

Final Terms

Final Terms dated 22 October 2010

KommuneKredit

Issue of U.S.\$ 50,000,000 Inflation Bonus Notes, due April 2026

(the "Notes")

under the

EUR 15,000,000,000 Euro Medium Term Note Programme

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 9th June, 2010 (the "**Information Memorandum**"). These Final Terms must be read in conjunction with such Information Memorandum.

Potential investors should consider carefully all the information set forth in these Final Terms along with all the information set forth in the Information Memorandum. Potential investors should pay particular attention to the section entitled "Investor Considerations" in the Information Memorandum (*pages 10 to 13 inclusive*). Potential investors should also take note of Annex A (*Additional Investor Considerations*), Annex B (*Information Relating to the USA – Non-revised Consumer Price Index – Urban (CPI-U) (Bloomberg Code: CPURNSA)*) and Annex C (*Disclaimer*) to these Final Terms.

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| 1. Issuer: | KommuneKredit |
| 2. (i) Series Number: | I2010Z69006 |
| (ii) Tranche Number: | One |
| 3. Specified Currency or Currencies: | United States dollar (" USD " or " U.S.\$ ") |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | U.S.\$ 50,000,000 |
| (ii) Tranche: | U.S.\$ 50,000,000 |
| 5. (i) Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | U.S.\$ 50,000,000 |
| 6. (i) Specified Denominations: | U.S.\$ 100,000 |
| (ii) Calculation Amount: | U.S.\$ 100,000 |
| 7. (i) Issue Date: | 26 October 2010 |
| (ii) Interest Commencement Date: | Issue Date |
| 8. Maturity Date: | 26 April 2026, subject to adjustment in accordance with the Modified Following Business Day Convention |
| 9. Interest Basis: | 3-Month USD LIBOR Floating Rate
(further particulars specified below) |
| 10. Redemption/Payment Basis: | Other (Inflation Index Linked Redemption). See the Appendix hereto |
| 11. Change of Interest or Redemption/Payment Basis: | Not Applicable |

12. Put/Call Options:	Not Applicable
13. Status of Notes:	Senior
14. Listing:	Luxembourg regulated market
15. Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions	Not Applicable
17. Floating Rate Note Provisions	Applicable
(i) Specified Interest Payment Dates:	Each of 26 January, 26 April, 26 July and 26 October in each calendar year, from (and including) 26 January 2011 to (and including) 26 April 2026, in each case subject to adjustment in accordance with the applicable Business Day Convention
(ii) Business Day Convention:	Modified Following Business Day Convention
(iii) Additional Business Centre(s):	London and each day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the Target2 System) is open (and, for the avoidance of doubt, New York City)
(iv) Manner in which the Rate(s) of Interest is/are to be determined:	ISDA Determination
(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	Credit Suisse International
(vi) Screen Rate Determination:	Not Applicable
(vii) ISDA Determination:	
– Floating Rate Option:	USD-LIBOR-BBA
– Designated Maturity:	Three Months
– Reset Date:	In respect of each Interest Period, the first day of such Interest Period, as provided in subparagraph (3)(i) of Condition 3(b)(iii)(A) (<i>ISDA Determination</i>)
(viii) Margin(s):	Not Applicable
(ix) Minimum Rate of Interest:	Zero per cent. per annum
(x) Maximum Rate of Interest:	In respect of (i) each Interest Period commencing prior to the Interest Payment Date scheduled to fall on 26 October 2023, Not Applicable, and (ii) each Interest Period commencing on or after the Interest Payment Date scheduled to fall on 26 October 2023, 2 per cent. per annum
(xi) Day Count Fraction:	Actual/360
(xii) Fall back provisions, rounding provisions, denominator and any	In the definition of "USD-LIBOR-Reference Banks" at section 7.1(ab)(xxv) of the ISDA

other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

Definitions, the following sentence shall be deemed to be inserted immediately after the final full-stop of such definition: "If the Calculation Agent determines that a rate for a Reset Date cannot be obtained following the application of the foregoing provisions, the rate for such Reset Date shall be determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner".

