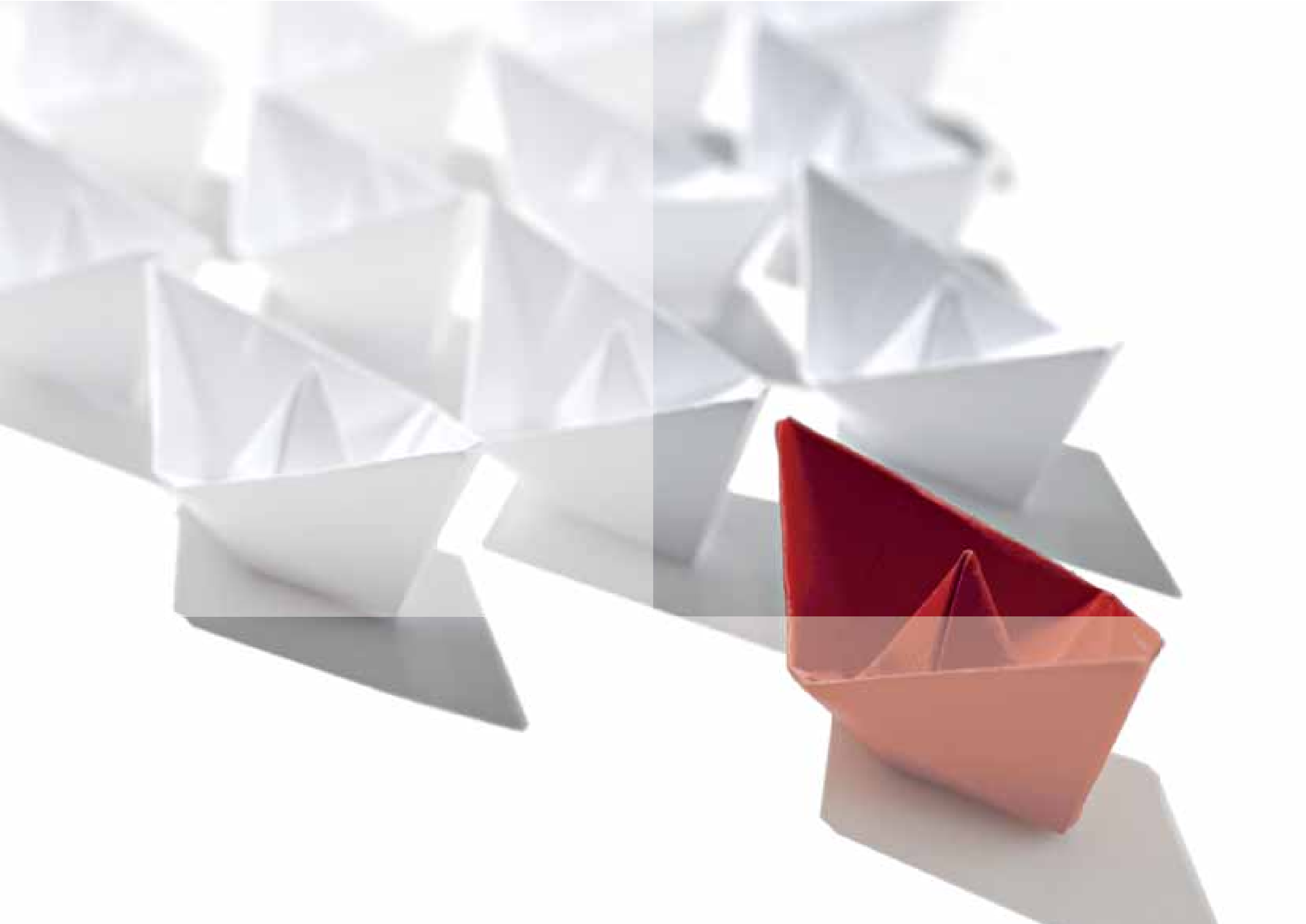
HYPOPORT
THE FINANCE INTEGRATOR



Interim report

of Hypoport AG for the period ended 30 June 2010

Berlin, 13 August 2010

Key performance indicators

Financial performance (€'000)	1 Jan – 30 Jun 2010	1 Jan – 30 Jun 2009*	Change
Continuing operations			
Revenue	28,035	25,149	11 %
Gross profit	16,996	16,536	3 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,300	2,985	11 %
Earnings before interest and tax (EBIT)	1,132	1,147	-1 %
EBIT margin (EBIT as a percentage of gross profit)	6,7	6,9	-4 %
Basic earnings (loss) per share (€)	0.03	0.06	-50 %
Diluted earnings (loss) per share (€)	0.03	0.06	-50 %
Hypoport Group			
Net profit (loss) for the year	141	297	-53 %
attributable to Hypoport AG shareholders	174	295	-41 %
Basic earnings (loss) per share (€)	0.03	0.05	-40 %
Diluted earnings (loss) per share (€)	0.03	0.05	-40 %
Financial performance (€'000)	**1 Apr - 30 Jun 2010**	**1 Apr - 30 Jun 2009***	
Continuing operations			
Revenue	15,946	12,492	28 %
Gross profit	9,862	7,788	27 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,328	910	266 %
Earnings before interest and tax (EBIT)	2,210	-35	6.414 %
EBIT margin (EBIT as a percentage of gross profit)	22.4	-0.4	5.086 %
Basic earnings (loss) per share (€)	0.22	-0.03	833 %
Diluted earnings (loss) per share (€)	0.22	-0.03	833 %
Hypoport Group			
Net profit (loss) for the year	1,294	-221	686 %
attributable to Hypoport AG shareholders	1,325	-182	828 %
Basic earnings (loss) per share (€)	0.22	-0.03	833 %
Diluted earnings (loss) per share (€)	0.22	-0.03	833 %
Financial position (€'000)	**30 Jun 2010**	**31 Dec 2009**	
Current assets	26,464	26,277	1 %
Non-current assets	30,525	28,525	7 %
Equity	24,066	23,925	1 %
attributable to Hypoport AG shareholders	23,899	23,725	1 %
Equity ratio (%)	41,9	43,3	-3 %
Total assets	56,989	54,802	4 %

* 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'.

Contents

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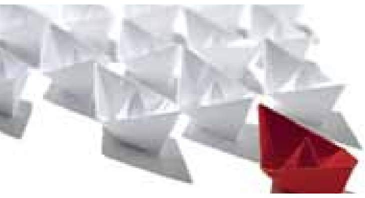


1. Letter to shareholders

Dear Shareholder

After a disappointing start to the year, the Hypoport Group managed in the second quarter to exploit the resurgent market conditions and deliver one of the most successful quarters in the Company's history.

All four of its business units contributed to this encouraging result. In addition to the strong growth in our markets, this trend has also been driven by the systematic optimisation of our organisational structures aimed at improving our profitability. This impressive performance is therefore attributable to every single one of the Company's employees and is something that we can all be justly proud of.

