TERMS SHEET

26 August 2009

To

THE TORONTO-DOMINION BANK
(ABN 74 082 818 175)
Level 24
9 Castlereagh Street
Sydney, NSW, 2000
Australia

UBS AG, AUSTRALIA BRANCH
(ABN 47 088 129 613)
Level 16
Chifley Tower
2 Chifley Square
Sydney, NSW, 2000
Australia

From:

KfW
Palmengartenstr. 5-9
D-60325 Frankfurt am Main
Germany

KfW A$ 10,000,000,000 NOTE PROGRAMME

We hereby confirm the following agreement for the issue 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 16 March 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.

The Notes are to be consolidated and form a single Series with the Issuer's A$200,000,000 5.50% Notes due 8 August 2013, issued on 8 August 2005 and the Issuer's A$200,000,000 5.50% Notes due 8 August 2013, issued on 23 May 2006).

Overall 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 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: 8 August 2013 ____________________

Issued at:

- ☐ Par
- ■ Discount
- ☐ Premium

Issue Price: A$99.542 per A$100 of Principal Amount of A$300,000,000 (plus accrued interest payable for the period from, and including, 8 August 2009 to, but excluding, 28 August 2009 being 20 days and an amount of A$897,000)

Purchase Price: A$99.437 per A$100 of Principal Amount of A$300,000,000 (being the Issue Price plus the accrued interest payable for the period from, and including, 8 August 2009, but excluding, 28 August 2009 being 20 days and an amount of A$897,000)

Aggregate Purchase Price: A$299,208,000 ____________________

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: 28 August 2009 ____________________

Clearing System (if any):

- ■ Austraclear
- ■ Euroclear
- ■ *Clearstream* Banking
- ☐ Other (specify): ____________________

On admission to the Austraclear System, interests in the Notes may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by ANZ Nominees Limited as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and

Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System.

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): 5.50 per cent. per annum

Interest Payment Dates: Each 8 February and 8 August commencing 8 February 2010 up to and including 8 August 2013 (subject to adjustment in accordance with clause 8.6 of the Deed of Terms and Conditions)

Redemption Amount: A$1,000 per Note (100 per cent of the Principal Amount (face amount) of each Note)

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

(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: N/A ______
- Designated Maturity: N/A ______
- 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: ______________

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)

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

(j) **Other Options**

N/A ______________________
(Give details)

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)	N/A
or	Put Option Period	N/A
◆	Put Option applies to all Notes in Series	N/A
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		N/A
Other:		Application has been made to list the Notes on the Australian Stock Exchange. In relation to the Notes, the following additional terms and conditions shall apply: In the fourth paragraph of clause 2.2 of the Deed of Terms and Conditions, the words "Australian System" are deleted and replaced with the words "Austraclear System".

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

ISIN CODE: AU0000KFWHG5

COMMON CODE: 022647482

Klaus-Peter Eitel
(Vice President)

Normen Günther
(Senior Manager)

26 August 2009

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