GOLDMAN SACHS GROUP INC
Form 424B2
April 30, 2019
Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

$4,291,520

Trigger Autocallable Contingent Yield Notes due 2029

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not pay a fixed coupon and may pay no coupon on a payment date. The amount that you will be paid on your notes is based on the performance of the MSCI Emerging Markets Index and the Russell 2000® Index. The notes will mature on the stated maturity date (May 1, 2029) unless they are automatically called on any determination date commencing in April 2020. Your notes will be called if the closing level of each index on any determination date commencing in April 2020 is greater than or equal to its initial index level (1,078.06 with respect to the MSCI Emerging Markets Index and 1,591.816 with respect to the Russell 2000® Index), resulting in a payment on the applicable payment date (the dates specified on page S-7) equal to the face amount of your notes plus the contingent coupon (described below) then due. The notes will not be called if the closing level of at least one index is less than its respective initial index level on a determination date.

On each determination date (the dates in January, April, July and October specified on page S-7), unless previously called, if the closing level of each index is greater than or equal to 70% of its initial index level, you will receive on the applicable payment date a contingent coupon of $0.165 for each $10 face amount of your notes. If the closing level of at least one index on any determination date is less than 70% of its initial index level, you will not receive a contingent coupon payment on the applicable payment date.

Unless previously redeemed, the amount that you will be paid on your notes at maturity, in addition to the final contingent coupon, if any, is based on the performance of the lesser performing index (the index with the lowest index return). The index return for each index is the percentage increase or decrease in the final index level of such index on the final determination date from its initial index level.

At maturity, for each $10 face amount of your notes outstanding, you will receive an amount in cash equal to:

- if the final index level of each index is greater than or equal to 70% of its initial index level, $10 plus the final contingent coupon;
- if the final index level of each index is greater than or equal to 50% of its initial index level but the final index level of at least one index is less than 70% of its initial index level, $10. You will not receive a final contingent coupon; or

- if the final index level of at least one index is less than 50% of its initial index level, the sum of (i) $10 plus (ii) the product of (a) the lesser performing index return times (b) $10. You will receive less than 50% of the face amount of your notes and you will not receive a final contingent coupon.

The maximum return on your notes is 1.65% quarterly (or 6.6% per annum, assuming that you received all four contingent coupon payments in a year), regardless of how much any index appreciates.

You should read the disclosure herein to better understand the terms and risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page S-15.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately $9.49 per $10 face amount. For a discussion of the estimated value and the price at which Goldman Sachs & Co. LLC would initially buy or sell your notes, if it makes a market in the notes, see the following page.

Original issue date:	April 30, 2019	Original issue price:	100% of the face amount
Underwriting discount:	3.95% of the face amount*	Net proceeds to the issuer:	96.05% of the face amount

*UBS Financial Services Inc., the selling agent, will receive a selling concession not in excess of 3.5% of the face amount.

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

Goldman Sachs & Co. LLC	UBS Financial Services Inc.
	Selling Agent

Prospectus Supplement No. 5,531 dated April 26, 2019

The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

GS Finance Corp. may use this prospectus in the initial sale of the notes. In addition, Goldman Sachs & Co. LLC, or any other affiliate of GS Finance Corp., may use this prospectus in a market-making transaction in a note after its initial sale. Unless GS Finance Corp. or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.

Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately $9.49 per $10 face amount, which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to $0.46 per $10 face amount).

Prior to April 29, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co.'s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis over the period from the time of pricing through April 28, 2020). On and after April 29, 2020, the price (not including GS&Co.'s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.

About Your Prospectus

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp. and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This prospectus includes this prospectus supplement and the accompanying documents listed below. This prospectus supplement constitutes a supplement to the documents listed below and should be read in conjunction with such documents:

Prospectus supplement dated July 10, 2017

Prospectus dated July 10, 2017

The information in this document supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

S-2

$4,291,520

Trigger Autocallable Contingent Yield Notes due 2029

FINAL TERMS	
Issuer:	GS Finance Corp.
Guarantor:	The Goldman Sachs Group, Inc.
Index/Initial index level:	MSCI Emerging Markets Index / 1,078.06 (the closing level of such index on the trade date)
Index/Initial index level:	Russell 2000® Index / 1,591.816 (the closing level of such index on the trade date)
Trade date:	April 26, 2019
Original issue date:	April 30, 2019
Stated maturity date:	unless the notes are automatically called, May 1, 2029
Autocall feature:	if, as measured on any call observation date, the closing level of each index is greater than or equal to its initial index level, your notes will be automatically called; if your notes are automatically called on any call observation date, on the corresponding call payment date, in addition to the contingent coupon then due, you will receive an amount in cash equal to $10 for each $10 face amount of your notes, and no further payments will be made since your notes will no longer be outstanding. If the closing level of at least one index is below its initial index level on a call observation date, the notes cannot be called.
Cash settlement amount:	•if the final index level of each index is greater than or equal to its coupon barrier, $10 plus the final contingent coupon; •if the final index level of each index is greater than or equal to its downside threshold but the final index level of at least one index is less than its coupon barrier, $10; or •if the final index level of at least one index is less than its downside threshold, the sum of (i) $10 plus (ii) the product of (a) the lesser performing index return times (b) $10.
Determination date:	April 26, 2029
Contingent coupon:	$0.165/quarter (6.6% p.a.)
Downside threshold:	539.030 with respect to the MSCI Emerging Markets Index and 795.908 with respect to the Russell 2000® Index (in each case, 50.00% of such index's initial index level (rounded to the nearest one-thousandth))
Coupon barrier:	754.642 with respect to the MSCI Emerging Markets Index and 1,114.271 with respect to the Russell 2000® Index (in each case, 70.00% of such index's initial index level (rounded to the nearest one-thousandth))
Final index level:	with respect to each index, the closing level of such index on the determination date, except in the limited circumstances described under "Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day" on page S-34
Closing level:	with respect to each index on any trading day, the closing level of such index, as further described under "Specific Terms of Your Notes — Special Calculation Provisions — Closing Level" on page S-36
Index return:	with respect to each index on the determination date, the quotient of (i) the final index level minus the initial index level divided by (ii) the initial index level, expressed as a positive or negative percentage

Lesser performing index:	the index with the lowest index return
Lesser performing index return:	the index return of the lesser performing index
Face amount:	$10 per note
Minimum purchase amount:	in connection with the initial offering of the notes, the minimum face amount of notes that may be purchased by any investor is $1,000
Call observation dates:	each coupon determination date specified in the table below commencing April 27, 2020, to the extent the notes are then outstanding, subject to adjustment as described under "Specific Terms of Your Notes — Call Observation Dates" on page S-33. Although the call observation dates occur quarterly after April 27, 2020, there may not be an equal number of days between call observation dates.
Call payment dates:	the coupon payment date immediately after the applicable call observation date, subject to adjustment as described under "Specific Terms of Your Notes — Call Payment Dates" on page S-33
Original issue price:	100% of the face amount
CUSIP / ISIN:	36257D568 / US36257D5683
No listing:	the offered notes will not be listed or displayed on any securities exchange or interdealer market quotation system

Coupon Determination Dates*	Coupon Payment Dates**
July 26, 2019	July 30, 2019
October 28, 2019	October 30, 2019
January 27, 2020	January 29, 2020
April 27, 2020	April 29, 2020
July 27, 2020	July 29, 2020
October 26, 2020	October 28, 2020
January 26, 2021	January 28, 2021
April 26, 2021	April 28, 2021
July 26, 2021	July 28, 2021
October 26, 2021	October 28, 2021
January 26, 2022	January 28, 2022
April 26, 2022	April 28, 2022
July 26, 2022	July 28, 2022
October 26, 2022	October 28, 2022
January 26, 2023	January 30, 2023
April 26, 2023	April 28, 2023
July 26, 2023	July 28, 2023
October 26, 2023	October 30, 2023
January 26, 2024	January 30, 2024
April 26, 2024	April 30, 2024
July 26, 2024	July 30, 2024
October 28, 2024	October 30, 2024
January 27, 2025	January 29, 2025
April 28, 2025	April 30, 2025
July 28, 2025	July 30, 2025
October 27, 2025	October 29, 2025
January 26, 2026	January 28, 2026
April 27, 2026	April 29, 2026
July 27, 2026	July 29, 2026
October 26, 2026	October 28, 2026
January 26, 2027	January 28, 2027
April 26, 2027	April 28, 2027
July 26, 2027	July 28, 2027
October 26, 2027	October 28, 2027
January 26, 2028	January 28, 2028
April 26, 2028	April 28, 2028
July 26, 2028	July 28, 2028
October 26, 2028	October 30, 2028
January 26, 2029	January 30, 2029
April 26, 2029	May 1, 2029

*Subject to adjustment as described under “Specific Terms of Your Notes — Coupon Determination Dates” on page S-31 of this prospectus supplement

**Subject to adjustment as described under “Specific Terms of Your Notes — Contingent Coupon and Coupon Payment Dates” on page S-31 of this prospectus supplement

This is the first date on which your notes may be automatically called.

S-4

Summary Information

We refer to the notes we are offering by this prospectus supplement as the "offered notes" or the "notes". Each of the offered notes has the terms described below and under "Specific Terms of Your Notes" on page S-29. Please note that in this prospectus supplement, references to "GS Finance Corp.", "we", "our" and "us" mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to "The Goldman Sachs Group, Inc.", our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to "Goldman Sachs" mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the "accompanying prospectus" mean the accompanying prospectus, dated July 10, 2017, and references to the "accompanying prospectus supplement" mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. References to the "indenture" in this prospectus supplement mean the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the "GSFC 2008 indenture" in the accompanying prospectus supplement.

Key Terms

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Underlying indices: the MSCI Emerging Markets Index (Bloomberg symbol, "MXEF Index"), as maintained by MSCI Inc., and the Russell 2000® Index (Bloomberg symbol, "RTY Index"), as published by FTSE Russell; see "The Underlying Indices" on page S-40.

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

Face amount: each note will have a face amount equal to $10; $4,291,520 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

Denominations: $10 and integral multiples of $10 in excess thereof

Minimum purchase amount: In connection with the initial offering of the notes, the minimum face amount of notes that may be purchased by any investor is $1,000

Supplemental plan of distribution: GS Finance Corp. will sell to Goldman Sachs & Co. LLC ("GS&Co."), and GS&Co. will purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this prospectus supplement. GS&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 UBS Financial Services Inc. at such price less a concession not in excess of 3.5% of the face amount. See "Supplemental Plan of Distribution" on page S-66

Purchase at amount other than face amount: the amount we will pay you for your notes on a call payment date or the stated maturity date, as the case may be, will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to face amount and hold them to a call payment date or the stated maturity date, it could affect your investment in a number of ways. The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at face amount. See "Additional Risk Factors Specific to Your Notes — If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected" on page S-20 of this prospectus supplement

Supplemental discussion of U.S. federal income tax consequences: you will be obligated pursuant to the terms of the notes — in the absence of a change in law, an administrative determination or a judicial ruling to the contrary — to characterize each note for all tax purposes as an income-bearing pre-paid derivative contract in respect of the underlying indices, as described under "Supplemental Discussion of Federal Income Tax Consequences" herein. Pursuant to this approach, it is the opinion of Sidley Austin llp that it is likely that any contingent coupon payment will be taxed as ordinary income in accordance with your regular method of accounting for U.S. federal income tax purposes. If you are a United States alien holder of the notes, we intend to withhold on contingent coupon payments made to you at a 30%

---

rate or at a lower rate specified by an applicable income tax treaty. In addition, upon the sale, exchange, redemption or maturity of your notes, it would be reasonable for you to recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time (excluding amounts attributable to any contingent coupon payment) and your tax basis in your notes.

Cash settlement amount (on any call payment date): if your notes are automatically called on a call observation date because the closing level of each underlying index is greater than or equal to its initial underlying index level, for each $10 face amount of your notes, on the related call payment date, we will pay you an amount in cash equal to the sum of (i) $10 plus (ii) the contingent coupon then due

Autocall feature: if, as measured on any call observation date, the closing level of each underlying index is greater than or equal to its initial underlying index level, your notes will be automatically called; if your notes are automatically called on any call observation date, on the corresponding call payment date, in addition to the contingent coupon then due, you will receive an amount in cash equal to $10 for each $10 face amount of your notes, and no further payments will be made since your notes will no longer be outstanding. If the closing level of at least one underlying index is below its initial underlying index level on a call observation date, the notes cannot be called.

Cash settlement amount (on the stated maturity date): if your notes are not automatically called, for each $10 face amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

- if the final underlying index level of each underlying index is greater than or equal to its coupon barrier, $10 plus the final contingent coupon;
- if the final underlying index level of each underlying index is greater than or equal to its downside threshold but the final underlying index level of at least one underlying index is less than its coupon barrier, $10; or
- if the final underlying index level of at least one underlying index is less than its downside threshold, the sum of (i) $10 plus (ii) the product of (a) the lesser performing underlying index return times (b) $10.

Downside threshold: 539.030 with respect to the MSCI Emerging Markets Index and 795.908 with respect to the Russell 2000® Index (in each case, 50.00% of such underlying index's initial underlying index level (rounded to the nearest one-thousandth))

Lesser performing underlying index return: the underlying index return of the lesser performing underlying index

Lesser performing underlying index: the underlying index with the lowest underlying index return

Contingent coupon: subject to the autocall feature, on each coupon payment date, for each $10 face amount of your notes, we will pay you an amount in cash equal to:

- if the closing level of each underlying index on the related coupon determination date is greater than or equal to its coupon barrier, $0.165 (i.e., equal to a return of 6.6% per annum); or
- if the closing level of at least one underlying index on the related coupon determination date is less than its coupon barrier, $0.00

No contingent coupon payment or return of principal is guaranteed. As discussed above, we will not pay a contingent coupon with respect to any coupon determination date on which the closing level of at least one underlying index is less than its respective coupon barrier. Also, although both the coupon determination dates and coupon payment dates occur quarterly, there may not be an equal number of days between coupon determination dates or between coupon payment dates, respectively. However, the way in which the contingent coupon is determined will not vary based on the actual number of days between coupon determination dates or between coupon payment dates.

Coupon barrier: 754.642 with respect to the MSCI Emerging Markets Index and 1,114.271 with respect to the Russell 2000® Index (in each case, 70.00% of such underlying index's initial underlying index level (rounded to the nearest one-thousandth))

Initial underlying index level: 1,078.06 with respect to the MSCI Emerging Markets Index and 1,591.816 with respect to the Russell 2000® Index (in each case, the closing level of such underlying index on the trade date)

Final underlying index level: with respect to each underlying index, the closing level of such underlying index on the determination date, except in the limited circumstances described under "Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day" on page S-34

Closing level: with respect to each underlying index on any trading day, the closing level of such underlying index, as further described under “Specific Terms of Your Notes — Special Calculation Provisions — Closing Level” on page S-36

Underlying index return: with respect to each underlying index on the determination date, the quotient of (i) the final underlying index level minus the initial underlying index level divided by (ii) the initial underlying index level, expressed as a positive or negative percentage

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 under “Specific Terms of Your Notes – Special Calculation Provisions – Business Day” on page S-36

Trading day: as described under “Specific Terms of Your Notes – Special Calculation Provisions – Trading Day” on page S-36

Trade date: April 26, 2019

Original issue date (settlement date): April 30, 2019

Determination date: April 26, 2029, subject to adjustment as described under “Specific Terms of Your Notes — Payment of Principal on Stated Maturity Date — Determination Date” on page S-31

Stated maturity date: May 1, 2029, subject to adjustment as described under “Specific Terms of Your Notes — Payment of Principal on Stated Maturity Date — Stated Maturity Date” on page S-31

Call observation dates: each coupon determination date specified in the table below commencing April 27, 2020, to the extent the notes are then outstanding, subject to adjustment as described under “Specific Terms of Your Notes — Call Observation Dates” on page S-33. Although the call observation dates occur quarterly after April 27, 2020, there may not be an equal number of days between call observation dates.

Call payment dates: the coupon payment date immediately after the applicable call observation date, subject to adjustment as described under “Specific Terms of Your Notes — Call Payment Dates” on page S-33

Coupon determination dates: the dates specified as such in the table under the section “Coupon payment dates” below, subject to adjustment as described under “Specific Terms of Your Notes — Coupon Determination Dates” on page S-32. Although the coupon determination dates occur quarterly, there may not be an equal number of days between coupon determination dates.

Coupon payment dates: the dates specified in the table below, subject to adjustment as described under “Specific Terms of Your Notes — Contingent Coupon and Coupon Payment Dates” on page S-32. Although the coupon payment dates occur quarterly, there may not be an equal number of days between coupon payment dates.

July 26, 2019	July 30, 2019
October 28, 2019	October 30, 2019
January 27, 2020	January 29, 2020
April 27, 2020	April 29, 2020
July 27, 2020	July 29, 2020

October 26, 2020	October 28, 2020
January 26, 2021	January 28, 2021
April 26, 2021	April 28, 2021
July 26, 2021	July 28, 2021
October 26, 2021	October 28, 2021
January 26, 2022	January 28, 2022
April 26, 2022	April 28, 2022
July 26, 2022	July 28, 2022
October 26, 2022	October 28, 2022
January 26, 2023	January 30, 2023
April 26, 2023	April 28, 2023
July 26, 2023	July 28, 2023

October 26, 2023	October 30, 2023
January 26, 2024	January 30, 2024
April 26, 2024	April 30, 2024
July 26, 2024	July 30, 2024
October 28, 2024	October 30, 2024
January 27, 2025	January 29, 2025
April 28, 2025	April 30, 2025
July 28, 2025	July 30, 2025
October 27, 2025	October 29, 2025
January 26, 2026	January 28, 2026
April 27, 2026	April 29, 2026
July 27, 2026	July 29, 2026
October 26, 2026	October 28, 2026
January 26, 2027	January 28, 2027
April 26, 2027	April 28, 2027
July 26, 2027	July 28, 2027
October 26, 2027	October 28, 2027
January 26, 2028	January 28, 2028
April 26, 2028	April 28, 2028
July 26, 2028	July 28, 2028
October 26, 2028	October 30, 2028
January 26, 2029	January 30, 2029
April 26, 2029	May 1, 2029

This is the first date on which your notes may be automatically called.

Regular record dates: the scheduled business day immediately preceding the day on which payment is to be made (as such payment date may be adjusted)

Calculation agent: GS&Co.

CUSIP no.: 36257D568

ISIN no.: US36257D5683

FDIC: the notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank

Hypothetical ExampleS

(Hypothetical terms only. Actual terms may vary.)

