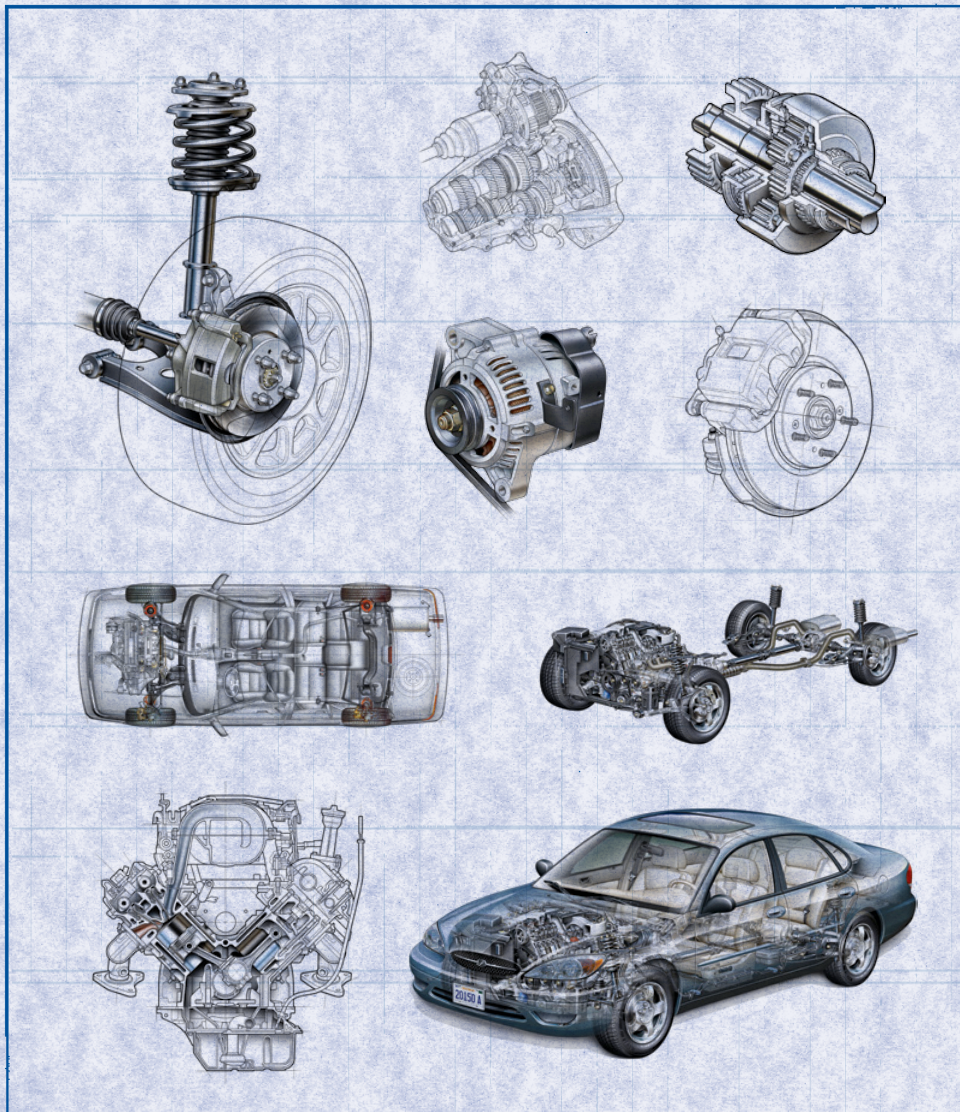




A BETTER FINANCE COMPANY
BY **DESIGN**

ANNUAL REPORT
TO SHAREHOLDERS

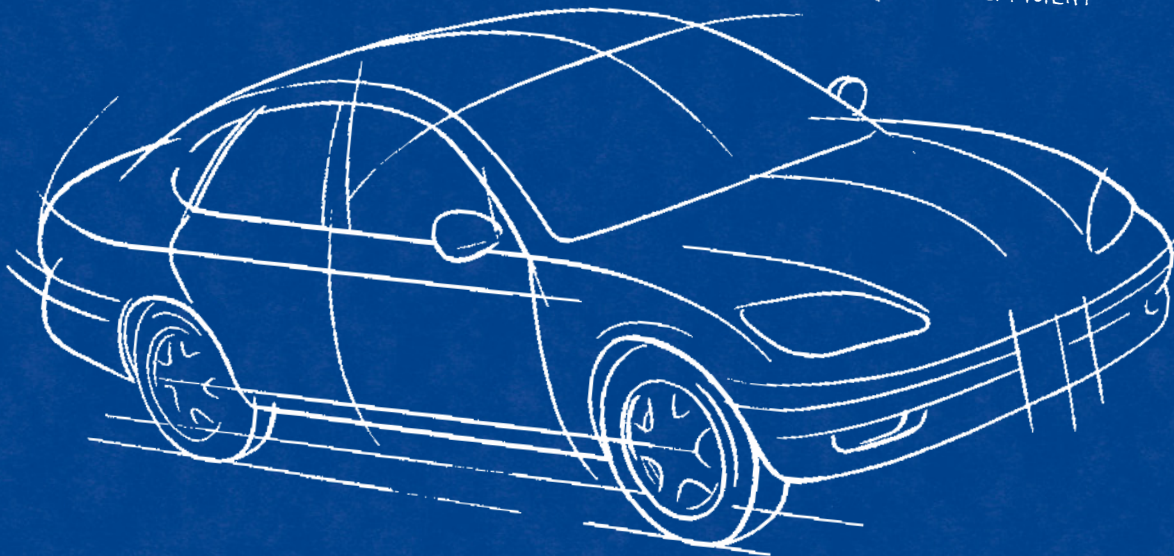
07

AMERICREDIT

* NEW HIGH-PERFORMANCE FEATURES
TO BUILD ON A SOLID REPUTATION

Existing (Base) Model:

- ✓ MARKET LEADER
- ✓ PROVEN TRACK RECORD
- ✓ NIMBLE PERFORMANCE
- ✓ HIGHLY EFFICIENT



Modifications:

- ✓ INCREASED STABILITY FOR ALL CONDITIONS
- ✓ EXTENDED PRODUCT LINE = MORE OPTIONS
- ✓ SUPERIOR HANDLING & RESPONSE
- ✓ IMPROVED DURABILITY
- ✓ AMPLE LIQUIDITY = HIGH FUEL CAPACITY



LETTER TO SHAREHOLDERS / 2-3 SUMMARY FINANCIAL AND OPERATING INFORMATION / 4-5 OPERATIONS REVIEW / 6-15
SELECTED STOCK AND FINANCIAL DATA / 16 FORM 10-K / 17 SHAREHOLDER INFORMATION / INSIDE BACK COVER



AMERICREDIT IS AN INDEPENDENT, INDIRECT AUTO LENDER. BY DELIVERING COMPETITIVE PRODUCTS AND SUPERIOR SERVICE, WE GIVE AUTO DEALERS THE TOOLS THEY NEED TO SELL MORE NEW AND USED VEHICLES. OUR HISTORY OF STRONG DEALER RELATIONSHIPS — ALONG WITH OUR SKILL IN ASSESSING CREDIT RISK — HAS EARNED AMERICREDIT ITS PLACE AS A LEADER IN THE AUTO FINANCE MARKET. IN ORDER TO STAY AHEAD OF OUR COMPETITION, WE LOOK FOR WAYS TO BUILD ON OUR STRENGTHS, TO CONSISTENTLY EXCEED OUR CUSTOMERS' EXPECTATIONS, AND TO OPTIMIZE OUR PORTFOLIO PERFORMANCE — ALL WHILE BALANCING CREDIT RISK AND RETURNS. OVER THE PAST YEAR, WE HAVE EXTENDED OUR LINE OF CREDIT PRODUCTS TO INCLUDE SPECIALTY PRIME AND NEAR-PRIME LOANS AND LEASES. WITH THE LAUNCH OF THIS FULL-SPECTRUM LENDING STRATEGY, WE'VE REDESIGNED AMERICREDIT FOR THE FUTURE. THAT'S EXCITING — BECAUSE THIS NEW MODEL WILL FEATURE ENHANCED DEALER SERVICE, INCREASED STABILITY AND ABOVE-MARKET PERFORMANCE DOWN THE ROAD.

SPECIFICATIONS

- > **FOUNDED IN 1992 IN FORT WORTH, TEXAS**
- > **MORE THAN 4,800 EMPLOYEES SERVICING OVER 15,000 DEALER RELATIONSHIPS IN THE UNITED STATES AND CANADA**
- > **OVER ONE MILLION ACTIVE ACCOUNTS, TOTALING APPROXIMATELY \$16 BILLION IN MANAGED RECEIVABLES**

2007

TO OUR SHAREHOLDERS,
CUSTOMERS AND EMPLOYEES:

FISCAL YEAR 2007 MARKED ANOTHER SUCCESSFUL YEAR FOR AMERICREDIT. OUR PERFORMANCE REFLECTS OUR CONTINUED FOCUS ON EXECUTION — AND A COMMITMENT TO METHODICALLY GROWING OUR BUSINESS WITHOUT COMPROMISING THE COMPANY'S FINANCIAL INTEGRITY. FISCAL YEAR 2007 WAS ALSO A YEAR TO FINE-TUNE OUR BUSINESS MODEL — NOT ONLY TO SUSTAIN FUTURE GROWTH AND RETURNS, BUT ALSO TO UPGRADE OUR OVERALL CREDIT RISK PROFILE. NOW, AMERICREDIT IS POISED TO TURN THE CORNER FROM A RECOGNIZED SUBPRIME LENDER TO BECOME A LEADER IN FULL-SPECTRUM AUTO FINANCE.

2007 RESULTS

AmeriCredit originated more than \$8 billion in auto finance receivables during fiscal year 2007, and we closed out the year with a managed portfolio of \$15.9 billion. Our credit performance was solid, with credit losses improving to 4.7% compared to 5.2% a year ago. The cash we generated from operations and the funds we raised from two debt issuances during the year allowed us to invest in the growth of our portfolio, buy back over 13 million shares of common stock, acquire Long Beach Acceptance Corp. and increase unrestricted cash on hand to \$910 million at year end. We earned net income of \$360 million and a return on equity of 18.7% for the year.

GOING FORWARD

Even with an outstanding year behind us, AmeriCredit is driven to do more. We've always been among the leaders in subprime lending. Now, we're designing new and better ways to grow and add value — while delivering the 15-20% return on equity our shareholders have come to expect. We have positioned AmeriCredit to offer a full spectrum of auto finance solutions for dealers and consumers.

In May of 2006, we closed the acquisition of Bay View Acceptance Corporation — a long-time participant in specialty prime auto finance — and began to integrate its products into our own marketing program. On January 1, 2007, we acquired Long Beach Acceptance Corp., a leader in the near-prime auto finance sector. With these additions, AmeriCredit gained two new origination platforms with built-in reputations for quality among dealers.

Full-spectrum lending provides several strategic advantages. First, it strengthens our value proposition to dealers. With more choices in credit products, we can help our dealers sell more vehicles to more types of buyers. Next, full-spectrum lending expands our market — allowing us to continue to grow annual originations 10-15% over the long term. Further, as we integrate Bay View and Long Beach, we expect to gain significant marketing synergies and operating leverage. And finally, with higher-tier credit products come improved stability and flexibility. By diversifying our originations by credit profile, we can reduce credit volatility and change our mix to respond quickly to varied economic or competitive conditions.

But full-spectrum lending means more to us than just broadening our credit tiers — it also means continuing to expand our origination channels and new products such as leasing. Following its first full year in operation, our Canadian business has established a strong competitive presence in that market. At the same time, we continue to invest in a variety of direct-to-consumer lending programs that, while presently small in volume, offer enormous future potential. And last but not least, AmeriCredit is forging alliances with financial institutions and manufacturers to extend our marketing reach.



CLIFTON H. MORRIS, JR.

Chairman of the Board



DANIEL E. BERCE

President and
Chief Executive Officer

As our portfolio and originations mix move from being made up of mostly subprime loans to include a sizeable percentage of prime and near-prime loans, the capital required to support our business has lessened. While our balance sheet remains strong, our leverage has shifted upwards over the past year to reflect the decreased credit risk profile of our portfolio. Our leverage ratio of 7.7 times managed receivables to equity at June 30, 2007, places us comfortably within our target range of 7 to 9 times.

AMERICREDIT IS A GREAT COMPANY. WE'RE SIMPLY TAKING THE OPPORTUNITY TO

LAUNCH A NEW MODEL.

LOOKING DOWN THE ROAD

By the end of fiscal year 2008, AmeriCredit will truly be a full-spectrum lender — from a seamless marketing, underwriting and funding process to our more balanced credit performance, all supported by an optimized capital position. Our efforts over the next year will be dedicated to taking the steps necessary to complete that transformation.

The consolidation of sales forces from AmeriCredit, Bay View and Long Beach will lead to significant marketing synergies. Long Beach's near-prime product, for instance, is currently being marketed to about 1,500 dealers. With a fully integrated sales team, the same product will be rolled out to more than 15,000 active AmeriCredit dealers.

We also look for improved penetration into our active dealer base through implementation of an integrated decision engine that will automatically review and route any application received, ranging from prime to subprime, to the appropriate decision and pricing matrix. Our systems are designed to combine the speed and efficiency needed to capture high-quality business with the credit analysis and structuring flexibility required to effectively compete in our traditional subprime sector.

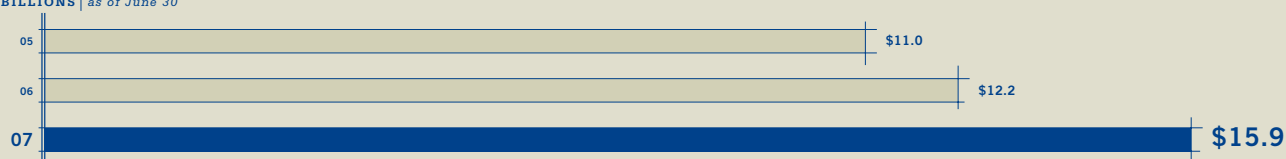
On the credit front, although we can't predict the future of the macroeconomic landscape, key factors which can influence our credit trends, including overall economic conditions and employment levels, have been stable. The supply and demand dynamics in the used car wholesale markets — where we dispose of repossessed collateral — are in balance, which has led to steady used car values. And while we have not seen a negative impact from the recent dip in subprime mortgage performance (whether from mortgage resets, declining home values or other factors), we will continue to monitor our portfolio for signs of stress. Our expansion into the prime and near-prime credit spectrum should reduce the volatility in our overall credit performance in the event economic conditions do weaken.

AmeriCredit is shifting into fiscal year 2008 with a renewed sense of direction — equipped with a strong, experienced management team, a reliable roadmap for achieving profitable growth and a newly designed business model that is capable of delivering shareholder value across economic cycles. In the coming year, we will focus on completing the integration of our prime, near-prime and subprime lending platforms so that our full-spectrum lending strategy is fully in place to secure future opportunities. As always, our primary goal is to increase our franchise value for our shareholders, dealer customers and employees.

⊕ PERFORMANCE ⊕ REVIEW

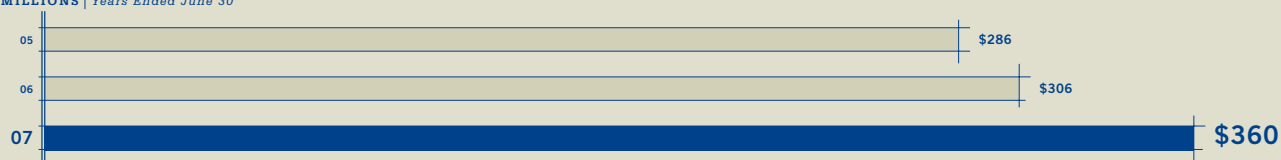
MANAGED PORTFOLIO

BILLIONS | as of June 30



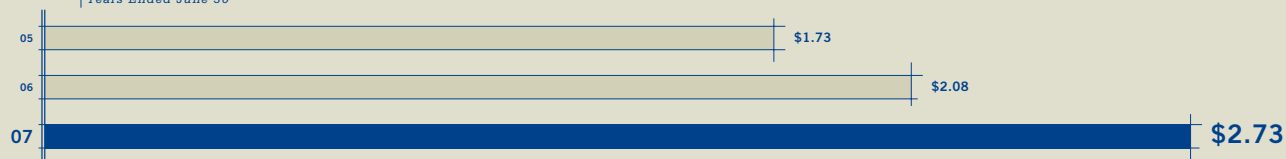
NET INCOME

MILLIONS | Years Ended June 30



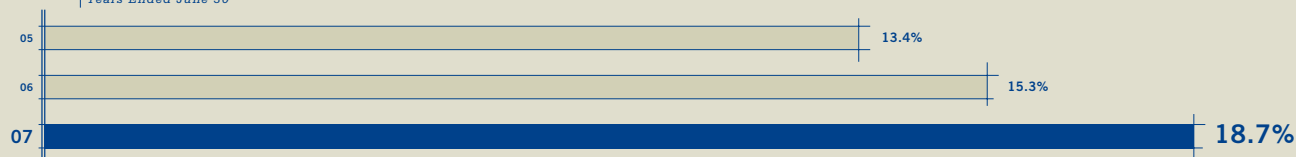
EARNINGS PER SHARE

| Years Ended June 30



RETURN ON EQUITY

| Years Ended June 30



⊕ FINANCIAL AND OPERATING INFORMATION SUMMARY ⊕

YEARS ENDED JUNE 30,	2007 ^(a)	2006(a)	2005	2004	2003
OPERATING DATA					
DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA					
Finance charge income	\$2,142,470	\$1,641,125	\$1,217,696	\$927,592	\$613,225
Other revenue	197,453	170,213	233,150	288,244	368,056
Total revenue	2,339,923	1,811,338	1,450,846	1,215,836	981,281
Net income	360,249	306,183	285,909	226,983	21,209
Basic earnings per share	3.02	2.29	1.88	1.45	0.15
Diluted earnings per share	2.73	2.08	1.73	1.37	0.15
Diluted weighted average shares	133,224,945	148,824,916	167,242,658	166,387,259	137,807,775
Origination volume (b)	8,454,600	6,208,004	5,031,325	3,474,407	6,310,584

JUNE 30,	2007	2006	2005	2004	2003
BALANCE SHEET DATA					
IN THOUSANDS					
Cash and cash equivalents	\$910,304	\$513,240	\$663,501	\$421,450	\$316,921
Finance receivables, net	15,102,370	11,097,008	8,297,750	6,363,869	4,996,616
Credit enhancement assets (c)	5,919	104,624	541,790	1,062,322	1,360,618
Total assets	17,811,020	13,067,865	10,947,038	8,824,579	8,108,029
Credit facilities	2,541,702	2,106,282	990,974	500,000	1,272,438
Securitization notes payable	11,939,447	8,518,849	7,166,028	5,598,732	3,281,370
Senior notes	200,000		166,755	166,414	378,432
Convertible senior notes	750,000	200,000	200,000	200,000	
Total liabilities	15,735,870	11,058,979	8,825,122	6,699,467	6,227,400
Shareholders' equity	2,075,150	2,008,886	2,121,916	2,125,112	1,880,629
Finance receivables	15,922,458	11,775,665	8,838,968	6,782,280	5,326,314
Gain on sale receivables	24,091	421,037	2,163,941	5,140,522	9,562,464
Managed receivables	15,946,549	12,196,702	11,002,909	11,922,802	14,888,778

(a) Amounts include operating data and balance sheet data of our acquisitions discussed in footnote 2 of the consolidated financial statements.

(b) Fiscal year 2007 amount includes \$34.9 million of contracts purchased through our leasing program.

(c) Credit enhancement assets consist of interest-only receivables from Trusts, investments in Trust receivables and restricted cash – gain on sale Trusts. At June 30, 2007, we had one acquired gain on sale Trust remaining.



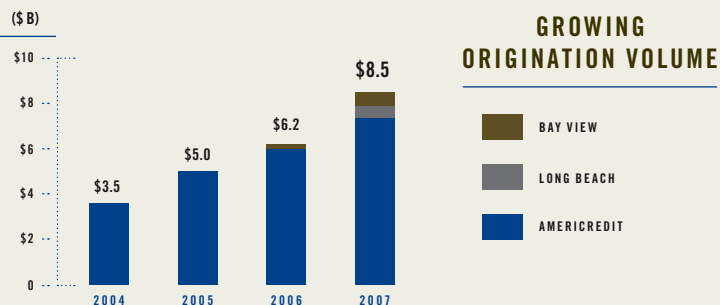
OUR NEWLY INSTALLED SPECIALTY PRIME AND
NEAR-PRIME LOAN ORIGATION OPTIONS ARE THE ENGINE THAT WILL HELP

DRIVE OUR SUCCESS.



AmeriCredit's full-spectrum platform is designed to create new opportunities and boost horsepower in our existing dealer relationships. The acquisitions of Bay View and Long Beach helped jump-start our move into the prime and near-prime markets. At the same time, we've developed strategic alliances with auto manufacturers and banks to get a first look at loan applications that are outside of their target customer profile. Gaining even a small fraction of the near-prime market provides a huge opportunity for

future growth and profitability. For example, a single additional loan per quarter from our existing dealer base means more than \$1 billion in new loan originations each year. And with a broader array of products across the credit spectrum, we improve our chances to get that additional loan — which, in turn, helps us become more efficient and cost-effective in serving our dealers. Now, with options ranging from prime to subprime, it's about becoming a turnkey resource for our dealers — one that's indispensable in helping them sell more cars.



6-CYLINDER ENGINE

(INTERNAL GAS / COMBUSTION)

ROCKER ARMS:

The rocker arm is a lever pivoted at the center; used to push a valve down in an internal-combustion engine.

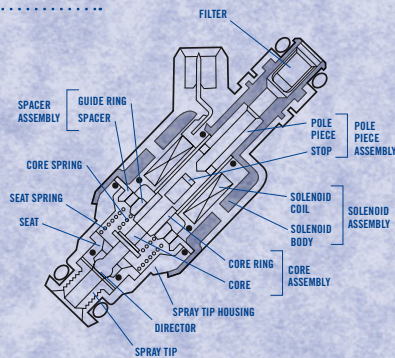
AIR INTAKE MANIFOLD:

An intake manifold or inlet manifold is a part of an engine that supplies the fuel/air mixture to the cylinders.

FUEL INJECTORS:

The fuel injector is a nozzle and valve through which fuel is forcibly pumped, under high pressure, into the engine.

FUEL INJECTOR: (DETAIL)



CAMSHAFT:

Camshafts are the lobes (cams) that regulate the opening and closing of the valves in all piston engines.

HEAD GASKET:

A head gasket is a gasket between the engine block and cylinder head in an internal-combustion engine. Its purpose is to seal the cylinders to ensure maximum compression and avoid leakage of coolant or engine oil into the cylinders.

VALVE SPRINGS:

Valve springs cause the valves to close when the rocker arms (or tappets on a flathead) are not pushing them open.

VALVES:

Valves control the flow of fluids.

TIMING BELT:

A cogged belt, usually of reinforced rubber, that drives the camshaft in an internal-combustion engine.

PISTONS:

A solid cylinder or disk that fits snugly into a hollow cylinder and moves back and forth under the pressure of a fluid (typically a hot gas formed by combustion, as in many engines), or moves or compresses a fluid, as in a pump or compressor.

OIL FILTER:

Cartridge-type filter used in automotive oil-lubrication systems to remove metal particles and products of heat decomposition from the circulating oil.

CRANK SHAFT:

The main driving shaft of an engine that receives reciprocating motion from the pistons and converts it to rotary motion. Together, the crankshaft and the connecting rods transform the pistons' reciprocating motion into rotary motion.

RODS & BEARINGS (CONNECTING RODS):

The connecting rod or conrod connects the piston to the crank or crankshaft. Bearings at the connection points help to ensure the smooth, uninterrupted movement of these rods.

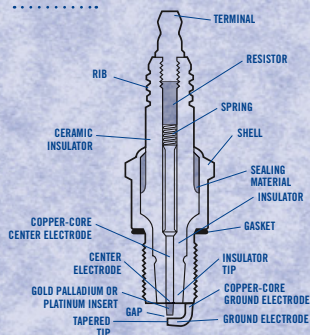
CRANK CASE:

The crank case protects the crankshaft and connecting rods from foreign objects.

SPARK PLUGS:

A spark plug is a device inserted in the head of an internal-combustion engine cylinder that ignites the fuel mixture by means of an electric spark.

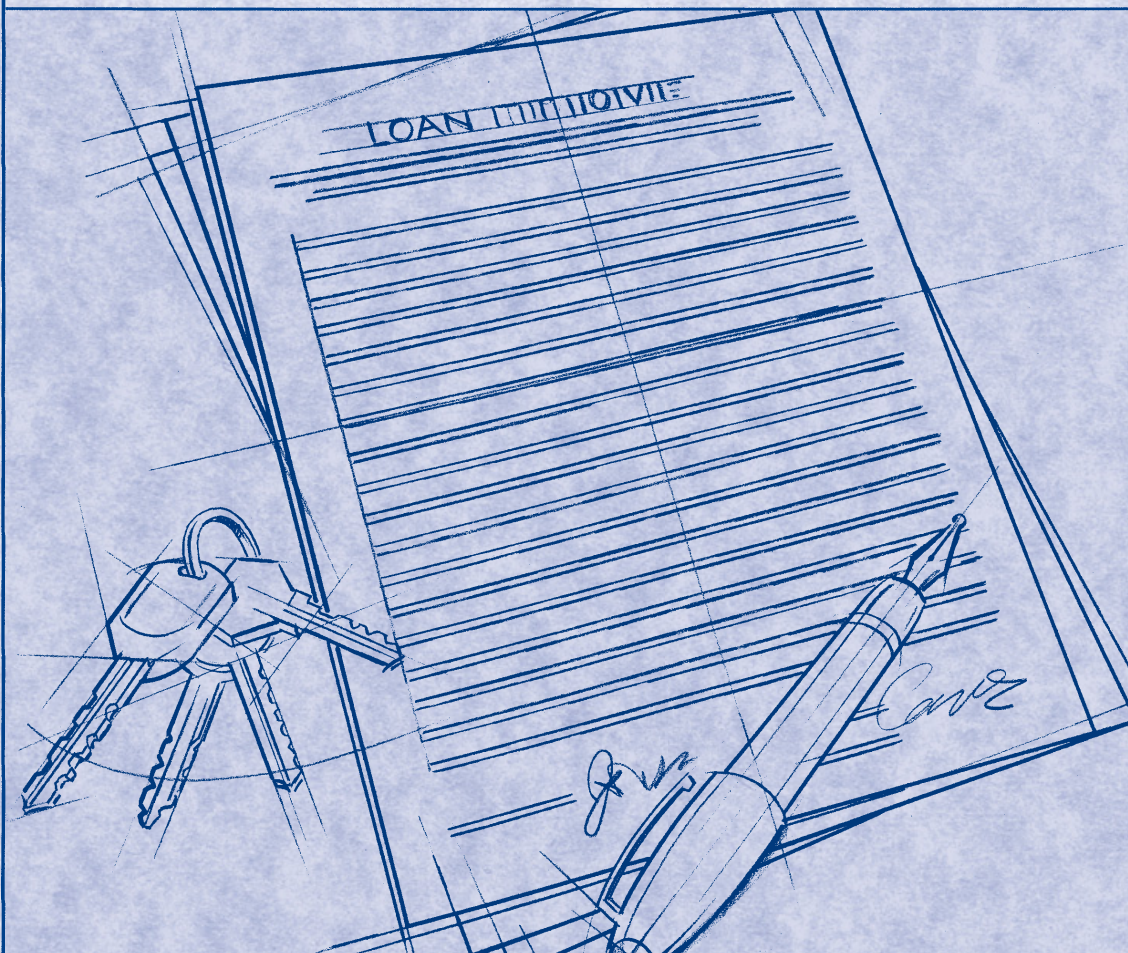
SPARK PLUG: (DETAIL)



*BUILDING RELATIONSHIPS.
CREATING SOLUTIONS.*

AMERICREDIT'S ONLY FOCUS IS AUTO FINANCING. TO US, IT'S MORE THAN HELPING DEALERS SELL MORE CARS. IT'S UNDERSTANDING THAT PEOPLE DRIVE THE PROCESS — WHETHER IT'S BUYERS AND SELLERS OR DEALERS AND LENDERS. WE WORK TO FORM LASTING RELATIONSHIPS WITH OUR DEALER CUSTOMERS SO WE CAN UNDERSTAND NOT ONLY THEIR LONG-TERM GOALS, BUT ALSO THE NEEDS OF THEIR BUYERS. THAT WAY, WE CAN ASSEMBLE THE RIGHT PARTS — IN THE FORM OF PRODUCTS AND SERVICES — TO CREATE A CUSTOMIZED VEHICLE FOR SUCCESS. IN THE RACE TO WIN DEALER LOYALTY, AMERICREDIT'S LOCAL REPRESENTATIVES ARE OUR COMPETITIVE ADVANTAGE. OUR SALES, CREDIT AND FUNDING TEAMS ARE UNIQUELY SKILLED, HIGHLY SPECIALIZED AND ULTIMATELY DRIVEN TO NEGOTIATE THE RIGHT DEALS THAT CREATE A WIN-WIN FOR US AND OUR DEALERS.





SUSPENSION SYSTEM, BRAKING ASSEMBLY AND TIRES

SHOCK (STRUT) TOWER: 11

The shock tower is the portion of the vehicle's frame in which the shock, spring, and other components of the upper suspension are housed. Located within the engine compartment, the shock tower plays an integral role in the construction of a vehicle as it is the point at which the suspension system is mounted to the frame.

SHOCK ABSORBER: 10

The shock absorbers damp out the otherwise resonant motions of a vehicle moving up and down on its springs and the sounds made by the wheels when it bounces on the unsprung weight of a wheel, hub or axle.

STRUT: 9

An automotive suspension strut eliminates the need for an upper suspension arm by combining the primary function of a shock absorber with the ability to support sideways loads not along its axis of compression.

DRIVE SHAFT: 8

A drive shaft transfers power from the engine or motor to the point where useful work is applied.

CV JOINT: 7

A constant velocity (CV) joint is a universal joint used especially in front-wheel drive cars to transmit power from a transaxle to an axle or from an axle to a wheel even at sharp angles, as when the suspension moves up and down.

CONTROL ARM: 6

The control arm is a nearly flat and roughly triangular sub-frame that pivots in two places. The broad end of the triangle attaches at the frame and pivots on a bushing. The narrow end attaches to the steering knuckle and pivots on a ball joint. Two control arms per wheel make up a double wishbone suspension, while one control arm per wheel makes up a part, usually the lower part, of a MacPherson strut suspension or other configurations.

ANTI-LOCK BRAKING SYSTEM:

An anti-lock braking system prevents the wheels from locking while braking. The purpose of this is to allow the driver to maintain steering control under heavy braking and, in some situations, to shorten braking distances by allowing the driver to hit the brake fully without the fear of skidding or loss of control.

SHOCK SPRING:

Compression coil springs encircle the shock absorbers and are typically used to absorb shock or to maintain a force between contacting surfaces. They are made of an elastic material formed into the shape of a helix which returns to its natural length when unloaded.

HIGH PERFORMANCE TIRES: (DETAIL)

Tires allow for the transfer of power from a vehicle's drive-train to the road. High performance tires, also known as low profile tires, are manufactured to have a small void ratio, which allows for more rubber to come in contact with the road, resulting in higher levels of traction. Tread patterns are designed to function at higher rates of speed, forcing surface water out and away from the vehicle thus increasing the tire's level of performance and traction. High performance tires are also composed of a softer rubber compound, allowing for optimal performance temperature to be reached, which results in increased responsiveness during starts, stops and sharp turns.



DISC BRAKES:

Also called brake rotor, the brake disc uses friction from the brake pads to slow or stop the vehicle. Made of cast iron, the rotor may be an integral part of the wheel hub. The brake disc may be a ventilated rib or solid type. The ventilated rib disc is hollow to allow cooling air to circulate inside the disc.

DISC ASSEMBLY:

A disc brake assembly consists of a caliper, brake pads, rotor and related hardware (bolts, clips and springs).

CALIPER:

The brake caliper operates just like a small hydraulic clamp designed to grip the brake rotor and bring a vehicle to a halt. The brake caliper is a U-shaped device with a piston or pistons on one or both sides of the U. The brake pads ride on top of the brake caliper pistons, and the rotor spins in the channel of the U.



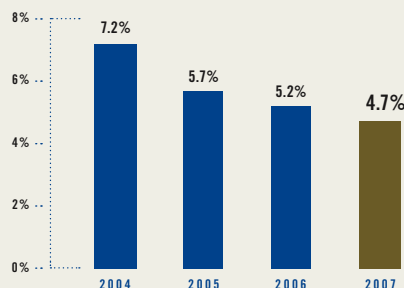
REDUCING VOLATILITY IN OUR PORTFOLIO WILL PROVIDE INCREASED

STABILITY AND TRACTION.



By injecting a high-performance blend of revenues from prime and near-prime loans, we can better manage our portfolio composition based on economic or competitive conditions. We know that customers in our core subprime market are more likely to be impacted by macroeconomic factors than those with prime and near-prime loans. With full-spectrum lending, we have the ability to constantly adjust our origination mix to improve stability in our portfolio credit metrics while generating an appropriate level of return. In times of economic rough

weather, we can shift our focus to higher-quality loans and maintain traction. As external factors improve, we can steer toward a higher level of subprime loans and accelerate returns. In other words, by broadening our base of products and flexing our origination mix in response to our environment, AmeriCredit is making credit stability a standard feature. After all, the goal of diversifying a portfolio is to absorb minor bumps in the road — and to create a smoother ride for our stakeholders. Full-spectrum lending helps us balance the risk/return relationship and keep our business on track.



IMPROVING CREDIT TRENDS

NET CHARGE-OFFS

GAUGING DRIVER PERFORMANCE HELPS US MANAGE MARGINS AND STEER CLEAR OF HAZARDS

500 TO 620 / SUBPRIME:

AmeriCredit has been providing subprime auto financing for 15 years and is recognized as an industry leader in this market. While the move to become a full-spectrum lender has added higher-quality loans to our portfolio, we continue to book the majority of our business in this credit range. Our proprietary scorecards allow us to find and price for the best risks in this category, as we help customers who have faced an interruption in cash flow – perhaps caused by the loss of a job or a divorce – find transportation they need.

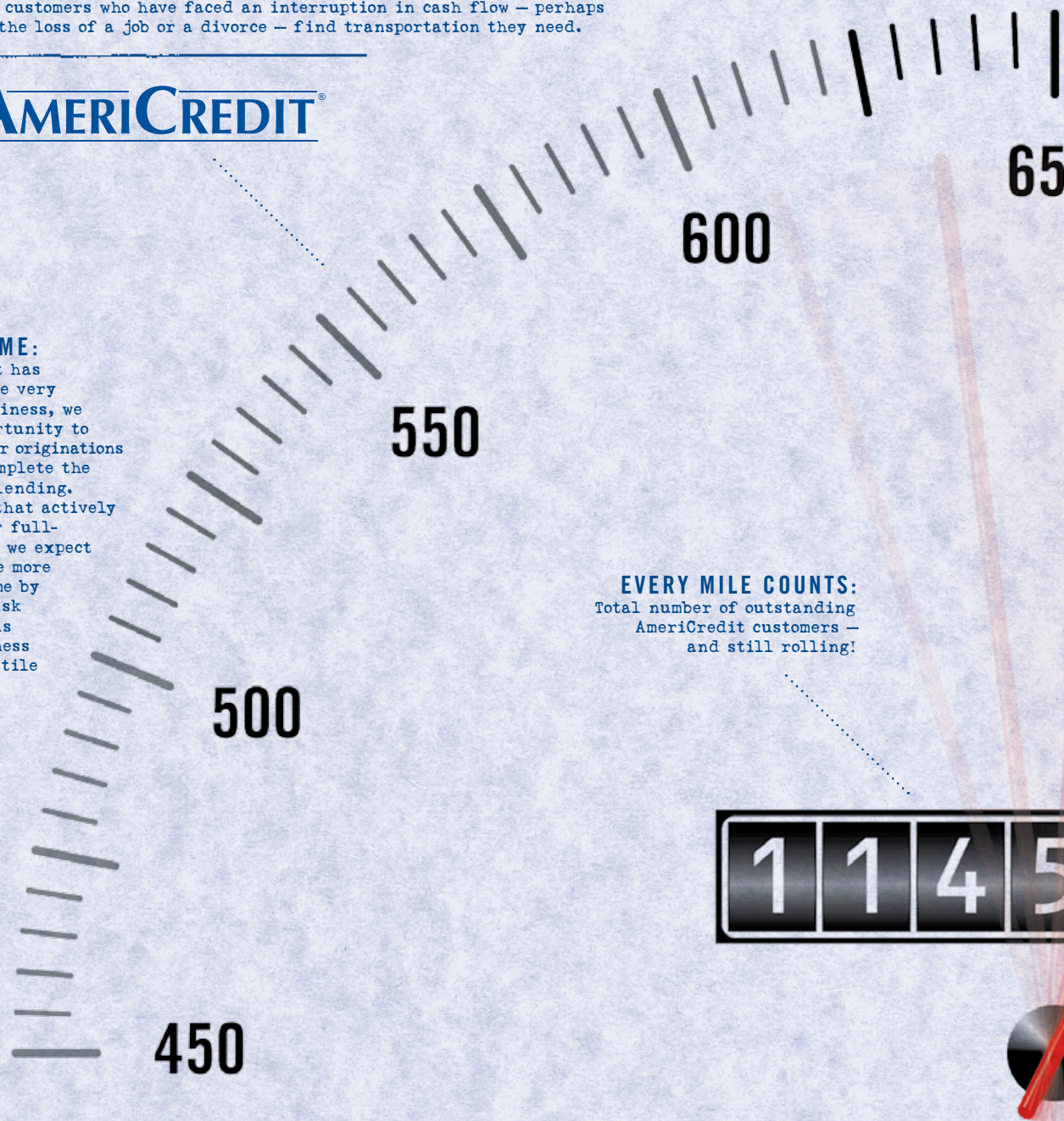


UNDER 500 / DEEP SUBPRIME:

While AmeriCredit has traditionally done very little of this business, we now have the opportunity to selectively grow our originations in this tier to complete the full spectrum of lending. For auto dealers that actively participate in our full-spectrum program, we expect to make this niche more available over time by pricing for the risk and balancing this high-return business with our less-volatile prime product.

EVERY MILE COUNTS:

Total number of outstanding
AmeriCredit customers –
and still rolling!



620 TO 680 / NEAR-PRIME:

AmeriCredit acquired Long Beach Acceptance Corp. on Jan. 1, 2007, and integration of the near-prime lender is underway. Some behind-the-scenes processes are already consolidated, and we expect full integration of our sales, underwriting and servicing functions by the end of fiscal year 2008. That will allow us to significantly increase the number of auto dealers who have access to the product and complete the full credit spectrum.

Long Beach Acceptance Corp.

