

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Ford Credit does not expect that any of these features will have a material adverse impact on its ability to securitize receivables. In addition, Ford Credit's ability to sell its receivables may be affected by the following factors: the amount and credit quality of receivables available to sell, the performance of receivables sold in previous transactions, general demand for the type of receivables Ford Credit offers, market capacity for Ford Credit-sponsored investments, accounting and regulatory changes, Ford Credit's credit ratings and Ford Credit's ability to maintain back-up liquidity facilities for certain securitization programs. If as a result of any of these or other factors, the cost of securitized funding significantly increased or securitized funding were no longer available to Ford Credit, Ford Credit's operations, financial condition and liquidity would be adversely impacted.

Variable Interest Entities

See Note 16 of the Notes to the Financial Statements for a discussion of our variable interest entities.

AGGREGATE CONTRACTUAL OBLIGATIONS

We are party to many contractual obligations involving commitments to make payments to third parties. Most of these are debt obligations incurred by our Financial Services sector. In addition, as part of our normal business practices, we enter into contracts with suppliers for purchases of certain raw materials, components and services. These arrangements may contain fixed or minimum quantity purchase requirements. We enter into such arrangements to facilitate adequate supply of these materials and services. "Purchase obligations" are defined as off-balance sheet agreements to purchase goods or services that are enforceable and legally binding on the company and that specify all significant terms.

The "Other liabilities" category includes only liabilities on our balance sheet that have a definite pay-out scheme or are not contingent on a subsequent event. Other liabilities at December 31, 2004 represent a payment obligation related to our acquisition of Land Rover in 2000.

The table below summarizes our contractual obligations as of December 31, 2004 (in millions):

Obligations	Automotive	Financial Services	Payments Due by Period				
			Total	2005	2006-2007	2008-2009	2010 and Thereafter
On-balance sheet:							
Long-term debt*	\$ 18,165	\$ 119,978	\$138,143	\$31,603	\$ 45,509	\$ 22,390	\$ 38,641
Capital lease	246	-	246	39	63	62	82
Other liabilities	1,343	-	1,343	1,343	-	-	-
Off-balance sheet:							
Purchase obligations	5,650	4,020	9,670	5,845	2,166	1,162	497
Operating lease	1,749	1,867	3,616	863	1,210	619	924
Total	<u>\$ 27,153</u>	<u>\$ 125,865</u>	<u>\$153,018</u>	<u>\$39,693</u>	<u>\$ 48,948</u>	<u>\$ 24,233</u>	<u>\$ 40,144</u>

* Principal obligation only.

For additional information to our long-term debt and operating lease obligations, see Notes 15 and 26 of the Notes to the Financial Statements.