

Edgar Filing: FORD MOTOR CO - Form 10-Q

FORD MOTOR CO  
Form 10-Q  
July 26, 2001

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES AND  
--- EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2001 OR  
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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  
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FORD MOTOR COMPANY  
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(Exact name of registrant as specified in its charter)

Incorporated in Delaware -----	38-0549190 -----
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

One American Road, Dearborn, Michigan -----	48126 -----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:  
313-322-3000  
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Indicate by checkmark 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 ☐.  
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APPLICABLE ONLY TO CORPORATE ISSUERS: Indicate the number of shares outstanding

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of each of the issuer's classes of common stock, as of the latest practicable date: As of June 30, 2001 the Registrant had outstanding 1,740,944,222 shares of  
 -----  
 Common Stock and 70,852,076 shares of Class B Stock.  
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Exhibit index located on sequential page number 25

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### Ford Motor Company and Subsidiaries

#### HIGHLIGHTS

	Second Quarter	
	2001	2000
	(unaudited)	
Worldwide vehicle unit sales of cars and trucks (in thousands)		
- North America	1,142	1,308
- Outside North America	716	687
Total	1,858	1,995
	=====	=====
Sales and revenues (in millions)		
- Automotive	\$ 34,552	\$ 37,366
- Financial Services	7,762	7,133
Total	\$ 42,314	\$ 44,499
	=====	=====
Net income (loss) (in millions)		
- Automotive	\$ (1,194)	\$ 1,052
- Financial Services	442	461
Income (loss) from continuing operations	(752)	1,513
- Discontinued operation (Visteon)	-	162
- Loss on spin-off of Visteon	-	(2,252)
Total	\$ (752)	\$ (577)
	=====	=====

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Capital expenditures (in millions)		
- Automotive	\$ 1,229	\$ 1,453
- Financial Services	99	158
	-----	-----
Total	\$ 1,328	\$ 1,611
	=====	=====
Automotive capital expenditures as a percentage of sales	3.6%	3.9%
Stockholders' equity at June 30		
- Total (in millions)	\$ 13,758	\$ 24,643
- Annualized after-tax return on Common and Class B stockholders' equity	Loss	22.9%
Automotive net cash at June 30 (in millions)		
- Cash and marketable securities	\$ 16,205	\$ 25,557
- Debt	12,061	10,804
	-----	-----
Automotive net cash	\$ 4,144	\$ 14,753
	=====	=====
After-tax return on sales		
- North American Automotive	(4.9)%	6.7%
- Total Automotive	(3.4)%	2.9%
Shares of Common and Class B Stock (in millions)		
- Average number outstanding	1,819	1,205
- Number outstanding at June 30	1,812	1,205
Common Stock price (per share) (adjusted to reflect Visteon spin-off)		
- High	\$30.71	\$31.46
- Low	24.00	23.08
AMOUNTS PER SHARE OF COMMON AND CLASS B STOCK AFTER PREFERRED STOCK DIVIDENDS		
Income assuming dilution		
- Automotive	\$ (0.65)	\$ 0.86
- Financial Services	0.24	0.38
	-----	-----
Subtotal	(0.41)	1.24
- Discontinued operation (Visteon)	-	0.13
- Loss on spin-off of Visteon	-	(1.84)
	-----	-----
Total	\$ (0.41)	\$ (0.47)
	=====	=====
Cash dividends	\$ 0.30	\$ 0.50

Prior periods have been restated.

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## Ford Motor Company and Subsidiaries

### VEHICLE UNIT SALES

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For the Periods Ended June 30, 2001 and 2000  
(in thousands)

	Second Quarter	
	2001	2000
	-----	-----
	(unaudited)	
North America		
United States		
Cars	397	448
Trucks	640	743
	-----	-----
Total United States	1,037	1,191
Canada	68	80
Mexico	37	37
	-----	-----
Total North America	1,142	1,308
Europe		
Britain	167	139
Germany	115	83
Italy	64	58
Spain	53	54
France	40	41
Other countries	140	146
	-----	-----
Total Europe	579	521
Other international		
Brazil	40	35
Australia	31	37
Taiwan	12	19
Argentina	8	12
Japan	5	8
Other countries	41	55
	-----	-----
Total other international	137	166
	-----	-----
Total worldwide vehicle unit sales	1,858	1,995
	=====	=====

Vehicle unit sales generally are reported worldwide on a "where sold" basis and include sales of all Ford-badged units, as well as units manufactured by Ford and sold to other manufacturers.

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Prior periods were restated to correct unit sales.

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## Part I. Financial Statements

### Item 1. Financial Statements

#### Ford Motor Company and Subsidiaries CONSOLIDATED STATEMENT OF INCOME

For the Periods Ended June 30, 2001 and 2000  
(in millions)

	Second Quarter	
	2001	2000
	(unaudited)	
AUTOMOTIVE		
Sales	\$34,552	\$37,366
Costs and expenses (Note 2)		
Cost of sales (Note 3)	33,648	33,495
Selling, administrative and other expenses	2,336	2,458
Total costs and expenses	35,984	35,953
Operating income (loss)	(1,432)	1,413
Interest income	218	389
Interest expense	330	327
Net interest income (expense)	(112)	62
Equity in net income (loss) of affiliated companies	(162)	29
Income (loss) before income taxes - Automotive	(1,706)	1,504
FINANCIAL SERVICES		
Revenues	7,762	7,133
Costs and expenses		
Interest expense	2,484	2,311
Depreciation	2,674	2,398
Operating and other expenses (Note 3)	1,342	1,249
Provision for credit and insurance losses	572	411
Total costs and expenses	7,072	6,369
Income before income taxes - Financial Services	690	764

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TOTAL COMPANY		
Income (loss) before income taxes	(1,016)	2,268
Provision for income taxes	(284)	728
	-----	-----
Income (loss) before minority interests	(732)	1,540
Minority interests in net income of subsidiaries	20	27
	-----	-----
Income (loss) from continuing operations	(752)	1,513
Income from discontinued operation (Note 4)	-	162
Loss on spin-off of discontinued operation (Note 4)	-	(2,252)
	-----	-----
Net income (loss)	\$ (752)	\$ (577)
	=====	=====
Income (loss) attributable to Common and Class B		
Stock after preferred stock dividends	\$ (755)	\$ (580)
Average number of shares of Common and Class B		
Stock outstanding	1,819	1,205
AMOUNTS PER SHARE OF COMMON AND CLASS B STOCK (Notes 5 and 6)		
Basic Income		
Income (loss) from continuing operations	\$ (0.42)	\$ 1.26
Net income (loss)	\$ (0.42)	\$ (0.48)
Diluted Income		
Income (loss) from continuing operations	\$ (0.41)	\$ 1.24
Net income (loss)	\$ (0.41)	\$ (0.47)
Cash dividends	\$ 0.30	\$ 0.50

The accompanying notes are part of the financial statements.

