

# Interhyp Preliminary Results 2007

25 February 2007

## Agenda

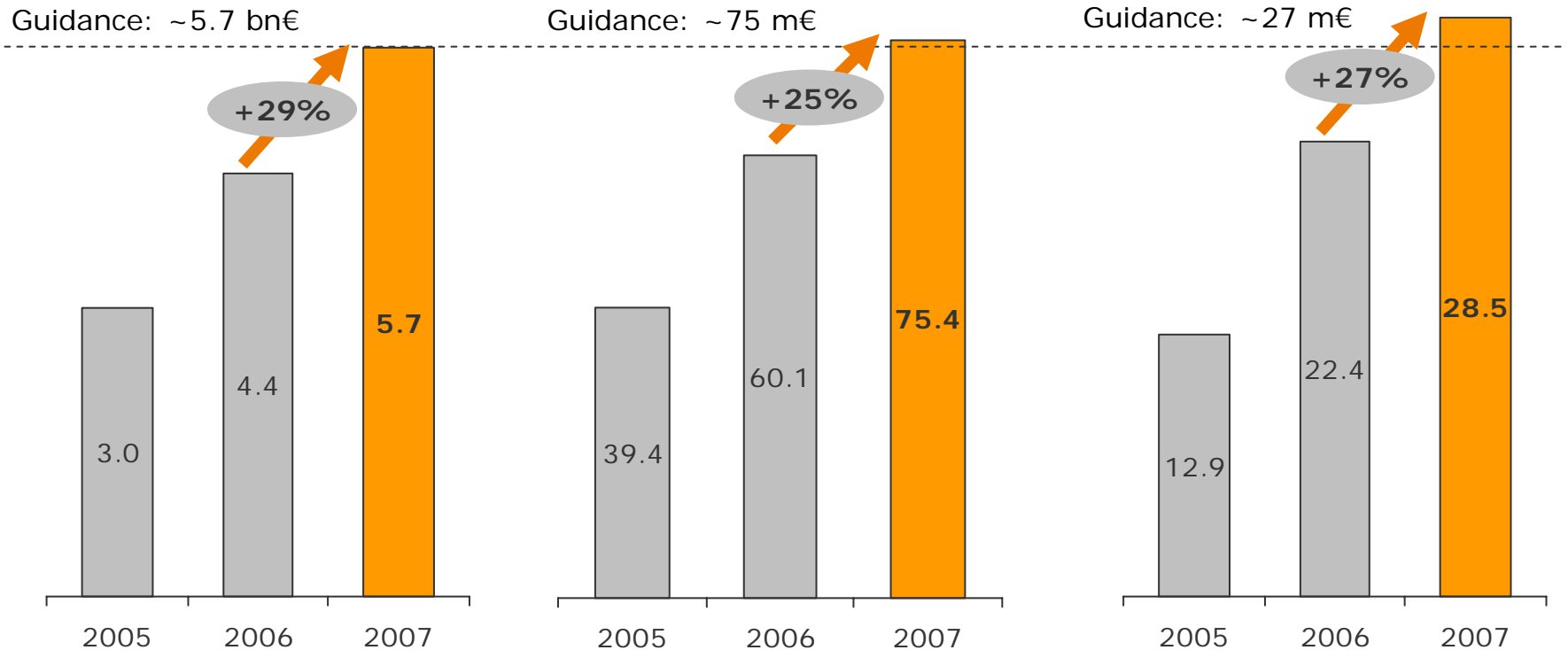
- **Overview**
- The Business
- The Market
- Outlook

## Revised guidance achieved, EBIT 6% above targeted level

*Mortgage volume (bn€)*

*Net revenues (m€)*

*EBIT (m€)*



## 2007 Highlights

	<i>2007</i>	<i>2006</i>	<i>Chg. yoy</i>
<b>Mortgage volume</b>	5,658 m€	4,403 m€	+ 29%
<b>Closed mortgages</b>	38,645	28,072	+ 38%
<b>Net revenues</b>	75.4 m€	60.1 m€	+ 25%
<b>EBIT</b>	28.5 m€	22.4 m€	+ 27%
<b>EBIT margin</b>	37.8%	37.3%	
<b>Net income</b>	18.1 m€	13.7 m€	+ 32%

## Q4 Highlights

	<i>Q4 2007</i>	<i>Q3 2007</i>	<i>Chg. qoq</i>
<b>Mortgage volume</b>	<b>1,483 m€</b>	1,312 m€	+ 13%
<b>Closed mortgages</b>	<b>9,891</b>	9,283	+ 7%
<b>Net revenues</b>	<b>20.8 m€</b>	18.1 m€	+ 15%
<b>EBIT</b>	<b>9.1 m€</b>	5.4 m€	+ 67%
<b>EBIT margin</b>	<b>43.7%</b>	30.0%	
<b>Net income</b>	<b>5.9 m€</b>	3.4 m€	+77%

## Dividend proposal: 2.10 € plus an additional one-time payout of 2.00 €

	2007	2006
<b>Net income</b>	<b>18.1 m€</b>	13.7 m€
<b>Earnings per share*</b>	<b>2.78 €</b>	2.11 €
<b>Proposed dividend per share</b>	<b>2.10 €</b>	1.60 €
<b>Payout ratio**</b>	<b>75%</b>	75%
<b>Additional one-time payout</b>	<b>2.00 €</b>	-

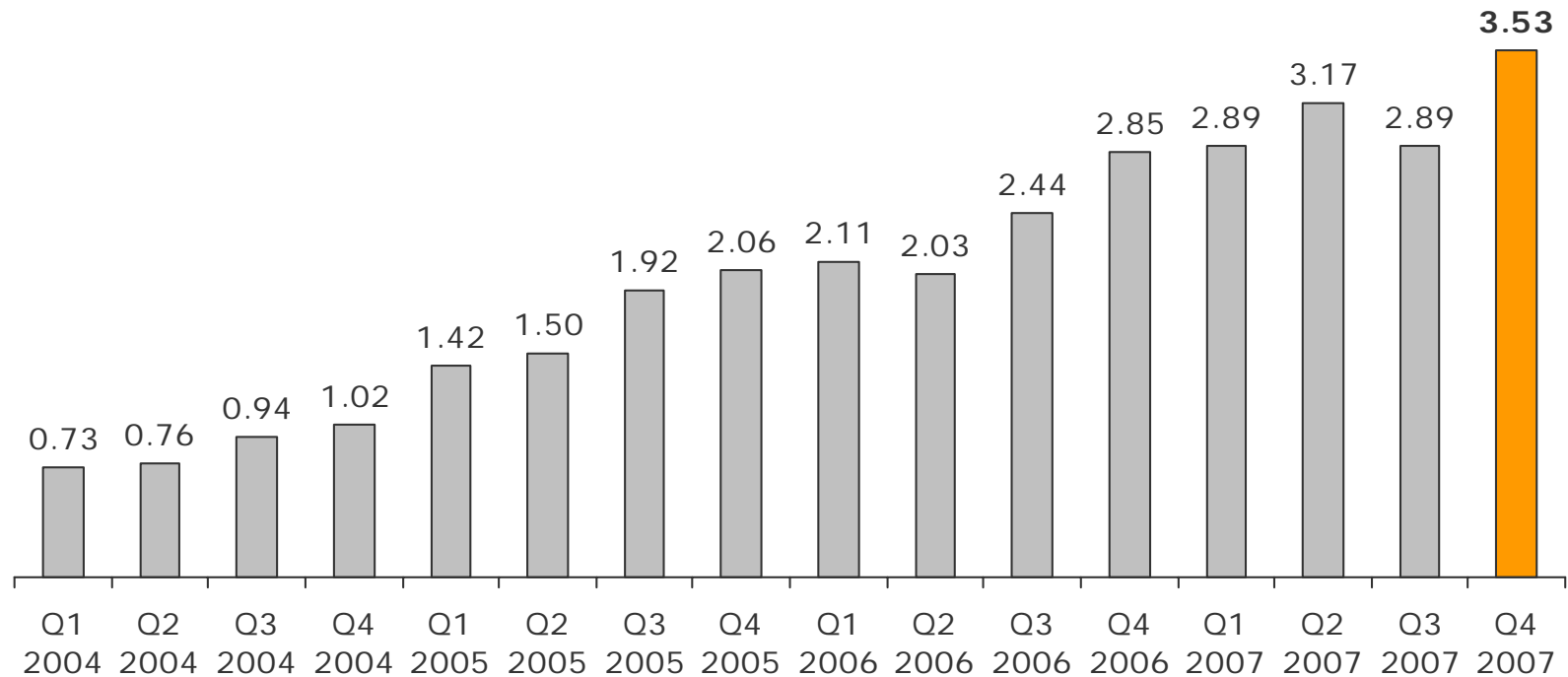
- Tax rate 2007 somewhat lower due to tax effects from sale of H&W subsidiary: 40.3%
- Estimated tax rate for 2008: ~ 33% due to corporate tax reform
- Additional one-time payout is funded by net income, accumulated profit and the capital reserve

