HYPOPORT
THE FINANCE INTEGRATOR

Interim report

of Hypoport AG for the period ended 30 September 2010

Berlin, 8 November 2010

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THE FINANCE INTEGRATOR

Key performance indicators

Financial performance (€'000)	1 Jan – 30 Sept 2010	1 Jan – 30 Sept 2009*	Change
Continuing operations			
Revenue	44,927	37,458	20 %
Gross profit	27,134	23,935	13 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,910	4,174	66 %
Earnings before interest and tax (EBIT)	3,530	1,391	154 %
EBIT margin (EBIT as a percentage of gross profit)	13.0	5.8	124 %
Basic earnings (loss) per share (€)	0.27	0.03	800 %
Diluted earnings (loss) per share (€)	0.26	0.03	767 %
Hypoport Group			
Net profit (loss) for the year	1,613	128	1,160 %
attributable to Hypoport AG shareholders	1,627	127	1,181 %
Basic earnings (loss) per share (€)	0.27	0.02	1,250 %
Diluted earnings (loss) per share (€)	0.26	0.02	1,200 %
Financial performance (€'000)	**1 July - 30 Sept 2010**	**1 July - 30 Sept 2009***	
Continuing operations			
Revenue	16,892	12,309	37 %
Gross profit	10,138	7,399	37 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,610	1,189	204 %
Earnings before interest and tax (EBIT)	2,398	244	883 %
EBIT margin (EBIT as a percentage of gross profit)	23.7	3.3	617 %
Basic earnings (loss) per share (€)	0.24	-0.03	900 %
Diluted earnings (loss) per share (€)	0.23	-0.03	867 %
Hypoport Group			
Net profit (loss) for the year	1,472	-169	971 %
attributable to Hypoport AG shareholders	1,453	-168	965 %
Basic earnings (loss) per share (€)	0.24	-0.03	900 %
Diluted earnings (loss) per share (€)	0.23	-0.03	867 %
Financial position (€'000)	**30 Sept 2010**	**31 Dec 2009**	
Current assets	30,011	26,277	14 %
Non-current assets	30,892	28,525	8 %
Equity	25,707	23,925	7 %
attributable to Hypoport AG shareholders	25,521	23,725	8 %
Equity ratio (%)	41,9	43,3	-3 %
Total assets	60,903	54,802	11 %

* The comparative prior-year tax figures have been restated and are explained in the ‚Accounting policies' section of ‚5. Notes to the interim consolidated financial statements'.

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1. Letter to shareholders

Dear Shareholder

In the third quarter of 2010 we managed to increase our revenue and earnings year on year for the second time in succession. The results reported here therefore make this period the best quarter of the last three years and clearly demonstrate that, in the wake of the financial crisis, Hypoport is successfully continuing on its long-term growth trajectory.

These impressive results were attributable to all parts of the Company's business model. We would especially like to highlight the strong growth generated by our Private Clients business unit, which also has a positive impact on the performance of the EUROPACE platform.

The Hypoport Group increased its revenue by 20 per cent to €44.9 million in the first nine months of 2010. Its earnings before interest, tax, depreciation and amortisation (EBITDA) jumped by 66 per cent year on year to €6.9 million. Each of our three large business units – Private Clients, Corporate Real Estate Clients and Financial Service Providers – contributed EBITDA of more than €2 million to this excellent result. This underlines the fact that each pillar of our business model is firmly rooted in its respective market and that all segments interact in exemplary fashion.

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

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

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

The Corporate Real Estate Clients business unit raised its revenue by 17 per cent to €5.7 million. Its strategy of increasingly diversifying its operations by broadening its product range and expanding its customer base is proving highly successful. EBITDA remained stable, edging up by 7 per cent to €2.5 million. Institutional Cli-ents, the smallest of our business units, generated consistent levels of revenue and earnings on the back of its excellent penetration of the Dutch market. Revenue remained stable at €2.5 million, while EBITDA rose by a modest 3.9 per cent to €0.8 million.

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

Yours sincerely,

Ronald Slabke
Chief Executive Officer

2. Hypoport‘s shares

Share price performance

Hypoport’s shares posted modest gains in the first nine months of 2010, rising by 10.0 per cent from €8.50 at the end of 2009 to €9.35 on 30 September 2010. Their highest price was €9.89 on 24 September and their lowest was €5.90 on 2 July.

Performance of Hypoport’s share price, January to September 2010 (daily closing prices on Frankfurt Stock Exchange)

Earnings per share

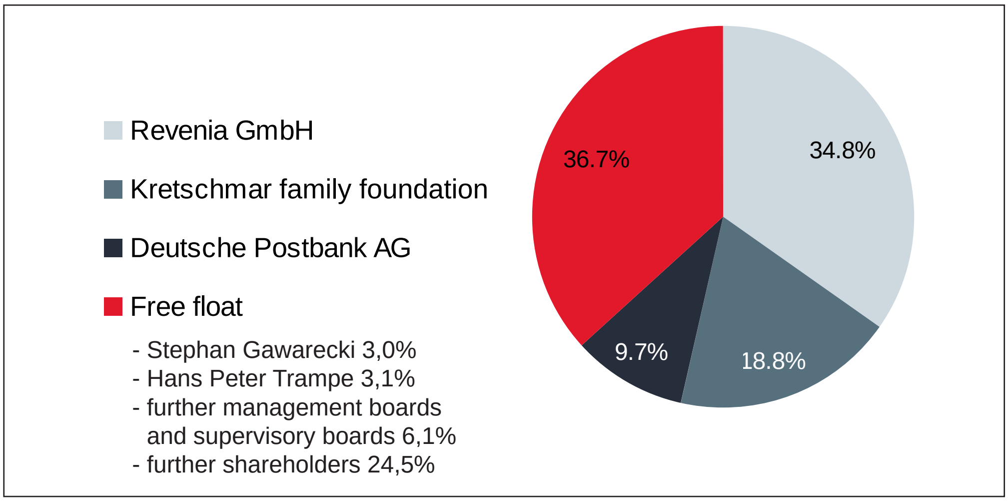
The Company generated earnings of €0.24 per share in the third quarter of 2010, having incurred a loss of €0.03 per share in the corresponding quarter of 2009. Its continuing operations reported earnings of €0.24 per share (Q3 2009: loss of €0.03 per share). It therefore achieved earnings of €0.27 per share in the first nine months of 2010, having posted earnings of €0.02 per share in the corresponding period of last year. Continuing operations contributed earnings of €0.27 per share in the first three quarters of 2010 (Q1-Q3 2009: earnings of €0.03 per share).

Trading volumes

Trading volumes in the third quarter of 2010 grew compared with the previous quarter. The highest turnover occurred in September, when an average of 4,727 shares were traded per day. Trading was much quieter in July (average of 193 shares) and August (average of 270 shares).

Shareholder structure

The free float in Hypoport's shares amounts to 36.7 per cent.



