Results of **1st Half year 2010**

interhyp
Baufinanzierung

Summary

Key figures

	1st half of 2010	1st half of 2009
in EUR m		
Mortgage volume	3,021	2,453
in EUR thousand		
Net revenues	32,530	27,657
Earnings before interest and taxes	4,122	989
Net income	2,998	944
Earnings per share (diluted)	0.39	0.12

Preface

Dear Shareholders,

In the second quarter of 2010, Interhyp brokered 10,754 mortgages with a total volume of EUR 1,681 billion. This volume represents a 26 % increase over the comparable prior-year figure, setting a new record. This enables us to report a continuation of the dynamic development of the first quarter. We continue to profit from strong customer demand and a significant expansion of our placement opportunities. Even though many lenders on our platform have set more defensive terms and prices than before the beginning of the financial crisis, we have won numerous new partners for cooperation and thus complemented our platform by the addition of more regional and local institutions. The number of partners on the Interhyp platform has now risen to well over 250.

Net revenues rose 31.6 % over the prior-year quarter to EUR 18.9 million. Earnings before interest and taxes (EBIT) rose notably to EUR 3.9 million.

The results for the second quarter confirm our estimate that in the current market phase there are clear opportunities to leverage our position as the largest mortgage broker to our long-term advantage. We have therefore consistently expanded our capabilities in Direct Channel business and in our Prohyp Intermediary channel business in the second quarter as well. We will pursue this course in the rest of 2010.

Yours sincerely,

Michiel Goris
Board Member

Robert Haselsteiner
Co-CEO

Miriam Mohr
Board Member

Benjamin Papo
Board Member

Jörg Utecht
Board Member

Marcus Wolsdorf
Co-CEO

Interim Group management report

General economic conditions

Economic development
The second quarter was marked by mixed signals on the economy and sharp movements on foreign exchange markets. While Asia and the emerging markets continued to display strong growth from which export nations like Germany and Japan are profiting, the economies in the US, in eastern Europe and some southern European countries are flagging. This makes it clear that the Fed and the ECB will not have any margin for raising key interest rates for quite some time. Demand for US government bonds and German Bunds as safe havens has therefore driven yields for fixed long-term interest rates to record lows and thus also heightened the appeal of conditions for made conditions for mortgages. The euro's free fall against practically all currencies has stopped against the background of the now very big question about the development of the US economy and the currency; after an interim low of 1.18, the euro is now trading at around 1.30 against the US dollar. This also suggests that market players have developed some confidence in the effectiveness of the EU bailout package. However, for the next quarters, the critical question remains as to whether large parts of the global economy are heading for deflation or whether the enormous liquidity injections of the central banks will find their way into inflation figures as asset prices rise. Under these conditions, rising risk premiums and thus higher interest rates at the long end of the market appear likely in 2011 at the latest.

Company development

Volume of closed mortgages increased by 26 % and number of closed mortgages by 15% over comparable prior-year period
In the second quarter of 2010 the Interhyp group closed 10,754 mortgages (previous year: 9,378 mortgages). This represents an increase of 15 %.

The volume of closed mortgages rose in the same period by as much as 26 %. Accordingly a mortgage volume of EUR 1.7 billion (previous year: EUR 1.3 billion) was achieved in the quarter just ended.

Revenue and net revenues rise sharply
In the second quarter of 2010, Interhyp AG reported a 41 % increase in revenues to EUR 25 million (previous year: EUR 17.7 million). Net revenues, meaning revenue after deduction of payments to partners in the Intermediary Channel, came to EUR 18.9 million, up 32% over net revenues for the comparable period in the previous year (EUR 14.4 million).

Development of earnings
As a result of the large volume of closed mortgages and higher revenues, EBIT also rose compared with the prior-year quarter from EUR 0.7 million to EUR 3.9 million.

The development of net income before shares of minorities showed the same trend. It rose from EUR 0.6 million to EUR 2.7 million for the quarter just ended.

Financial and assets position

The assets position remains marked by a solid financial base.

The stock of instruments of payment came to EUR 10.2 million plus fixed-term deposits amounting to EUR 40.0 million at 30 June 2010; this corresponds to around 74 % of total assets. Total assets rose slightly compared with 31 December 2009 to EUR 68 million.

