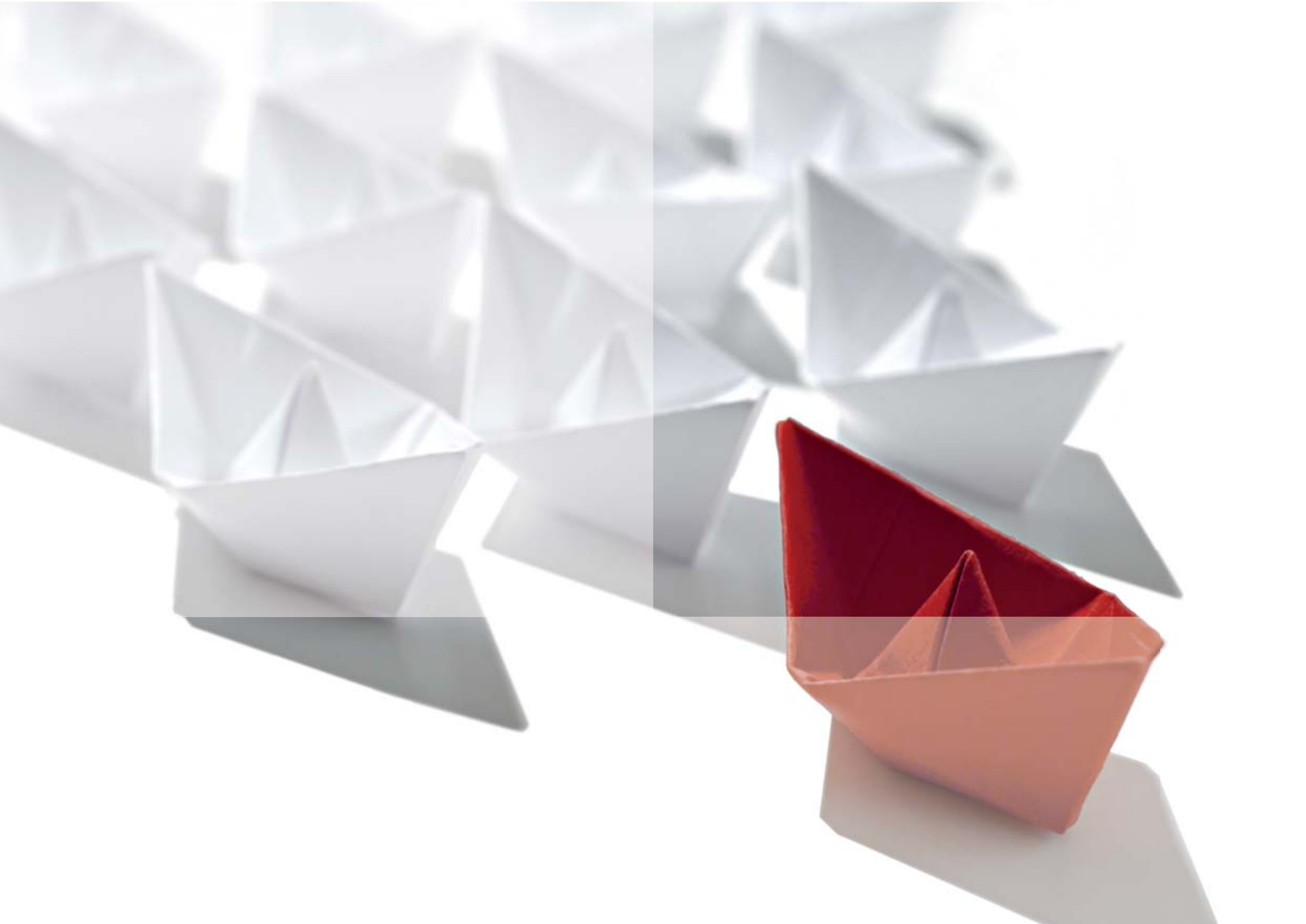
HYPOPORT
THE FINANCE INTEGRATOR



Interim report of Hypoport AG

for the period ended 31 March 2012

Berlin, 7 May 2012

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Key performance indicators

Financial performance (€´000)	01 Jan - 31 Mar 2012	01 Jan - 31 Mar 2011	Change
Revenue	20,587	17,683	16 %
Gross profit	11,533	10,367	11 %
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,975	2,242	-12 %
Earnings before interest and tax (EBIT)	688	982	-30 %
EBIT margin (EBIT as a percentage of gross profit)	6.0	9.5	-37 %
Net profit for the year	515	588	-12 %
attributable to Hypoport AG shareholders	538	616	-13 %
Earnings per share (€)	0.09	0.10	-10 %
Financial position (€'000)	**31 Mar 2012**	**31 Dec 2011**	
Current assets	33,891	37,090	-9 %
Non-current assets	36,992	35,046	6 %
Equity	31,784	31,269	2 %
attributable to Hypoport AG shareholders	31,587	31,049	2 %
Equity ratio (%)	44.6	43.3	3 %
Total assets	70,883	72,136	-2 %

Contents

1. Letter to shareholders

2. Hypoport's shares

3. Interim group management report

4. Interim consolidated financial statements

5. Notes to the interim consolidated financial statements

1. Letter to shareholders

Dear shareholder

Although it may well be true that the whole amounts to more than the sum of its parts, it is certainly not enough to view the whole in isolation if we want to understand how its individual parts have performed.

The first quarter of 2012 was a disappointing one for Hypoport in terms of its aggregate consolidated figures. Although the Company generated modest double-digit revenue growth, it failed to raise its earnings before interest and tax (EBIT). In order to interpret these figures correctly we need to analyse the prevailing economic conditions and our individual business units.

The beginning of the year saw Europe's economy still mired in the problem of sovereign debt. The European Central Bank once again tried to shore up the fragile financial system by providing additional liquidity and bailouts. At the same time, the austerity measures imposed by politicians in an attempt to get the public finances back on track impaired growth.

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

For Germany – and, consequently, crucial to the performance of Hypoport's business – this meant that interest rates remained at all-time lows in the first quarter of the year. This, in turn, further intensified competition in the mortgage finance market.

Although the Private Clients unit's loan brokerage business benefited from the attractive level of interest rates, it lost business to resurgent regional banks. Brokerage of insurance products – especially life and health insurance – was impacted by the changes taking place in this sector. The resultant uncertainty in the market meant that the insurance industry as a whole got off to a disappointing start to 2012. Despite this challenging environment the Private Clients business unit managed to generate double-digit growth, albeit at a lower rate than it had hoped for.

The Institutional Clients unit continued to expand its business by stepping up its brokerage activities and consulting services for housing companies, local authorities and commercial customers. However, the performance of this business is heavily reliant on big-ticket orders, whose volumes fluctuate sharply over the course of the year. In contrast to the corresponding quarter of last year, the Institutional Clients unit failed to close any such major deals in the first three months of 2012. There is, however, a well-stocked pipeline of lending projects that are currently being prepared. The fact that no high-volume transactions have materialised during the year to date has significantly dented profitability.

On the other hand, the Financial Service Providers business unit delivered a strong performance. Banks, insurance companies and building finance associations are using EUROPACE not only to supplement their own business but, increasingly, to sell financial products to third-party distributors. By managing to do this and signing up new partners, this business unit reported a highly successful quarter.

The wide variation in performance across business units meant that the first-quarter figures for the Hypoport Group as a whole fell short of our expectations. It should be pointed out, however, that the underlying individual business models used are not responsible for this result. What these figures really reveal is that a quarterly view of long-term business models – such as the one used in the Institutional Clients unit – is inadequate. Assuming that market conditions remain unchanged, we therefore still expect to achieve double-digit revenue growth and a year-on-year improvement in earnings for 2012 as a whole.

