1. Quarter | 2. Quarter | 3. Quarter

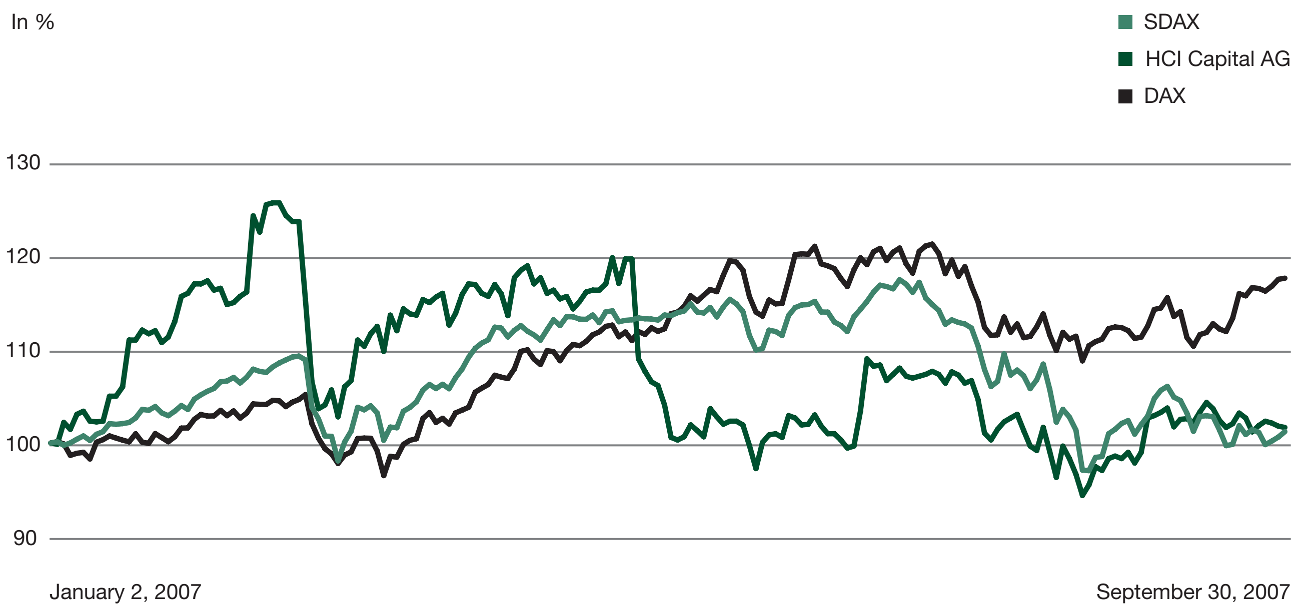
HCI NINE-MONTH REPORT 2007

Capital hci

Performance Ratios Nine-Month Report 2007

Earnings	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Revenues in EUR thousands	89,314	84,434
EBIT in EUR thousands	28,477	34,072
EBT in EUR thousands	32,645	38,171
Group net earnings in EUR thousands	27,244	27,314
Return on sales in %	30.5	32.3
EBIT margin in %	31.9	40.4
Earnings per share in EUR	1.14	1.14
Placed equity in EUR million	434.6	375.7
Balance sheet	**September 30, 2007**	**December 31, 2006**
Total assets in EUR thousands	188,605	227,086
Equity in EUR thousands	116,590	123,347
Equity ratio in %	61.8	54.3
Staff	**September 30, 2007**	**September 30, 2006**
Average employees	251	231
Personnel costs in EUR thousands	20,970	16,082
Personnel costs in % of revenue	23.5	19.0

HCI Capital AG Share



DISCLAIMER

Forward-looking statement

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.

Note: Rounding differences likely to occur.

Dear shareholders and businessfriends of HCI Capital AG,

During the first three quarters of the financial year 2007, HCI Capital AG successfully continued to expand its business activities corresponding with the ongoing diversification of products.

In the first three quarters of 2007, HCI Capital AG placed equity volume totaling approximately EUR 434.6 million, equivalent to a 15.7-percent rise against the same period for the previous year (EUR 375.7 million). Revenue earnings rose to EUR 89.3 million for the period ended September 30, 2007 (EUR 84.4 million for the same period 2006). As expected, earnings before interest and taxes (EBIT) with a total amount of EUR 28.5 million dropped against the previous year's EUR 34.1 million for the same period due primarily to other operating income that was higher as a result of intermediary ship trade during the first two quarters of 2006. Consolidated net earnings totaled EUR 27.2 million, thereby corresponding approximately to last year's figure (EUR 27.3 million).

The ship segment accounted for a major increase in placement volume during the current reporting period with the HCI Group's investment volume from classic closed-end ship funds, asset creation plans and structured products totaling EUR 280.3 million, a rise of approximately 50 percent against last year's total EUR 186.9 million. The placement volume in HCI's closed-end real estate funds gained considerable momentum during the period under review generating a 14.3-percent rise to EUR 71.1 million for the period ended September 30, 2007 (same period 2006: EUR 62.2 million), a very positive development trend compared to the decreased result for the first two quarters of 2007. Placement results in the secondary life insurance market and in the private equity fund of funds segments for the first three quarters of 2007 are below forecast. For the period under review, equity capital for the secondary life insurance market totaled EUR 71.3 million, a 23.9-percent drop against last year's figure (EUR 93.8 million). Investor demand in the private equity fund of funds segment has been slow due particularly to the turmoil in the financial market. Placement volume in equity capital dropped by 63.7 percent against the same period for 2006 (EUR 32.8 million) to a volume totaling EUR 11.9 million.

The positive development of structured products in the ship and secondary life insurance market segments right from the start after the introduction early 2007, is noteworthy and attributed proportionately to each of the segments. Placement volume totaling EUR 62.7 million was paid in on an innovative freight rate certificate (HCS Frachtraten Protect Zertifikat) and a guarantee product (HSC Shipping Protect I), both in the ship segment, and a certificate on a secondary life insurance market index, accounting altogether for an appreciable contribution to the expansion and diversification of HCI's range of products.