\* Based on the undiluted number of outstanding shares of 6,498,350 for 2006 and 6,501,250 for 2007

\*\* Based on the net income after German GAAP of Interhyp AG of EUR 18.2 million

## Strong growth in market share in Q4 2007

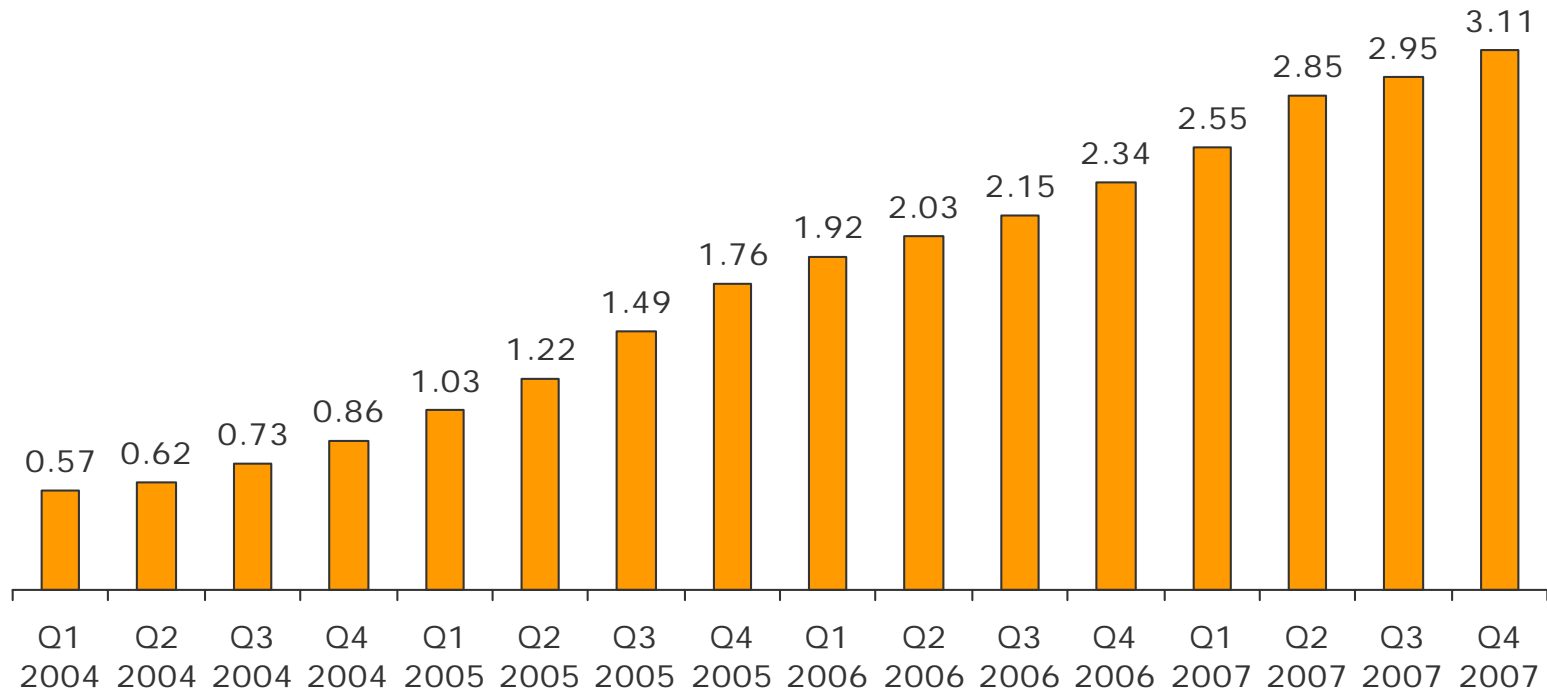
*Interhyp market share of German new mortgage business\* (in %)*



\* Based on new mortgage volume of German banks published by Deutsche Bundesbank (MFI interest rate statistics)

## Twelve months trailing market share shows our underlying structural growth

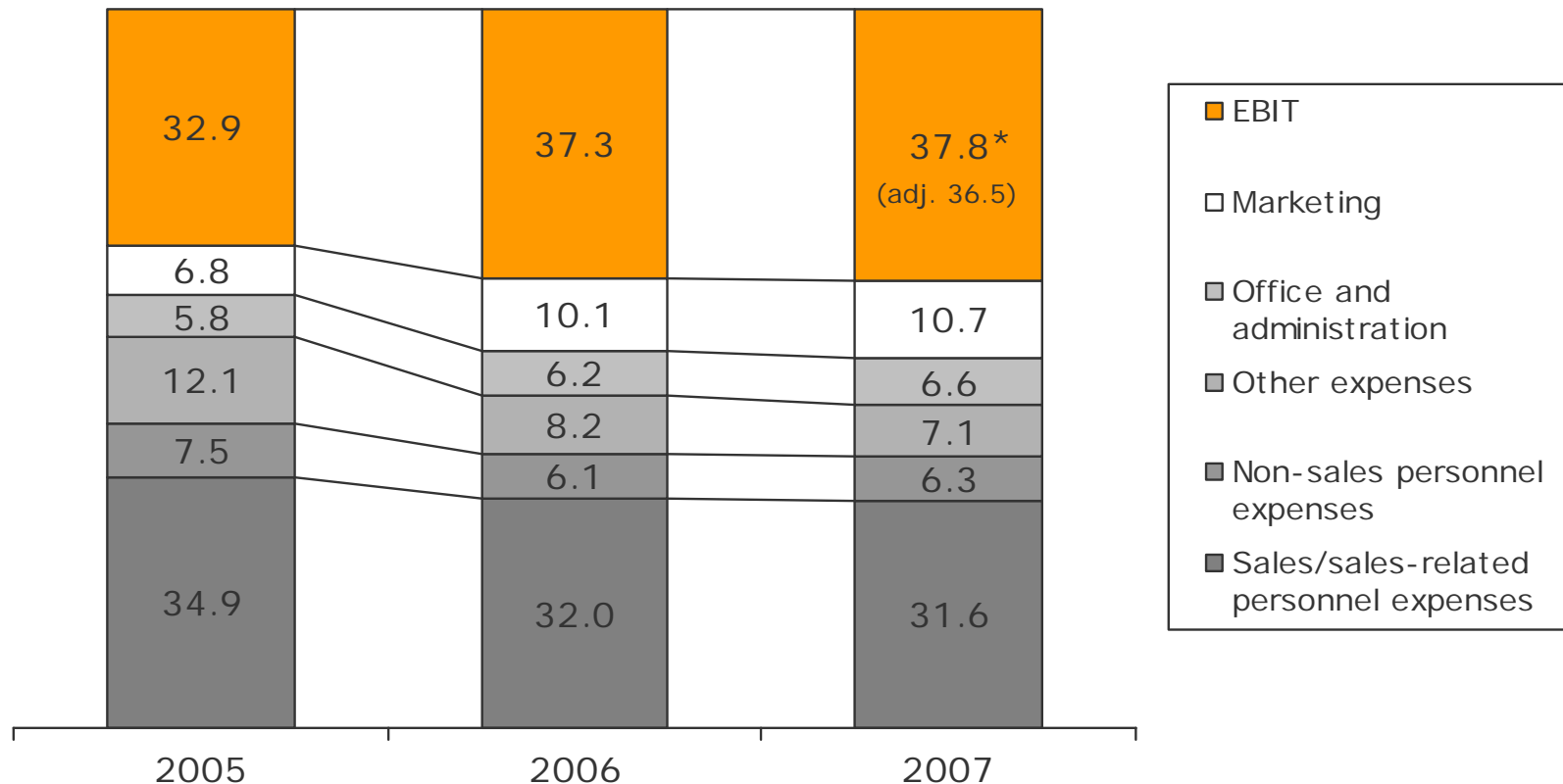
*Interhyp market share of German new mortgage business\* (in %, LTM)*