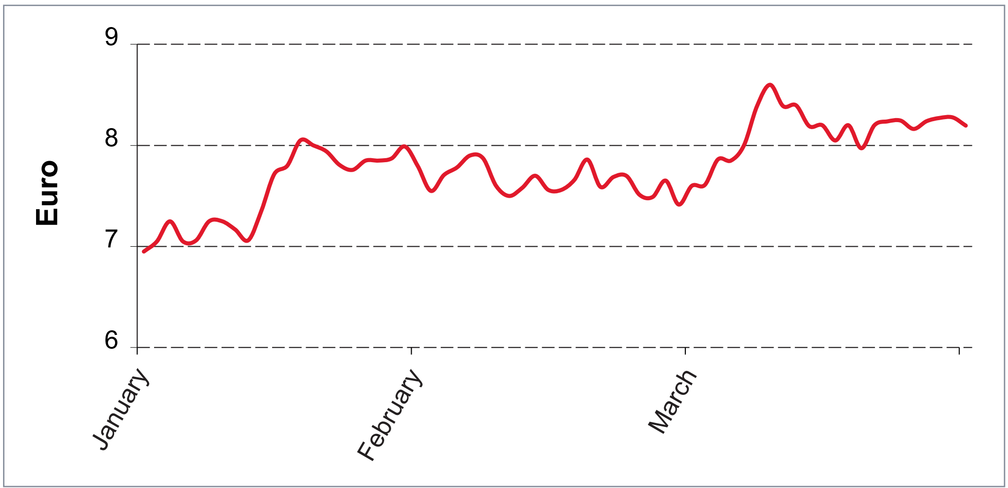
Kind regards,

Ronald Slabke
Chief Executive Officer

2. Hypoport's shares

Share price performance

Hypoport's share price performed well overall in the first three months of 2012, rebounding from a low of €6.95 on 1 January to €8.19 on 30 March and hitting a first-quarter high of €8.60 on 8 March.



Performance of Hypoport's share price, January to March 2012 (daily closing prices on Frankfurt Stock Exchange)

Earnings per share

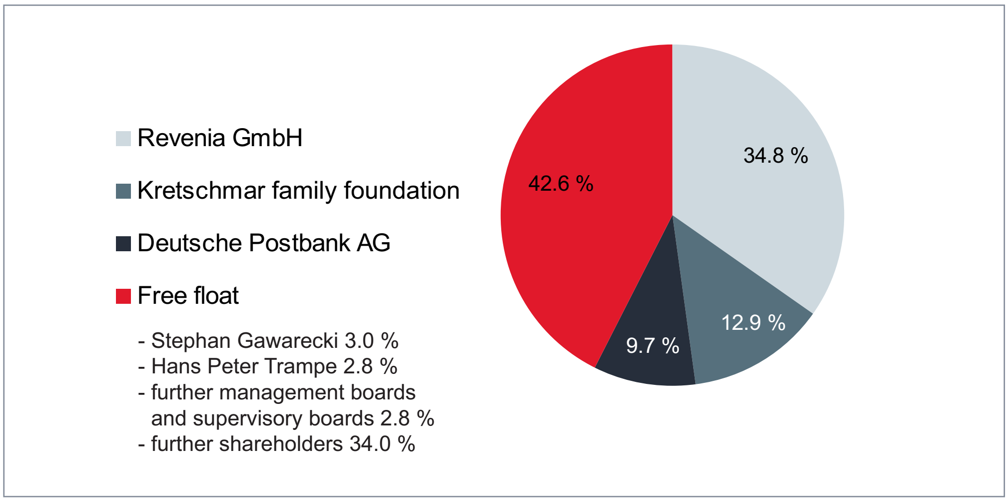
The Company reported earnings of €0.09 per share for the first quarter of 2012 (Q1 2011: €0.10).

Trading volumes

The daily volume of Hypoport shares traded in the first three months of 2012 averaged €16,147.79. The highest average daily turnover was in March (3,320 shares), followed by January (1,381 shares). The month with the lowest daily turnover was February, when an average of only 1,277 Hypoport shares changed hands.

Shareholder structure

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



Breakdown of shareholders as at 31 March 2012

Notification of directors' dealings

The table below shows the notifications of directors' dealings published in the first quarter of 2012.

Date of transaction	Notifying person/entity	Transaction	Stock exchange	Number of shares	Execution price
2 April 2012	Thilo Wiegand	Purchase	XETRA	333	8.25 €
2 April 2012	Thilo Wiegand	Purchase	XETRA	400	8.29 €
30 March 2012	Thilo Wiegand	Purchase	XETRA	267	8.241 €
30 March 2012	Thilo Wiegand	Purchase	XETRA	60	8.27 €
30 March 2012	Thilo Wiegand	Purchase	XETRA	470	8.25 €
30 March 2012	Thilo Wiegand	Purchase	XETRA	2,000	8.20 €
30 March 2012	Thilo Wiegand	Purchase	XETRA	470	8.28 €
28 March 2012	Ronald Slabke	Purchase	XETRA	500	8.25 €
23 March 2012	Ronald Slabke	Purchase	XETRA	480	8.20 €
22 March 2012	Inge Trampe	Purchase	XETRA	5,290	8.25 €
22 March 2012	Ronald Slabke	Purchase	XETRA	2,600	8.25 €
22 March 2012	Ronald Slabke	Purchase	XETRA	410	8.20 €
21 March 2012	Inge Trampe	Purchase	XETRA	710	8.15 €

Ad-hoc disclosures

As a publicly traded company Hypoport AG is required to make ad-hoc disclosures of facts that could influence our share price. No ad-hoc disclosures were published in the first quarter of 2012. Ad-hoc disclosures can be downloaded from our website at www.hypoport.com.

Designated Sponsoring

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

Research

The table below shows the research studies on Hypoport's shares published in the first quarter of 2012.

Analyst	Recommendation	Upside target	Date of recommendation
CBS Research	Buy	17.00 €	20 March 2012
CBS Research	Buy	17.00 €	5 March 2012

Key data on Hypoport´s shares

Security code number (WKN)	549 336
International securities identification number (ISIN)	DE 000 549 3365
Stock exchange symbol	HYQ
Type	No-par-value shares
Notional value	€1.00
Subscribed capital	€6,194,958,00
Stock exchanges	Frankfurt XETRA
Market segment	Regulated market
Transparency level	Prime Standard
Membership of indices	CDAX Classic All Share DAXsector All Financial Services DAXsubsector Diversified Financial GEX Prime All Share
Performance	
Share price as at 1 January 2012	€6.95 (Frankfurt)
Share price as at 31 March 2012	€8.19 (Frankfurt)
High in 2012	€8.60 (8 March 2012)
Low in 2012	€6.95 (1 January 2012)
Market capitalisation	€50.7 million (30 March 2012)
Trading volume	€16,147.79 (daily average for 2012)

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3. Interim group management report

