

Press release

Hypo Real Estate Capital Corporation provides construction financing for Downtown Chicago luxury apartment/condo hotel project

New York, Munich, 21 September 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 – has closed a \$203 million floating-rate construction loan for the Elysian Hotel and Private Residences – an ultra-luxury hotel condominium and residential project in Chicago’s prestigious Gold Coast neighborhood. The loan is for three years, with a one-year extension option. The transaction closed on August 31, 2006.

The borrower was First Elysian Properties, LLC, a joint venture consisting of the Elysian Development Group, Golub & Company, and an affiliate of Arcapita, Inc. (“Arcapita”). Arcapita, the majority equity partner, is based in Atlanta. Elysian and Golub are prominent Chicago-based real estate developers.

The flagship for a new ultra-luxury hotel brand, the Elysian Hotel and Private Residences will be a 60-story ultra-luxury condo-hotel tower located on East Walton Street, in the heart of Chicago’s Gold Coast. The project includes 51 residences and 188 fully furnished condo hotel suites available for sale, ground floor retail space, a luxury health club and spa, several restaurants and a subterranean parking garage.

“We are very pleased to be financing what will be Chicago’s premier new luxury residential property,” said Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation. “Given that it is already 67 percent sold, it clearly will be a very successful project. We continue to look for opportunities to establish and then build upon relationships with high quality sponsors.”

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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