



**South Australian Government Financing Authority**

*(a statutory authority constituted by the Government Financing Authority Act 1982 of South Australia)*  
(ABN 75 277 967 856)

**Guaranteed by**

**The Treasurer Of The State Of South Australia**

**U.S.\$2,500,000,000 Multicurrency Euro-Commercial Paper Programme**

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**Dealers**

Barclays  
Bank of America Merrill Lynch International Ltd  
Citigroup  
Commonwealth Bank of Australia, Hong Kong Branch  
Deutsche Bank  
ING Commercial Banking  
National Australia Bank Limited  
RBC Capital Markets  
The Royal Bank of Scotland  
UBS Investment Bank

**Principal Paying Agent And Calculation Agent**

Citibank N.A.

**Fiscal Agent**

Citicorp International Limited

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# Important Notice

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## Introduction

This Offering Circular relates to a Euro-Commercial Paper Programme (the "**Programme**") established by South Australian Government Financing Authority (ABN 75 277 967 856) ("**SAFA**") under which euro-commercial paper ("**Notes**") may be issued from time to time. The Notes may be issued up to a maximum aggregate amount of U.S.\$2,500,000,000 (or as that amount may be increased from time to time).

SAFA may also issue notes, bonds or other debt instruments (including dematerialised securities) otherwise than under the Programme. This Offering Circular has been prepared solely for the purpose of describing the issuance of Notes with a tenor of up to 364 days under the Programme.

Pursuant to Section 15(1) of the Government Financing Authority Act 1982 of South Australia ("**GFA Act**") all liabilities incurred or assumed by SAFA in pursuance of the GFA Act (which includes liabilities of the Issuer under the Notes) are guaranteed by the Treasurer of the State of South Australia ("**Guarantor**").

This Offering Circular replaces the Offering Circular dated 22 August 2012.

## Responsibility

This Offering Circular has been prepared by, and issued with, the authority of SAFA. SAFA accepts responsibility for the information contained in this Offering Circular other than information provided by the Agents or the Dealers (each as defined in the section entitled "Summary of the Programme" below) in relation to their respective descriptions in the sections entitled "Summary of Programme" and "Directory" below. SAFA, after making all reasonable enquiries, confirms that, in the context of the Programme and the issue and offering of Notes, the information in this Offering Circular relating to SAFA and the Programme is, in every material respect, true and accurate and not misleading and there are no facts relating to SAFA and the Programme, the omission of which would make any statements in this Offering Circular relating to SAFA and the issuance of Notes under the Programme misleading in any material respect and all reasonable inquiries have been made to ascertain such facts and to verify the accuracy of such statements.

## Place of Issuance

Subject to applicable laws, regulations and directives, SAFA may issue Notes under the Programme in any country outside Australia, including countries in Europe and Asia, but not in the United States of America unless such Notes are registered under the United States Securities Act of 1933 (as amended) ("**Securities Act**") or an exemption from the registration requirements under the Securities Act is available.

## Listing

It is not intended that Notes will be listed on any stock exchange and no application will be made at any time to list the Notes on any stock exchange.

A communication of an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received in connection with the issue or sale of any Notes will only be made in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

## Documents incorporated by reference

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Offering Circular shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated into,

and form part of, this Offering Circular. References to “**Offering Circular**” are to this Offering Circular and any other document incorporated by reference and to any of them individually.

The following documents (including any that are published or issued from time to time after the date of this Offering Circular) are incorporated in, and taken to form part of, this Offering Circular:

- the most recently published audited annual financial statements of SAFA; and
- any other supplement to this Offering Circular issued by SAFA and stated to be incorporated in this Offering Circular by reference.

Any statement contained in this Offering Circular, or any documents incorporated by reference in, and forming part of, this Offering Circular, shall be deemed to be modified or superseded in this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference into this Offering Circular modifies or supersedes such statement (including whether expressly or by implication). Except as provided above, no other information, including any information on SAFA’s website at [www.safa.sa.gov.au](http://www.safa.sa.gov.au) or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Offering Circular unless otherwise stated.

Copies of documents which are incorporated by reference in this Offering Circular may be obtained from the offices of SAFA or the Principal Paying Agent.

#### **No offer**

This Offering Circular does not, and is not intended to, constitute an offer or invitation by or on behalf of SAFA, the Guarantor, the Agents or the Dealers to any person to subscribe for, purchase or otherwise deal in any Notes.

#### **References to internet site addresses**

Any internet site addresses provided in this Offering Circular are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Offering Circular.

#### **No independent verification**

The only role of the Agents and the Dealers in the preparation of this Offering Circular has been to confirm to SAFA that their respective descriptions in the sections entitled “Summary of the Programme” and “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Agents or the Dealers has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted by any of them, as to the accuracy, authenticity, origin, validity or completeness of, or any errors, or omissions from, or any information or statement contained in, this Offering Circular or any further information supplied by SAFA in connection with the Programme.

None of SAFA, the Guarantor, the Agents or the Dealers accepts any responsibility, express or implied, for updating this Offering Circular and neither the delivery of this Offering Circular nor any offer, sale or delivery of any Notes made on the basis of the information in this Offering Circular shall, in any circumstances, create any implication that the Offering Circular is accurate at any time subsequent to its date or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no change in the business, financial condition or affairs of SAFA since its date or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented.

The Agents and the Dealers expressly do not undertake to review the business, financial condition or affairs of SAFA at any time during the life of the Programme or to advise any holder of any Notes of

any information coming to their attention with respect to SAFA and make no representations as to the ability of SAFA to comply with its obligations under the Notes.

### **Intending purchasers to make independent investment decision and obtain tax advice**

This Offering Circular contains only summary information concerning the Notes. Neither the information contained in this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes is intended to provide the basis of any credit or other evaluation in respect of SAFA or any Notes is not, and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of SAFA, the Guarantor, the Agents or the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes, or otherwise acquire any rights in respect of any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes, or any rights in respect of any Notes, should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, SAFA;
- determine for themselves the relevance of the information contained in this Offering Circular and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has published a proposal for a Directive for a common financial transaction tax (“**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating

Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of thirty per cent. on all, or a portion of, payments made after 31 December 2016 pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), or similar law implementing an intergovernmental approach to FATCA, or in either case, any agreement entered into by the Issuer or such financial institutions pursuant thereto. The rules governing FATCA have not yet been fully developed in this regard and the future application of FATCA to the Issuer, the Notes and the holders of Notes is uncertain. On 2 April 2014 the US Department of the Treasury issued an Announcement 2014-17 that provides transitional relief before an Australian intergovernmental agreement comes into effect. It confirms the FATCA regime for Australian financial institutions is a Model 1 intergovernmental agreement (“**IGA**”) and permits Australian financial institutions to register with the Internal Revenue Service (“**IRS**”) and obtain a Global Intermediary Identification Number (GIIN) before the IGA is formally signed. Any withholding by the Issuer, and other non-U.S. financial institutions through which payments on the Notes are made, may (subject to any application of an Australian IGA) be required, *inter alia*, where (i) the Issuer or such other non-U.S. financial institution is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service to provide certain information on its account holders (making the Issuer or such other non-U.S. financial institution a “**Participating FFI**”), and (ii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA or (b) an investor (or any entity through which payment on such Notes is made) is an FFI that is not a Participating FFI or otherwise exempt from FATCA withholding. However, such FATCA withholding tax is not expected to apply if the Notes are treated as debt for U.S. federal income tax purposes and are issued prior to 1 July 2014 and are not materially modified on or after such date.

