

Woningbouwvereniging Stadgenoot

Major Rating Factors

Strengths:

- Extremely strong ongoing regulatory support to the social housing sector from the government of The Netherlands via the Fonds Volkshuisvesting and Waarborgfonds Sociale Woningbouw, a private foundation
- High demand for social housing in its main operating area.
- Appropriate governance structure with well-defined management processes and very experienced management.
- Strong operating margins and strong EBITDA coverage levels.
- Financial flexibility, which should be able to absorb financial pressures.

Weaknesses:

- Relatively high debt levels compared to international peers, which are expected to rise.
- Very low cash levels, although this is mitigated by its access to committed bank facilities.
- Potential negative impact of the integration of Far West on Stadgenoot's operating performance and leverage.

Rationale

The rating on Woningbouwvereniging Stadgenoot (Stadgenoot) is based on its stand-alone credit profile (SACP), which we assess at 'aa'. In our opinion, there is a "low" likelihood that Stadgenoot would receive timely and sufficient extraordinary support from the government of The Netherlands (AAA/Stable/A-1+) above the ongoing regulatory and financial support that is already provided to the sector by the Fonds Volkshuisvesting (CFV; not rated) and Waarborgfonds Sociale Woningbouw (WSW; AAA/Stable/—).

Issuer Credit Rating

AA/Stable/—

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RatingsDirect Publication Date

Oct. 12, 2011

In accordance with our criteria for rating government-related entities (GREs), our view of a “low” likelihood of extraordinary government support is based on our assessment of Stadgenoot’s:

- Role for the government, which we consider to be of “limited importance”.
- “Limited” link with the Dutch government.

The SACP reflects the ongoing committed extraordinary support to social housing from the Dutch government through the CFV and WSW. The rating is supported by the high demand for social housing in the main areas that the company operates in, its experienced management team, and good governance. In addition, Stadgenoot’s relatively strong operating performance and its flexibility to increase its income and control expenditure further support the rating.

The rating is constrained by the company’s high debt levels and its very low cash reserves. The company’s existing lines of credit largely mitigate these risks. The integration of Far West (a joint venture established in 2000 to revitalize an area in West Amsterdam experiencing economic decline, in which Stadgenoot has a 32.3% stake) could increase financial pressure on the entity if refurbishment or maintenance costs were to rise significantly. We do not consider this likely, given the company’s involvement in the management of Far West’s properties. If costs were to increase, we believe Stadgenoot would be able to make adjustments by postponing discretionary expenditure or increasing disposals.

The Dutch social housing sector benefits from what we view as an extremely stable and supportive framework, which is mainly due to the ongoing support provided by the CFV and WSW. WSW helps the housing associations in the sector obtain cheaper funding, whereas CFV monitors the creditworthiness of member associations and can provide financial support when addressing solvency issues to prevent a default. We understand that the sector’s financial strength is generally considered adequate by those entities that are in charge of monitoring it and that there have been no cash defaults.

Stadgenoot operates mainly in Amsterdam, an area experiencing high demand for social housing owing to its rising population and high housing prices. Although nine housing associations operate in this area, a waiting list over seven years long for first-time tenants in the area reflects the shortage of, and high demand for, properties within the regulated sector. Furthermore, this excess of demand and a centralized tenant allocation system help protect Stadgenoot from competition from other social housing associations operating in the regulated market.

As with its domestic peers, Stadgenoot’s rental income does not result solely from regulated rental activities: 16% of its income stems from commercial real estate rents, parking charges, and the liberalized rental market. The diversification of the rental business, combined with the sale of properties, cross-subsidizes the regulated business and provides Stadgenoot with growth opportunities.

We see the company’s governance as robust, with well-defined management processes and prudent accounting practices. Stadgenoot’s highly experienced management team is knowledgeable about the local market and has a track record of efficiency. These positive factors support the rating.