We were especially pleased to see such a strong performance by our Financial Service Providers unit, which had been the hardest-hit business in the first quarter and returned to profitability in the second quarter. The EUROPACE marketplace generated a record volume of transaction turnover totalling €4.0 billion. All product categories contributed to an increase of 25.1 per cent compared with the corresponding quarter of 2009. The volume of mortgage finance, which still accounts for the largest proportion of total business, grew by 17.1 per cent year on year to €3.3 billion in the second quarter. The current combination of low interest rates, the greater importance attached to security, and the recently more optimistic outlook is making German real estate an attractive investment. The second quarter of 2010 was the first time that building finance – the most recent addition to EUROPACE's product portfolio – has managed to outperform the volume of business generated by personal loans, achieving a total volume of €336 million compared with the €319 million generated by personal loans, which continue to grow. Nonetheless, the high levels of expenditure on strategic market development (German cooperative and savings banks and the Netherlands) and technological refinements (EUROPACE 2) continue to hamper this business unit. Once the capital spending projects mentioned above have taken effect, we expect to see this business return to its historically strong profitability over the long term.

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

Private Clients, our largest business unit, also delivered an impressive performance in the second quarter, achieving significant growth in the sale of both mortgage finance and insurance products. Only the persistently subdued demand for other banking products – such as personal loans – slightly dented the otherwise robust growth of this business unit. The encouraging addition of further sales and distribution capacity under our franchise system should enable us to continue growing our Private Clients business significantly over the next few quarters.

Our Corporate Real Estate Clients business unit reported another encouraging increase in the number of transactions coupled with robust growth in new customers in the second quarter of 2010. In contrast to the first quarter, large-volume transactions were generated on the back of historically low long-term interest rates, which enabled this business unit to build on the highly successful first half of 2009. As demand remains fairly strong, we expect our business to continue to perform well throughout the rest of the year.

And finally, Institutional Clients – our smallest business unit – also managed once again to build on its impressive first-quarter results and contribute to the encouraging net profit for the period.

Given the uncertainty surrounding the future course of the economy, forecasts are currently even more uncertain. The high volatility of product-specific demand in the first half of the year revealed only too clearly just how fragile our market remains following last year's sharp economic downturn. Nonetheless, we are optimistic about the outlook for the Hypoport Group's profitability going forward. Assuming that our operating environment continues to stabilise, we now expect to see moderate growth in revenue, gross profit and net profit for 2010 as a whole.

Yours sincerely,

Ronald Slabke
Chief Executive Officer

2. Hypoport's shares

Share price performance

Hypoport's shares shed a significant 29.3 per cent in the first half of 2010, falling from €8.50 at the end of 2009 to €6.01 on 30 June 2010. Their highest price was €9.12 on 6 January and their lowest was €5.98 on 3 June.

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

Earnings per share

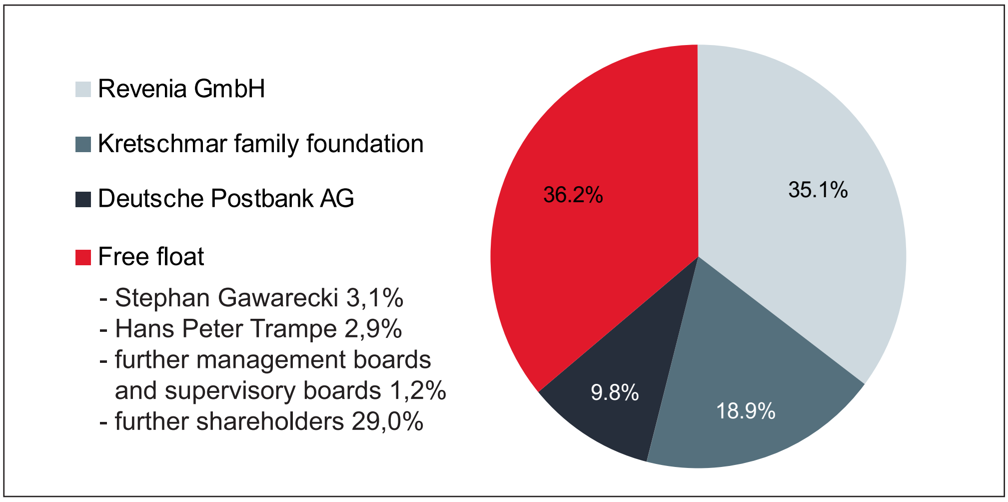
In the second quarter of 2010 the Company reported earnings of €0.22 per share, having posted a loss of €0.03 per share in the corresponding quarter of 2009. Its continuing operations generated earnings of €0.22 per share (Q2 2009: loss of €0.03 per share). We therefore reported earnings of €0.03 per share in the first half of 2010, having posted earnings of €0.05 per share in the corresponding period of 2009. Our continuing operations contributed earnings of €0.03 per share in the first half of 2010 (H1 2009: earnings of €0.06).

Trading volumes

Trading volumes in the second quarter of 2010 were lower than in the previous quarter. The highest turnover occurred in May, when an average of 841 shares were traded per day. Trading was quieter in April (average of 733 shares) and June (average of 472 shares).

Shareholder structure

The free float in Hypoport's shares amounts to 36.2 per cent.



Breakdown of shareholders as at 30 June 2010

Notification of directors' dealings

No directors' dealings were reported for the second quarter of 2010.

Ad-hoc-disclosures

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

Designated sponsor

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

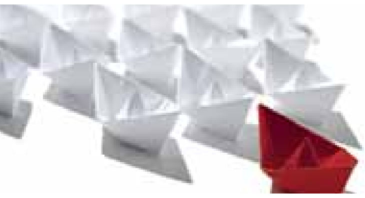
Research

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

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	€6,128,958.00
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 April 2010	€7.90 (Frankfurt)
Share price as at 30 June 2010	€6.01 (Frankfurt)
High in second quarter 2010	€7.90 (1 April 2010)
Low in second quarter 2010	€5.98 (3 June 2010)
Market capitalisation	€36.8 million (30 June 2010)
Trading volume	€4,595.62 (daily average for second quarter of 2010)



3. Interim group management report

Economic conditions

The global economy is bouncing back more swiftly than expected in the wake of the most severe recession since the Second World War. The recovery that started in the second half of 2009 continued in the first half of 2010. As a major exporting nation, Germany is deriving considerable benefit from the growth in world trade.