If an amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer, nor any other person would, pursuant to the applicable terms and conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax.

FATCA is particularly complex legislation and its application is uncertain at this time. The above description is based in part on U.S. Treasury regulations issued on 17 January 2013, 20 February 2014 2 April 2014 and official guidance that is subject to change. The application of FATCA to Notes issued or materially modified on or after 1 July 2014 (or whenever issued, in the case of Notes treated as equity for U.S. federal tax purposes) may be addressed in any supplementary information memorandum or in information incorporated into this Information Memorandum by reference, as applicable.

The Australian Government and the U.S. Government are in discussions in relation to entry into an intergovernmental agreement (“**IGA**”) in respect of FATCA. The terms of the IGA have not yet been finalised. The impact of the FATCA regime will depend upon the terms of the IGA and the relevant Australian implementing legislation. In light of Announcement 2014–17 it is anticipated that Australian FFIs will generally be able to make an appropriate registration with the IRS so as to be able to be treated as “deemed compliant” with FATCA. Depending on the nature of the relevant FFI, FATCA withholding may not be required from payments made with respect to the Notes other than in certain prescribed circumstances.

Investors should consult their own tax advisers to determine how these rules may apply to payments they will receive under the Notes and the potential impact of the implementation of an Australian IGA

## **Risks**

Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes describes the risks of an investment in any Notes. Prospective investors should consult their own financial, legal, tax and/or other professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

## **Selling restrictions and no disclosure**

Neither this Offering Circular nor any other disclosure document in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“ASIC”). No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia (“Corporations Act”).

The Offering Circular is not a prospectus or other disclosure document for the purposes of the Corporations Act. The distribution and use of this Offering Circular, including any advertisement or other offering material, and the offer or sale of Notes, may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Offering Circular, or other offering material relating to the Notes, see the section entitled “Selling Restrictions” below.

None of SAFA, the Guarantor, the Agents or the Dealers represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered in compliance with any applicable registration or other requirements in any jurisdiction, or under an exemption available in such jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Notes or distribution of this Offering Circular or any such document in any jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Offering Circular or any other offering material or advertisement relating to the Notes except if the offer or invitation, or distribution or publication, complies with all applicable laws, regulations and directives.

## **No authorisation**

No person has been authorised by SAFA to give any information or make any representations not contained in or consistent with this Offering Circular in connection with SAFA, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by SAFA, any Agent or the Dealers.

## **No registration in the United States**

**NEITHER THE NOTES NOR THE GUARANTEE HAVE BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, AND NOTES MAY NOT BE OFFERED, SOLD, DELIVERED, OR TRANSFERRED, AT ANY TIME, WITHIN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

## **Agency and distribution arrangements**

SAFA has agreed to pay the Agents' fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme and the offer and sale of Notes.

SAFA may also pay a Dealer a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

Each Dealer and its subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

### **References to credit ratings**

There may be references in this Offering Circular to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

### **Currencies**

In this Offering Circular, references to “**dollars**”, “**AUD**”, or “**A\$**” are to Australian dollars, references to “**USD**” and “**U.S.\$**” are to United States dollars and references to “**Euro**” and “**€**” are to the single currency of the of those member states of the European Union participating in the Third Stage of European Economic and Monetary Union from time to time.

### **Currency of information**

The information contained in this Offering Circular is prepared as of its Preparation Date. Neither the delivery of this Offering Circular nor any offer, issue or sale made in connection with this Offering Circular at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date. In particular, SAFA is not under any obligation to any person to update this Offering Circular at any time after an issue of Notes.

In this Offering Circular, “**Preparation Date**” means:

- in relation to this Offering Circular (or any supplement to it), the date indicated on its face or, if this Offering Circular has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any financial statements incorporated in this Offering Circular, the date up to, or as at, the date on which such annual reports and financial statements relate; and
- in relation to any other item of information which is to be read in conjunction with this Offering Circular, the date indicated on its face as being its date of release or effectiveness.

Investors should review, amongst other things, the documents which are deemed to be incorporated in this Offering Circular by reference when deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.



# Summary of the Programme

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*The following is a brief summary only and should be read in conjunction with the rest of this Offering Circular.*

**Issuer:** South Australian Government Financing Authority (a statutory authority constituted by the Government Financing Authority Act 1982 of South Australia) (the "**GFA Act**").

The Programme and the issue of Notes have been approved by SAFA and by the Treasurer of the State of South Australia in accordance with the GFA Act.

Under Section 5(2) of the GFA Act, SAFA holds its property on behalf of the Crown. By virtue of Section 10(1) of the Crown Proceedings Act 1992 of South Australia ("**CP Act**"), no writ, warrant or similar process shall be issued out of any court to enforce a judgment against SAFA, though final judgments may be enforced according to the procedure set out in section 10(2) of the CP Act. Whilst SAFA has not waived its immunity from execution, attachment or other process in respect of its property in any jurisdiction, it has, to the extent that it is able to do so, undertaken in the Deed of Covenant dated 5 August 2009 ("**Deed of Covenant**") not to plead immunity from legal process in any jurisdiction.

**Guarantor:** The Treasurer of the State of South Australia.

**Guarantee:** Pursuant to Section 15(1) of the GFA Act all liabilities incurred or assumed by SAFA in pursuance of the GFA Act are guaranteed by the Treasurer of the State of South Australia.

**Description:** A non-underwritten debt issuance programme under which, subject to applicable legal laws, regulations and directives, SAFA may elect to issue Notes to purchasers or investors in any jurisdiction as agreed between SAFA and the relevant Dealer(s).

**Issue Agent, Principal Paying Agent and Calculation Agent:** Citibank N.A. ("**Principal Paying Agent**") has been appointed under the Agency Agreement dated 5 August 2009 to provide issue and principal paying agency services and calculation agency services in respect of the Notes.

**Fiscal Agent:** Citicorp International Limited ("**Fiscal Agent**") has been appointed under the Agency Agreement dated 5 August 2009 to provide fiscal agency services in respect of the Notes.

**Agents:** The Principal Paying Agent and the Fiscal Agent. SAFA may appoint additional agents in relation to a Series of Notes pursuant to an agency agreement.

**Dealers:** Bank of America Merrill Lynch International Ltd  
Barclays Bank PLC  
Citibank International plc  
Commonwealth Bank of Australia, Hong Kong Branch  
Deutsche Bank AG, London Branch  
ING Commercial Banking  
National Australia Bank Limited  
RBC Capital Markets  
The Royal Bank of Scotland  
UBS Limited

Additional Dealers may be appointed from time to time for any issue of Notes or to the Programme generally in accordance with the provisions of the Programme Agreement dated 5 August 2009 as amended and supplemented from time to time (“**Programme Agreement**”).

