ABN AMRO BANK NV
Form 424B2
January 17, 2008

SUBJECT TO COMPLETION OR AMENDMENT, DATED JANUARY 15, 2008

PRICING SUPPLEMENT	PRICING SUPPLEMENT NO. 442 TO
(TO PROSPECTUS DATED SEPTEMBER 29, 2006	REGISTRATION STATEMENT NOS. 333-137691,
AND PROSPECTUS SUPPLEMENT	333-137691-02
DATED SEPTEMBER 29, 2006)	DATED JANUARY , 2008
CUSIP: 00078U4U1	RULE 424(b)(2)

[ABN AMRO LOGO]
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ABN AMRO BANK N.V.
ABN NOTES(SM)
FULLY AND UNCONDITIONALLY GUARANTEED BY
ABN AMRO HOLDING N.V.

LEVERAGED PARTICIPATION, 3 YEAR PARTIALLY PRINCIPAL PROTECTED NOTES DUE JANUARY 31, 2011 LINKED TO THE ROGERS INTERNATIONAL COMMODITY INDEX(R) - EXCESS RETURN(TM) - CALCULATED BY ABN AMRO BANK N.V.

As described below, the payment at maturity is based upon the performance of the Rogers International Commodity Index(R) - Excess Return(TM), which we refer to as the Underlying Index, on the determination date described below. Payment at maturity is exposed to any decline in the value of the Underlying Index on the determination date, subject to a minimum return of $900 per $1,000 principal amount of Securities. ACCORDINGLY, YOU MAY LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT IN THE SECURITIES IF THE UNDERLYING INDEX DECLINES IN VALUE. In addition, any appreciation in the value of the Underlying Index on the determination date will increase the payment at maturity of the Securities as described below. The return on the Securities is subject to the credit of ABN AMRO Bank, N.V. as the issuer of the Securities and ABN AMRO Holding N.V. as the guarantor of the issuer's obligations under the Securities. THE SECURITIES DO NOT PAY INTEREST.

SECURITIES	Partially Principal Protected Notes linked to the Rogers International Commodity Index(R) - Excess Return(SM) - Calculated by ABN AMRO Bank N.V. due January 31, 2011
PRINCIPAL AMOUNT	$
UNDERLYING INDEX	The Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V.
ISSUE PRICE	100%
PROPOSED SETTLEMENT DATE	January 31, 2008
PROPOSED PRICING DATE	January 28, 2008
MATURITY DATE	January 31, 2011
PAYMENT AT MATURITY	The payment at maturity for each $1,000 principal amount of the Securities is based on the performance of the Underlying Index as follows:

- If the index return is positive, we will pay you an amount in cash equal to the sum of $1,000 and the supplemental redemption amount.

- If the index return is zero or negative, we will pay you an amount in cash equal to the greater of (i) the sum of $1,000 and the index return and (ii) $900. CONSEQUENTLY, A DECLINE IN THE VALUE OF THE UNDERLYING INDEX WILL ALWAYS REDUCE YOUR CASH PAYMENT AT MATURITY BELOW THE PRINCIPAL AMOUNT OF YOUR SECURITIES AND YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

INDEX RETURN	The index return for each Security is equal to the percentage change in the value of the Underlying Index on the determination date multiplied by $1,000, which is calculated as: $\$1,000 \times \frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}}$
FINAL VALUE	The closing value of the Underlying Index on the determination date.
INITIAL VALUE	, which is the closing value of the Underlying Index on the pricing date, subject to adjustment in certain circumstances which we describe in "Description of Securities--Discontinuance of the Underlying Index; Alteration of Method of Calculation."
SUPPLEMENTAL REDEMPTION AMOUNT	An amount in cash for each $1,000 principal amount of the Securities equal to the product of (i) the participation rate times (ii) the index return.
PARTICIPATION RATE	The participation rate will be determined on the pricing date and will be no less than 1.00 (or 100%) and no more than 1.10 (or 110%).
DETERMINATION DATE	January 26, 2011, subject to adjustment in certain circumstances which we describe in "Description of Securities--Market Disruption Event."
COMPARABLE YIELD	TBD on the Pricing Date
GUARANTEE	The Securities will be fully and unconditionally guaranteed by ABN AMRO Holding N.V.
DENOMINATIONS	The Securities may be purchased in denominations of $1,000 and integral multiples thereof.
NO AFFILIATION WITH THE INDEX SPONSOR	The Underlying Index was developed by James B. Rogers, Jr. James B. Rogers, Jr. is the sole owner of Beeland Interests, Inc., which owns the Underlying Index. We refer to Beeland Interests, Inc. as the Index Sponsor. The Index Sponsor is

	not an affiliate of ours and is not involved with this offering in any way. The level of the Underlying Index is calculated by ABN AMRO Bank, N.V. using calculation methodology provided by the Index Committee. However, we are part of a committee that helps the Index Sponsor oversee and manage the composition and weighting of the Underlying Index. The obligations represented by the Securities are our obligations, not those of the Index Sponsor. Investing in the Securities is not equivalent to investing directly in the commodities comprising the Underlying Index or the Underlying Index itself.
LISTING	We do not intend to list the Securities on any securities exchange.

THE SECURITIES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER FEDERAL AGENCY.
THE SECURITIES INVOLVE RISKS NOT ASSOCIATED WITH AN INVESTMENT IN CONVENTIONAL DEBT SECURITIES. SEE "RISK FACTORS" BEGINNING ON PS-8.
The Securities and Exchange Commission and state securities regulators have not approved or disapproved these Securities, or determined if this Pricing Supplement or the accompanying Prospectus or Prospectus Supplement is truthful or complete. Any representation to the contrary is a criminal offense.
THE AGENTS ARE NOT OBLIGATED TO PURCHASE THE SECURITIES BUT HAVE AGREED TO USE REASONABLE EFFORTS TO SOLICIT OFFERS TO PURCHASE THE SECURITIES. TO THE EXTENT THE FULL AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES BEING OFFERED BY THIS PRICING SUPPLEMENT IS NOT PURCHASED BY INVESTORS IN THE OFFERING, ONE OR MORE OF OUR AFFILIATES HAVE AGREED TO PURCHASE THE UNSOLD PORTION, WHICH MAY CONSTITUTE A SUBSTANTIAL PORTION OF THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES, AND TO HOLD SUCH SECURITIES FOR INVESTMENT PURPOSES. SEE "HOLDING OF THE SECURITIES BY OUR AFFILIATES AND FUTURE SALES" UNDER THE HEADING "RISK FACTORS" AND "PLAN OF DISTRIBUTION."
This Pricing Supplement and the accompanying Prospectus Supplement and Prospectus may be used by our affiliates in connection with offers and sales of the Securities in market-making transactions.

	PRICE TO PUBLIC	AGENT'S COMMISSIONS(1)	PROCEEDS TO ABN AMRO BANK N.V.
RICI(R) -- Excess Return(TM)	100%	3.50%	96.50%
Total	$	$	$

(1) For additional information see "Plan of Distribution" in this pricing supplement.

PRICE $1,000 PER SECURITY
ABN AMRO INCORPORATED

In this Pricing Supplement, the "Bank," "we," "us" and "our" refer to ABN AMRO Bank N.V. and "Holding" refers to ABN AMRO Holding N.V., our parent company. We refer to the Securities offered hereby and the related guarantees as the "Securities."

"Jim Rogers", "James Beeland Rogers, Jr.", "Rogers", "Rogers International Commodity Index", "RICI", "Rogers International Commodity Index(R) - Excess Return" and "RICI(R) - Excess Return" are trademarks, service marks and/or registered trademarks of Beeland Interests, Inc., which is owned and controlled by James Beeland Rogers, Jr., and are used subject to license. The name and likeness of Jim Rogers/James Beeland Rogers, Jr. are trademarks and service marks of James Beeland Rogers, Jr. and are used subject to license.

THESE SECURITIES MAY NOT BE OFFERED OR SOLD (I) TO ANY PERSON/ENTITY LISTED ON SANCTIONS LISTS OF THE EUROPEAN UNION, UNITED STATES OR ANY OTHER APPLICABLE LOCAL COMPETENT AUTHORITY; (II) WITHIN THE TERRITORY OF CUBA, SUDAN, IRAN AND MYANMAR; (III) TO RESIDENTS IN CUBA, SUDAN, IRAN OR MYANMAR; OR (IV) TO CUBAN NATIONALS, WHEREVER LOCATED.

PS-2

SUMMARY

THE FOLLOWING SUMMARY ANSWERS SOME QUESTIONS THAT YOU MIGHT HAVE REGARDING THE SECURITIES IN GENERAL TERMS ONLY. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ THE SUMMARY TOGETHER WITH THE MORE DETAILED INFORMATION THAT IS CONTAINED IN THE REST OF THIS PRICING SUPPLEMENT AND IN THE ACCOMPANYING PROSPECTUS AND PROSPECTUS SUPPLEMENT. YOU SHOULD CAREFULLY CONSIDER, AMONG OTHER THINGS, THE MATTERS SET FORTH IN "RISK FACTORS." IN ADDITION, WE URGE YOU TO CONSULT WITH YOUR INVESTMENT, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS WITH RESPECT TO ANY INVESTMENT IN THE SECURITIES.

WHAT ARE THE SECURITIES?

The Securities are senior notes issued by us, ABN AMRO Bank N.V., and are fully and unconditionally guaranteed by our parent company, ABN AMRO Holding N.V. The Securities are linked to the performance of the Rogers International Commodity Index(R) - Excess Return(TM) - calculated by ABN AMRO Bank N.V. which we refer to as the Underlying Index. The Securities have a maturity of three years. The payment at maturity of the Securities is determined based on the performance of the Underlying Index, as described below. UNLIKE ORDINARY DEBT SECURITIES, THE SECURITIES DO NOT PAY INTEREST. The payment at maturity is exposed to any decline in the value of the Underlying Index on the determination date, subject to a minimum return of $900 per $1,000 principal amount of Securities. THEREFORE A PORTION OF YOUR PRINCIPAL IS AT RISK AND YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT IF THE UNDERLYING INDEX DECLINES IN VALUE. Any appreciation of the Underlying Index as of the determination date will increase the payment at maturity as described below.

WHAT WILL I RECEIVE AT MATURITY OF THE SECURITIES?

The payment at maturity of the Securities will be based on the performance of the Underlying Index as of the determination date.

- If the index return is positive, we will pay you an amount in cash equal to the sum of $1,000 and the supplemental redemption amount for each $1,000 principal amount of the Securities.

- If the index return is zero or negative, we will pay you, for each $1,000 principal amount of Securities, an amount in cash equal to the greater of (i) the sum of $1,000 and the index return and (ii) $900. CONSEQUENTLY, A DECLINE IN THE VALUE OF THE UNDERLYING INDEX WILL ALWAYS REDUCE YOUR CASH PAYMENT AT MATURITY BELOW THE PRINCIPAL AMOUNT OF YOUR SECURITIES AND YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

WHAT IS THE INDEX RETURN?

The index return will be equal to the percentage change in the value of the Underlying Index as of the determination date multiplied by $1,000, which is calculated as:

$$\$1,000 \times \frac{\text{Final Value} - \text{Initial Value}}{\text{Initial Value}};$$

WHERE,

the initial value is the closing value of the Underlying Index on the pricing date; and

the final value is the closing value of the Underlying Index on the determination date, which is the third business day prior to the maturity date, subject to adjustment in certain circumstances.

The initial value and the final value are subject to adjustment in certain circumstances, as we describe under "Description of Securities-- Discontinuance of the Underlying Index; Alteration of Method of Calculation" in this Pricing Supplement.

HOW IS THE SUPPLEMENTAL REDEMPTION AMOUNT CALCULATED?

The supplemental redemption amount is a cash amount determined only when the index return is positive. The supplemental redemption amount for each $1,000 principal amount of the Securities is equal to the product of (i) the participation rate times (ii) the index return.

The participation rate will be determined on the pricing date and will be no less than 1.00 (or 100%) and no more than 1.10 (or 110%).

WILL I RECEIVE INTEREST PAYMENTS ON THE SECURITIES?

No. You will not receive any interest payments on the Securities.

WILL I GET MY PRINCIPAL BACK AT MATURITY?

The Securities are not fully principal protected. Subject to the credit of ABN AMRO Bank, N.V. as the issuer of the Securities and ABN AMRO Holding N.V. as the guarantor of the issuer's obligations under the Securities, you will receive at maturity at least $900 per $1,000 principal amount of Securities, regardless of the closing value of the Underlying Index on the determination date. HOWEVER, IF YOU SELL THE SECURITIES PRIOR TO MATURITY, YOU WILL RECEIVE THE MARKET PRICE FOR THE SECURITIES, WHICH MAY OR MAY NOT INCLUDE THE RETURN OF $900 FOR EACH $1,000 PRINCIPAL AMOUNT OF SECURITIES. There may be little or no secondary market for the Securities. Accordingly, you should be willing to hold your securities until maturity.

CAN YOU GIVE ME EXAMPLES OF THE PAYMENT I WILL RECEIVE AT MATURITY DEPENDING ON THE PERCENTAGE CHANGE IN THE VALUE OF THE UNDERLYING INDEX?

EXAMPLE 1: If, for example, the initial value is 1,000 and the final value is 500, the index return would be calculated as follows:

$1,000 x 500 - 1,000 = $-500

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               1,000
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Because the index return is negative, at maturity you would receive an amount in cash per Security equal to the greater of (i) the sum of $1,000 and the index return, or $1,000 - $500 = $500, and (ii) $900. Consequently, you would receive $900 for each $1,000 principal amount of your Securities. In this case, the Underlying Index decreased by 50% over the life of the Security and you would have lost 10% of your initial principal investment.

EXAMPLE 2: If, for example, the initial value is 1,000 and the final value is 950, the index return would be calculated as follows:

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$1,000 x 950 - 1,000 = $ -50
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            1,000
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Because the index return is equal to $ -50, at maturity you would receive an amount in cash per Security equal to the greater of (i) the sum of $1,000 and the index return, or $1,000 - $50 = $950, and (ii) $900. Consequently, you would receive $950 for each $1,000 principal amount of your Securities. In this case, the Underlying Index decreased by 5% and you would have lost 5% of your initial investment

EXAMPLE 3: If, for example, the initial value is 1,000, the final value is 1,200 and the participation rate is 1.10 (or 110%), the index return would be calculated as follows:

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$1,000 x 1,200 - 1,000  =  $200
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             1,000
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Because the index return is positive, at maturity you would receive an amount in cash per Security equal to the sum of $1,000 and the supplemental redemption amount. The supplemental redemption amount is calculated by multiplying the index return, in this example $200, by the participation rate, in this example 1.10, or $200 x 1.10 = $220.

Accordingly, at maturity, you would receive $1,000 plus the supplemental redemption amount of $220, or a total payment of $1,220. In this case, the Underlying Index increased by 20% over the life of the Security and you would have received a 22% return on your investment.

THESE EXAMPLES ARE FOR ILLUSTRATIVE PURPOSES ONLY. IT IS NOT POSSIBLE TO PREDICT THE CLOSING VALUE OF THE UNDERLYING INDEX ON THE DETERMINATION DATE. YOU MAY LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT. THE INITIAL VALUE IS SUBJECT TO ADJUSTMENT AS SET FORTH IN "DESCRIPTION OF SECURITIES - DISCONTINUANCE OF THE UNDERLYING INDEX; ALTERATION OF METHOD OF CALCULATION" IN THIS PRICING SUPPLEMENT.

In this Pricing Supplement, we have provided under the heading "Hypothetical Return Analysis of the Securities at Maturity" the total return of owning the Securities through maturity for various closing values of the Underlying Index on the determination date.

DO I BENEFIT FROM ANY APPRECIATION IN THE UNDERLYING INDEX OVER THE LIFE OF THE SECURITIES?

Yes. If the final value is greater than the initial value, you will receive in cash the supplemental redemption amount in addition to the principal amount of the Securities payable at maturity. The supplemental redemption amount represents the product of (i) the participation rate times (ii) the percentage appreciation of the value of the Underlying Index over the initial value. The participation rate will be determined on the pricing date and will be no less than 1.00 (or 100%) and no more than 1.10 (or 110%).

WHAT IS THE MINIMUM REQUIRED PURCHASE?

You can purchase Securities in $1,000 denominations or in integral multiples thereof.

IS THERE A SECONDARY MARKET FOR THE SECURITIES?

We do not intend to list the Securities 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 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."

WHAT ARE THE TAX CONSEQUENCES OF OWNING THE SECURITIES?

Although the U.S. federal income tax treatment of the Securities is unclear, we intend to treat the Securities as "contingent payment debt instruments" for U.S. federal income tax purposes. Assuming this characterization, if you are a U.S. taxable investor, regardless of your method of accounting, you will generally be required to accrue as ordinary income amounts based on the "comparable yield" of the Securities, as determined by us even though you will receive no payment on the Securities until maturity. In addition, any gain recognized upon a sale, exchange or retirement of the Securities will generally be treated as ordinary interest income for U.S. federal income tax purposes.

YOU SHOULD REVIEW THE SECTION IN THIS PRICING SUPPLEMENT ENTITLED

"TAXATION." YOU SHOULD ALSO REVIEW THE SECTION ENTITLED "UNITED STATES FEDERAL TAXATION" AND IN PARTICULAR THE SUB-SECTION ENTITLED "UNITED STATES FEDERAL TAXATION--CONTINGENT PAYMENT DEBT INSTRUMENTS" IN THE ACCOMPANYING PROSPECTUS SUPPLEMENT. ADDITIONALLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISOR REGARDING THE TAX TREATMENT OF THE SECURITIES AND WHETHER A PURCHASE OF THE SECURITIES IS ADVISABLE IN LIGHT OF THE TAX TREATMENT AND YOUR PARTICULAR SITUATION.

WHAT IS THE UNDERLYING INDEX AND HOW HAS IT PERFORMED HISTORICALLY?

The Underlying Index is a composite U.S. dollar based index that is designed to serve as a diversified benchmark for the price movements of commodities consumed in the global economy. It measures the uncollateralized return of the Rogers International Commodity Index(R) or RICI(R) (the "RICI Index"). You should read "Description of the Underlying Index" in this Pricing Supplement for additional information regarding the Underlying Index. The historical high, low and quarter-end index closing values of the Underlying Index since December 31, 2004 are set forth under the heading "Description of the Underlying Index" in this Pricing Supplement. Past performance of the Underlying Index, however, is not necessarily indicative of how the Underlying Index will perform in the future.

The Underlying Index is overseen and managed by a committee (the "Index Committee"). James B. Rogers, Jr. ("Rogers"), as the founder and sole owner of the Underlying Index, chairs the Index Committee and controls its decisions. We are one of the five other members of the Index Committee. See "Description of the Underlying Index - The Index Committee".

We calculate the level of the Underlying Index which the Calculation Agent uses to calculate the index return.

TELL ME MORE ABOUT ABN AMRO BANK N.V. AND ABN AMRO HOLDING N.V.

ABN AMRO Bank N.V. is an international banking group offering a wide range of banking

products and financial services on a global basis through our network of offices and branches in 56 countries and territories as of year-end 2006. ABN AMRO Holding N.V. is the parent company of ABN AMRO Bank N.V. Holding's main purpose is to own the Bank and its subsidiaries. All of the Securities issued by the Bank hereunder are fully and unconditionally guaranteed by Holding.

On November 2, 2007 a consortium (the "Consortium") of the Royal Bank of Scotland Group plc, Fortis SA/NV and Fortis N.V., and Banco Santander Central Hispano SA, which had made a tender offer for the shares of Holding, announced that approximately 98.8% of the shares of Holding had been tendered to the Consortium as of October 31, 2007.

Holdings is currently listed on Euronext and the New York Stock Exchange. ABN AMRO Bank N.V. is rated AA- by Standard & Poor's and Aa2 by Moody's.

