



U.S.\$30,000,000,000

The Goldman Sachs Group, Inc.
Euro Medium-Term Notes, Series C
Subordinated Euro Medium-Term Notes, Series E

TERMS OF SALE

Unless the context requires otherwise, references to the notes refer to both the Series C euro medium-term notes and the Series E subordinated euro medium-term notes. The following terms may apply to the notes that The Goldman Sachs Group, Inc. may sell from time to time. The specific terms of each note will be included in the final terms relating to that note.

- generally, stated maturity of 184 days to 40 years from the date of issue
- fixed or floating interest rate, or issued with original issue discount
- amount of principal or interest may be determined by reference to an index or formula
- may be subject to redemption at the option of Goldman Sachs or repayment at the option of the holder
- not amortized or subject to a sinking fund
- interest on fixed rate notes paid annually
- interest on floating rate notes paid monthly, quarterly, semi-annually or annually
- may be convertible, exercisable or exchangeable, at our option or the holder's option, into or for securities of one or more issuers
- denominations of at least U.S.\$5,000 or, if denominated in euros, denominations of at least €1,000
- may be denominated in U.S. dollars or in other currencies, currency units or composite currencies
- settlement in immediately available funds

The notes will not be secured by any property or assets. The Series C euro medium-term notes will not be subordinated to any of our other debt obligations. The Series E subordinated euro medium-term notes will rank junior in right of payment to our senior indebtedness, including the Series C euro-medium term notes.

The aggregate face amount of the notes outstanding at any time may not exceed U.S.\$30,000,000,000 (or the equivalent in other currencies, currency units or composite currencies). Goldman Sachs may increase this amount in the future. Any of the terms described above may be varied in the applicable final terms.

Goldman Sachs may offer and sell these notes to or through one or more underwriters, dealers and agents, including the firm named below, or directly to purchasers, on a continuous or delayed basis.

Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF"), which is the competent Luxembourg authority under the Prospectus Directive for approving this European base prospectus. Application has been made to the Luxembourg Stock Exchange for notes issued under the Series C and Series E euro medium-term notes programs to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange. Notes issued under one of those programs may also be listed on an alternative stock exchange or may not be listed at all. References to the Prospectus Directive include Directive 2003/71/EC of the European Parliament and of the Council and any relevant implementing measure in each Relevant Member State. Goldman Sachs is under no obligation to maintain the listing of any notes that are listed. See "Listing and General Information" below.

This European base prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and replaces the European Base Prospectus dated July 3, 2006. The European Base Prospectus should be read together with any supplements, all documents incorporated by reference therein and the applicable final terms.

Subject to certain exceptions, the notes may not be offered, sold or delivered, directly or indirectly, in the United States of America or to U.S. persons. See "Plan of Distribution". **The notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities or blue sky laws of any state. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of the notes or passed upon the accuracy or inaccuracy of this European base prospectus. This European base prospectus is not for use in, and may not be delivered to or inside, the United States. The notes include notes in bearer form that are subject to U.S. tax law requirements.**

Goldman Sachs may use this European base prospectus in the initial sale of any note. In addition, Goldman Sachs International or any other affiliate of Goldman Sachs may use this European base prospectus in a market-making transaction in any note after its initial sale. **Unless Goldman Sachs or its agent informs the purchaser otherwise in the confirmation of sale, this European base prospectus is being used in a market-making transaction.**

Unless otherwise specified in the applicable final terms, all notes issued as part of the same tranche will be initially represented by a temporary bearer global note, without interest coupons attached, which will be deposited with a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking, société anonyme, Luxembourg. Unless otherwise specified in the final terms, a temporary bearer global note will be exchangeable for a permanent bearer global note on the later of (1) the date 40 days after the later of (A) the completion of the distribution of the tranche of notes as determined by Goldman Sachs International and (B) the closing date of the tranche of notes (subject to extension in the event of a further issuance) and (2) the date on which the requisite certifications of non-U.S. ownership are provided to the fiscal agent. However, Goldman Sachs may, in its sole discretion, extend that date for such period of time as Goldman Sachs may deem necessary in order to ensure that the issuance of that tranche of notes is exempt from registration under the Securities Act by virtue of Regulation S. A permanent bearer global note will be exchangeable for bearer notes or registered notes in the denominations listed in the applicable final terms, in each case upon not less than 60 days' written notice. See "General Description of the Program — Form, Exchange, Registration and Transfer" below.

See "Risk Factors" beginning on p. 11 for a discussion of certain risks that should be considered in connection with an investment in certain types of notes which may be offered hereby.

Goldman Sachs International

European Base Prospectus, dated October 9, 2006

Unless the context otherwise requires, references in this European base prospectus to “The Goldman Sachs Group, Inc.,” “Goldman Sachs,” “we,” “our” and “us” refer only to The Goldman Sachs Group, Inc. and not to its consolidated subsidiaries and the “Goldman Sachs Group” refers to The Goldman Sachs Group, Inc. and its consolidated subsidiaries. Also, when we refer to “holders” we mean, with respect to notes in bearer form, those who are actually the bearers of those notes and, with respect to notes in registered form, those who own notes registered in their own names, on the books that we or our agents maintain for this purpose; “holders” does not refer to those who own beneficial interests in notes registered in street name or in notes issued in global — i.e., book-entry — form through Clearstream, Luxembourg, Euroclear or another depository. Prospective owners of beneficial interests in the notes issued in global form should read the section entitled “General Description of the Program — Form, Exchange, Registration and Transfer” below.

No person has been authorized to give any information or make any representation other than those contained or incorporated by reference in this European base prospectus, and, if given or made, that information or representation must not be relied upon as having been authorized. Neither this European base prospectus nor any final terms constitutes an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in that jurisdiction. Neither the delivery of this European base prospectus, any final terms nor any sale made pursuant to those documents, shall, under any circumstances, create any implication that there has been no change in the affairs of The Goldman Sachs Group, Inc. since the date of the document or that the information contained within the documents is correct as of any time subsequent to its date.

Responsibility Statement

Goldman Sachs accepts responsibility for the information contained in this European base prospectus. To the best of the knowledge and belief of Goldman Sachs (who has taken all reasonable care to ensure that such is the case), the information contained in this European base prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. Where information contained in this European base prospectus has been sourced from a third party, such information has been accurately reproduced.

In relation to notes listed on the Luxembourg Stock Exchange, this European base prospectus is valid for a period of twelve months. Goldman Sachs has undertaken, in connection with the listing of the notes, that if there shall occur any material adverse change in the financial condition or operations of Goldman Sachs or any modification or amendment to the terms and conditions of the notes such that this European base prospectus would be inaccurate or misleading, Goldman Sachs will prepare and make available a supplement to this European base prospectus or a further European base prospectus for any subsequent issue of notes to be listed on the Luxembourg Stock Exchange.

In connection with the issue of any tranche of notes, Goldman Sachs International (or persons acting on its behalf) may over-allot notes (provided that, in the case of any tranche of notes to be listed on the Luxembourg Stock Exchange, the aggregate principal amount of notes allotted does not exceed 105 per cent of the aggregate principal amount of the relevant tranche) or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that Goldman Sachs International (or persons acting on its behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant tranche of notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant tranche of notes and 60 days after the date of the allotment of the relevant tranche of notes.

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transactions rules of the Employee Retirement Income Security Act of 1974, as amended, or the Internal Revenue Code of 1986, as amended, including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the notes with the assets of the insurance company or the assets of the plan, should consult with its counsel regarding whether the purchase or holding of the notes could become a “prohibited transaction” under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the notes. This is discussed in more detail under “Employee Retirement Income Security Act” below.

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Summary of the European Base Prospectus

The following is a summary of the European base prospectus and the Series C euro medium-term notes and Series E subordinated euro medium-term notes programs of The Goldman Sachs Group, Inc. and should be read as an introduction to, and in conjunction with, the remainder of the European base prospectus, including any documents incorporated by reference therein, and the applicable final terms, and you should base your investment decision on a consideration of the European base prospectus, including any documents incorporated by reference therein, and the applicable final terms as a whole. No civil liability attaches to us in respect of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the remainder of the European base prospectus, including any documents incorporated by reference therein, and the applicable final terms. Where a claim relating to information contained in the European base prospectus or the applicable final terms is brought before a court in a member state of the European Economic Area, the plaintiff may, under the legislation of the member state where the claim is brought, be required to bear the costs of translating these documents before legal proceedings are initiated.

The summary is qualified in its entirety by the remainder of this European base prospectus, including any documents incorporated by reference therein, and the applicable final terms.

Issuer

The Goldman Sachs Group, Inc.

Description of issuer

We are a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Our headquarters are located at 85 Broad Street, New York, NY 10004, U.S.A., telephone +1 (212) 902-1000.

Our activities are divided into three segments:

- *Investment Banking.* We provide a broad range of investment banking services to a diverse group of corporations, financial institutions, governments and individuals.
- *Trading and Principal Investments.* We facilitate client transactions with a diverse group of corporations, financial institutions, governments and individuals and take proprietary positions through market making in, and trading of and investing in fixed income and equity products, currencies, commodities and derivatives on such products. In addition, we engage in a specialist and market making activities on equities and options exchanges and we clear client transactions on major stock, options and futures exchanges worldwide. In connection with our merchant banking and other investing activities, we make principal investments directly and through funds that we raise and manage.
- *Asset Management and Securities Services.* We provide investment advisory and financial planning services and offer investment products to a diverse group of institutions and individuals worldwide and primarily generate revenues in the form of management and incentive fees, and provide prime brokerage services, financing services and securi-

ties lending services to mutual funds, pension funds, hedge funds, foundations and high-net-worth individuals worldwide, and generate revenue primarily in the form of interest rate spreads or fees.

Dealers

We may offer and sell the notes to or through one or more dealers or directly to purchasers on a continuous or delayed basis.

Dealers include Goldman Sachs International and any other dealers we may from time to time appoint.

Fiscal agent

The Bank of New York

Listing agent, paying agent and transfer agent

We have initially appointed Dexia Banque Internationale à Luxembourg as listing agent, paying agent and transfer agent for all notes listed on the Luxembourg Stock Exchange. We may at any time terminate the appointment of any listing agent, paying agent or transfer agent and appoint additional such agents. However, we will maintain a paying agent in a European city until all outstanding notes have been delivered to the fiscal agent for cancellation, or monies sufficient to pay all amounts due on such notes have been made available for payment. For so long as any notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, one paying agent will be located in Luxembourg. Another paying agent will be in a Member State of the European Union that will not be obliged to withhold or deduct tax on the notes pursuant to European Council Directive 2003/48/EC.

Calculation agent

We have initially appointed Goldman Sachs International as calculation agent. We may at any time without your consent and without notifying you terminate the appointment of any calculation agent and appoint additional calculation agents.

Aggregate amount of program notes outstanding

The aggregate principal amount of the notes outstanding under the Series C euro medium-term notes and Series E subordinated euro medium-term notes programs at any time may not exceed U.S.\$30,000,000,000 (or the equivalent in other currencies). However, we may increase this amount at any time without your consent and without notifying you.

Use of proceeds

We intend to use the net proceeds from the sale of the notes to provide additional funds for our operations and for other general corporate purposes.

Issuance in series

Each of the Series C euro medium-term notes and the Series E subordinated euro medium-term notes constitute a single, distinct series of notes. We may from time to time issue additional series, which may have different terms.

Currencies

Notes will be denominated in U.S. dollars or other currencies, as specified in the applicable final terms.

Denominations

Notes denominated in Japanese yen will have minimum denominations of ¥1,000,000; notes denominated in U.S. dollars will have minimum denominations of U.S.\$5,000, notes denominated in euros will have minimum denomina-

tions of €1,000, notes denominated in pounds sterling will have minimum denominations of £1,000, and notes denominated in any other currency will have minimum denominations equal to €1,000.

Form of notes

Unless otherwise specified in the applicable final terms, all notes issued as part of the same tranche will be initially represented by a temporary bearer global note, without interest coupons attached, which will be deposited with a common depository for Euroclear and Clearstream, Luxembourg.

Unless otherwise specified in the final terms, a temporary bearer global note will be exchangeable for a permanent bearer global note on the later of (1) the date 40 days after the later of (A) the completion of the distribution of the tranche of notes as determined by Goldman Sachs International and (B) the closing date of the tranche of notes (subject to extension in the event of a further issuance) and (2) the date on which the requisite certifications of non-U.S. ownership are provided to the fiscal agent. A permanent bearer global note will be exchangeable for bearer notes in the denominations listed in the applicable final terms, in each case upon not less than 60 days' written notice.

Types of notes

We may issue fixed rate notes, floating rate notes and indexed notes, including combinations thereof. A note may provide for either cash settlement or physical settlement. Some notes may be convertible, exercisable or exchangeable, into or for securities of an issuer other than The Goldman Sachs Group, Inc.

Maturity

Notes may have a maturity of 184 days to 40 years from the date of issue.

Interest-bearing notes

Notes may bear interest at a fixed or floating rate. Fixed rate notes include zero coupon notes, and other discount securities, which are issued at a price lower than the face amount.

Floating rate notes bear interest at rates based on one or more of the base rates specified in the European base prospectus or the applicable final terms.

A base rate may be adjusted by adding or subtracting a specified number of basis points or multiplying it by a specified percentage.

Indexed notes

Notes may provide that amounts payable on the notes will be determined by reference to securities of one or more issuers, currencies or commodities, any other financial, economic or other measure or instrument.

Sinking fund

Unless otherwise indicated in the applicable final terms, the notes will not be entitled to the benefit of a sinking fund.

Redemption at our option

Unless otherwise specified in the applicable final terms, we will not be entitled to redeem the notes before maturity, provided that we may redeem the notes in the event of certain developments involving U.S. withholding taxes or the imposition of certain information reporting requirements, as described below.

Repayment at your option

You will not be entitled to require us to buy your note from you before maturity, unless otherwise specified in the applicable final terms.

Payment of additional amounts

Unless otherwise specified in the applicable final terms, we will make all payments on the notes without deducting U.S. withholding taxes, unless we are required by law to do so. If we are required by law to deduct U.S. withholding taxes, we will pay additional amounts on those payments under certain circumstances as described below under “General Description of the Program — Payment of Additional Amounts.”

Redemption upon payment of additional amounts

Unless otherwise specified in the applicable final terms, we may redeem, as a whole but not in part, all outstanding notes, if, as a result of certain changes in the laws or regulations of any U.S. taxing authority, on or after the date of this European base prospectus, we are obligated to pay, on the next succeeding interest payment date, additional amounts and that obligation cannot be avoided by the use of reasonable measures available to us.

Redemption upon application of certain reporting requirements

Unless otherwise specified in the applicable final terms, we may redeem all outstanding bearer notes, and, if we so elect, all outstanding registered notes, if we determine that payments outside the United States of the full amount of principal, premium, if any, or interest due on any bearer note or related coupon would result under any present or future U.S. law or regulation in disclosure of the nationality, residence or identity of a beneficial owner of any bearer note or coupon who is a U.S. alien to us, any of our paying agents or any governmental authority.

Mergers and similar transactions

We will not merge or consolidate with another corporation or corporate entity, unless certain conditions are met.

Restrictions on liens

We will not create, assume, incur or guarantee any indebtedness for borrowed money secured by a pledge, lien or other similar encumbrance on any of the equity interests that we or any of our subsidiaries own in Goldman, Sachs & Co., unless we also secure the notes on an equal or priority basis or our board of directors determines that the liens do not materially detract from or interfere with the value or control of those interests, as of the date of such determination.

**Defeasance and covenant
defeasance**

Unless otherwise specified in the applicable final terms, if there is a change in U.S. federal tax law, we will be entitled, in the case of all fixed rate notes payable in U.S. dollars which are not bearer notes and do not include the provisions described below under “General Description of the Program — Payment of Additional Amounts,” to release ourselves from all obligations under the notes, subject to certain conditions.

Moreover, unless otherwise specified in the applicable final terms, we will be entitled, in the case of all fixed rate note payable in U.S. dollars, to release ourselves from any other restrictive covenants relating to the notes, subject to similar conditions as those referred to above.

Events of default and remedies

If an event of default occurs and is continuing, you may, after giving effect to any applicable grace period, by written notice to us and the fiscal agent, declare the principal of your note to be immediately due and payable.

**Meetings, modification and waiver
of covenants**

The fiscal agency agreement contains provisions for convening meetings of noteholders to consider matters affecting their interests. Certain changes require each holder’s approval, others require no approval by holders and still others require the approval of two thirds of the holders.

Payment mechanics for notes

Unless otherwise specified in the applicable final terms, all payments on notes will be made in the applicable specified currency, subject to certain exceptions.

We will make payments on a global note in accordance with the applicable policies of Euroclear and Clearstream, Luxembourg. We will make payments on a note in bearer non-global form by check at offices outside the United States against surrender of the note or applicable coupon, subject to the tax certification requirement described below under “General Description of the Program — Form, Exchange, Registration and Transfer — U.S. Tax Certificate Required.” We will make payments on a note in registered non-global form by paying interest due on an interest payment date to the holder at the address shown on the register for such notes as of the close of business on the regular record date and all other payments by check at the corporate trust office of the fiscal agent and the office of the paying agent, against surrender of the note.

Governing law

New York

Listing and admission to trading

Application has been made to admit the notes to trading on the regulated market of the Luxembourg Stock Exchange and listing on the official list of the Luxembourg Stock Exchange unless otherwise specified in the applicable final terms. However, we are under no obligation to maintain the listing of any notes that are listed.

Clearing systems

Euroclear and Clearstream, Luxembourg

Market-making

This European base prospectus may be used by Goldman Sachs International in connection with offers and sales of the notes in market-making transactions.

Status of notes under the U.S. securities laws

The notes are not, and will not be, registered under the U.S. Securities Act of 1933 and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements.

Selling restrictions

For a description of certain restrictions on offers, sales and deliveries of the notes and the distribution of offering material in certain jurisdiction, see “Plan of Distribution” and the applicable final terms.

Risk factors

We face a variety of risks, including market, credit, liquidity, operational, legal and regulatory risks. In addition, the notes are subject to a number of risks, including those related to credit market conditions, interest rate levels, our credit rating, global market conditions, certain tax-related risks as well as the risk the notes may not have an active trading market. Indexed notes and notes denominated or payable in or linked to foreign currencies are subject to additional risks, including that you may lose all or a portion of the principal invested and may receive no interest, the volatility of the indices or currencies, and that we may engage in business activities that are adverse to your interests.

For more information see “Risk Factors” and the applicable final terms. You should understand these risks before making any investment decision.

RISK FACTORS

Certain Factors That May Affect Our Business

For a discussion of certain factors affecting our business, see “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended November 25, 2005 (pp. 19-28), which is incorporated by reference herein, or the corresponding section of any future Annual Report on Form 10-K or Quarterly Report on Form 10-Q filed by us, which may be incorporated by reference into an applicable final terms or prospectus supplement.

Considerations Relating to Notes Generally

Any Notes We May Issue May Not Have an Active Trading Market

Even if your notes are listed on a stock exchange, there may be little or no secondary market for any notes we may issue. Furthermore, even if a secondary market for a note develops, it may not provide significant liquidity and we and/or our affiliates have no obligation to make a market with respect to the note. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for the note in any secondary market could be substantial.

Changes in Interest Rates Are Likely to Affect the Market Price of Any Notes We May Issue

We expect that the market price of any notes we may issue will be affected by changes in interest rates, although these changes may affect such notes and a traditional debt security to different degrees. In general, if interest rates increase, we expect that the market value of a fixed income instrument which paid interest payments and an amount equal to the outstanding face amount of a note you may purchase on the same schedule as that note would decrease, whereas if interest rates decrease, we expect that the market value of such a fixed income instrument would increase.

The Market Price of Any Notes We May Issue May Be Influenced by Many Unpredictable Factors and If You Buy a Note and Sell It Prior to the Stated Maturity Date, You May Receive Less Than the Face Amount of Your Note

The following factors, most of which are beyond our control, will influence the market price of any notes we may issue:

- economic, military, financial, regulatory political, terrorist and other events that affect securities generally;
- interest and yield rates in the market;
- the time remaining until a note matures;
- our creditworthiness; and
- in the case of an indexed note, the market price of the relevant index or indices or, if applicable, index components, and the volatility — *i.e.*, the frequency and magnitude of changes in the market price of the relevant index or, if applicable, index components.

As a result of these and other factors, if you buy a note and sell it prior to maturity, you may receive less than the outstanding face amount of your note. Moreover, these factors interrelate in complex ways, and the effect of one factor may offset or enhance the effect of another factor.

Changes in Our Credit Ratings May Affect The Market Price of a Note

Our credit ratings are an assessment of our ability to pay our obligations, including those on any notes we may issue. Consequently, actual or anticipated changes in our credit ratings may affect the market price of a note. However, because the return on a note is typically dependent upon certain factors in addition to our ability to pay our obligations on the note, an improvement in our credit ratings will not reduce the other investment risks related to any such notes.

The following table sets forth our unsecured credit ratings as of August 2006:

	<u>Short-Term Debt</u>	<u>Long-Term Debt</u>	<u>Subordinated Debt</u>	<u>Preferred Stock</u>
Dominion Bond Rating Service Limited	R-1 (middle)	AA (low)	N/A	N/A
Fitch, Inc.	F1+	AA-	A+	A+
Moody's Investors Service	P-1	Aa3	A1	A2
Standard & Poor's	A-1	A+	A	A-

A rating is not a recommendation to buy, sell or hold any of our securities. Any or all of these ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

We Cannot Advise You of the Non-U.S. Tax Consequences of Owning or Trading Any Notes We May Issue

Because you are a U.S. alien holder, you should consult your own legal and tax advisors with respect to the tax characterization of any notes we may issue in your taxing jurisdiction. For a summary of the principal U.S. federal income and estate tax consequences of notes to a U.S. alien holder, see "United States Taxation" below.

We May Specify in the Applicable Final Terms That We Will Not Compensate Holders If We Have to Deduct Taxes from Payments on Any Notes We May Issue or If Information About Holders or Any Payment on the Notes is Required to Be Reported

With certain exceptions, as of the date of this European base prospectus, payments on any notes we may issue are not subject to U.S. federal withholding or other tax provided the holder is a U.S. alien holder. See the section entitled "United States Taxation" below for more information.

We may specify in the applicable final terms that we will not gross up any payments due on the note to which the final terms relate and that we will not compensate holders for any amount that may be withheld or due because of tax law changes with regard to withholding tax or reporting requirements. In this case, if, during the term of the note, whether or not due to a change in law, any withholding or other tax, assessment or other governmental charge is imposed on payments on the note by the United States or any other jurisdiction or any political subdivision or taxing authority thereof or therein, and we are required to deduct that tax, charge or assessment from any payment we make on the note, we will make that payment only after making such deduction and will not pay holders any additional amounts to compensate them for the deduction.

Consequently, if you purchase a note in these circumstances and a deduction is required to be made, you will receive less than what you would otherwise have been entitled to receive as payment on your note on the stated maturity date. Moreover, we will not redeem the note in the event there is a change in U.S. or other tax laws, even if the change in law would require certification, identification or other information reporting of any kind, the effect of which requirement is the disclosure to us, any of our paying agents or any governmental authority of the nationality, residence or identity of beneficial owners who are U.S. alien holders. Thus, if such a reporting requirement were to be imposed, you as a holder or indirect holder of a note in bearer form could be required to provide the information called for by the reporting requirement or, possibly, have amounts deducted from the payment on your note if you fail to comply with such requirement.

We cannot predict whether any such changes in law will occur during the term of any notes we may issue and, if they do occur, the amounts that may have to be deducted.

Considerations Relating to Indexed Notes

We use the term "indexed notes" to mean any notes whose value is linked to any underlying property or index. Indexed notes may present a high level of risk, and investors in certain indexed notes may lose their entire investment. In addition, the treatment of indexed notes for U.S. federal income tax purposes is often unclear due to the absence of any authority specifically addressing the

issues presented by any particular indexed note. Thus, if you propose to invest in indexed notes, you should independently evaluate the federal income tax consequences of purchasing an indexed note that apply in your particular circumstances. You should also read “United States Taxation” below for a discussion of U.S. tax matters.

Investors in Indexed Notes Could Lose Their Investment

The principal amount and/or interest payable on an indexed note, the cash value or physical settlement value of a physically settled note will be determined by reference to the price, value or level of one or more securities, currencies, commodities or other properties, any other financial, economic or other measure or instrument, including the occurrence, or non-occurrence of any event or circumstance, and/or one or more indices or baskets of any of these items. We refer to each of these as an “index”. The direction and magnitude of the change in the value of the relevant index will determine the principal amount of an indexed note payable at maturity and/or the amount of interest payable on the interest payment date and the cash value or physical settlement value of a physically settled note. The terms of a particular indexed note may or may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. Thus, if you purchase an indexed note that does not guarantee the return of 100% of principal, you may lose all or a portion of the principal invested and may receive no interest on your investment.

The Return on Indexed Notes May Be Below the Return on Similar Securities

Depending on the terms of an indexed note, you may not receive any periodic interest payments or only very low payments on the note. As a result, the overall return on the note may be less than the amount you would have earned by investing the face amount of the note in a non-indexed debt security that bears interest at a prevailing market fixed or floating rate.

Payments on Indexed Notes May Be Linked to the Average Performance of the Underlying Indices and Not the Overall Change in the Index Performance

The formula used to determine the amounts payable on an indexed note may be calculated by reference to the average performance of the underlying index or indices over a number of observation dates and not by reference to the overall change in the index or indices over the life of your note. In this case, relevant index levels on one or more of these dates may be sufficiently low or high to offset any overall gain or decline in the index, in which case you might receive no payment amount on the note or a payment amount that is less than the amount that would have been paid had the payment amount been linked to the change in the index from the strike fixing or issue date to the final observation date or the maturity date, as the case may be.

The Issuer of a Security or Currency That Serves as an Index Could Take Actions That May Adversely Affect an Indexed Note

The issuer of a security that serves as an index or part of an index for an indexed note will have no involvement in the offer and sale of the note and no obligations to the holder of the note. The issuer may take actions, such as a merger or sale of assets, without regard to the interests of the holder. Any of these actions could adversely affect the value of a note indexed to that stock.

If the index for an indexed note includes a non-U.S. dollar currency or other asset denominated in a non-U.S. dollar currency, the government that issues that currency will also have no involvement in the offer and sale of the indexed note and no obligations to the holder of that note. That government may take actions that could adversely affect the value of such note. See “— Considerations Relating to Notes Denominated or Payable in or Linked to Currencies Other Than Your Own Principal Currency — Government Policy Can Adversely Affect Foreign Currency Exchange Rates and an Investment in a Foreign Currency Note” below for more information about these kinds of notes.

An Indexed Note May Be Linked to a Volatile Index, Which Could Hurt an Investment

Some indices are highly volatile, which means that their value may change significantly, up or down, over a short period of time. It is impossible to predict the future performance of the index based on its historical performance. The amount of principal or interest that can be expected to become payable on an indexed note may vary substantially from time to time. Because the amount of principal or interest payable on an indexed note is generally calculated based on the value of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on the indexed notes may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an indexed note.

Indices Linked to Bonds, Stocks and Commodities May Move in Opposite Directions, Which May Affect the Amount You Receive on an Indexed Note

If you purchase an indexed note, the amount you may receive on the note, if any, may be linked to the performance of multiple indices containing equity securities, debt securities and/or commodities and related contracts. The market price for different types of index components may move in opposite directions. As a result, the level of the indices to which the note is linked may move such that the index performance of one or more index may offset or be offset by the index performance of one or more other indices, which ultimately may result in a lower or no payment amount on your note.

An Index to Which an Indexed Note Is Linked Could Be Changed or Become Unavailable

Some indices compiled by us or our affiliates or third parties may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value of the index is calculated. An alteration may result in a decrease in the value of or return on an indexed note that is linked to the index. The indices for our indexed notes may include published indices of this kind or customized indices developed by us or our affiliates in connection with particular issues of indexed notes.

A published index may become unavailable, or a customized index may become impossible to calculate in a normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in a normal manner, the terms of particular indexed note may allow us to delay determining the amount payable as principal or interest on an indexed note or may use an alternative method to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation we use will produce a value identical to the value that the actual index would produce. If we use an alternative method of valuation for a note linked to an index of this kind, the value of the note, or the rate of return on it, may be lower than it otherwise would be.

Some indexed notes are linked to indices that are not commonly used or have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with an indexed note of this kind. In addition, trading in these indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related indexed notes or the rates of return on them.

Information About an Index or Indices May Not Be Indicative of Future Performance

If we issue an indexed note, we may include historical information about the relevant index or indices in the applicable final terms. Any information about indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant index or indices that may occur in the future.

If the Level of an Index Changes, the Market Price of an Indexed Note May Not Change in the Same Manner

An indexed note may trade quite differently from the performance of the relevant index or indices. Changes in the level of the index may not result in a comparable change in the market price of your note. Some of the other reasons for this disparity are discussed above under “— Considerations Relating to Notes Generally — The Market Price of Any Notes We May Issue May Be Influenced by Many Unpredictable Factors and If You Buy a Note and Sell It Prior to the Stated Maturity Date, You May Receive Less Than the Face Amount of Your Note”.

If You Purchase an Indexed Note, You Will Have No Rights with Respect to the Index, Any Securities, Commodities or other Index Components or Contracts with Respect Thereto

Investing in an indexed note will not make you a holder of the index, any index securities, index commodities or other index components or contracts with respect thereto. As a result, you will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any of the index components. Your note will be paid in cash, and you will have no right to receive delivery of any such index components.

If You Purchase an Indexed Note, the Return on the Note Will Not Reflect the Return or Any Distributions, Dividends or Other Payments Made on Any Index Components

In the case of an indexed note, the sponsor of each index to which the note is linked will calculate the level of the relevant index by reference to the market prices of the index securities, commodities or other index components or contracts with respect thereto included in that index, without taking account of the value of any distributions, dividends or other payments. As a result, if you invest in an indexed note, the return on your note will not reflect the return you would realize if you actually owned the index components and received the distributions, dividends or other payments made on them.

Commodity Prices May Change Unpredictably, Affecting the Market Price of an Indexed Note Linked to a Commodity Index in Unforeseeable Ways

Commodity prices are affected by a variety of factors, including weather, governmental programs and policies, national and international political, military, terrorist and economic events, changes in interest and exchange rates and trading activities in commodities and related contracts. These factors may affect in varying ways the value of an indexed note linked to a commodity index, and various factors may cause the value of different index components and the volatilities of their prices to move in inconsistent directions and at inconsistent rates.

Contract Pricing in the Commodities Markets May Affect the Amount Payable On an Indexed Note

If you purchase a note that is linked to a commodity index, you should bear in mind that the contracts underlying the index are replaced upon expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the October contract is replaced by a contract for delivery in November. This is accomplished by selling the October contract and purchasing the November contract. This process is referred to as “rolling”. If the market for these contracts (putting aside other considerations) is in “backwardation,” which describes a situation where the prices are lower in the distant delivery months than in the nearest delivery months, the sale of the October contract will take place at a price that is higher than the

price at which that contract was originally purchased in August, thereby creating the “roll yield”. While many of the contracts included in the indices have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain of the commodities included in the some of the indices, such as gold, have historically been “contango” markets. Contango markets are markets in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. Backwardation in the commodity markets could result in negative “roll yields,” which could adversely affect the value of the index to which your note is linked and, depending on the formula used to calculate the amount payable on the note, reduce the amount you receive at maturity.

If Your Note is Linked to One or More Stocks, You Will Have Only Limited Anti-Dilution Protection

If we issue a note linked to one or more stocks, Goldman Sachs International, as calculation agent for the note, or such other calculation agent as we will select will adjust the reference price of, or make other adjustments relating to, each relevant stock for stock splits, reverse stock splits, stock dividends, extraordinary dividends and other events that affect the stock issuer’s capital structure, but only in the situations we describe in “General Description of the Program — Indexed Notes — Stocks — Adjustments — Additional Adjustments” below. The calculation agent will not be required to make an adjustment for every corporate event that may affect the stock. For example, the calculation agent will not make an adjustment for events such as an offering of a stock for cash by the stock issuer, a tender or exchange offer for less than all the outstanding stock by a third party. Those events or other actions by a stock issuer or a third party may nevertheless adversely affect the market price of the stock and, therefore, adversely affect the value of the note. The stock issuer or a third party could make an offering or a tender or exchange offer, or the stock issuer could take any other action, that adversely affects the value of the stock and the note but does not result in an anti-dilution adjustment.

Trading and Other Transactions by Us in Instruments Linked to an Index or the Components of an Index May Impair the Market Price of an Indexed Note

We, through Goldman Sachs International or one or more of our other affiliates, expect to hedge our obligations under an indexed note by purchasing some or all of the following: index securities (in the case of an indexed note linked to an equity or debt index), index commodities (in the case of an indexed note linked to a commodity index) and options or futures on any of the indices or index components or other instruments linked to any of the indices or index components. We also expect to adjust any such hedges by, among other things, purchasing or selling any of the foregoing, at any time and from time to time and to unwind such hedges by purchasing or selling any of the foregoing at any time. We may also enter into, adjust and unwind hedging transactions relating to other index-linked notes whose returns are linked to one or more indices. Any of these hedging activities may affect the level of any of the indices — directly or indirectly by affecting the price of the index components — and, therefore, may adversely affect the market price of the relevant notes. It is possible that we, through our affiliates, could receive substantial returns with respect to our hedging activities while the market price of the relevant notes may decline. You should read the discussion of use of proceeds in the applicable final terms for more information on the securities transactions in which we or one or more of our affiliates may engage.

Goldman Sachs International and our other affiliates may also engage in trading in one or more of the index components or instruments linked to any of the indices or index components included in an indexed note for their proprietary accounts, for other accounts under their management or to facilitate transactions, including, in the case of notes linked to an equity index, block transactions, on behalf of customers. Any of these activities of Goldman Sachs International or our other affiliates could affect the level of any of the indices — directly or indirectly by affecting the price of any index components — and, therefore, could adversely affect the market price of the relevant notes. We may also issue, and Goldman Sachs International and our other affiliates may also issue or

underwrite, other securities or financial or derivative instruments with returns linked to changes in the level of any of the indices or index components. By introducing competing products into the marketplace in this manner, we and our affiliates could adversely affect the market price of the relevant notes.

The fiscal agency agreement governing the notes we may issue under this European base prospectus does not, with respect to indexed notes, impose any restriction on our ability or the ability of any of our affiliates to purchase or sell all or any portion of the index components or instruments linked to those components or the indices.

Our Business Activities May Create Conflicts of Interest Between You and Us

As noted above, Goldman Sachs International and our other affiliates expect to engage in trading activities related to one or more of the indices included in an indexed note and the relevant index components that are not for your account or on your behalf. These trading activities may present a conflict between your interest in an indexed note and the interests Goldman Sachs International or our other affiliates have in their proprietary accounts, in facilitating transactions, including, in the case of notes linked to an equity index, block trades, for their customers and in accounts under their management. These trading activities, if they influence the level of the relevant index, could be adverse to your interests as a beneficial owner of an indexed note.

Goldman Sachs International and our other affiliates may, at present or in the future, engage in business with the issuers of the index securities contained in an equity or debt index included in an indexed note, including by making loans to or equity investments in those companies or providing advisory services to them. These services could include merger and acquisition advisory services. Any such activities may present a conflict between the obligations of Goldman Sachs International or another of our affiliates and your interests as a beneficial owner of an indexed note. Moreover, one or more of our affiliates may have published or in the future expect to publish research reports with respect to one or more of the issuers of the index securities contained in an equity or debt index included in an indexed note or the commodities and contracts underlying a commodity index included in an indexed note. Any of these activities by any of our affiliates may affect the level of any of the indices and, therefore, the market price of the relevant notes.