\* Based on new mortgage volume of German banks published by Deutsche Bundesbank (MFI interest rate statistics)

## EBIT Margin remains well above 35%

*Interhyp margin components (in % of net revenues)*



\* Includes other operating income of 951 k€ from sale of Haselsteiner & Wolsdorf GmbH subsidiary; adjusted EBIT 27.5 m€

## Interhyp expands Board by appointing J.P.Morgan Investment Banker Joerg Utecht as CFO

### Management Board as of 1 July (latest)

Robert Haselsteiner  
(Co-CEO)

Marcus Wolsdorf  
(Co-CEO)

Joerg Utecht  
(CFO)

- Direct Channel
- Marketing
- Corporate Communications
- Human Resources

- Intermediary Channel
- Products & Services
- IT
- Software Development
- Business Development


- Accounting
- Controlling
- Investor Relations
- Legal

## Agenda

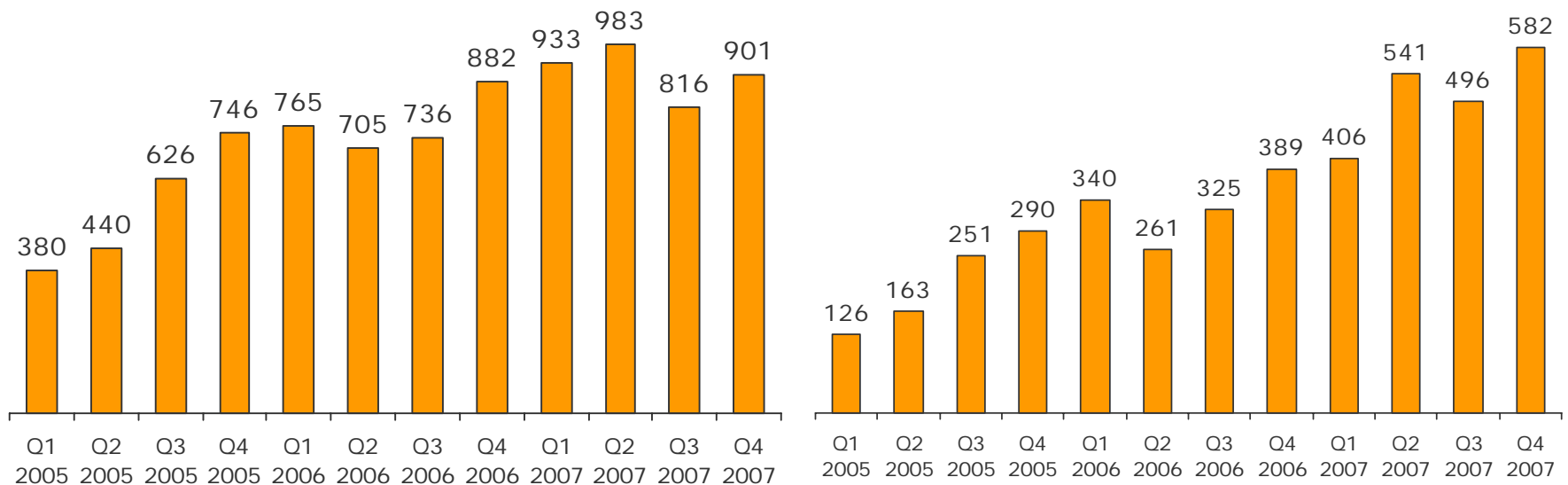
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## Both channels show strong increase in mortgage volume quarter on quarter – despite weak underlying market

