

GS SUSTAIN: Challenges in ESG disclosure and consistency

October 2009

Anthony Ling	Goldman Sachs International	44-20-7774-6776	anthony.ling@gs.com
Sarah Forrest, CFA	Goldman Sachs (Singapore) Pte	65-6889-2472	sarah.forrest@gs.com
Andrew Howard	Goldman Sachs International	44-20-7552-5987	andrew.howard@gs.com
Marc Fox	Goldman, Sachs & Co.	1-212-934-4221	marc.fox@gs.com
Melissa Epperly	Goldman Sachs International	44-20-7774-5098	melissa.epperly@gs.com
Sara Finan	Goldman Sachs International	44-20-7051-3016	sara.finan@gs.com
Kristina Obrtacova	Goldman Sachs International	44-20-7774-8337	kristina.obrtacova@gs.com
Puneet Gambhir	Goldman Sachs International	44-20-7552-9364	puneet.gambhir@gs.com
Stian Obrestad	Goldman Sachs International	44-20-7051-0663	stian.obrestad@gs.com
Louise Nankiinga	Goldman, Sachs & Co.	1-212-934-4258	louise.nankiinga@gs.com

The Goldman Sachs Group, Inc. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

For Reg AC certification, see the end of the text. Other important disclosures follow the Reg AC certification, or go to www.gs.com/research/hedge.html.

Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

Overview

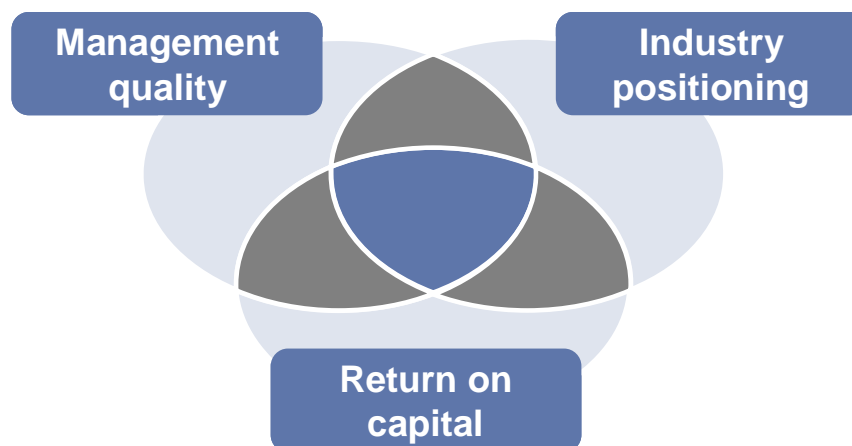
- ✓ **GS SUSTAIN identifies leaders in mature industries based on analysis of the key drivers of corporate performance**
 - In mature industries, GS SUSTAIN identifies those companies best positioned to sustain competitive advantage and superior returns on capital, and ultimately to deliver equity market outperformance. Leaders in each industry are identified based on analysis of the key drivers of corporate performance: 1) financial performance (return on capital), 2) industry positioning and 3) management quality, as demonstrated by leadership on environmental, social and governance (ESG) factors

- ✓ **Analysis of ESG performance is a key element of long-term investment strategies; objective measures of performance are key**
 - The GS SUSTAIN framework incorporates analysis of companies' management of the ESG issues facing their industry, based on objective, quantifiable and transparent measures of performance. We find a positive relationship between the effectiveness with which companies address the ESG issues facing their industry and their financial performances (returns on capital) across most sectors we have examined.

- ✓ **Disclosure challenges create difficulties in objective analysis of companies' performances**
 - While the volume of reporting has increased significantly, a material number of companies do not report even relatively undemanding data points. Regionally, disclosure tends to be less complete in emerging markets in particular. Where data is reported, analysis is challenged by differences in reporting standards and guidelines across regions and companies.
 - Despite disclosure and consistency challenges, ESG performance has become sufficiently widespread that its analysis is valuable to long-term investors across all sectors. The number of companies whose performances we can measure with reported data is large enough to allow differentiation and non-reporting can provide an indication of the importance companies attach to ESG issues. However, more widespread disclosure across companies and reporting on a wider range of issues, on a consistent basis, will be key to ensuring investors are able to fully assess the effectiveness with which companies are addressing breadth of issues facing their industries.

GS SUSTAIN identifies leaders in mature industries based on analysis of the key drivers of corporate performance

- In mature industries, GS SUSTAIN identifies those companies best positioned to sustain competitive advantage and superior returns on capital and, ultimately, to deliver equity market outperformance over the long term (3-5 years). Leaders in each industry are identified through analysis of the key drivers of corporate performance: 1) financial performance (return on capital), 2) industry positioning and 3) management quality, as demonstrated by leadership on environmental, social and governance (ESG) factors
- Across each of three dimensions we assess, we apply objective, quantitative measures of performance to identify companies well positioned across all key drivers
- We apply this framework to large companies (typically over US\$5 bn market capitalisation) across all major industries. We believe effective management of the breadth of issues facing companies is important to sustained competitive advantage in every established, mature industry