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| 18. Zero Coupon Note Provisions | Not Applicable |
| 19. Index-Linked Interest Note Provisions | Not Applicable |
| 20. Dual Currency Note Provisions | Not Applicable |
| 21. Equity-Linked Interest Note Provisions | Not Applicable |
| 22. Commodity-Linked Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | |
|---|---|
| 23. Issuer Call | Not Applicable |
| 24. Investor Put | Not Applicable |
| 25. Final Redemption Amount | See the Appendix hereto |
| 26. Equity-Linked Redemption Note Provisions | Not Applicable |
| 27. Commodity-Linked Redemption Note Provisions | Applicable |
| 28. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | As set out in Condition 4(g) (<i>Early Redemption Prices</i>) |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 29. Form of Notes: | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| 30. New Global Note: | No |
| 31. Additional Financial Centre(s) or other special provisions relating to Payment Dates: | London and each day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the Target2 System) is open (and, for the avoidance of doubt, New York City) |
| 32. Talons for future Coupons or Receipts to be attached to Definitive Notes (and | Yes. Each Talon forming part of a Coupon sheet shall be deemed to mature on the Interest Payment Date on which the final Coupon |

LISTING APPLICATION

These Final Terms comprise the details required to list the issue of Notes described herein pursuant to the listing of the EUR 15,000,000,000 Euro Medium Term Note Programme of KommuneKredit.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

~~Duly~~ authorised

Johnny Munk
Managing Director

Jette Moldrup
Senior Vice President

APPENDIX

OTHER APPLICABLE TERMS

1. Final Redemption Amount on the Maturity Date

Unless the Notes have previously been redeemed, or purchased and cancelled, in accordance with the Conditions (as supplemented and amended herein), the Final Redemption Amount payable by the Issuer on the Maturity Date in respect of each Note (of the Specified Denomination) shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$SD \times [1 + \text{Max}(0; \text{Index Performance})]$$

2. Definitions

The following terms shall have the following meanings:

"Fallback Bond" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (i) the same day as the Maturity Date, (ii) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (iii) the next shortest maturity before the Maturity Date if no bond defined in (i) or (ii) is selected by the Calculation Agent. The Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"Index Performance" means an amount determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{\text{Index}_{\text{Final}}}{\text{Index}_{\text{Initial}}} \right) - 1.5811$$

"Index_{Final}" means the level of the Inflation Index for the Reference Month of January 2026 (subject to the provisions of paragraph 3 below).

"Index_{Initial}" means the level of the Inflation Index for the Reference Month of July 2010 (subject to the provisions of paragraph 3 below).

"Inflation Index" means the USA – Non-revised Consumer Price Index – Urban (CPI-U) (*Bloomberg Code: CPURNSA*).

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Reference Month" means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period

for which the Inflation Index level was reported is a period other than a month, the Reference Month is the period for which the Inflation Index level was reported.

"Related Bond" means the Fallback Bond.

"SD" means, in respect of each Note, the Specified Denomination (being U.S.\$ 100,000), or, if less, its outstanding nominal amount.

"Sponsor" means, in relation to an Inflation Index, the entity as determined by the Calculation Agent that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Inflation Index, and (ii) publishes or announces (directly or through an agent) the level of such Inflation Index, failing whom such person acceptable to the Calculation Agent who calculates and announces the Inflation Index or any agent or person acting on behalf of such person.

"USA – Non-revised Consumer Price Index – Urban (CPI-U)" means the "Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment" (as described in Annex B), or the relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Sponsor. The first publication or announcement of a level of such index for a Reference Month (as defined above) shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

3. **Delay in Publication**

Subject to paragraph 4 (*Cessation of Publication*) below, if any level of the Inflation Index for a Reference Month which is relevant for the calculation of a payment under the Notes (a **"Relevant Level"**) in respect of any payment date (**"Affected Payment Date"** (which for the purposes of these Notes, shall be the Maturity Date only)) has not been published or announced by the fifth Business Day prior to the Affected Payment Date, the Calculation Agent shall determine a substitute Inflation Index level (**"Substitute Index Level"**) by using the following methodology:

- (i) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent (**"Related Bond Calculation Agent"**) pursuant to the terms and conditions of the Related Bond (if any);
- (ii) if (i) does not result in a Substitute Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$$

Where:

"Base Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

"Latest Level" means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Sponsor prior to the month in respect of which the Substitute Index Level is being calculated; and

"Reference Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above;

and

- (iii) if a Relevant Level is published or announced at any time after the fifth Business Day prior to the Affected Payment Date, such Relevant Level will not be used in any calculations in respect of such Affected Payment Date. The Substitute Index Level so determined pursuant to paragraph 3(i) or 3(ii) above will be the definitive level of the Inflation Index for that Reference Month (subject to paragraph 4 (*Cessation of Publication*) below).