*Mortgage volume (m€)*

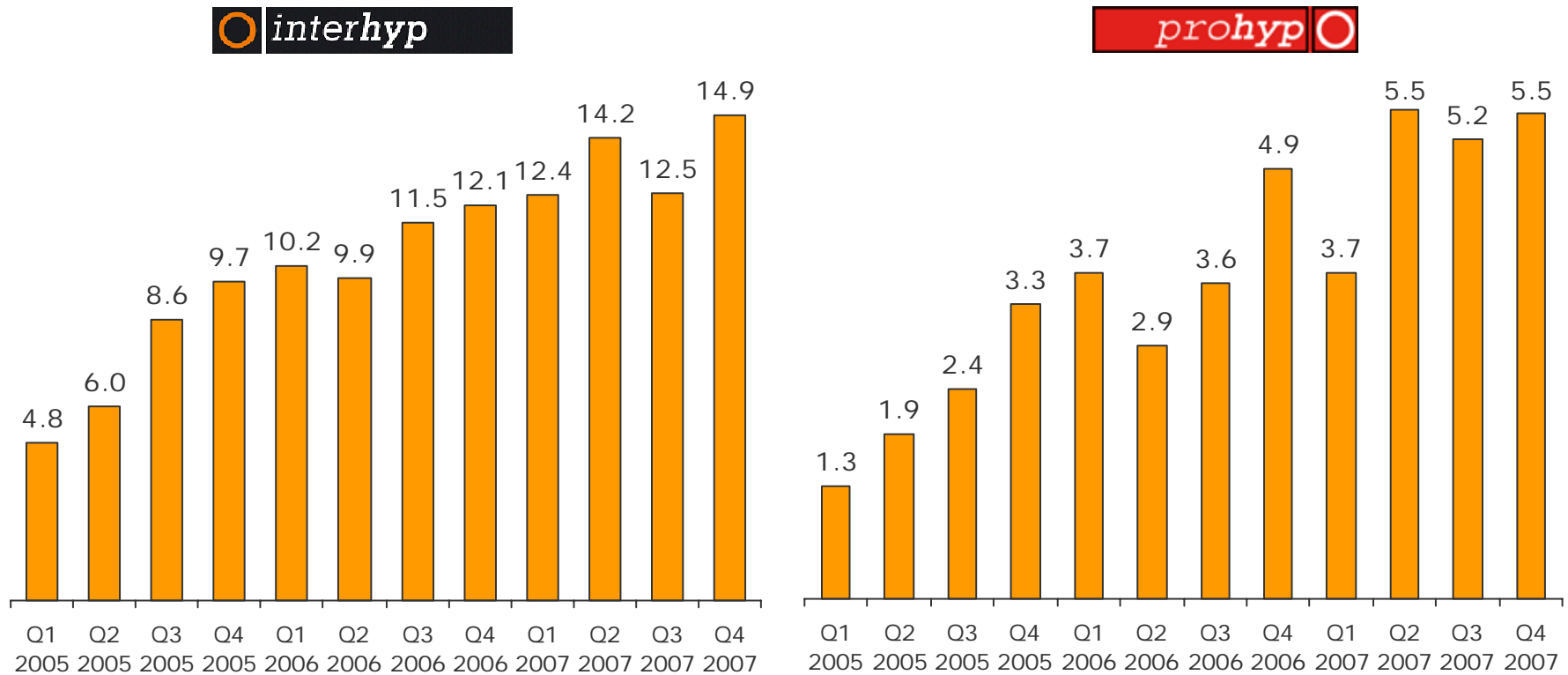






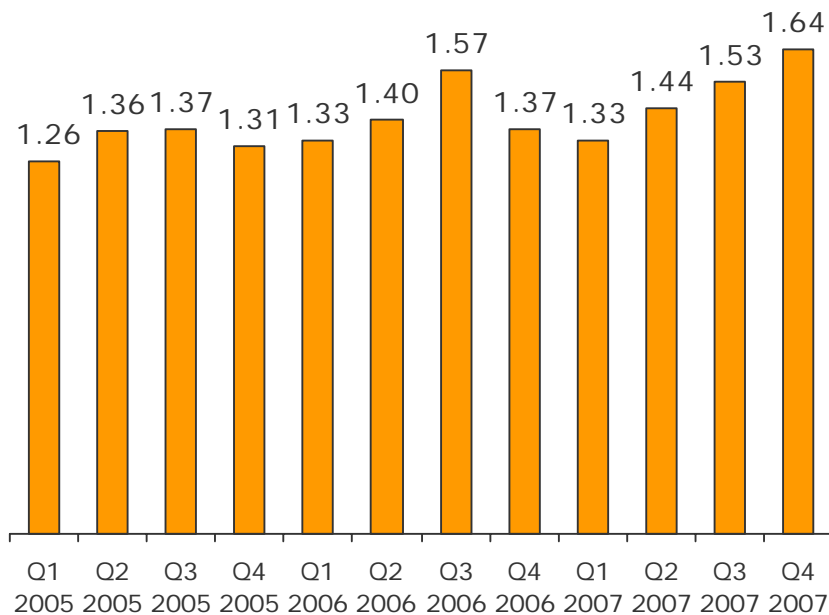
## Net revenues at record levels in both channels

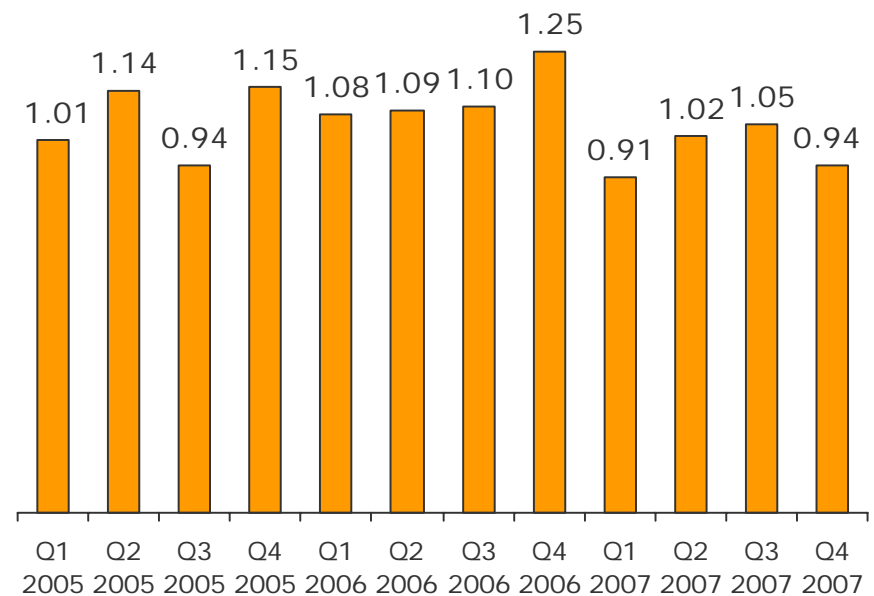
Net revenues (m€)



## Seasonal increase of net revenue margin in the Direct Channel, decrease in the Intermediary Channel due to more institutional business

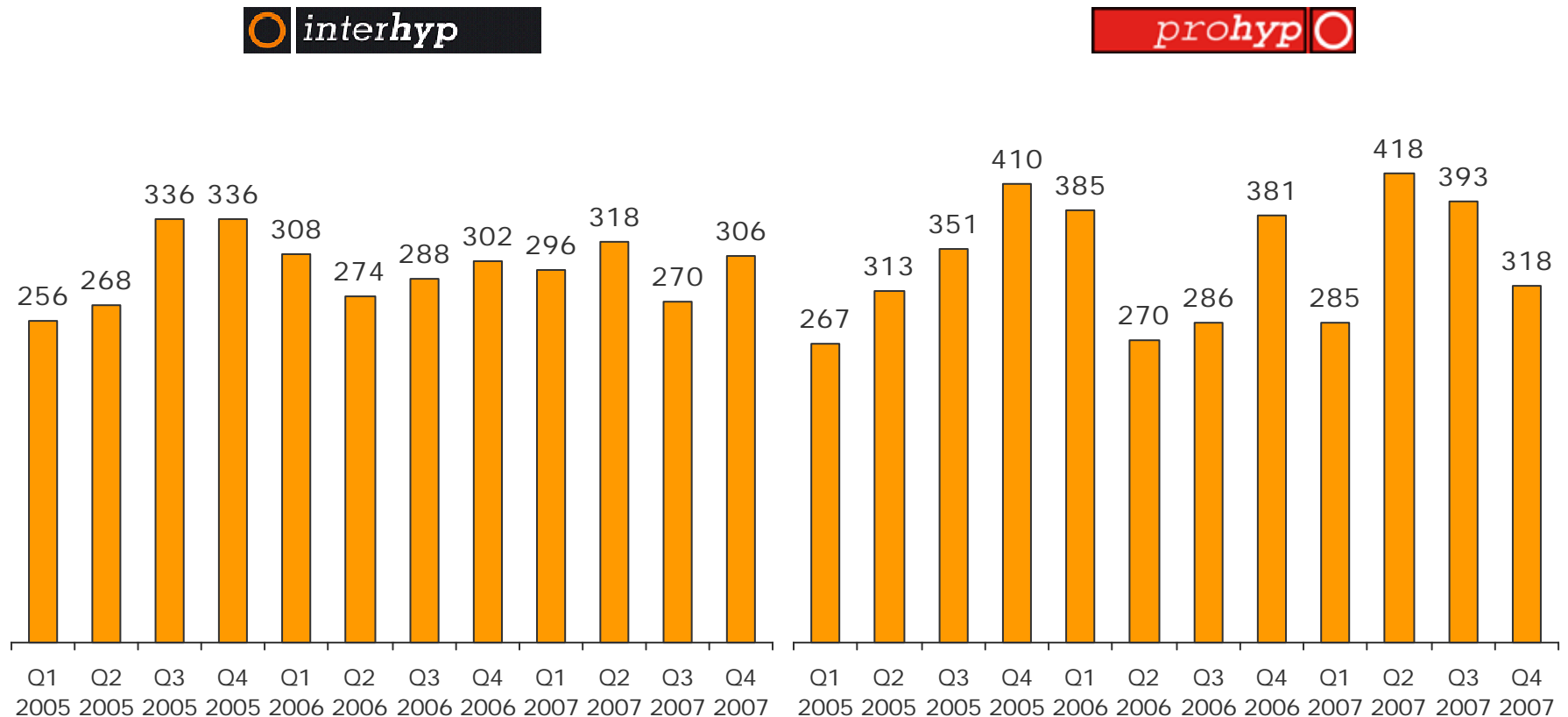
*Net revenue margins in % of mortgage volume*