Economic conditions

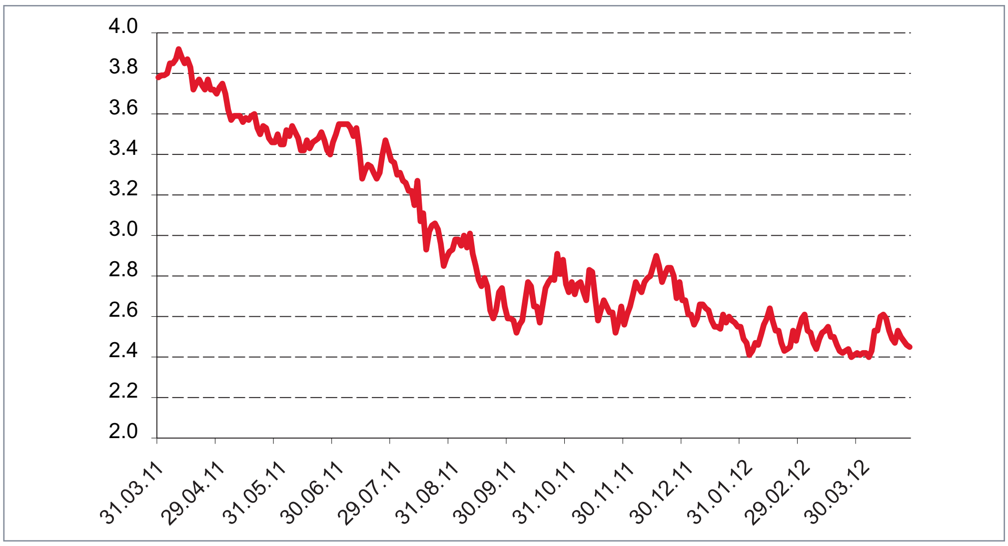
Macroeconomic environment

The International Monetary Fund (IMF) reckons that global economic growth accelerated slightly at the beginning of 2012. According to its estimates, the growth stimulus emanating from the United States and the comprehensive packages of political measures taken in Europe reduced the risk of a worldwide downturn compared with the previous quarter. Nonetheless, downside risks remain a threat. Urgently needed budgetary consolidation in many Western countries is acting as a drag on growth. Persistent geopolitical tensions in the Middle East are impacting on the oil market and hitting the global economy. The greatest risk, however, is still a further European crisis. Essential measures aimed at getting the public finances of many highly indebted countries – such as Italy and Spain – back on track are curbing demand. More stringent capital requirements for banks are reducing the level of lending across Europe and, in effect, are hampering the region's growth. The IMF estimates that this factor alone will lower the euro zone's trend growth rate for 2012 by around one percentage point. For this reason, the European Central Bank is unlikely to raise its benchmark interest rate before the end of this year. The challenge for Europe now is to reap the long-term stability benefits of budgetary consolidation and better bank capitali-sation without restraining growth in the short term.

The Institute of German Economic (IW) expects Germany to grow by 1.25 per cent in 2012 and by roughly 2.0 per cent in the following year. The country's labour market is booming. The number of people in work continued to rise considerably in the first quarter of the year, as did wage levels. This is strengthening do-mestic demand, which will play a key role in helping this traditionally export-driven economy to achieve growth this year. At the same time, inflation remains high and real-estate prices are rising sharply in some regions. The problems in the euro area continue to fuel strong demand for Bunds, whose yields dipped back below 2 per cent in March.

Conditions in the financial services sector

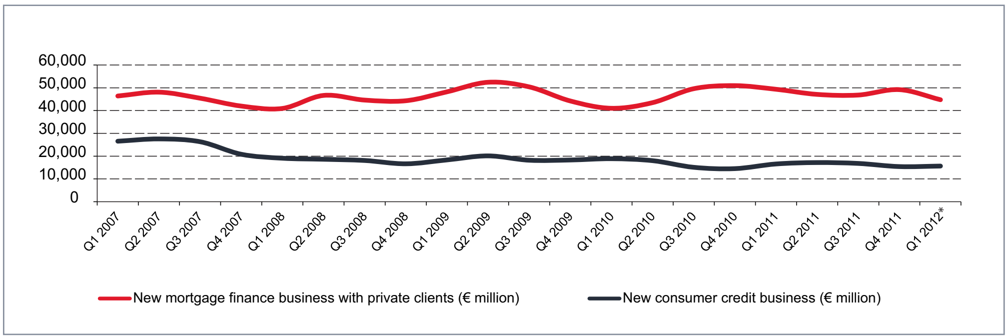
Ten-year swap rates fell in line with government bond yields. In contrast to the other euro-zone countries, this continued to boost sales of financial products in Germany.



Ten-year swap rates over the past 360 days

According to Bundesbank statistics, the total volume of mortgage finance provided in the first two months of 2012 contracted compared with the corresponding period of 2011. On the other hand, the total value of transactions generated on the EUROPACE platform in the first quarter of 2012 jumped by 76 per cent compared with the same period of 2011 to €7.25 billion (Q1 2011: €4.12 billion). Both the number of transactions and the price of real estate rose sharply.

The total volume of personal loans provided in the first two months of 2012 came to approximately €10.4 billion, which was unchanged on the €10.4 billion generated in January and February of 2011.



Total volume of private mortgage mortgage finance and personal loans (source: Deutsche Bundesbank);
*Q1 / 2012 March interpolated

Interest in building finance products remained undiminished in the first quarter of 2012, with the total value of these products growing by 0.6 per cent in both January and February of this year compared with the corresponding months of 2011.

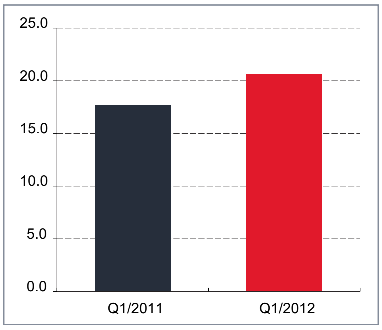
The portfolio investment statistics compiled by the Federal Association of German Fund Management Companies (BVI) reveal that the total value of assets under management in Germany increased by 2.8 per cent between 28 February 2011 and 29 February 2012. Of the total fund assets of €1.859 trillion under management (28 February 2011: €1.809 trillion), roughly €689 billion (28 February 2011: €706 billion) was allocated to retail funds and €881 billion (28 February 2011: €831 billion) was invested in specialised funds for institutional investors.

The beginning of 2012 saw further substantial growth in demand for conservative forms of investment, with fixed-term and instant-access deposits growing signifi-cantly in January and February compared with the same months of 2011. The level of savings deposits fell slightly compared with the correspon-ding prior-year period. The total funds invested in fixed-term, instant-access and savings accounts grew by 4.4 per cent in February 2012 compared with the same month last year.

However, the German Insurance Association (GDV) reckons that total premium income received in 2011 declined by a modest 0.4 per cent to €178.2 billion (2010: €178.8 billion). The insurance industry reported a generally quiet start to 2012, partly as a result of the fundamental regulatory changes introduced.

Revenue

In the first quarter of 2012 the Hypoport Group managed to sustain the impressively high levels of growth that it had generated in 2011. Revenue jumped by 16.4 per cent from €17.7 million in the first quarter of 2011 to €20.6 million in the first three months of 2012. Selling expenses rose at a higher rate than revenue owing to a shift between higher-margin and low-margin revenue models in some cases. Nonetheless, gross profit also saw double-digit growth, advancing by 11.4 per cent year on year from €10.4 million to €11.5 million.

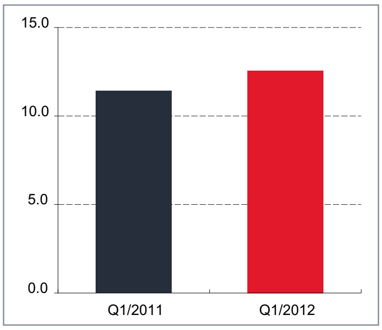


Revenue Hypoport Group (€ million)

The figures for revenue and selling expenses described below include revenue and selling expenses shared with other segments.

Private Clients business unit

The Private Clients business unit, which specialises in online sales of financial products, once again managed to raise its revenue significantly by 10.1 per cent to €12.6 million (Q1 2011: €11.4 million) against a background of mixed market conditions. Gross profit in this business unit also rose sharply by 8.9 per cent to €4.9 million (Q1 2011: €4.5 million).



