

Results of **3rd Quarter 2007**



interhyp

www.interhyp.de

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Key figures (in EUR m)

	9M 2006	9M 2007	+/-
Mortgage volume	3,131	4,176	33%
Net revenues	42.7	54.5	28%
Earnings before interest and taxes (EBIT)	15.2	19.4	27%
Net income	9.1	12.1	33%
EBIT margin in %	35.6	35.5	
Earnings per share (diluted)	1.39	1.85	33%
Number of mortgage applications	84,888	125,844	48%
Number of mortgages closed	19,742	28,754	46%

1 Preface by the Management Board

Dear Shareholders,

The third quarter was a challenging one for our company in several respects. Compared with the third quarter of 2006, we increased the number of mortgages closed (9,283) by 35% and raised the closed mortgage volume by 24% to EUR 1.312 billion. However, compared with the record figures of this year's second quarter, this is a decline of 14%. Net revenues rose 17% over the comparable prior-year period to EUR 18.1 million. Nevertheless, compared with the second quarter, a decrease of 9% was recorded. Since we had geared our company to strong growth, higher related costs meant lower earnings before interest and taxes (EBIT) amounting to EUR 5.4 million. The EBIT margin, at 30% for this quarter, is, therefore, below the margins for previous quarters.

Slower growth in the third quarter led us to adjust our guidance for the full year 2007 on 13 September. We have reduced our targeted volume from originally over EUR 6 billion to approximately EUR 5.7 billion. Our goal in terms of net revenues has been reduced from over EUR 80 million to around EUR 75 million, and expectations for EBIT from around EUR 32 million to around EUR 27 million. This adjustment was necessary since the number of applications and mortgages closed in the course of the third quarter increasingly lagged behind our expectations. While momentum picked up considerably in July and the first weeks of August, demand weakened noticeably in the weeks thereafter. Particularly hard hit were new construction activity and follow-up financing. Demand for mortgages for purchasing existing property also weakened. We see this sudden slump in demand as a result of consternation on the part of potential clients in the wake of the banking crisis which emerged in August, and the simultaneous significant surge in perceived inflation in Germany. These effects coincided with the already historically weak activity in new construction since the beginning of the year, coupled with a continued low level of purchasing activity. In the first half of 2007 alone, the number of building permits for residential property declined by 38% compared with the comparable prior-year period. Permits for houses were even down by as much as 48%. While in the first quarter, we were able to offset these effects through strong growth in demand for follow-up mortgages, the past two quarters were marked by greater volatility in this segment. Property owners react sharply to interest rate trends and avail themselves of the flexibility offered by forward loan agreements for timing follow-up financing. In our opinion, the general trend, namely that more and more German customers are timing their follow-up mortgage as profitably as possible, and using brokers to help them, is still intact and will support our growth over the long term.

In the Direct Channel business, we opened new regional offices in Essen and Bielefeld at the beginning of October, thus achieving our target figure of 17 locations in Germany. In doing so, we created the prerequisites for a sustained increase in market share in the key real estate markets in Germany. Interhyp has thus evolved from an originally telephone-based advisory approach to a true multichannel provider, able to offer all customers in Germany the advantages of a residential mortgage broker via the Internet, by phone and in face-to-face meetings. In the Prohyp Intermediary Channel, by winning additional institutional partners – the most notable here being the addition of MLP and CosmosDirekt – we built the basis for long-term structural growth. Our software platform eHyp is increasingly recognised and, combined with our strong position in purchasing and our experience in multichannel distribution, has induced a growing number of sales partners to seek cooperation with us.

Based on the usual acceleration of demand in the fourth quarter, Interhyp adheres to its communicated guidance for 2007.

Yours sincerely,



Robert Haselsteiner
Co-CEO

Marcus Wolsdorf
Co-CEO

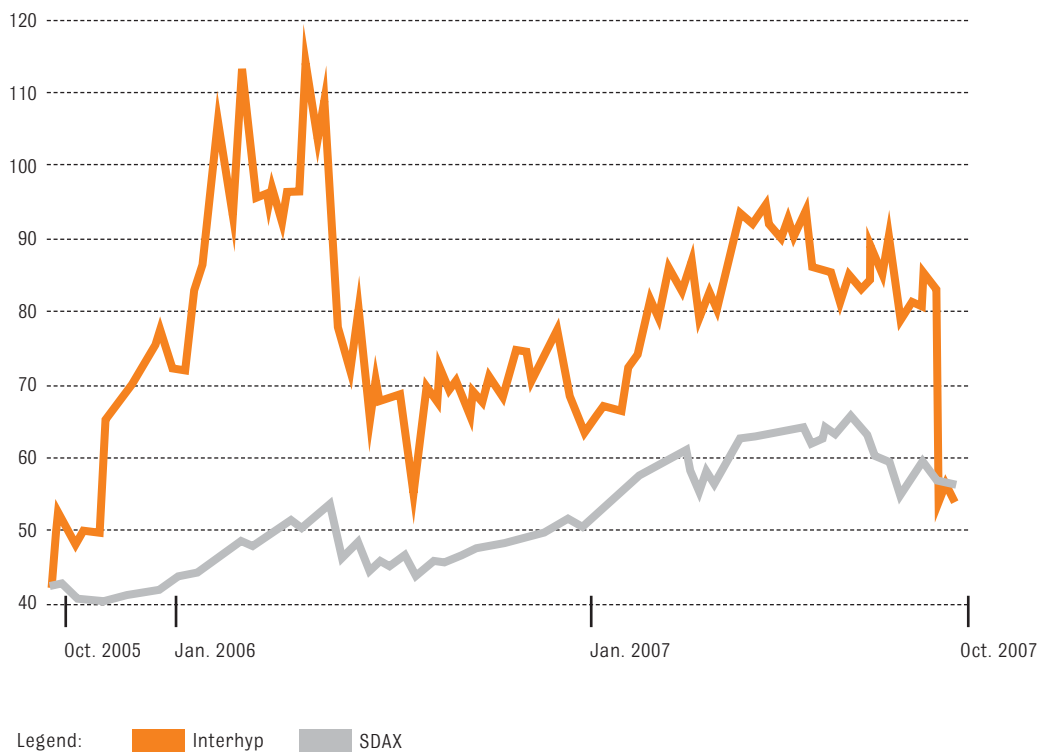
2 Shares

Share price highly volatile

Interhyp shares closed at EUR 53.00 on 28 September 2007. At the beginning of the last quarter, our shares performed well, climbing to over EUR 90, but as the quarter progressed, a sharp decline occurred after the forecast for 2007 was adjusted in line with the market. While our shareholders enjoyed a profit of altogether 23% in the first six months of 2007, the share price fell by 19% over the first nine months of this year.

