

# SECURITIES AND EXCHANGE COMMISSION

## FORM 424B5

Prospectus filed pursuant to Rule 424(b)(5)

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### FILER

#### FORD MOTOR CREDIT CO

CIK: **38009** | IRS No.: **381612444** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **424B5** | Act: **33** | File No.: **033-50295** | Film No.: **94500832**  
SIC: **6141** Personal credit institutions

Mailing Address  
*PO BOX 6044  
THE AMERICAN ROAD  
DEARBORN MI 48121*

Business Address  
*THE AMERICAN RD  
PO BOX 6044  
DEARBORN MI 48121  
3133223000*

PROSPECTUS SUPPLEMENT  
(To Prospectus Dated January 6, 1994)

\$500,000,000

FORD MOTOR CREDIT COMPANY  
5 5/8% NOTES DUE JANUARY 15, 1999

Interest on the Notes is payable semiannually on January 15 and July 15 of each year, beginning July 15, 1994. The Notes may not be redeemed by Ford Motor Credit Company ("Ford Credit").

The Notes will be represented by one or more Global Notes registered in the name of the Depository's nominee. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by the Depository and its participants. Except as described herein, Notes in definitive form will not be issued. The Notes will trade in the Depository's Same-Day Funds Settlement System until maturity, and secondary market trading activity for the Notes will, therefore, settle in immediately available funds. All payments of principal and interest will be made by Ford Credit in immediately available funds. See "Description of Notes--Same-Day Settlement and Payment".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>  
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	Price to Public(1)	Underwriting Discount	Proceeds to Ford Credit(1) (2)
<S>	<C>	<C>	<C>
Per Note.....	99.857%	.450%	99.407%
Total.....	\$499,285,000	\$2,250,000	\$497,035,000

- (1) Plus accrued interest, if any, from January 13, 1994 to date of delivery.  
(2) Before deducting expenses payable by Ford Credit estimated to be \$200,000.

The Notes are offered subject to receipt and acceptance by the Underwriters, to prior sale and to the Underwriters' right to reject any order in whole or in part and to withdraw, cancel or modify the offer without notice. It is expected that delivery of the Global Notes will be made through the facilities of The Depository Trust Company on or about January 13, 1994.

SALOMON BROTHERS INC  
BEAR, STEARNS & CO. INC.  
CS FIRST BOSTON  
GOLDMAN, SACHS & CO.  
LEHMAN BROTHERS  
MERRILL LYNCH & CO.  
J. P. MORGAN SECURITIES INC.

The date of this Prospectus Supplement is January 6, 1994.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

#### DESCRIPTION OF NOTES

The following description of the particular terms of the Notes offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of Debt Securities set forth in

the Prospectus. The Notes are part of the Debt Securities registered by Ford Motor Credit Company ("Ford Credit") in September 1993 to be issued on terms to be determined at the time of sale. In addition to the Notes offered hereby, Debt Securities in the aggregate principal amount of \$900,000,000 previously have been sold.

#### GENERAL

The Notes will be limited to \$500,000,000 aggregate principal amount. The Notes will be unsecured obligations of Ford Credit and will mature on January 15, 1999. The Notes will rank prior to all subordinated indebtedness of Ford Motor Credit Company (parent company only) and pari passu with all other unsecured and unsubordinated indebtedness of Ford Motor Credit Company (parent company only).

The Notes will bear interest from January 13, 1994 at the rate per annum set forth on the cover page of this Prospectus Supplement, payable on January 15 and July 15 of each year, commencing July 15, 1994, to the person in whose name the Note was registered at the close of business on the preceding December 31 and June 30, respectively, subject to certain exceptions. The Notes are not subject to redemption prior to maturity.

#### BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued in the form of one or more fully registered Global Notes (the "Global Notes") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the "Depository") and registered in the name of Cede & Co., the Depository's nominee. Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

The Depository has advised as follows: It is a limited-purpose trust company which holds securities for its participating organizations (the "Participants") and facilitates the settlement among Participants of securities transactions in such securities through electronic book-entry changes in its Participants' accounts. Participants include securities brokers and dealers (including certain of the Underwriters), banks and trust companies, clearing corporations and certain other organizations. Access to the Depository's system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants"). Persons who are not Participants may beneficially own securities held by the Depository only through Participants or indirect participants.

The Depository advises that its established procedures provide that (i) upon issuance of the Notes by Ford Credit the Depository will credit the accounts of Participants designated by the Underwriters with the principal amounts of the Notes purchased by the Underwriters, and (ii) ownership of interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository, the Participants and the indirect participants. The laws of some states require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Global Notes is limited to such extent.

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So long as a nominee of the Depository is the registered owner of the Global Notes, such nominee for all purposes will be considered the sole owner or holder of such Notes under the Indenture. Except as provided below, owners of beneficial interests in the Global Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form, and will not be considered the owners or holders thereof under the Indenture.

Neither Ford Credit, the Trustee, any Paying Agent nor the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Principal and interest payments on the Notes registered in the name of the Depository's nominee will be made by the Trustee to the Depository. Under the terms of the Indenture, Ford Credit and the Trustee will treat the persons in whose names the Notes are registered as the owners of such Notes for the purpose

of receiving payment of principal and interest on the Notes and for all other purposes whatsoever. Therefore, neither Ford Credit, the Trustee nor any Paying Agent has any direct responsibility or liability for the payment of principal or interest on the Notes to owners of beneficial interests in the Global Notes. The Depository has advised Ford Credit and the Trustee that its present practice is to credit the accounts of the Participants on the appropriate payment date in accordance with their respective holdings in principal amount of beneficial interests in the Global Notes as shown on the records of the Depository, unless the Depository has reason to believe that it will not receive payment on such payment date. Payments by Participants and indirect participants to owners of beneficial interests in the Global Notes will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the Participants or indirect participants.

If the Depository is at any time unwilling or unable to continue as depository and a successor depository is not appointed by Ford Credit within 90 days, Ford Credit will issue Notes in definitive form in exchange for the Global Notes. In addition, Ford Credit may at any time determine not to have the Notes represented by Global Notes and, in such event, will issue Notes in definitive form in exchange for the Global Notes. In either instance, an owner of a beneficial interest in the Global Notes will be entitled to have Notes equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Notes in definitive form. Notes so issued in definitive form will be issued in denominations of \$5,000 and integral multiples thereof and will be issued in registered form only, without coupons.

SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the Notes will be made by the Underwriters in immediately available funds. All payments of principal and interest will be made by Ford Credit in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, the Notes will trade in the Depository's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the Notes will therefore be required by the Depository to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

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UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement and the Pricing Agreement relating to the Notes, Ford Credit has agreed to sell to each of the Underwriters named below, and each of the Underwriters, for whom Salomon Brothers Inc is acting as representative, has severally agreed to purchase the principal amount of Notes set forth opposite its name below.

<TABLE>  
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UNDERWRITER	PRINCIPAL AMOUNT OF NOTES
<S>	<C>
Salomon Brothers Inc.....	\$ 71,600,000
Bear, Stearns & Co. Inc. ....	71,400,000
CS First Boston Corporation.....	71,400,000
Goldman, Sachs & Co. ....	71,400,000
Lehman Brothers Inc. ....	71,400,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	71,400,000
J. P. Morgan Securities Inc.....	71,400,000
Total.....	\$ 500,000,000

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In the event of default by one or more Underwriters, the Underwriting Agreement provides that in certain circumstances other Underwriters may be substituted or the commitment of each non-defaulting Underwriter may be

increased up to 10%. However, if the default involves more than one-eleventh of the aggregate principal amount of the Notes, the Pricing Agreement relating to the Notes may be terminated by Ford Credit or by 50% or more in interest of non-defaulting Underwriters, or, if not so terminated, less than all the Notes may be sold.

