

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
(unlimited company)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

28 November 2008

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GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 52 week period ended 28 November 2008.

1. Principal activity

Goldman Sachs Asset Management International ('the company') is an asset management company and is regulated by The Financial Services Authority. The company primarily operates in a US Dollar environment as part of The Goldman Sachs Group, Inc.. Accordingly, the company's functional currency is US Dollars and these financial statements have been prepared in that currency.

2. Review of business and future developments

The profit and loss account for the period is set out on page 6. Revenues increased to US\$474 million from US\$435 million in the previous period primarily due to higher incentive fees and higher, on average, assets under management. Assets under management decreased during the period from US\$104 billion to US\$91 billion. Administrative expenses decreased to US\$176 million from US\$343 million mainly due to a decrease in service charges payable to group undertakings in respect of compensation costs including costs of equity-based compensation. The profit before tax was US\$304 million compared to US\$99 million in the previous period.

On 21 September 2008, The Goldman Sachs Group, Inc. became a bank holding company regulated by the Board of Governors of the Federal Reserves System under the U.S. Bank Holding Company Act of 1956.

Business environment

As an asset management company, our businesses are materially affected by conditions in the financial markets and general economic conditions. A favourable business environment is typically characterised by, amongst other factors, transparent, liquid and efficient capital markets, low inflation, high business and investor confidence and strong business earnings. During the first half of 2008, global economic growth slowed as a number of countries entered a recession. Despite the weakness in certain major economies, growth in most emerging markets remained solid, which contributed to increased inflation. However, during the second half of 2008, the downturn in global economic growth became broad-based, which coincided with significant weakness and sharply reduced liquidity across global financial markets.

Strategy

The Goldman Sachs Group, Inc. is a bank holding company and a leading global investment banking, securities and investment management firm that provides a wide-range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

As part of the group, the company seeks to be a leading participant in the investment management business and continue to develop its business in the European Union and selected non-EU jurisdictions having regard to the broader strategy defined by the Goldman Sachs Group Inc..

Principal risks and uncertainties

The company faces a variety of risks that are substantial and inherent in its businesses including economic and market conditions, employees, operational infrastructure, legal and regulatory risks. The key business risks affecting the company are set out below.

Economic and market conditions

Our businesses are materially affected by conditions in the global financial markets and economic conditions generally and these conditions may change suddenly and dramatically. Unfavourable or uncertain economic and market conditions have adverse effect on our business and profitability.

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

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REPORT OF THE DIRECTORS (CONTINUED)

2. Review of business and future developments (Continued)

Operational infrastructure

Failures in internal processes could lead to financial loss, disruption of business, liability to clients, regulatory intervention or reputational damage. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process transactions.

Despite the contingency plans and facilities that we have in place, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the communities in which we are located. This may include a disruption involving electrical, communications, transportation or other services used by the company or third parties with which we conduct business. These disruptions may occur, for example, as a result of events that affect only the buildings of the company or such third parties, or as a result of events with a broader impact on the cities where those buildings are located.

Risk management

We seek to monitor and control our risk exposure through a risk and control framework encompassing a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems, internal controls, management review process and other mechanisms. Whilst we employ a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgements that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. In addition, refer to the financial risk management section (note 20), below.

Future outlook

The directors consider that the period end financial position of the company was satisfactory. No significant change in the company's principal business activity is expected.

3. Dividends

The directors declared and paid a preference dividend of US\$5,656,650 during the period (53 week period ended 30 November 2007: US\$5,656,650). No interim ordinary dividend was declared during the period (53 week period ended 30 November 2007: US \$30,000,000). The directors do not recommend the payment of a final ordinary dividend (53 week period ended 30 November 2007: US\$Nil).

4. Exchange rate

The US Dollar/Sterling exchange rate at the balance sheet date was 1.5374 (30 November 2007: 2.0567). The average rate for the period was 1.8926 (53 week period ended 30 November 2007: 2.0028).

