Company number: 84992

GOLDMAN SACHS (JERSEY) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

28 November 2008

REPORT OF THE DIRECTORS

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

1. Principal activities

The company acts as an issuer of securitised derivatives in a number of European markets. The company operates in a US Dollar environment as part of The Goldman Sachs Group, Inc.. Accordingly, the company's functional currency is US Dollars and these financial statements have been prepared in that currency.

2. Review of business and future developments

The profit and loss account for the period is set out on page 4. Profit on ordinary activities before taxation of US$885,000 has been reported for the period (53 week period ended 30 November 2007: US$1,626,000). The company has reported net assets of US $2,408,000 (30 November 2007: US $1,778,000).

The directors consider that the period end financial position of the company was satisfactory and do not anticipate any significant changes in the activities of the company in the forthcoming period.

3. Dividends

The directors do not recommend the payment of an ordinary dividend during the period. (53 week period ended 30 November 2007: US$ Nil).

4. 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
S. Davies		15 January 2009
G. Essex-Cater		
B. Bailo		
K. Rao	6 February 2008	
R. Taylor	25 February 2009	

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

5. Directors' responsibilities

The directors are required by Jersey 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 judgements 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.

REPORT OF THE DIRECTORS (CONTINUED)

6. Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

Director

27 Feb 2009.

Independent auditors' report to the members of
GOLDMAN SACHS (JERSEY) LIMITED

We have audited the financial statements (the "financial statements") of Goldman Sachs (Jersey) Limited (the "company") for the 52 week period ended 28 November 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 110 of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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

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

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 November 2008, of its profit, and cash flows for the period then ended;

- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991; and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
27 February 2009

PROFIT AND LOSS ACCOUNT
for the 52 week period ended 28 November 2008

	Note	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Net operating income	2	14,208	34,890
Administrative expenses		(13,323)	(33,264)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	885	1,626
Tax on profit on ordinary activities	6	(255)	(498)
PROFIT AFTER TAX AND PROFIT FOR THE PERIOD		**630**	**1,128**

The operating profit of the company is derived from continuing operations.

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

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

The notes on pages 7 to 11 form part of these financial statements.
Independent auditors' report - page 3.

BALANCE SHEET
as at 28 November 2008

	Note	28 November 2008 US$'000	30 November 2007 US$'000
CURRENT ASSETS			
Debtors	7	3,023	2,306
		3,023	2,306
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(615)	(528)
		(615)	(528)
NET ASSETS		2,408	1,778
CAPITAL AND RESERVES			
Stated capital account	9	50	50
Profit and loss account	10	2,358	1,728
TOTAL SHAREHOLDERS' FUNDS	12	2,408	1,778

Approved by the Board of Directors on 27 February 2009

Director

The notes on pages 7 to 11 form part of these financial statements.
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CASH FLOW STATEMENT

for the 52 week period ended 28 November 2008

	Note	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Net cash inflow from operating activities	13	**3,156**	**121**
Taxation		**(177)**	**(137)**
CASH INFLOW/(OUTFLOW) BEFORE FINANCING ACTIVITIES		**2,979**	**(16)**
INCREASE/(DECREASE) IN CASH HELD ON ACCOUNT BY A FELLOW GROUP UNDERTAKING	14	**2,979**	**(16)**

The notes on pages 7 to 11 form part of these financial statements.
Independent auditors' report - page 3.

NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

1. *ACCOUNTING POLICIES*

(a) **Accounting convention:** These financial statements have been prepared under the historical cost convention, (modified as explained in note 1 (b)), the accounting policies set out below and in accordance with applicable United Kingdom Accounting Standards and pronouncements of the Urgent Issues Task Force (UITF).

(b) **Covered warrants and inventory**: Covered warrants are stated in the balance sheet at fair value or amounts that approximate fair value subject to the netting provisions set out in note 1(c) below. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between knowledgeable, willing parties, other than in a forced or liquidation sale.

Inventory comprises over-the-counter (OTC) derivatives entered into with a fellow group subsidiary, held specifically and exclusively to offset the risk arising from covered warrants issued by the company. These derivatives are recognised in the financial statements at fair value, consistent with the treatment of the underlying covered warrants being hedged.

The fair values of the company's covered warrants are generally determined from quoted market prices. OTC derivatives are valued using valuation models., At the inception of an OTC derivative contract, the company values the contract at the model value if the company can verify all of the significant model inputs to observable market data and verify the model value to market transactions. When appropriate, valuations are adjusted to reflect various factors such as liquidity, bid offer spreads and credit considerations. These adjustments are generally based on market evidence or predetermined policies. In certain circumstances, such as for highly illiquid positions, management's estimates are used to determine these adjustments. Where the company does not have corroborating market evidence to support significant model inputs and cannot verify the model to market transactions, management believes that transaction price is the best estimate of fair value at inception. Accordingly, when a pricing model is used to value such an instrument, the model is adjusted so that the model value at inception equals the transaction price.

