HYPOPORT
THE FINANCE INTEGRATOR

Interim report

of Hypoport AG for the period ended 30 September 2007

Berlin, 30 November 2007

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Key performance indicators

Financial performance (EUR € '000)	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006	Change
Revenue	29,240	16,777	74 %
Gross revenue for the period	31,531	18,613	69 %
EBITDA	6,403	2,164	196 %
EBIT	4,356	876	397 %
EBIT margin %	15	5	185 %
Net profit for the period	3,675	1,306	181 %
Basic earnings per share (€)	0.59	0.21	181 %
Diluted earnings per share (€)	0.58	0.21	176 %
	1 Jul – 30 Sep 2007	1 Jul – 30 Sep 2006	
Revenue	10,218	6,876	49 %
Gross revenue for the period	10,984	7,628	44 %
EBITDA	1,801	1,340	34 %
EBIT	1,106	883	25 %
EBIT margin (%)	11	13	-16 %
Net profit for the period	1,384	618	124 %
Basic earnings per share (€)	0.23	0.10	130 %
Diluted earnings per share (€)	0.22	0.10	120 %
Financial position (€ '000)	30 Sep 2007	31 Dec 2006	
Current assets	21,043	17,958	17 %
Non-current assets	27,387	26,238	4 %
Equity	22,197	18,820	18 %
Equity ratio (%)	46	43	8 %
Total assets	48,430	44,196	10 %

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Letter to shareholders

Dear Shareholder

The Hypoport Group continued to grow in the first nine months of 2007. Its revenue rose by 74 per cent compared with the corresponding period of 2006 to over €29.2 million. Earnings before interest and tax (EBIT) increased almost fivefold to €4.4 million. We benefited here from the economies of scale provided by our internet-based business model. Our net profit for the period almost trebled to €3.7 million. These growth rates make Hypoport the fastest-growing financial product distributor listed in the Prime Standard.

Since the summer of 2007, the market environment in which financial product distributors operate has been affected by the fall-out from the US sub-prime mortgage crisis. Hypoport's strategy of not taking on any credit risk and of offering a broad range of sound financial products to clients with a healthy credit standing paid off. In its operating activities there were, overall, no significant restrictions on its product range across all product lines. Only the slight reticence of private clients as a result of the media coverage reduced the demand for property-related financial services. This trend also affected the pace of Hypoport's growth. Consequently, the year-on-year revenue growth of 49 per cent in the third quarter of 2007 was below the average for the first nine months of the year. Nonetheless, this growth was still stronger than that of any of our competitors.

A hugely important project in recent months was the preparation of Hypoport's initial public offering (IPO). In view of the Company's outstanding organic growth and the current reticence in the capital markets, however, we ultimately decided not to offer a large block of shares for sale to the public when they were listed. Given the Company's new capital market-focused strategy, however, we chose the Prime Standard because it provides the greatest degree of transparency on the Frankfurt Stock Exchange. Apart from ensuring a high level of transparency and raising the Company's profile among investors, we see our main task as being to make Hypoport a leading financial service provider. To achieve this, we will continue to pursue our policy of acquiring financial service sales leads via the internet and of providing potential customers with a wide range of financial services through all distribution channels – online, by telephone, in branches and via distribution partners. We believe that the growing tendency for clients to use the internet to find information on financial products and then to seek advice from independent financial advisers will continue. In this respect, our clients and distribution partners are benefiting from our growing purchasing power and our highly dedicated workforce of some 400 people.

Prof. Dr. Thomas Kretschmar
Co-Chief Executive Officer

Ronald Slabke
Co-Chief Executive Officer

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Interim group management report

The Hypoport Group continued to generate profitable growth in the third quarter of 2007, building on the momentum it had achieved in previous quarters. It is clearly evident that its strategy of rapid organic growth coupled with small acquisitions is paying off.

In the third quarter of 2007 Hypoport managed once again to significantly expand its presence in the financial services market. One particularly encouraging aspect was that the Group's impressive third-quarter growth was attributable to all four of its strategic business units. Although the markets in which they operate stagnated in the first three quarters of the year, all business units managed to significantly improve their profit contributions compared with the corresponding period of 2006.

