FORD MOTOR CO
Form 424B5
November 02, 2009

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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration Statement No.: 333-151355

Subject to Completion dated November 2, 2009

PRELIMINARY PROSPECTUS SUPPLEMENT
(To prospectus dated June 2, 2008)

$2,000,000,000

Ford Motor Company

% Senior Convertible Notes due November 15, 2016

The notes will bear interest at a rate of % per annum. Interest on the notes will be payable semiannually in arrears on May 15 and November 15 of each year, beginning May 15, 2010. The notes will mature on November 15, 2016, unless earlier converted, redeemed or repurchased by us. The notes will be our senior, unsecured obligations and will rank equal in right of payment with our senior unsecured debt, and will be senior in right of payment to our debt that is expressly subordinated to the notes, if any. The notes will be structurally subordinated to all debt and other liabilities and commitments of our subsidiaries and will be effectively junior to our secured debt to the extent of the assets securing such debt.

Subject to our right to terminate holders conversion rights on or after November 20, 2014 as described below, holders may convert their notes at their option prior to October 15, 2016 only (1) during any fiscal quarter commencing after the fiscal quarter ending December 31, 2009 if the closing sale price of our common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on the applicable trading day; (2) during the five business-day period after any five consecutive trading-day period (the measurement period) in which the trading price per $1,000 principal amount of notes for each trading day of that measurement period was less than 98% of the product of the closing sale price of our common stock and the applicable conversion rate for such trading day; (3) upon the occurrence of specified corporate events; or (4) if we elect to terminate holders conversion rights, at any time prior to the close of business on the business day prior to the date of such termination. Subject to our right to terminate holders conversion rights, on and after October 15, 2016 until the close of business on the business day immediately preceding the maturity date, holders may convert their notes at any time, regardless of the foregoing circumstances. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, as described in this prospectus supplement.

The conversion rate will initially be shares of common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $ per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, the conversion rate will be increased for any holder who elects to convert its notes in connection with certain designated events.

We may terminate your conversion rights at any time on or after November 20, 2014 if the closing sale price of our common stock exceeds 130% of the then prevailing conversion price for 20 trading days during any consecutive 30 trading day period. We may not redeem the notes prior to our termination of holders conversion rights. However, we may redeem for cash all or a portion of the notes at our option at any time or from time to time after our termination of holders conversion rights at a price equal 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date.

Holders may require us to repurchase notes for cash upon a change in control at 100% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the date of repurchase. Holders may also require us to repurchase notes for shares of our common stock upon the occurrence of certain designated events at 100% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the date of repurchase.

A brief description of the notes can be found under Summary The Offering beginning on page S-4.

SEE RISK FACTORS BEGINNING ON PAGE S-8 FOR A DISCUSSION OF CERTAIN FACTORS YOU SHOULD CONSIDER BEFORE INVESTING IN THE NOTES.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes will not be listed on any securities exchange or automated quotation system. Ford s common stock is listed on the New York Stock Exchange under the symbol F. The closing sale price of Ford common stock on the New York Stock Exchange on October 30, 2009 was $7.00 per share.

	Per Note	**Total**
Initial public offering price	%	$
Underwriting discounts and commissions	%	$
Proceeds, before expenses, to Ford	%	$

The initial public offering price above does not include accrued interest, if any. Interest on the notes will accrue from the date of original issuance, expected to be , 2009.

To the extent the underwriters sell more than $2,000,000,000 principal amount of the notes, the underwriters have the option to purchase up to an additional $300,000,000 principal amount of the notes from Ford at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the notes in book entry form only through the facilities of The Depositary Trust Company against payment in New York, New York on , 2009.

Barclays Capital BofA Merrill Lynch Citi Deutsche Bank Securities Goldman, Sachs & Co. J.P. Morgan Morga

BNP Paribas HSBC

Prospectus Supplement dated , 2009

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Prospectus Supplement

Prospectus

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the related prospectus. Ford has not authorized anyone to provide you with different information.

We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the respective dates thereof.