The company’s financial performance improved substantially in 2010, mainly as a result of cost containment measures. Operating margins increased to 29% in 2010 from minus 13% in 2008 and 15% in 2009. We expect Stadgenoot’s operating performance to continue to strengthen owing to additional rental revenues. We also believe it will continue to rein in costs over the forecast period 2011-2015, and exhibit average operating and net margins of 37% and 7%, respectively. In our view, Stadgenoot has additional flexibility to withstand financial pressures in the future because it has the

option to scale back or delay some investments and apply rental increases above the rate of inflation to a larger share of its estate than it does at present.

Leverage is quite high, rising to 71% in 2010 from 70% in 2009, and we expect debt levels to increase only slightly over the next five years. This is because Stadgenoot expects to fund most of its development by selling assets. It has also significantly reduced the size of its capital program compared with 2007-2008 levels.

The transfer of properties related to the divestment of Far West (around 3,000 properties over the rest of 2011) also constrains the rating. Although we do not expect this to result in a substantial operational burden for Stadgenoot, significant maintenance or repairs of the transferred properties could put its financial position under pressure. This is especially so if it is unable to accommodate the additional expenditure by curtailing its current capital plans, or by increasing proceeds from sales. Nevertheless, given its track record of adjusting its planned maintenance and development plans to absorb revenue shocks, we believe it will continue to cope with additional pressure on revenues.

Liquidity

We view Stadgenoot's liquidity position as a positive factor for the rating, mainly driven by the availability of credit facilities. However, cash levels are low, and had decreased substantially to €11.7 million by the end of June, 2011, only covering about 22% of interest payments, from about €35.5 million in the first quarter of 2011. We believe that the cash position will deteriorate further by the end of 2011 to €0.6 million. Nevertheless, €183 million in undrawn credit facilities could help mitigate this risk by raising the coverage of interest payments to 3.6x.

Moreover, we note that Stadgenoot plans to keep cash levels close to zero during the forecast period, in line with its policy of using credit lines as the first source of liquidity. We view this external financial cushion as more than sufficient to cover Stadgenoot's yearly liquidity needs. We also view it as a positive factor that alleviates the company's weak internal liquidity position.

Outlook

The stable outlook reflects our view that Stadgenoot will continue to adjust its development plans to accommodate additional expenditure so that debt levels do not slip beyond 73% by 2013, under our base-case scenario. The outlook also considers that Stadgenoot will use the additional flexibility enabled by recent changes in the system to increase rents and expand operations outside the regulated sector. It also incorporates our belief that the institutional framework for the Dutch social housing sector will remain stable.

We could raise the rating on Stadgenoot if the entity deleverages more aggressively than we currently anticipate under our base-case scenario in the forecast period. However, we understand this would only be possible if it achieves a stronger turnover than that expected in our base-case scenario because of higher proceeds from asset sales and a higher income from a larger share of liberalized rents.

Conversely, the rating on Stadgenoot could come under pressure if it increases its leverage more aggressively than under our base-case scenario. This could stem from lower asset sales, a reluctance or inability to scale back on new building, and additional pressure on maintenance costs from the transfer of Far West properties. However, we do not consider any of these scenarios as highly likely.

Government Support And GRE Methodology Impact

Standard & Poor's views Stadgenoot as a GRE and therefore we apply our criteria accordingly (see "Enhanced Methodology And Assumptions For Rating Government-Related Entities" published June 29, 2009, on RatingsDirect). Under our GRE criteria, we view Stadgenoot as having a "limited" link with the Dutch government. We believe the government would be unlikely to support the entity beyond the already established framework.

We also believe that Stadgenoot and the social housing sector play a significant role in public policy by providing regulated and nonregulated (or market-driven) housing to a large part of the population, as well as by re-generating economically poorer areas and building communities there. According to our GRE criteria, however, we assess Stadgenoot's individual role as having "limited importance" to the government. While the service provided by the sector in general is of utmost importance to the government, the role played by an individual housing association is less relevant. We also base our assessment on our belief that the government will continue to support the system; therefore direct individual support to an organization is generally not contemplated. We understand that the government will continue to do this to avoid defaults in the sector, which could lead to rising funding costs for all housing associations.