Revenue

In the third quarter of 2007, the Hypoport Group increased its revenue sharply by 49 per cent year on year from €6.9 million to €10.2 million. A comparison of the first nine months of the year – during which revenue rose by 74 per cent year on year to € 29.2 million (2006: € 16.8 million) – also illustrates just how quickly our organisation is growing.

Despite a stagnant market and adverse interest-rate trends, the Private Clients business unit raised its revenue by 33 per cent to €6.1 million (Q3/2006: €4.6 million). This enabled the Hypoport Group's largest segment to sustain the strong momentum of the first six months and to increase its revenue for the first three quarters of 2007 by 60 per cent year on year to €16.6 million (2006: €10.4 million). Despite generally weaker demand for home loans, the mortgage finance product segment played a particularly significant part in this highly encouraging trend, increasing both its volumes and revenue.

Mortgage Finance Private Clients business unit	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006	1 Jul – 30 Sep 2007	1 Jul – 30 Sep 2006
Number of loans brokered	7,622	6,466	2,285	2,147
Volume of loans brokered (€ million)	1,241	1,013	392	341
Revenue (€ million)	9.82	6.55	3.13	2.67
Marge (%)	0.79	0.65	0.85	0.78

The other financial products segment also continued the strong performance it had delivered in previous quarters.

Financial Service Products Private Clients business unit	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006	1 Jul – 30 Sep 2007	1 Jul – 30 Sep 2006
Number of deals brokered for financial service products	3,875	1,937	1,705	781
Revenue (€ million)	6.82	3.82	2.94	1.91

Consequently, the share of the business unit's revenue generated by other financial products rose to 41 per cent (2006: 37 per cent). This clearly shows that the Hypoport Group is continuing to diversify the range of financial products and services it sells to private clients without restricting the growth of individual product segments.

The number of advisers working in the various distribution channels of the Private Clients business unit was systematically increased during the period under review and had reached a new high by 30 September 2007.

Distribution channels	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006
Telephone sales staff	41	39
Advisers in branch-based sales	53	16
Branches run by franchisees	80	76
Independent financial advisers acting as agents	1,206	831

The number of leads acquired - the key performance indicator for this business unit – also reached a new record of roughly 1.5 million in the first nine months of 2007 (2006: 0.5 million). Most of this growth was attributable to the growing demand for other financial products.

Financial Service Providers, the second-largest business unit, increased its revenue by 35 per cent in the third quarter of 2007 from € 1.2 million to € 1.7 million, which even slightly exceeded the growth achieved by the Private Clients business unit. The Financial Service Providers business unit also raised its revenue significantly by 75 per cent in the first nine months of 2007 from € 3.5 million to € 6.2 million. The key growth driver here was the mortgage finance product segment. The volume of transactions processed using EUROPACE in this product segment rose by 40 per cent year on year in the third quarter of 2007.

Europace Financial Service Providers business unit	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006	1 Jul – 30 Sep 2007	1 Jul – 30 Sep 2006
Volume of transactions (€ million)	9,230	6,315	3,051	2,185
Revenue (€ million)	6.17	3.52	1.66	1.24

The number of distribution organisations actively using the marketplace as at 30 September 2007 had increased to 31 compared with 29 distributors as at 30 September 2006.

The Corporate Real Estate Clients business unit continued to benefit from the expansion of its regional presence. This enabled the loan brokerage business to expand the volume of new business brokered. As expected, the volume of loan renewals decreased because fewer loans were due to have their interest rates renegotiated during the period under review.

Loan Brokerage Corporate Real Estate Clients business unit	1 Jan – 30 Sep 2007	1 Jan – 30 Sep 2006	1 Jul – 30 Sep 2007	1 Jan – 30 Sep 2006
Volume of new business (€ million)	707	570	254	206
Volume of prolongation (€ million)	339	361	87	160
Revenue (€ million)	2.9	2.4	0.9	0.8

Apart from the brokerage of mortgage finance, this business unit also significantly increased the revenue it generated from the distribution of other financial products and from financial advice provided to clients. Its total revenue for the third quarter advanced by a further 47 per cent to € 1.4 million (Q3/2006: € 1.0 million). In the first nine months of 2007 its revenue grew by 58 per cent to € 4.4 million (Q1-Q3/2006: € 2.8 million).

