

Press release

Hypo Real Estate Capital Corporation closes \$127.5 million construction loan for the development of a condo-hotel in Boston, Massachusetts

New York, Dublin, Munich, December 7th 2004 – Hypo Real Estate Capital Corporation (“HRECC”) – the New York-based subsidiary of Hypo Real Estate Bank International and one of the leading financial institutions in the United States commercial real estate industry – closed a three-year construction loan to Intell Boston Harbor, LLC for the development of the new InterContinental Hotel and luxury “Residences at the InterContinental,” a condo-hotel project in Boston, Massachusetts. HRECC, as agent and lead lender, provided \$127.5 million in financing towards the total \$255 million loan. The balance of the financing was provided by Westdeutsche Immobilienbank.

Located at 500 Atlantic Avenue in the heart of Boston’s Financial District and overlooking the Boston waterfront, the 20-story, mixed-use project will consist of 424 hotel rooms located on floors one through 12; 130 luxury residential condominiums located on floors 14 through 21; and a parking garage containing 376 spaces.

“Residences at the InterContinental” will be a luxury condominium development with all of the advantages of a five-star, full-service hotel including food, concierge, maid service, health club and spa, and valet parking, which is available to each of the condominium owners. The identity of the condominium apartments will be established with its own separate lobby and entrance from that of the hotel. The residences are enhanced with views of the Boston Harbor and the new Rose Kennedy Parkway.

“Hypo Real Estate Capital is extremely pleased to be part of bringing the first InterContinental Hotel to Boston,” said Evan F. Denner, head of real estate finance for Hypo Real Estate Capital Corp. “This transaction further substantiates our successful track record of providing innovative financing solutions to condo-hotel projects throughout the United States.”

“500 Atlantic Avenue represents a new chapter of luxury living in Boston within the revitalization of the waterfront,” said Gary Barnett, president of the New York-based development firm, Intell Management and Investment Co.

Notes to editors:

About Hypo Real Estate Capital Corporation

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International, 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 \$18 billion in construction, fixed rate, floating rate and mezzanine loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

About Hypo Real Estate Bank International

Hypo Real Estate Bank International based in Dublin, Ireland, is part of the Hypo Real Estate Group (HREG). The corporate group – which is the result of HVB Group spinning off its commercial real estates activities – comprises the non-operational, listed holding company, Hypo Real Estate Holding AG headquartered in Munich alongside two operational units: Stuttgart-based Württembergische Hypothekenbank AG (WürttHyp) and Munich-based Hypo Real Estate Bank AG Germany. Hypo Real Estate Group is one of Europe’s largest providers of commercial real estate finance.

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