HYPOPORT
THE FINANCE INTEGRATOR

Interim report

of Hypoport AG for the period ended 30 September 2009

Berlin, 6 November 2009

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Key performance indicators

Financial performance (€'000)	1 Jan – 30 Sept 2009	1 Jan – 30 Sept 2008	Change
Continuing operations			
Revenue	37,458	36,832	2 %
Gross profit	23,935	24,305	-2 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,174	6,101	-32 %
Earnings before interest and tax (EBIT)	1,391	3,877	-64 %
EBIT margin (EBIT as a percentage of gross profit)	6	16	-64 %
Basic earnings (loss) per share (€)	0.00	0.41	-100 %
Diluted earnings (loss) per share (€)	0.00	0.41	-100 %
Hypoport Group			
Net profit (loss) for the year	-65	-940	93 %
attributable to Hypoport AG shareholders	-66	-890	93 %
Basic earnings (loss) per share (€)	-0.01	-0.15	93 %
Diluted earnings (loss) per share (€)	-0.01	-0.14	93 %
Financial performance (€'000)	**1 July - 30 Sept .2009**	**1 July - 30 Sept 2008**	
Continuing operations			
Revenue	12,309	12,266	0 %
Gross profit	7,399	8,106	-9 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,189	1,986	-40 %
Earnings before interest and tax (EBIT)	244	1,218	-80 %
EBIT margin (EBIT as a percentage of gross profit)	3	15	-78 %
Basic earnings (loss) per share (€)	-0.04	0.10	-140 %
Diluted earnings (loss) per share (€)	-0.04	0.10	-140 %
Hypoport Group			
Net profit (loss) for the year	-251	-1.637	85 %
attributable to Hypoport AG shareholders	-250	-1.621	85 %
Basic earnings (loss) per share (€)	-0.04	-0.27	85 %
Diluted eranings (loss) per share (€)	-0.04	-0.26	85 %
Financial position (€'000)	**30.09.2009**	**31.12.2008**	
Current assets	24,866	27,748	-10 %
Non-current assets	29,728	29,242	2 %
Equity	22,890	22,910	0 %
attributable to Hypoport AG shareholders	22,689	22,710	0 %
Equity ratio (%)	42	40	4 %
Total assets	54,594	56,990	-4 %

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1. Letter to shareholders

Dear Shareholder

The third quarter of 2009 saw the successful conclusion of a number of strategic initiatives for the Hypoport Group. In September we announced the launch of our partnership with the PSD group of cooperative online banks. This move has strengthened the range of products offered on the EUROPACE marketplace in the segment of low-cost regional banks and supports our own EUROPACE product distributors and those with which we work in partnership.

A project that promises even greater potential is the FINMAS joint venture that we announced only a few days ago and have launched in collaboration with Ostdeutscher Sparkassenverband (OSV), the association of eastern German savings banks. FINMAS will become the central financial marketplace for Germany's savings banks. This joint venture will perform the function of a central coordinator that provides the 49 OSV savings banks and all partner institutions with standard technical, legal and procedural access to the rapidly evolving business of online loan brokerage. FINMAS provides these savings banks, which are already market leaders in mortgage finance, with a further major sales channel. This collaboration enables the EUROPACE distributors to benefit from the extensive product range offered by the regional market leaders.

As a result of these developments, Hypoport now works with expert partners in all three segments of the German banking industry.

Despite these highly encouraging strategic developments, the third quarter of 2009 was still affected by the fallout from the financial crisis. Conditions in the German mortgage finance market continue to be distorted. This is having a particularly adverse impact on our Financial Service Providers business unit. Capital market-oriented lenders remain at a significant disadvantage compared with deposit-funded institutions and are losing market share. Financial product distributors now have the arduous task of looking for new funding partners. Given the new partnerships mentioned above, this should only be a temporary phenomenon for the EUROPACE product distributors.

All other business units continued to perform well and reported encouraging results in what were tough market conditions in the third quarter of 2009. The pace of growth in our Private Clients business is increasingly enabling us to extend our lead over the other online financial product distributors and to gradually catch up with the established major players in the German banking sector.

The Corporate Real Estate Clients business unit is having its most successful year ever and is increasingly establishing itself as a central broker for commercial real-estate investors with strong credit ratings, i.e. outside its traditional target group of the housing sector.

The Institutional Clients business, which operates out of Amsterdam and is the most recent addition to our range of business units, is exploiting the opportunities available in providing support for the funding of credit portfolios. This business unit is extending the range of services it offers and achieving significant revenue and earnings growth. It clearly illustrates the point that it is not the major players that put their smaller rivals out of business, but those who are quick and agile that edge out their slower competitors.

Nonetheless, this market remains not only exciting but also highly challenging for all our employees. Given the uncertainty surrounding economic trends going forward, it is currently very difficult to make reliable short-term forecasts for specific key performance indicators. Assuming that conditions in our markets stabilise, we are still forecasting modest growth in our revenue and gross profit for 2009 as a whole and expect our profitability – influenced by current market trends – to remain where it was after the first six months of the year.

Yours sincerely,

Prof. Dr. Thomas Kretschmar
Co-Chief Executive Officer

Ronald Slabke
Co-Chief Executive Officer

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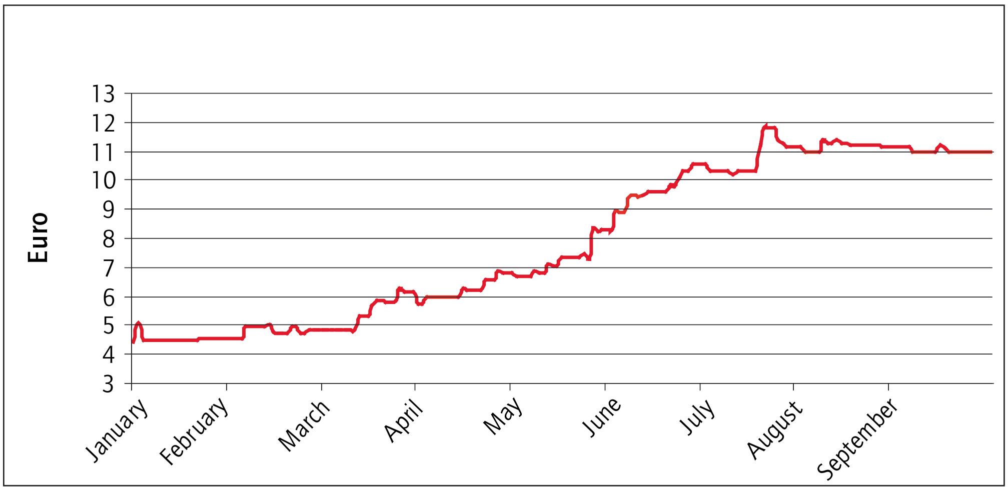
2. Hypoport‘s shares

Share price performance

Hypoport’s shares posted significant gains in the first nine months of 2009, jumping by 159 per cent from €4.01 at the end of 2008 to €11.00 on 30 September 2009. Their highest price was €11.80 on 22 July and their lowest was €4.40 on 2 January.



Performance of Hypoport’s share price, January to September 2009 (daily closing prices on Frankfurt Stock Exchange)

Earnings per share

The Hypoport Group reported a loss of €0.04 per share for the third quarter of 2009, having posted a loss of €0.27 per share in the corresponding period of 2008. Its continuing operations incurred a loss of €0.04 per share (Q3 2008: earnings of €0.10 per share). Its discontinued operations had suffered a loss of €0.37 per share in the third quarter of 2008. We incurred a loss of €0.01 per share in the first nine months of 2009, having posted a loss of €0.15 per share in the corresponding period of 2008. During this period, the Company’s continuing operations managed to break even (Q1-Q3 2008: earnings of €0.41 per share), while its discontinued operations reported a loss of €0.01 per share (Q1-Q3 2008: loss of €0.56 per share).

Trading volumes

Trading volumes in the third quarter of 2009 were lower than in preceding quarters. The highest turnover occurred in July, when an average of 815 shares were traded per day. Trading was quieter in August (average of 400 shares) and September (average of 376 shares).

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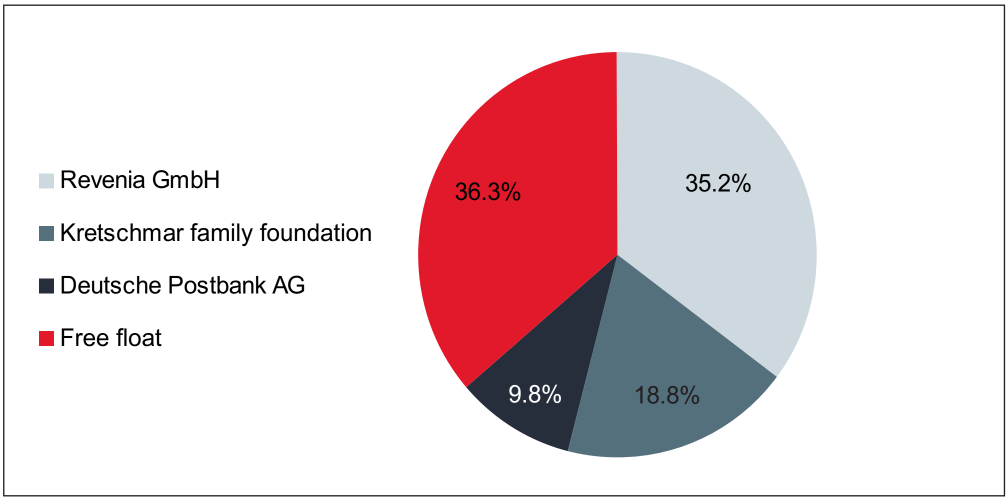
Shareholder structure

The free float in Hypoport's shares amounts to 36.3 per cent.



