Consolidated balance sheet

(€ x 1,000)	Note	30 June 2011	31 December 2010	30 June 2010
Assets				
Property, plant and equipment		333,941	344,267	350,221
Intangible assets	12	481,919	488,129	493,690
Investments in associates		20,957	21,072	18,992
Other financial non-current assets	13	1,019	884	1,123
Deferred tax assets		9,195	9,586	10,400
Total non-current assets		**847,031**	**863,938**	**874,426**
Inventories	9	195,298	171,938	177,208
Trade and other receivables		370,456	266,494	377,777
Income tax receivable	14	1,549	2,462	1,953
Cash and cash equivalents		36,188	55,748	33,065
Assets classified as held-for-sale	7	17,964	314	348
Total current assets		**621,455**	**496,956**	**590,351**
Total assets		**1,468,486**	**1,360,894**	**1,464,777**
Equity				
Issued Capital		20,313	20,313	20,313
Share premium		422,847	422,847	422,847
Reserves		(18,170)	(13,786)	(14,119)
Retained earnings		143,509	141,384	133,427
Total equity attributable to equity holders of the Company	15	**568,499**	**570,758**	**562,468**
Non-controlling interest		**8,231**	**8,188**	**7,123**
Total equity		**576,730**	**578,946**	**569,591**
Liabilities				
Interest-bearing loans and borrowings	16	335,902	295,357	360,430
Employee benefits		13,062	13,647	12,213
Provisions	17	16,875	17,470	15,970
Deferred tax liabilities		95,810	101,161	105,274
Other non-current liabilities	13	6,465	7,161	20,941
Total non-current liabilities		**468,114**	**434,796**	**514,828**
Bank overdrafts	16	32,249	16,498	35,225
Employee benefits		745	519	1,287
Provisions	17	8,626	8,832	8,707
Income tax payable	14	5,999	4,721	5,644
Trade and other payables		370,257	316,582	329,495
Liabilities classified as held-for-sale	7	5,766	-	-
Total current liabilities		**423,642**	**347,152**	**380,358**
Total liabilities		**891,756**	**781,948**	**895,186**
Total equity and liabilities		**1,468,486**	**1,360,894**	**1,464,777**

Consolidated income statement

For the six months ended 30 June

(€ x 1,000)	Note	2011			2010		
		Recurring	Non-recurring*	Total	Recurring	Non-recurring*	Total
Total revenue	5	**681,335**	**-**	**681,335**	**593,961**	**-**	**593,961**
Cost of Sales		(531,469)	(145)	(531,614)	(450,461)	(1,003)	(451,464)
Gross profit (loss)		**149,866**	**(145)**	**149,721**	**143,500**	**(1,003)**	**142,497**
Other operating income		1,547	1,148	2,695	2,493	997	3,490
Selling and distribution expenses		(77,237)	(632)	(77,869)	(72,665)	(1,080)	(73,745)
Administrative expenses		(48,510)	(381)	(48,891)	(45,674)	(132)	(45,806)
Research and development expenses		(2,918)	(3)	(2,921)	(3,931)	-	(3,931)
Other operating expenses		(4,674)	(329)	(5,003)	(5,857)	(78)	(5,935)
Result from operating activities	5	**18,074**	**(342)**	**17,732**	**17,866**	**(1,296)**	**16,570**
Finance income		1,749	-	1,749	188	-	188
Finance expenses		(16,821)	-	(16,821)	(17,369)	-	(17,369)
Net finance costs		**(15,072)**	**-**	**(15,072)**	**(17,181)**	**-**	**(17,181)**
Share of profit of associates		1,631	-	1,631	1,192	-	1,192
Loss on sale of subsidiaries	6	-	(193)	(193)	-	-	-
Profit (loss) before income tax		**4,633**	**(535)**	**4,098**	**1,877**	**(1,296)**	**581**
Income tax benefit (expense)	11	(1,441)	1,672	231	(771)	384	(387)
Profit (loss) for the period		**3,192**	**1,137**	**4,329**	**1,106**	**(912)**	**194**
Attributable to:							
Equity holders of the Company		2,621	1,137	3,758	379	(911)	(532)
Non-controlling interest		571	-	571	727	(1)	726
Profit (loss) for the period		**3,192**	**1,137**	**4,329**	**1,106**	**(912)**	**194**

Earnings per share *(€ x 1)*	2011	2010
Basic earnings per share (weighted average)	0.07	(0.01)
Diluted earnings per share (weighted average)	0.07	(0.01)

* Non-recurring income and non-recurring expenses are significant one-off income and expenses out of the ordinary course of business which result from e.g. restructuring of activities, sale of assets, sale of associates, impairment charges, costs related to acquisition of activities which cannot be capitalised, liquidation losses and the effects of the adjustment of income tax rates. Non-recurring income and non-recurring expenses are reported separately to give a better reflection of the operating performance of the Group for the periods concerned (for further details see note 10).