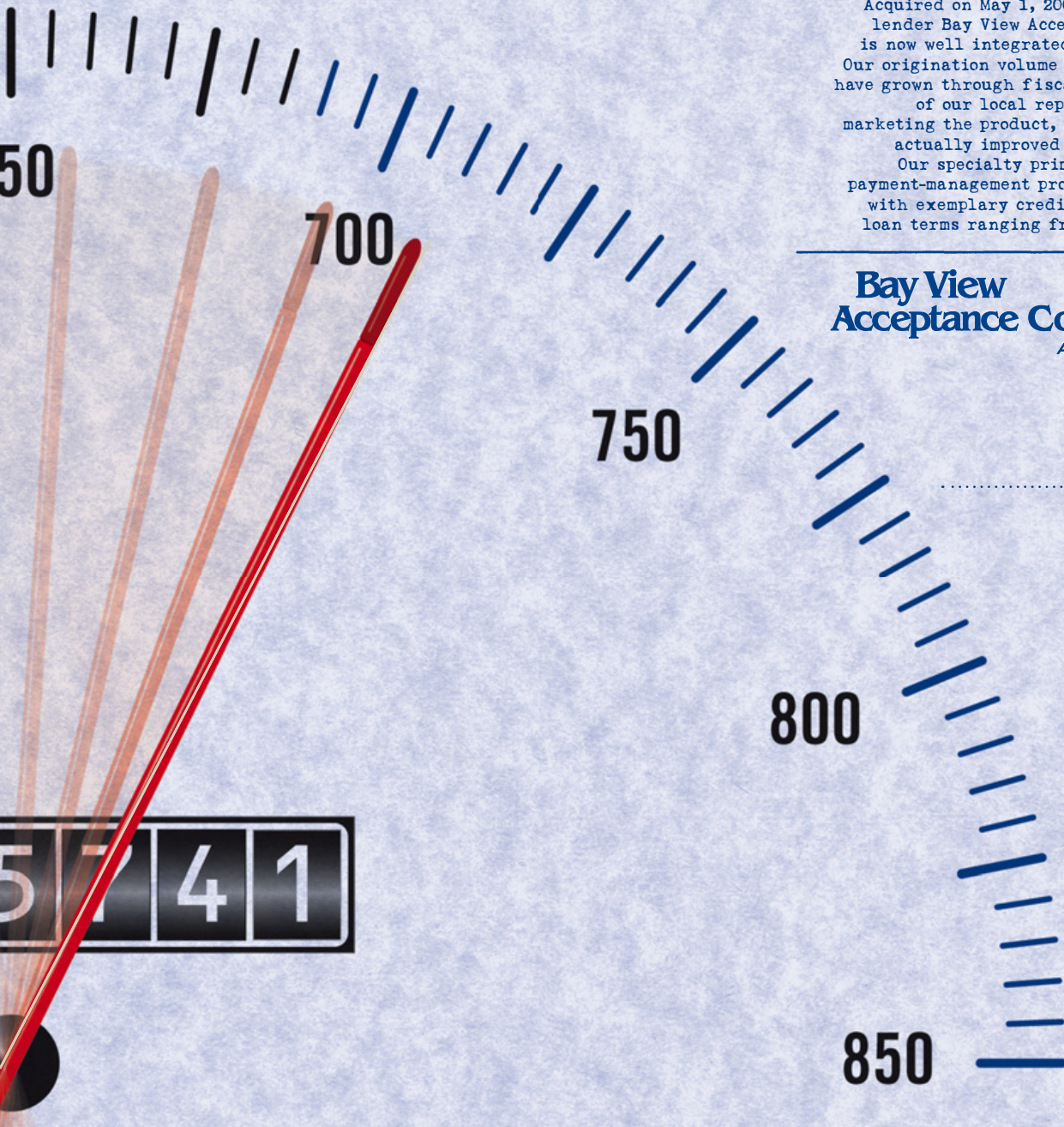
An AmeriCredit Company

680 TO 850 / PRIME AND SPECIALTY PRIME:

Acquired on May 1, 2006, specialty prime lender Bay View Acceptance Corporation is now well integrated into AmeriCredit. Our origination volume from this platform have grown through fiscal year 2007 as all of our local representatives began marketing the product, and credit quality actually improved as sales expanded. Our specialty prime is designed as a payment-management product for customers with exemplary credit scores who choose loan terms ranging from 72 to 96 months.

Bay View Acceptance Corporation.

An AmeriCredit Company





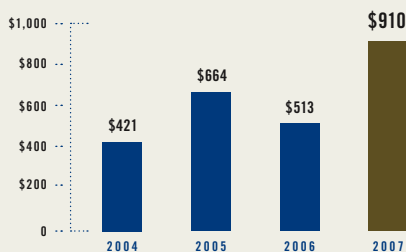
THANKS TO SOUND CAPITAL MANAGEMENT, OUR TANK IS FULLY FUELED —
AND WE ARE PREPARED
FOR THE ROAD AHEAD.



Supporting a growing portfolio means maintaining a strong balance sheet — and that means having plenty of liquidity and capital access. At June 30, 2007, AmeriCredit had \$910 million of unrestricted cash to support our operations. Our liquidity comes from the cash we generate on our existing loan portfolio and from our ability to access the capital markets for warehouse funding, asset-backed securitizations and unsecured debt transactions. During fiscal year 2007, we increased our warehouse credit lines to \$5.3 billion. Our committed warehouse facilities have fixed advance rates with no provisions that would allow our lenders to mark the collateral to market or make

margin calls. We also securitized \$7.7 billion in auto receivables during the year and have raised over \$50 billion in securitization debt in our history. Additionally, we issued \$550 million in convertible senior notes and \$200 million in senior unsecured notes last year. We used \$324 million in cash to repurchase over 13 million shares of our stock — and, with a higher-quality credit base, increased leverage from 6.1 to 7.7 times managed receivables to equity. With solid liquidity, a moderately leveraged balance sheet and a proven funding platform, we have a strong foundation to continue the development of our full-spectrum capacity and ride out any soft patches in the economy or the capital markets.

(\$ MM)



**CASH AND
CASH EQUIVALENTS**

THE FUEL SYSTEM

EFFICIENT FUEL STORAGE AND DELIVERY:

The fuel system stores fuel for use and delivers it as needed to the engine; includes the fuel tank, fuel lines, pump, filter, vapor return lines, carburetor or injection components, and all fuel system vents and evaporative emission control systems or devices that provide fuel supply and fuel metering functions. Automotive engines have a pressurized fuel system with a pump that draws or pushes fuel from the tank to the engine.

FUEL TANK: ⑥

A fuel tank, composed of high density polyethylene (HDPE), is where the fuel is stored and released into the engine.

FUEL PUMP: ⑤

A pump for drawing fuel from a storage tank and delivering it to the engine. Many gasoline-engine vehicles have a submersible electric fuel pump, which serves as the main supply pump, located in the fuel tank. In some fuel-injection systems, the in-tank pump is used as the supply pump for a high-pressure fuel-injection pump.

FUEL LINE: ④

A fuel line is a hose used to transport fuel from one point in a vehicle to another. It is commonly made up of reinforced rubber to prevent splitting and kinking. A fuel line typically follows the length of the outer frame, from the tank to the engine, for added stability and protection.

FUEL INJECTION: ③

Fuel injection is a means of metering fuel into an internal combustion engine. Fuel injection atomizes the fuel by forcibly pumping it through a small nozzle under high pressure. The fuel injector consists of a nozzle and a valve. The power to inject the fuel comes from further back in the fuel supply, from a fuel pump or a pressure container.

(SEE PAGE 7 FOR DETAILS)

(FUEL INTAKE)

(DETAIL)



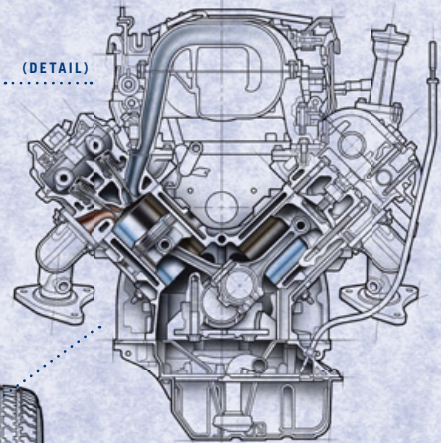
①

FUEL GAUGE:

A fuel gauge is an instrument used to indicate the level of fuel contained in a tank. The gauge consists of the sender unit and the indicator.

The sender unit usually uses a float connected to a variable resistor. When the tank is full, the resistor is set to its low resistance value. As the tank empties, the float drops and slides a moving contact along the resistor, increasing its resistance, finally reaching its highest value when the tank is empty. In addition, when the resistance is at a certain point, it will also turn on a "low fuel" light on some vehicles. Meanwhile, the indicator unit (usually mounted on the instrument panel) is measuring and displaying the amount of electrical current flowing through the sending unit. When the tank level is high and maximum current is flowing, the needle points to "F" indicating a full tank. When the tank is empty and a small amount of current is flowing, the needle points to "E" indicating an empty tank.

(DETAIL)



②

THE INTERNAL GAS / COMBUSTION ENGINE:

An engine is a confined space where the combustion of fuel and an oxidizer (typically air) occurs. This reaction creates gases at high temperature and pressure, which are permitted to expand. The expanding hot gases cause movement of solid parts of the engine, by acting on pistons and rotors, or by pressing on and moving the entire engine itself.

(SEE PAGE 7 FOR DETAILS)

The Company's common stock trades on the New York Stock Exchange under the symbol ACF. As of August 27, 2007, there were 114,497,662 shares of common stock outstanding. The following table sets forth the range of the high, low and closing sale prices for the Company's common stock as reported on the Composite Tape of the New York Stock Exchange Listed Issues.

✦ SELECTED STOCK AND FINANCIAL DATA ✦

COMMON STOCK DATA	HIGH	LOW	CLOSE
FISCAL YEAR ENDED JUNE 30, 2007			
First quarter	\$28.25	\$21.68	\$24.99
Second quarter	26.51	22.59	25.17
Third quarter	27.77	20.45	22.86
Fourth quarter	29.46	22.52	26.55
FISCAL YEAR ENDED JUNE 30, 2006			
First quarter	\$27.59	\$23.40	\$23.87
Second quarter	26.40	21.31	25.63
Third quarter	31.54	25.43	30.73
Fourth quarter	31.70	26.41	27.92

As of August 27, 2007, there were approximately 225 shareholders of record of the Company's common stock.

QUARTERLY FINANCIAL DATA (UNAUDITED)	QUARTERS:	1ST	2ND	3RD	4TH
DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA					
FISCAL YEAR ENDED JUNE 30, 2007					
Total revenue		\$523,621	\$575,636	\$615,273	\$625,393
Income before income taxes		117,648	150,804	129,432	134,183
Net income		74,236	95,426	103,732	86,855
Basic earnings per share		0.59	0.82	0.88	0.74
Diluted earnings per share		0.54	0.74	0.80	0.66
Diluted weighted average shares		139,718,283	130,153,556	131,166,057	131,816,572
FISCAL YEAR ENDED JUNE 30, 2006					
Total revenue		\$420,263	\$448,128	\$455,104	\$487,843
Income before income taxes		86,108	137,072	137,669	124,386
Net income		54,033	86,574	86,732	78,844
Basic earnings per share		0.38	0.65	0.67	0.61
Diluted earnings per share		0.35	0.59	0.60	0.55
Diluted weighted average shares		157,590,746	148,325,483	144,954,396	144,286,513

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-10667

AmeriCredit Corp.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
incorporation or organization)

75-2291093
(I.R.S. Employer
Identification No.)

801 Cherry Street, Suite 3900, Fort Worth, Texas 76102

(Address of principal executive offices, including Zip Code)

(817) 302-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of 48,130,808 shares of the Registrant's Common Stock held by non-affiliates based upon the closing price of the Registrant's Common Stock on the New York Stock Exchange on December 31, 2006, was approximately \$1,211,452,437. For purposes of this computation, all executive officers, directors and 5 percent beneficial owners of the Registrant are deemed to be affiliates. Such determination should not be deemed an admission that such executive officers, directors and beneficial owners are, in fact, affiliates of the Registrant.

There were 114,497,662 shares of Common Stock, \$0.01 par value, outstanding as of August 27, 2007.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive Proxy Statement pertaining to the 2007 Annual Meeting of Shareholders ("Proxy Statement") filed pursuant to Regulation 14A is incorporated herein by reference into Part III.

AMERICREDIT CORP.

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FORWARD-LOOKING STATEMENTS

This Form 10-K contains several “forward-looking statements.” Forward-looking statements are those that use words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “may,” “likely,” “should,” “estimate,” “continue,” “future” or other comparable expressions. These words indicate future events and trends. Forward-looking statements are our current views with respect to future events and financial performance. These forward-looking statements are subject to many assumptions, risks and uncertainties that could cause actual results to differ significantly from historical results or from those anticipated by us. The most significant risks are detailed from time to time in our filings and reports with the Securities and Exchange Commission including this Annual Report on Form 10-K for the year ended June 30, 2007. It is advisable not to place undue reliance on our forward-looking statements. We undertake no obligation to, and do not, publicly update or revise any forward-looking statements, except as required by federal securities laws, whether as a result of new information, future events or otherwise.

The following factors are among those that may cause actual results to differ materially from the forward-looking statements:

- changes in general economic and business conditions;
- interest rate fluctuations;
- our financial condition and liquidity, as well as future cash flows and earnings;
- competition;
- the effect, interpretation or application of new or existing laws, regulations, court decisions and accounting pronouncements;
- the availability of sources of financing;
- the level of net charge-offs on the automobile contracts we originate; and
- significant litigation.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected.

INDUSTRY DATA

In this Form 10-K, we rely on and refer to information regarding the automobile lending industry from market research reports, analyst reports and other publicly available information. Although we believe that this information is reliable, we cannot guarantee the accuracy and completeness of this information, and we have not independently verified any of it.

AVAILABLE INFORMATION

We make available free of charge through our website, www.americredit.com, our AmeriCredit Automobile Receivables Trust and AmeriCredit Prime Automobile Receivables Trust securitization portfolio performance measures and all materials that we file electronically with the Securities and Exchange Commission (“SEC”), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practical after filing or furnishing such material with the SEC.

The public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website, www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

PART I

ITEM 1. BUSINESS

General

We are a leading independent auto finance company that has been operating in the automobile finance business since September 1992. We purchase auto finance contracts generally without recourse from franchised and select independent automobile dealerships and, to a lesser extent, make loans directly to customers buying new and used vehicles and provide lease financing through our dealership network. As used herein, “loans” include auto finance contracts originated by dealers and purchased by us as well as direct extensions of credit made by us to consumer borrowers. We predominantly target consumers who are typically unable to obtain financing from banks, credit unions and manufacturer captive auto finance companies. Funding for our auto lending activities is obtained primarily through the transfer of loans in securitization transactions. We service our loan portfolio at regional centers using automated loan servicing and collection systems.

We have historically maintained a significant share of the sub-prime market and now also participate in the near-prime and prime sectors of the auto finance industry. We source our business primarily through our relationships with franchised auto dealers, which are maintained through our branch network, marketing representatives (dealer relationship managers) and alliance relationships. We have expanded our traditional niche through the acquisition of Bay View Acceptance Corporation (“BVAC”) in May 2006, which offers specialized auto finance products, including extended term financings and higher loan-to-value advances to consumers with prime credit bureau scores, and our acquisition of Long Beach Acceptance Corp. (“LBAC”) in January 2007, which offers auto finance products primarily to consumers with near-prime credit bureau scores. In addition to our strategy of expanding into the specialty prime and near-prime markets, our expansion strategy includes expansion into the Canadian market, lending directly to consumers and the introduction of a leasing program.

We were incorporated in Texas on May 18, 1988, and succeeded to the business, assets and liabilities of a predecessor corporation formed under the laws of Texas on August 1, 1986. Our predecessor began operations in March 1987, and the business has been operated continuously since that time. Our principal executive offices are located at 801 Cherry Street, Suite 3900, Fort Worth, Texas, 76102 and our telephone number is (817) 302-7000.

Marketing and Loan Originations

Target Market. Our automobile lending programs are designed to primarily serve customers who have limited access to automobile financing through banks, credit unions and the manufacturer captives. The bulk of our typical borrowers have experienced prior credit difficulties or have limited credit histories and generally have credit bureau scores ranging from 500 to 700. Because we generally serve customers who are unable to meet the credit standards imposed by most banks, credit unions and manufacturer captives, we generally charge higher interest rates than those charged by such sources. Since we provide financing in a relatively high-risk market, we also expect to sustain a higher level of credit losses than these other automobile financing sources.

Marketing. Since we are primarily an indirect lender, we focus our marketing activities on automobile dealerships. We are selective in choosing the dealers with whom we conduct business and primarily pursue manufacturer franchised dealerships with used car operations and select independent dealerships. We prefer to finance later model, low mileage used vehicles and moderately priced new vehicles. Of the contracts purchased by us during fiscal 2007, approximately 91% were originated by manufacturer franchised dealers and 9% by select independent dealers; further, approximately 80% were used vehicles and 20% were new vehicles. We purchased contracts from 19,114 dealers during fiscal 2007. No dealer location accounted for more than 1% of the total volume of contracts purchased by us for that same period.

Prior to entering into a relationship with a dealer, we consider the dealer’s operating history and reputation in the marketplace. We then maintain a non-exclusive relationship with the dealer. This relationship is actively

monitored with the objective of maximizing the volume of applications received from the dealer that meet our underwriting standards and profitability objectives. Due to the non-exclusive nature of our relationships with dealerships, the dealerships retain discretion to determine whether to obtain financing from us or from another source for a loan made by the dealership to a customer seeking to make a vehicle purchase. Our representatives regularly contact and visit dealers to solicit new business and to answer any questions dealers may have regarding our financing programs and capabilities and to explain our underwriting philosophy. To increase the effectiveness of these contacts, marketing personnel have access to our management information systems which detail current information regarding the number of applications submitted by a dealership, our response and the reasons why a particular application was rejected.

We generally purchase finance contracts without recourse to the dealer. Accordingly, the dealer usually has no liability to us if the consumer defaults on the contract. Although finance contracts are purchased without recourse to the dealer, the dealer typically makes certain representations as to the validity of the contract and compliance with certain laws, and indemnifies us against any claims, defenses and set-offs that may be asserted against us because of assignment of the contract or the condition of the underlying collateral. Recourse based upon those representations and indemnities would be limited in circumstances in which the dealer has insufficient financial resources to perform upon such representations and indemnities. We do not view recourse against the dealer on these representations and indemnities to be of material significance in our decision to purchase finance contracts from a dealer. Depending upon the contract structure and consumer credit attributes, we may charge dealers a non-refundable acquisition fee or pay dealers a participation fee when purchasing finance contracts. These fees are assessed on a contract-by-contract basis.

Origination Network. Our originations platform provides specialized focus on marketing and underwriting loans. Responsibilities are segregated so that the sales group markets our programs and products to our dealer customers, while the underwriting group focuses on underwriting, negotiating and closing loans.

We use a combination of a branch office network and dealer relationship managers to market our indirect financing programs to selected dealers, develop relationships with these dealers and underwrite contracts submitted by the dealerships. We believe that the personal relationships our branch managers and dealer relationship managers establish with the dealership staff are an important factor in creating and maintaining productive relationships with our dealer customer base.

We select markets for branch office locations based upon numerous factors, including demographic trends and data, competitive conditions, regulatory environment and availability of qualified personnel. Branch offices are typically situated in suburban office buildings that are accessible to local dealers.

Dealer service representatives, including credit underwriters and support personnel, staff branch office locations. Branch personnel are compensated with base salaries and incentives based on corporate performance and overall branch performance, including factors such as loan credit quality, loan pricing adequacy and loan volume objectives. The branch managers report to regional credit vice presidents.

Regional credit vice presidents monitor branch office compliance with our underwriting guidelines. Our management information systems provide the regional credit vice presidents with access to credit application information enabling them to consult with the dealer service representatives on credit decisions and review exceptions to our underwriting guidelines. The regional credit vice presidents also make periodic visits to the branch offices to conduct operational reviews.

Dealer relationship managers are either based in a branch office or work from a home office in areas with no branch office location. Dealer relationship managers solicit dealers for applications and maintain our relationships with the dealers in their geographic vicinity, but do not have responsibility for credit approvals. We believe the local presence provided by our dealer relationship managers enables us to be more responsive to dealer concerns and local market conditions. Finance contracts solicited by the dealer relationship managers are

underwritten at a branch office or at our central loan purchasing office. The dealer relationship managers are compensated with base salaries and incentives based on loan volume objectives and the generation of credit applications from dealerships that meet our underwriting criteria. The dealer relationship managers report to regional sales vice presidents.

The following table sets forth information with respect to the number of branch offices, number of dealer relationship managers, dollar volume of contracts purchased and number of producing dealerships for the periods set forth below.

	Years Ended June 30,		
	2007	2006	2005
	(dollars in thousands)		
Number of branch offices	65	79	89
Number of dealer relationship managers	302	249	106
Origination volume ^(a)	\$8,454,600	\$6,208,004	\$5,031,325
Number of producing dealerships ^(b)	19,114	17,111	14,875

(a) Fiscal 2007 amount includes \$34.9 million of contracts purchased through a leasing program.

(b) A producing dealership refers to a dealership from which we purchased contracts in the respective period.

New Origination Channels. We introduced several additional origination channels in fiscal 2007 and 2006 in order to expand our market niche, including the acquisitions of BVAC and LBAC, expansion into the Canadian market, development of direct lending capabilities and the introduction of a limited leasing program.

Bay View. On May 1, 2006, we acquired the stock of BVAC, the auto finance subsidiary of Bay View Capital Corporation. BVAC operates from offices in Covina, California, and serves auto dealers in 32 states offering specialized auto finance products, including extended term financing and higher loan-to-value advances to consumers with prime credit bureau scores. During fiscal 2007 and 2006, we originated loans totaling \$672 million and \$78 million, respectively, through the BVAC platform.

Long Beach. On January 1, 2007, we acquired the stock of LBAC, the auto finance subsidiary of ACC Capital Holdings. LBAC operates from offices in Paramus, New Jersey and Orange, California and serves auto dealers in 34 states offering auto finance products primarily to consumers with near-prime credit bureau scores. Marketing of LBAC products is performed by a separate staff of dealer relationship managers and underwriting is executed in the Paramus and Orange offices. During fiscal 2007, we originated loans totaling \$660 million through the LBAC platform.

Canadian Market. We have established two Canadian branches and hired dealer relationship managers based in Canada. We are operating our Canadian business in a manner similar to our operating model in the United States.

Direct Lending. We make direct-to-consumer loans through several newly created channels. We plan to continue to develop our direct lending capabilities in fiscal 2008 and beyond.

Leasing. During fiscal 2007, we began offering a limited lease product through certain franchised dealerships that targets consumers with prime and near-prime credit bureau scores. We market leases for selected new vehicle makes and models to our dealership network through our branch offices.

Credit Underwriting

We utilize a proprietary credit scoring system to support the credit approval process. The credit scoring system was developed through statistical analysis of our consumer demographic and portfolio databases. Credit scoring is used to differentiate credit applicants and to rank order credit risk in terms of expected default rates,

which enables us to evaluate credit applications for approval and tailor loan pricing and structure according to this statistical assessment of credit risk. For example, a consumer with a lower score would indicate a higher probability of default and, therefore, we would either decline the application, or, if approved, compensate for this higher default risk through the structuring and pricing of the loan. While we employ a credit scoring system in the credit approval process, credit scoring does not eliminate credit risk. Adverse determinations in evaluating contracts for purchase or changes in certain macroeconomic factors could negatively affect the credit quality of our receivables portfolio.

The credit scoring system considers data contained in the customer's credit application and credit bureau report as well as the structure of the proposed loan and produces a statistical assessment of these attributes. This assessment is used to segregate applicant risk profiles and determine whether the risk is acceptable and the price we should charge for that risk. Our credit scorecards are monitored through comparison of actual versus projected performance by score. Periodically, we endeavor to refine our proprietary scorecards based on new information including identified correlations between receivables performance and data obtained in the underwriting process.

We purchase individual contracts through our underwriting specialists in branch offices using a credit approval process tailored to local market conditions. Underwriting personnel have a specific credit authority based upon their experience and historical loan portfolio results as well as established credit scoring parameters. Contracts may also be underwritten through our central loan processing office for specific dealers requiring centralized service, for transactions that are originated through the direct lending channels, in certain markets where a branch office is not present or, in some cases, outside of normal branch office working hours. Although the credit approval process is decentralized, our application processing system includes controls designed to ensure that credit decisions comply with our credit scoring strategies and underwriting policies and procedures.

Finance contract application packages completed by prospective obligors are received electronically, through web-based platforms, or Internet portals, that automate and accelerate the financing process. Upon receipt or entry of application data into our application processing system, a credit bureau report is automatically accessed and a credit score is computed. A substantial percentage of the applications received by us fail to meet our credit score requirement and are automatically declined. For applications that are not automatically declined, our underwriting personnel review the application package and determine whether to approve the application, approve the application subject to conditions that must be met, or deny the application. The credit decision is based primarily on the applicant's credit score determined by our proprietary credit scoring system. We estimate that approximately 30-40% of applicants will be approved for credit by us. Dealers or, in some cases, credit applicants, are contacted regarding credit decisions electronically or by facsimile. Declined applicants are also provided with appropriate notification of the decision.

Our underwriting and collateral guidelines, including credit scoring parameters, form the basis for the credit decision. Exceptions to credit policies and authorities must be approved by designated individuals with appropriate credit authority. Additionally, our centralized credit risk management department monitors exceptions.

Completed contract packages are sent to us by dealers or other loan originations sources. Loan documentation is scanned to create electronic images and electronically forwarded to our centralized loan processing department. A loan processing representative verifies certain applicant employment, income and residency information when required by our credit policies. Loan terms, insurance coverages and other information may be verified or confirmed with the customer. The original documents are subsequently sent to the account services department and certain documents are stored in a fire resistant vault.

Once cleared for funding, the funds are electronically transferred to the dealer or a check is issued. Upon funding of the contract, we acquire a perfected security interest in the automobile that was financed. Daily loan reports are generated for review by senior operations management. All of our contracts are fully amortizing with

substantially equal monthly installments. Key variables, such as loan applicant data, credit bureau and credit score information, loan structures and terms and payment histories are tracked. The credit risk management function also regularly reviews the performance of our credit scoring system and is responsible for the development and enhancement of our credit scorecards.

Credit indicator packages with portfolio performance at various levels of detail including total company, branch office and dealer are prepared regularly and reviewed. Various daily reports and analytical data are also generated to monitor credit quality as well as to refine the structure and mix of new loan originations. We review portfolio returns on a consolidated basis, as well as at the branch office, origination channel, dealer and contract levels.

Loan Servicing

Our servicing activities consist of collecting and processing customer payments, responding to customer inquiries, initiating contact with customers who are delinquent in payment of an installment, maintaining the security interest in the financed vehicle, monitoring physical damage insurance coverage of the financed vehicle, and arranging for the repossession of financed vehicles, liquidation of collateral and pursuit of deficiencies when necessary.

We use monthly billing statements to serve as a reminder to customers as well as an early warning mechanism in the event a customer has failed to notify us of an address change. Approximately 15 days before a customer's first payment due date and each month thereafter, we mail the customer a billing statement directing the customer to mail payments to a lockbox bank for deposit in a lockbox account. Payment receipt data is electronically transferred from our lockbox bank to us for posting to the loan accounting system. Payments may also be received from third party payment providers, such as Western Union, directly by us from customers or via electronic transmission of funds. Payment processing and customer account maintenance is performed centrally at our operations center in Arlington, Texas or, in the case of LBAC accounts, Orange, California.

Statistically-based behavioral assessment models are used to project the relative probability that an individual account will default. The behavioral assessment models are also used to help develop servicing strategies for the portfolio or for targeted account groups within the portfolio.

Our collections activities are performed at regional centers located in Arlington, Texas; Chandler, Arizona; Charlotte, North Carolina; Orange, California and Peterborough, Ontario. A predictive dialing system is utilized to make phone calls to customers whose payments are past due. The predictive dialer is a computer-controlled telephone dialing system that simultaneously dials phone numbers of multiple customers from a file of records extracted from our database. Once a live voice responds to the automated dialer's call, the system automatically transfers the call to a collector and the relevant account information to the collector's computer screen. Accounts that the system has been unable to reach within a specified number of days are flagged, thereby promptly identifying for management all customers who cannot be reached by telephone. By eliminating the time spent on attempting to reach customers, the system gives a single collector the ability to speak with a larger number of customers daily.

Once an account reaches a certain level of delinquency, the account moves to one of our advanced collection units. The objective of these collectors is to resolve the delinquent account. We may repossess a financed vehicle if an account is deemed uncollectible, the financed vehicle is deemed by collection personnel to be in danger of being damaged, destroyed or hidden, the customer deals in bad faith or the customer voluntarily surrenders the financed vehicle.

At times, we offer payment deferrals to customers who have encountered temporary financial difficulty, hindering their ability to pay as contracted. A deferral allows the customer to move delinquent payments to the end of the loan, usually by paying a fee that is calculated in a manner specified by applicable law. The collector

reviews the customer's past payment history and behavioral score and assesses the customer's desire and capacity to make future payments. Before agreeing to a deferral, the collector also considers whether the deferment transaction complies with our policies and guidelines. A collections officer must approve exceptions to our policies and guidelines for deferrals. While payment deferrals are initiated and approved in the collections department, a separate department processes authorized deferment transactions. Exceptions are also monitored by our centralized credit risk management function.

Repossessions are subject to prescribed legal procedures, which include peaceful repossession, one or more customer notifications, a prescribed waiting period prior to disposition of the repossessed automobile and return of personal items to the customer. Some jurisdictions provide the customer with reinstatement or redemption rights. Legal requirements, particularly in the event of bankruptcy, may restrict our ability to dispose of the repossessed vehicle. Independent repossession firms engaged by us handle repossessions. All repossessions, other than bankruptcy or previously charged off accounts, must be approved by a collections officer. Upon repossession and after any prescribed waiting period, the repossessed automobile is sold at auction. We do not sell any vehicles on a retail basis. The proceeds from the sale of the automobile at auction, and any other recoveries, are credited against the balance of the contract. Auction proceeds from sale of the repossessed vehicle and other recoveries are usually not sufficient to cover the outstanding balance of the contract, and the resulting deficiency is charged off. For fiscal 2007, the net recovery rate upon the sale of repossessed assets was approximately 49%. We pursue collection of deficiencies when we deem such action to be appropriate.

Our policy is to charge off an account in the month in which the account becomes 120 days contractually delinquent if we have not repossessed the related vehicle. We charge off accounts in repossession when the automobile is repossessed and legally available for disposition. A charge-off represents the difference between the estimated net sales proceeds and the amount of the delinquent contract, including accrued interest. Accounts in repossession that have been charged off are removed from finance receivables and the related repossessed automobiles are included in other assets at net realizable value on the consolidated balance sheet pending disposal.

The value of the collateral underlying our receivables portfolio is updated monthly with a loan-by-loan link to national wholesale auction values. This data, along with our own experience relative to mileage and vehicle condition, are used for evaluating collateral disposition activities.

Financing

We finance our loan origination volume through the use of our credit facilities and execution of securitization transactions.

Credit Facilities. Loans are typically funded initially using credit facilities that are administered by agents on behalf of institutionally managed commercial paper or medium term note conduits, or directly with a financial banking institution. Under these funding agreements, we transfer finance receivables to special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the agents, collateralized by such finance receivables and cash. The agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of finance receivables. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the finance receivables and other assets held by these subsidiaries are legally owned by them and are not available to our creditors or creditors of our other subsidiaries. Advances under our funding agreements bear interest at commercial paper, LIBOR or prime rates plus specified fees depending upon the source of funds provided by the agents.

Securitizations. We pursue a financing strategy of securitizing our receivables to diversify our funding, provide liquidity and obtain a fixed rate cost-effective source of funds for the purchase of additional automobile finance contracts. The asset-backed securities market allows us to finance our loan origination volume, in most

cases with the support of financial guaranty insurance policies, at attractive AAA/Aaa investment grade interest rates over the life of the securitization transaction, thereby locking in the excess spread on our loan portfolio.

Proceeds from securitizations approximate our investment in the automobile finance receivables securitized. The proceeds are primarily used to fund initial cash credit enhancement requirements in the securitization and to pay down borrowings under our credit facilities, thereby increasing availability thereunder for further contract purchases. Through June 30, 2007, we had securitized approximately \$52.5 billion of automobile receivables since 1994.

In our securitizations, we, through wholly-owned subsidiaries, transfer automobile receivables to newly-formed securitization trusts (“Trusts”), which issue one or more classes of asset-backed securities. The asset-backed securities are in turn sold to investors.

We typically arrange for a financial guaranty insurance policy from several monoline insurers to achieve a AAA/Aaa credit rating on the asset-backed securities issued by the securitization Trusts. We have executed securitization transactions with five monoline insurers. The financial guaranty insurance policies insure the timely payment of interest and the ultimate payment of principal due on the asset-backed securities. We have limited reimbursement obligations to the insurers; however, credit enhancement requirements, including the insurers’ encumbrance of certain restricted cash accounts and subordinated interests in Trusts, provide a source of funds to cover shortfalls in collections and to reimburse the insurers for any claims which may be made under the policies issued with respect to our securitizations. Since our securitization program’s inception, there have been no claims under any insurance policies.

The credit enhancement requirements represent retained interests in the securitization Trusts and include restricted cash accounts that are generally established with an initial deposit and may subsequently be funded through excess cash flows from securitized receivables. An additional form of credit enhancement is provided in the form of overcollateralization whereby more receivables are transferred to the Trusts than the amount of asset-backed securities issued by the Trusts. In the event a shortfall exists in amounts payable on the asset-backed securities, first overcollateralization is reduced, and then funds may be withdrawn from the restricted cash account to cover the shortfall before amounts are drawn on the policy. With respect to insured securitization transactions, funds may also be withdrawn to reimburse the insurers for draws on financial guaranty insurance policies in an event of default. Additionally, agreements with the insurers provide that if portfolio performance ratios (delinquency, cumulative default or cumulative net loss triggers) in a Trust’s pool of receivables exceed certain targets, the restricted cash account would be increased. Cash would be retained in the restricted cash account and not released to us until the increased target levels have been reached and maintained. We are entitled to receive amounts from the restricted cash accounts to the extent the amounts deposited exceed the required target enhancement levels.

In addition to insured securitization transactions, we have completed seven securitization transactions, most recently in May 2007, in the United States and two in Canada involving the sale of subordinate asset-backed securities in order to provide credit enhancement for the senior asset-backed securities and protect investors from potential losses. We provided credit enhancement in these transactions in the form of a restricted cash account and overcollateralization, whereby more receivables are transferred to the Trusts than the amount of asset-backed securities issued by the Trusts. Excess cash flows are used to increase the credit enhancement assets to required minimum levels, after which time excess cash flows are distributed to us. The credit enhancement assets related to these Trusts do not contain portfolio performance ratios which could increase the minimum required credit enhancement levels.

Trade Names

We have obtained federal trademark protection for the “AmeriCredit” name and the logo that incorporates the “AmeriCredit” name. Certain other names, logos and phrases used by us in our business operations have also been trademarked.

Regulation

Our operations are subject to regulation, supervision and licensing under various federal, state and local statutes, ordinances and regulations.

In most states in which we operate, a consumer credit regulatory agency regulates and enforces laws relating to consumer lenders and sales finance companies such as us. These rules and regulations generally provide for licensing as a sales finance company or consumer lender, limitations on the amount, duration and charges, including interest rates, for various categories of loans, requirements as to the form and content of finance contracts and other documentation, and restrictions on collection practices and creditors' rights. In certain states, we are subject to periodic examination by state regulatory authorities. Some states in which we operate do not require special licensing or provide extensive regulation of our business.

We are also subject to extensive federal regulation, including the Truth in Lending Act, the Equal Credit Opportunity Act and the Fair Credit Reporting Act. These laws require us to provide certain disclosures to prospective borrowers and protect against discriminatory lending practices and unfair credit practices. The principal disclosures required under the Truth in Lending Act include the terms of repayment, the total finance charge and the annual percentage rate charged on each contract or loan. The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, age or marital status. According to Regulation B promulgated under the Equal Credit Opportunity Act, creditors are required to make certain disclosures regarding consumer rights and advise consumers whose credit applications are not approved of the reasons for the rejection. In addition, the credit scoring system used by us must comply with the requirements for such a system as set forth in the Equal Credit Opportunity Act and Regulation B. The Fair Credit Reporting Act requires us to provide certain information to consumers whose credit applications are not approved on the basis of a report obtained from a consumer reporting agency and to respond to consumers who inquire regarding any adverse reporting submitted by us to the consumer reporting agencies. Additionally, we are subject to the Gramm-Leach-Bliley Act, which requires us to maintain the privacy of certain consumer data in our possession and to periodically communicate with consumers on privacy matters. We are also subject to the Servicemembers Civil Relief Act, which requires us, in most circumstances, to reduce the interest rate charged to customers who have subsequently joined, enlisted, been inducted or called to active military duty.

The dealers who originate automobile finance contracts purchased by us also must comply with both state and federal credit and trade practice statutes and regulations. Failure of the dealers to comply with these statutes and regulations could result in consumers having rights of rescission and other remedies that could have an adverse effect on us.

We believe that we maintain all material licenses and permits required for our current operations and are in substantial compliance with all applicable local, state and federal regulations. There can be no assurance, however, that we will be able to maintain all requisite licenses and permits, and the failure to satisfy those and other regulatory requirements could have a material adverse effect on our operations. Further, the adoption of additional, or the revision of existing, rules and regulations could have a material adverse effect on our business.

Competition

Competition in the field of automobile finance is intense. The automobile finance market is highly fragmented and is served by a variety of financial entities including the captive finance affiliates of major automotive manufacturers, banks, thrifts, credit unions and independent finance companies. Many of these competitors have substantially greater financial resources and lower costs of funds than ours. In addition, our competitors often provide financing on terms more favorable to automobile purchasers or dealers than we offer. Many of these competitors also have long standing relationships with automobile dealerships and may offer dealerships or their customers other forms of financing, including dealer floor plan financing or revolving credit

products, which are not provided by us. Providers of automobile financing have traditionally competed on the basis of interest rates charged, the quality of credit accepted, the flexibility of loan terms offered and the quality of service provided to dealers and customers. In seeking to establish ourselves as one of the principal financing sources at the dealers we serve, we compete predominantly on the basis of our high level of dealer service and strong dealer relationships and by offering flexible loan terms. There can be no assurance that we will be able to compete successfully in this market or against these competitors.

Employees

At June 30, 2007, we employed 4,831 persons in the United States and Canada. None of our employees are a part of a collective bargaining agreement, and our relationships with employees are satisfactory.

Executive Officers

The following sets forth certain data concerning our executive officers.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Clifton H. Morris, Jr.	71	Chairman of the Board
Daniel E. Berce	53	President and Chief Executive Officer
Steven P. Bowman	40	Executive Vice President, Chief Credit and Risk Officer
Chris A. Choate	44	Executive Vice President, Chief Financial Officer and Treasurer
Mark Floyd	54	Executive Vice President, Co-Chief Operating Officer
Preston A. Miller	43	Executive Vice President, Co-Chief Operating Officer

CLIFTON H. MORRIS, JR. has been Chairman of the Board since May 1988 and served as Chief Executive Officer from April 2003 to August 2005 and from May 1988 to July 2000. He also served as President from May 1988 until April 1991 and from April 1992 to November 1996. Mr. Morris joined us in 1988.

DANIEL E. BERCE has been President since April 2003 and added the title of Chief Executive Officer in August 2005. Mr. Berce was Vice Chairman and Chief Financial Officer from November 1996 until April 2003. Mr. Berce joined us in 1990.

STEVEN P. BOWMAN has served as Executive Vice President, Chief Credit and Risk Officer since January 2005. Prior to that, he was Executive Vice President, Chief Credit Officer from March 2000 to January 2005. Mr. Bowman joined us in 1996.

CHRIS A. CHOATE has been Executive Vice President, Chief Financial Officer and Treasurer since January 2005. Before that, he was Executive Vice President, Chief Legal Officer and Secretary from November 1999 to January 2005. Mr. Choate joined us in 1991.

MARK FLOYD has served as Executive Vice President, Co-Chief Operating Officer since August 2007 and had been Executive Vice President, Chief Operating Officer for Servicing since January 2005. Prior to that, he was Executive Vice President, Chief Operating Officer from April 2003 to January 2005. He served as President, Dealer Services from August 2001 until April 2003. Mr. Floyd joined us in 1997.

PRESTON A. MILLER has served as Executive Vice President, Co-Chief Operating Officer since August 2007 and had been Executive Vice President, Chief Operating Officer for Originations since January 2005. Prior to that, he was Executive Vice President, Chief Financial Officer and Treasurer from April 2003 to January 2005.

Mr. Miller was Executive Vice President, Treasurer from July 1998 until April 2003. Mr. Miller joined us in 1989.

ITEM 1A. RISK FACTORS

Dependence on Credit Facilities. We depend on various credit facilities with financial institutions to finance our purchase of contracts pending securitization.

