

Results of **1st Half Year 2008**



interhyp

www.interhyp.de

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Key figures (in EUR m)

	H1 2008	H1 2007	+/-
Mortgage volume	2,853	2,863	0 %
Net revenues	34.4	36.4	(6%)
Earnings before interest and taxes (EBIT)	3.6	13.9	(74 %)
Net income	2.5	8.8	(71 %)
EBIT margin in %	10.4	38.8	
Earnings per share (diluted)	0.39	1.33	(71 %)
Number of mortgage applications	85,083	85,898	(1 %)
Number of mortgages closed	18,623	19,471	(4 %)

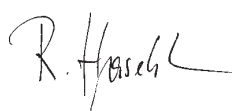
1 Preface by the Management Board

Dear Shareholders,

We are pleased to report on a successful second quarter today. With 10,441 closed mortgages, we expanded the mortgage volume brokered in the quarter just ended to a new record high of EUR 1.590 billion, outpacing the weaker first quarter by 26%. Net revenues increased over the first quarter by 25% to EUR 19.1 million. In the quarter under review, EBIT amounted to only EUR 0.1 million due to the one-time special effects from the takeover offer from ING DIRECT. Without these special effects, EBIT would have come to EUR 5.9 million, representing an EBIT margin of 31.1%.

On 19 May, ING DIRECT N.V., the direct banking unit of ING Group N.V., Amsterdam, and Interhyp AG signed an agreement for the purpose of allowing ING Direct to acquire a majority holding in Interhyp. On 20 June, ING DIRECT submitted a corresponding voluntary public offer to shareholders of Interhyp to purchase their shares at a cash price of EUR 64. The aim of the strategic link between ING DIRECT and Interhyp is to further strengthen the brokerage distribution channel for residential mortgages and together to expand this channel internationally. The Interhyp business model as a multichannel mortgage broker with an open-architecture product platform will remain unchanged, as will the company's brands and headquarters. The two founders, Co-CEOs and major shareholders of Interhyp, Robert Haselsteiner and Marcus Wolsdorf, support the offer and have already accepted the offer by ING DIRECT by tendering their combined stake of 32.3% into the offer. Following the acquisition by ING DIRECT, both founders will continue, together with Jörg Utecht, to manage the business as Co-CEOs. The period of acceptance for the offer ran until 24 July 2008. An acceptance rate of altogether 89.55% was achieved. Remaining shareholders still have the opportunity during the statutory period of extension until 13 August 2008 to accept the offer made by ING DIRECT of EUR 64 per share. The transaction will be completed in the third quarter of 2008.

In recent months, high inflation rates, sharply rising interest rates and marked uncertainty on capital markets have dampened consumer confidence and German consumers' propensity to invest. These factors continue to influence the weak picture of new construction and the purchase of property. Against this background, Interhyp succeeded in growing its market share to 3.41%, but overall, the mortgage market must still be considered disappointing. In the quarters ahead, we expect structural growth through our regional positioning in our Direct Channel business and expansion of our partners in the Prohyp Intermediary Channel. We have positioned ourselves operatively so well in both segments that we are equipped, even in a difficult market environment, to gain market share and achieve sustained growth.



Robert Haselsteiner
Co-CEO



Marcus Wolsdorf
Co-CEO



Jörg Utecht
Board Member

2 Shares

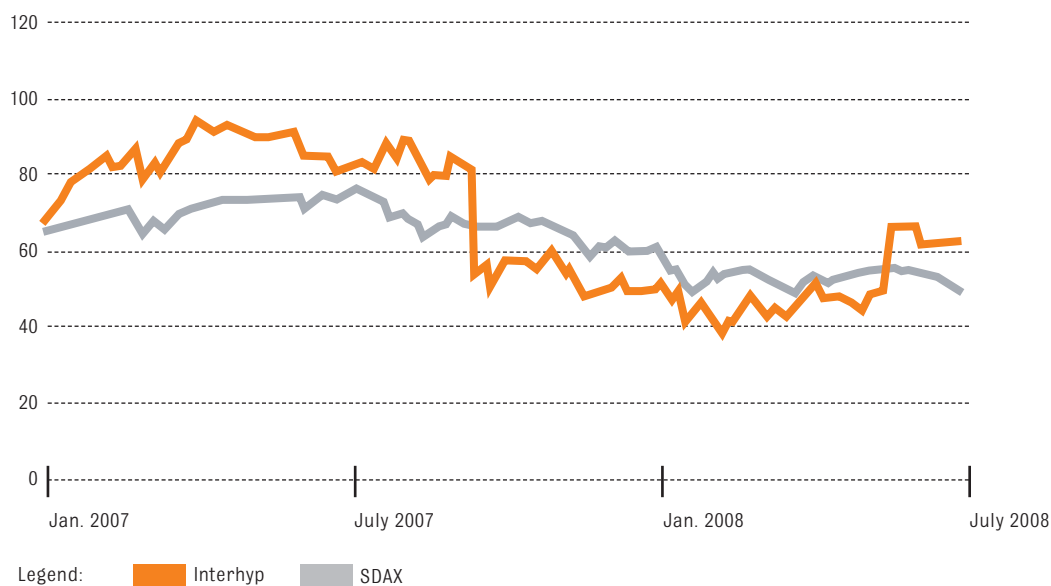
Voluntary public takeover offer from ING DIRECT

Following the announcement published on 19 May 2008 that ING DIRECT N.V., the direct banking subsidiary of the Dutch ING Group, would submit a voluntary public takeover offer to the shareholders of Interhyp AG, the share price was able to detach itself from a generally weak stock market environment and has since then hovered around the offer price of 64 EUR per share. More detailed information on the takeover offer can be found on the Internet at www.ing-angebot.de.