By expanding its business activities the HCI Group has opened up a new market of clients and investors. In a joint venture with the U.S. real estate investor Behringer Harvard during the third quarter of 2007, investments at an amount of EUR 17.6 million were realised and due diligence was initiated for a number of interesting real estate projects. The number of institutional investors in the ship segment is also gaining significantly in importance. The newly structured HCI Hammonia Shipping AG offers institutional investors access to this highly attractive asset class. As per October 30, 2007, equity of EUR 150 million was placed. HCI Hammonia Shipping AG is scheduled to go public in at the end of November 2007 and will be listed on the Hanseatic Stock Exchange in Hamburg.

The joint financing of an oil platform for exploratory drilling (Deepsea Oil Explorer) by HCI Capital AG and MPC Münchmeyer Petersen Capital AG, scheduled to start in early 2008, not only opens up an entirely new and interesting product category, but is also a crucial step for both issuing houses towards joint structured fund financing of major projects.

HCI Capital AG will continue to pursue its strategy course, focusing on steady business growth based on innovation and diversification. Given this development HCI is confident that the goals set for the 2007 financial year will all in all be reached.

Sincerely,

W. E.

Wolfgang Essing
(Chairman of the Board)
Hamburg, November 2007

HCI STOCK

During the first three quarters of 2007, HCI stock reflected the general stock-market development – volatile across the board – closing on September 30, 2007 at EUR 15.20, approximately 1.7 percent above the closing price on the first trading day of 2007. By comparison, the SDAX rose by 1.2 percent during the same period. HCI stock traded highest on February 20, 2007 at EUR 18.80. Due to the turmoil in the U.S. real estate market stock quotations came under pressure, particularly in the financial segment, a development which naturally affected HCI stock as well. HCI stock traded lowest on August 16, 2007 at EUR 14.11. The daily trading volume on the electronic stock exchange Xetra averaged approximately 66,000 shares for the period under review (same period 2006: 64,000), reflecting satisfactory trading liquidity among the companies listed on the Prime Standard.

Notable changes in shareholder structure took place during the first three quarters and in October 2007. At the beginning of 2007, senior shareholder HCI SICAR A.G. sold its share in HCI completely. In an off-exchange transaction HCI SICAR A.G.'s 31.7-percent share was transferred to a group of experienced investors from the same line of business – MPC Münchmeyer Petersen Capital AG, the Peter Döhle Group and the Corsair Capital LLC investment group. In October 2007, Christ Capital GmbH sold its 10-percent share off-exchange to Corsair Capital LLC, thus raising the latter's total share in HCI Capital AG to 20 percent. Corsair Capital LLC and MPC Capital AG simultaneously revoked an agreement which, until now, permitted both shareholders the mutual assignment of the voting rights of their HCI shares. The new shareholder structure is as follows:

Corsair Capital LLC	20.0 %
MPC Capital AG	15.1 %
Peter Döhle Schiffahrts-KG	10.0 %
Free float	54.9 %

(of which Fidelity retains 4.99 % and Schroders plc 2.98 %)

The majority of institutional investors holding HCI free-floating stock are from Germany and Anglo-Saxon countries. The number of private single shareholders totaled 19,510 as per September 30, 2007, a considerable rise in comparison to the same period last year (9,700), and accounts for approximately 38.8 percent of the capital stock. Altogether, a highly satisfactory development and proof that the shareholder structure is continuing to diversify.

Independent research analysts continue to rate HCI stock positively. Thirteen analysts are currently monitoring and rating the stock on the basis of company studies on a regular basis. In 10 cases, analysts recommend buying HCI stock, three give a hold recommendation on the stock. On average, analysts estimate a target price of EUR 18.80.

During the period under review, several road shows and capital market conferences in Germany, Switzerland, Great Britain, Scandinavia and the Benelux gave company management the opportunity to present HCI Capital AG's strategy and business development to institutional investors. Furthermore, various meetings with investors took place at the company's head offices in Hamburg.

During the last quarter of 2007, more presentations on capital market conferences and road shows focusing on institutional investors as well as presentations on events and conferences for private shareholders are scheduled in order to continue the dialogue with the capital market.

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

THE ECONOMIC ENVIRONMENT

Overall economic development

According to leading economic institutes the global economic situation is expected to continue developing positively, despite problems in the financial market triggered by the U.S. real-estate crisis. The strong dynamics of the global economy are generated to a major extent by high growth rates in the developing countries and emerging markets of Asia, most especially China.

The German economy is still on a growth path, its pace, however, was also affected by several factors during 2007, among them a restrictive financial policy, the rising price of oil, the strong Euro and recent developments in the financial markets. Nevertheless, experts forecast a stable economic situation in Germany and estimate that fundamental data have improved markedly despite the aforementioned factors.

The crisis in the U.S. subprime mortgage sector is directly impacting the banking sector and the international financial markets. Interbank transactions suffered from a sizable liquidity squeeze and intervention on the part of the Federal Reserve and central banks. Both the U.S. Federal Reserve and the European Central Bank either lowered or at least refrained from raising their prime rates. As a result, interest rates will not continue to rise for the time being. It is evident that banks will be tightening their loan policies due to the current situation.

Oil prices rose considerably during the first three quarters of 2007, particularly towards the end of the third quarter, with prices climbing to just below USD 80.00 per barrel by September 30, 2007. The Euro has increased its strong position, with an exchange rate of USD 1.42 to the EUR as per September 30, 2007.

Industry trends

The development of the closed-end fund market is showing differential characteristics during the current financial year. Whereas certain product segments, among them the ship and, in part, the real estate segment have experienced a positive development, the private equity fund of funds segment has developed poorly compared to last year due to the strained situation in the financial markets. Independent market analysts estimate an overall stable development in placement volume of investment funds for the financial year 2007.

