INFORMATION MEMORANDUM

KfW, Frankfurt/Main, Federal Republic of Germany
(an institution organized under public law of the Federal Republic of Germany)

A$3,000,000,000

Medium Term Note Programme

Arranger/Manager

Commonwealth Bank

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IMPORTANT NOTICE

This Information Memorandum relates solely to an Australian Dollar Medium Term Note Programme ("Programme") for KfW, under which KfW may issue Medium Term Notes ("Notes") up to a maximum aggregate principal amount of A$3,000,000,000.

This Information Memorandum should be read in conjunction with the information incorporated by reference together with any additional information distributed with this Information Memorandum and any further information authorised in writing by KfW to supplement or update that information (collectively referred to as "Additional Information"). In this Information Memorandum the Additional Information and this Information Memorandum are collectively referred to as "this Memorandum".

This Memorandum has been approved by KfW which has provided and accepts responsibility for the information contained in it. KfW has requested and authorised the distribution of this Memorandum.

The information in this Information Memorandum and any Additional Information have been prepared and are correct as of its respective Effective Date (as defined below). The delivery at any time after the Effective Date of this Memorandum or any part of this Memorandum does not imply that the information contained in this Memorandum or that part of this Memorandum is correct at any time subsequent to the Effective Date. Accordingly, neither the delivery of this Memorandum (or any part thereof) nor any offer or sale of Notes implies or should be relied upon as a representation or warranty that:

there has been no change since the relevant Effective Date in the affairs or financial condition of KfW; or

the information contained in this Memorandum or any part thereof remains correct at any time after its respective Effective Date.

This Memorandum is not intended to be and does not constitute an invitation by KfW, the Arranger, the Manager or the Dealers for applications or offers to subscribe for or buy any Notes, nor an offer of Notes for subscription or purchase. Accordingly, persons contemplating the purchase of Notes should make their own decision as to the sufficiency and relevance for their purpose of the information contained in this Memorandum, and their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness, of KfW, after taking all appropriate advice from qualified professional persons. Any investment decision should be based on that decision, investigation and appraisal referred to above and not on this Memorandum.

The Arranger has reviewed and authorised the description of the Programme contained in the section entitled "Programme Summary" in this Information Memorandum as well as its own details in the section entitled "Further Information". No other information contained in this Memorandum has been independently verified by the Arranger. Accordingly, no representation, warranty or undertaking is made or may be implied and no responsibility or liability is accepted by the Arranger to or for the origin, accuracy, completeness or distribution of, or any errors or omissions from this Memorandum whether arising out of negligence or otherwise (other than the abovementioned section in this Information Memorandum).

Also, the Arranger, the Manager and each Dealer acts solely through a separate division in the context of this Memorandum and the Programme, without reference to any of its or its subsidiaries' respective personnel or operations outside that division, and are therefore not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to KfW or the Programme.

No person is authorised to give any information or to make any representation which is not contained in this Memorandum and any information or representation not contained in this Memorandum must not be relied upon as having been authorised by or on behalf of KfW, the Arranger or the Manager.

The distribution of this Memorandum and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Memorandum comes must inform themselves about and observe all such restrictions. Nothing in this Memorandum is to be construed as authorising distribution of this Memorandum or the offer or sale of Notes in any jurisdiction other than the Commonwealth of Australia, and neither KfW, the Arranger, the Manager or the Dealers accept any liability in that regard. See "Selling Restrictions".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and are subject to U.S. tax requirements. Accordingly, subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Furthermore the Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable law or regulations.

In this Important Notice, "Effective Date" means in relation to:

~~this Information Memorandum, 10 March 2004; and~~

~~any other item of information which is to be read in conjunction with this Information~~ Memorandum, the date indicated on the face of the item of information as being the date of its release, or the date to which it relates, as the case may be.

The Arranger, the Manager, each Dealer and Computershare Investor Services Pty Limited (the "Registrar") each disclose that it, its respective subsidiaries, directors and employees;

may have pecuniary or other interests in the Notes; and

will receive fees, brokerage and commissions and may act as principal in any dealing in the Notes.