Breakdown of shareholders as at 30 September 2010

Notification of directors' dealings

The table below shows the directors' dealings reported for the third quarter of 2010.

Date of transaction	Notifying person/entity	Transaction	Stock exchange	Number of shares	Execution price
16 September 2010	Monika Schröder	Sale	XETRA	1,600	7.30 €
24 September 2010	Monika Schröder	Sale	Frankfurt	1,000	9.87 €
24 September 2010	Kretschmar Research GmbH	Sale	off exchange	50,000	8.00 €
28 September 2010	Monika Schröder	Sale	XETRA	300	9.65 €

* Prof. Dr. Kretschmar is managing director of Kretschmar Research GmbH.

Ad-hoc-disclosures

No ad-hoc disclosure were made in the third quarter of 2010.

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 recommenda-tions, the dates on which they were issued, and the target price in each case.

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Recommendation	Upside target	Date of recommendation
Hold	7.00 €	1 June 2010
Hold	11.00 €	15 March 2010
Hold	11.00 €	5 March 2010
Hold	11.00 €	9 November 2009
Hold	11.00 €	2 November 2009
Hold	11.00 €	30 October 2009
Hold	11.00 €	14 August 2009
Hold	7.20 €	20 May 2009
Hold	6.10 €	18 March 2009
Hold	6.10 €	1 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	€6,180,958.00
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 2010	€6.00 (Frankfurt)
Share price as at 30 September 2010	€9.35 (Frankfurt)
High in third quarter 2010	€9.89 (24 September 2010)
Low in third quarter 2010	€5.90 (3 July 2010)
Market capitalisation	€57.8 million (30 September 2010)
Trading volume	€14,012.52 (daily average for third quarter of 2010)

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3. Interim group management report

Economic conditions

The third quarter of 2010 saw the world economy continue on the road to recovery, albeit at a slower pace.

Nonetheless, doubts about an across-the-board global recovery have not diminished, even though the reasons for these concerns have changed somewhat. Whereas the critical debate at the beginning of the summer centred on both Europe – with its debt problems and the euro whose stability had been a cause of some speculation – and China, where there had been doubts about the sustainability of its growth rates, the question now increasingly being asked is to what extent the United States will be able to meet the expectations that have been pinned on it in terms of driving a sustainable economic recovery.

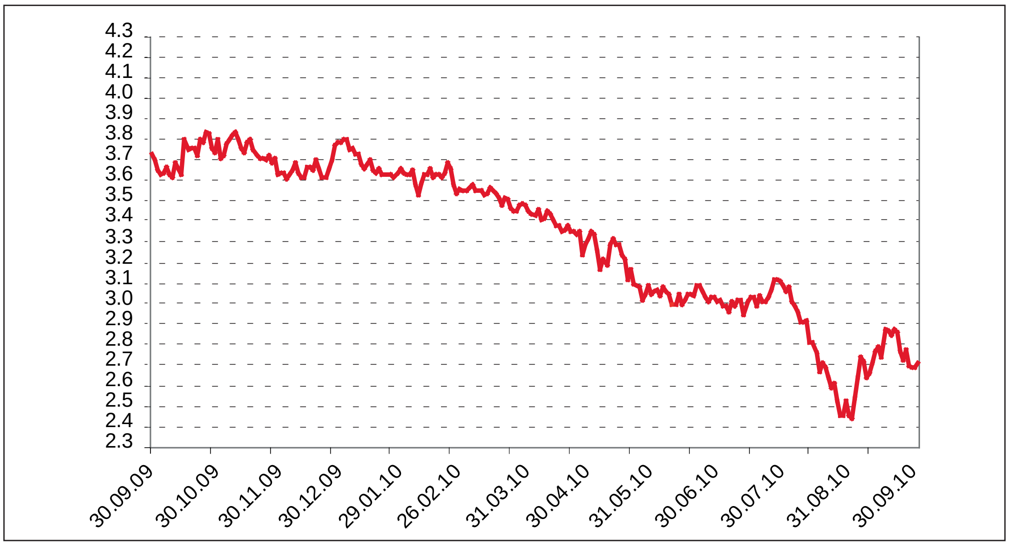
Economic activity in the US remained at a stable but relatively low level during the period under review. The labour market continues to be a particular cause for concern, with the number of new jobs created during the reporting period falling well short of forecasts. Because labour market conditions remain so challenging, no major growth stimulus is expected to come from private consumption, which accounts for the largest share of US gross domestic product (GDP).

Europe also continued to stage a modest economic recovery during the reporting period. However, the measures taken by most EU member states to consolidate and reduce their budget deficits coupled with the precarious situation in which the financial services industry remains mired have fuelled doubts as to how the economy will fare over the coming months.

As a major exporting nation, Germany continues to derive considerable benefit from the growth in world trade. Household consumer demand has also rebounded. This is largely because the much-feared collapse in the labour market has not materialised and employment prospects have even improved.

In response to growing signs that the global economic recovery is slowing, central bankers in the industrialised countries have signalled that monetary policy is unlikely to be tightened any time soon. The US Federal Reserve, for example, has decided not to scale back its expansionary policies for the moment and has announced that it stands ready to take further measures if the economic outlook takes a significant turn for the worse. The Bank of Japan has already stepped up its policy of quantitative easing. Although the European Central Bank (ECB) has so far stuck to its timetable for exiting its highly expansionary monetary policy, it stressed at the beginning of October that it will continue to provide unlimited amounts of liquidity at its main refinancing rate for the time being. Given the prevailing monetary and economic conditions, the ECB's Governing Council decided at its meeting on 7 October 2010 to leave interest rates on hold at their all-time low of 1.0 per cent.

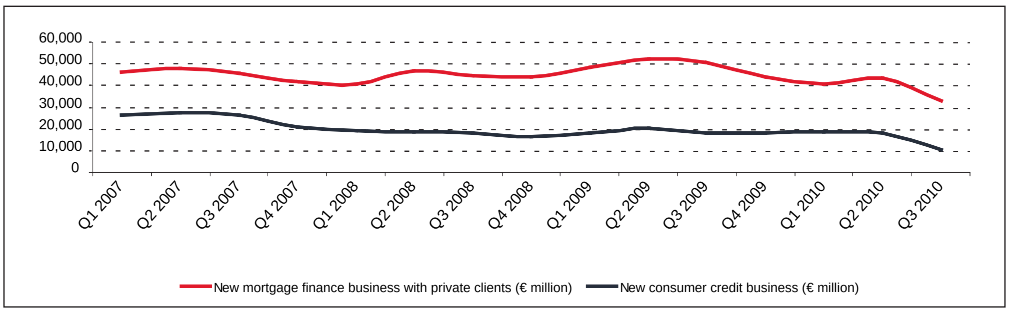
This economic environment brought about the lowest long-term interest rates in Germany's modern economic history. The fall in ten-year swap rates in the first nine months of 2010 facilitated the sale of credit products and, while interest rates were falling, full-service providers such as traditional regional and relationship banks temporarily experienced greater competitive pressures than independent intermediaries.



