

Press Release

Management Board of Hypo Real Estate Holding welcomes shareholding by the investor group coordinated by J.C. Flowers

- **Desirable stabilisation of the shareholder structure**
- **Scope for business cooperation**

Munich, 24 June 2008: The Management Board of Hypo Real Estate Holding AG (HRE) welcomes the impending investment of a group of investors coordinated by J.C. Flowers in HRE: "A shareholding by such a renowned group of financial investors will stabilise Hypo Real Estate Group's shareholder structure, supporting the Group's long-term development both strategically and operationally", said CEO Georg Funke today in Munich, adding that HRE would also explore the scope for business cooperation with the group of future shareholders.

Earlier, the group of investors coordinated by J.C. Flowers had declared that 24.13% of the share capital of Hypo Real Estate Holding AG were tendered until 23 June 2008, 17:00 CET, and that all conditions precedent of the Offer were fulfilled.

The group of investors had published its offer to acquire up to a maximum of 24.9% of the current issued share capital of Hypo Real Estate Holding AG against a cash consideration of €22.50 per share on 23 May 2008. Whilst the Management Board and Supervisory Board of HRE had welcomed the financial investors' envisaged shareholding in principle, they refrained from making a concrete recommendation as to whether shareholders should accept or reject the offer, citing – amongst other reasons – their assessment that the intrinsic value of HRE shares was significantly higher than the offer

price of €22.50 per share. HRE shares have recently performed better compared to other financial sector issues.

Following the takeover of DEPFA BANK plc (DEPFA) in 2007, Hypo Real Estate Group has evolved into one of the leading international financial services providers for commercial real estate, public finance, and infrastructure finance.

The group of investors coordinated by J.C. Flowers have combined their interests in HRE Investment Holdings L.P., a Cayman Island Exempted Limited Partnership domiciled in George Town, Cayman Islands.

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