Ford Credit has been advised by Salomon Brothers Inc, as Representative of the Underwriters, that the Underwriters propose initially to offer the Notes to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement, and to certain securities dealers at such price less a concession of .300% of the principal amount of the Notes. The Underwriters may allow and such dealers may realow a concession not in excess of .250% of the principal amount of the Notes. After the initial public offering, the public offering price and such concessions may be changed.

Ford Credit has been advised by the Underwriters that they intend to make a market in the Notes, but they are not obligated to do so and may discontinue such market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

All secondary trading in the Notes will settle in immediately available funds. See "Description of Notes---Same-Day Settlement and Payment".

Ford Credit has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

In the ordinary course of their respective businesses, affiliates of J.P. Morgan Securities Inc. have engaged, and may in the future engage, in commercial banking and investment banking transactions with Ford Credit and Ford.

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The following information, which is being disclosed pursuant to Florida law, is accurate as of the date of this Prospectus Supplement:  
Autolatina-Comercio, Negocios e Participacoes Ltda., a Brazilian company ("Autolatina"), is a joint venture between Ford and Volkswagen AG in which Ford has a 49% ownership interest. Autolatina occasionally sells vehicles to persons located in Cuba. Each such sale is made pursuant to a specific license granted to Ford by the U.S. Department of Treasury. The last such sale, which involved one medical supply vehicle, was made to Cubanacan in April 1991. Current information concerning Autolatina's or its Ford-related affiliates' business dealings with the government of Cuba or with persons located in Cuba may be obtained from the State of Florida Department of Banking and Finance at The Capitol Building, Suite 1401, Tallahassee, Florida 32399-0350 (telephone number 940-488-0545).

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#### FORD MOTOR CREDIT COMPANY

#### DEBT SECURITIES

Ford Credit, in September 1993, registered with the Securities and Exchange Commission \$4,000,000,000 aggregate principal amount of its Debt Securities consisting of notes and/or debentures denominated in United States dollars or any other currency or currencies, to be offered from time to time in one or more series, on terms to be determined at or prior to the time of sale. The Prospectus Supplement accompanying this Prospectus sets forth, with respect to the particular series of Debt Securities for which this Prospectus and the Prospectus Supplement are being delivered, the specific title, the aggregate principal amount, the authorized denominations, the currencies of issue and payment, the initial public offering price, the maturity, the interest rate or rates (which may be either fixed or variable), if any, and/or method of determination thereof, the time of payment of any interest, any redemption, extension or early repayment terms, any provision for sinking fund payments, the net proceeds to Ford Credit, the form of Debt Securities and other specific terms relating to such series of Debt Securities.

Ford Credit may sell the Debt Securities to or through underwriters, and also may sell the Debt Securities directly to other purchasers or through agents. See "Plan of Distribution". In addition, the Debt Securities may be sold to dealers at the applicable price to the public set forth in the Prospectus Supplement relating to a particular series of Debt Securities who later resell to investors. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). If any agents

of Ford Credit, or any underwriters, are involved in the sale of any Debt Securities, the names of such agents or underwriters and any applicable commissions or discounts are set forth in the accompanying Prospectus Supplement.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS JANUARY 6, 1994

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#### AVAILABLE INFORMATION

FORD MOTOR CREDIT COMPANY ("FORD CREDIT") AND FORD MOTOR COMPANY ARE SUBJECT TO THE INFORMATIONAL REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934 AND IN ACCORDANCE THEREWITH FILE REPORTS AND OTHER INFORMATION WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"). AS USED HEREIN OR IN THE PROSPECTUS SUPPLEMENT, "FORD" REFERS TO FORD MOTOR COMPANY AND ITS SUBSIDIARIES UNLESS THE CONTEXT OTHERWISE REQUIRES. SUCH REPORTS AND OTHER INFORMATION CAN BE INSPECTED AND COPIED AT THE PUBLIC REFERENCE FACILITIES MAINTAINED BY THE COMMISSION AT 450 FIFTH STREET, N.W., WASHINGTON, D.C. 20549 AND AT THE FOLLOWING REGIONAL OFFICES OF THE COMMISSION: 7 WORLD TRADE CENTER, 13TH FLOOR, NEW YORK, NEW YORK 10048 AND NORTHWEST ATRIUM CENTER, 500 WEST MADISON STREET, SUITE 1400, CHICAGO, ILLINOIS 60661. COPIES OF SUCH MATERIAL CAN BE OBTAINED FROM THE PUBLIC REFERENCE SECTION OF THE COMMISSION AT 450 FIFTH STREET, N.W., WASHINGTON, D.C. 20549 AT PRESCRIBED RATES. SUCH REPORTS AND OTHER INFORMATION CONCERNING FORD CREDIT AND FORD CAN ALSO BE INSPECTED AT THE OFFICES OF THE NEW YORK STOCK EXCHANGE, INC., 20 BROAD STREET, NEW YORK, NEW YORK 10005, ON WHICH CERTAIN OF FORD CREDIT'S DEBT SECURITIES ARE LISTED.

Ford Credit has filed with the Commission a Registration Statement under the Securities Act with respect to the Debt Securities offered hereby. This Prospectus and the Prospectus Supplement do not contain all the information set forth in the Registration Statement and the exhibits and schedules thereto, certain portions of which have been omitted pursuant to the rules and regulations of the Commission. The information so omitted may be obtained from the Commission's principal office in Washington, D.C. upon payment of the fees prescribed by the Commission.

#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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Ford Credit's Annual Report on Form 10-K for the year ended December 31, 1992 (the "1992 10-K Report"), Ford Credit's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993 (the "First Quarter 10-Q Report"), Ford Credit's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993 (the "Second Quarter 10-Q Report"), Ford Credit's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993 (the "Third Quarter 10-Q Report") and Ford Credit's Current Reports on Form 8-K dated January 14, 1993, February 11, 1993, February 25, 1993, April 5, 1993, May 21, 1993, June 18, 1993, August 16, 1993, September 14, 1993, November 3, 1993, December 10, 1993 and December 21, 1993 are incorporated in this Prospectus by reference. All documents filed by Ford Credit pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Prospectus and prior to the termination of the offering of the Debt Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing such documents. Such reports include, and such documents may include, information concerning Ford, as well as Ford Credit.

FORD CREDIT UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM A COPY OF THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT HAVE BEEN DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS REFERRED TO ABOVE WHICH HAVE BEEN OR MAY BE INCORPORATED BY REFERENCE IN THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT, OTHER THAN EXHIBITS TO SUCH DOCUMENTS. WRITTEN OR TELEPHONIC REQUESTS FOR SUCH DOCUMENTS SHOULD BE DIRECTED TO FORD MOTOR CREDIT COMPANY, THE AMERICAN ROAD, DEARBORN, MICHIGAN 48121, ATTENTION: PUBLIC AFFAIRS DEPARTMENT (TELEPHONE 313-594-1096).

INFORMATION CONCERNING FORD CREDIT

Ford Credit was incorporated in Delaware in 1959 and is a wholly-owned subsidiary of Ford. As used herein "Ford Credit" refers to Ford Motor Credit Company and its subsidiaries unless the context otherwise requires.

Ford Credit provides wholesale financing and capital loans to franchised Ford Motor Company vehicle dealers and other dealers associated with such dealers and purchases retail installment sale contracts and retail leases from them. Ford Credit also makes loans to vehicle leasing companies, the majority of which are affiliated with such dealers. In addition, a wholly-owned subsidiary of Ford Credit provides these financing services in the U.S. to other vehicle dealers. More than 90% of all new vehicles financed by Ford Credit are manufactured by Ford or its affiliates. In addition to vehicle financing, Ford Credit makes loans to affiliates of Ford, finances certain receivables of Ford and its subsidiaries, and offers diversified financing services which are managed by USL Capital Corporation ("USL Capital") (formerly United States Leasing International, Inc.), a wholly-owned subsidiary of Ford Holdings, Inc. ("Ford Holdings"). Ford Credit also manages the insurance business of The American Road Insurance Company ("American Road"), a wholly-owned subsidiary of Ford Holdings. Ford Credit also is a significant equity participant in Ford Holdings whose primary activities are consumer and commercial financing operations, insurance underwriting and equipment leasing.