- Programme Limit:** U.S.\$2,500,000,000 (or its equivalent in other currencies). The Programme Limit may be increased by the Issuer from time to time in accordance with the provisions of the Programme Agreement.
- Term of the Programme:** The Programme continues until terminated by SAFA.
- Yield basis:** SAFA may issue Notes that are interest bearing or sold at a discount to its face amount. SAFA may issue any other debt instruments agreed from time to time by SAFA, the relevant Dealer and the Principal Paying Agent.
- Form of Notes:** The Notes will be in bearer form. Each issue of Notes will initially be represented by Notes in global form (“**Global Notes**”). Global Notes will be exchangeable for Notes in definitive form (“**Definitive Notes**”) upon default or in certain other limited circumstances set out in the Global Notes.
- The form of Notes will be substantially in the form set out in this Offering Circular.
- If required by applicable laws of the relevant country, it may be necessary to amend the form of Notes.
- Deed of Covenant:** Holders of Notes will have the benefit of the Deed of Covenant.
- Currencies:** Notes will be issued in any currencies which are for the time being freely transferable and convertible into Australian dollars as agreed between SAFA and the relevant purchasing Dealers. It is anticipated that Notes will principally be denominated in AUD, USD and Euro subject to all applicable laws.
- Denomination:** Subject to all applicable laws, Notes will be initially issued in minimum denominations of A\$500,000, €500,000, U.S.\$500,000 (and integral multiples of A\$1,000 or its equivalent in any other relevant currency) or, in each case, such other denominations as may be agreed between SAFA and the relevant Dealers. The minimum denominations of Notes denominated in other currencies will be subject to all applicable laws.
- Maturities:** Subject to compliance with all relevant laws, the tenor of Notes shall not be less than 1 day or more than 364 days from and including the date of issue.
- Status of the Notes:** Notes will constitute direct unsecured and unconditional obligations of SAFA and will rank *pari passu* without any preference or priority among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of SAFA, except for liabilities mandatorily preferred by law.
- Status of the Guarantee:** A liability of the Treasurer of the State of South Australia arising under Section 15(1) of the GFA Act (including a liability arising under the Guarantee) will be satisfied out of the general revenue of the State of South Australia which, pursuant to the GFA Act, is appropriated to the necessary extent.
- Clearing Systems:** Notes may be traded on the settlement systems operated by Euroclear Bank S.A./N.V. (“**Euroclear**”), Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or any other clearing system agreed

between the Issuer, the Principal Paying Agent and the relevant Dealers (each a “**Clearing System**”).

**Issue and Exchange of Notes:** Global Notes will be deposited on the relevant issue date with a common depository for Euroclear and Clearstream, Luxembourg and interests therein will be credited to the accounts of the relevant purchasers with Euroclear and/or Clearstream, Luxembourg. The Global Notes will be exchanged for Definitive Notes on default or in certain other limited circumstances set out in the Global Notes. Any interest in Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg.

**Restrictions on Sale:** The offer, sale and delivery of Notes and the distribution of this Offering Circular and other material in relation to any Notes are subject to such restrictions as may apply in any country relevantly connected with that offer and sale.

In particular, restrictions on the offer or sale of Notes in Australia, the United Kingdom, the United States of America, Japan, Singapore and Hong Kong are set out in the section entitled “Selling Restrictions” below.

**Taxes:** All sums payable by the Issuer under any Notes will be paid free and clear of all taxes or withholdings whatsoever required to be deducted or withheld by, or within, the Commonwealth of Australia unless required by law. In that event, subject to certain exceptions stated in the Conditions of the Notes, the Issuer will pay such additional amount as may be necessary in order that the net amount receivable by Noteholders after such withholding or deduction shall equal the amount which would have been received by Noteholders in the absence of such withholding or deduction.

It is unclear whether payments by the Guarantor under the Guarantee in respect of the Notes are subject to withholding or deduction for, or on account of, certain taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia. However, if the Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof having power to tax, in respect of payments under the Guarantee, none of the Issuer, the Guarantor nor any other person is obliged to pay any additional amounts in respect of such deduction or withholding.

**Rating:** The Programme has been rated A1+ by Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc. (“**Standard & Poor’s**”) and Prime-1 by Moody’s Investors Service, Inc. (“**Moody’s**”)

*A rating is not a recommendation to buy, sell or hold Notes and may be subject to change, suspension or withdrawal at any time by the credit rating agency.*

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.*

- Listing:** Notes will not be listed on any stock exchange.
- Investors to obtain Independent advice with respect to investment risks:** This Offering Circular does not describe the risks of an investment in the Notes. Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Notes and the suitability of investing in the Notes in light of their particular circumstances.
- Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with them will be governed by English law. The Guarantee will be governed by, and construed in accordance with, South Australian law.

# Information relating to the Issuer

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## THE SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY

### Introduction

SAFA was established on 13 January 1983 by the Government Financing Authority Act of South Australia 1982 (“**GFA Act**”) as the central fund raiser for almost all governmental agencies and instrumentalities (“**semi-government authorities**”) in the State of South Australia (“**South Australia**”) and for the South Australian Government itself.

Under the GFA Act:

- SAFA was established as a corporate body constituted by the Under Treasurer of South Australia; and
- the South Australian Government Financing Advisory Board was established, and whose functions include providing advice to the Treasurer of South Australia (“**Treasurer**”) and SAFA on the exercise of SAFA’s functions and powers.

SAFA’s functions include:

- developing and implementing borrowing and investment programmes for the benefit of semi-governmental authorities; and
- to act as captive insurer of the South Australian Government, including activities of insurers, re-insurers and co-insurers of risks of the Government of South Australia.

For the purposes of undertaking its functions SAFA can borrow money within or outside Australia, including through the issue of securities.

SAFA’s activities form an integral part of the South Australian public sector financial management. With respect to its fund raising activities, funds raised by SAFA in the domestic and international capital markets are generally on-lent to the South Australian Government and semi-governmental authorities.

SAFA is, in the exercise and performance of its powers and functions, subject to the control and direction of the Treasurer and its accounts are audited by the South Australian Auditor-General.

SAFA’s annual report (including accounts) is tabled in the South Australian Parliament around the same time as the annual Financial Statements are presented by the Treasurer of South Australia to the South Australian Parliament.

SAFA had capital and reserves of A\$310.0 million as at 30 June 2013. Under the terms of the GFA Act, moneys provided to SAFA by the Treasurer are to be regarded as provided upon such terms and conditions as the Treasurer may from time to time determine.

### Financial Statements

The latest financial statements of SAFA are available from SAFA upon request or from SAFA’s website [www.safa.sa.gov.au](http://www.safa.sa.gov.au). These financial statements are audited by the Auditor-General of the State of South Australia in accordance with Australian Auditing Standards and application of Treasurer’s Instructions issued under the Public Finance & Audit Act of South Australia 1983.

### Use of proceeds

The net proceeds from each issue of Notes will be used by SAFA for the purposes of performing its statutory functions under the GFA Act. The proceeds will be available to SAFA for on-lending to South Australian semi-government authorities and to the Government of South Australia or for other purposes authorised by the GFA Act.

## THE STATE OF SOUTH AUSTRALIA

### Credit Rating

SAFA is rated AA (stable) by Standard & Poor's. SAFA's rating is derived from the credit status of the Government of South Australia. SAFA is also rated Aa1 (stable) by Moody's.

### General

The State of South Australia, located in the central and southern part of the continent of Australia, covers a total area of 984,377 square kilometres, representing one-eighth of the area of the Australian continent.

The population of South Australia is approximately 1.6 million representing 7.5 per cent. of the population of Australia. Almost 75 per cent. of South Australia's population live in the capital city, Adelaide.

