



Summary of Adjusted Operating Income

**Investor Presentation
February 28, 2008**

Summary

The purpose of this presentation is to introduce a new non-GAAP financial metric to be called Adjusted Operating Income (“AOI”):

- AOI is designed to highlight the results from ongoing operations and the underlying results of the segments in a manner that is useful to the way we manage and evaluate the performance of our business

Freddie Mac will now provide disclosures that report results using three segments: Investments, Single-family Guarantee and Multifamily. Segment results will be reported using AOI.

- This change reflects the way we manage and evaluate the business and also increases transparency for investors

Overview of Adjusted Operating Income

Freddie Mac has developed a new method of presenting the financial performance of the business, Adjusted Operating Income (AOI), which is a non-GAAP financial measure. AOI differs from, and should not be used as a substitute for, “net income” as determined in accordance with GAAP, and the company’s definition of AOI may differ from similar measures used by other companies. For more information on AOI, including important limitations on its use as a measure of our financial performance, see our Information Statement and Annual Report, dated February 28, 2008.

AOI is designed to supplement GAAP financial statements, which incorporate the effect of market value changes from certain of our investment and credit guarantee activities. Over the longer term, AOI and GAAP-basis earnings both capture the aggregate cash flows of our business. However, the company believes that AOI provides a useful measure of performance for a given period that aligns with how we manage and evaluate performance of the business.

AOI is intended to provide a view of financial results that highlights the underlying business activities of the company.

Investment Activity

We are primarily a buy and hold investor in mortgage assets, and manage interest-rate related risks through the use of interest-rate derivatives and debt funding strategies. AOI presents the financial results from these activities as they emerge through the net margin provided by the company’s investment, funding and hedging activities less the administrative expenses recorded in the business.

Credit Guarantee Activity

As a long-term credit guarantor, the company’s earnings from credit guarantee activities consist almost entirely of the guarantee fee revenues received less related credit costs and operating expenses. AOI presents the financial results from the company’s guarantee activities as they emerge through management, guarantee and delivery fee revenues and associated credit expenses less the administrative expenses recorded in the business.

Investment Activity-Related Adjustments

Derivative and foreign currency translation-related adjustments:

- Fair value adjustments on derivative positions, recorded pursuant to GAAP, are not recognized in Adjusted operating income as these positions economically hedge our investment activities.
- Payments or receipts to terminate derivative positions are amortized prospectively into Adjusted operating income on a straight-line basis over the associated term of the derivative instrument.
- Payments of up-front premiums (*e.g.*, payments made to third parties related to purchased swaptions) are amortized prospectively on a straight-line basis into Adjusted operating income over the contractual life of the instrument. The up-front payments, primarily for option premiums, are amortized to reflect the periodic cost associated with the protection provided by the option contract.
- Foreign-currency translation gains and losses associated with foreign-currency denominated debt along with the foreign currency derivatives gains and losses are excluded from Adjusted operating income because the fair value adjustments on the foreign-currency swaps that we use to manage foreign-currency exposure are also excluded through the fair value adjustment on derivative positions as described above as the foreign currency exposure is economically hedged.

Investment Activity-Related Adjustments (continued)

Investment sales, debt retirements and fair value-related adjustments:

- Gains and losses on investment sales and debt retirements that are recognized at the time of the transaction pursuant to GAAP are not immediately recognized in Adjusted operating income. Gains and losses on securities sold out of the retained portfolio and cash and investments portfolio are amortized prospectively into Adjusted operating income on a straight-line basis over five years and three years, respectively. Gains and losses on debt retirements are amortized prospectively into Adjusted operating income on a straight-line basis over the original terms of the repurchased debt.
- Trading losses or impairments that reflect expected or realized credit losses are realized immediately pursuant to GAAP and in Adjusted operating income since they are not economically hedged. Fair value adjustments to trading securities related to investments that are economically hedged are not included in Adjusted operating income. Similarly, non-credit related impairment losses on securities are not included in Adjusted operating income. These amounts are deferred and amortized prospectively into Adjusted operating income on a straight-line basis over five years for securities in the retained portfolio and over three years for securities in the cash and investments portfolio. GAAP-basis accretion income that may result from impairment adjustments is also not included in Adjusted operating income.

