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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the CBBCs described below.*

**Launch Announcement for Callable Bull/Bear Contracts (CBBCs)  
to be issued by**

**Goldman Sachs Structured Products (Asia) Limited**

*(incorporated in the Cayman Islands with limited liability)*

**and unconditionally and irrevocably guaranteed by**

**The Goldman Sachs Group, Inc. (the Guarantor)**

*(incorporated in the State of Delaware, United States of America)*

**Sponsor**

**Goldman Sachs (Asia) L.L.C.**

**Particulars of CBBCs**

We intend to issue the following CBBCs:

<b>Stock Code</b>	62296	62297
<b>Issue Size</b>	200,000,000 CBBCs	200,000,000 CBBCs
<b>Category</b>	Category R Bear CBBCs	Category R Bear CBBCs
<b>Index</b>	Hang Seng Index	Hang Seng Index
<b>Index Sponsor</b>	Hang Seng Indexes Company Limited	Hang Seng Indexes Company Limited
<b>Index Exchange</b>	The Stock Exchange of Hong Kong Limited	The Stock Exchange of Hong Kong Limited
<b>Board Lot</b>	10,000 CBBCs	10,000 CBBCs
<b>Issue Price</b>	HK\$ 0.254 per CBBC	HK\$ 0.251 per CBBC
<b>Call Level</b>	19,638	19,438
<b>Strike Level</b>	19,838	19,638
<b>Closing Level</b>	The final settlement price for settling the Hang Seng Index Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant CBBCs is scheduled to fall (“ <b>Index Futures Contracts</b> ”), determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures Contracts (as amended from time to time) of the Hong Kong Futures Exchange Limited, subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in the terms and conditions of the CBBCs.	
<b>Spot Level</b>	The spot level of the Index as compiled and published by the Index Sponsor.	

<b>Launch Date</b>	18 May 2012	18 May 2012
<b>Issue Date</b>	24 May 2012	24 May 2012
<b>Dealing Commencement Date</b>	Expected to be 25 May 2012	Expected to be 25 May 2012
<b>Expiry Date</b>	30 August 2012, or if such day is not a date on which the Index Futures Contracts expire on the Hong Kong Futures Exchange Limited, the date on which the Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited or its successor or assign.	30 August 2012, or if such day is not a date on which the Index Futures Contracts expire on the Hong Kong Futures Exchange Limited, the date on which the Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited or its successor or assign.
<b>Valuation Date</b>	Expiry Date	Expiry Date
<b>Trading Day</b>	A day on which the Stock Exchange is scheduled to open for trading for its regular trading sessions.	
<b>Observation Period</b>	The period from and including the Observation Commencement Date to and including the Observation End Date.	
<b>Observation Commencement Date</b>	Dealing Commencement Date	Dealing Commencement Date
<b>Observation End Date</b>	The trading day immediately before the Expiry Date	The trading day immediately before the Expiry Date
<b>Index Currency Amount</b>	HK\$ 1	HK\$ 1
<b>Effective Gearing*</b>	7.56x	7.65x
<b>Gearing*</b>	7.56x	7.65x
<b>Premium*</b>	9.91%	10.80%
<b>Divisor</b>	10,000	10,000
<b>Funding Rate</b>	As at the Launch Date, 33.6655% per annum	As at the Launch Date, 37.0465% per annum
	The Funding Rate will fluctuate throughout the term of the CBBCs as further described in the relevant supplement listing document in respect of the CBBCs.	
<b>Initial Funding Costs as at the Launch Date</b>	HK\$ 0.1903 per CBBC	HK\$ 0.2073 per CBBC
	The initial funding cost is calculated in accordance with the following formula (rounded to the nearest 4 decimal places, with 0.00005 being rounded upwards):	
	$\frac{\text{Strike Level} \times \text{Funding Rate} \times n/365 \times \text{HK\$1}}{\text{Divisor}}$	
	Where “n” is the number of calendar days remaining to expiration; initially, “n” is the number of calendar days from (and including) the Launch Date to (and including) the business day immediately preceding the Expiry Date.	