In comparison, in the first nine months of 2007, the SDAX rose 3% and in the third quarter suffered a loss of 11%. Interhyp shares were more volatile. They peaked at EUR 90.80 (Xetra closing price) at the beginning of August and bottomed out at EUR 52.68 in mid-September.

Share price performance Interhyp vs SDAX (indexed)

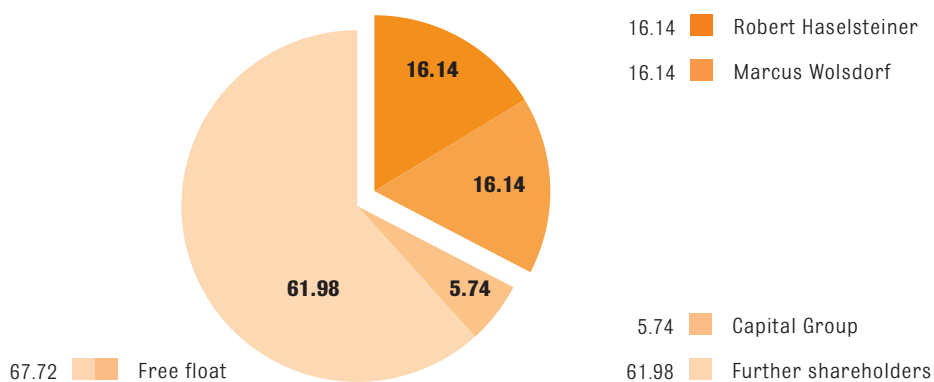


Free float unchanged at 67.7%

We were informed by statutory notices in the third quarter of the following proportions of the voting rights of institutional investors: Threadneedle (2.37%), DWS (3.23%), Schroders (4.38%), S.W. Mitchell (3.41%) and Union Investment Luxembourg (2.60%).

According to the definition of the German Stock Exchange (Deutsche Börse AG), these shareholdings count as part of the free float, which thus remained unchanged at 67.7%.

Shareholder structure, as of 28 September 2007, holdings in %



3 Interim group management report

3.1 Significant events and initiatives

Interhyp – conclusion of the second phase of Interhyp’s regionalisation strategy

In the third quarter of 2007, our regional offices for the areas of Dortmund and Karlsruhe opened on schedule. Preparations have already been made in the period under review to ensure the timely opening of regional offices in Bielefeld and Essen.

The opening of these two regional offices at the beginning of October marked the conclusion of the second phase of our regionalisation strategy, well ahead of our original goal at the end of 2007.

Customers in the catchment areas of 17 cities in Germany can now arrange an appointment for consultation locally with their individual mortgage consultant.



Prohyp – focus on institutional partners

In the business with institutional partners with Prohyp, we were able to announce two more important cooperation agreements in the third quarter of this year:

On 23 June 2007, we reported that Interhyp would found a company together with the financial service provider MLP. Through the new company, which is called MLP Hyp, MLP advisors can access the eHyp product and system platform for mortgage financing and dedicated support for all residential mortgage questions. In future, MLP will conduct its residential mortgage business through the new company. It is based in Schwetzingen and commenced operations on 5 November. Interhyp holds 50.2% of MLP Hyp GmbH, while MLP holds the remaining 49.8%. The company will be operationally managed by Interhyp AG, which also provides the managers. Both founder companies are equally represented on the Supervisory Board. In 2006, MLP AG brokered residential mortgages totalling some EUR 900 million. The goal for 2008 is to have MLP conduct all new business step by step through MLP Hyp. Since the venture is focusing on new business, and due to the complementary contributions of both partners, little investment is required; the company is expected to deliver a positive contribution to earnings already in 2008.

Prohyp has also been cooperating since the beginning of September with Germany's largest direct insurer, CosmosDirekt. We provide a comprehensive range of mortgage products online for CosmosDirekt's homepage, www.cosmosdirekt.de. Consumers looking for construction financing, purchase financing or follow-up financing can call up detailed information about mortgages, calculate innumerable financing alternatives and submit a mortgage application. CosmosDirekt's own service team advises customers personally while applications are processed through our eHyp platform.

Interhyp again ranked "Best Residential Mortgage Provider"

In the August 2007 edition of the business magazine *€uro/Finanzen*, Interhyp was named "Best Residential Mortgage Provider" for the second consecutive time in a test comparing 17 well-known mortgage providers. Interhyp came in first as the overall leader, even further ahead of competitors than last year. The test was conducted by an independent test institution, which sized up not only incumbent banks and branch-based retail banks but also direct banks, specialised mortgage brokers and financial service providers. The subject of the research concerned not only interest rates for spot and forward mortgages but also involved trial purchases from all the individual providers, especially to test the quality of advice and service. Interhyp achieved top marks throughout. The award of "Best Residential Mortgage Provider" plays an important part in our marketing and PR activities.

