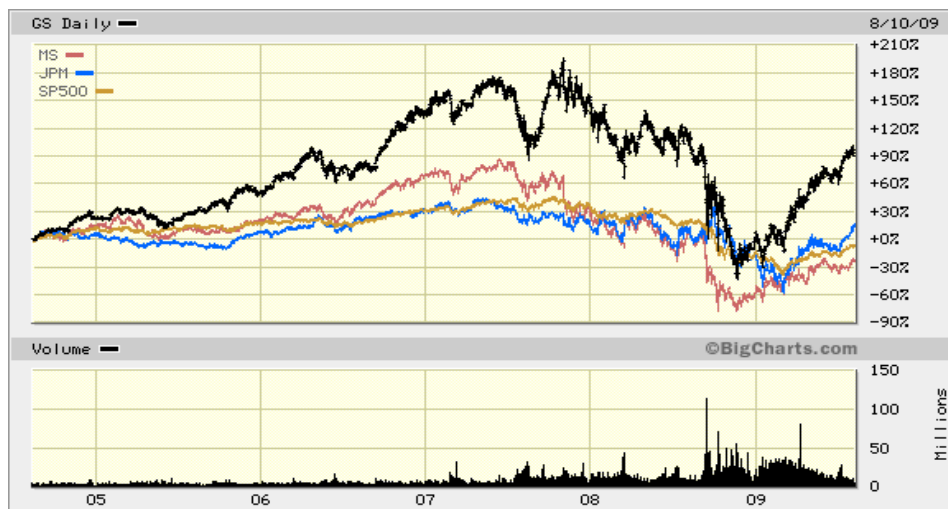


Goldman Sachs Group Inc. (GS) 8/10/09

GS and its subsidiaries provide various investment banking, securities, and investment management services to corporations, governments, financial institutions and high value individuals. The company operates in its Investment Banking, Trading and Principal Investments, and Asset Management and Securities Services segments. The company was founded in 1869 and is headquartered in New York, New York.

Current Price	\$161,00
52 Week High	\$183,20
52 Week Low	\$47,41
One Yr Target	\$180,00
Market Cap (in billions)	\$82,31
P/E (Trailing)	34,59
P/E(1 Yr Forward)	9,83
P/E/G	0,84
ROA	0,23%
ROE	4,33%
EPS	\$4,65
Beta	1,24
Annualized Dividend	\$1,40
Dividend Yield	0,87%
Analyst Consensus	2,10



Annual EPS

	2005	\$19,69	
	2006	\$24,73	25,60%
	2007	\$4,47	-81,92%
	2008	-\$2,15	-148,10%
2009E		\$4,65	316,49%

Annual Revenue (in millions)

	2005	\$69 353,00	
	2006	\$87 968,00	26,84%
	2007	\$53 579,00	-39,09%
	2008	\$1 185,00	-97,79%

Annual Net Income (in millions)

	2005	\$9 537,00	
	2005	\$11 599,00	21,62%
	2007	\$2 322,00	-79,98%
	2008	-\$780,00	-133,59%

Required Rate of Return

12,21%

Dividend Growth Model

Present Value of 2013 Price	\$21,55
Holding Period Return (5 years)	-25,66%

Expected Annualized Return Model

Present Value of 2013 Price	\$182,01
Holding Period Return (5 years)	2,83%

Residual Income Model

Intrinsic Stock Price	\$199,29
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Analysis

Positives

High P/E and low PEG ratios mean that high EPS growth is expected from GS
The EAR and RI models show the stock price as undervalued
Decent annual dividend, but the low dividend yield means GS is committed to growth

Negatives

Low ROA and ROE ratios are disappointing
Reduction in Revenue and Net Income in past couple of years
Overvalued stock price according to DG model

Financial Statements

Decent Balance Sheet strength, but recent years issue of new stock shares could indicate stock overvalued
Poor recent years performance for Revenue and Net Income on Income Statement, but expected to reverse
Net Cash flow has been good for several years except for most recent

Industry Analysis

Company is on smaller side of industry average
Profit margins are better than industry average
Higher P/E but lower PEG than competitors

Summary

GS recently turned in huge quarterly revenues which is a good sign for the company and economy as a whole. Traditionally GS has been one of the more elite and profitable banks on Wall St. and the near future should be no different. Its financial ratios are decent, not great, but point to high growth expectations from the market. Two of three valuation models point to the stock price being undervalued which is a good sign. GS is a great company but in an industry that is very dynamic and complex, so investing in it must be done carefully and after some research. Overall GS earns a **hold** rating.