1. Quarter | 2. Quarter | 3. Quarter

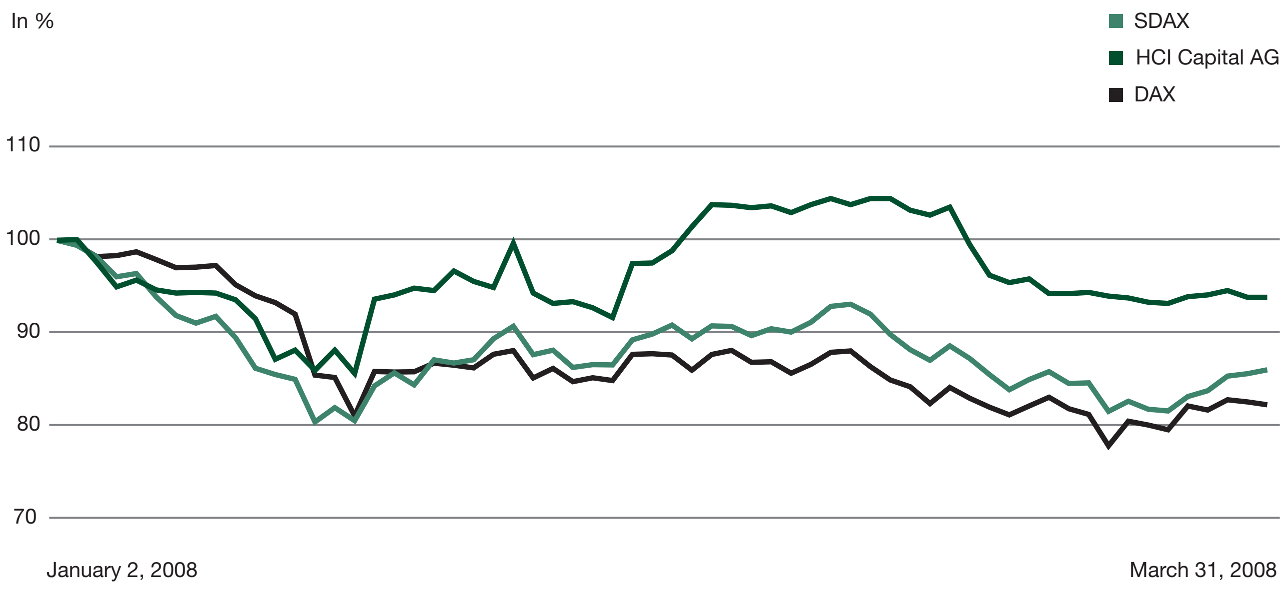
HCI THREE-MONTH REPORT 2008

Capital

Key financial indicators

Earnings	Three months ended March 31, 2008	Three months ended March 31, 2007
Revenues in EUR thousands	26,488	31,814
EBIT in EUR thousands	3,034	12,226
EBT in EUR thousands	1,640	12,887
Group net earnings in EUR thousands	1,238	9,889
Return on sales in %	4.67	31.08
EBIT margin in %	11.45	38.43
Earnings per share in EUR	0.05	0.41
Placed equity in EUR million	153.7	139.0
Balance sheet	**March 31, 2008**	**December 31, 2007**
Total assets in EUR thousands	225,617	239,879
Equity in EUR thousands	116,612	118,034
Equity ratio in %	51.69%	49.21%
Staff	**March 31, 2008**	**March 31, 2007**
Average employees	297	242
Personnel costs in EUR thousands	5,420	5,672
Personnel costs in % of revenue	20.46	17.83

HCI Capital AG Share



Hint: Rounding differences likely to occur.

Dear shareholders and business friends of HCI Capital AG,

HCI Group has had an eventful start to the 2008 financial year: the first few months were not only characterised by a series of fundamental changes – we continued growing the business through product placement, successfully pursuing our diversification strategy.

HCI Group placed EUR 153.7 million in equity during the first three months of the current financial year, up 10.6 % from the same period of the previous year (Q1 2007: EUR 139.0 million). This marked year-on-year increase in placement volumes was due in particular to the successful placement of structured products and real estate funds of funds. Clearly, this demonstrated the consistent pursuit of the diversification strategy adopted by HCI Group. Although the commissions and margins generated through these products are relatively low – as a result of which the successful placement has not yet been fully reflected in HCI's revenues – some products incorporate performance-based commission schedules.

Revenues of EUR 26.5 million during the period under review were lower than the EUR 31.8 million generated during the same period of the previous year. Earnings before interest and taxes (EBIT) of EUR 3.0 million also fell short of the result achieved in the first quarter of 2007 (EUR 12.2 million). This decline was predominantly due to lower gross profit (reflecting margin developments) and to lower other operating income. The latter was in line with expectations: during the first quarter of the 2007 financial year, we had generated income from the brokerage of ships and real estate. As planned, no such transactions were entered into during the first quarter of 2008. Consolidated net income for the period was EUR 1.2 million, which was thus lower than the EUR 9.9 million recorded for the same period of the previous year, also reflecting a decline in the net financial result.

Looking at the well-stocked product pipeline, and at planned placements whereby a major portion of high-commission and high-margin products will be sold from the third quarter onwards, we believe that we will be able to markedly improve our result over the course of the year. Against this background, we affirm our target consolidated net income of EUR 33 million for the 2008 financial year.