At June 30, 2007, we had seven separate credit facilities that provide borrowing capacity of up to \$5,640.8 million, including:

- (i) a master warehouse facility providing up to \$2,500.0 million of receivables financing which matures in October 2009;
- (ii) a medium term note facility providing \$750.0 million of receivables financing which matures in October 2009;
- (iii) a repurchase facility providing up to \$500.0 million through the August 2007 maturity for the financing of finance receivables repurchased from securitization Trusts upon exercise of the cleanup call option. This facility was renewed subsequent to June 30, 2007, extending the maturity to August 2008;
- (iv) a near prime facility providing up to \$400.0 million through the July 2007 maturity for the financing of higher credit quality receivables. This facility was renewed subsequent to June 30, 2007, extending the maturity to July 2008;
- (v) a BVAC credit facility providing up to \$750.0 million until June 30, 2007, and \$450.0 million thereafter through the September 2007 maturity for the financing of BVAC originated receivables;
- (vi) a LBAC credit facility providing up to \$600.0 million through the September 2007 maturity for the financing of LBAC originated receivables; and
- (vii) a Canadian credit facility providing up to \$140.8 (Cdn \$150.0) million through the May 2008 maturity for the financing of Canadian originated receivables.

We cannot guarantee that any of these financing resources will continue to be available beyond the current maturity dates at reasonable terms or at all. The availability of these financing sources depends, in part, on factors outside of our control, including regulatory capital treatment for unfunded bank lines of credit and the availability of bank liquidity in general. If we are unable to extend or replace these facilities or arrange new credit facilities or other types of interim financing, we will have to curtail loan contract purchasing activities, which would have a material adverse effect on our financial position and results of operations.

We are required to hold certain funds in restricted cash accounts to provide additional collateral for borrowings under credit facilities. Additionally, the credit facilities contain various covenants requiring certain minimum financial ratios, asset quality, and portfolio performance ratios (portfolio net loss and delinquency ratios, and pool level cumulative net loss ratios) as well as limits on deferment levels. Failure to meet any of these covenants could result in an event of default under these agreements. If an event of default occurs under these agreements, the lenders could elect to declare all amounts outstanding under these agreements to be immediately due and payable, enforce their interests against collateral pledged under these agreements or restrict our ability to obtain additional borrowings under these facilities. As of June 30, 2007, our credit facilities were in compliance with all covenants.

Dependence on Securitization Program. Since December 1994, we have relied upon our ability to transfer receivables to securitization Trusts and sell securities in the asset-backed securities market to generate cash proceeds for repayment of credit facilities and to purchase additional receivables. Accordingly, adverse changes in our asset-backed securities program or in the asset-backed securities market for automobile receivables in

general could materially adversely affect our ability to purchase and securitize loans on a timely basis and upon terms acceptable to us. Any adverse change or delay would have a material adverse effect on our financial position, liquidity and results of operations.

The asset-backed securities market has been currently experiencing unprecedented disruptions. Current conditions in this market include reduced liquidity, credit risk premiums for certain market participants and reduced investor demand for asset-backed securities, particularly those backed by sub-prime collateral. These conditions, which may increase our cost of funding and reduce our access to the asset-backed securities market, may continue or worsen in the future. We attempt to mitigate the impact of market disruptions by obtaining adequate committed credit facilities from a variety of reliable sources. There can be no assurance, however, that we will be successful in selling securities in the asset-backed securities market, at least in the near term, that our credit facilities will be adequate to fund our loan origination activities until the disruptions in the securitization markets subside or that the cost of debt will allow us to operate at profitable levels. Since we are highly dependent on the availability of the asset-backed securities market to finance our operations, disruptions in this market or any adverse change or delay in our ability to access the market would have a material adverse effect on our financial position, liquidity and results of operations. Continued reduced investor demand for asset-backed securities such as our asset-backed securities could result in our having to hold auto loans until investor demand improves, but our capacity to hold auto loans is not unlimited. If we confront a reduced demand for our asset-backed securities, it could require us to reduce the amount of auto loans that we will purchase. Continued adverse market conditions could also result in increased costs and reduced margins earned in connection with our securitization transactions.

We will continue to require the execution of securitization transactions in order to fund our future liquidity needs. There can be no assurance that funding will be available to us through these sources or, if available, that it will be on terms acceptable to us. If these sources of funding are not available to us on a regular basis for any reason, including the occurrence of events of default, deterioration in loss experience on the receivables, breach of financial covenants or portfolio and pool performance measures, disruption of the asset-backed market or otherwise, we will be required to revise the scale of our business, including the possible discontinuation of loan origination activities, which would have a material adverse effect on our ability to achieve our business and financial objectives.

Dependence on Financial Guaranty Insurance. To date, all but seven of our securitizations in the United States have utilized financial guaranty insurance policies provided by various monoline insurance providers in order to achieve AAA/Aaa ratings on the insured securities issued in the securitization transactions. These ratings reduce the costs of securitizations relative to alternative forms of financing available to us and enhance the marketability of these transactions to investors in asset-backed securities. However, the financial guaranty insurance providers are not required to insure future securitizations sponsored by us, and there can be no assurance that they will continue to do so or that future securitizations sponsored by us will be similarly rated. Our insurance providers' willingness to insure our future securitizations is subject to many factors beyond our control, including concentrations of risk with any given insurance provider, the insurance providers' own rating considerations, their ability to cede this risk to reinsurers and the performance of the portion of our portfolio for which the insurer has provided insurance. Further, investor perceptions of our insurance providers and claims-paying capacity may adversely impact the marketability of the insured securities. Alternatively, in lieu of relying on a financial guaranty insurance policy, in seven of our securitizations in the United States, we have sold or retained subordinate asset-backed securities in order to provide credit enhancement for the senior asset-backed securities.

A downgrading of any of our insurance providers' credit ratings or the inability to structure alternative credit enhancements, such as senior subordinated transactions, for our securitization program could result in higher interest costs for future securitizations sponsored by us and larger initial and/or target credit enhancement requirements. The absence of a financial guaranty insurance policy may also impair the marketability of our securitizations. These events could have a material adverse effect on the cost and availability of capital to finance

contract purchases which in turn could have a material adverse effect on our financial position, liquidity and results of operations.

Liquidity and Capital Needs. Our ability to make payments on or to refinance our indebtedness and to fund our operations and planned capital expenditures depends on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, capital markets and other factors that are beyond our control.

We expect to continue to require substantial amounts of cash. Our primary cash requirements include the funding of: (i) contract purchases pending their securitization; (ii) credit enhancement requirements in connection with the securitization of the receivables and credit facilities; (iii) interest and principal payments under our credit facilities and other indebtedness; (iv) fees and expenses incurred in connection with the securitization and servicing of receivables and credit facilities; (v) ongoing operating expenses; (vi) income tax payments; and (vii) capital expenditures. Additionally, we have been using cash to fund our stock repurchase program since April 2004 and anticipate continuing to do so as market conditions warrant. We currently have \$200 million remaining under our Board approved share repurchase authorization. We have also, and may in the future, use cash to fund acquisitions of businesses, such as the acquisitions of BVAC and LBAC.

We require substantial amounts of cash to fund our contract purchase and securitization activities. Although we must fund certain credit enhancement requirements upon the closing of a securitization, we typically receive the cash representing excess cash flows and return of credit enhancement deposits over the actual life of the receivables securitized. The initial credit enhancement requirement could increase in future securitizations, which would result in an increased requirement for cash on our part. We also incur transaction costs in connection with a securitization transaction. Accordingly, our strategy of securitizing substantially all of our newly purchased receivables will require significant amounts of cash.

Our primary sources of future liquidity are expected to be: (i) distributions received from securitization Trusts; (ii) interest and principal payments on loans not yet securitized; (iii) servicing fees; (iv) borrowings under our credit facilities or proceeds from securitization transactions; and (v) further issuances of other debt securities.

Because we expect to continue to require substantial amounts of cash for the foreseeable future, we anticipate that we will require the execution of additional securitization transactions and may choose to enter into other additional debt financings. The type, timing and terms of financing selected by us will be dependent upon our cash needs, the availability of other financing sources and the prevailing conditions in the capital markets. There can be no assurance that funding will be available to us through these sources or, if available, that the funding will be on acceptable terms. If we are unable to execute securitization transactions on a regular basis, we would not have sufficient funds to finance new loan originations and, in such event, we would be required to revise the scale of our business, including possible discontinuation of loan origination activities, which would have a material adverse effect on our ability to achieve our business and financial objectives.

Leverage. We currently have a substantial amount of outstanding indebtedness. Our ability to make payments of principal or interest on, or to refinance, our indebtedness will depend on our future operating performance, including the performance of receivables transferred to securitization Trusts, and our ability to enter into additional securitization transactions as well as other debt financings, which, to a certain extent, is subject to economic, financial, competitive, regulatory, capital markets and other factors beyond our control.

If we are unable to generate sufficient cash flows in the future to service our debt, we may be required to refinance all or a portion of our existing debt or to obtain additional financing. There can be no assurance that any refinancings will be possible or that any additional financing could be obtained on acceptable terms. The inability to refinance our existing debt or to obtain additional financing would have a material adverse effect on our financial position, liquidity and results of operations.

The degree to which we are leveraged creates risks including: (i) we may be unable to satisfy our obligations under our outstanding indebtedness; (ii) we may find it more difficult to fund future credit

enhancement requirements, operating costs, income tax payments, capital expenditures, stock repurchases, acquisitions, or general corporate purposes; (iii) we may have to dedicate a substantial portion of our cash resources to the payments on our outstanding indebtedness, thereby reducing the funds available for operations and future business opportunities; and (iv) we may be vulnerable to adverse general economic, capital markets and industry conditions.

Our credit facilities require us to comply with certain financial ratios and covenants. Additionally, our credit facilities have minimum asset quality maintenance requirements. These restrictions may interfere with our ability to obtain financing or to engage in other necessary or desirable business activities. As of June 30, 2007, we were in compliance with all financial and portfolio performance covenants on our credit facilities and securitization transactions.

If we cannot comply with the requirements in our credit facilities, then the lenders may increase our borrowing costs or require us to repay immediately all of the outstanding debt. If our debt payments were accelerated, our assets might not be sufficient to fully repay the debt. These lenders may require us to use all of our available cash to repay our debt, foreclose upon their collateral or prevent us from making payments to other creditors on certain portions of our outstanding debt. These events may also result in a default under our senior note and convertible senior note indentures.

We may not be able to obtain a waiver of these provisions or refinance our debt, if needed. In such case, our financial condition, liquidity and results of operations would suffer.

Default and Prepayment Risks. Our results of operations, financial condition and liquidity depend, to a material extent, on the performance of loans in our portfolio. Obligor under contracts acquired or originated by us may default during the term of their loan. Generally, we bear the full risk of losses resulting from defaults. In the event of a default, the collateral value of the financed vehicle usually does not cover the outstanding loan balance and costs of recovery.

We maintain an allowance for loan losses on loans held on our balance sheet which reflects management's estimates of inherent losses for these loans. If the allowance is inadequate, we would recognize the losses in excess of that allowance as an expense and results of operations would be adversely affected. A material adjustment to our allowance for loan losses and the corresponding decrease in earnings could limit our ability to enter into future securitizations and other financings, thus impairing our ability to finance our business.

We are required to deposit substantial amounts of the cash flows generated by our interests in securitizations sponsored by us to satisfy targeted credit enhancement requirements. An increase in defaults or prepayments would reduce the cash flows generated by our interests in securitization transactions lengthening the period required to build targeted credit enhancement levels in the securitization trusts. Distributions of cash from the securitizations to us would be delayed and the ultimate amount of cash distributable to us would be less, which would have an adverse effect on our liquidity. The targeted credit enhancement levels in future securitizations could also be increased, further impacting our liquidity.

Portfolio Performance—Negative Impact on Cash Flows. Generally, the form of agreements we enter into with our financial guaranty insurance providers in connection with securitization transactions contain specified limits on portfolio performance ratios (delinquency, cumulative default and cumulative net loss) on the receivables included in each securitization Trust. If, at any measurement date, a portfolio performance ratio with respect to any Trust were to exceed the specified limits, provisions of the credit enhancement agreement would automatically increase the level of credit enhancement requirements for that Trust if a waiver was not obtained. During the period in which the specified portfolio performance ratio was exceeded, excess cash flows, if any, from the Trust would be used to fund the increased credit enhancement levels instead of being distributed to us, which would have an adverse effect on our cash flows and liquidity.

Generally, our securitization transactions insured by financial guaranty insurance providers prior to September 2005 are cross-collateralized to a limited extent. In the event of a shortfall in the original target credit

enhancement requirement for any of these securitization Trusts after a certain period of time, excess cash flows from other transactions insured by the same insurance provider would be used to satisfy the shortfall amount. Our securitization transactions insured by financial guaranty insurance policies after August 2005 do not contain any cross-collateralization provisions.

Right to Terminate Servicing. The agreements that we enter into with our financial guaranty insurance providers in connection with securitization transactions contain additional specified targeted portfolio performance ratios (delinquency, cumulative default and cumulative net loss) that are higher than the limits referred to in the preceding risk factor. If, at any measurement date, the targeted portfolio performance ratios with respect to any insured Trust were to exceed these additional levels, provisions of the agreements permit the financial guaranty insurance providers to terminate our servicing rights to the receivables sold to that Trust. In addition, the servicing agreements on certain insured securitization Trusts are cross-defaulted so that a default under one servicing agreement would allow the financial guaranty insurance provider to terminate our servicing rights under all servicing agreements for securitization Trusts in which they issued a financial guaranty insurance policy. Additionally, if these higher targeted portfolio performance levels were exceeded, the financial guaranty insurance providers may elect to retain all excess cash generated by other securitization transactions insured by them as additional credit enhancement. This, in turn, could result in defaults under our other securitizations and other material indebtedness. Although we have never exceeded these additional targeted portfolio performance ratios, and do not anticipate violating any event of default triggers for our securitizations, there can be no assurance that our servicing rights with respect to the automobile receivables in such Trusts or any other Trusts will not be terminated if (i) such targeted portfolio performance ratios are breached, (ii) we breach our obligations under the servicing agreements, (iii) the financial guaranty insurance providers are required to make payments under a policy, or (iv) certain bankruptcy or insolvency events were to occur. As of June 30, 2007, no such servicing right termination events have occurred with respect to any of the Trusts formed by us. The termination of any or all of our servicing rights would have a material adverse effect on our financial position, liquidity and results of operations.

Implementation of Business Strategy. Our financial position, liquidity and results of operations depend on management's ability to execute our business strategy. Key factors involved in the execution of the business strategy include achieving the desired loan origination volume, continued and successful use of proprietary scoring models for credit risk assessment and risk-based pricing, the use of effective credit risk management techniques and servicing strategies, implementation of effective loan servicing and collection practices, continued investment in technology to support operating efficiency, continued expansion of new loan origination channels, effective integration of acquired businesses and continued access to significant funding and liquidity sources. Our failure or inability to execute any element of our business strategy could materially adversely affect our financial position, liquidity and results of operations.

Target Consumer Base. A substantial portion of our purchasing and servicing activities involve sub-prime automobile receivables. Sub-prime borrowers are associated with higher-than-average delinquency and default rates. While we believe that we effectively manage these risks with our proprietary credit scoring system, risk-based loan pricing and other underwriting policies and collection methods, no assurance can be given that these criteria or methods will be effective in the future. In the event that we underestimate the default risk or under-price contracts that we purchase, our financial position, liquidity and results of operations would be adversely affected, possibly to a material degree.

Economic Conditions. We are subject to changes in general economic conditions that are beyond our control. During periods of economic slowdown or recession, such as the United States and Canadian economies have at times experienced, delinquencies, defaults, repossessions and losses generally increase. These periods also may be accompanied by increased unemployment rates, decreased consumer demand for automobiles and declining values of automobiles securing outstanding loans, which weakens collateral coverage and increases the amount of a loss in the event of default. Significant increases in the inventory of used automobiles during periods of economic recession may also depress the prices at which repossessed automobiles may be sold or delay the

timing of these sales. Additionally, higher gasoline prices, unstable real estate values, reset of adjustable rate mortgages to higher interest rates, increasing unemployment levels, general availability of consumer credit or other factors that impact consumer confidence or disposable income could increase loss frequency and decrease consumer demand for automobiles as well as weaken collateral values on certain types of automobiles. Because we focus on predominantly sub-prime borrowers, the actual rates of delinquencies, defaults, repossessions and losses on these loans are higher than those experienced in the general automobile finance industry and could be more dramatically affected by a general economic downturn. In addition, during an economic slowdown or recession, our servicing costs may increase without a corresponding increase in our finance charge income. While we seek to manage the higher risk inherent in loans made to sub-prime borrowers through the underwriting criteria and collection methods we employ, no assurance can be given that these criteria or methods will afford adequate protection against these risks. Any sustained period of increased delinquencies, defaults, repossessions or losses or increased servicing costs could adversely affect our financial position, liquidity and results of operations and our ability to enter into future securitizations and future credit facilities.

Wholesale Auction Values. We sell repossessed automobiles at wholesale auction markets located throughout the United States and Canada. Auction proceeds from the sale of repossessed vehicles and other recoveries are usually not sufficient to cover the outstanding balance of the contract, and the resulting deficiency is charged off. Decreased auction proceeds resulting from the depressed prices at which used automobiles may be sold during periods of economic slowdown or recession will result in higher credit losses for us. Furthermore, depressed wholesale prices for used automobiles may result from significant liquidations of rental or fleet inventories, and from increased volume of trade-ins due to promotional programs offered by new vehicle manufacturers. Additionally, higher gasoline prices may decrease the wholesale auction value of certain types of vehicles. Our net recoveries as a percentage of repossession charge-offs was 49% in fiscal 2007, 48% in fiscal 2006 and 43% in fiscal 2005. There can be no assurance that our recovery rates will remain at current levels.

Interest Rates. Our profitability may be directly affected by the level of and fluctuations in interest rates, which affects the gross interest rate spread we earn on our receivables. As the level of interest rates increase, such as they have since 2003, our gross interest rate spread on new originations generally declines since the rates charged on the contracts originated or purchased from dealers are limited by market and competitive conditions, restricting our opportunity to pass on increased interest costs to the consumer. We believe that our profitability and liquidity could be adversely affected during any period of higher interest rates, possibly to a material degree. We monitor the interest rate environment and employ hedging strategies designed to mitigate the impact of increases in interest rates. We can provide no assurance, however, that hedging strategies will mitigate the impact of increases in interest rates.

Labor Market Conditions. Competition to hire and retain personnel possessing the skills and experience required by us could contribute to an increase in our employee turnover rate. High turnover or an inability to attract and retain qualified personnel could have an adverse effect on our delinquency, default and net loss rates, our ability to grow and, ultimately, our financial condition, results of operations and liquidity.

Data Integrity. If third parties or our employees are able to penetrate our network security or otherwise misappropriate our customers' personal information or loan information, or if we give third parties or our employees improper access to our customers' personal information or loan information, we could be subject to liability. This liability could include identity theft or other similar fraud-related claims. This liability could also include claims for other misuses or losses of personal information, including for unauthorized marketing purposes. Other liabilities could include claims alleging misrepresentation of our privacy and data security practices.

We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential consumer information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. A party who

is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may be required to expend capital and other resources to protect against such security breaches or to alleviate problems caused by such breaches. Our security measures are designed to protect against security breaches, but our failure to prevent such security breaches could subject us to liability, decrease our profitability, and damage our reputation.

Regulation. Reference should be made to Item 1. “Business—Regulation” for a discussion of regulatory risk factors.

Competition. Reference should be made to Item 1. “Business—Competition” for a discussion of competitive risk factors.

Litigation. As a consumer finance company, we are subject to various consumer claims and litigation seeking damages and statutory penalties, based upon, among other things, usury, disclosure inaccuracies, wrongful repossession, violations of bankruptcy stay provisions, certificate of title disputes, fraud, breach of contract and discriminatory treatment of credit applicants. Some litigation against us could take the form of class action complaints by consumers. As the assignee of finance contracts originated by dealers, we may also be named as a co-defendant in lawsuits filed by consumers principally against dealers. The damages and penalties claimed by consumers in these types of matters can be substantial. The relief requested by the plaintiffs varies but can include requests for compensatory, statutory and punitive damages. We believe that we have taken prudent steps to address and mitigate the litigation risks associated with our business activities. However, any adverse resolution of litigation pending or threatened against us could have a material adverse affect on our financial condition, results of operations and cash flows.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES

Our executive offices are located at 801 Cherry Street, Suite 3900, Fort Worth, Texas, in a 227,000 square foot office space under a 12-year lease that commenced in July 1999. We also lease 76,000 square feet of office space in Charlotte, North Carolina, 85,000 square feet of office space in Peterborough, Ontario and 150,000 square feet of office space in Chandler, Arizona, all under ten-year agreements with renewal options, and lease 250,000 square feet of office space in Arlington, Texas, under a twelve-year agreement with renewal options that commenced in August 2005. We also own a 250,000 square foot servicing facility in Arlington, Texas. Through our acquisition of BVAC, we lease 15,600 square feet of office space in Covina, California. Additionally, through our acquisition of LBAC, we lease 35,000 square feet of office space in Paramus, New Jersey and 28,000 square feet of office space in Orange, California. As of April 1, 2004, we abandoned certain office space at the Fort Worth offices and the Chandler facility and all of the Jacksonville facility we previously used as a servicing facility. As of June 30, 2007, we have sublet approximately 87% of the 160,000 square feet of space we have abandoned in connection with prior restructurings. Also, during fiscal 2007, we settled the Jacksonville, Florida lease and no longer have that obligation. We are seeking to sublease the remainder of the abandoned office space.

Our branch office facilities are generally leased under agreements with original terms of three to five years. Such facilities are typically located in a suburban office building and consist of between 1,500 and 2,500 square feet of space.

ITEM 3. LEGAL PROCEEDINGS

As a consumer finance company, we are subject to various consumer claims and litigation seeking damages and statutory penalties, based upon, among other things, usury, disclosure inaccuracies, wrongful repossession,

violations of bankruptcy stay provisions, certificate of title disputes, fraud, breach of contract and discriminatory treatment of credit applicants. Some litigation against us could take the form of class action complaints by consumers and/or shareholders. As the assignee of finance contracts originated by dealers, we may also be named as a co-defendant in lawsuits filed by consumers principally against dealers. The damages and penalties claimed by consumers in these types of matters can be substantial. The relief requested by the plaintiffs varies but can include requests for compensatory, statutory and punitive damages. We believe that we have taken prudent steps to address and mitigate the litigation risks associated with our business activities.

ITEM 4. *SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS*

There were no matters submitted to a vote of our security holders during the fourth quarter ended June 30, 2007.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock trades on the New York Stock Exchange under the symbol ACF. As of August 27, 2007, there were 114,497,662 shares of common stock outstanding and approximately 225 shareholders of record.

The following table sets forth the range of the high, low and closing sale prices for our common stock as reported on the Composite Tape of the New York Stock Exchange Listed Issues.

	<u>High</u>	<u>Low</u>	<u>Close</u>
Fiscal year ended June 30, 2007			
First Quarter	\$28.25	\$21.68	\$24.99
Second Quarter	26.51	22.59	25.17
Third Quarter	27.77	20.45	22.86
Fourth Quarter	29.46	22.52	26.55
Fiscal year ended June 30, 2006			
First Quarter	\$27.59	\$23.40	\$23.87
Second Quarter	26.40	21.31	25.63
Third Quarter	31.54	25.43	30.73
Fourth Quarter	31.70	26.41	27.92

Dividend Policy

We have never paid cash dividends on our common stock. The indentures pursuant to which our senior notes and convertible senior notes were issued contain certain restrictions on the payment of dividends. We presently intend to retain future earnings, if any, for use in the operation and expansion of the business and for Board approved stock repurchases and do not anticipate paying any cash dividends in the foreseeable future.

Share Repurchases

During the year ended June 30, 2007, we repurchased shares of our common stock as follows (dollars in thousands, except per share data):

<u>Date</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs</u>
August 2006 ^(a)	2,121,600	\$23.17	2,121,600	\$ 28,028
September 2006 ^{(a)(b)}	11,340,830	\$24.23	1,231,330	\$300,000 ^(c)
June 2007 ^(c)	3,600	\$25.02	3,600	\$299,910

(a) On October 25, 2005, we announced the approval of a stock repurchase plan by our Board of Directors which authorized us to repurchase up to \$300.0 million of our common stock in the open market or in privately negotiated transactions, based on market conditions.

(b) Includes \$246.8 million of the net proceeds from our convertible senior notes offering used to purchase 10,109,500 shares of our common stock.

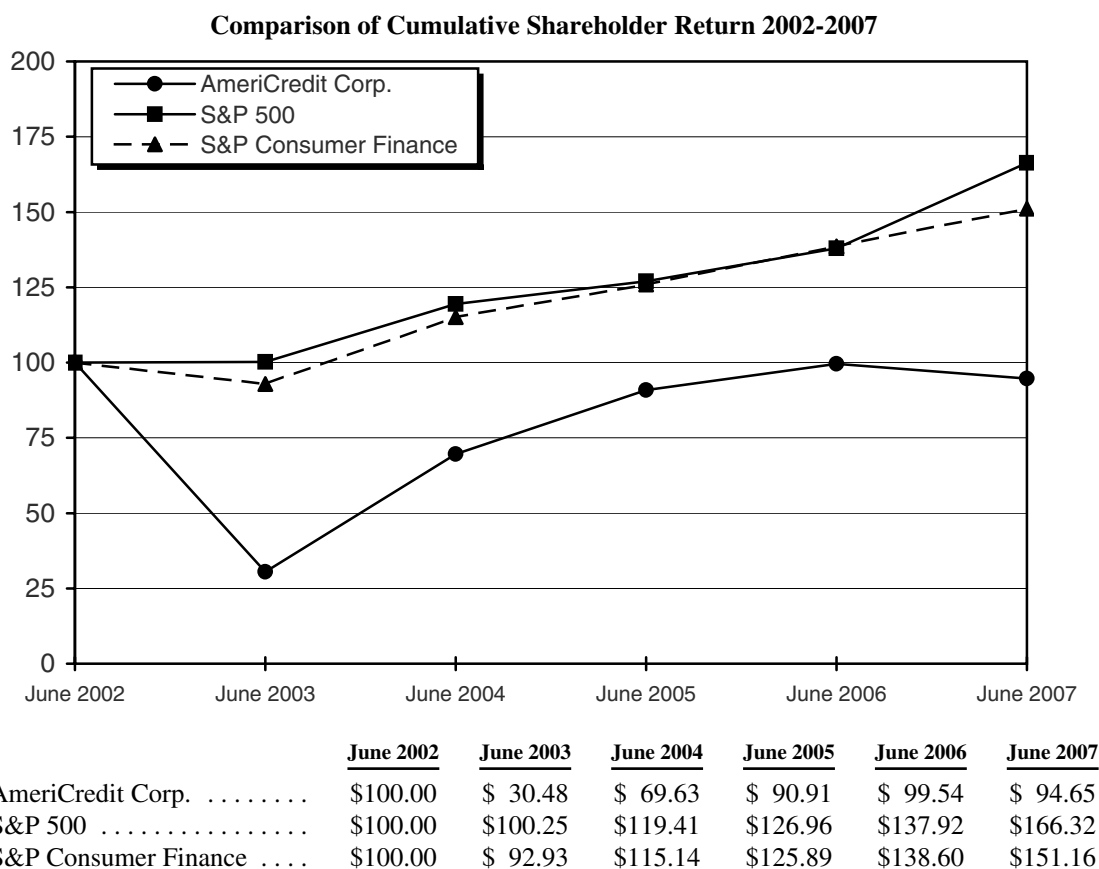
(c) On September 12, 2006, we announced the approval of a stock repurchase plan by our Board of Directors which authorized us to repurchase up to \$300.0 million of our common stock in the open market or in privately negotiated transactions, based on market conditions.

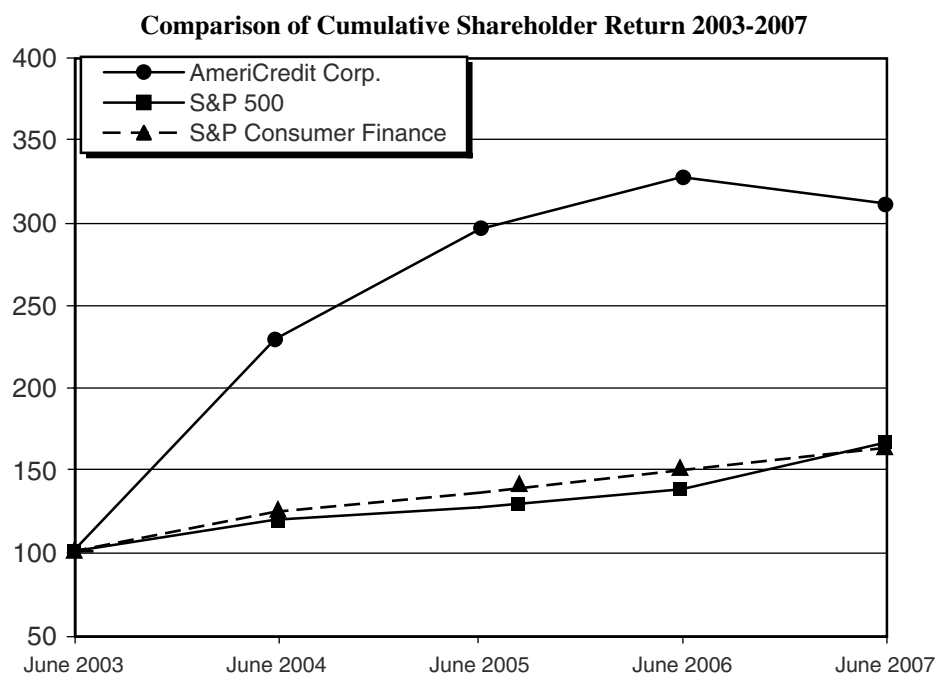
As of August 15, 2007, we have repurchased \$1,346.8 million of our common stock since inception of our share repurchase program in April 2004, and we had remaining authorization to repurchase \$200 million of our common stock. A covenant in our senior note indenture entered into in June 2007 limits our ability to repurchase stock. As of August 15, 2007, we have approximately \$30 million for share repurchases under the indenture limits.

Performance Graphs

The following performance graphs present cumulative shareholder returns on our Common Stock for the five and four years ended June 30, 2007. In both performance graphs, we are compared to (i) the S&P 500 and (ii) the S&P Consumer Finance Index. The four-year performance graph reflects the performance of our stock price since the implementation of a revised operating plan in fiscal 2003. Each Index assumes \$100 invested at the beginning of the measurement period and is calculated assuming quarterly reinvestment of dividends and quarterly weighting by market capitalization.

The data source for the graphs is Hemscott Inc., an authorized licensee of S&P.





	June 2003	June 2004	June 2005	June 2006	June 2007
AmeriCredit Corp.	\$100.00	\$228.42	\$298.25	\$326.55	\$310.53
S&P 500	\$100.00	\$123.90	\$135.47	\$149.14	\$162.66
S&P Consumer Finance	\$100.00	\$119.11	\$126.64	\$137.57	\$165.90

ITEM 6. SELECTED FINANCIAL DATA

The table below summarizes selected financial information. For additional information, refer to the audited consolidated financial statements and notes thereto in Item 8. Financial Statements and Supplementary Data.

<u>Years Ended June 30,</u>	<u>2007^(a)</u>	<u>2006^(a)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	(dollars in thousands, except per share data)				
Operating Data					
Finance charge income	\$ 2,142,470	\$ 1,641,125	\$ 1,217,696	\$ 927,592	\$ 613,225
Other revenue	197,453	170,213	233,150	288,244	368,056
Total revenue	2,339,923	1,811,338	1,450,846	1,215,836	981,281
Net income	360,249	306,183	285,909	226,983	21,209
Basic earnings per share	3.02	2.29	1.88	1.45	0.15
Diluted earnings per share	2.73	2.08	1.73	1.37	0.15
Diluted weighted average shares . .	133,224,945	148,824,916	167,242,658	166,387,259	137,807,775
Other Data					
Origination volume ^(c)	8,454,600	6,208,004	5,031,325	3,474,407	6,310,584
<u>June 30,</u>	<u>2007^(a)</u>	<u>2006^(a)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	(in thousands)				
Balance Sheet Data					
Cash and cash equivalents	\$ 910,304	\$ 513,240	\$ 663,501	\$ 421,450	\$ 316,921
Finance receivables, net	15,102,370	11,097,008	8,297,750	6,363,869	4,996,616
Credit enhancement assets ^(b)	5,919	104,624	541,790	1,062,322	1,360,618
Total assets	17,811,020	13,067,865	10,947,038	8,824,579	8,108,029
Credit facilities	2,541,702	2,106,282	990,974	500,000	1,272,438
Securitization notes payable	11,939,447	8,518,849	7,166,028	5,598,732	3,281,370
Senior notes	200,000		166,755	166,414	378,432
Convertible senior notes	750,000	200,000	200,000	200,000	
Total liabilities	15,735,870	11,058,979	8,825,122	6,699,467	6,227,400
Shareholders' equity	2,075,150	2,008,886	2,121,916	2,125,112	1,880,629
Other Data					
Finance receivables	15,922,458	11,775,665	8,838,968	6,782,280	5,326,314
Gain on sale receivables	24,091	421,037	2,163,941	5,140,522	9,562,464
Managed receivables	15,946,549	12,196,702	11,002,909	11,922,802	14,888,778

(a) Amounts include operating data, balance sheet data, and other data of our acquisitions discussed in footnote 2 of the consolidated financial statements.

(b) Credit enhancement assets consist of interest-only receivables from Trusts, investments in Trust receivables and restricted cash—gain on sale Trusts. At June 30, 2007, we had one acquired gain on sale Trust remaining.

(c) Fiscal 2007 amount includes \$34.9 million of contracts purchased through our leasing program.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

We are a leading independent auto finance company specializing in purchasing retail automobile installment sales contracts originated by franchised and select independent dealers in connection with the sale of used and new automobiles and, to a lesser extent, making loans directly to consumers buying new and used vehicles as well as providing lease financing through our dealership network. We generate revenue and cash flows primarily through the purchase, retention, subsequent securitization and servicing of finance receivables. As used herein, "loans" include auto finance receivables originated by dealers and purchased by us as well as direct extensions of credit made by us to consumer borrowers. To fund the acquisition of receivables prior to securitization and to fund the repurchase of receivables pursuant to clean-up call options, we use available cash and borrowings under our credit facilities. We earn finance charge income on the finance receivables and pay interest expense on borrowings under our credit facilities.

We, through wholly-owned subsidiaries, periodically transfer receivables to securitization trusts ("Trusts") that issue asset-backed securities to investors. We retain an interest in these securitization transactions in the form of restricted cash accounts and overcollateralization, whereby more receivables are transferred to the Trusts than the amount of asset-backed securities issued by the Trusts, as well as the estimated future excess cash flows expected to be received over the life of the securitization. Excess cash flows result from the difference between the finance charges received from the obligors on the receivables and the interest paid to investors in the asset-backed securities, net of credit losses and expenses.

Excess cash flows from the Trusts are initially utilized to fund credit enhancement requirements in order to attain specific credit ratings for the asset-backed securities issued by the Trusts. Once predetermined credit enhancement requirements are reached and maintained, excess cash flows are distributed to us. Credit enhancement requirements will increase if targeted portfolio performance ratios are exceeded. In addition to excess cash flows, we receive monthly base servicing fees and we collect other fees, such as late charges, as servicer for securitization Trusts.

We structure our securitization transactions as secured financings. Accordingly, following a securitization, the finance receivables and the related securitization notes payable remain on the consolidated balance sheets. We recognize finance charge and fee income on the receivables and interest expense on the securities issued in the securitization transaction and record a provision for loan losses to cover probable loan losses on the receivables.

Prior to October 1, 2002, securitization transactions were structured as sales of finance receivables. We also acquired two securitization Trusts which were accounted for as sales of finance receivables. Receivables sold under this structure are referred to herein as "gain on sale receivables." At June 30, 2007, we had one outstanding gain on sale securitization that represents less than one percent of our managed receivables.

On May 1, 2006, we acquired the stock of BVAC. BVAC serves auto dealers in 32 states offering specialized auto finance products, including extended term financing and higher loan-to-value advances to consumers with prime credit scores.

On January 1, 2007, we acquired the stock of LBAC. LBAC operates from regional offices in Paramus, New Jersey and Orange, California and serves auto dealers in 34 states offering auto finance products primarily to consumers with near-prime credit bureau scores.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and

the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and costs and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. The accounting estimates that we believe are the most critical to understanding and evaluating our reported financial results include the following:

Allowance for loan losses

The allowance for loan losses is established systematically based on the determination of the amount of probable credit losses inherent in the finance receivables as of the reporting date. We review charge-off experience factors, delinquency reports, historical collection rates, estimates of the value of the underlying collateral, economic trends, such as unemployment rates, and other information in order to make the necessary judgments as to the probable credit losses. We also use historical charge-off experience to determine a loss confirmation period, which is defined as the time between when an event, such as delinquency status, giving rise to a probable credit loss occurs with respect to a specific account and when such account is charged off. This loss confirmation period is applied to the forecasted probable credit losses to determine the amount of losses inherent in finance receivables at the reporting date. Assumptions regarding credit losses and loss confirmation periods are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above. Should the credit loss assumption or loss confirmation period increase, there would be an increase in the amount of allowance for loan losses required, which would decrease the net carrying value of finance receivables and increase the amount of provision for loan losses recorded on the consolidated statements of income and comprehensive income. A 10% and 20% increase in cumulative net credit losses over the loss confirmation period would increase the allowance for loan losses as of June 30, 2007, as follows (in thousands):

	<u>10% adverse change</u>	<u>20% adverse change</u>
Impact on allowance for loan losses	\$82,009	\$164,018

We believe that the allowance for loan losses is adequate to cover probable losses inherent in our receivables; however, because the allowance for loan losses is based on estimates, there can be no assurance that the ultimate charge-off amount will not exceed such estimates or that our credit loss assumptions will not increase.

Stock-based compensation

The fair value of each option granted or modified during fiscal 2007, 2006 and 2005 was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

<u>Year Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expected dividends	0	0	0
Expected volatility	32.4%	33.7%	52.6%
Risk-free interest rate	4.7%	4.7%	3.0%
Expected life	2.3 years	2.6 years	2.6 years

We have not paid out dividends historically, thus the dividend yields are estimated at zero percent.

Expected volatility reflects an average of the implied and historical volatility rates. Management believes that a combination of market-based measures is currently the best available indicator of expected volatility.

The risk-free interest rate is the implied yield available for zero-coupon U.S. government issues with a remaining term equal to the expected life of the options.

The expected lives of options are determined based on our historical option exercise experience and the term of the option.

Assumptions are reviewed each time there is a new grant or modification of a previous grant and may be impacted by actual fluctuation in our stock price, movements in market interest rates and option terms. The use of different assumptions produces a different fair value for the options granted or modified and impacts the amount of compensation expense recognized on the consolidated statements of income and comprehensive income. The impact of a 10% or 20% increase in our assumptions of volatility, risk-free interest rate and expected life on the amount of compensation expense recognized would not have been material for fiscal 2007, 2006 and 2005.

Income Taxes

We are subject to income tax in the United States and Canada. In the ordinary course of our business, there may be transactions, calculations, structures and filing positions where the ultimate tax outcome is uncertain. At any point in time, multiple tax years are subject to audit by various taxing jurisdictions and we record probable liabilities for anticipated tax issues based on an estimate of the ultimate resolution of whether, and the extent to which, additional taxes, penalties, and interest may be due. Management believes that the estimates are reasonable. However, due to expiring statutes of limitations, audits, settlements, changes in tax law or new authoritative rulings, no assurance can be given that the final outcome of these matters will be comparable to what was reflected in the historical income tax provisions and accruals. If actual results differ from estimated results or if we adjust these assumptions in the future, we may need to adjust our deferred tax assets or liabilities which could materially impact the effective tax rate, earnings, deferred tax balances and cash.

As a part of our financial reporting process, we must assess the likelihood that our deferred tax assets can be recovered. If recovery is not likely, the provision for taxes must be increased by recording a reserve in the form of a valuation allowance for the deferred tax assets that are estimated to be unrecoverable. In this process, certain criteria are evaluated including the existence of deferred tax liabilities that can be used to absorb deferred tax assets, taxable income in prior carryback years that can be used to absorb net operating losses, credit carrybacks, and estimated taxable income in future years. Based upon our earnings history and earnings projections, management believes it is more likely than not that the tax benefits of the asset will be fully realized. Accordingly, no valuation allowance has been provided on deferred taxes. Our judgment regarding future taxable income may change due to future market conditions, changes in U.S. or international tax laws and other factors. These changes, if any, may require adjustments to these deferred tax assets and an accompanying reduction or increase in net income in the period in which such determinations are made.

