

Press release

Hypo Real Estate Bank AG launches €1.5 Billion Senior Unsecured Benchmark Bond

Munich, 1 February 2007: Hypo Real Estate Bank AG, Munich, has successfully launched a Senior Unsecured Benchmark Bond worth €1.5 billion. It features a variable coupon of 3-Months-Euribor +0,125% and a term of 3 years. The reoffer-spread was set at +20bp over 3-Months-Euribor. The reoffer price fixed at 99,786%.

The placement was performed by a banking syndicate comprising ABN AMRO Bank NV, Dresdner Kleinwort IB and UniCredit Group (HVB) as lead managers and a group of co-leads comprising Bayerische Landesbank, DZ-Bank AG, Landesbank Baden-Württemberg, Nord LB and Raiffeisenzentralbank Österreich AG. In Germany 49% were placed, followed by Italy (11%), France (10%) and UK/Ireland (9%). 148 Investors took part in this transaction with orders of €2.98 billion.

Dr. Robert Grassinger, Member of the Board of Hypo Real Estate Holding AG and responsible for Funding: “We saw huge demand from domestic and international investors for this bond, which was carefully prepared by a joint roadshow of all banks within Hypo Real Estate Group. We were able to close the orderbook after just three hours.”

Maturity: 09.02.2010

Value date: 09.02.2007

WKN: 732 992

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Series: 34008

Hypo Real Estate Bank AG

Hypo Real Estate Bank AG is a member of the Hypo Real Estate Group, 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. Hypo Real Estate Bank AG, Munich, is the centre of competence for the German market. The group's international real estate financing activities are combined in Hypo Real Estate Bank International AG (Stuttgart). The Public Finance and Capital Markets business is operated by Hypo Public Finance Bank (Dublin).

Press contact:

Oliver Grub

Phone: +49 (0)89 203007 781

Fax: +49 (0)89 203007 772

E-mail: oliver.gruss@hyporealestate.com