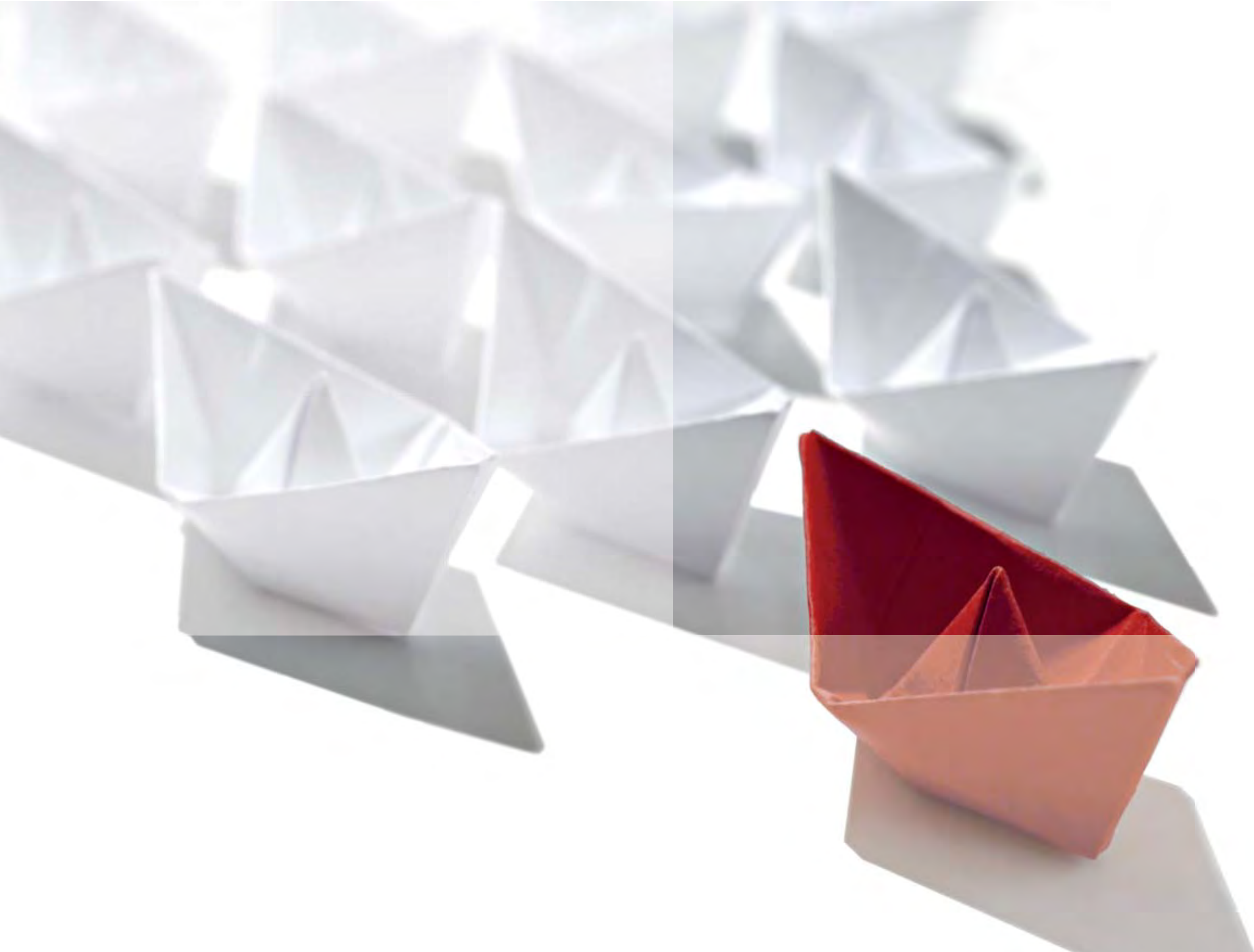
HYPOPORT
THE FINANCE INTEGRATOR



Interim report of Hypoport AG

for the period ended 30 September 2011

Berlin, 7 November 2011

HYPOPORT
THE FINANCE INTEGRATOR

Key performance indicators

Financial performance (€´000)	01 Jan - 30 Sept 2011	01 Jan - 30 Sept 2010	Change
Revenue	58,802	44,927	31 %
Gross profit	32,188	27,134	19 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7,774	6,910	13 %
Earnings before interest and tax (EBIT)	3,898	3,530	10 %
EBIT margin (EBIT as a percentage of gross profit)	12.1	13.0	-7 %
Basic earnings (loss) per share (€)	0.38	0.27	41 %
Diluted earnings (loss) per share (€)	0.38	0.26	46 %
Hypoport Group			
Net profit (loss) for the year	2,322	1,613	44 %
attributable to Hypoport AG shareholders	2,358	1,627	45 %
Basic earnings (loss) per share (€)	0.38	0.27	41 %
Diluted earnings (loss) per share (€)	0.38	0.26	46 %
Financial performance (€'000)	**01 Jul - 30 Sept 2011**	**01 Jul - 30 Sept 2010**	
Revenue	22,954	16,892	36 %
Gross profit	12,235	10,138	21 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,901	3,610	8 %
Earnings before interest and tax (EBIT)	2,565	2,398	7 %
EBIT margin (EBIT as a percentage of gross profit)	21.0	23.7	-11 %
Basic earnings (loss) per share (€)	0.27	0.24	13 %
Diluted earnings (loss) per share (€)	0.27	0.23	17 %
Hypoport Group			
Net profit (loss) for the year	1,669	1,472	13 %
attributable to Hypoport AG shareholders	1,668	1,453	15 %
Basic earnings (loss) per share (€)	0.27	0.24	13 %
Diluted earnings (loss) per share (€)	0.27	0.23	17 %
Financial position (€'000)	**30 Sept 2011**	**31 Dec 2010**	
Current assets	32,353	30,130	7 %
Non-current assets	35,037	37,048	-5 %
Equity	29,840	27,390	9 %
attributable to Hypoport AG shareholders	29,688	27,202	9 %
Equity ratio (%)	44.1	40.5	9 %
Total assets	67,390	67,178	0 %

Contents

1. Letter to shareholders

Dear shareholder

A comparison between the first nine months of this year and the corresponding period of 2010 clearly illustrates that the Hypoport Group has generated double-digit percentage growth in all its revenue and earnings figures. This success is the result of four mutually reinforcing factors. Our transparency-based business model is now more than ever in tune with the times and meets customers' financial services needs.

The professionalism and expertise of our 480 or so employees ensured that this business model was fully implemented and that the Company achieved strong growth. As one of our share-holders, you supported this process by continuing to place your trust in us. An additional factor was that all these efforts fell on fertile ground: market conditions in the financial services industry remained largely intact in Germany despite severe turmoil in the capital markets and political wrangling over the sovereign debt crisis.

Our financial results – revenue of approximately €60 million and earnings before interest, tax, depreciation and amortisation (EBITDA) of €8 million – are truly impressive.

v.l.n.r.: Thilo Wiegand, Ronald Slabke, Hans Peter Trampe und Stephan Gawarecki

Drivers of buoyant growth

All of our business units contributed to this success. The Financial Service Providers business benefited from benign economic conditions and the significant market penetration achieved by the EUROPACE, GENOPACE and FINMAS marketplaces.

The market presence of our EUROPACE technology coupled with the current flight to tangible assets – such as real estate – boosted revenue growth. The Private Clients business unit continued to strengthen its regional footprint in both branch-based and agent sales. This segment is expanding beyond its traditional core competence of mortgage finance by generating substantial growth from its business in insurance products.

In the third quarter of this year the Corporate Real Estate Clients business unit successfully closed the big-ticket deals that it had announced in the previous quarter. By obtaining new funding partners from the insurance industry it managed to further consolidate its market leadership and improve the terms and conditions offered to its customers.

Institutional Clients – the smallest of the business units – also successfully defended its position as market leader and, consequently, made a valuable contribution to revenue growth.

As we approach the end of the year the Hypoport Group is therefore firmly on track.

Kind regards

Ronald Slabke
Chief Executive Officer

2. Hypoport's shares

Share price performance

Hypoport's share price started the third quarter of 2011 by stabilising at just under €9.00. The general market turmoil in August caused the share price to fall further to a Q3 low of €7.50 on 12 August, since when it has largely remained at just under €8.00. It hit a third-quarter high of €9.12 on 5 July. The low level of stock market turnover meant that Hypoport's share price was heavily impacted by individual buying and selling transactions.