The mailing address of Ford Credit's executive offices is The American Road, Dearborn, Michigan 48121. The telephone number of such offices is (313) 322-3000.

THIS PROSPECTUS CONTAINS BRIEF SUMMARIES OF CERTAIN MORE DETAILED INFORMATION CONTAINED IN DOCUMENTS INCORPORATED HEREIN BY REFERENCE. SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE DETAILED INFORMATION CONTAINED IN THE INCORPORATED DOCUMENTS.

FORD MOTOR CREDIT COMPANY AND SUBSIDIARIES

SELECTED FINANCIAL DATA  
(DOLLAR AMOUNTS IN MILLIONS)

<TABLE>  
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	NINE MONTHS ENDED SEPTEMBER 30		YEARS ENDED DECEMBER 31		
	1993	1992	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA					
Total revenue.....	\$ 6,193.9	\$ 5,245.4	\$ 7,073.3	\$ 7,002.3	\$ 6,858.0
Interest expense.....	2,176.4	2,368.0	3,076.5	3,791.8	4,291.7
Provision for credit losses....	239.8	299.9	418.0	577.9	655.9
Income before income taxes and cumulative effects of changes in accounting principles.....	1,430.1	991.2	1,323.2	1,075.1	763.2
Cumulative effects of changes in accounting principles....	--	146.5	146.5	--	--
Net income.....	895.6	821.6	1,038.7	748.8	563.2
Dividends					
Cash.....	(150.0)	(450.0)	(600.0)	(650.0)	(100.0)
Stock of Ford Holdings.....	--	(200.0)	(200.0)	(316.0)	--

Memo:

Net credit losses amount.....	\$ 157.2	\$ 240.1	\$ 342.6	\$ 528.9	\$ 572.4
As percentage of average total finance receivables outstanding (annualized)*...	0.33%	0.56%	0.60%	0.92%	0.94%
BALANCE SHEET DATA					
Net investment, operating leases.....	\$11,310.9	\$ 6,358.1	\$ 7,747.2	\$ 4,345.5	\$ 2,499.0
Finance receivables, net.....	\$49,177.2	\$45,373.4	\$46,611.1	\$46,490.6	\$52,788.9
Capital					
Short-term debt.....	\$24,479.7	\$21,458.9	\$22,995.7	\$19,873.7	\$24,781.8
Long-term debt (including current portion).....	32,155.2	26,343.2	26,913.7	28,160.2	25,903.4
Stockholder's equity.....	5,575.5	4,819.1	4,882.9	4,689.9	4,878.4
Total capital.....	\$62,210.4	\$52,621.2	\$54,792.3	\$52,723.8	\$55,563.6

</TABLE>

\* Includes net investment in operating leases.

#### THIRD QUARTER 1993 RESULTS OF OPERATIONS

Ford Credit's consolidated net income for the third quarter of 1993 was \$275 million, up \$34 million or 14% compared with \$241 million in the third quarter of 1992. Income from financing operations was \$222 million, up \$23 million or 12% from the same period a year ago. Equity in net income of affiliated companies, primarily Ford Holdings, was \$53 million compared with \$41 million in 1992. Compared with results from a year ago, the improvement in financing profits resulted primarily from a higher level of earning assets and lower credit losses, partially offset by an increase in the provision for income taxes. The higher level of earning assets reflected primarily an increase in shorter-term operating leases and higher wholesale receivables. Lower credit losses reflected primarily lower losses per repossessed unit, fewer repossessions and reduced wholesale credit losses. The increase in the provision for income taxes reflected the effect of the enactment on August 10, 1993 of the Omnibus Budget Reconciliation Act of 1993. Among other changes, the Act increased the federal income tax rate for corporations by one percentage point to 35% effective

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January 1, 1993. Net income in the third quarter of 1993 reflected an increase of \$30 million in the provision for income taxes as a result of restating Ford Credit's net U.S. deferred tax liability balance for the higher tax rate.

The increase in equity in net income of affiliated companies reflected higher earnings from Ford Holdings. At September 30, 1993, Ford Credit owned about 45% of Ford Holdings common stock, representing about 34% of the voting power.

Total gross finance receivables and net investment in operating leases at September 30, 1993 were \$66.3 billion compared with \$57.5 billion a year earlier. The increase reflected higher levels of both gross finance receivables and operating leases. Depreciation expense in the third quarter of 1993 was \$725 million, up \$291 million or 67% compared with the third quarter of 1992. The increase reflected the higher levels of operating leases and was more than offset by higher revenue earned on the lease contracts.

During the third quarter of 1993, Ford Credit provided retail financing for 37.5% of all new cars and trucks sold by Ford Motor Company dealers in the United States, compared with 37.9% in the third quarter of 1992. Ford Credit provided U.S. retail financing for a record 582,000 new and used vehicles, up 17% from a year ago. Ford Credit also provided wholesale financing for 82.7% of Ford Motor Company factory sales to U.S. car and truck dealers during the quarter, compared with 76.6% in the same period in 1992.

#### FIRST NINE MONTHS 1993 RESULTS OF OPERATIONS

For the first nine months of 1993, Ford Credit's consolidated net income was \$896 million, up \$74 million from \$822 million in 1992. Excluding a one-time



gain resulting from the net effect of the adoption of new accounting standards for income taxes and postretirement benefits in 1992, first nine months net income was up \$221 million or 33% from the prior year. Income from financing operations was \$756 million, up \$218 million or 41% from the same period a year ago. Equity in net income of affiliated companies was \$140 million, about equal to the same period a year ago. The improvement in financing profits resulted primarily from higher levels of earning assets, lower credit losses, higher gains on sales of receivables, and higher net interest margins, partially offset by an increase in the provision for income taxes. Depreciation expense in the first nine months of 1993 was \$1,913 million, up \$737 million or 63% compared with the first nine months of 1992. The increase reflected the higher levels of operating leases and was more than offset by higher revenue earned on the lease contracts. During the first nine months of 1993, Ford Credit provided retail financing for 38.1% of all new cars and trucks sold by Ford Motor Company dealers in the United States, compared with 36.8% in the same period a year ago. Ford Credit provided U.S. retail financing for 1,679,000 new and used vehicles compared with 1,371,000 vehicles in the first nine months of 1992. Ford Credit also provided wholesale financing for 81.2% of Ford Motor Company factory sales to U.S. car and truck dealers during the first nine months, compared with 76.9% in the same period last year.

#### 1992 RESULTS OF OPERATIONS

Ford Credit's consolidated net income in 1992 was a record \$1,039 million. Included in net income was a one-time net gain of \$147 million that resulted from the adoption of new accounting standards for income taxes and postretirement benefits (principally retiree health care). Net income increased by \$239 million for the tax accounting standard partially offset by a decrease in net income of \$92 million for retiree health care. Excluding this one-time gain, Ford Credit earned a record net income of \$892 million, up \$143 million or 19% from \$749 million earned in 1991. The following comparison of 1992 results with 1991 results excludes the one-time net gain associated with the accounting changes.

Net income from financing operations in 1992 was \$737 million, up \$179 million or 32% from 1991. The increase was more than accounted for by lower credit losses and higher net interest margins. Lower gains on sales of receivables were a partial offset.

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The improvement in credit losses reflected fewer retail repossessions, a decline in loss per repossessed unit and reduced wholesale losses. Actual credit losses were \$343 million (0.60% of average finance receivables including net investment in operating leases) compared with \$529 million (0.92%) a year earlier. The credit loss reserve ratio for 1992 was 1.66% compared with 1.60% last year. The higher net interest margins reflected primarily a decline in Ford Credit's net average U.S. borrowing rate from 7.9% in 1991 to 6.3% in 1992, partially offset by lower prime-based revenue.

