WAVIN N.V.

(a public limited liability company, incorporated under the laws of The Netherlands, having its corporate seat in Zwolle, The Netherlands)

Offering of 325,005,640 new ordinary shares in a 4 for 1 rights offering at a price of €0.70 per ordinary share

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We are offering **325,005,640** new ordinary shares with a nominal value of €0.05 per share (the "**Offer Shares**"). The Offer Shares will initially be offered at an offer price of €0.70 each (the "**Offer Price**") to eligible holders of our ordinary shares who may lawfully subscribe for the Offer Shares *pro rata* to their shareholdings (the "**Rights Offering**"). For this purpose, and subject to applicable securities laws and the terms set out in this document (the "**Prospectus**"), existing holders of our ordinary shares as of the Record Date (as defined below) are being granted transferable subscription entitlements ("**SETs**") that will entitle the holders of such SETs to subscribe for Offer Shares at the Offer Price, provided that the holder is an Eligible Person. Holders of our ordinary shares as of the Record Date and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out in "Selling and Transfer Restrictions" in this Prospectus, are "**Eligible Persons**" with respect to the Rights Offering.

Application has been made to admit the SETs to trading on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**"). Trading of the SETs on Euronext Amsterdam is expected to commence at 09:00 (Central European Time; "**CET**") on 7 July 2009 and will continue until 13:00 (CET) on 16 July 2009, barring unforeseen circumstances. The SETs will be admitted to trading under the symbol "WAVRI".

Each ordinary share held immediately after the close of trading in our ordinary shares on Euronext Amsterdam at 17:40 (CET) on 6 July 2009 (the "**Record Date**") will entitle a shareholder to one SET, and each SET will entitle its holder who qualifies as an Eligible Person (whether a shareholder of ours on the Record Date or a subsequent transferee of SETs) to subscribe for 4 Offer Shares at the Offer Price, subject to applicable securities laws. Eligible Persons holding SETs may subscribe for Offer Shares through the exercise of SETs from 09:00 (CET) on 7 July 2009 until 15:00 (CET) on 16 July 2009 (the "**Exercise Period**"). If you are an Eligible Person and you do not validly exercise your SETs by the end of the Exercise Period, you will no longer be able to exercise those rights. Once you have exercised your rights, you cannot revoke or modify that exercise, except as otherwise described herein in "The Offering – Rights Offering – Exercise Period".

Any Offer Shares that were issuable upon the exercise of SETs, but have not been subscribed for during the Exercise Period (the "**Rump Shares**") will be offered for sale by the Global Co-ordinators (as defined herein) by way of private placements in The Netherlands and certain other jurisdictions (the "**Rump Offering**"). The Rights Offering and Rump Offering are hereinafter collectively referred to as the "**Offering**". The Rump Offering will be subject to the terms and conditions of an underwriting agreement between us and the Global Co-ordinators dated 3 July 2009 (the "**Underwriting Agreement**"). Investors in the Rump Offering will be required to be Eligible Persons and to give the representations and warranties set out in "Selling and Transfer Restrictions" in this Prospectus. The Rump Offering is expected to commence on 17 July 2009 and to end no later than 17:30 (CET) on 17 July 2009. Any Offer Shares not subscribed for through the exercise of SETs or sold to the market in the Rump Offering shall be subscribed and paid for at the Offer Price by the Global Co-ordinators, subject to the terms and conditions of the Underwriting Agreement. See "The Offering – Rump Offering" and "Plan of Distribution".

The statutory pre-emptive rights (*voorkeursrechten*) of our shareholders have been excluded with respect to the Offering. We are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside of The Netherlands. The SETs and the Offer Shares are being offered by us only in those jurisdictions in which, and only to those persons to whom, offers of the SETs and the Offer Shares (pursuant to the exercise of the SETs or otherwise) may lawfully be made.

The distribution of this Prospectus, and the transfer of the SETs and the Offer Shares, into jurisdictions other than The Netherlands may be restricted by law. Persons into whose possession this Prospectus comes must therefore inform themselves about, and observe, such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. In particular, this Prospectus is not being made available to shareholders with registered addresses in, or who are resident or located in, the United States, Canada, Australia or Japan. Accordingly, this Prospectus and any accompanying documents must not be distributed, forwarded to or transmitted, nor any of its content disclosed, directly or indirectly, in whole or in part, in or into the United States, Canada, Australia or Japan. Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than The Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside The Netherlands should read "Selling and Transfer Restrictions".

The SETs and Offer Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the SETs or Offer Shares may be offered, sold, resold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no offering of the SETs or the Offer Shares in the United States.

THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS OR INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN AND PERSONS IN THOSE JURISDICTIONS MAY NOT EXERCISE ANY SETs OR SUBSCRIBE FOR OR OTHERWISE ACQUIRE OFFER SHARES.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, SETs and Offer Shares or to take up any SETs in any jurisdiction in which such an offer or solicitation is unlawful, including the United States, Canada, Australia and Japan.

The SETs and Offer Shares have not been approved or disapproved by the United States Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the SETs and Offer Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The SETs and Offer Shares are being offered outside the United States in reliance on Regulation S under the Securities Act. In addition, until 40 days after the date of this Prospectus, an offer, sale or transfer of the SETs or Offer Shares within the United States by a broker/dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Potential investors in the SETs or Offer Shares should carefully read "Selling and Transfer Restrictions". Eligible Persons and any person contemplating the trading in or purchase of SETs or Offer Shares should read the whole of this Prospectus and any documents incorporated by reference herein (a list is set out in "Important Information and Restrictions – Documents Incorporated by Reference") and should carefully consider the "Risk Factors" beginning on page 20 before trading in the SETs or investing in the Offer Shares.

Our ordinary shares are admitted to trading on Euronext Amsterdam under the symbol "WAVIN". Application has been made to list and admit the Offer Shares to trading on Euronext Amsterdam. We expect that payment for and delivery of the Offer Shares will be made on 22 July 2009 (the "**Closing Date**") and that trading of the Offer Shares will commence on the Closing Date, barring unforeseen circumstances. The SETs and Offer Shares will be delivered through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"), as well as through Euroclear Bank S.A./N.V. as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**").

The closing of the Offering is subject to the satisfaction of a number of conditions (see "Plan of Distribution"). If the closing of the Offering does not take place on the Closing Date, the Offering may be withdrawn. In such an event, both the exercised and unexercised SETs will be forfeited without compensation to their holders, and subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by us will be returned, without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs. There will be no refund in respect of any SETs purchased in the market. All dealings in SETs prior to the closing of the Offering are at the sole risk of the parties concerned. None of Euronext Amsterdam N.V., us the Global Co-ordinators, the Listing Agent or the Subscription Agent accepts any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

In this Prospectus, "we", "us", "our" or the "group" and similar terms refer to Wavin N.V. and, as the context requires, any or all or none of its subsidiaries and joint ventures. Capitalised terms used in this Prospectus are defined in the "Glossary".

This Prospectus constitutes a prospectus for the purposes of Section 3 of the Directive 2003/71/EC ("Prospectus Directive") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*; the "**Dutch Financial Supervision Act**") and the rules promulgated thereunder. This Prospectus has been approved by and filed with The Netherlands Authority for Financial Markets (*Stichting Autoriteit Financiële Markten*; the "**AFM**").

Global Co-ordinators and Joint Bookrunners

ABN AMRO, ING, MeesPierson and Rabo Securities

Date of this Prospectus: 6 July 2009 (the "**Publication Date**").

Summary 2

Risk Factors 20

Important Information and Restrictions 40

Forward-Looking Statements 48

Reasons for the Offering 50

Dividends and Dividend Policy 54

Exchange Rates 56

Capitalisation and Indebtedness 58

Selected Consolidated Financial Data 60

Operating and Financial Review 64

Business 111

Management and Employees 130

Principal Shareholders and Related Party Transactions 142

Description of Share Capital and Corporate Governance 144

Market Information 155

Taxation 157

The Offering 162

Plan of Distribution 168

Selling and Transfer Restrictions 170

Independent Auditors 175

General Information 176

Glossary 183

SUMMARY

*This section constitutes the summary of the essential characteristics and risks associated with us and our ordinary shares, and of the Offering (the "**Summary**"). This Summary should be read as an introduction to this Prospectus and any decision to invest in any Offer Shares or trade in SETs should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the risks of investing in the Offer Shares or trading in the SETs as set out in the "Risk Factors" below. This Summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Offer Shares or SETs.*

*Civil liability will attach to us in any state party to the European Economic Area (an "**EEA State**") in respect of this Summary, including any translation hereof, only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State under the national legislation of the EEA State where the claim is brought, the plaintiff may, under the national legislation of the state where the claim is brought, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

Reasons for the Offering

We intend to raise approximately €227 million through the issue of SETs to subscribe for Offer Shares at the Offer Price of €0.70 per Offer Share. We expect to receive net proceeds of approximately €215 million, after deducting approximately €12 million in commissions and other estimated fees and expenses incurred in connection with the Offering, net of taxes.

Following our strong performance in 2007, we faced a more challenging trading environment in 2008 and the first quarter of 2009 as a result of the financial market volatility and economic deterioration across Europe. The continuing decline in European construction markets has adversely affected our business and, consequently, our results of operations and financial condition. The trading environment weakened significantly in the first quarter of 2009, although the weaknesses began to moderate in April and May of 2009. Our results have been affected by the devaluation of non-euro currencies in the markets where we operate, the loss of consumer confidence, destocking throughout the construction supply chain and price deflation in building materials.

In response to this challenging environment, our management has effected a financial restructuring that comprises the €500 million secured credit facilities (the "**Amended Credit Facilities**") and the €475 million forward start facility (the "**Forward Start Facility**") entered into on 17 June 2009 with ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. as lead arrangers. The Forward Start Facility is intended to secure financing following the maturity of the Amended Credit Facilities on 16 October 2011, subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). Our management has also resolved to prioritise cost reduction and cash generation.

Our Management Board has considered a range of alternatives to the Offering and actively pursued other measures to strengthen our capital structure. The amendments to our former €750 million unsecured, committed credit facilities (the "**Original Credit Facilities**"), and the financial covenants thereunder, are subject to certain conditions being met, including the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, these arrangements will lapse. As a result, the Amended Credit Facilities will not come into effect and the terms of the Original Credit

Facilities will continue to apply. In addition, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011.

The Original Credit Facilities contain restrictive covenants that require us to comply with financial ratios relating to our leverage and our interest coverage. As part of our financial restructuring, we have obtained a waiver in respect of our leverage ratio and interest coverage ratio as at 30 June 2009. The continuing effectiveness of this waiver is conditional upon the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, we will be required to raise capital from alternative sources, which may not be available or may not be available on commercially acceptable terms, in order to cure the covenant breaches that would have occurred as at 30 June 2009, absent the waiver. See "Risk Factors – If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition."

The uncertain duration and severity of the financial market dislocation and economic contraction continue to negatively affect European construction activity, and it is unlikely that there will be a significant improvement in our consolidated EBITDA until financial markets stabilise, economic conditions improve and the construction sector recovers.

Having assessed the challenges arising from the current trading environment, our Management Board has concluded that it is in our company's and our shareholders' best interests to substantially strengthen our capital structure through the Offering. We believe that, together with the actions we have taken to restructure the terms of the Original Credit Facilities through the Amended Credit Facilities, secure future financing through the Forward Start Facility, reduce costs and maximise cash generation, the Offering should:

- strengthen our capital structure and reduce leverage;
- provide us with greater headroom under the financial covenants in the Amended Credit Facilities and the Forward Start Facility; and
- position our business for organic growth and, where possible under the terms of the Amended Credit Facilities and Forward Start Facility, enhance our ability to selectively pursue new acquisition prospects as appropriate opportunities arise.

We continue to believe that the long-term trends which drive growth in our industry, including the increasing use of plastic as a replacement for traditional materials, efforts to improve the energy efficiency of buildings, urbanisation, households being established with fewer people per residence and climate change, have not fundamentally altered and remain favourable.

Use of Proceeds

We intend to use the entirety of the expected €215 million net proceeds of the Offering to reduce our level of debt, in line with our strategy to strengthen our capital structure and position our company for growth in the medium to long term.

Current Trading and Prospects

Activity in the construction materials market has historically been correlated to economic growth in the geographic regions in which we operate. Since 31 March 2009, illiquidity in credit markets, asset devaluation, foreign exchange rate volatility and uncertainty in securities markets have

persisted. A severe economic contraction has deepened in Europe and reached emerging markets. As a result, residential and commercial construction activity has continued to decline.

It is not anticipated that European construction markets will recover in 2009, and we expect that a challenging environment will continue through the remainder of the year. We also expect to experience revenue contraction, particularly in the second quarter of 2009. However, we believe that it is possible that the relative comparison base may improve in 2009, as measured against the decline in the second half of 2008, particularly in the UK and Ireland. In addition, the realisation of the benefits from restructuring initiatives undertaken in the previous year and the current year are expected to contribute to the relative comparison base.

Trading Update

In April and May of 2009, the rate of revenue decline slowed as compared to the three months ended 31 March 2009, and margins began to recover. Revenue in the period from 1 April 2009 to 31 May 2009 amounted to €206 million, a 30% decrease as compared to the same period in 2008. Adjusted for the impact of fewer working days due to the Easter holidays of approximately 2% and negative currency effects of approximately 6%, the underlying revenue trend at constant currencies indicates a decrease of 22% as compared to the same period in 2008. As a result of cost reduction programmes and added value improvement, EBITDA margin recovered to nearly 11% in this period.

Restructuring initiatives undertaken in 2008 and 2009 resulted in cost savings of €8 million in 2008 and are expected to result in further cost savings of approximately €30 million in 2009. As at 31 May 2009, our total workforce had been reduced by 1,200 FTEs as compared to 31 May 2008. Management is following market developments closely and will continue to take firm actions, if local market conditions so require. Cumulative restructuring charges in the first half of 2009 amounted to approximately €15 million.

The governments of several European countries have adopted policies which seek to support the financial markets and to stimulate economic growth through investments in social housing, schools and hospitals and infrastructure projects. The impact of these public investments on residential and commercial construction activity, and consequently on the demand for construction materials, is uncertain.

Statement of Significant Changes in our Financial and Trading Position

Other than as described in "– Trading Update", there has been no significant change in our financial or trading position since 31 March 2009, the date as of which our most recent unaudited condensed consolidated interim financial statements were prepared.

Working Capital Statement

Our current cash resources, together with the Original Credit Facilities, do not provide us with sufficient working capital for the next 12 months following the date of this Prospectus. However, we do have sufficient working capital for our present requirements until 1 October 2009, the date on which the Amended Credit Facilities and the waiver of the leverage ratio and interest coverage ratio under the Original Credit Facilities will lapse if the Offering or another equity issuance that results in gross proceeds of at least €225 million is not completed. If that were to occur, we would require additional funds of approximately €250 million to cover the deficit in our working capital for the next 12 months following the date of this Prospectus.

If the Offering should be withdrawn and we do not raise at least €225 million through any other equity issuance on or before 1 October 2009, the leverage ratio and interest coverage ratio under the Original Credit Facilities will have been breached as at 30 June 2009. In that event, we intend to raise

funds to cover the deficit from other sources, which may include new investors and current shareholders, and we will seek to renegotiate the terms of the Original Credit Facilities. In this respect, we refer to "Risk Factors – Our financial and operational flexibility may be restricted by our indebtedness, and if we fail to comply with covenants under our credit facilities, our repayment obligations could accelerate, which would have a material adverse effect on our liquidity, financial condition and results of operations.").

If the Offering is completed, the net proceeds of the Offering, together with our current cash resources and taking into account the Amended Credit Facilities (see "Operating and Financial Review – Liquidity and Capital Resources – Indebtedness – Amended Credit Facilities and Forward Start Facility"), provide us with sufficient working capital for our present requirements for the next 12 months following the date of this Prospectus. As stated elsewhere in this Prospectus, the Offering will be fully underwritten.

Risk Factors

You should consider carefully the risks and uncertainties listed below, which are described more fully in "Risk Factors" in this Prospectus, before making any investment decision in respect of the SETs, the Offer Shares or us. They are not the only ones we face. If any of these risks and uncertainties were to occur, they could have an adverse effect on the market price of our ordinary shares.

Risks Relating to our Industry

- Our business, results of operations and financial condition are affected by the level of activity in the construction markets and general economic conditions, which have recently experienced a significant downturn.
- Growth in the plastic pipe industry is significantly affected by a number of material replacement trends, governmental spending and other factors beyond our control.
- We operate in a competitive industry. If we are unable to compete effectively with our existing competitors or new market entrants, our business, results of operations or financial condition would be materially adversely affected.
- We are subject to stringent environmental and health and safety laws, competition laws, building and other regulations and standards. Failure to comply with such laws, regulations or standards or failure to maintain regulatory permissions or approvals could have a material adverse effect on our business, results of operations or financial condition.
- A significant portion of our business and the demand for our products and services is seasonal in nature and any adverse weather conditions that result in a slowdown in the construction industry may materially adversely affect demand for our products and services.

Risks Relating to our Business

- We generate a significant proportion of our revenues from our key customers. The loss of all or a substantial portion of the business provided by our key customers in one or more of our geographic regions or a failure to secure future sales contracts could have a material adverse effect on our business, results of operations or financial condition.
- Our success depends on our ability to continue to successfully identify, develop and market innovative products and services, as well as our ability to obtain regulatory permissions, certificates or approvals for our products from the relevant regulators in each of the jurisdictions in which we operate.

- Our financial and operational flexibility may be restricted by our indebtedness, and if we fail to comply with covenants under our credit facilities, our repayment obligations could accelerate, which would have a material adverse effect on our liquidity, financial condition and results of operations.
- If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition.
- The global economic contraction and dislocation in the financial markets may expose us to liquidity risk.
- Failure to execute successfully and achieve the benefits of our cost reduction and cash generation initiatives could have a material adverse effect on our business, results of operations and financial condition.
- Our exposure to counterparty risk could result in credit losses and an increase in our operating costs, which could materially adversely affect our business, results of operations or financial condition.
- We have actively expanded our sales and operations, with a particular focus on emerging markets, which exposes us to additional risks.
- If market conditions do not permit us to pass on increases in the cost of raw materials to our customers on a timely basis, or at all, our business, results of operations or financial condition would be materially adversely affected.
- We are dependent on suppliers of raw materials and certain component parts for our products. If these suppliers were unable to meet our requirements on a cost-effective and timely basis, our business, results of operations or financial condition could be materially adversely affected.
- Fluctuations in currency exchange rates and interest rates could materially adversely affect our business, results of operations or financial condition.
- Our ability to realise contracts with certain utility customers depends on our ability to successfully compete during tender processes. We may be unable to manage risks associated with these tender procedures, which may materially adversely affect our business, results of operations or financial condition.
- We may fail to effectively identify or execute strategic acquisitions, joint ventures or investments, and if we do pursue such transactions, we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.
- The continued growth and success of our business depends on our ability to attract, integrate and retain our Management Board and qualified personnel.
- We may not be able to protect our intellectual property or we may be faced with claims that we infringe the intellectual property rights of others.
- The operation of defined benefit plans carries certain inherent risks and any increasing pension obligations, including increases resulting from changes in statute, case law or actuarial assumptions, could materially adversely affect our financial condition.
- Work stoppages or other labour disputes at our facilities could have a material adverse effect on our business, results of operations or financial condition.

- We are subject to risks resulting from defects in our products as well as warranty claims and other liabilities.
- Our business exposes us to possible product liability claims, which could result from a failure of a product we have manufactured or of a product or part incorporated in our products.
- In the event of a catastrophic loss of one of our key manufacturing facilities, or if our business operations or systems are damaged or interrupted, our business, results of operations or financial condition could be materially adversely affected.
- We are exposed to failures in our legacy information technology systems and to potential delays, additional costs or failures in the roll out of our ConnectIT technology systems, which could adversely affect our business.
- Interruption to or deterioration in the performance of transport or other services provided by third parties could materially adversely affect our business, results of operations or financial condition.
- Deteriorating markets could result in the impairment of goodwill and other intangible and tangible assets, which may materially adversely affect our financial condition or results of operations.
- The final determination of our tax liability may be materially different from what is reflected in our income tax provisions and related balance sheet accounts.

Risks Relating to the Offering and our Ordinary Shares

- The market price of our ordinary shares will fluctuate, and may decline below the Offer Price.
- We cannot assure you that an active trading market will develop for the SETs and, if a market does develop, the SETs will be affected by the market price of our ordinary shares.
- You will experience dilution as a result of the Offering if you do not or cannot exercise your SETs in full.
- As a result of the Offering, some of our current larger shareholders may have significant interests in us and may be in the position to exert significant influence over the outcome of matters relating to our business.
- If you do not properly and timely exercise your SETs, you will not be able to exercise those SETs and consequently, you may not receive any compensation for your unexercised SETs.
- If the Offering is withdrawn, both the exercised and unexercised SETs will be forfeited without compensation to their holders and the subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs.
- Our ability to pay dividends is restricted by the Amended Credit Facilities and the Forward Start Facility and our ability to pay dividends in the future will depend on our and our subsidiaries' ability to maintain sufficient levels of distributable reserves, profits and cash flows.
- Future sales, or the possibility of future sales, of a substantial number of our ordinary shares could have a material adverse effect on the price of the Offer Shares and dilute the interests of shareholders.
- Shareholders in certain jurisdictions may not be able to exercise SETs, and such shareholders' ownership and voting interests in our share capital will accordingly be diluted.

- Dutch law and our Articles of Association contain anti-takeover provisions that may prevent or discourage takeover attempts that may be favourable to shareholders.
- Shareholders may be subject to exchange rate risk.
- The ability of shareholders outside of The Netherlands to bring actions or enforce judgments against us or members of our Supervisory Board and Management Board may be limited.
- If securities or industry analysts cease to publish research reports on our business, or adversely change or make negative recommendations regarding our ordinary shares, the market price and trading volume of our ordinary shares could decline.

Available Information

Copies of this Prospectus may be obtained free of charge by sending a request in writing to our business address: Stationsplein 3, 8011 CW, Zwolle, The Netherlands; by fax: +31384294238; or by email: info@wavin.com or to ABN AMRO, Gustav Mahlerlaan 10, 1082 PP, Amsterdam, The Netherlands; fax: +31206280004; email: corporate.actions@rbs.com. Alternatively, this Prospectus may be obtained through our website at http://www.wavin.com by Eligible Persons only and through the website of Euronext Amsterdam at http://www.euronext.com by Dutch residents only. See "General Information – Available Information".

Corporate Information

We are a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, with registration number 05078970 and we have our corporate seat in Zwolle, The Netherlands. Our business address is Stationsplein 3, 8011 CW, Zwolle, The Netherlands.

Summary of Terms of the Offering

Issuer	Wavin N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, with its corporate seat in Zwolle, The Netherlands.
Shares outstanding as of the Publication Date	81,251,410 ordinary shares.
Number of Offer Shares to be issued in the Offering	325,005,640 Offer Shares.
Shares outstanding as of the Closing Date	406,257,050 ordinary shares. See "Description of Share Capital and Corporate Governance – Share Capital".
Use of Proceeds	The net proceeds of the Offering will be used to reduce our level of debt, in line with our strategy to strengthen our capital structure and position our company for growth in the medium to long term.
Offering	The Offering comprises 325,005,640 new ordinary shares, with a nominal value of €0.05 each, which are being offered pursuant to the terms, and subject to the conditions, described in this Prospectus.
Offer Price	€0.70 per Offer Share.
Voting Rights	An Offer Share entitles its holder to cast one vote at each General Meeting. See "Description of Share Capital and Corporate Governance".
Dividends	The Offer Shares will entitle their holder to any future dividends payable to holders of our ordinary shares in the manner as described in "Dividends and Dividend Policy" and "Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions".
Pre-emptive Rights	The statutory pre-emptive rights (*voorkeursrechten*) of our shareholders have been excluded with respect to the Offering. See "The Offering – Introduction" and "General Information – Corporate Resolutions".

SETs	Our existing shareholders are being granted one SET for every one ordinary share held by them immediately after the close of trading on Euronext Amsterdam on the Record Date. Each SET will entitle its holder who qualifies as an Eligible Person (whether a shareholder of ours on the Record Date or a subsequent transferee of SETs) to subscribe for 4 Offer Shares at the Offer Price, subject to applicable securities laws. Shareholders as of the Record Date that are not Eligible Persons (each, an "**Ineligible Person**") are not entitled to exercise SETs and shall not be issued, offered or sold any Offer Shares. SETs credited for administrative purposes to the securities account of any shareholder that is an Ineligible Person, shall not constitute an offer of any Offer Shares to such shareholder and shall not confer any rights upon such shareholder, including the right to take up, exercise, sell, or otherwise transfer such credited SETs. A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid any subscription or purported subscription, which appears to us or our agents: to have been executed, effected or dispatched from the United States, Canada, Australia or Japan, unless we are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction; to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or to purport to exclude or modify any of the representations and warranties required to be made by an exercising SET holder, as described in "The Offering" and "Selling and Transfer Restrictions" in this Prospectus.
Record Date	The Record Date is immediately after the close of trading in our ordinary shares on Euronext Amsterdam at 17:40 (CET) on 6 July 2009. Until the close of trading in our ordinary shares on Euronext Amsterdam on the Record Date, our ordinary shares will trade together with the SETs. As from 7 July 2009, our ordinary shares will trade separately from the SETs.

Exercise Period	Subject to applicable securities laws, an Eligible Person holding SETs may subscribe for Offer Shares by exercising its SETs during the period commencing at 09:00 (CET) on 7 July 2009 and ending at 15:00 (CET) on 16 July 2009. The last date and/or time before which notification of exercise instructions may be validly given may be earlier, depending on the financial institution through which the SETs are held. Once an Eligible Person holding SETs has exercised its SETs, it may not revoke or modify that exercise, except as otherwise described in this Prospectus in the section "The Offering – Rights Offering – Exercise Period". If an Eligible Person holding SETs has not validly exercised its SETs before the end of the Exercise Period, it will no longer be able to exercise its SETs.
Method of exercise of SETs and payment of Offer Shares	The financial institution through which a shareholder holds its existing ordinary shares will customarily inform such shareholder of the number of SETs to which it is entitled. If you are an Eligible Person holding SETs and you wish to exercise your SETs, you should instruct your financial intermediary in accordance with the instructions that you receive from it. Your financial intermediary will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your exercise instructions. You should pay the Offer Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from the financial intermediary through which you exercise your SETs. The financial intermediary will pay the Offer Price to the Subscription Agent, who will in turn pay it to us. Payment for the Offer Shares to the Subscription Agent must be made no later than the Closing Date, which is expected to be 22 July 2009. Accordingly, financial intermediaries may require payment by you to be provided to them prior to the Closing Date.
Unexercised SETs and Rump Offering ...	SETs can no longer be exercised after 15:00 (CET) on 16 July 2009, at which time the Exercise Period ends. At that time, any unexercised SETs will continue to be reflected in the securities account of each holder of unexercised SETs solely for the purpose of the payment of the Excess Amount (as defined below), if any. The Offer Shares not subscribed for through the exercise of the SETs are referred to in this Prospectus as the Rump Shares.

	After the Exercise Period has ended, the Rump Shares will be available for subscription in a private placement with institutional and professional investors in The Netherlands and elsewhere facilitated by the Global Co-ordinators. The Rump Offering will be subject to the terms and conditions of the Underwriting Agreement between us and the Global Co-ordinators. References herein to the Offer Shares include the Rump Shares. The Rump Offering is expected to commence on 17 July 2009 and to end no later than 17:30 (CET) on 17 July 2009. Any Offer Shares not subscribed and paid for through the exercise of SETs in the Offering or placed in the Rump Offering will be subscribed and paid for at the Offer Price, by the Global Co-ordinators, subject to the terms and conditions of the Underwriting Agreement. See "The Offering – Rump Offering" and "Plan of Distribution".
Excess Amount	Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses (including any value added tax) exceed the aggregate Offer Price for such Rump Shares (such amount, the "**Excess Amount**"), this Excess Amount will be paid in the following manner: Each holder of a SET that was not exercised at the end of the Exercise Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised SETs reflected in such holder's securities account, but only if that amount exceeds €0.01 per unexercised SET. If we have announced that an Excess Amount is available for distribution to holders of unexercised SETs and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised SETs. We cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, neither we, the Global Co-ordinators, the Subscription Agent nor any person procuring subscriptions for Rump Shares will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.
Allotment	Allotment of the Offer Shares is expected to take place on 17 July 2009.
Closing Date.....	Payment for and delivery of the Offer Shares is expected to take place on 22 July 2009.

Listing and Trading	Our ordinary shares are traded on Euronext Amsterdam under the symbol "WAVIN". Application has been made to admit the SETs to trading on Euronext Amsterdam and to list and admit the Offer Shares to trading on Euronext Amsterdam. We expect trading of the SETs on Euronext Amsterdam to commence on or about 09:00 (CET) on 7 July 2009 and to end on or about 13:00 (CET) on 16 July 2009. The SETs will be admitted to trading under the symbol "WAVRI". The transfer of SETs will take place through the book-entry systems of Euroclear Nederland, Euroclear and Clearstream Luxembourg. If you are an Eligible Person holding SETs and want to sell some or all of your SETs, you should instruct your financial intermediary in accordance with the instructions that it gives you. An Eligible Person holding SETs may also instruct its financial intermediary to purchase SETs on its behalf. Persons interested in selling or purchasing SETs should be aware that the sale, purchase or exercise of SETs by persons who are located in countries other than The Netherlands are subject to restrictions as described in "Selling and Transfer Restrictions". We expect listing and trading of the Offer Shares on Euronext Amsterdam to commence on the Closing Date, barring unforeseen circumstances.
Conditions to the Offering.....	The closing of the Offering is conditional upon the fulfilment of a number of conditions precedent. See "Plan of Distribution – Conditions to the Offering". If any of these conditions are not met or are not waived by the Global Co-ordinators or if certain circumstances occur before the Closing Date, the Global Co-ordinators may terminate the Underwriting Agreement. In such event, the Offering will be withdrawn and both the exercised and unexercised SETs will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by us will be returned without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs, but non-settled trades will be deemed null and void. There will be no refund in respect of any SETs purchased in the market.

	All dealings in SETs prior to the closing of the Offering are at the sole risk of the parties concerned. None of Euronext Amsterdam N.V., us the Global Co-ordinators, the Listing Agent or the Subscription Agent accepts any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.
Lock-up arrangements	We have agreed certain lock-up arrangements with the Global Co-ordinators. These arrangements will be effective from the date of the Underwriting Agreement until 180 days following the Closing Date. See "Plan of Distribution".
Commitments of Principal Shareholders	A number of our principal shareholders have committed to participate in the Offering through the exercise of SETs granted to them. See "Principal Shareholders and Related Party Transactions – Principal Shareholders" and "Plan of Distribution – Commitments of Principal Shareholders".
Ordinary share trading information (including the Offer Shares).....	ISIN: NL0000290856 Common Code: 026861632 Euronext Amsterdam symbol: "WAVIN"
SET trading information.....	ISIN: NL0009210186 Common Code: 043891588 Euronext Amsterdam symbol: "WAVRI"
Global Co-ordinators and Joint Bookrunners.....	ABN AMRO Bank N.V., trading under the name RBS ("**ABN AMRO**"), Fortis Bank (Nederland) N.V., trading under the name MeesPierson Corporate Finance & Capital Markets ("**MeesPierson**"), ING Bank N.V. ("**ING**") and Rabo Securities, the equity (linked) investment bank division of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabo Securities**").
Subscription Agent.....	ABN AMRO.
Listing Agent.....	Rabo Securities.

Selling and Transfer Restrictions	We are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside The Netherlands. The SETs and the Offer Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, taken up, delivered, renounced, or transferred in or into the United States, except in certain transactions that are exempt from registration under the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The SETs may be exercised only by shareholders that qualify as Eligible Persons and the SETs and the Offer Shares are being offered by us only in those jurisdictions in which, and only to those persons to whom, offers of the SETs and offers and placement of the Offer Shares (pursuant to the exercise of SETs or otherwise) may lawfully be made. Except under the limited circumstances described in this Prospectus (see "Selling and Transfer Restrictions"), if you reside in any country other than The Netherlands, you may not be permitted to exercise any SETs or sell, purchase or otherwise acquire SETs or Offer Shares. Holders of SETs who exercise or trade their SETs or persons who purchase SETs will be deemed to have made the representations and warranties set out under "Selling and Transfer Restrictions". We and the Global Co-ordinators reserve the right to treat as invalid any exercise, purported exercise or transfer of SETs in the Offering that appears to us to have been executed, effected, or dispatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if we believe that the same may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

Summary Consolidated Financial Data

The tables below set forth our summary consolidated financial data as at the dates and for the periods indicated. The summary consolidated financial data should be read in conjunction with the whole of this Prospectus, including our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and the related notes and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008 and the related notes, in each case incorporated by reference into this Prospectus. Our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 have been audited by KPMG Accountants N.V., independent auditors. KPMG Accountants N.V. have also reviewed our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008.

The summary year-end consolidated financial data set forth below is extracted without material adjustment from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 incorporated by reference herein, other than certain unaudited, adjusted comparative financial information relating to our consolidated income statement, consolidated balance sheet and consolidated statement of cash flows as at and for the year ended 31 December 2006 (as explained in the footnotes to the tables below). The summary three-month consolidated financial data is based upon our unaudited condensed consolidated interim financial statements for the three months ended 31 March 2009, including the comparative financial information for the three months ended 31 March 2008.

*The results for the period ended 31 March 2009 are not necessarily indicative of results for the full year 2009. The financial statements and accounts from which the selected consolidated financial data set forth below have been derived were prepared in accordance with International Financial Reporting Standards as adopted by the European Commission for use in the European Union ("**IFRS-EU**").*

The summary consolidated financial data set forth below may not contain all of the information that is important to prospective investors.

Summary Consolidated Income Statement Data	**Year ended 31 December**				**Three months ended 31 March**	
	2008[1]	**2007**	**2006[2]**	**2006**	**2009**	**2008**
	(audited)		**(unaudited)**	**(audited)**	**(unaudited)**	
			(€ in millions)			
Continuing operations						
Total revenue	1,581.2	1,618.5	1,501.5	1,501.5	251.3	384.5
Revenue discontinued operations	-	(3.8)	(6.1)	(11.1)	-	-
Revenue from continuing operations	1,581.2	1,614.7	1,495.4	1,490.4	251.3	384.5
Cost of sales	(1,197.7)	(1,176.0)	(1,092.3)	(1,087.4)	(199.6)	(288.6)
Gross profit	**383.5**	**438.7**	**403.1**	**403.0**	**51.7**	**95.9**

Other operating income	8.7	4.4	5.6	5.6	1.3	2.2
Selling and distribution expenses	(176.5)	(171.2)	(157.9)	(157.3)	(42.4)	(45.9)
Administrative expenses	(109.1)	(103.2)	(107.9)	(107.5)	(27.4)	(29.4)
Research and development expenses	(8.8)	(8.9)	(9.4)	(9.4)	(1.9)	(2.3)
Other operating expenses	(14.5)	(10.0)	(13.3)	(13.1)	(3.2)	(4.2)
Result from operating activities	**83.3**	**149.8**	**120.2**	**121.3**	**(21.9)**	**16.3**
Finance income	1.2	0.5	13.6	13.6	0.4	3.5
Finance expenses	(47.0)	(35.5)	(97.7)	(97.7)	(5.8)	(13.0)
Net finance costs	**(45.8)**	**(35.0)**	**(84.1)**	**(84.1)**	**(5.4)**	**(9.5)**
Share of profit of associates	5.2	4.7	3.3	3.3	0.0	0.9
Profit on sale of associates	-	-	39.0	39.0	-	0.0
Profit (loss) before income tax	**42.7**	**119.5**	**78.4**	**79.5**	**(27.3)**	**7.7**
Income tax (expense) benefit	(10.6)	(28.0)	(6.0)	(6.3)	5.9	(2.1)
Profit (loss) from continuing operations	32.1	91.5	72.4	73.2	-	-
Discontinued operations						
Profit (loss) from discontinued operations (net of income tax)	-	1.5	1.0	0.2	-	-
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**
Attributable to:						
Equity holders of the parent	32.1	91.2	71.7	71.7	(21.7)	5.4
Minority interest	(0.0)	1.8	1.7	1.7	0.3	0.2
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**

(1) In 2008, we revised the presentation of our consolidated income statement. To conform to broader industry practice, we reclassified the presentation of foreign exchange differences on working capital from other operating income and expense to finance income and expense. See note 3(b) to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference. As the financial impact of these reclassifications on the previous years was not material, we have not adjusted the comparative financial information for the years ended 31 December 2007 and 2006.

(2) In 2007, we revised the presentation of our consolidated income statement to reclassify certain activities of Kulker SAS, France, from discontinued operations to continuing operations. We also classified the former electronics business in Finland as discontinued operations. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated income statement for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See notes 3 and 4 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference. The impact of these reclassifications was not significant.

Summary Consolidated Balance Sheet Data	As at 31 December				As at 31 March	
	2008	2007	2006[1]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
	(€ in millions)					
Total non-current assets	879.7	918.3	914.6	914.6	865.7	937.8
Total current assets	496.0	573.2	549.6	549.6	489.7	655.8
Total assets	**1,375.8**	**1,491.5**	**1,464.2**	**1,464.2**	**1,355.4**	**1,593.6**
Total non-current liabilities	651.6	677.9	772.4	772.9	734,9	715.4
Total current liabilities	390.0	443.8	391.9	391.4	321.0	501.1
Total liabilities	**1,041.6**	**1,121.7**	**1,164.3**	**1,164.3**	**1,055.9**	**1,216.5**
Total equity	**334.2**	**369.8**	**299.9**	**299.9**	**299.5**	**377.1**
Total equity and liabilities	**1,375.8**	**1,491.5**	**1,464.2**	**1,464.2**	**1,355.4**	**1,593.6**

(1) In 2007, we revised the presentation of our consolidated balance sheet to reflect changes in our accounting policy on the revaluation of land. From 1 January 2007, we no longer revalue land based on fair values, to conform to broader industry practice. The recorded value reflected the actual financial position as sale of land was not expected to materialise in the near future. The change in accounting policy from fair value to historical costs with respect to revaluation of land did not have any impact on the comparative figures nor on our consolidated financial statements as at and for the year ended 31 December 2007. We also changed the presentation of the tax provision regarding the possible capital gain tax claims and provision for identified tax exposures from deferred tax liabilities to tax provisions, because of the nature of those provisions. In addition, the current part of the employee benefits has been reclassified to current liabilities and the assets held for sale / discontinued operations have been adjusted to the 2007 presentation. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated balance sheet for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Summary Consolidated Statement of Cash Flows Data	Year ended 31 December				Three months ended 31 March	
	2008	2007	2006[1]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
	(€ in millions)					
Net cash from / (used in) operating activities / (Free operating cash flow)	202.3	144.4	108.9	174.9	(110.7)	(7.1)
Net cash (used in) / from investing activities	(109.9)	(71.2)	25.1	4.3	(15.3)	(62.9)
Net cash (used in) / from financing activities	(60.5)	(70.0)	(186.6)	(233.3)	107.1	71.8
Net increase / (decrease) of cash and cash equivalents	31.9	3.2	(52.5)	(54.1)	(18.9)	1.8
Cash and cash equivalents at 1 January	19.5	17.0	68.3	53.3	48.8	19.5
Effect of exchange rate fluctuations on cash held	(2.6)	(0.7)	1.3	–	1.5	(1.0)
Cash and cash equivalents at the end of the period	**48.8**	**19.5**	**17.0**	**(0.8)**	**31.4**	**20.3**

(1) In 2007, we revised the presentation of our consolidated statement of cash flows to conform to broader industry practice. This change resulted in reclassifications between the subtotals of cash generated from operating activities, net cash from investing activities and net cash used in financing activities. In addition, we reclassified interest paid and tax paid to a new subtotal, 'net cash from operating activities'. We also adjusted the presentation of our consolidated statement of cash flows for the effects of movements in foreign exchange rates on the opening balances. We also adjusted the presentation to exclude short-term bank debt from the opening and closing balances of our consolidated statement of cash flows. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated statement of cash flows for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

RISK FACTORS

Before investing in the Offer Shares or trading in the SETs, prospective investors should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus. If any of the following risks actually occurs, our business, results of operations, financial condition or prospects could be materially adversely affected. In that event, the value of the SETs or the Offer Shares could decline, and you may lose part or all of your investment. The risks and uncertainties described below are those that we believe are material, but these risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, results of operations, financial condition or prospects and could negatively affect the price of the SETs or the Offer Shares.

Prospective investors should carefully review the entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Offer Shares or trading in the SETs in light of their own personal circumstances. Furthermore, investors should consult their financial, legal and tax advisors to carefully review the risks associated with an investment in the Offer Shares or trading in the SETs.

Risks Relating to our Industry

Our business, results of operations and financial condition are affected by the level of activity in the construction markets and general economic conditions, which have recently experienced a significant downturn.

Our business is highly dependent on the level of activity in the residential and commercial construction industry, including residential repair, maintenance and improvement levels, in our core geographic markets. Generally, within each regional market, the construction industry is cyclical and dependent upon many factors beyond our control, including general market conditions, the availability of credit to finance investment, development of housing prices, mortgage and other interest rates, unemployment, demographic trends, consumer confidence, public investment and spending on infrastructure projects and governmental policies that have the effect of encouraging or discouraging residential housing or commercial construction, such as tax policies, policies that encourage labour mobility and migration, subsidies, and health and safety regulations that encourage or discourage use of certain materials and products.

As a result of the global financial crisis, the availability of credit for consumers and developers to finance new houses has reduced sharply, mortgage lending has contracted and housing prices have declined since mid-2007. These developments have seriously affected consumer confidence, which has resulted in a considerable decline in housing starts, commercial building activities and repair, maintenance and improvement levels in many of our European markets. Historically, higher levels of construction activity in certain markets or sectors have served to partially mitigate lower levels in other markets or sectors. Since mid-2007, however, data published by Euroconstruct have indicated a sudden and significant decrease in construction activity across all sectors of the European construction industry. The magnitude of the decrease is also notable in that it exceeds cyclical decreases recorded since 1995, reflecting the global scale and depth of stress in financial markets and economies.

The deterioration in global economic conditions, and the resulting decline in construction activity in Europe, has negatively impacted our operating and financial performance. Our total revenue in the three months ended 31 March 2009 decreased by €133.2 million, or 34.6%, to €251.3 million from €384.5 million in the three months ended 31 March 2008. Our total revenue in the year ended 31 December 2008 decreased by €37.3 million, or 2.3%, to €1,581.2 million from €1,618.5 million in the year ended 31 December 2007. This decrease was primarily due to declining sales volumes,

particularly in markets such as the UK, Ireland and Denmark, where the levels of residential construction activity were severely impacted by the credit crisis and recessionary market conditions. Adverse market conditions have contributed to destocking efforts in our supply chain, as customers and distributors of our products have reduced inventory. This has resulted in reduced demand for our products and a consequent loss of revenue to us. We cannot predict the duration or severity of current destocking measures or the likelihood that an increase in demand will follow. If we are unable to respond appropriately and in sufficient time to destocking efforts in our supply chain, or if destocking efforts persist or become more severe, our business, results of operations and financial condition may be materially adversely affected.

We expect difficult market conditions to persist through 2009 and potentially beyond, as the financial crisis continues to erode consumer confidence and limit the availability of credit to finance construction activity. However, the outlook for the construction sector is very uncertain and we cannot predict how long the current conditions will persist or whether they may deteriorate further. Although the European Central Bank and a number of European countries, including the UK, have taken measures intended to support the credit markets and stimulate economic growth, it is uncertain whether these measures will prove effective. To the extent that government expenditure on infrastructure programmes is delayed, decreased or terminated as a result of macroeconomic developments or a change in government policy, our revenues and financial performance will be adversely affected.

If and when macroeconomic conditions recover, our business will remain dependent on the level of activity in the residential and commercial construction industry, which is cyclical and affected by all of the above-mentioned factors. Unfavourable developments with respect to any of these factors may have a material adverse effect on our business, results of operations or financial condition.

Growth in the plastic pipe industry is significantly affected by a number of material replacement trends, governmental spending and other factors beyond our control.

In recent years, a significant amount of our organic growth has been due to the steady growth in the use of plastic pipe systems in Europe as a substitute for natural material alternatives, such as cement, copper or clayware pipes. There can be no assurance that the trend towards replacement of natural material pipes with plastic will continue at similar rates in the future. Market acceptance of plastic pipe systems may not occur at anticipated rates or at similar rates in Central and Eastern Europe and South East Europe as they have in Western Europe. In addition, government spending on civil and infrastructure projects may decline as a result of policy changes or deteriorating macroeconomic conditions. If the plastic pipe markets in which we operate do not grow sufficiently because of these or other reasons, our business, results of operations or financial condition would be materially adversely affected.

We operate in a competitive industry. If we are unable to compete effectively with our existing competitors or new market entrants, our business, results of operations or financial condition would be materially adversely affected.

We face competition in the sale of our products in both the Building & Installation ("**B&I**") and Civils & Infrastructure ("**C&I**") markets and in the regional markets in which we compete. We believe that the principal competitive factors in the sale of our products are, depending upon the particular products, the innovative nature of products, the quality and range of product lines and the ability to supply products to customers in a timely manner and at a competitive price. Our competitors can be expected to continue to improve the design and performance of their products and to introduce new products with competitive prices and improved performance characteristics.

We traditionally compete with numerous regional or specialised competitors, many of which are well established in their markets. Because of a trend towards consolidation in our industry, we

increasingly compete with a small but growing number of international competitors in the markets in which we operate. In a number of our regional markets, this has resulted in two or three companies serving a majority of the market. As a result of this competition, we have, from time to time, experienced price pressures on a number of our product lines and in different geographic regions, particularly as competitors seek to win market share. Failure to develop strategies and products and to maintain our competitive position in the face of such competition and potential further consolidation in our industry could have a material adverse effect on our business, results of operations or financial condition.

We are subject to stringent environmental and health and safety laws, competition laws, building and other regulations and standards. Failure to comply with such laws, regulations or standards or failure to maintain regulatory permissions or approvals could have a material adverse effect on our business, results of operations or financial condition.

Our business is subject to a broad and increasingly stringent range of environmental, health and safety laws as well as building and other laws, regulations and standards in the jurisdictions in which we operate. The laws, regulations and standards relate to, among other things, building and safety codes, air noise emissions, carbon dioxide emissions, sulphur flue gas emissions, waste water discharges, avoidance of soil and groundwater contamination, the use and handling of chemical and hazardous materials, waste disposal practices, competition and the manufacturing, composition or quality of construction materials. These laws, regulations and standards result in significant compliance costs and could expose our operations to substantial legal liability or place limitations on the development of our operations. In addition, changes to existing laws, regulations and standards could require us to incur additional compliance costs, or require costly and time-consuming changes to our operations which could have a material adverse effect on our business, results of operations or financial condition.

Specifically, our operations are subject to extensive laws and regulations relating to the production, storage, handling, emission, transportation and discharge into the environment of materials. For example, we are required to comply with the new EU Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), which governs the registration, import and use of chemicals and affects all manufacturers, importers, distributors and users of chemical substances or products in the EU. We need permits for certain of our operations, and these permits are subject to modification and renewal by issuing authorities. Government authorities have the power to enforce compliance with their regulations, and violations may result in the payment of fines, the entry of injunctions, or both.

