

**Press release**

**Hypo Real Estate Capital Corporation closes \$32.5 million loan for the conversion of Greystone Loch Apartments in Hilton Head Island, SC**

**New York, Munich, February 22<sup>nd</sup> 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 an 18-month, \$32.5 million loan on February 15 to Summer House HHI, LP, an affiliate of Julian LeCraw & Company LLC, for the conversion of Greystone Loch Apartments in Hilton Head Island, South Carolina to condominiums.

The property is situated on a 25-acre site on the western edge of Indigo Run Plantation, a desirable residential community featuring two Nicklaus-designed golf courses, on the famed Hilton Head Island. Currently a garden apartment complex, the converted community will feature 194 units in 18 three-story buildings surrounding a picturesque pond. The units will all have nine-foot ceilings, full-size washer and dryer and attractive interior finishes. The conversion is anticipated to be completed in 18 months.

“We are pleased to have worked with Julian LeCraw & Company for the repositioning of this signature property,” said Evan F. Denner, Deputy CEO of Hypo Real Estate Capital Corporation. “In returning to the Hilton Head market, Hypo Real Estate Capital demonstrates its strength to service a true diversity of property types in markets throughout the country.”

**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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