Consolidated statement of comprehensive income

For the six months ended 30 June

(€ x 1,000)	2011	2010
Profit (loss) for the period	**4,329**	**194**
Other comprehensive income		
Exchange differences on translating foreign operations	(8,211)	14,222
Fair value changes of financial instruments	4,400	(3,477)
Income tax relating to components of other comprehensive income	(1,099)	880
Other comprehensive income (expense) for the period, net of income tax	**(4,910)**	**11,625**
Total comprehensive income (expense) for the period	**(581)**	**11,819**
Attributable to:		
Equity holders of the company	(1,122)	11,172
Non-controlling interest	541	647
Total comprehensive income (expense) for the period	**(581)**	**11,819**

Consolidated statement of changes in equity

For the six months ended 30 June

(€ x 1,000)	Issued Capital	Share premium	Legal and statutory reserve	Translation reserve	Hedging reserve	Retained profit	Total	Non-controlling interest	Total equity
Balance at 1 January 2010	**20,313**	**422,847**	**9,454**	**(24,720)**	**(10,705)**	**134,464**	**551,653**	**6,964**	**558,617**
Profit / (loss) for the period	-	-	1,192	-	-	(1,724)	(532)	726	194
Other comprehensive income*									
Exchange rate differences on translating foreign operations	-	-	-	14,326	(25)	-	14,301	(79)	14,222
Fair value changes cashflow hedges, net of tax	-	-	-	-	(2,597)	-	(2,597)	-	(2,597)
Reclassification	-	-	2,031	-	-	(2,031)	-	-	-
Total comprehensive income (expense) for the period*	**-**	**-**	**3,223**	**14,326**	**(2,622)**	**(3,755)**	**11,172**	**647**	**11,819**
Contributions by and distributions to owners*									
Treasury shares purchased	-	-	-	-	-	(776)	(776)	-	(776)
Treasury shares issued	-	-	-	-	-	346	346	-	346
Long term incentive plan	-	-	-	-	-	73	73	-	73
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	(488)	(488)
Dividends received from associates	-	-	(3,075)	-	-	3,075	-	-	-
Transactions with owners, recorded directly in equity*	**-**	**-**	**(3,075)**	**-**	**-**	**2,718**	**(357)**	**(488)**	**(845)**
Balance at 30 June 2010	**20,313**	**422,847**	**9,602**	**(10,394)**	**(13,327)**	**133,427**	**562,468**	**7,123**	**569,591**
Balance at 1 January 2011	**20,313**	**422,847**	**8,115**	**(12,679)**	**(9,222)**	**141,384**	**570,758**	**8,188**	**578,946**
Profit / (loss) for the period	-	-	1,631	-	-	2,127	3,758	571	4,329
Other comprehensive income*									
Exchange rate differences on translating foreign operations	-	-	-	(8,166)	(15)	-	(8,181)	(30)	(8,211)
Fair value changes cashflow hedges, net of tax	-	-	-	-	3,301	-	3,301	-	3,301
Reclassification	-	-	1,172	-	-	(1,172)	-	-	-
Total comprehensive income (expense) for the period*	**-**	**-**	**2,803**	**(8,166)**	**3,286**	**955**	**(1,122)**	**541**	**(581)**
Contributions by and distributions to owners*									
Treasury shares purchased	-	-	-	-	-	(1,549)	(1,549)	-	(1,549)
Treasury shares issued	-	-	-	-	-	332	332	-	332
Long term incentive plan	-	-	-	-	-	80	80	-	80
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	(498)	(498)
Dividends received from associates	-	-	(2,307)	-	-	2,307	-	-	-
Transactions with owners, recorded directly in equity*	**-**	**-**	**(2,307)**	**-**	**-**	**1,170**	**(1,137)**	**(498)**	**(1,635)**
Balance at 30 June 2011	**20,313**	**422,847**	**8,611**	**(20,845)**	**(5,936)**	**143,509**	**568,499**	**8,231**	**576,730**

* Presentation adjusted for comparison reasons.

