



1. Quarter

2. Quarter

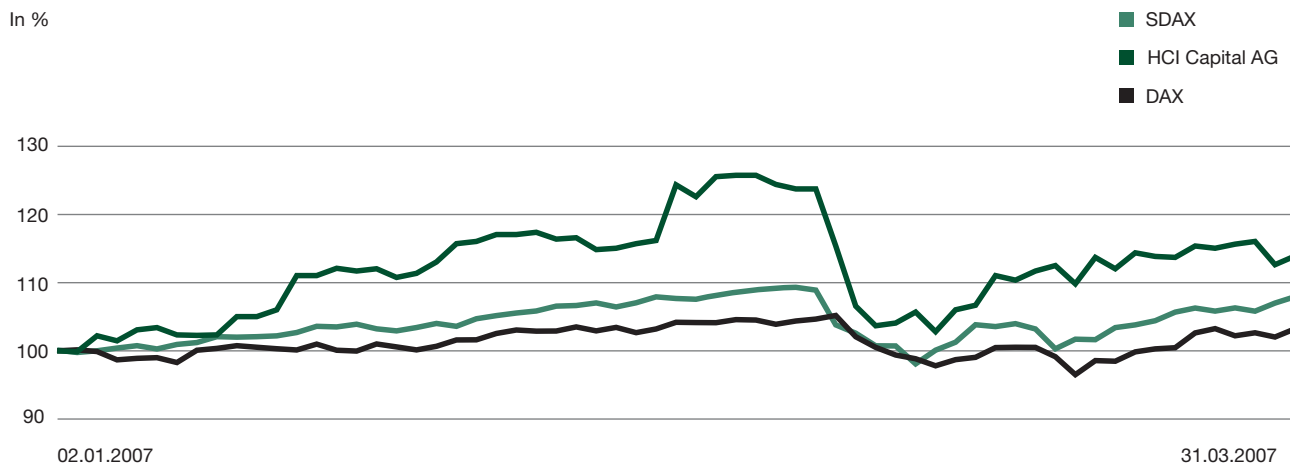
3. Quarter

HCI THREE-MONTH REPORT 2007

Capital **hc:**

Performance Ratios

| Earnings | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|-------------------------------------|--|--|
| Revenues in EUR thousands | 31,814 | 28,609 |
| EBIT in EUR thousands | 12,226 | 10,568 |
| EBT in EUR thousands | 12,887 | 11,955 |
| Group net earnings in EUR thousands | 9,889 | 7,508 |
| Net margin in % | 31.08 | 26.2 |
| EBIT margin in % | 38.43 | 36.9 |
| Earnings per share in EUR | 0.41 | 0.31 |
| Placed equity in EUR million | 139 | 121 |
| Balance sheet | March 31, 2007 | December 31, 2006 |
| Total assets in EUR thousands | 229,963 | 227,086 |
| Equity in EUR thousands | 133,073 | 123,347 |
| Equity ratio in % | 57.87 % | 54.32 % |
| Staff | March 31, 2007 | March 31, 2006 |
| Average employees | 242 | 225 |
| Personnel costs in EUR thousands | 5,672 | 6,013 |
| Personnel costs in % of revenue | 17.83 | 21.0 |

HCI Capital AG Share


Hint: Rounding differences likely to occur.

Dear shareholders and businessfriends of HCI Capital AG,

the first three months of the current financial year 2007 were very eventful for HCI Capital AG. Three new companies from the financial-services sector became major shareholders in the HCI Group, thereby contributing considerably to the desired stability of the Group's shareholder structure. The price of the HCI share developed positively at the beginning of the present year; all in all, the company is satisfied with the business development of the first quarter 2007.

Revenues for the first quarter of 2007 rose by 11.2 percent against 2006, totaling EUR 3.2 million against EUR 28.6 million in 2006. Earnings before interest and taxes (EBIT) likewise rose against the same period for the previous year amounting to EUR 12.2 million (2006: EUR 10.6 million). Consolidated net earnings rose by 31.7 percent to EUR 9.9 million (first quarter 2006: EUR 7.5 million). Overall placement figures rose for the period under review by 14.9 percent to EUR 139.0 million against the previous year's results (EUR 121.0 million). These figures clearly document the company's sound business model, the basis for sustained growth.