The following 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 (i) the impact that various hypothetical closing levels of the underlying indices on a coupon determination date could have on the contingent coupon payable on the related coupon payment date and (ii) the impact that the various hypothetical closing levels of the lesser performing underlying index on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

The examples below are based on a range of underlying index levels of the lesser performing underlying index that are entirely hypothetical; no one can predict what the underlying index level of any underlying index will be on any day throughout the life of your notes, what the closing level of any underlying index will be on any coupon determination date or call observation date, as the case may be, and what the final underlying index level of the lesser performing underlying index will be on the determination date. The underlying indices have been highly volatile in the past — meaning that the underlying index levels have changed substantially in relatively short periods — and their performance cannot be predicted for any future period.

The information in the following examples reflects the hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to a call payment date or the stated maturity date. If you sell your notes in a secondary market prior to a call payment date or the stated maturity date, as the case may be, 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 interest rates, the volatility of the underlying indices, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see "Additional Risk Factors Specific to Your Notes — The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes" on page S-15 of this prospectus supplement. The information in the examples also reflect the key terms and assumptions in the box below.

Key Terms and Assumptions	
Face amount	$10
Initial underlying index level of the MSCI Emerging Markets Index	1,078.06
Initial underlying index level of the Russell 2000® Index	1,591.816
Downside threshold	539.030 with respect to the MSCI Emerging Markets Index and 795.908 with respect to the Russell 2000® Index (in each case, 50.00% of such underlying index's initial underlying index level (rounded to the nearest one-thousandth))
Coupon barrier	754.642 with respect to the MSCI Emerging Markets Index and 1,114.271 with respect to the Russell 2000® Index (in each case, 70.00% of such underlying index's initial underlying index level (rounded to the nearest one-thousandth))
Contingent coupon	$0.165 (6.6% per annum)

Neither a market disruption event nor a non-trading day occurs on any originally scheduled coupon determination date or the originally scheduled determination date

No change in or affecting any of the underlying index stocks or the method by which the applicable underlying index sponsor calculates any underlying index

Notes purchased on original issue date at the face amount and held to the stated maturity date

For these reasons, the actual performance of the underlying indices over the life of your notes, the actual underlying index levels on any call observation date or coupon determination date, as well as the contingent coupon payable, if any, on each coupon payment date, may bear little relation to the hypothetical examples shown below or to the historical underlying index levels shown elsewhere in this prospectus supplement. For information about the underlying index levels during recent periods, see "The Underlying Indices — Historical Closing Levels of the Underlying Indices" on page S-56. Before investing in the notes, you should consult publicly available information to determine the underlying index levels between the date of this prospectus supplement and the date of your purchase of the notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the underlying index stocks.

Hypothetical Contingent Coupon Payments

With respect to each $10 face amount of notes, the examples below show hypothetical contingent coupons, if any, that we would pay on a coupon payment date if the closing levels of the underlying indices on the applicable coupon determination date were the hypothetical closing levels shown.

Scenario 1

First	800	400	$0.000
Second	950	800	$0.000
Third	800	1,200	$0.165
Fourth	1,100	400	$0.000
Fifth	800	800	$0.000
Sixth	530	1,700	$0.000
Seventh	900	1,200	$0.165
Eighth	870	400	$0.000
Ninth	1,000	1,200	$0.165
Tenth	960	400	$0.000
Eleventh	980	800	$0.000
Twelfth - Fortieth	600	1,600	$0.000
		Total Hypothetical Contingent Coupons Paid	$0.495

In Scenario 1, the hypothetical closing level of each underlying index increases and decreases by varying amounts, compared to its initial underlying index level, on the hypothetical coupon determination dates. Because the hypothetical closing level of each underlying index on the third, seventh and ninth hypothetical coupon determination dates is greater than or equal to its coupon barrier, hypothetical contingent coupons are paid on the three related hypothetical coupon payment dates and the total of the hypothetical contingent coupons paid in Scenario 1 is $0.495. Because the hypothetical closing level of at least one of the underlying indices on all other hypothetical coupon determination dates is less than its coupon barrier, no contingent coupons will be paid, including at maturity. Regardless of any contingent coupons paid during the term of the notes, the overall return on your notes may be zero or less.

Scenario 2

First	500	1,200	$0.000
Second	600	1,800	$0.000
Third	600	1,300	$0.000
Fourth	650	1,400	$0.000
Fifth	600	1,200	$0.000
Sixth	500	1,600	$0.000
Seventh	500	1,200	$0.000
Eighth	550	1,400	$0.000
Ninth	600	1,200	$0.000
Tenth	650	1,400	$0.000
Eleventh	550	1,200	$0.000
Twelfth - Fortieth	500	1,500	$0.000
		Total Hypothetical Contingent Coupons Paid	$0.000

In Scenario 2, the hypothetical closing level of the MSCI Emerging Markets Index decreases by varying amounts, compared to its initial underlying index level, on the hypothetical coupon determination dates and the hypothetical closing level of the Russell 2000® Index increases and decreases by varying amounts, compared to its initial underlying index level, on the hypothetical coupon determination dates. Because in each case the hypothetical closing level of the MSCI Emerging Markets Index is less than its coupon barrier, you will not receive a hypothetical contingent coupon payment on any hypothetical coupon payment date, even though the level of the Russell 2000® Index is above its coupon barrier on

---

each hypothetical coupon determination date. Therefore, the total of the hypothetical contingent coupons paid in Scenario 2 is $0.000. The overall return on your notes will be zero or less.

Scenario 3

First	1,100	1,050	$0.000
Second	600	1,700	$0.000
Third	500	1,200	$0.000
Fourth	1,100	2,500	$0.165
		Total Hypothetical Contingent Coupons Paid	$0.165

In Scenario 3, the hypothetical closing level of each underlying index increases and decreases by varying amounts, compared to its initial underlying index level, on the hypothetical coupon determination dates. Because the hypothetical closing level of at least one of the underlying indices on the first three hypothetical coupon determination dates is less than its coupon barrier, no coupon will be paid on the first three hypothetical coupon payment dates. Because the hypothetical closing level of each underlying index is greater than or equal to its initial underlying index level on the fourth hypothetical coupon determination date (which is also the first hypothetical call observation date), your notes will be automatically called. Therefore, on the corresponding hypothetical call payment date, in addition to the hypothetical contingent coupon of $0.165, you will receive an amount in cash equal to $10 for each $10 face amount of your notes.

Hypothetical Cash Settlement Amount at Maturity

If the notes are not automatically called on any call observation date (i.e., on each call observation date the closing level of at least one underlying index is less than its initial underlying index level) the cash settlement amount we would deliver for each $10 face amount of your notes on the stated maturity date will depend on the performance of the lesser performing underlying index on the determination date, as shown in the table below. The table below assumes that the notes have not been automatically called on a call observation date and reflects hypothetical cash settlement amounts that you could receive on the stated maturity date.

The levels in the left column of the table below represent hypothetical final underlying index levels of the lesser performing underlying index and are expressed as percentages of the initial underlying index level of the lesser performing underlying index. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlying index level of the lesser performing underlying index (expressed as a percentage of the initial underlying index level of the lesser performing underlying index), and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each $10 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.000% of the face amount of a note, based on the corresponding hypothetical final underlying index level of the lesser performing underlying index (expressed as a percentage of the initial underlying index level of the lesser performing underlying index) and the assumptions noted above.

The Notes Have Not Been Automatically Called

Hypothetical Final Underlying Index Level of the Lesser Performing Underlying Index (as Percentage of Initial Underlying Index Level)	Hypothetical Cash Settlement Amount at Maturity if the Notes Have Not Been Automatically Called on a Call Observation Date (as Percentage of Face Amount)
99.999%	100.000%*
85.000%	100.000%*
80.000%	100.000%*
75.000%	100.000%*
70.000%	100.000%*
60.000%	100.000%
50.000%	100.000%
49.999%	49.999%
45.000%	45.000%
25.000%	25.000%
10.000%	10.000%
0.000%	0.000%

*Does not include the final contingent coupon

If, for example, the notes have not been automatically called on a call observation date and the final underlying index level of the lesser performing underlying index were determined to be 25.000% of its initial underlying index level, the cash settlement amount that we would deliver on your notes at maturity would be 25.000% of the face amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the face amount and held them to the stated maturity date, you would lose 75.000% of your investment excluding any contingent coupons you may have received over the term of the notes (if you purchased your notes at a premium to face amount you would lose a correspondingly higher percentage of your investment). In addition, if the final underlying index level of the lesser performing underlying index were determined to be 75.000% of its initial underlying index level, the cash settlement amount that we would deliver on your notes at maturity would be 100.000% of the face amount of your notes, as shown in the table above. Because the final underlying index level of the lesser performing underlying index is greater than or equal to its downside threshold, if you held your notes to the stated maturity date, you would receive $10 for each $10 face amount of your notes.

The cash settlement amounts shown above are entirely hypothetical; they are based on market prices for the underlying index stocks that may not be achieved on the determination date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical cash settlement amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read "Additional Risk Factors Specific to Your Notes — The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" on page S-20.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a bond bought by the holder and one or more options entered into between the holder and us. Therefore, the terms of the notes may be impacted by the various factors mentioned under "Additional Risk Factors Specific to Your Notes — The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" on page S-20. The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this prospectus supplement.

We cannot predict the actual closing levels of the underlying indices on any day, the final underlying index levels of the underlying indices or what the market value of your notes will be on any particular trading day, nor can we predict the relationship between the closing levels of the underlying indices and the market value of your notes at any time prior to the stated maturity date. The actual contingent coupon payment, if any, that a holder of the notes will receive on each coupon payment date, the actual amount that you will receive at maturity, if any, and the rate of return on the offered notes will depend on whether or not the notes are called and on the actual closing levels of the underlying indices and the actual final underlying index levels determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical examples are based may turn out to be inaccurate. Consequently, the contingent coupon to be paid in respect of your notes, if any, and the cash amount to be paid in respect of your notes on the stated maturity date, if any, may be very different from the information reflected in the examples above.

Additional Risk Factors Specific to Your Notes

An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus and in the accompanying prospectus supplement. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus and the accompanying prospectus supplement. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the underlying index stocks, i.e., with respect to an index to which your notes are linked, the stocks comprising such index. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is 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 are set on the trade date, as determined by reference to GS&Co.'s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth above under "Estimated Value of Your Notes"; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor, and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under "Estimated Value of Your Notes") will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under "Estimated Value of Your Notes". Thereafter, if GS&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. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current 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 are set on the trade date, as disclosed above under "Estimated Value of Your Notes", GS&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 of Your Notes May Be Influenced by Many Unpredictable Factors" below.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the trade date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the

extent that GS&Co. makes a market in the notes, the quoted price will reflect the estimated value determined by reference to GS&Co.'s pricing models at that time, plus or minus its then current bid and ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

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. 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 GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&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 and the Guarantor

Although the contingent coupons (if any) and return on the notes will be based on the performance of each underlying index, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the notes. 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. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market's view of its creditworthiness. See "Description of the Notes We May Offer — Information About Our Medium-Term Notes, Series E Program — How the Notes Rank Against Other Debt" on page S-4 of the accompanying prospectus supplement and "Description of Debt Securities We May Offer— Guarantee by The Goldman Sachs Group, Inc." on page 42 of the accompanying prospectus.

You May Lose Your Entire Investment in the Notes

You can lose your entire investment in the notes. Assuming your notes are not automatically called, the cash settlement amount on your notes, if any, on the stated maturity date will be based on the performance of the lesser performing of the MSCI Emerging Markets Index and the Russell 2000® Index as measured from their initial underlying index levels to their closing levels on the determination date. If the final underlying index level of the lesser performing underlying index for your notes is less than its downside threshold, you will have a loss for each $10 of the face amount of your notes equal to the product of the lesser performing underlying index return times $10. Thus, you may lose your entire investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the application of the downside threshold applies only at maturity and the market price of your notes prior to a call payment date or the stated maturity date, as the case may be, may be significantly lower than the purchase price you pay for your notes. Consequently, if you sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

The Return on Your Notes May Change Significantly Despite Only a Small Change in the Level of the Lesser Performing Underlying Index

If your notes are not automatically called and the final underlying index level of the lesser performing underlying index is less than its downside threshold, you will receive less than the face amount of your notes and you could lose all or a substantial portion of your investment in the notes. This means that while a drop of up to 50.00% between the initial underlying index level and the final underlying index level of the lesser performing underlying index will not result in a loss of principal on the notes, a decrease in the final underlying index level of the lesser performing

underlying index to less than 50.00% of its initial underlying index level will result in a loss of a significant portion of the face amount of the notes despite only a small change in the level of the lesser performing underlying index.

You May Not Receive a Contingent Coupon on Any Coupon Payment Date

You will be paid a contingent coupon on a coupon payment date only if the closing level of each underlying index on the applicable coupon determination date is equal to or greater than its coupon

barrier. If the closing level of at least one underlying index on the related coupon determination date is less than its coupon barrier, you will not receive a contingent coupon payment on the applicable coupon payment date. If this occurs on every coupon determination date, whether due to changes in the levels of one or both underlying indices, the overall return you earn on your notes will be zero or less and such return will be less than you would have earned by investing in a note that bears interest at the prevailing market rate.

Because the Notes Are Linked to the Performance of the Lesser Performing Underlying Index, You Have a Greater Risk of Receiving No Quarterly Contingent Coupons and Sustaining a Significant Loss on Your Investment Than If the Notes Were Linked to Just One Underlying Index

The risk that you will not receive any quarterly contingent coupons, or that you will suffer a significant loss on your investment, is greater if you invest in the notes as opposed to substantially similar notes that are linked to the performance of just one underlying index. With two underlying indices, it is more likely that at least one underlying index will close below its coupon barrier on any coupon determination date, or below its downside threshold on the determination date, than if the notes were linked to only one underlying index. Therefore, it is more likely that you will not receive any quarterly contingent coupons and that you will suffer a significant loss on your investment.

Movements in the values of the underlying indices may be correlated or uncorrelated at different times during the term of the notes and, if there is correlation, such correlation may be positive (the underlying indices move in the same direction) or negative (the underlying indices move in reverse directions). You should not take the historical correlation (or lack thereof) of the underlying indices as an indication of the future correlation, if any, of the underlying indices. Such correlation could have an adverse effect on your return on the notes. For example, if the underlying indices are negatively correlated on a coupon determination date or the determination date, as applicable, and the level of one underlying index increases, it is likely that the other underlying index will decrease and such decrease could cause such underlying index to close below its coupon barrier on a coupon determination date or below its downside threshold on the determination date. In addition, although the correlation of the underlying indices' performance may change over the term of the notes, the contingent coupon is determined, in part, based on the correlation of the underlying indices' performance at the time when the terms of the notes are finalized. As discussed below in "A Higher Contingent Coupon, a Lower Coupon Barrier and/or a Lower Downside Threshold May Reflect Greater Expected Volatility of the Underlying Indices, and Greater Expected Volatility Generally Indicates An Increased Risk of Declines in the Levels of the Underlying Indices and, Potentially, a Significant Loss at Maturity", higher contingent coupons indicate a greater potential for missed contingent coupons and for a loss on your investment at maturity, which are risks generally associated with underlying indices that have lower correlation. In addition, other factors and inputs other than correlation may impact how the terms of the notes are set and the performance of the notes.

A Higher Contingent Coupon, a Lower Coupon Barrier and/or a Lower Downside Threshold May Reflect Greater Expected Volatility of the Underlying Indices, and Greater Expected Volatility Generally Indicates An Increased Risk of Declines in the Levels of the Underlying Indices and, Potentially, a Significant Loss at Maturity

The economic terms for the notes, including the contingent coupon, the coupon barrier and the downside threshold, are based, in part, on the expected volatility of each underlying index at the time the terms of the notes are set. "Volatility" refers to the frequency and magnitude of changes in the levels of the underlying indices.

Higher expected volatility with respect to each underlying index as of the trade date generally indicates a greater expectation as of that date that (i) the final underlying index level of the lesser performing underlying index could ultimately be less than its downside threshold on the determination date, which would result in a loss of a significant portion or all of your investment in the notes, or (ii) the closing level of the underlying index on any coupon determination date will be less than its coupon barrier, which would result in the nonpayment of the contingent

coupon. At the time the terms of the notes are set, higher expected volatility will generally be reflected in a higher contingent coupon, a lower coupon barrier and/or a lower downside threshold, as compared to otherwise comparable notes issued by the same issuer with the same maturity (taking into account any ability of the issuer to redeem the notes

S-17

prior to maturity) but with one or more different underlying indices. However, there is no guarantee that the higher contingent coupon, lower coupon barrier or lower downside threshold set for your notes on the trade date will adequately compensate you, from a risk-potential reward perspective, for the greater risk of receiving no contingent coupon on any coupon payment date or of losing some or all of your investment in the notes.

A relatively higher contingent coupon (as compared to otherwise comparable securities), which would increase the positive return if the closing level of each underlying index is greater than or equal to its coupon barrier on a coupon determination date, or a relatively lower coupon barrier, which would increase the amount that an underlying index could decrease on a coupon determination date before the notes become ineligible for a particular coupon payment, may generally indicate an increased risk that the level of each underlying index will decrease substantially, which would result in the nonpayment of the contingent coupon on some or all of the coupon payment dates.

Similarly, a relatively lower downside threshold (as compared to otherwise comparable securities), which would increase the buffer against the loss of principal, may generally indicate an increased risk that the level of each underlying index will decrease substantially. This would result in a significant loss at maturity if the final underlying index level of at least one underlying index is less than its downside threshold. Further, a relatively lower downside threshold may not indicate that the notes have a greater likelihood of a return of principal at maturity based on the performance of each underlying index.

You should not take the historical volatility of any underlying index as an indication of its future volatility. You should be willing to accept the downside market risk of each underlying index and the potential to not receive some coupons and to lose a significant portion or all of your investment in the notes.

Your Notes Are Subject to Automatic Redemption

We will automatically call and redeem all, but not part, of your notes on a call payment date, if, as measured on any call observation date, the closing level of each underlying index is greater than or equal to its initial underlying index level. Therefore, the term for your notes may be reduced to approximately one year after the original issue date and you will not receive any further payments on the notes since your notes will no longer be outstanding. You may not be able to reinvest the proceeds from an investment in the notes at a comparable return for a similar level of risk in the event the notes are called prior to maturity.

