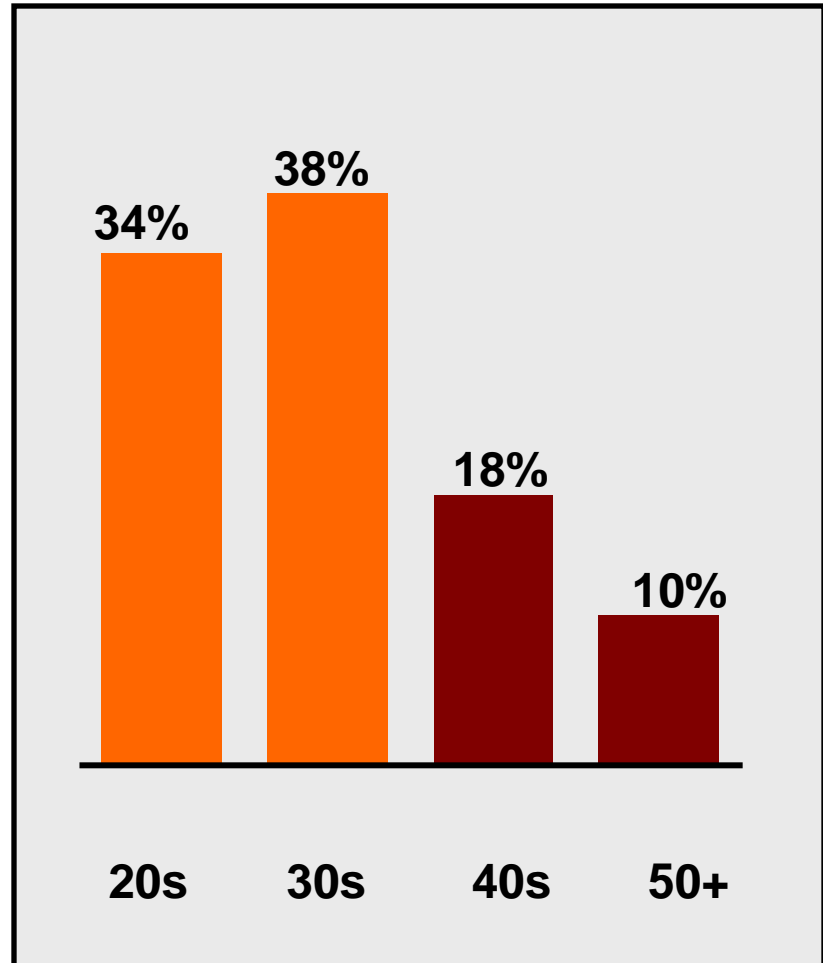


Customers are Young

China



India



Source: Survey on National demand for passenger vehicles - private user survey 2009, SIC, McKinsey Automotive Branding Survey 2007

Global Vehicle Sales in 25 Years; About 70% of Total Growth is in Asia Pacific and Africa Markets

Feel the difference



MID-DECADE OUTLOOK

Mid-Decade Outlook*

Wholesale Volumes

About 8 million

Revenue / Pricing

Improving

Automotive Operating Margins**

- North America

8 - 10%

- Global

8 - 9%

Ford Credit Return on Equity

Low Double Digits

Capital Spending

About \$6 billion

Total Automotive Debt

About \$10 billion

Investment Rating

**Plan to achieve investment grade
in the near-term and to remain
investment grade through economic cycle**

Dividends (% of PAT)

**Appropriate level of
after-tax earnings**

***At trend economic conditions and industry volume**

****Automotive pre-tax operating profit, excluding special items and Other Automotive
(primarily net interest), divided by Automotive revenue**

Feel the difference



THE PLAN



- **Great Products...Strong Business...Better World**
- **Serve all major markets**
- **Expand in BRIC markets**
- **Focus on the Ford and Lincoln brands**
- **Full line-up of vehicles**
 - **Small, Medium and Large...Cars, Utilities and Trucks**
 - **Electrification strategy -- “Power of Choice”**
 - **Commitment to product excellence**
- **Best-in-class vehicles**



Feel the difference



THE PLAN



- Improve time to market
- Freshest showroom
- Enhance customer experience
- Deliver the brand promise
- Fully competitive revenue
- Global platforms and scale
- Flexible and efficient production
- Fully competitive costs
- Return to and maintain investment grade
- Skilled and motivated team



