Company Number: 5035199

PMF-2, LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2011

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

1. Principal activities

PMF-2 Ltd ('the company') provides financing, through a funded participation agreement, to a group undertaking that owns a portfolio of non-performing receivables collateralised against residential real estate and properties repossessed, which were sold in the current year

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 financial statements have been drawn up for the year ended 31 December 2011 Comparative information has been presented for the year ended 31 December 2010

The results for the year are shown in the profit and loss account on page 5 Loss on ordinary activities before taxation for the year was €2 9m (year ended 31 December 2010 loss of €7 0m) The company has total assets of €8 7m (31 December 2010 €8 6m)

Post balance sheet events

Subsequent to the year end, the following post balance sheet events occurred

- The company issued 1,970,128 redeemable shares of EUR 1 each for a total consideration of €1,970,128 to its immediate parent undertaking The company used the cash proceeds from the issue and repaid its third party loan in full (see note 12)

- Further, the company received a repayment of €6,000,000 from its fellow group undertaking under the funded participation agreement (see note 10)

Future outlook

The directors will undertake an assessment of the future developments of the company, however it is not expected that the company will undertake any new business activity for the foreseeable future

Going concern

The directors of the group undertaking to which the company provides financing have sold majority of its portfolio of non-performing receivables and investment properties during the year The directors are not expecting any new activity in the near future As a result the directors have not prepared the financial statements on a going concern basis

Financial risk management

The company's risk management objectives and policies, as well as its risk exposures are described in note 17 to the financial statements

3. Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2011 (year ended 31 December 2010 €nil)

REPORT OF THE DIRECTORS (continued)

4. 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
S A Collins	30 September 2011	
C Marte		
G P Minson		

No director had, at the period end, any interest requiring note herein

5. Exchange rate

The sterling / euro exchange rate at the balance sheet date was 1 20 (31 December 2010 1 17) The average rate for the year was 1 16 (52 week period ended 31 December 2010 1 17)

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 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 and to establish that the company's auditors are aware of that information

7. Statement of Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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 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

The directors are responsible for keeping adequate 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 2006 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

REPORT OF THE DIRECTORS (continued)

8. Auditors

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007

9. Date of authorisation of issue

The financial statements were authorised for issue by the Board of Directors on 28 March 2012

BY ORDER OF THE BOARD

N Russell

N. D. RUSSELL
Secretary

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

We have audited the financial statements of PMF-2, Ltd for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 2) the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – Basis of preparation

We draw our attention to the statements of accounting policies which explains that the directors of the group undertaking to which the company provides financing have sold majority of its portfolio of non-performing receivables and investment properties during the year The directors are not expecting any new activity in the near future As a result the directors have not prepared the financial statements on a going concern basis Adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities Our opinion is not qualified in this respect

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Alastair Findlay (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London 28 March 2012

PROFIT AND LOSS ACCOUNT

52 week period ended 31 December 2011

	Note	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Interest payable and similar charges	4	(1,774,318)	(1,563,979)
Administrative expenses		(1,099,932)	(5,432,015)
OPERATING LOSS	5	(2,874,250)	(6,995,994)
Interest receivable and similar income	6	3,569	2,149
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,870,681)	(6,993,845)
Tax on loss on ordinary activities	9	843,930	96,686
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		(2,026,751)	(6,897,159)

The operating loss of the company for the year is derived from discontinued operations in the current and prior years

There is no material difference between the loss on ordinary activities before taxation and the loss for the year 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 year above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 14 form an integral part of these financial statements
Independent auditors' report – page 4

BALANCE SHEET

as at 31 December 2011

	Note	31 December 2011 EUR	31 December 2010 EUR
FIXED ASSETS			
CURRENT ASSETS			
Financial assets	10	7,192,267	8,328,634
Debtors	11	1,463,748	259,524
Cash at bank and in hand		799	1,632
		8,656,814	8,589,790
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(49,768,850)	(47,675,075)
NET CURRENT LIABILITIES		(41,112,036)	(39,085,285)
TOTAL ASSETS LESS CURRENT LIABILITIES		(41,112,036)	(39,085,285)
NET LIABILITIES		(41,112,036)	(39,085,285)
CAPITAL AND RESERVES			
Called up share capital	13	10,053,051	10,053,051
Profit and loss account	14	(51,165,087)	(49,138,336)
TOTAL SHAREHOLDER'S DEFICIT		(41,112,036)	(39,085,285)