Breakdown of shareholders as at 30 September 2009

Notification of directors' dealings

The table below shows the directors' dealings notified for the third quarter of 2009.

Date of transaction	Notifying person/entity	Transaction	Stock exchange	Number of shares	Execution price
17 August 2009	Monika Schröder	Purchase	XETRA	600	11.60 €
19 August 2009	Monika Schröder	Purchase	XETRA	200	11.15 €

Ad-hoc-disclosures

No ad-hoc disclosures were made in the third quarter of 2009.

Designated sponsor

The designated sponsor for Hypoport AG is Landesbank Baden-Württemberg, Stuttgart.

Research

Landesbank Baden-Württemberg has been publishing regular research on Hypoport's shares since 2008. The table below shows its most recent recommendations, the dates on which they were issued, and the target price in each case.

Recommendation	Upside target	Date of recommendation
Hold	11.00 €	14 August 2009
Hold	7.20 €	20 May 2009
Hold	6.10 €	18 March 2009
Hold	6.10 €	11 November 2008

Key data on Hypoport's shares

Security code number (WKN)	549 336
International securities identification number	DE 000 549 3365
Stock exchange symbol	HYQ
Type	No-par-value shares
Notional Value	€1.00
Subscribed capital	€6,126,890.00
Stock exchanges	Frankfurt
	XETRA
Market segment	Regulated market
Transparency level	Prime Standard
Membership of indices	CDAX
	Classic All Share
	DAXsector All Financial Services
	DAXsubsector Diversified Financial
	GEX
	Prime All Share
Performance	
Share price as at 1 July 2009	€10.55 (Frankfurt)
Share price as at 30 September 2009	€11.00 (Frankfurt)
High in 3rd quarter of 2009	€11.80 (22 July 2009)
Low in 3rd quarter of 2009	€10.20 (13 July 2009)
Market capitalisation	€67.4 million (30 September 2009)
Trading volume	€5,888.66 (daily average for 3rd quarter of 2009)

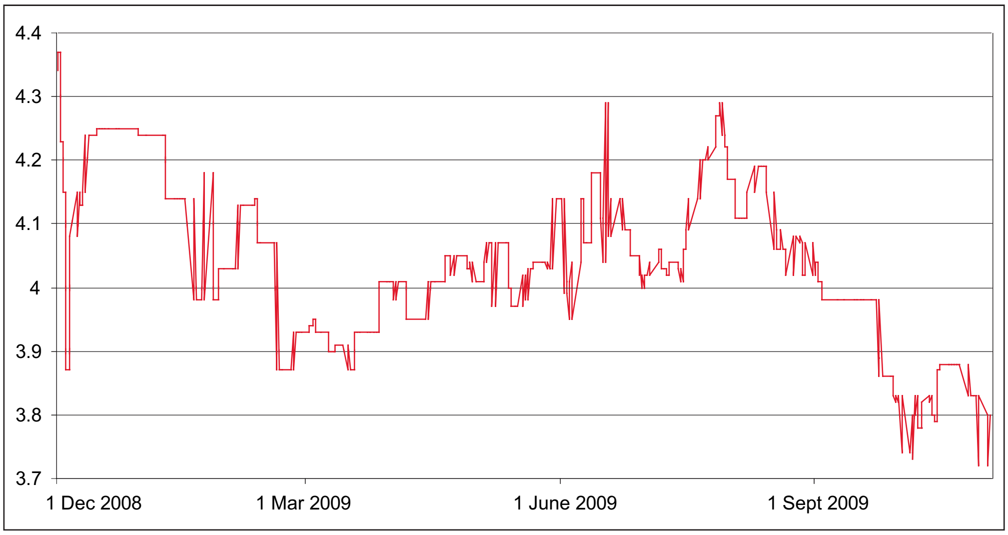
3. Interim group management report

Economic conditions

Economic conditions worldwide continue to be affected by the fallout from the in-ternational financial and economic crises. The global economy is still mired in its deepest recession since the Second World War. Although business activity remained weak in the first nine months of 2009, there are some tentative signs that the economy is stabilising at a low level. Business activity in the second and third quarters of 2009 in particular held up better than expected. The factors continuing to stall any recovery are the gloomy outlook for corporate earnings and the ongoing financial and housing market crises, which are making banks reluctant to lend and reducing the value of households' wealth. Given the interdependence between the financial sector and the real economy, world economic growth is therefore expected to be negative. The International Monetary Fund (IMF) expects global economic output for 2009 as a whole to fall by 1.1 per cent, which would be its first contraction for decades. As a major exporter, Germany has been hit particularly hard by the international economic slowdown. The IMF is forecasting that German gross domestic product (GDP) for 2009 will fall by 5.3 per cent, which would be its sharpest contraction since the Federal Republic of Germany was founded. Industrial output has plummeted owing to the low level of new orders. Many companies have had to introduce short-time working or make staff redundant because of the dire shortage of orders. Unemployment, which usually mirrors the economic cycle with a slight time lag, is likely to climb further during the remainder of the year. Consumer spending is set to fall, particularly as real disposable incomes are likely to decline substantially.

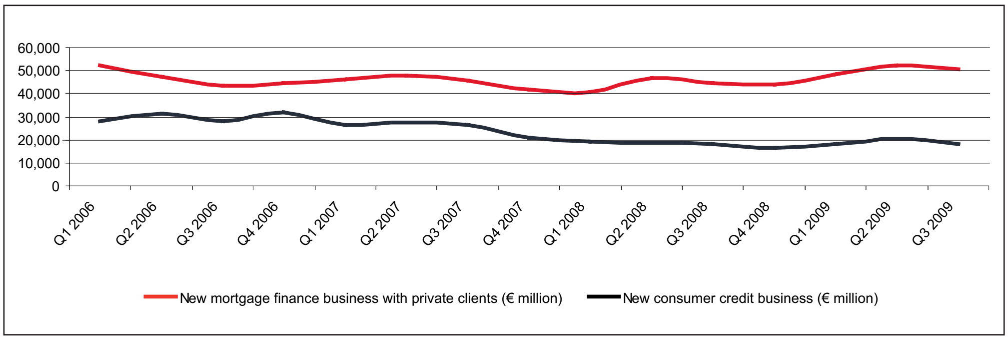
Stimulus packages have been launched around the globe to boost economic activity, and the world's leading central banks have responded by slashing interest rates and, in some cases, even resorting to quantitative easing. In the US, UK and Japan, where interest rates are already effectively zero, central banks are also sharply expanding the money supply to boost the financial resources available to banks by purchasing private-sector debt instruments and government bonds. The central banks are encouraging the banks to channel this additional money to their customers in the form of urgently needed loans. On 7 May 2009 the European Central Bank (ECB) cut the key interest rate for the euro zone to 1.0 per cent, its lowest level since the introduction of the euro in 1999. Against the backdrop of the economic downturn and the consequent dampening of inflationary expectations, the ECB decided at the beginning of October to leave interests rates at their currently low level. For the time being, the ECB has decided not to cut rates to zero or purchase corporate bonds as other central banks have done. Instead, it has lengthened the maturity of its refinancing operations to a maximum of twelve months and launched a programme to buy covered bonds.

The financial crisis has also fuelled volatility in ten-year swap rates. Interest rates rose in the first two quarters of 2009, only to fall back from around mid-August to where they had been at the beginning of the year. This interest-rate turbulence is curbing customer demand and, during periods of rising interest rates, temporarily increases the competitive pressures on independent intermediaries compared with full-service providers.



Ten-year swap rates over the past 360 days

According to Bundesbank statistics, the total volume of mortgage finance provided in the first nine months of 2009 rose sharply year on year. While the total value of home loans sold up to and including September 2008 came to €132.1 billion, the Bundesbank reckons that demand in the corresponding period of 2009 grew by 14.3 per cent to €151.0 billion. We believe that this statistical growth is attributable to portfolio transactions and other dilutive effects rather than reflecting actual trends in the mortgage finance market. By contrast, the Bundesbank also calculated that the market for personal loans was slightly less buoyant, with the total volume of business in this market growing by a paltry 1.5 per cent from €55.8 billion to €56.6 billion. The special loans provided by auto finance companies as part of Germany's car scrappage scheme should prove to be a key driver of growth in this market.

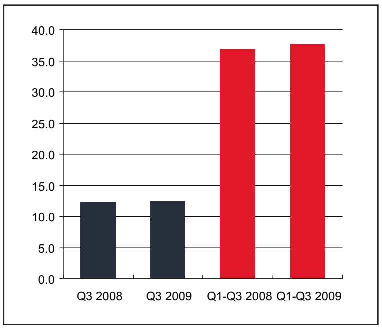


Total volume of private mortgage finance and personal loans (source: Deutsche Bundesbank)

The insurance market is also suffering. The German Insurance Association (GDV) expects premium income to fall slightly for the first time by approximately 1.0 per cent across all insurance segments in 2009.