BUSINESS DEVELOPMENT

Placement volume

Influenced by the positive development during the first three quarters of 2007, the HCI Group placed an equity volume totaling EUR 434.6 million, thereby considerably exceeding the placement result for the same period of the previous year (EUR 375.7 million) and marking a significant rise of 15.7 percent against the first three quarters of 2006. Whereas this increase is largely due to the resounding placement success in the closed-end ship fund segment, it is also well-founded in the quick success of the recently introduced structured products (guarantee products, certificates) as well as in the growing demand for closed-end real estate funds issued by the HCI Group. This trend more than compensated the decline in placement results for the secondary life insurance market fund and private equity fund of funds for the period under review.

Approximately EUR 25.5 million in equity were placed outside Germany during the current reporting period (same period 2006: EUR 17.0 million), with the Austrian market accounting for the majority of sales activities.

Placement in the individual product categories developed as follows:

There was a marked increase in the **ship segment** against the same period of the previous financial year. Placement volume during the first three quarters of 2007 totaled EUR 280.3 million, a 50.0-percent increase over the results for the same period in 2006 (EUR 186.9 million), and was generated primarily by classic ship funds, asset creation plans, a structured product guaranteeing the capital invested (HSC Shipping Protect I), and a certificate representing the development of freight rates for raw materials on different shipping routes and in varying shipping classes (HSC Frachtraten Protect Zertifikat). The placement volume percentage for structured products in this product category totaled EUR 46.4 million for the period under review.

In the segment of closed-end **real estate funds**, equity capital placement during the first three quarters of 2007 picked up considerably, increasing by 14.3 percent against last year's results to EUR 71.1 million (2006: EUR 62.2 million). The placement of the opportunity fund HCI Real Estate Growth I USA contributed significantly to business growth. This opportunity fund has been closed in October 2007 with a total equity volume of approximately USD 110 million, which was considerably higher than expected.

The **secondary life insurance market** segment generated an equity capital placement volume totaling EUR 71.3 million with secondary life insurance market funds, a certificate for developing a portfolio of British and German secondary life insurance policies (HSC Optivita Europe LV Index Zertifikat) and asset creation plans, corresponding to a 23.9-percent drop against the same period for the previous year (EUR 93.8 million). The placement percentage of structured products in this segment accounted for EUR 16.3 million for the period under review.

New business in the **private equity fund of funds** product category generated an equity capital placement volume of EUR 11.9 million in equity capital for the reporting period, dropping considerably below last year's results (EUR 32.8 million). This 63.7-percent downturn against the first three quarters of 2006 is due primarily to the current turmoil in the financial market, which has a negative impact on the demand for private equity investment products.

Revenue development

The HCI Group generated revenue earnings totaling TEUR 89,314 during the reporting period, an increase of 5.8 percent against TEUR 84,434 in the previous financial year.

Revenues from the HCI Group's design and sales activities amounted to TEUR 68,000, corresponding approximately with last year's results of TEUR 67,173. Due to a continued rise in the volume of equity in trust management, earnings from these activities increased by 2.7 percent from TEUR 16,433 for the first three quarters of 2006 to TEUR 16,884 for the first three quarters of 2007.

Profit development

During the first three quarters of 2006, **other operating income** was unusually high due to earnings from ship brokerage. Correspondingly, this position dropped significantly to TEUR 12,811 and is considerably lower for the current reporting period than TEUR 20,956 as per September 30, 2006. Other operating income primarily includes the results of HCI Group activities in the ship and real estate segments (asset trading), both of which are an integral part of the group's business model but of an opportunistic nature – therefore cannot be planned – and not necessarily recurring. For the first three quarters of 2007, other operating income is constituted primarily by first-time earnings from the sale of Dutch real estate (TEUR 8,722) and from ship brokerage (TEUR 2,822). In a strong seller's market with favourable market conditions the company was able to sell these assets without jeopardizing the long-term product availability of HCI Group funds.

For the current reporting period, the **cost of purchased services**, consisting primarily of commissions paid to sales partners, rose by 15.1 percent to TEUR 44,463 due to the higher volume of placed equity as compared to the same period for the previous year. One reason for this relatively high increase is a shift in the product mix of the equity placements during the period under review. In addition the separate settlement of a real estate fund (Hanseatischer Immobilienfonds Holland XXVI GmbH & Co. KG) during the first three quarters of 2006, in which only the net margin could be recorded as sales.

Personnel expenses rose by 30.4 percent to TEUR 20,970 during the current reporting period due in particular to the significant increase in personnel. The rise in personnel expenses corresponds directly to investments made in the interest of securing the HCI Group's continued growth in the future as well as special items in connection with personnel changes in the Management Board. The average number of HCI Group employees increased to 251 (same period 2006: 231) for the period under review.

Other operating expenses dropped by 8.4 percent below last year's figure (TEUR 15,317) to TEUR 14,027 for the period under review. This development is due basically to the fact that an increasing number of HCI Group employees are now performing the consulting services previously in the hands of external consultants.

The **results of associated companies and joint venture** accounted for using the equity method rose significantly by TEUR 7,107 to TEUR 8,674 for the first three quarters of 2007, due mainly to TEUR 8,258 from the stake in Hammonia Reederei GmbH & Co. KG.

Earnings before interest and taxes (**EBIT**) dropped to TEUR 28,477 during the first three quarters of 2007 compared to TEUR 34,072 for the same period in 2006 as a direct result of the business development described above and the special effect itemized under other operating income.

The **financial result** rose by 1.7 percent to TEUR 4,168 during the period ended September 30, 2007 compared to the same period in the previous year. The development of this item was largely influenced by a positive balance in income and expenses from the divestiture of interest rate swaps as well as the cancellation of loan commitments originally planned for a transaction in the Dutch real estate market. Property sales resulted in the dissolution of these positions. Income from secondary life insurance market funds management developed positively. In addition there was a rise in interest payable for the period under review necessary for financing the acquisition of an interest in Aragon AG.