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ABOUT THIS PROSPECTUS SUPPLEMENT

The information in this prospectus supplement, which describes the specific terms of the offering of the notes, supplements and should be read together with, the information contained in the related prospectus. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should read this information together with the financial statements and related notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

Except as otherwise specified, the words Ford, the Company, we, our, ours and us refer to Ford Motor Comp its subsidiaries and common stock refers to our common stock, $0.01 par value per share.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement or the accompanying prospectus. You must not rely on any unauthorized information or representations. This prospectus supplement is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement is current only as of its date.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission (the SEC). You may read and copy any document we file at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings also are available to you at the SEC s web site at *http://www.sec.gov*.

The SEC allows us to incorporate by reference the information we file with them into this prospectus supplement, which means that we can disclose important information to you by referring you to those documents and those documents will be considered part of this prospectus supplement. Information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), until this offering has been completed.

Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (our Annual Report);

Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009;

Current Reports on Form 8-K and Form 8-K/A filed on January 5, 2009, January 29, 2009, February 3, 2009, March 3, 2009, March 4, 2009, March 13, 2009, March 23, 2009, March 25, 2009, April 1, 2009, April 6, 2009, April 8, 2009, April 24, 2009, May 1, 2009, May 11, 2009, May 14, 2009, May 20, 2009, June 2, 2009, June 29, 2009, July 1, 2009, July 17, 2009, July 23, 2009, July 28, 2009, August 3, 2009, August 18, 2009, September 1, 2009, September 11, 2009, September 22, 2009, October 1, 2009 and November 2, 2009; and

Definitive Proxy Statement on Schedule 14A filed on April 3, 2009 (those parts incorporated into our Annual Report on Form 10-K only).

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K unless we specifically state in such Current Report that such information is to be considered filed under the Exchange Act or we incorporate it by reference into a filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act) will be deemed to be incorporated by reference in this prospectus supplement and to be part of this prospectus supplement from the date of the filing

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of such reports and documents. Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules. You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus supplement (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Ford Motor Company
One American Road
Dearborn, MI 48126
Attn: Shareholder Relations Department
800-555-5259 or 313-845-8540

FORWARD LOOKING STATEMENTS

Statements included or incorporated by reference herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation, those set forth in Item 1A Risk Factors and Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Item 1A Risk Factors and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, each incorporated herein by reference.

We cannot be certain that any expectations, forecasts, or assumptions made by management in preparing these forward-looking statements will prove accurate, or that any projections will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. Please read the section entitled Risk Factors herein and additional information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009, each incorporated by reference in this prospectus supplement, for more information about important factors that you should consider before investing in the notes. This summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto appearing elsewhere in this prospectus supplement or incorporated herein by reference.

Company Overview

Ford Motor Company was incorporated in Delaware in 1919. We acquired the business of a Michigan company, also known as Ford Motor Company, that had been incorporated in 1903 to produce and sell automobiles designed and engineered by Henry Ford. We are one of the world s largest producers of cars and trucks. We and our subsidiaries also engage in other businesses, including financing vehicles. Our headquarters are located at One American Road, Dearborn, Michigan 48126, and our telephone number is (313) 322-3000. Our website address is www.ford.com. Material contained on our website is not part of and is not incorporated by reference in this prospectus supplement.

We review and present our business results in two sectors: Automotive and Financial Services. Our Automotive and Financial Services segments as of June 30, 2009 are described in the table below:

Business Sector	Reportable Segments*	Description
Automotive:	Ford North America	Primarily includes the sale of Ford, Lincoln and Mercury brand vehicles and related service parts in North America (the United States, Canada and Mexico), together with the associated costs to design, develop, manufacture and service these vehicles and parts, as well as the sale of Mazda6 vehicles produced by Ford s consolidated subsidiary AutoAlliance International, Inc.
	Ford South America	Primarily includes the sale of Ford-brand vehicles and related service parts in South America, together with the associated costs to design, develop, manufacture and service these vehicles and parts.
	Ford Europe	Primarily includes the sale of Ford-brand vehicles and related service parts in Europe, Turkey and Russia, together with the associated costs to design, develop, manufacture and service these vehicles and parts.
	Ford Asia Pacific Africa	

		Primarily includes the sale of Ford-brand vehicles and related service parts in the Asia Pacific region and South Africa, together with the associated costs to design, develop, manufacture and service these vehicles and parts.
	Volvo	Primarily includes the sale of Volvo brand vehicles and related service parts throughout the world (including Europe, North and South America, and Asia Pacific Africa), together with the associated costs to design, develop, manufacture and service these vehicles and parts.
Financial Services:	Ford Motor Credit Company	Primarily includes vehicle-related financing, leasing and insurance.
	Other Financial Services	Includes a variety of businesses including holding companies, real estate and the financing and leasing of some Volvo vehicles in Europe.