The strongest growth of all business units was achieved by the Institutional Clients segment. It increased the number of its clients to 24 (Q1-Q3/2006: 17) and, partly owing to the acquisition of Hypoport Netherlands B.V. at the end of 2006, raised its third-quarter revenue significantly year on year from € 0.02 million to € 0.8 million. In the first nine months of 2007 its revenue advanced by € 1.7 million year on year to € 1.8 million.

Own work capitalised

AIn the third quarter of 2007 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 third quarter, the Company continued to lay the foundations for extending its marketplace to the Netherlands and further financial products in Germany.

In the third quarter of 2007 the Company invested a total of € 0.8 million (Q3/2006: € 0.8 million) in the development of its marketplaces; in the first nine months of 2007 it spent € 2.3 million (Q1-Q3/2006: € 1.8 million). This amount represents the pro rata personnel expenses and operating costs incurred by software development in each case.

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Earnings
Apart from increasing its revenue, the Hypoport Group continued to strengthen its profitability in the third quarter of 2007. All four of its business units contributed to this successful trend.

Despite the Company's significant revenue growth, its workforce expanded only moderately. The economies of scale achieved by the growing size of the Hypoport Group's business units and the ongoing automation of its business processes through the use of information technology in many areas are gradually paying off here.

Consequently, earnings growth once again comfortably outperformed revenue growth. Earnings before interest and tax (EBIT) came to €4.4 million in the first nine months of 2007 (Q1-Q3/2006: €0.9 million), and the EBIT margin rose from 5 per cent (Q1-Q3/2006) to 15 per cent, a significant 10 percentage point increase. Third-quarter EBIT rose to €1.1 million (Q3/2006: €0.9 million), which generated an EBIT margin of 11 per cent (Q3/2006: 13 per cent). The year-on-year decrease in the third-quarter EBIT margin reflects the generally weaker demand for home loans already discussed in the section on revenue; this affected the Private Clients and Financial Service Providers business units in particular.

Expenses
Personnel expenses increased owing to the rise in the average number of employees during the period under review from 249 (Q1-Q3/2006) to 353. Personnel expenses per employee fell from €37.5 thousand in the first nine months of 2006 to €35.3 thousand in the corresponding period of 2007 due to the large number of young people recruited.

Other operating expenses rose in line with revenue growth by 73 per cent year on year in the first nine months of 2007. This was attributable to the sharp rise in selling expenses, which amounted to €7.6 million (Q1-Q3/2006: €4.1 million). This significant increase in selling expenses reflects the aggressive implementation of the Company's growth strategy, especially in its Private Clients business unit.

The net finance costs include interest expenses of €0.6 million (Q1-Q3/2006: €0.5 million), which stemmed largely from the higher short-term interest rates on loans totalling €12.8 million (Q1-Q3/2006: €12.8 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 30 September 2007 amounted to €48.4 million, a significant 10 per cent increase on the total as at 31 December 2006 (€44.2 million). Non-current assets totalled €27.4 million (31 December 2006: €26.2 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest item on the balance sheet.

Current assets grew by €3.1 million, largely as a result of the €4.9 million increase in trade receivables on the back of the higher revenue. The decrease in other current assets essentially relates to the purchase price paid for the office building in Lübeck, which was sold at the end of 2006.

The retention of profits increased the Hypoport Group's equity as at 30 September 2007 by 18 per cent, or €3.4 million, to €22.2 million. The equity ratio rose by a further 3.3 percentage points to 45.8 per cent. This figure reflects the growing strength and stability of the Hypoport Group.

The €0.6 million decrease in non-current liabilities to €11.7 million stemmed primarily from the fall in deferred tax liabilities. Current liabilities grew by €1.5 million. While trade payables rose by €1.0 million and other current liabilities increased by €1.4 million, current financial liabilities declined by €1.1 million.

Total financial liabilities fell from €15.1 million to €13.9 million. This figure includes scheduled repayments of €2.7 million and new borrowing of €0.5 million.

