TERMS SHEET

8 November 2011

To: **THE TORONTO-DOMINION BANK, LONDON BRANCH**
(ARBN 082 818 175)
60 Threadneedle Street
London EC2R 8AP
United Kingdom

From: **KfW**
Palmengartenstraße 5-9
D-60325 Frankfurt am Main
Germany

KfW - A$30,000,000,000 NOTE PROGRAMME

We hereby confirm the following agreement for the issue by 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 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.

Overall Note Details

Issuer:	KfW
Principal Amount (face amount) on the Issue Date of each Note:	A$1,000 (Note: subject to minimum consideration within Australia of A$500,000)
Number of Notes to be issued:	200,000
Total Principal Amount of the Series:	A$200,000,000
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:	10 November 2014
Issued at:	☑ Par ☐ Discount ☐ Premium

Purchase Price:	A$200,000,000 (being 100 per cent. of the Principal Amount of A$200,000,000)
Issue Price:	A$200,000,000 (being 100 per cent. of the Principal Amount of A$200,000,000)
Issue Date:	10 November 2011
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 a nominee of J.P. Morgan Chase Bank, N.A. as custodian for 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):	N/A
Interest Payment Dates:	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

(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: Reuters Screen "BBSW" Page (or any replacement page)
- Determined by: ☐ Manager ☑ Other (specify): Registrar

◆ Fallback Interest Rate:	If, in respect of an Interest Period, the Registrar is unable to determine a rate in accordance with the Deed of Terms and Conditions and this Terms Sheet, the Interest Rate for the Interest Period will be the Interest Rate applicable to the Notes during the immediately preceding Interest Period.
Margin(s) to Floating Rate Basis:	+0.20 per cent. per annum
Minimum Interest Rate:	N/A
Maximum Interest Rate:	N/A
Interest Payment Dates:	10 February, 10 May, 10 August and 10 November of each year from, and including, 10 February 2012 to, and including, the Maturity Date (subject to adjustment in accordance with the applicable Business Day Convention being the Modified Following Business Day Convention). "Modified Following Business Day Convention" means, if the Interest Payment Date falls on a day that is not a Business Day, that Interest Payment Date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that Interest Payment Date is the first preceding day that is a Business Day.
Additional Business Centre:	N/A
Redemption Amount:	A$1,000 per Note (100 per cent. of the Principal Amount)
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:	The first day of the relevant Interest Period
Adjustment of Interest Amount:	Yes

(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 N/A

Other: Application has been made for the Notes to be listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

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".

On and with effect from 20 July 2011, the Programme Limit was increased from A$20,000,000,000 to A$30,000,000,000.

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

ISIN:	AU3FN0014478
Common Code:	070437988

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Klaus-Peter Eitel
Vice President

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Otto Weyhausen-Brinkmann
Senior Manager

8 November 2011