WHO CALCULATES THE VALUE OF THE UNDERLYING INDEX?

We, ABN AMRO Bank N.V., will calculate the value of the Underlying Index using the methodology provided to us by the Index Committee. See "Description of the Underlying Index -- Calculation of the Level of the Underlying Index" and "Risk Factors -- Our Calculation of the Level of the Underlying Index May Conflict With Your Interest As a Holder of the Securities" in this Pricing

Supplement.

WHO WILL DETERMINE THE FINAL VALUE OF THE UNDERLYING INDEX, THE INDEX RETURN AND THE SUPPLEMENTAL REDEMPTION AMOUNT?

We have appointed ABN AMRO Incorporated, which we refer to as AAI, to act as calculation agent for Wilmington Trust Company, the trustee for the Securities and Citibank, N.A., the securities administrator. As calculation agent, AAI will determine the closing value of the Underlying Index on the determination date, the index return and the supplemental redemption amount, if any. The calculation agent may be required, due to events beyond our control, to adjust any of these calculations, which we describe in "Discontinuance of the Underlying Index; Alteration of Method of Calculation" in this Pricing Supplement.

WHO INVESTS IN THE SECURITIES?

The Securities are not suitable for all investors. The Securities might be considered by investors who:

- are willing to risk losing up to 10% of their initial principal investment in return for the opportunity to participate in the appreciation, if any, in the value of the Underlying Index over the term of the Securities;

- do not require an interest income stream;

- are willing to be exposed to fluctuations in commodities prices in general and prices of the Underlying Index's components in particular; and

- are willing to hold the Securities until maturity.

You should carefully consider whether the Securities are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

WHAT ARE SOME OF THE RISKS IN OWNING THE SECURITIES?

Investing in the Securities involves a number of risks. We have described the most significant risks relating to the Securities under the heading "Risk Factors" in this Pricing Supplement which you should read before making an investment in the Securities.

Some selected risk considerations include:

- PRINCIPAL RISK. Return of principal on the Securities is only guaranteed up to 90%, subject to our credit and the credit of Holding. If the value of the Underlying Index decreases during the term of the Securities, the amount of cash paid to you at maturity will be less than the principal amount of the Securities and you could lose up to 10% of your initial principal investment.

- LIQUIDITY AND MARKET RISK. We do not intend to list the Securities on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing for the Securities may be limited. The value of the Securities in the secondary market, if any, will be subject to many unpredictable factors, including then prevailing market conditions.

- CREDIT RISK. Because you are purchasing a security from us, you are assuming our credit risk. In addition, because the Securities are fully and unconditionally guaranteed by Holding, you are assuming the credit risk of Holding in the event that we fail to make any payment or delivery required by the terms of the Securities.

WHAT IF I HAVE MORE QUESTIONS?

You should read "Description of Securities" in this Pricing Supplement for a detailed description of the terms of the Securities. The Securities are senior notes issued as part of our ABN Notes(SM) program and guaranteed by Holding. The Securities offered by the Bank will constitute the Bank's unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all our other present and future unsecured and unsubordinated obligations. The guarantee of Holding will constitute Holding's unsecured and unsubordinated obligations and rank pari passu without any preference among them and with all Holding's other present and future unsecured and unsubordinated obligations.

You can find a general description of our ABN Notes(SM) program in the accompanying Prospectus Supplement. We also describe the basic features of this type of note in the sections called "Description of Notes" and "Notes Linked to Commodity Prices, Single Securities, Baskets of Securities or Indices".

You may contact our principal executive offices at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands. Our telephone number is (31-20) 628-9393.

RISK FACTORS

The Securities are not secured debt and unlike ordinary debt securities, the Securities do not pay interest. Return of principal on the Securities is only guaranteed up to 90%, subject to our credit and the credit of Holding. Investing in the Securities is not the equivalent of investing directly in the commodities comprising the Underlying Index or the Underlying Index itself. This section describes the most significant risks relating to the Securities. For a discussion of certain general risks associated with your investment in the Securities, please refer to the section entitled "Risk Factors" beginning on page S-3 of the accompanying prospectus supplement. YOU SHOULD CAREFULLY CONSIDER WHETHER THE SECURITIES ARE SUITED TO YOUR PARTICULAR CIRCUMSTANCES BEFORE YOU DECIDE TO PURCHASE THEM. IN ADDITION, WE URGE YOU TO CONSULT WITH YOUR INVESTMENT, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS WITH RESPECT TO ANY INVESTMENT IN THE SECURITIES.

THE SECURITIES ARE NOT ORDINARY SENIOR NOTES

The Securities combine limited features of debt and equity. The terms of the Securities differ from those of ordinary debt securities in that we will not pay you interest on the Securities and you could lose up to 10% of your initial investment at maturity. The Securities are exposed to any decline in the level of the Underlying Index up to 10%. ACCORDINGLY, IF THE FINAL VALUE OF THE UNDERLYING INDEX ON THE DETERMINATION DATE IS BELOW THE INITIAL VALUE OF THE UNDERLYING INDEX, THE AMOUNT OF CASH PAID TO YOU AT MATURITY WILL BE LESS THAN THE PRINCIPAL AMOUNT OF YOUR SECURITIES AND YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

Furthermore, even if the final value of the Underlying Index exceeds the initial value of the Underlying Index, the return you receive on the Securities may be less than the return you would have received had you invested your entire principal amount in a conventional debt security with the same maturity issued by us or a comparable issuer. The return you receive on the Securities, if any, may be minimal and may not compensate you for any losses incurred due to inflation or the value of money over time. We cannot predict the future performance of the Underlying Index based on historical performance.

YOU MAY NOT RECEIVE A FULL RETURN OF PRINCIPAL AT MATURITY

If the closing value of the Underlying Index on the determination date has decreased compared to the initial value, the amount of cash paid to you at maturity will be less than the principal amount you invested in the Securities. YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

PAYMENT AT MATURITY IS BASED ON THE VALUE OF THE UNDERLYING INDEX ON THE DETERMINATION DATE

Changes in the Underlying Index during the term of the Securities before the determination date will not be reflected in the calculation of the amount payable at maturity. The calculation agent will calculate the amount payable at maturity by comparing only the initial value of the Underlying Index on the pricing date and the value of the Underlying Index on the determination date. No other Underlying Index values will be taken into account. As a result, you may lose some of your initial principal investment, you may not receive any return on your initial principal investment or your return, if any, on your initial principal investment may be minimal, even if the Underlying Index has risen at certain times during the term of the Securities before falling to a lower level on the determination date.

WE DO NOT INTEND TO LIST THE SECURITIES ON ANY SECURITIES EXCHANGE; SECONDARY TRADING MAY BE LIMITED

You should be willing to hold your Securities until the maturity date. We do not intend to list the Securities on any securities exchange; accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing for the Securities may be limited. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily. Upon completion of the offering, our affiliate has informed us that it intends to purchase and sell the Securities from time to time in off-exchange transactions, but it is not required to do so. If our affiliate does make such a market in the Securities, it may stop doing so at any time. In addition, if the total principal amount of the Securities being offered is not purchased by investors in the offering, one or more of our affiliates has agreed to purchase the unsold portion. Such affiliate or affiliates intend to hold the Securities for investment purposes, which may affect the supply of Securities available

for secondary trading and therefore adversely affect the price of the Securities in any secondary trading. If a substantial portion of any Securities held by our affiliates were to be offered for sale following this offering, the market price of such Securities could fall, especially if secondary trading in such Securities is limited or illiquid.

THE INCLUSION OF COMMISSIONS AND COST OF HEDGING IN THE ISSUE PRICE IS LIKELY TO ADVERSELY AFFECT SECONDARY MARKET PRICES

Assuming no change in market conditions or any other relevant factors, the price, if any, at which the selling agents 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 paid with respect to the Securities, as well as the profit component included in the cost of hedging our obligations under the Securities. In addition, any such prices may differ from values determined by pricing models used by the selling agents, as a result of dealer discounts, mark-ups or other transaction costs.

THE MARKET PRICE OF THE SECURITIES WILL BE INFLUENCED BY MANY UNPREDICTABLE FACTORS, INCLUDING VOLATILE COMMODITIES PRICES

The value of the Securities may move up and down between the date you purchase them and the determination date. Several factors, most of which are beyond our control, will influence the value of the Securities, including:

o the value of the Underlying Index, which can fluctuate significantly;

o the volatility (frequency and magnitude of changes in value) of the Underlying Index;

o the market prices of the commodities comprising the Underlying Index or the exchange-traded futures contracts on the commodities comprising the Underlying Index;

o the time remaining until the maturity of the Securities;

o economic, financial, political, regulatory, geographical, agricultural, or judicial events that affect the level of the Underlying Index or the market prices of the commodities comprising the Underlying Index or the exchange-traded futures contracts on the Underlying Index; and

o the creditworthiness of the Bank as issuer of the Securities and Holding as the guarantor of the Bank's obligations under the Securities. Any person who purchases the Securities is relying upon the creditworthiness of the Bank and Holding and has no rights against any other person, including the Sponsor of the Underlying Index. The Securities constitute the general, unsecured and unsubordinated contractual obligations of the Bank and Holding.

These factors interrelate in complex ways, and the effect of one factor on the market value of your Securities may offset or enhance the effect of another factor.

Some or all of these factors will influence the price that you will receive if you sell your Securities prior to maturity in the secondary market, if any. If you sell your Securities prior to maturity, the price at which you are able to sell your Securities may be at a discount, which could be substantial, from the principal amount. For example, there may be a discount on the Securities if at the time of sale the Underlying Index is at or below the initial value or if market interest rates rise. Even if there is an appreciation in the Underlying Index above the initial value, there may be a discount on the Securities based on the time remaining to the maturity of the Securities. THUS, IF YOU SELL YOUR SECURITIES BEFORE MATURITY, YOU MAY RECEIVE LESS THAN THE MINIMUM RETURN AMOUNT OF $900 PER SECURITY.

Some or all of these factors will influence the return, if any, that you receive upon maturity of the Securities. You cannot predict the future performance of the Securities or of the Underlying Index based on the historical performance of the Underlying Index. NEITHER WE NOR HOLDING NOR ANY

OF OUR AFFILIATES CAN GUARANTEE THAT THE VALUE OF THE UNDERLYING INDEX WILL INCREASE SO THAT YOU WILL RECEIVE AT MATURITY AN AMOUNT IN EXCESS OF THE PRINCIPAL AMOUNT OF THE SECURITIES.

CONCENTRATED POSITIONS IN COMMODITY SECTORS

The Commodities which comprise the Underlying Index are concentrated in a limited number of sectors, particularly energy and agriculture. An investment in the Securities is therefore not a diversified investment and would carry risks similar to an equity investment in a limited number sectors or industries.

PROLONGED DECLINE IN VALUE IN ENERGY ORIENTED MATERIALS WOULD HAVE A NEGATIVE IMPACT ON THE LEVEL OF THE INDEX AND THE VALUE OF YOUR SECURITIES

Approximately 44% of the component commodities on the Underlying Index are energy oriented, including 21% in crude oil. Accordingly, a decline in the prices of such raw materials would adversely affect the level of the Underlying Index and the value of your Securities. Technological advances or the discovery of new oil reserves could lead to increases in world wide production of oil and corresponding decreases in the price of crude oil. In addition, further development and commercial exploitation of alternative energy sources, including solar, wind or geothermal energy, could lessen the demand for crude oil products and result in lower prices. Absent amendment of the Underlying Index to lessen or eliminate the concentration of existing energy contracts in the Underlying Index or to broaden the Underlying Index to account for such developments, the level of the Underlying Index and the value of your Securities could decline.

THE UNDERLYING INDEX IS COMPRISED OF COMMODITIES WHOSE PRICES MAY CHANGE UNPREDICTABLY

The Underlying Index is comprised of specified commodities produced worldwide. Global commodity prices are primarily affected by the global demand for and supply of those commodities, but are also significantly influenced by speculative actions and by currency exchange rates. In addition, prices for commodities are affected by governmental programs and policies, such as trade, fiscal and monetary issues. Extrinsic factors such as weather, disease and natural disasters also affect commodity prices. Demand for agricultural commodities, such as wheat, corn and soy, both for human consumption, as cattle feed and, in the case of corn, for conversion to ethanol, has generally increased with increases in worldwide growth and prosperity. These factors and others may affect the level of the Underlying Index and the value of your Securities in varying ways, and different factors may cause the value of different commodities comprising the Underlying Index (the "Index Commodities") and the volatilities of their prices, to move in inconsistent directions and at inconsistent rates.

SUSPENSION OR DISRUPTIONS OF MARKET TRADING IN THE COMMODITY AND RELATED FUTURES MARKETS MAY ADVERSELY AFFECT THE VALUE OF YOUR SECURITIES

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, no trades may be made at a different price. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. These circumstances could adversely affect the level of the Underlying Index and, therefore, the value of your Securities.

THE FINAL VALUE YOU RECEIVE ON THE SECURITIES MAY BE DELAYED UPON THE OCCURRENCE OF A MARKET DISRUPTION EVENT

If the calculation agent determines that, on the determination date, a market disruption event has occurred or is continuing, the determination of the value of the Underlying Index by the calculation agent may be deferred. As a result, the determination date for your Securities may also be delayed. If this occurs, you may not receive the cash payment we are obligated to deliver on the maturity date of the Securities until several days after the originally scheduled due date.

THE UNDERLYING INDEX IS A ROLLING INDEX AND FUTURE PRICES OF THE INDEX COMMODITIES THAT ARE DIFFERENT RELATIVE TO THEIR CURRENT PRICES MAY DECREASE THE AMOUNT PAYABLE AT MATURITY

The Underlying Index is composed of futures contracts on commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the exchange-traded futures contracts that comprise the Underlying Index approach expiration, they are replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October is replaced by a contract for delivery in November. This process is referred to as "rolling". If the market for these contracts is (putting aside other considerations) in "backwardation", where the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a "roll yield" which might create a profit for the purchase of the contracts. While certain commodities' contracts included in the Underlying Index have historically exhibited consistent periods of backwardation, backwardation will likely not exist at all times with respect to any commodity. Certain of the commodities included in the Underlying Index have historically traded in "contango" markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in the commodity markets could result in negative "roll yields," which might create a loss for the purchase of the contracts and could adversely affect the value of the Underlying Index. There can be no assurance, however, that backwardation or roll yields will exist in any particular Index Commodity at any time during the term of the Securities.

CHANGES THAT AFFECT THE COMPOSITION AND CALCULATION OF THE UNDERLYING INDEX WILL AFFECT THE MARKET VALUE OF THE SECURITIES AND THE AMOUNT YOU WILL RECEIVE AT MATURITY

The Underlying Index is overseen and managed by the Index Committee. Beeland Interests, Inc. which is 100% owned by Rogers, is the sole owner of the Underlying Index. Rogers chairs the Index Committee and controls its decisions.

The other members of the Index Committee are Diapason Commodities Management S.A. ("Diapason"), Beeland Management Company, Daiwa Asset Management America, UBS AG, ABN AMRO and Merrill Lynch & Co. As of the date of this pricing supplement, Rogers has a controlling interest in Beeland Management Company.

Rogers, through the Index Committee, has a significant degree of discretion regarding the composition and management of the Underlying Index, including additions, deletions and the weightings of the Index Commodities or exchange-traded futures contracts on the Index Commodities, all of which could affect the value of the Underlying Index and, therefore, could affect the amount payable on the Securities at maturity and the market value of the Securities prior to maturity. Rogers and the Index Committee do not have any obligation to take the needs of any parties to transactions involving the Underlying Index, including the holders of the Securities, into consideration when reweighting or making any other changes to the Underlying Index.

Additionally, Rogers, individually or through an entity controlled by Rogers, actively trades commodities and/or futures contracts on physical commodities, including underlying commodities and/or futures contracts on physical commodities included in the Underlying Index, and over-the-counter contracts having values which derive from or are related to such commodities. Rogers, individually or through an entity controlled by Rogers, also may actively trade and hedge the Underlying Index. With respect to any such activities, neither Rogers nor any of the entities controlled by Rogers has any obligation to take the needs of any buyers, sellers or holders of the Securities into consideration at any time. It is possible that such trading and hedging activities, by any of these parties, will affect the value of the Underlying Index and therefore the market value of the Securities.

Furthermore, the annual composition of the Underlying Index will be determined in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or errors that may affect the weighting of components of the Underlying Index. Any discrepancies that require revision are not applied retroactively but will be reflected in prospective weighting calculations of the Underlying Index for the following year. However, not every discrepancy may be discovered.

The amount payable on the Securities and their market value could also be affected if the Index Committee, in its sole discretion, discontinues or suspends compilation and maintenance of the Underlying Index, in which case it may become difficult to determine the market value of the Securities. If events such as these occur, or if the

Underlying Index starting level or the Underlying Index ending level are not available because of a market disruption event or for any other reason, the calculation agent will make a good faith estimate in its sole discretion of the Underlying Index ending level that would have prevailed in the absence of the market disruption event. If the calculation agent determines that the compilation and maintenance of the Underlying Index is discontinued and that there is no successor index on the date when the Underlying Index ending level is required to be determined, the calculation agent will instead make a good faith estimate in its sole discretion of the Underlying Index ending level by reference to a group of physical commodities, exchange-traded futures contracts on physical commodities or indexes and a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the Underlying Index.

OUR MEMBERSHIP ON THE INDEX COMMITTEE MAY CONFLICT WITH YOUR INTEREST AS A HOLDER OF THE SECURITIES

We are a member of the Index Committee. As a member of the Index Committee, we will be involved in the composition and management of the Underlying Index including additions, deletions and the weightings of the Index Commodities or exchange-traded futures contracts on the Index Commodities, all of which could affect the value of the Underlying Index and, therefore, could affect the amount payable on the Securities at maturity and the market value of the Securities prior to maturity. While we do not believe that we have the power to control the decision-making of the Index Committee, we may influence the determinations of the Index Committee, which may adversely affect the value of your Securities. Due to our potential influence on determinations of the Index Committee, which may affect the market value of the Securities, we, as issuer of the Securities, may have a conflict of interest if we participate in or influence such determinations.

Since we cannot control or predict the actions of the Index Committee, we are not ultimately responsible for any errors in or discontinuation of disclosure regarding the methods or policies relating to the calculation of the Underlying Index.

OUR CALCULATION OF THE LEVEL OF THE UNDERLYING INDEX MAY CONFLICT WITH YOUR INTEREST AS A HOLDER OF THE SECURITIES

ABN AMRO Bank N.V. calculates the level of the Underlying Index with respect to the Securities using the methodology provided by the Index Committee. While the level of the Underlying Index may be calculated by a number of different entities, the supplemental redemption amount, if any, payable upon maturity of the Securities will be calculated based on the level of the Underlying Index on the determination date calculated by us, ABN AMRO Bank, N.V. We do not control and have no responsibility for calculations of the Underlying Index that may be made by other entities. While it is not expected that the levels of the Underlying Index published by other entities will be different from the level of the Underlying Index calculated by us, if there is a difference between such published levels, the level of the Underlying Index calculated by us will be used to determine the final value and the supplemental redemption amount, if any. Accordingly, if another entity publishes levels of the Underlying Index on the determination date that are higher than the level calculated by us, the final value and your payment on the maturity date will be based on the levels calculated by us. Accordingly, we, as issuer of the Securities, may have a conflict of interest when we calculate the level of the Underlying Index.

DISCONTINUANCE OF THE UNDERLYING INDEX

Neither we, the Index Committee, the Index Sponsor nor Rogers are under any obligation to continue to compile and maintain the Underlying Index or are required to compile and maintain any successor index. If the Index Committee discontinues or suspends the compilation and maintenance of the Underlying Index, it may become difficult to determine the market value of the Securities or the amount payable at maturity. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the Underlying Index exists, the amount you receive at maturity will be determined by the calculation agent in its sole discretion. See "Description of Securities--Market Disruption Event" and "Description of Securities-Discontinuance of or Adjustments to the Underlying Index; Alteration of Method of Calculation."