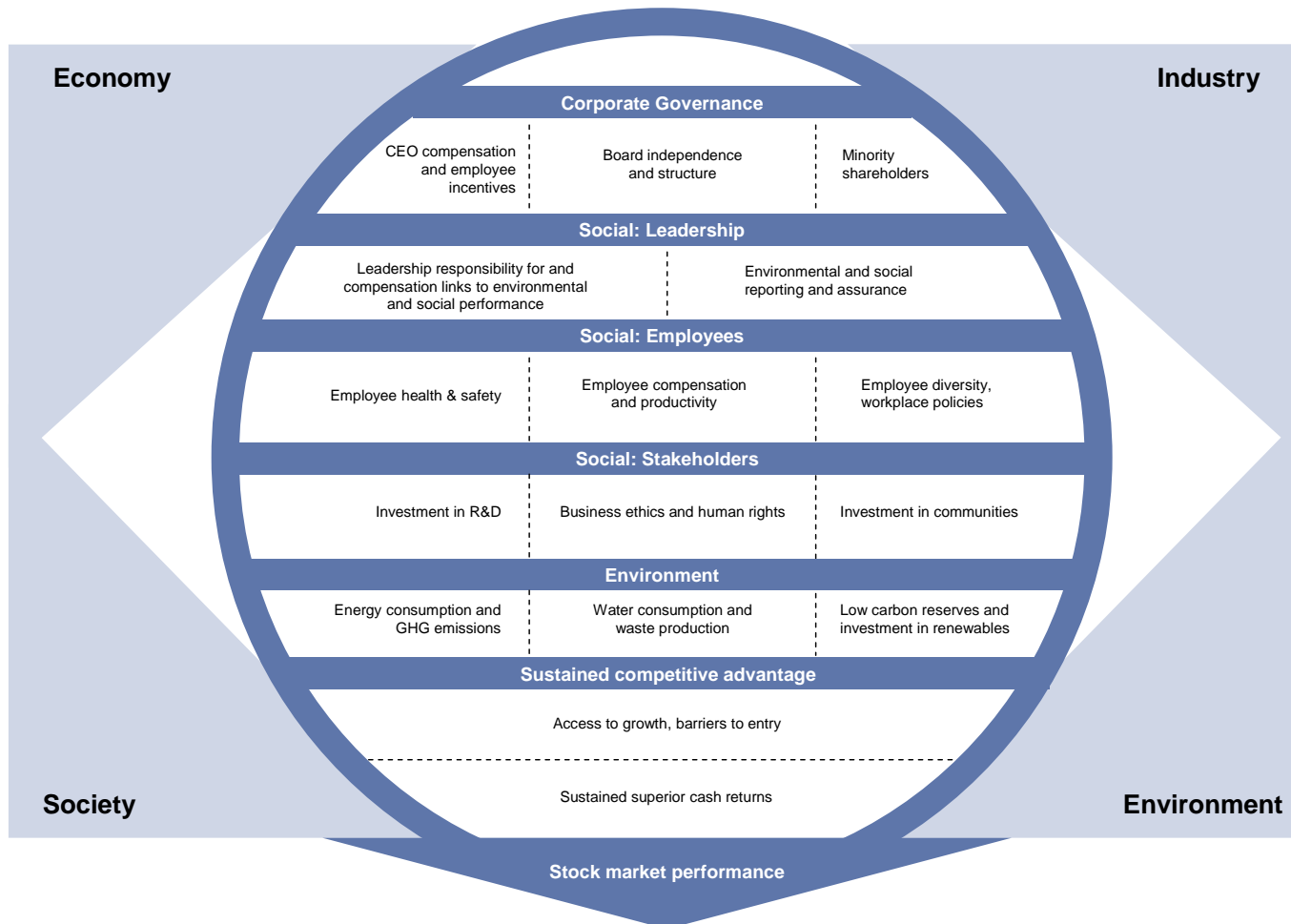


Analysis of ESG performance is a key element of long-term investment strategies; objective measures are key

- The GS SUSTAIN framework for mature industries assesses the effectiveness with which companies are addressing the environmental, social and governance challenges facing their industries, using objective, quantifiable and transparent measures of performance.
- Typically, the GS SUSTAIN team collects 80+ discrete data points for each company, from their public reports, verifies that data with companies and combines these into 20-25 ESG indicators. Companies are scored 1-5 on each indicator, based on transparent and objective definitions to assign scores in each category. Where companies do not provide data, the lowest scores are assigned on each indicator.
- We find a positive relationship between the effectiveness with which companies address the ESG issues facing their industry and their financial performances (returns on capital) across most sectors we have examined. Similarly, we typically find positive relationships between trends in ESG performances and trends in returns on capital over time.
- That positive relationship is particularly strong across companies reporting adequate information to assess their performances; companies with bottom-quartile ESG scores typically disclose limited information and among those companies returns on capital are typically more variable and often average higher levels than peers with higher ESG scores. Many emerging market companies fall into this category.
- While insufficient for long-term leadership in isolation – industry positioning and financial performance must also be strong – we consider effective management of ESG issues a condition of long-term sustain leadership. ESG reporting has become sufficiently widespread that its analysis is valuable in identifying leaders in each industry. However, more complete reporting is necessary to fully assess the performances of all companies in each industry.
- Commensurate with this relationship, while we find little evidence of outperformance from investment approaches based solely on analysis of ESG performances, the GS SUSTAIN focus list, which brings together the leaders identified in each global industry, has outperformed the MSCI World benchmark by 22% since its June 22, 2007 launch on an equally weighted basis

Companies operate in the context of society and the environment

- Companies operate within the four pillars of the economy, their industry, the environment and society. In order to sustain industry leadership and competitive advantage, they must effectively address the issues presented across all four of these pillars. ESG analysis provides a basis for objective assessment of the way in which companies address the widening breadth of challenges they face.



Source: Goldman Sachs Research.

Analysis of objective measures of performance in key issues facing each industry

Environmental, social and governance indicators reflect the key issues facing each global industry
 ESG indicators applied: Global Energy example

	Criteria	Energy specific	Description	Purpose	
Corporate governance	Board leadership independence		Separation of CEO and Chairman roles or appointment of independent Lead Director	Maintain balance of power	
	Independent Board and committees		Independent compensation and nomination committees and % of overall Board independence	Shareholder representation	
	Audit independence		Audit committee independence and ratio of non-audit to audit fees paid to the assigned auditor	Independence of audit process	
	CEO compensation versus cash flow		CEO compensation (including salary, bonus, stock grants and options) as % of cash flow	Management incentives	
	Share-based compensation		Fair value of share-based compensation expense as % of cash flow	Transparency	
	Protection of minority shareholders		Block of ownership greater than 5%, staggered board, poison pill, unequal voting rights and other provisions	Strength of individual shareholders	
Social	Leadership		Reporting on sustainability	Number of years of reporting on environmental and social issues and external assurance of data	Transparency
			Leadership on sustainability	ES responsibility of Board and Senior Executives; and compensation linked to performance	Integration of ES issues into strategy
	Employees		Employee compensation	Total compensation divided by average number of employees	Employee incentives
			Employee productivity	Cashflow per employee	Labour efficiency
			Gender diversity	Gender diversity of total workforce, Board and senior executives	Quality of workplace
			Employee training and health management	Health and safety management, pandemics policy and employee training programs	Quality of workplace
			Fatality rate	E Total employee and contractor fatalities and rate per 50,000 employees	Safety of employees
			Lost time injuries	E Lost time injuries of employees and contractors per million hours worked	Safety of employees
	Stakeholders		Total recordable Injuries	E Injury rate of employees and contractors per million hours worked	Safety of employees
			Community investment	Community investments relative to cash flow	Brand, impact on communities
			Business ethics and human rights	E Procedures for stakeholder dialogue, "whistle blowing" mechanisms, EITI membership and support for UN Declaration on Human Rights	License to operate
	Environment		Research and development	Research and development expenditure relative to cash flow	Product innovation
			Energy consumption	Direct energy consumption as a ratio of gross cash invested	Energy efficiency
		GHG emission	Greenhouse gas emissions as a ratio of gross cash invested	Impact of operations	
		Gas flaring	Producers Gas flaring to atmosphere as a ratio of hydrocarbon production	Impact of operations	
		Gas reserves and low carbon investments	Producers Gas reserves as % of total reserves, investment in renewable energy technologies	Strategic product mix	
		Fresh water consumption	Fresh water consumption as a ratio of gross cash invested	Water efficiency	
		Waste production	Total and hazardous waste production as a ratio of gross cash invested	Impact of operations	
	Oil spills production	Producers Oil spills as a ratio of production	Impact of incidents		