Cash flow

Cash flow during the reporting period rose sharply by 120 per cent to €5.7 million (Q1-Q3/2006: €2.6 million). The net cash inflows of €3.0 million from operating activities and of €0.3 million from investing activities more than compensated for the net cash outflow of €2.5 million from financing activities. Consequently, cash and cash equivalents had increased by €0.8 million to €3.9 million as at 30 September 2007.

Capital expenditure

Apart from the investment in the development of Hypoport's financial marketplaces, the most important capital expenditure in the first nine months of 2007 was the establishment of the joint venture Hypoport Stater B.V., Amsterdam, in collaboration with Stater B.V., Amersfoort.

Stater B.V., a subsidiary of ABN Amro, is the largest mortgage servicer in the Netherlands.

The Hypoport Group's stake in this venture amounts to 50 per cent plus one share. The newly founded company started trading in March 2007. Its aim is to build a EUROPACE financial marketplace that can be used to process mortgage transactions between independent distributors and product suppliers in the Netherlands.

Other capital expenditure during the reporting period related to investment in office furniture and equipment and in externally produced software.

Employees

The number of employees in the Hypoport Group rose continuously in line with revenue growth and amounted to 378 people as at 30 September 2007. This was an increase of 20 per cent on the end of 2006 (31 December 2006: 316 people). The average number of employees during the first nine months of 2007 was 353, which was a 42 per cent increase on the corresponding period of 2006 (249 people).

Outlook

The revenue and earnings increases achieved in the first nine months of 2007 underscore the strong growth of the Hypoport Group. In a financial services market largely characterised by stagnation, Hypoport has managed to generate significant growth momentum over the past few years. We do not expect to see the market providing any real stimulus in the fourth quarter either. Nonetheless, we are confident that we can increase our market share on the back of our business model and the agility and creativity of our staff, thereby helping our shareholders and business partners to achieve further success.

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3 Interim consolidated financial statements

Consolidated balance sheet as at 30 September 2007

Assets	30 Sep 2007 €'000	31 Dec 2006 €'000
Non-current assets		
Intangible assets	23,285	22,175
Property, plant and equipment	1,597	1,314
Financial assets	296	454
Other assets	10	17
Deferred tax assets	2,199	2,278
	27,387	**26,238**
Current assets		
Trade receivables	15,389	10,514
Other assets	1,450	3,671
Current income tax assets	257	593
Cash and cash equivalents	3,947	3,180
	21,043	**17,958**
	48,430	**44,196**
Equity and liabilities		
Equity		
Subscribed capital	6,044	6,288
Reserves	16,153	12,532
	22,197	**18,820**
Non-current liabilities		
Financial liabilities	7,250	7,368
Other liabilities	32	58
Deferred tax liabilities	4,390	4,879
	11,672	**12,305**
Current liabilities		
Provisions	18	18
Financial liabilities	6,644	7,738
Trade payables	2,318	1,309
Current income tax liabilities	818	623
Other liabilities	4,763	3,383
	14,561	**13,071**
	48,430	**44,196**

Consolidated income statement

for the period 1 January to 30 September 2007

	1 Jan – 30 Sep 2007 €'000	1 Jan – 30 Sep 2006 €'000	1 Jul – 30 Sep 2007 €'000	1 Jul – 30 Sep 2006 €'000
Revenue	29,240	16,777	10,218	6,876
Own work capitalised	2,291	1,836	766	752
Other operating income	318	386	106	265
Cost of materials	-40	0	-16	0
Personnel expenses	-12,454	-9,347	-4,178	-3,246
Other operating expenses	-12,952	-7,488	-5,095	-3,307
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**6,403**	**2,164**	**1,801**	**1,340**
Depreciation, amortisation expense and impairment losses	-2,047	-1.288	-695	-457
Earnings before interest and tax (EBIT)	**4,356**	**876**	**1,106**	**883**
Financial income	64	24	14	5
Finance costs	-598	-476	-206	-204
Earnings before tax (EBT)	**3,822**	**424**	**914**	**684**
Income taxes and deferred taxes	-147	882	470	-66
Net profit for the period	**3,675**	**1,306**	**1,384**	**618**
Basic earnings per share (€)	0.59	0.21	0.23	0.10
Diluted earnings per share (€)	0.58	0.21	0.22	0.10