For 1992, equity in net income of affiliated companies (primarily Ford Holdings) was \$155 million compared with \$191 million last year. The decline reflected lower Ford Holdings net income available to common shareholders and a reduction in Ford Credit's ownership of Ford Holdings common stock. The reduction in ownership was the result of a dividend paid in 1992 to Ford in the form of Ford Holdings common stock. At December 31, 1992, Ford Credit owned about 45% of Ford Holdings common stock, representing about 34% of the voting power.

Total gross finance receivables and net investment in operating leases at December 31, 1992 were \$60.2 billion, up \$3.6 billion or 6% from a year earlier. The increase reflected primarily higher levels of shorter-term operating leases. Depreciation expense in 1992 was \$1,663 million, up \$612 million or 58% from 1991. The increase reflected the higher levels of operating leases and was more than offset by higher revenue earned on the lease contracts.

For 1992, Ford Credit financed 37.7% of all new cars and trucks sold by Ford Motor Company dealers in the U.S. compared with 35.2% in 1991. Ford Credit provided retail customers with financing for 1,804,000 new and used vehicles in the United States. Ford Credit provided wholesale financing for a record 77.6% of Ford Motor Company U.S. factory sales in 1992 compared with 74.9% in 1991.

#### LIQUIDITY AND CAPITAL RESOURCES

Ford Credit relies heavily on its ability to raise substantial amounts of

funds. These funds are obtained primarily by sales of commercial paper and issuance of term debt. Funds also are provided by retained earnings and sales of receivables. The level of funds can be affected by certain transactions with Ford, such as capital contributions, interest and other supplements from Ford for vehicles financed by Ford Credit under Ford sponsored low-rate financing programs, and dividend payments, and the timing of payments for the financing of dealers' wholesale inventories and for income taxes. Ford Credit's ability to obtain funds is affected by its debt ratings, which are closely related to the outlook for, and financial condition of, Ford, and the nature and availability of support facilities, such as revolving credit and receivables sales agreements. In addition, Ford Credit from time to time sells its receivables in public offerings or private placements. For additional information regarding liquidity and capital resources, see Item 1--Business--"Business of Ford Credit--Borrowings and Other Sources of Funds" in the 1992 10-K Report, and see the First Quarter 10-Q Report, the Second Quarter 10-Q Report, and the Third Quarter 10-Q Report. For additional information regarding Ford Credit's association with Ford, see Item 1--Business--"Certain Transactions with Ford and Affiliates" in the 1992 10-K Report.

#### INFORMATION CONCERNING FORD

Ford is the second-largest producer of cars and trucks in the world, and ranks among the largest providers of financial services in the United States.

Ford's two business segments are Automotive and Financial Services. The activities of the Automotive segment consist of the manufacture, assembly and sale of cars and trucks and related parts and accessories. The Financial Services segment is comprised of the following subsidiaries: Ford Credit, Ford Holdings, Associates First Capital Corporation ("The Associates"), American Road, First Nationwide Financial Corporation ("First Nationwide") and USL Capital. The activities of these subsidiaries include financing, insurance operations, savings and loan operations and vehicle and equipment leasing.

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#### SELECTED FINANCIAL DATA AND OTHER DATA OF FORD

The following table sets forth selected financial data and other data concerning Ford:

<TABLE>  
<CAPTION>

	NINE MONTHS ENDED OR AT SEPTEMBER 30		YEARS ENDED OR AT DECEMBER 31				
	1993	1992	1992	1991	1990	1989	1988
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
(IN MILLIONS EXCEPT PER SHARE AND UNIT SALES AMOUNTS)							
<b>CONSOLIDATED STATEMENT OF INCOME INFORMATION</b>							
<b>Automotive</b>							
Sales.....	\$ 68,057	\$ 62,909	\$ 84,407	\$ 72,051	\$ 81,844	\$ 82,879	\$ 82,193
Operating income/(loss).....	1,050	(169)	(1,775)	(3,769)	316	4,252	6,612
Income/(loss) before cumulative effects of changes in accounting principles...	643	(497)	(1,534)	(3,186)	99	3,175	4,609
<b>Financial Services</b>							
Revenues.....	12,623	11,817	15,725	16,235	15,806	13,267	10,253
Income before income taxes and cumula- tive effects of changes in accounting principles.....	2,056	1,404	1,825	1,465	1,221	874	1,031
Income before cumulative effects of changes in accounting principles.....	1,167	835	1,032	928	761	660	691
<b>Total Ford</b>							
Income/(loss) before cumulative effects of changes in accounting principles...	1,810	338	(502)	(2,258)	860	3,835	5,300
Cumulative effects of changes in accounting principles.....	--	(6,883)	(6,883)	--	--	--	--
Net income/(loss).....	1,810	(6,545)	(7,385)	(2,258)	860	3,835	5,300
<b>Amounts Per Share of Common Stock and Class B Stock After Preferred Stock Dividends</b>							
Income/(loss) before cumulative effects of changes in accounting principles...	3.24	0.40	(1.46)	(4.79)	1.86	8.22	10.96
Cumulative effects of changes in accounting principles.....	--	(14.17)	(14.15)	--	--	--	--

Income/(loss) assuming no dilution.....	3.24	(13.77)	(15.61)	(4.79)	1.86	8.22	10.96
Income/(loss) assuming full dilution....	3.01	(13.77)	(15.61)	(4.79)	1.84	8.12	10.80
Cash dividends.....	1.20	1.20	1.60	1.95	3.00	3.00	2.30
CONSOLIDATED BALANCE SHEET INFORMATION							
Automotive							
Total assets.....	61,502	60,517	57,170	52,397	50,823	45,819	43,128
Debt payable within one year.....	749	1,316	1,249	2,580	2,849	2,537	1,761
Long-term debt--noncurrent portion.....	7,138	6,853	7,068	6,539	4,553	1,137	1,336
Financial Services							
Total assets.....	133,795	121,766	123,375	122,032	122,839	115,074	100,239
Debt.....	99,500	88,036	90,188	88,295	88,117	81,734	66,852
Deposit accounts*.....	10,844	14,413	14,030	16,882	17,893	17,642	20,358
Total Ford							
Total assets.....	195,297	182,283	180,545	174,429	173,663	160,893	143,366
Debt (incl. deposit accounts).....	118,231	110,618	112,535	114,295	113,412	103,050	90,306
Stockholders' equity**.....	15,827	15,792	14,753	22,690	23,238	22,728	21,529
Cash dividends.....	814	734	977	927	1,389	1,404	1,114
OTHER DATA							
Total Ford							
Capital expenditures.....	4,779	4,002	5,790	5,847	7,258	6,767	4,782
Depreciation and amortization of special tools.....	5,493	4,962	6,756	5,778	4,880	4,229	3,792
Worldwide factory unit sales of cars, trucks & tractors (in thousands).....	4,509	4,362	5,764	5,359	5,872	6,408	6,517

</TABLE>

\* Deposit accounts relate to First Nationwide.

\*\* The cumulative effects of changes in accounting principles reduced equity by \$6,883 million in 1992.

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## FINANCIAL REVIEW OF FORD

### THIRD QUARTER 1993 RESULTS OF OPERATIONS

#### Overview

Ford earned \$463 million, or \$0.79 per share of Common and Class B stock, in the third quarter of 1993. This compares with a loss of \$272 million, or \$0.66 per share, in the third quarter of 1992. Ford's worldwide sales and revenues were \$24.5 billion, up \$1,173 million from the third quarter of 1992. Worldwide factory unit sales of cars and trucks were 1,303,000, up 37,000 units or 3% from a year ago. Stockholders' equity was \$15.8 billion at the end of the third quarter of 1993.

