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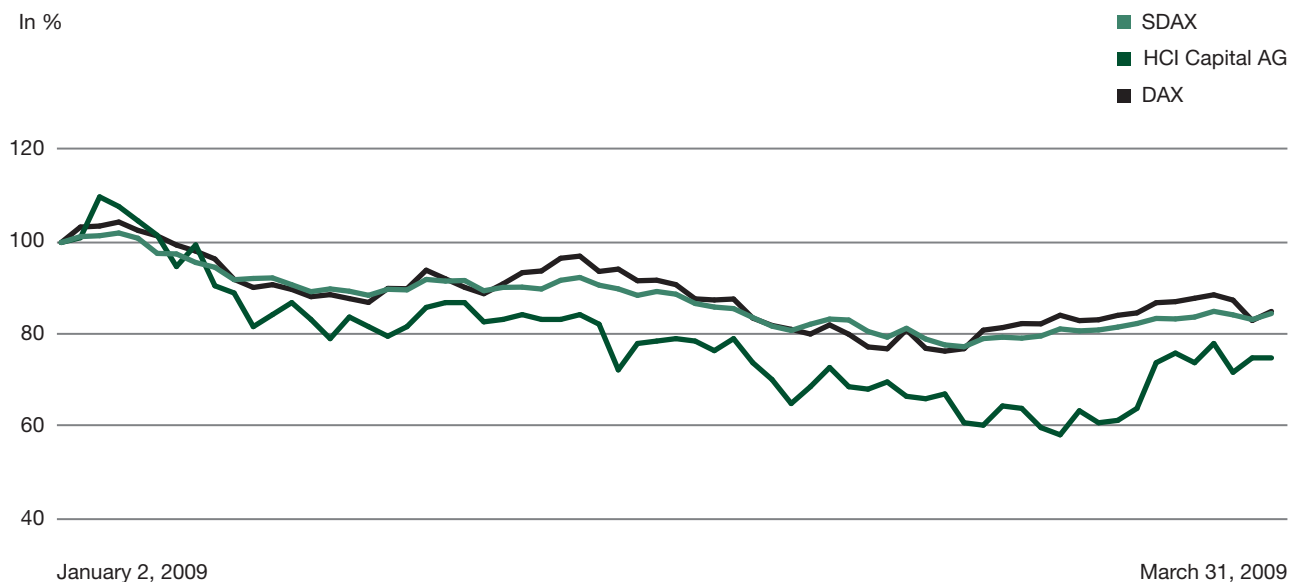
HCI THREE-MONTH REPORT 2009

Capital **hc**

Key financial indicators

Earnings	Three months ended March 31, 2009	Three months ended March 31, 2008
Revenues in EUR thousands	9,989	26,488
EBIT in EUR thousands	- 2,943	3,034
EBT in EUR thousands	- 2,287	1,640
Group net earnings in EUR thousands	- 2,493	1,238
Earnings per share in EUR	- 0.10	0.05
Placed equity in EUR million	30.1	153.7
Balance sheet	March 31, 2009	December 31, 2008
Total assets in EUR thousands	163,937	172,586
Equity in EUR thousands	83,325	86,200
Equity ratio in %	50.8 %	50.0 %
Staff	March 31, 2009	March 31, 2008
Average employees	295	280
Personnel costs in EUR thousands	6,045	5,420
Personnel costs in % of revenue	60.5	20.46

HCI Capital AG Share



Hint: Rounding differences likely to occur.

Dear shareholders and businessfriends of HCI Capital AG,

The ongoing financial and economic crisis with huge downturns in manufacturing and trading meant that the industry got off to a poor start in 2009, as was expected. This trend was one that the HCI Group was unable to buck. With its extensive sales network and its diversified product range the Group was still able to place funds, but it did so at a level that marked a further sharp decline compared with last year's weak fourth quarter. At present there are no signs of a swift recovery by the world economy, yet we still see favourable medium and long-term prospects for investment in tangible assets. This is the background against which the HCI Group's management and employees see the main focus of our activities as being on close dialogue with sales partners and on active asset and fund management.

Continuing investor restraint at the beginning of 2009

High investor uncertainty and restraint continue to characterise the market for closed funds. The only exceptions are direct investment in the real estate sector, products in aircraft funds and a selection of special funds, all of which are currently popular. All other asset classes, not least ship funds, once again reported considerable losses on the fourth quarter of 2008. Against this backdrop the equity capital that the HCI Group placed in the first quarter of the 2009 financial year was down substantially on both the last quarter of 2008 (EUR 91.0 million) and the first quarter of the previous year (EUR 153.7 million) to a total of EUR 30.1 million. This poor result was due largely to widespread investor restraint. The Group nevertheless continued to place capital in all product areas, with classic ship funds alone contributing about EUR 10.4 million toward the placement result. Guarantee products and asset creation plans, both investing mainly in ship funds, made further significant placement contributions of EUR 5.4 million and EUR 7.3 million respectively. Placements in other asset classes were secondary life insurance market funds (EUR 4.4 million), HCI Deepsea Oil Explorer (EUR 2.0 million), HCI Real Estate G7 (EUR 0.8 million) and HCI Aircraft One (EUR 1.4 million).

Q1 result marked by placement decline – Cost reduction programme takes effect

The weak course of placement in the first quarter was the main reason why the HCI Group has a negative net result of EUR -2.5 million to report for the period to 31 March 2009. This figure includes EUR 0.9 million in impairments that were due to market conditions. We have reduced non-personnel costs by about 19% on the previous year. They are now within the planned cost reduction corridor of about EUR 7 million for the full year.

Gaining trust with close dialogue and new products – low interest rates and inflation risks boost positive prospects for tangible assets

To regain momentum in placement business, the HCI Group has initiated a series of measures aimed at reinforcing the

confidence of our sales partners and investors in investing in closed-end funds. They include in particular close dialogue with the sales partners that we have maintained at about 150 regional sales events since the beginning of the year. After all, the current low level of interest rates, combined with the risks of inflation brought about by the worldwide expansion in the volume of money, signals that investing in tangible assets is gaining in attractiveness. This is shown by external studies that underscore our aim to offer investors in our products sound long-term investments in tangible assets.

