

Invitation to bid by auction Reopening of 10-year Federal bonds

For the account of the Federal Government, the German Finance Agency, through Deutsche Bundesbank, will reopen the

3.75 % bond of the Federal Republic of Germany of 2006 (2017)
due on 4 January 2017
annual coupon date 4 January
interest has begun to accrue on 17 November 2006
first interest payment on 4 January 2008 for 413 days
ISIN DE0001135317 // WKN 113 531

launched on 15 November 2006, using an auction procedure. An increase of €7 billion is envisaged for the issue (auction allotment and amount set aside for secondary market operations). The current volume of the bond amounts to €7 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. The prices bid 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 bid. Non-competitive bids are filled at the weighted average price of the bids accepted. The right to scale down bids is reserved. The separation of principal and interest payments and their separate trading ("stripping") will be possible.

Time schedule of the auction procedure:

Bidding period:	Wednesday, 3 January 2007, from 8.00 a. m. until 11.00 a. m. Frankfurt time
Inclusion in stock exchange trading:	Wednesday, 3 January 2007
Value date:	Friday, 5 January 2007
Settlement:	delivery versus payment-settlement in the night-time processing of Clearstream Banking AG Frankfurt, beginning on the eve of the value date

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 Issue terms for Federal securities shall apply.