Ten-year swap rates over the past 360 days

According to Bundesbank statistics, the total volume of mortgage finance provided in the first eight months of 2010 contracted sharply year on year. While the total value of home loans sold up to and including August 2009 came to €136.2 billion, demand in the corresponding period of 2010 fell by 13.6 per cent to €117.7 billion. We reckon that the Bundesbank's figures present a severely distorted view of the mortgage finance market. The monthly figures for January and February 2010 suggested an overly optimistic market trend. For the months since March we have seen a significant market recovery that is not yet reflected in the Bundesbank's figures. The total volume of mortgage finance transactions processed on our EUROPACE platform in the first nine months of 2010 grew by 9.5 per cent year on year from €8.8 billion to €9.6 billion.

The Bundesbank reckons that the level of business in personal loans fell slightly year on year. According to the official statistics, the total volume of transactions in this market contracted by 7.2 per cent from €51.0 billion to €47.3 billion in the first eight months of 2010.



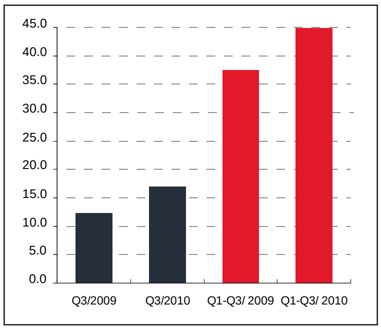
Total volume of private mortgage finance and personal loans (source: Deutsche Bundesbank)

Demand for building finance grew slightly year on year. According to the Bundesbank's statistics, the total value of building finance products sold in the first eight months of 2010 increased by 5.4 per cent year on year from €56.3 billion to €59.4 billion. According to portfolio investment statistics compiled by the federal association of German fund management companies (BVI), the total value of assets under management in Germany rose slightly in the first eight months of 2010. German investment companies had total fund assets of €1.472 trillion under management as at 31 August 2010 (31 December 2009: €1.376 trillion), of which €679 billion (31 December 2009: €650 billion) was allocated to retail funds and €793 billion (31 December 2009: €726 billion) to specialised funds for institutional investors.

Consumers also looked for increasingly conservative investments during the reporting period, with the result that Bundesbank statistics reported a modest rise in total funds invested in fixed-term, instant-access and savings accounts as at 31 August 2010, which grew by 2.2 per cent from €1,467.3 billion (31 December 2009) to €1,499.9 billion. As a leading online distributor of instant-access and fixed-term products, Dr. Klein benefited from this trend. The insurance market is proving to be fairly challenging. The German Insurance Association (GDV) expects premium income for 2010 to decline slightly by approximately 0.5 per cent across all insurance segments.

Revenue

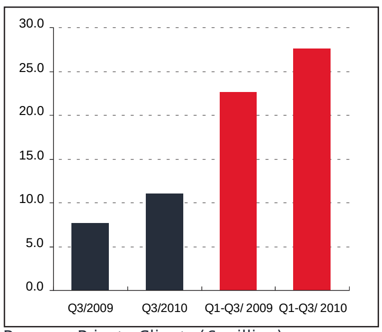
The Hypoport Group raised its revenue by an impressive 37.2 per cent from €12.3 million in the third quarter of 2009 to €16.9 million in the third quarter of 2010 in what remained a challenging market environment. A comparison of the first nine months of the year – during which revenue rose by 19.9 per cent year on year to €44.9 million (Q1-Q3 2009: €37.5 million) – also demonstrates that our organisa-tion remains ona growth trajectory. 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 2010 in-creased by only 13.4 per cent from €23.9 million to €27.1 million. The gross profit generated in the third quarter of 2010 grew to roughly the same extent as revenue, jumping by 37.0 per cent year on year from €7.4 million to €10.1 million.



Revenue Hypoport Group (€ million)

Private Clients business unit

Despite a generally stagnant market, the Private Clients business unit – which specialises in online sales of financial products – once again managed to raise its revenue significantly. Its revenue for the third quarter of 2010 surged by 42.8 per cent to €11.0 million (Q3 2009: €7.7 million), while its revenue for the first nine months of the year grew by 21.7 per cent to €27.6 million (Q1-Q3 2009: €22.7 million).



Revenue Private Clients (€ million)

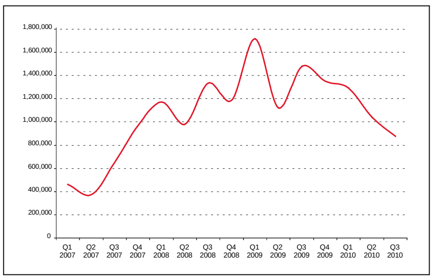
The Hypoport Group's mortgage finance business benefited substantially from the low level of interest rates in the market for home loans and reported strong growth in both the number and volume of loans brokered. Revenue and gross profit rose accordingly.

Mortgage Finance Private Clients business unit	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Number of loans brokered	6,285	4,780	2,600	1,578
Volume of loans brokered (€ million)	903	713	375	241
Revenue	12.0	8.7	4.3	2.9
Selling expenses (€ million)	6.3	3.5	2.4	1.1
Net Revenue (€ million)	5.7	5.2	1.9	1.8

The ‚other financial products' segment again managed to raise its revenue by 11.3 per cent to €15.6 million in the first nine months of 2010 (Q1-Q3 2009: €14.0 million) by selling other types of banking and insurance products in what was generally a stagnant market. This product segment boosted its revenue by as much as 38.3 per cent in the third quarter of 2010. As expected, the ongoing expansion of branch-based sales incurred higher selling expenses, which narrowed the gross profit margin.

Financial Service Products Private Clients business unit	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Number of deals brokered for financial service products	9,899	11,595	3,053	3,543
Revenue (€ million)	15.6	14.0	6.8	4.9
Selling expenses (€ million)	8.9	7.8	3.5	3.0
Revenue (€ million)	6.7	6.2	3.3	1.9

Bucking the general trend, the number of leads acquired in the first nine months of 2010 fell by 1.1 million to 3.2 million from the record set in the corresponding prior-year period (Q1-Q3 2009: 4.3 million). This reflects consumers' current reluctance to put their money into simple investment products such as instant-access and fixed-term deposits because short-term interest rates are extremely low.



Number of leads

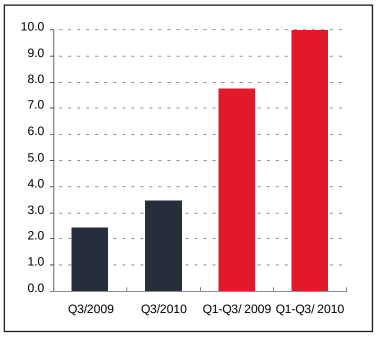
The number of advisers working in the various distribution channels of the Private Clients business unit was significantly increased and had reached a new high by 30 September 2010. The map on the right gives an impressive overview of the extensive network of branches established by our franchisees in Germany.

