

FORD MOTOR CO  
Form 10-Q  
August 06, 2010

---

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from  
to

Commission File Number: 1-3950

FORD MOTOR COMPANY  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

38-0549190  
(IRS Employer Identification No.)

One American Road, Dearborn, Michigan  
(Address of principal executive offices)

48126  
(Zip Code)

(313) 322-3000  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer   
 Non-accelerated filer  Smaller reporting company

Edgar Filing: FORD MOTOR CO - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 30, 2010, the registrant had outstanding 3,368,467,152 shares of Common Stock and 70,852,076 shares of Class B Stock.

Exhibit index located on page number 87.

---

---

## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements.

## FORD MOTOR COMPANY AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF OPERATIONS

For the Periods Ended June 30, 2010 and 2009

(in millions, except per share amounts)

	Second Quarter		First Half	
	2010	2009	2010	2009
	(unaudited)		(unaudited)	
<b>Sales and revenues</b>				
Automotive sales	\$32,564	\$23,610	\$61,458	\$44,590
Financial Services revenues	2,503	3,200	5,175	6,610
Total sales and revenues	35,067	26,810	66,633	51,200
<b>Costs and expenses</b>				
Automotive cost of sales	27,828	23,346	52,967	44,759
Selling, administrative and other expenses	3,137	3,110	6,226	6,802
Interest expense	1,636	1,679	3,337	3,600
Financial Services provision for credit and insurance losses	(131 )	419	(172 )	821
Total costs and expenses	32,470	28,554	62,358	55,982
<b>Automotive interest income and other non-operating</b>				
income/(expense), net (Note 10)	59	3,662	248	5,014
Financial Services other income/(loss), net (Note 10)	67	187	193	300
Equity in net income/(loss) of affiliated companies	124	136	266	47
Income/(Loss) before income taxes	2,847	2,241	4,982	579
Provision for/(Benefit from) income taxes	251	(15 )	301	(242 )
Income/(Loss) from continuing operations	2,596	2,256	4,681	821
Income/(Loss) from discontinued operations	—	5	—	5
Net income/(loss)	2,596	2,261	4,681	826
Less: Income/(Loss) attributable to noncontrolling interests	(3 )	—	(3 )	(8 )
Net income/(loss) attributable to Ford Motor Company	\$2,599	\$2,261	\$4,684	\$834
<b>NET INCOME/(LOSS) ATTRIBUTABLE TO FORD MOTOR COMPANY</b>				
Income/(Loss) from continuing operations	\$2,599	\$2,256	\$4,684	\$829
Income/(Loss) from discontinued operations	—	5	—	5
Net income/(loss)	\$2,599	\$2,261	\$4,684	\$834
<b>AMOUNTS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 13)</b>				
<b>Basic income/(loss)</b>				
Income/(Loss) from continuing operations	\$0.76	\$0.75	\$1.38	\$0.31
Income/(Loss) from discontinued operations	—	—	—	—
Net income/(loss)	\$0.76	\$0.75	\$1.38	\$0.31

Edgar Filing: FORD MOTOR CO - Form 10-Q

Diluted income/(loss)				
Income/(Loss) from continuing operations	\$0.61	\$0.69	\$1.10	\$0.30
Income/(Loss) from discontinued operations	—	—	—	—
Net income/(loss)	\$0.61	\$0.69	\$1.10	\$0.30

The accompanying notes are part of the financial statements.

## Item 1. Financial Statements (Continued)

## FORD MOTOR COMPANY AND SUBSIDIARIES

SECTOR STATEMENT OF OPERATIONS  
For the Periods Ended June 30, 2010 and 2009  
(in millions, except per share amounts)

	Second Quarter		First Half	
	2010	2009	2010	2009
	(unaudited)		(unaudited)	
<b>AUTOMOTIVE</b>				
Sales	\$32,564	\$23,610	\$61,458	\$44,590
Costs and expenses				
Cost of sales	27,828	23,346	52,967	44,759
Selling, administrative and other expenses	2,424	2,056	4,644	4,065
Total costs and expenses	30,252	25,402	57,611	48,824
Operating income/(loss)	2,312	(1,792 )	3,847	(4,234 )
Interest expense	518	359	1,060	828
Interest income and other non-operating income/(expense), net (Note 10)	59	3,662	248	5,014
Equity in net income/(loss) of affiliated companies	119	135	257	184
Income/(Loss) before income taxes — Automotive	1,972	1,646	3,292	136
<b>FINANCIAL SERVICES</b>				
Revenues	2,503	3,200	5,175	6,610
Costs and expenses				
Interest expense	1,118	1,320	2,277	2,772
Depreciation	494	964	1,154	2,399
Operating and other expenses	219	90	428	338
Provision for credit and insurance losses	(131 )	419	(172 )	821
Total costs and expenses	1,700	2,793	3,687	6,330
Other income/(loss), net (Note 10)	67	187	193	300
Equity in net income/(loss) of affiliated companies	5	1	9	(137 )
Income/(Loss) before income taxes — Financial Services	875	595	1,690	443
<b>TOTAL COMPANY</b>				
Income/(Loss) before income taxes	2,847	2,241	4,982	579
Provision for/(Benefit from) income taxes	251	(15 )	301	(242 )
Income/(Loss) from continuing operations	2,596	2,256	4,681	821
Income/(Loss) from discontinued operations	—	5	—	5
Net income/(loss)	2,596	2,261	4,681	826
Less: Income/(Loss) attributable to noncontrolling interests	(3 )	—	(3 )	(8 )
Net income/(loss) attributable to Ford Motor Company	\$2,599	\$2,261	\$4,684	\$834