Regulatory authorities may from time to time make enquiries of companies within their jurisdiction regarding compliance with regulations governing the conduct of business or the operation of a regulated business, including the degree and sufficiency of supervision of the business. In the context of the current regulatory environment, while we believe each of our regulated businesses dedicates sufficient resources to our compliance programme, endeavours to respond to regulatory enquiries in an appropriate way and takes corrective action when warranted, we face the risk that a governmental or regulatory body could find that we have failed to comply with applicable regulations or have not undertaken corrective action as required. In such circumstances, regulatory proceedings may be initiated that may result in a public reprimand or fines or other regulatory sanctions, adverse publicity or negative perceptions regarding us. A significant regulatory action against or involving any one of our businesses could materially adversely affect our business, results of operations and financial condition.

From time to time, there have been concerns that the manufacture, use and disposal of PVC and PE pose environmental and human health risks. For example, there have been concerns that manufacturing and transporting chlorine, which is a raw material used in the production of PVC, may

pose a number of such risks. Adverse public opinion in relation to the safety of the processes involved, whether due to vinyl chloride manufacture or otherwise, could influence our relationships with our customers or end users, which may have a material adverse effect on our business, results of operations or financial condition.

We are unable to predict future changes in environmental laws or enforcement policies or the ultimate cost of compliance with such laws and policies. The requirements of existing environmental laws and enforcement policies have generally become stricter in recent years, and are likely to continue to become so. The regulatory environment in which we operate frequently changes and has seen significantly increased regulation in recent years. We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. New regulations could require us to acquire costly equipment, refit existing plants or redesign products or to incur other significant expenses. Our business, results of operations or financial condition could also be materially adversely affected by both domestic and foreign regulatory issues and proceedings.

A significant portion of our business and the demand for our products and services is seasonal in nature and any adverse weather conditions that result in a slowdown in the construction industry may materially adversely affect demand for our products and services.

Our products are used in new residential and commercial construction, as well as infrastructure projects. As such, the demand for these products tends to be seasonal to correspond with increased construction activity in the late spring, summer and early fall. Any significant or prolonged adverse weather conditions that negatively affect the construction industry or slow the growth of new construction activity could have a material adverse affect on our business, results of operations or financial condition. Severe winter conditions in the early months of 2009 across much of Europe, particularly in the UK and Ireland, further contributed to a seasonal downturn in construction activity and related demand for our products.

In addition, the seasonal demand for our products significantly increases our working capital requirements. If we over-forecast demand for our new or existing products, this could result in excess inventory and materially adversely affect our liquidity position. Conversely, if we under-forecast demand, we may not have sufficient inventory to meet our customers' requirements. We expect that our working capital requirements will continue to fluctuate significantly from quarter to quarter as a result of the above-mentioned factors.

Risks Relating to our Business

We generate a significant proportion of our revenues from our key customers. The loss of all or a substantial portion of the business provided by our key customers in one or more of our geographic regions or a failure to secure future sales contracts could have a material adverse effect on our business, results of operations or financial condition.

Our customer base is relatively concentrated among the largest building products distributors in Europe. Our five largest customers together accounted for approximately 20.0% of our revenues in 2008. In certain key regional markets, such as the UK and Ireland and Nordic Europe, our dependence on a single or few customers is significantly higher. The plastic pipe industry, and building products distribution in Europe more generally, have been characterised by increasing consolidation in recent years. This consolidation trend drives the concentration of our client base, and has resulted in pricing pressures which could undermine our operating margins. Our agreements with our key customers are non-exclusive and generally do not commit our key customers to any minimum purchases of our products. In addition, our agreements are generally terminable upon minimum notice periods. Our relationships with our key customers could be materially adversely affected by a number of factors,

including a decision by our key customers to diversify or change their sources of pipe systems, a decision by wholesale distributors of our products to switch to private labels, an inability to agree on mutually acceptable pricing terms or a significant dispute with or between our key customers. If, as a result of these or other factors, our commercial relationship with any of our key customers terminates for any reason, or if our key customers significantly reduce their business with us, and we are unable to enter into similar relationships with other customers on a timely basis, on acceptable terms or at all, our business, results of operations or financial condition could be materially adversely affected.

Our success depends on our ability to continue to successfully identify, develop and market innovative products and services, as well as our ability to obtain regulatory permissions, certificates or approvals for our products from the relevant regulators in each of the jurisdictions in which we operate.

As our products are subject to commoditisation, our strategy is to continue to introduce new and innovative products and services. In 2008, we derived approximately 15.9% of our revenue from product innovation, which we calculate to include revenue from each product introduction in a different local market within our geographic regions in the last five years. We depend on these higher value-added products to maintain our operating margins and differentiate our offering from competitors' offerings.

Changes in customer requirements and preferences, frequent product and service introductions and the emergence of new or substitute technology or evolving industry standards and practices could render our existing products and services obsolete or less attractive. The success of our innovation strategy is dependent on our ability to anticipate customer needs, provide new products and differentiate such products from those of our competitors. The introduction of new products and services may be less successful than we expect due to low levels of customer acceptance, costs associated with the introduction of new products, delays in bringing products to market, lower than anticipated prices for new products or quality issues. Our future success will depend upon our ability to successfully identify, develop and market innovative products and services that meet customer needs and are accepted in the market. There can be no assurance that we will be able to anticipate and respond to the demand for new products, services and technologies in a timely and cost-effective manner, adapt to technological advances or fulfil customer expectations.

In addition, we are often required to obtain regulatory permissions or approvals for our products from regulators in each of the jurisdictions in which we operate. For example, our smartFix product is currently undergoing testing in a number of different jurisdictions. Although we believe the product will receive the necessary approvals, there can be no assurance this will be the case. If we fail to successfully execute our innovation strategy, our business, results of operations or financial condition could be materially adversely affected.

Our financial and operational flexibility may be restricted by our indebtedness, and if we fail to comply with covenants under our credit facilities, our repayment obligations could accelerate, which would have a material adverse effect on our liquidity, financial condition and results of operations.

As at 31 March 2009, our net debt amounted to €582.4 million. As at 31 December 2008, our net debt amounted to €461.1 million and our debt to equity ratio was 1.4. We incurred net interest expenses of approximately €35.3 million (which excludes the impact of currency exchange rate differences) in the year ended 31 December 2008. Like any company with significant borrowings, we are subject to the risk that we may be unable to generate sufficient cash flow, or to obtain sufficient funding, to satisfy our obligations to service or refinance the existing indebtedness under the Original Credit Facilities as well as indebtedness we may incur under the Amended Credit Facilities and Forward Start Facility. We have a higher level of indebtedness than other companies in our industry and our indebtedness may have important consequences, including, but not limited to:

- requiring us to devote cash flow to service our debt obligations, including obligations under the Amended Credit Facilities which will bear interest at a significantly higher rate than the Original Credit Facilities, and depending on the amount of our debt outstanding, potentially reducing financial flexibility and cash available to pay dividends to shareholders;

- potentially limiting our ability to borrow additional amounts for working capital, capital expenditure, acquisitions and developments or debt service requirements, or our ability to refinance existing indebtedness;

- in the event that we default on any of our debt obligations, enabling our creditors to seize the assets of our subsidiary guarantors which have been pledged to secure our indebtedness;

- potentially limiting our ability to pursue acquisition opportunities, which could affect our competitive position if the construction materials industry were to consolidate;

- requiring us to suspend the payment of annual and interim cash dividends in excess of €0.01 on any share in our capital until 31 December 2011 and requiring us to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011 unless our leverage ratio under the Forward Start Facility is below 2.5 at the time that any such dividend is declared;

- placing us at a disadvantage compared to our competitors that may be less leveraged and subject to less restrictive financial covenants; and

- increasing our vulnerability to general adverse economic and industry conditions including increases in interest rates and credit spreads.

As a result of the challenging economic environment and the severe contraction in construction activity across our European markets, we may experience difficulty in complying with certain of the financial covenants under our Amended Credit Facilities. These covenants, which we recently renegotiated with our lending banks, require us to maintain financial ratios relating to, among other things, our leverage and our interest coverage. For further details, including in relation to interest rates, see "Operating and Financial Review – Liquidity and Capital Resources – Indebtedness – Amended Credit Facilities and Forward Start Facility" and "General Information – Material Contracts – Credit Facilities Agreements". Our compliance with our covenants depends on a number of factors, some of which are beyond our control. A prolonged economic contraction, and further deterioration in the construction industry and the market for plastic pipe systems and solutions, may have a further material adverse effect on our earnings, which in turn could affect our ability to comply with these financial ratios. There can be no assurance that we can continue to comply with our financial covenants, despite the capital raise as a result of the Offering, if the market decline continues or worsens.

If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition.

As part of our financial restructuring, we have agreed with the syndicate of lending banks to amend the Original Credit Facilities and to enter into a Forward Start Facility. We have also obtained a waiver in respect of the financial ratios relating to our leverage and our interest coverage as at 30 June 2009, which we would otherwise be required to comply with. The continuing effectiveness of these arrangements, including the waiver, is conditional upon the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If we are unable to satisfy this condition, there will be a number of consequences for us. In particular, we will continue to be subject to the financial covenants in the Original Credit Facilities, and will be required to raise capital from

alternative sources, which may not be available or may not be available on commercially acceptable terms, in order to cure the covenant breaches that would have occurred as at 30 June 2009, absent the waiver. A breach of these covenants could cause an event of default and, if unremedied, accelerate the repayment of some or all of our indebtedness. If a significant portion of our indebtedness were to become repayable immediately, our business, results of operations and financial condition would be materially adversely affected. As a result, we may be required to:

- reduce investments in our business, including further reductions in our workforce and lower expenditure on plant and equipment, inventory, research and development, and acquisitions, which may be detrimental to our competitiveness and impair our ability to respond quickly and effectively to a recovery in our markets;
- dispose of assets at less than their book value;
- close manufacturing plants, which may be detrimental to our ability to meet demand for our products or to deliver products to customers in a timely and cost-effective manner;
- issue additional shares, which could further dilute our shareholders; and
- seek additional debt financing, which may increase our debt service obligations, require the payment of additional fees, impose additional or more onerous covenants, or require our subsidiaries to pledge additional security.

Any of the above-mentioned risks could have a material adverse effect on our business, results of operations and financial condition.

The global economic contraction and dislocation in the financial markets may expose us to liquidity risk.

The pipe systems industry in which we operate is capital-intensive. In order to continue to be competitive, our plants and equipment need ongoing maintenance which may require, from time to time, substantial capital investment. We made net capital expenditures of approximately €53.2 million during 2008. Our growth strategy and the capital-intensive nature of our business require significant amounts of financing. Recently, dislocation in the global financial markets has significantly reduced the availability of credit and increased its cost, which has caused some lenders to take advantage of opportunities to negotiate a reduction in their credit exposures. Continuing global economic turmoil could inhibit our ability to draw on the Amended Credit Facilities or other borrowings if we are unable to comply with applicable financial covenants or to meet our financial obligations when they fall due. Such turmoil could also affect our ability to refinance our obligations or obtain new financing when our Amended Credit Facilities mature in October 2011 and our Forward Start Facility matures in April 2013. In addition, new developments and unforeseen events may occur which require us to raise additional capital. The European financial markets are experiencing an unprecedented period of prolonged credit illiquidity, and we cannot assure you that we will be able to obtain additional financing on acceptable terms or at all. Any of the above-mentioned risks could have a material adverse effect on our business, results of operations and financial condition. For a further discussion of our existing credit facilities, see "Operating and Financial Review – Liquidity and Capital Resources".

Failure to execute successfully and achieve the benefits of our cost reduction and cash generation initiatives could have a material adverse effect on our business, results of operations and financial condition.

Although we have adopted cost reduction and cash generation initiatives, their implementation involves a number of uncertainties, including our ability to manage the size of our workforce, manage working capital, reduce capital expenditure, optimise our production facilities and distribution networks, negotiate improved payment terms with suppliers, increase collection rates and tighten credit

terms extended to our customers. We may not be successful in implementing these or other initiatives, which could have a material adverse effect on our business, results of operations or financial condition.

In 2008, we reduced our workforce by 650 FTEs and, in early 2009, we announced the reduction of an additional 450 FTEs. We integrated our two Dutch sales organisations, as well as two Belgian sales and distribution centres, and merged our UK dual brand sales teams into a single organisation supported by a single marketing team. We also reduced our capital expenditures in 2008. These measures, and any future cost reduction and cash generation initiatives, may have a negative impact on our productivity, quality control and ability to innovate. These initiatives may also be detrimental to our competitiveness and impair our ability to respond quickly and effectively to a recovery in our markets. If any such risks materialise, our business, results of operations and financial condition could be materially adversely affected.

Even if we were able to successfully implement our cost reduction and cash generation initiatives, we may not realise the benefits that we expected. Our expectations of the financial and operational benefits of our cost reduction and cash generation initiatives are based upon certain assumptions and variables regarding, among other things, future conditions in the financial markets, the level of construction activity in the European regions in which we operate, demand for our plastic pipe systems and solutions in each product segment we serve, changes in exchange rates and interest rates, the availability of construction financing and mortgage lending, and our performance and prospects. In addition, implementation of our cost reduction and cash generation initiatives may prove costly, and we may record restructuring charges that are higher than we originally anticipated. There can be no assurance that our assumptions will prove correct, or that our estimates of the annualised savings we expect to achieve will materialise as a result of our cost reduction and cash generation initiatives.

Our exposure to counterparty risk could result in credit losses and an increase in our operating costs, which could materially adversely affect our business, results of operations or financial condition.

We sell our products primarily through distributors, and to a lesser extent to end users, which exposes us to the risk that they default on their obligations to us. We do not have written contracts with many of these distributors. In particular, certain of our distributors have considerable trade receivable accounts with us for the delivery of our products. In addition, our trade receivable accounts are not covered by credit insurance in most countries in which we operate. We therefore bear the risk that our distributors will be unable to pay against their trade receivable accounts. Our exposure to counterparty risk is magnified by the financial crisis and economic contraction, which has had an adverse effect on our distributors, customers and other counterparties, such as suppliers which owe us money through rebates and financial institutions which have committed to provide us with credit or with which we enter into derivative contracts to hedge our interest rate and foreign exchange risks. Such distributors, customers and counterparties may default on their obligations to us if their liquidity position weakens or they become insolvent. In addition, we are exposed to counterparty risks arising from insurance contracts. Insurance companies have and may continue to experience financial difficulty, and may be unable to meet their obligations to us under our contracts. Any credit losses we may suffer as a result of these increased risks, or as a result of credit losses from any significant distributor, customer or other counterparty could have a material adverse effect on our business, results of operations and financial condition.

Our credit risk has been heightened by our expansion into emerging markets in South East Europe and Central and Eastern Europe. In 2008, we realised approximately 26.0% of our sales in the Central and Eastern Europe region, the Baltic states, Hungary, Romania, Turkey and the Balkans (together, "**Emerging Economies**"), where payment terms are generally longer than in the more developed markets in Western Europe. Our customers in emerging markets may have a relatively short

operating history, making it more difficult for us to accurately assess the associated credit risks. Even if they have a considerable operating history, there may be limited or unreliable information regarding their financial history and creditworthiness. In 2008, we recorded €3.4 million in impairment charges for doubtful debt, compared to a recovery of €0.4 million in 2007, an increase which was primarily attributable to outstanding receivables in emerging markets. If emerging markets continue to comprise a significant part of our business, the risk that our customers and distributors may fail to honour their obligations to us may increase, which could have a material adverse effect on our business, results of operations and financial condition if such defaults were to materialise.

We have actively expanded our sales and operations, with a particular focus on emerging markets, which exposes us to additional risks.

We have production plants in 16 countries and sales offices in an additional 12 countries throughout Europe, including, among others, Poland, the Czech Republic, Lithuania, Hungary, Slovakia, Romania, Ukraine, Russia and, as a result of the acquisition of Pilsa Plastic Products Inc. ("**Pilsa**"), Turkey. Our expansion, particularly into emerging markets, exposes us to a greater range and degree of risks than those associated with more developed markets, including, in some cases, increased political, economic and legal risks. In 2008, we derived 16.0% of our revenue from South East Europe (including Italy) and 15.4% of our revenue from Central and Eastern Europe. The emerging markets in which we operate, or into which we may expand in the future, may be characterised by such risks as longer payment cycles and difficulties in collecting accounts receivable; challenges in staffing and managing operations and providing prompt and effective field support to local customers in different countries; inadequate protection or enforcement of our contractual and intellectual property rights; state intervention and arbitrary or inconsistent governmental or judicial action; tariffs and other trade barriers in countries outside of the European Union; adverse tax regimes, including withholding tax rules that may limit the repatriation of our earnings, and higher effective income tax rates in various countries in which we conduct business; differing labour, environmental and other regulatory requirements; political and social instability, terrorism, civil conflicts and acts of warfare; deficiencies in transportation, energy, telecommunications and other infrastructure and difficulties and delays in obtaining or renewing licences, permits and authorisations. Emerging market economies are also more dynamic and generally experience greater volatility than more developed markets, and their growth prospects may change.

A number of emerging markets in South East Europe and Central and Eastern Europe have recently experienced significant capital outflows and currency devaluation as a result of the financial crisis. As a result, the markets in South East Europe and Central and Eastern Europe that we have identified as having potential for significant future growth may in fact grow at rates slower than we anticipate, or not at all. The success of our business depends, in part, upon our ability to succeed in these differing and sometimes fast changing economic, regulatory, social, cultural and political environments. If we are unable to manage the risks associated with our international sales and operations and expansion into emerging markets, our business, results of operations or financial condition could be materially adversely affected.

If market conditions do not permit us to pass on increases in the cost of raw materials to our customers on a timely basis, or at all, our business, results of operations or financial condition would be materially adversely affected.

To produce our products, we use large quantities of polymers, particularly polymers such as polyvinyl chloride ("**PVC**"), polyethylene ("**PE**") and polypropylene ("**PP**"). In 2008, we spent approximately €550.0 million on raw materials, which represented 46.1% of our total cost of sales and accounted for 34.9% of our revenue. Polymers such as PVC, PE, including high density polyethylene ("**HDPE**"), and PP are subject to cyclical price fluctuations, including those arising from local, regional or international supply shortages and changes in the prices of natural gas, crude oil and other

petrochemical intermediates from which polymers are produced. The price we pay for our raw materials typically changes on a monthly or quarterly basis under our contracts. Accordingly, our contracts do not protect us from price fluctuations. The recent volatility in the world markets for oil and natural gas substantially raised prices and decreased general availability of polymers in 2007 and for much of 2008, which had an adverse affect on our operating margins. We do not attempt to hedge against changes in the prices of natural gas, crude oil, or other petro-chemical intermediates; however, historically, we have generally been able to pass on a significant portion of any increases in polymer prices to our customers over a period of time. Nevertheless, there have been negative short-term impacts on our financial performance from changes in polymer prices. Continued price increases or shortages in these or other raw materials we depend upon may significantly affect our results of operations if market conditions do not permit us to pass on increases in the costs of raw materials to our customers on a timely basis, or at all, which would have a material adverse effect on our business, results of operations or financial condition.

We are dependent on suppliers of raw materials and certain component parts for our products. If these suppliers were unable to meet our requirements on a cost-effective and timely basis, our business, results of operations or financial condition could be materially adversely affected.

The successful production and sale of our products is dependent upon the availability of quality and affordably priced raw materials that are procured from our key suppliers. We generally rely upon a lead supplier of raw materials for each production facility. Our formal agreements with our suppliers are primarily one- to three-year agreements rather than fixed-price agreements or requirements agreements. Our suppliers operate in an industry that has undergone significant consolidation in recent years and, in some cases, single suppliers may provide us with over 20% of our raw materials.

As a consequence of the current economic downturn, certain suppliers may face difficulties in obtaining credit insurance on their receivables, which may affect their willingness to continue extending favourable credit terms to us. As suppliers seek to reduce their own costs in the face of the recession, they may also offer materials to us on less favourable terms. We may face further concentration of our supplier base if suppliers become insolvent, which could impair our ability to negotiate and obtain favourable terms for purchases of raw materials.

Alternative sources are not always available or may not be available on terms that would be acceptable to us. If our suppliers were unable or unwilling to meet our demand for raw materials on a timely basis or on acceptable commercial terms, our ability to maintain timely and cost-effective production of our products would suffer. In addition, we only maintain stock in certain polymers in sufficient quantities to supply our production activities for a limited number of days. If our stock runs low, our production activities could be slowed or halted. Any delay in obtaining, or failure to obtain, the necessary raw materials or other component parts from our suppliers on commercially acceptable terms could have a material adverse effect on our business, results of operations or financial condition.

Fluctuations in currency exchange rates and interest rates could materially adversely affect our business, results of operations or financial condition.

Our financial statements are prepared under IFRS-EU and we use the euro as our reporting currency. However, our business generates substantial revenues, expenses and liabilities in jurisdictions outside the euro currency union, including the UK, Poland, Hungary, the Czech Republic, Turkey, Denmark and Norway. In 2008, approximately 58% of our revenue was denominated in currencies other than the euro, predominantly in the pound sterling, the Polish zloty, Hungarian forint, Czech koruna, the Turkish lira, and the Danish, Norwegian and Swedish krone. Many of these currencies have experienced significant volatility as a result of the financial crisis and have depreciated against the euro. Revenues and expenses, including purchases of raw materials, incurred in other currencies are translated into euros at established average exchange rates, which approximate the respective rates

at the date of the transactions, for inclusion into our consolidated financial statements. As a result, from year to year, changes in the exchange rates used to translate foreign currencies into the euro, our reporting currency, could substantially affect our results of operations as reported in euros. Although we engage in foreign currency hedging transactions in certain currencies, our hedging strategies may not adequately protect our results of operations from the effect of exchange rate fluctuations or may limit any benefit that we might otherwise receive from favourable movements in exchange rates. In 2008, foreign exchange rate fluctuations had a negative impact of €33.2 million, or 2.1%, on our revenue. We recorded €10.5 million in exchange rate losses in 2008, which led to an increase in finance costs to €45.8 million.

We are also exposed to interest rate risk. Although we use interest rate swaps to mitigate a portion of this risk, fluctuations in interest rates may nonetheless affect our interest expense on existing debt and the cost of new financing. In addition, the degree of correlation between the instruments used in hedging activities and a position being hedged may vary. An imperfect correlation could prevent us from limiting our exposure and create new risks of loss. If the Offering were to complete, the level of our outstanding interest rate derivative instruments will exceed the amounts drawn under the Amended Credit Facilities and the effectiveness of these outstanding instruments will be re-evaluated. In the event that such instruments are found to be ineffective, it will result in a write-off of the related hedge reserve through our income statement, at the moment that the Offering has been completed and the Amended Credit Facilities come into effect. Based on the fair value of such instruments as at 31 March 2009, the write-off would amount to approximately €4.8 million. The ineffective portion of the outstanding interest rate derivative instruments is required to be revalued through the income statement instead of equity from the date the Amended Credit Facilities come into effect. See "Operating and Financial Review – Quantitative and Qualitative Disclosure about Market Risk".

Our ability to realise contracts with certain utility customers depends on our ability to successfully compete during tender processes. We may be unable to manage risks associated with these tender procedures, which may materially adversely affect our business, results of operations or financial condition.

A number of our contracts in the utility business, including renewals or extensions of previous contracts, are awarded after formal competitive bidding processes. We expect that a substantial amount of the business that we will seek in the foreseeable future will continue to be awarded through competitive bidding processes. The processes present a number of risks, including substantial cost and managerial time and effort to prepare bids and proposals for contracts that we may not win and incorrectly estimating the resources and cost structure that will be required to service any contract. We may also face additional competition in tender processes, either from existing competitors or new market entrants, and experience delays or losses of awarded contracts if our competitors protest or challenge them. Failure to win or manage risks associated with material tenders may materially adversely affect our business, results of operations or financial condition.

We may fail to effectively identify or execute strategic acquisitions, joint ventures or investments, and if we do pursue such transactions, we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.

Historically, we have pursued a growth strategy of acquisitions of, or joint ventures or investments with, companies, assets or product lines that complement or expand our existing business or geographical reach. As a result of the contraction in construction activity, the increased cost of acquisition financing and the prioritisation of strict cash flow controls throughout our organisation, we have become more selective in our consideration of acquisitions, which may slow the future growth of our business in comparison to our historical expansion rate.

We can give no assurance that we will find suitable acquisition candidates. Even if we were able to identify such candidates, we may not be able to acquire them. Continuing stress in the global and European credit markets has caused financial institutions to significantly limit lending and to impose more stringent lending criteria. The Amended Credit Facilities and Forward Start Facility contain covenants restricting our ability to make acquisitions. For additional information, see "General Information – Material Contracts – Credit Facilities Agreements". At the same time, our competitors may view the current market turmoil as an opportunity to consolidate market share or expand into new markets at our expense, and may make competing bids for companies we seek to acquire.

We may incur transaction costs in connection with future acquisitions. We may also incur substantial additional costs and suffer delays and other unforeseen difficulties in the integration of acquired businesses. In addition, acquisition transactions typically involve a number of risks we may not be able to overcome and which present financial, managerial and operational challenges and costs, including: the expenditure of substantial managerial, operating, financial and other resources to integrate an acquired business, to the detriment of our continuing operations; potential unexpected loss or under-performance of key employees, customers or suppliers of the acquired entity, joint venture or investment; exposure to competition law approval processes, investigations and enforcement actions in one or more of the countries in which we operate, potentially resulting in monetary fines or other sanctions that may severely limit our ability to grow in certain markets; adverse effects on our reported earnings per share in the event acquired intangible assets or goodwill become impaired; existence of unknown liabilities or contingencies in the acquired businesses that arise after closing; potential disputes with counterparties; and increases in debt levels and interest costs. If we pursue acquisitions, partnerships or investments in the future and fail to successfully execute such transactions or integrate such businesses, our business, results of operations or financial condition could be materially adversely affected.

The continued growth and success of our business depends on our ability to attract, integrate and retain our Management Board and qualified personnel.

Our success depends to a significant extent upon the leadership and performance of our Management Board, including our President & CEO, Philip Houben; our CFO & Executive Vice President, Pim Oomens; our Executive Vice President, Henk ten Hove; and our Executive Vice President, Andy Taylor. The loss of one or more members of our Management Board without adequate replacement could have a material adverse effect on our business, results of operations or financial condition.

We also rely on skilled personnel to operate our business. If we do not have sufficient numbers of skilled research and development, engineering, manufacturing, marketing and other personnel, our ability to produce and distribute our plastic pipe systems and solutions, and provide effective field support to customers, distributors and end users of our products, could be impaired, which could have a negative impact on our sales. In 2008, we reduced our workforce by 650 FTEs and in early 2009, we announced the reduction of an additional 450 FTEs. We may further reduce our workforce. Our ability to retain, motivate and train our employees may be adversely affected by our efforts to control cash flow and, in turn, adversely affect our productivity, quality control and ability to innovate. As a result, we may experience difficulties executing our business plans and growth strategies, or responding quickly and effectively to a recovery in our markets.

We may not be able to protect our intellectual property or we may be faced with claims that we infringe the intellectual property rights of others.

We rely on a combination of patents, trademarks, trade names, product certificates, confidentiality and non-disclosure clauses and agreements, copyrights and registered and unregistered design rights to define and protect our rights to the intellectual property in our products. We cannot

assure you that any of our registered or unregistered intellectual property rights, or claims to such rights, will now or in the future successfully protect what we consider to be the intellectual property underlying our products in any or all of the jurisdictions in which we do business, or that our registered or unregistered rights subsequently will not be successfully opposed or otherwise challenged. We also cannot assure you that upon expiration of any of our patents, our competitors will not commence manufacturing products or using technologies similar to ours.

To the extent that our innovations and products are not protected by patents, copyrights or other intellectual property rights in any of our key markets, third parties (including competitors) may be able to commercialise our innovations or products or use our know-how, which could have a material adverse effect on our business, results of operations and financial condition. In addition, legal protection of our intellectual property rights in one country will not provide protection in certain other countries where we operate.

We have faced in the past and may in the future face claims that we are infringing the intellectual property rights of others. If any of our products are found to infringe the patents or other intellectual property rights of others, our manufacture and sale of such products could be significantly restricted or prohibited and we may be required to pay substantial damages, which could have a material adverse effect on our business, results of operations or financial condition.

The operation of defined benefit plans carries certain inherent risks and any increasing pension obligations, including increases resulting from changes in statute, case law or actuarial assumptions, could materially adversely affect our financial condition.

We or our subsidiaries operate defined benefit plans in The Netherlands, Norway, the UK, Ireland, France, Italy and Germany, as well as defined contribution plans in certain jurisdictions. Our wholly owned subsidiaries in The Netherlands retain the responsibility to pay the agreed contributions. Our wholly owned subsidiaries in Norway, the UK and Ireland retain the responsibility to make payments to the members of the pension fund, including the indexation of the pension rights of pensioners after retirement, and are liable for paying the agreed pensions amounts to the pensioners employed under defined benefit plans. Our wholly owned subsidiary in Germany has a lump sum arrangement which will be paid to the member upon retirement and in the event of an insolvency of the insurance or reinsurance company connected with the pension arrangement in Germany, we would be liable for paying any outstanding lump-sum amount to qualified employees. As at 31 March 2009 and 31 December 2008, our recognised liabilities for defined benefit obligations were €18.3 million and €18.7 million respectively (see note 28 to our financial statements as at and for the year ended 31 December 2008, which are incorporated herein by reference).

We are also subject to deficit liability in several of our defined benefit pension plans. Details of this deficit liability as at 31 December 2008 are set out in note 28 to our financial statements as at and for the year ended 31 December 2008, which are incorporated by reference herein. In the current volatile market environment, there is a risk that the overall deficits in our defined benefit plans may increase further or that we may be subject to losses on the values of assets related to our defined benefit plans. Any requirement to make additional contributions to our defined benefit plans to cover any such deficits or losses could have a material adverse effect on our financial condition. As at 31 March 2009, the coverage ratio of the pension fund in The Netherlands fell below the required minimum ratio of 105%. As a result, the pension fund was required to issue a recovery plan to the Dutch regulatory authority that oversees such funds. In addition, our pension liabilities may be subject to changes in relevant pensions legislation, the interpretation of pensions legislation by the home country pensions regulator and the nature and pensions treatment of the activities the pensions regulator may undertake.

Work stoppages or other labour disputes at our facilities could have a material adverse effect on our business, results of operations or financial condition.

Some of our employees are members of trade unions and some sectors of our business are subject to union recognition agreements in certain countries in which we operate. The presence of trade unions may limit our flexibility in dealing with employees, lead to increased operating expenses and impair our ability to prioritise cost reduction and cash generation. In addition, if there is a material disagreement or dispute with our trade unions, our business could be materially adversely affected; for example, as a result of increased costs or reduced production associated with industrial disputes. We have been required to embark on trade consultations in connection with our personnel reductions in 2008 and 2009 and may be subject to further consultations in the future, as we continue to restructure our cost base. Negotiations with trade unions or other representatives of labour interests may result in costly concessions, and may prevent us from achieving the level of efficiency we might otherwise gain from such projects. Any prolonged work stoppage or strike at one of our facilities, or any significant increase in employee costs, could have a material adverse effect on our business, results of operations or financial condition.

We are subject to risks resulting from defects in our products as well as warranty claims and other liabilities.

We develop complex piping, gas and water control products which may contain defects in design or manufacturing or other errors or failures. This is particularly a risk with new or upgraded products or services, such as our hot and cold applications, where our quality control procedures or those of our component suppliers may fail to test for all possible conditions of use, or to identify all defects in the design, engineering or specifications of our products.

Defects in any of our products could result in diminished market acceptance for our products, a weakening of our brand, product recalls in one or more of our markets or claims for money damages. Recalls may be costly and divert management's attention from the operation of our business. Generic or specific defects could require us to incur substantial expenses relating to replacements and repairs under our warranty programme, which covers certain of our products for periods of up to 25 years. Based upon our claim history, we record a provision for the cost related to future product failures. If the failure rate of our products is substantially above historical levels, we would face increased cost of sales. Material defects in any of our products could thus result in decreased revenues, increased operating costs and the possibility of significant products liability, which could have a material adverse effect on our business, results of operations or financial condition.

Our business exposes us to possible product liability claims, which could result from a failure of a product we have manufactured or of a product or part incorporated in our products.

Product liability claims, arising from personal injury or other damage, present a risk of protracted litigation, substantial money damages, attorneys' fees, costs and expenses and diversion of management's attention from the operation of our business, which could have a material adverse effect on our business, results of operations and financial condition. The use of complex piping, irrigation and water control systems carries an inherent risk of product liability claims and associated adverse publicity. In addition, although we carry insurance in relation to product liability claims, such claims may not be covered by our policy or may exceed our policy limits.

In the event of a catastrophic loss of one of our key manufacturing facilities, or if our business operations or systems are damaged or interrupted, our business, results of operations or financial condition could be materially adversely affected.

Our business operations, manufacturing facilities, information systems and processes are vulnerable to damage or interruption from fires, floods, power loss, telecommunications failures, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These operations, facilities and systems may also be subject to sabotage, vandalism, theft, security breaches and similar misconduct. Our disaster recovery systems may not be sufficient to mitigate the harm that may result from any such event or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses. Significant interruptions from any of these causes could materially adversely affect our business, results of operations or financial condition.

We are exposed to failures in our legacy information technology systems and to potential delays, additional costs or failures in the roll out of our ConnectIT technology systems, which could adversely affect our business.

Our ongoing ability to provide customers with our products and services and manage our operations depends on the continuing operation of our legacy information technology systems. We are currently in the process of standardizing our information technology systems across our operating companies through our ConnectIT programme. As a result, we have had to develop internal information technology governance and risk management systems, which will require ongoing assessment and updating. This process may involve increased risks of information technology failures, delays or additional costs. As we seek to reduce costs across our organisation, we may moderate or cease investments in the integration, maintenance and upgrading of our information technology systems. If we are unable to maintain and update our information technology systems to a sufficient standard of quality, our business and ability to provide optimal service to our customers, distributors and end users could be adversely affected.

Interruption to or deterioration in the performance of transport or other services provided by third parties could materially adversely affect our business, results of operations or financial condition.

We are reliant upon third party service providers for certain aspects of our business, particularly the transportation and shipping of our products from our manufacturing facilities to our supply centres and to distributors. Any interruption or deterioration in the performance of these third parties could materially adversely affect our business, results of operations and financial condition.

Deteriorating markets could result in the impairment of goodwill and other intangible and tangible assets, which may materially adversely affect our financial condition or results of operations.

Under IFRS, goodwill and indefinite-lived intangible assets are not amortised but are subject to annual impairment tests or more frequent tests if there are indications of impairment. Other intangible and tangible assets are amortised. Impairment charges may result from deteriorating market conditions, such that the carrying value of assets can no longer be supported by the present value of expected cash flows from their continuing use. To the extent the current economic downturn worsens or construction activity in the markets in which we operate does not recover, we may be required to record impairment charges relating to our business, and such charges, whilst not directly affecting cash flows, could have a material adverse effect on our financial condition or results of operations.

The final determination of our tax liability may be materially different from what is reflected in our income tax provisions and related balance sheet accounts.

We are subject to (income) taxes in The Netherlands and other jurisdictions and, in the ordinary course of business, audits in relation to such tax liabilities. Our calculation of (income) taxes is based in part on our interpretations of applicable tax laws in the jurisdictions in which we operate. Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our (income) tax liability will not be materially different from what is reflected in our income tax provisions and related balance sheet accounts. In particular, mediation is pending regarding the amount of tax deductible earn-out payments in respect of the acquisition of Wavin Beteiligungen GmbH by Nordisk Wavin A/S in 1999 (see "Business – Legal Proceedings and Other Matters"). If we are required to defend against a legal, arbitral, regulatory, or other claim in relation to our tax liabilities, the expenses relating to such a claim, whether or not it is ultimately resolved in our favour, could materially and adversely affect our business, financial condition and results of operations. It is not possible to determine the ultimate disposition of these matters; however if a claim or proceeding were resolved against us or if we were to settle any such dispute, additional taxes (and related interest charges) may be assessed, which could have a material adverse effect on our business, financial condition and operating results. Additional taxes may also be assessed as a result of new legislation, a change in the effective tax rate as a result of changes in tax laws, or a change in the locations in which we operate, which could also have a material adverse effect on our income tax provision and net income.

Risks Relating to the Offering and our Ordinary Shares

The market price of our ordinary shares will fluctuate, and may decline below the Offer Price.

The market price of our ordinary shares at the time of the Rights Offering may not be indicative of the market price for our ordinary shares after the Rights Offering is completed. The market price of the ordinary shares which Eligible Persons will receive upon exercise of the SETs may fluctuate significantly due to a change in sentiment in the market regarding our business, results of operations and financial condition. Such fluctuations may be influenced by the market's perception of the likelihood that the Rights Offering will complete and the extent to which SETs will be exercised for ordinary shares, which may vary with speculation in the media or the investment community, and the expectations and recommendations of analysts who cover our business and industry. In turn, these may be affected by a number of factors, some of which are beyond our control, including actual or anticipated changes in our performance, the performance of our competitors and other companies in the markets in which we operate, strategic actions by our competitors (including acquisitions and restructurings), regulatory changes, large sales or purchases of our ordinary shares (or the perception that such transactions may occur) and general market and economic conditions.

Stock markets around the world have recently experienced significant price and volume fluctuations in connection with the global financial crisis and economic contraction. Securities quoted on Euronext Amsterdam have experienced significant volatility which has had an adverse impact on the market prices for securities and which may be unrelated to the actual performance or prospects of individual companies, such as our company. We cannot assure you that the market prices of our ordinary shares will not decline below the Offer Price. Should this occur after you have exercised your SETs, the exercise of which cannot be revoked or modified except as described in "The Offering – Rights Offering – Exercise Period", you will suffer an immediate unrealised loss as a result. Moreover, we cannot assure you that, following the exercise of SETs, you will be able to sell your ordinary shares at a price equal to or greater than the Offer Price.

We cannot assure you that an active trading market will develop for the SETs and, if a market does develop, the market price of the SETs will be affected by the market price of our ordinary shares.

We intend to set a trading period for the SETs on Euronext Amsterdam from 09:00 (CET) on 7 July 2009 until 13:00 (CET) on 16 July 2009. Prior to the Offering there has been no market for the SETs. We cannot assure you that an active trading market in the SETs will develop on Euronext Amsterdam during that period. The SETs are expected to have an initial value that is lower than our ordinary shares and will have a limited trading life, which may impair the development of an active trading market. In addition, the price at which SETs may trade on Euronext Amsterdam will be subject to the same risks which affect the market price of our ordinary shares as described in these "Risk Factors". Accordingly, the market price of the SETs may be highly volatile.

You will experience dilution as a result of the Offering if you do not or cannot exercise your SETs in full.

If you are an Eligible Person and you fail to exercise your SETs in full by the end of the Exercise Period at 15:00 (CET) on 16 July 2009 as part of the Offering, or if you are an Ineligible Person, your proportionate ownership and voting interests in the Company will be significantly reduced and the percentage of our enlarged share capital your existing ordinary shares will represent will accordingly be significantly reduced. If you elect to sell rather than exercise your SETs, the consideration you receive may not be sufficient to compensate you fully for the dilution of your percentage ownership of our share capital which will result from the Offering. See also "Description of Share Capital – Share Capital – Dilution".

As a result of the Offering, some of our current larger shareholders may have significant interests in us and may be in the position to exert significant influence over the outcome of matters relating to our business.

Immediately following the Offering, our current larger shareholders may own, directly or indirectly, shares which would enable them to control a significant portion of the voting rights in us. For further details, see "Principal Shareholders and Related Party Transactions" in this Prospectus. Consequently, these larger shareholders may be in a position to exert significant influence over or determine the outcome of matters requiring approval of our shareholders, including but not limited to appointments to the Management Board and the approval of significant transactions. The interests of these larger controlling shareholders may differ from the interests of other shareholders. As a result, the larger shareholders' interests in our voting capital may permit them to effect certain transactions without other shareholders' support, or delay or prevent certain transactions that are in the interests of other shareholders, including without limitation an acquisition or other change in control of our business, which could prevent other shareholders from receiving a premium on their ordinary shares. The market price of our ordinary shares may decline if the larger shareholders use their influence over or control of our voting capital in ways that are adverse to other shareholders.

If you do not properly and timely exercise your SETs, you will not be able to exercise those SETs and consequently, you may not receive any compensation for your unexercised SETs.

The Exercise Period for the SETs commences at 09:00 (CET) on 7 July 2009 and expires at 15:00 (CET) on 16 July 2009. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription Agent before the expiration of the Exercise Period. If you are an Eligible Person and you or your financial intermediary fail to correctly follow the procedures that apply to the exercise of your SETs, we may reject your exercise of SETs by the end of the Exercise Period, depending on the circumstances. If you are an Eligible Person and you fail to validly exercise your SETs, such SETs will continue to be reflected in your securities account only for the purpose of the payment of the Excess Amount, if any. We cannot assure you, however, that there will be an Excess Amount for distribution to holders of unexercised SETs.

In addition, if a shareholder neither exercises SETs nor sells his unexercised SETs, the Global Co-ordinators have agreed with the Company to use reasonable endeavours to procure subscribers for the ordinary shares underlying the SETs. There is no assurance that the Global Co-ordinators will be able to procure subscribers at a price per ordinary share that exceeds the sum of the Offer Price per ordinary share and the Offering expenses. The Global Co-ordinators may also cease their endeavour to procure subscribers at any time. Even if the Global Co-ordinators are able to procure subscribers for the ordinary shares underlying the SETs, the consideration a shareholder who neither exercises SETs nor sells unexercised SETs will receive may not be sufficient to compensate him fully for the dilution of his percentage ownership of our share capital which will result from the Offering. For additional information, see "The Offering".

If the Offering is withdrawn, both the exercised and unexercised SETs will be forfeited without compensation to their holders and the subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs.

The closing of the Offering is scheduled to take place on 22 July 2009. The closing of the Offering may not take place on such date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date (see "Plan of Distribution – Conditions to the Offering"). If the closing of the Offering does not take place on the Closing Date, the Offering may be withdrawn. In such an event, both the exercised and unexercised SETs will be forfeited without compensation to their holders and subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by us will be returned, without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs. There will be no refund in respect of any SETs purchased in the market. All dealings in SETs and Offer Shares prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext Amsterdam N.V. does not accept any responsibility or liability by any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

Our ability to pay dividends is restricted by the Amended Credit Facilities and the Forward Start Facility and our ability to pay dividends in the future will depend on our and our subsidiaries' ability to maintain sufficient levels of distributable reserves, profits and cash flows.

Our Amended Credit Facilities prohibit us from paying any annual or interim cash dividend in excess of €0.01 on any shares in our capital until 31 December 2011, which could reduce the value of your investment in our shares. Under the Forward Start Facility, following the maturity of the Amended Credit Facilities, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011, unless our leverage ratio under the Forward Start Facility is below 2.5 at the time that any such cash dividend is declared.

Furthermore, under Dutch law, a company may pay cash dividends to its shareholders only if its shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves required to be maintained by Dutch law or its articles of association. As a holding company, our ability to pay dividends in the future is affected by a number of factors, principally our ability to receive sufficient upstream distributions from our subsidiaries. Our subsidiaries' ability to pay upstream distributions to us, in turn, may be subject to restrictions, including the existence of sufficient distributable reserves, which will be influenced by our ability to realise cost reduction and cash generation measures throughout our organisation. In addition, as we operate an international business, our subsidiaries' ability to pay upstream distributions to us is also subject to applicable local laws and regulatory requirements, including tax laws, in the jurisdictions in which they are organised. These laws and regulations may vary significantly, particularly in respect of our subsidiaries which are organised outside of the European Union, and in the future may also restrict our ability to pay dividends to shareholders.

If the economic contraction is prolonged, and construction activity and demand for our products continues to lag, we or our subsidiaries may deem it prudent not to declare and pay dividends. We can give no assurance as to when or if dividend payments, in cash or in-kind, will be made in the future. For additional information, see "Dividends and Dividend Policy – Dividend Policy".

Future sales, or the possibility of future sales, of a substantial number of our ordinary shares could have a material adverse effect on the price of the Offer Shares and dilute the interests of shareholders.

We face a challenging trading environment as a result of an unprecedented confluence of factors that has driven down construction activity and demand for our products across all sectors of the industry and geographic regions in which we operate. If these conditions persist, our liquidity position may be significantly affected and we may be compelled to seek additional financing. The European credit markets remain constrained despite the efforts of the European Central Bank and certain national governments to provide liquidity support. In the future, we may seek to raise funds through additional equity offerings. Additional equity offerings could cause dilution for our shareholders if they do not participate, or are not invited or eligible to participate. Moreover, future sales of a substantial number of our ordinary shares, or the perception by the market that such sales will occur, could have a negative impact on the market price of our ordinary shares and could increase the volatility in the market price of our ordinary shares.

Shareholders in certain jurisdictions may not be able to exercise SETs, and such shareholders' ownership and voting interests in our share capital will accordingly be diluted.

In the event of an increase in our share capital, holders of our ordinary shares are generally entitled to certain pre-emption rights, unless these rights are excluded by a resolution of the General Meeting or of the Management Board, if so designated by the General Meeting or pursuant to our Articles of Association. However, the securities laws of certain jurisdictions may restrict our ability to allow shareholders to participate in offerings of our securities and to exercise pre-emption rights. Accordingly, shareholders with registered addresses, or who are resident or located, in certain jurisdictions, including the United States, will not be eligible to exercise SETs as part of the Offering, and they may not receive the full economic benefit of the SETs if the Global Co-ordinators are unable to procure subscribers for the ordinary shares underlying the SETs at a price that exceeds the sum of the Offer Price per ordinary share and the Offering expenses, in which case the SETs will lapse without compensation. As a result, shareholders with registered addresses or who are resident or located in such jurisdictions, including the United States, will experience substantial dilution of their ownership and voting interests in our share capital.

In addition, we may in the future offer, from time to time, a stock dividend election to shareholders, subject to applicable securities laws, in respect of future dividends. However, we may not permit shareholders with registered addresses or who are resident or located in certain restricted jurisdictions, including the United States, to exercise this election. Accordingly, shareholders in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash and, as a result, may experience further dilution.

Dutch law and our Articles of Association contain anti-takeover provisions that may prevent or discourage takeover attempts that may be favourable to shareholders.

Like other companies in The Netherlands, our Articles of Association have anti-takeover provisions that may have the effect of preventing, discouraging or delaying a change of control. The foundation *Stichting Preferente Aandelen Wavin* (the "**Foundation**") is entitled to acquire from us protective preference shares up to a maximum of 100% of our total issued and outstanding share capital, excluding issued and outstanding protective preference shares. The issuance of protective preference shares in this manner would cause substantial dilution to the voting power of any

shareholder, including a shareholder attempting to gain control of us, and could therefore have the effect of preventing, discouraging or delaying a change of control that might have otherwise resulted in an opportunity for shareholders to sell their shares at a premium to the then-prevailing market price. See "Description of Share Capital and Corporate Governance – Share Capital – Protective Preference Shares and Stichting Preferente Aandelen Wavin". This anti-takeover measure may have an adverse effect on the market price of our ordinary shares.

Shareholders may be subject to exchange rate risk.

The SETs and the Offer Shares are priced in euros, and will be quoted and traded in euros. In addition, any dividends that we may pay will be declared and paid in euros. Accordingly, shareholders resident in non-euro jurisdictions may be subject to risks arising from adverse movements in the value of their local currencies against the euro, which may reduce the value of the SETs and Offer Shares, as well as that of any dividends paid.

The ability of shareholders outside of The Netherlands to bring actions or enforce judgments against us or members of our Supervisory Board and Management Board may be limited.

