

Press release

Hypo Real Estate Bank International AG: Successful completion of €29.3 million financing for Dawnay, Day Carpathian PLC's ("DDC") acquisition of Babilonas Shopping Centre, Lithuania

London/Munich 20 November 2006: Hypo Real Estate Bank International AG announces that it has provided €29.3 million of acquisition and VAT financing to Dawnay, Day Carpathian PLC. The facility will be used to finance the acquisition of UAB Mulga, the owner of Babilonas Shopping Centre Phase I, Lithuania. The transaction completed on 31st October 2006.

Babilonas Shopping Centre, which opened in August 2005, is located in Panevezys (the 5th largest city in Lithuania) and provides 21,052 square meters of enclosed retail space. The property is fully let with over 110 tenants with Norfa Hypermarket the major anchor tenant. The property was developed and built by AB Ogmios Centras, the real estate development arm of UAB Gamarenta.

Dawnay, Day Carpathian PLC is an AIM listed, Isle of Man registered company that invests in retail assets in countries that have recently joined the EU or are in line for accession (Hungary, Bulgaria, the Czech Republic, Poland, Romania, Slovakia and Croatia.). DDC has set a target of more than 10% annual dividend yield and a total compound return of more than 25% a year on funds invested. Dawnay, Day Europe Ltd is sole advisor to DDC and has over 200 employees headquartered in London.

Commenting, Harin Thaker, CEO Europe - Hypo Real Estate Bank International AG, said: "Dawnay, Day Carpathian PLC is a key client and we are delighted to support its activities across Europe. This facility, our first in Lithuania, demonstrates that we are able to provide financing solutions in the markets that are of interest to our clients."

Press contact:

Oliver Grub

Phone: +49 (0)89 203007 781

Fax: +49 (0)89 203007 772

E-mail: oliver.gruss@hyporealestate.com

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** (Dublin) combines public finance and Capital Markets activities.