The ship segment profited from the prolonged high-level demand for investment offers in this product area with the volume of placed equity capital rising to EUR 77.6 million, a 54.1 percent increase over the total volume of EUR 50.4 million for the same period in 2006. Worldwide, the demand for closed-end real estate funds developed below the previous year's level. As a result of this downward trend, HCI Capital AG reported a 40.3 percent drop in placement volume for the first quarter of 2007, amounting to a EUR 8.3 million loss over the EUR 20.6 million for the same period in 2006. The secondary life insurance market segment developed during the first quarter of 2007 on a higher level than the same period in 2006, with the HCI Group reporting approximately EUR 46.0 million in placed equity capital, an increase of 10.1 percent against the previous year's figure (2006: EUR 41.8 million). In the private equity fund of funds segment, placement of the company's new product HCI Private Equity VI was just launched at the end of the first quarter of 2007 and EUR 3.0 million in equity capital placed within a very short time. By comparison, this area totaled EUR 8.2 million for the first quarter of 2006.

HCI Capital AG offers top-quality products in all product segments. In late 2006, the HCI Group enlarged its product portfolio to include structured products. The HCI Group places great importance on the development of innovative, customized products, as this is an investment market growing both in relevance and appeal. For example, the HCI certificate on German and British secondary life insurance market policies, a product currently in the focus of the HCI Group. After-Sales Services and Asset Management are two divisions presently undergoing further development. Given these achievements and objectives, the Management Board asserts its forecast for HCI Capital AG's development during the financial year 2007.

At this point, we wish to express our thanks and appreciation to the 278 dedicated and creative employees who presently work for and towards the success of HCI Capital AG.

We also wish to thank the shareholders of HCI Capital AG for the trust they have placed in our company and hope that they will continue to participate in the success and further development of HCI Capital AG.

Sincerely,



Harald Christ
(Chairman of the Board)
Hamburg, May 2007

HCI Stock

On January 17, 2007, HCI Sicar A.G. sold 29.5 percent of its shares to MPC Capital AG. Then, on February 1, 2007, the Hamburg-based Peter Döhle Group and the investment group Corsair Capital LLC acquired 10 percent of the HCI stock each off-exchange. In the context of this transaction MPC Capital AG reduced its investment in HCI by 14.4 percentage points to 15.1 percent, however, acquired a further 2.2 percent of the voting rights from HCI Sicar A.G., the latter having completely withdrawn its commitment from HCI. Christ Capital GmbH disposed of 3.4 percent of its share in the capital stock, retaining 8.8 percent of the outstanding stock in HCI Capital AG. As a result, the number of free-floating shares totals 56.1 percent.

Towards the end of March 2007, over 17,000 private single shareholders held stock in HCI Capital AG, accounting for approximately 24 percent of the company's capital stock. Whereas institutional investors in HCI Capital AG are, to a large extent, of Anglo-Saxon origin for the period under review, the percentage of German institutional investors has increased compared to the time of the IPO in autumn of 2005.

The daily trading volume averaged approximately 79,000 shares for the period under review, corresponding to a very lively liquidity of HCI stock among the companies listed on the Prime Standard. HCI Capital AG ranks high among the small caps listed by the Deutsche Börse AG. The HCI stock developed positive during the first quarter of 2007. HCI stock traded highest at EUR 18.80 on February 20, 2007 and lowest at EUR 14.93 on January 3, 2007.

Currently, 14 independent research analysts have initiated research studies on HCI Capital AG. Eight analysts recommended buying HCI stock, five recommended keeping the stock and one analyst recommended selling the stock. On average, analysts estimate a target price of EUR 18.60.

Hamburger Sparkasse, another credit institute covering the analysis of HCI Capital AG, carried out an initial rating during the first quarter of the current financial year. The experts began their coverage with a recommendation to buy.

Several road shows and capital market conferences provided HCI management the opportunity to meet and talk with institutional investors in Germany, Switzerland, Great Britain and Scandinavia about HCI Capital AG's business development and strategy. Furthermore, various meetings with investors took place at the company's head offices in Hamburg.

In the upcoming months, a large number of road shows and capital market conferences are scheduled where HCI Capital AG will have the opportunity to present its perspective for the future to institutional investors from all over Europe.

HCI Capital AG does not own any stock in the company.

The Economic Environment

National economic conditions

The global economic situation continued to develop positively during the spring of 2007, however, with expansion slowing slightly compared to the same period of the preceding year. Whereas the rise in U.S. industrial production has slackened off somewhat, high growth rates continue to be measured in developing countries and emerging markets and there is a perceptible economic revival in the Euro zone as well as Japan.

At present, the German economy is recovering. German industry improved its competitive position and its profitability against last year's figures, profiting too from the ongoing global economic expansion and the sustained high demand for German export products.

Leading stock markets all over the world continue to report figures above those for the same period last year and continued to develop positively during the first quarter of 2007. The German share indexes DAX, MDAX and SDAX are developing very positively and showing rising trends.

