424B2 1 d428672d424b2.htm FINAL PROSPECTUS SUPPLEMENT NO. 1748 DATED OCTOBER 25, 2012

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Prospectus Supplement to the Prospectus dated September 19, 2011
and the Prospectus Supplement dated September 19, 2011 — No. 1748

The Goldman Sachs Group, Inc.

$27,000,000

Callable Quarterly CMS Spread-Linked Medium-Term Notes,
Series D, due 2027

The notes will mature on the stated maturity date (October 30, 2027).

We may redeem your notes at 100% of their face amount plus and accrued and unpaid interest on any quarterly interest p
October 30, 2013.

On the stated maturity date, we will pay you an amount in cash equal to the face amount of your notes *plus* accrued and u
will pay interest quarterly, beginning approximately three months after the original issue date. For each of the first four interest
rate of 8.00% per annum. For each interest period thereafter, the amount of interest you will be paid each quarter will be based
CMS spread (the *difference* between the 30-year CMS rate *minus* the 5-year CMS rate on the relevant interest determination
Government securities business day preceding the respective interest period), subject to the maximum interest rate of 9% per a

For each quarterly interest period after the fourth interest period, the interest rate per annum for such interest period will e

- if the CMS spread *times* 4 is *greater than* or *equal to* 9%, the maximum interest rate of 9%;
- if the CMS spread *times* 4 is *less than* 9% but *greater than* 0%, the CMS spread *times* 4; or
- if the CMS spread *times* 4 is *equal to* or *less than* 0%, 0%.

**After the first four interest periods, if the 5-year CMS rate is *equal to* or *greater than* the 30-year CMS rate on any
date (*i.e.*, the CMS spread is *equal to* or *less than* 0%), you will receive no interest on your notes for such interest per
subsequent days is *greater than* 0%. Furthermore, after the first four interest periods, the interest rate per annum wil
interest rate of 9%.**

Your investment in the notes involves certain risks, including, among other thing, our credit risk. See page S-4.

The foregoing is only a brief summary of the terms of your notes. You should read the additional disclosure provided herei
the terms and risks of your investment.

***The estimated value of your notes at the time the terms of your notes were set on the trade date (as determined
used by Goldman, Sachs & Co. and taking into account our credit spreads) was equal to approximately $934 per $1,0
than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted.***

Original issue date:	October 30, 2012	**Underwriting discount:**	3.6

Original issue price:	100.00% of the face amount	**Net proceeds to the issuer:**	96.3

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of upon the accuracy or adequacy of this prospectus supplement, the accompanying prospectus supplement or the acc representation to the contrary is a criminal offense. The notes are not bank deposits and are not insured by the Fede Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Goldman, Sachs & Co.

Prospectus Supplement dated October 25, 2012.

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The issue price, underwriting discount and net proceeds listed on the cover page hereof relate to the notes we sell initially. notes after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such not

Goldman Sachs may use this prospectus supplement in the initial sale of the offered notes. In addition, Goldman, Sachs & Goldman Sachs may use this prospectus supplement in a market-making transaction in a note after its initial sale. ***Unless Gold the purchaser otherwise in the confirmation of sale, this prospectus supplement is being used in a market-making tra***

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SUMMARY INFORMATION

We refer to the notes we are offering by this prospectus supplement as the "offered notes" or the "notes". Each of the notes, has the terms described below and under "Specific Terms of Your Notes" on page S-10. Please note that in this pros to "The Goldman Sachs Group, Inc.", "we", "our" and "us" mean only The Goldman Sachs Group, Inc. and do not include it Also, references to the "accompanying prospectus" mean the accompanying prospectus, dated September 19, 2011 as sup prospectus supplement, dated September 19, 2011, relating to Medium-Term Notes, Series D, of The Goldman Sachs Grou "indenture" in this prospectus supplement mean the senior debt indenture, dated July 16, 2008, between The Goldman Sac New York Mellon, as trustee.

Key Terms

Issuer: The Goldman Sachs Group, Inc.

CMS spread: on any interest determination date, the *difference* of the 30-year CMS rate *minus* the 5-year CMS rate.

30-year CMS rate: for any interest determination date, the 30-year U.S. dollar interest rate swap rate (as described on page S-11) on such day, subject to adjustment as described elsewhere in this prospectus supplement

5-year CMS rate: for any interest determination date, the 5-year U.S. dollar interest rate swap rate (as described on page S-11) on such day, subject to adjustment as described elsewhere in this prospectus supplement

Face amount: each note will have a face amount equal to $1,000; $ 27,000,000 in the aggregate for all the offered notes; the aggregate face amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this prospectus supplement

Trade date: October 25, 2012

Original issue date (settlement date): October 30, 2012

Stated maturity date: October 30, 2027, subject to our early redemption right and to adjustment as described under "Specific Terms of Your Notes — Payment of Principal on Stated Maturity Date — Stated Maturity Date" on page S-11

Specified currency: U.S. dollars ("$")

Denominations: $1,000 or integral multiples

Original issue discount notes: we intend t instruments subject to the special rules gove instruments for U.S. federal income tax purp

Interest payment dates: January 30, April each year, beginning on January 30, 2013, a date, subject to adjustments as described e supplement

Early redemption: we have the right to red in part, at a price equal to 100% of the face interest, on each interest payment date on o to five business days' prior notice

Interest rate: for the first four interest perio 8.00% per annum. For each interest period redemption right, the interest rate will be ba relevant interest determination date for such per annum equal to:

- if the CMS spread *times* 4 is *grea* interest rate: the maximum interes
- if the CMS spread *times* 4 is *less* but *greater than* 0%: the CMS spr
- if the CMS spread *times* 4 is *equa*

Maximum interest rate: 9.00% per annum

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Day count convention: 30/360 (ISDA)

Business day convention: following unadjusted

Regular record dates: the scheduled business day immediately preceding each interest payment date

Defeasance: not applicable

No listing: the offered notes will not be listed or displayed on any securities exchange or interdealer market quotation system

Business day: as described on page S-13

U.S. Government securities business day: any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income department of its members be closed for the entire day for purposes of trading in U.S. government securities

Interest determination dates: for each inte
interest periods, the second U.S. Governme
preceding such interest period

Interest period: the period from and includi
the original issue date, in the case of the init
excluding the next succeeding interest paym
date, in the case of the final interest period)

FDIC: The notes are not bank deposits and
Deposit Insurance Corporation (the "FDIC")
agency, nor are they obligations of, or guara

Calculation agent: Goldman, Sachs & Co.

