

Press release

Hypo Real Estate Bank International: Successful completion of a CHF 27.7 million acquisition financing to special purpose vehicles (“SPV’s”) owned by Apollo European Real Estate Fund, REIT Asset Management Europe and REPI-SA, for the purchase of four mixed use properties in Switzerland

Geneva/Stuttgart/Munich, 12 June 2006: Hypo Real Estate Bank International announces that it has provided a total of CHF 27.7 million of financing for the acquisition of four mixed use properties in Yverdon-les-Bains (VD), Monthey (VS) and Puidoux (VD), Switzerland. The financing has been split between the SPV’s that have been set up to purchase the buildings and will be provided in two tranches. The first tranche of the financing was provided on 27 April 2006 and the second is expected to be provided within the next few weeks.

The properties are made up of offices, workshops and production facilities and are let on a long term basis to Philip Morris, 4M Technologies SA and CIPAG SA. The purchasers were advised by SPG Intercity Geneva.

Commenting, Harin Thaker, CEO - Europe, said: “This deal, our second in Switzerland in recent weeks, reaffirms our capabilities in this market, and I hope to continue with further deals here in the future.”

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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.

Apollo Real Estate

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

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-SA

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

SPG Intercity Geneva

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.