The shipping product sector contributed significantly to the overall level of placements, with structured products in this asset class (Shipping Protect and freight rate certificates) being particularly successful. With placed equity capital of EUR 81.3 million, this product sector outperformed the previous year's figure by 4.7 % (Q1 2007: EUR 77.6 million). EUR 23.0 in equity capital alone was placed in structured products; this translates to more than a six-fold increase year-on-year (Q1 2007: EUR 3.5 million, including the HSC Optivita Europe LV index certificate). HCI Group thus seamlessly carried over the momentum of this class of products – which were launched in 2007 – into the current financial year. Growth momentum was particularly strong in the real estate product sector, where placements almost tripled, rising from EUR 12.3 million (Q1 2007) to EUR 33.1 million in the period under review. This strong result was attributable in particular to the successful concept of the HCI Real Estate BRIC+ fund. Although placements in the secondary life insurance market, at EUR 37.7 million, fell short of the very strong results achieved during the same quarter of the previous year (Q1 2007: EUR 46.1 million), they nevertheless outperformed our own targets. Reflecting the ongoing crisis in the financial markets, demand for fund products in the private equity segment remained weak. This meant that the EUR 1.6 million in equity capital placed in this product sector was down on the same period of the previous year (Q1 2007: 3.0 million), as expected.

A further key event during the first quarter was the takeover offer which MPC Capital AG submitted to the other shareholders of HCI Capital AG on 12 March 2008. The Management Board and Supervisory Board of HCI Capital AG published a comprehensive joint reasoned statement on the takeover offer on 26 March 2008. Moreover, the Management Boards of both companies have entered into a Business Combination Agreement, which provides for the continued independent existence of HCI Capital and the HCI brand, within the scope of the intended two-brand strategy. The Agreement also guarantees jobs within HCI Group, and Group locations for at least three years. We are convinced that this Agreement provides a key foundation for safeguarding the company's positive development potential, in the best interests of HCI Group staff, business partners, customers and of course its shareholders, with additional momentum being provided by an intensified cooperation with MPC Capital AG.

Yours sincerely,

Hamburg, May 2008

Wolfgang Essing
Chairman of the Management Board

The HCI Share

The HCI share price performance during the first three months of 2008 was defined by various factors. In general, equity markets were extremely volatile, reflecting the impact of the financial markets crisis. This was evident in the trading range established by the German blue-chip DAX index, which saw a high of just under 8,000 points at the beginning of the year, and a low of around 6,200 points in March. The SDAX, the benchmark index for HCI, fluctuated between 4,200 and 5,200 points during the period under review, declining by 14.0 % during this period.

The HCI share could not escape this trend completely unscathed. Having started the year at EUR 14.90, bearish equity market sentiment pushed the share price to its period low of EUR 12.78. Following the announcement of MPC Capital AG's takeover offer on 12 February 2008, which provided for an offer price of EUR 14.22, the HCI share price hit an interim high of EUR 15.83. It returned to the offer price level at the beginning of March, after publication of HCI Capital AG's results and proposed dividend for the 2007 financial year, remaining largely unchanged until the end of the period. Overall, the HCI share price declined by 4.6 % during the period under review.

A daily average of approx. 72,000 shares was traded on the Xetra electronic trading system during the period under review (Q1 2007: 79,000), indicating a very good level of market liquidity for a company listed in the Prime Standard.

Numerous changes to the shareholder structure of HCI Capital AG took place during the first quarter of 2008, and up to the time this report was published. On 12 March 2008, MPC Capital AG extended a takeover offer to all other shareholders of HCI Capital AG. At the time of publishing the offer, MPC Capital AG already held a 15.1 % stake in the company's issued share capital and voting rights. Furthermore, on 11 February 2008 MPC Capital AG entered into an agreement to acquire an additional 20.03 % stake in HCI's capital from Corsair III Investments (Luxembourg). Shares tendered by way of acceptance of the takeover offer until the end of the offer periods on 28 April 2008 amounted to an aggregate 5.67 % of HCI Capital AG's issued share capital and voting rights. Taking into account the share exchange agreement with Corsair, upon consummation of the takeover offer MPC Capital AG now holds a 40.80 % stake in HCI Capital AG. Moreover, Mr Jochen Döhle has increased his interest in HCI Capital AG to 20.09 % (including indirect shareholdings via Döhle ICL Beteiligungsgesellschaft mbH, Peter Döhle Schiffahrts-KG, and Beteiligungs- und Verwaltungsgesellschaft Peter Döhle mbH). The new shareholder structure is thus as follows:

MPC Capital AG	40.80 %
Döhle Group	20.09 %
Free float	39.11 %

Given the free float of 39.11 % and a share price of EUR 14.22 as at the reporting date, the market capitalisation amounted to EUR 133.5 million.

Independent research coverage of the HCI share currently indicates an average price target of EUR 14.97. The share is covered by twelve analysts preparing company reports and evaluations on an ongoing basis. Eight analysts currently recommend the share be held, or have adopted a 'neutral' stance. Three analysts have issued a 'buy' recommendation. One analyst has assessed the share to be an 'underperformer'.

During the period under review, senior management presented HCI Capital AG's company strategy and business performance at an analysts' conference, at the press conference to present the financial statements, as well as at various road shows and capital markets conferences throughout Germany and the United Kingdom. In addition, numerous discussions were held with analysts and investors at the company's Hamburg headquarters.

Further presentations are planned for the 2008 financial year, at capital markets conferences and within the scope of road shows with institutional investors in Germany and abroad, in order to maintain close contact and a continuous dialogue with capital market participants.

