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.

The Goldman Sachs Group, Inc. is a leading global financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

Media Contact:
Lucas van Praag
Tel: 212-902-5400

Investor Contact:
Dane E. Holmes
Tel: 212-902-0300

© Copyright 2011 Goldman Sachs, All Rights Reserved.