



Goldman Sachs Clarifies Various Media Reports of Aspect of FCIC Hearing

January 14, 2010

New York, January 14, 2010 - The Goldman Sachs Group, Inc. (NYSE: GS): Today certain media reports have erroneously stated that, during testimony at the Financial Crisis Inquiry Commission in Washington, D.C. yesterday, Lloyd Blankfein said Goldman Sachs' practices with respect to the sale of mortgage-related securities were "improper." Mr. Blankfein said no such thing.

Mr. Blankfein was responding to a lengthy series of statements followed by a question that was predicated on the assumption that a firm was selling a product that it thought was going to default. Mr. Blankfein agreed that, if such an assumption was true, the practice would be improper. Mr. Blankfein does not believe, nor did he say, that Goldman Sachs had behaved improperly in any way.

In fact, his answer to the various statements explained the market making function and how our practices were entirely appropriate. As he stated in his testimony, the firm could not have known the future direction of housing prices

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