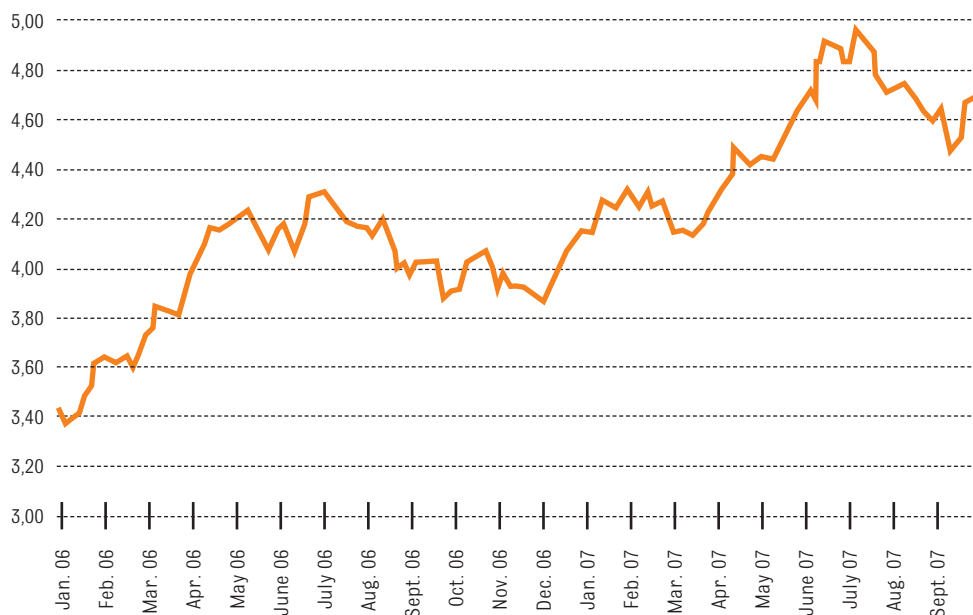
3.2 General economic conditions

Economic development

After a very positive economic environment and a generally upbeat mood in the first half of 2007, a distinct reversal became apparent starting in summer. This turnaround was triggered on the one hand, by the perceptible impact of the American sub-prime crisis, which forced IKB and SachsenLB – two banks ranked as conservative – into existential difficulties and suddenly confronted German customers with a banking crisis. On the other hand, the huge rise in prices for energy, commodities and food in August and September pushed perceived inflation to historic highs within mere weeks. These special factors coincided with a mood in Germany in which 78% of the population felt that they personally were not profiting from the upswing. This means, basically, that personal income prospects have not kept pace with the strains caused by higher prices and taxes. Following the crisis in credit markets, the central banks had to help banks out by providing liquidity, and the Federal Reserve pragmatically lowered key lending rates by 0.5% to 4.75%. The ECB postponed its original plan to boost key interest rates to contain the threat of inflation for the time being, leaving these rates at 4.00%. Since market players expect a further weakening of the US economy and, therefore, more key interest rate cuts by the Federal Reserve, the dollar will weaken against the euro, thus putting pressure on Europe's exports. Against this background, long-term capital market interest rates in the US and in the euro zone have plunged, although this is not justified by present inflation figures. The flight of worried investors into high-quality government bonds was another contributing factor.

The underlying inflationary trend suggests that over the medium term capital market interest rates will rise, thus supporting the technical picture of a turnaround in the long-term trend in interest rates. At the moment, however, movements in the fixed income market are dominated by the effects of short-term measures introduced by the Federal Reserve to bring the crisis under control, and by investor wariness. Strong volatility may, therefore, be expected in the coming months. We assume that the Fed will lower key interest rates in the direction of 4% while, the ECB will hold interest rates at the current level. If real fears of a recession surface in the US, this would drag long-term interest rates further down. Otherwise, we expect that a risk premium for inflation is being built up at the long end of the market, and the yield curve will become steeper in the euro zone as well.

10-year Pfandbrief yields in %



Sector development

According to Bundesbank statistics, the total market volume for residential mortgages contracted by some 6%, from EUR 48.1 billion in the second quarter to EUR 45.4 billion in the third quarter. The decline was particularly noticeable in August and September, while July, due to high internal refinancing by banks, was still very strong. Our market analyses of real estate transactions in eleven major German cities, based on the data from the surveyors' councils, reveal that third-quarter figures persisted at the low level noted since the beginning of the year. The number of building permits rose slightly in recent months, but since the applications we receive for construction projects predate building permits by one to two months, a decline in permits for the rest of the year is likely. New construction activity, both for homeowners and tenants, thus stands at the lowest level for 50 years. In some cities with strong labour markets, however, rents have been rising, a trend which will accelerate as there is far too little new construction, particularly for rental apartments. Since prices for land, which have been rising for many years, and substantially higher construction costs constantly drive up the cost of new construction, a gradual rise in prices for existing property is to be expected. So far, however, these price effects have not been felt, except in a few special locations.

3.3 Corporate development

Development of revenues

High growth of revenues

In the third quarter of 2007, Interhyp AG posted revenues of EUR 21.3 million, up 19% compared with the comparable prior-year period (EUR 18.0 million). In a comparison of the two nine-month periods, revenues grew by 27%. Revenues since the beginning of 2007 came to EUR 64.3 million, as opposed to EUR 50.7 million in the first nine months of 2006.

Net revenues surge 28% in first nine months

Even under difficult market conditions, net revenues managed to climb 17%. Revenues rose after deduction of expenses for commission payments to Prohyp partners to EUR 18.1 million, compared with EUR 15.5 million in the third quarter of 2006. In the reporting period, Interhyp AG generated net revenues of EUR 54.5 million, up 28% over the comparable figure for the previous year (EUR 42.7 million).

Net revenues (in EUR m)

9M 2006	42.7
9M 2007	54.5

Volume expands by one-third in the reporting period – but a difficult market environment leaves its mark on third quarter results

In this quarter, Interhyp posted a mortgage volume of EUR 1.312 billion, up 24% over the figure for the comparable prior-year period (EUR 1.060 billion). In a comparison of the respective nine-month periods, the result for this year (EUR 4.176 billion) is 33% higher than the corresponding figure for the preceding year (EUR 3.131 billion). Compared with the second quarter of 2007 (EUR 1.524 billion), the volume of closed mortgages contracted by 14%, however, due to the effects described above.

