

Invitation to bid by auction 7-year inflation-linked Federal notes

As already announced on 8 April 2011, acting for the account of the German Federal Government, the German Finance Agency, through the Deutsche Bundesbank, is offering for sale by auction:

0.75 % inflation-linked Federal notes of 2011 (2018)

ISIN DE0001030534 // SIN 103 053

envisaged issue volume (auction allotment and amount

set aside for secondary market operations): € 3 billion

Members of the Bund Issues Auction Group are entitled to bid. Bids must be for a par value of not less than € 1 million or an integral multiple thereof. Price bids must be expressed in terms of full 0.01 percentage points. Non-competitive bids are possible. The bids accepted by the issuer will be allotted at the price specified in the bid. Non-competitive bids are filled at the weighted average price of the competitive bids accepted. The right to scale down bids is reserved.

The auction allotments for inflation-linked Federal notes will be included in the ranking list of the Bund Issues Auction Group. The weighting factor of the inflation-linked Federal notes thereby corresponds to the weighting factor of the nominal interest-bearing five-year Federal notes ("Bundesobligationen").

The bidding deadline ends – as usual in auctions of inflation-linked issues – at 12.00 noon Frankfurt time.

Time schedule of the auction procedure:

Bidding period: Wednesday, 13 April 2011,
from 8.00 a. m. until **12.00** noon Frankfurt time

Stock exchange listing: Wednesday, 13 April 2011

Value date: Friday, 15 April 2011

Settlement: Delivery versus payment-settlement in the night-time processing of
Clearstream Banking AG Frankfurt, beginning on the eve of the value date.

Terms of the new inflation-linked Federal notes:

Maturity: 15 April 2018

Interest payment: 15 April annually,
interest begins to accrue on 15 April 2011

First interest payment: 15 April 2012

Reference index: Harmonized Index of Consumer Prices (HICP) of the Euro area
excluding tobacco

Indexbasis: 110.32467

Indexation Coefficient: 1.00000 (on the value date 15 April 2011)

In addition, the Auction rules, the Special terms and conditions of the Deutsche Bundesbank for auctions of Federal securities using the Bund Bidding System (BBS) and the Issuance terms and conditions for inflation-linked Federal bonds and inflation-linked Federal notes shall apply. The Issuance terms and conditions may be obtained on the internet at http://www.bundesbank.de/kredit/kredit_bedingungen.en.php.