HCI Capital AG does not hold any treasury shares.

Business Environment

Macro-economic environment

Leading German economic research institutes believe that the global economy is burdened by the crisis affecting the US real estate and financial sectors. The US economy is bordering on recession, while growth momentum in Western European economies has weakened somewhat, and macro-economic demand in Japan grows only slightly anymore. Notwithstanding these trends, global economic growth is still advancing at an impressive rate, thanks to the strength of industrial production in emerging markets, which prevailed until recently. Overall, the global economy is still expected to continue to grow, albeit at a markedly slower pace compared to the previous year. The crisis affecting the US real estate and financial sectors is seen as the most significant downside risk for global economic momentum: should the US economy enter a marked recessionary phase, this would also be likely to feed through into a global slowdown.

The German business environment remained positive until the spring of 2008, in spite of various adverse factors. Economic research institutes believe that the domestic economy entered the new year with strong momentum: sentiment indicators remain at high levels, while demand and production indicators also show an upward trend. In addition, the falling unemployment rate demonstrates that the underlying trend of the Germany economy remains positive – its resilience being remarkable in view of the tight monetary policy of the previous year, the strong appreciation of the euro, the massive price increases of crude oil and foodstuffs, and the impact of the US real estate and financial markets crisis.

The current economic environment poses a major challenge for central banks, as they try to manage the conflicting factors of an acute liquidity shortage in the financial sector, a weakening economy, and inflationary pressures emanating from the ongoing price increases affecting crude oil and foodstuffs. Leading central banks pursued different policies during the period under review. Whilst the US Federal Reserve significantly lowered its key interest rate in several steps, to 2.00 % (as at 30 April 2008), particularly for the purpose of securing the supply of liquidity to the financial sector, the European Central Bank maintained its key interest rate at 4.00 % unchanged, reflecting its assessment that current inflationary risks require more urgent attention. Against this background, no interest rate cuts are expected in the euro zone for the foreseeable future.

Having peaked at a level of around USD 106 per barrel during the first quarter of 2008, crude oil traded at USD 102.41 per barrel at the end of the period under review. The euro continued to appreciate against the US dollar during the first three months of 2008, trading at USD 1.58 by the end of March.

Sector trends

Forecasts by market analysts paint a mixed picture for closed-end investment products during the 2008 financial year. Even though sector observers do not rule out placement volumes reaching record levels, this will largely depend on how long the financial market crisis remains a burden. In terms of individual segments, significant potential for growth is attributed to specialty funds in particular, such as aircraft funds. A positive trend is also envisaged for real estate funds. Moreover, issuing houses continue to report strong demand for closed-end ship funds.

Business development

Placement volumes

The aggregate volume of equity capital placed by HCI Group was up by a significant 10.6 % year-on-year during the first three months of 2008, at EUR 153.7 million (Q1 2007: EUR 139.0 million). The overall growth was attributable in particular to successful placements in the shipping product sector – predominantly reflecting growth in structured products such as guaranteed products and freight rate certificates – as well as dynamic growth in equity capital placed in the real estate product sector. These strong results more than compensated for the slowdown in placements in secondary life insurance market funds and private equity funds of funds. At the same time, the positive results achieved especially in structured products clearly shows the growing benefits of the diversification strategy adopted by HCI Group.

Equity capital placed outside Germany totalled EUR 2.9 million during the period under review (Q1 2007: EUR 10.4 million). Related sales activities during the first quarter of 2008 focused exclusively on the Austrian market.

Placements in the various product lines are analysed below:

Growth momentum in **ship funds** was attributable to structured products, which HCI successfully launched in 2007. At EUR 58.2 million, placements of traditional closed-end ship investments and asset creation plans fell short of the EUR 76.4 million figure reported for the same quarter of the previous year; this was in line with projections. In contrast, placements of structured products (HSC Shipping Protect I and II; HSC Freight Rate Certificate III) were firmly established just about one year after this product class was launched in early 2007. With EUR 23.0 million in equity capital placed during the first three months of the current financial year, volumes in this segment multiplied compared to the same period of the previous year (Q1 2007: EUR 1.2 million). Aggregate equity capital placed in the ship segment totalled EUR 81.3 million, up 4.7 % year-on-year (Q1 2007: EUR 77.6 million).

Business in closed-end **real estate funds** was very brisk indeed during the period under review. Reflecting a marked year-on-year improvement, total placements during the first three months of the 2008 financial year amounted to EUR 33.1 million, rising nearly three-fold (plus EUR 20.8 million) from the EUR 12.3 million recorded in the first quarter of 2007. This development was primarily attributable to the placement success of the HCI Real Estate BRIC$^+$ fund. The product concept of this fund of funds, which invests in real estate funds in the emerging property markets in Brazil, Russia, India and China, incorporates a global diversification structure that so far is unique in the market. The HCI Real Estate BRIC$^+$ fund alone contributed EUR 29.5 million to placements achieved in the real estate product sector. As a particularly positive effect in this context, we succeeded in acquiring major banks as distribution partners for this product, which has also strengthened our distribution platform.