Unless otherwise indicated, all references hereinafter in this Information Memorandum to "dollars", "Dollars", "USD" or "US$" are to the currency for the time being of the United States of America, all references to "AUD" or "A$" are to the currency for the time being of the Commonwealth of Australia and all references to "Euros", "EUR" or "€" are to the single European currency adopted by participating member countries of the European Union, including the Federal Republic of Germany, as of January 1, 1999.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in, and form part of, this Memorandum:

- the most recently published reports of KfW from time-to-time which, as at the date of this Memorandum, are the audited annual reports of KfW for the year ended 31 December 2002;
- the most recently published Ratings Reports of Standard & Poor's and Moody's as amended from time-to-time; and
- the Deed of Terms and Conditions dated 10 March 2004 between KfW, the Manager and the Registrar.

Description of KfW

Overview

KfW was established on 5 November 1948, under the Law Concerning the Kreditanstalt für Wiederaufbau (**"KfW Law"**) as a public law institution with unlimited duration. Its offices are located at Palmengartenstraße 5-9, D-60325 Frankfurt am Main, Federal Republic of Germany (the **"Federal Republic"** or "Germany"). KfW also maintains branch offices in Berlin and Bonn and a liaison office to the European Union in Brussels.

Business

In its investment finance business, KfW extends loans principally to German commercial banks, for use in providing loans to small and medium sized companies (**"SMEs"**) in Germany, as well as housing-related loans, project financing for domestic industry, and financing for other government policy objectives such as municipal infrastructure and environmental protection. To a much lesser extent, KfW also provides grants and guarantees in support of its lending activities as part of its investment finance business. Over the last three years, KfW has increasingly extended loans in its investment finance business to promotional and commercial banks elsewhere in Europe to refinance loans to SMEs and loans extended for municipal infrastructure projects and housing. KfW also provides securitisation support to SME lenders and mortgage providers through its PROMISE and PROVIDE programmes. In its export and project finance business, KfW extends loans directly to foreign buyers of German capital goods and finances large-scale projects, especially in the areas of aircraft, telecommunications equipment, industrial goods, power and energy, environmental technology, ship export finance, land-based transportation and airports and harbours. In its financial cooperation business, KfW provides financial assistance to developing countries in the form of loans and grants funded by the Federal Republic and KfW itself. KfW's advisory and other services include a wide range of different activities, including the provision of information and advisory services on promotional programmes available in Germany, the coordination of economic advice in Central and Eastern Europe, certain privatisation initiatives of the Federal Government and the handling of a number of tasks resulting from Germany's reunification.

Guarantee of the Federal Republic

Effective 1 April 1998, the KfW Law was amended to provide expressly that the Federal Republic guarantees all existing and future obligations of KfW in respect of money borrowed, bonds issued and derivative transactions entered into by KfW, as well as obligations of third parties that are expressly guaranteed by KfW (KfW Law, Article 1a). Under this statutory guarantee (the **"Guarantee of the Federal Republic"**), in the event of a failure by KfW to make any payment of principal or interest or any other amount required to be paid with respect to securities issued by KfW or to make any payment required to be made under KfW's guarantee, when the same are due and payable, the Federal Republic will be liable at all times for such payment as and when the same shall become due and payable. The obligation of the Federal Republic under this statutory guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Federal Republic, present and future, and may be enforced directly against the Federal Republic by a holder of securities issued by KfW or issued under KfW's guarantee without the necessity of first commencing a legal action against KfW. The Guarantee of the Federal Republic is strictly a matter of statutory law and is not evidenced by any contract or instrument and may be subject to defences available to KfW with respect to the obligations covered.

Institutional Liability ("*Anstaltslast*")

Under the German administrative law principle of *Anstaltslast*, the Federal Republic has an institutional liability to KfW requiring the Federal Republic to safeguard KfW's economic basis and to keep it in a position to pursue its operations and enable it, in the event of financial difficulties, through the allocation of funds or in some other appropriate manner, to perform its obligations when due. While *Anstaltslast* does not constitute a formal guarantee of KfW's obligations by the Federal Republic and creditors of KfW do not have a direct claim against the Federal Republic under *Anstaltslast*, the effect of this legal principle is that KfW's obligations, including the obligations of KfW to the holders of securities under its guarantee, are fully backed by the credit of the Federal Republic. The obligation of the Federal Republic under *Anstaltslast* would constitute a charge on public funds that as a legally established obligation would be payable without the need for any appropriation or any other action by the German Parliament.

Understanding with the European Commission

Pursuant to an understanding between the European Commissioner for Competition and the German Federal Ministry of Finance reached on 1 March 2002, *Anstaltslast* and the statutory guarantee of the Federal Republic of Germany will continue to be available to KfW, in light of the promotional activities for which KfW is responsible. The understanding acknowledges that KfW's role in providing financing in particular for small and medium-sized enterprises, risk capital, environmental protection, technology/innovation, infrastructure and housing, as well as its co-operation with developing countries, is compatible with EU prohibitions against state aid. During 2001, the European Commission had expressed its preliminary view that KfW's activities in certain areas may not be compatible with those prohibitions.