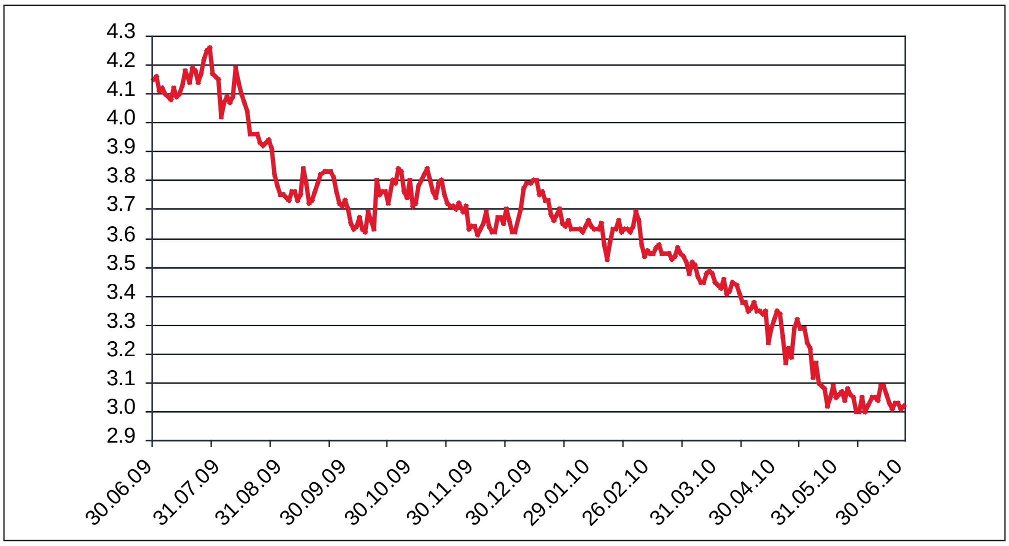
However, the global economic upturn is due at least in part to the continued effect of expansionary monetary policies in most countries and their state-sponsored economic stimulus packages. The downside of the exceptional fiscal and monetary stimulus being provided by governments around the world is that this economic pump-priming is being financed by deficits and the issuance of huge amounts of sovereign bonds. The main concern is therefore directed at the high levels of debt being racked up by individual countries and the consequent uncertainty about their solvency.

The Greek debt crisis plunged the international financial markets back into severe turmoil. The sharp deterioration in Greece's economy and public finances in May triggered a serious crisis of confidence that has since spread to other highly indebted euro-zone member states. These countries saw the prices of their government bonds tumble, and the external value of the euro fell appreciably.

The European Union launched an unprecedented rescue package to prevent eurozone members facing a crisis from going bankrupt. Under this scheme, loans totalling €750 billion are available for emergencies but are conditional on strict budgetary consolidation criteria. Even the European Central Bank (ECB) was forced to flout its rules further, buying government bonds from eurozone countries in the secondary market for the first time since Europe's single currency was introduced. This move was intended to ensure that the markets function properly, strengthening the liquidity of banks in the euro zone and reducing the burdens on the financial system.

Given the prevailing monetary and economic conditions, the ECB's Governing Council decided at its meeting on 8 July 2010 to leave interest rates on hold at their all-time low of 1.0 per cent.

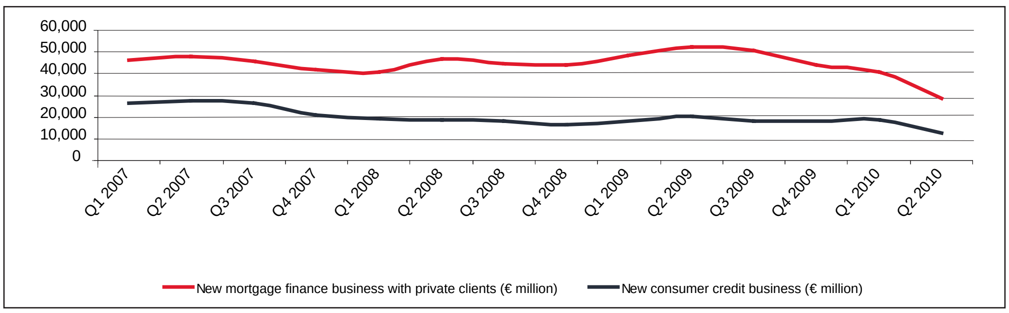
This economic environment brought about the lowest long-term interest rates in Germany's modern economic history. The fall in ten-year swap rates in the first half of 2010 facilitated the sale of credit products and, while interest rates were falling, full-service providers such as traditional regional 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 five months of 2010 contracted sharply year on year. While the total value of home loans sold up to and including May 2009 came to €82.8 billion, demand in the corresponding period of 2010 fell by 16.0 per cent to €69.5 billion. We reckon that the Bundesbank's figures present a 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 six months of 2010 grew by 2.4 per cent year on year from €5.6 billion to €5.7 billion.

The Bundesbank reckons that the level of business in personal loans remained virtually unchanged year on year. According to the official statistics, the total volume of transactions in this market contracted by a minimal 0.5 per cent from €31.5 billion to €31.3 billion. This is another case where our perception of the market differs from the figures published by the Bundesbank. We reckon that the market for personal loans was fairly subdued in the first half of the year, and Google Trends confirms this view for the internet – our primary distribution medium.



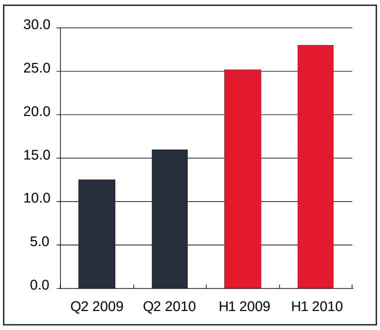
Total volume of private mortgage finance and personal loans (source: Deutsche Bundesbank)

Demand for building finance also saw little year-on-year change. According to the Bundesbank's statistics, the total value of building finance products sold in the first five months of 2010 edged up by 0.7 per cent year on year from €35.9 billion to €36.2 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 five months of 2010. German investment companies had total fund assets of €1.437 trillion under management as at 31 May 2010 (31 December 2009: €1.376 trillion), of which €676 billion (31 December 2009: €650 billion) was allocated to retail funds and €761 billion (31 December 2009: €726 billion) to specialised funds for institutional investors.

Consumers also sought out 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 May 2010, which grew by 1.8 per cent from €1,467.3 billion (31 December 2009) to €1,493.8 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 27.6 per cent from €12.5 million in the second quarter of 2009 to €15.9 million in the second quarter of 2010 in what remained a challenging market environment. A comparison of the first six months of the year – during which revenue rose by 11.5 per cent year on year to €28.0 million (H1 2009: €25.1 million) – also demonstrates that our organisation is back on a 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, gross profit for the first half of 2010 increased by only 2.8 per cent from €16.5 million to €17.0 million. The gross profit reported for the second quarter of 2010 rose sharply by 26.6 per cent year on year from €7.8 million to €9.9 million.