Solutions for Essentials

Consolidated statement of cash flows

For the six months ended 30 June

(€ x 1,000)	Note	2011	2010*
Profit (loss) for the period		**4,329**	**194**
Adjustments to reconcile to cash flow from operating activities			
Depreciation and amortisation		27,954	30,128
Share based payment and Long Term Incentive plan		80	73
Net finance costs		15,072	17,181
Result on sale of property, plant and equipment and intangible fixed assets		109	(1,038)
Share in profit of associates		(1,631)	(1,192)
Loss on sale of subsidiaries		193	-
Income tax expense (benefit)	11	(231)	387
Operating profit before changes in working capital and provisions		**45,875**	**45,733**
Changes in other receivables and other payables		10,320	17,697
Changes in working capital		(95,312)	(154,837)
Changes in provisions and employee benefits		326	(670)
Cash generated from (used in) operations		**(38,791)**	**(92,077)**
Interest paid		(13,547)	(14,683)
Income taxes paid		(1,076)	(275)
Net cash from (used in) operating activities		**(53,414)**	**(107,035)**
Investments in property, plant & equipment paid		(20,204)	(17,787)
Investments in intangible assets paid		(3,899)	(2,242)
Proceeds from sold property, plant and equipment and intangible assets		114	6,161
Dividends received from associates		2,307	3,075
Acquisition and divestment of consolidated companies		(3,804)	-
Net cash from (used in) investing activities		**(25,486)**	**(10,793)**
Treasury shares purchased	15	(1,549)	(776)
Treasury shares issued	15	332	346
New / (repayment) of long term borrowings		41,825	71,376
Use of credit facility		22,519	17,311
Dividends paid to shareholders of non-controlling interest		(498)	(488)
Net cash from (used in) financing activities		**62,629**	**87,769**
Net increase (decrease) of cash and cash equivalents		**(16,271)**	**(30,059)**
Cash and cash equivalents at 1 January		55,748	58,626
Effect of exchange rate fluctuations on cash held		(3,289)	4,498
Cash and cash equivalents at 30 June		**36,188**	**33,065**

* Presentation adjusted for comparison reasons.

Notes to the Condensed Consolidated Interim Financial Statements

1. Reporting entity

Wavin N.V. (the “Company”) is domiciled in Zwolle, the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities covering the period 1 January 2011 up to and including 30 June 2011 and are unaudited. The Group is primarily involved in the production and sales of plastic pipe systems and solutions. There have not been any significant changes to the Group structure in the first half year of 2011 compared to 2010 except for the acquisition of the PE Water business for below ground applications from KWH Sweden, the divestment of Kulker and the announced divestment of Euroceramic. For details of Group companies we refer to the list of participations on page 145 of the Annual Report 2010.

2. Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements of the Group prepared in accordance with IFRSs as adopted by the European Union (EU) further to the IAS Regulation (EC 1606/2002) on application of international accounting standards (together, IFRSs as adopted by the EU) and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2010.

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annual profit or loss.

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and underlying assumptions are regularly reviewed.

In preparing these condensed consolidated interim financial statements, the critical judgements made by management in applying the Group’s accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2010 (for further details we refer to note 2d of the 2010 Financial Statements). For the recoverable amount of goodwill and other intangible assets (note 12) and property, plant and equipment an assessment was performed whether there were any indications for impairment as per 30 June 2011.

5. Segment Reporting

Based on the Group’s management and internal reporting structure the Group defined four geographic segments (regions). Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets include items directly attributable to the region as well as those that can be allocated on a reasonable basis.