The combination of the company's "limited" link, and the "limited importance" of its role to the Dutch government leads us to believe that the likelihood of extraordinary support, if required by the company, would be "low".

We would view extraordinary support as support that is provided to housing associations in addition to the very strong ongoing regulatory and financial support—via CFV and WSW—and beyond the extraordinary support that already exists (namely CFV's intervention in the case of structural financial problems). Both types of support are already incorporated into the SACP. For more information on the SACP, which we have assigned in accordance with our criteria on housing associations, see "Credit Approach to Rating Social And Public Housing Providers," published on Nov. 24, 2004. In line with our criteria, we have assigned an 'AA' rating to Stadgenoot, which is at the same level of the SACP, which we assess at 'aa'.

Comparative Analysis

Stadgenoot is the third-largest housing association operating in Amsterdam. Stadgenoot compares favorably with the strongest and largest social housing associations in the U.K., such as London & Quadrant Housing Trust (L&Q; AA-/Positive/—) and Sanctuary Housing Association (AA-/Stable/—). Both housing associations have very strong business profiles and strong financial profiles. Stadgenoot's financial profile is slightly weaker in our view due to its significantly higher debt levels. However, it is worth noting that its U.K.-based peers benefit from a development grant from the central government, which strengthens their capital base.

Compared to its U.K. peers, Stadgenoot's unregulated activities have a more diversified profile. As such, it offers open-market lettings, as well as commercial real estate and parking facilities. Together, these account for about 16% of its annual turnover.

Other international peers are the Swedish housing associations Uppsalahem (AA-/Stable/A-1+) and MKB Fastighets (AA-/Stable/A-1+), which operate in areas with a high demand for social housing. Like its Swedish peers, Stadgenoot does not receive a grant or subsidy from the government. As a result, the Swedish entities tend to exhibit higher debt levels than their British counterparts, as does Stadgenoot.

On the other hand, Stadgenoot’s Swedish peers generally demonstrate stronger financial performance; in particular they exhibit higher interest coverage than Stadgenoot and their U.K. equivalents. Finally, we do not expect Stadgenoot to receive as much extraordinary support as its British and Swedish peers. We include this in our estimate of the “low” likelihood of extraordinary support, as opposed to the “moderately high” and “high” likelihood in the case of its U.K. and Swedish peers, respectively. Uppsalahem and MKB Fastighets benefit from a very strong link with the cities they respectively operate in because of the cities’ ownership and involvement in the entities’ strategy.

Compared to its Australian peer, Defence Housing Australia (AA+/Stable/A-1+), and its peer in New Zealand, Housing New Zealand Corporation (AAA/Stable/A-1+), Stadgenoot exhibits higher debt levels (see table 1).

Table 1

Stadgenoot Peer Comparison

	—Year-ended 2010—						
	The Netherlands	—United Kingdom—		—Sweden—		Australia	New Zealand
<i>Financial Summary (Mil. €)</i>	<i>Stadgenoot</i>	<i>Sanctuary Housing Assn.</i>	<i>London & Quadrant Housing Group</i>	<i>Uppsalahem</i>	<i>MKB Fastighets</i>	<i>Defence Housing Australia</i>	<i>Housing New Zealand</i>
Stand-alone credit profile	aa	a+	a+	a+	a+	a-	bb
Issuer credit rating	AA/Stable/—	AA-/Stable/—	AA-/Positive/—	AA-/Stable/A-1+	AA-/Stable/A-1+	AA+/Stable/A-1+	AAA/Stable/A-1+
Size (units owned & managed)*	27,667.0	76,400.0	59,921.0	17,300.0	22,200.0	18,000.0	67,800.0
Turnover	234.7	425.1	383.5	108.5	177.4	650.8	567.2
Gross debt	1,680.0	1,471.0	2,078.0	429.0	659.0	1,659.1	1,198.5
Operating margin (%)	29.0	26.0	27.0	18.0	9.7	29.5	24.0
Net margin (%)	9.0	7.0	19.0	5.0	2.1	9.6	3¶
EBITDA interest cover (inc. property sales)	2.2	1.65**	1.39**	2.3	2.7	1.7	3.2
Leverage ratio (%)	71.0	45.0	39.0	42.0	70.0	63.0	15.0
Debt to EBITDA	15.9	10.0	18.7	12.3	19.2	8.8	5.2

*Figures for 2010. As of Jan. 31, 2011, for Stadgenoot. **It excludes property sales and other income. ¶As of 2009.