Compared with the Xetra closing price of 49.54 EUR in 2007, the share thus closed on 30 June 2008 at EUR 63.50, up 28 %. In the same period, the SDAX declined by 18 %. The highest price (Xetra closing price) of the Interhyp share of EUR 67.00 was achieved after the announcement of the offer and before the dividend payout on 5 June 2008. Compared with the lowest price of EUR 37.50, registered in February, the Interhyp share rose as much as 79 % in the period under review.

After the dividend payment of EUR 4.10, the share ranged almost unchanged between EUR 63 and EUR 63.50. The closing price on 30 June 2008 was EUR 63.50.

Share price performance Interhyp vs. SDAX (indexed)



Change of ownership due to takeover offer in third quarter of 2008

Through obligatory announcements, we were informed recently of lower voting right percentages of the following institutional investors: Amiral Gestion (0%), Capital Group (4.33%), Credit Suisse (2.885%), DWS (2.998%) and Universal Investment (0.29%).

Since these holdings formed part of the free float even before their reduction according to the definition of Deutschen Börse AG, the free float remains unchanged at 67.7 % in the reporting period. Through the prior tender of the shares by the two founders and Co-CEOs Marcus Wolsdorf and Robert Haselsteiner totalling 32.3% and other shareholders, the free float was reduced to 10.45% of all shares issued after conclusion of the first phase of the takeover offer at the end of July.

3 **Interim Group management report**

3.1 Major events and initiatives

Voluntary public takeover offer from ING DIRECT

On 19 May 2008, ING DIRECT N.V., the direct banking unit ING Group N.V., Amsterdam, and Interhyp AG signed an agreement for the purpose of acquiring a majority holding in Interhyp by ING DIRECT. On 20 June, ING DIRECT submitted a corresponding voluntary public offer to shareholders of Interhyp at a price of EUR 64 per share.

The aim of the strategic link between ING DIRECT and Interhyp is to further strengthen the brokerage distribution channel for residential mortgages and together to expand this channel internationally. The Interhyp business model as a multichannel mortgage broker with an open-architecture product platform will remain unchanged, as will the company's brands and headquarters.

At the chosen time of the announcement and the acceptance deadline, Interhyp shareholders, in addition to the EUR 64 per share offered, are also entitled to the dividend of EUR 4.10 per share proposed for the 2007 financial year, as approved by the Annual General Meeting of Shareholders on 4 June 2008 and paid out on 5 June 2008. The offer of EUR 64 per share represents a premium of 42% over the Xetra closing price for the Interhyp share on 16 May 2008 (taking account of the dividends to be deducted from the share price). Closing of the takeover offer was subject only to approval by the anti-trust authorities and the Dutch central bank, both of which were given on 5 June 2008 and 11 July 2008, respectively. Since the offer does not depend on achieving a minimum acceptance ratio or other conditions, all conditions for its effectiveness have thus been met.

The two founders, Co-CEOs and major shareholders of Interhyp, Robert Haselsteiner and Marcus Wolsdorf, support the bid and have already accepted the offer by ING Direct and agreed to tender their combined 32.3% stake into the offer. Following the acquisition, both founders will continue, together with Jörg Utecht, to manage the business.

The period of acceptance for the offer ran until 24 July 2008. An acceptance rate of 89.55% was achieved.

Remaining shareholders have the option during the statutory period of extension until 13 August 2008 to accept the offer made by ING DIRECT of EUR 64 per share. The transaction will be completed in the third quarter of 2008.

Jörg Utecht joined Interhyp Management Board as of 1 July 2008

As announced in February 2008, the Management Board was expanded with effect from 1 July 2008 to include Jörg Utecht (34). Utecht is responsible for Accounting, Controlling, Investor Relations, Products & Services and Legal. He will take over Financial Services and Products & Services from Marcus Wolsdorf and responsibility for Investor Relations from Robert Haselsteiner. Utecht has had extensive experience in investment banking and was employed by JP Morgan for ten years, most recently as Executive Director in the European Financial Institutions Group.

Opening of 18th regional office in Augsburg to round off the regionalisation strategy

On 1 July 2008, to round off the regionalisation strategy which we began in mid-2005, we opened our 18th Interhyp regional office. In future, customers in Augsburg can make an appointment locally with their personal mortgage consultant. We are thus reinforcing our presence in southern Germany by adding yet another location in an attractive real estate environment in which we intend to selectively expand our market share.



For the third time in a row, Interhyp ranked “Best Residential Mortgage Provider”

In July 2008, the award “Best Residential Mortgage Provider” of the business magazine Euro was – for the third time in a row – awarded to Interhyp. The test was conducted by independent test institution S.W.I Finance between May and July 2008, among 21 residential mortgage providers. The subject of the research concerned not only interest rates and products offered but also quality of advice and service.



Prohyp cooperations launched in first half of 2008

The first quarter of 2008 saw the launch of operative collaboration with our cooperation partner comdirect bank. In mid-January, the residential mortgage offer, supported by Prohyp, was launched on comdirect’s website. In addition, comdirect Private Finance can also access the eHyp software platform and thus all products of our lenders, utilising the workflow support functions in residential mortgage consulting.

After the successful test phase starting in November 2007, we forged ahead on schedule, linking offices of our cooperation partner MLP from the first quarter of 2008. The joint goal is over the course of 2008, and gradually thereafter, to offer all approximately 2,600 MLP consultants solutions for their financing projects via MLP Hyp, supported by the eHyp system and mortgage specialists. MLP Hyp reached the operative break-even point already in the first quarter.