The Policies of an Index Sponsor and Changes Affecting an Index or Any of Its Components Could Affect the Amount Payable on an Indexed Note and Its Market Value

The policies of an index sponsor concerning the calculation of the index level, additions, deletions or substitutions of index components and the manner in which changes affecting the index components or their issuers, such as dividends, reorganizations or mergers, are reflected in the index level could affect the index level and, therefore, the amount payable on any indexed notes we may issue on the stated maturity date and the market value of any such notes prior to such date. The amount payable on an indexed note and its market value could also be affected if the index sponsor changes these policies, for example, by changing the manner in which it calculates the index level, or if the index sponsor discontinues or suspends calculation or publication of the index level, in which case it may become difficult to determine the market value of the note. If events such as these occur or if the index level is not available on any relevant observation date because of a market disruption event or for any other reason, the calculation agent — which initially will be Goldman Sachs International, our affiliate — may determine the index level on any such determination date — and thus the amount payable on the stated maturity date — in a manner it considers appropriate, in its sole discretion.

As Calculation Agent, Goldman Sachs International Will Have the Authority to Make Determinations That Could Affect the Market Price of an Indexed Note, When the Note Matures and the Amount Payable at Maturity

As calculation agent, Goldman Sachs International will have discretion in making various determinations that affect the market price of an indexed note, including all determinations

regarding the relevant index or indices (including adjustments, rebasing and substitution, among other factors), any successor indices, index reference prices, contract prices, market disruption events, exchange business days, observation dates any other factors or events relevant to the calculation of amounts dependent on the performance of the index or indices, business days, if applicable, interest amounts and interest payment dates, and the stated maturity could adversely affect the market price for the note and may present Goldman Sachs International with a conflict of interest of the kind described above under “— Our Business Activities May Create Conflicts of Interest Between You and Us”.

There Is No Affiliation Between the Issuers of Any of the Index Securities Contained in an Equity or Debt Index Included in an Indexed Note and Us, and We Are Not Responsible for Any Disclosure by Such Issuers

Unless we indicate in the applicable final terms, we are not affiliated with any of the issuers of the securities included in any of the equity or debt indices included in an index, or the sponsor of any of these indices. We and our affiliates may currently or from time to time in the future engage in business with the issuers of other index securities included in any of the equity or debt indices included in an indexed note. Nevertheless, neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of any publicly available information about any issuers of index securities. You, as an investor in a note, should make your own investigation into the indices and the issuers of the index securities that make up the relevant index or indices. See the applicable final terms for additional information about the relevant index or indices to which a particular note is linked.

Neither the sponsors of any of the relevant index or indices included in an indexed note nor any of the issuers of the index securities other than, where applicable, ourselves and Goldman, Sachs & Co., as index sponsor of any index published by it are involved in any offering of notes in any way and none of them has any obligation of any sort with respect to an indexed note. Neither the sponsors of the indices nor any of the issuers of the index securities have any obligation to take your interests into consideration for any reason, including in taking any corporate actions that might affect the market price for your note. Any of the sponsors of any of the indices may decide to discontinue calculating and publishing such index, which would mean that the calculation agent, which unless we indicate in the applicable final terms will be one of our affiliates, would have discretion in making determinations with respect to such index.

Considerations Relating to Notes Denominated or Payable in or Linked to Currencies Other Than Your Own Principal Currency

If you intend to invest in a note whose principal and/or interest is payable in a currency other than your own principal currency, which we refer to as a “foreign currency”, or a note that may be settled by delivery of or reference to a foreign currency or property denominated in or otherwise linked to a foreign currency, you should consult your own financial, tax and legal advisors as to the currency risks entailed by your investment. Notes of this kind may not be an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

An Investment in a Foreign Currency Note Involves Currency-Related Risks

An investment in a note denominated in a foreign currency may entail significant risks that may not be associated with a similar investment in a note payable solely in your own principal currency. These risks include the possibility of significant changes in rates of exchange between your currency and the various foreign currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls or other conditions by foreign governments. These risks generally depend on factors over which we have no control, such as financial, economic, military and political events and the supply of and demand for the relevant currencies in the global markets.

Changes in Foreign Currency Exchange Rates Can Be Volatile and Unpredictable

Rates of exchange between currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in a note denominated in, or whose value is otherwise linked to, a foreign currency. Depreciation of the specified currency against your own principal currency could result in a decrease in the market value of your note, including the principal payable at maturity. That in turn could cause the market value of your note to fall. Depreciation of the foreign currency against your own principal currency could result in a decline in the market value of your note.

Government Policy Can Adversely Affect Foreign Currency Exchange Rates and an Investment in a Foreign Currency Note

Foreign currency exchange rates can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing foreign currency notes may be that their yields or payouts could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting foreign currency exchange rates, political, military or economic developments in the country issuing the specified foreign currency for a note or elsewhere could lead to significant and sudden changes in the foreign currency exchange rate between the foreign currency and your principal currency. These changes could affect your principal currency equivalent value of the note as participants in the global currency markets move to buy or sell the foreign currency or your own principal currency in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a note at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

Non-U.S. Dollar Notes Will Permit Us to Make Payments in U.S. Dollars or Delay Payment If We Are Unable to Obtain the Specified Currency

Notes payable in a currency other than U.S. dollars will provide that, if the other currency is not available to us at or about the time when a payment on the notes comes due because of circumstances beyond our control, we will be entitled to make the payment in U.S. dollars or delay making the payment. These circumstances could include the imposition of exchange controls or our inability to obtain the other currency because of a disruption in the currency markets. If we made payment in U.S. dollars, the exchange rate we would use would be based on the most recently available noon buying rate in New York City for cable transfers of the other currency, available from the Federal Reserve Bank of New York. The most recently available rate may be for a date substantially before the payment date. A determination of this kind may be based on limited information and would involve significant discretion on the part of the exchange rate agent, as specified in the applicable final terms. As a result, the value of the payment in U.S. dollars an investor would receive on the payment date may be less than the value of the payment the investor would have received in the other currency if it had been available, or may be zero. These matters are discussed under "General Description of the Program — Features Common to All Notes — Currency of Notes" and "General Description of the Program — Payment Mechanics for Notes" below. In addition, the unavailability of the specified non-U.S. currency will expose you to currency risks with respect to the U.S. dollar which would not have existed had the specified non-U.S. currency been available.

We Will Not Adjust Any Notes to Compensate for Changes in Foreign Currency Exchange Rates

Except as described above, we will not make any adjustment or change in the terms of any note in the event of any change in exchange rates for the relevant currency, whether in the event of any devaluation, revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting that currency or any other currency. Consequently, investors in notes will bear the risk that their investment may be adversely affected by these types of events.

In a Lawsuit for Payment on a Non-U.S. Dollar Note, an Investor May Bear Foreign Currency Exchange Risk

The notes will be governed by New York law. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a note denominated in a foreign currency other than U.S. dollars would be required to render the judgment in the specified currency; however, the judgment would be converted into U.S. dollars at the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on a note denominated in a currency other than U.S. dollars, investors would bear currency exchange risk until judgment is entered, which could be a long time. You will therefore be exposed to currency risk with respect to both the U.S. dollar and, if applicable, the foreign currency.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar note in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of the currency in which any particular note is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

Information About Foreign Currency Exchange Rates May Not Be Indicative of Future Performance

If we issue a note denominated in a specified currency other than U.S. dollars, we may include in the applicable final terms a currency supplement that provides information about historical exchange rates for that currency in relation to the U.S. dollar. Any information about exchange rates that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in foreign currency exchange rates that may occur in the future. That rate will likely differ from the exchange rate used under the terms that apply to a particular note. In addition, the historical relationship between the U.S. dollar and the specified non-U.S. currency may not be an accurate proxy for the historical relationship between your own principal currency and that currency.

Determinations Made By the Exchange Rate Agent

All determinations made by the exchange rate agent shall be at its sole discretion (except to the extent it is expressly provided in this European base prospectus or in the applicable final terms that any determination is subject to approval by us) and, in the absence of manifest error, shall be conclusive for all purposes and will bind all holders of the notes and us. The exchange rate agent will not have any liability for its determinations.

DOCUMENTS INCORPORATED BY REFERENCE

The Goldman Sachs Group, Inc. files documents and information with the United States Securities and Exchange Commission, which we refer to as the “SEC”. The following documents, which Goldman Sachs has filed with the SEC, are hereby incorporated by reference into this European base prospectus:

- (1) Annual Report on Form 10-K for the fiscal year ended November 25, 2005 (File No. 001-14965), which we refer to as the Form 10-K, including Exhibit 21.1 thereto;
- (2) Item 1 of the Proxy Statement relating to the Annual Meeting of Shareholders on March 31, 2006, which we refer to as the Proxy Statement;
- (3) Quarterly Report on Form 10-Q for the fiscal quarter ended February 24, 2006, which we refer to as the First Quarter Form 10-Q;
- (4) Quarterly Report on Form 10-Q for the fiscal quarter ended May 26, 2006, which we refer to as the Second Quarter Form 10-Q;
- (5) Quarterly Report on Form 10-Q for the fiscal quarter ended August 25, 2006, which we refer to as the Third Quarter Form 10-Q; and
- (6) Current Reports on Form 8-K dated March 14, 2006, June 13, 2006 and September 12, 2006 (File No. 001-14965), which are incorporated to provide investors with additional information but do not correspond to any specific items required by Commission Regulation (EC) No. 809/2004, which we refer to as the Prospectus Regulation.

Goldman Sachs will provide without charge to each person to whom this European base prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been incorporated by reference into this European base prospectus, excluding exhibits to those documents. Unless otherwise indicated, any exhibits to those documents are not incorporated by reference into, and do not form part of, this European base prospectus. You can request those documents from Investor Relations, 85 Broad Street, New York, New York 10004, telephone +1 (212) 902-0300. In addition, such documents will be available free of charge from the Luxembourg listing agent, Dexia Banque Internationale à Luxembourg, société anonyme, from its principal office in Luxembourg. Our filings with the SEC are also available through the SEC’s website at <http://www.sec.gov>. In addition, the European base prospectus and any SEC filings incorporated by reference into this European base prospectus will be filed with the Commission de Surveillance du Secteur Financier, and the Luxembourg Stock Exchange will publish such documents on its website at <http://www.bourse.lu>.

The following table indicates where information required by the Prospectus Directive to be disclosed in, and incorporated by reference into, the European base prospectus can be found in the documents referred to above. Any information not listed in the cross reference table but included in the documents incorporated by reference is provided for information purposes only.

Information required by the Prospectus Regulation	Document/Location
Selected financial information for the fiscal years ended November 25, 2005 and November 26, 2004 (<i>Annex IV, Section 3 of the Prospectus Regulation</i>)	Form 10-K (p. 152)
Risk factors relating to us (<i>Annex IV, Section 4 of the Prospectus Regulation</i>)	Form 10-K (pp. 19-28)
Information about us	
History and development of our company (<i>Annex IV, Section 5.1 of the Prospectus Regulation</i>)	Form 10-K (p. 1)
Investments (<i>Annex IV, Section 5.2 of the Prospectus Regulation</i>)	Form 10-K (pp. 79-81) First Quarter Form 10-Q (pp. 74-77)

<u>Information required by the Prospectus Regulation</u>	<u>Document/Location</u>
	Second Quarter Form 10-Q (pp. 78-81) Third Quarter Form 10-Q (pp. 81-84)
Business overview	
Our principal activities (<i>Annex IV, Section 6.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 1, 5-13)
Our principal markets (<i>Annex IV, Section 6.2 of the Prospectus Regulation</i>)	Form 10-K (pp. 5-15)
Organizational structure (<i>Annex IV, Section 7 of the Prospectus Regulation</i>)	Form 10-K (p. 21 and Exhibit 21.1)
Trend information (<i>Annex IV, Section 8 of the Prospectus Regulation</i>)	Form 10-K (pp. 48-52) First Quarter Form 10-Q (pp. 47-49) Second Quarter Form 10-Q (pp. 48-50) Third Quarter Form 10-Q (pp. 50-53)
Administrative, management and supervisory bodies, including conflicts of interest (<i>Annex IV, Section 10 of the Prospectus Regulation</i>)	Form 10-K (pp. 42-43) Proxy Statement (pp. 4-8, 36) Second Quarter Form 10-Q (pp. 98-99)
Audit committee (<i>Annex IV, Section 11.1 of the Prospectus Regulation</i>)	Proxy Statement (pp. 9-10)
Financial information	
Audited historical financial information for the fiscal years ended November 25, 2005 and November 26, 2004 (<i>Annex IV, Section 13.1-13.4 of the Prospectus Regulation</i>)	Form 10-K (pp. 98-152, F-1-F-16)
Balance sheet (<i>Annex IV, Section 13.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 103, F-3)
Income statement (<i>Annex IV, Section 13.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 102, F-2)
Cash flow statement (<i>Annex IV, Section 13.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 105, F-4)
Accounting policies and explanatory notes (<i>Annex IV, Section 13.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 51-61, 107-149, F-5-F-16)
Unaudited interim historical financial information (<i>Annex IV, Section 13.5 of the Prospectus Regulation</i>)	First Quarter Form 10-Q (pp. 2-43) Second Quarter Form 10-Q (pp. 2-44) Third Quarter Form 10-Q (pp. 2-46)
Legal and arbitration proceedings (<i>Annex IV, Section 13.6 of the Prospectus Regulation</i>)	Form 10-K (pp. 30-40) First Quarter Form 10-Q (p. 91) Second Quarter Form 10-Q (pp. 96-97) Third Quarter Form 10-Q (p. 99)
Additional information	
Share capital (<i>Annex IV, Section 14.1 of the Prospectus Regulation</i>)	Form 10-K (pp. 131-132, F-3, F-15) First Quarter Form 10-Q (pp. 32-33) Second Quarter Form 10-Q (pp. 32-33) Third Quarter Form 10-Q (pp. 34-35)

Information required by the Prospectus Regulation	Document/Location
Credit ratings (<i>Annex V, Section 7.5 of the Prospectus Regulation</i>)	Form 10-K (pp. 78-79) First Quarter Form 10-Q (p. 73) Second Quarter Form 10-Q (p. 77) Third Quarter Form 10-Q (p. 80)

INTRODUCTION

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, we are one of the oldest and largest investment banking firms. Our headquarters are located at 85 Broad Street, New York, New York 10004, telephone +1 (212) 902-1000. We also maintain offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

Goldman Sachs has entered into an agreement with Goldman Sachs International, an affiliate of Goldman Sachs, under which Goldman Sachs International will, and other dealers may, act as agents for the placement, or purchase for resale, of notes issued by Goldman Sachs. The notes will be offered for sale in the aggregate face amount of up to U.S.\$30,000,000,000 (or the equivalent amount in other currencies, currency units or composite currencies) at any one time outstanding, provided that Goldman Sachs may increase this amount in the future without your consent and without notifying you.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the notes to provide additional funds for our operations and for other general corporate purposes although we have not yet determined a specific purpose.

We will receive the net proceeds only from sales of the notes made in connection with their original issuance. We do not expect to receive any proceeds from resales of the notes by Goldman Sachs International or any of our other affiliates in market-making transactions. We expect our affiliates to retain the proceeds of their market-making resales and not to pay the proceeds to us.

GENERAL DESCRIPTION OF THE PROGRAM

Information About Our Series C Euro Medium-Term Notes and Series E Subordinated Euro Medium-Term Note Program

The Notes May Be Senior or Subordinated

We may issue Series C euro medium-term notes or Series E subordinated euro medium-term notes. Neither the Series C euro medium-term notes nor the Series E euro medium-term notes will be secured by any property or assets of The Goldman Sachs Group, Inc. or its subsidiaries. Thus, by owning a note, you are one of our unsecured creditors.

The Series C euro medium-term notes and, in the case of Series C euro medium-term notes in bearer form, any related interest coupons, will constitute part of our senior debt and will rank equally with all of our other unsecured and unsubordinated debt.

The Series E subordinated euro medium-term notes and, in the case of Series E subordinated euro medium-term notes in bearer form, any related interest coupons, will constitute part of our subordinated debt and will be subordinated in right of payment to all of our senior indebtedness, as defined in “— Subordination Provisions” below.

When we refer to “notes” in this European base prospectus, unless otherwise indicated, we mean both the Series C medium-term notes and the Series E subordinated euro medium-term notes.

The Notes Will Be Issued Under the Fiscal Agency Agreement

The notes will be issued pursuant to a document called the fiscal agency agreement. The fiscal agency agreement is a contract between Goldman Sachs and The Bank of New York, which acts as fiscal agent. The fiscal agent performs certain administrative duties for us. The fiscal agent does not act as an indenture trustee on your behalf.

We May Issue Other Series of Debt Securities

The fiscal agency agreement permits us to issue different series of notes from time to time. Each of the Series C euro medium-term notes and the Series E subordinated euro medium-term notes will, respectively be a single, distinct series of notes. We may, however, issue notes in such amounts, at such times and on such terms as we wish. The notes will differ from one another, and from other series, in their terms.

When we refer to the “notes” or “these notes”, unless otherwise indicated, we mean the Series C euro medium-term notes, and the Series E subordinated euro medium-term notes. When we refer to a “series” of notes, we mean a series, such as the notes, issued under our fiscal agency agreement. When we refer to an “issue” or an “issuance” of notes, we mean an issue of notes having the same terms and conditions, including any reopenings of that issuance.

Amounts That We May Issue

The fiscal agency agreement does not limit the aggregate amount of notes that we may issue. Nor does it limit the number of series or the aggregate amount of any particular series we may issue. Also, if we issue notes having the same terms in a particular offering, we may “reopen” that offering at any later time and offer additional notes having those terms. See “— Form, Exchange, Registration and Transfer — Extensions for Further Issuances” below.

We have already issued Series C euro medium-term notes, many of which are currently outstanding. We intend to issue additional Series C euro medium-term notes and Series E subordinated euro medium-term notes, up to a face amount at any one time outstanding specified on the cover of this European base prospectus. However, we may issue additional Series C euro

medium-term notes and Series E subordinated euro medium-term notes in amounts that exceed this amount at any time, without your consent and without notifying you.

The fiscal agency agreement and the notes do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the notes or the fiscal agency agreement, except as described under “— Restriction on Liens” below.

Use of This European Base Prospectus in Market-Making Transactions

Our affiliates may use this European base prospectus to resell notes in market-making transactions from time to time, including both notes that we have issued before the date of this European base prospectus and notes that we have not yet issued. See “Plan of Distribution” below. In this European base prospectus, the term “this offering” means the initial offering of the notes made in connection with their original issuance. This term does not refer to any subsequent resales of notes in market-making transactions.

We Are a Holding Company

Because our assets consist primarily of interests in the subsidiaries through which we conduct our businesses, our right to participate as an equity holder in any distribution of assets of any of our subsidiaries upon the subsidiary’s liquidation or otherwise, and thus the ability of our note holders to benefit from the distribution, is junior to creditors of the subsidiary, except to the extent that any claims we may have as a creditor of the subsidiary are recognized. In addition, dividends, loans and advances to us from some of our subsidiaries, including Goldman, Sachs & Co. are restricted by net capital requirements under the Securities Exchange Act of 1934 and under rules of securities exchanges and other regulatory bodies. Furthermore, because some of our subsidiaries, including Goldman, Sachs & Co., are partnerships in which we are a general partner, we may be liable for their obligations. We also guarantee many of the obligations of our subsidiaries. Any liability we may have for our subsidiaries’ obligations could reduce our assets that are available to satisfy our direct creditors, including investors in our notes.

Governing Law

The fiscal agency agreement and the notes will be governed by New York law.

This Section Is Only a Summarized Discussion of the Fiscal Agency Agreement and of Certain Terms of Your Note

Our fiscal agency agreement and related documents, including your note, contain the full legal text of the matters described in this section and your final terms. A copy of our fiscal agency agreement is available for inspection at the corporate trust office of the fiscal agent in the Borough of Manhattan, New York City and at the office of the paying agent listed at the end of this European base prospectus.

Investors should carefully read the description of the terms and provisions of the notes and the fiscal agency agreement below. This section and your final terms summarize all the material terms of the fiscal agency agreement and your note. They do not, however, describe every aspect of the fiscal agency agreement and your note. For example, in this section entitled “General Description of the Program” and your final terms, we use terms that have been given special meaning in the fiscal agency agreement, but we describe the meaning of only the more important of those terms.

As you read this section, please remember that the specific terms of your notes as described in your final terms will supplement and, if applicable, may modify and replace the general terms described in this section and elsewhere in this European base prospectus. If there are any differences between your final terms and this European base prospectus, your final terms will control with regard to your note. Thus, the statements we make in this section may not apply to your note.

When we refer to your final terms, we mean the final terms describing the specific terms of the note you purchase. The terms we use in any final terms that we also use in this document will have the meaning we give them in this document, unless we say otherwise in the applicable final terms.

Features Common to All Notes

Form of Notes

We will issue each note in bearer global — *i.e.*, book entry — form only, unless we specify in your final terms that the relevant note is issued in registered form. Notes in bearer form are not registered in any name. Whoever is the bearer of the note in global form is the legal owner of that note. Legal title and ownership of bearer notes will pass by delivery of the certificates representing the notes. The common depositary for Euroclear and Clearstream, Luxembourg will be the bearer, and thus the holder and legal owner, of both temporary and permanent bearer global notes we may issue. Investors in those notes will own beneficial interests in the notes represented by those global notes; they will only be indirect owners, not holders or legal owners, of the notes. For a further discussion of bearer global notes, see “— Form, Exchange, Registration and Transfer” below.

Principal Amount, Stated Maturity and Maturity

Unless otherwise stated, the principal amount of a note means the principal amount payable at its stated maturity, unless that amount is not determinable, in which case the principal amount of a note is its face amount. Any notes owned by us or any of our affiliates are not deemed to be outstanding.

The term “stated maturity” with respect to any note means the day on which the principal amount of that note is scheduled to become due. The principal may become due sooner, by reason of redemption or acceleration after a default or otherwise in accordance with the terms of the note or later, due to the automatic extension of the stated maturity or the extension of the stated maturity at our election or the election of the holder, in each case, in accordance with the terms of the note. The day on which the principal actually becomes due, whether at the stated maturity or otherwise, is called the “maturity” of the principal.

We also use the terms “stated maturity” and “maturity” to refer to the days when other payments become due. For example, we may refer to a regular interest payment date when an installment of interest is scheduled to become due as the “stated maturity” of that installment. When we refer to the “stated maturity” or the “maturity” of a note without specifying a particular payment, we mean the stated maturity or maturity, as the case may be, of the principal.

In connection with any tranche of notes, the price and amount of notes to be offered under the program will be determined by us and the relevant dealer at the time of offer in accordance with prevailing market conditions.

Currency of Notes

Each note will be denominated in a currency, composite currency or basket of currencies or currency unit or units that will be specified on the face of the note and in the applicable final terms. We refer to this currency, composite currency, basket of currencies or currency unit or units as a “specified currency”. Some notes may have different specified currencies for principal and interest. You will have to pay for your note by delivering the requisite amount of the specified currency for the principal to Goldman Sachs International or another firm that we name in your final terms, unless other arrangements have been made between you and us or you and that firm. We will make

payments on the notes in the applicable specified currency except as described under “— Payment Mechanics for Notes” below. Unless otherwise specified in the applicable final terms, Goldman Sachs International will be the exchange rate agent for any note denominated in a currency that is not the U.S. dollar.

Notes denominated or payable in Japanese yen must have an original maturity of at least one year and will have minimum denominations of ¥1,000,000. Notes denominated or payable in U.S. dollars will have minimum denominations of U.S.\$5,000. Notes denominated or payable in euros will have minimum denominations of €1,000. Notes denominated or payable in pounds sterling will have minimum denominations of £1,000. Notes denominated in any other currency or composite currency will have minimum denominations equal to €1,000 at the time of issuance.

See “Risk Factors — Considerations Relating to Notes Denominated or Payable in or Linked to Currencies Other Than Your Own Principal Currency” above for more information about the risks of investing in notes denominated in a currency different from your own principal currency.

Types of Notes

We may issue the following three types of notes:

- **Fixed Rate Notes.** A note of this type will bear interest at a fixed rate described in the applicable final terms. This type includes zero coupon notes, which bear no interest and are instead issued at a price lower than the principal amount. See “— Interest Rates — Fixed Rate Notes” below.
- **Floating Rate Notes.** A note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below under “— Interest Rates — Floating Rate Notes”. If your note is a floating rate note, the formula and any adjustments that apply to the interest rate will be specified in your final terms.
- **Indexed Notes.** A note of this type provides that the principal amount payable at its stated maturity, and/or amounts payable during the life of the note, will be determined by reference to, directly or indirectly:
 - securities of one or more issuers;
 - one or more currencies;
 - one or more commodities;
 - any consumer price or other inflation index;
 - any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance and credit events relating to one or more issuers or securities; and/or
 - one or more indices or baskets of the items described above;as specified in your final terms.

A note may have elements of each of the three types of notes listed above. For example, a note may bear interest at a fixed rate in some periods and at a floating rate in others. Similarly, a note may provide for a payment of principal at maturity linked to an index and also bear interest at a fixed or floating rate.

An indexed note may provide either for cash settlement or for physical settlement by delivery of the security or other property underlying the note. It may also provide that the form of settlement

may be determined at our option or at the holder's option. Some notes may be convertible, exercisable or exchangeable, at our option or the holder's option, into or for securities of an issuer other than The Goldman Sachs Group, Inc.

If you are a holder of an indexed note, you may receive a principal amount at maturity (including upon acceleration following an event of default) that is less than the outstanding face amount of your note or you may receive no principal amount at all, depending upon the formula used to determine the amount payable and the value of the applicable index or indices at maturity. The value of the applicable index or indices may fluctuate over time.

If you purchase an indexed note, your final terms will include information about the relevant index or indices, about how any amounts that are to become payable will be determined by reference to the price or value of each index, about the terms on which the security may be settled physically or in cash, about any additional foreign exchange or other risks and about any additional tax considerations. Unless the final terms otherwise specify, Goldman Sachs International will be the calculation agent that will calculate the amounts payable with respect to the indexed note and may exercise significant discretion in doing so. You should carefully read "Risk Factors — Considerations Relating to Indexed Notes" above and any risk factors specified in the relevant final terms before you purchase any indexed notes.

Original Issue Discount Notes

A fixed rate note, a floating rate note or an indexed note may be an original issue discount note. A note of this type is issued at a price lower than its principal amount and provides that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable. An original issue discount note may be a zero coupon note.

Sinking Fund

Unless otherwise indicated in your final terms, the notes will not be entitled to the benefit of any sinking fund — that is, we will not deposit money on a regular basis into a separate custodial account to repay your notes.

Information in the Final Terms

Your final terms will describe the specific terms of your note, which will include some or all of the following terms of your note:

- the specified currency or currencies for principal and interest and, if the specified currency is not U.S. dollars, certain other terms relating to your note;
- the authorized denomination;
- the price at which we originally issue your note, expressed as a percentage of the aggregate principal amount;
- the original issue date;
- the stated maturity which, generally, will not be less than 184 days and not more than 40 years from the original issue date and, if applicable, any provisions for the extension of the stated maturity date;
- whether your note is a fixed rate note, a floating rate note, an indexed note or whether it combines elements of each of these types of notes;
- if your note is a fixed rate note, the annual rate at which your note will bear interest for the relevant periods and the interest payment dates, if different from those stated under "— Interest Rates — Fixed Rate Notes" below;

- if your note is a floating rate note, the interest rate basis for the relevant periods, which may be one of the ten base rates described under “— Interest Rates — Floating Rate Notes” below or any other interest rate formula as specified in your final terms; any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; and the interest reset, determination, calculation and payment dates, all of which we describe under “— Interest Rates — Floating Rate Notes” below; the day count used to calculate interest payments for any period; and the calculation agent;
- if your note is an indexed note, the principal amount, if any, we will pay you at maturity, if applicable, the amount of interest we will pay you on the relevant interest payment date or dates or the formula we will use to calculate these amounts, and the terms on which your note will be exchangeable for or payable in cash, securities of an issuer other than The Goldman Sachs Group, Inc. or other property in addition to certain other information relating to the indexed note;
- if your debt security may be converted into or exercised or exchanged for debt or equity securities of one or more issuers other than The Goldman Sachs Group, Inc. or one of its affiliates, the terms on which such conversion, exercise or exchange may occur, including whether conversion, exercise or exchange may occur, including whether such conversion, exercise or exchange is mandatory, at the option of the holder or at our option, the period during which such conversion, exercise or exchange may occur, the initial conversion, exercise or exchange price or rate and the circumstances or manner in which the amount of common or preferred stock or other securities issuable upon conversion, exercise or exchange may be adjusted;
- whether your note is an original issue discount note and, if so, the yield to maturity;
- if applicable, or to the extent we want to modify the provisions described in this European base prospectus, the circumstances under which your note may be redeemed at our option or repaid at the holder’s option before the stated maturity, including any redemption or repayment commencement date, redemption or repayment date(s), redemption or repayment price(s) and redemption or repayment period(s), all of which we describe under “— Redemption and Repayment” below;
- whether your note will be listed on the Luxembourg Stock Exchange or any other exchange;
- whether your note is a Series C note or a subordinated Series E note; and
- any other terms of your note which could be different from those described in this European base prospectus.

Notes Offered During Subscription Period

The final terms will also specify if an offering of securities is open for subscription for a specified period of time and, if so, will specify the following:

- if applicable, the process for notification to applicants of the amount allotted and an indication whether dealing in the notes being offered may begin before such notification is made;
- any conditions to which the offer is subject;
- the total amount of the offer;
- if applicable, the time period during which the offer will be open and a description of the subscription process;
- if applicable, a description of the possibility to reduce subscriptions and the manner for refunding excess amounts paid by subscribers;
- if applicable, details of the minimum and/or maximum subscription amount;

- if applicable, the method and time limits for paying up the notes being offered; or
- if applicable, a full description of the manner and date in which results of the offer are to be made public.

Market-Making Transactions

If you purchase your note in a market-making transaction, you will receive information about the price you pay and your trade and settlement dates in a separate confirmation of sale. A market-making transaction is one in which Goldman Sachs International or another of our affiliates resells a note it has previously acquired from another holder. A market-making transaction in a particular note occurs after the original issuance and sale of the note.

Business Days

The following provisions will apply to any note with regard to any relevant date other than one that falls on the maturity date. Unless otherwise specified in the applicable final terms, any such date will be adjusted according to the following business day convention, which provides that if such date would otherwise fall on a day that is not a business day, then such date will be postponed to the next day that is a business day. However, if the note is a LIBOR or EURIBOR note or if the relevant final terms provide so, any such date will be adjusted according to the modified following business day convention, which provides that if such date would otherwise fall on a day that is not a business day, then such date will be postponed to the next day that is a business day, except that, if the next business day falls in the next calendar month, then such date will be advanced to the immediately preceding day that is a business day. In all cases, any relevant date that falls on the maturity date will not be changed. Unless otherwise specified in the applicable final terms, the business day convention definitions that follow will apply:

“Following Unadjusted Business Day Convention” means, for any interest payment date (as defined below), other than the stated maturity date, that falls on a day that is not a business day, any payment due on such interest payment date will be postponed to the next day that is a business day; *provided* that interest due with respect to such interest payment date shall not accrue from and including such interest payment date to and including the date of payment of such interest as so postponed.

“Modified Following Unadjusted Business Day Convention” means, for any interest payment date, other than the stated maturity date, that falls on a day that is not a business day, any payment due on such interest payment date will be postponed to the next day that is a business day; *provided* that interest due with respect to such interest payment date shall not accrue from and including such interest payment date to and including the date of payment of such interest as so postponed, and *provided further* that, if such day would fall in the next succeeding calendar month, the date of payment with respect to such interest payment date will be advanced to the business day immediately preceding such interest payment date.

The term “business day” means, for any note, a day that meets *all* the following applicable requirements and any additional requirements specified in the applicable final terms, unless the term is defined differently in any such final terms:

- for all notes, is a New York business day, a London business day and a euro business day;
- if the note has a specified currency other than U.S. dollars or euros, is also a day on which banking institutions are not authorized or obligated by law, regulation or executive order to close in the principal financial center of the country issuing the specified currency; and
- solely with respect to any payment or other action to be made or taken at any place of payment outside New York City, is also a Monday, Tuesday, Wednesday, Thursday or Friday

that is not a day on which banking institutions, generally, are not authorized or obligated by law, regulation or executive order to close in the place of payment.

With respect to any particular location, if business is not being conducted at that location, close of business shall mean 5:00 P.M., New York City time on that day.

Unless otherwise specified in the applicable final terms, the following business day definitions shall apply:

“Euro business day” means each Monday, Tuesday, Wednesday, Thursday and Friday on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor system, is open for business.

“London business day” means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in London generally are authorized or obligated by law, regulation or executive order to close.

“New York business day” means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to close.

“Tokyo business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Tokyo generally are authorized or obligated by law, regulation or executive order to close.

Interest Rates

This subsection describes the different kinds of interest rates that may apply to your note, if it bears interest.

Fixed Rate Notes

A note of this type will bear interest at a fixed rate specified in your final terms. This type of note, includes zero coupon notes, which bear no interest and are instead issued at a price lower than the principal amount. See “— Features Common to All Notes — Original Issue Discount Notes” above for more information about zero coupon and other original issue discount notes.

Each fixed rate note, except any zero coupon note, will bear interest from its original issue date or from the most recent interest payment date to which interest on the note has been paid or made available for payment. Interest will accrue on the principal of a fixed rate note at the fixed yearly rate stated in the note and the applicable final terms, until the principal is paid or made available for payment or the note is converted or exchanged. Unless we say otherwise in the applicable final terms, interest on a fixed rate note will be payable annually on February 15 of each year and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date if none has been paid, or made available for payment, to, but excluding, the interest payment date or the date of maturity. We will compute interest on fixed rate notes on the basis of a 360-day year of twelve 30-day months, unless your final terms provide that we will compute interest on a different basis. We will pay interest on each interest payment date and at maturity as described under “— Payment Mechanics for Notes” below.

Floating Rate Notes

*In this subsection, we use several specialized terms relating to the manner in which floating interest rates are calculated. These terms appear in **bold, italicized** type the first time they appear, and we define these terms in “— Special Rate Calculation Terms” at the end of this subsection.*

A note of this type will bear interest at rates that are determined by reference to an interest rate formula specified in the final terms. In some cases, the rates may be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate, as described in greater detail below. If your note is a floating rate note, the formula and any adjustments that apply to the interest rate will be specified in your final terms.

Each floating rate note will bear interest from its original issue date or from the most recent interest payment date to which interest on the note has been paid or made available for payment, subject to the applicable business day convention. Interest will accrue on the principal of a floating rate note at the yearly rate determined according to the interest rate formula stated in the note and the applicable final terms, until the principal is paid or made available for payment. We will pay interest on each interest payment date and at maturity as described under “— Payment Mechanics for Notes” below.

Base Rates

We currently expect to issue floating rate notes that bear interest at rates based on one or more of the following base rates:

- the commercial paper rate;
- the prime rate;
- LIBOR;
- EURIBOR;
- the treasury rate;
- the CMT rate;
- the CD rate;
- the CMS rate;
- the federal funds rate; and/or
- the 11th district cost of funds rate.

We describe each of these base rates in further detail below in this subsection. If you purchase a floating rate note, your final terms will specify the type of base rate that applies to your note. A note may bear interest at any of the base rates specified above or at any other rate, as specified in the applicable final terms.

Initial Base Rate

For any floating rate note, the base rate in effect from the original issue date to the first interest reset date will be the initial base rate. We will specify the initial base rate in the applicable final terms.