## Productivity per consultant in the Intermediary Channel reflects the front loading of MLP Hyp consultants

*Net revenues per consultant (k€, annualized)*



## Direct Channel: Regionalisation completed with 17 offices open – focus for 2008 on leveraging existing office locations

### *Regional office locations*



### *Direct Channel strategy*

#### **Regionalisation: 17 offices open**

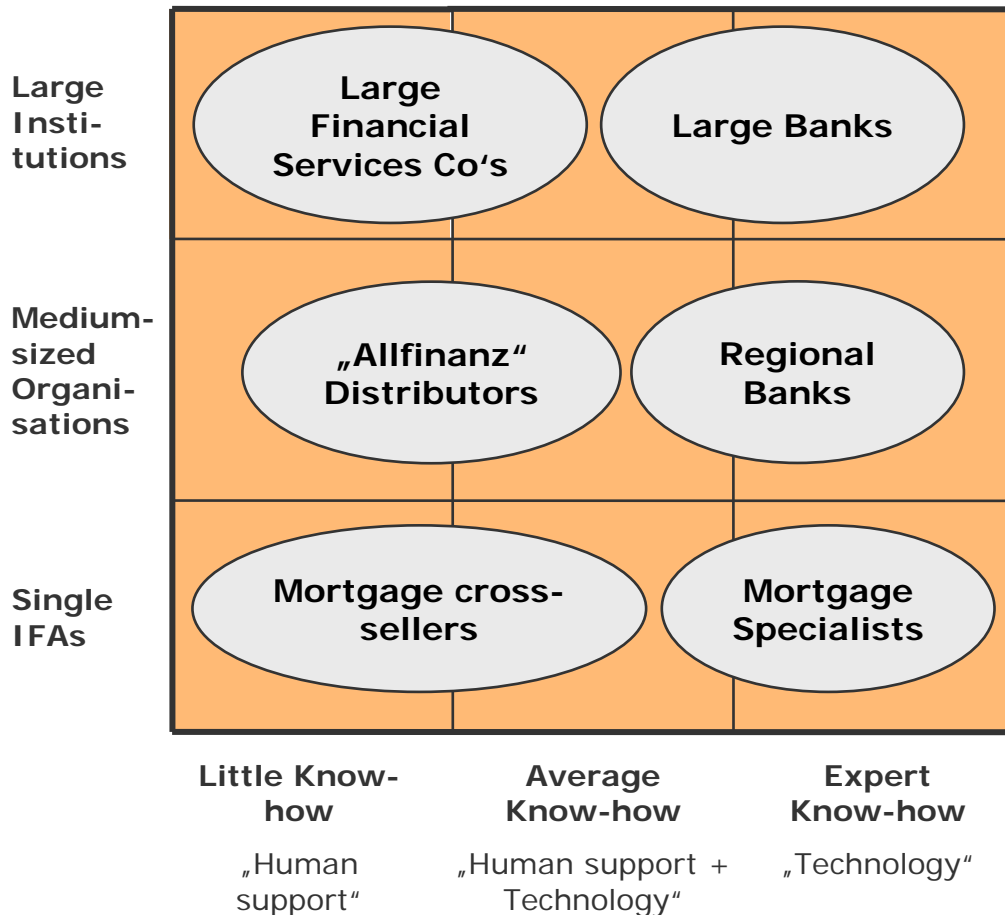
- Phase 2 of our regionalisation strategy was completed in October 2007 with 17 open offices

#### **Strategy for 2008**

- Focusing on efficient sales processes with maturing sales people
- Growing the headcount in the regional offices in line with market share gains
- Leveraging on local referral business and better ties to real estate industry and local banks
- Continued focus on organic growth

## Intermediary Channel: We are increasingly penetrating the different target customer groups from single IFAs to institutional accounts

### Prohyp's target customer groups



### New institutional partners



### More than 3,000 IFA partners

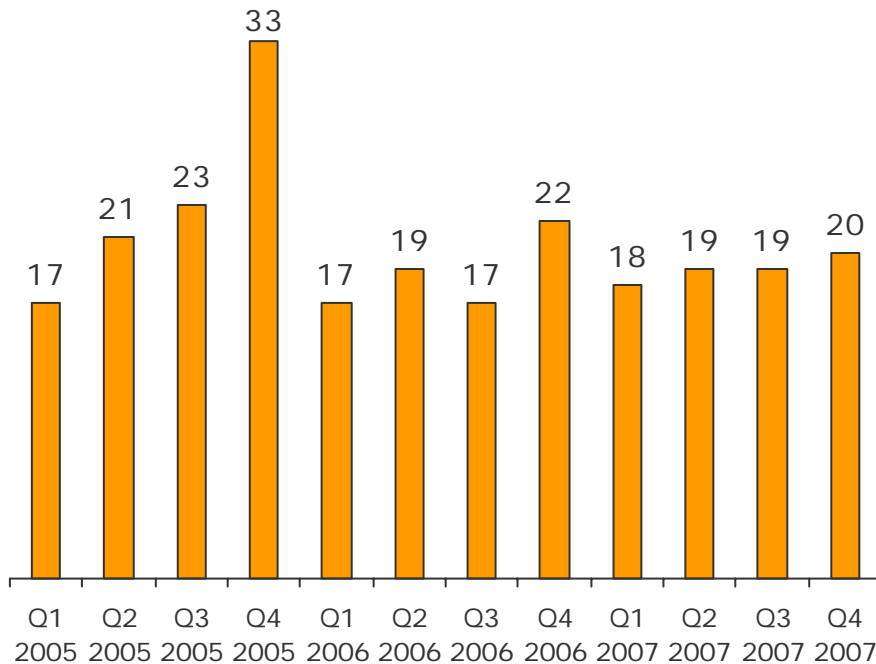
- **3,065 partners** brokered at least one mortgage in the last twelve months
- Added **647 new** active partners in 2007
- Active partners **increased by 27%** since end of year 2006 (2,418 partners)