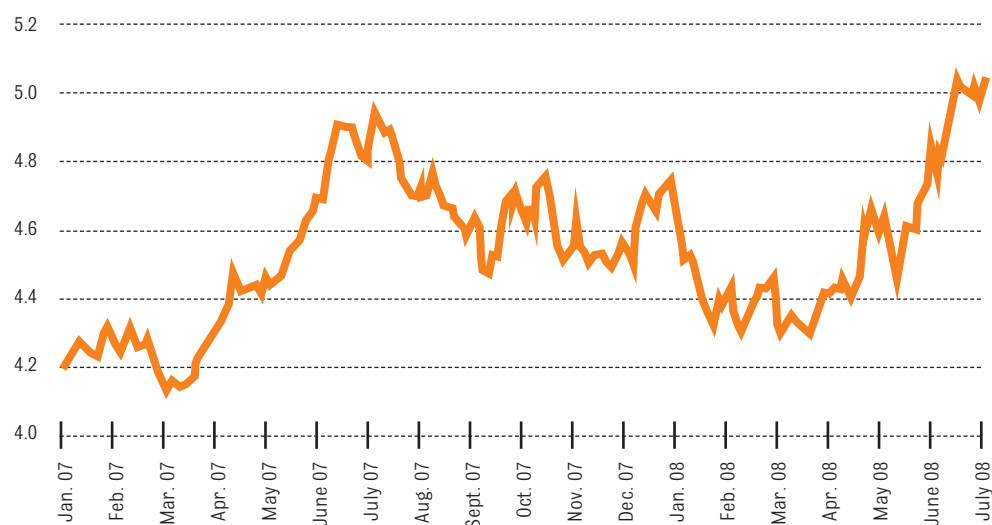
In addition, more institutional cooperation partners – CreditPlus Bank and the financial service provider tecis – were won in the reporting period.

3.2 General economic conditions

Economic development

The second quarter was dominated by two themes: on the one hand, a strong loss of confidence in financial markets with negative effects on consumer behaviour and the economy in the U.S. and large parts of Europe, and on the other, a rapid increase in inflation in nearly all markets around the world. This already describes the dilemma for central banks whose task is to adapt their interest policies correctly in response to a slowing economy with rising inflation. While the Federal Reserve lowered key interest rates to 2.0% in May, and thus focused its policy on stabilising the American banking system and consumer demand, inflation rates of currently 5.0% have triggered a rethinking process and various sides are calling for higher interest rates. So far, the European Central Bank has pursued its core task of maintaining price stability very consistently and convincingly. In July, it proved to market participants that it is prepared to take action in the fight against inflation by raising key interest rates, initially to 4.25%. Inflation of 4.0% is much too high for the euro zone and producer prices, which recently rose by 6.7% and high wage demands in Germany demonstrate how great the danger of second-round effects is. In the wake of these developments, short-term interest rates in the euro zone in the second quarter climbed by almost an entire percentage point and 10-year capital market interest rates rose by 60 base points to approximately 5.0%. As a result, mortgage rates over all maturities have become more expensive by between 50 and 60 basis points. The yield curve has become slightly inverse and thus implies that the high inflation rates are only a temporary phenomenon. However, we expect that the upsurge in prices will persist in the second half of the year and therefore interest rates for long maturities are too low. Further upward pressure on mortgage rates is thus likely.

10-year Pfandbrief yields in %



Sector development

According to Bundesbank statistics, the new business volume of residential mortgages in Germany rose in the second quarter to EUR 46.6 billion compared with EUR 40.9 billion in the first quarter of 2008. While this represents an increase of 14 % over the very weak overall market in the first quarter, the figure is nevertheless 3 % below last year's level. This picture has also been confirmed by our market analysis of real estate transactions in 11 large German cities. Transaction figures here in the second quarter are approximately 13 % higher than those for the previous quarter. Both figures seem to reflect the fact that the first quarter, with Easter falling in March this year, had fewer workdays and thus appeared weaker. Building permits which are available so far only up to April suggest stabilization at a historically low level in 2008. Cumulated figures for January to April 2008 are only 1 % below the figure for 2007. However, due to interest rates which have risen sharply since March, combined with a simultaneous slowing of the economy, sentiment in private households with regard to purchasing property will likely remain subdued.

3.3 Company development**Development of revenues****At EUR 1.59 billion, mortgage volume reaches new high**

In the quarter just ended, a mortgage volume of EUR 1.590 billion was achieved, representing an increase of 4 % over the prior-year quarter (EUR 1.524 billion). This constitutes an increase of 26 % over the first quarter of 2008, which, with a volume of EUR 1.263 billion, suffered from weak demand in December 2007.

Closed mortgage volume (in EUR m)

H1 2007	2,863
H1 2008	2,853

Revenues declined slightly due to higher Prohyp share

In the second quarter of 2008, Interhyp AG only succeeded in slightly raising revenues compared with the comparable prior-year period (EUR 23.8 million as opposed to EUR 23.7 million). If the two half-year periods are compared, a slight decline of 2 % can be seen. At EUR 42.3 million, revenues in the first half of 2008 were slightly below the level of EUR 42.9 million in the comparable prior-year period since the year got off to a weak start.

Net revenues, meaning revenues after deduction of commissions to brokers, showed a somewhat weaker margin than in the same period in the previous year: at EUR 19.1 million, this indicator was 4 % below the EUR 20.0 million of the second quarter of 2007. Compared with the preceding quarter (EUR 15.3 million), net revenues nevertheless increased by 25 %. Interhyp AG thus generated EUR 34.3 million in the reporting period because of this and influenced by a weak January generated around EUR 2 million or 6 % less than in the first half of 2007 (EUR 36.4 million).