The financial statements were approved by the Board of Directors on 28 March 2012 and signed on its behalf by

Director

GREG MINSON

The notes on pages 7 to 14 form an integral part of these financial statements
Independent auditors' report – page 4
Company number 5035199

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared, under the historical cost convention (modified as explained in note 1b), the accounting policies set out below, and in accordance with the Companies Act 2006 and applicable accounting standards The principal accounting policies are set out below and have been applied consistently throughout the year

b. Going concern

The company is a funding vehicle to a group undertaking that owns a portfolio of non-performing receivables collateralised against real estate and properties repossessed During the year the directors of the group undertaking have sold majority of its assets This impacts the company's principal activity and as a result the company has written down its assets to net realisable value Given these circumstances, the directors have not prepared the financial statements on a going concern basis The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs are committed at the balance sheet date

c. Foreign currencies

Transactions denominated in foreign currencies are translated into euros at rates of exchange ruling on the date the transaction occurred Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates of exchange ruling at the balance sheet date Foreign exchange gains and losses are recognised in operating profit

d. Revenue recognition

Revenue from loans is only recognised once proceeds received exceed the purchase cost plus related acquisition cost of the loan, from which point collections received are recognised in the period of receipt No interest income is accrued in respect of the loans

e. Financial assets

Financial assets are stated at net realisable value Any impairment to net realisable value is recognised in the profit and loss account within administrative expenses

f. Other assets and liabilities

Other assets and liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost with income and expense recognised on an accruals basis All income and expense including any impairment are recognised in the profit and loss account

g. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future or a right to pay less tax in the future Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

2. REPORTING AND DISCLOSURE EXEMPTIONS

a. FRS1 (Revised 1996) - Cash flow statements

The company is a wholly owned subsidiary of GS European Opportunities Fund B V , and is therefore exempt from preparing a cash flow statement as required by FRS1 (Revised 1996) - Cash flow statements, as the immediate parent company accounts are publicly available

b. FRS8 'Related Party Disclosures'

Under the terms of FRS8 - Related party disclosures, the company is exempt from disclosing transactions with companies wholly owned withing the same group, as the consolidated financial statements in which the company is included are publicly available

3. SEGMENTAL REPORTING

The directors manage the company's activities as a single business in the same geographical region and accordingly no segmental analysis has been provided

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Interest expense on subordinated loan to group undertaking	1,441,712	1,272,362
Interest expense on subordinated loan to parent undertaking	255,130	146,139
Interest expense on third party loan	77,476	145,478
	1,774,318	**1,563,979**

Interest expense that relates to the funding of operating activities has been charged against operating loss

5. OPERATING LOSS

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Operating loss is stated after charging:		
Impairment of receivable under participation agreement (see note 10)	1,033,943	5,376,176
Management fees payable to group undertaking	30,910	53,320
Auditors' remuneration - audit services	6,179	8,100

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Interest on money market investments	3,569	2,149

7. STAFF COSTS

The company has no employees (31 December 2010 nil) All persons involved in the company's operations are employed by a group undertaking The charges for services provided to the company are included in management fees payable to group undertaking (see note 5)

8. DIRECTORS' EMOLUMENTS

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Directors:		
Aggregate emoluments	475	479
Company pension contributions to money purchase schemes	9	7
	484	**486**

In accordance with the Companies Act 2006, directors' emoluments above represent the proportion of total emoluments paid or payable in respect of qualifying services only The directors have revised the disclosure to exclude the value of equity awards in accordance with the provisions of Schedule 5 of SI 2008/410 Directors' emoluments for the year ended 31 December 2010 have been amended, accordingly, to be consistent with the current year's presentation Directors also receive emoluments for non-qualifying services which are not required to be disclosed