The ability of shareholders outside of The Netherlands to bring an action against us may be limited under law. We are a public company with limited liability incorporated under the laws of The Netherlands. The rights of holders of our shares are governed by Dutch law and by our Articles of Association. These rights differ from the rights of shareholders in typical US corporations and some other non-Dutch corporations. It may be difficult for a shareholder outside of The Netherlands to prevail in a claim against us or to enforce liabilities predicated upon non-Dutch securities laws.

A shareholder outside of The Netherlands may not be able to enforce a judgment against some or all of the members of our Supervisory and Management Boards. A majority of the members of our Supervisory Board and Management Board are residents of The Netherlands. Consequently, it may not be possible for a shareholder outside of The Netherlands to effect service of process upon members of our Supervisory and Management Boards within such shareholder's country of residence, or to enforce against members of our Supervisory and Management Boards judgments of courts of such shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a shareholder outside of The Netherlands will be able to enforce any judgment in civil and commercial matters or any judgments under the securities laws of countries other than The Netherlands against members of our Supervisory and Management Boards who are residents of The Netherlands or countries other than those in which judgment is made. In addition, Dutch or other courts may not impose civil liability on members of our Supervisory and Management Boards in any original action based solely on foreign securities laws brought against us or members of our Supervisory and Management Boards in a court of competent jurisdiction in The Netherlands or other countries.

If securities or industry analysts cease to publish research reports on our business, or adversely change or make negative recommendations regarding our ordinary shares, the market price and trading volume of our ordinary shares could decline.

Whether there is an active trading market for our ordinary shares will be influenced by the continued availability and recommendations of research reports covering our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume of our ordinary shares to decline. In addition, if research analysts do not make positive recommendations regarding our ordinary shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of our ordinary shares could decline.

IMPORTANT INFORMATION AND RESTRICTIONS

You are expressly advised that an investment in the Offer Shares and trading in the SETs entail certain risks. You should therefore carefully review the entire contents of this Prospectus.

General

This Prospectus is being made available by Wavin N.V. You should rely only on the information contained in, or incorporated by reference into, this Prospectus and any supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act, should such supplement be published. No person is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Offering. You must not rely upon any information or representation as having been authorised by Wavin N.V. or on our behalf or on behalf of the Global Co-ordinators, the Subscription Agent, and the Listing Agent or their affiliates, if such information or representation is not contained in this Prospectus in connection with the Offering.

Wavin N.V. accepts responsibility for the information contained in this Prospectus. To the best of Wavin N.V.'s knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Potential investors should not assume that the information in this Prospectus is accurate as of any other later date than as of the Publication Date.

Wavin Group

In this Prospectus, "**we**", "**us**", "**our**" or the "**group**" and similar terms refer to Wavin N.V. and, as the context requires, any or all or none of its subsidiaries and joint ventures. "**Management Board**", "**Supervisory Board**" and "**General Meeting**" refer to, respectively, Wavin N.V.'s management board (*Raad van Bestuur*), Wavin N.V.'s supervisory board (*Raad van Commissarissen*) and any general meeting of the shareholders of Wavin N.V. (*algemene vergadering van aandeelhouders*).

Notice to Investors

THE OFFERING DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS OR INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN AND PERSONS IN THOSE JURISDICTIONS MAY NOT EXERCISE ANY SETs OR SUBSCRIBE FOR OR OTHERWISE ACQUIRE OFFER SHARES.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, SETs or Offer Shares, or to take up any SETs in any jurisdiction in which such an offer or solicitation is unlawful.

The distribution of this Prospectus, the offer and sale of SETs and Offer Shares, and the exercise of SETs to subscribe for Offer Shares are restricted by law in certain jurisdictions, including the United States, Canada, Australia and Japan. This Prospectus may only be used where it is legal to offer or solicit offers to purchase or sell SETs or Offer Shares. We require persons who obtain this Prospectus to inform themselves about and to observe all such restrictions.

No action has been or will be taken to permit the offer or sale of SETs or Offer Shares (pursuant to the exercise of SETs or otherwise), or the possession or distribution of this Prospectus or any other material in relation to the Rights Offering or the Rump Offering in any jurisdiction outside The Netherlands where action may be required for such purpose. Accordingly, neither this Prospectus nor any advertisement or any other related material may be distributed, forwarded or transmitted to, or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The SETs and Offer Shares have not been and will not be registered under the Securities Act, or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the SETs or Offer Shares may be offered, sold, resold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no offering of the SETs or the Offer Shares in the United States.

The SETs and Offer Shares have not been approved or disapproved by the SEC, any securities commission or any other regulated authority of or in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. The SETs and Offer Shares are being offered in reliance on Regulation S under the Securities Act. In addition, until 40 days after the date of this Prospectus, an offer, sale or transfer of the SETs and Offer Shares within the United States by a broker/dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Shareholders who have a registered address in, or who are resident or located in, jurisdictions other than The Netherlands and any person (including, without limitation, agents, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Prospectus to a jurisdiction outside The Netherlands should read "Selling and Transfer Restrictions".

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, persons (a) who have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (b) who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; or (c) who we believe on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes, or (d) other persons to whom it may lawfully be communicated (all such persons being referred to in (a), (b), (c) and (d) are defined as "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this Prospectus should not rely on or act upon it.

This Prospectus should not be distributed, forwarded or transmitted, nor any of its content disclosed, directly or indirectly, in whole or in part, in or into the United States, Canada, Australia or Japan.

Once you have exercised your SETs, you cannot revoke or modify that exercise, except as otherwise described in "The Offering – Rights Offering – Exercise Period". You cannot exercise your SETs after 15:00 (CET) on 16 July 2009. At that time, any unexercised SETs will continue to be reflected in your securities account for the purpose of the distribution of the Excess Amount, if any. See "The Offering".

This Prospectus will be published in English only. Terms used in the Prospectus are defined in the "Glossary" beginning on page 183.

Information not Contained in this Prospectus

Investors should rely only on the information contained in, or incorporated by reference into, this Prospectus. No person has been authorised to give any information or make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the members of the Management Board, the Global Co-ordinators, the Subscription Agent and the Listing Agent. Without

prejudice to any obligation to publish a supplementary prospectus pursuant to Section 5:23 of the Dutch Financial Supervision Act, neither the delivery of this Prospectus any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the Publication Date or that the information in this Prospectus is correct as of any time subsequent to the date hereof.

Documents Incorporated by Reference

The documents listed below, which have been previously published and are available for inspection in accordance with "General Information – Available Information", contain information which is relevant to this Prospectus:

- our articles of association as they read on the Publication Date (the "**Current Articles**");
- our articles of association as they will read after the execution of the Deed of Amendment, as defined in "Description of Share Capital and Corporate Governance – General" (the "**Articles of Association**");
- the paragraphs under the heading "Current Trading and Prospects" in the announcement issued by us on 18 June 2009 comprising a trading update on our results for the period from 1 April 2009 to 31 May 2009;
- the announcement issued by us on 6 May 2009 comprising a trading update on our results as at and for the three months ended 31 March 2009, as published under section 5:25e of the Dutch Financial Supervision Act;
- our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, comprising:
    - the consolidated statement of financial positions as at 31 March 2009, 31 December 2008 and 31 March 2008;
    - the consolidated income statement for the three months ended 31 March 2009 and 31 March 2008;
    - the consolidated statement of comprehensive income for the three months ended 31 March 2009 and 31 March 2008;
    - the consolidated statement of changes in equity for the three months ended 31 March 2009 and 31 March 2008;
    - the consolidated statement of cash flows for the three months ended 31 March 2009 and 31 March 2008;
    - the notes to the condensed consolidated interim financial statements;
    - the review report of KPMG Accountants N.V. dated 29 June 2009;
- our audited financial statements as at and for the year ended 31 December 2008, including the comparative financial information as at and for the year ended 31 December 2007, appearing on pages 67 to 133 and page 137 (inclusive) of our Annual Report 2008, comprising:
    - the consolidated balance sheet and Wavin N.V. balance sheet as at 31 December 2008 and 31 December 2007;

- the consolidated income statement and Wavin N.V. income statement for the years ended 31 December 2008 and 31 December 2007;
- the consolidated statement of changes in equity for the years ended 31 December 2008 and 31 December 2007;
- the consolidated statement of cash flows for the years ended 31 December 2008 and 31 December 2007;
- the accounting policies and the notes to the consolidated and Wavin N.V. financial statements;
- the independent auditors' report of KPMG Accountants N.V. dated 26 February 2009;

- our audited financial statements as at and for the year ended 31 December 2007, including the comparative financial information as at and for the year ended 31 December 2006, appearing on pages 61 to 137 and page 141 (inclusive) of our Annual Report 2007, comprising:
  - the consolidated balance sheet and Wavin N.V. balance sheet as at 31 December 2007 and 31 December 2006;
  - the consolidated income statement and Wavin N.V. income statement for the years ended 31 December 2007 and 31 December 2006;
  - the consolidated statement of recognised income and expense for the years ended 31 December 2007 and 31 December 2006;
  - the consolidated statement of cash flows for the years ended 31 December 2007 and 31 December 2006;
  - the accounting policies and notes to the consolidated and Wavin N.V. financial statements;
  - the independent auditors' report of KPMG Accountants N.V. dated 28 February 2008;
- our audited financial statements as at and for the year ended 31 December 2006, including the comparative financial information as at and for the year ended 31 December 2005, appearing on pages 63 to 116 and pages 122 to 123 (inclusive) of our Annual Report 2006, comprising:
  - the consolidated balance sheet and Wavin N.V. balance sheet as at 31 December 2006 and 31 December 2005;
  - the consolidated income statement and Wavin N.V. income statement for the years ended 31 December 2006 and 31 December 2005;
  - the consolidated statement of recognised income and expense for the years ended 31 December 2006 and 31 December 2005;
  - the consolidated statement of cash flows for the years ended 31 December 2006 and 31 December 2005;
  - the accounting policies and notes to the consolidated and Wavin N.V. financial statements; and
  - the independent auditors' report of KPMG Accountants N.V. dated 5 March 2007.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

In each case, unless stated otherwise, the entire document is incorporated by reference into this Prospectus. Notwithstanding the foregoing, where the documents incorporated by reference themselves incorporate information by reference, such information does not form part of this Prospectus.

Prospective investors should rely only on the information that we incorporate by reference or provide in this Prospectus. No other documents or information, including the content of our website (http://www.wavin.com) or of websites accessible from hyperlinks on our website, form part of, or are incorporated by reference into, this Prospectus.

Presentation of Financial and Other Information

As required by the European Union IAS Regulation (EC) 1126/2008 and Title 9 of Book 2 of the Dutch Civil Code, our financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, have been prepared in accordance with IFRS-EU.

Unless otherwise indicated, our historical financial information presented in this Prospectus is extracted without material adjustment from the unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, and the audited financial statements of Wavin N.V. as at and for each of the years ended 31 December 2008, 2007 and 2006, including the accounting policies and related notes, incorporated by reference herein as set out in "– Documents Incorporated by Reference". The audits of our financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and the review of our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, were performed in accordance with Dutch law. None of the financial information used or incorporated by reference in this Prospectus has been audited in accordance with auditing standards of the United States Public Company Accounting Oversight Board. The financial information included or incorporated by reference in this Prospectus is not intended to comply with the reporting requirements of the SEC. Compliance with such requirements would require the modification or exclusion of certain financial measures and the presentation of certain other information not included herein.

Non-IFRS Financial Measures

We have also presented certain unaudited supplementary measures of financial information in this Prospectus because they are used by our management in monitoring our business and evaluating our performance.

This Prospectus includes financial information in relation to our organic revenue growth, which we calculate by comparing our revenues in a financial year (after deducting any revenues derived from businesses acquired in that financial year and any revenues derived from businesses acquired in the prior financial year that we did not own for the twelve months during that prior financial year) against our revenues in the prior financial year (after deducting any revenues derived from businesses acquired in that prior financial year that we did not own for the twelve months during that prior financial year, and adjusting for the impact of foreign currency translation) ("**Organic Revenue Growth**"). The

financial information relating to Organic Revenue Growth is unaudited and has been extracted from our accounting records. There are no generally accepted accounting principles governing the calculation of Organic Revenue Growth and, as a non-IFRS number, the method in which it is calculated may vary from company to company, thus limiting its usefulness. Organic Revenue Growth should not be considered in isolation from, or as a substitute for, the analysis of our results of operations under IFRS-EU (as appropriate). In addition, Organic Revenue Growth can be significantly affected by matters beyond our control, such as changes in raw material prices and other factors.

This Prospectus also includes operating profit before depreciation, amortisation and non-recurring items ("**EBITDA**") and EBITDA as a percentage of total revenue ("**EBITDA margin**"). EBITDA and EBITDA margin are unaudited supplementary measures of performance and liquidity that are not required by, or presented in accordance with, IFRS-EU. EBITDA and EBITDA margin are not measures of our financial performance or liquidity under IFRS-EU and should not be considered as an alternative to gross profit, operating profit/(loss) or any other performance measures derived in accordance with IFRS-EU or as an alternative to cash flow from operating activities as a measure of our liquidity. There are no generally accepted accounting principles governing the calculation of EBITDA or EBITDA margin, as unaudited supplementary non-IFRS measures, and the criteria upon which EBITDA and EBITDA margin are based can vary from company to company, thus limiting their usefulness. However, EBITDA and EBITDA margin are presented because we believe they are frequently used by security analysts, investors and other market participants in evaluating companies in our industry. EBITDA and EBITDA margin have their own limitations as analytical tools and should not be considered in isolation from, or as a substitute for, the analysis of our results of operations under IFRS-EU. We also present EBITDA because it is used in the calculation of our leverage ratio and interest coverage ratio, as required to be maintained under the financial covenants under the Original Credit Facilities, the Amended Credit Facilities and the Forward Start Facility. Moreover, EBITDA and EBITDA margin may not be indicative of our historical results of operations, nor is it meant to be predictive of future results. The unaudited supplemental EBITDA and EBITDA margin measures for the years ended 31 December 2008, 2007 and 2006 included in this Prospectus have been derived from our audited consolidated financial statements for the years ended 31 December 2008, 2007 and 2006, in each case incorporated herein by reference. The unaudited supplemental EBITDA and EBITDA margin measures for the three months ended 31 March 2009 and 2008 included in this Prospectus have been derived from our unaudited consolidated financial accounts. Where information has been derived, it has been calculated by adding together and/or subtracting figures which are extracted without material adjustment from our audited consolidated financial statements, including the related notes, for the years ended 31 December 2008, 2007 and 2006, in each case incorporated herein by reference, or our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008.

Rounding

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

Currency

All references in this Prospectus to "euros" or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "pounds sterling", "GBP" or "£" are to the lawful currency of the United Kingdom. All references to "US dollars", "US$" or "$" are to the lawful currency of the United States. See "Exchange Rates".

Potential Conflicts of Interest

The Global Co-ordinators (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with us (or any parties related to us) for which they have received or may receive customary compensation. The Global Co-ordinators and their respective affiliates may provide such services for us and our respective affiliates in the future. Additionally, the Global Co-ordinators may, in the ordinary course of their business, have held and in the future may hold our securities for investment.

The net proceeds of the Offering will be used to reduce our level of debt, including funds drawn down under our Original Credit Facilities. The Global Co-ordinators (and/or their respective affiliates) are all currently lenders to the Company under our Amended Credit Facilities and Forward Start Facility, and in addition also lead arrangers under these credit facilities. As the lenders and lead arrangers under these credit facilities, they have received and may continue to receive customary fees related to such services and received an arrangement fee in connection with the Forward Start Facility.

As a result of acting in the capacities described above, the Global Co-ordinators may have interests that may not be aligned, or could potentially conflict, with investors' and our interests.

Market and Industry Data

This Prospectus contains information about the markets in which we compete, including market growth, market sizes, market share information and information on our competitive position and the competitive position of third parties. We are not aware of any exhaustive industry or market reports that cover or address our specific markets. We have assembled information about our markets through formal and informal contacts with industry professionals, organisations, analysts, publicly available information and our own experiences.

We believe that market information contained in this Prospectus provides fair and adequate estimates of the volume of our markets and fairly reflects our market position within these markets. However, our management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market data would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do.

We have used third party data from Euroconstruct and Datastream in relation to certain matters noted herein. Such publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of assumptions. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by those third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. We have not independently verified this data or determined the reasonableness of such assumptions, nor has this data been audited in any way.

Enforceability of Judgments

At the Publication Date, we are a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands. A majority of the members of our Supervisory Board and Management Board and most of our employees are citizens or residents of countries other than the United States. A substantial portion of the assets of such persons and a substantial portion of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or upon us, or to enforce judgments obtained in US courts, including judgments predicated upon civil liabilities under the securities laws of the United

States or any state or territory within the United States. In addition, there is substantial doubt as to the enforceability, in The Netherlands, of original actions or actions for enforcement based on the federal securities laws of the United States or judgments of US courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States.

Glossary

Terms used in this Prospectus are set forth to assist investors in the "Glossary" beginning on page 183.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as "might", "may", "could", "would", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of our business strategies, cost reduction and cash generation initiatives, product offerings, market position, competition, acquisition strategy, financial prospects, performance, liquidity and capital resources, compliance with financial covenants, intention and ability to pay dividends, as well as statements regarding trends in the construction industry, the European markets in which we operate, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on our management's present expectations about future events. Our management's present expectations reflect numerous assumptions regarding our strategy, operations, industry, developments in the credit and other financial markets and our trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause our actual results and future events to differ materially from those implied or expressed by forward-looking statements. These risks and uncertainties include, without limitation:

- our ability to obtain sufficient funding to meet our liquidity needs;
- adverse developments in financial and economic conditions, including in relation to mortgage and foreclosure rates, consumer confidence, unemployment and GDP growth;
- the level of construction activity in each of our product segments and geographic markets;
- our ability to maintain our leverage ratio and interest coverage ratio at levels required under the Amended Credit Facilities and Forward Start Facility, and, if the Offering does not complete, the Original Credit Facilities;
- our relationship with our customers, distributors and end users of our products;
- our ability to timely and effectively pass on to our customers any increase in raw materials costs;
- our ability to effectively compete with our competitors and realise opportunities for consolidation in our industry;
- our potential exposure to various types of market risks, such as foreign exchange risk, interest rate risk and credit risk;
- our ability to realise cost savings, synergies and other benefits from our cost reduction and cash generation initiatives;
- the inaccuracy or variability of the assumptions underlying our cost reduction and cash generation initiatives; and
- changes in applicable laws, regulations and taxes in jurisdictions in which we operate.

Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, our actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to us or that we do not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates of financial performance not to be realised. Prospective investors should read "Risk Factors" and "Operating and Financial Review" for a discussion of additional risks.

Prospective investors are cautioned that forward-looking statements speak only as at the date of this Prospectus. Except as required by applicable law, we do not undertake, and we expressly disclaim, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

REASONS FOR THE OFFERING

Introduction to the Offering

We intend to raise approximately €227 million through the issue of SETs to subscribe for Offer Shares at the Offer Price of €0.70 per Offer Share. We expect to receive net proceeds of approximately €215 million, after deducting approximately €12 million in commissions and other estimated fees and expenses incurred in connection with the Offering, net of taxes.

Background to the Offering

From the second half of 2007 onwards, global financial markets experienced significant stress as devaluation of real estate and related assets, beginning in the US sub-prime residential market, led financial institutions to curtail lending and increase the cost of capital as they sought to limit their exposure to default risk. Illiquidity took hold in the European credit markets, and construction activity declined across the region as financing became less available and lending terms more onerous. As the financial crisis developed, economic conditions deteriorated and led to a severe contraction in all the sectors of the European commercial and residential construction markets that we serve. Following our strong performance in 2007, we faced a more challenging trading environment in 2008 and the first quarter of 2009 as a result of the financial market volatility and economic deterioration across Europe. The continuing decline in European construction markets has adversely affected our business and, consequently, our results of operations and financial condition. The trading environment weakened significantly in the first quarter of 2009, although the weaknesses began to moderate in April and May of 2009. Our results have been affected by the devaluation of non-euro currencies in the markets where we operate, the loss of consumer confidence, destocking throughout the construction supply chain and price deflation in building materials.

In response to this challenging environment, our management has effected a financial restructuring that comprises the Amended Credit Facilities and the Forward Start Facility. Our management has also resolved to prioritise cost reduction and cash generation.

- *Renegotiation of credit facilities*: *Amended Credit Facilities*. On 17 June 2009, we and the lending syndicate banks amended and restated the terms of the Original Credit Facilities pursuant to the Amended Credit Facilities. The effectiveness of the Amended Credit Facilities is subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, the Amended Credit Facilities will not come into effect and the terms of the Original Credit Facilities will continue to apply. The Amended Credit Facilities provide for a principal amount of €500 million as compared to €750 million under the Original Credit Facilities. As part of the Amended Credit Facilities, we have negotiated greater headroom under the financial covenants relating to the leverage ratio and interest coverage ratio. These have been amended to provide that, in calculating the level of net debt for testing purposes, we will exclude the cash out restructuring charges from the preceding ten quarters, on a rolling basis, up to a cap of €30 million. We will also exclude the mark-to-market value of interest hedges. In addition, the definition of EBITDA has been adjusted to exclude restructuring costs and asset disposals, which are not capped. Compliance with the amended leverage covenant will be tested on a quarterly basis, and the first testing date will fall on 31 December 2009. The amended leverage ratio will vary from period to period in light of seasonal variations in our business. The Amended Credit Facilities include a margin adjustment mechanism pursuant to which the margin on the applicable interest rate will vary. The applicable margin will increase or decrease subject to the leverage ratios reported to the facilities agent at each testing date. The Amended Credit Facilities also include covenants which restrict certain actions. The acquisition covenant prohibits us from investing or acquiring shares in other entities or investing in or acquiring any business or going concern, other than in accordance with agreed

exceptions. Under the dividend covenant, we may not pay any annual or interim cash dividend in excess of €0.01 on any share in our capital until 31 December 2011. Going forward, our borrowings under the Amended Credit Facilities will be secured by certain subsidiaries and the interest margin has been increased to 275 basis points, subject to increase or decrease contingent upon the leverage ratios actually reported to the facilities agent on each testing date. An additional margin of 125 basis points applies under the Amended Credit Facilities for all lenders which are also party to the Forward Start Facility. The applicable margin will increase or decrease subject to the leverage ratios reported to the facilities agent at each testing date. Excluding the additional margin described above, the applicable margin will range from 400 basis points (if the leverage ratio is more than 4.5) to 175 basis points (if the leverage ratio is equal to or less than 2.0). The Amended Credit Facilities further require that the entirety of the net proceeds of the Offering be applied towards repayment of amounts outstanding under the Original Credit Facilities. The maturity date remains unchanged, at 16 October 2011. In connection with the Amended Credit Facilities, we have agreed to pay fees of €6.75 million in the aggregate to the lending banks (excluding other expenses in relation to the debt restructuring). For further details of the Amended Credit Facilities, please see "General Information – Material Contracts – Credit Facilities Agreements".

- *Renegotiation of credit facilities*: *Forward Start Facility.* As part of our financial restructuring, on 17 June 2009 we also entered into the Forward Start Facility which is intended to secure financing following the maturity of the Amended Credit Facilities on 16 October 2011, subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011. The Forward Start Facility is intended to provide us with €475 million of debt financing following the maturity of the Amended Credit Facilities. The interest margin under the Forward Start Facility is determined in the same manner as the margin under the Amended Credit Facilities. Under the Forward Start Facility, however, the agreed rates will range from 225 basis points (if the leverage ratio is equal to or less than 1.5) to 525 basis points (if the leverage ratio is more than 4.5). Furthermore, during the term of the Forward Start Facility, the amended financial covenants and the restrictive covenant relating to acquisitions will continue to apply. Under the Forward Start Facility, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011, unless our leverage ratio under the Forward Start Facility is below 2.5 at the time that any such cash dividend is declared. The Forward Start Facility itself will mature in April 2013. In connection with the Forward Start Facility, we have agreed to pay fees of €4.75 million in the aggregate to the lending banks (excluding other expenses in relation to the debt restructuring). The Forward Start Facility itself will mature in April 2013. For further details of the Forward Start Facility, please see "General Information – Material Contracts – Credit Facilities Agreements".

- *Restructuring initiatives*. In Western Europe, where the deterioration of market conditions was most severe for us, we reduced our workforce by 650 employees, or 12%, during 2008. In early 2009, we announced additional measures to reduce our workforce throughout the Wavin group by a further 450 employees. The downsizing of our workforce is expected to result in estimated annualised cost savings of approximately €40 million, against non-recurring restructuring charges of €12.9 million in 2008 and €17 million in 2009. These measures resulted in cost savings of €8 million in 2008, and are expected to result in further cost savings of approximately €30 million in 2009. As part of these restructuring initiatives, we integrated multiple distribution facilities into our main production facility in Balbriggan, Ireland; merged two sales and distribution facilities in Belgium; integrated two sales organisations in The Netherlands and integrated our UK dual brand sales teams into a single sales organisation.

- *Strict management of working capital*. We realised a €102.1 million decrease in working capital in ongoing operations in 2008, following a substantial reduction in our inventory levels. We also leveraged our market leading position and purchasing power to negotiate improved payment terms with certain vendors, worked with our customers and other trade debtors to increase collection rates and required customers to adhere to more selective credit terms. In addition, movements in exchange rates contributed to the decrease in working capital. In the first quarter of 2009, net working capital increased to €186.4 million, €43.0 million lower than net working capital of €229.4 million in the first quarter of 2008. Historically, our working capital requirements have fluctuated considerably during the year, as our requirements follow the seasonal character of the construction business. As a result, December typically represents the low point in our working capital requirements.

- *Reduction of capital expenditures*. We reduced capital expenditures by €17.2 million to €53.2 million in 2008, from €70.4 million 2007. We were selective in making new investments in 2008, which principally related to the high margin hot and cold product segment of our B&I business and the high margin water management product segment of our C&I business, as well as expansion in emerging markets and investments in our ConnectIT information technology integration programme.

We reduced our level of net debt by €81.3 million to €461.1 million as at 31 December 2008, from €542.4 million as at 31 December 2007. As at 31 March 2009, net debt had increased to €582.4 million, reflecting a seasonal increase in working capital in preparation for the European construction season which typically occurs in the second and third calendar quarters.

Reasons for the Offering

Our Management Board has considered a range of alternatives to the Offering and actively pursued other measures to strengthen our capital structure. The amendments to the Original Credit Facilities and the financial covenants thereunder, are subject to certain conditions being met, including the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, these arrangements will lapse. As a result, the Amended Credit Facilities will not come into effect and the terms of the Original Credit Facilities will continue to apply. In addition, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011.

The Original Credit Facilities contain restrictive covenants that require us to comply with financial ratios relating to our leverage and our interest coverage. Specifically, we must maintain a leverage ratio that does not exceed 3.5, with certain exceptions. These exceptions permit the leverage ratio to twice exceed 3.5, but not 4.0, and constitute a breach that shall be unconditionally waived by the facilities agent, provided that it does not occur in two consecutive testing periods. The leverage ratio is calculated as our consolidated total net debt, as adjusted for market value derivatives and divided by our consolidated EBITDA, including income of associates. Under the Original Credit Facilities, we are also required to maintain an interest coverage ratio which does not fall below 3.5, calculated as our consolidated EBITDA divided by our consolidated net interest expense, including all interest and other financing charges in the nature of interest.

As part of our financial restructuring, we have obtained a waiver in respect of our leverage ratio and interest coverage ratio as at 30 June 2009. The continuing effectiveness of this waiver is conditional upon the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, we will be required to raise capital from alternative sources, which may not be available or may not be

available on commercially acceptable terms, in order to cure the covenant breaches that would have occurred as at 30 June 2009, absent the waiver. See "Risk Factors – If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition."

The uncertain duration and severity of the financial market dislocation and economic contraction continue to negatively affect European construction activity, and it is unlikely that there will be a significant improvement in our consolidated EBITDA until financial markets stabilise, economic conditions improve and the construction sector recovers.

Having assessed the challenges arising from the current trading environment, our Management Board has concluded that it is in our company's and our shareholders' best interests to substantially strengthen our capital structure through the Offering. We believe that, together with the actions we have taken to restructure the terms of the Original Credit Facilities through the Amended Credit Facilities, secure future financing through the Forward Start Facility, reduce costs and maximise cash generation, the Offering should:

- strengthen our capital structure and reduce leverage;
- provide us with greater headroom under the financial covenants in the Amended Credit Facilities and the Forward Start Facility; and
- position our business for organic growth and, where possible under the terms of the Amended Credit Facilities and Forward Start Facility, enhance our ability to selectively pursue new acquisition prospects as appropriate opportunities arise.

We continue to believe that the long-term trends which drive growth in our industry, including the increasing use of plastic as a replacement for traditional materials, efforts to improve the energy efficiency of buildings, urbanisation, households being established with fewer people per residence and climate change, have not fundamentally altered and remain favourable.

Use of Proceeds

We intend to use the entirety of the expected €215 million net proceeds of the Offering to reduce our level of debt, in line with our strategy to strengthen our capital structure and position our company for growth in the medium to long term.

DIVIDENDS AND DIVIDEND POLICY

General

We may only make distributions to our shareholders if our shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law and by our Articles of Association.

Under our Articles of Association, we may only make a distribution of dividends to our shareholders after the adoption of our statutory annual accounts demonstrating that such distribution is legally permitted. Our Articles of Association provide for a distribution scheme in respect of any dividend distributions. See "Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions".

The Management Board is permitted, subject to certain requirements and subject to approval of our Supervisory Board, to declare interim dividends without the approval of the General Meeting. See "Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions".

Dividend Policy

Our current dividend policy consists of an interim dividend payment of 40% of our first half-year net profit and an annual dividend payment of 40% to 50% of our annual net profit, assuming performance continues in line with our expectations, and provided such distribution is legally permitted. According to our current dividend policy, dividends are payable in cash or in kind.

Although we have not formally amended our dividend policy, we will be subject to restrictions on the distribution of cash dividends as a result of the restructuring of the Original Credit Facilities and pursuant to the Amended Credit Facilities and Forward Start Facility. Under our Amended Credit Facilities, we may not pay any annual or interim cash dividend in excess of €0.01 on any share in our capital until 31 December 2011. However, during that period, we may pay dividends in kind to our shareholders and cash dividends to the Foundation, to enable it to meet its possible future interest payment obligations in connection with borrowings used to subscribe for protective preference shares following the exercising of its right to acquire shares in our capital. Under our Forward Start Facility, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011. This prepayment obligation does not apply if our leverage ratio under the Forward Start Facility is below 2.5 at the time any such cash dividend is declared.

See also "Description of Share Capital and Corporate Governance – Share Capital – Protective Preference Shares and Stichting Preferente Aandelen Wavin", "Description of Share Capital and Corporate Governance – Share Capital – Dividends and Other Distributions" and "General Information – Material Contracts – Credit Facilities Agreements".

An amended dividend policy will be submitted for discussion to the annual General Meeting in 2010.

Dividend History

The following table sets out the details of dividends per ordinary share declared by us for the years indicated:

Year ended 31 December	Total annual dividend per ordinary share (payable in cash or stock)	Interim dividend per ordinary share (payable in cash or stock)
2006	€0.35	Not applicable
2007	€0.46[1]	€0.22
2008	€0.16[2]	€0.12

(1) After deduction of the interim dividend of €0.22, a closing dividend of €0.24 has been made available to our shareholders on 16 May 2008.

(2) After deduction of the interim dividend of €0.12, a closing dividend of €0.04 has been made available to our shareholders on 25 May 2009.

Dividend Ranking of Shares

All shares issued and outstanding on the day following the Closing Date, including the Offer Shares, shall rank equally in all respects and will be eligible for any dividend which we may declare on our ordinary shares. Pursuant to our Articles of Association, all dividends in respect of the Offer Shares are non-cumulative in nature.

Manner of Dividend Payments

Payment of any dividend on ordinary shares in cash will be made in euro. Any dividends will be paid to shareholders through Euroclear Nederland, the Dutch centralised securities custody and administration system. Dividends will be credited automatically to shareholders' accounts without the need for shareholders to present documentation proving their ownership of the ordinary shares.

Uncollected Dividends

A claim for any dividend declared lapses five years after the start of the second day on which it becomes due and payable. Any dividend that is not collected within this period reverts to us and is allocated to our general reserves.

Taxation on Dividends

In principle, dividend payments are subject to withholding tax in The Netherlands. For a discussion of certain aspects of Dutch taxation of dividends and refund procedures, see "Taxation".

EXCHANGE RATES

We publish our historical consolidated financial statements in euros. The exchange rates below are provided solely for information and convenience. No representation is made that the euro could have been, or could be, converted into US dollars or pounds sterling at these rates.

US Dollars

The table below shows the high, low, average and end period exchange rates expressed in US dollars per €1.00 for the years given as computed using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "**Noon Buying Rate**") during the period indicated.

Year ended 31 December	High	Low	Average[1]	End of period
	(US dollars per euro)			
2004	1.3625	1.1801	1.2478	1.3538
2005	1.3476	1.1667	1.2400	1.1842
2006	1.3327	1.1860	1.2661	1.3197
2007	1.4862	1.2904	1.3797	1.4603
2008	1.6010	1.2446	1.4695	1.3919

(1) The average of the Noon Buying Rates on the last business day of each month during the relevant period.

The table below shows the high and low Noon Buying Rates expressed in US dollars per €1.00 for each month during the six months prior to the Publication Date.

	High	Low
	(US dollars per euro)	
January 2009	1.3946	1.2804
February 2009	1.3064	1.2547
March 2009	1.3730	1.2549
April 2009	1.3458	1.2903
May 2009	1.4126	1.3267
June 2009[1]	1.4270	1.3784

(1) The figure for June 2009 is for the period from 1 June 2009 through 26 June 2009.

On 26 June 2009, the Noon Buying Rate for the euro was €1.00 = $1.4056.

Pounds Sterling

The table below shows the high, low, average and end period exchange rates expressed in pounds sterling per €1.00 for the years given as computed using the Bank of England spot exchange rate ("**Spot Rate**") for the periods indicated.

Year ended 31 December	High	Low	Average[1]	End of period
	(Pounds sterling per euro)			
2004	0.7094	0.6565	0.6796	0.7078
2005	0.7057	0.6624	0.6831	0.6872
2006	0.7014	0.6684	0.6820	0.6738
2007	0.7378	0.6557	0.6871	0.7343
2008	0.9804	0.7411	0.8026	0.9670

(2) The average of the Spot Rates on the last business day of each month during the relevant period.

The table below shows the high and low Spot Rates expressed in pounds sterling per €1.00 for each month during the six months prior to the Publication Date.

	High	Low
	(Pounds sterling per euro)	
January 2009	0.9609	0.8870
February 2009	0.9042	0.8721
March 2009	0.9414	0.8885
April 2009	0.9200	0.8795
May 2009	0.9015	0.8687
June 2009	0.8754	0.8449
1 July 2009 to 2 July 2009	0.8754	0.8564

On 2 July 2009, the Spot Rate for the euro was €1.00 = £0.8564.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth our consolidated capitalisation and indebtedness as at 31 March 2009, as adjusted to reflect the reduction of the nominal value of our ordinary shares on 26 June 2009 and as adjusted to reflect the Offering as described in "Description of Share Capital and Corporate Governance – General", "Description of Share Capital and Corporate Governance – Share Capital – Authorised and Issued Share Capital". The table below should be read in conjunction with the section "Operating and Financial Review", our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006, including the notes thereto, and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008 and the notes thereto, in each case incorporated by reference in this Prospectus.

	As at 31 March 2009	As adjusted for the reduction of our share capital	As adjusted for the Offering, the Amended Credit Facilities and Forward Start Facility
	(unaudited)	(unaudited)	(unaudited)
CAPITALISATION	(€ in millions)	(€ in millions)	(€ in millions)
Current debt			
Guaranteed			
Secured			
Unguaranteed	30.1	30.1	30.1
Total current debt[1]	30.1	30.1	30.1
Non-current debt			
Guaranteed			
Secured[2]			371.8
Unguaranteed/unsecured	583.7	583.7	
Total non-current debt[3]	583.7	583.7	371.8
Total debt	613.8	613.8	401.9
Shareholders' equity			
Issued capital	101.0	4.1	20.3
Share premium reserves[4]	126.0	222.9	422.2
Other reserves[5]	67.7	67.7	67.1
Minority interest	4.8	4.8	4.8
Total shareholders' equity	299.5	299.5	514.4
Total capitalisation	913.3	913.3	916.3
INDEBTEDNESS			
Cash and cash equivalents	31.4	31.4	31.4
Current financial debt	30.1	30.1	30.1
Net current financial debt	(1.3)	(1.3)	(1.3)
Non-current financial debt	583.7	583.7	371.8
Net financial debt	582.4	582.4	370.5

(1) The amount of current debt as at 31 March 2009 included in the table above refers to the amounts outstanding under facilities that are not part of the Original Credit Facilities and to short-term drawings under the Original Credit Facilities. For the total amount of our current

liabilities, we refer to our consolidated statement of financial positions as at 31 March 2009, 31 December 2008 and 31 March 2008, which is incorporated herein by reference (see "Important Information and Restrictions – Documents Incorporated by Reference".

(2) The transaction costs relating to the Amended Credit Facilities and the Forward Start Facility amounting in total to €15 million (excluding tax benefits), will be capitalised and amortised during the maturity of the respective Amended Credit Facilities and Forward Start Facility and are netted with the non-current debt.

(3) The amount of non-current debt as at 31 March 2009 included in the table above mainly refers to the amounts outstanding under the Original Credit Facilities. For the total amount of our non-current liabilities, we refer our consolidated statement of financial positions as at 31 March 2009, 31 December 2008 and 31 March 2008, which is incorporated herein by reference (see "Important Information and Restrictions – Documents Incorporated by Reference".

(4) The share premium increases as a result of the reduction of the nominal value of our ordinary shares and as a result of the Offering and is adjusted for an amount of €12 million net of taxes for commissions and other estimated fees and expenses.

(5) Of the unamortised transaction costs related to the Existing Credit Facilities an amount of €0.6 million will be expensed through the profit and loss account in the third quarter of 2009. Therefore the other reserves decrease by €0.6 million.

Our contingent liabilities as at 31 March 2009 comprise bank guarantees for an amount of €10.2 million and rental agreements for an amount of €20.9 million. See also "Operating and Financial Review – Contractual Obligations".

The information in the capitalisation and indebtedness table at 31 March 2009 is of a date more than 90 days prior to the Publication Date. There have been no material changes since 31 March 2009, the date as of which our most recent unaudited condensed consolidated interim financial statements were prepared, up to the Publication Date in respect of the information set out in the table above.

SELECTED CONSOLIDATED FINANCIAL DATA

The tables below set forth our selected consolidated financial data as at the dates and for the periods indicated. The selected consolidated financial data should be read in conjunction with the whole of this Prospectus, including our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and the related notes, and our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009 and 2008 and the related notes, in each case incorporated by reference into this Prospectus. Our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 have been audited by KPMG Accountants N.V., independent auditors. KPMG Accountants N.V. have also reviewed our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008.

The selected year-end consolidated financial data set forth below is extracted without material adjustment from our audited consolidated financial statements as at and for the years ended 31 December 2008, 2007 and 2006 incorporated by reference herein, other than certain unaudited, adjusted comparative financial information relating to our consolidated income statement, consolidated balance sheet and consolidated statement of cash flows as at and for the year ended 31 December 2006 (as explained in the footnotes to the tables below). The selected three-month consolidated financial data is based upon our unaudited condensed consolidated interim financial statements for the three months ended 31 March 2009, including the comparative financial information for the three months ended 31 March 2008.

The results for the period ended 31 March 2009 are not necessarily indicative of results for the full year 2009. The financial statements and accounts from which the selected consolidated financial data set forth below have been derived were prepared in accordance with IFRS-EU.

The selected consolidated financial data set forth below may not contain all of the information that is important to prospective investors.

Selected Consolidated Income Statement Data	**Year ended 31 December**				**Three months ended 31 March**	
	2008[1]	**2007**	**2006[2]**	**2006**	**2009**	**2008**
	(audited)		**(unaudited)**	**(audited)**	**(unaudited)**	
			(€ in millions)			
Continuing operations						
Total revenue	1,581.2	1,618.5	1,501.5	1,501.5	251.3	384.5
Revenue discontinued operations	-	(3.8)	(6.1)	(11.1)	-	-
Revenue from continuing operations	1,581.2	1,614.7	1,495.4	1,490.4	251.3	384.5
Cost of sales	(1,197.7)	(1,176.0)	(1,092.3)	(1,087.4)	(199.6)	(288.6)
Gross profit	**383.5**	**438.7**	**403.1**	**403.0**	**51.7**	**95.9**
Other operating income	8.7	4.4	5.6	5.6	1.3	2.2
Selling and distribution expenses	(176.5)	(171.2)	(157.9)	(157.3)	(42.4)	(45.9)
Administrative expenses	(109.1)	(103.2)	(107.9)	(107.5)	(27.4)	(29.4)
Research and development expenses	(8.8)	(8.9)	(9.4)	(9.4)	(1.9)	(2.3)
Other operating expenses	(14.5)	(10.0)	(13.3)	(13.1)	(3.2)	(4.2)
Result from operating activities	**83.3**	**149.8**	**120.2**	**121.3**	**(21.9)**	**16.3**

Finance income	1.2	0.5	13.6	13.6	0.4	3.5
Finance expenses	(47.0)	(35.5)	(97.7)	(97.7)	(5.8)	(13.0)
Net finance costs	**(45.8)**	**(35.0)**	**(84.1)**	**(84.1)**	**(5.4)**	**(9.5)**
Share of profit of associates	5.2	4.7	3.3	3.3	-	0.9
Profit on sale of associates	-	-	39.0	39.0	-	-
Profit (loss) before income tax	**42.7**	**119.5**	**78.4**	**79.5**	**(27.3)**	**7.7**
Income tax (expense) benefit	(10.6)	(28.0)	(6.0)	(6.3)	5.9	(2.1)
Profit (loss) from continuing operations	32.1	91.5	72.4	73.2	(21.4)	5.6
Discontinued operations						
Profit (loss) from discontinued operations (net of income tax)	-	1.5	1.0	0.2	-	-
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**
Attributable to:						
Equity holders of the parent	32.1	91.2	71.7	71.7	(21.7)	5.4
Minority interest	(0.0)	1.8	1.7	1.7	0.3	0.2
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**

(1) In 2008, we revised the presentation of our consolidated income statement. To conform to broader industry practice, we reclassified the presentation of foreign exchange differences on working capital from other operating income and expense to finance income and expense. See note 3(b) to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference. As the financial impact of these reclassifications on the previous years was not material, we have not adjusted the comparative financial information for the years ended 31 December 2007 and 2006.

(2) In 2007, we revised the presentation of our consolidated income statement to reclassify certain activities of Kulker SAS, France, from discontinued operations to continuing operations. We also classified the former electronics business in Finland as discontinued operations. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated income statement for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See notes 3 and 4 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference. The impact of these reclassifications was not significant.

Selected Consolidated Balance Sheet Data	**As at 31 December**				**As at 31 March**	
	2008	**2007**	**2006[1]**	**2006**	**2009**	**2008**
	(audited)		**(unaudited)**	**(audited)**	**(unaudited)**	
			(€ in millions)			
Total non-current assets	879.7	918.3	914.6	914.6	865.7	937.8
Total current assets	496.0	573.2	549.6	549.6	489.7	655.8
Total assets	**1,375.8**	**1,491.5**	**1,464.2**	**1,464.2**	**1,355.4**	**1,593.6**

Total non-current liabilities	651.6	677.9	772.4	772.9	734,9	715.4
Total current liabilities	390.0	443.8	391.9	391.4	321.0	501.1
Total liabilities	**1,041.6**	**1,121.7**	**1,164.3**	**1,164.3**	**1,055.9**	**1,216.5**
Total equity	**334.2**	**369.8**	**299.9**	**299.9**	**299.5**	**377.1**
Total equity and liabilities	**1,375.8**	**1,491.5**	**1,464.2**	**1,464.2**	**1,355.4**	**1,593.6**

(1) In 2007, we revised the presentation of our consolidated balance sheet to reflect changes in our accounting policy on the revaluation of land. From 1 January 2007, we no longer revalue land based on fair values, to conform to broader industry practice. The recorded value reflected the actual financial position as sale of land was not expected to materialise in the near future. The change in accounting policy from fair value to historical costs with respect to revaluation of land did not have any impact on the comparative figures nor on our consolidated financial statements as at and for the year ended 31 December 2007. We also changed the presentation of the tax provision regarding the possible capital gain tax claims and provision for identified tax exposures from deferred tax liabilities to tax provisions, because of the nature of those provisions. In addition, the current part of the employee benefits has been reclassified to current liabilities and the assets held for sale / discontinued operations have been adjusted to the 2007 presentation. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated balance sheet for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Selected Consolidated Statement of Cash Flows Data	**Year ended 31 December**				**Three months ended 31 March**	
	2008	**2007**	**2006[1]**	**2006**	**2009**	**2008**
	(audited)		**(unaudited)**	**(audited)**	**(unaudited)**	
			(€ in millions)			
Net cash from / (used in) operating activities / (Free operating cash flow)	202.3	144.4	108.9	174.9	(110.7)	(7.1)
Net cash (used in) / from investing activities	(109.9)	(71.2)	25.1	4.3	(15.3)	(62.9)
Net cash (used in) / from financing activities	(60.5)	(70.0)	(186.6)	(233.3)	107.1	71.8
Net increase / (decrease) of cash and cash equivalents	31.9	3.2	(52.5)	(54.1)	(18.9)	1.8
Cash and cash equivalents at 1 January	19.5	17.0	68.3	53.3	48.8	19.5
Effect of exchange rate fluctuations on cash held	(2.6)	(0.7)	1.3	–	1.5	(1.0)
Cash and cash equivalents at the end of the period	**48.8**	**19.5**	**17.0**	**(0.8)**	**31.4**	**20.3**

(1) In 2007, we revised the presentation of our consolidated statement of cash flows to conform to broader industry practice. This change resulted in reclassifications between the subtotals of cash generated from operating activities, net cash from investing activities and net cash used in financing activities. In addition, we reclassified interest paid and tax paid to a new subtotal, 'net cash from operating activities'. We also adjusted the presentation of our consolidated statement of cash flows for the effects of movements in foreign exchange rates on the opening balances. We also adjusted the presentation to exclude short-term bank debt from the opening and closing balances of our consolidated statement of cash flows. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated statement of cash flows for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the

year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of our consolidated results of operations and financial condition should be read in conjunction with the whole of this Prospectus, including our audited consolidated financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and the related notes, and our unaudited condensed consolidated interim financial statements for the three months ended 31 March 2009, including the comparative financial information for the three months ended 31 March 2008 and the related notes, in each case incorporated by reference into this Prospectus.

This discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Our actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, including under the headings "Forward-Looking Statements" and "Risk Factors". We do not undertake any obligation to revise, or publicly release the results of any revision to, these forward-looking statements.

Overview

We are the leading supplier of plastic pipe systems and solutions in Europe, with total revenue of approximately €1.6 billion in the year ended 31 December 2008. We offer innovative plastic pipe systems and solutions to customers such as building and civil wholesalers, plumbing merchants, civil contractors, housing developers, large installers, utility companies and municipalities. As at 31 March 2009, we employed 6,725 people across 28 countries in Europe, with manufacturing sites in 16 European countries and sales offices in an additional 12 countries throughout Europe.

We provide plastic pipe systems and solutions for two major market segments in Europe:

- *Building and Installation (B&I):* We supply above ground plastic pipe and fitting systems for hot and cold tap water, surface heating and cooling, soil and waste discharge, and guttering and electrical conduit applications in and around residential and commercial buildings.

