



**DIRECT WONEN N.V.**  
**("Direct Wonen" the "Company" or the "Group")**

**Unaudited Preliminary Results for the year ended 31 December 2008**

**"SATISFACTORY PERFORMANCE IN A TURBULENT YEAR"**

Direct Wonen N.V. (AIM, DIWO), the online Property and Financial Services provider based in the Netherlands, today announces its preliminary results for the year ended 31 December 2008.

**Key Results**

- Revenue (including exceptional items) was EUR 29.9 million (2007: EUR 43.6 million) and EBITDA EUR -3.3 million (2007: EUR 14.9 million)
- Revenue (excluding exceptional items) decreased to EUR 31.0 million (2007: EUR 41.2 million) due to a significant reduction in New Property Sales of EUR 17.6 million and partly compensated by an increase in Property Lettings and Financial Services activities
- EBITDA from continuing operations (excluding exceptional items) was EUR 3.8 million (2007: EUR 9.8 million)
- Results were effected by exceptional items of EUR -7.1 million (2007: EUR +5.1 million) relating to reorganisation/integration costs, impairment and one off write downs
- Total Group staff was reduced by 94 full time employees with 266 full time employees at year end 2008 compared with 360 full time employees at year end of 2007
- Intangible Assets increased with EUR 11.7 million mainly following acquisitions (2007: EUR 16.4 million)
- Equity position remained strong at EUR 73.2 million (2007: EUR 79.6 million)

Commenting on the results, CEO Yvonne Swaans said:

*"2008 has been a turbulent year. Beside the fact that Direct Wonen had to cope with the severe impact of the (credit) crisis, we successfully managed to align the Company with improved product offering and focus. Costs were reduced considerably which regrettably could not be done without a reduction of staff.*

*Direct Wonen has now been modified to a lean and mean organisation and activities from acquisitions have been further integrated and synergies have been achieved. We are now well shaped for the changed market circumstances and ready for future opportunities within our core business. The Group's solid business model, the predominance of synergy advances and our broad product portfolio will provide a stable cash flow from operations with good growth potential".*

## **Business Overview**

### **Property Lettings Services**

- EBITDA from continuing operations (excluding exceptional items) was EUR 2.5 million (2007: EUR 2.2 million)
- Results were effected by exceptional items of EUR -1.7 million (2007: EUR +1.4 million) which in 2008 were related to reorganisation costs and the write down of a claim
- Revenue including exceptional items increased with 19% (EUR 2.2 million) to EUR 13.9 million (2007: EUR 11.7 million), and EBITDA EUR 0.8 million (2007: EUR 3.6 million)

Our lettings business provided a stable revenue stream, with new acquisitions contributing positively. The web portal [directwonen.nl](http://directwonen.nl) showed a continued positive performance with increased visitors and subscriptions.

### **New Property Sales Services**

- EBITDA from continuing operations (excluding exceptional items) was EUR 0.0 million (2007: EUR 6.8 million)
- Results were negatively effected by exceptional items of EUR -2.8 million
- Exceptional items were related to an impairment of a receivable on a project
- Revenue including exceptional items was EUR 1.1 million (2007: EUR 18.7 million) and EBITDA EUR -2.7 million (2007: EUR 6.8 million)

A portfolio of new potential projects was developed and carefully evaluated during 2008. However, in the light of the credit crisis, management has not entered into new projects at this moment in time, resulting in the drop in revenue in 2008.

Following the credit crisis and the current outlook, a one off project, sold to a third party in 2007, was terminated by agreement of both parties. A loss of EUR 2.8 million was incurred.

### **Financial Services**

- EBITDA from continuing operations excluding exceptional items was EUR 1.3 million (2007 EUR 0.8 million)
- Results were negatively effected by exceptional items of EUR -2.6 Million (2007: EUR 3.7 million)
- Exceptional items in 2008 were related to reorganisation/integration costs and the write down for impairment of EUR 1.0 million
- Revenue including exceptional items increased with 12% to EUR 14.9 million (2007: EUR 13.3 million) EBITDA EUR -1.4 million (2007: EUR 4.5 million)

The broad portfolio of products relating to direct and indirect intermediary for mortgages, golden handshakes, consumer loan intermediary and life insurance products provide a diversified and robust cashflow basis.