Oil prices came under pressure in early 2007, however, since late January the average price for this resource has been rising steadily. In early 2007, the Euro also lost ground against the U.S. dollar, but regained its strong position, rising to an exchange rate of USD 1.34 to the Euro by late March.

Industry trends

According to the annual report for 2006 by funds analyst Stefan Loipfinger initiators reported investors placing a total of approximately EUR 11.6 billion in closed-end investments. The total market gained considerable momentum during the latter half of 2006 in particular. In the last quarter of the financial year 2006 alone, close to 39.4 percent of the total equity capital was placed, a figure that once again underscores the seasonal character of placement success. Whereas in 2006 closed-end real estate funds and private equity funds of funds developed positively, ship funds and investment products in the secondary life insurance market declined significantly.

For the first quarter of the current financial year, HCI Capital AG has not had any evidence of quantitative data pointing to poor or alarming predictions for the total market development. Nevertheless, based on the placement results for 2006 and a survey carried out by funds initiators, economic and funds analyst Stefan Loipfinger realistically estimates that total equity capital placement in closed-end funds could well total EUR 11.5 billion in 2007.

Business Development

The HCI Group generated revenue earnings totaling EUR 31.8 million during the reporting period, an increase of 11.2 percent against EUR 28.6 million in the previous financial year.

Revenues from the HCI Group's design and sales activities rose to EUR 25.4 million against the previous year as a result of the slightly increased placement volume.

Due to a continued rise in the volume of equity capital in trust management, earnings from the trust management division (After Sales & Services) increased against last year to EUR 6.4 million.

Explanation of profit development

For the current reporting period, the primary expenditure items for the HCI Group were the costs of purchased services and personnel expenses.

The cost of purchased services, which consists primarily of commissions paid to sales partners, rose by 38.6 percent to EUR 15.0 million due to the higher volume of placed equity capital as compared to the same reporting period in the previous financial year. The reason for this above-average increase, compared to the equity capital placed during the reporting period, was the separate settlement of a real estate fund (Holland 25, an exclusive Dresdner Bank product) during the same reporting period of the previous year, in which only the net margin was recorded as sales revenue and which, in turn, was not offset by the cost of purchased services.

Personnel expenses decreased by 5.7 percent during the first nine months of the financial year against the previous year due in particular to high bonus payments made during the same reporting period last year and despite the fact that the average number of employees has increased significantly from 225 to 242.

The increase in other operating income by EUR 1.1 million to EUR 4.8 million is particularly noteworthy. Other operating income consists primarily of earnings from ship brokerage and the sale of a Dutch real estate portfolio. In a strong seller's market and with market conditions favorable the company was able to sell these assets without jeopardizing the long-term product availability of HCI Group funds.

Other operating expenses developed moderately, dropping by 4.5 percent to EUR 4.3 million.

Earnings before interest and taxes (EBIT) rose to EUR 12.2 million during the first quarter of the current financial year compared to EUR 10.6 million for the same period in the previous year as a direct result of the business development described above and special items accounted for as per March 31, 2007. This amount includes the investment results of joint venture companies and is computed on the basis of the equity method. The EBIT for these companies rose by EUR 0.9 million to EUR 1.2 million for the period under review.

The financial result dropped by 52.4 percent against the same period for the previous year, totaling EUR 0.7 million.

The determining factor here was the guaranteed returns from secondary life insurance market funds, which are included in this item. The decrease in financial result is due to increased interest payments during the period under review, brought about by a higher share of borrowed capital, necessary for financing the acquisition of an interest in Aragon AG.

During the same period, earnings before taxes (EBT) rose by 7.8 percent to EUR 12.9 million over the previous year's EUR 12.0 million.

During the first quarter of 2007, the Group's tax ratio dropped to 23.3 percent, thus falling below the estimated annual tax ratio of 30 percent. This was due to the divestiture of a deferred tax liability effective during the reporting period.

The consolidated net income for the first nine months rose against the previous year's EUR 7.5 million by 31.7 percent to approximately EUR 9.9 million.

Placement volume

Influenced by the positive placement development during the first quarter of the current financial year, albeit a falling placement volume in the real estate fund segment in the interim, HCI Capital AG placed equity capital totaling EUR 139 million, thereby exceeding the placement result for same period of the previous year (EUR 121 million). The first quarter of 2007 records a 14.9 percent increase against the same period for the previous financial year. This is due to several reasons, one particularly being the exceptional placement success in the ship fund and secondary life insurance market segments.