Performance of Hypoport's share price, January to September 2011 (daily closing prices on Frankfurt Stock Exchange)

Earnings per share

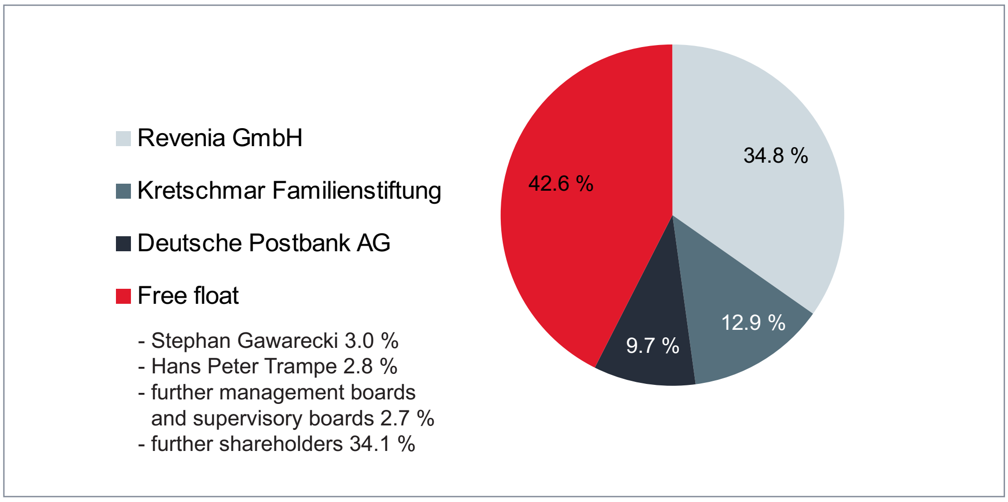
The Company reported earnings of €0.27 per share for the third quarter of 2011 (Q3 2010: €0.24). Earnings per share for the first nine months of the year came to €0.38 (Q1-Q3 2010: €0.27).

Trading volumes

The daily volume of Hypoport shares traded in the third quarter averaged €8,413.95. The highest average daily turnover was in July (1,836 shares), followed by August (660 shares). The month with the lowest daily turnover was September, when an average of only 498 Hypoport shares changed hands.

Shareholder structure

The free float in Hypoport's shares amounts to 42.6 per cent.



Breakdown of shareholders as at 30 September 2011

Notification of directors' dealings

No notifications of directors' dealings were published in the third quarter of 2011.

Ad-hoc disclosures

As a publicly traded company we are required to make ad-hoc disclosures of facts that could influence our share price. No ad-hoc disclosures were published in the third quarter.
Ad-hoc disclosures can be downloaded from our website at www.hypoport.com.

Designated Sponsor

Designated sponsors enhance a share's liquidity by quoting binding prices at which they will buy and sell the share. The designated sponsor for Hypoport AG is Close Brothers Seydler Bank AG, Frankfurt am Main.

HYPOPORT
THE FINANCE INTEGRATOR

Research

Three analysts published research studies on Hypoport's shares in the third quarter of 2011. The table below shows their most recent recommendations, the dates on which they were issued, and the target price in each case.

Analyst	Recommendation	Upside target	Date of recommendation
Equinet Investigator	Buy	13.00 €	11 August 2011
Lang & Schwarz	Buy	14.40 €	10 August 2011
CBS Research	Buy	16.00 €	10 August 2011

Key data on Hypoport´s shares

Security code number (WKN)	549 336
International securities identification number (ISIN)	DE 000 549 3365
Stock exchange symbol	HYQ
Type	No-par-value shares
Notional value	1.00 €
Subscribed capital	6,194,958,00 €
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 2011	9.05 € (Frankfurt)
Share price as at 30 September 2011	7.88 € (Frankfurt)
High in third quarter 2011	9.12 € (05 July 2011)
Low in third quarter 2010	7.50 € (12 August 2011)
Market capitalisation	48.8 Mio. € (30 September 2011)
Trading volume	8,413,95 € (daily average for third quarter 2011)

HYPOPORT
THE FINANCE INTEGRATOR

3. Interim group management report

Economic conditions

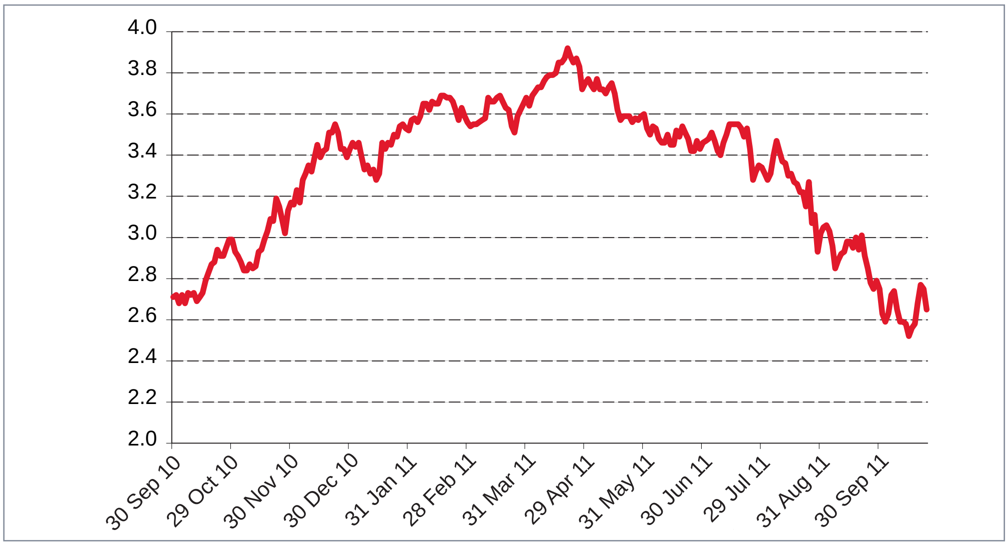
Macroeconomic environment

The first nine months of this year in Germany were marked by political wrangling over the reconfiguration of the euro zone's economy. The extreme urgency of the measures being discussed was largely attributable to the debt ratios run up by major European countries such as Italy, Spain and – more recently – France. The more evident their problems were, the stronger the reaction from financial markets, which immediately drove up the yields on these countries' government bonds. Creditors switched their money into safe investments such as Bunds.

German economic growth weakened slightly in the third quarter of this year. How-ever, the previous upturn in business activity continued to boost demand for labour: the number of those in gainful employment rose further, while the jobless rate fell by 0.5 percentage points to just under 6 per cent. The third quarter of 2011 saw Germany – as a major exporting nation – continuing to benefit from benign foreign trade conditions, which gave added stimulus to exports owing to the depreciation of the euro. Consumer spending decreased slightly despite the fact that Germans' expectations about the future remained upbeat at the end of the quarter. Inflation rose by more than 0.5 percentage points to 2.6 per cent over the first nine months of the year, which means that it is now well above the 2 per cent targeted by the European Central Bank. At the same time, yields on German government bonds declined as a result of the capital flight from other European countries. Economic growth, rising inflation and low interest rates persuaded many people to switch their money into tangible assets.

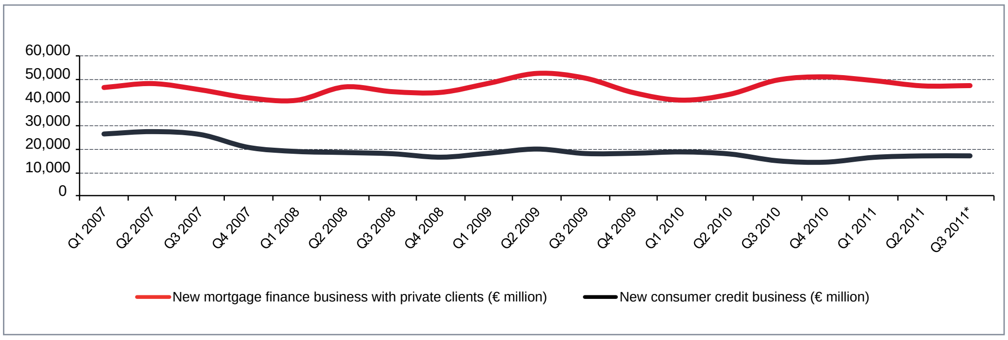
Conditions in the financial services sector

The benign long-term capital market conditions were reflected in receding swap rates from the middle of the year. Banks passed these attractive conditions on to their customers in the form of lower mortgage rates. The continuation of historically low interest rates significantly boosted demand for real estate, the volume of mort-gage finance brokered, and the price of property. At the same time, falling interest rates strengthened the competitive position of independent intermediaries.