CUSIP no.: 38141GGV0

ISIN no.: US38141GGV05

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ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks described under "Consideratio in the accompanying prospectus dated September 19, 2011. You should carefully review these risks as well as the terms o in the accompanying prospectus, dated September 19, 2011, as supplemented by the accompanying prospectus suppleme The Goldman Sachs Group, Inc. Your notes are a riskier investment than ordinary debt securities. You should carefully co are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Were Set On the Trade Date (as Determined By Reference to Pricing Models Used By Goldman, Sachs & Co.) Was Less Than the Original Issue Price Of Your Notes

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes were set on the trade date, as determined by reference to Goldman, Sachs & Co.'s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth on the cover of this prospectus supplement; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, our creditworthiness and other relevant factors. If Goldman, Sachs & Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time, plus or minus customary bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes were set on the trade date, as disclosed on the front cover of this prospectus supplement, Goldman, Sachs & Co.'s pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See "— The Market Value c by Many Factors That Are Unpredictable an below.

The difference between the estimated va the terms of your notes were set on the trac price is a result of certain factors, including discount and commissions, the expenses inc and marketing the notes, and an estimate o amounts we pay to Goldman, Sachs & Co. a Sachs & Co. pays to us in connection with y Sachs & Co. amounts based on what we wo non-structured note with a similar maturity. I Goldman, Sachs & Co. pays to us the amou

In addition to the factors discussed abov your notes at any time will reflect many fact Goldman, Sachs & Co. makes a market in t Goldman, Sachs & Co. would reflect any ch other relevant factors, including any deterior perceived creditworthiness. These changes your notes, including the price you may rece making transaction. To the extent that Goldn market in the notes, the quoted price will ref determined by reference to Goldman, Sachs time, plus or minus its customary bid and as of structured notes.

Furthermore, if you sell your notes, you v commission for secondary

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market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

There is no assurance that Goldman, Sachs & Co. or any other party will be willing to purchase your notes at any price and, in this regard, Goldman, Sachs & Co. is not obligated to make a market in the notes. See "— Your Notes May Not Have an Active Trading Market" below.

Furthermore, if you sell your notes, 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 & Co. or any other party will be willing to purchase your notes; and, in this regard, Goldman, Sachs & Co. is not obligated to make a market in the notes. See "— Your Notes May Not Have an Active Trading Market" below.

The Notes Are Subject to the Credit Risk of the Issuer

Although the return on the notes will be based in part on the relationship between the 5-year CMS rate and the 30-year CMS rate, the payment of any amount due on the notes is subject to our credit risk. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. See "Description of the Notes We May Offer — Information About Our Medium-Term Notes, Series D Program — How the Notes Rank Against Other Debt" on page S-4 of the accompanying prospectus supplement.

If the CMS Spread Changes, the Market Value of Your Notes May Not Change in the Same Manner

The price of your notes may move differently than the CMS spread. The CMS spread will vary during the term of the notes based on the relationship between the 5-year CMS rate and the 30-year CMS rate as well as the market's expectation of this relationship in the future. Changes in the CMS spread may not result in a comparable change in the market

value of your notes. Even if the CMS spread
portion of the life of the offered notes after t
market value of your notes may not increase
some of the reasons for this disparity under
Notes May Be Influenced by Many Factors T
Interrelated in Complex Ways" above.

Because of the long-dated maturity of y
performance of the CMS spread will have a
value of your notes than if your notes had an
particular, the expected future performance
the market value of your notes to decrease
may be greater than 0% during some portion
notes. Moreover, expectations about the per
the future are subject to a great degree of u
assumptions about the future that may prove
expected future performance of the CMS sp
this uncertainty may result in market particip
future performance when determining the ma

**If the CMS Spread Is Less than or Equal
Determination Date for Any Interest Peri
Periods, No Interest Will Be Paid**

Because of the formula used to calculat
your notes, in the event the 5-year CMS rate
30-year CMS rate on the relevant interest de
period after the first four interest periods (*i.e*
less than 0%), no interest will be paid for su
CMS spread on subsequent days is *greater*
30-year CMS rate is *less than* the 5-year CM
time over the life of your notes after the first
receive no interest during such period. In su
interest payments on some or all of the inter
return you earn on your notes may be less th
investing in a non-indexed debt security of

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comparable maturity that bears interest at a prevailing market rate.

Assuming circumstances where no interest payment is to be made on your notes after the fourth interest period, the present value of your notes as of the original issue date will equal the present value of a bond that pays only the coupons up to and including the fourth interest period, and with the same maturity and face amount issued by us, in each case discounted using current interest rates and credit spreads based on the discount method used by Goldman, Sachs & Co., which may be different from the methods used by others. On the original issue date such present value is approximately 57.17% of the face amount of your notes (you should not base any tax characterization of your notes on such present value).

The Amount of Interest Payable on Your Notes After the First Four Interest Periods Will Not Be Affected by the CMS Spread on Any Day Other Than the Interest Determination Date for the Applicable Interest Period

For each interest period after the first four interest periods, the amount of interest payable on each interest payment date is calculated based on the CMS spread on the interest determination date for the applicable interest period. Although the actual CMS spread on an interest payment date or at other times after the first four interest periods may be higher than the CMS spread on the interest determination date, you will not benefit from the CMS spread at any time other than on such interest determination date.

The Amount of Interest Payable On The Notes In Any Quarter Is Capped

After the first four interest periods, the interest rate will be subject to the maximum interest rate of 9.00% per annum, which will limit the amount of interest you may receive on each interest payment date. Because of the formula used to calculate the interest rate on your notes, if the CMS spread *times* 4 is *greater than* or *equal to* 9.00% per annum, the interest rate for that quarter will be capped at 9.00% per annum (*equal to* a maximum quarterly interest payment of $22.50 for each $1,000 face amount of notes). Thus, you will not benefit from any

increases in the CMS spread above 2.25%.
rate is determined quarterly, if the interest ra
after the first four interest periods during any
annum, your actual return for such year will b
even if the interest rate is 9.00% per annum
during such year. Thus, the notes may provid
investment in a similar instrument.