Business Risk Profile

Business description

Stadgenoot’s core business is the provision of social housing services, including sheltered and student accommodation. This accounted for about 84% of its rental income and 98% of all owned units at

year-end 2010. However, in line with the general practice in the sector, Stadgenoot has a diversified service portfolio, which includes the following commercial activities, in addition to social housing:

- Commercial real estate at market prices, usually located in buildings outside the center of Amsterdam. This accounts for 11% of rental income.
- Liberalized housing, which accounts for 4% of rental income.
- Parking, which accounts for 1% of rental income. Investment in this area has been encouraged by the local authorities in the past.

Stadgenoot mainly operates in Amsterdam and its neighboring districts, also known as greater Amsterdam. These areas have a high demand for social housing, owing to the relatively young and increasing population, offset by a shortage of properties.

Regulatory system

In our view, the social housing sector in The Netherlands benefits from an extremely stable and supportive framework. The aim of the sector is to provide social housing associations with ongoing support and to address any financial problems at an early stage. We understand that there have not been any cash defaults in the sector and that the financial strength of the sector is generally considered adequate by those entities in charge of monitoring it.

The two key pillars of support for social housing providers in The Netherlands are the CFV and WSW. The CFV, a government body fully funded by the social housing associations, represents the first pillar of ongoing support. It monitors social housing associations twice a year on the basis of their five-year forecasts and its intervention is meant to address financial sustainability issues. Within its remit, the CFV has the authority to encourage mergers between suitable associations. It can also help an association to sell assets so that it can release cash to help the entity return to a more stable financial position.

The CFV will become the regulator of the sector very shortly. We do not expect any changes to its current responsibilities and powers, apart from its new ability to sanction member housing associations, since its power to enforce measures is already well understood and respected.

WSW provides guarantees to entities that fund housing associations, guaranteeing prompt payment of debt service. This guarantee in essence lowers the cost of funding for this market. Furthermore, if an entity were to suffer from liquidity shortages, WSW can grant a guarantee on a loan that would keep the entity afloat. WSW only grants the guarantee, however, once the housing association has found a bank that is willing to provide the required amount of credit. It also monitors the financial viability of the entities and is in close contact with the CFV and the Ministry of the Interior. We understand that no guarantees have been called until now.

Group structure

Stadgenoot is a registered social housing provider or “authorised institution” under Article 70 of the Housing Law, 1990. It is a non-profit organization with a public policy role and operates on a commercial basis. As is the case for all housing associations, the government is not involved in the company’s day-to-day activity or strategic planning. In line with sector practices, however, Stadgenoot meets with the government, the CFV, and WSW on an informal and consultative basis. In addition, the government does not appoint any members of Stadgenoot’s board. Stadgenoot was established

following the merger of two long-established housing associations, Algemene Woningbouwvereniging and Woningbouwvereniging Het Oosten in July 2008.

The Stadgenoot Group consists of Stadgenoot and several subsidiaries, including:

- Houdstermaatschappij Stadgenoot BV, which comprises NV Stadsgoed, Amsterdamse Compagnie, and Vve Beheer;
- Stadgenoot Projecten, which comprises Polderweg Ontwikkeling BV, CZAN Beheer BV, CAN DLG II Beheer BV, NCT Beheer BV, and Forum Bos en Lommer Beheer BV; and
- Stadgenoot Diensten, which comprises Stadgenoot Energie BV, Gemeenschappelijk Glas Amsterdam BV, and Stadgenoot Participaties.

Stadgenoot is the main operating entity, accounting for 95% of the group's consolidated assets and rental income. The group includes three intermediate holding companies, which hold shares in subsidiaries engaging in the same type of activity: social housing, project development, and services providers. In our analysis, we have considered the consolidated figures, which include the three holding subsidiaries, to give a more complete picture of the flexibilities and liabilities at the group level.