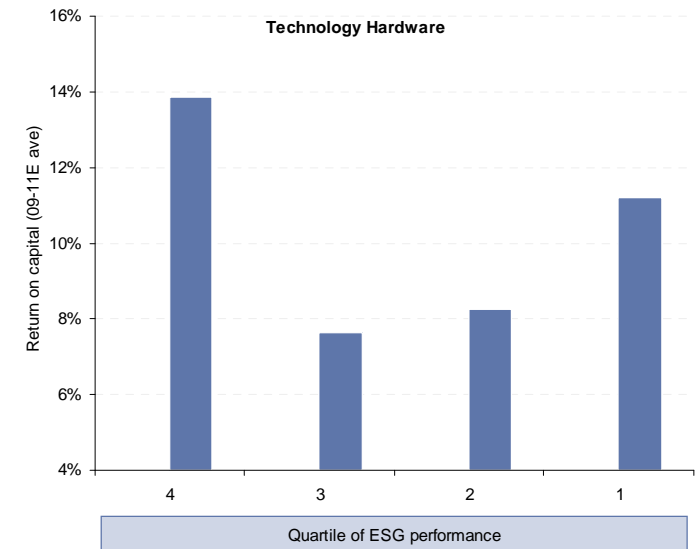
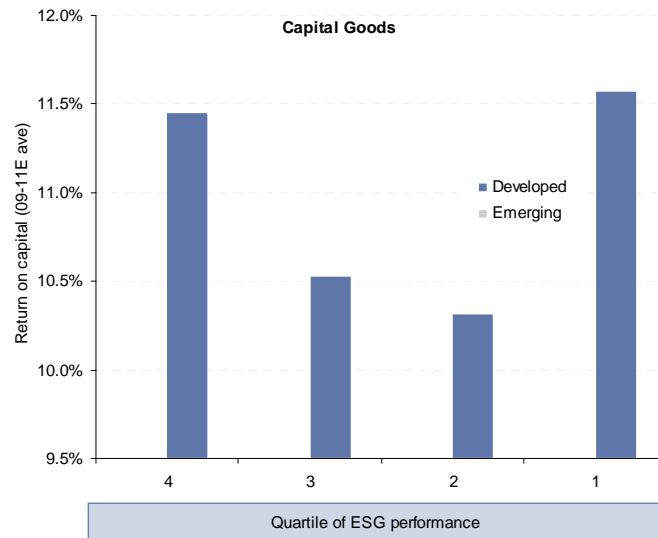
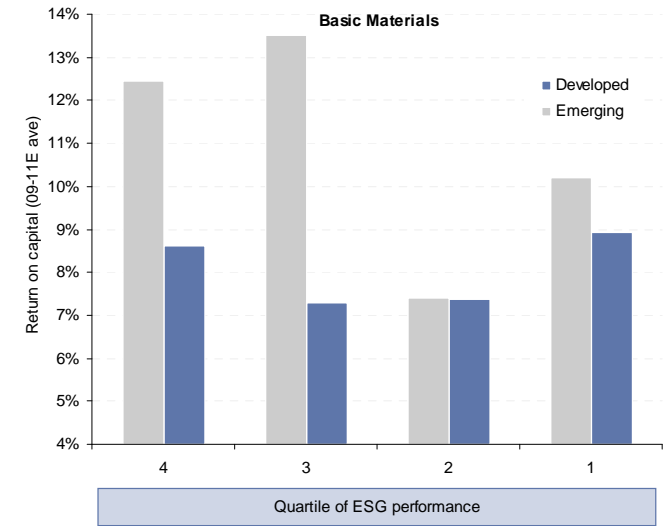
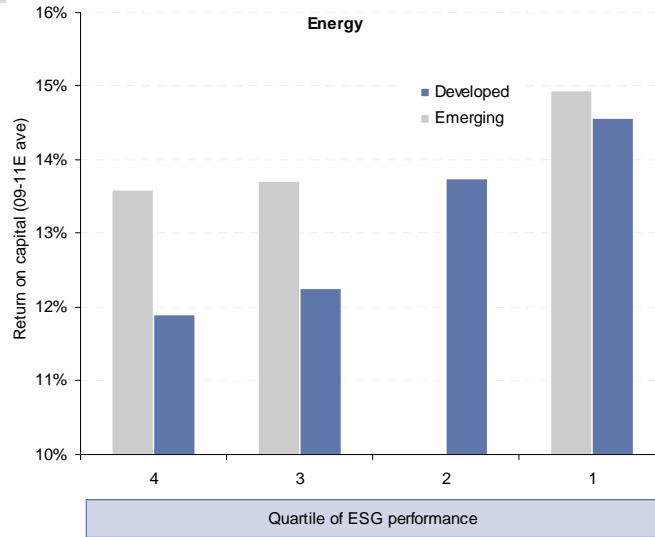
E: Energy sector specific Producers: Integrated and Upstream producers

Source: Goldman Sachs Research.

ESG performance is linked to financial performance (1)

Companies with higher ESG scores tend to generate higher returns on capital, with the exception of 4th quartile ESG companies, which typically reflects poor disclosure and an inability to accurately assess their underlying ESG performances

Average return on capital of companies grouped by ESG quartile: Resources & Manufacturing sectors