Closed mortgage volume (in EUR m)

9M 2006	3,131
9M 2007	4,176

Already more closed mortgages at 30 September than in all of 2006

In the third quarter of 2007, 9,283 mortgages were closed through Interhyp (third quarter of 2006: 6,884 mortgages closed). The number of brokered mortgages thus increased 35% over the third quarter of 2006. By 30 September 2007, 28,754 mortgages were already successfully closed, thus surpassing the figure for all of the preceding year (2006: 28,072 mortgages closed). This equates to an increase of 46% compared with the first nine months of 2006 (19,742 mortgages closed).

From the greater number of mortgages closed compared with growth of mortgage volume, yet another decline of the average size of the individual mortgages can be seen. In the previous year, the average individual mortgage was around EUR 157,000, as opposed to some EUR 145,000 in the first nine months of 2007. This reflects the higher

percentage of follow-up mortgages in the first half of the year which, due to instalments already repaid, are always smaller than mortgages for construction or purchases. However, the additional decline in the share of construction financings was noticeable, so that the third quarter of 2007, with an average size of approximately EUR 141,000, is somewhat below the figure for the first nine months. In addition, at the end of 2006 we reduced the minimum loan amount for mortgages from EUR 40,000 to EUR 25,000, leading to an increase in small loans.

Prohyp registers growth of over 50% in both volume and number of mortgages closed

In the third quarter, the Direct Channel succeeded in boosting the number of closed mortgages by 22%, from the previous year's 4,693 to 5,707. The volume of mortgages rose from EUR 736 million to EUR 816 million. Intermediary Channel business under the Prohyp brand contributed even more to growth, with the number of mortgages closed rising by 63%. The number of mortgages concluded rose from 2,191 to 3,576 – an increase which was due, amongst other things, to stronger business with institutional cooperation partners. Prohyp's contribution to this volume thus expanded by 53%, from EUR 325 million in the third quarter of 2006 to the current EUR 496 million.

The number of active Prohyp partners rose from the end of the third quarter of 2006 to 30 September 2007 by 39%, from 2,180 to 3,032. Our regionalisation strategy for Prohyp aims to achieve strong local advisory service and more intensive training initiatives offered by the recently established Prohyp Academy. This will enable us to step up the level of activity of this large number of individual brokers. By 30 September 2007, Prohyp was already active in four of the six regions.

Number of active Prohyp partners

9M 2006	2,180
9M 2007	3,032

Net revenue margin at attractive level – slight increase due to seasonality

In the third quarter of 2007, Interhyp registered a net revenue margin of 1.34%, measured in terms of the volume of mortgages closed. The improvement over the level of 1.29% in the previous quarter confirms the announced seasonal trend toward volume rebates and underscores the stable underlying transaction margin. The net revenue margin of 1.44% in Direct Channel business in the second quarter rose to 1.53% in the third quarter. In Prohyp's Intermediary Channel business it rose slightly in the same period from 1.02% to 1.05%.

Development of earnings

Earnings before interest and taxes climb 27% in the first nine months

Earnings before interest and taxes (EBIT) shrank 7% compared with the comparable prior-year quarter (EUR 5.8 million) and now stand at EUR 5.4 million. This is due to negative economies of scale since we had expected in our original planning (see section 3.4) strong volume growth for the third quarter of 2007. Nevertheless, for strategic reasons we decided to refrain from reducing investments intended, amongst other things, to secure future structural growth. One example here is our marketing expense, which we aim to keep at a constant level of approximately 10% of net revenues but which, however, came to 13.1% of net revenues in the third quarter. In addition, we continued to train mortgage consultants in the regional offices and Prohyp regions since we expect more intensive customer service to have a sustained impact on conversion rates and brand building in both business segments.

EBIT increased 27 % to EUR 19.4 million in the first nine months of 2007, compared with EUR 15.2 million in the comparable period in 2006.

EBIT (in EUR m)

9M 2006	15.2
9M 2007	19.4

EBIT margin at 35.5% in reporting period

In the third quarter of 2007, the EBIT margin as a percentage of net revenues amounted to 30.0% due to the negative economies of scale indicated in the previous section, and is thus lower than the figure for the corresponding prior-year quarter (37.7%). This results in an average margin of 35.5% for the first nine months of the year. Profitability in this period, therefore, remained virtually unchanged from the prior-year level of 35.6%.

EBIT margin based on net revenues (in %)

9M 2006	35.6
9M 2007	35.5

One third more net income generated in the reporting period

Net income for the third quarter of 2007 slowed slightly by 7% to EUR 3.3 million compared with the corresponding prior-year period (EUR 3.5 million). The tax rate in the first nine months came out somewhat lower at 41.8% (corresponding prior-year period: 42.4%). Since our company in its current form will profit from the corporate tax reform, we expect the tax rate to fall as low as 33% in 2008.

Interhyp succeeded in increasing net income by one-third in the first nine months of 2007, to EUR 12.1 million as opposed to EUR 9.1 million for the corresponding period in the previous year.

Net income (in EUR m)

9M 2006	9.1
9M 2007	12.1

Financial and assets position

The assets position of Interhyp AG remained strongly marked by organic growth of the consolidated companies in the first nine months of 2007. Total assets came to EUR 67.9 million at 30 September 2007, on the back of brisker business activity. In the period under review, dividends were paid out for fiscal 2006 in the amount of EUR 10.4 million. Total assets at the end of 2006, at EUR 70.8 million, were, therefore, even higher.

Two new balance sheet items were created during the reporting period:

In non-current assets, there is a new item called "Investment in associates". The stake in iMakler GmbH explained in the half-year report is carried in the balance sheet under this item. The item "Share of other associates" appears in Shareholders' equity, where the value of MLP AG's share of our MLP Hyp subsidiary is accounted for.

Cash flow from ongoing business operations amounting to EUR 3.6 million in the first nine months of 2007, is lower than in the corresponding prior-year period (EUR 7.9 million) due to higher taxes on earnings.