- *Civil & Infrastructure (C&I):* We supply below ground plastic pipe and fitting systems for foul water discharge, storm and rainwater management, gas and potable water distribution, and cable ducting solutions for telecommunications, signalling and power cables.

In addition, we offer our customers end-to-end solutions, which include consultation and design services, product support and after-sales service.

We focus on enhancing our revenue growth in high margin product segments, principally water management, and surface heating and cooling in the hot and cold segment. In addition, we focus on reducing our product offering and realising cost reductions in the soil and waste product segment.

Our business is sensitive to financial markets and economic conditions. As conditions deteriorated in the second half of 2007 and deepened through 2008, our management determined to prioritise cost reduction and cash generation. The actions we have taken to realise these priorities resulted in cost savings of €8 million in 2008, and are expected to result in further cost savings of approximately €30 million 2009. Our cash generation initiatives have also contributed to an €81.3 million decrease in net debt to €461.1 million as at 31 December 2008, as compared to €542.4 million as at 31 December 2007, despite €59.0 million in acquisition expenditures in 2008. As at 31 March 2009, net debt had increased to €582.4 million, reflecting a seasonal increase in working capital in preparation for the European construction season which typically occurs in the second and third calendar quarters. We will continue to focus on cost reduction and cash generation through further restructuring initiatives, strict management of working capital and capital expenditures. We believe

that, together with the actions we have taken to restructure the terms of the Original Credit Facilities through the Amended Credit Facilities, secure future financing through the Forward Start Facility, reduce costs and maximise cash generation, the Offering should strengthen our capital structure and reduce leverage; provide us with greater headroom under the financial covenants in the Amended Credit Facilities; and position our business for organic growth and, where possible under the terms of the Amended Credit Facilities and Forward Start Facility, enhance our ability to selectively pursue new acquisition prospects as appropriate opportunities arise.

We continue to believe that the long-term trends which drive growth in our industry, including the increasing use of plastic as a replacement for traditional materials, efforts to improve the energy efficiency of buildings, urbanisation, households being established with fewer people per residence and climate change, have not fundamentally altered and remain favourable.

Subsequent Events

On 22 April 2009, the General Meeting adopted an amendment to the Articles of Association to reduce the nominal value of our ordinary shares from €1.25 to €0.05 per share. The amendment to the Articles of Association has been effective from 26 June 2009. Our ordinary shares have been listed on Euronext Amsterdam at a nominal value of €0.05 since 29 June 2009.

On 17 June 2009, we and the lending syndicate banks amended and restated the terms of the Original Credit Facilities pursuant to the Amended Credit Facilities. As part of our financial restructuring, we also entered into the Forward Start Facility, which is intended to secure financing following the maturity of the Amended Credit Facilities on 16 October 2011, subject to completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, these arrangements will lapse. As a result, the Amended Credit Facilities will not come into effect and the terms of the Original Credit Facilities will continue to apply. In addition, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011. For further details, see "– Liquidity and Capital Resources – Indebtedness – Amended Credit Facilities and Forward Start Facility" and "General Information – Material Contracts – Credit Facilities Agreements".

As part of our financial restructuring, we have obtained a waiver in respect of our leverage ratio and interest coverage ratio as at 30 June 2009. The continuing effectiveness of this waiver is conditional upon the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, we will be required to raise capital from alternative sources, which may not be available or may not be available on commercially acceptable terms, in order to cure the covenant breaches that would have occurred as at 30 June 2009, absent the waiver. See "Risk Factors – If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition".

If the Offering were to complete, the level of our outstanding interest rate derivative instruments will exceed the amounts drawn under the Amended Credit Facilities and the effectiveness of these outstanding instruments will be re-evaluated. In the event that such instruments are found to be ineffective, it will result in a write-off of the related hedge reserve through our income statement, at the moment that the Offering has been completed and the Amended Credit Facilities come into effect. Based on the fair value of such instruments as at 31 March 2009, the write-off would amount to approximately €4.8 million. The ineffective portion of the outstanding interest rate derivative instruments is required to be revalued through the income statement instead of equity from the date the Amended Credit Facilities come into effect.

Presentation of Financial Information

As required by the European Union IAS Regulation (EC) 1126/2008 and Title 9 of Book 2 of the Dutch Civil Code, our financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 and as at and for the three months ended 31 March 2009 have been prepared in accordance with IFRS-EU.

The information presented in this Operating and Financial Review, other than certain unaudited, adjusted comparative financial information for the year ended 31 December 2006 and the segmental financial information described below, has been extracted without material adjustment from our audited consolidated financial statements incorporated by reference into this Prospectus. See "Important Information and Restrictions – Documents Incorporated by Reference".

Our consolidated financial statements as at and for the year ended 31 December 2007 include certain unaudited, adjusted comparative financial information for the year ended 31 December 2006. Such unaudited, adjusted comparative financial information for the year ended 31 December 2006 relates to our consolidated income statement, revenue by strategic business unit and revenue by product segment. These restatements reflect the reclassification of certain multiple-use products in our reportable product segments and the reclassification of certain activities, previously classified as held for sale, which were no longer expected to be divested, as well as the sale of certain activities. We therefore include in " – Consolidated Results of Operations" and " – Segmental Results of Operations" certain unaudited, adjusted comparative financial information for the year ended 31 December 2006, in order to reflect these reclassifications.

Furthermore, such unaudited, adjusted comparative financial information for the year ended 31 December 2006 relates to our consolidated statement of cash flows, which includes reclassifications made to conform to broader industry practice. We therefore include in " – Liquidity and Capital Resources – Indebtedness – Net Debt" and " – Liquidity and Capital Resources – Cash Flow" certain unaudited, adjusted comparative financial information for the year ended 31 December 2006, in order to reflect these reclassifications.

In addition, unaudited financial information relating to our organic revenue, EBITDA by region and EBITDA margin by region for the years ended 31 December 2008, 2007 and 2006 is included herein.

The unaudited financial information in this discussion and analysis has been extracted without material adjustment from our management accounts. These management accounts are prepared using information derived from our accounting records, which are used in the preparation of our financial statements.

Material Factors Affecting our Results of Operations and Financial Condition

We believe the following factors have had and will continue to have a material effect on our results of operations and financial condition.

Market and Economic Conditions

We supply our plastic pipe systems and solutions to customers, distributors and end users of our products in the construction industry. Our results of operations and financial condition are therefore dependent on the level of construction activity in the regions in which we operate. The level of construction activity, in turn, is sensitive to financial market and general economic conditions in each region. Financial markets experienced significant stress in 2007. In 2008 and through the first quarter of 2009, illiquidity took hold in European credit markets as financial institutions suffered from unprecedented asset devaluation and sought to deleverage. Property owners and developers became

unable to secure construction financing. As lenders focused anew on the quality of their credit portfolios, mortgage lending became constrained, which had a negative impact on demand for our products in the residential construction market. Declining house prices and consumer confidence, together with rising unemployment and foreclosure rates, further weakened demand in the residential repair, maintenance and improvement market. As a result of these trends, European construction activity declined significantly, particularly in our key markets in the UK, Ireland and, to a lesser extent, Denmark in the first half of 2008. Revenue from the UK and Ireland accounted for 19.7% of our total revenue in 2008, compared to 27.3% in 2007, while Denmark accounted for 5.1% of our total revenue in 2008, compared to 5.6% in 2007. Currency depreciation in the UK heightened the impact on our revenue. In the second half of 2008, the impact of the financial crisis intensified in our other European regions and reached Emerging Economies, where capital inflows reversed suddenly and countries outside of the euro currency union experienced foreign exchange rate volatility. In the first quarter of 2009, the market decline across Europe, adverse currency effects arising from weaknesses in non-euro currencies and continuing destocking by customers magnified the impact of seasonality and weather conditions on construction activity. See " – Effect of Seasonality and Weather" for a further discussion. In light of the impact of these trends on construction activity, customers, distributors and end users of our products have reduced their inventories and our sales volume declined. Although the European Central Bank and a number of European countries, including the UK, have taken measures intended to support the credit markets or address the economic contraction, it is uncertain whether these measures will prove effective. We will continue to prioritise cost reduction and cash generation as markets remain volatile.

Restructuring Measures and Cost Levels

Our management has determined to prioritise cost reduction and cash generation. In response to the challenging environment, our management team has taken the following actions:

- *Restructuring initiatives*. In Western Europe, where the deterioration of market conditions was most severe for us, we reduced our workforce by 650 employees, or 12%, during 2008. In early 2009, we announced additional measures to reduce our workforce throughout the Wavin group by a further 450 employees. The downsizing of our workforce is expected to result in estimated annualised cost savings of approximately €40 million, against non-recurring restructuring charges of €12.9 million in 2008 and €17 million in 2009. These measures resulted in cost savings of €8 million in 2008, and are expected to result in further cost savings of approximately €30 million in 2009. As part of these restructuring initiatives, we integrated multiple distribution facilities into our main production facility in Balbriggan, Ireland; merged two storage facilities into one distribution centre in Belgium; integrated two sales organisations in The Netherlands and integrated our sales and marketing organisation in the UK.

- *Strict management of working capital*. We realised a €102.1 million decrease in working capital in ongoing operations in 2008, following a substantial reduction in our inventory levels. We also leveraged our market leading position and purchasing power to negotiate improved payment terms with certain vendors, worked with our customers and other trade debtors to increase collection rates and required customers to adhere to more selective credit terms. In the first quarter of 2009, net working capital increased to €186.4 million, €43.0 million lower than net working capital of €229.4 million in the first quarter of 2008. Historically, our working capital requirements have fluctuated considerably during the year, as our requirements follow the seasonal character of the construction business. As a result, December typically represents the low point in our working capital requirements.

- *Reduction of capital expenditures*. We reduced capital expenditures by €17.2 million to €53.2 million in 2008, from €70.4 million in 2007. We were selective in making new

investments in 2008, which principally related to the high margin hot and cold product segment of our B&I business and the high margin water management product segment of our C&I business, as well as expansion in emerging markets and investments in our ConnectIT information technology integration programme.

If we undertake further restructuring measures, we anticipate that we will incur further restructuring charges. If the financial crisis and economic contraction are prolonged, the impact of any additional charges may be significant, as future restructuring measures may involve employees with whom we have entered into long-term service agreements. Restructuring charges are recorded as non-recurring expenses and will affect the comparability of our results of operations from period to period, but will not affect the comparability of our recurring results of operations from period to period. See "Consolidated Results of Operations – Non-Recurring Income and Expenses" below.

Exchange Rates

We are active in 28 countries in Europe. As a result, we generate revenue and incur expenses in currencies other than the euro, our reporting currency. In 2008, approximately 58% of our revenue was denominated in currencies other than the euro, principally the pound sterling, the Polish zloty, the Hungarian forint, the Czech koruna, the Turkish lira and the Danish, Norwegian and Swedish krone. Many of these currencies depreciated significantly against the euro in 2008. In particular, the pound sterling declined 29.9% against the euro. These trends have had, and further fluctuations in the value of these currencies will continue to have, a significant impact on our results of operations and financial condition. While revenue in 2008 was adversely affected by the relative strength of the euro, borrowings and other liabilities denominated in non-euro currencies decreased as a result of the devaluation of many such currencies.

In 2008, foreign exchange rate fluctuations had a negative impact of €33.2 million, or 2.1%, on our revenue. We recorded €10.5 million in exchange rate losses in 2008, which led to a 30.9% increase in net finance costs to €45.8 million.

We attempt to manage our short-term exposure to foreign exchange rate fluctuations through the use of certain hedges. See "– Quantitative and Qualitative Disclosure about Market Risk – Exchange Rate Risk" for more information on our risk management strategy. See Note 4 to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference, for a sensitivity analysis of the impact of foreign exchange fluctuations.

Acquisitions

Historically, our organic growth has been complemented by strategic acquisitions in selected markets. Since 2005, we have completed 6 acquisitions. Our strategy has been to selectively pursue opportunities that would enable us to strengthen our position in markets where we maintain leading positions as well as markets where we are not present or have a smaller presence. We have typically acquired small to medium sized local companies that support our existing business operations and strategy, and considered acquisition targets that have a complementary market or a distinctive product range, as "bolt on" acquisitions.

In line with our historical acquisition strategy, we acquired Pilsa at a purchase price of approximately €47.0 million in 2008, which enabled us to enter the Turkish market with a significant presence, contributed positively to our results from South East Europe and strengthened our position in Emerging Economies, particularly Russia and Ukraine, its principal export markets. The Pilsa acquisition also reinforced our position in the high margin hot and cold product segment of our B&I strategic business unit. In 2008, Pilsa contributed €97.9 million to our total revenue. In connection with our acquisition of Pilsa, we recorded an increase in the allowance for doubtful debts of €0.7 million. In 2008, we further strengthened our position in the high margin hot and cold product segment

through the acquisition of Warmafloor Ltd ("**Warmafloor**"), UK, for an initial purchase price of €11.7 million, including contingent consideration related to the acquired company's future performance. We also acquired the remaining 20% of the shares in our former associate, Lasa Muovi, Finland, for €0.3 million in 2008. In 2007, we completed the €3.4 million acquisition of O'Brien Marketing Ltd, Ireland, and the €2.7 million acquisition of Polyfemos AS, Norway, a supplier of cable duct systems for telecommunication networks. In 2006, we completed the €5.9 million acquisition of AFA Srl, Italy, a distributor of plastic pipe systems for hot and cold applications. As a result, the consolidation of acquired businesses has had a significant impact on our results of operations and financial condition.

We believe that we have a track record of effectively integrating acquired businesses. In 2006 and 2007, we accelerated the closing of production facilities in Padiham and Lichfield, UK, and in 2008, we merged our sales and marketing organisations in the UK to complete the integration of Hepworth Building Products Limited ("**Hepworth**"), our largest acquisition to date at €209.7 million in 2005.

Historically, we have financed acquisitions through a combination of cash from operating activities and borrowings drawn under our current or former credit facilities. As market and economic conditions continue to deteriorate throughout Europe, new acquisition opportunities may emerge. While we prioritise cost reduction and cash generation in order to conserve our capital resources, we intend to continue to focus on organic growth, especially in certain high margin product segments. Where possible under the terms of our Amended Credit Facilities and Forward Start Facility, we may continue our disciplined approach to identifying and assessing acquisition opportunities. The Amended Credit Facilities and the Forward Start Facility include a covenant that prohibits us from investing or acquiring shares in other entities or investing or acquiring any business or going concern, other than agreed exceptions. Such exceptions are made for acquisitions or investments by intra-obligors. Exceptions are also made for acquisitions or investments for which the total consideration and any financial indebtedness remaining in the acquired company or business, when aggregated with any other acquisition that has taken place in the relevant financial year, (i) do not exceed €30 million or (ii) if the leverage ratio following such an acquisition would be less than 2.5, do not exceed €60 million. We believe that actions taken to strengthen our capital structure, including the Offering, would provide us with flexibility to selectively pursue opportunities which we believe to be capable of contributing to long-term shareholder value.

Impairment

In 2008, we recorded a €2.7 million adjustment to goodwill in connection with the utilisation of loss carryforwards in The Netherlands as well as the capitalisation of unrecognised losses carried forward in Germany which could not be recognised at the time of the acquisition of Beheermaatschappij Wavin B.V. by Wavin N.V., and we were able to claim part of the withholding taxes withheld on invoiced amounts in years before 2005. In addition, an earn-out liability of €0.5 million was released against goodwill. As part of the closing procedures, we assessed whether non-current assets including goodwill and brand names must be impaired, by comparing the carrying amount of each cash generating unit to the recoverable amount of the cash generating unit. The recoverable amount is the higher of value in use and fair value less costs to sell. We estimate value in use on the basis of a discounted cash flow model. The analysis confirmed that the recoverable amount continues to exceed the carrying amount. We also performed sensitivity analyses on our base case assumptions as at 31 December 2008 and 31 March 2009. These sensitivity analyses confirm the outcome of the base case impairment tests.

Based on these assessments, management concluded that there was no need for impairment of goodwill and other intangible assets as at 31 December 2008 and 31 March 2009. As a result, no impairment charges were taken into account for the relevant periods. See Note 18 to our audited consolidated financial statements as at and for the year ended 31 December 2008 and Note 13 to our

unaudited condensed consolidated interim financial statements as at end for the three months ended 31 March 2009, incorporated herein by reference.

Raw Materials

Raw material costs represented 46.1% of our total cost of sales for the year ended 31 December 2008. Our most significant raw materials costs relate to the purchase of plastic polymers such as PVC, PE and PP. The price of plastic polymers is closely correlated to the price of oil. As a commodity, it varies in response to fluctuations in worldwide demand from manufacturers. We have witnessed significant volatility in oil prices in recent years, as prices per barrel underwent rapid and progressive increases to record high prices in July 2008, and declined abruptly in the second half of the year as financial market stress and recessionary economic conditions intensified, which also resulted in a decrease in demand for plastic polymers from manufacturers. Accordingly, raw material prices increased by approximately 10% to 15% from 2007 to 2008, in addition to an increase of approximately 5% to 8% from 2006 to 2007. As oil prices fell in the fourth quarter of 2008, we began to experience decreases in raw material prices.

Historically, our market leadership position and focus on high margin products have generally enabled us to pass on a significant portion of increases in raw material costs to our customers, with a time lag of approximately two to six months, depending upon local markets and market sentiment, but even in such cases there have been negative short-term impacts on our financial performance. Although we intend to pass on the higher raw materials prices experienced through much of 2008 over time, the sudden, sharp decline in polymer prices in late 2008, coupled with financial market and economic deterioration, led to increased pricing pressure in certain geographic regions which affected the speed and extent to which we were able to recover those costs. We experienced pricing pressure in certain markets, such as France, where there is increasing pricing competition on projects, and Russia and Ukraine, where we face competition from emerging markets suppliers that sell dollar-denominated products.

Cyclicality of Business Segments and Geographical Presence

The level of activity in the construction industry has historically been cyclical, reflecting changes in macroeconomic performance. Cyclicality in construction activity is influenced by fluctuations in market rates, such as interest rates, and economic conditions, including mortgage and foreclosure rates, consumer confidence and unemployment. These factors vary in each regional market in which we operate, by residential or non-residential sector and by new building or repair, maintenance and improvement activity within each sector. Public investments in and spending on infrastructure projects are influenced by cyclical factors to a lesser degree. Our B&I strategic business unit has a higher proportion of residential customers and therefore tends to reflect more cyclicality than the C&I strategic business unit. Moreover, within each unit, the level of activity relating to new builds tends to be more cyclical than repair, maintenance and improvement activity. Cyclical factors may also differ between the Emerging Economies in which we operate and more mature markets in Western Europe. As a result, we are exposed to multiple cycles and may experience varying levels of construction activity in different geographic markets and product segments. Historically, the higher levels of activity in certain markets or sectors have served to partially mitigate lower levels in other markets or sectors. Since mid-2007, however, data published by *Euroconstruct* have indicated a sudden and significant decrease in construction activity across all sectors of the European construction industry. The magnitude of the decrease is also notable in that it exceeds cyclical decreases recorded since 1995, reflecting the global scale and depth of stress in financial markets and economies. It is not possible to predict how long the current conditions will persist or whether they may deteriorate further. As a result, there is no certainty as to when construction cycles will recover.

Organic Growth through Introduction of New Products and Services

Our products are a key driver of the organic growth of our business. In particular, our product development strategy targets high margin segments of the market, such as the hot and cold segment of our B&I strategic business unit and the water management and cable ducting segments of our C&I strategic business unit. We have made significant investments in the development and manufacture of innovative products, with a focus on high margin segments. In 2008, our research and development expenses represented 2.9% of our operating expenses, or €8.8 million. We launched a number of new product lines and extensions of existing product lines in Europe and focused on the introduction of high margin hot and cold products and water management systems. Historically, product innovation has been a key driver of organic revenue growth. In 2008, we derived approximately 15.9% of our revenue from product innovation, which we calculate to include revenue from each product introduction in a different local market within our geographic regions in the last five years, as compared to 15.7% in 2007 and 16.2% in 2006. We target an innovation rate of 15%. As reflected above, we met this target in each of 2008, 2007 and 2006, due to the introduction of the latest generation structured wall pipes, further acceptance of our telecommunications ducts and increased penetration of push-fit systems. We intend to continue to make selective investments in new products and services through our dedicated Wavin Technology and Innovation Centre, in particular in the development of high margin products.

Effect of Seasonality and Weather

The construction industry is seasonal and, consequently, our revenue and working capital needs are subject to fluctuation throughout the year. Our revenue typically has been higher in the second and third quarters and lower in the winter months of December through February. Accordingly, in the past we have built up inventory during January through April to meet this expected demand in the second and third calendar quarters. The plastic pipe inventory is generally not subject to spoilage but it remains subject to price risk, as changes in raw material prices may lead to inventory revaluations.

However, in light of the unprecedented market turmoil which has distorted the expected impact of seasonality and as part of our cost reduction and cash generation measures, we have realigned inventory levels with expectations of lower demand arising from ongoing destocking throughout the construction supply chain. At 31 December 2008, our inventories stated at cost amounted to €172.1 million, compared to €214.1 million at 31 December 2007. At 31 December 2008, our provision for obsolete stocks amounted to €16.0 million.

In addition, local weather conditions affect levels of construction activity and consequently, our revenue throughout the year and may lead to increases or decreases in working capital during periods other than the winter months. Weather can also serve to mitigate the effects of seasonality, as happened in the first half of 2007 and of 2008, which were characterised by mild winter conditions in our core European regions. In contrast, in the first quarter of 2009, many European countries experienced severe winter conditions which have negatively contributed to the impact of seasonality on our revenue.

Current Trading and Prospects

Activity in the construction materials market has historically been correlated to economic growth in the geographic regions in which we operate. Since 31 March 2009, illiquidity in credit markets, asset devaluation, foreign exchange rate volatility and uncertainty in securities markets have persisted. A severe economic contraction has deepened in Europe and reached emerging markets. As a result, residential and commercial construction activity has continued to decline.

It is not anticipated that European construction markets will recover in 2009, and we expect that a challenging environment will continue through the remainder of the year. We also expect to experience revenue contraction, particularly in the second quarter of 2009. However, we believe that it

is possible that the relative comparison base may improve in 2009, as measured against the decline in the second half of 2008, particularly in the UK and Ireland. In addition, the realisation of the benefits from restructuring initiatives undertaken in the previous year and the current year are expected to contribute to the relative comparison base.

We continue to believe that the long-term trends which drive growth in our industry, including the increasing use of plastic as a replacement for traditional materials, efforts to improve the energy efficiency of buildings, urbanisation, households being established with fewer people per residence and climate change, have not fundamentally altered and remain favourable.

On 22 April 2009, our General Meeting resolved to declare an annual dividend of €0.16 per ordinary share. After deduction of the interim dividend of €0.12 per ordinary share, a final dividend of €0.04 was paid to our holders of ordinary shares on 25 May 2009. The amount of our annual dividend represents a pay out ratio of 40% of our consolidated net profit in accordance with our current dividend policy. The dividend has been paid at the discretion of each individual shareholder in shares or cash.

Trading Update

In April and May of 2009, the rate of revenue decline slowed as compared to the three months ended 31 March 2009, and margins began to recover. Revenue in the period from 1 April 2009 to 31 May 2009 amounted to €206 million, a 30% decrease as compared to the same period in 2008. Adjusted for the impact of fewer working days due to the Easter holidays of approximately 2% and negative currency effects of approximately 6%, the underlying revenue trend at constant currencies indicates a decrease of 22% as compared to the same period in 2008. As a result of cost reduction programmes and added value improvement, EBITDA margin recovered to nearly 11% in this period.

Restructuring initiatives undertaken in 2008 and 2009 resulted in cost savings of €8 million in 2008 and are expected to result in further cost savings of approximately €30 million in 2009. As at 31 May 2009, our total workforce had been reduced by 1,200 FTEs as compared to 31 May 2008. Management is following market developments closely and will continue to take firm actions, if local market conditions so require. Cumulative restructuring charges in the first half of 2009 amounted to approximately €15 million.

The governments of several European countries have adopted policies which seek to support the financial markets and to stimulate economic growth through investments in social housing, schools and hospitals and infrastructure projects. The impact of these public investments on residential and commercial construction activity, and consequently on the demand for construction materials, is uncertain.

Consolidated Results of Operations

The following discussion and analysis of our consolidated results of operations and financial condition is based on our historical results.

The table below sets forth our consolidated income statement for the periods indicated.

Selected Consolidated Income Statement	Year ended 31 December				Three months ended 31 March	
	2008[1]	2007	2006[2]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
			(€ in millions)			
Continuing operations						
Total revenue	1,581.2	1,618.5	1,501.5	1,501.5	251.3	384.5
Revenue discontinued operations	-	(3.8)	(6.1)	(11.1)	-	-
Revenue from continuing operations	1,581.2	1,614.7	1,495.4	1,490.4	251.3	384.5
Cost of sales	(1,197.7)	(1,176.0)	(1,092.3)	(1,087.4)	(199.6)	(288.6)
Gross profit	**383.5**	**438.7**	**403.1**	**403.0**	**51.7**	**95.9**
Other operating income	8.7	4.4	5.6	5.6	1.3	2.2
Selling and distribution expenses	(176.5)	(171.2)	(157.9)	(157.3)	(42.4)	(45.9)
Administrative expenses	(109.1)	(103.2)	(107.9)	(107.5)	(27.4)	(29.4)
Research and development expenses	(8.8)	(8.9)	(9.4)	(9.4)	(1.9)	(2.3)
Other operating expenses	(14.5)	(10.0)	(13.3)	(13.1)	(3.2)	(4.2)
Result from operating activities	**83.3**	**149.8**	**120.2**	**121.3**	**(21.9)**	**16.3**
Finance income	1.2	0.5	13.6	13.6	0.4	3.5
Finance expenses	(47.0)	(35.5)	(97.7)	(97.7)	(5.8)	(13.0)
Net finance costs	**(45.8)**	**(35.0)**	**(84.1)**	**(84.1)**	**(5.4)**	**(9.5)**
Share of profit of associates	5.2	4.7	3.3	3.3	-	0.9
Profit on sale of associates	-	-	39.0	39.0	-	-
Profit (loss) before income tax	**42.7**	**119.5**	**78.4**	**79.5**	**(27.3)**	**7.7**
Income tax (expense) benefit	(10.6)	(28.0)	(6.0)	(6.3)	5.9	(2.1)
Profit (loss) from continuing operations	32.1	91.5	72.4	73.2	(21.4)	5.6
Discontinued operations						
Profit (loss) from discontinued operations (net of income tax)	-	1.5	1.0	0.2	-	-
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**
Attributable to:						
Equity holders of the parent	32.1	91.2	71.7	71.7	(21.7)	5.4
Minority interest	(0.0)	1.8	1.7	1.7	0.3	0.2
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**73.4**	**(21.4)**	**5.6**

(1) In 2008, we revised the presentation of our consolidated income statement. To conform to broader industry practice, we reclassified the presentation of foreign exchange differences on working capital from other operating income and expense to finance income and expense. See note 3(b) to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference. As the financial impact of these reclassifications on the previous years was not material, we have not adjusted the comparative financial information for the years ended 31 December 2007 and 2006.

(2) In 2007, we revised the presentation of our consolidated income statement to reclassify certain activities of Kulker SAS, France, from discontinued operations to continuing operations. We also classified the former electronics business in Finland as discontinued operations. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated income statement for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See notes 3 and 4 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference. The impact of these reclassifications was not significant.

Non-Recurring Income and Expenses

We engage in certain activities outside the ordinary course of our operations, including restructuring activities, acquisitions, disposals of assets such as land or buildings, the discontinuation of certain businesses, the utilisation of loss carryforwards, as well as other activities that result in costs or the realisation of income, and therefore have an impact on our results of operations in a certain financial period. Where we incur such costs or realise such income which is material, we record them as non-recurring expenses or non-recurring income, as they are not expected to continue to have a material impact on our results of operations in future periods. Such items of non-recurring expense and non-recurring income affect the comparability of our results of operations from period to period.

In the three months ended 31 March 2009, excluding €(13.7) million in non-recurring income and expense, our result from operating activities was €(8.3) million, in comparison to €21.9 million in the three months ended 31 March 2008, excluding €(5.6) million in non-recurring income and expense. Non-recurring expenses in the three months ended 31 March 2009 principally related to restructuring programmes in Germany, The Netherlands, France and the UK.

In 2008, excluding €(10.3) million in non-recurring income and expense, our result from operating activities was €93.6 million, in comparison to €152.5 million in 2007, excluding €(2.7) million in non-recurring income and expense. In 2008, our net profit attributable to equity holders of the company was €38.9 million, excluding €(6.8) million in non-recurring income and expense, in comparison to €88.2 million in 2007, excluding €3.0 million in non-recurring income and expense. Non-recurring expenses for 2008 principally related to restructuring programmes in the UK, Ireland and Denmark. In 2008, we realised non-recurring tax profit in connection with the utilisation of compensable losses in The Netherlands, which resulted in an adjustment of goodwill of €1.4 million. We also realised a non-recurring profit of €2.2 million realised on the sale of land and buildings in the UK after closure of a manufacturing facility, and in Belgium, where we merged two sales and distribution facilities to rationalise our operational efficiency. In addition, €1.2 million was received under the first tranche of an earn-out agreement related to the sale of our former associate, Iplex Pipelines, in 2005. Non-recurring share-based payment expenses in 2008 related to the allocation of shares granted to employees following our initial public offering. In 2008, these rights were revalued to their final settlement value and the fair value as at 31 December 2008 for the unvested plans. This revaluation resulted in a decrease of the liability. See note 14 to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference, and "– Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007" for a discussion of the changes in non-recurring income realised, and the non-recurring expenses incurred, in 2008 in comparison to 2007.

In 2007, excluding €(2.7) million in non-recurring income and expense, our result from operating activities was €152.5 million, in comparison to €137.9 million in 2006, excluding €(16.6) million in non-recurring income and expense. In 2007, our net profit attributable to equity holders of the company was €88.2 million, excluding €3.0 million in non-recurring income and expense, in comparison to €45.7 million in 2006, excluding €26.0 million in non-recurring income and expense. Non-recurring expenses for 2007 principally related to €5.7 million in restructuring costs arising from the closure of the Lichfield manufacturing facilities in the UK. We realised €1.4 million in non-

recurring income from the exercise of an option to purchase previously rented land and buildings in the UK which we immediately thereafter sold to a developer.

Non-recurring share-based payment expenses in 2007 related to the allocation of shares granted to employees following our initial public offering. In 2007, these rights were revalued to their final settlement value and the fair value as at 31 December 2007 for the unvested plans. We realised €2.4 million in non-recurring income from the release of a provision for identified tax exposures, as a result of a settlement with the relevant tax authorities regarding one of the identified tax exposures. We also realised €1.6 million in tax income arising from reductions of the corporate tax rate in Germany, Italy and Denmark and announced tax rate adjustments in the UK. In addition, we realised €2.1 million in profit on the sale of discontinued operations in Finland. The tax base of the profit on the sale of discontinued operations was influenced by the loss on disposal of goodwill, which was not tax deductible. See note 12 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference, and "– Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006" for a discussion of the changes in non-recurring income realised, and the non-recurring expenses incurred, in 2007 in comparison to 2006.

Comparison of Three Months Ended 31 March 2009 and Three Months Ended 31 March 2008

Total Revenue

Total revenue is derived from:

- sales of our plastic pipes and fittings;
- resales of plastic pipe and fitting products, components and accessories that we purchase from third parties; and
- fees from licensing our products and technology to third parties.

Under IFRS-EU, we record revenue after deducting cash rebates and discounts paid to our customers.

Total revenue decreased by €133.2 million, or 34.6%, to €251.3 million in the three months ended 31 March 2009 from €384.5 million in the three months ended 31 March 2008. This decrease was primarily due to the continued decline in residential and commercial construction activity in Europe, in line with a significant economic contraction, as well as adverse currency effects from weakening non-euro currencies and severe winter conditions in January and February 2009. In contrast, the relatively stronger three months ended 31 March 2008 benefited from a milder winter. In addition, the impact of the financial crisis on the European construction industry and on local currencies in our regional markets was more limited.

Cost of Sales

Our cost of sales comprises the manufacturing costs of our products and writedowns of inventory. Manufacturing costs principally include:

- the costs of raw materials, products bought from third parties, energy and other components used in production;
- depreciation and maintenance costs relating to production equipment; and
- salaries and other costs of personnel involved in manufacturing.

Cost of sales decreased by €89.0 million, or 30.8%, to €199.6 million in the three months ended 31 March 2009 from €288.6 million in the three months ended 31 March 2008. This decrease was primarily due to decreased demand as well as lower prices for raw materials. The cost of sales in the three months ended 31 March 2009 also includes restructuring charges of €5.1 million, as compared to €4.5 million in the three months ended 31 March 2008.

Gross Profit

As a result of the above factors (including the relatively higher cost of sales as well as intensifying price competition and the lower volume of sales resulting in pressure on margins), gross profit decreased by €44.2 million, or 46.1%, to €51.7 million in the three months ended 31 March 2009 from €95.9 million in the three months ended 31 March 2008.

Other Operating Income

Other operating income principally includes gains on the sale of land and buildings, gains on disposal of equipment and income from the rental of property.

Other operating income decreased by €0.9 million, or 40.9%, to €1.3 million in the three months ended 31 March 2009 from €2.2 million in the three months ended 31 March 2008. This decrease was primarily due to fewer divestments in the three months ended 31 March 2009 in comparison to the same period in 2008, during which we sold land and buildings in the UK.

Selling and Distribution Expenses

Selling and distribution expenses include distribution costs relating to warehouses, sale depots and sales and marketing expenses.

Selling and distribution expenses decreased by €3.5 million, or 7.6%, to €42.4 million in the three months ended 31 March 2009 from €45.9 million in the three months ended 31 March 2008. This decrease was primarily due to a lower level of selling and distribution activities, reflecting the overall market decline, as well as the achievement of cost reductions and the impact of exchange rates. These factors were offset in part by restructuring charges of €4.9 million. Selling and distribution expenses as a percentage of total revenue increased to 16.9% in the three months ended 31 March 2009 from 11.9% in the three months ended 31 March 2008.

Administrative Expenses

Administrative expenses principally include personnel costs relating to senior management, human resources, accounting, legal, information technology and consultants, as well as depreciation of non-production related assets and software.

Administrative expenses decreased by €2.0 million, or 6.8%, to €27.4 million in the three months ended 31 March 2009 from €29.4 million in the three months ended 31 March 2008. This decrease was primarily due to cost reduction measures and the impact of exchange rates, offset in part by restructuring charges of €3.7 million. Administrative expenses as a percentage of total revenue increased to 10.9% in the three months ended 31 March 2009 from 7.6% in the three months ended 31 March 2008.

Research and Development Expenses

Research and development expenses include expenses incurred in connection with our technology and innovation programme, in relation to product design and prototyping, construction engineering, process development, materials engineering and laboratory testing.

Research and development expenses decreased by €0.4 million, or 17.4%, to €1.9 million in the three months ended 31 March 2009 from €2.3 million in the three months ended 31 March 2008. This decrease was primarily due to the achievement of cost reductions resulting from our focus on cost controls. Research and development expenses as a percentage of total revenue increased to 0.8% in the three months ended 31 March 2009 from 0.6% in the three months ended 31 March 2008.

Other Operating Expenses

Other operating expenses principally relate to losses on disposals of equipment, amortisation of intangible assets acquired through business combinations, taxes other than income tax and adjustments to goodwill.

Other operating expenses decreased by €1.0 million, or 23.8%, to €3.2 million in the three months ended 31 March 2009 from €4.2 million in the three months ended 31 March 2008. This decrease primarily reflects a lower level of expenses relative to the three months ended 31 March 2008, during which we recognised a €1.4 million adjustment to goodwill as non-recurring expenses.

Result from Operating Activities

As a result of the above factors, result from operating activities decreased by €38.2 million to €(21.9) million in the three months ended 31 March 2009 from €16.3 million in the three months ended 31 March 2008.

Net Finance Costs

Net finance costs principally relate to interest expense on the Original Credit Facilities and other borrowings, foreign currency gains and losses and gains and losses on foreign exchange hedging instruments.

Net finance costs decreased by €4.1 million, or 43.2%, to €5.4 million in the three months ended 31 March 2009 from €9.5 million in the three months ended 31 March 2008. This decrease was primarily due to declining interest rates and a lower average net debt position which resulted in a €3.0 million decrease in interest expenses and a €1.1 million decrease due to exchange rate differences.

Share of Profit of Associates

Share of profit of associates decreased to €0.05 million in the three months ended 31 March 2009 from €0.9 million in the three months ended 31 March 2008. This decrease was primarily due to the impact of the financial crisis on GF Wavin AG, Switzerland and the market for electrofusion fittings.

Income Tax (Expense) Benefit

Income tax expense changed by €8.0 million to a benefit of €5.9 million in the three months ended 31 March 2009 from an expense of €2.1 million in the three months ended 31 March 2008. This change was primarily due to the results for the period and the lower effective tax rate, which declined from 27.1% to 21.7%.

The effective income tax rate on recurring results for Q1 2009 was negatively affected for an amount of €1.5 million as the potential tax benefits relating to losses in some countries were not capitalised.

Net Profit (Loss)

As a result of the above factors, net profit attributable to equity holders of Wavin N.V. decreased by €27.1 million to €(21.7) million in the three months ended 31 March 2009 from €5.4 million in the three months ended 31 March 2008.

Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007

Total Revenue

Total revenue decreased by €37.3 million, or 2.3%, to €1,581.2 million in the year ended 31 December 2008 from €1,618.5 million in the year ended 31 December 2007. This decrease was primarily due to declining sales volumes, particularly in key markets such as the UK, Ireland and Denmark which were severely affected by the credit crisis and recessionary economic conditions. The fall in the value of the pound sterling and other European currencies against the euro added to the challenging environment. Exchange rate fluctuations had a negative impact of €33.2 million, or 2.1%, on our revenue for the year ended 31 December 2008. The decrease in total revenue was offset in part by the impact of the Pilsa acquisition. Organic revenue, as adjusted for acquisitions and at constant foreign exchange rates, decreased by 6.6% in the year ended 31 December 2008 from the year ended 31 December 2007.

Cost of Sales

Cost of sales increased by €21.7 million, or 1.8%, to €1,197.7 million in the year ended 31 December 2008 from €1,176.0 million in the year ended 31 December 2007. This increase was primarily due to higher raw material costs of approximately 10% to 15% for important raw materials such as PVC and PE, as well as higher energy and freight costs, reflecting significant increases in oil prices and continuing manufacturing demand through most of the year. This increase was offset in part by declining prices late in the year and a reduction in personnel expenses as a result of the reduction of our workforce in 2008. Cost of sales as a percentage of total revenue increased to 75.7% in the year ended 31 December 2008 from 72.8% in the year ended 31 December 2007.

Gross Profit

As a result of the above factors, gross profit decreased by €55.2 million, or 12.6%, to €383.5 million in the year ended 31 December 2008 from €438.7 million in the year ended 31 December 2007.

Other Operating Income

Other operating income increased by €4.3 million, or 97.7%, to €8.7 million in the year ended 31 December 2008 from €4.4 million in the year ended 31 December 2007. This increase was primarily due to an increase in non-recurring income, including a profit of €2.2 million realised on the sale of land and buildings in the UK after closure of a manufacturing facility, and in Belgium, where we merged two sales and distribution facilities to rationalise our operational efficiency. The increase in non-recurring income also reflected the receipt of €1.2 million paid under the first tranche of an earn out agreement related to the sale of our former associate, Iplex Pipelines, in 2005. We also realised an increase of recurring other operating income in relation to foreign withholding taxes withheld on invoiced amounts in previous years and claimed in 2008.

Selling and Distribution Expenses

Selling and distribution expenses increased by €5.3 million, or 3.1%, to €176.5 million in the year ended 31 December 2008 from €171.2 million in the year ended 31 December 2007. This increase was primarily due to a non-recurring expense of €5.7 million incurred in connection with our

workforce reduction. Our recurring expenses remained nearly level in 2008 compared to 2007 as a result of our prioritisation of cost reductions. Selling and distribution expenses as a percentage of total revenue increased to 11.2% in the year ended 31 December 2008 from 10.6% in the year ended 31 December 2007.

Administrative Expenses

Administrative expenses increased by €5.9 million, or 5.7%, to €109.1 million in the year ended 31 December 2008 from €103.2 million in the year ended 31 December 2007. This increase was primarily due to recurring expenses as a result of the acquisitions of Pilsa and Warmafloor. Non-recurring expenses also increased, due to the reduction in our workforce. Administrative expenses as a percentage of total revenue increased to 6.9% in the year ended 31 December 2008 from 6.4% in the year ended 31 December 2007.

Research and Development Expenses

Research and development expenses decreased by €0.1 million, or 1.1%, to €8.8 million in the year ended 31 December 2008 from €8.9 million in the year ended 31 December 2007. Research and development expenses were generally in line with the previous year. Research and development expenses as a percentage of total revenue increased to 0.6% in the year ended 31 December 2008 from 0.5% in the year ended 31 December 2007.

Other Operating Expenses

Other operating expenses increased by €4.5 million, or 45.0%, to €14.5 million in the year ended 31 December 2008 from €10.0 million in the year ended 31 December 2007. This increase was primarily due to the amortisation of acquired intangible assets, principally order portfolios and customer contracts acquired with Pilsa and Warmafloor, as well as Wavin's and Hepworth's customer relations and distribution networks. We also recorded a €2.7 million adjustment to goodwill related to the utilisation of loss carryforwards and withholding tax in The Netherlands as well as the capitalisation of unrecognised losses carried forward in Germany, which could not be recognised at the time of the acquisition of Beheermaatschappij Wavin B.V. by Wavin N.V. We recognised €1.4 million of the adjustment to goodwill as non-recurring expenses.

Result from Operating Activities

As a result of the above factors, result from operating activities decreased by €66.5 million, or 44.4%, to €83.3 million in the year ended 31 December 2008 from €149.8 million in the year ended 31 December 2007.

Net Finance Costs

Net finance costs increased by €10.8 million, or 30.9%, to €45.8 million in the year ended 31 December 2008 from €35.0 million in the year ended 31 December 2007. Interest expense on our borrowings remained nearly level. The increase in net finance costs was due to exchange rate losses of €10.5 million in relation to sales and purchasing transactions in foreign currencies and borrowings under the Original Credit Facilities denominated in currencies other than the euro. Although our policy is to manage short-term foreign exchange fluctuations through the use of hedging, substantial declines in the value of the pound sterling, the Polish zloty, the Hungarian forint, the Czech koruna, the Turkish lira and the Norwegian and Swedish krone resulted in increased exchange rate losses in 2008.

Share of Profit of Associates

Share of profit of associates increased by €0.5 million, or 10.6%, to €5.2 million in the year ended 31 December 2008 from €4.7 million in the year ended 31 December 2007. This increase was

primarily due to the performance of GF Wavin AG, Switzerland, which maintains a market leading position in the global market for electrofusion fittings. We did not dispose of any associates in the year ended 31 December 2008.

Income Tax Expense

Income tax expense decreased by €17.4 million, or 62.1%, to €10.6 million in the year ended 31 December 2008 from €28.0 million in the year ended 31 December 2007. This decrease was primarily due to a decrease in taxable income. We realised a non-recurring tax profit of €1.4 million in connection with the utilisation of losses carried forward in The Netherlands and €0.5 million in connection with the capitalisation of unrecognised losses carried forward in Germany. As a result of losses incurred in certain Emerging Economies for which no tax recovery was taken into account and the reduction of our profit before income tax in Ireland, our effective tax rate in 2008 increased to 28.3% from 24.9% in 2007. Excluding non-recurring items, however, the effective tax rate for the year ended 31 December 2008 decreased to 26.6%, compared to 26.9% in the year ended 31 December 2007.

Net Profit

As a result of the above factors, net profit attributable to equity holders of Wavin N.V. decreased by €59.1 million, or 64.8%, to €32.1 million in the year ended 31 December 2008 from €91.2 million in the year ended 31 December 2007.

Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006

As a result of the reclassifications described in the table above, our audited consolidated income statement for the year ended 31 December 2007 is not comparable to our audited consolidated income statement for the year ended 31 December 2006, and is compared to our unaudited, adjusted comparative financial information for the year ended 31 December 2006. The impact of these reclassifications was not significant.

Total Revenue

Total revenue increased by €117.0 million, or 7.8%, to €1,618.5 million in the year ended 31 December 2007 from €1,501.5 million in the year ended 31 December 2006. This increase was primarily due to growth in sales volume across most of our geographic regions and in both strategic business units. A relatively mild winter in the first half of the year mitigated the impact of seasonality which typically affects sales and contributed to overall revenue for the year. Our performance in 2007 represented the highest recorded revenue in our operating history.

Cost of Sales

Cost of sales increased by €83.7 million, or 7.7%, to €1,176.0 million in the year ended 31 December 2007 from €1,092.3 million in the year ended 31 December 2006. This increase was primarily due to higher raw material prices of approximately 5% to 8%, which reflected significant increases in oil prices and strong worldwide demand for polymers. Rising energy, freight and personnel expenses also contributed to the increase in cost of sales. Cost of sales as a percentage of total revenue decreased to 72.8% in the year ended 31 December 2007 from 73.0% in the year ended 31 December 2006.

Gross Profit

As a result of the above factors, gross profit increased by €35.6 million, or 8.8%, to €438.7 million in the year ended 31 December 2007 from €403.1 million in the year ended 31 December 2006.

Other Operating Income

Other operating income decreased by €1.2 million, or 21.4%, to €4.4 million in the year ended 31 December 2007 from €5.6 million in the year ended 31 December 2006. This decrease was primarily due to decreased grants, less profits from previous years and decreased foreign exchange profits. We also realised €1.4 million in non-recurring income from the sale of land and buildings in the UK.

Selling and Distribution Expenses

Selling and distribution expenses increased by €13.3 million, or 8.4%, to €171.2 million in the year ended 31 December 2007 from €157.9 million in the year ended 31 December 2006. This increase was primarily due to investments in our sales and marketing organisation and selling and distribution expenses incurred in connection with the acquisition of O'Brien Marketing Ltd in 2007. Selling and distribution expenses as a percentage of total revenue increased to 10.6% in the year ended 31 December 2007 from 10.5% in the year ended 31 December 2006.

Administrative Expenses

Administrative expenses decreased by €4.7 million, or 4.4%, to €103.2 million in the year ended 31 December 2007 from €107.9 million in the year ended 31 December 2006. This decrease was primarily due to lower non-recurring costs compared to the previous year related to restructuring costs and share-based payments. Administrative expenses as a percentage of total revenue decreased to 6.4% in the year ended 31 December 2007 from 7.2% in the year ended 31 December 2006.

Research and Development Expenses

Research and development expenses decreased by €0.5 million, or 5.3%, to €8.9 million in the year ended 31 December 2007 from €9.4 million in the year ended 31 December 2006. Research and development expenses as a percentage of total revenue decreased to 0.5% in the year ended 31 December 2007 from 0.6% in the year ended 31 December 2006.

Other Operating Expenses

Other operating expenses decreased by €3.3 million, or 24.8%, to €10.0 million in the year ended 31 December 2007 from €13.3 million in the year ended 31 December 2006. This decrease was primarily due to lower amortisation costs in 2007 in relation to intangible assets acquired in previous years.

Result from Operating Activities

As a result of the above factors, result from operating activities increased by €29.6 million, or 24.6%, to €149.8 million in the year ended 31 December 2007 from €120.2 million in the year ended 31 December 2006.