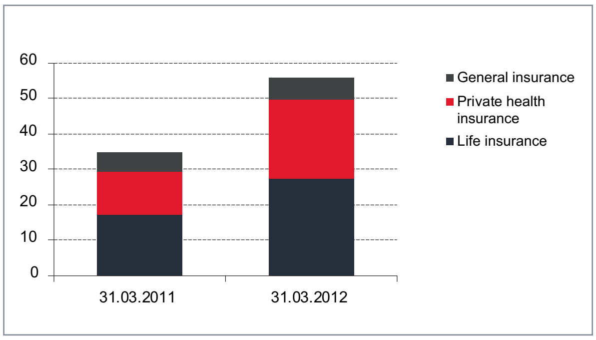
Revenue Private Clients (€ million)

Private Clients business unit	1 Jan - 31 Mar 2012	1 Jan –31 Mar 2011
Revenue (€ million)	12.6	11.4
Selling expenses (€ million)	7.7	6.9
Gross profit (€ million)	4.9	4.5

The loan brokerage product segment was considerably expanded and reported strong growth in its total volume of lending, which increased by 12.8 per cent from €0.89 billion to €1.01 billion.

Europace	1 Jan - 31 Mar 2012	1 Jan - 31 Mar 2011
Volume of financing transactions (€ billion)	1.01	0.89
Volume of insurance transactions (€ million)	4.48	5.56
life insurance	2.30	2.16
private health insurance	1.62	2.96
general insurance	0.56	0.44

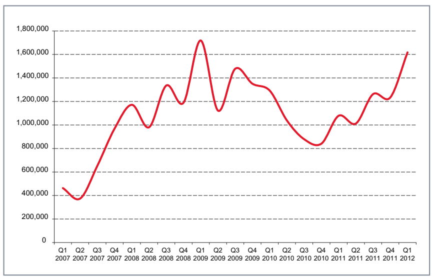
The volume of transactions in insurance products fell by 19.5 per cent from €5.6 million in annual premiums to €4.5 million. This trend reflected the weaker appeal of insurance products owing to the low level of interest rates as well as the growing uncertainty on the part of consumers and advisers as a result of the increasing regulation of this market.



Portfolio of insurance policies/annual premiums (€ million)

Hypoport achieved year-on-year growth in the portfolio of insurance policies under its management in the first quarter of 2012, raising its annual life insurance premiums by 58.8 per cent from €17.2 million to €27.4 million, its annual private health insurance premiums by 80.7 per cent from €12.4 million to €20.4 million and its annual general insurance premiums by 13.3 per cent from €5.3 million to €6.0 million. Consequently, the total portfolio of insurance policies under management reached a new all-time high of €55.8 million in annual premiums at the end of March 2012 compared with €34.9 million as at 31 March 2011.

The number of leads acquired in the first three months of 2012 rose by an exceptionally strong 0.5 million year on year to 1.6 million (Q1 2011: 1.1 million). Consumers are increasingly taking refuge in basic investment products such as instant-access and fixed-term deposits in response to the uncertainty prevailing in financial markets. Because it is now offering interest rates of above 2.5 per cent, this segment is regaining its appeal for broad swathes of consumers.



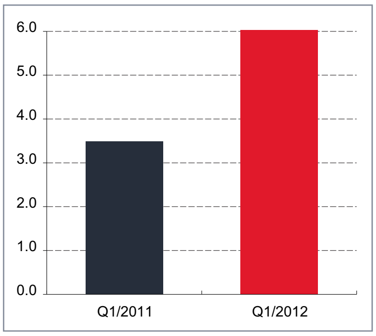
Number of leads

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 31 March 2012. The map on the right gives an overview of the extensive network of branches established by our franchisees in Germany as well as the Hypoport branches that are located in the major German commercial centres.

Distribution channels	31 March 2012	31 March 2011
Advisers in branch-based sales	687	577
Advisers in branch-based sales	186	178
Independent financial advisers acting as agents	3,534	3,059

Financial Service Providers business unit

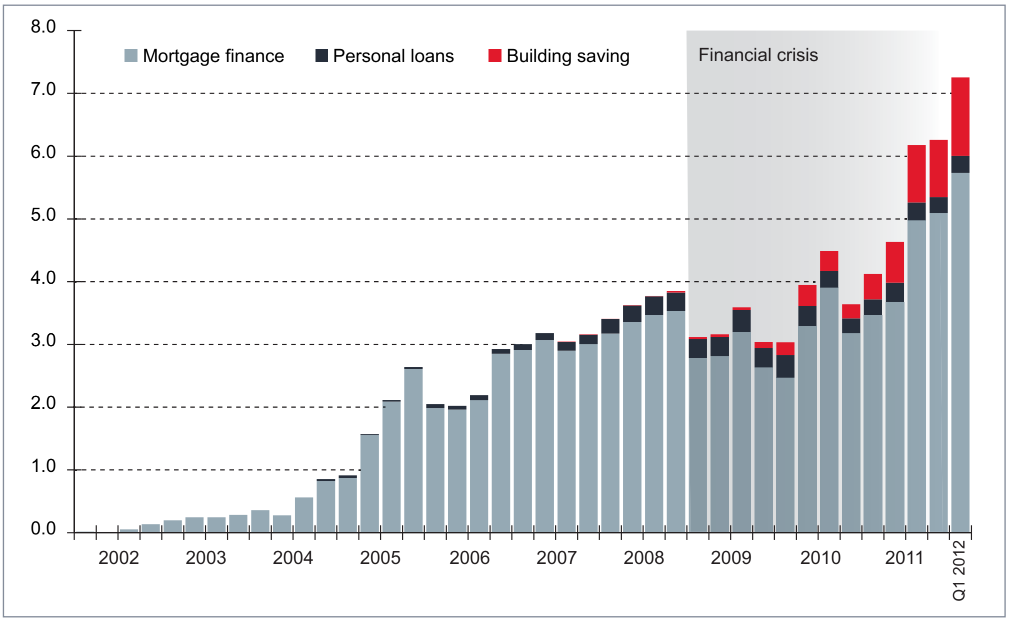
Buoyed by a strong real-estate market and the continuation of low interest rates in the mortgage finance market, Financial Service Providers – the second-largest business unit – celebrated its best quarterly result in terms of transaction volumes since the EUROPACE financial marketplace was set up, winning major partners and benefiting from the general growth in independent distributors.



Revenue Financial Service Providers (€ million)

The volume of transactions completed in the first quarter of 2012 totalled €7.3 billion, which was 76.0 per cent higher than in the corresponding period of last year (Q1 2011: €4.1 billion). The volume of mortgage finance transactions in the first quarter of 2012 came to €5.7 billion, growing by 65.2 per cent compared with the first quarter of 2011, in which a total of €3.5 billion was reported. Banks, insurance companies and building finance associations are using EUROPACE not only to strengthen their own business but, increasingly, to sell financial products. The volume of transactions processed on the financial marketplace grew significantly on the back of this expansion of product suppliers' business models, the success in signing up new financial product distributors, and the attractive level of interest rates.

The total value of building finance agreements and loans brokered via EUROPACE more than trebled to €1.3 billion (Q1 2011: €0.4 billion). This result reflected the migration of new strategic partners and the benign trend towards the long-term hedging of interest-rate risk. Our business in personal loans is still feeling the effects of weaker consumer de-mand and banks' reluctance to lend in the wake of the financial crisis. The value of personal-loan transactions generated via EUROPACE totalled €0.27 billion, which was 11.7 per cent more than in the first three months of last year (Q1 2011: €0.25 billion).



Volume of transactions on EUROPACE (€ billion)

Revenue rose by a disproportionately high 72.5 per cent to €6.0 million (Q1 2011: €3.5 million) on the back of larger transaction volumes, the growth in collaborations and Packager-related business, and longer average fixed-interest periods. Selling expenses rose much more strongly than revenue as a result of the sharp increase in low-margin collaborations and Packager-related business. Nonetheless, the gross profit earned in the first quarter of 2012 advanced by an impressive 45.5 per cent to €4.5 million (Q1 2011: €3.1 million).