Abridged consolidated statement of changes in equity for the nine months ended 30 September 2007

	Subscribed capital €'000	Treasury shares €'000	Capital reserves €'000	Retained earnings €'000	Equity €'000
Balance as at 1 January 2006	1,595	-259	400	9,819	11,555
Issue of new shares	4,764		893	-4,695	962
Recall of treasury shares	-98	259		-494	-333
Net profit for the period				1,306	1,306
Balance as at 30 September 2006	**6,261**	**0**	**1,293**	**5,936**	**13,490**

	Subscribed capital €'000	Treasury shares €'000	Capital reserves €'000	Retained earnings €'000	Equity €'000
Balance as at 1 January 2007	6,288	0	1,350	11,182	18,820
Issue of new shares	3		7		10
Recall of treasury shares	-247		247	-308	-308
Net profit for the period				3,675	3,675
Balance as at 30 September 2007	**6,044**	**0**	**1,604**	**14,549**	**22,197**

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Consolidated cash flow statement

for the period 1 January to 30 September 2007

	30 Sep 2007 €'000	30 Sep 2006 €'000
Earnings before interest and tax	4,356	876
Non-cash income (-) / expense (+) from income tax	-111	1,265
Interest received (+)	64	24
Interest paid (-)	-598	-476
Income tax payments (-)	-36	-383
Depreciation and amortisation expense, impairment losses (+) / reversals of impairment losses (-) on non-current assets	2,047	1,288
Gains (-) / losses (+) on the disposal of non-current assets	-21	0
Cash flow	**5,701**	**2,594**
Increase (+) / decrease (-) in current provisions	0	-1
Increase (-) / decrease (+) in inventories, trade receivables and other assets not related to investing or financing activities	-5,745	-405
Increase (+) / decrease (-) in trade payables and other liabilities not related to investing or financing activities	3,076	1,801
Change in working capital	**-2,669**	**1,801**
Cash flows from operating activities	**3,032**	**3,989**
Proceeds from the disposal of property, plant and equipment / intangible assets (+)	3,532	0
Purchase of property, plant and equipment /intangible assets (-)	-3,435	-3,019
Proceeds from the disposal of financial assets (+)	461	164
Purchase of financial assets (-)	-303	-601
Cash flows from investing activities	**255**	**-3,456**
Proceeds from additions to equity (+)	10	962
Payments to shareholders and minority interest (-)	-308	-333
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	500	0
Redemption of bonds and loans (-)	-2,722	-343
Cash flows from financing activities	**-2,520**	**286**
Net change in cash and cash equivalents	767	819
Cash and cash equivalents at the beginning of the period	3,180	1,936
Cash and cash equivalents at the end of the period	**3,947**	**2,755**

Abridged segment reporting

for the period 1 January to 30 September 2007

€'000	Corporate Real Estate Clients	Private Client	Financial Service Providers	Institutional Clients	Reconciliation	Group
Segment revenue in respect of third parties						
1 Jan – 30 Sep 2007	4,340	16,637	5,931	1,742	590	29,240
1 Jan – 30 Sep 2006	2,750	10,352	3,368	129	178	16,777
1 Jul – 30 Sep 2007	1,439	6,072	1,646	746	315	10,218
1 Jul – 30 Sep 2006	980	4,564	1,236	23	73	6,876
Segment revenue in respect of other segments						
1 Jan – 30 Sep 2007	14	0	234	33	-281	0
1 Jan – 30 Sep 2006	0	14	149	57	-220	0
1 Jul – 30 Sep 2007	0	0	17	6	-23	0
1 Jul – 30 Sep 2006	0	14	0	0	-14	0
Total segment revenue						
1 Jan – 30 Sep 2007	4,354	16,637	6,165	1,775	309	29,240
1 Jan – 30 Sep 2006	2,750	10,366	3,517	186	-42	16,777
1 Jul – 30 Sep 2007	1,439	6,072	1,663	752	292	10,218
1 Jul – 30 Sep 2006	980	4,578	1,236	23	59	6,876
Segment earnings (EBIT)						
1 Jan – 30 Sep 2007	1,183	2,849	3,099	-601	-2,174	4,356
1 Jan – 30 Sep 2006	474	1,641	1,473	-893	-1,819	876
1 Jul – 30 Sep 2007	397	969	776	-207	-829	1,106
1 Jul – 30 Sep 2006	155	940	736	-677	-272	883