Net Finance Costs

Net finance costs decreased by €49.1 million, or 58.4%, to €35.0 million in the year ended 31 December 2007 from €84.1 million in the year ended 31 December 2006. This decrease was primarily due to a significant decrease in interest expense following the repayment in full of our former credit facilities upon the closing of our initial public offering in October 2006, which reduced our net debt from €909.3 million as at 1 January 2006 to €654.0 million after completion of the initial public offering, and our entry into the Original Credit Facilities with a more favourable interest margin. In addition, our net finance costs in 2006 reflected the impairment of capitalised fee costs incurred in

connection with the refinancing of the former credit facilities, offset in part by the gain related to the sale of financial instruments.

Share of Profits of Associates

Share of profits of associates increased by €1.4 million, or 42.4%, to €4.7 million in the year ended 31 December 2007 from €3.3 million in the year ended 31 December 2006. This increase was primarily due to the performance of GF Wavin AG, Switzerland, which maintains a market leading position in the global market for electrofusion fittings.

Profit on Sale of Associates

We did not dispose of any investments in associates in 2007, whereas in 2006 we realised a gain of €36.2 million from the sale of investments in Iplex Australia and Iplex New Zealand, and €2.8 million from the sale of investments in Espace Real Estate Switzerland.

Income Tax Expense

Income tax expense increased by €22.0 million to €28.0 million in the year ended 31 December 2007 from €6.0 million in the year ended 31 December 2006. This increase was primarily due to our strong operating performance for the year, which resulted in a higher taxable income. This was offset in part by the release of a €2.4 million provision for identified tax exposures, as a result of a settlement with tax authorities regarding one of the identified tax exposures. We also realised €1.6 million in tax income arising from reductions of the corporate tax rate in Germany, Italy and Denmark and announced tax rate adjustments in the UK, resulting in decreasing deferred tax liabilities which were offset in part by decreases in deferred tax assets in Germany.

Net Profit

As a result of the above factors, net profit attributable to equity holders of Wavin N.V. increased by €19.5 million, or 27.2%, to €91.2 million in the year ended 31 December 2007 from €71.7 million in the year ended 31 December 2006.

Segmental Results of Operations

Segmental financial data relating to our EBITDA and EBITDA margin by region for the three months ended 31 March 2009 and 2008 and the years ended 31 December 2008, 2007 and 2006 included herein is unaudited and has been extracted from our accounting records. These management accounts are prepared using information derived from our accounting records used in the preparation of our financial statements, but may also include certain management assumptions and estimates about the allocation of revenues for multiple-use products.

We coordinate our regional operations through two strategic business units: the B&I business unit and the C&I business unit. The B&I business unit focuses on above ground plastic pipes and fitting systems in three main product segments: hot and cold, soil and waste and other building systems. The C&I business unit focuses on below ground plastic pipe systems and related services in four principal product segments: foul water systems, water management, cable ducting systems and water and gas distribution. See “Business – Product Segments”.

The following table sets forth our revenue by strategic business unit for the periods indicated:

Revenue by Strategic Business Unit	Year ended 31 December				Three months ended 31 March	
	2008	2007	2006[1]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
	(€ in millions)					
B&I	622.5	597.4	537.9	536.6	100.5	156.5
C&I	928.3	981.3	931.7	904.4	146.0	221.8
Other[2]	30.4	39.8	31.9	60.5	4.8	6.2
Total revenue	**1,581.2**	**1,618.5**	**1,501.5**	**1,501.5**	**251.3**	**384.5**

(1) In 2007, we revised the classifications of certain multiple-use products in our reportable product segments, in line with our management's strategic focus on the high margin water management product segment. We therefore reallocated certain revenue realised in 2006 between product segments. In connection with this reclassification, we reallocated revenue which had previously been reported as unallocated sales in 2006, to certain of our product segments in 2006. As a result, we presented certain unaudited, adjusted comparative financial information relating to our revenue by strategic business unit for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See note 2 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

(2) Other relates to licence income, raw materials, valves, concrete, certain services and other products.

B&I

The following table sets forth B&I revenue by product segment for the periods indicated:

B&I Revenue by Product Segment	Year ended 31 December				Three months ended 31 March	
	2008	2007	2006[1]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
	(€ in millions)					
Hot and cold	352.3	312.4	268.8	269.8	53.9	84.5
Soil and waste	197.9	207.6	196.1	206.1	35.0	54.8
Other building systems	72.3	77.4	73.0	60.7	11.6	17.2
Total B&I revenue	**622.5**	**597.4**	**537.9**	**536.6**	**100.5**	**156.5**

(1) In 2007, we revised the classifications of certain multiple-use products in our reportable product segments, in line with our management's strategic focus on the high margin water management product segment. We therefore reallocated certain revenue realised in 2006 between product segments. In connection with this reclassification, we reallocated revenue which had previously been reported as unallocated sales in 2006, to certain of our product segments in 2006. As a result, we presented certain unaudited, adjusted comparative financial information relating to our B&I revenue by product segment for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See note 2 to our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Comparison of Three Months Ended 31 March 2009 and Three Months Ended 31 March 2008

Total B&I revenue decreased by €56.0 million, or 35.8%, to €100.5 million in the three months ended 31 March 2009 from €156.5 million in the three months ended 31 March 2008. This decrease was primarily due to the decline in construction activity across Europe, which was driven in part by

the loss of consumer confidence as a result of the economic contraction and a lack of construction financing as a result of the credit crisis, which had an adverse effect on residential construction activity. In addition, customers continued stock reduction programmes, which affected demand for our products.

Hot and cold revenue decreased by €30.6 million, or 36.2%, to €53.9 million in the three months ended 31 March 2009 from €84.5 million in the three months ended 31 March 2008. This decrease was primarily due to the decline in construction activity across Europe, especially in the UK, Russia and Ukraine. This decrease was offset in part by the €1.9 million contribution of Warmafloor, which was acquired in 2008, to hot and cold revenue in the three months ended 31 March 2009.

Soil and waste revenue decreased by €19.8 million, or 36.1%, to €35.0 million in the three months ended 31 March 2009 from €54.8 million in the three months ended 31 March 2008. This decrease was primarily due to the decline in residential construction activities particularly in the UK, France and Italy.

Other building systems revenue decreased by €5.6 million, or 32.6%, to €11.6 million in the three months ended 31 March 2009 from €17.2 million in the three months ended 31 March 2008. The decrease is primarily due to the general decline in residential construction activities.

Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007

B&I revenue comprised 39.4% of total revenue in the year ended 31 December 2008. B&I revenue increased by €25.1 million, or 4.2%, to €622.5 million in the year ended 31 December 2008 from €597.4 million in the year ended 31 December 2007. This increase was due to the performance of the hot and cold product segment, offset in part by decreases in the soil and waste and other building systems product segments.

Hot and cold revenue comprised 22.3% of total revenue in the year ended 31 December 2008. Hot and cold revenue increased by €39.9 million, or 12.8%, to €352.3 million in the year ended 31 December 2008 from €312.4 million in the year ended 31 December 2007. This increase is due to the impact of the Pilsa acquisition in January 2008, which contributed €56.0 million to hot and cold revenue, primarily in South East Europe and Pilsa's principal export markets in Russia and Ukraine. The increase was offset in part by lower sales in the UK, where market and economic conditions worsened through the year. The acquisition of Warmafloor also resulted in a €5.5 million contribution to hot and cold revenue in 2008. In addition, growth in high margin surface heating and cooling products, which are driven by efforts to improve energy efficiency and the EU Directive on the Energy Performance of Buildings, contributed to hot and cold revenue. In 2008, we introduced new surface heating and cooling systems in Poland and the Baltic states, and also focused on sales of these systems in Hungary. Our push-fit systems for hot and cold tap water continued to gain market acceptance in France and the Baltic states.

Soil and waste revenue comprised 12.5% of total revenue in the year ended 31 December 2008. Soil and waste revenue decreased by €9.7 million, or 4.7%, to €197.9 million in the year ended 31 December 2008 from €207.6 million in the year ended 31 December 2007. This decrease was primarily due to falling consumer confidence and illiquid credit markets which created a difficult environment for home owners and developers to undertake and finance residential repair, maintenance and improvement activity, particularly in the UK and Ireland. We also experienced declines in soil and waste revenue to a lesser extent in our other geographic regions, which were offset in part by the impact of soil and waste products from the Pilsa acquisition. We continue to focus on higher margin products in this product segment, in particular our low noise systems for soil and waste discharge.

Other building systems revenue comprised 4.6% of total revenue in the year ended 31 December 2008. Other building systems revenue decreased by €5.1 million, or 6.6%, to €72.3 million in the year

ended 31 December 2008 from €77.4 million in the year ended 31 December 2007. This decrease was primarily due to declining activity in local markets for roof gutter systems and electrical conduits.

Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006

As a result of the reclassifications described above, our audited revenue by strategic business unit and audited revenue by product segment for the year ended 31 December 2007 are not comparable to our audited revenue by strategic business unit and audited revenue by product segment for the year ended 31 December 2006, and are compared to our unaudited, adjusted comparative financial information for the year ended 31 December 2006.

B&I revenue increased by €59.5 million, or 11.1%, to €597.4 million in the year ended 31 December 2007 from €537.9 million in the year ended 31 December 2006. This increase was primarily due to strong performance from the hot and cold product segment.

Hot and cold revenue increased by €43.6 million, or 16.2%, to €312.4 million in the year ended 31 December 2007 from €268.8 million in the year ended 31 December 2006. We experienced continuing growth in sales volume from a broad offering of high margin products, as a result of long-term trends toward increasing use of plastic as a replacement for traditional materials, as well as increasing demand for energy efficient surface heating and cooling. In particular, market acceptance of our innovative smartFIX push-fit system in Germany, Italy, The Netherlands and the Baltic states contributed to the growth in hot and cold revenue. In addition, the acquisition of O'Brien Marketing Ltd had a positive impact on hot and cold revenue in Ireland.

Soil and waste revenue increased by €11.5 million, or 5.9%, to €207.6 million in the year ended 31 December 2007 from €196.1 million in the year ended 31 December 2006. This increase was primarily due to sales growth from low noise applications, including the introduction of new products.

Other building systems revenue includes roof gutters and electrical conduit pipes. Other building systems revenue increased by €4.4 million, or 6.0%, to €77.4 million in the year ended 31 December 2007 from €73.0 million in the year ended 31 December 2006.

C&I

The following table sets forth C&I revenue by product segment for the periods indicated:

C&I Revenue by Product Segment	**Year ended 31 December**				**Three months ended 31 March**	
	2008	**2007**	**2006[1]**	**2006**	**2009**	**2008**
	(audited)		**(unaudited)**	**(audited)**	**(unaudited)**	
			(€ in millions)			
Foul water systems	471.1	544.6	521.0	556.8	76.2	122.4
Water management	176.5	161.2	143.1	65.6	28.6	39.4
Cable ducting systems	78.9	73.2	59.9	58.7	11.0	17.3
Water and gas	201.8	202.3	207.7	223.3	30.2	42.7
Total C&I revenue	**928.3**	**981.3**	**931.7**	**904.4**	**146.0**	**221.8**

(1) In 2007, we revised the classifications of certain multiple-use products in our reportable product segments, in line with our management's strategic focus on the high margin water management product segment. We therefore reallocated certain revenue realised in 2006 between product segments. In connection with this reclassification, we reallocated revenue which had previously been reported as unallocated sales in 2006, to certain of our product segments in 2006. As a result, we presented certain unaudited, adjusted comparative financial information relating to our C&I revenue by product segment for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See note 2 to our audited

consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Comparison of Three Months Ended 31 March 2009 and Three Months Ended 31 March 2008

Total C&I revenue decreased by €75.8 million, or 34.2%, to €146.0 million in the three months ended 31 March 2009 from €221.8 million in the three months ended 31 March 2008. This decrease was primarily due to the decline in construction activity across Europe, with the UK, Ireland and Denmark having been most severely affected. The market decline was driven in part by the loss of consumer confidence as a result of the economic contraction, which had an adverse effect on residential construction activity in particular, and a lack of construction financing as result of the credit crisis.

Foul water systems revenue decreased by €46.2 million, or 37.7%, to €76.2 million in the three months ended 31 March 2009 from €122.4 million in the three months ended 31 March 2008. The performance of certain products in foul water systems, primarily U-drain products, is closely correlated to new residential development. As a result, revenue was adversely affected by the decline in residential construction activities and the housing market more generally.

Water management revenue decreased by €10.8 million, or 27.4%, to €28.6 million in the three months ended 31 March 2009 from €39.4 million in the three months ended 31 March 2008. Revenue was adversely affected by the decreasing construction activities and severe weather conditions especially in the Western European countries.

Cable ducting systems revenue decreased by €6.3 million, or 36.4%, to €11.0 million in the three months ended 31 March 2009 from €17.3 million in the three months ended 31 March 2008. This decrease was primarily due to the impact of the economic contraction on telecommunication projects, many of which have been postponed, particularly in France and the Nordic region. Severe weather conditions also contributed to the decrease in revenue.

Water and gas revenue decreased by €12.5 million, or 29.3%, to €30.2 million in the three months ended 31 March 2009 from €42.7 million in the three months ended 31 March 2008. This decrease was primarily due to severe weather conditions and the decline in construction activities.

Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007

C&I revenue comprised 58.7% of total revenue in the year ended 31 December 2008. C&I revenue decreased by €53.0 million, or 5.4%, to €928.3 million in the year ended 31 December 2008 from €981.3 million in the year ended 31 December 2007. This decrease reflected the significant contraction in the foul water segment, and was offset in part by continuing sales growth in the water management and cable ducting segments despite challenging market conditions.

Foul water systems revenue comprised 29.8% of total revenue in the year ended 31 December 2008. Foul water systems revenue decreased by €73.5 million, or 13.5%, to €471.1 million in the year ended 31 December 2008 from €544.6 million in the year ended 31 December 2007. The performance of certain products in foul water systems, primarily U-drain products, is closely correlated to new residential development. As a result, foul water systems revenue was adversely affected by the severe contraction in new residential construction activity. This decrease was offset in part by increased sales of manholes and large inspection chambers.

Water management revenue comprised 11.2% of total revenue in the year ended 31 December 2008. Water management revenue increased by €15.3 million, or 9.5%, to €176.5 million in the year ended 31 December 2008 from €161.2 million in the year ended 31 December 2007. This increase was primarily due to the acquisition of Pilsa, which contributed revenue of €14.6 million in 2008. This increase also reflected continued sales growth driven by irregular rainfall patterns and repeated

floodings in key markets which have led to new regulations favouring water management solutions such as ours.

Cable ducting revenue comprised 5.0% of total revenue in the year ended 31 December 2008, and represents a small, though high growth, product segment. Cable ducting revenue increased by €5.7 million, or 7.8%, to €78.9 million in the year ended 31 December 2008 from €73.2 million in the year ended 31 December 2007. This increase was primarily due to strong demand, especially in the Nordic Europe region and The Netherlands, for high margin products to support new fibre optics networks and to replace traditional materials used in existing telecommunications networks.

Water and gas revenue comprised 12.8% of total revenue in the year ended 31 December 2008. Water and gas revenue remained stable, primarily due to the Pilsa acquisition, which contributed revenue of €20.8 million in 2008 and thereby offset the impact of market contraction. In this product segment, we focus on the production and sale of high margin, technologically advanced solutions.

Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006

As a result of the reclassifications described above, our audited revenue by product segment for the year ended 31 December 2007 is not comparable to our audited revenue by product segment for the year ended 31 December 2006, and is compared to our unaudited, adjusted comparative financial information for the year ended 31 December 2006.

Foul water systems revenue increased by €23.6 million, or 4.5%, to €544.6 million in the year ended 31 December 2007 from €521.0 million in the year ended 31 December 2006. This increase was primarily due to the introduction of high margin products, in particular Tegra plastic manholes and inspection chambers.

Water management revenue increased by €18.1 million, or 12.6%, to €161.2 million in the year ended 31 December 2007 from €143.1 million in the year ended 31 December 2006. This increase was primarily due to sales growth driven by irregular rainfall patterns and repeated floodings in key markets which have led to new regulations favouring water management solutions such as ours. We also introduced new products in a number of countries.

Cable ducting revenue increased by €13.3 million, or 22.2%, to €73.2 million in the year ended 31 December 2007 from €59.9 million in the year ended 31 December 2006. This increase was primarily due to growth in sales of last mile cable duct systems for fibre optic data communications.

Water and gas revenue declined in line with our strategy to selectively reduce exposure to this mature product segment, which is largely characterised by commoditised products. We focus on the production and sale of high margin, technologically advanced solutions in this product segment.

Regional Results

We have a regional organisation in order to service the regional and local needs of our clients with local products in compliance with local product approvals and certifications. Our physical proximity to our customers also enables us to transport our products without incurring significant costs.

Our primary format for segment reporting is based on geographic segments, in accordance with our management and internal reporting structure. Although we generally allocate revenue to our regional segments based on the location of the customers, export revenue may be allocated to the region of a product's origin in certain circumstances.

The following table sets forth our revenue by region for the periods indicated:

Revenue by Region	Year ended 31 December			Three months ended 31 March	
	2008	2007	2006	2009	2008
		(audited)		(unaudited)	
		(€ in millions)			
North West Europe	322.6	323.6	314.1	65.1	79.0
UK and Ireland	311.6	442.0	449.8	48.6	89.0
South East Europe[1]	253.7	152.1	131.5	40.3	56.9
Central and Eastern Europe	242.8	223.3	187.0	29.8	48.4
Nordic Europe	217.0	232.2	219.0	29.6	49.9
South West Europe	170.5	174.7	161.9	30.3	49.8
Wavin Overseas and other[2]	63.0	70.6	38.2	7.6	11.5
Total revenue	**1,581.2**	**1,618.5**	**1,501.5**	**251.3**	**384.5**

(1) In January 2008, we acquired Pilsa and commenced operations in Turkey, which we classify as part of the South East Europe region. In addition, Wavin Overseas transferred responsibility for business in the Balkan area, comprising Croatia, Bulgaria and Serbia, to the South East Europe region in 2008. Our revenue by region in 2008 is therefore not comparable to 2007.
(2) In addition to Wavin Overseas, our central export organisation, this segment includes Wavin Technology and Innovation, our corporate headquarters and certain other companies.

The following table sets forth our EBITDA by region for the periods indicated:

EBITDA by Region	Year ended 31 December			Three months ended 31 March	
	2008	2007	2006	2009	2008
		(unaudited)			
		(€ in millions)			
North West Europe	26.5	26.3	30.8	0.7	4.5
UK and Ireland	22.2	72.7	67.4	(0.8)	10.5
South East Europe[1]	21.7	14.5	12.5	0.7	4.2
Central and Eastern Europe	39.7	43.7	37.1	3.0	5.9
Nordic Europe	18.9	25.7	25.5	(2.0)	3.8
South West Europe	17.0	17.2	11.0	0.2	5.3
Wavin Overseas and other[2]	15.0	12.0	12.0	5.3	3.4
Total EBITDA	**161.0**	**212.1**	**196.3**	**7.1**	**37.6**

(1) In January 2008, we acquired Pilsa and commenced operations in Turkey, which we classify as part of the South East Europe region. In 2008, we also revised the classifications of certain export revenue in our reportable regional segments and also included new countries within certain regions. In addition, Wavin Overseas transferred responsibility for business in the Balkan area, comprising Croatia, Bulgaria and Serbia, to the South East Europe region in 2008. This did not have an impact on reported EBITDA by region. See note 5 to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference.
(2) In addition to Wavin Overseas, our central export organisation, this segment includes Wavin technology and Innovation, our corporate headquarters and certain other companies.

EBITDA Margin by Region	Year ended 31 December			Three months ended 31 March	
	2008	2007	2006	2009	2008
			(unaudited) (%)		
North West Europe	8.2	8.1	9.8	1.1	5.7
UK and Ireland	7.1	16.4	15.0	(1.6)	11.8
South East Europe[1]	8.6	9.5	9.5	1.7	7.4
Central and Eastern Europe	16.4	19.6	19.8	10.1	12.2
Nordic Europe	8.7	11.1	11.6	(6.8)	7.6
South West Europe	10.0	9.8	6.8	0.7	10.6
Wavin Overseas and other[2]	-	-	-	-	-

(1) In January 2008, we acquired Pilsa and commenced operations in Turkey, which we classify as part of the South East Europe region. In 2008, we also revised the classifications of certain export revenue in our reportable regional segments and also included new countries within certain regions. In addition, Wavin Overseas transferred responsibility for business in the Balkan area, comprising Croatia, Bulgaria and Serbia, to the South East Europe region in 2008. Our EBITDA margin by region in 2008 is therefore not comparable to 2007. See note 5 to our audited consolidated financial statements as at and for the year ended 31 December 2008, incorporated herein by reference.

(2) In addition to Wavin Overseas, our central export organisation, this segment includes Wavin Technology and Innovation, our corporate headquarters and certain other companies. There is no direct relation between revenue and EBITDA and, therefore, no EBITDA margin is presented for this segment.

Comparison of Three Months Ended 31 March 2009 and Three Months Ended 31 March 2008

In the three months ended 31 March 2009, revenue decreased across all of our regional markets, which were affected by the credit crisis, the economic contraction and the resulting decline in construction activity across Europe, which combined with the historical seasonal weakness in construction activity in the first quarter of the year. Our regional markets also experienced severe winter conditions, particularly in January and February 2009, as compared to our relatively strong results in the three months ended 31 March 2008, which benefited from a mild winter and less widespread effects from the credit crisis.

The North West Europe region comprises The Netherlands, Germany and Belgium. In the North West Europe region, revenue decreased by €13.9 million, or 17.6%, to €65.1 million in the three months ended 31 March 2009 from €79.0 million in the three months ended 31 March 2008. Relative to our other geographic markets, the North West Europe region was less affected by the market and economic decline. In addition, margins improved due to lower raw material prices, but were mitigated by devaluation of stocks, lower utilisation and higher energy costs.

The UK and Ireland (including clay activities of our subsidiary, EuroCeramic B.V.) comprise a key market for our business. In the UK and Ireland region, revenue decreased by €40.4 million, or 45.4%, to €48.6 million in the three months ended 31 March 2009 from €89.0 million in the three months ended 31 March 2008. This region was severely affected by the market and economic decline and the continuing weakness in the pound sterling. However, we began to realise certain benefits from cost savings initiatives implemented in 2008, as indirect costs in the three months ended 31 March 2009 were €5.4 million lower than in the three months ended 31 March 2008.

The South East Europe region comprises Italy, Hungary, Romania and, beginning in 2008, Turkey, Croatia, Bulgaria and Serbia. In the South East Europe region, revenue decreased by €16.6

million, or 29.2%, to €40.3 million in the three months ended 31 March 2009 from €56.9 million in the three months ended 31 March 2008. Market conditions throughout the region continued to worsen. As a result of this market decline in Ukraine and Russia, export sales by Pilsa fell in the three months ended 31 March 2009. The weakening of the Turkish lira also had a negative effect on revenue from this region. We also experienced lower production volumes, which resulted in decreasing EBITDA. Restructuring programmes have yet to be adopted in this region.

The Central and Eastern Europe region comprises Poland, the Czech Republic, Russia, Slovakia and Ukraine. In the Central and Eastern Europe region, revenue decreased by €18.6 million, or 38.4%, to €29.8 million in the three months ended 31 March 2009 from €48.4 million in the three months ended 31 March 2008. This decrease was primarily due to the impact of the market and economic decline in Russia and Ukraine and the continued decline of most local currencies in this region. In the Czech Republic, we experienced increasing price pressure. We also experienced lower production volumes, which resulted in decreasing EBITDA and were offset in part by savings arising from cost controls.

The Nordic Europe region comprises Denmark, Norway, Sweden, Finland, Lithuania, Estonia, Latvia and Belarus. In the Nordic Europe region, revenue decreased by €20.3 million, or 40.7%, to €29.6 million in the three months ended 31 March 2009 from €49.9 million in the three months ended 31 March 2008. Along with the UK and Ireland region, the Nordic region was most severely affected by the market and economic decline, resulting in the postponement of construction projects. The weakening of the Norwegian and Swedish krone also had a negative effect on revenue in this region. We have implemented measures to reduce direct and indirect costs and to bring such costs in line with the lower activity level.

The South West Europe region comprises France and Portugal. In the South West Europe region, revenue decreased by €19.5 million, or 39.2%, to €30.3 million in the three months ended 31 March 2009 from €49.8 million in the three months ended 31 March 2008. In this region, we experienced a rapid market contraction in France and increasing price pressure. Lower production volumes resulted in decreasing EBITDA and were offset in part by savings arising from cost controls.

Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007

Total revenue decreased by €37.3 million, or 2.3%, to €1,581.2 million in the year ended 31 December 2008 from €1,618.5 million in the year ended 31 December 2007. EBITDA decreased by €51.1 million, or 24.1%, to €161.0 million in the year ended 31 December 2008 from €212.1 million in the year ended 31 December 2007.

In the North West Europe region, revenue decreased by €1.0 million, or 0.3%, to €322.6 million in the year ended 31 December 2008 from €323.6 million in the year ended 31 December 2007. Construction activity in The Netherlands remained relatively stable through most of the year before weakening at the end of 2008. In Germany, where the residential market suffered a sharp decline in 2007, adverse conditions continued and revenue remained stable at a low level of construction activity. Our performance in The Netherlands and Germany benefited from improvements in manufacturing configuration which we implemented in 2007 and partially offset the challenging environment in 2008. In Belgium, a market characterised by relatively low priced imports from manufacturers based in other European countries, we experienced significant pricing pressure. This was offset in part by improvements in operational efficiency from the integration of two sales and distribution centres in Belgium.

In the UK and Ireland region, revenue decreased by €130.4 million, or 29.5%, to €311.6 million in the year ended 31 December 2008 from €442.0 million in the year ended 31 December 2007. As a percentage of total revenue, revenue from this region decreased to 19.7% in 2008 from 27.3% in 2007. We experienced significant declines in revenue and EBITDA in 2008, where financial market

dislocations and adverse economic conditions materialised in 2007 and extended through 2008. This region experienced a severe contraction across the construction industry, from new residential development to non-residential repair, maintenance and improvement activity. In the UK, housing starts declined most significantly, by more than 30% in 2008 compared to 2007. In Ireland, housing starts fell a further 60% from a significant contraction in 2007. In addition, the depreciation of sterling has had a significant impact on revenue from this region. Organic revenue in the UK, adjusted for acquisitions and at constant foreign exchange rates, in 2008 decreased by 18% from 2007. As conditions deteriorated, we took early action to realign our cost base with the challenging environment, announcing a restructuring in March 2008 and continuing to implement further restructuring throughout the year. We reduced our workforce in this region by 455 FTEs. In the UK, we launched a major restructuring of our manufacturing and logistics operations and streamlined dual brand sales teams into a single sales organisation supported by a single marketing team. In Ireland, we integrated two distribution centres into the main production facility in Balbriggan.

In the South East Europe region, revenue increased by €101.6 million, or 66.8%, to €253.7 million in the year ended 31 December 2008 from €152.1 million in the year ended 31 December 2007. As a percentage of total revenue, revenue from this region increased to 16.0% in 2008 from 9.4% in 2007. Revenue and EBITDA increased significantly, primarily due to the acquisition of Pilsa, which enabled us to establish a strong presence in Turkey. The acquisition of Pilsa also had a positive impact on our presence in Russia and Ukraine, Pilsa's principal export markets. In Italy, the market was comparatively weak and sales remained level. In Romania and Hungary, the impact of the credit crisis reached construction activity in the second half of the year.

In the Central and Eastern Europe region, revenue increased by €19.5 million, or 8.7%, to €242.8 million in the year ended 31 December 2008 from €223.3 million in the year ended 31 December 2007. Revenue increased as a result of sales growth, which continued at a slower rate compared to previous years. EBITDA decreased, primarily due to pricing pressure caused by US dollar-denominated competition and non-recurring expenses related to the closure of a small production facility in Russia. Results for 2008 must be compared against very high 2007 results. At the end of 2008, there were clear indications of market deterioration in this region. As a result, we took action to improve stock management and reduce costs in Poland.

In the Nordic Europe region, revenue decreased by €15.2 million, or 6.5%, to €217.0 million in the year ended 31 December 2008 from €232.2 million in the year ended 31 December 2007. The residential construction market in Denmark, which has historically been the most significant country in this region, deteriorated considerably during 2008. Challenging conditions for the construction industry were further compounded by increases in local interest rates. In Norway, Sweden and Finland, market conditions were stable in the first half of the year but deteriorated in the second half. In the Baltic states, construction activities in Estonia and Latvia were severely affected by the turning sentiment, whereas Lithuania proved more resilient. We realised cost savings from the earlier restructuring of our Nordic Europe operations, during which we integrated multiple manufacturing facilities into a specialised main facility which meets demand for several product ranges for the entire region. As market conditions deteriorated, we implemented further restructuring measures which resulted in the reduction of approximately 100 employees.

In the South West Europe region, revenue decreased by €4.2 million, or 2.4%, to €170.5 million in the year ended 31 December 2008 from €174.7 million in the year ended 31 December 2007. Market conditions became more challenging in the course of 2008. We maintained revenue in 2008 at levels similar to 2007. EBITDA margin experienced a slight increase, primarily due to improved product mix in France, where we focused on higher margin products such as comprehensive surface heating and cooling systems and solutions. In Portugal, where we currently only maintain a limited presence, our marketing organisation faced depressed market conditions.

Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006

Revenue increased by €117.0 million, or 7.8%, to €1,618.5 million in the year ended 31 December 2007 from €1,501.5 million in the year ended 31 December 2006. EBITDA increased by €15.8 million, or 8.0%, to €212.1 million in the year ended 31 December 2007 from €196.3 million in the year ended 31 December 2006.

In the North West Europe region, revenue increased by €9.5 million, or 3.0%, to €323.6 million in the year ended 31 December 2007 from €314.1 million in the year ended 31 December 2006. Revenue increased in a challenging environment. The German residential housing market deteriorated rapidly due to the cancellation of a subsidy for homeowners as at 31 December 2006, which had a negative impact on demand. EBITDA margin decreased as a result of restructuring costs arising from the optimisation of our manufacturing configuration, in which we integrated multiple manufacturing facilities into a specialised main facility which meets demand for several product ranges for the entire region. Pricing pressures in the fragmented and very competitive German market also contributed to the decrease in EBITDA margin.

In the UK and Ireland region, revenue decreased by €7.8 million, or 1.7%, to €442.0 million in the year ended 31 December 2007 from €449.8 million in the year ended 31 December 2006. Revenue decreased primarily as a result of the reallocation of results of the region's export business to the Wavin Overseas reporting segment. As adjusted for the impact of this reallocation, like-for-like revenue increased 3.1% despite a contraction in the residential market in Ireland, which experienced a sharp decline in new building activity. In the UK, new building activity also slowed down as a result of deteriorating financial and economic conditions which had a negative impact on mortgage lending and consumer confidence, while non-residential building and the repair, maintenance and improvement markets remained relatively stable. We experienced EBITDA margin improvement as a result of operational efficiencies arising from the closure of the Padiham and Lichfield manufacturing facilities and a product offering favouring higher margin products as we have selectively reduced our sales to utilities.

In the South East Europe region, revenue increased by €20.6 million, or 15.7%, to €152.1 million in the year ended 31 December 2007 from €131.5 million in the year ended 31 December 2006. Revenue and EBITDA increased. In Italy, our focus on purchases and resale of high margin products enabled us to realise an increase in revenue, although the overall market for residential construction actively remained flat. In Hungary, our management selectively reduced lower margin sales to utilities customers in the water and gas segment and gained market share through the prioritisation of higher margin products in the foul water systems product segment of our C&I business, which resulted in an increase in revenue in a challenging trading environment. We experienced strong demand and sales volume in the active, rapidly growing construction market in Romania, which developed following its accession to the European Union.

In the Central and Eastern Europe region, revenue increased by €36.3 million, or 19.4%, to €223.3 million in the year ended 31 December 2007 from €187.0 million in the year ended 31 December 2006. We realised strong growth in revenue and EBITDA in 2007. Our growth strategy has focused on expansion in Emerging Economies, and the Central and Eastern Europe region accounted for approximately 13.8% of our total revenue in 2007. Construction activity in the region was driven by rapid economic growth in recent years and rising property values. Construction activity in the first half of the year also benefited from a relatively mild winter, which had a positive impact on demand for our products. In the second half of the year, revenue growth slowed but maintained a pace ahead of more developed, mature markets in Western Europe. In Poland, decreases in European Union funding for infrastructure projects had a negative impact, offset by continuing growth in residential construction activity. In the Czech Republic, we experienced sales growth due to an increase of exports

from this market to Russia and Ukraine. In Russia and Ukraine, we increased our investments in sales and marketing, which had a negative impact on EBITDA margin.

In the Nordic Europe region, revenue increased by €13.2 million, or 6.0%, to €232.2 million in the year ended 31 December 2007 from €219.0 million in the year ended 31 December 2006. EBITDA remained at a comparable level. In Denmark, activity in the residential market declined from previously high levels, primarily as a result of the restructuring of local governments in Denmark which caused delays in the approval process for building permits. We experienced robust growth in the Emerging Economies of the Baltic states, which reflected robust economic growth in those markets through most of 2007. In Sweden, we installed new management which gained market share through the focus on higher margin sales of fittings.

In the South West Europe region, revenue increased by €12.8 million, or 7.9%, to €174.7 million in the year ended 31 December 2007 from €161.9 million in the year ended 31 December 2006. We experienced increases in revenue and, in particular, in EBITDA. Sales in hot and cold in the B&I business, and in foul water systems and water management in the C&I business, were key drivers of growth, and reflected a strategic decision to re-focus on high margin products in this region.

Liquidity and Capital Resources

Overview

We produce plastic pipe systems and solutions for customers, distributors and end users of our products in the capital-intensive construction industry. Our business requires substantial capital resources to fund our manufacturing and distribution operations, meet our obligations as they come due, invest in the development and production of innovative plastic pipe systems and solutions and selectively pursue strategic acquisition opportunities as they arise and pay cash dividends to shareholders. Historically, our principal sources of liquidity have been cash generated from operating activities and borrowings under our former credit facilities and the Original Credit Facilities. As at 31 March 2009, the term loan facility was fully drawn and €220.9 million was drawn under the revolving facility. The Amended Credit Facilities, which remain subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such later date as agreed with the syndicate of lending banks), provide us with access to a €250 million committed term loan facility and a €250 million committed revolving credit facility. Following the maturity of the Amended Credit Facilities, and subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such later date as agreed with the syndicate of lending banks), we will have access to €475 million of debt financing under the Forward Start Facility.

The rapidly deteriorating market circumstances and deepening financial crisis in 2008 and the first quarter of 2009 have led to increasing attention to liquidity management throughout our organisation. We continuously evaluate our liquidity position and financing strategy to ensure sufficient access to capital to finance long-term growth and seasonal working capital requirements, as well as to pay operating expenses. We focus on cash generation and have imposed strict cost and cash management measures as well as controls over capital investments and working capital. Cash from operating activities increased by €69.7 million to €262.4 million for the year ended 31 December 2008. In the three months ended 31 March 2009, cash used in operating activities increased to €102.4 million, which reflects higher working capital requirements due to the seasonal build up to the European construction season in the second and third calendar quarters and losses for the period.

Our estimates of reasonably anticipated liquidity needs are based on information known to us as at the date of this Prospectus and may not reflect actual liquidity needs in future periods. We face a challenging environment for construction activity and expect that financial markets and economic

conditions may continue to deteriorate over the next 12 months. As at 31 March 2009, we had total cash and cash equivalents of €31.4 million, as compared to €20.3 million as at 31 March 2008.

Working Capital Statement

Our current cash resources, together with the Original Credit Facilities, do not provide us with sufficient working capital for the next 12 months following the date of this Prospectus. However, we do have sufficient working capital for our present requirements until 1 October 2009, the date on which the Amended Credit Facilities and the waiver of the leverage ratio and interest coverage ratio under the Original Credit Facilities will lapse if the Offering or another equity issuance that results in gross proceeds of at least €225 million is not completed. If that were to occur, we would require additional funds of approximately €250 million to cover the deficit in our working capital for the next 12 months following the date of this Prospectus.

If the Offering should be withdrawn and we do not raise at least €225 million through any other equity issuance on or before 1 October 2009, the leverage ratio and interest coverage ratio under the Original Credit Facilities will have been breached as at 30 June 2009. In that event, we intend to raise funds to cover the deficit from other sources, which may include new investors and current shareholders, and we will seek to renegotiate the terms of the Original Credit Facilities. In this respect, we refer to "Risk Factors – Our financial and operational flexibility may be restricted by our indebtedness, and if we fail to comply with covenants under our credit facilities, our repayment obligations could accelerate, which would have a material adverse effect on our liquidity, financial condition and results of operations.").

If the Offering is completed, the net proceeds of the Offering, together with our current cash resources and taking into account the Amended Credit Facilities (see "– Indebtedness – Amended Credit Facilities and Forward Start Facility"), provide us with sufficient working capital for our present requirements for the next 12 months following the date of this Prospectus. As stated elsewhere in this Prospectus, the Offering will be fully underwritten.

Working Capital

The following table sets forth our net working capital for the periods indicated:

	Year ended 31 December			Three months ended 31 March	
Working Capital	**2008**	**2007**	**2006**	**2009**	**2008**
	(€ in millions)				
Inventories	172.1	214.1	200.6	170.3	239.6
Trade receivables	242.9	298.2	292.0	256.3	357.0
Trade payables	(292.4)	(294.0)	(287.5)	(184.4)	(285.6)
Trade working capital	122.6	218.3	205.1	242.2	311.0
Other working capital	(39.2)	(42.0)	(35.7)	(55.8)	(81.6)
Net working capital	**83.4**	**176.3**	**169.4**	**186.4**	**229.4**

We are focused on optimising the efficiency of our net working capital. We achieved a reduction of €95.7 million (or €102.1 million as adjusted for currency differences), in our trade working capital requirements in 2008 compared to 2007, primarily due to a reduction in inventory levels and a focus on credit controls. We also leveraged our market leadership position and purchasing power to negotiate improved payment terms with certain vendors. We will continue to closely manage the efficiency of our working capital, to conserve capital resources in the current challenging environment.

In the three months ended 31 March 2009, net working capital increased to €186.4 million as compared to €83.4 million in the year ended 31 December 2008 and €43.0 million lower than net working capital of €229.4 million in the three months ended 31 March 2008. In the first quarter of each year, we have historically had higher working capital requirements due to the seasonal build up to the European construction season in the second and third calendar quarters.

Historically, our working capital requirements have fluctuated considerably during the year, as our requirements follow the seasonal character of the construction business. As a result, June typically represents our peak working capital requirements, while December typically represents the low point in our working capital requirements. We have historically satisfied our working capital requirements through cash generated from operating activities and, as necessary, bank borrowings.

Indebtedness

Net Debt

Since our initial public offering and listing in October 2006, we have strengthened our financial position by progressively reducing our indebtedness. As part of the initial public offering, we converted preference shares into ordinary shares and applied the proceeds from the offering of new ordinary shares to repay our former credit facilities in full. We also used amounts drawn under our €750.0 million credit facilities, entered into upon the completion of the offering, to repay our former credit facilities. These actions resulted in a decrease in our net debt from €909.3 million as at 1 January 2006 to €654.0 million after completion of the offering. Strong operating cash flow enabled us to further reduce net debt to €597.7 million at the end of 2006. We continued to deleverage in 2007 and reduced net debt by €55.3 million to €542.4 million at year end. In 2008, we remained cash generative in a challenging environment and imposed strict cash control measures which enabled us to reduce net debt by €81.3 million to €461.1 million, after taking into account cash outflows of €59.0 million in connection with the acquisitions of Pilsa and Warmafloor, and investments which principally related to the high margin hot and cold product segment of our B&I business and the high margin water management product segment of our C&I business. Additional cash outflows related to the expansion of our business in Emerging Economies, investments in our ConnectIT information technology integration programme, rationalisation of our manufacturing processes and replacement of machinery and other assets. Net debt increased to €582.4 million as at 31 March 2009 as a result of a seasonal increase in working capital requirements in preparation for construction activity in the second and third quarters of the year, as compared to €613.6 million as at 31 March 2008. Movements in exchange rates, a reduction in our inventory levels, the negotiation of improved payment terms with certain vendors, adherence to tight credit controls and a reduction in capital expenditures also had an impact on the level of net debt.

As at 31 March 2009, 87.3% of our net debt was hedged against adverse movements in interest rates. Our net debt is calculated as current and non-current interest bearing loans and borrowings including bank overdrafts less cash and cash equivalents. The table below sets forth our net debt at the dates indicated.

Net Debt	Year ended 31 December			Three months ended 31 March	
	2008	2007	2006[1]	2009	2008
	(€ in millions)				
Profit (loss) for the period	**32.1**	**93.0**	**73.4**	**(21.4)**	**5.6**
Depreciation and amortisation	68.9	58.9	61.1	15.4	16.9
Other non-cash items	48.7	57.8	45.5	(0.7)	9.5
Working capital movement	112.7	(17.0)	1.3	(95.7)	(32.6)
Cash from (used in) operating activities	**262.4**	**192.7**	**181.3**	**(102.4)**	**(0.6)**
Interest paid	(35.4)	(33.8)	(54.8)	(4.9)	(8.3)
Tax paid	(24.7)	(14.5)	(17.6)	(3.4)	1.8
Net cash from (used in) operating activities	**202.3**	**144.4**	**108.9**	**(110.7)**	**(7.1)**
Net investments paid	(53.2)	(70.4)	(45.5)	(15.2)	(15.0)
Acquisitions	(59.0)	(6.1)	(5.9)	-	(47.1)
Other investing activities	2.3	5.3	76.5	(0.1)	(0.7)
Dividend payment	(15.2)	(27.5)	-	-	-
Proceeds from shares issued	-	-	150.0	0.2	-
Other financing	(3.9)	(1.7)	(2.3)	-	(0.3)
Net cash inflow	**73.3**	**44.0**	**281.7**	**(125.8)**	**(70.2)**
Non cash movements	8.0	11.3	29.9	4.5	(1.7)
Decrease (increase) in net debt	**81.3**	**55.3**	**311.6**	**(121.3)**	**(71.9)**
Net debt	**461.1**	**542.4**	**597.7**	**582.4**	**614.3**

(1) In 2007, we revised the presentation of our consolidated statement of cash flows to conform to broader industry practice. This change resulted in reclassifications between the subtotals of cash generated from operating activities, net cash from investing activities and net cash used in financing activities. In addition, we reclassified interest paid and tax paid to a new subtotal, 'net cash from operating activities'. We also adjusted the presentation of our consolidated statement of cash flows for the effects of movements in foreign exchange rates on the opening balances. We adjusted the presentation to exclude short-term bank debt from the opening and closing balances of our consolidated statement of cash flows. We presented certain unaudited, adjusted comparative financial information relating to our consolidated statement of cash flows for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Amended Credit Facilities and Forward Start Facility

Subject to the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks), our principal sources of financing are the Amended Credit Facilities, comprising a €250 million committed term loan facility and a €250 million committed revolving credit facility which mature in October 2011 and, following the maturity of the Amended Credit Facilities, the €475 million Forward Start Facility. If the Offering does not complete, these arrangements will lapse. As a result, the Amended Credit Facilities will not come into effect and the terms of the Original Credit Facilities will continue to apply. In addition, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011.

As part of the Amended Credit Facilities and the Forward Start Facility, we have negotiated greater headroom under the financial covenants relating to the leverage ratio and interest coverage ratio. These have been amended to provide that, in calculating the level of net debt for testing purposes, we will exclude the cash out restructuring charges from the preceding ten quarters, on a rolling basis, up to a cap of €30 million. We will also exclude the mark-to-market value of interest hedges. In addition, the definition of EBITDA has been adjusted to exclude restructuring costs and asset disposals, which are not capped. Compliance with the amended leverage covenant will be tested on a quarterly basis, and the first testing date will fall on 31 December 2009. The amended leverage ratio will vary from period to period in light of seasonal variations in our business.

Going forward, our borrowings under the Amended Credit Facilities will be secured by certain subsidiaries and the interest margin has been increased to 275 basis points, subject to increase or decrease contingent upon the leverage ratios actually reported to the facilities agent on each testing date. An additional margin of 125 basis points applies under the Amended Credit Facilities for all lenders which are also party to the Forward Start Facility. The applicable margin will increase or decrease subject to the leverage ratios reported to the facilities agent at each testing date. Excluding the additonal margin described above, the applicable margin will range from 400 basis points (if the leverage ratio is more than 4.5) to 175 basis points (if the leverage ratio is equal to or less than 2.0). The margin will be increased to 500 basis points if certain events of default occur and remain uncured. Borrowings under the Amended Credit Facilities will be secured by certain of our subsidiaries.

The Amended Credit Facilities also include covenants which restrict certain actions. The acquisition covenant prohibits us from investing or acquiring shares in other entities or investing in or acquiring any business or going concern, other than in accordance with agreed exceptions. Such exceptions include acquisitions or investments by intra-obligors. Exceptions are also made for acquisitions or investments for which the total consideration and any financial indebtedness remaining in the acquired company or business, when aggregated with any other acquisition that has taken place in the relevant financial year, (i) do not exceed €30 million or (ii) if the leverage ratio following such an acquisition would be less than 2.5, do not exceed €60 million. Under the dividend covenant, we may not pay any annual or interim cash dividend in excess of €0.01 on any share in our capital until 31 December 2011. However, during that period, we may pay dividends in kind to our shareholders and cash dividends to the Foundation, to enable it to meet its possible future interest payment obligations in connection with borrowings used to subscribe for protective preference shares following the exercise of its right to acquire shares in our capital. See "Dividends and Dividend Policy – Dividend Policy".

The interest margin under the Forward Start Facility is determined in the same manner as the margin under the Amended Credit Facilities. Under the Forward Start Facility, however, the agreed rates will range from 225 basis points (if the leverage ratio is equal to or less than 1.5) to 525 basis points (if the leverage ratio is more than 4.5). Furthermore, during the term of the Forward Start Facility, the amended financial covenants as set out in the table below and the restrictive covenant relating to acquisitions will continue to apply. Under the Forward Start Facility, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011, unless our leverage ratio under the Forward Start Facility is below 2.5 at the time that any such cash dividend is declared. The Forward Start Facility itself will mature in April 2013.

In connection with the Amended Credit Facilities and the Forward Start Facility, we have agreed to pay fees of €6.75 million and €4.75 million, respectively, in the aggregate to the lending banks (excluding other expenses in relation to the debt restructuring). These expenses will be capitalised and amortised through the income statement during the respective terms of the Amended Credit Facilities and the Forward Start Facility.

The following table sets forth the financial ratios required to be maintained under the Amended Credit Facilities and the Forward Start Facility:

Financial Ratios as at	Leverage ratio (required)	Interest coverage ratio (required)
31 December 2009	≤ 3.80	≥ 2.40
31 March 2010	≤ 4.10	≥ 2.30
30 June 2010	≤ 5.00	≥ 2.20
30 September 2010	≤ 4.90	≥ 2.20
31 December 2010	≤ 3.70	≥ 2.30
31 March 2011	≤ 3.80	≥ 2.40
30 June 2011	≤ 4.30	≥ 2.50
30 September 2011	≤ 4.40	≥ 2.60
31 December 2011	≤ 3.20	≥ 2.80
31 March 2012	≤ 3.30	≥ 3.00
30 June 2012	≤ 3.70	≥ 3.20
30 September 2012	≤ 3.70	≥ 3.40
31 December 2012	≤ 3.00	≥ 3.70
31 March 2013	≤ 3.00	≥ 3.90

Original Credit Facilities

The terms of the Original Credit Facilities will prevail if the Offering does not complete. The Original Credit Facilities are a committed €750 million multi-currency unsecured syndicated loan facility entered into upon completion of our initial public offering in October 2006 comprising a €400 million committed term loan facility and a €350 million committed revolving credit facility, both of which mature in October 2011. As at 31 March 2009, the term loan facility was fully drawn and €220.9 million was drawn under the revolving facility.