According to Bundesbank statistics, the total volume of mortgage finance provided in the second quarter of 2011 was significantly higher than in the corresponding period of 2010. This was followed by a year-on-year decrease in July and then a volume in August that was well above the level of August 2010.

Business in personal loans had continued to contract slightly since the middle of 2009. According to the Bundesbank, the volume of personal loans extended in the second quarter of this year was 4.2 per cent lower than in the second quarter of 2010. However, the next two months saw a trend reversal: both July 2011 (up by around 8 per cent) and August of this year (up by approximately 19 per cent) achieved year-on-year increases.



Total volume of private mortgage mortgage finance and personal loans (source: Deutsche Bundesbank);
*Q3 / 2011 September interpolated

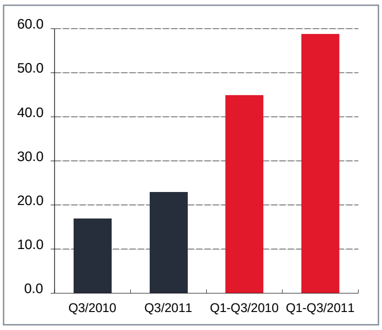
Bundesbank reported significant growth in the volume of building finance provided in the first eight months of 2011. The value of building finance products sold advanced by 11.2 per cent compared with the corresponding period of 2010.

The total value of assets under management grew by roughly 1 per cent in the first eight months of 2011: according to portfolio investment statistics compiled by the Federal Association of German Fund Management Companies (BVI), total fund assets under management came to €1.487 trillion as at 31 August 2011 (31 August 2010: €1.475 trillion). Of this total, the amount allocated to retail funds declined to €660 billion (31 August 2010: €680 billion), while the value allocated to specialised funds for institutional investors increased substantially to €827 billion (31 August 2010: €795 billion).

In addition to the flight to tangible assets and government bonds issued by countries with top credit ratings there was stronger demand for conservative investments. According to Bundesbank statistics, the total funds invested in fixed-term, instant-access and savings accounts increased by 1.5 per cent to €1,553.5 billion. The German Insurance Association (GDV) is forecasting growth of 4.7 per cent in gross premium income across all insurance segments.

The postponement of the adoption of more stringent capital adequacy rules for insurers (Solvency II) until 2014 has provided further relief for this industry.

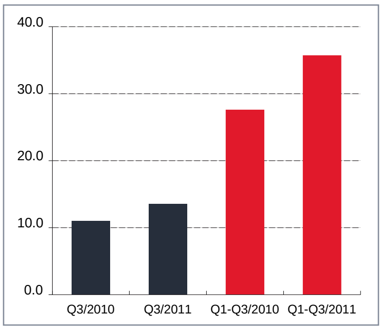
Revenue



Revenue Hypoport Group (€ million)

In the third quarter of 2011 the Hypoport Group once again achieved strong growth in its revenue, which advanced by 35.9 per cent from €16.9 million in the third quarter of 2010 to €23.0 million. A comparison of the first nine months of the year – during which revenue jumped by 30.9 per cent year on year to €58.8 million (Q1-Q3 2010: €44.9 million) – also illustrates just how quickly our organisation continues to grow. Selling expenses rose by more than revenue owing to a shift between higher-margin and low-margin revenue models in some cases; consequently, the gross profit earned in the first nine months of 2011 rose by 18.6 per cent from €27.1 million to €32.2 million. Third-quarter gross profit advanced by 20.7 per cent from €10.1 million to €12.2 million.

Private Clients business unit



Revenue Private Clients (€ million)

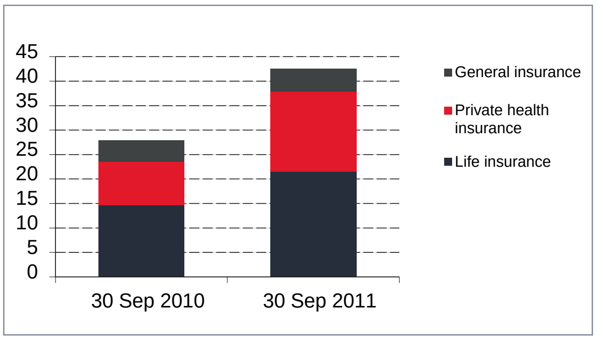
The Private Clients business unit, which specialises in online sales of financial products, once again managed to raise its revenue sharply against a background of mixed market conditions. Its revenue for the third quarter of 2011 increased by 22.5 per cent to €13.6 million (Q3 2010: €11.1 million), while its revenue for the first nine months of the year grew by 29.3 per cent to €35.7 million (Q1-Q3 2010: €27.6 million). As expected, the ongoing expansion of branch-based and agent sales – mainly of insurance – incurred higher selling expenses, which translated into a lower gross margin. Gross profit for the first nine months of the year rose by 11.3 per cent to €13.8 million (Q1-Q3 2010: €12.4 million). Third-quarter gross profit advanced by a modest 1.9 per cent from €5.2 million to €5.3 million.

Private clients	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Revenue (€ million)	35.7	27.6	13.6	11.1
Selling expenses (€ million)	21.9	15.2	8.3	5.9
Net Revenue (€ million)	13.8	12.4	5.3	5.2

The loan brokerage product segment was considerably expanded in the first nine months of 2011 and reported strong growth in its total volume of lending, which increased by 26.1 per cent from €2.26 billion to €2.85 billion. Year-on-year growth in the third quarter of 2011 came to 33.3 per cent.

	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Volume of financing transactions (€ billion)	2.85	2.26	1.12	0.84
Volume of insurance transactions (€ million)	20.55	9.51	10.03	3.68
life insurance	10.51	4.60	5.82	1.68
private health insurance	8.83	4.18	3.82	1.77
general insurance	1.21	0.73	0.39	0.23

The continued massive expansion of the Company's market presence in its insurance products generated significant growth stimulus, with the value of insurance transactions in the first nine months of 2011 surging by 116.1 per cent from €9.5 million in annual premiums to €20.6 million. Premiums earned in the third quarter of 2011 soared by 172.6 per cent to €5.8 million (Q3 2010: €1.7 million).



Portfolio of insurance policies/annual premiums (€ million)

Hypoport achieved year-on-year growth in the portfolio of insurance policies under its management as at 30 September 2011, raising its annual life insurance premi-ums by 47.3 per cent from €14.6 million to €21.5 million, its annual private health insurance premiums by 82.2 per cent from €9.0 million to €16.4 million and its annual general insurance premiums by 9.3 per cent from €4.3 million to €4.7 million. Consequently, the total portfolio of insurance policies under management reached a new all-time high of €42.6 million in annual premiums as at 30 September 2011 compared with €27.9 million a year earlier.

The broad-based growth in these and other banking products clearly demonstrates that the Company's strategy of distributing a wide range of financial products and services has given an additional boost to its product segments and further reduced its reliance on individual product categories.

For the first time this year we achieved a year-on-year increase in the number of leads acquired. The number of leads acquired in the first nine months of 2011 edged up by 0.2 million year on year to 3.4 million (Q1-Q3 2010: 3.2 million). In the third quarter of 2011 the number of leads rose by 0.4 million to 1.3 million (Q3 2010: 0.9 million). This essentially reflects the renewed popularity of basic investment products such as instant-access and fixed-term deposits owing to the slightly higher interest rates on these accounts.

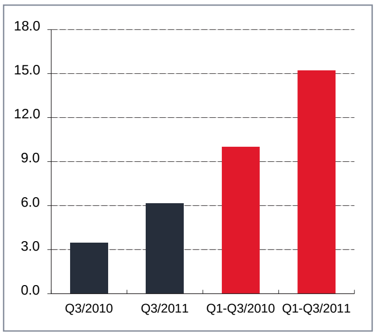
Number of leads

The number of advisers working in the various distribution channels of the Private Clients business unit was significantly increased and had reached a new all-time high by 30 September 2011. The map on the right gives an overview of the extensive network of branches established by our franchisees in Germany.

