HYPOPORT
THE FINANCE INTEGRATOR

Interim report

of Hypoport AG for the period ended 31 March 2009

Berlin, 15 May 2009

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Key performance indicators

Financial performance (€'000)	1 Jan – 31 Mar 2009	1 Jan – 31 Mar 2008	Change
Continuing operations			
Revenue	12,657	12,210	4 %
Gross profit	8,748	7,914	11 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2,075	2,411	-14 %
Earnings before interest and tax (EBIT)	1,182	1,740	-32 %
EBIT margin (EBIT as a percentage of gross profit)	14	22	-39 %
Basic earnings (loss) per share (€)	0.08	0.21	-62 %
Diluted earnings (loss) per share (€)	0.08	0.21	-62 %
Hypoport Group			
Net profit (loss) for the year	448	836	-46 %
attributable to Hypoport AG shareholders	407	836	-51 %
Basic earnings (loss) per share (€)	0.07	0.14	-50 %
Diluted earnings (loss) per share (€)	0.07	0.14	-50 %
Financial position (€'000)	**31 Mar 2009**	**31 Dec 2008**	
Current assets	24,623	27,748	-11 %
Non-current assets	29,276	29,242	0 %
Equity	23,358	22,910	2 %
attributable to Hypoport AG shareholders	23,117	22,710	2 %
Equity ratio (%)	43	40	7 %
Total assets	53,899	56,990	-5 %

Contents

1 Letter to shareholders

Dear Shareholder

The crisis in the financial markets continued in the first quarter of 2009 and there was a further deterioration in the economic environment in Germany. This development is also affecting many of our business models, with our partners and clients becoming increasingly reticent. As markets become tighter, competitive pressures are increasing and margins are being eroded.

In this environment, the Hypoport Group's superior business models and high degree of diversification have enabled it to further increase revenue and gross income and to win market share in many segments, which is a great achievement for our employees.

In our private client business we are reaping the benefits of having diversified the business model into distributing a full range of financial products at an early stage. Our relatively new focus on selling investment products and insurance has made a disproportionately strong contribution to our revenue growth. In recent weeks, the Financial Service Providers business unit in Germany has managed to recruit new partners with great potential who will get the EUROPACE marketplace back on track for growth following its successful launch. We recorded falls in volume on our marketplace, particularly at the beginning of the year because many conventional providers outside the online marketplace had not incorporated higher funding costs and risk premiums into their loan terms.

The performance of our corporate real estate clients business is particularly encouraging, with the long-term investment we have made in client relationships proving increasingly worthwhile. Our loan portfolio analysis and monitoring service for institutional clients has also substantially expanded its client base and has generated above-average growth.

With EBITDA at €2.1 million, we are approaching the level we achieved in previous quarters and despite the environment, we have been able to defend our profitability and increase market share.

Given the uncertainty surrounding the future course of the economy, forecasts are currently even more uncertain. Assuming that our environment stabilises, we still expect growth in revenue and gross profit for the year as a whole to be in double figures, and earnings to remain at the same level as 2008.

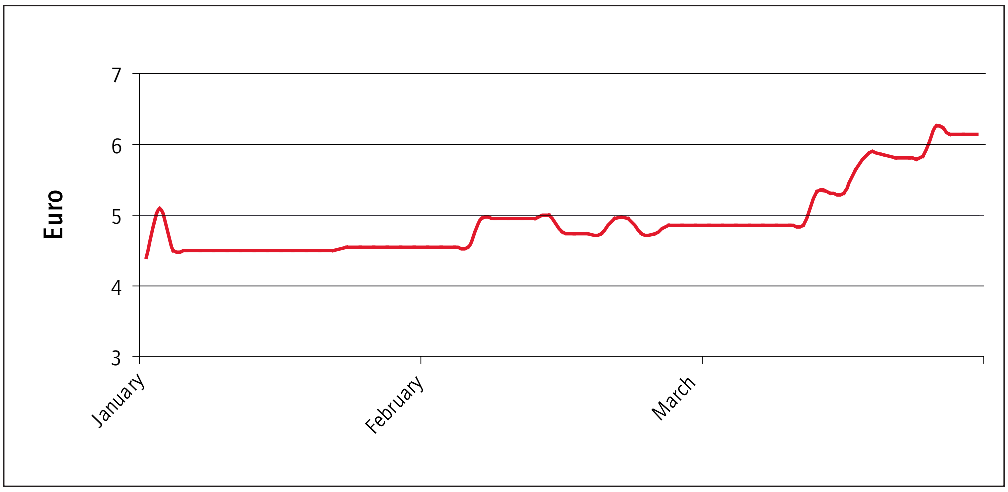
Prof. Dr. Thomas Kretschmar
Co-Chief Executive Officer

Ronald Slabke
Co-Chief Executive Officer

2 Hypoport‘s shares

Share prise performance

Hypoport’s shares made significant gains in the first quarter of 2009, rising by 49 per cent from €4.01 at the end of 2008 to €6.15 on 31 March 2009. The highest price was €6.26 on 26 March and the lowest was €4.40 on 2 January.