If the notes remain outstanding following any given call observation date, it means that at least one of the underlying indices has closed below its initial underlying index level on each prior call observation date. The longer the notes are outstanding from the trade date, the less time remains during which one or both of the underlying indices will have an opportunity to increase to or above its initial underlying index level to be automatically called. The notes will not be automatically called in the event that at least one of the underlying indices does not increase to or beyond its initial underlying index level.

The Contingent Coupon Does Not Reflect the Actual Performance of the Underlying Indices from the Trade Date to Any Coupon Determination Date or from Coupon Determination Date to Coupon Determination Date

On any coupon payment date, you will receive a contingent coupon only if the level of each underlying index is equal to or above its coupon barrier. The contingent coupon for each quarterly coupon payment date is different from, and may be less than, a contingent coupon that is based on the performance of any underlying index between the trade date and any coupon determination date or between two coupon determination dates. You will not participate in any appreciation of any underlying index. Accordingly, the contingent coupons, if any, on the notes may be less than the return you could earn on another instrument linked to any underlying index that pays contingent coupons based on the performance of such underlying index from the trade date to any coupon determination date or from coupon

determination date to coupon determination date. In addition, although both the coupon determination dates and coupon payment dates occur quarterly, there may not be an equal number of days between coupon determination dates or between coupon payment dates, respectively. However, the way in which the contingent coupon is determined will not vary based on the actual number of days between coupon determination dates or between coupon payment dates.

The Cash Settlement Amount Will Be Based Solely on the Lesser Performing Underlying Index

If the notes are not automatically called, the cash settlement amount will be based on the lesser performing underlying index without regard to the performance of the other underlying index. As a result, you could lose all or some of your initial investment if the lesser performing underlying index return is negative, even if there is an increase in the level of the other underlying index. This could be the case even if the other underlying index increased by an amount greater than the decrease in the lesser performing underlying index.

You Are Exposed to the Market Risk of Each Underlying Index

Your return on the notes will be contingent upon the independent performance of each of the MSCI Emerging Markets Index and the Russell 2000® Index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is mitigated and diversified among all of the components of the basket, you will be fully exposed to the risks related to each underlying index. Poor performance by either of the underlying indices over the term of the notes may negatively affect your return and will not be offset or mitigated by positive performance by the other underlying index.

For the notes to be automatically called, each underlying index must close at or above its initial underlying index level on a call observation date. To receive any contingent coupon payment, each underlying index must close at or above its coupon barrier on a coupon determination date. To receive any contingent repayment of principal at maturity, each underlying index must close at or above its downside threshold on the determination date. In addition, if not automatically called prior to maturity, you will incur a loss proportionate to the negative return of the lesser performing underlying index even if the other underlying index appreciates during the term of the notes. Accordingly, your investment is subject to the market risk of each underlying index.

Movements in the values of the underlying indices may be correlated or uncorrelated at different times during the term of the notes. Any such correlation may be positive (the underlying indices move in the same direction) or negative (the underlying indices move in reverse directions), and such correlation (or lack thereof) could have an adverse effect on your return on the notes. If the performance of the underlying indices is not correlated or is negatively correlated, the risk of not receiving a contingent coupon and of incurring a significant loss of principal at maturity generally increases.

For example, the likelihood that one of the underlying indices will close below its coupon barrier on a coupon determination date and/or its downside threshold on the determination date, generally will increase when the movements in the values of the underlying indices are negatively correlated. This results in a greater likelihood that a contingent coupon will not be paid during the term of the notes and/or that there will be a significant loss of principal at maturity if the notes are not previously automatically called.

However, even if the underlying indices have a higher positive correlation, one or more of those underlying indices might close below its coupon barrier on a coupon determination date or its downside threshold on the determination date, as each of the underlying indices may decrease in value together.

The contingent coupon and the downside threshold are determined, in part, based on the correlations of the underlying indices' performance at the time when the terms of the notes are set on the trade date. A higher contingent coupon, a lower coupon barrier and/or a lower downside threshold (as compared to otherwise comparable securities) are generally associated with more negative correlation, which reflects a greater likelihood that a contingent coupon will not be paid and that there will be a loss on your investment at maturity. However, there is no guarantee that the higher contingent coupon, lower coupon barrier or lower downside threshold set for your notes on the trade date will adequately compensate you, from a risk-potential reward perspective, for the greater risk of receiving no contingent

coupon on any coupon payment date or of losing some or all of your investment in the notes.

The correlations referenced in setting the terms of the notes are based on the future expected correlation of the underlying indices as determined by us and are not derived from the daily levels of the

---

underlying indices over the period set forth under "Correlation of the Underlying Indices." Other factors and inputs other than correlation may also impact how the terms of the notes are set and the performance of the notes.

The greater the number of underlying indices to which a note is linked, generally the more likely it is that one of the underlying indices will close below its coupon barrier or its downside threshold, resulting in a greater likelihood that a contingent coupon will not be paid during the terms of the notes and that there will be a significant loss of principal at maturity.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

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 them in the open market before the stated maturity date. A number of factors, many of which are beyond our control and impact the value of bonds and options generally, will influence the market value of your notes, including:

- the levels of the underlying indices;
- the volatility – i.e., the frequency and magnitude of changes – in the closing levels of the underlying indices;
- the dividend rates of the underlying index stocks;
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the underlying index stocks, and which may affect the closing levels of the underlying indices;
- the actual and expected positive or negative correlation between the underlying indices, or the actual or expected absence of any such correlation;
- interest rates and yield rates in the market;
- the time remaining until your notes mature; and
- our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc., whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or the credit ratings of The Goldman Sachs Group, Inc. 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 or the amount you may receive upon an automatic call or, if the notes are not automatically called, the amount you may receive at maturity.

You cannot predict the future performance of the underlying indices based on their historical performance. The actual performance of the underlying indices over the life of the offered notes, the cash settlement amount paid on a call payment date or the stated maturity date, as the case may be, as well as the contingent coupon payable, if any, on each coupon payment date, may bear little or no relation to the historical closing levels of the underlying indices or to the hypothetical examples shown elsewhere in this prospectus supplement.

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.

If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected

The cash settlement amount you will be paid for your notes on the stated maturity date, if any, or the amount you will be paid on a call payment date will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to a call payment date or the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to a call payment date or the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount.

If the Levels of the Underlying Indices Change, the Market Value of Your Notes May Not Change in the Same Manner

The price of your notes may move differently than the performance of the underlying indices. Changes in the levels of the underlying indices may not result in a comparable change in the market value of your notes. Even if the closing level of each underlying index is greater than or equal to the coupon barrier but less than 100% of its initial underlying index level during some portion of the life of the notes, the market value of your notes may not reflect this. We discuss some of the reasons for this disparity under "— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors" above.

Anticipated Hedging Activities by Goldman Sachs or Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to be Contrary to Those of Investors in the Notes

Goldman Sachs expects to hedge our obligations under the notes by purchasing listed or over-the-counter options, futures and/or other instruments linked to the underlying indices or the underlying index stocks. Goldman Sachs also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the underlying indices or the underlying index stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the determination date for your notes. Alternatively, Goldman Sachs may hedge all or part of our obligations under the notes with unaffiliated distributors of the notes which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other index-linked notes whose returns are linked to changes in the levels of the underlying indices or the underlying index stocks, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparties in entering into such transactions. These activities may be undertaken to achieve a variety of objectives, including: permitting other purchasers of the notes or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the notes; hedging the exposure of Goldman Sachs to the notes including any interest in the notes that it reacquires or retains as part of the offering process, through its market-making activities or otherwise; enabling Goldman Sachs to comply with its internal risk limits or otherwise manage firmwide, business unit or product risk; and/or enabling Goldman Sachs to take directional views as to relevant markets on behalf of itself or its clients or counterparties that are inconsistent with or contrary to the views and objectives of the investors in the notes.

Any of these hedging or other activities may adversely affect the levels of the underlying indices — directly or indirectly by affecting the price of the underlying index stocks — and therefore the market value of your notes and the amount we will pay on your notes, if any. In addition, you should expect that these transactions will cause Goldman Sachs or its clients, counterparties or distributors to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the notes. Neither Goldman Sachs nor any distributor will have any

obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the notes, and may receive substantial returns on hedging or other activities while the value of your notes declines. In addition, if the distributor from which you purchase notes is to conduct hedging activities in connection with the notes, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor

---

receives for the sale of the notes to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

Goldman Sachs' Trading and Investment Activities for its Own Account or for its Clients, Could Negatively Impact Investors in the Notes

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. As such, it acts as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker and lender. In those and other capacities, Goldman Sachs purchases, sells or holds a broad array of investments, actively trades securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account or for the accounts of its customers, and will have other direct or indirect interests, in the global fixed income, currency, commodity, equity, bank loan and other markets. Any of Goldman Sachs' financial market activities may, individually or in the aggregate, have an adverse effect on the market for your notes, and you should expect that the interests of Goldman Sachs or its clients or counterparties will at times be adverse to those of investors in the notes.

Goldman Sachs regularly offers a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to your notes, or similar or linked to the underlying indices or underlying index stocks. Investors in the notes should expect that Goldman Sachs will offer securities, financial instruments, and other products that will compete with the notes for liquidity, research coverage or otherwise.

Goldman Sachs' Market-Making Activities Could Negatively Impact Investors in the Notes

Goldman Sachs actively makes markets in and trades financial instruments for its own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. Goldman Sachs' activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which Goldman Sachs takes positions, or expects to take positions, include securities and instruments of an underlying index or underlying index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated. Market making is an activity where Goldman Sachs buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that Goldman Sachs will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the notes.

If Goldman Sachs becomes a holder of any securities of the underlying indices or underlying index stocks in its capacity as a market-maker or otherwise, any actions that it takes in its capacity as securityholder, including voting or provision of consents, will not necessarily be aligned with, and may be inconsistent with, the interests of investors in the notes.

You Should Expect That Goldman Sachs Personnel Will Take Research Positions, or Otherwise Make Recommendations, Provide Investment Advice or Market Color or Encourage Trading Strategies That Might Negatively Impact Investors in the Notes

Goldman Sachs and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, provide market color or trading ideas, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend to clients that they implement, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an issuer or financial instrument. Any of these recommendations and views may be negative with respect to the underlying indices or underlying index stocks or other securities or instruments similar to or linked to the foregoing or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. In addition, you should expect that

---

personnel in the trading and investing businesses of Goldman Sachs will have or develop independent views of the underlying indices or underlying index stocks, the relevant industry or other market trends, which may not be aligned with the views and objectives of investors in the notes.

Goldman Sachs Regularly Provides Services to, or Otherwise Has Business Relationships with, a Broad Client Base, Which May Include the Sponsors of an Underlying Index or the Issuers of the Underlying Index Stocks or Other Entities That Are Involved in the Transaction

Goldman Sachs regularly provides financial advisory, investment advisory and transactional services to a substantial and diversified client base, and you should assume that Goldman Sachs will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the sponsors of the underlying indices or the issuers of the underlying index stocks, or transact in securities or instruments or with parties that are directly or indirectly related to the foregoing. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that Goldman Sachs, in providing such services, engaging in such transactions, or acting for its own account, may take actions that have direct or indirect effects on the underlying indices or underlying index stocks, as applicable, and that such actions could be adverse to the interests of investors in the notes. In addition, in connection with these activities, certain Goldman Sachs personnel may have access to confidential material non-public information about these parties that would not be disclosed to Goldman Sachs employees that were not working on such transactions as Goldman Sachs has established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with Goldman Sachs employees involved in structuring, selling or making markets in the notes or with investors in the notes.

In this offering, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to services provided to or transactions with any other party, no accounting, offset or payment in respect of the notes will be required or made; Goldman Sachs will be entitled to retain all such fees and other amounts, and no fees or other compensation payable by any party or indirectly by holders of the notes will be reduced by reason of receipt by Goldman Sachs of any such other fees or other amounts.

The Offering of the Notes May Reduce an Existing Exposure of Goldman Sachs or Facilitate a Transaction or Position That Serves the Objectives of Goldman Sachs or Other Parties

A completed offering may reduce Goldman Sachs' existing exposure to the underlying indices or underlying index stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated, including exposure gained through hedging transactions in anticipation of this offering. An offering of notes will effectively transfer a portion of Goldman Sachs' exposure (and indirectly transfer the exposure of Goldman Sachs' hedging or other counterparties) to investors in the notes.

The terms of the offering (including the selection of the underlying indices or underlying index stocks, and the establishment of other transaction terms) may have been selected in order to serve the investment or other objectives of Goldman Sachs or another client or counterparty of Goldman Sachs. In such a case, Goldman Sachs would typically receive the input of other parties that are involved in or otherwise have an interest in the offering, transactions hedged by the offering, or related transactions. The incentives of these other parties would normally differ from and in many cases be contrary to those of investors in the notes.

Other Investors in the Notes May Not Have the Same Interests as You

Other investors in the notes are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as securityholders or in making requests or recommendations to

Goldman Sachs as to the establishment of other transaction terms. The interests of other investors may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your notes, underlying index, underlying index stocks or other similar securities, which may adversely impact the market for or value of your notes.

The Policies of an Underlying Index Sponsor and Changes that Affect an Underlying Index or the Underlying Index Stocks Comprising an Underlying Index, Could Affect the Contingent Coupons Payable on Your Notes, if Any, the Cash Settlement Amount If the Notes Are Automatically Called on Any Call Observation Date or the Cash Settlement Amount on the Stated Maturity Date and the Market Value of Your Notes

The policies of an underlying index sponsor concerning the calculation of the level of an underlying index, additions, deletions or substitutions of the underlying index stocks comprising such underlying index, and the manner in which changes affecting such underlying index stocks or their issuers, such as stock dividends, reorganizations or mergers, are reflected in the underlying index level, could affect the level of such underlying index and, therefore, whether the notes are automatically called, the contingent coupon payable on your notes, if any, on any coupon payment date and the market value of your notes before that date. Whether the notes are automatically called, the contingent coupons payable on your notes, if any, and their market value could also be affected if an underlying index sponsor changes these policies, for example, by changing the manner in which it calculates the underlying index level, or if the underlying index sponsor discontinues or suspends calculation or publication of such underlying index level, in which case it may become difficult to determine the market value of your notes. If events such as these occur, the calculation agent — which initially will be GS&Co., our affiliate — may determine the applicable underlying index levels on any such date — and thus the amount payable on any coupon payment date, if any, or the cash settlement amount if the notes are automatically called on any call observation date or the cash settlement amount on the stated maturity date, as applicable — in a manner it considers appropriate, in its sole discretion. We describe the discretion that the calculation agent will have in determining the applicable underlying index levels on any trading day, a coupon determination date, a call observation date or the determination date and the contingent coupons payable on your notes, if any, or the cash settlement amount more fully under “Specific Terms of Your Notes — Discontinuance or Modification of an Underlying Index” and “— Role of Calculation Agent” below.

The Return on Your Notes Will Not Reflect Any Dividends Paid on the Underlying Index Stocks

The applicable underlying index sponsor calculates the level of an underlying index by reference to the prices of the underlying index stocks, without taking account of the value of dividends paid on those stocks. Therefore, the return on your notes will not reflect the return you would realize if you actually owned the stocks included in each underlying index and received the dividends paid on those stocks. You will not receive any dividends that may be paid on any of the underlying index stocks by the underlying index stock issuers. See “— You Have No Shareholder Rights or Rights to Receive Any Underlying Index Stock” below for additional information.

There Is No Affiliation Between the Underlying Index Stock Issuers or the Underlying Index Sponsor and Us

We are not affiliated with the issuers of the underlying index stocks or the underlying index sponsors. As we have told you above, however, we or our affiliates may currently or from time to time in the future own securities of, or engage in business with, the underlying index sponsors or the underlying index stock issuers. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any “due diligence” investigation or inquiry with respect to the underlying indices or any of the underlying index stock issuers. You, as an investor in your notes, should make your own investigation into the underlying indices and the underlying index stock issuers. See “The Underlying Indices” below for additional information about the underlying indices.

Neither the underlying index sponsors nor any of the underlying index stock issuers are involved in the offering of your notes in any way and none of them have any obligation of any sort with respect to your notes. Thus, neither the underlying index sponsors nor any of the underlying index stock issuers have any obligation to take your interests into consideration for any reason, including in taking any corporate actions that might affect the market value of your notes.

You Have No Shareholder Rights or Rights to Receive Any Underlying Index Stock

Investing in your notes will not make you a holder of any of the underlying index stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the underlying index stocks, including any voting rights, any right to receive dividends or other distributions, any rights to make

a claim against the underlying index stocks or any other rights of a holder of the underlying index stocks. Your notes will be paid in cash, as will any contingent coupon payments, and you will have no right to receive delivery of any underlying index stocks.

Past Underlying Index Performance is No Guide to Future Performance

The actual performance of the underlying indices over the life of the notes, as well as the amount payable at maturity, if any, may bear little relation to the historical closing levels of the underlying indices or to the hypothetical return examples set forth elsewhere in this prospectus supplement. We cannot predict the future performance of the underlying indices.

Your Investment in the Notes Will Be Subject to Foreign Currency Exchange Rate Risk

Because the MSCI Emerging Markets Index is a U.S. dollar denominated index whose underlying stock prices are converted by the MSCI Emerging Markets Index sponsor into U.S. dollars for purposes of calculating the value of the MSCI Emerging Markets Index, investors in the notes will be exposed to currency exchange rate risk with respect to each of the currencies represented in the MSCI Emerging Markets Index which are converted in such manner. An investor’s net exposure will depend on the extent to which the currencies represented in the MSCI Emerging Markets Index strengthen or weaken against the U.S. dollar and the relative weight of each relevant currency represented in the overall MSCI Emerging Markets Index. If, taking into account such weighting, the dollar strengthens against the component currencies, the value of the MSCI Emerging Markets Index will be adversely affected and any coupon payments and the amount payable at maturity of the notes may be reduced.

Regulators Are Investigating Potential Manipulation of Published Currency Exchange Rates

It has been reported that the U.K. Financial Conduct Authority and regulators from other countries are in the process of investigating the potential manipulation of published currency exchange rates. If such manipulation has occurred or is continuing, certain published exchange rates may have been, or may be in the future, artificially lower (or higher) than they would otherwise have been. Any such manipulation could have an adverse impact on any payments on, and the value of, your notes and the trading market for your notes. In addition, we cannot predict whether any changes or reforms affecting the determination or publication of exchange rates or the supervision of currency trading will be implemented in connection with these investigations. Any such changes or reforms could also adversely impact your notes.