THE INDEX COMMITTEE MAY BE REQUIRED TO REPLACE A COMPONENT

If for any reason, one of the Underlying Index components ceases to exist or liquidity collapses to abnormal levels, or any other similar event with similar consequences as determined in the discretion of the Index Committee occurs, the Index Committee will call an exceptional meeting to assess the situation and replacement the component or change its weighting. The replacement of a component or a change in weighting may have an adverse impact on the value of the Underlying Index.

THE UNDERLYING INDEX INCLUDES FUTURES CONTRACTS ON FOREIGN EXCHANGES THAT ARE LESS REGULATED THAN U.S. MARKETS AND ARE SUBJECT TO RISKS THAT DO NOT ALWAYS APPLY TO U.S. MARKETS

The Underlying Index includes futures contracts on physical commodities on exchanges located outside the United States. Historically the percentage of the commodities comprising the Underlying Index traded on foreign exchanges has not exceeded 20%, however, the Index Committee has not established any limits on the volume of Index Commodities that can be traded on non-U.S. exchanges. The regulations of the Commodity Futures Trading Commission do not apply to trading on foreign exchanges, and trading on foreign exchanges may involve different and greater risks than trading on United States exchanges. Certain foreign markets may be more susceptible to disruption than United States exchanges due to the lack of a government-regulated clearinghouse system. Trading on foreign exchanges also involves certain other risks that are not applicable to trading on United States exchanges. Those risks include varying exchange rates, foreign exchange controls, governmental expropriation, burdensome or confiscatory taxation systems, government imposed moratoriums, and political or diplomatic events.

It may also be more costly and difficult for Rogers and the Index Committee to enforce the laws or regulations of a foreign country or exchange, and it is possible that the foreign country or exchange may not have laws or regulations which adequately protect the rights and interests of investors in the Underlying Index.

THE RETURN ON THE SECURITIES WILL NOT BE ADJUSTED FOR CHANGES IN EXCHANGE RATES

Although some of the futures contracts which comprise the Underlying Index are traded in currencies other than U.S. dollars, and the Securities are denominated in U.S. dollars, the amount payable on the Securities at maturity will be in U.S. dollars and will not be adjusted for changes in the exchange rates between the U.S. dollar and each of the currencies in which the futures contracts comprising the Underlying Index are quoted. While the Index Sponsor will convert non-U.S. dollar commodity prices to U.S. dollars, such adjustments, and any loss or gain incurred on such adjustments, will not be specifically reflected in the value of the Securities. See "Description of Securities - Payment at Maturity."

YOU WILL NOT RECEIVE INTEREST PAYMENTS ON THE SECURITIES OR HAVE RIGHTS IN THE EXCHANGE-TRADED FUTURES CONTRACTS ON THE INDEX COMMODITIES

You will not receive any interest payments on the Securities. As an owner of the Securities, you will not have any rights that holders of the exchange-traded futures contracts on the Index Commodities may have.

THE SECURITIES ARE LINKED TO THE ROGERS INTERNATIONAL COMMODITY INDEX(R) - EXCESS RETURN(TM) - CALCULATED BY ABN AMRO BANK N.V. NOT THE ROGERS INTERNATIONAL COMMODITY INDEX(R) - TOTAL RETURN(TM)

The Securities are linked to the Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V. and not the Rogers International Commodity Index(R) - Total Return(TM). As such the Underlying Index reflects the returns that are potentially available through an unleveraged investment in the RICI Index Commodities. The Rogers International Commodity Index(R) - Total Return is a "total return" index which, in addition to reflecting such returns, also reflects interest that could be earned on cash collateral invested in 3-month U.S. Treasury bills. The Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V. does not include this total return feature. In addition, the term "Excess Return" in the title of the Underlying Index is not intended to suggest that the performance of the Underlying Index at any time or the return on your Securities will be positive or that the Underlying Index is designed to exceed a particular benchmark.

TAX TREATMENT

Although we intend to treat the Securities as "contingent payment debt instruments" for U.S. federal income tax purposes, the U.S. federal income tax treatment of the Securities is unclear. Assuming this characterization, if you are a U.S. taxable investor, regardless of your method of accounting, you will generally be required to accrue as ordinary income amounts based on the "comparable yield" of the Securities, as determined by us even though you will receive no payment on the Securities until maturity. In addition, any gain recognized upon a sale, exchange or retirement of the Securities will generally be treated as ordinary interest income for U.S. federal income tax purposes. Please read carefully the section in this pricing supplement entitled "Taxation." You should also review carefully the section entitled "United States Federal Taxation" and in particular the sub-section entitled "United States Federal Taxation--Contingent Payment Debt Instruments" in the accompanying Prospectus Supplement.

HEDGING AND TRADING ACTIVITIES BY US OR OUR AFFILIATES COULD AFFECT THE MARKET VALUE OF THE SECURITIES

We or one or more affiliates may hedge our obligations under the Securities by purchasing Index Commodities, futures or options on Index Commodities or the Underlying Index, or exchange-traded funds or other derivative instruments with returns linked or related to changes in the performance of Index Commodities or the Underlying Index, and we may adjust these hedges by, among other things, purchasing or selling Index Commodities, futures, options or exchange-traded funds or other derivative instruments at any time. Although they are not expected to, any of these hedging activities may adversely affect the market price of Index Commodities and the value of the Underlying Index and, therefore, the market value of the Securities. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the Securities declines. We or one or more of our affiliates may also engage in trading in Index Commodities, the exchange-traded futures contracts on the Index Commodities, and other investments relating to Index Commodities, the exchange-traded futures contracts on the Index Commodities, or the Underlying Index on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities could adversely affect the market price of Index Commodities, the exchange-traded futures contracts on the Index Commodities, and the value of the Underlying Index and, therefore, the market value of the Securities. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of Index Commodities, the exchange-traded futures contracts on the Index Commodities, or the Underlying Index. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the Securities.

OUR BUSINESS ACTIVITIES MAY CREATE CONFLICTS OF INTEREST

As noted above, we and our affiliates expect to engage in trading activities related to the Index Commodities, the exchange-traded futures contracts on the Index Commodities, and the Underlying Index that are not for the account of holders of the Securities or on their behalf. These trading activities may present a conflict between the holders' interest in the Securities and the interests we and our affiliates will have in our proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for our customers and in accounts under their management. These trading activities, if they influence the value of the Underlying Index, could be adverse to your interests.

HOLDINGS OF THE SECURITIES BY OUR AFFILIATES AND FUTURE SALES

Certain of our affiliates have agreed to purchase for investment the portion of the Securities that has not been purchased by investors in this offering, which initially they intend to hold for investment purposes. As a result, upon completion of this offering, our affiliates may own a substantial portion of the aggregate principal amount of the offering of Securities. Circumstances may occur in which our interests or those of our affiliates could be in conflict with your interests.

In addition, if a substantial portion of the Securities held by our affiliates were to be offered for sale in the secondary market, if any, following this offering, the market price of the Securities may fall. The negative effect of such sales on the price of the Securities could be more pronounced if secondary trading in the Securities is limited or illiquid.

POTENTIAL CONFLICTS OF INTEREST BETWEEN SECURITY HOLDERS AND THE CALCULATION AGENT

Our affiliate, AAI, will serve as the calculation agent. AAI will, among other things, decide the amount of the return paid out to you on the Securities at maturity. For a fuller description of the calculation agent's role, see "Description of Securities -- Calculation Agent". The calculation agent will exercise its judgment when performing its functions. For example, the calculation agent may have to determine whether a market disruption event affecting Index Commodities or the Underlying Index has occurred or is continuing on the day when the calculation agent will determine the final index level. This determination may, in turn, depend on the calculation agent's judgment whether the event has materially interfered with our ability to unwind our hedge positions. Since these determinations by the calculation agent may affect the market value of the Securities, the calculation agent may have a conflict of interest if it needs to make any such decision.

Moreover, the issue price of the Securities includes the agents' commissions and certain costs of hedging our obligations under the Securities. Our affiliates through which we hedge our obligations under the Securities expect to make a profit. Since hedging our obligations entails risk and may be influenced by market forces beyond our affiliates' control, such hedging may result in a profit that is more or less than initially projected.

LACK OF REGULATION BY THE CFTC

The Securities are debt securities that are our direct obligations. The net proceeds to be received by us from the sale of the Securities will not be used to purchase or sell futures contracts that comprise the Underlying Index for the benefit of holders of the Securities. An investment in the Securities does not constitute either an investment in futures contracts or in a collective investment vehicle that trades in futures contracts. The Securities do not constitute a direct or indirect investment by you in the trading of the underlying futures contracts that constitute the Underlying Index. Unlike an investment in the Securities, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be regulated as a commodity pool and its operator may be required to be registered with and regulated as a "commodity pool operator" (a "CPO") by the Commodity Futures Trading Commission (the "CFTC"), an independent federal regulatory agency. Because the Securities are not interests in a commodity pool, the Securities will not be regulated by the CFTC as a commodity pool, we will not be registered with the CFTC as a CPO and you will not benefit from the CFTC's or any non-United States regulatory authority's regulatory protections afforded to persons who trade on futures exchanges, which generally may only be transacted through a person registered with the CFTC as a "futures commission merchant" (an "FCM"). We are not registered with the CFTC as an FCM and you will not benefit from the CFTC's or any other non-United States regulatory authority's regulatory protections afforded to persons who trade in futures contracts on regulated futures exchanges through registered a FCM.

HYPOTHETICAL RETURN ANALYSIS OF THE SECURITIES AT MATURITY

The following table illustrates potential return scenarios per Security at maturity for an investor who purchases the Securities on the original issue date, based on various assumptions set forth below, including hypothetical closing values for the Underlying Index. Neither we nor Holding nor any of our affiliates can predict the closing value of the Underlying Index at any time in the future. THEREFORE, THE EXAMPLES SET FORTH BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND THE RETURNS SET FORTH IN THE TABLE MAY NOT BE THE ACTUAL RETURNS APPLICABLE TO A PURCHASER OF THE SECURITIES. MOREOVER, THE UNDERLYING INDEX MAY NOT APPRECIATE OR DEPRECIATE OVER THE TERM OF THE SECURITIES AS INDICATED BELOW.

ASSUMPTIONS

Hypothetical Initial Value:	3,388.43 (indicative value only; the initial value will be set on the date we price the Securities; the index value on January 10, 2008 was 3,338.43).
Hypothetical Participation Rate:	105.00%
Term of the Securities:	3 years

Final Value of the Underlying Index(a)	Percentage Change in the value of the Underlying Index(b) (%)	Principal Amount ($)	Index Return(c) ($)	Supplemental Redemption Amount(d) ($)	To on each ($)
4,913.22	45.00%	$1,000.00	$450.00	$472.50	$1,472.
4,743.80	40.00%	$1,000.00	$400.00	$420.00	$1,420.
4,574.38	35.00%	$1,000.00	$350.00	$367.50	$1,367.
4,404.96	30.00%	$1,000.00	$300.00	$315.00	$1,315.
4,235.54	25.00%	$1,000.00	$250.00	$262.50	$1,262.
4,066.12	20.00%	$1,000.00	$200.00	$210.00	$1,210.
3,981.41	17.50%	$1,000.00	$175.00	$183.75	$1,183.
3,896.69	15.00%	$1,000.00	$150.00	$157.50	$1,157.
3,811.98	12.50%	$1,000.00	$125.00	$131.25	$1,131.
3,727.27	10.00%	$1,000.00	$100.00	$105.00	$1,105.
3,566.32	5.25%	$1,000.00	$52.50	$55.13	$1,055.
3,532.44	4.25%	$1,000.00	$42.50	$44.63	$1,044.
3,507.03	3.50%	$1,000.00	$35.00	$36.75	$1,036.
3,473.14	2.50%	$1,000.00	$25.00	$26.25	$1,026.
3,422.31	1.00%	$1,000.00	$10.00	$10.50	$1,010.
3,388.43	0.00%	$1,000.00	$0.00	$0.00	$1,000.
3,219.01	-5.00%	$1,000.00	-$50.00	$0.00	$ 950.
3,049.59	-10.00%	$1,000.00	-$100.00	$0.00	$ 900.
2,880.17	-15.00%	$1,000.00	-$150.00	$0.00	$ 900.
2,710.74	-20.00%	$1,000.00	-$200.00	$0.00	$ 900.
2,033.06	-40.00%	$1,000.00	-$400.00	$0.00	$ 900.
1,355.37	-60.00%	$1,000.00	-$600.00	$0.00	$ 900.
677.69	-80.00%	$1,000.00	-$800.00	$0.00	$ 900.
0.00	-100.00%	$1,000.00	-$1,000.00	$0.00	$ 900.

(a) The final value is the closing value of the Underlying Index on the determination date, which is the third business day prior to the maturity date, subject to adjustment as described in this Pricing Supplement under "Description of Securities -- Market Disruption Event." The final value is subject to adjustment as described in this Pricing Supplement under "Description of Securities--Discontinuance of the Underlying Index; Alteration of Method of Calculation."

(b) Calculated as:

$$\frac{\text{(Final Value - Initial Value)}}{\text{Initial Value}}$$

(c) Calculated as:

$$\$1,000 \times \frac{\text{(Final Value - Initial Value)}}{\text{Initial Value}}$$

(d) The supplemental redemption amount is determined only when the index return is positive. The supplemental redemption amount for each $1,000 principal amount of the Securities is equal to the product of (i) the participation rate times (ii) the index return. The participation rate will be determined on the pricing date and will be no less than 1.00 (or

100%) and no more than 1.10 (or 110%). In this hypothetical example, the participation rate is 1.05 (or 105 %).

(e) If the index return is positive, at maturity you will receive an amount in cash equal to the sum of $1,000 and the supplemental redemption amount, for each $1,000 principal amount of the Securities. If the index return is zero or negative, at maturity you will receive for each $1,000 principal amount of the Securities a cash payment equal to the greater of (i) the sum of $1,000 and the index return and (ii) $900. A NEGATIVE INDEX RETURN WILL ALWAYS REDUCE YOUR CASH PAYMENT AT MATURITY BELOW THE PRINCIPAL AMOUNT OF THE SECURITIES. YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

(f) The total return presented is exclusive of any tax consequences of owning the Securities. You should consult your tax adviser regarding whether owning the Securities is appropriate for your tax situation. See the sections titled "Risk Factors" and "Taxation".

INCORPORATION OF DOCUMENTS BY REFERENCE

Holding is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, Holding files reports and other information with the Securities and Exchange Commission (the "Commission"). You may read and copy these documents at the SEC Headquarters Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 (tel: 202-551-8090), and at the SEC's regional offices at Northeast Regional Office, 3 World Financial Center, Suite 400, New York, NY 10281 (tel: 212-336-1100) and Midwest Regional Office, 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604. 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. The Commission also maintains an Internet website that contains reports and other information regarding Holding that are filed through the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) System. This website can be accessed at www.sec.gov. You can find information Holding has filed with the Commission by reference to file number 1-14624.

This Pricing Supplement is part of a registration statement that we and Holding filed with the Commission. This Pricing Supplement omits some information contained in the registration statement in accordance with Commission rules and regulations. You should review the information and exhibits in the registration statement for further information on us and Holding and the securities we and Holding are offering. Statements in this prospectus concerning any document we and Holding filed as an exhibit to the registration statement or that Holding otherwise filed with the Commission are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

The Commission allows us to incorporate by reference much of the information that we and Holding file with them, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we and Holding incorporate by reference in this Pricing Supplement is considered to be part of this Pricing Supplement. Because we and Holding are incorporating by reference future filings with the Commission, this Pricing Supplement is continually updated and those future filings may modify or supersede some of the information included or incorporated in this Pricing Supplement. This means that you must look at all of the Commission filings that we and Holding incorporate by reference to determine if any of the statements in this Pricing Supplement or in any document previously incorporated by reference have been modified or superseded. This Pricing Supplement incorporates by reference all Annual Reports on Form 20-F filed by Holding since September 29, 2006, and any future filings that we or Holding make with the Commission (including any Form 6-K's that we or Holding subsequently file with the Commission) under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, that are identified in such filing as being specifically incorporated by reference into Registration Statement Nos. 333-137691 or 333-137691-02, of which this Pricing Supplement is a part, until we and Holding complete our offering of the Securities to be issued hereunder or, if later, the date on which any of our affiliates cease offering and selling these Securities.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at: ABN AMRO Bank N.V., ABN AMRO Investor Relations Department, Hoogoorddreef 66-68, P.O. Box 283, 1101 BE Amsterdam, The Netherlands (Telephone: (31-20) 628 3842).

DESCRIPTION OF THE UNDERLYING INDEX

The following is a description of the Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V. including, without limitation, its make-up, method of calculation and changes in its components. The information in this description has been taken from publicly available sources, including the Rogers International Commodity Index Handbook. Such information reflects the policies of, and is subject to change at any time by, Rogers and the Index Committee. We have not independently verified this information and therefore cannot be held responsible for it. You, as an investor in the Securities, should make your own investigation into the Underlying Index and Rogers. Except as provided in the next sentence, none of Beeland Interests, the Index Committee, members of the Index Committee individually (except as described in the next sentence) and/or Rogers is involved in the offer of the Securities in any way and has any obligation to consider your interests as a holder of the Securities. However, ABN AMRO Bank N.V., the issuer of the Securities, is also a member of the Index Committee and our affiliates are involved in the public offering and sale of the Securities and may be engaged in secondary market making transactions in the Securities. Beeland Interests has no obligation to continue to maintain or compile the Underlying Index, and may discontinue maintenance or compilation of the Underlying Index at any time in its sole discretion. The level of the Underlying Index is calculated by us, ABN AMRO Bank N.V. using the methodology provided by the Index Committee.

OVERVIEW

The return on the Securities is linked to the performance of the Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V. The Underlying Index is a composite U.S. dollar based index that is designed to serve as a diversified benchmark for the price movements of commodities consumed in the global economy, and is a sub-index of the Rogers International Commodity Index(R) (the "RICI Index") designed by James B. Rogers, Jr. on July 31, 1998. The Underlying Index is currently composed of 36 futures contracts on physical commodities traded on eleven exchanges and quoted in four different currencies. The exchanges include the Chicago Mercantile

Exchange, Chicago Board of Trade, New York Board of Trade, New York Mercantile Exchange, Winnipeg Commodity Exchange, Intercontinental Exchange, London Metal Exchange, Sydney Futures Exchange, Central Japan Commodity Exchange, The Tokyo Commodity Exchange, and the Tokyo Grain Exchange. The commodities futures contracts are quoted in U.S. dollars ("USD"), Canadian dollars ("CAD"), Japanese yen ("JPY") and Australian dollars ("AUS").

The Underlying Index aims to be an effective measure of the price movements of raw materials not just in the United States but also around the world. The Underlying Index's weightings attempt to balance consumption patterns worldwide (in developed and developing countries) and specific contract liquidity.

