

Press release

Hypo Real Estate Capital Corporation closes \$147.9 million acquisition loan on two multifamily portfolios in the Washington D.C. Metro area

New York, Munich, 14 July 2006 – 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 \$147.9 million five-year, floating-rate loan for the acquisition of two apartment portfolios, representing a total of 2,170 units in six garden-style properties in Maryland. The transactions closed on May 17 and June 23, 2006.

The purchaser was The Bozzuto Group of companies. Over the past five years, The Bozzuto Group has acquired a total of 5,638 units in the mid-Atlantic region.

All of the properties are located within Prince George’s County, MD. They include two properties encompassing a total of 759 units in Suitland, MD (Shadyside Gardens and Forest Village); two in Temple Hills, MD encompassing a total of 429 units (Marlow Heights and Marlow Plaza); and two properties representing a total of 982 units in Laurel, MD (Laurel Square and Towne Center).

“We are very pleased to be starting a new relationship with The Bozzuto Group of companies. It is indicative of our desire to continue to provide financing to high quality sponsors of their caliber that have consistently proven their ability to successfully execute their business strategies,” commented Evan Denner, Deputy CEO of Hypo Real Estate Capital Corporation.

Added Mike Butz, Director, “This transaction is a good example of the company’s ability to use its balance sheet to create a customized financing solution for a portfolio of properties with a variety of unique, individual needs. We were able to provide both senior and mezzanine financing combined with flexible release provisions and significant future funding commitments, which will allow Bozzuto to complete its repositioning plan on its own timetable and with maximum flexibility. This is the benefit of a financing platform that is able to address the specific needs of borrowers at a time when they are forced to be creative in order to generate additional value in their real estate holdings and maximize the returns to their investors.”

The financing was arranged by CBRE Melody’s Washington D.C. office.

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 \$22 billion of loans. Headquartered in New York, Hypo Real Estate Capital is active in all markets across the U.S.

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.

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