Notes to the Condensed Consolidated Interim Financial Statements

Geographic segments are based on the location of the customers. Total revenue, Ebitda in the first half year and total assets per region per 30 June can be specified as follows:

(€ x 1,000)	Total revenue (external)		Ebitda		Total Assets	
	2011	2010*	2011	2010*	2011	2010*
North West Europe	243,531	198,673	16,121	12,322	377,636	319,659
South West Europe	193,291	184,426	4,223	14,086	411,397	442,282
Central & Eastern Europe	110,830	87,248	13,580	12,144	223,792	206,506
South East Europe	103,362	100,283	5,201	6,120	183,285	188,112
Overseas and Other	30,321	23,331	6,869	3,253	858,025	774,465
Elimination					(585,649)	(466,247)
Total	**681,335**	**593,961**	**45,994**	**47,925**	**1,468,486**	**1,464,777**

* 2010 figures have been adjusted for comparison reasons due to the integration of four regions in the mature Western European markets into two regions, which has become fully effective as of January 2011. For further details we refer to note 5 of the Annual Report 2010.

Assets and liabilities for the segments show no significant changes compared to 31 December 2010, except for the change in working capital and assets held for sale. For details regarding the net working capital development reference is made to note 9 and for assets held for sale reference is made to note 7 of this report.

The reconciliation from Ebitda to result from operating activities is as follows:

(€ x 1,000)	2011	2010
Ebitda	45,994	47,925
Depreciation and amortisation (recurring)	(27,920)	(30,059)
Recurring result from operating activites	**18,074**	**17,866**
Non-recurring operational results	(342)	(1,296)
Result from operating activities	**17,732**	**16,570**

Results from operating activities in the first half year per region can be specified as follows:

(€ x 1,000)	Result from operating activites					
	2011			2010*		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
North West Europe	7,588	810	8,398	3,356	577	3,933
South West Europe	(4,110)	(419)	(4,529)	5,126	(1,241)	3,885
Central & Eastern Europe	8,084	(185)	7,899	6,370	(2)	6,368
South East Europe	2,326	(889)	1,437	3,200	(245)	2,955
Other	4,186	341	4,527	(186)	(385)	(571)
Total	**18,074**	**(342)**	**17,732**	**17,866**	**(1,296)**	**16,570**

* 2010 figures have been adjusted for comparative reasons due to the integration of four regions in the mature Western European markets into two regions, which has become fully effective as of January 2011. For further details we refer to note 5 of the Annual Report 2010.

Notes to the Condensed Consolidated Interim Financial Statements

The Management Board also monitors the sales performance of the identified business segments. The Group comprises seven business segments, which are divided in two specific sectors. The revenues of the identified business segments can be specified as follows:

(€ x 1,000)	Revenue	
	2011	2010
Hot & Cold	139,431	127,761
Soil & Waste	89,232	82,380
Other Building Systems	22,839	23,805
Above Ground	**251,502**	**233,946**
Foul Water Systems	217,956	182,055
Water Management	79,055	67,336
Cable Ducting	27,785	25,795
Water & Gas	86,984	74,605
Below Ground	**411,780**	**349,791**
Unallocated	18,053	10,224
Total revenue	**681,335**	**593,961**

The unallocated revenue includes amongst others, the sale of raw materials and services rendered.

6. Divestments

As per 30 June Wavin sold Kulker SAS, a local subsidiary of Wavin France, to RYB. This divestment reduces complexity and enables Wavin France to focus on the core activities. This divestment resulted in a loss before tax of € 0.2 million. In 2010 these activities contributed € 15.9 million to the consolidated revenue and realised a profit after tax of € 0.2 million. The contribution of these activities in the first six months of 2011 and 2010 can be specified as follows:

(€ x 1,000)	2011	2010
Revenue	8,715	7,064
Expenses	(8,037)	(6,667)
Result from operating activities	**678**	**397**
Net finance income	11	6
Income tax expense	(229)	(134)
Net profit from operating activities	**460**	**269**
Loss on divestment	(193)	-
Profit for the period	**267**	**269**

In the first six months of 2011 these activities generated a cash flow from operating activities of € 0.7 million compared to a cash flow in the first six months of 2010 of € 0.4 million.

Notes to the Condensed Consolidated Interim Financial Statements

The effect of this divestment on the balance sheet can be specified as follows:

(€ x 1,000)	2011
Property, plant and equipment	(196)
Other non-current assets	(13)
Inventories	(1,349)
Trade and other receivables	(3,677)
Total assets	**(5,235)**
Employee benefits	308
Provisions	27
Trade and other payables	3,257
Total liabilities	**3,592**
Net assets	**(1,643)**

The divestment has no material effect on the basic earnings per share.

