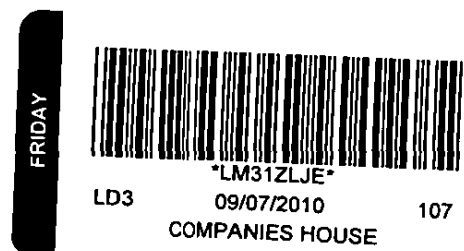


Company Number: 5035199

PMF-2, LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009



PMF-2, LTD

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for PMF-2, Ltd ('the company') for the 13 month period ended 31 December 2009

1 Principal activities

The company's principal activity is to provide the financing, through a funded participation agreement, to a group undertaking that owns a Portuguese portfolio of distressed receivables collateralised on residential real estate

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

During the year, the company changed its accounting reference date to 31 December to be consistent with the ultimate parent undertaking's year end which was changed to 31 December. Accordingly, the accounting reference period has been extended to 13 months ending 31 December 2009. Consequently, the financial statements have been drawn up for the 13 month period ended 31 December 2009. Comparative information has been presented for the year ended 30 November 2008.

The results for the period are shown in the profit and loss account on page 4. Loss on ordinary activities before taxation for the period was € 18.9m (year ended 30 November 2008 € 12.7m). The company has total assets of € 17.4m (30 November 2008 € 48.6m).

Our business is 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 2009, a number of major economies experienced a recession. Business activity across a wide range of industries and regions was greatly reduced, reflecting a reduction in consumer spending and low levels of liquidity across credit markets. In addition, unemployment continued to rise in 2009. However, economic conditions became generally more favourable during the second half of the period as real gross domestic product growth turned positive in most major economies and growth in emerging markets improved. In addition, global equity and credit markets were characterised by increasing asset prices, lower volatility and improved liquidity during the last nine months of the period.

Strategy

The company will continue to be a funding vehicle to a group undertaking that owns a Portuguese portfolio of distressed receivables.

Future outlook:

The directors consider, based on the current economic environment, that the period end financial position of the company was satisfactory. Although the company has net liabilities at the period end the directors consider that it is appropriate to prepare the financial statements on a going concern basis (see note 1(b)). No significant change in the company's principal business activity is expected.

Risk management

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

3 Dividends

The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2009 (2008 € Nil).

4. Exchange rate

The sterling/euro exchange rate at the balance sheet date was 1.13 (30 November 2008 1.21). The average rate for the period was 1.13 (year ended 30 November 2008 1.28).

PMF-2, LTD

REPORT OF THE DIRECTORS

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	Appointed	Resigned
G Minson		
J Hale	16 March 2009	
A Ho		13 January 2009

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

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 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

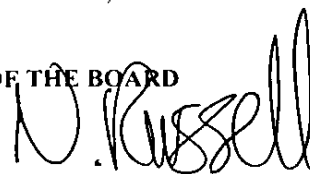
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare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

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

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

BY ORDER OF THE BOARD



N. RUSSELL
Secretary

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

We have audited the financial statements of PMF-2, Ltd for the 13 month period ended 31 December 2009 which comprises 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 directors' report 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 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.

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 2009 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period 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.

Vassilios Vrachimis (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

4 June 2010

PMF-2, LTD

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2009

		13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
	Note		
Administrative expenses		(16 544,002)	(8,344,262)
OPERATING LOSS	3	(16,544,002)	(8,344,262)
Interest receivable and similar income	4	11,438	38,320
Interest payable and similar charges	5	(2,356,717)	(4,422,307)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,889,281)	(12,728,249)
Tax on loss on ordinary activities	8	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD / YEAR		(18,889,281)	(12,728,249)

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

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

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

The notes on pages 6 to 12 form part of these financial statements
Auditors' report - page 3

PMF-2, LTD

BALANCE SHEET as at 31 December 2009

	Note	31 December 2009 EUR	30 November 2008 EUR
FIXED ASSETS			
Financial assets	9	17,021,130	47,459,222
CURRENT ASSETS			
Debtors	10	305,291	1,111,389
Cash at bank and in hand		109,868	30,067
		<u>415,159</u>	<u>1,141,456</u>
CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(15,411)</u>	<u>(1,381,898)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>399,748</u>	<u>(240,442)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,420,878	47,218,780
CREDITORS, AMOUNTS FALLING DUE MORE THAN ONE YEAR	12	<u>(49,609,004)</u>	<u>(61,367,625)</u>
NET LIABILITIES		<u><u>(32,188,126)</u></u>	<u><u>(14,148,845)</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	10,053,051	9,203,051
Profit and loss account	14	<u>(42,241,177)</u>	<u>(23,351,896)</u>
TOTAL SHAREHOLDER'S DEFICIT	15	<u><u>(32,188,126)</u></u>	<u><u>(14,148,845)</u></u>