Net revenues (in EUR m)

H1 2007	36.4
H1 2008	34.4

Over 10,000 mortgages closed in the second quarter 2008

In the second quarter of 2008, Interhyp once again closed over 10,000 mortgages despite the difficult market (10,441 contracts; previous year: 10,289 mortgages). With growth of 1%, the number of mortgages brokered compared with the second quarter of 2007 was virtually unchanged. However, compared with the first quarter of 2008, this constitutes an increase of 28%. In the first half of 2008, 18,623 mortgages were successfully closed. This corresponds to a decline of 4% compared with the first half of 2007 (19,471 mortgages).

Interhyp could expand its market share to 3.41% after 3.17% in the previous year. This demonstrates our strong competitive position and our customers' continued strong appreciation of Interhyp's service.

Mortgage volume in the Intermediary Channel up 39% over previous year

In the Direct Channel the number of mortgages (5,436) was 16% lower than in the previous year (6,508). The volume contracted from EUR 983 million to EUR 840 million due to an environment marked by fears of inflation and recession.

In the quarter just ended, the Intermediary Channel again contributed strongly to growth: mortgages closed under the Prohyp brand rose by 32%. The number of mortgages closed rose from 3,781 to 5,005, boosted in particular by stronger business with institutional cooperation partners. Prohyp's contribution in terms of volume thus rose 39% from EUR 541 million in the second quarter of 2007, to the present EUR 751 million. Compared with the first quarter, Prohyp succeeded in increasing volume by as much as 46%.

Net revenue margin stable despite changed proportions of business segments

In the second quarter of 2008, Interhyp reported a net revenue margin of 1.19% compared with the volume of closed mortgages. The level of 1.18% in the previous quarter was thus confirmed, but the seasonal trend in super commissions was practically offset by the larger share of the Intermediary Channel (where margins are traditionally weaker). This also underscores a stable underlying transaction margin.

Altogether the net revenue margin in the Direct Channel, at 1.42% in the second quarter, was slightly higher than the 1.41% in the first quarter. In the Prohyp Intermediary Channel, it rose from 0.85% to 0.93% in the same period.

One reason for this development of the overall margin is the distinctly larger share of the Intermediary Channel under the Prohyp brand compared with the previous year. This share rose from 25.3% of net revenues to 34.7%.

Development of earnings

Earnings before tax and interest strained by one-off effects

In the quarter just ended, earnings before tax and interest (EBIT) amounted to EUR 65, thousand (second quarter 2007: EUR 7.8 million). This reflects the one-off effect on the cost side by the takeover offer of ING DIRECT. If this special effect is added pro forma to EBIT, earnings for the second quarter of 2008 amount to EUR 5.9 million (previous year: EUR 7.8 million). Earnings were impacted by the weak first quarter and the higher cost basis.

A comparison of the half-year periods thus accordingly shows a decline of 74% to EUR 3.6 million (after EUR 13.9 million in the first six months of 2007). Without this special effect, an EBIT of EUR 9.4 million would have been generated in the first half of 2008.

EBIT (in EUR m)	
H1 2007	13.9
H1 2008	3.6

Pro forma EBIT margin recovers after weak start into the year and is again over 30 %

In the second quarter of 2008, the EBIT margin related to net revenues disregarding special effects, came to 31.1% (with special effects: 0.3%). This works out to a margin of pro forma 27.5% for the first six months. With special effects, it comes to 10.4%. The weak start in 2008, with an EBIT margin of 22.9% in the first quarter of 2008, likewise has a negative influence on the pro forma analysis. A higher cost basis (in particular regional offices and personnel) also strained profitability.

EBIT margin based on net revenues (in %)	
H1 2007	38.3
H1 2008	10.4

Net income suffers from special effect of takeover offer

Net income after third-party holdings for the second quarter of 2008 would have come to EUR 4.1 million without the special effect (comparable prior-year period: EUR 4.9 million). However, if the one-off effects of the takeover offer are included in net income, there is a slight loss of EUR 5 thousand. Third-party holdings accounted for EUR 307 thousand in the period under review.

A comparison of the half-year periods shows a decline of 71% to EUR 2.5 million with special effects, as opposed to the first half of 2007 (EUR 8.8 million). Without special effects, net income after third-party holdings would have been EUR 6.6 million.

Net income (in EUR m)	
H1 2007	8.8
H1 2008	2.5

Tax rate would have been in expected range without special effects

In the second quarter, the tax rate amounted to 59% on the low pre-tax earnings. Without special effects from the takeover offer, the tax rate would have been approximately 33.1% (prior-year quarter: 41.0%).

Financial and assets position

In the first half of 2008, net assets of Interhyp AG remained marked by a very solid financial basis (EUR 32.3 million cash and cash equivalents at 30 June 2008). Due to the dividend payout at the beginning of June (EUR 26.7 million), total assets contracted to EUR 55.3 million at 30 June 2008. Total assets at year-end amounted to EUR 74.9 million.

Mainly due to lower current income taxes (in connection with the non-recurring effect), higher assets and liabilities, the cash flow from ongoing business activities, amounting to EUR 9.6 million in the first six months of 2008, rose substantially compared with the first half of 2007 (EUR 5.9 million).

Cash flow from investment activities, at EUR 399 thousand in the first half of 2008, was relatively low compared with the EUR 10.2 million in the previous year. Whereas payments from maturing securities accounted for most of the cash flow in the comparable prior-year period, investments in non-current assets (EUR 482 thousand after EUR 1.1 million in the comparable prior-year period) and interest received from cash and cash equivalents (EUR 983 thousand after EUR 953 thousand) were the most important factors.

Cash flow from financing activities in the first half of 2008 came to an expense of EUR 26.6 million, resulting almost exclusively from payment of dividends for the 2007 financial year (EUR 4.10 per share). In the preceding year, it consisted exclusively of dividend payments for the 2006 financial year (EUR 1.60 per share) totalling an expense of EUR 10.4 million.