An Investment in the Offered Notes Is Subject to Risks Associated with Foreign Securities

The value of your notes is linked, in part, to an underlying index that is comprised of stocks traded in the equity markets of emerging market countries. Investments linked to the value of foreign equity securities involve particular risks. Any foreign securities market may be less liquid, more volatile and affected by global or domestic market developments in a different way than are the U.S. securities market or other foreign securities markets. Both government intervention in a foreign securities market, either directly or indirectly, and cross-shareholdings in foreign companies, may affect trading prices and volumes in that market. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission. Further, foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The prices of securities in a foreign country are subject to political, economic, financial and social factors that are unique to such foreign country's geographical region. These factors include: recent changes, or the possibility of future changes, in the applicable foreign government's economic and fiscal policies; the possible implementation of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities; fluctuations, or the possibility of fluctuations, in currency exchange rates; and the possibility of outbreaks of hostility, political instability, natural disaster or adverse public health developments. The United Kingdom has voted to leave the European Union (popularly known as "Brexit"). The effect of Brexit is uncertain, and Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the euro and British pound in particular. Any one of these factors, or the combination of more than one of these factors, could negatively affect such foreign securities market and the price of securities therein. Further, geographical regions may react to global factors in different ways, which may cause the prices of securities in a foreign securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or other foreign securities markets. Foreign economies may also differ from the U.S. economy in important respects, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency, which may have a positive or negative effect on foreign securities prices.

The countries whose markets are represented by the MSCI Emerging Markets Index include Brazil, Chile, China, Colombia, the Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.

Countries with emerging markets may have relatively unstable governments, may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be based on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. It will also likely be more costly and difficult for the underlying index sponsor to enforce the laws or regulations of a foreign country or trading facility, and it is possible that the foreign country or trading facility may not have laws or regulations which adequately protect the rights and interests of investors in the stocks included in the MSCI Emerging Markets Index.

There are Small-Capitalization Stock Risks Associated with the Russell 2000® Index

The Russell 2000® Index is comprised of stocks of companies that may be considered small capitalization companies. These companies often have greater stock price volatility, lower trading volume and less liquidity than large capitalization companies and therefore the Russell 2000® Index may be more volatile than an index in which a greater percentage of the constituent stocks are issued by large-capitalization companies.

As Calculation Agent, GS&Co. Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes

As calculation agent for your notes, GS&Co. will have discretion in making certain determinations that affect your notes, including determining: the closing levels of the underlying indices on any coupon determination date, which we will use to determine the contingent coupon, if any, we will pay on any applicable coupon payment date; whether your notes will be automatically called; the final underlying index level of the lesser performing underlying index on the

determination date, which we will use to determine the amount we must pay on the stated maturity date; whether to postpone a coupon determination date or the determination date because of a market disruption event or a non-trading day; the coupon determination dates; the coupon payment dates; the call observation dates; the call payment dates and the stated maturity date. The calculation agent also has discretion in making certain adjustments relating to a discontinuation or modification of the underlying indices. See "Specific Terms of Your Notes — Discontinuance or Modification of an Underlying Index" below. The exercise of this discretion by GS&Co. could adversely affect the value of your notes and may present GS&Co. with a

conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days' written notice to us.

The Calculation Agent Can Postpone a Coupon Determination Date or the Determination Date, as the Case May Be, If a Market Disruption Event or a Non-Trading Day Occurs or is Continuing

If the calculation agent determines that, on a date that would otherwise be a coupon determination date or the determination date, a market disruption event has occurred or is continuing with respect to any underlying index or that day is not a trading day with respect to any underlying index, such coupon determination date or the determination date will be postponed as provided under “Specific Terms of Your Notes — Coupon Determination Dates” and “Specific Terms of Your Notes — Determination Dates”, as applicable. In no case, however, will the coupon determination date or the determination date be postponed to a date later than the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date, as applicable, or if the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date is not a business day, later than the first business day after the corresponding originally scheduled coupon payment date or the originally scheduled stated maturity date. Moreover, if a coupon determination date or the determination date, as applicable, is postponed to the last possible day, but the market disruption event has not ceased by that day or that day is not a trading day, that day will nevertheless be the coupon determination date or the determination date, as applicable, for the corresponding coupon payment date or stated maturity date. In such a case, the calculation agent will determine the applicable closing levels or final underlying index levels for such coupon determination date or the determination date based on the procedures described under “Specific Terms of Your Notes — Consequences of a Market Disruption Event or a Non-Trading Day” below.

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 purchasing and holding the offered notes. This is discussed in more detail under “Employee Retirement Income Security Act” below.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this prospectus supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the issue price you paid as provided on the cover of this prospectus supplement.

The Tax Consequences of an Investment in Your Notes Are Uncertain

The tax consequences of an investment in your notes are uncertain, both as to the timing and character of any inclusion in income in respect of your notes.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the tax treatment of an instrument such as your notes, and any such guidance could adversely affect the value and the tax treatment of your notes. Among other things, the Internal Revenue Service may decide to require the holders to accrue

ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes. We describe these developments in more detail under "Supplemental Discussion of Federal Income Tax Consequences – United States Holders – Possible Change in Law" below. You should consult your tax

advisor about this matter. Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described under "Supplemental Discussion of Federal Income Tax Consequences" on page S-60 below unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. Please also consult your 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.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities

Please see the discussion under "United States Taxation — Taxation of Debt Securities — Foreign Account Tax Compliance Act (FATCA) Withholding" in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes. The discussion in that section is hereby modified to reflect regulations proposed by the Treasury Department indicating its intent to eliminate the requirements under FATCA of withholding on gross proceeds from the sale, exchange, maturity or other disposition of relevant financial instruments. The Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

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 note that in this prospectus supplement, references to "GS Finance Corp.", "we", "our" and "us" mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to "The Goldman Sachs Group, Inc.", our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to "Goldman Sachs" mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the "accompanying prospectus" mean the accompanying prospectus, dated July 10, 2017, and references to the "accompanying prospectus supplement" mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. Please note that in this section entitled "Specific Terms of Your Notes", references to "holders" mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to owners of beneficial 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 E", 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 E 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 under "Summary Information" in 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 $10 or an integral multiple of $10 in excess thereof

Defeasance applies as follows:

- full defeasance: no
- covenant defeasance: no

Other terms:

-

the default amount will be payable on any acceleration of the maturity of your notes as described under "— Special Calculation Provisions" below

---

- a business day for your notes will not be the same as a business day for our other Series E medium-term notes, as described under "— Special Calculation Provisions" below
- a trading day for your notes will be as described under "— Special Calculation Provisions" below

Please note that the information about the settlement or trade date, issue price, discount or commission and net proceeds to GS Finance Corp. on the front cover page or elsewhere in this prospectus supplement relates only to the initial issuance and sale of the offered notes. We may decide to sell additional notes on one or more dates after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth on the front cover page or elsewhere in this prospectus supplement. If you have purchased your notes in a market-making transaction after the initial issuance and sale of the offered notes, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

We describe the terms of your notes in more detail below.

Underlying Index, Underlying Index Sponsor and Underlying Index Stocks

In this prospectus supplement, when we refer to an underlying index, we mean either the MSCI Emerging Markets Index or the Russell 2000® Index specified on the front cover page, or any successor underlying index, as each may be modified, replaced or adjusted from time to time as described under "— Discontinuance or Modification of an Underlying Index" below. When we refer to an underlying index sponsor as of any time, we mean the entity, including any successor sponsor, that determines and publishes the applicable underlying index as then in effect. When we refer to the underlying index stocks of an underlying index as of any time, we mean the stocks that comprise the underlying index as then in effect, after giving effect to any additions, deletions or substitutions.

Autocall Feature

If, as measured on any call observation date, the closing levels of each underlying index is greater than or equal to its initial underlying index level, your notes will be automatically called. If your notes are automatically called on any call observation date, on the corresponding call payment date, in addition to the contingent coupon then due, you will receive an amount in cash equal to $10 for each $10 face amount of your notes. No further payments will be made on the notes since your notes will no longer be outstanding. The notes cannot be called if the closing level of at least one underlying index is less than its respective initial level on a call observation date.

Net cash provided from operating activities

181,221

201,249

Investing activities:

Additions to natural gas and oil properties

(226,331

)

(259,601

)

Additions to field service assets

(3,084

)

(1,071

)

Acreage purchases

(50,690

)

(8,794

)

Equity method investments

2,511

1,885

Proceeds from disposal of assets

294

38,196

Purchases of marketable securities held by the deferred compensation plan

(8,247

)

(17,936

)

Proceeds from the sales of marketable securities held by the deferred compensation plan

9,310

6,316

Net cash used in investing activities

(276,237

)

(241,005

)

Financing activities:

Borrowing on credit facilities

412,000

368,000

Repayment on credit facilities

(318,000

)

(1,060,000

)

Issuance of subordinated notes

—

750,000

Dividends paid

(6,550

)

(6,521

)

Debt issuance costs

—

(12,098

)

Issuance of common stock

—

343

Change in cash overdrafts

(1,122

)

(12,458

)

Proceeds from the sales of common stock held by the deferred compensation plan

8,586

12,432

Net cash provided from financing activities

94,914

39,698

Decrease in cash and cash equivalents

(102

)

(58

)

Cash and cash equivalents at beginning of period

348

252

Cash and cash equivalents at end of period

$

246

$

194

See accompanying notes.

6

RANGE RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) SUMMARY OF ORGANIZATION AND NATURE OF BUSINESS

Range Resources Corporation ("Range," "we," "us," or "our") is a Fort Worth, Texas-based independent natural gas, natural gas liquids ("NGLs") and oil company primarily engaged in the exploration, development and acquisition of natural gas and oil properties in the Appalachian and Southwestern regions of the United States. Our objective is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. Range is a Delaware corporation with our common stock listed and traded on the New York Stock Exchange under the symbol "RRC."

(2) BASIS OF PRESENTATION

Presentation

These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Range Resources Corporation 2013 Annual Report on Form 10-K filed on February 26, 2014. The results of operations for the first quarter ended March 31, 2014 are not necessarily indicative of the results to be expected for the full year. These consolidated financial statements are unaudited but, in the opinion of management, reflect all adjustments necessary for fair presentation of the results for the periods presented. All adjustments are of a normal recurring nature unless otherwise disclosed. These consolidated financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission (the "SEC") and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Certain reclassifications have been made to prior years reported amounts in order to conform with the current year presentation including reclassifications between accounts payable and accrued liabilities within cash flow from operating activities and a change in the presentation for our derivative activities. These reclassifications have no impact on previously reported net income, stockholders' equity or cash flows.

De-designation of Commodity Derivative Contracts

Effective March 1, 2013, we elected to discontinue hedge accounting prospectively. After March 1, 2013, both realized and unrealized gains and losses are recognized in derivative fair value income or loss immediately each quarter as derivative contracts are settled and marked to market. For additional information, see Note 11.

(3) NEW ACCOUNTING STANDARDS

Recently Adopted

In February 2013, an accounting standards update was issued to provide guidance for the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date, except for obligations such as asset retirement and environmental obligations, contingencies, guarantees, income taxes and retirement benefits, which are separately addressed within U.S. GAAP. An entity is required to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date as the sum of (1) the amount the entity agreed to pay on the basis of its arrangement among its co-obligors and (2) any amount the entity expects to pay on behalf of its co-obligors. Disclosure of the nature of the obligation, including how the liability arose, the relationship with other co-obligors and the terms and conditions of the arrangement is required. In addition, the total outstanding amount under the arrangement, not reduced by the effect of any amounts that may be recoverable from other entities, plus the carrying amount of any liability or receivable recognized must be disclosed. This accounting standards update is effective for us beginning in first quarter 2014 and should be applied retrospectively for those in-scope obligations resulting from joint and several liability arrangements that exist at the beginning of 2014. Early adoption was permitted and we adopted this new standard in first quarter 2014 which did not have an impact on our consolidated results of operations, financial position or cash flows.

In April 2014, an accounting standards update was issued that raised the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other material disposal transactions that do not meet the revised definition of a discontinued operations. Under the updated standard, a disposal of a component or group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results when the component or group of components of the entity (1) has been disposed of by a sale, (2) has been disposed of other than by sale or (3) is classified as held for sale. This accounting standards update is effective for annual periods beginning on or after December 15, 2014 and is applied prospectively. Early adoption is permitted but only for disposals (or classifications that are held for sale) that have not been reported in financial statements previously issued or available for use. We adopted this new standard in first quarter 2014. There was no impact to our consolidated results of operations, financial position or cash flows as there were no disposals or assets held for sale in first quarter 2014.

(4) DISPOSITIONS

2014 Dispositions

In December 2013, we announced our plan to offer for sale certain of our properties in the Permian Basin. These properties included approximately 90,000 (70,000 net) acres, almost all of which are held by production in Glasscock and Sterling Counties and are currently producing approximately 28 Mmcfe per day. The data room opened in January 2014 and we received bids in late February. In late April, an agreement related to this transaction was executed, subject to board approval. The completion of this transaction is dependent upon continuing due diligence procedures and there can be no assurance the transaction will be completed. In first quarter 2014, we also sold miscellaneous unproved and proved properties for proceeds of $294,000 resulting in a pre-tax loss of $353,000.

2013 Dispositions

In first quarter 2013, we sold miscellaneous proved properties and inventory for proceeds of $38.2 million resulting in a pre-tax loss of $166,000.

(5) INCOME TAXES

Income tax expense (benefit) from operations was as follows (in thousands):

	Three Months Ended March 31,	
	2014	2013
Income tax expense (benefit)	$18,957	$(47,180)
Effective tax rate	36.8 %	38.4 %

We compute our quarterly taxes under the effective tax rate method based on applying an anticipated annual effective rate to our year-to-date income, except for discrete items. Income taxes for discrete items are computed and recorded in the period that the specific transaction occurs. For first quarter ended March 31, 2014 and 2013, our overall effective tax rate on operations was different than the federal statutory rate of 35% due primarily to state income taxes, valuation allowances and other permanent differences.

8

(6) INCOME (LOSS) PER COMMON SHARE

Basic income or loss per share attributable to common shareholders is computed as (1) income or loss attributable to common shareholders (2) less income allocable to participating securities (3) divided by weighted average basic shares outstanding. Diluted income or loss per share attributable to common stockholders is computed as (1) basic income or loss attributable to common shareholders (2) plus diluted adjustments to income allocable to participating securities (3) divided by weighted average diluted shares outstanding. The following tables set forth a reconciliation of income or loss attributable to common shareholders to basic income or loss attributable to common shareholders to diluted income or loss attributable to common shareholders (in thousands except per share amounts):

	Three Months Ended March 31,	
	2014	2013
Net income (loss), as reported	$32,521	$(75,610)
Participating basic earnings [a]	(560)	(109)
Basic net income (loss) attributed to common shareholders	31,961	(75,719)
Reallocation of participating earnings [a]	3	—
Diluted net income (loss) attributed to common shareholders	$31,964	$(75,719)
Net income (loss) per common share:		
Basic	$0.20	$(0.47)
Diluted	$ 0.20	$(0.47)

[a] Restricted Stock Awards represent participating securities because they participate in nonforfeitable dividends or distributions with common equity owners. Income allocable to participating securities represents the distributed and undistributed earnings attributable to the participating securities. Participating securities, however, do not participate in undistributed net losses.

The following table provides a reconciliation of basic weighted average common shares outstanding to diluted weighted average common shares outstanding (in thousands):

	Three Months Ended March 31,	
	2014	2013
Denominator:		
Weighted average common shares outstanding – basic	160,794	160,125
Effect of dilutive securities:		
Director and employee stock options and SARs	1,031	—
Weighted average common shares outstanding – diluted	161,825	160,125

Weighted average common shares – basic for the three months ended March 31, 2014 excludes 2.8 million shares and the three months ended March 31, 2013 excludes 2.7 million shares of restricted stock held in our deferred compensation plans (although all awards are issued and outstanding upon grant). Due to our loss from continuing operations for the three months ended March 31, 2013, we excluded all outstanding stock appreciation rights (“SARs”) and restricted stock from the computation of diluted net loss per share because the effect would have been anti-dilutive to the computations.

9

(7) SUSPENDED EXPLORATORY WELL COSTS

We capitalize exploratory well costs until a determination is made that the well has either found proved reserves or that it is impaired. Capitalized exploratory well costs are presented in natural gas and oil properties in the accompanying consolidated balance sheets. If an exploratory well is determined to be impaired, the well costs are charged to exploration expense in the accompanying consolidated statements of operations. The following table reflects the changes in capitalized exploratory well costs for the three months ended March 31, 2014 and the year ended December 31, 2013 (in thousands except for number of projects):

	March 31, 2014	December 31, 2013
Balance at beginning of period	$ 6,964	$ 57,360
Additions to capitalized exploratory well costs pending the determination of proved reserves	5,552	39,832
Reclassifications to wells, facilities and equipment based on determination of proved reserves	—	(84,840)
Capitalized exploratory well costs charged to expense	—	—
Divested wells	—	(5,388)
Balance at end of period	12,516	6,964
Less exploratory well costs that have been capitalized for a period of one year or less	(5,552)	—
Capitalized exploratory well costs that have been capitalized for a period greater than one year	$ 6,964	$ 6,964
Number of projects that have exploratory well costs that have been capitalized for a period greater than one year	1	1

As of March 31, 2014, $7.0 million of capitalized exploratory well costs have been capitalized for more than one year which relates to one well in our Marcellus Shale area where we are evaluating pipeline options. The following table provides an aging of capitalized exploratory well costs that have been suspended for more than one year as of March 31, 2014 (in thousands):

	Total	2013	2012	2011
Capitalized exploratory well costs that have been capitalized for more than one year	$6,964	$110	$6,801	$ 53

(8) INDEBTEDNESS

We had the following debt outstanding as of the dates shown below (bank debt interest rate at March 31, 2014 is shown parenthetically) (in thousands). No interest was capitalized during the three months ended March 31, 2014 or the year ended December 31, 2013:

	March 31, 2014	December 31, 2013
Bank debt (1.9%)	$594,000	$ 500,000

Senior subordinated notes:		
8.00% senior subordinated notes due 2019, net of $9,134 and $9,484 discount, respectively	290,866	290,516
6.75% senior subordinated notes due 2020	500,000	500,000
5.75% senior subordinated notes due 2021	500,000	500,000
5.00% senior subordinated notes due 2022	600,000	600,000
5.00% senior subordinated notes due 2023	750,000	750,000
Total debt	$ 3,234,866	$ 3,140,516

Bank Debt

In February 2011, we entered into an amended and restated revolving bank facility, which we refer to as our bank debt or our bank credit facility, which is secured by substantially all of our assets. The bank credit facility provides for an initial commitment equal to the lesser of the facility amount or the borrowing base. On March 31, 2014, the facility amount was $1.75 billion and the borrowing base was $2.0 billion. The bank credit facility provides for a borrowing base subject to redeterminations semi-annually and for event-driven unscheduled redeterminations. As part of our semi-annual bank review completed on April 3, 2014, our borrowing base was reaffirmed at $2.0 billion and our facility amount was also reaffirmed at $1.75 billion. Our current bank group is composed

10

of twenty-eight financial institutions with no one bank holding more than 9% of the total facility. The bank credit facility amount may be increased to the borrowing base amount with twenty days' notice, subject to the banks agreeing to participate in the facility increase and our payment of a mutually acceptable commitment fee to those banks. As of March 31, 2014, the outstanding balance under our bank credit facility was $594.0 million. Additionally, we had $127.4 million of undrawn letters of credit leaving $1.0 billion of borrowing capacity available under the facility. The bank credit facility matures on February 18, 2016. Borrowings under the bank credit facility can either be at the Alternate Base Rate (as defined in the bank credit facility) plus a spread ranging from 0.50% to 1.5% or LIBOR borrowings at the Adjusted LIBO Rate (as defined in the bank credit facility) plus a spread ranging from 1.5% to 2.5%. The applicable spread is dependent upon borrowings relative to the borrowing base. We may elect, from time to time, to convert all or any part of our LIBOR loans to base rate loans or to convert all or any of the base rate loans to LIBOR loans. The weighted average interest rate was 2.0% for the three months ended March 31, 2014 compared to 2.1% for the three months ended March 31, 2013. A commitment fee is paid on the undrawn balance based on an annual rate of 0.35% to 0.50%. At March 31, 2014, the commitment fee was 0.375% and the interest rate margin was 1.75% on our LIBOR loans and 0.75% on our base rate loans.