At EUR 11.5 million, cash flow from investment activities in the first nine months of the year consisted largely of payments for maturing securities. In the comparable period of the previous year, this item came to an expense of EUR 16.4 million and was also strongly influenced by the purchase and sale of securities. At EUR 1.8 million, investments in non-current assets in the reporting period remained practically unchanged from the previous year (EUR 1.9 million).

Cash flow from financing activities in the first nine months of 2007 came to an expense of EUR 9.9 million, resulting primarily from dividend payouts for fiscal 2006 (EUR 1.60 per share). In the preceding year, the corresponding figure (an expense of EUR 0.4 million) was due mainly to repayment of financial liabilities.

The free cash flow, therefore, totals EUR 15.1 million, as against an expense of EUR 8.5 million in the first nine months of 2006. Both were marked by the purchase of securities and their payment at maturity as well as the result and the paid tax on earnings from ongoing business operations.

At 30 September 2007, cash and cash equivalents totalled EUR 42.8 million, as opposed to EUR 37.6 million at the beginning of the reporting period. This increase reflects the investment and financing activities already mentioned as well as higher proceeds from ongoing business activities. In the period under review, pre-tax earnings amounted to EUR 20.7 million compared with EUR 15.9 million in the corresponding prior-year period.

Employees

The number of staff rose by 89 since 30 September 2006, from 367 to 456 salaried employees, constituting an increase of 24%. Most appointments were in the areas of junior staff and experienced mortgage consultants for the expansion of the regional offices and regional Prohyp locations.

Number of employees (end of period)	
9M 2006	367
9M 2007	456

In the first nine months of 2007, Interhyp employed on average 420 permanent staff members. In the corresponding prior-year period, the figure averaged 332.

3.4 Forecast report

Business prospects for 2007

Based on the usual acceleration of demand in the fourth quarter, Interhyp adheres to its guidance for closed mortgages (around EUR 5.7 billion), net revenues (about EUR 75 million), and EBIT (approximately EUR 27 million).

Forecasts revised

On 13 September, the slowdown in the third quarter led us to revise our goals for all of 2007. We have reduced our targeted volume from originally over EUR 6 billion to approximately EUR 5.7 billion. Our goal in terms of net revenues has been reduced from over EUR 80 million to around EUR 75 million, and expectations for EBIT from around EUR 32 million to around EUR 27 million. This adjustment was necessary since the number of applications and mortgages closed in the course of the third quarter increasingly lagged behind our expectations. While momentum picked up considerably in July and the first weeks of August, demand weakened noticeably in the weeks thereafter. Particularly hard hit were new construction activity and follow-up financing. Demand for mortgages for purchasing existing property also weakened. We see this sudden slump in demand as a result of consternation on the part of potential clients in the wake of the banking crisis which emerged in August, and the simultaneous significant surge in perceived inflation in Germany. These effects coincided with the already historically weak activity in new construction since the beginning of the year, coupled with a continued low level of purchasing activity. In the first half of 2007 alone, the number of building permits for residential property declined by 38% compared with the comparable prior-year period. Permits for houses were even down by as much as 48%. While in the first quarter, we were able to offset these effects through strong growth in demand for follow-up financing, the sharp contraction of applications in this area lowered the overall number of applications. In the third quarter, demand for follow-up financing shrank once again, although interest rates tended downward again, starting in July. Apparently, many borrowers are currently expecting lower interest rates and will become active later.

3.5 Supplementary report

Haselsteiner & Wolsdorf GmbH sold

The wholly-owned subsidiary Haselsteiner & Wolsdorf GmbH was sold with effect from 1 October 2007, to a group of private investors. H&W GmbH is active in wealth management for affluent private investors. With this sale, Interhyp continues to emphasise its clear focus on mortgages in its organisation.

3.6 Opportunities and risks

The opportunities and risks specified in our 2006 Annual Report have not changed. The Annual Report was published on 29 March 2007, and can be downloaded at <http://www.interhyp.ag>. Printed copies can also be ordered there free of charge.

3.7 Additional information

Important business transactions with related parties

At 30 September 2007, Interhyp AG was obligated to deposit EUR 1,092 thousand for MLP Hyp's capital reserve. Apart from this, there were no important business transactions with related parties in the period under review.

4 Interim consolidated financial statements

Consolidated income statement of Interhyp AG as at 30 September 2007 in EUR

	Q3 2007	Q3 2006	+/-	01.01– 30.09.2007	01.01– 30.09.2006	+/-
Revenues	21,324,284	17,993,613	19%	64,261,223	50,662,788	27%
Cost of services purchased	3,207,180	2,491,804	29%	9,720,083	7,932,153	23%
Net revenues	18,117,103	15,501,809	17%	54,541,140	42,730,635	28%
Personnel expenses	7,319,201	5,939,179	23%	20,967,680	17,012,080	23%
thereof sales and sales-related	6,107,123	4,976,324	23%	17,654,046	14,182,388	24%
Other operating expenses	4,871,896	3,421,621	42%	12,917,041	9,611,147	34%
thereof marketing	2,372,057	1,497,945	58%	6,175,702	4,368,323	41%
Amortisation and depreciation	489,368	298,143	64%	1,280,176	884,500	45%
Earnings before interest and taxes (EBIT)	5,436,639	5,842,866	(7%)	19,376,243	15,222,908	27%
Share of results from investments in associates	(36,271)	0		(48,916)	0	
Interest income	444,853	266,362	67%	1,407,325	740,267	
Interest expense	1,318	21,094	(94%)	4,374	99,412	
Net interest income	443,536	245,268	81%	1,402,950	640,855	119%
Net income before income taxes (EBT)	5,843,904	6,088,134	(4%)	20,730,277	15,863,763	31%
Income taxes	(2,535,736)	(2,543,735)	0%	(8,664,750)	(6,724,593)	29%
Net income	3,308,168	3,544,399	(7%)	12,065,527	9,139,170	32%
thereof share of other associates	(60,651)	0		(60,651)	0	
thereof in regard to associates of the parent company		3,544,399	(5%)	12,126,178	9,139,170	33%