* As reported in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2008, we sold Jaguar and Land Rover effective June 2, 2008. Also, during the fourth quarter of 2008 we sold a portion of our equity in Mazda, reducing our ownership percentage from approximately 33.4% to approximately 13.78%. Accordingly, beginning with the first quarter of 2009, we account for our interest in Mazda as marketable securities and no longer report Mazda as an operating segment

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Recent Developments

Third Quarter 2009 Results

Ford reported preliminary third quarter 2009 financial results on November 2, 2009. These results included net income attributable to Ford of $997 million, an improvement of $1.2 billion from a net loss attributable to Ford of $161 million in the third quarter of 2008.

Ford s Automotive sector reported a pre-tax profit of $545 million for the third quarter of 2009, a $1,277 million improvement over the same period a year ago. This improvement in results was more than explained by favorable net pricing, favorable cost changes, and returns on assets held in the temporary asset account related to our obligation to transfer certain assets to the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the UAW) Voluntary Employee Benefit Association (VEBA) as part of our retiree health care settlement agreement with the UAW. These factors were offset partially by the non-recurrence of favorable retiree health care and related charges. The favorable cost changes were more than explained by lower structural costs and lower net product costs.

Ford s Financial Services sector, primarily driven by Ford Credit, reported a pre-tax profit of $670 million for the third quarter of 2009, an improvement of $511 million over the prior year s third quarter. The increase in pre-tax results primarily reflected lower depreciation expense for leased vehicles (consistent with lower residual losses on returned vehicles due to higher auction values); a lower provision for credit losses (primarily related to lower severity, offset partially by higher repossessions); lower operating costs; and net gains related to unhedged currency exposure. These factors were offset partially by lower volume (primarily reflecting lower industry volumes, lower dealer stocks, the impact of divestitures and alternative business arrangements), and changes in currency exchange rates.

Labor Negotiations

On November 1, 2009, the National Automobile, Aerospace, Transportation and General Workers Union of Canada the (the CAW) announced that a majority of its members employed by Ford Canada had voted to ratify modifications to the terms of the existing collective bargaining agreement between Ford Canada and the CAW. The modifications are patterned off of the modifications agreed to by the CAW for its agreements with the Canadian operations of General Motors Company and Chrysler LLC and are expected to result in annual cost savings.

On November 2, 2009, the UAW announced that a majority of its members employed by Ford had voted against ratification of a tentative agreement that would have modified the terms of the existing collective bargaining agreement between Ford and the UAW. These modifications were in addition to those ratified by the UAW-Ford membership in March 2009, which went most of the way in bringing Ford to competitive parity with the U.S. operations of foreign-owned automakers. These latest modifications were designed to closely match the modified collective bargaining agreements between the UAW and our domestic competitors, General Motors Company and Chrysler LLC. Among the proposed modifications was a provision that would have precluded any strike action relating to improvements in wages and benefits during the negotiation of a new collective bargaining agreement upon expiration of the current agreement in September 2011, and would have subjected disputes regarding improvements in wages and benefits to binding arbitration, to determine competitiveness based on wages and benefits paid by other automotive manufacturers operating in the United States.

Concurrent Transactions

This offering is part of a series of steps announced by Ford to improve its balance sheet and enhance automotive liquidity. In addition to this offering, Ford announced it intends to enter into an equity distribution agreement after this offering pursuant to which it may offer and sell shares of its common stock, par value $0.01 per share, from time to time for an aggregate offering price of up to $1.0 billion, generally by means of ordinary brokers transactions on the New York Stock Exchange at

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market prices or as otherwise agreed. Any sales of common stock under such an equity distribution agreement are not expected to commence before December 2009 and are expected to be made over a several-month period.