7. Assets held for sale

The assets and liabilities per 30 June classified as held for sale can be specified as follows:

(€ x 1,000)	2011	2010
Property, plant and equipment	7,986	348
Inventories	5,346	-
Trade and other receivables	4,485	-
Income tax receivables	147	-
Total assets	**17,964**	**348**
Employee benifits	709	-
Deferred tax liabilities	1,331	-
Income tax payable	87	-
Trade and other payables	3,639	-
Total liabilities	**5,766**	**-**

The assets classified as held for sale per 31 December 2010 were partly sold in the first six months of 2011 at a price above the book value. The remaining assets, production equipment which has been dismantled in 2010, are expected to be sold in the coming months at a sales price above the current book value.

The assets and liabilities which have been classified as assets held for sale per 30 June 2011 comprise of the assets and liabilities of Euroceramic following the intention and ability of Wavin to sell its clay activities on the European continent within one year.

8. Acquisitions of subsidiaries

On the 1st of January 2011 the acquired assets from KWH relating to the PE Water business for below ground applications were transferred. The purchase price of these assets was satisfied in cash. The revenue realised with the acquired activities amounted to € 6.7 million in the first six months of 2011.

Notes to the Condensed Consolidated Interim Financial Statements

The above mentioned acquisition had the following effect on the Group's assets and liabilities at the acquisition date:

(€ x 1,000)	Carrying amount	Fair value adjustments	Recognised value
Tangible fixed assets	3,872	1,179	5,051
Intangible fixed assets	-	226	226
Inventories	1,607	(22)	1,585
Deferred tax liabilities	-	(364)	(364)
Amounts payable	(258)	-	(258)
Net indentifiable assets and liabilities	**5,221**	**1,019**	**6,240**
(Negative) goodwill on acquisition	33	(1,019)	(986)
Consideration paid / (received), satisfied in cash	**5,254**	**-**	**5,254**
Cash (acquired) / disposed of	-	-	-
Acquisitions and disposals	**5,254**	**-**	**5,254**

The assets acquired were adjusted to fair value at the date of acquisition. All acquired assets and liabilities were remeasured as part of the purchase price allocation process. The fair value adjustment on tangible fixed assets relates to the revaluation of the acquired land and buildings. This revaluation was based on recent independent valuation reports taking into account the necessity of additional investment to bring the property in a state which meets the minimum Wavin standard.

The fair value adjustments resulted in a negative goodwill of € 1.0 million which has been included in the income statement as non-recurring income (see note 10).

9. Seasonality of operations

All regions are subject to seasonal fluctuations as a result of weather conditions influencing construction activities. Q1 and Q4 are traditionally weak compared to the high activity levels in Q2 and Q3.

The net working capital development can be summarised as follows:

(€ x 1,000)	30 June 2011	31 December 2010	30 June 2010
Inventories	195,298	171,938	177,208
Trade receivables	342,713	239,684	355,281
Trade payables	(294,505)	(249,919)	(247,569)
Trade working capital	**243,506**	**161,703**	**284,920**
Other receivables and payables	(52,459)	(42,112)	(63,121)
Net working capital	**191,047**	**119,591**	**221,799**

The increase in trade working capital compared to 31 December 2010 of € 81.8 million mainly relates to the seasonality of operations.

Trade working capital decreased with € 41.4 million compared to 30 June 2010. An increase of inventories due to higher raw material prices and higher stock levels to meet demand was compensated by a decrease of trade receivables and increasing trade payables following cash management measures.

Notes to the Condensed Consolidated Interim Financial Statements

10. Non-recurring income and expenses

Non-recurring income and non-recurring expenses for the first six months of 2011 can be specified as follows:

(€ x 1,000)	2011	2010
Restructuring costs	(991)	(2,163)
Negative goodwill KWH acquisition	986	-
Other	(337)	867
Total non-recurring results from operating activities	**(342)**	**(1,296)**
Loss on sale of subsidiaries	**(193)**	**-**
Tax rate adjustments	2,006	30
Non-recurring tax benefits	(334)	354
Total non-recurring income tax	**1,672**	**384**
Total	**1,137**	**(912)**

Restructuring costs in 2011 relate to announced restructurings in the first six months of 2011 in different countries. The negative goodwill is the result of the purchase price allocation following the KWH activities (see note 8).