Distribution channels	30 Sept 2010	30 Sept 2009*
Advisers in branch-based sales	505	437
Branches run by franchisees	173	173
Independent financial advisers acting as agents	2,795	2,178

* Telephone sales staff were integrated into the branch-based sales network.

Financial Service Providers business unit

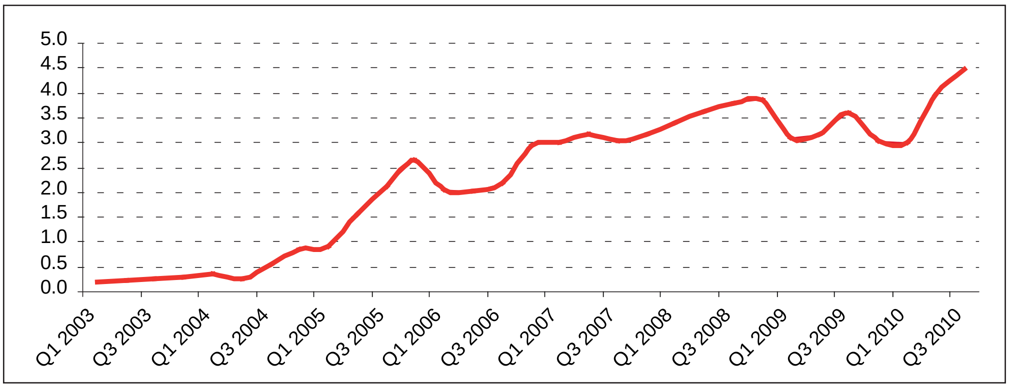
Financial Service Providers, which is the second-largest business unit, significantly expanded its volume of transactions and its revenue on both a quarterly and nine-month comparison despite the demanding market conditions that it faced. The volume of transactions generated by the EUROPACE financial marketplace hit a new record of €4.5 billion in the third quarter of 2010. All product lines – from mortgage finance and personal loans to building finance – contributed to the 24.9 per cent increase on the corresponding quarter of 2009. Year-on-year growth in the first nine months of 2010 came to 15.9 per cent.



Revenue Financial Service Providers (€ million)

Europace Financial Service Providers business unit	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Volume of transactions (€ billion)	11.4	9.9	4.4	3.6
thereof mortgage finance	9.7	8.8	3.9	3.2
thereof personal loans	0.9	1.0	0.2	0.4
thereof building saving	0.8	0.1	0.3	0.0
Revenue (€ million)	10.0	7.8	3.5	2.5
Selling expenses (€ million)	2.5	1.6	0.9	0.6
Revenue (€ million)	7.6	6.2	2.7	1.9

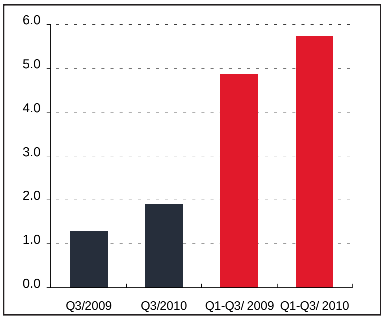
More than 195 participants attended the 16th EUROPACE Conference that was held in September. The recent refinements made in connection with EUROPACE 2 were especially popular with many of our customers at this event.



Volume of transactions on EUROPACE (€ billion)

Corporate Real Estate Clients business unit

The loan brokerage business in the Corporate Real Estate Clients business unit continued to benefit from the fact that its client base had been broadened to include commercial real-estate investors and local authorities. Although the volume of new lending business brokered was virtually unchanged year on year on both a quarterly and nine-month comparison, it was increasingly supplemented by attractive additional products and services.

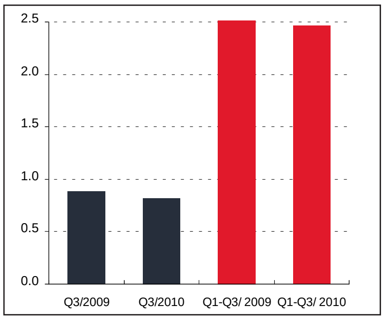


Revenue Corporate Real Estate Clients (€ million)

Corporate Real Estate Clients business unit	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Loan Brokerage				
Volume of new business (€ million)	985	1,047	342	386
Volume of prolongation (€ million)	236	159	83	42
Revenue (€ million)	5.1	4.6	1.8	1.2
Other financial products / financial advice				
Revenue (€ million)	0.6	0.3	0.1	0.1
Total Revenue (€ million)	**5.7**	**4.9**	**1.9**	**1.3**
Selling expenses (€ million)	0.4	0.2	0.2	0.0
Net Revenue (€ million)	5.3	4.7	1.7	1.3

Institutional Clients business unit

The revenue generated by Institutional Clients – the smallest of the four business units – from its EUROPACE for issuers product fell slightly year on year in both the third quarter and the first nine months of 2010.



Revenue Institutional Clients (€ million)

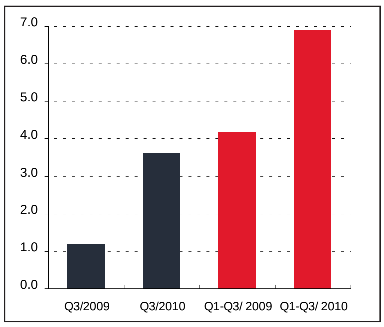
Institutional Clients	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Revenue (€ million)	2.4	2.5	0.8	0.9
Selling expenses (€ million)	0.2	0.3	0.1	0.1
Net Revenue (€ million)	2.2	2.2	0.7	0.8

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 2010. This capital expenditure underpins the ongo-ing 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 developed further key measures to extend its EUROPACE marketplace to the Netherlands and introduce EUROPACE 2 in Germany. In the third quarter of 2010 the Company invested a total of €1.6 million (Q3 2009: €1.7 million) in the development of its marketplaces; in the first nine months of 2010 it spent €5.1 million (Q1-Q3 2009: €5.2 million). €1.4 million of this total was capitalised in the third quarter of 2010 (Q3 2009: €1.3 million), while €4.3 million was capitalised in the first nine months of 2010 (Q1-Q3 2009: €3.5 million). The increase in own work capitalised resulted from the Company's much stronger focus on the development of the new EUROPACE 2 technology since the beginning of the year. The amount capitalised represents the pro rata personnel expenses and operating costs attributed to software development.