Equity capital placed in the **secondary life insurance market**, comprising secondary life insurance funds and asset creation plans, totalled EUR 37.7 million. Even though this figure reflected a year-on-year decline of approx. 18.0 % (Q1 2007: EUR 46.1 million), we are nevertheless satisfied with the results achieved during the first quarter of 2008, which were fully in line with our projections. HSC Optivita X UK, a fund investing in UK life insurance policies, provided a significant contribution, with EUR 35.9 million placed in this fund alone. An additional EUR 1.1 million was placed in the HSC Optivita IX Germany product. No structured products were offered in this product sector during the period under review.

A re-launch of the HSC Optivita Europe LV index certificate – which had contributed EUR 2.3 million to placements in the first quarter of 2007 – is planned for the third quarter of the current financial year.

Equity capital placed in **private equity** funds of funds amounted to EUR 1.6 million: as expected, this was a significant 45.1 % decline from the EUR 3.0 million placed in the same quarter of the previous year, albeit at a low absolute level of placements. Prevailing uncertainty on the financial markets continued to have a tangible negative impact on demand for investment offers in the private equity sector.

Results of operations

The strong increase in placements which HCI Group achieved during the first quarter of 2008 was essentially based on structured products and real estate funds of funds, both generating lower levels of commission and margins compared to other product groups. Against this background, **revenues** of EUR 26.5 million during the period under review were down by approx. 16.7 % compared to the EUR 31.8 million generated in the same period of the previous year.

At EUR 20.5 million, fund design and sales revenues for the first quarter of 2008 still fell markedly short of the same quarter of the previous year (Q1 2007: EUR 25.4 million). Trust and service fees of EUR 5.5 million were slightly lower year-on-year (Q1 2007: EUR 6.1 million); this was attributable to non-recurring effects in the real estate sector, which had been pronounced in the first quarter of 2007. Management revenues increased from EUR 0.3 million (Q1 2007) to EUR 0.5 million.

In the 2007 financial year, the brokerage of ships and real estate had generated significant **other operating income** already in the first quarter of the year. As projected, no such transactions took place during the first three months of the current financial year. Accordingly, other operating income of EUR 1.0 million was lower than in the same period of the previous year (Q1 2007: EUR 4.8 million).

The **cost of purchased services**, which predominantly comprises commissions paid to distribution partners, was EUR 13.8 million in the period under review, down by approx. 8.0 % year-on-year (Q1 2007: EUR 15.0 million), reflecting the structure of placements where the bulk of volumes was in lower-commission products. The lower rate of decline in commission expenses, compared to the decline in revenues, is another clear indication that sales in the first quarter of 2008 were dominated by products yielding lower margins. Accordingly, the gross profit margin of 47.1 % for the first quarter of 2008 was markedly lower than the 53.5 % margin recorded for the same quarter of 2007.

Personnel expenses were down by approx. 5.3 %, to EUR 5.4 million in the first three months of the current financial year, predominantly due to lower provisions for variable remuneration. Personnel expenses related to fixed remuneration only showed a slight increase. On average, HCI Group employed 297 staff (Q1 2007: 242) during the period under review.

Other operating expenses of EUR 5.2 million as at the reporting date were up 20.9 % year-on year (Q1 2007: EUR 4.3 million). The increase in non-staff expenditure was largely due to additional consultancy expenses incurred in relation to the takeover offer by MPC Capital AG; essentially, this represents non-recurring effects.

The **result of associates and joint ventures** accounted for using the equity method was EUR 1.0 million during the period under review, down from the previous year (Q1 2007: EUR 1.2 million). HAMMONIA Reederei GmbH & Co. KG (EUR 0.2 million), Aragon AG (EUR 0.5 million), and NY Credit Operating LP (EUR 0.3 million) were the main contributors. The year-on-year decline was largely attributable to a lower contribution by Hammonia Reederei GmbH & Co KG (Q1 2007: EUR 1.0 million), reflecting exchange rate effects decreasing charter revenue denominated in US dollars.

Given the business developments outlined above, operating earnings before interest and taxes **(EBIT)** of EUR 3.0 million for the period from 1 January to 31 March 2008 fell short of the result achieved in the first quarter of 2007 (EUR 12.2 million).

The **net financial result** of minus EUR 1.4 million reflected a negative swing of EUR 2.1 million from the previous year's figure (Q1 2007: EUR 0.7 million). While interest income rose to EUR 0.7 million (Q1 2007: EUR 0.5 million), the increase in interest expenses, to EUR 1.0 million (Q1 2007: EUR 0.6 million), reflected the higher leverage largely attributable to financing the shareholding held by HCI Real Estate Finance I GmbH & Co. KG in NY Credit Operating LP, which was consolidated for the first time as at 31 December 2007. The decline in the other financial result for the period under review, which showed a deficit of EUR 0.9 million (Q1 2007: EUR 0.7 million), was largely due to the negative currency translation effects as a result of the weak US dollar.

Earnings before taxes **(EBT)** of EUR 1.6 million for the period under review showed a marked decline from the figure achieved in the first quarter of 2007 (EUR 12.9 million).

Income taxes amounted to EUR 0.4 million for the first three months of the 2008 financial year.

Consolidated net income for the period of EUR 1.2 million was lower than in the same period of the previous year (Q1 2007: EUR 9.9 million).

Financial position

During the current reporting period, the HCI Group generated a cash flow from operating activities of minus EUR 3.1 million, thus significantly lower compared to the cash flow of EUR 2.6 million in Q1 2007. This reduction is due mainly to the strong decline of consolidated net income for the period versus previous year's figure.

The negative cash flow from investing activities is mainly caused by the purchase of shares in eFonds Holding AG amounting to EUR 6.0 million.

