

Direct Wonen N.V.
Condensed consolidated interim financial statements
for the six month period ended 30 June 2008

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**Condensed consolidated interim income statements
for the six month period ended 30 June 2008**

In thousands of euros

	30 June 2008	30 June 2007
Revenue	14,156	21,772
Cost of sales	239	3,596
Gross profit	13,917	18,176
Other income	16	-
Administrative expenses	9,091	5,310
Other expenses	6,783	4,554
Profit from operations	(1,941)	8,312
Finance income	905	830
Finance expenses	(1,159)	(2,839)
Profit before tax	(2,195)	6,303
Tax	307	(1,196)
Gross profit	(1,888)	5,107
Earnings per share after tax (€)		
- Basic earnings per share	(0,01)	0,09

**Condensed consolidated interim balance sheet
at 30 June 2008**

In thousands of euros

	30 June 2008	31 December 2007
Assets		
Intangible assets	43,024	30,244
Property, plant and equipment	3,238	2,832
Investments in associates	-	33
Financial fixed assets	5,849	5,963
Total non-current assets	52,111	39,072
Inventories and work in progress	63	736
Current tax assets	465	194
Trade and other receivables	21,621	22,860
Other financial assets	6,654	-
Cash and cash equivalents	58,391	56,203
Total current assets	87,194	79,993
TOTAL ASSETS	139,305	119,065
Capital and reserves attributable to equity holders of the company		
Share capital	3,148	3,148
Share premium	53,468	53,468
Retained earnings	21,099	22,987
TOTAL EQUITY	77,715	79,603
Liabilities		
Non-current liabilities		
loans and borrowings	15,980	-
Deferred tax liabilities	413	661
Provisions	11,085	5,827
Total Non-current liabilities	27,478	6,488
Current liabilities		
loans and borrowings	19,353	257
Trade and other payables	14,759	32,717
Total current liabilities	34,112	32,974
TOTAL LIABILITIES	61,590	39,462
TOTAL EQUITY AND LIABILITIES	139,305	119,065

Condensed consolidated interim statements of changes in equity
for the six month period ended 30 June 2008

<i>In thousands of euros</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Merger reserve</i>	<i>Retained earnings</i>	<i>Total</i>
Position on 1 January 2007	45	48,000	(221,220)	10,448	(162,727)
Profit (loss) of the period	-	-	-	5,107	5,107
Gross profit	-	-	-	5,107	5,107
Other equity changes					
Share issues	3,103	56,648	-	-	59,751
Capital contribution	-	-	196,076	-	196,076
Repayment of share premium	-	(22,157)	-	-	(22,157)
Write off of merger reserve	-	(25,144)	25,144	-	-
Total changes	3,103	9,347	221,220	-	233,670
At 30 June 2007	3,148	57,347	-	15,555	76,050
At 1 January 2008	3,148	53,468	-	22,987	79,603
Profit (loss) of the period	-	-	-	(1,888)	(1,888)
Gross profit	-	-	-	(1,888)	(1,888)
At 30 June 2008	3,148	53,468	-	21,099	77,715

**Condensed consolidated interim statements of cash flows
for the six month period ended 30 June 2008**

In thousands of euros

	30 June 2008	30 June 2007
Operating activities		
Profit for the period	(2,195)	6,303
Adjustments for:		
Depreciation Property, plant and equipment	643	318
Amortisation Intangible assets	228	-
Finance income	(905)	(830)
Finance cost	1,159	2,839
	(1,070)	8,630
Change in inventories	673	749
Change in trade and other receivables	(5,416)	(4,587)
Change in trade and other payables	(6,968)	549
Change in provisions	5,258	(489)
	(7,523)	4,852
Income taxes paid	(212)	-
Cash flows from operating activities	(7,736)	4,852
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(14,087)	-
Purchase of fixed assets	(1,048)	(469)
divestments in equity accounted investees	33	-
Loan to accounted investees	114	-
Interest received	905	391
Subtotal investing activities	(14,083)	(78)
Financing activities		
Proceeds from the issue of share capital	-	58,631
Bank borrowing advances	35,078	-
Bank borrowing repayments	-	(1,265)
Interest paid	(721)	-
Repayment of share premium to shareholders	(9,912)	-
Subtotal financing activities	24,445	57,366
Increase in cash and cash equivalents	2,626	62,140
Net foreign exchange gain/(loss)	(438)	-
Cash and cash equivalents at the the beginning of the period	56,203	15,275
Cash and cash equivalents at the the end of the period	58,391	77,415

**Notes to the condensed consolidated interim financial statements
for the six month period ended 30 June 2008**

1. Basis of preparation

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2. Significant accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in those annual financial statements except for the Financial Fixed Assets as stated below.