Business strategy

We understand that Stadgenoot will maintain its focus on social housing, although growth is likely to be mainly driven by its unregulated business—that is, liberalized rentals—which provide more flexibility to raise rents. In this context, the number of regulated rental units is expected to fall slightly compared with the number of properties in the liberalized sector. In addition, the entity will not invest further in parking since it is no longer required by local authorities. We understand that Stadgenoot will continue to focus on mixed use tenures comprising regulated social housing, the unregulated liberalized rental market, and small businesses in order to increase diversification in neighborhoods.

Ongoing improvements in the quality of its housing stock are expected to set the stage for further rental increases in the future. This, along with disposals, is expected to support Stadgenoot's capital program. After 2017, Stadgenoot expects to fund its capital program without recourse to additional asset sales, which may be difficult in our opinion, unless there is sufficient flexibility in the program. The ratings may come under pressure if new development is funded by additional debt, ultimately increasing leverage further.

Demand for properties and asset quality

We believe that demand for Stadgenoot's services is strong, mainly driven by the increased number of people wanting to live in and around Amsterdam and the undersupply of properties in this area. However, application to live in any property owned by housing associations is carried out through a national register. As a result, waiting lists for individual associations, an indicator of the strength of demand for a particular association, are difficult to draw up. However, based on the length of time (approximately seven years) that people need to wait for a property, we believe that demand for Stadgenoot's properties is high.

Demand for properties in the liberalized sector is also high, particularly in the mid-range of €700-€1,100 rent per month. Limited mortgage availability, which prevents tenants from getting onto the property ladder, is also boosting demand for rental property.

Stadgenoot has about 30,000 properties located in Amsterdam. In our view, the quality of its housing portfolio is generally good, with an average age of about 50 years. With regards to the quality

of its asset base, Stadgenoot expects to meet its “Clean, Intact and Safe” criteria by 2014. In contrast to the U.K., Dutch social housing associations do not need to meet any specific criteria. However, the prospect of regulatory intervention due to complaints from tenants serves as a sufficient deterrent to providing sub-standard accommodation.

Operating performance

Stadgenoot’s operating performance is robust, demonstrated by the high demand for properties in Amsterdam, and the voids and arrears levels. Overall rent arrears stand at 1%, which Stadgenoot aims to reduce to less than 1%. Voids remain relatively low at 3% in 2010, having decreased from 3.8% in 2009.

Governance and management

The sector is governed by a Governance Code set by Aedes (the industry body for Dutch housing associations) and the Association of Supervisors of Housing Associations, which Stadgenoot adheres to. In addition to the governance bodies and risk management committees (the Audit Committee, the Treasury Committee, and Huurgenoot, a body in charge of linking the association with the tenants), the code also promotes social accountability by stakeholders.

The executive board (EB) sets strategy and policy for the group. It currently comprises three members with good experience within the sector. The chairman, Dr. Gerard P. Anderiesen, was appointed in 2008, after the merger of Algemene Woningbouw Vereniging (AWV; of which he was the chairman) and Het Oosten. The second member is Mr. Frank P. Bijdendijk, former chairman of Het Oosten. Mr. Bijdendijk’s term expires in October 2011 and Mr. Marien de Langen will take over his position on the board. The board meets weekly and reports to the supervisory board (SB), which supervises the policies set and implemented by the EB. The SB also appoints the members of the EB and meets on a monthly basis. It comprises six members, one of whom—Mr. Jacob Kohnstamm—is a former Secretary of State. We view Stadgenoot’s financial management practices and executive management’s performance as a key strength for the rating.

We understand that the management has regular meetings with the CFV, WSW, and the government to evaluate the impact of strategic and operational choices.

