

Press release

Munich, April 28, 2006

**Innovative finance for renewable energy -  
HVB places Breeze Two with a volume of €470 million**

HypoVereinsbank today successfully placed its Breeze Two transaction in the capital market. The bonds securitize a portfolio of wind power plants with a volume of approximately €470 million. HVB brought the first transaction of this type to the European market two years ago, immediately winning the title "Deal of the Year 2004 - European Renewable Bond " awarded by the highly-regarded *EuroMoney Project Finance* magazine.

Breeze One and Breeze Two so far are the only issues in the European capital market to provide investors with the opportunity to access the wind power backed sector. The volume of Breeze Two is four times larger than Breeze One and the diversification within the portfolio has been further optimized. "With the debut two years ago, we demonstrated how securitization in the capital market represents a serious alternative to the usual bank financing for renewable energy. With the second transaction, we've now succeeded in establishing this instrument. The capital market offers developers of wind power attractive financing options, while wind power is an attractive investment for institutional investors as well," emphasizes Dagmar Buhl, Head of Structured Bonds. HVB structured, arranged, and placed the bond.

The portfolio covers 39 wind power plants in Germany and France, with a total capacity of around 330 megawatts. It is highly diversified in terms of the plant location and the turbine technology employed. HVB acted as structurer and consultant for the purchase of the €470 million investment project for British investor Christofferson, Robb and Company (CRC), which funded the transaction by issuing a bond. The investor has acquired the portfolio from five different German project developers of wind power plants (ABO Wind AG, Energiequelle GmbH, juwi GmbH, MFG Management & Finanzberatung AG, Voltwerk AG).

The bond comprises a total of three tranches, two of which have been placed in the capital market. The prior-ranking tranche A, with a volume of €300 million and a term of 20 years, has been given a BBB rating by rating agencies Fitch and S&P. The secondary tranche B, with a volume of €50 million and a term of ten years, have been given a BB+ rating by the same. The unrated tranche C below this level, which has been placed privately, totals €120 million.

The bonds are to be repaid in semi-annual installments through the end of the term. The SPV is using the funds gained from the bond issuance to replace existing bank loans for wind power plants and to secure, long-term financing.

The issue received a very warm welcome in the capital market. There are not many opportunities to invest in wind power, so the chance to diversify portfolios proved accordingly popular. The two tranches placed in the capital market, which were oversubscribed several times, featured a semi-annual coupon of 5,29% for tranche A and 6,11% for tranche B. The investors

included banks and investment funds from different European countries.

<b>Class</b>	<b>Rating (Fitch / S&amp;P)</b>	<b>Amount (EUR)</b>	<b>Final Legal Maturity</b>	<b>Coupon s.a.</b>
A	BBB/BBB	[300.000.000]	May 2026	5,29%
B	BB+/BB+	[50.000.000]	May 2016	6,11%
C	NR	[120.000.000]	May 2026	privately placed

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