Distribution channels	30 Sept 2011	30 Sept 2010
Advisers in branch-based sales	597	505
Advisers in branch-based sales	177	173
Independent financial advisers acting as agents	3,585	2,795

Financial Service Providers business unit

Financial Service Providers, which is the second-largest business unit, significantly expanded its volume of transactions and its revenue on both a quarterly and nine-month comparison despite the demanding market conditions that it faced. The volume of transactions generated in the third quarter of 2011 totalled €6.2 billion, which was the best quarterly result ever achieved by the EUROPACE financial marketplace.



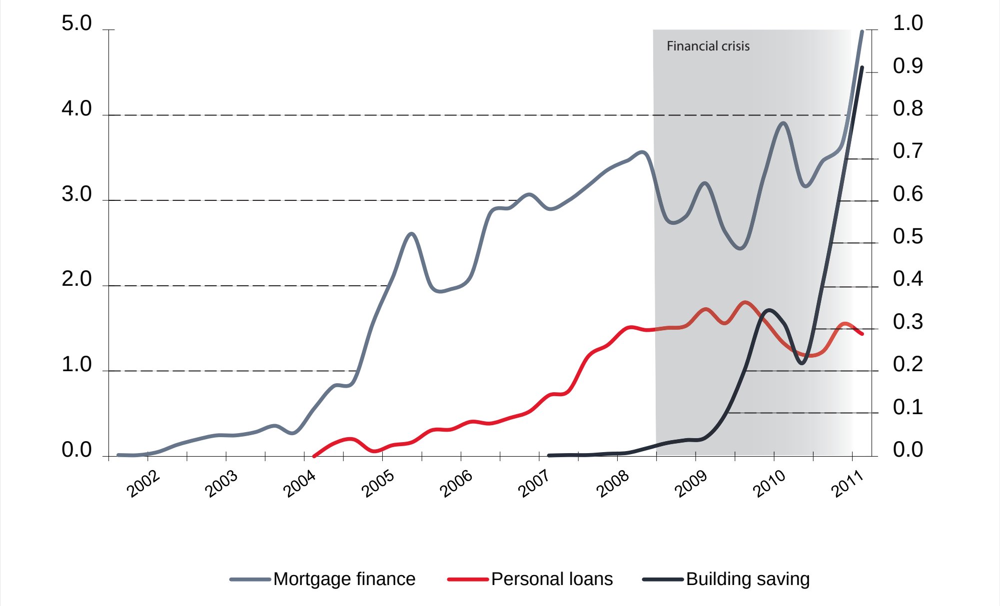
Revenue Financial Service Providers (€ million)

The improvement in market conditions and the many years of capital investment in the EUROPACE platform generated aggregate growth of 37.8 per cent compared with the corresponding period of 2010. Year-on-year growth in the first nine months of 2011 came to 30.2 per cent.

The total volume of mortgage finance transactions completed in the third quarter of 2011 rose by 27.5 per cent to €5.0 billion (Q3 2010: €3.9 billion). The volume of transactions generated in the first nine months of 2011 grew by 25.3 per cent year on year to €12.1 billion (Q1-Q3 2010: €9.7 billion). The trend towards the independent distribution of financial services continues to provide firm foundations on which this marketplace can grow. Encouraged by a level of interest rates which, although now rising, remains relatively low, many customers have decided to realise their dream of becoming a homeowner. The marketplace's ongoing expansion into the cooperative and public-sector regional banking industry is having an increasing impact and accelerating the growth of EUROPACE.

The total value of building finance agreements and loans brokered via EUROPACE more than doubled in both the third quarter of 2011 (from €0.3 billion in Q3 2010 to €0.9 billion) and the first nine months of this year (from €0.9 billion in Q1-Q3 2010 to €2.0 billion).

Building finance products are benefiting from their increasing use as a long-term hedge against interest-rate risk. Our business in personal loans is still feeling the effects of weaker consumer demand and banks' reluctance to lend in the wake of the financial crisis. The value of personal loan transactions generated via EUROPACE remained virtually unchanged year on year at €0.3 billion in the third quarter of 2011 (Q3 2010: €0.2 billion) and €0.8 billion in the first nine months of this year (Q1-Q3 2010: €0.9 billion).



Volume of transactions on EUROPACE (€ billion)

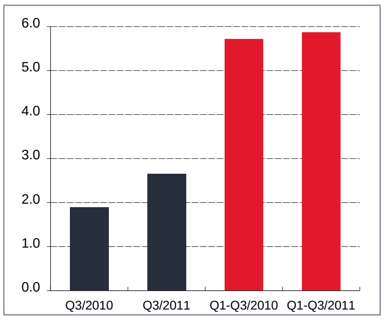
Revenue achieved above-average year-on-year increases on both a quarterly and nine-month comparison, surging by 74.3 per cent to €6.1 million in the third quarter of 2011 (Q3 2010: €3.5 million) and jumping by 52.0 per cent to €15.2 million in the first nine months of this year (Q1-Q3 2010: €10.0 million) on the back of larger transaction volumes and the growth in collaborations and Packager-related busi-ness. Selling expenses rose at a higher rate than revenue as a result of the sharp increase in low-margin collaborations and Packager-related business. Gross profit rose sharply by 38.5 per cent to €3.6 million in the third quarter of 2011 (Q3 2010: €2.6 million) and grew by a significant 37.3 per cent to €10.3 million in the first nine months of this year (Q1-Q3 2010: €7.5 million).

EUROPACE Financial Service Providers business unit	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Volume of transactions (€ billion)	14.9	11.4	6.2	4.4
thereof mortgage finance	12.1	9.7	5.0	3.9
thereof personal loans	0.8	0.9	0.3	0.2
thereof building saving	2.0	0.8	0.9	0.3
Revenue (€ million)	15.2	10.0	6.1	3.5
Selling expenses (€ million)	4.9	2.5	2.5	0.9
Net Revenue (€ million)	10.3	7.5	3.6	2.6

More than 230 participants – a record figure – attended the 18th EUROPACE Conference that was held in September. The conference largely focused on two key issues: the latest developments around EUROPACE 2, and building finance – a product that has so far attracted relatively little attention – as a way of adding sig-nificant value.
Despite the fact that our partner-specific financial marketplaces GENOPACE and FINMAS are still fairly new, they are already being accessed by 52 (30 September 2010: 43) and 32 (30 September 2010: 19) contractual partners respectively, while the total number of partners actively using our EUROPACE platform rose from 139 at the end of September 2010 to 162 as at 30 September 2011.

Corporate Real Estate Clients business unit

The loan brokerage product segment in the Corporate Real Estate Clients business unit benefited from its exceptionally strong market position as the central intermediary for high-quality commercial real-estate finance and from its success in expanding its client base to include commercial real-estate investors and local authorities. This product segment significantly increased the volume of new loans that it had brokered by 94 per cent in the third quarter of 2011 and by 26 per cent in the first nine months of this year. Revenue, which increased by less than the total value of new loans brokered, stemmed largely from non-volume-related advisory fees for large tranches of funding.

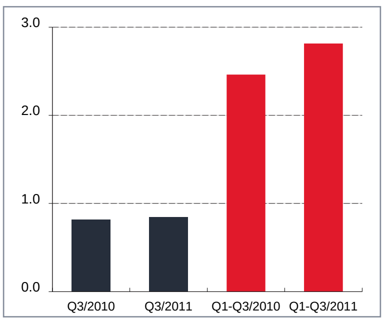


Revenue Corporate Real Estate Clients (€ million)

Corporate Real Estate Clients business unit	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Loan Brokerage				
Volume of new business (€ million)	1,322	985	734	342
Volume of prolongation (€ million)	215	236	89	83
Revenue (€ million)	5.9	5.7	2.7	1.9
Selling expenses (€ million)	0.2	0.4	0.1	0.2
Net Revenue (€ million)	5.7	5.3	2.6	1.7

Institutional Clients business unit

Institutional Clients – the smallest of the four business units – generated record revenue of €2.8 million in the first nine months of 2011 (Q1-Q3 2010: €2.4 million) from its EUROPACE for issuers product (for issuers of securitisations, pfandbriefs and other covered bonds). The revenue earned in the third quarter of 2011 was virtually unchanged year on year at €0.8 million.