The Historical Levels of the CMS Sprea Future Levels of the C

In the past, the level of the CMS spread
fluctuations. You should note that historical l
the CMS spread are not necessarily indicativ
upward or downward trend in the CMS spre
CMS spread is more or less likely to increas
the first four interest periods, and you should
the CMS spread as an indication of its future

If You Purchase Your Notes at a Premiu on Your Investment Will Be Lower Than t at Face Amount and the Impact of Certa be Negatively Af

The amount you will be paid for your no
will not be adjusted based on the issue price
purchase notes at a price that differs from th
the return on your investment in such notes h
the date of early redemption will differ from,
than, the return on notes purchased at face
notes at a premium to face amount and hold
or the date of early redemption the return on
be lower than it would have been had you pu
amount or a discount to face amount.

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The Market Value of Your Notes May Be Influenced by Many Factors That Are Unpredictable and Interrelated in Complex Ways

When we refer to the market value of your notes, we mean the value that you could receive for your notes if you chose to sell it in the open market before the stated maturity date. A number of factors, many of which are beyond our control, will influence the market value of your notes, including:

- the 30-year CMS rate and the 5-year CMS rate;
- the volatility — *i.e.*, the frequency and magnitude of changes in — the level of the CMS spread;
- economic, financial, regulatory, political, military and other events that affect CMS rates generally;
- interest rates and yield rates in the market;
- the time remaining until your notes mature; and
- our creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or changes in other credit measures.

These factors, and many other factors, will influence the price you will receive if you sell your notes before maturity, including the price you may receive for your notes in any market making transaction. If you sell your notes before maturity, you may receive less than the face amount of your notes.

You cannot predict the future performance of the CMS spread based on its historical performance. The actual performance of the CMS spread over the life of the offered notes after the first four interest periods, as well as the interest payable on each interest payment date, may bear little or no relation to the hypothetical levels of the CMS spread or to the hypothetical examples shown elsewhere in this prospectus supplement.

Goldman Sachs' Anticipated Hedging Ac Investors in the Notes and Cause our Clients and Counterparties to be Contra Notes

Goldman Sachs expects to hedge our ob purchasing futures and/or other instruments also expect to adjust our hedge by, among o any of the foregoing, and perhaps other inst spread, at any time and from time to time, a any of the foregoing on or before the final in notes. We may also enter into, adjust and un relating to other rate-linked notes whose ret level of the CMS spread.

Any of these hedging or other activities n the CMS spread and therefore the market v amount we will pay on your notes. In additio transactions will cause Goldman Sachs or its economic interests and incentives that do no directly contrary to, those of an investor in th have no obligation to take, refrain from takin respect to these transactions based on the p the notes, and may receive substantial retur while the value of your notes declines.

As Calculation Agent, Goldman, Sachs & Make Determinations that Could Affect t Amount You May Receive On Any

As calculation agent for your notes, Go discretion in making certain determinations t determining the CMS spread on any interest circumstances, which we will use to determi on any applicable interest payment date afte dates. See "Specific Terms of Your Notes" b discretion by Goldman, Sachs & Co. could a notes and may present

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Goldman, Sachs & Co. with a conflict of interest. We may change the calculation agent at any time without notice and Goldman, Sachs & Co. may resign as calculation agent at any time upon 60 days' written notice to Goldman Sachs.

Your Notes May Not Have an Active Trading Market

Your notes will not be listed or displayed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

We Are Able to Redeem Your Notes at Our Option

On any interest payment date on or after October 30, 2013, we will be permitted to redeem your notes at our option. Even if we do not exercise our option to redeem your notes, our ability to do so may adversely affect the value of your notes. It is our sole option whether to redeem your notes prior to maturity and we may or may not exercise this option for any reason. Because of this redemption option, the term of your notes could be anywhere between one and fifteen years.

Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call "ERISA", 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 offered notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the offered 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 purchasin
This is discussed in more detail under "Empl
Act" below.

We May Sell an Additional Aggregate F
Different Issue

At our sole option, we may decide to se
amount of the notes subsequent to the date
The issue price of the notes in the subseque
(higher or lower) from the issue price you pa
this prospectus supplement.

We Intend to Treat the Notes as Debt In
Rules Governing Contingent Payment De
Income Tax Pur

We intend to treat the notes as debt ins
governing contingent payment debt instrume
purposes. Under this treatment, if you are a
you generally should be required to pay taxe
notes over their term based on the compara
any positive and negative adjustments based
on the notes This comparable yield is detern
amount on which you will be taxed prior to m
nor a guarantee of what the actual yield will
recognize on the sale or maturity of the note
interest income. If you are a secondary purc
consequences to you may be different.

It is possible that the Internal Revenue S
that your notes should be treated as variable
notes are so treated you would include the f
income at the time you receive or accrue su
on your method of accounting for tax purpos
advisor concerning possible further U.S. fede
your notes are so treated.

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Please see “Supplemental Discussion of Federal Income Tax Consequences” below for a more detailed discussion. Please also consult your own tax advisor concerning the U.S. federal income tax and any other applicable tax consequences to you of owning your notes in your particular circumstances.

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SPECIFIC TERMS OF YOUR NOTES

We refer to the notes we are offering by this prospectus supplement as the "offered notes" or the "notes". Please r supplement, references to "The Goldman Sachs Group, Inc.", "we", "our" and "us" mean only The Goldman Sachs Group, consolidated subsidiaries. Also, references to the "accompanying prospectus" mean the accompanying prospectus, dated S supplemented by the accompanying prospectus supplement, dated September 19, 2011, relating to Medium-Term Notes, S Group, Inc. Please note that in this section entitled "Specific Terms of Your Notes", references to "holders" mean those who own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in not notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that appl interests in the accompanying prospectus, under "Legal Ownership and Book-Entry Issuance".

The offered notes are part of a series of debt securities, entitled "Medium-Term Notes, Series D", that we may issue under the indenture from time to time as described in the accompanying prospectus supplement and accompanying prospectus. The offered notes are also "indexed debt securities", as defined in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the offered notes, including your notes; terms that apply generally to all Series D medium-term notes are described in "Description of Notes We May Offer" in the accompanying prospectus supplement. The terms described here supplement those described in the accompanying prospectus supplement and the accompanying prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

In addition to those terms described on the first three pages of this prospectus supplement, the following terms will apply to your notes:

Specified currency:

- U.S. dollars ("$")

Form of note:

- global form only: yes, at DTC
- non-global form available: no

Denominations: each note registered in the name of a holder must have a face amount of $1,000 or integral multiples of $1,000 in excess thereof

Defeasance applies as follows:

- full defeasance: no
- covenant defeasance: no

Other terms:

- a business day for your notes will not b our other Series D medium-term notes, Calculation Provisions" below

Please note that the information about t issue price, discount or commission and net Group, Inc. on the front cover page or elsew supplement relates only to the initial issuanc We may decide to sell additional notes on or of this prospectus supplement, at issue price proceeds that differ from the amounts set fo elsewhere in this prospectus supplement. If a market-making transaction after the initial notes, any such relevant information about th a separate confirmation of sale.