During the same period, earnings before taxes (**EBT**) amounted to TEUR 32,645, corresponding to a 14.5-percent decline over the previous year's TEUR 38,171.

For the period ended September 30, 2007, the Group's tax rate dropped to 16.5 percent, thereby falling below the last estimated annual 25.0-percent tax rate. The lower **income tax** for the third quarter is due essentially to two factors. One significant effect results from the Hammonia Group's increased income calculated according to the equity method and contained in the HCI Group's consolidated interim financial statements. The fact that the aforementioned income is covered by the tonnage tax and, for the most part, not subject to taxation at HCI Group level, has a significant effect on HCI Capital AG's tax expenditure. The second influencing factor results from long-term deferred taxes, which pursuant to the corporate tax reform legislated in July 2007, were taxed at the reduced corporate tax rate of 15 percent as opposed to the previous 25-percent tax rate.

Consolidated net earnings for the first three quarters of 2007, at TEUR 27,244, approximately equals the previous year's level, TEUR 27,311.

Financial Situation

During the current reporting period, the HCI Group generated a positive cash flow from operating activities of TEUR 11,331 as opposed to TEUR 8,206 for the previous financial year. This positive cash flow is due mainly to the lower amount of funds committed to working capital during the first three quarters of 2007.

The flow of funds from investment activities totaled TEUR 4,262 as per September 30, 2007 compared to TEUR 5,867 for the same period in 2006. The higher amount during the first three quarters of 2006 results primarily from the TEUR 3,000 contributed to the capital reserve of Hammonia Reederei GmbH & Co. KG for financing the acquisition of a ship through the subsidiary of an associated company during the first two quarters of 2006. The positive cash flow from investments as per September 30, 2007 resulted from the divestiture of stock in Hanseatischer Immobilienfonds Holland XXVI GmbH & Co. KG.

The TEUR 33,600 dividend payout to shareholders by the HCI Group was the main reason for the negative cash flow. The company's financial resource fund totaled TEUR 36,899 as per September 30, 2007, a decline of TEUR 18,198 against the same period for the 2006 financial year.

Net Assets

Total assets as per September 30, 2007 amounted to TEUR 188,605, roughly 16.9 percent lower than at December 31, 2006 (TEUR 227,086), due primarily to the reduction in accounts receivable currently totaling TEUR 32,704 compared to the amount as per December 31, 2006, and the distribution of the EUR 1.40 dividend-per-share in May 2007, thus reducing cash and cash equivalents from TEUR 58,613 as per December 31, 2006 to TEUR 36,899 as per September 30, 2007.

Total equity dropped by 5.5 percent from TEUR 123,347 to TEUR 116,590 as per September 30, 2007. Due to the parallel decline of liabilities HCI Group's equity ratio increased from 54.3 percent at the end of financial year 2006 to 61.8 percent at the end of the period under review.

The significant drop of liabilities is due primarily to a decrease in trade payables which total TEUR 7,491 for the period currently under review compared to TEUR 26,394 as per December 31, 2007.

The high trade receivables and trade payables as per December 31, 2007 were directly linked to the expansion of the HCI Group's operational business during the last quarter of 2006.

OUTLOOK

In light of the high demand for closed-end funds products, specifically in the ship and real estate segments, and the successful market launch of structured products, HCI all in all expects to reach the targets for the financial year 2007. Following the business cycle observed in previous years we expect the fourth quarter once again to be the strongest in terms of sales.

Given this background, the HCI Group expects equity placement volume to total approximately EUR 700 million for the current financial year plus additional equity placement from the finalized subscription for HCI Hammonia Shipping AG totaling EUR 150 million which has not yet been featured in this financial year's forecast. As equity placements during the current financial year were characterized by a number of individual, customized transactions, the realised fee structures deviate from original plans. As a result and given an unvaried gross profit, HCI forecasts revenues totaling EUR 140 million for the current financial year. We expect consolidated net income amounting to at least EUR 35 million, thus generating an approximate EUR 1.46 in earnings per share. The positive development of income from asset trading, particularly noticeable in the items other operating income and results from associated companies and joint ventures accounted for using the equity method, as well as the relatively low tax rate during the course of the year encourage HCI Capital AG to confirm this result in our forecast.

Ship

Given the current boom in demand for investments in ship funds, HCI expects equity capital placements in this segment to be considerably higher than the forecast. The HCI Group product pipeline is well stocked for the fourth quarter and features classic ship investment funds, asset creation plans and structured products such as the current HSC Shipping Protect I, which by accounting date was approximately two-thirds placed, as well as another freight rate certificate (HSC Frachtraten Protect Zertifikat II), poised to enter the market in November 2007. HCI expects overall placements in the ship segment to climb to EUR 450 – EUR 460 million for the financial year 2007 of which an amount of EUR 380 – 390 million will account for the placement of classic ship funds and asset creation plans. EUR 70 million are estimated to be placed in structured products in this segment.

In addition capital in HCI Hammonia Shipping AG subscribed by the end of October with a volume of EUR 150 million will also contribute significantly to HCI Group's year-end success. With this product the HCI Group has opened up the asset class ship to institutional investors. Banks and insurances are the main investors in HCI Hammonia Shipping AG. The company is scheduled to go public in late November 2007 and be quoted on the Hanseatic Stock Exchange in Hamburg.