In order to formalise the understanding in accordance with the rules of the European Community Treaty, the European Commission has transformed the understanding into a decision of the European Commission which has been formally accepted by the Federal Republic.

In the area of export and project finance, the understanding with the Commissioner requires KfW to transfer to an independent subsidiary that portion of such export and domestic and international project finance activities which the Commissioner has deemed to fall outside the scope of the promotional activities of KfW. The legislative basis for, and the resolutions regarding, the establishment of such subsidiary and the transfer of such export and project financing must be adopted by 31 March 2004 and the transfer of such activities to the subsidiary must be effected by 31 December 2007. KfW may not fund the subsidiary at other than market rates of interest or extend to the subsidiary any benefit of *Anstaltslast* or the Guarantee of the Federal Republic. KfW will continue to be permitted, however, to engage directly in the following export and project finance activities:

- Implementation of international promotional programmes, such as the interest rate subsidised programmes CIRR (Commercial Interest Reference Rate) and LASU (Large Aircraft Sector Understanding) (these being recognised as promotional activities in accordance with the OECD consensus).
- Participation in syndicated financing activities outside the EU, the European Economic Area and the countries currently being considered for EU membership, subject to certain conditions, and sole financing activities in countries in which sufficient sources of financing do not exist.
- Participation in projects in the interest of the Community, which are co-financed by the European Investment Bank or similar European financing institutions.

KfW is currently preparing the establishment of a project and export finance subsidiary. In the first quarter of 2003, KfW developed the concept for the structure, organisation and products of this subsidiary and plans to test the new structure within its organisation beginning in 2004. The KfW Law has been amended to implement the understanding by the Act on the Restructuring of Promotional Banks of the Federal Republic (*Förderbankenneustrukturierungsgesetz*) dated August 15, 2003, (the "Act"), which entered into effect on August 22, 2003.

Merger with *Deutsche Ausgleichsbank*

The Act also implemented the merger between KfW and *Deutsche Ausgleichsbank* (DtA). With retroactive effect as of January 1, 2003. KfW succeeded to all rights and obligations of DtA. DtA's share capital was being contributed to KfW without payment of a purchase price and without effect on the Guarantee of the Federal Republic or its institutional liability (*Anstaltslast*). KfW assumes all of DtA's promotional finance functions and also reorganized its brand architecture under the branding *KfW Bankengruppe* (KfW Group), while it keeps its integrity as one legal entity:

- *KfW Förderbank* (KfW Promotional Bank) offers financing products for housing and environmental finance, education and infrastructure
- *KfW Mittelstandsbank* (KfW SME Bank) promotes business founders, start-ups, SMEs and self-employed professionals
- *KfW Entwicklungsbank* (KfW Development Bank) deals with KfW's development cooperation activities
- DEG finances private-sector investments in developing countries
- KfW IPEX-Bank offers customized financing for exports and projects world-wide

The merger especially strengthened the promotional support for start-ups and SMEs in Germany. The new promotional product "*Unternehmerkapital*" (Entrepreneur Loan) has been introduced onto the market, and products in the fields mezzanine finance, equity capital, information and advice are now being successively restructured to achieve greater promotional efficiency and transparency. In addition, a *Mittelstandsrat* has been established, which consults and decides on proposals of KfW concerning SME's, taking into consideration KfW's overall business plan. The *Mittelstandsrat* is chaired by the Federal Minister of Economics and Labour and includes other members of the Federal government.

True Sale Initiative

On July 9, 2003, KfW, together with Bayerische Hypo- und Vereinsbank AG, Bayerische Landesbank, Citigroup Global Markets Deutschland AG, COMMERZBANK AG, Deka-Bank Deutsche Girozentrale, Deutsche Bank AG, Dresdner Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Eurohypo Aktiengesellschaft, HSH Nordbank AG, Landesbank Hessen-Thüringen Girozentrale and WestLB AG, signed a letter of intent, in which they agreed to jointly form a financing entity for the securitization of loans originated by banks (the "True Sale Initiative"). On December 13, 2003, all these institutions (including KfW) agreed to optimize the structure such that they will not form one entity but an infrastructure that consists at least of two elements: On the one hand there will be a platform (consisting of several charitable trusts) to become the stakeholder of the special purpose entities needed for the purchase of loans and the issuance of ABS. On the other hand there will be a "TSI Service Company" (GmbH) owned by all 13 banks in equal parts to provide services around securitization (such as support for the incorporation of SPEs).