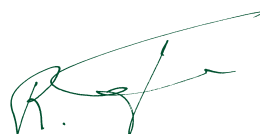
In our product design, we have devised for the Deepsea Oil Explorer a new guarantee product version in the second quarter, thereby adding to our successful Protect range. Current market development shows that safety is a foremost consideration for investors at present. In addition, the Group launched a new solar fund, HCI Energy 1 Solar, at the beginning of the second quarter. We see brisk current demand for this product area. Last but not least, we have plans to develop other new products around our established business segments in order to cater for investors' needs even better in this difficult environment. These include in particular a new ship fund that as an addition to our established ship products is aligned as an opportunity fund.

Focus on active asset and fund management

At the same time, managing an asset pipeline of about 80 ships in these difficult conditions remains a fundamental challenge for the HCI Group. To tackle it we are holding talks with banks, shipping companies and shipyards to draw up sustainable medium and long-term solutions for all parties. In the prevailing economic climate the existing portfolio also cannot be expected to perform normally and according to plan in the case of a number of funds. This will pose a further challenge for the entire industry in 2009 and will require close monitoring and active fund management. We have put this management in place accordingly at the HCI Group in order to ensure the long-term success of our investors' equity investments. In the present market environment it is clearer than ever that issuing houses are not just intermediaries and trustees for closed-end funds, but active asset managers for entrepreneurial investments.

Best wishes,

Hamburg, May 2009



Dr. Ralf Friedrichs
(Chairman of the Management Board)

The share

In an environment still characterised by uncertainties as to where the world economy was heading, global stock markets continued to show volatile development in the reporting period. After an initial sharp decline in market indices at the beginning of the year, stock markets have latterly recovered perceptibly. After the latest upward trend the German DAX index closed on 31 March 2009 at 4,084 points. In the course of this development the MDAX index of midrange companies closed on 31 March 2009 at 4,426 points, while the SDAX ended the reporting period at 2,374 points.

Against this background the HCI share price similarly began by falling further. In the reporting period the share traded at very low daily levels in a price range that varied between EUR 1.10 at the beginning of March and EUR 2.09 at the beginning of January. The share price on 31 March 2009 was EUR 1.42.

HCI Capital AG is currently followed by seven analysts who supply the capital market with regular assessments of the HCI share. At present, four analysts give the share a "Hold" and three a "Reduce" rating.

Interim management report

A. Economic environment

Overall economic development

The first three months of the 2009 financial year have demonstrated that the general forecast of an international economic downturn has become a reality. International manufacturing, trading and investment activity showed a further decline in the reporting period. It can be stated in general that the gross domestic product of the United States, the entire EU, Japan and the emerging market countries has declined. China and India in particular are exceptions for which, however, significantly lower growth than in past years is anticipated.

In Germany too the recession continued in the reporting period after a weak fourth quarter in 2008. Exports in particular have been affected and, in view of Germany's strong dependence on the trade balance, make a substantial contribution toward the decline in real gross domestic product. The increasingly poor order situation has prompted many companies to switch to part-time working. At the same time, existing orders have been cancelled, and inventories thereby increased significantly.

Against the background of international economic setbacks there are no signs yet of recovery in the shipping markets. Instead, the global crisis in manufacturing and trading affects nearly all shipping segments. In 2008 the highest rates since the record levels in 2005 were paid for container ships of all sizes. Since the fourth quarter of 2008 freight rates have declined dramatically. In view of the decline in world trade and

the fall in demand for commodities, container shipping and bulk carriers (bulkships) are especially hard hit.

While no upward trend has been apparent on the demand side during the reporting period, capacity reduction is increasingly being stepped up on the supply side. Existing surplus capacities in the reporting period led nonetheless to a fleet of about 500 container ships lying idle. At the same time, it must also be noted that no more newbuild orders are in the market and that orders placed in previous years are up for negotiation on a wide front with a view to reaching agreement on cancellations, delivery postponements or reallocation of construction orders. In addition, the scrapping ratio for container ships rose by 176 % at the end of 2008 alone. In the first quarter of 2009 a further 46 ships were consigned to be scrapped. The current ageing of the bulker fleet with rates at an extremely low level is another occasion for shipping companies to scrap more ships and reduce surplus capacities significantly. In the fourth quarter of 2008 the scrapping quota rose from nearly nil to about 90 ships with a deadweight (DWT) totalling 5.5 million tons. A further 99 ships with a DWT of 4.08 million tons were scrapped in the first two months of 2009 (source: Clarkson Research).

A further fundamental obstacle to an upward trend in the bulk shipping market is the present restrictive policy pursued by banks in granting loans to finance trading. As soon as the banks make funding available for trading once more it could contribute toward a recovery in this market segment. After a severe downturn in the fourth quarter of 2008 the Baltic Dry Index has shown signs of recovery once more. This upward trend is still at a low overall level, but it does at least indicate that the fall in rates has bottomed out. It can generally be said of the trend in shipping markets in the reporting period that the self-healing properties of the market are starting to take effect. A sustainable recovery in shipping markets is however not yet in sight.

In the global measures undertaken to stabilise the precarious international economic situation, important and essential steps have been taken to strengthen the financial system. These comprehensive steps consist of a recapitalisation of the banks' weakened equity capital base and government guarantees to reinforce inter-bank trading. At the same time, the world's most important central banks have shifted their focus from maintaining monetary stability to stimulating the economy. As a result the US Federal Reserve has cut interest rates to between 0.0 % and 0.25 %. In addition, the European Central Bank has cut its interest rate by a further 25 basis points to 1.0 %, the lowest level since the euro was introduced, while the Bank of England has reduced its base rate to 0.5 %.

Furthermore, governments of leading industrialised and emerging market countries have put in place significant national economic booster packages to stimulate consumer demand and

investment and thereby countervail the economic downturn or even a backslide into a lengthy depression.

Another positive factor is the low price of oil, which has levelled out at around USD 50 per barrel after peaking at about USD 140 per barrel in 2008. The marked fall in commodity-driven inflation is strengthening consumer purchasing power and easing the burden on the manufacturing industries.

Along with the ongoing easing of tension on commodity exchanges the US dollar weakened further during the reporting period. At the end of 2008 the dollar exchange rate was EUR 1.39. As at 31 March 2009 it was down further to EUR 1.32.

Industry developments

Against a backdrop of further weak economic development and an ongoing high level of uncertainty about the extent and duration of the financial and economic crisis, during the reporting period investors continued to show clear restraint as regards investment products. This has affected the development of the market for closed-end funds considerably. Overall placement volume has continued to fall since the slump in the fourth quarter of 2008. The only exceptions are direct investment in real estate, aircraft funds and a selection of special funds, meaning that the market has generally stabilised in comparison to the last quarter of 2008.

