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KINDER MORGAN ENERGY PARTNERS L P

Form 425

September 25, 2014

Filed by Kinder Morgan, Inc. pursuant to Rule 425 under the Securities Act and  
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Subject Company: Kinder Morgan Energy Partners, L.P.

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*KMP / EPB Summary*

*Tax Information Package*

Kinder Morgan, Inc. (KMI) has entered into agreements to acquire all of the equity interests of Kinder Morgan Energy Partners, L.P. (KMP) El Paso Pipeline Partners, L.P. (EPB) and Kinder Morgan Management, LLC (KMR). The exchange of KMI shares for KMR shares is not expected to result in a taxable transaction. The receipt of KMI common stock, cash or a combination of KMI common stock and cash in exchange for KMP or EPB common units will be a taxable transaction to U.S. Holders for U.S. federal income tax purposes (it will be considered a sale of the partnership units). Accordingly, in the first quarter of 2015 you will receive, among other items, the following documents as well as summary information covering those documents:

- 1) Schedule K-1
- 2) Transactions Schedule
- 3) Sales Worksheet
- 4) State Tax Schedule

This KMP / EPB Tax Information Package is being provided for your general guidance and is focused on the documents listed above. It is an additional resource for KMP and EPB unit holders to reference in light of the recent KMI transaction announcement. The information is not intended to be, nor should it be construed as, the basis of tax advice. The tax information discussed within this package and reflected on the schedules provided to you is based on existing federal and state laws and regulations as interpreted by the partnerships' General Partner.

For your reference, included at the end of this package are (i) sample K-1 and Additional Information Statement (Exhibit 1); (ii) a sample blank Transaction Schedule (Exhibit 2); (iii) sample Sales Worksheets (Exhibits 3 and 4); (iv) the 2013 K-1 Graphic Guide (Exhibit 5); and (v) Frequently Asked Questions (Exhibit 6).

Before undertaking any tax filing, we suggest that you refer to the appropriate federal and state income tax laws or consult with your tax advisor. If you have any questions regarding your federal and state income taxes, please contact your tax advisor. If you have any corrections to your personal information (name, address, account type, etc.), to your tax records maintained by your broker or transfer agent (correct dates, transaction types, units by transaction, add missing transactions, delete incorrect transactions, etc.), or to request K-1s from previous years, please call Tax Package Support at 1-800-232-1627 or visit [www.taxpackagesupport.com](http://www.taxpackagesupport.com).

**1) Schedule K-1**

The partnerships are publicly traded limited partnerships. The partnerships are not subject to federal income taxes and, in most cases, state income taxes. Instead, each partner is required to report an allocable share of the partnerships' items of income, gain, loss, deduction or tax credit in the partner's income tax return. The Schedule K-1 provides your share of the partnerships' income, deductions, credits and related items. For your reference, we have included a sample Schedule K-1 (see Exhibit 1). Please also reference Exhibits 5 and 6, for the 2013 Graphic Guide and Frequently Asked Questions (FAQs), which include more information on the Schedule K-1. The Graphic Guide links the information reflected on the Schedule K-1 to the specific tax forms that may be required in the filing of your federal income tax return. The FAQs addresses general tax-related issues associated with you receiving a Schedule K-1, rather than a Form 1099. A complete copy of the IRS instructions for the Schedule K-1 can be found on the IRS website.

The Schedule K-1 provides your share of the partnerships' income, deductions, credits, and related items. The K-1 information is to be included in your tax return to be filed. Because of certain reporting limitations on the K-1, the partnerships also provide other important operating results needed in the preparation of your tax return in the Additional Information Statement. The tax law characterizes the tax reporting of items of income, gain, loss, and deduction from a publicly-traded limited partnership interest as relating to either passive or portfolio activities.

#### Portfolio Activity Items

The amounts reported to you in boxes 5, 6a, 6b, 7, 13I, 13H, 20A, and 20B are from portfolio activities. These amounts, if any, must be reported in your return as indicated in the Schedule K-1 instructions.

Passive Activity Items

The amounts reported to you in boxes 1, 2, 3, 4, 8, 9a, 10, 11, 12, and 13J of the Schedule K-1 are from passive activities. If the sum of the amounts in boxes 1, 2, 3, 4, 8, 9a, 10, 11, 12, and 13J result in a negative number (a passive activity loss), you would not report the amounts from these boxes on your return unless you sold your units or have a deemed sale of your units prior to the end of the calendar year. If you have passive activity losses, do not report the amounts in boxes 15 or 17 on your return unless you sold your units or have a deemed sale of your units prior to the end of the calendar year. If the sum of the amounts in boxes 1, 2, 3, 4, 8, 9a, 10, 11, 12, and 13J result in a positive number, then report each of the amounts in boxes 1, 2, 3, 4, 8, 9a, 10, 11, 12, 13J, 15, and 17 as instructed by the form.

The tax law limits the recognition of losses from passive activities of a publicly-traded limited partnership to the amount of passive activity income from the same partnership. Net passive activity income from a publicly-traded limited partnership is fully recognized. The income cannot be offset by net passive activity losses from other sources including other publicly-traded partnerships.

Passive activity losses that are not recognized can accumulate and are suspended until one of the following occurs:

- a. the partner is allocated net passive activity income from the same partnership against which the suspended losses can be offset, or
- b. the partner disposes of an interest in the partnership, at which time the suspended losses are fully recognized.

The unit holder must track his or her passive loss balance. Since the acquisition of the KMP and EPB units by KMI will be a taxable sale of your units, you should be able to utilize all of your suspended passive activity losses to offset all or part of the gain you might have from the sale of your units. We encourage you to consult your tax advisor regarding these items.

Schedule K-1 Tax Reporting Items and Definitions

**Identification Number:**

- Partnership Federal Identification Number: This is the partnership's federal taxpayer identification number. This number must be reported on your U.S. Individual Income Tax Return, Form 1040, Schedule E, Part II, Line 28, Column (d).

**Passive Activity Income or (Loss) Items:**

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- Review the above instructions regarding reporting of income or loss from a passive activity before including any of the below items on your tax return. The graphic guide included in the tax package links the information reflected on the Schedule K-1 to the specific tax forms that may be required in the filing of your 2013 federal income tax return.
- **Ordinary Income from Trade or Business Activities (Box 1):** This amount reflects your share of partnership ordinary income or loss before any separately reported items. Internal Revenue Code ( IRC ) Section 743(b) adjustments have also been included in Box 1, if applicable. If you have net overall passive activity income from this partnership, then this amount should be reported on Form 1040, Schedule E, Part II, Column (g). You will also need to determine whether you have prior suspended losses from this partnership to be used to offset your current year overall net passive activity income. Report the amount of suspended losses you utilized on Form 1040, Schedule E, Part II, Column (f).
- **Net Income (Loss) from Other Rental Activities (Box 3):** This is your share of the partnership's income or loss from rental real estate activities. If you have net overall passive activity income from this partnership, then this amount should be reported on Form 1040, Schedule E, Part II, Column (g).
- **Net Section 1231 Gain (Loss)(Box 10):** The amount reported in box 10 is your share of gain or loss from the disposition of trade or business assets. If you have net overall passive activity income from this partnership, then this amount should be reported on Form 4797, Part I, Line 2, Column (g).
- **Intangible Drilling Costs (Box 13J):** This is your share of the partnership's Intangible Drilling Costs (IDC). If you have net overall passive activity income from this partnership, then this amount should be reported on Form 1040, Schedule E, Part II, Column (g). Schedule K-1, Box 13J provides the information necessary for you to compute your tax preference for IDC. For all taxpayers, Line 13J1 represents qualified IDC incurred by the partnership's oil and gas operations to which an election under Section 59(e) may apply. Line 13J2 represents mining and development cost incurred by the partnership to which an election under Section 59(e) may apply. You may also want to consult your tax advisor for appropriate treatment of these costs.

**Portfolio Items:**

- **Portfolio Interest Income (Box 5):** This item represents your share of portfolio interest income. Report this amount on Form 1040, Schedule B, Part I, Line 1.
- **Portfolio Dividend Income (Box 6a and Box 6b):** The amount reported in Box 6a is your share of portfolio ordinary dividend income. Report this amount on Form 1040, Schedule B, Part II, Line 5. The amount reported in Box 6b is your share of qualified dividend income. Report this amount on Form 1040, line 9b.
- **Royalties (Box 7):** This is your share of the partnership's royalty income. Report this item on Form 1040, Schedule E, Part I, Column A.
- **Deductions-Royalty Income (Box 13I):** The amount reflected in this box represents your share of deductions related to royalty income. Report this item on Form 1040, Schedule E, Part I, Column A, Line 19.

**Other Reporting Items:**

- **Interest Expense on Investment Debts (Box 13H):** This amount is used in the computation of deductible investment interest expense. Report this amount on Form 4952, Part I, Line 1.
- **Section 199 Deduction (Box 13T and 13V):** IRC Section 199 ( Section 199 ) was added by The American Jobs Creation Act of 2004. This discussion is intended to provide a general summary of the Section 199 deduction. Accordingly, the partnerships urge each partner to refer to the appropriate federal tax laws or consult with their tax advisor to determine the particular tax consequences of Section 199 to your tax return.
- For the tax year ending December 31, 2013, Section 199(a)(1) generally allows a deduction equal to nine percent of the lesser of a taxpayer's qualified production activities income ( QPAI ) or the taxpayer's taxable income determined without regard to the Section 199 deduction. Section 199(d)(9), however, limits the deduction of taxpayers with oil-related qualified production activities to 6% for tax years beginning after 2009. An individual taxpayer's QPAI deduction is limited to the individual's adjusted gross income.
- The deduction allowed under Section 199 is determined at the partner level. Accordingly, the partnerships are reporting the following information to assist each partner in computing its Section 199 deduction. In order for a partner to compute QPAI, the information reported by the partnerships generally should be aggregated with a partner's qualified production activities occurring outside the partnerships. The at-risk rules (Section 465), the passive activity loss rules (Section 469) and the publicly traded partnership rules (Section 469(k)), and other limitations under Section 199 may affect the proper tax reporting of the Section 199 information provided to you by the partnerships.
- The Form 8903 requires oil-related production activities to be broken out separately in computing the Domestic Production Activities Deduction. Codes 13T-1 through 13T-4 include information that should be reported in column B of Form 8903 and Codes 13T-5 through 13T-8 should be reported on the same lines in Column A in accordance with instructions from the FAQ.