	01.01–30.09.2007	01.01–30.09.2006
Earnings as at share IAS 33		
Net income in regard to associates of the corporation	12,126,178	9,139,170
Weighted average of shares outstanding	6,498,380	6,498,350
Earnings as at share (undiluted)	1.87	1.41
Weighted average of potential shares	6,561,732	6,559,368
Earnings as at share (diluted)	1.85	1.39

Consolidated balance sheet of Interhyp AG as at 30 September 2007 in EUR**Assets**

	as at 30.09.2007	as at 31.12.2006
Non-current assets		
Intangible assets	639,214	664,316
Fixed assets	2,995,357	2,494,184
Receivables from commissions	597,816	472,885
Other assets	558,543	494,523
Deferred tax assets	227,062	304,259
Investments in associates	656,684	0
	5,674,676	4,430,167
Current assets		
Receivables from commissions	15,390,438	17,163,054
Other assets	785,563	609,057
Securities	3,139,317	0
Deferred tax assets	0	10,992,450
Cash and cash equivalents	41,819,502	37,593,782
	61,134,820	66,358,343
Assets of a disposal group	1,139,457	0
Total assets	67,948,953	70,788,510

Equity and liabilities

	as at 30.09.2007	as at 30.12.2006
Shareholders' equity		
Common stock	6,501,075	6,498,350
Additional paid-in capital	33,435,428	33,008,021
Revaluation surplus	0	(2,782)
Net accumulated profit	16,655,083	14,926,265
Equity in regard to associates of the parent company	56,591,586	54,429,854
Share of other associates	350,199	0
	56,941,784	54,429,854
Long-term liabilities and provisions		
Other provisions	183,450	160,967
Non-current financial liabilities	800	800
Deferred tax liabilities	42,672	90,686
Other liabilities	503,779	583,349
	730,701	835,802
Short-term liabilities and provisions		
Trade accounts payable	2,304,481	3,371,904
Other provisions	147,100	126,800
Tax liabilities	0	5,520,061
Other liabilities	7,367,813	6,504,089
	9,819,394	15,522,854
Liabilities of a disposal group	457,074	0
Total equity and liabilities	67,948,953	70,788,510

Consolidated cash flow statement of Interhyp AG as at 30 September 2007 in EUR

	01.01.–30.09.2007	01.01.–30.09.2006
Consolidated net income	12,126,178	9,139,170
Share of results of other associates	(60,651)	0
Income tax	8,664,750	6,724,593
Earnings before income tax	20,730,277	15,863,763
Adjustments:		
Amortisation and depreciation of non-current assets	1,280,176	884,500
Financial result	(1,402,950)	(640,855)
Expense from the assessment of investments in associates	48,916	0
Expense from the issuance of convertible bonds and stock options	315,682	251,446
Increase in receivables and other assets	1,287,069	(4,854,999)
Increase in provisions	42,783	31,100
Increase in liabilities	(1,465,780)	(308,458)
Income tax paid	(17,257,272)	(3,231,320)
Interest paid	(871)	(88,512)
Other non-cash items	3,178	0
Net cash from operating activities	3,581,208	7,906,665
Cash paid for investments in non-current assets	(1,810,191)	(1,914,138)
Cash paid for investments in associates	(705,600)	0
Interest received	1,397,787	465,737
Cash paid for investments in securities	0	(25,041,250)
Cash received from disposal of securities and from down-payment for disposal of a subsidiary	12,600,000	10,086,500
Net cash from investing activities	11,481,996	(16,403,151)
Cash paid for the repayment of debt	0	(356,531)
Cash paid for dividends	(10,397,360)	0
Cash received in common stock by exercise of stock options	2,725	0
Cash received in additional paid-in capital by exercise of stock options	111,725	0
Cash received from minorities	410,850	0
Net cash from financing activities	(9,872,060)	(356,531)
Changes in cash and cash equivalents	5,191,144	(8,853,017)
Cash and cash equivalents at the beginning of the period	37,593,782	33,945,470
Cash and cash equivalents at the end of the period	42,784,925	25,092,453

Shareholders' equity of Interhyp AG

	Common stock	Additional paid-in capital	Revaluation surplus	Net accumulated profit	Equity in regard to associates of the parent company	Share of other associates	Total
01.01.2006	6,498,350	32,528,058	0	1,231,763	40,258,171	0	40,258,171
Sum of items recorded directly in shareholders' equity			(20,580)		(20,580)		(20,580)
Group result				9,139,170	9,139,170		9,139,170
Total			(20,580)	9,139,170	9,118,590		9,118,590
Expense from the issuance of convertible bonds and stock options			251,446		251,446		251,446
30.09.2006	6,498,350	32,779,504	(20,580)	10,370,933	49,628,207	0	49,628,207
Sum of items recorded directly in shareholders' equity			17,798		17,798		17,798
Group result				4,555,332	4,555,332		4,555,332
Total			17,798	4,555,332	4,573,130		4,573,130
Expense from the issuance of convertible bonds and stock options		228,517			228,517		228,517
31.12.2006	6,498,350	33,008,021	(2,782)	14,926,265	54,429,854	0	54,429,854
Sum of items recorded directly in shareholders' equity			2,782		2,782		2,782
Group result				12,126,178	12,126,178	(60,651)	12,065,527
Total			2,782	12,126,178	12,128,960	(60,651)	12,068,309
Dividends paid				(10,397,360)	(10,397,360)		(10,397,360)
Expense from the issuance of convertible bonds and stock options		315,682			315,682		315,682
Capital paid in by exercise of stock options	2,725	111,725			114,450		114,450
Capital paid in by other associates						410,850	410,850
30.09.2007	6,501,075	33,435,428	0	16,655,083	56,591,586	350,199	56,941,784

5 **Notes to the interim consolidated financial statements**

5.1 General information

The abbreviated interim consolidated financial statements for the period from 1 January to 30 September were released for publication on 31 October 2007, by resolution of the Management Board.