Revenue

In the third quarter of 2009 the Hypoport Group once again managed to buck the trend in the financial services market by raising its revenue slightly by 0.4 per cent year-on-year from €12.3 million to €12.4 million. It also reported a year-on-year increase for the first three quarters of 2009, lifting its revenue by 1.7 per cent to €37.5 million (Q1-Q3 2008: €36.8 million). The gross profit generated by the Hypoport Group in the first nine months of 2009 fell by 1.5 per cent from €24.3 million to €23.9 million owing to higher selling expenses. The gross profit reported for the third quarter of 2009 fell by 8.7 per cent year on year from €8.1 million to €7.4 million.

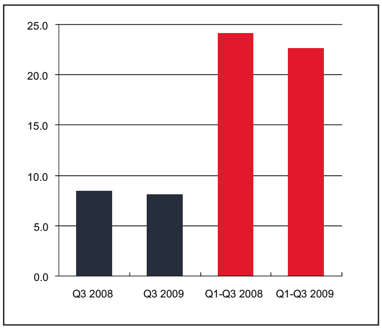


Revenue Hypoport Group (€ million)

Privat Clients business unit

The Private Clients business unit, which specialises in online sales of financial products, managed to win market share from other financial product distributors and, although many of its peers posted significantly lower revenues, reported only a moderate decline in its own revenue.

Its revenue for the third quarter of 2009 fell by a modest 9.0 per cent to €7.7 million (Q3 2008: €8.5 million), while its revenue for the first three quarters of 2009 contracted by only 6.4 per cent – an encouraging trend compared with other providers in its sector – to €22.6 million (Q1-Q3 2008: €24.2 million).



Revenue Private Clients (€ million)

The Hypoport Group's mortgage finance business felt the full impact of the stiffer competition in the market for home loans and reported a decrease in both the number and volume of loans brokered. Our sales units had to compete against the highly aggressive strategies pursued by some of the small regional banks. This situation has caused a clear imbalance in the market because only the large professional institutions – the traditional partners of independent distributors such as Dr. Klein – are passing on to their end customers the higher risk costs and cost of capital resulting from the financial crisis. By contrast, smaller regional banks are still often ignoring this change in market conditions. The contraction in the volume of new business within the Private Clients business unit was also a result of the decision to transfer some brokerage business to the Financial Service Providers business unit following the transfer of institutional clients to the operating packager since 1 January 2009.

Mortgage Finance Private Clients business unit	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Number of loans brokered	4,780	6,735	1,578	2,268
Volume of loans brokered (€ million)	713	1,185	241	421
Net Revenue (€ million)	5.2	7.7	1.7	2.5

The ‚other financial products' segment again managed to raise its revenue by 4.2 per cent to €4.9 million in the third quarter of 2009 (Q3 2008: €4.7 million) by selling other types of banking and insurance products in what was generally a stagnant market.

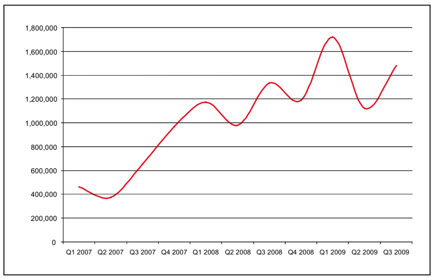
This product segment raised its revenue by an impressive 5.8 per cent in the first nine months of 2009.

Financial Service Products Private Clients business unit	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Number of deals brokered for financial service products	11,595	8,163	3,543	3,047
Revenue (€ million)	14.0	13.2	4.9	4.7

The number of advisers working in the various distribution channels of the Private Clients business unit was significantly increased and had reached a new high by 30 September 2009. The map on the right gives an impressive overview of the extensive network of branches established by our franchisees in Germany.

Distribution channels	1 Jan – 30 Sept 2009	1 Jan – 30 Sept 2008
Telephone sales staff	48	46
Advisers in branch-based sales	389	237
Branches run by franchisees	173	116
Independent financial advisers acting as agents	2,178	1,681

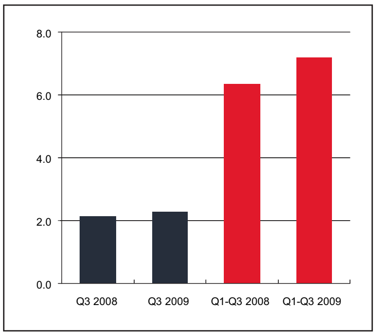
The number of leads acquired – the key performance indicator for this business unit – also hit a new record of roughly 4.3 million in the first nine months of 2009 (Q1-Q3 2008: 3.5 million). The growing importance of the internet as a major business development platform is therefore largely compensating for prevailing market conditions.



Number of leads

Financial Service Providers business unit

The Financial Service Providers business unit was impacted by the sharp market contraction in the first nine months of 2009. Some lenders on the EUROPACE platform became uncompetitive in the first six months of the year in particular because their lending practices were more restrictive and their rates were higher than those of other lenders.



Revenue Financial Service Providers (€ million)

The volume of transactions declined year on year in both the third quarter (down by 5 per cent) and the first nine months (down by 9 per cent) of 2009. Despite the lower volume of transactions, low-margin revenue from alliances and project-related business increased. In addition, the proportion of financing transactions processed on the EUROPACE platform that were cancelled rose because of more restrictive lending practices on the part of many banks. Moreover, the growing use of development loans that free up funding, such as those provided by Germany's KfW development bank, is shortening fixed-interest periods and, consequently, lowering transaction fees for the EUROPACE marketplace.

Europace Financial Service Providers business unit	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Volume of transactions (€ billion)	9.9	10.8	3.6	3.8
Revenue (€ million)	7.2	6.3	2.3	2.1

More than 160 participants attended the 14th EUROPACE Conference that was held in September. This was the first conference to be attended by representatives of all banking groups in Germany. This is proof positive of the growing importance of the EUROPACE marketplace in the financial services market.

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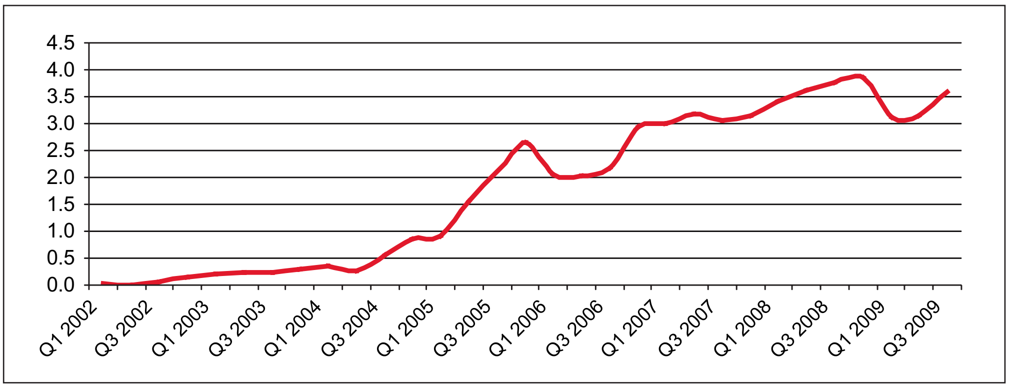
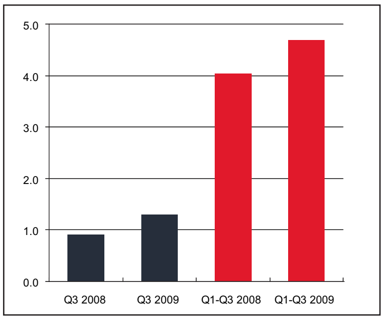


Volume of transactions on EUROPACE (€ billion)

Corporate Real Estate Clients business unit

Despite the economic crisis, the loan brokerage business in the Corporate Real Estate Clients business unit reported a significant year-on-year increase in the volume of new business it had brokered in both the third quarter and the first nine months of 2009. We are increasingly benefiting from our exceptionally strong position in this market as the central intermediary for high-quality commercial real-estate finance in Germany. As expected, the volume of loan renewals decreased because fewer loans were due to have their interest rates renegotiated in the first nine months of 2009.

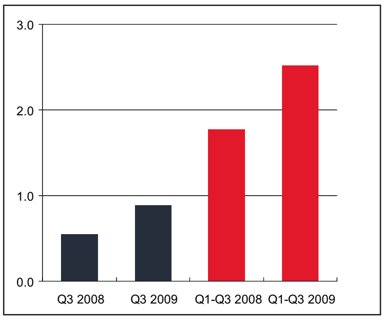


Revenue corporate real Estate Clients (€ million)

Corporate Real Estate Clients business unit	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Loan Brokerage				
Volume of new business (€ million)	1,047	757	386	258
Volume of prolongation (€ million)	159	323	42	133
Revenue (€ million)	4.5	3.2	1.2	0.9
Other financial products / financial advice				
Revenue (€ million)	0.2	0.8	0.1	0.0
Total Revenue (€ million)	**4.7**	**4.0**	**1.3**	**0.9**

Institutional Clients business unit

Institutional Clients, the smallest of the four business units, generated record revenue of €2.5 million from its EUROPACE for issuers (for issuers of securitisations, pfandbriefs and other covered bonds) in the first three quarters of 2009 (Q1-Q3 2008: €1.8 million). In the third quarter of 2009 its revenue rose sharply by €0.3 million, or 62 per cent, year on year to €0.9 million.