Senior Subordinated Notes

If we experience a change of control, bondholders may require us to repurchase all or a portion of all of our senior subordinated notes at 101% of the aggregate principal amount plus accrued and unpaid interest, if any. All of the senior subordinated notes and the guarantees by our subsidiary guarantors are general, unsecured obligations and are subordinated to our bank debt and will be subordinated to future senior debt that we or our subsidiary guarantors are permitted to incur under the bank credit facility and the indentures governing the subordinated notes.

Guarantees

Range Resources Corporation is a holding company which owns no operating assets and has no significant operations independent of its subsidiaries. The guarantees by our subsidiaries of our senior subordinated notes are full and unconditional and joint and several, subject to certain customary release provisions. A subsidiary guarantor may be released from its obligations under the guarantee:

- in the event of a sale or other disposition of all or substantially all of the assets of the subsidiary guarantor or a sale or other disposition of all the capital stock of the subsidiary guarantor, to any corporation or other person (including an unrestricted subsidiary of Range) by way of merger, consolidation, or otherwise; or
- if Range designates any restricted subsidiary that is a guarantor to be an unrestricted subsidiary in accordance with the terms of the indenture.

Debt Covenants and Maturity

Our bank credit facility contains negative covenants that limit our ability, among other things, to pay cash dividends, incur additional indebtedness, sell assets, enter into certain hedging contracts, change the nature of our business or operations, merge, consolidate, or make investments. In addition, we are required to maintain a ratio of debt to EBITDAX (as defined in the credit agreement) of no greater than 4.25 to 1.0 and a current ratio (as defined in the credit agreement) of no less than 1.0 to 1.0. We are in compliance with our covenants under the bank credit facility at March 31, 2014.

The indentures governing our senior subordinated notes contain various restrictive covenants that are substantially identical to each other and may limit our ability to, among other things, pay cash dividends, incur additional indebtedness, sell assets, enter into transactions with affiliates, or change the nature of our business. At March 31, 2014, we are in compliance with these covenants.

11

(9) ASSET RETIREMENT OBLIGATIONS

Our asset retirement obligations primarily represent the estimated present value of the amounts we will incur to plug, abandon and remediate our producing properties at the end of their productive lives. Significant inputs used in determining such obligations include estimates of plugging and abandonment costs, estimated future inflation rates and well life. The inputs are calculated based on historical data as well as current estimated costs. A reconciliation of our liability for plugging and abandonment costs for the three months ended March 31, 2014 is as follows (in thousands):

	Three Months Ended March 31, 2014
Beginning of period	$ 230,077
Liabilities incurred	2,128
Liabilities settled	(384)
Disposition of wells	(122)
Accretion expense	3,707
Change in estimate	1,089
End of period	236,495
Less current portion	(5,037)
Long-term asset retirement obligations	$ 231,458

Accretion expense is recognized as a component of depreciation, depletion and amortization expense in the accompanying statements of operations.

(10) CAPITAL STOCK

We have authorized capital stock of 485.0 million shares which includes 475.0 million shares of common stock and 10.0 million shares of preferred stock. We currently have no preferred stock issued or outstanding. The following is a schedule of changes in the number of common shares outstanding since the beginning of 2013:

	Three Months Ended March 31, 2014	Year Ended December 31, 2013
Beginning balance	163,342,894	162,514,098
SARs exercised	48,280	278,916
Restricted stock granted	74,553	401,122
Restricted stock units vested	198,943	119,480
Treasury shares issued	5,245	29,278
Ending balance	163,669,915	163,342,894

(11) DERIVATIVE ACTIVITIES

We use commodity-based derivative contracts to manage exposure to commodity price fluctuations. We do not enter into these arrangements for speculative or trading purposes. We do not utilize complex derivatives as we typically utilize commodity swaps or collars to (1) reduce the effect of price volatility of the commodities we produce and sell and (2) support our annual capital budget and expenditure plans. The fair value of our derivative contracts, represented by the estimated amount that would be realized upon termination, based on a comparison of the contract price and a reference price, generally the New York Mercantile Exchange ("NYMEX"), approximated a net unrealized pre-tax loss of $53.4 million at March 31, 2014. These contracts expire monthly through December 2016. The following table sets forth our derivative volumes by year as of March 31, 2014:

Period	Contract Type	Volume Hedged	Weighted Average Hedge Price
Natural Gas			
2014	Collars	447,500 Mmbtu/day	$ 3.84–$ 4.48
2015	Collars	145,000 Mmbtu/day	$ 4.07–$ 4.56
2014	Swaps	240,145 Mmbtu/day	$ 4.18
2015	Swaps	234,966 Mmbtu/day	$ 4.19
2016	Swaps	60,000 Mmbtu/day	$ 4.18
Crude Oil			
2014	Collars	2,000 bbls/day	$ 85.55–$ 100.00
2014	Swaps	9,169 bbls/day	$ 94.40
2015	Swaps	6,000 bbls day	$ 89.48
NGLs (C3-Propane)			
2014	Swaps	12,000 bbls/day	$ 1.02/gallon
NGLs (NC4-Normal butane)			
2014	Swaps	4,000 bbls/day	$ 1.34/gallon
NGLs (C5-Natural Gasoline)			
2014	Swaps	1,000 bbls/day	$ 2.11/gallon

Every derivative instrument is required to be recorded on the balance sheet as either an asset or a liability measured at its fair value. Through February 28, 2013, changes in the fair value of our derivatives that qualified for hedge accounting were recorded as a component of accumulated other comprehensive income (" AOCI") in the stockholders' equity section of the accompanying consolidated balance sheets, which is later transferred to natural gas, NGLs and oil sales when the underlying physical transaction occurs and the hedging contract is settled. As of March 31, 2014, an unrealized pre-tax derivative gain of $8.1 million ($5.0 million after tax) was recorded in AOCI. See additional discussion below regarding the discontinuance of hedge accounting. If the derivative does not qualify as a hedge or is not designated as a hedge, changes in fair value of these non-hedge derivatives are recognized in earnings in derivative fair value income or loss.

For those derivative instruments that qualified or were designated for hedge accounting, settled transaction gains and losses were determined monthly, and were included as increases or decreases to natural gas, NGLs and oil sales in the period the hedged production was sold. Through February 28, 2013, we had elected to designate our commodity derivative instruments that qualified for hedge accounting as cash flow hedges. Natural gas, NGLs and oil sales include $2.2 million of gains in first quarter 2014 compared to gains of $36.5 million in the same period of 2013 related to settled hedging transactions. Any ineffectiveness associated with these hedge derivatives is reflected in

derivative fair value income or loss in the accompanying statements of operations. The ineffective portion is generally calculated as the difference between the changes in fair value of the derivative and the estimated change in future cash flows from the item hedged. Derivative fair value loss for the three months ended March 31, 2014 includes no ineffective gains or losses compared to a loss of $2.9 million in the three months ended March 31, 2013. During the three months ended March 31, 2013, we recognized a pre-tax gain of $2.3 million in derivative fair value loss as a result of the discontinuance of hedge accounting where we determined the transaction was probable not to occur primarily due to the sale of our Delaware and Permian Basin properties in New Mexico and West Texas.

Discontinuance of Hedge Accounting

Effective March 1, 2013, we elected to de-designate all commodity contracts that were previously designated as cash flow hedges and elected to discontinue hedge accounting prospectively. AOCI included $103.6 million ($63.2 million after tax) of unrealized net gains, representing the marked-to-market value of the effective portion of our cash flow hedges as of February 28, 2013. As a result of discontinuing hedge accounting, the marked-to-market values included in AOCI as of the de-designation date were frozen and will be reclassified into earnings in natural gas, NGLs and oil sales in future periods as the underlying hedged

13

transactions occur. As of March 31, 2014, we expect to reclassify into earnings $8.1 million of unrealized net gains in the remaining months of 2014.

With the election to de-designate hedging instruments, all of our derivative instruments continue to be recorded at fair value with unrealized gains and losses recognized immediately in earnings rather than in AOCI. These marked-to-market adjustments will produce a degree of earnings volatility that can be significant from period to period, but such adjustments will have no cash flow impact relative to changes in market prices. The impact to cash flow occurs upon settlement of the underlying contract.

Basis Swap Contracts

At March 31, 2014, we had natural gas basis swap contracts that are not designated for hedge accounting, which lock in the differential between NYMEX and certain of our physical pricing options in Appalachia. These contracts are for 254,164 Mmbtu/day and settle monthly through March 2015. The fair value of these contracts was a loss of $3.7 million on March 31, 2014.

Derivative Assets and Liabilities

The combined fair value of derivatives included in the accompanying consolidated balance sheets as of March 31, 2014 and December 31, 2013 is summarized below. The assets and liabilities are netted where derivatives with both gain and loss positions are held by a single counterparty and we have master netting arrangements. The tables below provide additional information relating to our master netting arrangements with our derivative counterparties (in thousands):

		March 31, 2014		
		Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet
Derivative assets:				
Natural gas	–swaps	$8,347	$—	$ 8,347
	–collars	7,328	(584)	6,744
	–basis swaps	3,123	(3,123)	—
Crude oil	–swaps	1,179	(273)	906
NGLs	–C3 swaps	1,877	(1,877)	—
	–C4 swaps	3,159	(3,159)	—
		$25,013	$(9,016)	$ 15,997

	March 31, 2014		
	Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset in the Balance Sheet	Net Amounts of (Liabilities) Presented in the Balance Sheet
Derivative (liabilities):			

Natural gas	–swaps	$(27,720)	$ —	$ (27,720)
	–collars	(26,738)	584	(26,154)
	–basis swaps	(6,762)	3,123	(3,639)
Crude oil	–swaps	(10,027)	273	(9,754)
	–collars	(972)	—	(972)
NGLs	–C3 swaps	(9,692)	1,877	(7,815)
	–C4 swaps	—	3,159	3,159
	–C5 swaps	(101)	—	(101)
		$(82,012)	$ 9,016	$ (72,996)

14

		December 31, 2013		
		Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets Presented in the Balance Sheet
Derivative assets:				
Natural gas	–swaps	$4,240	$(1,218)	$ 3,022
	–collars	16,057	(7,671)	8,386
	–basis swaps	7,686	(7,686)	—
Crude oil	–swaps	3,567	(1,321)	2,246
NGLs	–C3 swaps	826	(826)	—
	–C4 swaps	863	(863)	—
	–C5 swaps	121	(121)	—
		$33,360	$(19,706)	$ 13,654

		December 31, 2013		
		Gross Amounts of Recognized (Liabilities)	Gross Amounts Offset in the Balance Sheet	Net Amounts of (Liabilities) Presented in the Balance Sheet
Derivative (liabilities):				
Natural gas	–swaps	$(4,790)	$1,218	$ (3,572)
	–collars	(13,345)	7,671	(5,674)
	–basis swaps	(3,756)	7,686	3,930
Crude oil	–swaps	(4,711)	1,321	(3,390)
	–collars	(398)	—	(398)
NGLs	–C3 swaps	(18,172)	826	(17,346)
	–C4 swaps	(757)	863	106
	–C5 swaps	—	121	121
		$(45,929)	$19,706	$ (26,223)

The effects of our cash flow hedges (or those derivatives that previously qualified for hedge accounting) on AOCI in the accompanying consolidated balance sheets is summarized below (in thousands):

	Three Months Ended March 31,			
	Change in Hedge Derivative Fair Value		Realized Gain (Loss) Reclassified from OCI into Revenue [(a)]	
	2014	2013	2014	2013
Swaps	$ —	$125	$836	$8,047
Collars	—	(7,015)	1,328	30,732

Income taxes	—	2,687	(924)	(15,124)
	$ —	$(4,203)	$1,240	$23,655

(a) For realized gains upon derivative contract settlement, the reduction in AOCI is offset by an increase in revenues, NGLs and oil sales. For realized losses upon derivative contract settlement, the increase in AOCI is offset by a decrease in revenues. See additional discussion above regarding the discontinuance of hedge accounting.

The effects of our non-hedge derivatives (or those derivatives that do not qualify for hedge accounting) and the ineffective portion of our hedge derivatives on our consolidated statements of operations is summarized below (in thousands):

	Three Months Ended March 31,					
	Gain (Loss) Recognized in Income (Non-hedge Derivatives)		Gain (Loss) Recognized in Income (Ineffective Portion)		Derivative Fair Value Income (Loss)	
	2014	2013	2014	2013	2014	2013
Swaps	$(44,073)	$(43,076)	$ —	$ (1,995)	$(44,073)	$(45,071)
Re-purchased swaps	—	1,185	—	—	—	1,185
Collars	(39,148)	(55,003)	—	(896)	(39,148)	(55,899)
Call options	(63,629)	(90)	—	—	(63,629)	(90)
Total	$(146,850)	$(96,984)	$ —	$ (2,891)	$(146,850)	$(99,875)

15

(12) FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three approaches for measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach, each of which includes multiple valuation techniques. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to measure fair value by converting future amounts, such as cash flows or earnings, into a single present value amount using current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace the service capacity of an asset. This is often referred to as current replacement cost. The cost approach assumes that the fair value would not exceed what it would cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

The fair value accounting standards do not prescribe which valuation technique should be used when measuring fair value and does not prioritize among the techniques. These standards establish a fair value hierarchy that prioritizes the inputs used in applying the various valuation techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the fair value hierarchy while Level 3 inputs are given the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data. These are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3 – Unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Valuation techniques that maximize the use of observable inputs are favored. Assets and liabilities are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy.

Fair Values – Recurring

We use a market approach for our recurring fair value measurements and endeavor to use the best information available. The following tables present the fair value hierarchy table for assets and liabilities measured at fair value, on a recurring basis (in thousands):

	Fair Value Measurements at March 31, 2014 using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value as of March 31, 2014

Trading securities held in the deferred compensation plans	$67,119	$ —	$ —	$67,119
Derivatives –swaps	—	(32,979)	—	(32,979)
–collars	—	(20,381)	—	(20,381)
–basis swaps	—	(3,611)	(28)	(3,639)

	Fair Value Measurements at December 31, 2013 using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value as of December 31, 2013
Trading securities held in the deferred compensation plans	$67,766	$ —	$ —	$ 67,766
Derivatives –swaps	—	(18,812)	—	(18,812)
–collars	—	2,314	—	2,314
–basis swaps	—	3,381	548	3,929

16

Our trading securities in Level 1 are exchange-traded and measured at fair value with a market approach using end of period market values. Derivatives in Level 2 are measured at fair value with a market approach using third-party pricing services, which have been corroborated with data from active markets or broker quotes. As of March 31, 2014, we have four natural gas basis swaps categorized as Level 3 due to the forward price curve being unavailable for the regional sales point. We based the fair value on the most similar regional forward natural gas basis curve received from a third party pricing service along with assumed basis differentials based on historical trends.

Our trading securities held in the deferred compensation plan are accounted for using the mark-to-market accounting method and are included in other assets in the accompanying consolidated balance sheets. We elected to adopt the fair value option to simplify our accounting for the investments in our deferred compensation plan. Interest, dividends, and mark-to-market gains or losses are included in deferred compensation plan expense in the accompanying statement of operations. For first quarter 2014, interest and dividends were $274,000 and the mark-to-market adjustment was a gain of $429,000 compared to interest and dividends of $40,000 and mark-to-market gain of $1.6 million in the same period of the prior year.

Fair Values—Reported

The following table presents the carrying amounts and the fair values of our financial instruments as of March 31, 2014 and December 31, 2013 (in thousands):

	March 31, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Commodity swaps, collars and basis swaps	$15,997	$15,997	$13,654	$13,654
Marketable securities[a]	67,119	67,119	67,766	67,766
(Liabilities):				
Commodity swaps, collars and basis swaps	(72,996)	(72,996)	(26,223)	(26,223)
Bank credit facility[b]	(594,000)	(594,000)	(500,000)	(500,000)
Deferred compensation plan[c]	(262,123)	(262,123)	(271,738)	(271,738)
8.00% senior subordinated notes due 2019[b]	(290,866)	(313,875)	(290,516)	(319,500)
6.75% senior subordinated notes due 2020[b]	(500,000)	(540,000)	(500,000)	(541,250)
5.75% senior subordinated notes due 2021[b]	(500,000)	(535,625)	(500,000)	(530,625)
5.00% senior subordinated notes due 2022[b]	(600,000)	(611,250)	(600,000)	(588,750)
5.00% senior subordinated notes due 2023[b]	(750,000)	(759,375)	(750,000)	(732,188)

[a] Marketable securities, which are held in our deferred compensation plans, are actively traded on major exchanges. Refer to Note 13 for additional information.