Feel the difference

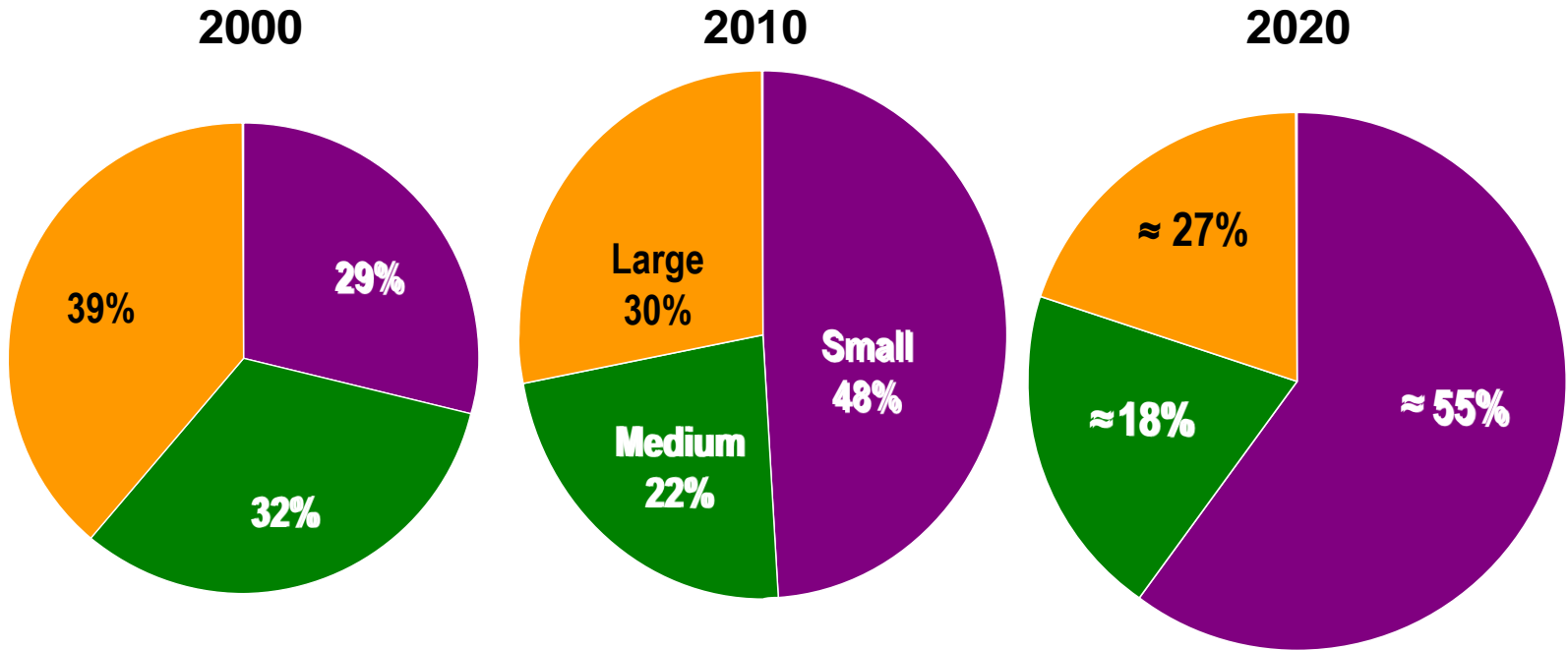


INDIA -- CHINA -- SOUTH AMERICA GROWTH

| SEGMENT | INDIA | | CHINA | | SOUTH AMERICA | |
|-------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | CURRENT OFFERINGS | FUTURE SHOWROOM | CURRENT OFFERINGS | FUTURE SHOWROOM | CURRENT OFFERINGS | FUTURE SHOWROOM |
| B-Car / SUV / MAV | | | | | | |
| C-Car / SUV | 4 | 8 | 5 | 15 | 15 | 16 |
| CD / D | 60% Legacy | 90% Global | 80% Legacy | 95% Global | 100% Legacy | 100% Global |
| Trucks & Vans | | | | | | |

To Support Growth, India And China Showrooms Will Increase From 3 To 8 Products And From 5 To 15 Respectively By 2015; South America Will Transform To 100% Global Products Within 3 Years

FORD'S CHANGING PRODUCT SEGMENTATION



**Our Small Vehicle Mix Will Continue To Grow,
While Large Vehicles Including Trucks Remain Important**

How are we doing it?



ONE FORD

ONE TEAM • ONE PLAN • ONE GOAL

- Aggressively **restructure** to operate profitably at the current demand and changing model mix
- **Accelerate development** of new products our customers want and value
- **Finance** our plan and improve our balance sheet
- **Work together** effectively as one team – leveraging our global assets

Feel the difference



Benefits of One Ford Strategy

Benefits of One Ford

- **Speed** to market
- **More efficient** use of resources
- **Lower cost** through scale
- Deployment of **latest technologies**

Feel the difference



Benefits of One Ford Strategy

What Does That Mean For India?

- **Global Platforms in Key Locations**
- **Reduce Core Platforms**
- **Increase Volume Per Platform**
- **Reduce Complexity**
- **Expand Part Commonality**
- **72% of Ford vehicles built off 15 Core Platforms**

Feel the difference

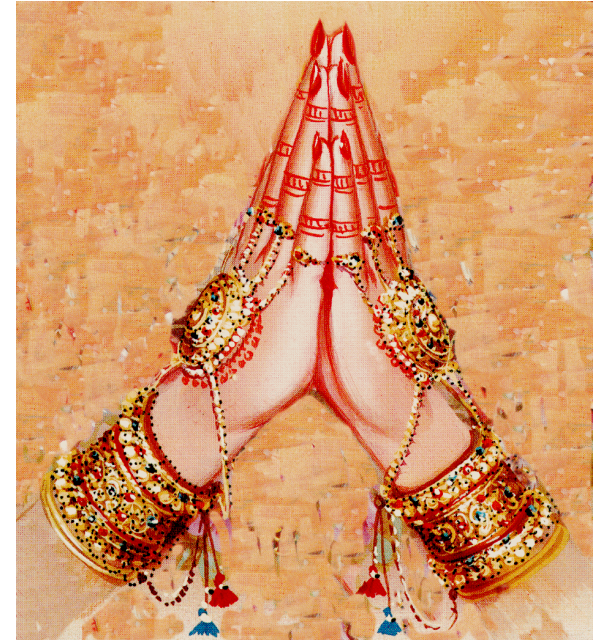


What lies ahead?



- **C**apacity of suppliers
- **H**uman capital
- **C**ommodity pricing
- **I**nflation and interest rates
- **I**nfrastructure

Thank You



Feel the difference

9/8/2011

Feel the difference