EUROPACE Financial Service Providers business unit	1 Jan–31 March 2012	1 Jan–31 March 2011
Volume of transactions (€ billion)	7.3	4.1
thereof mortgage finance	5.7	3.5
thereof personal loans	0.3	0.3
thereof building saving	1.3	0.4
Revenue (€ million)	6.0	3.5
Selling expenses (€ million)	1.5	0.4
Gross profit (€ million)	4.5	3.1

Bausparkasse Schwäbisch Hall acquired an equity stake in GENOPACE GmbH with effect from 1 April 2012. Consequently, this platform for credit cooperatives and mutually owned banks will in future provide its partners with automated access to the mortgage finance products of the entire cooperative financial network. Users of GENOPACE will therefore be able to choose from the full range of building finance products available in the marketplace.

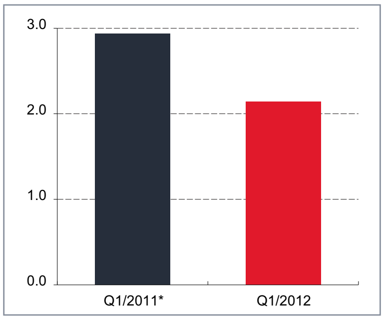
In April, loan protection insurance policies were integrated into EUROPACE's sales process as an additional new mortgage finance product under the alliance with payment protection insurer Credit Life International N.V. These policies insure customers against default in the event that they die, become unemployed or are unable to work.

More than 225 participants attended the 19th EUROPACE Conference that was held in February.

Despite the fact that our partner-specific financial marketplaces GENOPACE and FINMAS are still fairly new, they are already being accessed by 63 (31 March 2011: 50) and 34 (31 March 2011: 26) contractual partners respectively, while the total number of partners actively using our EUROPACE platform rose from 152 at the end of March 2011 to 175 as at 31 March 2012.

Institutional Clients business unit

The Hypoport Group merged its Corporate Real Estate Clients business unit with its Institutional Clients unit to form the new Institutional Clients business unit with effect from 1 January 2012. The objectives of this merger are to create three business units of similar sizes and to simply internal processes.



Revenue Institutional Clients (€ million)

The loan brokerage product segment in the Institutional Clients business unit continued to benefit from its exceptionally strong market position as the central intermediary for high-quality commercial real-estate finance, slightly increasing the total volume of new loans it had brokered by 2.8 per cent compared with the buoyant first quarter of 2011. The fall in revenue despite the modest increase in the value of new loans brokered was largely attributable to the higher proportion of low-margin loan renewals. Big-ticket transactions, which are especially important for the profitability of this product segment, failed to materialise in the first quarter of 2012. There is, however, a well-stocked pipeline of lending projects that are currently being prepared. The total revenue generated by the brokerage of loans and insurance decreased by 34.0 per cent to €1.2 million (Q1 2011: €1.8 million), while the revenue earned from consulting services declined by 16.2 per cent to €0.9 million (Q1 2011: €1.1 million).

Institutional Clients business unit	1 Jan – 31 Mar 2012	1 Jan – 31 Mar 2011*
Loan Brokerage		
Volume of new business (€ million)	250	319
Volume of prolongation (€ million)	157	77
Revenue (€ million)	2.1	2.9
Selling expenses (€ million)	0.1	0.2
Gross profit (€ million)	2.0	2.7

* The comparative prior-year tax figures have been adjusted and are explained in section 5 of the notes to the interim consolidated financial statements „Comparative figures for 2011"

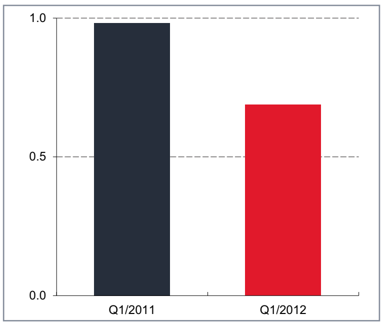
Own work capitalised

In the first quarter of 2012 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 took further key measures to extend its EUROPACE marketplace to the Netherlands and introduce EUROPACE 2 in Germany.

The Company invested a total of €1.7 million in the expansion of its marketplaces in the first quarter of 2012 (Q1 2011: €1.8 million). Hypoport continues to invest heavily in its forward-looking projects as part of these activities. Of this total, €1.0 million was capitalised (Q1 2011: €0.9 million) and €0.7 million was expensed as incurred (Q1 2011: €0.9 million). These amounts represent the pro-rata personnel expenses and operating costs attributable to software development.

Earnings

The significant improvement in the Hypoport Group's revenue that had been evident since the second quarter of 2010 continued apace in the first quarter of 2012. Interest rates that remained at low levels continued to boost purchases of real estate and the refinancing of loans, which enabled us to achieve our best quarter in terms of transaction volumes since the EUROPACE platform was set up and, therefore, to deliver highly encouraging results in both our Private Clients and Financial Service Providers businesses. Only our volatile, high-margin Institutional Clients business failed to replicate the excellent figures that it had reported for the first quarter of 2011.



EBIT (€ million)

Against the backdrop of the operating performance described above, EBITDA fell slightly to €2.0 million (Q1 2011: €2.2 million) and EBIT declined to €0.7 million (Q1 2011: €1.0 million). Consequently, the EBIT margin (EBIT as a percentage of gross profit) fell from 9.5 per cent to 6.0 per cent.

Other income and expenses

The decrease in other operating income was largely attributable to the fact that income from the reversal of provisions dropped to €11 thousand (Q1 2011: €290 thousand).

Personnel expenses rose in line with the increase in the number of employees to 505 (Q1 2011: 463).

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

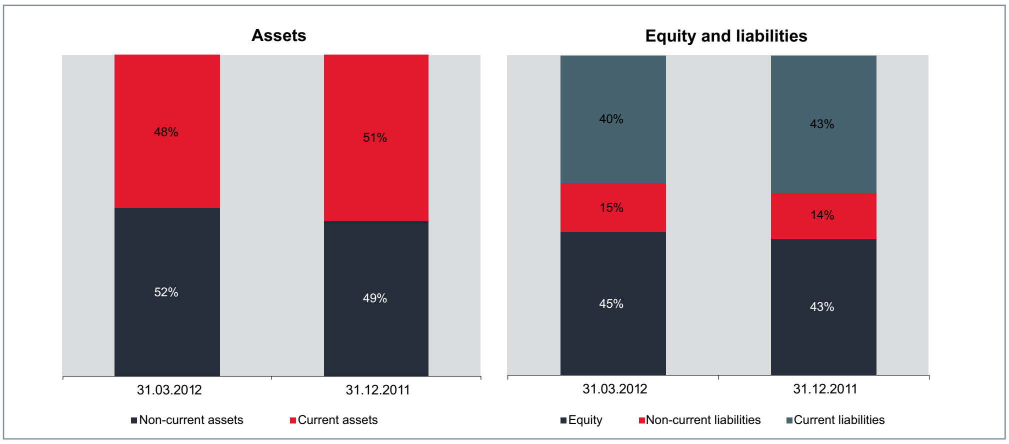
€´000	1 Jan - 31 Mar 2012	1 Jan - 31 Mar 2011
Operating expenses	1,228	906
Other selling expenses	799	680
Administrative expenses	1,023	981
Other personnel expenses	152	167
Other expenses	69	302
	3,271	3,036

The operating expenses consist mainly of building rentals of €468 thousand (Q1 2011: €321 thousand) and vehicle-related costs of €338 thousand (Q1 2011: €269 thousand). The other selling expenses relate to advertising costs and travel expenses. The administrative expenses largely comprise IT-related costs of €452 thousand (Q1 2011: €471 thousand) as well as telephone charges and other communication costs of €157 thousand (Q1 2011: €138 thousand). The other personnel expenses mainly consist of training costs of €114 thousand (Q1 2011: €87 thousand).