Financial Risk Profile

Financial policy

Stadgenoot’s financial policy is prudent in our view. Each operating division is required to generate sufficient cash to maintain the value of the existing portfolio, or to make the appropriate investments to improve its quality, without recourse to debt. The company expects investments to be financed through the sale of existing property, taking expected disposals and the economic cycle into account. New investment will go ahead only when the funding to cover the whole cost has been assured.

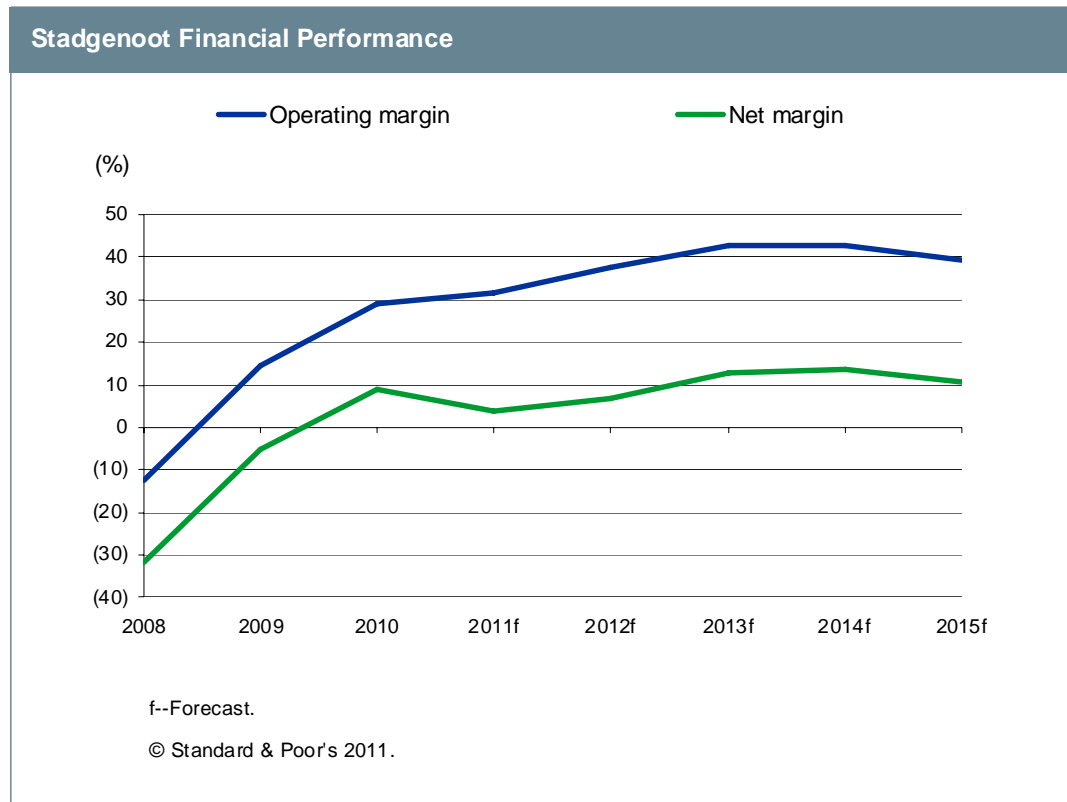
Currently, 85% of Stadgenoot’s total debt is at fixed rates. Furthermore, the bulk of its debt, 66%, matures after five years, whereas only about 16% matures within two years. In addition, Stadgenoot has tight guidelines for refinancing: No more than 10% of assets over a four-year period, and no more than 5% in one year.

Financial Performance

Cash flow adequacy

Operating margins have substantially improved in 2010 to 29% from 15% in 2009 and minus 13% in 2008. This is mainly due to cost containment. Cost containment was achieved on two fronts: Firstly, a decrease in project development and staff costs (which had already seen a 40% reduction in 2009) according to a four-year plan of staff reduction as a result of lower investment activities, and secondly, a curtailment in maintenance and repairs. We believe that Stadgenoot's operating performance will continue to strengthen over the forecast period to an operating margin of 37% and net margin of 7% on average from 2011-2015 because of higher rental income and sales proceeds. Property sale is part of Stadgenoot's normal business. In fact, the entity depends on these sales to fund new development, which will not be undertaken unless disposal proceeds are sufficient to fund it. Stadgenoot has sold 253 properties in 2010 from its regulated portfolio and has planned to sell 250 in 2011. These were the lowest figures since 2005 due to the economic crisis, although sales are expected to increase gradually over the forecast period.