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## Ford Motor Company and Subsidiaries

### CONSOLIDATED BALANCE SHEET

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(in millions)

#### ASSETS

Automotive

Cash and cash equivalents

Marketable securities

Total cash and marketable securities

Receivables

Inventories (Note 7)

Deferred income taxes

Other current assets

Current receivable from Financial Services

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Total current assets	
Equity in net assets of affiliated companies	
Net property	
Deferred income taxes	
Other assets	
 Total Automotive assets	--
Financial Services	
Cash and cash equivalents	
Investments in securities	
Finance receivables, net	1
Net investment in operating leases	
Other assets	
Receivable from Automotive	
 Total Financial Services assets	-- 1
 Total assets	\$2 ==
 LIABILITIES AND STOCKHOLDERS' EQUITY	
Automotive	
Trade payables	\$
Other payables	
Accrued liabilities	
Income taxes payable	
Debt payable within one year	
 Total current liabilities	--
Long-term debt	
Other liabilities	
Deferred income taxes	
Payable to Financial Services	
 Total Automotive liabilities	--
Financial Services	
Payables	
Debt	1
Deferred income taxes	
Other liabilities and deferred income	
Payable to Automotive	
 Total Financial Services liabilities	-- 1
 Company-obligated mandatorily redeemable preferred securities of a subsidiary tTrust holding solely junior subordinated debentures of the Company (Note 8)	
 Stockholders' equity	
Capital stock	
Preferred Stock, par value \$1.00 per share (aggregate liquidation preference of \$177 million)	
Common Stock (par value \$0.01 per share (1,837 million shares issued)	
Class B Stock, par value \$0.01 per share (71 million shares issued)	
Capital in excess of par value of stock	
Accumulated other comprehensive income (Notes 3 and 9)	
ESOP loan and treasury stock	
Earnings retained for use in business	

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Total stockholders' equity

Total liabilities and stockholders' equity

\$2

- - - - -

\*Less than \$1 million

The accompanying notes are part of the financial statements.

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## Ford Motor Company and Subsidiaries

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Periods Ended June 30, 2001 and 2000  
(in millions)

	First Half 2001	
	Automotive	Financial Services
	(unaudited)	
Cash and cash equivalents at January 1	\$ 3,374	\$ 1,477
Cash flows from operating activities before securities trading	6,427	7,275
Net sales (purchases) of trading securities	1,686	(148)
Net cash flows from operating activities	8,113	7,127
Cash flows from investing activities		
Capital expenditures	(2,586)	(230)
Acquisitions of receivables and lease investments	-	(48,003)
Collections of receivables and lease investments	-	25,852
Net acquisitions of daily rental vehicles	-	(2,362)
Purchases of securities	(10,729)	(485)
Sales and maturities of securities	10,657	476
Proceeds from sales of receivables and lease investments	-	10,141
Net investing activity with Financial Services	(460)	-
Cash paid for acquisitions (Note 10)	(1,868)	(742)
Other	366	(35)
Net cash used in investing activities	(4,620)	(15,388)
Cash flows from financing activities		
Cash dividends	(1,107)	-
Net purchases of Common Stock	(1,322)	-
Changes in short-term debt	(70)	(2,375)
Proceeds from issuance of other debt	188	25,028
Principal payments on other debt	(103)	(13,791)



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Net debt repayments from discontinued operations	-	-
Net cash distribution to discontinued operations	-	-
Net financing activity with Automotive	-	460
Other	170	(362)
	-----	-----
Net cash (used in)/provided by financing activities	(2,244)	8,960
Effect of exchange rate changes on cash	(20)	(193)
Net transactions with Automotive/Financial Services	100	(100)
	-----	-----
Net increase in cash and cash equivalents	1,329	406
	-----	-----
Cash and cash equivalents at June 30	\$ 4,703	\$ 1,883
	=====	=====

The accompanying notes are part of the financial statements.

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## Ford Motor Company and Subsidiaries

### NOTES TO FINANCIAL STATEMENTS

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(unaudited)

- Financial Statements - The financial data presented herein are unaudited, but in the opinion of management reflect those adjustments necessary for a fair statement of such information. Results for interim periods should not be considered indicative of results for a full year. Reference should be made to the financial statements contained in the registrant's Annual Report on Form 10-K for the year ended December 31, 2000. For purposes of Notes to Financial Statements, "Ford" or the "Company" means Ford Motor Company and its majority owned subsidiaries unless the context requires otherwise. Certain amounts for prior periods were reclassified to conform with present period presentation.
- Selected Automotive costs and expenses are summarized as follows (in millions):

	Second Quarter		Fin
	2001	2000	2001
	-----	-----	-----
Depreciation	\$682	\$718	\$1,357
Amortization	624	628	1,350
Pension expense (benefit)	(76)	(51)	(161)

- SFAS 133 ("Accounting for Derivative Instruments and Hedges") - Ford adopted SFAS 133 on January 1, 2001. For further discussion on SFAS 133 refer to Note 3 in Form 10-Q for the quarterly period ended March 31, 2001. Non-cash adjustments to income and to stockholders' equity for the second

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quarter and first half of 2001 were (in millions):

	Automotive		Financial Services	
	Second Quarter	First Half	Second Quarter	First Half
Income before income taxes *	\$ (77)	\$ (167)	\$ (51)	\$ (71)
Net income	(55)	(114)	(32)	(45)
Stockholders' equity **				

\* Automotive recorded in cost of sales; Financial Services recorded in operating and other expenses \*\* Recorded in accumulated other comprehensive income