Cash flow from operating activities amounted in the first six months of the year to a loss of EUR 1.0 million, well below the EUR 10.7 million reported for the comparable prior-year figure. In the same period the year before, distinct improvements in receivables management had a positive one-off effect on operative cash flow.

In the first half of 2010, net cash from investing activities, at minus EUR 0.4 million disregarding shifts into long-term fixed-deposits, was slightly lower than in the comparable prior-year period.

The "free cash flow" in the first half of the current financial year came to minus EUR 1.4 million, up considerably from the previous year's minus EUR 7.4 million.

Cash and cash equivalents (Finanzmittelfonds) at 30 June 2010 stood at EUR 10.2 million which is roughly the same level as in the comparable prior-year period (EUR 10.0 million).

Employees

Since 30 June 2009 our staff has grown by 68 (representing an increase of 14 %) to a current total of 555 (prior-year quarter: 487)

In the first half of the year the Interhyp group employed an average of 536 permanent staff members. In the corresponding prior-year period we averaged 487 employees.

Forecast report

Business prospects in 2010
While in view of historically low interest rates and an improved consumer sentiment customer demand is currently strong and stable, it remains difficult to estimate the sustainability of the appetite of many of our financing providers. However, the competitiveness of the product providers on our platform is an important factor for the achievable volume and earnings figures and the productivity of our employees. In 2010 we will concentrate on winning market share and improving our profit figures.

Opportunities and risks

The opportunities and risks outlined in Interhyp's annual report for 2009 remain unchanged.

Interim consolidated financial statements

Consolidated income statement of Interhyp AG as at 30 June 2010 in EUR

	Q2 2010	Q2 2009	+/-	01.01.– 30.06.2010	01.01.– 30.06.2009	+/-
Revenues	24,984,340	17,704,102	41 %	42,055,879	33,405,585	26 %
Cost of services purchased	6,041,815	3,307,243	83 %	9,526,371	5,748,737	66 %
Net revenues	**18,942,525**	**14,396,860**	**32 %**	**32,529,508**	**27,656,849**	**18 %**
Personnel expenses	9,184,446	8,547,206	7 %	17,274,140	15,810,684	9 %
Other operating expenses	5,557,060	4,701,256	18 %	10,549,657	10,012,765	5 %
thereof marketing	3,110,476	2,408,088	29 %	5,779,361	5,392,889	7 %
Amortisation and depreciation	291,563	408,868	(29 %)	583,740	844,731	(31 %)
Earnings before interest and taxes (EBIT)	**3,909,456**	**739,529**	**429 %**	**4,121,971**	**988,668**	**317 %**
Share of results from investments in associates	0	(10,800)		0	(34,404)	
Interest income	148,373	300,332	(51 %)	314,288	617,912	(49 %)
Interest expense	779	2,346	(67 %)	3,020	4,666	(35 %)
Net interest income	**147,593**	**297,986**	**(50 %)**	**311,269**	**613,246**	**(49 %)**
Net income before income taxes (EBT)	**4,057,049**	**1,026,715**	**295 %**	**4,433,240**	**1,567,509**	**183 %**
Income taxes	(1,309,820)	(381,965)	243 %	(1,435,568)	(623,787)	130 %
Net income	**2,747,230**	**644,750**	**326 %**	**2,997,671**	**943,723**	**218 %**
thereof: share of third-party associates	**294,991**	**127,572**	**131 %**	**398,102**	**156,115**	**155 %**
Net income in regard to associates of the corporation	**2,452,238**	**517,178**	**374 %**	**2,599,569**	**787,608**	**230 %**

Earnings per share IAS 33	**01.01. – 30.06.2010**	**01.01. – 30.06.2009**
Net income in regard to associates of the corporation	2,599,569	787,608
Weighted average of shares outstanding	6,593,525	6,593,525
Earnings per share (undiluted)	**0.39**	**0.12**
Weighted average of potential shares, adjusted for dilution effects	6,599,661	6,599,653
Earnings per share (diluted)	**0.39**	**0.12**