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
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REPORT OF THE DIRECTORS (CONTINUED)

5. Directors

The directors of the company who served throughout the period, and to the date of this report, except where noted, were:

| Name | Appointed | Resigned |
|-----------------------|------------------|-------------------|
| P. J. Ward - Chairman | 16 January 2008 | |
| S. O. Donohoe | 14 July 2008 | 05 February 2009 |
| G. P. Earle | | |
| R. J. Gnodde | | |
| T. T. Sotir | | |
| C. H. Taylor | | |
| S. C. Fitzgerald | | 31 March 2008 |
| A. W. Fletcher | | 23 September 2008 |

No director has, or had during the period, any interest requiring note herein.

6. Disclosure of information to auditors

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he / she ought to have taken as a director to make himself / herself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

7. Directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
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REPORT OF THE DIRECTORS (CONTINUED)

7. Directors' responsibilities (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

8. Auditors

The company has passed elective resolutions in accordance with the Companies Act 1985, to dispense with the holding of annual general meetings, the laying of accounts and reports before general meetings and the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 386 of the Companies Act 1985.

9. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 9 February 2009.

BY ORDER OF THE BOARD



A. M. Marshall
Secretary

20 February, 2009

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

We have audited the financial statements of Goldman Sachs Asset Management International for the 52 week period ended 28 November 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

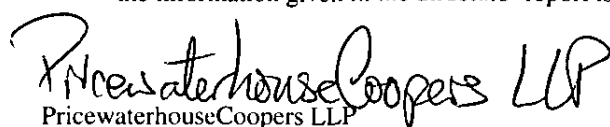
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 November 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

23 February 2009

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

PROFIT AND LOSS ACCOUNT

for the 52 week period ended 28 November 2008

| | Note | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|--|------|--|--|
| Turnover | 1(g) | 474,485 | 435,159 |
| Administrative expenses | | (176,137) | (343,262) |
| OPERATING PROFIT | 4 | 298,348 | 91,897 |
| Other interest receivable and similar income | 5 | 7,535 | 9,381 |
| Interest payable and similar charges | 6 | (1,413) | (2,179) |
| | | 6,122 | 7,202 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 304,470 | 99,099 |
| Tax on profit on ordinary activities | 9 | (83,267) | (33,001) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD | | 221,203 | 66,098 |

The operating profit of the company is derived from continuing operations in the current and prior period.

There is no difference between the profit on ordinary activities before and after taxation and the profit for the financial period as stated above and their historical cost equivalents, except as explained in note 1 (h).

The company has no recognised gains and losses other than those included in the profit for the financial period above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 15 form part of these financial statements.
Auditors' report – page 5.

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
(unlimited company)

BALANCE SHEET
as at 28 November 2008

| | Note | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|---|------|---------------------------------|---------------------------------|
| FIXED ASSETS | | | |
| Investments | 10 | 33 | 33 |
| CURRENT ASSETS | | | |
| Securities purchased under agreements to resell | | 359,081 | 196,545 |
| Debtors | 11 | 145,245 | 133,422 |
| Cash at bank and in hand | | 13,857 | 67,128 |
| | | 518,183 | 397,095 |
| CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | 13 | (156,535) | (200,449) |
| NET CURRENT ASSETS | | 361,648 | 196,646 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 361,681 | 196,679 |
| CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 14 | (5,717) | (56,261) |
| NET ASSETS | | 355,964 | 140,418 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,695 | 1,695 |
| Share premium account | 16 | 69,293 | 69,293 |
| Profit and loss account | 16 | 284,976 | 69,430 |
| Equity shareholders' funds | | 285,964 | 70,418 |
| Non-equity (preferred) shareholders' funds | | 70,000 | 70,000 |
| TOTAL SHAREHOLDERS' FUNDS | 18 | 355,964 | 140,418 |

Approved by the Board of Directors on

20 February, 2009

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Director

The notes on pages 8 to 15 form part of these financial statements.
Auditors' report - page 5.

