

Press Release

Hypo Real Estate Bank AG finances four projects in Berlin for the apellas Group – more than €140 million financing volume

Berlin/Munich, 18 April 2006: Hypo Real Estate Bank AG is financing the purchase of two residential portfolios, an office building and a residential construction program in Berlin for companies of the apellas Group. The financing volume is more than €140 million. The loan agreements were closed during the last week of March.

Reinhold Güntner, member of the Management Board of Hypo Real Estate Bank AG, says: „Hypo Real Estate Bank AG reported back to the market impressively as the competence centre of the Hypo Real Estate Group after resuming new business in autumn 2004. This transaction continues our successes during recent months and underscores our resumed importance on the German real estate financing market”.

„With the acquisition of these portfolios, we continue our investment strategy on the German real estate market. Given our focus on undermanaged residential and commercial properties with value add potential, apellas can close attractive transactions even in a competitive investment market,“ says **Dr. Ulrich Weber, Managing Director of apellas Property Management GmbH.** „At the same time, the planned modernisation and new construction investments of more than €50 million reflect the long-term strategy of the apellas Group,“ Dr. Weber added.

1,250 apartments, 11,000 m² office space and 84,000 m² developed land

The financed properties are 1,250 apartments, 11,000 m² office areas and 84,000 m² of developed land. One of the financed residential portfolios includes 1920s buildings and art deco villas in the Berlin districts of Dahlem, Schlachtensee and Schmargendorf previously owned by the Deutsche Bundesbank. The second residential portfolio comprises residential and commercial units in the districts of Wilmersdorf, Tempelhof and Wedding. This portfolio was formerly owned by DKB (Deutsche Kreditbank) Immobilien AG. The third project is the purchase and conversion of an office building with a lettable area of app. 11,000 m² in a good location between Potsdamer Platz and Alexanderplatz. The tenant arrangement of this object will be optimized and the building refitted. New lease agreements for vacant areas were already closed shortly after the acquisition. The fourth apellas development is a residential construction project in a prime location on Lake Wannsee in Berlin. Semi-detached homes and town houses are to be built on the property with an area of 84,000 m². The buildings already present will be integrated into the ensemble.

Hypo Real Estate Bank AG

Hypo Real Estate Bank AG, Munich, is the centre of competence of the Hypo Real Estate Group (HREG) for the German market. HREG is one of the largest European providers of commercial real estate financing and consists of the non-operational listed holding company, namely **Hypo Real Estate Holding AG** based in Munich, and three operational entities. The group's international real estate financing activities are combined in **Hypo Real Estate Bank International AG** (Stuttgart). The Public Finance and Capital Markets business is operated by **Hypo Public Finance Bank** (Dublin).

apellas

The apellas Group is a real estate investor focusing on repositioning undermanaged real estate portfolios. The group's holdings include some 7,000 apartments and several 10,000 m² in office space. apellas is presently implementing Berlin's biggest residential investment program in the "Parkviertel Dahlem" apartment complex.

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