

Final Terms dated February 11, 2011

## GOLDMAN SACHS INTERNATIONAL

### Programme for the issuance of Warrants, Notes and Certificates

**Issue of 100'000'000 Six-Year GBP Phoenix Autocallable Certificates on the FTSE™ 100 Index, due February 13, 2017 (the "Certificates" or "Securities")**

**Guaranteed by The Goldman Sachs Group, Inc. ("GSG")**

**The Securities are not bank deposits and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency. The Securities are guaranteed (the "GSG Guaranty") by GSG and the GSG Guaranty will rank pari passu with all other unsecured and unsubordinated indebtedness of GSG.**

**INVESTING IN THE CERTIFICATES INVOLVES EXPOSURE TO A COMBINATION OF EMBEDDED OPTIONS AND PUTS YOUR CAPITAL AT RISK. YOU MAY LOSE SOME OR ALL OF YOUR INVESTMENT.**

#### DESCRIPTION OF CERTAIN MAIN FEATURES OF THE CERTIFICATES

**The description below contains selective information about the certificates and the underlying asset and is an introduction to these final terms. Any decision to invest in the certificates should be based on a consideration of these final terms and the base prospectus (defined below) as a whole, including the documents incorporated by reference.**

<b>ISIN</b>	GB00B6F4F585	<b>Issue Date</b>	February 11, 2011
<b>Sedol</b>	B6F4F58	<b>Initial Valuation Date</b>	February 4, 2011
<b>TIDM</b>	GB95	<b>Final Valuation Date</b>	February 6, 2017
<b>Aggregate Number of Certificates</b>	100'000'000	<b>Maturity Date</b>	February 13, 2017
<b>Issue Price</b>	GBP 1.00 per certificate	<b>Reference Price (Initial)</b>	GBP 5'997.38, being the Index Level on the Initial Valuation Date, as determined by the Calculation Agent
<b>Index Level</b>	In respect of any relevant day, the official closing level of the Underlying Asset (expressed in GBP) on such relevant day as calculated and published by the Index Sponsor	<b>Reference Price (Final)</b>	The Index Level on the Final Valuation Date, as determined by the Calculation Agent

Underlying Asset	ISIN	Bloomberg	Reuters page	Index Sponsor	Trigger Level	Barrier Level	Digital Option Exercise Level
FTSE™ 100 Index	GB0001383545	UKX Index	.FTSE	FTSE International Limited	GBP 6'597.118, being equal to 110 per cent. of the Reference Price (Initial)	GBP 2'998.69, being equal to 50 per cent. of the Reference Price (Initial)	GBP 4'498.035, being equal to 75 per cent. of the Reference Price (Initial)

#### **AUTOMATIC EARLY EXERCISE\***

If the Index Level on any valuation date (other than the Final Valuation Date) is equal to or greater than the Trigger Level (and an Automatic Early Exercise Event\* shall thereby have occurred), each Certificate will automatically be exercised early on such valuation date, and each Certificate will be redeemed early on the Automatic Early Exercise Date\* immediately following such valuation date by payment of an amount in GBP equal to GBP 1.063 (such amount being the Automatic Early Exercise Amount\*).

For the avoidance of doubt, a digital option trigger event (as defined below) would have occurred on a valuation date on which an Automatic Early Exercise Event has occurred. Therefore, in addition to the Automatic Early Exercise Amount, a digital option payout amount (determined in the manner described below) shall also be payable on the digital option payment date (being the Automatic Early

Exercise Date in respect of such valuation date).

#### **CALCULATION OF SETTLEMENT AMOUNT AT MATURITY**

Unless there is automatic early exercise of your Certificates (as described above) or your Certificates have otherwise exercised early or are adjusted in each case in accordance with the Conditions, you will receive on the Maturity Date for each Certificate that you hold the settlement amount, which shall be:

- (i) if the Reference Price (Final) is equal to or greater than the Trigger Level, an amount equal to GBP 1.063; or
- (ii) if the Reference Price (Final) is less than the Trigger Level but equal to or greater than the Barrier Level, GBP 1.00; or
- (iii) if the Reference Price (Final) is less than the Barrier Level, an amount equal to the *product* of (a) GBP 1.00 *multiplied* by (b) the *quotient* of (I) Reference Price (Final) *divided* by (II) Reference Price (Initial). **This means that you could lose some or all of your original invested amount.**

#### **CALCULATION OF DIGITAL OPTION PAYOUT AMOUNTS**

If the Index Level on any valuation date is equal to or greater than the Digital Option Exercise Level (and a digital option trigger event shall thereby have occurred), a digital option payout amount shall be payable on the immediately following digital option payment date equal to (i) GBP 1.00, *multiplied* by (ii) the digital option value (determined in the manner described below), *minus* (iii) the sum of previous digital option payout amounts (if any) (determined in the manner described below), subject to a minimum of zero.

The digital option value is, in respect of:

- (i) the first valuation date, 0.063;
- (ii) the second valuation date, 0.126;
- (iii) the third valuation date, 0.189;
- (iv) the fourth valuation date, 0.252;
- (v) the fifth valuation date, 0.315; and
- (vi) the Final Valuation Date, 0.378.

The sum of previous digital option payout amounts for:

- (i) the first valuation date is zero; and
- (ii) each valuation date (other than the first valuation date) is the aggregate of the digital option payout amounts (if any) paid on each digital option payment date preceding such valuation date.

No interest is payable under the Certificates.

\*The terms "Automatic Early Exercise", "Automatic Early Exercise Date", "Automatic Early Exercise Amount" and "Automatic Early Exercise Event" used above and in the section entitled "Scenario Analysis" below are defined in paragraph 17 below as "Automatic Early Redemption", "Automatic Early Redemption Date", "Automatic Early Redemption Amount" and "Automatic Early Redemption Event", respectively, for purposes of the General Instrument Conditions in the Base Prospectus.

**PLEASE ALSO REFER TO THE RISK FACTORS SET FORTH IN THE SECTION ENTITLED "RISK FACTORS" BELOW.**

## SCENARIO ANALYSIS

**THE FIGURES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY. THE SETTLEMENT AMOUNT OR THE AUTOMATIC EARLY EXERCISE AMOUNT (AS APPLICABLE) IN RESPECT OF THE CERTIFICATES WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF THE CERTIFICATES AS SET OUT IN THESE FINAL TERMS.**

The Issue Price per Certificate is GBP 1.00. The Trigger Level is 110 per cent. of the Reference Price (Initial). The Digital Option Exercise Level is 75 per cent. of the Reference Price (Initial). The Barrier Level is 50 per cent. of the Reference Price (Initial).