\* These values should not be compared to similar information provided by other issuers of CBBCs listed on the Stock Exchange. Each issuer may use different valuation models.

## How much will a holder of CBBCs receive upon occurrence of a Mandatory Call Event?

The CBBCs will terminate automatically upon the occurrence of a Mandatory Call Event and we will give notice of such mandatory call termination to the holders of CBBCs in accordance with the terms and conditions.

A “Mandatory Call Event” occurs when the Spot Level of the Index is, at any time during a day on which the Index Exchange is scheduled to open for trading for its regular trading sessions in the Observation Period, at or above the Call Level.

Upon the occurrence of a Mandatory Call Event, for each Board Lot of our CBBCs, we will pay the holder of our CBBCs a cash settlement amount equal to the “Residual Value” net of any Exercise Expenses. The Residual Value per Board Lot (if any) payable is calculated as follows:

$$\frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

provided that if the above formula produces a negative amount, the Residual Value shall be deemed to be zero.

Where:

“**Maximum Index Level**” means the highest Spot Level of the Index during the MCE Valuation Period.

“**MCE Valuation Period**” means the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Index Exchange.

## How much will a holder of CBBCs receive at expiry?

On the Expiry Date, if the Cash Settlement Amount is greater than zero and no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be automatically exercised, for each Board Lot of our CBBCs, we will pay the holder of our CBBCs a cash settlement amount calculated as follows (the “Cash Settlement Amount”) net of any Exercise Expenses

$$\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

provided that if the above formula produces a negative amount, the Cash Settlement Amount shall be deemed to be zero.

## Listing of the CBBCs

We will make an application to the Stock Exchange for the listing of, and permission to deal in, the CBBCs on the Stock Exchange and the issue of the CBBCs is conditional upon listing approval being granted.

We expect that dealings in the CBBCs will commence on or about 25 May 2012.

## **Where can you obtain further information?**

We will issue the CBBCs pursuant to the terms and conditions of our base listing document dated 20 March 2012 and the relevant supplemental listing document to be dated on or about 24 May 2012.

Copies of the above documents (both the English version and the Chinese translation), the first addendum to our base listing document dated 9 May 2012 and the latest publicly available annual report and consolidated financial statements of the Guarantor are available for inspection during the term of the CBBCs so long as the CBBCs are listed on the Stock Exchange, during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Goldman Sachs (Asia) L.L.C. which is presently at 68/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

## **Where can you obtain quotes?**

You may request to obtain a quote for your CBBCs from:

Liquidity Provider:	Goldman Sachs (Asia) Securities Limited
Broker ID Number:	9649
Address:	68/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Telephone number:	2978 2333

## **Additional Information**

The price of CBBCs may fall in value as rapidly as they may rise, and the CBBCs may be called at zero prior to expiry or expire at zero and you may sustain a total loss of the purchase price of your CBBCs. You should consider carefully the suitability of the CBBCs in light of your experience, objectives, financial position and other relevant circumstances before deciding to invest in the CBBCs.

Neither we nor the Guarantor are regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Rules Governing the Listing of Securities on the Stock Exchange. The CBBCs will constitute our general unsecured contractual obligations and will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to a guarantee. You are relying upon the creditworthiness of us and the Guarantor and have no rights under the CBBCs against any companies comprising the Index. Our CBBCs are not bank deposits and are not insured or guaranteed by the United States Federal Deposit Insurance Corporation (the FDIC), or any other governmental agency. Our CBBCs are guaranteed by The Goldman Sachs Group, Inc. and the guarantee will rank pari passu with all other direct, unconditional, unsecured and unsubordinated indebtedness of The Goldman Sachs Group, Inc.

The Guarantor's long-term credit ratings (as of the date prior to the issue date of this announcement) are A- by Standard and Poor's Ratings Services and A1 by Moody's Investors Service, Inc..

## Index Disclaimer

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The Board of Directors  
**Goldman Sachs Structured Products (Asia) Limited**

18 May 2012