4. Discontinued Operation - On June 28, 2000, Ford distributed 130 million shares of Visteon Corporation ("Visteon"), which represented its 100% ownership interest, by means of a tax-free spin-off in the form of a dividend on Ford Common and Class B Stock. Ford's financial statements reflect Visteon as a "discontinued operation".
5. Value Enhancement Plan - On August 7, 2000, the Company announced the final results of its recapitalization, known as the Value Enhancement Plan ("VEP"). Under the VEP, Ford shareholders exchanged each of their old Ford Common or Class B shares for one new Ford Common or Class B share, as the case may be, plus, at their election, either \$20 in cash, 0.748 additional new Ford Common shares, or a combination of \$5.17 in cash and 0.555 additional new Ford Common shares. As a result of the elections made by shareholders under the VEP, the total cash elected was \$5.7 billion and the total number of new Ford Common and Class B shares that became issued and outstanding was 1.893 billion. As a result of the VEP, approximately \$1.2 billion was transferred from capital stock to capital in excess of par value of stock.

In accordance with generally accepted accounting principles, prior period shares and earnings per share amounts were not adjusted.

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Ford Motor Company and Subsidiaries

### NOTES TO FINANCIAL STATEMENTS

(unaudited)

6. Income Per Share of Common and Class B Stock - Basic income per share of Common and Class B Stock is calculated by dividing the income attributable to Common and Class B Stock by the average number of shares of Common and Class B Stock outstanding during the applicable period, adjusted for shares issuable under employee savings and compensation plans.

The calculation of diluted income per share of Common and Class B Stock takes into account the effect of dilutive potential common stock, such as stock options.

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Income (loss) per share of Common and Class B Stock was as follows (in millions, except per share amounts):

	Second Quarter	
	Income	Shares
Income (loss) from continuing operations and shares	\$ (752)	1,8
Preferred stock dividend requirements	(3)	
Issuable and uncommitted ESOP shares	-	
	-----	-----
Basic income (loss) and shares from continuing operations	\$ (755)	1,8
Basic income (loss) per share from continuing operations	\$ (0.42)	
Basic income per share from discontinued operation	-	
Basic loss per share on spin-off of discontinued operation	-	
	-----	
Basic income (loss) per share	\$ (0.42)	
Basic income (loss) and shares from continuing operations	\$ (755)	1,8
Net dilutive effect of options	-	
	-----	-----
Diluted income (loss) and shares from continuing operations	\$ (755)	1,8
Diluted income (loss) per share from continuing operations	\$ (0.41)	
Diluted income per share from discontinued operation	-	
Diluted loss per share on spin-off of discontinued operation	-	
	-----	
Diluted loss per share	\$ (0.41)	

	First Half 20	
	Income	Shares
Income from continuing operations and shares	\$ 307	1,8
Preferred stock dividend requirements	(7)	
Issuable and uncommitted ESOP shares	-	(
	-----	-----
Basic income and shares from continuing operations	\$ 300	1,8
Basic income per share from continuing operations	\$ 0.16	
Basic income per share from discontinued operation	-	
Basic loss per share on spin-off of discontinued operation	-	
	-----	
Basic income per share	\$ 0.16	
Basic income and shares from continuing operations	\$ 300	1,8
Net dilutive effect of options	-	
	-----	-----
Diluted income and shares from continuing operations	\$ 300	1,8
Diluted income per share from continuing operations	\$ 0.16	
Diluted income per share from discontinued operation	-	
Diluted loss per share on spin-off of discontinued operation	-	
	-----	

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Diluted income per share

\$ 0.16

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## Ford Motor Company and Subsidiaries

### NOTES TO FINANCIAL STATEMENTS

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(unaudited)

7. Automotive Inventories are summarized as follows (in millions):

	June 30, 2001	December 2000
	-----	-----
Raw materials, work in process and supplies	\$2,688	\$2,7
Finished products	4,532	4,7
	-----	-----
Total inventories	\$7,220	\$7,5
	=====	=====

8. Company-Obligated Mandatorily Redeemable Preferred Securities of a Subsidiary Trust - The sole asset of Ford Motor Company Capital Trust I (the "Trust"), which is the obligor on the Preferred Securities of such Trust, is \$632 million principal amount of 9% Junior Subordinated Debentures due 2025 of Ford Motor Company.
9. Comprehensive Income - Other comprehensive income primarily reflects foreign currency translation adjustments and adjustments related to SFAS 133 (Note 3). Total comprehensive income is summarized as follows (in millions):

	Second Quarter		First Half	
	-----		-----	
	2001	2000	2001	
	-----	-----	-----	-----
Net income (loss)	\$ (752)	\$ (577)	\$ 307	\$
Other comprehensive income (loss)	(582)	(481)	(2,918)	
	-----	-----	-----	-----
Total comprehensive income (loss)	\$ (1,334)	\$ (1,058)	\$ (2,611)	\$
	=====	=====	=====	=====

10. Acquisitions and Restructurings

Hertz Purchase - In March 2001, through a tender offer and a merger transaction, Ford acquired (for a total price of \$735 million) the common stock of Hertz that it did not own, which represented about 18% of the economic interest in Hertz.

Purchase of Land Rover Business - On June 30, 2000, Ford purchased the

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Land Rover business from the BMW Group for approximately three billion euros. Approximately two-thirds of the purchase price (equivalent of \$1.9 billion at June 30, 2000) was paid at time of closing; the remainder will be paid in 2005. The acquisition involves the entire Land Rover line of products and related assembly and engineering facilities. It does not include Rover's passenger car business or financial services business.

European Charges - Following an extensive business review of the Ford Brand operations in Europe, the Company recorded a pre-tax charge in Automotive cost of sales of \$1,568 million in the second quarter of 2000. This charge included \$1.1 billion for asset impairments and \$468 million for restructuring costs. The effect on after-tax earnings was \$1,019 million.

