

Press release

Hypo Real Estate Holding AG successfully places subordinated mandatory convertible bonds in the volume of EUR 450 million

Munich, 23 July 2007: Hypo Real Estate Finance B.V., Amsterdam, a subsidiary of Hypo Real Estate Holding AG, today has successfully placed subordinated mandatory convertible bonds on shares of Hypo Real Estate Holding AG in the volume of EUR 450 million with institutional investors. The bonds will mature on 20 August 2008.

The bonds are subordinated and supported by an equally subordinated guarantee of Hypo Real Estate Holding AG. Upon maturity the bonds will automatically be converted into new shares issued under the existing contingent capital of Hypo Real Estate Holding AG. The issue of the mandatory convertible bonds excludes the pre-emptive rights of shareholders.

The bonds will feature an interest coupon of 5.500%, a minimum conversion price of EUR 46.19 and a conversion premium of 6%, which results in a maximum conversion price of EUR 48.9614 per Share.

The minimum conversion price has been set at EUR 46.19 (Share price at the time of pricing). A rising share price up to the maximum conversion price results in equal advantages for Hypo Real Estate Holding AG, as on conversion a smaller number of shares needs to be issued.

The proceeds of the issuance among other purposes serve to finance the intended acquisition of DEPFA Bank plc and forms part of the capital measures announced by Hypo Real Estate Group.

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