

Press release

Hypo Real Estate Bank AG is financing a project of Deutsche Immobilien AG and Hamburg Team Gesellschaft für Projektentwicklung mbH – Financing volume approx. €100 million

Munich, 18 December 2006: Hypo Real Estate Bank AG – the centre of competence of the Hypo Real Estate Group for the German real estate market – is financing the "Wallhöfe" project of Deutsche Immobilien AG and HAMBURG TEAM Gesellschaft für Projektentwicklung in the Neustadt quarter of Hamburg. The financing volume totals approx. €100 million, and the credit agreements were signed in November 2006.

By the year 2009, a new quarter with a total floor area of approx. 45,000 m² will be built on the former Haspa site in the Neustadt quarter of Hamburg. The following will be built on the site of approx. 11,700 m² after the existing buildings have been demolished: Approx. 20,700 m² gross floor area for rental and owner-occupied apartments, approx. 11,000 m² for a hotel and approx. 9,000 m² for a boarding house as well as approx. 3,500 m² for office and approx. 800 m² for retail premises. The quarter is located in Hamburg's Neustadt-Nord between the Old Town and the park "Planten un Blomen" in a popular residential area of Hamburg with a wide range of cultural and gastronomic services.

"This project development in a popular quarter of Hamburg is a classic example of the trend towards revitalising inner cities. An attractive location for living and working is being created on a site which used to be used mainly for industrial purposes", says **Frank Lamby, Spokesman of the Management Board of Hypo Real Estate Bank AG and Gerhard Meitinger, head of Structured Finance/ Portfolio Transactions.** "With this transaction, we have again demonstrated that the bank is a competent partner for complex project development measures."

Hypo Real Estate Bank AG

Hypo Real Estate Bank AG is a member of the Hypo Real Estate Group, one of the largest European providers of commercial real estate financing. The Group consists of the listed holding company without operations, Hypo Real Estate Holding AG which is based in Munich, as well as operating entities. Hypo Real Estate Bank AG, Munich, is the centre of competence of the group for the German market. Hypo Real Estate Bank International AG (Stuttgart) is responsible for international real estate financing activities. Public Finance as well as Capital Markets business is handled at Hypo Public Finance Bank (Dublin).

Deutsche Immobilien AG

Deutsche Immobilien AG (DIAG), a company in the Deutsche Seereederei Group (DSR), was originally established in 1992. The core competence of Deutsche Immobilien AG is the development and construction of high-quality office, hotel and residential premises. DIAG is represented in Rostock, Hamburg, Berlin and Cologne. Its areas of activity comprise project development and construction support, negotiation and consultancy as well as management and administration. The core capital of DIAG is €30 million, and the total project volume at DIAG is currently approx. €500 million.

Hamburg Team Gesellschaft für Projektentwicklung mbH

Hamburg Team is a project development company based in Hamburg; it carries out high-quality construction projects – from establishing the floor space requirements right through to the point at which keys are handed over. The tasks of Hamburg Team comprise the design of high-quality owner-occupied apartments, large residential properties and office premises as well as technical support and management of construction projects as well as administration and development of existing stock.

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