### System of Government

South Australia is one of the six Australian States (originally constituted by Acts of Parliament in Great Britain) which, in 1901, ceded many of their powers on certain matters of national importance (e.g. international affairs and defence) to the Commonwealth. From time to time other powers relating to matters of local importance are delegated to local governing bodies. In addition, statutory powers within specified fields are exercised by certain semi-government bodies such as SAFA.

Both the Commonwealth and the South Australian Parliaments are bicameral. In each Parliament, the leader of the Government (the Prime Minister of the Commonwealth and the Premier of South Australia) is a member of the Lower House while the Upper House has restricted powers.

Like the Commonwealth, South Australia's system of executive government is based on the system which evolved in Great Britain in the eighteenth century and is generally known as "cabinet" or "responsible" government. Its main principles are that the Head of State, Her Majesty the Queen (or her representative, the Governor, acting on her behalf) should perform government acts on the advice of her ministers, that she should choose her principal Ministers of State from Members of Parliament belonging to the party or coalition of parties commanding a majority in the Lower House, that the Ministry so chosen should be collectively responsible to that House for the Government of South Australia and that the Ministry should resign if it ceases to command a majority there.

The cabinet system operates chiefly by means of constitutional conventions, customs and historical precedent. The executive power of South Australia is exercisable by the Governor who is advised by an executive council which meets only for formal purposes. The overall policy of a Ministry is in practice determined by some or all of the Ministers of State, at regular meetings chaired by the Premier. This group of Ministers is known as the Cabinet.

## COMMONWEALTH FINANCIAL RELATIONS AND STATE ACCOUNTS

### *Commonwealth / State Financial Relations*

#### Regulation of Borrowings

Under the Financial Agreement of 1927 made between the Commonwealth and State Governments ("**Financial Agreement**"), the Commonwealth assumed responsibility to bondholders for all State debts existing on 30 June 1927.

The Financial Agreement also established the Australian Loan Council ("**Loan Council**") which consists of a representative of the Commonwealth Government (in practice the Treasurer of Australia) and of each State of Government (either the Premier or the Treasurer of the State). Loan Council's functions include determining the aggregate annual borrowing program of the Commonwealth and State governments and their authorities and distributing that program between the Commonwealth

and the States. The Financial Agreement provided that, with certain rather limited exceptions, State Governments could not borrow directly. Instead, a mechanism by which the Commonwealth acted as the central borrower for all State Governments was used with the Commonwealth allocating the proceeds to each State.

New borrowings on behalf of the States by the Commonwealth ceased by 1986/87. Until 1989/90 borrowings were restricted to refinancing maturing debt not able to be met by the States from balances available in the National Debt Sinking Fund (“NDSF”).

At the June 1990 Loan Council meeting it was resolved that commencing in 1990/91, the States would make additional payments to the NDSF and thereby provide for the progressive redemption of all maturing borrowings raised on behalf of the States by the Commonwealth under the Financial Agreement.

At the June 1992 Loan Council meeting, amendments to the Financial Agreement were approved in principle to enable States to borrow by the issue of securities in their own names (as distinct from their central borrowing authorities) in domestic and overseas markets and to remove the Commonwealth's explicit power to borrow on behalf of the States. The requirement for future Commonwealth and State borrowings to be approved under the provisions of the Financial Agreement was also removed.

Loan Council's monitoring and reporting arrangements were changed during 1992/93. The new arrangements focus upon an aggregate Loan Council Allocation which is based upon each jurisdiction's estimated general government deficit/surplus as defined by the Australian Bureau of Statistics. The measure reflects a jurisdiction's net call on financial markets.

During 1994/95, legislative amendments were passed which reduced the role of the Financial Agreement to providing for the existence of the Loan Council, which has no legal powers, and to specifying arrangements between the Commonwealth and the States in relation to past borrowings. The new Financial Agreement became effective on 1 July 1995.

### **Taxation and Revenue Sharing**

The Commonwealth retains exclusive power to impose customs and excise duties, but shares responsibility with the States for all other forms of taxation. However, since 1942 and with the agreement of the States, the Commonwealth has been the sole income taxing authority in Australia. In 2000, the Commonwealth Government introduced a goods and service tax (GST) as part of a national taxation reform program. As part of the national tax reform package, the Commonwealth agreed to provide the revenue generated by the GST to State and Territory Governments.

The Commonwealth distributes the GST to the States as general purpose funding that can be used freely by the States to finance their own expenditure priorities. GST grants are distributed amongst the States based upon the relative revenue raising capacity and expenditure needs of each State as assessed by an independent advisory body, the Commonwealth Grants Commission. The principle of the distribution methodology is based on Australia's commitment to ensuring that each State has the capacity to provide public services at a similar standard and level of efficiency as the other States for a comparable revenue-raising effort.

The Commonwealth also provides Specific Purpose Payments and National Partnership Payments, which are “tied” to particular Commonwealth Government expenditure objectives. The administration of these funds by the States is subject to guidelines agreed with the Commonwealth. The distribution and magnitude of Specific Purpose Payments and National Partnership Payments are determined through the Commonwealth Budget, usually following negotiations between the State and Commonwealth Government.

### ***South Australian Public Sector Finances***

The collection of public revenue and the expenditure of public money in South Australia is the responsibility of three groups of authorities:

- the Commonwealth Government;

- the South Australian Government and State government business entities, which together make up South Australian public sector finances; and
- local government.

In relation to the South Australian Government, State tax revenues are generated from property, including land tax and stamp duty, payroll tax and taxes on motor vehicles, gambling and insurance contracts. The State also collects royalties from mining operations in the State. Around 50 per cent. of the revenue of the South Australian Government is derived from grants from the Commonwealth Government. Revenue is also derived from the proceeds of the sale of goods and services to the public and to other governments and authorities.

### **State Authority Accounts**

South Australian public sector finances comprise the financial transactions of all South Australian Government departments, agencies and non-financial State semi-government bodies. Transfers between accounts and agencies within the South Australian public sector are eliminated by consolidation to reflect the net transactions of the South Australian public sector with the rest of the economy.

### **State Government Accounts**

State government finance is a component of South Australian public sector finances and relates to transactions which are published in the Treasurer's Accounts, that is, the Consolidated Account, Deposit Accounts and Special Deposit Accounts. Departmental expenditures comprise the majority of the expenditures of these accounts but also included are those Boards and Committees which operate mainly through the Treasurer's Accounts and which are not analysed as separate statutory authorities.

### **Consolidated Account**

#### *Current Receipts and Payments*

This section of the Consolidated Account is credited with receipts from many items of State taxation, fees licences and charges for service, recoveries by the Government on its investments in various State Authorities, general revenue assistance grants from the Commonwealth and current Commonwealth specific purpose grants. This section is debited with the cost of revenue collection, legislative and administrative functions, interest on borrowings by the Treasurer of South Australia, provision of education, health, social security and welfare and other services, development of State resources and the net cost of operating business undertakings.

#### *Capital Receipts and Payments*

This section of the Consolidated Account records the capital payments for construction, or acquisition, of assets such as schools, reservoirs, hospitals, forests, plant and equipment, advances to public authorities and for primary production and housing.

Receipts to this section include grants provided by the Commonwealth for specific capital purposes, funds borrowed from SAFA and receipts from sale of assets.

### **Deposit Accounts and Special Deposit Accounts**

These accounts are established in accordance with Sections 21 and 8 of the Public Finance and Audit Act of South Australia 1987.