The positive cash flow from financing activities was mainly driven by the loan financing of the investment in eFonds Holding AG. This was partly netted by repayments of funds especially for the investment in Aragon AG, which amounted to EUR 2.2 million.

HCI Group's financial resource fund totalled EUR 28.5 million as per 31 March 2008, a decline of EUR 6.2 million compared to previous year's figure as per 31 March 2007.

Net assets

Total assets amounted to EUR 225.6 million as at the reporting date of 31 March 2008, down 6.0 % from 31 December 2007 (EUR 239.9 million). This decline was largely due to lower trade receivables (down EUR 7.0 million, to EUR 24.7 million), and a lower level of cash and cash equivalents (down EUR 6.2 million, to EUR 28.5 million).

Shareholders' equity amounted to EUR 116.6 million as at 31 March 2008. The decline by EUR 1.5 million – despite a EUR 1.2 million contribution from consolidated net income – was attributable to fair value changes and currency translation effects recognised directly in equity. Given the concurrent decline in total assets, HCI Group's equity ratio rose from 49.2 % as at 31 December 2007 to 51.7 % on the reporting date.

The decrease in liabilities was largely due to lower trade liabilities (down EUR 9.2 million, to EUR 9.8 million).

Outlook

The macro-economic outlook for 2008 remains mixed. Leading economic research institutes believe that the global economy will continue to grow, albeit at a slower pace than in the previous year. The crisis affecting the US real estate sector and the financial markets remains a burden, as it also holds additional risks for global growth. In Germany, the negative impact emanating from foreign trade will be increasingly felt over the course of the year, with the momentum in the export sector, in particular, likely to slow down. In contrast, the research institutes envisage domestic demand growth to continue. The real gross domestic product growth rate for 2008 is forecast to be around 1.8%, whilst relief on the labour market is seen to last throughout the year, albeit with a lower decline in the unemployment rate. The inflation rate – currently at higher levels – is expected to return to a year-on-year rate of approx. 2.6%. Against this background, there is no scope for interest rate cuts in the euro zone.

Overall, the outlook for closed-end investment products remains positive, with a mixed picture depending on the subsegment.

Thanks to its well-stocked product pipeline, the HCI Group is in a good position to even outperform the previous year's record placement levels in the 2008 financial year. HCI Group plans to place aggregate equity capital amounting to EUR 880 million in 2008. On this basis, we expect consolidated net income for the year of EUR 33 million, which equates to earnings per share of approximately EUR 1.38.

For the 2008 financial year, the HCI Group will offer a product range that has reached a very high degree of diversification, in terms of asset classes, product types and target customers.

HCI Group plans a total placement volume of EUR 413 million in the ship product sector, comprising closed-end funds, asset creation plans, and institutional business. The level of equity capital placements in closed-end real estate funds (including institutional business in this sector) is projected to be EUR 150 million. Given the financial markets crisis and the associated burdens on demand, the contribution of the private equity product sector to placement volumes is expected to be limited, at around EUR 12 million. We expect placements amounting to EUR 85 million in the secondary life insurance market, driven by demand for funds investing in UK life insurance policies in particular.

We foresee a good potential for further growth in structured products, a product sector launched during the previous year. Placement volumes in this sector are planned at EUR 100 million, comprising further guaranteed products (HSC Shipping Protect, HSC Multi Asset Protect), freight rate certificates, and a re-launch of the HSC Optivita Europe LV index certificate.

Over and above the well-established product areas, the HCI Group will also be exploring two new asset classes with closed-end funds in the 2008 financial year. Here, EUR 120 million is planned in terms of placements, comprising an aircraft fund and the HCI Deepsea Oil Explorer, the latter developed in cooperation with MPC Capital AG.

Given the projected placements, we envisage a major portion of high-commission and high-margin products (especially closed-end ship funds, aircraft funds, and the HCI Deepsea Oil Explorer) to be sold from the third quarter onwards. Against this background, we expect a marked improvement in profitability during the second half of the year.

All told, we are convinced that the key strategic measures HCI Group has implemented over recent years – in terms of product development, sales, and asset management – will yield sustainable benefits during the 2008 financial year. Thanks to its know-how, its close linkup with relevant markets, and its strong brand, the HCI Group has outstanding potential to maintain and continuously grow its leading position among providers of closed-end investment products in Germany.

Hamburg, May 2008

HCI Capital AG
The Management Board

Wolfgang Essing | Dr. Rolando Gennari | Dr. Oliver Moosmayer

Consolidated income statement
interim financial statements as at March 31, 2008

EUR '000	Note	Three months ended March 31, 2008	Three months ended March 31, 2007
Revenues	(5)	26,488	31,814
Other operating income	(6)	950	4,773
Change in inventories		- 250	205
Cost of purchased services		- 13,769	- 14,987
Personnel expenses		- 5,420	- 5,672
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		- 685	- 817
Other operating expenses		- 5,240	- 4,284
Results of associated companies and joint ventures accounted for using the equity method	(7)	960	1,194
Earnings before interest and taxes (EBIT)		**3,034**	**12,226**
Interest income	(8)	677	473
Interest and similar expenses	(8)	- 1,140	- 550
Other financial result	(8)	- 931	738
Earnings before taxes (EBT)		**1,640**	**12.887**
Income taxes	(9)	- 402	-2,998
Consolidated net income for the period		**1,238**	**9,889**
Consoldiated net income for the period attributable to the group		1,238	9,889
Consolidated net income for the period atributable to minority shareholders		0	0
Earnings per share (basic) in EUR	(10)	0.05	0.41
Earnings per share (diluted) in EUR	(10)	0.05	0.41