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

(unlimited company)

NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** These financial statements have been prepared under the historical cost convention (modified as explained in note 1 (h)), the accounting policies set out below and in accordance with applicable United Kingdom law, applicable United Kingdom Accounting Standards and pronouncements of the Urgent Issues Task Force ('UITF').
- (b) **Fixed asset investments:**
Investments in exchange memberships are stated at cost less provision for any impairment.
- (c) **Repurchase and resale agreements:** Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralised financing transactions and are carried at the amount at which the securities were sold or acquired plus the accrued interest as specified in the respective agreements and are recorded on trade date.
- (d) **Offsetting:** Financial assets and liabilities are offset and the net amount presented in the balance sheet where the company:
- (i) currently has a legally enforceable right to set off the recognised amounts; and
 - (ii) intends to settle on a net basis or to realise the asset and settle the liability simultaneously.
- Where the conditions are not met, financial assets and liabilities are presented on a gross basis in the balance sheet.
- (e) **Deferred taxation:** Full provision is made for deferred taxation in respect of all differences in timing between the accounting and tax treatment of income and expenses. The timing differences are recognised as deferred tax liabilities or assets, measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.
- (f) **Foreign currencies:** Transactions denominated in foreign currencies are translated into US Dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at rates of exchange ruling at the balance sheet date. Gains and losses on exchange are recognised in operating profit.
- (g) **Turnover:** Turnover for the period includes fees for managing investments which are recognised in the profit and loss on an accruals basis to match continuing services. In certain circumstances, we are entitled to receive asset management incentive fees based on a percentage of a fund's return or when the return on assets under management exceeds specified benchmark returns or other performance targets. Incentive fees are recognised when the performance period ends and they are no longer subject to adjustment. We have numerous incentive fee arrangements, many of which have annual performance periods that end on 31 December.
- (h) **Derivative financial instrument:** Foreign exchange forward contracts are initially accounted and measured at fair value on the date the contracts are entered into and subsequently measured at fair value.

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL

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NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

1. ACCOUNTING POLICIES (CONTINUED)

(i) New accounting standards adopted during the financial period by the company:

(i) FRS26 – Financial instruments: recognition and measurement.

The company has adopted the recognition and derecognition requirements of FRS26.

No material impact on the results or financial position of the company has occurred following the adoption of this standard.

2. CASH FLOW STATEMENT

The company is a greater than 90% subsidiary of The Goldman Sachs Group Inc., and is therefore exempt from preparing a cash flow statement as required by FRS1 'Cash flow statements', as the ultimate parent company accounts are publicly available.

3. SEGMENTAL REPORTING

With the exception of net interest and similar income, all income arises from asset management activities. The directors manage the company's activities as a single business and geographic segment. Accordingly no segmental analysis has been provided.

4. OPERATING PROFIT

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|--|--|--|
| Operating profit is stated after charging: | | |
| Auditors' remuneration - audit services | 37 | 47 |
| Service charges payable to group undertakings (see note 7) | 107,063 | 277,545 |

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|---------------------------------------|--|--|
| Interest income on overnight deposits | 132 | 80 |
| Interest income on resale agreements | 7,403 | 9,301 |
| | 7,535 | 9,381 |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|---------------------------------------|--|--|
| Interest expense on subordinated debt | 1,413 | 2,179 |

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
(unlimited company)

NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

7. STAFF COSTS

The company has no employees (2007: Nil). All persons involved in the company's operations are employed by a group undertaking. The charges made by this group undertaking for all the services provided (personnel and other) to the company are included in the service charges payable to group undertakings.

8. DIRECTORS' EMOLUMENTS

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|---|--|--|
| Aggregate emoluments | 977 | 2,708 |
| Company pension contributions to money purchase schemes | 3 | 10 |
| | 980 | 2,718 |
| | US\$'000 | US\$'000 |
| Highest paid director: | | |
| Aggregate emoluments and benefits | 781 | 1,794 |
| Company pension contributions to money purchase schemes | 1 | 2 |
| Defined benefit schemes: | | |
| Accrued pension at end of period | 1 | 2 |

In accordance with the Companies Act 1985, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only. Directors also receive emoluments for non-qualifying services which are not required to be disclosed. Certain directors of the company also received options over shares in the ultimate parent company which is registered outside the United Kingdom. All directors are members of the defined contribution and the defined benefit pension schemes. Six directors have been granted shares in respect of a long term incentive scheme.

Two directors have exercised options.