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

Earnings per share

In the first quarter of 2009, we reported earnings per share of €0.07, having posted earnings of €0.14 per share in the previous quarter. The Company’s continuing operations generated earnings of €0.08 per share (Q1 2008: €0.21), while its discontinued operations incurred a loss of €0.01 per share (Q1 2008: loss of €0.07).

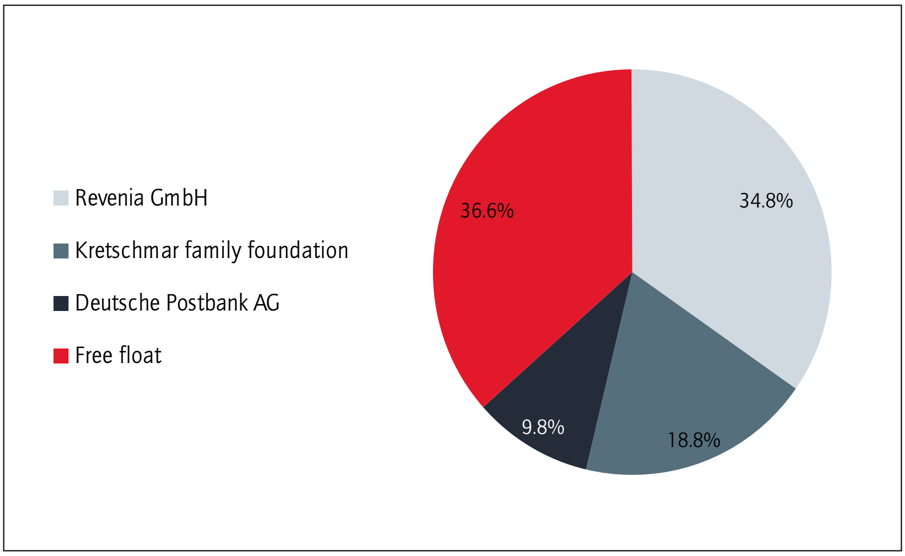
Trading volumes

In the first quarter of 2009, the trading volume was significantly lower than in preceding quarters. The highest turnover occurred in March, when an average of 285 shares were traded per day. Trading was quieter in January (average of 222 shares) and February (average of 176 shares).

2 Hypoport's shares

Shareholder structure

The free float in Hypoport's shares amounts to 36.6 per cent.



Breakdown of shareholders as at 31 March 2009

Notification of directors' dealings

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

Date of transaction	Notifying person/entity	Transaction	Stock exchange	Number of shares	Execution price
5 January 2009	Kretschmar Familienstiftung	Purchase	Off-exchange	200,000	4.40
5 January 2009	r4i GmbH*	Sale	Off-exchange	200,000	4.40

* Prof. Dr. Thomas Kretschmar is managing director of r4i GmbH

Ad-hoc disclosures

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

Designated sponsor

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

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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	€6,112,890.00
Stock exchanges	Frankfurt
	XETRA
Market segment	Regulated market
Transparency level	Prime Standard
Membership of indices	CDAX
	Classic All Share
	DAXsector All Financial Services
	DAXsubsector Diversified Financial
	GEX
	Prime All Share
Performance	
Share price as at 2 January 2009	€4.40 (Frankfurt)
Share price as at 31 March 2009	€6.15 (Frankfurt)
High in 1st quarter 2009	€6.26 (26 March 2009)
Low in 1st quarter 2009	€4.40 (2 January 2009)
Market capitalisation	€37.6 million (31 March 2009)
Trading volume	€1,141.24 (daily average for 1st quarter of 2009)

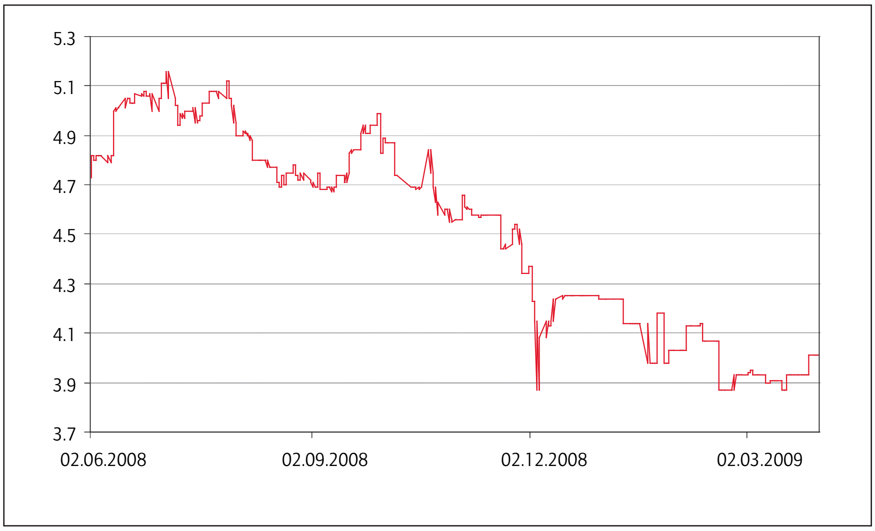
3 Interim group management report

Economic conditions

The global economic downturn that started in 2008 continued virtually unabated in the first quarter of 2009. The global economy is in a severe recession. As a major exporter, Germany has been hit particularly hard by the international economic slowdown. The major economic research institutes are forecasting that the decline in economic activity in 2009 will be the sharpest since the establishment of the Federal Republic of Germany. According to them, GDP will contract by 6.0 per cent in 2009 and industrial output will shrink drastically in line with the collapse in new orders. Corporate sentiment remains depressed by the global recession. Consumer spending is set to fall, particularly as real disposable income is likely to decline substantially.