In addition, Ford has proposed to the lenders under its secured credit agreement an amendment that would reduce revolving lenders revolving commitments, extend the maturity of such lenders revolving commitments until 2013 and modify certain covenants and other provisions. Pursuant to the proposal, each revolving lender that agrees to extend the maturity of its revolving commitments may reduce its revolving commitment by up to 25 percent at its election and to the extent its reduced revolving commitment exceeds certain specified levels, such excess would be converted into a new term loan under the secured credit agreement maturing on December 15, 2013. In exchange for a reduction in their revolving commitments, as well as a 1 percentage point increase in interest rate margins, an increase in fees and payment of an upfront fee, the revolving lenders would agree to extend the maturity of their revolving commitments and loans to November 30, 2013 from December 15, 2011. The modified covenants would, among other things, expand existing limitations on debt prepayments and repurchases to allow for further balance sheet improvement actions by Ford. Ford would repay revolving loans to the extent necessary to effect the commitment reductions on December 3, 2009.

The revolving lenders are required to submit their response to Ford s proposal by November 18, 2009. As of the date hereof, certain revolving lenders have indicated that they intend to accept Ford s proposal and extend about $6 billion of revolving commitments and loans to November 30, 2013. The amendment and extension is subject to approval by lenders holding a majority in principal amount of the loans and commitments outstanding under the secured credit agreement.

This offering and the concurrent transactions are not conditioned on each other.

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The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes. As used in this section, the terms Ford, we, us and our refer only to Ford Motor Company and not to any of its subsidiaries, and references to our common stock do not include our Class B stock.

Securities Offered	$2,000,000,000 aggregate principal amount of % senior convertible notes due 2016, which may increase to up to $2,300,000,000 aggregate principal amount of senior convertible notes if the underwriters exercise their over-allotment option in full. Unless otherwise indicated, all information in this prospectus supplement assumes the over-allotment option is not exercised.
Offering Price	% of the principal amount. The principal amount per note is $1,000.
Ranking	The notes will be senior unsecured obligations of Ford and will: be effectively junior to any existing or future secured debt; rank equally in right of payment with any existing or future senior unsecured indebtedness; rank senior to all of our existing and future subordinated debt, including Ford s 6.50% Junior Subordinated Convertible Debentures due 2032; and be structurally subordinated to all existing and future liabilities of our subsidiaries, including debt for borrowed money, guarantees of our credit agreement, trade payables, lease commitments and pension and postretirement healthcare and life insurance liabilities. As of June 30, 2009, we (excluding our subsidiaries) had approximately $24.0 billion of indebtedness, including approximately $14.7 billion of secured indebtedness. As of June 30, 2009, our subsidiaries (other than our financial services sector, including FMCC) had approximately $2.4 billion of indebtedness and other liabilities, including trade and other payables but excluding guarantees under our credit agreement and the Department of Energy ATVM arrangement agreement. As of June 30, 2009, our financial services sector had approximately $107.7 billion of consolidated indebtedness, including approximately $104.7 billion of consolidated indebtedness of FMCC, all of which would have been structurally senior to the notes.
Maturity Date	November 15, 2016
Interest	% per annum on the principal amount, payable semiannually in arrears in cash on May 15 and November 15 of each year, commencing May 15, 2010.

Conversion	Prior to October 15, 2016, subject to our right to terminate holders conversion rights on or after November 20, 2014 as

described below, holders may convert their notes only under the following circumstances:

during any fiscal quarter (and only during that fiscal quarter) commencing after the fiscal quarter ending December 31, 2009, if the closing sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on the applicable trading day;

during the five business-day period after any five consecutive trading-day period (the measurement period) in which the trading price (as defined under Description of Notes Conversion Rights Conversion upon Satisfaction of Trading Price Condition) per $1,000 principal amount of notes for each trading day of such measurement period was less than 98% of the product of the closing sale price of our common stock and the applicable conversion rate for such trading day;

upon the occurrence of specified corporate transactions described under Description of Notes Conversion Rights Conversion upon Specified Corporate Transactions; or

if we elect to terminate holders conversion rights, at any time prior to the close of business on the business day prior to the date of such termination.

From, and including, October 15, 2016 to, and including, the close of business on the business day immediately preceding the maturity date, subject to our right to terminate holders conversion rights, holders may convert their notes, in multiples of $1,000 principal amount, at the option of the holder regardless of the foregoing circumstances.

The conversion rate for the notes is initially shares of common stock per $1,000 principal amount of notes (equal to an initial conversion price of approximately $ per share of common stock), subject to adjustment as described in this prospectus supplement.