Borrowings under the Original Credit Facilities bear interest at variable rates based on EURIBOR plus a margin of up to 90 basis points. We use multi-currency interest rate swaps to hedge €403.0 million of the outstanding amount at an average interest rate of 3.9% as at 31 March 2009 (excluding the margin payable) and for an average remaining term of two years.

The Original Credit Facilities contain restrictive covenants that require us to comply with financial ratios relating to our leverage and our interest coverage. Specifically, we must maintain a leverage ratio that does not exceed 3.5, with certain exceptions. These exceptions permit the leverage ratio to twice exceed 3.5, but not 4.0, and constitute a breach that shall be unconditionally waived by the facilities agent, provided that it does not occur in two consecutive testing periods. The leverage ratio is calculated as our consolidated total net debt, as adjusted for market value derivatives and divided by our consolidated EBITDA, including income of associates. We are also required to maintain an interest coverage ratio which does not fall below 3.5, calculated as our consolidated EBITDA divided by our consolidated net interest expense, including all interest and other financing charges in the nature of interest.

As part of our financial restructuring, we have obtained a waiver in respect of our leverage ratio and interest coverage ratio as at 30 June 2009. The continuing effectiveness of this waiver is conditional upon the completion of the Offering or another equity issuance which results in gross proceeds of at least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, we will be required to raise capital from alternative sources, which may not be available or may not be

available on commercially acceptable terms, in order to cure the covenant breaches that would have occurred as at 30 June 2009, absent the waiver. See "Risk Factors – If the Offering does not complete, there may be consequences for us which could have a material adverse effect on our business, results of operations or financial condition."

We test compliance with both ratios semi-annually, at mid-year and at year end, on a twelve-month rolling basis. As at 31 December 2008, our leverage ratio was 2.8 and our interest coverage ratio was 4.9. Should a breach of either financial ratio occur and thereafter constitute an event of default, there is a risk that the amounts outstanding under our credit facilities would accelerate and become repayable immediately.

The following table summarises our financial ratios for the periods indicated:

Financial Ratios	**Year ended 31 December**			
	2008	**2007**	**2006**	
		(actual)		**(required)**
Leverage ratio	2.84	2.49	2.98	≤ 3.50[2]
Interest coverage ratio	4.86	6.44	-[1]	≥ 3.50

(1) Under the terms of our credit facilities, we were not required to test compliance with the interest coverage ratio in 2006. Our interest coverage in 2006 reflected the impact of the refinancing of our credit facilities in connection with our initial public offering and was therefore not comparable to our interest coverage in 2007.
(2) Subject to exceptions which permit the leverage ratio to twice exceed 3.5, but not 4.0, and constitute a breach that shall be unconditionally waived by the facilities agent, provided that it does not occur in two consecutive testing periods.

For further details of the Amended Credit Facilities, the Forward Start Facility and the Original Credit Facilities, please see "General Information – Material Contracts – Credit Facilities Agreements".

Cash Flow

The following table summarises our consolidated cash flows for the periods indicated:

Selected Consolidated Statement of Cash Flows	Year ended 31 December				Three months ended 31 March	
	2008	2007	2006[1]	2006	2009	2008
	(audited)		(unaudited)	(audited)	(unaudited)	
			(€ in millions)			
Net cash from / (used in) operating activities / (Free operating cash flow)	202.3	144.4	108.9	174.9	(110.7)	(7.1)
Net cash (used in) / from investing activities	(109.9)	(71.2)	25.1	4.3	(15.3)	(62.9)
Net cash (used in) / from financing activities	(60.5)	(70.0)	(186.6)	(233.3)	107.1	71.8
Net increase / (decrease) of cash and cash equivalents	31.9	3.2	(52.5)	(54.1)	(18.9)	1.8
Cash and cash equivalents at 1 January	19.5	17.0	68.3	53.3	48.8	19.5
Effect of exchange rate fluctuations on cash held	(2.6)	(0.7)	1.3	–	1.5	(1.0)
Cash and cash equivalents at the end of the period	**48.8**	**19.5**	**17.0**	**(0.8)**	**31.4**	**20.3**

(1) In 2007, we revised the presentation of our consolidated statement of cash flows to conform to broader industry practice. This change resulted in reclassifications between the subtotals of cash generated from operating activities, net cash from investing activities and net cash used in financing activities. In addition, we reclassified interest paid and tax paid to a new subtotal, 'net cash from operating activities'. We also adjusted the presentation of our consolidated statement of cash flows for the effects of movements in foreign exchange rates on the opening balances. We also adjusted the presentation to exclude short-term bank debt from the opening and closing balances of our consolidated statement of cash flows. As a result, we presented certain unaudited, adjusted comparative financial information relating to our consolidated statement of cash flows for the year ended 31 December 2006 in our audited consolidated financial statements as at and for the year ended 31 December 2007. See Significant Accounting Policies (c) (Changes in accounting policies and presentation) in our audited consolidated financial statements as at and for the year ended 31 December 2007, incorporated herein by reference.

Comparison of Three Months Ended 31 March 2009 and Three Months Ended 31 March 2008

Net Cash used in Operating Activities

Net cash used in operating activities increased by €103.6 million to €110.7 million in the three months ended 31 March 2009 from €7.1 million in the three months ended 31 March 2008. This increase primarily reflects the loss for the period as a result of the significant decline in European construction markets, as well as adverse currency effects from weakening non-euro currencies and severe winter conditions, in comparison with the profit recorded for the three months ended 31 March 2008, which benefited from the less widespread impact of the financial crisis and a milder winter. In addition, net cash used in operating activities increased in the three months ended 31 March 2009 because of the lower level of working capital available at the beginning of the period, as compared to the level available at the beginning of the three months ended 31 March 2008.

Net Cash used in / (from) Investing Activities

Net cash used in investing activities decreased by €47.6 million, or 75.7%, to €(15.3) million in the three months ended 31 March 2009 from €(62.9) million in the three months ended 31 March 2008. This decrease was primarily due to lower expenditures as compared to 2008, during which we acquired Pilsa.

Net Cash from Financing Activities

Net cash from financing activities increased by €35.3 million, or 49.2%, to €107.1 million in the three months ended 31 March 2009 from €71.8 million in the three months ended 31 March 2008. This increase was primarily due to the lower level of working capital available at the beginning of the period, as compared to the level available at the beginning of the three months ended 31 March 2008.

Comparison of Year Ended 31 December 2008 and Year Ended 31 December 2007

Net Cash from Operating Activities

Net cash from operating activities increased by €57.9 million, or 40.1%, to €202.3 million in the year ended 31 December 2008 from €144.4 million in the year ended 31 December 2007. This increase was primarily due to the imposition of strict cash conservation measures, management of working capital, principally through reductions in inventory, a strengthened focus on credit control and improved payment terms with certain vendors. This increase was offset in part by a decrease in operating profit before charges, working capital and provisions of €60 million.

Net Cash used in Investing Activities

Net cash used in investing activities increased by €38.7 million, or 54.4%, to €(109.9) million in the year ended 31 December 2008 from €(71.2) million in the year ended 31 December 2007. This increase was primarily due to cash payments of €59.0 million in connection with the acquisitions of Pilsa and Warmafloor and capital expenditures in the high margin hot and cold product segment of our B&I business and the high margin water management product segment of our C&I business, as well as expansion in Emerging Economies, investments in our ConnectIT information technology integration programme, rationalisation of our manufacturing processes and replacement of machinery and other assets.

Net Cash used in Financing Activities

Net cash used in financing activities decreased by €9.5 million, or 13.6%, to €60.5 million in the year ended 31 December 2008 from €70.0 million in the year ended 31 December 2007. This decrease was primarily due to a decrease in cash dividend payments of €11.7 million, offset in part by an increase in interest-bearing loans.

Comparison of Year Ended 31 December 2007 and Year Ended 31 December 2006

Net cash from Operating Activities

Net cash from operating activities increased by €35.5 million, or 32.6%, to €144.4 million in the year ended 31 December 2007 from €108.9 million in the year ended 31 December 2006. This increase was primarily due to lower interest paid as a result of the refinancing of our credit facilities.

Net Cash used in / (from) Investing Activities

Net cash used in investing activities increased by €96.3 million to €(71.2) million in the year ended 31 December 2007 from €25.1 million in the year ended 31 December 2006. This increase was

primarily due to acquisitions and capital expenditures, which principally related to the high margin hot and cold product segment of our B&I business and the high margin water management product segment of our C&I business, as well as expansion in Emerging Economies and in investments in our ConnectIT information technology integration programme. In addition, net cash from investing activities in the year ended 31 December 2006 reflected the proceeds from the sale of Iplex (Australia and New Zealand).

Net Cash used in Financing Activities

Net cash used in financing activities decreased by €116.6 million, or 62.5%, to €(70.0) million in the year ended 31 December 2007 from €(186.6) million in the year ended 31 December 2006. This decrease was primarily due to the repayment of interest bearing loans following our initial public offering and the refinancing of our credit facilities, offset in part by cash dividend payments of €27.5 million, including an annual dividend of €14.7 million and an interim dividend of €12.8 million.

Capital Expenditures

The following table sets forth our capital expenditures for the periods indicated:

Capital Expenditures[1]	**Year ended 31 December**			**Three months ended 31 March**
	2008	**2007**	**2006**	**2009**
	(€ in millions)			
Land and buildings	13.4	7.4	4.2	0.7
Machinery and equipment	39.7	38.5	34.9	3.2
Other property, plant and equipment	4.7	6.1	6.0	1.9
Property, plant and equipment under construction	(3.0)	12.2	(1.3)	2.6
Software and other intangible assets	13.4	10.3	7.1	1.2
Total	**68.2**	**74.5**	**50.9**	**9.6**
Effect of exchange rate differences and movement in capital expenditure creditors less proceeds from sold property, plant and equipment	(15.0)	(4.1)	(5.5)	5.7
Net investments paid	**53.2**	**70.4**	**45.4**	**15.3**

(1) Excluding acquisitions and goodwill and fair value adjustments as a consequence of acquisitions.

In 2008, 2007 and 2006, on average, approximately 40% of our investments related to expansion activities, 18% to business projects, 5% to infrastructure, and 29% to rationalisation and replacement, with the remaining 8% on other activities.

In 2008, 2007 and 2006, on average, approximately 19% of our investments related to the North West Europe region, 15% to the UK and Ireland region, 6% to the South East Europe region, 27% to the Central and Eastern Europe region, 14% to the Nordic Europe region, 8% to the South West Europe region and 11% to Wavin Overseas and other companies.

As part of our cash generation measures, we have taken a selective approach to capital expenditures. The largest portion of our capital expenditure relates to product development projects, expansion activities, investments in our ConnectIT information technology integration programme, rationalisation of our manufacturing processes and replacement of machinery and other assets.

Based on prevailing conditions and current operations, we anticipate that we may incur estimated total capital expenditures of up to approximately €45.0 million in 2009, of which €9.8 million are firm commitments. Our estimated capital expenditures in 2009 are expected to relate to the maintenance of our assets, ongoing investments in innovation projects and our ConnectIT information technology integration programme. We expect to fund capital expenditures from cash from operating activities and borrowings under our existing credit facilities.

Off-Balance Sheet Arrangements

As of 31 March 2009, we did not have any off-balance sheet arrangements other than bank guarantees issued for bid bonds and performance bonds, mainly on behalf of Wavin Overseas B.V., which amounted to approximately €10.2 million.

Contractual Obligations

The table below sets forth our contractual obligations and commercial commitments as at 31 March 2009 that are expected to have an impact on liquidity and cash flow in future periods.

Contractual Obligations	**Less than 1 Year**	**1 to 5 Years**	**More than 5 Years**	**Total**
		(€ in millions)		
Operating leases[1]	7.6	17.5	4.0	29.1
Capital commitments[2]	8.1	-	-	8.1
Other commitments[3]	5.5	15.4	-	20.9
Total	**21.2**	**32.9**	**4.0**	**58.1**

(1) Consists principally of warehouse and manufacturing facilities leases as well as internal transport equipment leases. Our operating leases typically have an initial term of five to ten years, with an option to renew upon expiration. None of our operating leases includes purchase liabilities or contingent rentals.
(2) Consists principally of purchase orders for tangible fixed assets and software for which no invoice has been received yet.
(3) Consists principally of rent and service agreements.

Quantitative and Qualitative Disclosure about Market Risk

The principal categories of market risk we are exposed to are credit, exchange rate and interest rate risk.

Credit Risk

We sell the bulk of our products through distributors. Some of these distributor relationships are conducted without written contracts, and certain of our distributors have built up considerable trade receivable accounts with us for the delivery of our products. In most of the countries in which we operate, our trade receivable accounts are not covered by collateral or credit insurance, and we therefore bear the risk that our distributors and other customers will be unable to pay against their trade receivable accounts. In the event any of our distributors or other customers are unable to pay against their trade receivable accounts, we could suffer from a decline in revenue and profitability. In particular, as global, regional and national economic conditions have deteriorated significantly, the risk that our distributors and other customers may suffer liquidity problems or become insolvent, and therefore be unable to pay against their trade receivable accounts, has increased substantially. This risk

is heightened by our dependence on our five largest customers, which were responsible for 20.0% of our revenue in 2008.

We have strengthened our focus on credit risk and closely monitor credit and payment terms at the corporate and local levels. We establish purchase limits for most of our customers, which are reviewed periodically. We reduced trade receivables to €256.3 million at 31 March 2009, a decrease of €100.7 million, or 28.2%, compared to trade receivables of €357.0 million at 31 March 2008. As the financial crisis and economic contraction persist, however, there can be no assurance that we will be able to limit our potential loss of revenue from distributors and other customers who are unable to pay against their trade receivable accounts. In the three months ended 31 March 2009 and the year ended 31 December 2008, we realised approximately 22.0% and 26.0%, respectively, of our sales in Emerging Economies. Payment terms are generally longer in Emerging Economies, as compared to the more developed markets in Western Europe and there is limited information on the financial history of counterparties, which makes it more difficult for us to assess their creditworthiness.

In our industry it is common to make prepayments for investments, which therefore exposes us to risk that our suppliers may be unable to deliver the asset or to repay any prepayment made by us. Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than us. Transactions involving derivative financial instruments are with counterparties with high credit ratings with whom we have signed netting agreements. However, credit ratings agencies may not have accurately assessed the risk that counterparties may default, and counterparties may suffer a significant decline in their financial condition which would preclude them from meeting their obligations to us.

We establish an allowance for impairment that represents an estimate of incurred losses in respect of trade and other receivables and investments. In the three months ended 31 March 2009 and the year ended 31 December 2008, we recorded €1.0 million and €3.4 million, respectively, in impairment charges for doubtful debt, compared to a recovery of €0.4 million in the year ended 31 December 2007. The increase was primarily attributable to outstanding receivables in Emerging Economies.

Exchange Rate Risk

We conduct our business in multiple currencies other than the euro, our reporting currency. We also have intercompany transactions among our subsidiaries, and some foreign subsidiaries are intercompany financed.

Our principal currency transaction risk arises from purchases and sales in currencies other than the euro. In 2008, approximately 58% of our revenue was denominated in currencies other than the euro, principally the pound sterling, the Polish zloty, the Hungarian forint, the Turkish lira, the Danish, Norwegian and Swedish krone and the Czech koruna. In addition, fluctuations in the value of currencies will increase or decrease the costs of raw materials and bought-in consumption in local currencies which cannot be passed on to the customer, or may only be passed on in part. We attempt to manage these currency transaction risks by forward selling and buying one-off contracts for foreign currencies and by netting incoming and outgoing payments in foreign currencies.

In the event of a significant and sustained change in the relative value of any of the currencies in which we do business, our suppliers may request or our customers may experience price increases in their national markets. Such increases could result in decreased margins and decreased sales. In 2008, foreign exchange rate fluctuations had a negative impact of €33.2 million, or 2.1%, on our revenue. We recorded €10.5 million in exchange rate losses in 2008, which led to an increase in finance costs to €45.8 million.

Our principal currency translation risk arises from the fact that the financial records of our foreign subsidiaries are maintained in local currencies. Upon preparing consolidated financial statements, our euro-denominated consolidated reported financial results may be affected by changes in the relative value of the non-euro currencies against the euro. Moreover, fluctuations in currency values distort the comparability of financial performance from period to period. Translation risks are not hedged with the exception of some translation risks related to our investments in joint ventures.

We use and may continue to use foreign currency contracts, options and swap agreements to attempt to mitigate the impact of exchange rate risk.

Interest Rate Risk

We are exposed to interest rate risks as we have term loans in different currencies against variable rates plus a margin. We also have interest rate risk in relation to our borrowings. Our Treasury Committee, which consists of our CFO and members of our head office finance team, is responsible for managing interest rate risks within the framework specified by corporate financial policy with the aim of balancing the interest rate position and minimising interest rate risks. We have adopted a policy of ensuring that at least 50% of our exposure to changes in interest rates on bank loans is on a fixed rate basis. In order to manage and mitigate our interest rate risks, we use different derivative instruments, such as interest rate swaps, caps and collars. As at 31 December 2008, we had hedged €402.1 million in interest exposure for an average term of 2.4 years and a fixed average interest rate of 3.9%. Interest rate fluctuations during the year had no material impact. Due to adverse developments on the capital markets, the European Central Bank and certain national central banks reduced interest rates in a number of countries, which resulted in a decrease of the fair value of our interest instruments and ultimately, a negative fair value which is presented as a liability of €18.8 million as at 31 March 2009.

If the Offering were to complete, the level of our outstanding interest rate derivative instruments will exceed the amounts drawn under the Amended Credit Facilities and the effectiveness of these outstanding instruments will be re-evaluated. In the event that such instruments are found to be ineffective, it will result in a write-off of the related hedge reserve through our income statement, at the moment that the Offering has been completed and the Amended Credit Facilities come into effect. Based on the fair value of such instruments as at 31 March 2009, the write-off would amount to approximately €4.8 million. The ineffective portion of the outstanding interest rate derivative instruments is required to be revalued through the income statement instead of equity from the date the Amended Credit Facilities come into effect.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with IFRS-EU. The preparation of consolidated financial statements requires our senior management to make estimates, assumptions and judgments that affect the reported amounts of our assets, liabilities and contingencies as at the date of our financial statements, and the reported amounts of our revenue and expenses for the relevant accounting periods. We base these estimates on historical experience, information known to us at the time of estimation and assumptions that our management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities and contingencies and the reported amounts of revenue and expenses that are not readily apparent from other sources.

We believe that the following are the most critical accounting estimates and judgments that we make in preparing our consolidated financial statements or that influence the comparability of reported financial information over different reporting periods. We consider an accounting policy to be critical if it requires management to make an accounting estimate based on assumptions about matters that are highly uncertain at the time the estimate is made, and if the reasonable use of different estimates in the

current period or changes in the accounting estimate that are reasonably likely to occur from period to period would have a material impact on our financial presentation. When reviewing our financial statements, investors should consider the effect of estimates on our critical accounting policies, the judgments and other uncertainties affecting application of these policies and the sensitivity of our reported financial results to changes in conditions and assumptions. Our actual results may differ materially from these estimates under different assumptions.

Revenue

Revenue is derived from the products and services sold and delivered during the year net of rebates and discounts and net of sales tax. Revenue from the sales of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to a third party. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion.

Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method in accordance with IFRS 3. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired, calculated according to our accounting principles. Costs directly related to an acquisition such as legal advice, tax advice, due diligence, etc. are added to the acquisition price. Goodwill is stated at cost less accumulated impairment charges. Goodwill is allocated to cash generating units and is not amortised but tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Internally generated goodwill is not capitalised. Negative goodwill ('badwill') is recognised immediately as income.

Brand names

We carry assets in the balance sheet for the major brands such as 'Wavin', 'Hep2O', 'Chemidro' and 'Pilsa'. Internally generated brands are not capitalised. Acquired brand values are calculated based on our valuation methodology, which is based on royalty fee assumptions and cash flow projections. Brand names have an indefinite life as there are no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of these intangibles. Furthermore:

- We have the ability to transfer the brand name to new product groups;
- We support the main brands through spending on marketing across the business and through investments in promotional support. The brands are expected to be in longstanding and profitable market sectors;
- The likelihood that market based factors could truncate a brand's life is relatively remote because of the size, diversification and market share of the brands in question;
- We own the trademark for all brands valued on the balance sheet and renew these for nominal cost at regular intervals. We have never experienced problems with such renewals.

Customer relations

Acquired customer relations and distribution networks are calculated based on our valuation methodology, which is based on royalty fee assumptions and cash flow projections of value-added products taking into account an attrition rate for the acquired customers. We have excluded the revenue

generated by the sale of commoditised products, since for these products the competition is based on price and having excellent customer relationships hardly has any impact.

Other assets from business combinations

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale. The previously unrecognised assets in the acquired company such as order portfolios are valued at the fair value on acquisition date. The fair values of assets and (contingent) liabilities are provisional estimates based on best information available at the time of determining those values. If within a timeframe of 12 months after acquisition it can be demonstrated that new information does provide better evidence about the fair value of any asset or (contingent) liability the provisional estimates are adjusted. Intangible assets acquired through business combinations are amortised over their individual lifetime of which the range is two to five years.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when incurred. Development activities that involve a plan or design for the production of new or substantially improved products and processes are capitalised only if development costs can be measured reliably and the product or process is technically and commercially feasible and we have sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overhead costs. Other development expenditure is recognised in the income statement when incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses.

Impairment

The carrying amounts of our assets other than current investments, inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Derivative financial instruments

We use derivative financial instruments to hedge our exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Generally we seek to apply hedge accounting in order to minimise the effects of foreign currency fluctuations in the income statement. Derivatives that can be used are interest rate swaps, forward rate agreements, caps and floors and forward exchange contracts. Transactions are entered into with a limited number of counterparties with strong credit ratings. Foreign currency and interest rate hedging operations are governed by an internal policy and rules ('treasury policy') approved and monitored by the Management Board. In accordance with its treasury policy, we do not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value and changes therein are

accounted as described below. The fair value of forward exchange contracts and interest rate swaps are their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement. When the hedging instrument no longer meets the criteria for hedge accounting or the instrument is sold or expired, terminated or exercised, the hedge accounting is discontinued and the cumulative unrealised gain or loss recognised in equity is immediately recognised in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

Hedge of monetary assets and liabilities

When we apply net investment hedge accounting, a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised monetary asset or liability. When hedge accounting is not applied, any gain or loss on the hedging instrument is recognised in the income statement.

Hedge of net investment in foreign operation

Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences arising on translation of the liability are recognised net of tax directly in equity. The ineffective portion is recognised immediately in the income statement.

Deferred tax assets

Long-term tax assets or liabilities resulting from temporary differences between financial statements and fiscal valuations are capitalised as deferred tax assets as long as they are probable to result in a future cash inflow. If a Group company is not expecting to pay profit taxes for the coming years due to negative results, the deferred tax asset is not recognised. Tax losses carried forward for compensation with future profits that are probable to materialise in the foreseeable future are also included under deferred tax assets.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available to us.

Defined benefit plans

Our net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine the present value after which the fair value of the plan assets is deducted. The discount rate is the yield at balance sheet date on first class credit rated bonds that have maturity dates approximating the terms of the obligations. The calculations are made by qualified actuaries using the projected unit credit method. When the benefits of a plan are

improved, the portion of the increased benefit relating to the past service by employees is recognised as an expense in the income statement on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement. When the calculation results in a benefit, the recognised asset is limited to the total of any unrecognised actuarial losses and past service costs and the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Provisions

A provision is recognised in the balance sheet when we have a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

Deferred tax liabilities

Long-term tax liabilities resulting from temporary differences between financial statements and fiscal valuations per fiscal entity are capitalised as deferred tax liabilities as long as they are expected to result in a cash outflow. If it is not probable that a Group company will pay profit taxes in the coming years due to negative results, the deferred tax liability is not recognised. Tax losses carried forward for compensation of losses with future profits that may reasonably be expected to materialise in the foreseeable future are presented as deferred tax assets.

Recent Accounting Pronouncements

A number of new standards, amendments to standards and interpretations were not yet effective for the year ended 31 December 2008, and have not been applied in preparing our historical consolidated financial statements.

IFRS 8 Operating Segments (endorsed by the EU) introduces management approach segment reporting. IFRS 8, which becomes mandatory for our financial statements for the year ending 31 December 2009, will require a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Management Board in order to assess each segment's performance and to allocate resources to them. Under the management approach, we present segment information in line with our current primary segmentation, being geographic segments.

Revised IAS 1 Presentation of Financial Statements (2007) *(endorsed by the EU)* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for our consolidated financial statements for the year ending 31 December 2009, is expected to have a significant impact on the presentation of our consolidated financial statements. We have included a separate statement of total comprehensive income in our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008.

Revised IFRS 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to our operations:

- the definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
- contingent consideration will be measured at fair value, with subsequent changes therein recognised in the income statement;
- transaction costs, other than share and debt issue costs, will be expensed as incurred;
- any pre-existing interest in the acquired business will be measured at fair value with the gain or loss recognised in the income statement; and
- any non controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquired business, on a transaction-by-transaction basis.

Revised IFRS 3, which becomes mandatory for our consolidated financial statements for the year ending 31 December 2010, will be applied prospectively and therefore there will be no impact on prior periods in our consolidated financial statements.

Amendments to IFRS 2 Share Based Payments – Vesting Conditions and Cancellations (endorsed by the EU) clarify the definition of vesting conditions, introduce the concept of non-vesting conditions, require non-vesting conditions to be reflected in grant-date fair value and provide the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for our consolidated financial statements for the year ending 31 December 2009, with retrospective application. We have not yet determined the potential effect of the amendment.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation discusses a number of issues in relation to hedging currency risks on foreign operations (net investment hedges). IFRIC 16 specifically confirms only the risk from differences between the functional currencies of the parent and the subsidiary can be hedged. Additionally, currency risks can only be hedged by every (direct or indirect) parent company, as long as the risk is only hedged once in the consolidated financial statements. IFRIC 16 also determines that the hedge instrument of a net investment hedge can be held by every group company, except for the foreign operation itself. IFRIC 16, which becomes mandatory for our consolidated financial statements for the year ending 31 December 2009, with prospective application. We have not yet determined the potential impact of this interpretation.

IFRIC 17 Distributions of Non-cash Assets to Owners addresses the treatment of distributions in kind to shareholders. Outside the scope of IFRIC 17 are distributions in which the assets being distributed are ultimately controlled by the same party or parties before and after the distribution (common control transactions). A liability has to be recognised when the dividend has been appropriately authorised and is no longer at the discretion of the entity, to be measured at the fair value of the non-cash assets to be distributed. IFRIC 17 becomes mandatory for our consolidated financial statements for the year ending 31 December 2010, with prospective application. We have not yet determined the potential impact of this interpretation.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items provides additional guidance concerning specific positions that qualify for hedging ('eligible hedged items'). The amendment to IAS 39 becomes mandatory for our consolidated financial statements for the year ending 31 December 2010, with retrospective application. We have not yet determined the potential impact of this interpretation.

BUSINESS

Overview

We are the leading supplier of plastic pipe systems and solutions in Europe, with total revenue of approximately €1.6 billion in 2008. We offer innovative plastic pipe systems and solutions to customers such as building and civil wholesalers, plumbing merchants, civil contractors, housing developers, large installers, utility companies and municipalities. We employ 6,725 people across 28 countries in Europe, with manufacturing sites in 16 European countries and sales offices in an additional 12 countries throughout Europe.

We provide plastic pipes, systems and solutions for two major market segments in Europe:

- *Building & Installation (B&I)*: We supply above ground plastic pipe and fitting systems for hot and cold tap water, surface heating and cooling, soil and waste discharge, and guttering and electrical conduit applications in and around residential and commercial buildings.

- *Civils & Infrastructure (C&I)*: We supply below ground plastic pipe and fitting systems for foul water discharge, storm and rainwater management, gas and potable water distribution, and cable ducting solutions for telecommunications, signalling and power cables.

In addition, we offer our customers end-to-end solutions, which include consultation and design services, product support and after-sales service.

History

Our business traces its origins to the province of Overijssel, The Netherlands, in the town of Zwolle. In 1953, in search of a solution to corroding pipelines that were threatening the supply of the area's drinking water, J.C. Keller, a director of the Overijssel Water Board ("**WMO**"), began investigating the use of PVC for potable water pipework. After numerous experiments, his small workshop in Zwolle produced one of the world's first large-diameter PVC pressure pipes. His workshop subsequently started producing pipes for the WMO.

In 1955, we were incorporated as Wavin, a combination of the words WAter and VINyl chloride. Our business rapidly became an international one. By the late 1950s, we had established a presence in The Netherlands, Germany, Denmark and Ireland. By the 1960s, we had further expanded into the UK, France and elsewhere in Western Europe. In 1962, Royal Dutch Shell acquired 50.0% of our shares, forging a relationship that enabled us to develop a deeper knowledge of polymers utilisation, technology and product applications.

From the 1960s through to the 1980s, we continued to produce plastic pipes and diversified into plastic packaging films, bags and crates. During this period, we established Wavin Technology and Innovation, our development organisation, as well as Wavin Overseas, our central export organisation. In the 1990s, we sold our plastic packaging business and refocused on our core competency of plastic pipe systems and solutions, introducing our wide range of plastic pipe products into the emerging Central and Eastern European economies.

In 1999, Royal Dutch Shell sold all of its shares to funds advised by CVC Capital Partners Advisory Company Limited ("**CVC Capital Partners**"), resulting in the following shareholder structure: WMO (48.9% of the voting rights); funds advised by CVC Capital Partners (43.2% of the voting rights); the foundation Stichting Management Participatie Wavin, which had issued depositary receipts for shares to certain members of the supervisory board as it was composed at the time, managing directors and other key employees investing in us (7.5% of the voting rights); and the

foundation Stichting Adviesraad Wavin, which had issued depositary receipts for shares to certain members of the supervisory board as it was composed at the time and certain other individuals investing in us (0.5% of the voting rights).

In 2005, a transaction took place which effectuated the exit of WMO as a shareholder, the increase of funds advised by CVC Capital Partners' participation in our capital and a new participation of AlpInvest. The transaction resulted in the following shareholder structure: funds advised by CVC Capital Partners (80.7%); AlpInvest (9.1%); Stichting Management Wavin, a foundation that has issued depositary receipts of its shares held to certain of our key employees (9.0%), including the members of the Management Board; Stichting Administratiekantoor Advies Wavin, a foundation that has acquired shares for the purpose of holding such shares in administration (*in beheer*) and has granted a right to Stichting Management Wavin to purchase those shares (1.0%) and has issued depositary receipts for shares to Messrs. Paul Van den Hoek and Brian Hill; and Stichting Administratiekantoor Benelux Investments, a foundation that has issued depositary receipts of its shares held to certain of our and CVC Capital Partners' advisors (0.2%).

We acquired Hepworth, a leading UK manufacturer of plastic, clay and concrete drainage and hot and cold pipe systems, in 2005. The acquisition of Hepworth significantly increased the scale of our European operations. Today, we continue to operate under both the Wavin and Hepworth brands, with their respective product ranges being marketed separately. The Wavin-Hepworth integration in the UK began in April 2005 and was completed in 2008. During that period, we merged Wavin Plastic and Hepworth to create a single company, Wavin UK, and transferred all of Hepworth's non-UK activities to Wavin Overseas and our other subsidiaries. We also focused on plant rationalisations throughout the UK and have realised significant synergies.

Since 2005, we have completed 6 acquisitions, including Pilsa, a Turkish supplier of pipe systems (acquired in January 2008), Warmafloor, a leading provider of under floor heating systems in the United Kingdom (acquired in July 2008), the remaining 20% of shares in the Finnish company Lasa Muovi (acquired in 2008), O'Brien Marketing Ltd, a company that sells Hepworth products in Ireland (acquired in June 2007), Polyfemos AS, a Norwegian supplier of cable duct systems for telecom access networks (acquired in March 2007), and AFA Srl, an Italian distributor of plastic pipe systems for hot and cold applications (acquired in April 2006).

Our ordinary shares have been listed on the NYSE Euronext Amsterdam since October 12, 2006. CVC Capital Partners and AlpInvest have since sold their shares in us. We have been included in the Amsterdam mid cap index (AMX) since 4 March 2008.

Since mid-2007, the European construction industry has experienced severe contraction as the international financial crisis took hold, negatively impacting demand for our products. Our results of operations for the year ended 31 December 2008 and the three months ended 31 March 2009 were negatively impacted by reduced sales of our products, rising input costs over much of that period and the effect of weakening currencies against the euro. We responded to these adverse developments by prioritising cost reduction and cash generation. In particular, we implemented a number of restructuring measures, including workforce redundancies, strict management of working capital and reductions in capital expenditure. For a further discussion of the effect of general economic conditions on our business, see "Operating and Financial Review – Material Factors Affecting our Results of Operations and Financial Condition".

Competitive Strengths

We believe that we have a number of competitive strengths that differentiate us from our competitors, including:

Market leader

We are the leader in plastic pipe systems and solutions in Europe, with total revenue of approximately €1.6 billion in 2008. We believe we currently have the number one market position in seven European countries and that we have a top three market position in another five European countries. We offer a wide range of plastic pipe systems and solutions in both of the major market segments in Europe: B&I (above ground) and C&I (below ground).

We believe our leading market positions place us in a strong position to benefit from the future growth of the plastic pipe market in Europe due to the increasing use of plastic as a replacement for traditional materials and other attractive long-term market trends. Our market leadership and significant scale of operations provide us with significant purchasing power in raw materials, particularly in PVC, PP and PE. We have also established well-known product brands across Europe, which has helped to solidify our relationships with leading national and international merchants and to gain market acceptance for our innovative products.

Unrivalled presence

With manufacturing facilities in 16 European countries and sales and distribution operations in an additional 12 European countries, we believe that we have achieved the most extensive European manufacturing and distribution footprint of any plastic pipes and fittings producer. In addition to Western Europe, we are well established and have a leading market presence in the plastic pipe markets in Poland, the Czech Republic, Turkey, Ukraine, the Baltic region, Hungary and Romania. We believe we are the only pipe producer that has the geographical presence and product range to comprehensively serve the needs of emerging pan-European merchant groups and the increasingly consolidating international merchants.

Strong customer relationships

We focus on our customers, continually monitoring and seeking to improve the quality of our service and to deliver our products to customers as promised. In addition, we invest significant time and effort in meeting with architects, project developers and others who influence the product choice of end users. Our close physical proximity to our customers does not merely create cost advantages over other longer distance freight options, but it also reinforces our position as a leading service provider to our clients by maintaining a tangible presence in the markets where we compete. We believe that our unrivalled geographic presence in Europe and our strong customer focus have enabled us to establish strong relationships with the leading national and international merchants in our key markets.

Focus on innovation

We believe we distinguish our product and service offerings by consistently introducing innovative products to our customers. Our goal is to achieve an innovation rate of 15.0%, which we calculate to include revenue from each product introduction in a different local market within our geographic regions in the last five years. We are proud to have reached this goal in 2008, 2007 and 2006, when our respective innovation rates for these years were approximately 15.9%, 15.7% and 16.2%. We believe our focus on innovation has enabled us to maintain our leading market position in Europe by bringing value-added products to market with increased efficiency. Historically, our focus on innovation has also resulted in volume growth and improved operating margins through 2008.

We operate a dedicated innovation centre in The Netherlands, the Wavin Technology and Innovation Centre, with more than 50 FTEs, a test factory and a certified laboratory. The centre engages in the full cycle of product and process development from first idea to initial production. Our

products such as the Tegra 425 inspection chamber, X-Stream, an optimised twin-wall drainage system with a comprehensive fitting range, and smartFix, a plastic-only push-fit solution for connecting hot and cold pipes, exemplify our continued commitment to innovation. During 2008, we also established an advanced water management testing facility. We currently hold 95 product-family patents with 223 registrations, and have 83 patent applications pending. We focus on being a provider of pipe systems and solutions and not merely a commodity manufacturer.

In difficult market conditions such as those we currently face, customers in the building and construction industry become more selective about their suppliers. We believe that our reputation for quality products and services and our market leadership are distinct advantages.

Attractive long-term market fundamentals

We believe that, in the longer term, there are attractive market fundamentals in the plastic pipe and fittings market due to a number of factors, including:

- *The substitution effect*. The use of plastic as a replacement for other pipe materials such as metal, clay, copper and concrete continues to increase. As the market becomes more aware of the advantages of plastic – its ease of installation, reduced overall cost, lighter weight and lower risk of leakage – we expect that plastic penetration will continue to grow, particularly in the hot and cold segment of the B&I market.

- *New applications in high growth segments*. We believe that there are significant opportunities to provide innovative products and total system solutions for new applications in potentially high growth segments of the market such as water management (water retention, infiltration and reuse systems), indoor climate control (floor heating and ceiling cooling) and guiding and protecting optical fibre cables and bundles for Last Mile telecommunications. We are focused on meeting the increasing demand for total water management solutions.

- *Favourable trends*. We believe that additional long-term trends such as heightened concern about the energy efficiency of buildings, urbanisation, households being established with fewer people per residence and the effects of climate change remain favourable to our business and provide opportunities for future growth.

Strong operational fundamentals

Despite the recent adverse market conditions, we believe that our extensive network of manufacturing and distribution facilities across Europe, our emphasis on product innovation and our strong customer relationships make us well-positioned to weather the downturn and capitalise on new growth opportunities. In spite of the severe contraction in the construction markets in 2008, we managed to take further steps in pursuing our strategic direction. For example, as a result of the acquisition of Pilsa, we realised approximately 26.0% of our revenue in 2008 in Emerging Economies, with relatively high long-term growth prospects. Our sales in the high growth and high margin sectors of water management and hot and cold continued to grow in 2008, and our innovation rate remained above our 15.0% target in 2008.

Operational efficiency and working capital management has been and will continue to be one of our priorities. We will continue to foster our rich company culture, which seeks to balance the sharing of best practices and know-how among our companies whilst retaining local expertise and sensitivities.

Successful acquisitions

We have made six acquisitions since 2005 with the goal of maximising synergies in our product markets and further diversifying our geographic scope. Our largest and most recent acquisition was

Pilsa in January 2008, which has a significant presence in the Turkish B&I and C&I markets, as well as a strong export position in several Central and Eastern European countries, such as Russia and Ukraine, where we maintain sales and marketing organisations.

Our acquisition of Warmafloor in 2008 strengthened our position in the non-residential surface heating and cooling market in the United Kingdom. In 2007, we acquired Polyfemos AS, a Norwegian supplier of cable duct systems and telecom networks, to complement our product and services range in the Nordic Europe region. Our proven ability to integrate our acquired companies and realise synergies has resulted in increased operating and volume-driven efficiencies. Where possible under the terms of our Amended Credit Facilities and Forward Start Facility, we intend to continue our selective consolidation strategy and to pursue candidates with complementary market positions and a distinctive product range in countries where we are already present, or which provide a significant entry in countries where we do not currently have a presence.

Strategy

Our objective is to be the European supplier of choice for plastic pipe systems and solutions, unrivalled in product range, service, innovation and geographic presence. We intend to accomplish this with a strategy based on four pillars:

Optimise product range

We produce and supply a full range of total system solutions and seek to adapt our product offering in response to customer demands and market trends. We believe there has been movement toward standardisation of pipes and fittings systems across Europe, and we have responded by developing products that can be sold in multiple geographic markets across Europe. We will continue to provide high quality, high value-added and cost-effective products, while maintaining our commitment to meeting the service standards our customers have come to expect from us.

We will also continue to focus on high growth, high margin products and segments. We intend to support this with an emphasis on innovation and research and development. In C&I, we are focusing on water management systems (water retention and recycling systems), with the aim of increasing that segment as a proportion of our overall revenues. In water management systems, we have developed infiltration crates and improved syphonic drainage systems. We believe climate change will be a strong driver for the future demand of complete solutions to catch, transport, infiltrate, attenuate and/or reuse rainwater. In B&I, we are targeting the potential high growth hot and cold segment, which includes surface heating and cooling systems, where we have significantly expanded our presence across key markets in Europe through the Pilsa, Warmafloor, AFA Srl and O'Brien Marketing Ltd acquisitions over the last three years and where we continue to invest in product innovation, such as our Hep2O, K1 and smartFix ranges.

Continued operational improvements

We are continually seeking to streamline and rationalise our operations both across our logistics chain and at our manufacturing facilities. Group-wide initiatives in the areas of supply chain management, complexity reduction and pricing and strategic sourcing contribute to operational improvements. For example, a special 'global sourcing' initiative selected top quality partners for the supply of non-plastic items such as brass fitting inserts and cast iron manhole covers. All these initiatives will be supported by the ConnectIT project, a long-term programme to converge all IT programmes to one common platform with a uniform data structure across all our regions. Following the successful implementation of ConnectIT in the Belgium and the Netherlands in 2007, Wavin Germany and Wavin Italy went live in 2008. We have also developed a product-ordering system,

Wavin eXchange, with an online web shop and the possibility of exchanging data with sister companies, customers and suppliers.

Geographic expansion

We intend to continue to expand and capitalise on our leading market positions in the higher growth markets in which we operate, such as Poland, the Czech Republic, Hungary, Romania, the Baltic states and Turkey. We believe that, in many of these countries, we benefit from a first mover advantage, which has helped us to establish our brand and local presence, provided us with depth of local market knowledge and allowed us to establish strong customer relationships. In 2008, we realised approximately 26.0% of our revenue in Emerging Economies, which continue to experience higher growth rates than more mature economies, albeit lower than in previous years. We are looking to expand further in the emerging markets of Europe and have established sales offices in Russia, Ukraine, Bulgaria, Serbia and Belarus. In 2009, we plan on opening a new manufacturing facility in Romania, a green field development that will initially focus on providing modern PVC multi-layer lines for the local foul water systems markets. In evaluating potential markets for expansion, we consider, among other factors, the market structure, growth potential and competitive environment in the country or region and opportunities for realising company-wide synergies. We continue to improve our distribution and service capabilities as we expand.

Accretive acquisitions

We have a track record of successfully integrating acquired companies and, where possible under the terms of our Amended Credit Facilities and Forward Start Facility, intend to continue our consolidation strategy while remaining selective in the pursuit of acquisition opportunities. We seek to strengthen and complement not only our existing leading positions but also our positions in countries where we do not currently have leading positions or are not present. We will also selectively pursue acquisitions of companies that have a distinctive product range or are of strategic interest. As with our prior acquisitions, we will also continue to focus on acquiring businesses in which we believe we can realise synergies and add shareholder value. We continually review and assess potential acquisition targets.

Product Segments

We produce and supply a wide range of high quality plastic systems and solutions for use in the building of domestic and commercial properties, public sewer systems and in the distribution of water, gas, electricity and cable ducting services. We operate mainly in the business-to-business market.

We coordinate our regional operations through two strategic business units: our B&I business unit and our C&I business unit. By working closely with our local offices, our two strategic business units seek to coordinate our regional operations in areas such as product development, cross-border sales and marketing programmes, the sharing of best practices and know-how, the management of our key customers and supply relationships, the negotiation of significant outsourcing opportunities and the identification and evaluation of potential acquisition candidates.

B&I

Our B&I business unit focuses on above ground plastic pipe and fitting systems for use in and around residential and commercial buildings. Our products include a wide range of above ground plastic pipe and fitting systems for soil and waste, hot and cold tap water, surface heating and cooling and other building systems. We sell our products primarily to plumbing merchants, general building wholesalers and, in a few regions, to 'do-it-yourself' chains. In addition, we invest significant time and effort in meeting with architects, project developers and others who have an influence over product choice by end users such as plumbers and installation companies. The acquisition of Hepworth in 2005

significantly expanded our presence in the B&I market and, in particular, the fast growing hot and cold sector. Our principal competitors in the B&I market from a pan-European perspective are Uponor, Geberit, Aliaxis and Aalberts. In 2008, we derived approximately 39.4% of our revenues from our B&I business unit.

Across Europe, we believe that installers and end users have come to increasingly prefer plastic pipe systems and fittings over other materials due to the advantages in price and ease of installation. Given the penetration trend in segments such as hot and cold and soil and waste (low-noise) and the advantages of plastic products over other materials, we believe there is a significant long-term growth opportunity in these sectors.

Hot and Cold

Hot and cold systems is our key growth segment in the B&I business unit, benefitting from steadily increasing awareness among the building community of the substantially lower installed costs of plastic systems versus traditional materials. The acquisition of Pilsa established our footprint in Turkey and provides export opportunities to Central and Eastern European countries.

We offer a broad range of hot and cold systems and solutions, covering nearly all relevant plastic-based materials in Europe. Products in our hot and cold segment are used in water systems within residential and commercial buildings to supply hot and cold tap water, radiator connections, and surface heating and cooling. Each system has its own jointing technique: press-fit, fusion welding, push-fit or screw compression. In addition, a wide range of fittings and manifolds required for domestic water supply and central heating, as well as floor heating applications, complete our offering of flexible plastic systems. We have successfully introduced our innovative smartFIX push-fit system in Germany, Italy, The Netherlands and the Baltic states. We derived approximately 22.3% of our revenues from the hot and cold segment in the year ended 31 December 2008, making hot and cold our second largest business segment.

Sales growth in the rapidly expanding surface heating and cooling business is one of our top priorities. We believe that the EU Directive on the Energy Performance of Buildings and increasing customer emphasis on comfort, health and interior design will drive growth in this area. Given our knowledge and experience in delivering cost-effective indoor climate control systems, we believe that we are well-positioned to benefit from any increased demand for floor heating and ceiling cooling systems. The 14,000 square meters of heating and cooling panels installed in the ultramodern Pannon GSM head office in Hungary is an example of the value we are adding to the business. We expect to continue to expand both our product range in surface heating and cooling and the number of countries where we offer these products. With our acquisition of Warmafloor, we strengthened our position in the non-residential heating and cooling market in the UK. We also recently introduced our surface heating and cooling systems in Poland and the Baltic states.

Soil and Waste

Our soil and waste systems comprise a wide product range designed to transport waste water from kitchens and bathrooms to underground sewer collection systems. We derived approximately 12.5% of our revenues from the soil and waste segment in the year ended 31 December 2008.

We offer a broad range of pipe systems and fittings in this segment, including push-fit rubber ring, solvent welded and welded systems. We also offer low-noise systems that reduce noise levels in commercial and large multi-level residential buildings. Although there is relatively high penetration of plastic pipes in the soil and waste segment in Europe, the low-noise systems sub-segment has low plastic penetration levels and we believe low-noise systems have the potential for significant long-term growth as plastic systems continue to replace cast iron ones. Despite recent lower activity levels in repair, maintenance and improvement and resulting revenue declines in the soil and waste segment, we have continued to strengthen our presence in the higher value-added market of low-noise systems for soil and waste discharge.

We also offer an extensive range of pipes, siphons and accessories for in-house waste and sanitary applications such as connections to sinks, showers, washing machines and toilets. Their simple design allows quick and easy assembly and long-term usage. In addition, we offer a range of fittings and accessories that are available in a variety of diameters and colours. Our pipe systems and fittings are made from a variety of plastic, such as PVC, PE and PP.

Other Building Systems

Other building systems include a wide range of complete roof gutter systems and pipes and fittings for electrical conduits. Our systems are used mainly in the domestic housing market. We derived approximately 4.6% of our revenues from our other building systems segment in the year ended 31 December 2008. This segment is characterised by more moderate substitution and growth rates than other segments in our B&I business unit in Europe.