Existing business was effected by exceptional items for the discontinuation of Direct-Hypotheeken activities, restructuring and integration costs and an impairment of EUR 1.0 million totaling EUR 2.6 million.

The integration of Geldshop.nl (web based consumer loan intermediary) has been successfully completed and will benefit from improved synergy results and makes full use of the databases available in the Group.

**For more information please contact**

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**About Direct Wonen**

Direct Wonen is an Online residential property and financial services provider based in The Netherlands.

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

- Residential Property Letting services
- New Property Sales services
- Financial services

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

**Consolidated income statement (excluding exceptional items)**  
**For the year ended 31 December**

<i>In thousands of euros</i>	<b>2008</b>	<b>2007</b>
Revenue	31,037	41,172
Profit before tax	1,188	9,453
EBITDA	3,834	9,821
Total exceptional items	7,139	(5,065)

**Consolidated income statement**  
**For the year ended 31 December**

<i>In thousands of euros</i>	<b>2008</b>	<b>2007</b>
Revenue	29,881	43,603
Cost of sales	<u>(1,070)</u>	<u>(6,395)</u>
<b>Gross profit</b>	28,811	37,208
Other income	140	1,797
Administrative expenses	(18,333)	(14,081)
Other expenses	<u>(16,988)</u>	<u>(10,954)</u>
<b>Result from operating activities</b>	<u>(6,370)</u>	<u>13,970</u>
Share of profits/(losses) of associate	-	(91)
Finance income	2,768	1,912
Finance expenses	<u>(2,349)</u>	<u>(1,273)</u>
	419	548
<b>Result before tax</b>	(5,951)	14,518
Tax expense	<u>2,861</u>	<u>(1,979)</u>
<b>Net result</b>	<u>(3,090)</u>	<u>12,539</u>
<b>Earnings per share after tax (€)</b>		
Basic earnings per share	<u>(0.02)</u>	<u>0.12</u>
<b>EBITDA</b>	<u>(3,305)</u>	<u>14,886</u>

**Segment income statement**  
**For the year ended 31 December**

*In thousands of euro*

	<b>Lettings</b>		<b>New build sales</b>		<b>Financial services</b>		<b>Consolidated</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenue</b>	13,846	11,649	1,126	18,681	14,909	13,273	29,881	43,603
<b>Result from operating activities</b>	(667)	3,296	(2,732)	6,733	(2,971)	3,593	(6,370)	13,622
<b>EBITDA</b>	785	3,642	(2,723)	6,814	(1,367)	4,430	(3,305)	14,886

**Consolidated balance sheets  
As at 31 December**

*In thousands of euros*

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Property, plant and equipment	3,531	2,832
Intangible assets	41,924	30,244
Investments in equity accounted investees	-	33
Financial fixed assets	<u>883</u>	<u>5,963</u>
<b>Total non-current assets</b>	<u>46,338</u>	<u>39,072</u>
Inventories and work in progress	3,474	736
Current tax asset	4,603	194
Trade and other receivables	15,170	22,860
Other financial assets	5,362	-
Cash and cash equivalents	<u>59,702</u>	<u>56,203</u>
<b>Total current assets</b>	<u>88,311</u>	<u>79,993</u>
<b>Total assets</b>	<u>134,649</u>	<u>119,065</u>
<b>EQUITY</b>		
Share capital	3,148	3,148
Share premium	50,727	53,468
Hedging reserve	(586)	-
Retained earnings	<u>19,896</u>	<u>22,987</u>
<b>Total equity</b>	<u>73,185</u>	<u>79,603</u>
<b>LIABILITIES</b>		
Loans and borrowings	29,343	-
Cash flow hedge	586	-
Provisions	10,426	5,827
Deferred tax liability	<u>475</u>	<u>661</u>
<b>Total non-current liabilities</b>	<u>40,830</u>	<u>6,488</u>
Loans and borrowings	7,687	257
Trade and other payables	<u>12,947</u>	<u>32,717</u>
<b>Total current liabilities</b>	<u>20,634</u>	<u>32,974</u>
<b>Total liabilities</b>	<u>61,464</u>	<u>39,462</u>
<b>Total equity and liabilities</b>	<u>134,649</u>	<u>119,065</u>