Fully taxable-equivalent adjustment:

- Interest income generated from tax-exempt investments is adjusted in Adjusted operating income to reflect its equivalent yield on a fully taxable basis.

Credit Guarantee Activity-Related Adjustments

Credit guarantee activity-related adjustments:

- Amortization and valuation adjustments pertaining to the guarantee asset and guarantee obligation are excluded from Adjusted operating income. Cash compensation exchanged at the time of securitization, excluding buy-up and buy-down fees, is amortized into earnings.
- The initial recognition of gains and losses in connection with the execution of either securitization transactions that qualify as sales or guarantor swap transactions, such as losses on certain credit guarantees, is excluded from Adjusted operating income.
- Fair value adjustments recorded upon the purchase of delinquent loans from pools that underlie our guarantees are excluded from Adjusted operating income. However, for Adjusted operating income reporting, our GAAP-basis loan loss provision is adjusted to reflect our own estimate of the losses we will ultimately realize on such items.

Reporting Adjusted Operating Income for Segments

The company will present its results in three segments based on the type of business activities each performs, with certain remaining items in an “All Other” category. Segment results will be reported using AOI.

- **Investments:** Reflects results from the company’s investment, funding and hedging activities, primarily within the company’s retained portfolio.
- **Single-family Guarantee:** Reflects results from the company’s single-family credit guarantee activities.
- **Multifamily:** Reflects results from the company’s investments and guarantee activity in multifamily whole loans and securities, as well as the costs and benefits of the company’s Low Income Housing Tax Credit (LIHTC) activities.
- **All Other (not a segment):** Reflects corporate-level expenses not allocated to the segments, such as remediation and restructuring costs and resolution of certain legal matters and income tax items.

Three Reportable Segments and All Other

Segment	Definition	Included Activities
Investments	Returns on investments in whole loans and bonds backed by single-family assets, non-mortgage securities and commercial mortgage-backed securities.	<ul style="list-style-type: none"> • Investments in PCs and single-family whole loans • Investments in ABS • Investments in CMBS • All other traded instruments / securities • All asset / liability management returns • Guarantee buy-ups / buy-downs, net of execution gains / losses • Liquidity and contingency portfolio • Tax benefit from mortgage revenue bonds • Allocated returns on capital
Single-Family Guarantee	Credit returns on single-family guaranteed assets.	<ul style="list-style-type: none"> • Guarantee fees on PCs, including those retained by Freddie Mac, and single-family whole loans in the retained portfolio • Credit delivery fees • Adjustments for security performance • Credit losses on all single-family assets • Net "float" income on credit guarantee portfolio • Allocated returns on capital
Multifamily	All returns associated with multifamily assets	<ul style="list-style-type: none"> • Multifamily whole loans and associated securitization activities • Low income housing tax credit expenses and tax benefit • Allocated returns on capital
All Other	Unallocated corporate-level expenses	<ul style="list-style-type: none"> • Remediation costs • Restructuring costs • Legal and tax adjustments

Consolidated Adjusted Operating Income¹

(\$ Millions)	1Q 2007	2Q 2007	3Q 2007	4Q 2007	2007	2006	2005
1 Investments	\$ 514	\$ 571	\$ 503	\$ 440	\$ 2,028	\$ 2,111	\$ 2,284
2 Single-family Guarantee	224	129	(483)	(126)	(256)	1,289	965
3 Multifamily	125	84	83	106	398	434	363
4 All Other	(16)	(43)	(45)	1	(103)	19	(437)
5 Total Adjusted operating income	\$ 847	\$ 741	\$ 58	\$ 421	\$ 2,067	\$ 3,853	\$ 3,175
6 Derivative- and foreign currency translation-related adjustments	\$ (1,082)	\$ (471)	\$ (1,725)	\$ (2,389)	\$ (5,667)	\$ (2,371)	\$ (1,644)
7 Credit guarantee-related adjustments	(502)	831	(925)	(2,672)	(3,268)	(201)	(458)
8 Investment sales, debt retirements and fair value-related adjustments	69	(379)	659	638	987	231	570
9 Fully taxable-equivalent adjustments	(93)	(97)	(98)	(100)	(388)	(388)	(336)
10 Total pre-tax adjustments	(1,608)	(116)	(2,089)	(4,523)	(8,336)	(2,729)	(1,868)
11 Tax-related adjustments	628	104	793	1,650	3,175	1,203	865
12 Total reconciling items, net of taxes	(980)	(12)	(1,296)	(2,873)	(5,161)	(1,526)	(1,003)
13 Net income (loss)	\$ (133)	\$ 729	\$ (1,238)	\$ (2,452)	\$ (3,094)	\$ 2,327	\$ 2,172