Consolidated balance sheet
as at March 31, 2008

	Note	March 31, 2008	December 31, 2007
ASSETS		**EUR '000**	**EUR '000**
Non-current assets		**130,376**	**130,099**
Intangible assets		5,043	5,538
Property, plant and equipment		1,804	1,875
Investments in associated companies and interests in joint ventures accounted for using the equity method		88,072	86,226
Investment securities		15,878	15,834
Other financial assets		18,542	19,953
Deferred taxes		1,037	673
Current assets		**95,241**	**109,780**
Work in progress and finished services		1,497	1,772
Trade receivables		24,748	31,785
Receivables from related parties	(12)	1,000	1,052
Income tax receivables		13,818	9,966
Other assets		18,152	22,965
Other financial assets		17,905	22,373
Other miscellaneous assets		247	592
Securities		7,501	7,501
Cash and cash equivalents		28,525	34,739
Total assets		**225,617**	**239,879**
EQUITY AND LIABILITIES		**EUR '000**	**EUR '000**
Equity		**116,612**	**118,034**
Subscribed capital		24,000	24,000
Capital reserve		76,016	76,016
Retained earnings		37,225	35,987
Accumulated other equity	(3)	- 6,097	- 3,437
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		**17,627**	**18,606**
Pension provisions		19	19
Liabilities to banks	(4)	15,424	16,532
Other miscellaneous liabilities		19	19
Deferred taxes		2,165	2,036
Current provisions and liabilities		**91,378**	**103,239**
Other provisions		1,542	1,267
Financial debt		52,252	49,514
Liabilities to banks	(4)	44,681	41,943
Other financials debt		7,571	7,571
Trade payables		9,874	19,066
Payables to related parties	(12)	1,014	2,206
Income tax payables		17,291	17,984
Other current liabilities		9,405	13,202
Other financial liabilities		1,837	2,304
Other miscellaneous liabilities		7,568	10,898
Total equity and liabilities		**225,617**	**239,879**

Consolidated cash flow statement

for the period from January 1 to March 31, 2008

EUR ' 000	Three months ended March 31, 2008	Three months ended March 31, 2007
Consolidated net income for the period	1,238	9,889
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	685	817
Gains(-) from associated companies and joint ventures	- 960	- 1,194
Gains(-) from the disposal of intangible assets and property, plant and equipment	- 113	- 60
Increase in pension provisions	1	1
Tax expense	402	2,601
Elimination of net interest income and net investment income	1,394	- 661
Other non-cash income and expenses	602	22
Increase/decrease in working capital	- 4,655	- 1,885
Increase/decrease in inventories	275	- 243
Decrease in trade receivables	7,037	5,890
Increase/decrease in other assets	2,918	4,767
Increase/decrease in current provisions	275	- 265
Increase/decrease in trade payables	- 9,193	- 4,676
Increase/decrease in receivables from and payables to related parties	- 1,139	- 3,332
Decrease in other liabilities	- 4,489	- 4,024
Other movements in operating activities	- 339	- 2
Taxes paid	- 5,136	- 6,694
Tax refunds	106	12
Interest paid	- 300	- 414
Interest received	181	296
Distributions received	3,412	158
Cash flows from operating activities	**- 3,143**	**2,888**
Proceeds from disposals of intangible assets, property, plant and equipment as well as assets held for sale	49	0
Proceeds from disposal of investment securities and investments in associates held for sale	110	177
Payments for investments, intangible assets and property, plant and equipment	- 121	- 140
Payments for investments in associated companies and interest in joint ventures	- 6,025	0
Payments for investments securities and securities classified as current assets	- 44	- 294
Cash flows from investing activities	**- 6,031**	**- 257**
Proceeds from additions to financial liabilities	6.000	8,861
Repayments of financial liabilities	- 3,040	- 3,375
Cash flow from financing activities	**2,960**	**5,486**
Net Changes in cash and cash equivalents	**- 6,214**	**8,117**
Cash and cash equivalents at beginning of period	34,739	58,613
Cash and cash equivalents at end of period	**28,525**	**66,730**

Consolidated statement of changes in equity
for the period from January 1 to March 31, 2008

in EUR '000	Subscribed capital	Capital reserve	Retained earnings	Income and expenses recognised directly in equity	Foreign currency translation adjustment	Net cost in excess of net assets acquired on the acquisition of companies under common control and successive share acquisitions	Consolidated equity
Balance at 01.01.2007	**24,000**	**76,016**	**38,006**	**0**	**- 143**	**- 14,532**	**123,347**
Consolidated net income for the period			9,889				9,889
Changes in foreign currency translation adjustment					- 163		- 163
Consolidated comprehensive income			9,889		- 163		9,726
Balance at 31.03.2007	**24,000**	**76,016**	**47,895**	**0**	**- 306**	**- 14,532**	**133,073**
Balance at 01.01.2008	**24,000**	**76,016**	**35,987**	**- 2,334**	**- 1,103**	**- 14,532**	**118,034**
Consolidated net income for the period			1,238				1,238
Proportional change in the fair value of derivatives of cash flow hedges at associates				- 1,878			- 1,878
Changes in foreign currency translation adjustment					- 709		- 709
Expenses for capital procurement				- 73			- 73
Consolidated comprehensive income			1,238	- 1,951	- 709		- 1,422
Balance at 31.03.2008	**24,000**	**76,016**	**37,225**	**- 4,285**	**- 1,812**	**- 14,532**	**116,612**

NOTES
to the consolidated interim financial statements of HCI Capital AG as at 31 March 2008 in accordance with IFRS

GENERAL

(1) Accounting policies
The consolidated interim financial statements of HCI Capital AG and its subsidiaries (referred to below as: “HCI Group”) as at 31 March 2008 have been prepared in accordance with IAS 34 whereby the Notes have been compiled in a condensed version in accordance with IAS 34.10.

