

28 June 2007

**Eurohypo provides refinancing loan of CHF 164 million for six hotels in Geneva**

- CEO Bernd Knobloch: Swiss real estate market robust with comparatively low volatility
- Branch manager Beat F. Reichmuth can see increasing demand from foreign investors

**Zurich.** Eurohypo is providing a credit facility of CHF 164 million to refinance and reposition six hotels for the operating company Manotel in Geneva via JER Capital Partners and the former owner Finial Capital Capital Management S.A. The payment of the loan was made in two tranches: CHF 106.5 million in January and CHF 57.5 million in June of this year. The hotels are 3-4 star properties in the centre of Geneva. "The objective is to re-position the hotels so that Manotel can dominate the mid-market sector by offering the best properties and via a growing share of commercial and conference business in Geneva," Beat F. Reichmuth, head of Eurohypo's Zurich representative office said at a press conference in Zurich on Thursday.

Eurohypo, which has offices in more than 25 countries worldwide, maintains a representative office in Zurich, which plays an important role in the course of Eurohypo's foreign strategy. The market for office space in Zurich and Geneva, is in the words of Eurohypo's CEO, Bernd Knobloch, relatively small in a global context, but is distinguished by its stability: "Vacancies are at a low level with an ever falling trend and also the rental amounts reflect the international importance of this market." A major factor in the words of Knobloch is also that Zurich's market for office space is with regard to real estate cycles moving somewhat in consonance with other European markets, but the volatility is considerably lower than in most other locations. According to Knobloch, Geneva's market for office space is virtually completely disconnected from the cycle due to shortage of space and due to the demand primarily from organisations independent of the economy.

In terms of the investment market, a sharply increased demand from foreign investors has been observed in Switzerland over the past year. These investors appear increasingly in competition with national investors particularly in the case of large-volume transactions. "Irrespective of the low levels of return when international comparisons are made, the low interest level and the stability speak in favour of the Swiss investment market," Beat Reichmuth said.

Eurohypo AG  
Helfmann-Park 5  
D-65760 Eschborn  
Germany  
www. eurohypo.com

Press/PR  
Gisela Brandhoff  
Telephone +49 (0)69.2548 21316  
gisela.brandhoff@eurohypo.com

Press/PR  
Andreas Funke  
Telephone +49 (0)69 2548 21315  
andreas.funke@eurohypo.com