Real estate

The HCI Group expects equity placements to total a volume of EUR 125 million in the real estate segment in 2007. This figure includes approximately EUR 25 million, the HCI Group's placement result from the joint venture with U.S. real estate investor Behringer Harvard. Further, it includes EUR 100 million in opportunity funds. Following the placement of HCI Real Estate Growth I USA finalized in October of this year, HCI issued a new fund, the HCI Real Estate BRIC$^+$ with an estimated placement volume of approximately USD 45 million. This fund of funds, structured as an opportunity fund in the real estate segment to invest in the growing real estate markets of Brazil, Russia, India and China, is unique on the market in its global diversification structure. Because of its excellent expected rate of return and the highly rated quality of the fund management by both the HCI Group and the portfolio manager Townsend Group, the HCI Real Estate BRIC$^+$ won the 2007 Financial Advisors Award for the best closed-end real estate fund, received a top rating by TKL and is rated “very good” by Feri Rating & Research.

Secondary life insurance market

Given business development and the rather slow demand for secondary life insurance market funds to date, particularly in the market for German life insurance policies, HCI continues to expect year-end placement results below last year's results. Investor interest is currently focused on secondary life insurance market funds investing in British life insurance policies. The HCI Group issued a new fund, HSC Optivita X UK, with a target equity of EUR 50 million in September 2007. A certificate for the development of a portfolio of British and German life insurance policies (HSC Optivita Europe LV Index Zertifikat) with a volume of EUR 16.3 million has already been fully placed. Due to the great demand in the ship segment the focus will be directed towards issuing another freight rate certificate during the last quarter of 2007. In the secondary life insurance market segment, HCI Group expects to generate an overall placement volume of approximately EUR 100 – EUR 110 million, including asset creation plans and structured products.

Private equity fund of funds

The private equity fund of funds segment has developed below forecast during the present financial year due primarily to the general market development. The tight situation in the credit markets has curtailed the demand for investment products in the private equity sector. The HCI Group issued a top-quality product this year, the HCI Private Equity VI, which in face of the difficult market, is not likely to be fully placed by the end of 2007. By year end, this segment is expected to generate a total placement volume of EUR 15 million.

Based on HCI Group's ongoing expansion of managed funds (trust management) and other services in asset management (ship chartering and management, insurance policy and real estate management) recurring income will continue to gain importance. During the period under review, income from this segment has increased to approximately EUR 23.2 million (2006: EUR 21.9 million), thereby positioning HCI Capital AG as the benchmark among listed closed-end funds issuing houses.

All told, the HCI Group will continue to follow its successful diversification strategy during the financial year 2007. The successful market entry with structured products is an important milestone enabling HCI to tap new client groups. Furthermore, the HCI Group was very successful in supplying attractive products in the ship and real estate segments for institutional investors. Together, these constitute essential steps in generating further growth for the placement of investment offers in the future.

Wolfgang Essing

Dr. Ralf Friedrichs

Dr. Rolando Gennari

Dr. Oliver Moosmayer

Consolidated income statement

interim financial statements as at September 30, 2007

EUR '000	Note	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Revenues	(5)	89,314	84,434
Other operating income	(6)	12,811	20,956
Change in inventories		- 39	96
Cost of purchased services		- 44,463	- 38,636
Personnel expenses		- 20,970	- 16,082
Depreciation on property, plant and equipment and amortization of intangible assets		- 2,823	- 2,946
Other operating expenses		- 14,027	- 15,317
Results of associated companies and joint ventures accounted for using the equity method	(7)	8,674	1,567
Earnings before interest and taxes (EBIT)		**28,477**	**34,072**
Interest income	(8)	5,066	1,904
Interest and similar expenses	(8)	- 2,994	- 419
Other financial result	(8)	2,096	2,614
Earnings before taxes (EBT)		**32,645**	**38,171**
Income taxes	(9)	- 5,401	- 10,857
Consolidated net income for the year		**27,244**	**27,314**
Consoldiated net income for the period attributable to the group		27,244	27,311
Consolidated net income for the period atributable to minority shareholders		0	3
Earnings per share (basic) in EUR	(10)	1.14	1.14
Earnings per share (diluted) in EUR	(10)	1.14	1.14

Consolidated income statement

interim financial statements for the third quarter ended September 30, 2007

EUR '000	Three months ended September 30, 2007	Three months ended September 30, 2006
Revenues	25,940	23,925
Other operating income	2,905	729
Change in inventories	- 68	584
Cost of purchased services	- 13,913	- 12,680
Personnel expenses	- 7,536	- 5,322
Depreciation on property, plant and equipment and amortization of intangible assets	- 806	- 967
Other operating expenses	- 4,498	- 4,781
Results of associated companies and joint ventures accounted for using the equity method	3,835	555
Earnings before interest and taxes (EBIT)	**5,859**	**2,043**
Interest income	3,622	595
Interest and similar expenses	- 1,851	- 86
Other financial result	637	1,286
Earnings before taxes (EBT)	**8,267**	**3,838**
Income taxes	- 28	- 349
Consolidated net income for the year	**8,239**	**3,489**
Consoldiated net income for the period attributable to the group	8,239	3,488
Consolidated net income for the period atributable to minority shareholders	0	1
Earnings per share (basic) in EUR	0.34	0.15
Earnings per share (diluted) in EUR	0.34	0.15