Revenue Institutional Clients (€ million)

Although the fallout from the banking crisis means that no more securitisations are being issued in the market, issuers are greatly in need of automation and advice as a result of portfolio asset sales, corporate restructuring and the issuance of covered bonds as part of central banks' funding operations.

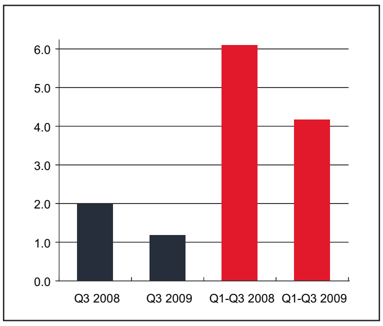
Own work capitalised

Despite the general economic crisis, the Hypoport Group continued to attach considerable importance to investing in the further expansion of its B2B financial marketplaces in the third quarter of 2009. This capital expenditure underpins the further, future growth of its Financial Service Providers business unit in particular. Apart from maintaining its competitive edge in existing product segments in the third quarter by upgrading its EUROPACE marketplace, the Company continued to implement key initiatives aimed at extending its EUROPACE marketplace to the Netherlands and widening the distribution of other financial products in Germany.

In the third quarter of 2009 the Company invested a total of €1.7 million (Q3 2008: €1.5 million) in the development of its marketplaces; in the first nine months of 2009 it spent €5.2 million (Q1-Q3 2008: €4.7 million). €1.3 million of this total was capitalised in the third quarter of 2009 (Q3 2008: €0.8 million), while €3.5 million was capitalised in the first nine months of 2009 (Q1-Q3 2008: €2.8 million). This amount represents the pro rata personnel expenses and operating costs attributed to software development.

Earnings

As expected, the drive to win further market share in the Private Clients and Financial Service Providers business units, the tough market conditions in mortgage finance and the scaling-back of higher-margin project-related business in favour of developing new marketplaces have continued to adversely affect the Company's financial performance. As a result, the earnings generated by the Hypoport Group in both the third quarter and the first nine months of 2009 failed to keep pace with its revenue growth.



EBITDA (€ million)

Against the backdrop of the operating performance described above, EBITDA and EBIT from continuing operations for the first nine months of 2009 fell to €4.2 million (Q1-Q3 2008: €6.1 million) and €1.4 million (Q1-Q3 2008: €3.9 million) respectively. In the third quarter of 2009, the Company generated EBITDA of €1.2 million (Q3 2008: €2.0 million) and EBIT of €0.2 million (Q3 2008: €1.2 million).

The EBIT margin (EBIT as a percentage of gross profit) for the first nine months of 2009 fell accordingly from 16.0 per cent to 5.8 per cent. The EBIT margin for the third quarter of 2009 decreased to 3.3 per cent (Q3 2008: 15.0 per cent).

Expenses

Despite the gradual alignment of the Company's headcount with its improved productivity levels resulting from efficiency gains, personnel expenses rose owing to one-off expenses incurred in connection with staff redundancies.

The breakdown of other operating expenses is shown in the table below.

€'000	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Operating expenses	2,562	2,586	883	912
Selling expenses	1,250	1,484	347	518
Administrative expenses	3,202	1,857	1,223	510
Other personnel expenses	319	376	129	127
Other expenses	310	206	31	137
	7,643	**6,509**	**2,613**	**2,204**

The increase in administrative expenses was largely attributable to the rise in IT costs to €1.527 million (Q1-Q3 2008: €286 thousand).

Hypoport's net finance costs include interest expense and similar charges of €0.8 million (Q1-Q3 2008: €0.7 million).

Balance sheet

The Hypoport Group's equity ratio continued to improve and amounted to 41.6 per cent as at 30 September 2009. Its consolidated total assets decreased to €54.6 million as at 30 September 2009, 4.2 per cent below their total as at 31 December 2008 (€57.0 million).

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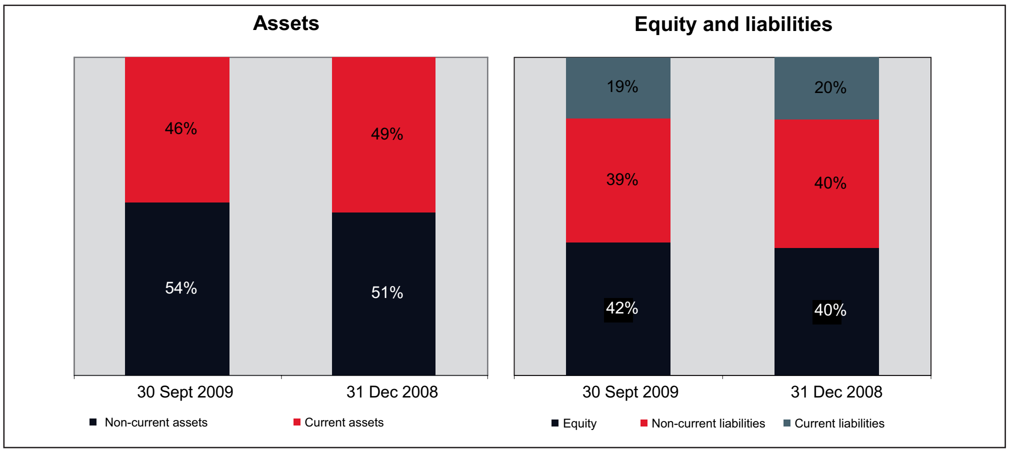

Balance sheet structure

Non-current assets totalled €29.7 million (31 December 2008: €29.2 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest single item.

Current assets contracted by €2.9 million because trade receivables decreased by €2.0 million and cash and cash equivalents fell by €2.0 million. Other assets in-creased by €1.0 million.

The equity attributable to Hypoport AG shareholders as at 30 September 2009 remained unchanged at €22.7 million. The equity ratio improved from 39.8 per cent to 41.6 per cent.

The €1.7 million decrease in non-current liabilities to €21.3 million stemmed primarily from the €1.6 million reduction in financial liabilities.

Current liabilities declined by €0.7 million to €10.4 million, mainly owing to the €0.7 million decrease in trade payables and the €0.7 reduction in other liabilities. By contrast, current income tax liabilities rose by €0.4 million and current financial liabilities grew by €0.3 million.

Total financial liabilities fell by €1.3 million to €20.0 million.

Cash flow

During the reporting period, the Hypoport Group generated cash flow of €2.7 million from its continuing and discontinued operations, which was unchanged year on year. The lower net loss for the period was essentially attributable to lower depreciation, amortisation expense and impairment losses.

The total cash flow generated from operating activities in the first three quarters of 2009 amounted to €2.4 million (Q1-Q3 2008: €0.1 million). The main reason for the improvement in this figure compared with the corresponding period of 2008 was that working capital decreased by €2.4 million to €0.3 million (Q1-Q3 2008: €2.7 million).

The net cash outflow of €3.6 million from investing activities (Q1-Q3 2008: €5.0 million) stemmed primarily from the €3.5 million increase in capital expenditure on non-current intangible assets. The net cash inflow from financial assets was €0.2 million.

The net cash outflow of €0.9 million from financing activities (Q1-Q3 2008: net cash inflow of €5.6 million) largely relates to the repayment of loans.

The cash flow statement also shows the cash inflows and outflows from the Company's discontinued operations. These are presented in a separate line immediately below.

Cash and cash equivalents as at 30 September 2009 totalled €5.4 million, which was €2.0 million lower than at the beginning of the year.

Cash and cash equivalents at the end of the period consisted exclusively of cash on hand and at banks.

Capital expenditure

Most of the capital expenditure was on enhancing the EUROPACE financial marketplaces.

Employees

Because the Hypoport Group optimised its processes and did not fill positions as they became vacant, its total workforce contracted by 10 per cent compared with the end of 2008 to 442 people as at 30 September 2009 (31 December 2008: 489 employees). It employed an average of 442 people in the first nine months of 2009 (Q1-Q3 2008: 448 employees).

Outlook

In a financial services market largely characterised by stagnation and price dislocations, the Hypoport Group has managed to generate consistent revenue growth over the past few years.

Persistently tough market conditions make it virtually impossible for us to make a reliable and meaningful forecast of the Company's business prospects. Nonetheless, there are growing signs that the global economy is gradually pulling out of its severe recession. The International Monetary Fund (IMF), for example, expects global economic output to grow by 2.5 per cent next year. Having said that, it cautions against excessively optimistic economic forecasts because it fears that the coming months will be hit by further downside pressures in the form of rising unemployment and corporate bankruptcies.

Although economic conditions remain challenging, we are cautiously optimistic because we believe that our highly competitive, diversified business models make us ideally placed to prosper further in 2010. Despite the severe market dislocations caused by the financial and economic crises, we expect to report a net profit for 2009 as a whole. We are forecasting moderate revenue and earnings growth for next year.