¹ Adjusted operating income is a non-GAAP measure of performance, as described in the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted Operating Income – Investments Segment¹

(\$ Millions)		1Q 2007	2Q 2007	3Q 2007	4Q 2007	2007	2006	2005
1	Net interest income	\$ 902	\$ 990	\$ 909	\$ 825	\$ 3,626	\$ 3,736	\$ 4,117
2	Non-interest income (loss)	24	30	(4)	(10)	40	38	(74)
3	Total revenues	926	1,020	905	815	3,666	3,774	4,043
	Non-interest expense:							
4	Administrative expenses	(128)	(133)	(125)	(129)	(515)	(495)	(466)
5	Other non-interest expense	(7)	(8)	(7)	(9)	(31)	(31)	(63)
6	Total non-interest expense	(135)	(141)	(132)	(138)	(546)	(526)	(529)
7	Adjusted operating income before income tax expense	791	879	773	677	3,120	3,248	3,514
8	Income tax (expense)	(277)	(308)	(270)	(237)	(1,092)	(1,137)	(1,230)
9	Adjusted operating income	\$ 514	\$ 571	\$ 503	\$ 440	\$ 2,028	\$ 2,111	\$ 2,284
10	Net interest yield - FTE - Adjusted operating income	0.50%	0.57%	0.53%	0.51%	0.51%	0.51%	0.60%

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted Operating Income (Loss) – Single-family Guarantee Segment¹

(\$ Millions)		1Q 2007	2Q 2007	3Q 2007	4Q 2007	2007	2006	2005
1	Net interest income	\$ 168	\$ 179	\$ 181	\$ 175	\$ 703	\$ 556	\$ 349
2	Management and guarantee income	677	704	738	770	2,889	2,541	2,341
3	Other non-interest income	22	28	27	40	117	159	78
4	Total revenues	867	911	946	985	3,709	3,256	2,768
	Non-interest expense:							
5	Administrative expenses	(199)	(209)	(203)	(195)	(806)	(815)	(767)
6	Provision for credit losses	(289)	(469)	(1,417)	(839)	(3,014)	(313)	(447)
7	REO operations expense	(14)	(16)	(50)	(125)	(205)	(61)	(40)
8	Other non-interest expense	(21)	(19)	(18)	(20)	(78)	(84)	(30)
9	Total non-interest expense	(523)	(713)	(1,688)	(1,179)	(4,103)	(1,273)	(1,284)
10	Adjusted operating income (loss) before income tax (expense) benefit	344	198	(742)	(194)	(394)	1,983	1,484
11	Income tax (expense) benefit	(120)	(69)	259	68	138	(694)	(519)
12	Adjusted operating income (loss)	\$ 224	\$ 129	\$ (483)	\$ (126)	\$ (256)	\$ 1,289	\$ 965
13	Single-family guarantee fee rate (in basis points) - Adjusted operating income	17.9	17.9	18.1	18.1	18.0	18.0	18.6