The financial statements were approved by the Board of Directors on 4 June 2010 and were signed on its behalf by Greg Minson

Director



The notes on pages 6 to 12 form part of these financial statements
Auditors' report - page 3

Company Number 5035199

PMF-2, LTD.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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 United Kingdom law, applicable United Kingdom accounting standards and pronouncements of the Urgent Issues Task Force ('UITF')
- (b) **Going concern:** At as 31 December 2009 the company has net liabilities. Under the amended loan agreement with its principal creditor (see note 12) there are amounts that fall due for repayment within 12 months from the date of approval of the financial statements. The directors have a reasonable expectation that the company, along with the fellow group subsidiaries which are party to the loan agreement, have adequate resources to meet the loan covenants and short term operational obligations including loan servicing management fees, tax and audit fees. For this reason, they continue to adopt the going concern in preparing the financial statements.
- (c) **Foreign currencies:** Monetary assets and liabilities denominated in foreign currencies are translated into euro at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into euro at rates of exchange ruling on the date the transaction occurred. Gains and losses on exchange are recognised in operating profit.
- (d) **Funded Participation Agreement:** Proceeds received under the participation agreement are allocated to the cost of the loan receivable from PMF-1, Ltd. No revenue is recognised until the proceeds received exceed the attributable all-in cost of the loan. All proceeds received, after the all-in cost is fully recovered, are reflected in revenue in the year of receipt.
- (e) **Debtors** Debtors are stated at cost less provision. Included within debtors are money market investments.
- (f) **Administrative expenses:** Included within administrative expenses are legal and professional fees, asset management servicing fees and impairment of financial assets.

2. CASHFLOW STATEMENT

The company is more than 90% controlled by its ultimate parent company, 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. OPERATING LOSS

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
Operating loss is stated after charging.		
Loss on disposal of participation (see note 9)	4,082,944	-
Impairment of receivable under participation agreement	11,961,255	7,662,923
Management fees payable to group undertakings	519,520	658,859
Auditors' remuneration - audit services	10,207	21,898

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

4. *INTEREST RECEIVABLE AND SIMILAR INCOME*

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
Interest on money market investments	4,449	35,248
Bank interest income	6,989	3,072
	<u>11,438</u>	<u>38,320</u>

5. *INTEREST PAYABLE AND SIMILAR CHARGES*

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
Interest expense on third party loan	449,612	1,706,032
Interest expense on subordinated loan with group undertaking	1,907,105	2,716,275
	<u>2,356,717</u>	<u>4,422,307</u>

6. *STAFF COSTS*

The company has no employees (November 2008 nil) All persons involved in the company's operation are employed by group undertakings The charges made by these group undertakings for all services provided to the company are included in the management fees payable to group undertakings (see note 3)

7. *DIRECTORS' EMOLUMENTS*

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
<u>Directors</u>		
Aggregate emoluments	412	368
Company pension contributions to money purchase schemes	6	13
	<u>418</u>	<u>381</u>

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 Directors also receive emoluments for non-qualifying services which are not required to be disclosed All directors are members of the defined contribution pension schemes All directors are members of the defined benefit pension schemes All directors have been granted shares in respect of long-term incentive schemes The long term incentive scheme and the pension schemes are operated by the ultimate parent undertaking No directors have exercised options

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

8. *TAX ON ORDINARY ACTIVITIES*

(a) Analysis of tax for the period.

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
Current tax		
UK corporation tax at 28% (2008 28 67%)	-	-
Total current tax (see note 8(b))	-	-

(b) Factors affecting current tax credit for the period:

The current tax assessed for the period differs from the standard rate of corporation tax in the UK at 28% (2008 28 67%) The differences are explained below

	13 month period ended 31 December 2009 EUR	Year ended 30 November 2008 EUR
Loss on ordinary activities before tax	(18,889,281)	(12,728,249)
Loss on ordinary activities at the standard rate of tax in the UK 28% (2008 28 67%)	(5,288,999)	(3,649,189)
Expenses disallowed for the purpose of tax provision	344,390	2,975,716
Unutilised tax losses carried forward	4,944,609	673,473
Current tax for the period /year	-	-

A potential deferred tax asset of €7,512,499 (2008 €2,629,337) has not been recognised in the financial statements as there is uncertainty whether the company will generate sufficient taxable profits in the future against which the deferred tax asset can be recovered

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

9. *FINANCIAL ASSETS*

	31 December 2009
	EUR
Cost	
At 30 November 2008	55,122,145
Proceeds received	(6,902,850)
Partial disposal of receivable under participation agreement	(14,212,532)
Net cash collections	(21,115,382)
At 31 December 2009	34,006,763
Provisions	
At 30 November 2008	(7,662,923)
Reversal of Impairment on partial disposal under participation agreement	2,638,545
Impairment of receivable under participation agreement	(11,961,255)
At 31 December 2009	(16,985,633)
Net book value at 31 December 2009	17,021,130
Net book value at 30 November 2008	47,459,222

The company entered into funded participation agreement with PMF-1, Ltd and PMF-2 (BES I) LTD fellow group undertakings

The maximum facility is €71 038,245 for the existing PMF-1, Ltd portfolio and matures on the date of liquidation of the last mortgage asset held within. 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. The amount utilised under this agreement was €34,006,762.

