



## EXPO REAL 2007 – Presse release Hypoport Nr. 1

### **Hypoport to enter Prime Standard on Frankfurt Stock Exchange**

Berlin/Munich 8 October, 2007 - The internet-based all-round financial services group Hypoport AG, based in Berlin, is pleased to announce that it will list its shares in the next few weeks on the regulated market of the Frankfurt Stock Exchange. Due to the difficult capital market environment, the originally-planned Initial Public Offering will not take place. Hypoport is to enter the Prime Standard segment of the Frankfurt bourse. With the planned stock exchange listing Hypoport is pursuing its goal of opening up to the capital market in order to offer current and potential new investors an attractive and transparent investment opportunity.

Prof. Dr. Thomas Kretschmar, founder and Co-CEO of Hypoport AG, explains: "Through the stock market listing in the quality segment of the Deutsche Börse we are gaining access to the professional capital markets on behalf of our shareholders and our company - and thereby increasing our scope for manoeuvre in the further development of the Hypoport group." With already more than 120 shareholders, the free float of the Berlin-based company is already over 25%, even without drawing on additional placement volume. "We want to offer these shareholders a high degree of transparency," Kretschmar continues. "That's why we decided to enter the Prime Standard segment."

Hypoport Co-CEO Ronald Slabke, board member for finance, adds: "A public placement of stock alongside a listing has become increasingly unattractive for us after the share prices of other financial service companies have fallen by as much as 50% over the last few months as a result of the sub-prime crisis. Had we decided on a capital increase at this time, given the current market valuation levels, we would have sold our company at a price far below its real value," Slabke says. "In the current weak capital market environment for financial service providers, other financing forms are therefore far more attractive to support our further growth. In the first half of 2007, our turnover rose by more than 90% compared to the same period last year. Aside from this, at €4.6 million in EBITDA\*, we achieved the best half-year result in our company history, while our equity capital ratio climbed to 45%. Our company has been generating a high operating cash-flow for several years now."

Kretschmar adds: "In our view, Hypoport today already represents a highly attractive investment. We are set up in an optimal way as a wide-ranging distribution company across the credit sector. At a time when many people are invested in residential housing, we distribute mortgage financing to private clients. If, however, more customers decide to go for rental housing, we deliver financial products to the housing companies themselves. We are continuing to grow strongly in internet-based distribution of other banking and insurance products, and we have few competitors in this field. Our EUROPACE financial marketplaces, which are also expanding strongly, integrate the entire process of distribution of financial products by broker intermediaries and product suppliers in Germany. For this, we have achieved high recognition internationally and are already expanding in our neighbouring country, the Netherlands."

\* Earnings before interest, taxes, depreciation and amortisation.



## About Hypoport AG

The Hypoport Group situated in Berlin is an internet based one stop financial services provider. The business model of the Hypoport Group comprises of two interdependent units, direct sales of financial products and the maintenance of its in house developed transaction platform for the brokerage of financial products via the internet.

Dr. Klein & Co. AG, Hypoport's wholly owned subsidiary, offers retail clients a comprehensive variety of financial products from giro accounts, insurances to mortgage loans via the internet and, if requested, offers advice both over the telephone or face-to-face. Dr. Klein & Co. AG chooses the most suitable products for the clients from a broad selection of more than 100 well-known banks and insurances, strictly conforming to the best advice principle. The internet driven processes generate cost advantages which are passed on to the retail clients, providing Dr. Klein a significant competitive advantage against local banks and insurance agencies. Furthermore the business division Real Estate Business Clients of Dr. Klein & Co. AG, which has been operating since 1954, is the undisputed market leader in the brokerage of mortgage solutions to the municipal and cooperative housing industry.

The Hypoport Group maintains with its B2B financial marketplace EUROPACE the biggest German web based transaction platform for the clearing of financial products. A fully integrated system links more then 30 banks with over 1.000 brokers and enables immediate and direct placement of financial products. The highly automated processes of the platform result in significant cost advantages. Momentarily over 400 applications are processed via EUROPACE daily. Additionally EUROPACE is the leading source for surveillance, research and analysis of European ABS transactions.

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