For details about the income following tax rate adjustments we refer to note 11.

11. Income tax

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

Income tax expenses decreased by € 0.6 million to € 0.2 million income in the six months ended 30 June 2011 from an expense of € 0.4 million in the six months ended 30 June 2010. The decrease of the income tax expenses is mainly the result of a reduction of the corporate income tax rate in the UK from 28% to 26% resulting in a release of deferred tax liabilities with € 2.0 million.

The effective tax rate for the six months ended 30 June 2011 was negatively affected by relative high non deductible expenses compared to the profit before tax and due to losses incurred in some emerging markets for which no tax recovery was taken into account.

12. Intangible assets

Intangible assets with an infinite life such as goodwill and brand names were subject to an annual impairment test per 31 December 2010.

Per 30 June an assessment was performed whether there were any indications for impairment. The results in the first six months of 2011 did not indicate a triggering event. Based on this assessment, management concluded that there is no need for impairment of goodwill and other intangible assets as per 30 June 2011. As a result no impairment charges were taken into account.

13. Other financial non-current assets and liabilities

Decrease of other non-current liabilities compared to 30 June 2010 is due to the decrease of the carrying value of financial instruments following increasing interest rates on the capital market and the reduced duration. As a part of the financial instruments expires within one year, the relating carrying value is reported as other payables.

Notes to the Condensed Consolidated Interim Financial Statements

14. Tax assets and liabilities

Income tax receivable decreased by € 0.9 million to € 1.5 million compared to 31 December 2010, mainly due to the settlement of the prepayments paid in 2010 and a decrease of prepayments in 2011. Tax liabilities increased by € 1.3 million compared to 31 December 2010 following the increase of the profit before tax in different countries.

15. Capital and reserves

Dividends

For the 2010 financial year, no annual dividend was proposed to the General Meeting of Shareholders. This proposal was endorsed on 27 April 2011.

Issued shares

In the first six months of 2011 the Company issued 30,773 shares with a nominal value of € 0.40 per share to participants of the Long Term Incentive Plan of the Company. In addition 15,876 matching shares related to the LTIP 2008 vested in the first six months of 2011. All these shares were deducted from the treasury shares.

In the first half year the Company purchased 136,000 company shares with a nominal value of € 0.40 per share. As per 30 June 2011 the Company holds 203,123 treasury shares (31 December 2010: 113,772 treasury shares) with a nominal value of € 0.40 per share. These shares are held to cover current and future obligations under the Long Term Incentive Plan of the company.

Earnings per share

The calculations of earnings per share and diluted earnings per share at 30 June 2011 were based on the net result attributable to ordinary shareholders of € 3.8 million profit, respectively a recurring net profit attributable to ordinary shareholders of € 2.6 million, and an outstanding number of ordinary shares of 50,579,009 (diluted: 50,812,605) respectively a weighted average number of ordinary shares of 50,679,193 (diluted: 50,847,109).

The earnings per share are as follows:

(€ x 1, unless stated otherwise)	2011	2010
Net profit attributable to ordinary shareholders (€ × 1,000)	3,758	(532)
Recurring net profit attributable to ordinary shareholders (€ × 1,000)	2,621	379
Basic earnings per share (weighted average)	0.07	(0.01)
Diluted earnings per share (weighted average)	0.07	(0.01)
Basic recurring earnings per share (weighted average)	0.05	0.01
Diluted recurring earnings per share (weighted average)	0.05	0.01
Basic earnings per share (period end)	0.07	(0.01)
Diluted earnings per share (period end)	0.07	(0.01)
Basic recurring earnings per share (period end)	0.05	0.01
Diluted recurring earnings per share (period end)	0.05	0.01

Notes to the Condensed Consolidated Interim Financial Statements

16. Interest-bearing loans and borrowings

Interest-bearing loans and borrowings can be specified as follows:

(€ x 1,000)	30 June 2011	31 December 2010	30 June 2010
Non-current liabilities			
Interest-bearing loans and borrowings	335,902	295,357	360,430
Total non-current liabilities	**335,902**	**295,357**	**360,430**
Current liabilities			
Discounted drafts	1,313	945	350
Unsecured bank overdrafts	30,936	15,553	34,875
Total current liabilities	**32,249**	**16,498**	**35,225**

Increase of the total interest bearing loans and borrowings (non-current and current) compared to 31 December 2010 is the result of increasing working capital requirement due to the seasonality of our operations (see note 9).