C&I

Our C&I business unit focuses on below ground plastic pipe systems and related services for foul water systems, water management, water and gas distribution and cable ducting systems. We sell our C&I products primarily to civil distributors, building merchants, civil contractors, municipalities and utility companies. In addition, we target civil engineers, municipalities and housing developers who have influence over product choice by end-users. Our principal competitors in the C&I market from a pan-European perspective are Pipelife, Alphacan, Georg Fischer and Aliaxis. We derived approximately 58.7% of our revenues from our C&I business unit in the year ended 31 December 2008.

We believe that plastic's proven durability, lower cost and ease of installation will support the ongoing increase of plastic penetration in this market. Incorporating our distinctive plastic products into product specifications is strengthening our market position in Europe and is increasing plastic penetration at the cost of traditional materials like concrete and steel.

We believe that water management systems and cable ducting for data communications (Last Mile telecommunications) are our primary growth areas in C&I. Our new innovations are driving our growth and include a wide range of high quality products in sewage, infiltration, manholes, inspection chambers and cable ducts. We believe our growth in Western Europe will benefit from local, national and European regulations affecting waste and storm water. We are also seeking to achieve growth in the Central and Eastern Europe markets in which we operate due to the continuing demand for new networks and infrastructure in that region. In addition, we believe that guiding and protecting optical fibre cables and bundles for use in Last Mile telecommunications is a potentially significant growth area for us.

Foul Water Systems

Our foul water systems are used to discharge foul water or storm water from buildings and hard surfaces to water purification plants. We offer a broad range of innovative products such as underground drains, manholes, inspection chambers, domestic waste water treatment units and rehabilitation pipes. We derived approximately 29.8% of our revenues from the foul water systems segment in the year ended 31 December 2008.

The market for foul water systems, particularly U-drains, is closely related to new residential developments and was particularly hard hit by the contraction in new building activities. However, we believe that new product developments and solutions will drive growth in this segment, particularly in the areas of manholes, inspection chambers, domestic waste water treatment units and rehabilitation pipes. For example, we have successfully introduced a full range of Tegra manholes and inspection chambers to the market. Because of the ease of installation, attractive cost and flexibility, plastic solutions are becoming widely accepted alternatives to concrete-based manholes and chambers. Our new X-Stream range for foul water discharge is also proving a success.

In addition to plastic pipe systems, we sell a wide range of pipes and fittings made of clay for foul water applications in the UK, Germany and in certain countries outside of Europe.

Water Management

Water management is our most important growth sector in the C&I segment. Our water management systems include an innovative product range that includes storm water applications, syphonic roof drainage systems and infiltration crates and pipes. For example, syphonic roof drainage systems are a highly efficient way of draining rainwater from large commercial buildings with flat roofs. We also provide systems for land and road drainage and irrigation. We derived approximately 11.2% of our revenues from the water management segment in the year ended 31 December 2008.

Main growth drivers in the water management segment are urbanisation, irregular rainfall patterns, water shortage and climate change. We intend to continue to focus on infiltration, storm water and syphonic roof drainage systems, which we believe are potential high growth areas.

Cable Ducting Systems

Our cable ducting systems are used to guide and protect optical fibre cables and bundles. We produce cable ducts for use in a number of applications. We derived approximately 5.0% of our revenues from the cable ducting systems segment in the year ended 31 December 2008.

Our main focus is on the fast growing cable ducting market (for data communication through fibre optics and copper). Although it is still a small part of our business, cable ducting systems is a growing, attractive segment, especially in Scandinavia and The Netherlands where the penetration of fibre-to-the-home and fibre-to-the-office is high. The long-term driver of this growth business is the need for more bandwidth and the resulting replacement of existing, traditional telecom networks with optical fibre networks to homes. We believe we are well-positioned in Last Mile telecommunications due to our extensive European presence and focus in this area. In addition, our cable duct systems are used for general ducting for traffic lights and streetlights and power cables.

Water and Gas

For the supply of potable water and gas, we have pressure pipes and fittings made of PVC and PE in our water and gas distribution segment. We derived approximately 12.8% of our revenues from the water and gas segment in the year ended 31 December 2008.

For water, our PE pipes are connected through electrofusion fittings or by welding one pipe to another. With the development of multilayer PE pipes with a protective outer layer, we believe we can serve an attractive market sector where difficult circumstances or higher loads prevail. Although the product itself is relatively expensive, customers save on the backfill material and sandbedding in the trench and therefore lower their total installation costs. A patented process of in line biaxially stretching of PVC enables us to manufacture pipes for higher pressure classes at lower wall thickness while maintaining a high resistance to low temperatures and heavy impacts. Our gas products comprise mainly PE but also PVC pipes, as well as electrofusion fittings for low pressure (up to 10 bar) distribution of gas in local networks and house connections. Although water and gas distribution is a mature market in Western Europe, we believe there is opportunity for growth in Central and Eastern Europe and South East Europe and in technically advanced niche products for special circumstances. Our acquisition of Pilsa strengthened our position in the water and gas segment.

Regional Markets

We have manufacturing facilities in 16 countries and sales offices in another 12 countries throughout Europe. Our recent acquisitions have not only strengthened our leading positions in existing regional markets but also expanded our presence in new regional markets in Europe. All of our regional markets have been affected by recent adverse global economic conditions, but the severity and timing of the impact has varied significantly by country. We divide our markets into the following

regions: North West Europe, the UK and Ireland, South East Europe, Central and Eastern Europe, Nordic Europe, South West Europe and Overseas and Other, as discussed below.

North West Europe

Our North West Europe region comprises The Netherlands, Germany and Belgium. In the year ended 31 December 2008, we derived approximately 20.4% of our revenue and approximately 16.5% of our EBITDA in the North West Europe region.

The German plastic pipe industry is relatively fragmented. Our principal competitors in Germany are Geberit, Uponor, Rehau and Pipelife and a host of local companies. By contrast, the Dutch plastic pipe industry is relatively concentrated with our main competitor being Dyka, part of the Belgian company Tessenderlo. The competitive structure of the plastic pipe industry in Belgium is similar to the one in The Netherlands in that it is also relatively concentrated.

We believe we are the market leader in C&I in this region and that we also have a strong market position in B&I in The Netherlands. Despite a challenging market environment in 2008, water management systems continued to grow and hot and cold is developing favourably after the introduction of flexible plastic push-fit systems. In Germany and The Netherlands, we reaped the benefits of the improved manufacturing configuration which we implemented in 2007. We believe that this region has experienced growing awareness of water management and that we are well placed to address these concerns with infiltration pipes and crates.

Our introduction of the small Tegra inspection chamber in the Dutch market has been successful in raising awareness of the attractiveness of plastics compared to alternative materials. In addition, we integrated our two Dutch sales organisations, as well as two Belgian sales and distribution centres, to further combine overhead activities in the region. As at 31 March 2009, we had 1,261 employees in the North West Europe region.

UK and Ireland

In the year ended 31 December 2008, we derived approximately 19.7% of our revenue and approximately 13.8% of EBITDA in the UK and Ireland.

In the UK, the plastic pipe industry is relatively concentrated. Our principal competitors are Aliaxis and Polypipe. In Ireland, the plastic pipe industry is also concentrated, where Wavin, Polypipe and Pipelife are the leading sellers. We have a leading position in both the hot and cold and the foul water systems segments in both the UK and Ireland. Our acquisition of Warmafloor in 2008 strengthened our position in the non-residential surface and heating market in the UK. We also recently launched a new range of patented petrol separators and domestic rainwater reuse solutions in the UK.

In both the UK and Ireland, the international financial crisis rapidly translated into a severe contraction of the building industry, and a less dramatic decline in repair, maintenance and improvement activities. In response to the harsh market conditions, we completed two large restructuring programmes in the UK and one in Ireland. In 2008, we reduced our workforce in the region by 455 FTEs, and have announced further redundancies in 2009. In addition to a major restructuring effort in our manufacturing and logistics operations in the UK, we streamlined the UK dual brand sales teams into a single sales organisation supported by a single marketing team. In Ireland, two distribution centres were integrated in the main production facility in Balbriggan. We believe these necessary restructuring measures combined with our leading position in the UK and Irish markets will enable us to emerge from the financial turmoil well-positioned to capitalise on further consolidation opportunities, where possible under the terms of our Amended Credit Facilities and Forward Start Facility. As at 31 March 2009, we had 1,594 employees in the UK and Ireland.

South East Europe

Our South East Europe region covers Italy, Hungary, Romania, Turkey, Croatia, Bulgaria and Serbia. In the year ended 31 December 2008, we derived approximately 16.0% of our revenue and approximately 13.5% of our EBITDA in the South East Europe region. We have realised significant growth in revenue and EBITDA in the region over the past few years. The acquisition of Pilsa in January 2008 provided us with a solid local foothold in Turkey and strengthened our export position towards various Central and Eastern European countries.

The plastic pipe industry in Italy is relatively mature and highly fragmented. We are active in the B&I market in Italy, with our principal competitors being Valsir, Prandelli and Geberit. We have focused primarily on the hot and cold and soil and waste segments in Italy. For example, we successfully launched the smartFIX push-fit fitting for tap water and radiator heating systems. As a result of the AFA acquisition in 2006, we have a full range of plastic alternatives for the PE hot and cold segment in Italy.

In Hungary, we managed to consolidate our market leadership despite the difficult economic climate. We have introduced several new products, most notably syphonic roof drainage and indoor climate systems. Our main competitor in Hungary is Pipelife. In Romania, we have grown our market presence in both C&I and B&I, and plan to open a new manufacturing facility in 2009. We experienced growth in our trading activities in Croatia, Serbia and Bulgaria in 2008 in comparison to 2007. Where possible under the terms of our Amended Credit Facilities and Forward Start Facility, we intend to selectively pursue acquisitions and green field start-ups to strengthen our position in South East Europe. As at 31 March 2009, we had 861 employees in the South East Europe region.

Central and Eastern Europe

Our Central and Eastern Europe region comprises Poland, the Czech Republic, Russia, Slovakia and Ukraine. In the year ended 31 December 2008, we derived approximately 15.4% of our revenue and approximately 24.7% of EBITDA in the Central and Eastern Europe region.

We have been committed to the Central and Eastern Europe markets since the 1990s. Our wide range of products and geographical presence have enabled us to gain a 'first mover advantage' in several markets in this region. We have continued to realise healthy growth in revenue in this region, though recently at a lower level than in previous years.

The Polish plastic pipe industry is fragmented with leading manufacturers, including Wavin, Pipelife and Kaczmarek. In Poland, we have maintained our market leading position through strong brand recognition and our ability to combine technically advanced, innovative products with value-added services, including design, logistic services and technical advice at building sites. The Czech plastic pipe industry is concentrated among certain leading manufacturers, such as Pipelife and Wavin. We have the leading position in the hot and cold sector in the Czech Republic. We will continue to expand our sales and marketing efforts in Russia, Ukraine and Slovakia.

Across the region, our Supply Chain Optimisation programme has resulted in improved service levels to our customers. We intend to roll out new products and expand production capacity in this region. Despite recent signs of market deterioration, we believe the region has long-term growth opportunities. We also believe we are well-positioned to build on our presence and capitalise on our broad product range in the region. We have established a reputation as a reliable partner in major infrastructure projects in the C&I segment. As at 31 March 2009, we had 1,317 employees in the Central and Eastern Europe region.

Nordic Europe

Our Nordic Europe region covers Denmark, Norway, Sweden, Finland, Estonia, Latvia, Lithuania and Belarus. In the year ended 31 December 2008, we derived approximately 13.7% of our revenue and approximately 11.7% of EBITDA in the Nordic Europe region.

The Nordic Europe plastic pipe industry is relatively concentrated. Our principal competitors are Uponor, Pipelife and KWH. We believe we are the market leader in Denmark, that we have a second position in Norway and the Baltic region and that we have a top three market position in Sweden and Finland. We have a strong position in C&I, having focused on expanding our product portfolio. We have introduced new products such as X-Stream for foul water discharge, Q-Bic infiltration modules and a new generation of controls for underfloor heating to strengthen our already prominent market position in the region. The 2006 acquisition of Polyfemos AS, a Norwegian supplier of cable duct systems for telecom access networks, completes our offering in that market segment. Our Supply Chain Optimisation programme has also led to an improvement in our service levels in this region and is further described below.

The residential building markets in the Nordic Europe region have recently deteriorated, but earlier restructuring measures proved their value. In Finland, we decided to concentrate on our core activities and divested a local electronics business. Reorganisation measures in 2008 resulted in a workforce reduction in the region of approximately 100 FTEs. As at 31 March 2009, we had 788 employees in the Nordic Europe region.

South West Europe

Our South West Europe region comprises France and Portugal. In the year ended 31 December 2008, we derived approximately 10.8% of our revenue and approximately 10.6% of our EBITDA in the South West Europe region.

The French plastic pipe industry is highly competitive due in part to sustained imports. Our principal competitors are Aliaxis, Alphacan and Tessenderlo. We believe we are among the top three market leaders in B&I and among the top two in C&I in France. In recent years, the strategic shift in our product mix produced improved margins in France. We especially focused on high-growth, high-margin segments such as hot and cold and water management. In Portugal, we maintain a niche position primarily in the hot and cold sector. As at 31 March 2009, we had 637 employees in the South West Europe region.

Overseas and Other

The Wavin group also comprises entities such as the group holding companies, our central export company Wavin Overseas and Wavin Technology & Innovation. Wavin Overseas has a growing network of over 120 agents and licensees who are active in Asia, Australia, Africa, Latin America, the Middle East and North America. Our relationships with these third parties relate to individual products, specific technologies or complete product ranges as well as raw material formulations, equipment design and procedures for manufacturing processes, production planning and stock control. Although it has only contributed a relatively small percentage of our revenue and EBITDA, we believe Wavin Overseas allows us to establish relationships outside of Europe and gain additional market knowledge.

Raw Materials and Supply Sources

Raw materials (including PVC, PE and PP) accounted for approximately 46.1% of cost of sales we consumed in 2008. Prices for raw materials are significantly affected by oil prices and refinery

capacity. Historically, we have generally been able to pass on a significant portion of the increases in polymer prices to our customers, with a time lag of two to six months.

Each of our key polymer materials is generally supplied by four or five suppliers and each of our manufacturing facilities generally buys from one or two lead suppliers and also maintains access to a back-up supplier for each material. Our purchasing strategy is to deal only with high-quality, dependable suppliers in each region, who can certify their raw materials to a standard required for our general product certification. Our principal suppliers are Hydro Polymers, Ineos, LyondellBasell, Shin-Estu and Total. In line with market practice, our formal agreements with our suppliers are generally one to three year arrangements and do not contain fixed price agreements. We believe that we have strong relationships with our key suppliers, allowing us to obtain greater uniformity of quality and logistics to an extent not possible with spot-buying of raw materials, which we undertake only in limited circumstances.

We are generally one of the largest customers of our suppliers, which provides us with purchasing power. Our raw materials purchases are coordinated on a group-wide basis to maximise volume rebates and minimise availability risks. We have also formed purchasing alliances with joint venture partners and strong players in non-competing markets, creating partnerships with our suppliers for value-added propositions.

Manufacturing Facilities

Overview

We have four basic types of facilities:

- complexity plants, where we primarily manufacture the full range of our pipe and fittings products;
- satellite plants, where we primarily manufacture fast-moving pipes for our local markets;
- specialty plants, where we primarily manufacture specialty products for pan-European markets; and
- assembly units, where we assemble, modify or package certain products and fittings for customised usage.

Our plants are focused on optimisation within regions. We believe it is rarely economical to transport our plastic pipe products beyond a 500 kilometre range, due to the significant impact of transportation on the per unit production costs of pipes. For this reason, and due to the importance of timely delivery, our pipe-producing plants are generally located close to our customers. In the case of production of plastic fittings or specialty products, economy of scale is a more important determinant of manufacturing processes than transport costs – for this reason, we have concentrated our production of fittings in ten sites and our specialty products in four plants across Europe with a high level of automation.

The following table provides summary information about our manufacturing facilities:

Location	Type of Plant
North West Europe	
Hardenberg, The Netherlands	Complexity
Twist, Germany	Complexity
Belfeld, The Netherlands[(1)]	Satellite
Reuver, The Netherlands[(1)]	Satellite
Westeregeln, Germany	Satellite
Aalter, Belgium	Satellite
St Niklaas, Belgium	Assembly
UK and Ireland	
Chippenham, UK	Complexity
Hazlehead, UK	Satellite
Doncaster, UK	Complexity
Brandon, UK	Satellite
Fareham, UK	Assembly
Balbriggan, Ireland	Satellite
Forest Works, UK	Specialty
Exeter, UK	Assembly
South East Europe	
S.M. Maddalena, Italy	Complexity
Adana, Turkey	Complexity
Zsambek, Hungary	Satellite
Udine, Italy	Assembly
Bucharest, Romania (planned opening in 2009)	Satellite
Central and Eastern Europe	
Buk, Polan	Complexity
Kostelec nad Labem, the Czech Republic	Specialty
Strzelin, Poland	Specialty
Leszno, Poland	Satellite
Sochaczew, Poland	Complexity
Horni Pocernice, the Czech Republic	Satellite
Nordic Europe	
Hammel, Denmark	Complexity
Vilnius, Lithuania[(2)]	Satellite
Eskilstuna, Sweden	Satellite
Holand, Norway	Satellite
Kangasala, Finland	Specialty
Alta, Norway	Satellite
Joutsa, Finland[(2)]	Satellite
Horsens, Denmark[(2)]	Assembly
Rodberg, Norway[(2)]	Assembly
South West Europe	
Varennes, France	Complexity
Sorgues, France	Satellite
Sully sur Loire, France	Satellite
Serrieres, France[(2)]	Satellite
St Nazaire, France	Assembly
Wavin Overseas	
Foshan, China[(2)]	Complexity

(1) Although these facilities are located in The Netherlands, which is within our North West Europe region, they are included in the UK and Ireland region (which includes clay activities of Euroceramics) for financial and accounting purposes.

(2) Facility is leased.

With few exceptions, we own our manufacturing facilities (leased facilities are marked as such in the above table). We believe that our manufacturing facilities are generally in good operating condition, are functioning at sufficient production capacity and are generally adequate to meet our current requirements as well as anticipated requirements in the near future. All our major facilities are accredited to meet ISO 14001 standards. There are no significant encumbrances on any of our manufacturing facilities listed above, other than leases where indicated.

Customers and Distribution Channels

Our main customers and distribution channels for plastic pipes and fittings differ among the various markets in which we operate. In B&I, we sell primarily to plumbing wholesalers and general building wholesalers. In addition, we target installers, architects, project developers and others who have an influence over product choice by end users. In C&I, we sell mainly to civil merchants, civil distributors, civil contractors, building merchants and utility companies. In addition, we target civil engineering agencies, municipalities and housing developers who have influence over product choice by end-users. In Belgium and The Netherlands, we conduct sales directly with installers through a limited number of our own sales outlets. In the Nordic Europe countries, Germany and France, our distributors are highly concentrated whereas in The Netherlands, Italy and Poland, there is a low level of concentration among our distributors. In other countries, like the UK, Ireland and Hungary, our distributors are moderately concentrated. In addition to our main production sites, we operate a number of supply centres in major metropolitan areas throughout Europe.

In many Western European countries, the consolidation of distributors is already well advanced and we expect that this trend will continue. We believe the continued consolidation of the market could benefit companies which have a strong brand name and a wide geographical presence.

Our five largest customers are HTI-Gruppe, Onninen, Saint Gobain, Travis Perkins and Wolseley, who together accounted for approximately 20.0% of our revenues in 2008. Our agreements with our key customers are non-exclusive and generally do not commit our key customers to any minimum purchases of our products. We believe that our unrivalled geographic presence and customer focus have enabled us to establish strong relationships with the leading national and international merchants in our key markets.

Sales and Marketing

Our sales and marketing efforts are primarily undertaken by our local sales teams in 28 countries. Our local sales teams have in-depth knowledge of the local markets and seek to actively develop relationships not only with customers but increasingly with persons who have influence over product choice by end users. Our local sales teams work together with our two strategic business units in order to coordinate our cross-border sales and marketing programmes, the roll out of new products, the management of key accounts and the facilitation of innovation. Our sales teams focus on marketing total system solutions, in close consultation with our customers regarding their unique building specifications, allowing our customers greater design freedom. We seek to make our products more widely known by establishing a master brand approach across our markets on the basis of the Wavin brand, with the exception of the UK and Ireland, where our two well-known brands – Wavin and Hepworth – are both maintained.

During 2008, we integrated two Dutch sales organisations, as well as two Belgian sales and distribution centres, to further combine overhead activities. In addition, we streamlined our UK dual brand sales teams into a single sales organisation supported by a single marketing team and rationalised back office order processing to increase our operational efficiency.

Supply Chain Optimisation

As our business has become increasingly cross-border, we have adopted a Supply Chain Optimisation programme that takes a more centralised approach to supply chain issues. Our Supply Chain Optimisation programme involves collecting and implementing best practices across our operations to improve our customer service levels and decrease inventory, freight and warehousing costs. We have sought to rationalise our product range by focusing on high quality, high margin products in response to customer demands. We are continuously working to improve cross-functionality and to achieve true commitment and enthusiasm of our employees. By linking to customers and managing their stock supply needs, we seek to maintain and enhance our customer relationships over the long term.

In pursuing our Supply Chain Optimisation programme, we intend to focus on three key areas:

- Complexity optimisation: We will review our product offering with the intent of discontinuing non-value added products in low margin sectors and focusing on high growth and high margin products.
- Reliability improvement: We will review each step in our supply chain, including sales forecasting, suppliers, order desk, production, warehousing and distribution logistics, for the purpose of enhancing customer service levels.
- Flexibility improvement: In response to the current rapidly changing sales environment, we are increasing our flexibility to respond to customers' demands by reducing batch sizes and the frequency of change-overs in our production.

Employees

As at 31 March 2009, we had 6,725 employees worldwide, including 1,594 in the UK and Ireland, 1,261 in North West Europe, 788 in Nordic Europe, 1,317 in Central and Eastern Europe, 861 in South East Europe and 637 in South West Europe. Our employees are classified as follows: sales & marketing, business development, manufacturing, logistics, technology, engineering, quality, finance, IT, human resources, and legal and communication. We had an average of 7,069 FTEs in 2006, 7,308 in 2007 and 7,867 in 2008.

We have established an employee representative body at group level called the Wavin European Consultative Council ("**WECC**"). The WECC meets periodically with the Management Board to discuss general policy issues of strategic and group wide importance at the pan-European level, and is informed and consulted regarding transnational matters with relevance to our employees. We also have a number of works councils and employee representative bodies, at the level of our operating subsidiaries, both inside and outside of The Netherlands. These work councils are consulted before management of the relevant subsidiary takes certain decisions with respect to the enterprise, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a member of the board of management. In addition, we have completed collective bargaining agreements with trade unions in The Netherlands. We consider our relationships with the WECC, our various works councils and employee representative bodies to be good.

Our employees may, depending on eligibility, participate in our current participation plan, the Long Term Incentive Plan. We also operate defined contribution and defined benefit plans in several jurisdictions in which we operate. Our wholly owned subsidiaries in Norway, Ireland, UK, Germany, France, Italy and The Netherlands operate a defined benefit plan. All our other wholly owned subsidiaries operate a defined contribution plan and retain responsibility towards payment of the contributions.

For further discussion of our employees, see "Management and Employees – Employees".

Regulation

Our operations are subject to a broad range of laws, regulations and standards with respect to the protection of the environment in the countries in which we have production facilities or properties, such as laws and regulations regarding air noise emissions, CO_2 emissions, discharges to land and water and the use and handling of waste and other hazardous materials and standards relating to construction materials. The number and severity of these laws and regulations have increased over the past years, in particular in the European Union where we operate our manufacturing facilities. We have made significant progress in meeting our obligations under the new EU Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), which governs the registration, import and use of chemicals and affects all manufacturers, importers, distributors and users of chemical substances or products in the EU. In addition, we are subject to building regulations in the various countries we operate in.

We are generally required to obtain and periodically renew permits or licences for industrial operations which cause emissions, discharge or water. Such permits and licences establish limitations and standards with respect to the operations which require compliance. To our best knowledge, we are in compliance with current material environmental laws and regulations and have all material environmental permits and licences required for our operations. All of our major production sites qualify for the ISO 14001 certification.

We work actively to develop and implement measures designed to protect the environment. We believe we are one of Europe's largest recyclers of PVC. For example, together with other plastic pipe producers we have introduced environmental care systems. We have also set up collection and recycling units so that we are able to re-use pipes and fittings waste as well as factory scrap, as recycled and reground PVC and PE can effectively be re-used in pipe applications. We are a committed participant of and contributor to the Vinyl2010 programme, a Europe-wide initiative to recycle and reuse PVC.

Intellectual Property

We believe our focus on innovation has enabled us to maintain our leading market position in Europe by bringing value-added products to market with increased efficiency. Historically, our focus on innovation has also resulted in volume growth and improved operating margins through 2008. We rely on a combination of patents, trademarks, trade names, confidentiality and non-disclosure clauses and agreements, copyrights and registered and unregistered design rights to define and protect our rights to the intellectual property in our products. We currently hold 95 product-family patents with 223 registrations, and have 83 patent applications pending.

The intellectual property rights associated with our products are important to maintaining a competitive position in the marketplace, and we defend and protect them where appropriate. We cannot assure you that any of our registered or unregistered intellectual property rights, or claims to such rights, will now or in the future successfully protect what we consider to be the intellectual property underlying our products in any or all of the jurisdictions in which we do business, or that our registered or unregistered rights subsequently will not be successfully challenged. We also cannot assure you that upon expiration of any of our patents, our competitors will not commence manufacturing products or using technologies similar to ours.

To the extent that our innovations and products are not protected by patents, copyrights or other intellectual property rights in any of our key markets, third parties (including competitors) may be able to commercialise our innovations or products or use our know-how. In addition, legal protection of our intellectual property rights in one country will not provide protection in certain other countries where we operate.

Legal Proceedings and Other Matters

We are involved from time to time in litigation arising in the ordinary course of business, including certain lawsuits and administrative proceedings before various courts and governmental agencies involving contractual, labour, environmental and other matters. Although it is difficult to estimate our potential exposure to these matters, we do not believe that the resolution of the matters in which we have been or are currently involved will have a material adverse effect on our financial position, results of operations or liquidity.

To the best of our knowledge, there are not and have not been any governmental, legal or arbitration proceedings, nor are we aware of such proceedings threatening or pending, which may have or have had significant effects on our financial position or profitability in the twelve months before the Publication Date, other than mediation that is pending regarding the amount of tax deductible earn-out payments in respect of the acquisition of Wavin Beteiligungen GmbH by Nordisk Wavin A/S in 1999. The maximum corporate income tax exposure amounts to €3.5 million (which is provided for in our financial statements as at and for the year ended 31 December 2008) as well as interest costs currently amounting to approximately €1.6 million (for which no provision has been made in our financial statements).

We maintain product liability insurance covering against certain types of claims, in amounts customary for businesses of our size.

Research and Development

We believe we distinguish our product and service offerings by consistently introducing innovative total system solutions to our customers. Our goal, which we met in each of 2008, 2007 and 2006, is to achieve an innovation rate of 15.0% of our revenues from new products developed or introduced in various geographic markets during the previous five years. In order to realise this goal, our research and development activities are centralised through Wavin Technology and Innovation B.V. in The Netherlands and managed by a specially formed committee referred to as the "Innovation Board". The Innovation Board's role is both to initiate projects and to approve and monitor all of our innovation projects. The Innovation Board comprises of members of the Management Board, the Managing Director of Wavin T&I and other senior managers.

Proposals for innovation projects are based on a substantiated business case following a feasibility study.

We separate our "Innovation Projects" into two categories:

- projects which deliver products perceived to be new by the end customer; and
- projects which deliver quality or cost optimised processes, while keeping the product unchanged in the perception of the customer.

As well as our research and development activities which are managed on a group-wide basis, we also facilitate work at the level of the individual group companies which have their own dedicated research and development teams. These teams work closely together with the central research and development organisation. The local activities focus mainly on product and process improvement required to fulfil local customer demands.

Set out in the following table are details of our research and development expenditure for the years ended 31 December 2008, 2007 and 2006.

	Year ended 31 December		
	2008	**2007**	**2006**
Research and development expenditure (€ in millions)	8.8	8.9	9.4
Research and development expenditure as a portion of total revenue	0.6%	0.5%	0.6%

MANAGEMENT AND EMPLOYEES

General

Set out below is a summary of relevant information concerning our Management Board, our Supervisory Board and a brief summary of certain significant provisions of Dutch corporate law and our Articles of Association in respect of our Management Board and Supervisory Board.

In this section references are made to Wavin B.V., which is, and also has been prior to the IPO, our operational holding company within our Group.

Management Structure

We have a two-tier board structure consisting of a Management Board (*Raad van Bestuur*) and a Supervisory Board (*Raad van Commissarissen*).

Management Board

Powers, Composition and Function

Our Management Board is responsible for the day-to-day management of our operations under the supervision of our Supervisory Board. The Management Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to our Supervisory Board for its approval, as more fully described below.

The Management Board may perform all acts necessary or useful for achieving our corporate purpose, save for those acts that are prohibited by law or by our Articles of Association. The Management Board as a whole is authorised to represent us, as are any two members of the Management Board acting jointly.

Our Articles of Association provide that the General Meeting appoints members of the Management Board, subject to the right of the Supervisory Board to make a non-binding nomination to appoint a Management Board member. In such event the General Meeting may resolve, by a resolution passed with an absolute majority of the votes cast, to appoint the candidate nominated by the Supervisory Board. A resolution of the General Meeting to appoint members of the Management Board, other than pursuant to the non-binding nomination of the Supervisory Board, requires an absolute majority of the votes cast representing more than 50% of our issued share capital.

Our Articles of Association provide that the number of members of the Management Board will be determined by the Supervisory Board, and will consist of a minimum of one member. In conformity with the Code (as defined in "Description of Share Capital and Corporate Governance – Corporate Governance – Dutch Corporate Governance Code"), our Articles of Association provide that members of the Management Board will be appointed for a maximum term of four years, provided, however, that unless such member of the Management Board has resigned at an earlier date, his term of office shall lapse on the day of the annual General Meeting to be held in the fourth year after the year of his appointment. An appointment can be renewed for a term of not more than four years at a time.

Our Articles of Association provide that the General Meeting and the Supervisory Board may suspend Management Board members at any time and that the General Meeting may dismiss Management Board members at any time. Under our Articles of Association, a resolution of the General Meeting to suspend or dismiss members of the Management Board pursuant to a proposal by the Supervisory Board requires an absolute majority of the votes cast. A resolution of the General Meeting to suspend or dismiss a member of the Management Board other than pursuant to a proposal of the Supervisory Board requires an absolute majority of the votes cast representing more than 50% of our issued share capital.

Under our Articles of Association, the resolutions of the Management Board that must be approved by the Supervisory Board include:

- the issue or acquisition of any of our shares or debt instruments, or of debt instruments issued by a limited partnership or general partnership of which we are a fully liable partner;
- a proposal to the General Meeting to issue shares or to delegate the authority to issue shares to the Management Board;
- the application to or withdrawal from listing on a regulated market or multilateral trading facility as described in Section 1:1 of the Dutch Financial Supervision Act or a similar system compared to such market or facility from a state which is not a member state of any of our shares or debt instruments, or of debt instruments issued by a limited partnership or general partnership of which we are a fully liable partner;
- entry into or termination of a partnership, joint venture or other long-term contractual arrangement involving us or a dependent company (*afhankelijke maatschappij*) with another legal entity or as fully liable partner in a limited partnership or general partnership, if such cooperation or termination is material to our operations;
- participation by us or by a subsidiary of ours in the capital of another company valued at 25% or more of our issued share capital plus reserves, according to our most recently adopted annual balance sheet, as well as a significant increase in or reduction of such a participating interest;
- entry into any investments involving an amount equal to 25% or more of our issued share capital plus reserves, as shown in our most recently adopted annual balance sheet;
- a proposal to amend our Articles of Association;
- a proposal to dissolve (*ontbinden*) us;
- a proposal to conclude a legal merger (*juridische fusie*) or a demerger (*splitsing*), involving us;
- an application for bankruptcy (*faillissement*) and for suspension of payments (*surséance van betaling*) by us;
- termination of the employment of a significant number of our employees or employees of a subsidiary within a short period of time;
- material changes in the employment conditions of a significant number of our employees or the employees of a dependent company (*afhankelijke maatschappij*) of ours; and
- the passing of the voting rights attaching to the shares encumbered by usufruct to the usufructuary;
- a proposal to make payments to the holders of shares chargeable to our distributable share capital; and
- a proposal to reduce our issued share capital.

Our Articles of Association provide that decisions of the Management Board involving a significant change in our identity or character are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or substantially all of our business to a third party;
- the entry into or termination of a longstanding joint venture by us or by any of our subsidiaries with another legal entity or company, or of our position as a fully liable partner in a limited partnership or a general partnership if the joint venture is of a major significance to us; or
- the acquisition or disposal, by us or any of our subsidiaries, of a participating interest in the capital of a company valued at one-third or more of our assets according to our most recently adopted consolidated annual balance sheet with explanatory notes thereto.

Members of the Management Board

The Management Board is currently composed of the following four members:

Name	Age	Position	Member Since	Term
Philip Houben	59	President of the Management Board, Chief Executive Officer	2005[1]	2010[5]
Pim Oomens.	53	Executive Vice President of the Management Board, Chief Financial Officer	2005[2]	2010[5]
Henk ten Hove	56	Executive Vice President of the Management Board	2005[3]	2010[5]
Andy Taylor	54	Executive Vice President of the Management Board	2005[4]	2010[5]

(1) Member of the Management Board of Wavin B.V. since 2000.

(2) Member of the Management Board of Wavin B.V. since 2004.

(3) Member of the Management Board of Wavin B.V. since 2002.

(4) Member of the Management Board of Wavin B.V. since 2005.

(5) Although the current members of our Management Board were initially appointed for an indefinite period of time, their respective terms have been shortened to the maximum term of four years as per 16 October 2006.

Our registered address serves as the business address for all members of the Management Board.

Philip Houben

President of the Management Board and Chief Executive Officer. Philip Houben (1950) has been President of the Management Board and Chief Executive Officer of the Company since September 2005 when the new holding company was established. He assumed the same positions at Wavin B.V. since April 2000. Mr. Houben earned a Bachelor's degree in Chemistry from the University of Groningen (The Netherlands) and an MBA from the interfaculty for Management Studies of the University of Delft (The Netherlands). Mr. Houben started his career as an investment officer with the United Nations Capital Development Fund. Afterwards, he held positions in Aluminium Company of America, Buhrmann-Tetterode, KNP BT Packaging and Tenneco Packing. Currently, Mr. Houben is member of the supervisory board of TKH Group N.V.

Pim Oomens

Executive Vice President of the Management Board and Chief Financial Officer. Pim Oomens (1956) has been Executive Vice President of the Management Board and Chief Financial Officer of the company since September 2005. He joined the Management Board as Chief Financial Officer of Wavin B.V. in April 2004. Mr. Oomens earned a Master of Business Economics degree from Erasmus University Rotterdam (The Netherlands) and an MBA from INSEAD, Fontainebleau (France). Mr. Oomens started his career as a financial analyst with General Electric in both the United States and The Netherlands. Afterwards, he worked in various senior management positions in Asia Pacific and was Chief Financial Officer and member of the Management Board of the listed Dutch food company Numico before joining us in 2004.

Henk ten Hove

Executive Vice President of the Management Board. Henk ten Hove (1952) has been Executive Vice President of the Management Board since September 2005. He became Senior Vice President of Wavin B.V. in January 1999 and member of Wavin B.V.'s Management Board in March 2002. Mr. Ten Hove has a Master of Business Economics degree from the University of Amsterdam. He started his career as the head of planning for public works for the municipality of Lelystad, The Netherlands. Mr. Ten Hove joined us in 1982 as financial controller and has since held a number of positions within the group such as Managing Director of Wavin Films and Wavin Germany. Previously, Mr. Ten Hove

was President of the European Plastic Pipe and Fitting Association (2001 – 2004) and member of the supervisory board of De Rollepaal B.V. (1999 – 2001).

Andy Taylor

Executive Vice president of the Management Board. Andy Taylor (1955) has been Executive Vice President of the Management Board since September 2005. Mr. Taylor has a Master degree in English Language & Literature from the University of Edinburgh. He started his career as management trainee with Cape Group. Mr. Taylor followed an international commercial career, holding various senior and general management positions with Dana Corporation, GKN Autoparts, TRW Fasteners Europe and Textron. In 1995 he became Managing Director of Textron Fastening Systems in the UK and in June 1999 Managing Director of Hepworth.

Supervisory Board

Powers, Composition and Functioning

Our Supervisory Board is responsible for supervising the conduct and policy of, and providing advice to, the Management Board and supervising our business generally. In performing its duties, the Supervisory Board is required to act in the interests of our business as a whole. The members of the Supervisory Board are not authorised, however, to represent us in dealings with third parties.

Our Articles of Association provide that the General Meeting appoints members of the Supervisory Board, subject to the right of the Supervisory Board to make a non-binding nomination to appoint a Supervisory Board member. In such event the General Meeting may resolve, by a resolution passed with an absolute majority of the votes cast to appoint the candidate nominated by the Supervisory Board. A resolution of the General Meeting to appoint members of the Supervisory Board, other than pursuant to the non-binding nomination of the Supervisory Board, requires an absolute majority of the votes cast representing more than 50% of our issued share capital.

Our Articles of Association provide that the number of members of the Supervisory Board will be determined by the Supervisory Board and will consist of a minimum of three members. Members of the Supervisory Board are appointed for a maximum term of four years, provided, however, that unless such member of the Supervisory Board has resigned at an earlier date, his term of office shall lapse on the day of the annual General Meeting to be held in the fourth year after the year of his appointment. An appointment can be renewed for two additional periods of not more than four years at a time. The members of the Supervisory Board retire periodically in accordance with a rotation plan to be prepared by the Supervisory Board. The Supervisory Board appoints a chairman and a deputy chairman from amongst its members.

Our Articles of Association provide that the General Meeting may suspend and dismiss Supervisory Board members at any time. Under our Articles of Association, a resolution of the General Meeting to suspend or dismiss members of the Supervisory Board pursuant to a proposal by the Supervisory Board requires an absolute majority of the votes cast. A resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board other than pursuant to a proposal of the Supervisory Board requires an absolute majority of the votes cast representing more than 50% of our issued share capital.

Members of the Supervisory Board

Our Supervisory Board consists of the following five members:

Name	Age	Position	Member Since	Term
Paul van den Hoek	70	Chairman of the Supervisory Board	2005[1]	2011
Brian Hill	64	Member of the Supervisory Board	2005[2]	2013
René Kottman	63	Member of the Supervisory Board	2006[3]	2010
Birgitta Stymne Göransson . . .	51	Member of the Supervisory Board	2007[4]	2012
Robert Ruijter.	58	Member of the Supervisory Board	2007[5]	2012

(1) Non-independent member of the Supervisory Board, a member of the Supervisory Board of Wavin B.V. since 1999 and re-appointed at the annual General Meeting on 20 April 2007.

(2) Independent member of the Supervisory Board. Re-appointed at the annual General Meeting on 22 April 2009.

(3) Independent member of the Supervisory Board.

(4) Independent member of the Supervisory Board.

(5) Independent member of the Supervisory Board.

Our registered address serves as the business address for all members of the Supervisory Board.

Paul van den Hoek

Chairman of the Supervisory Board. Paul van den Hoek (1939) has been Chairman of our Supervisory Board since September 2005. He assumed the position of Chairman of the Supervisory Board of Wavin B.V. in May 1999. Mr. Van den Hoek was partner at the international law firm Stibbe until 1 March 2009. Mr. Van den Hoek currently holds the following supervisory board memberships: chairman of the supervisory board of AON Groep Nederland B.V. His former supervisory board memberships include, amongst others, chairman of the supervisory board of Ballast Nedam N.V. (1988 – 2005), chairman of the supervisory board of Corporate Express N.V. (1993 – 2007), chairman of the supervisory board of ASM International N.V. (1981 – 2009), member of the supervisory board of Euronext N.V. (2002 – 2006) and member of the supervisory board of Robeco N.V. (1990 – 2008).

Brian Hill

Member of the Supervisory Board. Brian Hill (1944) has been a member of our Supervisory Board since September 2005. Mr. Hill had a thirty-three year career with CRH Plc, a leading building materials group, his last position being Group Managing Director of Products & Distribution. Since his retirement at the end of 2004, he has acted as an advisor and consultant in the engineering and building & construction sectors. He is currently a non-executive director at Kingspan Plc. His former board memberships include Unidare Plc. (2004 – 2006) and Intergamma B.V. (1995 – 2005).

René Kottman

Member of the Supervisory Board. René Kottman (1945) has been a member of our Supervisory Board since October 2006. Mr. Kottman has previously been the chairman of the management board of Ballast Nedam N.V. and chief executive officer of Berenschot Groep B.V. Mr. Kottman is chairman of the supervisory board of Delta Lloyd N.V., chairman of the supervisory board of Warmtebedrijf Rotterdam N.V., chairman of the supervisory board of Keyrail B.V., chairman of the supervisory board of Altera Vastgoed N.V., chairman of MCA Gemini Hospital Group and member of the supervisory boards of Delta Lloyd Bank N.V., De Baak Management Development Centre and NMC-Nijsse International B.V. Mr. Kottman's former board memberships include: chairman of the supervisory board of Hermeta Groep B.V. (1988 – 2005), chairman of the supervisory board of Business Creation B.V. (1991 – 2001), chairman of the supervisory board of Psychiatric Hospital Castricum (1995 – 2002) and member of the supervisory board of Stichting Exploitatie Nederlandse Staatsloterij (1996 – 2007).

Birgitta Stymne Göransson

Member of the Supervisory Board. Birgitta Stymne Göransson (1957) has been a member of our Supervisory Board since December 2007. Mrs. Stymne Göransson is currently chief executive officer of Semantix AB. She also is currently member of the supervisory boards of Kontakt East Holding AB, Arcus ASA, Lernia AB and Elektra AB.

Robert Ruijter

Member of the Supervisory Board. Robert Ruijter (1951) has been a member of the Supervisory Board since December 2007. Mr. Ruijter is currently interim chief financial officer of ASM International N.V. Mr. Ruijter has previously been the chief financial officer of Nielsen Company B.V. (formerly known as VNU N.V.). His former board memberships include: member of the supervisory boards of Transavia Airlines B.V. and Kenya Airways Ltd.

Supervisory Board Committees

The Supervisory Board currently has two specialised committees: the Audit and Investment Committee and the Remuneration, Appointment and Corporate Governance Committee.

Audit and Investment Committee

The Audit and Investment Committee assists the Supervisory Board in monitoring the systems of internal controls, the integrity of the financial reporting process and the content of our financial statements and reports and in assessing and mitigating our business and financial risks. Furthermore, it renders advice to the Supervisory Board on large capital projects with a value of more than €2.5 million and acquisitions with a value of more than €5 million and, approves all medium sized investments with a value between €1 million and €2.5 million. The Audit and Investment Committee focuses on supervising the activities of the Management Board with respect to:

- the operation of the internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the operation of codes of conduct;
- the provision of financial information by us (choice of accounting policies, application and assessment of the effects of new rules, information about the handling of estimated items in the annual accounts, forecasts, work of external auditors, etc.);
- compliance with recommendations and observations of external auditors;
- our policy on tax planning;
- relations with the external auditor, including, in particular, his independence, remuneration and any non-audit services for us;
- the financing of us;
- the applications of information and communication technology (ICT); and
- material investments considered by us.

The role and responsibility of the Audit and Investment Committee as well as the composition and the manner in which it discharges its duties are set out in rules for the Audit and Investment Committee.

The members of the Audit and Investment Committee are: Mr. Hill (Chairman), Mrs. Stymne Göransson and Mr. Ruijter.

The Audit and Investment Committee shall meet as often as one or more members of the Audit and Investment Committee request, but, in any event, will meet at least once a year without the presence of the Management Board and at least once a year with our external accountant.

Remuneration, Appointment and Corporate Governance Committee

The Remuneration, Appointment and Corporate Governance Committee advises the Supervisory Board on the remuneration of the members of the Management Board and monitors our remuneration policy. In particular, the Remuneration, Appointment and Corporate Governance Committee advises the Supervisory Board on the selection criteria and appointment procedures for members of the Management Board and members of the Supervisory Board as well as the proposals for appointments and reappointments, the policy of the Management Board on selection criteria and appointment procedures for senior management and the assessment of the functioning of individual members of the Supervisory Board and the Management Board. Furthermore, it renders advice to the Supervisory Board on our corporate governance structure.

The duties of the Remuneration, Appointment and Corporate Governance Committee include:

- drafting a proposal to the Supervisory Board for the remuneration policy to be pursed;
- drafting a proposal for the remuneration of the individual members of the Management Board, for adoption by the Supervisory Board;
- preparing the remuneration report as referred to in best practice provision II.2.9 of the Code;
- drawing up selection criteria and appointment procedures for Supervisory Board members and Management Board members;
- periodically assessing the size and composition of the Supervisory Board and the Management Board, and making a proposal for a composition profile of the Supervisory Board;
- periodically assessing the functioning of individual Supervisory Board members and Management Board members, and reporting on this to the Supervisory Board;
- making proposals for appointments and reappointments;
- supervising the policy of the Management Board on the selection criteria and appointment procedures for senior management; and
- monitoring corporate governance developments.

The role and responsibility of the Remuneration, Appointment and Corporate Governance Committee as well as the composition and the manner in which it discharges its duties are set out in rules for the Remuneration, Appointment and Corporate Governance Committee.

The members of the Remuneration, Appointment and Corporate Governance Committee are: Mr. Van den Hoek (Chairman) and Mr. Kottman.

The Remuneration, Appointment and Corporate Governance Committee shall meet as often as one or more members of the Remuneration, Appointment and Corporate Governance Committee request, but, in any case, at least once a year.

Remuneration and Equity Holdings

The Supervisory Board establishes the remuneration of the individual members of the Management Board, in accordance with the Management Board remuneration policy as adopted by the General Meeting. The Supervisory Board presents to the General Meeting for approval any scheme providing for the remuneration of the members of the Management Board in the form of shares or options.

Management Board

The total remuneration costs in relation to our Management Board in 2008 amounted to €2,061,809.

2008 Management Board Remuneration Information

The following table sets forth the remuneration costs (in euros) in relation to the members of the Management Board in 2008:

Name	Remuneration	Employer's pension contributions	Annual Bonus	Long Term Incentive Plan	Car and other Benefits	Social security	Total
Philip Houben . . .	442,989	127,603	-	10,279	55,089	2,468	638,428
Pim Oomens	318,610	78,567	30,268	8,090	33,459	5,079	474,073
Henk ten Hove . . .	329,437	71,003	31,296	7,998	35,994	2,468	478,196
Andy Taylor[1]	287,002	75,623	31,402	-	27,917	49,168	471,112
Total	1,378,038	352,796	92,966	26,367	152,459	59,183	2,061,809

(1) Mr. Taylor's remuneration is paid in pound sterling. In the above table his remuneration has been converted into euro using a 2008 average exchange rate of £0.79548 per €1.00.

Supervisory Board

In 2008, the Chairman of the Supervisory Board received remuneration of €52,000 and each of the other four members received remuneration of €37,000.