Section 199 Information		Form 8903 Reporting
Code 13T-1	Domestic Production Gross Receipts (DPGR)	Line 1
Code 13T-2	COGS Allocable to (DPGR)	Line 2
Code 13T-3	Directly Allocable Deductions	Line 3
Code 13T-4	Indirectly Allocable Deductions	Line 4

- **Nondeductible Expenses (Box 18C):** Certain expenses incurred by the partnerships are not deductible for federal income tax purposes. This amount is your allocated share of those expenses. This amount is not reported in your federal income tax return but does reduce the tax basis of your units.
- **Investment Income (Box 20A):** This amount is used in the computation of the limitation on deductible investment interest expense. Report this amount on Form 4952, Part II, Line 4a.
- **Investment Expenses (Box 20B):** The amount reflected should be subtracted from investment income to compute the limitation on deductible investment interest expense. Report this amount on Form 4952, Part II, Line 5.

**Other Information:**

- **Unrelated Business Taxable Income or Loss (Box 20V):** This information is applicable to tax-exempt organizations and qualified retirement plans (IRA, SEP, 401(k) and other qualified plans). Income from publicly-traded limited partnerships is treated as taxable income for tax-exempt organizations and qualified retirement plans. This information is reportable on Federal Form 990-T for such organizations and plans. Please obtain advice from your personal tax advisor if you have received this Schedule K-1 on behalf of a tax-exempt organization or qualified retirement plan.

- **Gross Receipts (Box 20Z1):** This amount represents your share of the partnership's total income before expenses. This information may be needed by tax-exempt organizations and qualified retirement plans to determine if a Form 990-T must be filed. Individual taxpayers may need this information to determine whether a return must be filed for certain states in which the partnerships operate.
- **Depletion Included in Box 1 (Box 20Z2)**
- **Bonus Depreciation Adjustment (Box 20Z3)**
- **Mexican Withholding Capital Account Adjustment (Box 20Z4)**
- **Schedule K-1 Partner's Capital Account Analysis (Box L):** This section provides a summary of partnership activity attributable to your partnership units as it affects your capital account. Your capital account activity is summarized on the basis of the information shown on your Transactions Schedule.
- PLEASE NOTE THAT YOUR CAPITAL ACCOUNT BALANCE BEARS NO RELATIONSHIP TO, AND IS NOT INDICATIVE OF, THE FAIR MARKET VALUE OF YOUR INVESTMENT.

## 2) Transactions Schedule

This schedule contains your history of partnership units bought or sold by date and number of units as reported to the partnership by your broker or the partnership's transfer agent. For your reference, we've included a blank Transaction Schedule at the end of this package (Exhibit 2). Each partnership relies on purchase and sale information obtained from brokers and transfer agents to prepare the tax information reported to you on your Schedule K-1. This Schedule K-1 reports information for all units owned by the partner under the social security or federal identification number shown in Part II Box E of the Schedule K-1. Units owned by a spouse will be reported on a separate Schedule K-1 under that spouse's social security number. A separate Schedule K-1 will be issued for each IRA or other retirement account in which you own units, if any.

### Transactions Schedule: Definitions

- **Transaction Description:** This is the type of transaction for the group of units involved. The Description column provides explanations for the abbreviations used in this column.
- **Transaction Date:** This is the date on which the transaction occurred as reported to the partnerships by either the transfer agent (if you are a registered owner) or by your broker or nominee (if your units are in street name).
- **Broker or Certificate Number:** This column will indicate Broker if the transaction was reported to the partnerships from a broker or nominee. This column will also report a certificate number for transactions registered with the partnership's transfer agent.
- **Units:** This is the number of partnership units associated with each certificate or transaction.

**3) Sales Worksheet** Use Sales Worksheet 1 (Exhibit 3) for your Federal tax return. Also use Sales Worksheet 1 (Exhibit 3) for state tax returns if you reside in a conforming state. If you live in a non-conforming state, use Sales Worksheet 2 (Exhibit 4) for state tax returns. For your reference, we've included both Sales Worksheets at the end of this package.



This Worksheet is provided to calculate your gain or loss from the disposition of partnership units. You must calculate the gain or loss based on certain information provided by the partnerships, as well as other information from your records. The calculated gain or loss should be reported on the tax forms referenced at the bottom of Columns (9) and (10) on the Sales Worksheet.

To compute your gain or loss from the disposition of partnership units first enter your Sales Proceeds (net of brokerage commissions) in Column (4). Then enter your Purchase Amount (including brokerage commission) in Column (5). Your Adjustments to Tax Basis in Column (6) will be provided. In column (7) enter any partner-level adjustments to your tax basis in the partnership. For example, these adjustments would include additions to basis for distributions in excess of basis for which you have recognized income. Total Gain / Loss is the sum of Sales Proceeds in Column (4) less the total of amounts in Columns (5) and (6), plus (positive adjustment) or minus (negative adjustment) the amount in Column (7). Enter this amount in Column (8). To calculate your Capital Gain or Loss in Column (10), subtract the Ordinary Gain in Column (9) from your Total Gain in Column (8). Depending on how long this investment was held, different tax rates may apply.

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Certain states require that nonresidents apportion the gain or loss from the sale of a partnership interest to their state. Listed below are the 2013 apportionment factors for states identified as imposing such requirements. The reporting requirements for each state may vary, and there could be additional states with similar requirements; therefore, it is important to consult with your tax advisor in completing any applicable state returns. Additional information will be provided upon request.

State	KMEP	EPB
Iowa	0.037881%	
Idaho	0.002100%	
Oklahoma	1.250500%	0.8257%
Montana	0.000800%	0.0316%

Unless you have advised the partnerships to use a different method, this Sales Worksheet reflects unit dispositions on a first in, first out basis so that you are considered to sell units in the order in which they were acquired by you. This approach has been applied solely for administrative convenience and is not consistent with IRS Revenue Ruling 84-53, which provides that a partner has one unified basis in its total partnership interest, and would generally yield a different result than that presented - for example, an average tax basis in each unit sold. Each partner must make his or her own determination of the amount of basis to be associated with units that are sold. The partnerships express no opinion on the appropriate methodology to be used in making this determination and have provided this Worksheet as a courtesy. Please consult your tax advisor to obtain advice on how this determination should be made, update the Sales Worksheet to reflect the manner in which you determine that the basis in your units should be attributed to units that have been sold, and return it to our Tax Package Support Department for a reprocessing of your tax information statement.

Also, if you have disposed of your units in the partnerships, any unused passive losses are allowed in full in the year of disposition. If you are a tax-exempt entity, please note that a portion of your liabilities may be allocable to you and these liabilities may be treated as acquisition indebtedness for purposes of determining the amount of gain on sale that is subject to tax as unrelated business income. Please contact your tax advisor or Tax Package Support if more information is required. Please note that some information included on this Sales Worksheet is to be reported on an individual's Form 8949. Basis information related to the sale is not reported to the IRS by the partnership.

### Sales Worksheet Definitions

- **Units Disposed (Column 1):** This is the number of units you sold as reported to the partnerships by your broker or transfer agent.
- **Acquisition Date (Column 2):** This is the date you acquired units as reported to the partnerships by your broker or transfer agent.
- **Disposition Date (Column 3):** This is the date you sold units as reported to the partnerships by your broker or transfer agent.
- **Sales Proceeds (Column 4):** Enter the total amount you received from the sale, net of any commissions or other fees incurred in relation to the sale.
- **Purchase Amount (Column 5):** Enter the purchase price for the units sold: include commissions and other fees incurred to purchase your units. If you acquired your units by some means other than by purchase, refer to the summary below and consult your tax advisor to address any questions.

- 1) Tax-Free Exchange - Use the adjusted tax basis of units exchanged.

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2) Gift - Use the donor's adjusted gross basis increased by any gift tax paid on the appreciation at the date of gift. However, if you will recognize a loss on your sale of partnership units, use the lesser of the donor's adjusted basis or the fair market value of the units at the date of gift.

3) Inheritance - Use the fair market value on the date of death or alternative valuation date, whichever was used by the estate.

- **Adjustments to Tax Basis (Column 6):** This represents the cumulative amount of income, gains, losses, deductions, credits and distributions allocated to the units sold since your purchase, which either increase or decrease your original cost of these units.

- **Partner Level Adjustments to Basis (Column 7):** Enter any partner level adjustments to your tax basis in the partnerships. For example, these adjustments would include additions to basis for distributions in excess of basis for which you have recognized income.

- **Total Gain or Loss (Column 8):** Total gain or loss is the sum of Column (4) minus the amounts in Columns (5) and (6), plus (positive adjustment) or minus (negative adjustment) the amount in Column (7).
- **Ordinary Gain or Loss (Column 9):** The amount reported in this column represents the amount of ordinary income attributable to the units sold, resulting from the recapture of the amount of depreciation previously allocated to you. This is the amount of gain or loss, if any, which is treated as ordinary gain, or loss rather than capital gain or loss. When reporting ordinary income attributable to sales of partnership units, you must include an IRC Section 751 statement in your income tax return. Please see the example Section 751 Statement below.
- **Capital Gain or Loss (Column 10):** To determine capital gain or loss subtract the amount in Column (9), if any, from the amount calculated in Column (8).
- **Alternative Minimum Tax Basis Adjustment (Column 11):** This amount is the cumulative AMT adjustment items attributable to the units sold. Please refer to your tax advisor for proper reporting of this line item.

#### **4) State Tax Schedule and Information**

Since the partnerships operate in more than 40 states, you may be required to file an income tax return with those states even though you are not a resident of that state. The state amounts reported on the State Schedule should be used to help you determine those states that may require you to file an income tax return. The partnerships are subject to and do pay the Texas Franchise Tax (Texas Margins Tax), which is treated as a state income tax for federal income tax purposes. The state income tax paid by the partnerships is stated separately on the state schedule (Column 9) and is not included in Column 1 of the State Schedule. State tax forms and instructions can be obtained via the internet at sites such as [www.taxsites.com](http://www.taxsites.com), or by contacting the appropriate state's department of revenue. The state information schedule is not a tax return document.