The free cash flow came to EUR 10.0 million compared to EUR 16.1 million in the first six months of 2007. In the previous year the free cash flow came from the acquisition of securities and their repayment at maturity. This was not the case in the reporting period.

At 30 June 2008, cash and cash equivalents totalled EUR 32.3 million, while at the beginning of the period under review they came to EUR 49.0 million – again strongly influenced by the dividend payout for the 2007 financial year.

Employees

Since 30 June 2007, core personnel grew by 48 employees, from 427 to a total of 476 permanent employees, making an increase of 11%. We continued to focus on recruiting junior staff and experienced mortgage consultants.

In the first half of 2008, Interhyp employed an average staff 473. The comparable figure averaged 416 in the same prior-year period.

3.4 Forecast report

Business prospects for 2008

While in terms of resources and positioning in the market, Interhyp is well equipped to handle strong growth, demand in the market generally remains weak due to consumers' concern over inflation and recession, accompanied by historically low new construction activity and fewer transactions involving existing property. In this environment, we expect further growth of the key indicators mortgage volume and net revenues through greater market share. Earnings before interest and taxes (EBIT) will, nevertheless, be presumably lower than in the previous year because of special effects due to the takeover by ING DIRECT, and possible investment programmes in connection with the internationalisation of our business model.

3.5 Supplementary report

Completion of ING DIRECT's takeover offer expected in third quarter of 2008

ING DIRECT plans to conclude the takeover offer for Interhyp in the third quarter of 2008. Conditions for implementation were met as of 11 July 2008. The rate of acceptance by Interhyp shareholders on 24 July 2008, the end of the acceptance period, was 89.55%. The shareholders will have an opportunity during the 14-day statutory extension period until 13 August 2008 to accept the offer of EUR 64 per share. Upon completion of the takeover, ING plans to re-staff Interhyp's Supervisory Board. The current Supervisory Board has already indicated its consent in this context.

3.6 Opportunities and risks

The opportunities and risks indicated in our Annual Report for 2007 remain unchanged. The Annual Report was published on 27 March 2008 and can be downloaded from the Internet at <http://www.interhyp.ag>. Printed copies can be obtained through the free order service provided there.

3.7 Other information

Significant transactions with related parties

There were no significant transactions with related parties in the reporting period. As indicated in the notes to the consolidated financial statements, ING DIRECT N.V. meets the requirements of a related party through the takeover offer so all transactions with ING DIRECT N.V. and its subsidiaries will be presented accordingly in future.

4 Interim consolidated financial statements

Consolidated income statement of Interhyp AG as at 30 June 2008 in EUR

	Q2 2008	Q2 2007	+/-	01.01– 30.06.2008	01.01– 30.06.2007	+/-
Revenues	23,786,508	23,703,888	0 %	42,275,769	42,936,939	(2 %)
Cost of services purchased	4,642,993	3,696,450	26 %	7,869,827	6,512,902	21 %
Net revenues	19,143,516	20,007,438	(4 %)	34,405,942	36,424,037	(6 %)
Personnel expenses	8,197,982	7,425,882	10 %	14,706,729	13,648,479	8 %
thereof sales and sales-related	6,459,008	6,204,399	4 %	11,939,193	11,546,923	3 %
Other operating expenses	10,391,281	4,334,642	140 %	15,163,651	8,045,146	88 %
thereof marketing	2,438,667	2,107,477	16 %	4,515,086	3,803,645	19 %
Amortisation and depreciation	489,288	422,906	16 %	970,310	790,808	23 %
Earnings before interest and taxes (EBIT)	64,965	7,824,008	(99 %)	3,565,252	13,939,604	(74 %)
Share of results from investments in associates	(38,205)	(12,646)	202 %	(105,991)	(12,646)	738 %
Interest income	518,680	483,997	7 %	1,069,837	962,471	11 %
Interest expense	2,177	418	421 %	5,285	3,056	73 %
Net interest income	516,504	483,579	7 %	1,064,552	959,415	11 %
Net income before income taxes (EBT)	543,264	8,294,941	(93 %)	4,523,814	14,886,373	(70 %)
Income taxes	(320,737)	(3,399,058)	(91 %)	(1,685,765)	(6,129,014)	(72 %)
Net income	222,527	4,895,883	(95 %)	2,838,049	8,757,359	(68 %)
share of third-party associates	227,554	0		307,104	0	
Net income in regard to associates of the corporation	(5,026)	4,895,883	(100 %)	2,530,945	8,757,359	(71 %)
Earnings per share IAS 33				01.01– 30.06.2008	01.01– 30.06.2007	
Net income in regard to associates of the corporation				2,530,945	8,757,359	
Weighted average of shares outstanding				6,502,991	6,498,350	
Earnings per share (undiluted)				0.39	1.35	
Weighted average of potential shares, adjusted for dilution effects				6,533,168	6,561,732	
Earnings per share (diluted)				0.39	1.33	

Consolidated balance sheet of Interhyp AG as at 30 June 2008

Assets	as at 30.06.2008	as at 31.12.2007
Non-current assets		
Intangible assets	563,364	674,359
Fixed assets	3,048,718	3,426,274
Receivables from commissions	356,396	463,392
Other assets	574,483	567,044
Deferred tax assets	165,744	265,069
Investments in associates	547,906	551,964
	5,256,610	5,948,102
Current assets		
Receivables from commissions	13,783,561	18,843,915
Other assets	1,519,748	976,891
Securities	2,492,736	206,577
Cash and cash equivalents	32,272,768	48,963,312
	50,068,813	68,990,695
Total assets	55,325,424	74,938,797
 Equity and liabilities		
	as at 30.06.2008	as at 31.12.2007
Shareholders' equity		
Common stock	6,503,900	6,501,250
Additional paid-in capital	28,993,623	28,527,043
Net accumulated profit	3,450,419	27,574,600
Equity in regard to associates of the corporation	38,947,942	62,602,893
Share of third-party associates	1,735,750	1,428,646
	40,683,692	64,031,539
Long-term liabilities and provisions		
Other provisions	201,787	197,426
Non-current financial liabilities	700	800
Deferred tax liabilities	54,448	56,709
Other liabilities	231,068	317,909
	488,003	572,844
Short-term liabilities and provisions		
Trade accounts payable	8,415,388	2,553,692
Other provisions	140,400	149,600
Tax liabilities	51,384	539,398
Other liabilities	5,546,556	7,091,724
	14,153,729	10,334,414
Total equity and liabilities	55,325,424	74,938,797

