SUPPLEMENTAL FINANCIAL INFORMATION

Quarterly Results (unaudited)

The following represents the firm's unaudited quarterly results for 2000 and 1999. These quarterly results conform with generally accepted accounting principles and reflect all adjustments, consisting only of normal recurring adjustments, that are, in the opinion of the management, necessary for a fair presentation of the results.

	2000 Fiscal Quarter			
(in millions, except per share amounts)	First	Second	Third	Fourth
Total revenues	$7,964	$ 8,196	$8,851	$7,989
Interest expense	3,471	4,041	4,324	4,574
Revenues, net of interest expense	4,493	4,155	4,527	3,415
Operating expenses	3,014	2,897	3,154	2,505
Pre-tax earnings	1,479	1,258	1,373	910 (1)
Provision for taxes	592	503	549	309
Net earnings	$ 887	$ 755	$ 824	$ 601 (1)
Earnings per share				
Basic	$ 1.83	$ 1.56	$ 1.71	$ 1.23
Diluted	1.76	1.48	1.62	1.16 (2)
Dividends paid per share	0.12	0.12	0.12	0.12

(1) The fourth quarter pre-tax earnings and net earnings included a charge of $290 million and $180 million, respectively, related to the firm's combination with SLK.

(2) Excluding the charges related to the combination with SLK, the firm's diluted earnings per share were $1.50.

	1999 Fiscal Quarter			
(in millions, except per share amounts)	First	Second	Third	Fourth
Total revenues	$5,856	$ 6,355	$6,440	$6,712
Interest expense	2,861	2,886	3,032	3,239
Revenues, net of interest expense	2,995	3,469	3,408	3,473
Operating expenses	1,807	4,956	2,326	2,264
Pre-tax earnings/(loss)	1,188	(1,487) (1)	1,082	1,209
Provision/(benefit) for taxes	181	(1,827) (2)	444	486
Net earnings	$1,007	$ 340	$ 638	$ 723
Earnings per share				
Basic	—	$ 0.72	$ 1.34	$ 1.51
Diluted	—	0.71	1.32	1.48
Dividends paid per share	—	—	0.12	0.12

(1) Includes nonrecurring expenses of $2.26 billion associated with the firm's conversion to corporate form and the firm's charitable contribution to The Goldman Sachs Foundation of $200 million made at the time of the firm's initial public offering.

(2) Includes a net tax benefit of $825 million related to the firm's conversion to corporate form, a benefit of $880 million related to the granting of employee initial public offering awards and a benefit of $80 million related to the charitable contribution to The Goldman Sachs Foundation.

Common Stock Price Range

On May 4, 1999, the firm's common stock commenced trading on the New York Stock Exchange under the symbol "GS." Prior to that date, there was no public market for the firm's common stock. The following table sets forth, for the fiscal quarters indicated, the high and low closing prices per share of the firm's common stock as reported by the Consolidated Tape Association.

	Closing Price			
	2000		1999	
	High	**Low**	High	Low
First Quarter	**$ 94.19**	**$74.50**	$ —	$ —
Second Quarter	**121.31**	**69.81**	74.13	64.50
Third Quarter	**120.75**	**72.00**	72.25	55.81
Fourth Quarter	**132.00**	**79.94**	82.81	57.69

As of January 31, 2001, there were approximately 1,930 holders of record of the firm's common stock.

On January 31, 2001, the last reported sales price for the firm's common stock on the New York Stock Exchange was $113.75 per share.

Selected Financial Data

($ and share amounts in millions, except per share amounts)	2000[5]	1999[6]	1998	1997	1996
	As of or for Year Ended November				
Income Statement Data					
Total revenues	**$ 33,000**	$ 25,363	$ 22,478	$ 20,433	$ 17,289
Interest expense	**16,410**	12,018	13,958	12,986	11,160
Net revenues	**16,590**	13,345	8,520	7,447	6,129
Compensation and benefits[1]	**7,773**	6,459	3,838	3,097	2,421
Nonrecurring employee initial public offering and acquisition awards	**290**	2,257	—	—	—
Amortization of employee initial public offering and acquisition awards	**428**	268	—	—	—
Other operating expenses	**3,079**	2,369	1,761	1,336	1,102
Pre-tax earnings[1]	**$ 5,020**	$ 1,992	$ 2,921	$ 3,014	$ 2,606
Balance Sheet Data					
Total assets	**$289,760**	$250,491	$217,380	$178,401	$152,046
Long-term borrowings	**31,395**	20,952	19,906	15,667	12,376
Total liabilities	**273,230**	240,346	210,996	171,864	145,753
Shareholders' equity	**16,530**	10,145	—	—	—
Partners' capital	**—**	—	6,310	6,107	5,309
Common Share Data					
Earnings per share — basic	**$ 6.33**	$ 5.69	—	—	—
Earnings per share — diluted	**6.00**	5.57	—	—	—
Dividends paid per share	**0.48**	0.24	—	—	—
Book value per share	**32.18**	20.94	—	—	—
Average common shares outstanding — basic	**484.6**	475.9	—	—	—
Average common shares outstanding — diluted	**511.5**	485.8	—	—	—
Pro Forma Data (unaudited)[2]					
Pro forma net earnings	**—**	$ 2,550	—	—	—
Pro forma diluted earnings per share	**—**	5.27	—	—	—
Pro forma diluted shares	**—**	483.9	—	—	—
Selected Data (unaudited)					
Employees					
United States	**14,755**	9,746	8,349	6,879	5,818
International	**7,872**	5,615	4,684	3,743	3,159
Total employees[3]	**22,627**[7]	15,361	13,033	10,622	8,977
Assets under supervision[4]					
Assets under management	**$293,842**	$258,045	$194,821	$135,929	$ 94,599
Other client assets	**197,876**	227,424	142,018	102,033	76,892
Total assets under supervision	**$491,718**	$485,469	$336,839	$237,962	$171,491

[1] As a partnership, payments for services rendered by profit participating limited partners were accounted for as distributions of partners' capital rather than as compensation and benefits expense. As a result, pre-tax earnings in 1998, 1997 and 1996 are not comparable with 2000 or 1999.

[2] On May 7, 1999, the firm converted from a partnership to a corporation and completed its initial public offering. Pro forma results reflect the results of Goldman Sachs as if its conversion to corporate form and related transactions had taken place at the beginning of 1999. For more detailed information concerning pro forma results, see "Management's Discussion and Analysis—Results of Operations—Overview."

[3] Excludes employees of Goldman Sachs' property management subsidiaries. Substantially all of the costs of these employees are reimbursed to Goldman Sachs by the real estate investment funds to which these subsidiaries provide property management services.

[4] Substantially all assets under supervision are valued as of calendar month-end.

[5] In 2000, pre-tax earnings included a charge of $290 million ($180 million after taxes) related to the firm's combination with SLK. Excluding this charge, diluted earnings per share were $6.35.

[6] In 1999, pre-tax earnings were reduced by nonrecurring expenses of $2.26 billion associated with the conversion to corporate form and the charitable contribution to The Goldman Sachs Foundation of $200 million made at the time of the initial public offering.

[7] Includes 2,600 employees related to the combination with SLK.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders,
The Goldman Sachs Group, Inc.:

In our opinion, the accompanying consolidated statements of financial condition and the related consolidated statements of earnings, changes in shareholders' equity and partners' capital, cash flows and comprehensive income present fairly, in all material respects, the financial position of The Goldman Sachs Group, Inc. and its Subsidiaries (the "Company") as of November 24, 2000 and November 26, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended November 24, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

New York, New York
January 19, 2001