

Erste Group as joint lead manager for EUR 200 million bond issue for EGGER

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The majority of EUR 200 Mio bond was placed with Austrian retail intermediaries

Increasing investors' appetite also stimulated by positive market sentiment

Auch positive Marktstimmung lässt Anlegerinteresse steigen

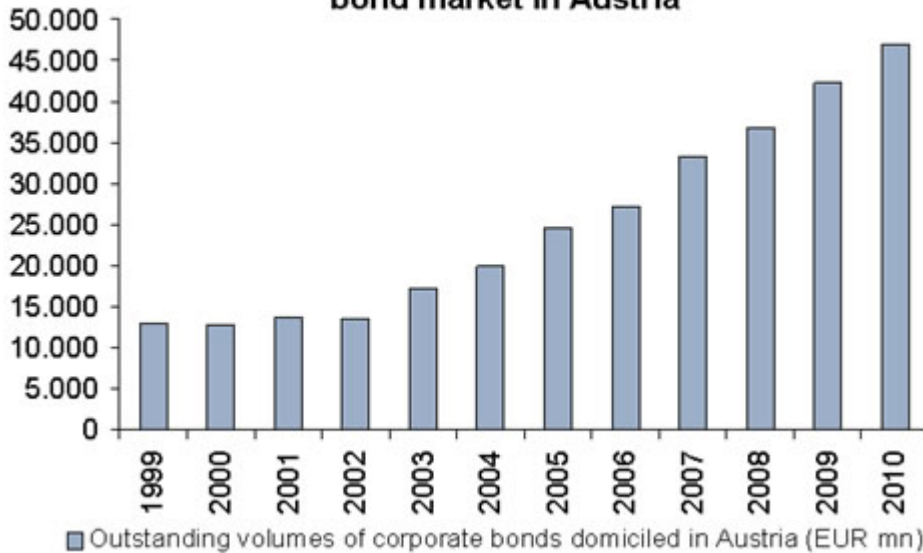
Erste Group Bank AG („Erste Group“), mandated as joint lead manager, successfully issued a EUR 200 Mio 7-year bond for Europe's leading wood-processing company EGGER Group. The issue was priced at a spread of mid-swaps +260 bps, maturing in February 2018 with a coupon of 5.625%. Due to strong investors' demand, mainly from Austria, the offering was well over-subscribed.

„Erste Group was already mandated as joint lead manager for the 7-year EUR 120m EGGER bond issue in February 2010. The successful placement of both issues clearly proves investors' confidence in the company as solid and well-positioned but also reflects the positive market sentiment,” comments Franz Hochstrasser, Deputy CEO of Erste Group. „The Austrian and CEE companies clearly benefit from the reopening of the primary markets thus diversifying their long-term refinancing structure.” Erste Group ranks 1st as a bookrunner for corporate and sovereign bonds in Austria and CEE, with a market share of 11.9% and a volume of EUR 5,129 m in 2010.



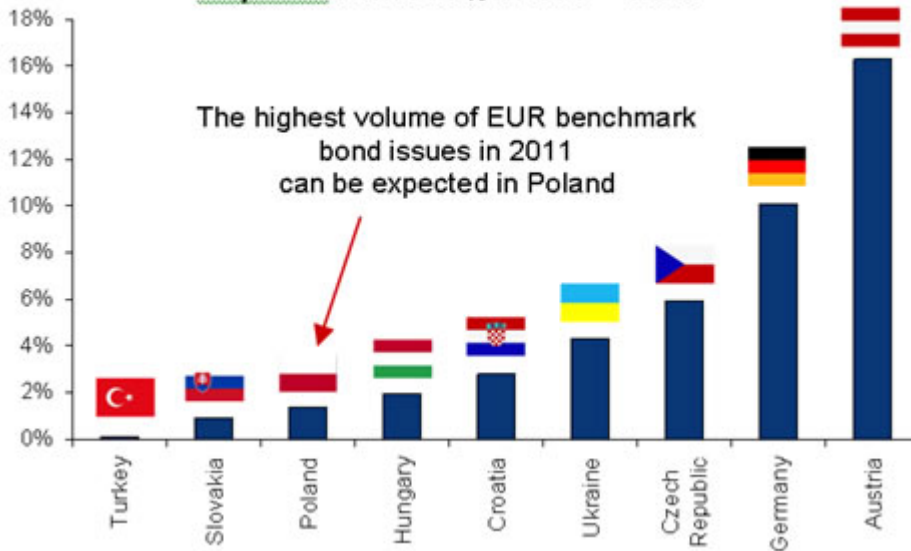
EGGER Group, based in Austria, is one of the leading European wood-processing companies, with Europe as its core market. EGGER Group has also been expanding its existing sites in Eastern Europe focusing on greenfield development in order to create additional capacities in the future markets of the group. The markets in Eastern and Southeastern Europe, especially in Russia and Turkey, offer additional growth potential.

Development of corporate bond market in Austria



According to Erste Group analysts, Austrian and CEE companies follow the global trend and clearly benefit from the reopening of the primary markets. This is visible from the outstanding volume of corporate bonds in Austria, which have more than tripled between 1999 and 2010. As financing through the bond market is suitable mainly for companies who need large volumes of external capital, future bond issues in Austria and Central and Eastern Europe can be expected primarily in the utility, telecom and energy sector.

Outstanding volumes of corporate bonds in % of GDP* - 2010



Erste Group analysts see a significant growth potential – predominantly in EUR denominated – for CEE corporate bonds in the long run. This process will be particularly accelerated due to the rising number of rated companies as well as the advantages from companies joining the European Economic and Monetary Union (EMU), such as no currency risks and lower transaction costs. In the near future (6-12 months), bond issuance by CEE firms are expected primarily due to the refinancing needs and optimization of debt structure. The improved risk assessment of the CEE region including Austria – CDS spreads are already tighter than those of (Southern) European countries – support the overall attractiveness of their corporate bonds.