In August 1993, the Omnibus Budget Reconciliation Act was enacted in the U.S. Among other changes, the Act increased the federal income tax rate on corporations by one percentage point to 35% effective January 1, 1993. Ford's results in the third quarter of 1993 included a reduction of \$140 million in the provision for income taxes to reflect restatement of U.S. deferred tax balances. On an ongoing basis, however, the effect of the Act on future tax expense will be unfavorable.

In 1992, Ford adopted major new accounting standards for postretirement benefits (principally retiree health care) and income taxes. Results for 1992 have been restated to reflect adoption of these standards.

#### Automotive Operations

Ford's worldwide Automotive operations earned \$72 million in the third quarter of 1993 on sales of \$20.1 billion, compared with a loss of \$574 million on sales of \$19.4 billion a year ago.

In the U.S., Ford's Automotive operations earned \$333 million, compared with a loss of \$260 million a year ago. Results in the third quarter of 1993 included \$171 million for the one-time favorable effect of tax legislation. Excluding the tax change, the improvement reflected primarily higher unit volume as a result of higher industry sales.

In the third quarter of 1993, the seasonally-adjusted annual selling rate

for the U.S. car and truck industry was 13.9 million units (8.4 million cars and 5.5 million trucks), compared with 12.8 million (7.9 million cars and 4.9 million trucks) in the third quarter of 1992. Ford's car market share was 22%, up 1/10 of a point from the third quarter of 1992. The increase from a year ago reflected improved sales of the Lincoln Mark VIII. Ford's truck share was 31.2%, up 1.2 points from the third quarter of 1992. The improvement from a year ago reflected higher sales of Ford Ranger and Mercury Villager.

Outside the U.S., Automotive operations lost \$261 million in the third quarter of 1993, compared with a loss of \$314 million a year ago. Ford's European Automotive operations (excluding Jaguar operating losses and acquisition costs) lost \$217 million in the third quarter of 1993, compared with a loss of \$285 million a year ago. Automotive earnings in Latin America improved by a comparable amount as a result of improvements in business conditions.

The improvement in Europe from the year-ago period reflected primarily lower manufacturing and administrative expense resulting from the restructuring program announced in late 1992. These factors were offset partially by lower unit volume, reflecting lower car and truck industry sales.

In the third quarter of 1993, the seasonally-adjusted annual selling rate for the European car and truck industry was 12.7 million units, compared with 14.6 million in the third quarter of 1992. Ford's car share was 12.6%, up 4/10 of a point from the third quarter of 1992. Ford's truck share was 12.6%, up 2/10 of a point from the third quarter of 1992.

Overall, Ford is cautiously optimistic about the business outlook. In the U.S., the slow pace of economic recovery is projected to continue. Higher industry sales rates and the effect of ongoing

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cost reduction efforts are expected to result in continued improvements in operating results -- despite ongoing margin pressures created by intense competition.

Business conditions in Europe, however, remain weak, and Ford's European Automotive operations are expected to incur a loss in 1993. Ford is continuing to monitor the economic situation in Europe. In Latin America, the near-term business outlook is favorable, but business conditions have historically been volatile and subject to rapid change.

#### Financial Services Operations

Ford's Financial Services operations earned \$391 million in the third quarter of 1993, up \$89 million from the third quarter of 1992. The increase resulted primarily from improved results at Ford Credit, The Associates, and First Nationwide. Earnings in the third quarter of 1993 were reduced by \$31 million as a result of the one-time effect of tax legislation in the U.S.

For a discussion of Ford Credit's results of operations in the third quarter of 1993, see "Ford Motor Credit Company and Subsidiaries -- Selected Financial Data -- Third Quarter 1993 Results of Operations." In addition, international operations managed by Ford Credit earned \$57 million in the third quarter of 1993, compared with \$52 million in the same period in 1992.

The Associates earned \$121 million in the U.S. in the third quarter of 1993, up \$15 million from the same period in 1992. The increase was more than explained by improved credit loss performance and higher levels of earning assets. In addition, international operations managed by The Associates earned \$2 million in the third quarter of 1993, compared with \$8 million a year ago.

First Nationwide incurred a loss of \$7 million in the third quarter of 1993, compared with a loss of \$25 million a year ago. The improvement resulted from reduced borrowing costs, lower credit losses, continued reductions in operating costs, and the gain on sale of certain branches. These factors were offset in part by lower yields from the reinvestment of proceeds received from the settlements with the Federal Deposit Insurance Corporation ("FDIC"), lower levels of earning assets, and an adjustment to the carrying value of derivative securities.

American Road earned \$27 million in the third quarter of 1993, compared with \$15 million in the same period in 1992. USL Capital earned \$16 million in the third quarter of 1993, equal to the third quarter of 1992.

#### FIRST NINE MONTHS 1993 RESULTS OF OPERATIONS

## Overview

Ford earned \$1,810 million, or \$3.24 per share of Common and Class B Stock, in the first nine months of 1993. This compares with \$338 million, or \$0.40 per share, in the first nine months of 1992, excluding the cumulative effects of accounting changes. Including the cumulative effects of accounting changes, Ford incurred a loss of \$6,545 million or \$13.77 per share in the first nine months of 1992. Ford's worldwide sales and revenues were \$80.7 billion in the first nine months of 1993, up \$6 billion from the first nine months of 1992. Worldwide factory unit sales of cars and trucks were 4,509,000, up 147,000 or 3% from a year ago.

The following discussion of the results of operations excludes the cumulative one-time effects of the accounting changes in 1992, but includes the ongoing effects of the retiree health care and other changes.

### Automotive Operations

Ford's worldwide Automotive operations earned \$643 million in the first nine months of 1993 compared with a loss of \$497 million a year ago. In the U.S., Ford's Automotive operations earned

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\$813 million, compared with a loss of \$277 million a year ago. The improvement reflected higher unit volume, as a result of increased industry volumes and higher Ford market shares.

In the first nine months of 1993, the seasonally-adjusted annual selling rate for the U.S. car and truck industry was 14 million units, compared with 12.9 million a year ago. Ford's car share was 22.2%, up 9/10 of a point from the first nine months of 1992. Ford's truck share was 30.2%, up 4/10 of a point from the same period a year ago. Ford's combined car and truck share was 25.4%, up 9/10 of a point from the first nine months of 1992.

Outside the U.S., Automotive operations lost \$170 million in the first nine months of 1993, compared with a loss of \$220 million a year ago. The improvement was more than explained by a substantial increase in Latin American earnings from a year ago. Larger losses in European Automotive operations were a partial offset.

In the first nine months of 1993, the seasonally-adjusted annual selling rate for the European car and truck industry was 12.5 million units, down 2.5 million units from a year ago. Ford's car share was 12%, up 2/10 of a point from the same period a year ago. Ford's truck share was 12.5%, up 8/10 of a point from the first nine months of 1992.

### Financial Services Operations

Ford's Financial Services operations earned \$1,167 million in the first nine months of 1993, an increase of \$332 million from the same period in 1992. The improvement resulted primarily from higher earnings at Ford Credit and The Associates.

For a discussion of Ford Credit's results of operations in the first nine months of 1993, see "Ford Motor Credit Company and Subsidiaries -- Selected Financial Data -- First Nine Months 1993 Results of Operations." In addition, international operations managed by Ford Credit earned \$154 million in the first nine months of 1993, compared with \$138 million in the same period in 1992.

The Associates earned \$343 million in the U.S. in the first nine months of 1993, up \$61 million from the same period in 1992. The improvement resulted primarily from the same factors as those described in the discussion of third quarter results. In addition, international operations managed by The Associates earned \$22 million in the first nine months of 1993, compared with \$27 million a year ago.