[b] The book value of our bank debt approximates fair value because of its floating rate structure. The fair value of our senior subordinated notes is based on end of period market quotes which are Level 2 market values. Refer to Note 8 for additional information.

[c] The fair value of our deferred compensation plan is updated on the closing price on the balance sheet date which is a Level 1 market value.

Our current assets and liabilities contain financial instruments, the most significant of which are trade accounts receivable and payable. We believe the carrying values of our current assets and liabilities approximate fair value. Our fair value assessment incorporates a variety of considerations including (1) the short-term duration of the instruments and (2) our historical and expected incurrence of bad debt expense. Non-financial liabilities initially measured at fair value include asset retirement obligations. For additional information, see Note 9.

Concentrations of Credit Risk

As of March 31, 2014, our primary concentrations of credit risk are the risks of collecting accounts receivable and the risk of counterparties' failure to perform under derivative obligations. Most of our receivables are from a diverse group of companies, including major energy companies, pipeline companies, local distribution companies, financial institutions and end-users in various industries. Letters of credit or other appropriate security are obtained as deemed necessary to limit our risk of loss. Our allowance for uncollectible receivables was $2.5 million at both March 31, 2014 and December 31, 2013. As of March 31, 2014, our derivative contracts consist of swaps and collars. Our exposure to credit risk is diversified primarily among major investment grade financial institutions, the majority of which we have master netting agreements which provide for offsetting payables against receivables from separate derivative contracts. To manage counterparty risk associated with our derivatives, we select and monitor our counterparties based on our assessment of their financial strength and/or credit ratings. We may also limit the level of exposure with any single counterparty. At March 31, 2014, our derivative counterparties include fourteen financial institutions, of which all but two are secured lenders in our bank credit facility. At March 31, 2014, our net derivative assets include a net payable to these two counterparties that are not included in our bank credit facility of $3.8 million.

(13) STOCK-BASED COMPENSATION PLANS

Stock-Based Awards

Stock options represent the right to purchase shares of stock in the future at the fair value of the stock on the date of grant. Most stock options granted under our stock option plans vest over a three-year period and expire five years from the date they are granted. In 2005, we began granting SARs to reduce the dilutive impact of our equity plans. Similar to stock options, SARs represent the right to receive a payment equal to the excess of the fair market value of shares of common stock on the date the right is exercised over the value of the stock on the date of grant. All SARs granted under our Amended and Restated 2005 Equity-Based Incentive Compensation Plan (the “2005 Plan”) will be settled in shares of stock, vest over a three-year period and have a maximum term of five years from the date they are granted. Beginning in first quarter 2011, the Compensation Committee of the Board of Directors also began granting restricted stock units under our equity-based stock compensation plans. These restricted stock units, which we refer to as restricted stock Equity Awards, vest over a three-year period. All awards granted have been issued at prevailing market prices at the time of grant and the vesting of these shares is based upon an employee’s continued employment with us.

In first quarter 2014, the Compensation Committee of the Board of Directors began granting performance share unit awards (“PSUs”) under our 2005 Plan. The number of shares to be issued is determined by our total shareholder return compared to the total shareholder return of a predetermined group of peer companies over the performance period. The performance unit awards vest at the end of three years. The grant date fair value of the PSUs is determined using a Monte Carlo simulation and is recognized as stock-based compensation expense over the three-year performance period.

The Compensation Committee also grants restricted stock to certain employees and non-employee directors of the Board of Directors as part of their compensation. Upon grant of these restricted shares, which we refer to as restricted stock Liability Awards, the shares generally are placed in our deferred compensation plan and, upon vesting, employees are allowed to take withdrawals either in cash or in stock. Compensation expense is recognized over the balance of the vesting period, which is typically three years for employee grants and immediate vesting for non-employee directors. All restricted stock awards are issued at prevailing market prices at the time of the grant and vesting is based upon an employee’s continued employment with us. Prior to vesting, all restricted stock awards have the right to vote such shares and receive dividends thereon. These Liability Awards are classified as a liability and are remeasured at fair value each reporting period. This mark-to-market adjustment is reported as deferred compensation plan expense in the accompanying consolidated statements of operations.

Total Stock-Based Compensation Expense

Stock-based compensation represents amortization of restricted stock, PSUs and SARs expense. Unlike the other forms of stock-based compensation, the mark-to-market adjustment of the liability related to the vested restricted stock held in our deferred compensation plans is directly tied to the change in our stock price and not directly related to the functional expenses and therefore, is not allocated to the functional categories. The following table details the allocation of stock-based compensation that is allocated to functional expense categories (in thousands):

	Three Months Ended March 31,	
	2014	2013
Operating expense	$852	$661

Brokered natural gas and marketing expense	528	249
Exploration expense	1,153	1,070
General and administrative expense	11,604	10,306
Total	$ 14,137	$ 12,286

Stock Appreciation Right Awards

We have two active equity-based stock plans, the 2005 Plan and the 2004 Non-Employee Director Stock Option Plan. Under these plans, incentive and non-qualified stock options, SARs, restricted stock units and various other awards may be issued to non-employee directors and employees pursuant to decisions of the Compensation Committee, which is comprised of only non-employee, independent directors. Of the 2.4 million grants outstanding at March 31, 2014, all are grants relating to SARs. Information with respect to SARs activity is summarized below:

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2013	2,582,074	$ 56.36
Granted	1,104	81.74
Exercised	(137,271)	45.45
Expired/forfeited	—	—
Outstanding at March 31, 2014	2,445,907	$ 56.98

During first three months 2014, we granted SARs to our non-executive chairman in conjunction with his retirement from Range as an employee. The weighted average grant date fair value of these SARs, based on our Black-Scholes-Merton assumptions, is shown below:

	Three Months Ended March 31, 2014		
Weighted average exercise price per share	$	81.74	
Expected annual dividends per share		0.20	%
Expected life in years		4.3	
Expected volatility		33	%
Risk-free interest rate		1.4	%
Weighted average grant date fair value	$	23.17	

Performance Share Unit Awards

A summary of our performance share unit awards (“PSUs”) outstanding at March 31, 2014 is summarized below:

	Number of Units [(a)]	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	—	$ —

Units granted	57,421	82.60
Outstanding at March 31, 2014	57,421	$ 82.60

[a] These amounts reflect the number of performance units granted. The actual payout of shares may be between zero percent and 150% of the performance units granted depending on the total shareholder return ranking compared to the peer companies at the vesting date.

The following assumptions were used to estimate the fair value of PSUs granted during the first three months 2014:

	Three Months Ended March 31, 2014	
Risk-free interest rate	0.71	%
Expected annual volatility	34	%
Grant date fair value per unit	$ 82.60	

We recorded PSU compensation expense of $533,000 in the first three months 2014 compared to none in the same period of 2013.

19

Restricted Stock Awards

Equity Awards

In first three months 2014, we granted 351,000 restricted stock Equity Awards to employees at an average grant price of $84.89 compared to 386,000 restricted stock Equity Awards granted to employees at an average grant price of $71.02 in the same period of 2013. These awards generally vest over a three-year period. We recorded compensation expense for these Equity Awards of $6.5 million in the first three months 2014 compared to $4.3 million in the same period of 2013. Equity Awards are not issued to employees until they are vested. Employees do not have the option to receive cash.

Liability Awards

In first three months 2014, we granted 76,000 shares of restricted stock Liability Awards as compensation to employees at an average price of $85.02 with vesting generally over a three-year period. We also granted 950 shares at an average price of $81.74 to a director, which vested immediately. In the same period of 2013, we granted 125,000 shares of Liability Awards as compensation to employees at an average price of $71.40 with vesting generally over a three-year period. We recorded compensation expense for Liability Awards of $4.7 million in first three months 2014 compared to $4.5 million in the same period of 2013. Substantially all of these awards are held in our deferred compensation plan, are classified as a liability and are remeasured at fair value each reporting period. This mark-to-market adjustment is reported as deferred compensation expense in our consolidated statements of operations (see additional discussion below).

A summary of the status of our non-vested restricted stock and restricted stock units outstanding at March 31, 2014 is summarized below:

	Equity Awards		Liability Awards	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	385,063	$ 68.24	389,013	$ 71.02
Granted	350,594	84.89	77,435	84.98
Vested	(93,241)	69.86	(77,142)	69.55
Forfeited	(1,418)	79.41	(90)	71.03
Outstanding at March 31, 2014	640,998	$ 77.09	389,216	$ 74.09

Deferred Compensation Plan

Our deferred compensation plan gives non-employee directors, officers and key employees the ability to defer all or a portion of their salaries and bonuses and invest in Range common stock or make other investments at the individual's discretion. Range provides a partial matching contribution which vests over three years. The assets of the plans are held in a grantor trust, which we refer to as the Rabbi Trust, and are therefore available to satisfy the claims of our general creditors in the event of bankruptcy or insolvency. Our stock held in the Rabbi Trust is treated as a liability award as employees are allowed to take withdrawals from the Rabbi Trust either in cash or in Range stock. The liability for the vested portion of the stock held in the Rabbi Trust is reflected as deferred compensation liability in the accompanying consolidated balance sheets and is adjusted to fair value each reporting period by a charge or credit to deferred compensation plan expense on our consolidated statements of operations. The assets of the Rabbi Trust, other than our common stock, are invested in marketable securities and reported at their market value as other assets in the accompanying consolidated balance sheets. The deferred compensation liability reflects the vested market value of the marketable securities and Range stock held in the Rabbi Trust. Changes in the market value of the marketable securities and changes in the fair value of the deferred compensation plan liability are charged or credited to deferred compensation plan expense each quarter. We recorded mark-to-market income of $2.0 million in first quarter 2014

compared to mark-to-market loss of $42.4 million in first quarter 2013. The Rabbi Trust held 2.8 million shares (2.4 million of vested shares) of Range stock at March 31, 2014 compared to 2.8 million shares (2.4 million of vested shares) at December 31, 2013.

(14) SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2014	2013
	(in thousands)	
Net cash provided from operating activities included:		
Income taxes (refunded) paid to taxing authorities	$39	$(162)
Interest paid	55,190	37,541
Non-cash investing and financing activities included:		
Asset retirement costs capitalized, net	3,218	1,690
Increase in accrued capital expenditures	6,808	128,136

(15) COMMITMENTS AND CONTINGENCIES

Litigation

We are the subject of, or party to, a number of pending or threatened legal actions, administrative proceedings and claims arising in the ordinary course of our business. While many of these matters involve inherent uncertainty, we believe that the amount of the liability, if any, ultimately incurred with respect to proceedings or claims will not have a material adverse effect on our consolidated financial position as a whole or on our liquidity, capital resources or future annual results of operations. We will continue to evaluate our litigation quarterly and will establish and adjust any litigation reserves as appropriate to reflect our assessment of the then current status of litigation.

Transportation and Gathering Contracts

In the three months ended March 31, 2014, our transportation and gathering commitments increased by approximately $628.4 million over the next 25 years primarily due to two new firm transportation contracts. In addition, we have entered into additional agreements which are contingent on certain pipeline and gathering modifications and/or construction, that will range between five and fifteen year terms and are expected to begin in late 2014 through 2017. Based on these new contracts, we will have transportation and gathering obligations for a range of natural gas volumes from 25,000 mcf per day to 300,000 mcf per day through the end of the contract term.

(16) Capitalized Costs and Accumulated Depreciation, Depletion and Amortization [a]

	March 31, 2014	December 31, 2013
	(in thousands)	
Natural gas and oil properties:		
Properties subject to depletion	$8,467,064	$8,225,859
Unproved properties	842,679	807,022
Total	9,309,743	9,032,881

Accumulated depreciation, depletion and amortization	(2,397,089)	(2,274,444)
Net capitalized costs	$ 6,912,654	$ 6,758,437

(a) Includes capitalized asset retirement costs and the associated accumulated amortization.

21

(17) Costs Incurred for Property Acquisition, Exploration and Development [a]

	Three Months Ended March 31, 2014	Year Ended December 31, 2013
	(in thousands)	
Acreage purchases	$48,597	$ 137,538
Development	223,912	938,668
Exploration:		
Drilling	7,737	189,742
Expense	13,694	60,384
Stock-based compensation expense	1,153	4,025
Gas gathering facilities:		
Development	3,618	47,086
Subtotal	298,711	1,377,443
Asset retirement obligations	3,218	76,373
Total costs incurred	$ 301,929	$ 1,453,816

[a] Includes cost incurred whether capitalized or expensed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to assist you in understanding our business and results of operations together with our present financial condition. Certain sections of Management's Discussion and Analysis of Financial Condition and Results of Operations include forward-looking statements concerning trends or events potentially affecting our business. These statements contain words such as "anticipates," "believes," "expects," "targets," "plans," "projects," "could," " "should," "would" or similar words indicating that future outcomes are uncertain. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, these statements are accompanied by cautionary language identifying important factors, though not necessarily all such factors, which could cause future outcomes to differ materially from those set forth in the forward-looking statements. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable when made, there can be no assurance that future developments affecting us will be those that we anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. For additional risk factors affecting our business, see Item 1A. Risk Factors as set forth in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC on February 26, 2014.

Overview of Our Business

We are a Fort Worth, Texas-based independent natural gas, natural gas liquids ("NGLs") and oil company primarily engaged in the exploration, development and acquisition of natural gas and oil properties in the Appalachian and Southwestern regions of the United States. We operate in one segment and have a single company-wide management team that administers all properties as a whole rather than by discrete operating segments. We track only basic operational data by area.

Our objective is to build stockholder value through consistent growth in reserves and production on a cost-efficient basis. Our strategy to achieve our objective is to increase reserves and production through internally generated drilling projects occasionally coupled with complementary acquisitions. Our revenues, profitability and future growth depend substantially on prevailing prices for natural gas, NGLs, crude oil and condensate and on our ability to economically find, develop, acquire and produce natural gas, NGLs and crude oil reserves. Prices for natural gas, NGLs and oil fluctuate widely and affect:

- the amount of cash flows available for capital expenditures;
- our ability to borrow and raise additional capital; and
- the quantity of natural gas, NGLs and oil we can economically produce.

We prepare our financial statements in conformity with generally accepted accounting principles, which require us to make estimates and assumptions that affect our reported results of operations and the amount of our reported assets, liabilities and proved natural gas, NGLs and oil reserves. We use the successful efforts method of accounting for our natural gas, NGLs and oil activities.

Market Conditions

Prices for our products significantly impact our revenue, net income and cash flow. Natural gas, NGLs and oil are commodities and prices for commodities are inherently volatile. The following table lists average New York Mercantile Exchange ("NYMEX") prices for natural gas and oil and the Mont Belvieu NGL composite price for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31,	
	2014	2013

Average NYMEX prices [a]		
Natural gas (per mcf)	$ 4.89	$ 3.35
Oil (per bbl)	$ 98.61	$ 94.25
Mont Belvieu NGL Composite (per gallon)	$ 0.91	$ 0.78

[a] Based on weighted average of bid week prompt month prices.

Consolidated Results of Operations

Overview of First Quarter 2014 Results

During first quarter 2014, we achieved the following financial and operating results:

increased revenue from the sale of natural gas, NGLs and oil by 44% from the same period of 2013;

23

achieved 21% production growth over the same period of 2013;
continued expansion of our activities in the Marcellus Shale in Pennsylvania by growing production, proving up acreage and acquiring additional unproved acreage;
excluding workovers, our direct operating expenses per mcfe remained flat from the same period of 2013;
reduced our depletion, depreciation and amortization (“DD&A”) rate 8% over the same period of 2013;
entered into additional derivative contracts for 2014, 2015 and 2016; and
realized $181.2 million of cash flow from operating activities.

Our first quarter 2014 net income was $32.5 million, or $0.20 per diluted common share compared to a net loss of $75.6 million, or a loss of $0.47 per diluted common share in the same period 2013. During first quarter 2014, we had an increase in revenue from the sale of natural gas, NGLs and oil driven by higher production volumes of 21%. Our first quarter 2014 production growth was due to the continued success of our drilling program, particularly in the Marcellus Shale. First quarter 2014 production for NGLs increased 137% from the same period of 2013 due to our sales of ethane based on our new ethane sales/transport agreements which commenced initial deliveries in late 2013. When comparing first quarter 2014 to the same period of 2013, we also experienced a favorable increase in our non-cash mark-to-market related to our deferred compensation plans along with favorable non-cash fair value adjustments on our commodity derivatives, a non-GAAP measure and lower general and administrative expense, all of which were somewhat offset by lower realized prices. Realized prices include the impact of basis differentials. Average natural gas differentials were $0.66 per mcf above NYMEX in the first quarter 2014 compared to $0.15 per mcf above NYMEX in the same quarter 2013. This increase was more than offset by realized losses on our basis hedging in the first quarter 2014 of $0.90 per mcfe.

We believe natural gas, NGLs and oil prices will remain volatile and will be affected by, among other things, weather, the U.S. and worldwide economy, new technology and the level of oil and gas production in North America and worldwide. Although we have entered into derivative contracts covering a portion of our production volumes for the remainder of 2014 and for 2015 and 2016, a sustained lower price environment would result in lower prices for unprotected volumes and reduce the prices that we can enter into derivative contracts for additional volumes in the future.

Natural Gas, NGLs and Oil Sales, Production and Realized Price Calculations

Our revenues vary primarily as a result of changes in realized commodity prices, production volumes and the value of certain of our derivative contracts. We generally sell natural gas, NGLs and oil under two types of agreements, which are common in our industry. Revenue from the sale of natural gas, NGLs and oil sales include netback arrangements where we sell natural gas and oil at the wellhead and collect a price, net of transportation incurred by the purchaser. In this instance, we record revenue at the price we receive from the purchaser. Revenues are also realized from sales arrangements where we sell natural gas or oil at a specific delivery point and receive proceeds from the purchaser with no transportation deduction. Third party transportation costs we incur to get our commodity to the delivery point are reported in transportation, gathering and compression expense. Hedges included in natural gas, NGLs and oil sales reflect settlements on those derivatives that qualified for hedge accounting. Cash settlements and changes in the market value of derivative contracts that are not accounted for as hedges are included in derivative fair value income or loss in the statement of operations. For more information on revenues from derivative contracts that are not accounted for as hedges, see the derivative fair value loss discussion below. Effective March 1, 2013, we elected to de-designate all commodity contracts that were previously designated as cash flow hedges and elected to discontinue hedge accounting prospectively. Refer to Note 11 to the consolidated financial statements for more information.

