

## **Press release**

### **Hypo Real Estate Bank International closes its second CMBS transaction – a joint venture with Morgan Stanley**

**London/Munich, August 3rd 2005:** Hypo Real Estate Bank International closed its second CMBS transaction in as many months this week – a joint venture securitization with Morgan Stanley. It is the securitization of 8 loans – 7 of which were originated by Morgan Stanley and 1 originated by Hypo Real Estate Bank International – One Lime Street (the Lloyd’s building). The bank’s loan comprises 40.5% of the combined pool.

European Prime Real Estate No.1 plc (EPRE), the issuer, a public company incorporated in England and Wales with limited liability has issued 4 classes of notes totalling GBP £347,758,000 ranging from AAA/AAA to BBB/BBB. The proceeds of this issuance has been used to purchase the loans from Morgan Stanley and Hypo Real Estate Bank International. The notes are listed on the Irish Stock Exchange.

The security for the notes – the loan pool - comprises 8 loans consisting of 18 properties with a weighted average LTV of 64.4%. All properties are located in the United Kingdom and comprise office and retail properties. The weighted average remaining loan term is 6.2 years with 280 tenants. The largest loan is 40.5%. The weighted average DSCR is 181% and ICR of 182.5%.

Hypo Real Estate Bank International and Morgan Stanley were co-arrangers on the transaction. Morgan Stanley was lead manager and Hypo Real Estate Bank International and Caylon SA were co-managers. Morgan Stanley Mortgage Servicing Limited will service the Morgan Stanley loans, Hypo Real Estate Bank International will service the bank’s own loan.

<b>Note Class</b>	<b>Ratings (S&amp;P / Fitch)</b>	<b>Notional (GBP)</b>	<b>Coupon (over 3 month LIBOR)</b>
A	AAA/AAA	286,900,000	0.24%
B	AA/AA	20,000,000	0.32%
C	A/A	25,200,000	0.55%
D	BBB/BBB	15,658,000	0.85%

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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 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.