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 31 December 2007. The consolidated interim financial statements as at 31 March 2008 should therefore be read in conjunction with the consolidated financial statements as at 31 December 2007. Please refer to the consolidated financial statements as at 31 December 2007 for IASB and IFRIC standards and interpretations in effect since 1 January 2008.

The standards and interpretations listed below, as published by IASB and IFRIC in 2006 and 2007, are not yet mandatory for the preparation of the consolidated interim financial statements as at 31 March 2008 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 ”IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction“
- Amendments to IAS 23 ”Borrowing Costs”
- Amendments 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, will not have any significant effects on the financial situation, net assets and results of the group. With regard to IFRS 8 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.

(2) Consolidation
Pursuant to the share purchase agreement of 24 January 2008, HCI Capital AG has acquired registered shares in eFonds Holding AG amounting to a 25.1% stake in the company, for a purchase price of EUR 6,025,004. The purchase price has been fully refinanced. The purpose of this investment is to support the HCI Group’s sales activities through the financial products brokerage activities of the acquired entity. No financial information was available from eFonds Holding AG at the time of preparing the consolidated interim financial statements as at 31 March 2008; as a result, it was not yet possible to allocate the purchase price accordingly.

NOTES TO THE CONSOLIDATED BALANCE-SHEET

(3) Shareholder’s Equity
The item accumulated other equity includes foreign currency translation adjustments (EUR 1,812 thousand) as well as expenses directly balanced against equity. As per 31 December 2007 this comprised fair value changes of derivatives forming part of cash flow hedges related to derivatives that are used by NY Credit Operating Partnership LP amounting to minus EUR 2,334 thousand. This fair value change increased as per 31 March 2008 by EUR 1,878 thousand to minus EUR 4,212 thousand. For the first time this item as per 31 March 2008 also comprises expenses of Aragon AG for capital procurement at an amount of EUR 73 thousand.

(4) Liabilities to banks
In the third quarter 2007 HCI Group raised a loan of EUR 22 million, due 30 September 2012, to finance the purchase of a shareholding in ARAGON AG. A scheduled repayment of EUR 2,200 thousand was made on this loan during the first quarter of 2008.

HCI Real Estate Finance I GmbH & Co KG raised a loan in the amount of USD 55,500 thousand to refinance the purchase of shares in NY Credit Operating Partnership LP. HSH Nordbank AG subsequently extended the loan facility until 31 December 2008, taking into consideration a redemption of USD 13,000 thousand during the course of the year. As at 31 March 2008, the carrying amount of the amount drawn, including accrued interest, is measured at EUR 33,942 thousand (31 December 2007: EUR 35,921 thousand).

HCI Capital AG took out a loan in the amount of EUR 6,000 thousand to finance the purchase of shares in eFonds Holding AG. The loan bears interest at 8.53% p. a., until further notice.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(5) Revenue

Revenue consists of the following:

EUR '000	Three months ended 31 March 2008	Three months ended 31 March 2007
Sales revenues		
Ship	12,014	16,061
Real estate	3,448	1,435
Private equity	177	307
Secondary life insurance market	4,821	7,603
Design and sales revenues	**20,460**	**25,406**
Trust and service fees		
Ship	4,493	4,434
Real estate	425	1,106
Private equity	98	96
Secondary life insurance market	486	432
Trust and service contract fees	**5,502**	**6,068**
Management fees	**526**	**340**
Total revenues	**26,488**	**31,814**

(6) Other operating income

Other operating income for the period from 1 January to 31 March 2008 includes EUR 644 thousand in VAT refunds related to real estate brokerage services rendered in the previous year. The figure for the same period of the previous year included EUR 2,772 thousand in commission income for broker services rendered to a third party for the purchase of a vessel, and EUR 1,332 thousand in compensation payments for collateralisation services and real estate brokerage services.

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

EUR '000	Three months ended 31 March 2008	Three months ended 31 March 2007
ARAGON AG	446	0
NY Credit Operating Partnership LP	303	0
Hammonia Reederei GmbH & Co. KG	246	991
BH & HCI Real Estate Holding B.V.	23	136
HELLESPONT HAMMONIA GmbH & Co. KG	- 11	67
BH & HCI Overschiestraat Holding B.V.	- 47	0
Results of joint ventures accounted for using the equity method	**960**	**1.194**

(8) Net financial result

The other financial result includes EUR 570 thousand (Q1 2007: EUR 1,048 thousand) in fees which the HCI Group receives as preliminary distributions from secondary life insurance market funds.

The figure also includes EUR 1,671 thousand (Q1 2007: EUR 373 thousand) in foreign exchange losses.

(9) Income taxes

Income taxes comprise current tax expenses at an amount of EUR 637 thousand partly netted by earnings from deferred taxes of EUR 235 thousand.

