

**GS EUROPEAN INVESTMENT GROUP II LTD**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**14 OCTOBER 2011**

MONDAY  
WEDNESDAY



LD5	*L19IYRWZ*	#115
	23/05/2012	COMPANIES HOUSE
LD2	*L18WGRCJ*	#93
	14/05/2012	COMPANIES HOUSE

## REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the 41 week period ended 14 October 2011

### 1. Principal activities

GS European Investment Group II Ltd ('the company') trades 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 14 October and as such these financial statements have been prepared for a shortened period of 41 weeks from 1 January 2011 to 14 October 2011. Comparative information has been presented for the 52 week period ended 31 December 2010

The results for the period are shown in the profit and loss account on page 5. Profit on ordinary activities before taxation for the period was €5.1m (52 week period ended 31 December 2010 profit of €47.0m). The company has total assets of €457.7m (31 December 2010 €309.8m)

During the period, the following movements in share capital took place

- i) The company issued 12,111,882 ordinary shares of €1 each at par to its parent undertaking, GS European Opportunities Fund II L P
- ii) The company reorganised its share capital and cancelled 299 shares for every 300 shares of issued ordinary and redeemable shares which resulted in cancelling and extinguishing 12,071,509 of the issued ordinary shares of €1 each, 60,208,523 of the issued redeemable shares of €1 each, 5,863,290 of the issued redeemable shares of £1 each and 17,728,995 of the issued redeemable shares of \$1 each
- iii) The company issued 275,000,000 ordinary shares of €1 each, at par value to MTGLQ Investors L P, 151,483,984 ordinary shares of €1 each, at par value, to ELQ Investors, Ltd and 1,209,498 ordinary shares of €1 each, at a premium, to GS European Opportunities Fund II L P (see note 15)

#### Strategy

The company seeks to maximise its returns from trading activities

#### Future outlook

During the period the company transferred certain assets and associated tax losses to a group undertaking as part transfer of its trade. The directors consider that the period end financial position of the company was satisfactory and the company continues to maximise returns from trading assets it holds as at the balance sheet date and review new opportunities for the future

#### Financial risk management

The company's risk management objectives and policies, as well as its risk exposures, are described in note 20 of the financial statements

### 3. Dividends

The directors do not recommend the payment of a dividend in respect of the 41 week period ended 14 October 2011 (52 week period ended 31 December 2010 €nil)

**REPORT OF THE DIRECTORS (continued)**

**4. Exchange rate**

The sterling / euro exchange rate at the balance sheet date was 1.14 (31 December 2010: 1.17). The average rate for the 41 week period ended 14 October 2011 was 1.15 (52 week period ended 31 December 2010: 1.17).

**5. Directors**

The directors of the company who served throughout the period and to the date of this report, except where noted, were

<b>Name</b>	<b>Appointed</b>	<b>Resigned</b>
T Bauwens	15 June 2011	21 March 2012
T Cannell	15 June 2011	
S A Collins	17 October 2011	
C Marte	27 May 2011	15 June 2011
G P Minson		
G G Olafson	15 June 2011	
J Salisbury	15 June 2011	

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

**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.

**REPORT OF THE DIRECTORS (continued)**

**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 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 judgments 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

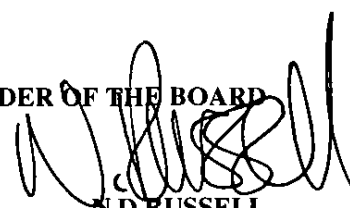
**8. Auditors**

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

**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.D. RUSSELL**

**Secretary**

**Independent auditors' report to the members of  
GS EUROPEAN INVESTMENT GROUP II LTD**

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We have audited the financial statements of GS European Investment Group II Ltd for the 41 week period ended 14 October 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 14 October 2011 and of its profit for the 41 week 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

Alastair Findlay (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
United Kingdom, London

18 March 2012

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## GS EUROPEAN INVESTMENT GROUP II LTD

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### PROFIT AND LOSS ACCOUNT

for the 41 week period ended 14 October 2011

		<b>41 week period ended</b>	<b>52 week period ended</b>
		<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>Note</b>	<b>EUR</b>	<b>EUR</b>
Revenue		15,245,195	70,372,014
Interest payable and similar charges	4	(7,763,954)	(16,343,852)
Administrative expenses		(2,756,377)	(7,108,923)
<b>OPERATING PROFIT</b>	<b>5</b>	<b>4,724,864</b>	<b>46,919,239</b>
Interest receivable and similar income	7	373,812	66,908
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,098,676</b>	<b>46,986,147</b>
Tax on profit on ordinary activities	9	(693,990)	153,860
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD</b>		<b>4,404,686</b>	<b>47,140,007</b>

