

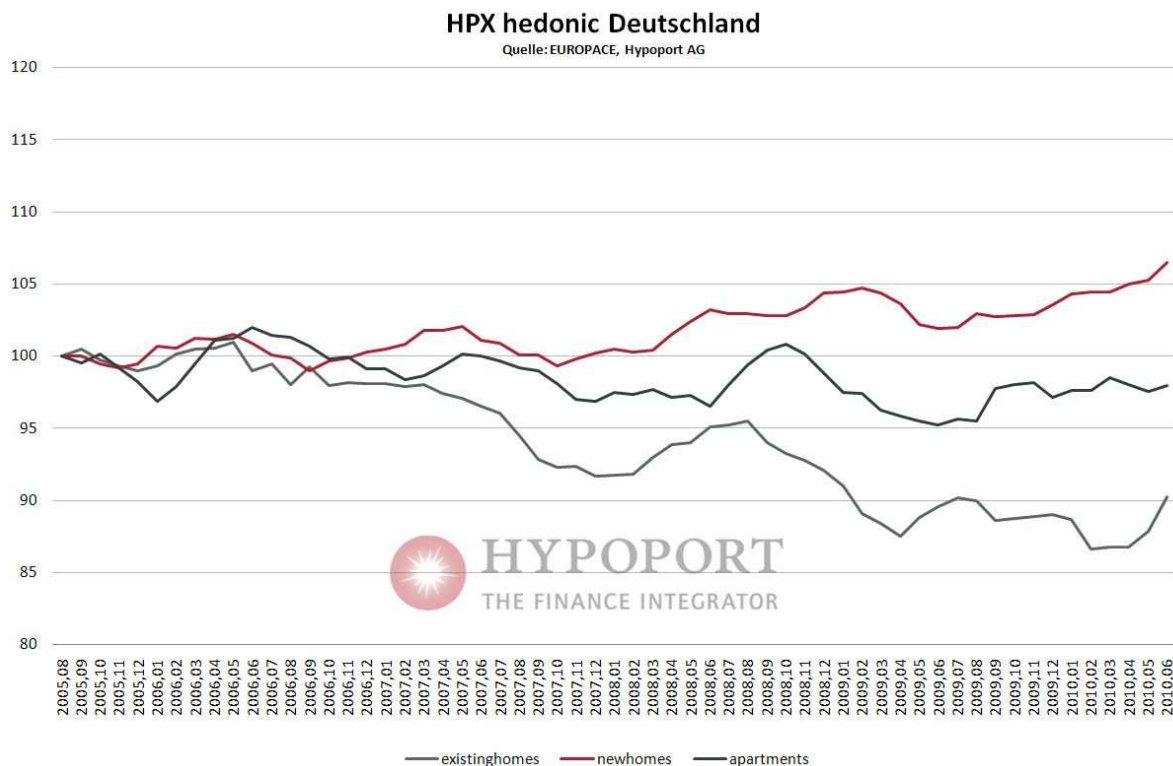
Press release

Real estate

House price index issued by Hypoport AG: July 2010

Berlin, 19 August 2010: The house price index posted yet another increase in July, demonstrating that prices for real estate in Germany are sustainably recovering. The three individual indices continued the upwards trend witnessed in past months. Prices for existing homes, above all, recorded a marked increase. The index is not only being positively influenced by the usual seasonal trend in summer; it is also benefiting from the undiminished preference for property investments and from the improved economic outlook.

The HPX indices in summary:



Assessment and forecast:

The German market for residential real estate is witnessing stable values, unlike the fluctuations that are occurring on other markets around Europe. The comparatively sturdy labour market, renewed improvements in the wealth situation of private individuals and the economic recovery are all driving values up: Existing homes, in particular, are recording a significant upwards trend. The index for new homes has reached an all-time high. Current financing terms are encouraging both private individuals

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and investors alike to acquire real estate. Historically low interest rates offer the best possible terms for purchasing housing. New homes are favoured, in addition, by stable costs of construction.

The HPX indices in detail:

Strongly increasing: Total index

Month	Index value	Month-on-month change
July 2010	296.88	+ 0.74 %
June 2010	294.71	+ 1.40 %
May 2010	290.64	+ 0.30 %

Month on month, the total index posted a gain of two points in July to its current level of 296.88 points. Following the strong month-on-month increase of 1.40 percent in June, the index posted another increase of 0.74 percent in July. Compared with April 2010 (289.78 points) the total index has gained 2.45 percent. By year-on-year comparison, it is currently 3.18 percent ahead of the 287.73 points witnessed in July 2009.

Slightly increasing: Prices for apartments ("apartments")

Month	Index value	Month-on-month change
July 2010	98.40	+ 0.46 %
June 2010	97.95	+ 0.42 %
May 2010	97.54	+ 0.51 %

Compared with the previous month, the index for apartments increased by 0.46 percent to 98.4 points. Quarter-on-quarter, it has increased by 0.37 percent (April 2010: 98.04 points). Back in July 2009, the index stood at 95.61 points, which is 2.92 percent below its current level.

Increasing: Prices for new single-family and two-family homes ("new homes")

Month	Index value	Month-on-month change
July 2010	106.63	+ 0.11 %
June 2010	106.51	+ 1.21 %
May 2010	105.24	+ 0.28 %

The index for new homes reached a new all-time high in July at 106.63 points. This equates to an increase of 0.11 percent compared with the previous month, of 1.6 percent by quarterly comparison and of 4.58 percent year-on-year. All of the index values posted in the past five months have been higher than their corresponding 2009 levels.

Strongly increasing: Prices for existing single-family and two-family homes ("existing homes")

Month	Index value	Month-on-month change
July 2010	91.85	+ 1.77 %
June 2010	90.25	+ 2.72 %
May 2010	87.86	+ 1.23 %

The index for existing homes posted another impressive increase in July, gaining 1.77 percent by month-on-month comparison. The index is currently 5.83 percent higher than the level witnessed in April 2010 (86.79 points) and posted the largest quarter-on-quarter gain since calculations first began. Back in July 2009, the index stood at 90.16 points, which is 1.87 percent below its current level.

Method of calculating the hedonic HPX indices

The house price indices are based on actual transaction data obtained from the EUROPACE platform and are compiled by Hypoport AG on a monthly basis. Hypoport AG operates the EUROPACE platform as Germany's only independent marketplace. EUROPACE now processes some ten percent of all private mortgage transactions in Germany. The total index represents the average aggregate of the individual indices. More information on how the hedonic index is calculated is available at <http://www.hypoport.de/indizes.html>.

About Hypoport AG

Hypoport Group is an internet-based all-round financial services provider based in Berlin. The Group employs some 450 people. The company has been listed in the Prime Standard on Deutsche Börse since the end of 2007. Its business model consists of two reciprocally beneficial pillars – the sale of financial products (Dr. Klein & Co. AG) and the provision of a platform for transacting financial products via the internet.



Hypoport operates the EUROPACE B2B financial marketplace, which is the largest German online platform for transacting financing products. A fully integrated system links more than 40 product providers with several thousand financial advisors, thus enabling the quick and direct agreement of contracts. The platform's highly automated processes generate considerable cost benefits. Nowadays, EUROPACE processes some 400 financing transactions every day. Hypoport AG publishes the monthly house price index (HPX) based on real transaction data.

A list of the banks and service providers that use the platform can be downloaded from www.hypoport.de, as can the Annual Report 2009.

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