

Press release

Hypo Real Estate Group: Successful completion of £31 million financing to a company held in a Joint Venture between BMB Property Investments Ltd, Vesty Estates and Lehman Brothers for the development of a residential and retail scheme located in St. Mary, Market Harborough, Leicestershire, UK

Munich/London, 22 February 2007: Hypo Real Estate Bank International AG, a member of Hypo Real Estate Group, announces that it has provided a £31 million facility to a Joint Venture Vehicle held by BMB Property Investments Ltd, Vesty Estates and Lehman Brothers. The transaction closed on 13th February 2007.

The funding will be applied to develop a mixed used residential and retail scheme, with underground parking, in a riverside location in St. Mary, Market Harborough, Leicestershire. The scheme comprises 268 residential units and 265 parking spaces plus 28,000sq ft of retail space allocated in six blocks. The scheme, which is the largest in Market Harborough, is in an excellent location close to the town centre.

Commenting, Harin Thaker, CEO Europe – Hypo Real Estate Bank International, said: “We are delighted to provide financing for this excellent residential & retail development scheme which highlights our commitment to providing capital for property developments within the UK.”

Press contact:

Oliver Gruss

Phone: +49 (0)89 203007 781

Fax: +49 (0)89 203007 772

E-mail: oliver.gruss@hyporealestate.com

The Client

BMB Property Investments Ltd is a niche developer founded in 1992 by Julian Mercer. Since its foundation BMB Property Investments Ltd has purchased, refurbished and sold properties in the prime Central London market, with transaction sale values varying from £1.5m to £39.0m.

Vesty Estates is a specialist residential developer with focus on prime London locations. Vesty Estates has undertaken four major schemes with gross development values varying between £95 and £165m.

Lehman Brothers is backing the development through its Global Real Estate Group which provides real estate lending, principal investment and investment banking solutions to clients throughout the Americas, Europe and Asia.