Spread or Spread Multiplier

In some cases, the base rate for a floating rate note may be adjusted:

- by adding or subtracting a specified number of basis points, called the spread, with one basis point being 0.01%;

- by multiplying the base rate by a specified percentage, called the spread multiplier; or
- by a combination of the foregoing.

If you purchase a floating rate note, your final terms will specify whether a spread or spread multiplier will apply to your note and, if so, the amount of the spread or spread multiplier.

Maximum and Minimum Rates

The actual interest rate, after being adjusted by the spread or spread multiplier, may also be subject to either or both of the following limits:

- a maximum rate — *i.e.*, a specified upper limit that the actual interest rate in effect at any time may not exceed; and/or
- a minimum rate — *i.e.*, a specified lower limit that the actual interest rate in effect at any time may not fall below.

If you purchase a floating rate note, your final terms will specify whether a maximum rate and/or minimum rate will apply to your note and, if so, what those rates are.

Whether or not a maximum rate applies, the interest rate on a floating rate note will in no event be higher than the maximum rate permitted by New York law, as it may be modified by U.S. law of general application. Under current New York law, the maximum rate of interest, with some exceptions, for any loan in an amount less than \$250,000 is 16% and for any loan in the amount of \$250,000 or more but less than \$2,500,000 is 25% per year on a simple interest basis. No limits apply to loans of \$2,500,000 or more.

The rest of this subsection describes how the interest rate and the interest payment dates will be determined, and how interest will be calculated, on a floating rate note.

Interest Reset Dates

The rate of interest on a floating rate note will be reset, by the calculation agent described below, daily, weekly, monthly, quarterly, semi-annually or annually. The date on which the interest rate resets and the reset rate becomes effective is called the interest reset date. Except as otherwise specified in the applicable final terms, the interest reset date will be as follows:

- for floating rate notes that reset daily, each business day;
- for floating rate notes that reset weekly and are not treasury rate notes, the Wednesday of each week;
- for treasury rate notes that reset weekly, the Tuesday of each week, except as otherwise described in the next to last paragraph under “— Interest Determination Dates” below;
- for floating rate notes that reset monthly, the third Wednesday of each month;
- for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for floating rate notes that reset semi-annually, the third Wednesday of each of two months of each year as specified in the applicable final terms; and
- for floating rate notes that reset annually, the third Wednesday of one month of each year as specified in the applicable final terms.

For a floating rate note, the interest rate in effect on any particular day will be the interest rate determined with respect to the latest interest reset date that occurs on or before that day. There are several exceptions, however, to the reset provisions described above.

The base rate in effect from the original issue date to, but excluding, the first interest reset date will be the initial base rate. For floating rate notes that reset daily or weekly, the base rate in effect for each day following the second business day before an interest payment date to, but excluding, the interest payment date, and for each day following the second business day before the maturity date to, but excluding, the maturity date, will be the base rate in effect on that second business day.

Unless otherwise specified in the applicable final terms, if any interest reset date would otherwise be a day that is not a business day, the interest reset date will be adjusted in accordance with the applicable business day convention.

Interest Determination Dates

The interest rate that takes effect on an interest reset date will be determined by the calculation agent by reference to a particular date called an interest determination date. Except as otherwise specified in the applicable final terms:

- For all floating rate notes other than LIBOR notes, EURIBOR notes, treasury rate notes and 11th district cost of funds rate notes, the interest determination date relating to a particular interest reset date will be the second business day before the interest reset date.
- For LIBOR notes, the interest determination date relating to a particular interest reset date will be the second London business day preceding the interest reset date, unless the ***index currency*** is pounds sterling, in which case the interest determination date will be the interest reset date. We refer to an interest determination date for a LIBOR note as a LIBOR interest determination date.
- For EURIBOR notes, the interest determination date relating to a particular interest reset date will be the second euro business day preceding the interest reset date. We refer to an interest determination date for a EURIBOR note as a EURIBOR interest determination date.
- For treasury rate notes, the interest determination date relating to a particular interest reset date, which we refer to as a treasury interest determination date, will be the day of the week in which the interest reset date falls on which treasury bills — *i.e.*, direct obligations of the U.S. government — would normally be auctioned. Treasury bills are usually sold at auction on the Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that the auction may be held on the preceding Friday. If as the result of a legal holiday an auction is held on the preceding Friday, that Friday will be the treasury interest determination date relating to the interest reset date occurring in the next succeeding week. If the auction is held on a day that would otherwise be an interest reset date, then the interest reset date will instead be the first business day following the auction date.
- For 11th district cost of funds rate notes, the interest determination date relating to a particular interest reset date will be the last working day, in the first calendar month before that interest reset date, on which the Federal Home Loan Bank of San Francisco publishes the monthly average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District for the second calendar month before that interest reset date. We refer to an interest determination date for an 11th district cost of funds rate note as an 11th district interest determination date.

The interest determination date for any other floating rate note will be as specified in your final terms.

Unless otherwise specified in the applicable final terms, if any interest determination date would otherwise be a day that is not a business day, the interest determination date will be adjusted in accordance with the applicable business day convention.

Interest Calculation Dates

As described above, the interest rate that takes effect on a particular interest reset date will be determined by reference to the corresponding interest determination date. Except for LIBOR notes and EURIBOR notes, however, the determination of the rate will actually be made on a day no later

than the corresponding interest calculation date. Unless otherwise specified in the applicable final terms, the interest calculation date will be the earlier of the following:

- the tenth calendar day after the interest determination date or, if that tenth calendar day is not a business day, the next succeeding business day;
- the business day immediately preceding the interest payment date or the maturity date, whichever is the day on which the next payment of interest will be due; or
- in the case of floating rate notes listed on the Luxembourg Stock Exchange, the first date of the interest period — *i.e.*, the period from and including the original issue date, or the last date interest was paid or made available for payment, to, but excluding, the payment date — beginning on or after the interest reset date.

The calculation agent need not wait until the relevant interest calculation date to determine the interest rate if the rate information it needs to make the determination is available from the relevant sources sooner.

Interest Payment Dates

The interest payment dates for a floating rate note will depend on when the interest rate is reset and, unless we say otherwise in the applicable final terms, will be as follows:

- for floating rate notes that reset daily, weekly or monthly, on the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable final terms;
- for floating rate notes that reset quarterly, on the third Wednesday of March, June, September and December of each year;
- for floating rate notes that reset semi-annually, on the third Wednesday of the two months of each year specified in the applicable final terms; or
- for floating rate notes that reset annually, on the third Wednesday of the month specified in the applicable final terms.

Regardless of these rules, if a note is originally issued after the regular record date and before the date that would otherwise be the first interest payment date, the first interest payment date will be the date that would otherwise be the second interest payment date. We define “regular record date” under “— Payment Mechanics for Notes — Who Receives Payment?” below. Unless otherwise specified in the applicable final terms, if any interest payment date would otherwise be a day that is not a business day, the interest payment date will be adjusted in accordance with the applicable business day convention.

Calculation of Interest

Calculations relating to floating rate notes will be made by the calculation agent, an institution that we appoint as our agent for this purpose. That institution could include any affiliate of ours, such as Goldman Sachs International. The final terms for a particular note will name the institution that we have appointed to act as the calculation agent for that note as of its original issue date. Unless otherwise specified in the applicable final terms, we have initially appointed Goldman Sachs International as our calculation agent for all the floating rate notes. We may appoint a different institution to serve as calculation agent from time to time after the original issue date of the notes without your consent and without notifying you of the change. We may also appoint different calculation agents for different notes. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent.

For each floating rate note, the calculation agent will determine, on the corresponding calculation or interest determination date, as described above, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has

accrued during each interest period — *i.e.*, the period from and including the original issue date, or the last date to which interest has been paid or made available for payment, to, but excluding, the payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face amount of the floating rate note by an accrued interest factor for the interest period. This factor will be determined in accordance with the day count convention specified in the applicable final terms, including the following:

- If “1/1 (ISDA)” is specified, the factor will be equal to 1.
- If “Actual/365 (ISDA)”, “Act/365 (ISDA)”, “A/365”, “Actual/Actual (ISDA)”, “Act/Act (ISDA)” or “Actual/Actual (Historical)” is specified, the factor will be equal to the number of days in the interest period divided by 365 (or, if any portion of that interest period falls in a leap year, the sum of (1) the number of days in that portion of the interest period falling in a leap year divided by 366 and (2) the number of days in that portion of the interest period falling in a non-leap year divided by 365).
- If “Actual/Actual (ISMA)” is specified, the factor will be equal to the number of days in the interest period, including February 29 in a leap year, divided by 360 or, in the case of a floating rate note denominated in euro or pounds sterling, the number of days in the calendar year.
- If “Actual/Actual (Bond)” is specified, the factor will be equal to the number of calendar days in the interest period, divided by the number of calendar days in the interest period multiplied by the number of interest periods in the calendar year.
- If “Actual/Actual (Euro)” is specified, the factor will be equal to the number of calendar days in the interest period divided by 365 or, if the interest period includes February 29, 366.
- If “Actual/360 (ISDA)”, “Act/360 (ISDA)” or “A/360 (ISDA)” is specified, the factor will be equal to the number of days in the interest period divided by 360.
- If “Actual/360 (ISMA)” is specified, the factor will be equal to the number of calendar days in the period, including February 29 in a leap year, divided by 360 days.
- If “30/360 (ISDA)”, “360/360 (ISDA)” or “Bond Basis (ISDA)” is specified, the factor will be equal to the number of days in the interest period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (1) the last day of the interest period is the 31st day of a month but the first day of the interest period is a day other than the 30th or 31st of a month, in which case the month that includes the last day shall not be considered to be shortened to a 30-day month or (2) the last day of the interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).
- If “30E/360 (ISDA)” or “Eurobond Basis (ISDA)” is specified, the factor will be equal to the number of days in the interest period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the interest period unless, in the case of the final interest period, the interest payment date relating to that interest period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

Unless otherwise specified in the applicable final terms, commercial paper rate notes, prime rate notes, LIBOR notes, EURIBOR notes, CD rate notes, federal funds rate notes and 11th district cost of funds rate notes will be subject to the Actual/360 (ISDA) day count convention, and treasury rate notes, CMT rate notes and CMS rate notes will be subject to the Actual/Actual (ISDA) day count convention.

Upon the request of the holder of any floating rate note, the calculation agent will provide the interest rate then in effect, and, if determined, the interest rate that will become effective on the next interest reset date with respect to such floating rate note. The calculation agent's determination of any interest rate will be conclusive for all purposes and binding in the absence of manifest error.

All percentages resulting from any calculations relating to a note will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655)). All amounts used in or resulting from any calculations will be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars and euros, or to the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, with one-half cent or one-half of a corresponding hundredth of a unit or more being rounded upward.

In determining the base rate that applies to a floating rate note during a particular interest period, the calculation agent may obtain rate quotes from various banks or dealers active in the relevant market, as described in the following subsections. Those reference banks and dealers may include the calculation agent itself and its affiliates, as well as any agent participating in the distribution of the relevant floating rate notes and its affiliates, and they may include affiliates of Goldman Sachs.

With respect to any floating rate note listed on the Luxembourg Stock Exchange, the calculation agent communicates the interest rate for each interest period, together with the amount of interest which will accrue in respect of the note's minimum denomination during such interest period, the interest payment date on which such interest will be payable, the interest period and the number of days in the interest period, to Goldman Sachs, Clearstream, Luxembourg, Euroclear, any paying agent and the Luxembourg Stock Exchange no later than noon, Luxembourg time, on the first day of such interest period. The published amount of interest to accrue and the interest payment date may subsequently be modified without notice in the event that the interest period is shortened or lengthened pursuant to the terms of the note.

Commercial Paper Rate Notes

If you purchase a commercial paper rate note, your note will bear interest at a base rate equal to the commercial paper rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The commercial paper rate will be the **money market yield** of the rate, for the relevant interest determination date, for commercial paper having the **index maturity** specified in your final terms, as published in **H.15(519)** under the heading "Commercial paper — Nonfinancial". If the commercial paper rate cannot be determined as described above, the following procedures will apply:

- If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the commercial paper rate will be the rate, for the relevant interest determination date, for commercial paper having the index maturity specified in your final terms, as published in **H.15 daily update** or any other recognized electronic source used for displaying that rate, under the heading "Commercial paper — Nonfinancial".
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the commercial paper rate will be the money market yield of the arithmetic mean of the following offered rates for U.S. dollar commercial paper that has the relevant index maturity and is placed for an industrial issuer whose bond rating is "AA", or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 A.M.,

New York City time, on the relevant interest determination date, by three leading U.S. dollar commercial paper dealers in New York City selected by the calculation agent.

- If fewer than three dealers selected by the calculation agent are quoting as described above, the commercial paper rate for the new interest period will be the commercial paper rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Prime Rate Notes

If you purchase a prime rate note, your note will bear interest at a base rate equal to the prime rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The prime rate will be the rate, for the relevant interest determination date, published in H.15(519) under the heading “Bank Prime Loan”. If the prime rate cannot be determined as described above, the following procedures will apply.

- If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the prime rate will be the rate, for the relevant interest determination date, as published in H.15 daily update or another recognized electronic source used for the purpose of displaying that rate, under the heading “Bank Prime Loan”.
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the prime rate will be the arithmetic mean of the following rates as they appear on the **Reuters screen USPRIME 1 page**: the rate of interest publicly announced by each bank appearing on that page as that bank’s prime rate or base lending rate, as of 11:00 A.M., New York City time, on the relevant interest determination date.
- If fewer than four of these rates appear on the Reuters screen USPRIME 1 page, the prime rate will be the arithmetic mean of the prime rates or base lending rates, as of the close of business on the relevant interest determination date, of three major banks in New York City selected by the calculation agent. For this purpose, the calculation agent will use rates quoted on the basis of the actual number of days in the year divided by a 360-day year.
- If fewer than three banks selected by the calculation agent are quoting as described above, the prime rate for the new interest period will be the prime rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

LIBOR Notes

If you purchase a LIBOR note, your note will bear interest at a base rate equal to LIBOR, which will be the London interbank offered rate for deposits in U.S. dollars or any other index currency, as specified in your final terms. In addition, the applicable LIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in your final terms. LIBOR will be determined in the following manner:

- LIBOR will be either:
 - the offered rate appearing on the **Moneyline Telerate LIBOR page**; or
 - the arithmetic mean of the offered rates appearing on the **Reuters screen LIBOR page** unless that page by its terms cites only one rate, in which case that rate;

in either case, as of 11:00 A.M., London time, on the relevant LIBOR interest determination date, for deposits of the relevant index currency having the relevant index maturity beginning on the

relevant interest reset date. Your final terms will indicate the index currency, the index maturity and the reference page that apply to your LIBOR note. If no reference page is specified in your final terms, Moneyline Telerate LIBOR page will apply to your LIBOR note.

- If Moneyline Telerate LIBOR page applies and the rate described above does not appear on that page, or if Reuters screen LIBOR page applies and fewer than two of the rates described above appears on that page or no rate appears on any page on which only one rate normally appears, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent: deposits of the index currency having the relevant index maturity, beginning on the relevant interest reset date and in a **representative amount**. The calculation agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described above, LIBOR for the relevant LIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center for the country of the index currency, on that LIBOR interest determination date, by three major banks in that financial center selected by the calculation agent: loans of the index currency having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

EURIBOR Notes

If you purchase a EURIBOR note, your note will bear interest at a base rate equal to the interest rate for deposits in euros designated as “EURIBOR” and sponsored jointly by the European Banking Federation and ACI — the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. In addition, the EURIBOR base rate will be adjusted by the spread or spread multiplier, if any, specified in your final terms. EURIBOR will be determined in the following manner:

- EURIBOR will be the offered rate for deposits in euros having the index maturity specified in your final terms, beginning on the second euro business day after the relevant EURIBOR interest determination date, as that rate appears on **Moneyline Telerate page 248** as of 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date.
- If the rate described above does not appear on Moneyline Telerate page 248, EURIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., Brussels time, on the relevant EURIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the **euro-zone** interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent: euro deposits having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount. The calculation agent will request the principal euro-zone office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the quotations.

- If fewer than two quotations are provided as described above, EURIBOR for the relevant EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 A.M., Brussels time on that EURIBOR interest determination date, by three major banks in the euro-zone selected by the calculation agent: loans of euros having the relevant index maturity, beginning on the relevant interest reset date and in a representative amount.
- If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Treasury Rate Notes

If you purchase a treasury rate note, your note will bear interest at a base rate equal to the treasury rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The treasury rate will be the rate for the auction, on the relevant treasury interest determination date, of treasury bills having the index maturity specified in your final terms, as that rate appears on Moneyline Telerate page 56 or 57 under the heading "Investment Rate". If the treasury rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above does not appear on either page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, the treasury rate will be the **bond equivalent yield** of the rate, for the relevant interest determination date, for the type of treasury bill described above, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading "U.S. government securities/Treasury bills/Auction high".
- If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the auction rate, for the relevant treasury interest determination date and for treasury bills of the kind described above, as announced by the U.S. Department of the Treasury.
- If the auction rate described in the prior paragraph is not so announced by 3:00 P.M., New York City time, on the relevant interest calculation date, or if no auction is held for the relevant week, then the treasury rate will be the bond equivalent yield of the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15(519) under the heading "U.S. government securities/Treasury bills/Secondary market".
- If the rate described in the prior paragraph does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the treasury rate will be the rate, for the relevant treasury interest determination date and for treasury bills having a remaining maturity closest to the specified index maturity, as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading "U.S. government securities/Treasury bills/Secondary market".
- If the rate described in the prior paragraph does not appear in H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the treasury rate will be the bond equivalent yield of the arithmetic mean of the following secondary market bid rates for the issue of treasury bills with a

remaining maturity closest to the specified index maturity: the rates bid as of approximately 3:30 P.M., New York City time, on the relevant treasury interest determination date, by three primary U.S. government securities dealers in New York City selected by the calculation agent.

- If fewer than three dealers selected by the calculation agent are quoting as described in the prior bullet point, the treasury rate in effect for the new interest period will be the treasury rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CMT Rate Notes

If you purchase a CMT rate note, your note will bear interest at a base rate equal to the CMT rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The CMT rate will be the following rate displayed on the **designated CMT Moneyline Telerate page** under the heading “. . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 P.M.”, under the column for the **designated CMT index maturity**:

- If the designated CMT Moneyline Telerate page is Moneyline Telerate page 7051, the rate for the relevant interest determination date; or
- If the designated CMT Moneyline Telerate page is Moneyline Telerate page 7052, the weekly or monthly average, as specified in your final terms, for the week that ends immediately before the week in which the relevant interest determination date falls, or for the month that ends immediately before the month in which the relevant interest determination date falls, as applicable.

If the CMT rate cannot be determined in this manner, the following procedures will apply:

- If the applicable rate described above is not displayed on the relevant designated CMT Moneyline Telerate page at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CMT rate will be the applicable treasury constant maturity rate described above — *i.e.*, for the designated CMT index maturity and for either the relevant interest determination date or the weekly or monthly average, as applicable — as published in H.15(519).
- If the applicable rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the treasury constant maturity rate, or other U.S. treasury rate, for the designated CMT index maturity and with reference to the relevant interest determination date, that:
 - is published by the Board of Governors of the Federal Reserve System, or the U.S. Department of the Treasury; and
 - is determined by the calculation agent to be comparable to the applicable rate formerly displayed on the designated CMT Moneyline Telerate page and published in H.15(519).
- If the rate described in the prior paragraph does not appear at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, then the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for the most recently issued treasury notes having an original maturity of approximately the designated CMT index maturity and a remaining term to maturity of not less than the designated CMT index maturity minus one year and in a representative amount: the offered rates, as of

approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these offered rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. Treasury notes are direct, non-callable, fixed rate obligations of the U.S. government.

- If the calculation agent is unable to obtain three quotations of the kind described in the prior paragraph, the CMT rate will be the yield to maturity of the arithmetic mean of the following secondary market offered rates for treasury notes with an original maturity longer than the designated CMT index maturity, with a remaining term to maturity closest to the designated CMT index maturity and in a representative amount: the offered rates, as of approximately 3:30 P.M., New York City time, on the relevant interest determination date, of three primary U.S. government securities dealers in New York City selected by the calculation agent. In selecting these offered rates, the calculation agent will request quotations from five of these primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. If two treasury notes with an original maturity longer than the designated CMT index maturity have remaining terms to maturity that are equally close to the designated CMT index maturity, the calculation agent will obtain quotations for the treasury note with the shorter remaining term to maturity.
- If fewer than five but more than two of these primary dealers are quoting as described in the prior paragraph, then the CMT rate for the relevant interest determination date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.
- If two or fewer primary dealers selected by the calculation agent are quoting as described above, the CMT rate in effect for the new interest period will be the CMT rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CD Rate Notes

If you purchase a CD rate note, your note will bear interest at a base rate equal to the CD rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The CD rate will be the rate, on the relevant interest determination date, for negotiable U.S. dollar certificates of deposit having the index maturity specified in your final terms, as published in H.15(519) under the heading “CDs (secondary market)”. If the CD rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above does not appear in H.15(519) at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CD rate will be the rate, for the relevant interest determination date, described above as published in H.15 daily update, or another recognized electronic source used for displaying that rate, under the heading “CDs (secondary market)”.
- If the rate described above does not appear in H.15(519), H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the CD rate will be the arithmetic mean of the following secondary market offered rates for negotiable U.S. dollar certificates of deposit of major U.S. money center banks with a remaining maturity closest to the specified index maturity and in a representative amount: the rates offered as of 10:00 A.M., New York City time, on the

relevant interest determination date, by three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City, as selected by the calculation agent.

- If fewer than three dealers selected by the calculation agent are quoting as described in the prior paragraph, the CD rate in effect for the new interest period will be the CD rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

CMS Rate Notes

If you purchase a CMS rate note, your note will bear interest at a base rate equal to the CMS rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The CMS rate will be the rate, on the relevant interest determination date, appearing on Reuters page ISDAFIX2 (or any successor or replacement page) under the appropriate heading for the index maturity specified in your final terms at 10:00 a.m., London time. If the CMS rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above does not appear on Reuters page ISDAFIX2 under the appropriate heading for the index maturity specified in your final terms at 10:00 a.m., London time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the CMS rate will be determined on the basis of the mid-market semi-annual swap rate quotations provided by five leading swap dealers in the London interbank market at approximately 10:00 a.m., London time, on the relevant interest determination date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the index maturity specified in your final terms commencing on the relevant interest determination date with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an actual/360 day count basis, is equivalent to EURIBOR with a maturity of three months, as such rate may be determined in accordance with the provisions set forth under “— EURIBOR Notes”. The calculation agent will select the five swap dealers in its sole discretion and will request the principal London office of each of those dealers to provide a quotation of its rate.
- If at least three quotations are provided, the CMS rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations.
- If fewer than three quotations are provided, the calculation agent will determine the CMS rate in its sole discretion.

Federal Funds Rate Notes

If you purchase a federal funds rate note, your note will bear interest at a base rate equal to the federal funds rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

Unless we say otherwise in your final terms, the federal funds rate will be the rate for U.S. dollar federal funds on the relevant interest determination date, as published in H.15(519) under the heading “Federal funds (effective)”, as that rate is displayed on Moneyline Telerate page 120. If the federal funds rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above is not displayed on Moneyline Telerate page 120 at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from that source at that time, then the federal funds rate, for the relevant interest determination date, will be the rate described above as published in H.15

daily update, or another recognized electronic source used for displaying that rate, under the heading “Federal funds (effective)”.

- If the rate described above is not displayed on H.15 daily update or another recognized electronic source at 3:00 P.M., New York City time, on the relevant interest calculation date, unless the calculation is made earlier and the rate is available from one of those sources at that time, the federal funds rate will be the arithmetic mean of the rates for the last transaction in overnight, U.S. dollar federal funds arranged, before 9:00 A.M., New York City time, on the relevant interest determination date, by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent.
- If fewer than three brokers selected by the calculation agent are quoting as described in the prior paragraph, the federal funds rate in effect for the new interest period will be the federal funds rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

11th District Cost of Funds Rate Notes

If you purchase an 11th district cost of funds rate note, your note will bear interest at a base rate equal to the 11th district cost of funds rate and adjusted by the spread or spread multiplier, if any, specified in your final terms.

The 11th district cost of funds rate will be the rate equal to the monthly weighted average cost of funds for the calendar month immediately before the relevant interest determination date, as displayed on Moneyline Telerate page 7058 under the heading “11th District” as of 11:00 A.M., San Francisco time, on that date. If the 11th district cost of funds rate cannot be determined in this manner, the following procedures will apply:

- If the rate described above does not appear on Moneyline Telerate page 7058 on the relevant 11th district interest determination date, then the 11th district cost of funds rate for that date will be the monthly weighted average cost of funds paid by institutions that are members of the Eleventh Federal Home Loan Bank District for the calendar month immediately before the relevant 11th district interest determination date, as most recently announced by the Federal Home Loan Bank of San Francisco as that monthly weighted average cost of funds.
- If the Federal Home Loan Bank of San Francisco fails to announce the cost of funds described in the prior paragraph on or before the relevant interest determination date, the 11th district cost of funds rate in effect for the new interest period will be the 11th district cost of funds rate in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Other Rates

If you purchase a floating rate note which bears interest at a rate determined by reference to a rate other than the rates set forth above, the source of the base rate and the manner in which it is determined will be set forth in the applicable final terms. If the base rate cannot be determined in the manner specified in the applicable final terms at the relevant time, the base rate on the calculation date corresponding to the relevant determination date, unless the calculation is made earlier and the rate is available from that source at that time, shall be determined by the calculation agent on the basis of the rates, at approximately 11:00 a.m., London time on such interest determination date at which deposits in the relevant currency in an amount that, in the calculation agent’s sole judgment, is representative of a single transaction in the relevant interbank market at such time for the relevant index maturity commencing on the relevant interest reset date are offered to prime banks in the relevant interbank market by major banks in that market selected by the calculation agent. If quotations are obtained by the calculation agent from more than eleven banks, the rate for that interest determination date will be the arithmetic mean of the rates remaining after the two highest and the two lowest are excluded. If at least six but fewer than eleven quotations are obtained, the

rate for that interest determination date will be the arithmetic mean of the rates remaining after the single highest and the single lowest rates are excluded. If four or five quotations are obtained, the rate for that interest determination date will be the arithmetic mean of all the rates. If fewer than four quotations are provided as requested, the calculation agent will determine the applicable rate in its sole discretion.

Special Rate Calculation Terms

In this subsection entitled “— Interest Rates — Floating Rate Notes”, we use several terms that have special meanings relevant to calculating floating interest rates. We define these terms as follows:

The term “**bond equivalent yield**” means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where

- “D” means the annual rate for treasury bills quoted on a bank discount basis and expressed as a decimal;
- “N” means 365 or 366, as the case may be; and
- “M” means the actual number of days in the interest reset period.

The term “**designated CMT index maturity**” means the index maturity for a CMT rate note and will be the original period to maturity of a U.S. treasury security — either 1, 2, 3, 5, 7, 10, 20 or 30 years — specified in the applicable final terms. If no original maturity period is specified, the designated CMT Index maturity will be 2 years.

The term “**designated CMT Moneyline Telerate page**” means the Moneyline Telerate page specified in the applicable final terms that displays treasury constant maturities as reported in H.15(519). If no Moneyline Telerate page is so specified, then the applicable page will be Moneyline Telerate page 7052. If Moneyline Telerate page 7052 applies but the applicable final terms do not specify whether the weekly or monthly average applies, the weekly average will apply.

The term “**euro-zone**” means, at any time, the region comprised of the Member States of the European Economic and Monetary Union, or any successor union that, as of that time, have adopted a single currency in accordance with the Treaty on European Union of February 1992, or any successor treaty.

“**H.15(519)**” means the weekly statistical release entitled “Statistical Release H.15(519)”, or any successor publication, published by the Board of Governors of the Federal Reserve System.

“**H.15 daily update**” means the daily update of H.15(519) available through the website of the Board of Governors of the Federal Reserve System, at <http://www.federalreserve.gov/releases/h15/Update>, or any successor site or publication.

The term “**index currency**” means, with respect to a LIBOR note, the currency specified as such in the applicable final terms. The index currency may be U.S. dollars or any other currency and will be U.S. dollars unless another currency is specified in the applicable final terms.

The term “**index maturity**” means, with respect to a floating rate note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable final terms.

The term “**money market yield**” means a yield expressed as a percentage and calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where

- “D” means the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and
- “M” means the actual number of days in the relevant interest reset period.

“Moneyline Telerate LIBOR page” means Moneyline Telerate page 3750 or any replacement page or pages on which London interbank rates of major banks for the relevant index currency are displayed.

“Moneyline Telerate page” means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified in the applicable final terms, or any replacement page or pages on that service.

The term **“representative amount”** means an amount that, in the calculation agent’s judgment, is representative of a single transaction in the relevant market at the relevant time.

“Reuters screen LIBOR page” means the display on the Reuters Monitor Money Rates Service, or any successor service, on the page designated as “LIBO” or any replacement page or pages on which London interbank rates of major banks for the relevant index currency are displayed.

“Reuters screen USPRIME 1 page” means the display on the “USPRIME 1” page on the Reuters Monitor Money Rates Service, or any successor service, or any replacement page or pages on that service, for the purpose of displaying prime rates or base lending rates of major U.S. banks.

If, when we use the terms designated CMT Moneyline Telerate page, H.15(519), H.15 daily update, Reuters screen LIBOR page, Reuters screen USPRIME 1 page, Moneyline Telerate LIBOR page or Moneyline Telerate page, we refer to a particular heading or headings on any of those pages, those references include any successor or replacement heading or headings as determined by the calculation agent.

Indexed Notes

This subsection provides information that may be relevant to your note if it is linked to an index. The applicable final terms may provide additional information, including information that may modify the information below, and may specify that your note is linked to a different index than those referred to below. In addition, the applicable final terms will contain disclosure with respect to any licensing arrangements we have entered or may enter into with the relevant index sponsor. We do not intend to provide post-issuance information with respect to any underlying, unless otherwise required by applicable laws and regulations.

Stock and Bond Indices

Exchange Business Days

An exchange business day with respect to a stock or bond index will be any day with respect to which a reference price with respect to such index is or, but for the occurrence of a market disruption event, would have been published by the index sponsor.

Market Disruption Events

Any of the following will be a market disruption event with respect to a stock or bond index:

- a suspension, absence or material limitation of trading in index components constituting 20% or more of the index on their respective primary markets, in each case for more than two hours of trading or during the one hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or
- a suspension, absence or material limitation of trading in options or futures contracts relating to the index or to index components constituting 20% or more, by weight, of the index, if

available, in the respective primary markets for those contracts, in each case for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or

- index components constituting 20% or more, by weight, of the index, or options or futures contracts relating to the index or to index components constituting 20% or more, by weight, of the index, if available, do not trade on what were the respective primary markets for those index components or contracts, as determined by the calculation agent in its sole discretion.

and, in any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge that could be effected with respect to the notes.

Neither of the following events will be a market disruption event with respect to a stock or bond index:

- a limitation on the hours or number of days of trading, but only if the limitation results from a previously announced change in the business hours of the relevant market, or
- a decision to permanently discontinue trading in options or futures contracts relating to the index or to any index component.

For purposes of determining whether a market disruption event has occurred, an “absence of trading” in the primary securities market on which a component of a stock or bond index is traded or on which options or futures contracts relating to the index or an index component are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in any index component or in options or futures contracts relating to the index or any index component in the primary market for that index component or those contracts, by reason of:

- a price change exceeding limits set by that market, or
- an imbalance of orders relating to the index component or those contracts,
- a disparity in bid and ask quotes relating to that index component or those contracts,

will constitute a suspension or material limitation of trading in that index component or those contracts in that primary market.

Adjustments

Non-Exchange Business Days

If any observation date with respect to a stock or bond index falls on a day that is not an exchange business day with respect to such index, such date will be postponed to the next following exchange business day. However, in no event will any observation date with respect to a stock or bond index be postponed by more than eight business days after the scheduled date for that observation date or the business day immediately preceding the stated maturity date or any payment date for the relevant note.

Market Disruption Events

If a market disruption event occurs or is continuing with respect to a stock or bond index on any day that otherwise would be an observation date with respect to such index such date with respect to such index will be postponed to the next following day that is both an exchange business day with respect to such index and a day on which no market disruption event occurs or is continuing with respect to such index. In no event, however, will any observation date with respect to a stock or bond index be postponed by more than eight business days after the scheduled date for that observation date or beyond the business day immediately preceding the stated maturity date or any

payment date for the relevant note. If an observation date with respect to a stock or bond index is postponed to the last possible day but a market disruption event occurs or is continuing on that day with respect to such index or if no reference price is published by the index sponsor with respect to that day, that day will nevertheless be an observation date with respect to such index. If the calculation agent determines that a reference price with respect to the relevant index is not published by the index sponsor with respect to the postponed observation date, the calculation agent will determine the reference price of the index in its sole discretion in accordance with the formula and method of calculating this index last in effect prior to the occurrence of the first of the above events using the exchange traded or quoted prices of each index stock or bond comprised in the relevant index as of the close of trading in that market on that eighth day after the scheduled observation date. However, if any of the above events has occurred in respect to the relevant index stock or bond on that eighth day after the scheduled observation date, the calculation agent will use its good faith estimate of the value for the relevant index stock or bond as of the close of trading in that market on that eighth day after the scheduled observation date.

Commodity Indices

Exchange Business Days

An exchange business day with respect to a commodity index will be any day on which the offices of the index sponsor in its principal place of business are open for business and a reference price with respect to such index is or but for the occurrence of a market disruption event, would have been published by the index sponsor.

Market Disruption Events

Any of the following will be a market disruption event with respect to a commodity index:

- a material limitation, suspension, or disruption of trading in one or more contracts included in the index which results in a failure by the trading facility on which the relevant contracts are traded to report a daily contract reference price, defined as the price of each relevant contract that is used as a reference or benchmark by market participants, which we refer to as the daily contract reference price, for such contract on the day on which such event occurs or any succeeding day on which it continues, as determined by the calculation agent in its sole discretion, or
- the daily contract reference price for any contract included in the index is a “limit price”, which means that the daily contract reference price for such contract for a day has increased or decreased from the previous day’s daily contract reference price by the maximum amount permitted under the applicable rules or procedures of the relevant trading facility, as determined by the calculation agent in its sole discretion, or
- failure by the applicable trading facility or other price source to announce or publish the daily contract reference price for one or more contracts included in the index, as determined by the calculation agent in its sole discretion.

Adjustments

Non-Exchange Business Days

If any observation date falls on a day that is not an exchange business day with respect to a commodity index, such date with respect to such index will be postponed to the next following exchange business day. However, in no event will any observation date with respect to a commodity index be postponed by more than eight business days after the scheduled date for that observation date or the business day immediately preceding the stated maturity date or any payment date for the relevant note.

Market Disruption Events

If a market disruption event occurs or is continuing with respect to a commodity index on a day that otherwise would be an observation date with respect to such index, then, notwithstanding the official closing level published by the index sponsor or by any other source with respect to such date, the calculation agent will determine the reference price of such index as follows:

- with respect to each contract that is not affected by the market disruption event, the closing level will be based on the daily contract reference price of such contract on the observation date,
- with respect to each contract that is affected by the market disruption event, the closing level for that contract for purposes of the notes will be based on the daily contract reference price of such contract on the first day following the observation date that is an exchange business day with respect to the index and on which no market disruption occurs or is continuing with respect to such contract; provided, however, that in no event will the valuation with respect to an affected contract be postponed by more than eight business days or beyond the business day immediately preceding the stated maturity date or any payment date for the relevant note; in any such case, the calculation agent will determine the daily contract reference price for the affected contract as of the relevant observation date in its sole discretion; and
- the calculation agent will determine the closing level of the index by reference to the daily contract reference prices determined in accordance with the clauses above using the then-current method for calculating the index.