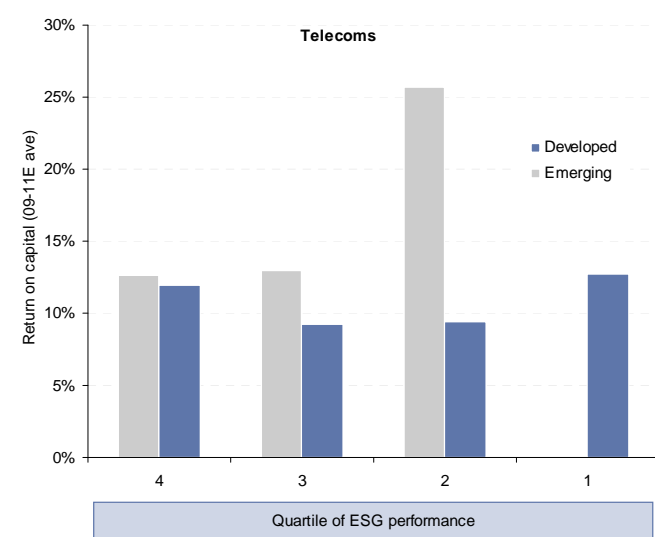
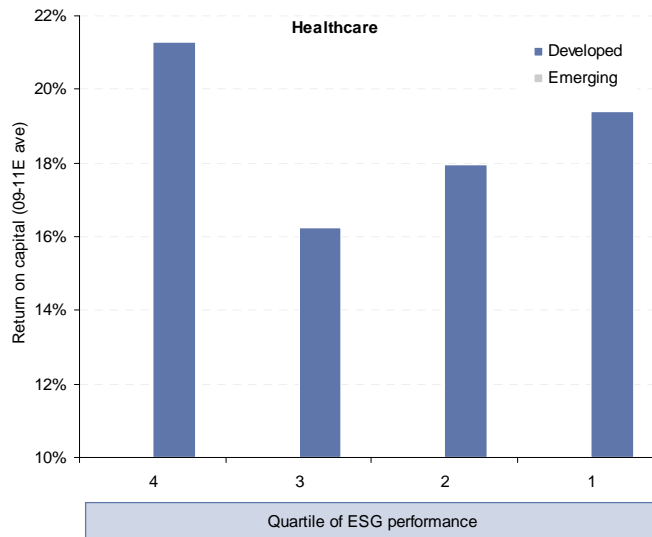
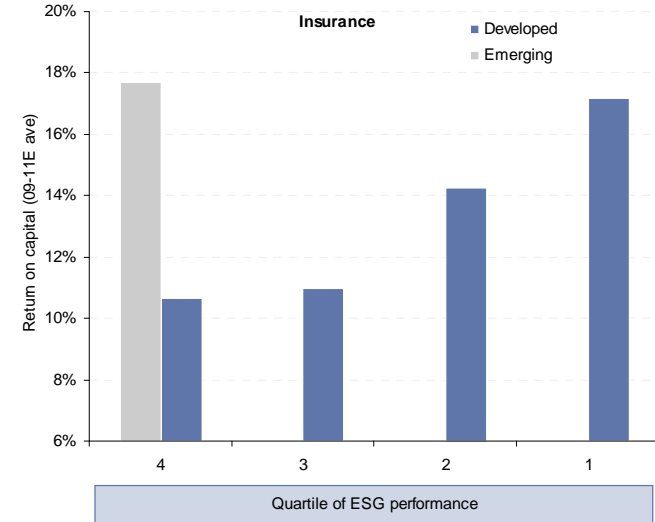
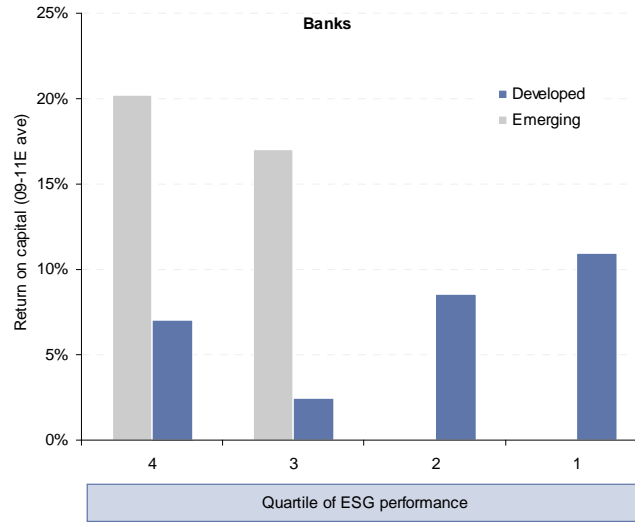


Source: Company data, Goldman Sachs Research estimates.

ESG performance is linked to financial performance (2)

Companies with higher ESG scores tend to generate higher returns on capital, with the exception of 4th quartile ESG companies, which typically reflects poor disclosure and an inability to accurately assess their underlying ESG performances

Average return on capital of companies grouped by ESG quartile: Financials and regulated industries



Source: Company data, Goldman Sachs Research estimates.

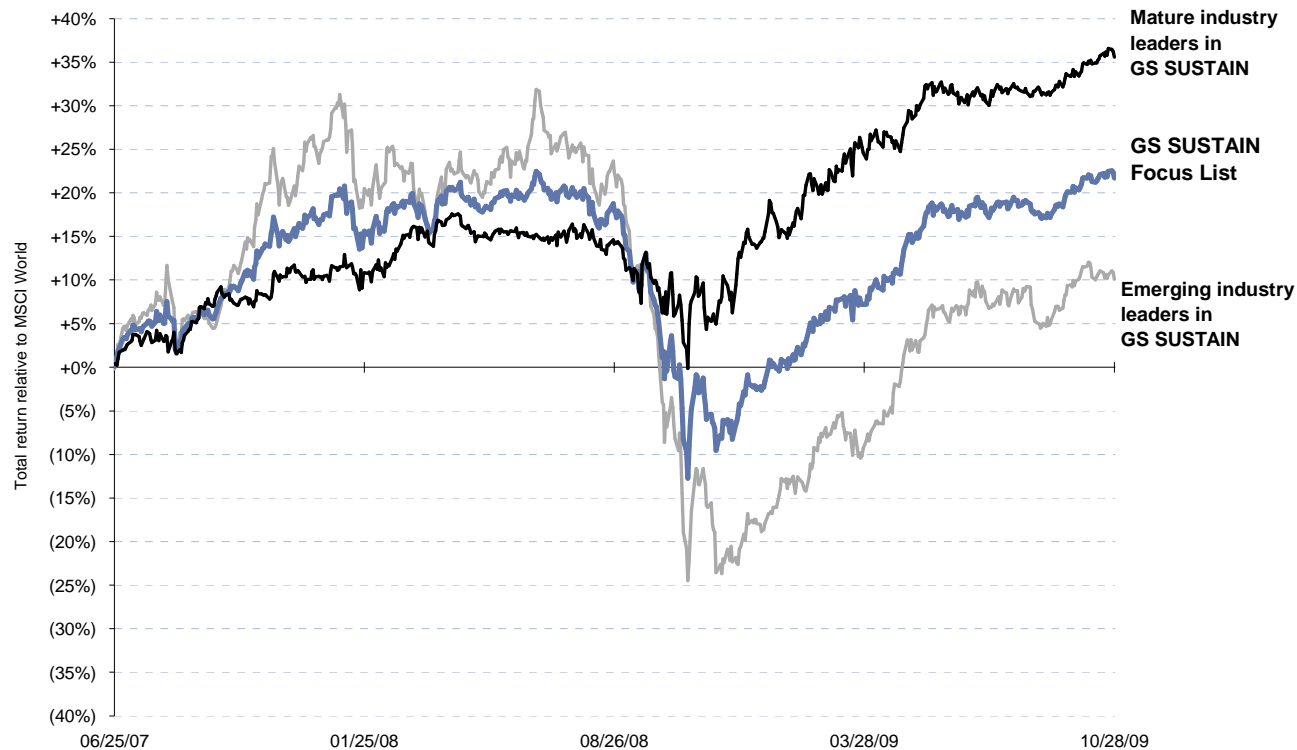
GS SUSTAIN has generated outperformance

(as of October 29, 2009)