We describe the terms of your notes in

Payment of Principal on Sta

With respect to the offered notes that h stated maturity date we will pay you an amo outstanding face amount of your notes.

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Stated Maturity Date

The stated maturity date is October 30, 2027, subject to our early redemption right, unless that day is not a business day, in which case the stated maturity date will instead occur on the next succeeding business day.

Interest Payments

During the first four interest periods, the interest rate on the notes will be 8.00% per annum. For each interest period thereafter, the interest rate will be based upon the CMS spread on the relevant interest determination date for such interest period and will be a rate per annum equal to:

- if the CMS spread *times* 4 is *greater than* or *equal to* the maximum interest rate, the maximum interest rate;
- if the CMS spread *times* 4 is *less than* the maximum interest rate but *greater than* 0%, the CMS spread *times* 4; or
- if the CMS spread *times* 4 is *equal to* or *less than* 0%, 0%.

The maximum interest rate is 9.00% per annum. Based on the formula used to calculate the interest rate on your notes, you will therefore not benefit from any increases in the CMS spread above 2.25%. Furthermore, if the CMS spread on the relevant interest determination date for any interest period after the first four interest periods is 0% or less, no interest will be paid for such interest period.

The calculation agent will calculate the amount of interest payable on each interest payment date for the applicable interest period after the first four interest periods in the following manner. For each $1,000 face amount of your notes and for each interest period, the calculation agent will calculate the amount of interest to be paid by calculating the *product* of (i) the $1,000 face amount *times* (ii) the interest rate *times* (iii) 90/360.

Interest, if any, will be paid on your notes on each quarterly interest payment date. If an interest payment date (other than the interest payment date that falls on the stated maturity date) falls on a day that is not a business day, the payment due on such interest payment date will be postponed to the next day that is a business day; *provided* that interest due wit payment date shall not accrue from and inclu to and including the date of payment of such stated maturity date falls on a day that is no principal and interest otherwise due on such succeeding business day, and no interest on the period from and after the stated maturity

CMS Rate

In this prospectus supplement, when we the rate, on the applicable interest determina Reuters screen ISDAFIX1 page for 30-year case may be, as of approximately 11:00 A.M relevant interest determination date. If the C this manner, then:

- The applicable CMS rate for the releva be determined on the basis of the mid-m quotations provided by five leading swa interbank market at approximately 11:0 any interest determination date. For thi rate means the mean of the bid and off fixed leg, calculated on a 30/360 day co U.S. dollar interest rate swap transacti years or five years, as the case may be interest determination date, with an ack in the swap market, where the floating day count basis, is equivalent to LIBOR three months, as such rate may be dete provisions set forth under “Description o Interest Rates — LIBOR Notes” in the supplement. The calculation agent will s sole discretion and will request the prin of those dealers to provide a quotation

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- If at least three quotations are provided, the CMS rate for that interest determination date will be the arithmetic mean of the quotations described above, 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.

CMS Spread

In this prospectus supplement, when we refer to the CMS spread, we mean, for any interest determination date, the *difference* of the 30-year CMS rate *minus* the 5-year CMS rate.

Interest Determination Dates

For each interest period after the first four interest periods, the second U.S. Government securities business day preceding such interest period.

Additional Disclosure about Our Relationship with the Trustee

The Bank of New York Mellon is initially serving as trustee for the indenture under which the notes are being issued. Affiliates of the trustee have underwritten our securities from time to time in the past and may underwrite our securities from time to time in the future. The trustee may have to resign if a default occurs with respect to the notes within one year after any offering of our securities underwritten by an affiliate of the trustee, such as BNY Mellon Capital Markets, LLC, since the trustee would likely be considered to have a conflicting interest for purposes of the Trust Indenture Act of 1939. In that event, except in very limited circumstances, the trustee would be required to resign as trustee under the indenture under which the notes are being issued and we would be required to appoint a successor trustee, unless the default is cured or waived within 90 days. In addition, the trustee can resign for any reason with 60 days notice, and we would be required to appoint a successor trustee. If the trustee resigns following a default or for any other reason, it may be difficult to identify and appoint a qualified successor trustee. The trustee will remain the trustee under the indenture until a successor is appointed. During the period of time until a successor is appoin (a) duties to noteholders under the indenture under the indenture for purposes of the Trus accompanying prospectus dated September Relationship with the Trustee," we describe which the trustee may have to resign due to

Manner of Pay

Any payment on your notes at maturity to an account designated by the holder of yo at the office of the trustee in New York City, surrendered to the trustee at that office. We payment date by check mailed to the person record date. We also may make any payme applicable procedures of the depositary.

Modified Busine

As described in the accompanying pros notes that would otherwise be due on a day instead be paid on the next day that is a bus as if paid on the original due date. For your business day may have a different meaning medium-term notes. We discuss this term un Provisions" below.

Role of Calculatio

The calculation agent in its sole discreti regarding the CMS spread, the 30-year CM interest determination dates, the regular rec any, on each interest payment date, U.S. Go days, business days, postponement of the s amount payable on your notes at maturity or Absent manifest error, all determinations of t and binding on you and us, without any liabil agent.

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Please note that Goldman, Sachs & Co., our affiliate, is currently serving as the calculation agent as of the date of this prospectus supplement. We may change the calculation agent for your notes at any time after the date of this prospectus supplement without notice and Goldman, Sachs & Co. may resign as calculation agent at any time upon 60 days' written notice to Goldman Sachs.

Our Early Redemption Right

We may redeem your notes, at our option, in whole but not in part, on any interest payment date on or after October 30, 2013, for an amount equal to 100% of the face amount *plus* any accrued and unpaid interest to, but excluding, the redemption date.