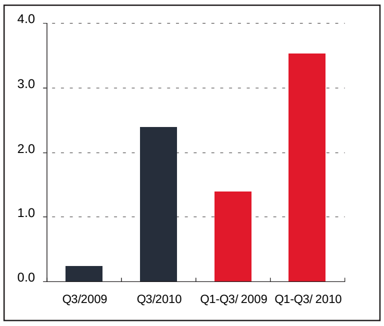
Earnings

The significant improvement in the Hypoport Group's earnings that had been evident since the second quarter of 2010 continued strongly in the third quarter. The third quarter of 2010 was the best quarter of the last three years. Historically low interest rates continued to boost purchases of real estate and the refinancing of loans, which enabled us to generate another record volume of transactions on our EUROPACE platform and to deliver encouraging results in our business with both private clients and corporate real estate clients.



EBITDA (€ million)

Against the backdrop of the operating performance described above, EBITDA and EBIT from continuing operations in the third quarter of 2010 rose to €3.6 million (Q3 2009: €1.2 million) and €2.4 million (Q3 2009: €0.2 million) respectively. In the first nine months of 2010 the Company generated EBITDA of €6.9 million (Q1-Q3 2009: €4.2 million) and EBIT of €3.5 million (Q1-Q3 2009: €1.4 million). The EBIT margin (EBIT as a percentage of gross profit) for the first nine months of 2010 rose accordingly from 5.8 per cent to 13.0 per cent. The EBIT margin for the third quarter of 2010 jumped to 23.7 per cent (Q3 2009: 3.3 per cent).



EBIT (€ million)

Expenses

Personnel expenses for the first nine months of 2010 rose because the average number of employees during the period increased from 442 to 451 people. The breakdown of other operating expenses is shown in the table below.

€'000	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009	1 July to 30 Sept 2010	1 July to 30 Sept 2009
Operating expenses	2,780	2,562	956	883
Selling expenses	1,429	1,250	354	347
Administrative expenses	2,808	3,202	910	1,223
Other personnel expenses	276	319	68	129
Other expenses	404	310	41	31
	7,697	**7,643**	**2,329**	**2,613**

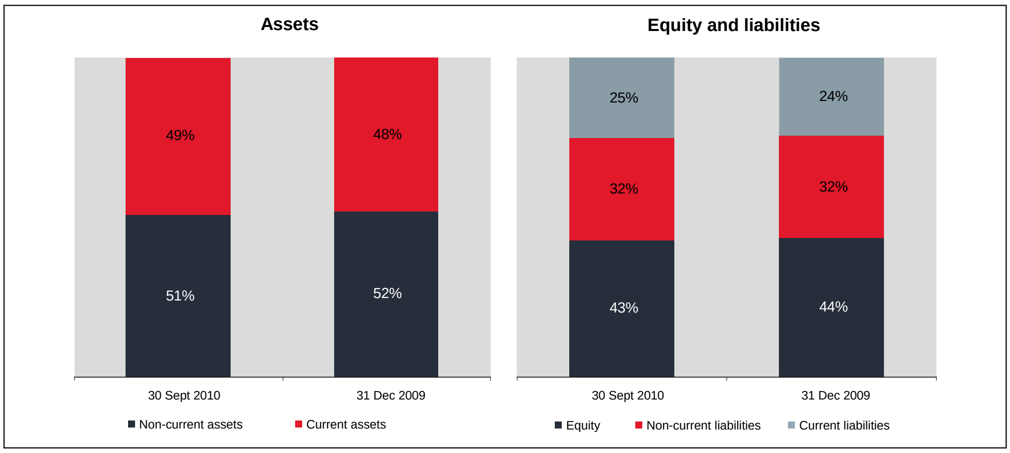
The operating expenses consist mainly of building rentals of €1.563 million (Q1-Q3 2009: €1.500 million) and vehicle-related costs of €740 thousand (Q1-Q3 2009: €630 thousand). The selling expenses relate to advertising costs and travel ex-penses. The administrative expenses largely comprise IT-related costs of €1.529 million (Q1-Q3 2009: €1.530 million) as well as telephone charges and other communication costs of €428 thousand (Q1-Q3 2009: €412 thousand). The additional personnel expenses mainly comprise training costs of €202 thousand (Q1-Q3 2009: €176 thousand).

Net finance costs

Hypoport's net finance costs include interest expense and similar charges of €0.8 million (Q1-Q3 2009: €0.8 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 30 September 2010 amounted to €60.9 million, which was an increase of 11 per cent on the total as at 31 December 2009 (€54.8 million).



Balance structure

Non-current assets totalled €30.9 million (31 December 2009: €28.5 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest single item.

Current assets increased by €3.7 million to €30.0 million largely owing to the €1.0 million increase in trade receivables and the €1.9 million growth in cash and cash equivalents.

The equity attributable to Hypoport AG shareholders as at 30 September 2010 grew by €1.8 million, or 7.6 per cent, to €25.5 million. The equity ratio fell slightly from 43.3 per cent to 41.9 per cent owing to the expansion in total assets.

The €2.1 million increase in non-current liabilities to €19.7 million was attributable to growth of €0.9 million in financial liabilities and a rise of €1.2 million in deferred tax liabilities.

Current liabilities rose by €2.2 million to €15.5 million, mainly owing to the €0.7 million increase in trade payables and the €1.0 million growth in financial liabilities.

Total financial liabilities rose from €18.9 million to €20.7 million owing to new borrowing.

Cash flow

Cash flow increased by €2.1 million to €5.0 million during the reporting period. The main item offsetting the increased net profit for the period was the higher depreciation, amortisation expense and impairment losses.

The total net cash generated by operating activities as at 30 September 2010 amounted to €5.2 million (30 September 2009: €2.4 million).

The net cash outflow of €5.3 million from investing activities (30 September 2009: €3.6 million) stemmed primarily from the €4.4 million increase in capital expenditure on non-current intangible assets.

The net cash inflow of €2.0 million from financing activities (30 September 2009: net cash outflow of €0.9 million) resulted from new borrowing of €3.0 million and loan repayments of €1.2 million.

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 2010 totalled €9.0 million, which was €1.9 million higher 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

The number of employees in the Hypoport Group rose slightly in line with revenue growth and totalled 453 people as at 30 September 2010. This was an increase of 2 per cent on the end of 2009 (31 December 2009: 444 people). The Group employed an average of 451 people in the first nine months of 2010 (Q1-Q3 2009: 442 employees).

Outlook

Although the prospects for the global economy have recently deteriorated, it now seems unlikely that either the world economy as a whole or the major economic areas in the industrialised nations will slide back into recession. Replenished inventories and expiring fiscal and economic stimulus packages are dampening growth around the globe; the mountains of government debt coupled with interest rates that are close to zero per cent provide very little scope for countries to continue their expansionary fiscal and monetary policies. Moreover, many nations are struggling with persistent unemployment. Leading experts therefore expect economic conditions in the key regions of the world to deteriorate slightly over the remaining months of 2010.

The economic outlook for the euro zone remains moderate against a backdrop of the Greek crisis, liquidity shortages in many countries' public finances and the consequent impact on the stability of Europe's single currency.