### **Scenario 1**

**The Index Level on the Valuation Date scheduled to fall on February 6, 2012 is 110 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on such Valuation Date and will be redeemed on the Automatic Early Exercise Date immediately following such Valuation Date, and the Automatic Early Exercise Amount payable per Certificate will be GBP 1.063. A Digital Option Payout Amount of GBP 0.063 will also be payable on such Automatic Early Exercise Date.

### **Scenario 2**

**The Index Level on the Valuation Date scheduled to fall on February 6, 2012 is 75 per cent. of the Reference Price (Initial).**

The Certificates will not be exercised on such Valuation Date. A Digital Option Payout Amount of GBP 0.063 will be payable on the Digital Option Payment Date falling on such Automatic Early Exercise Date.

### **Scenario 3**

**The Index Level on the Valuation Date scheduled to fall on February 6, 2012 is 74 per cent. of the Reference Price (Initial).**

The Certificates will not be exercised on such Valuation Date and no Digital Option Payout Amount will be payable in respect of such Valuation Date.

### **Scenario 4**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is 110 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be GBP 1.063. A Digital Option Payout Amount of (i) GBP 0.378, less (ii) all Digital Option Payout Amount(s) previously paid on each Digital Option Payment Date preceding the Final Valuation Date, shall be payable on the Maturity Date, subject to a minimum of zero.

### **Scenario 5**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is 109 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be GBP 1.00. A Digital Option Payout Amount of (i) GBP 0.378, less (ii) all Digital Option Payout Amount(s) previously paid on each Digital Option Payment Date preceding the Final Valuation Date, shall be payable the Maturity Date, subject to a minimum of zero.

### **Scenario 6**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is 75 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be GBP 1.00. A Digital Option Payout Amount of (i) GBP 0.378, less (ii) all Digital Option Payout Amount(s) previously paid on each Digital Option Payment Date preceding the Final Valuation Date, shall be payable the Maturity Date, subject to a minimum of zero.

#### **Scenario 7**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is 50 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be GBP 1.00. No Digital Option Payout Amount will be payable on the Maturity Date.

#### **Scenario 8**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is 49 per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be GBP 0.49. No Digital Option Payout Amount will be payable on the Maturity Date. **In this scenario, an investor who purchased the Certificates at the Issue Price will sustain a partial loss of the amount invested in the Certificates (apart from any Digital Option Payout Amount received prior to the Maturity Date).**

#### **Scenario 9**

**The Certificates are not exercised on a Valuation Date (other than the Final Valuation Date) and the Reference Price (Final) is zero per cent. of the Reference Price (Initial).**

The Certificates will be exercised on the Final Valuation Date, and the Settlement Amount payable on the Maturity Date per Certificate will be zero. No Digital Option Payout Amount will be payable on the Maturity Date. **In this scenario, an investor will sustain a total loss of the amount invested in the Certificates (apart from any Digital Option Payout Amount received prior to the Maturity Date).**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (the "**Prospective Directive**" and each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly any person making or intending to make an offer in that Relevant Member State of the Certificates may only do so in:

- (i) circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) the Public Offer Jurisdiction mentioned below, provided such person is one of the persons mentioned below and that such offer is made during the Offer Period specified for such purpose therein.

The Issuer has not authorised, nor does it authorise, the making of any offer of the Certificates in any other circumstances.

The Certificates will not be offered to the public in or from Switzerland and neither these Final Terms nor any other document relating to the Certificates may be publicly distributed in Switzerland in connection with any such offering or distribution. The Certificates will be offered in Switzerland without any public promotion or advertisement only to qualified investors as defined in the Swiss Federal Act on Collective Investment Schemes and its implementing ordinance.

#### **CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the General Instrument Conditions set forth in the base prospectus dated July 15, 2010 (the "**Base Prospectus**") and the supplements to the Base Prospectus dated July 20, 2010, August 10, 2010, September 24, 2010, October 21, 2010, November 9, 2010, January 25, 2011 and February 4, 2011 (and any further supplements up to, and including, the Issue Date) which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at [www.bourse.lu](http://www.bourse.lu) and during normal business hours at the registered office of the Issuer, and copies may be obtained from the specified office of the Programme Agent in Luxembourg.

Notwithstanding the above, in the event of an offer (which has been authorised by the Issuer) of the Certificates described herein to the public as defined in Article 2(1)(d) of the Prospective Directive (and relevant implementing legislation) which expires after the date of these Final Terms then (i) this document must also be read in conjunction with all supplements to the Base Prospectus after the date hereof but falling on or prior to the expiry of such offer and (ii) if the offer period extends beyond the date which is one year from 15 July 2010 then, upon publication on or prior to such date of a prospectus under the Programme which supersedes and replaces the Base Prospectus (the "**Updated Base Prospectus**"), this document must also be read in conjunction with the Updated Base Prospectus in place of the original Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive (save that the General Instrument Conditions, together with any applicable Schedules, set forth in the original Base Prospectus as supplemented up to and including the Issue Date shall continue to apply to the Certificates), and the General Instrument Conditions, together with any applicable Schedules, set forth in the Updated Base Prospectus shall not apply to the Certificates.

1. (i) <b>Issuer:</b>	Goldman Sachs International.
(ii) <b>Guarantor:</b>	The Goldman Sachs Group, Inc.
2. (i) <b>ISIN:</b>	GB00B6F4F585.
(ii) <b>Sedol:</b>	B6F4F58.
(iii) <b>TIDM:</b>	GB95.

(iv) **Series Number:** A9900.

(v) **Tranche Number:** One.

(vi) **PIPG Tranche Number:** 9616.

3. **Settlement Currency(ies):** Pound Sterling ("GBP").

4. **Aggregate number of Certificates:**

(i) Series: 100'000'000.

(ii) Tranche: 100'000'000.

5. **Issue Price:** GBP 1.00 per Certificate.

6. **Inducements, commissions and/or other fees:** Not Applicable.

7. **Issue Date:** February 11, 2011.

8. **Maturity Date:** If an Automatic Early Redemption Event (referred to as an Automatic Early Exercise Event in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) does not occur, the Maturity Date shall be February 13, 2017 (the "**Scheduled Maturity Date**"), provided that the definition of "Maturity Date" in General Instrument Condition 2(a) shall be amended by replacing each reference to the "Valuation Date" with a reference to the "Final Valuation Date", and the definition of "Number of Settlement Period Business Days" in General Instrument Condition 2(a) shall be amended by replacing the reference to the "Valuation Date" with a reference to the "Final Valuation Date".