Deposit Accounts principally represent moneys lodged with the Treasurer by public authorities and other bodies on current account and funds established under an Act of Parliament to be applied to a specific purpose.

The main purpose of Special Deposit Accounts has been to facilitate the allocation of charges and receipts under various headings of receipts and payments within the Consolidated Account.



However, there have been significant changes in public sector financial management involving the transfer of agency financial operations from the Consolidated Account to Special Deposit Accounts.

Under new budgetary funding and accounting arrangements, amounts determined by the Government to be appropriate for each agency are appropriated by Parliament and transferred from Consolidated Account to respective Special Deposit Accounts to cover all of the operations of individual departments.

The amounts transferred are in effect the difference between revenues and expenditures of each department and when supplemented by revenues raised directly by agencies are available to fund currency and capital expenditures.

The decision to expand progressively the use of Special Deposit Accounts as part of establishing a financial framework for budget sector agencies, was based on the benefits that would result in terms of improved accountability to Parliament and clearer presentation of the overall financial operations of agencies. The changed accounting arrangements also complement and improve the budget policy and thrust of recent years for agencies to have maximum flexibility and provides incentives for agencies to effectively manage the overall level of resources provided to them by the Government. Incentives to agencies including retained benefits resulting from revenue raising or cost cutting opportunities were often lacking under the previous arrangements for departments operating through Consolidated Account.

Further information regarding the finances of the State of South Australia is available at [www.treasury.sa.gov.au/df/budget.jsp](http://www.treasury.sa.gov.au/df/budget.jsp).

## Description of the Guarantee

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The payment of principal and other amounts in respect of Notes are guaranteed by the Guarantor pursuant to the provisions of Section 15(1) of the GFA Act. Pursuant to Section 15(1) of the GFA Act all liabilities incurred or assumed by SAFA in pursuance of the GFA Act are guaranteed by the Treasurer of the State of South Australia. The Guarantee may only be revoked by legislation passed by the Parliament of South Australia.

Amounts payable pursuant to the Guarantee are payable out of the General Revenue of the State of South Australia without the need for further legislative approval and which is, by virtue of Section 15(2), appropriated to the necessary extent.

The Guarantee is governed by the laws of South Australia.

It is unclear whether payments by the Guarantor under the Guarantee in respect of the Notes are subject to withholding or deduction for, or on account of, certain taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia. However, if the Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or any political subdivision thereof or any authority therein or thereof having power to tax, in respect of payments under the Guarantee, none of the Issuer, the Guarantor nor any other person is obliged to pay any additional amounts in respect of such deduction or withholding.

# Selling Restrictions

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*Pursuant to the Programme Agreement, Notes will be offered by SAFA through one or more Dealers (as defined in the Programme Agreement). SAFA will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. SAFA is entitled under the Programme Agreement to appoint one or more Dealers as a dealer for a particular issue of Notes to purchase, or arrange (as agent for SAFA) for the sale of, those Notes. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.*

*By its acceptance to be a dealer for particular Notes issued under the Programme Agreement, each Dealer has agreed (or will agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes, and it will not directly or indirectly offer, sell or deliver Notes or distribute the Offering Circular, circular, advertisement or other offering material relating to the Notes in any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations.*

*Neither SAFA, the Principal Paying Agent, nor any of the Dealers have represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.*

*The following selling restrictions apply to Notes.*

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## 1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons in whose hands this Offering Circular comes are required by SAFA and the Dealers to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Offering Circular or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither SAFA nor any Dealer shall have responsibility therefor. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in SAFA being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in Australia, the United Kingdom, the United States of America, Japan, Singapore and Hong Kong as set out below.

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## 2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Programme or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**"). Each Dealer has represented and agreed, and each further Dealer appointed under

the Programme will be required to represent and agree, that unless a supplement to any Offering Circular otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any Offering Circular or other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency and in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) such action complies with applicable laws, regulations and directives in Australia;
- (iii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act; and
- (iv) such action does not require any document to be lodged with ASIC or ASX Limited.

In addition and unless a supplement to any Offering Circular otherwise provides, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not sell Notes to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an Offshore Associate of SAFA for the purposes of section 128F(9) of the Income Tax Assessment Act 1936 of Australia (“**Australian Tax Act**”) and associated regulations (and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia), except as permitted by section 128F(5) of the Australian Tax Act.

“**Offshore Associate**” means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) that is either:

- (a) a non-resident of Australia which does not acquire the Note in the course of carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Note in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not acquiring the Note or receiving payment under the Note, in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme.

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### 3 The United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it:
  - (i) is a person whose ordinary activities involve acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) 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 as 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, as amended ("**FSMA**") by SAFA;
- (b) it 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 such Notes in circumstances in which section 21(1) of the FSMA does not apply to SAFA or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

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### 4 The United States of America

Terms used in the following paragraphs have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Neither the Notes nor the Guarantee have been, and will not be, registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold, delivered or transferred within the United States or to U.S. persons. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered, sold and will offer and sell, Notes only outside the United States to non-US persons in accordance with Rule 903 of Regulation S.

Each Dealer appointed under the Programme has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Each Dealer has also represented and agreed, and each further Dealer appointed under the Programme will also be required to represent and agree, that at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

*"The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Terms used above have the meanings given to them by Regulation S under the Securities Act."*

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## 5 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”) and, accordingly, each Dealer will be required to represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws and regulations of Japan.

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## 6 Singapore

The Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (“**SFA**”). Accordingly, each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree that, unless a supplement to this Offering Circular otherwise provides, the Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be subject to an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor, as defined Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of that trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA and in accordance with the conditions specified in Section 275 of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;

- (iii) where no consideration is, or will be, given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the SFA; or
- (vi) as specified in required in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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## 7 Hong Kong

The Notes have not been authorised by the Hong Kong Securities and Futures Commission.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) of Hong Kong ("**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (as amended) of Hong Kong ("**CO**") or which do not constitute an offer to the public within the meaning of the CO; and
- (ii) unless it is a person permitted to do so under the applicable securities laws of Hong Kong, it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation, other offering material or other document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

# Forms of Note

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## Form of Multicurrency Global Note (Interest Bearing/Discounted)

NEITHER THIS GLOBAL NOTE, NOR THE GUARANTEE, HAS BEEN OR WILL BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED ("**SECURITIES ACT**") WITH THE US SECURITIES AND EXCHANGE COMMISSION. NEITHER THIS GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS GLOBAL NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATIONS.

### **SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

*(a statutory authority constituted by the Government Financing Authority Act 1982 of South Australia)*  
(ABN 75 277 967 856)

### guaranteed by **THE TREASURER OF THE STATE OF SOUTH AUSTRALIA**

No.: \_\_\_\_\_ Series No.: \_\_\_\_\_

Issued in London on: \_\_\_\_\_ Maturity Date:<sup>1</sup> \_\_\_\_\_

Specified Currency: \_\_\_\_\_ Denomination: \_\_\_\_\_

Nominal Amount: \_\_\_\_\_ Reference Rate: \_\_\_\_\_ month  
LIBOR/EURIBOR<sup>2</sup>

(words and figures if a Sterling Note)

Margin:<sup>3</sup> \_\_\_\_\_ % Fixed Interest Rate:<sup>4</sup> \_\_\_\_\_ % per annum

Interest Payment Dates<sup>5</sup> \_\_\_\_\_ Calculation Agent:<sup>6</sup> \_\_\_\_\_  
(Interest)

Interest Commencement Date:<sup>7</sup> \_\_\_\_\_ Clearing System Security Code: \_\_\_\_\_

Reference Banks:<sup>8</sup>

- 1 For value received, SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY ("**Issuer**") promises to pay to the bearer of this Global Note on the above mentioned Maturity Date the above-mentioned Nominal Amount, together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

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<sup>1</sup> Not to be more than 364 days from (and including) the Issue Date.

