

Ad-hoc announcement:

**Silent Participations and Profit Participation Capital of HSH Nordbank**

German GAAP accounts for HSH Nordbank report smaller than expected loss

No distributions based on 2010 results – Loss participation likely another 4 Percent

Hamburg/Kiel – 2 March, 2011 – In fiscal 2010 HSH Nordbank group generated earnings before restructuring of EUR 545 million according to IFRS after posting a loss before restructuring of EUR 718 million in 2009. Furthermore, for the first time since 2007 the group again recorded consolidated net income of EUR 48 million for a full financial year – in spite of expenditure on public sector guarantees totalling EUR 519 million. The previous year saw a shortfall of EUR 743 million.

The 2010 financial statements for the single entity HSH Nordbank AG according to HGB (German GAAP) accounting report a balance sheet loss/ net loss for 2010. According to EU regulations and the terms and conditions of the respective issuance prospectus no coupon payments for the fiscal year 2010 will be made on silent participations and profit participation capital. Moreover, these hybrid instruments will participate in the balance sheet loss/ net loss. The book value of the silent participations and profit participation capital will be further reduced by ca. 4 percent to around 79 percent. The exact amount of loss participation will be finally announced on our website [www.hsh-nordbank.com](http://www.hsh-nordbank.com) following the adoption of the financial statements by the Supervisory Board on 31 March, 2011.

In addition to the privately placed silent participations and profit participation capital the following publicly placed instruments based on silent participations of HSH Nordbank AG are affected:

RESPARCS Funding II Limited Partnership Securities 7.5% EUR 500mn  
(ISIN DE0009842542) Affected coupon date: 30 June 2011

RESPARCS Funding Limited Partnership I Securities 8.0% USD 300mn  
(ISIN XS0159207850) Affected coupon dates: 30 September 2011/ 30 December 2011/ 30 March 2012/ 30 June 2012

HSH Nordbank Sparc Securities 7.4075% EUR 500mn  
(ISIN XS0142391894) Affected coupon date: 30 June 2011

HSH Nordbank Sphere Securities 7.25% USD 500mn  
(ISIN XS0221141400) Affected coupon dates: 30 June 2011/ 30 September 2011/ 30 December 2011/ 30 March 2012

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