



# Ford Motor Credit Company

## FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF INCOME

(in millions)

	For the Years Ended December 31,		
	2007	2006	2005
Financing revenue			
Operating leases	\$ 6,343	\$ 5,608	\$ 5,286
Retail	3,475	3,649	3,932
Interest supplements and other support costs earned from affiliated companies (Note 15)	4,592	3,487	3,259
Wholesale	2,132	2,419	1,232
Other	174	215	221
Total financing revenue	16,716	15,378	13,930
Depreciation on vehicles subject to operating leases	(6,188)	(5,189)	(4,430)
Interest expense	(8,630)	(7,818)	(6,616)
Net financing margin	1,898	2,371	2,884
Other revenue			
Investment and other income related to sales of receivables (Note 7)	391	668	1,513
Insurance premiums earned, net (Note 2)	169	182	192
Other income, net	1,362	1,019	845
Total financing margin and other revenue	3,820	4,240	5,434
Expenses			
Operating expenses	1,929	2,038	2,185
Provision for credit losses (Note 6)	588	95	166
Insurance expenses (Note 2)	88	154	160
Total expenses	2,605	2,287	2,511
Income before income taxes	1,215	1,953	2,923
Provision for income taxes (Note 11)	446	670	1,059
Income before minority interests	769	1,283	1,864
Minority interests in net income of subsidiaries	0	0	1
Income from continuing operations	769	1,283	1,863
Income from discontinued operations (Note 13)	-	-	37
Gain on disposal of discontinued operations (Note 13)	6	-	4
Net income	<u>\$ 775</u>	<u>\$ 1,283</u>	<u>\$ 1,904</u>

The accompanying notes are an integral part of the financial statements.



# Ford Motor Credit Company

## FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEET

(in millions)

	December 31,	
	2007	2006
<b>ASSETS</b>		
Cash and cash equivalents (Note 1)	\$ 14,137	\$ 12,331
Marketable securities (Note 3)	3,155	10,161
Finance receivables, net (Note 4)	111,468	109,405
Net investment in operating leases (Note 5)	29,663	25,939
Retained interest in securitized assets (Note 7)	653	990
Notes and accounts receivable from affiliated companies	906	950
Derivative financial instruments (Note 12)	2,811	2,445
Other assets (Note 9)	6,230	5,752
Total assets	<u>\$ 169,023</u>	<u>\$ 167,973</u>
<b>LIABILITIES AND SHAREHOLDER'S INTEREST/EQUITY</b>		
<b>Liabilities</b>		
Accounts payable		
Customer deposits, dealer reserves and other	\$ 1,837	\$ 1,509
Affiliated companies	2,308	3,648
Total accounts payable	4,145	5,157
Debt (Note 10)	139,411	139,740
Deferred income taxes	5,380	6,783
Derivative financial instruments (Note 12)	1,376	937
Other liabilities and deferred income (Note 9)	5,314	3,588
Total liabilities	155,626	156,205
Minority interests in net assets of subsidiaries	3	3
<b>Shareholder's interest/equity</b>		
Capital stock and paid-in surplus	-	5,149
Shareholder's interest	5,149	-
Accumulated other comprehensive income	1,730	825
Retained earnings	6,515	5,791
Total shareholder's interest/equity	13,394	11,765
Total liabilities and shareholder's interest/equity	<u>\$ 169,023</u>	<u>\$ 167,973</u>

The accompanying notes are an integral part of the financial statements.



# Ford Motor Credit Company

**FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDER'S INTEREST/EQUITY**  
(in millions)

	Capital Stock & Paid-in Surplus	Shareholder's Interest	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)			Total
				Unrealized Gain/(Loss) on Assets	Foreign Currency Translation	Derivative Instruments	
<b>Balance at December 31, 2004</b>	\$ 5,142	\$ -	\$ 6,725	\$ 196	\$ 656	\$ 44	\$ 12,763
2005 comprehensive income/(loss) activity:							
Net income	-	-	1,904	-	-	-	1,904
Change in value of retained interest in securitized assets (net of tax of \$18)	-	-	-	(32)	-	-	(32)
Unrealized loss on marketable securities (net of tax of \$4)	-	-	-	(7)	-	-	(7)
Less: reclassification adjustment for gains on marketable securities realized in net income (net of tax of \$1)	-	-	-	(2)	-	-	(2)
Foreign currency translation	-	-	-	-	(469)	-	(469)
Net gain on derivative instruments (net of tax of \$35)	-	-	-	-	1	61	62
Less: reclassification adjustment for gains on derivative instruments realized in net income (net of tax of \$32)	-	-	-	-	-	(57)	(57)
Total comprehensive income/(loss), net of tax	-	-	1,904	(41)	(468)	4	1,399
Cash dividends paid in 2005 and dividend transfer (a)	-	-	(2,758)	-	-	-	(2,758)
<b>Balance at December 31, 2005</b>	\$ 5,142	\$ -	\$ 5,871	\$ 155	\$ 188	\$ 48	\$ 11,404
2006 comprehensive income/(loss) activity:							
Net income	-	-	1,283	-	-	-	1,283
Change in value of retained interest in securitized assets (net of tax of \$33)	-	-	-	(64)	-	-	(64)
Unrealized gain on marketable securities (net of tax of \$9)	-	-	-	12	-	-	12
Less: reclassification adjustment for gains on marketable securities realized in net income (net of tax of \$5)	-	-	-	(10)	-	-	(10)
Foreign currency translation	-	-	-	-	523	-	523
Net gain on derivative instruments	-	-	-	-	9	-	9
Less: reclassification adjustment for gains on derivative instruments realized in net income (net of tax of \$20)	-	-	-	-	-	(36)	(36)
Total comprehensive income/(loss), net of tax	-	-	1,283	(62)	532	(36)	1,717
Paid-in surplus	7	-	-	-	-	-	7
Cash dividends paid in 2006 and dividend transfer (a)	-	-	(1,363)	-	-	-	(1,363)
<b>Balance at December 31, 2006</b>	\$ 5,149	\$ -	\$ 5,791	\$ 93	\$ 720	\$ 12	\$ 11,765
Adjustment for the adoption of FIN 48	-	-	(51)	-	-	-	(51)
Conversion of capital stock and paid-in surplus to shareholder's interest	(5,149)	5,149	-	-	-	-	-
2007 comprehensive income/(loss) activity:							
Net income	-	-	775	-	-	-	775
Change in value of retained interest in securitized assets (net of tax of \$21)	-	-	-	(36)	-	-	(36)
Unrealized gain on marketable securities (net of tax of \$2)	-	-	-	3	-	-	3
Less: reclassification adjustment for gain on marketable securities realized in net income (net of tax of \$11)	-	-	-	(22)	-	-	(22)
Foreign currency translation	-	-	-	-	974	-	974
Net gain on derivative instruments	-	-	-	-	(2)	-	(2)
Less: reclassification adjustment for gains on derivative instruments realized in net income (net of tax of \$7)	-	-	-	-	-	(12)	(12)
Total comprehensive income/(loss), net of tax	-	-	775	(55)	972	(12)	1,680
Paid-in surplus	-	-	-	-	-	-	-
Cash distributions/dividends paid in 2007 and distributions/dividend transfer	-	-	-	-	-	-	-
<b>Balance at December 31, 2007</b>	<u>\$ -</u>	<u>\$ 5,149</u>	<u>\$ 6,515</u>	<u>\$ 38</u>	<u>\$ 1,692</u>	<u>\$ -</u>	<u>\$ 13,394</u>