The liability of the member institutions of "TSI Service Company", including KfW, will be limited to their capital contribution which will amount to € 1-2 million. KfW will not give any guarantee or the like. Its primary function is to provide the expertise it has gained in recent years in securitization transactions, and to act as a neutral coordinator of the True Sale Initiative. The member institutions are currently in the process of further defining the details of and implementing the infrastructure. KfW expects the first transaction to be conducted under this new scheme in the next months.

PROGRAMME SUMMARY

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum, including the documents incorporated by reference in the forms most recently published. The terms and conditions of the Notes are contained in the Deed of Terms and Conditions. If there is any inconsistency between the Programme Summary and the Deed of Terms and Conditions, the Deed prevails.

Issuer:	KfW
Arranger and Manager:	Commonwealth Bank of Australia (ACN 123 123 124)
Dealers:	Commonwealth Bank of Australia
Programme Limit:	Principal of A$3,000,000,000 or such other amount which may be agreed from time to time between the Issuer and the Manager.
Programme Description:	A revolving Australian dollar Note Programme allowing for the issue of Notes in the form of Amortised Notes, Discount Notes, Dual Currency Notes, Fixed Rate Notes, Floating Rate Notes, Indexed Notes, Partly Paid Notes, Premium Notes, Structured Notes, Zero Coupon Notes or any combination of these.
Ratings:	AAA long term debt rating by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies Inc. Aaa long term debt rating by Moody's Investors Service Inc.
Status:	Notes issued will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank pari passu amongst themselves and rank pari passu with all other unsecured and unsubordinated obligations assumed by the Issuer other than those mandatorily preferred by law.
Tenors:	As specified in the relevant Terms Sheet, but not less than 365 days.
Denominations:	The minimum denomination of a Note will be A$ 1,000.
Issuing Procedure:	Notes may be issued to Dealers, at the discretion of the Issuer, via any of the following issuance mechanisms: • competitive bidding; • private placements; and • unsolicited bids
Stamp Duty:	All stamp duties and other costs payable on the issue of the Notes will be for the account of the Issuer. Any stamp duties payable on the transfer of the Notes are for the account of investors.
Taxation:	All payments by the Issuer in respect of the Notes will be made without deduction of taxes and other duties, except where such deduction is required by law. Where deductions are required by law, the Issuer is not obliged to gross up payments due to investors under any circumstances. Investors should obtain their own taxation advice regarding the taxation status of investing in Notes.
Events of Default:	None

Purchase Price:	Notes may be issued at par or at a discount or premium to their Principal Amount as specified in the relevant Terms Sheet. The Purchase Price of Notes on its issue date will be calculated according to the Reserve Bank of Australia's "Tender Stock Method" formula or in such other manner as may be agreed between the Issuer and the Dealers, in each case expressed to three decimal places.
Interest Payments:	The methods of interest calculations and payments (if any) including interest rate and frequency of payments will vary according to the types of Notes issued.
Interest Payment Dates:	Payment of interest on interest bearing Notes will be made on Interest Payment Dates to the registered owner(s) of Notes at the time of closure of the Register. The Register will be closed seven business days prior to the Interest Payment Date to facilitate the payment of interest. Payment of principal will be made on the relevant Redemption Date(s) to the registered owner(s) of Notes at the time of closure of the Register. The Register will be closed seven business days prior to the relevant Redemption Date(s) to facilitate the payment of principal.
Registrar:	Computershare Investor Services Pty Limited
Register:	The Register will be maintained in Victoria. Transfer and marking services will be available at the offices of the Registrar in each capital city in Australia. Notes are transferable by use of a transfer and acceptance form. Subject to the Deed of Terms and Conditions no certificates in respect of the Notes will be issued. Title will be evidenced by inscription in the Register.
Settlement:	Application will be made to Austraclear Limited ("Austraclear") to permit members to settle purchases and sales through the Austraclear System in accordance with Austraclear's rules and regulations.
Governing Law:	Law of New South Wales

SELLING RESTRICTIONS

General

No action has been or will be taken by the Issuer or by or on behalf of any Dealer which would permit a public offering of any of the Notes or distribution of the Information Memorandum or any amendment or supplement thereto or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, Notes may not be offered, sold or distributed, directly or indirectly, and neither the Information Memorandum or any amendment or supplement thereto nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Each Dealer will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells, distributed or delivers Notes or has in its possession or distributes the Information Memorandum or any amendment or supplement thereto or any other offering material, and will obtain any consent, approval or permission required by it for the purchase, offer, sale, distribution or delivery of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any such purchase, offer, sale, distribution or delivery, in all cases at its own expense.