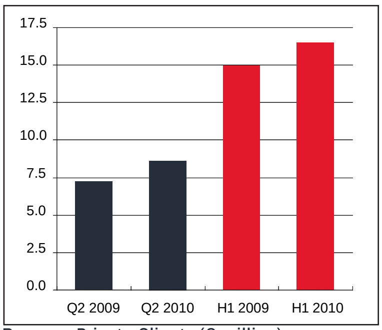


Revenue Hypoport Group (€ million)

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 second quarter of 2010 advanced by 19.2 per cent to €8.6 million (Q2 2009: €7.2 million), while its first-half revenue grew by 10.3 per cent to €16.5 million (H1 2009: €15.0 million).



Revenue Private Clients (€ million)

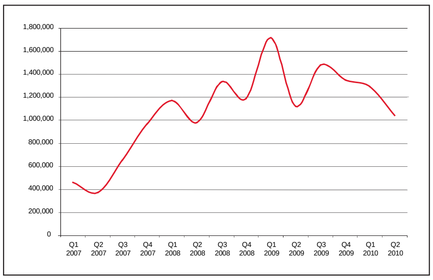
The Hypoport Group's mortgage finance business benefited substantially from the low level of interest rates in the market for home loans and reported strong growth in both the number and volume of loans brokered. Revenue and gross profit rose accordingly.

Mortgage Finance Private Clients business unit	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Number of loans brokered	3,685	3,202	1,907	1,603
Volume of loans brokered (€ million)	528	472	283	230
Revenue	7.7	5.8	4.5	3.0
Selling expenses (€ million)	3.9	2.4	2.3	1.2
Net Revenue (€ million)	3.8	3.4	2.2	1.8

In its distribution of other financial products the Company almost managed to compensate for the market-driven plunge in sales of other banking products (such as personal loans) by generating strong growth in its insurance business and largely maintained its revenue at around the same level. As expected, the ongoing expansion of branch-based sales incurred higher selling expenses and caused a shift in the gross margin, which translated into a lower gross profit.

Financial Service Products Private Clients business unit	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Number of deals brokered for financial service products	6,846	8,052	3,245	2,947
Revenue (€ million)	8.8	9.1	4.1	4.2
Selling expenses (€ million)	5.4	4.8	2.7	2.4
Revenue (€ million)	3.4	4.3	1.4	1.8

The number of leads acquired in the first six months of 2010 fell by 0.5 million to 2.3 million from the record set in the corresponding period of 2009 (H1 2009: 2.8 million). This trend reflected consumers' currently subdued demand for other banking and insurance products.



Number of leads

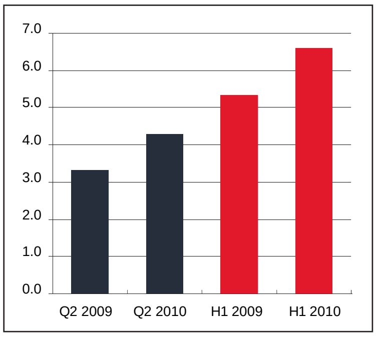
The number of advisers working in the various distribution channels of the Private Clients business unit was significantly increased and had reached a new high by 30 June 2010. The map on the right gives an impressive overview of the extensive network of branches established by our franchisees in Germany.

Distribution channels	30 June 2010	30 June 2009*
Advisers in branch-based sales	479	440
Branches run by franchisees	187	183
Independent financial advisers acting as agents	2,689	1,910

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

Financial Service Providers business unit

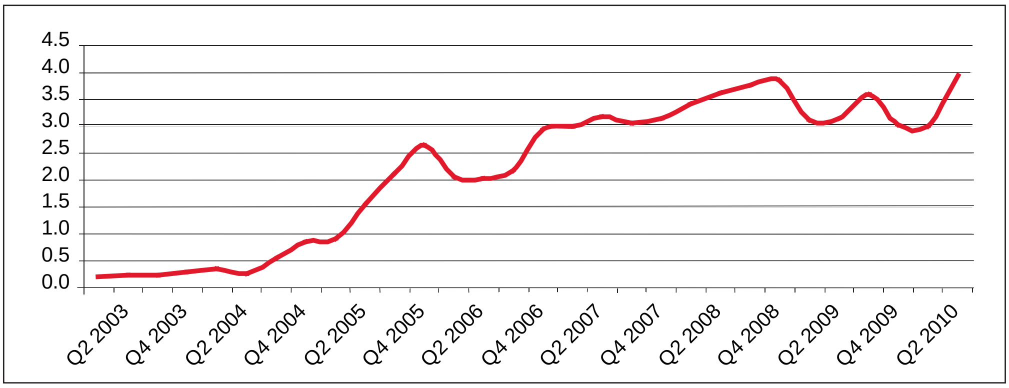
Financial Service Providers, which is the second-largest business unit, significantly expanded its volume of transactions and its revenue on both a quarterly and six-month comparison despite the challenging market environment. The volume of transactions generated by the EUROPACE financial marketplace hit a new record of €4.0 billion in the second quarter of 2010. All product lines – from mortgage finance and personal loans to building finance – contributed to the 25.1 per cent increase on the corresponding quarter of 2009. Year-on-year growth in the first six months of 2010 came to 10.8 per cent.



Revenue Financial Service Providers (€ million)

Europace Financial Service Providers business unit	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Volume of transactions (€ billion)	7.0	6.3	4.0	3.2
thereof mortgage finance	5.8	5.6	3.4	2.8
thereof personal loans	0.7	0.6	0.3	0.3
thereof building saving	0.5	0.1	0.3	0.1
Revenue (€ million)	6.5	5.3	4.2	3.3
Selling expenses (€ million)	1.6	1.0	1.0	0.9
Revenue (€ million)	4.9	4.3	3.2	2.4

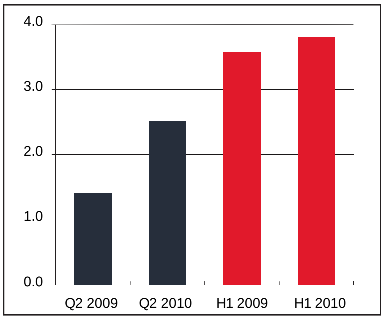
The number of distribution organisations actively using the marketplace as at 30 June 2010 had risen to 50 compared with 46 distributors as at 30 June 2009.



Volume of transactions on EUROPACE (€ billion)

Corporate Real Estate Clients business unit

The Corporate Real Estate Clients business unit continued to benefit from its strategy of strengthening its regional presence and extending its product range to cater for municipal borrowers. The loan brokerage business increased the volume of new lending it brokered in both the first quarter and first half of 2010.