Although Germany continues to benefit from robust domestic demand, economic growth remains subdued owing to weaker demand from abroad.

Despite the unusually large number of uncertainties confronting the economy going forward, the general parameters influencing Hypoport's sector remain intact.

Home ownership continues to constitute a key component of private pension provision because it is seen as crisis-proof and inflation-proof. Insurance and investment products continue to benefit from the urgent need for private pension provision. The effects of an ageing population and a falling birth rate on governmentfunded healthcare systems continue to provide attractive business opportunities for private health insurers and one-stop distributors of financial products such as Dr. Klein.

Although the macroeconomic outlook has turned slightly gloomier again of late, we are cautiously optimistic because we believe that our competitive, diversified business models will continue to serve us well as we enter 2011. At the end of 2010 we expect to have generated our best annual net profit of the past three years. 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 2010

Assets	30 Sept 2010 €'000	31 Dec 2009 €'000
Non-current assets		
Intangible assets	27,061	25,620
Property, plant and equipment	2,199	1,758
Financial assets	431	435
Other assets	26	13
Deferred tax assets	1,175	699
	30,892	**28,525**
Current assets		
Trade receivables	17,760	16,803
Other assets	2,987	2,200
Current income tax assets	216	117
Cash and cash equivalents	9,048	7,157
	30,011	**26,277**
	60,903	**54,802**
Equity and liabilities		
Equity		
Subscribed capital	6,181	6,129
Reserves	19,340	17,596
	25,521	**23,725**
Equity attributable to non-controlling interest	186	200
	25,707	**23,925**
Non-current liabilities		
Financial liabilities	18,033	17,169
Provisions	28	42
Other liabilities	10	10
Deferred tax liabilities	1,597	355
	19,668	**17,576**
Current liabilities		
Provisions	87	121
Financial liabilities	2,685	1,686
Trade payables	6,393	5,736
Current income tax liabilities	505	195
Other liabilities	5,858	5,563
	15,528	**13,301**
	60,903	**54,802**

Consolidated income statement

for the period 1 January to 30 September 2010

	1 Jan to 30 Sept 2010 €'000	1 Jan to 30 Sept 2009* €'000	1 July to 30 Sept 2010 €'000	1 July to 30 Sept 2009* €'000
Revenue	44,927	37,458	16,892	12,309
Selling expenses (Commision and lead costs)	-17,793	-13,523	-6,754	-4,910
Gross profit	**27,134**	**23,935**	**10,138**	**7,399**
Own work capitalised	4,302	3,506	1,416	1,280
Other operating income	945	678	265	239
Personnel expenses	17,774	-16,302	-5,880	-5,116
Other operating expenses	-7,697	-7,643	-2,329	-2,613
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**6,910**	**4,174**	**3,610**	**1,189**
Depreciation, amortisation expense and impairment losses	-3,380	-2,783	-1,212	-945
Earnings before interest and tax (EBIT)	**3,530**	**1,391**	**2,398**	**244**
Financial income	52	110	28	38
Finance costs	-834	-830	-326	-273
Earnings before tax (EBT)	**2,748**	**671**	**2,100**	**9**
Income taxes and deferred taxes	-1,135	-482	-628	-178
Profit (loss) from continuing operations, net of tax	**1,613**	**189**	**1,472**	**-169**
Profit (loss) from discontinued operations, net of tax	**0**	**-61**	**0**	**0**
Net profit (loss) for the year	**1,613**	**128**	**1,472**	**-169**
attributable to non-controlling interest	-14	1	19	-1
attributable to Hypoport AG shareholders	1,627	127	1,453	-168
Basic earnings (loss) per share (€)	**0.27**	**0.02**	**0.24**	**-0.03**
from continuing operations	0.27	0.03	0.24	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00
Diluted earnings per share (€)	**0.26**	**0.02**	**0.23**	**-0.03**
from continuing operations	0.26	0.03	0.23	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00

* The comparative prior-year tax figures have been restated and are explained in the ‚Accounting policies' section of ‚5. Notes to the interim consolidated financial statements'.

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Consolidated statement of comprehensive income

for the period 1 January to 30 September 2010

	1 Jan to 30 Sept 2010 €'000	1 Jan to 30 Sept 2009** €'000	1 July to 30 Sept 2010 €'000	1 July to 30 Sept 2009** €'000
Net profit (loss) for the year	1,613	128	1,472	-169
Total income and expenses recognized in equity*	0	0	0	0
Total comprehensive income	1,613	128	1,472	-169
attributable to non-controlling interest	-14	1	19	-1
attributable to Hypoport AG shareholders	1,627	127	1,453	-168

* There was no income or expense to be recognized directly in equity during the reporting period.
** The comparative prior-year tax figures have been restated and are explained in the ‚Accounting policies' section of ‚5. Notes to the interim consolidated financial statements'.

Abridged consolidated statement of changes in equity for nine months ended 30 September 2010

€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	Equity attributable to non-controlling interest	Equity
Balance as at 1 January 2009	6,113	1,748	14,849	22,710	200	22,910
Restatement	–	–	1,309	1,309	–	1,309
Balance as at 1 January 2009 restated	6,113	1,748	16,158	24,019	200	24,219
Issue of new shares	14	31	–	45	–	45
Total comprehensive income	–	–	127	127	1	128
Balance as at 30 Sept 2009	**6,127**	**1,779**	**16,285**	**24,191**	**201**	**24,392**
€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	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 Sept 2010	**6,181**	**1,901**	**17,439**	**25,521**	**186**	**25,707**

Consolidated cash flow statement

for the period 1 January to 30 September 2010

	30 Sept 2010 €'000	30 Sept 2009* €'000
Earnings before interest and tax (EBIT)	3,530	1,340
from continuing operations	3,530	1,391
from discontinued operations	0	-51
Non-cash income (+) / expense (-) from income tax	-1,081	-456
Interest received (+)	52	110
Interest paid (-)	-834	-830
Income tax payments (-)	-57	-11
Income tax receipts (+)	3	0
Depreciation and amortisation expense, impairment losses (+) / reversales of impairment losses (-) on non-current assets	3,380	2,783
Gains (-) / losses (+) on the disposal of non-current assets	0	-6
Cash flow	**4,993**	**2,930**
Increase (+) / decrease (-) in current provisions	-34	0
Increase (-) / decrease (+) in inventories, trade receivables and other assets not related to investing or financing activities	-2,331	551
Increase (+) / decrease (-) in trade payables and other liabilities not related to investing or financing activities	2,542	-1,100
Change in working capital	**177**	**-549**
Cash flows from operating activities	**5,170**	**2,381**
from discontinued operations	0	36
Proceeds from the disposal of property, plant and equipment / intangible assets (+)	0	95
Payments to acquire property, plant and equipment / intangible assets (-)	-5,264	-3,843
Payments to acquire consolidated enterprises (-)	0	-40
Proceeds from the disposal of financial assets (+)	49	442
Purchase of financial assets (-)	-44	-209
Cash flows from investing activities	**-5,259**	**-3,555**
from discontinued operations	0	0
Proceeds from additions to equity (+)	169	45
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	3,000	0
Redemption of bonds and loans (-)	-1,189	-918
Cash flows from financing activities	**1,980**	**-873**
from discontinued operations	0	0
Net change in cash and cash equivalents	1,891	-2,047
Cash and cash equivalents at the beginning of the period	7,157	7,458
Cash and cash equivalents at the end of the period	**9,048**	**5,4111**
from discontinued operations	0	0

* The comparative prior-year tax figures have been restated and are explained in the ‚Accounting policies' section of ‚5. Notes to the interim consolidated financial statements'.