Below is a current list of the futures contracts comprising the Underlying Index, together with their respective symbols, exchanges, and currencies as of April 5, 2007:

CONTRACT	SYMBOL	EXCHANGE	CURRENCY	WEIGHTING
Crude Oil	CL	NYMEX	USD	21.00%
Brent	CO	ICE	USD	14.00%
Wheat	W	CBOT	USD	7.00%
Corn	C	CBOT	USD	4.75%
Aluminum	LMAH	LME	USD	4.00%
Copper	LMCA	LME	USD	4.00%
Cotton	CT	NYCE	USD	4.05%
Heating Oil	HO	NYMEX	USD	1.80%
Gas Oil	QS	ICE	USD	1.20%
RBOB Gasoline	XB	NYMEX	USD	3.00%
Natural Gas	NG	NYMEX	USD	3.00%
Soybeans	S	CBOT	USD	3.00%
Gold	GC	COMEX	USD	3.00%
Live Cattle	LC	CME	USD	2.00%
Coffee	KC	CSCE	USD	2.00%
Zinc	LMZS	LME	USD	2.00%
Silver	SI	COMEX	USD	2.00%
Lead	LMPB	LME	USD	2.00%
Soybean Oil	BO	CBOT	USD	2.00%
Sugar	SB	CSCE	USD	2.00%
Platinum	PL	NYMEX	USD	1.80%
Lean Hogs	LH	CME	USD	1.00%
Cocoa	CC	CSCE	USD	1.00%
Nickel	LMNI	LME	USD	1.00%
Tin	LMSN	LME	USD	1.00%
Rubber	JN	TOCOM	JPY	1.00%
Lumber	LB	CME	USD	1.00%
Soybean Meal	(SM)	CBOT	USD	0.75%
Canola	RS	WCE	CAD	0.67%
Orange Juice	JO	NYCE	USD	0.66%
Rice	RR	CBOT	USD	0.50%
Oats	O	CBOT	USD	0.50%
Azuki Beans	JE	TGE	JPY	0.50%
Palladium	PA	NYMEX	USD	0.30%
Barley	WA	WCE	CAD	0.27%
Greasy Wool	OL	SFE	AUS	0.25%
TOTAL				100%

THE INDEX COMMITTEE

The Index Committee formulates and enacts all business assessments and decisions regarding the composition of the Underlying Index. Rogers, as the founder of the Underlying Index, chairs the Index Committee and is the final arbiter of its decisions. Beside Rogers, representatives of the following parties are members of the Index Committee: Diapason, Beeland Management Company, Daiwa Asset Management America, UBS AG, ABN AMRO Bank N.V. and Merrill Lynch & Co. Only Rogers, as chairman of the Index Committee, is authorized to designate new members of the Index Committee, if necessary.

The Index Committee meets each December to consider changes in the components and weightings of the RICI Index for the following calendar year; however, such changes can be made at any time.

INDEX COMPOSITION

THE PROCESS

The contracts chosen for the basket of commodities that constitute the RICI Index, which include the commodities that constitute the Underlying Index, are required to fulfill various conditions described below. Generally, the selection and weighting of the items in the RICI Index are reviewed annually by the Index Committee, and weights for the next year are assigned every December. The RICI Index's composition is modified only on rare occasions, in order to maintain liquidity and stability, and the composition of the RICI Index generally will not be changed unless severe circumstances in fact occur. Such "severe circumstances" may include (but are not restricted to):

- continuous adverse trading conditions for a single contract (e.g., trading volume collapses), or
- critical changes in the global consumption pattern (e.g., scientific breakthroughs that fundamentally alter consumption of a commodity).

To date, there have been several changes in the components of the RICI Index in the history of the RICI Index. Soybean oil was substituted for palm oil and soybean meal for flaxseed. In addition, in May and July 2006, the Index Committee made four changes in the composition of the RICI Index: (1) because of changes in the gasoline market, it replaced Unleaded Gasoline with the Reformulated Gasoline Blendstock for Oxygen Blending ("RBOB"); the first rollover (50% of the position) to RBOB Gasoline was executed on the close of June 30, 2006 and the second one (last 50%) was executed on the close of July 31, 2006; (2) effective June 30, 2006, weightings were changed so that Gas oil comprised 1.20%, Heating Oil 1.80%, West Texas Crude 21% and Brent Crude 14% of the RICI Index; (3) the new weighting for Cotton from the close of June 30, 2006 onwards was 4.05% of the RICI Index while Raw Silk was reduced to zero; and (4) due to the lack of liquidity on the COMEX Copper, it replaced COMEX Copper with the LME Copper. The first rollover (50% of the position) was executed on the close of July 31, 2006 and the second one (last 50%) on the close of August 31, 2006. Due to lack of liquidity on the October Cotton contract, the committee decided to modify the cotton roll matrix; at the end of May, 2007 the index rolled from the July contract to the December contract.

EXCHANGES AND NON-TRADED ITEMS

All commodities included in the RICI Index must be publicly traded on recognized exchanges in order to ensure ease of tracking and verification. Additionally, the RICI Index does not and will not included non-traded items such as hides or tallow, which are included in other popular commodity indices. The 11 international exchanges recognized by the RICI Index Committee are:

1. Chicago Mercantile Exchange (USA)
2. Chicago Board of Trade (USA)
3. New York Board of Trade (USA)
4. New York Mercantile Exchange (USA)
5. Winnipeg Commodity Exchange (Canada)
6. IntercontinentalExchange (UK)
7. London Metal Exchange (UK)
8. Sydney Futures Exchange (Australia)
9. Central Japan Commodity Exchange (Japan)
10. The Tokyo Commodity Exchange (Japan)
11. Tokyo Grain Exchange (Japan)

GENERAL CONTRACT ELIGIBILITY

A commodity may be considered suitable for inclusion in the RICI Index if it plays a significant role in worldwide (developed and developing economies) consumption. "Worldwide consumption" is measured by tracking international import and export patterns, and domestic consumption environments of the world's prime commodity consumers. Only raw materials that reflect the current state of international trade and commerce are eligible to become Index Commodities. Commodities that are merely linked to national

consumption patterns will not be considered. The RICI Index is not related to any commodities production data.

COMMODITY SCREENING PROCESS

Data of private and governmental providers concerning the world's top consumed commodities is actively monitored and analyzed by the members of the Index Committee throughout the year. In order to obtain the most accurate picture of international commodities consumption, a wide range of sources on commodities demand and supply is consulted. The findings of this research are then condensed into the different commodities contracts weightings of the RICI Index. Sources on global commodity consumption data include:

- Industrial Commodity Statistics Yearbook, United Nations (New York)
- Commodity Trade Statistics Database, United Nations Statistic Division (New York)
- Copper Bulletin Yearbook, International Copper Study Group (Lisbon)
- Foreign Agricultural Service's Production, Supply and Distribution Database, U.S. Department of Agriculture (Washington, D.C.)
- Manufactured Fiber Review, Fiber Economics Bureau, Inc. (U.S.A.)
- Monthly Bulletin, International Lead and Zinc Study Group (London)
- Quarterly Bulletin of Cocoa Statistics, International Cocoa Organization (London)
- Rubber Statistical Bulletin, International Rubber Study Group (London)
- Statistical Bulletin Volumes, Arab Gulf Cooperation Council (GCC)
- Sugar Yearbook, International Sugar Organization (ISO), (London)
- World Agriculture Assessments of Intergovernmental Groups, Food & Agriculture Organization of the United Nations (Rome)

- o World Commodity Forecasts, Economist Intelligence Unit (London)
- o World Cotton Statistics, International Cotton Advisory Committee (Washington)
- o World Metals Statistics, World Bureau of Metal Statistics (London)

CONTRACT CHARACTERISTICS

In order to decide whether a specific commodity contract is liquid enough to be included in the RICI Index, the Index Committee screens the volume and liquidity data of international exchanges, published on a regular basis by the Futures Industry Association (Washington DC, United States). Additionally, individual exchange data on contracts may also be included in the process.

If a commodity contract trades on more than one exchange, the most liquid contract globally, in terms of volume and open interest combined, is then selected for inclusion in the RICI Index, taking legal considerations into account. Beyond liquidity, the Index Committee seeks to include the contract representing the highest quality grade of a specific commodity.

INDEX WEIGHTINGS

INITIAL WEIGHTINGS

As of the date of this Pricing Supplement, the Underlying Index components have the initial weightings listed in the chart above. The initial weightings of the RICI Index (the "Initial Weightings") may be amended from time to time, as described below.

CHANGES IN WEIGHTS AND/OR INDEX COMPOSITION

As noted, the Index Committee reviews the selection and weighting of the futures contracts in the RICI Index annually. Thus, weights are potentially reassigned during each month of December for the following year, if the Index Committee so determines in its sole discretion.

MONTHLY ROLLING OF CONTRACTS

On the close of the last business day of each month, all of the futures contracts used to calculate the RICI Index, except for the contracts traded on the London Metal Exchange, are rolled. Generally, if the next calendar month of a futures contract includes a first notice day, a delivery day or historical evidence that liquidity migrates to a next contract month during this period, then the next contract month is intended to be applied to calculate the RICI Index, taking legal constraints into account. For example, on the close of the last business day of November, the January Crude Oil contract is replaced by the February Crude Oil contract. If the exchange on which one of the RICI Index components is closed the last business day of the month, the roll of this specific contract takes place the next business day for that exchange.

REBALANCING OF THE RICI(R) Index Components

On the close of the last business day of each month, the current weight of each RICI Index component is rebalanced in order to be set at its initial weighting. If the exchange on which one of the RICI Index components is traded is closed on the last business day of the month, the reference price for the calculation of the weighting of this specific component is the closing price of the next business day. This rule is also valid if there is more than one component that cannot be traded on the last business day of the month.

DATA SOURCE

The Underlying Index value is based on the official commodity exchanges' prices of the futures contracts included in the Underlying Index.

MARKET DISRUPTION

If, for any reason, one of the RICI Index components ceases to exist or its liquidity collapses to unacceptable levels, or any other similar event occurs with similar consequences, as determined at the discretion of the Index Committee, the Index Committee will call an exceptional meeting to assess the situation and decide on a replacement for this component or on a change in the weighting. For example, in 1998, the liquidity of the palm oil futures contract on the Kuala Lumpur Commodity Exchange collapsed to a point where it became impossible to trade it. The Index Committee called an exceptional meeting and decided to replace the palm oil futures contract with the soybean oil contract that trades on the Chicago Board of Trade.

REFERENCE RATES

The foreign exchange rates used to translate the value of the futures contracts denominated in a foreign currency into U.S dollars are obtained from Bloomberg using the "close" value for each currency at 5:00 pm New York time.

CALCULATION OF THE LEVEL OF THE UNDERLYING INDEX

The Index Committee is responsible for the calculation methodology of the Underlying Index. ABN AMRO Bank N.V. calculates the level of the Underlying Index with respect to the Securities using the methodology provided by the Index Committee. While the level of the Underlying Index may be calculated by a number of different entities, the supplemental redemption amount, if any, payable upon maturity of the Securities will be calculated based on the level of the Underlying Index on the determination date calculated by us, ABN AMRO Bank, N.V. We do not control and have no responsibility for calculations of the Underlying Index that may be made by other entities. While it is not expected that the levels of the Underlying Index published by other entities will be different from the level of the Underlying Index calculated by us, if there is a difference between such published levels, the level of the Index calculated by us will be used to determine the final value and the supplemental redemption amount, if any. Accordingly, if another entity publishes levels of the Underlying Index on the determination date

that are higher than the level calculated by us, the final value and your payment on the maturity date will be based on the levels calculated by us.

EXCESS RETURN VERSUS TOTAL RETURN

The Underlying Index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on physical commodities comprising the Underlying Index. The RICI Index as well as the Rogers International Commodity Index(R) - Total Return(TM), a "total return" index, reflects those returns as well as any interest that could be earned on cash collateral invested in 3-month U.S. Treasury Bills. The term "Excess Return" in the title of the Underlying Index is not intended to suggest that the performance of the Underlying Index at any time or the return on your

Securities will be positive or that the Underlying Index is designed to exceed a particular benchmark.

HISTORICAL CLOSING LEVELS OF THE UNDERLYING INDEX

Since its inception, the Underlying Index has experienced significant fluctuations. Any historical upward or downward trend in the value of the Underlying Index during any period shown below is not an indication that the value of the Underlying Index is more or less likely to increase or decrease at any time during the term of the Securities. The historical Underlying Index levels do not give an indication of future performance of the Underlying Index. None of ABN AMRO Bank N.V., the Index Committee, its members individually and/or Beeland Interests can make any assurance that the future performance of the Underlying Index or the Index Commodities will result in holders of the Securities receiving a positive return on their investment.

The closing level of the Underlying Index on December 31, 2007 was 3,366.79.

The chart below shows the high, low and month-end closing prices of the Underlying Index from December 31, 2004 through December 31, 2007. The initial value of the Underlying Index was 1,000.00.

Month End	High	Low	Closing Price
12/31/2004	1013.69	980.24	1009.51
1/31/2005	1003.35	975.64	978.61
2/28/2005	1072.91	973.70	1072.91
3/31/2005	1124.51	1057.55	1066.13
4/29/2005	1057.80	1016.73	1041.89
5/31/2005	1050.01	1004.29	1038.40
6/30/2005	1054.51	1006.30	1007.67
7/29/2005	1050.63	1006.45	1015.47
8/31/2005	1023.45	945.25	947.87
9/30/2005	969.45	935.32	969.45
10/31/2005	988.20	939.92	939.92
11/30/2005	951.74	922.32	924.84
12/30/2005	983.87	926.75	981.28
1/31/2006	1007.24	965.23	1005.40
2/28/2006	1023.10	995.69	1009.00
3/31/2006	1014.93	953.70	968.66
4/28/2006	976.66	958.81	971.19
5/31/2006	1015.33	964.61	977.95
6/30/2006	995.83	945.80	970.33
7/31/2006	990.93	938.04	951.31
8/31/2006	960.50	905.14	927.46
9/30/2006	921.07	895.55	915.32
10/30/2006	1010.55	903.78	987.17

11/30/06	2781.98	2607.43	2741.98
12/31/06	2788.95	2707.78	2746.73
1/31/07	2788.64	2681.51	2751.51
2/28/07	2876.35	2724.37	2823.77
3/31/07	2969.01	2809.38	2947.83
4/30/07	2947.23	2716.89	2856.16
5/31/07	3158.79	2846.19	3116.03
6/30/07	3310.61	3003.83	3301.34
7/31/07	3404.27	3209.16	3213.33

8/31/07	2781.98	2607.43	2741.98
9/30/07	2788.95	2707.78	2746.73
10/31/07	2788.64	2681.51	2751.51
11/30/07	2876.35	2724.37	2823.77
12/31/07	3409.66	3160.47	3366.79

SOURCE: BLOOMBERG L.P.

YOU CANNOT PREDICT THE FUTURE PERFORMANCE OF THE SECURITIES OR OF THE UNDERLYING INDEX BASED ON THE HISTORICAL PERFORMANCE OF THE UNDERLYING INDEX. Neither we nor Holding can guarantee that the value of the Underlying Index will increase so that you will receive at maturity an amount in excess of the principal amount of the Securities.

LICENSE AGREEMENT

Beeland Interests, Inc. ("Beeland Interests") and we have entered into a non-exclusive license agreement providing for the license to ABN AMRO Bank N.V., and certain of its affiliated or subsidiary companies, in exchange for a fee, of the right to use the RICI Index and the Underlying Index. Neither Beeland Interests nor any of its affiliates makes any representation or warranty, express or implied, to the owners of or counterparts to the Securities or any member of the public regarding the advisability of investing in securities or commodities generally or in the Securities particularly. The only relationship of Beeland Interests or any of its subsidiaries or affiliates to us is the licensing of certain trademarks, trade names and service marks and of the Rogers International Commodity Index(R) - Excess Return(TM), which is determined and compiled by the Index Committee without regard to us or the Securities.

Neither Beeland Interests, nor the Index Committee has any obligation to take our needs or the needs of the owners of the Securities into consideration in determining or compiling the Rogers International Commodity Index(R) - Excess Return(TM). None of Beeland Interests or any of its subsidiaries or affiliates is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Securities to be issued or in the determination or calculation of the equation by which the Securities are to be converted into cash. None of Beeland Interests or any of its subsidiaries or affiliates shall have any obligation or liability, including without limitation to Securities customers, in connection with the administration, marketing or trading of the Securities. Notwithstanding the foregoing, Beeland Interests and its subsidiaries or affiliates may independently issue and/or sponsor financial products unrelated to the Securities currently being issued by us, but which may be similar to and competitive with the Securities. In addition, Beeland Interests and its subsidiaries or affiliates may actively trade commodities, commodity indexes and commodity futures (including the Rogers International Commodity Index(R) - Excess Return(TM)), as well as swaps, options and derivatives which are linked to the performance of such commodities, commodity indexes and commodity futures. It is possible that this trading activity will affect the value of the Rogers International Commodity Index(R) - Excess Return(TM) and the Securities.

This Pricing Supplement relates only to the Securities and does not relate to the exchange-traded physical commodities underlying any of the Rogers International Commodity Index(R) - Excess Return(TM) components. Purchasers of the Securities should not conclude that the inclusion of a futures contract in the Rogers International Commodity Index(R) - Excess Return(TM) is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Beeland Interests or any of its subsidiaries or affiliates. The information in the Pricing Supplement regarding the exchange-traded futures contracts on physical commodities which comprise the Rogers International Commodity Index(R) - Excess Return(TM) components has been derived solely from publicly available documents.

None of Beeland Interests or any of its subsidiaries or affiliates has made any due diligence inquiries with respect to the exchange-traded futures contracts which comprise the Rogers International Commodity Index(R) - Excess Return(TM) in connection with the Securities. None of Beeland Interests or any of its subsidiaries or affiliates makes any representation that the publicly available documents or any other publicly available information regarding these exchange-traded futures contracts which comprise the Rogers International Commodity Index(R) - Excess Return(TM), including without limitation a description of factors that affect the prices of such exchange-traded futures contracts, are accurate or complete.

The Securities are not sponsored, endorsed, sold or promoted by Beeland Interests or James Beeland Rogers, Jr. Neither Beeland Interests nor James Beeland Rogers, Jr. makes any representation or warranty, express or implied, nor accepts any responsibility, regarding the accuracy or completeness of this Pricing Supplement, or the advisability of investing in securities or commodities generally, or in the Securities or in futures particularly.

NEITHER BEELAND INTERESTS NOR ANY OF ITS AFFILIATES, GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE ROGERS INTERNATIONAL COMMODITY INDEX ("RICI(R)"), THE UNDERLYING INDEX OR ANY DATA INCLUDED THEREIN. SUCH PERSON SHALL NOT HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN AND MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE RICI(R), THE UNDERLYING INDEX, ANY DATA INCLUDED THEREIN OR THE SECURITIES. NEITHER BEELAND INTERESTS NOR ANY OF ITS AFFILIATES, MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE RICI(R), THE UNDERLYING INDEX AND ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BEELAND INTERESTS OR ANY OF ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

THE COMMODITY FUTURES MARKETS

Contracts on physical commodities are traded on regulated futures exchanges, in the over-the-counter market and on various types of physical and electronic trading facilities and markets. At present, all of the contracts included in the Underlying Index are exchange-traded futures contracts. An exchange-traded futures contract is a bilateral agreement providing for the purchase and sale of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. A futures contract on an index of commodities typically provides for the payment and receipt of a cash settlement based on the value of such commodities. A futures contract provides for a specified settlement month in which the commodity or financial instrument is to be delivered by the seller (whose position is described as "short") and acquired by the purchaser (whose position is described as "long") or in which the cash settlement amount is to be made.

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with the broker as "initial margin". This amount varies based on the requirements imposed by the exchange clearing houses, but may be as low as 5% or less of the value of the contract. This margin deposit provides collateral for the obligations of the parties to the futures contract.

By depositing margin in the most advantageous form (which may vary depending on the exchange, clearing house or broker involved), a market participant may be able to earn interest on its margin funds, thereby increasing the potential total return that may be realized from an investment in futures contracts.

The market participant normally makes to, and receives from, the broker subsequent payments on a daily basis as the price of the futures contract fluctuates. These payments are called "variation margin" and make the existing positions in the futures contract more or less valuable, a process known as "marking to market".