Consolidated balance sheet of Interhyp AG as at 30 June 2010 in EUR

Assets

	as at 30.06.2010	as at 31.12.2009
Non-current assets		
Intangible assets	141,842	209,352
Fixed assets	1,942,973	1,687,741
Receivables from commissions	862,186	638,549
Other assets	20,816,858	20,658,237
Deferred tax assets	123,074	90,408
	23,886,933	**23,284,287**
Current assets		
Receivables from commissions	13,745,271	10,019,505
Other assets	20,759,271	22,235,822
Deferred tax assets	(543,440)	171,287
Cash and cash equivalents	10,173,490	11,570,081
	44,134,593	**43,996,695**
Total assets	**68,021,526**	**67,280,982**

Equity and liabilities

	as at 30.06.2010	as at 31.12.2009
Shareholders equity		
Common stock	6,593,525	6,593,525
Additional paid-in capital	32,108,114	32,053,641
Net accumulated profit	12,599,477	9,999,908
Equity in regard to associates of the corporation	**51,301,117**	**48,647,074**
Share of third-party associates	2,945,410	2,547,308
	54,246,526	**51,194,383**
Long-term liabilities and provisions		
Other provisions	221,218	219,119
Deferred tax liabilities	41,113	27,346
Other liabilities	312,752	60,188
	575,083	**306,653**
Short-term liabilities and provisions		
Trade accounts payable	2,425,747	1,882,970
Other provisions	177,600	91,900
Tax liabilities	98,629	636,556
Other liabilities	10,497,940	13,168,521
	13,199,916	**15,779,946**
Total equity and liabilities	**68,021,526**	**67,280,982**

Consolidated cash flow statement of Interhyp AG as at 30 June 2010 in EUR

	01.01–30.06.2010	01.01–30.06.2009
Consolidated net income in regard to associates of the corporation	2,599,569	787,608
Share of results of third-party associates	398,102	156,115
Income tax	(1,435,568)	(623,787)
Earnings before income tax	**4,433,240**	**1,567,509**
Adjustments:		
Amortisation and depreciation of non-current assets	583,740	844,731
Net interest income	(311,269)	(613,246)
Share of the result of investments in associates	0	34,404
Expense from the issuance of convertible bonds and stock options	54,473	105,768
Changes in receivables and other assets	(2,668,882)	13,248,157
Changes in provisions	87,799	(265,434)
Changes in liabilities	(1,875,240)	(2,942,087)
Income tax paid	(1,277,668)	(1,301,634)
Interest paid	(3,020)	(4,666)
Net cash from operating activities	**(976,826)**	**10,673,503**
Cash paid for investments in non-current assets	(771,462)	(235,669)
Cash paid for investments in associates	0	(34,404)
Interest received	351,697	208,897
Cash paid for fixed-term deposits	0	(18,000,000)
Net cash from investing activities	**(419,765)**	**(18,061,175)**
Cash paid for dividends	0	(674,268)
Net cash from financing activities	**0**	**(674,268)**
Changes in cash and cash equivalents	(1,396,590)	(8,061,941)
Cash and cash equivalents at the beginning of the period	11,570,081	18,086,159
Cash and cash equivalents at the end of the period	**10,173,490**	**10,024,218**

Shareholders' equity of Interhyp AG in EUR

	Common stock	Additional paid-in capital	Net accumulated profit	Equity in regard to associates of the parent company	Share of other associates	Total
01.01.2009	**6,593,525**	**32,197,999**	**8,913,880**	**47,705,404**	**2,179,224**	**49,884,628**
Group result	0	0	787,608	787,608	156,115	943,723
Total	**0**	**0**	**787,608**	**787,608**	**156,115**	**943,723**
Dividends	0	0	(674,268)	(674,268)	0	(674,268)
Expense from the issuance of convertible bonds and stock options	0	105,768	0	105,768	0	105,768
30.06.2009	**6,593,525**	**32,303,767**	**9,027,219**	**47,924,511**	**2,335,339**	**50,259,850**
Group result	0	0	972,689	972,689	211,968	1,184,657
Total	**0**	**0**	**972,689**	**972,689**	**211,968**	**1,184,657**
Expense from the issuance of convertible bonds and stock options	0	93,075	0	93,075	0	93,075
Cash settlement for stock options	0	(343,200)	0	(343,200)	0	(343,200)
31.12.2009	**6,593,525**	**32,053,641**	**9,999,908**	**48,647,074**	**2,547,308**	**51,194,382**
Group result			2,599,569	2,599,569	398,102	2,997,671
Total	**0**	**0**	**2,599,569**	**2,599,569**	**398,102**	**2,997,671**
Expense from the issuance of convertible bonds and stock options	0	54,473	0	54,473	0	54,473
30.06.2010	**6,593,525**	**32,108,114**	**12,599,477**	**51,301,117**	**2,945,410**	**54,246,526**

Notes to the interim consolidated financial statements

General information

The abridged interim consolidated financial statements for the period from 1 January to 30 June 2010 were released for publication on 10 August 2010 by resolution of the Management Board.