The net finance costs mainly include interest expenses of €0.2 million for the drawdown of loans and credit lines (Q1 2011: €0.3 million) and interest expenses of €0.2 million for the discounting of non-current receivables from product suppliers (Q1 2011: interest income of €0.1 million).

Balance sheet

The Hypoport Group's consolidated total assets as at 31 March 2012 amounted to €70.9 million, which was 2 per cent down on the total as at 31 December 2011 (€72.1 million).



Balance structure

Non-current assets totalled €37.0 million (31 December 2011: €35.0 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest single item.

Financial assets essentially comprise a loan of €813 thousand (31 December 2011: €813 thousand) to a joint venture. Current assets decreased by €3.2 million to €33.9 million because trade receivables declined by €2.7 million and cash and cash equivalents fell by €0.4 million. By contrast, other assets increased by €0.1 million.

The equity attributable to Hypoport AG shareholders as at 31 March 2012 grew by €0.5 million, or 1.5 per cent, to €31.6 million. The equity ratio improved from 43.0 per cent to 44.6 per cent owing to the Hypoport Group's significant net profit and the contraction in its total assets.

The €0.5 million decrease in non-current liabilities to €10.8 million stemmed pri-marily from the fall in financial liabilities. Current liabilities declined by €2.3 million to €28.3 million mainly owing to the €0.9 million reduction in other liabilities and the €0.7 million decrease in trade payables.

Total financial liabilities rose by €0.3 million to €19.0 million largely because the level of new borrowing was higher than the scheduled loan repayments.

Cash flow

Cash flow fell by €0.4 million to €1.8 million during the reporting period. This decrease was largely attributable to the lower net profit reported for the period. The total net cash generated by operating activities as at 31 March 2012 amounted to €0.4 million (31 March 2011: net cash outflow of €2.3 million). The cash used for working capital fell by €2.9 million to €1.4 million (31 March 2011: €4.3 million). The net cash outflow of €1.1 million from investing activities (31 March 2011: out-flow of €1.1 million) stemmed primarily from the fact that capital expenditure on non-current intangible assets rose to €1.0 million (31 March 2011: €0.9 million).

The net cash of €0.2 million provided by financing activities (31 March 2011: net cash outflow of €0.6 million) related to scheduled loan repayments of €3.7 million (31 March 2011: €0.6 million) and new borrowing of €3.9 million (31 March 2011: €0.0 million). Cash and cash equivalents as at 31 March 2012 totalled €7.1 million, which was €0.4 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 investment was spent on enhancing the EUROPACE financial marketplaces.

Employees

The Hypoport Group employed 505 people as at 31 March 2012 (31 March 2011: 463 people). Total headcount increased by 16 people compared with the end of 2011 (31 December 2011: 489 employees).

Outlook

Economic growth forecasts for the world, Europe and even Germany are still subject to heightened uncertainty. The financial markets are especially prone to volatility. Market uncertainty is partly being fuelled by the wide range of opinions still being voiced and the highly diverse political measures being taken across Europe. Even the injection of €1 trillion worth of liquidity in December 2011 and March 2012 has failed to calm the situation in Europe. The public finances of Spain and Italy are currently a cause of concern to politicians and the European Central Bank (ECB) alike. Markets and consumers continue to be unsettled by the fact that a rapid succession of countries are repeatedly getting into financial difficulties. The ECB has been injecting further liquidity in an attempt to calm the situation and is almost certain to stick with its expansionary monetary policy for a few more months.

Consequently, interest rates for Germany are likely to stay low for the foreseeable future. Despite the fact that inflation has fallen slightly this spring, it has remained consistently above the ECB's 2 per cent target owing to its monetary policies. Although the central bank has indicated its willingness to take action against upside risks, it is having to perform a fine balancing act. It will be difficult to keep German inflation in check without constraining growth in other euro-zone countries. Prices are therefore sure to remain high in the short term. The employment situation in Germany continues to look encouraging. The German Institute for Economic Research (DIW) reckons, however, that weak growth leading up to the summer may well cause the number of people in work to flatline at a high level. The positive figures coming out of the labour market coupled with rising wages continue to boost consumer spending. Robust domestic demand will also drive up prices across the board.

The aforementioned factors will continue to have a benign effect on the real-estate market. Low interest rates, secure jobs and strong demand for safe investments will keep this sector buoyant. This in turn will raise the price of both new builds and existing properties. The International Monetary Fund predicts that ageing populations are likely to impose burgeoning costs on both governments and individuals. Real estate will continue to play an important role here as both a home and an investment. The current period of low interest rates is for the first time making it very difficult for the insurance industry to deliver its guaranteed returns of 4 per cent, which in turn is tarnishing the appeal of life insurance. The sector is also undergoing radical changes to the sale of health insurance as a result of new legislation on the capping of commissions and the extension of policy cancellation periods.

Taken together, demand for holistic and impartial advice and the desire for clearly structured and diverse product ranges remains strong on the part of private and institutional clients alike. Against this backdrop the Hypoport Group is excellently placed to use its diversified business model to exploit future opportunities. Despite the subdued macroeconomic outlook we are therefore cautiously optimistic and expect the Company's business to continue to perform well over the next 21 months, generating significant double-digit growth in revenue and gross profit as well as a year-on-year improvement in earnings before interest and tax (EBIT).

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4. Interim consolidated financial statements

Consolidated balance sheet as at 31 March 2012

Assets	31 Mar 2012 €´000	31 Dec 2011 €´000
Non-current assets		
Intangible assets	27,814	27,867
Property, plant and equipment	2,298	2,452
Financial assets	962	985
Trade receivables	4,541	2,498
Other assets	28	26
Deferred tax assets	1,349	1,218
	36,992	**35,046**
Current assets		
Trade receivables	22,410	25,115
Other current items	3,788	3,862
Income tax assets	598	595
Cash and cash equivalents	7,095	7,518
	33,891	**37,090**
	70,883	**72,136**
Equity and liabilities		
Equity		
Subscribed capital	6,195	6,195
Treasury shares	-1	-1
Reserves	25,393	24,855
	31,587	**31,049**
Non-controlling interest	197	220
	31,784	**31,269**
Non-current liabilities		
Financial liabilities	8,537	7,769
Provisions	313	299
Other liabilities	10	10
Deferred tax liabilities	1,949	2,219
	10,809	**10,297**
Current liabilities		
Provisions	71	281
Financial liabilities	10,467	10,890
Trade payables	11,512	12,176
Current income tax liabilities	820	905
Other liabilities	5,420	6,318
	28,290	**30,570**
	70,883	**72,136**

Consolidated income statement

for the period 1 January to 31 March 2012

	1 Jan - 31 Mar 2012 €´000	01 Jan - 31 Mar 2011 €´000
Revenue	20,587	17,683
Selling expenses (Commision and lead costs)	-9,054	-7,316
Gross profit	**11,533**	**10,367**
Own work capitalised	997	922
Other operating income	268	509
Personnel expenses	-7,552	-6,520
Other operating expenses	-3,271	-3,036
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,975**	**2,242**
Depreciation, amortisation expense and impairment losses	-1,287	-1,260
Earnings before interest and tax (EBIT)	**688**	**982**
Financial income	31	59
Finance costs	-389	-269
Earnings before tax (EBT)	**330**	**772**
Income taxes and deferred taxes	185	-184
Net profit for the year	**515**	**588**
attributable to non-controlling interest	-23	-28
attributable to Hypoport AG shareholders	**538**	**616**
Earnings per share (€)	**0.09**	**0.10**

Consolidated statement of comprehensive income

for the period 1 January to 31 March 2012

	1 Jan - 31 Mar 2012 €´000	1 Jan - 31 Mar 2011 €´000
Net profit (loss) for the year	**515**	**588**
Total income and expenses recognized in equity*	**0**	**0**
Total comprehensive income	**515**	**588**
attributable to non-controlling interest	-230	-28
attributable to Hypoport AG shareholders	**538**	**616**

