FORD CREDIT

# Ford Credit Earns First Quarter 2014 Pre-Tax Profit of $499 Million; Net Income of $312 Million*

**DEARBORN, Mich., April 25, 2014** – Ford Motor Credit Company reported a pre-tax profit of $499 million in the first quarter of 2014, compared with $507 million a year earlier. The change in pre-tax profit was driven by higher volume, reflecting increases in nearly all products globally, largely offset by unfavorable lease residual performance in North America. Ford Credit's net income was $312 million in the first quarter of 2014, compared with $364 million in the previous year.

"We continue to deliver on the core elements of our Ford support strategy – outstanding products and services, a strong and growing balance sheet and consistent profitability," said Bernard Silverstone, chairman and chief executive officer.

On March 31, 2014, Ford Credit's total net receivables were $103 billion, compared with $100 billion at year-end 2013. Managed receivables were $106 billion on March 31, 2014, up from $103 billion on Dec. 31, 2013. On March 31, 2014, managed leverage was 8.6:1, compared with 8.5:1 on Dec. 31, 2013.

Ford Credit now expects full-year pre-tax profit to be about equal to or higher than 2013, reflecting improved financing margin performance. Ford Credit continues to expect managed receivables at year-end of about $110 billion, managed leverage to continue in the range of 8:1 to 9:1, and distributions to its parent of about $250 million.

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***About Ford Motor Credit Company***

*Ford Motor Credit Company LLC has provided dealer and customer financing to support the sale of Ford Motor Company products since 1959. Ford Credit is a wholly owned subsidiary of Ford. For more information, visit www.fordcredit.com or www.lincolnafs.com.*


| | | |
|---|---|---|
| **Contacts:** | Margaret Mellott | Steve Dahle |
| | Ford Credit | Fixed Income |
| | Communications | Investment Community |
| | 313.322.5393 | 313.621.0881 |
| | mmellott@ford.com | fixedinc@ford.com |


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* The financial results discussed herein are presented on a preliminary basis; final data will be included in Ford Credit's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

## 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 or Europe, 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;
- 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 or other financial institutions 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, 2013, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

**FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES**
**PRELIMINARY**

## CONSOLIDATED INCOME STATEMENT
### For the Periods Ended March 31, 2013 and 2014
### (in millions)

| | First Quarter | |
|---|---|---|
| | 2013 | 2014 |
| | (unaudited) | |
| **Financing revenue** | | |
| Operating leases | $ 754 | $ 966 |
| Retail Financing | 697 | 696 |
| Dealer Financing | 378 | 393 |
| Other | 25 | 21 |
| Total financing revenue | 1,854 | 2,076 |
| Depreciation on vehicles subject to operating leases | (481) | (705) |
| Interest expense | (683) | (666) |
| Net financing margin | 690 | 705 |
| **Other revenue** | | |
| Insurance premiums earned | 29 | 32 |
| Other income, net | 77 | 51 |
| Total financing margin and other revenue | 796 | 788 |
| **Expenses** | | |
| Operating expenses | 250 | 250 |
| Provision for credit losses | 29 | 31 |
| Insurance expenses | 10 | 8 |
| Total expenses | 289 | 289 |
| **Income before income taxes** | 507 | 499 |
| Provision for income taxes | 143 | 187 |
| **Net income** | $ 364 | $ 312 |

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Certain prior period amounts in our Consolidated Income Statement were reclassified to conform to the presentation in our 2013 10-K Report.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
### For the Periods Ended March 31, 2013 and 2014
### (in millions)

| | First Quarter | |
|---|---|---|
| | 2013 | 2014 |
| | (unaudited) | |
| **Net income** | $ 364 | $ 312 |
| Other comprehensive income/(loss), net of tax | | |
| Foreign currency translation | (187) | (82) |
| **Total other comprehensive income/(loss), net of tax** | (187) | (82) |
| **Comprehensive income** | $ 177 | $ 230 |

**FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES**
**PRELIMINARY**

## CONSOLIDATED BALANCE SHEET
**(in millions)**

| | December 31, 2013 | March 31, 2014 |
|---|---|---|
| | | (unaudited) |
| **ASSETS** | | |
| Cash and cash equivalents | $ 9,424 | $ 8,441 |
| Marketable securities | 1,943 | 2,817 |
| Finance receivables, net | 81,636 | 84,046 |
| Net investment in operating leases | 18,277 | 18,832 |
| Notes and accounts receivable from affiliated companies | 1,077 | 665 |
| Derivative financial instruments | 585 | 668 |
| Other assets | 2,666 | 2,895 |
| **Total assets** | $ 115,608 | $ 118,364 |
| **LIABILITIES** | | |
| Accounts payable | | |
| Customer deposits, dealer reserves, and other | $ 1,445 | $ 1,561 |
| Affiliated companies | 211 | 575 |
| Total accounts payable | 1,656 | 2,136 |
| Debt | 98,693 | 100,990 |
| Deferred income taxes | 1,627 | 1,759 |
| Derivative financial instruments | 506 | 470 |
| Other liabilities and deferred income | 2,522 | 2,203 |
| **Total liabilities** | 105,004 | 107,558 |
| **SHAREHOLDER'S INTEREST** | | |
| Shareholder's interest | 5,217 | 5,217 |
| Accumulated other comprehensive income | 717 | 635 |
| Retained earnings | 4,670 | 4,954 |
| **Total shareholder's interest** | 10,604 | 10,806 |
| **Total liabilities and shareholder's interest** | $ 115,608 | $ 118,364 |

The following table includes assets to be used to settle the liabilities of the consolidated variable interest entities ("VIEs"). These assets and liabilities are included in the consolidated balance sheet above.

| | December 31, 2013 | March 31, 2014 |
|---|---|---|
| | | (unaudited) |
| **ASSETS** | | |
| Cash and cash equivalents | $ 4,198 | $ 2,768 |
| Finance receivables, net | 45,796 | 44,443 |
| Net investment in operating leases | 8,116 | 9,592 |
| Derivative financial instruments | 5 | 1 |
| **LIABILITIES** | | |
| Debt | $ 40,728 | $ 38,983 |
| Derivative financial instruments | 88 | 73 |

## FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES
## APPENDIX

In evaluating Ford Credit's financial performance, Ford Credit management uses financial measures based on Generally Accepted Accounting Principles ("GAAP"), as well as financial measures that include adjustments from GAAP.

**RECONCILIATION OF NON-GAAP MEASURES TO GAAP:**

| ***Net Finance Receivables and Operating Leases*** | **December 31, 2013** | **March 31, 2014** |
|---|---|---|
| **Receivables (a)** | **(in billions)** | |
| Net Receivables | | |
| Finance Receivables – North America Segment | | |
| Consumer | | |
| Retail financing | $ 40.9 | $ 40.7 |
| Non-Consumer | | |
| Dealer financing (b) | 22.1 | 23.2 |
| Other | 1.0 | 1.0 |
| Total finance receivables -- North America Segment | 64.0 | 64.9 |
| Finance Receivables – International Segment | | |
| Consumer | | |
| Retail financing | 10.8 | 11.3 |
| Non-Consumer | | |
| Dealer financing (b) | 8.3 | 9.3 |
| Other | 0.4 | 0.4 |
| Total finance receivables -- International Segment | 19.5 | 21.0 |
| Unearned interest supplements | (1.5) | (1.5) |
| Allowance for credit losses | (0.4) | (0.3) |
| Finance receivables, net | 81.6 | 84.1 |
| Net investment in operating leases | 18.3 | 18.8 |
| Total net receivables | $ 99.9 | $ 102.9 |
| | | |
| Managed receivables | | |
| Total net receivables | $ 99.9 | $ 102.9 |
| Unearned interest supplements and residual support | 3.1 | 3.1 |
| Allowance for credit losses | 0.4 | 0.4 |
| Other, primarily accumulated supplemental depreciation | — | 0.1 |
| Total managed receivables | $ 103.4 | $ 106.5 |

| ***Managed Leverage Calculation*** | **December 31, 2013** | **March 31, 2014** |
|---|---|---|
| | **(in billions)** | |
| Total debt (c) | $ 98.7 | $ 101.0 |
| Adjustments for cash, cash equivalents, and marketable securities (d) | (10.8) | (10.7) |
| Adjustments for derivative accounting (e) | (0.2) | (0.2) |
| Total adjusted debt | $ 87.7 | $ 90.1 |
| | | |
| Equity (f) | $ 10.6 | $ 10.8 |
| Adjustments for derivative accounting (e) | (0.3) | (0.3) |
| Total adjusted equity | $ 10.3 | $ 10.5 |
| | | |
| Managed leverage (to 1) = Total adjusted debt / Total adjusted equity | 8.5 | 8.6 |
| Memo: Financial statement leverage (to 1) = Total debt / Equity | 9.3 | 9.3 |

(a) Includes finance receivables (retail and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors.

(b) Dealer financing primarily includes wholesale loans to dealers to finance the purchase of vehicle inventory.

(c) Includes debt reported on Ford Credit's balance sheet that is issued in securitization transactions and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions.

(d) Excludes marketable securities related to insurance activities.

(e) Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings.

(f) Shareholder's interest reported on Ford Credit's balance sheet.