Placement in the individual product categories developed as follows:

There was a marked increase in the ship fund segment against the same period of the previous financial year. With placements totaling close to EUR 77.6 million during the first quarter of 2007 (EUR 50.4 million for the same period in 2006), ship funds were once again the strongest product category in terms of equity capital placement.

Given stable global economic growth and with Chinese exports steadily developing and other regions such as India and Brazil growing, the development trend in the shipping markets continues to be positive. Based on an overall stable development of charter rates in container as well as tanker shipping in 2006, experts estimate that charter rates will shift laterally while remaining at a high level, and foresee an upward trend for the bulkier segment.

In the segment of closed-end real estate funds, equity capital placement did not develop satisfactorily for HCI Capital AG during the period under review. The company continued to focus on the U.S.A. as a target market for its products. The volume of placed equity in the real estate segment dropped

40.3 percent to EUR 12.3 million against the previous year (EUR 20.6 million in the first quarter of 2006). HCI sees new opportunities for applying its competence in the institutional funds division thanks to its joint venture with U.S. real estate investor Behringer Harvard, with HCI in charge of purchasing, optimization and property management. An accumulated investment volume of up to EUR one billion is slated for investment over the next three years.

The secondary life insurance market fund segment focused on British and German secondary life insurance markets during the first quarter of the current financial year. Placement volume for the first three months totaled EUR 46.0 million as compared to EUR 41.8 million for the previous year, an increase of 10.1 percent.

The private equity fund of funds product category continued to draw investors during the reporting period, with equity capital placement totaling EUR 3.0 million for the first quarter of 2007 compared to EUR 8.2 million for the same period in 2006. This 63.4 percent drop against the first quarter of 2006 is, however, due to the current lack of product availability. Meanwhile, a new fund, HCI Private Equity VI, was recently launched.

Outlook

The International Monetary Fund (IMF) forecasts sustained positive development of the global economy for 2007. Germany is presently on the economic growth track. Funds analyst Stefan Loipfinger estimates a placement volume of approximately EUR 11.5 billion in the total market for closed-end investments.

Given this background, HCI Capital AG expects investors' placement volume to total approximately EUR 700 million in equity capital and revenues to total approximately EUR 150 million for the current financial year, with consolidated net income after taxes amounting to an estimated EUR 31 million, thus generating an approximate EUR 1.29 in earnings per share. In the coming year, HCI Capital AG intends to continue focusing on dividend payout to shareholders and once again propose a high dividend distribution on the distributable net income.

Profit expectations for the current financial year, lowered significantly against 2006, are primarily based on a conservative estimation of revenues from the sale of ships, intermediary ship trade and the sale of real estate properties. In addition, the current outlook reflects the implementation of the company's diversification strategy and the projected steady increase of recurring revenues.

During the current financial year, the HCI Group will offer closed-end investments in the ship, real estate, private equity fund of funds, secondary life insurance market and asset creation segments. By extending its range of products to include structured products (guarantee products, certificates), the HCI Group has enlarged both investment possibilities and product structures for the prospective investor. The expansion of management activities in the product segments ship, real estate and secondary life insurance market during the current financial year will serve to promote consistent returns and the increased predictability of business success during the current financial year even more. And finally, HCI Capital AG places its competent management and its extensive network at the disposal of an ever-growing number of institutional investors, a move creating a broad basis for sustained growth while further establishing the company increasingly as an internationally operating asset manager.

Hamburg, May 2007
HCI Capital AG
The Management Board



Harald Christ



Wolfgang Essing



Dr. Ralf Friedrichs



Dr. Rolando Gennari

Consolidated income statement

interim financial statements as at March 31, 2007

| EUR '000 | Note | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|--|------|---|---|
| Revenues | (3) | 31,814 | 28,609 |
| Other operating income | (4) | 4,773 | 3,694 |
| Change in inventories | | 205 | 259 |
| Cost of purchased services | | - 14,987 | - 10,815 |
| Personnel expenses | | - 5,672 | - 6,013 |
| Depreciation on property, plant and equipment and amortization of intangible assets | | - 817 | - 1,006 |
| Other operating expenses | | - 4,284 | - 4,483 |
| Results of associated companies and joint ventures accounted for using the equity method | (5) | 1,194 | 323 |
| Earnings before interest and taxes (EBIT) | | 12,226 | 10,568 |
| Interest income | | 473 | 701 |
| Interest and similar expenses | | - 550 | - 171 |
| Other financial result | (6) | 738 | 857 |
| Earnings before taxes (EBT) | | 12,887 | 11,955 |
| Income taxes | (7) | - 2,998 | - 4,447 |
| Consolidated net income for the period | | 9,889 | 7,508 |
| Consolidated net income for the period attributable to the group | | 9,889 | 7,507 |
| Consolidated net income for the period attributable to minority shareholders | | 0 | 1 |
| Earnings per share (basic) in EUR | (8) | 0.41 | 0.31 |
| Earnings per share (diluted) in EUR | (8) | 0.41 | 0.31 |