Settlement upon Conversion

Upon conversion, Ford will have the right to deliver, in lieu of shares of its common stock, cash or a combination of cash and shares of its common stock, in each case calculated as described under Description of Notes Conversion Rights Settlement upon Conversion. At any time on or prior to the 22nd business day prior to the maturity date, Ford may irrevocably elect to satisfy its conversion obligation with respect to the principal amount of the notes to be converted as described under Description of Notes Conversion Rights Our Right to Irrevocably Elect Net Share Settlement upon Conversion. Upon any conversion, subject to certain exceptions, you will not receive any cash payment

	representing accrued and unpaid interest. See Description of Notes Conversion Rights Conversion Procedures.
Termination of Conversion Rights	In addition, we may terminate your conversion rights at any time on or after November 20, 2014 if the closing sale price of our common stock exceeds 130% of the then prevailing conversion price for 20 trading days during any consecutive 30 trading day period as described under Description of Notes Conversion Rights Our Right to Terminate Conversion Rights.
Optional Redemption	Prior to terminating holders conversion rights as described above opposite the caption Termination of Conversion Rights, Ford may not redeem the notes. Ford may redeem for cash all or a portion of the notes at its option at any time after so terminating holders conversion rights at a price equal to 100% of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. See Description of Notes Redemption by Ford.
Repurchase upon a Change in Control or Designated Event	Holders may require Ford to repurchase notes upon a change in control in cash at 100% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the date of repurchase as described under Description of Notes Repurchase upon a Designated Event or Change in Control. Holders may also require Ford to repurchase notes upon the occurrence of certain designated events in shares of our common stock at 100% of the principal amount of the notes, plus any accrued and unpaid interest to, but not including, the date of repurchase. In addition, the conversion rate will be increased for any holder who elects to convert its notes in connection with certain designated events. See Description of Notes Conversion Rights Adjustment to Conversion Rate upon a Designated Event.
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately $, or $ if the underwriters exercise in full their option to purchase additional notes, after deducting the underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes. See Use of Proceeds.
Events of Default	The following will be Events of Default for the notes: failure to pay accrued and unpaid interest on the notes for 30 days after becoming due; failure to pay the principal amount, redemption price or repurchase price of any note for five business days after such amount becomes due and payable on the notes; failure by Ford to provide notice of a change in control as required by the indenture;

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	default in the delivery when due of all cash and any shares of common stock payable upon conversion with respect to the notes, which default continues for 15 days; and
	failure by us to comply with any of our other covenants in the notes or the indenture upon receipt by us of notice of such default by the trustee or by holders of not less than 25% in aggregate principal mount of the notes then outstanding and its failure to cure (or obtain a waiver of) such default within 90 days after receipt of such notice or such shorter period as set forth under Description of Notes Reports to Trustee ; and
	certain events of bankruptcy, insolvency or reorganization affecting Ford.
New York Stock Exchange Symbol for Common Stock	F
Global Notes; Book-Entry System	Ford intends to issue the notes only in fully registered form without interest coupons and in denominations of $1,000 and integral multiples of $1,000. The notes will be evidenced by one or more global notes deposited with the trustee for the notes, as custodian for The Depository Trust Company, or DTC. Beneficial interests in the global note will be shown on, and transfers of those beneficial interests can only be made through, records maintained by DTC and its participants. See Description of Notes Form, Denomination, Transfer, Exchange and Book-Entry Procedures.
Tax	The notes and common stock that may be issuable upon conversion of the notes will be subject to complex U.S. federal income tax and estate tax rules. Prospective investors are strongly urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of owning and disposing of the notes and common stock into which the notes are convertible. See Material United States Federal Income and Estate Tax Considerations.
Governing Law	The indenture and the notes are governed by the laws of the State of New York.
Trustee	The Bank of New York Mellon, as successor trustee to The Bank of New York and JPMorgan Chase Bank.
Risk Factors	You should carefully consider all of the information contained or incorporated by reference in this prospectus supplement prior to investing in the notes. In particular, we urge you to carefully consider the information set forth under Risk Factors beginning on page S-8 of this prospectus supplement and the Risk Factors in the accompanying prospectus for a discussion of risks and uncertainties relating to us, our business and an investment in the notes.