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### Ford Motor Company and Subsidiaries

#### NOTES TO FINANCIAL STATEMENTS

(unaudited)

11. Segment Information - Ford's business is divided into two business sectors - Automotive and Financial Services (including Ford Credit and Hertz); detail is summarized as follows (in millions):

		Financial Services Sector			
		Auto Sector	Ford Credit	Hertz	Other
					Fin Svcs
					Elims/ Other
Second Quarter					
2001					
Revenues					
External customer	\$ 34,552	\$ 6,256	\$ 1,281	\$ 219	\$ 6
Intersegment	1,316	118	6	45	(1,485)
Total Revenues	\$ 35,868	\$ 6,374	\$ 1,287	\$ 264	\$(1,479)
Income (loss) from continuing operations		\$ (1,194)	\$ 367	\$ 59	\$ 14
2000					
Revenues					
External customer	\$ 37,366	\$ 5,778	\$ 1,271	\$ 64	\$ 20
Intersegment	1,338	41	7	62	(1,448)
Total Revenues	\$ 38,704	\$ 5,819	\$ 1,278	\$ 126	\$(1,428)
Income (loss) from continuing operations		\$ 1,052	\$ 388	\$ 104	\$ (18)

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		Financial Services Sector				
----- First Half -----	Auto Sector	Ford Credit	Hertz	Other Fin Svcs	Elims/ Other	
-----	-----	-----	-----	-----	-----	-----
2001						
----						
Revenues						
External customer	\$ 69,202	\$ 12,604	\$ 2,457	\$ 483	\$ 14	\$
Intersegment	2,544	240	14	72	(2,870)	
	-----	-----	-----	-----	-----	-----
Total Revenues	\$ 71,746	\$ 12,844	\$ 2,471	\$ 555	\$ (2,856)	\$
	=====	=====	=====	=====	=====	=====
Income (loss) from continuing operations	\$ (505)	\$ 760	\$ 55	\$ (1)	\$ (2)	\$
Total assets at June 30	\$ 91,088	\$182,045	\$12,185	\$4,228	\$ -	\$2
2000						
----						
Revenues						
External customer	\$ 73,541	\$ 11,269	\$ 2,402	\$ 172	\$ 19	\$
Intersegment	2,496	80	15	104	(2,695)	
	-----	-----	-----	-----	-----	-----
Total Revenues	\$ 76,037	\$ 11,349	\$ 2,417	\$ 276	\$ (2,676)	\$
	=====	=====	=====	=====	=====	=====
Income (loss) from continuing operations	\$ 2,604	\$ 741	\$ 160	\$ (29)	\$ (31)	\$
Total assets at June 30	\$101,357	\$167,821	\$11,451	\$5,951	\$ -	\$2

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 "Other Financial Services" data is an aggregation of miscellaneous smaller Financial Services Sector business components, including Ford Motor Land Development Corporation, Ford Leasing Development Company, Ford Leasing Corporation and Granite Management Corporation.

"Eliminations/Other" data includes intersegment eliminations and minority interests. Interest income for the operating segments in the Financial Services Sector is reported as "Revenues".

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Report of Independent Accountants

To the Board of Directors and Stockholders  
 Ford Motor Company

We have reviewed the accompanying consolidated balance sheet of Ford Motor Company and its subsidiaries as of June 30, 2001, and the related consolidated statement of income for each of the three-month and six-month periods ended June

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30, 2001 and 2000 and the condensed consolidated statement of cash flows for the six-month periods ended June 30, 2001 and 2000. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2000, and the related consolidated statements of income, stockholders' equity and of cash flows for the year then ended (not presented herein), and in our report dated January 18, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2000, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/PricewaterhouseCoopers LLP  
PricewaterhouseCoopers LLP  
Detroit, Michigan  
July 16, 2001

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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#### SECOND QUARTER RESULTS OF OPERATIONS

Worldwide losses in the second quarter of 2001 were \$752 million, or \$0.41 per diluted share of Common and Class B Stock, compared with a loss of \$577 million, or \$0.47 per diluted share in the second quarter of 2000. The second quarter 2001 loss included about \$2 billion for charges and lost vehicle profits related to the planned replacement of about 13 million Firestone tires on Ford vehicles (discussed in detail under Part II, Item 1 "Legal Proceedings" of this report). Also included in 2001 results were \$201 million in charges for our share of Mazda Motor Corporation's restructuring and other actions announced in April and the new accounting standard on hedging and derivatives. The second quarter 2000 results included a loss of \$2.3 billion on the spin-off of Visteon and charges of \$1 billion for asset impairment and restructuring costs related to our Ford-brand operations in Europe.

Sales and revenues were \$42.3 billion in the second quarter of 2001,

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down \$2.2 billion from a year ago. Vehicle unit sales were 1,858,000, down 137,000 units, of which about 45,000 units were for production stoppages related to the Firestone tire replacement action.

Results by business sector for the second quarter of 2001 and 2000 are shown below (in millions).

	Second Quarter Net Income	
	2001	2000
Automotive sector	\$ (1,194)	\$ 1,052
Financial Services sector	442	461
Total continuing operations	(752)	1,513
Net income from discontinued operation	-	162
Loss on spin-off of discontinued operation	-	(2,252)
Total Company	\$ (752)	\$ (577)

### Automotive Sector

Automotive sector losses were \$1,194 million in the second quarter of 2001, on sales of \$34.6 billion. Earnings in the second quarter of 2000 were \$1,052 million, on sales of \$37.4 billion.

Details of second quarter Automotive sector earnings from continuing operations are shown below (in millions).

	Second Quarter Net Income	
	2001	2000
North American Automotive	\$ (1,198)	\$1,843
Automotive outside North America		
- Europe	141	(863)
- South America	(70)	(63)
- Rest of World	(67)	135
Total Automotive outside North America	4	(791)
Total Automotive sector	\$ (1,194)	\$1,052



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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

Automotive sector losses in North America were \$1,198 million in the second quarter of 2001, on sales of \$24.3 billion. In the second quarter of 2000, earnings were \$1,843 million, on sales of \$27.7 billion. The reduction in earnings was more than explained by the Firestone tire replacement action, lower sales, and higher marketing cost.

In the second quarter of 2001, 4.7 million new cars and trucks were sold in the United States, down from 4.9 million units a year ago. Our market share this year was 23.2%, down 1.7 percentage points from a year ago, partly explained by greater price competition from Japanese and Korean manufacturers, who benefited from more favorable exchange rates. Our U.S. marketing costs increased to 14.1% of sales, up from 11.3% a year ago.