Stocks

Exchange Business Days

An exchange business day with respect to a stock will be any day with respect to which a reference price with respect to such stock is or, but for the occurrence of a market disruption event, would have been published by the principal stock exchange, as defined in the applicable final terms.

Market Disruption Events

Any of the following will be a market disruption event with respect to a stock:

- a suspension, absence or material limitation of trading in a stock on its principal stock exchange for more than two hours of trading or during the one hour before the close of trading in that market, as determined by the calculation agent in its sole discretion;
- a suspension, absence or material limitation of trading in option or futures contracts relating to a stock, if available, in the primary market for those contracts for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion; or
- a stock is not trading on what was the principal stock exchange for such stock, as determined by the calculation agent in its sole discretion.

provided that, in the case of any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with the ability of The Goldman Sachs Group, Inc. or any of its affiliates or a similarly situated party to unwind all or a material portion of a hedge that could be effected with respect to the relevant notes. For more information about hedging by The Goldman Sachs Group, Inc. and/or any of its affiliates, see “United States Taxation — Hedging in Connection with the Issuance of Indexed Notes.”

The following events will not be a market disruption event with respect to a stock:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the business hours of the relevant market, and
- a decision to permanently discontinue trading in the option or futures contracts relating to a stock.

For this purpose, an “absence of trading” in the principal stock exchange on which a stock is traded, or on the primary securities markets on which option or futures contracts relating to such stock are traded, will not include any time when that exchange or market, as the case may be, is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in a stock or in option or futures contracts relating to a stock, if available, in the principal stock exchange or the primary securities markets, as the case may be, for that stock or those contracts, by reason of:

- a price change exceeding limits set by that exchange or market, or
- an imbalance of orders relating to that basket stock or those contracts, or
- a disparity in bid and ask quotes relating to that basket stock or those contracts,

will constitute a suspension or material limitation of trading in that stock or those contracts in that exchange or markets, respectively.

In this subsection, references to a stock include securities that are part of any adjusted reference amount, as determined by the calculation agent in its sole discretion in the manner described under “— Indexed Notes — Stocks — Adjustments — Additional Adjustments”.

Adjustments

Non-Exchange Business Days

If any observation date with respect to a stock falls on a day that is not an exchange business day with respect to such stock, the relevant observation date will be postponed to the next following exchange business day. However, in no event will any observation date with respect to a stock be postponed by more than eight business days after the scheduled date for that observation date or the business day immediately preceding the stated maturity date or any payment date for the relevant note.

Market Disruption Events

If a market disruption event occurs or is continuing with respect to a stock on a day that would otherwise be an observation date with respect to such stock, such date will be postponed to the next following day that is both an exchange business day with respect to such stock and a day on which no market disruption event occurs or is continuing with respect to such stock. In no event, however, will any observation date with respect to a stock be postponed by more than eight business days after the scheduled date for that observation date or beyond the business day immediately preceding the stated maturity date or any payment date for the relevant note. If an observation date with respect to a stock is postponed to the last possible day but a market disruption event occurs or is continuing on that day with respect to such stock, or if no reference price is published by the principal stock exchange for such stock, that day will nevertheless be an observation date with respect to such stock. If the calculation agent determines that a reference price with respect to a stock is not published by the principal stock exchange for such stock with respect to the postponed observation date, the calculation agent will determine the reference price of such stock in its sole discretion in accordance with the formula and method of calculating the reference price of such stock last in effect prior to the occurrence of the first of the above events using the exchange traded or quoted prices of such stock as of the close of trading in that market on

that eighth day after the scheduled observation date. However, if any of the above events has occurred in respect to the stock on that eighth day after the scheduled observation date, the calculation agent will use its good faith estimate of the value for the stock as of the close of trading in that market on that eighth day after the scheduled observation date.

Additional Adjustments

The applicable final terms may specify that the amount payable on a note linked to the securities of one or more issuers, or, in the case of a note exchangeable for equity securities of one or more issuers other than The Goldman Sachs Group, Inc. or its affiliates, the number of shares for which the note is exchangeable, is to be calculated based on a reference price, a reference number of shares or an exchange ratio. The following discussion describes various adjustments that the calculation agent may make in the case of a note linked to the securities of one or more issuers for which the applicable final terms specify a reference price. If the applicable final terms instead specify a reference number of shares or an exchange ratio, the calculation agent will make corresponding adjustments, to the extent applicable.

The calculation agent will adjust the reference price of a stock as described below, but only if an event described below occurs and only if the relevant event occurs during the period described under the applicable subsection.

The adjustments described below do not cover all events that could affect the reference price of a stock, such as an issuer tender or exchange offer for the stock at a premium to its market price or a tender or exchange offer made by a third party for less than all outstanding shares of the stock.

How Adjustments Will Be Made. If an event requiring anti-dilution adjustment occurs, the calculation agent will make the adjustment by taking the following steps:

- **Step One.** The calculation agent will adjust the reference amount. This term refers to the amount of a stock or other property for which the reference price of a stock is to be determined on an observation date. For example, if no adjustment is required, the reference price of a stock will be the official closing price of one share of such stock as published by the principal stock exchange of such stock on the relevant observation date. In that case, the reference amount will be one share of the stock.

If an adjustment is required because one of the dilution events described in the first five subsections below — these involve stock splits, reverse stock splits, stock dividends, other dividends and distributions and issuances of transferable rights and warrants — occurs with respect to a stock, then the reference price of such stock might instead be, for example, the official closing price, on the relevant observation date, of two shares of the stock or a half share of the stock, depending on the event. In that example, the adjusted reference amount would be two shares of the stock or one half share of the stock, as applicable.

If an adjustment is required because one of the reorganization events described under “— Reorganization Events” below — these involve events in which cash, securities or other property is distributed in respect of the stock — occurs with respect to a stock, then the reference price of such stock will be as follows, assuming there has been no prior anti-dilution adjustment: the value, on the relevant observation date, of the property distributed in the reorganization event in respect of one share of such stock, plus one share of the stock if the stock remains outstanding. In that case, the adjusted reference amount will be the property so distributed plus one share of the stock, if applicable.

The manner in which the calculation agent adjusts the reference amount in step one will depend on the type of dilution event requiring adjustment.

- **Step Two.** Having adjusted the reference amount in step one, the calculation agent will determine the reference price of the relevant stock, which will be the official closing price of

the adjusted reference amount of such stock on the relevant observation date. If a reorganization event occurs with respect to a stock, the reference price of such stock will be the value of the adjusted reference amount as determined by the calculation agent in the manner described under “— Reorganization Events” below.

If more than one event requiring adjustment occurs with respect to a stock, the calculation agent will first adjust the reference amount of such stock as described in step one above for each event, sequentially, in the order in which the events occur, and on a cumulative basis. Thus, having adjusted the reference amount of such stock for the first event, the calculation agent will repeat step one for the second event, applying the required adjustment to the reference amount as already adjusted for the first event, and so on for each event. Having adjusted the reference amount of such stock for all events, the calculation agent will then take step two in the process described above, determining the reference price of such stock using the reference amount as sequentially and cumulatively adjusted for all the relevant events. The calculation agent will make all required determinations and adjustments no later than the observation date.

The calculation agent will adjust the reference price of a stock for each reorganization event described under “— Reorganization Events” below. For any other dilution event described below, however, the calculation agent will not be required to adjust the reference price of a stock unless the adjustment would result in a change of at least 0.1% in the reference price of such stock that would apply without the adjustment. The reference price of a stock resulting from any adjustment will be rounded up or down, as appropriate, to the nearest ten-thousandth, with five hundred-thousandths being rounded upward — e.g., 0.12344 will be rounded down to 0.1234 and 0.12345 will be rounded up to 0.1235.

If an event requiring anti-dilution adjustment occurs, the calculation agent will make the adjustment with a view to offsetting, to the extent practical, any change in the economic position of the holder and The Goldman Sachs Group, Inc., relative to the note, that results solely from that event. The calculation agent may, in its sole discretion, modify the anti-dilution adjustments as necessary to ensure an equitable result.

The calculation agent will make all determinations with respect to anti-dilution adjustments, including any determination as to whether an event requiring adjustment has occurred, as to the nature of the adjustment required and how it will be made or as to the value of any property distributed in a reorganization event, and will do so in its sole discretion. In the absence of manifest error, those determinations will be conclusive for all purposes and will be binding on you and us, without any liability on the part of the calculation agent. The calculation agent will provide information about the adjustments it makes upon written request by the holder.

When we say that the calculation agent will adjust the reference price of a stock for one or more dilution events, we mean that the calculation agent will take all the applicable steps described above with respect to those events.

The following six subsections describe the dilution events for which the reference price of a stock is to be adjusted. Each subsection describes the manner in which the calculation agent will adjust the reference amount — the first step in the adjustment process described above — for the relevant event.

Stock Splits. A stock split is an increase in the number of a corporation’s outstanding shares of stock without any change in its stockholders’ equity. Each outstanding share will be worth less as a result of a stock split.

If a stock is subject to a stock split, then the calculation agent will adjust the reference amount of such stock to equal the sum of the prior reference amount — *i.e.*, the reference amount of such stock before that adjustment — *plus* the *product* of (1) the number of additional shares issued in

the stock split with respect to one share of such stock *times* (2) the prior reference amount. The reference amount — and thus the reference price of the relevant stock — will not be adjusted, however, unless the first day on which the stock trades without the right to receive the stock split occurs after the trade date and on or before the relevant observation date.

Reverse Stock Splits. A reverse stock split is a decrease in the number of a corporation's outstanding shares of stock without any change in its stockholders' equity. Each outstanding share will be worth more as a result of a reverse stock split.

If a stock is subject to a reverse stock split, then once the reverse stock split becomes effective, the calculation agent will adjust the reference amount of such stock to equal the *product* of (1) the prior reference amount of such stock *times* (2) the *quotient* of (x) the number of shares of such stock outstanding immediately after the reverse stock split becomes effective *divided* by (y) the number of shares of such stock outstanding immediately before the reverse stock split becomes effective. The reference amount — and thus the reference price of the relevant stock — will not be adjusted, however, unless the reverse stock split becomes effective after the trade date and on or before the relevant observation date.

Stock Dividends. In a stock dividend, a corporation issues additional shares of its stock to all holders of its outstanding stock in proportion to the shares they own. Each outstanding share will be worth less as a result of a stock dividend.

If a stock is subject to a stock dividend, then the calculation agent will adjust the reference amount of such stock to equal the *sum* of the prior reference amount of such stock *plus* the *product* of (1) the number of shares issued in the stock dividend with respect to one share of such stock *times* (2) the prior reference amount of such stock. The reference amount — and thus the reference price of the relevant stock — will not be adjusted, however, unless the ex-dividend date occurs after the trade date and on or before the relevant observation date.

The ex-dividend date for any dividend or other distribution is the first day on which a stock trades without the right to receive that dividend or other distribution.

Other Dividends and Distributions. The reference amount of a stock will not be adjusted to reflect dividends or other distributions paid with respect to such stock, other than:

- stock dividends described above,
- issuances of transferable rights and warrants as described under “— Transferable Rights and Warrants” below,
- distributions that are spin-off events described under “— Reorganization Events” below, and
- extraordinary dividends described below.

A dividend or other distribution with respect to a stock will be deemed to be an extraordinary dividend if its per share value exceeds that of the immediately preceding non-extraordinary dividend, if any, for such stock by an amount equal to at least 10% of the reference price of such stock on the first exchange business day before the ex dividend date.

If an extraordinary dividend is paid with respect to a stock, the calculation agent will adjust the reference amount of such stock to equal the *product* of (1) the prior reference amount of such stock *times* (2) a *fraction*, the numerator of which is the reference price of such stock on the exchange business day before the ex dividend date and the denominator of which is the amount by which that reference price exceeds the extraordinary dividend amount. The reference amount — and thus the reference price of the relevant stock — will not be adjusted, however, unless the ex-dividend date occurs after the trade date and on or before the relevant observation date.

The extraordinary dividend amount with respect to an extraordinary dividend for a stock equals:

- for an extraordinary dividend that is paid in lieu of a regular quarterly dividend, the amount of the extraordinary dividend per share of such stock minus the amount per share of the immediately preceding dividend, if any, that was not an extraordinary dividend for such stock, or
- for an extraordinary dividend that is not paid in lieu of a regular quarterly dividend, the amount per share of the extraordinary dividend.

To the extent an extraordinary dividend is not paid in cash, the value of the non-cash component will be determined by the calculation agent. A distribution on a stock that is a stock dividend, an issuance of transferable rights or warrants or a spin-off event and also an extraordinary dividend will result in an adjustment to the reference price of such stock only as described under “— Stock Dividends” above, “— Transferable Rights and Warrants” below or “— Reorganization Events” below, as the case may be, and not as described here.

Transferable Rights and Warrants. If a stock issuer issues transferable rights or warrants to all holders of the related stock to subscribe for or purchase such stock at an exercise price per share that is less than the reference price of such stock on the exchange business day before the ex dividend date for the issuance, then the reference amount of such stock will be adjusted by *multiplying* the prior reference amount of such stock by the following *fraction*:

- the numerator will be the number of shares of such stock outstanding at the close of business on the day before that ex dividend date *plus* the number of additional shares of such stock offered for subscription or purchase under those transferable rights or warrants, and
- the denominator will be the number of shares of such stock outstanding at the close of business on the day before that ex-dividend date *plus* the number of additional shares of such stock that the aggregate offering price of the total number of shares of such stock so offered for subscription or purchase would purchase at the reference price of the stock on the exchange business day before that ex-dividend date, with that number of additional shares being determined by *multiplying* the total number of shares so offered by the exercise price of those transferable rights or warrants and *dividing* the resulting product by the reference price on the exchange business day before that ex dividend date.

The reference amount — and thus the reference price of the relevant stock — will not be adjusted, however, unless the ex-dividend date described above occurs after the trade date and on or before the relevant observation date.

Reorganization Events. Each of the following is a reorganization event:

- a stock is reclassified or changed,
- a stock issuer has been subject to a merger, consolidation or other combination and either is not the surviving entity or is the surviving entity but all the outstanding stock is exchanged for or converted into other property,
- a statutory share exchange involving an outstanding stock and the securities of another entity occurs, other than as part of an event described in the two bullet points above,
- a stock issuer sells or otherwise transfers its property and assets as an entirety or substantially as an entirety to another entity,
- a stock issuer effects a spin-off — that is, issues to all holders of the related stock equity securities of another issuer, other than as part of an event described in the four bullet points above,
- a stock issuer is liquidated, dissolved or wound up or is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law, or
- another entity completes a tender or exchange offer for all outstanding shares of a stock.

If a reorganization event occurs, then the calculation agent will adjust the reference amount of a stock so that it consists of the amount and type of property — whether it be cash, securities or other property — distributed in the event in respect of the prior reference amount of such stock. If more than one type of property is distributed, the reference amount of a stock will be adjusted so as to consist of each type of property distributed in respect of the prior reference amount of such stock, in a proportionate amount so that the value of each type of property comprising the new reference amount of such stock as a percentage of the total value of the new reference amount equals the value of that type of property as a percentage of the total value of all property distributed in the reorganization event in respect of the prior reference amount. We refer to the property distributed in a reorganization event as “distribution property”, a term we describe in more detail below. For purposes of the two-step adjustment process described under “— How Adjustments Will Be Made” above, the distribution property so distributed will be the adjusted reference amount described in step one and the value of that property on the relevant observation date will be the reference price described in step two.

For the purpose of making an adjustment required by a reorganization event, the calculation agent will determine the value of each type of distribution property, in its sole discretion. For any distribution property consisting of a security, the calculation agent will use the official closing price for such security on the relevant observation date. The calculation agent may value other types of property in any manner it determines, in its sole discretion, to be appropriate. If a holder of a stock may elect to receive different types or combinations of types of distribution property in the reorganization event, the distribution property will consist of the types and amounts of each type distributed to a holder that makes no election, as determined by the calculation agent in its sole discretion.

If a reorganization event occurs with respect to a stock and the calculation agent adjusts the reference amount to consist of the distribution property distributed in the event, as described above, the calculation agent will make further anti-dilution adjustments for later events that affect the distribution property, or any component of the distribution property, comprising the new reference amount. The calculation agent will do so to the same extent that it would make adjustments if a stock were outstanding and were affected by the same kinds of events. If a subsequent reorganization event affects only a particular component of the reference amount of a stock, the required adjustment will be made with respect to that component, as if it alone were the reference amount.

For example, if a stock issuer merges into another company and each share of the related stock is converted into the right to receive two common shares of the surviving company and a specified amount of cash, the reference amount for such stock will be adjusted to consist of two common shares and the specified amount of cash for each share of such stock (adjusted proportionately for any partial share) comprising the reference amount of such basket share before the adjustment. The calculation agent will adjust the common share component of the new reference amount to reflect any later stock split or other event, including any later reorganization event, that affects the common shares of the surviving company, to the extent described above. In that event, the cash component will not be adjusted but will continue to be a component of the reference amount. Consequently, the reference price of such stock will be the total value, as determined by the calculation agent on the relevant observation date, of all components of the reference amount of such stock, with each component having been adjusted on a sequential and cumulative basis for all relevant events requiring adjustment on or before the relevant observation date.

The calculation agent will not make any adjustment for a reorganization event, however, unless the event becomes effective (or, if the event is a spin-off, unless the ex dividend date for the spin-off occurs) after the trade date and on or before the relevant observation date.

When we refer to distribution property, we mean the cash, securities and other property or assets distributed in a reorganization event in respect of one outstanding share of a stock — or in respect of whatever the applicable reference amount of such stock may then be if any anti-dilution adjustment has been made in respect of a prior event. In the case of a spin off, the distribution

property also includes one share of a stock — or other applicable reference amount — in respect of which the distribution is made.

If a reorganization event occurs, the distribution property distributed in the event will be substituted for a stock as described above. Consequently, when we refer to a stock, we mean any distribution property that is distributed in a reorganization event and comprises the adjusted reference amount of such stock as determined by the calculation agent in the manner described above. Similarly, when we refer to a stock issuer, we mean any successor entity in a reorganization event as described under “— Reorganization Events” above.

Commodities

Exchange Business Days

An exchange business day with respect to a commodity for which the reference price is announced or published by an exchange is any day on which the relevant exchange is, or but for the occurrence of a market disruption event would have been, open for trading during regular trading hours, notwithstanding any such exchange closing prior to its scheduled closing time, and for any other commodity, any day on which the relevant price source published, or but for the occurrence of a market disruption event would have published, a price.

Market Disruption Events

Any of the following will be a market disruption event with respect to a commodity:

- the applicable exchange or other price source fails to announce or publish the reference price for that commodity, or
- the permanent discontinuance of trading in the relevant futures contract on the relevant exchange, the disappearance of, trading in the relevant commodity, or the disappearance or permanent discontinuance or unavailability of the reference price for that commodity, or
- a material change in the formula for or the method of calculating the reference prices for that commodity, or
- a material change in the content, composition or constitution of that commodity, including, without limitation, any material change in the futures contract specification.

For the purposes of the last bullet point, a change in futures contract specification will be material if the calculation agent determines, in its sole discretion, that it causes a change in the applicable reference price.

In addition, any of the following will also constitute a market disruption event with respect to a commodity for which the reference price is announced or published by an exchange, as determined by the calculation agent in its sole discretion:

- a material limitation, suspension, or disruption of trading of the relevant futures contract which results in a failure by the exchange on which that commodity is traded to report the reference price, or
- the closing price that would be used to determine the reference price for that commodity is a “limit price”, which means that the closing price for that commodity for a day has increased or decreased from the previous day’s closing price by the maximum amount permitted under applicable exchange rules, or
- the relevant exchange fails to list a futures contract with the same specification as that which applies in relation to that commodity as of the strike fixing date, or lists futures contracts for the same commodity, but with a specification which differs materially from that which applies to that commodity as of the strike fixing date.

For the purposes of the last bullet point, a change in futures contract specification will be material if the calculation agent determines, in its sole discretion, that it causes a change in the applicable reference price.

Adjustments

Non-Exchange Business Days

If any observation date with respect to a commodity falls on a day that is not an exchange business day, that observation date will be postponed to the next following exchange business day. However, in no event will an observation date be postponed by more than eight business days after the scheduled date or the business day immediately preceding the stated maturity date or any payment date for the relevant note.

Market Disruption Events

If a market disruption event occurs or is continuing with respect to a commodity on any observation date, that day will nevertheless be an observation date, and the calculation agent will determine the reference price of that commodity based on its assessment, made in its sole discretion, of the value of that commodity on that day.

Currencies and Foreign Currency Exchange Rates

Exchange Business Days

An exchange business day with respect to a foreign exchange rate is a day on which the relevant spot exchange rate or other specified exchange rate is available.

Market Disruption Events

A market disruption event with respect to a foreign currency exchange rate will be deemed to have occurred if the relevant spot exchange rate or other specified exchange rate is unavailable, as determined by the calculation agent in its sole discretion.

Adjustments

Non-Exchange Business Days

If any observation date with respect to a foreign currency exchange rate falls on a day that is not an exchange business day, the relevant observation date with respect to such rate will be postponed to the next following exchange business day. However, in no event will any observation date with respect to a foreign exchange rate be postponed by more than eight business days after the scheduled date for that observation date or the business day immediately preceding the stated maturity date or payment date for the relevant note.

Market Disruption Events

If a market disruption event occurs or is continuing with respect to a foreign exchange rate on a day that otherwise would be an observation date with respect to such rate, then the calculation agent will determine the relevant spot exchange rate in a commercially reasonable manner in its sole discretion.

Discontinuance of Publication of an Index

If the index sponsor of an index discontinues publication of such index and the index sponsor or anyone else publishes a substitute index that the calculation agent determines is comparable to such index, then the calculation agent will determine the amount payable by reference to that substitute index. We refer to any substitute index approved by the calculation agent as a successor index.

If the calculation agent determines that the publication of an index has been discontinued and there is no successor index, or that the level of an index is not available on any observation date because of a market disruption event or for any other reason, or if for any other reason an index is not available to us or the calculation agent on any relevant date, including our inability to use an index for the purposes of performing the calculations required in connection with the note because such index is not licensed for such purpose, the calculation agent will determine the amount payable

using, in lieu of a published level for that index, the level for that index as at that observation date as determined by the calculation agent in accordance with the formula for and method of calculating that index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that index immediately prior to that event.

If the calculation agent determines that an index, the components comprising an index or the method of calculating an index is changed at any time in any respect — including, but not limited to, by adding, deleting, substituting, reweighing or rebalancing any of the index components, and whether the change is made by the index sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting one or more of the index components or their issuers or is due to any other reason — then the calculation agent will determine the amount payable using, in lieu of a published level for that index, the level for that index as at that observation date as determined by the calculation agent in accordance with the formula for and method of calculating that index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that index immediately prior to that event.

Authority of Calculation Agent

All determinations and adjustments made by the calculation agent with respect to an index may be made by the calculation agent in its sole discretion.

Calculations relating to indexed notes and adjustments with respect to any index will be made by the calculation agent. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent. For more information about the calculation agent, see “— Interest Rates — Floating Rate Notes — Calculation of Interest” above.

Default Amount on Acceleration

If an event of default occurs and the maturity of an indexed note is accelerated, we will pay the default amount on that note at maturity. We describe the default amount below.

For the purpose of determining whether the holders of each of our Series C euro medium-term notes and our Series E subordinated euro medium-term notes are entitled to take any action under the Fiscal Agency Agreement, we will treat the outstanding face amount of each such note as the outstanding principal amount of that note. Although the terms of each note may differ from those of the other notes of the same series, holders of specified percentages in principal amount of all notes of each such series will be able to take action affecting all notes of such series. This action may involve changing some of the terms that apply to the notes of the relevant series, accelerating the stated maturity date of the notes of the relevant series after a default or waiving some of our obligations under the Fiscal Agency Agreement. These matters are discussed below under “— Events of Default and Remedies” and “— Meetings, Modification and Waiver of Covenants”.

Default Amount

The default amount for an indexed note on any day will be an amount, in the specified currency of that note, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to that note as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to that note. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, *plus*
- the reasonable expenses, including reasonable attorneys’ fees, incurred by the holder of that note in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for an indexed note, which we describe below, the holder and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest — or, if there is only one, the only — quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period for an indexed note is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the due day as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the stated maturity date for any indexed note, then the default amount for that note will equal the payment amount of that note.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America or Europe, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and rated either:

- A-1 or higher by Standard & Poor's Ratings Group or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

The Indices

We have compiled all information regarding the indices discussed below, including their make-up, method of calculation and changes in their components, from publicly available information. We accept responsibility as to the correct reproduction of such information as of the date of this European base prospectus, but do not accept any further or other responsibility, including any responsibility for the calculation, maintenance or publication of, or for any error, omission or disruption in, any of the indices, and do not make any representation or give any warranty that the publicly available information about the indices is accurate or complete.

The information set forth below reflects the policies of, and is subject to change by, the applicable index sponsor or sponsors. Each index sponsor owns the copyright and all other rights to the respective index. No index sponsor has any obligation to continue to publish, and may discontinue publication of, the relevant index.

Each of the indices has experienced significant fluctuations since its inception. Any historical upward or downward trend in the closing level of any of the indices is not an indication that such

index is more or less likely to increase or decrease at any time during the life of your note. It is impossible to predict whether the prices of the index components will rise or fall, and you should not take the historical levels of any of the indices as an indication of future performance. We cannot give you any assurance that the future performance of any of the indices or any index component will result in you receiving an amount greater than 100% of the outstanding face amount of your note on the stated maturity date. Neither we nor any of our affiliates makes any representation to you as to the performance of any of the indices.

The DAX[®]30 Index

The DAX[®]30 Index is published by Deutsche Börse AG and measures the performance of the Prime Standard's 30 largest German companies in terms of order book volume and market capitalization. The DAX[®]30 Index has a historical time series dating back until 1959. The index is based on prices generated in the electronic trading system Xetra. It is calculated starting at 9 a.m. and closes with the prices from the Xetra closing auction at 5:30 p.m. In addition to an index value calculated on the basis of traded prices, index values are also derived for the DAX[®]30 Index from best bid and best ask data, respectively.

The DAX[®]30 Index is reviewed every three months. Extraordinary adjustments to index composition are performed upon the occurrence of specific events such as insolvency.

Additional Information on the DAX[®]30 Index is available on the following website: <http://deutsche-boerse.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The Dow Jones EURO STOXX 50 IndexSM

The Dow Jones EURO STOXX 50 IndexSM is a capitalization-weighted index of 50 European blue-chip companies. The index was developed with a base level of 1,000 as of December 31, 1991. The index represents the Eurozone portion of the Dow Jones STOXX Total Market Index.

The index is calculated in accordance with the Laspeyres formula, which measures price changes against a fixed base quantity weight. The index is weighted by free-float market capitalization. Each index component weight is capped at 10% of the index's total free-float market capitalization. Weights are reviewed quarterly.

The index composition is reviewed annually in September. Within each of the 18 Dow Jones EURO STOXX Supersector indices, the respective index component stocks are ranked by free-float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding Dow Jones EURO STOXX TMI Supersector index. If the next-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. Any remaining stocks that are current Dow Jones EURO STOXX 50SM components are added to the selection list. The stocks on the selection list are ranked by free-float market capitalization. In exceptional cases, the STOXX Limited Supervisory Board may make additions and deletions to the selection list. The 40 largest stocks on the selection list are chosen as index components. Any remaining current components of the Dow Jones EURO STOXX 50SM ranked between 41 and 60 are added as index components. If the number of index components is still below 50, then the largest stocks on the selection list are added until the index contains 50 stocks.

The index is published by STOXX Limited, a joint venture of Deutsche Börse AG, Dow Jones & Company, Inc., and the SWX group. It is calculated daily, subject to the rules of its sponsor, and is disseminated every 15 seconds to numerous public information sources. It is available on Bloomberg SX5E page.

Additional Information on the Dow Jones EURO STOXX 50 IndexSM is available on the following website: <http://www.stoxx.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The Dow Jones Industrial Average

The Dow Jones Industrial Average is a benchmark of performance for leading companies in the U.S. stock market. The index consists of 30 “blue chip” U.S. stocks.

The index is calculated by adding up the prices of the 30 index components and dividing the total by a divisor. The divisor is a number that reflects adjustments over time resulting from spin-offs, stock splits, stock dividends and other corporate actions, as well as additions and deletions to the index. The adjustments to the divisor also ensure the continuity of the average.

The composition of the index is determined at the discretion of the editors of *The Wall Street Journal*. There are no pre-determined criteria except that index components should be established U.S. companies that are leaders in their industries. The index is not limited to traditionally defined industrial stocks. Instead, the index serves as a measure of the entire U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods.

For the sake of continuity, changes to the composition of the index are rare, and generally occur only after corporate acquisitions or other dramatic shifts in the core business of a company included in the index. When such an event necessitates that one index component should be replaced, the entire Dow Jones Industrial Average is reviewed by the editors of *The Wall Street Journal*. As a result, multiple index component changes are often implemented simultaneously.

Additional Information on the Dow Jones Industrial Average is available on the following website: <http://djindexes.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The EFFAS/Bloomberg Bond Index JN Government > 10 Year Total Return Index

The EFFAS/Bloomberg Bond Indices are designed as transparent benchmarks for government bond markets. These indices measure the performance of treasuries maturing in more than one year. Indices are grouped by country and maturity sectors. Bloomberg computes daily returns and index characteristics for each sector. The JN G5TR is published by Bloomberg on Bloomberg Page EFFA.

Additional information on Bloomberg is available on the following website: <http://www.bloomberg.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The FTSE 100™ Index

The FTSE 100™ Index is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The index was developed with a base level of 1,000 as of January 3, 1984. To qualify, companies must have a full listing on the Official List with a Sterling or Euro dominated price on SETS, which is the London Stock Exchange's Gilt Edged and Fixed Interest Market trading service for UK blue chip securities, subject to eligibility screens.

The FTSE Europe/Middle East/Africa Regional Committee meets quarterly to review the components of the FTSE 100™ Index. Market capitalization rankings are calculated using data as at the close of business on the day before the review. Companies must have a minimum trading record of 20 days at the review.

Companies that are large enough to be components of the FTSE 100™ Index but do not pass the liquidity test are not included. At the next annual review they are re-tested against all eligibility screens. A constant number of index components is maintained for the FTSE 100™ Index.

Additional Information on the FTSE 100™ Index is available on the following website: <http://www.ftse.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The FTSE/Xinhua China 25 Index™

FTSE/Xinhua China 25 Index™ is a real-time, tradable index designed for use as the basis for both on-exchange and OTC derivative products, mutual funds and ETFs. The index includes the largest 25 Chinese companies comprising H Shares and Red Chip Shares, ranked by total market capitalization. The index is designed to meet fund regulatory requirements worldwide, with constituent weightings capped, in order to avoid over-concentration in any one stock.

The index is a product of FTSE/Xinhua Index Limited, a joint venture between FTSE Group, one of the world's leading global index providers, and Xinhua Financial Network (XFN), a leading independent financial information provider with unique access into the People's Republic of China's markets. Ownership in eligible companies is represented by H Shares and red chips, which are available to foreign investors. The components of the index are adjusted for free float and subject to liquidity screens.

Additional Information on the FTSE/Xinhua China 25 Index™ is available on the following website: <http://www.ftsexinhua.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The Goldman Sachs Commodity Index (GSCI®) and Its Sub-Indices

Overview

Contracts on physical commodities are traded on regulated futures exchanges, in the over-the-counter market and on various types of physical and electronic trading facilities and markets. At present, all of the contracts included in the GSCI are exchange-traded futures contracts. An exchange-traded futures contract is a bilateral agreement providing for the purchase and sale of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. A futures contract on an index of commodities provides for the payment and receipt of a cash settlement based on the value of such commodities. A futures contract provides for a specified settlement month in which the commodity or financial instrument is to be delivered by the seller (whose position is therefore described as "short") and acquired by the purchaser (whose position is therefore described as "long") or in which the cash settlement amount is to be made.

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with the broker as "initial margin". This amount varies based on the requirements imposed by the exchange clearing houses, but may be as low as 5% or less of the value of the contract. This margin deposit provides collateral for the obligations of the parties to the futures contract.

By depositing margin in the most advantageous form (which may vary depending on the exchange, clearing house or broker involved), a market participant may be able to earn interest on its margin funds, thereby increasing the potential total return that may be realized from an investment in futures contracts. The market participant normally makes to, and receives from, the broker subsequent payments on a daily basis as the price of the futures contract fluctuates. These payments are called "variation margin" and make the existing positions in the futures contract more or less valuable, a process known as "marking to market".

Futures contracts are traded on organized exchanges, known as "contract markets" in the United States, through the facilities of a centralized clearing house and a brokerage firm which is a member of the clearing house. The clearing house guarantees the performance of each clearing member which is a party to a futures contract by, in effect, taking the opposite side of the transaction. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trader obtained the position. This operates to terminate the position and fix the trader's profit or loss.

U.S. contract markets, as well as brokers and market participants, are subject to regulation by the Commodity Futures Trading Commission. Futures markets outside the United States are

generally subject to regulation by comparable regulatory authorities. However, the structure and nature of trading on non-U.S. exchanges may differ from the foregoing description.

From its inception to the present, the GSCI and its sub-indices have comprised exclusively futures contracts traded on regulated exchanges. This has been due to the fact that, historically, regulated futures exchanges were the only types of facilities for the trading of commodities that provided centralized trading mechanisms and public reports of trading activity that reflected the prices and volumes of transactions executed in the relevant market. Recently, however, a number of electronic trading facilities have developed that offer trading in physical commodities and over-the-counter derivatives on commodities (such as swaps and forward contracts), through a centralized forum. Many of these facilities also provide price and volume reports to their participants and, in some cases, to the public. Such trading facilities are becoming a more significant component of the commodity trading market. In addition, recent amendments to the Commodity Exchange Act permit such trading facilities to operate without being regulated in the same manner as organized futures exchanges.

In response to these developments, Goldman, Sachs & Co., in consultation with the Policy Committee, as discussed under “— The Policy Committee” below, has modified the methodology for determining the commodities and contracts to be included in the GSCI and its sub-indices, as applicable, in order to permit the inclusion of contracts traded on trading facilities other than regulated futures exchanges. The criteria for determining the contracts to be included in the GSCI and its subindices are summarized below. At present, the GSCI continues to be comprised exclusively of futures contracts traded on regulated futures exchanges. However, pursuant to the recent modifications to the GSCI methodology, the GSCI and its subindices may in the future include contracts traded on other types of trading facilities. Such contracts may include, but will not necessarily be limited to, swaps and spot or forward contracts on a variety of physical commodities. In the commodities context, swaps are bilateral transactions that typically provide for the parties to make payments over a period of time either in a fixed amount or in an amount determined by reference to the price of a commodity. Spot and forward contracts typically provide for delivery of a commodity either at a stated time in the future or over a specified period of time, in return for a fixed purchase price (although such contracts may on occasion be settled through cash payments rather than physical delivery).

Transactions in such contracts executed through a trading facility may be bilateral transactions between two principals, in which case the parties are generally responsible for settlement of the transactions and for establishing any applicable credit terms, which may consist of futures-style margining but typically involve deposits of collateral and periodic adjustments of the amount of the collateral required. Alternatively, certain trading facilities may provide for contracts to be cleared through a centralized clearing house similar (or identical) to the types of clearing houses that provide clearing services to regulated futures markets. The terms of the contracts traded through these trading facilities, as well as the manner in which they are traded and the manner in which the prices and volumes of transactions are reported, may differ significantly from the comparable features of regulated futures contracts. In addition, the trading facilities may be subject to less regulation than regulated futures exchanges or, in some cases, to no substantive regulation.