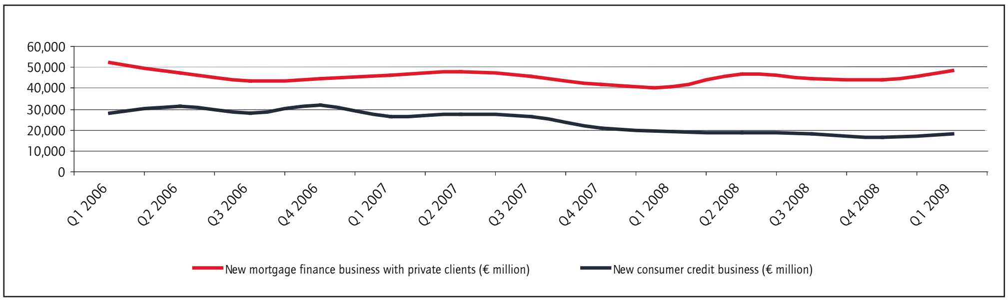
The major central banks have joined the battle against the global recession and the financial crisis by slashing interest rates and in some cases have implemented quantitative easing. In the US, UK and Japan, where key interest rates are effectively zero, the central banks are also sharply expanding the money supply to boost the financial resources available to banks by purchasing private-sector debt instruments and government bonds. The central banks are encouraging the banks to channel this additional money to their customers in the form of urgently needed loans. On 7 May 2009, the European Central Bank (ECB) cut the key euro-zone interest rate to 1.00 per cent, its lowest level since the introduction of the euro in 1999. For the time being, the ECB has declined to model itself on the other central banks by adopting a zero interest-rate policy and purchasing securities. To do so it would effectively have to start printing money, which would increase the risk of inflation in the medium term, and runs counter to the ECB's role of focussing on maintaining price stability.

The fall in 10-year swap rates in the first quarter of 2009 is helping the sale of loan products and, while interest rates are falling, full-service providers such as savings banks temporarily experience greater competitive pressure 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 three months of 2009 rose sharply year on year. While the total value of home loans sold in the three month period to the end of March 2008 came to €40.9 billion, demand in the corresponding period of 2009 rose by 17.8 per cent to €48.2 billion. However, there was a slight fall in personal loans, with the market volume shrinking by 3.9 per cent from €19.1 billion to € 18.3 billion.



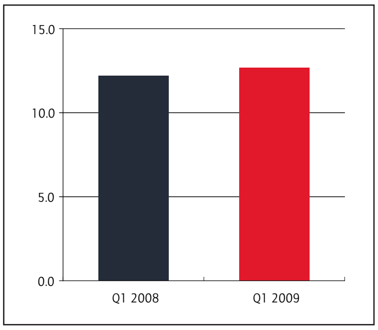
Total volume of private mortage finance and personal loans (source: Deutsche Bundesbank)

The volume of fund assets under management in Germany declined slightly in the first three months of 2009. German investment companies had total fund assets of €1.205 trillion under management as at 31 March 2009 (31 December 2008: €1.217 trillion), of which €565 billion (31 December 2008: €576 billion) was allocated to retail funds and €640 billion (31 December 2008: €641 billion) to specialised funds for institutional investors.

The German Insurance Association (GDV) expects premium income for 2009 to fall slightly by approximately 1.0 per cent across all insurance segments.

Revenue

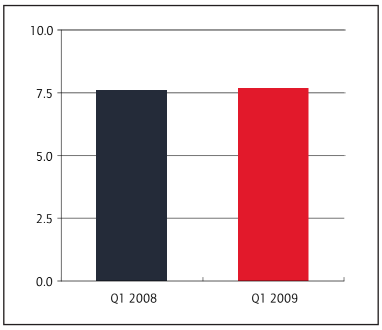
In the first quarter of 2009, the Hypoport Group once again increased its revenue which rose by 4 per cent year on year from €12.2 million to €12.7 million. The gross profit generated by the Hypoport Group increased even more sharply, rising by 11 per cent from €7.9 million to €8.7 million.



Revenue Hypoport Group (€ million)

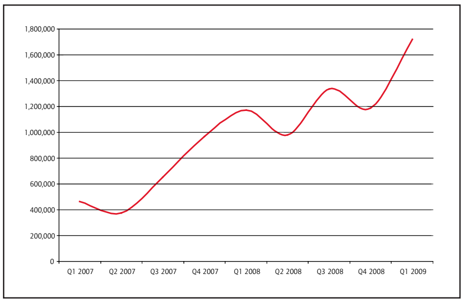
Private Clients business unit

Despite a generally stagnant market, the Private Clients business unit, which specialises in online sales of financial products, raised its revenue by 2 per cent to €7.7 million (Q1 2008: €7.6 million).



Revenue Private Clients (€ million)

The number of leads acquired – the key performance indicator for this business unit – also reached a new record of roughly 1.7 million in the first three months of 2009 (Q1 2008: 1.2 million).