Consolidated cash flow statement of Interhyp AG

	01.01–30.06.2008	01.01–30.06.2007
Consolidated net income in regard to associates of the corporation	2,530,945	8,757,359
Share of results of third-party associates	307,104	0
Income tax	(1,685,765)	(6,129,014)
Earnings before income tax	4,523,814	14,886,373
Adjustments:		
Amortisation and depreciation of non-current assets	970,310	790,808
Net interest income	(1,064,552)	(959,415)
Share of the result of investments in associates	105,991	12,646
Expense from the issuance of convertible bonds and stock options	462,830	210,455
Increase in receivables and other assets	4,693,083	419,270
Increase in provisions	(4,839)	34,085
Increase in liabilities	4,229,687	(1,909,510)
Income tax paid	(4,351,703)	(7,554,557)
Interest paid	(5,285)	(873)
Other non-cash items	0	4,476
Net cash from operating activities	9,559,334	5,933,758
Cash paid for investments in non-current assets	(481,758)	(1,076,505)
Cash paid for investments in associates	(101,932)	(705,600)
Interest received	982,637	952,954
Cash received from disposal of securities	0	11,000,000
Net cash from investing activities	398,947	10,170,849
Cash paid for dividends	(26,655,125)	(10,397,360)
Cash recorded as common stock by the exercise of stock options	150	0
Additional paid-in capital by the exercise of stock options	6,150	0
Net cash from financing activities	(26,648,825)	(10,397,360)
Changes in cash and cash equivalents	(16,690,544)	5,707,247
Cash and cash equivalents at the beginning of the period	48,963,312	37,593,782
Cash and cash equivalents at the end of the period	32,272,768	43,301,029

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
01.01.2007	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				8,757,359	8,757,359		8,757,359
Total	0	0	2,782	8,757,359	8,760,141	0	8,760,141
Dividends				(10,397,360)	(10,397,360)		(10,397,360)
Expense from the issuance of convertible bonds and stock options		210,455			210,455		210,455
30.06.2007	6,498,350	33,218,476	0	13,286,263	53,003,089	0	53,003,089
Group result				9,315,827	9,315,827	(65,354)	9,250,473
Total	0	0	0	9,315,827	9,315,827	(65,354)	9,250,473
Expense from the issuance of convertible bonds and stock options		162,177			162,177		162,177
Capital paid in by exercise of stock options	2,900	118,900			121,800		121,800
Capital paid in by third-party associates						1,494,000	1,494,000
Withdrawal from additional paid-in capital		(4,972,510)		4,972,510			
31.12.2007	6,501,250	28,527,043	0	27,574,600	62,602,893	1,428,646	64,031,539
Group result				2,530,945	2,530,945	307,104	2,838,049
Total	0	0	0	2,530,945	2,530,945	307,104	2,838,049
Dividends				(26,655,125)	(26,655,125)		(26,655,125)
Expense from the issuance of convertible bonds and stock options		462,830			462,830		462,830
Exercise of convertible bonds	2,500	(2,400)			100		100
Exercise of stock options	150	6,150			6,300		6,300
30.06.2008	6,503,900	28,993,623	0	3,450,419	38,947,942	1,735,750	40,683,692

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

5.1 General information

The abridged consolidated interim financial statements for the period from 1 January to 30 June 2008 were released for publication on 1 August 2008, by resolution of the Management Board.

General information

The abridged consolidated interim financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The provisions of the International Accounting Standard (IAS) 34 "Interim Reporting" were applied. The consolidated interim financial statements at 30 June 2008, are to be read in connection with the consolidated financial statements at 31 December 2007.

Accounting policies

The accounting policies contained in the consolidated interim financial statements at 30 June 2008, and the consolidation principles, have remained unchanged from the consolidated financial statements at 31 December 2007, with the exception of amended and new standards and interpretations which must be applied for the first time for reporting periods beginning on or after 1 January 2008. Application of amended and new standards and interpretations which must be applied for the first time for reporting periods beginning on or after 1 January 2008 had no impact on the Group's earnings and financial position. The consolidated interim financial statements have been compiled in Euro. The income statement has been prepared according to the total expenditure format.

New accounting standards

The first-time application of IFRIC 11, 12 and 14 in 2008 had no effect on the consolidated interim financial statements due to the lack of underlying transactions. The Group did not make early use of the following standards and IFRIC interpretations which were issued effective 1 January 2008 but have not yet come into force. Application of the revised IFRS 3 and the amended IAS 27 – Reporting corporate acquisitions and transactions with non-controlling interests, IFRS 2 – Exercise conditions and cancellations, IAS 32 and IAS 1 – Redeemable financial instruments, IFRS 1 and IAS 27 – Acquisition costs of shares of subsidiaries, jointly managed companies and associated company – and the standard on amending current IFRS and IFRIC agreements for the construction of real estate and IFRIC 16 – hedging a net investment in a foreign business operation, will, in all probability, not have any major impact on the Group's net assets, financial position and operating results.

Consolidated companies

There were no changes in the group of consolidated companies in the first half of 2008.