Chart 1



In our view, Stadgenoot has flexibilities both in terms of income and expenditure. As such, it is able to accommodate adverse shocks, such as a further slowdown in the housing market. Its flexibility to increase income primarily comes from its ability to transfer about 7,600 properties from the social housing sector to its liberalized portfolio. It can also charge higher rents—about an extra €120 per month per property—for its social housing portfolio located in Amsterdam, according to a recently endorsed law. As 98% of Stadgenoot's portfolio comprises social housing, it has the capacity to extend

its liberalized provision and thereby increase revenues. This is allowed as long as Stadgenoot maintains at least 90% of its portfolio for social housing. If demand for liberalized units is weak, however, Stadgenoot is allowed to convert them back into social units.

Expenditure flexibility comes mainly from the company's ability and demonstrated willingness to reduce capital programs. Stadgenoot's investment pipeline comprises €662 million investments over the next 10 years, of which 43% is committed for the next three years, leaving a lot of flexibility with the remaining 57%. Furthermore, 25% of the pipeline is tied to lower risk re-development or renovation. Of the committed development, the majority of new units are rental parking spaces (653), followed by social units (252) and student units (250).

Although in general there may be some flexibility to reduce maintenance expenditure, at 16% of revenues it is already low compared with international peers. Furthermore, the continued scaling back of maintenance expenditure ultimately destroys value rather than saving costs. In the case of Stadgenoot we understand that maintenance spending is lower now. This reflects a period of increased spending between 2007 and 2008 since the merger and for a few years earlier as well.

Finally, Stadgenoot subcontracts building work to external parties at fixed-price contracts, which insulates the entity from any cost overruns in the construction phase of projects.

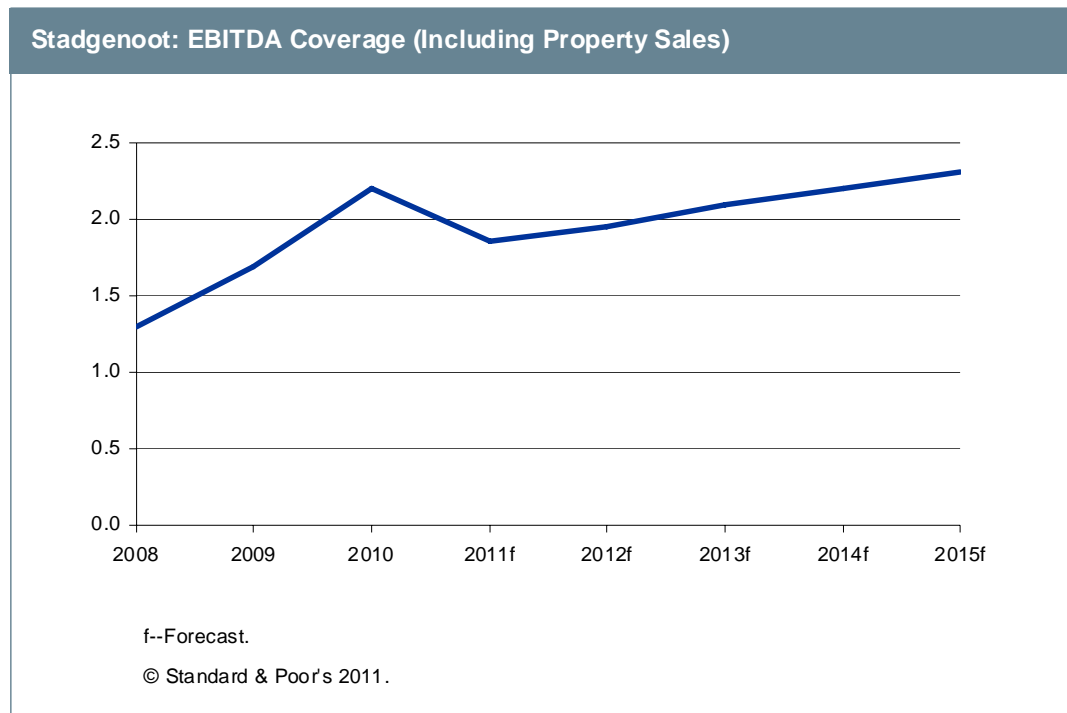
We view the company's net margins as positive, at 9% of turnover in 2010 up from minus 5% in 2009, and minus 32% in 2008. This negative position was caused by significant asset value write-downs in 2008. After a slight decrease to 4% in 2011, we expect a gradual improvement to about 13.7% in 2014. Interest payments have remained stable, reaching €56 million in 2010. Given the gradual increase in leverage, we forecast similar levels of interest payments over the forecast period, continuing until 2015. Once the entity starts deleveraging in 2016, we expect to see those payments decreasing. Net of hedges, 13% of debt is floating rate, with an average rate of 3.98%.

