

Press release

Nine-month results

Hypoport Group continues on long-term growth trajectory

Berlin, 8 November 2010: Hypoport Group performance in the first nine months of 2010 is reflected in significant double-digit revenue and earnings growth. All business units contributed to the excellent results. Worthy of note is the growth generated by the Private Clients business unit, which also has a positive impact on the performance of the EUROPACE platform. Results for the full twelve months are expected to be similarly encouraging.

In the third quarter of 2010, the Hypoport Group's revenue and earnings were up year on year for the second time in succession. Revenue for the first nine months of 2010 climbed by 20 per cent to €44.9 million (Q1-Q3 2009: €37.5 million). This double-digit revenue growth was attributable to all parts of the Company's business model. EBITDA rose to €6.9 million from €4.2 million in Q1-Q3 2009, an increase of 66 per cent. According to Ronald Slabke, CEO of Hypoport AG, "This is the best quarterly result of the last three years and clearly demonstrates that, in the wake of the financial crisis, Hypoport is successfully continuing on its long-term growth trajectory." Each of the three large business units – Private Clients, Corporate Real Estate Clients and Financial Service Providers – contributed EBITDA of more than €2 million to this excellent result. This underlines the fact that each pillar of the business model is firmly rooted in its respective market and that all segments interact in exemplary fashion.

Revenue in the largest business unit – Private Clients – was up by 22 per cent to €27.6 million (Q1-Q3 2009: €22.7 million). The idea of recruiting customers via the internet is proving to be highly lucrative in this business, as is the growing importance of Hypoport's non-captive status. Slabke explains the business model in more detail: "Instead of adopting a scatter-gun approach to marketing, we only contact customers who have already shown an interest in our products on the internet. Today's consumers prefer not to be contacted directly until they have expressed an interest, and – at a time when there is a real crisis of confidence and trust – they expect to receive transparent and impartial advice." This has driven the sharp growth in the number of advisers and has continually strengthened the Dr. Klein brand. As a consequence, the Private Clients business unit generated EBITDA of €2.7 million in the first nine months of 2010, which was a year-on-year increase of 29 per cent (Q1-Q3 2009: 2.1 million). Because the Private Clients unit uses the EUROPACE platform to distribute its products, the success of its business model has a positive impact on the level of transactions on the platform.

The Financial Service Providers business unit achieved a new record transaction volume of some €4.5 billion in the third quarter of 2010. This encouraging trend was driven by a steady increase in the number of partners using EUROPACE and by an improvement in market conditions. One of the main contributory factors here was the widespread popularity of GENOPACE among German cooperative banks and of FINMAS among the country's public-sector banks. This was also reflected in the unit's revenue for the first nine months of 2010, which rose to €10 million, an increase of 29 per cent on the Q1-Q3 2009 figure of €7.8 million. EBITDA rose significantly year on year to €2.3 million (Q1-Q3 2009: €0.2 million).

The Corporate Real Estate Clients business unit increased its revenue by 17 per cent to €5.7 million (Q1-Q3 2009: €4.9 million). Its strategy of increasingly diversifying its operations by broadening its

product range and expanding its customer base is proving highly successful. EBITDA stability was maintained, the figure edging up by 7 per cent to €2.5 million. Institutional Clients, the smallest of the business units, generated consistent levels of revenue and earnings on the back of its outstanding position in the Dutch market. Revenue remained stable at €2.5 million, while EBITDA rose by a modest 3.9 per cent to €0.8 million.

The current positive indicators for the German economy enable the Hypoport Group to look to the future with optimism. However, the financial services market remains highly volatile. Consequently, any forecasts about this sector are subject to heightened uncertainty, and the possibility of setbacks affecting the rate of economic growth cannot be totally dismissed. As far as the forecasts for the Hypoport Group are concerned in this context, Slabke comments, "We expect Hypoport to achieve significant increases in its revenue and earnings for 2010 as a whole and, despite the prevailing uncertainty, we will continue successfully on our growth trajectory next year."

Information on Hypoport AG

The Berlin-based Hypoport Group is an online provider of financial products and services and employs over 450 people. Its shares have been listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) since October 2007. The business model used by Hypoport AG is based on two mutually supporting pillars: the sale of financial products (Dr. Klein & Co. AG) and the provision of a transactions platform for the brokerage of financial products over the internet.



The EUROPACE B2B financial marketplace operated by Hypoport is Germany's biggest online transactions platform for selling financial products. A fully integrated system links more than 50 product suppliers with several thousand financial advisers, thereby enabling products to be sold swiftly and directly. The highly automated processes used on this platform generate significant cost advantages. Around 400 financial transactions per day are now settled via EUROPACE. Hypoport AG publishes its monthly house price index (HPX) based on actual transaction data. A list of the banks and financial service providers represented on the online platform as well as the Company's 2009 annual report can be downloaded at www.hypoport.com.

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WKN 549
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