



Hypoport processes record volume of €3.767 billion via its EUROPACE platform in third quarter

closure of its loss-making business for ABS investors announced



Berlin, 9 October 2008 – Hypoport AG generated a new record volume of transactions worth €3.767 billion in the third quarter of this year. This represents an increase of more than 20 per cent compared with the same quarter of 2007. The Company processed €3.466 billion worth of home loans and €0.301 billion worth of personal loans via its EUROPACE platform.

At the same time it announced the closure of its loss-making 'EUROPACE for ABS investors' business, which had reduced the Company's earnings before interest and tax (EBIT) by approximately €1 million in the first half of this year. Write-downs on software development and provisions set aside to cover the termination of existing agreements will incur one-off charges of roughly €3 million for the third quarter.

The Company will continue to honour existing agreements with its ABS investor clients until at least the summer of 2009. This decision will not affect its profitable Amsterdam-based services for ABS issuers. At its meeting today, the supervisory board of Hypoport Capital Market AG appointed Thomas Kretschmar as executive director with sole power of attorney.

"The Hypoport Group operates highly lucrative business models. Our business with private clients and financial product distributors is profitable and, thanks to our unrivalled EUROPACE platform, we are bucking the market trend by generating strong growth. Given the far-reaching changes taking place in the market, it was therefore a logical move to discontinue our business with institutional ABS investors and focus our resources on our profitable operations", commented Thomas Kretschmar, co-CEO of Hypoport AG following the decision. "All of the business units in the Hypoport Group will therefore be profitable as from the fourth quarter of this year".

About Hypoport AG

The Hypoport Group is an internet-based all-round financial services provider. Its business model consists of two reciprocally beneficial pillars – the sale of financial products 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 30 banks 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.

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