Latest figures for new issues of closed-end participations authorised by the German Federal Financial Supervisory Authority (BaFin) in the reporting period are also about 55% down on the previous year. The changes in framework conditions are reflected in the design of fund products. The average size of funds in all asset classes other than new energy is down. This trend makes it clear that the market for closed-end funds has adjusted on the supply side to a weak course of placement in 2009.

Course of business

Against this background the HCI Group sustained a significant decline in placement volume to about EUR 30.1 million (previous year: EUR 153.7 million). Due to the regional positioning of sales and the intensive dialogue with sales partners, HCI has succeeded in continue to place investments in all asset classes and does so continuously, but at a level in the reporting period that is lower still than in the fourth quarter of 2008.

With a product base that is now significantly wider we have realigned our presentation to the following investment product areas: Transport and Logistics, Energy and Commodities, Real Estate and the Secondary Life Insurance Market. Within these areas the placement of equity capital is as follows:

The **Transport and Logistics** product area comprises the asset classes Ship and Aircraft. In this area the HCI Group placed EUR 22.9 million (previous year: EUR 81.2 million) in

the first quarter of 2009. With a EUR 21.5 million total equity capital placement in **Ship** investments this continues to be the largest asset area in the HCI portfolio. It includes EUR 10.4 million in classic participation models, EUR 5.7 million in participations in asset creation plans and EUR 5.4 million in guarantee products (HSC Shipping Protect 3 and Multi Asset Protect). In the **Aircraft** asset class EUR 0.8 million was placed in HCI Aircraft One participations and EUR 0.5 million in Aufbauplan 8.

The **Energy and Commodities** product area consisted in the reporting period of the HCI Deep Sea Oil Explorer, which is to be joined in the second quarter 2009 by a guaranteed capital version of this product, and of the Group's first solar power fund, HCI Energy 1 Solar. In the reporting period roughly EUR 2.0 million was placed in HCI Deepsea Oil Explorer.

Against the background of the current market environment, a total volume of just EUR 0.8 million was placed in the **Real Estate** product area, consisting of HCI Real Estate 7. The fund is oriented toward investment opportunities in the G7 countries and thereby offers investors a very interesting investment alternative in the current market environment. In general, however, it must be stated that direct investment in real estate is more popular with investors at present.

In the **Secondary Life Insurance Market** product area a total of EUR 4.4 million was placed in the reporting period via the current HSC Optivita XI UK product along with asset creation plans.

B. Financial performance, net assets and cash flows

I. Financial performance

The sharp decline in the placement result achieved by the HCI Group in the first quarter of 2009 was due mainly to developments in the financial market and uncertainty among investors. Against this background **revenues** totalled EUR 10.0 million, which was about 62.3% down on the previous year's EUR 26.5 million.

Sales and fund design revenues in the first quarter of 2009 were at EUR 4.1 million still well below the previous year's EUR 20.5 million. Trust and service fee revenues at EUR 5.3 million were down slightly on the previous year's EUR 5.5 million. Revenues from management fees were up slightly on the year from EUR 0.5 million to EUR 0.6 million.

In the 2009 financial year no significant **other operating income** was earned in the first quarter from ship or real estate brokerage. At EUR 0.4 million it was considerably lower than the previous year's EUR 1.0 million.

The **cost of purchased services** in the reporting period, consisting mainly of commission paid to sales partners, was

Equity capital placed in Q1 2009

Product area	Q1 2009	Q1 2008	Δ	Δ %
Ship	10,388	50,300	- 39,912	- 79.3 %
HSC asset creation plan placed	2,350	6,650	- 4,300	- 64.7 %
HSC guarantee product placed	90	8,855	- 8,765	- 99.0 %
Ship certificates	*)	5,463	- 5,463	
Guarantee products	5,405	17,553	- 12,148	- 69.2 %
Ship asset creation plan	5,711	7,899	- 2,188	- 27.7 %
Aircraft	834	*)	834	
HSC asset creation plan placed	235			
Aircraft asset creation plan	539		539	
Transport and Logistics	22,877	81,215	- 44,541	- 54.8 %
Real Estate	832	33,111	- 32,279	- 97.5 %
Life insurance	3,311	37,003	- 33,692	- 91.1 %
Asset creation plan	1,084	726	358	
Life Insurance	4,395	37,729	- 33,334	- 88.4 %
Deepsea Oil Explorer	1,984	*)	1,984	
Energy and Commodities	1,984		1,984	
Other	*)	1,648	- 1,648	
Total	30,088	153,703	- 123,615	- 80.4 %

*) No products in placement

down by about 75.7 % on the year from EUR 13.8 million to EUR 3.3 million. This disproportionate reduction in commission expenses compared with the fall in revenues shows that income from trust management activities is weighted more heavily in revenues. The 67.9 % gross yield margin in the first quarter of 2009 was significantly higher than the previous year's 47.1 %.

Personnel expenses rose by EUR 0.6 million to EUR 6.0 million in the first three months of the financial year. That was due mainly to the increase from 280 to 295 in the higher average number of employee capacities in the reporting period. Compared with the fourth quarter of the 2008 financial year (303), employee capacities were down by eight.

Other operating expenses to the reporting date amounted to EUR 4.2 million, which was 19.2 % lower than the previous year's EUR 5.2 million. The fall in non-personnel was due mainly to lower consulting expenses compared with the same period in the previous year.

Investment income from associated and joint ventures calculated in accordance with the equity method totalled EUR 0.4 million in the reporting period, or less than the previous year's EUR 0.9 million. The main earnings contribution came from HAMMONIA Reederei GmbH & Co. KG (EUR 0.9 million). Costs incurred by eFonds Holding AG totalled EUR -0.3 million. The decline in investment income was due mainly to the discontinuation of income from Aragon AG (previous year: EUR 0.4 million) and NY Credit Operating LP (previous year: EUR 0.3 million).

In view of the course of business as described, earnings before interest and taxes (**EBIT**) for the period 1 January to 31 March 2009 were EUR -2.9 million, or significantly less than the previous year's EUR 3.0 million.

The **financial result** at EUR 0.6 million was EUR 1.9 million above the previous year's EUR -1.3 million. Interest income was down EUR 0.7 million to EUR 0.3 million, while interest expenses fell from EUR -1.1 million to EUR -0.7 million. This was due mainly to repayment of the loan for the acquisition of shares in Aragon AG that were sold in the third quarter of 2008. The increase in the other financial result from EUR -0.9 million in the previous year to EUR 1.0 million in the reporting period was due mainly to positive effects of the weak US dollar exchange rate on the foreign currency result.