The GSCI (along with its sub-indices) is a proprietary index that Goldman, Sachs & Co. has developed and calculates. As part of its investment banking operations, Goldman, Sachs & Co. engages, both directly and indirectly through its affiliates, in futures market brokerage, financial futures trading and hedging, dealing in foreign exchange and other activities. J. Aron & Co., an affiliate of Goldman, Sachs & Co., trades as principal in foreign exchange, crude oil and petroleum products, natural gas, electricity and in gold, silver, platinum group and base metals and in related derivative instruments.

The GSCI is an index on a production weighted basket of non-financial commodities (*i.e.*, physical commodities) that satisfy specified criteria. The GSCI is designed to be a measure of the performance over time of the markets for these commodities. The only commodities represented in

the GSCI are those physical commodities on which active and liquid contracts are traded on trading facilities in major industrialized countries. The commodities included in the GSCI are weighted, on a production basis, to reflect the relative significance (in the view of Goldman, Sachs & Co., in consultation with the Policy Committee, as described below) of such commodities to the world economy. The fluctuations in the value of the GSCI are intended generally to correlate with changes in the prices of such physical commodities in global markets. The GSCI was established in 1991 and has been normalized such that its hypothetical level on January 2, 1970 was 100. Futures contracts on the GSCI, and options on such futures contracts, are currently listed for trading on the Chicago Mercantile Exchange.

Set forth below is a summary of the composition of and the methodology used to calculate the GSCI (and its sub-indices) as of the date of this European base prospectus. The methodology for determining the composition and weighting of the GSCI and for calculating its value is subject to modification in a manner consistent with the purposes of the GSCI, as described below. Goldman, Sachs & Co. makes the official calculations of the GSCI. At present, this calculation is performed continuously and is reported on Reuters page GSCI (or any successor or replacement page) and is updated on Reuters at least once every three minutes during business hours on each day on which the offices of Goldman, Sachs & Co. in New York City are open for business, which we refer to as a "GSCI Business Day" for the purposes of this description.

Goldman, Sachs & Co. and certain of its affiliates will trade the contracts comprising the GSCI or any of its sub-indices, as well as the underlying commodities and other derivative instruments thereon, for their proprietary accounts and other accounts under their management. Goldman, Sachs & Co., and certain of its affiliates may underwrite or issue other securities or financial instruments indexed to the GSCI or any of its sub-indices and license the GSCI or any of its sub-indices for publication or for use by unaffiliated third parties. These activities could present certain conflicts of interest and could adversely affect the value of the GSCI or any of its sub-indices. There may be conflicts of interest between you and Goldman, Sachs & Co.

In light of the rapid development of electronic trading platforms and the potential for significant shifts in liquidity between traditional exchanges and such platforms, Goldman, Sachs & Co. has undertaken a review of both the procedures for determining the contracts to be included in the GSCI, as well as the procedures for evaluating available liquidity on an intra-year basis in order to provide GSCI market participants with efficient access to new sources of liquidity and the potential for more efficient trading. In particular, Goldman, Sachs & Co., in consultation with the Policy Committee described below, is examining the conditions under which an instrument traded on an electronic platform, rather than a traditional futures contract traded on a traditional futures exchange, should be permitted to be included in the GSCI and how the composition of the GSCI should respond to rapid shifts in liquidity between such instruments and contracts currently included in the GSCI. Any changes made to the GSCI composition or methodology as a result of this examination will be announced by Goldman, Sachs & Co. and provided in a written statement to any investor upon request to the calculation agent.

The Policy Committee

Goldman, Sachs & Co. has established a Policy Committee to assist it in connection with the operation of the GSCI. The Policy Committee meets on a regular basis and at other times upon the request of Goldman, Sachs & Co. The principal purpose of the Policy Committee is to advise Goldman, Sachs & Co. with respect to, among other things, the calculation of the GSCI, the effectiveness of the GSCI as a measure of commodity futures market performance and the need for changes in the composition or in the methodology of the GSCI. The Policy Committee acts solely in an advisory and consultative capacity; all decisions with respect to the composition, calculation and operation of the GSCI are made by Goldman, Sachs & Co.

Composition of the GSCI

In order to be included in the GSCI, a contract must satisfy the following eligibility criteria:

- The contract must be in respect of a physical commodity and not a financial commodity.
- In addition, the contract must:
 - have a specified expiration or term or provide in some other manner for delivery or settlement at a specified time, or within a specified period, in the future; and
 - at any given point in time, be available for trading at least five months prior to its expiration or such other date or time period specified for delivery or settlement.
 - with effect from January 2007, be traded on a trading facility which allows market participants to execute spread transactions through a single order entry between pairs of contract expirations included in the GSCI that, at any given point in time, will be involved in the rolls to be effected in the next three roll periods.

The commodity must be the subject of a contract that:

- is denominated in U.S. dollars;
- is traded on or through an exchange, facility or other platform (referred to as a “trading facility”) that has its principal place of business or operations in a country which is a member of the Organization for Economic Cooperation and Development and that:
 - makes price quotations generally available to its members or participants (and, if Goldman, Sachs & Co. is not such a member or participant, to Goldman, Sachs & Co.) in a manner and with a frequency that is sufficient to provide reasonably reliable indications of the level of the relevant market at any given point in time;
 - makes reliable trading volume information available to Goldman, Sachs & Co. with at least the frequency required by Goldman, Sachs & Co. to make the monthly determinations;
 - accepts bids and offers from multiple participants or price providers; and
 - is accessible by a sufficiently broad range of participants.

The price of the relevant contract that is used as a reference or benchmark by market participants (referred to as the “daily contract reference price”) generally must have been available on a continuous basis for at least two years prior to the proposed date of inclusion in the GSCI. In appropriate circumstances, however, Goldman, Sachs & Co., in consultation with the Policy Committee, may determine that a shorter time period is sufficient or that historical daily contract reference prices for such contract may be derived from daily contract reference prices for a similar or related contract. The daily contract reference price may be (but is not required to be) the settlement price or other similar price published by the relevant trading facility for purposes of margining transactions or for other purposes.

At and after the time a contract is included in the GSCI, the daily contract reference price for such contract must be published between 10:00 A.M. and 4:00 P.M., New York City time, on each business day relating to such contract by the trading facility on or through which it is traded and must generally be available to all members of, or participants in, such facility (and, if Goldman, Sachs & Co. is not such a member or participant, to Goldman, Sachs & Co.) on the same day from the trading facility or through a recognized third-party data vendor. Such publication must include, at all times, daily contract reference prices for at least one expiration or settlement date that is five months or more from the date the determination is made, as well as for all expiration or settlement dates during such five-month period.

For a contract to be eligible for inclusion in the GSCI, volume data with respect to such contract must be available for at least the three months immediately preceding the date on which the determination is made.

In addition:

- A contract that is not included in the GSCI at the time of determination and that is based on a commodity that is not represented in the GSCI at such time must, in order to be added to the GSCI at such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. \$15 billion. The total dollar value traded is the dollar value of the total quantity of the commodity underlying transactions in the relevant contract over the period for which the calculation is made, based on the average of the daily contract reference prices on the last day of each month during the period.
- A contract that is already included in the GSCI at the time of determination and that is the only contract on the relevant commodity included in the GSCI must, in order to continue to be included in the GSCI after such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. \$5 billion and at least U.S. \$10 billion during at least one of the three most recent annual periods used in making the determination.
- A contract that is not included in the GSCI at the time of determination and that is based on a commodity on which there are one or more contracts already included in the GSCI at such time must, in order to be added to the GSCI at such time, have a total dollar value traded, over the relevant period, as the case may be and annualized of at least U.S. \$30 billion.
- A contract that is already included in the GSCI at the time of determination and that is based on a commodity on which there are one or more contracts already included in the GSCI at such time must, in order to continue to be included in the GSCI after such time, have a total dollar value traded, over the relevant period, as the case may be and annualized, of at least U.S. \$10 billion and at least U.S. \$20 billion during at least one of the three most recent annual periods used in making the determination.
- A contract that is already included in the GSCI at the time of determination must, in order to continue to be included after such time, have a reference percentage dollar weight of at least 0.10%. The reference percentage dollar weight ("PDW") of a contract is determined by multiplying the CPW (defined below) of a contract by the average of its daily contract reference prices on the last day of each month during the relevant period. These amounts are summed for all contracts included in the GSCI and each contract's percentage of the total is then determined.
- A contract that is not included in the GSCI at the time of determination must, in order to be added to the GSCI at such time, have a reference percentage dollar weight of at least 0.75%. With effect from January 2007, the required reference percentage dollar weight will be at least 1.00%.

In the event that two or more contracts on the same commodity satisfy the eligibility criteria:

- Such contracts will be included in the GSCI in the order of their respective total quantity traded during the relevant period (determined as the total quantity of the commodity underlying transactions in the relevant contract), with the contract having the highest total quantity traded being included first, provided that no further contracts will be included if such inclusion would result in the portion of the GSCI attributable to such commodity exceeding a particular level.
- If additional contracts could be included with respect to several commodities at the same time, that procedure is first applied with respect to the commodity that has the smallest portion of the GSCI attributable to it at the time of determination. Subject to the other eligibility criteria set forth above, the contract with the highest total quantity traded on such commodity will be included. Before any additional contracts on the same commodity or on any other commodity are included, the portion of the GSCI attributable to all commodities is recalculated. The selection procedure described above is then repeated with respect to the contracts on the commodity that then has the smallest portion of the GSCI attributable to it.

The contracts currently included in the GSCI are all futures contracts traded on the New York Mercantile Exchange, Inc. (“NYM”), the International Petroleum Exchange (“IPE”), the Chicago Mercantile Exchange (“CME”), the Chicago Board of Trade (“CBT”), the Coffee, Sugar & Cocoa Exchange, Inc. (“CSC”), the New York Cotton Exchange (“NYC”), the Kansas City Board of Trade (“KBT”), the Commodities Exchange Inc. (“CMX”) and the London Metal Exchange (“LME”).

The quantity of each of the contracts included in the GSCI is determined on the basis of a five-year average (referred to as the “world production average”) of the production quantity of the underlying commodity as published by the United Nations Statistical Yearbook, the Industrial Commodity Statistics Yearbook and other official sources. However, if a commodity is primarily a regional commodity, based on its production, use, pricing, transportation or other factors, Goldman, Sachs & Co., in consultation with the Policy Committee, may calculate the weight of such commodity based on regional, rather than world, production data. At present, natural gas is the only commodity the weights of which are calculated on the basis of regional production data, with the relevant region defined as North America.

The five-year moving average is updated annually for each commodity included in the GSCI, based on the most recent five-year period (ending approximately two years prior to the date of calculation and moving backwards) for which complete data for all commodities is available. The contract production weights, or CPWs, used in calculating the GSCI are derived from world or regional production averages, as applicable, of the relevant commodities, and are calculated based on the total quantity traded for the relevant contract and the world or regional production average, as applicable, of the underlying commodity. However, if the volume of trading in the relevant contract, as a multiple of the production levels of the commodity, is below specified thresholds, the CPW of the contract is reduced until the threshold is satisfied. This is designed to ensure that trading in each such contract is sufficiently liquid relative to the production of the commodity.

In addition, Goldman, Sachs & Co. performs this calculation on a monthly basis and, if the multiple of any contract is below the prescribed threshold, the composition of the GSCI is re-evaluated, based on the criteria and weighting procedure described above. This procedure is undertaken to allow the GSCI to shift from contracts that have lost substantial liquidity into more liquid contracts, during the course of a given year. As a result, it is possible that the composition or weighting of the GSCI will change on one or more of these monthly evaluation dates. In addition, regardless of whether any changes have occurred during the year, Goldman, Sachs & Co. re-evaluates the composition of the GSCI, in consultation with the Policy Committee, at the conclusion of each year, based on the above criteria. Other commodities that satisfy such criteria, if any, will be added to the GSCI. Commodities included in the GSCI which no longer satisfy such criteria, if any, will be deleted.

Goldman, Sachs & Co., in consultation with the Policy Committee, also determines whether modifications in the selection criteria or the methodology for determining the composition and weights of and for calculating the GSCI are necessary or appropriate in order to assure that the GSCI represents a measure of commodity market performance. Goldman, Sachs & Co. has the discretion to make any such modifications, in consultation with the Policy Committee. Upon request, Goldman, Sachs & Co. will disclose to any investor any such modifications that are made. Requests should be directed to the calculation agent.

Contract Expirations

Because the GSCI is comprised of actively traded contracts with scheduled expirations, it can only be calculated by reference to the prices of contracts for specified expiration, delivery or settlement periods, referred to as “contract expirations”. The contract expirations included in the GSCI for each commodity during a given year are designated by Goldman, Sachs & Co., in consultation with the Policy Committee, provided that each such contract must be an “active contract”. An “active contract” for this purpose is a liquid, actively traded contract expiration, as

defined or identified by the relevant trading facility or, if no such definition or identification is provided by the relevant trading facility, as defined by standard custom and practice in the industry.

If a trading facility deletes one or more contract expirations, the GSCI will be calculated during the remainder of the year in which such deletion occurs on the basis of the remaining contract expirations designated by Goldman, Sachs & Co. If a trading facility ceases trading in all contract expirations relating to a particular contract, Goldman, Sachs & Co. may designate a replacement contract on the commodity. The replacement contract must satisfy the eligibility criteria for inclusion in the GSCI. To the extent practicable, the replacement will be effected during the next monthly review of the composition of the index. If that timing is not practicable, Goldman, Sachs & Co. will determine the date of the replacement and will consider a number of factors, including the differences between the existing contract and the replacement contract with respect to contractual specifications and contract expirations.

Value of the GSCI®

The value of the GSCI on any given day is equal to the total dollar weight of the GSCI *divided* by a normalizing constant that assures the continuity of the GSCI over time. The total dollar weight of the GSCI is the *sum* of the dollar weight of each of the underlying commodities. The dollar weight of each such commodity on any given day is equal to:

- the daily contract reference price,
- multiplied by the appropriate CPWs, and
- during a roll period, the appropriate “roll weights” (discussed below).

The daily contract reference price used in calculating the dollar weight of each commodity on any given day is the most recent daily contract reference price made available by the relevant trading facility, except that the daily contract reference price for the most recent prior day will be used if the exchange is closed or otherwise fails to publish a daily contract reference price on that day. In addition, if the trading facility fails to make a daily contract reference price available or publishes a daily contract reference price that, in the reasonable judgment of Goldman, Sachs & Co., reflects manifest error, the relevant calculation will be delayed until the price is made available or corrected; provided, that, if the price is not made available or corrected by 4:00 p.m., New York City time, Goldman, Sachs & Co. may, if it deems such action to be appropriate under the circumstances, determine the appropriate daily contract reference price for the applicable futures contract in its reasonable judgment for purposes of the relevant GSCI calculation.

Calculation of the Value of the Indices

The value of each index on any exchange business day is equal to the product of (i) the value of that index on the immediately preceding exchange business day multiplied by (ii) the contract daily return on the exchange business day on which the calculation is made. We use the term exchange business day to mean each day on which the offices of Goldman, Sachs & Co. in New York City are open for business.

Contract Daily Return

The contract daily return on any given day is equal to the *sum*, for each of the commodities included in the GSCI, of the applicable daily contract reference price on the relevant contract multiplied by the appropriate CPW and the appropriate “roll weight,” *divided* by the total dollar weight of the GSCI on the preceding day, minus one.

The “roll weight” of each commodity reflects the fact that the positions in contracts must be liquidated or rolled forward into more distant contract expirations as they approach expiration. If actual positions in the relevant markets were rolled forward, the roll would likely need to take place over a period of days. Since the GSCI is designed to replicate the performance of actual investments in the underlying contracts, the rolling process incorporated in the GSCI also takes place over a period of days at the beginning of each month (referred to as the “roll period”). On each day of the

roll period, the “roll weights” of the first nearby contract expirations on a particular commodity and the more distant contract expiration into which it is rolled are adjusted, so that the hypothetical position in the contract on the commodity that is included in the GSCI is gradually shifted from the first nearby contract expiration to the more distant contract expiration.

If on any day during a roll period any of the following conditions exists, the portion of the roll that would have taken place on that day is deferred until the next day on which such conditions do not exist:

- no daily contract reference price is available for a given contract expiration;
- any such price represents the maximum or minimum price for such contract month, based on exchange price limits (referred to as a “Limit Price”);
- the daily contract reference price published by the relevant trading facility reflects manifest error, or such price is not published by 4:00 P.M., New York City time. In that event, Goldman, Sachs & Co. may, but is not required to, determine a daily contract reference price and complete the relevant portion of the roll based on such price; provided, that, if the trading facility publishes a price before the opening of trading on the next day, Goldman, Sachs & Co. will revise the portion of the roll accordingly; or
- trading in the relevant contract terminates prior to its scheduled closing time.

If any of these conditions exist throughout the roll period, the roll with respect to the affected contract, will be effected in its entirety on the next day on which such conditions no longer exist.

The Hang Seng Index™

The Hang Seng Index™ is a capitalization-weighted index comprising the stocks of 33 companies on the Hong Kong stock exchange. The aggregate market capitalization of these stocks accounts for about 70% of the total market capitalization of the Hong Kong stock exchange. To be eligible for inclusion in the index, a company: (1) must be among those that constitute the top 90% of the total market value of all eligible stocks listed on the Hong Kong stock exchange (market capitalization is expressed as an average of the past 12 months); (2) must be among those that constitute the top 90% of the total turnover of all eligible stocks on the Hong Kong stock exchange (turnover is aggregated and individually assessed for eight quarterly sub-periods for the past 24 months); (3) should normally have a listing history of 24 months; and (4) should not be a secondary listed company. From these candidates, final selections are based on the following: (1) the market value and turnover ranking of the companies; (2) the representation of the sub-sectors within the index directly reflecting that of the market; and (3) the financial performance of the companies. The index is published and compiled by HSI Services Limited, a wholly-owned subsidiary of Hang Seng Bank. The index was first calculated and published in 1969.

Additional Information on the Hang Seng Index™ is available on the following website: <http://www.hsi.com.hk>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The MSCI® Singapore Index

The MSCI® Singapore Index is a capitalization-weighted index comprising stocks in Singapore. The index is calculated in Singapore Dollars on a real time-basis and disseminated every 15 seconds during market trading hours. It is part of the Morgan Stanley Capital International, Inc. (MSCI) Standard Index Series and targets for inclusion in each country 85% of free float-adjusted market capitalization in each industry group. The index was first calculated and published in 1988.

The security selection process within each industry group is based on an analysis of:

- each company’s business activities and the diversification that its securities would bring to the index;

- the size (based on free float-adjusted market capitalization) and liquidity of securities; all other things being equal, MSCI targets for inclusion the most sizable and liquid securities in an industry group; in addition, securities that do not meet the minimum size guidelines discussed below and/or securities with inadequate liquidity are not considered for inclusion; and
- the estimated free float for the company and its individual share classes; only securities of companies with an estimated overall and/or security free float greater than 15% are, in general, considered for inclusion.

Additional Information on the MSCI® Singapore Index is available on the following website: <http://www.msci.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The Nikkei 225™ Index

The Nikkei 225™ Index is a price-weighted Index of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. Currently published by Nihon Keizai Shimbun, Inc., the index was first published on September 7, 1950.

The index is calculated daily by adding together the stock prices of each of the index components and dividing the total by the divisor. The divisor is adjusted to maintain continuity and reduce the effect on the level of the index of external factors not directly related to the market.

The current calculation method, called the Dow Jones method, has been used since 1950. The 225 components of the Nikkei Stock Average are among the most actively traded issues on the First Section of the TSE. The index reflects the ex-rights-adjusted average stock price.

Since the Nikkei Stock Average is expected to represent the performance of stocks on the First Section, and by extension the market in general, the mix of index components has been rebalanced from time to time to assure that all issues in the index are both highly liquid and representative of Japan's industrial structure.

Additional Information on the Nikkei 225™ Index is available on the following website: <http://www.nni.nikkei.co.jp>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The S&P 500® Index

Standard & Poor's publishes the S&P 500® Index. The calculation of the value of the index, discussed below in further detail, is based on the relative value of the aggregate average market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. Standard & Poor's chooses companies for inclusion in the index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the New York Stock Exchange, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. The index comprises the following ten main groups of companies: consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecommunication services and utilities. Standard & Poor's may from time to time, in its sole discretion, add companies to, or delete companies from, the index to achieve the objectives stated above.

The index does not reflect the payment of dividends on the stocks included in the index. As a result, the return on the offered notes will not be the same as the return you would receive if you were to purchase these stocks and hold them for a period equal to the term of the offered notes.

Standard & Poor's currently computes the index as of a particular time as follows:

- the product of the market price per share and the number of then outstanding stocks of each index component is determined as of that time (referred to as the "market value" of that stock);
- the market values of all index component stocks as of that time are aggregated;
- the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;
- the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "base value");
- the current aggregate market value of all index component stocks is divided by the base value; and
- the resulting quotient, expressed in decimals, is multiplied by ten.

While Standard & Poor's currently employs the above methodology to calculate the index, no assurance can be given that Standard & Poor's will not modify or change this methodology in a manner that may affect the payment amount for the offered notes upon maturity or otherwise.

Standard & Poor's adjusts the foregoing formula to offset the effects of changes in the market value of an index component that are determined by Standard & Poor's to be arbitrary or not due to true market fluctuations. These changes may result from causes such as:

- the issuance of stock dividends,
- the granting to shareholders of rights to purchase additional shares of stock,
- the purchase of stocks by employees pursuant to employee benefit plans,
- consolidations and acquisitions,
- the granting to shareholders of rights to purchase other securities of the issuer,
- the substitution by Standard & Poor's of particular components of the S&P 500® Index, and
- other reasons.

In these cases, Standard & Poor's first recalculates the aggregate market value of all index component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that stock or both, as the case may be, and then determines the new base value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the base value is adjusted in proportion to any change in the aggregate market value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the index.

Additional Information on the S&P 500® Index is available on the following website: <http://www2.standardandpoors.com>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

The TOPIX® Index

The TOPIX®, also known as the Tokyo Price Index, is a capitalization-weighted index of all the companies listed on the First Section of the Tokyo Stock Exchange (TSE). Domestic stocks

admitted to the TSE are assigned either to the First Section or the Second Section. Stocks listed in the First Section, which number close to 1,600, are among the most actively traded stocks on the TSE. The index is supplemented by the subindices of the 33 industry sectors and developed with a base index value of 100 as of January 4, 1968. The index calculation excludes temporary issues and preferred stocks. The index was first calculated and published in 1969.

TOPIX® is computed and published every 15 seconds via TSE's Market Information System. It is reported to securities companies across Japan and is available worldwide through computerized information networks.

Additional Information on the TOPIX® Index is available on the following website: <http://www.tse.or.jp/english/topix/topix/index.html>. We are not incorporating by reference this website or any material it includes into this European base prospectus.

Indexed Notes Terms

In this subsection entitled “Indexed Notes”, we use several terms that have special meanings relevant to indexed notes. We define these terms as follows:

The term “**index**” means any index specified as such in the applicable final terms and any successor index, in each case as it may be modified, replaced or adjusted from time to time, as indicated above.

The term “**index sponsor**” means, at any time, the person or other entity, including any successor sponsor, that is (i) responsible for setting and reviewing the rules and procedures for the methods of calculation and adjustments, if any, related to the relevant index and (ii) announces (directly or through an agent) the level of the relevant index on a regular basis on each exchange business day, all as determined by the calculation agent.

The term “**observation date**” means with respect to an index the date specified as such in the applicable final terms, subject to any relevant adjustments as described above.

The term “**reference price**” means the official closing level of the relevant index as of the relevant observation date as published by the index sponsor.

Redemption and Repayment

Redemption at the Option of Goldman Sachs

We will not be entitled to redeem your note before its stated maturity date unless your final terms specify a redemption commencement date, except in the event of certain developments involving United States withholding taxes or the imposition of certain information reporting requirements, as described in this subsection under “— Redemption Upon Payment of Additional Amounts” and “— Redemption Upon Application of Certain Reporting Requirements” below. If your final terms specify a redemption commencement date, they will also specify one or more redemption prices, which may be expressed as a percentage of the principal amount of your note. Your final terms may also specify one or more redemption periods during which the specified redemption prices relating to a redemption of notes during those periods will apply.

If your final terms specify a redemption commencement date, your note will be redeemable at our option, in whole or in part, at any time on or after that date or at a specified time or times. If we redeem your note, we will do so at the specified redemption price, together with any interest accrued to the redemption date. If different prices are specified for different redemption periods, the price we pay will be the price that applies to the redemption period during which your note is redeemed.

If we exercise an option to redeem any note, we give to the holder written notice of the principal amount of the note to be redeemed, not less than 30 days nor more than 60 days before the applicable redemption date. We will give the notice in the manner described under “— Notices” below. In addition, we will notify the Luxembourg Stock Exchange of any redemption.

If a note represented by a global note is subject to repayment at the holder's option, the depositary or its nominee, as the holder, will be the only person that can exercise the right of repayment. Any indirect owners who own beneficial interests in the global note and wish to exercise a repayment right must give proper and timely instructions to their banks or brokers through which they hold their interests, requesting that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

Street name and other indirect owners should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.

We or our affiliates may purchase notes from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Notes that we or they purchase may, at our discretion, be held, resold or canceled.

Repayment at the Option of the Holder

You will not be entitled to require us to buy your note from you before its stated maturity, unless your final terms specify one or more repayment dates. If your final terms specify a repayment date, it will also specify one or more repayment prices.

If your final terms specify a repayment date, your note will be repayable at the holder's option on the specified repayment date at the specified repayment price, together with interest accrued to the repayment date.

If a holder of a note wishes to exercise its option to redeem any note, the holder will need to deliver to a paying agent of Goldman Sachs, at least 30 days but not more than 45 days before the repayment date, together with a completed copy of the form entitled "Option to Elect Repayment" on the back of the applicable final terms or note. Exercise of the repayment option by the holder of a note will be irrevocable. The holder of a note may not exercise the repayment option for less than the entire principal amount of the note.

If a note represented by a temporary bearer global note or permanent bearer global note is subject to repayment at the holder's option, the common depositary or its nominee, as holder, will be the only person that can exercise the right to repayment. Any indirect owners who own beneficial interests in the global note and wish to exercise a repayment right must give proper and timely instructions to the banks or brokers through which they hold their interests, request that they notify the depositary to exercise the repayment right on their behalf. Different firms have different deadlines for accepting instructions from their customers, and you should take care to act promptly enough to ensure that your request is given effect by the depositary before the applicable deadline for exercise.

Redemption Upon Payment of Additional Amounts

Unless we say otherwise in your final terms, the following redemption provisions will apply to the notes.

We may redeem, as a whole but not in part, all outstanding notes, if, at any time, as a result of certain changes in the laws or regulations of any U.S. taxing authority, on or after the date of this European base prospectus, we are obligated to pay, on the next succeeding interest payment date, additional amounts, as described under "— Payment of Additional Amounts" below, and that obligation cannot be avoided by the use of reasonable measures available to us. If we exercise the option to redeem, we will give to the holders of notes, not less than 30 nor more than 60 days notice before the specified redemption date. In addition, we will notify the Luxembourg Stock Exchange of

any redemption. The redemption price will be 100% of the principal of the notes (except original issue discount notes), together with accrued interest to the redemption date. Original issue discount notes, however, may be redeemed at the redemption prices specified in the applicable final terms.

The obligation to pay additional amounts must remain in effect at the time we give notice of redemption, and that notice of redemption must be given no earlier than 90 days before the date on which we would be obligated to pay additional amounts, if a payment in respect of the notes were then due. In addition, we must deliver to the fiscal agent a certificate affirming that we are entitled to exercise the right of redemption and setting forth in reasonable detail a statement of facts showing that the conditions precedent to the right to redeem the notes have occurred.

Redemption Upon Application of Certain Reporting Requirements

Unless we say otherwise in your final terms, the following redemption provisions will apply to the notes.

Payments made by us or our paying agents outside the United States of the full amount of principal, premium (if any) or interest due on any bearer note or related coupon could be subject under either present or future U.S. law or regulation to certification, identification or other information reporting requirements. We refer to these requirements (except as described below) generally as “reporting requirements”. If, on the basis of a written opinion of independent counsel, we determine that such a reporting requirement exists and if such a requirement would result in disclosure of the nationality, residence or identity of a beneficial owner of any bearer note or coupon who is a United States alien (as defined below under “— Payment of Additional Amounts”) to us, any of our paying agents or any governmental authority, we, at our election, will either:

- redeem all outstanding bearer notes, and — if we so elect — all outstanding registered notes, at a redemption price equal to 100% of their principal, together with accrued interest to the date fixed for redemption; or
- if, and so long as, the conditions in this subsection are satisfied, pay additional amounts.

Reporting requirements which would not trigger redemption rights include requirements that:

- would not be applicable to a payment made by us or any other paying agent:
 - directly to the beneficial owner; or
 - to any custodian, nominee or other agent of the beneficial owner; or
- can be satisfied by a custodian, nominee or other agent certifying that the beneficial owner is a United States alien.

Redemption rights would be triggered, however, if payments or certifications to or by the custodian, nominee or other agent of the beneficial owner would otherwise be subject to reporting requirements.

We will make the determination as soon as practicable and give prompt notice of it, stating:

- the effective date of such certification,
- identification or information reporting requirement,
- whether we will redeem the bearer notes and the registered notes or pay the additional amounts specified in the next paragraph, and
- the last date by which the redemption must take place (if applicable).

We must send this determination notice to the fiscal agent at least 75 days before the redemption date, unless a shorter notice period is acceptable to the fiscal agent. Once it receives the notice, the fiscal agent will publish the notice. If we elect to redeem the bearer notes or the

registered notes, as specified in the notice, the redemption will take place on the redemption date (but not later than one year after publication of the notice). We will not redeem the bearer notes or registered notes, however, if at least 30 days before the redemption date, on the basis of a written opinion of independent counsel, we determine that payments made by us or our paying agents outside the United States would not be subject to reporting requirements. In this case we will give notice to the fiscal agent, who will in turn give prompt notice of this determination to the holders, and the redemption date will be revoked and will have no further effect. If we elect to pay the additional amounts specified in the next paragraph, and as long we are obligated to pay the additional amounts, we may instead decide at a later date to redeem the bearer notes or registered notes (as will be specified in the note of redemption). We may decide to redeem at any time, in whole but not in part, at a redemption price equal to 100% of the principal amount with interest accrued to the specified redemption date, but without reduction for applicable United States withholding taxes.

If the reporting requirement would be fully satisfied by the payment of a backup withholding tax or similar charge, we may elect in the determination notice to have the provisions of this paragraph apply instead of redeeming the notes as described above. In this case we will pay as additional amounts any amount that may be necessary so that each net payment made will be the same as the amount provided for in the bearer note or the coupon due and payable at the time. This provision will apply to payments made following the effective date of the reporting requirement outside of the United States, and to any bearer note or any related coupon whose beneficial owner is a United States alien (but without any requirement that the nationality, residence or identity of the beneficial owner be disclosed to us, any paying agent or any governmental authority).

A backup withholding tax or similar charge which does not apply to this provision is one which

(1) would not be applicable to a payment by us or any of our paying agents:

(a) directly to the beneficial owner; or

(b) to a custodian, nominee or other agent of the beneficial owner,

(2) can be satisfied by the custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States alien; except in each case referred to in (1)(b) above and (2) herein, payment by the custodian, nominee or agent of the beneficial owner is not otherwise subject to any such reporting requirement,

(3) is imposed as a result of the fact that we or any paying agent have actual knowledge that the beneficial owner of any particular bearer note or coupon is within the category of persons described in first bullet point of the second sentence of the second paragraph under “— Payment of Additional Amounts” below, or

(4) is imposed as a result of presentation of bearer note or coupon for payment more than 15 days after the date on which the payment becomes due and payable or on which payment is duly provided for, whichever occurs later.

Payment of Additional Amounts

Unless we say otherwise in your final terms, we intend to make all payments on the notes without deducting U.S. withholding taxes. If we are required by law to do so on payments to non-U.S. investors, however, we will pay additional amounts on those payments to the extent described in this subsection.

We will pay additional amounts on a note or any related coupon only if the beneficial owner of the notes or coupon is a United States alien. The term “United States alien” means any person who, for U.S. federal income tax purposes is:

- a nonresident alien individual;
- a foreign corporation;
- a foreign partnership one or more of the members of which, for U.S. federal income tax purposes, is a foreign corporation, a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust; or
- a nonresident alien fiduciary of an estate or trust that is not subject to U.S. federal income tax on a net income basis on income or gain from a note.

If the beneficial owner of a note or any related coupon is a United States alien, we will pay all additional amounts that may be necessary so that every net payment of interest, premium, if any, or principal on that note or coupon will not be less than the amount provided for in that note or coupon. By net payment, we mean the amount we or our paying agent pays after deducting or withholding an amount for or on account of any present or future tax, assessment or other governmental charge imposed with respect to that payment by a U.S. taxing authority.

Our obligation to pay additional amounts is subject to several important exceptions, however. We will **not** pay additional amounts for or on account of any of the following:

- any tax, assessment or other governmental charge imposed solely because of any time there is or was a connection between the beneficial owner — or between a fiduciary, settler, beneficiary or member of the beneficial owner, if the beneficial owner is an estate, trust or partnership — and the United States (other than the mere receipt of a payment or the ownership or holding of a note), including because the beneficial owner — or the fiduciary, settler, beneficiary or member — at any time, for U.S. federal income tax purposes:
 - is or was a citizen or resident or is or was treated as a resident of the United States;
 - is or was present in the United States;
 - is or was engaged in a trade or business in the United States;
 - has or had a permanent establishment in the United States;
 - is or was a domestic or foreign personal holding company, a passive foreign investment company or a controlled foreign corporation;
 - is or was a corporation that accumulates earnings to avoid U.S. federal income tax; or
 - is or was a “ten percent shareholder” of The Goldman Sachs Group, Inc.;
- any tax, assessment or other governmental charge which would not have been imposed but for the presentation by such holder for payment on a date more than 15 days after the date on which the payment became due and payable or the date on which payment is duly provided for, whichever occurs later;
- any estate, inheritance, gift, sales, excise, transfer, wealth or personal property or any similar tax, assessment or other governmental charge;
- any tax, assessment or other governmental charge imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such note or any coupon attached to it, if compliance is required by statute or by regulation of the U.S. Treasury Department or by an applicable

income tax treaty to which the United States is a party, as a precondition to exemption from such tax, assessment or other governmental charge;

- any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium, if any, or interest on such notes or any coupons attached to them;
- any tax, assessment or other governmental charge imposed solely because the payment is to be made by a particular paying agent (including The Goldman Sachs Group, Inc.) and would not be imposed if made by another paying agent;
- where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC, which we call the Tax Directive, or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, the Tax Directive or any other such directive;
- presented for payment by or on behalf of a holder who would be able to avoid withholding or deduction by presenting the note to another paying agent in a Member State of the European Union;
- any tax, assessment or other governmental charge imposed solely because the holder (1) is a bank purchasing the note in the ordinary course of its lending business or (2) is a bank that is neither (A) buying the note for investment purposes only nor (B) buying the note for resale to a third party that either is not a bank or holding the note for investment purposes only; or
- any combination of the taxes, assessments or other governmental charges described above.

In addition, we will not pay additional amounts with respect to any payment of principal, premium, if any, or interest to any United States alien who is a fiduciary or a partnership, or who is not the sole beneficial owner of the payment, to the extent that we would not have to pay additional amounts to any beneficiary or settlor of the fiduciary or any member of the partnership, or to any beneficial owner of the payment, if that person or entity were treated as the beneficial owner of the note for this purposes.