RESULTS OF OPERATIONS

Year Ended June 30, 2007 as compared to Year Ended June 30, 2006

Changes in Finance Receivables

A summary of changes in our finance receivables is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Balance at beginning of period	\$11,775,665	\$ 8,838,968
LBAC acquisition	1,784,263	
BVAC acquisition		680,122
Loans purchased	8,419,669	6,208,004
Loans repurchased from gain on sale Trusts	315,153	877,929
Liquidations and other	(6,372,292)	(4,829,358)
Balance at end of period	<u>\$15,922,458</u>	<u>\$11,775,665</u>
Average finance receivables	<u>\$13,621,386</u>	<u>\$ 9,993,061</u>

The increase in loans purchased during fiscal 2007 as compared to fiscal 2006 was due to the addition of dealer relationship managers and branch office staff resulting in relationships with more auto dealers, higher origination levels through existing dealer relationships, and originations of \$671.6 million and \$660.0 million through the BVAC and LBAC platforms, respectively. Fiscal 2006 loans purchased through the BVAC platform were \$78.3 million. The increase in liquidations and other resulted primarily from increased collections and charge-offs on finance receivables due to the increase in average finance receivables.

The average new loan size increased to \$18,506 for fiscal 2007 from \$17,354 for fiscal 2006 due to loans purchased through the BVAC and LBAC platforms which are generally higher in quality and larger in size. The average annual percentage rate for finance receivables purchased during fiscal 2007 decreased to 15.8% from 16.7% during fiscal 2006 due to lower average percentage rates on the BVAC and LBAC loans purchased.

Net Margin

Net margin is the difference between finance charge and other income earned on our receivables and the cost to fund the receivables as well as the cost of debt incurred for general corporate purposes.

Our net margin as reflected on the consolidated statements of income and comprehensive income is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Finance charge income	\$2,142,470	\$1,641,125
Other income ^(a)	136,093	95,364
Interest expense	(680,825)	(419,360)
Net margin	<u>\$1,597,738</u>	<u>\$1,317,129</u>

Net margin as a percentage of average finance receivables is as follows:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Finance charge income	15.7%	16.4%
Other income ^(a)	1.0	1.0
Interest expense	(5.0)	(4.2)
Net margin as a percentage of average finance receivables	<u>11.7%</u>	<u>13.2%</u>

(a) Excludes the \$9.2 million pretax loss on redemption of our 9.25% Senior Notes due 2009 during fiscal 2006.

The decrease in net margin for fiscal 2007, as compared to fiscal 2006, was a result of the lower effective yield on the higher quality BVAC and LBAC portfolios, combined with an increase in interest expense caused by an increase in market interest rates affecting the cost of short-term borrowings on our credit facilities, an increase in leverage and a continued run-off of older securitizations with lower interest costs. The net margin as a percentage of average finance receivables of 11.7%, would be 12.8% for fiscal 2007 excluding the BVAC and LBAC portfolios.

Revenue

Finance charge income increased by 31% to \$2,142.5 million for fiscal 2007 from \$1,641.1 million for fiscal 2006, primarily due to the increase in average finance receivables. The effective yield on our finance receivables decreased to 15.7% for fiscal 2007 from 16.4% for fiscal 2006. The effective yield represents finance charges and fees taken into earnings during the period as a percentage of average finance receivables and is lower than the contractual rates of our auto finance contracts due to finance receivables in nonaccrual status. The decrease in the effective yield is due mainly to a lower effective yield on the BVAC and LBAC portfolios.

Servicing income consists of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Servicing fees	\$ 2,726	\$ 35,513
Other-than-temporary impairment		(457)
Accretion	6,637	40,153
	<u>\$ 9,363</u>	<u>\$ 75,209</u>
Average gain on sale receivables	<u>\$105,831</u>	<u>\$1,223,469</u>

Servicing fees are earned from servicing domestic finance receivables sold to gain on sale Trusts. Servicing fees decreased as a result of the runoff of our gain on sale receivables portfolio. Servicing fees were 2.6% and 2.9% of average gain on sale receivables for fiscal 2007 and 2006, respectively.

Other-than-temporary impairment of \$457,000 for fiscal 2006 resulted from higher than forecasted default rates in certain gain on sale Trusts.

The present value discount related to our credit enhancement assets represents the risk-adjusted time value of money on estimated cash flows. The present value discount on credit enhancement assets is accreted into earnings over the life of credit enhancement assets using the effective interest method. Additionally, unrealized gains on credit enhancement assets reflected in accumulated other comprehensive income are also accreted into earnings over the life of the credit enhancement assets using the effective interest method. We recognized accretion of \$6.6 million and \$40.2 million during fiscal 2007 and 2006, respectively. We reduce accretion of the present value discount in a period when such accretion would cause an other-than-temporary impairment in a securitization Trust. Accretion is reduced on the securitization Trust and an other-than-temporary impairment is recorded in an amount equal to the amount by which the reference amount exceeds the revised value of the related credit enhancement assets. Future period accretion is subsequently recognized based upon the revised value and recorded over the remaining expected life of the securitization Trust.

Other income consists of the following (in thousands):

	<u>Years Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Investment income	\$ 84,718	\$55,016
Loss on redemption of senior notes		(9,207)
Late fees and other income	51,375	40,348
	<u>\$136,093</u>	<u>\$86,157</u>

Investment income increased as a result of higher invested cash balances combined with increased market interest rates.

Gain on sale of equity investment

We held an equity investment in DealerTrack, a leading provider of on-demand software and data solutions that utilizes the Internet to link automotive dealers with banks, finance companies, credit unions and other financing sources. On December 16, 2005, DealerTrack completed an IPO of its common stock. As part of the IPO, we sold 758,526 shares at an average cost of \$4.15 per share for net proceeds of \$15.81 per share, resulting in an \$8.8 million gain. During fiscal 2007, we sold our remaining investment in DealerTrack, consisting of 2,644,242 shares acquired at an average cost of \$4.15 per share for net proceeds of \$23.81 per share, resulting in a \$52.0 million gain.

Costs and Expenses

Operating Expenses

Operating expenses increased to \$399.7 million for fiscal 2007 from \$336.2 million for fiscal 2006, due to increased costs to support greater origination volume and an increase in finance receivables. Our operating expenses are predominately related to personnel costs that include base salary and wages, performance incentives and benefits as well as related employment taxes. Personnel costs represented 76.2% and 77.5% of total operating expenses for fiscal 2007 and 2006, respectively.

Provision for Loan Losses

Provisions for loan losses are charged to income to bring our allowance for loan losses to a level which management considers adequate to absorb probable credit losses inherent in the portfolio of finance receivables. The provision for loan losses recorded for fiscal 2007 and 2006, reflects inherent losses on receivables originated during those periods and changes in the amount of inherent losses on receivables originated in prior periods. The provision for loan losses increased to \$727.7 million for fiscal 2007 from \$567.5 million for fiscal 2006 as a result of increased origination volume. As an annualized percentage of average finance receivables, the provision for loan losses was 5.3% and 5.7% for fiscal 2007 and 2006, respectively. The decrease in the provision for loan losses as an annualized percentage of average finance receivables reflects the inclusion of the higher quality BVAC and LBAC portfolios for fiscal 2007.

Interest Expense

Interest expense increased to \$680.8 million for fiscal 2007 from \$419.4 million for fiscal 2006. Average debt outstanding was \$12,925.6 million and \$9,201.7 million for fiscal 2007 and 2006, respectively. Our effective rate of interest paid on our debt increased to 5.3% for fiscal 2007 compared to 4.6% for fiscal 2006, due to an increase in market interest rates and a continued run-off of older securitizations with lower interest costs.

Taxes

Our effective income tax rate was 32.3% and 36.9% for fiscal 2007 and 2006, respectively. The lower rate in fiscal 2007 resulted from the favorable resolution of certain prior contingent liabilities, for which we recorded a net reduction to the tax contingency balance of \$23.3 million in fiscal 2007.

Other Comprehensive (Loss) Income

Other comprehensive (loss) income consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Unrealized losses on credit enhancement assets	\$ (3,043)	\$ (6,165)
Unrealized (losses) gains on cash flow hedges	(1,036)	8,892
Increase in fair value of equity investment	4,497	56,347
Reclassification of gain on sale of equity investment into earnings	(51,997)	(8,847)
Foreign currency translation adjustment	4,521	9,028
Income tax benefit (provision)	18,470	(18,538)
	<u>\$(28,588)</u>	<u>\$ 40,717</u>

Credit Enhancement Assets

Unrealized losses on credit enhancement assets consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Unrealized gains related to changes in credit loss assumptions	\$ 353	\$ 2,183
Unrealized (losses) gains related to changes in interest rates	(4)	161
Reclassification of unrealized gains into earnings through accretion	<u>(3,392)</u>	<u>(8,509)</u>
	<u>\$ (3,043)</u>	<u>\$ (6,165)</u>

Changes in the fair value of credit enhancement assets as a result of modifications to the credit loss assumptions are reported as unrealized gains in other comprehensive income (loss) until realized. Unrealized losses are reported as a reduction in unrealized gains to the extent that there are unrealized gains. If there are no unrealized gains to offset the unrealized losses, the losses are considered to be other-than-temporary and are charged to operations. The cumulative credit loss assumptions used to estimate the fair value of credit enhancement assets are periodically reviewed by us and modified to reflect the actual credit performance for each securitization pool through the reporting date as well as estimates of future losses considering several factors including changes in the general economy. Differences between cumulative credit loss assumptions used in individual securitization pools can be attributed to the original credit attributes of a pool, actual credit performance through the reporting date and pool seasoning to the extent that changes in economic trends will have more of an impact on the expected future performance of less seasoned pools.

We updated the cumulative credit loss assumptions used in measuring the fair value of credit enhancement assets resulting in the recognition of unrealized gains of \$353,000 and \$2.2 million for fiscal 2007 and 2006, respectively.

Net unrealized gains of \$3.4 million and \$8.5 million were reclassified into earnings through accretion during fiscal 2007 and 2006, respectively.

Cash Flow Hedges

Unrealized (losses) gains on cash flow hedges consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>
Unrealized gains related to changes in fair value	\$ 11,536	\$ 19,855
Reclassification of unrealized gains into earnings	<u>(12,572)</u>	<u>(10,963)</u>
	<u>\$ (1,036)</u>	<u>\$ 8,892</u>

Unrealized (losses) gains related to changes in fair value for fiscal 2007 and 2006, were primarily due to changes in the fair value of interest rate swap agreements that were designated as cash flow hedges for accounting purposes. The fair value of the interest rate swap agreements fluctuates based upon changes in forward interest rate expectations.

Unrealized gains or losses on cash flow hedges are reclassified into earnings when interest rate fluctuations on securitization notes payable or other hedged items affect earnings.

Equity Investment

On December 16, 2005, DealerTrack completed an initial public offering ("IPO") of its common stock. At the time of the IPO we owned 3,402,768 shares of DealerTrack with an average cost of \$4.15 per share. As part of the IPO, we sold 758,526 shares for net proceeds of \$15.81 per share resulting in an \$8.8 million gain. We

owned 2,644,242 shares of DealerTrack with a market value of \$22.11 per share at June 30, 2006. During fiscal 2007, we sold our remaining investment in DealerTrack for net proceeds of \$23.81 per share, resulting in a \$52.0 million gain. The equity investment was classified as available for sale, and changes in its market value were reflected in other comprehensive income. We recorded a \$4.5 million and \$56.3 million increase in the fair value due to changes in the market value per share of DealerTrack during fiscal 2007 and 2006, respectively.

Canadian Currency Translation Adjustment

Canadian currency translation adjustment gains of \$4.5 million and \$9.0 million for fiscal 2007 and 2006, respectively, were included in other comprehensive (loss) income. The translation adjustment gains are due to the increase in the value of our Canadian dollar denominated assets related to the decline in the U.S. dollar to Canadian dollar conversion rates. We do not anticipate the settlement of intercompany transactions with our Canadian subsidiaries in the foreseeable future.

Year Ended June 30, 2006 as compared to Year Ended June 30, 2005

Changes in Finance Receivables

A summary of changes in our finance receivables is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Balance at beginning of period	\$ 8,838,968	\$ 6,782,280
Loans purchased	6,208,004	5,031,325
Loans repurchased from gain on sale Trusts	877,929	574,036
BVAC acquisition	680,122	
Liquidations and other	(4,829,358)	(3,548,673)
Balance at end of period	<u>\$11,775,665</u>	<u>\$ 8,838,968</u>
Average finance receivables	<u>\$ 9,993,061</u>	<u>\$ 7,653,875</u>

The increase in loans purchased during fiscal 2006 as compared to fiscal 2005 was due to the addition of dealer relationship managers and branch office staff resulting in relationships with more auto dealers and higher origination levels through existing auto dealer relationships. The increase in liquidations and other resulted primarily from increased collections and charge-offs on finance receivables due to the increase in average finance receivables and average age, or seasoning, of the portfolio.

The average new loan size was \$17,354 for fiscal 2006, compared to \$17,005 for fiscal 2005. The average annual percentage rate for finance receivables purchased during fiscal 2006 increased to 16.7% from 16.4% during fiscal 2005 due to an increase in new loan pricing as a result of an increase in market interest rates.

Net Margin

Net margin is the difference between finance charge and other income earned on our receivables and the cost to fund the receivables as well as the cost of debt incurred for general corporate purposes.

Our net margin as reflected on the consolidated statements of income and comprehensive income is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Finance charge income	\$1,641,125	\$1,217,696
Other income ^(a)	95,364	55,565
Interest expense	(419,360)	(264,276)
Net margin	<u>\$1,317,129</u>	<u>\$1,008,985</u>

Net margin as a percentage of average finance receivables is as follows:

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Finance charge income	16.4%	15.9%
Other income ^(a)	1.0	0.7
Interest expense	(4.2)	(3.4)
Net margin as a percentage of average finance receivables	<u>13.2%</u>	<u>13.2%</u>

(a) Excludes the \$9.2 million pretax loss on redemption of our 9.25% Senior Notes due 2009 during fiscal 2006.

Revenue

Finance charge income increased by 35% to \$1,641.1 million for fiscal 2006 from \$1,217.7 million for fiscal 2005, primarily due to the increase in average finance receivables. The effective yield on our finance receivables increased to 16.4% for fiscal 2006 from 15.9% for fiscal 2005. The effective yield represents finance charges and fees taken into earnings during the period as a percentage of average finance receivables and is lower than the contractual rates of our auto finance contracts due to finance receivables in nonaccrual status. The increase in the effective yield is primarily due to an increase in the average annual percentage rate on our finance receivables as well as the accretion of acquisition fees on loans acquired subsequent to June 30, 2004, due to our adoption of Statement of Position 03-3, "Accounting for Certain Loans on Debt Securities Acquired in a Transfer" ("SOP 03-3").

Servicing income consists of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Servicing fees	\$ 35,513	\$ 100,641
Other-than-temporary impairment	(457)	(1,122)
Accretion	40,153	78,066
	<u>\$ 75,209</u>	<u>\$ 177,585</u>
Average gain on sale receivables	<u>\$1,223,469</u>	<u>\$3,586,581</u>

Servicing fees are earned from servicing domestic finance receivables sold to gain on sale Trusts. Servicing fees decreased as a result of the runoff of our gain on sale receivables portfolio. Servicing fees were 2.9% and 2.8% of average gain on sale receivables for fiscal 2006 and 2005, respectively.

Other-than-temporary impairment of \$0.5 million and \$1.1 million for fiscal 2006 and 2005, respectively, resulted from higher than forecasted default rates in certain gain on sale Trusts.

The present value discount related to our credit enhancement assets represents the risk-adjusted time value of money on estimated cash flows. The present value discount on credit enhancement assets is accreted into earnings over the life of credit enhancement assets using the effective interest method. Additionally, unrealized gains on credit enhancement assets reflected in accumulated other comprehensive income are also accreted into earnings over the life of the credit enhancement assets using the effective interest method. We recognized accretion of \$40.2 million, or 13.3% of average credit enhancement assets, and \$78.1 million, or 9.3% of average credit enhancement assets, during fiscal 2006 and 2005, respectively. We reduce accretion of the present value discount in a period when such accretion would cause an other-than-temporary impairment in a securitization Trust. Accretion is reduced on the securitization Trust and an other-than-temporary impairment is recorded in an amount equal to the amount by which the reference amount exceeds the revised value of the related credit enhancement assets. Future period accretion is subsequently recognized based upon the revised value and recorded over the remaining expected life of the securitization Trust. Accretion as a percentage of average credit enhancement assets was higher during fiscal 2006 as compared to fiscal 2005 as a result of fewer securitization transactions incurring other-than-temporary impairments.

Other income consists of the following (in thousands):

	<u>Years Ended June 30,</u>	
	<u>2006</u>	<u>2005</u>
Investment income	\$55,016	\$21,781
Loss on redemption of senior notes	(9,207)	
Late fees and other income	40,348	33,784
	<u>\$86,157</u>	<u>\$55,565</u>

Investment income increased as a result of higher invested cash balances combined with increased market interest rates.

On May 10, 2006, we redeemed our 9.25% senior notes at the redemption price of 104.625% of the principal amount of the notes plus accrued interest through the redemption date. The principal amount of the outstanding notes was \$154.6 million. Upon the payment of the redemption price plus accrued interest, we recognized a \$9.2 million debt extinguishment loss for fiscal 2006.

Gain on sale of equity investment

We held an equity investment in DealerTrack, a leading provider of on-demand software and data solutions that utilizes the Internet to link automotive dealers with banks, finance companies, credit unions and other financing sources. On December 16, 2005, DealerTrack completed an initial public offering, or IPO, of its common stock. As part of the IPO, we sold 758,526 shares with an average cost of \$4.15 per share for net proceeds of \$15.81 per share, resulting in an \$8.8 million gain for fiscal 2006.

Costs and Expenses

Operating Expenses

Operating expenses increased to \$336.2 million for fiscal 2006 from \$312.6 million for fiscal 2005, due to increased costs to support greater origination volume.

Provision for Loan Losses

Provisions for loan losses are charged to income to bring our allowance for loan losses to a level which management considers adequate to absorb probable credit losses inherent in the portfolio of finance receivables. The provision for loan losses recorded for fiscal 2006 and 2005, reflects inherent losses on receivables originated during those periods and changes in the amount of inherent losses on receivables originated in prior periods. The provision for loan losses increased to \$567.5 million for fiscal 2006, from \$418.7 million for fiscal 2005, as a result of increased origination volume. As a percentage of average finance receivables, the provision for loan losses was 5.7% and 5.5% for fiscal 2006 and 2005, respectively.

Interest Expense

Interest expense increased to \$419.4 million for fiscal 2006 from \$264.3 million for fiscal 2005. Average debt outstanding was \$9,201.7 million and \$7,018.8 million for fiscal 2006 and 2005, respectively. The effective rate of interest paid on our debt increased to 4.6% for fiscal 2006 compared to 3.8% for fiscal 2005, due to an increase in market interest rates.

Taxes

Our effective income tax rate was 36.9% and 36.8% for fiscal 2006 and 2005, respectively.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Unrealized losses on credit enhancement assets	\$ (6,165)	\$(23,126)
Unrealized gains on cash flow hedges	8,892	5,055
Increase in fair value of equity investment	56,347	
Reclassification of gain on sale of equity investment into earnings	(8,847)	
Canadian currency translation adjustment	9,028	7,800
Income tax (provision) benefit	(18,538)	7,013
	<u>\$ 40,717</u>	<u>\$(3,258)</u>

Credit Enhancement Assets

Unrealized losses on credit enhancement assets consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Unrealized gains (losses) related to changes in credit loss assumptions	\$ 2,183	\$(11,322)
Unrealized gains related to changes in interest rates	161	507
Reclassification of unrealized gains into earnings through accretion	(8,509)	(12,311)
	<u>\$(6,165)</u>	<u>\$(23,126)</u>

Changes in the fair value of credit enhancement assets as a result of modifications to the credit loss assumptions are reported as unrealized gains in other comprehensive income (loss) until realized. Unrealized losses are reported as a reduction in unrealized gains to the extent that there are unrealized gains. If there are no unrealized gains to offset the unrealized losses, the losses are considered to be other-than-temporary and are charged to operations. The cumulative credit loss assumptions used to estimate the fair value of credit enhancement assets are periodically reviewed by us and modified to reflect the actual credit performance for each securitization pool through the reporting date as well as estimates of future losses considering several factors including changes in the general economy. Differences between cumulative credit loss assumptions used in individual securitization pools can be attributed to the original credit attributes of a pool, actual credit performance through the reporting date and pool seasoning to the extent that changes in economic trends will have more of an impact on the expected future performance of less seasoned pools.

We changed the cumulative credit loss assumptions used in measuring the fair value of credit enhancement assets to a range of 12.5% to 14.3%, excluding the BVAC credit enhancement assets acquired, as of June 30, 2006, from a range of 12.4% to 14.8% as of June 30, 2005. We changed the cumulative credit loss assumptions used in measuring the fair value of credit enhancement assets to a range of 12.4% to 14.8% as of June 30, 2005, from a range of 12.4% to 14.9% as of June 30, 2004. On a Trust by Trust basis, certain Trusts experienced better than expected credit performance for fiscal 2006 and 2005 and decreased cumulative credit loss assumptions. Certain other Trusts experienced worse than expected credit performance for fiscal 2006 and 2005 and increased cumulative credit loss assumptions. The net impact resulted in the recognition of unrealized gains of \$2.2 million for fiscal 2006 and unrealized losses of \$11.3 million for fiscal 2005 as well as other-than-temporary impairment of \$0.5 million and \$1.1 million for fiscal 2006 and 2005, respectively.

Unrealized gains related to changes in interest rates of \$0.2 million and \$0.5 million for fiscal 2006 and 2005, respectively, resulted primarily from an increase in estimated future cash flows to be generated from investment income earned on the restricted cash and Trust collection accounts due to an increase in forward interest rate expectations.

Net unrealized gains of \$8.5 million and \$12.3 million were reclassified into earnings through accretion during fiscal 2006 and 2005, respectively.

Cash Flow Hedges

Unrealized gains on cash flow hedges consisted of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2006</u>	<u>2005</u>
Unrealized gains related to changes in fair value	\$ 19,855	\$ 509
Reclassification of unrealized (gains) losses into earnings	(10,963)	4,546
	<u>\$ 8,892</u>	<u>\$5,055</u>

Unrealized gains related to changes in fair value for fiscal 2006 and 2005, were primarily due to changes in the fair value of interest rate swap agreements that were designated as cash flow hedges for accounting purposes. The fair value of the interest rate swap agreements fluctuates based upon changes in forward interest rate expectations.

Unrealized gains or losses on cash flow hedges of our floating rate debt are reclassified into earnings when interest rate fluctuations on securitization notes payable or other hedged items affect earnings. Unrealized gains or losses on cash flow hedges of our credit enhancement assets are reclassified into earnings when unrealized gains or losses related to interest rate fluctuations on our credit enhancement assets are reclassified. However, if we expect that the continued reporting of a loss in accumulated other comprehensive income would lead to recognizing a net loss on the combination of the interest rate swap agreements and the credit enhancement assets, the loss is reclassified to earnings for the amount that is not expected to be recovered.

Equity Investment

On December 16, 2005, DealerTrack completed an initial public offering (“IPO”) of its common stock. At the time of the IPO we owned 3,402,768 shares of DealerTrack with an average cost of \$4.15 per share. As part of the IPO, we sold 758,526 shares for net proceeds of \$15.81 per share resulting in an \$8.8 million gain. We owned 2,644,242 shares of DealerTrack with a market value of \$22.11 per share at June 30, 2006. The equity investment was classified as available for sale, and changes in its market value were reflected in other comprehensive income. We recorded a \$56.3 million increase in the fair value due to changes in market value per share of DealerTrack during fiscal 2006.

Canadian Currency Translation Adjustment

Canadian currency translation adjustment gains of \$9.0 million and \$7.8 million for fiscal 2006 and 2005, respectively, were included in other comprehensive income (loss). The translation adjustment gains are due to the increase in the value of our Canadian dollar denominated assets related to the decline in the U.S. dollar to Canadian dollar conversion rates. We do not anticipate the settlement of intercompany transactions with our Canadian subsidiaries in the foreseeable future.

CREDIT QUALITY

We provide financing in relatively high-risk markets, and, therefore, anticipate a corresponding high level of delinquencies and charge-offs.

Finance Receivables. Finance receivables on our balance sheets include receivables purchased but not yet securitized and receivables securitized in transactions which are structured as secured financings. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses on the balance sheet at a level considered adequate to cover probable credit losses inherent in finance receivables.

Gain on Sale Receivables. Prior to October 1, 2002, we periodically sold receivables to Trusts in securitization transactions accounted for as a sale of receivables. We also acquired two securitization Trusts which were accounted for as sales of finance receivables. We retain an interest in the receivables sold in the form of credit enhancement assets. Credit enhancement assets are reflected on our balance sheets at estimated fair value, calculated based upon the present value of estimated excess future cash flows from the Trusts using, among other assumptions, estimates of future credit losses on the receivables sold. Receivables sold to Trusts that are subsequently charged off decrease the amount of excess future cash flows from the Trusts. If such charge-offs are expected to exceed our estimates of cumulative credit losses or if the actual timing of these losses differs from expected timing, the fair value of credit enhancement assets is written down through an other-than-temporary impairment charge to earnings to the extent the write-down exceeds any previously recorded unrealized gain.

The following tables present certain data related to the receivables portfolio (dollars in thousands):

June 30, 2007	Finance Receivables	Gain on Sale	Total Managed
Principal amount of receivables, net of fees	\$15,922,458	\$ 24,091	\$15,946,549
Nonaccretable acquisition fees	(120,425)		
Allowance for loan losses	(699,663)		
Receivables, net	\$15,102,370		
Number of outstanding contracts	1,143,713	2,028	1,145,741
Average carrying amount of outstanding contract (in dollars)	\$ 13,922	\$ 11,879	\$ 13,918
Allowance for loan losses and nonaccretable acquisition fees as a percentage of receivables	5.2%		
June 30, 2006	Finance Receivables	Gain on Sale	Total Managed
Principal amount of receivables, net of fees	\$11,775,665	\$421,037	\$12,196,702
Nonaccretable acquisition fees	(203,128)		
Allowance for loan losses	(475,529)		
Receivables, net	\$11,097,008		
Number of outstanding contracts	917,484	54,844	972,328
Average carrying amount of outstanding contract (in dollars)	\$ 12,835	\$ 7,677	\$ 12,544
Allowance for loan losses and nonaccretable acquisition fees as a percentage of receivables	5.8%		

The decrease in the allowance for loan losses and nonaccretable acquisition fees as a percentage of receivables at June 30, 2007 compared to June 30, 2006, is primarily due to the inclusion of the LBAC portfolio as well as growth of the BVAC portfolio which are higher quality. The allowance for loan losses and nonaccretable acquisition fees of 5.2% was 5.9% at June 30, 2007, excluding the LBAC and BVAC portfolios.

Delinquency

The following is a summary of managed finance receivables that are (i) more than 30 days delinquent, but not yet in repossession, and (ii) in repossession, but not yet charged off (dollars in thousands):

<u>June 30, 2007</u>	<u>Finance Receivables</u>		<u>Gain on Sale</u>		<u>Total Managed</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Delinquent contracts:						
31 to 60 days	\$ 755,419	4.7%	\$ 179	0.7%	\$ 755,598	4.7%
Greater-than-60 days	331,594	2.1	128	0.6	331,722	2.1
	1,087,013	6.8	307	1.3	1,087,320	6.8
In repossession	46,081	0.3			46,081	0.3
	<u>\$1,133,094</u>	<u>7.1%</u>	<u>\$ 307</u>	<u>1.3%</u>	<u>\$1,133,401</u>	<u>7.1%</u>
<u>June 30, 2006</u>	<u>Finance Receivables</u>		<u>Gain on Sale</u>		<u>Total Managed</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Delinquent contracts:						
31 to 60 days	\$ 587,775	5.0%	\$38,772	9.2%	\$ 626,547	5.1%
Greater-than-60 days	235,804	2.0	16,134	3.8	251,938	2.1
	823,579	7.0	54,906	13.0	878,485	7.2
In repossession	39,514	0.3	2,052	0.5	41,566	0.3
	<u>\$ 863,093</u>	<u>7.3%</u>	<u>\$56,958</u>	<u>13.5%</u>	<u>\$ 920,051</u>	<u>7.5%</u>

An account is considered delinquent if a substantial portion of a scheduled payment has not been received by the date such payment was contractually due. Delinquencies in our receivables portfolio may vary from period to period based upon the average age or seasoning of the portfolio, seasonality within the calendar year and economic factors. Due to our target customer base, a relatively high percentage of accounts become delinquent at some point in the life of a loan and there is a high rate of account movement between current and delinquent status in the portfolio.

Delinquencies in finance receivables were lower at June 30, 2007, as compared to June 30, 2006, as a result of the inclusion of the BVAC and LBAC portfolios.

Deferrals

In accordance with our policies and guidelines, we, at times, offer payment deferrals to consumers, whereby the consumer is allowed to move up to two delinquent payments to the end of the loan generally by paying a fee (approximately the interest portion of the payment deferred, except where state law provides for a lesser amount). Our policies and guidelines limit the number and frequency of deferments that may be granted. Additionally, we generally limit the granting of deferments on new accounts until a requisite number of payments have been received. Due to the nature of our customer base and policies and guidelines of the deferral program, approximately 50% of accounts historically comprising the managed portfolio received a deferral at some point in the life of the account; however, we anticipate that the level of deferments will decline as higher quality loans are added to the portfolio, such as those originated through our LBAC and BVAC platforms, and comprise a greater percentage of the total.

An account for which all delinquent payments are deferred is classified as current at the time the deferment is granted and therefore is not included as a delinquent account. Thereafter, such account is aged based on the timely payment of future installments in the same manner as any other account.

Contracts receiving a payment deferral as an average quarterly percentage of average managed receivables outstanding were as follows:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Finance receivables (as a percentage of average finance receivables)	<u>6.0%</u>	<u>6.1%</u>	<u>5.0%</u>
Gain on sale receivables (as a percentage of average gain on sale receivables)	<u>2.6%</u>	<u>8.6%</u>	<u>9.4%</u>
Total managed portfolio (as a percentage of average managed receivables)	<u>6.0%</u>	<u>6.4%</u>	<u>6.4%</u>

The decrease in payment deferrals as a percentage of average receivables for fiscal 2007, as compared to fiscal 2006, is primarily a result of higher levels of deferrals that were granted in fiscal 2006 in connection with Hurricane Katrina and the addition of the LBAC and BVAC portfolios. The increase in contracts receiving a payment deferral as a percentage of average finance receivables in fiscal 2007 and fiscal 2006 as compared to fiscal 2005 is a result of seasoning of the portfolio.

The following is a summary of total deferrals as a percentage of receivables outstanding:

<u>June 30, 2007</u>	<u>Finance Receivables</u>	<u>Gain on Sale ^(a)</u>	<u>Total Managed</u>
Never deferred	80.5%	93.4%	80.6%
Deferred:			
1-2 times	16.3	6.6	16.3
3-4 times	3.1		3.1
Greater than 4 times	0.1		
Total deferred	<u>19.5</u>	<u>6.6</u>	<u>19.4</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(a) We had one acquired gain on sale Trust remaining at June 30, 2007.

<u>June 30, 2006</u>	<u>Finance Receivables</u>	<u>Gain on Sale</u>	<u>Total Managed</u>
Never deferred	78.7%	38.7%	77.3%
Deferred:			
1-2 times	17.4	35.9	18.1
3-4 times	3.8	25.3	4.5
Greater than 4 times	0.1	0.1	0.1
Total deferred	<u>21.3</u>	<u>61.3</u>	<u>22.7</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

We evaluate the results of our deferment strategies based upon the amount of cash installments that are collected on accounts after they have been deferred versus the extent to which the collateral underlying the deferred accounts has depreciated over the same period of time. Based on this evaluation, we believe that payment deferrals granted according to our policies and guidelines are an effective portfolio management technique and result in higher ultimate cash collections from the portfolio.

Changes in deferment levels do not have a direct impact on the ultimate amount of finance receivables charged off by us. However, the timing of a charge-off may be affected if the previously deferred account ultimately results in a charge-off. To the extent that deferrals impact the ultimate timing of when an account is charged off, historical charge-off ratios and loss confirmation periods used in the determination of the adequacy

of our allowance for loan losses are also impacted. Increased use of deferrals may result in a lengthening of the loss confirmation period, which would increase expectations of credit losses inherent in the loan portfolio and therefore increase the allowance for loan losses and related provision for loan losses. Changes in these ratios and periods are considered in determining the appropriate level of allowance for loan losses and related provision for loan losses.

Charge-offs

The following table presents charge-off data with respect to our managed finance receivables portfolio (dollars in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Finance receivables:			
Repossession charge-offs	\$1,070,778	\$ 766,638	\$ 519,062
Less: Recoveries	(539,524)	(377,707)	(244,263)
Mandatory charge-offs ^(a)	106,840	78,455	45,238
Net charge-offs	<u>\$ 638,094</u>	<u>\$ 467,386</u>	<u>\$ 320,037</u>
Gain on Sale:			
Repossession charge-offs	\$ 10,965	\$ 184,113	\$ 514,617
Less: Recoveries	(4,824)	(76,993)	(201,680)
Mandatory charge-offs ^(a)	(1,176)	4,123	13,177
Net charge-offs	<u>\$ 4,965</u>	<u>\$ 111,243</u>	<u>\$ 326,114</u>
Total managed:			
Repossession charge-offs	\$1,081,743	\$ 950,751	\$1,033,679
Less: Recoveries	(544,348)	(454,700)	(445,943)
Mandatory charge-offs ^(a)	105,664	82,578	58,415
Net charge-offs	<u>\$ 643,059</u>	<u>\$ 578,629</u>	<u>\$ 646,151</u>
Net charge-offs as an annualized percentage of average receivables:			
Finance receivables	<u>4.7%</u>	<u>4.7%</u>	<u>4.2%</u>
Gain on sale receivables	<u>4.7%</u>	<u>9.1%</u>	<u>9.1%</u>
Total managed portfolio	<u>4.7%</u>	<u>5.2%</u>	<u>5.7%</u>
Recoveries as a percentage of gross repossession charge-offs:			
Finance receivables ^(b)	<u>48.8%</u>	<u>49.3%</u>	<u>47.1%</u>
Gain on sale receivables	<u>44.0%</u>	<u>41.8%</u>	<u>39.2%</u>
Total managed portfolio ^(b)	<u>48.8%</u>	<u>47.8%</u>	<u>43.1%</u>

(a) Mandatory charge-offs represent accounts 120 days delinquent that are charged off in full with no recovery amounts realized at time of charge-off and the change during the period in the aggregate write-down of receivables in repossession to the net realizable value of the repossessed vehicle when the repossessed vehicle is legally available for sale.

(b) Percentages exclude recoveries related to deficiency collections sold to third parties totaling approximately \$16.6 million for fiscal 2007.

Net charge-offs as a percentage of average receivables outstanding may vary from period to period based upon the average age or seasoning of the portfolio and economic factors. The decrease in net charge-offs as a percentage of managed receivables for fiscal 2007, as compared to fiscal 2006 and 2005, resulted primarily from the addition of the BVAC and LBAC portfolios. Total managed portfolio charge-offs of 4.7% were 5.2%, excluding BVAC and LBAC, for fiscal 2007.

LIQUIDITY AND CAPITAL RESOURCES

General

Our primary sources of cash have been finance charge income, servicing fees, distributions from securitization Trusts, net proceeds from the senior notes and convertible senior notes transactions, borrowings under credit facilities, transfers of finance receivables to Trusts in securitization transactions and collections and recoveries on finance receivables. Our primary uses of cash have been purchases of finance receivables, repayment of credit facilities and securitization notes payable, funding credit enhancement requirements for securitization transactions and credit facilities, operating expenses, income taxes, acquisitions and stock repurchases.

We used cash of \$8,832.4 million, \$7,147.5 million and \$5,447.4 million for the purchase of finance receivables during fiscal 2007, 2006 and 2005, respectively. These purchases were funded initially utilizing cash and credit facilities and subsequently through long-term financing in securitization transactions.

Credit Facilities

In the normal course of business, in addition to using our available cash, we pledge receivables and borrow under our credit facilities to fund our operations and repay these borrowings as appropriate under our cash management strategy.

As of June 30, 2007, credit facilities consisted of the following (in millions):

Facility Type	Maturity^(a)	Facility Amount	Advances Outstanding
Master warehouse facility	October 2009	\$2,500.0	\$ 823.0
Medium term note facility	October 2009 ^(b)	750.0	750.0
Repurchase facility	August 2007	500.0	440.6
Near prime facility	July 2007	400.0	
BVAC credit facility	September 2007	750.0	106.9
LBAC credit facility	September 2007	600.0	371.9
Canadian credit facility ^(c)	May 2008	140.8	49.3
		<u>\$5,640.8</u>	<u>\$2,541.7</u>

(a) At the maturity date, the outstanding debt balance can either be repaid in full or over time based on the amortization of receivables pledged.

(b) This facility is a revolving facility through the date stated above. During the revolving period, we have the ability to substitute receivables for cash, or vice versa.

(c) Facility amount represents Cdn \$150.0 million.

In July 2006, we renewed our near prime facility, extending the maturity to July 2007. Subsequent to June 30, 2007, we renewed this facility, extending the maturity to July 2008.

In August 2006, we amended our repurchase facility, increasing the facility limit to \$600.0 million through February 2007, after which the facility limit was reduced to \$500.0 million with a final maturity of August 2007. Subsequent to June 30, 2007, we renewed this facility, extending the maturity to August 2008.

In September 2006, we renewed our BVAC credit facility, extending the maturity to September 2007. In December 2006 and April 2007, we amended our BVAC credit facility, increasing the facility limit to \$650.0 million and \$750.0 million, respectively, through June 2007 and \$450.0 million thereafter with a final maturity of September 2007.

In October 2006, we amended our master warehouse facility to increase the facility limit to \$2,500.0 million and extending the maturity to October 2009.

In October 2006, we entered into a \$750.0 million medium term note facility that will mature in October 2009. This facility replaced the \$650.0 million medium term note facility that was terminated in October 2006.

In March 2007, we renewed our LBAC credit facility, extending the maturity to September 2007.

Our credit facilities contain various covenants requiring certain minimum financial ratios, asset quality and portfolio performance ratios (portfolio net loss and delinquency ratios, and pool level cumulative net loss ratios) as well as limits on deferment levels. As of June 30, 2007, we were in compliance with all covenants in our credit facilities.

Senior Notes

In June 2007, we issued \$200.0 million of senior notes, in a private offering to qualified institutional buyers under Rule 144A under the Securities Act of 1933, that are due in June 2015. Interest on the senior notes is payable semiannually at a rate of 8.5%. The notes will be redeemable, at our option, in whole or in part, at any time on or after July 1, 2011, at specific redemption prices. In connection with the issuance of the notes, we entered into a registration rights agreement that requires us to file a shelf registration statement relating to the resale of the notes and the subsidiary guarantees. If the registration statement has not become effective within 180 days from the original issuance of the notes or ceases to remain effective, we will be required to pay the noteholders during the time that the registration statement is not effective a maximum amount of \$0.50 per week per \$1,000 principal amount of the notes.

Convertible Senior Notes

In September 2006, we issued \$550.0 million of convertible senior notes at par in a private offering to qualified institutional buyers under Rule 144A under the Securities Act of 1933, of which \$275.0 million are due in 2011 bearing interest at a rate of 0.75% per annum and \$275.0 million are due in 2013 bearing interest at a rate of 2.125% per annum. Interest on the notes is payable semiannually. Subject to certain conditions, the notes, which are uncollateralized, may be converted prior to maturity into shares of our common stock at an initial conversion price of \$28.07 per share and \$30.51 per share for the notes due in 2011 and 2013, respectively. Upon conversion, the conversion value will be paid in: 1) cash equal to the principal amount of the notes and 2) to the extent the conversion value exceeds the principal amount of the notes, shares of our common stock. The notes are convertible only in the following circumstances: 1) if the closing sale price of our common stock exceeds 130% of the conversion price during specified periods set forth in the indentures under which the notes were issued, 2) if the average trading price per \$1,000 principal amount of the notes is less than or equal to 98% of the average conversion value of the notes during specified periods set forth in the indentures under which the notes were issued or 3) upon the occurrence of specific corporate transactions set forth in the indentures under which the notes were issued. In connection with the issuance of the notes, we filed a shelf registration statement relating to the resale of the notes, the subsidiary guarantees and the shares of common stock into which the notes are convertible. If the registration statement ceases to remain effective, we will be required to pay additional interest to the noteholders during the time that the registration statement is not effective at a rate of 0.5% per annum through September 2008.