Number of leads

The Hypoport Group's mortgage finance business felt the full impact of the generally subdued demand for home loans and reported a decrease in the number of loans brokered and the volume of new business brokered in the first quarter. The transfer of service packages to the Financial Service Providers business unit with effect from 1 January 2009 was another reason for the fall in the volume of new business brokered in the Private Clients business unit.

Mortage Finance Private Clients business unit	1 Jan to 31 Mar 2009	1 Jan to 31 Mar 2008
Number of loans brokered	1,599	2,165
Volume of loans brokered (€ million)	242	334
Net Revenue (€ million)	1.7	2.4

However, this change was offset by the massive expansion of the unit's market presence in its other financial products where it raised its revenue by an impressive 11 per cent on the corresponding quarter of 2008 through the sale of banking and insurance products. The difficult current market environment underlines the benefits of diversifying our financial product sales for private clients towards a strategy whereby we distribute a full range of financial products and services.

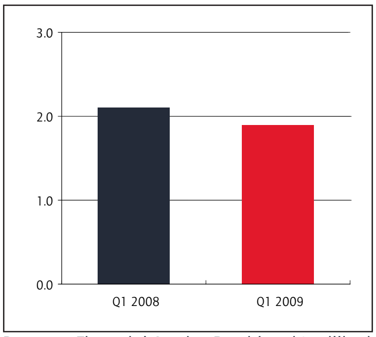
Financeial Service Products Private Clients business unit	1 Jan to 31 Mar 2009	1 Jan to 31 Mar 2008
Number of deals brokered for financial service products	5,105	2,229
Revenue (€ million)	4.9	4.4

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 31 March 2009. The map on the right gives an impressive overview of the extensive network of branches established by our franchisees in Germany.

Distribution channels	31 Mar 2009	31 Mar 2008
Telephone sales staff	52	39
Advisers in branch-based sales	260	162
Branches run by franchisees	163	128
Independent financial advisers acting as agents	1,785	1,396

Financial Service Providers business unit

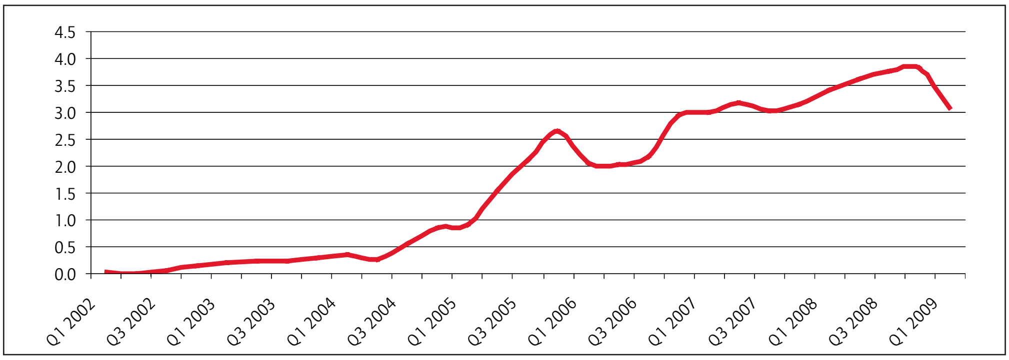
In the first quarter of 2009, the Financial Service Providers business unit was impacted by the sharp decline in the market. At the beginning of the year, some lenders on the EUROPACE platform became uncompetitive, because their lending conditions were more restrictive and their rates were higher than those of existing lenders. As a consequence of the sharp fall in the volume of transactions in January and early February, the quarterly volume of €3.1 billion was 9 per cent lower than in the corresponding quarter in 2008. Overall, revenue fell by 10 per cent to €1.9 million (Q1 2008: €2.1 million).



Revenue Financial Service Providers (€ million)

Europace Financial Service Providers business unit	1 Jan to 31 Mar 2009	1 Jan to 31 Mar 2008
Volume of transactions (€ billion)	3.1	3.4
Revenue (€ million)	1.9	2.1

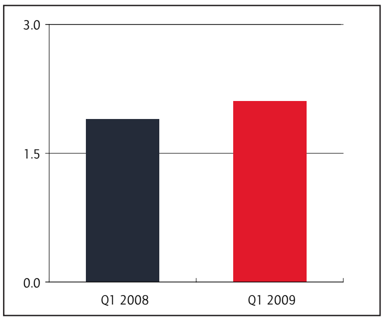
More than 167 participants attended the 13th EUROPACE Conference that was held in March. This is proof positive of the growing importance of the EUROPACE marketplace in the financial services market.



Volume of transactions on EUROPACE (€ billion)

Corporate Real Estate Clients business unit

Despite the economic crisis, the loan brokerage business within the Corporate Real Estate Clients business unit increased the volume of new business it brokered by 52 per cent compared with the corresponding quarter in 2008 and doubled revenue to €2.0 million (Q1 2008: €1.0 million).