Abridged segment reporting
for the period 1 January to 30 September 2010

€'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 2010	5,599	27,491	9,330	2,462	45	44,927
1 Jan - 30 Sept 2009	4,684	22,618	7,202	2,513	441	37,458
1 July - 30 Sept 2010	1,845	10,990	3,226	819	12	16,892
1 July - 30 Sept 2009	1,289	7,712	2,277	887	144	12,309
Segment revenue in respect of other segments						
1 Jan - 30 Sept 2010	120	120	680	0	-920	0
1 Jan - 30 Sept 2009	184	74	558	0	-816	0
1 July - 30 Sept 2010	45	51	255	0	-351	0
1 July - 30 Sept 2009	3	18	156	0	-177	0
Total segment revenue						
1 Jan - 30 Sept 2010	5,719	27,611	10,010	2,462	-875	44,927
1 Jan - 30 Sept 2009	4,868	22,692	7,760	2,513	-375	37,458
1 July - 30 Sept 2010	1,890	11,041	3,481	819	-339	16,892
1 July - 30 Sept 2009	1,292	7,730	2,433	887	-33	12,309
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)						
1 Jan - 30 Sept 2010	2,485	2,715	2,251	775	-1,316	6,910
1 Jan - 30 Sept 2009	2,324	2,097	166	746	-1,210	4,123
1 July - 30 Sept 2010	753	2,031	1,311	260	-745	3,610
1 July - 30 Sept 2009	424	513	167	355	-270	1,189
from continuing operations						
1 Jan - 30 Sept 2010	2,485	2,715	2,251	775	-1,316	6,910
1 Jan - 30 Sept 2009	2,324	2,097	166	797	-1,210	4,174
1 July - 30 Sept 2010	753	2,031	1,311	260	-745	3,610
1 July - 30 Sept 2009	424	513	167	355	-270	1,189
from discontinued operations						
1 Jan - 30 Sept 2010	0	0	0	0	0	0
1 Jan - 30 Sept 2009	0	0	0	-51	0	-51
1 July - 30 Sept 2010	0	0	0	0	0	0
1 July - 30 Sept 2009	0	0	0	0	0	0

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Abridged segment reporting

for the period 1 January to 30 September 2010

€'000	Corporate Real Estate Clients	Private Clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment earnings (EBIT)						
1 Jan - 30 Sept 2010	2,339	2,673	-352	634	-1,764	3,530
1 Jan - 30 Sept 2009	2,221	2,051	-1,801	610	-1,741	1,340
1 July - 30 Sept 2010	701	2,017	369	211	-900	2,398
1 July - 30 Sept 2009	386	497	-523	310	-426	244
from continuing operations						
1 Jan - 30 Sept 2010	2,339	2,673	-352	634	-1,764	3,530
1 Jan - 30 Sept 2009	2,221	2,051	-1,801	661	-1,741	1,391
1 July - 30 Sept 2010	701	2,017	369	211	-900	2,398
1 July - 30 Sept 2009	386	497	-523	310	-426	244
from discontinued operations						
1 Jan - 30 Sept 2010	0	0	0	0	0	0
1 Jan - 30 Sept 2009	0	0	0	-51	0	-51
1 July - 30 Sept 2010	0	0	0	0	0	0
1 July - 30 Sept 2009	0	0	0	0	0	0
Segment assets						
30 Sept 2010	12,631	20,860	20,457	5,067	1,888	60,903
31 Dec 2009	11,180	17,581	19,320	4,743	1,978	54,802

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 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 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 2010 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 2009 were published, the report has been condensed in accordance with 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 2009 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 2009 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 2009, with the following exceptions:

- IAS 39: Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- IFRS 1: Additional Exemptions for First-time Adopters
- IFRS 2: Group Cash-settled Share-based Payment Transactions
- IFRS 3: Business Combinations and IAS 27: Consolidated and Separate Financial Statements
- IFRIC 12: Service Concession Arrangements
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 16: Hedges of a Net Investment in a Foreign Operation
- IFRIC 17: Distributions of Non-cash Assets to Owners
- IFRIC 18: Transfers of Assets from Customers

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

Since the condensed interim consolidated financial statements for the period ended 30 September 2009 were published, the Hypoport Group has amended the applicable tax rate when eliminating intercompany profits by using the tax rate of the customer rather than that of the supplier. This change took effect on 31 December 2009. Further modifications made were an adjustment to the recognition of temporary differences for tax purposes and the ability to offset deferred tax assets against deferred tax liabilities in respect of tax-sharing agreements. These retrospective adjustments were made to improve comparability and brought about changes in the recognition of deferred taxes, retained earnings and income taxes.

The table below summarises the impact on the balance sheet, net profit (loss) for the year, earnings per share and the statement of changes in equity of items that were adjusted for 2009 in accordance with IAS 8.

€'000	1 Jan to 30 Sept 2009 as reported	Restatement	1 Jan to 30 Sept 2009 restated
Deferred tax assets	1,602	-578	1,024
Deferred tax liabilities	2,875	2,080	795
Reserves	16,562	1,502	18,064
Income taxes and deferred taxes	-675	193	-482
Net profit for the year	-65	193	128
attributable to Hypoport AG shareholders	-66	193	127
Basic earnings per share (€)	-0.01	0.03	0.02
from continuing operations	0.00	0.03	0.03
Diluted earnings per share (€)	-0.01	0.03	0.02
from continuing operations	0.00	0.03	0.03
Cashflow	2,737	193	2,930
Change in working capital	-356	-193	-549
€'000	1 July to 30 Sept 2009 as reported	Restatement	1 July to 30 Sept 2009 restated
Income taxes and deferred taxes	-260	82	-178
Net profit for the year	-251	82	-169
attributable to Hypoport AG shareholders	-250	82	-168
Basic earnings per share (€)	-0.04	0.01	-0.03
from continuing operations	-0.04	0.01	-0.03
Diluted earnings per share (€)	-0.04	0.01	-0.03
from continuing operations	-0.04	0.01	-0.03

Basis of consolidation

The consolidation as at 30 September 2010 included all entities controlled by Hypoport AG in addition to Hypoport AG itself. The table below shows the entities included in the interim consolidated financial statements in addition to Hypoport AG.