4 Notes to the interim consolidated financial statements

General disclosures

The condensed interim consolidated financial statements for the nine months ended 30 September 2007 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). These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2006 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements have not been reviewed by an auditor.

The 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.

Basis of consolidation

The consolidation as at 30 September 2007 included all entities controlled by Hypoport AG in addition to Hypoport AG itself.

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
Dr. Klein & Co. Capital AG, Berlin	100
Dr. Klein & Co. Consulting GmbH, Lübeck	100
Hypoport Insurance Market GmbH, Berlin (ehemals Hanseatisches Versicherungskontor GmbH, Lübeck)	100
Freie Hypo GmbH, Lübeck	100
Hypoport Stater B.V., Amsterdam	50
Hypoport Capital Market AG, Berlin	100
Hypoport Netherlands B.V., Amsterdam	100
Prommise Technolgies B.V., Amsterdam	100
Hypoport Mortgage Market Ltd., Westport (Ireland)	100
Hypoport PFE GmbH, Lübeck	100
Hypoport Systems GmbH, Berlin	100
Qualitypool GmbH, Lübeck	100
Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin	100

With the exception of Hypoport Stater B.V. (joint venture, inclusion on a pro rata basis), all companies in the Group are fully consolidated.

The newly established Hypoport Stater B.V., Amsterdam, a joint venture with Stater Participations B.V., Amersfoort, was included in the consolidation from 16 January 2007. The subscribed capital of the Company is €200,000.00 divided into 200,000 shares each with a par value of €1.00. The Hypoport AG shareholding is 50 per cent plus one share. Hypoport Stater B.V. is consolidated only on a pro rata basis because of the restricted level of control exercised by Hypoport AG.

To streamline the structure of the Group, Hypoport Credit Market GmbH was merged with Hypoport AG, and Dr. Klein & Co. GmbH with Dr. Klein & Co. Aktiengesellschaft, both mergers becoming effective 1 January 2007. As a result, Dr. Klein & Co. GmbH ceased to be the general partner in Dr. Klein & Co. Grundstücksbesitzgesellschaft mbH & Co. KG and Dr. Klein & Co. Grundstücksbesitzgesellschaft mbH & Co. KG was wound up. The latter is therefore no longer included in the consolidation as an individual entity.

With an agreement dated 16 May 2007, Hanseatisches Versicherungskontor GmbH was sold by Dr. Klein & Co. Aktiengesellschaft to Hypoport AG at its carrying amount and was then renamed Hypoport Insurance Market GmbH.

Dr. Klein & Co. Aktiengesellschaft entered into a control and profit transfer agreement with Vergleich.de Gesellschaft für Verbraucherinformation mbH on 6 July 2007 under which Dr. Klein & Co. AG is the controlling company.

Accounting policies

Apart from the exceptions described below, the consolidation principles and accounting policies as described in the notes to the consolidated financial statements 2006 were also applied in the preparation of the interim consolidated financial statements and in the calculation of the comparative figures for 2006.

From 1 January 2007, there has been a change to the presentation of the balance sheet and consolidated statement of changes in equity compared with the presentation in the consolidated financial statements for the year ended 31 December 2006. On the face of the balance sheet, the items "Reserves" and "Distributable profit" have been aggregated under "Reserves"; on the face of the consolidated statement of changes in equity, the items "Retained earnings" and "Distributable profit" have been aggregated under "Retained earnings". The comparative figures for 2006 have been adjusted accordingly.

The Financial Product Sales Corporate Real Estate Clients and Private Clients segments, together with the B2B Financial Marketplaces Financial Service Providers segment, receive special commissions from a number of lenders when defined finance volumes are achieved. Unlike in 2006, the principal special commissions have been calculated on a quarterly basis in the interim financial statements because no quarterly special commission trigger levels were agreed in previous years.