During the year all the directors were members of the defined contribution pension scheme and all directors were members of the defined benefit pension scheme All directors have received or are due receipt of shares under a long term incentive scheme The long term incentive scheme and the pension schemes are operated by The Goldman Sachs Group, Inc No directors have exercised options

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

9. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax for the year :

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Current tax		
UK corporation tax at 26 5% (2010 28%)	-	-
Amount receivable from a fellow group undertaking in respect of group relief	(486,736)	(96,686)
Adjustments in respect of prior periods	(357,194)	-
Total current tax (see note (b) below)	**(843,930)**	**(96,686)**

(b) Factors affecting tax for the year

The current tax assessed for the year differs from the standard rate of corporation tax in the UK measured at 26 5% following the change in corporation tax rate from 1 April 2011 to 26% (31 December 2010 28%) The differences are explained below

	Year Ended 31 December 2011 EUR	Year Ended 31 December 2010 EUR
Loss on ordinary activities before tax	(2,870,681)	(6,993,845)
Loss on ordinary activities at the standard rate in the UK 26 5% (2010 28%)	(760,730)	(1,958,277)
Expenses disallowed for the purpose of tax provision	273,994	1,861,591
Adjustments in respect of prior periods	(357,194)	-
Current tax for the year	**(843,930)**	**(96,686)**

Group relief represents amounts receivable from group undertakings in consideration of the surrender of losses under group relief arrangements

A potential deferred tax asset of €2,638,819 (31 December 2010 €2,849,924) has not been recognised in the financial statements as there is uncertainty whether the company will generate suitable taxable profits in the future against which the deferred tax asset can be recovered

10. FINANCIAL ASSETS

	31 December 2011	31 December 2010
	EUR	EUR
Financial assets	**7,192,267**	**8,328,634**

Financial assets represent funded participation agreements entered into with PMF-1, Ltd and PMF-2 (BES I) Ltd, fellow group undertakings The funding was used by PMF-1, Ltd to purchase a portfolio of non-performing receivables The maximum facility is €71,038,245 and matures on the date of liquidation of the last mortgage asset Through participating in this agreement the company is committed, where requested, within 10 business days, to provide additional funds for future operating expenditure in accordance with PMF-1, Ltd's business plans in relation to the existing portfolio

As at 31 December 2011, the amount utilised under this agreement was €54,666,605 (31 December 2010 €54,265,658) The movement during the year is represented by purchase of funded participation of €960,622 alongwith PMF-2 Ltd for consideration of €400,947

Financial assets have been stated at net realisable value An impairment of €1,033,943 (2010 €5,376,176) has been recognised in the profit and loss account within administrative expenses (see note 5)

11. DEBTORS

	31 December 2011	31 December 2010
	EUR	EUR
Money market investments	520,169	162,838
Group tax relief receivable	940,616	96,686
Other debtors	2,963	-
	1,463,748	**259,524**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2011 EUR	31 December 2010 EUR
Third party loan	1,948,627	1,948,627
Interest payable on third party loan	6,858	7,772
Subordinated loan payable to group undertaking	27,609,148	27,609,148
Interest payable to group undertaking	10,596,342	9,154,630
Subordinated loan payable to parent undertaking	9,200,943	8,945,813
Other accrued expenses	406,932	9,085
	49,768,850	**47,675,075**

The company, together with fellow group subsidiary undertakings which are party to the loan agreement ("Subsidiaries"), entered into an amended and restated loan agreement and related documents (together the "Agreements") with their principal creditor with a revised maturity of 29 August 2014 and interest accrues at Euribor plus a spread of 2 5%-2 7% The agreements provide, inter alia, for the subsidiaries to become jointly and severally liable for certain debts due by the others Subsequent to the year end the loan payable and interest payable to third party was fully repaid (see note 19)