Consolidated balance sheet

as at March 31, 2007

| EUR '000 | Note | March 31, 2007 | December 31, 2006 |
|--|------|-------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | 65,834 | 65,314 |
| Intangible assets and property, plant and equipment | | 11,092 | 11,768 |
| Investments in joint ventures accounted for using the equity method | | 41,011 | 39,979 |
| Other investments | | 13,143 | 12,966 |
| Other financial assets | | 588 | 601 |
| Current assets | | 163,002 | 160,391 |
| Work in progress and finished services | | 2,253 | 2,010 |
| Trade receivables | | 52,788 | 58,678 |
| Receivables from related parties | (12) | 1,288 | 1,355 |
| Income tax receivables | | 151 | 147 |
| Other current assets | | 32,292 | 32,088 |
| Other financial assets | | 31,690 | 31,709 |
| Other miscellaneous assets | | 602 | 379 |
| Securities | (9) | 7,199 | 0 |
| Liquid funds | | 59,531 | 58,613 |
| Assets held for sale | | 7,500 | 7,500 |
| Deferred taxes | | 1,127 | 1,381 |
| Total assets | | 229,963 | 227,086 |
| EQUITY AND LIABILITIES | | | |
| Equity | | 133,073 | 123,347 |
| Subscribed capital | | 24,000 | 24,000 |
| Capital reserve | | 76,016 | 76,016 |
| Consolidated retained earnings | | 47,895 | 38,006 |
| Currency translation | | - 306 | - 143 |
| Net cost in excess of net assets acquired on the acquisition of companies under common control and successive share acquisitions | | - 14,532 | - 14,532 |
| Non-current provisions and liabilities | | 618 | 626 |
| Pension provisions | | 17 | 16 |
| Liabilities to banks | | 582 | 591 |
| Other financial liabilities | | 19 | 19 |
| Current provisions and liabilities | | 92,171 | 99,155 |
| Other provisions | | 2,137 | 2,402 |
| Liabilities to banks | | 38,404 | 33,023 |
| Trade payables | | 21,718 | 26,394 |
| Payables to related parties | (12) | 864 | 4,263 |
| Income tax payables | | 15,742 | 20,224 |
| Other current liabilities | | 13,306 | 12,849 |
| Other financial liabilities | | 6,073 | 4,563 |
| Other miscellaneous liabilities | | 7,233 | 8,286 |
| Deferred taxes | | 4,101 | 3,958 |
| Total equity and liabilities | | 229,963 | 227,086 |

Consolidated cash flow statement

for the period from January 1 to March 31, 2007

| EUR '000 | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|--|---|---|
| Consolidated net income for the period | 9,889 | 7,508 |
| Depreciation, amortization and impairment/ write-ups of non-current assets | 817 | 1,006 |
| Gains(-) / losses(+) from joint ventures | - 1,194 | - 323 |
| Gains(-) / losses(+) from the disposal of non-current assets | - 60 | 171 |
| Increase in pension provisions and other long-term obligations | 1 | - 1 |
| Changes in deferred taxes | 397 | - 514 |
| Other non-cash income and expenses | 22 | - 67 |
| Increase/ decrease in working capital | - 6,848 | - 25,388 |
| Increase in inventories | - 243 | - 259 |
| Increase/ decrease in trade receivables | 5,890 | - 2,579 |
| Decrease in pre-financing of limited liability partner contributions | 1 | 1,494 |
| Increase/ decrease in other assets | - 197 | 518 |
| Increase/ decrease in current provisions | - 265 | 1,187 |
| Decrease in trade payables | - 4,676 | - 11,644 |
| Decrease in receivables from and payables to related parties | - 3,332 | - 3,118 |
| Decrease in other liabilities | - 4,024 | - 10,987 |
| Other movements in operating activities | - 2 | 0 |
| Cash flows from operating activities | 3,024 | - 17,608 |
| Proceeds from disposals of intangible assets and property, plant and equipment | 0 | 109 |
| Proceeds from disposal of investments | 177 | 184 |
| Payments for investments in intangible assets and in property, plant and equipment | - 140 | - 144 |
| Payments for subscribed shares in joint ventures | 0 | - 3,000 |
| Payments for other investments | - 294 | - 1,822 |
| Cash flows from investing activities | - 257 | - 4,673 |
| Proceeds from additions to other financing liabilities | 8,861 | 59 |
| Repayments of other financing liabilities | - 3,511 | - 1,114 |
| Repayments of acquisition price deferrals in business combinations | 0 | - 1,000 |
| Cash flow from financing activities | 5,350 | - 2,055 |
| Changes in cash and cash equivalents | 8,117 | - 24,336 |
| Cash and cash equivalents at the beginning of the period | 58,613 | 94,563 |
| Cash and cash equivalents at the end of the period | (10) 66,730 | 70,227 |