Earnings before taxes (**EBT**) totalled EUR -2.3 million in the reporting period and were therefore well below the previous year's EUR 1.6 million.

Taxes on income and profits in the first three months of 2009 amounted to EUR 0.2 million.

The **consolidated net result for the period** was EUR -2.5 million, again lower than the previous year's EUR 1.3 million.

II. Cash flows

As at 31 March 2009 the HCI Group generated a positive **cash flow** of EUR 5.5 million **from operating activities**. This year-on-year improvement was due mainly to the positive cash flow from the EUR 1.7 million decrease in earmarking of

working capital (previous year: EUR 4.7 million capital build-up) and to EUR 5.5 million in tax refunds from previous years compared with EUR 5.1 million in taxes paid in the previous year.

The EUR 1.1 million negative **cash flow from investment activities** was primarily the result of investment in other financial assets and in associated companies. Compared with the previous year, cash flow from investment activities improved by EUR 5.0 million, as in the first quarter of 2008 the shares in eFonds Holding AG were acquired.

Repayment of financial liabilities led to a EUR 2.4 million negative **cash flow from financing activities**.

The result to 31 March 2009 was a EUR 1.9 million increase in financial resources to EUR 31.2 million. Compared with the previous year the financial position improved by EUR 2.7 million.

III. Net assets

Total assets as of 31 March 2009 of EUR 163.9 million was down by EUR 8.6 million as at 31 December 2008. This change was mainly a result of the fall in trade receivables (EUR 8.0 million) and of tax receivables less an increase in cash and cash equivalents (EUR 1.9 million) and in at equity investments in associated companies and joint ventures (EUR 2.5 million).

The decline in **trade receivables** was due largely to lower sales in the first quarter of 2009 as described above, but also to more rigorous claims management.

The increase in **at equity investments in associated companies and joint ventures** was a result of the positive earnings contribution made by HAMMONIA Reederei GmbH & Co. KG and of pro rata changes in fair value of derivatives in cash flow hedging stated as a change in equity capital not affecting net income.

Equity was down by EUR 2.9 million from 31 December 2008 to EUR 83.3 million as at 31 March 2009. The equity ratio rose from 50.0 % to 50.8 % as at 31 March 2009. This was due in particular to a proportionately higher repayment of liabilities.

Current provisions and liabilities rose by EUR 17.6 million. This change was due mainly to a shift of the majority of debts classified as non-current as at 31 December 2008 and as current as at 31 March 2009 due to their terms to maturity. In the first quarter of the 2009 financial year other financial obligations fell from EUR 9.5 million to EUR 6.9 million and trade payables by EUR 2.4 million to EUR 6.0 million.

C. Events subsequent to the balance sheet date

No events of material importance for the HCI Group have occurred since the balance sheet date.

D. Report on risks and opportunities

I. Risks regarding future performance

The business risks inherent in the HCI Group's business model and its risk management system are described in detail in the 2008 Annual Report on pages 50–59.

The current risk position is essentially unchanged on the position outlined in the 2008 Annual Report. Relevant parameters have since changed in respect of the following risks:

- (4.1.1.) The assessment in the risk report for the 2008 financial year that charter rates are currently difficult to predict has proved accurate. It has since been shown that charter rates have come under very serious short-term pressure due to uncertainties in international goods trading. Further hedging cannot currently be ruled out. Shipowners are trying to respond with significantly shorter charter terms in order to profit as soon as possible from a forthcoming recovery in charter rates. If charter rates continue to fall there may be serious repercussions on the profitability of individual ship funds and individual associated companies. The result could be a threat to the HCI Group's market reputation.
- (4.2 and 9.3.2.) In the course of the financial market crisis investors continue to exercise restraint with regard to investment products of all kinds. This includes investment in closed-end funds. For the HCI Group that leads to significantly higher sales risks for fund products already on sale or already designed and ready for sale. Placement guarantees for funds currently on sale extend as a rule well into 2009 and, in the case of ship funds, until the end of 2009. Subject to negotiation with the banks there is also a possibility of prolonging placement guarantees if necessary. In cooperation with fund companies and with the banks the HCI Group has made use of this option for a number of funds with placement guarantees that would have fallen due in the first half of 2009 and has thereby prolonged the sales period and, with it, the placement guarantee. This is also conceivable for other funds for which the due dates of placement are before the end of 2009. If it were to become necessary to take over parts of individual funds temporarily as inventory, the HCI Group would need to raise interim funding accordingly. Such interim funding has not currently been pledged. Placement would either be resumed at a later date or other suitable solutions, such as the sale of investment items, would be considered.

- (4.2 and 9.3.2.) Due to the ongoing market weakness and to reports on the further development of the lessee Air Canada, placement of the HCI Group's aircraft fund, HCI Aircraft One, has been made more difficult. As a result, the fund's structure is under review. Initial successes have been achieved with the bank, and the placement guarantee was extended until the end of the year.
- (9.3.1.) Market conditions in individual shipping market segments have not recovered over the past three months. The HCI Group is counteracting the risk of projects not being placeable as a fund investment due to further weakness of shipping markets by holding intensive talks with shipyards, shipping companies and financing banks. Initial successes have been achieved in postponing delivery dates.
- To summarise the above-mentioned risks of an ongoing combination of weak shipping markets, tight credit markets and restraint in investor interest, there is a considerably increased risk of recourse to contingent liabilities being required. A significant resulting liquidity requirement could only be limited or guaranteed by cooperative behaviour on the part of the banks. The HCI Group's continued existence is otherwise at risk. The Group is holding intensive talks with its main funding partners to forestall any such recourse.
- The higher risk profile of providers of closed-end funds arising from the financial market crisis will in our view hit smaller competitors especially hard – competitors who are less well established with their products, are less networked in sales and have a lower credit standing and financial strength on the capital side. Against this backdrop there is an opportunity that the repercussions of the financial market crisis might favour a consolidation of the market for closed-end funds from which the HCI Group as one of the leading and most experienced providers in the market could benefit.
- In view of developments in the course of the financial market crisis we anticipate that the sector providing closed-end participation models and the independent providers of financial services, who make a considerable contribution toward HCI's placement success, will be subjected to stricter regulatory control. In respect of further regulation of independent financial advisers, via a stake in eFonds AG the HCI Group offers its services in providing an adequate liability cover solution for this group of sales partners. The Group thereby stands to benefit overall from further industry consolidation in the course of stricter market regulation.
- Future financing arrangements will require a higher equity capital input. As a stock market-listed company the HCI Group is able to position itself better than its competitors in this environment.