The subordinated loan payable to group undertaking matures on 30 December 2015 and accrues interest at three month Euribor plus 4%

The subordinated loan payable to parent undertaking matures on 31 December 2015 and accrues interest at three month Euribor plus 1 5%

The third party loan and subordinated loans to group and parent undertakings have been classified as due within one year in the current year as the financial statements have not been prepared on a going concern basis (see note 1b)

The third party loan is senior to all other creditors of the company

13. SHARE CAPITAL

At 31 December 2011 and 31 December 2010 share capital comprised

	31 December 2011 No.	31 December 2011 EUR	31 December 2010 No.	31 December 2010 EUR
Allotted, called up and fully paid				
Ordinary shares of USD 1 each	1	1	1	1
Redeemable shares of EUR 1 each	10,053,050	10,053,050	10,053,050	10,053,050
		10,053,051		**10,053,051**

The redeemable shares issued to date are redeemable at par, there is no fixed expiry date on their redemption and they are redeemable at the option of the company The redeemable shares have the same rights to dividends, voting rights and priority on winding up as ordinary shares

Share capital issued is translated at the historic rates prevailing on the date of issuance

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

14. PROFIT AND LOSS ACCOUNT

	31 December 2011
	EUR
At 31 December 2010	(49,138,336)
Loss of the year	(2,026,751)
At 31 December 2011	**(51,165,087)**

15. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S DEFICIT

	31 December 2011	31 December 2010
	EUR	EUR
Loss for the year	(2,026,751)	(6,897,159)
Net ıncrease ın shareholder's deficıt	(2,026,751)	(6,897,159)
Openıng shareholder's deficıt	(39,085,285)	(32,188,126)
Closıng shareholder's deficıt	**(41,112,036)**	**(39,085,285)**

16. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company has no financıal commıtments and contıngencıes outstandıng at the year ended (31 December 2010 nıl)

17. FINANCIAL RISK MANAGEMENT

The company ıs exposed to financıal rısk through ıts financıal assets and lıabılıtıes Due to the nature of the company's busıness and the assets and lıabılıtıes contaıned wıthın the company's balance sheet the most ımportant components of financıal rısk the dırectors consıder relevant to the company are ınterest rate rısk, credıt rısk and lıquıdıty rısk

a. Interest rate risk

Interest rate rısk prımarıly result from exposures to changes ın ınterest rates The company manages ıts ınterest rate rısk by enterıng ınto ınterest rate cap contracts as approprıate to the cırcumstances of the company

b. Credıt risk

The company ıs exposed to credıt rısk though a fellow subsıdıary undertakıng The company together wıth ıts fellow subsıdıary undertakıng manages the underlyıng credıt rısk by revıewıng the repayment profile of the external counterpartıes If a counterparty faıls to perform under ıts contractual oblıgatıon any underlyıng collateral agaınst whıch the assets are secured, may be foreclosed by ıts fellow subsıdıary undertakıng

c. Lıquıdity risk

The company's prıncıpal objectıve ıs to be able to fund ıtself and to enable ıts core busıness to generate revenue under adverse cırcumstances and as a result has entered ınto an arrangement wıth ıts prıncıpal credıtor pursuant to whıch the company, together wıth fellow group subsıdıary undertakıngs, ıs joıntly and severally lıable for certaın debts owed by the others

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

18. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking and the parent undertaking of the smallest group for which consolidated financial statements are prepared is GS European Opportunities Fund B V , a company 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 , a company incorporated within the United States of America Copies of its accounts can be obtained from 200 West Street, New York, NY 10282, United States of America the group's principal place of business

19. POST BALANCE SHEET EVENTS

Subsequent to the year end, the following post balance sheet events occurred

- The company issued 1,970,128 redeemable shares of EUR 1 each for a total consideration of €1,970,128 to its immediate parent undertaking The company used the cash proceeds from the issue and repaid its third party loan in full (see note 12)

- Further, the company received a repayment of €6,000,000 from its fellow group undertaking under the funded participation agreement (see note 10)