<sup>2</sup> Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>3</sup> Complete for floating rate interest bearing Notes only.

<sup>4</sup> Complete for fixed rate interest bearing Notes only.

<sup>5</sup> Complete for interest bearing Notes.

<sup>6</sup> Complete for floating rate interest bearing Notes only.

<sup>7</sup> Complete for interest bearing Notes.

<sup>8</sup> Complete for floating rate interest bearing Notes only.



All such payments shall be made in accordance with the provisions of an agency agreement ("**Agency Agreement**") dated 5 August 2009 between the Issuer, Citibank N.A., as principal paying agent ("**Principal Paying Agent**") and Citicorp International Limited as fiscal agent ("**Fiscal Agent**") (with the other agents appointed pursuant to the Agency Agreement being "**Agents**") and as amended, restated or supplemented from time to time in accordance with its terms, a copy of which may be inspected during normal business hours at the offices of the Principal Paying Agent or Fiscal Agent and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and either surrender or endorsement, as the case may be, of this Global Note at the office of the Principal Paying Agent referred to above by transfer to an account denominated in the Specified Currency maintained by the bearer (i) if the Specified Currency is other than euro or US dollars, in the principal financial centre in the country of the Specified Currency or (ii) if this Global Note is denominated or payable in euro, in Paris, Brussels, Frankfurt or Luxembourg or any principal financial centre of a country which operates a clearing system in euro or (iii) if this Global Note is denominated in or payable in US dollars, in London. The Issuer and Guarantor will ensure that they maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

Capitalised words and expressions have the meaning given to them in the Agency Agreement.

- 2 This Global Note is issued subject to, and with the benefit of a Deed of Covenant dated 5 August 2009 ("**Deed of Covenant**"), entered into by the Issuer which Deed of Covenant is available for inspection at the offices of the Principal Paying Agent or Fiscal Agent.
- 3 This Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.
- 4 Pursuant to section 15(1) of the Government Financing Authority Act 1982 of South Australia ("**GFA Act**"), all liabilities incurred or assumed by the Issuer in pursuance of the GFA Act (including under this Global Note) are guaranteed by the Treasurer of the State of South Australia.
- 5 All payments by, or on behalf of, the Issuer in respect of this Global Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of and without withholding or deduction for, or on account of, any present or future taxes, levies, duties, assessments or charges of whatever nature ("**Taxes**") now or hereafter imposed, levied, collected, withheld or assessed in, by or on behalf of the Commonwealth of Australia or the State of South Australia or any political subdivision thereof ("**Relevant Jurisdictions**") or any authority therein or thereof having power to tax, unless such withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the holder of this Global Note after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of this Global Note in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable in relation to any payment in respect of this Global Note:
  - (a) to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of this Global Note by reason of his having some connection with the Relevant Jurisdictions, other than the mere holding of this Global Note or the receipt of principal or interest in respect thereof or could have lawfully avoided (but not so

avoided) such liability by complying with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the Relevant Jurisdictions;

- (b) presented for payment more than 15 days after the payment is due in respect of this Global Note except to the extent that a holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 15 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day;
- (c) to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of this Global Note by reason of the holder being an offshore associate of the Issuer within the meaning of section 128F(9) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia as amended from time to time;
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the Note to another Paying Agent in a Member State of the European Union.

For the purposes of this Global Note, “**offshore associate**” means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) that is either:

- (a) a non-resident of Australia which does not acquire the Global Note in the course of carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Global Note in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not acquiring the Global Note or receiving payment under the Global Note, in the capacity of a dealer, manager or underwriter in relation to the placement of the Global Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme.

In addition to the above, the Issuer, and any other person through whom a payment on the Notes is made, shall be permitted to withhold or deduct any amounts required by or in connection with the rules of Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any amended or successor provisions), pursuant to any inter-governmental agreement or instrument or implementing law or directive adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA Withholding**”) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. Thus, notwithstanding the above, the Issuer will have no obligation to pay Additional Amounts or otherwise indemnify any holder for any such FATCA Withholding deducted or withheld by the Issuer, an agent or any other party.

- 6 If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

**“Payment Business Day”** means any day other than a Saturday or Sunday which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation;
- (b) a day on which both Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* are open for business; and
- (c) either:
  - (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in all of Adelaide, London and the principal financial centre of the country of the relevant Specified Currency; or
  - (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

**“TARGET Business Day”** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Principal Paying Agent may determine.

- 7 The payment obligations of the Issuer represented by this Global Note constitute, and at all times shall constitute, direct and unsecured obligations of the Issuer that rank at least equally with all present and future unsecured and unsubordinated obligations except liabilities mandatorily preferred by applicable law.
- 8 This Global Note is negotiable and, accordingly, title to this Global Note passes by delivery and the bearer shall be treated as being absolutely entitled upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 9 This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable (free of charge) in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date) if:
  - (a) the clearing system in which this Global Note is held at the relevant time is closed for a continuous period of 14 days (other than by reason of weekends, public holidays or other days in which closure is declared or imposed by any applicable government authority and, in each case, whether statutory or otherwise) or if any such clearing system announces an intention to permanently cease to do business or does in fact do so; or
  - (b) default is made in the payment of any amount payable in respect of this Global Note.

If an event in (a) or (b) above occurs, the Issuer undertakes that, upon presentation and surrender of this Global Note during normal business hours to the above specified office of the Principal Paying Agent (or to any other person or at any other office outside the United States

as may be designated in writing by the Issuer to the bearer) the Principal Paying Agent shall authenticate and deliver, or procure the delivery of, in exchange for this Global Note, an equal aggregate nominal amount of definitive Notes in bearer form denominated in the above mentioned Specified Currency.

- 10 If, upon any such default and following such surrender, Definitive Notes are not issued in full exchange for this Global Note before 5.00pm (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue Definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under the Deed of Covenant).
- 11 If this is an interest bearing Global Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable no later than such fifteenth day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, schedule 1 hereto shall be duly completed by the Principal Paying Agent to reflect such payment; and
  - (c) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.
- 12 If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Principal Paying Agent), 365 days at the Fixed Interest Rate specified above with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph 12.
- 13 If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Principal Paying Agent), 365 days.

As used in this Global Note:

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (or, if this Global Note is denominated in Sterling, on the first day thereof) (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

"**London Banking Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**");

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 13(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 13(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (e) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "Interest Period" for the purposes of this paragraph 13; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the

Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 9, it will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

- 14 This Global Note will become void unless presented for payment within a period of ten years from the Maturity Date.
- 15 Instructions for payment must be received at the offices of the Principal Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
  - (b) if this Global Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
  - (c) in all other cases, at least one Business Day (or at least one TARGET2 Settlement Day if this Global Note is denominated in Euro) prior to the relevant payment date.