## Agenda

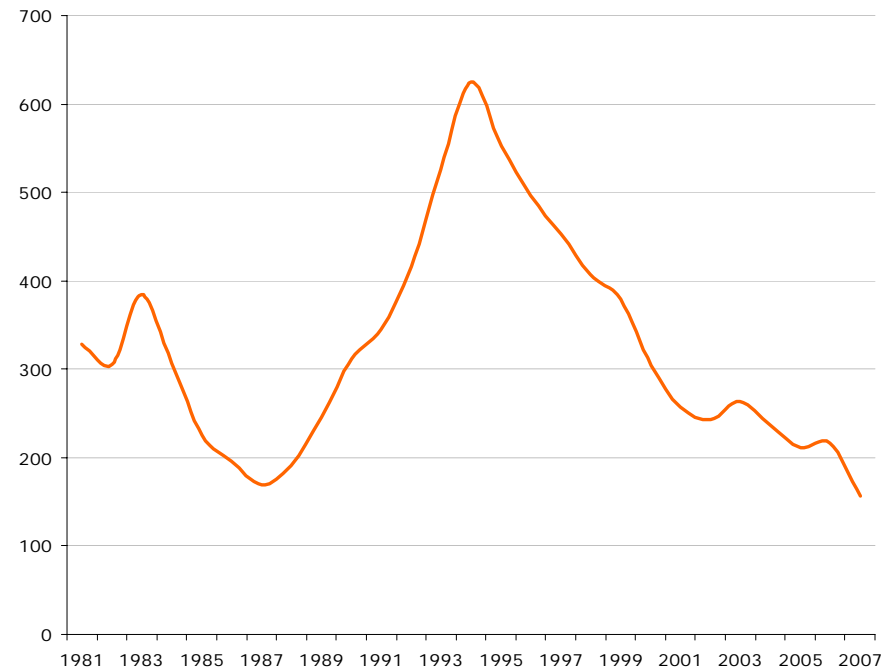
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The transaction market in 2007 was up 1% from the low 2006 levels – building permits are down 28% vs. 2006 at post war lows

*Transactions in 11 large German cities\* (in thousands of transactions)*



*Building permits (in thousands) \*\**

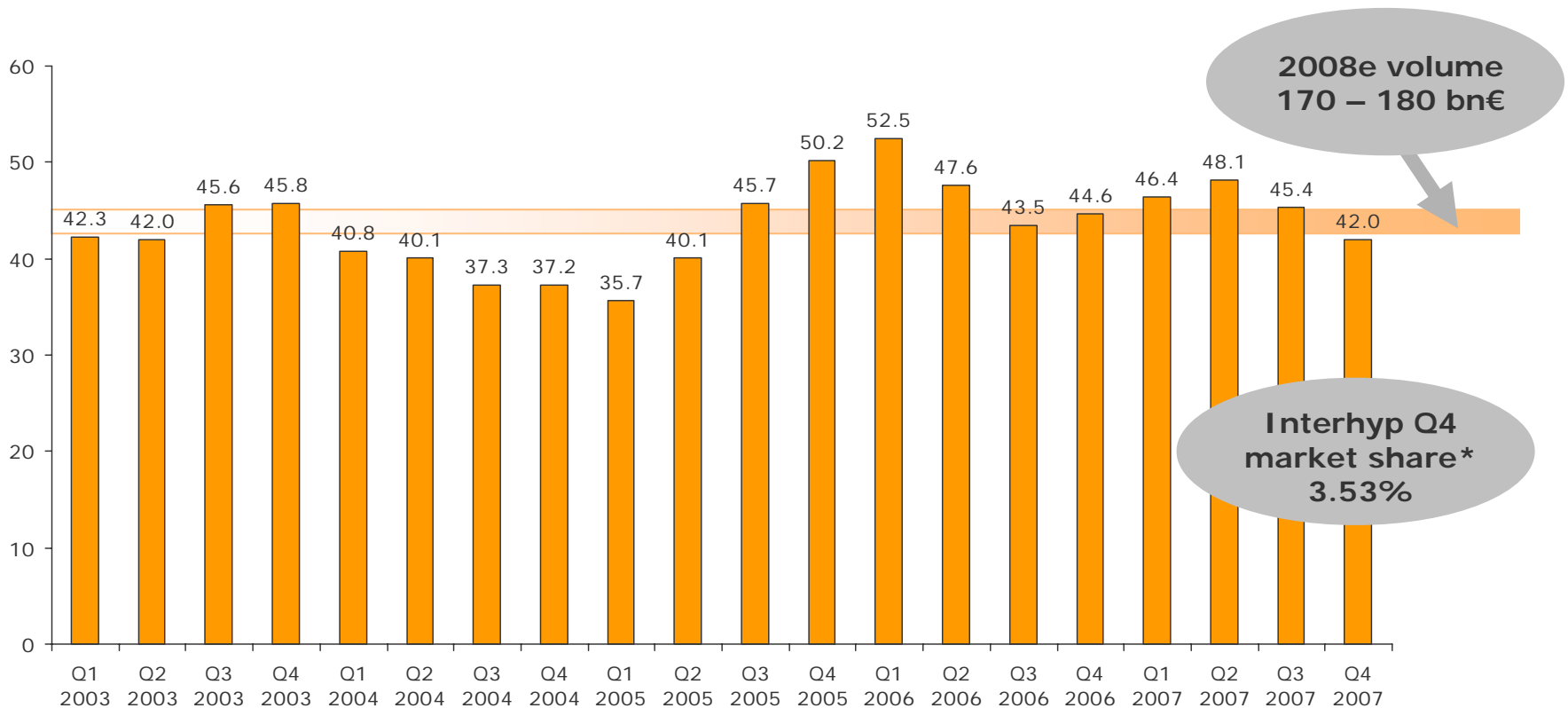


\* Source: transaction data for purchases of houses, apartments and construction plots published by the „Gutachterausschüsse“ (surveyors' councils) of 11 cities (Berlin, Bielefeld, Dortmund, Düsseldorf, Frankfurt, Hamburg, Hannover, Cologne, Munich, Stuttgart and Wiesbaden) Q4 2007 preliminary

\*\* Source: destatis, 11 months final, December extrapolated: 2007e 157,000 building permits