	Holding (%)
Dr. Klein & Co. AG, Lübeck	100.00
GENOPACE GmbH, Berlin	50.025
FINMAS GmbH, Berlin	50.00
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., Hypoport on-geo GmbH and FINMAS GmbH (all joint ventures consolidated on a pro-rata basis), all companies in the Group are fully consolidated.

Dr. Klein & Co. Consulting GmbH was merged with Dr. Klein & Co. Aktiengesell-schaft with effect from 1 January 2010 in order to streamline the structure of the Group.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and development costs of €11.4 million for the financial marketplaces (31 December 2009: €9.8 million).

Property, plant and equipment consists solely of office furniture and equipment of €2.2 million (31 December 2009: €1.8 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 2010:

	1 Jan to 30 Sept 2010	1 Jan to 30 Sept 2009*	1 July to 30 Jun 2010	1 July to 30 Sept 2009*
Net profit (loss) for the year (€'000)	1,613	128	1,472	-169
of which attributable to Hypoport AG stockholders	1,627	127	1,453	-168
from continuing operations	1,627	188	1,453	-168
from discontinued operations	0	-61	0	0
Basic weighted number of outstanding shares (€'000)	6,131	6,114	6,135	6,117
Basic earnings (loss) per share (€)	**0.27**	**0.02**	**0.24**	**-0.03**
from continuing operations	0.27	0.03	0.24	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00
Weighted number of share options ('000) causing a dilutive effect	64	83	60	80
Diluted weighted number of outstanding shares (€'000)	6,169	6,166	6,171	6,174
Diluted earnings (loss) per share	**0.26**	**0.02**	**0.23**	**-0.03**
from continuing operations	0.26	0.03	0.23	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00

* The comparative prior-year tax figures have been restated and are explained in the ‚Accounting policies' section of ‚5. Notes to the interim consolidated financial statements'.

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 36 thousand shares in the third quarter of 2010 (Q3 2009: 57 thousand) and of 38 thousand shares in the first nine months of 2010 (Q1-Q3 2009: 52 thousand).

Discontinued operations

Because the Company decided in 2008 to close the EUROPACE for investors business and, consequently, to discontinue its Property Finance Europe publication, which were required by IFRS 5 to be presented as discontinued operations, the income and expense from these operations, which essentially related to ABS GmbH and PFE GmbH, have 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 table below shows the profit (loss) from discontinued operations, net of tax.

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€'000	1 Jan to 30 Sept 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1. Apr to 30 Jun 2009
Revenue	0	0	0	0
Selling expenses (Commision and lead costs)	0	0	0	0
Gross profit	**0**	**0**	**0**	**0**
Own work capitalised	0	0	0	0
Other operating income	0	0	0	0
Personnel expenses	0	-38	0	0
Other operating expenses	0	-13	0	0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**0**	**-51**	**0**	**0**
Depreciation, amortisation expense and impairment losses	0	0	0	0
Earnings before interest and tax (EBIT)	**0**	**-51**	**0**	**0**
Financial income	0	0	0	0
Finance costs	0	0	0	0
Earnings before tax (EBT)	**0**	**-51**	**0**	**0**
Income taxes and deferred taxes	0	15	0	0
Profit (loss) on deconsolidation	0	-25	0	0
Profit (loss) from discontinued operations, net of tax	0	-61	0	0
Earnings (loss) per share from discontinued operations (€)				
basic	0.00	-0.01	0.00	0.00
diluted	0.00	-0.01	0.00	0.00

Profit (loss) from discontinued operations, net of tax, for the corresponding period of 2009 related 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 2010	6,128,958.00
Issue of new shares	52,000.00
Balance as at 30 September 2010	6,180,958.00

The Company's subscribed capital as at 30 September 2010 amounted to €6,180,958.00 (31 December 2009: €6,128,958.00) and was divided into 6,180,958 (31 December 2009: 6,128,958) fully paid-up registered no-par-value shares.

The Annual Shareholders' Meeting held on 4 June 2010 voted to carry forward Hypoport AG's distributable profit of €10,964,816.49 to the next accounting period.

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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 preemption 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 €136,650.00 on 30 September 2010 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 2009 (€1.156 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 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 (2009: €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.

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Share-based payment

No share options were issued in the third quarter of 2010.

Changes on the Supervisory Board and the Management Board

Thomas Kretschmar stepped down from the Management Board with effect from 31 May 2010 and was elected to the Supervisory Board at the Annual Shareholders' Meeting on 4 June of the same year. Jochen Althoff resigned from the Supervisory Board with effect from 4 June this year. In addition, Hans Peter Trampe and Stephan Gawarecki were appointed to the Management Board of Hypoport AG with effect from 1 June 2010. Hans Peter Trampe is responsible for the Corporate Real Estate Clients and Institutional Clients business units while Stephan Gawarecki is in charge of the Private Clients business unit and the Hypoport Group's marketing activities.

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. 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 and options in Hypoport AG directly or indirectly held by the members of the Group Management Board and Supervi-sory Board as at 30 September 2010.

	Number of shares 30 Sept 2010	Number of shares 31 Dec 2009	Number of options 30 Sept 2010	Number of options 31 Dec 2009
Group Management Board				
Ronald Slabke	2,241,831	2,209,831	0	32,000
Thilo Wiegand	24,000	24,000	0	0
Stephan Gawarecki	187,800	187,800	0	0
Hans Peter Trampe	194,990	174,990	0	20,000
Supervisory Board				
Dr. Ottheinz Jung-Senssfelder	24,000	24,000	0	0
Prof. Dr. Thomas Kretschmar	1,371,974	1,423,624	0	0
Christian Schröder	24,000	24,000	0	0

The companies in the Hypoport Group have not carried out any disclosable transactions with members of either the Supervisory Board or the Group Management Board or with companies on whose management or supervisory bodies these per-sons are represented. This also applies to close family members related to these persons.

Revenue generated by joint ventures totalled €149 thousand in the third quarter of 2010 (Q3 2009: €144 thousand) and €368 thousand in the first nine months of this year (Q1-Q3 2009: €408 thousand). Receivables from joint ventures amounted to €47 thousand as at 30 September 2010 (31 December 2009: €40 thousand) while liabilities to such companies totalled €1 thousand (31 December 2009: €13 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 2009 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 2010. The first quarter of every year is notoriously the weakest season in the mortgage finance business. During the reporting period, however, demand for mortgage finance was much weaker in January and February than during the corresponding period of 2009 as a result of the particularly bad weather. In the past, positive changes in the mortgage market for both private and corporate clients have been noticeable during 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.

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Events after the balance sheet date

No material events have occurred since the balance sheet date.

Berlin, 8 November 2010

Hypoport AG – The Group Management Board
Ronald Slabke – Thilo Wiegand – Stephan Gawarecki – Hans Peter Trampe

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