

Press release

Hypo Real Estate Capital Corporation closes \$130 million loan for 681 Fifth Avenue in New York

Munich, New York 24 September, 2008: Hypo Real Estate Capital Corporation (HRECC), a member of Hypo Real Estate Group, today announced that it closed a \$130 million loan for 681 Fifth Avenue in New York. The transaction closed on August 19, 2008.

681 Fifth Avenue is located between 53rd and 54th Streets in the Plaza District submarket of Manhattan. Built in 1912 as a McKim, Mead, and White building and currently undergoing a total renovation, the 17 story Class A office and retail property measures 82,500 net rentable square feet and includes a unique penthouse with outdoor terraces and highly desirable views of Central Park to the north and the Rockefeller Center and the Empire State Building to the south.

In March of 2008, Tommy Hilfiger executed a 15-year lease for 22,500 square feet on the first four floors and two basement levels. The Tommy Hilfiger store will serve as the company's global flagship store. Tommy Hilfiger has previously announced that the store is expected to open for the 2008 holiday season.

The sponsors of this deal are Robert Siegel and descendants of the Hermès family. This is the first time Hypo Real Estate Capital Corporation has worked with each of the sponsors. RCG Longview served as mezzanine lender, on this deal.

The Sponsors are also completing an entire renovation of all building systems and the remaining 60,000 rentable square feet will be available as Class A Office Space for occupancy by the end of this year, which will be

comprised of 6,000 square foot single floor plates with 14 foot ceilings on each floor. The Sponsors have awarded Matthew Astrachan and Mitchell Konsker of Cushman & Wakefield the exclusive brokerage contract for leasing the unique office space at 681 Fifth Avenue.

“We believe this is the perfect transaction for HRECC based on the borrower’s opportunity to create value over the loan term. We are extremely pleased to present the client with flexible, floating-rate balance sheet financing that will facilitate the clients’ execution of the business plan,” said **Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation**. “We welcome Mr. Siegel and descendants of the Hermès family as new clients and look forward to working with them again in the future.”

Dana Valenti, Director at Hypo Real Estate Capital Corporation said, “The scarcity of exceptional flagship retail locations and the incredible demand for boutique office space in the prominent Plaza District provides for an incredible repositioning and value creation opportunity for the Sponsor.”

“The principals of RCG Longview have enjoyed a long term relationship with Metropole Realty, and the 681 Fifth Avenue transaction is exactly the type of value-add investment that our Fund seeks”, said **Christopher LaBianca, President of RCG Longview**.

“Our experience with Hypo Real Estate Capital Corporation was exceptional and we look forward to a very long and mutually beneficial relationship with this forward thinking lender,” said **Robert A. Siegel, Sponsor and CEO of Metropole Realty Advisors, Inc.** “The innovative loan structure crafted by the expert HRECC team will enable us to seamlessly achieve the

repositioning of this premiere Fifth Avenue property to its original glory making it an ideal Class A location for retail fashion showrooms, family offices, hedge funds, and other premiere tenants,” added **KT Stallings Bren, Managing Director at Metropole Realty Advisors, Inc.**

Notes to editors:

About the Sponsor:

Robert A. Siegel is the CEO of **Metropole Realty Advisors, Inc.**

Metropole’s principals have focused on development, acquisition and leasing of the most sought after luxury retail locations for thirty years. During this time they have amassed a portfolio that includes flagship retail properties on Fifth and Madison Avenues, Rodeo Drive and Hawaii’s Kalakaua Avenue, where renowned retailers such as Hermes, Gucci, Chanel, Louis Vuitton, Loro Piana, Burberry and similar brands operate flagship stores. Metropole has developed an equally renowned leasing advisory business for some of the most prominent retail tenants and properties, including its role as exclusive broker to the Americana Manhasset. Through its decades-long commitment to this unique niche, Metropole has amassed unparalleled insights into market trends that enable it to develop each property to its highest and best use.

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About Hypo Real Estate Capital Corporation

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International AG, is one of the leading lenders in the United States commercial real estate marketplace. Hypo Real Estate Capital provides innovative financial solutions for a prestigious client base throughout the U.S. Over the last five years, the firm has closed more than \$22 billion of loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

About Hypo Real Estate Bank International AG

Hypo Real Estate Bank AG and Hypo Real Estate Bank International AG, Munich, are leading providers of commercial real estate financing on an international scale and in Germany. The banks offer their services to professional real estate investors, building societies, and developers as well as closed and open ended real estate funds globally through 20 offices across Europe, the Americas and Asia. The service and product range includes classical Pfandbrief-based mortgages as well as large-volume investment banking products. Both banks are members of Hypo Real Estate Group. Following the acquisition of DEPFA Bank plc in October 2007, the Group has evolved into one of the leading international financial services providers for commercial real estate, public sector and infrastructure finance. Additional information is to be found on www.hyporealestate.com.

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