The gains or losses resulting from the application of this policy are taken to the profit and loss account. Since it is the policy of the company to hedge immediately the market risk arising from the issuance of covered warrants, gains and losses arising from the movements in fair value of inventory and covered warrants are fully offset in the profit and loss account for the period.

(c) **Offsetting financial instruments**: Financial assets and liabilities are offset and the net amount presented in the balance sheet where the company:

(i) currently has a legally enforceable right to set off the recognised amounts: and

(ii) intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where the conditions are not met, financial assets and liabilities are presented on a gross basis in the balance sheet.

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

(e) **Net operating income**: Net operating income comprises fees and commissions, which are recognised on a trade date basis, and the net impact of movements in fair value of covered warrants issued and inventory.

NOTES TO THE FINANCIAL STATEMENTS - 28 NOVEMBER 2008

2. *NET OPERATING INCOME*

In the opinion of the directors, disclosure of turnover is most appropriately represented for the company by net operating income, which comprises fees and commissions earned as an issuer of covered warrants.

The change in fair value of the covered warrants issued has been fully offset against the change in fair value of the inventory. It is not practicable, and moreover the directors believe it would be misleading to quantify the gross figures and they have therefore not been disclosed.

3. *SEGMENTAL REPORTING*

All operating income arises from the company's principal activities as an issuer of securitised derivatives. The directors manage the company's activities as a single business and geographic segment. Accordingly, no segmental analysis has been provided.

4. *OPERATING PROFIT*

Operating profit is stated after charging:

	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Management fees charged by group undertakings	13,532	33,228
Auditors' remuneration: audit services	15	22

5. *STAFF COSTS*

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

6. *TAX ON PROFIT ON ORDINARY ACTIVITIES*

(a) Analysis of charge in period:

	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Current Tax		
UK corporation tax at 28.67%	255	498
Total current tax (see note 6(b))	**255**	**498**

6. *TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)*

(b) Factors affecting tax charge for the period

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

	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Profit on ordinary activities before tax	885	1,626
Profit on ordinary activities multiplied by standard rate in the UK 28.67% (30 November 2007: 30%)	254	488
Exchange differences	1	10
Current tax charge for the period	**255**	**498**

The company has exempt status for the purpose of Jersey tax and its tax liability is limited to a flat fee, currently £600 per annum, which is borne by a group undertaking.

With effect from 1 January 2009, Jersey abolished the tax exempt company status and under the revised law the company will be treated as a zero rated company and is expected to pay no Jersey income tax.

7. *DEBTORS*

	28 November 2008 US$'000	30 November 2007 US$'000
Amounts due from group undertakings	3,023	2,306
	3,023	**2,306**

Amounts due from group undertakings comprise cash balances held on account by a fellow group undertaking (30 November 2007: $44,000).

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

	28 November 2008 US$'000	30 November 2007 US$'000
Corporation tax payable	5	7
Group relief payable	581	501
Other creditors and accruals	29	20
	615	**528**

9. *STATED CAPITAL ACCOUNT*

At 28 November 2008 and 30 November 2007 the stated capital account comprised:

	28 November 2008		30 November 2007	
	No.	US$'000	No.	US$'000
Authorised				
Ordinary shares of no par value	unlimited	-	unlimited	-
Allotted, called up and fully paid				
Ordinary shares of no par value	50,000	50	50,000	50
		50		**50**

10. *PROFIT AND LOSS ACCOUNT*

	Profit and loss account US$'000
At 30 November 2007	1,728
Profit for the period	630
At 28 November 2008	**2,358**

11. *FINANCIAL COMMITMENTS AND CONTINGENCIES*

The company had no financial commitments and contingencies outstanding at the period end (2007: Nil).

12. *RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S FUNDS*

	28 November 2008 US$'000	30 November 2007 US$'000
Profit on ordinary activities after taxation	630	1,128
Net increase in shareholder's funds	630	1,128
Opening shareholder's funds	1,778	650
Closing shareholder's funds	**2,408**	**1,778**

13. *RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES*

	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Operating profit	885	1,626
Decrease/(increase) in debtors	2,262	(1,506)
Increase in other creditors	9	1
Net cash inflow from operating activities	**3,156**	**121**

14. RECONCILIATION OF NET CASH TO MOVEMENT IN NET FUNDS

	52 week period ended 28 November 2008 US$'000	53 week period ended 30 November 2007 US$'000
Increase/(decrease) in cash held on account by a fellow group undertaking (see note 7)	2,979	(16)
Change in net funds	2,979	(16)
Opening net funds	44	60
Closing net funds	**3,023**	**44**

15. ANALYSIS OF CHANGES IN NET FUNDS

	At 30 November 2007 US$'000	Cash flows US$'000	Other non-cash changes US$'000	At 28 November 2008 US$'000
Cash held on account by a fellow group undertaking (see note 7)	44	2,990	(11)	3,023
Net funds	**44**	**2,990**	**(11)**	**3,023**

16. RELATED PARTY DISCLOSURES

Under the terms of paragraph 3(c) of FRS 8, 'Related Party Disclosures', the company is exempt from disclosing transactions with fellow group companies. There were no other related party transactions requiring disclosure.

17. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

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

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