The operating profit of the company is derived from continuing operations in the current and prior periods

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

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 15 form an integral part of these financial statements  
Independent auditors' report – page 4

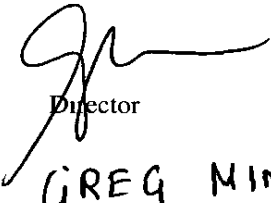
**GS EUROPEAN INVESTMENT GROUP II LTD**

**BALANCE SHEET**

**as at 14 October 2011**

	<b>Note</b>	<b>14 October 2011 EUR</b>	<b>31 December 2010 EUR</b>
<b>CURRENT ASSETS</b>			
Financial instruments owned	10	7,702,364	283,141,389
Debtors	11	449,869,363	24,700,393
Cash at bank and in hand		127,129	45,765
Other current assets	12	-	1,924,795
		<u>457,698,856</u>	<u>309,812,342</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(33,189,271)</u>	<u>(22,468,918)</u>
<b>NET CURRENT ASSETS</b>		<u>424,509,585</u>	<u>287,343,424</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		424,509,585	287,343,424
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	-	<u>(556,393,319)</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>424,509,585</u>	<u>(269,049,895)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	428,010,356	82,949,882
Profit and loss account	16	(347,595,091)	(351,999,777)
Other reserves	17	344,094,320	-
<b>TOTAL SHAREHOLDER'S FUNDS / (DEFICIT)</b>	18	<u>424,509,585</u>	<u>(269,049,895)</u>

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 15 form an integral part of these financial statements  
 Independent auditors' report – page 4  
 Company number 5702866

# GS EUROPEAN INVESTMENT GROUP II LTD

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## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 1. ACCOUNTING POLICIES

#### a. Accounting convention

The financial statements have been prepared on a going concern basis, under the historical cost convention, 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 period.

#### b. 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.

#### c. Revenue recognition

Revenue has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities.

Revenue from financial instruments owned comprises interest income, dividends, impairment to net realisable value of investments and gains and losses from sale of such investments. Interest is recognised on an accruals basis when earned. Dividends receivable are recognised as revenue when the right to receive payment has been established.

#### d. Financial instruments owned

Financial instruments owned comprises bank loans and corporate bonds and are stated at the lower of cost and net realisable value. Any impairment to net realisable value is recognised in the profit and loss account.

#### e. Derivative financial instruments

The company uses derivatives, primarily interest rate caps, to reduce exposure to interest rate risk. The company does not hold or issue derivative financial instruments for speculative purposes. They are held off balance sheet with interest payments, receipts and accruals being recognised in the financial statement over the period of the contract.

#### f. Other assets and liabilities

Other assets and liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost with finance income and expense recognised on an accruals basis. All finance income and expense, including any impairment caused by the changes in the expected cashflows are recognised in the profit and loss account.

#### g. Offsetting other assets and liabilities

Other assets and liabilities are offset and the net amount presented in the balance sheet where there is

- (i) currently a legally enforceable right to set off the recognised amounts, and
- (ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

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



# GS EUROPEAN INVESTMENT GROUP II LTD

## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 1. ACCOUNTING POLICIES (continued)

#### h. 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.

### 2. Reporting and disclosure exemptions

#### a. FRS1 (Revised 1996) - Cash flow statements

The company is a greater than 90% subsidiary of The Goldman Sachs Group, Inc., whose consolidated accounts include the company and are publicly available and is, therefore, exempt from preparing a cash flow statement as required by FRS1 (Revised 1996)- Cash flow statements.

#### b. FRS8 - 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.

### 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

	41 week period ended 14 October 2011	52 week period ended 31 December 2010
	EUR	EUR
Interest expense on third party loan	3,833,279	8,284,429
Interest expense on subordinated loan with parent undertaking	3,790,934	8,045,676
Interest expense on senior loan with parent undertaking	139,732	-
Other interest expense	9	13,747
	<u>7,763,954</u>	<u>16,343,852</u>

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

# GS EUROPEAN INVESTMENT GROUP II LTD

## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 5. OPERATING PROFIT

	<b>41 week period ended</b>	<b>52 week period ended</b>
	<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>EUR</b>	<b>EUR</b>
<b>Operating profit is stated after charging:</b>		
Management fees payable to group undertakings	2,529,614	6,261,617
Amortisation of interest rate cap	116,654	262,472
Realised loss on termination of interest rate cap	850,572	-
Auditor's remuneration - audit services	26,450	23,243

### 6. STAFF COSTS

The company has no employees (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 the management fees payable to group undertaking (see note 5)