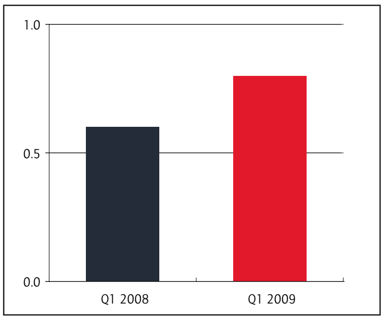


Revenue Corporate Real Estate Clients (€ million)

Corporate Real Estate Clients business unit	1 Jan to 31 Mar 2009	1 Jan to 31 Mar 2008
Loan Brokerage		
Volume of new business (€ million)	388	256
Volume of prolongation (€ million)	38	65
Revenue (€ million)	2.0	1.0
Other financial products/ financial advice		
Revenue (€ million)	0.1	0.9
Total Revenue (€ million)	**2.1**	**1.9**

Institutional Clients business unit

The Company's smallest business unit increased the number of its clients to 17 (Q1 2008: 11) and raised the revenue it generated from €0.6 million to €0.8 million.



Revenue Institutional Clients (€ million)

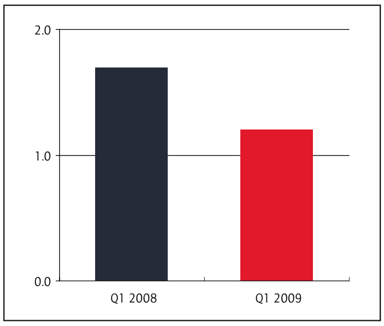
Own work capitalised

In the first quarter of 2009 the Company continued to attach considerable importance to investing in the further expansion of its B2B financial marketplaces. This capital expenditure underlies the ongoing growth of its Financial Service Providers and Institutional Clients business units. Apart from maintaining its competitive edge in existing product segments in the first quarter, the Company continued to lay the foundations for extending its EUROPACE marketplace to the Netherlands and establishing further financial products in Germany.

In the first quarter of 2009 the Company invested a total of €1.8 million (Q1 2008: €1.4 million) in the expansion of its marketplaces. €1.3 million of this total was capitalised (Q1 2008: €0.9 million). This amount represents the pro rata personnel expenses and operating costs attributed to software development.

Earnings

By raising its revenue by 4 per cent to €12.7 million (Q1 2008: €12.2 million) and increasing its gross profit by 11 per cent to €8.7 million (Q1 2008: €7.9 million), the Hypoport Group continued its uninterrupted growth of previous quarters. As expected, the drive to win further market share in the Private Clients and Financial Service Providers business units - especially in the tough prevailing market conditions - has adversely affected the Company's financial performance. Consequently, the earnings generated by the Hypoport Group in the first quarter of 2009 failed to keep pace with its revenue growth.



EBIT (€ million)

Earnings before interest and tax (EBIT) from continuing operations fell by 32 per cent to €1.2 million (Q1 2008: €1.7 million). The EBIT margin (EBIT as a percentage of gross profit) fell accordingly from 22.0 per cent to 13.5 per cent.

Expenses

Personnel expenses rose in line with the increase in the number of employees to 465 (Q1 2008: 439).

The increase in other operating income was largely attributable to the rise in administrative expenses to €856 thousand (Q1 2008: €488 thousand), whereas operating expenses fell to €845 thousand (Q1 2008: €937 thousand).

Hypoport's net finance costs include interest expense and similar charges of €0.3 million (Q1 2008: €0.2 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 31 March 2009 amounted to €53.9 million, 5 per cent below the total as at 31 December 2008 (€57.0 million).

Non-current assets totalled €29.3 million (2008: €29.2 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest single item.

Current assets contracted by €3.1 million owing to trade receivables and cash and cash equivalents each decreasing by €1.9 million. Other assets increased by €0.9 million.

The equity attributable to Hypoport AG shareholders as at 31 March 2009 grew by €0.4 million, or 2 per cent, to €23.1 million. The equity ratio rose , from 39.8 per cent to 42.9 per cent.

The €0.3 million decrease in non-current liabilities to €22.7 million stemmed primarily from the €0.7 million reduction in financial liabilities. Deferred tax liabilities increased by €0.5 million.

Current liabilities declined by €3.3 million to €7.9 million, mainly owing to the €2.6 million decrease in trade payables.

Total financial liabilities fell by €0.6 million to €20.7 million.

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Cash flow

Cash flow during the reporting period decreased slightly by €0.2 million to €1.4 million (Q1 2008: €1.6 million). This decline is largely attributable to the net loss reported for the year.

The net cash outflow of €1.0 million (Q1 2008: €1.8 million) from investing activities stemmed primarily from the €1.4 million increase in capital expenditure on noncurrent intangible assets. The net cash inflow from financial assets was €0.4 million.

The net cash outflow from financing activities amounting to €0.3 million (Q1 2008: net cash inflow of €3.0 million) relates to the repayment of loans.

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

Cash and cash equivalents as at 31 March 2009 totalled €5.6 million, which was €1.9 million lower than at the beginning of the year.

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

Capital expenditure

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

Employees

As a result of optimising processes and not filling positions as they became vacant, the number of employees (465) was 5 per cent lower than at the end of 2008 (31 December 2008: 489).

Outlook

The revenue increases achieved in the first quarter of 2009 highlight just how rapidly the Hypoport Group is growing and developing. In a financial services market largely characterised by stagnation, Hypoport has managed to generate strong revenue growth over the past few years. We do not expect to see the market providing any real stimulus during the remainder of the year either. Given the indications that the crisis in the financial markets is starting to impact on the real economy, we believe that the Company will generate moderate revenue and earnings growth over the next 18 months.