In connection with the issuance of these convertible senior notes, we used net proceeds of \$246.8 million to purchase 10,109,500 shares of our common stock.

In conjunction with the issuance of the convertible senior notes, we purchased call options that entitle us to purchase shares of our common stock in an amount equal to the number of shares issued upon conversion of the notes at \$28.07 per share and \$30.51 per share for the notes due in 2011 and 2013, respectively. These call options are expected to allow us to offset the dilution of our shares if the conversion feature of the convertible senior notes is exercised.

We also sold warrants to purchase 9,796,408 shares of our common stock at \$35 per share and 9,012,713 shares of our common stock at \$40 per share for the notes due in 2011 and 2013, respectively. In no event are we required to deliver a number of shares in connection with the exercise of these warrants in excess of twice the aggregate number of shares initially issuable upon the exercise of the warrants.

We have analyzed the conversion feature, call option and warrant transactions under Emerging Issues Task Force Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to and Potentially Settled In a Company's Own Stock," and determined they meet the criteria for classification as equity transactions. As a result, both the cost of the call options and the proceeds of the warrants are reflected in additional paid-in capital on our consolidated balance sheets, and we will not recognize subsequent changes in their fair value.

In November 2003, we issued \$200.0 million of contingently convertible senior notes that are due in November 2023. Interest on the notes is payable semiannually at a rate of 1.75% per annum. The notes, which are uncollateralized, are convertible prior to maturity into shares of our common stock at \$18.68 per share. Additionally, we may exercise our option to repurchase the notes, or holders of the convertible senior notes may require us to repurchase the notes, on November 15, 2008, at a price equal to 100.25% of the principal amount of the notes redeemed, or after November 15, 2008 at par.

In conjunction with the issuance of the convertible senior notes, we purchased a call option that entitles us to purchase shares of our stock in an amount equal to the number of shares convertible at \$18.68 per share. This call option allows us to offset the dilution of our shares if the conversion feature of the convertible senior notes is exercised. We also issued warrants to purchase 10,705,205 shares of our common stock. Each warrant entitles the holder, at its option, and subject to certain provisions within the warrant agreement, to purchase shares of common stock from us at \$28.20 per share, at any time prior to its expiration on October 15, 2008.

Contractual Obligations

The following table summarizes the expected scheduled principal and interest payments, where applicable, under our contractual obligations (in thousands):

Years Ending June 30,	2008	2009	2010	2011	2012	Thereafter	Total
Operating leases	\$ 20,012	\$ 18,215	\$ 16,969	\$ 13,446	\$ 6,733	\$ 21,580	\$ 96,955
Other notes payable	614	138					752
Master warehouse facility . . .			822,955				822,955
Medium term note facility . . .			750,000				750,000
Repurchase facility	440,561						440,561
BVAC credit facility	106,949						106,949
LBAC credit facility	371,902						371,902
Canadian credit facility	49,335						49,335
Securitization notes payable	5,229,516	3,514,769	1,928,709	1,272,424			11,945,418
Senior notes						200,000	200,000
Convertible senior notes					275,000	475,000	750,000
Total expected interest payments	613,381	348,310	158,027	57,718	28,439	100,347	1,306,222
Total	\$6,832,270	\$3,881,432	\$3,676,660	\$1,343,588	\$310,172	\$796,927	\$16,841,049

Securitizations

We have completed 59 securitization transactions through June 30, 2007, excluding securitization Trusts entered into by BVAC and LBAC prior to their acquisition by us. The proceeds from the transactions were primarily used to repay borrowings outstanding under our credit facilities.

A summary of the active transactions is as follows (in millions):

<u>Transaction</u>	<u>Date</u>	<u>Original Amount</u>	<u>Balance at June 30, 2007</u>
Gain on sale:			
BV2003-LJ-1	August 2003	\$ 193.3	\$ 23.9
Secured financing:			
2003-D-M	October 2003	1,200.0	141.9
2004-A-F	February 2004	750.0	101.0
2004-B-M	April 2004	900.0	144.8
2004-1	June 2004	575.0	105.1
2004-C-A	August 2004	800.0	193.2
2004-D-F	November 2004	750.0	204.8
2005-A-X	February 2005	900.0	273.4
2005-1	April 2005	750.0	204.7
2005-B-M	June 2005	1,350.0	512.6
2005-C-F	August 2005	1,100.0	486.0
2005-D-A	November 2005	1,400.0	702.1
2006-1	March 2006	945.0	493.0
2006-R-M	May 2006	1,200.0	1,147.2
2006-A-F	July 2006	1,350.0	939.9
2006-B-G	September 2006	1,200.0	928.2
2007-A-X	January 2007	1,200.0	1,032.4
2007-B-F	April 2007	1,500.0	1,432.0
2007-1	May 2007	1,000.0	1,000.0
BV2005-LJ-1	February 2005	232.1	85.1
BV2005-LJ-2	July 2005	185.6	79.4
BV2005-3	December 2005	220.1	116.9
LB2003-C	October 2003	250.0	31.4
LB2004-A	March 2004	300.0	49.7
LB2004-B	July 2004	250.0	54.3
LB2004-C	December 2004	350.0	100.0
LB2005-A	June 2005	350.0	126.1
LB2005-B	October 2005	350.0	156.8
LB2006-A	May 2006	450.0	281.6
LB2006-B	September 2006	500.0	364.5
LB2007-A	March 2007	486.0	451.3
Total secured financing transactions		22,793.8	11,939.4
Total active securitizations		\$22,987.1	\$11,963.3

We structure our securitization transactions as secured financings. Finance receivables are transferred to a securitization Trust, which is one of our special purpose finance subsidiaries, and the Trusts issue one or more series of asset-backed securities (securitization notes payable). While these Trusts are included in our consolidated financial statements, these Trusts are separate legal entities; thus the finance receivables and other assets held by these Trusts are legally owned by these Trusts, are available to satisfy the related securitization notes payable and are not available to our creditors or our other subsidiaries.

At the time of securitization of finance receivables, we are required to pledge assets equal to a specified percentage of the securitization pool to provide credit enhancement required for specific credit ratings for the asset-backed securities issued by the Trusts.

Generally, we employ two types of securitization structures. The structure we have utilized most frequently involves the purchase of a financial guaranty insurance policy issued by an insurer. Our most recent transaction completed in July 2007 excluded any receivables originated under the BVAC and LBAC platforms and had an initial cash deposit and overcollateralization level of 9.0% and target credit enhancement of 13.0%. Under this structure, we typically expect to begin to receive cash distributions approximately seven to nine months after receivables are securitized. We completed a transaction using a financial guaranty insurance policy including only receivables originated under the LBAC platform in March 2007 that had an initial credit enhancement level of 3.75% and target credit enhancement of 8.0%. We expect to begin to receive cash distributions for this transaction approximately eight to ten months after receivables are securitized.

The second type of securitization structure we use involves the sale of subordinated asset-backed securities in order to provide credit enhancement for the senior asset-backed securities.

Our most recent securitization transaction for primarily sub-prime receivables involving the sale of subordinated asset-backed securities was completed in March 2006 and required an initial cash deposit and overcollateralization level of 7.0% of the original receivable pool balance, and a target credit enhancement level of 16.5% of the receivable pool balance must be reached before excess cash is used to repay the Class E bonds. Subsequent to the payoff of Class E bonds, excess cash is distributed to us. Under this structure, we typically expect to begin to receive cash distributions approximately 22 to 26 months after receivables are securitized.

In May 2007, we executed our first transaction under our securitization program for near-prime and prime receivables. This securitization transaction involved the sale of subordinated asset-backed securities. Additionally, this transaction required an initial cash deposit and overcollateralization level of 0.5% of the original receivable pool balance, and a target credit enhancement level of 4.5% of the receivable pool balance must be reached before excess cash is used to paydown the principal balance of the Class E bonds to maintain a specified amount outstanding. Excess cash not utilized to paydown the Class E bonds will be released to us. Under this structure, we typically expect to begin to receive cash distributions approximately ten to twelve months after receivables are securitized.

Increases or decreases to the credit enhancement level required in future securitization transactions will depend on the net interest margin of the finance receivables transferred, the collateral characteristics of the receivables transferred, credit performance trends of our finance receivables, our financial condition and the economic environment.

Cash flows related to securitization transactions were as follows (in millions):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Initial credit enhancement deposits:			
Restricted cash	\$135.6	\$ 95.0	\$ 98.3
Overcollateralization	408.9	355.0	363.3
Distributions from Trusts:			
Gain on sale Trusts	93.3	454.5	547.0
Secured financing Trusts	854.2	653.8	550.7

The agreements with the insurers of our securitization transactions covered by a financial guaranty insurance policy provide that if portfolio performance ratios (delinquency, cumulative default or cumulative net loss) in a Trust's pool of receivables exceed certain targets, the specified credit enhancement levels would be increased.

Generally, our securitization transactions insured by financial guaranty insurance providers and entered into prior to September 2005 are cross-collateralized to a limited extent. In the event of a shortfall in the original target credit enhancement requirement for any of these securitization Trusts after a certain period of time, excess cash flows from other transactions insured by the same insurance provider would be used to satisfy the shortfall amount. Our securitization transactions insured by financial guaranty insurance policies after August 2005 do not contain any cross-collateralization provisions.

The agreements that we enter into with our financial guaranty insurance providers in connection with securitization transactions contain additional specified targeted portfolio performance ratios (delinquency, cumulative default and cumulative net loss) that are higher than the limits referred to above. If, at any measurement date, the targeted portfolio performance ratios with respect to any insured Trust were to exceed these additional levels, provisions of the agreements permit the financial guaranty insurance providers to terminate our servicing rights to the receivables sold to that Trust. In addition, the servicing agreements on certain insured securitization Trusts are cross-defaulted so that a default under one servicing agreement would allow the financial guaranty insurance provider to terminate our servicing rights under all servicing agreements for securitization Trusts in which they issued a financial guaranty insurance policy. Additionally, if these higher targeted portfolio performance levels were exceeded, the financial guaranty insurance providers may elect to retain all excess cash generated by other securitization transactions insured by them as additional credit enhancement. This, in turn, could result in defaults under our other securitizations and other material indebtedness. Although we have never exceeded these additional targeted portfolio performance ratios, and do not anticipate violating any event of default triggers for our securitizations, there can be no assurance that our servicing rights with respect to the automobile receivables in such Trusts or any other Trusts will not be terminated if (i) such targeted portfolio performance ratios are breached, (ii) we breach our obligations under the servicing agreements, (iii) the financial guaranty insurance providers are required to make payments under a policy, or (iv) certain bankruptcy or insolvency events were to occur. As of June 30, 2007, no such termination events have occurred with respect to any of the Trusts formed by us.

Stock Repurchases

During fiscal 2007, 2006 and 2005, we repurchased 13,466,030 shares of our common stock at an average cost of \$24.06 per share, 21,025,074 shares of our common stock at an average cost of \$25.12 per share and 16,507,529 shares of our common stock at an average cost of \$21.96 per share, respectively. Subsequent to June 30, 2007, we repurchased an additional 4,232,500 shares of our common stock at an average cost of \$23.61 per share.

As of August 15, 2007, we had repurchased \$1,346.8 million of our common stock since April 2004 and we had remaining authorization to repurchase \$200 million of our common stock. A covenant in our senior note indenture entered into in June 2007 limits our ability to repurchase stock. As of August 15, 2007, we have approximately \$30 million available for share repurchases under the indenture limits.

Operating Plan

We believe that we have sufficient liquidity to achieve our growth strategies. As of June 30, 2007, we had unrestricted cash balances of \$910.3 million. Assuming that origination volume ranges from \$10.0 billion to \$10.5 billion during fiscal 2008 and the initial credit enhancement requirement for our securitization transactions remains the same as recent transactions, we expect that cash distributions from our securitization transactions combined with cash generated from unsecuritized receivables will exceed the funding requirement for initial credit enhancement deposits during fiscal 2008. We will continue to require the execution of additional securitization transactions during fiscal 2008. There can be no assurance that funding will be available to us through the execution of securitization transactions or, if available, that the funding will be on acceptable terms. If we are unable to execute securitization transactions on a regular basis, and are otherwise unable to issue any other debt or equity, we would not have sufficient funds to finance new loan originations and, in such event, we

would be required to revise the scale of our business, including possible discontinuation of loan origination activities, which would have a material adverse effect on our ability to achieve our business and financial objectives.

OFF-BALANCE SHEET ARRANGEMENTS

We currently have one securitization transaction structured to meet the accounting criteria for a sale of finance receivables. Under this structure, notes issued by our unconsolidated qualified special purpose finance subsidiaries are not recorded as liabilities on our consolidated balance sheets. See Liquidity and Capital Resources—Securitizations for a detailed discussion of our securitization transactions.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Fluctuations in market interest rates impact our credit facilities and securitization transactions. Our gross interest rate spread, which is the difference between interest earned on our finance receivables and interest paid, is affected by changes in interest rates as a result of our dependence upon the issuance of variable rate securities and the incurrence of variable rate debt to fund our purchases of finance receivables.

Credit Facilities

Finance receivables purchased by us and pledged to secure borrowings under our credit facilities bear fixed interest rates. Amounts borrowed under our credit facilities bear interest at variable rates that are subject to frequent adjustments to reflect prevailing market interest rates. To protect the interest rate spread within each credit facility, our special purpose finance subsidiaries are contractually required to purchase interest rate cap agreements in connection with borrowings under our credit facilities. The purchaser of the interest rate cap agreement pays a premium in return for the right to receive the difference in the interest cost at any time a specified index of market interest rates rises above the stipulated “cap” rate. The purchaser of the interest rate cap agreement bears no obligation or liability if interest rates fall below the “cap” rate. As part of our interest rate risk management strategy and when economically feasible, we may simultaneously sell a corresponding interest rate cap agreement in order to offset the premium paid by our special purpose finance subsidiary to purchase the interest rate cap agreement and thus retain the interest rate risk. The fair value of the interest rate cap agreement purchased by the special purpose finance subsidiary is included in other assets and the fair value of the interest rate cap agreement sold by us is included in other liabilities on our consolidated balance sheets.

In November 2006, we entered into interest rate swap agreements to hedge the variability in interest payments on our medium term notes facility caused by fluctuations in the benchmark interest rate. These interest rate swap agreements are designated and qualify as cash flow hedges. The fair values of the interest rate swap agreements are included in other assets on the consolidated balance sheets.

Securitizations

The interest rate demanded by investors in our securitization transactions depends on prevailing market interest rates for comparable transactions and the general interest rate environment. We utilize several strategies to minimize the impact of interest rate fluctuations on our gross interest rate margin, including the use of derivative financial instruments, the regular sale or pledging of auto receivables to securitization Trusts, pre-funding of securitization transactions and the use of revolving structures.

In our securitization transactions, we transfer fixed rate finance receivables to Trusts that, in turn, sell either fixed rate or floating rate securities to investors. The fixed rates on securities issued by the Trusts are indexed to market interest rate swap spreads for transactions of similar duration or various London Interbank Offered Rates (“LIBOR”) and do not fluctuate during the term of the securitization. The floating rates on securities issued by the Trusts are indexed to LIBOR and fluctuate periodically based on movements in LIBOR. Derivative financial

instruments, such as interest rate swap and cap agreements, are used to manage the gross interest rate spread on these transactions. We use interest rate swap agreements to convert the variable rate exposures on securities issued by our securitization Trusts to a fixed rate, thereby locking in the gross interest rate spread to be earned by us over the life of a securitization. Interest rate swap agreements purchased by us do not impact the amount of cash flows to be received by holders of the asset-backed securities issued by the Trusts. The interest rate swap agreements serve to offset the impact of increased or decreased interest paid by the Trusts on floating rate asset-backed securities on the cash flows to be received by us from the Trusts. We utilize such arrangements to modify our net interest sensitivity to levels deemed appropriate based on our risk tolerance. In circumstances where the interest rate risk is deemed to be tolerable, usually if the risk is less than one year in term at inception, we may choose not to hedge potential fluctuations in cash flows due to changes in interest rates. Our special purpose finance subsidiaries are contractually required to purchase a financial instrument to protect the net spread in connection with the issuance of floating rate securities even if we choose not to hedge our future cash flows. Although the interest rate cap agreements are purchased by the Trusts, cash outflows from the Trusts ultimately impact our retained interests in the securitization transactions as cash expended by the securitization Trusts will decrease the ultimate amount of cash to be received by us. Therefore, when economically feasible, we may simultaneously sell a corresponding interest rate cap agreement to offset the premium paid by the Trust to purchase the interest rate cap agreement. The fair value of the interest rate cap agreements purchased by the special purpose finance subsidiaries in connection with securitization transactions are included in other assets and the fair value of the interest rate cap agreements sold by us are included in other liabilities on our consolidated balance sheets. Changes in the fair value of the interest rate cap agreements are reflected in interest expense on our consolidated statements of income and comprehensive income.

Pre-funding securitizations is the practice of issuing more asset-backed securities than needed to cover finance receivables initially sold or pledged to the Trust. The proceeds from the pre-funded portion are held in an escrow account until additional receivables are delivered to the Trust in amounts up to the pre-funded balance held in the escrow account. The use of pre-funded securitizations allows us to lock in borrowing costs with respect to the finance receivables subsequently delivered to the Trust. However, we incur an expense in pre-funded securitizations during the period between the initial delivery of finance receivables and the subsequent delivery of finance receivables equal to the difference between the interest earned on the proceeds held in the escrow account and the interest rate paid on the asset-backed securities outstanding.

Additionally, in May 2006, we issued a “revolving” securitization transaction that allows us to replace receivables as they amortize down rather than paying down the outstanding debt balance for a period of one year subject to compliance with certain covenants. The use of this type of transaction allows us to lock in borrowing costs for the revolving period and allows us to finance approximately 50% more receivables than in our typical amortizing securitization structure at that borrowing cost.

We have entered into interest rate swap agreements to hedge the variability in interest payments on our three most recent securitization transactions. Portions of these interest rate swap agreements are designated and qualify as cash flow hedges.

The following table provides information about our interest rate-sensitive financial instruments by expected maturity date as of June 30, 2007 (dollars in thousands):

<u>Years Ending June 30,</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Thereafter</u>	<u>Fair Value</u>
Assets:							
Finance receivables	\$6,649,221	\$4,361,352	\$2,706,889	\$1,468,165	\$576,557	\$160,274	\$14,878,986
Weighted average annual percentage rate	15.43%	15.34%	15.32%	15.28%	15.09%	14.29%	
Interest-only receivables from Trusts	\$ 134						\$ 134
Interest rate swaps							
Notional amounts	\$ 53,547	\$1,173,113	\$ 596,053	\$ 524,380	\$ 7,368	\$ 638	\$ 14,926
Average pay rate	5.04%	5.00%	5.07%	5.07%	4.92%	4.92%	
Average receive rate	5.40%	5.21%	5.37%	5.46%	5.04%	5.10%	
Interest rate caps purchased							
Notional amounts	\$ 628,168	\$ 304,233	\$ 272,620	\$ 295,501	\$320,733	\$340,577	\$ 13,410
Average strike rate	5.70%	5.93%	5.95%	5.96%	5.98%	6.36%	
Liabilities:							
Credit facilities							
Principal amounts	\$ 968,747		\$1,572,955				\$ 2,541,702
Weighted average effective interest rate	5.39%		5.42%				
Securitization notes payable							
Principal amounts	\$5,229,516	\$3,514,769	\$1,928,709	\$1,272,424			\$11,708,795
Weighted average effective interest rate	5.09%	5.23%	5.41%	5.53%			
Senior notes							
Principal amounts						\$200,000	\$ 200,000
Weighted average effective interest rate						8.50%	
Convertible senior notes							
Principal amounts					\$275,000	\$475,000	\$ 866,442
Weighted average effective interest rate					0.75%	1.97%	
Interest rate caps sold							
Notional amounts	\$ 628,168	\$ 304,233	\$ 272,620	\$ 295,501	\$320,733	\$340,577	\$ 13,410
Average strike rate	5.70%	5.93%	5.95%	5.96%	5.98%	6.36%	

The following table provides information about our interest rate-sensitive financial instruments by expected maturity date as of June 30, 2006 (dollars in thousands):

<u>Years Ending June 30,</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Thereafter</u>	<u>Fair Value</u>
Assets:							
Finance receivables	\$5,106,925	\$3,199,705	\$1,893,032	\$1,036,797	\$434,318	\$104,888	\$10,959,707
Weighted average annual percentage rate	15.91%	15.82%	15.78%	15.79%	15.70%	15.30%	
Interest-only receivables from Trusts	\$ 2,464	\$ 1,181					\$ 3,645
Interest rate swaps							
Notional amounts	\$ 952,841	\$ 70,191	\$ 270,809				\$ 18,706
Average pay rate	3.90%	4.19%	4.21%				
Average receive rate	5.74%	5.49%	5.54%				
Interest rate caps purchased							
Notional amounts	\$ 632,538	\$ 338,779	\$ 260,450	\$ 264,455	\$255,762	\$209,915	\$ 15,418
Average strike rate	5.71%	5.94%	5.95%	5.90%	5.78%	5.70%	
Liabilities:							
Credit facilities							
Principal amounts	\$1,122,580	\$ 650,000	\$ 333,702				\$ 2,106,282
Weighted average effective interest rate	5.69%	5.52%	5.38%				
Securitization notes payable							
Principal amounts	\$3,598,987	\$2,422,800	\$1,626,391	\$ 690,799	\$185,871		\$ 8,387,558
Weighted average effective interest rate	4.59%	4.89%	5.17%	5.37%	5.53%		
Convertible senior notes							
Principal amounts						\$200,000	\$ 308,738
Weighted average effective interest rate						1.75%	
Interest rate caps sold							
Notional amounts	\$ 567,253	\$ 283,638	\$ 216,872	\$ 242,325	\$251,381	\$209,915	\$ 14,750
Average strike rate	5.71%	5.97%	5.97%	5.91%	5.78%	5.70%	

Finance receivables and interest-only receivables from Trusts are estimated to be realized by us in future periods using discount rate, prepayment and credit loss assumptions similar to our historical experience. Notional amounts on interest rate swap and cap agreements are based on contractual terms. Credit facilities, securitization notes payable, senior notes and convertible senior notes principal amounts have been classified based on expected payoff.

The notional amounts of interest rate swap and cap agreements, which are used to calculate the contractual payments to be exchanged under the contracts, represent average amounts that will be outstanding for each of the years included in the table. Notional amounts do not represent amounts exchanged by parties and, thus, are not a measure of our exposure to loss through our use of these agreements.

Management monitors our hedging activities to ensure that the value of derivative financial instruments, their correlation to the contracts being hedged and the amounts being hedged continue to provide effective protection against interest rate risk. However, there can be no assurance that our strategies will be effective in minimizing interest rate risk or that increases in interest rates will not have an adverse effect on our profitability. All transactions are entered into for purposes other than trading.

Current Accounting Pronouncements

Statement of Financial Accounting Standards No. 155

In February 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 155, "Accounting for Certain Hybrid Financial Instruments" ("SFAS 155"). SFAS 155 amends SFAS 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS 140,

“Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”. SFAS 155 (i) permits the fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, (ii) clarifies which interest-only strips and principal-only strips are not subject to the requirement of SFAS 133, (iii) establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, (iv) clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and (v) amends SFAS 140 to eliminate the prohibition on a qualifying special purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS 155 is effective for all financial instruments acquired or issued after the beginning of our fiscal year ending June 30, 2008. Management has evaluated the impact of the adoption of the statement and it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Statement of Financial Accounting Standards No. 156

In March 2006, the FASB issued SFAS No. 156, “Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140” (“SFAS 156”). SFAS 156 requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in specific situations. Additionally, the servicing asset or servicing liability shall be initially measured at fair value, if practicable. SFAS 156 permits an entity to choose either the amortization method or fair value measurement method for subsequent measurement of the servicing asset or servicing liability. SFAS 156 is effective for our fiscal year ending June 30, 2008. Management has evaluated the impact of the adoption of this statement and it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

FASB Interpretation No. 48

In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement 109.” FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. FIN 48 is effective for our fiscal year ending June 30, 2008. We are currently evaluating the potential impact FIN 48 will have on our financial position and results of operations.

Statement of Financial Accounting Standards No. 157

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements” (“SFAS 157”), which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. SFAS 157 requires companies to disclose the fair value of its financial instruments according to a fair value hierarchy. Additionally, companies are required to provide certain disclosures regarding instruments within the hierarchy, including a reconciliation of the beginning and ending balances for each major category of assets and liabilities. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for our fiscal year ending June 30, 2009. Management is evaluating the impact of the statement but it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Statement of Financial Accounting Standards No. 159

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”), which provides the option to report certain financial assets and liabilities at fair value, with the intent to mitigate volatility in financial reporting that can occur when related assets and liabilities are recorded on different bases. SFAS 159 also amends SFAS No. 115, “Accounting for Certain

Investments in Debt and Equity Securities,” by providing the option to record unrealized gains and losses on securities currently classified as held-for-sale and held-to-maturity. SFAS 159 is effective for our fiscal year ending June 30, 2009. Management is evaluating the impact of the statement but it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AMERICREDIT CORP.

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	June 30,	
	2007	2006
Assets		
Cash and cash equivalents	\$ 910,304	\$ 513,240
Finance receivables, net	15,102,370	11,097,008
Restricted cash—securitization notes payable	1,014,353	860,935
Restricted cash—credit facilities	166,884	140,042
Credit enhancement assets	5,919	104,624
Property and equipment, net	58,572	57,225
Leased vehicles, net	33,968	
Deferred income taxes	151,704	78,789
Goodwill	208,435	14,435
Other assets	158,511	201,567
Total assets	<u>\$17,811,020</u>	<u>\$13,067,865</u>
Liabilities and Shareholders' Equity		
Liabilities:		
Credit facilities	\$ 2,541,702	\$ 2,106,282
Securitization notes payable	11,939,447	8,518,849
Senior notes	200,000	
Convertible senior notes	750,000	200,000
Funding payable	87,474	54,623
Accrued taxes and expenses	199,059	155,799
Other liabilities	18,188	23,426
Total liabilities	<u>15,735,870</u>	<u>11,058,979</u>
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock, \$.01 par value per share, 20,000,000 shares authorized; none issued		
Common stock, \$.01 par value per share, 230,000,000 shares authorized; 120,590,473 and 169,459,291 shares issued	1,206	1,695
Additional paid-in capital	71,323	1,217,445
Accumulated other comprehensive income	45,694	74,282
Retained earnings	2,000,066	1,639,817
	<u>2,118,289</u>	<u>2,933,239</u>
Treasury stock, at cost (1,934,061 and 42,126,843 shares)	(43,139)	(924,353)
Total shareholders' equity	<u>2,075,150</u>	<u>2,008,886</u>
Total liabilities and shareholders' equity	<u>\$17,811,020</u>	<u>\$13,067,865</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICREDIT CORP.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(dollars in thousands, except per share data)

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenue			
Finance charge income	\$ 2,142,470	\$ 1,641,125	\$ 1,217,696
Servicing income	9,363	75,209	177,585
Other income	136,093	86,157	55,565
Gain on sale of equity investment	51,997	8,847	
	<u>2,339,923</u>	<u>1,811,338</u>	<u>1,450,846</u>
Costs and expenses			
Operating expenses	399,717	336,153	312,637
Provision for loan losses	727,653	567,545	418,711
Interest expense	680,825	419,360	264,276
Restructuring charges, net	(339)	3,045	2,823
	<u>1,807,856</u>	<u>1,326,103</u>	<u>998,447</u>
Income before income taxes	532,067	485,235	452,399
Income tax provision	171,818	179,052	166,490
Net income	<u>360,249</u>	<u>306,183</u>	<u>285,909</u>
Other comprehensive (loss) income			
Unrealized losses on credit enhancement assets	(3,043)	(6,165)	(23,126)
Unrealized (losses) gains on cash flow hedges	(1,036)	8,892	5,055
Increase in fair value of equity investment	4,497	56,347	
Reclassification of gain on sale of equity investment into earnings	(51,997)	(8,847)	
Foreign currency translation adjustment	4,521	9,028	7,800
Income tax benefit (provision)	18,470	(18,538)	7,013
Other comprehensive (loss) income	<u>(28,588)</u>	<u>40,717</u>	<u>(3,258)</u>
Comprehensive income	<u>\$ 331,661</u>	<u>\$ 346,900</u>	<u>\$ 282,651</u>
Earnings per share			
Basic	<u>\$ 3.02</u>	<u>\$ 2.29</u>	<u>\$ 1.88</u>
Diluted	<u>\$ 2.73</u>	<u>\$ 2.08</u>	<u>\$ 1.73</u>
Weighted average shares			
Basic	<u>119,155,716</u>	<u>133,837,116</u>	<u>152,184,740</u>
Diluted	<u>133,224,945</u>	<u>148,824,916</u>	<u>167,242,658</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICREDIT CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock	
	Shares	Amount				Shares	Amount
Balance at July 1, 2004	162,777,598	\$1,628	\$ 1,081,079	\$ 36,823	\$1,047,725	5,165,588	\$ (42,143)
Common stock issued on exercise of options	3,336,912	33	40,158				
Common stock issued on exercise of warrants	24,431						
Income tax benefit from exercise of options and amortization of convertible senior notes hedge			18,211				
Common stock issued for employee benefit plans	669,115	7	(93)			(493,060)	7,150
Stock option expense			11,257				
Repurchase of common stock						16,507,529	(362,570)
Other comprehensive loss, net of income tax benefit of \$7,013				(3,258)			
Net income					285,909		
Balance at June 30, 2005	166,808,056	1,668	1,150,612	33,565	1,333,634	21,180,057	(397,563)
Common stock issued on exercise of options	2,367,995	24	27,420				
Income tax benefit from exercise of options and amortization of convertible senior notes hedge			16,922				
Common stock issued for employee benefit plans	283,240	3	5,905			(78,288)	1,280
Stock based compensation expense			16,586				
Repurchase of common stock						21,025,074	(528,070)
Other comprehensive income, net of income taxes of \$18,538				40,717			
Net income					306,183		
Balance at June 30, 2006	169,459,291	1,695	1,217,445	74,282	1,639,817	42,126,843	(924,353)
Common stock issued on exercise of options	4,398,036	44	52,585				
Income tax benefit from exercise of options and amortization of convertible senior notes hedges			30,196				
Common stock issued for employee benefit plans	333,146	3	6,811			(76,499)	1,746
Stock based compensation expense			20,230				
Purchase of warrants						17,687	(334)
Issuance of warrants			93,086				
Purchase of call option related to convertible debt			(145,710)				
Retirement of treasury stock	(53,600,000)	(536)	(1,203,320)			(53,600,000)	1,203,856
Repurchase of common stock						13,466,030	(324,054)
Other comprehensive loss, net of income tax benefit of \$18,470				(28,588)			
Net income					360,249		
Balance at June 30, 2007	120,590,473	\$1,206	\$ 71,323	\$ 45,694	\$2,000,066	1,934,061	\$ (43,139)

The accompanying notes are an integral part of these consolidated financial statements.

AMERICREDIT CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities			
Net income	\$ 360,249	\$ 306,183	\$ 285,909
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	36,737	35,304	38,267
Accretion and amortization of loan fees	(16,982)	(20,062)	16,962
Provision for loan losses	727,653	567,545	418,711
Deferred income taxes	(44,564)	(41,921)	(50,218)
Accretion of present value discount	(6,637)	(40,153)	(78,066)
Stock based compensation expense	20,230	16,586	11,468
Gain on sale of available for sale securities	(51,997)	(8,847)	
Other	2,396	2,853	1,336
Changes in assets and liabilities, net of assets and liabilities acquired:			
Other assets	30,313	117,650	(25,578)
Accrued taxes and expenses	21,605	26,193	(4,829)
Net cash provided by operating activities	<u>1,079,003</u>	<u>961,331</u>	<u>613,962</u>
Cash flows from investing activities			
Purchases of receivables	(8,832,379)	(7,147,471)	(5,447,444)
Principal collections and recoveries on receivables	5,884,140	4,373,044	3,202,788
Distributions from gain on sale Trusts, net of swap payments	93,271	454,531	547,011
Purchases of property and equipment	(11,604)	(5,573)	(7,676)
Sale of property		34,807	
Net purchases of leased vehicles	(28,427)		
Proceeds from sale of equity investment	62,961	11,992	
Acquisition of Bay View, net of cash acquired		(61,764)	
Acquisition of Long Beach, net of cash acquired	(257,813)		
Change in restricted cash—securitization notes payable	(32,953)	(195,456)	(147,476)
Change in restricted cash—credit facilities	(23,579)	325,724	(245,551)
Change in other assets	2,314	(6,473)	29,442
Net cash used by investing activities	<u>(3,144,069)</u>	<u>(2,216,639)</u>	<u>(2,068,906)</u>
Cash flows from financing activities			
Net change in credit facilities	232,895	887,430	490,974
Issuance of securitization notes payable	6,748,304	4,645,000	4,550,000
Payments on securitization notes payable	(4,923,625)	(3,760,931)	(2,990,238)
Issuance of (payments on) senior notes	200,000	(167,750)	
Issuance of convertible senior notes	550,000		
Debt issuance costs	(40,247)	(14,520)	(21,577)
Proceeds from sale of warrants related to convertible debt	93,086		
Purchase of call option related to convertible debt	(145,710)		
Repurchase of common stock	(324,054)	(528,070)	(362,570)
Net proceeds from issuance of common stock	58,157	32,467	42,201
Other net changes	15,938	7,697	(13,276)
Net cash provided by financing activities	<u>2,464,744</u>	<u>1,101,323</u>	<u>1,695,514</u>
Net increase (decrease) in cash and cash equivalents	399,678	(153,985)	240,570
Effect of Canadian exchange rate changes on cash and cash equivalents	(2,614)	3,724	1,481
Cash and cash equivalents at beginning of year	<u>513,240</u>	<u>663,501</u>	<u>421,450</u>
Cash and cash equivalents at end of year	<u>\$ 910,304</u>	<u>\$ 513,240</u>	<u>\$ 663,501</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMERICREDIT CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

History and Operations

We were formed on August 1, 1986, and, since September 1992, have been in the business of purchasing and servicing automobile sales finance contracts. During fiscal 2007, we began originating operating leases on automobiles.

Basis of Presentation

The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries, including certain special purpose financing trusts utilized in securitization transactions ("Trusts") which are considered variable interest entities. All intercompany transactions and accounts have been eliminated in consolidation. Certain prior years amounts, including deferred and current income tax provisions, have been reclassified to conform to the current year presentation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the amount of revenue and costs and expenses during the reporting periods. Actual results could differ from those estimates and those differences may be material. These estimates include, among other things, the determination of the allowance for loan losses on finance receivables, stock based compensation and income taxes.

Cash Equivalents

Investments in highly liquid securities with original maturities of 90 days or less are included in cash and cash equivalents.

Finance Receivables

Finance receivables are carried at amortized cost.

Allowance for Loan Losses

Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at a level considered adequate to cover probable credit losses inherent in our finance receivables.

The allowance for loan losses is established systematically based on the determination of the amount of probable credit losses inherent in the finance receivables as of the reporting date. We review charge-off experience factors, delinquency reports, historical collection rates, estimates of the value of the underlying collateral, economic trends, such as unemployment rates, and other information in order to make the necessary judgments as to probable credit losses. We also use historical charge-off experience to determine a loss confirmation period, which is defined as the time between when an event, such as delinquency status, giving rise to a probable credit loss occurs with respect to a specific account and when such account is charged off. This loss confirmation period is applied to the forecasted probable credit losses to determine the amount of losses inherent in finance receivables at the reporting date. Assumptions regarding probable credit losses and loss confirmation periods are reviewed periodically and may be impacted by actual performance of finance receivables and changes in any of the factors discussed above.

Charge-off Policy

Our policy is to charge off an account in the month in which the account becomes 120 days contractually delinquent if we have not repossessed the related vehicle. We charge off accounts in repossession when the automobile is repossessed and legally available for disposition. A charge-off generally represents the difference between the estimated net sales proceeds and the amount of the delinquent contract, including accrued interest. Accounts in repossession that have been charged off have been removed from finance receivables and the related repossessed automobiles, aggregating \$39.4 million and \$27.4 million at June 30, 2007 and 2006, respectively, are included in other assets on the consolidated balance sheets pending sale.

Credit Enhancement Assets

We periodically transfer receivables to Trusts, and the Trusts, in turn, issue asset-backed securities to investors in securitization transactions.

Prior to October 1, 2002, we structured our securitization transactions to meet the accounting criteria for sales of finance receivables. We retained an interest in the receivables in the form of a residual or interest-only receivables from Trusts and also retained other subordinated interests in the receivables transferred to the Trusts. The interests retained are classified as either interest-only receivables from Trusts, investments in Trust receivables or restricted cash—gain on sale Trusts depending upon the form of interest retained. These interests are collectively referred to as credit enhancement assets.

Since finance receivables held by the Trusts can be contractually prepaid or otherwise settled in such a way that we would not recover all of our recorded investment in the retained interests, credit enhancement assets are classified as available for sale and are measured at fair value. At each reporting date, the fair value of credit enhancement assets is estimated by calculating the present value of the expected cash distributions to us using discount rates commensurate with the risks involved. Interest-only receivables from Trusts represent the present value of estimated future excess cash flows resulting from the difference between the finance charge income received from the obligors on the receivables and the interest paid to the investors in the asset-backed securities, net of credit losses, servicing fees and other expenses. Investments in Trust receivables represent the present value of the excess of finance receivables held in the Trusts over outstanding debt balance of the Trusts. Restricted cash—gain on sale Trusts represents the present value of cash held in restricted accounts used to provide credit enhancement for specific Trusts.

Unrealized gains or unrealized losses are reported net of income tax effects as accumulated other comprehensive income that is a separate component of shareholders' equity until realized. If a decline in fair value is deemed other-than-temporary, the assets are written down through an impairment charge to operations. The discount used to estimate the present value of the credit enhancement assets is accreted into income using the interest method over the expected life of the securitization and is recorded as part of servicing income.

Subsequent to September 30, 2002, we structured our securitization transactions to no longer meet the accounting criteria for sales of finance receivables and, accordingly, such securitization transactions have been accounted for as secured financings. Therefore, following a securitization, the finance receivables and the related securitization notes payable remain on the consolidated balance sheets. We recognize finance charge and fee income on the receivables and interest expense on the securities issued in the securitization transaction, and record a provision for loan losses to recognize probable loan losses inherent in the finance receivables. Credit enhancements for securitizations accounted for as secured financings are not characterized as interest-only receivables from Trusts, investments in Trust receivables and restricted cash—gain on sale Trusts on our consolidated balance sheets. Cash pledged to support the securitization transaction is deposited to a restricted account and recorded on our consolidated balance sheets as restricted cash—securitization notes payable. Additionally, investments in Trust receivables, or overcollateralization, is calculated as the difference between finance receivables securitized and securitization notes payable. Under the secured financing securitization

structure, interest-only receivables from Trusts are not reflected as an asset upon transfer of finance receivables but instead will be recognized in the income statement when earned in future periods.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the assets, which ranges from three to 25 years. The cost of assets sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition and any resulting gain or loss is included in operations. Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized.

Leased Vehicles

Leased vehicles consist of automobiles leased to consumers. These assets are reported at cost, less accumulated depreciation. Depreciation expense is recorded on a straight-line basis over the term of the lease. Leased vehicles are depreciated to the estimated residual value at the end of the lease term. Depreciation expense is included in operating expenses on our consolidated statements of income. Residual values of operating leases are evaluated individually for impairment under Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS 144"). Under SFAS 144, when aggregate future cash flows from the operating lease, including the expected realizable fair value of the leased asset at the end of the lease, are less than the book value of the lease, an immediate impairment write-down is recognized if the difference is deemed not recoverable. Otherwise, reductions in the expected residual value result in additional depreciation of the leased asset over the remaining term of the lease. Upon disposition, a gain or loss is recorded for any difference between the net book value of the lease and the proceeds from the disposition of the asset, including any insurance proceeds.