- The GS SUSTAIN focus list brings together the leaders identified across the industries examined to date. Mature industry leaders are well positioned, relative to global peers on each of 1) return on capital, 2) industry positioning and 3) management of ESG issues. The focus list has outperformed the MSCI World benchmark by 22% since its inception on June 22, 2007

The GS SUSTAIN focus list has generated outperformance since inception

GS SUSTAIN focus list performance relative to MSCI World index



Source: Bloomberg, MSCI, Goldman Sachs Research.

Note: Results presented should not and cannot be viewed as an indicator of future performance. Performance is calculated on an equally weighted basis relative to the MSCI World Index (market-cap-weighted total return series in US\$). Full details of the performance of stocks in the GS SUSTAIN universe can be provided upon request.

Source: Datastream, MSCI, Goldman Sachs Research

Leaders have outperformed their sector peers in almost every industry examined

(as of October 29, 2009)



Note: Results presented should not and cannot be viewed as an indicator of future performance. Performance is calculated on an equally weighted basis relative to the MSCI World Index (market-cap-weighted total return series in US\$). Full details of the performance of stocks in the GS SUSTAIN universe can be provided upon request.

Source: Datastream, MSCI, Goldman Sachs Research

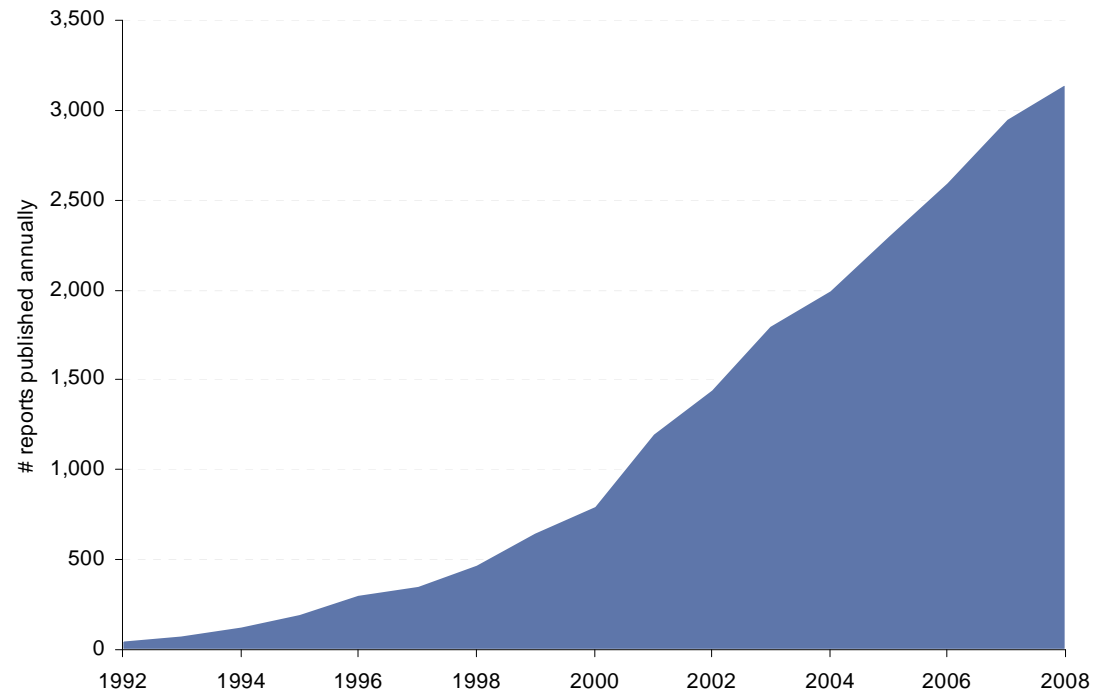
Incomplete or inconsistent disclosure challenges objective analysis of companies' performances

- An increasing number of companies now produce corporate social responsibility (CSR) or similar reports. From under 500 companies producing CSR reports a decade ago, over 3,000 companies produced such reports in 2008.
- The Global Reporting Initiative has emerged as the principal ESG reporting standard, although the rigour with which it is followed varies substantially. Unlike financial reporting, it is a global standard that is widely used in every region.
- Similarly, companies have responded to investor demand for increased information in specific areas of ESG performance, for instance relating to climate change performance through the Carbon Disclosure Project's annual survey of companies.
- However, while the volume of reporting has increased significantly, a large number of companies do not report even relatively undemanding data points. We have analyzed the publically-reported data used in GS SUSTAIN analysis of the ESG performances of 566 companies across nine global industries and find that while disclosure of corporate governance issues is relatively robust, disclosure of environmental and social issues is more limited. Regionally, disclosure tends to be less complete in emerging markets.
- Where data is reported, analysis is challenged by differences in reporting standards and guidelines across regions and companies. External verification of reported data is uncommon in most industries and regions, and is least frequent in emerging markets.