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4 Interim consolidated **financial statements**

Consolidated balance sheet as at 31 March 2009

Assets	31 Mar 2009 €'000	31 Dec 2008 €'000
Non-current assets		
Intangible assets	24,583	23,945
Property, plant and equipment	1,841	2,035
Financial assets	1,010	1,395
Other assets	6	10
Deferred tax assets	1,836	1,857
	29,276	**29,242**
Current assets		
Trade receivables	16,376	18,271
Other assets	2,649	1,722
Current income tax assets	11	297
Cash and cash equivalents	5,587	7,458
	24,623	**27,748**
	53,899	**56,990**
Equity and liabilities		
Equity		
Subscribed capital	6,113	6,113
Reserves	17,004	16,597
	23,117	**22,710**
Equity attributable to minority interest	241	200
	23,358	**22,910**
Non-current liabilities		
Financial liabilities	19,247	19,939
Provisions	16	42
Deferred tax liabilities	3,422	2,971
	22,685	**22,952**
Current liabilities		
Provisions	21	21
Financial liabilities	1,416	1,332
Trade payables	2,283	4,876
Current income tax liabilities	240	207
Other liabilities	3,896	4,692
	7,856	**11,128**
	53,899	**56,990**

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Consolidated income statement

for the period 1 January to 31 March 2009

	1 Jan to 31 March 2009 €'000	1 Jan to 31 March 2008 €'000
Revenue	12,657	12,210
Selling expenses (Commission and lead costs)	-3,909	-4,296
Gross profit	**8,748**	**7,914**
Own work capitalised	1,328	937
Other operating income	227	220
Personnel expenses	-5,784	-4,588
Other operating expenses	-2,444	-2,072
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**2,075**	**2,411**
Depreciation, amortisation expense and impairment losses	-893	-671
Earnings before interest and tax (EBIT)	**1,182**	**1,740**
Financial income	35	25
Finance costs	-285	-243
Earnings before tax (EBT)	**932**	**1,522**
Income taxes and deferred taxes	-423	-254
Profit (loss) from continuing operations, net of tax	**509**	**1,268**
Profit (loss) from discontinued operations, net of tax	**-61**	**-432**
Net profit (loss) for the year	**448**	**836**
attributable to minority interest	41	0
attributable to Hypoport AG shareholders	**407**	**836**
Basic earnings (loss) per share (€)	**0.07**	**0.14**
from continuing operations	0.08	0.21
from discontinued operations	-0.01	-0.07
Diluted earnings (loss) per share (€)	**0.07**	**0.14**
from continuing operations	0.08	0.21
from discontinued operations	-0.01	-0.07

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Consolidated statement of comprehensive income

for the period 1 January to 31 March 2009

	1 Jan to 31 Mar 2009 €'000	1 Jan to 31 Mar 2008 €'000
Net profit (loss) for the year	**448**	**836**
Total income and expenses recognized in equity*	**0**	**0**
Total comprehensive income	**448**	**836**
attributable to minority interest	41	0
attributable to Hypoport AG shareholders	**407**	**836**

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

Abridged consolidated statement of changes in equity for the three months ended 31 March 2009

€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	Equity attributable to minority interest	Equity
Balance as at 1 January 2008	6,094	1,704	15,132	22,930	–	22,930
Issue of new shares	1	3	–	4	–	4
Payments from minority interest	–	–	–	0	100	100
Total comprehensive income	–	–	836	836	–	836
Balance as at 31 March 2008	**6,095**	**1,707**	**15,968**	**23,770**	**100**	**23,870**

€'000	Subscribed capital	Treasury shares	Capital reserves	Equity attributable to Hypoport AG stockholders	Equity attributable to minority interest	Equity
Balance as at 1 January 2009	6,113	1,748	14,849	22,710	200	22,910
Total comprehensive income	–	–	407	407	41	448
Balance as at 31 March 2009	**6,113**	**1,748**	**15,256**	**23,117**	**241**	**23,358**

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Consolidated cash flow statement

for the period 1 January to 31 March 2009

	31 Mar 2009 €'000	31 Mar 2008 €'000
Earnings before interest and tax (EBIT)	1,131	1,355
Non-cash income (+) / expense (-) from income tax	-403	-290
Interest received (+)	35	25
Interest paid (-)	-285	-243
Income tax payments (-)	-5	-38
Income tax receipts (+)	0	27
Depreciation and amortisation expense, impairment losses (+) / reversales of impairment losses (-) on non-current assets	893	737
Gains (-) / losses (+) on the disposal of non-current assets	-8	-4
Cash flow	**1,358**	**1,569**
Increase (+) / decrease (-) in current provisions	0	2
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	-1,279	1,226
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	-3,220	-2,458
Change in working capital	**-1,941**	**-1,230**
Cash flows from operating activities	**-583**	**339**
from discontinued operations	-36	198
Proceeds from the disposal of property, plant and equipment / intangible assets (+)	38	10
Payments to acquire property, plant and equipment / intangible assets (-)	-1,367	-1,593
Payments to acquire consolidated enterprises (-)	-40	0
Proceeds from the disposal of financial assets (+)	603	10
Purchase of financial assets (-)	-218	-217
Cash flows from investing activities	**-984**	**-1,790**
from discontinued operations	0	-223
Proceeds from additions to equity (+)	0	4
Cash receipts from minority interest (+)	0	100
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	0	7,900
Redemption of bonds and loans (-)	-304	-4,997
Cash flows from financing activities	**-304**	**3,007**
from discontinued operations	0	0
Net change in cash and cash equivalents	-1,871	1,356
Cash and cash equivalents at the beginning of the period	7,458	3,100
Cash and cash equivalents at the end of the period	**5,587**	**4,456**
from discontinued operations	0	60