General information
The abridged interim financial statements have been prepared in accordance with the International financial Reporting Standards (IFRS) as adopted by the European Union. International Accounting Standard (IAS) 34, "Interim Financial Reporting" has been applied. The interim Financial statements at 30 June 2010 should be read in connection with the consolidated financial statements at 31 December 2009.

Accounting policies
The accounting policies contained in the consolidated financial statements at 30 June 2010 are unchanged from the consolidated financial statements at 31 December 2009, with the exception of the amended and new standards and interpretations which are to be applied for the first time beginning on or after 1 January 2010. The interim consolidated financial statements have been drawn up in euros. The income statement has been prepared in the total expenditure format.

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

Seasonal influences on business activity
Due to the nature of the Group's business, the net assets, financial position and operating results of the Group are not subject to seasonal influences except for the rise in proceeds from special commissions over the course of the year upon reaching predefined mortgage volumes.

Earnings per share

Per-share earnings were calculated according to IAS 33. 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 did not change in the period from 1 January 2010 to 30 June 2010.

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 opposite.

Other operating expenses in EUR thousand

	Q2 2010	Q2 2009	01.01. – 30.06.2010	01.01. – 30.06.2009
Marketing	3,110	2,408	5,779	5,393
Office and administrative expenses	1,250	1,284	2,485	2,572
External programming	162	161	321	381
Recruiting costs	156	70	265	104
Legal and professional fees	171	148	319	193
Other	708	639	1,381	1,369
Total	**5,557**	**4,701**	**10,550**	**10,012**

Net interest income

Net interest income contains income on fixed-term deposits and interest from the current bank account.

Income tax

The tax result is comprised of actual taxes in the amount of EUR 1,454 thousand (comparable prior-year period: EUR 583 thousand) and from deferred taxes of minus EUR 19 thousand (comparable prior-year period: EUR 40 thousand).

Balance sheet information

Investments

Investments in non-current assets rose from EUR 236 thousand to EUR 771 thousand. Most of the investments were accounted for by IT equipment.

Shares of other shareholders

In the first half of the financial year, the share of the minority shareholder "MLP Finanzdienstleistungen AG" in the result of the Group company "MLP Hyp GmbH" came to EUR 398 thousand (previous year: EUR 156 thousand).

Other provisions and other liabilities

Other provisions include a calculated deduction for any cancellations of already brokered mortgage contracts.

Other liabilities contain mainly items in respect of outstanding invoices, staff sales commissions, special bonuses for sub-brokers and provision for holidays not taken.

Segment reporting

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 segments of the Interhyp Group are the Direct Channel and the Intermediary Channel.

Segment reporting in EUR thousand

	Direct Channel 01.01.– 30.06.2010	**Intermediary Channel 01.01.– 30.06.2010**	**Group 01.01.– 30.06.2010**
Revenues	23,665	18,390	42,056
Net revenues	23,183	9,346	32,530
Earnings before interest and taxes	542	3,580	4,122

	Direct Channel 01.01.– 30.06.2009	**Intermediary Channel 01.01.– 30.06.2009**	**Group 01.01.– 30.06.2009**
Revenues	18,151	15,254	33,406
Net revenues	18,151	9,506	27,657
Earnings before interest and taxes	(1,576)	2,565	989

Further disclosures

Transactions with related parties

The controlling parent company is ING Groep N.V. in whose consolidated financial statements Interhyp AG is included.

in EUR thousand	1st half of 2010	1st half of 2009
Services for related companies and persons of the parent company	20,502	14,281
Interest income of related companies and persons of the parent company	184	57
Receivables from related companies and persons of the parent company	7,095	2,581

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 andprofit or loss of the Group, and the interim Group management report includes a fair review of the developmentand 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, 31 July 2010

Michiel Goris
Board Member

Robert Haselsteiner
Co-CEO

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