Where "**Strike Date**" means February 4, 2011.

9. **Underlying Asset(s):** The Index (as defined below).

## VALUATION PROVISIONS

10. **Valuation Dates:** The Valuation Dates shall be each date set out in the column entitled "Scheduled Valuation Date" in the table below, in each case subject to adjustment in accordance with Index Linked Provision 1.1 (*Single Index and Reference Dates*):

<b>Scheduled Valuation Date</b>	<b>Scheduled Automatic Early Redemption Date</b>	<b>Digital Option Value</b>
February 6, 2012	February 13, 2012	0.063
February 4, 2013	February 11, 2013	0.126
February 4, 2014	February 11, 2014	0.189
February 4, 2015	February 11, 2015	0.252
February 4, 2016	February 11, 2016	0.315
February 6, 2017	—	0.378

The Valuation Date scheduled to fall on (i) February 6, 2012 shall be

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the "First Valuation Date", and (ii) February 6, 2017 shall be the "Final Valuation Date".

- 11. **Initial Valuation Date:** February 4, 2011.
- 12. **Averaging Dates:** Not Applicable.
- 13. **Initial Averaging Date(s):** Not Applicable.

## INTEREST PROVISIONS

- 14. **Interest Provisions:** Not Applicable. The provisions of Annex A (*Other Final Terms*) shall apply.

## SETTLEMENT PROVISIONS

- 15. **Settlement:** Cash Settlement.
- 16. **Call Option:** Not Applicable.
- 17. **Automatic Early Redemption** (referred to as Automatic Early Exercise on in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms):
  - (i) Automatic Early Redemption Event (referred to as an Automatic Early Exercise Event in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms):

The Index Level on a Valuation Date (other than the Final Valuation Date) is equal to or greater than the Trigger Level (as determined by the Calculation Agent).  
Where "**Trigger Level**" means GBP 6'597.118, being a level equal to 110 per cent. of the Reference Price (Initial), as determined by the Calculation Agent.
  - (ii) Automatic Early Redemption Date (referred to as an Automatic Early Exercise Date in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) shall be, in respect of each Valuation Date (other than the Final Valuation Date) scheduled to fall on the date set out in the column entitled "Scheduled Valuation Date" in the table in paragraph 10 above, the date set out in the column entitled "Scheduled Automatic Early Redemption Date" therein corresponding to such Valuation Date (each, a "**Scheduled Automatic Early Redemption Date**"), provided that if the relevant Valuation Date (other than the Final Valuation Date) is adjusted in accordance with the Conditions, the corresponding Automatic Early Redemption Date (referred to as an Automatic Early Exercise Date in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) in respect of such Valuation Date will instead be the day falling the number of Business Days equal to the Number of Early Redemption Settlement Period Business Days after such Valuation Date.

Where the "**Number of Early Redemption Settlement Period Business Days**" means the number of Business Days falling (or, if different, the number of Business Days which the Calculation Agent anticipates, as of the Strike Date, shall fall) in the period commencing on, but excluding, the Scheduled Valuation Date corresponding to the relevant Valuation Date and ending on, and including, the corresponding Scheduled Automatic Early Redemption Date in respect of such Valuation Date, as determined by the Calculation Agent.

(iii) Automatic Early Redemption Amount (referred to as an Automatic Early Exercise Amount in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms):

In respect of each Certificate and each Automatic Early Redemption Date (referred to as an Automatic Early Exercise Date in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms), GBP 1.063.

**18. Settlement Amount:**

Unless an Automatic Early Redemption Event (referred to as an Automatic Early Exercise Event in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) occurs, the Settlement Amount shall be payable in respect of each Certificate on the Maturity Date, and shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with paragraphs (i), (ii) or (iii) below, as applicable:

- (i) if the Reference Price (Final) is equal to or greater than the Trigger Level, then the Settlement Amount shall be GBP 1.063; or
- (ii) if the Reference Price (Final) is less than the Trigger Level but equal to or greater than the Barrier Level, then the Settlement Amount shall be GBP 1.00; or
- (iii) if the Reference Price (Final) is less than the Barrier Level, then the Settlement Amount shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula:

$$\text{GBP 1.00} \times \frac{\text{Reference Price (Final)}}{\text{Reference Price (Initial)}}$$

Where:

**"Barrier Level"** means GBP 2'998.69, being a level equal to 50 per cent. of the Reference Price (Initial), as determined by the Calculation Agent;

**"Reference Price (Final)"** means the Index Level on the Final Valuation Date, as determined by the Calculation Agent; and

**"Reference Price (Initial)"** means GBP 5'997.38, being the Index Level on the Initial Valuation Date, as determined by the Calculation Agent.

19. <b>Physical Settlement:</b>	Not Applicable.
20. <b>Non-scheduled Early Repayment Amount:</b>	Adjusted to account fully for any reasonable expenses and costs of the Issuer and/or its affiliates, including those relating to the unwinding of any underlying and/or related hedging and funding arrangements as determined by the Issuer in its sole and absolute discretion.

## **EXERCISE PROVISIONS**

21. <b>Exercise Style of Certificates:</b>	The Certificates are European Style Certificates. General Instrument Condition 7(b) is applicable.
22. <b>Exercise Period:</b>	Not Applicable.
23. <b>Specified Exercise Dates:</b>	Not Applicable.
24. <b>Expiration Date:</b>	The Final Valuation Date, provided that the Expiration Date shall not be subject to postponement to the next Business Day, and the definition of "Expiration Date" in General Instrument Condition 2(a) shall be amended accordingly.
25. <b>Automatic Exercise:</b>	Yes – General Instrument Condition 7(k) is applicable, except that General Instrument Condition 7(k)(ii) is not applicable.
26. <b>Multiple Exercise:</b>	Not Applicable.
27. <b>Minimum Exercise Number:</b>	Not Applicable.
28. <b>Permitted Multiple:</b>	Not Applicable.
29. <b>Maximum Exercise Number:</b>	Not Applicable.
30. <b>Strike Price:</b>	Not Applicable.
31. <b>Yield or Share Certificates:</b>	Not Applicable.
32. <b>Closing Value:</b>	Not Applicable.

