

Press Release

Hypo Real Estate Bank International A.G.: Successful completion of circa €450 million acquisition facility to New Star Asset Management's Global Property Fund.

London/Munich 30 October 2006: Hypo Real Estate Bank International A.G. announces that it has provided circa €450 million of acquisition financing to New Star Asset Management. The seven (7) year facility will be used to provide the debt required for acquisitions to be made by New Star's Global Property Fund across Europe and Asia. The transaction completed on 27th October 2006.

Commenting, Harin Thaker, CEO Europe – Hypo Real Estate Bank International, said: “This facility utilises the skills and expertise available within our local offices to provide New Star with a flexible financing solution that will support its acquisition programme on a pan Continental basis. We are delighted to assist New Star to build a global commercial portfolio by providing it with a truly innovative financing solution.”

Commenting, John Mould, COO New Star Asset Management said, “We selected Hypo Real Estate Bank International because it has global expertise and can provide a flexible financing solution which will assist New Star build a diversified global commercial portfolio. Most importantly, this facility allows us to move quickly to take advantage of strong investment opportunities as they arise”.

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

New Star

New Star Asset Management is an active investment management company founded in 2000 by John Duffield (previously head of Jupiter Asset management). Since inception the company has undergone strong growth in key areas of turnover, assets under management and operational earnings and is now listed on the AIM market in London (following floatation in December 2005) with a market capitalisation (as at June 2006) of £1.1bn. The company which currently has in excess of £18bn under management offers investment management services across a wide range of funds, investment trusts, offshore vehicles and specialist institutional Funds to a range of private and corporate investors including a number of leading institutions including the IMF, World Bank, Family Assurance and CALPERS.