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period:

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|--|--|--|
| Current tax: | | |
| Group relief payable | 56,254 | 33,554 |
| Adjustments in respect of previous periods | 254 | 158 |
| Total current tax (see note 9(b)) | 56,508 | 33,712 |
| Deferred tax: | | |
| Other timing differences (see note 12) | 26,759 | (711) |
| Tax charge on profit on ordinary activities | 83,267 | 33,001 |

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

(b) Factors affecting tax charge for the period

The current tax assessed for the current period is lower than the standard rate of corporation tax in the UK measured at 28.67% following the change in corporation tax rates from 1 April 2008 to 28% (30 November 2007: 30%). The differences are explained below:

| | 52 week period ended 28 November 2008 US\$'000 | 53 week period ended 30 November 2007 US\$'000 |
|--|--|--|
| Profit on ordinary activities before taxation | 304,470 | 99,099 |
| Profit on ordinary activities multiplied by standard rate in the UK (28.67%) (30 November 2007: 30%) | 87,292 | 29,730 |
| Timing differences in respect of restricted stock units | (26,759) | 3,775 |
| Expenses not deductible for tax purposes | 44 | 62 |
| Adjustment to tax in respect of prior period | 254 | 158 |
| Exchange differences | (4,323) | (13) |
| Current tax charge for the period | 56,508 | 33,712 |

The timing difference arising from the restricted stock units comprises the net tax effect of the amounts charged to the profit and loss account during the period and those amounts paid to employees during the period, which are incurred by the company through service charges payable to group undertakings.

Group relief represents amounts payable to group undertakings in consideration of the surrender of losses under group relief arrangements.

10. FIXED ASSET INVESTMENTS

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|--|---------------------------------|---------------------------------|
| Investment in global messaging network | 33 | 33 |

11. DEBTORS

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|-------------------------------------|---------------------------------|---------------------------------|
| Trade debtors | 75,568 | 43,475 |
| Amounts due from group undertakings | 26,763 | 8,104 |
| Prepayments and accrued income | 37,023 | 49,193 |
| Deferred tax (see note 12) | 5,891 | 32,650 |
| | 145,245 | 133,422 |

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
(unlimited company)

NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

12. DEFERRED TAX

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|---|---------------------------------|---------------------------------|
| The deferred tax balance comprises: | | |
| Other timing differences | 5,891 | 32,650 |
| The movements in the deferred tax balance were as follows: | | |
| 30 November 2007 | 32,650 | |
| Transfer to the profit and loss account for the period | (26,759) | |
| 28 November 2008 | 5,891 | |

Other timing differences represent deferred tax in respect of service charges payable to group undertakings for restricted stock units and options awarded to employees.

The directors consider that future profits will be available against which the deferred tax asset can be recovered.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|--|---------------------------------|---------------------------------|
| Amounts due to group undertakings (see note (i)) | 57,997 | 48,993 |
| Group relief payable to group undertakings | 74,972 | 34,490 |
| Accrual for service charges payable to parent and group undertakings (see note (ii)) | 15,365 | 93,942 |
| Accruals and deferred income | 8,201 | 23,024 |
| | 156,535 | 200,449 |

(i) Included in the amounts due to group undertakings is \$1,604,159 (30 November 2007: \$459,978) relating to the foreign exchange forward contracts (see note 20).

(ii) The accrual for service charges payable to parent and group undertakings is in respect of restricted stock awards and long term incentive schemes.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|--|---------------------------------|---------------------------------|
| Accrual for service charges payable to parent and group undertakings (see note 13) | 5,717 | 26,261 |
| Subordinated loan (see note (i)) | - | 30,000 |
| | 5,717 | 56,261 |

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
(CONTINUED)**

- (i) The amounts outstanding at 30 November 2007 included long-term subordinated loans from parent undertakings. The loans were unsecured and carried interest at a margin over the London Inter-Bank Offer Rate ('LIBOR'). The loan was repayable upon giving or receiving notice to or from the parent undertaking and was also subject to FSA approval. The subordinated loan was repaid by the company in full during the period.