II. Opportunities regarding future performance

The opportunities that exist for HCI Group business in the 2009 financial year were described in detail in the Report on risks and opportunities in the 2008 Annual Report (pages 50–59). They apply unchanged. Against the backdrop of the current market development special mention must be made of the following opportunities:

- On the investment side the current crisis in the shipping segment also provides entry opportunities from which interesting offers can be designed for investors. The HCI Group with its extensive experience in this sector and its good relations with shipping companies and other market players could derive special benefit from these opportunities. A number of new products are at the design stage that will enable fund management to respond flexibly to market opportunities and thereby achieve attractive returns for investors in hard times.
- The present low-interest policy accompanied by a sharp increase in government debt makes inflationary tendencies seem likely in the medium term. Investments in tangible assets will then become highly attractive propositions. The HCI Group could derive special benefit from this trend by virtue of its well-filled and highly diversified product pipeline and its strong sales network.

E. Outlook

Overall economic outlook

Overall economic development for the remainder of 2009 continues to face considerable uncertainties. Economic research institutes are agreed that the world economy is experiencing a downturn. Forecasts differ, however, on the extent and duration of this period of economic weakness. It remains difficult to estimate the degree to which the many financial and economic stimulus packages agreed in the leading economies, some of which are substantial, will take effect and how quickly this will happen.

Most economic research institutes have downgraded their forecasts for the year 2009 yet again. These downward forecast revisions relate to the United States, the Asian economies, Russia and also the EU economic area. Forecasts for the EU range from -1.0% (source: HWWI) to -3.3% (source: Institut für Weltwirtschaft). The factors contributing to the Institut für Weltwirtschaft's downward forecast adjustment (earlier forecast: -2.7%) are even more significant falls in corporate investment, worse forecasts for world trade and the high export dependence level of Europe's largest economy, Germany. Forecasts for Germany have been downgraded from -2.7% to -3.3% by the Institut für Weltwirtschaft. In their 2009 Spring

Report the leading German economic research institutes go even further. They say Germany is in a deep recession that will cause the economy to shrink by up to 6%. As a result the number of short-time workers in Germany will rise to about 1.3 million (source: 2009 Spring Report). If there is no improvement in companies' order positions by autumn 2009 further negative influences on employment must be assumed. Against the backdrop of the two economic stimulus packages agreed, however, positive trends are noted and said to indicate that the decline in manufacturing output has bottomed out. Even so, a sustainable stabilisation is not anticipated before mid-2010. A faster recovery is seen as feasible provided that the international banking crisis can be resolved swiftly and bank lending returns to normal as soon as possible.

The sector

Due to the ongoing financial and economic crisis investors will in our view continue for the time being to feel uncertain about all forms of investment. This will continue to pose a serious challenge for the providers of closed-end funds in respect of both new business and the management of asset pipelines and existing funds. On balance it is hard to say how the market will develop in 2009. That will depend mainly on the extent and duration of the economic slump. Analysts feel that in particular direct investment in real estate, energy funds and fashionable products such as forestry funds will continue to have better prospects. In addition, guarantee-backed and opportunist fund concepts, i.e. blind pools geared to making use of favourable entry opportunities in a weak market environment, could benefit.

Business development

The market trend remains difficult and will pose a serious challenge to the HCI Group in the further course of the 2009 financial year. In view of ongoing uncertainty as to the general economic trend, a reliable full-year business forecast for 2009 is impossible. The HCI Group is however well on its way to reaching its non-personnel costs reduction target of about EUR 7.0 million. It will be accompanied by stringent ongoing cost controlling with a view to making consistent use of further cost reduction potential.

In the second quarter of 2009 the HCI Group is launching in its placement business a capital-guaranteed version of its Deepsea Oil Explorer product and its first solar power fund, HCI Energy 1 Solar. For both products we foresee good prospects of successful placement in the course of the year with a projected volume of up to EUR 20.0 million and EUR 10.0 million respectively. In the second half of the year we have plans to develop further new products around our established product areas to cater for investors' needs even better in this difficult environment. These will in particular include a new ship fund that as an addition to our established ship products is aligned as an opportunity fund.

On balance, business development will to a large extent depend on the extent and rate at which the financial sector and the economy overall recover from their serious downturns in the course of the year. Once tendencies toward recovery are apparent we foresee good opportunities for the HCI Group to regain placement momentum.

Consolidated statement of operations

for the period from January 1 to March 31, 2009

EUR '000	Note	Three months ended March 31, 2009	Three months ended March 31, 2008
Revenues	(3)	9,989	26,488
Other operating income	(4)	382	950
Change in inventories		132	- 250
Cost of purchased services		- 3,340	- 13,769
Personnel expenses		- 6,045	- 5,420
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		- 259	- 685
Other operating expenses		- 4,243	- 5,240
Results of associated companies and joint ventures accounted for using the equity method		441	960
Earnings before interest and taxes (EBIT)		- 2,943	3,034
Interest income	(5)	369	677
Interest and similar expenses	(5)	- 680	- 1,140
Other financial result	(5)	967	- 931
Earnings before taxes (EBT)		- 2,287	1,640
Income taxes	(6)	- 206	- 402
Consolidated net result for the period		- 2,493	1,238
Consolidated net loss for the period attributable to the group		- 2,493	1,238
Earnings per share (basic) in EUR	(7)	- 0.10	0.05
Earnings per share (diluted) in EUR	(7)	- 0.10	0.05

Consolidated statement of comprehensive loss

for the period from January 1 to March 31, 2009

EUR '000	Three months ended March 31, 2009	Three months ended March 31, 2008
Consolidated net result for the period	- 2,439	1,238
Changes in the fair value of derivatives in associated entities	952	- 1,878
Foreign currency translation adjustment	- 1,334	- 709
Other comprehensive loss	- 382	- 2,587
Total comprehensive loss	- 2,875	- 1,349
Consolidated net loss for the period attributable to the group	- 2,875	- 1,349

