

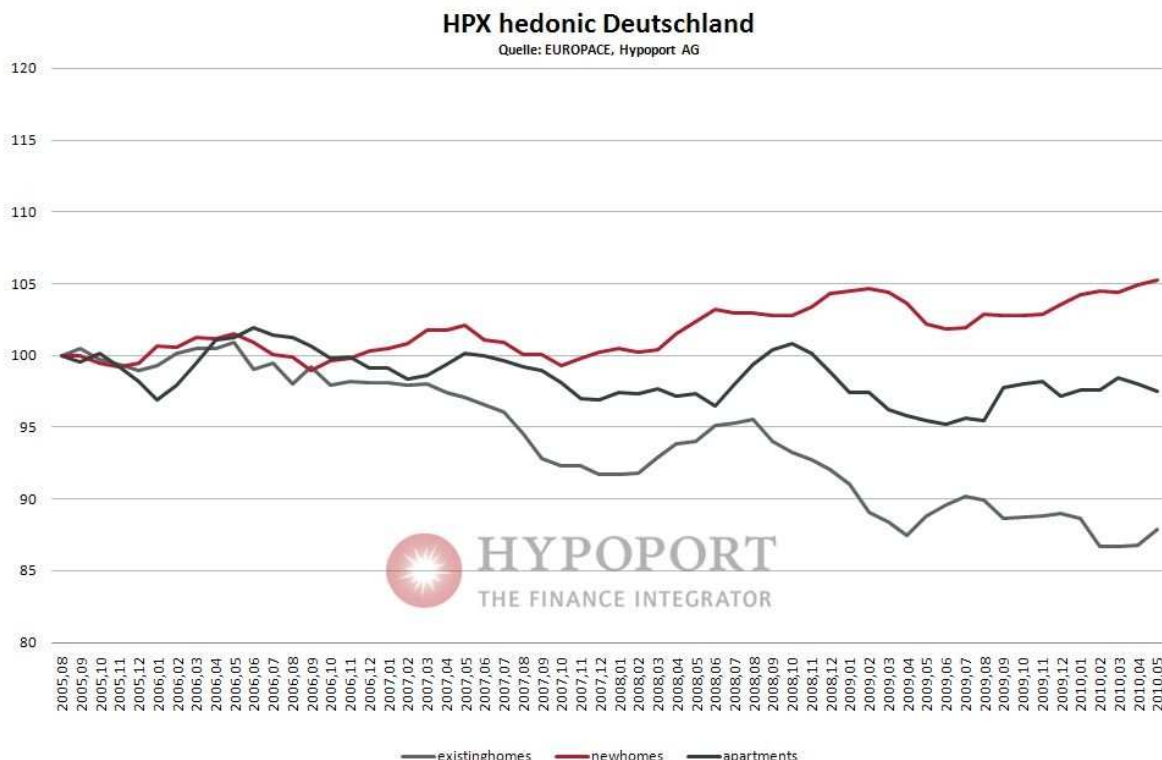
Press release

Real estate

Hedonic house price index issued by Hypoport AG: May 2010

Berlin, 17 June 2010: Prices on the German real estate market again remained stable in May 2010. The index for new homes posted another slight increase and has again reached a record high. Existing homes also witnessed a rise in prices whereas the index for apartments dipped slightly.

The HPX indices in summary:



Assessment and forecast:

Demand for owner-occupied homes and investment properties – especially in major cities – is tangibly increasing. Investors are uneasy, and have even lost faith in government bonds; inflation is expected to increase over the medium term. As the economic situation improves, the signals from the labour

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market are surprisingly positive. Historically low levels of interest rates are continuing to encourage the acquisition of real estate. Over the long term, prices for new homes should remain stable as the Energy Savings Directive will push up the construction costs. Prices for existing homes should also remain stable as demand tends to strengthen in the months of spring and summer.

The HPX indices in detail:

Slightly increasing: Total index

Month	Index value	Month-on-month change
May 2010	290.64	+ 0.30 %
April 2010	289.78	+ 0.05 %
March 2010	289.63	+ 0.32 %

The total index reached a level of 290.64 points in May 2010, equivalent to a month-on-month increase of 0.30 percent. Existing homes were the main drivers of this increase, pushing the index up by more than 1 percent, whereas prices for apartments are declining. By quarterly comparison, the index is 0.67 percent above the 288.71 points recorded in February. By year-on-year comparison, it has posted an increase of 1.45 percent (May 2009: 286.49 points).

Declining: Prices for apartments ("apartments")

Month	Index value	Month-on-month change
May 2010	97.54	+ 0.51 %
April 2010	98.04	+ 0.45 %
March 2010	98.48	+ 0.91 %

The current index has posted its second consecutive decrease by month-on-month comparison. The level of 97.54 points equates to a decline of 0.51 percent (April 2010: 98.04 points). By quarterly comparison, the decline is very slight, at 0.05 percent (February 2010: 97.59 points). Year on year, by contrast, the index is currently 2.17 percent above the level witnessed in May last year (May 2009: 95.47 points).

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

Month	Index value	Month-on-month change
May 2010	105.24	+ 0.28 %
April 2010	104.95	+ 0.51 %
March 2010	104.42	+ 0.05 %

After already reaching a new record high in April, the index for new homes again increased by 0.28 percent last month (April 2010: 104.95 points). The index currently stands at 105.24 points, which is the highest level it has ever reached since the figures first started being recorded. A quarter-on-quarter comparison reveals an increase of 0.74 percent (February 2010: 104.47 points). Compared with the previous year's level of 102.21 points, the index has gained 2.96 percent.

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

Month	Index value	Month-on-month change
May 2010	87.86	+ 1.23 %
April 2010	86.79	+ 0.07 %
March 2010	86.73	+ 0.09 %

The 1.23 percent increase posted by the index for existing homes is the largest month-on-month gain witnessed over the last 12 months (April 2010: 86.79 points). The index currently stands at 87.86 points. By quarterly comparison, it has increased by 1.40 percent (February 2010: 86.65 points), whereas year on year the index is 1.07 percent short of the 88.81 points recorded in May 2009.

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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