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

Abridged consolidated statement of changes in equity for the three months ended 31 March 2012

€´000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Balance as at 1 January 2011	6,128	1,937	19,083	27,202	188	27,390
Sale of own shares	10	106	2	118	0	118
Total comprehensive income	0	0	616	616	-28	588
Balance as at 31 March 2011	**6,192**	**2,043**	**19,701**	**27,936**	**160**	**28,096**

€´000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Balance as at 1 January 2012	6,194	2,052	22,803	31,049	220	31,269
Sale of own shares	0	0	0	0	0	0
Total comprehensive income	0	0	538	538	-23	515
Balance as at 31 March 2012	**6,194**	**2,052**	**23,341**	**31,587**	**197**	**31,784**

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THE FINANCE INTEGRATOR

Consolidated cash flow statement

for the period 1 January to 31 March 2012

	31 Mar 2012 €´000	31 Mar 2011 €´000
Earnings before interest and tax (EBIT)	688	982
Non-cash income (+) / expense (-)	82	-156
Interest received (+)	31	59
Interest paid (-)	-389	-269
Income tax payments (-)	104	89
Depreciation and amortisation expense, impairment losses (+) / reversals of	1,287	1,260
Cashflow	**1,803**	**1,965**
Increase (+) / decrease (-) in current provisions	-210	29
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	600	1,348
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	-1,758	-5,657
Change in working capital	**-1,368**	**-4,280**
Cash flows from operating activities	**435**	**-2,315**
Payments to acquire property, plant and equipment / intangible assets (-)	-1,080	-1,031
Proceeds from the disposal of financial assets (+)	23	28
Purchase of financial assets (-)	0	-125
Cash flows from investing activities	**-1,057**	**-1,128**
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	3,900	0
Redemption of bonds and loans (-)	-3,701	-568
Cash flows from financing activities	**199**	**-568**
Net change in cash and cash equivalents	-423	-4,011
Cash and cash equivalents at the beginning of the period	7,518	11,200
Cash and cash equivalents at the end of the period	**7,095**	**7,189**

Abridged segment reporting

for the period 1 January to 31 March 2012

€´000	Institutional Clients	Private clients	Financial Service Providers	Reconciliation	Group
Segment revenue in respect of third parties	**2,140**	**12,608**	**5,812**	**27**	**20,587**
1 Jan - 31 Mar 2011	2,934	11,410	3,320	19	17,683
Segment revenue in respect of other segments	**0**	**23**	**213**	**-236**	**0**
1 Jan - 31 Mar 2011	34	27	172	-233	0
Total segment revenue	**2,140**	**12,631**	**6,025**	**-209**	**20,587**
1 Jan - 31 Mar 2011	2,968	11,437	3,492	-214	17,683
Gross profit	**2,009**	**4,955**	**4,549**	**20**	**11,533**
1 Jan - 31 Mar 2011	2,824	4,472	3,071	0	10,367
Segment earnings before interest, tax, amortisation (EBITDA)	**327**	**364**	**1,883**	**-599**	**1,975**
1 Jan - 31 Mar 2011	1,368	329	944	-402	2,242
Segment earnings before interest and tax (EBIT)	**229**	**337**	**909**	**-787**	**688**
1 Jan - 31 Mar 2011	1,217	317	32	-584	982
Segment assets					
31 March 2012	23,284	18,583	24,718	4,298	70,883
31 Dec 2011	23,365	20,990	24,311	3,470	72,136

* The comparative prior-year tax figures have been adjusted and are explained in section 5 of the notes to the interim consolidated financial statements „Comparative figures for 2011"

5. Notes to the interim consolidated financial statements

Information about the Company

The Hypoport Group is an internet-based financial service provider. Its business model is based on two mutually supporting pillars: the Financial Product Sales and B2B Financial Marketplaces divisions.

Operating through its wholly owned subsidiary Dr. Klein & Co. AG, Vergleich.de Gesellschaft für Verbraucherinformation mbH and Qualitypool GmbH, the Hypoport Group offers private clients internet-based banking and financial products (providing advice, if requested, either by telephone or face to face) ranging from current accounts and insurance to mortgage finance.

With its EUROPACE B2B financial marketplace, the Hypoport Group uses Germany's largest online transaction platform to sell financial products. A fully integrated system links a large number of banks with several thousand financial advisers, thereby enabling products to be sold swiftly and directly.

Its parent company is Hypoport AG, which is headquartered in Berlin, Germany. Hypoport AG is entered in the commercial register of the Berlin-Charlottenburg local court under HRB 74559. The business address of the Company is Klosterstrasse 71, 10179 Berlin, Germany.

Basis of presentation

The condensed interim consolidated financial statements for the period ended 31 March 2012 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). The report has been condensed in accordance with IAS 34 compared with the scope of the consolidated financial statements for the year ended 31 December 2011. These condensed interim consolidated financial statements should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2011 and the disclosures contained in the notes thereto. These condensed interim consolidated financial statements have not been reviewed by an auditor.

These condensed interim consolidated financial statements are based on the accounting policies and the consolidation principles applied to the consolidated financial statements for the year ended 31 December 2011.

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

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

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

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

Accounting policies

The accounting policies applied are those used in 2011, with the following exceptions:
- IAS 1: Presentation of Items of other Comprehensive Income
- IAS 12: Deferred Tax: Recovery of Underlying Assets

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

Comparative figures for 2011

The Hypoport Group merged its Corporate Real Estate Clients business unit with its Institutional Clients unit to form the new Institutional Clients business unit with effect from 1 January 2012. The objectives of this merger are to create three business units of similar sizes and to simply internal processes. The comparative prior-year figures have been restated accordingly. This merger has not affected either the net profit (loss) for the period or the earnings (loss) per share reported by the Hypoport Group.

Basis of consolidation

The consolidation as at 31 March 2012 included all entities controlled by Hypoport AG in addition to Hypoport AG itself.

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

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	Holding %
ATC Hypoport B.V., Amsterdam	50.00
Dr. Klein & Co. AG, Lübeck	100.00
Europace AG, Berlin (formerly Hypoport Insurance Market GmbH, Berlin)	100.00
GENOPACE GmbH, Berlin	50.025
FINMAS GmbH, Berlin	50.00
Hypoport B.V., Amsterdam	100.00
Hypoport Finance AG, Berlin	100.00
Hypoport Mortgage Market Ltd., Westport (Ireland)	100.00
Hypoport on-geo GmbH, Berlin	50.00
Hypoport Stater B.V., Amsterdam	50.00
Hypoport Systems GmbH, Berlin	100.00
Qualitypool GmbH, Lübeck	100.00
Starpool Finanz GmbH, Berlin	50.025
Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin	100.00

With the exception of Hypoport Stater B.V., Hypoport on-geo GmbH, FINMAS GmbH and ATC Hypoport B.V. (all joint ventures consolidated on a pro-rata basis owing to lack of control), all companies in the Group are fully consolidated.

Intangible assets and property, plant and equipment

Intangible assets primarily comprise unchanged goodwill of €14.8 million and development costs of €12.0 million for the financial marketplaces (31 December 2011: €12.0 million).

Property, plant and equipment consists solely of office furniture and equipment of €2.3 million (31 December 2011: €2.5 million).

Income taxes and deferred taxes

This item includes current and deferred tax income and expense in the following amounts:

	1 Jan - 31 Mar 2012	1 Jan - 31 Mar 2011
Income taxes and deferred taxes	-185	184
current income taxes	216	217
deferred taxes	-401	-33
in respect of timing differences	-20	12
in respect of tax loss carryforwards	-381	-45

A current income tax expense of €38 thousand (Q1 2011: €0 thousand) relates to previous years.

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.