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4. Interim consolidated financial statements

Consolidated balance sheet as at 30 September 2009

Assets	30 Sept 2009 €'000	31 Dec 2008 €'000
Non-current assets		
Intangible assets	25,281	23,945
Property, plant and equipment	1,670	2,035
Financial assets	1,162	1,395
Other assets	13	10
Deferred tax assets	1,602	1,857
	29,728	**29,242**
Current assets		
Trade receivables	16,259	18,271
Other assets	2,749	1,722
Current income tax assets	447	297
Cash and cash equivalents	5,411	7,458
	24,866	**27,748**
	54,594	**56,990**
Equity and liabilities		
Equity		
Subscribed capital	6,127	6,113
Reserves	16,562	16,597
	22,689	**22,710**
Equity attributable to minority interest	201	200
	22,890	**22,910**
Non-current liabilities		
Financial liabilities	18,351	19,939
Provisions	53	42
Deferred tax liabilities	2,875	2,971
	21,279	**22,952**
Current liabilities		
Provisions	21	21
Financial liabilities	1,666	1,332
Trade payables	4,205	4,876
Current income tax liabilities	560	207
Other liabilities	3,973	4,692
	10,425	**11,128**
	54,594	**56,990**

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Consolidated income statement

for the period 1 January to 30 September 2009

	1 Jan to 30 Sept 2009 €'000	1 Jan to 30 Sept 2008 €'000	1 July to 30 Sept 2009 €'000	1 July to 30 Sept 2008 €'000
Revenue	37,458	36,832	12,309	12,266
Selling expenses (Commision and lead costs)	-13,523	-12,527	-4,910	-4,160
Gross profit	**23,935**	**24,305**	**7,399**	**8,106**
Own work capitalised	3,506	2,763	1,280	768
Other operating income	678	613	239	296
Cost of materials	0	-269	0	-87
Personnel expenses	-16,302	-14,802	-5,116	-4,893
Other operating expenses	-7,643	-6,509	-2,613	-2,204
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**4,174**	**6,101**	**1,189**	**1,986**
Depreciation, amortisation expense and impairment losses	-2,783	-2,224	-945	-768
Earnings before interest and tax (EBIT)	**1,391**	**3,877**	**244**	**1,218**
Financial income	110	82	38	26
Finance costs	-830	-695	-273	-223
Earnings before tax (EBT)	**671**	**3,264**	**9**	**1,021**
Income taxes and deferred taxes	-675	-812	-260	-427
Profit (loss) from continuing operations, net of tax	**-4**	**2,452**	**-251**	**594**
Profit (loss) from discontinued operations, net of tax	**-61**	**-3,392**	**0**	**-2,231**
Net profit (loss) for the year	**-65**	**-940**	**-251**	**-1,637**
attributable to minority interest	1	-50	-1	-16
attributable to Hypoport AG shareholders	-66	-890	-250	-1,621
Basic earnings (loss) per share (€)	**-0.01**	**-0.15**	**-0.04**	**-0.27**
from continuing operations	0.00	0.41	-0.04	0.10
from discontinued operations	-0.01	-0.56	0.00	-0.37
Diluted earnings per share (€)	**-0.01**	**-0.14**	**-0.04**	**-0.26**
from continuing operations	0.00	0.41	-0.04	0.10
from discontinued operations	-0.01	-0.55	0.00	-0.36

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Consolidated statement of comprehensive income

for the period 1 January to 30 September 2009

	1 Jan to 30 Sept 2009 €'000	1 Jan to 30 Sept 2008 €'000	1 July to 30 Sept 2009 €'000	1 July to 30 Sept 2008 €'000
Net profit (loss) for the year	-65	-940	-251	-1,637
Total income and expenses recognized in equity*	0	0	0	0
Total comprehensive income	-65	-940	-251	-1,637
attributable to minority interest	1	-50	-1	-16
attributable to Hypoport AG shareholders	-66	-890	-250	-1,621

* There was no income or expense to be recognized directly in equity during the reporting period.

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Abridged consolidated statement of changes in equity ended 30 September 2009

€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	Equity attributable to minority interest	Equity
Balance as at 1 January 2008	6,094	1,704	15,132	22,930	–	22,930
Issue of new shares	18	43	–	61	–	61
Payments from minority interest	–	–	–	0	200	200
Total comprehensive income	–	–	–	-890	-50	-940
Balance as at 30 September 2008	**6,112**	**1,747**	**15,132**	**22,101**	**150**	**22,251**

€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	Equity attributable to minority interest	Equity
Balance as at 1 January 2009	6,113	1,748	14,849	22,710	200	22,910
Issue of new shares	14	31	–	45	–	45
Total comprehensive income	–	–	-66	-66	1	-65
Balance as at 30 September 2009	**6,127**	**1,779**	**14,783**	**22,689**	**201**	**22,890**

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Consolidated cash flow statement

for the period 1 January to 30 September 2009

	30 Sept 2009 €'000	30 Sept 2008 €'000
Earnings before interest and tax (EBIT)	**1,340**	**162**
from continuing operations	1,391	3,877
from discontinued operations	-51	-3,715
Non-cash income (+) / expense (-) from income tax	-649	-444
Interest received (+)	110	82
Interest paid (-)	-830	-695
Income tax payments (-)	-11	-50
Income tax receipts (+)	0	5
Depreciation and amortisation expense, impairment losses (+) / reversales of impairment losses (-) on non-current assets	2,783	3,687
Gains (-) / losses (+) on the disposal of non-current assets	-6	2
Cash flow	**2,737**	**2,749**
Increase (+) / decrease (-) in current provisions	0	692
Increase (-) / decrease (+) in inventories, trade receivables and other assets not related to investing or financing activities	1,087	-2,469
Increase (+) / decrease (-) in trade payables and other liabilities not related to investing or financing activities	-1,443	-931
Change in working capital	**-356**	**-2,708**
Cash flows from operating activities	**2,381**	**41**
from discontinued operations	36	388
Proceeds from the disposal of property, plant and equipment / intangible assets (+)	95	11
Payments to acquire property, plant and equipment / intangible assets (-)	-3,843	-4,455
Payments to acquire consolidated enterprises (-)	-40	0
Proceeds from the disposal of financial assets (+)	442	40
Purchase of financial assets (-)	-209	-600
Cash flows from investing activities	**-3,555**	**-5,004**
from discontinued operations	0	-390
Proceeds from additions to equity (+)	45	61
Cash receipts from minority interest (+)	0	200
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	0	10,900
Redemption of bonds and loans (-)	-918	-5,597
Cash flows from financing activities	**-873**	**5,564**
from discontinued operations	0	0
Net change in cash and cash equivalents	-2,047	601
Cash and cash equivalents at the beginning of the period	7,458	3,100
Cash and cash equivalents at the end of the period	**5,411**	**3,701**
from discontinued operations	0	83

Abridged segment reporting

for the period 1 January to 30 September 2009

€'000	Corporate Real Estate Clients	Private Clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment revenue in respect of third parties						
1 Jan - 30 Sept 2009	4,684	22,618	7,202	2,513	441	37,458
1 Jan - 30 Sept 2008	4,034	24,175	6,335	1,777	511	36,832
1 July - 30 Sept 2009	1,289	7,712	2,277	887	144	12,309
1 July - 30 Sept 2008	902	8,478	2,144	548	194	12,266
Segment revenue in respect of other segments						
1 Jan - 30 Sept 2009	184	74	558	0	-816	0
1 Jan - 30 Sept 2008	42	2	288	28	-360	0
1 July - 30 Sept 2009	3	18	156	0	-177	0
1 July - 30 Sept 2008	18	0	142	4	-164	0
Total segment revenue						
1 Jan - 30 Sept 2009	4,868	22,692	7,760	2,513	-375	37,458
1 Jan - 30 Sept 2008	4,076	24,177	6,623	1,805	151	36,832
1 July - 30 Sept 2009	1,292	7,730	2,433	887	-33	12,309
1 July - 30 Sept 2008	920	8,478	2,286	552	30	12,266
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)						
1 Jan - 30 Sept 2009	2,324	2,097	166	746	-1,210	4,123
1 Jan - 30 Sept 2008	1,315	2,403	3,057	-1,559	-1,367	3,849
1 July - 30 Sept 2009	424	513	167	355	-270	1,189
1 July - 30 Sept 2008	196	1,281	640	-933	-487	697
from continuing operations						
1 Jan - 30 Sept 2009	2,324	2,097	166	797	-1,210	4,174
1 Jan - 30 Sept 2008	1,315	2,403	3,057	642	-1,316	6,101
1 July - 30 Sept 2009	424	513	167	355	-270	1,189
1 July - 30 Sept 2008	196	1,281	640	354	-485	1,986
from discontinued operations						
1 Jan - 30 Sept 2009	0	0	0	-51	0	-51
1 Jan - 30 Sept 2008	0	0	0	-2,201	-51	-2,252
1 July - 30 Sept 2009	0	0	0	0	0	0
1 July - 30 Sept 2008	0	0	0	-1,287	-2	-1,289

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Abridged segment reporting

for the period 1 January to 30 September 2009

€'000	Corporate Real Estate Clients	Private Clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment earnings before interest, and tax (EBIT)						
1 Jan - 30 Sept 2009	2,221	2,051	-1,801	610	-1,741	1,340
1 Jan - 30 Sept 2008	1,251	2,348	1,660	-3,151	-1,946	162
1 July - 30 Sept 2009	386	497	-523	310	-426	244
1 July - 30 Sept 2008	171	1,264	172	-2,438	-561	-1,392
from continuing operations						
1 Jan - 30 Sept 2009	2,221	2,051	-1,801	661	-1,741	1,391
1 Jan - 30 Sept 2008	1,251	2,348	1,660	512	-1,894	3,877
1 July - 30 Sept 2009	386	497	-523	310	-426	244
1 July - 30 Sept 2008	171	1,264	172	168	-557	1,218
from discontinued operations						
1 Jan - 30 Sept 2009	0	0	0	-51	0	-51
1 Jan - 30 Sept 2008	0	0	0	-3,663	-52	-3,715
1 July - 30 Sept 2009	0	0	0	0	0	0
1 July - 30 Sept 2008	0	0	0	-2,606	-4	-2,610
Segment assets						
30 Sept 2009	12,233	16,406	17,762	5,025	3,168	54,594
31 Dec 2008	10,831	15,623	22,006	4,624	3,906	56,990

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5. Notes to the interim consolidated financial statements

Information about the Company

The Hypoport Group is an internet-based service provider that offers a full range of financial products. Its business model is based on two mutually supporting pillars: the Financial Product Sales and B2B Financial Marketplaces divisions.

