

# PRESSE RELEASE

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Page 1 of 2

**SoFFin holds 47.31 percent of Hypo Real Estate Holding AG (HRE) after expiration of acceptance period – the takeover to stabilize HRE by the Federal Republic of Germany can be continued swiftly.**

- After the expiration of the acceptance period on 4 May 2009, the Financial Market Stabilization Fund, acting for the Federal Republic of Germany, now holds 47.31 percent of all shares in HRE.
- The acceptance period will not be extended.
- It is envisaged that an extraordinary general meeting shall approve a capital increase in order to continue the takeover of the bank on 2 June 2009.
- SoFFin is aiming at a complete takeover of the shares in HRE.

After the expiration of the acceptance period on 4 May 2009, the Financial Market Stabilization Fund, acting for the Federal Republic of Germany, now holds 47.31 percent of all shares in HRE.

In order to continue the takeover of the bank, it is envisaged that the extraordinary general meeting shall approve a capital increase. The capital increase will sustainably strengthen the equity base of the company while ensuring that the necessary restructuring measures will take place swiftly. Initially, it is planned to increase the share capital accordingly. The new shares will be issued at par.

SoFFin will subscribe all of the new shares, excluding subscription rights of the shareholders. This will give the Fund a majority of 90% of the registered share capital and voting rights of HRE. Such majority will enable the subsequent takeover of the shares of the remaining minority shareholders through a so called squeeze-out procedure. SoFFin expects the price to be paid in such procedure not to exceed the offer price of EUR 1.39 per share.

HRE's shareholders have already been invited to an extraordinary general meeting on 2 June 2009.

Prof. Dr. Hannes Rehm, Chairman of the SoFFin Management Committee, is optimistic about the outcome: "We will consistently pursue our efforts to stabilize HRE. The bank is of systematic relevance and must be rescued in order to ensure stability of the financial markets and the German economy. I expect the envisaged capital increase to be approved by the extraordinary general meeting," he added.

## **Financial Market Stabilization Fund (SoFFin)**

The Financial Market Stabilization Fund is managed by the Financial Market Stabilization Agency. It has been given the name “Financial Market Stabilization Fund“ as per its objective and because of the limited period of time it will be in operation. The fund was created on 17 October 2008 under the German Financial Market Stabilization Act.

For further questions, please contact:

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