## Bundesbank new business figures reflect the weak underlying demand picture – 182 bn€ after 188 bn€ in 2006

### Quarterly new mortgage volume in Germany\* (bn€)

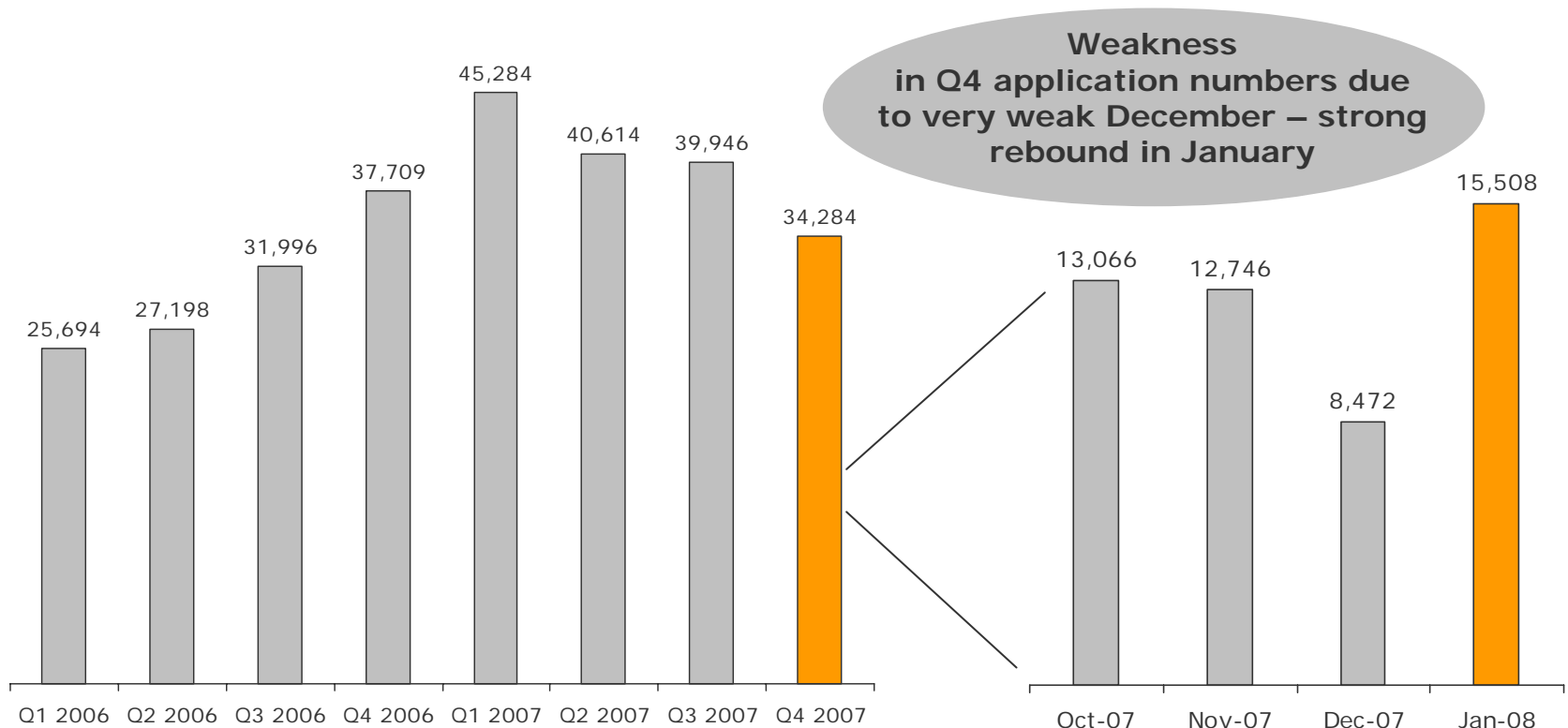


\* Based on new mortgage volume of German banks published by Deutsche Bundesbank (MFI interest rate statistics); includes mortgages for purchases and construction as well as refinancing of existing loans

The lack of any special effects (subsidies, tax hike, interest rates) on demand shows the full scale of seasonality in December

*Quarterly mortgage applications*

*Monthly mortgage applications*



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## 2008 Guidance

- *As we cannot count on growth in the underlying mortgage market in 2008 due to the current uncertain economic outlook, our own growth prospects are based on **further market share gains** in both the Direct Channel and the Intermediary Channel.*
- *We expect **double-digit growth** for each closed mortgage volume, net revenues and EBIT in 2008.*

# Appendix

## Strong top and bottom line growth continues

<i>Income Statement</i>	<i>Full-year results</i>		
	<i>2007*</i>	<i>2006</i>	<i>chg.</i>
<i>[kEUR]</i>			
<b>Total revenues</b>	<b>88,581</b>	<b>70,630</b>	<b>25%</b>
Direct Channel	54,876	45,114	22%
mortgage/mortgage-related	53,893	43,722	23%
non-mortgage	983	1,392	(29%)
Intermediary Channel	33,705	25,516	32%
Commissions to brokers**	(13,230)	(10,547)	25%
<b>Net revenues</b>	<b>75,351</b>	<b>60,084</b>	<b>25%</b>
Expenses	(47,827)	(37,671)	27%
Other operating income	951	-	-
<b>EBIT</b>	<b>28,475</b>	<b>22,413</b>	<b>27%</b>
Interest income/expense	1,862	1,041	79%
Investments in associates	(154)	-	-
Taxes	(12,175)	(9,759)	25%
Minorities	65	-	-
<b>Net income after minorities</b>	<b>18,073</b>	<b>13,695</b>	<b>32%</b>

All numbers based on IFRS

\* Preliminary \*\* Commissions to partners in the Intermediary Channel

## Strong free cash flow

<i>Cash flow statement</i>	<i>Full-year results</i>	
	<i>2007*</i>	<i>2006</i>
<i>[kEUR]</i>		
<b>EBT</b>	<b>30,183</b>	<b>23,454</b>
Adjustments**	(443)	665
Change in receivables and other assets	(2,294)	(5,822)
Change in provisions	59	(79)
Change in liabilities	48	(1,936)
Taxes paid	(17,391)	(4,585)
Interest paid	(4)	(97)
Other non-cash items	(10)	91
<b>From operating activities</b>	<b>10,149</b>	<b>15,561</b>
<b>From investing activities</b>	<b>10,002</b>	<b>(11,556)</b>
thereof from securities and disposed businesses	11,635	(9,947)
<b>From financing activities</b>	<b>(8,782)</b>	<b>(357)</b>
Changes in cash and cash equivalents	11,370	3,648
<b>Cash and cash equivalents end of period</b>	<b>48,963</b>	<b>37,594</b>

\* Preliminary

\*\* includes depreciation on non-current assets, financial result, income from the sale of a subsidiary and other items

## Current balance sheet structure

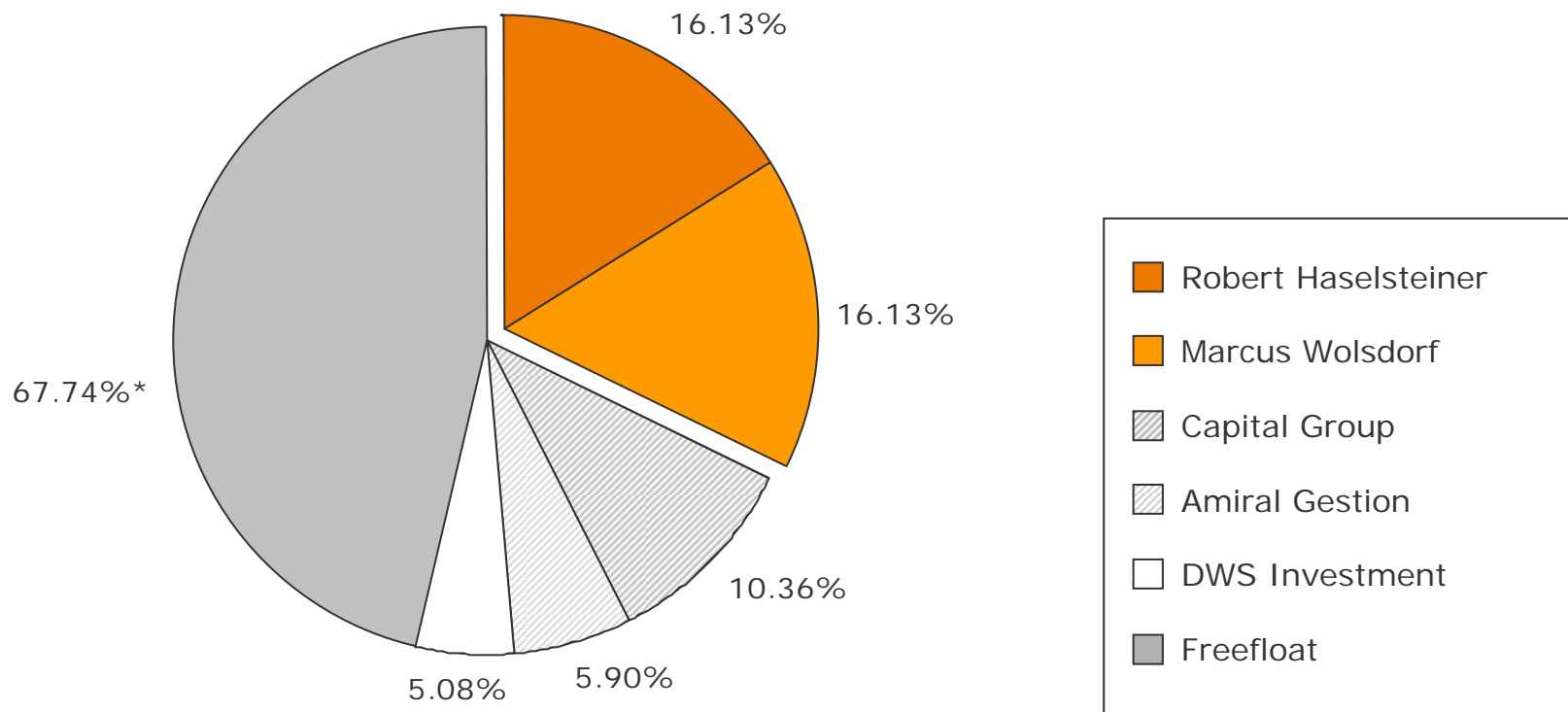
<i>Balance sheet</i>	<i>2007*</i>	<i>Year-end figures</i>				
		<i>2006</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
<i>[kEUR]</i>						
Non-current assets	5,948	4,430	4,116	1,483	2,689	1,263
Investments in associates	552	-	-	-	-	-
Current assets	68,991	66,358	46,828	8,790	4,820	4,929
Trade accounts receivable	18,844	17,163	11,626	4,726	2,368	1,190
Securities	0	10,992	1,003	1,009	0	0
Cash and cash equivalents	48,963	37,594	33,945	2,933	2,313	3,557
Total assets	74,939	70,789	50,944	10,273	7,509	6,193
Shareholders' equity**	64,032	54,430	40,258	2,479	1,957	2,146
Long-term liabilities and provisions	573	677	779	3,499	3,622	2,964
Short-term liabilities and provisions	10,334	15,523	9,907	4,295	1,930	1,083
Accounts payable	2,554	3,372	3,405	1,501	742	367

