

Press release

**Hypo Real Estate Capital Corporation closes \$ 206.5 Million
Construction Loan for NYC Condominium Property**

New York, Munich, 18 May 2006 Hypo Real Estate Capital Corporation (“HRECC”), the New York-based subsidiary of Hypo Real Estate Bank International AG and one of the leading financial institutions in the United States commercial real estate industry, closed a \$ 206.5 million loan for the construction of a mixed-use, luxury condominium property on Manhattan’s Upper West Side on May 9, 2006.

The property is being developed by Clarett Capital, LLC, a joint venture between The Clarett Group and Prudential Real Estate Investors, along with ING/Clarion.

The new 27-story condominium to be built at the southeast corner of West End Avenue and West 70th Street, will include 191 luxury apartment homes totaling 210,213 net square feet, 27,000 square feet of retail space and a 76-car parking garage. Located in one of Manhattan’s most sought-after residential neighborhoods, this prestigious building will boast amenities including 24-hour door and concierge service, a state of the art fitness center, playroom, outdoor recreation terrace, billiard room, media lounge and dining salon with catering kitchen for private functions. Apartment units will feature the highest quality design and finishes.

The construction loan announced today marks the second time in less than a year that Hypo Real Estate Capital Corporation has financed a Clarett Capital project in Manhattan. In December 2005, the company announced a \$ 138.7 million loan for the construction of a luxury residential tower at 11 East 29th Street.

“We’re very pleased to be working with Clarett Capital again,” said Evan Denner, Deputy CEO of Hypo Real Estate Capital Corporation. “We’re also proud that Clarett returned to Hypo Real Estate for this loan as it underscores the quality of relationship we have built with this important client. Clarett needed a rapid turnaround and certainty of execution and based on their experience with our quality of service came to us knowing we have the resources, flexibility and seasoned professional staff to close on schedule.”

Notes to editors:

About Hypo Real Estate Capital Corporation

Hypo Real Estate Capital Corporation, a subsidiary of Hypo Real Estate Bank International AG, is one of the leading lenders in the United States commercial real estate marketplace. Hypo Real Estate Capital Corporation 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 Corporation 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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