Institutional Clients revenue (€ million)

Institutional Clients	01 Jan to 30 Sept2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Revenue (€ million)	2.8	2.4	0.8	0.8
Selling expenses (€ million)	0.2	0.2	0.0	0.1
Net Revenue (€ million)	2.6	2.2	0.8	0.7

Own work capitalised

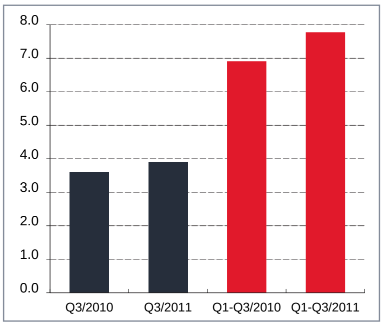
In the third quarter of 2011 the Company continued to attach considerable im-portance to investing in the further expansion of its B2B financial marketplaces. This capital expenditure underpins the ongoing growth of its Financial Service Providers, Corporate Real Estate Clients and Institutional Clients business units. Apart from maintaining its competitive edge in existing product segments in the third quarter, the Company took further key measures to extend its EUROPACE marketplace to the Netherlands and introduce EUROPACE 2 in Germany.

In the third quarter of 2011 the Company invested a total of €1.3 million (Q3 2010: €1.6 million) in the development of its marketplaces; in the first nine months of this year it spent €4.8 million on them (Q1-Q3 2010: €5.1 million). Hypoport continues to invest heavily in its forward-looking projects as part of these activities. €1.0 million of this total was capitalised in the third quarter of 2011 (Q3 2010: €1.4 million), while €2.8 million was capitalised in the first nine months of this year (Q1-Q3 2010: €4.3 million). This shift is attributable to the currently much higher proportion of partner-specific configurations during the migration process, which Hypoport does not capitalise owing to their shorter useful lives of less then twelve months. This amount represents the pro-rata personnel expenses and operating costs attributed to software development.

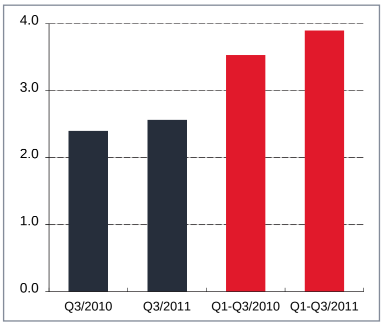
Earnings

The third quarter of 2011 produced one of the Hypoport Group's best quarterly results of the past three years owing to the successful expansion of its Private Cli-ents business, the largest volume of transactions ever generated on the EUROPACE platform in a single quarter, and the big-ticket deals completed in the Corporate Real Estate Clients business unit. On the other hand, the Hypoport Group's profitability was dented by the decrease in own work capitalised.

Against the backdrop of the operating performance described above, EBITDA and EBIT for the third quarter of 2011 rose to €3.9 million (Q3 2010: €3.6 million) and €2.6 million (Q3 2010: €2.4 million) respectively. In the first nine months of 2011 the Company generated EBITDA of €7.8 million (Q1-Q3 2010: €6.9 million) and EBIT of €3.9 million (Q1-Q3 2010: €3.5 million).



EBITDA (€ million)



EBIT (€ million)

Expenses

Personnel expenses for the first nine months of 2011 rose because the average number of employees during the period increased from 451 to 475 people.

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

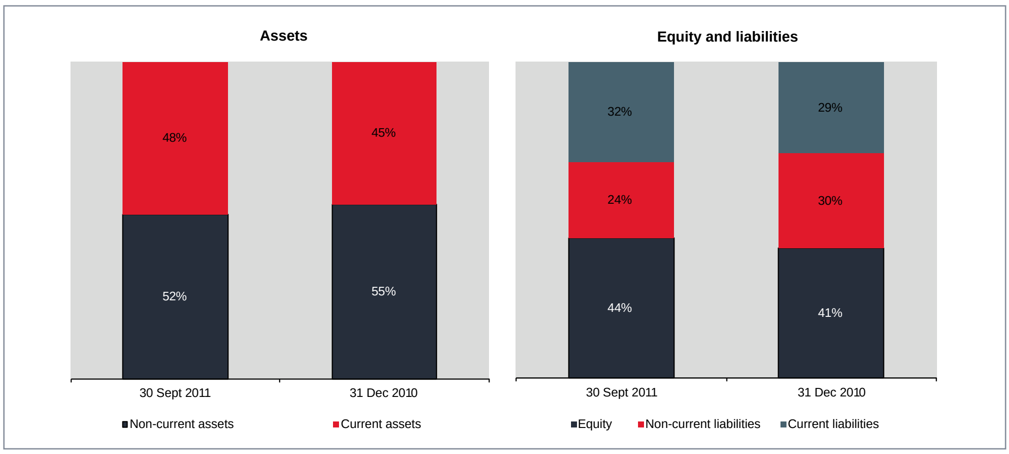
€´000	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Operating expenses	3,406	2,780	1,223	956
Other selling expenses	1,782	1,429	513	354
Administrative expenses	2,763	2,808	1,077	910
Other personnel expenses	578	276	211	68
Other expenses	481	404	35	41
	9,010	**7,697**	**3,059**	**2,329**

The operating expenses consist mainly of building rentals of €1.294 million (Q1-Q3 2010: €1.126 million) and vehicle-related costs of €952 thousand (Q1-Q3 2010: €740 thousand). The other selling expenses relate to advertising costs and travel expenses. The administrative expenses largely comprise IT-related costs of €1.336 million (Q1-Q3 2010: €1.529 million) as well as telephone charges and other communication costs of €405 thousand (Q1-Q3 2010: €428 thousand). The other personnel expenses mainly consist of training costs of €384 thousand (Q1-Q3 2010: €202 thousand).

The net finance costs primarily include interest expense and similar charges of €0.8 million incurred by the drawdown of loans and the use of credit lines (Q1-Q3 2010: €0.8 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 30 September 2011 amounted to €67.4 million, which was slightly above the total as at 31 December 2010 (€67.2 million).



Balance structure

Non-current assets totalled €35.0 million (31 December 2010: €37.0 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest single item.
Financial assets essentially comprise a loan of €750 thousand (31 December 2010: €375 thousand) to a joint venture.

Current assets increased by €2.2 million to €32.4 million owing to the €6.0 million growth in trade receivables and the €1.3 million increase in other assets. By contrast, cash and cash equivalents decreased by €5.1 million.

The equity attributable to Hypoport AG shareholders as at 30 September 2011 grew by €2.5 million, or 9.1 per cent, to €29.7 million. The equity ratio improved from 40.5 per cent to 44.1 per cent owing to the substantial net profit reported for the period.

The €4.2 million decrease in non-current liabilities to €16.3 million stemmed primarily from the fall in financial liabilities. Current liabilities rose by €2.0 million to €21.2 million, mainly owing to the €3.2 million increase in current financial liabilities. This was mainly because a non-current loan for €2.5 million was reclassified owing to its agreed term to maturity. The main decrease related to other liabilities, which contracted by €1.1 million. Total financial liabilities fell by €1.8 million to €18.8 million largely as a result of scheduled repayments.

Cash flow

Cash flow increased by €1.3 million to €6.3 million during the reporting period.
The total net cash generated by operating activities as at 30 September 2011 amounted to €1.0 million (30 September 2010: €5.2 million). The reduction in cash flow compared with the corresponding period of 2010 was mainly attributable to the fact that the cash used for working capital rose by €5.6 million to €5.4 million (30 September 2010: decrease of €0.2 million in cash used for working capital).

The net cash outflow of €4.0 million from investing activities (30 September 2010: net outflow of €5.3 million) stemmed primarily from the €2.9 million increase in capital expenditure on non-current intangible assets.
The net cash outflow of €2.1 million from financing activities (30 September 2010: net cash inflow of €2.0 million) largely relates to the scheduled repayment of loans.

Cash and cash equivalents as at 30 September 2011 totalled €6.1 million, which was €5.1 million lower than at the beginning of the year owing to seasonal factors. This decrease was primarily caused by the payment of super commissions to distribution partners in the first quarter of 2011 for the 2010 financial 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 investment was spent on enhancing the EUROPACE financial marketplaces.