## **SHARE LINKED INSTRUMENT / INDEX LINKED INSTRUMENT / COMMODITY LINKED INSTRUMENT / FX LINKED INSTRUMENT / INFLATION LINKED INSTRUMENT/ OTHER VARIABLE LINKED INSTRUMENT PROVISIONS**

33. <b>Type of Certificates:</b>	The Certificates are Index Linked Instruments – the Index Linked Provisions are applicable.
34. <b>Share Linked Instruments:</b>	Not Applicable.
35. <b>Index Linked Instruments:</b>	Applicable.
(i) Single Index or Index Basket:	Single Index.
(ii) Name of Index:	FTSE™ 100 Index ( <i>Bloomberg Code: UKX Index; Reuters Code: .FTSE; ISIN: GB0001383545</i> ) (the " <b>Index</b> ") as described in Annex B ( <i>Information relating to the Underlying Asset</i> ) below.
(iii) Type of Index:	Unitary Index.

- (iv) Exchange(s): London Stock Exchange.
- (v) Related Exchange(s): All Exchanges.
- (vi) Options Exchange: Related Exchange.
- (vii) Index Sponsor: FTSE International Limited.
- (viii) Index Level: The official closing level of the Index as at the Valuation Time (expressed in GBP) on the relevant date as calculated and published by the Index Sponsor.
- (ix) Valuation Time: As specified in Index Linked Provision 8.
- (x) Futures Contract Provisions: Not Applicable.
- (xi) Market Disruption Event / Disrupted Days: As specified in Index Linked Provision 8.
- (xii) Single Index and Reference Dates - Consequences of Disrupted Days: Applicable – as specified in Index Linked Provision 1.1.

  - (a) Maximum Days of Disruption: As specified in Index Linked Provision 8.
  - (b) No Adjustment: Not Applicable.

- (xiii) Single Index and Averaging Reference Dates - Consequences of Disrupted Days: Not Applicable.
- (xiv) Index Basket and Reference Dates - Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day): Not Applicable.
- (xv) Index Basket and Averaging Reference Dates - Basket Valuation (Individual Scheduled Trading Day and Individual Disrupted Day): Not Applicable.
- (xvi) Index Basket and Reference Dates - Basket Valuation (Common Scheduled Trading Day but Individual Disrupted Day): Not Applicable.
- (xvii) Index Basket and Reference Dates - Basket Valuation (Common Scheduled Trading Day and Common Disrupted

Day):

(xviii) Fallback Valuation Date: Not Applicable.

(xix) Observation Period: Not Applicable.

(xx) Index Modification: Calculation Agent Adjustment.

(xxi) Index Cancellation: Calculation Agent Adjustment.

(xxii) Index Disruption: Calculation Agent Adjustment.

(xxiii) Change in Law: Applicable.

(xxiv) Correction of Index Level: Applicable.

(xxv) Correction Cut-off Date: In respect of:

- (i) the Initial Valuation Date and each Valuation Date (other than the Final Valuation Date), the second Business Day prior to the Automatic Early Redemption Date (referred to as an Automatic Early Exercise Date in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) scheduled to fall immediately after such date; and
- (ii) the Final Valuation Date, the second Business Day prior to the Maturity Date.

(xxvi) Dividend Amount Not Applicable.  
Provisions:

(xxvii) Index Disclaimer: Applicable. Also see Annex C (*Index Disclaimer*) below.

36. **Commodity Linked Instruments (Single Commodity or Commodity Basket):** Not Applicable.

37. **Commodity Linked Instruments (Commodity Index or Commodity Strategy):** Not Applicable.

38. **FX Linked Instruments:** Not Applicable.

39. **Inflation Linked Instruments:** Not Applicable.

40. **Other Variable Linked Instruments:** Not Applicable.

## **GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

41. **FX Disruption Event:** Not Applicable.

42. **Additional Business Centre(s):** TARGET, and, for the avoidance of doubt, London.

43. **Form of Certificates:** CREST Registered Instruments.

44. **Minimum Trading Number:** One.

45. **Permitted Trading Multiple:** One.

46. **Date of Board approval for issuance of Instruments obtained:** Not Applicable.

47. **Other final terms:** Applicable – see Annex A (*Other Final Terms*).

## **DISTRIBUTION**

48. **Method of distribution:** Non-syndicated.

(i) If syndicated, names and addresses of Managers and

underwriting  
commitments:

(ii) Date of Subscription Agreement: Not Applicable.

(iii) Stabilising Manager(s) (if any): Not Applicable.

(iv) If non-syndicated, name and address of Dealer: Goldman Sachs International of Peterborough Court, 133 Fleet Street, London EC4A 2BB, England.

49. **Additional selling restrictions:** Not Applicable.

50. **Non-exempt Offer:** An offer of the Certificates may be made by the placers other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the "**Public Offer Jurisdiction**") from, and including, February 11, 2011. See further paragraph entitled "Terms and Conditions of the Offer" below.

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue, and public offer in the Public Offer Jurisdiction and admission to trading on the regulated market of the London Stock Exchange, of the Certificates described herein pursuant to the Programme for the issuance of Warrants, Notes and Certificates of Goldman Sachs International, Goldman Sachs (Jersey) Limited, Goldman, Sachs & Co. Wertpapier GmbH and Goldman Sachs Bank (Europe) plc.

## **RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case) the information contained in the Base Prospectus, as completed and/or amended by these Final Terms in relation to the Series of Certificates referred to above, is true and accurate in all material respects and, in the context of the issue of this Series, there are no other material facts the omission of which would make any statement in such information misleading.

**Information about the past and future performance of the Underlying Asset and its volatility can be obtained from the Reuters or Bloomberg pages (or their respective successors thereto) as specified in the table relating to the Underlying Asset on the first page of this document. Past performance of the Underlying Asset is not an indication of the future performance of the Underlying Asset.**

**Neither the Issuer nor the Guarantor has independently verified any such information, and neither accepts any responsibility for errors or omissions contained in such information. For the avoidance of doubt, such information is not incorporated by reference in, and does not form part of, the Base Prospectus or these Final Terms. Prospective purchasers of the Certificates may acquire such further information as they deem necessary in relation to the Underlying Asset from such publicly available information as they deem appropriate. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgement and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer or the Guarantor.**

**In deciding whether or not to purchase Certificates, investors should form their own view of the merits of the Certificates based upon their own investigations and not in reliance upon the above information.**

## **REPRESENTATION**

Each Holder will be deemed to have agreed that they will not offer, sell or deliver the Certificates in any jurisdiction except under circumstances that will result in compliance with the applicable laws thereof, and that such Holder will take at their own expense whatever action is required to permit their purchase and resale of the Certificates. European Economic Area standard selling restrictions apply.