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RISK FACTORS

An investment in the notes involves a high degree of risk. In addition to the other information contained or incorporated by reference in this prospectus supplement, prospective investors should carefully consider the following risks and the risks set forth under Item 1A Risk Factors and Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Item 1A Risk Factors and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009 and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009 before making an investment in the notes. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition and operating results. If any of the risks actually occur, our business, financial condition and operating results could be materially adversely affected, which, in turn, could adversely affect the value of the notes and/or our ability to pay interest and principal on the notes.

Risks relating to the Notes and this Offering

The closing of the amendment and extension to our credit agreement is not a condition precedent to the issuance of the notes.

The offering of these notes is not conditioned upon the effectiveness of our proposed amendment and extension to our credit agreement which would reduce revolving lenders revolving commitments, extend the maturity of such lenders revolving commitments until 2013 and modify certain covenants and other provisions. As a result, should we fail to enter into the amendment, this could materially adversely affect the value of the notes and our ability to repay them.

The notes will be effectively subordinated to the liabilities and preferred stock, if any, of all of our subsidiaries. This may affect your ability to receive payments on the notes.

The notes are obligations exclusively of Ford and will not be guaranteed by any of our subsidiaries. We conduct a significant portion of our operations through our subsidiaries. During the fiscal year ended December 31, 2008, our subsidiaries (other than our financial services sector, including FMCC) generated approximately 70% of our consolidated revenues. Our subsidiaries (other than our financial services sector, including FMCC) also have significant liabilities, including debt obligations of approximately $2.4 billion for money borrowed from third parties as of June 30, 2009 (excluding guarantees under our credit agreement and our Department of Energy ATVM arrangement agreement). In addition, as of June 30, 2009, our financial services sector also has significant liabilities, including debt obligations of approximately $107.7 billion for money borrowed from third parties, including $104.7 billion of consolidated indebtedness of FMCC. Our cash flow and our ability to service our debt, including the notes, depend to an important extent upon the earnings of our subsidiaries, and the distribution of earnings, loans or other payments by those subsidiaries to us.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or, subject to existing or future contractual obligations between us and our subsidiaries, to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions and taxes on distributions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries earnings and other business considerations.

Our right to receive any assets of any of our subsidiaries upon liquidation or reorganization, and, as a result, the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors and any underfunded

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obligations under our pension plans. The notes do not restrict the ability of our subsidiaries to incur additional liabilities.

Future sales of shares of our common stock may depress its market price.

In the future, we may sell additional shares of our common stock to raise capital, including pursuant to the equity distribution program described under Summary Recent Developments. Sales of substantial amounts of additional shares of our common stock, including shares of our common stock underlying the notes and shares issuable upon exercise of outstanding options as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy or to adjust our ratio of debt to equity, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us. The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes being offered in this offering as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our common stock.

We may not be able to satisfy our obligations to holders of the notes upon a change in control.

We may not be able to fulfill our repurchase obligations in the event of a change in control. If we experience certain specific change in control events, you will have the right to require us to repurchase in cash all outstanding notes at 100% of the principal amount of the notes plus accrued and unpaid interest to the date of repurchase. Any change in control is also expected to constitute an event of default under our credit agreement and the Department of Energy ATVM arrangement agreement. Therefore, upon the occurrence of a change in control, the lenders under our credit agreement and the Department of Energy would have the right to accelerate their respective loans, and we would be required to prepay all of our outstanding obligations under the credit agreement and the Department of Energy ATVM arrangement agreement. We may not have available funds sufficient to pay the change in control purchase price for any or all of the notes that might be delivered by holders of the notes seeking to require us to repurchase their notes or the ability to arrange necessary financing on acceptable terms.

The conditional conversion features of the notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the notes is triggered, holders of notes will be entitled to convert the notes at any time during specified periods at their option. See Description of Notes Conversion Rights. If one or more holders elect to convert their notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than cash in lieu of any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

If we irrevocably elect net share settlement or settle notes tendered for conversion in whole or in part in cash, it may have adverse consequences.

In lieu of delivery of shares of our common stock in satisfaction of our conversion obligation, we may settle the notes surrendered for conversion entirely in cash or by a combination of cash and shares of our common stock, including net share settlement. This feature of the notes, as further described under Description of the Notes Conversion Rights Settlement upon Conversion, may:

result in holders receiving no shares upon conversion or fewer shares relative to the conversion value of the notes;

reduce our liquidity;

delay holders receipt of the consideration due upon conversion; and

subject holders to the market risks of our shares before receiving any shares upon conversion.