Employees

The number of employees in the Hypoport Group rose continuously in line with revenue growth and amounted to 485 people as at 30 September 2011. This was an increase of 6.6 per cent on the end of 2010 (31 December 2010: 455 people). An average of 475 people were employed in the first nine months of 2011 (Q1-Q3 2010: 451 people).

Outlook

Global economic growth has weakened slightly in the second half of this year ow-ing to the low level of consumer spending in the United States, rising oil and commodity prices, and the European sovereign debt crisis. Volatility in the world's financial markets has increased considerably. Europe's banking and debt crisis is proving to be more persistent and complex than many had assumed at the beginning of the year. Most central banks have postponed their announcements of any interest-rate hikes until well into the future in order to stimulate lending. Some observers even expect the European Central Bank (ECB) to cut its benchmark rate again on 1 November. Stock markets are still on a downward trend that is prone to severe volatility.

Forecasts about Germany and its financial services industry are subject to heightened uncertainty. Leading economic think-tanks have responded to the sovereign debt crisis by lowering their forecasts for German economic growth next year from 2 per cent to 0.8 per cent. The Organisation for Economic Cooperation and Development (OECD) even reckons that Germany's gross domestic product (GDP) will contract in the final quarter of 2011. Although prices will remain high at the end of this year, the OECD expects inflation to decline over the spring months. The Federal Employment Agency believes that the outlook for the German labour market as a whole remains encouraging going forward.

Despite the possibility that prices may fall, a combination of seasonal factors, the expectation that interest rates will remain flat and the high levels of volatility in financial markets will continue to stimulate the real-estate sector in the fourth quarter of this year. Property and other safe investments such as current and instant-access accounts will attract strong demand. Given the present demographic trends, there is already huge uncertainty about the level of future pension benefits. The sovereign debt crisis has exacerbated these doubts, thereby increasing the importance of private pension provision. The reduction in guaranteed returns, the forthcoming introduction of gender-neutral insurance rates, and questions sur-rounding the future of private health insurance schemes are boosting demand for impartial advice.

Because the Hypoport Group – with its competitive and diversified business models – is well positioned in this growth market despite the subdued macroeconomic outlook, we are cautiously optimistic and expect the Company's business to continue to perform well for the remainder of this year, generating significant double-digit growth in revenue and gross profit and a net profit in line with last year's.

HYPOPOORT
THE FINANCE INTEGRATOR

4. Interim consolidated financial statements

Consolidated balance sheet as at 30 September 2011

Assets	30 Sept 2011 €´000	31 Dec 2010 €´000
Non-current assets		
Intangible assets	27,509	27,809
Property, plant and equipment	2,443	2,431
Financial assets	868	501
Trade receivables	2,840	5,004
Other assets	26	26
Deferred tax assets	1,351	1,277
	35,037	**37,048**
Current assets		
Trade receivables	21,419	15,453
Other current items	4,431	3,039
Income tax assets	438	438
Cash and cash equivalents	6,065	11,200
	32,353	**30,130**
	67,390	**67,178**
Equity and liabilities		
Equity		
Subscribed capital	6,195	6,195
Treasury shares	-1	-13
Reserves	23,494	21,020
	29,688	**27,202**
Non-controlling interest	152	188
	29,840	**27,390**
Non-current liabilities		
Financial liabilities	12,906	17,914
Provisions	447	437
Other liabilities	10	10
Deferred tax liabilities	2,953	2,194
	16,316	**20,555**
Current liabilities		
Provisions	280	172
Financial liabilities	5,918	2,680
Trade payables	9,303	9,631
Current income tax liabilities	195	148
Other liabilities	5,538	6,602
	21,234	**19,233**
	67,390	**67,178**

HYPOPORT
THE FINANCE INTEGRATOR

Consolidated income statement

for the period 1 January to 30 September 2011

	01 Jan to 30 Sept 2011 €´000	01 Jan to 30 Sept 2010 €´000	01 Jul to 30 Sept 2011 €´000	01 Jul to 30 Sept 2010 €´000
Revenue	58,802	44,927	22,954	16,892
Selling expenses (Commision and lead costs)	-26,614	-17,793	-10,719	-6,754
Gross profit	**32,188**	**27,134**	**12,235**	**10,138**
Own work capitalised	2,838	4,302	1,012	1,416
Other operating income	1,109	945	246	265
Personnel expenses	-19,351	-17,774	-6,533	-5,880
Other operating expenses	-9,010	-7,697	-3,059	-2,329
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**7,774**	**6,910**	**3,901**	**3,610**
Depreciation, amortisation expense and impairment losses	-3,876	-3,380	-1,336	-1,212
Earnings before interest and tax (EBIT)	**3,898**	**3,530**	**2,565**	**2,398**
Financial income	223	52	114	28
Finance costs	-789	-834	-258	-326
Earnings before tax (EBT)	**3,332**	**2,748**	**2,421**	**2,100**
Income taxes and deferred taxes	-1,010	-1,135	-752	-628
Net profit (loss) for the year	**2,322**	**1,613**	**1,669**	**1,472**
attributable to non-controlling interest	-36	-14	1	19
attributable to Hypoport AG shareholders	**2,358**	**1,627**	**1,668**	**1,453**
Basic earnings (loss) per share (€)	**0.38**	**0.27**	**0.27**	**0.24**
Diluted earnings (loss) per share (€)	**0.38**	**0.26**	**0.27**	**0.23**

HYPOPORT
THE FINANCE INTEGRATOR

Cosolidated statement of comprehensive income

for the period 1 January to 30 September 2011

	01 Jan to 30 Sept 2011 TEUR	01 Jan to 30 Sept 2010 TEUR	01 Jul to 30 Sept 2011 TEUR	01 Jul to 30 Sept 2010 TEUR
Net profit (loss) for the year	2.322	1.613	1.669	1.472
Total income and expenses recognized in equity*	0	0	0	0
Total comprehensive income	2.322	1.613	1.669	1.472
attributable to non-controlling interest	-36	-14	1	19
attributable to Hypoport AG shareholders	2.358	1.627	1.668	1.453

* There was no income or expences to be recognized in equity during the reporting priod.

Abridged consolidated statement of changes in equity for the six months ended 30 September 2011

€´000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Balance as at 1 January 2010	6,129	1,784	15,812	23,725	200	23,925
Issue of new shares	52	117	–	169	–	169
Total comprehensive income	–	–	1.627	1.627	-14	1.613
Balance as at 30 September 2010	**6,181**	**1,901**	**17,439**	**25,521**	**186**	**25,707**
€´000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Balance as at 1 January 2011	6,182	1,937	19,083	27,202	188	27,390
Sale of own shares	12	114	2	128	0	128
Total comprehensive income	–	–	2,358	2,358	-36	2,322
Balance as at 30 September 2011	**6,194**	**2,051**	**21,443**	**29,688**	**152**	**29,840**

HYPOPORT
THE FINANCE INTEGRATOR

Consolidated cash flow statement

for the period 1 January to 30 September 2011

	30 Sept 2011 €´000	30 Sept 2010 €´000
Earnings before interest and tax (EBIT)	3,898	3,530
Non-cash income (+) / expense (-)	-793	-1,081
Interest received (+)	223	52
Interest paid (-)	-789	-834
Income tax payments (-)	-89	-57
Income tax receipts (+)	0	3
Depreciation and amortisation expense, impairment losses (+) / reversals of	3,876	3,380
Cashflow	**6,326**	**4,993**
Increase (+) / decrease (-) in current provisions	108	-34
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	-5,268	-2,331
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	-235	-2,542
Change in working capital	**-5,395**	**-177**
Cash flows from operating activities	**931**	**5,170**
Payments to acquire property, plant and equipment / intangible assets (-)	-3,588	-5,264
Proceeds from the disposal of financial assets (+)	42	49
Purchase of financial assets (-)	-409	-44
Cash flows from investing activities	**-3,955**	**-5,259**
Proceeds from additions to equity (+)	0	169
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	0	3,000
Redemption of bonds and loans (-)	-2,111	-1,189
Cash flows from financing activities	**-2,111**	**1,980**
Net change in cash and cash equivalents	-5,135	1,891
Cash and cash equivalents at the beginning of the period	11,200	7,157
Cash and cash equivalents at the end of the period	**6,065**	**9,048**