Consolidated statement of changes in equity

for the period from January 1 to March 31, 2007

| in EUR '000 | Subscribed capital | Capital reserve | Consolidated retained earnings | Foreign currency translation adjustment | Net cost in excess of net assets acquired on the acquisition of companies under common control and successive share acquisitions | Total | Minority interests | Consolidated equity |
|--|--------------------|-----------------|--------------------------------|---|--|---------|--------------------|---------------------|
| Balance at 01.01.2006 | 24,000 | 76,016 | 32,133 | 0 | - 14,596 | 117,553 | 101 | 117,654 |
| Consolidated net income for the period (consolidated comprehensive income) | | | 7,507 | | | 7,507 | 1 | 7,508 |
| Other changes | | | 2 | | | 2 | - 1 | 1 |
| Balance at 31.03.2006 | 24,000 | 76,016 | 39,642 | 0 | - 14,596 | 125,062 | 101 | 125,163 |
| Balance at 01.01.2007 | 24,000 | 76,016 | 38,006 | - 143 | - 14,532 | 123,347 | 0 | 123,347 |
| Consolidated net income for the period | | | 9,889 | | | 9,889 | | 9,889 |
| Change of currency translation differences | | | | - 163 | | - 163 | | - 163 |
| Consolidated comprehensive income | | | 9,889 | - 163 | | 9,726 | | 9,726 |
| Balance at 31.03.2007 | 24,000 | 76,016 | 47,895 | - 306 | - 14,532 | 133,073 | 0 | 133,073 |

NOTES

to the consolidated interim financial statements of HCI Capital AG as at March 31, 2007 in accordance with IFRS

General

HCI Capital AG was created from HCI Holding GmbH by converting that company's legal form pursuant to a conversion resolution dated January 25, 2005 and amended March 8, 2005. The conversion was registered in the commercial register of the local court of Hamburg on March 30, 2005.

(1) Accounting policies

The unaudited consolidated interim financial statements of HCI Capital AG and its subsidiaries (referred to below as: "HCI Group") as at March 31, 2007 have been prepared in accordance with IAS 34.

The accounting policies followed in the consolidated interim financial statements of the HCI Group are those applied in preparing the IFRS consolidated financial statements of HCI Capital AG as at December 31, 2006. The consolidated interim financial statements as at March 31, 2007 should therefore be read in conjunction with the consolidated financial statements as at December 31, 2006.

(2) Consolidation

During the first quarter of 2007, no newly founded company (first quarter 2006: 1), was consolidated for the first time.

The HCI Group sold its interests in HCI Weser Trader Schiffstreuhand GmbH & Co. KG and HCI Jade Trader Schiffstreu-

hand GmbH & Co. KG under an agreement dated February 14, 2006. HCI Weser Trader Schiffstreuhand GmbH & Co. KG and HCI Jade Trader Schiffstreuhand GmbH & Co. KG formed part of the ship segment. The disposal resulted in a gain of EUR 15,000. The proceeds of EUR 117,000 were offset against certain of the HCI Group's liabilities due to the sold companies. The effect of the disposal of the assets and liabilities of the sold companies on the financial position of the HCI Group was insignificant.

The HCI Group made a contribution of EUR 3,000,000 in connection with the acquisition of a ship by a subsidiary of the joint venture HAMMONIA Reederei GmbH & Co. KG during the first quarter of 2006.

Under a share purchase and assignment agreement dated December 13, 2006, HCI Capital AG acquired 25 % plus one share of Aragon AG, Wiesbaden, a company listed in the Entry Standard of the Frankfurt Stock Exchange. The business of Aragon AG consists of placing financial products and providing related services. The acquisition of the shares, which results in the HCI Group gaining significant influence, is thus intended to strengthen the HCI Group's distribution activities. No consolidated financial data on Aragon AG was available at the time this consolidated balance sheet was compiled as per March 31, 2007, thus rendering an allocation of the acquisition price impossible.