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Abridged segment reporting

for the period 1 January to 31 March 2009

€'000	Corporate Real Estate Clients	Private Clients	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment revenue in respect of third parties	2,105	7,706	1,908	829	109	12,657
1 Jan - 31 Mar 2008	1,872	7,582	2,057	598	101	12,210
Segment revenue in respect of other segments	53	22	93	0	-168	0
1 Jan - 31 Mar 2008	10	2	77	24	-113	0
Total segment revenue	2,158	7,728	2,001	829	-59	12,657
1 Jan - 31 Mar 2008	1,882	7,584	2,134	622	-12	12,210
Segment earnings (EBIT)	1,296	676	-573	195	-463	1,131
1 Jan - 31 Mar 2008	763	703	821	-231	-701	1,355
from continuing operations	1,296	676	-573	246	-463	1,182
1 Jan - 31 Mar 2008	763	703	821	188	-735	1,740
from discontinued operations	0	0	0	-51	0	-51
1 Jan - 31 Mar 2008	0	0	0	-419	34	-385
Segment assets	12,492	17,232	15,971	4,812	3,392	53,899
1 Jan - 31 Mar 2008	9,362	15,550	13,117	7,111	4,478	49,618

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

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

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

Accounting policies

The accounting policies applied are those used in 2008, with the following exceptions:
- IAS 1 Presentation of financial statements – capital disclosures
- IAS 23 Borrowing costs
- IAS 32 Financial instruments: presentation
- IFRS 2 Share-based payment – vesting conditions and cancellations
- IFRS 7 Financial instruments: disclosures
- IFRS 8 Operating segments
- IFRIC 13 Customer loyalty programmes

The first application of these standards and interpretations has not had any effect on the financial position and financial performance of the Group.

The IASB published the IFRS 8 in November 2006. IAS 14 Segment reporting has been replaced by IFRS 8 from its effective date. This standard requires the disclosure of information about the Group's operating segments and replaces the obligation to divide its reporting formats into primary (operating segments) and secondary (geographical segments). The Group has determined that the operating segments as defined by IFRS 8 that have been identified in the Group are the same operating segments as those previously identified in accordance with IAS 14.

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

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

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

Consolidated income statement in €'000	1 Jan to 31 Mar 2008 restated	1 Jan to 31 Mar 2008 as reported	Change	Thereof: IFRS 5	Thereof: selling expenses
Revenue	12,210	12,563	-353	-353	0
Selling expenses (Commission and lead costs)	-4,296	0	-4,296	0	-4,296
Gross profit	**7,914**	**12,563**	**-4,649**	**-353**	**-4,296**
Own work capitalised	937	1,159	-222	-222	0
Other operating income	220	222	-2	-2	0
Cost of materials	0	-15	15	15	0
Personnel expenses	-4,588	-4,859	271	271	0
Other operating expenses	-2,072	-6,978	4,906	610	4,296
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**2,411**	**2,092**	**319**	**319**	**0**
Depreciation, amortisation expense and impairment losses	-671	-737	66	66	0
Earnings before interest and tax (EBIT)	**1,740**	**1,355**	**385**	**385**	**0**
Financial income	25	25	0	0	0
Finance costs	-243	-243	0	0	0
Earnings before tax (EBT)	**1,522**	**1,137**	**385**	**385**	**0**
Income taxes and deferred taxes	-254	-301	47	47	0
Profit (loss) from continuing operations, net of tax	**1,268**	**836**	**432**	**432**	**0**
Profit (loss) from discontinued operations, net of tax	**-432**	**0**	**-432**	**-432**	**0**
Net profit (loss) for the year (total)	**836**	**836**	**0**	**0**	**0**
attributable to minority interest	0	0	0	0	0
attributable to Hypoport AG shareholders	**836**	**836**	**0**	**0**	**0**
Earnings (loss) per share from continuing operations (€) (basic)	0.21	0.14	0.07	0.07	0.00
Earnings (loss) per share from continuing operations (€) (diluted)	0.21	0.14	0.07	0.07	0.00
Earnings (loss) per share from discontinued operations (€) (basic)	-0.07	0.00	-0.07	-0.07	0.00
Earnings (loss) per share from discontinued operations (€) (diluted)	-0.07	0.00	-0.07	-0.07	0.00

Basic of consolidation

The consolidation as at 31 March 2009 included all entities controlled by Hypoport AG in addition to Hypoport AG itself.