HYPOPORT
THE FINANCE INTEGRATOR

Abridged segment reporting

for the period 1 January to 30 September 2011

€ ´000	Corporate Real Estate Clients	Private clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment revenue in respect of third parties						
01 Jan - 30 Sept 2011	5,825	35,648	14,463	2,814	52	58,802
01 Jan - 30 Sept 2010	5,599	27,491	9,330	2,462	45	44,927
01 Jul - 30 Sept 2011	2,648	13,553	5,893	843	17	22,954
01 Jul - 30 Sept 2010	1,845	10,990	3,226	819	12	16,892
Segment revenue in respect of other segments						
01 Jan - 30 Sept 2011	48	79	758	0	-885	0
01 Jan - 30 Sept 2010	120	120	680	0	-920	0
01 Jul - 30 Sept 2011	7	27	257	0	-291	0
01 Jul - 30 Sept 2010	45	51	255	0	-351	0
Total segment revenue						
01 Jan - 30 Sept 2011	5,873	35,727	15,221	2,814	-833	58,802
01 Jan - 30 Sept 2010	5,719	27,611	10,010	2,462	-875	44,927
01 Jul - 30 Sept 2011	2,655	13,580	6,150	843	-274	22,954
01 Jul - 30 Sept 2010	1,890	11,041	3,481	819	-339	16,892
Segment earnings before interest, tax, amortisation (EBITDA)						
01 Jan - 30 Sept 2011	2,879	2,558	3,650	807	-2,120	7,774
01 Jan - 30 Sept 2010	2,485	2,715	2,251	775	-1,316	6,910
01 Jul - 30 Sept 2011	1,623	1,432	1,607	137	-898	3,901
01 Jul - 30 Sept 2010	753	2,031	1,311	260	-745	3,610
Segment earnings before interest and tax (EBIT)						
01 Jan - 30 Sept 2011	2,624	2,544	841	614	-2,725	3,898
01 Jan - 30 Sept 2010	2,339	2,673	-352	634	-1,764	3,530
01 Jul - 30 Sept 2011	1,539	1,445	321	73	-813	2,565
01 Jul - 30 Sept 2010	701	2,017	369	211	-900	2,398
Segment assets						
30 Sept 2011	16,940	18,283	22,988	5,174	4,005	67,390
31 Dec 2010	15,135	20,047	24,001	4,940	3,055	67,178

5. Notes to the interim consolidated financial statements

Information about the Company

The Hypoport Group is an internet-based financial 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, Vergleich.de Gesellschaft für Verbraucherinformation mbH 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 large 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 Klosterstrasse 71, 10179 Berlin, Germany.

Basis of presentation

The condensed interim consolidated financial statements of Hypoport AG for the nine months ended 30 September 2011 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). The report has been condensed in accordance with IAS 34 compared with the scope of the consolidated financial statements for the year ended 31 December 2010. These condensed interim consolidated financial state-ments should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2010 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements have not been reviewed by an auditor.

These condensed interim consolidated financial statements are based on the ac-counting policies and the consolidation principles applied to the consolidated financial statements for the year ended 31 December 2010.

The interim consolidated financial statements and the single-entity financial statements for the entities included in the IFRS interim consolidated financial statements are prepared in euros.

To improve clarity, all figures in the IFRS consolidated financial statements and the group management report are presented in thousands or millions of euros unless stated otherwise. We wish to point out that the application and aggregation of rounded amounts and percentages and the use of automated calculation methods may give rise to rounding discrepancies.

All figures on the quantities and volumes of financial products sold (e.g. volume of loans brokered, life insurance premiums, or volume of transactions processed on EUROPACE) include cancellations and, consequently, cannot be compared directly with the revenue figures shown, which exclude cancellations. The relevant figures shown in each case are calculated at a cutoff point in the product transaction process that is appropriate for the accrual method of accounting used. Cancellations that occur later in this process – e.g. as a result of additional credit checks or health checks performed by product suppliers or the exercise of cancellation rights by consumers – are not included in the relevant figures shown.

The consolidated balance sheet is broken down into current and non-current items in accordance with IAS 1.51 et seq. The consolidated income statement is presented under the nature-of-expense method.

Accounting policies

The accounting policies applied are those used in 2010, with the following exceptions:
- IAS 24: Related Party Disclosures
- IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IFRIC 14: Prepayments of a Minimum Funding Requirement
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

The mandatory application of these standards and interpretations has had no impact on the financial position or financial performance presented in these interim financial statements of the Hypoport Group. Any impact on future periods will be recognised accordingly.

Basis of consolidation

The consolidation as at 30 September 2011 included all entities controlled by Hypoport AG in addition to Hypoport AG itself. ATC Hypoport B.V., Amsterdam, has been consolidated for the first time in 2011.

The wholly owned subsidiary Hypoport B.V., Amsterdam, and Amsterdamsch Trustee's Kantoor B.V., Amsterdam, together set up the joint venture ATC Hypoport B.V., Amsterdam, on 27 April 2011. This company's subscribed capital amounts to €18,000.00 and is fully paid-up. Hypoport B.V. holds shares worth €9,000.00 in the joint venture. ATC Hypoport B.V. is consolidated only on a pro-rata basis because of the restricted level of control exercised by Hypoport B.V.

The purpose of this joint venture is to provide loan-level analysis over an internet platform for regulators, investors, rating agencies, securitisation firms and other clients in the securitisation market and to render other outsourcing and advisory services relating to such analysis and reports. The aim is to develop a loan-level platform that will become the European standard.

Amsterdamsch Trustee's Kantoor is the market leader in the management and administration of Dutch securitisations, while Hypoport leads the market in tech-nology-based securitisation solutions. Together these two entities cover virtually all Dutch securitisations, which should ensure that the platform gets off to a successful start.

To streamline the Hypoport Group's shareholding structure, Freie Hypo GmbH was merged with Dr. Klein & Co. AG with effect from 1 January 2011 and is therefore no longer consolidated as a separate entity. The legal form of Hypoport Insurance Market GmbH, Berlin, was changed and the company was renamed Europace AG, Berlin.

The table below shows the entities included in the interim consolidated financial statements in addition to Hypoport AG.

	Holding %
ATC Hypoport B.V., Amsterdam	50.00
Dr. Klein & Co. AG, Lübeck	100.00
GENOPACE GmbH, Berlin	50.025
FINMAS GmbH, Berlin	50.00
Hypoport B.V., Amsterdam	100.00
Hypoport Finance AG, Berlin	100.00
Europace AG, Berlin (formerly Hypoport Insurance Market GmbH, Berlin)	100.00
Hypoport Mortgage Market Ltd., Westport (Ireland)	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., Hypoport on-geo GmbH, FINMAS GmbH and ATC Hypoport B.V. (all 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 €12.0 million for the financial marketplaces (31 December 2010: €11.8 million).
Property, plant and equipment consists solely of office furniture and equipment of €2.4 million (31 December 2010: €2.4 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.

HYPOPORT
THE FINANCE INTEGRATOR

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 average 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.

In 2011 there are no share options that would have a dilutive effect on earnings per share. The dilutive effect of the options granted in the years 2002 to 2004 was an average of 36 thousand shares in the third quarter of 2010 and of 38 thousand shares in the first nine months of 2010. The weighted number of outstanding shares is calculated on the basis of a daily balance.

€´000	01 Jan to 30 Sept 2011	01 Jan to 30 Sept 2010	01 Jul to 30 Sept 2011	01 Jul to 30 Sept 2010
Net profit (loss) for the year	2.322	1.613	1.669	1.472
of which attributable to Hypoport AG stockholders	2.358	1.627	1.668	1.453
Basic weighted number of outstanding shares	6.182	6.131	6.182	6.135
Basic earnings (loss) per share (€)	**0,38**	**0,27**	**0,27**	**0,24**
Weighted number of share options causing a dilutive effect	0	64	0	60
Diluted weighted number of outstanding shares	6.182	6.169	6.182	6.171
Diluted earnings (loss) per share (€)	**0,38**	**0,26**	**0,27**	**0,23**

Subscribed capital

The Company's subscribed capital as at 30 September 2011 was unchanged at €6,194,958.00 (31 December 2010: €6,194,958.00) and was divided into 6,194,958 (31 December 2010: 6,194,958) fully paid-up registered no-par-value shares.