Operating through its wholly owned subsidiary Dr. Klein & Co. AG and the latter's subsidiaries, Vergleich.de Gesellschaft für Verbraucherinformation mbH, Freie Hypo GmbH and Qualitypool GmbH, the Hypoport Group offers private clients internet-based banking and financial products (providing advice, if requested, either by telephone or face to face) ranging from current accounts and insurance to mortgage finance.

With its EUROPACE B2B financial marketplace, the Hypoport Group uses Germany's largest online transaction platform to sell financial products. A fully integrated system links a number of banks with several thousand financial advisers, thereby enabling products to be sold swiftly and directly.

Its parent company is Hypoport AG, which is headquartered in Berlin, Germany. Hypoport AG is entered in the commercial register of the Berlin-Charlottenburg local court under HRB 74559. The business address of the Company is Kloster-strasse 71, 10179 Berlin, Germany.

Basis of presentation

The condensed interim consolidated financial statements for the nine months ended 30 September 2009 for Hypoport AG have been prepared in accordance with the provisions of IAS 34 (Interim Financial Reporting). They are based on the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union and take into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Since the consolidated financial statements for the year ended 31 December 2008, the report has been condensed as stipulated by IAS 34. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2008 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements have not been reviewed by an auditor.

With the exception of the adjustments listed in the accounting policies section below, these condensed interim consolidated financial statements are based on the accounting policies and principles of consolidation used in the 2008 consolidated financial statements.

These condensed interim consolidated financial statements have been prepared in euros. Unless stated otherwise, all amounts are shown in thousands of euros. The consolidated income statement has been prepared using the nature-of-expense method.

Accounting policies

The accounting policies applied are those used in 2008, with the following exceptions:

- IAS 1 Presentation of financial statements - capital disclosures
- IAS 23 Borrowing costs
- IAS 32 Financial instruments: presentation
- IFRS 2 Share-based payment - vesting conditions and cancellations
- IFRS 7 Financial instruments: disclosures
- IFRS 8 Operating segements
- IFRIC 13 Customer loyalty programmes

The first-time adoption of these standards and interpretations has had no impact on the financial position or financial performance of the Hypoport Group.

Because application of the revised version of IAS 1 Presentation of financial statements, which was published in September 2007, has been mandatory since 1 January 2009, Hypoport has incorporated a further financial statement – the statement of comprehensive income – into its interim and annual reports. This financial statement presents the net profit or loss for the period – as shown on the face of the income statement – and, based on this figure, the comprehensive income or loss for the period, including income and expense recognised directly in equity.

In addition, since the first quarter of 2009 Hypoport has adopted IFRS 8 Operating segments, which was published by the IASB in November 2006 and whose appli-cation has also been mandatory since 1 January 2009. IAS 14 Segment reporting has been replaced by IFRS 8 from its effective date. This standard requires the disclosure of information about the Group's operating segments and replaces the obligation to divide its reporting formats into primary (operating segments) and secondary (geographical segments). The Group has determined that the operating segments as defined by IFRS 8 that have been identified in the Group are the same operating segments as those previously identified in accordance with IAS 14. The first-time adoption of IFRS 8 therefore has no impact on the Hypoport Group's segment reporting.

The presentation of the income statement has been modified since the condensed interim consolidated financial statements for the period ended 30 September 2008 were published. The income statement now includes a new item called ‚gross profit', which comprises the Company's revenue minus another new item called ‚selling expenses'. Selling expenses were previously reported as part of other operating expenses. Total selling expenses essentially consisted of commissions, lead costs, advertising costs and travel expenses. With effect from 31 December 2008, commissions and lead costs have been reclassified as the new item ‚selling expenses', while advertising costs and travel expenses continue to be reported as the other selling expenses included within other operating expenses. The comparative figures for 2008 have been restated accordingly. This reclassification has not affected either the net profit (loss) for the period or the earnings (loss) per share reported by the Hypoport Group.

Owing to the closure of the EUROPACE for investors business and the related discontinuation of its Property Finance Europe publication, which are required by IFRS 5 to be presented as discontinued operations, Hypoport AG has restated the income statement it reported for 2008. For this purpose, the income and expense from these operations, which essentially relates to ABS GmbH and PFE GmbH, has been reclassified as profit (loss) from discontinued operations, net of tax.

The tables below show the prior-year figures that have been restated to reflect the discontinuation of operations and the amended presentation of selling expenses.

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Consolidated income statement in €'000	1 Jan to 30 Sept 2008 restated	1 Jan to 30 Sept 2008 as reported	Change	Thereof: IFRS 5	Thereof: selling expenses
Revenue	36,832	37,703	-871	-871	0
Selling expenses (Commission and lead costs)	-12,527	0	-12,527	0	-12,527
Gross profit	**24,305**	**37,703**	**-13,398**	**-871**	**-12,527**
Own work capitalised	2,763	3,146	-383	-383	0
Other operating income	613	640	-27	-27	0
Cost of materials	-269	-294	25	25	0
Personnel expenses	-14,802	-16,221	1,419	1,419	0
Other operating expenses	-6,509	-21,125	14,616	2,089	12,527
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**6,101**	**3,849**	**2,252**	**2,252**	**0**
Depreciation, amortisation expense and impairment losses	-2,224	-3,687	1,463	1,463	0
Earnings before interest and tax (EBIT)	**3,877**	**162**	**3,715**	**3,715**	**0**
Financial income	82	82	0	0	0
Finance costs	-695	-695	0	0	0
Earnings before tax (EBT)	**3,264**	**-451**	**3,715**	**3,715**	**0**
Income taxes and deferred taxes	-812	-489	-323	-323	0
Profit (loss) from continuing operations, net of tax	**2,452**	**-940**	**3,392**	**3,392**	**0**
Profit (loss) from discontinued operations, net of tax	**-3,392**	**0**	**-3,392**	**-3,392**	**0**
Net profit (loss) for the year (total)	**-940**	**-940**	**0**	**0**	**0**
attributable to minority interest	-50	-50	0	0	0
attributable to Hypoport AG shareholders	**-890**	**-890**	**0**	**0**	**0**
Earnings (loss) per share from continuing operations (€) (basic)	0.41	-0,15	0.56	0.56	0.00
Earnings (loss) per share from continuing operations (€) (diluted)	0.41	-0,14	0.55	0.55	0.00
Earnings (loss) per share from discontinued operations (€) (basic)	-0.56	0.00	-0.56	-0.56	0.00
Earnings (loss) per share from discontinued operations (€) (diluted)	-0.55	0.00	-0.55	-0.55	0.00

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Consolidated income statement in €'000	1 July to 30 Sept 2008 restated	1 July to 30 Sept 2008 as reported	Change	Thereof: IFRS 5	Thereof: selling expenses
Revenue	12,266	12,585	-319	-319	0
Selling expenses (Commission and lead costs)	-4,160	0	-4,160	0	-4,160
Gross profit	**8,106**	**12,585**	**-4,479**	**-319**	**-4,160**
Own work capitalised	768	822	-54	-54	0
Other operating income	296	316	-20	-20	0
Cost of materials	-87	-87	0	0	0
Personnel expenses	-4,893	-5,689	796	796	0
Other operating expenses	-2,204	-7,250	5,046	886	4,160
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,986**	**697**	**1,289**	**1,289**	**0**
Depreciation, amortisation expense and impairment losses	-768	-2,089	1,321	1,321	0
Earnings before interest and tax (EBIT)	**1,218**	**-1,392**	**2,610**	**2,610**	**0**
Financial income	26	26	0	0	0
Finance costs	-223	-223	0	0	0
Earnings before tax (EBT)	**1,021**	**-1,589**	**2,610**	**2,610**	**0**
Income taxes and deferred taxes	-427	-48	-379	-379	0
Profit (loss) from continuing operations, net of tax	**594**	**-1,637**	**2,231**	**2,231**	**0**
Profit (loss) from discontinued operations, net of tax	**-2,231**	**0**	**-2,231**	**-2,231**	**0**
Net profit (loss) for the year (total)	**-1,637**	**-1,637**	**0**	**0**	**0**
attributable to minority interest	-16	-16	0	-2,231	0
attributable to Hypoport AG shareholders	**-1,621**	**-1,621**	**0**	**-2,231**	**0**
Earnings (loss) per share from continuing operations (€) (basic)	0.10	-0.27	0.37	0.37	0.00
Earnings (loss) per share from continuing operations (€) (diluted)	0.10	-0.26	0.36	0.36	0.00
Earnings (loss) per share from discontinued operations (€) (basic)	-0.37	0.00	-0.37	-0.37	0.00
Earnings (loss) per share from discontinued operations (€) (diluted)	-0.36	0.00	-0.36	-0.36	0.00

Basis of consolidation

The consolidation as at 30 September 2009 included all entities controlled by Hypoport AG in addition to Hypoport AG itself.