Wavin is in compliance with the agreed ratios as defined in the Syndicated Loan Facility and expects to be compliant for the next 12 months.

Drawings under the Syndicated Loan Facility are categorised as a non-current liability despite the duration of less than one year, since the Group intends and is able to roll over this facility at maturity date towards the Forward Start Facility of which the contractual expiration date is April 2013.

17. Provisions

The movement in the provisions can be specified as follows:

(€ x 1,000)	2011
Balance at 1 January	26,383
Effect of divestments	(27)
Provisions made during the half-year	3,034
Provisions used during the half-year	(2,911)
Provisions reversed during the half-year	(591)
Effect of movements in foreign exchange	(387)
Balance at 30 June	**25,501**
Non-current	16,875
Current	8,626

Provisions made in the first six months of 2011 relate for an amount of € 1.6 million to warranty claims and for an amount of € 1.0 million to announced restructuring projects (see note 10).

Provisions used mainly relate to restructuring programs executed in the first six months of 2011 and the settlement of warranty claims.

Notes to the Condensed Consolidated Interim Financial Statements

18. Interest rate risk

It is Wavin's policy to limit exposure to interest rate risks to ensure financing costs are limited and to maintain interest coverage ratio's in line with covenants. At 30 June 2011 the Group had interest rate swaps in EUR, GBP, and CZK, with a notional contract amount of € 260 million (31 December 2010: € 260 million). These had an average duration of 0.3 years (31 December 2010: 0.8 years) and an average interest rate of 3.9% (31 December 2010: 3.9%). This 3.9% excludes the margin payable under the facility agreement.

In addition, the Group entered into forward started interest rate swaps denominated in EUR for an amount of € 160 million for the period October 2011 – April 2013 (31 December 2010 € 160 million) at an average interest rate of 3.8% and denominated in EUR and GBP for an amount of € 97 million for the period April 2013 – October 2015 (31 December 2010: € 98 million) at an average interest rate of 3.6%, to limit exposure to interest rate volatility.

The change in the fair value of interest instruments at 30 June 2011 by € 4.4 million to € 8.0 million negative (31 December 2010: € 12.4 million negative) was recognised through equity net of tax.

As a result of the repayment of loans with the proceeds of the rights issue in July 2009 a part of the outstanding interest instruments exceeded the drawings under the Amended Credit Facility and became ineffective. As from the date that these instruments have become ineffective this part of the outstanding interest instruments is revaluated through the income statement instead of equity. For the first six months of 2011 the impact of this revaluation was € 1.0 million profit.

19. Related parties

There are no major differences compared to 2010. See note 35 of the 2010 Group Financial Statements.

20. Subsequent events

At the end of July the share purchase agreement between Wavin and Steinzeug Abwassersysteme GmbH, a subsidiary of Wienerberger AG, related to the sale of EuroCeramic was signed (see note 7).

Statement of responsibilities

Risks and uncertainties

In our Annual Report 2010 we have extensively described certain risk categories and risk factors which could have a material adverse effect on our financial position and results. Those risk categories and risk factors are deemed incorporated and repeated in this report by reference. We consider that these risks are still valid for the second half of 2011. Wavin sees in particular the following principal risks and uncertainties:
Activity levels in construction markets are a major driver for Wavin. The level of activity varies by market depending on many factors including general economic conditions, the availability of credit to finance building activities, development of housing prices, interest rate developments, unemployment and demographic trends, might affect public spending and consumer confidence which could result in lower sales of Wavin products. High volatility and increasing raw prices that may impact profitability over a shorter period of time. In a period of 2 to 6 months Wavin is able to pass these price increases on to its customers.

Statement of the Management Board on the condensed consolidated interim financial statements

The Management Board of the Company hereby declares that to the best of their knowledge, the semi-annual financial statements, which have been prepared in accordance with the applicable financial reporting standards for interim financial reporting, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole, and the semi-annual management report gives a true and fair view of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervisory Act (Wet op Financieel Toezicht).

Zwolle, 24 August 2011

The Management Board

H. ten Hove, President & CEO

W.H.J.C.M. Oomens, CFO & Executive Vice President

M.P.M. Roef, Executive Vice President