Signed on behalf of Goldman Sachs International

By: .....

Duly authorised

## OTHER INFORMATION

### LISTING AND ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Certificates to be listed on the Official List and admitted to trading on the regulated market of the London Stock Exchange with effect from, at the earliest, the Issue Date.

### INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in the risk factor, "Risks associated with conflicts of interest between Goldman Sachs and purchasers of Securities", so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.

### REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer:	Not Applicable.
(ii) Estimated net proceeds:	Not Applicable.
(iii) Estimated total expenses:	Not Applicable.

### PERFORMANCE OF SHARE/INDEX/COMMODITY/FX RATE/INFLATION INDEX/OTHER VARIABLE, AND OTHER INFORMATION CONCERNING THE UNDERLYING

The past and future performance and volatility of the Index may be obtained from Bloomberg® or Reuters. However, past performance is not indicative of future performance.

The Issuer does not intend to provide post-issuance information, except if required by any applicable laws and regulations.

### OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): CREST.

Delivery: Delivery against payment.

Names and addresses of additional Programme Agent(s) (if any): Not Applicable.

Operational contact(s) for Principal Programme Agent: eq-sd-operations@gc.com.

### TERMS AND CONDITIONS OF THE OFFER

Offer Period:

An offer of the Certificates may be made by the placers pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction commencing on (and including), February 11, 2011.

Offer Price:

Issue Price.

Conditions to which the offer is subject:

The offer of the Certificates for sale to the public in the Public Offer Jurisdiction are subject to the relevant regulatory approvals having been granted, and the Certificates being issued.

The Offer Period is subject to adjustment by or on behalf of the Issuer in accordance with the applicable regulations and any adjustments to such period will be set out in one

or more notices to be made available during normal business hours at the registered office of the placers.

The offer of the Certificates may be withdrawn in whole or in part at any time at the discretion of the Issuer.

Description of the application process:	Not Applicable.
Description of possibility to reduce subscription and manner for refunding excess amount paid by applicant:	Not Applicable.
Details of the minimum and/or maximum amount of application:	Not Applicable.
Details of the method and time limits for paying up and delivering the Certificates:	The Certificates will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.
Manner and date in which results of the offer are to be made public:	The results of the offering will be available on the website of the Issuer on or around the end of the Offer Period.
Procedure for exercising right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable.
Categories of potential investors to which the Certificates are offered and whether tranche(s) have been reserved for certain countries:	Offers may only be made by offerors authorised to do so in the Public Offer Jurisdiction. None of the Issuer, the Guarantor or the Dealer has taken or will take any action specifically with relation to the Certificates referred to herein to permit a public offering of such Certificates in any jurisdiction other than the Public Offer Jurisdiction.

Following approval of the Base Prospectus dated July 15, 2010 (as supplemented by the supplements to the base prospectus dated July 20, 2010, August 10, 2010, September 24, 2010, October 21, 2010, November 9, 2010, January 25, 2011 and February 4, 2011) and notification of this Base Prospectus (as supplemented) to the Financial Services Authority, Securities issued under the Programme may be offered to the public in the Public Offer Jurisdiction, not later than 12 months after the date of approval of the Base Prospectus and subject to, in certain cases, submission of Final Terms, all in accordance with the Prospectus Directive as implemented in the Public Offer Jurisdiction.

Notwithstanding the above, in the event of an offer (which has been authorised by the Issuer) of the Certificates described herein to the public as defined in Article 2(1)(d) of the Prospective Directive (and relevant implementing legislation) which expires after the date of these Final Terms then (i) this document must also be read in conjunction with all supplements to the Base Prospectus after the date hereof but falling on or prior to the expiry of such offer and (ii) if the offer period extends beyond the date which is one year from 15 July 2010 then, upon publication on or prior to such date of an Updated Base Prospectus, this document must also be read in conjunction with the Updated Base Prospectus in place of the original Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive, together with any

supplement(s) to the Updated Base Prospectus during the term of such offer (save that the General Instrument Conditions, together with any applicable Schedules, set forth in the original Base Prospectus as supplemented up to and including the Issue Date shall continue to apply to the Certificates, and the General Instrument Conditions, together with any applicable Schedules, set forth in the Updated Base Prospectus shall not apply to the Certificates).

In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Notwithstanding anything else in the Base Prospectus dated July 15, 2010 (as supplemented), neither the Issuer nor the Guarantor will accept responsibility for the information given in these Final Terms or in any other part of the Base Prospectus in relation to offers of Certificates made by an offeror not authorised by the Issuer or Guarantor to make such offers. Generally, any party named as a "placer" below (together with any entities belonging to the Goldman Sachs group) will be so authorised, but any other party generally will not. **Each investor should therefore enquire whether the relevant offeror is so authorised by the Issuer or Guarantor and, if it is not, the investor should be aware that neither the Issuer nor the Guarantor will be responsible for these Final Terms or for any other part of the Base Prospectus for the purposes of the relevant securities laws in the context of the offer of the Certificates to the public in any jurisdiction. If the investor is in any doubt about whether it can rely on these Final Terms and the Base Prospectus and/or who is responsible for the contents of these Final Terms and the Base Prospectus it should take legal advice.**

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

Not Applicable.

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

There is no withholding tax applicable to the Certificates in the United Kingdom.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

Such placers as may be notified to potential investors from time to time.

## ANNEX A

### OTHER FINAL TERMS

#### 1. Digital Option Payout Amount

Unless previously redeemed or purchased and cancelled in accordance with the General Instrument Conditions or pursuant to an Automatic Early Redemption Event (referred to as an Automatic Early Exercise Event in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) in accordance with the General Instrument Conditions and paragraph 17 above, if the Calculation Agent determines that the Index Level on a Valuation Date is greater than or equal to the Digital Option Exercise Level (such an event being a "**Digital Option Trigger Event**" in respect of such Valuation Date), the Issuer shall pay, in respect of each Security, the Digital Option Payout Amount on the Digital Option Payment Date in respect of such Valuation Date.

For the avoidance of doubt, if a Digital Option Trigger Event has not occurred in respect of a Valuation Date, no Digital Option Payout Amount shall be payable.