When we refer to a “U.S. taxing authority” in this subsection and “— Redemption and Repayment — Redemption Upon Payment of Additional Amounts” above, we mean the United States of America or any state, other jurisdiction or taxing authority in the United States. When we refer to the “United States”, we mean the United States of America, including the states and the District of Columbia, together with the territories, possessions and all those areas subject to the jurisdiction of the United States of America.

When we refer to any payment of interest or principal on a note, this includes any additional amount that may be payable as described above in respect of that payment.

Mergers and Similar Transactions

We are generally permitted to merge or consolidate with another corporation or other entity. We are also permitted to sell our assets substantially as an entirety to another corporation or other entity. With regard to your note, however, we may not take any of these actions unless all of the following conditions are met:

- if the successor entity in the transaction is not The Goldman Sachs Group, Inc., the successor entity must be organized as a corporation, partnership or trust and must expressly assume our obligations under the notes and the fiscal agency agreement with respect to that series.

The successor entity may be organized under the laws of any jurisdiction, whether in the United States or elsewhere;

- immediately after the transaction, no default under the notes of that issuance has occurred and is continuing; and
- certain other conditions of the fiscal agency agreement are met.

If the conditions described above are satisfied, we will not need to obtain the approval of the holders of the notes in order to merge or consolidate or to sell our assets. Also, these conditions will apply only if we wish to merge or consolidate with another entity or sell our assets substantially as an entirety to another entity. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another entity, any transaction that involves a change in control of The Goldman Sachs Group, Inc. but in which we do not merge or consolidate and any transaction in which we sell less than substantially all our assets.

Also, if we merge, consolidate or sell our assets substantially as an entirety and the successor or purchaser is a non-U.S. entity, neither we nor any successor or purchaser would have any obligation to compensate you for any resulting adverse tax consequences to the notes.

Subordination Provisions

Holders of Series E subordinated euro medium-term notes should recognize that the terms of these notes may prohibit us from making payments on them. The Series E subordinated euro medium-term notes are subordinate and junior in right of payment, to the extent and in the manner stated in the relevant notes, to all of our senior indebtedness including the Series C euro medium-term notes. "Senior indebtedness" means all indebtedness and obligations of, or guaranteed or assumed by, The Goldman Sachs Group, Inc. for borrowed money or evidenced by bonds, debentures, notes or other similar instruments, whether existing now or in the future, and all amendments, renewals, extensions, modifications and refundings of any indebtedness or obligations of that kind. Senior debt excludes the Series E subordinated euro medium-term notes and any other indebtedness or obligations specifically designated as being subordinate, or not superior, in right of payment to the Series E subordinated euro medium-term notes.

We may modify the subordination provisions, including the definition of senior indebtedness, with respect to the Series E subordinated euro medium-term notes, to the extent set out in the applicable final terms.

The terms of the Series E subordinated euro medium-term notes may provide that, unless all principal of and any premium or interest on the senior indebtedness has been paid in full, no payment or other distribution may be made in respect of any such notes in the following circumstances:

- in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization, assignment for creditors or other similar proceedings or events involving us or our assets;
- (a) in the event and during the continuation of any default in the payment of principal, premium or interest on any senior indebtedness beyond any applicable grace period or (b) in the event that any event of default with respect to any senior indebtedness has occurred and is continuing, permitting the holders of that senior indebtedness to accelerate the maturity of that senior indebtedness, whether or not the maturity is in fact accelerated (unless, in the case of (a) or (b), the payment default or event of default has been cured or waived or ceased to exist and any related acceleration has been rescinded) or (c) in the event that any

judicial proceeding is pending with respect to a payment default or event of default described in (a) or (b); or

- in the event that the Series E subordinated euro medium-term notes have been declared due and payable before their stated maturity.

If any holders of the Series E subordinated euro medium-term notes receive any payment or distribution that is prohibited under the subordination provisions, then they will have to repay that money to the holders of the senior indebtedness.

Even if the subordination provisions prevent us from making any payment when due on the Series E subordinated euro medium-term notes, we will be in default on our obligations if we do not make the payment when due. This means that the holders of the Series E subordinated euro medium-term notes can take action against us, but they will not receive any money until the claims of the holders of senior indebtedness have been fully satisfied.

Restriction on Liens

We promise that we will not create, assume, incur or guarantee any indebtedness for borrowed money that is secured by a pledge, lien or other similar encumbrance on the voting or profit participating equity ownership interests that we or any of our subsidiaries own in Goldman, Sachs & Co., or in any subsidiary that beneficially owns or holds, directly or indirectly, those interests in Goldman, Sachs & Co., unless we also secure the notes on an equal or priority basis with the other secured indebtedness. Our promise, however, is subject to an important exception: we may secure indebtedness for borrowed money with pledges, liens or other encumbrances on those interests without securing the notes if our board of directors determines that the liens do not materially detract from or interfere with the value or control of those interests, as of the date of such determination.

The restriction on liens described above does not restrict our ability to create liens on our interests in subsidiaries other than Goldman, Sachs & Co., nor does it restrict our ability to sell or otherwise dispose of our interests in any subsidiaries, including Goldman, Sachs & Co. In addition, the restriction on liens applies only to liens that secure debt for borrowed money. For example, liens imposed by operation of law, such as liens to secure statutory obligations for taxes or workers' compensation benefits or liens we create to secure obligations to pay legal judgments or surety bonds, would not be covered by the restriction.

Defeasance and Covenant Defeasance

Full Defeasance

Unless we say otherwise in your final terms, the provisions for full defeasance will apply to any fixed rate note, the principal of (and premium, if any) and interest on which is payable in U.S. dollars, so long as the note is not a bearer note and does not include the provisions discussed under “— Payment of Additional Amounts” above.

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on any notes. This is called full defeasance. For us to do so, each of the following must occur:

- we must deposit in trust for the benefit of all holders of those notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on those notes on their various due dates or, if we choose, on redemption;

- there must be a change in current U.S. federal tax law or an Internal Revenue Service ruling that lets us make the above deposit without causing the holders to be taxed on those notes any differently than if we do not make the deposit and just repaid those notes ourselves. Under current U.S. federal tax law, the deposit and our legal release from your note would be treated as though we took back your note and gave you your share of the cash and notes or bonds deposited in trust. In that event, you could recognize gain or loss on your note; and
- we must deliver to the defeasance trustee a legal opinion of our counsel confirming the tax law change described above.

Any right we have to redeem any notes will survive full defeasance with respect to those notes.

If we ever fully defeased your note, you would have to rely solely on the trust deposit for payments of your note. You would not be able to look to us for payment in the event of any shortfall.

Covenant Defeasance

Unless we say otherwise in your final terms, the provisions for covenant defeasance will apply to any fixed rate note, the principal of (and premium, if any) and interest on which is payable in U.S. dollars.

Under current U.S. federal tax law, we can make the same type of deposit described in this subsection under “— Full Defeasance” above and be released from our obligations described under “— Restriction on Liens” above and any other covenants relating to your note that may be described in your final terms. This is called covenant defeasance. In that event, you would lose the protection of those restrictive covenants (*i.e.*, a breach would no longer be an event of default with respect to the note). In order to achieve covenant defeasance for any notes, we must do both of the following:

- we must deposit in trust for the benefit of the holders of those notes a combination of money and/or U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on those notes on their various due dates or, if we choose, on redemption; and
- we must deliver to the defeasance trustee a legal opinion of our counsel confirming that under current U.S. federal income tax law we may make the above deposit without causing the holders to be taxed on those notes any differently than if we do not make the deposit and just repaid those notes ourselves.

Any right we have to redeem the notes will survive covenant defeasance with respect to those notes.

If we accomplish covenant defeasance on your note, you can still look to us for repayment of your note in the event of any shortfall in the trust deposit. You should note, however, that if one of the remaining events of default occurred, such as our bankruptcy, and your note became immediately due and payable, there may be a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

Events of Default and Remedies

Series C Euro Medium-Term Notes

Unless your final terms say otherwise, when we refer to an event of default with respect to any issuance of the notes, we mean any of the following:

- we do not pay the principal or any premium on any of the notes on the due date;
- we do not pay interest on any of the notes within 30 days after the due date;

- we do not deposit a sinking fund payment with regard to any of the notes on the due date, but only if the payment is required under provisions described in the applicable final terms;
- we remain in breach of our covenant described under “— Restriction on Liens” above or any other covenant contained in the notes, or if applicable to the notes, the fiscal agency agreement, for 60 days after we and the fiscal agent receive a notice of default stating that we are in breach and requiring us to remedy the breach. The notice must be sent by the fiscal agent or the holders of at least 10% in principal amount of the outstanding notes;
- we file for bankruptcy or other events of bankruptcy, insolvency or reorganization relating to The Goldman Sachs Group, Inc. occur. Those events must arise under U.S. federal or state law, unless we merge, consolidate or sell our assets as described under “— Mergers and Similar Transactions” above and the successor firm is a non-U.S. entity. If that happens, then those events must arise under U.S. federal or state law or the law of the jurisdiction in which the successor firm is legally organized; or
- if the applicable final terms state that any additional event of default applies to the notes, that event of default occurs.

Series E Subordinated Euro Medium-Term Notes

Unless otherwise specified in the Final Terms, the events of default for a Series E subordinated euro medium-term note will be limited to our filing for bankruptcy or the occurrence of other events of bankruptcy, insolvency or reorganization relating to The Goldman Sachs Group, Inc. The payment of principal of the subordinated notes may be accelerated only in certain events involving our bankruptcy, insolvency or reorganization (but not the bankruptcy, insolvency or reorganization of any of our subsidiaries) under Chapters 7 (liquidation) and 11 (reorganization) of the U.S. Bankruptcy Code. There will be no right of acceleration of the payment of principal of the Series E subordinated euro medium-term notes upon a default in the payment of principal, interest or any other amount (including upon redemption) on such notes or in the performance of any of our covenants or agreements contained in such notes. No such payment or performance default will result in an event of default under the Series E subordinated euro medium-term notes or permit any holders or the trustee to take action to endorse the notes, except that a holder will be entitled at any time to bring a lawsuit for the payment of money due on the notes of such holder.

If an event of default occurs and is continuing (the default not having been cured or waived as provided under “— Meetings, Modification and Waiver of Covenants” below), the holder of any note may, at its option, by written notice to us and the fiscal agent, declare the principal of its note to be immediately due and payable except as provided in the applicable final terms or above under “— Indexed Notes — Default Amount on Acceleration”.

Meetings, Modification and Waiver of Covenants

The fiscal agency agreement contains provisions for convening meetings of the holders of notes to consider matters affecting their interests. There are three types of changes which we can make to either the fiscal agency agreement or any issuance of notes issued under that agreement.

Changes Requiring Each Holder’s Approval

First, there are changes that cannot be made without the approval of each holder of the note affected by the change under the fiscal agency agreement. Here is a list of those types of changes:

- change the due date for the payment of principal of (or premium, if any) or any installment of interest on any note;

- reduce the principal amount of any note, the portion of the principal amount which is payable upon acceleration of the maturity of the note, the interest rate or the premium payable upon redemption of the note;
- change the currency of payment in which the principal, premium or interest of any note is payable;
- change our obligation to pay additional amounts;
- shorten the period during which redemption of the notes is not permitted or permit redemption during a period when not previously permitted;
- modify our obligation to maintain required offices at which any payments on the notes are payable;
- reduce the percentage in principal amount of the notes outstanding necessary to modify, amend or supplement the fiscal agency agreement or the terms and conditions of the notes or to waive any past default or future compliance; or
- reduce the percentage of aggregate principal amount of the notes outstanding required for the adoption of a resolution or the quorum required at any meeting of holders of notes at which a resolution is adopted.

Changes Not Requiring Approval

The second type of change does not require any approval by holders of the notes of an affected issuance. These changes are limited to clarifications and changes that would not adversely affect the notes in any material respect.

We may also make changes or obtain waivers that do not adversely affect a particular issuance of notes, even if they affect other issuances of notes. In those cases, we do not need to obtain the approval of the holder of the unaffected notes; we need only obtain any required approvals from the holders of affected notes.

Changes Requiring the Approval of 66²/₃% of the Holders

Any other change to a particular issuance of Series C euro medium-term notes or Series E subordinated euro medium-term notes would require the consent of at least 66²/₃% in aggregate principal amount of the notes of such series at the time outstanding or the adoption of a resolution at a meeting of holders of the notes of such series at which a quorum is present by 66²/₃% in aggregate principal amount of the notes of such series then outstanding represented at such meeting. The same approval of 66²/₃% in aggregate principal amount of the notes of such series then outstanding would be required for us to obtain a waiver of any of our covenants in the fiscal agency agreement. Our covenants include the promises we make about merging and putting liens on our interest in Goldman, Sachs & Co., which we describe under “— Mergers and Similar Transactions” and “— Restriction on Liens” above.

Special Rules for Action by Holders

When holders take any action under the notes or the fiscal agency agreement, such as giving a notice of default, declaring an acceleration, approving any change or waiver, we will apply the following rules.

Only Outstanding Notes Are Eligible

Only holders of outstanding notes of the applicable issuance will be eligible to participate in any action by holders of notes of that issuance. Also, we will count only outstanding notes in determining

whether the various percentage requirements for taking action have been met. For these purposes, a note will not be “outstanding”:

- if it has been surrendered for cancellation;
- if it is being held by the fiscal agent for re-issuance but has not yet been re-issued;
- if notes in lieu of or for substitution of the original notes have been authenticated and delivered;
- if we have deposited or set aside, in trust for its holder, money for its payment or redemption;
- if we have fully defeased it as described under “— Defeasance and Covenant Defeasance — Full Defeasance” above; or
- if we or one of our affiliates, such as Goldman Sachs International, is the owner.

Meetings

The quorum at any meeting called to adopt a resolution with respect to an issuance of notes will be persons holding or representing a majority in aggregate principal amount of that issuance of notes outstanding at the time and, at any reconvened meeting adjourned for lack of a quorum, 25% of the aggregate principal amount outstanding of that issuance of notes. For purposes of determining whether holders of the aggregate principal amount of notes required for any action or vote, or for any quorum, have taken such action or vote, or constitute such quorum, the principal amount of any particular note may differ from its principal amount at stated maturity but will not exceed its stated face amount upon original issuance, in each case if and as indicated in your final terms.

Determining Record Dates for Action by Holders

Unless we say otherwise in your final terms, we will be entitled to set any day as a record date for determining which holders or beneficial owners of notes in global form will be entitled to make, take or give certain requests, demands, authorizations, directions, notices, consents, waivers or other action, or to vote on certain actions, authorized or permitted by the fiscal agency agreement with respect to the notes. In addition, record dates for any note in global form may be set in accordance with procedures established by the common depository, Clearstream, Luxembourg or Euroclear from time to time. Accordingly, record dates for notes in global form may differ from those for other notes.

Payment Mechanics for Notes

Who Receives Payment?

Unless we say otherwise in your final terms, interest will be payable to the person in whose name a registered note is registered at the close of business on the regular record date for the relevant interest payment date. However, interest payable at maturity but on a day that is not an interest payment date will be payable to the person to whom principal is payable. The first payment of interest on any registered note originally issued after a regular record date and before the next interest payment date will be made on the interest payment date following the next regular record date to the person in whose name the note is registered at the close of business on such next succeeding regular record date. Unless we say otherwise in your final terms, the “regular record date” with respect to any floating rate note or fixed rate note will be the date 15 calendar days prior to each interest payment date, whether or not such date is a business day.

How We Will Make Payments

Unless we say otherwise in your final terms, payments of principal of (and premium, if any) and interest on all fixed rate notes and floating rate notes will be made in the applicable specified currency at the offices and agencies described below. Payments of principal of (and premium, if

any) and interest on notes denominated in other than U.S. dollars, however, will nevertheless be made in U.S. dollars at our option in the case of imposition of exchange controls or other circumstances beyond our control as described in this subsection under “— When the Specified Currency Is Not Available” below. In the case of an indexed note, the amount of principal payable on such note may be determined by reference to an index or formula described in the applicable final terms.

Payment on Global Notes

We will make payments on a global note in accordance with the applicable policies of each of Euroclear and Clearstream, Luxembourg as in effect from time to time. Under those policies, we will pay directly to Euroclear and Clearstream, Luxembourg, and not to any indirect owners who own beneficial interests in the global note. An indirect owner’s right to receive those payments will be governed by the rules and practices of Euroclear and Clearstream, Luxembourg and their participants, as described under “— Form, Exchange, Registration and Transfer” below.

If a registered note is issued in exchange for any portion of a permanent bearer global note after the close of business at the office or agency where such exchange occurs on (1) any regular record date and before the opening of business at such office or agency on the relevant interest payment date, or (2) any special record date and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, the following rules apply. Interest (or defaulted interest) will not be payable on such interest payment date or proposed date for payment, in respect of such registered note, but will be payable on such interest payment date or proposed date for payment only to Euroclear and Clearstream, Luxembourg. We understand that Euroclear and Clearstream, Luxembourg will undertake in such circumstances to credit such interest to the account of the person who was the beneficial owner of such portion of such permanent bearer global note on such regular record date or special record date, as the case may be.

Payment on Bearer Notes

We will make payments on a note in bearer non-global form as follows. We will pay interest and other amounts payable by check at offices designated by Goldman Sachs outside the United States and its possessions against surrender of the note or applicable coupon. We will not pay any interest on a bearer note, however, until the fiscal agent has received an appropriate tax certification as described under “— Form, Exchange, Registration and Transfer — U.S. Tax Certificate Required” below. We will not make any payment on a bearer note or related coupon to any office or agency in the United States or its possessions, by means of a check mailed to an address in the United States or its possessions or by means of a transfer to an account maintained with a bank located in the United States or its possessions. We will, however, make payments on bearer notes denominated and payable in U.S. dollars in the United States if, but only if, payment of the full amount in U.S. dollars at the offices of the fiscal agent or the paying agent outside the United States is either illegal or is effectively precluded by exchange controls or other similar restrictions.

Payment on Registered Notes

We will make payments on a note in registered non-global form as follows. We will pay interest that is due on an interest payment date to the holder at his or her address shown on the register for such notes as of the close of business on the regular record date. We will make all other payments by check at the corporate trust office of the fiscal agent in the Borough of Manhattan, New York City and at the office of the paying agent, against surrender of the note.

Payment Upon Redemption

Bearer notes called or presented for redemption should be presented for payment of the applicable redemption price together with all unmatured coupons. Amounts due in respect of any missing unmatured coupons will be deducted from the sum due for payment. Interest due on or prior to the redemption date on bearer notes will be payable only upon the surrender of the corresponding coupons.

When the Specified Currency Is Not Available

If we are obligated to make any payment in a specified currency other than U.S. dollars and the specified currency or any successor currency is not available to us due to circumstances beyond our control — such as the imposition of exchange controls or a disruption in the currency markets — we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis of the exchange rate determined by the exchange rate agent described below, in its discretion.

The foregoing will apply to any note, whether in global or non-global form, and to any payment, including a payment at maturity. Any payments made under the circumstances and in a manner described above will not result in a default under any note.

Exchange Rate Agent

If we issue a note in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the note is originally issued in the applicable final terms. We may select Goldman Sachs International or another of our affiliates to perform this role. We may change the exchange rate agent from time to time after the original issue date of the notes without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be in its sole discretion unless we state in the applicable final terms that any determination requires our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the part of the exchange rate agent.

Payment When Offices are Closed

If any payment is due on a note on a day that is not a business day, we will make the payment on the next day that is a business day. Payments postponed to the next business day in this situation will be treated under the applicable note as if they were made on the original due date. Postponement of this kind will not result in a default under any note, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day. The term business day has a special meaning which we describe under “— Features Common to All Notes — Business Days” above.

The Paying Agent

We have initially appointed as paying agent the bank listed at the end of this European base prospectus. We may at any time terminate the appointment of any paying agent and appoint additional or other paying agents. However, we will maintain a paying agent for payment of principal of (and premium, if any) and interest on the notes in one or more European cities, until all outstanding notes have been delivered to the fiscal agent for cancellation, or monies sufficient to pay the principal of (and premium, if any) and interest on all outstanding notes have been made available for payment and either paid or returned to us as provided in the notes. For so long as any notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange shall so require, one of those paying agents will be in Luxembourg. Another of those

paying agents shall be in a Member State of the European Union that will not be obliged to withhold or deduct tax on the notes pursuant to the Tax Directive or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, the Tax Directive or any other such directive. Notice of any such termination or appointment and of any changes in the office through which any paying agent will act will be given as described under “— Notices” below.

Unclaimed Payments

All money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due and payable to a holder will be paid to us. After that two-year period, the holder may look only to us for payment and not to the fiscal agent, any other paying agent or anyone else.

Form, Exchange, Registration and Transfer

Temporary and Permanent Global Bearer Notes

All notes constituting a separate tranche (within the meaning of Regulation S of the Securities Act) will initially be represented by a temporary global bearer note. We will deposit this note with a common depository for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will credit the account of each of their subscribers with the amount of notes the subscriber purchases. We will promise to exchange the temporary bearer global note for a permanent bearer global note, which we will deliver to the common depository upon the later of the following two dates:

- the date which is 40 days after the later of (a) the completion of the distribution of the tranche of notes as determined by the underwriter, dealer or agent; and (b) the closing date for the sale of the tranche of notes by us; we may extend this date as described in this subsection under “— Extensions for Further Issuances” below; and
- the date when Clearstream, Luxembourg or Euroclear provides to the fiscal agent the required tax certificates that we describe in this subsection under “— U.S. Tax Certificate Required” below;

However, we may, in our sole discretion, extend the date of exchange as necessary to ensure that the issuance of the tranche of notes is exempt from registration under the Securities Act by virtue of Regulation S.

Unless we say otherwise in the applicable final terms, owners of beneficial interests in a permanent bearer global note will be able to exchange those interests at their option, in whole but not in part, for:

- definitive physical notes in bearer form with or without interest coupons attached; or
- physical notes in registered form without coupons attached.

A beneficial owner will be able to make this exchange by causing Clearstream, Luxembourg or Euroclear to give, on its behalf, us and the fiscal agent 60 days' prior written notice in accordance with the terms of the notes. The beneficial owner will not be charged for the exchange.

Extensions for Further Issuances

Without the consent of any holders of the fiscal agent, Goldman Sachs International or any other underwriter, dealer or agent or any other person, we may issue additional notes identical to a prior issue from time to time. If we issue additional notes before the date on which we would otherwise be required to exchange the temporary bearer global note representing the prior issue for a permanent bearer global note, as described above, that exchange date will be extended until the

40th day after the completion of the distribution and the closing, whichever is later, of the additional notes. Extensions of this kind may be repeated if we sell additional identical notes. As a result of these extensions, beneficial interests in the temporary global bearer note may not be exchanged for interests in a permanent bearer global note until the 40th day after the additional securities have been distributed or sold.

Other Exchanges

Owners of registered notes will be able to exchange them for registered notes of smaller denominations or combined into notes of larger denominations, as long as the total principal amount is not changed. If any registered note is partially redeemed, the owner may similarly exchange the unredeemed portion of a note.

Subject to the terms of the fiscal agency agreement, owners of bearer notes (with all unmatured coupons, if any) may exchange them for registered notes as long as the total principal amount is not changed. Bearer notes, however, will not be issued in exchange for registered notes. Each note authenticated and delivered upon any transfer or exchange of any note (whether in whole or in part) will carry the same rights to future accrued interest and to interest accrued and unpaid that was carried by the surrendered note (or part thereof).

U.S. Tax Certificate Required

We will not pay or deliver interest or other amounts in respect of any portion of a temporary bearer global note unless Euroclear or Clearstream, Luxembourg delivers to the fiscal agent a tax certificate with regard to the owners of the beneficial interests in that portion of the global note. Also, we will not exchange any portion of a temporary bearer global note for a permanent bearer global note unless and until we receive from Euroclear or Clearstream, Luxembourg a tax certificate with regard to the owners of the beneficial interest in the portion to be exchanged. In each case, the tax certificate must state that each of the relevant owners:

- is not a United States person, as defined in this subsection under “— Limitations on Issuance of Bearer Notes” below;
- is a foreign branch of a United States financial institution purchasing for its own account or for resale, or is a United States person who acquired the note through such a financial institution and who holds the note through such financial institution on the date of certification. In these cases, the financial institution must provide a certificate to either us or the distributor selling the note to it stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the United States Treasury regulations thereunder; or
- is a financial institution holding for purposes of resale during the restricted period as defined in United States Treasury regulations Section 1.163-5(c)(3)(i)(D)(7). A financial institution of this kind (whether or not it is also described in either of the two preceding bullet points) must certify that it has not acquired the note for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

The tax certificate must be signed by an authorized person satisfactory to us.

No one who owns an interest in a temporary bearer global note will receive payment or delivery of any amount or property in respect of its interest, and will not be permitted to exchange its interest for an interest in a permanent bearer global note or a note in any form, unless the fiscal agent has received the required tax certificate.

Special requirements and restrictions imposed by U.S. federal tax laws and regulations will apply to bearer debt securities. We describe these in this subsection under “— Limitations on Issuance of Bearer Notes” below.

Legal Ownership of Bearer Securities

Notes in bearer form are not registered in any name. Whoever is the bearer of the certificate representing a note in bearer form is the legal owner of that note. Legal title and ownership of bearer notes will pass by delivery of the certificates representing the notes. Thus, when we use the term “holder” in this European base prospectus with regard to bearer notes, we mean the bearer of those notes.

The common depositary for Euroclear and Clearstream, Luxembourg will be the bearer, and thus the holder and legal owner, of both the temporary and permanent bearer global notes described above. Investors in those notes will own beneficial interests in the notes represented by those global notes; they will only be indirect owners, not holders or legal owners, of the securities.

As long as the common depositary is the bearer of any bearer note in global form, the common depositary will be considered the sole legal owner and holder of the notes represented by the bearer security in global form. Ownership of beneficial interests in any bearer note will be shown on records maintained by Euroclear or Clearstream, Luxembourg, as applicable, or by the common depositary on their behalf, and by the direct and indirect participants in their systems, and ownership interests can be held and transferred only through those records. We will pay any amounts owing with respect to a bearer global note only to the common depositary.

Neither we, the fiscal agent nor any other agent will recognize any owner of an indirect interest as a holder or legal owner. Nor will we, the fiscal agent or any other agent have any responsibility for the ownership records or practices of Euroclear or Clearstream, Luxembourg, the common depositary or any direct or indirect participants in those systems or for any payments, transfers, deliveries, notices or other transactions within those systems, all of which will be subject to the rules and procedures of those systems and participants. If you own an indirect interest in a bearer global note, you must look only to the common depositary for Euroclear or Clearstream, Luxembourg, and to their direct and indirect participants through which you hold your interest, for your ownership rights.

Special Considerations for Global Securities

As an indirect owner, an investor’s rights relating to a global security will be governed by the account rules of the depositary and those of the investor’s financial institution or other intermediary through which it holds its interest (e.g., if Euroclear or Clearstream, Luxembourg is the depositary), as well as general laws relating to securities transfers. We do not recognize this type of investor or any intermediary as a holder of securities and instead deal only with the depositary that holds the general security.

If securities are issued only in the form of a global security, an investor should be aware of the following:

- an investor cannot cause the securities to be registered in his or her own name, and cannot obtain non-global certificates for his or her interest in the securities, except in the special situations we describe below;

- an investor will be an indirect holder and must look to his or her own bank or broker for payments on the securities and protection of his or her legal rights relating to the securities;
- an investor may not be able to sell interests in the securities to some insurance companies and other institutions that are required by law to own their securities in non-book-entry form;
- an investor may not be able to pledge his or her interest in a global security in circumstances where certificates representing the securities must be delivered to the lender or other beneficiary of the pledge in order for the pledge to be effective;
- the depositary's policies will govern payments, deliveries, transfers, exchanges, notices and other matters relating to an investor's interest in a global security, and those policies may change from time to time. We, the fiscal agent and any agent will have no responsibility for any aspect of the depositary's policies, actions or records of ownership interests in a global security. We, the fiscal agent and any agent also do not supervise the depositary in any way;
- the depositary will require that those who purchase and sell interests in a global security within its book-entry system use immediately available funds and your broker or bank may require you to do so as well; and
- financial institutions that participate in the depositary's book-entry system and through which an investor holds its interest in the global securities, directly or indirectly, may also have their own policies affecting payments, deliveries, transfers, exchanges, notices and other matters relating to the securities, and those policies may change from time to time. There may be more than one financial intermediary in the chain of ownership for an investor. We do not monitor and are not responsible for the policies or actions or records of ownership interests of any of those intermediaries.

Considerations Relating to Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg are securities clearance systems in Europe. Both systems clear and settle securities transactions between their participants through electronic, book-entry delivery of securities against payment. In addition, Euroclear and Clearstream, Luxembourg may be depositaries for a global security.

As long as a global note is held by Euroclear and Clearstream, Luxembourg, you may hold an interest in the global note only through an organization that participates, directly or indirectly, in Euroclear or Clearstream, Luxembourg.

As noted above, payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear and Clearstream, Luxembourg must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities.

Registration of Transfer

Holders of registered notes may present them for registration of transfer (with the form of transfer properly executed and endorsed) or exchange at the corporate trust office of the fiscal agent or at the office of any transfer agent that we designate for that purpose. Holders will not be required to pay a service charge, but they may be required to pay for any tax or other governmental charge associated with the transfer or exchange, and as described in the fiscal agency agreement. Unless we say otherwise in applicable final terms, the transfer or exchange, and any replacement, will be made only if our fiscal agent or transfer agent, as the case may be, is satisfied with the documents of title and the identity of the person making the request. The transfer or exchange may also be subject to reasonable regulations that we may from time to time agree upon with the fiscal agent and any transfer agent.

We have initially appointed as security registrar and transfer agent, the fiscal agent acting through its corporate trust office in the Borough of Manhattan, New York City. We have also appointed the paying agent listed at the end of this European base prospectus as a transfer agent of

registered notes. If the registered notes in global form are cancelled and we issue notes in non-global form, as long as any notes are listed on the Luxembourg Stock Exchange, holders of the non-global notes can transfer those notes at the offices of Dexia Banque Internationale à Luxembourg, société anonyme, or its successor as our transfer agent in Luxembourg. We will name any additional initial transfer agents for any issuance of notes in the applicable final terms. We reserve the right to vary or terminate the appointment of the fiscal agent as security registrar or of any transfer agent or to appoint additional or other registrars or transfer agents or to approve any change in the office through which any registrar or any transfer agent acts. However, there will be at all times a registrar and transfer agent in the Borough of Manhattan, New York City.

If any issuance of notes is redeemable and we redeem less than all those notes, we may block the transfer or exchange of those notes during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers of or exchange any notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any notes being partially redeemed.

Limitations on Issuance of Bearer Notes

In compliance with U.S. federal tax laws and regulations, bearer notes, including temporary bearer global notes and permanent bearer global notes, will not be offered, sold, resold or delivered, directly or indirectly, in the United States or its possessions or to United States persons, as defined below, except as otherwise permitted by United States Treasury regulations Section 1.163-5(c)(3)(i)(D)(7). Any underwriters, dealers or agents participating in the offerings of bearer notes, directly or indirectly, must agree that they will not, in connection with the original issuance of any bearer notes or during the restricted period applicable under the United States Treasury regulations cited above, offer, sell resell or deliver, directly or indirectly, any bearer notes in the United States or its possessions or to United States persons, other than as permitted by the applicable United States Treasury regulations described above.

In addition, any underwriters, dealers or agents must have in effect procedures reasonably designed to ensure that its employees and agents who are directly engaged in selling the bearer notes are aware of the above restrictions on offering, sale, resale or delivery of bearer notes.

We will make payments on bearer notes and coupons only outside the United States and its possessions except as permitted.

Bearer notes and coupons will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

The sections referred to in this legend provide that, with exceptions, a United States person will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain, realized on sale, exchange or redemption of that bearer debt security or coupon.

As used in this subsection, “United States person” means:

- any citizen or resident of the United States;
- a corporation or partnership, including an entity treated as a corporation or partnership for United States federal income tax purposes, created or organized in or under the laws of the United States, any state of the United States or the District of Columbia;

- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision of the administration of the trust or one or more United States persons have the authority to control all substantial decisions of the trust.

When we refer to the “United States”, we mean the United States of America, including the states and the District of Columbia, together with the territories, possessions and all those areas subject to the jurisdiction of the United States of America. In addition, some trusts treated as United States persons before August 20, 1996 may elect to continue to be so treated to the extent provided in Treasury Regulations.

Payment of Stamp and Other Taxes

We shall pay all stamp and other duties, if any, which may be imposed by the United States or any U.S. political subdivision or taxing authority with respect to the fiscal agency agreement or the issuance of the notes. Except as described under “— Redemption and Repayment — Redemption Upon Application of Certain Reporting Requirements” and “— Payment of Additional Amounts” above, we will not be required to make any payment with respect to any tax, assessment or governmental charge imposed by any government or any political subdivision or taxing authority.

Notices

As long as any notes are listed on the Luxembourg Stock Exchange and its rules require, notices to holders of bearer notes and registered notes will be given by publication in a daily newspaper of general circulation in Luxembourg, which we expect to be the *d’Wort*, or on the website of the LSE at <http://www.bourse.lu>. The term “daily newspaper” means a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. A notice will be considered received on the date it is first published. If notice cannot be given as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impractical to publish the notice, then notice will be given in another form. That alternate form of notice will be sufficient notice to each holder. Notices to be given to holders of notes in registered form will be sent by mail to the respective addresses of the holders as they appear in the security register and will be deemed delivered when mailed. Neither the failure to give notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Title

Title to any temporary bearer global note, any permanent bearer global note, any bearer note and coupons, if any, will pass by delivery. We, the fiscal agent and any of our agents or the fiscal agent may deem and treat the holder of any bearer note and the holder of any coupon and the registered owner of any registered note as the absolute owner (whether or not the note or coupon is overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Replacement of Notes and Coupons

If your notes or coupons become mutilated, destroyed, stolen or lost, we will be replace them at your expense upon the delivery to the fiscal agent or the paying agent of the mutilated notes or coupons or evidence of the loss, theft or destruction satisfactory to the fiscal agent or the paying agent and us. In the case of a lost, stolen or destroyed note or coupon, an indemnity satisfactory to the fiscal agent or the paying agent and us may be required at your expense before a replacement note or coupon will be issued, we may require that you pay any taxes and other governmental charges payable in connection with the replacement of notes or coupons and any other expenses (including the fees and expenses of the fiscal agent) connected with the replacement.

UNITED STATES TAXATION

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this European base prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following is a summary of the principal United States federal income and estate tax consequences to a United States alien holder. You are a United States alien holder if you are the beneficial owner of a note and are, for United States federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation;
- a foreign partnership; or
- an estate or trust that in either case is not subject to United States federal income tax on a net income basis on income or gain for a note.

This summary deals only with notes that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of owning notes that are due to mature more than 30 years from their date of issue will be discussed in the applicable final terms. In addition, this disclosure does not apply to owning non-principal protected notes. Any applicable United States federal income tax consequences of owning those notes will be discussed in the applicable final terms.

This discussion assumes that the note or coupon is not subject to the rules of Section 871(h)(4)(A) of the United States Internal Revenue Code of 1986, as amended, relating to interest payments that are determined by reference to the income, profits, changes in the value of property or other attributes of the debtor or a related party.

Prospective purchasers of notes should be advised that any bank which purchases a note will be deemed to represent that it is not purchasing the note in the ordinary course of its lending business and that it is buying the note either (1) for investment purposes only or (2) for resale to a third party that either is not a bank or is holding the note for investment purposes only.

Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.