Notes to the consolidated income statement

(3) Revenue

Revenue consists of the following:

| EUR '000 | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|--|--------------------------------------|--------------------------------------|
| Sales revenues | | |
| Ship | 16,061 | 11,165 |
| Real estate | 1,435 | 2,080 |
| Private equity | 307 | 902 |
| Secondary life insurance market | 7,603 | 8,149 |
| Total sales revenues | 25,406 | 22,296 |
| Trust and service fees | | |
| Ship | 4,434 | 4,048 |
| Real estate | 1,106 | 780 |
| Private equity | 96 | 104 |
| Secondary life insurance market | 432 | 384 |
| Trust and service contract fees | 6,068 | 5,316 |
| Management fees | 340 | 994 |
| Other revenues | 0 | 3 |
| Total revenues | 31,814 | 28,609 |

(4) Other operating income

Other operating income for the first quarter of 2007 includes commission income of EUR 2,772,000 (first quarter 2006: EUR 2,675,000) from sourcing ships for the ship funds established by the HCI Group. Proceeds from the sale of real estate properties during the first quarter of 2007 totaled EUR 1,332,000 (first quarter 2006: EUR 0).

(5) Results of joint ventures and associated companies accounted for using the equity method

The results from joint ventures and associated companies accounted for using the equity method increased from EUR 323,000 (first quarter 2006) to EUR 1,194,000 for the first quarter 2007, with Hammonia Reederei GmbH & Co. KG accounting for EUR 991,000 (first quarter 2006: EUR 312,000).

(6) Other financial results

Other financial result for the first quarter of 2007 includes exchange losses of EUR 373,000 (first quarter 2006: EUR 184,000).

Other financial result also includes fees of EUR 1,048,000 (first quarter 2006: EUR 883,000) received by the HCI Group in the form of preliminary dividends from the secondary life insurance market funds.

(7) Income Taxes

The reduction in the effective tax rate during the first quarter of 2007 compared to the same period in 2006 is due to change in the composition of income including expansion in the ship segment as well as in the item other operating income and resulting in a correspondingly higher trade income tax reduction. Further, the item includes a special item amounting to EUR 656,000, thus reducing tax expenditure.

(8) Earnings per share

Basic and diluted earnings per share are determined as follows:

| | | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|--|-----------------|--------------------------------------|--------------------------------------|
| Consolidated net income for the period attributable to the group | EUR '000 | 9,889 | 7,507 |
| Weighted average number of shares outstanding | ,000s of shares | 24,000 | 24,000 |
| Earnings per share for the period | EUR | 0.41 | 0.31 |

As there were no dilutive instruments outstanding during the periods, presented diluted earnings per share equal basic earnings per share.

Notes to the consolidated balance sheet

(9) Securities

This item includes shares in stock listed on the stock exchange. These short-term investments had already been liquidated by reporting date as at March 31, 2007.

Other

(10) Consolidated cash flow statement disclosures

The following income taxes, interest and investment income paid and received are included in cash flows from operating activities:

| EUR '000 | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|----------------------------|--------------------------------------|--------------------------------------|
| Interest paid | 414 | 176 |
| Interest received | 296 | 5 |
| Income taxes paid | 6,694 | 12,710 |
| Income taxes received | 12 | 5 |
| Investment income received | 158 | 1 |

Cash and cash equivalents in the consolidated cash flow statement are composed as follows:

| EUR '000 | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Investments | 7,199 | 0 |
| Liquid funds | 59,531 | 70,227 |
| Cash and cash equivalents | 66,730 | 70,227 |

There were no significant non-cash transactions during the first quarters of 2007 and 2006.

(11) Segment reporting

Segment information is determined using the accounting policies applied in the preparation of the consolidated financial statements.

Revenue from external customers represents revenue from designing, initiating and distributing investments and from

providing trust and other services to parties external to the group. The HCI Group uses EBIT, a metric commonly used around the world representing net earnings before interest and income taxes, to measure its segment results.