In Europe, we earned \$141 million in the second quarter of 2001, compared with losses of \$863 million a year ago. Excluding last year's charges, earnings were down \$15 million, reflecting losses at Land Rover (which was not part of Ford in the first half of 2000) and launch costs for the new Jaguar X-TYPE, offset partially by improved results at Ford-brand operations.

In the second quarter of 2001, 4.8 million new cars and trucks were sold in our 19 primary European markets, about equal to last year. Our share was 10.7%, up 1.1 percentage points, reflecting increases for the new Ford Mondeo and Transit models and the addition of Land Rover.

In South America, losses were \$70 million, compared with a loss of \$63 million a year ago. Approximately 420,000 new cars and trucks were sold in Brazil, compared with 350,000 a year ago. Our share of those unit sales was 7.7%, down 1.6 percentage points.

Excluding Mazda-related charges of \$114 million, earnings outside North America, Europe, and South America ("Rest of World") were \$47 million in the second quarter of 2001, down \$88 million from a year ago. The decline primarily reflected poorer operating results at Mazda.

#### Financial Services Sector

Details of second quarter Financial Services sector earnings are shown below (in millions).

	Second Quarter Net Income/(Loss)		
	2001	2000	2000
Ford Credit	\$367	\$388	\$(21)
Hertz	59	104	(45)
Minority interests and other	16	(31)	47
	----	----	----

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Total Financial Services sector	\$442 =====	\$461 =====	\$ (19) =====
Memo: Ford's share of earnings in Hertz	\$ 59	\$ 84	\$ (25)

Ford Credit's net income in the second quarter of 2001 was \$367 million, down \$21 million from a year ago. The decrease was more than explained by a \$32 million non-cash charge related to the new accounting standard on hedging and derivatives. Higher financing volume, higher margin, and increased investment and other income (primarily gains on sales of receivables related to securitization transactions) were largely offset by higher credit losses.

Hertz earned \$59 million in the quarter, down \$45 million from a year ago, reflecting lower rental volume as the U.S. economy slowed and business travel declined. (Effective March 2001, Ford increased its ownership of Hertz to 100%, compared with about 81% a year ago.)

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

#### FIRST HALF RESULTS OF OPERATIONS

Results by major business sector for the first half of 2001 and 2000 are shown below (in millions).

	First Half Net Income/(Loss)		
	2001	2000	2001 2000
Automotive sector	\$ (505)	\$ 2,604	\$ (3,109)
Financial Services sector	812	841	(29)
Total continuing operations	\$ 307	\$ 3,445	\$ (3,138)
Net income from discontinued operation	-	309	(309)
Loss on spin-off of discontinued operation	-	(2,252)	2,252
Total Company	\$ 307 =====	\$ 1,502 =====	\$ (1,195) =====

Net income in the first half of 2001 was \$307 million, compared with first half 2000 net income from continuing operations of \$3,445 million.

Sales and revenues in the first half of 2001 were \$84.8 billion, down \$2.6 billion from a year ago. Vehicle unit sales were 3.7 million, down 200,000 units.

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### Automotive Sector

Losses for our Automotive sector were \$505 million in the first half of 2001, on sales of \$69.2 billion. Earnings in the first half of 2000 were \$2,604 million, on sales of \$73.5 billion. Adjusted for constant volume and mix, total automotive costs (excluding costs related to the Firestone tire replacement action) were up \$400 million from the first half of 2000, reflecting higher precious metals and new-model launch costs.

Automotive sector earnings in the first half of 2001 and 2000 are shown below (in millions).

	First Half Net Income/(Loss)		
	2001	2000	
North American Automotive	\$ (503)	\$3,510	\$ (4)
Automotive outside North America			
- Europe	229	(866)	1
- South America	(123)	(145)	
- Rest of World	(108)	105	
Total Automotive outside North America	(2)	(906)	
Total Automotive sector	\$ (505)	\$2,604	\$ (3)

In North America, losses were \$503 million in the first half of 2001, down \$4 billion from the first half of 2000. The decrease reflected primarily the same factors described in the discussion of the second quarter results of operations.

In the first half of 2001, 8.9 million new cars and trucks were sold in the United States, down from a record 9.4 million units a year ago. Our share this year was 23.0%, down 1.4 percentage points.

In Europe, first half earnings were \$229 million, compared with losses of \$866 million in the first half of 2000. The improvement reflected primarily the non-recurrence of last year's asset impairment and restructuring charges. Improved operating results at Ford-brand operations were offset partially by losses at Land Rover.

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

In the first half of 2001, 9.6 million new cars and trucks were sold in our 19 primary European markets, down 300,000 units from a year ago. Our share

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this year was 10.8%, up 1.1 percentage points.

In South America, losses were \$123 million in the first half of 2001, compared with a loss of \$145 million a year ago. In Brazil, 835,000 new cars and trucks were sold, compared with 660,000 a year ago. Our share this year was 8.1%, down 1.3 percentage points.

In Rest of World, earnings, excluding Mazda restructuring and other charges, were \$6 million in the first half of 2001, down from \$105 million in the first half of 2000, mainly explained by poorer Mazda operating results.

### Financial Services Sector

In the first half of 2001, earnings for our Financial Services sector declined \$29 million from last year, more than explained by lower profits at Hertz, reflecting effects of the slowdown in the U.S. economy. Details of Financial Services sector earnings in the first half of 2001 and 2000 are shown below (in millions).

	First Half Net Income/(Loss)		
	2001	2000	2001 O/(U) 2000
Ford Credit	\$760	\$741	\$ 19
Hertz	55	160	(105)
Minority interests and Other	(3)	(60)	57
	----	----	----
Total Financial Services sector	\$812	\$841	\$(29)
	====	====	====
Memo: Ford's share of earnings in Hertz	\$ 55	\$130	\$(75)

### LIQUIDITY AND CAPITAL RESOURCES

#### Automotive Sector

At June 30, 2001, our Automotive sector had \$16.2 billion of cash and marketable securities, down \$300 million from December 31, 2000. The decline was more than explained by cash outlays for the final payment to AB Volvo for our acquisition of Volvo Car (\$1.6 billion), share repurchases (\$1.1 billion), dividends to shareholders (\$1.1 billion), and our acquisition of the minority interest in Hertz (\$735 million), offset partially by positive operating cash flow. Automotive gross cash was \$18.9 billion at June 30, 2001, including \$2.7 billion of prefunding of certain employee health benefit obligations through a Voluntary Employee Beneficiary Association trust. We expect our cash balance to decline in the second half of this year, reflecting payments for the Firestone tire replacement action and normal business seasonality.