Under United States federal income and estate tax law, and subject to the discussion of backup withholding below, if you are a United States alien holder of a note or coupon:

(1) we and other U.S. payors generally will not be required to deduct United States federal withholding tax from payments of principal and premium (if any) and interest, including original issue discount, to you if, in the case of payments of interest:

- (a) you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;
- (b) you are not a controlled foreign corporation that is related to us through stock ownership;

(c) in the case of a note that is a registered note, including one received in exchange for a bearer note, the U.S. payor does not have actual knowledge or reason to know that you are a United States person and:

(A) you have furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a United States person;

(B) in the case of payments made outside the United States to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the U.S. payor documentation that establishes your identity and your status as a person who is not a United States person;

(C) the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form) from a person claiming to be:

(x) a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the Internal Revenue Service to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners);

(y) a qualified intermediary (generally a non-United States financial institution or clearing organization or a non-United States branch or office of a United States financial institution or clearing organization that is a party to a withholding agreement with the Internal Revenue Service); or

(z) a United States branch of a non-United States bank or of a non-United States insurance company;

and the withholding foreign partnership, qualified intermediary or United States branch has received documentation upon which it may rely to treat the payment as made to a person who is not a United States person in accordance with United States Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the Internal Revenue Service);

(D) the U.S. payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business:

(x) certifying to the U.S. payor under penalties of perjury that an Internal Revenue Service Form W-8BEN or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you; and

(y) to which is attached a copy of the Internal Revenue Service Form W-8BEN or acceptable substitute form; or

(E) the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a person who is not a United States person in accordance with United States Treasury regulations; and

(d) in the case of a bearer note, the note is offered, sold and delivered in compliance with the restrictions described above under "General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer Notes" and payments on the note are made in accordance with the procedures described above under "General Description of the Program — Payment Mechanics for Notes";

(2) no deduction for any United States federal withholding tax will be made from any gain that you realize on the sale or exchange of your note or coupon; and

(3) a note or coupon held by an individual who at death is not a citizen or resident of the United States will not be includible in the individual's gross estate for purposes of the United States federal estate tax if:

(a) the decedent did not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote at the time of death; and

(b) the income on the note would not have been effectively connected with a United States trade or business of the decedent at the time of death.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Recently-promulgated Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds. Under these regulations, if the notes are denominated in a foreign currency, a United States alien holder that holds the notes in connection with a U.S. trade or business that recognizes a loss with respect to the notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on Internal Revenue Service Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult with your tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of notes.

Backup Withholding and Information Reporting

In general, payments of principal, premium (if any) or interest, including original issue discount, made by us and other payors to you will not be subject to backup withholding or information reporting provided that the certification requirements described in clause (i) (d) above are satisfied or you otherwise establish an exemption. We and other payors, however, are required to report payments of interest on your notes other than bearer notes on Internal Revenue Service Form 1042-S, even if the payments are not otherwise subject to information reporting requirements.

In addition, payment of the proceeds from the sale of notes effected at a United States office of a broker will not be subject to backup withholding and information reporting provided that:

(1) the broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the broker:

(a) an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form certifying, under penalties of perjury, that you are not a United States person; or

(b) other documentation upon which the broker may rely to treat the payment as made to a person who is not a United States person in accordance with United States Treasury regulations; or

(2) you otherwise establish an exemption.

If you fail to establish an exemption and the broker does not possess adequate documentation of your status as a person who is not a United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by you unless the broker has actual knowledge that you are a United States person.

In general, payment of the proceeds from the sale of notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- (1) the proceeds are transferred to an account maintained by you in the United States;
- (2) the payment of proceeds or the confirmation of the sale is mailed to you at a United States address; or
- (3) the sale has some other specified connection with the United States as provided in United States Treasury regulations;

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption.

In addition, payment of the proceeds from the sale of notes effected at a foreign office of a broker will be subject to information reporting, but not backup withholding, if the broker is:

- (1) a United States person;
- (2) a controlled foreign corporation for United States tax purposes;
- (3) a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period; or
- (4) a foreign partnership, if at any time during its tax year:
 - (a) one or more of its partners are "U.S. persons", as defined in United States Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership; or
 - (b) such foreign partnership is engaged in the conduct of a United States trade or business;

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of notes effected at a United States office of a broker) are met or you otherwise establish an exemption.

Hedging in Connection with Issuance of Indexed Notes

In anticipation of the sale of indexed notes, we and/or our affiliates may enter into hedging transactions involving purchases of instruments linked to the relevant index or indices on the trade date. In addition, from time to time after we issue the offered notes, we and/or our affiliates may enter into additional hedging transactions and unwind those hedging transactions we have entered into, in connection with the such notes and perhaps in connection with other notes we issue, some of which may have returns linked to the relevant index or indices or all or a portion of the index components. Consequently, with regard to indexed note, from time to time, we and/or our affiliates:

- expect to acquire and dispose of positions in listed or over-the-counter options, futures, swaps or other instruments linked to the relevant index or indices or some or all of the index components,
- may take or dispose of positions in the securities of the issuers of securities included in such indices,
- may take or dispose of positions in listed or over-the-counter options or other instruments based on indices designed to track the performance of relevant equity markets or components of such markets, and/or
- may take short positions in any of the index components described above.

We and/or our affiliates may acquire long or short positions in securities similar to the offered notes from time to time and may, in our or their sole discretion, hold or resell those securities.

In the future, we and/or our affiliates would expect to close out any hedge positions relating to your note and perhaps hedge positions relating to the index and other notes with returns linked to the index components. Those steps are likely to involve sales and/or purchases of listed or over-the-counter options, futures or other instruments linked to the index or perhaps to some or all of the index components. They may also involve sales and/or purchases of some or all of the index components as well as listed or over-the-counter options, futures or other instruments linked to the index.

The hedging activity discussed above may adversely affect the market price of your note from time to time and the supplemental payment amount, if any we will pay on your note. See “Risk Factors — Considerations Relating to Indexed Notes — Trading and Other Transactions by Us in Instruments Linked to an Index or the Components of an Index May Impair the Market Price of an Indexed Note” and “Risk Factors — Considerations Relating to Indexed Notes — Our Business Activities May Create Conflicts of Interest Between You and Us” for a discussion of these adverse effects.

PLAN OF DISTRIBUTION

We and Goldman Sachs International, as the agent, have entered into a distribution agreement with respect to the notes. Subject to certain conditions, the agent has agreed to use its reasonable efforts to solicit purchases of notes. We have the right to accept offers to purchase notes and may reject any proposed purchase of the notes. The agent may also reject any offer to purchase notes.

We may also sell notes to the agent who will purchase the notes as principal for its own account. In that case, the agent will purchase the notes at a price equal to the issue price specified in the applicable final terms, less a discount. The discount will equal the applicable commission on an agency sale of the notes with the same stated maturity.

The agent may resell any notes it purchases as principal to other brokers or dealers at a discount, which may include all or part of the discount the agent received from us. If all the notes are not sold at the initial offering price, the agent may change the offering price and the other selling terms.

We may also sell notes directly to investors. We will not pay commissions on notes we sell directly.

The notes are not, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. (Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.)

The notes are a new issue of securities, and there will be no established trading market for any note before its original issue date. We have been advised by Goldman Sachs International that it intends to make a market in the notes. However, neither Goldman Sachs International nor any of our other affiliates nor any other agent named in your final terms that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

We may use this European base prospectus in the initial sale of any note. In addition, Goldman Sachs International or any of our other affiliates may use this European base prospectus in a market-making transaction in any note after its initial sale. Unless we (or our agent) inform the purchaser otherwise in the confirmation of sale, this European base prospectus is being used in a market-making transaction.

Notes in bearer form are subject to U.S. tax law requirements and will not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. (Terms used in this paragraph have the meanings given to them by the Internal Revenue Code of 1986, as amended, and the related regulations.)

Goldman Sachs International has agreed in the distribution agreement that, with respect to all notes issued as a part of the same tranche (within the meaning of Regulation S under the Securities Act), it will not offer, sell or deliver such notes, (1) as part of their distribution at any time or (2) otherwise until 40 days after the later of (A) the completion of the distribution of such tranche of notes as determined by Goldman Sachs International and (B) the closing date of such tranche of notes (or such other date as Goldman Sachs may, in its sole discretion, deem necessary to comply with Regulation S) within the United States or to, or for the account or benefit of, U.S. persons except, in either case, in accordance with Regulation S under the Securities Act, and it will have sent to each dealer to which it sells such notes during the restricted period a confirmation or other notice describing the restrictions on offers and sales of notes within the United States or to, or for the account or benefit of, U.S. persons.

Goldman Sachs International has represented and agreed with Goldman Sachs that:

(1) in relation to any notes that have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000, which we refer to as the FSMA, by Goldman Sachs;

(2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to Goldman Sachs; and

(3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such notes in, from or otherwise involving the United Kingdom.

The notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, Goldman Sachs International has agreed that it will not offer or sell any notes, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and applicable laws, regulations and ministerial guidelines of Japan.

In relation to each member state of the European Economic Area (which includes Iceland, Norway and Liechtenstein in addition to the member States of the European Union) which has implemented the Prospectus Directive, which we refer to as a Relevant Member State, Goldman Sachs International has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, which we refer to as the Relevant Implementation Date, it has not made and will not make an offer of notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to such notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the preceding paragraph, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The notes have not been registered with the Monetary Authority of Singapore. Accordingly, this European base prospectus and any other document or material in connection with the offer or sale, or invitation or subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer or (3) by operation of law.

The offering of the notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no notes may be offered, sold or delivered, nor may copies of the European base prospectus or the relevant final terms or any other document relating to the notes be distributed in the Republic of Italy, except (i) to professional investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July 1998, as amended, or (ii) in circumstances which are exempted from the Rules on Solicitation of Investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (the Financial Services Act) and Article 33, first paragraph of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any offer, sale or delivery of the notes or distribution of copies of the European base prospectus or the applicable final terms or any other document relating to the notes in the Republic of Italy under (i) or (ii) in the preceding paragraph must be: (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1 September 1993 (the Banking Act), (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the

Bank of Italy, as amended from time to time, pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending on, among other things, the aggregate value of the securities issued or ordered in the Republic of Italy and their characteristics and (c) in compliance with any other applicable laws and regulations. Insofar as the requirements above are based on laws that are superseded at any time pursuant to the Prospectus Directive, those requirements will be replaced by the applicable requirements under the Prospectus Directive or the relevant implementing laws.

In connection with the issue of any tranche of notes, Goldman Sachs International (or persons acting on its behalf) may over-allot notes (provided that, in the case of any tranche of notes to be listed on the Luxembourg Stock Exchange, the aggregate principal amount of notes allotted does not exceed 105 per cent of the aggregate principal amount of the relevant tranche) or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that Goldman Sachs International (or persons acting on its behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant tranche of notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant tranche of notes and 60 days after the date of the allotment of the relevant tranche of notes.

Goldman Sachs International is an affiliate of Goldman Sachs.

We may appoint agents, other than or in addition to Goldman Sachs International, with respect to the notes. Any agents will be named in the applicable final terms and those agents will enter into distribution agreements with substantially the same terms as the distribution agreement referred to above. The other agents may be affiliates or customers of The Goldman Sachs Group, Inc. and may engage in transactions with and perform services for The Goldman Sachs Group, Inc. in the ordinary course of business. Goldman Sachs International may resell notes to or through another of our affiliates, as selling agent.

Market-Making Resales by Affiliates

This European base prospectus may be used by Goldman Sachs International in connection with offers and sales of the notes in market-making transactions. In a market-making transaction, Goldman Sachs International may resell a note it acquires from other holders, after the original offering and sale of the note. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, Goldman Sachs International may act as principal or agent, including as agent for the counterparty in a transaction in which Goldman Sachs International acts as principal, or as agent for both counterparties in a transaction in which Goldman Sachs International does not act as principal. Goldman Sachs International may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. Other affiliates of Goldman Sachs may also engage in transactions of this kind and may use this European base prospectus for this purpose.

The aggregate initial offering price specified on the cover of this European base prospectus relates to the initial offering of the notes not yet issued as of the date of this European base prospectus. This amount does not include the notes to be sold in market-making transactions. The latter include notes to be issued after the date of this European base prospectus, as well as notes previously issued.

Goldman Sachs does not expect to receive any proceeds from market-making transactions. Goldman Sachs International does not expect that Goldman Sachs or any other affiliate that engages in these transactions will pay any proceeds from its market-making resales to Goldman Sachs.

Information about the trade and settlement dates, as well as the purchase, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Unless Goldman Sachs or an agent informs you in your confirmation of sale that your note is being purchased in its original offering and sale, you may assume that you are purchasing your note in a market-making transaction.

Matters Relating to Initial Offering and Market-Making Resales

Each issuance of notes will be a new issuance, and there will be no established trading market for any note prior to its original issue date. We may not list any particular issuance on a securities exchange or quotation system. We have been advised by Goldman Sachs International that it intends to make a market in the notes, and any underwriters to whom we sell notes for public offering may also make a market in those notes. However, neither Goldman Sachs International nor any underwriter that makes a market is obligated to do so, and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for any of the notes.

In this European base prospectus, the term “this offering” means the initial offering of the notes made in connection with their original issuance. This term does not refer to any subsequent resales of notes in market-making transactions.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

This section is only relevant to you if you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh plan) proposing to invest in the notes.

The U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the U.S. Internal Revenue Code of 1986, as amended (the “Code”), prohibit certain transactions (“prohibited transactions”) involving the assets of an employee benefit plan that is subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code (including individual retirement accounts and other plans described in Section 4975(e)(1) of the Code) (a “Plan”) and certain persons who are “parties in interest” (within the meaning of ERISA) or “disqualified persons” (within the meaning of the Code) with respect to the plan; governmental plans may be subject to similar prohibitions unless an exemption is available to the transaction.

The Goldman Sachs Group, Inc. and certain of its affiliates each may be considered a “party in interest” or a “disqualified person” with respect to many employee benefit plans, and, accordingly, prohibited transactions may arise if the notes are acquired by a Plan unless those notes are acquired and held pursuant to an available exemption. In general, available exemptions are: transactions effected on behalf of that Plan by a “qualified professional asset manager” (prohibited transaction exemption 84-14) or an “in-house asset manager” (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), transactions involving bank collective investment funds (prohibited transaction exemption 91-38), and transactions with service providers under an exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code where the Plan receives no less nor pays no more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). The assets of a Plan may include assets held in the general account of an insurance company that are deemed to be “plan assets” under ERISA. The person making the decision on behalf of a Plan or a governmental plan shall be deemed, on behalf of itself and the Plan, by purchasing and holding the notes, or exercising any rights related thereto, to represent that (a) the Plan will receive no less and pay no more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code) in connection with the purchase and holding of the notes, (b) none of the purchase, holding or disposition of the notes or the exercise of any rights related to the notes will result in a non-exempt prohibited transaction under ERISA or the Internal Revenue Code (or, with respect to a governmental plan, under any similar applicable law or regulation), and (c) neither The Goldman Sachs Group, Inc. nor any of its affiliates is a “fiduciary” (within the meaning of Section 3(21) of ERISA) with respect to the purchaser or holder in connection with such person’s acquisition, disposition or holding of the notes, or as a result of any exercise by The Goldman Sachs Group, Inc. or any of its affiliates of any rights in connection with the notes, and no advice provided by The Goldman Sachs Group, Inc. or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the notes and the transactions contemplated with respect to the notes.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the notes, you should consult your legal counsel.

LISTING AND GENERAL INFORMATION

If indicated in the applicable final terms, application will be made to list the particular issue of notes issued under the program described in this European base prospectus on the Luxembourg Stock Exchange.

Pursuant to Luxembourg law, this European base prospectus, all documents incorporated by reference herein and filed with the Commission de Surveillance du Secteur Financier, and any final terms will be made available by the Luxembourg Stock Exchange on its website at <http://www.bourse.lu>.

As long as any notes are listed on the Luxembourg Stock Exchange, Goldman Sachs will maintain a paying agent in Luxembourg. The paying agent and listing agent in Luxembourg is Dexia Banque Internationale à Luxembourg, société anonyme. We are under no obligation to maintain the listing of any notes that are listed.

As long as any notes remain outstanding, copies of Goldman Sachs' Restated Certificate of Incorporation, Amended and Restated By-laws and most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K may be obtained during normal business hours on any weekday (*i.e.*, except Saturdays, Sundays and public holidays) at the specified office of, or upon written request to, the fiscal agent and, as long as any notes are listed on the Luxembourg Stock Exchange and its rules require, free of charge at the office of the listing agent in Luxembourg. A copy of the final terms, the European base prospectus and its supplements relating to any note listed on the Luxembourg Stock Exchange may be obtained from the listing agent. In addition, a copy of the fiscal agency agreement will be available for inspection at those offices during those hours.

Issues of notes denominated in Swiss francs will be effected in compliance with the relevant regulations of the Swiss National Bank.

The issuance of the notes has been authorized by resolutions adopted by the Board of Directors of Goldman Sachs on September 16, 2005 and a Determination of the Treasurer, dated December 5, 2005.

There has been no material adverse change in the financial position, results of operations or prospects of Goldman Sachs since November 25, 2005, except as it may otherwise be indicated in any document incorporated by reference into this European base prospectus. Moreover, there has been no significant change in the financial or trading position of Goldman Sachs since August 25, 2006, the date of our last interim financial statements, except as it may otherwise be indicated in any document incorporated by reference in this European base prospectus.

Except as it may be otherwise indicated in any document incorporated by reference into this European base prospectus, Goldman Sachs has not been involved in any governmental, legal or arbitration proceedings during the 12 months before the date of this European base prospectus which may have, or have had in the recent past, significant effects on Goldman Sachs' financial position or profitability.

PricewaterhouseCoopers LLP, an independent registered public accounting firm under the rules of the Public Company Accounting Oversight Board, of 300 Madison Avenue, New York, New York 10017, U.S.A., audited our consolidated statements of financial condition as of November 26, 2004 and November 25, 2005 and the related consolidated statements of earnings, cash flows and changes in shareholders' equity for the fiscal years ended November 26, 2004 and November 25, 2005 and issued unqualified audit opinions thereon.

The consolidated statements incorporated herein by reference to the Annual Report on Form 10-K for the fiscal year ended November 25, 2005 and management's assessment of the effectiveness of internal control over financial reporting (which is included in management's report on internal control over financial reporting) have been incorporated in reliance on the report of

PricewaterhouseCoopers LLP included therein given on the authority of said firm as experts in auditing and accounting.

We are in compliance in all material respects with the corporate governance standards of the New York Stock Exchange, Inc., which are applicable to us as a corporation organized in the United States whose securities are listed on such exchange.

Pursuant to the laws of the State of Delaware, the duration of our company is unlimited. Our registration number is 2923466. Pursuant to the third clause of our Restated Certificate of Incorporation, the purpose of our company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

Based on filings made under Section 13(d) and Section 13(g) of the U.S. Securities Exchange Act of 1934, as amended, as of June 29, 2006, the only persons known by us to be beneficial owners of more than 5% of our common stock were the parties to our shareholders' agreement. The parties to our shareholders' agreement are those of our employees who participate in The Goldman Sachs Partner Compensation Plan and The Goldman Sachs Restricted Partner Compensation Plan. These parties comprise all of our executive officers and other participating managing directors, which we refer to as "PMDs," and, as of June 29, 2006, added up to a total of 315 persons (including certain estate planning entities formed by PMDs). To the best of our knowledge, as of that date, none of the parties to the shareholders' agreement individually held of record more than 5% of our common stock. As of June 29, 2006, these parties in the aggregate held 42,196,312 of shares of our common stock (corresponding to approximately 9.42% of the outstanding shares of our common stock). 23,246,126 of these shares were subject to the voting provisions of the shareholders' agreement. The shareholders' agreement, among other things, restricts voting of the shares of our common stock of which a party to the shareholders' agreement is the sole beneficial owner (or which is jointly in an account with such owner's spouse). We refer to these shares as the voting shares. Prior to any vote of the shareholders of Goldman Sachs, the shareholders' agreement requires a separate, preliminary vote of the voting shares on each matter on which a vote of the shareholders is proposed to be taken. In elections of directors, each voting share will be voted in favor of the election of those persons, equal in number to the number of such positions to be filled, receiving the highest numbers of votes cast by the voting shares in the preliminary vote. In other matters, each voting share will be voted at the annual meeting in accordance with the majority of the votes cast by the voting shares in the preliminary vote.

The business address of the directors of Goldman Sachs is the address of our headquarters.

EUROPEAN UNION SAVINGS TAX DIRECTIVE

On June 3, 2003, the Council of the European Union adopted a directive on the taxation of savings income. Pursuant to the directive, a member state of the European Union will be required to provide to the tax authorities of other member states information regarding payments of interest (or other similar income) paid by a person within its jurisdiction to individual residents of such other member states, except that, for a transitional period, Austria, Belgium and Luxembourg may instead operate a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The provisions of the directive entered into effect as of July 1, 2005. A number of non-EU countries and territories have adopted or agreed to adopt similar measures.

If you are an individual holder, you should note that the provisions relating to additional amounts, referred to in "General Description of the Program — Payment of Additional Amounts" above, would not apply in respect of any withholding or deduction that is imposed on a payment on the notes pursuant to the Tax Directive or any other European Union Directive implementing the conclusion of the ECOFIN Council meeting of November 26–27, 2000 on the taxation on savings income or any law implementing or complying with, or introduced in order to conform to, the Tax Directive or any other such directive.

If you reside in a Member State of the European Union, please consult your own legal or tax advisors regarding the consequences of the directive in your particular circumstances.

LUXEMBOURG TAXATION

As of January 1, 2006 a 10% Luxembourg withholding tax is levied on interest payments made by Luxembourg paying agents to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth.

Under the Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated June 21, 2005 implementing the Tax Directive and several agreements concluded between Luxembourg and certain dependant territories of the European Union, there is no withholding tax on payments of interests (including accrued but unpaid interest) made to a Luxembourg non-resident holder. There is also no Luxembourg withholding tax, upon repayment of the principal, or subject to the application of Luxembourg tax law, upon redemption or exchange of the notes. Under Luxembourg tax law, a Luxembourg based paying agent (within the meaning of the Tax Directive) is required since July 1, 2005, to withhold tax on interest and other similar income (including reimbursement premium received at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity in the sense of article 4.2. of the Tax Directive (i.e. an entity without legal personality and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognized in accordance with Council Directive 85/611/EEC), resident or established in another EU Member State unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or residual entity resident in any of the following territories: Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat and the Netherlands Antilles. The withholding tax is initially 15%, increasing steadily to 20% and to 35%. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries. In each case described here above, responsibility for the withholding tax will be assumed by the Luxembourg paying agent.



Final Terms No. • to the European Base Prospectus dated October 9, 2006 [, as supplemented by Prospectus Supplement No. •]

The Goldman Sachs Group, Inc. Euro Medium-Term Notes, Series C

[Title of [Fixed rate] [Floating rate] [Fixed/Floating rate] [Zero coupon] notes]

The terms of each note being offered are as follows:

Issuer: The Goldman Sachs Group, Inc.

Face Amount:

Denomination:

Minimum Investment:

Type of Note: [Fixed rate] [Floating rate] [Fixed/Floating rate] [Zero coupon] note

Specified Currency:

Trade Date:

Original Issue Date (Settlement Date):

ISIN Code:

Common Code:

Valoren Number:

Stated Maturity Date: [If applicable, provisions for the extension of maturity automatically or at the holder's option]

Original Issue Price: %

[Original Issue Discount (OID): If applicable, OID as a percentage] % [If issued at 100%: Not applicable]

Net Proceeds to Issuer: %

Amount Payable at Maturity: [100% of the face amount of your note outstanding on the stated maturity date]

Yield to Maturity:

[Accreted Value: For zero coupon notes: As of any date prior to the stated maturity date, an amount equal to the sum of (A) the original issue price of your note and (B) the portion of the excess of the face amount of your note over the original issue price which shall have been accreted from the issue price on a daily basis (and compounded annually on • of each year, up to and including the stated maturity date, at the rate of •% per annum from the original issue date, computed on the basis of a 360-day year consisting of twelve 30-day calendar months; and (2) as of any date on or after the stated maturity date, the face amount of your note]

Interest Rate: [For fixed rate notes: •% per annum] [For floating rate notes: A rate per annum equal to the base rate [plus the spread] [multiplied by the spread multiplier, if any]] [Modify as appropriate.] [For notes that do not bear interest: Not applicable]

[Base Rate(s): For floating rate notes, the base rate or rates]

[Initial Base Rate: For floating rate notes: The [Index maturity] [Index currency] [Base rate] on [First interest determination date]

[Index Maturity: For floating rate notes, the index maturity]

[Index Currency: For floating rate notes, the index currency]

[Spread: For floating rate notes, the spread]

[Spread Multiplier: For floating rate notes, the spread multiplier]

[Minimum Rate: For floating rate notes, the minimum rate]

[Maximum Rate: For floating rate notes, the maximum rate]

[Day Count Fraction: For floating and fixed rate notes, the day count fraction]

[Interest Commencement Date: For fixed and floating rate notes, the interest commencement date]

[Interest Period: For fixed and floating rate notes: Each period from and including an interest payment date (or the original issue date, in the case of the initial interest period) to but excluding the next succeeding interest payment date (or the stated maturity date, in the case of the final interest period)]

[Interest Determination Dates: For floating rate notes: For each interest period, the interest determination date shall be the [second] [Euro] [London] business day preceding the first day

of such interest period [For notes with both fixed and floating rate elements, specify the periods during which interest is accrued at a floating rate, as follows: beginning with the [interest payment date scheduled for •] [original issue date] and ending with the [interest payment date scheduled for •] [stated maturity date]]

[Interest Reset Dates: For floating rate notes: For each interest period, the interest reset date shall be the first day of such interest period [For notes with both fixed and floating rate elements, specify the periods during which interest is accrued at a floating rate, as follows: beginning with the [interest payment date scheduled for •] [original issue date] and ending with the [interest payment date scheduled for •] [stated maturity date]]

[Interest Payment Dates: For fixed and floating rate notes: • [•, and •] of each year [•, beginning with • and ending with •], subject to the business day convention

Redemption at the Option of the Issuer: [For notes subject to redemption at the option of the issuer, a plan English description of the redemption feature] [For notes that are not redeemable except in the case of tax law changes: Not redeemable, except in certain circumstances, as described under "General Description of the Program — Redemption and Repayment — Redemption upon Payment of Additional Amounts" and "— Redemption upon Application of Certain Reporting Requirements" in the European base prospectus] [For all other notes: Not applicable]

Repurchase at the Holder's Option: [For notes subject to redemption at the option of the issuer, a plan English description of the repurchase feature; otherwise: Not applicable]

Repayment upon Event of Default: [For fixed and floating rate notes: 100% of the face amount of your note plus accrued and unpaid interest] [For zero coupon notes: 100% of the accreted value as of the date of redemption]

Business Days: The relevant Business Days are [Relevant business days]; see "General Description of the Program — Features Common to All Notes — Business Days" in the European base prospectus

Business Day Convention: [For interest-bearing notes: [Following] [Modified Following]; see "General Description of the Program — Features Common to All Notes — Business Days" in the European base prospectus] [For notes that do not bear interest: Not applicable]

Form of Notes: Temporary bearer global note, permanent bearer global note and bearer notes; see "General Description of the Program — Form, Exchange, Registration and Transfer" in the European base prospectus

Clearing: Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme

Gross-up and Call in the Case of Tax Law Changes: [For notes subject to gross-up and call in the case of tax law changes: Applicable; see "General Description of the Program — Payment of Additional Amounts", "— Redemption and Repayment — Redemption upon Payment of Additional Amounts" and "— Redemption upon Application of Certain Reporting Requirements" in the European base prospectus] [For all other notes: Not applicable]

Calculation Agent: Goldman Sachs International

Listing and Admission to Trading: [For notes listed on a regulated market: Application has been made to the [Luxembourg Stock Exchange] for the notes to be admitted to trading on the [Luxembourg Stock Exchange]'s regulated market and to be listed on the [Luxembourg Stock Exchange]; see "Listing and General Information" in the European base prospectus] [For all other notes: Not applicable]

Other Key Terms:

Your investment in your note involves risks. We encourage you to read “Risk Factors” on page 11 of the European base prospectus, so that you may better understand those risks.

Any offered notes sold by Goldman Sachs International to dealers may be resold by such dealers in negotiated transactions or otherwise at varying prices determined at the time of sale, which prices may be different from the original issue price. [The original issue price reflects a discount representing a fee payable to •.] [Goldman Sachs International may [also] pay a commission to • in connection with the sale of the notes. See “Additional Information About the Plan of Distribution” on page S-•.]

These Final Terms should be read in conjunction with the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, and you should base your investment decision on a consideration of these Final Terms and the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, as a whole. [For notes listed on the Luxembourg stock exchange: Pursuant to Luxembourg law, the European base prospectus, all supplements thereto and all documents incorporated by reference therein and filed with the Commission de Surveillance du Secteur Financier, and any Final Terms will be made available by the Luxembourg Stock Exchange on its website.]

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. See “Notice to Investors” on page S-•. These Final Terms are not for use in, and may not be delivered to or inside, the United States.

Goldman Sachs may use these Final Terms in the initial sale of the notes. In addition, Goldman Sachs International or other affiliates of The Goldman Sachs Group, Inc. may use these Final Terms in a market-making transaction in a note after its initial sale. ***Unless Goldman Sachs International or another affiliate of The Goldman Sachs Group, Inc. or their respective agents inform the purchaser otherwise in the confirmation of sale, these Final Terms are being used in a market-making transaction.***

Goldman Sachs International

Final Terms, dated

NOTICE TO INVESTORS

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”), as amended, and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Because the notes will be issued in bearer form, they may not, subject to certain exceptions, be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See “General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer Notes” in the European base prospectus.

Unless the context otherwise requires, references to “The Goldman Sachs Group, Inc.,” “we,” “our” and “us” mean only The Goldman Sachs Group, Inc. and do not include its consolidated subsidiaries. References to “Goldman Sachs” mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries, and the “Goldman Sachs Group” refers to The Goldman Sachs Group, Inc. and its consolidated subsidiaries. Also, references to the “European base prospectus” mean the European base prospectus, dated October 9, 2006, of The Goldman Sachs Group, Inc. [, as supplemented.]

In these Final Terms, references to “holder” or “holders” mean only those who are the actual bearers of the notes and not those who only own beneficial interests in notes of which others are the bearers. The latter include those who own beneficial interests in notes issued in global — *i.e.*, book-entry — form through Euroclear Bank S.A./N.V. as operator of the Clearstream Luxembourg, Euroclear or another depository. Owners of beneficial interests in notes issued in global form should read the section entitled “General Description of the Program — Form, Exchange, Registration and Transfer” in the European base prospectus. Also, references in these Final Terms to “you” mean those who invest in the notes, whether they are the actual bearers of the notes or only owners of beneficial interests in these notes. References to “your note” mean the notes in which you hold a direct or indirect interest.

Responsibility Statement

Goldman Sachs accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of Goldman Sachs (who has taken all reasonable care to ensure that such is the case), the information contained in these Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information. Where information contained in these Final Terms has been sourced from a third party, this information has been accurately reproduced.

No person has been authorized to give any information or make any representations other than those contained in these Final Terms and the European base prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither these Final Terms nor the European base prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of these Final Terms or the European base prospectus, nor any sale made hereunder or thereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of The Goldman Sachs Group, Inc. since the date hereof or thereof or that the information contained herein or therein is correct as of any time subsequent to its date.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor the regulatory authority of any other jurisdiction has passed upon the accuracy or adequacy of these Final Terms or the European base prospectus.

Each purchaser, each subsequent transferee and each person directing such purchaser or subsequent transferee to acquire notes, by its purchase or other acquisition of the notes, is deemed to represent and warrant (which representation and warranty will be deemed to be repeated on each date on which the notes are held by such purchaser or subsequent transferee, as the case may be), that the funds the purchaser or subsequent transferee is using to acquire and hold the notes are not the assets of an employee benefit or other plan subject to Part IV of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), a plan described in Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), an entity whose underlying assets include “plan assets” by reason of Department of Labor regulation section 2510.3-101 or otherwise, or a governmental plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

[ADDITIONAL INFORMATION ABOUT THE PLAN OF DISTRIBUTION

[For non-syndicated offerings: We have agreed to sell to [Goldman Sachs International], and [Goldman Sachs International] has agreed to buy from us, the aggregate face amount of the notes specified on the front cover of these Final Terms. [Goldman Sachs International] intends to resell the notes at the original issue price applicable to the notes to be resold in offshore transactions in reliance upon Regulation S under the Securities Act. Any notes sold by [Goldman Sachs International] to dealers may be resold by such dealers in negotiated transactions or otherwise, at varying prices determined at the time of sale, which prices may be different from the original issue price. In the future, [Goldman Sachs International] and our other affiliates may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices.

The notes have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Subject to certain exceptions, the notes may not be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See “General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer notes” in the European base prospectus.

The address of Goldman Sachs International is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

[The original issue price reflects a discount of • % representing a fee payable to • .] [Goldman Sachs International may [also] pay an [additional] commission of • % of the

principal amount of the notes to • in connection with the sale of the notes.]]

[For syndicated offerings: Subject to the Terms Agreement, dated • , between us on the one hand and the Purchasing Agents named below (collectively, the “Purchasing Agents”) on the other, which incorporates certain provisions of the Amended and Restated Distribution Agreement, dated August 11, 2006 between us and Goldman Sachs International, we have agreed to sell, and each of the Purchasing Agents has agreed to purchase, severally but not jointly, at a price of • % of the principal amount of the notes, the principal amount of the notes set forth opposite their names in the table below:

<u>Purchasing Agent</u>	<u>Principal amount of notes</u>
Goldman Sachs International	•
•	•
•	•

Each of the Purchasing Agents will receive underwriting discounts and commissions in the amount of • % of the principal amount of the notes underwritten by it. [A selling concession of • % will be paid in respect of the aggregate principal amount of the notes sold by a Purchasing Agent.] The Purchasing Agents may pay a distribution fee for the placement of the notes.

[Include address of lead Purchasing Agent(s)]

The Purchasing Agents propose to offer the notes at the original issue price set forth on the cover page of these Final Terms in offshore transactions in reliance upon Regulation S under the Securities Act. After the notes have been released to investors, the offering price and other selling terms may from time to time be varied by the Purchasing Agents.

The notes are new issue securities with no established trading market. Goldman Sachs International or other affiliates of us, and the other Purchasing Agents, may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. None of them, however, is obligated to do so and any of them may discontinue market-making at any time without notice.

Each of the Purchasing Agents has agreed with us that:

- [*Applicable selling restrictions.*]

For more information about the plan of distribution and possible market-making activi-

ties, see “Plan of Distribution” in the European base prospectus.





Final Terms No. • to the European Base Prospectus dated October 9, 2006 [, as supplemented by Prospectus Supplement No. •]

The Goldman Sachs Group, Inc. Euro Medium-Term Notes, Series C

[Title of Indexed Notes]

[A brief description of the notes.]

Your investment in your note involves risks. [In particular, assuming no changes in market conditions or other relevant factors, the value of your note on the date of these Final Terms (as determined by reference to pricing models used by Goldman Sachs) is significantly less than the original issue price.] We encourage you to read “Risk Factors” on page 11 of the European base prospectus [and “Additional Investment Considerations Specific to Your Note” on page S-•], so that you may better understand those risks.

Any offered notes sold by Goldman Sachs International to dealers may be resold by such dealers in negotiated transactions or otherwise at varying prices determined at the time of sale, which prices may be different from the original issue price. [The original issue price reflects a discount representing a fee payable to •.] [Goldman Sachs International may [also] pay a commission to • in connection with the sale of the notes. See “Additional Information About the Plan of Distribution” on page S-•.]