First Nationwide incurred a loss of \$42 million in the first nine months of 1993, compared with a loss of \$48 million in the same period in 1992. The improvement resulted from reduced borrowing costs, continued improvement in operating costs, the gain on sale of certain branches, and a lower adjustment in 1993 to the carrying value of derivative securities. These factors were partially offset by lower yields from the reinvestment of FDIC proceeds, lower levels of earning assets, and a reduction in income tax benefits. First Nationwide's results for the nine months of 1993 included revenues from the Federal Savings and Loan Insurance Resolution Fund ("FSLIC/RF") of \$56 million,

compared with \$185 million in the same period in 1992.

American Road earned \$67 million in the first nine months of 1993, compared with \$74 million in the same period in 1992. USL Capital's net income in the first nine months of 1993 was \$53 million, up \$12 million from a year ago.

#### LIQUIDITY AND CAPITAL RESOURCES

##### Automotive Operations

Cash and marketable securities of Ford's Automotive operations were \$9.3 billion at September 30, 1993, up \$249 million from December 31, 1992. Ford paid \$814 million in cash dividends on its Common Stock, Class B Stock, and Preferred Stock during the first nine months of 1993.

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Automotive capital expenditures were \$4.7 billion in the first nine months of 1993, compared with \$4 billion for the same period a year ago. Over the last five years (1988 to 1992), Ford's worldwide capital spending totaled \$30 billion. During the next several years, the pace of spending for product change at Ford is projected to increase.

At September 30, 1993, Automotive debt totaled \$7.9 billion, which was 33% of total capitalization (stockholders' equity and Automotive debt), compared with \$8.3 billion or 36% of total capitalization at year-end 1992. The decrease in total debt is primarily the result of lower levels of short-term borrowings. Automotive working capital (current assets less current liabilities) at September 30, 1993 was \$428 million, compared with \$711 million at December 31, 1992.

At September 30, 1993, Ford had long-term contractually committed credit agreements in the U.S. under which \$4.8 billion is available from various banks at least through June 30, 1998. The entire \$4.8 billion may be used, at Ford's option, by either Ford or Ford Credit. As of September 30, 1993, these facilities were unused.

Outside the U.S., Ford has additional long-term contractually committed credit-line facilities of approximately \$2.3 billion. These facilities are available in varying amounts from 1993 through 1998; \$23 million was being utilized at September 30, 1993.

##### Financial Services Operations

During the third quarter of 1993, Financial Services' cash and investments in securities increased by \$108 million, and net receivables and lease investments were up \$1.4 billion. Total debt in the third quarter of 1993 increased by \$2.1 billion.

At September 30, 1993, Financial Services had approximately \$24.4 billion of support facilities (including \$4.8 billion of Ford bank lines that may be used by Ford Credit at Ford's option) available for use in the U.S., all of which were contractually committed; less than 1% of these facilities were in use at that date. At September 30, 1993, an additional \$14.5 billion of support facilities were available outside the U.S., 44% of which were contractually committed; approximately \$7.1 billion of these support facilities were in use at September 30, 1993.

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For a discussion of factors that affected Ford's results in the years 1988-1992, as well as a discussion of Ford's results of operations, liquidity, capital resources and working capital in 1992, see the information concerning Ford in the 1992 10-K Report. For further information regarding Ford's results of operations and liquidity and capital resources through September 30, 1993, see the Third Quarter 10-Q Report.

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#### INDUSTRY DATA AND MARKET SHARE OF FORD

The following table shows the U.S. industry retail deliveries of cars and trucks for the periods indicated:

<TABLE>  
<CAPTION>

U.S. INDUSTRY RETAIL DELIVERIES  
(MILLIONS OF UNITS)

	YEARS ENDED DECEMBER 31				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Cars.....	8.5	8.2	8.2	9.3	9.8
Trucks.....	5.7	4.9	4.3	4.8	5.1

The following table shows Ford's U.S. car and truck market shares for the periods indicated:

<TABLE>  
<CAPTION>

FORD U.S. CAR AND TRUCK MARKET SHARES

	YEARS ENDED DECEMBER 31				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Cars*.....	22.3%	21.8%	20.1%	21.1%	22.3%
Trucks.....	30.4	29.7	28.9	29.3	28.8

\* Includes Jaguar sales in 1993, 1992, 1991 and 1990.

For additional information regarding Ford, see the 1992 10-K Report, the First Quarter 10-Q Report, the Second Quarter 10-Q Report and the Third Quarter 10-Q Report.

USE OF PROCEEDS

Except as otherwise provided in the Prospectus Supplement, the net proceeds from the sale of the Debt Securities will be added to the general funds of Ford Credit and will be available for the purchase of receivables, for loans and for use in connection with the retirement of debt. Such proceeds initially may be used to reduce short-term borrowings (commercial paper, borrowings under bank lines of credit and borrowings under agreements with bank trust departments) or may be invested temporarily in short-term securities.

Ford Credit expects to issue additional long-term and short-term debt from time to time. The nature and amount of Ford Credit's long-term and short-term debt and the proportionate amount of each can be expected to vary from time to time, as a result of business requirements, market conditions and other factors.

RATIO OF EARNINGS TO FIXED CHARGES

The ratio of "earnings" to "fixed charges" for Ford Credit and Ford were as follows for the first nine months of 1993 and for each of the years 1988-1992:

<TABLE>  
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30, 1993	YEARS ENDED DECEMBER 31				
		1992	1991	1990	1989	1988
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ford Motor Credit Company.....	1.58	1.37	1.23	1.14	1.13	1.21
Ford Motor Company.....	1.5	*	**	1.2	1.7	2.3

\* Earnings were inadequate to cover fixed charges by \$237 million.

\*\* Earnings were inadequate to cover fixed charges by \$2,664 million.

For purposes of the Ford Credit ratio, "earnings" consist of income before income taxes and cumulative effects of changes in accounting principles and fixed charges. Income before income taxes and cumulative effects of changes in

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in net income of all unconsolidated affiliates and minority interest in net income of subsidiaries. "Fixed charges" consist of interest on borrowed funds, amortization of debt discount, premium, and issuance expense and one-third of all rental expense (the proportion deemed representative of the interest factor).

For purposes of the Ford ratio, "earnings" include the profit/(loss) before income taxes and cumulative effects of changes in accounting principles of Ford and its majority-owned subsidiaries, whether or not consolidated, its proportionate share of any fifty-percent-owned companies, and any income received from less-than-fifty-percent-owned companies. "Fixed charges" consist of interest on borrowed funds, preferred stock dividend requirements of majority-owned subsidiaries, amortization of debt discount, premium, and issuance expense, and one-third of all rental expense (the proportion deemed representative of the interest factor).

#### DESCRIPTION OF DEBT SECURITIES

The Debt Securities are to be issued in one or more series under an Indenture dated as of November 1, 1987, as supplemented from time to time (the "Indenture"), between Ford Credit and Continental Bank, National Association ("Continental"), Trustee. The term "Trustee", as used herein, shall mean Continental and, if at any time there is more than one Trustee acting under the Indenture, the term "Trustee" as used herein with respect to Indenture Securities (as defined below) of any particular series shall mean the Trustee with respect to the Indenture Securities of such series. The following statements with respect to the Debt Securities are subject to the detailed provisions of the Indenture, the form of which is filed as an exhibit to the Registration Statement. Parenthetical references below are to the Indenture or the Form of Security contained therein and, whenever any particular provision of the Indenture or any term used therein is referred to, such provision or term is incorporated by reference as a part of the statement in connection with which such reference is made, and the statement in connection with which such reference is made is qualified in its entirety by such reference.

The particular terms of each series of Debt Securities, as well as any modification or addition to the general terms of the Debt Securities as herein described, which may be applicable to a particular series of Debt Securities, are described in the Prospectus Supplement relating to such series of Debt Securities and will be set forth in a filing with the Commission. Accordingly, for a description of the terms of a particular series of Debt Securities, reference must be made to the Prospectus Supplement relating to such series and to the description of Debt Securities set forth in this Prospectus.