(a) Dividends included the transfer of Ford Credit assets to Ford with a net book value of \$8 million in the First Quarter 2005 and a net book value of \$13 million in the Third Quarter 2006.

The accompanying notes are an integral part of the financial statements.



# Ford Motor Credit Company

## FORD MOTOR CREDIT COMPANY LLC AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

	For the Years Ended December 31,		
	2007	2006	2005
<b>Cash flows from operating activities</b>			
Net income	\$ 775	\$ 1,283	\$ 1,904
Income related to discontinued operations	(6)	-	(41)
Adjustments to reconcile net income to net cash provided by operations			
Provision for credit losses	588	95	166
Depreciation and amortization	6,778	5,489	4,937
Net gain on sales of finance receivables	(5)	(88)	(87)
(Decrease)/increase in deferred income taxes	(1,382)	(94)	737
Net change in other assets	(288)	915	198
Net change in other liabilities	286	(26)	(2,158)
Net purchases of held-for-sale wholesale receivables	-	-	(1,188)
All other operating activities	27	192	837
Net cash provided by operating activities	6,773	7,766	5,305
<b>Cash flows from investing activities</b>			
Purchase of finance receivables (other than wholesale)	(39,005)	(44,647)	(38,937)
Collection of finance receivables (other than wholesale)	37,263	35,008	38,260
Purchase of operating lease vehicles	(16,517)	(15,275)	(15,318)
Liquidation of operating lease vehicles	7,808	6,429	9,043
Net change in wholesale receivables	1,986	5,856	978
Net change in retained interest in securitized assets	401	672	4,580
Net change in notes receivable from affiliated companies	148	31	343
Proceeds from sales of receivables and retained interests	697	5,120	20,935
Purchases of marketable securities	(8,795)	(19,610)	(6,169)
Proceeds from sales and maturities of marketable securities	15,974	13,591	3,072
Proceeds from sale of business	157	-	2,057
Net change in derivatives	(188)	178	1,349
Transfer of cash balances upon disposition of discontinued operations	-	-	(5)
All other investing activities	(422)	16	(2)
Net cash (used in)/provided by investing activities	(493)	(12,631)	20,186
<b>Cash flows from financing activities</b>			
Proceeds from issuance of long-term debt	32,383	45,533	20,882
Principal payments on long-term debt	(38,308)	(35,836)	(32,432)
Change in short-term debt, net	1,073	(6,152)	(8,663)
Cash distributions/dividends paid	-	(1,350)	(2,750)
All other financing activities	(105)	(140)	(17)
Net cash (used in)/provided by financing activities	(4,957)	2,055	(22,980)
Effect of exchange rate changes on cash and cash equivalents	473	343	(386)
<b>Total cash flows from continuing operations</b>	1,796	(2,467)	2,125
<b>Cash flows from discontinued operations</b>			
Cash flows from discontinued operations provided by operating activities	10	-	71
Cash flows from discontinued operations used in investing activities	-	-	(66)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>\$ 1,806</u>	<u>\$ (2,467)</u>	<u>\$ 2,130</u>
<b>Cash and cash equivalents, beginning of period</b>	\$ 12,331	\$ 14,798	\$ 12,668
<b>Change in cash and cash equivalents</b>	1,806	(2,467)	2,130
<b>Cash and cash equivalents, end of period</b>	<u>\$ 14,137</u>	<u>\$ 12,331</u>	<u>\$ 14,798</u>
Supplementary cash flow information for continuing operations (a)			
Interest paid	\$ 8,387	\$ 7,495	\$ 6,129
Income taxes paid	1,898	533	268

(a) Refer to Note 7, cash flow, for non-cash supplementary data related to the consolidation of our wholesale securization program.

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## Ford Motor Credit Company

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