

# PRESSE RELEASE

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## **SoFFin holds 90 percent stake in Hypo Real Estate Holding AG (HRE) following capital increase. Preparations for complete takeover of the company under way.**

- At the extraordinary general meeting of HRE, a 73.95 percent majority of shareholders approved a capital increase in the amount of EUR 2.96 billion.
- After subscription of all the relevant shares, the Financial Market Stabilization Fund (SoFFin) will hold a 90 percent stake in HRE.
- As planned, SoFFin will initiate a squeeze-out under German stock corporation law in order to proceed with the restructuring of HRE after finalising the complete takeover of the company.

At the extraordinary general meeting of shareholders, HRE's shareholders today approved a capital increase in the amount of EUR 2.96 billion, with 73.95 percent of votes cast. The shares are to be issued at a par value as per the company's articles of association of EUR 3 per share, excluding subscription rights of the other shareholders in favour of SoFFin. After subscribing all the shares in connection with the capital increase, SoFFin will hold a 90 percent stake in HRE. As announced, SoFFin now intends to initiate a squeeze-out under German stock corporation law in order to finalise the complete takeover of HRE.

Prof. Dr. Hannes Rehm, Chairman of the SoFFin Management Committee, states: "We are relieved that we do not have to resort to the option of expropriating shareholders. I would like to thank all the shareholders who accepted the takeover offer and approved the resolution on the capital increase, thereby clearing the way for a quick and unproblematic stabilisation of HRE."

In September of last year, HRE experienced acute distress. In view of the size of HRE's balance sheet and refinancing structure and the scope of its derivatives book, the insolvency of HRE would have substantial, almost incalculable effects on the German and international economy. To avoid jeopardising confidence in the German financial sector, the Federal Republic of Germany considers it to be its duty to stabilise HRE and to guarantee its long-term chances of survival.

"Our aim is to rescue HRE. In this respect, swift and decisive action by the company's shareholders is of vital importance, which is why the complete takeover of HRE is necessary. We also owe this to German taxpayers, given that substantial amounts have already been invested in the company for national economic reasons," said Prof. Dr. Hannes Rehm.

## **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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