- **Resident State Filing Guidelines:** Generally, the amounts reported on the Federal Schedule K-1 are needed to prepare your income tax return for the state in which you live. Due to frequent tax law changes by the states, you should consult your tax advisor concerning the proper tax treatment in your state of residence.
- **Non-Resident State Filing Guidelines:** Generally, non-resident partners are required to file state income tax returns. The State Schedule represents allocations of your share of the federal amounts to the states in which the partnerships operate. If you are required to file a nonresident return, you should report your share of partnership tax items attributable to the particular state on your state tax return.

#### **Additional Information**

#### **Tax Web Projected 2014 Gain / Loss Calculator**

Go to [www.taxpackagesupport.com/kinder](http://www.taxpackagesupport.com/kinder) and [www.taxpackagesupport.com/el Paso](http://www.taxpackagesupport.com/el Paso) to sign in to the Tax Package Support web site for KMP and EPB, respectively. Click on **Projected Gain / Loss Calculator** and enter your projected UNITS SOLD and PROJECTED SALES PRICE to calculate your projected 2014 gain / loss. Use the UNITS TO PRORATE function to distribute units sold proportionally across all unit blocks. The calculator uses tax information as of December 31, 2013 (i.e. it excludes 2014 partnership activity which is not yet available).

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Additionally, the gain / loss calculator does not take into account any unused passive activity losses associated with your investment in KMP or EPB, which could have a material impact on your overall gain calculation. In a complete disposition of your KMP or EPB units, any unused passive activity losses may be deducted against a gain from the sale of the units. These and other factors that can materially affect the outcome of these calculations so the gain / loss calculators should only be relied upon as a general estimate.

### **Corrections to your Tax Information**

If the information provided by your broker or transfer agent is incorrect, the information reported to you on the Schedule K-1, as well as the information reported to the IRS, will be incorrect. To that end, it is important that you carefully review the information reported on the schedules you receive to ensure it is consistent with the information sent to you by your broker or transfer agent.

It is important that you submit corrections to the partnerships by year-end 2014. Failure to submit timely corrections may require you to file in your federal income tax return Treasury Form 8082 - Notice of Inconsistent Treatment of Administrative Adjustment . You may make corrections to this information in any one of the following ways:

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1. Write corrections with explanations on the Schedule K-1 that was mailed to you, tear at perforations and mail to:

Kinder Morgan Energy Partners, L.P. or El Paso Partners Pipeline, L.P.

Attn: Tax Package Support

P.O. Box 799060

Dallas, TX 75379-9060

2. Call Tax Package Support at 1-800-232-1627 for KMP or 1-866-709-8274 for EPB; or

3. Submit corrections via the website, [www.taxpackagesupport.com](http://www.taxpackagesupport.com). Click on KMP or EPB which will take you to our Tax Reporting Package logon screen.

### **IRC Section 751 Statement**

If you sold partnership units or you have a deemed sale of units during the tax year and there is ordinary income, you are required to attach a Code Section 751 statement to your tax return. The amount of gain or loss treated as ordinary income is shown in Column (9) of the Sales Worksheet. The amount of gain or loss treated as capital is shown in Column (10) of the Sales Worksheet. See statement example below.

The taxpayer has reported ordinary income upon disposition of units in Kinder Morgan Energy Partners, L.P. or El Paso Partners Pipeline, L.P., as provided by the General Partner. The amount was determined in accordance with Internal Revenue Code Section 751 and the detailed information is available in the offices of the General Partner upon request.

### **Foreign Information**

KMP has operations in Canada and Mexico. The information related to KMP's foreign activities is reported on the Schedule K-1, Line 16.

### **Federal Income Tax Forms and Required Statements**

The following federal forms may be required to report partnership items in your federal income tax return. Blank forms can be downloaded at [www.irs.gov](http://www.irs.gov).

Form 1040	U.S. Individual Income Tax Return
Form 1040	Schedule B - Interest and Ordinary Dividends
Form 1040	Schedule E - Supplemental Income and Loss
Form 1116	Foreign Tax Credit
Form 4797	Sales of Business Property
Form 4952	Investment Interest Expense Deduction
Form 6251	Alternative Minimum Tax, Individuals
Form 8082	Notice of Inconsistent Treatment or Administrative Adjustment Request
Form 8903	Domestic Production Activities Deduction

Exhibit 1





















Exhibit 2





Exhibit 3



Exhibit 4



Exhibit 5



Exhibit 6

**IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT**

*This communication may be deemed to be solicitation material in respect of the proposed acquisition by Kinder Morgan, Inc. ( KMI ) of each of Kinder Morgan Energy Partners, L.P. ( KMP ), Kinder Morgan Management, LLC ( KMR ) and El Paso Pipeline Partners, L.P. ( EPB ) (collectively, the Proposed Transactions ). KMI has filed with the Securities and Exchange Commission ( SEC ) a registration statement on Form S-4, which contains a preliminary proxy statement for KMI and a preliminary proxy statement / prospectus for each of KMP, KMR and EPB. The Registration Statement has not yet been declared effective by the SEC. Each of KMI, KMP, KMR and EPB plan to mail to their respective security holders, as applicable, a proxy statement or proxy statement / prospectus in connection with the Proposed Transactions following the Registration Statement being declared effective by the SEC. The registration statement, the preliminary KMI proxy statement and each preliminary proxy statement / prospectus contain important information about KMI, KMP, KMR, EPB, the Proposed Transactions and related matters. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY THE REGISTRATION STATEMENT, THE APPLICABLE PROXY STATEMENT OR PROXY STATEMENT / PROSPECTUS AND ANY OTHER DOCUMENTS THAT HAVE BEEN FILED OR WILL BE FILED WITH THE SEC, INCLUDING THE DEFINITIVE KMI PROXY STATEMENT AND EACH DEFINITIVE PROXY STATEMENT / PROSPECTUS, IN CONNECTION WITH THE PROPOSED TRANSACTIONS OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT OR THE APPLICABLE PROXY STATEMENT / PROSPECTUS.***

*Investors and security holders will be able to obtain copies of the KMI proxy statement and each proxy statement / prospectus as well as other filings containing information about KMI, KMP, KMR and EPB, without charge, at the SEC 's website, <http://www.sec.gov>. Copies of documents filed with the SEC by KMI, KMP, KMR and EPB will be made available free of charge on Kinder Morgan, Inc. 's website at <http://www.kindermorgan.com/investor/> or by written request by contacting the investor relations department of KMI, KMP, KMR or EPB at the following address: 1001 Louisiana Street, Suite 1000, Houston, Texas 77002, Attention: Investor Relations or by phone at (713) 369-9490 or by email at [km\\_ir@kindermorgan.com](mailto:km_ir@kindermorgan.com).*

**NO OFFER OR SOLICITATION**

*This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.*

**PARTICIPANTS IN THE SOLICITATION**

*KMI, KMP, KMR and EPB, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the Proposed Transactions. Information regarding the directors and executive officers of KMI is contained in KMI 's Form 10-K for the year ended December 31, 2013, and its proxy statement filed on April 9, 2014, each of which has been filed with the SEC. Information regarding the directors and executive officers of KMP 's general partner and KMR, the delegate of KMP 's general partner, is contained in KMP 's Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. Information regarding the directors and executive officers of KMR is contained in KMR 's Form 10-K for the year ended December 31, 2013, which has been filed with the SEC. Information regarding the directors and executive officers of EPB 's general partner is contained in EPB 's Form 10-K for the year ended December 31, 2013, which has been filed with the SEC.*

**CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS**

*Statements in this communication regarding the Proposed Transactions involving KMI, KMP, KMR and EPB, the expected timetable for completing the Proposed Transactions, the expected benefit of the Proposed Transactions, future financial and operating results, future opportunities for the combined company and any other statements about management's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words believes, plans, anticipates, expects, estimates and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the Proposed Transactions; the ability to obtain requisite regulatory and shareholder or unitholder approval and the satisfaction of the other conditions to the consummation of the Proposed Transactions; the ability to realize anticipated synergies and cost savings; the potential impact of the announcement or consummation of the Proposed Transactions on relationships, including with employees, suppliers, customers and competitors; the ability to achieve revenue growth; the effects of environmental, legal, regulatory or other uncertainties; the effects of government regulations and policies and of the pace of deregulation of retail natural gas; national, international, regional and local economic or competitive conditions and developments; possible changes in credit ratings; capital and credit markets conditions; interest rates; the political and economic stability of oil producing nations; energy markets, including changes in the price of certain commodities; weather, alternative energy sources, conservation and technological advances that may affect price trends and demand; business and regulatory or legal decisions; the timing and success of business development efforts; acts of nature, accidents, sabotage, terrorism (including cyber attacks) or other similar acts causing damage greater than the insurance coverage limits of the combined company; and the other factors and financial, operational and legal risks or uncertainties described in KMI's, KMP's, KMR's and EPB's Annual Reports on Form 10-K for the year ended December 31, 2013, and other subsequent filings with the SEC. KMI, KMP, KMR and EPB disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication, other than as required by applicable law.*

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maturity of the Securities?

The payment at maturity of the Securities will depend on (i) whether or not the closing price of the applicable Underlying Shares to which it is linked fell below the applicable knock-in level on any trading day during the knock-in period, and if so, (ii) the closing price of the applicable Underlying Shares on the determination date. Except in certain circumstances described under "Description of Securities — Closing Price" in the accompanying Product Supplement, we will usually determine the closing price for any listed Underlying Shares by reference to the last reported sale price, during regular trading hours (or if listed on The NASDAQ Stock Market LLC, the official closing price), on the primary U.S. securities exchange on which the Underlying Shares are traded.

- If the closing price of the applicable Underlying Shares has not fallen below the applicable knock-in level on any trading day during the knock-in period, we will pay you the face amount of each Security in cash.
- If the closing price of the applicable Underlying Shares has fallen below the applicable knock-in level on any trading day during the knock-in period, we will either:
  - deliver to you the applicable redemption amount, in exchange for each Security, in the event that the closing price of the applicable Underlying Shares on the determination date is below the applicable closing price on the pricing date (subject to adjustment), which we refer to as the initial price of such Underlying Shares (the market value of the applicable redemption amount on the determination date will always be less than the face amount of \$1,000 per Security); or
  - pay you the face amount of each Security in cash, in the event that the closing price of the applicable Underlying Shares is at or above the applicable initial price on the determination date.