(10) Earnings per share

Basic and diluted earnings per share are determined as follows:

		Three months ended 31 March 2008	Three months ended 31 March 2007
Consolidated net income for the period attributable to the group	EUR '000	1,238	9,889
Weighted average number of shares outstanding	,000s of shares	24,000	24,000
Earnings per share for the period	**EUR**	**0.05**	**0.41**

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

OTHER

(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, 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	Three months ended 31 March 2008		Three months ended 31 March 2007	
	Revenue from external customers	EBIT	Revenue from external customers	EBIT
Ship	16,872	5,824	20,495	11,353
Real estate	4,009	288	2,827	2,157
Private equity	276	42	404	75
Secondary life insurance market	5,307	197	8,034	1,930
Total segments	**26,464**	**6,351**	**31,760**	**15,515**
Other/holding	24	- 3,317	54	- 3,289
Group	**26,488**	**3,034**	**31,814**	**12,226**

(12) Related parties

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

EUR '000	31 March 2008	31 December 2007
Receivables from joint ventures and associates	944	923
Receivables from non-consolidated subsidiaries	56	129
Receivables from related parties	**1,000**	**1,052**
Payables to non-consolidated subsidiaries	610	608
Payables to HCI Group Management and Supervisory Board members	404	1,598
Payables to related parties	**1,014**	**2,206**
Provisions for bonuses due to HCI Group management	163	0
Other provisions	**163**	**0**

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

EUR '000	Three months ended 31 March 2008	Three months ended 31 March 2007
Income from joint ventures and associates	999	1,194
Income from related parties	**999**	**1,194**
Expenses paid and payable to HCI Group Management and Supervisory Board members	490	1.109
Expenses for joint ventures and associates	58	0
Expenses paid or payable to related parties	**548**	**1,109**

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 31 March 2008:

	31 March 2008			31 December 2007		
	EUR '000	EUR '000	USD '000	EUR '000	EUR '000	USD '000
Guarantees	**1,275,457**	320,572	1,509,863	**1,362,044**	317,364	1,541,008
of which: related to construction phase loans	**1,029,406**	158,962	1,376,346	**1,124,730**	170,174	1,408,066
of which: drawn	**798,379**	251,361	864,945	**851,120**	229,372	917,141
Placement guarantees	**419,934**	80,702	536,394	**313,644**	68,354	361,828
of which: for funds not yet in distribution	**393,213**	58,345	529,494	**279,602**	55,045	331,244
Future payments under operating leases	**4,107**	4,107		**5,006**	5,006	

Guarantees extended by HCI include those granted within the scope of construction phase loans. However, such loans are usually collateralised via assignment of refundment guarantees which are required from the shipyards' bankers under the respective construction agreements. Accordingly, in these cases the guarantees extended by HCI are indirectly secured by refundment guarantees pledged.

(14) Proposal on the appropriation of profits

The Management Board and Supervisory Board propose to the Annual General Meeting held on 15 May 2008 to use the net retained profit (Bilanzgewinn) of HCI Capital AG (determined in accordance with the German Commercial Code) of EUR 25,818 thousand as at 31 December 2007 to distribute a dividend of EUR 0.70 per share, equivalent to a total distribution of EUR 16,800 thousand.

(15) Events after the balance sheet date

The CEO, Wolfgang Essing, and the supervisory board of HCI Capital AG on 23 April 2008 mutually agreed on a termination of his contract effective from 30 June 2008. On 8 May 2008 the supervisory board appointed Dr. Ralf Friedrichs as new member of the management board and CEO.

On 12 March 2008, MPC Capital AG extended a takeover offer to all other shareholders of HCI Capital AG. At that time, MPC Capital AG already held a 15.1% stake in the issued share capital and voting rights of HCI Capital AG. Furthermore, on 11 February 2008 MPC Capital AG entered into an agreement to acquire an additional 20,03 % stake in HCI's capital from Corsair III Investments (Luxembourg). Shares tendered by way of acceptance of the takeover offer until the end of the offer periods on 28 April 2008 amounted to an aggregate 5.67 % of HCI Capital AG's issued share capital and voting rights. Taking into account the share exchange agreement with Corsair, upon consummation of the takeover offer MPC Capital AG now holds a 40.80 % stake in HCI Capital AG.

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

Disclaimer

Forward-looking statements

These documents include certain forward-looking statements and information regarding future developments; these are based on the views and convictions of the Management Board of HCI Capital AG, and on assumptions and information currently available to HCI Capital AG. Words such as ‘expect’, ‘assess’, ‘assume’, ‘intend’, ‘plan’, ‘should’, ‘might’, ‘project’, or similar concepts referring to the company are designed to identify such forward-looking statements, which are subject to a number of uncertainties.

Many factors could cause the actual results achieved by HCI Group to be materially different from the forecasts expressed in such forward-looking statements.

HCI Capital AG accepts no responsibility or liability to the general public for updating or correcting any forward-looking statements. All forward-looking statements are subject to differing risks and levels of uncertainty: as a result, the actual figures may deviate from projected values. Forward-looking statements reflect the prevailing opinion at the time they were made.

Financial Calendar

30.01.2008
Publication of equity capital placements 2007

10.03.2008
Annual financial report 2007 / Press conference to present the financial statements / Analysts' conference

13.05.2008
Report on the first three months of 2008

15.05.2008
Annual General Meeting

13.08.2008
Half-yearly financial report 2008

12.11.2008
Report on the first nine months of 2008

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