An increasing number of companies publish CSR reports

- An increasing number of companies now produce corporate social responsibility or similar reports. From under 500 companies producing annual CSR reports a decade ago, 3,000 companies produced such reports in 2008

An increasing number of companies publish CSR reports annually
of companies producing CSR reports globally



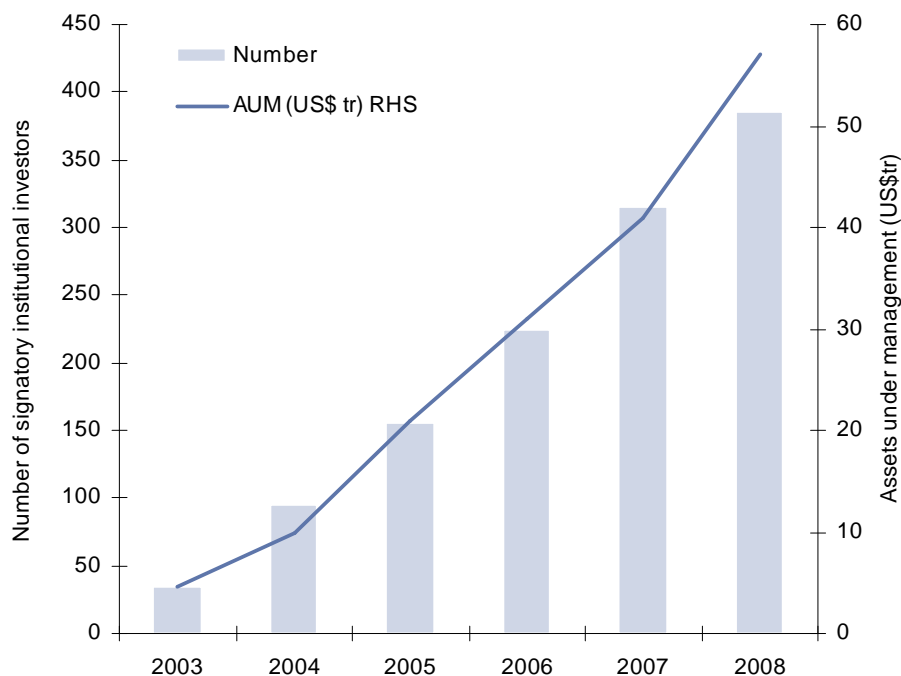
Source: Corporate Register, Goldman Sachs Research.

Reflecting rising investor demand, provision of information is improving

- Companies have responded to investor demands for information relating to specific topics, e.g. climate change, through their increased responses to the Carbon Disclosure Project's annual survey of companies' performances in climate change related areas

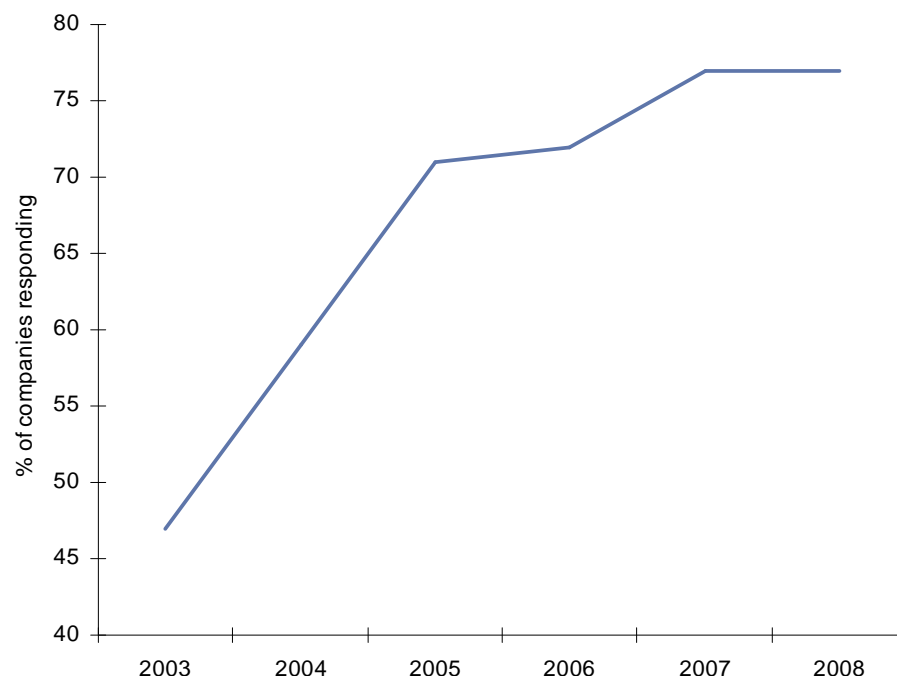
Reflecting increased investor demand for information on companies climate change performances and strategies ...

Number and assets under management of Carbon Disclosure Project signatory institutions



...an increasing number of companies have responded to the CDP since its inception

% of Global 500 companies responding to annual Carbon Disclosure Project surveys



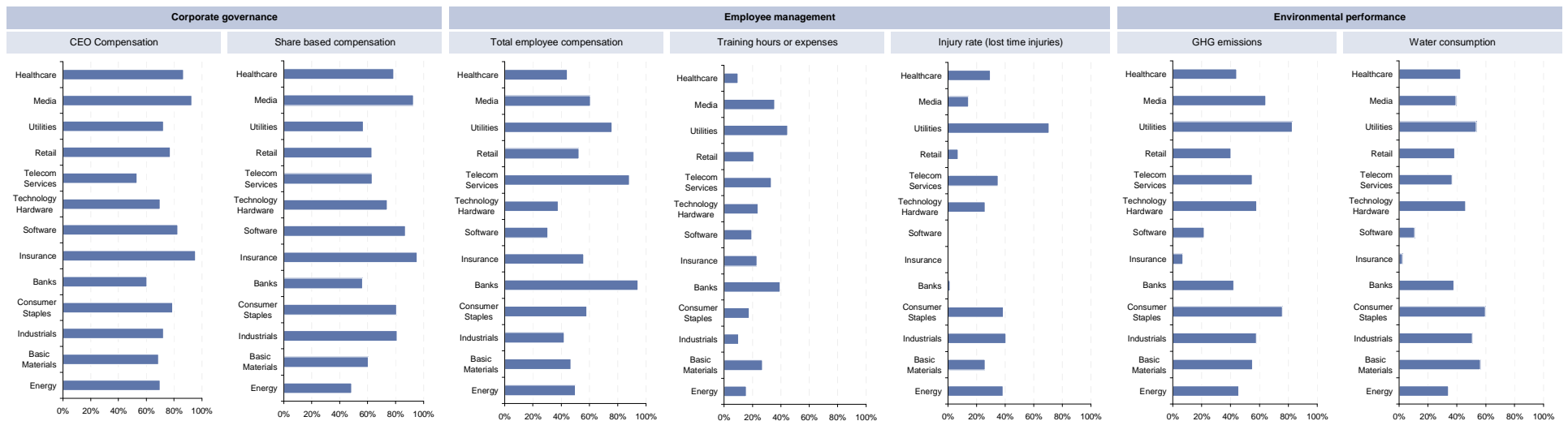
Source: Carbon Disclosure Project, Goldman Sachs Research.