Hypoport on-geo GmbH, Berlin, and FINMAS GmbH, Berlin, have been consolidated for the first time since 31 December 2008.

Hypoport on-geo GmbH, Berlin, was set up as a joint venture in collaboration with on-geo GmbH, Munich, in April 2009. The object of the company is the joint establishment and operation of an internet platform for valuing real estate while identifying and assessing risks to the value of real estate used as loan collateral. Its subscribed capital amounts to €25,000.00 and is fully paid-up. Hypoport AG owns a shareholding of €12,500.00. The statutes of Hypoport on-geo GmbH require that major shareholder resolutions be adopted by a majority of 90 per cent. Hypoport on-geo GmbH is consolidated only on a pro rata basis because of this restricted level of control exercised by Hypoport AG.

FINMAS GmbH, Berlin, was established in June 2009. The object of this company is to broker – and help broker – credit, loans, insurance, savings products and cur-rent accounts both to savings banks and members of the German finance group of savings banks as well as from savings banks and members of the German finance group of savings banks to third-party product suppliers on the platform of the EUROPACE financial marketplace. Its subscribed capital amounts to €25,000.00 and is fully paid-up.

ABS Service GmbH was sold for €1.00 on 5 March 2009 with economic effect from 1 January 2009 and was deconsolidated with effect from 1 January 2009. The as-sets sold amounted to €40 thousand and the liabilities sold came to €15 thousand. The parent company made a loss of €25 thousand from this deconsolidation.

The following table shows the entities included in the interim consolidated financial statements in addition to Hypoport AG:

	Holding (%)
Dr. Klein & Co. AG, Lübeck	100.00
Dr. Klein & Co. Consulting GmbH, Lübeck	100.00
GENOPACE GmbH, Berlin	50.025
FINMAS GmbH, Berlin	100.00
Freie Hypo GmbH, Lübeck	100.00
Hypoport B.V., Amsterdam	100.00
Hypoport Finance AG, Berlin	100.00
Hypoport Insurance Market GmbH, Berlin	100.00
Hypoport Mortgage Market Ltd., Westport (Irland)	100.00
Hypoport on-geo GmbH, Berlin	50.00
Hypoport Stater B.V. , Amsterdam	50.00
Hypoport Systems GmbH, Berlin	100.00
Qualitypool GmbH, Lübeck	100.00
Starpool Finanz GmbH, Berlin	50.025
Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin	100.00

With the exception of Hypoport Stater B.V. and Hypoport on-geo GmbH (both joint ventures consolidated on a pro rata basis), all companies in the Group are fully consolidated.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and development costs of €9.4 million for the financial marketplaces (2008: €7.8 million).

Property, plant and equipment consists solely of office furniture and equipment of €1.7 million (2008: €2.0 million).

Income taxes and deferred taxes

The average combined tax rates computed on the basis of current legislation are unchanged at just under 30 per cent for companies in Germany and between 12.5 per cent and 25.5 per cent for subsidiaries outside Germany.

Earnings per share

The figure for the earnings (loss) per share is determined in accordance with IAS 33. Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport AG by the weighted aver-age number of outstanding shares. Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport AG by the total weighted average number of outstanding shares, adjusted for the dilutive effect of potential new shares. The figure for the earnings (loss) per share becomes diluted if the average number of shares is increased as a result of adding in the issue of potential shares in connection with options.

Share options were issued to employees in the years 2002 to 2004. These share options had the following dilutive effect on earnings per share in 2009:

	1 Jan to 30 Sept 2009	1 Jan to 30 Sept 2008	1 July to 30 Sept 2009	1 July to 30 Sept 2008
Net profit (loss) for the year (€'000)	-65	-940	-251	-1,637
of which attributable to Hypoport AG stockholders	-66	-890	-250	-1,621
from continuing operations	-5	2,502	-250	610
from discontinued operations	-61	-3,392	0	-2,231
Basic weighted number of outstanding shares (€'000)	6,114	6,102	6,117	6,111
Basic earnings (loss) per share (€)	**-0.01**	**-0.15**	**-0.04**	**-0.27**
from continuing operations	0.00	0.41	-0.04	0.10
from discontinued operations	-0.01	-0.56	0.00	-0.37
Weighted number of share options ('000) causing a dilutive effect	83	102	80	93
Diluted weighted number of outstanding shares (€'000)	6,166	6,176	6,174	6,174
Diluted earnings (loss) per share	**-0.01**	**-0.14**	**-0.04**	**-0.26**
from continuing operations	0.00	0.41	-0.04	0.10
from discontinued operations	-0.01	-0.55	0.00	-0.36

The weighted number of outstanding shares is calculated on the basis of a daily balance. The dilutive effect of the options granted was an average of 57 thousand shares in the third quarter of 2009 (Q3 2008: 63 thousand) and of 52 thousand shares in the first nine months of 2009 (Q1-Q3 2008: 74 thousand).

Discontinued operations

Because the Company decided in 2008 to close the EUROPACE for investors business and, consequently, to discontinue its Property Finance Europe publica-tion, which are required by IFRS 5 to be presented as discontinued operations, the income and expense from these operations, which essentially relates to ABS GmbH and PFE GmbH, has been reclassified and reported separately on the face of the consolidated income statement as profit (loss) from discontinued operations, net of tax. Comparative items have been restated accordingly as required by IFRS 5.

The tables below show the profits (losses) from discontinued operations, net of tax. The income and expense relating to PFE GmbH is shown under ‚Reconciliation'.

€'000	1 Jan to 30 Sept 2009 Institutional Clients	Reconciliation	Group	1 Jan to 30 Sept 2008 Institutional Clients	Reconciliation	Group
Revenue	0	0	0	436	435	871
Selling expenses (Commission and lead costs)	0	0	0	0	0	0
Gross profit	**0**	**0**	**0**	**436**	**435**	**871**
Own work capitalised	0	0	0	383	0	383
Other operating income	0	0	0	20	7	27
Cost of materials	0	0	0	0	-25	-25
Personnel expenses	-38	0	-38	-1,399	-20	-1,419
Other operating expenses	-13	0	-13	-1,642	-447	-2,089
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**-51**	**0**	**-51**	**-2,202**	**-50**	**-2,252**
Depreciation, amortisation expense and impairment losses	0	0	0	-1,461	-2	-1,463
Earnings before interest and tax (EBIT)	**-51**	**0**	**-51**	**-3,663**	**-52**	**-3,715**
Financial income	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
Earnings before tax (EBT)	**-51**	**0**	**-51**	**-3,663**	**-52**	**-3,715**
Income taxes and deferred taxes	15	0	15	-323	0	-323
Profit (loss) on deconsolidation	-25	0	-25	0	0	0
Profit (loss) from discontinued operations, net of tax	**-61**	**0**	**-61**	**-3,340**	**-52**	**-3,392**
Earnings (loss) per share from - discontinued operations (€) (basic)			-0.01			-0.56
Earnings (loss) per share from - discontinued operations (€) (diluted)			-0.01			-0.55

€'000	1 July to 30 Sept 2009 Institutional Clients	Reconciliation	Group	1 July to 30 Sept 2008 Institutional Clients	Reconciliation	Group
Revenue	0	0	0	204	115	319
Selling expenses (Commission and lead costs)	0	0	0	0	0	0
Gross profit	**0**	**0**	**0**	**204**	**115**	**319**
Own work capitalised	0	0	0	54	0	54
Other operating income	0	0	0	17	3	20
Cost of materials	0	0	0	0	0	0
Personnel expenses	0	0	0	-795	-1	-796
Other operating expenses	0	0	0	-766	-120	-886
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**0**	**0**	**0**	**-1,286**	**-3**	**-1,289**
Depreciation, amortisation expense and impairment losses	0	0	0	-1,320	-1	-1,321
Earnings before interest and tax (EBIT)	**0**	**0**	**0**	**-2,606**	**-4**	**-2,610**
Financial income	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
Earnings before tax (EBT)	**0**	**0**	**0**	**-2,606**	**-4**	**-2,610**
Income taxes and deferred taxes	0	0	0	379	0	379
Profit (loss) on deconsolidation	0	0	0	0	0	0
Profit (loss) from discontinued operations, net of tax	**0**	**0**	**0**	**-2,227**	**-4**	**-2,231**
Earnings (loss) per share from - discontinued operations (€) (basic)			0.00			-0.37
Earnings (loss) per share from - discontinued operations (€) (diluted)			0.00			-0.36

Profit (loss) from discontinued operations, net of tax, for the reporting period relates solely to expenses for ABS Service GmbH.

Subscribed capital

The changes to subscribed capital in the period under review were as follows:

Subscribed capital	€
Balance as at 1 January 2009	6,112,890.00
Issue of new shares	14,000.00
Balance as at 30 September 2009	6,126,890.00

The Company's subscribed capital as at 30 September 2009 amounted to €6,126,890.00 (31 December 2008: €6,112,890.00) and is divided into 6,126,890 (31 December 2008: 6,112,890) registered no-par-value shares.