If we choose to exercise our early redemption right described in this prospectus supplement, we will notify the holder of your notes and the trustee by giving five business days' prior notice. The day we give the notice, which will be a business day, will be the redemption notice date and the immediately following interest payment date, which we will state in the redemption notice, will be the redemption date. We will not give a redemption notice that results in a redemption date later than the stated maturity date.

If we give the holder a redemption notice, we will redeem the entire outstanding face amount of your notes as follows. On the redemption date, we will pay to the holder of record on the business day immediately preceding the redemption date, the redemption price in cash, together with any accrued and unpaid interest to, but excluding, the redemption date, in the manner described under "Manner of Payment" above.

Special Calculation

Business Day

When we refer to a business day with r
day that is a New York business day as des
Securities We May Offer — Payment Mecha
Business Days" on page 28 in the accompa

U.S. Government securities business day

When we refer to a U.S. Government s
respect to your notes, we mean any day ex
day on which the Securities Industry and Fin
recommends that the fixed income departme
the entire day for purposes of trading in U.S

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USE OF PROCEEDS

We will use the net proceeds we receive from the sale of the offered notes for the purposes we describe in the accompanying prospectus under "Use of Proceeds".

HEDGING

In anticipation of the sale of the offered notes, we and/or our affiliates expect to enter into hedging transactions involving purchases of instruments linked to CMS rates. In addition, from time to time, we and/or our affiliates expect to enter into additional hedging transactions and to unwind those we have entered into, in connection with the offered notes and perhaps in connection with other notes we issue, some of which may have returns linked to CMS rates. Consequently, with regard to your notes, from time to time, we and/or our affiliates:

- expect to acquire or dispose of positions in over-the-counter options, futures or other instruments linked to CMS rates, and/or
- may take short positions in securities o
i.e., we and/or our affiliates may sell se
own or that we borrow for delivery to p

We and/or our affiliates may also acqui
securities similar to your notes from time to
discretion, hold or resell those securities.

In the future, we and/or our affiliates ex
relating to the offered notes and perhaps rel
linked to the CMS spread.

*The hedging activity discussed above r
value of your notes from time to time and
notes at maturity. See "Additional Risk Fac
above for a discussion of these adverse e*

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HISTORICAL CMS SPREADS AND HYPOTHETICAL EXAMPLES

Historical CMS Spreads

The graph set forth below illustrates the historical CMS spreads from October 25, 2002 through October 25, 2012. We obtained the CMS spreads shown in the graph from Reuters, without independent verification.

The historical CMS spreads reflected in the graph set forth below are based on actual CMS rate movements during the time period. We cannot assure you, however, that this performance will be replicated in the future or that the historical CMS spreads will serve as a reliable indicator of future performance. The CMS spread has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the CMS spread during the period shown below is not an indication that the CMS spread is more or less likely to increase or decrease at any time after the first four interest periods.

You should not take the historical CMS
indication of the future CMS spreads. We ca
the future CMS spreads will result in you rec
than the interest payments you would have r
interest payments if you invested in a non-in
comparable maturity that bears interest at a
we nor any of our affiliates make any repres
spread. In light of the increased volatility cur
financial services sector and U.S. and globa
market declines, it may be substantially mor
interest payments less than the interest pay
you invested in a non-indexed debt security
interest at a prevailing market rate.

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Hypothetical Examples

The following table and examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate how the hypothetical interest rates and the hypothetical interest payments would be calculated for each $1,000 face amount of notes after the first four interest payments.

The table and examples below are based on a range of CMS spreads that are entirely hypothetical; no one can predict what the CMS spread will be on any interest determination date, and no one can predict, after the first four interest periods, whether interest will be paid on your notes during any interest period. The CMS spread has been highly volatile in the past — meaning that the levels of the 30-year CMS rate and the 5-year CMS rate have changed substantially in relatively short periods — and the CMS spread cannot be predicted for any future period.

The information in the following table and examples reflects the method we will use to calculate the interest rate for a given interest period after the first four interest periods and the hypothetical interest payment on the offered notes for such interest period assuming that we have not exercised our early redemption right prior to the interest period in which such interest rate would be applicable. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below such as the volatility of the 30-year CMS rate and the 5-year CMS rate and our creditworthiness. In addition, the estimated value of your notes at the time the terms of your notes were set on the trade date (as determined by reference to pricing models used by Goldman, Sachs & Co.) was less than the original issue price of your notes. For more i value of your notes, see "Additional Risk Fa The Estimated Value of Your Notes At the T Were Set On the Trade Date (as Determine Used By Goldman, Sachs & Co.) Was Less Your Notes" on page S-4 of this prospectus

For these reasons, the actual 30-year C rate on any interest determination date for a four interest periods, as well as the interest date after the first four interest payment dat hypothetical examples shown below. For info during recent periods, see "— Historical CM Before investing in the notes, you should co to determine the 30-year CMS rates and the date of this prospectus supplement and the notes.

The actual interest payment for any interest periods will depend on the actual level of the determination date. The applicable interest r be determined quarterly on a per annum ba interest period. In addition, whether or not y hypothetical interest rate below would depe determine to exercise our early redemption r which such interest rates would be applicab have been chosen arbitrarily for the purpose not be taken as indicative of the future perfo numbers appearing in the following table and for ease of analysis.

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Hypothetical 30-Year CMS Rate	Hypothetical 5-Year CMS Rate	30-Year CMS Rate Less 5-Year CMS Rate (the CMS Spread)	Hypothetical Interest Rate (Per Annum)
0.00%	8.00%	-8.00%	0.00%
3.00%	5.00%	-2.00%	0.00%
5.00%	5.00%	0.00%	0.00%
5.00%	4.50%	0.50%	2.00%
7.00%	6.00%	1.00%	4.00%
7.00%	4.75%	2.25%	9.00%
9.00%	3.00%	6.00%	9.00%
13.00%	2.00%	11.00%	9.00%

The following examples illustrate how the interest rates set forth in the table above are calculated.

Example 1: Based on a hypothetical 30-year CMS rate of 3.00% and a hypothetical 5-year CMS rate of 5.00%, the interest payable for the relevant interest payment date is calculated as follows:

Step 1: Calculate the CMS spread

The CMS spread is calculated as the *difference* between the hypothetical 30-year CMS rate of 3.00% and the hypothetical 5-year CMS rate of 5.00%:

CMS spread = -2.00%

Step 2: Calculate the interest rate (per annum)

Because the CMS spread equals -2.00%, the interest rate for the relevant interest payment date shall be zero.

