

## **Press Release**

### **Hypo Real Estate Bank AG: First lending transaction after resumption of new business**

- **Financing of „Messehäuser am Markt“ in Leipzig (Saxony) completed**
- **Transaction volume: EUR 61.5 million**

**Munich, November 3<sup>rd</sup> 2004:** Hypo Real Estate Bank AG in Munich has completed its first financing transaction since resuming new lending activities. The bank is funding the reconstruction and modernization of the „Messehäuser am Markt“ in the center of Leipzig with EUR 61.5 million. The property is located in the city’s central pedestrian area and comprises two office and commercial buildings classified as historical monuments with a gross rental space of 22,800m<sup>2</sup> and 128 underground parking spaces. The buildings are currently being fully reconstructed and modernized. Long-term lease contracts have already been closed with the prestigious retail chains ZARA, Douglas and H&M for the property’s retail surfaces.

Manuela Better, member of the managing board of Hypo Real Estate Bank AG and responsible for sales, says: „I am pleased that the bank has completed its first financing transaction after resuming new business. The transaction reflects our new strategy perfectly. With a clear focus on structured financings and a cash-flow oriented business policy, our target customers are professional commercial real estate investors. Geographically, we are focused on the growth markets in eastern Germany and on core markets in Munich, Hamburg, Frankfurt, Stuttgart, Berlin and North-Rhine Westphalia.“

In mid-September, Hypo Real Estate Bank AG completed an almost two-year period of restructuring with the sale of a real estate financing portfolio to the U.S. investment company Lone Star. The sale of this portfolio was the

starting signal for the resumption of new lending business. Hypo Real Estate Bank AG is the competence center for Germany within the Hypo Real Estate Group.

**Note for editors**

Hypo Real Estate Bank AG, Munich, is part of the Hypo Real Estate Group (HREG), one of the largest European providers of commercial real estate financing. The bank's core business does not include private mortgage lending or municipal lending. HREG consists of the non-operational listed holding company Hypo Real Estate Holding AG, based in Munich, and three operating entities. These are *Hypo Real Estate Bank AG* in Munich, *Hypo Real Estate Bank International* in Dublin and *Württembergische Hypothekbank AG (WürttHyp)* in Stuttgart.

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