#### 2. Definitions

The following words shall have the following meaning:

**"Digital Option Exercise Level"** means GBP 4'498.035, being a level equal to 75 per cent. of the Reference Price (Initial), as determined by the Calculation Agent.

**"Digital Option Payout Amount"** means, in respect of each Valuation Date, an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{Max}\{[(\text{GBP}1.00 \times \text{DOV}) - \text{SPDOPA}]; 0\}$$

**"Digital Option Payment Date"** means, in respect of:

- (i) each Valuation Date (other than the Final Valuation Date), the Automatic Early Redemption Date (referred to as an Automatic Early Exercise Date in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) corresponding to such Valuation Date; and
- (ii) the Final Valuation Date, the Maturity Date,

and, for the avoidance of doubt, if the Calculation Agent determines that an Automatic Early Redemption Event (referred to as an Automatic Early Exercise Event in the sections entitled "Description of certain main features of the Certificates" and "Scenario Analysis" of these Final Terms) has occurred on a Valuation Date (other than the Final Valuation Date), the Digital Option Payment Date immediately following such Valuation Date shall be the final Digital Option Payment Date (and there shall be no further Digital Option Payment Dates).

**"Digital Option Value"** or **"DOV"** means, in respect of:

- (i) each Valuation Date on which a Digital Option Trigger Event has occurred, the value set out in paragraph 10 above in the column entitled "Digital Option Value", corresponding to the Scheduled Valuation Date for such Valuation Date; and
- (ii) each Valuation Date on which a Digital Option Trigger Event has not occurred, zero per cent.

**"Max"** followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

**"Sum of Previous Digital Option Payout Amounts"** or **"SPDOPA"** means, in respect of each Security and:

- (i) the First Valuation Date, zero; and

- (ii) each Valuation Date (other than the First Valuation Date), the aggregate of the Digital Option Payout Amounts (if any) paid in respect of such Security on each Digital Option Payment Date preceding such Valuation Date, as determined by the Calculation Agent.

**ANNEX B**

**INFORMATION RELATING TO THE UNDERLYING ASSET**

Information on the Index and the Index Sponsor can be found at the website: <http://www.ftse.com/>.

## ANNEX C

### INDEX DISCLAIMER

These Certificates are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by The London Stock Exchange Plc (the "**Exchange**") or by The Financial Times Limited ("FT") and none of FTSE or the Exchange or FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSETM 100 Index (the "**Index**") and/or the figure at which the Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated solely by FTSE. However, none of FTSE or the Exchange or FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of FTSE or the Exchange or FT shall be under any obligation to advise any person of any error therein.

## RISK FACTORS

In this section, the "Issuer" means Goldman Sachs International, "Securities" means the Certificates and "Underlying Asset" or "Index" means the FTSE™ 100 Index.

### 1. Risks relating to loss of investment and suitability of Securities

#### 1.1 Purchasers of Securities may receive back less than the original invested amount

**PURCHASERS OF SECURITIES MAY LOSE THE VALUE OF THEIR ENTIRE INVESTMENT OR PART OF IT, AS THE CASE MAY BE, TOGETHER WITH ANY TRANSACTION COSTS INCURRED, AS A RESULT OF THE OCCURRENCE OF ANY ONE OF THE FOLLOWING EVENTS:**

- (i) **THE TERMS OF THE SECURITIES (AS SET FORTH IN THESE FINAL TERMS) DO NOT PROVIDE FOR FULL REPAYMENT OF THE INITIAL PURCHASE PRICE UPON FINAL MATURITY AND/ OR MANDATORY EARLY REDEMPTION OF SUCH SECURITIES AND THE UNDERLYING ASSET PERFORMS IN SUCH A MANNER THAT THE FINAL REDEMPTION AMOUNT AND/OR MANDATORY EARLY REPAYMENT AMOUNT IS LESS THAN THE INITIAL PURCHASE PRICE;**
- (ii) **THE SECURITIES ARE SOLD BY THE PURCHASER PRIOR TO THE SCHEDULED MATURITY OF SUCH SECURITIES FOR AN AMOUNT LESS THAN THE PURCHASER'S INITIAL INVESTMENT;**
- (iii) **THE BANKRUPTCY OR INSOLVENCY OF THE ISSUER AND/OR THE GUARANTOR OR OTHER EVENTS ADVERSELY AFFECTING THE ISSUER'S OR THE GUARANTOR'S ABILITY TO MEET ITS PAYMENT AND OTHER OBLIGATIONS UNDER THE SECURITIES;**
- (iv) **THE SECURITIES ARE SUBJECT TO UN-SCHEDEDLED EARLY REDEMPTION (E.G., FOR CHANGE OF APPLICABLE LAW OR DUE TO AN EVENT IN RELATION TO THE UNDERLYING ASSET) AND THE EARLY REDEMPTION AMOUNT IS LESS THAN THE ORIGINAL INVESTED AMOUNT; OR**
- (v) **THE TERMS AND CONDITIONS OF THE SECURITIES ARE ADJUSTED IN A MATERIALLY ADVERSE WAY (IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SECURITIES, INCLUDING THE INDEX LINKED PROVISIONS AND THE PROVISIONS OF THESE FINAL TERMS).**

#### 1.2 Suitability of Securities for purchase

Before purchasing Securities, each purchaser must ensure that the nature, complexity and risks inherent in the Securities are suitable for his or her objectives in the light of his or her circumstances and financial position. No person should purchase the Securities unless that person understands the extent of that person's exposure to potential loss. Each prospective purchaser of Securities should consult his or her own legal, tax, accountancy, regulatory, investment or other professional advisers to assist them in determining whether the Securities are a suitable investment for them or to clarify any doubt about the contents of the Base Prospectus (including for the avoidance of doubt, each document incorporated by reference in the Base Prospectus) and these Final Terms.

Neither the Issuer nor the Guarantor has given, and does not give, to any prospective purchaser of Securities (either directly or indirectly) any assurance or guarantee as to the merits, performance or suitability of such Securities to any potential purchaser, and the purchaser should be aware that the Issuer is acting as an arm's-length contractual counterparty and not as an advisor or fiduciary.