### 7. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>41 week period ended</b>	<b>52 week period ended</b>
	<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>EUR</b>	<b>EUR</b>
Bank interest income	8,616	3
Interest on money market investments	319,821	66,905
Interest on loan with group undertakings	45,375	-
	<b>373,812</b>	<b>66,908</b>

### 8. DIRECTORS' EMOLUMENTS

	<b>41 week period ended</b>	<b>52 week period ended</b>
	<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>EUR</b>	<b>EUR</b>
<b>Directors:</b>		
Aggregate emoluments	1,510	541
Company pension contributions to money purchase schemes	63	6
	<b>1,573</b>	<b>547</b>

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 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 five 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

**GS EUROPEAN INVESTMENT GROUP II LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011**

**9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of tax for the period:**

	<b>41 week period ended</b>	<b>52 week period ended</b>
	<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>EUR</b>	<b>EUR</b>
<b>Current tax:</b>		
UK corporation tax at 26.63% (2010 28%)	-	-
Adjustments in respect of prior periods	693,990	(153,860)
<b>Total current tax (see note (b) below)</b>	<b>693,990</b>	<b>(153,860)</b>

Adjustment to tax in respect of prior periods relates to prior period losses surrendered to fellow group undertakings for nil consideration

**(b) Factors affecting tax for the period**

The current tax assessed for the period differs from the standard rate of corporation tax in the UK measured at 26.63% following the change in corporation tax from 1 April 2011 to 26% (31 December 2010 28%). The differences are explained below

	<b>41 week period ended</b>	<b>52 week period ended</b>
	<b>14 October 2011</b>	<b>31 December 2010</b>
	<b>EUR</b>	<b>EUR</b>
Profit on ordinary activities before tax	5,098,676	46,986,147
Profit on ordinary activities at the standard rate in the UK 26.63% (2010 28%)	1,357,777	13,156,121
Utilisation of tax losses brought forward	(1,357,777)	(13,156,121)
Unutilised tax losses carried forward	-	0
Adjustment to tax in respect of prior periods	693,990	(153,860)
<b>Current tax for the period</b>	<b>693,990</b>	<b>(153,860)</b>

A potential deferred tax asset of €11,290,123 (31 December 2010 €73,845,718) 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. The change in deferred tax asset during the period relates to tax losses transferred to a group undertaking due to part transfer of trade.

# GS EUROPEAN INVESTMENT GROUP II LTD

## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 10. FINANCIAL INSTRUMENTS OWNED

	14 October 2011	31 December 2010
	EUR	EUR
Loans	7,702,364	261,795,776
Equity	-	21,345,613
	<b>7,702,364</b>	<b>283,141,389</b>

During the period the company transferred certain assets of €132,373,541 to a group undertaking as part transfer of its trade (see note 11)

### 11. DEBTORS

	14 October 2011	31 December 2010
	EUR	EUR
Loan receivable from parent undertaking	275,000,000	-
Other receivables from group undertakings	132,386,492	13,910,577
Money market investments	31,194,035	6,245,584
Other debtors	10,290,000	-
Interest receivable on financial instruments owned	799,601	600,482
Group tax relief receivable	153,860	3,943,750
Accrued interest receivable from parent undertaking	22,764	-
Accrued interest receivable from group undertaking	22,611	-
	<b>449,869,363</b>	<b>24,700,393</b>

Loan receivable from parent undertaking is repayable in full on final maturity on 12 October 2020 or on demand as agreed between the counterparties and accrues interest at 2.98% in accordance with the firm's policy on intercompany loans

Other receivables from group undertaking includes an amount of €132,373,541 (31 December 2010 €nil) for unsettled trades as at the balance sheet date

The fair value of the Money market investments approximates the carrying value

### 12. OTHER CURRENT ASSETS

	14 October 2011	31 December 2010
	EUR	EUR
Interest rate cap	-	1,924,795

At 14 October 2011 the fair value of the interest rate cap was €nil (31 December 2010 €825,563), as the interest rate cap was terminated during the period for cash proceeds of €957,569

## GS EUROPEAN INVESTMENT GROUP II LTD

### NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

#### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	14 October 2011	31 December 2010
	EUR	EUR
Accrued interest payable to parent undertaking (see note 14)	-	20,698,250
Management fee payable to group undertaking	-	605,927
Accrued interest payable to third parties (see note 14)	-	774,157
Other creditors and accruals	33,065,981	267,333
Other payables to group undertakings	123,290	123,251
	<b>33,189,271</b>	<b>22,468,918</b>

Other creditors and accruals includes an amount of €32,883,142 (31 December 2010 €nil) for unsettled trades as at the balance sheet date

#### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	14 October 2011	31 December 2010
	EUR	EUR
Loan payable to third party	-	375,555,424
Subordinated loan payable to parent undertaking	-	166,927,318
Other payables to group undertakings	-	13,910,577
	-	<b>556,393,319</b>

During the period the loan payable to third party and accrued interest payable to third party was fully repaid. Further, the company issued shares to GS European Opportunities Fund II L P, its parent undertaking in full satisfaction of the subordinated loan payable and accrued interest payable to parent undertaking and the company was released from all obligations under the respective loan agreements (see note 15 and 17)

# GS EUROPEAN INVESTMENT GROUP II LTD

## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 15. SHARE CAPITAL

At 14 October 2011 and 31 December 2010 share capital comprised

	<b>14 October 2011</b>		<b>31 December 2010</b>	
	<b>Number</b>	<b>EUR</b>	<b>Number</b>	<b>EUR</b>
<b><u>Allotted, called up and fully paid</u></b>				
Ordinary shares of £1 each	1	1	1	1
Ordinary shares of €1 each	427,733,855	427,733,855	-	-
Redeemable shares of €1 each	201,366	201,366	60,409,882	60,409,882
Redeemable shares of £1 each	19,610	28,864	5,882,900	8,659,287
Redeemable shares of \$1 each	59,294	46,270	17,788,289	13,880,712
		<b><u>428,010,356</u></b>		<b><u>82,949,882</u></b>

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.

During the period, the following movements in share capital took place:

- i) The company issued 12,111,882 ordinary shares of €1 each at par to its parent undertaking, GS European Opportunities Fund II L P.
- ii) The company reorganised its share capital and cancelled 299 shares for every 300 shares of issued ordinary and redeemable shares which resulted in cancelling and extinguishing 12,071,509 of the issued ordinary shares of €1 each, 60,208,523 of the issued redeemable shares of €1 each, 5,863,290 of the issued redeemable shares of £1 each, 17,728,995 of the issued redeemable shares of \$1 each (see note 17).
- iii) The company issued 275,000,000 ordinary shares of €1 each, at par value to MTGLQ Investors L P, 151,483,984 ordinary shares of €1 each, at par value, to ELQ Investors, Ltd and 1,209,498 ordinary shares of €1 each, at a premium, to GS European Opportunities Fund II L P.

### 16. PROFIT AND LOSS ACCOUNT

	<b>14 October 2011</b>
	<b>EUR</b>
At 31 December 2010	(351,999,777)
Profit for the period	4,404,686
<b>At 14 October 2011</b>	<b><u>(347,595,091)</u></b>

# GS EUROPEAN INVESTMENT GROUP II LTD

## NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

### 17. OTHER RESERVES

	14 October 2011
	EUR
At 31 December 2010	-
Non-distributable reserves (see note 14 and 15)	344,094,320
<b>At 14 October 2010</b>	<b>344,094,320</b>

Other reserves are non distributable in nature

### 18. RECONCILIATION OF MOVEMENT IN TOTAL SHAREHOLDER'S FUNDS / (DEFICIT)

	14 October 2011	31 December 2010
	EUR	EUR
Opening shareholders deficit	(269,049,895)	(316,189,902)
Profit for the period	4,404,685	47,140,007
Other reserves (see note 17)	344,094,320	-
Share capital issued (see note 14)	345,060,474	-
Closing shareholder's funds / (deficit)	<b>424,509,585</b>	<b>(269,049,895)</b>

### 19. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments and contingencies outstanding at the period end (31 December 2010 nil)

### 20. 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 company are interest rate risk, credit risk, liquidity risk and currency risk.

#### a. Interest rate risk

Interest rate risk primarily result from exposures to changes in interest rates. The company manages its interest rate risk by entering into interest rate hedging transactions as appropriate to the circumstances of the company.

#### b. Credit risk

Credit risk represents the loss the company would incur if a counterparty or an issuer of securities or other instruments we hold fails to perform 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

The company's principal objective is to be able to fund itself and to enable its core business to generate revenue under adverse circumstances. Accordingly, the company as part of a larger Group has in place a set of liquidity and funding policies to address company-specific liquidity events.

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## GS EUROPEAN INVESTMENT GROUP II LTD

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### NOTES TO THE FINANCIAL STATEMENTS - 14 OCTOBER 2011

#### 20. FINANCIAL RISK MANAGEMENT (continued)

##### 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.

#### 21. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The immediate parent undertaking is MTGLQ Investors L P , registered in Delaware in the United States of America.

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 in the United States of America. Copies of its accounts can be obtained from 200 West Street, New York, NY10282, United States of America, the group's principal place of business.