In first quarter 2014, natural gas, NGLs and oil sales increased 44% compared to the same period of 2013 with a 21% increase in production and a 19% increase in realized prices. The following table illustrates the primary components of natural gas, NGLs, crude oil and condensate sales for the three months ended March 31, 2014 and 2013 (in thousands):

	Three Months Ended March 31,			
	2014	2013	Change	% Change
Natural gas, NGLs and oil sales				
Gas wellhead	$346,226	$217,088	$129,138	59 %
Gas hedges realized [a]	1,168	35,478	(34,310)	(97 %)
Total gas revenue	$347,394	$252,566	$94,828	38 %
Total NGLs revenue	$ 135,504	$67,571	$ 67,933	101 %
Oil and condensate wellhead	$ 88,121	$77,080	$ 11,041	14 %
Oil hedges realized [a]	998	1,022	(24)	(2 %)
Total oil and condensate revenue	$ 89,119	$78,102	$11,017	14 %
Combined wellhead	$ 569,851	$361,739	$208,112	58 %
Combined hedges [a]	2,166	36,500	(34,334)	(94 %)
Total natural gas, NGLs and oil sales	$ 572,017	$398,239	$173,778	44 %

[a] Cash settlements related to derivatives that qualified or were historically designated for hedge accounting.

Our production continues to grow through drilling success as we place new wells on production partially offset by the natural decline of our natural gas and oil wells and asset sales. When compared to the same period of 2013, our first quarter 2014 production volumes increased 25% in our Appalachian region and decreased 5% in our Southwestern region. When compared to the same period of 2013, our Marcellus production volumes increased 29% for the first quarter. The decline in natural gas production volumes is primarily related to the increased sales of ethane, the extraction of which reduces natural gas volumes to be sold and, to a lesser extent, adverse weather conditions during first quarter 2014. Ethane production volumes are reported with NGLs in the table below. Our production for the three months ended March 31, 2014 and 2013 is set forth in the following table:

	Three Months Ended March 31,			
	2014	2013	Change	% Change
Production [a]				
Natural gas (mcf)	62,017,581	62,023,956	(6,375)	%
NGLs (bbls)	4,471,481	1,889,424	2,582,057	151%
Crude oil and condensate (bbls)	1,035,145	912,662	122,483	13 %
Total (mcfe) [b]	95,057,337	78,836,472	16,220,865	21 %
Average daily production [a]				
Natural gas (mcf)	689,084	689,155	(71)	%
NGLs (bbls)	49,683	20,994	28,689	137%
Crude oil and condensate (bbls)	11,502	10,141	1,361	13 %
Total (mcfe) [b]	1,056,193	875,961	180,232	21 %

[a] Represents volumes sold regardless of when produced.

[b] Oil and NGLs are converted to mcfe at the rate of one barrel equals six mcf based upon the approximate relative energy content of oil to natural gas, which is not necessarily indicative of the relationship between oil and natural gas prices.

Our average realized price (including all derivative settlements and third-party transportation costs) received during first quarter 2014 was $4.14 per mcfe compared to $4.26 per mcfe in the same period of 2013. Because we record transportation costs on two separate bases, as required by U.S. GAAP, we believe computed final realized prices should include the total impact of transportation, gathering and compression expense. Our average realized price (including all derivative settlements and third-party transportation costs) calculation also includes all cash settlements for derivatives, whether or not they qualified for hedge accounting. Average sales prices (wellhead) do not include derivative settlements or third party transportation costs which are reported in transportation, gathering and compression expense on the accompanying statements of operations. Average sales prices (wellhead) do include transportation costs where we receive net revenue proceeds from purchasers. Average realized price calculations for the three months ended March 31, 2014 and 2013 are shown below:

	Three Months Ended March 31,	
	2014	2013
Average Prices		
Average sales prices (wellhead):		
Natural gas (per mcf)	$ 5.58	$ 3.50
NGLs (per bbl)	30.30	35.76
Crude oil and condensate (per bbl)	85.13	84.46
Total (per mcfe) [(a)]	5.99	4.59
Average realized prices (including derivative settlements that qualified for hedge accounting):		
Natural gas (per mcf)	$ 5.60	$ 4.07
NGLs (per bbl)	30.30	35.76
Crude oil and condensate (per bbl)	86.09	85.58
Total (per mcfe) [(a)]	6.02	5.05
Average realized prices (including all derivative settlements):		
Natural gas (per mcf)	$ 4.20	$ 4.09
NGLs (per bbl)	27.34	35.29
Crude oil and condensate (per bbl)	82.03	85.46
Total (per mcfe) [(a)]	4.92	5.06
Average realized prices (including all derivative settlements and third party transportation costs paid by Range):		
Natural gas (per mcf)	$ 3.14	$ 3.14
NGLs (per bbl)	25.35	33.61
Crude oil and condensate (per bbl)	82.03	85.46
Total (per mcfe) [(a)]	4.14	4.26

[(a)] Oil and NGLs are converted to mcfe at the rate of one barrel equals six mcf based upon the approximate relative energy content of oil to natural gas, which is not indicative of the relationship between oil and natural gas prices.

Derivative fair value loss was $146.9 million in first quarter 2014 compared to $99.9 million in the same period of 2013. Through February 28, 2013, some of our derivatives did not qualify for hedge accounting and were accounted for using the mark-to-market accounting method whereby all realized and unrealized gains and losses related to these contracts are included in derivative fair value income or loss in the accompanying consolidated statements of operations. Effective March 1, 2013, we discontinued hedge accounting prospectively. Since March 1, 2013, all of our derivatives are accounted for using the mark-to-market accounting method. Mark-to-market accounting treatment results in volatility of our revenues as unrealized gains and losses from derivatives are included in total revenue. As commodity prices increase or decrease, such changes will have an opposite effect on the mark-to-market value of our derivatives. Gains on our derivatives generally indicate lower wellhead revenues in the future while losses indicate higher future wellhead revenues.

Loss on the sale of assets was $353,000 in first quarter 2014 compared to a loss of $166,000 in the same period of 2013. In first quarter 2014 and 2013, we sold miscellaneous proved and unproved oil and gas properties and inventory

for proceeds received of $294,000 in first quarter 2014 compared to $38.2 million in the same period of 2013.

Brokered natural gas, marketing and other revenue in first quarter 2014 was $32.5 million compared to $21.0 million in the same period of 2013. The first three months 2014 includes a loss from equity method investments of $133,000 and $33.2 million of revenue from marketing and the sale of brokered gas. The first three months 2013 includes loss from equity method investments of $80,000 and $21.1 million of revenue from marketing and the sale of brokered gas. These revenues increased due to an increase in brokered volumes.

We believe some of our expense fluctuations are best analyzed on a unit-of-production, or per mcfe, basis. The following presents information about certain of our expenses on a per mcfe basis for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31, (per mcfe)			
	2014	2013	Change	% Change
Direct operating expense	$0.42	$0.38	$0.04	11 %
Production and ad valorem tax expense	0.12	0.14	(0.02)	(14 %)
General and administrative expense	0.52	1.07	(0.55)	(51 %)
Interest expense	0.48	0.54	(0.06)	(11 %)
Depletion, depreciation and amortization expense	1.35	1.46	(0.11)	(8 %)

Direct operating expense was $39.8 million in first quarter 2014 compared to $30.2 million in the same period of 2013. We experience increases in operating expenses as we add new wells and manage existing properties. Direct operating expenses include normally recurring expenses to operate and produce our wells, non-recurring well workovers and repair-related expenses. Our production volumes increased 21% but, on an absolute basis, our spending for direct operating expenses for first quarter 2014 increased 32% with an increase in the number of producing wells, higher workover costs, higher water handling and winter operations costs somewhat offset by the sale of certain non-core assets at the beginning of second quarter 2013. We incurred $5.6 million of workover costs in first quarter 2014 compared to $1.4 million of workover costs in the same period of 2013.

On a per mcfe basis, direct operating expense in first quarter 2014 increased 11% from the same period of 2013 with the increase consisting of higher workover costs. We expect to experience lower costs per mcfe as we increase production from our Marcellus Shale wells due to their lower operating cost relative to our other operating areas. However, our operating costs in the Mississippian play are higher on a per mcfe basis than the Marcellus Shale play. As production increases from the Mississippian play, our direct operating expenses per mcfe are expected to increase. The following table summarizes direct operating expenses per mcfe for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31, (per mcfe)			
	2014	2013	Change	% Change
Lease operating expense	$0.35	$0.35	$ ¾	¾ %
Workovers	0.06	0.02	0.04	200 %
Stock-based compensation (non-cash)	0.01	0.01	¾	¾ %
Total direct operating expense	$ 0.42	$0.38	$ 0.04	11 %

Production and ad valorem taxes are paid based on market prices, not hedged prices. This expense category also includes the Pennsylvania impact fee that was initially assessed in 2012. Production and ad valorem taxes (excluding the impact fee) were $5.2 million in first quarter 2014 compared to $4.2 million in the same period of 2013. On a per mcfe basis, production and ad valorem taxes (excluding the impact fee) was $0.05 in both first quarter 2014 and first quarter 2013 with an increase in volumes not subject to production taxes more than offset by higher prices. In February 2012, the Commonwealth of Pennsylvania enacted an “impact fee” on unconventional natural gas and oil production which includes the Marcellus Shale. Included in first quarter 2014 is a $6.5 million impact fee ($0.07 per mcfe) compared to $7.1 million ($0.09 per mcfe) in the same period of the prior year.

General and administrative ("G&A") expense was $49.2 million in first quarter 2014 compared to $84.1 million for the same period of 2013. The first quarter 2014 decrease of $34.8 million when compared to 2013 is primarily due to lower lawsuit settlements. The first quarter 2013 included an accrual of $35.0 million related to an Oklahoma lawsuit that was settled in second quarter 2013 for $87.5 million. Stock-based compensation expense represents the amortization of restricted stock grants and performance shares granted to our employees and non-employee directors as part of compensation. On a per mcfe basis, G&A expense decreased 51% from first quarter 2013 primarily due to the settlement of the Oklahoma lawsuit which was partially accrued in first quarter 2013 and lower salaries and benefits. The following table summarizes general and administrative expenses per mcfe for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31, (per mcfe)			
	2014	2013	Change	% Change
General and administrative	$0.40	$0.50	$(0.10)	(20%)
Oklahoma legal settlement	¾	0.44	(0.44)	(100%)
Stock-based compensation (non-cash)	0.12	0.13	(0.01)	(8%)
Total general and administrative expenses	$ 0.52	$1.07	(0.55)	(51%)

Interest expense was $45.4 million for first quarter 2014 compared to $42.2 million for first quarter 2013. The following table presents information about interest expense per mcfe for the three months ended March 31, 2014 and 2013:

	Three Months Ended March 31, (per mcfe)			
	2014	2013	Change	% Change
Bank credit facility	$0.05	$0.06	$(0.01)	(17%)
Subordinated notes	0.41	0.45	(0.04)	(9%)
Amortization of deferred financing costs and other	0.02	0.03	(0.01)	(33%)
Total interest expense	$0.48	$0.54	(0.06)	(11%)

On an absolute basis, the increase in interest expense for first quarter 2014 from the same period of 2013 was primarily due to an increase in outstanding debt balances. In March 2013, we issued $750.0 million of 5.0% senior subordinated notes due 2023. We used the proceeds to repay our outstanding bank debt which carries a lower interest rate. We used the proceeds to repay $350.0 million of our outstanding credit facility balance and for general corporate purposes. The 2013 note issuance was undertaken to better match the maturities of our debt with the life of our properties and to give us greater liquidity for the near term. Average debt outstanding on the bank credit facility for first quarter 2014 was $611.8 million compared to $685.6 million in the same period of 2013 and the weighted average interest rate on the bank credit facility was 2.0% in first quarter 2014 compared to 2.1% in the same period of 2013.

Depletion, depreciation and amortization ("DD&A") was $128.7 million in first quarter 2014 compared to $115.1 million in the same period of 2013. The increase in first quarter 2014 when compared to the same period of 2013 is due to a 7% decrease in depletion rates more than offset by a 21% increase in production. Depletion expense, the largest component of DD&A, was $1.28 per mcfe in first quarter 2014 compared to $1.38 per mcfe in the same period of 2013. We have historically adjusted our depletion rates in the fourth quarter of each year based on the year-end reserve report and other times during the year when circumstances indicate there has been a significant change in reserves or costs. Our depletion rate per mcfe continues to decline due to our drilling success in the Marcellus Shale. The following table summarizes DD&A expense per mcfe for the three months ended March 31, 2014 and 2013:

Three Months Ended March 31,
(per mcfe)

	2014	2013	Change	% Change
Depletion and amortization	$ 1.28	$1.38	$ (0.10)	(7 %)
Depreciation	0.03	0.05	(0.02)	(40 %)
Accretion and other	0.04	0.03	0.01	33 %
Total DD&A expense	$ 1.35	$1.46	$ (0.11)	(8 %)

Other Operating Expenses

Our total operating expenses also include other expenses that generally do not trend with production. These expenses include stock-based compensation, transportation, gathering and compression expense, brokered natural gas and marketing expense, exploration expense, abandonment and impairment of unproved properties and deferred compensation plan expense. Stock-based compensation includes the amortization of restricted stock grants, PSUs and SARs grants. The following table details the allocation of stock-based compensation that is allocated to functional expense categories for the three months ended March 31, 2014 and 2013 (in thousands):

	Three Months Ended March 31,	
	2014	2013
Direct operating expense	$ 852	$ 661
Brokered natural gas and marketing expense	528	249
Exploration expense	1,153	1,070
General and administrative expense	11,604	10,306
Total stock-based compensation	$ 14,137	$ 12,286

Transportation, gathering and compression expense was $74.2 million in first quarter 2014 compared to $62.4 million in the same period of 2013. These third party costs are higher than 2013 due to our production growth in the Marcellus Shale where we have third party gathering, compression and transportation agreements. First quarter 2014 also includes the impact of an ethane transportation contract. We have included these costs in the calculation of average realized prices (including all derivative settlements and third party transportation expenses paid by Range).

Brokered natural gas and marketing expense was $34.1 million in first quarter 2014 compared to $22.3 million in the same period of 2013. These costs are higher than 2013 primarily due to an increase in brokered volumes.

Exploration expense was $14.8 million in first quarter 2014 compared to $16.8 million in the same period of 2013 due to lower seismic costs and delay rental payments. The following table details our exploration related expenses for the three months ended March 31, 2014 and 2013 (in thousands):

	Three Months Ended March 31,			
	2014	2013	Change	% Change
Seismic	$ 5,245	$ 7,168	$ (1,923)	(27%)
Delay rentals and other	4,094	5,050	(956)	(19%)
Personnel expense	4,353	3,651	702	19%
Stock-based compensation expense	1,153	1,070	83	8%
Dry hole expense	1	(159)	160	(101%)
Total exploration expense	$ 14,846	$ 16,780	$ (1,934)	(12%)

Abandonment and impairment of unproved properties was $10.0 million in first quarter 2014 compared to $15.2 million in the same period of 2013. We assess individually significant unproved properties for impairment on a quarterly basis and recognize a loss where circumstances indicate impairment in value. In determining whether a significant unproved property is impaired we consider numerous factors including, but not limited to, current exploration plans, favorable or unfavorable activity on the property being evaluated and/or adjacent properties, our geologists' evaluation of the property and the remaining months in the lease term for the property. Impairment of individually insignificant unproved properties is assessed and amortized on an aggregate basis based on our average holding period, expected forfeiture rate and anticipated drilling success. As we continue to review our acreage positions and high grade our drilling inventory based on the current price environment, additional leasehold impairments and abandonments will likely be recorded. The decline in first quarter 2014 when compared to the same quarter of 2013 is primarily due to lower expected forfeiture rates in the Marcellus Shale.

Deferred compensation plan expense was a gain of $2.0 million in first quarter 2014 compared to a loss of $42.4 million in the same period of 2013. This non-cash item relates to the increase or decrease in value of the liability associated with our common stock that is vested and held in our deferred compensation plan. The deferred compensation liability is adjusted to fair value by a charge or a credit to deferred compensation plan expense. Our stock price decreased from $84.31 at December 31, 2013 to $82.97 at March 31, 2014. In the same quarter of the prior year, our stock price increased from $62.83 at December 31, 2012 to $81.04 at March 31, 2013.

Income tax expense (benefit) was an expense of $19.0 million in first quarter 2014 compared to a benefit of $47.2 million in first quarter 2013. The increase in income taxes in first quarter 2014 reflects a 142% increase in income from operations when

29

---

compared to the same period of 2013. For the first quarter, the effective tax rate was 36.8% in 2014 compared to 38.4% in 2013. The 2014 and 2013 effective tax rates were different than the statutory tax rate due to state income taxes, permanent differences and changes in our valuation allowances related to deferred tax assets associated with senior executives to the extent their estimated future compensation, which includes distributions from the deferred compensation plan, is expected to exceed the $1.0 million deductible limit provided under section 162 (m) of the Internal Revenue Code. We expect our effective tax rate to be approximately 39% for the remainder of 2014, before any discrete tax items.

Management's Discussion and Analysis of Financial Condition, Capital Resources and Liquidity

Cash Flow

Cash flows from operations are primarily affected by production volumes and commodity prices, net of the effects of settlements of our derivatives. Our cash flows from operations are also impacted by changes in working capital. We generally maintain low cash and cash equivalent balances because we use available funds to reduce our bank debt. Short-term liquidity needs are satisfied by borrowings under our bank credit facility. Because of this, and since our principal source of operating cash flows (proved reserves to be produced in the following year) cannot be reported as working capital, we often have low or negative working capital. We sell a large portion of our production at the wellhead under floating market contracts. From time to time, we enter into various derivative contracts to provide an economic hedge of our exposure to commodity price risk associated with anticipated future natural gas, NGLs and oil production. The production we hedge has varied and will continue to vary from year to year depending on, among other things, our expectation of future commodity prices. Any payments due to counterparties under our derivative contracts should ultimately be funded by prices received from the sale of our production. Production receipts, however, often lag payments to the counterparties. Any interim cash needs are funded by borrowings under the bank credit facility. As of March 31, 2014, we have entered into hedging agreements covering 234.5 Bcfe for the remainder of 2014, 151.8 Bcfe for 2015 and 22.0 Bcfe for 2016. We have also entered into basis hedges for 254,164 Mmbtu/day through March 2015.