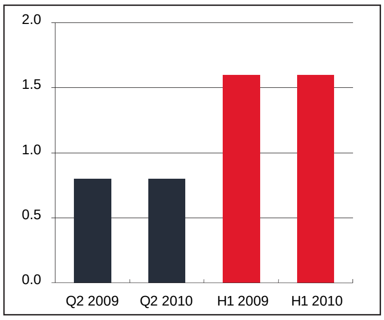


Revenue Corporate Real Estate Clients (€ million)

Corporate Real Estate Clients business unit	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Loan Brokerage				
Volume of new business (€ million)	643	661	429	273
Volume of prolongation (€ million)	153	117	100	79
Revenue (€ million)	3.3	3.4	2.3	1.4
Other financial products / financial advice				
Revenue (€ million)	0.5	0.2	0.2	0.1
Total Revenue (€ million)	3.8	3.6	2.5	1.3
Selling expenses (€ million)	0.2	0.2	0.1	0.1
Net Revenue (€ million)	3.6	3.4	2.4	1.4

Institutional Clients business unit

The revenue generated by Institutional Clients – the smallest of the four business units – from its EUROPACE for issuers product was in line with the revenue it had earned in the first quarter and first half of 2009.



Revenue Institutional Clients (€ million)

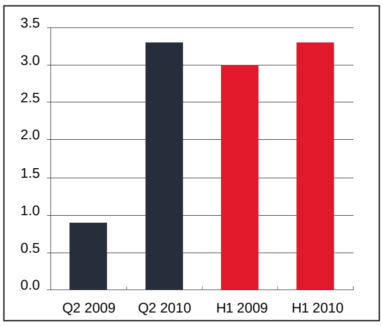
Institutional Clients	1 Jan to 30 June 2010	1 Jan to 30 June 2009	1 April to 30 June 2010	1 April to 30 June 2009
Revenue (€ million)	1.6	1.6	0.8	0.8
Selling expenses (€ million)	0.1	0.2	0.0	0.1
Net Revenue (€ million)	1.5	1.4	0.8	0.7

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 second quarter of 2010. 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 second quarter, the Company took further key measures to extend its EUROPACE marketplace to the Netherlands and to introduce EUROPACE 2 in Germany. In the second quarter of 2010 the Company invested a total of €1.8 million (Q2 2009: €1.7 million) in the development of its marketplaces; in the first six months of 2010 it spent €3.5 million (H1 2009: €3.5 million). €1.6 million of this total was capitalised in the second quarter of 2010 (Q2 2009: €0.9 million), while €2.9 million was capitalised in the first six months of 2010 (H1 2009: €2.2 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 second quarter of 2010 was the most successful in the Company's history to date. Historically low interest rates boosted investment in real estate and the refinancing of loans, which enabled us to generate a record volume of transactions on our EUROPACE platform and to post encouraging results in our business with both private clients and corporate real estate clients. In addition, the Company's stronger focus on the development of its new EUROPACE 2 technology also impacted on its net profit for the period.



EBITDA (€ million)

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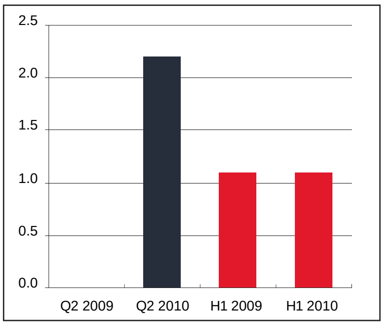
Against the backdrop of the operating performance described above, second-quarter EBITDA and EBIT from continuing operations advanced to €3.3 million (Q2 2009: €0.9 million) and €2.2 million (Q2 2009: €0.0 million) respectively. For the first half of 2010, the Company reported EBITDA of €3.3 million (H1 2009: €3.0 million) and an EBIT figure that was virtually unchanged year on year at €1.1 million. The EBIT margin (EBIT as a percentage of gross profit) for the second quarter of 2010 rose accordingly from minus 0.4 per cent to plus 22.4 per cent. The EBIT margin for the first six months of the year fell slightly to 6.7 per cent (H1 2009: 6.9 per cent).



EBIT (€ million)

Expenses

Personnel expenses for the first half of 2010 rose in line with the increase in the average number of employees during the period from 442 to 452 people. The breakdown of other operating expenses is shown in the table below.

€'000	1 Jan to 30 Jun 2010	1 Jan to 30 Jun 2009	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009
Operating expenses	1,824	1,679	981	834
Selling expenses	1,075	903	495	407
Administrative expenses	1,898	1,979	944	1,123
Other personnel expenses	208	190	124	97
Other expenses	363	279	78	125
	5,368	5,030	2,622	2,586

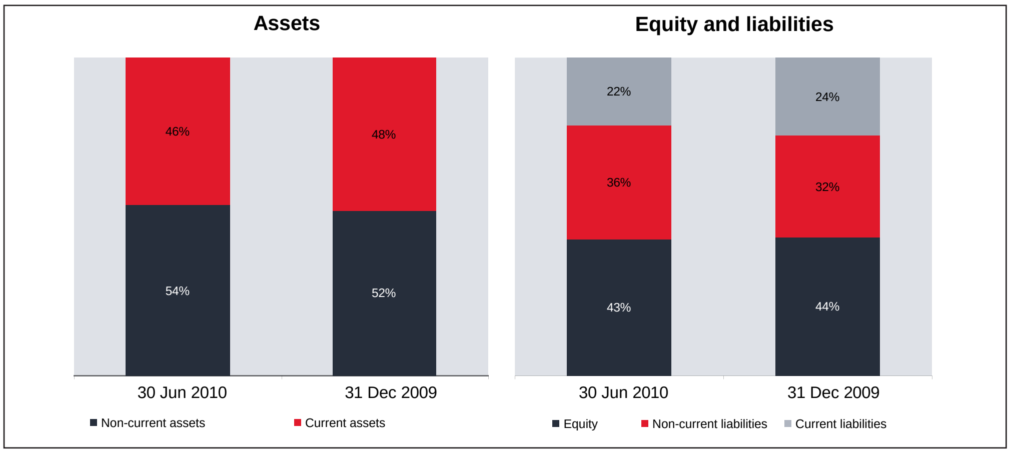
The operating expenses consist mainly of building rentals of €1.003 million (H1 2009: €999 thousand) and vehicle-related costs of €473 thousand (H1 2009: €413 thousand). The selling expenses relate to advertising costs and travel expenses. The administrative expenses largely comprise IT-related costs of €1.028 million (H1 2009: €954 thousand) as well as telephone charges and other communication costs of €287 thousand (H1 2009: €272 thousand). The additional personnel expenses mainly comprise training costs of €159 thousand (H1 2009: €136 thousand).

Net finance costs

Hypoport's net finance costs include interest expense and similar charges of €0.5 million (H1 2009: €0.6 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 30 June 2010 amounted to €57.0 million, a 4 per cent increase on the total as at 31 December 2009 (€54.8 million).



Balance structure

Non-current assets totalled €30.5 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 €0.2 million to €26.5 million largely owing to the €0.9 million increase in other assets and the €0.1 million growth in cash and cash equivalents. By contrast, trade receivables decreased by €0.8 million.