### 2. Risks associated with all Securities

#### 2.1 Valuation of the Securities; Inducements and/or commissions and/or fees

Assuming no changes in market conditions or Goldman Sachs' creditworthiness and other relevant factors, the value of the Securities on the date of these Final Terms (as determined by reference to pricing

models used by Goldman Sachs and taking into account Goldman Sachs' credit spreads) may be significantly less than the original issue price. In addition, purchasers of Securities should be aware that the issue price may include inducements and/or commissions and/or other related fees paid by the Issuer to distribution partners as payment for distribution services. This can cause a difference between the issue price of the Securities and any bid and offer prices quoted by the Issuer, any Goldman Sachs affiliate or any third party. Such differences may be greater when the Securities are initially traded on any secondary markets and may gradually decline in value during the term of the Securities. Information with respect to the amount of these inducements, commissions and fees will be included in these Final Terms and/or may be obtained from the Issuer upon request.

## **2.2 Limited liquidity of Securities**

Unless otherwise communicated by the Issuer or any Goldman Sachs affiliate to the purchaser of the Securities, or to the extent that the rules of any stock exchange on which the Securities are listed and admitted to trading require the Issuer or any Goldman Sachs affiliate to provide liquidity in respect of such Securities, the Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the purchaser of Securities to dispose of them.

A secondary market is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which Securities will trade in such secondary market. Neither the Issuer nor any Goldman Sachs affiliate is under an obligation, and neither the Issuer nor any Goldman Sachs affiliate makes any commitment, to make a market in or to repurchase the Securities. If the Issuer or any Goldman Sachs affiliate does make a market for the Securities, it may cease to do so at any time without notice. Investors should therefore not assume that the Securities can be sold at a specific time or at a specific price during their life, in particular, the Issue is under no obligation and makes no commitment to repurchase Securities.

## **2.3 Price discrepancies in secondary market**

The value or quoted price of the Securities at any time will reflect many factors and cannot be predicted, and if a purchaser sells his or her Security prior to its maturity, such purchaser may receive less than its issue price. Such factors, most of which are beyond the control of Goldman Sachs, will influence the market price of the Securities, and will include national and international economic, financial, regulatory, political, terrorist, military and other events that affect securities generally, interest and yield rates in the market, the time remaining until the Securities mature, the creditworthiness of the Issuer and the Guarantor, and, if applicable, the performance of the Underlying Asset. If the Issuer or any Goldman Sachs affiliate does make a market in the Securities, the price quoted by such Goldman Sachs entity for the Securities would reflect any changes in market conditions and other relevant factors, including a deterioration in Goldman Sachs' creditworthiness or perceived creditworthiness whether measured by Goldman Sachs' credit ratings or other measures. These changes may adversely affect the market price of the Securities, including the price an investor may receive for its Securities in any market making transaction. In addition, even if Goldman Sachs' creditworthiness does not decline, the value of the Securities on the trade date may be significantly less than the original price taking into account Goldman Sachs' credit spreads on that date. The quoted price could be higher or lower than the original issue price, and may be higher or lower than the value of the Securities as determined by reference to pricing models used by Goldman Sachs.

If at any time a third party dealer quotes a price to purchase the Securities or otherwise values the Securities, that price may be significantly different (higher or lower) than any price quoted by any Goldman Sachs affiliate. Furthermore, if any purchaser sells their Securities, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

## **2.4 Change of applicable law, Early Redemption and Reinvestment Risk**

Upon the Issuer becoming aware of (i) the adoption of, or change in, any applicable law or (ii) the promulgation of, or any change in, the interpretation of any applicable law by a court, tribunal or regulatory authority with competent jurisdiction, which has the effect that its performance under the Securities has become unlawful or impracticable in whole or in part for any reason, the Issuer may (a) amend the terms of the Securities to cure such unlawfulness or impracticability or (b) redeem the Securities. In the case of early redemption, if permitted by applicable law, the Issuer shall pay the purchaser of such Securities an amount equal to the non-scheduled early repayment amount of such

Securities notwithstanding such illegality, as determined by the Calculation Agent in its sole and absolute discretion. A purchaser of the Securities should be aware that this non-scheduled early repayment amount may be less than the purchaser's initial investment, and in such case see risk factor, "1.1 Purchasers of Securities may receive back less than the original invested amount". Following any such early redemption of Securities, the purchasers of such Securities may not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Purchasers of the Securities should consider reinvestment risk in light of other investments available at that time.

## **2.5 Change in Tax Law**

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the value of the Securities to the Holders and/or the market value of the Securities. Any such change may (i) cause the tax treatment of the relevant Securities to change from what the investor understood the position to be at the time of purchase; (ii) render the statements in the Base Prospectus concerning relevant tax law and practice in relation to Securities to be inaccurate or to be inapplicable in some or all respects or to not include material tax considerations in relation to the Securities; or (iii) give the Issuer the right to amend the terms of the Securities, or redeem the Securities, if such change has the effect that the Issuer's performance under the Securities is unlawful or impracticable (see risk factor "2.4 Change of applicable law, Early Redemption and Reinvestment Risk"). Prospective purchasers of any Securities should consult their own tax advisers in relevant jurisdictions about the tax implications of holding any Security and of any transaction involving any Security.

## **2.6 Amendments to the Securities bind all holders of Securities**

The terms and conditions of the Securities may be amended by the Issuer, (i) in certain circumstances, without the consent of the holders of the Securities and (ii) in certain other circumstances, with the required consent of a defined majority of the holders of such Securities. The terms and conditions of the Securities contain provisions for purchasers to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all purchasers, including purchasers who did not attend and vote at the relevant meeting and purchasers who voted in a manner contrary to the majority.

## **2.7 Substitution of the Issuer**

The Issuer may be substituted as principal obligor under such Securities with any company from the Goldman Sachs Group of companies. Whilst the new issuer will provide an indemnity in favour of the purchasers of such Securities in relation to any additional tax or duties that become payable solely as a result of such substitution, purchasers will not have the right to consent to such substitution.

# **3. Risks associated with Securities that reference the Underlying Asset**

## **3.1 Performance of the Securities is linked to the performance of the Underlying Asset**

As the Securities reference the Underlying Asset, the purchasers of such Securities are exposed to the performance of the Underlying Asset. The price, performance or investment return of the Underlying Asset may be subject to unpredictable change over time and this degree of change is known as "volatility". The volatility of the Underlying Asset may be affected by national and international 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 the Securities. Volatility does not imply direction of the price, performance or investment returns, though the Underlying Asset that is more volatile is likely to increase or decrease in value more often and/or to a greater extent than one that is less volatile.