Goodwill and Other Intangible Assets

Under the purchase method of accounting, the net assets of entities acquired by us are recorded at their estimated fair value at the date of acquisition. The excess cost of the acquisition over the fair value of net assets is recorded as goodwill. Other identifiable intangible assets are amortized either on an accelerated or straight-line basis over their estimated useful lives. Goodwill and other intangible assets are evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Derivative Financial Instruments

We recognize all of our derivative financial instruments as either assets or liabilities on our consolidated balance sheets at fair value. The accounting for changes in the fair value of each derivative financial instrument depends on whether it has been designated and qualifies as an accounting hedge, as well as the type of hedging relationship identified.

Interest Rate Swap Agreements

We utilize interest rate swap agreements to convert floating rate exposures on securities issued by securitization Trusts accounted for as secured financings and our medium term note facility to fixed rates, thereby hedging the variability in interest expense paid. Portions of these interest rate swap agreements are designated as cash flow hedges and are highly effective in hedging our exposure to interest rate risk from both an accounting and economic perspective.

For interest rate swap agreements designated as hedges, we formally document all relationships between the interest rate swap agreement and the underlying asset, liability or cash flows being hedged, as well as our risk

management objective and strategy for undertaking the hedge transactions. At hedge inception and at least quarterly, we also formally assess whether the interest rate swap agreements that are used in hedging transactions have been highly effective in offsetting changes in the cash flows or fair value of the hedged items and whether those interest rate swap agreements may be expected to remain highly effective in future periods. In addition, we also assess the continued probability that the hedged cash flows will be realized.

We use regression analysis to assess hedge effectiveness of our cash flow hedges on a prospective and retrospective basis. A derivative financial instrument is deemed to be effective if the X-coefficient from the regression analysis is between a range of 0.80 and 1.25. At June 30, 2007, all of our interest rate swap agreements designated as cash flow hedges fall within this range and are deemed to be effective hedges for accounting purposes. We use the hypothetical derivative method to measure the amount of ineffectiveness of our cash flow hedges to be recorded in earnings.

The effective portion of the changes in the fair value of the interest rate swaps qualifying as cash flow hedges are deferred and included in shareholders' equity as a component of accumulated other comprehensive income as an unrealized gain or loss on cash flow hedges. These unrealized gains or losses are recognized as adjustments to income over the same period in which cash flows from the related hedged item affect earnings. However, if we expect the continued reporting of a loss in accumulated other comprehensive income would lead to recognizing a net loss on the combination of the interest rate swap agreements and the hedged item, the loss is reclassified to earnings for the amount that is not expected to be recovered. Additionally, to the extent that any of these contracts are not considered to be perfectly effective in offsetting the change in the value of the cash flows being hedged, any changes in fair value relating to the ineffective portion of these contracts are recognized in interest expense on our consolidated statements of income and comprehensive income. We discontinue hedge accounting prospectively when it is determined that an interest rate swap agreement has ceased to be effective as an accounting hedge or if the underlying hedged cash flow is no longer probable of occurring.

Interest Rate Cap Agreements

Our special purpose finance subsidiaries are contractually required to purchase interest rate cap agreements as credit enhancement in connection with securitization transactions and credit facilities. As part of our interest rate risk management strategy and when economically feasible, we may simultaneously sell a corresponding interest rate cap agreement in order to offset the premium paid to purchase the interest rate cap agreement and thus retain the interest rate risk. The fair value of our interest rate cap agreements purchased by our special purpose finance subsidiaries are included in other assets on the consolidated balance sheets. The fair value of our interest rate cap agreements sold by us is included in other liabilities on the consolidated balance sheets. Because the interest rate cap agreements entered into by us or our special purpose finance subsidiaries do not qualify for hedge accounting, changes in the fair value of interest rate cap agreements purchased by the special purpose finance subsidiaries and interest rate cap agreements sold by us are recorded in interest expense on our consolidated statements of income and comprehensive income.

We do not hold any interest rate cap or swap agreements for trading purposes.

Interest rate risk management contracts are generally expressed in notional principal or contract amounts that are much larger than the amounts potentially at risk for nonpayment by counterparties. Therefore, in the event of nonperformance by the counterparties, our credit exposure is limited to the uncollected interest and the market value related to the contracts that have become favorable to us. We manage the credit risk of such contracts by using highly rated counterparties, establishing risk limits and monitoring the credit ratings of the counterparties.

We maintain a policy of requiring that all derivative contracts be governed by an International Swaps and Derivatives Association Master Agreement. When we are engaged in more than one outstanding derivative transaction with the same counterparty and also have a legally enforceable master netting agreement with that

counterparty, the net mark-to-market exposure represents the netting of the positive and negative exposures with that counterparty. When there is a net negative exposure, we regard our credit exposure to the counterparty as being zero. The net mark-to-market position with a particular counterparty represents a reasonable measure of credit risk when there is a legally enforceable master netting agreement (i.e. a legal right of a setoff of receivable and payable derivative contracts) between us and the counterparty.

Income Taxes

Deferred income taxes are provided in accordance with the asset and liability method of accounting for income taxes to recognize the tax effects of tax credits and temporary differences between financial statement and income tax accounting. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Revenue Recognition

Finance Charge Income

Finance charge income related to finance receivables is recognized using the interest method. Accrual of finance charge income is suspended on accounts that are more than 60 days delinquent. Fees and commissions received and direct costs of originating loans are deferred and amortized over the term of the related finance receivables using the interest method and are removed from the consolidated balance sheets when the related finance receivables are sold, charged off or paid in full.

Servicing Income

Servicing income consists of servicing fees earned from servicing domestic finance receivables sold to gain on sale Trusts, other-than-temporary impairment on our credit enhancement assets and accretion of present value discounts and unrealized gains related to credit enhancement assets. Servicing fees are recognized when earned. Other-than-temporary impairment is recognized when the fair value of the credit enhancement assets is less than the reference amount. The present value discounts, representing the risk-adjusted time value of money of estimated cash flows expected to be received from the credit enhancement assets, are accreted into earnings using the interest method over the expected life of the securitization. Additionally, the unrealized gains on credit enhancement assets reflected in accumulated other comprehensive income are also accreted into earnings over the life of the credit enhancement assets using the effective interest method. We reduce accretion of the present value discount in a period when such accretion would cause an other-than-temporary impairment in a securitization Trust. Accretion is reduced on the securitization Trust and an other-than-temporary impairment is recorded in an amount equal to the amount by which the reference amount exceeds the revised value of the related credit enhancement assets. Future period accretion is subsequently recognized based upon the revised value and recorded over the remaining expected life of the securitization Trust.

Operating Leases—deferred origination fees or costs

Deferred revenue is amortized on a straight-line basis over the lease term and is included in other income on our consolidated statements of income. Net deferred origination fees or costs are amortized over the life of the lease to other income.

Stock Based Compensation

Effective July 1, 2005, we adopted Statement of Financial Accounting Standards No. 123(R), “Share-Based Payment, revised 2004” (“SFAS 123R”), prospectively for all awards granted, modified or settled after June 30, 2005. We adopted the standard by using the modified prospective method that is one of the adoption methods provided for under SFAS 123R. SFAS 123R, which revised FASB Statement No. 123, “Accounting for Stock-

Based Compensation” (“SFAS 123”), requires that the cost resulting from all share-based payment transactions be measured at fair value and recognized in the financial statements. Additionally, on July 1, 2005, we adopted Staff Accounting Bulletin No. 107 (“SAB 107”), which the Securities and Exchange Commission issued in March 2005 to provide its view on the valuation of share-based payment arrangements for public companies. For the years ended June 30, 2007, 2006, and 2005, we have recorded total stock based compensation expense of \$20.2 million (\$13.7 million net of tax), \$16.6 million (\$10.5 million net of tax) and \$11.5 million (\$7.2 million net of tax), respectively. Included in total stock based compensation expense for the years ended June 30, 2007 and 2006, is an additional \$0.1 million and \$4.5 million, respectively, as a result of adoption of SFAS 123R and SAB 107 for amortization of outstanding options that vest subsequent to June 30, 2005, and were granted prior to our implementation of SFAS 123 on July 1, 2003. There is no remaining amortization on these outstanding options at June 30, 2007. The consolidated statement of income and comprehensive income for the year ended June 30, 2005, has not been restated to reflect the amortization of these options.

The tax benefit of the stock option expense of \$19.8 million and \$13.5 million for the years ended June 30, 2007 and 2006, which was calculated using the short-cut method, has been included in other net changes as a cash inflow from financing activities on the consolidated statements of cash flows.

The following table illustrates the effect on net income and earnings per share had compensation expense for all options granted under our plans been determined using the fair value-based method and amortized over the expected life of the options (in thousands, except per share data):

<u>Year Ended June 30,</u>	<u>2005</u>
Net income, as reported	\$285,909
Add: Stock based compensation expense included in reported net income, net of related tax effects	7,248
Deduct: Stock based compensation expense determined under fair value-based method, net of related tax effects	(22,949)
Pro forma net income	<u>\$270,208</u>
Earnings per share:	
Basic—as reported	<u>\$ 1.88</u>
Basic—pro forma	<u>\$ 1.78</u>
Diluted—as reported	<u>\$ 1.73</u>
Diluted—pro forma	<u>\$ 1.63</u>

The fair value of each option granted or modified was estimated using an option-pricing model with the following weighted average assumptions:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expected dividends	0	0	0
Expected volatility	32.4%	33.7%	52.6%
Risk-free interest rate	4.7%	4.7%	3.0%
Expected life	2.3 years	2.6 years	2.6 years

We have not paid out dividends historically, thus the dividend yields are estimated at zero percent.

Expected volatility reflects an average of the implied and historical volatility rates. Management believes that a combination of market-based measures is currently the best available indicator of expected volatility.

The risk-free interest rate is the implied yield available for zero-coupon U.S. government issues with a remaining term equal to the expected life of the options.

The expected lives of options are determined based on our historical option exercise experience and the term of the option.

Assumptions are reviewed each time there is a new grant or modification of a previous grant and may be impacted by actual fluctuation in our stock price, movements in market interest rates and option terms. The use of different assumptions produces a different fair value for the options granted or modified and impacts the amount of compensation expense recognized on the consolidated statements of income and comprehensive income.

Current Accounting Pronouncements

Statement of Financial Accounting Standards No. 155

In February 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 155, “Accounting for Certain Hybrid Financial Instruments” (“SFAS 155”). SFAS 155 amends SFAS 133, “Accounting for Derivative Instruments and Hedging Activities”, and SFAS 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”. SFAS 155 (i) permits the fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, (ii) clarifies which interest-only strips and principal-only strips are not subject to the requirement of SFAS 133, (iii) establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, (iv) clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and (v) amends SFAS 140 to eliminate the prohibition on a qualifying special purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS 155 is effective for all financial instruments acquired or issued after the beginning of our fiscal year ending June 30, 2008. Management has evaluated the impact of the adoption of this statement and it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Statement of Financial Accounting Standards No. 156

In March 2006, the FASB issued SFAS No. 156, “Accounting for Servicing of Financial Assets—an amendment of FASB Statement No. 140” (“SFAS 156”). SFAS 156 requires an entity to recognize a servicing asset or servicing liability each time it undertakes an obligation to service a financial asset by entering into a servicing contract in specific situations. Additionally, the servicing asset or servicing liability shall be initially measured at fair value, if practicable. SFAS 156 permits an entity to choose either the amortization method or fair value measurement method for subsequent measurement of the servicing asset or servicing liability. SFAS 156 is effective for our fiscal year ending June 30, 2008. Management has evaluated the impact of the adoption of this statement and it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

FASB Interpretation No. 48

In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement 109.” FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. FIN 48 is effective for our fiscal year ending June 30, 2008. We are currently evaluating the potential impact FIN 48 will have on our financial position and results of operations.

Statement of Financial Accounting Standards No. 157

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value under GAAP and expands disclosures about fair value measurements. SFAS 157 requires companies to disclose the fair value of its financial instruments according to a fair value hierarchy. Additionally, companies are required to provide certain disclosures regarding instruments within the hierarchy, including a reconciliation of the beginning and ending balances for each major category of assets and liabilities. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for our fiscal year ending June 30, 2009. Management is evaluating the impact of the statement but it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

Statement of Financial Accounting Standards No. 159

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"), which provides the option to report certain financial assets and liabilities at fair value, with the intent to mitigate volatility in financial reporting that can occur when related assets and liabilities are recorded on different bases. SFAS 159 also amends SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," by providing the option to record unrealized gains and losses on securities currently classified as held-for-sale and held-to-maturity. SFAS 159 is effective for our fiscal year ending June 30, 2009. Management is evaluating the impact of the statement but it is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

2. Acquisitions

On January 1, 2007, we acquired the stock of Long Beach Acceptance Corporation ("LBAC") to expand our market niche. The total consideration in the all-cash transaction, including transaction costs, was approximately \$287.7 million. The fair value of the net assets acquired was approximately \$90.9 million, which resulted in goodwill of approximately \$196.8 million, all of which is deductible for federal income tax purposes. LBAC serves auto dealers in 34 states offering auto finance products primarily to consumers with near-prime credit bureau scores.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

Finance receivables, net	\$1,743,568
Goodwill	196,770
Other assets	468,165
Total assets	<u>2,408,503</u>
Securitization notes payable	1,595,890
Other liabilities	524,926
Total liabilities	<u>2,120,816</u>
Total assets acquired	<u>\$ 287,687</u>

Subsequent to the acquisition, we adjusted our preliminary allocation of the LBAC purchase price by \$3.5 million. We expect to continue to refine and finalize our purchase accounting estimates and assumptions during the fiscal year ending June 30, 2008. As a result of this, our preliminary purchase price allocation is subject to change.

The results of operations of LBAC subsequent to the acquisition are included in our consolidated statements of income and comprehensive income. The following unaudited proforma financial information presents a

summary of consolidated results of operations of our company as if the acquisition had occurred at the beginning of the periods presented (dollars in thousands except for per share data):

<u>June 30,</u>	<u>2007</u>	<u>2006</u>
Revenue	\$2,428,816	\$1,950,126
Net income	360,446	309,926
Earnings per share, basic	3.02	2.32
Earnings per share, diluted	2.73	2.10

These unaudited proforma results have been prepared for comparative purposes only. These results may not be indicative of the results of operations that actually would have resulted had this acquisition occurred at the beginning of the periods presented.

On May 1, 2006, we acquired the stock of Bay View Acceptance Corporation ("BVAC"). The total consideration in the all-cash transaction was approximately \$64.6 million. The fair value of the net assets acquired was \$50.2 million which resulted in goodwill of \$14.4 million, which is not deductible for federal income tax purposes. BVAC serves auto dealers in 32 states offering specialized auto finance products, including extended term financing and higher loan-to-value advances to consumers with prime credit bureau scores. Subsequent to the acquisition, we adjusted our preliminary allocation of the BVAC purchase price by \$6.3 million.

3. Finance Receivables

Finance receivables consist of the following (in thousands):

<u>June 30,</u>	<u>2007</u>	<u>2006</u>
Finance receivables unsecured, net of fees	\$ 3,054,183	\$ 2,415,000
Finance receivables securitized, net of fees	12,868,275	9,360,665
Less nonaccretable acquisition fees	(120,425)	(203,128)
Less allowance for loan losses	(699,663)	(475,529)
	<u>\$15,102,370</u>	<u>\$11,097,008</u>

Finance receivables securitized represent receivables transferred to our special purpose finance subsidiaries in securitization transactions accounted for as secured financings. Finance receivables unsecured include \$2,797.4 million and \$2,227.3 million pledged under our credit facilities as of June 30, 2007 and 2006, respectively.

Finance receivables are collateralized by vehicle titles and we have the right to repossess the vehicle in the event the consumer defaults on the payment terms of the contract.

The accrual of finance charge income has been suspended on \$632.9 million and \$574.8 million of delinquent finance receivables as of June 30, 2007 and 2006, respectively.

Finance contracts are generally purchased by us from auto dealers without recourse, and accordingly, the dealer usually has no liability to us if the consumer defaults on the contract. Depending upon the contract structure and consumer credit attributes, we may pay dealers a participation fee or we may charge dealers a non-refundable acquisition fee when purchasing individual finance contracts. We record the amortization of participation fees to finance charge income using the effective interest rate method. We record the accretion of acquisition fees on loans purchased subsequent to June 30, 2004, to finance charge income using the effective interest method. We recorded acquisition fees on loans purchased prior to July 1, 2004, as nonaccretable fees available to cover losses inherent in the loan portfolio. Additionally, we record a discount on finance receivables

repurchased upon the exercise of a clean-up call option from our gain on sale securitization transactions and account for such discounts as nonaccretable discounts.

A summary of nonaccretable acquisition fees is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Balance at beginning of year	\$203,128	\$199,810	\$176,203
Repurchase of receivables	9,195	29,423	24,133
Net charge-offs	(91,898)	(26,105)	(526)
Balance at end of year	<u>\$120,425</u>	<u>\$203,128</u>	<u>\$199,810</u>

A summary of the allowance for loan losses is as follows (in thousands):

<u>Years ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Balance at beginning of year	\$ 475,529	\$ 341,408	\$ 242,208
Acquisition of Bay View		7,857	
Acquisition of Long Beach	42,677		
Provision for loan losses	727,653	567,545	418,711
Net charge-offs	(546,196)	(441,281)	(319,511)
Balance at end of year	<u>\$ 699,663</u>	<u>\$ 475,529</u>	<u>\$ 341,408</u>

4. Securitizations

A summary of our securitization activity and cash flows from special purpose entities used for securitizations is as follows (in thousands):

<u>Years ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Receivables securitized	\$7,659,927	\$5,000,007	\$4,913,319
Net proceeds from securitization	6,748,304	4,645,000	4,550,000
Servicing fees:			
Sold	2,726	35,513	100,641
Secured financing ^(a)	276,942	218,986	173,509
Distributions from Trusts:			
Sold	93,271	454,531	547,011
Secured financing	854,220	653,803	550,699

(a) Servicing fees earned on securitizations accounted for as secured financings are included in finance charge income on the consolidated statements of income and comprehensive income.

We retain servicing responsibilities for receivables transferred to the Trusts. We earn a monthly base servicing fee on the outstanding principal balance of our domestic securitized receivables and supplemental fees (such as late charges) for servicing the receivables. We believe that servicing fees received on our domestic securitization pools represent adequate compensation based on the amount currently demanded by the marketplace. Additionally, these fees are the same as would fairly compensate a substitute servicer should one be required and, thus, we record neither a servicing asset nor a servicing liability.

As of June 30, 2007 and 2006, we were servicing \$12,899.7 million and \$9,795.1 million, respectively, of finance receivables that have been sold or transferred to securitization Trusts.

5. Credit Enhancement Assets

Credit enhancement assets represent the present value of our retained interests in securitizations accounted for as sales. Our interest in credit enhancement assets are subordinate to the interests of the investors in and

insurers of the Trusts, and the value of such assets is subject to the credit risks related to the receivables transferred to the Trusts. Credit enhancement assets would be utilized to cover monthly principal and interest payments to the investors and administrative fees in the event that cash generated from the securitization Trusts was not sufficient to cover these payments.

Credit enhancement assets consist of the following (in thousands):

<u>June 30,</u>	<u>2007^(a)</u>	<u>2006</u>
Interest-only receivables from Trusts	\$ 134	\$ 3,645
Investments in Trust receivables		41,018
Restricted cash—gain on sale Trusts	5,785	59,961
	<u>\$5,919</u>	<u>\$104,624</u>

(a) We had one acquired gain on sale Trust remaining at June 30, 2007.

A summary of activity in the credit enhancement assets is as follows (in thousands):

<u>June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Balance at beginning of year	\$104,624	\$ 541,790	\$1,062,322
Distributions from Trusts	(93,271)	(454,531)	(551,359)
Receivables repurchased under clean-up call options	(8,155)	(33,384)	(22,231)
Accretion of present value discount	2,372	29,012	64,083
Other-than-temporary impairment		(457)	(1,122)
Change in unrealized gain	349	2,165	(10,642)
Canadian currency translation adjustment		238	739
Acquisition of Bay View		19,791	
Balance at end of year	<u>\$ 5,919</u>	<u>\$ 104,624</u>	<u>\$ 541,790</u>

At the time of securitization of finance receivables, we are required to pledge assets equal to a specified percentage of the securitization pool to support the securitization transaction. Typically, the assets pledged consist of cash deposited to a restricted account and additional receivables delivered to the Trust, which create overcollateralization. The securitization transactions require the percentage of assets pledged to support the transaction to increase until a specified level is attained. Excess cash flows generated by the Trusts are added to the restricted cash account or used to pay down outstanding debt in the Trusts, creating overcollateralization until the targeted percentage level of assets has been reached. Once the targeted percentage level of assets is reached and maintained, excess cash flows generated by the Trusts are released to us as distributions from Trusts. Additionally, as the balance of the securitization pool declines, the amount of pledged assets needed to maintain the required percentage level is reduced. Assets in excess of the required percentage are also released to us as distributions from Trusts.

With respect to our securitization transactions covered by a financial guaranty insurance policy, agreements with the insurers provide that if portfolio performance ratios (delinquency, cumulative default or cumulative net loss triggers) in a Trust's pool of receivables exceed certain targets, the specified credit enhancement levels would be increased.

Agreements with our financial guaranty insurance providers contain additional specified targeted portfolio performance ratios that are higher than the limits referred to in the preceding paragraphs. If, at any measurement date, the targeted portfolio performance ratios with respect to any insured Trust were to exceed these additional levels, provisions of the agreements permit our financial guaranty insurance providers to terminate our servicing rights to the receivables sold to that Trust.

Significant assumptions used in measuring the estimated fair value of credit enhancement assets related to the gain on sale Trusts at the balance sheet dates are as follows:

<u>June 30,</u>	<u>2007</u>	<u>2006</u>
Cumulative credit losses	2.1% ^(a)	12.5% – 14.3% ^(b)
Discount rate used to estimate present value:		
Interest-only receivables from Trusts	14.0%	14.0%
Investments in Trust receivables		9.8%
Restricted cash—gain on sale Trusts	9.8%	9.8%

(a) We had one acquired gain on sale Trust remaining at June 30, 2007.

(b) Excludes cumulative credit loss assumption of 2.3% related to the acquired gain on sale Trust at June 30, 2006.

We have not presented the expected weighted average life and prepayment assumptions used in measuring the fair value of credit enhancement assets due to the stability of these two attributes over time. The majority of our prepayment experience relates to defaults that are considered in the cumulative credit loss assumption. Our voluntary prepayment experience on our gain on sale receivables portfolio typically has not fluctuated significantly with changes in market interest rates or other economic or market factors. The weighted average life of the pools of loans are driven more by the default assumption than the voluntary prepayment rate assumption and therefore the weighted average life is not meaningful.

Expected cumulative static pool credit losses on receivables that have been sold to the Trusts are shown below:

	<u>Securitizations Completed in Years Ended June 30,</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Estimated cumulative credit losses as of: ^(a)			
June 30, 2007	2.1% ^(b)		
June 30, 2006	2.3% ^(b)	13.1%	
June 30, 2005		14.1%	13.8%

(a) Cumulative credit losses are calculated by adding the actual and projected future credit losses and dividing them by the original balance of each pool of assets. The amount shown for each year is a weighted average for all securitizations during the period.

(b) BVAC gain on sale Trust.

6. Equity Investment

We held an equity investment in DealerTrack Holdings, Inc. (“DealerTrack”), a leading provider of on-demand software and data solutions that utilizes the Internet to link automotive dealers with banks, finance companies, credit unions and other financing sources. On December 16, 2005, DealerTrack completed an initial public offering (“IPO”) of its common stock. At the time of the IPO we owned 3,402,768 shares of DealerTrack with an average cost of \$4.15 per share. As part of the IPO, we sold 758,526 shares for net proceeds of \$15.81 per share resulting in an \$8.8 million gain. We owned 2,644,242 shares of DealerTrack with a market value of \$22.11 per share at June 30, 2006. This equity investment was classified as available for sale, and changes in its market value were reflected in other comprehensive income. At June 30, 2006, the investment was included in other assets on the consolidated balance sheets and was valued at \$58.5 million. Included in accumulated other comprehensive income on the consolidated balance sheets was \$47.5 million in unrealized gains related to our investment in DealerTrack at June 30, 2006. During the year ended June 30, 2007, we sold our remaining investment in DealerTrack for net proceeds of \$23.81 per share, resulting in a \$52.0 million gain.

7. Credit Facilities

Amounts outstanding under our credit facilities are as follows (in thousands):

<u>June 30,</u>	<u>2007</u>	<u>2006</u>
Master warehouse facility	\$ 822,955	\$ 358,800
Medium term note facility	750,000	650,000
Repurchase facility	440,561	482,628
Near prime facility		293,394
BVAC credit facility	106,949	133,180
BVAC receivables funding facility		188,280
LBAC credit facility	371,902	
Canadian credit facility	49,335	
	<u>\$2,541,702</u>	<u>\$2,106,282</u>

Further detail regarding terms and availability of the credit facilities as of June 30, 2007, follows (in thousands):

<u>Maturity^(a)</u>	<u>Facility Amount</u>	<u>Advances Outstanding</u>	<u>Finance Receivables Pledged</u>	<u>Restricted Cash Pledged^(g)</u>
Master warehouse facility:				
October 2009	\$2,500,000	\$ 822,955	\$ 947,561	\$ 9,386
Medium term note facility:				
October 2009 ^(b)	750,000	750,000	794,084	33,332
Repurchase facility:				
August 2007 ^(c)	500,000	440,561	502,685	29,427
Near prime facility:				
July 2007 ^(d)	400,000			1,331
BVAC credit facility:				
September 2007 ^(e)	750,000	106,949	110,756	1,370
LBAC credit facility:				
September 2007	600,000	371,902	382,884	
Canadian credit facility:				
May 2008 ^(f)	140,792	49,335	59,424	
	<u>\$5,640,792</u>	<u>\$2,541,702</u>	<u>\$2,797,394</u>	<u>\$74,846</u>

(a) At the maturity date, the outstanding debt balance can either be repaid in full or over time based on the amortization of receivables pledged.

(b) This facility is a revolving facility through the date stated above. During the revolving period, we have the ability to substitute receivables for cash, or vice versa.

(c) Subsequent to June 30, 2007, we renewed this facility, extending the maturity to August 2008.

(d) Subsequent to June 30, 2007, we renewed this facility, extending the maturity to July 2008.

(e) This facility provides for a facility limit of \$750.0 million through June 2007 and \$450.0 million thereafter with a final maturity of September 2007.

(f) Facility amount represents Cdn \$150.0 million.

(g) These amounts do not include cash collected on finance receivables pledged of \$92.0 million which is also included in restricted cash—credit facilities on the consolidated balance sheets.

Generally, our credit facilities are administered by agents on behalf of institutionally managed commercial paper or medium term note conduits. Under these funding agreements, we transfer finance receivables to our special purpose finance subsidiaries. These subsidiaries, in turn, issue notes to the agents, collateralized by such finance receivables and cash. The agents provide funding under the notes to the subsidiaries pursuant to an advance formula, and the subsidiaries forward the funds to us in consideration for the transfer of finance

receivables. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and the finance receivables and other assets held by these subsidiaries are legally owned by these subsidiaries and are not available to our creditors or our other subsidiaries. Advances under the funding agreements bear interest at commercial paper, LIBOR or prime rates plus specified fees depending upon the source of funds provided by the agents.

The Long Beach credit facility is a revolving agreement with a bank under which we may borrow up to \$600.0 million subject to a defined borrowing base.

We are required to hold certain funds in restricted cash accounts to provide additional collateral for borrowings under certain of the facilities. Additionally, certain funding agreements contain various covenants requiring minimum financial ratios, asset quality and portfolio performance ratios (portfolio net loss and delinquency ratios, and pool level cumulative net loss ratios) as well as limits on deferment levels. Failure to meet any of these covenants could result in an event of default under these agreements. If an event of default occurs under these agreements, the lenders could elect to declare all amounts outstanding under these agreements to be immediately due and payable, enforce their interests against collateral pledged under these agreements or restrict our ability to obtain additional borrowings under these agreements. As of June 30, 2007, we were in compliance with all covenants in our credit facilities.

Debt issuance costs are being amortized to interest expense over the expected term of the credit facilities. Unamortized costs of \$6.5 million and \$5.8 million as of June 30, 2007 and 2006, respectively, are included in other assets on the consolidated balance sheets.

8. Securitization Notes Payable

Securitization notes payable represents debt issued by us in securitization transactions accounted for as secured financings. Debt issuance costs are being amortized over the expected term of the securitizations on an effective yield basis. Unamortized costs of \$23.6 million and \$21.4 million as of June 30, 2007 and 2006, respectively, are included in other assets on the consolidated balance sheets.

Securitization notes payable consists of the following (dollars in thousands):

Transaction	Maturity Date ^(b)	Original Note Amount	Original Weighted Average Interest Rate	Receivables Pledged at June 30, 2007	Note Balance at June 30, 2007	Note Balance at June 30, 2006
2002-E-M	June 2009	\$ 1,700,000	3.2%			\$ 241,664
C2002-1 Canada	December 2009	137,000	5.5%			13,254
2003-A-M	November 2009	1,000,000	2.6%			171,170
2003-B-X	January 2010	825,000	2.3%			154,907
2003-C-F	May 2010	915,000	2.8%			175,529
2003-D-M	August 2010	1,200,000	2.3%	\$ 158,527	\$ 141,922	290,657
2004-A-F	February 2011	750,000	2.3%	114,887	101,016	198,938
2004-B-M	March 2011	900,000	2.2%	163,112	144,853	269,696
2004-1	July 2010	575,000	3.7%	144,294	105,136	193,132
2004-C-A	May 2011	800,000	3.2%	217,411	193,157	336,429
2004-D-F	July 2011	750,000	3.1%	225,251	204,843	352,779
2005-A-X	October 2011	900,000	3.7%	305,426	273,423	465,158
2005-1	May 2011	750,000	4.5%	278,142	204,676	402,098
2005-B-M	May 2012	1,350,000	4.1%	576,459	512,558	849,479
2005-C-F	June 2012	1,100,000	4.5%	536,506	485,962	791,241
2005-D-A	November 2012	1,400,000	4.9%	768,144	702,147	1,121,711
2006-1	May 2013	945,000	5.3%	566,937	493,001	855,372
2006-RM	January 2014	1,200,000	5.4%	1,250,901	1,147,175	1,199,805
2006-A-F	September 2013	1,350,000	5.6%	1,028,718	939,933	
2006-B-G	September 2013	1,200,000	5.2%	1,009,870	928,195	
2007-A-X	October 2013	1,200,000	5.2%	1,112,974	1,032,388	
2007-B-F	December 2013	1,500,000	5.2%	1,530,060	1,432,013	
2007-1	March 2016	1,000,000	5.4%	985,163	999,963	
BV2005-LJ-1 ^(a)	May 2012	232,100	5.1%	83,004	85,113	134,540
BV2005-LJ-2 ^(a)	February 2014	185,596	4.6%	77,225	79,394	125,056
BV2005-3 ^(a)	June 2014	220,107	5.1%	113,189	116,950	176,234
LB2003-C ^(a)	April 2010	250,000	2.6%	31,465	31,364	
LB2004-A ^(a)	July 2010	300,000	2.3%	48,144	49,671	
LB2004-B ^(a)	April 2011	250,000	3.5%	53,022	54,318	
LB2004-C ^(a)	July 2011	350,000	3.5%	102,005	99,960	
LB2005-A ^(a)	April 2012	350,000	4.1%	131,471	126,095	
LB2005-B ^(a)	June 2012	350,000	4.4%	165,134	156,776	
LB2006-A ^(a)	May 2013	450,000	5.4%	276,671	281,610	
LB2006-B ^(a)	September 2013	500,000	5.2%	373,387	364,485	
LB2007-A	January 2014	486,000	5.0%	440,776	451,350	
		<u>\$27,370,803</u>		<u>\$12,868,275</u>	<u>\$11,939,447</u>	<u>\$8,518,849</u>

(a) Transactions relate to securitization Trusts acquired by us.

(b) Maturity date represents final legal maturity of securitization notes payable. Securitization notes payable are expected to be paid based on amortization of the finance receivables pledged to the Trusts. Expected principal payments are \$5,229.5 million in fiscal 2008, \$3,514.8 million in fiscal 2009, \$1,928.7 million in fiscal 2010 and \$1,272.4 million in fiscal 2011.

At the time of securitization of finance receivables, we are required to pledge assets equal to a specified percentage of the securitization pool to support the securitization transaction. Typically, the assets pledged consist of cash deposited to a restricted account and additional receivables delivered to the Trust, which create overcollateralization. The securitization transactions require the percentage of assets pledged to support the

transaction to increase until a specified level is attained. Excess cash flows generated by the Trusts are added to the restricted cash account or used to pay down outstanding debt in the Trusts, creating overcollateralization until the targeted percentage level of assets has been reached. Once the targeted percentage level of assets is reached and maintained, excess cash flows generated by the Trusts are released to us as distributions from Trusts. Additionally, as the balance of the securitization pool declines, the amount of pledged assets needed to maintain the required percentage level is reduced. Assets in excess of the required percentage are also released to us as distributions from Trusts.

With respect to our securitization transactions covered by a financial guaranty insurance policy, agreements with the insurers provide that if portfolio performance ratios (delinquency, cumulative default or cumulative net loss) in a Trust's pool of receivables exceed certain targets, the specified credit enhancement levels would be increased.

Agreements with our financial guaranty insurance providers contain additional specified targeted portfolio performance ratios that are higher than those described in the preceding paragraph. If, at any measurement date, the targeted portfolio performance ratios with respect to any insured Trust were to exceed these higher levels, provisions of the agreements permit our financial guaranty insurance providers to terminate our servicing rights to the receivables sold to that Trust.

9. Senior Notes

In June 2007, we issued \$200.0 million of senior notes, in a private offering to qualified institutional buyers under Rule 144A under the Securities Act of 1933, that are due in June 2015. Interest on the senior notes is payable semiannually at a rate of 8.5%. The notes will be redeemable, at our option, in whole or in part, at any time on or after July 1, 2011, at specific redemption prices. In connection with the issuance of the notes, we entered into a registration rights agreement that requires us to file a shelf registration statement relating to the resale of the notes and the subsidiary guarantees. If the registration statement has not become effective within 180 days from the original issuance of the notes or ceases to remain effective, we will be required to pay the noteholders during the time that the registration statement is not effective a maximum amount of \$0.50 per week per \$1,000 principal amount of the notes.

Debt issuance costs related to the senior notes are being amortized to interest expense over the expected term of the notes; unamortized costs of \$3.5 million are included in other assets on the consolidated balance sheets as of June 30, 2007.

On May 10, 2006, we redeemed all of our outstanding 9.25% senior notes due May 2009 for a redemption price of 104.625% plus accrued interest through the redemption date. The principal amount of the outstanding notes was \$154.6 million. Upon the payment of the redemption price plus accrued interest, we recognized a \$9.2 million extinguishment loss, which is included in other income on the consolidated statements of income and comprehensive income for the year ended June 30, 2006.

10. Convertible Senior Notes

In September 2006, we issued \$550.0 million of convertible senior notes at par in a private offering to qualified institutional buyers under Rule 144A under the Securities Act of 1933, of which \$275.0 million are due in 2011 bearing interest at a rate of 0.75% per annum and \$275.0 million are due in 2013 bearing interest at a rate of 2.125% per annum. Interest on the notes is payable semiannually. Subject to certain conditions, the notes, which are uncollateralized, may be converted prior to maturity into shares of our common stock at an initial conversion price of \$28.07 per share and \$30.51 per share for the notes due in 2011 and 2013, respectively. Upon conversion, the conversion value will be paid in: 1) cash equal to the principal amount of the notes and 2) to the extent the conversion value exceeds the principal amount of the notes, shares of our common stock. The notes are

convertible only in the following circumstances: 1) if the closing sale price of our common stock exceeds 130% of the conversion price during specified periods set forth in the indentures under which the notes were issued, 2) if the average trading price per \$1,000 principal amount of the notes is less than or equal to 98% of the average conversion value of the notes during specified periods set forth in the indentures under which the notes were issued or 3) upon the occurrence of specific corporate transactions set forth in the indentures under which the notes were issued. In connection with the issuance of the notes, we filed a shelf registration statement relating to the resale of the notes, the subsidiary guarantees and the shares of common stock into which the notes are convertible. If the registration statement ceases to remain effective, we will be required to pay additional interest to the noteholders during the time that the registration statement is not effective at a rate of 0.5% per annum through September 2008.

In connection with the issuance of these convertible senior notes, we used net proceeds of \$246.8 million to purchase 10,109,500 shares of our common stock.

In conjunction with the issuance of the convertible senior notes, we purchased call options that entitle us to purchase shares of our common stock in an amount equal to the number of shares issued upon conversion of the notes at \$28.07 per share and \$30.51 per share for the notes due in 2011 and 2013, respectively. These call options are expected to allow us to offset the dilution of our shares if the conversion feature of the convertible senior notes is exercised.

We also sold warrants to purchase 9,796,408 shares of our common stock at \$35 per share and 9,012,713 shares of our common stock at \$40 per share for the notes due in 2011 and 2013, respectively. In no event are we required to deliver a number of shares in connection with the exercise of these warrants in excess of twice the aggregate number of shares initially issuable upon the exercise of the warrants.

We have analyzed the conversion feature, call option and warrant transactions under Emerging Issues Task Force Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to and Potentially Settled In a Company's Own Stock," and determined they meet the criteria for classification as equity transactions. As a result, both the cost of the call options and the proceeds of the warrants are reflected in additional paid-in capital on our consolidated balance sheets, and we will not recognize subsequent changes in their fair value.

In November 2003, we issued \$200.0 million of contingently convertible senior notes that are due in November 2023. Interest on the notes is payable semiannually at a rate of 1.75% per annum. The notes, which are uncollateralized, are convertible prior to maturity into shares of our common stock at \$18.68 per share. Additionally, we may exercise our option to repurchase the notes, or holders of the convertible senior notes may require us to repurchase the notes, on November 15, 2008, at a price equal to 100.25% of the principal amount of the notes redeemed, or after November 15, 2008 at par.

In conjunction with the issuance of the convertible senior notes, we purchased a call option that entitles us to purchase shares of our common stock in an amount equal to the number of shares convertible at \$18.68 per share. This call option allows us to offset the dilution of our shares if the conversion feature of the convertible senior notes is exercised. We also issued warrants to purchase 10,705,205 shares of our common stock. Each warrant entitles the holder, at our option, and subject to certain provisions within the warrant agreement, to purchase shares of common stock from us at \$28.20 per share, at any time prior to its expiration on October 15, 2008. The warrants may be settled in net shares or net cash, at our discretion if certain criteria are met. Both the cost of the call option and the proceeds of the warrants are reflected in additional paid in capital on our consolidated balance sheets.

Debt issuance costs relating to convertible senior notes are being amortized to interest expense over the expected term of five to seven years of the notes; unamortized costs of \$12.9 million and \$2.5 million are included in other assets on the consolidated balance sheets as of June 30, 2007 and 2006, respectively.

11. Derivative Financial Instruments and Hedging Activities

As of June 30, 2007 and 2006, we had interest rate swap agreements associated with our securitization Trusts, our medium term note facility and a portion of our BVAC portfolio with underlying notional amounts of \$2,355.1 million and \$1,293.8 million, respectively. The fair value of our interest rate swap agreements of \$14.9 million and \$18.7 million as of June 30, 2007 and 2006, respectively, is included in other assets on the consolidated balance sheets. Interest rate swap agreements designated as hedges had unrealized gains included in accumulated other comprehensive income of approximately \$14.2 million and \$15.2 million as of June 30, 2007 and 2006, respectively. The ineffectiveness related to the interest rate swap agreements designated as hedges was not material for the years ended June 30, 2007, 2006 and 2005. We estimate approximately \$8.5 million of unrealized gains included in other comprehensive income related to interest rate swap agreements will be reclassified into earnings within the next twelve months.