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

Adjusted Operating Income – Multifamily Segment¹

(\$ Millions)		1Q 2007	2Q 2007	3Q 2007	4Q 2007	2007	2006	2005
1	Net interest income	\$ 123	\$ 94	\$ 88	\$ 121	\$ 426	\$ 479	\$ 417
2	Management and guarantee income	14	16	14	15	59	61	59
3	Other non-interest income	4	5	7	8	24	28	19
4	Total revenues	141	115	109	144	509	568	495
	Non-interest expense:							
5	Administrative expenses	(45)	(49)	(48)	(47)	(189)	(182)	(151)
6	Provision for credit losses	(3)	(1)	(16)	(18)	(38)	(4)	(7)
7	REO operations expense	-	-	(1)	-	(1)	1	-
8	Low-income housing tax credit partnerships	(108)	(135)	(111)	(115)	(469)	(407)	(320)
9	Other non-interest expense	(4)	(8)	(4)	(5)	(21)	(17)	(20)
10	Total non-interest expense	(160)	(193)	(180)	(185)	(718)	(609)	(498)
11	Adjusted operating income (loss) before income tax benefit	(19)	(78)	(71)	(41)	(209)	(41)	(3)
12	Low-income housing tax credit partnerships tax benefit	138	135	129	132	534	461	365
13	Income tax benefit	6	27	25	15	73	14	1
14	Adjusted operating income	\$ 125	\$ 84	\$ 83	\$ 106	\$ 398	\$ 434	\$ 363

¹ For more information on the company's segments, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008. 11

Adjusted Operating Income (Loss) – All Other¹

(\$ Millions)	1Q 2007	2Q 2007	3Q 2007	4Q 2007	2007	2006	2005
1 Net interest income (loss)	\$ (1)	\$ -	\$ 1	\$ (1)	\$ (1)	\$ (3)	\$ (3)
2 Non-interest income (loss)	3	(1)	5	4	11	15	(7)
Non-interest expense:							
3 Administrative expenses	(31)	(51)	(52)	(30)	(164)	(149)	(151)
4 Other non-interest expense	(9)	(8)	(17)	30	(4)	(42)	(436)
5 Total non-interest expense	(40)	(59)	(69)	-	(168)	(191)	(587)
6 Adjusted operating income (loss) before income tax (expense) benefit	(38)	(60)	(63)	3	(158)	(179)	(597)
7 Income tax (expense) benefit	22	17	18	(2)	55	198	160
8 Adjusted operating income (loss)	\$ (16)	\$ (43)	\$ (45)	\$ 1	\$ (103)	\$ 19	\$ (437)

¹ All Other includes corporate-level expenses not allocated to any of the company's reportable segments. For more information, see the company's Information Statement and Annual Report to Stockholders, dated February 28, 2008.

**Selected Tables from the Company's Press Release -
Consolidated Financial Statements and Core Tables**

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
1Q 2006
TABLE 18
(unaudited)
(dollars in millions)

Line:	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	Investments	\$ 913	\$ -	\$ 13	\$ (113)	\$ -	\$ -	\$ (7)	\$ -	\$ (282)	\$ 524
2	Single-family Guarantee	120	615	70	(190)	32	(12)	(27)	-	(213)	395
3	Multifamily	133	14	4	(43)	(6)	(115)	(5)	115	6	103
4	All Other	-	-	-	(27)	-	-	1	-	171	145
5	Total Adjusted operating income	1,166	629	87	(373)	26	(115)	(38)	115	(318)	1,167
<u>Reconciliation to GAAP Net Income:</u>											
6	Derivative- and foreign currency translation-related adjustments	(225)	-	243	-	-	-	-	-	-	18
7	Credit guarantee-related adjustments	(1)	(26)	551	-	7	-	(109)	-	-	422
8	Investment sales, debt retirements and fair value-related adjustments	80	-	73	-	-	-	-	-	-	153
9	Fully taxable-equivalent adjustments	(90)	-	-	-	-	-	-	-	-	(90)
10	Reclassifications	9	(6)	(3)	-	-	-	-	-	-	-
11	Total pre-tax adjustments	(227)	(32)	864	-	7	-	(109)	-	-	503
12	Tax-related adjustments	-	-	-	-	-	-	-	-	272	272
13	Total reconciling items, net of taxes	(227)	(32)	864	-	7	-	(109)	-	272	775
14	Net income (loss) - GAAP basis	\$ 939	\$ 597	\$ 951	\$ (373)	\$ 33	\$ (115)	\$ (147)	\$ 115	\$ (46)	\$ 1,942

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
2Q 2006
TABLE 19
(unaudited)
(dollars in millions)

Line:

	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	\$ 1,126	\$ -	\$ 19	\$ (121)	\$ -	\$ -	\$ -	\$ (7)	\$ -	\$ (356)	\$ 661
2	133	633	15	(196)	(73)	(7)	-	(23)	-	(169)	313
3	118	16	4	(44)	2	-	(104)	(4)	122	4	114
4	(1)	-	-	(44)	-	-	-	(16)	-	13	(48)
5	1,376	649	38	(405)	(71)	(7)	(104)	(50)	122	(508)	1,040
<u>Reconciliation to GAAP Net Income:</u>											
6	(365)	-	287	-	-	-	-	-	-	-	(78)
7	1	(98)	503	-	-	-	-	(112)	-	-	294
8	88	-	(221)	-	-	-	-	-	-	-	(133)
9	(97)	-	-	-	-	-	-	-	-	-	(97)
10	(20)	(10)	30	-	-	-	-	-	-	-	-
11	(393)	(108)	599	-	-	-	-	(112)	-	-	(14)
12	-	-	-	-	-	-	-	-	-	310	310
13	(393)	(108)	599	-	-	-	-	(112)	-	310	296
14	\$ 983	\$ 541	\$ 637	\$ (405)	\$ (71)	\$ (7)	\$ (104)	\$ (162)	\$ 122	\$ (198)	\$ 1,336

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
3Q 2006
TABLE 20
(unaudited)
(dollars in millions)

Line:

	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	\$ 843	\$ -	\$ 4	\$ (125)	\$ -	\$ -	\$ -	\$ (8)	\$ -	\$ (250)	\$ 464
2	147	631	44	(203)	(104)	(20)	-	(17)	-	(167)	311
3	101	16	15	(45)	-	1	(98)	(4)	112	5	103
4	(1)	-	4	(45)	-	-	-	(13)	-	10	(45)
5	1,090	647	67	(418)	(104)	(19)	(98)	(42)	112	(402)	833
<u>Reconciliation to GAAP Net Income:</u>											
6	(297)	-	(791)	-	-	-	-	-	-	-	(1,088)
7	(5)	(15)	(460)	-	6	-	-	(171)	-	-	(645)
8	79	-	54	-	-	-	-	-	-	-	133
9	(104)	-	-	-	-	-	-	-	-	-	(104)
10	(34)	(12)	46	-	-	-	-	-	-	-	-
11	(361)	(27)	(1,151)	-	6	-	-	(171)	-	-	(1,704)
12	-	-	-	-	-	-	-	-	-	321	321
13	(361)	(27)	(1,151)	-	6	-	-	(171)	-	321	(1,383)
14	\$ 729	\$ 620	\$ (1,084)	\$ (418)	\$ (98)	\$ (19)	\$ (98)	\$ (213)	\$ 112	\$ (81)	\$ (550)

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
4Q 2006
TABLE 21
(unaudited)
(dollars in millions)

Line:	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	\$ 854	\$ -	\$ 2	\$ (136)	\$ -	\$ -	\$ -	\$ (9)	\$ -	\$ (249)	\$ 462
2	156	662	30	(226)	(168)	(22)	-	(17)	-	(145)	270
3	127	15	5	(50)	-	-	(90)	(4)	112	(1)	114
4	(1)	-	11	(33)	-	-	-	(14)	-	4	(33)
5	1,136	677	48	(445)	(168)	(22)	(90)	(44)	112	(391)	813
<u>Reconciliation to GAAP Net Income:</u>											
6	(328)	-	(895)	-	-	-	-	-	-	-	(1,223)
7	(7)	(33)	6	-	8	-	-	(246)	-	-	(272)
8	68	-	10	-	-	-	-	-	-	-	78
9	(97)	-	-	-	-	-	-	-	-	-	(97)
10	(11)	(9)	20	-	-	-	-	-	-	-	-
11	(375)	(42)	(859)	-	8	-	-	(246)	-	-	(1,514)
12	-	-	-	-	-	-	-	-	-	300	300
13	(375)	(42)	(859)	-	8	-	-	(246)	-	300	(1,214)
14	\$ 761	\$ 635	\$ (811)	\$ (445)	\$ (160)	\$ (22)	\$ (90)	\$ (290)	\$ 112	\$ (91)	\$ (401)