At June 30, 2001, our Automotive sector had total debt of \$12.1 billion, about equal to December 31, 2000.

At July 1, 2001, Ford had long term contractually committed global credit agreements under which \$8.4 billion is available from various banks;

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87.7% are available through June 30, 2006. The entire \$8.4 billion may be used, at Ford's option, by any affiliate of Ford; however, any borrowing by an affiliate will be guaranteed by Ford. Ford also has the ability to transfer on a nonguaranteed basis \$8.0 billion of such credit lines in varying portions to Ford Credit and FCE Bank plc (formerly known as Ford Credit Europe plc). In addition, at July 1, 2001, \$964.5 million of contractually committed credit facilities were available to various Automotive Sector affiliates outside the U.S. Approximately \$419.0 million of these facilities were in use at July 1, 2001.

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Continued)

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#### Financial Services Sector

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At June 30, 2001, our Financial Services sector had cash and cash equivalents of \$1.8 billion, up \$0.4 billion from December 31, 2000. Finance receivables and net investments in operating leases were \$177.5 billion at June 30, 2001, up from \$171.8 billion at December 31, 2000.

Total debt was \$162.1 billion at June 30, 2001, up \$8.6 billion from December 31, 2000. This includes outstanding commercial paper at June 30, 2001 of \$33.7 billion at Ford Credit, and \$2.1 billion at Hertz, with an average remaining maturity of 35 days and 20 days, respectively.

At July 1, 2001, Financial Services Sector had a total of \$24.3 billion of contractually committed support facilities (excluding the \$8 billion available under Ford's global credit agreements). Of these facilities, \$20 billion are contractually committed global credit agreements under which \$15.7 billion and \$4.3 billion are available to Ford Credit and FCE Bank plc, respectively, from various banks; 53% and 63%, respectively, of such facilities are available through June 30, 2006. The entire \$15.7 billion may be used, at Ford Credit's option, by any subsidiary of Ford Credit, and the entire \$4.3 billion may be used, at FCE Bank plc's option, by any subsidiary of FCE Bank plc. Any borrowings by such subsidiaries will be guaranteed by Ford Credit or FCE Bank plc, as the case may be. At July 1, 2001, none of the Ford Credit global facilities were in use and \$137 million of the FCE Bank plc global facilities were in use. Other than the global credit agreements, the remaining portion of the Financial Services Sector support facilities at July 1, 2001 consisted of \$2.6 billion of contractually committed support facilities available to Hertz in the U.S. and \$1.7 billion of contractually committed support facilities available to various affiliates outside the U.S.; at July 1, 2001, approximately \$1.0 billion of these facilities were in use. Furthermore, banks provide \$5.0 billion of liquidity facilities to support the asset-backed commercial paper program of Ford Credit sponsored special purpose entity.

In addition, Ford Credit has entered into agreements with several bank-sponsored, commercial paper issuers ("conduits") under which such conduits are contractually committed to purchase from Ford Credit, at Ford Credit's option, up to an aggregate of \$2.5 billion of receivables. These agreements expire on June 27, 2002. As of July 1, 2001, approximately \$427 million of these conduit commitments have been utilized.

NEW ACCOUNTING STANDARD

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We adopted Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedges" on January 1, 2001. Non-cash adjustments to income and to stockholders' equity for the first half were (in millions):

	Automotive -----	Financial Services -----	Total Company -----
Net income	(114)	(45)	(159)
Stockholders' equity			(1,328)

For a further discussion of SFAS No. 133, see note 3 of our Notes to Financial Statements.

### OTHER FINANCIAL INFORMATION

PricewaterhouseCoopers LLP, our independent accountants, performed a limited review of the financial data presented on pages 4 through 10 inclusive. The review was performed in accordance with standards for such reviews established by the American Institute of Certified Public Accountants. The review did not constitute an audit; accordingly, PricewaterhouseCoopers LLP did not express an opinion on the aforementioned data.

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## Part II. Other Information

### Item 1. Legal Proceedings

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Firestone Matters (Previously discussed beginning on page 20 of Ford's Annual Report on Form 10-K for the year ended December 31, 2000 (the "10-K Report") and on page 15 of Ford's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001 (the "First Quarter 10-Q Report").) As a result of our previously reported work with the National Highway Traffic Safety Administration (the "Safety Administration ") with regard to its investigation of the Firestone tire recall and our own root cause analysis, we announced on May 22, 2001 that we would replace all remaining 15, 16, and 17-inch Firestone Wilderness AT tires (about 13 million tires) on our vehicles. This precautionary action is based on our analysis of data on the actual road performance of these tires, comparisons with the performance of comparable tires by other tire makers, a review of information developed by and received from the Safety Administration, and extensive laboratory and vehicle testing. In order to complete the replacement program as rapidly as possible, we are working with major tire manufacturers to expand the supply of replacement tires and temporarily suspended production of certain vehicle lines in order to make more tires available.

This tire replacement program was the subject of a June 19 hearing before two subcommittees of the House Energy and Commerce Committee, which urged the Safety Administration to accelerate its review of the situation. The Safety Administration continues to investigate the circumstances leading up to last year's recall and this year's tire replacement program, as well as the root cause of the tire failures and related accidents. As a result of these investigations, the Safety Administration on July 19 stated that it would soon issue an "Initial Determination" that certain Firestone Wilderness AT tires

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contain a safety-related defect. An "Initial Determination" is an interim step toward requiring Firestone to conduct a safety recall.

Separately, on May 31, 2001, Bridgestone/Firestone (US) Chairman, CEO and President John Lampe sent a letter to the Safety Administration's Acting Administrator requesting that the agency open an investigation into the safety of certain models of Ford Explorers, and alleging that the vehicles are "defectively designed in that they have an inadequate margin of control (due to insufficient understeer) to permit control by average drivers in the foreseeable events of tread separation during normal highway driving in most load and turning circumstances." Likewise, on June 6, 2001, Congressman Billy Tauzin, Chairman of the House Energy and Commerce Committee, sent a letter to the Safety Administration's Acting Administrator that -- while stopping short of urging the agency to open a defect investigation -- asserted that the Safety Administration should undertake a "serious review" of the Explorer's "handling capabilities, particularly following a tire failure."

