

Press release

Hypo Real Estate Bank International AG: Successful completion of a circa SEK 3billion (EUR 300 million) senior investment financing to Niam Nordic Investment Fund III (Niam Fund III), for the acquisition of office buildings in Sweden

Munich / London / Stockholm, 20 November 2006: Hypo Real Estate Bank International AG announces that it has provided senior acquisition financing of circa SEK 3billion (**EUR 300 million**) to Niam Fund III. The financing has been provided to facilitate Niam Fund III's acquisition of office buildings in Stockholm and in Lund, Sweden from the Norwegian investor ACTA. The transaction closed on November 15 2006.

The properties are occupied by high quality tenants such as Ericsson AB, Electrolux AB and the Bonnier Group. Also included in the portfolio is a landmark building in Stockholm known as DN-Huset, mainly let to the Bonnier newspaper and media group.

Commenting, Harin Thaker, CEO Europe of Hypo Real Estate Bank International AG, said: "I am delighted to expand on our successful relationship with Niam Fund III. We have delivered a large financing facility within their structuring and timing requirements and I look forward to continuing to work with Niam in the future.

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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.

Niam

Niam is the leading private equity firm in Northern Europe specialising in property. Niam offer financial investors a high return via investments in funds that in turn invest in all types of properties. The funds are raised and managed on a discretionary basis. Since the company was founded in 1998, properties with a total value of €3.3 billion have been acquired by Niam's funds or in association with international real estate funds. Today, Niam has owner responsibility for properties valued at €1.5 billion. Niam Fund III has an investment capacity of approximately €1.8 billion.