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
1Q 2007
TABLE 22
(unaudited)
(dollars in millions)

Line:

	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	Investments	\$ 902	\$ -	\$ 24	\$ (128)	\$ -	\$ -	\$ (7)	\$ -	\$ (277)	\$ 514
2	Single-family Guarantee	168	677	22	(199)	(289)	(14)	(21)	-	(120)	224
3	Multifamily	123	14	4	(45)	(3)	-	(108)	(4)	138	6
4	All Other	(1)	-	3	(31)	-	-	(9)	-	22	(16)
5	Total Adjusted operating income	1,192	691	53	(403)	(292)	(14)	(41)	138	(369)	847
<u>Reconciliation to GAAP Net Income:</u>											
6	Derivative- and foreign currency translation-related adjustments	(323)	-	(759)	-	-	-	-	-	-	(1,082)
7	Credit guarantee-related adjustments	(25)	(64)	(47)	-	44	-	(410)	-	-	(502)
8	Investment sales, debt retirements and fair value-related adjustments	60	-	9	-	-	-	-	-	-	69
9	Fully taxable-equivalent adjustments	(93)	-	-	-	-	-	-	-	-	(93)
10	Reclassifications	(40)	1	39	-	-	-	-	-	-	-
11	Total pre-tax adjustments	(421)	(63)	(758)	-	44	-	(410)	-	-	(1,608)
12	Tax-related adjustments	-	-	-	-	-	-	-	-	628	628
13	Total reconciling items, net of taxes	(421)	(63)	(758)	-	44	-	(410)	-	628	(980)
14	Net income (loss) - GAAP basis	\$ 771	\$ 628	\$ (705)	\$ (403)	\$ (248)	\$ (14)	\$ (451)	\$ 138	\$ 259	\$ (133)

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
2Q 2007
TABLE 23
(unaudited)
(dollars in millions)

Line:		Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
	<u>Adjusted Operating Income Results:</u>											
1	Investments	\$ 990	\$ -	\$ 30	\$ (133)	\$ -	\$ -	\$ -	\$ (8)	\$ -	\$ (308)	\$ 571
2	Single-family Guarantee	179	704	28	(209)	(469)	(16)	-	(19)	-	(69)	129
3	Multifamily	94	16	5	(49)	(1)	-	(135)	(8)	135	27	84
4	All Other	-	-	(1)	(51)	-	-	-	(8)	-	17	(43)
5	Total Adjusted operating income	1,263	720	62	(442)	(470)	(16)	(135)	(43)	135	(333)	741
	<u>Reconciliation to GAAP Net Income:</u>											
6	Derivative- and foreign currency translation-related adjustments	(326)	-	(145)	-	-	-	-	-	-	-	(471)
7	Credit guarantee-related adjustments	(1)	(135)	1,380	-	23	-	-	(436)	-	-	831
8	Investment sales, debt retirements and fair value-related adjustments	54	-	(433)	-	-	-	-	-	-	-	(379)
9	Fully taxable-equivalent adjustments	(97)	-	-	-	-	-	-	-	-	-	(97)
10	Reclassifications	(100)	6	94	-	-	-	-	-	-	-	-
11	Total pre-tax adjustments	(470)	(129)	896	-	23	-	-	(436)	-	-	(116)
12	Tax-related adjustments	-	-	-	-	-	-	-	-	-	104	104
13	Total reconciling items, net of taxes	(470)	(129)	896	-	23	-	-	(436)	-	104	(12)
14	Net income (loss) - GAAP basis	<u>\$ 793</u>	<u>\$ 591</u>	<u>\$ 958</u>	<u>\$ (442)</u>	<u>\$ (447)</u>	<u>\$ (16)</u>	<u>\$ (135)</u>	<u>\$ (479)</u>	<u>\$ 135</u>	<u>\$ (229)</u>	<u>\$ 729</u>

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
3Q 2007
TABLE 24
(unaudited)
(dollars in millions)