Consolidated balance sheet

as of March 31, 2009

	Note	March 31, 2009	December 31, 2008
ASSETS		EUR '000	EUR '000
Non-current assets		85,445	82,736
Intangible assets		2,882	3,017
Property, plant and equipment		1,425	1,510
Investments in associated companies and in joint ventures accounted for using the equity method		38,506	36,033
Other investments		22,978	22,628
Receivables from related parties		2,542	2,542
Other financial assets		12,202	12,114
Deferred taxes		4,910	4,892
Current assets		78,492	89,850
Work in progress and finished services		2,484	2,352
Trade receivables		15,511	23,553
Receivables from related parties		17	27
Income tax receivables		7,823	13,114
Other assets		18,912	18,441
Other financial assets		18,515	17,642
Other miscellaneous assets		397	799
Securities		2,502	3,059
Cash and cash equivalents		31,243	29,304
Total assets		163,937	172,586
EQUITY AND LIABILITIES		EUR '000	EUR '000
Equity		83,325	86,200
Subscribed capital		24,000	24,000
Capital reserve		75,943	75,943
Retained earnings		-56	2,437
Accumulated other equity	(8)	-2,030	-1,648
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		7,822	31,318
Pension provisions		23	22
Financial Debt	(9)	4,519	27,636
Other miscellaneous liabilities		0	19
Deferred taxes		3,280	3,641
Current provisions and liabilities		72,790	55,068
Other provisions		1,918	1,808
Financial Debt	(9)	39,093	16,837
Trade payables		6,023	8,457
Payables to related parties		1,288	1,538
Income tax payables		15,362	15,132
Other current liabilities		9,106	11,296
Other financial liabilities		6,894	9,499
Other miscellaneous liabilities		2,212	1,797
Total equity and liabilities		163,937	172,586

Consolidated cash flow statement

for the period from January 1 to March 31, 2009

EUR '000	Three months ended March 31, 2009	Three months ended March 31, 2008
Consolidated net result for the period	- 2,493	1,238
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	260	685
Losses(+)/gains(-) from associated companies and joint ventures	- 441	- 960
Gains(-) from the disposal of intangible assets and property, plant, equipment and securities	- 17	- 113
Increase in pension provisions	1	1
Elimination of income taxes	206	402
Elimination of net interest income and net investment income	541	1,394
Other non-cash income and expenses	1,158	602
Decrease/Increase in working capital	1,699	- 4,655
Increase in inventories	- 132	275
Decrease in trade receivables	8,042	7,037
Increase/Decrease in other assets	- 1,196	2,918
Increase in current provisions	102	275
Decrease in trade payables	-2,434	- 9,193
Increase/Decrease in receivables from and payables to related parties	- 239	- 1,139
Decrease in other liabilities	- 2,049	- 4,489
Other movements in operating activities	- 395	- 339
Taxes paid	- 657	- 5,136
Taxes received	5,533	106
Interest paid	- 499	- 300
Interest received	130	181
Distributions received	29	3,412
Cash flows from operating activities	5,450	- 3,143
Proceeds from disposals of intangible assets, property, plant and equipment as well as assets held for sale	0	49
Proceeds from disposal of other investments and securities	306	110
Payments for investments, intangible assets and property, plant and equipment	- 40	- 121
Payments for investments in associated companies and interest in joint ventures	- 708	- 6,025
Payments for other investments securities and long-term loans to related parties	- 621	- 44
Cash flows from investing activities	- 1,063	- 6,031
Proceeds from additions to financial liabilities	0	6,000
Repayments of financial liabilities	- 2,448	- 3,040
Cash flow from financing activities	- 2,448	2,960
Net Changes in cash and cash equivalents	1,939	- 6,214
Cash and cash equivalents at beginning of period	29,304	34,739
Cash and cash equivalents at end of period	31,243	28,525

Consolidated statement of changes in equity

for the period from January 1 to March 31, 2009

EUR '000	Accumulated other equity						Consolidated equity
	Subscribed capital	Capital reserve	Retained earnings	Income and expenses recognised directly in equity in associated entities	Foreign currency translation adjustment	Net cost in excess of net assets acquired on the acquisition of companies under common control and successive share acquisitions	
Balance at 01 Jan 2008	24,000	76,016	35,987	- 2,334	- 1,103	- 14,532	118,034
Transaction costs on capital increase	0	- 73	0	0	0	0	- 73
Total comprehensive loss	0	0	1,238	- 1,878	- 709	0	- 1,349
Balance at 31 Mar 2008	24,000	75,943	37,225	- 4,212	- 1,812	- 14,532	116,612
Balance at 01 Jan 2009	24,000	75,943	2,437	- 333	- 1,315	- 14,532	86,200
Total comprehensive loss	0	0	- 2,493	952	- 1,334	0	- 2,875
Balance at 31 Mar 2009	24,000	75,943	- 56	619	- 2,649	- 14,532	83,325

Segment reporting

for the period from January 1 to March 31, 2009

EUR '000	Design & Sales		After Sales Services		Asset Management	
	2009	2008	2009	2008	2009	2008
Revenues	4,231	20,528	5,196	5,445	562	515
Change in inventories	132	- 224	0	0	0	- 26
Cost of purchased services	- 3,340	- 13,664	0	0	0	- 105
Sales commissions	- 2,846	- 12,676	0	0	0	0
Prospect costs	- 494	- 988	0	0	0	- 105
Gross margin	1,023	6,640	5,196	5,445	562	384
Other operating income	78	54	327	326	101	706
Personnel expenses	- 2,725	- 2,540	- 1,536	- 1,471	- 252	- 182
Depreciation	- 42	- 45	- 11	- 308	- 90	- 92
Other operating expenses	- 1,783	- 2,836	- 1,154	- 1,107	- 189	- 252
Results of associated companies and joint ventures accounted for using the equity method	- 257	446	0	0	698	211
Earnings before interest and taxes (EBIT)	- 3,706	1,719	2,822	2,885	830	775
Segment assets	20,742	27,461	33,171	32,759	37,087	39,398

Segment reporting is part of the notes to the consolidated interim financial statements as of March 31, 2009.

Operating Segment Total		Others/Holding		Consolidation		HCI Group	
2009	2008	2009	2008	2009	2008	2009	2008
9,989	26,488	0	0	0	0	9,989	26,488
132	- 250	0	0	0	0	132	- 250
- 3,340	- 13,769	0	0	0	0	- 3,340	- 13,769
- 2,846	- 12,676	0	0	0	0	- 2,846	- 12,676
- 494	- 1,093	0	0	0	0	- 494	- 1,093
6,781	12,469	0	0	0	0	6,781	12,469
506	1,086	778	826	- 902	- 962	382	950
- 4,513	- 4,193	- 1,532	- 1,227	0	0	- 6,045	- 5,420
- 143	- 445	- 116	- 240	0	0	- 259	- 685
- 3,126	- 4,195	- 2,019	- 2,007	902	962	- 4,243	- 5,240
441	657	0	303	0	0	441	960
- 54	5,379	- 2,889	- 2,345	0	0	- 2,943	3,034
91,000	99,618	0	0	0	0	91,000	99,618

NOTES

to the consolidated interim financial statements of HCI Capital AG
as of 31 March 2009

GENERAL

(1) Information about the Company and the Group

HCI Capital AG, with its registered office at Bleichenbrücke 10, 20354 Hamburg, Germany, is registered with the Register of Companies (Handelsregister) of the Hamburg District Court (Amtsgericht, HRB 93324).