The equity attributable to Hypoport AG shareholders as at 30 June 2010 grew by €0.2 million, or 0.7 per cent, to €23.9 million. The equity ratio fell slightly from 43.3 per cent to 41.9 per cent owing to the expansion in total assets.

The €3.0 million increase in non-current liabilities to €20.6 million was attributable to growth of €2.1 million in financial liabilities and a rise of €0.9 million in deferred tax liabilities.

Current liabilities declined by €1.0 million to €12.3 million, mainly owing to the €1.1 million decrease in trade payables. On the other hand, financial liabilities grew by €0.3 million.

Total financial liabilities rose from €18.9 million to €21.2 million owing to new borrowing.

Cash flow
Cash flow increased by €0.2 million to €2.3 million during the reporting period.

The total net cash generated by operating activities as at 30 June 2010 amounted to €1.3 million (30 June 2009: €0.6 million). The increase in cash flow compared with the corresponding period of 2009 was primarily due to the fact that the cash used for working capital decreased by €0.6 million to €1.0 million (30 June 2009: €1.6 million).

The net cash outflow of €3.6 million from investing activities (30 June 2009: €2.0 million) stemmed primarily from the €2.9 million increase in capital expenditure on non-current intangible assets.

The net cash inflow of €2.4 million from financing activities (30 June 2009: net cash outflow of €0.6 million) resulted from new borrowing of €3.0 million and loan repayments of €0.6 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 June 2010 totalled €7.2 million, which was €0.1 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 454 people as at 30 June 2010. This was an increase of 2 per cent on the end of 2009 (31 December 2009: 444 people). An average of 452 people were employed in the first half of 2010 (H1 2009: 442 people).

Outlook
The global economy will lose some of its momentum because the economic stimulus packages launched by many countries are being phased out, while the crisis of confidence in the euro zone has shown that the recovery in the industrialised nations is fraught with significant risks.

The International Monetary Fund (IMF) sees the main threats to the economic stabilisation process in the ‚developed' economies as being the ballooning government debt in some countries and the considerably reduced scope for fiscal policy initiatives.

The IMF reckons that high unemployment in most EU member states and government programmes that have been introduced to consolidate and cut budget deficits will act as a further drag on economic recovery.

Countries that are not suffering a serious domestic economic crisis – such as Germany – will notice subdued demand for their exports caused by the spending cuts implemented in the highly indebted countries.

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 government-funded healthcare systems continue to provide attractive business opportunities for private health insurers and one-stop distributors of financial products such as Dr. Klein.

As we do not expect the market to provide any major positive or negative stimulus in the near term, we are now forecasting moderate revenue and earnings growth for the year as a whole despite the considerable uncertainty that continues to hang over the markets.

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4. Interim consolidated **financial statements**

Consolidated balance sheet as at 30 June 2010

Assets	30 Jun 2010 €'000	31 Dec 2009 €'000
Non-current assets		
Intangible assets	26,665	25,620
Property, plant and equipment	2,162	1,758
Financial assets	412	435
Other assets	26	13
Deferred tax assets	1,260	699
	30,525	28,525
Current assets		
Trade receivables	15,960	16,803
Other assets	3,063	2,200
Current income tax assets	216	117
Cash and cash equivalents	7,225	7,157
	26,464	26,277
	56,989	54,802
Equity and liabilities		
Equity		
Subscribed capital	6,129	6,129
Reserves	17,770	17,596
	23,899	23,725
Equity attributable to non-controlling interest	167	200
	24,066	23,925
Non-current liabilities		
Financial liabilities	19,263	17,169
Provisions	42	42
Other liabilities	10	10
Deferred tax liabilities	1,283	355
	20,598	17,576
Current liabilities		
Provisions	78	121
Financial liabilities	1,951	1,686
Trade payables	4,633	5,736
Current income tax liabilities	282	195
Other liabilities	5,381	5,563
	12,325	13,301
	56,989	54,802

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Consolidated income statement

for the period 1 January to 30 June 2010

	1 Jan to 30 Jun 2010 €'000	1 Jan to 30 Jun 2009* €'000	1 Apr to 30 Jun 2010 €'000	1 Apr to 30 Jun 2009* €'000
Revenue	28,035	25,149	15,946	12,492
Selling expenses (Commision and lead costs)	-11,039	-8,613	-6,084	-4,704
Gross profit	16,996	16,536	9,862	7,788
Own work capitalised	2,886	2,226	1,617	898
Other operating income	680	439	344	212
Personnel expenses	-11,894	-11,186	-5,873	-5,402
Other operating expenses	-5,368	-5,030	-2,622	-2,586
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,300	2,985	3,328	910
Depreciation, amortisation expense and impairment losses	-2,168	-1,838	-1,118	-945
Earnings before interest and tax (EBIT)	1,132	1,147	2,210	-35
Financial income	24	72	10	37
Finance costs	-508	-557	-258	-272
Earnings before tax (EBT)	648	662	1,962	-270
Income taxes and deferred taxes	-507	-304	-668	49
Profit (loss) from continuing operations, net of tax	141	358	1,294	-221
Profit (loss) from discontinued operations, net of tax	0	-61	0	0
Net profit (loss) for the year	141	297	1,294	-221
attributable to non-controlling interest	-33	2	-31	-39
attributable to Hypoport AG shareholders	174	295	1,325	-182
Basic earnings (loss) per share (€)	0.03	0.05	0.22	-0.03
from continuing operations	0.03	0.06	0.22	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00
Diluted earnings per share (€)	0.03	0.05	0.22	-0.03
from continuing operations	0.03	0.06	0.22	-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'.

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2010

	1 Jan to 30 Jun 2010 €'000	1 Jan to 30 Jun 2009** €'000	1 Apr to 30 Jun 2010 €'000	1 Apr to 30 Jun 2009** €'000
Net profit (loss) for the year	141	297	1,294	-221
Total income and expenses recognized in equity*	0	0	0	0
Total comprehensive income	141	297	1,294	-221
attributable to non-controlling interest	-33	2	-31	-39
attributable to Hypoport AG shareholders	174	295	1,325	-182

* 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 the six months ended 30 June 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	–	–
Balance as at 1 January 2009 restated	6,113	1,748	16,158	24,019	200	24,219
Total comprehensive income	–	–	–	295	2	297
Balance as at 30 June 2009	6,113	1,748	16,158	24,314	202	24,516

€'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
Total comprehensive income	–	–	–	174	-33	141
Balance as at 30 June 2010	6,129	1,784	15,812	23,899	167	24,066