The unaudited, abbreviated interim consolidated financial statements were compiled in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The provisions contained in International Accounting Standard (IAS) 34 "Interim Reporting" were applied. The interim consolidated financial statements at 30 September 2007, do not contain all the information required for interim consolidated financial statements and are, therefore, to be read in connection with the consolidated financial statements at 31 December 2006.

Changes in the group of consolidated companies

In the first quarter of 2007, the recently established company "Interhyp Service GmbH" was included in the group of consolidated companies. In the third quarter, 49.8% of the shares of the wholly owned company, which has, in the meantime, been renamed MLP Hyp GmbH, were sold to "MLP Finanzdienstleistungen AG". In the second quarter, a 25.2% holding in the associated company "iMakler GmbH" was acquired.

Accounting policies

The accounting and consolidation principles applied in the interim consolidated financial statements at 30 September 2007, are unchanged from the consolidated financial statements at 31 December 2006, with the exception of the amended and new standards and interpretations which must be applied for the first time for reporting periods beginning on or after 1 January 2007 (IFRS 7, IAS 1 Capital Disclosures, IFRIC 7 to 10). Application of the amended and new standards and interpretations which must be applied for the first time for reporting periods beginning on or after 1 January 2007, had no effect on the Group's earnings and financial position. The interim consolidated financial statements were drawn up in EUR. The income statement has been prepared in the total expenditure format.

In the period from 1 January to 30 September 2007, share of a subsidiary were sold for the first time and shares of an associated company were acquired. These transactions were governed by the following accounting and consolidation principles:

Due to the sale of 49.8% of the shares of MLP Hyp GmbH, minority holdings had to be reported for the first time. Minority holdings reflect the share of the result and net assets which are not attributed to the Group. Minority shares are reported separately in the consolidated income statement and in the consolidated balance sheet. They are classified in the consolidated balance sheet under equity, separate from the equity accounted for by shareholders of the parent company. No difference between the selling price and the minority shareholders' share of equity shown as minorities resulted from the sale of the shares of MLP Hyp GmbH.

The shares of an associated company are reported in the balance sheet according to the equity method. An associated company is a company in which the Group exercises a critical influence and which is neither a subsidiary nor a joint venture. According to the equity method, the shares of an associated company are reported in the balance sheet at acquisition cost plus changes in the Group's contribution to net assets of the associated company. The goodwill connected with an associated company is contained in the book value of the share and is not regularly written off. The income statement contains the Group's contribution to the performance of the associated company. Changes shown directly in equity of the associated company are reported in their full amount by the Group and – if applicable – reported in the consolidated statement of shareholders' equity. Profits and losses from transactions between the Group and the associated company are eliminated in proportion to the share in the associated company. The reporting date and the accounting principles for similar business transactions and events under comparable circumstances of the associated company correspond to those for the Group.

Estimates and assumptions

Preparation of the interim consolidated financial statements requires that estimates and assumptions be made that affect the amount and disclosure of reported assets and liabilities, revenues and expenses and contingent liabilities. Actual amounts may differ from these estimates.

Seasonal influences on business activity

Due to the nature of the Group's business, the Group's net assets, financial position and operating results are not subject to seasonal influences, with the exception of the increase in proceeds from super commissions over the course of the year.

5.2 Earnings per share

Per-share earnings were calculated according to IAS 33 "Earnings per share". The undiluted result per share is calculated as consolidated profit in relation to the shareholders of the parent company, divided by the average number of ordinary shares in circulation during the reporting period. To calculate the diluted earnings per share, the potential number of ordinary shares is added to the average number of shares in circulation during the reporting period.

The number of shares in circulation rose by 2,725 in the period from 1 January 2007, to 30 September 2007, through conversion of stock options from the employee stock option programme, increasing the weighted number of shares by 30. The number of potential ordinary shares was changed by the dilution effect of the employee stock option programme.

5.3 Consolidated income statement**Revenues**

Revenues comprise fees charged to contractual partners for services rendered in conjunction with normal business activities, less reductions in proceeds and cancellation charges.

Other operating expenses

Other operating expenses are shown in the table below.

Other operating expenses in EUR thousand		
	Q3 2007	Q3 2006
Marketing	2,732	1,498
Office and administrative expenses	1,280	987
External programming	124	30
Recruiting costs	160	76
Legal and professional fees	254	379
Others	682	452
Total	4,872	3,422

Net interest income

In the period from 1 January to 30 September 2007, net interest income consists mainly of interest from fixed-term deposits; in the comparable prior-year period, it consisted primarily of interest earned from deferred discounts and interest paid from Pfandbriefe (covered bonds).

Income taxes

Expenditure in respect of income tax rose due to the positive development of net income. The tax result is comprised of actual taxes in the amount of EUR 8.637 million (comparable prior-year period: EUR 5.428 million) and deferred taxes amounting to EUR 0.027 million (comparable prior-year period: EUR 1.296 million).

5.4 Balance sheet information**Investments**

Investments at 30 September of the financial year, came to EUR 1,810 thousand. This represents a decline of 5.7% compared with the previous year (EUR 1,914 thousand). In the comparable period in 2006, greater investments had been made in IT equipment. In addition, a large part of the investments went for equipment and fittings for newly opened regional offices.

Shares of associated companies

In the reporting period, EUR 706 thousand (comparable prior-year period: none) were invested in the acquisition of shares of iMakler GmbH. The share of assets came to EUR 665 thousand, while the share of liabilities amounted to EUR 7 thousand as per 30 September 2007. The share of the proceeds in the reporting period amounted to EUR 46 thousand and the share of losses to EUR 49 thousand.

Receivables from commissions

Receivables from commissions were stated at the original invoice amount less a correction factor for irrecoverable debts. The slight decrease in receivables (9.1% compared with 31 December 2006) is due to shorter repayment periods agreed with our banking partners.

Disposal group

In September 2007, Interhyp decided to sell Haselsteiner & Woldsdorf GmbH. With effect from 1 October 2007, control passed to the buyer. According to the assessment of the disposal group in compliance with IFRS 5, no expense for depreciation resulted which would have to be taken into account. The company's business purpose is asset management, it was allocated to the Direct Channel business segment.

