

TERMS SHEET

20 July 2005

To:

KfW
Palmengartenstraße 5-9
D-60325 Frankfurt am Main
Germany

KfW - NOTE PROGRAMME

We hereby confirm the following agreement for the issue to us of Notes, each having the terms and conditions set out below, and otherwise in accordance with the terms and conditions of the Deed of Terms and Conditions dated 9 June 2004 made by the Issuer, the Manager and the Registrar. Terms not defined herein have the meanings given to them in the Deed of Terms and Conditions.

Note Details

Issuer:	KfW
Principal Amount (face amount) on the Issue Date of each Note:	A\$1,000
Number of Notes to be issued:	300,000
Total Principal Amount of the Series:	A\$300,000,000
Type of Notes:	☐ Amortised Notes ☐ Dual Currency Notes ☒ Fixed Rate Notes ☐ Floating Rate Notes ☐ High Interest (premium) Notes ☐ Indexed Notes ☐ Low Interest (discount) Notes ☐ Structured Notes ☐ Zero Coupon Notes ☐ Other (specify)
Maturity Date:	22 July 2008
Issued at:	☐ Par ☒ Discount ☐ Premium
Purchase Price:	99.891 per cent of Principal Amount of A\$300,000,000
Aggregate Purchase Price:	A\$299,673,000 less selling commission

In the event the Tenor of the Note consists of a number of days which is not evenly divisible by the number of whole months in the Interest Period, the Settlement Price of the Note will take into account the interest owed for days not in the Tenor of the Note (in the event the number of months is rounded up) or interest not owed for days in the Tenor of the Note (in the event the number of months is rounded down).

Issue Date: 22 July 2005

Clearing System (if any): ☒ Austraclear
☒ Euroclear
☒ Clearstream Banking
☐ Other (specify): _____

Interest Calculation and Payment, Repayment

(a) Amortised Notes

Redemption Amount: N/A

Redemption Price: N/A

Reference Price: N/A

Other details (specify): N/A

(b) Dual Currency Notes

Rate of Exchange: N/A

Determination of:

♦ rate of interest: N/A

♦ accrual of interest: N/A

♦ interest amounts: N/A

♦ interest payment dates: N/A

♦ other (specify): N/A

(c) Fixed Rate Notes

Fixed Interest Rate(s): 5.5 per cent. per annum

Interest Payment Dates: 22 January 2006, 22 July 2006, 22 January 2007, 22 July 2007, 22 January 2008, 22 July 2008.

Redemption Amount: 100 per cent of the Total Principal Amount

(d) Floating Rate Notes

Floating Rate Basis: ☐ Bank Bill Rate
☐ Other (specify and detail source and procedures if not available)

Manner of determination:

☐ *ISDA Determination:*

- ♦ Floating Rate Option:
- ♦ Designated Maturity:
- ♦ Reset Date ☐ BBSW
☐ LIBOR
☐ EURIBOR
☐ Other (specify)
- ♦ Determined by ☐ Manager
☐ Other (specify)

or:

☐ *Screen Rate Determination*

- ♦ Reference Rate ☐ BBSW
☐ LIBOR
☐ EURIBOR
☐ Other (specify)
- ♦ Relevant Screen Page: _____
- ♦ Determined by ☐ Manager
☐ Other (specify)

Margin(s) to Floating Rate Basis: +/- ____ per centum per annum

Minimum Interest Rate: N/A

Maximum Interest Rate: N/A

Interest Payment Dates: N/A

Additional Business Centre: N/A

Redemption Amount: N/A

Day Count Fraction:

- ☐ Actual/365 (fixed)
- ☐ Actual/365 or Actual/Actual (ISDA)
- ☐ 30/360, 360/360 or Bond Basis
- ☐ RBA Bond Basis
- ☐ 30E/360 or Eurobond Basis

Interest Determination Date: N/A

(e) **High Interest (premium) Notes**

Premium: N/A

Interest Rate see: ☐ (c)
☐ (d)

Amortisation Yield: N/A

Reference Price: N/A

Other details (specify): N/A

(f) **Indexed Notes**

Index: N/A

(Specify method of calculation of Variable Indexed Amount: N/A

Details to include:

- Source for index N/A
- Person responsible for calculations N/A
- Provision for calculation on early redemption, where reference to Index or formula is impossible or impracticable etc) N/A

Base Index Figure \$: N/A

Interest Payment Dates: N/A

[Redemption Amount]: N/A

(g) **Low Interest (discount) Notes**

Discount Rate: N/A

Interest Rate see: ☐ (c)
☐ (d)

Amortisation Yield: N/A

Reference Price: N/A

Other details (specify): N/A

(h) **Structured Notes**

Describe characteristics N/A

(Give details including, as required, source, calculation arrangements, alternatives etc)

(i) **Zero Coupon Notes**

Redemption Price N/A

Amortisation Yield N/A

(j) **Other Options** (Give details) N/A

Other Issue Details

Partly Paid Notes (details): N/A

Special Issuance Instructions: N/A

Other Special Conditions including, as appropriate:

Events Affecting Maturity N/A

Put option (early redemption at the option of the Noteholders) (give details): N/A

• Clause 9.3 applies: ☐ Yes ☐ No

• Put Option Date(s)

or

Put Option Period N/A

• Put Option applies to all Notes in Series

or

Details of Notes to which Put Option applies N/A

Maturity Extension Option (option of the Noteholder to extend maturity, at the offer of the Issuer) (give details): N/A

Minimum notice

Other: N/A

Application has been made to list the Notes
on the Australian Stock Exchange.

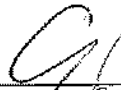
The above details are confirmed by the Issuer, in respect of:

ISIN:

AU0000KFWHF7



Petra Wehlert
Vice President



Klaus-Peter Eitel
Senior Manager

20 July 2005