



28 December 2007

**DIRECT WONEN N.V.**  
**(‘Direct Wonen’ or the ‘Group’)**

Trading Update

In our Interim Statement released on 28 September 2007, we reported that we anticipated announcing a significant acquisition shortly. Following extensive due diligence and as a result of deteriorating market conditions in the UK property market in which the target company operates, the Board has decided to terminate discussions with regard to this acquisition.

Since our Interim Statement, the trading environment has deteriorated in Financial Services and New Build Property Sales whilst remaining firmly on track in Property Lettings.

Within *Property Services (Sales)*, sales growth of new properties has significantly slowed down in the second half. Due to a decreasing supply of suitable residential projects on the market, as reported in our interim statement, negotiations with developers are becoming even more protracted, making it more difficult to close high margin, high quality transactions. In addition, we have experienced further delays to the start date for the building of a major project, to the sale of which we were committed. In view of these circumstances, management has decided to sell this project to a third party thereby securing revenues but at lower margins.

The performance of the *Financial Services* Division continues to be disappointing. Market activity in residential property has worsened with fewer transactions in the second half. The higher interest rate environment, also reported in our interim statement, and the uncertainties arising from tighter bank lending since then, together with the effect of the situation on the US and UK housing market, have caused a general market decline. In the nine months ended 30 September 2007, the mortgage market has declined by 16.7%. There has also been an increasing trend towards interest only mortgages, which are a lower margin product. Direct Hypotheken has especially suffered from these challenging market conditions, as a newly established brand, with a consequential effect on the sales performance of related insurance and endowment products.

As a result of the deteriorating market conditions experienced within Financial Services, together with higher than anticipated costs and the challenges we are facing in New Property sales, the Board anticipates that the outcome for the full year will be significantly below market expectations. We anticipate that (EBITA) will be in the range of € 14 to € 16 million.

Market conditions are expected to remain challenging. The Board is therefore focused on strengthening the core on-line offering in Property Lettings and Financial Services

and to increase the size of our database to maximise cross-selling opportunities, while at the same time keeping tight control over costs. Despite the challenges that we have faced during 2007, which has been a year of transition to a listed company and a year of integration of acquisitions, the Board is more confident about future prospects.

There remains a healthy pipeline of acquisition opportunities in our core property lettings and financial services offering. The Board continues to review these opportunities with a focus on smaller acquisitions within the framework of the existing business model and in line with our growth strategy.

The Company is expected to announce Preliminary Results for the year ending 31 December 2007 on 4 April 2008.

**For more information please contact:**

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**About Direct Wonen**

Direct Wonen is a non traditional residential property and financial services intermediary based in The Netherlands

The Direct Wonen group of companies operates two complementary business lines:

- private residential property lettings and new property sales
- financial services intermediary promoting mortgages, consumer loans, insurance and savings products

Both business lines utilise Direct Wonen's database of individuals looking for housing, landlords and property developers. In 2006 [www.directwonen.nl](http://www.directwonen.nl) had a total of approximately 700.000 registered users and approximately 2.4 million unique visitors. The Direct Wonen group of companies has a network of 26 regional offices.

Direct Wonen was formed in 1990 and has been listed on AIM of the London Stock Exchange since 1 May 2007.