If due to events beyond our reasonable control, as determined by us in our sole discretion, the applicable Underlying Shares are not available for delivery at maturity we may pay you, in lieu of the applicable redemption amount, the cash value of the applicable redemption amount, determined by multiplying the applicable redemption amount by the closing price of the applicable Underlying Shares on the determination date.

The “redemption amount” is equal to \$1,000 divided by the applicable initial price of the applicable Underlying Shares. The applicable initial price and consequently the applicable redemption amount may be adjusted for certain corporate events, such as a stock split, affecting the Underlying Company.

The payment at maturity is further subject to adjustment in certain circumstances, such as a stock split or merger, which we describe in “Description of Securities — Adjustment Events” in the accompanying Product Supplement No. 1-I.

Any payment at maturity is subject to the creditworthiness of ABN AMRO Bank N.V. and ABN AMRO Holding N.V., as guarantor.

Why is the coupon rate on the Securities higher than the interest rate payable on your conventional debt securities with the same maturity?

The Securities offer a higher coupon rate than the yield that would be payable on a conventional debt security with the same maturity issued by us or an issuer with a comparable credit rating because you, the investor in the Securities, indirectly sell a put option to us on the applicable Underlying Shares. The premium due to you for this put option is combined with a market interest rate on our senior debt to produce the higher coupon rate on the Securities. As explained below under “What are the consequences of the indirect put option that I have sold you?” you are being paid the premium for taking the risk that you may receive the applicable Underlying Shares with a market value less than the face amount of your Securities at maturity, which would mean that you would lose some or all of your initial principal investment.

What are the consequences of the indirect put option that I have sold you?

The put option you indirectly sell to us creates the feature of exchangeability. This feature could result in the delivery of the applicable Underlying Shares to you, at maturity, with a market value which is less than the face amount of \$1,000 per Security. If the closing price of the applicable Underlying Shares falls below the applicable knock-in level on any trading day during the knock-in period, and on the determination date the closing price of the Underlying Shares is less than the initial price, you will receive the applicable redemption amount. The market value of the applicable Underlying Shares on the determination date will be less than the face amount of the Securities and could be zero. Therefore you are not guaranteed to receive any return of principal at maturity. If the price of the applicable Underlying Shares rises above the applicable initial price you will not participate in any appreciation in the price of the applicable Underlying Shares.

How is the redemption amount determined?

The redemption amount for each \$1,000 face amount of any Security is equal to \$1,000 divided by the applicable initial price of the Underlying Shares linked to such Security. The value of any fractional shares of the applicable Underlying Shares that you are entitled to receive, after aggregating your total holdings of the Securities linked to the applicable Underlying Shares, will be paid in cash based on the closing price of the applicable Underlying Shares on the determination date.

Do I get all my principal back at maturity?

You are not guaranteed to receive any return of principal at maturity. If the closing price of the applicable Underlying Shares falls below the applicable knock-in level on any trading day during the knock-in period, and the closing price of the applicable Underlying Shares is below the applicable initial price on the determination date, we will deliver to you applicable Underlying Shares. The market value of

such Underlying Shares on the determination date will be less than the face amount of the Securities and could be zero. Accordingly, you may lose some or all of your initial principal investment in the Securities.

What coupon payments can I expect on the Securities?

The coupon rate is fixed at issue and is payable in cash on each coupon payment date, irrespective of whether the Securities are redeemed at maturity for cash or shares.

Any coupon payment is subject to the creditworthiness of ABN AMRO Bank N.V. and ABN AMRO Holding N.V. as guarantor.

Can you give me an example of the payment at maturity?

If, for example, in a hypothetical offering, the coupon rate was 10% per annum, the initial price of the Underlying Shares was \$45.00 per share and the knock-in level for such offering was 80%, then the redemption amount would be 22.222 Underlying Shares, or \$1,000 divided by \$45.00, and the knock-in level would be \$36.00, or 80% of the initial price.

If the closing price of the hypothetical Underlying Shares fell below the knock-in level of \$36.00 on any trading day during the knock-in period, then the payment at maturity would depend on the closing price of the Underlying Shares on the determination date. In this case, if the closing price of the Underlying Shares on the determination date is \$30.00 per share, which is below the initial price, you would receive 22.222 Underlying Shares for each \$1,000 face amount of the Securities. (In actuality, because we cannot deliver fractions of a share, you would receive on the maturity date for each \$1,000 face amount of the Securities, 22 Underlying Shares plus \$6.66 cash in lieu of 0.222 fractional shares, determined by multiplying 0.222 by \$30.00, the closing price of the Underlying Shares on the determination date.) In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum. In this hypothetical example, the market value of those 22 Underlying Shares (including the cash paid in lieu of fractional shares) that we would deliver to you at maturity for each \$1,000 face amount of Security would be \$666.66, which is less than the face amount of \$1,000, and you would have lost a portion of your initial investment. If, on the other hand, the closing price of the Underlying Shares on the determination date is \$50.00 per share, which is above the initial price, you will receive \$1,000 in cash for each \$1,000 face amount of the Securities regardless of the knock-in level having been breached. In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum.

Alternatively, if the closing price of the Underlying Shares never falls below \$36.00, which is the knock-in level, on any trading day during the knock-in period, at maturity you will receive \$1,000 in cash for each Security you hold regardless of the closing price of the Underlying Shares on the determination date. In addition, over the term of the Securities you would have received coupon payments at a rate of 10% per annum.

This example is for illustrative purposes only and is based on a hypothetical offering. It is not possible to predict the closing price of any of the Underlying Shares on the determination date or at any time during the term of the Securities. For each offering, we will set the initial price, knock-in level and redemption amount on the Pricing Date.

In this Term Sheet, we have also provided under the heading "Hypothetical Sensitivity Analysis of Total Return of the Securities at Maturity" the total return of owning the Securities through maturity for various closing prices of the Underlying Shares on the determination date.

Do I benefit from any appreciation in the Underlying Shares over the term of the Securities?

No. The amount paid at maturity for each \$1,000 face amount of the Securities will never exceed \$1,000.





What is the minimum required purchase?

You may purchase Securities in minimum denominations of \$1,000 or in integral multiples thereof.

Is there a secondary market for Securities?

The Securities will not be listed on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and, as such, information regarding independent market pricing for the Securities may be extremely limited. You should be willing to hold your Securities until the maturity date.

Although it is not required to do so, we have been informed by our affiliate that when this offering is complete, it intends to make purchases and sales of the Securities from time to time in off-exchange transactions. If our affiliate does make such a market in the Securities, it may stop doing so at any time.

In connection with any secondary market activity in the Securities, our affiliate may post indicative prices for the Securities on a designated website or via Bloomberg. However, our affiliate is not required to post such indicative prices and may stop doing so at any time. Investors are advised that any prices shown on any website or Bloomberg page are indicative prices only and, as such, there can be no assurance that any trade could be executed at such prices. Investors should contact their brokerage firm for further information.

In addition, the issue price of the Securities includes the selling agents' commissions paid with respect to the Securities and the cost of hedging our obligations under the Securities. The cost of hedging includes the profit component that our affiliate has charged in consideration for assuming the risks inherent in managing the hedging of the transactions. The fact that the issue price of the Securities includes these commissions and hedging costs is expected to adversely affect the secondary market prices of the Securities. See "Risk Factors — The Inclusion of Commissions and Cost of Hedging in the Issue Price is Likely to Adversely Affect Secondary Market Prices" and "Use of Proceeds" in the accompanying Product Supplement No. 1-I.

What is the relationship between ABN Amro Bank N.V., ABN Amro Holding N.V. and RBS Securities Inc.?

RBS Securities Inc., which we refer to as RBSSI, is an affiliate of ABN AMRO Bank N.V. and ABN AMRO Holding N.V. RBSSI will act as calculation agent for the Securities, and is acting as agent for each offering. RBSSI will conduct each offering in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority, which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of the securities of an affiliate. See "Risk Factors — Potential Conflicts of Interest between Holders of Securities and the Calculation Agent" and "Plan of Distribution (Conflicts of Interest)" in the accompanying Product Supplement No. 1-I.

Where can I find out more about the Underlying Company?

Because the Underlying Shares are registered under the Securities Exchange Act of 1934, as amended, each Underlying Company is required to file periodically certain financial and other information specified by the Commission which is available to the public. You should read "Public Information Regarding the Underlying Shares" in this Term Sheet to learn how to obtain public information regarding the Underlying Shares and other important information. The historical highest intra-day price, lowest intra-day price and last day closing price of the Underlying Shares are set forth under the heading "Public Information Regarding the Underlying Shares" in this Term Sheet.

What if I have more questions?

You should read "Description of Securities" in the accompanying Product Supplement No. 1-I for a detailed description of the terms of the Securities. ABN AMRO has filed a registration statement (including a Prospectus and Prospectus

Supplement) with the SEC for the offering to which this

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communication relates. Before you invest, you should read the Prospectus and Prospectus Supplement in that registration statement and other documents ABN AMRO has filed with the SEC for more complete information about ABN AMRO and the offering of the Securities. You may get these documents for free by visiting EDGAR on the SEC web site at [www.sec.gov](http://www.sec.gov). Alternatively, ABN AMRO, any underwriter or any dealer participating in the offering will arrange to send you the Prospectus and Prospectus Supplement if you request it by calling toll free (866) 747-4332.

#### Recent Developments

As described under the heading “Tell me more about ABN AMRO Bank N.V. and ABN AMRO Holding N.V.” in the accompanying Product Supplement No. 1-I, on October 17, 2007, RFS Holdings B.V., which at the time was owned by a consortium consisting of the Royal Bank of Scotland Group plc (“RBS”), Fortis N.V., Fortis SA/NV and Banco Santander S.A., completed the acquisition of Holding, the parent of ABN AMRO Bank N.V. Subsequent to the events described therein the following has occurred:

On November 3, 2009 RBS announced that UK Financial Investments Limited (“UKFI”), which is wholly owned by the UK government, agreed to subscribe for additional B Shares of RBS raising UKFI’s economic interest in RBS to 84.4% while UKFI’s ordinary shareholdings of RBS remain at 70.3%. While B Shares are convertible into ordinary shares, UKFI has maintained its agreement not to convert its B Shares into ordinary shares to the extent its holding of ordinary shares would represent 75% or more of RBS’s issued ordinary share capital. Issuance of the additional B Shares was approved by the European Commission on December 14, 2009 and by the shareholders of RBS on December 15, 2009.