4. **Cessation of Publication**

If a level of the Inflation Index has not been published or announced for a period of two consecutive months, and in any event on or by the fifth Business Day prior to the Maturity Date, or the Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a "Successor Index" (in lieu of any previously applicable index) for the purpose of the Notes by using the following methodology:

- (i) if at any time (other than after the occurrence of a Termination Event pursuant to paragraph 4(v) below) a successor index has been designated by the Related Bond Calculation Agent pursuant to the terms and conditions of the Related Bond (if applicable), such successor index shall be deemed a "Successor Index" for the purposes of all subsequent payment dates in relation to the Notes, notwithstanding that any other Successor Index may previously have been determined under paragraphs 4(ii), (iii) or (iv) below; or
- (ii) if a Successor Index has not been determined under paragraph 4(i) above (and there has been no occurrence of a Termination Event pursuant to paragraph 4(v) below), and a notice has been given or an announcement has been made by the Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be deemed the "Successor Index" from the date that such replacement Inflation Index comes into effect; or
- (iii) if a Successor Index has not been determined under paragraphs 4(i) or (ii) above (and there has been no designation of a Termination Event pursuant to paragraph 4(v) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, that index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, that index will be deemed the "Successor Index" in respect of the Notes from the date such index is deemed the "Successor Index". If fewer than three responses are received, the "Successor Index" will be determined under paragraph 4(iv) below; or
- (iv) if a Successor Index has not been determined under paragraphs 4(i), (ii) or (iii) above by the fifth Business Day prior to the Maturity Date, the Calculation Agent will determine an appropriate alternative index for the Maturity Date, and such index will be deemed a "Successor Index" (from the date, such index is deemed the "Successor Index"); or
- (v) if the Calculation Agent determines that there is no appropriate alternative index, a "Termination Event" shall be deemed to occur, and the Notes shall be redeemed on such date as selected by the Calculation Agent in its sole and absolute discretion, and the Issuer shall redeem the Notes on such date at an amount determined by the

Calculation Agent as representing the fair market value of the Notes as determined by the Calculation Agent in its sole and absolute discretion.

5. **Rebasing of the Inflation Index**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the Related Bond Calculation Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

6. **Material Modification prior to the Maturity Date**

If, on or before the fifth Business Day prior to the Maturity Date, the Sponsor for the Inflation Index announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments to the Inflation Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index. In addition, the Calculation Agent may, but shall not be obliged to, make such adjustments that it determines (in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner) to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms or conditions in respect of the Notes.

7. **Manifest Error in Publication**

If, within 30 days of publication and in any event on or before the fifth Business Day prior to the Maturity Date, the Calculation Agent determines that the Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent will (i) notify the Issuer of that correction, (ii) determine and notify the Issuer of the amount that is payable as a result of that correction and (iii) to the extent necessary, adjust any relevant terms of the Notes to account for any such correction and take such other action as the Calculation Agent may deem necessary to give effect to such correction.

Annex A

Additional Investor Considerations

These additional investor considerations should be read together with the investor considerations listed on pages 10 to 13 of the Information Memorandum. Such investor considerations are considerations that are material to the Notes in order to assess the market risks associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

An investment in the Notes is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making any investment decision with respect to the Notes, investors should consult their own financial, tax or other advisers as they consider appropriate and carefully review and consider such an investment decision in the light of the following factors and their personal circumstances.

Notes linked to Underlying Assets

Where the amounts of payments under the Notes are linked to the performance or evolution of inflation indices, interest rates and/or other variables ("**Underlying Assets**") an investment in the Notes is not the same as an investment in any or all of the Underlying Assets or any securities comprised in a relevant index or an investment which is directly linked to any of them.

The levels or prices of Underlying Assets (and of securities or other components comprised in an index) may go down as well as up throughout the term of the Notes. Such fluctuations may affect the value of the Notes. Furthermore, the levels or prices at any specific date may not reflect their prior or future performance or evolution. There can be no assurance as to the future performance or evolution of any Underlying Asset. Accordingly, before investing in the Notes, investors should carefully consider whether any investment linked to the relevant Underlying Assets is suitable for them.

Such Notes may involve complex risks, which include, among other things, foreign exchange risks, interest rate risks, political risks, inflation risks and/or issuer risks. If the Notes are linked to an Underlying Asset which involves emerging market countries there may be additional risks, including event, market, liquidity, regulatory, settlement and holder risks and investors should note that the risk of occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

Risks associated with Inflation Indices and other inflation measurements as Underlying Assets

Where the Notes reference one or more inflation indices, consumer price indices or other formula linked to a measure of inflation as Underlying Assets, the purchasers of such Notes are exposed to the performance of such inflation indices or other measurement formulae, which may be subject to significant fluctuations that may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by purchasers of the Notes in such jurisdiction. Payments to be made under the Notes may be based on a calculation made by reference to an inflation index for a month which is several months prior to the date of payment on the Notes and therefore could be substantially different from the level of inflation at the time of the payment on the Notes.