As of June 30, 2007 and June 30, 2006, we had interest rate cap agreements with underlying notional amounts of \$4,323.7 million and \$3,733.3 million, respectively. The fair value of the interest rate cap agreements purchased by our special purpose finance subsidiaries of \$13.4 million and \$15.4 million as of June 30, 2007 and 2006, respectively, are included in other assets on the consolidated balance sheets. The fair value of the interest rate cap agreements sold by us of \$13.4 million and \$14.8 million as of June 30, 2007 and 2006, respectively, are included in other liabilities on the consolidated balance sheets.

Under the terms of our derivative financial instruments, we are required to pledge certain funds to be held in restricted cash accounts as collateral for the outstanding derivative transactions. As of June 30, 2007 and 2006, these restricted cash accounts totaled \$10.2 million and \$13.2 million, respectively, and are included in other assets on the consolidated balance sheets.

12. Commitments and Contingencies

Leases

Our branch offices are generally leased for terms of up to five years with certain rights to extend for additional periods. We also lease space for our administrative offices and loan servicing activities under leases with terms up to twelve years with renewal options. Certain leases contain lease escalation clauses for real estate taxes and other operating expenses and renewal option clauses calling for increased rents. Lease expense was \$16.6 million, \$17.5 million and \$14.9 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Operating lease commitments for years ending June 30 are as follows (in thousands):

2008	\$20,012
2009	18,215
2010	16,969
2011	13,446
2012	6,733
Thereafter	<u>21,580</u>
	<u>\$96,955</u>

During the year ended June 30, 2006, we sold and leased back a building we owned and utilized for servicing activities. The operating lease has a twelve-year term expiring in 2017 with renewal options. The lessor is an unrelated third party. The gain on the sale is being amortized into income in proportion to the related gross rental charged to expense over the lease term.

Concentrations of Credit Risk

Financial instruments which potentially subject us to concentrations of credit risk are primarily cash equivalents, restricted cash, derivative financial instruments and managed finance receivables, which include

finance receivables held on our consolidated balance sheets and gain on sale receivables serviced by us on behalf of the Trusts. Our cash equivalents and restricted cash represent investments in highly rated securities placed through various major financial institutions. The counterparties to our derivative financial instruments are various major financial institutions. Managed finance receivables represent contracts with consumers residing throughout the United States and, to a limited extent, in Canada, with borrowers located in California, Texas and Florida each accounting for 14%, 12% and 10%, respectively, of the managed finance receivables portfolio as of June 30, 2007. No other state accounted for more than 10% of managed finance receivables.

Guarantees of Indebtedness

The payments of principal and interest on our senior notes and convertible senior notes are guaranteed by certain of our subsidiaries. As of June 30, 2007 and 2006, the carrying value of the senior notes and convertible senior notes were \$950.0 million and \$200.0 million, respectively. See guarantor consolidating financial statements in Note 23.

Legal Proceedings

As a consumer finance company, we are subject to various consumer claims and litigation seeking damages and statutory penalties, based upon, among other things, usury, disclosure inaccuracies, wrongful repossession, violations of bankruptcy stay provisions, certificate of title disputes, fraud, breach of contract and discriminatory treatment of credit applicants. Some litigation against us could take the form of class action complaints by consumers and/or shareholders. As the assignee of finance contracts originated by dealers, we may also be named as a co-defendant in lawsuits filed by consumers principally against dealers. The damages and penalties claimed by consumers in these types of matters can be substantial. The relief requested by the plaintiffs varies but can include requests for compensatory, statutory and punitive damages. We believe that we have taken prudent steps to address and mitigate the litigation risks associated with our business activities.

13. Common Stock and Warrants

The following summarizes share repurchase activity:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of shares	13,466,030	21,025,074	16,507,529
Average price per share	\$ 24.06	\$ 25.12	\$ 21.96

Subsequent to June 30, 2007, we repurchased an additional 4,232,050 shares of our common stock at an average cost of \$23.61 per share. As of August 15, 2007, we had repurchased \$1,346.8 million of our common stock since April 2004 and we had remaining authorization to repurchase \$200 million of our common stock. A covenant in our senior note indenture entered into in June 2007 limits our ability to repurchase stock. As of August 15, 2007, we have approximately \$30 million available for share repurchases under the indenture limits.

In January 2007, 53.6 million treasury shares were cancelled and were restored to the status of authorized but unissued shares. Our outstanding common stock was not impacted by this action.

In September 2002, we issued five-year warrants to purchase 1,287,691 shares of our common stock at \$9.00 per share. In April 2005, 36,695 warrants were exercised, which resulted in a net settlement of 24,431 shares of our common stock. In July 2006, we repurchased 17,687 shares of these warrants for approximately \$334,000.

14. Stock Based Compensation

General

We have certain stock based compensation plans for employees, non-employee directors and key executive officers.

A total of 28,200,000 shares have been authorized for grants of options and other stock based awards under the employee plans, of which 2,000,000 shares are available for grants to non-employee directors as well as employees. As of June 30, 2007, 3,185,095 shares remain available for future grants. The exercise price of each equity grant must equal the market price of our stock on the date of grant, and the maximum term of each equity grant is ten years. The vesting period is typically three to four years, although grants with other vesting periods or grants that vest upon the achievement of specified performance criteria may be authorized under certain employee plans. A committee of our Board of Directors establishes policies and procedures for equity grants, vesting periods and the term of each grant.

A total of 1,500,000 shares have been authorized for equity grants under the non-employee director plans. These plans have now expired and no shares remain available for future grants. A total of 6,300,000 shares have been authorized for equity grants under the key executive officer plans, all of which have been previously awarded and vested and have been exercised.

Total unamortized stock based compensation was \$60.5 million at June 30, 2007, and will be recognized over a period of 1.7 years.

Stock Options

Compensation expense recognized for stock options was \$0.9 million, \$6.7 million and \$6.2 million for the years ended June 30, 2007, 2006 and 2005, respectively. As of June 30, 2007 and 2006, unamortized compensation expense related to stock options was \$1.6 million and \$2.2 million, respectively.

Employee Plans

A summary of stock option activity under our employee plans is as follows (shares in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>		<u>2006</u>		<u>2005</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at beginning of year	5,724	\$16.51	7,569	\$15.39	10,216	\$15.99
Granted	76	24.80	160	25.00	120	19.57
Exercised	(2,186)	11.98	(1,858)	12.37	(2,061)	12.85
Canceled/forfeited	(115)	38.69	(147)	20.26	(706)	32.24
Outstanding at end of year	<u>3,499</u>	<u>\$18.83</u>	<u>5,724</u>	<u>\$16.51</u>	<u>7,569</u>	<u>\$15.39</u>
Options exercisable at end of year	<u>3,378</u>	<u>\$18.53</u>	<u>5,634</u>	<u>\$16.36</u>	<u>6,230</u>	<u>\$16.34</u>
Weighted average fair value of options granted during year		<u>\$ 6.92</u>		<u>\$ 9.33</u>		<u>\$14.26</u>

Cash received from exercise of options for the years ended June 30, 2007 and 2006, was \$26.2 million and \$23.0 million, respectively. Options exercised are issued as new shares and there are no expected forfeitures of options granted. The total intrinsic value of options exercised during the years ended June 30, 2007 and 2006, was \$30.0 million and \$28.8 million, respectively.

A summary of options outstanding under our employee plans as of June 30, 2007, is as follows (shares in thousands):

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Years of Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
\$6.80 to 8.00	74	5.32	\$ 7.16	74	\$ 7.16
\$8.01 to 10.00	1,094	0.91	8.76	1,094	8.76
\$10.01 to 15.00	136	4.55	13.74	136	13.74
\$15.01 to 17.00	651	3.60	16.21	651	16.21
\$17.01 to 19.00	448	2.47	17.87	448	17.87
\$19.01 to 21.00	204	5.18	20.30	204	20.30
\$21.01 to 30.00	404	5.14	25.69	290	25.49
\$30.01 to 50.00	466	3.84	42.74	459	42.15
\$50.01 to 55.00	22	4.02	54.14	22	54.14
	<u>3,499</u>			<u>3,378</u>	

Non-Employee Director Plans

A summary of stock option activity under our non-employee director plans is as follows (shares in thousands):

Years Ended June 30,	2007		2006		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	260	\$14.88	270	\$14.57	320	\$13.10
Exercised	(40)	9.38	(10)	6.50	(50)	5.18
Outstanding and exercisable at end of year	<u>220</u>	<u>\$15.88</u>	<u>260</u>	<u>\$14.88</u>	<u>270</u>	<u>\$14.57</u>

Cash received from exercise of options for the years ended June 30, 2007 and 2006, was \$375,000 and \$65,000, respectively. Options exercised are issued as new shares and there are no expected forfeitures of options granted. The total intrinsic value of options exercised during the years ended June 30, 2007 and 2006, was \$665,000 and \$157,000, respectively.

A summary of options outstanding under our non-employee director plans as of June 30, 2007, is as follows (shares in thousands):

Range of Exercise Prices	Options Outstanding and Exercisable		
	Number Outstanding	Weighted Average Years of Remaining Contractual Life	Weighted Average Exercise Price
Less than \$15.00	140	0.92	\$14.77
\$15.01 to 20.00	80	2.35	17.81
	<u>220</u>		

Key Executive Officer Plans

A summary of stock option activity under our key executive officer plans is as follows (shares in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>		<u>2006</u>		<u>2005</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at beginning of year	2,172	\$12.00	2,672	\$11.40	3,898	\$11.28
Exercised	(2,172)	12.00	(500)	8.80	(1,226)	11.02
Outstanding and exercisable at end of year			<u>2,172</u>	<u>\$12.00</u>	<u>2,672</u>	<u>\$11.40</u>

Cash received from exercise of options for the year ended June 30, 2007 and 2006, was \$26.1 million and \$4.4 million, respectively. Options exercised are issued as new shares and there are no expected forfeitures of options granted. The total intrinsic value of options exercised during the years ended June 30, 2007 and 2006, was \$27.8 million and \$9.8 million, respectively.

Modifications to extend the option term by two years for 2,840,000 stock options, of which 2,272,000 received shareholder approval, were made during the year ended June 30, 2005. Compensation expense was recognized over the service period on a straight-line basis and totaled \$5.4 million for the year ended June 30, 2005.

Restricted Stock Based Grants

Restricted stock grants totaling 2,977,900 shares with an approximate aggregate market value of \$78.0 million at the time of grant have been issued under the employee plans. The market value of these restricted shares at the date of grant is being amortized into expense over a period that approximates the service period of three years.

A total of 1,753,400 shares of restricted stock granted to employees vest in annual increments through March 2010.

A total of 1,191,000 shares of restricted stock granted to key executive officers may vest depending on achievement of specific financial results on the date when the Compensation Committee of our Board of Directors certifies these results for years ending through June 30, 2010.

A total of 33,500 shares of restricted stock granted to non-employee directors vested 50% at the date of grant and 50% after a six-month service period.

Compensation expense recognized for restricted stock grants was \$14.0 million, \$4.5 million and \$1.7 million for the years ended June 30, 2007, 2006 and 2005, respectively. As of June 30, 2007 and 2006, unamortized compensation expense related to the restricted stock awards was \$55.1 million and \$34.2 million, respectively. A summary of the status of non-vested restricted stock for the years ended June 30, 2007, 2006 and 2005, is presented below:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Nonvested at beginning of year	1,439,975	577,300	
Granted	1,353,900	1,036,500	587,500
Vested	(262,730)	(138,625)	
Forfeited	(110,425)	(35,200)	(10,200)
Nonvested at end of year	<u>2,420,720</u>	<u>1,439,975</u>	<u>577,300</u>

Stock Appreciation Rights

Stock appreciation rights with respect to 680,600 shares with an approximate aggregate market value of \$9.7 million at the time of grant have been issued under the employee plans. The market value of these rights at the date of grant is being amortized into expense over a period that approximates the service period of three years. Stock appreciation rights with respect to 640,000 shares are subject to vesting schedules of 25% that vested in June 2005, 25% that vested in March 2007 and 50% that will vest in March 2008. The remaining stock appreciation rights are subject to vesting schedules of 25% that vested in March 2006, 25% that vested in March 2007 and 50% that will vest in March 2008. Compensation expense recognized for stock appreciation rights was \$3.4 million, \$3.3 million and \$1.0 million for the years ended June 30, 2007, 2006 and 2005, respectively. As of June 30, 2007 and 2006, unamortized compensation expense related to the rights was \$2.5 million and \$5.5 million, respectively. A summary of the status of non-vested stock appreciation rights for the years ended June 30, 2007, 2006 and 2005, is presented below:

<u>Years ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Nonvested at beginning of year	508,275	520,600	
Granted			680,600
Vested	(168,700)	(9,425)	(160,000)
Forfeited	(2,900)	(2,900)	
Nonvested at end of year	<u>336,675</u>	<u>508,275</u>	<u>520,600</u>

15. Employee Benefit Plans

We have a defined contribution retirement plan covering substantially all employees. Our contributions in stock to the plan were \$6.3 million, \$4.1 million and \$3.3 million for the years ended June 30, 2007, 2006 and 2005, respectively.

We also have an employee stock purchase plan that allows participating employees to purchase, through payroll deductions, shares of our common stock at 85% of the market value at specified dates. A total of 5,000,000 shares have been reserved for issuance under the plan. As of June 30, 2007, 917,455 shares remain available for issuance under the plan. Shares issued under the plan were 287,191, 283, 240, and 549,046 for the years ended June 30, 2007, 2006 and 2005, respectively. We recognized \$1.9 million, \$2.1 million and \$2.6 million in compensation expense for the years ended June 30, 2007, 2006 and 2005, respectively, related to this plan. As of June 30, 2007 and 2006, unamortized compensation expense related to the employee stock purchase plan was \$1.3 million and \$0.9 million, respectively.

16. Income Taxes

The income tax provision consists of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current	\$216,382	\$220,973	\$216,708
Deferred	(44,564)	(41,921)	(50,218)
	<u>\$171,818</u>	<u>\$179,052</u>	<u>\$166,490</u>

Our effective income tax rate on income before income taxes differs from the U.S. statutory tax rate as follows:

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
U.S. statutory tax rate	35.0%	35.0%	35.0%
State income taxes and other	1.7	1.9	1.8
Tax contingency settlements	(4.4)	—	—
	<u>32.3%</u>	<u>36.9%</u>	<u>36.8%</u>

As a result of the favorable resolution of prior contingent liabilities, we recorded a net reduction to the tax contingency balance of \$23.3 million during the year ended June 30, 2007.

The tax effects of temporary differences that give rise to deferred tax liabilities and assets are as follows (in thousands):

<u>June 30,</u>	<u>2007</u>	<u>2006</u>
Deferred tax liabilities:		
Unrealized gains on credit enhancement assets	\$ (5,824)	\$ (24,294)
Capitalized direct loan origination costs	(18,177)	(11,934)
Other, including contingencies	(40,193)	(53,257)
	<u>(64,194)</u>	<u>(89,485)</u>
Deferred tax assets:		
Allowance for loan losses	149,735	100,074
Net operating loss carryforward—Canada	8,887	7,189
Other	57,276	61,011
	<u>215,898</u>	<u>168,274</u>
Net deferred tax asset	<u>\$151,704</u>	<u>\$ 78,789</u>

As of June 30, 2007, we have a net operating loss carryforward of approximately Cdn \$26.5 million for Canadian income tax reporting purposes that expires between June 30, 2008 and June 30, 2017, and a net operating loss carryforward of approximately \$18.1 million for state income tax reporting purposes which expires in 2009. We expect to generate sufficient income to utilize the net operating loss carryforwards; accordingly, no tax valuation allowance has been recorded on the related deferred tax asset.

No provision for deferred taxes has been made on the approximately \$12.5 million of unremitted earnings that are considered to be indefinitely invested in our Canadian subsidiaries. Deferred taxes for these unremitted earnings are not practicable to estimate.

17. Restructuring Charges

As of June 30, 2007, total costs incurred to date related to our restructuring activities include \$22.3 million in personnel-related costs and \$69.7 million of contract termination and other associated costs.

A summary of the liabilities, which are included in accrued taxes and expenses on the consolidated balance sheets, for restructuring charges for the years ended June 30, 2007, 2006 and 2005, is as follows (in thousands):

	Personnel- Related Costs	Contract Termination Costs	Other Associated Costs	Total
Balance at June 30, 2004	\$ 10	\$16,029	\$3,390	\$19,429
Cash settlements	(10)	(4,711)		(4,721)
Non-cash settlements		(702)	(372)	(1,074)
Adjustments		2,882	(59)	2,823
Balance at June 30, 2005		13,498	2,959	16,457
Additions	1,250	712		1,962
Cash settlements	(184)	(2,926)		(3,110)
Non-cash settlements		(718)	(358)	(1,076)
Adjustments		1,107	(24)	1,083
Balance at June 30, 2006	1,066	11,673	2,577	15,316
Cash settlements	(944)	(6,700)		(7,644)
Non-cash settlements		(343)	(720)	(1,063)
Adjustments		(455)	116	(339)
Balance at June 30, 2007	<u>\$ 122</u>	<u>\$ 4,175</u>	<u>\$1,973</u>	<u>\$ 6,270</u>

The adjustments for the year ended June 30, 2007, include a favorable settlement of a lease obligation regarding prior year restructuring activities.

18. Earnings Per Share

A reconciliation of weighted average shares used to compute basic and diluted earnings per share is as follows (dollars in thousands, except per share data):

Years Ended June 30,	2007	2006	2005
Net income	\$ 360,249	\$ 306,183	\$ 285,909
Interest expense related to the 2003 convertible senior notes, net of related tax effects	3,090	2,878	2,859
Adjusted net income	<u>\$ 363,339</u>	<u>\$ 309,061</u>	<u>\$ 288,768</u>
Basic weighted average shares	119,155,716	133,837,116	152,184,740
Incremental shares resulting from assumed conversions:			
Stock based compensation	2,576,287	3,292,982	3,589,632
Warrants	787,737	989,613	763,081
2003 convertible senior notes	10,705,205	10,705,205	10,705,205
	<u>14,069,229</u>	<u>14,987,800</u>	<u>15,057,918</u>
Diluted weighted average shares	<u>133,224,945</u>	<u>148,824,916</u>	<u>167,242,658</u>
Earnings per share:			
Basic	<u>\$ 3.02</u>	<u>\$ 2.29</u>	<u>\$ 1.88</u>
Diluted	<u>\$ 2.73</u>	<u>\$ 2.08</u>	<u>\$ 1.73</u>

Basic earnings per share have been computed by dividing net income by weighted average shares outstanding.

Diluted earnings per share have been computed by dividing net income, adjusted for interest expense (net of related tax effects) related to our convertible senior notes issued in November 2003, by the diluted weighted average shares. The treasury stock method was used to compute the assumed incremental shares related to our outstanding stock-based compensation and warrants and will be used to compute the shares related to our convertible senior notes issued in September 2006 upon our stock price increasing above the relevant initial conversion price. The average common stock market prices for the periods were used to determine the number of incremental shares. Options to purchase approximately 0.6 million, 0.7 million and 1.0 million shares of common stock at June 30, 2007, 2006 and 2005, respectively, were not included in the computation of diluted earnings per share because the option exercise price was greater than the average market price of the common shares. Warrants to purchase approximately 30.0 million, 10.9 million and 11.2 million shares of common stock for the years ended June 30, 2007, 2006 and 2005, respectively, were not included in the computation of diluted earnings per share because the exercise price was greater than the average market price of the common shares.

The if-converted method was used to calculate the impact of our convertible senior notes issued in November 2003 on assumed incremental shares.

19. Supplemental Cash Flow Information

Cash payments for interest costs and income taxes consist of the following (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Interest costs (none capitalized)	\$678,359	\$402,492	\$257,327
Income taxes	186,068	195,749	219,439

Non-cash investing and financing activities during the year ended June 30, 2007, 2006 and 2005, included \$3.0 million, \$2.2 million and \$5.1 million, respectively, of common stock issued for employee benefit plans.

During the year ended June 30, 2006, we entered into capital lease agreements for property and equipment of \$1.7 million. We did not enter into any significant capital lease agreements for property and equipment during the years ended June 30, 2007 and 2005.

20. Supplemental Disclosure for Accumulated Other Comprehensive Income

A summary of changes in accumulated other comprehensive income is as follows (in thousands):

<u>Years Ended June 30,</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net unrealized gains on credit enhancement assets:			
Balance at beginning of year	\$ 2,233	\$ 6,122	\$20,273
Unrealized gains (losses), net of taxes of \$175, \$865 and \$(4,197), respectively	174	1,479	(6,618)
Reclassification into earnings, net of taxes of \$(1,220), \$(3,141) and \$(4,778), respectively	<u>(2,172)</u>	<u>(5,368)</u>	<u>(7,533)</u>
Balance at end of year	<u>235</u>	<u>2,233</u>	<u>6,122</u>
Unrealized gain on equity investment:			
Balance at beginning of year	29,968		
Change in fair market value, net of taxes of \$1,839 and \$20,798	2,658	35,549	
Reclassification of gain on sale into earnings, net of taxes of \$(19,371) and \$(3,266)	<u>(32,626)</u>	<u>(5,581)</u>	
Balance at end of year		<u>29,968</u>	
Unrealized gains on cash flow hedges:			
Balance at beginning of year	9,488	3,878	785
Change in fair value associated with current period hedging activities, net of taxes of \$4,393, \$7,328 and \$198, respectively	7,143	12,527	311
Reclassification into earnings, net of taxes of \$(4,286), \$(4,046) and \$1,764, respectively	<u>(8,286)</u>	<u>(6,917)</u>	<u>2,782</u>
Balance at end of year	<u>8,345</u>	<u>9,488</u>	<u>3,878</u>
Accumulated foreign currency translation adjustment:			
Balance at beginning of year	32,593	23,565	15,765
Translation gain	<u>4,521</u>	<u>9,028</u>	<u>7,800</u>
Balance at end of year	<u>37,114</u>	<u>32,593</u>	<u>23,565</u>
Total accumulated other comprehensive income	<u>\$ 45,694</u>	<u>\$74,282</u>	<u>\$33,565</u>

21. Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments" ("SFAS 107"), requires disclosure of fair value information about financial instruments, whether recognized or not in our consolidated balance sheets. Fair values are based on estimates using present value or other valuation techniques in cases where quoted market prices are not available. Those techniques are significantly affected by the assumptions used, including the discount rate and the estimated timing and amount of future cash flows. Therefore, the estimates of fair value may differ substantially from amounts that ultimately may be realized or paid at settlement or maturity of the financial instruments and those differences may be material. SFAS 107 excludes certain financial instruments and all non-financial instruments from our disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of our Company.

Estimated fair values, carrying values and various methods and assumptions used in valuing our financial instruments are set forth below (in thousands):

	June 30,			
	2007		2006	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:				
Cash and cash equivalents ^(a)	\$ 910,304	\$ 910,304	\$ 513,240	\$ 513,240
Finance receivables, net ^(b)	15,102,370	14,878,986	11,097,008	10,959,707
Credit enhancement assets ^(c)	5,919	5,919	104,624	104,624
Restricted cash—securitization notes payable ^(a)	1,014,353	1,014,353	860,935	860,935
Restricted cash—credit facilities ^(a)	166,884	166,884	140,042	140,042
Restricted cash—other ^(a)	12,434	12,434	14,301	14,301
Interest rate swap agreements ^(e)	14,926	14,926	18,706	18,706
Interest rate cap agreements purchased ^(e)	13,410	13,410	15,418	15,418
Financial liabilities:				
Credit facilities ^(d)	2,541,702	2,541,702	2,106,282	2,106,282
Securitization notes payable ^(e)	11,939,447	11,708,795	8,518,849	8,387,558
Senior notes ^(e)	200,000	200,000		
Convertible senior notes ^(e)	750,000	886,442	200,000	308,738
Other notes payable ^(f)	752	752	4,296	4,296
Interest rate cap agreements sold ^(e)	13,410	13,410	14,750	14,750

- (a) The carrying value of cash and cash equivalents, restricted cash—securitization notes payable, restricted cash—credit facilities and restricted cash—other is considered to be a reasonable estimate of fair value since these investments bear interest at market rates and have maturities of less than 90 days.
- (b) The fair value of finance receivables is estimated by discounting future cash flows expected to be collected using a current risk-adjusted rate.
- (c) The fair value of credit enhancement assets is estimated by discounting the associated future net cash flows using discount rate, prepayment and credit loss assumptions similar to our historical experience.
- (d) Credit facilities have variable rates of interest and maturities of three years or less. Therefore, carrying value is considered to be a reasonable estimate of fair value.
- (e) The fair values of the interest rate cap and swap agreements, securitization notes payable, senior notes and convertible senior notes are based on quoted market prices, when available. If quoted market prices are not available, the market value is estimated by discounting future net cash flows expected to be settled using a current risk-adjusted rate.
- (f) The fair value of other notes payable is estimated based on rates currently available for debt with similar terms and remaining maturities.

22. Quarterly Financial Data (unaudited)

The following is a summary of quarterly financial results (dollars in thousands, except per share data):

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Fiscal year ended June 30, 2007				
Total revenue	\$ 523,621	\$ 575,636	\$ 615,273	\$ 625,393
Income before income taxes	117,648	150,804	129,432	134,183
Net income	74,236	95,426	103,732	86,855
Basic earnings per share	0.59	0.82	0.88	0.74
Diluted earnings per share	0.54	0.74	0.80	0.66
Diluted weighted average shares	139,718,283	130,153,556	131,166,057	131,816,572
Fiscal year ended June 30, 2006				
Total revenue	\$ 420,263	\$ 448,128	\$ 455,104	\$ 487,843
Income before income taxes	86,108	137,072	137,669	124,386
Net income	54,033	86,574	86,732	78,844
Basic earnings per share	0.38	0.65	0.67	0.61
Diluted earnings per share	0.35	0.59	0.60	0.55
Diluted weighted average shares	157,590,746	148,325,483	144,954,396	144,286,513

23. Guarantor Consolidating Financial Statements

The payment of principal and interest on our senior notes and convertible senior notes are guaranteed by certain of our subsidiaries (the “Subsidiary Guarantors”). The separate financial statements of the Subsidiary Guarantors are not included herein because the Subsidiary Guarantors are our wholly-owned consolidated subsidiaries and are jointly, severally, fully and unconditionally liable for the obligations represented by the convertible senior notes. We believe that the consolidating financial information for AmeriCredit Corp., the combined Subsidiary Guarantors and the combined Non-Guarantor Subsidiaries provide information that is more meaningful in understanding the financial position of the Subsidiary Guarantors than separate financial statements of the Subsidiary Guarantors.

The consolidating financial statements present consolidating financial data for (i) AmeriCredit Corp. (on a parent only basis), (ii) the combined Subsidiary Guarantors, (iii) the combined Non-Guarantor Subsidiaries, (iv) an elimination column for adjustments to arrive at the information for the parent company and our subsidiaries on a consolidated basis and (v) the parent company and our subsidiaries on a consolidated basis as of June 30, 2007 and 2006 and for each of the three years in the period ended June 30, 2007.

Investments in subsidiaries are accounted for by the parent company using the equity method for purposes of this presentation. Results of operations of subsidiaries are therefore reflected in the parent company’s investment accounts and earnings. The principal elimination entries set forth below eliminate investments in subsidiaries and intercompany balances and transactions.

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING BALANCE SHEET
June 30, 2007
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS					
Cash and cash equivalents		\$ 898,823	\$ 11,481		\$ 910,304
Finance receivables, net		201,036	14,901,334		15,102,370
Restricted cash—securitization notes payable			1,014,353		1,014,353
Restricted cash—credit facilities			166,884		166,884
Credit enhancement assets			5,919		5,919
Property and equipment, net	\$ 6,194	52,378			58,572
Leased vehicles, net			33,968		33,968
Deferred income taxes	(32,624)	119,495	64,833		151,704
Goodwill		208,435			208,435
Other assets	16,454	70,521	71,536		158,511
Due from affiliates	1,029,444		2,240,199	\$(3,269,643)	
Investment in affiliates	2,070,684	4,070,393	529,739	(6,670,816)	
Total assets	<u>\$3,090,152</u>	<u>\$5,621,081</u>	<u>\$19,040,246</u>	<u>\$(9,940,459)</u>	<u>\$17,811,020</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Credit facilities			\$ 2,541,702		\$ 2,541,702
Securitization notes payable			11,939,447		11,939,447
Senior notes	\$ 200,000				200,000
Convertible senior notes	750,000				750,000
Funding payable		\$ 85,877	1,597		87,474
Accrued taxes and expenses	64,251	54,961	79,847		199,059
Other liabilities	751	17,437			18,188
Due to affiliates		3,269,642		\$(3,269,642)	
Total liabilities	<u>1,015,002</u>	<u>3,427,917</u>	<u>14,562,593</u>	<u>(3,269,642)</u>	<u>15,735,870</u>
Shareholders' equity:					
Common stock	1,206	75,355	30,627	(105,982)	1,206
Additional paid-in capital	71,323	75,791	2,048,960	(2,124,751)	71,323
Accumulated other comprehensive income	45,694	27,592	37,414	(65,006)	45,694
Retained earnings	2,000,066	2,014,426	2,360,652	(4,375,078)	2,000,066
	2,118,289	2,193,164	4,477,653	(6,670,817)	2,118,289
Treasury stock	(43,139)				(43,139)
Total shareholders' equity	<u>2,075,150</u>	<u>2,193,164</u>	<u>4,477,653</u>	<u>(6,670,817)</u>	<u>2,075,150</u>
Total liabilities and shareholders' equity	<u>\$3,090,152</u>	<u>\$5,621,081</u>	<u>\$19,040,246</u>	<u>\$(9,940,459)</u>	<u>\$17,811,020</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING BALANCE SHEET
June 30, 2006
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS					
Cash and cash equivalents		\$ 513,240			\$ 513,240
Finance receivables, net		107,370	\$10,989,638		11,097,008
Restricted cash—securitization notes payable			860,935		860,935
Restricted cash—credit facilities			140,042		140,042
Credit enhancement assets			104,624		104,624
Property and equipment, net	\$ 6,527	50,698			57,225
Deferred income taxes	(45,684)	80,940	43,533		78,789
Goodwill		14,435			14,435
Other assets	2,521	145,602	53,812	\$ (368)	201,567
Due from affiliates	582,204		1,698,481	(2,280,685)	
Investment in affiliates	1,726,327	3,308,956	458,820	(5,494,103)	
Total assets	<u>\$2,271,895</u>	<u>\$4,221,241</u>	<u>\$14,349,885</u>	<u>\$(7,775,156)</u>	<u>\$13,067,865</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Credit facilities			\$ 2,106,282		\$ 2,106,282
Securitization notes payable			8,566,741	\$ (47,892)	8,518,849
Convertible senior notes	\$ 200,000				200,000
Funding payable		\$ 54,002	621		54,623
Accrued taxes and expenses	59,360	43,637	53,170	(368)	155,799
Other liabilities	3,649	19,777			23,426
Due to affiliates		2,259,569		(2,259,569)	
Total liabilities	<u>263,009</u>	<u>2,376,985</u>	<u>10,726,814</u>	<u>(2,307,829)</u>	<u>11,058,979</u>
Shareholders' equity:					
Common stock	1,695	75,355	30,627	(105,982)	1,695
Additional paid-in capital	1,217,445	75,791	1,460,252	(1,536,043)	1,217,445
Accumulated other comprehensive income	74,282	55,428	35,425	(90,853)	74,282
Retained earnings	1,639,817	1,637,682	2,096,767	(3,734,449)	1,639,817
	2,933,239	1,844,256	3,623,071	(5,467,327)	2,933,239
Treasury stock	(924,353)				(924,353)
Total shareholders' equity	<u>2,008,886</u>	<u>1,844,256</u>	<u>3,623,071</u>	<u>(5,467,327)</u>	<u>2,008,886</u>
Total liabilities and shareholders' equity	<u>\$2,271,895</u>	<u>\$4,221,241</u>	<u>\$14,349,885</u>	<u>\$(7,775,156)</u>	<u>\$13,067,865</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF INCOME
Year Ended June 30, 2007
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue					
Finance charge income		\$ 119,678	\$2,022,792		\$2,142,470
Servicing income (loss)		36,972	(27,609)		9,363
Other income	\$ 53,688	2,242,982	4,767,256	\$(6,927,833)	136,093
Gain on sale of equity investment		51,997			51,997
Equity in income of affiliates	376,744	263,885		(640,629)	
	<u>430,432</u>	<u>2,715,514</u>	<u>6,762,439</u>	<u>(7,568,462)</u>	<u>2,339,923</u>
Costs and expenses					
Operating expenses	65,267	43,738	290,712		399,717
Provision for loan losses		(102,922)	830,575		727,653
Interest expense	12,784	2,359,432	5,236,442	(6,927,833)	680,825
Restructuring charges		(339)			(339)
	<u>78,051</u>	<u>2,299,909</u>	<u>6,357,729</u>	<u>(6,927,833)</u>	<u>1,807,856</u>
Income before income taxes	352,381	415,605	404,710	(640,629)	532,067
Income tax (benefit) provision	(7,868)	38,861	140,825		171,818
Net income	<u>\$360,249</u>	<u>\$ 376,744</u>	<u>\$ 263,885</u>	<u>\$ (640,629)</u>	<u>\$ 360,249</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF INCOME
Year Ended June 30, 2006
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue					
Finance charge income		\$ 100,631	\$1,540,494		\$1,641,125
Servicing income		31,094	44,115		75,209
Other income	\$ 51,755	1,776,140	3,985,997	\$(5,727,735)	86,157
Gain on sale of equity investment		8,847			8,847
Equity in income of affiliates	307,636	340,962		(648,598)	
	<u>359,391</u>	<u>2,257,674</u>	<u>5,570,606</u>	<u>(6,376,333)</u>	<u>1,811,338</u>
Costs and expenses					
Operating expenses	35,558	51,915	248,680		336,153
Provision for loan losses		65,187	502,358		567,545
Interest expense	18,500	1,849,379	4,279,216	(5,727,735)	419,360
Restructuring charges		3,045			3,045
	<u>54,058</u>	<u>1,969,526</u>	<u>5,030,254</u>	<u>(5,727,735)</u>	<u>1,326,103</u>
Income before income taxes	305,333	288,148	540,352	(648,598)	485,235
Income tax (benefit) provision	(850)	(19,488)	199,390		179,052
Net income	<u>\$306,183</u>	<u>\$ 307,636</u>	<u>\$ 340,962</u>	<u>\$ (648,598)</u>	<u>\$ 306,183</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF INCOME
Year Ended June 30, 2005
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue					
Finance charge income		\$ 93,035	\$1,124,661		\$1,217,696
Servicing income		99,621	77,964		177,585
Other income	\$ 83,896	1,347,640	2,696,957	\$(4,072,928)	55,565
Equity in income of affiliates	262,454	235,898		(498,352)	
	<u>346,350</u>	<u>1,776,194</u>	<u>3,899,582</u>	<u>(4,571,280)</u>	<u>1,450,846</u>
Costs and expenses					
Operating expenses	24,786	106,368	181,483		312,637
Provision for loan losses		(20,189)	438,900		418,711
Interest expense	22,055	1,408,889	2,906,260	(4,072,928)	264,276
Restructuring charges		2,823			2,823
	<u>46,841</u>	<u>1,497,891</u>	<u>3,526,643</u>	<u>(4,072,928)</u>	<u>998,447</u>
Income before income taxes	299,509	278,303	372,939	(498,352)	452,399
Income tax provision	13,600	15,849	137,041		166,490
Net income	<u>\$285,909</u>	<u>\$ 262,454</u>	<u>\$ 235,898</u>	<u>\$ (498,352)</u>	<u>\$ 285,909</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2007
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities:					
Net income	\$ 360,249	\$ 376,744	\$ 263,885	\$ (640,629)	\$ 360,249
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation and amortization	333	11,501	24,903		36,737
Accretion and amortization of loan fees		2,867	(19,849)		(16,982)
Provision for loan losses		(102,922)	830,575		727,653
Deferred income taxes	8,422	(32,522)	(20,464)		(44,564)
Accretion of present value discount			(6,637)		(6,637)
Stock based compensation expense	20,230				20,230
Gain on sale of available for sale securities		(51,997)			(51,997)
Other		2,752	(356)		2,396
Equity in income of affiliates	(376,744)	(263,885)		640,629	
Changes in assets and liabilities, net of assets and liabilities acquired:					
Other assets	(16,252)	25,560	21,005		30,313
Accrued taxes and expenses	18,956	(15,771)	18,420		21,605
Net cash provided (used) by operating activities	<u>15,194</u>	<u>(47,673)</u>	<u>1,111,482</u>	<u></u>	<u>1,079,003</u>
Cash flows from investing activities:					
Purchases of receivables		(8,832,379)	(6,871,640)	6,871,640	(8,832,379)
Principal collections and recoveries on receivables		1,938,046	3,946,094		5,884,140
Net proceeds from sale of receivables		6,871,640		(6,871,640)	
Distributions from gain on sale Trusts			93,271		93,271
Purchases of property and equipment		(11,604)			(11,604)
Net purchases of leased vehicles			(28,427)		(28,427)
Proceeds from sale of equity investment		62,961			62,961
Acquisition of Long Beach, net of cash acquired		(257,813)			(257,813)
Change in restricted cash—securitization notes payable		(8)	(32,945)		(32,953)
Change in restricted cash—credit facilities			(23,579)		(23,579)
Change in other assets		3,475	(1,161)		2,314
Net change in investment in affiliates	(723)	(491,007)	(76,245)	567,975	
Net cash used by investing activities	<u>(723)</u>	<u>(716,689)</u>	<u>(2,994,632)</u>	<u>567,975</u>	<u>(3,144,069)</u>
Cash flows from financing activities:					
Net change in credit facilities		(202,522)	435,417		232,895
Issuance of securitization notes payable			6,748,304		6,748,304
Payments on securitization notes payable		(2,074)	(4,921,551)		(4,923,625)
Issuance of senior notes	200,000				200,000
Issuance of convertible debt	550,000				550,000
Debt issuance costs			(40,247)		(40,247)
Proceeds from sale of warrants related to convertible debt	93,086				93,086
Purchase of call option related to convertible debt	(145,710)				(145,710)
Repurchase of common stock	(324,054)				(324,054)
Net proceeds from issuance of common stock	58,157		588,708	(588,708)	58,157
Other net changes	(3,232)	19,170			15,938
Net change in due (to) from affiliates	(447,240)	1,336,622	(915,997)	26,615	
Net cash (used) provided by financing activities	<u>(18,993)</u>	<u>1,151,196</u>	<u>1,894,634</u>	<u>(562,093)</u>	<u>2,464,744</u>
Net (decrease) increase in cash and cash equivalents	(4,522)	386,834	11,484	5,882	399,678
Effect of Canadian exchange rate changes on cash and cash equivalents	4,522	(1,251)	(3)	(5,882)	(2,614)
Cash and cash equivalents at beginning of year		513,240			513,240
Cash and cash equivalents at end of year	<u>\$</u>	<u>\$ 898,823</u>	<u>\$ 11,481</u>	<u>\$</u>	<u>\$ 910,304</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2006
(in thousands)