For further information about RBS see “Tell me more about ABN AMRO Bank N.V. and ABN AMRO Holding N.V.” in the accompanying Product Supplement No. 1-I.

## RISK FACTORS

You should carefully consider the risks of the Securities to which this Term Sheet relates and whether these Securities are suited to your particular circumstances before deciding to purchase them. It is important that prior to investing in these Securities you read the Product Supplement No. 1-I related to such Securities and the accompanying Prospectus and Prospectus Supplement to understand the actual terms of and the risks associated with the Securities. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

### Credit Risk

The Securities are issued by ABN AMRO and guaranteed by ABN AMRO Holding N.V., ABN AMRO's parent company. As a result, investors in the Securities assume the credit risk of ABN AMRO and that of ABN AMRO Holding N.V. in the event that ABN AMRO defaults on its obligations under the Securities. Any obligations or Securities sold, offered, or recommended are not deposits of ABN AMRO and are not endorsed or guaranteed by any bank or thrift, nor are they insured by the FDIC or any governmental agency.

### Principal Risk

The Securities are not ordinary debt securities: they are not principal protected. In addition, if the closing price of the applicable Underlying Shares falls below the applicable knock-in level on any trading day during the knock-in period, investors in the Securities will be exposed to any decline in the price of the applicable Underlying Shares below the closing price of the applicable Underlying Shares on the date the Securities were priced. Accordingly, you may lose some or all of your initial principal investment in the Securities.

### Limited Return

The amount payable under the Securities will never exceed the original face amount of the Securities plus the applicable aggregate fixed coupon payment investors earn during the term of the Securities. This means that you will not benefit from any price appreciation in the applicable Underlying Shares, nor will you receive dividends paid on the applicable Underlying Shares, if any. Accordingly, you will never receive at maturity an amount greater than a predetermined amount per Security, regardless of how much the price of the applicable Underlying Shares may increase during the term of the Securities or on the determination date. The return on a Security may be significantly less than the return on a direct investment in the applicable Underlying Shares to which the Security is linked during the term of the Security.

### Liquidity Risk

The Securities will not be listed on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing of the Securities may be very limited or non-existent. The value of the Securities in the secondary market, if any, will be subject to many unpredictable factors, including then prevailing market conditions.

It is important to note that many factors will contribute to the secondary market value of the Securities, and you may not receive your full principal back if the Securities are sold prior to maturity. Such factors include, but are not limited to, time to maturity, the price of the applicable Underlying Shares, volatility and interest rates.

In addition, the price, if any, at which our affiliate or another party are willing to purchase Securities in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, commissions, discounts or mark-ups paid with respect to the Securities, as well as the cost

of hedging our obligations under the Securities.

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### Holdings of the Securities by Our Affiliates and Future Sales

Certain of our affiliates may agree to purchase for investment the portion of the Securities that has not been purchased by investors in a particular offering of Securities, which initially they intend to hold for investment purposes. As a result, upon completion of such an offering, our affiliates may own up to 15% of the aggregate face amount of the Securities. Circumstances may occur in which our interests or those of our affiliates could be in conflict with your interests. For example, our affiliates may attempt to sell the Securities that they had been holding for investment purposes at the same time that you attempt to sell your Securities, which could depress the price, if any, at which you can sell your Securities. Moreover, the liquidity of the market for the Securities, if any, could be substantially reduced as a result of our affiliates holding the Securities. In addition, our affiliates could have substantial influence over any matter subject to consent of the security holders.

### Potential Conflicts of Interest

We and our affiliates play a variety of roles in connection with the issuance of the Securities, including acting as calculation agent. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the Securities. We and our affiliates may carry out hedging activities that minimize our risks related to the Securities, including trading in any of the Underlying Shares. In particular, on or prior to the date of this Term Sheet, we, through our affiliates, may have hedged our anticipated exposure in connection with the Securities by taking positions in the Underlying Shares, options contracts on Underlying Shares listed on major securities markets, and/or other instruments that we deemed appropriate in connection with such hedging. Our purchase activity, however, could potentially have increased the initial price of the applicable Underlying Shares, and therefore increased the applicable knock-in level, below which we would be required to deliver to you at maturity applicable Underlying Shares, which, in turn, would have a value less than the face amount of your Securities.

### No Affiliation with the Underlying Company

The Underlying Companies are not affiliates of ours and are not involved with this offering in any way. The obligations represented by the Securities are our obligations, not those of the Underlying Companies. Investing in the Securities is not equivalent to investing in any of the Underlying Shares. Neither we nor Holding nor any of our affiliates have any affiliation with any of the Underlying Companies, and are not responsible for any Underlying Company's public disclosure of information, whether contained in SEC filings or otherwise.

### Uncertain Tax Treatment

You should review carefully the section of the accompanying Product Supplement entitled "U.S. Federal Income Tax Consequences." Although the tax consequences of an investment in the Securities are unclear, we believe that it is reasonable to treat a Security for U.S. federal income tax purposes as a put option (the "Put Option"), written by you to us with respect to the Underlying Shares, secured by a cash deposit equal to the face amount of the Security (the "Deposit"). Under this treatment, less than the full amount of each coupon payment will be attributable to the interest on the Deposit, and the excess of each coupon payment over the portion of the coupon payment attributable to the interest on the Deposit will represent a portion of the option premium attributable to your grant of the Put Option (the "Put Premium," and collectively for all coupon payments received, "Put Premiums"). Interest on the Deposit generally will be treated as ordinary income on indebtedness while the Put Premium will not be taken into account prior to sale, exchange or maturity of the Securities. The cover of the Term Sheet reflects our preliminary determination of the rate of interest paid on the Deposit and the amount of the Put Premiums.

Due to the absence of authorities that directly address instruments that are similar to the Securities, significant aspects of the U.S. federal income tax consequences of an investment in the Securities are uncertain. We do not plan to

request a ruling from the Internal Revenue Service (the “IRS”), and the IRS or a court might not agree with the tax treatment described in this Term Sheet and the accompanying Product Supplement. If the IRS were successful in asserting an alternative treatment for the Securities,

the tax consequences of the ownership and disposition of the Securities could be affected materially and adversely.

In December 2007, the Treasury and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. While it is not clear whether the Securities would be viewed as similar to the typical prepaid forward contract described in the notice, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Securities, possibly with retroactive effect.

Both U.S. and non-U.S. holders should consult their tax advisers regarding all aspects of the U.S. federal tax consequences of investing in the Securities (including possible alternative treatments and the issues presented by the December 2007 notice), as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Reverse Exchangeable is a Service Mark of ABN AMRO Bank N.V.



Hypothetical Sensitivity Analysis of Total Return  
of the Securities at Maturity

The following tables set out the total return to maturity of a Security, based on the assumptions outlined below and several variables, which include (a) whether the closing price of the Underlying Shares has fallen below the knock-in level on any trading day during the knock-in period and (b) several hypothetical closing prices for the Underlying Shares on the determination date. The information in the tables is based on hypothetical market values for the Underlying Shares. We cannot predict the market price or the closing price of the Underlying Shares on the determination date or at any time during the term of the Securities. The assumptions expressed below are for illustrative purposes only and the returns set forth in the table may or may not be the actual rates applicable to a purchaser of the Securities.

Assumptions

Hypothetical Initial Price:	\$45.00
Hypothetical Knock-In level:	\$36.00 (80% of the hypothetical Initial Price)
Hypothetical Annual Interest on the Security:	12.00% per annum or 3.00% over the life of the hypothetical security
Hypothetical Term of the Security:	3 Months
Hypothetical Exchange Factor:	1.0 (we have assumed that no market disruption event occurs and the calculation agent does not need to adjust the exchange factor for any adjustment events during the term of the Securities).

Payment at maturity if the closing price of the Underlying Shares falls below the knock-in level on any trading day during the knock-in period:

Assumed Underlying Shares Closing Price on Determination Date	Hypothetical Value of Payment at Maturity(a)	Hypothetical Total Coupon (Payable in Three Monthly Coupon Payments)(c)	Hypothetical Total Return(b) over the life of the security	Hypothetical Total Return(b) over the life of the security
\$45.00 or greater	\$1,000.00	\$30.00	\$1,030.00	3.00%
\$43.88	\$ 975.10	\$30.00	\$1,005.10	0.51%
\$42.75	\$ 949.99	\$30.00	\$ 979.99	-2.00%
\$41.85	\$ 929.99	\$30.00	\$ 959.99	-4.00%
\$39.97	\$ 888.21	\$30.00	\$ 918.21	-8.18%
\$37.97	\$ 843.77	\$30.00	\$ 873.77	-12.62%
\$30.38	\$ 675.10	\$30.00	\$ 705.10	-29.49%
\$21.27	\$ 472.66	\$30.00	\$ 502.66	-49.73%
\$10.64	\$ 236.44	\$30.00	\$ 266.44	-73.36%

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\$ 5.32	\$ 118.22	\$30.00	\$ 148.22	-85.18%
\$ 0.00	\$ 0.00	\$30.00	\$ 30.00	-97.00%

Payment at maturity if the closing price of the Underlying Shares never falls below the knock-in level on any trading day during the knock-in period:

Assumed Underlying Shares Closing Price on Determination Date	Hypothetical Value of Payment at Maturity(a)	Hypothetical Total Coupon (Payable in Three Monthly Coupon Payments)(c)	Hypothetical Total Return(b) over the life of the security	
\$45.00 or greater	\$1,000.00	\$30.00	\$1,030.00	3.00%
\$40.50	\$1,000.00	\$30.00	\$1,030.00	3.00%
\$38.48	\$1,000.00	\$30.00	\$1,030.00	3.00%
\$36.00	\$1,000.00	\$30.00	\$1,030.00	3.00%

Please see footnotes on next page.