In 2006, the Company was not under any obligation to prepare interim reports. Quarterly figures for 2006 have been prepared retrospectively to provide comparative quarterly figures for the current financial year. To simplify matters, the provisions for outstanding holidays and annual bonuses have been allocated evenly over all four quarters.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and development costs of €6.9 million for the financial marketplaces (2006: €5.9 million). Property, plant and equipment consists solely of office furniture and equipment of €1.6 million (2006: €1.3 million).

Income taxes and deferred taxes

The average combined income tax rates expected to apply on the basis of current tax legislation are just under 30 per cent (2006: 38 per cent) for companies in Germany and between 12.0 per cent and 30.0 per cent – as in 2006 – for subsidiaries outside Germany.

On 6 July 2007 the Bundesrat (second chamber of the German parliament) passed the necessary legislation for the business tax reforms to be introduced in 2008 which, among other things, will lower the corporation tax rate from 25 per cent to 15 per cent and abolish companies' ability to offset trade tax against their corporation tax liability. The measurement of deferred tax assets and liabilities in these consolidated financial statements is based on the tax rates applicable in the period during which an asset is recognised or a liability is settled. Because the legislation for the business tax reforms to be introduced in 2008 was passed in July 2007, the deferred tax assets and liabilities reported in the financial statements for the third quarter of 2007 need to be remeasured. This resulted in the recognition of one-off non-cash income of €0.6 million.

Earnings per share

The figure for earnings per share is determined in accordance with IAS 33. Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of outstanding shares. Diluted earnings per share is calculated by dividing the net profit for the period by the total weighted average number of outstanding shares, adjusted for the dilutive effect of potential new shares. The figure for earnings per share becomes diluted if the average number of shares is increased as a result of adding in the issue of potential shares in connection with options.

In the years 2002 to 2004, share options were issued to employees. These share options had the following dilutive effect on earnings per share in 2007:

	Jan 1 to 30 Sep 2007	Jan 1 to 30 Sep 2006	Jul 1 to 30 Sep 2007	Jul 1 to 30 Sep 2006
Net profit for the period (€'000)	3,675	1,306	1,384	618
Weighted number of outstanding shares (000s) undiluted	6,178	6,238	6,042	6,261
Basic earnings per share (€)	**0.59**	**0.21**	**0.23**	**0.10**
Weighted number of share options (000s) causing a dilutive effect	163	303	162	191
Weighted number of outstanding shares (000s) diluted	6,316	6,299	6,179	6,386
Diluted earnings per share (€)	**0.58**	**0.21**	**0.22**	**0.10**

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 137 thousand shares in the third quarter of 2007 (Q3/2006: 125 thousand) and of 138 thousand shares in the first nine months of 2007 (2006: 61 thousand).

Subscribed capital

The changes to subscribed capital in the period under review were as follows:

Subscribed capital	€
Balance as at 1 January 2007	6,287,648.00
Recall of shares on 1 June 2007	246,848.00
Issue of new shares	2,810.00
Balance as at 30 September 2007	6,043,610.00

As at 30 September 2007, the subscribed capital of the Company was 6,043,601.00 (31 December 2006: €6,287,648.00) divided into €6,043,610 no-parvalue shares (31 December 2006: 6,287,648 shares) each with an imputed share of subscribed capital of € 1.00. The shares are registered.

Following approval of a resolution by the Annual Shareholders' Meeting on 1 June 2007, €6,000,000.00 from the total Hypoport AG distributable profit of €8,390,613.81 was reclassified to retained earnings and the remaining €2,390,613.81 carried forward to the new financial year.

Authorised capital

Following approval of a further 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 up to 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 in the subscribed capital of the Company of up to €276,808.00. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to managers in subsidiaries.

Treasury shares

In the period 1 January to 30 September 2007, Hypoport purchased and then recalled €246,848 treasury shares (equivalent to €246,848.00 (4.08 per cent) of the subscribed capital of Hypoport AG) with a cost price of €308 thousand. This expense in connection with the recall of treasury shares was recognised directly in equity under reserves.