Net cash provided from operations in the first three months 2014 was $181.2 million compared to $201.2 million in the same period of 2013. Cash provided from continuing operations is largely dependent upon commodity prices and production volumes, net of the effects of settlement of our derivative contracts. The decrease in cash provided from operating activities from 2013 to 2014 reflects a 21% increase in production offset by lower realized prices (a decline of 3%), higher operating costs and unfavorable working capital. As of March 31, 2014, we have hedged approximately 78% of our projected production for the remainder of 2014, with approximately 89% of our projected natural gas production hedged. Net cash provided from continuing operations is affected by working capital changes or the timing of cash receipts and disbursements. Changes in working capital (as reflected in our consolidated statements of cash flows) for first three months 2014 was negative $69.7 million compared to positive $35.8 million for the same period of 2013. The prior year working capital was impacted by a lawsuit settlement accrual of $35.0 million.

Net cash used in investing activities from operations in first three months 2014 was $276.2 million compared to $241.0 million in the same period of 2013.

During the three months ended March 31, 2014, we:

spent $226.3 million on natural gas and oil property additions;
spent $50.7 million on acreage, primarily in the Marcellus Shale; and
received proceeds from asset sales of $294,000.

During the three months ended March 31, 2013, we:

spent $259.6 million on natural gas and oil property additions;

spent $8.8 million on acreage primarily in the Marcellus Shale; and
received proceeds from asset sales of $38.2 million.
Net cash provided from financing activities in first three months 2014 was $94.9 million compared to $39.7 million in the same period of 2013. Historically, sources of financing have been primarily bank borrowings and capital raised through equity and debt offerings.

During the three months ended March 31, 2014, we:

borrowed $412.0 million and repaid $318.0 million under our bank credit facility, ending the quarter with a $594.0 million outstanding balance on our bank debt.
30

During the three months ended March 31, 2013, we:

- borrowed $368.0 million and repaid $1.1 billion under our bank credit facility, ending the quarter with $47.0 million outstanding borrowings under our bank credit facility; and
- issued $750.0 million principal amount of 5.00% senior subordinated notes due 2023, at par, with net proceeds of approximately $738.8 million.

Liquidity and Capital Resources

Our main sources of liquidity and capital resources are internally generated cash flow from operations, a bank credit facility with uncommitted and committed availability, access to the debt and equity capital markets and asset sales. We must find new reserves and develop existing reserves to maintain and grow our production and cash flows. We accomplish this primarily through successful drilling programs which require substantial capital expenditures. We continue to take steps to ensure adequate capital resources and liquidity to fund our capital expenditure program. In first three months 2014, we entered into additional commodity derivative contracts for 2014, 2015 and 2016 to protect future cash flows. On April 3, 2014, our borrowing base and our credit facility amounts were reaffirmed.

During first three months 2014, our net cash provided from operating activities of $181.2 million and borrowing under our bank credit facility were used to fund $280.1 million of capital expenditures (including acreage acquisitions). At March 31, 2014, we had $246,000 in cash and total assets of $7.5 billion.

Long-term debt at March 31, 2014 totaled $3.2 billion, including $594.0 million outstanding on our bank credit facility and $2.6 billion of senior subordinated notes. Our available committed borrowing capacity at March 31, 2014 was $1.0 billion. Cash is required to fund capital expenditures necessary to offset inherent declines in production and reserves that are typical in the oil and natural gas industry. Future success in growing reserves and production will be highly dependent on capital resources available and the success of finding or acquiring additional reserves. We currently believe that net cash generated from operating activities, unused committed borrowing capacity under the bank credit facility and proceeds from asset sales combined with our natural gas, NGLs and oil derivatives contracts currently in place will be adequate to satisfy near-term financial obligations and liquidity needs. To the extent our capital requirements exceed our internally generated cash flow and proceeds from asset sales, debt or equity securities may be issued to fund these requirements. Long-term cash flows are subject to a number of variables including the level of production and prices as well as various economic conditions that have historically affected the oil and natural gas business. A material drop in natural gas, NGLs and oil prices or a reduction in production and reserves would reduce our ability to fund capital expenditures, meet financial obligations and remain profitable. We establish a capital budget at the beginning of each calendar year and review it during the course of the year. Our 2014 capital budget is $1.52 billion. We operate in an environment with numerous financial and operating risks, including, but not limited to, the inherent risks of the search for, development and production of natural gas, NGLs and oil, the ability to buy properties and sell production at prices which provide an attractive return and the highly competitive nature of the industry. Our ability to expand our reserve base is, in part, dependent on obtaining sufficient capital through internal cash flow, bank borrowings, asset sales or the issuance of debt or equity securities. There can be no assurance that internal cash flow and other capital sources will provide sufficient funds to maintain capital expenditures that we believe are necessary to offset inherent declines in production and proven reserves.

Credit Arrangements

As of March 31, 2014, we maintained a $2.0 billion revolving credit facility, which we refer to as our bank credit facility. The bank credit facility is secured by substantially all of our assets and has a maturity date of February 18, 2016. Availability under the bank credit facility is subject to a borrowing base set by the lenders semi-annually with an option to set more often in certain circumstances. The borrowing base is dependent on a number of factors but primarily on the lenders' assessment of future cash flows. Redeterminations of the borrowing base require approval of two thirds of the lenders; increases to the borrowing base require 97% lender approval. On April 3, 2014, the facility amount on our bank credit facility was reaffirmed at $1.75 billion and our borrowing base was reaffirmed at $2.0

billion. Our current bank group is currently composed of twenty-eight financial institutions.

Our bank debt and our subordinated notes impose limitations on the payment of dividends and other restricted payments (as defined under the debt agreements for our bank debt and our subordinated notes). The debt agreements also contain customary covenants relating to debt incurrence, working capital, dividends and financial ratios. We are in compliance with all covenants at March 31, 2014.

Cash Dividend Payments

On March 1, 2014, the Board of Directors declared a dividend of four cents per share ($6.6 million) on our common stock, which was paid on March 31, 2014 to stockholders of record at the close of business on March 14, 2014. The amount of future

31

dividends is subject to declaration by the Board of Directors and primarily depends on earnings, capital expenditures, debt covenants and various other factors.

Cash Contractual Obligations

Our contractual obligations include long-term debt, operating leases, drilling commitments, derivative obligations, asset retirement obligations and transportation and gathering commitments. As of March 31, 2014, we do not have any capital leases. As of March 31, 2014, we do not have any significant off-balance sheet debt or other such unrecorded obligations and we have not guaranteed any debt of any unrelated party. As of March 31, 2014, we had a total of $127.4 million of undrawn letters of credit under our bank credit facility.

Since December 31, 2013, there have been no material changes to our contractual obligations other than a $94.0 million increase in our outstanding bank credit facility balance and new transportation contracts which increased these commitments by approximately $628.4 million over the next 25 years.

Hedging – Oil and Gas Prices

We use commodity-based derivative contracts to manage our exposure to commodity price fluctuations. We do not enter into these arrangements for speculative or trading purposes. We do not utilize complex derivatives, as we typically utilize commodity swap and collar contracts to (1) reduce the effect of price volatility on the commodities we produce and sell and (2) support our annual capital budget and expenditure plans. While there is a risk that the financial benefit of rising natural gas, NGLs and oil prices may not be captured, we believe the benefits of stable and predictable cash flow are more important. Among these benefits are a more efficient utilization of existing personnel and planning for future staff additions, the flexibility to enter into long-term projects requiring substantial committed capital, smoother and more efficient execution of our on-going development drilling and production enhancement programs, more consistent returns on invested capital, and better access to bank and other credit markets. The fair value of these contracts, represented by the estimated amount that would be realized or payable on termination, based on a comparison of the contract price and a reference price, generally NYMEX, approximated a pretax loss of $53.4 million at March 31, 2014. The contracts expire monthly through December 2016. At March 31, 2014, the following commodity derivative contracts were outstanding:

Period	Contract Type	Volume Hedged	Weighted Average Hedge Price
Natural Gas			
2014	Collars	447,500 Mmbtu/day	$3.84–$ 4.48
2015	Collars	145,000 Mmbtu/day	$4.07–$ 4.56
2014	Swaps	240,145 Mmbtu/day	$4.18
2015	Swaps	234,966 Mmbtu/day	$4.19
2016	Swaps	60,000 Mmbtu/day	$4.18
Crude Oil			
2014	Collars	2,000 bbls/day	$85.55–$ 100.00
2014	Swaps	9,169 bbls/day	$94.40
2015	Swaps	6,000 bbls/day	$89.48
NGLs (C3-Propane)			
2014	Swaps	12,000 bbls/day	$ 1.02/gallon
NGLs (NC4-Normal butane)			
2014	Swaps	4,000 bbls/day	$ 1.34/gallon

NGLs (C5-Natural Gasoline)			
2014	Swaps	1,000 bbls/day	$ 2.11/gallon

Interest Rates

At March 31, 2014, we had approximately $3.2 billion of debt outstanding. Of this amount, $2.7 billion bears interest at fixed rates averaging 5.8%. Bank debt totaling $594.0 million bears interest at floating rates, which averaged 1.9% at March 31, 2014. The 30-day LIBOR rate on March 31, 2014 was approximately 0.2%. A 1% increase in short-term interest rates on the floating-rate debt outstanding on March 31, 2014 would cost us approximately $5.9 million in additional annual interest expense.

Off-Balance Sheet Arrangements

We do not currently utilize any off-balance sheet arrangements with unconsolidated entities to enhance our liquidity or capital resource position, or for any other purpose. However, as is customary in the oil and gas industry, we have various contractual work commitments some of which are described above under cash contractual obligations.

Inflation and Changes in Prices

Our revenues, the value of our assets and our ability to obtain bank loans or additional capital on attractive terms have been and will continue to be affected by changes in natural gas, NGLs and oil prices and the costs to produce our reserves. Natural gas, NGLs and oil prices are subject to significant fluctuations that are beyond our ability to control or predict. Although certain of our costs and expenses are affected by general inflation, inflation does not normally have a significant effect on our business. We expect costs for the remainder of 2014 to continue to be a function of supply and demand.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in natural gas, NGLs and oil prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market-risk exposure. All of our market-risk sensitive instruments were entered into for purposes other than trading. All accounts are U.S. dollar denominated.

Market Risk

We are exposed to market risks related to the volatility of natural gas, NGLs and oil prices. We employ various strategies, including the use of commodity derivative instruments, to manage the risks related to these price fluctuations. These derivatives instruments apply to a varying portion of our production and provide only partial price protection. These arrangements limit the benefit to us of increases in prices but offer protection in the event of price declines. Further, if our counterparties defaulted, this protection might be limited as we might not receive the benefits of the derivatives. Realized prices are primarily driven by worldwide prices for oil and spot market prices for North American natural gas production. Natural gas and oil prices have been volatile and unpredictable for many years. Natural gas prices affect us more than oil prices because approximately 69% of our December 31, 2013 proved reserves are natural gas. We are also exposed to market risks related to changes in interest rates. These risks did not change materially from December 31, 2013 to March 31, 2014.

Commodity Price Risk

We use commodity-based derivative contracts to manage exposures to commodity price fluctuations. We do not enter into these arrangements for speculative or trading purposes. We do not utilize complex derivatives such as swaptions, knockouts or extendable swaps. At times, certain of our derivatives are swaps where we receive a fixed price for our production and pay market prices to the counterparty. Our derivatives program also includes collars, which establish a minimum floor price and a predetermined ceiling price. At March 31, 2014, our derivatives program includes swaps and collars. These contracts expire monthly through December 2016. The fair value of these contracts, represented by the estimated amount that would be realized upon immediate liquidation as of March 31, 2014, approximated a net unrealized pretax loss of $53.4 million. At March 31, 2014, the following commodity derivative contracts were outstanding:

Period	Contract Type	Volume Hedged	Weighted Average Hedge Price	Fair Market Value (in thousands)
Natural Gas				
2014	Collars	447,500 Mmbtu/day	$ 3.84–$ 4.48	$ (22,369)
2015	Collars	145,000 Mmbtu/day	$ 4.07–$ 4.56	$ 2,959

2014	Swaps	240,145 Mmbtu/day	$ 4.18	$ (18,737)
2015	Swaps	234,966 Mmbtu/day	$ 4.19	$ (1,249)
2016	Swaps	60,000 Mmbtu/day	$ 4.18	$ 613
Crude Oil				
2014	Collars	2,000 bbls/day	$ 85.55–$ 100.00	$ (972)
2014	Swaps	9,169 bbls/day	$ 94.40	$ (7,976)
2015	Swaps	6,000 bbls/day	$ 89.48	$ (871)
NGLs (C3-Propane)				
2014	Swaps	12,000 bbls/day	$ 1.02/gallon	$ (7,816)
NGLs (NC4-Normal butane)				
2014	Swaps	4,000 bbls/day	$ 1.34/gallon	$ 3,159

Period	Contract Type	Volume Hedged	Weighted Average Hedge Price	Fair Market Value (in thousands)
NGLs (C5-Natural Gasoline)				
2014	Swaps	1,000 bbls/day	$ 2.11/gallon	$ (101)

We expect our NGLs production to continue to increase. In our Marcellus Shale operations, propane is a large product component of our NGLs production and we believe NGL prices are somewhat seasonal. Therefore, the relationship of NGLs prices to NYMEX WTI (or West Texas Intermediate) will vary due to product components, seasonality and geographic supply and demand. We sell NGLs in several regional markets.

Currently, there is little demand, or facilities to supply the existing demand, for ethane in the Appalachian region. We have previously announced three ethane agreements wherein we have contracted to either sell or transport ethane from our Marcellus Shale area, two of which began operations in late 2013. The remaining facility is expected to begin operations in mid-2015. We cannot assure you that this last facility will become available. If we are not able to sell ethane, we may be required to curtail production or purchase natural gas to blend with our rich residue gas, which will adversely affect our revenues.

Other Commodity Risk

We are impacted by basis risk, caused by factors that affect the relationship between commodity futures prices reflected in derivative commodity instruments and the cash market price of the underlying commodity. Natural gas transaction prices are frequently based on industry reference prices that may vary from prices experienced in local markets. If commodity price changes in one region are not reflected in other regions, derivative commodity instruments may no longer provide the expected hedge, resulting in increased basis risk. In addition to the collars and swaps discussed above, we have entered into basis swap agreements. The price we receive for our gas production can be more or less than the NYMEX price because of adjustments for delivery location (“basis”), relative quality and other factors; therefore, we have entered into basis swap agreements that effectively fix the basis adjustments. The fair value of the basis swaps was a loss of $3.6 million at March 31, 2014, the volumes are for 254,164 Mmbtu/day and they expire monthly through March 2015.

The following table shows the fair value of our collars, swaps and basis swaps and the hypothetical change in fair value that would result from a 10% and a 25% change in commodity prices at March 31, 2014. We remain at risk for possible changes in the market value of commodity derivative instruments; however, such risks should be mitigated by price changes in the underlying physical commodity (in thousands):

		Hypothetical Change in Fair Value Increase of		Hypothetical Change in Fair Value Decrease of	
	Fair Value	10%	25%	10%	25%
Collars	$(20,381)	$(61,374)	$(168,347)	$ 53,858	$ 147,812
Swaps	(32,979)	(137,656)	(344,130)	139,462	349,499
Basis swaps	(3,639)	1,254	3,134	(1,340)	(3,254)

Our commodity-based contracts expose us to the credit risk of non-performance by the counterparty to the contracts. Our exposure is diversified among major investment grade financial institutions and we have master netting agreements with the majority of our counterparties that provide for offsetting payables against receivables from separate derivative contracts. Our derivative contracts are with multiple counterparties to minimize our exposure to any individual counterparty. At March 31, 2014, our derivative counterparties include fourteen financial institutions, of which all but two are secured lenders in our bank credit facility. Counterparty credit risk is considered when determining the fair value of our derivative contracts. While counterparties are major investment grade financial

institutions, the fair value of our derivative contracts have been adjusted to account for the risk of non-performance by certain of our counterparties, which was immaterial.

Interest Rate Risk

We are exposed to interest rate risk on our bank debt. We attempt to balance variable rate debt, fixed rate debt and debt maturities to manage interest costs, interest rate volatility and financing risk. This is accomplished through a mix of fixed rate senior subordinated debt and variable rate bank debt. At March 31, 2014, we had $3.2 billion of debt outstanding. Of this amount, $2.7 billion bears interest at fixed rates averaging 5.8%. Bank debt totaling $594.0 million bears interest at floating rates, which was 1.9% on March 31, 2014. On March 31, 2014, the 30-day LIBOR rate was approximately 0.2%. A 1% increase in short-term interest rates

---

on the floating-rate debt outstanding on March 31, 2014, would cost us approximately $5.9 million in additional annual interest expense.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedure

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2014 at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There was no change in our system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 15 to our unaudited consolidated financial statements entitled “Commitments and Contingencies” included in Part I Item 1 above for a summary of our legal proceedings, such information being incorporated herein by reference.

ITEM 1A. RISK FACTORS

We are subject to various risks and uncertainties in the course of our business. In addition to the factors discussed elsewhere in this report, you should carefully consider the risks and uncertainties described under Item 1A. Risk Factors filed in our Annual Report on Form 10-K for the year ended December 31, 2013. There have been no material changes from the risk factors previously disclosed in that Form 10-K.

ITEM 6. EXHIBITS

Exhibits included in this report are set forth in the Index to Exhibits which immediately precedes such exhibits, and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 28, 2014

RANGE RESOURCES CORPORATION

By: /s/ ROGER S. MANNY
Roger S. Manny
Executive Vice President and
Chief Financial Officer

Date: April 28, 2014

RANGE RESOURCES CORPORATION

By: /s/ DORI A. GINN
Dori A. Ginn
Senior Vice President – Controller and
Principal Accounting Officer

37

Exhibit index

Exhibit Number	Exhibit Description
3.1	Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on May 5, 2004, as amended by the Certificate of First Amendment to Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on July 28, 2005) and the Certificate of Second Amendment to Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on July 24, 2008)
3.2	Amended and Restated By-laws of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 8-K (File No. 001-12209) as filed with the SEC on May 20, 2010)
10.1*	Fourth Amendment to the Fourth Amended and Restated Credit Agreement as of April 3, 2014 among Range (as borrower) and JPMorgan Chase Bank, N.A. and the institutions named (therein) as lenders, JPMorgan as Administrative Agent
31.1*	Certification by the President and Chief Executive Officer of Range Resources Corporation Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer of Range Resources Corporation Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification by the President and Chief Executive Officer of Range Resources Corporation Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the Chief Financial Officer of Range Resources Corporation Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101. INS*	XBRL Instance Document
101. SCH*	XBRL Taxonomy Extension Schema
101. CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101. LAB*	XBRL Taxonomy Extension Label Linkbase Document
101. PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* filed herewith
** furnished herewith