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- (a) Based on the assumptions set forth above, if the closing price of the Underlying Shares falls below \$36.00 on any trading day during the knock-in period and, in addition, the closing price of the Underlying Shares is less than \$45.00 on the determination date, the payment at maturity will be made in Underlying Shares. For determining the value of the payment at maturity, we have assumed that the closing price of the Underlying Shares will be the same on the maturity date as on the determination date.
- (b) Coupons on the Securities will be computed on the basis of a 360-day year of twelve 30-day months or, in the case of an incomplete month, the number of actual days elapsed. Accordingly, depending on the number of days in any monthly coupon payment period, the coupon payable in such period and, consequently, the total coupons payable over the term of the Securities, may be less than the amount reflected in this column.
- (c) The total return presented is exclusive of any tax consequences of owning the Securities. You should consult your tax advisor regarding whether owning the Securities is appropriate for your tax situation. See the sections titled “Risk Factors” in this Term Sheet and the accompanying Product Supplement No. 1-I and “United States Federal Taxation” and “Taxation in the Netherlands” in the accompanying Prospectus Supplement.
- (d) Based on the assumptions set forth above, if the closing price of the Underlying Shares never falls below \$36.00 on any trading day during the knock-in period, the payment at maturity will be made in cash.

## PUBLIC INFORMATION REGARDING THE UNDERLYING SHARES

The Underlying Shares are shares of the Common Stock of the Underlying Companies set forth on the following pages. The Underlying Shares are registered under the Securities Exchange Act of 1934, as amended, which we refer to as the “Exchange Act.” Companies with securities registered under the Exchange Act are required periodically to file certain financial and other information specified by the Securities and Exchange Commission, which we refer as the “Commission.” Information provided to or filed with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. Copies of this material can also be obtained from the Public Reference Room of the Commission at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. Please call the Commission at 1-800-SEC-0330 for further information about the Public Reference Room. In addition, information provided to or filed with the Commission electronically can be accessed through a website maintained by the Commission. The address of the Commission’s website is <http://www.sec.gov>. Information provided to or filed with the Commission by each of the Underlying Companies pursuant to the Exchange Act can be located by reference to the applicable Commission file number provided in the information below.

In addition, information regarding the Underlying Companies may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of such reports.

This Term Sheet relates only to the Securities offered by us and does not relate to any of the Underlying Shares or other securities of the Underlying Companies. We will derive all disclosures contained in this Term Sheet regarding the Underlying Companies from the publicly available documents described above. Neither we nor Holding nor the agents have participated in the preparation of such documents or made any due diligence inquiry with respect to the Underlying Companies in connection with the offering of the Securities. Neither we nor Holding nor the agents make any representation that such publicly available documents or any other publicly available information regarding the Underlying Companies are accurate or complete. Furthermore, neither we nor Holding can give any assurance that all events occurring prior to the date of this Term Sheet (including events that would affect the accuracy or completeness of the publicly available documents described above) that would affect the trading price of the applicable Underlying Shares (and therefore the applicable initial price, knock-in level and redemption amount) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any of the Underlying Companies could affect the value you will receive on the maturity date with respect to the Securities and therefore the trading prices of the applicable Securities. Neither we nor Holding nor any of our affiliates have any obligation to disclose any information about any of the Underlying Companies after the date of this Term Sheet.

Neither we nor Holding nor any of our affiliates makes any representation to you as to the performance of any of the Underlying Shares.

We and/or our affiliates may presently or from time to time engage in business with any of the Underlying Companies, including extending loans to, or making equity investments in, or providing advisory services to any of the Underlying Companies, including merger and acquisition advisory services. In the course of such business, we and/or our affiliates may acquire non-public information with respect to any of the Underlying Companies and, in addition, one or more of our affiliates may publish research reports with respect to any of the Underlying Companies. The statement in the preceding sentence is not intended to affect the rights of holders of the Securities under the securities laws. As a prospective purchaser of a Security, you should undertake such independent investigation of the applicable Underlying Company as in your judgment is appropriate to make an informed decision with respect to an investment in the applicable Underlying Shares.



Las Vegas Sands Corp.

According to publicly available documents, Las Vegas Sands Corp., which we refer to as “Las Vegas Sands”, owns and operates The Venetian Resort Hotel Casino, The Palazzo Resort Hotel Casino and The Sands Expo and Convention Center in Las Vegas, Nevada, and the Sands Macao, The Venetian Macao Resort Hotel and the Four Seasons Hotel Macao, Cotai Strip in Macao, People’s Republic of China. Las Vegas Sands’ SEC file number is 001-32373.

#### Historical Information

The common stock, par value \$0.001 per share, of Las Vegas Sands is traded on the NYSE under the symbol “LVS”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the Common Stock of Las Vegas Sands since 2005. The closing price for each share of common stock on January 12, 2010 was \$18.34.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$ 51.40	\$ 41.47	\$ 45.00
Second Quarter	\$ 45.32	\$ 33.13	\$ 35.75
Third Quarter	\$ 40.73	\$ 30.97	\$ 32.91
Fourth Quarter	\$ 46.44	\$ 29.08	\$ 39.47
2006			
First Quarter	\$ 58.02	\$ 38.44	\$ 56.66
Second Quarter	\$ 78.90	\$ 54.68	\$ 77.86
Third Quarter	\$ 77.86	\$ 57.71	\$ 68.35
Fourth Quarter	\$ 97.25	\$ 66.06	\$ 89.48
2007			
First Quarter	\$109.45	\$ 81.01	\$ 6.61
Second Quarter	\$ 91.91	\$ 71.24	\$ 76.39
Third Quarter	\$142.75	\$ 75.56	\$133.42
Fourth Quarter	\$148.76	\$102.50	\$103.05
2008			
First Quarter	\$105.35	\$ 70.00	\$ 73.64
Second Quarter	\$ 83.13	\$ 45.30	\$ 47.44
Third Quarter	\$ 59.00	\$ 30.56	\$ 36.11
Fourth Quarter	\$ 37.00	\$ 2.89	\$ 5.93
2009			
First Quarter	\$ 9.15	\$ 1.38	\$ 3.01
Second Quarter	\$ 11.84	\$ 3.08	\$ 7.86
Third Quarter	\$ 20.73	\$ 6.32	\$ 16.84
Fourth Quarter	\$ 18.83	\$ 12.95	\$ 14.94
2010			
First Quarter (through January 12, 2010)	\$ 18.85	\$ 15.54	\$ 18.34



First Solar, Inc.

According to publicly available documents, First Solar, Inc., which we refer to as “First Solar” designs and manufactures solar modules using proprietary thin film semiconductor technology. First Solar’s SEC file number is 001-33156.

#### Historical Information

The common stock, par value \$0.001 per share, of First Solar is traded on The NASDAQ Stock Market LLC, under the symbol “FSLR”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the common stock of First Solar since the fourth quarter of 2006, when the shares were first listed. The closing price for each share of common stock on January 12, 2010 was \$132.98.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2006			
Fourth Quarter	\$ 30.00	\$ 23.59	\$ 29.80
2007			
First Quarter	\$ 59.88	\$ 27.54	\$ 52.01
Second Quarter	\$ 91.10	\$ 52.10	\$ 89.29
Third Quarter	\$123.21	\$ 74.77	\$117.74
Fourth Quarter	\$283.00	\$119.95	\$267.14
2008			
First Quarter	\$272.47	\$143.34	\$231.14
Second Quarter	\$317.00	\$232.20	\$272.82
Third Quarter	\$301.30	\$176.07	\$188.91
Fourth Quarter	\$202.88	\$ 85.28	\$137.96
2009			
First Quarter	\$165.20	\$100.93	\$132.70
Second Quarter	\$207.51	\$129.90	\$162.12
Third Quarter	\$176.00	\$112.12	\$152.86
Fourth Quarter	\$162.20	\$115.09	\$135.40
2010			
First Quarter (through January 12, 2010)	\$142.46	\$132.70	\$132.98





## SanDisk Corporation

According to publicly available documents, SanDisk Corporation, which we refer to as “SanDisk,” is engaged in designing, developing and manufacturing products and solutions in a range of form factors using the flash memory, controller and firmware technologies. SanDisk also provides high-speed and high-capacity storage solutions, known as solid-state drives (SSDs) that can be used in lieu of hard disk drives in a range of computing devices, including personal computers and enterprise servers. SanDisk also produces universal serial bus (USB) drives, and moving picture experts group layer-3 audio (MP3) players, as well as embedded flash storage products that are used in a range of systems for the enterprise, industrial, military and other markets. SanDisk’s SEC file number is 0000-26734.

## Historical Information

The common stock, par value \$0.001 per share, of SanDisk is traded on the NASDAQ Global Select Market under the symbol “SNDK”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day intra-day price for the quarter of the common stock of SanDisk since 2005. The closing price for each share of common stock on January 12, 2010 was \$29.03.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$28.42	\$20.25	\$27.80
Second Quarter	\$29.03	\$23.56	\$23.73
Third Quarter	\$48.58	\$23.41	\$48.25
Fourth Quarter	\$65.49	\$45.69	\$62.82
2006			
First Quarter	\$79.80	\$52.16	\$57.52
Second Quarter	\$66.20	\$49.18	\$50.98
Third Quarter	\$60.94	\$37.34	\$53.54
Fourth Quarter	\$62.24	\$42.00	\$43.03
2007			
First Quarter	\$46.24	\$35.82	\$43.80
Second Quarter	\$49.61	\$41.48	\$48.94
Third Quarter	\$59.75	\$47.14	\$55.10
Fourth Quarter	\$55.97	\$32.74	\$33.17
2008			
First Quarter	\$33.73	\$19.84	\$22.57
Second Quarter	\$33.17	\$18.63	\$18.70
Third Quarter	\$23.50	\$13.07	\$19.55
Fourth Quarter	\$21.40	\$ 5.07	\$ 9.60
2009			
First Quarter	\$13.46	\$ 7.53	\$12.65
Second Quarter	\$16.72	\$12.04	\$14.69

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Third Quarter	\$23.20	\$13.02	\$21.70
Fourth Quarter	\$31.17	\$19.18	\$28.99
2010			
First Quarter (through January 12, 2010)	\$32.08	\$28.61	\$29.03

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## Sprint Nextel Corporation

According to publicly available documents, Sprint Nextel Corporation, which we refer to as “Sprint,” is a global communications company offering wireless and wireline communications products and services to individual consumers, businesses and government customers. Sprint’s SEC file number is 1-04721.