## NET INCOME/(LOSS) ATTRIBUTABLE TO FORD MOTOR COMPANY

Income/(Loss) from continuing operations	\$2,599	\$2,256	\$4,684	\$829
Income/(Loss) from discontinued operations	—	5	—	5
Net income/(loss)	\$2,599	\$2,261	\$4,684	\$834

## AMOUNTS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK

(Note 13)

## Basic income/(loss)

Income/(Loss) from continuing operations	\$0.76	\$0.75	\$1.38	\$0.31
Income/(Loss) from discontinued operations	—	—	—	—
Net income/(loss)	\$0.76	\$0.75	\$1.38	\$0.31

## Diluted income/(loss)

Income/(Loss) from continuing operations	\$0.61	\$0.69	\$1.10	\$0.30
Income/(Loss) from discontinued operations	—	—	—	—
Net income/(loss)	\$0.61	\$0.69	\$1.10	\$0.30

The accompanying notes are part of the financial statements.

## Item 1. Financial Statements (Continued)

## FORD MOTOR COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET  
(in millions)

	June 30, 2010	December 31, 2009 (unaudited)
<b>ASSETS</b>		
Cash and cash equivalents	\$ 18,322	\$ 20,894
Marketable securities	21,404	21,387
Finance receivables, net (Note 4)	70,975	76,996
Other receivables, net	7,985	7,257
Net investment in operating leases	14,723	17,270
Inventories (Note 5)	6,076	5,041
Equity in net assets of affiliated companies	2,523	2,428
Net property	22,210	22,637
Deferred income taxes	2,080	3,479
Goodwill and other net intangible assets (Note 7)	183	208
Assets of held-for-sale operations (Note 12)	7,529	7,618
Other assets	5,740	6,825
<b>Total assets</b>	<b>\$ 179,750</b>	<b>\$ 192,040</b>
<b>LIABILITIES</b>		
Payables	\$ 15,976	\$ 14,301
Accrued liabilities and deferred revenue	43,698	46,144
Debt (Note 9)	117,385	131,635
Deferred income taxes	901	2,421
Liabilities of held-for-sale operations (Note 12)	5,331	5,321
<b>Total liabilities</b>	<b>183,291</b>	<b>199,822</b>
<b>EQUITY</b>		
Capital stock		
Common Stock, par value \$0.01 per share (3,375 million shares issued)	34	33
Class B Stock, par value \$0.01 per share (71 million shares issued)	1	1
Capital in excess of par value of stock	17,759	16,786
Accumulated other comprehensive income/(loss)	(12,277 )	(10,864 )
Treasury stock	(176 )	(177 )
Retained earnings/(Accumulated deficit)	(8,915 )	(13,599 )
<b>Total equity/(deficit) attributable to Ford Motor Company (Note 17)</b>	<b>(3,574 )</b>	<b>(7,820 )</b>
Equity/(Deficit) attributable to noncontrolling interests (Note 17)	33	38
<b>Total equity/(deficit) (Note 17)</b>	<b>(3,541 )</b>	<b>(7,782 )</b>
<b>Total liabilities and equity</b>	<b>\$ 179,750</b>	<b>\$ 192,040</b>

The following table includes assets to settle liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheet above. See Note 6 for additional information on our VIEs.

## ASSETS

Cash and cash equivalents	\$4,802	\$4,922
Finance receivables, net	52,609	57,353
Other receivables, net	22	34
Net investment in operating leases	8,911	10,246
Inventories	21	106
Net property	28	154
Other assets	33	56
LIABILITIES		
Payables	20	23
Accrued liabilities and deferred revenue	346	560
Debt	45,525	46,167

The accompanying notes are part of the financial statements.



## Item 1. Financial Statements (Continued)

## FORD MOTOR COMPANY AND SUBSIDIARIES

## SECTOR BALANCE SHEET

(in millions)

	June 30, 2010	December 31, 2009 (unaudited)
ASSETS		
Automotive		
Cash and cash equivalents	\$8,647	\$9,762
Marketable securities	13,240	15,169
Total cash and marketable securities	21,887	24,931
Receivables, net	3,513	3,378
Inventories (Note 5)	6,076	5,041
Deferred income taxes	359	