

GOLDMAN SACHS (JERSEY) LIMITED

**UNAUDITED INTERIM MANAGEMENT REPORT AND
CONDENSED FINANCIAL STATEMENTS**

30 MAY 2008

GOLDMAN SACHS (JERSEY) LIMITED

MANAGEMENT REPORT

The directors present their unaudited interim management report and condensed financial statements for the 26 week period ended 30 May 2008.

1. Principal activities

The company acts as an issuer of securitised derivatives in a number of European markets.

2. Review of business and future developments

The profit and loss account for the period is set out on page 2. The profit on ordinary activities before taxation was US \$693,000 (26 week period ended 25 May 2007: US \$888,000). The company has net assets of US \$2,272,000 (30 November 2007: US \$1,778,000).

Administrative expenses decreased to US\$13,515,000 for the period (26 week period ended 25 May 2007: US\$18,079,000) mainly due to a reduction in the number of warrants issued during the period.

The company has issued 732 warrants in the last six months.

Principal risks and uncertainties

The company is exposed to a variety of risks that are substantial and inherent in its businesses. The key business risks affecting the company are:

- Economic and market risk – as an issuer of securitised derivatives, the company is exposed to unfavourable or uncertain market conditions which may adversely affect the business and the profitability of the company.
- Credit risk – the company holds over-the-counter ('OTC') derivatives entered into with a fellow group subsidiary to mitigate the risk arising from the issuance of warrants.

Risk management

We seek to monitor and control our risk exposure through a risk and control framework encompassing a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems, internal controls, management review process and other mechanisms. In addition, refer to the financial risk management note (note 4 to the financial statements), below.

Future outlook

The directors consider that the period end financial position of the company was satisfactory. No significant change in the company's principal business activity is expected.

3. Responsibility statement

The directors confirm that the condensed financial statements have been prepared in accordance with the Accounting Standards Board guidance on 'half-yearly financial reports' and that the interim management report herein includes a fair review of the information required by the FSA's Disclosure and Transparency Rules ('DTR') 4.2.7 R and 4.2.8 R.



BY ORDER OF THE BOARD
S. Davies
Director
30 July 2008

GOLDMAN SACHS (JERSEY) LIMITED

PROFIT AND LOSS ACCOUNT (UNAUDITED) for the 26 week period ended 30 May 2008

	26 week period ended 30 May 2008 US\$'000	26 week period ended 25 May 2007 US\$'000	53 week period ended 30 November 2007 US\$'000
Net operating income	14,208	18,967	34,890
Administrative expenses	(13,515)	(18,079)	(33,264)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	693	888	1,626
Tax on profit on ordinary activities	(199)	(268)	(498)
PROFIT AFTER TAX AND PROFIT FOR THE PERIOD	494	620	1,128

BALANCE SHEET (UNAUDITED) as at 30 May 2008

	30 May 2008 US\$'000	30 November 2007 US\$'000
CURRENT ASSETS		
Debtors	2,989	2,306
	2,989	2,306
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(717)	(528)
NET ASSETS	2,272	1,778
CAPITAL AND RESERVES		
Stated capital account	50	50
Profit and loss account	2,222	1,728
TOTAL SHAREHOLDERS' FUNDS	2,272	1,778

The notes on page 3 form part of these financial statements.

GOLDMAN SACHS (JERSEY) LIMITED

NOTES TO FINANCIAL STATEMENTS – (UNAUDITED)

1. BASIS OF PREPARATION

These condensed financial statements for the 26 week period ended 30 May 2008 have been prepared in accordance with the Disclosure and Transparency Rules of the FSA and the Accounting Standards Board guidance on 'half-yearly financial reports'. The condensed financial statements should be read in conjunction with the financial statements for the 53 week period ended 30 November 2007 which have been prepared in accordance with applicable accounting standards.

2. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the financial statements for the 53 week period ended 30 November 2007, as described in those financial statements, except as stated in note 6.

3. 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 as the directors believe it would be misleading to quantify the gross figures and they have, therefore, not been disclosed.

4. FINANCIAL RISK MANAGEMENT

Normal trading activities expose the company to market and credit risk. These risks are mitigated by entering into derivative contracts with its fellow subsidiary, Goldman Sachs International.

5. SEGMENTAL REPORTING

All revenue 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 accordingly, no segmental analysis has been provided.

6. NEW ACCOUNTING POLICIES ADOPTED

During the financial period, the amendment to FRS 26 Financial Instruments: Measurement regarding derecognition has been adopted by the company which represents a change in accounting policy. No material impact on the results or financial position of the company has occurred following the adoption of this amendment.

7. 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.