Consolidated balance sheet
as at September 30, 2007

EUR '000	Note	September 30, 2007	December 31, 2006
ASSETS			
Non-current assets		**79,811**	**69,669**
Intangible assets and property, plant and equipment		8,807	11,768
Investments in joint ventures accounted for using the equity method		50,028	39,979
Other investments		14,164	12,966
Other financial assets		6,812	4,956
Current assets		**107,477**	**156,036**
Work in progress and finished services		2,044	2,010
Trade receivables		25,974	58,678
Receivables from related parties	(13)	1,274	1,355
Income tax receivables		4,917	147
Other current assets		35,731	27,733
Other financial assets		34,739	27,354
Other miscellaneous assets		992	379
Liquid funds		36,899	58,613
Assets held for sale	(3)	638	7,500
Deferred taxes		**1,317**	**1,381**
Total assets		**188,605**	**227,086**
EQUITY AND LIABILITIES			
Equity		**116,590**	**123,347**
Subscribed capital		24,000	24,000
Capital reserve		76,016	76,016
Consolidated retained earnings		31,650	38,006
Currency translation		- 544	- 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		**18,203**	**626**
Pension provisions		19	16
Liabilities to banks	(4)	18,165	591
Other financial liabilities		19	19
Current provisions and liabilities		**51,860**	**99,155**
Other provisions		2,526	2,402
Liabilities to banks	(4)	11,741	33,023
Trade payables		7,491	26,394
Payables to related parties	(13)	944	4,263
Income tax payables		15,642	20,224
Other current liabilities		13,516	12,849
Other financial liabilities		7,909	4,563
Other miscellaneous liabilities		5,607	8,286
Deferred taxes		**1,952**	**3,958**
Total equity and liabilities		**188,605**	**227,086**

Consolidated cash flow statement
for the period from January 1 to September 30, 2007

EUR '000	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Consolidated net income for the period	27,244	27,314
Depreciation, amortization and impairment/ write-ups of non-current assets	2,823	2,946
Gains from joint ventures	- 8,674	- 1,425
Gains from the disposal of intangible, tangible and financial assets	- 225	- 178
Increase/Decrease in pension provisions and other long-term obligations	2	2
Changes in deferred taxes	- 1,941	- 253
Other non-cash income and expenses	0	- 687
Increase in working capital	- 7,898	- 19,513
Increase in inventories	- 34	- 96
Increase/decrease in trade receivables	32,704	- 3,403
Decrease in pre-financing of limited liability partner contributions	152	1,597
Increase/decrease in other assets	- 14,778	9,743
Increase in current provisions	123	- 1,513
Decrease in trade payables	- 18,903	- 10,630
Increase/Decrease in receivables from and payables to related parties	- 3,238	- 1,330
Decrease in other liabilities	- 3,914	- 16,764
Other movements in operating activities	- 10	- 143
Cash flows from operating activities	**11,331**	**8,206**
Proceeds from disposals of intangible assets and property, plant and equipment	16	293
Proceeds from disposal of investments	8,012	290
Payments for investments in intangible assets and in property, plant and equipment	- 504	- 506
Payments for subscribed shares in joint ventures	- 1,767	- 3,019
Payments for other investments	- 1,495	- 2,925
Cash flows from investing activities	**4,262**	**- 5,867**
Dividends paid to shareholders of HCI Capital AG	- 33,600	- 33,600
Proceeds from additions to other financing liabilities	43,455	353
Repayments of other financing liabilities	- 47,162	- 6,558
Repayments of acquisition price deferrals in business combinations	0	- 2,000
Cash flow from financing activities	**- 37,307**	**- 41,805**
Changes in cash and cash equivalents	**- 21,714**	**- 39,466**
Cash and cash equivalents at the beginning of the period	58,613	94,563
Cash and cash equivalents at the end of the period	**36,899**	**55,097**

Consolidated statement of changes in equity
for the period from January 1 to September 30, 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			27,311			27,311	3	27,314
Change of currency translation differences				- 145		- 145		- 145
consolidated comprehensive income			27,311	- 145	0	27,166	3	27,169
Distributions to shareholders			- 33,600			- 33,600		- 33,600
Other changes			3			3	- 1	2
Balance at 30.09.2006	**24,000**	**76,016**	**25,847**	**- 145**	**- 14,596**	**111,122**	**103**	**111,225**
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			27,244			27,244		27,244
Change of currency translation differences				- 401		- 401		- 401
Consolidated comprehensive income			27,244	- 401	0	26,843	0	26,843
Distributions to shareholders			- 33,600			- 33,600		- 33,600
Balance at 30.09.2007	**24,000**	**76,016**	**31,650**	**- 544**	**- 14,532**	**116,590**	**0**	**116,590**

NOTES
to the consolidated interim financial statements of HCI Capital AG as at September 30, 2007 in accordance with IFRS

GENERAL

(1) Accounting policies
The unaudited consolidated interim financial statements of HCI Capital AG and its subsidiaries (referred to below as: "HCI Group") as at September 30, 2007 have been prepared in accordance with IAS 34 whereby the Notes have been compiled in a condensed version in accordance with IAS 34.10 standards.

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 September 30, 2007 should therefore be read in conjunction with the consolidated financial statements as at December 31, 2006. Please refer to the second quarterly report as at June 30, 2007 for IASB and IFRIC standards and interpretations in effect since January 1, 2007.

The standards and interpretations listed below, as published by IASB and IFRIC in 2006 and 2007, are not yet mandatory for the compilation of the consolidated interim financial statements as at September 30, 2007 for the HCI Group:

- IFRS 8 „Operating Segments“
- IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions"
- IFRIC 12 „Service Concession Arrangements“
- IFRIC 13 „Customer Loyalty Programmes“
- IFRIC 14 „The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction“
- Amendment to IAS 23 „Borrowing Costs"
- Ammendment to IAS 1 "Presentation of Financial Statements"

At present, the HCI Group assumes that the application of the above standards, with exception of IAS 1 and IFRS 8, at the time the application of these standards and their interpretations became mandatory, did not have any significant effects on the financial situation, net assets and results of the group. As IFRS 8 has not yet been endorsed by the European Commission, the company is currently in the process of appraising its possible effects. Following the amendment of IAS 1 changes in the presentation and titles of financial statements are to be expected.

The consolidated balance sheet as at December 31, 2006 included long-term loan receivables amounting to TEUR 4,355 listed under other current financial assets. The disclosure of maturity dates in the consolidated interim financial statements as at September 30, 2007 were adjusted to the year-end consolidated balance sheet for 2006 for purposes of comparison.

