

Hypo Real Estate Holding AG: Plans to raise dividend to EUR 1 per share

Munich, 25 January 2006: Following today's Management Board and Supervisory Board meetings the company announces that the Management Board and the Supervisory Board intend to propose to the Annual General Meeting on 8 May 2006 that a dividend of EUR 1.00 per share be paid for financial 2005. This would represent an increase of EUR 0.65 compared with the dividend for last year (EUR 0.35 per share).

Excluding restructuring expenses the Group generated preliminary net income before taxes of EUR 442 million (net income before taxes in 2004: EUR 221 million). If the one-off additional charge of EUR 34 million due to the reorganisation resulting into the new Group structure which has been effective since January 2006 is taken into consideration, the preliminary net income before taxes amounted to EUR 408 million, and is thus within the communicated target range of EUR 400 to 425 million.

Total operating revenues of the Group on a preliminary basis amounted to EUR 909 million in 2005 (previous year figure: EUR 835 million), and are thus also within the communicated target range of EUR 895 to 915 million.

According to preliminary calculations, the Group's new business (real estate financing) amounted to EUR 22.3 billion in 2005, and thus exceeds the budgeted figure (EUR 13.5 billion). New business at Hypo Real Estate International segment amounted to EUR 15.1 billion (target figure: EUR 10 billion). At Württembergische Hypothekbank, new business amounted to EUR 4.4 billion (target figure: EUR 2.5 billion). With new business of EUR 2.8 billion, Hypo Real Estate Germany segment also exceeded its target of EUR 1 billion for the year.

For 2006, the Management Board expects to see consolidated net income before taxes increase by at least 20% compared with the figure of EUR 442 million stated for the previous year amount which was adjusted by the restructuring expenses. New business is expected to come in at last year's level.

The figures published in this document are preliminary and unaudited. The final annual report for 2005 will be published on 29 March 2006.