Futures contracts are traded on organized exchanges, known as "contract markets" in the United States, through the facilities of a centralized clearing house and a brokerage firm which is a member of the clearing house. The clearing house guarantees the performance of each clearing member which is a party to the futures contract by, in effect, taking the opposite side of the transaction. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trade obtained the position. This operates to terminate the position and fix the trader's profit or loss.

U.S. contract markets, as well as brokers and market participants, are subject to regulation by the Commodity Futures Trading Commission. Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities. However, the structure and nature of trading on non-U.S. exchanges may differ from the foregoing description. From its inception to the present, the RICI Index and the Underlying Index have been comprised exclusively of futures contracts traded on regulated exchanges.

DESCRIPTION OF SECURITIES

Capitalized terms not defined herein have the meanings given to such terms in the accompanying Prospectus Supplement. The term "Security" refers to each $1,000 principal amount of our Partially Principal Protected Notes due January 31, 2011 linked to the Underlying Index and fully and unconditionally guaranteed by Holding.

Principal Amount:........... $

Proposed Pricing Date........ January 28, 2008

Proposed Original Issue Date. January 31, 2008

Maturity Date................ January 31, 2011. If the Calculation Agent has not determined the Final Value because of a Market Disruption Event as described below under "--Market Disruption Event," the Maturity Date shall be postponed to the third Business Day immediately following the date on which the Final Value is determined. No interest shall accrue as a result of any such postponement.

Underlying Index.............	The Rogers International Commodity Index(R) - Excess Return(TM) - Calculated by ABN AMRO Bank N.V. or any Successor Index, as determined by the Calculation Agent to be comparable to the Underlying Index, as set forth in "Discontinuance of the Underlying Index; Alteration of Method of Calculation" below.
Index Sponsor................	Beeland Interests, Inc.
Specified Currency...........	U.S. Dollars
CUSIP / ISIN.................	00078U4U1 / US00078U4U13
Denominations................	The Securities may be purchased in denominations of $1,000 and integral multiples thereof.
Form of Securities...........	The Securities will be represented by a single registered global security, deposited with the Depository Trust Company.
Guarantee....................	The payment and delivery obligations of ABN AMRO Bank N.V. under the Securities, when and as they shall become due and payable, whether at maturity or upon acceleration, are fully and unconditionally guaranteed by ABN AMRO Holding N.V.
Issue Price..................	100%
Interest Rate................	None
Payment at Maturity..........	At maturity, for each $1,000 principal amount of Securities,

- o if the Index Return is positive, we will pay you cash equal to the sum of $1,000 and the Supplemental Redemption Amount; and
- o if the Index Return is zero or negative, we will pay you cash equal to the greater of (i) the sum of $1,000 and the Index Return and (ii) $900. A NEGATIVE INDEX RETURN WILL ALWAYS REDUCE YOUR CASH PAYMENT AT MATURITY BELOW THE PRINCIPAL AMOUNT OF YOUR SECURITIES AND YOU COULD LOSE UP TO 10% OF YOUR INITIAL PRINCIPAL INVESTMENT.

The Calculation Agent will calculate the cash payment due at maturity on the Determination Date. The Calculation Agent will provide written notice to the Trustee at its New York office, on which notice the Trustee may conclusively rely, of such payment amount, on or prior to 11:00 a.m. on the Business Day preceding the Maturity Date.

The Calculation Agent will round all percentages resulting from any calculation with respect to the Securities to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)). All dollar amounts resulting from such calculation will be rounded to the nearest cent with one-half cent being rounded upwards.

Index Return................. On the Determination Date, the Calculation Agent will calculate the Index Return, which will be, for each $1,000 principal amount of Securities, an amount equal to:

$$\$1{,}000 \times \frac{(\text{Final Value} - \text{Initial Value})}{\text{Initial Value}}$$

Initial Value................ ______ (the Index Closing Value of the Underlying Index on the Pricing Date), subject to the terms of the provision below entitled "--Discontinuance of the Underlying Index; Alteration of Method of Calculation."

Final Value.................. The Final Value will be the Index Closing Value of the Underlying Index on the Determination Date.

Index Closing Value.......... As of any relevant date, the closing value of the Underlying Index or any Successor Index at the regular official weekday close of trading, subject to the terms of the provision below entitled "--Discontinuance of the Underlying Index; Alteration of Method of Calculation."

Supplemental Redemption Amount..................... For each $1,000 principal amount of Securities, an amount equal to the product of (i) the Participation Rate times (ii) the Index Return, calculated by the Calculation Agent. The Supplemental Redemption Amount will only be calculated by the Calculation Agent if the Index Return is positive.

Participation Rate........... The Participation Rate will be determined on the Pricing Date and will be no less than 1.00 (or 100%) and no more than 1.10 (or 110%).

Determination Date........... January 26, 2011, subject to adjustment in certain circumstances which we describe below in "Description of Securities--Market Disruption Event."

Index Business Day........... A day on which all United States-based exchanges that list futures contracts included in the Underlying Index are open for business, including half-day opening. As of the date of this Pricing

Supplement, the exchange for each commodity is described above under "Description of the Underlying Index--Overview".

Market Disruption Event...... Means with respect to the Underlying Index either (a) the termination or suspension of, or material limitation or disruption in, the trading of any exchange-traded futures

contract included in the Underlying Index, or (b) the settlement price of any such contract reflects the maximum permitted price change from the previous day's settlement price, or (c) the applicable Relevant Exchange fails to publish official settlement prices for any such contract. The existence of a Market Disruption Event shall be determined by the Calculation Agent.

If a Market Disruption Event occurs on the Determination Date, the Calculation Agent will calculate the Index Closing Value utilizing, for those futures contracts included in the Underlying Index that do not suffer a Market Disruption Event on such date, the final settlement prices, and for those futures contracts included in the Underlying Index that experience a Market Disruption Event on such date (the "Disrupted Contracts"), the settlement prices on the first day on which a Market Disruption Event is not existing with respect to such futures contracts. If, however, a Market Disruption Event with respect to one or more Disrupted Contracts included in the Underlying Index is continuing on the third Index Business Day following the Determination Date, the Calculation Agent will determine, in its discretion, an estimated fair value price for the Disrupted Contracts after considering any available electronic or after hours trading prices, related over-the-counter or other non-exchanged based prices, implied prices that may be derived from other exchange traded instruments, and estimated fair values based on fundamental market information.

The Calculation Agent shall as soon as reasonably practicable under the circumstances notify us, the Trustee, the Securities Administrator and the Depository Trust Company of the existence or occurrence of a Market Disruption Event on the Determination Date.

Relevant Exchange........... With respect to each component futures contract in the Underlying Index, the primary market or exchange on which such contract trades. As of the date of this Pricing Supplement, the Relevant Exchange for each commodity is described above under "Description of the Underlying Index--Overview".

Discontinuance of the Underlying Index; Alteration of Method of Calculation..............	If the Index Committee or the Index Sponsor discontinues compiling and maintaining the Underlying Index, and any other person or entity publishes a substitute index that the Calculation Agent determines is comparable to the Underlying Index and approves as a successor index (the "Successor Index"), then the Calculation Agent will determine the Index Closing Value and the amount payable at maturity by reference to such Successor Index.

Upon any selection by the Calculation Agent of a Successor Index, we will cause written notice thereof to be furnished to the Trustee, the Securities Administrator and the Depository Trust Company within three Business Days of such selection.

If the Calculation Agent determines that the compilation and maintenance of the Underlying Index is discontinued and that there is no Successor Index, on the date on which the Index Closing Value is required to be determined, the Calculation

Agent will determine the amount payable by a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Underlying Index. If the Calculation Agent determines that the Underlying Index, the Underlying Index components or the method of calculating the Underlying Index has been changed at any time in any respect - including but not limited to any addition, deletion or substitution and any re-weighting or rebalancing of Underlying Index components, or due to a change in the existing policies of the Index Sponsor - then the Calculation Agent will make such adjustments to the Underlying Index or method of calculating the Underlying Index as it believes are appropriate to ensure that the value of the Underlying Index used to determine the amount payable on the maturity date is equitable.

All determinations and adjustments to be made by the Calculation Agent with respect to the value of the Underlying Index and the amount payable at maturity or otherwise relating to the value of the Underlying Index may be made by the Calculation Agent in its sole discretion. See "Risk Factors" for a discussion of certain conflicts of interest which may arise with respect to the Calculation Agent.

Book Entry Note or Certificated Note............	Book Entry
Trustee......................	Wilmington Trust Company
Securities Administrator.....	Citibank, N.A.
Alternate Calculation in case of an Event of Default..................	In case an Event of Default with respect to the Securities shall have occurred and be continuing, the amount declared due and payable for each Security upon any acceleration of the Securities shall be determined by AAI, as Calculation Agent, as though the Index Closing Value for the Determination Date were the Index Closing Value on the date of acceleration, PROVIDED, HOWEVER, that such amount shall never be less than $1,000 for each Security. See "Description of Debt Securities--Events of Default" in the Prospectus. If the maturity of the Securities is accelerated because of an Event of Default as described above, we shall, or shall cause the Calculation Agent to, provide written notice to the Trustee at its New York office, on which notice the Trustee may conclusively rely, and to DTC of the aggregate cash amount due with respect to the Securities, if any, as promptly as possible and in no event later than two Business Days after the date of acceleration.
Calculation Agent............	AAI and its successors. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on us.
Additional Amounts...........	Subject to certain exceptions and limitations described in "Description of Debt Securities--Payment of Additional Amounts" in the accompanying Prospectus, we will pay such additional amounts to holders of the Securities as may be necessary in order that the net payment of any amount payable on the Securities, after withholding for or on account of any present or future tax, assessment or governmental charge

imposed upon or as a result of such payment by The Netherlands (or any political subdivision or taxing authority thereof or therein) or the jurisdiction of residence or incorporation of any successor corporation (other than the United States), will not be less than the amount provided for in the Securities to be then due and payable.

USE OF PROCEEDS

The net proceeds we receive from the sale of the Securities will be used for general corporate purposes and, in part, by us or one or more of our affiliates in connection with hedging our obligations under the Securities. The issue price of the Securities includes the cost of hedging our obligations under the Securities. The cost of hedging includes the projected profit that our affiliates expect to realize in consideration for assuming the risks inherent in managing the hedging transactions. Since hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than initially projected, or could result in a loss. See also "Risk Factors--The Inclusion of Commissions and Cost of Hedging in the Issue Price is Likely to Adversely Affect Secondary Market Prices" and "Hedging and Trading Activities by Us or Our Affiliates in Index Commodities, Futures, Options, Exchange-Traded Funds or Other Derivative Products on Index Commodities or the Underlying Index Could Affect the Market Value of the Securities" and "Plan of Distribution" 0pt; TEXT-INDENT: 0pt; LINE-HEIGHT: 1.25; MARGIN-RIGHT: 0pt" align="center">

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Net sales	$ 7,510,861	$ 2,812,424	$ 13,803,291	$ 5,302,597
Cost of sales	5,741,097	2,097,742	10,533,961	4,019,539
Gross profit	1,769,764	714,682	3,269,330	1,283,058
Operating expenses				
Sales and marketing	1,314,285	289,613	2,082,416	441,113
General and administrative	2,358,374	659,702	3,996,235	1,043,917
Total operating expenses	3,672,659	949,315	6,078,651	1,485,030
Loss from operations	(1,902,895)	(234,633)	(2,809,321)	(201,972)
Other income (expense)				
Interest income (expense), net	(21,417)	(13,164)	(48,395)	(26,195)
Total other income (expense)	(21,417)	(13,164)	(48,395)	(26,195)
Loss before provision for income taxes	(1,924,312)	(247,797)	(2,857,716)	(228,167)
Provision for income taxes	—	—	—	—
Net loss	$ (1,924,312)	$ (247,797)	$ (2,857,716)	$ (228,167)
Loss per common and common equivalent share:				
Basic	$ (0.10)	$ (0.03)	$ (0.16)	$ (0.03)
Diluted	$ (0.10)	$ (0.03)	$ (0.16)	$ (0.03)
Weighted average shares used in computing loss per common and common equivalent share:				
Basic	19,446,723	9,000,000	17,963,434	9,000,000
Diluted	19,446,723	9,000,000	17,963,434	9,000,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

AKEENA SOLAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
Balance at January 1, 2007	15,877,751	$ 15,878	$ 2,955,926	$ (1,581,074)	$ 1,390,730
Proceeds from issuance of common stock at $1.97 under private placement, $0.001 par value	2,062,304	2,062	4,060,677	—	4,062,739
Proceeds from issuance of common stock at $2.75 under private placement, $0.001 par value	4,567,270	4,567	12,555,426	—	12,559,993
Total placement agent fees and registration fees	—	—	(2,030,270)	—	(2,030,270)
Warrants issued to placement agent and warrants issued for finders fees	—	—	1,002,527	—	1,002,527
Issuance of common shares at $3.21, as per an account purchase agreement, $0.001 par value	54,621	55	175,513	—	175,568
Issuance of common shares at $3.14, as per an asset purchase agreement, $0.001 par value	100,000	100	313,900	—	314,000
Exercise of warrants for common shares, $0.001 par value	101,522	102	291,774	—	291,876
Release of restricted common shares and stock-based compensation expense	70,560	70	270,774	—	270,844
Net loss	—	—	—	(2,857,716)	(2,857,716)
Balance at June 30, 2007	22,834,028	$ 22,834	$ 19,596,247	$ (4,438,790)	$ 15,180,291

The accompanying notes are an integral part of these condensed consolidated financial statements.

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AKEENA SOLAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Cash flows from operating activities		
Net loss	$ (2,857,716)	$ (228,167)
Adjustments to reconcile net loss to net cash used in operations		
Depreciation	60,760	14,365
Amortization of customer list and customer contracts	167,532	—
Bad debt (recovery) expense	(9,187)	175
Loss on disposal of property and equipment	1,388	—
Non-cash stock-based compensation expense	270,844	—
Changes in assets and liabilities:		
Accounts receivable	(1,453,972)	(110,932)
Inventory	(1,518,351)	(787,712)
Prepaid expenses and other current assets	(292,354)	(440,005)
Other assets	(66,926)	—
Accounts payable	519,281	494,143
Customer rebate payable	(458,126)	119,011
Accrued liabilities and accrued warranty	373,981	313,923
Deferred revenue	(49,726)	428,871
Net cash used in operating activities	(5,312,572)	(196,328)
Cash flows from investing activities		
Acquisition of property and equipment	(741,983)	—
Acquisition of customer list	(77,000)	—
Acquisition of Alternative Energy, Inc.	(80,000)	—
Net cash used in investing activities	(898,983)	—
Cash flows from financing activities		
Borrowing on long-term debt	495,596	—
Repayment of long-term debt	(21,697)	(12,386)
Borrowings on line of credit, net of repayments	2,950,000	—
Distributions to stockholder	—	(11,000)
Payment of capital lease obligations	(6,901)	—
Issuance of common stock under private placement	16,622,732	—
Proceeds from exercise of warrants	291,876	—
Payment of placement agent fees and registration fees	(1,027,743)	—
Net cash provided by (used in) financing activities	19,303,863	(23,386)
Net increase (decrease) in cash and cash equivalents	13,092,308	(219,714)
Cash and cash equivalents		
Beginning of period	992,376	270,046
End of period	$ 14,084,684	$ 50,332
Supplemental cash flows disclosures:		
Cash paid during the period for interest	$ 38,778	$ 24,164
Non-cash investing and financing activities		
Issuance of common stock warrants for placement agent fees and finders fees	$ 1,002,527	$ —
Issuance of common stock under an account purchase agreement	$ 175,568	$ —

Issuance of common stock for purchase of net assets under an asset purchase agreement	$	314,000	$	—
Assets acquired under capital lease	$	30,723	$	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

AKEENA SOLAR, INC.
Notes to Condensed Consolidated Financial Statements
June 30, 2007
(Unaudited)

1. Basis of Presentation and Description of Business

Basis of Presentation — Interim Financial Information

The accompanying consolidated financial statements are unaudited and have been prepared in accordance with generally accepted accounting principles for interim financial information. They should be read in conjunction with the financial statements and related notes to the financial statements of Akeena Solar, Inc. (the "Company") for the years ended December 31, 2006 and 2005 appearing in the Company's Form 10-KSB. The June 30, 2007 unaudited interim consolidated financial statements on Form 10-QSB have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and note disclosures normally included in the annual financial statements on Form 10-KSB have been condensed or omitted pursuant to those rules and regulations, although the Company's management believes the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting of normal recurring accruals, necessary for a fair statement of the result of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

Akeena Solar, Inc. was incorporated in February 2001 as a Subchapter S corporation in the State of California. During June 2006, the Company became a C corporation in the State of Delaware. On August 11, 2006, the Company entered into a reverse merger transaction (the "Merger") with Fairview Energy Corporation, Inc. ("Fairview"). Pursuant to the merger agreement, the stockholders of Akeena Solar received one share of Fairview common stock for each issued and outstanding share of Akeena Solar common stock, which totaled 8,000,000 shares. Akeena Solar's common shares were also adjusted from $0.01 par value to $0.001 par value at the time of the Merger. Subsequent to the closing of the Merger, the closing of a private placement of 3,217,500 shares of the Company's common stock (the "Private Placement") at an issue price of $1.00 per share for a total of $3,217,500, net of placement agent fees of $131,539, and the cancellation of 3,877,477 shares of Fairview common stock, the former stockholders of Akeena Solar held a majority of Fairview's outstanding common stock. The $131,539 of placement agent fees were comprised of $61,500 in cash fees paid and warrants to purchase 61,500 shares of the Company's common stock valued at $70,039 (see Note 11). Since the stockholders of Akeena Solar own a majority of the outstanding shares of Fairview common stock immediately following the Merger, and the management and board of Akeena Solar became the management and board of Fairview immediately following the Merger, the Merger is being accounted for as a reverse merger transaction and Akeena Solar is deemed to be the acquirer. The assets, liabilities and the historical operations prior to the Merger are those of Akeena Solar. Subsequent to the Merger, the consolidated financial statements include the assets and liabilities of Akeena Solar and Fairview, and the historical operations of Akeena Solar and the operations of Fairview from the closing date of the Merger.

Description of Business

The Company is engaged in a single business segment, the installation of solar panel systems to residential and commercial markets.

2. Significant Accounting Policies

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. The Company maintains cash and cash equivalents which consist principally of demand deposits with high credit quality financial institutions. At certain times, such amounts exceed FDIC insurance limits. The Company has not experienced any losses on these investments.

Manufacturer and installation warranties

The Company warrants its products for various periods against defects in material or installation workmanship. The manufacturer warranty on the solar panels and the inverters have a warranty period range of 5 - 25 years. The Company assists the customer in the event that the manufacturer warranty needs to be used to replace a defected panel or inverter. The Company provides for a 5-year warranty on the installation of a system and all equipment and incidental supplies other than solar panels and inverters that are covered under the manufacturer warranty. The Company records a provision for the installation warranty, within cost of sales, based on historical experience and future expectations of the probable cost to be incurred in honoring its warranty commitment. The provision for the installation warranty is included within “Accrued warranty” in the accompanying condensed consolidated balance sheets.