Sectoral reporting of objective data in key areas of ESG performance

- We have leveraged the database of ESG performances we have built across global sectors to examine disclosure levels for 566 companies across nine global industries (Energy, Basic Materials, Industrials, Consumer Staples, Banks, Insurance, Software, Retail & Utilities)
- Of the companies examined across those sectors:
 - **Corporate governance:** 73% report CEO compensation, 67% report total share-based compensation and 87% report the fees paid to auditors for audit and non-audit work
 - **Social:** 56% report total employee compensation, 41% report gender diversity in their workforces, 27% report their training expenses or training hours, 39% report injury rates
 - **Environmental:** 48% report total energy consumption, 50% report greenhouse gas emissions and 36% report water consumption

Relatively few companies report relatively standard data points in their public disclosures

% of companies in key global industries reporting data in selected ESG categories



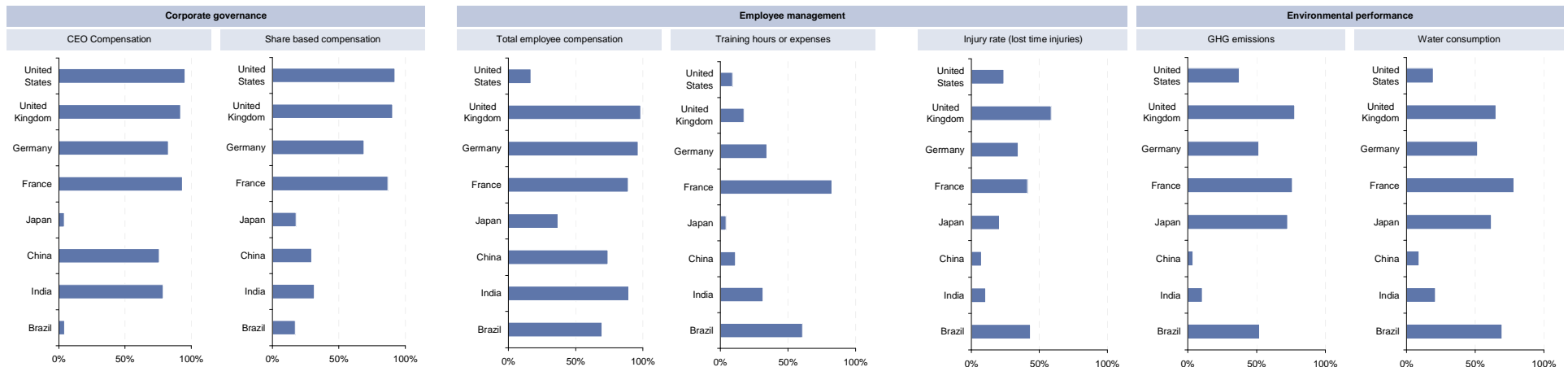
Source: Company data, Goldman Sachs Research.

Regional reporting of objective data in key areas of ESG performance

- Analysing performances by country, we find significant differences in companies' disclosure levels. Examining 566 companies from the same nine industries according to their domicile (US, UK, Germany, France, Japan, China, India, Brazil) , we find significant differences in reporting levels.
- Of the companies examined across those countries:
 - **Corporate governance:** Greatest disclosure in Europe and the US, where regulators have a greater focus on corporate governance and mandatory disclosure requirements are higher
 - **Social:** Greatest disclosure in Continental Europe, where employee management in particular is widely reported
 - **Environmental:** Greatest disclosure in Europe and Japan where governments are typically more focused on long term environmental goals and the involvement of corporates in meeting those targets.

Relatively few companies report relatively standard data points in their public disclosures

% of companies in key regions reporting data in selected ESG categories



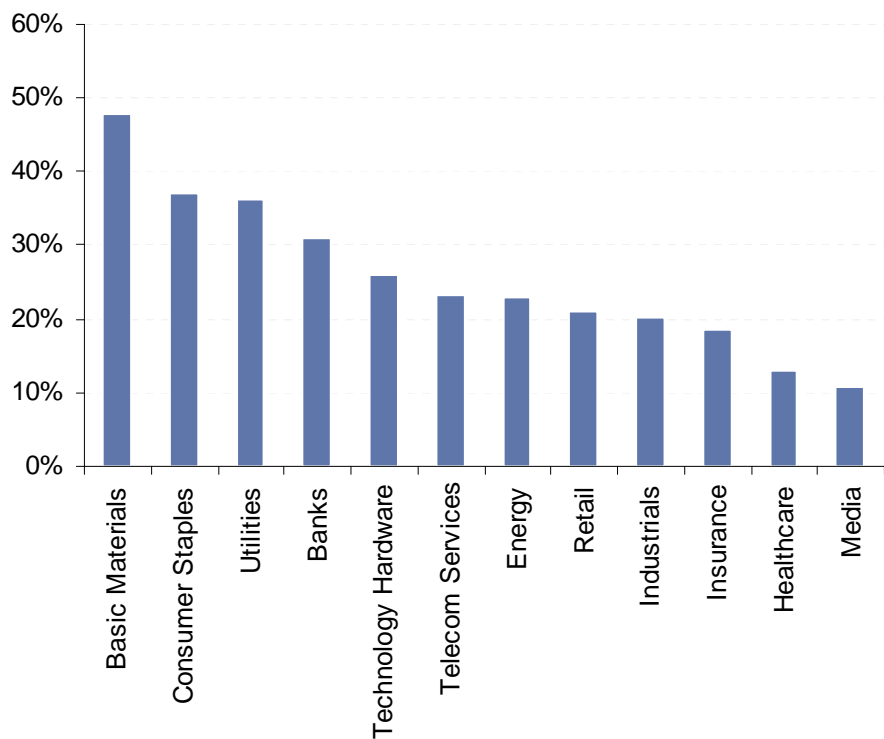
Source: Company data, Goldman Sachs Research.