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

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

	Holding (%)
Dr. Klein & Co. AG, Lübeck	100.00
Dr. Klein & Co. Consulting GmbH, Lübeck	100.00
GENOPACE GmbH, Berlin	50.025
Freie Hypo GmbH, Lübeck	100.00
Hypoport Finance AG, Berlin	100.00
Hypoport Insurance Market GmbH, Berlin	100.00
Hypoport Mortgage Market Ltd., Westport (Ireland)	100.00
Hypoport B.V. , Amsterdam	100.00
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. (joint venture, consolidation on a pro rata basis), all companies in the Group are fully consolidated.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and development costs of €8.4 million for the financial marketplaces (2008: €7.8 million).

Property, plant and equipment consists solely of office furniture and equipment of €1.8 million (2008: €2.0 million).

Income taxes and deferred taxes

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

Earnings per share

The figure for the earnings (loss) per share is determined in accordance with IAS 33. Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport AG by the weighted 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 2009:

	1 Jan to 31 Mar 2009	1 Jan to 31 Mar 2008
Net profit (loss) for the year (€'000)	448	836
of which attributable to Hypoport AG stockholders	407	836
from continuing operations	468	1,268
from discontinued operations	-61	-432
Basic weighted number of outstanding shares ('000)	6,113	6,094
Basic earnings (loss) per share (€)	**0.07**	**0.14**
from continuing operations	0.08	0.21
from discontinued operations	-0.01	-0.07
Weighted number of share options ('000)		
causing a dilutive effect	85	110
Diluted weighted number of outstanding shares ('000)	6,142	6,181
Diluted earnings (loss) per share (€)	**0.07**	**0.14**
from continuing operations	0.08	0.21
from discontinued operations	-0.01	-0.07

The weighted number of outstanding shares is calculated on the basis of a daily balance. The options granted had an average dilutive effect of 29 thousand shares in the first quarter of 2009 (Q1 2008: 87 thousand shares).

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 are required by IFRS 5 to be presented as discontinued operations, the income and expense from these operations, which essentially relates to ABS Service GmbH and PFE GmbH, has been reclassified and reported separately on the face of the consolidated income statement as profit (loss) from discontinued operations, net of tax. Comparative items have been restated accordingly as required by IFRS 5.

The table below shows the profit (loss) from discontinued operations, net of tax. The income and expense relating to PFE GmbH is shown under ‚Reconciliation'.

€'000	1 Jan to 31 Mar 2009			1 Jan to 31 Mar 2008		
	Institutional Clients	Reconciliation	Group	Institutional Clients	Reconciliation	Group
Revenue	0	0	0	146	207	353
Selling expenses (Commission and lead costs)	0	0	0	0	0	0
Gross profit	**0**	**0**	**0**	**146**	**207**	**353**
Own work capitalised	0	0	0	222	0	222
Other operating income	0	0	0	1	1	2
Cost of materials	0	0	0	0	-15	-15
Personnel expenses	-38	0	-38	-259	-12	-271
Other operating expenses	-13	0	-13	-463	-147	-610
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**-51**	**0**	**-51**	**-353**	**34**	**-319**
Depreciation, amortisation expense and impairment losses	0	0	0	-66	0	-66
Earnings before interest and tax (EBIT)	**-51**	**0**	**-51**	**-419**	**34**	**-385**
Financial income	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
Earnings before tax (EBT)	**-51**	**0**	**-51**	**-419**	**34**	**-385**
Income taxes and deferred taxes	15	0	15	-47	0	-47
Profit (loss) on deconsolidation	-25	0	-25	0	0	0
Profit (loss) from discontinued operations, net of tax	**-61**	**0**	**-61**	**-466**	**34**	**-432**
Earnings (loss) per share from - discontinued operations (€) (basic)			-0.01			-0.07
Earnings (loss) per share from - discontinued operations (€) (diluted)			-0.01			-0.07

Profit (loss) from discontinued operations, net of tax for the first quarter of 2009 relates solely to expenses for ABS Service GmbH.

Subscribed capital

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

The Annual Shareholders' Meeting held on 16 May 2008 voted to carry forward Hypoport AG's distributable profit of €3,989,629.87 to the next accounting period.

Authorised capital

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

Conditional capital

The Annual Shareholders' Meeting on 26 August 2002 approved a conditional capital increase of up to €276,808.00 in the Company's subscribed capital. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to managers in subsidiaries. The conditional capital issued under the resolution adopted on 26 August 2002 amounted to €204,718.00 on 31 March 2009 after shares had been issued in connection with the exercise of share options.

Reserves

The breakdown of reserves can be found in the above consolidated statement of changes in equity. Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issue of shares under the 2002–2004 employee share ownership programme from 2006 to 2008 (€1.002 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 accumulated net profits 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 (2008: €7 thousand) are also reported under this item.

Minority interest

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

Share-based payment

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

Related parties

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

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

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

The table below shows the numbers of shares and options in Hypoport AG directly or indirectly held by the members of the GEC and Supervisory Board as at 31 March 2009:

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

Opportunities and risks

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

Seasonal influences on business activities

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

Events after the balance sheet date

Hypoport on–geo GmbH, Berlin a joint venture between on-geo GmbH, Munich and Hypoport AG was formed. The Hypoport Group holds 50.0 per cent of the joint venture. The object of the company is the joint establishment and operation of an internet platform for valuing real estate while identifying and assessing risks to real estate value used as loan collateral.

Berlin, 15 May 2009

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

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