

Press release

Hypo Real Estate Bank International: Successful completion of EUR 161 million financing for the acquisition and redevelopment of a 20,000 square metre office building in central Paris by The Carlyle Group

Paris/Munich, January 3rd 2006: Hypo Real Estate Bank International announces today that it has arranged a EUR 161 million acquisition and redevelopment facility for CEREP II, Carlyle's second European real estate fund. The transaction closed on December 16th 2005.

The facility will enable CEREP II to acquire and refurbish a 20,000 sq m, landmark office building in Paris' 7th arrondissement, currently occupied by the French Customs. The historical building was auctioned by the French State.

The location, on the corner of Rue de l'Université and Rue du Bac, on the edge of Paris' central business district, is ideal for both office and retail uses, and benefits from prime road and public transport links. Upon its renovation, the building will offer 14.000 sq m class A office space, 4.000 sq m ground floor retail, a 1.500 sq m staff canteen and 500 sq m archive space.

Commenting, Harin Thaker, CEO - Europe, said: "I am delighted to announce the closing of this transaction, which continues our successful relationship with Carlyle, and I am confident that this will continue in the future."

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Notes to editors:

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 three operational entities. The **Hypo Real Estate Bank International AG** (Stuttgart) combines the international real estate financing activities. The centre of competence for the German market is **Hypo Real Estate Bank AG** based in Munich. **Hypo Public Finance Bank puc** (Dublin) will combine public finance business with responsibilities for government lending, infrastructure financing, local authority project financing and forfeiting as well as for Capital Markets activities.

The Carlyle Group

The Carlyle group is one of the world's largest global private investment firms, managing committed capital of more than 26 \$ Bn (EUR 21.5 Bn) through buyout, venture, high yield and real estate funds in the US, Europe and Asia. Carlyle's Funds investors are public and corporate pension funds, banks, insurance companies and high net-worth individuals. To date Carlyle has invested more than 13.4 \$ Bn (EUR 11 Bn) of equity in over 398 corporate and real-estate transactions. Carlyle is present in real-estate since 1993. The European real-estate team has been in place since 2001 and has a special focus on France, Italy and Germany.