The Company's subscribed capital amounts to EUR 24,000,000 and is divided into 24,000,000 no-par value registered shares. Since its initial public offering (IPO) in October 2005 and the related admission to trading on the regulated market, the Company has been listed in the Prime Segment of the Frankfurt Stock Exchange and on the Hamburg Stock Exchange.

HCI Capital AG and its subsidiaries (hereinafter referred to as the HCI Group) together constitute a service group operating principally in Germany. The Group's business activities consist primarily of the design and initiation of closed-end funds in the main product areas Transport and Logistics, Real Estate, Life Insurance, Energy and Commodities, and Private Equity as well as the subsequent raising of funds from institutional and retail investors. Furthermore, the Group operates as fiduciary manager of equity capital placed and of fund assets (after-sales services, asset management).

(2) Accounting and Valuation methods

HCI Capital AG's consolidated interim financial statements as of 31 March 2009 were prepared in accordance with the provisions of IAS 34, with the notes presented in condensed form in accordance with IAS 34.10.

With the exception of the following changes, the accounting policies used in the preparation of the Group's consolidated interim financial statements correspond to those used in HCI Capital AG's consolidated IFRS financial statements as of 31 December 2008. Therefore, the consolidated interim financial statements as of 31 March 2009 should be read in conjunction with the consolidated financial statements as of 31 December 2008.

As stated in Note (4) to the consolidated IFRS financial statements as of 31 December 2008, the HCI Group is applying IFRS 8 "operating segments" for the first time in the 2009 financial year. Segment information for the first quarter of 2009 as stated in this consolidated interim financial statements was drawn up on the basis of this standard. Comparative information for the first quarter of 2008 was adjusted accordingly. In

accordance with IFRS 8, which is based on the management approach, segment reporting consists of a presentation of reportable operating segments that correspond to the areas of a company for which the Group's chief operating decision maker regularly assesses the earning power and allocation of resources on the basis of available financial information. In accordance with the internal product areas monitored by HCI Capital AG's Management Board, Design and Sales, After-Sales Services and Asset Management were defined as operating segments. With regard to segment reporting for the first quarter of 2009 we refer to Note (10).

In the consolidated interim financial statements as of 31 March 2009 the HCI Group makes first-time use of the provisions of IAS 1 "Presentation of Financial Statements" as revised in 2007. The statement of comprehensive income comprising income and expenses recognized in profit and loss and directly in equity has been added as a component of the financial statements.

In the first quarter of 2009 the HCI Group changed the recognition for revenues from sales and design services. Until 31 December 2008 sales and design revenues were recognised when the investor signed and the statutory or, if longer, contractual cancellation period expired. They are now recognised when HCI accepts the signed contract, taking into account the anticipated cancellation quotas within the statutory or, if longer, contractual cancellation period. Cancellation quotas are calculated per product areas on the basis of historic experience over a period of up to five years taking into account margin developments or other special factors for the product category in question. Using this new accounting method for the 2008 financial year and the first quarter of 2009 would have led to revenue adjustments of EUR 304,000 and EUR 106,000 respectively and to adjustments of cost of purchased services amounting to EUR 272,000 and EUR 92,000. Due to immateriality the financial information therefore not adjusted retroactively as per IAS 8 but in profit and loss of the period.

Other standards or interpretations applied for the first time had no impact on the HCI Group's net assets, financial performance and cash flows.

Application of the following standards and interpretations published by the IASB and IFRIC prior to the preparation of the consolidated interim financial statements was not mandatory as at the balance sheet date because they had either not yet been endorsed by the EU or their first time of mandatory use had yet to be stated:

- Amendment to IFRS 3 “Business Combinations”
- Amendment to IFRS 1 “First Time Adoption of IFRS”
- IFRIC 15 “Agreements for the Construction of Real Estate”
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”
- IFRIC 17 “Distributions of Non-Cash Assets of Owners”
- IFRIC 18 “Transfers of Assets from Customers”
- Amendment to IAS 27 “Consolidated and Separate Financial Statements”
- Amendment to IAS 39 “Financial Instruments: Recognition and Measurement: Eligible Hedged Items”
- Amendment to IAS 39 “Reclassification of Financial Assets: Effective Date and Transition”

- Amendment to IFRIC 9 and IAS 39 “Embedded Derivates”
- “2007–2009 Annual Improvements Project”

They will be implemented when their use is first mandatory. The HCI Group’s current assumption is that application of these standards will have no material impact for the presentation of its net assets, financial performance and cash flows.

The effects on the Group’s net assets, financial performance and cash flows of the amendments to IAS 27 and IFRS 3 will depend in particular on such acquisitions or disposals of interest in companies that the HCI Group undertakes after the date of first-time application of these two standards.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(3) REVENUES

Revenues break down as follows:

EUR '000	01.01. – 31.03.2009	01.01. – 31.03.2008
Transport and Logistics	2,980	12,014
Real Estate	174	3,448
Energy and Commodities	417	0
Secondary Life Insurance Market	507	4,821
Private Equity	0	177
Design and Sales	4,078	20,460
Transport and Logistics	4,202	4,493
Real Estate	609	425
Energy and Commodities	53	0
Secondary Life Insurance Market	342	486
Private Equity	99	98
After-Sales Services	5,305	5,502
Asset Management	572	526
Other	34	0
Total revenues	9,989	26,488

Due to the adjustment of product area structure in the first quarter of 2009 the HCI Group has adjusted the break down of Design and Sales and After-Sales Services revenues for the first quarter of 2008 accordingly. The Transport and Logistics

product area comprises the asset classes Ship and Aircraft. The Energy and Commodities product area consists of the HCI Deep Sea Oil Explorer and has been extended to include the HCI Energy 1 Solar fund.

(4) Other operating income

Other operating income (EUR 382,000; previous year: EUR 950,000) includes EUR 333,000 in cost refunds and other income. The previous year's figure included EUR 644,000 in sales tax refunds for real estate brokered.

