

Press release

Hypo Real Estate Bank AG is providing financing of €470 million for a commercial real estate portfolio acquired by Morgan Stanley Real Estate

Munich, 21 May 2007: Hypo Real Estate Bank AG – a member of the Hypo Real Estate Group – is providing financing of €470 million for the acquisition of a commercial real estate portfolio by a Morgan Stanley Real Estate investment fund. The transaction was closed on 27 April 2007.

The portfolio consists of 22 high profile commercial assets, of which the majority are located in the Hamburg metropolitan area. It includes some buildings of architecture significance which have received several awards, such as the Deichtor Center, the Berliner Tor Center, the Barcadi Turm and the XX Haus. The total useful area of all the properties is approx. 232,000 m², 80% of which is used as office space. The portfolio was sold by the well-known Hamburg-based developer Dieter Becken.

The borrower is one of the Morgan Stanley Real Estate funds with which the Hypo Real Estate Group has already completed a number of financings.

"We are pleased that we are able to support Morgan Stanley Real Estate in the acquisition of this attractive portfolio with flexible and customised finance," says **Gerhard Meitinger, Head of Sales International Investors.**

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Hypo Real Estate Group

Hypo Real Estate Group is one of Europe's largest providers of commercial real estate financing. The Group will develop additional growth and establish the conditions necessary for a further increase in profitability by consistently developing the business model towards that of a more broadly based **Asset Finance House**. Hypo Real Estate Group has around 1230 employees (as of December 31, 2006) and consists of the non-operational, listed holding company **Hypo Real Estate Holding AG** (Munich) and three operational business entities. **Hypo Real Estate Bank International AG** (Stuttgart) and **Hypo Real Estate Bank AG** (Munich) conduct the real estate financing activities (segment **Commercial Real Estate**). **Hypo Public Finance Bank** (Dublin) combines public and infrastructure finance. The Group also conducts asset management and offers innovative products which enable credit risks and services from its range of skills to be managed for or offered to third parties (segment **Asset Finance and Asset Management**). The shares of Hypo Real Estate Holding AG are listed on the Deutsche Aktienindex (DAX 30).