Line:	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
<u>Adjusted Operating Income Results:</u>											
1	Investments	\$ 909	\$ -	\$ (4)	\$ (125)	\$ -	\$ -	\$ (7)	\$ -	\$ (270)	\$ 503
2	Single-family Guarantee	181	738	27	(203)	(1,417)	(50)	(18)	-	259	(483)
3	Multifamily	88	14	7	(48)	(16)	(1)	(4)	129	25	83
4	All Other	1	-	5	(52)	-	-	(17)	-	18	(45)
5	Total Adjusted operating income	1,179	752	35	(428)	(1,433)	(51)	(46)	129	32	58
<u>Reconciliation to GAAP Net Income:</u>											
6	Derivative- and foreign currency translation-related adjustments	(261)	-	(1,464)	-	-	-	-	-	-	(1,725)
7	Credit guarantee-related adjustments	(24)	(41)	141	-	61	-	(1,062)	-	-	(925)
8	Investment sales, debt retirements and fair value-related adjustments	84	-	575	-	-	-	-	-	-	659
9	Fully taxable-equivalent adjustments	(98)	-	-	-	-	-	-	-	-	(98)
10	Reclassifications	(119)	7	112	-	-	-	-	-	-	-
11	Total pre-tax adjustments	(418)	(34)	(636)	-	61	-	(1,062)	-	-	(2,089)
12	Tax-related adjustments	-	-	-	-	-	-	-	-	793	793
13	Total reconciling items, net of taxes	(418)	(34)	(636)	-	61	-	(1,062)	-	793	(1,296)
14	Net income (loss) - GAAP basis	\$ 761	\$ 718	\$ (601)	\$ (428)	\$ (1,372)	\$ (51)	\$ (1,108)	\$ 129	\$ 825	\$ (1,238)

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.

FREDDIE MAC
ADJUSTED OPERATING INCOME RESULTS AND RECONCILIATION TO GAAP RESULTS ⁽¹⁾
4Q 2007
TABLE 25
(unaudited)
(dollars in millions)

Line:

Adjusted Operating Income Results:

	Net Interest Income (Expense)	Management and Guarantee Income	Other Non-Interest Income (Loss)	Administrative Expenses	Provision for Credit Losses	REO Operations Expense	LIHTC Partnerships	Other Non-Interest Expense	LIHTC Partnerships Tax Benefit	Income Tax (Expense) Benefit	Net Income (Loss)
1 Investments	\$ 825	\$ -	\$ (10)	\$ (129)	\$ -	\$ -	\$ -	\$ (9)	\$ -	\$ (237)	\$ 440
2 Single-family Guarantee	175	770	40	(195)	(839)	(125)	-	(20)	-	68	(126)
3 Multifamily	121	15	8	(47)	(18)	-	(115)	(5)	132	15	106
4 All Other	(1)	-	4	(30)	-	-	-	30	-	(2)	1
5 Total Adjusted operating income	1,120	785	42	(401)	(857)	(125)	(115)	(4)	132	(156)	421
<u>Reconciliation to GAAP Net Income:</u>											
6 Derivative- and foreign currency translation-related adjustments	(156)	-	(2,233)	-	-	-	-	-	-	-	(2,389)
7 Credit guarantee-related adjustments	(56)	(102)	(559)	-	70	-	-	(2,025)	-	-	(2,672)
8 Investment sales, debt retirements and fair value-related adjustments	68	-	570	-	-	-	-	-	-	-	638
9 Fully taxable-equivalent adjustments	(100)	-	-	-	-	-	-	-	-	-	(100)
10 Reclassifications	(102)	15	87	-	-	-	-	-	-	-	-
11 Total pre-tax adjustments	(346)	(87)	(2,135)	-	70	-	-	(2,025)	-	-	(4,523)
12 Tax-related adjustments	-	-	-	-	-	-	-	-	-	1,650	1,650
13 Total reconciling items, net of taxes	(346)	(87)	(2,135)	-	70	-	-	(2,025)	-	1,650	(2,873)
14 Net income (loss) - GAAP basis	\$ 774	\$ 698	\$ (2,093)	\$ (401)	\$ (787)	\$ (125)	\$ (115)	\$ (2,029)	\$ 132	\$ 1,494	\$ (2,452)

(1) See "NOTE 15: SEGMENT REPORTING" in our Information Statement dated February 28, 2008 for more information regarding Adjusted operating income.