(5) Financial Result

Other financial results include EUR 703,000 (previous year: EUR 570,000) in fees received by the HCI Group as advance distributions from the secondary life insurance market funds. They also include EUR 558,000 in impairments and EUR

754,000 in foreign exchange gains (previous year: EUR 1.671 million in foreign exchange losses).

(6) Taxes on income and profits

Taxes on income and profits include current tax expenditure totalling EUR 584,000, including EUR 84,000 in expenses incurred in previous years, and EUR 378,000 in deferred tax income.

(7) Earnings per share

Basic and diluted earnings per share were as follows:

		01.01. – 31.03.2009	01.01. – 31.03.2008
Group share of the net result for the period	EUR '000	- 2,493	1,238
Weighted average number of shares issued	'000s of shares	24,000	24,000
Earnings per share for the period	EUR	- 0.10	0.05

During the periods presented there were no instruments with a dilutive effect. Diluted earnings per share therefore correspond to basic earnings per share.

NOTES TO THE CONSOLIDATED BALANCE SHEET

(8) Accumulated other equity

Accumulated other equity consists of changes in fair value of financial instruments available for sale and reconciling items from translating financial statements denominated in a foreign currency. In addition, it includes pro rata income and expenses

from associated companies and joint ventures accounted for at equity without effect on net income.

(9) Financial Debt

Financial liabilities are the amounts owed by the HCI Group to banks. The following are the principal terms and conditions involved:

Loans	Book value 31.03.2009 EUR '000	Book value 31.12.2008 EUR '000	Loan currency	Interest rate in %	Final due date
HSH Nordbank AG	29,867	28,579	USD	LIBOR + 3 %	2010
Bankhaus Wölbern & Co.	6,778	6,481	USD	EURIBOR + 1,85 %	2011
Dresdner Bank AG	4,500	5,995	EUR	5,22 % – 8,83 %	2009
HSH Nordbank AG	2,441	3,383	EUR	6,24 % – 9,03 %	2009

For interim financing of the acquisition of an interest in eFonds Holding AG in 2008, HCI Capital AG took out a cash loan of EUR 6.0 million. In January 2009 the HCI Group repaid EUR 1.5 million. In February 2009 agreement was reached

with Dresdner Bank AG that the loan was in the future to be repaid in quarterly instalments of EUR 150,000 with payment of the final instalment on 31 January 2010. The interest rate will be 7.5 %.

OTHER INFORMATION

(10) Segment information

Segment data was collected on the basis of the financial information used in internal reporting and corresponds to the accounting policies used for the consolidated financial statements.

Reportable operating segments as per IFRS 8 are as follows:

- **Design and Sales** – This segment includes the HCI Group's activities in relation to the identification of suitable investment vehicles, product design and product sales.
- **After-Sales Services** – The After-Sales Services segment primarily comprises investor services, including advising investors with regard to all corporate law and regulatory issues associated with their fund investments and to the fiduciary management of their capital investments.
- **Asset Management** – The management of investment vehicles of the funds launched by the HCI Group in the areas of shipping, real estate and life insurance funds, as well as the activities as a ship managing company with third parties, are allocated to the Asset Management segment.

In addition, there is a Holding/Other area that includes items not directly attributable to the above segments as well as expenses pertaining to the holding function.

Segment results are stated as earnings before interest and taxes (EBIT), which is the result for the period before interest and other financial results and before income taxes and is used in internal controlling in accordance with IFRS as the segment performance figure. In internal reporting the revenues and expense categories are included that are shown in the consolidated statement of operations.

The segment assets held by operating units include the assets that are relevant for operating activities in the segment in question. They consist of inventories, trade receivables, loans granted and loans to sales partners, funds and ordering companies along with HCI Group shareholdings in funds or ordering companies and at equity shareholdings in associated companies and joint ventures. Goodwill totalling EUR 1.465 million as at 31 March 2009 is not allocated to segment assets.

In accordance with IFRS 8 reporting does not include segment liabilities, since they are not included in internal reporting.

The reconciliation of segment assets with the Group's balance sheet total is as follows:

EUR'000	31.03.2009	31.12.2008
Segment assets	91,000	99,618
Cash and cash equivalents	31,243	29,304
Securities	2,502	3,059
Deferred tax refunds	4,910	4,893
Tangible fixed assets	1,425	1,510
Intangible assets	2,883	3,017
Other assets and receivables	29,479	30,579
Other financial assets	495	606
Group assets	163,937	172,586

(11) Contingencies and other financial commitments

As at 31 March 2009 the Company had the following material contingencies and other financial commitments:

	31.03.2009			31.12.2008		
	EUR'000	EUR'000	USD'000	EUR'000	EUR'000	USD'000
Guarantees	1,519,834	346,061	1,558,536	1,480,102	343,761	1,578,036
of which drawn	968,204	266,705	931,451	941,295	256,918	950,395
Placement guarantees	645,234	272,987	494,269	639,182	263,997	521,019
of which for funds not	251,382	60,327	253,683	248,093	60,477	260,543
Future payments under operating leases	3,294	3,294	--	3,566	3,566	--

In connection with the purchase of the assets underlying fund design and fund structuring by special purpose entities, in which as a rule the HCI Group and a partner hold a joint share, the HCI Group has regularly provided placement guarantees to secure construction phase loans and interim financing. If the investment and construction phase loans and interim financing cannot be repaid as scheduled due to weak markets and pending fundraising, the HCI Group is exposed to the risk, particularly in the shipping segment, of being called upon within the scope of such contingent liabilities if the special purpose entity concerned does not obtain an extension or prolongation of the financing commitment from the banks involved. The currently available liquidity of the HCI Group would not be sufficient if called upon to a significant extent, and illiquidity would result.

The HCI Group counters this risk by intensive negotiations with the lending banks, by analysing and valuing the

potentially affected ship types and orders for new ships, and by devising an individual action plan for each ship affected. Potential measures include, above all, cancelling orders for new ships, delaying the scheduled delivery date, exchanging ships, renegotiating the purchase price of ships, partially deferring purchase price payments, devising new employment concepts, and adjusting profit margins and sales concepts. If these measures prove ineffective, the HCI Group needs to obtain suitable funding from banks. The Group has accordingly initiated negotiations with banks in order to conclude agreements to secure liquidity.

(12) Events subsequent to the balance sheet date

No significant events have occurred since the balance sheet date that will have a material effect on the course of the HCI Group's business.

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

12.05.2009

Report on the first three months of 2009

12.08.2009

Half-yearly financial report 2009

11.11.2009

Report on the first nine months of 2009

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