Consolidated cash flow statement

for the period 1 January to 30 June 2010

	30 June 2010 €'000	30 June 2009* €'000
Earnings before interest and tax (EBIT)	1,132	1,096
from continuing operations	1,132	1,147
from discontinued operations	0	-51
Non-cash income (+) / expense (-) from income tax	-453	-278
Interest received (+)	24	72
Interest paid (-)	-508	-557
Income tax payments (-)	-57	-11
Income tax receipts (+)	3	0
Depreciation and amortisation expense, impairment losses (+) / reversals of impairment losses (-) on non-current assets	2,168	1,838
Gains (-) / losses (+) on the disposal of non-current assets	0	-8
Cash flow	2,309	2,152
Increase (+) / decrease (-) in current provisions	-43	0
Increase (-) / decrease (+) in inventories, trade receivables and other assets not related to investing or financing activities	-693	481
Increase (+) / decrease (-) in trade payables and other liabilities not related to investing or financing activities	-287	-2,079
Change in working capital	-1,023	-1,598
Cash flows from operating activities	1,286	554
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 (-)	-3,617	-2,377
Payments to acquire consolidated enterprises (-)	0	-40
Proceeds from the disposal of financial assets (+)	41	490
Purchase of financial assets (-)	-18	-215
Cash flows from investing activities	-3,594	-2,047
from discontinued operations	0	0
Proceeds from additions to equity (+)	0	0
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	3,000	0
Redemption of bonds and loans (-)	-624	-610
Cash flows from financing activities	2,376	-610
from discontinued operations	0	0
Net change in cash and cash equivalents	68	-2,103
Cash and cash equivalents at the beginning of the period	7,157	7,458
Cash and cash equivalents at the end of the period	7,225	5,355
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 June 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 Jun 2010	3,754	16,501	6,104	1,643	33	28,035
1 Jan - 30 Jun 2009	3,395	14,906	4,925	1,626	297	25,149
1 Apr - 30 Jun 2010	2,508	8,637	3,977	809	15	15,946
1 Apr - 30 Jun 2009	1,290	7,200	3,017	797	188	12,492
Segment revenue in respect of other segments						
1 Jan - 30 Jun 2010	75	69	425	0	-569	0
1 Jan - 30 Jun 2009	181	56	402	0	-639	0
1 Apr - 30 Jun 2010	37	59	243	0	-339	0
1 Apr - 30 Jun 2009	128	34	309	0	-471	0
Total segment revenue						
1 Jan - 30 Jun 2010	3,829	16,570	6,529	1,643	-536	28,035
1 Jan - 30 Jun 2009	3,576	14,962	5,327	1,626	-342	25,149
1 Apr - 30 Jun 2010	2,545	8,696	4,220	809	-324	15,946
1 Apr - 30 Jun 2009	1,418	7,234	3,326	797	-283	12,492
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)						
1 Jan - 30 Jun 2010	1,732	684	940	515	-571	3,300
1 Jan - 30 Jun 2009	1,900	1,584	-1	442	-991	2,934
1 Apr - 30 Jun 2010	1,384	606	1,397	260	-319	3,328
1 Apr - 30 Jun 2009	573	893	-53	260	-763	910
from continuing operations						
1 Jan - 30 Jun 2010	1,732	684	940	515	-571	3,300
1 Jan - 30 Jun 2009	1,900	1,584	-1	493	-991	2,985
1 Apr - 30 Jun 2010	1,384	606	1,397	260	-319	3,328
1 Apr - 30 Jun 2009	573	893	-53	260	-763	910
from discontinued operations						
1 Jan - 30 Jun 2010	0	0	0	0	0	0
1 Jan - 30 Jun 2009	0	0	0	-51	0	-51
1 Apr - 30 Jun 2010	0	0	0	0	0	0
1 Apr - 30 Jun 2009	0	0	0	0	0	0

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Abridged segment reporting

for the period 1 January to 30 June 2010

€'000	Corporate Real Estate Clients	Private Clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment earnings (EBIT)						
1 Jan - 30 Jun 2010	1,638	656	-721	423	-864	1,132
1 Jan - 30 Jun 2009	1,835	1,554	-1,278	351	-1,366	1,096
1 Apr - 30 Jun 2010	1,335	591	536	214	-466	2,210
1 Apr - 30 Jun 2009	539	878	-705	156	-903	-35
from continuing operations						
1 Jan - 30 Jun 2010	1,638	656	-721	423	-864	1,132
1 Jan - 30 Jun 2009	1,835	1,554	-1,278	402	-1,366	1,147
1 Apr - 30 Jun 2010	1,335	591	536	214	-466	2,210
1 Apr - 30 Jun 2009	539	878	-705	156	-903	-35
from discontinued operations						
1 Jan - 30 Jun 2010	0	0	0	0	0	0
1 Jan - 30 Jun 2009	0	0	0	-51	0	-51
1 Apr - 30 Jun 2010	0	0	0	0	0	0
1 Apr - 30 Jun 2009	0	0	0	0	0	0
Segment assets						
30 Jun 2010	11,399	18,769	19,773	4,964	2,084	56,989
31 Dec 2009	11,180	17,581	19,320	4,743	1,978	54,802

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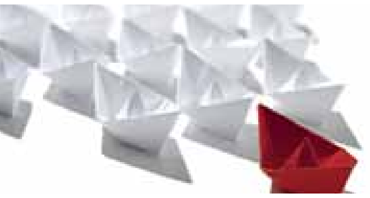

5. Notes to the interim consolidated **financial** statements

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 six months ended 30 June 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.

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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 June 2009 were published, the Hypoport Group has amended the applicable tax rate when eliminating inter-company 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 Jun 2009 as reported	Restatement	1 Jan to 30 Jun 2009 restated
Deferred tax assets	1,820	-935	885
Deferred tax liabilities	3,023	2,355	668
Reserves	16,781	1,420	18,201
Income taxes	-415	111	-304
Net profit for the year	186	111	297
attributable to Hypoport AG shareholders	184	111	295
Basic earnings per share (€)	0.03	0.02	0.05
from continuing operations	0.04	0.02	0.06
Diluted earnings per share (€)	0.03	0.02	0.05
from continuing operations	0.04	0.02	0.06
Cashflow	2,041	111	2,152
Change in working capital	-1,487	-111	-1,598
€'000	1 Apr to 30 Jun 2009 as reported	Restatement	1 Apr to 30 Jun 2009 restated
Income taxes	8	41	49
Net profit for the year	-262	41	-221
attributable to Hypoport AG shareholders	-223	41	-182
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 June 2010 includes 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
Dr. Klein & Co. Consulting GmbH, 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.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and de-velopment costs of €10.8 million for the financial marketplaces (30 June 2009: €9.8 million).

Property, plant and equipment consists solely of office furniture and equipment of €2.2 million (30 June 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 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.