The provision for installation warranty consists of the following:

	(Unaudited) June 30, 2007	December 31, 2006
Balance at beginning of period	$ 508,655	$ 304,188
Provision charged to warranty expense	194,326	234,467
Less: warranty claims and provision adjustment	(207,500)	(30,000)
Balance at end of period	$ 495,481	$ 508,655

Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48 (“FIN 48”), “Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes.” FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on de-recognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. The interpretation applies to all tax positions related to income taxes subject to FASB Statement No. 109. FIN 48 is effective for fiscal years beginning after December 15, 2006. Differences between the amounts recognized in the statements of financial position prior to the adoption of FIN 48 and the amounts reported after adoption should be accounted for as a cumulative-effect adjustment recorded to the beginning balance of retained earnings. The adoption of FIN 48 did not have a material impact on the Company’s consolidated financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements in accounting pronouncements where fair value is the relevant measurement attribute. However, for some entities, the application of this statement will change current practice for financial statements issued for fiscal years beginning after November 15, 2007. The Company is currently evaluating the impact of the adoption of SFAS 157 on its definition and measurement of fair value and disclosure requirements.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108 (“SAB 108”) which provides guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 is effective for the first fiscal year ending after November 15, 2006. The Company has determined that the guidance in SAB 108 does not have a material impact on its consolidated financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 allows entities the option to measure eligible financial instruments at fair value as of specified dates. Such election, which may be applied on an instrument by instrument basis, is typically irrevocable once elected. SFAS 159 is effective for fiscal years beginning after November 15, 2007, and early application is allowed under certain circumstances. The Company does not expect the adoption of SFAS 159 to have a material impact on its consolidated financial position or results of operations.

3. Accounts Receivable

Accounts receivable consists of the following:

	(Unaudited) June 30, 2007	December 31, 2006
Trade accounts	$ 2,171,071	$ 1,671,237
California rebate receivable	542,827	1,040,263
Other state rebates receivable	2,045,174	706,712
Rebate receivable assigned to vendor	133,983	44,939
Other accounts receivable	39,068	15,000
Less: Allowance for doubtful accounts	(34,395)	(43,582)
	$ 4,897,728	$ 3,434,569

4. Property and equipment, net

Property and equipment, net consist of the following:

	(Unaudited) June 30, 2007	December 31, 2006
Vehicles	$ 919,034	$ 272,785
Furniture and fixtures	74,190	13,284
Office equipment	48,621	4,089
Leasehold improvements	92,257	4,013
	1,134,102	294,171
Less: Accumulated depreciation and amortization	(159,643)	(99,304)
	$ 974,459	$ 194,867

Depreciation expense for the three months ended June 30, 2007 and 2006 was approximately $46,000 and $7,000, respectively. Depreciation expense for the six months ended June 30, 2007 and 2006 was approximately $61,000 and $14,000, respectively. Accumulated depreciation related to approximately $97,000 of assets under capital leases was approximately $11,000 at June 30, 2007.

5. Assets Acquired

On September 29, 2006, the Company executed an Account Purchase Agreement (the “Purchase Agreement”), whereby the Company purchased customer contracts, fixed assets and a customer listing from an individual (the “Seller”) who, subsequent to the execution of the Purchase Agreement, became an employee of the Company. This employee has been hired to expand the Company’s operations into Fresno, California. Customer contracts of approximately $109,000 are included within “Prepaid expenses and other current assets, net” in the accompanying condensed consolidated balance sheet at June 30, 2007, net of accumulated amortization of approximately $109,000. The customer contracts were amortized over the period during which they were completed. Fixed assets purchased of approximately $37,000 are included within “Property and equipment, net” and the customer listing valued at approximately $354,000 is included within “Customer list, net” in the accompanying condensed consolidated balance sheet at June 30, 2007, net of accumulated amortization of approximately $151,000 at June 30, 2007. The customer list is being amortized over an eighteen month period. Upon execution of the Purchase Agreement, the Seller received approximately $196,000 and during January 2007, received approximately $176,000 in the Company’s common stock, based upon the weighted average closing price of the shares. The $176,000 was settled in 54,621 shares of the Company’s common stock (see Note 9). The total assets purchased under the Purchase Agreement were approximately $500,000 which consisted of the customer contracts valued at approximately $109,000, fixed assets of approximately $37,000, and a customer list valued at approximately $354,000. Customer deposit liabilities of approximately $51,000 were assumed by the Company at the time of the purchase of the customer contracts, fixed assets and a customer list. Additionally, under the terms of the Purchase Agreement, the Seller received cash of $77,000 during April 2007. If certain revenue milestone amounts are attained, the Seller may receive 29,481 and 27,143 shares of the Company’s common stock during 2007 and 2008, respectively. Additionally, per the terms of the Purchase Agreement, the Seller is entitled to receive 14,286 shares of the Company’s common stock on December 31, 2008, as long as the Seller remains employed by the Company at that time. The additional shares of the Company’s common stock that may be issued to the Seller based upon the Seller’s attainment of certain revenue milestone amounts will be treated as compensation expense and are limited to a maximum of 200,000 shares per the terms of the Purchase Agreement.

Concurrent with the execution of the Purchase Agreement, the Company entered into an employment agreement with the Seller which provides for, among other things, an annual base salary of $120,000 and expires December 31, 2008. There are automatic one-year renewals unless written notice is given within 30 days of the end of the term by either party. Under the terms of the employment agreement, the Seller has also agreed not to compete with the Company in Fresno, California, in the solar installation business for one year upon termination of employment.

6. Acquisitions

On May 3, 2007, the Company purchased customer contracts and fixed assets, and assumed certain liabilities, from Alternative Energy, Inc. (“AEI”), a California corporation, pursuant to an asset purchase agreement with AEI and its principal shareholders (the “Asset Purchase Agreement”) for approximately $100,000 ($20,000 of which is payable by December 31, 2007 and is included within “Deferred purchase price payable” within the accompanying condensed consolidated balance sheet at June 30, 2007) and 100,000 shares of the Company’s common stock (see Note 9). Additionally, the Company assumed AEI vehicle loans and leases and also assumed an operating lease for AEI's offices located in Santa Rosa, California, which expires in September 2008 and provides for monthly rent payments of approximately $2,600. As per the terms of the Asset Purchase Agreement, the Company purchased fixed assets valued at approximately $102,000 and customer contracts valued at approximately $97,000. The Company recorded approximately $319,000 of goodwill acquired in connection with the AEI transaction. The Company assumed approximately $94,000 in vehicle loans and leases, which includes approximately $31,000 for a capital lease, and also assumed customer deposit liabilities of approximately $9,000 relating to the customer contracts purchased. Fixed assets purchased of approximately $102,000 are included within “Property and equipment, net” in the accompanying condensed consolidated balance sheet at June 30, 2007. Customer contracts of approximately $97,000 are included within “Prepaid expenses and other current assets, net” in the accompanying condensed consolidated balance sheet at June 30, 2007, net of accumulated amortization of approximately $8,000. The customer contracts are being amortized over the period during which they are completed, which will range from 3-12 months from the purchase date of these contracts. Goodwill of approximately $319,000 is included within “Goodwill” in the accompanying condensed consolidated balance sheet at June 30, 2007.

Concurrent with the execution of the business combination under the Asset Purchase Agreement, the Company entered into a two-year employment agreement with one of the principal shareholders of AEI, as regional sales manager of its Santa Rosa, California office. The employment agreement provides for an annual base salary of $120,000, performance-based bonus compensation if certain sales goals are achieved payable in shares of our common stock, and severance payments. This employment agreement expires on June 1, 2009. This Santa Rosa regional sales manager has also agreed not to compete with the Company in the solar installation business for four years in Marin, Lake and Sonoma counties, and parts of Napa and Mendocino counties, in the State of California. As this transaction with AEI does not meet the significant asset test, pro forma financial information is not being provided within this Form 10-QSB.

7. Accrued liabilities

Accrued liabilities consist of the following:

	(Unaudited) June 30, 2007	December 31, 2006
Customer deposits	$ 438,008	$ 308,802
Accrued salaries and benefits	186,138	72,048
Accrued accounting and legal fees	60,200	35,200
Other accrued liabilities	333,993	206,134
	$ 1,018,339	$ 622,184

8. Credit facility

On December 19, 2006, the Company entered into a master revolving note with Comerica Bank (the “2006 Credit Facility”), with a maturity date of January 1, 2008, to replace the Company’s previous credit facility with Citibank West FSB dated August 31, 2005. On January 29, 2007, the Company entered into a Loan and Security Agreement with Comerica Bank for a $2.0 million line of credit (the “2007 Credit Facility”) to replace the Company’s 2006 Credit Facility dated December 19, 2006. On June 26, 2007, the 2007 Credit Facility was amended to, among other things, (i) increase the line of credit from $2.0 million to $7.5 million, (ii) reduce the interest rate to Prime minus 0.5% and (iii) change the maturity date of the 2007 Credit Facility from January 1, 2008 to August 1, 2008, at which time all amounts under the 2007 Credit Facility will become due and payable.

As of June 30, 2007, approximately $3.5 million was outstanding under the 2007 Credit Facility and no additional borrowing capacity was available at June 30, 2007. Interest on the outstanding balance under the 2007 Credit Facility is calculated on the prime rate (“Prime”) minus 0.5%. Interest was calculated based on Prime minus 0.5% (7.75%) at June 30, 2007. Under the 2007 Credit Facility, the Company can borrow against 80% of Eligible Accounts Receivable plus 50% of Inventory Availability (as such terms are defined in the monthly borrowing base report provided to Comerica Bank as per the terms of the 2007 Credit Facility), up to a maximum loan amount of $7.5 million. As of June 30, 2007, 80% of the Company’s Eligible Accounts Receivable was approximately $1.8 million, and 50% of Inventory Availability was approximately $1.9 million. All of the existing property and assets of the Company are pledged as collateral for the 2007 Credit Facility.

The Company is required to achieve certain performance objectives under its 2007 Credit Facility, based upon its forecasted results of operations. While management believes these objectives are reasonable, actual results may differ materially from those projected, which may adversely affect the Company’s ability to meet one or more of the financial covenants. If a violation of a financial covenant occurs, the Company is required to obtain a waiver letter from Comerica Bank. At June 30, 2007, the Company was in violation of a financial covenant and obtained the necessary waiver letter to be in compliance as of June 30, 2007.

9. Stockholders’ equity

The Company was incorporated in 2001 as a Subchapter S corporation. During June 2006, the Company became a C corporation in the State of Delaware. On August 11, 2006, the Company entered into a reverse merger transaction with Fairview as discussed in Note 1. Pursuant to the Merger, the stockholders of Akeena Solar received one share of Fairview common stock for each issued and outstanding share of Akeena Solar common stock, which totaled 8,000,000 shares. In addition, in connection with the reverse merger, the Company’s 1,000,000 outstanding warrants were exchanged for warrants of Fairview. The warrants to purchase 1,000,000 shares of the Company’s common stock were exercised and 1,000,000 shares of common stock were issued during 2006 at the exercise price of $0.01, for approximately $10,000. Akeena Solar’s common shares were also adjusted from $0.01 par value to $0.001 par value at the time of the Merger. Subsequent to the closing of the Merger, the closing of the Private Placement of 3,217,500 shares of the Company’s common stock at an issue price of $1.00 per share for a total of $3,217,500, net of placement agent fees of $131,539, and the cancellation of 3,877,477 shares of Fairview common stock, the former stockholders of Akeena Solar held a majority of Fairview’s outstanding common stock. The $131,539 of placement agent fees were comprised of $61,500 in cash fees paid and warrants to purchase 61,500 shares of the Company’s common stock valued at $70,039 (see Note 11). Since the stockholders of Akeena Solar own a majority of the outstanding shares of Fairview common stock immediately following the Merger, and the management and board of Akeena Solar became the management and board of Fairview immediately following the Merger, the Merger was accounted for as a reverse merger transaction and Akeena Solar was deemed to be the acquirer. The assets, liabilities and the historical operations prior to the Merger are those of Akeena Solar. Subsequent to the Merger, the consolidated financial statements include the assets and liabilities of Akeena Solar and Fairview, and the historical operations of Akeena Solar and the operations of Fairview from the closing date of the Merger.

During January 2007, 54,621 shares of the Company's common stock were issued at a value of approximately $176,000 in accordance with the terms of the Purchase Agreement as described in Note 5. During March 2007, the Company issued 2,062,304 shares of common stock and raised approximately $4.1 million under a private placement offering (the "March 2007 Private Placement"). Placement agent fees and registration fees relating to the March 2007 Private Placement include warrants to purchase 79,976 shares of the Company's common stock valued at $122,308 (see Note 11). During May 2007, 100,000 shares of the Company's common stock were issued at a value of approximately $314,000 in accordance with the terms of the business combination under the Asset Purchase Agreement as described in Note 6. During June 2007, the Company issued 4,567,270 shares of common stock and raised approximately $12.6 million under a private placement offering (the "June 2007 Private Placement"). Placement agent fees and registration fees relating to the June 2007 Private Placement include warrants to purchase 385,964 shares of the Company's common stock valued at $880,219 (see Note 11). Placement agent fees and registration fees relating to the March 2007 Private Placement and the June 2007 Private Placement include cash fees paid of approximately $1.0 million.

If the registration statements covering the March 2007 Private Placement and the June 2007 Private Placement cease for any reason to remain continuously effective for up to two years, or if the holders of the securities covered by the registration statements are otherwise not permitted to utilize the prospectus' included in the registration statements to resell any securities covered by the registration statements for more than 15 consecutive calendar days or more than 20 calendar days during any 12-month period (which need not to be consecutive calendar days), then each investor in the March 2007 Private Placement and the June 2007 Private Placement will be entitled to liquidated damages equal to 1% of the aggregate subscription amount paid by that investor, and an additional 1% for each month of delinquency. In no event, however, will liquidated damages exceed 9% of the gross proceeds of the March 2007 Private Placement and the June 2007 Private Placement.

10. Stock Incentive Plan

On August 8, 2006, Akeena Solar adopted the Akeena Solar, Inc. 2006 Stock Incentive Plan (the "Stock Plan") pursuant to which 450,000 shares of common stock were available for issuance to employees, directors and consultants under the Stock Plan as restricted stock and/or stock options. On December 20, 2006, the Stock Plan was amended to increase the number of shares available for issuance under the Stock Plan from 450,000 shares to 1,000,000 shares.

Restricted stock and stock options may be issued under the Stock Plan. The restriction period on the restricted shares granted shall generally expire at a rate of 25% a year over four years, unless decided otherwise by the Company's Board of Directors. Upon the lapse of the restriction period, the grantee shall become entitled to receive a stock certificate evidencing the common shares, and the restrictions shall cease to exist. The following table sets forth a summary of restricted stock activity for the six months ended June 30, 2007:

	Number of Restricted Shares
Outstanding and not vested at January 1, 2007	354,622
Granted during 2007	429,123
Forfeited/cancelled during 2007	(47,932)
Released/vested during 2007	(70,560)
Outstanding and not vested at June 30, 2007	665,253

The restricted stock is valued at the grant date fair value of the common stock and expensed over the requisite service period or vesting period. The Company recognized stock-based compensation expense of approximately $271,000 during the six months ended June 30, 2007 relating to compensation expense calculated in accordance with SFAS No. 123 - revised 2004, "Share-Based Payment" ("SFAS 123R") for restricted stock granted under the Stock Plan. SFAS 123R requires the estimation of forfeitures when recognizing compensation expense and that this estimate of forfeitures be adjusted over the requisite service period should actual forfeitures differ from such estimates. At June 30, 2007, there was approximately $1.4 million of unrecognized stock-based compensation expense associated with the non-vested restricted shares granted. Stock-based compensation expense relating to these restricted shares is being recognized over a weighted-average period of 3.2 years. SFAS 123R requires the cash flows as a result of the tax benefits resulting from tax deductions in excess of the compensation cost recognized (excess tax benefits) to be classified as financing cash flows. There are no excess tax benefits for the six months ended June 30, 2007, and therefore, there is no impact on the accompanying unaudited consolidated statements of cash flows.

11. Stock options and stock warrants

The Company's 2001 Stock Option Plan (the "2001 Plan") provides for the issuance of incentive stock options and non-statutory stock options. The Company's Board of Directors, which, subject to the terms of the 2001 Plan, determines to whom grants are made, and the vesting, timing, amounts and other terms of such grants. Incentive stock options may be granted only to employees of the Company, while non-statutory stock options may be granted to the Company's employees, officers, directors, consultants and advisors. Options under the Plan vest as determined by the Board of Directors, but in no event at a rate less than 20% per year. The term of the options granted under the 2001 Plan may not exceed 10 years and the maximum aggregate shares that may be issued upon exercise of such options is 4,000,000 shares of common stock. No options have been granted under the 2001 Plan as of June 30, 2007.

During August and September 2006, the Company issued warrants to purchase 61,500 shares of the Company's common stock at an exercise price per share of $1.00 to the placement agent that sold 41 units under the Private Placement. The fair value of these warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: a risk-free interest rate of 4.9%, an expected life of three years, an expected volatility factor or 103.3% and a dividend yield of 0.0%. The value assigned to these warrants under the Black-Scholes estimate is approximately $70,000.

During March 2007, the Company issued warrants to purchase 79,976 shares of the Company's common stock at exercise prices ranging from $1.97 - $2.75 per share in connection with the March 2007 Private Placement. The fair value of these warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: a risk-free interest rate of 4.5%, an expected life of three years, an expected volatility factor or 103.3% and a dividend yield of 0.0%. The value assigned to these warrants under the Black-Scholes estimate is approximately $122,000.

In connection with the $4.1 million raised under the March 2007 Private Placement and the issuance of 2,062,304 shares of common stock to the investors, the Company also issued to the investors in the March 2007 Private Placement warrants to purchase 412,460 shares of the Company's common stock, with exercise prices ranging from $2.75 - 3.00 per share. Using the Black-Scholes pricing model, the relative fair value of the warrants issued to the investors under the March 2007 Private Placement was approximately $779,000. The total relative fair value of the common stock and the warrants issued to investors under the March 2007 Private Placement was approximately $4.7 million.

During June 2007, the Company issued warrants to purchase 385,964 shares of the Company's common stock at exercise prices ranging from $2.75 - $3.95 per share in connection with the June 2007 Private Placement. The fair value of these warrants was estimated using the Black-Scholes pricing model with the following weighted average assumptions: a risk-free interest rate of 4.9%, an expected life of three years, an expected volatility factor of 96.9% and a dividend yield of 0.0%. The value assigned to these warrants under the Black-Scholes estimate is approximately $880,000.

In connection with the $12.6 million raised under the June 2007 Private Placement and the issuance of 4,567,270 shares of common stock to the investors, the Company also issued to the investors in the June 2007 Private Placement warrants to purchase 913,455 shares of the Company's common stock, with an exercise price of $3.95 per share. Using the Black-Scholes pricing model, the relative fair value of the warrants issued to the investors under the June 2007 Private Placement was approximately $2.4 million. The total relative fair value of the common stock and the warrants issued to investors under the June 2007 Private Placement was approximately $14.6 million.

During the six months ended June 30, 2007, warrants to purchase 101,522 shares of the Company's common stock were exercised. Therefore, as of June 30, 2007, warrants to purchase 1,751,833 shares of the Company's common stock were outstanding and exercisable.

12. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the period presented. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the periods plus the effect of dilutive securities outstanding during the periods. For the three and six months ended June 30, 2007, basic earnings per share is the same as diluted earnings per share as a result of the Company's common stock equivalents being anti-dilutive due to the Company's net loss. The Company's issued and outstanding common shares as of June 30, 2006 does not include the underlying shares exercisable relating to the issuance of 1,000,000 warrants outstanding at June 30, 2006, exercisable at $0.01 per share. In accordance with SFAS No. 128, "Earnings Per Share," the Company has given effect to the issuance of these warrants in computing basic net income per share for the three and six months ended June 30, 2006. The warrants to purchase 1,000,000 shares of common stock were exercised and issued during the fourth quarter of 2006, and are therefore included in the Company's issued and outstanding common shares as of June 30, 2007.

At June 30, 2007, warrants to purchase 1,751,833 shares of the Company's common stock and 665,253 non-vested restricted shares, net of forfeitures, (see Note 10) are dilutive securities that may dilute future earnings per share.

The weighted-average number of common shares outstanding of 17,963,434 and 9,000,000 as of June 30, 2007 and 2006, respectively, used to calculate basic earnings per share include 1,000,000 contingently issuable warrants for shares of the Company’s common stock. Such warrants were exercised for 1,000,000 shares of common stock during the fourth quarter of 2006.

