

Press release

Hypo Real Estate Holding AG has acquired a stake of around 2.2% in the Australian investment and consulting company Babcock & Brown Ltd.

Munich, 13.10.2006: Hypo Real Estate Holding AG has acquired a stake of around 2.2% in the Australian investment and consulting company Babcock & Brown Ltd. (Sydney).

The acquisition is the basis of a further extension to the long-standing business relations between Babcock & Brown and the Hypo Real Estate Group. The Hypo Real Estate Group has identified opportunities of expanding the joint business base in international real estate financing and public finance, particularly in markets in which the group has so far not had a strong market position (Australia, Singapore and the West Coast of the United States). The group is expecting impetus for further growth and stronger diversification of its finance business.

Because of the long standing and mutually beneficial relationship between the companies Babcock & Brown is pleased to welcome Hypo Real Estate Group as an investor in the company.

Babcock & Brown Ltd.

Babcock & Brown is a global investment and advisory firm with longstanding capabilities in structured finance and the creation, syndication and management of asset and cash flow-based investments. Babcock & Brown was founded in 1977 and is listed on the Australian Stock Exchange. Babcock & Brown operates from 22 offices across Australia, North America, Europe, Asia, United Arab Emirates and Africa and has in excess of 810 employees worldwide. Babcock & Brown has five operating divisions including real estate, infrastructure and project finance, operating leasing, structured finance and corporate finance. The company has established a funds management platform across the operating divisions that has resulted in the creation of a number of focused investment vehicles in areas including real estate, renewable energy and infrastructure.

For further information about Babcock & Brown please see the website:
www.babcockbrown.com.

Hypo Real Estate Group

The **Hypo Real Estate Group** (HREG) is one of the largest European providers of commercial real estate financing. The group consists of the non-operational listed holding company, namely **Hypo Real Estate Holding AG** based in Munich, and operational entities which focus on three distinct areas of activities. The international real estate financing business is combined in **Hypo Real Estate Bank International AG (Stuttgart)**. The centre of competence for the German market is **Hypo Real Estate Bank AG** based in Munich. **Hypo Public Finance Bank puc** (Dublin) combines Public Finance and Capital Markets business.

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