Company number: 5702866

GS EUROPEAN INVESTMENT GROUP II LTD.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for GS European Investments Group II Ltd ('the company') for the 57 week period ended 31 December 2009

1. Principal activities

The company's activities involve trading and investing in distressed credits, including loans and bonds within Europe

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 period, 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 57 weeks ending 31 December 2009 Consequently, the financial statements have been drawn up for the 57 week period ended 31 December 2009 Comparative information has been presented for the 52 week period ended 28 November 2008

The results for the period are shown in the profit and loss account on page 5 Loss on ordinary activities before taxation for the period was €29 6m (52 week period ended 28 November 2008 €360 7m) The company has total assets of €348 4m (28 November 2008 €411 4m)

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

Although the company has net liabilities at the year end the directors consider that it is appropriate to prepare the financials statements on a going concern basis (see note 1(b))

Strategy
The company seeks to maximise returns from its investments

Future outlook
The directors consider, based on the current economic environment, that the period end financial position of the company was satisfactory Having considered future cash flows and revisions to the existing debt structure, the company is able to meet its obligations 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 risks exposure, are described in note 19 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 (for 52 week period ended 28 November 2008 €nil)

REPORT OF THE DIRECTORS (CONTINUED)

4. Exchange rate

The euro/sterling exchange rate at the balance sheet date was 1 13 (28 November 2008 1 21) The average rate for the 57 week period ended 31 December 2009 was 1 12 (for the 52 week period ended 28 November 2008 1 28)

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	Resigned
R Campbell	
G Minson	
C Dickens	
J Ganley	3 June 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

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

BY ORDER OF THE BOARD

N. Russell

N. RUSSELL
Secretary

Independent auditors' report to the members of GS European Investment Group II Ltd.

We have audited the financial statements of GS European Investments Group II Ltd for the period ended 31 December 2009, which comprise the profit and loss account, the balance sheet, the cash flow statement 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 and cash flows 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

PROFIT AND LOSS ACCOUNT
for the 57 week period ended 31 December 2009

	Note	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Revenue	2	7,190,598	(291,621,747)
Administrative expenses		(7,591,824)	(14,104,536)
OPERATING LOSS	3	(401,226)	(305,726,283)
Interest receivable and similar income	5	325,233	1,748,445
Interest payable and similar charges	6	(29,533,874)	(56,709,001)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(29,609,867)	(360,686,839)
Tax on loss on ordinary activities	8	3,095,900	693,990
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD		**(26,513,967)**	**(359,992,849)**

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 8 to 14 form part of these financial statements
Auditors' report - page 4

BALANCE SHEET
as at 31 December 2009

	Note	31 December 2009 EUR	28 November 2008 EUR
CURRENT ASSETS			
Trading inventory		334,474,639	362,911,097
Debtors	9	13,857,791	48,195,900
Cash at bank and in hand		41,264	335,940
		348,373,694	411,442,937
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(16,141,779)	(22,711,816)
NET CURRENT ASSETS		332,231,915	388,731,121
TOTAL ASSETS LESS CURRENT LIABILITIES		332,231,915	388,731,121
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(648,421,817)	(678,407,056)
NET LIABILITIES		**(316,189,902)**	**(289,675,935)**
CAPITAL AND RESERVES			
Called up share capital	12	82,949,882	82,949,882
Profit and loss account	13	(399,139,784)	(372,625,817)
TOTAL SHAREHOLDER'S DEFICIT	14	**(316,189,902)**	**(289,675,935)**

The financial statements were approved by the Board of Directors on 25 March 2010
and were signed on its behalf by Charlotte Dickens

Director

The notes on pages 8 to 14 form part of these financial statements
Auditors' report - page 4

Company number 5702866

CASH FLOW STATEMENT
for the 57 week period ended 31 December 2009

	Note	57 week period ended 31 December 2009 EUR	52week period ended 28 November 2008 EUR
Net cash inflow from operating activities	15	25,679,777	223,386,024
Returns on investments and servicing of finance			
Interest received		325,233	1,748,445
Interest paid		(31,176,257)	(46,294,434)
		(30,851,024)	(44,545,989)
Taxation		-	-
CASH (OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(5,171,247)	178,840,035
Management of liquid resources			
Decrease/(increase) in money market investment		34,861,810	(3,165,904)
Net cash inflow/(outflow) from management of liquid resources		34,861,810	(3,165,904)
Financing			
Decrease in long-term borrowings		(29,985,239)	(176,828,010)
Net cash outflow from financing		(29,985,239)	(176,828,010)
DECREASE IN CASH IN THE PERIOD	16	**(294,676)**	**(1,153,879)**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