No Dealer is authorised to make any representation or to provide any information in connection with the issue, offering and sale of the Notes other than as contained in the Information Memorandum, the applicable Pricing Supplement such other information relating to the Issuer and/or the Notes which the Issuer has authorised to be provided.

Selling restrictions may be modified or supplemented by the agreement of the Issuer and the relevant Dealer or Dealers following a change in any relevant law, regulation or directive. Any such modification or supplement will be set out in the Pricing Supplement issued in respect of a particular issue of Notes to which it relates or in a supplement to the Information Memorandum.

Australia

Each Dealer has agreed not to:

(a) make any offer or invitation in relation to the Notes unless:

  (i) the consideration payable (but disregarding any part of the consideration paid or to be paid out of money lent by the person offering the Notes or an associate of that person) is a minimum amount of A$500,000; or

  (ii) the offer or invitation otherwise does not require disclosure under Chapter 6D of the *Corporations Act* 2001;

(b) make any offer or invitation in relation to Notes to be transferred unless:

  (i) the consideration payable at the time of transfer by the relevant transferee (but disregarding any part of the consideration paid or to be paid out of money lent by the person offering the Notes or an associate of that person) is a minimum amount of A$500,000; or

  (ii) the transfer results from an offer or invitation which otherwise does not require disclosure under Chapter 6D of the *Corporations Act* 2001;

(c) circulate the Information Memorandum or issue a prospectus or other offering materials relating to the Notes which in either case would require disclosure under Chapter 6D of the *Corporations Act* 2001.

Germany

Each Dealer has agreed not to offer or sell Notes in the Federal Republic of Germany other than in compliance with the German Securities Selling Prospectus Act (*Wertpapier Verkaufsprospekt-gesetz*) of September 9, 1998 (as amended), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

United States of America

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.

Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Terms used in the above paragraph have the meanings given to them by Regulation S.
Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**"), or in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"), as specified in the applicable Pricing Supplement.

In addition, in respect of Notes issued in accordance with the TEFRA D Rules, each Dealer has represented and agreed that:

(a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D), (i) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;

(b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United Sates or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Dealer is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate that acquires from such Dealer Notes for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) has repeated and confirmed the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subclauses (i), (ii) and (iii).

Terms used in the above paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

In addition, where the TEFRA C Rules are specified in the relevant Pricing Supplement as being applicable to any Tranche of Notes, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

Each issue of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Pricing Supplement. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom
Each Dealer represents, warrants and agrees that:

(a) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(b) in relation to any Notes which must be redeemed before the first anniversary of the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

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

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

France
The Issuer and each Dealer have represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France the Information Memorandum or any other offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to qualified investors (*investisseurs qualifiés*) acting for their account, all as defined in, and in accordance with, articles L.411-1 and L.411-2 of the French *Code monétaire et financier* and *décret* no.98-880 dated 1st October, 1998. Notes may only be issued, directly or indirectly, to the public in France in accordance with articles L.411-1 and L.411-2 of the French *Code monétaire et financier*.

Japan
The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the "**Securities and Exchange Law**") and are subject to the Special Taxation Measures Law of Japan (Law No. 26 of 1957) (as amended) (the "**Special Taxation Measures Law**"). Each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell Notes in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption

from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan.

7. FURTHER INFORMATION

For further information, please contact:

Issuer:	KfW Palmengartenstraße 5-9, D-60325, Frankfurt am Main, Federal Republic of Germany Telephone: +49 69 7431 0 Facsimile: +49 69 7431 2193
Arranger and Manager:	Commonwealth Bank of Australia Level 4, Cnr Pitt Street & Martin Place, Sydney NSW 1155, Australia Telephone: +612 9312 0110 Facsimile: +612 9312 0213
Dealers:	Commonwealth Bank of Australia Level 4, Cnr Pitt Street & Martin Place, Sydney NSW 1155, Australia Telephone: +612 9312 0110 Facsimile: +612 9223 0213
Registrar:	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Australia Telephone: +613 9415 5000 Facsimile: +613 94732535