Where the performance of an Underlying Asset in relation to any particular securities is calculated on a "European basis", i.e., a comparison is made between the Underlying Asset's price on a start date and a future date to determine performance, investors will not benefit from any increase in the Underlying Asset's price from the start date up to, but excluding, the specified date on which the Underlying Asset's price will be determined for the purpose of the relevant Securities.

## **3.2 Past performance of the Underlying Asset is not indicative of future performance**

Any information about the past performance of the Underlying Asset at the time of the issuance of the Securities should not be regarded as indicative of the range of, or trends in, fluctuations in the Underlying Asset that may occur in the future.

### **3.3 No rights of ownership in the Underlying Asset**

The purchasers of Securities should be aware that the Underlying Asset will not be held by the Issuer for the benefit of the purchasers of such Securities, and as such, purchasers will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to the Underlying Asset referenced by such Securities.

### **3.4 Postponement or alternative provisions for valuation of the Underlying Asset**

If the Calculation Agent determines that any form of disruption event in relation to the Underlying Asset has occurred which affects the valuation of the Underlying Asset, the Calculation Agent may apply any consequential postponement of, or any alternative provisions for, valuation of the Underlying Asset provided in the terms and conditions of the Securities, including a determination of the value of the Underlying Asset by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner, each of which may have an adverse effect on the value of the Securities. In the event that the valuation day of the Underlying Asset is postponed, the maturity date on which cash settlement is made will be postponed.

### **3.5 Calculation Agent determination in respect of the Underlying Asset, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption**

If the Calculation Agent determines that any form of adjustment event in relation to the Underlying Asset has occurred, the Calculation Agent may adjust the terms and conditions of the Securities (without the consent of the purchasers) or may procure the early redemption of such Securities prior to their scheduled maturity date, in each case, in accordance with such terms and conditions. In the event of such early redemption the Issuer will repay such Securities at a non-scheduled early repayment amount, which will be determined on the basis of market quotations obtained from qualified financial institutions, or where insufficient market quotations are obtained, at an amount determined by the Calculation Agent equal to the fair market value of such Securities immediately prior to (and ignoring the circumstances leading to) such early redemption. A purchaser of such Securities should be aware that it is likely that this non-scheduled early repayment amount will be less than the purchaser's initial investment, and in such case see risk factor, "1.1 Purchasers of Securities may receive back less than the original invested amount". Following any such early redemption of Securities, the purchasers of such Securities will generally not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Purchasers of Securities should consider reinvestment risk in light of other investments available at that time.

## **4. Risks associated with the Index as the Underlying Asset**

### **(i) Factors affecting the performance of the Index**

The Index is comprised of a synthetic portfolio of shares, and as such, the performance of the Index is dependent upon the macroeconomic factors relating to the shares that underlie the Index, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

### **(ii) Exposure to risk that redemption amounts do not reflect direct investment in underlying shares**

The redemption amount payable on Securities that reference the Index may not reflect the return a purchaser would realise if he or she actually owned the relevant shares of any of the companies comprising the components of the Index and received the dividends paid on those shares because the closing index level on the specified valuation date may reflect the prices of such index components on such date without taking into consideration the value of dividends paid on those shares. Accordingly, purchasers in Securities that reference the Index as the underlying asset may receive a lower payment upon redemption of such Securities than such purchaser would have received if he or she had invested in the components of the Index directly.

(iii) ***Change in composition or discontinuance of the Index***

The sponsor of the Index can add, delete or substitute the components of the Index or make other methodological changes that could change the level of one or more components. The changing of components of the Index may affect the level of the Index as a newly added company may perform significantly worse or better than the company it replaces, which in turn may affect the payments made by the Issuer to the purchasers of the Securities. The sponsor of the Index may also alter, discontinue or suspend calculation or dissemination of the Index. The sponsor of the Index will have no involvement in the offer and sale of the Securities and will have no obligation to any purchaser of such Securities. The sponsor of the Index may take any actions in respect of the Index without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities.

**5. Risks associated with the creditworthiness of the Issuer and The Goldman Sachs Group, Inc. as the Guarantor**

Each of, the Issuer and, The Goldman Sachs Group, Inc. ("GSG") as Guarantor in respect of the Securities, is a member of the Goldman Sachs Group of companies, and as such may be affected by uncertain or unfavourable economic, market, legal and other conditions that are likely to affect the Goldman Sachs Group of companies as a whole, including GSG's ability to perform its payment obligations as a Guarantor. The risks relating to GSG have been incorporated by reference and can be found in "Risk Factors" in Part I, Item 1A (pages 26 to 38) of GSG's 2009 Form 10-K. A deterioration in GSG's creditworthiness or perceived creditworthiness whether measured by actual or anticipated changes in the credit ratings of GSG may adversely affect the value of the Securities.

**6. Risks associated with conflicts of interest between Goldman Sachs and purchasers of Securities**

Goldman Sachs will be subject to various conflicts of interest in respect of an issuance of Securities as set out below:

**6.1 Taking positions in or dealing with the Underlying Asset**

Certain affiliates of the Issuer and the Guarantor may from time to time in the ordinary course of business, whether or not there will be any secondary market making activities, advise the issuer of the Underlying Asset regarding transactions to be entered into by them, or engage in long or short transactions involving the Underlying Asset for their proprietary accounts and for other accounts under their management or hold long or short positions in the Underlying Asset or related derivatives or enter into one or more hedging transactions with respect to the Underlying Asset or related derivatives. Any such transactions may have a positive or negative effect on the price, liquidity or value of the Underlying Asset and therefore on the value of the Securities to which they relate, which could be adverse to the interests of the relevant purchasers of Securities.

**6.2 Confidential information relating to the Underlying Asset and the Securities**

Certain affiliates of the Issuer and the Guarantor may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Securities, the Underlying Asset and any derivative instruments referencing them. Such Goldman Sachs affiliates will not be obliged to disclose any such information to a purchaser of the Securities.

**6.3 Acting as a hedge counterparty to the Issuer's and Guarantor's obligations under the Securities**

Certain affiliates of the Issuer and the Guarantor may be the counterparty to the hedge of the Issuer's and the Guarantor's obligations under the Securities. Accordingly, certain conflicts of interest may arise both among these affiliates and between the interests of these affiliates and the interests of purchasers of Securities.

**6.4 The Calculation Agent is the same entity as the Issuer**

As the Calculation Agent is the same entity as the Issuer and is an affiliate of the Guarantor, potential conflicts of interest may exist between the Calculation Agent and the purchasers, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. The Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the

conditions relating to the Securities have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all purchasers of the Securities.