#### GENERAL

The Debt Securities offered hereby will be limited to \$4,000,000,000 aggregate principal amount or the equivalent thereof in any currency, although the Indenture provides that additional debt securities may be issued thereunder up to the aggregate principal amount, which is not limited by the Indenture, authorized from time to time by Ford Credit's Board of Directors. So long as a single Trustee is acting for the benefit of the holders of all the Debt Securities offered hereby and any such additional debt securities issued under the Indenture, the Debt Securities and any such additional debt securities are herein collectively referred to as the "Indenture Securities". The Indenture also provides that there may be more than one Trustee under the Indenture, each with respect to one or more different series of Indenture Securities. See also "Trustee" herein. At any time when two or more Trustees are acting, each with respect to only certain series, the term "Indenture Securities" as used herein shall mean the one or more series with respect to which each respective Trustee is acting and the powers and trust obligations of each such Trustee as described herein shall extend only to the one or more series of Indenture Securities for which it is acting as Trustee. The effect of the provisions contemplating that there might be more than one Trustee acting for different series of Indenture Securities is that, in that event, those Indenture Securities (whether of one or more than

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one series) for which each Trustee is acting would be treated as if issued under a separate indenture.



The Prospectus Supplement which accompanies this Prospectus sets forth a description of the particular series of Debt Securities being offered thereby, including: (1) the designation or title of such Debt Securities; (2) the aggregate principal amount of such Debt Securities; (3) the percentage of their principal amount at which such Debt Securities will be offered; (4) the date or dates on which the principal of such Debt Securities will be payable; (5) the rate or rates (which may be either fixed or variable) and/or the method of determination of such rate or rates at which such Debt Securities shall bear interest, if any; (6) the date or dates from which any such interest shall accrue, or the method of determination of such date or dates, and the date or dates on which any such interest shall be payable; (7) the terms for redemption, extension or early repayment of such Debt Securities, if any; (8) the denominations in which such Debt Securities are authorized to be issued; (9) the currencies or currency units in which such Debt Securities are issued or payable; (10) the provisions for a sinking fund, if any; (11) any additional restrictive covenants included for the benefit of the holders of such Debt Securities; (12) any additional Event of Default with respect to such Debt Securities; (13) whether such Debt Securities are issuable as a Global Security; and (14) any other term or provision relating to such Debt Securities which is not inconsistent with the provisions of the Indenture.

One or more series of Debt Securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. Federal income tax consequences and special considerations applicable thereto will be described in the Prospectus Supplement relating to any such series of Debt Securities.

The Debt Securities will be unsecured obligations of Ford Credit and will rank prior to all subordinated indebtedness of Ford Motor Credit Company (parent company only) and pari passu with all other unsecured and unsubordinated indebtedness of Ford Motor Credit Company (parent company only).

Except as otherwise provided in the Prospectus Supplement, principal, premium, if any, and interest, if any, will be payable at an office or agency to be maintained by Ford Credit in New York City, except that at the option of Ford Credit interest may be paid by check mailed to the person entitled thereto. (Form of Security and Sections 10.01 and 10.02).

Except as otherwise provided in the Prospectus Supplement, the Debt Securities will be issued only in fully registered form without coupons and may be presented for registration of transfer or exchange at the corporate trust office of the Trustee. No service charge will be made for any transfer or exchange of the Debt Securities, but Ford Credit may require payment of a sum to cover any tax or other governmental charge payable in connection therewith. (Section 3.05).

#### SUBSIDIARIES

The term "subsidiary of the Company" is defined in the Indenture as a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by Ford Credit or by one or more subsidiaries of Ford Credit, or by Ford Credit and one or more subsidiaries of Ford Credit. The term "Restricted Subsidiary" is defined in the Indenture as a subsidiary of the Company, incorporated in or conducting the major part of its business in the United States, any of the activities of which includes insurance underwriting or which had, at the end of its last quarterly accounting period preceding the date of computation, assets with a value in excess of \$1 million representing accounts or notes receivable resulting from the financing of new cars, trucks, tractors and farm and industrial equipment manufactured or sold by Ford or from the financing of used cars, trucks, tractors and farm and industrial equipment of the same types, whether manufactured by Ford or others. (Section 1.01). Ford Holdings, which owns American Road and the other insurance businesses formerly owned by Ford Credit, is not a subsidiary of the Company and therefore not a Restricted Subsidiary, as such terms are defined in the Indenture. So long as stock of Ford Holdings

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is directly owned by Ford Credit or by a Restricted Subsidiary, such stock will be subject to the "Limitation on Liens" provision described below. Ford Credit currently owns its stock in Ford Holdings directly but is under no obligation to continue to do so.

#### LIMITATION ON LIENS

If Ford Credit or any Restricted Subsidiary shall pledge or otherwise subject to any lien (such a pledge or lien is defined in the Indenture as a

"Mortgage") any of its property or assets, Ford Credit will secure or cause such Restricted Subsidiary to secure the Indenture Securities equally and ratably with (or prior to) the indebtedness secured by such Mortgage. This restriction does not apply to Mortgages securing such indebtedness which shall not exceed \$5 million in the aggregate at any one time outstanding and does not apply to (a) certain Mortgages created or incurred to secure financing of the export or marketing of goods outside the United States, (b) Mortgages on accounts receivable payable in foreign currencies securing indebtedness incurred and payable outside the United States, (c) Mortgages in favor of Ford Credit or any Restricted Subsidiary, (d) Mortgages in favor of governmental bodies to secure progress, advance or other payments, or deposits with any governmental body required in connection with the business of Ford Credit or a Restricted Subsidiary, (e) deposits made in connection with pending litigation, (f) Mortgages existing at the time of acquisition of the assets secured thereby (including acquisition through merger or consolidation) and certain purchase money Mortgages, and (g) any extension, renewal or replacement of any Mortgage or Mortgages referred to in the foregoing clauses (a) through (f), inclusive. (Section 10.04).

#### MERGER AND CONSOLIDATION

The Indenture provides that no consolidation or merger of Ford Credit with or into any other corporation shall be permitted, and no sale or conveyance of its property as an entirety, or substantially as an entirety, may be made to another corporation, if, as a result thereof, any asset of Ford Credit or a Restricted Subsidiary would become subject to a Mortgage, unless the Indenture Securities shall be equally and ratably secured with (or prior to) the indebtedness secured by such Mortgage, or unless such Mortgage could be created pursuant to Section 10.04 (see "Limitation on Liens" above) without equally and ratably securing the Indenture Securities. (Section 8.03).

#### EVENTS OF DEFAULT AND NOTICE THEREOF

Except as may otherwise be provided in an indenture supplemental to the Indenture, the following events in respect of a particular series of Indenture Securities are defined in the Indenture as "Events of Default": (a) failure to pay interest for 30 days after becoming due; (b) failure to pay the principal or premium, if any, for five business days after becoming due at maturity, on redemption or otherwise; (c) failure to make a sinking fund payment for five days after becoming due; (d) failure to perform any other covenants for 90 days after notice; and (e) certain events of bankruptcy, insolvency or reorganization. (Section 5.01).

If an Event of Default in respect of a particular series of Indenture Securities outstanding occurs and is continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the Indenture Securities outstanding of such series may declare the principal amount (or, if the Indenture Securities of such series are Original Issue Discount Securities (as defined in the indenture), such portion of the principal amount as may be specified in the terms of such series) of all of the Indenture Securities of such series to be due and payable immediately. At any time after such a declaration of acceleration in respect of a particular series of Indenture Securities has been made, but before a judgment or decree for the payment of money due upon acceleration has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the Indenture Securities outstanding of such series may, under certain circumstances, waive all defaults and rescind and annul such declaration and its consequences if all Events of Default in respect of the Indenture Securities of such series, other than the non-payment of principal due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture. (Section 5.02).