These Final Terms should be read in conjunction with the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, and you should base your investment decision on a consideration of these Final Terms and the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, as a whole. [For notes listed on the Luxembourg stock exchange: Pursuant to Luxembourg law, the European base prospectus, all supplements thereto and all documents incorporated by reference therein and filed with the Commission de Surveillance du Secteur Financier, and any Final Terms will be made available by the Luxembourg Stock Exchange on its website.]

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. See “Notice to Investors” on page S-• . These Final Terms are not for use in, and may not be delivered to or inside, the United States.

Goldman Sachs may use these Final Terms in the initial sale of the notes. In addition, Goldman Sachs International or other affiliates of The Goldman Sachs Group, Inc. may use these Final Terms in a market-making transaction in a note after its initial sale. **Unless Goldman Sachs International or another affiliate of The Goldman Sachs Group, Inc. or their respective agents inform the purchaser otherwise in the confirmation of sale, these Final Terms are being used in a market-making transaction.**

Goldman Sachs International

Final Terms, dated

[Add short-form index disclaimers.]

NOTICE TO INVESTORS

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”), as amended, and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Because the notes will be issued in bearer form, they may not, subject to certain exceptions, be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See “General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer Notes” in the European base prospectus.

Unless the context otherwise requires, references to “The Goldman Sachs Group, Inc.,” “we,” “our” and “us” mean only The Goldman Sachs Group, Inc. and do not include its consolidated subsidiaries. References to “Goldman Sachs” mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries, and the “Goldman Sachs Group” refers to The Goldman Sachs Group, Inc. and its consolidated subsidiaries. Also, references to the “European base prospectus” mean the European base prospectus, dated October 9, 2006, of The Goldman Sachs Group, Inc. [, as supplemented.]

In these Final Terms, references to “holder” or “holders” mean only those who are the actual bearers of the notes and not those who only own beneficial interests in notes of which others are the bearers. The latter include those who own beneficial interests in notes issued in global — *i.e.*, book-entry — form through Euroclear Bank S.A./N.V. as operator of the Clearstream Luxembourg, Euroclear or another depository. Owners of beneficial interests in notes issued in global form should read the section entitled “General Description of the Program — Form, Exchange, Registration and Transfer” in the European base prospectus. Also, references in these Final Terms to “you” mean those who invest in the notes, whether they are the actual bearers of the notes or only owners of beneficial interests in these notes. References to “your note” mean the notes in which you hold a direct or indirect interest.

Responsibility Statement

Goldman Sachs accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of Goldman Sachs (who has taken all reasonable care to ensure that such is the case), the information contained in these Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information. Where information contained in these Final Terms has been sourced from a third party, this information has been accurately reproduced.

No person has been authorized to give any information or make any representations other than those contained in these Final Terms and the European base prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither these Final Terms nor the European base prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of these Final Terms or the European base prospectus, nor any sale made hereunder or thereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of The Goldman Sachs Group, Inc. since the date hereof or thereof or that the information contained herein or therein is correct as of any time subsequent to its date.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor the regulatory authority of any other jurisdiction has passed upon the accuracy or adequacy of these Final Terms or the European base prospectus.

Each purchaser, each subsequent transferee and each person directing such purchaser or subsequent transferee to acquire notes, by its purchase or other acquisition of the notes, is deemed to represent and warrant (which representation and warranty will be deemed to be repeated on each date on which the notes are held by such purchaser or subsequent transferee, as the case may be), that the funds the purchaser or subsequent transferee is using to acquire and hold the notes are not the assets of an

employee benefit or other plan subject to Part IV of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), a plan described in Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), an entity whose underlying assets include “plan assets” by reason of Department of Labor regulation section 2510.3-101 or otherwise, or a governmental plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

KEY TERMS

The terms of each note being offered are as follows:

Issuer: The Goldman Sachs Group, Inc.

Face Amount:

Denomination:

Minimum Investment:

Type of Note: Indexed note

Specified Currency:

Trade Date:

Original Issue Date (Settlement Date):

ISIN Code:

Common Code:

Valoren Number:

Stated Maturity Date:

Original Issue Price:

Net Proceeds to Issuer:

Amount Payable at Maturity: [A plain English description of the payment amount formula]

Yield to Maturity:

Interest Rate:

[**Day Count Fraction:** The day count fraction]

[**Interest Period:** Each period from and including an interest payment date (or the original issue date, in the case of the initial interest period) to but excluding the next succeeding interest payment date (or the stated maturity date, in the case of the final interest period)]

[**Interest Payment Dates:** •[•, and •] of each year[, beginning with • and ending with •], subject to the business day convention]

The Index or Indices: [For each index: [Index] ([Index abbreviation (use only abbreviation, omit "index")]); where appropriate, the caption may be replaced by "Index Stock"]]

Index Sponsor(s): [The sponsor of each index; where appropriate, the caption may be replaced by "Index Stock Issuer"]]

[**Principal Stock Exchange:** For notes linked to a stock, the stock exchange on which the stock is listed]

[**Supplemental Payment Amount:** A plain English description of the supplemental payment amount formula]

[**Total Index Return:** A plain English description of the total index return; where appropriate, the caption may be replaced by "Total [Adjusted] Index Return"]]

[**Participation Rate:** The participation rate as a percentage]

[**Index Return:** A plain English description of the index return; where appropriate, the caption may be replaced by "[Adjusted] [Index] Return"]]

[**Initial Index Level:** A plain English description of the initial index level formula, including, where appropriate, a quantification of the initial index level for each

index; where appropriate, the caption may be replaced by "Initial [Stock] Level"]]

[**Final Index Level:** A plain English description of the final index level formula]

[**Basket Return:** The basket return formula]

[**Basket:** List each index contained in the basket:]

[**Initial Basket Level:** A plain English description of the initial basket level formula, including, where appropriate, a quantification of the initial basket level for each index basket]

[**Final Basket Level:** A plain English description of the final basket level formula]

[**Exchange Rate:** For notes exchangeable into stock, the applicable exchange rate]

[**Reference Price(s):** With respect to each index,] the official closing level of [such] [the] index on each relevant date, as determined and published by the index sponsor on [Reuters][Bloomberg] page • (or any successor or replacement page)]

[**Strike Fixing Date(s):** The strike date or dates]

Observation Date(s): [The observation date or dates;"], provided that[, with respect to each index], each [observation] [valuation] date may be postponed in the event the relevant date is not an exchange business day with [respect to such index] [or on the relevant date a market disruption event occurs or is continuing [with respect to such index]] and provided further that no [observation] [valuation] date will be extended by more than eight business days or beyond the business day immediately preceding the stated maturity date; see "Indexed Notes" in the European base prospectus]

Redemption at the Option of the Issuer: [For notes subject to redemption at the option of the issuer, a plain English description of the redemption feature] [For notes that are not redeemable except in the case of tax law changes: Not redeemable, except in certain circumstances, as described under "General Description of the Program — Redemption and Repayment — Redemption upon Payment of Additional Amounts" and "— Redemption upon Application of Certain Reporting Requirements" in the European base prospectus] [For all other notes: Not applicable]

Repurchase at the Holder's Option: [For notes subject to redemption at the option of the issuer, a plain English description of the repurchase feature; otherwise: Not applicable]

Repayment upon Event of Default: [100% of the face amount of your note plus accrued and unpaid interest] [The default amount; see "General Description of the Program — Indexed Notes — Default Amount on Acceleration" in the European base prospectus]

Business Days: The relevant Business Days are [Relevant business days]; see "General Description of the Program — Features Common to All Notes — Business Days" in the European base prospectus]

Business Day Convention: [[Following] [Modified Following]; see “General Description of the Program — Features Common to All Notes — Business Days” in the European base prospectus] [Not applicable]

Form of Notes: Temporary bearer global note, permanent bearer global note and bearer notes; see “General Description of the Program — Form, Exchange, Registration and Transfer” in the European base prospectus

Clearing: Euroclear Bank S.A./ N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme

Gross-up and Call in the Case of Tax Law Changes: [For notes subject to gross-up and call in the case of tax law changes: Applicable; see “General Description of the Program — Payment of Addi-

tional Amounts”, “— Redemption and Repayment — Redemption upon Payment of Additional Amounts” and “— Redemption upon Application of Certain Reporting Requirements” in the European base prospectus] [For all other notes (call: Not applicable]

Calculation Agent: Goldman Sachs International

Listing and Admission to Trading: [For notes listed on a regulated market: Application has been made to the [Luxembourg Stock Exchange] for the notes to be admitted to trading on the [Luxembourg Stock Exchange]’s regulated market and to be listed on the [Luxembourg Stock Exchange]; see “Listing and General Information” in the European base prospectus] [For all other notes: Not applicable]

Other Key Terms:

[Q&A

[How do the notes work?

We have designed the notes for investors who wish to receive a payment amount that is linked to • .

As discussed in the European base prospectus, the notes offered by these Final Terms are indexed notes that are part of a series of debt securities entitled “Euro Medium-Term notes, Series C” issued by us. The notes rank equally with all our other unsecured and unsubordinated debt and will mature on [Stated maturity date]. For more details, see [“Additional Terms Specific to Your Note” and] “General Description of the Program — Features Common to All Notes” and “—Indexed Notes” in the European base prospectus.]

Will I receive periodic interest payments?

[Insert plain-English description of coupon payments or statement that there are none.]

What will I receive on the stated maturity date?

[Insert plain-English description of payments at maturity.]

What will I receive if I sell my note before the stated maturity date?

If you sell your note prior to the stated maturity date, which is [Stated maturity date],

you will receive the market price for your note on the date of sale. The market price for your note on any given day may be influenced by many factors, such as the prevailing level of each of the indices, the volatility of each of the indices, expectations regarding the development of the reference price of each of the indices, the period until maturity and our creditworthiness. As a result, depending on the impact of these factors, if you sell your note prior to the stated maturity date, you may receive significantly less than the face amount of the note. It is also very unlikely that the secondary market price of your note will correlate with the prices of the index components. For more details, see “Risk Factors — Considerations Relating to Notes Generally — The Market Price of Any Notes We May Issue May Be Influenced by Many Unpredictable Factors and If You Buy a Note and Sell It Prior to the Stated Maturity Date, You May Receive Less Than the Face Amount of Your Note” in the European base prospectus.

Who publishes the index and what does it measure?]

[ADDITIONAL INVESTMENT CONSIDERATIONS SPECIFIC TO YOUR NOTE]

An investment in your note is subject to risks described in the European base prospectus under “Risk Factors” and “Risk Factors — Considerations Relating to Indexed Notes” in particular and to the risks described below. Your note is a riskier investment than ordinary debt securities. Also, your note is not equivalent to investing directly in the index components — i.e., the [commodities, contracts, securities, stocks or bonds] comprising the indices to which your note is linked. You should carefully consider whether the notes are suited to your particular circumstances.

In these Final Terms, when we refer to an index, we mean [any of the indices] [the index], or any successor index to [any of the indices] [the index], as [they] [it] may be modified, replaced or adjusted from time to time as described under “General Description of the Program — Indexed Notes” in the European base prospectus. When we refer to an index sponsor as of any time, we mean the entity that determines and publishes [any of the indices] [the index], as appropriate and then in effect, including any successor sponsor. When we refer to the index [commodities, contracts, securities, stocks or bonds] as of any time, we mean the [commodities, contracts, securities, stocks or bonds] that comprise any of the indices as then in effect, after giving effect to any additions, deletions or substitutions. References herein to the “index components” are references to the index [commodities, contracts, securities, stocks or bonds] by reference to which the indices are calculated.

Assuming No Changes in Market Conditions and Other Relevant Factors, the Value of Your Note on the Date of These Final Terms (As Determined by Reference to Pricing Models Used by Goldman Sachs) Is Significantly Less than the Original Issue Price

The value or quoted price of your note at any time will reflect many factors and cannot be predicted. If Goldman Sachs makes a market in the notes, the price quoted by us or our affiliates for your note would reflect any changes in market conditions and other relevant factors, and the quoted price could be higher or lower than the original issue price, and may be higher or lower than the value of your note as determined by reference to pricing models used by Goldman Sachs.

If at any time a third party dealer quotes a price to purchase your note or otherwise values your note, that price may be significantly different (higher or lower) than any price quoted by Goldman Sachs. See “Risk Factors — Considerations Relating to Notes Generally — The Market Price of Any Notes We May Issue May Be Influenced by Many Unpredictable Factors and If You Buy a Note and Sell It Prior to the Stated Maturity Date, You May Receive Less Than the Face Amount of Your Note” in the European base prospectus.

Furthermore, if you sell your note, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

There is no assurance that Goldman Sachs or any other party will be willing to purchase your note, and in this regard Goldman Sachs is not obligated to make a market in your note. See “Risk Factors — Considerations Relating to Notes Generally — Any Notes We May Issue May Not Have an Active Trading Market” in the European base prospectus.]

[Other investment considerations specific to the note being offered.]

[Any rate of return you may earn on an investment in your note may be lower than that which you could earn on a comparable investment in the index [commodities, contracts, securities, stocks and bonds] or other index components. Depending on the tax treatment applicable to your note, tax liabilities could affect the after-tax rate of return on your note to a comparatively greater extent than the after-tax return on the [commodities, contracts, securities, stocks and bonds].

[Payments on your note are economically equivalent to the amounts that would be paid on a combination of other instruments. For exam-

ple, payments on your note are economically equivalent to the amounts that would be paid on a combination of an interest-bearing bond bought, and an option sold or bought, by the holder (with an implicit option premium paid over time to or by the holder). The discussion in

this paragraph does not modify or affect the terms of the notes or the U.S. income tax treatment of the notes as described under "United States Taxation" in the European base prospectus.]

[ADDITIONAL TERMS SPECIFIC TO YOUR NOTE

We refer to the notes offered by these Final Terms, including your note, as the notes. The notes are part of a series of debt securities, entitled “Euro Medium-Term notes, Series C”, that we may issue under the Fiscal Agency Agreement from time to time. The notes are also “indexed notes”, as defined in the European base prospectus. These Final Terms summarize specific financial and other terms that apply to the notes, including your note; terms that apply generally to all Series C Euro Medium-Term notes are described under “General Description of the Program” in the European base prospectus. The terms described in these Final Terms supplement those described in the European base prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

Please note that the information about the original issue date, original issue price and net proceeds to us on the front cover page of these Final Terms relates only to the initial offer and sale of the notes. If you have purchased your note in a subsequent market-making transaction, information about the price and date of any such transaction will be provided in a separate confirmation of sale.

[In anticipation of the sale of the notes, we and our affiliates may enter into hedging transactions as described under “United States Taxation — Hedging in Connection with Issuance of Indexed Notes” in the European base prospectus.]

In addition to the terms described in the summary information section of these Final

Terms, the following terms will apply to your note:

[Type of note

-]

[Other terms specific to the note being offered.]

-]

[Any rate of return you may earn on an investment in your note may be lower than that which you could earn on a comparable investment in the index [commodities, contracts, securities, stocks and bonds] or other index components. Depending on the tax treatment applicable to your note, tax liabilities could affect the after-tax rate of return on your note to a comparatively greater extent than the after-tax return on the [commodities, contracts, securities, stocks and bonds].

[Payments on your note are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on your note are economically equivalent to the amounts that would be paid on a combination of an interest-bearing bond bought, and an option sold or bought, by the holder (with an implicit option premium paid over time to or by the holder). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. income tax treatment of the notes as described under “United States Taxation” in the European base prospectus.]

[INFORMATION ABOUT THE [INDEX] [INDICES][STOCK][STOCKS]

We have compiled all information regarding the [index] [indices] [stock] [stocks] discussed in these Final Terms, including their make-up, method of calculation and changes in their components, from publicly available information.

We accept responsibility as to the correct reproduction of such information, but do not accept any further or other responsibility, including any responsibility for the calculation, maintenance or publication of, or for any error, omission or disruption in, [the index] [any of the indices] [the stock] [any of the stocks], and do not make any representation or give any warranty that the publicly available information about the [index] [indices] [stock] [stocks] is accurate or complete.

The information set forth below reflects the policies of, and is subject to change by, the [relevant] index sponsor or sponsors. [The] [Each] index sponsor owns the copyright and all other rights to the [respective] index. [The index sponsor does not have] [No index sponsor has] any obligation to continue to publish, and may discontinue publication of, the [relevant] index at any time.

[We do not intend to provide any post-issuance information with respect to [the] [any] [index] described in the European base prospectus or these final terms, if not otherwise required by all applicable laws and regulations.]

For general information with respect to the [index] [indices], see “General Description of the Program — Indexed Notes — The Indices” in the European base prospectus.

[The • Index] [Stock]

[Information specific to each of the indices or stocks used in the note being offered. If the index is described in the European base prospectus, include a cross-reference. If the note is linked to a stock or basket of stocks, indicate the ISIN code of the relevant stock or stocks and the relevant weightings of each stock in the basket.]

More information on the • index is available on the following website: <http://www. • .com>. We are not incorpo-

rating this website or any material it includes by reference into these Final Terms or the European base prospectus.

References herein to the index sponsor with respect to the • index are references to • in its capacity as sponsor of the • index.

[Licensing]

We [expect to enter] [have entered] into a non-exclusive license agreement with •, whereby we, in exchange for a fee, [will be] [are] permitted to use the

• index in connection with the offer and sale of the notes. We are not affiliated with •; the only relationship between • and us is the licensing of the use of the • index and trademarks relating to the • index.

• is under no obligation to continue the calculation and dissemination of the • index. The notes are not sponsored, endorsed or promoted by •. No inference should be drawn from the information contained in this prospectus supplement that • makes any representation or warranty, implied or express, to The Goldman Sachs Group, Inc., any holder of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes in particular or the ability of the • index to track general [commodity] [stock] [bond] market performance.

• determines, composes and calculates the index without regard to your note.

• has no obligation to take into account your interest, or that of anyone else having an interest, in your note in determining, composing or calculating the index. • is not responsible for and has not participated in the determination of the terms, prices or amount of your note and will not be responsible for or participate in any determination or calculation regarding the principal amount of your note payable at the stated maturity date. • has no obligation or liability in connection with the administration, marketing or trading of your note.

Neither we nor any of our affiliates accepts any responsibility for the calculation, mainte-

nance or publication of the • index or any successor index.

- disclaims all responsibility for any errors or omissions in the calculation and dis-

semination of the index or the manner in which the index is applied in determining any [initial index level or final index level] or any amount payable upon maturity of the notes.]

[ADDITIONAL INFORMATION ABOUT THE PLAN OF DISTRIBUTION

[For non-syndicated offerings: We have agreed to sell to [Goldman Sachs International], and [Goldman Sachs International] has agreed to buy from us, the aggregate face amount of the notes specified on the front cover of these Final Terms. [Goldman Sachs International] intends to resell the notes at the original issue price applicable to the notes to be resold in offshore transactions in reliance upon Regulation S under the Securities Act. Any notes sold by [Goldman Sachs International] to dealers may be resold by such dealers in negotiated transactions or otherwise, at varying prices determined at the time of sale, which prices may be different from the original issue price. In the future, [Goldman Sachs International] and our other affiliates may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices.

The notes have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Subject to certain exceptions, the notes may not be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See "General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer notes" in the European base prospectus.

The address of Goldman Sachs International is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

[The original issue price reflects a discount of • % representing a fee payable to • .] [Goldman Sachs International may [also] pay an [additional] commission of • % of the

principal amount of the notes to • in connection with the sale of the notes.]]

[For syndicated offerings: Subject to the Terms Agreement, dated • , between us on the one hand and the Purchasing Agents named below (collectively, the "Purchasing Agents") on the other, which incorporates certain provisions of the Amended and Restated Distribution Agreement, dated August 11, 2006 between us and Goldman Sachs International, we have agreed to sell, and each of the Purchasing Agents has agreed to purchase, severally but not jointly, at a price of • % of the principal amount of the notes, the principal amount of the notes set forth opposite their names in the table below:

<u>Purchasing Agent</u>	<u>Principal amount of notes</u>
Goldman Sachs International	•
•	•
•	•

Each of the Purchasing Agents will receive underwriting discounts and commissions in the amount of • % of the principal amount of the notes underwritten by it. [A selling concession of • % will be paid in respect of the aggregate principal amount of the notes sold by a Purchasing Agent.] The Purchasing Agents may pay a distribution fee for the placement of the notes.

[Include address of lead Purchasing Agent(s)]

The Purchasing Agents propose to offer the notes at the original issue price set forth on the cover page of these Final Terms in offshore transactions in reliance upon Regulation S under the Securities Act. After the notes have been released to investors, the offering price and other selling terms may from time to time be varied by the Purchasing Agents.

The notes are new issue securities with no established trading market. Goldman Sachs International or other affiliates of us, and the other Purchasing Agents, may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. None of them, however, is obligated to do so and any of them may discontinue market-making at any time without notice.

Each of the Purchasing Agents has agreed with us that:

- [*Applicable selling restrictions.*]

For more information about the plan of distribution and possible market-making activi-

ties, see “Plan of Distribution” in the European base prospectus.





Final Terms No. • to the European Base Prospectus dated October 9, 2006 [, as supplemented by Prospectus Supplement No. •]

The Goldman Sachs Group, Inc. Subordinated Euro Medium-Term Notes, Series E

[Title of [Fixed rate] [Floating rate] [Fixed/Floating rate] [Zero coupon] notes]

The terms of each subordinated note being offered are as follows:

Issuer: The Goldman Sachs Group, Inc.

Face Amount:

Denomination:

Minimum Investment:

Type of Note: [Fixed rate] [Floating rate] [Fixed/Floating rate] [Zero coupon] note

Specified Currency:

Trade Date:

Original Issue Date (Settlement Date):

ISIN Code:

Common Code:

Valoren Number:

Stated Maturity Date:

Original Issue Price: [Issue price as a percentage of the face amount]%

[Original Issue Discount (OID): If applicable, OID as a percentage]% **Net Proceeds to Issuer:** %

Amount Payable at Maturity: [100% of the face amount of your note outstanding on the stated maturity date]

Yield to Maturity:

[Accreted Value: For zero coupon notes: As of any date prior to the stated maturity date, an amount equal to the sum of (A) the original issue price of your note and (B) the portion of the excess of the face amount of your note over the original issue price which shall have been accreted from the issue price on a daily basis (and compounded annually on • of each year, up to and including the stated maturity date, at the rate of •% per annum from the original issue date, computed on the basis of a 360-day year consisting of twelve 30-day calendar months; and (2) as of any date on or after the stated maturity date, the face amount of your note]

Interest Rate: [For fixed rate notes: •% per annum] [For floating rate notes: A rate per annum equal to the base rate [plus the spread,] [multiplied by the spread multiplier, if any]] [Modify as appropriate.] [For notes that do not bear interest: Not applicable]

[Base Rate(s): For floating rate notes, the base rate or rates]

[Initial Base Rate: For floating rate notes: The [Index maturity] [Index currency] [Base rate] on [First interest determination date]

[Index Maturity: For floating rate notes, the index maturity]

[Index Currency: For floating rate notes, the index currency]

[Spread: For floating rate notes, the spread]

[Spread Multiplier: For floating rate notes, the spread multiplier]

[Minimum Rate: For floating rate notes, the minimum rate]

[Maximum Rate: For floating rate notes, the maximum rate]

[Day Count Fraction: For floating and fixed rate notes, the day count fraction;]

[Interest Commencement Date: For fixed and floating rate notes, the interest commencement date]

[Interest Period: For fixed and floating rate notes: Each period from and including an interest payment date (or the original issue date, in the case of the initial interest period) to but excluding the next succeeding interest payment date (or the stated maturity date, in the case of the final interest period)]

[Interest Determination Dates: For floating rate notes: For each interest period, the interest determination date shall be the [second] [Euro] [London] business day preceding the first day of such interest period [For notes with both fixed and floating rate elements, specify the periods during which interest is accrued at a floating rate, as follows: beginning with the [interest payment date scheduled for •][original issue date] and ending with the [interest payment date scheduled for •][stated maturity date]]

[Interest Reset Dates: For floating rate notes: For each interest period, the interest reset date shall be the first day of such interest period [For

notes with both fixed and floating rate elements, specify the periods during which interest is accrued at a floating rate, as follows: beginning with the [interest payment date scheduled for •][original issue date] and ending with the [interest payment date scheduled for •][stated maturity date]]

[Interest Payment Dates: For fixed and floating rate notes: •[•, and •] of each year[, beginning with • and ending with •], subject to the business day convention

Redemption at the Option of the Issuer: [For notes subject to redemption at the option of the issuer, a plain English description of the redemption feature] [For all other notes: Not redeemable, except in certain circumstances, as described under “General Description of the Program — Redemption and Repayment — Redemption upon Payment of Additional Amounts” and “— Redemption upon Application of Certain Reporting Requirements” in the European base prospectus] [For notes that are not redeemable: Not applicable]

Repurchase at the Holder’s Option: [For notes subject to redemption at the option of the issuer, a plain English description of the repurchase feature; otherwise: Not applicable]

Repayment upon Event of Default: [For fixed and floating rate notes: 100% of the face amount of your note plus accrued and unpaid interest] [For zero coupon notes: 100% of the accreted value as of the date of redemption]

Subordination: The notes will be junior in right of payment to all of our senior indebtedness. This means, among other things, that we will not be permitted to pay interest, principal or any other amount on the notes (including upon redemption) if a default under our senior indebtedness has occurred and is continuing, until all the amounts owing on our senior indebtedness have been paid in full.

Business Days: The relevant Business Days are [Relevant business days]; see “General Description of the Program — Features Common to All Notes — Business Days” in the European base prospectus

Business Day Convention: [For interest-bearing notes: [Following] [Modified Following]; see “General Description of the Program — Features Common to All Notes — Business Days” in the European base prospectus] [For notes that do not bear interest: Not applicable]

Form of Notes: Temporary bearer global note, permanent bearer global note and bearer notes; see “General Description of the Program — Form, Exchange, Registration and Transfer” in the European base prospectus

Clearing: Euroclear Bank S.A./ N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme

Gross-up and Call in the Case of Tax Law Changes: [For notes subject to gross-up and call in the case of tax law changes: Applicable; see “General Description of the Program — Payment of Additional Amounts”, “— Redemption and Repayment — Redemption upon Payment of Additional Amounts” and “— Redemption upon Application of Certain Reporting Requirements” in the European base prospectus] [For all other notes Not applicable]

Calculation Agent: Goldman Sachs International

Listing and Admission to Trading: [For notes listed on a regulated market: Application has been made to the [Luxembourg Stock Exchange] for the notes term to be admitted to trading on the [Luxembourg Stock Exchange]’s regulated market and to be listed on the [Luxembourg Stock Exchange]; see “Listing and General Information” in the European base prospectus] [For all other notes: Not applicable]

Other Key Terms:

Your investment in your note involves risks. We encourage you to read “Risk Factors” on page 11 of the European base prospectus, so that you may better understand those risks.

Any offered notes sold by Goldman Sachs International to dealers may be resold by such dealers in negotiated transactions or otherwise at varying prices determined at the time of sale, which prices may be different from the original issue price. [The original issue price reflects a discount representing a fee payable to •.] [Goldman Sachs International may [also] pay a commission to • in connection with the sale of the notes. See “Additional Information About the Plan of Distribution” on page S-•.]

These Final Terms should be read in conjunction with the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, and you should base your investment decision on a consideration of these Final Terms and the European base prospectus, including all supplements thereto and all documents incorporated by reference therein, as a whole. [For notes listed on the Luxembourg stock exchange: Pursuant to Luxembourg law, the European base prospectus, all supplements thereto and all documents incorporated by reference therein and filed with the Commission de Surveillance du Secteur Financier, and any Final Terms will be made available by the Luxembourg Stock Exchange on its website.]

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”) and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. See “Notice to Investors” on page S-●. These Final Terms are not for use in, and may not be delivered to or inside, the United States.

Goldman Sachs may use these Final Terms in the initial sale of the notes. In addition, Goldman Sachs International or other affiliates of The Goldman Sachs Group, Inc. may use these Final Terms in a market-making transaction in a note after its initial sale. **Unless Goldman Sachs International or another affiliate of The Goldman Sachs Group, Inc. or their respective agents inform the purchaser otherwise in the confirmation of sale, these Final Terms are being used in a market-making transaction.**

Goldman Sachs International

Final Terms, dated

NOTICE TO INVESTORS

The notes have not been registered under the U.S. Securities Act of 1933 (the “Securities Act”), as amended, and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Because the notes will be issued in bearer form, they may not, subject to certain exceptions, be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See “General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer Notes” in the European base prospectus.

Unless the context otherwise requires, references to “The Goldman Sachs Group, Inc.,” “we,” “our” and “us” mean only The Goldman Sachs Group, Inc. and do not include its consolidated subsidiaries. References to “Goldman Sachs” mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries, and the “Goldman Sachs Group” refers to The Goldman Sachs Group, Inc. and its consolidated subsidiaries. Also, references to the “European base prospectus” mean the European base prospectus, dated October 9, 2006, of The Goldman Sachs Group, Inc. [, as supplemented.]

In these Final Terms, references to “holder” or “holders” mean only those who are the actual bearers of the notes and not those who only own beneficial interests in notes of which others are the bearers. The latter include those who own beneficial interests in notes issued in global — *i.e.*, book-entry — form through Euroclear Bank S.A./N.V. as operator of the Clearstream Luxembourg, Euroclear or another depository. Owners of beneficial interests in notes issued in global form should read the section entitled “General Description of the Program — Form, Exchange, Registration and Transfer” in the European base prospectus. Also, references in these Final Terms to “you” mean those who invest in the notes, whether they are the actual bearers of the notes or only owners of beneficial interests in these notes. References to “your note” mean the notes in which you hold a direct or indirect interest.

Responsibility Statement

Goldman Sachs accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of Goldman Sachs (who has taken all reasonable care to ensure that such is the case), the information contained in these Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information. Where information contained in these Final Terms has been sourced from a third party, this information has been accurately reproduced.

No person has been authorized to give any information or make any representations other than those contained in these Final Terms and the European base prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither these Final Terms nor the European base prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of these Final Terms or the European base prospectus, nor any sale made hereunder or thereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of The Goldman Sachs Group, Inc. since the date hereof or thereof or that the information contained herein or therein is correct as of any time subsequent to its date.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor the regulatory authority of any other jurisdiction has passed upon the accuracy or adequacy of these Final Terms or the European base prospectus.

Each purchaser, each subsequent transferee and each person directing such purchaser or subsequent transferee to acquire notes, by its purchase or other acquisition of the notes, is deemed to represent and warrant (which representation and warranty will be deemed to be repeated on each date on which the notes are held by such purchaser or subsequent transferee, as the case may be), that the funds the purchaser or subsequent transferee is using to acquire and hold the notes are not the assets of an employee benefit or other plan subject to Part IV of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), a plan described in Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), an entity whose underlying assets include “plan assets” by reason of Department of Labor regulation section 2510.3-101 or otherwise, or a governmental plan that is subject to any federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code.

ADDITIONAL INVESTMENT CONSIDERATIONS SPECIFIC TO YOUR NOTE

Assuming No Changes in Market Conditions and Other Relevant Factors, the Value of Your Note on the Date of These Final Terms (As Determined by Reference to Pricing Models Used by Goldman Sachs) Is Significantly Less than the Original Issue Price

The value or quoted price of your note at any time will reflect many factors and cannot be predicted. If Goldman Sachs makes a market in the notes, the price quoted by us or our affiliates for your note would reflect any changes in market conditions and other relevant factors, and the quoted price could be higher or lower than the original issue price, and may be higher or lower than the value of your note as determined by reference to pricing models of Goldman Sachs.

If at any time a third party dealer quotes a price to purchase your note or otherwise values your note, that price may be significantly different (higher or lower) than any price quoted by Goldman Sachs. See “Risk Factors — Considerations Relating to Notes Generally — The Market Price of Any Notes We May Issue May Be Influenced by Many Unpredictable Factors and If You Buy a Note and Sell It Prior to the Stated Maturity Date, You May Receive Less Than the Face Amount of Your Note” in the European base prospectus.

Furthermore, if you sell your note, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

There is no assurance that Goldman Sachs or any other party will be willing to purchase your note, and in this regard Goldman Sachs is not obligated to make a market in your note. See “Risk Factors — Considerations Relating to Notes Generally — Any Notes We May Issue May Not Have an Active Trading Market” in the European base prospectus.

Payments on your note are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on your note are economically equivalent to the amounts that would be paid on a combination of an interest-bearing bond bought, and an option sold or bought, by the holder (with an implicit option premium paid over time to or by the holder). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. income tax treatment of the notes as described under “United States Taxation” in the European base prospectus.]

[ADDITIONAL INFORMATION ABOUT THE PLAN OF DISTRIBUTION

[For non-syndicated offerings: We have agreed to sell to [Goldman Sachs International], and [Goldman Sachs International] has agreed to buy from us, the aggregate face amount of the notes specified on the front cover of these Final Terms. [Goldman Sachs International] intends to resell the notes at the original issue price applicable to the notes to be resold in offshore transactions in reliance upon Regulation S under the Securities Act. Any notes sold by [Goldman Sachs International] to dealers may be resold by such dealers in negotiated transactions or otherwise, at varying prices determined at the time of sale, which prices may be different from the original issue price. In the future, [Goldman Sachs International] and our other affiliates may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices.

The notes have not been registered under the Securities Act and may not be offered or sold in the United States or to U.S. persons (as those terms are defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available. In particular, hedging transactions involving the notes may not be conducted other than in compliance with the Securities Act. Each purchaser of a note is deemed to agree to comply with the foregoing.

Subject to certain exceptions, the notes may not be offered, sold or delivered, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons, each as defined in the applicable U.S. Treasury regulations. See “General Description of the Program — Form, Exchange, Registration and Transfer — Limitations on Issuance of Bearer notes” in the European base prospectus.

The address of Goldman Sachs International is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

[The original issue price reflects a discount of • % representing a fee payable to • .] [Goldman Sachs International may [also] pay an [additional] commission of • % of the

principal amount of the notes to • in connection with the sale of the notes.]]

[For syndicated offerings: Subject to the Terms Agreement, dated • , between us on the one hand and the Purchasing Agents named below (collectively, the “Purchasing Agents”) on the other, which incorporates certain provisions of the Amended and Restated Distribution Agreement, dated August 11, 2006 between us and Goldman Sachs International, we have agreed to sell, and each of the Purchasing Agents has agreed to purchase, severally but not jointly, at a price of • % of the principal amount of the notes, the principal amount of the notes set forth opposite their names in the table below:

<u>Purchasing Agent</u>	<u>Principal amount of notes</u>
Goldman Sachs International	•
•	•
•	•

Each of the Purchasing Agents will receive underwriting discounts and commissions in the amount of • % of the principal amount of the notes underwritten by it. [A selling concession of • % will be paid in respect of the aggregate principal amount of the notes sold by a Purchasing Agent.] The Purchasing Agents may pay a distribution fee for the placement of the notes.

[Include address of lead Purchasing Agent(s)]

The Purchasing Agents propose to offer the notes at the original issue price set forth on the cover page of these Final Terms in offshore transactions in reliance upon Regulation S under the Securities Act. After the notes have been released to investors, the offering price and other selling terms may from time to time be varied by the Purchasing Agents.

The notes are new issue securities with no established trading market. Goldman Sachs International or other affiliates of us, and the other Purchasing Agents, may repurchase and resell the notes in market-making transactions, with resales being made at prices related to prevailing market prices at the time of resale or at negotiated prices. None of them, however, is obligated to do so and any of them may discontinue market-making at any time without notice.

Each of the Purchasing Agents has agreed with us that:

- [*Applicable selling restrictions.*]

For more information about the plan of distribution and possible market-making activi-

ties, see “Plan of Distribution” in the European base prospectus.



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