**Consolidated statements of changes in equity**

<i>In thousands of euros</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Hedging reserve</b>	<b>Retained earnings</b>	<b>Total</b>
Balance at 1 January 2008	3,148	53,468	-	22,987	79,603
Result for the period	-	-	-	(3,090)	(3,090)
Dividend	-	(2,742)	-	-	(2,742)
Gain/loss on cash flow hedges	-	-	(586)	-	(586)
<b>Balance at 31 December 2008</b>	<u>3,148</u>	<u>50,726</u>	<u>(586)</u>	<u>19,897</u>	<u>73,185</u>

**Consolidated statement of cash flows**  
**For the year ended 31 December**

*In thousands of euros*

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Result for the period	(5,951)	14,518
<i>Adjustments for:</i>		
Depreciation Property, plant and equipment	1,241	834
Depreciation Intangible assets	1,825	81
Proceeds from equity accounted investees	-	(91)
Finance income	(2,768)	(1,912)
Finance cost	2,349	1,273
	<u>(3,304)</u>	<u>14,703</u>
Change in inventories	(2,738)	1,310
Change in trade and other receivables	2,328	(6,668)
Change in trade and other payables	(14,542)	7,736
Change in provisions	5,367	(1,896)
	<u>(12,889)</u>	<u>15,185</u>
Taxation paid	(1,735)	(2,376)
<b>Net cash from operating activities</b>	<u>(14,624)</u>	<u>12,809</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	(14,121)	(14,645)
Purchase of fixed assets	(1,940)	(1,292)
Development of websites	(270)	(244)
Investments in equity accounted investees	-	(33)
Loan to accounted investees	-	(150)
Interest received	2,768	1,912
<b>Net cash used in investing activities</b>	<u>(13,563)</u>	<u>(14,452)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	-	59,215
Bank borrowing advances	36,773	(2,183)
Interest paid	(1,921)	(251)
Share premium paid	-	(12,245)
Dividends paid	(2,742)	(943)
<b>Net cash from (used in) financing activities</b>	<u>32,110</u>	<u>43,593</u>
<b>Net increase in cash and cash equivalents</b>	<u>3,923</u>	<u>41,950</u>
Cash and cash equivalents at 1 January	56,203	15,275
Net foreign exchange gain/(loss)	(424)	(1,022)
<b>Cash and cash equivalents at 31 December</b>	<u>59,702</u>	<u>56,203</u>

*Basis of preparation*

*The consolidated financial information contained within these preliminary results is unaudited and does not constitute the statutory accounts of the Company for the year ended 31 December 2008. It is currently expected that the annual report will be posted to shareholders on 15 June 2009 and that the Company's Annual General Meeting will be held on 18 June 2009.*

*The preparation of the preliminary results requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant judgements and estimates applied by the Group in these preliminary results have been applied on a consistent basis with the statutory accounts for the year ended 31 December 2007. Although such estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.*

*The accounting policies applied in these preliminary results are in accordance with International Financial Reporting Standards, as endorsed by the European Union ('IFRS') and are in accordance with the IFRS accounting policies that were applied in the Group's statutory accounts for the year ended 31 December 2007.*

In the current year, the Group has applied the following amendments and interpretations ("new IFRSs") issued by the International Accounting Standards Committee as adopted by the European Union which are or have become effective.

IFRS 39 & IFRS 7 (Amendments)	Reclassification of Financial Assets
IFRIC 11	HKFRS 2: Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions

The application of the new IFRS has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.