

Press release

Hypo Real Estate Scandinavia provides structured financing to Doughty Hanson for the acquisition of eight retail assets in Finland from Ilmarinen

- **Financing Volume over €300 million**
- **Largest ever cross-border real estate transaction in Finland**
- **Portfolio totals over 135,000 square metres**

Stockholm, Dublin, Munich, May 6th, 2004 The Scandinavian branch of Hypo Real Estate Bank International provides structured financing to Doughty Hanson & Co Real Estate Fund. Doughty Hanson & Co Real Estate Fund have reached an agreement with Ilmarinen Mutual Pension Insurance Company to acquire a portfolio of eight retail assets in Finland. The total transaction volume amounts to some €350 million. This transaction constitutes the largest ever cross-border real estate deal in Finland.

Constantin Graf Stolberg, Managing Director of Hypo Real Estate Bank International, Scandinavia, commented: "The acquisition financing of this major retail portfolio is a milestone in Hypo Real Estate Scandinavia's development in the Nordic countries. The Stockholm team is very pleased to conclude this deal with such a well reputed partner."

The portfolio to be bought by Doughty Hanson & Co Real Estate Fund totals over 135,000 square metres, with most of the properties built or substantially refurbished in the last 10 years. It is concentrated in the Helsinki area (over 80% by value), and includes interests in such well-known Helsinki shopping centres as Iso Omena, Kluuvi, Myyrmanni and Megahertsi. It comprises also prime city centre properties in the fast-growing northern city of Oulu (including the Stockmann department store) and several smaller regional assets. Ilmarinen, the seller, is the second largest real estate owner in Finland and this portfolio represents roughly 15 % of its total real estate holdings.

Jonas Grandér, Head of Nordic Operations for Doughty Hanson Real Estate:

“We are very pleased to have completed this transaction with Hypo Real Estate Scandinavia and Ilmarinen to establish a presence for our Fund in Finland. We expect to build on this transaction with further acquisitions in the future, and see ourselves as a long-term participant in the Finnish property markets. Our intention is to actively manage the properties to implement a value-added strategy that we have successfully carried out in other markets. We will work closely with the tenants and the municipalities to create attractive shopping environments for the local community.”

Note to the editors

Hypo Real Estate Bank International, Dublin, is a member of Hypo Real Estate Group, one of Europe's largest providers of commercial real estate financing. The group consists of the non-operational, listed holding company 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 Hypo Real Estate Bank AG, Munich, in Germany. Headed by Constantin Graf Stolberg, the Stockholm branch is responsible for the bank's operations in Scandinavia. In the 3 years since its inception the team has built a portfolio of around € 1 billion - including the time before the spin-off of Hypo Real Estate Group from HVB.

The Doughty Hanson & Co European Real Estate Fund (the "Fund"), one of the largest European real estate funds of its kind, was established to make equity and equity-related investments in a diversified portfolio of real estate-related assets and real estate operating companies in Europe. The Fund has been investing since 2000 and comprises equity commitments in excess of US\$630 million from institutional investors worldwide. Following the Ilmarinen transaction, the Fund will have made investments with a total transaction volume of €1.5 billion in eight countries.

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