1. *ACCOUNTING POLICIES*

(a) **Accounting convention:** These 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** The company has net liabilities at 31 December 2009, however the directors believe that the financial position at the end of the period is not considered to constitute a permanent diminution in value of the company's assets The Company, together with fellow group subsidiary undertakings ("Subsidiaries"), have entered into an amended and restated loan agreement and related documents (together the "Agreements") with their principal creditor pursuant to which each of the Subsidiaries is jointly and severally liable for certain debts owed by the others Accordingly, the directors have a reasonable expectation that the company has adequate resources to meet short term operational obligations including management fees, tax and audit fees For this reason, they continue to adopt the going concern basis in preparing the financial statements

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

(d) **Trading inventory:** Trading inventory and trading inventory sold but not yet purchased comprises bank loans, corporate bonds and derivatives Bank loans and corporate debt are stated at the lower of cost and net realisable value The carrying value of each investment is compared to an estimate of its net realisable value and any unrealised losses are included in the profit and loss account Derivatives are valued by accounting for the underlying obligations on an accruals basis

(e) **Debtors:** Debtors are stated at cost less provision for any impairment Included within debtors are money market investments

(f) **Revenue recognition·** The revenue for the period includes all profits arising from the trading operations of the company, including profits and losses arising both on the purchase and sale of securities and interest accrued thereon Purchase and sale of securities are accounted for on a trade date basis

2. *REVENUE*

Revenue has been disclosed instead of turnover as the directors consider that this is a more meaningful reflection of the nature and results of the company's activities

3. *OPERATING LOSS*

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Operating loss is stated after charging:		
Management fees payable to group undertakings	7,276,227	13,434,523
Auditors' remuneration – audit services	22,257	25,913

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

4. *STAFF COSTS*

As in the prior year, the company has no employees 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)

5. *INTEREST RECEIVABLE AND SIMILAR INCOME*

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Bank interest income	1,614	49,306
Interest on money market investments	323,619	1,699,139
	325,233	**1,748,445**

6. *INTEREST PAYABLE AND SIMILAR CHARGES*

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Interest expense on third party loan	20,568,620	39,831,916
Interest expense on subordinated loan with group undertaking	8,965,254	16,877,085
	29,533,874	**56,709,001**

7. *DIRECTORS' EMOLUMENTS*

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Directors		
Aggregate emoluments	1,877	1,143
Company pension contributions to money purchase schemes	12	21
	1,889	**1,164**

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

Three directors are members of the defined contribution pension scheme and three are members of the defined benefit pension scheme Two directors have been granted shares in respect of a long term incentive scheme The long term incentive scheme and the pension scheme are operated by The Goldman Sachs Group, Inc No directors have exercised options

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

8. *TAX ON ORDINARY ACTIVITIES*

(a) Analysis of tax for the period:

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Current tax		
UK corporation tax at 28 % (2008 28 67%)	-	-
Adjustments in respect of prior period	(3,095,900)	(693,990)
Total current tax charge (see note 8(b))	**(3,095,900)**	**(693,990)**

(b) Factors affecting tax credit for the period:

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

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Loss on ordinary activities before tax	(29,609,867)	(360,686,839)
Loss on ordinary activities at the standard rate of tax in the UK 28% (2008 28 67%)	(8,290,763)	(103,408,917)
Expenses disallowed for tax	-	817,919
Unutilised tax losses carried forward	8,290,763	102,590,998
Adjustment to tax in respect of prior period	(3,095,900)	(693,990)
Current tax credit for the period	(3,095,900)	(693,990)

A potential deferred tax asset of €109,132,813 (2008 €103,255,056) 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

9. *DEBTORS*

Debtors, all of which are due within one year of the balance sheet date, comprise

	31 December 2009 EUR	28 November 2008 EUR
Accrued interest receivable	1,829,597	4,454,213
Money market investments	8,171,243	43,033,053
Group tax relief receivable	3,789,890	693,990
Other debtors	67,061	14,644
	13,857,791	**48,195,900**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

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

	31 December 2009 EUR	28 November 2008 EUR
Accrued interest payable to group undertakings	12,508,455	8,794,206
Management fee payable to group undertakings	736,202	5,194,697
Other payables to group undertakings	30,160	1,395,180
Accrued interest payable to third parties	1,861,498	7,218,131
Other creditors and accruals	1,005,464	109,602
	16,141,779	**22,711,816**

The fair value of option derivatives included within other creditors is €825,039 (28 November 2008 €nil)

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

	31 December 2009 EUR	28 November 2008 EUR
Loan payable to third party	482,180,380	564,791,983
Subordinated loan payable to group undertaking	166,241,437	113,615,073
	648,421,817	**678,407,056**

