

PMF-2, LTD.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 November 2005



REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 52 week period ended 30 November 2005.

1. Principal activities

The company was incorporated on 5 February 2004. The company's principal activity is to provide the financing, through a funded participation agreement, to a group undertaking that owns a portfolio of distressed receivables.

The company's principal business is transacted in the euro and accordingly, the company's functional currency is the euro and these financial statements have been prepared in that currency.

2. Review of business and future developments

The results for the period are shown in the profit and loss account on page 4.

During the year the company issued 3,916,612 redeemable shares to its immediate parent undertaking (see note 12).

The directors consider that the period end financial position of the company was satisfactory.

3. Dividends

The directors do not recommend the payment of an ordinary dividend in respect of the 52 week period ended 30 November 2005. (2004: EURNil).

4. Exchange rate

The euro/Sterling exchange rate at the balance sheet date was 1.46. The average rate for the period was 1.46 (52 week period ended 30 November 2005). The euro/USD exchange rate at the balance sheet date was 1.17. The euro/USD exchange rate used for the share capital of the company is 1.25.

5. Directors

The directors of the company during the period, and as at the date of this report, together with dates of appointment or resignation where applicable, were:

Name

A. Ho

I. Dagtoglou

K. Tammela

No director had any interest in the ordinary shares of the company, at any time during the period.

6. Directors' responsibilities

The directors are required by UK company law to prepare financial statements 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 for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. Applicable accounting standards have been followed, and the financial statements have been prepared on a going concern basis. The directors are responsible for keeping proper accounting records, and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

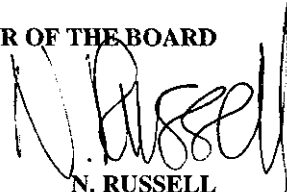
PMF-2, LTD.

REPORT OF THE DIRECTORS

7. Auditors

The company has passed an Elective Resolution 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. During the year PricewaterhouseCoopers LLP have been appointed as Auditors of the company pursuant to Section 386 of The Companies Act 1985.

BY ORDER OF THE BOARD



N. RUSSELL
Secretary

**Independent auditors' report to the members of
PMF-2, LTD.**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes in pages 4 to 10.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 in to 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

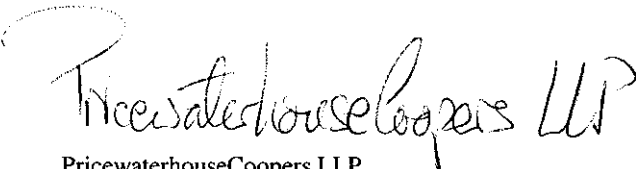
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of affairs of the company as at 30 November 2005 and of the company's loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

3 March 2006

PMF-2, LTD.

PROFIT AND LOSS ACCOUNT for the 52 week period ended 30 November 2005

	Note	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Administrative expenses		(319,197)	(347,111)
OPERATING LOSS	3	(319,197)	(347,111)
Interest payable and similar charges	4	(1,834,729)	(853,480)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,153,926)	(1,200,591)
Tax on loss on ordinary activities	7	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE PERIOD	13	(2,153,926)	(1,200,591)

The operating loss of the company for the period is derived from continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the period as stated above and their historical cost equivalents.

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

The notes on pages 6 to 10 form part of these financial statements.
Auditors' report - page 3.


PMF-2, LTD.

BALANCE SHEET as at 30 November 2005

	Note	30 November 2005 EUR	30 November 2004 EUR
FIXED ASSETS			
Financial assets	8	74,613,209	24,018,275
CURRENT ASSETS			
Debtors	9	-	2
Cash at bank and in hand		1,482,872	808,084
		<u>1,482,872</u>	<u>808,086</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,298,541)	(627,091)
NET CURRENT ASSETS		<u>184,331</u>	<u>180,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>74,797,540</u>	<u>24,199,270</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(72,386,506)	(23,550,922)
NET ASSETS		<u>2,411,034</u>	<u>648,348</u>
CAPITAL AND RESERVES			
Called up share capital	12	5,765,551	1,848,939
Profit and loss account	13	(3,354,517)	(1,200,591)
EQUITY SHAREHOLDERS' FUNDS	14	<u>2,411,034</u>	<u>648,348</u>

Approved by the Board of Directors on

3rd March 2006



Director

The notes on pages 6 to 10 form part of these financial statements.
Auditors' report - page 3.

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2005

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The financial statements have been prepared under the historical cost convention, the accounting policies set out below, and in accordance with applicable Accounting Standards in the United Kingdom and pronouncements of the Urgent Issues Task Force (UITF).
- (b) **Foreign currencies:** Monetary assets and liabilities denominated in foreign currencies are translated into the euro at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into the euro at rates of exchange ruling on the date the transaction occurred. Gains and losses on exchange are recognised in operating profit.
- (c) **Funded Participation Agreement:** Surplus portfolio proceeds are accounted for upon receipt, after deduction of applicable costs, in relation to the company's percentage holding.

2. CASHFLOW STATEMENT

The company has taken advantage of the exemption from the requirement in Financial Reporting Standard No. 1 to present a cashflow statement as its cashflows are included in the consolidated cashflows of its ultimate parent company.