Other than if we settle conversions entirely in shares of our common stock, we will generally deliver the cash or cash and shares of common stock issuable upon conversion on the third business day immediately following the last trading day of the relevant 20-trading day cash settlement averaging period. Our ability to pay cash may, however, be limited by the terms of our then existing credit facilities.

In addition, because the consideration due upon conversion is based on the trading prices of our common stock during the cash settlement averaging period (if we elect to settle conversions in cash or by a combination of cash and shares of our common stock), any decrease in the price of our common stock after holders surrender their notes for conversion may significantly decrease the value of the consideration they receive.

Holders may not be able to convert their notes before October 15, 2016, and the trading price of the notes could be less than the value of the common stock into which such notes could otherwise be converted.

Prior to October 15, 2016, the notes are convertible only if specified conditions are met. If these conditions for conversion are not met, holders will not be able to convert their notes and they may not be able to receive the value of the common stock into which the notes would otherwise be convertible. In addition, for these and other reasons, the trading price of the notes could be substantially less than the conversion value of the notes.

The accounting method for convertible debt securities that may be settled in cash, such as the notes, is the subject of recent changes that could have a material effect on our reported financial results.

In May 2008, the Financial Accounting Standards Board, which we refer to as FASB, issued a new standard that provided accounting guidance for convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement). Under this guidance, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer s economic interest cost. The effect of this standard on these notes is that the equity component would be included in the additional paid-in capital section of shareholders equity on our consolidated balance sheet and the value of the equity component would be treated as original issue discount for purposes of accounting for the debt component of the notes. Accordingly, we are required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of the notes to their face amount over the term of the notes. Interest expense will include both the current period s amortization of the debt discount and the instrument s coupon interest, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of the notes.

Recent developments in the convertible debt markets may adversely affect the market value of the notes.

Governmental actions that interfere with the ability of convertible notes investors to effect short sales of the underlying common stock could significantly affect the market value of the notes. Such government actions would make the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of any company whose common stock was subject to such actions. The convertible debt markets recently experienced unprecedented disruptions resulting from, among other things, the recent instability in the credit and capital markets and the emergency orders issued by the SEC on September 17 and 18, 2008 (and extended on

October 1, 2008). These orders were issued as a stop-gap measure while Congress worked to provide a comprehensive legislative plan to stabilize the credit and capital markets. Among other things, these orders temporarily imposed a prohibition on effecting short sales of common stock of certain financial companies. As a result, the SEC orders made the convertible arbitrage strategy that many convertible notes investors employ difficult to execute for outstanding convertible notes of those companies whose common stock was subject to the short sale prohibition. Although the SEC orders expired at 11:59 p.m., New York City time, on Wednesday, October 8, 2008, the SEC is currently considering instituting other limitations on effecting short sales (such as the uptick rule) and other regulatory organizations may do the same. Among the approaches to restrictions on short selling currently under consideration by the SEC, one would apply on a market wide and permanent basis, including adoption of a new uptick rule or an alternative uptick rule that would allow short selling only at an increment above the national best bid, while the other would apply only to a particular security during severe market declines in that security, and would involve, among other things, bans on short selling in a particular security during a day if there is a severe decline in price in that security. If such limitations are instituted by the SEC or any other regulatory agencies, the market value of the notes could be adversely affected.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of the notes.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of our common stock could fluctuate significantly for many reasons, including in response to the risks described in this section, elsewhere in this prospectus supplement, the accompanying prospectus or the documents we have incorporated by reference in this prospectus supplement or the accompanying prospectus or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our customers, competitors, trading counterparties or suppliers regarding their own performance, as well as regulatory changes or developments, government actions or announcements, industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would likely adversely impact the trading price of the notes. The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the trading prices of the notes.

The notes are not protected by restrictive covenants.

The indenture governing the notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the notes in the event of a fundamental change involving us, except to the extent described under Description of Notes Repurchase upon a Designated Event or Change in Control, Description of Notes Conversion Rights Adjustment to Conversion Rate upon a Designated Event and Description of Notes Merger, Consolidation or Sale of Assets.

Any adverse rating of the notes may cause their trading price to fall.

We do not intend to seek a rating on the notes. However, if a rating service were to rate the notes and if such rating service were to withdraw its rating or lower its rating on the notes below the rating initially assigned to the notes or otherwise announces its intention to put the notes on credit watch, the trading price of the notes could decline.