Estimates and assumptions

Preparation of the consolidated interim 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. Compared to 31 December 2007, no changes have occurred, with the exception of of the following new estimate of the vesting schedule for employee stock option programmes.

According to the terms of the employee stock option programme, waiting times will be shorter if a control change in the meaning of the Securities Acquisition Takeover Act (WpÜG) (30 % of the voting rights) occurs. This condition must be considered in calculating the estimated vesting schedules. Due to the takeover offer announced by ING DIRECT N.V., Hoofddorp/Netherlands, on 20 July 2008, the vesting schedules were re-estimated. Attention is called to the effects of this revised estimate under the remarks under 5.7 Further disclosures.

Seasonal influences on business activity

Due to the nature of the Group's business activities, the Group's net assets, financial position and operating results are not subject to seasonal influences with the exception of the rise in proceeds from special commissions in the course of the year, upon achievement of pre-defined mortgage volumes.

5.2 Earnings per share

Earnings per share were calculated according to IAS 33 – Earnings per share. Undiluted earnings per share are calculated on the basis of the Group earnings in relation to shareholders of the parent company, divided by the average number of outstanding ordinary shares in the period under review. In order to calculate diluted earnings per share, the number of shares must be increased by the potential number of ordinary shares.

The number of shares in circulation rose by 2,500 in the period from 1 January 2008 to 30 June 2008, due to the conversion of convertible bonds and through the exercise of stock options by 150 shares. As a result, the weighted average of the number of shares in circulation increased pro rata temporis.

The number of potential ordinary shares changed due to the dilution effect of the employee stock option programme and the conversion of convertible bonds.

5.3 Consolidated income statement**Revenues**

Revenues comprise fees charged to contractual partners for services rendered in conjunction with normal business activity, less discounts, allowance and cancellation charges.

Other operating expenses

Other operating expenses are shown in the table below.

Other operating expenses in thousands of EUR

	Q2 2008	Q2 2007	01.01.– 30.06.2008	01.01.– 30.06.2007
Marketing	2,439	2,107	4,515	3,804
Office and administrative expenses	1,417	1,221	2,743	2,295
External programming	174	104	329	212
Staff hiring costs	110	270	370	385
Legal and professional fees	5,418	120	5,600	424
Other	833	513	1,607	925
Total	10,391	4,335	15,164	8,045

Legal and professional fees rose, in particular, because of expense for consulting in connection with the takeover by ING DIRECT regarding corporate strategy and the Company's reorientation.

Net interest income

Net interest income in the first half of the year was comprised mainly of interest from term deposits.

Income tax

Income tax expense declined due to the annual tax law for 2008 and lower pre-tax earnings. Of the total, EUR 1,589 thousand consisted of actual taxes (comparable prior-year period: EUR 6,080 thousand) and EUR 97 thousand of deferred taxes (comparable prior-year period EUR 49 thousand).

The Group tax rate rose disproportionately due to the low pre-tax result, permanent differences from personnel expenses from employee stock option programmes, and convertible bonds.

5.4 Consolidated balance sheet

Capital expenditure

Investments in non-current assets amounted to EUR 482 thousand in the first half of this fiscal year. This corresponds to a decline of 55.3% compared with the comparable prior-year period (EUR 1,077 thousand) As before, a large part of the investments were concentrated on property, plant and equipment and IT facilities for regional offices soon to be opened.

Investments in associated companies

In the reporting period, investments in associated companies declined by EUR 4 thousand to EUR 548 thousand compared with 31 December 2007. This is due to two capital injections totalling EUR 102 thousand (previous year: EUR 0 thousand) which were made into iMakler GmbH and the corresponding result of an expense of EUR 106 thousand (comparable prior-year period: expense of EUR 13 thousand). At 30 June 2008, the share of assets amounted to EUR 570 thousand and the share of liabilities to EUR 22 thousand.

Receivables from commission

Receivables from commission are stated at the original invoice amount less a correction for irrecoverable debts. The decrease compared with 31 December 2007 is mainly due to the payment of annual volume rebates on the part of our partners on the lender panel.

Shares of other shareholders

The share of the minority shareholder MLP Finanzdienstleistungen AG in the profit of the consolidated company MLP Hyp GmbH totalled EUR 307 thousand in the first half of the year (previous year: 0).

Treasury shares

On 4 June 2008, the Company was authorised by the Annual General Meeting of Shareholders to acquire its own shares up to a total of 10% of the capital stock of EUR 6,503,800.00 on the day of the Annual General Meeting of Shareholders until 4 December 2009.

Other long-term provisions

Other long-term provisions contain unchanged provisions for restoration costs for rented office premises.

Tax liabilities/assets

Tax refund claims refer to claims from current income tax amounting to EUR 2,493 thousand (compared with EUR 207 thousand at 31 December 2007) as well as tax liabilities of EUR 51 thousand (compared with EUR 539 thousand at 31 December 2007).

Trade accounts payable

Trade accounts payable rose, in particular, due to consulting services in connection with the takeover by ING DIRECT.

Other provisions and other liabilities

Other provisions contain a calculated discount for any cancellations of loan agreements already brokered.

Other liabilities contain mostly items for outstanding invoices, sales commission for employees, special bonuses for sub-brokers and amounts for unused holiday entitlement.

5.5 Consolidated cash flow statement

Net cash from ongoing business activities came to EUR 9,559 thousand (comparable prior-year period: EUR 5,934 thousand).

Cash flow from investment activities (EUR 399 thousand, comparable prior-year period: EUR 10,171 thousand) consists, in particular, of dividend payouts from the previous financial year. Cash flow from financing activities (expense of EUR 26,649 thousand; prior-year period: expense of EUR 10,397 thousand) consists of dividend payments for the past financial year.