Assets and liabilities as per 30 September 2007 were as follows:

<i>EUR</i>	
Cash and cash equivalents	965,423.17
Trade accounts receivable	38,502.97
Other assets	81,586.44
Fixed assets	3,361.50
Intangible assets	50,583.23
Assets of a disposal group	1,139,457.31
Trade accounts payable	1,397.57
Other liabilities	380,876.18
Tax liabilities	74,800.00
Debts related to a disposal group	457,073.75

Shares of other associated companies

In July 2007, the Group sold 49.8% of the shares of Interhyp Service GmbH, which, in the meantime, had been renamed MLP Hyp GmbH, to MLP Finanzdienstleistungen AG at a nominal value of EUR 12,450. As agreed, EUR 800 thousand was paid into the capital reserve of MLP Hyp GmbH in the reporting period (share of minority shareholder: EUR 398 thousand).

Treasury stock

At the Shareholders' Meeting on 1 June 2007, the company was authorised to acquire proprietary shares amounting to as much as 10% of the share capital of EUR 6,498,350.00 EUR on the day of the Shareholders' Meeting until 1 August 2008.

Other long-term provisions

Other long-term provisions contain provisions for restoration of rented offices.

Tax liabilities / tax refund claims

Tax refund claims refer to refund claims from ongoing taxes on earnings amounting to EUR 3.1 million (compared with tax debts of EUR 5.5 million at 31 December 2006).

Deferred tax claims and debts

As a result of the corporate tax reform, the tax rate applied to the Group with effect from 1 January 2008 will be reduced to approximately 33%. This new tax rate was used for the first time in the interim financial statements as per 30 September 2007, to assess temporary differences which will be reversed starting 1 January 2008.

Other provisions and other liabilities

Other provisions contain a calculated deduction for any cancellations of already-brokered loan agreements. Other liabilities contain mainly items in respect of outstanding invoices, staff sales commissions, special bonuses for sub-brokers and provisions for holidays not taken.

5.5 Cash flow statement information

In addition to liquid assets of EUR 41.8 million, cash and cash equivalents for the purpose of the cash flow statement as per 30 September 2007, contain the liquid assets of the disposal group totalling EUR 1.0 million.

Cash flow from ongoing business activities amounted to EUR 3.6 million (prior-year period: EUR 7.9 million), whereby, in particular, the increase in tax payments of EUR 17.3 million compared with the EUR 3.2 million in the comparable prior-year period must be noted.

Cash flow from investment activities (EUR 11.5 million, prior-year period: expense of EUR 16.4 million) reflects mainly repayments for maturing Pfandbriefe (covered bonds).

Cash flow from financing activities (expense of EUR 9.9 million, comparable prior-year period: expense of EUR 0.4 million) consists predominantly of dividend payments for the past financial year.

5.6 Segment reporting

The individual interim financial statement data are broken down according to business segment since the risks and the Group's return on equity are influenced by differences in the services provided. The business segments are structured and managed independently of each other, in accordance with the type of service offered. The two main business segments in the Interim Group are the Direct Channel and the Intermediary Channel.

Segment reporting in EUR

	Direct Channel 30.09.2007	Intermediary Channel 30.09.2007	Group 30.09.2007
Revenues	40,420,508	23,840,715	64,261,223
Net revenues	40,420,508	14,120,632	54,541,140
Earnings before interest and taxes	12,817,339	6,558,904	19,376,243

	Direct Channel 30.09.2006	Intermediary Channel 30.09.2006	Group 30.09.2006
Revenues	32,617,974	18,044,814	50,662,788
Net revenues	32,617,974	10,112,661	42,730,635
Earnings before interest and taxes	10,720,592	4,502,316	15,222,908

5.7 Additional information**Proprietary shares and subscription rights of board members and employees**

In the course of the IPO in 2005, an employee stock option programme was created, which was recognised as an expense according to IFRS in the period from 1 January to 30 September 2007, in the amount of EUR 72 thousand (comparable prior-year period: EUR 155 thousand).

Convertible bonds issued to employees before the IPO resulted in personnel expense according to IFRS in the amount of EUR 144 thousand from 1 January to 30 September 2006 (comparable prior-year period: EUR 96 thousand).

No options were issued in the period from 1 January to 30 September 2007, and 2,725 were converted (none for either in the comparable prior-year period).

Significant changes in risk factors

No significant changes in risk factors occurred in the period from 1 January to 30 September 2007, compared with the risks indicated in the consolidated financial statements as per 31 December 2006.

Dividends

In accordance with the resolution of the General Shareholders' Meeting on 1 June 2007, dividends valued at EUR 10.4 million or EUR 1.60 per share were paid out on 4 June 2007 (no payout in 2006).

Supervisory Board

Board member Thomas Geiger resigned with effect from 30 November 2006. In his stead, Gunther Strothe was appointed member of the Supervisory Board by an order of the court. At the Shareholders' Meeting on 1 June 2007, Gunther Strothe was elected to the Supervisory Board until the end of that Shareholders' Meeting, which formally approves the actions of the members of the Supervisory Board for fiscal 2009.

Business transactions with related parties

At 30 September 2007, Interhyp AG was obligated to MLP Hyp GmbH to deposit EUR 1,092 thousand. There were no other changes compared with 31 December 2006.

Important events after balance sheet date

With the transfer of control of the subsidiary Haselsteiner & Wolsdorf GmbH on 1 October 2007, this company left the group of consolidated companies.

6 **Contacts and financial calendar**

Imprint

Management Board

Robert Haselsteiner
Marcus Wolsdorf

Supervisory Board

Peter Mark Droste (Chairman)
Dr Roland Folz (Deputy Chairman)
Gunther Strothe

Postal address

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

Company calendar

Event	Date
Q3 Roadshow (London, Frankfurt)	12/13 November 2007
Analyst conference (German Equity Forum, Frankfurt)	14 November 2007

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