(2) Consolidation

During the first two quarters of 2007, the HCI Group and Behringer Harvard Holland B.V. formed the B.H. & HCI Overschiestraat Holding B.V. The HCI Group holds 35 percent nominal capital in B.H. & HCI Overschiestraat Holding B.V. The purpose of the partnership is the purchase and sale of real estate, and the management of properties purchased. The share in the company will be consolidated using the equity method.

In connection with the purchase of property by the subsidiaries of BH & HCI Overschiestraat Holding B.V. HCI Group has made an equity payment to BH & HCI Overschiestraat Holding B.V. at an amount of TEUR 1,767

NOTES TO THE CONSOLIDATED BALANCE SHEET

(3) Assets held for sale

In accordance with IFRS 5, the interest held in Hanseatische Immobilienfonds Holland XXVI GmbH & Co. KG are classified as assets held for sale. In an assignment agreement dated May 29, 2007, the total interest was sold for TEUR 7,500. Given the conditions of the assignment agreement, which got into full effect in July 2007, the divestiture of this interest became fully effective in the third quarter of 2007. There are no profits resulting from this sale for the HCI Group.

In a sales agreement dated June 28, 2007, the HCI Group sold its property in Jork, however, the ownership, rights, entitlements and obligations shall not be assumed by the purchaser until October 1, 2007. Therefore, in accordance with IFRS 5, the property will be classified as asset held for sale in the consolidated balance sheet as at September 30, 2007. At the time of the property's appraisal for sales purposes less expenses involved, its value was adjusted by TEUR 373 which is reported under write-offs. In this context it should be noted that the liquidation of deferred taxes amounting to TEUR 76, which were set aside according to the appraised value at the time of investment in the HCI Group's consolidation basis, has had a contrary effect.

(4) Liabilities to banks

In the third quarter 2007 HCI Group raised a loan of TEUR 22,000 to finance the purchase of stock in ARAGON AG due September 30, 2012. The loan is split into two tranches with an interest rate of EURIBOR +0.95 percent and of EURIBOR +0.60 percent.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(5) Revenue

Revenue consists of the following:

EUR '000	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Sales revenues		
Ship	49,162	40,420
Real estate	7,431	6,828
Private equity	1,268	3,585
Secondary life insurance market	10,139	16,340
Total sales revenues	**68,000**	**67,173**
Trust and service fees		
Ship	12,972	12,759
Real estate	2,296	2,144
Private equity	291	338
Secondary life insurance market	1,325	1,191
Trust and service contract fees	**16,884**	**16,432**
Management fees	**955**	**824**
Other revenues	**3,475**	**5**
Total revenues	**89,314**	**84,434**

Other revenues contain performance-related revenues generated by the liquidation of funds and dependent on specific yield-based key figures for the first three quarters of 2007.

(6) Other operating income

Other operating income for the first three quarters of 2007 includes commission income of TEUR 2,822 (first three quarters 2006: TEUR 18,152) from the brokerage of ships as well as compensation payments for collateralization. Proceeds from the sale of real estate properties during the first three quarters of 2007 totaled TEUR 8,722 (first three quarters 2006: EUR 0).

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

EUR ,000	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Hammonia Reederei GmbH & Co. KG	8,258	1,680
HELLESPONT HAMMONIA GmbH & Co. KG	73	- 113
BH & HCI Real Estate Holding B.V.	313	0
BH & HCI Overschiestraat Holding B.V.	- 36	0
ARAGON AG	66	0
Results of joint ventures accounted for using the equity method	**8,674**	**1,567**

The HCI Group, which acquired 25 percent plus one share of Aragon AG in December 2006 and accounted for the associated company in the consolidated financial statements according to the equity method, has incorporated it into the HCI Group's consolidated interim financial statements as at September 30, 2007 in accordance with IAS 28.25 disclosing financial information for the first two quarters ended June 30, 2007, as said company's third-quarter accounts were not available at the time the consolidated financial statements were drawn up.

Trademark rights, intangible assets with an indeterminate time of use, amounting to TEUR 2,353, and intangible assets with a time of use ranging between six and ten years and amounting to TEUR 2,005 were applied in calculating the purchase price allocation for ARAGON AG. The allocated goodwill amounted to TEUR 19,978 is included in the book value of ARAGON AG according to the equity-method. The depreciation on intangible assets with a determinate time of use and deferred tax items will be accounted for in the results from associated companies.

(8) Financial results

For the third quarter 2007 as a result of other property sales, the HCI Group realized an income of TEUR 2,030 from the cancellation of loan commitments and the divestiture of interest rate swaps originally planned for the financing of real estate.

Other financial results for the first three quarters of 2007 include fees totaling TEUR 3,143 (first three quarters 2006: TEUR 2,950) received by the HCI Group in the form of preliminary dividends from the secondary life insurance market funds.

Other financial results for the period ended September 30, 2007 includes exchange losses of TEUR 1,927 (first three quarters 2006: TEUR 811).

(9) Income taxes

Income taxes for the period ended September 30, 2007 include income from reversal of tax provisions accounting for TEUR 1,043 (first three quarters 2006: TEUR 73).

The amendments to German corporate tax law following approval of the Corporate Tax Reform by the Federal Parliament in July 2007 were taken into account in calculating long-term deferred taxes. The amendment to the law reducing the corporate tax rate from 25 percent to 15 percent and trade income tax calculation base from 5 percent to 3.5 percent as well as amendments to the additions and reductions in calculating trade income tax have resulted in a positive item of TEUR 785 for the period ended September 30, 2007.