As used in this paragraph 15, “**Business Day**” means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
  - (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above mentioned Specified Currency.
- 16 This Global Note is, and all non-contractual obligations arising out of or in connection with it, are governed by, and shall be construed in accordance with, the law in England.
- 17 The Issuer agrees for the benefit of the holder of this Global Note that the courts of England are to have jurisdiction to hear and determine any suit, action or proceedings (“**Proceedings**”), and to settle any disputes (“**Disputes**”), which may arise out of or in connection with this Global Note, including a dispute regarding any non-contractual obligation arising out of it, and, for such purposes, irrevocably submits to the jurisdiction of such courts.

The Issuer irrevocably waives any objection which it might have now or in the future to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

This submission to the jurisdiction of the courts of England is made for the benefit of each holder of this Global Note and does not (and shall not be construed so as to) limit the right of any of them to take Proceedings in any other court of competent jurisdiction, nor does the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

- 18 Subject at all times to the Crown Proceedings Act 1992 of South Australia, the Issuer acknowledges that its participation in the execution, delivery and performance of this Global Note constitutes a commercial act and undertakes so far as it has power, not to plead immunity for such in answer to any proceedings instituted in any courts.
- 19 The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the Agent-General for South Australia at Australia Centre,

Strand, London WC2B 4LG, England. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service or process on its behalf. Nothing in this paragraph 19 shall affect the right of any holder of this Global Note to serve process in any other manner permitted by law.

20 This Global Note shall not be valid unless authenticated by the Principal Paying Agent acting in accordance with the Agency Agreement.

21 No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**AS WITNESS** the facsimile signature of a duly authorised person on behalf of the Issuer

**SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

By: .....  
facsimile signature (duly authorised)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of

Citibank, N.A. as Principal Paying Agent without recourse, warranty or liability

By: .....

**Form of Multicurrency Definitive Note  
(Interest Bearing/Discounted)**

NEITHER THIS DEFINITIVE NOTE, NOR THE GUARANTEE, HAS BEEN OR WILL BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED ("**SECURITIES ACT**") WITH THE US SECURITIES AND EXCHANGE COMMISSION. NEITHER THIS DEFINITIVE NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS DEFINITIVE NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATIONS.

**SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

*(a statutory authority constituted by the Government Financing Authority Act 1982 of South Australia)*  
(ABN 75 277 967 856)

**guaranteed by  
THE TREASURER OF THE STATE OF SOUTH AUSTRALIA**

No.: \_\_\_\_\_ Series No.: \_\_\_\_\_

Issue in London on: \_\_\_\_\_ Maturity Date:<sup>1</sup> \_\_\_\_\_

Specified Currency: \_\_\_\_\_ Denomination: \_\_\_\_\_

Nominal Amount: \_\_\_\_\_ Reference Rate: \_\_\_\_\_ month  
LIBOR/EURIBOR<sup>2</sup>

*(words and figures if a Sterling Note)*

Margin:<sup>3</sup> \_\_\_\_\_ % Fixed Interest Rate:<sup>4</sup> \_\_\_\_\_ % per annum

Interest Payment Dates:<sup>5</sup> \_\_\_\_\_ Calculation Agent:<sup>6</sup> \_\_\_\_\_  
*(Interest)*

Interest Commencement Date:<sup>7</sup> \_\_\_\_\_ Clearing System Security Code:

Reference Banks:<sup>8</sup>

1 For value received, SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY ("**Issuer**") promises to pay to the bearer of this Definitive Note on the above-mentioned Maturity Date the above-mentioned Nominal Amount, together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

<sup>1</sup> Not to be more than 364 days from (and including) the Issue Date.

<sup>2</sup> Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>3</sup> Complete for floating rate interest bearing Notes only.

<sup>4</sup> Complete for fixed rate interest bearing Notes only.

<sup>5</sup> Complete for interest bearing Notes.

<sup>6</sup> Complete for floating rate interest bearing Notes only.

<sup>7</sup> Complete for interest bearing Notes.

<sup>8</sup> Complete for floating rate interest bearing Notes only.



All such payments shall be made in accordance with the provisions of an agency agreement ("**Agency Agreement**") dated 5 August 2009 between the Issuer, Citibank N.A., as principal paying agent ("**Principal Paying Agent**") and Citicorp International Limited as fiscal agent ("**Fiscal Agent**") (with the other agents appointed pursuant to the Agency Agreement being "**Agents**") and as amended, restated or supplemented from time to time in accordance with its terms, a copy of which may be inspected during normal business hours at the offices of the Principal Paying Agent or the Fiscal Agent and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and either surrender or endorsement, as the case may be, of this Definitive Note at the office of the Principal Paying Agent referred to above by transfer to an account denominated in the Specified Currency maintained by the bearer (i) if the Specified Currency is other than euro or US dollars, in the principal financial centre in the country of the Specified Currency or (ii) if this Definitive Note is denominated or payable in euro, in Paris, Brussels, Frankfurt or Luxembourg or any principal financial centre of a country which operates a clearing system in euro or (iii) if this Definitive Note is denominated in or payable in US dollars, in London. The Issuer and Guarantor will ensure that they maintain a Paying Agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notwithstanding the foregoing, presentation and surrender of this Definitive Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Definitive Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. dollars in the principal financial centre of any country outside of the United States that the Issuer or Paying Agent so chooses.

Capitalised words and expressions have the meaning given to them in the Agency Agreement.

- 2 Pursuant to section 15(1) of the Government Financing Authority Act 1982 of South Australia ("**GFA Act**"), all liabilities incurred or assumed by the Issuer in pursuance of the GFA Act (including under this Definitive Note) are guaranteed by the Treasurer of the State of South Australia.
- 3 All payments by, or on behalf of, the Issuer in respect of this Definitive Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of and without withholding or deduction for, or on account of, any present or future taxes, levies, duties, assessments or charges of whatever nature ("**Taxes**") now or hereinafter imposed, levied, collected withheld or assessed in, by or on behalf of the Commonwealth of Australia or the State of South Australia or any political subdivision thereof ("**Relevant Jurisdictions**") or any authority therein or thereof having power to tax, unless such withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the holder of this Note after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of this Note in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable in relation to any payment in respect of any Note:
  - (a) to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of this Note by reason of his having some connection with the Relevant Jurisdictions, other than the mere holding of this Note or the receipt of principal or interest in respect thereof or could have lawfully avoided (but not so avoided) such liability by complying with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the Relevant Jurisdictions;
  - (b) presented for payment more than 15 days after the payment is due in respect of this Note except to the extent that a holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 15 days

assuming, whether or not such is in fact the case, that day to have been a Payment Business Day;

- (c) to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of this Note by reason of the holder being an offshore associate of the Issuer within the meaning of section 128F(9) of the Income Tax Assessment Act 1936 of the Commonwealth of Australia as amended from time to time;
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48 EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

For the purposes of this Definitive Note, “**offshore associate**” means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) that is either:

- (i) a non-resident of Australia which does not acquire the Definitive Note in the course of carrying on a business at or through a permanent establishment in Australia; or
- (ii) a resident of Australia that acquires the Definitive Note in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not acquiring the Definitive Note or receiving payment under the Definitive Note, in the capacity of a dealer, manager or underwriter in relation to the placement of the Definitive Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme.

