

Share Number: 802770
ISIN: DE 000 802 770 7

Hypo Real Estate Holding AG Dividend Announcement

At the Annual General Meeting of the Hypo Real Estate Holding AG, held on 8 May 2006, it was decided to pay a dividend of 1,00 € per share from the net profit for the financial year 2005.

The dividend is payable on 9 May 2006. A 20% capital gains tax and 5.5% solidarity surcharge on the capital gains tax will be deducted from the dividend payment (total 21.1%). Those shareholders who are liable to German tax can deduct the capital gains tax against their set tax amount when completing the assessment for income or corporate income tax. Likewise, solidarity surcharges can be credited against the set solidarity surcharge. A tax refund claim is not linked to a dividend payment.

Exempt from the capital gains and solidarity surcharge deductions are domestic shareholders who have submitted a certificate of exemption (non-assessment note) from their local tax authorities to their domestic depositary banks. This also applies to shareholders who have submitted a capital gains exemption order- as long as the exemption volume is sufficient.

In the case of shareholders who are taxable in Germany the dividend is subject to the so-called 'Half-Income-Procedure' (*Halbeinkünftverfahren*). This approach was introduced within the scope of the new law on tax rate reduction and corporate tax reform („*Gesetz zur Senkung der Steuersätze und zur Reform der Unternehmensbesteuerung*“) which came into effect on 23 October 2000.

Dividend payments to the depositary banks will be made via Clearstream Banking AG.

Munich, 9 May 2006

The Management Board