The Annual Shareholders' Meeting held on 17 June 2011 voted to carry forward Hypoport AG's distributable profit of €13,524,321.99 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 cap-ital increase of up to €276,808.00 in the Company's subscribed capital, which now amounts to €122,650.00. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to directors of Hypoport Group companies. The share option pro-gramme ended on 31 December 2010. Since it is no longer possible to issue shares from conditional capital in connection with the exercise of share options, the authorisation for the conditional capital has been set aside.

Treasury shares

Hypoport held 1,395 treasury shares as at 30 September 2011 (equivalent to €1,395.00, or 0.02 per cent, of the subscribed capital of Hypoport AG), which are intended to be issued to employees. The change in the balance of treasury shares and the main data relating to transactions during the reporting period are shown in the table below.

Change in the balance of treasury shares in 2011	Number of shares	Proportion of subscribed capital %	Cost of purchase €	Sale price €	Gain or loss on sale €
Opening balance as at 1 January 2011	12,920	0.209	16,150.00		
Sold in January 2011	10,250	0.165	12,812.50	0.00	-12,812.50
Sold in April 2011	810	0.013	1,012.50	0.00	-1,012.50
Sold in June 2011	217	0.004	271.25	0.00	-271.25
Sold in July 2011	248	0.004	310.00	0.00	-310.00
Balance as at 30 Sept 2011	**1,395**	**0.023**			

This expense incurred by the purchase of treasury shares was recognised directly in equity and offset against retained earnings.

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 issuance of shares under the 2002–2004 employee share ownership pro-gramme from 2006 to 2009 (€1.187 million), an amount equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand), an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand) and income from the issuance of shares to employees (€118 thousand).

Retained earnings include the profits generated by the entities included in the consolidated finan-cial 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 three 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 cumulative net profits and losses for all periods since the date of first-time consolidation, all the remaining 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 (31 December 2010: €7 thousand) are also reported under this item.

Non-controlling interest

This item relates to the non-controlling interest in the equity of Starpool Finanz GmbH and GENOPACE GmbH.

Share-based payment

No share options were issued in the third quarter of 2011.

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 signifi-cant 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. The persons covered by this requirement during the reporting period were the members of the Group Management Board and Supervisory Board of Hypoport AG and their close family members.

The table below shows the numbers of shares in Hypoport AG directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 30 September 2011.

	Number of shares 30 Sept 2011	Number of shares 31 Dec 2010
Management Board		
Ronald Slabke	2,241,841	2,241,831
Thilo Wiegand	24,000	24,000
Stephan Gawarecki	187,800	187,800
Hans Peter Trampe	174,990	188,490
Supervisory Board		
Dr. Ottheinz Jung-Senssfelder	14,000	24,000
Prof. Dr. Thomas Kretschmar	814,286	1,371,974
Christian Schröder	24,000	24,000

The companies in the Hypoport Group have not carried out any further disclosable transactions with members of either the Supervisory Board or the Group Manage-ment Board or with companies on whose management or supervisory bodies these persons are represented. This also applies to close family members related to these persons. Revenue generated by joint ventures totalled €139 thousand in the third quarter of 2011 (Q3 2010: €149 thousand) and €410 thousand in the first nine months of this year (Q1-Q3 2010: €368 thousand). Receivables from joint ventures amounted to €854 thousand as at 30 September 2011 (31 December 2010: €565 thousand) while liabilities to such companies totalled €755 thousand (31 December 2010: €375 thousand).

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 2010 group management report. There are no identifiable risks to the Hypoport Group as a going concern.

Seasonal influences on business activities

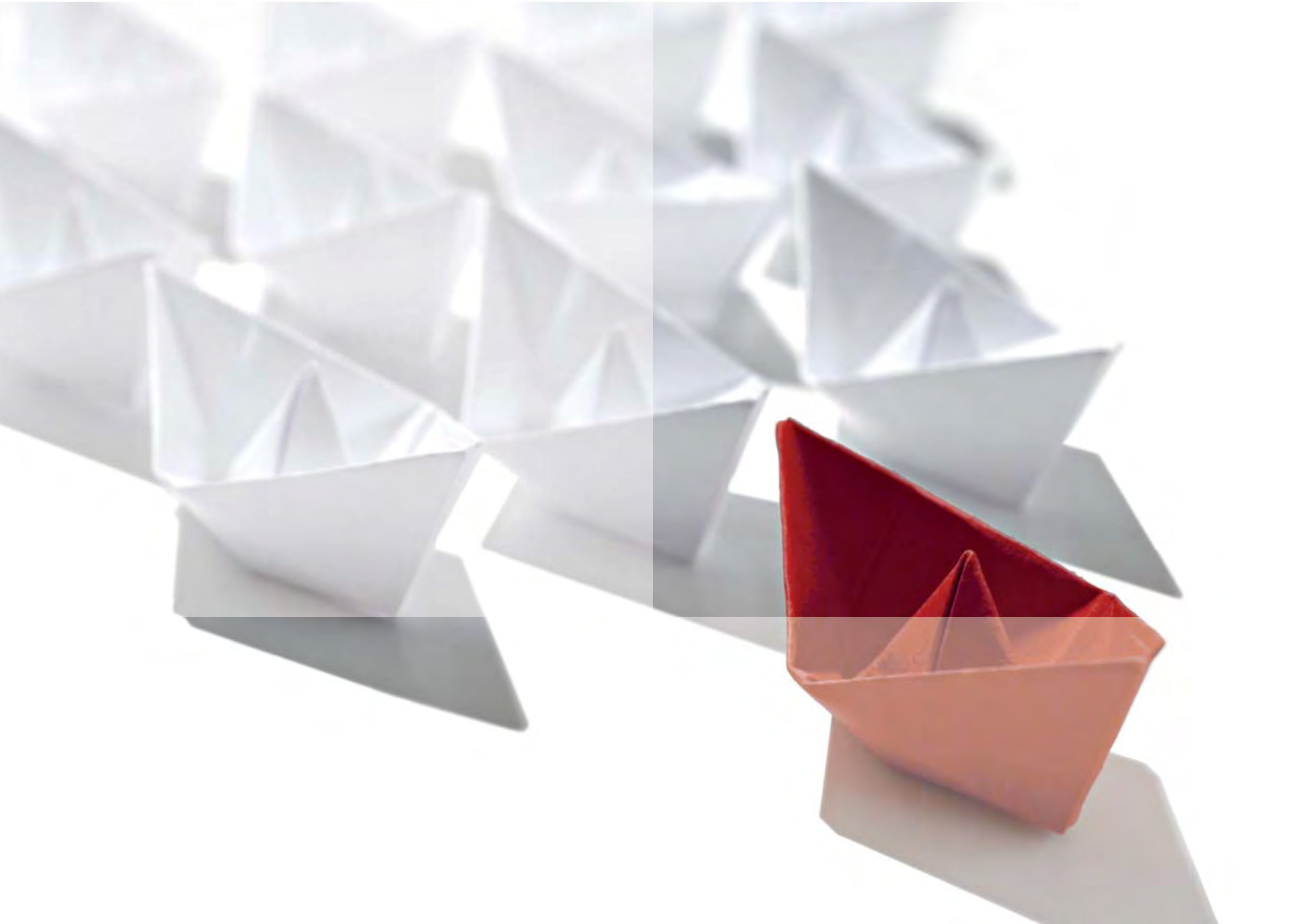
There were no exceptional, positive seasonal influences on the performance of the Hypoport Group's business in the third quarter of 2011. In the past, a generally weak start to the year has been followed by positive changes in the mortgage market for both private and corporate clients over the course of a year. The Company is assuming that there will be an encouraging trend in the distribution of insurance products for private customers 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

No material events have occurred since the balance sheet date.

Berlin, 7 November 2011

Hypoport AG, the Management Board
Ronald Slabke – Thilo Wiegand – Stephan Gawarecki – Hans Peter Trampe



Hypoport AG
Klosterstraße 71
10179 Berlin
Tel.: +49 (0) 30/420 86 – 0
Fax: +49 (0) 30/420 86 – 1999
E-Mail: info@hypoport.de
www.hypoport.de