	AmeriCredit Corp.	Guarantors	Non- Guarantors	Eliminations	Consolidated
Cash flows from operating activities:					
Net income	\$ 306,183	\$ 307,636	\$ 340,962	\$ (648,598)	\$ 306,183
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	696	12,014	22,594		35,304
Accretion and amortization of loan fees		(2,895)	(17,167)		(20,062)
Provision for loan losses		65,187	502,358		567,545
Deferred income taxes	(1,693)	(86,140)	45,912		(41,921)
Accretion of present value discount		(393)	(39,760)		(40,153)
Stock based compensation expense	16,586				16,586
Gain on sale of available for sale securities		(8,847)			(8,847)
Other	2,276	1,384	(807)		2,853
Equity in income of affiliates	(307,636)	(340,962)		648,598	
Changes in assets and liabilities, net of assets and liabilities acquired:					
Other assets	570	77,964	39,116		117,650
Accrued taxes and expenses	13,398	9,577	3,218		26,193
Net cash provided by operating activities	<u>30,380</u>	<u>34,525</u>	<u>896,426</u>		<u>961,331</u>
Cash flows from investing activities:					
Purchases of receivables		(7,147,471)	(6,971,078)	6,971,078	(7,147,471)
Principal collections and recoveries on receivables		157,324	4,215,720		4,373,044
Net proceeds from sale of receivables		6,971,078		(6,971,078)	
Distributions from gain on sale Trusts		6,923	447,608		454,531
Purchases of property and equipment	1,690	(7,263)			(5,573)
Sale of property		34,807			34,807
Proceeds from sale of equity investment		11,992			11,992
Acquisition of Bay View, net of cash acquired		(62,614)	850		(61,764)
Change in restricted cash—securitization notes payable			(195,456)		(195,456)
Change in restricted cash—credit facilities			325,724		325,724
Change in other assets		(6,568)	95		(6,473)
Net change in investment in affiliates	(1,606)	(68,117)	(128,543)	198,266	
Net cash provided (used) by investing activities	<u>84</u>	<u>(109,909)</u>	<u>(2,305,080)</u>	<u>198,266</u>	<u>(2,216,639)</u>
Cash flows from financing activities:					
Net change in credit facilities			887,430		887,430
Issuance of securitization notes payable			4,645,000		4,645,000
Payments on securitization notes payable			(3,760,931)		(3,760,931)
Retirement of senior notes	(167,750)				(167,750)
Debt issuance costs	1,535		(16,055)		(14,520)
Repurchase of common stock	(528,070)				(528,070)
Net proceeds from issuance of common stock	32,467	121	196,539	(196,660)	32,467
Other net changes	8,476	(779)			7,697
Net change in due (to) from affiliates	613,850	(77,262)	(543,338)	6,750	
Net cash (used) provided by financing activities	<u>(39,492)</u>	<u>(77,920)</u>	<u>1,408,645</u>	<u>(189,910)</u>	<u>1,101,323</u>
Net decrease in cash and cash equivalents	(9,028)	(153,304)	(9)	8,356	(153,985)
Effect of Canadian exchange rate changes on cash and cash equivalents	9,028	3,043	9	(8,356)	3,724
Cash and cash equivalents at beginning of year		663,501			663,501
Cash and cash equivalents at end of year	<u>\$</u>	<u>\$ 513,240</u>	<u>\$</u>	<u>\$</u>	<u>\$ 513,240</u>

AMERICREDIT CORP.
FINANCIAL STATEMENT SCHEDULE
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended June 30, 2005
(in thousands)

	<u>AmeriCredit Corp.</u>	<u>Guarantors</u>	<u>Non-Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities:					
Net income	\$ 285,909	\$ 262,454	\$ 235,898	\$ (498,352)	\$ 285,909
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation and amortization	2,238	17,748	18,281		38,267
Accretion and amortization of loan fees		(4,300)	21,262		16,962
Provision for loan losses		(20,189)	438,900		418,711
Deferred income taxes	276,831	77,216	(404,265)		(50,218)
Accretion of present value discount		7,246	(85,312)		(78,066)
Stock based compensation expense	11,468				11,468
Other		793	543		1,336
Equity in income of affiliates	(262,454)	(235,898)		498,352	
Changes in assets and liabilities:					
Other assets	913	(43,591)	17,100		(25,578)
Accrued taxes and expenses	58,639	(78,032)	14,564		(4,829)
Net cash provided (used) by operating activities	<u>373,544</u>	<u>(16,553)</u>	<u>256,971</u>		<u>613,962</u>
Cash flows from investing activities:					
Purchases of receivables		(5,447,444)	(5,382,701)	5,382,701	(5,447,444)
Principal collections and recoveries on receivables		80,062	3,122,726		3,202,788
Net proceeds from sale of receivables		5,382,701		(5,382,701)	
Distributions from gain on sale Trusts		1,599	545,412		547,011
Purchases of property and equipment	(6,622)	(1,054)			(7,676)
Change in restricted cash—securitization notes payable			(147,476)		(147,476)
Change in restricted cash—credit facilities			(245,551)		(245,551)
Change in other assets		29,442			29,442
Net change in investment in affiliates	<u>7,764</u>	<u>1,421,785</u>	<u>(126,285)</u>	<u>(1,303,264)</u>	
Net cash provided (used) by investing activities	<u>1,142</u>	<u>1,467,091</u>	<u>(2,233,875)</u>	<u>(1,303,264)</u>	<u>(2,068,906)</u>
Cash flows from financing activities:					
Net change in credit facilities			490,974		490,974
Issuance of securitization notes payable			4,550,000		4,550,000
Payments on securitization notes payable			(2,990,238)		(2,990,238)
Debt issuance costs	(74)	(891)	(20,612)		(21,577)
Repurchase of common stock	(362,570)				(362,570)
Net proceeds from issuance of common stock	42,201	33,920	(1,315,198)	1,281,278	42,201
Other net changes	(12,383)	(893)			(13,276)
Net change in due (to) from affiliates	<u>(49,660)</u>	<u>(1,241,637)</u>	<u>1,261,971</u>	<u>29,326</u>	
Net cash (used) provided by financing activities	<u>(382,486)</u>	<u>(1,209,501)</u>	<u>1,976,897</u>	<u>1,310,604</u>	<u>1,695,514</u>
Net (decrease) increase in cash and cash equivalents	<u>(7,800)</u>	<u>241,037</u>	<u>(7)</u>	<u>7,340</u>	<u>240,570</u>
Effect of Canadian exchange rate changes on cash and cash equivalents	7,800	1,014	7	(7,340)	1,481
Cash and cash equivalents at beginning of year		421,450			421,450
Cash and cash equivalents at end of year	<u>\$</u>	<u>\$ 663,501</u>	<u>\$</u>	<u>\$</u>	<u>\$ 663,501</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
AmeriCredit Corp.:

We have audited the accompanying consolidated balance sheet of AmeriCredit Corp. and subsidiaries (the “Company”) as of June 30, 2007, and the related consolidated statements of income and comprehensive income, shareholders’ equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of AmeriCredit Corp. and subsidiaries at June 30, 2007, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as of June 30, 2007, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 28, 2007 expressed an unqualified opinion on management’s assessment of the effectiveness of the Company’s internal control over financial reporting and an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

DELOITTE & TOUCHE LLP
Dallas, Texas
August 28, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
AmeriCredit Corp.:

In our opinion, the consolidated balance sheet as of June 30, 2006 and the related consolidated statements of income and comprehensive income, of shareholders' equity and of cash flows for each of two years in the period ended June 30, 2006 present fairly, in all material respects, the financial position of AmeriCredit Corp. and its subsidiaries at June 30, 2006, and the results of their operations and their cash flows for each of the two years in the period ended June 30, 2006, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Dallas, Texas
September 8, 2006

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

We had no disagreements on accounting or financial disclosure matters with our independent accountants to report under this Item 9.

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Such controls include those designed to ensure that information for disclosure is accumulated and communicated to management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate to allow timely decisions regarding required disclosure.

The CEO and CFO, with the participation of management, have evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2007. Based on their evaluation, they have concluded, to the best of their knowledge and belief, that the disclosure controls and procedures are effective.

Internal Control Over Financial Reporting

There were no changes made in our internal control over financial reporting during the quarter ended June 30, 2007, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations Inherent in all Controls

Our management, including the CEO and CFO, recognize that the disclosure controls and internal controls (discussed above) cannot prevent all errors or all attempts at fraud. Any controls system, no matter how well crafted and operated, can only provide reasonable, and not absolute, assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in any control system, no evaluation or implementation of a control system can provide complete assurance that all control issues and all possible instances of fraud have been or will be detected.

MANAGEMENT'S REPORTS

NEW YORK STOCK EXCHANGE REQUIRED DISCLOSURES

On November 7, 2006, our Chief Executive Officer certified that he was not aware of any violation by us of the New York Stock Exchange's Corporate Governance listing standards.

We have filed with the Securities and Exchange Commission, as exhibits to our Annual Report on Form 10-K for the year ended June 30, 2007, our Chief Executive Officer's and Chief Financial Officer's certifications required by Section 302 of the Sarbanes-Oxley Act of 2002.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the "Internal Control-Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the "Internal Control-Integrated Framework," management concluded that our internal control over financial reporting was effective as of June 30, 2007. Management has excluded LBAC from its assessment of internal control over financial reporting because it was acquired in a purchase business combination during fiscal 2007, and whose financial statements constitute 13% of total assets and 5% of revenues of the consolidated financial statement amounts as of and for the year ended June 30, 2007. Management's assessment of the effectiveness of our internal control over financial reporting as of June 30, 2007, has been audited by Deloitte and Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
AmeriCredit Corp.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that AmeriCredit Corp. and subsidiaries (the "Company") maintained effective internal control over financial reporting as of June 30, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Long Beach Acceptance Corp ("LBAC"), which was acquired on January 1, 2007, and whose financial statements constitute 13% percent and 5% percent of total assets and revenue, respectively, of the consolidated financial statement amounts as of and for the year ended June 30, 2007. Accordingly, our audit did not include the internal control over financial reporting at LBAC. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of June 30, 2007, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2007, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended June 30, 2007, of the Company and our report dated August 28, 2007, expressed an unqualified opinion on those financial statements.

DELOITTE & TOUCHE LLP
Dallas, Texas
August 28, 2007

PART III

ITEM 10. *DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT*

Information contained under the caption “Election of Directors” in the Proxy Statement is incorporated herein by reference in response to this Item 10. See Item 1. “Business—Executive Officers” for information concerning executive officers.

We have adopted the AmeriCredit Code of Ethical Conduct for Senior Financial Officers (“code of ethics”), a code of ethics that applies to the Chief Executive Officer, Chief Financial Officer and Corporate Controller. The code of ethics is publicly available on our Website at www.americredit.com (and a copy will be provided to any shareholder upon written request to our Secretary). Corporate governance guidelines applicable to the Board of Directors and charters for all Board committees are also available on our Website. If any substantive amendments are made to the code of ethics or any waivers granted, including any implicit waiver, from a provision of the code to the Chief Executive Officer, Chief Financial Officer or Corporate Controller, we will disclose the nature of such amendment or waiver on that Website or in a report on Form 8-K.

The information with respect to our audit committee financial expert contained under the caption “Board Committees and Meetings” in our proxy statement for the 2007 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

ITEM 11. *EXECUTIVE COMPENSATION*

Information with respect to this is incorporated by reference from the Proxy Statement.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT*

Information contained under the caption “Principal Shareholders and Stock Ownership of Management” in the Proxy Statement is incorporated herein by reference in response to this Item 12.

Equity Compensation Plans

The following table provides information about our equity compensation plans as of June 30, 2007:

<u>Plan Category</u>	(a) Number of securities to be issued upon exercise of outstanding options	(b) Weighted average exercise price of outstanding options	(c) Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	2,611,136	\$17.47	1,838,812
Equity compensation plans not approved by shareholders	1,107,501	21.43	1,346,283
Total	<u>3,718,637</u>	<u>\$18.65</u>	<u>3,185,095</u>

The 1989 Stock Option Plan for AmeriCredit Corp., 1990 Stock Option Plan for Non-Employee Directors of AmeriCredit Corp., 1991 Key Employee Stock Option Plan of AmeriCredit Corp., 1995 Omnibus Stock and Incentive Plan for AmeriCredit Corp., AmeriCredit Corp. Employee Stock Purchase Plan, 1996 Limited Stock Option Plan for AmeriCredit Corp., 1998 Limited Stock Option Plan for AmeriCredit Corp. and Amended and Restated 2000 Limited Omnibus and Incentive Plan for AmeriCredit Corp. were approved by our shareholders.

The 1999 Employee Stock Option Plan of AmeriCredit Corp. ("1999 Plan"), FY 2000 Stock Option Plan of AmeriCredit Corp. ("FY 2000 Plan"), Management Stock Option Plan of AmeriCredit Corp. ("Management Plan") and i4 Gold Stock Option Program ("i4 Plan") have not been approved by our shareholders.

Description of Plans Not Approved by Shareholders

1999 Plan

Under the 1999 Plan, adopted by the Board of Directors in fiscal 1999, a total of 1,000,000 shares have been authorized for grants of options to employees other than directors and senior management officers (as defined by the plan) of which 84,815 shares were available for grants as of June 30, 2007. Each option must be granted at a per share exercise price equal to the fair market value of a share of Common Stock on the date of grant, and no option may have a term in excess of ten years. In fiscal 2007, no shares were granted under the 1999 Plan. Each option is subject to vesting requirements established by the Board of Directors. The 1999 Plan provides for acceleration of vesting of awards in the event of a change in control. The 1999 Plan expires on February 4, 2009, except with respect to options then outstanding.

FY 2000 Plan

Under the FY 2000 Plan, adopted by the Board of Directors in fiscal 2000, a total of 2,000,000 shares have been authorized for grants of options to employees other than directors and senior management officers (as defined by the plan) of which 238,355 shares were available for grants as of June 30, 2007. Each option must be granted at a per share exercise price equal to the fair market value of a share of Common Stock on the date of grant, and no option may have a term in excess of ten years. In fiscal 2007, no shares were granted under the FY 2000 Plan. Each option is subject to certain vesting requirements established by the Board of Directors. The FY 2000 Plan provides for acceleration of vesting of awards in the event of a change in control. The FY 2000 Plan expires on July 1, 2009, except with respect to options then outstanding.

Management Plan

Under the Management Plan, adopted by the Board of Directors in fiscal 2000, a total of 3,000,000 shares have been authorized for grants of options to employees other than directors and senior management officers (as defined by the plan) of which 660,485 shares were available for grants as of June 30, 2007. Each option must be granted at a per share exercise price equal to the fair market value of a share of Common Stock on the date of grant, and no option may have a term in excess of ten years. In fiscal 2007, no shares were granted under the Management Plan. Each option is subject to certain vesting requirements established by the Board of Directors. The Management Plan provides for acceleration of vesting of awards in the event of a change in control. The Management Plan expires on February 3, 2010, except with respect to options then outstanding.

i4 Plan

Under the i4 Plan, adopted by the Board of Directors in fiscal 2002, a total of 1,200,000 shares have been authorized for grants of options to employees other than directors and senior management officers (as defined by the plan), of which 362,628 shares were available for grants as of June 30, 2007. Each option must be granted at a per share exercise price equal to the fair market value of a share of Common Stock on the date of grant, and no option may have a term in excess of ten years. In fiscal 2007, no shares were granted under the i4 Plan. Each option is subject to certain vesting requirements established by the Board of Directors. The i4 Plan provides for acceleration of vesting of awards in the event of a change in control. The i4 Plan expires on October 31, 2007, except with respect to options then outstanding.

For additional information on equity compensation plans, see Note 14 to the Consolidated Financial Statements.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS*

Information contained under the caption “Related Party Transactions” in the Proxy Statement is incorporated herein by reference in response to this Item 13.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

Information contained under the caption “Report of the Audit Committee” in the Proxy Statement is incorporated herein by reference in response to this Item 14.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (1) The following Consolidated Financial Statements as set forth in Item 8 of this report are filed herein.

Consolidated Financial Statements:

Consolidated Balance Sheets as of June 30, 2007 and 2006.

Consolidated Statements of Income and Comprehensive Income for the years ended June 30, 2007, 2006 and 2005.

Consolidated Statements of Shareholders' Equity for the years ended June 30, 2007, 2006 and 2005.

Consolidated Statements of Cash Flows for the years ended June 30, 2007, 2006 and 2005.

Notes to Consolidated Financial Statements

- (2) All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are either not required under the related instructions, are inapplicable, or the required information is included elsewhere in the Consolidated Financial Statements and incorporated herein by reference.
- (3) The exhibits filed in response to Item 601 of Regulation S-K are listed in the Index to Exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on August 29, 2007.

AmeriCredit Corp.

BY: /s/ DANIEL E. BERCE
Daniel E. Berce
President and Chief Executive Officer

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ CLIFTON H. MORRIS, JR.</u> Clifton H. Morris, Jr.	Director and Chairman of the Board	August 29, 2007
<u>/s/ DANIEL E. BERCE</u> Daniel E. Berce	Director, President and Chief Executive Officer	August 29, 2007
<u>/s/ CHRIS A. CHOATE</u> Chris A. Choate	Executive Vice President, Chief Financial Officer and Treasurer (Chief Accounting Officer)	August 29, 2007
<u>/s/ JOHN R. CLAY</u> John R. Clay	Director	August 29, 2007
<u>/s/ A.R. DIKE</u> A.R. Dike	Director	August 29, 2007
<u>/s/ JAMES H. GREER</u> James H. Greer	Director	August 29, 2007
<u>/s/ DOUGLAS K. HIGGINS</u> Douglas K. Higgins	Director	August 29, 2007
<u>/s/ KENNETH H. JONES, JR.</u> Kenneth H. Jones, Jr.	Director	August 29, 2007

INDEX TO EXHIBITS

The following documents are filed as a part of this report. Those exhibits previously filed and incorporated herein by reference are identified by the numbers in parenthesis under the Exhibit Number column. Documents filed with this report are identified by the symbol “@” under the Exhibit Number column.

<u>Exhibit No.</u>	<u>Description</u>
3.1(1)	Articles of Incorporation of the Company, filed May 18, 1988, and Articles of Amendment to Articles of Incorporation, filed August 24, 1988 (Exhibit 3.1)
3.2(1)	Amendment to Articles of Incorporation, filed October 18, 1989 (Exhibit 3.2)
3.3(4)	Articles of Amendment to Articles of Incorporation of the Company, filed November 12, 1992 (Exhibit 3.3)
3.4(27)	Bylaws of the Company, as amended through June 30, 2003 (Exhibit 3.4)
4.1(3)	Specimen stock certificate evidencing the Common Stock (Exhibit 4.1)
4.2(9)	Rights Agreement, dated August 28, 1997, between the Company and ChaseMellon Shareholder Services, L.L.C. (Exhibit 4.1)
4.2.1(11)	Amendment No. 1 to Rights Agreement, dated September 9, 1999, between the Company and ChaseMellon Shareholder Services, L.L.C. (Exhibit 4.1)
4.2.2(37)	Amendment No. 2 to Rights Agreement, dated January 24, 2006, between the Company and Mellon Investor Services LLC formerly known as ChaseMellon Shareholders Services, LLC (Exhibit 4.2.2)
10.1(2)	1990 Stock Option Plan for Non-Employee Directors of the Company (Exhibit 10.14)
10.2(3)	1991 Key Employee Stock Option Plan of the Company (Exhibit 10.10)
10.3(13)	2000 Limited Omnibus and Incentive Plan for AmeriCredit Corp.
10.3.1(25)	Amended and Restated 2000 Limited Omnibus and Incentive Plan for AmeriCredit Corp. (Exhibit 4.4)
10.3.2(34)	Amendment No. 1 to the Amended and Restated 2000 Limited Omnibus and Incentive Plan for AmeriCredit Corp. (Appendix C to Proxy Statement)
10.3.3(38)	Form of Restricted Stock Unit Grant Agreement (Exhibit 99.1)
10.4(3)	Executive Employment Agreement, dated January 30, 1991, between the Company and Clifton H. Morris, Jr. (Exhibit 10.18)
10.4.1(7)	Amendment No. 1 to Executive Employment Agreement, dated May 1, 1997, between the Company and Clifton H. Morris, Jr. (Exhibit 10.7.1)
10.4.2(12)	Amendment No. 2 to Executive Employment Agreement, dated June 15, 2000, between the Company and Clifton H. Morris, Jr. (Exhibit 10.6.2)
10.4.3(39)	Amended and Restated Executive Employment Agreement, dated November 2, 2005, between the Company and Clifton H. Morris, Jr. (Exhibit 10.4.3)
10.5(3)	Executive Employment Agreement, dated January 30, 1991 between the Company and Daniel E. Berce (Exhibit 10.20)
10.5.1(7)	Amendment No. 1 to Executive Employment Agreement, dated May 1, 1997, between the Company and Daniel E. Berce (Exhibit 10.9.1)
10.5.2(39)	Amended and Restated Executive Employment Agreement, dated November 2, 2005, between the Company and Daniel E. Berce (Exhibit 10.5.2)

INDEX TO EXHIBITS

(Continued)

10.6(27)	Employment Agreement, dated July 1, 1997, between the Company and Chris A. Choate, as amended by Amendment No. 1, dated July 1, 1998 (Exhibit 10.6)
10.6.1(39)	Amended and Restated Employment Agreement, dated November 2, 2005, between the Company and Chris A. Choate (Exhibit 10.6.1)
10.7(27)	Employment Agreement, dated March 25, 1998, between the Company and Mark Floyd (Exhibit 10.7)
10.7.1(39)	Amended and Restated Employment Agreement, dated November 2, 2005, between the Company and Mark Floyd (Exhibit 10.7.1)
10.8(22)	Employment Agreement, dated July 1, 1997, between the Company and Preston A. Miller
10.8.1(22)	Amendment No. 1 to Employment Agreement, dated July 1, 1998, between the Company and Preston A. Miller
10.8.2(39)	Amended and Restated Employment Agreement, dated November 2, 2005, between the Company and Preston A. Miller (Exhibit 10.8.2)
10.9(5)	1995 Omnibus Stock and Incentive Plan for AmeriCredit Corp.
10.9.1(8)	Amendment No. 1 to 1995 Omnibus Stock and Incentive Plan for AmeriCredit Corp.
10.9.4(40)	Amendment No. 2 to the 1995 Omnibus Stock and Incentive Plan for AmeriCredit Corp. (Exhibit 99.2)
10.10(6)	1996 Limited Stock Option Plan for AmeriCredit Corp.
10.10.1(14)	Amendment No. 1 to 1996 Limited Stock Option Plan for AmeriCredit Corp. (Exhibit 10.14.1)
10.11(10)	1998 Limited Stock Option Plan for AmeriCredit Corp.
10.11.1(14)	Amendment No. 1 to 1998 Limited Stock Option Plan for AmeriCredit Corp. (Exhibit 10.16.1)
10.11.2(34)	Amendment No. 2 to the 1998 Limited Stock Option Plan for AmeriCredit Corp. (Appendix B to Proxy Statement)
10.11.3(40)	Amendment No. 3 to the 1998 Limited Stock Option Plan for AmeriCredit Corp. (Exhibit 99.1)
10.12(26)	1999 Employee Stock Option Plan of AmeriCredit Corp. (Exhibit 4.4)
10.13(16)	FY 2000 Stock Option Plan of AmeriCredit Corp.
10.14(17)	i4 Gold Stock Option Program
10.14.1(25)	Amended and Restated i4 Gold Stock Option Program
10.15(18)	Management Stock Option Plan of AmeriCredit Corp.
10.16(19)	AmeriCredit Corp. Employee Stock Purchase Plan
10.16.1(20)	Amendment No. 1 to AmeriCredit Corp. Employee Stock Purchase Plan
10.16.2(21)	Amendment No. 2 to AmeriCredit Corp. Employee Stock Purchase Plan
10.16.3(31)	Amendment No. 3 to AmeriCredit Corp. Employee Stock Purchase Plan
10.17 (48)	Third Amended and Restated Sale and Servicing Agreement, dated as of October 30, 2006, among AmeriCredit Master Trust, AmeriCredit Funding Corp. VII, AmeriCredit Financial Services, Inc., and The Bank one of New York (Exhibit 99.1)

INDEX TO EXHIBITS

(Continued)

- 10.18(48) Third Amended and Restated Indenture, dated October 30, 2006, among AmeriCredit Master Trust, The Bank of New York and Deutsche Bank Trust Company Americas (Exhibit 99.2)
- 10.19(48) Third Amended and Restated Class A Note Purchase Agreement, dated October 30, 2006, among AmeriCredit Master Trust, AmeriCredit Funding Corp. VII, AmeriCredit Financial Services, Inc., Deutsche Bank Trust Company Americas, the Class A Purchasers and Deutsche Bank, AG (Exhibit 99.3)
- 10.20(48) Third Amended and Restated Class B Note Purchase Agreement, dated October 30, 2006, among AmeriCredit Master Trust, AmeriCredit Funding Corp. VII, AmeriCredit Financial Services, Inc., Deutsche Bank Trust Company Americas, the Class B Purchasers and Deutsche Bank, AG (Exhibit 99.4)
- 10.21(48) Second Amended and Restated Class C Note Purchase Agreement, dated October 30, 2006, among AmeriCredit Master Trust, AmeriCredit Funding Corp. VII, AmeriCredit Financial Services, Inc., Deutsche Bank Trust Company Americas, the Class C Purchasers and Deutsche Bank, AG (Exhibit 99.5)
- 10.22(48) Third Amended and Restated Class S Note Purchase Agreement, dated October 30, 2006, among AmeriCredit Master Trust, AmeriCredit Funding Corp. VII, AmeriCredit Financial Services, Inc., Deutsche Bank Trust Company Americas, the Class S Purchasers and Deutsche Bank, AG (Exhibit 99.6)
- 10.23(33) Note Purchase Agreement, dated August 19, 2004, among AmeriCredit Repurchase Trust, AmeriCredit Financial Services, Inc., Sheffield Receivables Corporation, and Barclays Bank, PLC, as agent (Exhibit 10.3)
- 10.23.1(33) Servicing and Custodian Agreement, dated August 19, 2004, among AmeriCredit Financial Services, Inc., AmeriCredit Repurchase Trust, Wells Fargo Bank, National Association, as collateral agent and backup servicer, and Barclays Bank, PLC, as agent (Exhibit 10.4)
- 10.23.2(33) Security Agreement, dated August 19, 2004, among Sheffield Receivables Corporation, AmeriCredit Repurchase Trust, AmeriCredit Financial Services, Inc., AFS Warehouse Corp., and Wells Fargo Bank, National Association, as collateral agent and securities intermediary (Exhibit 10.2)
- 10.23.3(41) Amendment No. 8, dated August 17, 2006, to the Security Agreement, dated August 19, 2004, among Sheffield Receivables Corporation, AmeriCredit Repurchase Trust, AmeriCredit Financial Services, Inc., AFS Warehouse Corp. and Wells Fargo Bank, National Association (Exhibit 99.1)
- 10.24(42) Security Agreement dated as of October 3, 2006, among AmeriCredit MTN Receivables Trust V, AmeriCredit Financial Services, Inc., AmeriCredit MTN Corp. V and Wells Fargo Bank (Exhibit 99.2)
- 10.24.1(42) Servicing and Custodian Agreement dated as of October 3, 2006, among AmeriCredit Financial Services, Inc., AmeriCredit MTN Receivables Trust V and Wells Fargo Bank (Exhibit 99.3)
- 10.24.2(42) Master Receivables Purchase Agreement dated as of October 3, 2006, among AmeriCredit MTN Receivables Trust V, AmeriCredit Financial Services, Inc., AmeriCredit MTN Corp. V and Wells Fargo Bank (Exhibit 99.5)
- 10.24.3(42) Insurance Agreement dated as of October 3, 2006, among MBIA Insurance Corporation, AmeriCredit MTN Receivables Trust V, AmeriCredit Financial Services, Inc., AmeriCredit MTN Corp. V and Wells Fargo Bank (Exhibit 99.6)

INDEX TO EXHIBITS

(Continued)

- 10.24.4(42) Note Purchase Agreement dated as of October 3, 2006, among AmeriCredit MTN Receivables Trust V, AmeriCredit Financial Services, Inc., Meridian Funding Company, LLC and MBIA Insurance Corporation (Exhibit 99.4)
- 10.25(43) Second Amended and Restated Note Purchase Agreement, dated as of September 7, 2006, among AmeriCredit Financial Services, Inc., Bay View 2005 Warehouse Trust, Falcon Asset Securitization Company LLC and Fairway Finance Company, LLC, as the Initial Purchasers, JPMorgan Chase Bank, National Association and BMO Capital Markets Corp., as the Lender Group Agents, JPMorgan Chase Bank, National Association and Bank of Montreal, as the Financial Institutions and JPMorgan Chase Bank, National Association, as Administrative Agent (Exhibit 99.1)
- 10.26(43) Amended and Restated Contribution Agreement, dated as of September 7, 2006, between AmeriCredit Financial Services, Inc. and Bay View Warehouse Corporation (Exhibit 99.2)
- 10.27(43) Second Amended and Restated Sale and Servicing Agreement, dated as of September 7, 2006, between Bay View 2005 Warehouse Trust, Bay View Warehouse Corporation, AmeriCredit Financial Services, Inc. and JPMorgan Chase Bank, National Association (Exhibit 99.3)
- 10.28(43) Second Amended and Restated Indenture, dated as of September 7, 2006, between Bay View 2005 Warehouse Trust and JPMorgan Chase Bank, National Association (Exhibit 99.4)
- 10.29(23) Warrant Agreement, dated September 26, 2002, between AmeriCredit Corp. and FSA Portfolio Management Inc. (Exhibit 10.11)
- 10.30(27) Credit Agreement dated as of August 15, 2002, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Corp., AmeriCredit Financial Services, Inc., Lenders party thereto, Deutsche Bank AG, and Deutsche Bank Trust Company Americas (Exhibit 10.53)
- 10.30.1(24) Amendment No. 1, dated as of March 13, 2003, to the Credit Agreement dated as of August 15, 2002, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Corp., AmeriCredit Financial Services, Inc., Lenders party thereto, Deutsche Bank AG, and Deutsche Bank Trust Company Americas (Exhibit 10.14)
- 10.30.2(28) Amendment No. 2 to Credit Agreement, dated August 13, 2003, among AFS Funding Corp. and AFS SenSub Corp., as Borrowers, AmeriCredit Corp. and AmeriCredit Financial Services, Inc., as Contingent Obligors, the Financial Institutions from time to time party thereto, as Lenders, Deutsche Bank AG, New York Branch, as an Agent, the Other Agents from time to time party thereto, and Deutsche Bank Trust Company Americas, as Lender Collateral Agent and as Administrative Agent (Exhibit 10.1)
- 10.30.3(29) Amendment No. 3 to Credit Agreement, dated November 12, 2003, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Financial Services, Inc., the Financial Institutions from time to time party thereto, Deutsche Bank AG, New York Branch, the Other Agents from time to time party thereto, and Deutsche Bank Trust Company Americas (Exhibit 10.11)
- 10.30.4(30) Amendment No. 4, dated March 30, 2004, to the Credit Agreement dated August 15, 2002, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Corp., AmeriCredit Financial Services, Inc., the Lenders thereto, Deutsche Bank AG and Deutsche Bank Trust Company Americas (Exhibit 10.1)
- 10.31(27) Master Collateral and Intercreditor Agreement dated as of August 15, 2002, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Financial Services, Inc and Deutsche Bank Trust Company Americas (Exhibit 10.54)

INDEX TO EXHIBITS

(Continued)

- 10.31.1(24) First Amendment, dated as of March 13, 2003, to the Master Collateral and Intercreditor Agreement dated as of August 15, 2002, among AFS Funding Corp., AFS SenSub Corp., AmeriCredit Financial Services, Inc and Deutsche Bank Trust Company Americas (Exhibit 10.15)
- 10.32(34) AmeriCredit Corp. Senior Executive Bonus Plan (Appendix D to Proxy Statement)
- 10.33(29) Indenture, dated as of November 18, 2003, among AmeriCredit Corp the Guarantors and HSBC Bank USA (Exhibit 10.12)
- 10.34(35) AmeriCredit Corp. Deferred Compensation Plan II (Exhibit 99.1)
- 10.35(36) Revised Form of Stock Appreciation Rights Agreement (Exhibit 10.1)
- 10.36(44) Indenture, dated as of September 18, 2006, among AmeriCredit Corp., the Guarantors party thereto, and HSBC Bank USA, National Association, entered into in connection with AmeriCredit's \$250,000,000 0.75% Convertible Senior Notes due 2011 (Exhibit 10.2)
- 10.36.1(44) Indenture, dated as of September 18, 2006, among AmeriCredit Corp., the Guarantors party thereto, and HSBC Bank USA, National Association, entered into in connection with AmeriCredit's \$250,000,000 2.125% Convertible Senior Notes due 2013 (Exhibit 10.3)
- 10.37(@) Receivables Funding Agreement, dated January 28, 2005, among AmeriCredit Near Prime Trust, AmeriCredit Financial Services, Inc., Wells Fargo Bank, National Association, AFS Conduit Corp., Variable Funding Capital Company, LLC (successor to Variable Funding Capital Corporation), Wachovia Capital Markets, LLC, and Wachovia Bank, National Association
- 10.37.1(45) Amendment No. 6, dated July 18, 2006, to the Receivables Funding Agreement, dated January 28, 2005, among AmeriCredit Near Prime Trust, AmeriCredit Financial Services, Inc., Wells Fargo Bank, National Association, AFS Conduit Corp., Variable Funding Capital Company, LLC, Wachovia Capital Markets, LLC, and Wachovia Bank, National Association (Exhibit 99.1)
- 10.38(46) Stock Purchase Agreement, dated as of December 4, 2006, among AmeriCredit Financial Services, Inc., ACC Capital Holdings Corporation and Long Beach Acceptance Corporation (Exhibit 2.1)
- 10.39(47) Restricted Stock Unit Agreement (Exhibit 99.1)
- 10.40(49) Indenture, dated as of June 28, 2007, among AmeriCredit Corp., the Guarantors party thereto and HSBC Bank USA, National Association, entered into in connection with AmeriCredit's \$200,000,000 8.50% Senior Notes due 2015 (Exhibit 4.1)
- 10.40.1(49) Registration Rights Agreement, dated as of June 28, 2007, among AmeriCredit Corp., as issuer, and Deutsche Bank Securities Inc. and Lehman Brothers Inc, as representatives of the initial purchasers, entered into in connection with AmeriCredit's \$200,000,000 8.50% Senior Notes due 2015 (Exhibit 10.1)
- 12.1(@) Statement Re Computation of Ratios
- 21.1(@) Subsidiaries of the Registrant
- 23.1(@) Consent of Independent Registered Public Accounting Firm
- 23.2(@) Consent of Independent Registered Public Accounting Firm
- 31.1(@) Officers' Certifications of Periodic Report pursuant to Section 302 of Sarbanes-Oxley Act of 2002
- 32.1(@) Officers' Certifications of Periodic Report pursuant to Section 906 of Sarbanes-Oxley Act of 2002

INDEX TO EXHIBITS

(Continued)

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- (1) Incorporated by reference to the exhibit shown in parenthesis included in Registration Statement No. 33-31220 on Form S-1 filed by the Company with the Securities and Exchange Commission.
 - (2) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 1990, filed by the Company with the Securities and Exchange Commission.
 - (3) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 1991, filed by the Company with the Securities and Exchange Commission.
 - (4) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 1993, filed by the Company with the Securities and Exchange Commission.
 - (5) Incorporated by reference from the Company's Proxy Statement for the year ended June 30, 1995, filed by the Company with the Securities and Exchange Commission.
 - (6) Incorporated by reference from the Company's Proxy Statement for the year ended June 30, 1996, filed by the Company with the Securities and Exchange Commission.
 - (7) Incorporated by reference to exhibit shown in parenthesis included in the Company's Annual report on Form 10-K for the year ended June 30, 1997, filed by the Company with the Securities and Exchange Commission.
 - (8) Incorporated by reference from the Company's Proxy Statement for the year ended June 30, 1997, filed by the Company with the Securities and Exchange Commission.
 - (9) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Report on Form 8-K, dated August 28, 1997, filed by the Company with the Securities and Exchange Commission.
 - (10) Incorporated by reference from the Company's Proxy Statement for the year ended June 30, 1998, filed by the Company with the Securities and Exchange Commission.
 - (11) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Report on Form 8-K, dated September 7, 1999, filed by the Company with the Securities and Exchange Commission.
 - (12) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 2000, filed by the Company with the Securities and Exchange Commission.
 - (13) Incorporated by reference from the Company's Proxy Statement for the year ended June 30, 2000, filed by the Company with the Securities and Exchange Commission.
 - (14) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 2001, filed by the Company with the Securities and Exchange Commission.
 - (15) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2002, filed by the Company with the Securities and Exchange Commission.
 - (16) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on October 29, 1999, by the Company with the Securities and Exchange Commission (Exhibit 4.4)
 - (17) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on July 31, 2001, by the Company with the Securities and Exchange Commission (Exhibit 4.4)
 - (18) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on February 23, 2000, by the Company with the Securities and Exchange Commission (Exhibit 4.4)
 - (19) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on November 16, 1994, by the Company with the Securities and Exchange Commission (Exhibit 4.3)

INDEX TO EXHIBITS

(Continued)

- (20) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on March 1, 1999, by the Company with the Securities and Exchange Commission (Exhibit 4.4.1)
- (21) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on November 7, 2001, by the Company with the Securities and Exchange Commission (Exhibit 4.4.2)
- (22) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 2002, filed by the Company with the Securities and Exchange Commission.
- (23) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2002, filed by the Company with the Securities and Exchange Commission.
- (24) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, filed by the Company with the Securities and Exchange Commission.
- (25) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on December 12, 2002, by the Company with the Securities and Exchange Commission
- (26) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on March 1, 1999, by the Company with the Securities and Exchange Commission (Exhibit 4.4)
- (27) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 2003, filed by the Company with the Securities and Exchange Commission.
- (28) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, filed by the Company with the Securities and Exchange Commission.
- (29) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2003, filed by the Company with the Securities and Exchange Commission.
- (30) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004, filed by the Company with the Securities and Exchange Commission.
- (31) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Registration Statement on Form S-8, filed on December 18, 2003, by the Company with the Securities and Exchange Commission (Exhibit 4.4.3)
- (32) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Annual Report on Form 10-K for the year ended June 30, 2004, filed by the Company with the Securities and Exchange Commission.
- (33) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, filed by the Company with the Securities and Exchange Commission.
- (34) Filed as an exhibit to the Proxy Statement, filed on Form DEF 14A with the Securities and Exchange Commission on September 28, 2004.
- (35) Filed as an exhibit to the report on Form 8-K, filed with the Securities and Exchange Commission on December 15, 2004.
- (36) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005, filed by the Company with the Securities and Exchange Commission.

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(Continued)

- (37) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2005, filed by the Company with the Securities and Exchange Commission.
- (38) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 6, 2006.
- (39) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, filed by the Company with the Securities and Exchange Commission.
- (40) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 16, 2005.
- (41) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 21, 2006.
- (42) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 6, 2006.
- (43) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on September 13, 2006.
- (44) Incorporated by reference to the exhibit shown in parenthesis included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006, filed by the Company with the Securities and Exchange Commission.
- (45) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 19, 2006.
- (46) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 6, 2006.
- (47) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 26, 2006.
- (48) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on November 1, 2006.
- (49) Filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 5, 2007.
- (@) Filed herewith.



SHAREHOLDER ✓ INFORMATION

ANNUAL REPORT

07



EXECUTIVE MANAGEMENT TEAM

CLIFTON H. MORRIS, JR.
Chairman of the Board

DANIEL E. BERCE
President and Chief Executive Officer

STEVEN P. BOWMAN
Executive Vice President and
Chief Credit and Risk Officer

CHRIS A. CHOATE
Executive Vice President,
Chief Financial Officer and Treasurer

MARK FLOYD
Executive Vice President and
Co-Chief Operating Officer

PRESTON A. MILLER
Executive Vice President and
Co-Chief Operating Officer

DIRECTORS

CLIFTON H. MORRIS, JR.
Chairman of the Board,
AmeriCredit Corp.

DANIEL E. BERCE
President and Chief Executive Officer,
AmeriCredit Corp.

JOHN R. CLAY
Private Investor

A.R. DIKE
President and Chief Executive Officer,
The Dike Company, Inc.

JAMES H. GREER
Chairman of the Board,
Greer Capital Corporation

DOUGLAS K. HIGGINS
Owner, Higgins & Associates

KENNETH H. JONES, JR.
Private Investor

CORPORATE HEADQUARTERS

801 Cherry Street
Suite 3900
Fort Worth, Texas 76102
817-302-7000

ANNUAL MEETING

The annual meeting of the Company
will be held on October 25, 2007,
at 10:00 a.m. at The Fort Worth Club,
306 West Seventh Street, Fort Worth, Texas.
All shareholders are cordially invited
to attend.

INVESTOR RELATIONS INFORMATION

For financial/investment data and
general information about AmeriCredit
Corp., write the Investor Relations
Department at the above address or
telephone 817-302-7394. Information
about the Company may also be found
at www.americredit.com.

TRANSFER AGENT AND REGISTRAR

MELLON INVESTOR SERVICES LLC
80 Washington Boulevard
Jersey City, New Jersey 07310-1900
800-635-9270
www.melloninvestor.com/isd

INDEPENDENT ACCOUNTANTS

DELOITTE & TOUCHE LLP
2200 Ross Ave. Suite 1600
Dallas, Texas 75201



801 CHERRY STREET, SUITE 3900

FORT WORTH, TEXAS 76102

TOLL FREE: (800) 644.2297

WWW.AMERICREDIT.COM