In addition to the above, the Issuer, and any other person through whom a payment on the Notes is made, shall be permitted to withhold or deduct any amounts required by or in connection with the rules of Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any amended or successor provisions), pursuant to any inter-governmental agreement or instrument or implementing law or directive adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA Withholding**”) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. Thus, notwithstanding the above, the Issuer will have no obligation to pay Additional Amounts or otherwise indemnify any holder for any such FATCA Withholding deducted or withheld by the Issuer, an agent or any other party.

- 4 If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein), payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Definitive Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Definitive Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation;

- (b) a day on which both Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* are open for business; and
- (c) either:
  - (i) if the above mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in all of Adelaide, London and the principal financial centre of the country of the relevant Specified Currency; or
  - (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

**"TARGET Business Day"** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Principal Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Principal Paying Agent shall procure that a notice of such amendment is published not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Principal Paying Agent may determine.

- 5 The payment obligations of the Issuer represented by this Definitive Note constitute, and at all times shall constitute, direct and unsecured obligations of the Issuer that rank at least equally with all present and future unsecured and unsubordinated obligations except liabilities mandatorily preferred by applicable law.
- 6 This Definitive Note is negotiable and, accordingly, title to this Definitive Note passes by delivery and the bearer shall be treated as being absolutely entitled upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
- 7 If this is an interest bearing Definitive Note, then:
  - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Definitive Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Definitive Note, the schedule hereto shall be duly completed by the Principal Paying Agent to reflect such payment; and
  - (c) if no Interest Payment Dates are specified on the face of the Definitive Note, the Interest Payment Date shall be the Maturity Date.
- 8 If this is a fixed rate interest bearing Definitive Note, interest shall be calculated on the Nominal Amount as follows:
  - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Definitive Note is denominated in Sterling or if market practice so dictates (as determined by the Principal Paying Agent), 365 days at the Interest Rate specified above with the resulting figure being rounded to the nearest amount of the Specified

Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and

- (b) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph 8.

9 If this is a floating rate interest bearing Definitive Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Definitive Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Definitive Note is denominated in Sterling or if market practice so dictates (as determined by the Principal Paying Agent), 365 days.

As used in this Definitive Note:

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (or, if this Note is denominated in Sterling, on the first day thereof) (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

"**London Banking Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Definitive Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Interest Commencement Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**");

- (c) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 9(b), and (B) in any other case, the rate which is determined in accordance with the provisions of paragraph 9(a). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Definitive Note of each denomination, multiplying such product by the actual number of days in the Interest

Period concerned divided by 360 or, if this Definitive Note is denominated in Sterling or if market practice so dictates (as determined by the Principal Paying Agent) by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
  - (e) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph 9; and
  - (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Definitive Note, or if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
- 10 This Definitive Note will become void unless presented for payment within a period of ten years of its Maturity Date.
- 11 Instructions for payment must be received at the offices of the Principal Paying Agent referred to above together with this Definitive Note as follows:
- (a) if this Definitive Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
  - (b) if this Definitive Note is denominated in United States dollars, Canadian dollars or Sterling, on or prior to the relevant payment date; and
  - (c) in all other cases, at least one Payment Business Day prior to the relevant payment date.
- 12 This Definitive Note is, and all non-contractual obligations arising out of or in connection with it, are governed by and shall be construed in accordance with, the law in force in England.
- 13 The Issuer agrees that the courts of England are to have jurisdiction to hear and determine any suit, action, or proceedings ("**Proceedings**"), and to settle any disputes ("**Disputes**"), which may arise out of or in connection with this Definitive Note, including a dispute regarding any non-contractual obligation arising out of it, and, for such purposes, irrevocably submits to the jurisdiction of such courts.

The Issuer irrevocably waives any objection which it might have now or in the future to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

This submission to the jurisdiction of the courts of England is made for the benefit of each holder of this Definitive Note and does not (and shall not be construed so as to) limit the right of any of them to take Proceedings in any other court of competent jurisdiction, nor does the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

- 14 Subject at all times to the Crown Proceedings Act 1992 of South Australia, the Issuer acknowledges that its participation in the execution, delivery and performance of this Definitive Note constitutes a commercial act and undertakes so far as it has power, not to plead immunity for such in answer to any proceedings instituted in any courts.
  
- 15 The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the Agent-General for South Australia at Australia Centre, Strand, London WC2B 4LG, England. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service or process on its behalf. Nothing in this paragraph 15 shall affect the right of any holder of this Definitive Note to serve process in any other manner permitted by law.
  
- 16 This Definitive Note shall not be valid unless authenticated by the Principal Paying Agent acting in accordance with the Agency Agreement.
  
- 17 No person shall have any right to enforce any provisions of this Definitive Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**AS WITNESS** the facsimile signature of a duly authorised person on behalf of the Issuer

**SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

By: .....

facsimile signature (duly authorised)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of

Citibank, N.A. as Principal Paying Agent without recourse, warranty or liability

By: .....

# Directory

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## Issuer

### **South Australian Government Financing Authority**

Level 5  
State Administration Centre  
200 Victoria Square  
Adelaide South Australia 5000  
Australia

## Dealers

### **Bank of America Merrill Lynch International Ltd Asia**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

Telephone: + 44 20 7996 8904  
Facsimile: + 44 20 7174 6414  
Attention: ECP Desk

### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

Telephone: + 44 20 7773 9075  
Facsimile: + 44 20 7516 7548  
Attention: ECP Trading Desk

### **Citibank International plc**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Telephone: + 44 20 7986 9070  
Facsimile: + 44 20 7986 6837  
Attention: Short Term Fixed Income Desk

### **Commonwealth Bank of Australia, Hong Kong Branch**

(ACN 123 123 124)

15<sup>th</sup> Floor, Chater House  
8 Connaught Street  
Central  
Hong Kong

Telephone: + 852 2844 7539  
Facsimile: + 852 2845 8983  
Attention: Michael Yu

### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Telephone: + 44 20 7545 1048  
Facsimile: + 44 11 3336 2014  
Attention: ECP Group

### **ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

Telephone: + 31 20 563 8181  
Facsimile: + 31 20 563 8482  
Attention: ECP Desk / TRC 00.114

**National Australia Bank Limited**

(ABN 12 004 044 937)

Level 27  
One Pacific Place  
88 Queensway  
Hong Kong

Telephone: + 852 2526 5892  
Facsimile: + 852 2810 0925  
Attention: Debt Capital Markets Asia

**Royal Bank of Canada**

Level 47  
2 Park Street, Sydney  
NSW, Australia 2000

Telephone: + 61 2 9033 3222  
Facsimile: + 61 2 9264 2855  
Attention: Head Global Markets, Australia

**The Royal Bank of Scotland**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

Telephone: + 44 20 7588 3968  
Facsimile: + 44 20 7085 2591  
Attention: Commercial Paper Group

**UBS Limited**

100 Liverpool Street  
London EC2M 2RH  
United Kingdom

Telephone: + 44 20 7567 2324  
Facsimile: + 44 20 7336 2002  
Attention: ECP Desk

**Agents****Principal Paying Agent and  
Calculation Agent****Citibank N.A.**

Ground Floor  
DUB-01-11  
1 North Wall Quay  
Dublin 1  
Ireland

Facsimile: + 353 1 622 4029  
Attention: ECP Issuances

**Fiscal Agent****Citicorp International Limited**

39<sup>th</sup> Floor, Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central  
Hong Kong

Facsimile: + 852 2323 0279  
Attention: Agency and Trust Department