During the period the company made a partial disposal of the receivable under the participation agreement to PMF-2 (BES I) LTD, a fellow subsidiary undertaking, for consideration of €7,491,043.

10. *DEBTORS*

	31 December 2009	30 November 2008
	EUR	EUR
Money market investments	305,291	1,111,389

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2009	30 November 2008
	EUR	EUR
Interest payable on third party loan	13,931	111,925
Accrued management fees payable to group undertaking	-	1,211,878
Other creditors	1,480	58,095
	<u>15,411</u>	<u>1,381,898</u>

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

	31 December 2009	30 November 2008
	EUR	EUR
Subordinated loan payable to group undertaking	27,609,148	27,609,148
Subordinated loan payable to parent undertaking	8,747,153	6,214,666
Interest payable to group undertaking	7,934,789	6,351,213
Third party loan	5,317,914	21,192,598
	<u>49,609,004</u>	<u>61,367,625</u>

On 10 September 2009 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 accruing at Euribor plus a spread of 1.91%-2.11%. There are amounts that fall due for repayment within one year, however, the Agreements provide, inter alia, for each of the Subsidiaries to become jointly and severally liable for certain debts owed by each of the Subsidiaries and therefore the loans have been classified as falling due after more than one year. The loans are secured against the Subsidiaries' assets.

The subordinated loan payable to group undertaking matures on 12 February 2014 and accrues interest at Euribor plus 4%.

The subordinated loan payable to parent undertaking matures on 31 December 2015 and accrues interest at Euribor plus 1.5%.

13. SHARE CAPITAL

At 31 December 2009 share capital comprised

	No.	31 December 2009	No.	30 November 2008
Authorised				
Ordinary shares of US\$ 1 each	100	\$ 100	100	\$ 100
Redeemable shares of EUR 1 each	20,000,000	€ 20,000,000	10,000,000	€ 10,000,000
Allotted, called up and fully paid				
Ordinary shares of US\$ 1 each	1	\$ 1	1	\$ 1
Redeemable shares of EUR 1 each	10,053,050	€ 10,053,050	9,203,050	€ 9,203,050
		<u>€ 10,053,051</u>		<u>€ 9,203,051</u>

During the period the company increased its authorised share capital by the creation of an additional 10,000,000 redeemable shares of €1 each and issued 850,000 redeemable shares of €1 at par to its immediate parent GS European Opportunities Fund B V.

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

13. *SHARE CAPITAL (CONTINUED)*

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.

14. *PROFIT AND LOSS ACCOUNT*

	31 December 2009 EUR
At 30 November 2008	(23,351,896)
Loss for the period	(18,889,281)
At 31 December 2009	<u>(42,241,177)</u>

15. *RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S DEFICIT*

	13 month period ended 31 December 2009 EUR
Loss for the period	(18,889,281)
Share capital issued (see note 13)	850,000
Net increase in shareholder's deficit	(18,039,281)
Opening shareholder's deficit	(14,148,845)
Closing shareholder's deficit	<u>(32,188,126)</u>

16. *RELATED PARTY DISCLOSURES*

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

17. *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 interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk

Interest rate risks primarily result from exposure to changes in interest rates. The company manages its interest rate risk by establishing economic hedges as appropriate to the circumstances of the company.

(b) Credit risk

The company is exposed to credit risk through a fellow subsidiary undertaking, PMF-1, Ltd. The company, together with PMF-1, Ltd, manages the underlying credit risk by reviewing the repayment profile of the external counterparties. If a counterparty fails to perform under its contractual obligation, any underlying collateral against which the assets are secured, may be foreclosed by PMF-1, Ltd.

PMF-2, LTD

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity is of critical importance to companies in the financial services sector. Accordingly, the company has in place a liquidity policy that is intended to address both company-specific and broader industry or market liquidity events. The company's principal objective is to be able to fund itself and to enable its core business to generate revenue under adverse circumstances and as a result has entered into an arrangement with its principal creditor pursuant to which the company, together with fellow group subsidiary undertakings, is jointly and severally liable for certain debts owed by the others.

18. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking and the parent company 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.