

Press Release

Deutsche Bank and HSH Nordbank arrange financing of ten capesize bulkers for E. R. Schiffahrt

Hamburg/Kiel, July 17, 2008 – A banking syndicate led by Deutsche Bank AG and HSH Nordbank AG has arranged the syndication of a USD 753.1 million loan for the financing of ten capesize bulkers for Hamburg-based shipping company E. R. Schiffahrt GmbH & Cie KG. E. R. Schiffahrt's equity portion in the deal amounts to approx. USD 300 million for a total investment volume of USD 1.056 billion.

Each of the ships will have a capacity of 180,000 tdw (tons dead weight) and be built in Korea by the Hyundai Group. They are scheduled for delivery between February and July 2010 and primarily carry coal and iron ore. Long-term contracts with renowned charterers in Japan and China have been signed for the entire fleet.

Deutsche Bank AG and HSH Nordbank AG together acted as Initial Mandated Lead Arranger to form a club of banks and arrange the financing of the ten bulkers; other Mandated Lead Arrangers are BNP Paribas, Commerzbank and Dresdner Kleinwort, while Deutsche Schiffsbank acts as Co-Arranger. The transaction covers both the construction time and final financing of the ten ships.

page 1 of 2

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According to Ralf Bedranowsky, Deutsche Shipping, Global Head of Shipping at Deutsche Bank, and Harald Kuznik, Global Head of Shipping at HSH Nordbank, this deal with this renowned client is an excellent example “that the global shipping market is returning to reasonable, market-consistent valuations also from the point of view of the financiers.”

HSH Nordbank is the world's leading provider of ship finance with total business amounting to approximately € 34 billion in 2007 and around 3,400 ships in its portfolio. In particular, the Bank's range of products and services for shipping companies operating on an international scale includes long-term ship-mortgage loans, finance during construction and structured ship finance.

The Bank assists its customers both in carrying out projects to build new vessels and in purchasing ships from other sources. HSH Nordbank's business in this area breaks down into the three main markets of container vessels, tankers and bulk carriers. However, HSH Nordbank also provides customised solutions involving a large variety of specialised ships. In addition to the pure lending business, HSH Nordbank has been focusing to an increasing extent on comprehensive advisory services for all types of shipping companies.

Apart from structured and innovative financing methods, the Bank also offers one-stop solutions covering all potential financial service requirements. Innovative instruments for hedging interest, currency and oil-price risks (e.g. changes in the price of bunker oil) round off the range of products on offer. Here, HSH Nordbank offers solutions that are designed to hedge the risks involved in each individual case.

About Deutsche Bank: Deutsche Bank is a leading global investment bank with a strong and profitable private clients franchise. A leader in Germany and Europe, the bank is continuously growing in North America, Asia and key emerging markets. With 78,275 employees in 76 countries, Deutsche Bank offers unparalleled financial services throughout the world. The bank competes to be the leading global provider of financial solutions for demanding clients creating exceptional value for its shareholders and people.
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