

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
(in millions, except per share amounts)

	For the years ended December 31,		
	2015	2016	2017
Revenues			
Automotive	\$ 140,566	\$ 141,546	\$ 145,653
Financial Services	8,992	10,253	11,113
Other	—	1	10
Total revenues (Note 4)	149,558	151,800	156,776
Costs and expenses			
Cost of sales	124,446	126,183	131,332
Selling, administrative, and other expenses	10,763	10,972	11,527
Financial Services interest, operating, and other expenses	7,368	8,904	9,104
Total costs and expenses	142,577	146,059	151,963
Interest expense on Automotive debt	773	894	1,133
Non-Financial Services other income/(loss), net (Note 5)	1,854	(269)	3,060
Financial Services other income/(loss), net (Note 5)	372	438	207
Equity in net income of affiliated companies	1,818	1,780	1,201
Income before income taxes	10,252	6,796	8,148
Provision for/(Benefit from) income taxes (Note 7)	2,881	2,189	520
Net income	7,371	4,607	7,628
Less: Income/(Loss) attributable to noncontrolling interests	(2)	11	26
Net income attributable to Ford Motor Company	<u>\$ 7,373</u>	<u>\$ 4,596</u>	<u>\$ 7,602</u>
EARNINGS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 8)			
Basic income	\$ 1.86	\$ 1.16	\$ 1.91
Diluted income	1.84	1.15	1.90
Cash dividends declared	0.60	0.85	0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	For the years ended December 31,		
	2015	2016	2017
Net income	\$ 7,371	\$ 4,607	\$ 7,628
Other comprehensive income/(loss), net of tax (Note 21)			
Foreign currency translation	(1,132)	(1,024)	314
Marketable securities	(6)	(8)	(34)
Derivative instruments	227	219	(265)
Pension and other postretirement benefits	(81)	56	37
Total other comprehensive income/(loss), net of tax	(992)	(757)	52
Comprehensive income	6,379	3,850	7,680
Less: Comprehensive income/(loss) attributable to noncontrolling interests	(2)	10	24
Comprehensive income attributable to Ford Motor Company	<u>\$ 6,381</u>	<u>\$ 3,840</u>	<u>\$ 7,656</u>

The accompanying notes are part of the financial statements.

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions)

	December 31, 2016	December 31, 2017
ASSETS		
Cash and cash equivalents (Note 9)	\$ 15,905	\$ 18,492
Marketable securities (Note 9)	22,922	20,435
Financial Services finance receivables, net (Note 10)	46,266	52,210
Trade and other receivables, less allowances of \$392 and \$412	11,102	10,599
Inventories (Note 12)	8,898	10,277
Other assets	3,368	3,889
Total current assets	108,461	115,902
Financial Services finance receivables, net (Note 10)	49,924	56,182
Net investment in operating leases (Note 13)	28,829	28,235
Net property (Note 14)	32,072	35,327
Equity in net assets of affiliated companies (Note 15)	3,304	3,085
Deferred income taxes (Note 7)	9,705	10,973
Other assets	5,656	8,104
Total assets	\$ 237,951	\$ 257,808
LIABILITIES		
Payables	\$ 21,296	\$ 23,282
Other liabilities and deferred revenue (Note 16)	19,316	19,697
Automotive debt payable within one year (Note 18)	2,685	3,356
Financial Services debt payable within one year (Note 18)	46,984	48,265
Total current liabilities	90,281	94,600
Other liabilities and deferred revenue (Note 16)	24,395	24,711
Automotive long-term debt (Note 18)	13,222	12,575
Financial Services long-term debt (Note 18)	80,079	90,091
Deferred income taxes (Note 7)	691	815
Total liabilities	208,668	222,792
Redeemable noncontrolling interest (Note 20)	96	98
EQUITY		
Common Stock, par value \$.01 per share (3,987 million shares issued of 6 billion authorized)	40	40
Class B Stock, par value \$.01 per share (71 million shares issued of 530 million authorized)	1	1
Capital in excess of par value of stock	21,630	21,843
Retained earnings	15,634	21,218
Accumulated other comprehensive income/(loss) (Note 21)	(7,013)	(6,959)
Treasury stock	(1,122)	(1,253)
Total equity attributable to Ford Motor Company	29,170	34,890
Equity attributable to noncontrolling interests	17	28
Total equity	29,187	34,918
Total liabilities and equity	\$ 237,951	\$ 257,808

The following table includes assets to be used to settle liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheet above. See Note 22 for additional information on our VIEs.

	December 31, 2016	December 31, 2017
ASSETS		
Cash and cash equivalents	\$ 3,047	\$ 3,479
Financial Services finance receivables, net	50,857	56,250
Net investment in operating leases	11,761	11,503
Other assets	25	64
LIABILITIES		
Other liabilities and deferred revenue	\$ 5	\$ 2
Debt	43,730	46,437

The accompanying notes are part of the financial statements.

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)

	For the years ended December 31,		
	2015	2016	2017
Cash flows from operating activities			
Net income	\$ 7,371	\$ 4,607	\$ 7,628
Depreciation and tooling amortization	7,993	9,023	9,122
Other amortization	(27)	(306)	(669)
Provision for credit and insurance losses	418	672	717
Pension and other postretirement employee benefits ("OPEB") expense/(income)	512	2,667	(608)
Equity investment (earnings)/losses in excess of dividends received	(333)	(178)	240
Foreign currency adjustments	710	283	(403)
Net (gain)/loss on changes in investments in affiliates	(42)	(139)	(7)
Stock compensation	199	210	246
Net change in wholesale and other receivables	(5,090)	(1,449)	(836)
Provision for deferred income taxes	2,120	1,478	(232)
Decrease/(Increase) in accounts receivable and other assets	(3,563)	(2,855)	(2,297)
Decrease/(Increase) in inventory	(1,155)	(815)	(959)
Increase/(Decrease) in accounts payable and accrued and other liabilities	7,758	6,595	6,089
Other	(645)	57	65
Net cash provided by/(used in) operating activities	16,226	19,850	18,096
Cash flows from investing activities			
Capital spending	(7,196)	(6,992)	(7,049)
Acquisitions of finance receivables and operating leases	(57,217)	(56,007)	(59,354)
Collections of finance receivables and operating leases	38,130	38,834	44,641
Purchases of equity and debt securities	(41,279)	(31,428)	(27,567)
Sales and maturities of equity and debt securities	40,766	29,354	29,898
Settlements of derivatives	134	825	100
Other	500	62	(61)
Net cash provided by/(used in) investing activities	(26,162)	(25,352)	(19,392)
Cash flows from financing activities			
Cash dividends	(2,380)	(3,376)	(2,584)
Purchases of common stock	(129)	(145)	(131)
Net changes in short-term debt	1,646	3,864	1,229
Proceeds from issuance of other debt	48,860	45,961	45,801
Principal payments on other debt	(33,358)	(38,797)	(40,770)
Other	(373)	(107)	(151)
Net cash provided by/(used in) financing activities	14,266	7,400	3,394
Effect of exchange rate changes on cash and cash equivalents	(815)	(265)	489
Net increase/(decrease) in cash and cash equivalents	\$ 3,515	\$ 1,633	\$ 2,587
Cash and cash equivalents at January 1	\$ 10,757	\$ 14,272	\$ 15,905
Net increase/(decrease) in cash and cash equivalents	3,515	1,633	2,587
Cash and cash equivalents at December 31	\$ 14,272	\$ 15,905	\$ 18,492

The accompanying notes are part of the financial statements.