## Historical Information

The Series 1 common stock, par value \$2.00 per share, of Sprint is traded on the NYSE, under the symbol “S”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day intra-day price for the quarter of the common stock of Sprint since 2005. The closing price for each share of common stock on January 12, 2010 was \$3.90.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$22.82	\$19.77	\$20.64
Second Quarter	\$23.11	\$19.57	\$22.76
Third Quarter	\$24.65	\$21.09	\$21.57
Fourth Quarter	\$23.42	\$20.09	\$21.19
2006			
First Quarter	\$23.80	\$20.39	\$23.44
Second Quarter	\$24.39	\$19.38	\$19.99
Third Quarter	\$20.77	\$15.96	\$17.15
Fourth Quarter	\$20.62	\$16.76	\$18.89
2007			
First Quarter	\$20.42	\$16.93	\$18.96
Second Quarter	\$23.42	\$18.89	\$20.71
Third Quarter	\$22.63	\$17.24	\$19.00
Fourth Quarter	\$19.70	\$12.96	\$13.13
2008			
First Quarter	\$13.16	\$ 5.49	\$ 6.69
Second Quarter	\$ 9.94	\$ 6.27	\$ 9.50
Third Quarter	\$ 9.69	\$ 5.75	\$ 6.10
Fourth Quarter	\$ 6.72	\$ 1.35	\$ 1.83
2009			
First Quarter	\$ 4.20	\$ 1.83	\$ 3.57
Second Quarter	\$ 5.94	\$ 3.49	\$ 4.81
Third Quarter	\$ 4.91	\$ 3.50	\$ 3.95
Fourth Quarter	\$ 4.41	\$ 2.78	\$ 3.66
2010			
First Quarter (through January 12, 2010)	\$ 4.23	\$ 3.71	\$ 3.90



## United States Steel Corporation

According to publicly available documents, United States Steel Corporation, which we refer to as “United States Steel,” is an integrated steel producer with major production operations in North America and Europe. United States Steel’s SEC file number is 1-16811.

## Historical Information

The common stock, par value \$1.00 per share, of United States Steel is traded on the NYSE under the symbol “X”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the common stock of United States Steel since 2005. The closing price for each share of common stock on January 12, 2010 was \$62.93.

Period	High Intra-Day Price	Low Intra-Day Price	Last Day Closing Price
2005			
First Quarter	\$ 63.90	\$ 45.20	\$ 50.85
Second Quarter	\$ 52.12	\$ 34.05	\$ 34.37
Third Quarter	\$ 45.95	\$ 34.09	\$ 42.35
Fourth Quarter	\$ 51.45	\$ 33.59	\$ 48.07
2006			
First Quarter	\$ 64.47	\$ 48.05	\$ 60.68
Second Quarter	\$ 77.52	\$ 56.15	\$ 70.12
Third Quarter	\$ 70.66	\$ 53.63	\$ 57.68
Fourth Quarter	\$ 79.01	\$ 54.18	\$ 73.14
2007			
First Quarter	\$101.60	\$ 68.83	\$ 99.17
Second Quarter	\$127.26	\$ 99.07	\$108.75
Third Quarter	\$116.37	\$ 74.47	\$105.94
Fourth Quarter	\$121.11	\$ 85.05	\$120.91
2008			
First Quarter	\$128.30	\$ 91.11	\$126.87
Second Quarter	\$196.00	\$122.00	\$184.78
Third Quarter	\$180.57	\$ 68.63	\$ 77.61
Fourth Quarter	\$ 77.92	\$ 20.73	\$ 37.20
2009			
First Quarter	\$ 41.30	\$ 16.66	\$ 21.13
Second Quarter	\$ 43.15	\$ 20.18	\$ 35.74
Third Quarter	\$ 51.65	\$ 29.36	\$ 44.37
Fourth Quarter	\$ 58.19	\$ 33.25	\$ 55.12
2010			
First Quarter (through January 12, 2010)	\$ 66.45	\$ 56.40	\$ 62.93



## Massey Energy Company

According to publicly available documents, Massey Energy Company, which we refer to as “Massey Energy,” produces, processes and sells bituminous coal of steam and metallurgical grades, primarily of a low sulfur content. Massey Energy’s SEC file number is 001-07775.

## Historical Information

The common stock, par value \$0.625 per share, of Massey Energy is traded on the NYSE under the symbol “MEE”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the common stock of Massey Energy since 2005. The closing price for each share of common stock on January 12, 2010 was \$48.35.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$46.60	\$31.80	\$40.04
Second Quarter	\$42.15	\$34.86	\$37.72
Third Quarter	\$57.00	\$37.76	\$51.07
Fourth Quarter	\$52.57	\$36.65	\$37.87
2006			
First Quarter	\$41.51	\$33.10	\$36.07
Second Quarter	\$44.34	\$32.15	\$36.00
Third Quarter	\$37.05	\$18.77	\$20.94
Fourth Quarter	\$27.98	\$19.31	\$23.23
2007			
First Quarter	\$26.35	\$21.57	\$23.99
Second Quarter	\$30.73	\$24.00	\$26.65
Third Quarter	\$26.80	\$16.02	\$21.82
Fourth Quarter	\$37.98	\$21.50	\$35.75
2008			
First Quarter	\$44.00	\$26.69	\$36.50
Second Quarter	\$95.70	\$35.33	\$93.75
Third Quarter	\$93.98	\$31.17	\$35.67
Fourth Quarter	\$35.00	\$10.06	\$13.79
2009			
First Quarter	\$18.69	\$ 9.62	\$10.12
Second Quarter	\$26.46	\$ 9.80	\$19.54
Third Quarter	\$33.51	\$15.85	\$27.89
Fourth Quarter	\$44.25	\$25.52	\$42.01
2010			
First Quarter (through January 12, 2010)	\$51.24	\$43.10	\$48.35





## CBS Corporation

According to publicly available documents, CBS Corporation, which we refer to as “CBS,” is a mass media company with operations in Television, Radio, Outdoor, Interactive and Publishing segments. CBS’s SEC file number is 001-09553.

## Historical Information

The Class B common stock, par value \$0.001 per share, of CBS is traded on the NYSE, under the symbol “CBS”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day intra-day price for the quarter of the common stock of CBS since 2005. The closing price for each share of common stock on January 12, 2010 was \$13.56.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$28.76	\$24.90	\$25.70
Second Quarter	\$26.74	\$23.57	\$23.62
Third Quarter	\$26.29	\$23.46	\$24.35
Fourth Quarter	\$25.97	\$22.08	\$24.05
2006			
First Quarter	\$27.43	\$23.85	\$23.98
Second Quarter	\$27.24	\$24.05	\$27.05
Third Quarter	\$29.78	\$25.53	\$28.17
Fourth Quarter	\$32.04	\$27.67	\$31.18
2007			
First Quarter	\$32.27	\$28.45	\$30.59
Second Quarter	\$34.02	\$30.55	\$33.32
Third Quarter	\$35.50	\$28.76	\$31.50
Fourth Quarter	\$31.68	\$25.57	\$27.25
2008			
First Quarter	\$27.18	\$21.00	\$22.08
Second Quarter	\$25.00	\$19.25	\$19.49
Third Quarter	\$19.40	\$14.09	\$14.58
Fourth Quarter	\$14.61	\$ 4.36	\$ 8.19
2009			
First Quarter	\$ 9.19	\$ 3.06	\$ 3.84
Second Quarter	\$ 9.15	\$ 3.65	\$ 6.92
Third Quarter	\$13.16	\$ 5.65	\$12.05
Fourth Quarter	\$14.55	\$11.29	\$14.05
2010			
First Quarter (through January 12, 2010)	\$14.40	\$13.39	\$13.56



## The Goodyear Tire &amp; Rubber Company

According to publicly available documents, The Goodyear Tire & Rubber Company, which we refer to as “Goodyear,” develops, manufactures, markets and distributes tires. Goodyear’s SEC file number is 1-1927.

## Historical Information

The common stock, without par value per share, of Goodyear is traded on the NYSE under the symbol “GT”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the common stock of Goodyear since 2005. The closing price for each share of common stock on January 12, 2010 was \$15.49.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$16.08	\$13.11	\$13.35
Second Quarter	\$15.45	\$11.24	\$14.90
Third Quarter	\$18.57	\$14.65	\$15.59
Fourth Quarter	\$18.18	\$12.81	\$17.38
2006			
First Quarter	\$19.30	\$12.78	\$14.48
Second Quarter	\$15.42	\$10.35	\$11.10
Third Quarter	\$15.05	\$ 9.76	\$14.50
Fourth Quarter	\$21.35	\$13.64	\$20.99
2007			
First Quarter	\$32.16	\$21.40	\$31.19
Second Quarter	\$36.59	\$30.96	\$34.76
Third Quarter	\$36.90	\$23.83	\$30.41
Fourth Quarter	\$31.36	\$25.34	\$28.22
2008			
First Quarter	\$29.87	\$22.36	\$25.80
Second Quarter	\$30.10	\$17.53	\$17.83
Third Quarter	\$23.10	\$14.16	\$15.31
Fourth Quarter	\$15.11	\$ 3.94	\$ 5.97
2009			
First Quarter	\$ 8.09	\$ 3.17	\$ 6.26
Second Quarter	\$14.26	\$ 6.00	\$11.26
Third Quarter	\$18.84	\$ 9.98	\$17.03
Fourth Quarter	\$18.23	\$11.88	\$14.10
2010			
First Quarter (through January 12, 2010)	\$16.39	\$14.28	\$15.49



Under Armour, Inc.

According to publicly available documents, Under Armour, Inc., which we refer to as “Under Armour,” is a designer, marketer, and distributor of apparel and accessories, branded for men, women, and youth. Under Armour’s SEC file number is 001-33202.