Subscribed capital

The Company's subscribed capital as at 31 March 2012 was unchanged at €6,194,958.00 (31 December 2011: €6,194,958.00) and was divided into 6,194,958 (31 December 2011: 6,194,958) fully paid-up registered no-par-value shares.

The Annual Shareholders' Meeting held on 17 June 2011 voted to carry forward Hypoport AG's distributable profit of €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 preemption rights of the shareholders, subject to the consent of the Supervisory Board.

Conditional capital

The Annual Shareholders' Meeting on 26 August 2002 approved a conditional cap-ital increase of up to €276,808.00 in the Company's subscribed capital, which now amounts to €122,650.00. The purpose of the conditional capital increase was to allow share options to be granted to employees, members of the Management Board and to directors of Hypoport Group companies. The share option programme ended on 31 December 2010. Since it is no longer possible to issue shares from conditional capital in connection with the exercise of share options, the authorisation for the conditional capital has been set aside.

Treasury shares

Hypoport held 1,045 treasury shares as at 31 March 2012 (equivalent to €1,045.00, or 0.02 per cent, of the subscribed capital of Hypoport AG), which are intended to be issued to employees. The change in the balance of treasury shares and the main data relating to transactions during the reporting period are shown in the table below.

Change in the balance of treasury shares in 2012	Number of shares	Proportion of subscribed capital %	Cost of purchase €	Sale price €	Gain or loss on sale €
Opening balance as at 1 January 2012	1,046	0.017	1,307.50		
Sold in January 2012	1	0.000	1.25	0.00	-1.25
Balance as at 31 Mar 2012	**1,045**	**0.017**			

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

Reserves

The breakdown of reserves can be found in the above consolidated statement of changes in equity.

Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issuance of shares under the 2002–2004 employee share ownership programme from 2006 to 2009 (€1.187 million), an amount equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand), an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand) and income from the issuance of shares to employees (€120 thousand, of which €0 thousand relates to 2012).

Retained earnings include the profits generated by the entities included in the con-solidated 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 with effect from 1 January 2004 and recognised directly in equity, and a stat-utory reserve of €7 thousand (31 December 2011: €7 thousand) are also reported under this item.

Non-controlling interest

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

Share-based payment

No share options were issued in the first quarter of 2012.

Related parties

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

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

The scope of persons covered by the requirements also includes key management personnel, their close family members and other entities via which a named person exercises control or significant influence over Hypoport AG. The persons covered by this requirement during the reporting period were the members of the Group Management Board and Supervisory Board of Hypoport AG and their close family members.

The table below shows the numbers of shares in Hypoport AG directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 31 March 2012.

	Number of shares 31 March 2012	Number of shares 31 Dec 2011
Management Board		
Ronald Slabke	2,245,831	2,241,831
Thilo Wiegand	27,267	24,000
Stephan Gawarecki	187,800	187,800
Hans Peter Trampe	174,990	174,990
Supervisory Board		
Dr. Ottheinz Jung-Senssfelder	14,000	14,000
Prof. Dr. Thomas Kretschmar	814,286	814,286
Christian Schröder	24,000	24,000

The companies in the Hypoport Group have not carried out any further disclosable transactions with members of either the Supervisory Board or the Group 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 of €269 thousand was generated by joint ventures in the first quarter of 2012 (Q1 2011: €152 thousand). As at 31 March 2012, receivables from joint ventures amounted to €908 thousand (31 December 2011: €948 thousand) and liabilities to such companies totalled €813 thousand (31 December 2011: €813 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 2011 group management report. There are no identifiable risks to the Hypoport Group as a going concern.

Seasonal influences on business activities

The first quarter of every year is notoriously the weakest season in the mortgage finance business. In the past, positive changes in the mortgage market for both private and institutional clients have been noticeable over the course of a year. The Company expects to see an encouraging trend in the sale of insurance products to private and institutional clients during the course of the year caused, among other things, by certain industry-wide cancellation deadlines and tax issues.

Events after the balance sheet date

No material events have occurred since the balance sheet date.

Berlin, 7 May 2012

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

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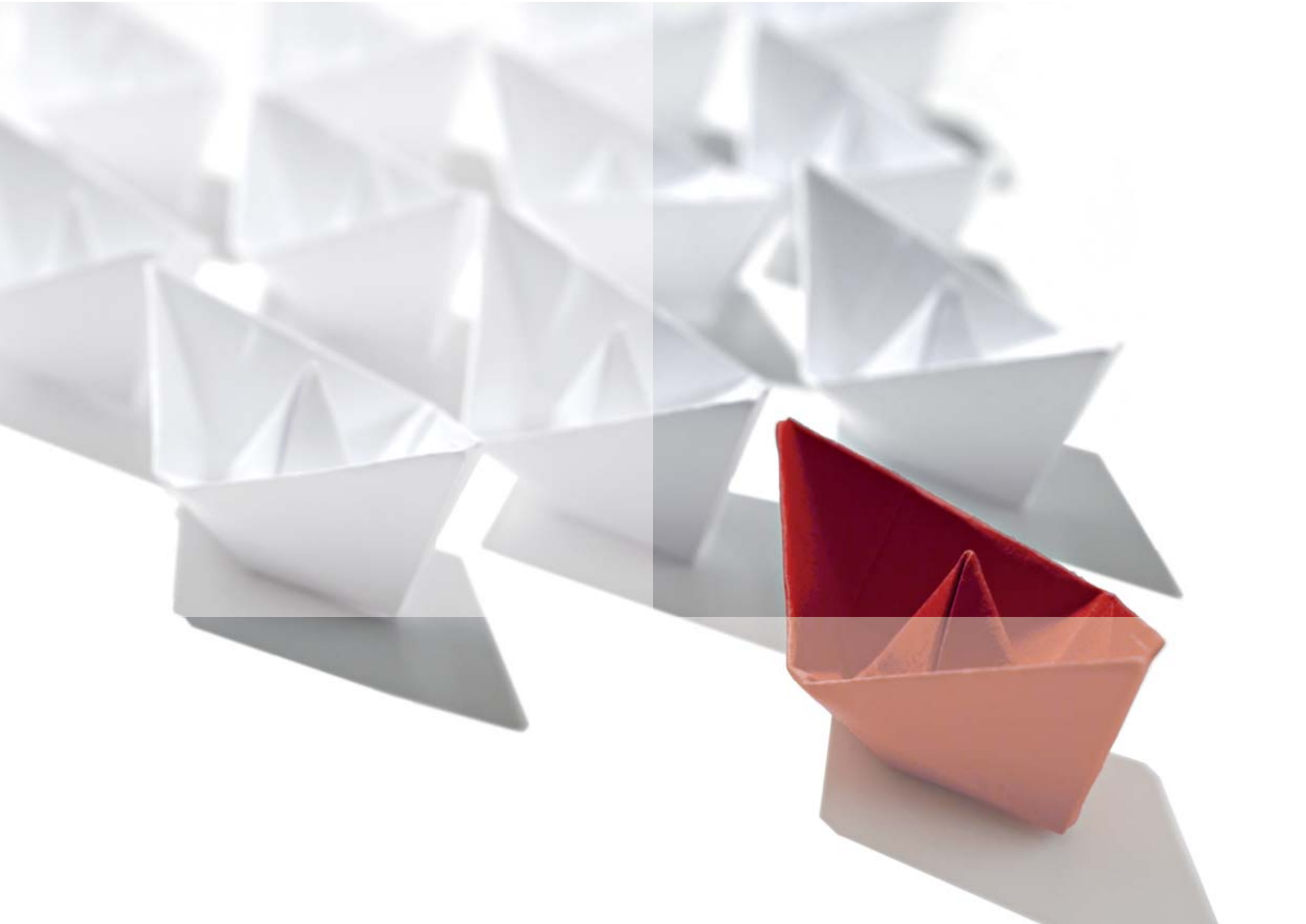

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