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The make-whole premium that may be payable upon a designated event may not adequately compensate you for the lost option time value of your notes as a result of such designated event.

If you convert notes in connection with a designated event, we may be required to provide a make-whole premium by increasing the conversion rate applicable to your notes, as described under Description of Notes Conversion Rights Adjustment to Conversion Rate upon a Designated Event. While these increases in the applicable conversion rate are designed to compensate you for the lost option time value of your notes as a result of a designated event, such increases are only an approximation of such lost value and may not adequately compensate you for such loss. In addition, if the applicable price (as such term is defined under Description of Notes Conversion Rights Adjustment to Conversion Rate upon a Designated Event) of our common stock with respect to a designated event is greater than $ per share or less than $ (in each case, subject to adjustment), no additional shares will be added to the conversion rate for conversions in connection with such designated event. Moreover, in no event will the total number of shares of common stock issuable upon conversion as a result of this adjustment exceed per $1,000 principal amount of notes (subject to adjustment). Our obligation to increase the conversion rate could be considered a penalty, in which case the enforceability of this obligation would be subject to general principles of reasonableness of economic remedies.

There is no established trading market for the notes, and you may not be able to sell them quickly or at the price that you paid.

The notes are a new issue of securities for which there is currently no public market. The notes will not be listed on any securities exchange or included in any automated quotation system. We do not know whether an active trading market will develop for the notes. Although the underwriters have informed us that they intend to make a market in the notes, they are under no obligation to do so and may discontinue any market making activities at any time without notice. Accordingly, no market for the notes may develop, and any market that develops may not last.

Even if a trading market for the notes does develop, you may not be able to sell your notes at a particular time, if at all, or you may not be able to obtain the price you desire for your notes. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price depending on many factors including prevailing interest rates, the price of our common stock, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the notes, the price of any other securities we issue and the performance prospects and financial condition of our company as well as of other companies in our industry.

Because your right to require us to repurchase the notes is limited, the market prices of the notes may decline if we enter into a transaction that does not require us to repurchase the notes under the indenture.

The circumstances upon which we are required to repurchase the notes are limited and may not include every event that might cause the market prices of the notes to decline or result in a downgrade of the credit rating of the notes, if any. Our obligation to repurchase the notes upon a change in control or designated event may not preserve the value of the notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. See Description of Notes Repurchase upon a Designated Event or Change in Control.

In certain circumstances we are required to pay the repurchase price for the notes in shares of our common stock, which may expose you to market risk at the time of repurchase.

The terms of the notes require us to repurchase the notes in the event of a designated event that is not a change in control with shares of our common stock (or the consideration into which our shares of common stock are converted in connection with such event). The number of shares we are required to deliver will be based on the current market price of our shares of common stock (or the

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund s own assumptions in determining the fair value of investments)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At February 28, 2014, the hierarchy of inputs used in valuing the Trust s investments and open derivative instruments, which are carried at value, were as follows:

Asset Description	Level 1	Level 2	Level 3	Total
Tax-Exempt Investments	$	$ 60,648,764	$	$ 60,648,764
Total Investments	**$**	**$ 60,648,764**	**$**	**$ 60,648,764**
Liability Description				
Futures Contracts	$ (63,547)	$	$	$ (63,547)
Total	**$ (63,547)**	**$**	**$**	**$ (63,547)**

The Trust held no investments or other financial instruments as of November 30, 2013 whose fair value was determined using Level 3 inputs. At February 28, 2014, there were no investments transferred between Level 1 and Level 2 during the fiscal year to date then ended.

For information on the Trust s policy regarding the valuation of investments and other significant accounting policies, please refer to the Trust s most recent financial statements included in its semiannual or annual report to shareholders.

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Item 2. Controls and Procedures

(a) It is the conclusion of the registrant s principal executive officer and principal financial officer that the effectiveness of the registrant s current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission s rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant s principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant s internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant s internal control over financial reporting.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Massachusetts Municipal Income Trust

By: /s/ Payson F. Swaffield
Payson F. Swaffield
President

Date: April 21, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Payson F. Swaffield
Payson F. Swaffield
President

Date: April 21, 2014

By: /s/ James F. Kirchner
James F. Kirchner
Treasurer

Date: April 21, 2014