#### Historical Information

The Class A common stock, par value \$.0003 1/3 per share, of Under Armour is traded on the NYSE under the symbol “UA”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the common stock of Under Armour since the fourth quarter of 2005 when the stock was first traded. The closing price for each share of common stock on January 12, 2010 was \$29.00

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
Fourth Quarter	\$40.00	\$13.00	\$38.31
2006			
First Quarter	\$41.90	\$25.85	\$32.40
Second Quarter	\$43.50	\$30.75	\$42.62
Third Quarter	\$43.50	\$32.20	\$40.02
Fourth Quarter	\$54.00	\$39.33	\$50.45
2007			
First Quarter	\$52.30	\$43.34	\$51.30
Second Quarter	\$53.23	\$41.37	\$45.65
Third Quarter	\$73.40	\$45.66	\$59.82
Fourth Quarter	\$63.90	\$41.51	\$43.67
2008			
First Quarter	\$47.16	\$25.32	\$36.60
Second Quarter	\$38.90	\$25.25	\$25.64
Third Quarter	\$43.52	\$23.50	\$31.76
Fourth Quarter	\$31.94	\$16.05	\$23.84
2009			
First Quarter	\$26.48	\$11.94	\$16.43
Second Quarter	\$26.48	\$15.78	\$22.38
Third Quarter	\$31.24	\$19.49	\$27.83
Fourth Quarter	\$33.31	\$25.26	\$27.27
2010			
First Quarter (through January 12, 2010)	\$29.99	\$27.47	\$29.00



## Citigroup Inc.

According to publicly available documents, Citigroup Inc. which we refer to as “Citi” is a global diversified financial services holding company whose businesses provide a broad range of banking and other financial services to consumer and corporate customers. Citi’s SEC file number is 1-9924.

## Historical Information

The common stock, par value \$0.01 per share, of Citi are traded on the NYSE under the symbol “C”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day closing price for the quarter of the Underlying Shares since 2005. The intraday price for each share of common stock when we priced the Securities on January 12, 2010 was \$3.52.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$49.99	\$44.05	\$44.94
Second Quarter	\$48.14	\$43.80	\$46.23
Third Quarter	\$46.81	\$42.91	\$45.52
Fourth Quarter	\$49.76	\$44.00	\$48.53
2006			
First Quarter	\$49.33	\$44.85	\$47.23
Second Quarter	\$50.71	\$47.17	\$48.24
Third Quarter	\$50.35	\$46.22	\$49.67
Fourth Quarter	\$56.66	\$48.83	\$55.70
2007			
First Quarter	\$56.28	\$48.05	\$51.34
Second Quarter	\$55.53	\$50.41	\$51.29
Third Quarter	\$52.97	\$44.66	\$46.67
Fourth Quarter	\$48.77	\$28.80	\$29.44
2008			
First Quarter	\$29.89	\$18.00	\$21.42
Second Quarter	\$27.35	\$16.58	\$16.76
Third Quarter	\$22.21	\$12.85	\$20.51
Fourth Quarter	\$23.50	\$ 3.05	\$ 6.71
2009			
First Quarter	\$ 7.58	\$ 0.97	\$ 2.53
Second Quarter	\$ 4.48	\$ 2.43	\$ 2.97
Third Quarter	\$ 5.42	\$ 2.55	\$ 4.84
Fourth Quarter	\$ 5.00	\$ 3.15	\$ 3.31
2010			
First Quarter (through January 12, 2010)	\$ 3.70	\$ 3.34	\$ 3.52





## DryShips Inc.

According to publicly available documents, DryShips Inc., which we refer to as “DryShips” is the owner, through its subsidiaries, of a fleet of drybulk carriers which principally carry a variety of drybulk commodities including major bulks such as coal, iron ore, and grains, and minor bulks such as bauxite, phosphate, fertilizers and steel products. DryShips SEC file number is 001-33922.

## Historical Information

The common stock, par value \$0.01 per share, of DryShips is traded on the NASDAQ Global Select Market under the symbol “DRYS”. The following table sets forth the published quarterly highest intra-day price, lowest intra-day price and last day closing price of the Underlying Shares since 2005. The closing price for each share of common stock on January 12, 2010 was \$6.35.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$ 23.90	\$17.90	\$19.49
Second Quarter	\$ 19.50	\$15.40	\$16.51
Third Quarter	\$ 17.48	\$13.80	\$17.23
Fourth Quarter	\$ 17.30	\$11.81	\$12.22
2006			
First Quarter	\$ 13.84	\$ 9.90	\$10.58
Second Quarter	\$ 11.25	\$ 8.50	\$10.79
Third Quarter	\$ 14.89	\$10.28	\$13.40
Fourth Quarter	\$ 18.06	\$12.63	\$18.01
2007			
First Quarter	\$ 23.67	\$16.85	\$22.53
Second Quarter	\$ 44.75	\$22.66	\$43.38
Third Quarter	\$ 93.35	\$43.51	\$90.85
Fourth Quarter	\$131.34	\$69.63	\$77.40
2008			
First Quarter	\$ 88.49	\$48.24	\$59.91
Second Quarter	\$116.43	\$58.65	\$80.18
Third Quarter	\$ 81.45	\$30.52	\$35.49
Fourth Quarter	\$ 38.86	\$ 3.04	\$10.66
2009			
First Quarter	\$17.35	\$ 2.73	\$ 5.09
Second Quarter	\$11.48	\$ 4.35	\$ 5.78
Third Quarter	\$ 7.99	\$ 4.90	\$ 6.63
Fourth Quarter	\$ 7.62	\$ 5.66	\$ 5.82
2010			
First Quarter (through January 12, 2010)	\$ 6.95	\$ 5.93	\$ 6.35



Potash Corporation of Saskatchewan Inc.

According to publicly available documents, Potash Corporation of Saskatchewan Inc., which we refer to as “Potash,” is a provider of integrated fertilizer and related industrial and feed products. Potash’s SEC file number is 1-10351.

#### Historical Information

The common stock, no par value, of Potash is traded on the NYSE under the symbol “POT”. The following table sets forth the published highest intra-day price for the quarter, lowest intra-day price for the quarter and last day intra-day price for the quarter of the common stock of Potash since 2005. The closing price for each share of common stock on January 12, 2010 was \$117.43.

Period	High Intra-day Price	Low Intra-day Price	Last Day Closing Price
2005			
First Quarter	\$ 30.67	\$ 24.31	\$ 29.17
Second Quarter	\$ 35.56	\$ 26.50	\$ 31.86
Third Quarter	\$ 38.38	\$ 30.95	\$ 31.11
Fourth Quarter	\$ 31.11	\$ 24.26	\$ 26.74
2006			
First Quarter	\$ 33.03	\$ 26.21	\$ 29.36
Second Quarter	\$ 35.46	\$ 26.29	\$ 28.66
Third Quarter	\$ 35.49	\$ 27.34	\$ 34.73
Fourth Quarter	\$ 49.06	\$ 33.83	\$ 47.83
2007			
First Quarter	\$ 56.35	\$ 44.05	\$ 53.31
Second Quarter	\$ 80.85	\$ 52.82	\$ 77.97
Third Quarter	\$109.38	\$ 71.50	\$105.70
Fourth Quarter	\$151.80	\$ 97.62	\$143.96
2008			
First Quarter	\$166.40	\$105.52	\$155.21
Second Quarter	\$241.62	\$150.46	\$228.57
Third Quarter	\$229.95	\$126.50	\$132.01
Fourth Quarter	\$133.44	\$ 47.54	\$ 73.22
2009			
First Quarter	\$ 95.46	\$ 63.65	\$ 80.81
Second Quarter	\$121.34	\$ 77.19	\$ 93.05
Third Quarter	\$102.28	\$ 80.90	\$ 90.34
Fourth Quarter	\$123.93	\$ 83.76	\$108.50
2010			
First Quarter (through January 12, 2010)	\$126.45	\$110.84	\$117.43



We obtained the prices listed in the tables above from Bloomberg Financial Markets without independent verification. You should not take the historical prices of any of the Underlying Shares as an indication of future performance. Neither we nor Holding can give any assurance that the price of any of the Underlying Shares will not decrease, such that we will deliver the applicable Underlying Shares at maturity.

Neither we nor ABN AMRO Holding N.V. make any representation as to the amount of dividends, if any, that any of the Underlying Companies will pay in the future. In any event, as a holder of a Security, you will not be entitled to receive dividends, if any, that may be payable on any of the Underlying Shares.

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We have appointed RBS Securities Inc. (“RBSSI”) as agent for any offering of the Securities. RBSSI has agreed to use reasonable efforts to solicit offers to purchase the Securities. We will pay RBSSI, in connection with sales of the Securities resulting from a solicitation such agent made or an offer to purchase such agent received, a commission of 1.375% of the initial offering price of the Securities. RBSSI has informed us that, as part of its distribution of the Securities, it intends to reoffer the Securities to other dealers who will sell the Securities. Each such dealer engaged by RBSSI, or further engaged by a dealer to whom RBSSI reoffers the Securities, will purchase the Securities at an agreed discount to the initial offering price of the Securities. RBSSI has informed us that such discounts may vary from dealer to dealer and that not all dealers will purchase or repurchase the Securities at the same discount. You can find a general description of the commission rates payable to the agents under “Plan of Distribution” in the accompanying Product Supplement No. 1-I.

RBSSI is an affiliate of ours and ABN AMRO Holding N.V. RBSSI will conduct this offering in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority, which is commonly referred to as FINRA, regarding a FINRA member firm’s distributing the securities of an affiliate. Following the initial distribution of any of these Securities, RBSSI may offer and sell those Securities in the course of its business as a broker-dealer. RBSSI may act as principal or agent in those transactions and will make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. RBSSI may use this Term Sheet and the accompanying Prospectus and Prospectus Supplement in connection with any of those transactions. RBSSI is not obligated to make a market in any of these Securities and may discontinue any market-making activities at any time without notice.

RBSSI or an affiliate of RBSSI will enter into one or more hedging transactions with us in connection with this offering of Securities. See “Use of Proceeds” in the accompanying Product Supplement No. 1-I.

To the extent that the total aggregate face amount of the Securities being offered by this Term Sheet is not purchased by investors in the offering, one or more of our affiliates has agreed to purchase the unsold portion, and to hold such Securities for investment purposes. See “Holdings of the Securities by our Affiliates and Future Sales” under the heading “Risk Factors” in this Term Sheet.