Interest coverage

In 2010, EBITDA coverage, including property sales, increased substantially to 2.20x from 1.69x the previous year. Furthermore, we expect a gradual increase in the coverage up to 2.31x in 2015 on the basis of both higher rental income and sales proceeds.

Stadgenoot uses derivatives within its borrowing agreements to manage interest rates risk arising from its sources of finance. It is not required to post collateral under the existing contracts.

Chart 2



Capital structure

Leverage is relatively high at 71% in 2010, up from 70% in 2009. These high levels of debt were due in part to its ambitious capital program undertaken until 2008. Debt levels are expected to increase only slightly. This is because Stadgenoot expects to fund most of its development with asset sale receipts and has also reduced the size of its capital program quite significantly compared with 2007-2008. In absolute terms, gross debt is expected to increase to €1.9 billion in 2011, from about €1.6 billion in 2009.

Contingent liabilities

Stadgenoot's total contingent liabilities in 2010 were relatively high, amounting to about 65% of available cash and credit lines, mainly arising from about €69 million of a negative mark-to-market value of interest rate swaps, €59 million callable capital to WSW, and some guaranteed loans related to subsidiaries. The likelihood of Stadgenoot having to terminate its swaps earlier or contribute to a shortfall in WSW's funds is unlikely over the next 12 months in our opinion.

Table 2

Stadgenoot Financial Summary

(000s of €)	2008	2009	2010	2011i	2012f	2013i	2014f	2015i
Turnover	278,199	279,907	234,668	205,500	212,700	220,600	230,000	237,900
Operating surplus	(34,770)	40,270	67,761	63,100	76,900	91,200	94,700	90,900
Net interest	(56,627)	(54,654)	(51,842)	(53,300)	(57,000)	(55,600)	(56,800)	(57,200)
Total assets	2,355,534	2,479,841	2,526,672	2,580,100	2,607,400	2,643,100	2,667,400	2,704,500

Table 2

Stadgenoot Financial Summary (cont. 'd)								
Gross debt	1,373,799	1,607,585	1,680,381	1,890,400	1,907,800	1,933,700	1,938,000	1,949,300
Cash	30,094	30,944	32,476	28,100	28,000	28,000	27,900	28,200
Operating margin (%)	(12.5)	14.4	28.9	31.8	37.4	42.8	42.6	39.5
EBITDA cover over net interest (inc. property sales) (x)	1.3	1.7	2.2	1.9	1.9	2.1	2.2	2.3
Leverage (%)	66.5	70.3	70.6	72.8	72.6	72.7	71.9	71.4

f—Forecast.

Ratings Detail (As Of 12-Oct-2011)*

Woningbouwvereniging Stadgenoot

Issuer Credit Rating AA/Stable/—

Issuer Credit Ratings History

12-Oct-2011 AA/Stable/—

Debt Maturities

As of Dec. 31, 2010:

0-2 years: €52 mil.

2-5 years: €72 mil.

More than 5 years: €1,009 mil.

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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