At the June 19 congressional hearing, Michael Jackson, Deputy Secretary of the U.S. Department of Transportation, testified that the agency "has had to date no credible evidence that the Ford Explorer's design is in any way responsible for causing tread separation or other such catastrophic tire failure." Mr. Jackson also testified that "[w]e have not to this point thought that there is evidence that directs us toward a vehicle defect investigation." Nevertheless, Mr. Jackson said that the Safety Administration is treating Firestone's May 31 letter as a formal petition to open a defect investigation, and is "conducting an analysis to determine if a formal investigation is merited." We are working closely with the Safety Administration.

As previously reported, most of the Firestone class actions have been consolidated in federal court in Indianapolis, but a few remain pending in state court. In one of those cases a Pennsylvania state trial judge granted Ford's motion to dismiss, ruling that owners who have suffered no injury or damage have no claim and that a state court has no authority to order a recall. At the same time, plaintiffs in the federal court cases have expanded their request for a recall to include demands that (1) the court assume supervision over the recently-announced tire replacement program and (2) Ford repurchase Explorers because of alleged stability problems. We have moved to dismiss the federal cases for the same reasons that the Pennsylvania case was dismissed.

In Venezuela, prosecutors from the Attorney General's Office continue to investigate whether criminal charges should be filed against officers, directors or employees of Firestone and/or Ford as a result of tire tread separation accidents that occurred in that country. A committee of the National Assembly is conducting a separate investigation of the cause of the accidents. The Venezuelan consumer protection agency (INDECU) continues to investigate the matter as well.

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### Item 1. Legal Proceedings

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(Continued)

### Environmental Matters

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MFA Grand Jury Matter. (Previously discussed on page 22 of the 10-K Report.) On June 7, 2001 government investigators informed us that Ford currently is not a target of this investigation.

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### Class Actions

TFI Module Class Action. (Previously discussed beginning on page 23 of the 10-K Report and on page 15 of the First Quarter 10-Q Report.) The California Court of Appeal in the Howard case declined to consider Plaintiff's appeal and the retrial is still scheduled to begin in September.

Lease Residual Class Action. (Previously discussed beginning on page 24 of the 10-K Report.) Trial in this matter has been scheduled for November 5, 2001.

Seat Back Class Actions. (Previously discussed beginning on page 25 of the 10-K Report.) The Maryland Court of Appeals has affirmed the order of the trial court dismissing Plaintiffs' complaint.

Ford Credit Debt Collection Class Actions. (Previously discussed on page 26 of the 10-K Report.) An additional class action, Davidson v. Ford Credit, has been filed against Ford Credit alleging unfair debt collection practices. In Davidson, the plaintiffs allege that Ford Credit practices relating to filing proofs of claim violates sections of the Bankruptcy Code. Ford Credit has filed a motion to dismiss this case. In Pertuso, the deadline for filing a writ of certiorari with the U.S. Supreme Court has expired. In DuBois, the trial court granted our motion to dismiss and the plaintiffs have appealed.

Late Charges Class Actions. (Previously discussed beginning on page 26 of the 10-K Report.) A new trial date in the Cumberland case has been set for October 15, 2001.

Performance Management Process Class Action. (Previously discussed on page 26 of the 10-K Report and on page 16 of the First Quarter 10-Q Report.) The hearing on the motion to dismiss this case has been delayed and is presently scheduled to take place on July 31, 2001.

Reverse Discrimination Class Action. (Previously discussed on page 26 of the 10-K Report and on page 16 of the First Quarter 10-Q Report.) The Plaintiffs have amended their complaint to add Ford Motor Credit Company as a defendant. The hearing on the motion to dismiss the disparate impact claims has been delayed and is presently scheduled to take place on July 31, 2001.

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### Item 4. Submission of Matters to a Vote of the Security-Holders

On May 10, 2001, the 2001 Annual Meeting of Shareholders of the Company was held. The following is a brief description of the matters voted upon at the meeting and tabulation of the voting therefor:

#### Proposal 1 Election of Directors.

Number of Votes



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Nominee -----	For ---	Not For -----
John R. H. Bond	2,617,291,733	117,644,065
Michael D. Dingman	2,707,503,782	27,432,016
Edsel B. Ford II	2,673,885,696	61,050,102
William C. Ford	2,669,106,441	65,829,357
William C. Ford, Jr.	2,680,569,626	54,366,172
Irvine O. Hockaday, Jr.	2,709,697,018	25,238,780
Marie-Josée Kravis	2,707,986,382	26,949,416
Ellen R. Marram	2,710,023,175	24,912,623
Jacques Nasser	2,497,363,841	237,571,957
Homer A. Neal	2,708,365,497	26,570,301
Jorma Ollila	2,710,564,809	24,370,989
Carl E. Reichardt	2,707,475,928	27,459,870
Robert E. Rubin	2,706,654,661	28,281,137
John L. Thornton	2,669,485,256	65,450,542

There were no broker non-votes with respect to the election of directors.

Proposal 2 Ratification of Selection of Independent Public Accountants. A proposal to ratify the selection of PricewaterhouseCoopers LLP as independent public accountants to audit the books of account and other corporate records of the Company for 2001 was adopted, with 2,683,209,617 votes cast for, 39,605,767 votes cast against, 12,120,414 votes abstained and 248,062,751 broker non-votes.

Proposal 3 Relating to the Company's Political Contributions. A proposal requesting that the Company report on its political contributions in the previous fiscal year was rejected, with 2,314,705,490 votes cast against, 108,489,376 votes cast for, 63,678,181 votes abstained and 248,062,751 broker non-votes.

Proposal 4 Relating to Discontinuing Bonuses and Stock-Based Awards. A proposal recommending that the Company discontinue bonuses, stock-based awards and severance pay agreements for senior management was rejected, with 2,328,297,332 votes cast against, 128,200,443 votes cast for, 30,375,272 votes abstained and 248,062,751 broker non-votes.