13. Related party transactions

The Chief Executive Officer of the Company is a director of Akeena Wireless, Inc. (“AWI”) and is currently a custodian for AWI. The Company has an amount due from this related party for expenses of approximately $22,000 paid by the Company on behalf of AWI, which are recorded as “Due from related party” within the accompanying consolidated balance sheet.

14. Income Taxes

As the Company was a Subchapter S corporation until June 2006, any taxable income or loss of the S corporation through June 2006 was included within the sole stockholder’s income for federal and state income tax purposes.

Deferred income taxes arise from timing differences resulting from income and expense items reported for financial account and tax purposes in different periods. A deferred tax asset valuation allowance is recorded when it is more likely than not that deferred tax assets will not be realized. During the three and six months ended June 30, 2007, there was no income tax expense or benefit for federal and state income taxes in the accompanying unaudited condensed consolidated statements of operations due to the Company's net loss and a valuation allowance on the resulting deferred tax asset.

15. Commitments and contingencies

Litigation

The Company is involved in certain legal proceedings arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings will not materially affect the Company's financial position, results of operations or cash flows.

Employment Agreements

The Company has an employment agreement with an employee which provides for an annual base salary of $120,000 and expires December 31, 2008. There are automatic one-year renewals unless written notice is given within 30 days of the end of the term by either party. The Company has another employment agreement with an employee which provides for an annual base salary of $120,000 and expires June 1, 2009.

16. Subsequent events

During July 2007, warrants to purchase 126,660 shares of the Company's common stock were exercised. During August 2007, the Company granted an aggregate of 48,000 shares of restricted common stock under the Stock Plan to an advisor for services provided to the Company.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

All references to the "Company," "we," "our," and "us" refer to Akeena Solar, Inc. and its subsidiaries ("Akeena Solar").

The following discussion highlights the principal factors that have affected our financial condition and results of operations as well as our liquidity and capital resources for the periods described. This discussion contains forward-looking statements. Please see "Cautionary Factors That May Affect Future Results" for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements. The operating results for the periods presented were not significantly affected by inflation.

Cautionary Factors That May Affect Future Results

The following discussion and other parts of this Quarterly Report on Form 10-QSB concerning our future business, operating and financial condition, including but not limited to expectations regarding revenue growth, net sales, gross profit, operating expenses and performance objectives, and statements using the terms "believes," "expects," "will," "could," "plans," "anticipates," "estimates," "predicts," "intends," "potential," "continue," "should," "may," or the negative of these ter similar expressions are "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations as of the date of this Quarterly Report. These statements are subject to risks and uncertainties that may cause our actual results to differ materially from those expectations. Risks that may effect our actual performance include the risks described under the caption "Risk Factors That May Affect Future Results and Market Price of our Stock" in this Report. Further information on potential risk factors that could affect our future business and financial results can be found in our periodic filings with the Securities and Exchange Commission. We undertake no obligation to update any of these forward-looking statements.

Company Overview

Akeena Solar is a leading designer and integrator of solar power systems. We market, sell, design and install systems for residential and small commercial customers. We currently service customers in California, New York, New Jersey, Pennsylvania and Connecticut. According to data compiled by the California Energy Commission and the New Jersey Clean Energy Program, over the past three years Akeena Solar has been one of the largest national integrators of residential and small commercial solar power systems in the United States. To date, we have installed over 800 solar power systems.

Akeena Solar was formed in February 2001 as a California corporation under the name "Akeena, Inc." and reincorporated as a Delaware corporation in June 2006, at which time its name was changed to "Akeena Solar, Inc." Our offices are located in Los Gatos, Fresno (Clovis), Orange County, Bakersfield, Manteca and Santa Rosa, California, as well as Fairfield, New Jersey. Our Corporate headquarters are located at 16005 Los Gatos Boulevard, Los Gatos, California 95032. We maintain installation offices at all of our California offices and at our Fairfield, New Jersey facility.

On August 11, 2006, we entered into a reverse merger transaction (the "Merger") with Fairview Energy Corporation, Inc. ("Fairview"). Since the stockholders of Akeena Solar owned a majority of the outstanding shares of Fairview common stock immediately following the Merger, and the management and board of Akeena Solar became the management and board of Fairview immediately following the Merger, the Merger was accounted for as a reverse merger transaction and Akeena Solar was deemed to be the acquirer.

On September 29, 2006, we purchased certain solar electric energy generation customers contracts, certain fixed assets and a customer list from Jeffrey Brown d/b/a Solahart All Valley Energy Systems, a Fresno-based installer of solar energy systems, solar hot water systems and solar pool heaters ("Solahart"), and hired Mr. Brown to help expand our business in the Fresno, California area. The total assets purchased under the agreement were approximately $423,000 which consisted of customer contracts valued at approximately $109,000, fixed assets of approximately $37,000, and a customer list valued at approximately $277,000. Solahart customer deposit liabilities of approximately $51,000 were assumed by us at the time of the purchase of the customer contracts, fixed assets and the customer listing. Upon execution of the Purchase Agreement, Mr. Brown received approximately $196,000 and during January 2007, received 54,621 shares of our common stock, based upon the weighted average closing price of the shares. During April 2007, we paid $77,000 to Mr. Brown in accordance with the terms of the Purchase Agreement. We will issue up to an additional 200,000 shares of our common stock to Mr. Brown upon our achieving certain revenue milestones. Mr. Brown has agreed not to compete with us with respect to photovoltaic customers and not to solicit our employees or customers in Fresno, California for 12 months after his employment with us terminates. Solahart remains as an operating entity focusing on solar water heating installations used in swimming pool and residential water heating.

On May 3, 2007, Akeena Corp., our wholly-owned subsidiary, purchased customer contracts and fixed assets, and assumed certain liabilities, from Alternative Energy, Inc. (“AEI”), a California corporation, pursuant to a business combination under an asset purchase agreement with AEI and its principal shareholders (the “Asset Purchase Agreement”) for $100,000 cash ($20,000 of which is payable by December 31, 2007), 100,000 shares of our common stock, and the assumption of three vehicle leases and an operating lease for

AEI's offices located in Santa Rosa, California, which expires in September 2008 and provides for monthly rent payments of approximately $2,600. Concurrent with the execution of the business combination under the Asset Purchase Agreement, Akeena Corp. entered into a two-year employment agreement with Christopher Frye, as regional sales manager of its Santa Rosa, California office. The employment agreement provides for an annual base salary of $120,000, performance-based bonus compensation if certain sales goals are achieved payable in shares of the Company's common stock, and severance payments. Mr. Frye has also agreed not to compete with us in the solar installation business for four years in Marin, Lake and Sonoma counties, and parts of Napa and Mendocino counties, in the State of California.

Results of Operations

The following table sets forth, for the periods indicated, certain information related to our operations, expressed in dollars and as a percentage of our net sales:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2007		2006		2007		2006	
Net sales	$ 7,510,861	100.0%	$ 2,812,424	100.0%	$ 13,803,291	100.0%	$ 5,302,597	100.0%
Cost of sales	5,741,097	76.4%	2,097,742	74.6%	10,533,961	76.3%	4,019,539	75.8%
Gross profit	1,769,764	23.6%	714,682	25.4%	3,269,330	23.7%	1,283,058	24.2%
Operating expenses:								
Sales and marketing	1,314,285	17.5%	289,613	10.3%	2,082,416	15.0%	441,113	8.3%
General and administrative	2,358,374	31.4%	659,702	23.4%	3,996,235	29.0%	1,043,917	19.7%
Total operating expenses	3,672,659	48.9%	949,315	33.7%	6,078,651	44.0%	1,485,030	28.0%
Loss from operations	(1,902,895)	(25.3)%	(234,633)	(8.3)%	(2,809,321)	(20.3)%	(201,972)	(3.8)%
Other income (expense):								
Interest income (expense), net	(21,417)	(0.3)%	(13,164)	(0.5)%	(48,395)	(0.4)%	(26,195)	(0.5)%
Total other income (expense)	(21,417)	(0.3)%	(13,164)	(0.5)%	(48,395)	(0.4)%	(26,195)	(0.5)%
Loss before provision for income taxes	(1,924,312)	(25.6)%	(247,797)	(8.8)%	(2,857,716)	(20.7)%	(228,167)	(4.3)%
Provision for income taxes	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Net loss	$ (1,924,312)	(25.6)%	$ (247,797)	(8.8)%	$ (2,857,716)	(20.7)%	$ (228,167)	(4.3)%

Three Months Ended June 30, 2007 as compared to Three Months Ended June 30, 2006

Net sales

Net sales totaled $7.5 million for the three months ended June 30, 2007, as compared to $2.8 million for the same period in 2006, or an increase of 167.1%. The increase was due to a higher volume of both residential and commercial installations for the three months ended June 30, 2007 as compared to 2006. The increased volume reflects both the widening acceptance of photovoltaic technology on the consumer level, and a steadily accelerating pace of installations during 2007. At June 30, 2007, we were operating six offices in California and one office in New Jersey, as compared to just one office in California and one office in New Jersey at June 30, 2006.

Cost of sales

Cost of sales, including all installation expenses, during the three months ended June 30, 2007 was 76.4% of net sales, as compared to 74.6% in 2006. This is the result of higher equipment costs during the three months ended June 30, 2007 as compared to the same period of the prior year, offset by better absorption of engineering and semi-fixed installation expenses. Gross profit for the three months ended June 30, 2007 was 23.6% of net sales, as compared to 25.4% in 2006.

Sales and marketing expenses

Sales and marketing expenses for the three months ended June 30, 2007 were 17.5% of net sales as compared to 10.3% of net sales during the same period of the prior year. Sales and marketing expenses were approximately $1.3 million for the three months ended June 30, 2007 as compared to approximately $290,000 for the same period in 2006. This increase is mainly due to higher sales commissions and higher sales and marketing payroll and employee benefits expenses during the second quarter of 2007. We employed an additional 28 sales and marketing employees as of June 30, 2007, as compared to June 30, 2006. In addition, we incurred increased advertising, public relations and internet marketing expenditures, as well as additional trade shows and conferences expenditures during the three months ended June 30, 2007 as compared to the same period of the prior year.

General and administrative expenses

General and administrative expenses for the quarter ended June 30, 2007 were 31.4% of net sales as compared to 23.4% of net sales during the same period of the prior year. General and administrative expenses increased to approximately $2.4 million for the three months ended June 30, 2007 compared to approximately $660,000 for the three months ended June 30, 2006. We employed an additional 39 general and administrative employees as of June 30, 2007 as compared to June 30, 2006. Additionally, we incurred stock-based compensation expense relating to restricted stock granted under our 2006 Stock Incentive Plan during the three months ended June 30, 2007, which was an incremental cost as compared to the same period of the prior year.

Interest expense

A credit line of $7.5 million is available to us under our credit facility with Comerica Bank (the "2007 Credit Facility"), as evidenced by a loan and security agreement with Comerica Bank, entered into on January 29, 2007 and amended on June 26, 2007. Interest expense was approximately $21,000 for the three months ended June 30, 2007 and this related primarily to our 2007 Credit Facility, including credit facility loan fees of approximately $2,000. Interest expense was approximately $13,000 during the same period in 2006, which related primarily to our previous credit facility with Citibank (West) FSB.

Income taxes

During the three months ended June 30, 2007, there was no income tax expense or benefit for federal and state income taxes in the Company's consolidated statements of operations due to the Company's net loss and a valuation allowance on the resulting deferred tax asset. The Company did not record a provision for income taxes for the three months ended June 30, 2006, as the Company was a Subchapter S corporation until June 2006, and any taxable income or loss of the S corporation is included within the stockholder's income for federal and state income tax purposes through June 2006.

Six Months Ended June 30, 2007 as compared to Six Months Ended June 30, 2006

Net sales

Net sales totaled $13.8 million for the six months ended June 30, 2007, as compared to $5.3 million for the same period in 2006, or an increase of 160.3%. The increase was due to a higher volume of both residential and commercial installations for the six months ended June 30, 2007 as compared to 2006. The increased volume reflects both the widening acceptance of photovoltaic technology on the consumer level, and a steadily accelerating pace of installations during 2007. At June 30, 2007, we were operating six offices in California and one office in New Jersey, as compared to just one office in California and one office in New Jersey at June 30, 2006.

Cost of sales

Cost of sales, including all installation expenses, during the six months ended June 30, 2007 was 76.3% of net sales, as compared to 75.8% in 2006. This is the result of higher equipment costs during the six months ended June 30, 2007 as compared to the same period of the prior year, offset by better absorption of engineering and semi-fixed installation expenses. Gross profit for the six months ended June 30, 2007 was 23.7% of net sales, as compared to 24.2% in 2006.

Sales and marketing expenses

Sales and marketing expenses for the six months ended June 30, 2007 were 15.0% of net sales as compared to 8.3% of net sales during the same period of the prior year. Sales and marketing expenses were approximately $2.1 million for the six months ended June 30, 2007 as compared to approximately $441,000 for the same period in 2006. This increase is mainly due to higher sales commissions and higher sales and marketing payroll and employee benefits expenses during 2007. We employed an additional 28 sales and marketing employees during the six months ended June 30, 2007 as compared to the same period of the prior year. In addition, we incurred increased advertising, public relations and internet marketing expenditures, as well as additional trade shows and conferences expenditures during the six months ended June 30, 2007 as compared to the same period of the prior year.

General and administrative expenses

General and administrative expenses for the six months ended June 30, 2007 were 29.0% of net sales as compared to 19.7% of net sales during the same period of the prior year. General and administrative expenses increased to approximately $4.0 million for the six months ended June 30, 2007 compared to approximately $1.0 million for the six months ended June 30, 2006. General and administrative expenses for legal, accounting and other professional services increased approximately $485,000 due primarily to costs associated with the additional costs incurred during 2007 as a result of being a public company. We also employed an additional 39 general and administrative employees during the six months ended June 30, 2007 as compared to the same period of the prior year. Additionally, we incurred stock-based compensation expense relating to restricted stock granted under our 2006 Stock Incentive Plan during the six months ended June 30, 2007, which was an incremental cost as compared to the same period of the prior year.

Interest expense

Interest expense was approximately $48,000 for the six months ended June 30, 2007 and this related primarily to our 2007 Credit Facility, including credit facility loan fees of approximately $2,000. Interest expense was approximately $26,000 for the six months ended June 30, 2006, which related primarily to our previous credit facility with Citibank (West) FSB.

Income taxes

During the six months ended June 30, 2007, there was no income tax expense or benefit for federal and state income taxes in the Company's consolidated statements of operations due to the Company's net loss and a valuation allowance on the resulting deferred tax asset. The Company did not record a provision for income taxes for the six months ended June 30, 2006, as the Company was a Subchapter S corporation until June 2006, and any taxable income or loss of the S corporation is included within the stockholder's income for federal and state income tax purposes through June 2006.

Liquidity and capital resources

Prior to the Merger, we funded our operations through our credit facility with Citibank (West) FSB and cash provided by operating activities.

In connection with the Merger, we completed the closing of a private placement of our common stock in which we sold an aggregate of 128.7 units to accredited investors (the "Private Placement"). Each unit consisted of 25,000 shares of our common stock. As a result of the Private Placement, we issued a total of 3,217,500 shares of our common stock. Some units were offered by Westminster Securities Corporation, pursuant to the terms of a placement agent agreement dated July 21, 2006. The placement agent received (i) a cash fee of $61,500 (representing 6% of the gross proceeds of the units sold by it in the Private Placement) and (ii) three-year warrants to purchase an aggregate of 61,500 shares of our common stock (representing 6% of the shares sold by it in the Private Placement) at an exercise price of $1.00 per share. We realized gross proceeds of approximately $3.2 million from the Private Placement before commissions and expenses.

On December 19, 2006, we issued a master revolving note between us and Comerica Bank (the "Master Revolving Note", or the "2006 Credit Facility") to replace our previous credit facility with Citibank (West) FSB dated August 31, 2005. On January 29, 2007, we replaced the 2006 Credit Facility with the 2007 Credit Facility. Using proceeds from the 2007 Credit Facility, we satisfied all of our outstanding obligations under the Master Revolving Note resulting in the termination of the Master Revolving Note and related security agreement. The guaranty to Comerica Bank executed on December 19, 2006 by Barry Cinnamon, our President and Chief Executive Officer, in connection with the Master Revolving Note (the "Guaranty"), is no longer in effect with respect to our obligations under the 2007 Credit Facility.

The 2007 Credit Facility is evidenced by a loan and security agreement with Comerica Bank, entered into on January 29, 2007 and amended on June 26, 2007 (the "Security Agreement"). Borrowings under the 2007 Credit Facility bear interest at prime minus 0.5%, payable on the first of each month. The 2007 Credit Facility matures on August 1, 2008, at which time all outstanding amounts will become due and payable. The Security Agreement grants Comerica Bank a first priority security interest in all of our assets, now owned or later acquired, to secure timely repayment of the 2007 Credit Facility. As of June 30, 2007, approximately $3.5 million was outstanding under the 2007 Credit Facility. Interest on the outstanding balance under the 2007 Credit Facility was calculated based on Prime minus 0.5% (7.75%) at June 30, 2007. The Company is required to achieve certain performance objectives under its 2007 Credit Facility, based upon its forecasted results of operations. While we believe these objectives are reasonable, actual results may differ materially from those projected, which may adversely affect our ability to meet one or more of our financial covenants. If a violation of a financial covenant occurs, we are required to obtain a waiver letter from Comerica Bank.

At June 30, 2007, the Company was in violation of a financial covenant and obtained the necessary waiver letter to be in compliance as of June 30, 2007.

On March 8, 2007, we closed a private placement offering to accredited investors (the “March 2007 Private Placement”) in which we realized gross proceeds of approximately $4.1 million, before commissions and expenses. In connection with the March 2007 Private Placement closing, we issued to investors an aggregate of 2,062,304 shares of common stock and (i) three-year warrants to purchase 206,230 shares of common stock with an exercise price of $2.75 per share, and (ii) three-year warrants to purchase 206,230 shares of common stock with an exercise price of $3.00 per share. Empire Financial Group, Inc. acted as placement agent with respect to the offering and received (i) a cash fee of $124,250 and (ii) a three-year warrant to purchase 53,250 shares of common stock at an exercise price of $2.75 per share. The Westly Group acted as a finder with respect to the offering and received (i) a cash fee of $35,000 and (ii) a three-year warrant to purchase 15,000 shares of common stock at an exercise price of $2.75 per share. Westminster Securities Corporation also received a finder’s fee of $21,000 and a three-year warrant to purchase 11,726 shares of common stock at an exercise price of $1.97 per share. On April 6, 2007 we filed a registration statement with the SEC covering the shares of common stock issued in the March 2007 Private Placement and the shares of common stock issuable upon exercise of the warrants issued in the March 2007 Private Placement. Such registration statement became effective on April 16, 2007. If such registration statement ceases for any reason to remain continuously effective for up to two years, or if the holders of the securities covered by the registration statement are otherwise not permitted to utilize the prospectus included in the registration statement to resell any securities covered by the registration statement for more than 15 consecutive calendar days or more than 20 calendar days during any 12-month period (which need not to be consecutive calendar days), then each investor in the March 2007 Private Placement will be entitled to liquidated damages equal to 1% of the aggregate subscription amount paid by that investor in the March 2007 Private Placement, and an additional 1% for each month of delinquency. In no event, however, will liquidated damages exceed 9% of the gross proceeds of the March 2007 Private Placement.

