

Press release

Hypo Real Estate Bank International: Successful completion of EUR 155 million financing for Arlington Europe S.a.r.l's acquisition of San Fernando Business Park, Madrid

London/Madrid/Dublin/Munich, January 10th 2005: Hypo Real Estate Bank International announces that it has provided EUR 155 million of term and VAT financing for the EUR 180 million acquisition by Arlington Europe S.a.r.l of the San Fernando Business Park, Madrid, Spain.

Arlington Europe S.a.r.l. is the European fund managed by Arlington Securities, the leading business park investment manager, developer and operator in the UK. This acquisition is its first major European investment acquisition. The fund is also developing two new business parks in Paris and Barcelona and is looking to expand further in continental Europe.

The San Fernando Business Park is an existing 74,000 square metres mature Business Park close to the main Madrid Airport, Barajas. The park is let to over 100 tenants including amongst others Telefonica, Oxford University Press, Carrefour and Airtel.

Commenting, Harin Thaker, recently appointed CEO of the bank's European business platform, said: "This transaction clearly demonstrates the way in which our European business platform works to deliver efficiently and successfully a structured finance solution for a key UK client in continental Europe."

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Notes to editors:**Hypo Real Estate Bank International**

Hypo Real Estate Bank International based in Dublin, Ireland, is part of the Hypo Real Estate Group (HREG). The corporate group – which is the result of HVB Group spinning off its commercial real estate activities – comprise the non-operational, listed holding company, Hypo Real Estate Holding AG headquartered in Munich and three operational business units. Besides Hypo Real Bank International with headquarters in Dublin, these are Württembergische Hypothekenbank AG (WürttHyp) with headquarters in Stuttgart and Munich-based Hypo Real Estate Bank AG. Hypo Real Estate Group is one of Europe's largest providers of commercial real estate finance.

Arlington

Arlington is one of the UK's leading property services and property investment management businesses operating across UK, European and international markets. It is one of the largest independent property investment managers in the UK with £5.8bn under management.

San Fernando Business Park

The site is approximately 17km east of the city of Madrid and less than 6km from the airport. The Business Park benefits from direct access onto the N2 motorway, which is one of the principle motorways leaving Madrid linking to Barcelona. Close proximity to the M40, M45 and the new M50 ring roads provides quick and effective access to the Madrid and national road network. The N2 itself connects directly onto the M30 (the inner ring road) and thereafter the Castellana (Madrid's CBD).