The Annual Shareholders' Meeting held on 5 June 2009 voted to carry forward Hypoport AG's distributable profit of €7,183,455.44 to the next accounting period.

Authorised capital

Following approval of a resolution by the Annual Shareholders' Meeting on 1 June 2007, the unused authorisation of 19 December 2006 was set aside and replaced by a new authorisation. The Management Board was authorised, subject to the consent of the Supervisory Board, to increase the subscribed capital of the Company by up to a total of €3,000,000.00 by way of an issue of new registered no-par-value shares for cash or non-cash contribution on one or more occasions on or before 31 May 2012. The Management Board can decide to disapply the statutory pre-emption rights of the shareholders, subject to the consent of the Supervisory Board.

Conditional capital

The Annual Shareholders' Meeting on 26 August 2002 approved a conditional capital increase of up to €276,808.00 in the Company's subscribed capital. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to managers in subsidiaries. The conditional capital issued under the resolution adopted on 26 August 2002 amounted to €190,718.00 on 30 September 2009 after shares had been issued in connection with the exercise of share options.

Reserves

The breakdown of reserves can be found in the above consolidated statement of changes in equity.

Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issue of shares under the 2002–2004 employee share ownership programme from 2006 to 2008 (€1.034 million), an amount equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand) and an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand).

Retained earnings include the profits generated by the entities included in the consolidated financial statements prior to the first-time consolidation on 1 January 2004, the capital gains on the sale of treasury shares, the losses on the recall of treasury shares and two negative goodwill amounts arising from business combinations. These negative goodwill amounts are reported under retained earnings, because profits had been retained after the acquisition but before the date of first-time consolidation.

The accumulated net profits since the date of first-time consolidation, all the re-maining adjustments made under the first-time adoption of IFRS on 1 January 2004 and recognised directly in equity, and a statutory reserve of €7 thousand (2008: €7 thousand) are also reported under this item.

Minority interest

This item relates to the minority interest in the equity of Starpool Finanz GmbH and GENOPACE GmbH.

Treasury shares

The Annual Shareholders' Meeting held on 5 June 2009 adopted a resolution authorising the Management Board to purchase treasury shares amounting to a total of up to 10 per cent of the subscribed capital in existence at the time the resolution was adopted. This authorisation remains in force until 4 December 2010. No treasury shares were held by the Company as at 30 September 2009.

Share-based payment

No share options were issued in the third quarter of 2009.

Related parties

IAS 24 requires disclosure of the names of persons or entities that control Hypoport AG or are controlled by Hypoport AG. Transactions between Hypoport AG and its subsidiaries are eliminated during consolidation and are therefore not subject to the disclosure requirement in this section.

IAS 24 also requires disclosure of the names of persons who can exercise significant influence over the Company.

The scope of persons covered by the requirements also includes key management personnel, their close family members and other entities via which a named person exercises control or significant influence over Hypoport AG. In the reporting period, the persons covered by this requirement were the members of the Supervisory Board of Hypoport AG, the members of the Group Executive Committee (Thomas Kretschmar, Ronald Slabke, Marco Kisperth, Thilo Wiegand, Stephan Gawarecki and Hans-Peter Trampe) and their close family members.

The following table shows the numbers of shares and options in Hypoport AG directly or indirectly held by the members of the GEC and Supervisory Board as at 30 September 2009:

	Number of shares 30 Sept 2009	Number of shares 31 Dec 2008	Number of options 30 Sept 2009	Number of options 31 Dec 2008
GEC				
Prof. Dr. Thomas Kretschmar	1,418,624	1,418,624	0	0
Ronald Slabke	2,209,831	2,182,000	32,000	32,000
Marco Kisperth	93,926	93,926	14,000	14,000
Thilo Wiegand	24,000	24,000	0	0
Stephan Gawarecki	187,800	187,800	0	0
Hans Peter Trampe	174,990	174,990	20,000	20,000
Supervisory Board				
Dr. Ottheinz Jung-Senssfelder	24,000	24,000	0	0
Jochen Althoff	131,000	131,000	0	0
Christian Schröder	24,000	24,000	0	0

Opportunities and risks

In the period under review, there were no material changes to the opportunities and risks for the Group as described in the risk report in the 2008 group management report. There are no identifiable risks to the Hypoport Group as a going concern.

Seasonal influences on business activities

There were no exceptional, positive seasonal influences on the performance of the Hypoport Group's business in the third quarter of 2009. In the past, positive changes in the mortgage market for both private and corporate clients have been noticeable during the course of a year. This has normally been attributable to changes in economic conditions and tax. The Company is also assuming that there will be an encouraging trend in the distribution of insurance products for private and corporate real-estate clients during the course of the year caused, among other things, by certain industry-wide cancellation deadlines and tax issues.

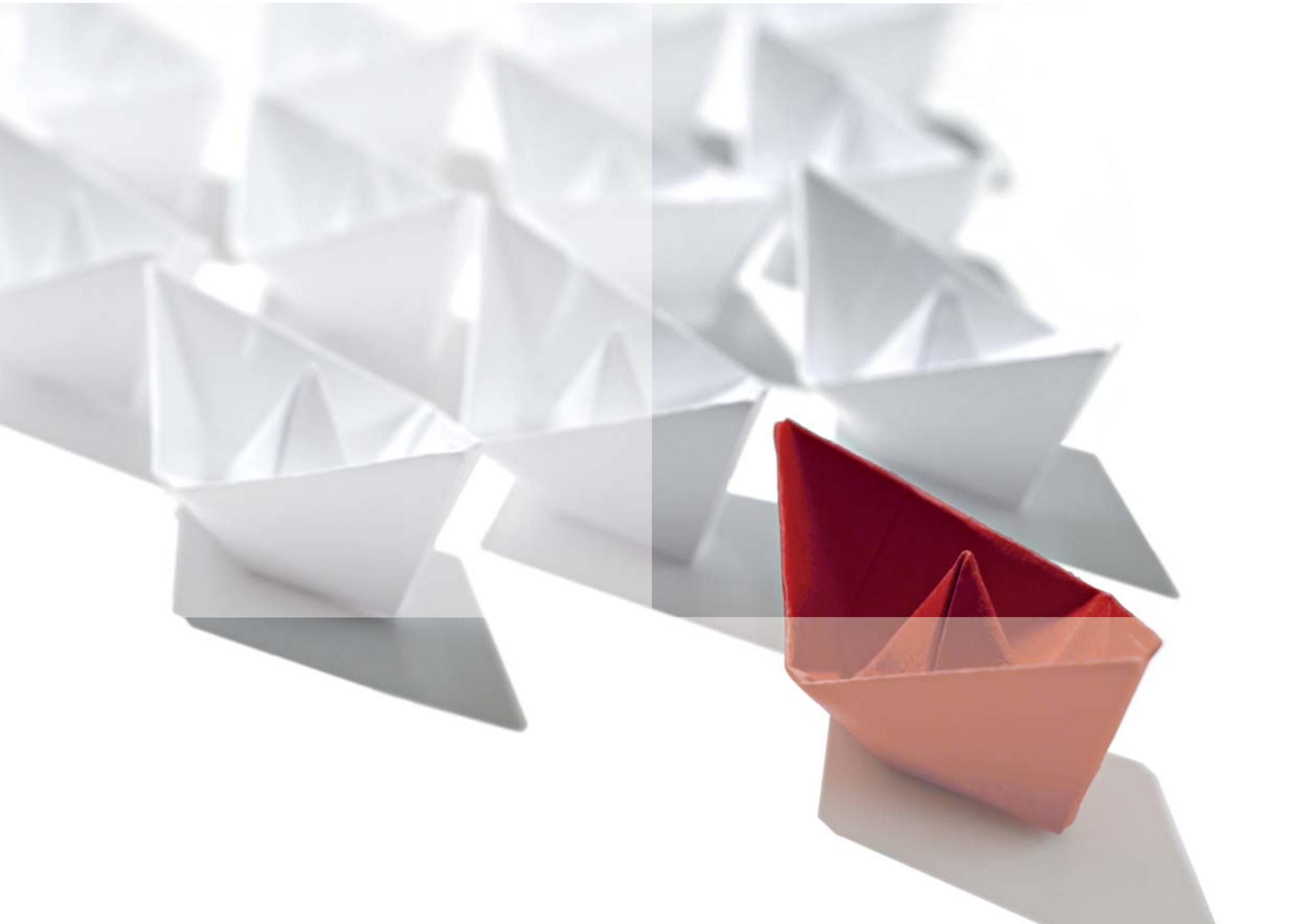
Events after the balance sheet date

GSD Gesellschaft für Sparkassendienstleistungen mbH (GSD), acting on behalf of its sole shareholder Ostdeutscher Sparkassenverband (the association of eastern German savings banks), became a new shareholder in FINMAS GmbH by way of an increase in the Company's capital. GSD and Hypoport AG now each own 50.00 per cent of the shares in FINMAS GmbH.

Berlin, 6 November 2009

Hypoport AG – The Management Board
Prof. Dr. Thomas Kretschmar – Ronald Slabke – Marco Kisperth – Thilo Wiegand

HYPOPORT
THE FINANCE INTEGRATOR



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