

Press Release

Hypo Real Estate Bank International A.G.: Successful completion of €15 million financing in Holland for New Star Asset Management.

London/Munich 30 October 2006: Hypo Real Estate Bank International A.G. announces that it has provided circa €15 million of investment financing for the first acquisition by New Star's Global Property Fund. The Fund has acquired the Queens Towers office complex in Amsterdam and De Parade in Amstelveen, Holland, via the acquisition of the entire share capital of "Q-Bol Holdings BV". The transaction completed on 28th July 2006.

The properties, which are in prominent locations, are of modern construction to a good specification and let to secure tenants (including UWV, ABN Amro Bank and Mazars). The Amsterdam properties extend to approximately 28,000 square metres over three buildings with the Amstelveen property representing circa 16,000 square metres in a complex of four buildings.

The financing for these acquisitions represents the first drawing on a €450m global financing facility provided by Hypo Real Estate Bank International for acquisitions by New Star Global Property Fund in Europe and Asia.

Commenting, Harin Thaker, CEO Europe – Hypo Real Estate Bank International, said: "We are delighted to assist New Star in building a truly global commercial portfolio utilising the skills and expertise available within our international offices on a Pan Continental basis. This transaction clearly demonstrates the way in which our business platform can operate across the globe to deliver flexible solutions for our clients. We look forward to continuing to support New Star as it builds the portfolio over the coming months."

Commenting, John Mould, COO New Star Asset Management said,

“Hypo Real Estate Bank International has global expertise in providing flexible financing solutions which is instrumental in assisting New Star build a diversified global commercial portfolio. Working in partnership with Hypo Real Estate Bank International allows us to take advantage of strong investment opportunities by enabling us to transact quickly and efficiently on attractive properties offering strong yields. This global financing facility is the first of many global acquisitions by New Star’s Global Property Fund”.

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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.

New Star

New Star Asset Management is an active investment management company founded in 2000 by John Duffield (previously head of Jupiter Asset management). Since inception the company has undergone strong growth in key areas of turnover, assets under management and operational earnings and is now listed on the AIM market in London (following floatation in December 2005) with a market capitalisation (as at June 2006) of £1.1bn. The company which currently has in excess of £18bn under management offers investment management services across a wide range of funds, investment trusts, offshore vehicles and specialist institutional Funds to a range of private and corporate investors including a number of leading institutions including the IMF, World Bank, Family Assurance and CALPERS.