Analysis is also challenged by data consistency

- Across global sectors, we find that relatively few companies employ third party organisations to verify their public reporting of ESG performances. External reviews are more common in higher impact sectors such as Basic Materials. Regionally, verification is highest in Europe
- We note that third party verification varies significantly in depth and rigour. Most refer to verification of processes and reporting rather than of the consistency of the data itself

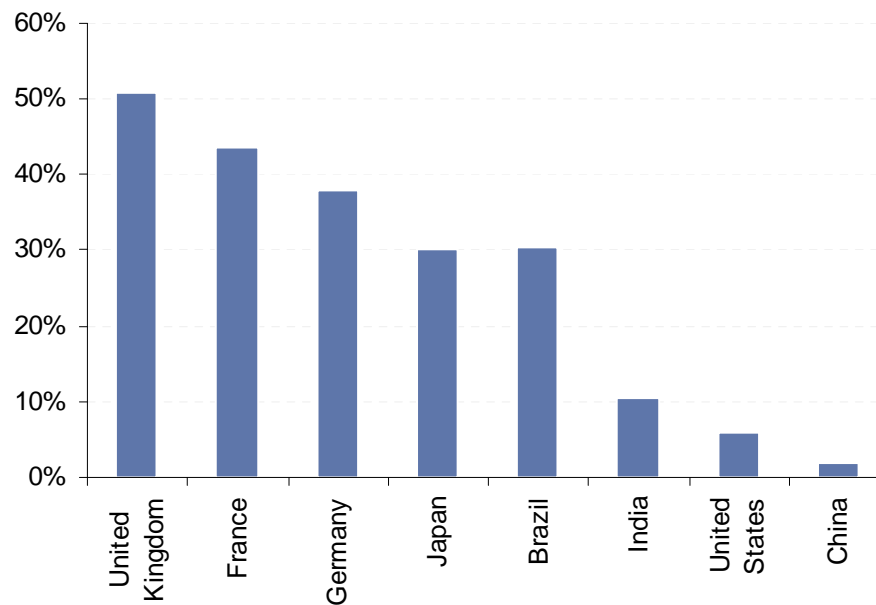
Degree of external verification of ESG performance varies across sectors...

% of companies with external verification of ESG reporting, by sector



...and across regions

% of companies with external verification of ESG reporting, by country



Source: Company data, Goldman Sachs Research.

We, Anthony Ling, Sarah Forrest and Andrew Howard, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Disclosures

October 29, 2009

Disclosures

Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	30%	53%	17%	51%	52%	43%

As of October 1, 2009, Goldman Sachs Global Investment Research had investment ratings on 2,674 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by NASD/NYSE rules. See 'Ratings, Coverage groups and views and related definitions' below.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs usually makes a market in fixed income securities of issuers discussed in this report and usually deals as a principal in these securities.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director, advisory board member or employee of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman, Sachs & Co. and therefore may not be subject to NASD Rule 2711/NYSE Rules 472 restrictions on communications with subject company, public appearances and trading securities held by the analysts. **Distribution of ratings:** See the distribution of ratings disclosure above. **Price chart:** See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the Goldman Sachs website at <http://www.gs.com/research/hedge.html>.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. **Canada:** Goldman Sachs Canada Inc. has approved of, and agreed to take responsibility for, this research in Canada if and to the extent it relates to equity securities of Canadian issuers. Analysts may conduct site visits but are prohibited from accepting payment or reimbursement by the company of travel expenses for such visits. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited; **Japan:** See below. **Korea:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. **Singapore:** Further information on the covered companies referred to in this research may be obtained from Goldman Sachs (Singapore) Pte. (Company Number: 198602165W). **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Services Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union: Disclosure information in relation to Article 4 (1) (d) and Article 6 (2) of the European Commission Directive 2003/126/EC is available at http://www.gs.com/client_services/global_investment_research/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer under the Financial Instrument and Exchange Law, registered with the Kanto Financial Bureau (Registration No. 69), and is a member of Japan Securities Dealers Association (JSDA) and Financial Futures Association of Japan (FFAJ). Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Disclosures

Ratings, coverage groups and views and related definitions

Buy (B), Neutral (N), Sell (S) – Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's return potential relative to its coverage group as described below. Any stock not assigned as a Buy or a Sell on an Investment List is deemed Neutral. Each regional Investment Review Committee manages various regional Investment Lists to a global guideline of 25%-35% of stocks as Buy and 10%-15% of stocks as Sell; however, the distribution of Buys and Sells in any particular coverage group may vary as determined by the regional Investment Review Committee. Regional Conviction Buy and Sell lists represent investment recommendations focused on either the size of the potential return or the likelihood of the realization of the return.

Return potential represents the price differential between the current share price and the price target expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage groups and views: A list of all stocks in each coverage group is available by primary analyst, stock and coverage group at <http://www.gs.com/research/hedge.html>. The analyst assigns one of the following coverage views which represents the analyst's investment outlook on the coverage group relative to the group's historical fundamentals and/or valuation. **Attractive (A)**. The investment outlook over the following 12 months is favorable relative to the coverage group's historical fundamentals and/or valuation. **Neutral (N)**. The investment outlook over the following 12 months is neutral relative to the coverage group's historical fundamentals and/or valuation. **Cautious (C)**. The investment outlook over the following 12 months is unfavorable relative to the coverage group's historical fundamentals and/or valuation.

Not Rated (NR). The investment rating and target price have been removed pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances. **Rating Suspended (RS)**. Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS)**. Goldman Sachs has suspended coverage of this company. **Not Covered (NC)**. Goldman Sachs does not cover this company. **Not Available or Not Applicable (NA)**. The information is not available for display or is not applicable. **Not Meaningful (NM)**. The information is not meaningful and is therefore excluded.

Global product; distributing entities

The Global Investment Research Division of Goldman Sachs produces and distributes research products for clients of Goldman Sachs, and pursuant to certain contractual arrangements, on a global basis. Analysts based in Goldman Sachs offices around the world produce equity research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy.

This research is disseminated in Australia by Goldman Sachs JBWere Pty Ltd (ABN 21 006 797 897) on behalf of Goldman Sachs; in Canada by Goldman Sachs Canada Inc. regarding Canadian equities and by Goldman Sachs & Co. (all other research); in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs JBWere (NZ) Limited on behalf of Goldman Sachs; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman, Sachs & Co. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom and European Union.

European Union: Goldman Sachs International, authorised and regulated by the Financial Services Authority, has approved this research in connection with its distribution in the European Union and United Kingdom; Goldman, Sachs & Co. oHG, regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht, may also distribute research in Germany.

Disclosures

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by our Global Investment Research Division. **SIPC:** Goldman, Sachs & Co., the United States broker dealer, is a member of SIPC (<http://www.sipc.org>).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

We and our affiliates, officers, directors, and employees, excluding equity and credit analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options disclosure documents which are available from Goldman Sachs sales representatives or at <http://www.theocc.com/publications/risks/riskchap1.jsp>. Transactions cost may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Our research is disseminated primarily electronically, and, in some cases, in printed form. Electronic research is simultaneously available to all clients.

Disclosure information is also available at <http://www.gs.com/research/hedge.html> or from Research Compliance, One New York Plaza, New York, NY 10004.

Copyright 2009 The Goldman Sachs Group, Inc.

No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of The Goldman Sachs Group, Inc.