

Sankaty Credit Opportunities (Offshore) IV, L.P.

Financial Statements (unaudited)

June 30, 2010

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Sankaty Credit Opportunities (Offshore) IV, L.P.
Statement of Assets, Liabilities and Partners' Capital (unaudited)
June 30, 2010
(Expressed in U.S. Dollars)

Assets

Investment in the Master Partnership, at fair value \$ 1,306,515,009

Total assets 1,306,515,009

Commitments to Master Partnership

Partners' Capital 1,306,515,009

Total Partners' Capital \$ 1,306,515,009

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Sankaty Credit Opportunities (Offshore) IV, L.P.
Statement of Operations (unaudited)
For the period April 1, 2010 through June 30, 2010
(Expressed in U.S. Dollars)

Investment income (loss)

Investment income allocated from the Master Partnership	\$ 21,891,747
Expenses allocated from the Master Partnership	(8,030,247)
Carried interest allocated from the Master Partnership	<u>(5,548,872)</u>

Net investment gain 8,312,628

**Realized and unrealized gain (loss) from transactions in
the Master Partnership**

Net realized gain from transactions in the Master Partnership	61,854,616
Net change in unrealized appreciation on transactions in the Master Partnership	<u>(54,763,919)</u>

Net realized and unrealized gain (loss) from investment transactions 7,090,697

Net increase in partners' capital resulting from operations \$ 15,403,325

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Sankaty Credit Opportunities (Offshore) IV, L.P.
Statement of Changes in Partners' Capital (unaudited)
For the period April 1, 2010 through June 30, 2010
(Expressed in U.S. Dollars)

	<u>Limited Partners</u>	<u>General Partner</u>	<u>Total</u>
Partners' Capital at March 31, 2010	\$ 1,359,994,274	\$ -	\$ 1,359,994,274
Distributions from the Master Partnership	(68,882,590)	-	(68,882,590)
Carried Interest allocated from the Master Partnership	(5,548,872)	-	(5,548,872)
Allocation of net increase in partners' capital resulting from operations	<u>20,952,197</u>	-	<u>20,952,197</u>
Partners' Capital at June 30, 2010	<u>\$ 1,306,515,009</u>	<u>\$ -</u>	<u>\$ 1,306,515,009</u>

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Sankaty Credit Opportunities (Offshore) IV, L.P.
Statement of Cash Flows (unaudited)
For the period April 1, 2010 through June 30, 2010
(Expressed in U.S. Dollars)

Cash flows from operating activities:

Net increase in the partners' capital resulting from operations \$ 15,403,325

Adjustment to reconcile net increase in partner's capital resulting from operations to net cash provided by operating activities:

Allocation of net loss from Master Partnership	(8,312,628)
Distributions received from the Master Partnership	68,882,590
Net realized gain from transactions in the Master Partnership	(61,854,616)
Net change in unrealized appreciation on transactions in the Master Partnership	54,763,919

Net cash provided by operating activities	68,882,590
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Cash used for financing activities

Distributions	(68,882,590)
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Net cash used for financing activities	(68,882,590)
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Net increase (decrease) in cash	-
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Cash at beginning of period	-
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Cash at end of period	\$ -
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