

Press release

Hypo Real Estate Bank International: Successful completion of a CHF 29.75 million financing for the acquisition of a mixed use property in La Chaux-de-Fonds (NE), Switzerland

Geneva/Stuttgart/Munich, 10 April 2006: Hypo Real Estate Bank International announces that it has provided CHF 29.75 million of financing for the acquisition of a mixed use property in La Chaux-de-Fonds (NE), Switzerland by a consortium of investors made up of Apollo European Real Estate Fund, REIT Asset Management Europe and REPI-SA. The purchasers were advised by SPG Intercity Geneva. The transaction closed on 7 March 2006.

The property is made up of offices, workshops and storage facilities and is let on a long term basis to subsidiaries of LVMH Group, including TAG Heuer S.A.

Apollo Real Estate, a leading private real estate investor, was founded by William Mack in 1993 and has invested over \$4.7 billion in more than 200 transactions with an aggregate value in excess of \$20 billion.

REIT Asset Management is a specialist investment finance and asset management partnership with a portfolio with a value of around EUR 4 billion and offices in London, Mumbai, Munich, Tel Aviv and Stockholm.

REPI, Real Estate Participations & Investments SA is a Swiss private investment company.

SPG Intercity Geneva is a specialist in commercial property search and consultancy which offers services ranging from the strategic analysis of real

estate portfolios to assistance in negotiating leases and sales or purchase contracts.

Commenting, Harin Thaker, CEO - Europe, said: “We have again proven that our European business platform can deliver efficiently, successfully and quickly a structured finance solution for a key client.”

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Notes to editors:

Hypo Real Estate Group

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