Proposal 5 Relating to Director Nominees Reporting to Shareholders in the Proxy Statement. A proposal relating to requiring director nominees to report to shareholders in the proxy statement was rejected, with 2,336,420,548 votes cast against, 117,288,709 votes cast for, 33,163,790 votes abstained and 248,062,751 broker non-votes.

Proposal 6 Relating to Appointing an Independent Committee to Evaluate any Conflict of Interest Between Holders of Class B Stock and Holders of Common Stock. A proposal recommending that the Company appoint an independent Committee of the Board of Directors to evaluate any conflict of interest between holders of Class B Stock and holders of common stock was rejected, with 2,065,284,760 votes cast against, 388,714,670 votes cast for, 32,873,617 votes abstained and 248,062,751 broker non-votes.

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Ford Capital BV and Subsidiaries

## CONSOLIDATED STATEMENT OF INCOME

For the Periods Ended June 30, 2001 and 2000  
(in millions)

	Second Quarter	
	2001	2000
	(unaudited)	
AUTOMOTIVE		
-----		
Sales	\$ 514	\$ 498
Costs and expenses (Note 2)		
Cost of sales (Note 3)	489	471
Selling, administrative and other expenses	26	23
	-----	-----
Total costs and expenses	515	494
Operating income (loss)	(1)	4
Interest income	43	69
Interest expense	35	57
	-----	-----
Net interest income (expense)	8	12
Income before income taxes	7	16
Provision for income taxes	3	7
	-----	-----
Net income (loss)	\$ 4	\$ 9
	=====	=====

The accompanying notes are part of the financial statements.

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Ford Capital BV and Subsidiaries

## CONSOLIDATED BALANCE SHEET

(in millions)

### ASSETS

Cash and cash equivalents  
Receivables  
Notes receivable, affiliate  
Inventories  
Deferred income taxes

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Other current assets

Total current assets

Notes receivable, affiliate

Net property

Other assets

Total assets

LIABILITIES AND STOCKHOLDERS' EQUITY

Trade payables

Payables, affiliate and other

Accrued liabilities

Income taxes payable

Debt payable within one year

Total current liabilities

Long-term debt

Deferred tax liability

Other liabilities

Total liabilities

Minority interests

Stockholders' equity

Capital stock, 255,140 shares issued with a par value of \$593 and  
623,392 shares issued with a par value of \$133 each.

Capital in excess of par value of stock

Accumulated other comprehensive income (Notes 2 and 3)

Accumulated deficit

Total stockholders' equity

Total liabilities and stockholders' equity

- - - - -

The accompanying notes are part of the financial statements.

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Ford Capital BV and Subsidiaries

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

-----  
For the Periods Ended June 30, 2001 and 2000  
(in millions)

First  
-----

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	2001
Cash and cash equivalents at January 1	\$ 18
Cash flows from operating activities	34
Cash flows from investing activities	
Changes in notes receivable	222
Other	(3)
	-----
Net cash (used in)/provided by investing activities	219
Cash flows from financing activities	
Changes in short term debt	27
Principal payments on other debt	(250)
	-----
Net cash (used in)/provided by financing activities	(223)
Effect of exchange rate changes on cash	(2)
Net increase/(decrease) in cash and cash equivalents	28
	-----
Cash and cash equivalents at March 31	\$ 46
	=====

The accompanying notes are part of the financial statements.

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## Ford Capital BV and Subsidiaries

### NOTES TO FINANCIAL STATEMENTS

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1. Financial Statements - The financial data presented herein are unaudited, but in the opinion of management reflect those adjustments necessary for a fair presentation of such information. Results for interim periods should not be considered indicative of results for a full year. Reference should be made to the financial statements contained in the Ford Motor Company's Annual Report on Form 10-K for the year ended December 31, 2000. For purposes of this report, "the Company" or similar references mean Ford Capital BV and its majority owned subsidiaries unless the context requires otherwise. Certain amounts for prior periods were reclassified, if required, to conform to present period presentation.

2. SFAS 133 - Ford Capital BV adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 137 and SFAS No. 138 on January 1, 2001. For further discussion on SFAS No. 133, refer to Note 3 in Form 10-Q for the quarterly period ended March 31, 2001.

SFAS No. 133 has resulted in no adjustments to income. The impact to stockholders' equity for the second quarter and six months ended 2001 (including transition adjustment), was a \$39 million and \$16 million reduction, respectively. SFAS No. 133 adjustments are recorded in accumulated other comprehensive income, a separate component of stockholders equity.

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3. Comprehensive Income - Other comprehensive income primarily reflects foreign currency translation adjustments and adjustments related to SFAS 133 (Note 2). Total comprehensive income is summarized as follows (in millions):

	First Half	
	2001	2000
Net income	\$ 13	\$ 20
Other comprehensive income	(44)	9
	-----	-----
Total comprehensive income	\$ (31)	\$ 29
	=====	=====

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### Item 6. Exhibits and Reports on Form 8-K

#### (a) Exhibits

Please refer to the Exhibit Index on Page 25.

#### (b) Reports on Form 8-K

The Registrant filed the following Current Reports on Form 8-K during the quarter ended June 30, 2001:

Current Report on Form 8-K dated April 3, 2001 included information relating to Ford's North American Production and Overseas Sales schedule.

Current Report on Form 8-K dated April 19, 2001 included information relating to Ford's first quarter 2001 financial results.

Current Report on Form 8-K dated May 1, 2001 included information relating to Ford's North American Production and Overseas Sales schedule.

Current Report on Form 8-K dated May 23, 2001 included information relating to Ford's Firestone tire replacement action and its impact on Ford's full year milestones.

Current Report on Form 8-K dated June 1, 2001 included information relating to Ford's North American Production and Overseas Sales schedule.

Current Report on Form 8-K dated June 12, 2001 included information relating to Ford's North American Production and Overseas Sales schedule.

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## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FORD MOTOR COMPANY  
-----

(Registrant)

Date: July 26, 2001  
-----

By: /s/ Henry D. G. Wallace  
-----

Henry D. G. Wallace  
Chief Financial Officer

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## EXHIBIT INDEX -----

Designation -----	Description -----
Exhibit 12	Ford Motor Company and Subsidiaries Calculation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
Exhibit 15	Letter of PricewaterhouseCoopers LLP, Independent Accountants, dated July 24, 2001, relating to Financial Information.

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