3. OPERATING LOSS

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Operating loss is stated after charging:		
Management fees payable to group undertakings	281,174	245,334
Auditors' remuneration – audit services	7,308	2,677

4. INTEREST PAYABLE AND SIMILAR CHARGES

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Interest expense on third party loan	1,208,094	578,899
Interest expense on subordinated loan with group undertaking	626,635	274,581
	1,834,729	853,480

5. STAFF COSTS

The company has no employees. All persons involved in the company's operation are employed by a group undertaking. The charges made by this group undertaking for all services provided to the company are included in the management fees payable to group undertakings.

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2005

6. DIRECTORS' EMOLUMENTS

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Aggregate emoluments	1,194	623

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. All of the directors are members of the defined contribution and defined benefit pension schemes. Three directors have been granted shares in respect of long-term incentive schemes. One director has exercised options.

7. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax credit in the period:

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Current tax		
UK corporation tax at 30% - current period	646,178	360,177
Group relief - current period	(646,178)	(360,177)
Total current tax	-	-

The company has surrendered the benefit of tax losses to a fellow group undertaking for nil consideration. Accordingly there is no credit for group relief receivable and no losses are available to carry forward.

(b) Factors affecting tax credit for the period:

The current tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Loss on ordinary activities before tax	(2,153,926)	(1,200,591)
Loss on ordinary activities at the standard rate of tax in the UK (30%)	(646,178)	(360,177)
Tax losses surrendered for nil consideration	646,178	360,177
Current tax credit for the period	-	-

PMF-2, LTD.

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2005

8. *FINANCIAL ASSETS*

	30 November 2005 EUR	30 November 2004 EUR
Receivable under participation agreement	74,613,209	24,018,275

The company has entered into a Funded Participation Agreement with a fellow group undertaking. The maximum facility is EUR103,568,201 and matures, depending on the start date, on the earlier of 12 February 2009 or 26 July 2010 or the date of liquidation of the last asset. Participants may be requested, within 10 business days, to provide additional funds for future expenditure in accordance with business plans. The agreements entitle the company to receive surplus portfolio proceeds, after deduction of applicable costs, in relation to their percentage holding.

9. *DEBTORS*

Debtors, due within one year of the balance sheet date, comprise:

	30 November 2005 EUR	30 November 2004 EUR
Other debtors	-	2

10. *CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR*

	30 November 2005 EUR	30 November 2004 EUR
Interest payable to third party and group undertaking	1,101,640	331,814
Accrued management fees payable to group undertaking	171,297	205,866
Other creditors	25,604	89,411
	1,298,541	627,091

11. *CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR*

	30 November 2005 EUR	30 November 2004 EUR
Third party loan	55,089,858	17,579,111
Subordinated loan from group undertaking	17,296,648	5,971,811
	72,386,506	23,550,922

The subordinated loan matures, depending on the start date, on 12 February 2009 or 26 July 2010 and interest accrues at Euribor plus 4%.

PMF-2, LTD.

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2005

12. SHARE CAPITAL

At 30 November 2005 share capital comprised:

	30 November 2005		30 November 2004	
	No.	EUR	No.	EUR
<u>Authorised</u>				
Ordinary shares of US\$ 1 each	100	80	100	80
Redeemable shares of EUR1 each	10,000,000	10,000,000	2,000,000	2,000,000
		10,000,080		2,000,080
<u>Allotted, called up and fully paid</u>				
Ordinary shares of US\$ 1 each	1	1	1	1
Redeemable shares of EUR1 each	5,765,550	5,765,550	1,848,938	1,848,938
		5,765,551		1,848,939

During the year PMF-2 Ltd increased its authorised share capital by the creation of an additional 8,000,000 redeemable shares of EUR1 each. During the year it also issued 3,916,612 redeemable shares of EUR1 each at par to its immediate parent GS European Opportunities Fund BV.

The redeemable shares may be issued on the terms that they are, or at the option of the company or the holder are, liable to be redeemed on such terms and in such manner as the board may, before the issue of those shares determine. The redeemable shares issued to date are redeemable at EUR1 (at par), there is no fixed expiry date on their redemption and only the company has the option to redeem. The redeemable shares have the same rights to dividends, voting rights and priority on winding up as ordinary shares.

13. PROFIT AND LOSS ACCOUNT

	52 week period ended 30 November 2005 EUR
At 30 November 2004	(1,200,591)
Loss for the period	(2,153,926)
At 30 November 2005	(3,354,517)

14. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDERS' FUNDS

	52 week period ended 30 November 2005 EUR	43 week period ended 30 November 2004 EUR
Loss for the period	(2,153,926)	(1,200,591)
Share capital issued (see note 12)	3,916,612	1,848,939
Net increase in shareholders' funds	1,762,686	648,348
Opening shareholders' funds	648,348	-
Closing shareholders' funds	2,411,034	648,348

NOTES TO THE FINANCIAL STATEMENTS – 30 NOVEMBER 2005

15. *RELATED PARTY DISCLOSURES*

Under the terms of FRS8, "Related Party Disclosures", the company is exempt from disclosing transactions with companies 90% or more controlled within the same group, as the consolidated financial statements in which the company is included are publicly available.

16. *FINANCIAL COMMITMENTS AND CONTINGENCIES*

The total facilities of the Funded Participation Agreements are EUR103,568,201. The company is exempt from the disclosures required by FRS13 as it does not meet the FRS13 definition of a bank or similar institution nor does it have instruments that meet the definition of capital instruments that are publicly listed or publicly traded.

17. *ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS*

The immediate parent company is GS European Opportunities Fund BV, registered in the Netherlands. 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., of 85 Broad Street, New York, NY 10004, United States of America. This company is incorporated in the United States of America.