Risks associated with Interest Rates as Underlying Assets

The performance of interest rates is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors.

Annex B

Information Relating to the USA – Non-revised Consumer Price Index – Urban (CPI-U) (Bloomberg Code: CPURNSA)

(for the purposes of this Annex B, the "Index")

The information included herein with respect to the Index consists only of extracts from, or summaries of, publicly available information. No responsibility in respect of the information provided in this Annex B is accepted by the Issuer and no responsibility whatsoever is accepted by Credit Suisse International ("CSI"). In particular, neither the Issuer or CSI accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Index or that there has not occurred any event which would affect the accuracy or completeness of such information.

Potential investors of the Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. Each potential investor of the Notes should be fully aware of and understand the complexity and risks inherent in the Notes before it makes its investment decision in accordance with the objectives of its business.

General Description of the Index

The U.S. Consumer Price Index (the "**CPI**") reflects spending patterns for each of two population groups: all urban consumers and urban wage earners and clerical workers. The broadest and most comprehensive CPI is the Index. The Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services reported monthly by the Bureau of Labor Statistics of the U.S. Department of Labor ("**BLS**") and published on Bloomberg page CPURNSA or any successor service.

In addition to the Index, BLS publishes thousands of other consumer price indexes. One such index is called "All items less food and energy". Some users of CPI data use this index because food and energy prices are relatively volatile, and these users want to focus on what they perceive to be the "core" or "underlying" rate of inflation. When CPI data are reported, these data can be reported on a non-seasonally adjusted basis as well as a seasonally adjusted basis.

The Index reflects spending patterns for all urban consumers. The all urban consumer group represents about 87 per cent. of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed, and retired people, as well as urban wage earners and clerical workers. Not included in the Index are the spending patterns of people living in rural non-metropolitan areas, farm families, people in the Armed Forces, and those in institutions, such as prisons and mental hospitals. Consumer inflation for all urban consumers is measured by two indexes, namely, the Consumer Price Index for All Urban Consumers (CPI-U) (the "**Index**") and the Chained Consumer Price Index for All Urban Consumers (C-CPI-U). The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for the Index is the 1982-1984 average.

The CPI represents all goods and services purchased for consumption by the reference population and BLS has classified all expenditure items into more than 200 categories, arranged into eight major groups. Major groups and examples of categories in each are as follows:

- FOOD AND BEVERAGES (breakfast cereal, milk, coffee, chicken, wine, full service meals,

snacks);

- HOUSING (rent of primary residence, owners' equivalent rent, fuel oil, bedroom furniture);
- APPAREL (men's shirts and sweaters, women's dresses, jewellery);
- TRANSPORTATION (new vehicles, airline fares, gasoline, motor vehicle insurance);
- MEDICAL CARE (prescription drugs and medical supplies, physicians' services, eyeglasses and eye care, hospital services);
- RECREATION (televisions, toys, pets and pet products, sports equipment, admissions);
- EDUCATION AND COMMUNICATION (college tuition, postage, telephone services, computer software and accessories); and
- OTHER GOODS AND SERVICES (tobacco and smoking products, haircuts and other personal services, funeral expenses).

Also included within these major groups are various government-charged user fees, such as water and sewerage charges, auto registration fees, and vehicle tolls. In addition, the CPI includes taxes (such as sales and excise taxes) that are directly associated with the prices of specific goods and services. However, the CPI excludes taxes (such as income and Social Security taxes) not directly associated with the purchase of consumer goods and services.

The CPI does not include investment items, such as stocks, bonds, real estate, and life insurance. (these items relate to savings and not to day-to-day consumption expenses.)

For each of the more than 200 item categories, using scientific statistical procedures, BLS has chosen samples of several hundred specific items within selected business establishments frequented by consumers to represent the thousands of varieties available in the marketplace. For example, in a given supermarket, BLS may choose a plastic bag of golden delicious apples, U.S. extra fancy grade, weighing 4.4 pounds to represent the "Apples" category.

Source:

The website of the Bureau of Labor Statistics:

"Frequently Asked Questions"

<http://www.bls.gov/cpi/cpifaq.htm#Question> (accessed 10 October 2010)

Calculation of the Index

The CPI is a product of a series of interrelated samples. First, using data from the 1990 Census of Population, BLS selected the urban areas from which data on prices were collected and chose the housing units within each area that were eligible for use in the shelter component of the CPI. The Census of Population also provided data on the number of consumers represented by each area selected as a CPI price collection area. Next, another sample (of about 14,500 families each year) served as the basis for a "Point-of-Purchase Survey" that identified the places where households purchased various types of goods and services.