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 (€400,000.00), the premium from the issue of shares under the 2002–2004 employee share ownership programme in 2006 and 2007 (€857,880.50), an amountequivalent to the par value of the treasury shares recalled in 2006 (€98,886.00) and an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€246,848.00).

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 firsttime 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 (2006: 7 thousand) are also reported under this item.

Share-based payment

No share options were issued in the first nine months of 2007.

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 period under review, 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, Stephan Gawarecki, Klaus Kannen, Hans-Peter Trampe and Martin Damaske) and their close family members. The following table 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 30 September 2007:

	Number of shares 30 Sep 2007	Number of shares 31 Dec 2006	Number of shares 30 Sep 2007	Number of shares 31 Dec 2006
GEC				
Prof. Dr. Thomas Kretschmar	1,351,353	1,667,260	32,000	32,000
Ronald Slabke	2,177,433	1,719,608	32,000	32,000
Marco Kisperth	108,212	108,212	14,000	14,000
Stephan Gawarecki	157,192	112,596	0	0
Klaus Kannen	32,500	50,000	0	0
Hans Peter Trampe	174,990	94,990	20,000	20,000
Martin Damaske	54,288	44,288	30,000	30,000
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

In the period under review, loans were also outstanding to members of the GEC (balance as at 30 September 2007: €0 thousand; balance as at 31 December 2006: €355 thousand). The loans carried interest at 5.0 per cent per annum and were repaid on schedule, with new loans of €90 thousand being offset by repayments of €445 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 2006 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 in the first nine months of 2007. In the past, positive changes in the mortgage market for both private and corporate clients have been regularly 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 a positive 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

The shares of Hypoport AG were first listed in the Prime Standard of the Frankfurt Stock Exchange on 29 October 2007.

Berlin, 30 November 2007

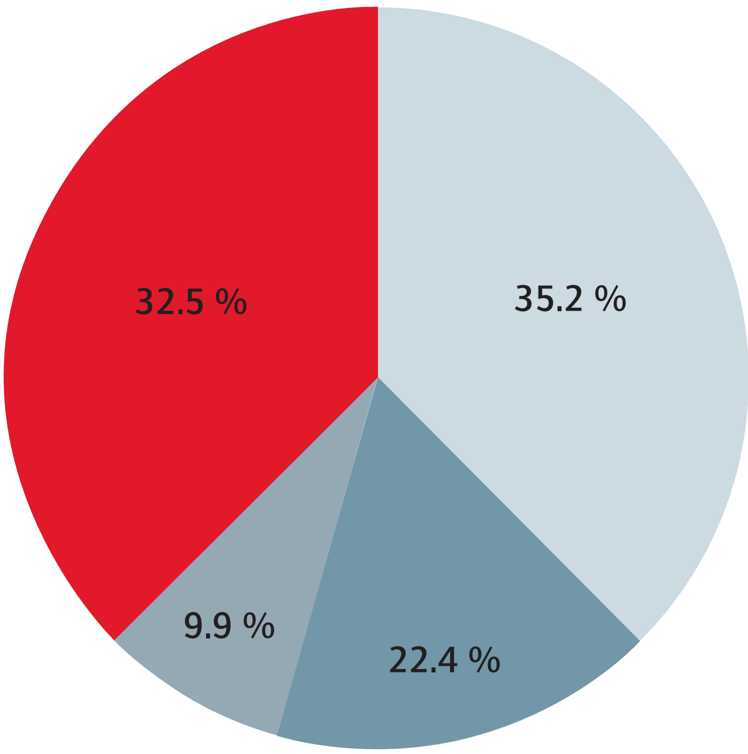
Hypoport AG – The Management Board
Prof. Dr. Thomas Kretschmar – Ronald Slabke – Marco Kisperth

5

Shareholder structure

Shareholder structure

As at 30 September 2007



Revenia GmbH (Managing Director Ronald Slabke)

Kretschmar Familienstiftung (Director Prof. Dr. Thomas Kretschmar)

Deutsche Postbank AG

Free Float

HYPOPORT
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