

Presseinformation

Successful second shareholders' meeting of Hypo Real Estate Holding AG

- **Preference shares to be converted to ordinary shares**
- **Group to pay dividend of EUR 0.35 per share**
- **Confirmation of forecasts for 2005**

Munich, 20.5.2005: The shareholders' meeting of Hypo Real Estate Holding AG has today adopted a resolution with a large majority to convert the existing preference shares of the company without voting rights into ordinary shares with voting rights. This measure affects all 3.64 million preference shares, which account for 2.71% of the share capital of Hypo Real Estate Holding AG. For this conversion, the former owners of the preference shares, namely Bayerische Landesstiftung, will pay a conversion premium of EUR 2.50 per share to the company.

Georg Funke, Chairman of the Managing Board of Hypo Real Estate Holding AG: "The principle of "one share – one vote" is now also applicable for the Hypo Real Estate Group. This means that Hypo Real Estate shares will become even more attractive for all investors. The conversion premium will benefit the company and boost additional paid-in capital. In addition, the market capitalisation of the company and thus its weighting in the MDAX will be boosted slightly."

Positive summary for financial 2004

The Management Board of Hypo Real Estate Holding AG is positive with regard to the performance of the group in 2004. The group has made major progress in terms of all major strategic tasks, and has achieved all of its earnings objectives. As announced in March, the group will pay a dividend for the first time since the spin-off from HVB AG in September 2003, namely EUR 0.35 per share for the financial year 2004. The Management Board has fully confirmed the earnings forecast for the year 2005.

Georg Funke: "For the Hypo Real Estate Group, the year 2004 was a year full of rapid and far-reaching changes, which the group – and of course particularly our employees – have coped with in an excellent manner. All strategic aims and our earnings objectives have been attained. Our aim is now to achieve sound and continuous further development for the group. In this process, we shall focus on growth, profitability and innovative ability. The development which we have seen so far this year demonstrates that we are moving in the right direction."

The Management Board still predicts that net income before taxes for the whole of 2005 will increase to EUR 400 to 425 million in conjunction with return on equity after taxes of 7.5 to 8%. In 2004, the group stated net income before taxes of EUR 221 million combined with an adjusted return on equity after taxes of 4%.

2000 shareholders attended the shareholders' meeting

Around 2000 shareholders attended the second shareholders' meeting of Hypo Real Estate Holding AG, which this year was held for the first time in the International Congress Center (ICM) in Munich. The initial presence accounted for 28,04 % of the share capital.

The following table sets out details of the voting results:

Hypo Real Estate Holding AG

A) Voting results of the shareholders' meeting on 20 May 2005

Agenda item	No votes	Yes votes
2 Resolution concerning the appropriation of cumulative profits	2.053	37.560.176 in %: 99,99
3 Resolution concerning the approval of the actions of the members of the Managing Board for financial 2004	229.845	37.318.344 in %: 99,39
4 Resolution concerning the approval of the actions of the members of the Supervisory Board for financial 2004	229.613	37.318.551 in %: 99,39
5 Resolution concerning the authorisation to acquire and dispose of treasury shares according to section 71 (1) no. 8 AktG	80.769	37.477.829 in %: 99,78
6 Resolution concerning the conversion of preference shares without voting rights into ordinary shares with voting rights by cancelling the preferential rights and the changes to the Articles of Association resulting from this conversion	17.542	37.542.299 in %: 99,95
7 Separate resolution of the ordinary shareholders concerning the conversion of preference shares without voting rights into ordinary shares with voting rights by cancelling the preferential treatment and the changes to the Articles of Association resulting from this conversion	17.400	33.902.807 in %: 99,95
8 Resolution concerning the change of the Articles of Association for adapting the purpose of the company to the new regulations by the Pfandbrief law	14.399	37.543.843 in %: 99,96
9 Resolution concerning the change to the Articles of Association in order to adapt them to the law for company integrity and modernisation of dispute law (Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrecht – UMAG)	318.708	35.422.815 in %: 99,11
10 Election of auditor	8.201	37.536.769 in %: 99,98

B) Initial presence: 28,04 % of share capital represented.

Press contact:

Oliver Gruß

Telephone: +49 (0)89 203007 781

Telefax: +49 (0)89 203007 772

Email: oliver.gruss@hyporealestate.com