This information enabled BLS to construct the CPI market basket of goods and services and to assign each item in the market basket a weight, or importance, based on total family expenditures. The final stage in the sampling process is the selection of the specific detailed item to be priced in each outlet. This is done in the field, using a method called dis-aggregation. For

example, BLS economic assistants may be directed to price "fresh whole milk." Through the disaggregation process, the economic assistant selects the specific kind of fresh whole milk that will be priced in the outlet over time. By this process, each kind of whole milk is assigned a probability of selection, or weight, based on the amount the store sells. If, for example, Vitamin D homogenized milk in half-gallon containers makes up 70 per cent. of the sales of whole milk, and the same milk in quart containers accounts for 10 per cent. of all whole-milk sales, then the half-gallon container will be 7 times as likely to be chosen as the quart container. After probabilities are assigned, one type, brand, and container size of milk is chosen by an objective selection process based on the theory of random sampling. The particular kind of milk that is selected by disaggregation will continue to be priced each month in the same outlet.

In sum, price changes are weighted by the importance of the item in the spending patterns of the appropriate population group. The combination of all these factors gives a weighted measurement of price change for all items in all outlets, in all areas priced for the CPI.

Source:

The website of the Bureau of Labor Statistics:

"Frequently Asked Questions"

<http://www.bls.gov/cpi/cpifaq.htm#Question> (accessed 10 October 2010)

Further Information

Information on the Index and the CPI is available from BLS electronically, through subscriptions to publications, and via telephone and fax, through automated recordings. Information specialists are also available in the national and regional offices to provide assistance.

Electronic access to CPI data:

Through the Internet, BLS provides free, easy, and continuous access to almost all published CPI data and press releases. The most recent month's CPI indices are made available on the internet immediately after their release. In addition, a database called LABSTAT containing current and historical data on the CPI is accessible. Data and press releases from other BLS surveys are also available.

The BLS Web site (<http://www.bls.gov/site>) provides easy access to LABSTAT, as well as links to program-specific home pages. In addition to furnishing data, the CPI home page (<http://www.bls.gov/cpi/>) provides other CPI information including a brief explanation of methodology, frequently asked questions and answers, a list of contacts for further information, and explanations of how the CPI handles special items, such as medical care and housing. Furthermore, CPI press releases and historical data for metropolitan areas can be accessed by linking to the regional office homepages from the main BLS Web site.

E-mail subscription service:

The latest U.S. average and local CPI indices can be delivered directly to a subscriber's e-mail address on the morning of their release. Just subscribe to one of the nine national and regional CPI subscriptions offered on the BLS News Service (<http://www.bls.gov/bls/list.htm>).

Recorded CPI data and Summary CPI data are provided 24 hours a day on recorded messages. Detailed information on the CPI is available by calling (202) 691-5200. A touch-tone telephone is recommended, as that device allows the user to select specific indexes from lists of available data.

Other sources of CPI data:

Technical information is available during normal working hours, Monday through Friday (Eastern

Time), by calling (202) 691-7000 or any of the regional offices.

Further information may be obtained from the Office of Prices and Living Conditions, Bureau of Labor Statistics, 2 Massachusetts Avenue, N.E., Room 3615, Washington, DC, 20212-0001, telephone (202) 691-7000, or by calling any of the regional offices.

Source:

The website of the Bureau of Labor Statistics:

"Frequently Asked Questions"

<http://www.bls.gov/cpi/cpifaq.htm#Question> (accessed 10 October 2010)

Annex C

Disclaimer

The Notes are in no way sponsored, endorsed, sold or promoted by the Bureau of Labor Statistics (the "**BLS**"). BLS has no obligations to take the needs of the Noteholders into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition BLS makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and BLS shall not be liable, whether in negligence or otherwise, to any person for any error in the Index nor shall BLS be under any obligation to advise any person, including, without limitation, the Issuer or Noteholders of any error therein.

The Issuer and CSI accept no responsibility or liability whatsoever in respect of any person who may be affected adversely or otherwise, whether directly or indirectly, in connection with any purchase or sale of, or investment in the Notes for any actions taken or omissions relating to the Index including, without limitation, changes in the composition of the Index, alterations or errors in the methods of calculating the Index, delay, termination, suspension or interruption of the Index, alterations or errors in the methods of calculating the Index, delay, termination, suspension or interruption of the Index or calculation of the Index, any act of force majeure or otherwise on the part of the corporation or any successor sponsor.