(10) Earnings per share

Basic and diluted earnings per share are determined as follows:

		Nine months ended September 30, 2007	Nine months ended September 30, 2006
Consolidated net income for the period attributable to the group	EUR '000	27,244	27,311
Weighted average number of shares outstanding	,000s of shares	24,000	24,000
Earnings per share for the period	**EUR**	**1.14**	**1.14**

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

OTHER

(11) 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	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Interest paid	847	316
Interest received	1,556	1,182
Income taxes paid	11,321	21,081
Income taxes received	34	102
Investment income received	342	683

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

(12) 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, after sale and management services to parties outside 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	Nine months ended September 30, 2007		Nine months ended September 30, 2006	
	Revenue from external customers	EBIT	Revenue from external customers	EBIT
Ship	65,609	31,271	53,184	36,763
Real estate	10,436	7,860	9,796	443
Private equity	1,559	392	3,923	441
Secondary life insurance market	11,464	549	17,531	4,192
Total segments	**89,068**	**40,072**	**84,434**	**41,839**
Other/holding	246	- 11,595	0	- 7,767
Group	**89,314**	**28,477**	**84,434**	**34,072**

(13) Related parties

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

EUR '000	September 30, 2007	December 31, 2006
Receivables from joint ventures and associates	1,270	1,352
Receivables from non-consolidated subsidiaries	4	3
Receivables from related parties	**1,274**	**1,355**
Payables to HCI SICAR A.G., HCI Trust AG, their shareholders and to companies they control	0	120
Payables to joint ventures and associates	0	0
Payables to non-consolidated subsidiaries	673	910
Payables to HCI Group Management and Supervisory Board members	271	3,233
Payables to related parties	**944**	**4,263**
Provisions for bonuses due to HCI Group management	1,361	0
Provisions for profit sharing	0	1,543
Other provisions	**2,526**	**1,543**

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

TEUR	Nine months ended September 30, 2007	Nine months ended September 30, 2006
Income from joint ventures and associates	8,710	1,680
Income from related parties	**8,710**	**1,680**
Expenses paid for transactions with HCI SICAR A.G., HCI Trust AG, their shareholders and to companies they control	0	60
Expenses paid and payable to HCI Group Management and Supervisory Board members	5,734	2,862
Expenses for joint ventures and associates	36	113
Expenses paid or payable to related parties	**5,770**	**3,035**

During the period ended September 30, 2006, HCI SICAR A.G. fulfilled obligations amounting to TEUR 2,000 to companies it controls. Interest payments on loans payable to HCI SICAR A.G. by companies it controls amounted to TEUR 23 during the first three quarters of 2006.

As a result of the sale of its interest in the HCI Group in January 2007, HCI SICAR A.G. and its shareholders have withdrawn entirely from parties and companies related to or associated with the HCI Group.

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.

(14) Contingent liabilities and other financial commitments

The following contingent liabilities and other financial commitments exist at September 30, 2007:

EUR '000	September 30, 2007			December 31, 2006		
	EUR '000	EUR '000	USD '000	EUR '000	EUR '000	USD '000
Guarantees	**1,392,786**	305,996	1,537,700	**746,891**	94,102	857,764
of which value dated	**916,983**	260,755	928,497	**504,721**	82,315	555,042
Placement guarantees	**390,496**	85,470	431,582	**283,955**	186,040	128,661
of which for funds not yet in distribution	**321,793**	64,970	363,379	**92,581**	55,382	48,880
Future payments under operating leases	**4,311**	4,311		**5,184**	5,184	

(15) Dividend

At the annual general meeting held on May 10, 2007, shareholders voted in favor of the proposal by the Management and Supervisory Boards for the payment of a dividend of TEUR 33,600 out of retained earnings of HCI Capital AG as at December 31, 2006. This represents a dividend of EUR 1.40 per share. The dividend was distributed to shareholders on May 11, 2007.

(16) Subsequent events

A number of share transactions took place during October 2007. Christ Capital GmbH sold its 10-percent share in HCI Capital AG to Corsair Capital LLC, thus ceasing to be a shareholder and thereby raising the latter's total share in HCI Capital AG to 20 percent. Corsair Capital LLC and MPC Capital AG simultaneously revoked an agreement which, until now, permitted both shareholders the mutual assignment of the voting rights of their HCI shares.

Due to his resignation from the management board effective from September 30, 2007, and the sale of his HCI shares in October, 2007 Harald Christ is no longer related party of the HCI Group.

In September 2007, the Supervisory board of HCI Capital AG voted in favour of a personnel change, appointing Dr. Oliver Moosmayer as a member of the Management Board. Dr. Moosmayer took over his position as CPO effective October 1, 2007, thereby succeeding Dr. Ralf Friedrichs, who will retire from the Management Board with effect of December 31, 2007 and take on new responsibilities within the HCI Group.

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

Financial calendar

December 6, 2007
DSW event for private clients, Bremen

November / December 2007
Roadshows Germany and U.S.A.

November 12-14, 2007
Deutsche Börse, KfW Mittelstandsbank – Deutsches Eigenkapitalforum, Frankfurt

November 10, 2007
Stock Exchange Day , Hamburg

September 25 – 27, 2007
Unicredit German Investment Conference 2007, Munich

September 11, 2007
SRC Exchange Day Financial Services, Frankfurt

August 14, 2007
Publication second quarterly report

June 21, 2007
Citigroup Investor Jour Fixe, London

June 5, 2007
Roadshow Paris

May 24, 2007
Dresdner Kleinwort Mid & Small Cap Financial Seminar, London

May 10, 2007
Annual shareholders' meeting, Hamburg

May 8, 2007
Publication first quarterly report

March 28, 2007
Road show London

March 19, 2007
HCI financial analyst meeting, Frankfurt

March 7, 2007
Presentation of 2006 annual report

February 27, 2007
Presentation temporary year-end results 2006 & outlook 2007

February 6, 2007
Road show, Frankfurt

January 29-31, 2007
Road show, Benelux, London, Scandinavia

HCI Capital AG
Bleichenbrücke 10
D-20354 Hamburg
Telefon +49 40 88 88 1-0
Telefax +49 40 88 88 1-199
ir@hci-capital.de oder www.hci-capital.de

Capital hci