\* Preliminary

\*\* including the share of other associates

# Freefloat at 67.7%\*

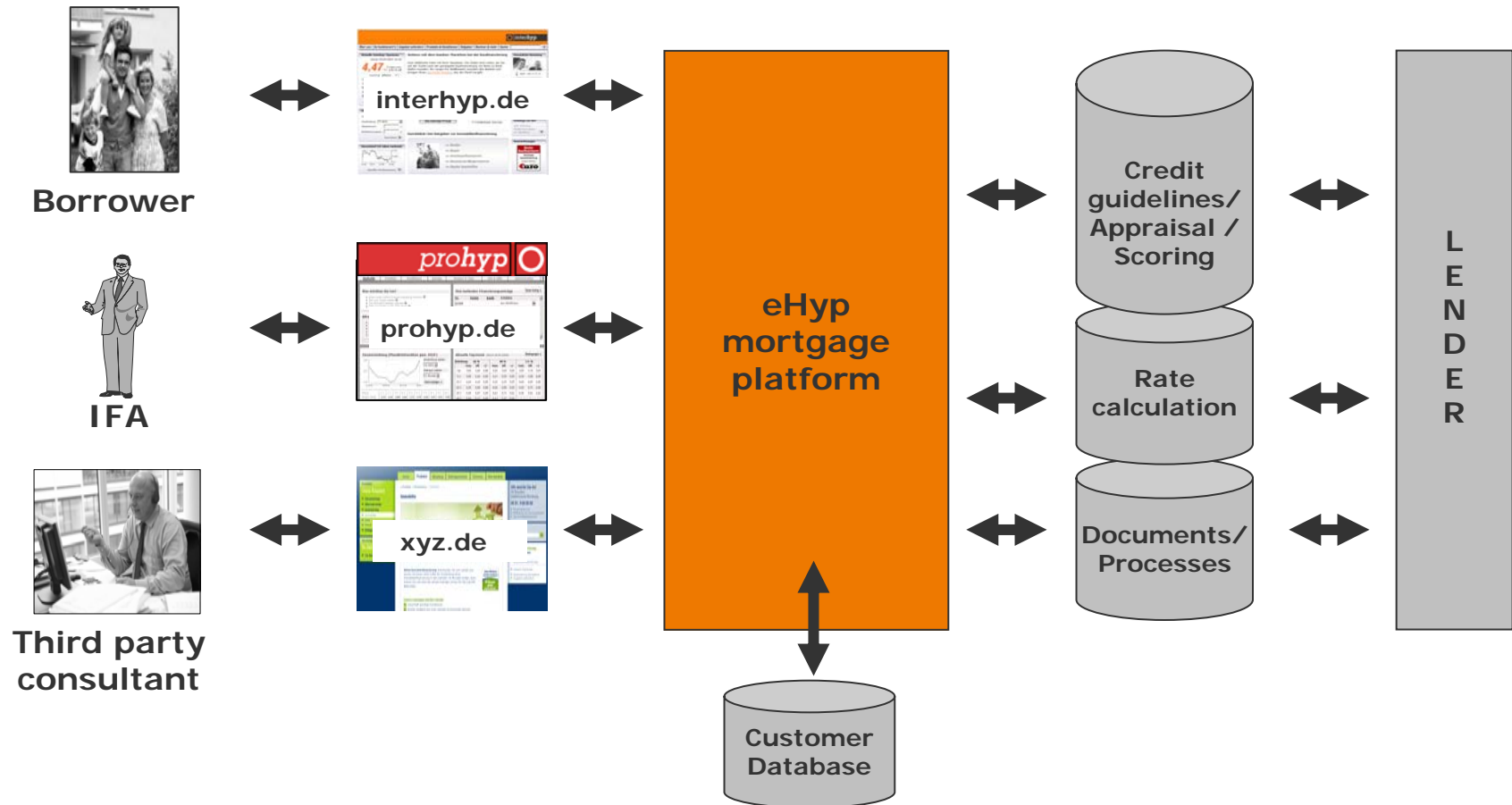
*Interhyp shareholder structure as at 22 February 2007*



\* In compliance with Deutsche Börse AG freefloat guidelines, our freefloat includes the 21.34% stake of the above listed companies as well as 46.40% of further shareholders.

# The eHyp platform: the key for scalability and productivity

*The eHyp mortgage platform is at the core of all processes and front-ends*



## Investment highlights

### Market opportunity

- 2nd largest mortgage market in Europe
- Underdeveloped mortgage brokerage market with significant growth potential
- Underlying trend towards online financial services

### Leading market position

- #1 residential mortgage broker in the German market
- Leading mortgage website
- High barriers to success

### Superior business model

- Compelling value proposition for all parties
- Unique combination of high-tech and human touch
- Highly scalable technology and sales platform

### Strong Management

- Long-standing experience in investment and retail banking
- Committed, entrepreneurial senior management team

### Financial track record

- Strong top and bottom line growth
- Compelling profitability profile

## Contact and Calendar

### *Company calendar*

<b>Event</b>	<b>Date</b>
Annual report 2007	27 Mar 2008
Report on 1st quarter 2008	7 May 2008
Annual general meeting	4 Jun 2008
Report on 2nd quarter 2008	7 Aug 2008
Report on 3rd quarter 2008	10 Nov 2008

### *Contact*

#### **Your contact person:**

Florian Prabst  
Phone: +49 89 20307-1302  
Fax: +49 89 20307-51302  
eMail: [florian.prabst@interhyp.de](mailto:florian.prabst@interhyp.de)

#### **Postal address:**

Interhyp AG  
Parkstadt Schwabing  
Marcel-Breuer-Str. 18  
80807 Munich

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