Step 3: Calculate the quarterly interest payment for the relevant interest period

The amount of interest payment for the relevant interest period equals the *product* of (i) the face amount *times* (ii) the interest rate *times* (iii) the

Example 2: Based on a hypothetical 30

hypothetical 5-year CMS rate of 6.00%, the

interest payment date is calculated as follow

Step 1: Calculate the CMS spread

The CMS spread is calculated as the *di*

hypothetical 30-year CMS rate of 7.00% an

rate of 6.00%:

7.00% - 6.00% = 1.00%

Step 2: Calculate the interest rate (p

The per annum interest rate for the rele

times 4.0, subject to the maximum interest r

shall be *no less than* zero. Given that 1.00%

more than zero and *less than* 9.00%, the int

interest payment date shall be 4.00%.

Step 3: Calculate the quarterly intere

interest period

The amount of interest payment for the

applicable day count convention on a 30/360 basis. No adjustments will be made in the event an interest payment date is not a business day. The interest payment for this interest period is zero because the CMS spread *times* four is *less than* 0.00%.

the *product* of (i) the face amount *times* (ii) t
applicable day count convention on a 30/360
made in the event an interest payment date
interest payment for this interest period with
rate of 4.00% is $10.00 for every

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$1,000 face amount of notes, calculated as follows:

$1,000 x 4.00% x 90/360 = $10.00

Example 3: Based on a hypothetical 30-year CMS rate of 9.00% and a hypothetical 5-year CMS rate of 3.00%, the interest payable for the relevant interest payment date is calculated as follows:

Step 1: Calculate the CMS spread

The CMS spread is calculated as the *difference* between the hypothetical 30-year CMS rate of 9.00% and the hypothetical 5-year CMS rate of 3.00%:

9.00% – 3.00% = 6.00%

Step 2: Calculate the interest rate (per annum)

The per annum interest rate for the relevant interest period equals 6.00% *times* 4.0, subject to the maximum interest rate of 9.00% per annum, and shall be *no less than* zero. Given that 6.00% *times* 4.0 equals 24.00% which is *greater than* 9.00%, the interest rate for the relevant interest payment date shall be 9.00% (that is, shall be set equal to the maximum interest rate).

Step 3: Calculate the quarterly interest payment for the relevant interest period

The amount of interest payment for the relevant interest period equals the *product* of (i) the face amount *times* (ii) the interest rate *times* (iii) the applicable day count convention on a 30/360 basis. No adjustments will be made in the event an interest payment date is not a business day. The interest payment for this interest period with a hypothetical interest rate of 9.00% is $22.50 for every $1,000 face amount of notes, calculated as follows:

$1,000 x 9.00% x 90/360 = $22.50

Example 4: Based on a hypothetical 30-year CMS rate of 13.00% and a hypothetical 5-year CMS rate of 2.00%, the interest payable for the relevant interest payment date is calculated as follows:

Step 1: Calculate the CMS spread

The CMS spread is calculated as the *d*
hypothetical 30-year CMS rate of 13.00% a
rate of 2.00%:

13.00% – 2.00% = 11.00%

Step 2: Calculate the interest rate (p

The per annum interest rate for the rele
11.00% *times* 4.0, subject to the maximum i
and shall be *no less than* zero. Given that 1
which is *greater than* 9.00%, the interest rat
payment date shall be 9.00% (that is, shall b
interest rate).

Step 3: Calculate the quarterly intere
interest period

The amount of interest payment for the
the *product* of (i) the face amount *times* (ii) t
applicable day count convention on a 30/360
made in the event an interest payment date
interest payment for this interest period with
9.00% is $22.50 for every $1,000 face amo
follows:

$1,000 x 9.00% x 90/360 = $22.50

The payment amounts shown above are
based on hypothetical interest rates that ma
determination date and on assumptions that
actual market value of your notes on the sta
time, including any time you may wish to sel
relation to the hypothetical payment amounts
amounts should not be viewed as an indicati
investment in the offered notes. Please read
to Your Notes — The Market Value of Your
Many Factors That are Unpredictable and In
page S-7.

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We cannot predict the actual CMS spread on any interest determination date or the market value of your notes, nor c between the CMS spread and the market value of your notes at any time prior to the stated maturity date and after the first i interest payment that a holder of the offered notes will receive at each interest payment date after the first four interest payr return on the offered notes will depend on the actual CMS spread for each interest period after the first four interest periods agent over the life of your notes. Moreover, the assumptions on which the hypothetical example is based may turn out to be interest amount to be paid in respect of your notes, if any, on each interest payment date and after the first four interest per the information reflected in the example above.

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SUPPLEMENTAL DISCUSSION OF FEDERAL INCOME TAX CONSEQUENCES

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus.

The following section is the opinion of Sidley Austin LLP, counsel to The Goldman Sachs Group, Inc. It applies to you only if you hold your notes as a capital asset for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank;
- a life insurance company;
- a tax-exempt organization;
- a person that owns the notes as a hedge or that is hedged against interest rate risks;
- a person that owns the notes as part of a straddle or conversion transaction for tax purposes; or
- a United States holder whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

You should consult your tax advisor concerning the U.S. federal income tax, and other tax consequences of your investment in the notes, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

United States H

This subsection describes the tax conse
holder. You are a United States holder if you
and you are:

- a citizen or resident of the United State
- a domestic corporation;
- an estate whose income is subject to U
regardless of its source; or
- a trust if a United States court can exer
trust's administration and one or more U
authorized to control all substantial dec

If you are not a United States holder, th
and you should refer to "— United States Al

Tax Treatment. The tax treatment of yo
treatment of your notes will depend upon wh
treated as variable rate debt instruments or
instruments. We intend to treat your notes a
instruments for U.S. federal income tax purp
below under "Alternative Treatments", the di
notes will be so treated. Under the rules gov
instruments, the amount of interest you are r
each accrual period will be determined by co
schedule for your notes and applying rules s
original issue discount on a hypothetical non-
that projected payment schedule. This meth
the yield at which we would issue a non-con
with terms and conditions similar to your not
then determining as of the issue date a paym
the comparable yield. Under these rules, you
on the comparable yield. You will not have to

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separately include the amount of interest that you receive, except to the extent of any positive or negative adjustments discussed below.