5.6 Segment reporting

Financial statement data are broken down according to business segment since the risks and return on equity of the Group are influenced by differences in services. The business segments are organised and managed independently from each other according to the nature of services offered. The two main business segments of the Interhyp Group are the Direct Channel and the Intermediary Channel.

Segment reporting in thousands of EUR

	Direct Channel 01.01– 30.06.2008	Intermediary Channel 01.01– 30.06.2008	Unclassifiable 01.01– 30.06.2008	Group 01.01– 30.06.2008
External revenues	22,451	19,825	0	42,276
Net revenues	22,451	11,955	0	34,406
Operating results	5,033	3,676	(5,144)	3,565

	Direct Channel 01.01– 30.06.2007	Intermediary Channel 01.01– 30.06.2007	Unclassifiable 01.01– 30.06.2007	Group 01.01– 30.06.2007
External revenues	27,205	15,732	0	42,937
Net revenues	27,205	9,219	0	36,424
Operating results	9,420	4,520	0	13,940

5.7 Further disclosures

Treasury shares and subscription rights of members of executive boards and employees

Expenses according to IFRS from 1 January to 30 June 28 accrued from employee stock option programmes in the amount of EUR 402 thousand (comparable prior-year period: EUR 115 thousand). According to the terms of the employee stock option programmes, the waiting period is shortened in the event of a change of control in the meaning of the German Securities Acquisition and Takeover Act (WpÜG) (30% of the voting rights). Due to the takeover act announced on 20 June 2008, and the resulting revised estimate of vesting schedules, the originally calculated cash value determined at the time of reception is now recorded in the income statements through the shortened waiting times.

The issue of convertible bonds to employees prior to the IPO resulted, from 1 January to 30 June 2008, in personnel expense according to IFRS of EUR 60 thousand (comparable prior-year period: EUR 96 thousand).

In the period from 1 January to 30 June 2008, no options were issued and 150 stock options were exercised (comparable prior-year figures: none).

In the first half of 2008, 50 convertible bonds were converted into 2,500 shares of the Company (comparable prior-year period: none).

Major changes in risks

No major changes in risks occurred in the period from 1 January to 30 June 2008, compared with the risks described in the consolidated financial statements at 31 December 2007.

Dividends

In accordance with the resolution of the Annual General Meeting of Shareholders on 4 June 2008, dividends for 2007 amounting to EUR 26,655 thousand (EUR 4.10 per share) were paid (previous year: EUR 10,397 thousand; EUR 1.60 per share).

Supervisory Board

There were no changes in the composition of the Supervisory Board in the period under review.

Transactions with related parties

No transactions were performed in the first half of the year with the associated company iMakler GmbH with the exception of the capital injections. We also call attention to the following explanations for events after the balance sheet date.

Significant events after the balance sheet date

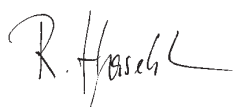
On 20 June 2008, ING DIRECT N.V., Hoofddorp/Netherlands, launched a takeover offer of EUR 64 per share to shareholders of Interhyp AG. On 24 July 2008, the acceptance period for the takeover offer ended with an acceptance rate of 89.55%. The regulatory approval by the Dutch central bank was received on 11 July 2008. ING DIRECT N.V. thus has fulfilled the prerequisites of a related party. All transactions with ING DIRECT N.V. and its subsidiary are thus to be presented as transactions with related parties.

6 **Responsibility statement**


Statement by the Company's legal representatives in compliance with Section 37y of the German Securities Trading Act (WpHG) in connection with Section 37w, Para. 2, No. 3 WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Munich, 1 August 2008



Robert Haselsteiner
Co-CEO



Marcus Wolsdorf
Co-CEO



Jörg Utecht
Board Member

7 **Auditors' report**

To Interhyp AG, Munich

We have reviewed the abridged consolidated interim financial statements – comprising the consolidated income statement, the consolidated balance sheet, shareholders' equity and selected explanatory Notes to the consolidated financial statements – and the Group management report of Interhyp AG, Munich, for the period from 1 January 2008 to 30 June 2008, the parts of the half-year financial report according to Sec. 37w, German Securities Trading Act (WpHG). Preparation of the abridged consolidated interim financial statements according to IFRS for interim reporting, as adopted by the EU, and the interim Group management report according to the requirements of the German Securities Trading Act (WpHG) is the responsibility of the legal representatives of the Company. It is our responsibility to express an opinion on the abridged consolidated interim financial statements and the interim Group management report on the basis of our review.

We conducted our review of the abridged consolidated interim financial statements and the interim Group management report in accordance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the review such that we can exclude that the consolidated interim financial statements have not been prepared in compliance with the IFRS for interim reporting as adopted in the EU, and that the applicable provisions of the German Securities Trading Act (WpHG) for consolidated interim management reports have not been applied. The review is primarily restricted to questioning employees of the Company and analytical procedures and, therefore, does not provide the assurance for an affirmative audit opinion obtainable from an audit of financial statements. Since we were not instructed to perform an audit, we cannot issue an auditor's report.

In our opinion, based on the findings of our review, nothing has come to light which would lead us to assume that the abridged consolidated interim financial statements do not comply, by and large, with the IFRS for interim reporting adopted by the EU or that the consolidated interim management report was not, by and large, prepared in compliance with the provisions of the German Securities Trading Act (WpHG) applicable to interim group management reports.

Munich, 1 August 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Broschulat
Auditor

Schmitt
Auditor

8 **Contacts and financial calendar**

Imprint

Management Board

Robert Haselsteiner
Marcus Wolsdorf
Jörg Utecht

Supervisory Board

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

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Germany

Company calendar

Event	Date
Results of third quarter 2008	10 Nov 2008
Analyst conference (German Equity Forum)	12 Nov 2008

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