Financial fixed assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

3. Segment information

<i>In thousands of euros</i>	<i>Segment revenue</i>		<i>Segment result</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Continuing operations				
Lettings	6,540	5,777	204	2,287
New build sales	304	9,001	43	3,423
Financial services	7,312	6,994	(2,188)	2,602
	<u>14,156</u>	<u>21,772</u>	<u>(1,941)</u>	<u>8,312</u>
Unallocated			(254)	(2,009)
Profit before tax			(2,195)	6,303
Income tax expense			307	(1,196)
Profit for the period			<u>(1,888)</u>	<u>5,107</u>

The Company recognises three business segments based on the products, environment and risks:

- Commissions from lettings (lettings and property management)
- Commissions earned and proceeds from the sale of new build properties (as an agent or principal)
- Financial services (insurance and mortgage commissions),

4. Seasonality

The Group's Lettings segment is subject to seasonal fluctuations as a result of several conditions, In particular, a peak activity is occurring between the months of May and October, This is based on historical figures,

5. Borrowings

During the period, the Group obtained a new short-term bank loan in the amount of Euro 15 million and is repayable within 1 year. Furthermore the Group obtained a new middle-long-term bank loan in the amount of Euro 20 million and is repayable within 5 years. The loan bears interest at market rates.

6. Earnings per share

Profit attributable to ordinary shareholders (€'000)	<u>2008</u> <u>(1,888)</u>
Weighted average number of shares	<u>157,406,028</u>
Basic earnings per share (EPS) after tax (€)	<u>(0,01)</u>

7. Acquisitions

Cost of Acquisitions

<i>In thousands of euros</i>	Date of acquisition	Acquisition costs	Cost of acquisition
Kamernet.nl	05-02-2008	103	8,203
VCS	06-03-2008	7	647
Settle Service B.V.	03-04-2008	103	2,653
Uw Toekomst N.V.	22-05-2008	129	3,002
			<u>14,505</u>

Net assets acquired

<i>In thousands of euros</i>	Pre-acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
Intangible assets	208	2,254	2,462
Property, plant and equipment	374	-	374
Trade and other receivables	1,021	-	1,021
Financial assets	7,052	-	7,052
Other assets	202	-	202
Cash and cash equivalents	418	-	418
Trade and other payables	(643)	-	(643)
Deferred tax liability	98	-	98
Financial liabilities	(125)	-	(125)
Other liabilities	(6,732)	609	(6,123)
Net identifiable assets and liabilities	<u>1,873</u>	<u>2,863</u>	<u>4,736</u>
Goodwill on acquisition			<u>9,769</u>
			14,505
Consideration paid, satisfied in cash			(14,505)
Cash acquired			<u>418</u>
Net cash outflow			<u>(14,087)</u>

The allocation of the purchase price to the net assets acquired has not yet been finalized. The goodwill recognised on the acquisition is attributable to the business and the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

8. Commitments and contingencies

Under the terms of contracts to sell properties on behalf of developers, the Company has obligations to purchase any unsold properties at the end of that contract. At 30 June 2008, the maximum commitment to purchase unsold apartments amounts to € 5,707.

9. Approval of interim financial statements

The interim financial statements were approved by the board of directors on 22 September 2008

Disclaimer

This press release contains forward-looking statements with regard to the financial position and results of Direct Wonen's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Direct Wonen's ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, interest-rate fluctuations, changes in tax rates, changes in law, pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in Direct Wonen's publicly available financial information as included in the admission document to the AIM dated 25 April 2007. You are cautioned not to place undue reliance on these forward-looking statements, which are only relevant as of the date of this press release. Direct Wonen does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these statements. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.