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 Jun 2010	1 Jan to 30 Jun 2009*	1 Apr to 30 Jun 2010	1 Apr to 30 Jun 2009*
Net profit (loss) for the year (€'000)	141	297	1,294	-221
of which attributable to Hypoport AG stockholders	174	295	1,325	-182
from continuing operations	174	356	1,325	-182
from discontinued operations	0	-61	0	0
Basic weighted number of outstanding shares (€'000)	6,129	6,113	6,129	6,113
Basic earnings (loss) per share (€)	0.03	0.05	0.22	-0.03
from continuing operations	0.03	0.06	0.22	-0.03
from discontinued operations	0.00	-0.01	0.00	0.00
Weighted number of share options ('000) causing a dilutive effect	66	85	66	85
Diluted weighted number of outstanding shares (€'000)	6,167	6,161	6,163	6,164
Diluted earnings (loss) per share	0.03	0.05	0.22	-0.03
from continuing operations	0.03	0.06	0.22	-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 34 thousand shares in the second quarter of 2010 (Q2 2009: 51 thousand) and of 38 thousand shares in the first six months of 2010 (H1 2009: 48 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.

€'000	1 Jan to 30 Jun 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 Company's subscribed capital as at 30 June 2010 was unchanged at €6,128,958.00 (31 December 2009: €6,128,958.00) and was divided into 6,128,958 (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.

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 Com-pany by up to a total of €3,000,000.00 by way of an issue of new registered no-par-value shares for cash or non-cash contribution on one or more occasions on or before 31 May 2012. The Management Board can decide to disapply the statutory pre-emption rights of the shareholders, subject to the consent of the Supervisory Board.

Conditional capital

The Annual Shareholders' Meeting on 26 August 2002 approved a conditional capital increase of up to €276,808.00 in the Company's subscribed capital. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to managers in subsidiaries. The conditional capital issued under the resolution adopted on 26 August 2002 amounted to €188,650.00 on 30 June 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 (€1.039 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.

Non-controlling interest

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

Share-based payment

No share options were issued in the second 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 Supervisory Board and Group Management 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 Supervisory Board as at 30 June 2010.

	Number of shares 30 Jun 2010	Number of shares 31 Dec 2009	Number of options 30 Jun 2010	Number of options 31 Dec 2009
Group Management Board				
Ronald Slabke	2,209,831	2,209,831	32,000	32,000
Thilo Wiegand	24,000	24,000	0	0
Stephan Gawarecki	187,800	187,800	0	0
Hans Peter Trampe	174,990	174,990	20,000	20,000
Supervisory Board				
Dr. Ottheinz Jung-Senssfelder	24,000	24,000	0	0
Prof. Dr. Thomas Kretschmar	1,423,624	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 persons are represented. This also applies to close family members related to these persons.

Revenue generated by joint ventures totalled €98 thousand in the second quarter of 2010 (Q2 2009: €112 thousand) and €219 thousand in the first half of this year (H1 2009: €264 thousand). Receivables from joint ventures amounted to €43 thousand as at 30 June 2010 (31 December 2009: €40 thousand) while liabilities to such companies totalled €0 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 second 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.

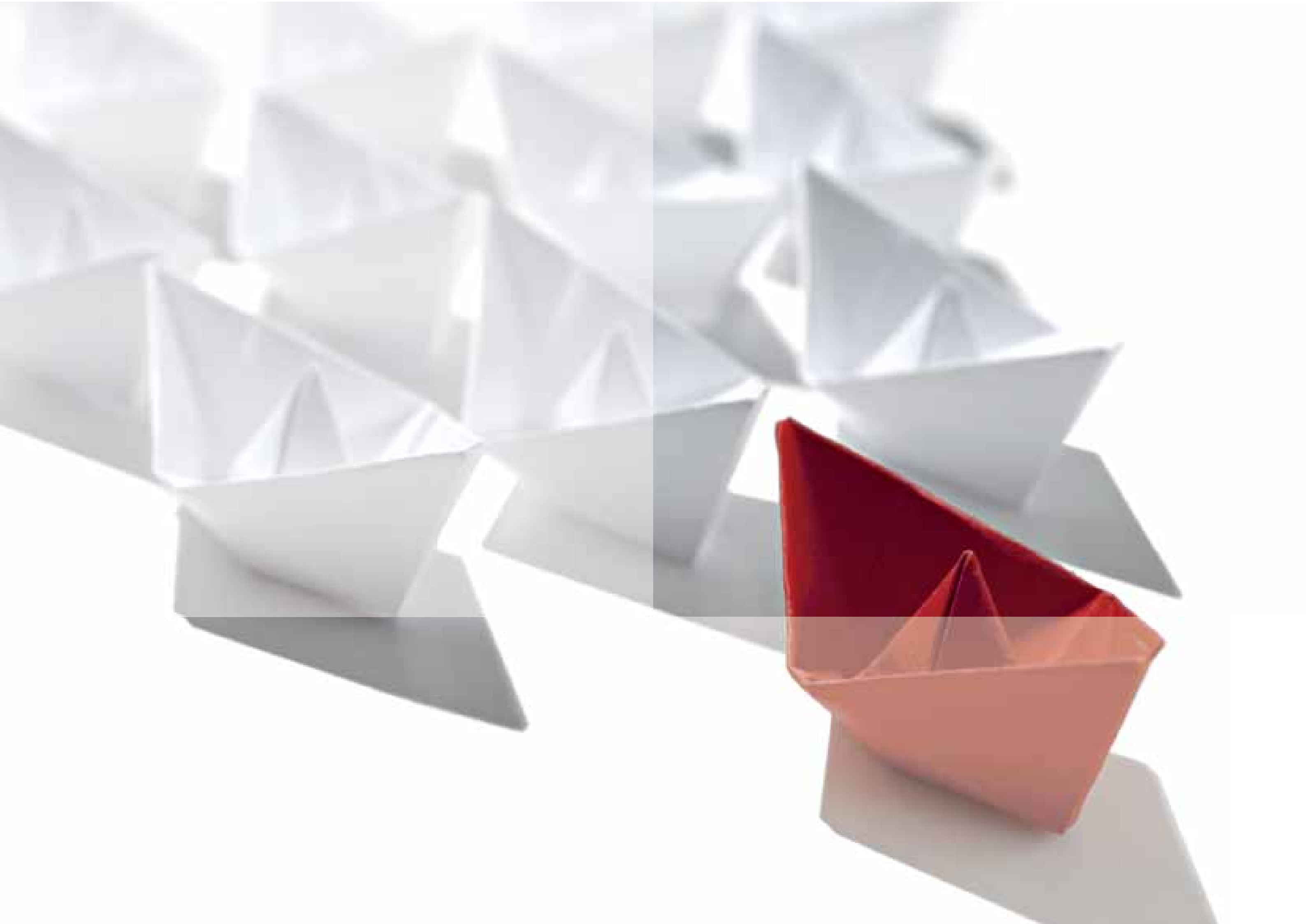
Events after the balance sheet date

There have been no material events since the balance sheet date.

Berlin, 13 August 2010

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

HYPOPORT
THE FINANCE INTEGRATOR



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