On June 4, 2007, we closed a private placement offering to accredited investors (the "June 2007 Private Placement") in which we realized gross proceeds of approximately $12.6 million, before commissions and expenses. In connection with the closing of the June 2007 Private Placement, we issued to investors an aggregate of 4,567,270 shares of common stock and three-year warrants to purchase 913,455 shares of common stock with an exercise price of $3.95 per share. Empire Financial Group, Inc. acted as placement agent with respect to the June 2007 Private Placement and received (i) a cash fee of $633,850 and (ii) a three-year warrant to purchase 376,800 shares of common stock at an exercise price of $3.95 per share. Westminster Securities Corporation also received a finder's fee of $21,000 and a three-year warrant to purchase 9,164 shares of common stock at an exercise price of $2.75 per share. On July 3, 2007, we filed a registration statement with the SEC covering the shares of common stock sold in the June 2007 Private Placement and shares of common stock underlying the warrants issued in the June 2007 Private Placement. Such registration statement was declared effective on July 24, 2007. If such registration statement ceases for any reason to remain continuously effective for up to two years, or the holders of the securities covered by the registration statement are otherwise not permitted to utilize the prospectus included in the registration statement to resell any securities covered by the registration statement for more than 15 consecutive calendar days or more than 20 calendar days during any 12-month period (which need not to be consecutive calendar days), then each investor in the June 2007 Private Placement will be entitled to liquidated damages equal to 1% of the aggregate subscription amount paid by that investor in the June 2007 Private Placement, and an additional 1% for each month of delinquency. In no event, however, will liquidated damages exceed 9% of the gross proceeds of the June 2007 Private Placement.

Cash paid for placement agent fees and finders fees for the March 2007 Private Placement were $180,250. Cash paid for placement agent fees and finders fees for the June 2007 Private Placement were $654,850. Cash paid for other direct professional and registration fees incurred relating to the March 2007 Private Placement and the June 2007 Private Placement were $192,643.

Our primary capital requirement is to fund purchases of solar panels and inverters. Significant sources of liquidity are cash on hand, cash flows from operating activities, working capital, borrowings from our revolving line of credit and equity proceeds raised. As of June 30, 2007 we had approximately $14.1 million in cash on hand and no additional borrowing capacity was available under our 2007 Credit Facility at June 30, 2007.

Cash flows used in operating activities were approximately $(5.3) million and approximately $(196,000) for the six months ended June 30, 2007 and 2006, respectively. Large purchases of solar panel inventory occurred during the first six months of 2007 in preparation for installation on various residential and commercial jobs, in addition to an increase in our overall accounts receivable balances. Similarly, accounts payable rose in response to the increase in inventory purchases as a result of the increase in overall revenue levels. We believe a high level of inventory is a significant benefit in our industry. Panels may be difficult to procure and are generally immediately fungible.

Cash flows used in investing activities were approximately $(899,000) and $0, respectively, for the six months ended June 30, 2007 and 2006. During the six months ended June 30, 2007, we acquired vehicles, office equipment, office furniture and other fixed assets primarily for our new corporate office location and for our most recently added Fresno, Orange County, Bakersfield, Manteca and Santa Rosa office locations.

Cash flows provided by (used in) financing activities were approximately $19.3 million and approximately $(23,000), respectively, for the six months ended June 30, 2007 and 2006. During the six months ended June 30, 2007, we raised proceeds of approximately $16.6 million, before cash paid for placement agent fees and registration fees of approximately $(1.0) million, from the issuance of our common stock under two private placements. In addition, we borrowed approximately $3.0 million under our 2007 Credit Facility during the six months ended June 30, 2007.

Contractual obligations as of June 30, 2007

	Payments Due				
Obligation	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Operating leases	$ 1,073,014	$ 351,145	$ 671,171	$ 50,698	$ —
Capital leases	78,705	20,335	57,188	1,182	—
	$ 1,151,719	$ 371,480	$ 728,359	$ 51,880	$ —

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Application of critical accounting policies and estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires estimates and assumptions that affect the reporting of assets, liabilities, sales and expenses, and the disclosure of contingent assets and liabilities. Note 2 to our consolidated financial statements included in our Annual Report on Form 10-KSB for the years ending December 31, 2006 and 2005 provides a summary of our significant accounting policies, which are all in accordance with generally accepted accounting policies in the United States. Certain of our accounting policies are critical to understanding our consolidated financial statements, because their application requires management to make assumptions about future results and depends to a large extent on management's judgment, because past results have fluctuated and are expected to continue to do so in the future.

We believe that the application of the accounting policies described in the following paragraphs is highly dependent on critical estimates and assumptions that are inherently uncertain and highly susceptible to change. For all these policies, we caution that future events rarely develop exactly as estimated, and the best estimates routinely require adjustment. On an ongoing basis, we evaluate our estimates and assumptions, including those discussed below.

Revenue recognition. Revenue from sales of products is recognized when: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the sale price is fixed or determinable, and (4) collection of the related receivable is reasonably assured. We recognize revenue upon completion of a system installation.

Long-lived assets. We periodically review our property and equipment and identifiable intangible assets for possible impairment whenever facts and circumstances indicate that the carrying amount may not be fully recoverable. Assumptions and estimates used in the evaluation of impairment may affect the carrying value of long-lived assets, which could result in impairment charges in future periods. Significant assumptions and estimates include the projected cash flows based upon estimated revenue and expense growth rates and the discount rate applied to expected cash flows. In addition, our depreciation and amortization policies reflect judgments on the estimated useful lives of assets.

Seasonality

Our quarterly installation and operating results may vary significantly from quarter to quarter as a result of seasonal changes in State or Federal subsidies as well as weather. Historically, sales are highest during the third and fourth quarters as a result of good weather and robust bookings in the second quarter.

RISK FACTORS THAT MAY AFFECT FUTURE RESULTS AND MARKET PRICE OF OUR STOCK

There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occurs, our business, financial condition or results of operations may be materially adversely affected. In that case, the trading price of our common stock could decline and investors in our common stock could lose all or part of their investment.

The success of our business depends on the continuing contributions of Barry Cinnamon and other key personnel who may terminate their employment with us at any time, and we will need to hire additional qualified personnel.

We rely heavily on the services of Barry Cinnamon, our Chief Executive Officer, as well as several other management personnel. Loss of the services of any of such individuals would adversely impact our operations. In addition, we believe our technical personnel represent a significant asset and provide us with a competitive advantage over many of our competitors and that our future success will depend upon our ability to retain these key employees and our ability to attract and retain other skilled financial, engineering, technical and managerial personnel. None of our key personnel are party to any employment agreements with us and management and other employees may voluntarily terminate their employment at any time. We do not currently maintain any “key man” life insurance with respect to any of such individuals.

We are dependent upon our suppliers for the components used in the systems we design and install; and our major suppliers are dependent upon the continued availability and pricing of silicon and other raw materials used in solar modules.

The components used in our systems are purchased from a limited number of manufacturers. In particular, Sharp, Kyocera and SunPower account for over 90% of our purchases of photovoltaic modules. We do not manufacture any of the components used in our solar installations. We are subject to market prices for the components that we purchase for our installations, which are subject to fluctuation. We cannot ensure that the prices charged by our suppliers will not increase because of changes in market conditions or other factors beyond our control. An increase in the price of components used in our systems could result in an increase in costs to our customers and could have a material adverse effect on our revenues and demand for our services. Our suppliers are dependent upon the availability and pricing of silicon, one of the main materials used in manufacturing solar panels. The world market for solar panels recently experienced a shortage of supply due to insufficient availability of silicon. This shortage caused the prices for solar modules to increase. Interruptions in our ability to procure needed components for our systems, whether due to discontinuance by our suppliers, delays or failures in delivery, shortages caused by inadequate production capacity or unavailability, or for other reasons, would adversely affect or limit our sales and growth. In addition, increases in the prices of modules could make systems that have been sold but not yet installed unprofitable for us. There is no assurance that we will continue to find qualified manufacturers on acceptable terms and, if we do, there can be no assurance that product quality will continue to be acceptable, which could lead to a loss of sales and revenues.

Geographical business expansion efforts we make could result in difficulties in successfully managing our business and consequently harm our financial condition.

As part of our business strategy, we may seek to expand by acquiring competing businesses or customer contracts in our current or other geographic markets. We face challenges in managing expanding product and service offerings and in integrating acquired businesses with our own. Most recently we commenced operations at our Bakersfield, Manteca and Santa Rosa offices in California. We recently commenced operations in Fresno, California, through the purchase of customer contracts, and additionally, we opened an office in Orange County, California. We currently intend to seek additional locations for expansion. We cannot accurately predict the timing, size and success of our expansion efforts and the associated capital commitments that might be required. We expect to face competition for expansion candidates, which may limit the number of expansion opportunities available to us and may lead to higher expansion costs. There can be no assurance that we will be able to identify, acquire or profitably manage additional businesses/contracts or successfully integrate acquired businesses/contracts, if any, into our company, without substantial costs, delays or other operational or financial difficulties. In addition, expansion efforts involve a number of other risks, including:

- Failure of the expansion efforts to achieve expected results;
- Diversion of management's attention and resources to expansion efforts;
- Failure to retain key customers or personnel of the acquired businesses; and
- Risks associated with unanticipated events, liabilities or contingencies.

Client dissatisfaction or performance problems at a single acquired business could negatively affect our reputation. The inability to acquire businesses on reasonable terms or successfully integrate and manage acquired companies, or the occurrence of performance problems at acquired companies, could result in dilution, unfavorable accounting charges and difficulties in successfully managing our business.

Because our industry is highly competitive and has low barriers to entry, we may lose market share to larger companies that are better equipped to weather a deterioration in market conditions due to increased competition.

Our industry is highly competitive and fragmented, is subject to rapid change and has low barriers to entry. We may in the future compete for potential customers with solar and HVAC systems installers and servicers, electricians, utilities and other providers of solar power equipment or electric power. Some of these competitors may have significantly greater financial, technical and marketing resources and greater name recognition than we have.

We believe that our ability to compete depends in part on a number of factors outside of our control, including:

- the ability of our competitors to hire, retain and motivate qualified technical personnel;
- the ownership by competitors of proprietary tools to customize systems to the needs of a particular customer;
- the price at which others offer comparable services and equipment;
- the extent of our competitors' responsiveness to client needs; and
- installation technology.

Competition in the solar power services industry may increase in the future, partly due to low barriers to entry, as well as from other alternative energy resources now in existence or developed in the future. Increased competition could result in price reductions, reduced margins or loss of market share and greater competition for qualified technical personnel. There can be no assurance that we will be able to compete successfully against current and future competitors. If we are unable to compete effectively, or if competition results in a deterioration of market conditions, our business and results of operations would be adversely affected.

Our profitability depends, in part, on our success on brand recognition and we could lose our competitive advantage if we are not able to protect our trademark against infringement, and any related litigation could be time-consuming and costly.

We believe our brand has gained substantial recognition by customers in certain geographic areas. We have registered the "Akeena" trademark with the United States Patent and Trademark Office. Use of our name or a similar name by competitors in geographic areas in which we have not yet operated could adversely affect our ability to use or gain protection for our brand in those markets, which could weaken our brand and harm our business and competitive position. In addition, any litigation relating to protecting our trademark against infringement could be time consuming and costly.

If we are unable to attract, train and retain highly qualified personnel, the quality of our services may decline and we may not successfully execute our internal growth strategies.

Our success depends in large part upon our ability to continue to attract, train, motivate and retain highly skilled and experienced employees, including technical personnel. Qualified technical employees periodically are in great demand and may be unavailable in the time frame required to satisfy our customers' requirements. While we currently have available technical expertise sufficient for the requirements of our business, expansion of our business could require us to employ additional highly skilled technical personnel. We expect competition for such personnel to increase as the market for solar power systems expands. There can be no assurance that we will be able to attract and retain sufficient numbers of highly skilled technical employees in the future. The loss of personnel or our inability to hire or retain sufficient personnel at competitive rates of compensation could impair our ability to secure and complete customer engagements and could harm our business.

Unexpected warranty expenses or service claims could reduce our profits.

We maintain a warranty reserve on our balance sheet for potential warranty or service claims that could occur in the future. This reserve is adjusted based on our ongoing operating experience with equipment and installations. It is possible, perhaps due to bad supplier material or defective installations, that we would have actual expenses substantially in excess of the reserves we maintain. Our failure to accurately predict future warranty claims could result in unexpected profit volatility.

Our Module technology is untested and may not be effective or patentable or may encounter other unexpected problems, which could adversely affect our business and results of operations.

Our Module technology is new and has not been tested in installation settings for a sufficient period of time to prove its long-term effectiveness and benefits. The Module technology may not be effective or other problems may occur that are unexpected and could have a material adverse effect on our business or results of operations. While patent applications have been filed for the Module technology, a patent may not be issued on such technology or we may not be able to realize the benefits from any patent that is issued.

Our obligations under our credit facility are secured by all of our assets, so if the lender forecloses on its security interest, we may have to liquidate some or all of our assets, which may cause us to cease operations.

Our obligations under the 2007 loan and security agreement with Comerica Bank are secured by all of our assets. (See "Management's Discussion and Analysis or Plan of Operation — Liquidity and Capital Resources"). If we default under the credit facility we could be required to repay all of our borrowings thereunder. In addition, Comerica could foreclose its security interest and liquidate some or all of our assets, which could cause us to cease operations.

We are subject to restrictive covenants in connection with our credit facility that may limit our ability to borrow additional funds or to raise additional equity as may be required to fund our future operations.

The terms of the 2007 credit facility with Comerica may limit our ability, without Comerica's consent, to, among other things, enter into certain transactions and create additional liens on our assets and could adversely affect our liquidity and our ability to attract additional funding if required for our business.

Our Chief Executive Officer, Barry Cinnamon, beneficially owns a significant number of shares of our common stock, which will have an impact on all major decisions on which our stockholders may vote and which may discourage an acquisition of the Company.

Barry Cinnamon, our Chief Executive Officer, beneficially owns, in the aggregate, approximately 34.0% of our outstanding common stock. The interests of our Chief Executive Officer may differ from the interests of other stockholders. As a result, Mr. Cinnamon will have the ability to significantly impact virtually all corporate actions requiring stockholder approval, vote, including the following actions:

- election of our directors;
- the amendment of our Certificate of Incorporation or By-laws;
- the merger of our company or the sale of our assets or other corporate transaction; and
- controlling the outcome of any other matter submitted to the stockholders for vote.

Mr. Cinnamon's stock ownership may discourage a potential acquirer from seeking to acquire shares of our common stock or otherwise attempting to obtain control of our company, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

Item 3. CONTROLS AND PROCEDURES

Remediation Plan for Previously Identified Material Weaknesses

During the process of preparing our Annual Report on Form 10-KSB for the year ended December 31, 2006, our management identified the following material weaknesses as of December 31, 2006. The material weakness was an insufficient number of personnel having adequate knowledge, experience and training to provide effective oversight and review over our financial and reporting process.

Management has initiated the following activities intended to improve our internal control over financial reporting.

- In August of 2006, our Chief Financial Officer became a full-time employee of the company. Additionally, in September of 2006, we began expanding our accounting department with the addition of a purchasing and inventory control position. A full-time clerical position was added, in addition to adding a payroll position and an invoicing position. By December of 2006, a senior accountant position was filled. Since May of 2006, we have retained an independent consultant trained in accounting and financial reporting who is a certified public accountant.
- We have developed policies and procedures to monitor and track sales bookings and installations by product, date of sale and customer. Installation performance logs, identifying key product and installation type information, are now maintained and analyzed by management on a monthly basis.
- We have developed policies and procedures regarding installations to monitor when the risk of ownership of our products and services is transferred to our customers. Monthly sales at the end of each period along with installation completion documents are analyzed by management to determine whether the risk of ownership has been transferred to the customer and revenue has been appropriately recognized.

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, the end of the quarterly period covered by this report. Our disclosure controls and procedures are intended to ensure that the information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as the principal executive and financial officers, respectively, to allow final decisions regarding required disclosures.

Because of the material weaknesses described above and in Item 8A of our Annual Report on Form 10-KSB for the year ended December 31, 2006, which was filed with the SEC on March 29, 2007, our management has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective.

Notwithstanding the material weaknesses discussed above and in our Annual Report on Form 10-KSB for the year ended December 31, 2006, our management has concluded that the financial statements included in this Form 10-QSB present fairly, in all material respects our financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events.

Quarterly Evaluation of Changes in Internal Control over Financial Reporting

Our management, with the participation of our chief executive officer and chief financial officer, also conducted an evaluation of our internal control over financial reporting to determine whether any change occurred during the three month period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, our management concluded that there was no such change during that quarter.

Item 3A(T). CONTROLS AND PROCEDURES.

Reference is made to the disclosures above in Item 3. Controls and Procedures.

PART II
OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities

During the period covered by this Quarterly Report, we issued the following unregistered equity securities.

1. In June 2007 we raised approximately $12.6 million under a private placement offering, by issuing (i) 4,567,270 shares of common stock and (ii) three-year warrants to purchase 913,455 shares of our common stock. Reference is made to the disclosures made in Current Report on Form 8-K filed on June 8, 2007 with respect to the June 2007 Private Placement. Subsequent to the period covered by this Quarterly Report, we filed a registration statement covering the shares of common stock sold in the June 2007 Private Placement and the shares of common stock underlying the warrants issued in connection with the June 2007 Private Placement. Such registration statement was declared effective on July 24, 2007.

2. On May 3, 2007, we purchased customer contracts and fixed assets, and assumed certain liabilities, from Alternative Energy, Inc., a California corporation, pursuant to an asset purchase agreement with Alternative Energy, Inc. and its principal shareholders for approximately $100,000 and 100,000 shares of our common stock. This transaction did not involve any underwriters, underwriting discounts or commissions. Because the issuance of 100,000 shares of our common stock was to a limited number of individuals who were stockholders of Alternative Energy, Inc., we believe that this issuance did not involve any public offering and was exempt from the registration requirements of the Securities Act by virtue of Section 4(2) thereof and/or Regulation D promulgated thereunder.

3. On April 27, 2007 and June 21, 2007, we issued an aggregate of 349,671 shares of our restricted common stock under our Stock Plan to certain of our employees and advisors. The securities were not sold for cash and were issued to persons who had provided services to us. These restricted stock issuances did not involve any underwriters, underwriting discounts or commissions. Because each recipient of the restricted common stock is or was an employee or other service provider to the Company, we believe that each issuance did not involve any public offering and was exempt from the registration requirements of the Securities Act by virtue of Section 4(2) thereof and/or Regulation D promulgated thereunder.

Item 6. Exhibits.

Exhibit Number	Description
2.1	Agreement of Merger and Plan of Reorganization, dated August 11, 2006, by and among Fairview Energy Corporation, Inc., ASI Acquisition Sub, Inc. and Akeena Solar, Inc. (incorporated herein by reference to Exhibit 2.1 to our Current Report on Form 8-K, dated August 11, 2006)
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, dated August 3, 2006)
3.2	By-laws (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K, dated August 3, 2006)
3.3	

	Certificate of Amendment to Certificate of Incorporation (incorporated herein by reference to Exhibit 3.3 to our Current Report on Form 8-K, dated August 11, 2006)
10.1	First Modification to Loan and Security Agreement, dated June 26, 2007, between Akeena Solar, Inc. and Comerica Bank (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated July 2, 2007)
10.2	Securities Purchase Agreement, among the Company and the purchasers signatory thereto, dated as of May 25, 2007 (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated June 8, 2007)
10.3	Registration Rights Agreement, among the Company and the purchasers signatory thereto, dated as of May 25, 2007 (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated June 8, 2007)
10.4	Form of Warrant to Purchase Common Stock at $3.95 per share (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated June 8, 2007)
31.1*	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2*	Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* filed herewith

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 13, 2007	/s/ Barry Cinnamon Barry Cinnamon President and Chief Executive Officer (Principal Executive Officer)
Dated: August 13, 2007	/s/ David "Lad" Wallace David "Lad" Wallace Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit Index

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