It is not entirely clear how, under the rules governing contingent payment debt instruments, the maturity date for debt instruments (such as your notes) that provide for an early redemption right should be determined for purposes of computing the comparable yield and projected payment schedule. It would be reasonable, however, to compute the comparable yield and projected payment schedule for your notes (and we intend to make the computation in such a

manner) based on the assumption that your
the stated maturity date.

We have determined that the comp
to 4.65% per annum, compounded quarterly
if you are an initial holder that holds a note u
taxes on a calendar year basis, we have de
required to report the following amounts as
each year:

Accrual Period	Interest Deemed to Accrue During Accrual Period (per $1,000 note)
October 30, 2012 through December 31, 2012	$7.75
January 1, 2013 through December 31, 2013	$45.66
January 1, 2014 through December 31, 2014	$44.17
January 1, 2015 through December 31, 2015	$43.07
January 1, 2016 through December 31, 2016	$42.43
January 1, 2017 through December 31, 2017	$42.12
January 1, 2018 through December 31, 2018	$42.10
January 1, 2019 through December 31, 2019	$42.27
January 1, 2020 through December 31, 2020	$42.59
January 1, 2021 through December 31, 2021	$43.02
January 1, 2022 through December 31, 2022	$43.53
January 1, 2023 through December 31, 2023	$44.08
January 1, 2024 through December 31, 2024	$44.63
January 1, 2025 through December 31, 2025	$45.19
January 1, 2026 through December 31, 2026	$45.74
January 1, 2027 through October 30, 2027	$38.51

In addition, we have determined the projected payments for your notes are as follows:

Taxable Year:	Payment on January 30	Payment on April 30	Payment on July 30
2013	$20.00	$20.00	$20.00
2014	$19.27	$18.56	$17.87
2015	$16.51	$15.85	$15.21
2016	$14.01	$13.45	$12.96
2017	$12.00	$11.56	$11.21

2018	$10.50	$10.21	$9.96
2019	$9.49	$9.28	$9.09
2020	$8.77	$8.62	$8.52
2021	$8.31	$8.22	$8.16
2022	$8.06	$8.04	$8.01
2023	$8.00	$7.98	$8.00
2024	$8.05	$8.09	$8.14
2025	$8.24	$8.29	$8.34
2026	$8.46	$8.52	$8.58
2027	$8.69	$8.74	$8.77

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The comparable yield and projected payment schedule are not provided to you for any purpose other than the determination of your interest accruals in respect of your notes, and we make no representation regarding the amount of contingent payments with respect to your notes.

If, during any taxable year, the actual payments with respect to the notes exceed the projected payments for that taxable year, you will incur a "net positive adjustment" under the contingent debt regulations equal to the amount of such excess. You will treat a net positive adjustment as additional interest income in that taxable year.

If, during any taxable year, the actual payments with respect to the notes are less than the amount of projected payments for that taxable year, you will incur a "net negative adjustment" under the contingent debt regulations equal to the amount of such deficit. This net negative adjustment will (a) reduce your interest income on the notes for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of your interest income on the notes during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments. Any net negative adjustment in excess of the amounts described in (a) and (b) will be carried forward as a negative adjustment to offset future interest income with respect to the notes or to reduce the amount realized on a sale, exchange, redemption or repurchase of the notes. A net negative adjustment is not subject to the two percent floor limitation on miscellaneous itemized deductions.

You are required to use the comparable yield and projected payment schedule that we compute in determining your interest accruals in respect of your notes, unless you timely disclose and justify on your U.S. federal income tax return the use of a different comparable yield and projected payment schedule.

Furthermore, it is possible that any Form 1099-OID you receive in respect of the notes may not take net negative or positive adjustments into account and therefore may overstate or understate your interest inclusions. You should consult your tax advisor as to

whether and how adjustments should be ma
any Form 1099-OID.

If you purchase your notes at a price ot
price as determined for tax purposes, you m
the difference between the price you paid fo
issue price is attributable to a change in exp
payment schedule, a change in interest rates
allocate the difference accordingly. If the adj
greater than the price you paid for your note
adjustments increasing (i) the amount of inte
accrue and include in income each year, and
income (or decreasing the amount of ordinar
redemption or maturity, by the amounts alloc
projected payment schedule; if the adjusted
than the price you paid for your notes, you m
decreasing (i) the amount of interest that yo
year, and (ii) the amount of ordinary income
ordinary loss) recognized upon redemption o
allocated to each of interest and projected p
allocated to the interest amount are not mad
of interest accrues.

The adjusted issue price of your notes w
issue price plus any interest deemed to be a
rules governing contingent payment debt ins
purchase your notes, decreased by the amo
and the projected payments that were previ
respect to your notes. The original issue pric
first price at which a substantial amount of th
than bond houses, brokers, or similar perso
capacity of underwriters, placement agents,

Because any Form 1099-OID that you r
of positive or negative adjustments resulting
price other than the adjusted issue price det
are urged to consult with your tax

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advisor as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

You will recognize income or loss upon the sale, exchange, redemption or maturity of your notes in an amount equal to the difference, if any, between the amount of cash you receive at such time and your adjusted basis in your notes. In general, your adjusted basis in your notes will equal the amount you paid for your notes, increased by the amount of interest you previously accrued with respect to your notes (in accordance with the comparable yield for your notes), decreased by the amount of the fixed interest payments and the amount of the projected payments that you were projected to have previously received with respect to your notes and increased or decreased by the amount of any positive or negative adjustment, respectively, that you are required to make if you purchase your notes at a price other than the adjusted issue price determined for tax purposes.

Any income you recognize upon the sale, exchange, redemption or maturity of your notes will be ordinary interest income. Any loss you recognize at such time will be ordinary loss to the extent of interest you included as income in the current or previous taxable years in respect of your notes, and thereafter, capital loss. If you are a non-corporate holder, you would generally be able to use an ordinary loss to offset your income only in the taxable year in which you recognize the ordinary loss and would generally not be able to carry such ordinary loss forward or back to offset income in other taxable years.

Alternative Treatments. It is possible that the IRS could successfully assert that the notes should be treated as variable rate debt instruments for U.S. federal income tax purposes. If the notes are so treated, you will be subject to tax on interest payments, if any, as ordinary income at the time you receive or accrue such payments, depending on your method of accounting for tax purposes and any gain or loss you recognize upon the sale or maturity of your notes will be capital gain or loss. Please see the discussion under "United States Taxation — Taxation of Debt Securities — United States Holders — Variable Rate Debt Securities" in the accompanying prospectus for a detailed description of the tax consequences of owning a variable rate debt instrument.