On 26 March 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 20 January 2014 and interest accruing at Euribor or Libor plus a spread of 1 30%-1 45% The Agreements provide, inter alia, for each of the Subsidiaries to become jointly and severally liable for certain debts owed by the others The loan payable to third party is secured against the Subsidiaries' assets

The subordinated loan has no contractual maturity and interest accrues at Euribor plus 4%

12. *SHARE CAPITAL*

At 31 December 2009 share capital comprised

	No.	31 December 2009 Amount	No.	28 November 2008 Amount
Authorised				
Ordinary shares of £1 each	100	£100	100	£100
Redeemable shares of €1 each	500,000,000	€500,000,000	500,000,000	€500,000,000
Redeemable shares of £1 each	500,000,000	£500,000,000	500,000,000	£500,000,000
Redeemable shares of $1 each	500,000,000	$500,000,000	500,000,000	$500,000,000
Allotted, called up and fully paid				
Ordinary share of £1 each	1	€1	1	€1
Redeemable shares of €1 each	60,409,882	€60,409,882	60,409,882	€60,409,882
Redeemable shares of £1 each	5,882,900	€8,659,287	5,882,900	€8,659,287
Redeemable shares of $1 each	17,788,289	€13,880,712	17,788,289	€13,880,712
	84,081,072	**€ 82,949,882**	**84,081,072**	**€ 82,949,882**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

12. 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

13. PROFIT AND LOSS ACCOUNT

	31 December 2009 EUR
At 28 November 2008	(372,625,817)
Loss for the period	(26,513,967)
At 31 December 2009	**(399,139,784)**

14. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S DEFICIT

	31 December 2009 EUR
Loss for the period	(26,513,967)
Opening shareholder's deficit	(289,675,935)
Closing shareholder's deficit	**(316,189,902)**

15. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Operating loss	(401,226)	(305,726,283)
Decrease in trading inventory	28,436,458	523,156,951
Decrease in debtors	2,572,199	3,136,343
(Decrease)/increase in creditors	(4,927,654)	2,819,013
Net cash inflow from operating activities	**25,679,777**	**223,386,024**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2009

16. *RECONCILIATION OF NET CASH TO MOVEMENT IN NET DEBT*

	57 week period ended 31 December 2009 EUR	52 week period ended 28 November 2008 EUR
Decrease in cash in the period	(294,676)	(1,153,879)
Decrease in long term borrowings	29,985,239	176,828,010
(Decrease)/increase in liquid resources	(34,861,810)	3,165,904
Changes in net debt resulting from cash flows	(5,171,247)	178,840,035
Increase/(decrease) in accrued interest	1,642,383	(10,414,567)
Change in net debt	(3,528,864)	168,425,468
Opening net debt	(651,050,400)	(819,475,868)
Closing net debt	**(654,579,264)**	**(651,050,400)**

17. *ANALYSIS OF CHANGES IN NET DEBT*

	At 28 November 2008 EUR	Cash Flows EUR	Accrued interest EUR	At 31 December 2009 EUR
Cash at bank and in hand	335,940	(294,676)	-	41,264
Liquid resources	43,033,053	(34,861,810)	-	8,171,243
Long term borrowing	(694,419,393)	29,985,239	1,642,383	(662,791,771)
Net debt	**(651,050,400)**	**(5,171,247)**	**1,642,383**	**(654,579,264)**

18. *RELATED PARTY DISCLOSURES*

Goldman Sachs International and Archon Group France SAS, parties who, along with the company, are subject to common control by The Goldman Sachs Group, Inc , entered into the following transactions with the company during the 57 week period ended 31 December 2009

Goldman Sachs International provided the company with management services Management fees charged for the period were €6,847,846 (year ended 2008 €12,395,963) of which €531,343 (28 November 2008 €4,073,333) was outstanding at the period end

Archon Group France SAS provided the company with asset management services Management fees charged for the period were €428,382 (year ended 2008 €490,227) of which €204,859 (28 November 2008 €1,121,364) was outstanding at the period end

19. *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, liquidity risk and currency risk

(a) Interest rate risk

Interest rate risks primarily result from exposures 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

Credit risk represents the loss that we would incur if a counterparty or an issuer of securities or other instruments we hold fails to perform under its contractual obligations Credit risk is managed by reviewing the credit quality of counterparties and reviewing, if applicable, the underlying collateral against which the assets are secured

(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 continue 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

(d) Currency risk

Foreign exchange risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates The Company manages its currency risk by establishing economic hedges as appropriate to the circumstances of the Company

20. *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 II L P a partnership 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 ELQ Investors, Ltd , a company incorporated in Great Britain and registered in England and Wales Copies of its accounts can be obtained from Peterborough Court, 133 Fleet Street, London, EC4A 2BB, the group's principal place of business