15. SHARE CAPITAL

At 28 November 2008 and 30 November 2007, share capital comprised:

| | 2008 | | 2007 | |
|--|-------------|-----------------|-------------|-----------------|
| | No. | US\$'000 | No. | US\$'000 |
| <u>Authorised</u> | | | | |
| Ordinary shares of US\$ 1 each | 988,000 | 988 | 988,000 | 988 |
| Class B ordinary shares of £ 1 each | 2 | - | 2 | - |
| Non-cumulative preference shares of US\$ 0.01 each | 100,000,000 | 1,000 | 100,000,000 | 1,000 |
| | | 1,988 | | 1,988 |
| | No. | US\$'000 | No. | US\$'000 |
| <u>Allotted, called up and fully paid</u> | | | | |
| Ordinary shares of US\$ 1 each | 988,000 | 988 | 988,000 | 988 |
| Class B ordinary shares of £ 1 each | 2 | - | 2 | - |
| Non-cumulative preference shares of US\$ 0.01 each | 70,708,123 | 707 | 70,708,123 | 707 |
| | | 1,695 | | 1,695 |

The preference shares carry limited voting rights and on a winding up, the holders have a preferential right to return of capital together with any premium. Preference shares have a fixed non-cumulative dividend payable at a rate of 8 cents per share per annum. The Class B ordinary shares are not entitled to participate in any dividend or other distribution paid or made by the company.

16. SHARE PREMIUM ACCOUNT AND RESERVES

| | Share premium account US\$'000 | Profit and loss account US\$'000 |
|---|---|---|
| 30 November 2007 | 69,293 | 69,430 |
| Profit for the financial period | - | 221,203 |
| Payment of non-cumulative preference dividend | - | (5,657) |
| At 28 November 2008 | 69,293 | 284,976 |

GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL
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NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

17. DIVIDENDS PAID

| | 28 November 2008 US\$'000 | 30 November 2007 US\$'000 |
|---|---------------------------------|---------------------------------|
| Equity shares: ordinary shares | - | 30,000 |
| Non-equity shares: non-cumulative preference shares | 5,657 | 5,657 |
| | <u>5,657</u> | <u>35,657</u> |

18. RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS

| | 2008 US\$'000 | 2007 US\$'000 |
|---|------------------|------------------|
| Profit on ordinary activities after taxation | 221,203 | 66,098 |
| Payment of non-cumulative preference dividend | (5,657) | (5,657) |
| Payment of ordinary dividend | - | (30,000) |
| Net increase in shareholders' funds | <u>215,546</u> | <u>30,441</u> |
| Opening shareholders' funds | <u>140,418</u> | <u>109,977</u> |
| Closing shareholders' funds | <u>355,964</u> | <u>140,418</u> |

19. DISCLOSURES EXEMPTIONS

a) FRS8 Related Party Disclosures

Under the terms of paragraph 3(c), the company is exempt from disclosing transactions with fellow group companies. There were no other related party transactions requiring disclosure.

b) FRS29 (IFRS 7) Financial Instruments: Disclosures

The company is exempt from the disclosures required by FRS 29 as it is a greater than 90% subsidiary of Goldman Sachs Group Holdings (U.K.) which discloses this information.

20. FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the most important components of financial risk the directors consider relevant to the entity are currency risk, credit risk, and liquidity risk.

We seek to monitor and control our risk exposure through a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems. In addition, a number of global, regional and entity committees comprising revenue-producing units, Compliance, Finance, Legal, Management Controls (Internal Audit) and Operations perform risk management functions which include monitoring, analysing and evaluating risk.

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NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Currency risk

The company is exposed to foreign exchange risks primarily with respect to its receivables in various currencies. Currency rate risks result from exposures to changes in spot prices and forward prices of currency rates. To mitigate the effect of the currency exposures the company enters into forward exchange contracts to sell its foreign currency receivables in exchange for its functional currency in US Dollars.

b) Credit risk

Credit risk represents the loss that we would incur if a counterparty fails to perform under its contractual obligations us. To reduce the credit exposure, the company enters into a factoring agreement with the ultimate parent undertaking.

c) Liquidity risk

Liquidity is of critical importance to companies in the financial services sector. Accordingly, the company has in place a comprehensive set of liquidity and funding policies that are intended to maintain significant flexibility to address both firmwide-specific and broader industry or market liquidity events. Our principal objective is to be able to fund the company and to enable our core business to continue to generate revenue under adverse circumstances.

21. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is Goldman Sachs Holdings (U.K.), and the parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group Holdings (U.K.), companies registered in England and Wales.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its accounts can be obtained from 85 Broad Street, New York, NY 10004, United States of America, the group's principal place of business.