United States Alien

If you are a United States alien holder, "United States Taxation — Taxation of Debt Holders" in the accompanying prospectus fo consequences relevant to you. You are a Un the beneficial owner of the notes and are, fo tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is federal income tax on a net income bas notes.

Backup Withholding an Reporting

Please see the discussion under "United Debt Securities — Backup Withholding and accompanying prospectus for a description withholding and information reporting rules to

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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, Keogh plans 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 applies to the transaction. The assets of a Plan may include assets held in the general account of an insurance company that are deemed "plan assets" under ERISA or assets of certain investment vehicles in which the Plan invests. Each of The Goldman Sachs Group, Inc. and certain of its affiliates may be considered a "party in interest" or a "disqualified person" with respect to many Plans, and, accordingly, prohibited transactions may arise if the notes are acquired by or on behalf of 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 in
funds (prohibited transaction exemption 91-3
providers under Section 408(b)(17) of ERIS
Code where the Plan receives no less and p
consideration" (within the meaning of Sectio
Section 4975(f)(10) of the Code). The perso
of a Plan or a governmental plan shall be de
plan, by purchasing and holding the notes, o
thereto, to represent that (a) the plan will re
than "adequate consideration" (within the me
ERISA and Section 4975(f)(10) of the Code
and holding of the notes, (b) none of the pur
the notes or the exercise of any rights relate
nonexempt prohibited transaction under ERI
to a governmental plan, under any similar ap
(c) neither The Goldman Sachs Group, Inc.
"fiduciary" (within the meaning of Section 3(
a governmental plan, under any similar appli
respect to the purchaser or holder in connec
acquisition, disposition or holding of the note
by The Goldman Sachs Group, Inc. or any o
connection with the notes, and no advice pro
Group, Inc. or any of its affiliates has forme
investment decision by or on behalf of such
with the notes and the transactions contemp

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

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SUPPLEMENTAL PLAN OF DISTRIBUTION

The Goldman Sachs Group, Inc. has agreed to sell to Goldman, Sachs & Co., and Goldman, Sachs & Co. has agreed to purchase from The Goldman Sachs Group, Inc., the aggregate face amount of the offered notes specified on the front cover of this prospectus supplement. Goldman, Sachs & Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this prospectus supplement, and to certain securities dealers at such price less a concession not in excess of 3.076% of the face amount.

In the future, Goldman, Sachs & Co. or other affiliates of The Goldman Sachs Group, Inc. may repurchase and resell the offered 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 Goldman Sachs Group, Inc. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, will be approximately $15,000. For more information about the plan of distribution and possible market-making activities, see “Plan of Distribution” in the accompanying prospectus.

We will deliver the notes against payment therefor in New York, New York on October 30, 2012, which is the third scheduled business day following the date of this prospectus supplement and of the pricing of the notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) an offer of the offered notes which are the subject of the offering contemplated by this prospectus supplement in relation thereto may not be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such offered notes may be made to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if th
implemented the relevant provision of the 20
natural or legal persons (other than qualified
Prospectus Directive), subject to obtaining t
Dealer or Dealers nominated by the Issuer f

(c) at any time in any other circumstance
Prospectus Directive,

provided that no such offer of offered no
shall require the Issuer or any Dealer to pub
Article 3 of the Prospectus Directive, or sup
Article 16 of the Prospectus Directive.

For the purposes of this provision, the ex
public” in relation to any notes in any Releva
communication in any form and by any mea
terms of the offer and the notes to be offere
decide to purchase or subscribe the notes, a
Relevant Member State by any measure im
Directive in that Relevant Member State, the
means Directive 2003/71/EC (and amendme
PD Amending Directive, to the extent implem
State), and includes any relevant implementi
Member State and the expression “2010 PD
Directive 2010/73/EU.

Goldman, Sachs & Co. has represented

(a) it has only communicated or caused t
communicate or cause to be communicated
engage in investment activity (within the mea
received by it in connection with the issue or
circumstances in which Section 21(1) of the
Goldman Sachs Group, Inc.; and

(b) it has complied and will comply with a
FSMA with respect

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to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

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), if such advertisement, invitation or document 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 the offered notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong, the "SFO") and any rules made thereunder.

The offered notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended, the "FIEL") and Goldman, Sachs & Co. has agreed that it will not offer or sell any offered 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 re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph, resident of Japan means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the offered 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 (pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in

Section 275 of the SFA or (iii) otherwise pur
the conditions of, any other applicable provis

Where the offered notes are subscribed
of the SFA by a relevant person which is: (a
accredited investor (as defined in Section 4A
of which is to hold investments and the entire
by one or more individuals, each of whom is
trust (where the trustee is not an accredited
to hold investments and each beneficiary of
accredited investor, shares, debentures and
of that corporation or the beneficiaries' rights
described) in that trust shall not be transferr
corporation or that trust has acquired the off
made under Section 275 of the SFA except:
corporations, under Section 274 of the SFA)
in Section 275(2) of the SFA, or to any pers
made on terms that such shares, debentures
debentures of that corporation or such rights
acquired at a consideration of not less than
foreign currency) for each transaction, wheth
in cash or by exchange of securities or other
corporations, in accordance with the conditio
the SFA; (2) where no consideration is or wi
(3) where the transfer is by operation of law
Section 276(7) of the SFA.

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VALIDITY OF THE NOTES

In the opinion of Sidley Austin LLP, as counsel to The Goldman Sachs Group, Inc., when the notes offered by this prospectus supplement have been executed and issued by The Goldman Sachs Group, Inc. and authenticated by the trustee pursuant to the indenture, and delivered against payment as contemplated herein, such notes will be valid and binding obligations of The Goldman Sachs Group, Inc., enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of app expressed above. This opinion is given as of the Federal laws of the United States, the la the General Corporation Law of the State of date hereof. In addition, this opinion is subje about the trustee's authorization, execution a the genuineness of signatures and certain fa letter of such counsel dated September 19, Exhibit 5.5 to The Goldman Sachs Group, In Form S-3 filed with the Securities and Excha September 19, 2011.

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under the circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement, the accompanying prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

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Prospectus Supplement

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Callable Quarterly CMS
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