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The Indenture provides that the Trustee shall, within 90 days after the occurrence of a default in respect of a particular series of Indenture Securities, give the holders of such series notice of all uncured defaults known to it (the term "default" to include the events specified above without grace periods); provided that, except in the case of default in the payment of the principal of, or premium, if any, on, or interest on any of the Indenture Securities of such series, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the holders of such series. (Section 6.02).

Pursuant to the terms of the Indenture, Ford Credit is required to furnish to the Trustee annually a statement of certain officers of Ford Credit stating

whether or not to the best of their knowledge Ford Credit is in default in respect of any series of Indenture Securities in the performance and observance of the terms of the Indenture and, if Ford Credit is in default, specifying such default and that or those series affected thereby. (Section 10.05).

The Indenture provides that the holders of a majority in aggregate principal amount of all Indenture Securities of a particular series then outstanding will have the right to waive certain defaults in respect of such series and, subject to certain limitations, to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. (Sections 5.12 and 5.13). The Indenture provides that, in case an Event of Default in respect of a particular series of Indenture Securities shall occur (which shall not have been cured or waived), the Trustee will be required to exercise such of its rights and powers under the Indenture, and to use the degree of care and skill in their exercise, that a prudent man would exercise or use in the conduct of his own affairs, but otherwise need only perform such duties as are specifically set forth in the Indenture. (Section 6.01). Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any of the holders of such series unless they shall have offered to the Trustee reasonable security or indemnity. (Section 6.03).

#### MODIFICATION OF THE INDENTURE

With certain exceptions, the Indenture, the rights and obligations of Ford Credit and the rights of the holders of a particular series may be modified by Ford Credit with the consent of the holders of not less than 66 2/3% in aggregate principal amount of the Indenture Securities of such series then outstanding; but no such modification may be made which would (i) extend the fixed maturity of any Indenture Security of such series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the holder of each Indenture Security of such series so affected; or (ii) reduce the above-stated percentage of Indenture Securities of such series, the consent of the holders of which is required to modify or alter the Indenture, without the consent of the holders of all Indenture Securities of such series then outstanding. (Section 9.02).

#### TRUSTEE

The Trustee may resign or be removed with respect to one or more series of Indenture Securities and a successor Trustee may be appointed to act with respect to such one or more series. (Section 6.10). In the event that there shall be two or more persons acting as Trustee with respect to different series of Indenture Securities, each such Trustee shall be a trustee of a trust or trusts under the Indenture separate and apart from the trust or trusts administered by any other such Trustee, and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Indenture Securities for which it is acting as Trustee. (Section 6.11).

#### CONCERNING CONTINENTAL

Continental Bank, National Association, Trustee under the Indenture, is a depository of Ford Credit and Ford, has from time to time made loans to Ford Credit, Ford and its subsidiaries, has from

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time to time purchased receivables from Ford Credit and has performed other services for such companies in the normal course of its business.

#### REPORTS

Ford Credit publishes annual reports, containing certified financial statements, and quarterly reports, containing interim unaudited financial statements. Copies of such reports will be available upon request.

#### PLAN OF DISTRIBUTION

Ford Credit may sell the Debt Securities to or through underwriters, and also may sell the Debt Securities directly to one or more other purchasers or through agents.

The Prospectus Supplement sets forth the terms of the offering of the particular series of Debt Securities to which such Prospectus Supplement relates, including (i) the name or names of any underwriters or agents with whom Ford Credit has entered into arrangements with respect to the sale of such

series of Debt Securities, (ii) the initial public offering or purchase price of such series of Debt Securities, (iii) any underwriting discounts, commissions and other items constituting underwriters' compensation from Ford Credit and any other discounts, concessions or commissions allowed or reallocated or paid by any underwriters to other dealers, (iv) any commissions paid to any agents, (v) the net proceeds to Ford Credit, and (vi) the securities exchanges, if any, on which such series of Debt Securities will be listed.

Unless otherwise set forth in the Prospectus Supplement relating to a particular series of Debt Securities, the obligations of the underwriters to purchase such series of Debt Securities will be subject to certain conditions precedent and each of the underwriters with respect to such series of Debt Securities will be obligated to purchase all of the Debt Securities of such series allocated to it if any such Debt Securities are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

The Debt Securities may be offered and sold by Ford Credit directly or through agents designated by Ford Credit from time to time. Unless otherwise indicated in the Prospectus Supplement, any such agent or agents will be acting on a best efforts basis for the period of its or their appointment. Any agent participating in the distribution of the Debt Securities may be deemed to be an "underwriter", as that term is defined in the Securities Act, of the Debt Securities so offered and sold. The Debt Securities also may be sold to dealers at the applicable price to the public set forth in the Prospectus Supplement relating to a particular series of Debt Securities who later resell to investors. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act.

If so indicated in the Prospectus Supplement relating to a particular series of Debt Securities, Ford Credit will authorize underwriters or agents to solicit offers by certain institutions to purchase Debt Securities of such series from Ford Credit pursuant to delayed delivery contracts providing for payment and delivery at a future date. Such contracts will be subject only to those conditions set forth in the Prospectus Supplement and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Underwriters and agents may be entitled, under agreements entered into with Ford Credit, to indemnification by Ford Credit against certain civil liabilities, including liabilities under the Securities Act.

#### LEGAL OPINIONS

The legality of the Debt Securities offered hereby will be passed on for Ford Credit by J. D. Bringard, Esq., Vice President--General Counsel of Ford Credit, or other counsel satisfactory to any underwriters or agents, and for any underwriters or agents by Shearman & Sterling, 599 Lexington

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Avenue, New York, N.Y. Mr. Bringard is a full-time employee of Ford Credit and owns and holds options to purchase shares of Common Stock of Ford. Shearman & Sterling act as counsel to the Compensation and Option Committee and the Audit Committee of the Board of Directors of Ford and occasionally act as counsel to Ford and Ford Credit in connection with certain transactions.

#### EXPERTS

The financial statements which are incorporated in this Prospectus by reference to the 1992 10-K Report have been audited by Coopers & Lybrand, 400 Renaissance Center, Detroit, Michigan 48243, independent certified public accountants, to the extent indicated in their report therein, and have been so incorporated in reliance upon the report of that firm, which includes an explanatory paragraph indicating Ford Credit changed its methods of accounting for postretirement health care benefits and income taxes in 1992, and upon their authority as experts in accounting and auditing.

With respect to the unaudited interim financial information of Ford Credit for the periods ended March 31, 1993 and 1992, June 30, 1993 and 1992, and September 30, 1993 and 1992, included in the First Quarter 10-Q Report, the Second Quarter 10-Q Report, and the Third Quarter 10-Q Report, respectively, incorporated by reference in this Prospectus, Coopers & Lybrand have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their reports included in the First Quarter 10-Q Report, the Second Quarter 10-Q Report, and the Third Quarter 10-Q Report, state that they did not audit and they do not express an

opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. The accountants are not subject to the liability provisions of Section 11 of the Securities Act for their reports on the unaudited interim financial information because each such report is not a "report" or a "part" of the registration statement prepared or certified by the accountants within the meaning of Sections 7 and 11 of such Act.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY FORD CREDIT OR BY ANY UNDERWRITER. THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY STATE TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE. THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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\$500,000,000

FORD MOTOR  
 CREDIT COMPANY

5 5/8% NOTES DUE  
 JANUARY 15, 1999

[LOGO]

SALOMON BROTHERS INC  
 BEAR, STEARNS & CO. INC.  
 CS FIRST BOSTON  
 GOLDMAN, SACHS & CO.  
 LEHMAN BROTHERS  
 MERRILL LYNCH & CO.  
 J.P. MORGAN SECURITIES INC.

PROSPECTUS SUPPLEMENT

DATED JANUARY 6, 1994