The results for the periods presented are as follows:

| EUR '000 | Three months ended March 31, 2007 | | Three months ended March 31, 2006 | |
|---------------------------------|--------------------------------------|---------------|--------------------------------------|---------------|
| | Revenue from external customers | EBIT | Revenue from external customers | EBIT |
| Ship | 20,495 | 11,353 | 15,215 | 7,952 |
| Real estate | 2,827 | 2,157 | 3,855 | 1,482 |
| Private equity | 404 | 75 | 1,006 | 93 |
| Secondary life insurance market | 8,034 | 1,930 | 8,533 | 2,813 |
| Total segments | 31,760 | 15,515 | 28,609 | 12,340 |
| Other/holding | 54 | - 3,289 | 0 | - 1,772 |
| Group | 31,814 | 12,226 | 28,609 | 10,568 |

(12) Related parties

Receivables from and payables to related parties consist of the following:

| EUR '000 | March 31, 2007 | December 31, 2006 |
|--|----------------|-------------------|
| Receivables from non-consolidated subsidiaries | 4 | 3 |
| Receivables from joint ventures and associates | 1,284 | 1,352 |
| Receivables from related parties | 1,288 | 1,355 |
| Payables to HCI SICAR A.G., HCI Trust AG, their shareholders and to companies they control | 0 | 120 |
| Payables to non-consolidated subsidiaries | 864 | 910 |
| Payables to HCI Group management | 0 | 3,233 |
| Payables to related parties | 864 | 4,263 |
| Provisions for bonuses due to HCI Group management | 411 | 0 |
| Provisions for profit sharing | 0 | 1,543 |
| Other provisions | 411 | 1,543 |

Income from and expenses paid and payable to related parties are summarized as follows:

| TEUR | Three months ended March 31, 2007 | Three months ended March 31, 2006 |
|--|--------------------------------------|--------------------------------------|
| Income from joint ventures and associates | 1,194 | 323 |
| Income from related parties | 1,194 | 323 |
| Expenses paid and payable to HCI Group management | 1,109 | 964 |
| Expenses paid or payable to related parties | 1,109 | 964 |

Expenses paid and payable to HCI Group management consist of the fixed remuneration components for the respective periods and the proportional bonus entitlements of the Management Board members as well as the remuneration of the Supervisory Board members.

(13) Contingent liabilities and other financial commitments

The following contingent liabilities and other financial commitments exist at March 31, 2007:

| EUR '000 | March 31, 2007 |
|--|----------------|
| Guarantees | 811,085 |
| Placement guarantees | 317,709 |
| Future payments under operating leases | 4,790 |

The HCI Group provided guarantees and similar commitments amounting to EUR 124,697,000 and USD 912,074,000 respectively, which include loan amounts valued at EUR 112,909,000 and USD 565,333,000 respectively. Placement guarantees amounting to EUR 80,268,000 and USD 315,511,000 respectively, which include EUR 48,520,000 and USD 139,451,000 respectively, that are part of the funds not yet included in the equity raised for the funds.

(14) Proposed dividend

The Management and Supervisory Boards will propose to the annual general meeting to be held on May 10, 2007 the

payment of a dividend of EUR 33,600,000 out of retained earnings of HCI Capital AG as at December 31, 2006 of EUR 41,525,000 as determined in accordance with the provisions of the German Commercial Code [Handelsgesetzbuch]. This represents a dividend of EUR 1.40 per share.

(15) Subsequent events

No significant reportable events occurred subsequent to the balance sheet date.

Disclaimer

Forward-looking statements

These documents contain certain forward-looking statements and information regarding future developments that are based on the opinions of the Management Board of HCI Capital AG, as well as on assumptions and information currently available to HCI Capital AG. Words such as “expect,” “estimate,” “assume,” “intend,” “plan,” “should,” “could” and “project” as well as similar terms related to the company, are intended to indicate such forward-looking statements, which are therefore subject to a level of uncertainty.

A number of factors could cause the actual results of the HCI Group to differ materially from the projections for the future as made in such forward-looking statements.

HCI Capital AG assumes no obligation to the public to update or correct forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause the actual results to vary from expectations. The forward-looking statements reflect the perspective as of the date on which they were made.

Financial Calendar

15.11.2007

Publication of nine-month figures

12.11.-14.11.2007

Deutsche Börse, KfW Mittelstandsbank - Deutsches Eigenkapitalforum, Frankfurt

10.11.2007

Stock Exchange Day, Hamburg

11.09.2007

SRC Stock Day Financial Services, Frankfurt

16.08.2007

Publication of six-month figures

21.06.2007

Citigroup Investor Jour Fixe, London

24.05.2007

Dresdner Kleinwort Mid & Small Cap Financial Seminar, London

10.05.2007

Annual shareholders' meeting

08.05.2007

Publication of three-month figures

19.03.2007

HCI financial analyst meeting, Frankfurt

07.03.2007

Presentation of 2006 full year results

27.02.2007

Publication of preliminary results 2006 & Outlook 2007

06.02.2007

Roadshow Berenberg Bank, Frankfurt

29.01.-31.01.2007

Roadshow Berenberg Bank Low Countries, London, Scandinavia

More information?

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