Equity Holdings

At the Publication Date, the number of ordinary shares owned by members of our Supervisory Board and our Management Board and the number of Conditional Shares and maximum number of Conditional Options granted to members of our Management Board (see "– Participation Plans – Long Term Incentive Plan") are as follows:

Name	Number of ordinary shares owned[1]	Number of Conditional Shares granted	Maximum number of Conditional Options granted
Paul van den Hoek	54,139	-	-
Brian Hill	27,070	-	-
Philip Houben	543,006	5,006	30,036
Pim Oomens.	421,924	7,801	46,800
Henk ten Hove	422,100	7,887	47,319
Andy Taylor	355,550	-	-
Total	1,823,789	20,694	124,155

(1) A number of the ordinary shares owned by some members of our Management Board have been acquired under the Long Term Incentive Plan and are therefore still subject to a lock-up. See "– Participation Plans – Long Term Incentive Plan".

Pension, retirement or similar benefits

The total amount incurred by us to provide pension, retirement or similar benefits to the members of our Management Board in relation to the financial year 2008 is €352,796, and is included in the remuneration table in "– Remuneration and Equity Holdings – 2008 Management Board Remuneration Information" above.

Employment Agreements and Severance Agreements

Set out below is a summary of the termination provisions included in the employment agreements of the members of the Management Board. Currently, no other service contracts, other than

those described below, exist which provide benefits to members of the Supervisory Board and the Management Board upon termination of service.

Management Board

Unless otherwise terminated, the employment agreement with our President and Chief Executive Officer, Mr. Houben, will expire at the moment that Mr. Houben reaches the age of 62. The employment agreement may be terminated by us with a notice period of six months and by Mr. Houben with a notice period of three months. Upon unfair dismissal, Mr. Houben will be entitled to twelve months salary, except in the situation that the employment agreement terminates because of Mr. Houben reaching the age of 62. The employment agreement with Mr. Houben includes a change of control provision which entitles him to a compensation payment equal to twelve months salary if his employment agreement is terminated on the basis of the change of control provision.

Unless otherwise terminated, the employment agreement with our Executive Vice President and Chief Financial Officer, Mr. Oomens, will expire at the moment that Mr. Oomens reaches the age of 62. The employment agreement may be terminated by us with a notice period of three months and by Mr. Oomens with a notice period of three months. Upon unfair dismissal, Mr. Oomens will be entitled to two months salary per year of service with a maximum of twelve months, except in the situation that the employment agreement terminates because of Mr. Oomens reaching the age of 62. The employment agreement with Mr. Oomens includes a change of control provision which entitles him to twelve months salary if his employment agreement is terminated on the basis of the change of control provision.

Unless otherwise terminated, the employment agreement with our Executive Vice President Mr. ten Hove will expire at the moment that Mr. ten Hove reaches the age of 62. The employment agreement may be terminated by us with a notice period of six months and by Mr. ten Hove with a notice period of six months. Upon unfair dismissal, Mr. ten Hove will be entitled to a severance payment according to Dutch labour law, except in the situation that the employment agreement terminates because of Mr. ten Hove reaching the age of 62. The employment agreement with Mr. ten Hove includes a change of control provision which entitles him to twelve months salary if his employment agreement is terminated on the basis of the change of control provision.

Unless otherwise terminated, the employment agreement with our Executive Vice President Mr. Taylor will expire at the moment that Mr. Taylor reaches the age of 65. The employment agreement may be terminated by us with a notice period of twelve months and by Mr. Taylor with a notice period of six months. Upon unfair dismissal, Mr. Taylor will be entitled to a separate severance payment according to English labour law.

Other Information Relating to Members of the Supervisory Board and the Management Board

With respect to each of the members of the Supervisory Board and the Management Board, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Management and Supervisory Bodies Conflicts of Interest

Other than the fact that (i) one member of our Supervisory Board is "not independent" pursuant to the Code and (ii) except as disclosed in "Principal Shareholders and Related Party Transactions – Related Party Transactions", we are not aware of any potential conflicts of interests between the private interests or other duties of the members of our Supervisory Board and our Management Board and their duties and responsibilities to us.

Directors Indemnification and Insurance

Under Dutch law, members of the Management Board and the Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, Supervisory Board and certain other officers of the Company and its subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers.

Our Articles of Association provide for an indemnity for any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) in his current or former capacity as member of the Supervisory Board or the Management Board, provided that such person acted in good faith and in a manner which he reasonably believed to be in or not opposed to our best interests. However, this indemnification shall not apply in the case of (i) the Supervisory Board's or the Management Board's members' gross negligence or willful misconduct as determined by a non-appealable judgment, unless a court determines that, in view of all circumstances, an indemnification against such liabilities and expenses is fair and reasonable or (ii) reimbursement of the costs and losses by our insurance company under any insurance.

Employees

As at 31 March 2009, we had 6,725 employees worldwide, including 1,594 in the UK and Ireland, 1,261 in North West Europe, 788 in Nordic Europe, 1,317 in Central and Eastern Europe, 861 in South East Europe and 637 in South West Europe. Our employees are classified as follows: sales & marketing, business development, manufacturing, logistics, technology, engineering, quality, finance, IT, human resources, and legal and communication.

We had an average of 7,069 FTEs in 2006, 7,308 in 2007 and 7,867 in 2008.

Trade Union Relations and Works Councils

In The Netherlands, we have concluded a company collective bargaining agreement (*collectieve arbeidsovereenkomst*) with the trade unions which applies to the Company's and its subsidiaries' employees in The Netherlands, with the exception of EuroCeramic B.V.'s employees to which a separate collective bargaining agreement applies. The company collective bargaining agreement applies to our former subsidiaries in The Netherlands as well.

We have established an employee representative body at group level called the Wavin European Consultative Council ("**WECC**"). The WECC meets periodically with the Management Board to discuss general policy issues of strategic and group wide nature at the pan-European level, and is informed and consulted regarding transnational matters with relevance to our employees. The WECC is competent for specific social measures which the Management Board is preparing in exceptional circumstances as a consequence of its business, financial, commercial and technological decisions, and which are likely to significantly affect employees' interests in at least two of the countries covered by the present agreement.

We have works councils in The Netherlands at the level of all of our operating subsidiaries, as well as a Central Works Council. A works council is a representative body of employees of a Netherlands enterprise elected by the employees. The management board of any company that has an enterprise with a works council, must seek the non-binding advice of the works council before taking certain decisions with respect to the enterprise, such as those related to a major restructuring, a change of control, or the appointment or dismissal of a member of the board of management. If the decision to be taken is not in line with the advice of the works council, the implementation of the relevant decision must be suspended for one month, during which period the works council may appeal against the decision at the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het*

Gerechtshof te Amsterdam, the "**Enterprise Chamber**"). Certain other decisions directly involving employment matters that apply either to all employees or to certain groups of employees, may only be taken with the works council's consent. In the absence of such prior consent, the decision may nonetheless be taken with the prior consent of the Subdistrict Section of the District Court (*sector kanton van de arrondissementsrechtbank*).

We also have employee representative bodies at the level of a number of our subsidiaries outside The Netherlands.

We consider our relationships with the WECC, the Central Works Council and our various other works counsels and employee representative bodies to be good.

Participation Plans

We are currently operating the following participation plans:

Long Term Incentive Plan

At the extraordinary General Meeting on 11 December 2007, our shareholders approved a new long term incentive plan in respect of our senior management (including the members of the Management Board) (the "**Long Term Incentive Plan**").

Eligible employees can, on a voluntary basis, elect to invest up to 50% of their individual gross annual bonus in our ordinary shares. Such an eligible employee (the "**Participant**") will then be granted (i) the right to receive one conditional matching share (the "**Conditional Share**") for each two ordinary shares purchased and (ii) a maximum of three conditional performance options (the "**Conditional Options**") for each ordinary share purchased.

The purchased ordinary shares are subject to a mandatory lock-up period of five years.

The Conditional Shares will be transferred to the Participant after three years of the date of grant, provided that the Participant is still employed by us (the "**Vesting Period**"). In such an event, however, the Conditional Shares still need to be retained by the Participant for another two years as a result of a lock-up. The Participant is entitled to receive dividends accruing to the purchased ordinary shares during the entire lock-up period. No dividends are, however, distributed in respect of the Conditional Shares before the end of the Vesting Period.

The Participant will also be granted a maximum of three Conditional Options for each ordinary share purchased. Conditional Options lapse after seven years of the date of grant. The vesting period of the Conditional Options is four years and the subsequent exercise period is three years. The definitive number of Conditional Options to be granted is dependent on the EBITDA growth realised during the four-year vesting period. The Conditional Options can only be exercised if the Participant is still employed by us at the moment of vesting. Upon exercise of the Conditional Options, the Participant will receive an equivalent number of ordinary shares in us.

The ordinary shares necessary to fulfil our current obligations under the Long Term Incentive Plan are currently held by the foundation Stichting Management Wavin (see "Principal Shareholders and Related Party Transactions – Related Party Transactions").

IPO Share Bonus Plan

On the date of completion of our initial public offering, 12 October 2006 (the "**IPO Date**") certain of our employees, with the exception of employees who were holding shares in us at the IPO Date, were granted the right to participate in a share based bonus plan (the "**IPO Share Bonus Plan**"). The IPO Share Bonus Plan was operated and financed by our shareholder Stichting Werknemersbinding Wavin.

The total number of ordinary shares allocated to our eligible employees under the IPO Share Bonus Plan has been 101,250. The last tranche of 74,500 ordinary shares under the IPO Share Bonus

Plan was transferred to the eligible employees on 1 July 2009. At the Publication Date, there are no more outstanding rights to receive ordinary shares under the IPO Share Bonus Plan.

Pension Schemes

We operate defined contribution and defined benefit plans in several jurisdictions in which we operate.

Our wholly owned subsidiaries in Norway, Ireland, UK, Germany, France, Italy and The Netherlands operate a defined benefit plan. All our other wholly owned subsidiaries operate a defined contribution plan and retain a responsibility towards payment of the contributions.

With the exception of EuroCeramic B.V., our wholly owned subsidiaries in The Netherlands operate a defined benefit plan and retain a responsibility towards payment of the agreed contributions. The defined benefit schemes of EuroCeramic B.V are outsourced to an insurance company.

Our wholly owned subsidiaries in the UK and Ireland operate a defined benefit plan and retain a responsibility towards payment to the members of the pension fund including the indexation of the pension rights of pensioners after retirement. New UK employees have been offered to participate in a defined contribution plan since July 2005.

Our wholly owned subsidiary in Germany has a lump sum arrangement which will be paid to the member upon retirement and in the event of an insolvency of the insurance or reinsurance company connected to the pension arrangement in Germany, we would be liable for paying any outstanding lump-sum amount to qualified employees.

We are subject to deficit liability in several of our defined pension benefit plans. Details of deficits as at 31 December 2008 are set out in our audited consolidated financial statements ended 31 December 2008.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As at the date of this Prospectus, 81,251,410 ordinary shares were issued and outstanding. Under the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an interest in our capital or voting rights must immediately give written notice to the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person meets, exceeds or falls below the following thresholds: 5.0%, 10.0%, 15.0%, 20.0%, 25.0%, 30.0%, 40.0%, 50.0%, 60.0%, 75.0% and 95.0% Once in every calendar year, every holder of an interest in our share capital or voting rights of 5.0% or more must renew its notification to reflect changes in the percentage held in our share capital or voting rights, including changes as a consequence of changes in our total issued share capital.

The following table sets forth information regarding the beneficial ownership of our ordinary shares by each beneficial holder of 5% or more of the ordinary shares as of the date of this Prospectus. The percentages indicate the percentage of the outstanding shares held by each shareholder. All holders of ordinary shares are entitled to one vote per ordinary share.

Name of beneficial holder of ordinary shares	Percentage (%) of ordinary shares outstanding
Julius Baer Multipartner SICAV	5.83%
ASR Nederland N.V.	5.43%
Navitas B.V.	5.18%
Aviva plc	5.00%
Beheersmaatschappij Breesaap B.V.	5.00%

See "Plan of Distribution – Commitments of Principal Shareholders" for a description of the commitments of some of the principal shareholders set out above to participate in the Offering through the exercise of SETs.

As a result of the Offering, the current ownership of our share capital and voting rights of our shareholders may change significantly. See "Description of Share Capital and Corporate Governance – Authorised and Issued Share Capital".

Related Party Transactions

Stichting Management Wavin

On 3 July 2009, we transferred 270,374 ordinary shares that we held in our own capital to the foundation Stichting Management Wavin. These ordinary shares were held by us to fulfil the obligations under the Long Term Incentive Plan. As a result of the transfer of the 270,374 ordinary shares, the foundation Stichting Management Wavin will be responsible to us for fulfilling our obligations under the Long Term Incentive Plan. The management board of Stichting Management Wavin consists of two of the members of our Management Board, Mr. Houben and Mr. Oomens.

See also "Management and Employees – Participation Plans – Long Term Incentive Plan" and "Description of Share Capital and Corporate Governance – Share Capital – Authorised and Issued Share Capital".

Information regarding transactions with related parties (defined for this purpose by the rules adopted under Regulation (EC) n. 1606/2002) is set out below for the period covered by our audited consolidated financial statements for the years ended 31 December 2008, 2007 and 2006, which are incorporated herein by reference, until the Publication Date. Transactions with related parties during the past three financial years have been through ordinary course, arm's length bases.

Stichting Werknemersbinding Wavin

The foundation Stichting Werknemersbinding Wavin, which was a holder of ordinary shares in us, was operating our IPO Share Bonus Plan. The management board of Stichting

Werknemersbinding Wavin consists of two of the members of our Management Board, Mr. Houben and Mr. Oomens. The IPO Share Based Plan was fully financed by Stichting Werknemersbinding Wavin, however, as it qualified as a share based payment plan under IFRS 2 all costs relating to Stichting Werknemersbinding Wavin were charged to our income statement as non-recurring costs.

See "Management and Employees – Participation Plans – IPO Share Bonus Plan".

Stichting Preferente Aandelen Wavin

For a discussion of the Stichting Preferente Aandelen Wavin, see "Description of Share Capital and Corporate Governance – Share Capital – Protective Preference Shares and Stichting Preferente Aandelen Wavin".

Certain agreements in respect of the financing of day-to-day expenses of the Foundation have been entered into by us and the Foundation.

Other Related Party Transactions

We have entered into various agreements with companies within our group (including joint ventures) in respect of the purchase and sale of goods, development and intra-group services. These transactions have been through ordinary course and at arm's length bases.

Management Board and Supervisory Board

The security holdings of our Management Board and Supervisory Board are described above in "Management and Employees – Remuneration and Equity Holdings – Equity Holdings".

All members of the Management Board and Supervisory Board who are holders of ordinary shares in us have expressed their intention to participate in the Rights Offering, subject to available funds.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

We are a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law. We are registered with the Trade Register of the Chamber of Commerce of Zwolle, The Netherlands under number 05078970. Our corporate seat is in Zwolle, The Netherlands. Our business address is Stationsplein 3, 8011 CW, Zwolle, The Netherlands (tel: +31 38 42 94 911).

We were initially incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), by deed executed on 8 August 2005, before a legal substitute of Mr. R.J.C. van Helden, Civil Law Notary at Amsterdam, The Netherlands and converted into a public company with limited liability (*naamloze vennootschap*) by deed of conversion and amendment on 22 September 2006, before Mr. P.H.N. Quist, Civil Law Notary at Amsterdam, The Netherlands. The declaration of no objection of the Minister of Justice (*verklaring van geen bezwaar*) to that conversion and amendment was issued on 1 September 2006, number N.V. 1333241.

Our General Meeting resolved on 3 July 2009 to amend our Current Articles whereby our authorised share capital will be increased in connection with the Offering. We expect to effectuate this amendment by means of a notarial deed of amendment (the "**Deed of Amendment**") to be executed on the Closing Date. See "– Share Capital – Authorised and Issued Share Capital" for a discussion of the consequences of the Deed of Amendment for our authorised share capital.

Set out below is a summary of certain relevant information concerning our share capital and certain significant provisions of Dutch corporate law and a brief summary of certain provisions of our Articles of Association, being our articles of association as they will read after the expected execution of the Deed of Amendment. Where there is a significant difference between the Articles of Association and the Current Articles this will be briefly described.

This summary does not purport to give a complete overview and should be read in conjunction with our Current Articles, our Articles of Association, or with relevant provisions of Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such. The full text of our Current Articles, Deed of Amendment and Articles of Association are available, in Dutch and English, at our registered offices in Zwolle during regular business hours. These documents shall also be made available in Dutch and English, on our website: www.wavin.com. See "General Information".

Corporate Purpose

Pursuant to Article 3 of our Articles of Association, our corporate purposes are:

- to participate in, finance, collaborate with and conduct the management of companies and other enterprises and provide advice and other services;
- to acquire, use and assign industrial and intellectual property rights and real property;
- to invest funds; and
- to provide security for the obligations of legal persons or of other companies with which we are affiliated in a group or for the obligations of third parties; as well as to do anything related to or conducive to the foregoing.

Share Capital

Authorised and Issued Share Capital

Under our Current Articles, our authorised capital amounts to €12,800,000 and is divided into 128,000,000 ordinary shares, each with a nominal value of €0.05 and 128,000,000 protective preference shares, each with a nominal value of €0.05.

At the date of this Prospectus, our issued and outstanding share capital amounts to 81,251,410 ordinary shares. As per 31 March 2009, the date of our last published financial information, 270,845 of the issued and outstanding ordinary shares are held by us and the total book value of these ordinary shares held by us as per 31 March 2009 is €668,987 (see the unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, incorporated by reference into this Prospectus). At the Publication Date, we hold no shares in our own capital (see also "Principal Shareholders and Related Party Transactions – Related Party Transactions". All shares that are issued and outstanding at the date of this Prospectus are fully paid up.

Under our Articles of Association, as a result of the execution of the Deed of Amendment, we will have an authorised capital amounting to €71,000,000 and divided into the following classes of shares:

- 710,000,000 ordinary shares, each with a nominal value of €0.05; and
- 710,000,000 protective preference shares, each with a nominal value of €0.05.

Authorised	**As of 31 December 2006**	**As of 31 December 2007**	**As of 31 December 2008**	**As of 31 March 2009**	**Immediately after execution of the Deed of Amendment**	**Immediately after the Offering**
Ordinary Shares	128,000,000	128,000,000	128,000,000	128,000,000	710,000,000	710,000,000
Protective Preference Shares	28,000,000	128,000,000	128,000,000	128,000,000	710,000,000	710,000,000

Issued	**As of 31 December 2006**	**As of 31 December 2007**	**As of 31 December 2008**	**As of 31 March 2009**	**Immediately after execution of the Deed of Amendment**	**Immediately after the Offering**
Ordinary Shares	77,650,764	78,766,116	80,769,090	80,769,090	81,251,410	406,257,050
Protective Preference Shares	0.00	0.00	0.00	0.00	0.00	0.00

Dilution

A shareholder who exercises the total number of SETs granted to it with respect to the Offer Shares and, accordingly, subscribes to the number of Offer Shares offered to it in the Offering, will not suffer dilution as a result of the Offering upon its completion.

As a result of the Offering, we will issue 325,005,640 new ordinary shares, which will result in a dilution of 80% for any shareholder not subscribing for Offer Shares through the exercise of the SETs granted to it.

Form of Shares

All our ordinary shares are registered shares and are entered into a collection deposit *(verzameldepot)* and/or giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act (*Wet Giraal Effectenverkeer*). The affiliated institutions (*aangesloten instellingen*), as defined in the Securities Giro Act, are responsible for the management of the collection deposit and Euroclear Nederland (Herengracht 459-469, 1017 BS Amsterdam, The Netherlands), being the central institute (*Centraal Instituut*) for the purposes of the Dutch Securities Giro Act, will be responsible for the management of the giro deposit.

Protective Preference Shares and Stichting Preferente Aandelen Wavin

We have granted the Foundation the right to acquire protective preference shares from us. The Foundation was incorporated on 12 October 2006. The purpose of the Foundation is to safeguard our interests and those of our subsidiaries and to protect, insofar as it is possible, our continuity and corporate identity. The Foundation is independent within the meaning of part c of the first subsection of Section 5:71 of the Dutch Financial Supervision Act.

Our protective preference shares form an instrument of protection against, amongst others, hostile takeovers. In line with guidance from the Code, we believe that the issuance of protective preference shares may help us to determine our position in relation to a bidder and its plans, and to seek alternatives. The issue of protective preference shares is meant to be temporary. Unless the protective preference shares have been issued by a vote of the General Meeting, our Articles of Association require that a General Meeting be held within twelve months after the issue of protective preference shares to consider their cancellation or repurchase. At such General Meeting, the Foundation shall vote all protective preference shares held by it in favour of the proposed resolution to cancel or to repurchase the protective preference shares. In the period between the adoption by the General Meeting of the resolution to cancel or to repurchase the protective preference shares and the actual cancellation or repurchase of the protective preference shares, the Foundation shall not take any action which may result in the frustration of a takeover bid or which may impede a third party acquiring or exercising control over us. If the General Meeting does not thereby resolve to repurchase or cancel the protective preference shares, a General Meeting will be held every twelve months thereafter for as long as protective preference shares remain outstanding.

Under the terms of an agreement that has been entered into between us and the Foundation (the "**Foundation Agreement**"), we have granted the Foundation a call option (the "**Call Option**") entitling it to acquire from us protective preference shares up to a maximum of 100% of our total issued and outstanding share capital (excluding issued and outstanding protective preference shares) at the time the Call Option is exercised. The Foundation is entitled to exercise the Call Option in one or more tranches. The object clause of the Foundation provides that the objects of the Foundation are to attend to our interest in such manner that our interest and the interests of our business and of all our stakeholders will be guaranteed as much as possible and that influences that might affect the continuity and/or the identity of us and our business in violation of those interests, will be resisted to the maximum of its ability.

Under the terms of the Foundation Agreement, and pursuant to Section 2:345 in conjunction with Section 2:346 paragraph c of the Dutch Civil Code, we have granted the Foundation the right to request the Enterprise Chamber to start an inquiry (*recht van enquête*). Until the Publication Date, the Foundation has not made use of this right.

Under our Articles of Association, we may issue protective preference shares, or grant rights to subscribe for protective preference shares, pursuant to a resolution of the General Meeting upon proposal of the Management Board, subject to the prior approval of the Supervisory Board.

If so designated by the General Meeting, we may issue protective preference shares, or grant rights to subscribe for protective preference shares, pursuant to a resolution of the Management Board, subject to the prior approval of the Supervisory Board. The Management Board must provide a justification for such issue or grant of rights to subscribe for protective preference shares (but not for the issue of protective preference shares by virtue of exercising such an option right) at a General Meeting held within four weeks after the date of issue or grant, unless such explanation has been given at an earlier General Meeting.

No resolution of the General Meeting or the Management Board is required for an issue of protective preference shares pursuant to the exercise of a previously granted right to subscribe for protective preference shares (including the right of the Foundation to acquire protective preference shares pursuant to the Call Option).

Upon the issue of protective preference shares, subscribers for such protective preference shares must pay at least 25% of the nominal value of the protective preference shares.

Under our Articles of Association, each transfer of protective preference shares requires a deed of transfer as well as (except where we are a party thereto) our written acknowledgement of such transfer. Each transfer of protective preferences shares requires the approval of the Management Board, which resolution requires the prior approval of the Supervisory Board.

Pursuant to chapter 5.5 of the Dutch Financial Supervision Act on takeovers bids, each person that can exercise 30% of the voting rights at the General Meeting is obliged to make a public offer. The Foundation holding protective preference shares and entitled to exercise 30.0% of the voting rights or more meets this requirement. However, under Dutch law the Foundation in its current form is exempted from making a mandatory bid provided that (i) it concerns a foundation which is independent from the company whereby the object of the foundation is to act in the interest of the company and (ii) the foundation acquires the shares in order to protect the company after publication of a public bid for a maximum period of two years.

Issue of Shares

Under our Articles of Association we may only issue shares, or grant rights to subscribe for shares, pursuant to a resolution of the General Meeting upon proposal of the Management Board, subject to the prior approval of the Supervisory Board.

Our Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for shares, to the Management Board, subject to the approval by the Supervisory Board. Pursuant to the Dutch Civil Code, the period of delegation may not exceed five years. Such authority may be renewed by a resolution of the General Meeting for a subsequent period of up to five years each time. If not otherwise determined in the resolution, such authority is irrevocable. In the resolution authorising the Management Board, the amount and the class of shares which may be issued must be determined.

On 22 April 2009, our General Meeting resolved to grant the Management Board the irrevocable authority to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of 10% of the outstanding share capital of ordinary shares, with respect to the raising of capital for general purposes, and up to an additional maximum of 10% of the outstanding share capital of ordinary shares with respect to the raising of capital in relation to the financing of possible acquisitions by us, for a period of 18 months from that date (the "**Authority**"). In addition to the Authority, our General Meeting resolved on 3 July 2009 to grant to the Management Board the irrevocable authority to issue ordinary shares, or grant rights to subscribe for ordinary shares for the purpose of the Offering (the "**Offering Authority**").

No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

Pre-Emption Rights

Dutch company law and our Articles of Association in most cases give shareholders pre-emption rights to subscribe on a pro rata basis for any issue of new shares or upon a grant of rights to subscribe for shares. Exceptions to these pre-emption rights include the issue of shares and the grant of rights to subscribe for shares (i) to our employees, (ii) in return for non-cash consideration or (iii) the issue of shares to persons exercising a previously granted right to subscribe for shares. Holders of ordinary shares do not have pre-emption rights with respect to protective preference shares to be issued. Holders of protective preference shares do not have pre-emption rights with respect to ordinary shares to be issued.

A shareholder may exercise pre-emption rights during a period of two weeks from the date of the announcement of the issue or grant. The General Meeting or the Management Board, if so designated by the General Meeting and subject to approval of the Supervisory Board, may restrict the

rights or exclude shareholder pre-emption rights. A resolution by the General Meeting to delegate the authority to exclude or limit pre-emption rights to the Management Board requires a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented. If the General Meeting has not delegated this authority to the Management Board, the General Meeting may itself vote to limit or exclude pre-emption rights and will also require a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the General Meeting.

On 22 April 2009, our General Meeting designated our Management Board as the corporate body competent to limit or exclude the pre-emptive rights in relation to the Authority for a period of 18 months. See "– Share Capital – Issue of Shares" above.

Furthermore, on 3 July 2009, our General Meeting designated our Management Board as the corporate body competent to limit or exclude the pre-emptive rights in relation to the Offering Authority. See "– Share Capital – Issue of Shares" above.

Reduction of Share Capital

Under our Articles of Association, upon a proposal from the Management Board, subject to the approval by the Supervisory Board, the General Meeting may resolve to reduce our issued and outstanding share capital by cancelling our shares, or by amending our Articles of Association to reduce the nominal value of our shares. The decision to reduce our share capital requires a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the General Meeting. The resolution of the General Meeting to reduce our issued and outstanding share capital furthermore requires the approval of the class of shareholders of which the rights are accordingly affected. Such approval requires a majority of at least two-thirds of the votes cast, if less than 50% of the issued share capital of such class of shares is present or represented.

Dividends and Other Distributions

Although we have not formally amended our dividend policy, we will be restricted on the distribution of cash dividends as a result of the restructuring of our credit facilities and pursuant to the Amended Credit Facilities and Forward Start Facility. Under our Amended Credit Facilities, we may not pay any annual or interim cash dividend in excess of €0.01 on any share in our capital until 31 December 2011. However, during that period, we may pay dividends in kind to our shareholders and cash dividends to the Foundation, to enable it to meet its possible future interest payment obligations in connection with borrowings used to subscribe for protective preference shares following the exercising of its right to acquire shares in our capital. Under our Forward Start Facility, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011. This prepayment obligation does not apply if our leverage ratio under the Forward Start Facility is below 2.5 at the time any such cash dividend is declared.

We may only make distributions to our shareholders in so far as our shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by our Articles of Association.

Under our Articles of Association:

- first, a dividend will be distributed on the protective preference shares equal to six months' "EURIBOR" (as published by De Nederlandsche Bank NV (the "**Dutch Central Bank**")) and calculated according to the number of days the rate applied during the financial year to which the distribution relates, plus 2.0% on the amount paid on the protective preference shares. If in a relevant financial year our profit is not sufficient to fully make this distribution, the deficit will be made up from our distributable reserves. In the event that in a relevant financial year our profit and our distributable reserves together are not sufficient to make this distribution, the above will apply for subsequent financial years until the deficit has been cleared;

- second, the Management Board determines, subject to the prior approval of the Supervisory Board, which part of any profit will be reserved; and
- third, the part of the profit remaining after application of the above, will be at the disposal of the General Meeting.

We may only make a distribution of dividends to our shareholders after the adoption of our statutory annual accounts demonstrating that such distribution is legally permitted. The Management Board is permitted however, subject to certain requirements and subject to approval of our Supervisory Board, to declare interim dividends without the approval of the General Meeting.

Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable will lapse and any such amounts will be considered to have been forfeited to us (*verjaring*).

See also "Dividends and Dividend Policy".

Acquisition of Shares in Our Capital

We may acquire our own fully paid shares at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and our Articles of Association, if (i) our shareholders' equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any statutory reserves, (ii) we and our subsidiaries would thereafter not hold shares or hold a pledge over our shares with an aggregate nominal value exceeding 50% of our issued share capital, and (iii) the Management Board has been authorised thereto by the General Meeting.

Authorisation from the General Meeting to acquire our shares must specify the number and class of shares that may be acquired, the manner in which shares may be acquired and the price range within which shares may be acquired. Such authorisation will be valid for no more than 18 months.

Any shares we hold in our own capital may not be voted or counted for voting quorum purposes.

Corporate Governance

General Meetings of Shareholders and Voting Rights

The Annual General Meeting must be held within six months after the end of each financial year. An Extraordinary General Meeting may be convened, whenever our interests so require, by the Management Board or the Supervisory Board. Shareholders representing alone or in aggregate at least one-tenth of our issued and outstanding share capital may, pursuant to Dutch law and our Articles of Association, request that a General Meeting be convened.

The notice convening any General Meeting must include an (i) agenda indicating the items for discussion, as well as any proposals for the agenda, (ii) the place and time of the General Meeting and (iii) the procedure for participation in the General Meeting and the exercise of voting rights in person or by proxy. Shareholders holding at least 1% of our issued and outstanding share capital or shares representing a value of at least €50.0 million according to the Daily Official List may submit proposals for the agenda. Provided we receive such substantiated requests or a proposal for a resolution no later than the 60th day before the General Meeting, and provided that such proposal does not conflict with our general interest, we will have the proposals included in the notice we publish in a national newspaper distributed daily in The Netherlands at least 15 days before the meeting. At the Publication Date, a legislative proposal is pending whereby, *inter alia*, the notice period of a General Meeting may be mandatorily extended to 30 days.

The Management Board may determine a registration date to establish which shareholders are entitled to attend and vote in the General Meeting. Only holders of our shares at such a registration date are entitled to attend and vote in the General Meeting.

Each of our shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any of our shares held by us are suspended as long as they are held in treasury.

Resolutions of the General Meeting are taken by an absolute majority, except where Dutch law or our Articles of Association provide for a qualified majority or unanimity. Matters requiring a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is represented include, among others:

- a resolution of the General Meeting regarding restricting and excluding pre-emption rights or resolution to designate the Management Board as the body authorised to exclude or restrict pre-emption rights;
- a resolution of the General Meeting to reduce our outstanding share capital; and
- a resolution of the General Meeting to have us merge or demerge.

Amendment of our Articles of Association

The General Meeting may resolve to amend our Articles of Association, subject to a proposal by the Management Board which requires the approval of the Supervisory Board.

Dutch Corporate Governance Code

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Dutch Corporate Governance Code (the "**Code**"). The Code contains 21 principles and 113 best practice provisions for managing boards, supervisory boards, shareholders and general meetings of shareholders, as well as financial reporting, auditors, disclosure, compliance and enforcement standards.

Dutch companies listed on a government recognised stock exchange, whether in The Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not they apply the best practice provisions of the Code that are addressed to the management board or supervisory board and, if they do not apply them, to explain the reasons why. The Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

On 10 December 2008, the Dutch Corporate Governance Monitoring Committee, also known as the Frijns Committee, presented an updated version of the Code (the "**New Code**"). The New Code will apply to financial years starting on or after 1 January 2009. Therefore, in general, the New Code will affect neither our annual report for the year ended 31 December 2008 nor our annual General Meeting of 2009. However, various new best practice provisions have already been taken into consideration in respect of our annual report for the year ended 31 December 2008 and, in addition, have been taken into consideration in respect of amending our previous articles of association into our Current Articles. In this section, any reference to "Code" is a reference to the Dutch Corporate Governance Code as released on 9 December 2003 and applicable to financial years ended on, or prior to, 31 December 2008.

We acknowledge the importance of good corporate governance. We agree with the general approach and with the vast majority of the provisions of the Code. However, it has been considered in our interests and the interest of our stakeholders, at this stage, not to apply a limited number of best practice provisions.

We will therefore not (fully) comply with the following best practice provisions:

- we deviate from best practice provision II.2.7, which provides that the maximum remuneration in the event of a dismissal of a Management Board member is one year's base salary. We intend to comply with this best practice provision for such appointments in the future. We are, however, currently bound by the terms of the employment contracts of the current members of the Management Board, which provide severance payment conditions that may exceed the maximum

remuneration under the Code. Upon unfair dismissal, Mr. Houben will be entitled to 12 months' total salary, Mr. Oomens will be entitled to 2 months' total salary per year of service with a maximum of 12 months and Mr. Ten Hove will be entitled to a severance payment, to be calculated in accordance with common practice in Dutch labour law (*kantonrechtersformule*), except in the situation where aforementioned individuals have reached the age of 62. Mr. Taylor will be entitled to a severance payment in line with common practice for employees in our UK operations;

- we deviate from best practice provision III.5.11, which provides that the chairman of a supervisory board cannot also chair the remuneration committee. Since our Chairman of the Supervisory Board is also Chairman of the Remuneration, Appointment and Corporate Governance Committee, we deviate from that best practice provision. We consider the involvement of our Chairman of the Supervisory Board in matters concerning its nomination policy, the appointment of our Management Board and in corporate governance issues of such importance that his chairing of this committee, justifies a deviation from the Code.
- we deviate from best practice provision IV.3.1, which provides that investors can, by way of a conference call, webcasting or otherwise, participate in meetings with analysts, presentations to analysts, presentations to investors and institutional investors and press conferences held and that these meetings shall be announced in advance on our website and by means of a press release. We will partially comply with this best practice provision. We aim to provide all shareholders and other relevant parties in the financial markets with equal and simultaneous information in respect of matters that may influence our share price. There are many meetings with investors, potential investors and analysts during the year. We consider it not to be practical to announce all of these meetings in advance or to provide for all investors to participate in these meetings and presentations in real time. The information presented in these meetings will be restricted to publicly-available material. Investors may listen in on the press and analyst conference call given at the publication of our annual financial statements and our half-yearly financial statements. Recordings of these conference calls and copies of the presentations given to investors and analysts will be made available through our website; and
- we slightly deviate from best practice provision IV.1.1, which provides that the General Meeting may pass a resolution to dismiss a member of our Management Board or of our Supervisory Board by an absolute majority of the votes cast. Under the Code the articles of association of listed companies may provide that this majority should represent a given proportion of the issued share capital, which proportion may not exceed one third. Pursuant to our Articles of Association, a resolution of our General Meeting to dismiss (or suspend) a member of our Management Board or our Supervisory Board, other than pursuant to a proposal of the Supervisory Board, requires an absolute majority of the votes cast representing more than 50% of our issued share capital. We feel that a resolution to dismiss members of our Management Board and Supervisory Board requires that the majority of our shareholders are in favour of such an important decision that may change the continuity in our Management Board and Supervisory Board.

Dissolution and Liquidation

Under our Articles of Association, we may be dissolved by a resolution of the General Meeting, subject to a proposal by the Management Board which requires the approval of the Supervisory Board.

In the event of dissolution, our business will be liquidated in accordance with Dutch law and our Articles of Association and the liquidation shall be arranged by the Management Board under supervision of the Supervisory Board, unless the General Meeting appoints other liquidators. During liquidation, the provisions of our Articles of Association will remain in force as far as possible.

The balance of our remaining equity after payment of debts and liquidation costs will be distributed to the shareholders as follows:

- first, the holders of the protective preference shares will be paid the nominal amount paid on their protective preference shares, increased by (i) any deficit in the payment of dividend whereto the holder of a protective preference share is entitled pursuant to our Articles of Association and (ii) an amount equal to six months' "EURIBOR" (as published by the Dutch Central Bank) plus 2.0% on the compulsory amount paid on the protective preference shares calculated over the period starting on the first day of the last full financial year prior to the liquidation and ending on the day the liquidation payment is made on the protective preference shares, provided that any and all dividends and other distributions made on the protective preference shares in respect of such period shall be deducted from such liquidation payment; and
- second, the remainder will be paid to the holders of ordinary shares, in proportion to the number of ordinary shares that such shareholder holds.

Liability of Directors

Under Dutch law, members of the Management Board and the Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of our Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board, the Supervisory Board and certain other officers of the Company and certain subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers. See also "Management and Employees – Directors Indemnification and Insurance".

Disclosure of Information

As a Dutch company listed on Euronext Amsterdam, we will be required to make our annual financial statements (including the annual report) and our half-yearly financial statements (including the half-yearly report) generally available to the public ultimately within four months and two months, respectively, of the end of the period to which the financial information relates. In addition, we must make generally available an interim management statement during each half-year period. An interim management statement must be made in the period between ten weeks after the beginning and six weeks before the end of the relevant half-year period.

We must also make public certain inside information by means of a press release. Pursuant to the Dutch Financial Supervision Act, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not been made public and publication of which could significantly affect the trading price of the securities. Dutch law contains specific rules intended to prevent insider trading. Pursuant to these rules, we have adopted the Wavin Rules on Insider Trading pursuant to the requirement to have a code of conduct in respect of the reporting and regulation of transactions in our securities.

Obligation of Shareholders to make a Public Offer

Pursuant to chapter 5.5 of the Dutch Financial Supervision Act on takeover bids, a shareholder who has acquired 30% of our voting rights is obliged to launch a public offer for all outstanding shares in our share capital. Shareholders acting in concert who have a combined interest of at least 30% of our voting rights are also obliged to make a public offer. The same applies when one or more shareholders have agreed with the target company to frustrate the public offer.

After a public offer, a holder of at least 95% of the outstanding shares and voting rights has the right to require the minority shareholders to sell their shares to it. Any such request to require the minority shareholders to sell their shares must be filed with the Enterprise Chamber within three months after the end of the acceptance period of the public offer. Conversely, in such a case, each minority shareholder has the right to require the holder of at least 95% of the outstanding shares and

voting rights to purchase its shares. The minority shareholders must file such claim with the Enterprise Chamber within three months after the end of the acceptance period of the public offer.

Squeeze Out Procedures

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for his own account contributes at least 95% of our issued capital may institute proceedings against our other shareholders jointly for the transfer of their shares to the claimant. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he shall also publish the same in a newspaper with a national circulation.

Obligations of Shareholders to Disclose Holdings

Pursuant to the Dutch Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an interest in our capital or voting rights must immediately give written notice to the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person meets, exceeds or falls below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

We are required to notify the AFM of a change immediately if our share capital or voting rights changes 1% or more since our previous notification and each calendar quarter for other changes. The AFM will publish any notification pursuant to the Dutch Financial Supervision Act in a public registry. If as a consequence of such change a person's interest in our capital or voting rights meets or passes the thresholds mentioned in the above paragraph, the person in question must immediately give written notice to the AFM by means of the standard form no later than the fourth trading day after the AFM has published our notification.

Once in every calendar year, every holder of an interest in our share capital or voting rights of 5% or more must renew its notification with the AFM to reflect changes in the percentage held in our share capital or voting rights, including changes as a consequence of changes in our total issued share capital.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must be taken into account: (i) shares (or depositary receipts for shares) directly held (or acquired or disposed of) by any person, (ii) shares (or depositary receipts for shares) held (or acquired or disposed of) by such person's subsidiaries or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement, and (iii) shares (or depositary receipts for shares) which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of, including, but not limited to, on the basis of convertible bonds). Special rules apply to the attribution of shares (or depositary receipts for shares) which are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares (or depositary receipts for shares) can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote on the shares or, in case of depositary receipts, the underlying shares. If a pledgee or usufructarian acquires such (conditional) voting rights, this may trigger the reporting obligations for the holder of the shares (or depositary receipts for the shares).

Furthermore, each member of our Management Board and Supervisory Board must immediately give written notice to the AFM by means of a standard form of any change in his or her holding of shares and voting rights in us.

Pursuant to the section of the Dutch Financial Supervision Act implementing the Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, members of our Management Board and our Supervisory Board, and any other person who has managerial responsibilities or who has the authority to make decisions affecting our future developments and business prospects and who has regular access to inside information relating, directly or indirectly, to us (an "**Insider**"), must notify the AFM of all transactions conducted on his own account relating to our shares or in securities the value of which is determined by the value of our shares.

In addition, persons designated by the Decree on Market Abuse pursuant to the Financial Supervision Act (*Besluit Marktmisbruik Wft*) (the "**Market Abuse Decree**") who are closely associated with members of our Management Board, Supervisory Board or any of the Insiders must notify the AFM of the existence of any transactions conducted for their own account relating to our shares or securities the value of which is determined by the value of our shares. The Market Abuse Decree designates the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date, and (iv) any legal person, trust or partnership, amongst other things, whose managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above.

The AFM must be notified of transactions effected in either our shares or securities, the value of which is determined by the value of our shares, within two days following the transaction date. Notification may be postponed until the date the value of the transactions amounts to €5,000 or more per calendar year.

The AFM keeps a public register of all notifications made pursuant to the Dutch Financial Supervision Act. We are also required to have a code of conduct in respect of the reporting and regulation of transactions in its securities and to draw up a list of persons working for us, under a contract of employment or otherwise, who could have access to inside information, to regularly update this list of persons and to inform persons on this list about the relevant prohibitions and sanctions in respect of insider knowledge and market abuse. In that respect, we have adopted the Wavin Rules on Insider Trading (published on our website http://www.wavin.com).

Non-compliance with the notification obligations under the market abuse obligations laid down in the Dutch Financial Supervision Act may lead to criminal fines, administrative fines, imprisonment or other sanctions.

MARKET INFORMATION

Share Price Information

Our outstanding ordinary shares are traded on Euronext Amsterdam under the symbol "WAVIN". The table below sets forth the high and low and closing prices for the periods and days indicated for our ordinary shares on Euronext Amsterdam as reported by Datastream. The table also includes the average daily trading volume of our ordinary shares on Euronext Amsterdam as reported by Datastream for the periods indicated.

	High	Low	Closing	Average Daily Trading Volume
	(share price in €)			(in '000s of shares)
2006				
4th Quarter[1]	15.21	11.00	14.80	261.0
2007				
1st Quarter	16.69	14.15	14.80	250.0
2nd Quarter	17.86	14.50	17.83	536.4
3rd Quarter	18.62	12.26	12.54	445.0
4th Quarter	14.01	8.40	9.12	672.5
2008				
January	9.12	6.69	7.61	622.1
February	8.75	7.65	7.65	579.0
March	7.90	6.78	7.90	543.5
April	8.30	7.61	7.93	330.4
May	7.96	7.25	7.77	298.3
June	7.82	5.26	5.26	619.1
July	5.62	4.50	5.18	576.6
August	6.25	5.22	5.55	532.7
September	5.88	4.03	4.03	400.0
October	4.14	2.30	2.72	662.5
November	3.57	2.49	2.70	379.9
December	2.85	2.04	2.33	410.9
2009				
January	2.53	2.07	2.50	344.2
February	2.66	2.03	2.20	284.0
March	2.47	1.81	2.47	401.2
April	2.89	2.01	2.14	765.3
May	2.75	2.14	2.30	650.3
June	2.85	2.35	2.85	525.3
1 July	3.10	2.86	3.10	3,254.3
2 July	3.08	2.85	2.92	4,220.7
3 July	2.97	2.72	2.85	1,084.6

(1) 4th Quarter 2006 starting from 12 October 2006, our first trading day on Euronext Amsterdam.

Market Regulation

The market regulator in The Netherlands is the AFM, insofar as the supervision of market conduct is concerned. The AFM has supervisory powers with respect to the application of takeover regulations. It also supervises the financial intermediaries (such as credit institutions and investment

firms) and investment advisors. Pursuant to the implementation of the Prospectus Directive 2003/71/EC in The Netherlands on 1 July 2005, the AFM is the competent authority for approving all prospectuses published for admission of securities to trading on Euronext Amsterdam (except for prospectuses approved in other EEA States that are used in The Netherlands in accordance with applicable passporting rules) and due to the implementation of the Market Abuse Directive and related Commission Directives on 1 October 2005, the AFM has taken over from Euronext Amsterdam its supervisory powers with respect to publication of inside information by listed companies.

The surveillance unit of Euronext Amsterdam will continue to monitor and supervise all trading operations.

TAXATION

Taxation in The Netherlands

General

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, ownership and transfer of Offer Shares and/or SETs. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Offer Shares and/or SETs. Such holders may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Offer Shares and/or SETs. The summary is based upon the tax laws of The Netherlands as in effect on the date of this Prospectus, including official regulations, rulings and decisions of The Netherlands and its taxing and other authorities available in printed form on or before such date and now in effect. These tax laws are subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend investors and shareholders to consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Offer Shares and/or SETs, including, in particular, the application of their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than The Netherlands in connection with the acquisition, ownership and transfer of Offer Shares and/or SETs.

Withholding Tax

This summary does not describe the tax consequences for a holder of the Offer Shares and/or SETs:

- who benefits from the participation exemption (*deelnemingsvrijstelling*), as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), regarding the dividends received on the Offer Shares;
- who is an entity that is a resident or deemed to be a resident of The Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax; or
- who is an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Dividends paid on the Offer Shares to a holder of such Offer Shares are generally subject to withholding tax of 15% imposed by The Netherlands (rate of 2009). Generally, the dividend withholding tax will not be borne by us, but will be withheld by us from the gross dividends paid on the Offer Shares. The term "dividends" for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the nominal value of shares issued to a shareholder or an increase of the nominal value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognised for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the General Meeting has

resolved in advance to make such a repayment and provided that the nominal value of the shares concerned has been reduced by a corresponding amount by way of an amendment of our Articles of Association.

A holder of Offer Shares who is, or who is deemed to be, a resident of The Netherlands can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such holder of Offer Shares is not considered to be the beneficial owner of the dividends.

A holder of Offer Shares, who is the recipient of dividends (the "**Recipient**") will not be considered the beneficial owner of the dividends for this purpose if:

- as a consequence of a combination of transactions, a person other than the Recipient wholly or partly benefits from the dividends;
- whereby such other person retains, directly or indirectly, an interest similar to that in the Offer Shares on which the dividends were paid; and
- that other person is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient ("**Dividend Stripping**").

With respect to a holder of Offer Shares, who is not and is not deemed to be a resident of The Netherlands for purposes of Dutch taxation (including, if he is an individual, a holder who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation) and who is considered to be a resident of The Netherlands Antilles or Aruba under the provisions of the Tax Arrangement for the Kingdom of The Netherlands (*Belastingregeling voor het Koninkrijk*), or who is considered to be a resident of a country other than The Netherlands under the provisions of a double taxation convention The Netherlands has concluded with such country, the following may apply. Such holder of Offer Shares may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Arrangement for the Kingdom of The Netherlands or such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

In addition, subject to certain conditions and based on Dutch legislation implementing the Parent Subsidiary Directive (Directive 90/435/EEG, as amended) an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities that are residents in another EU Member State and that hold an interest of at least 5% of the nominal paid-in capital or, in relation to certain jurisdictions, of the voting power of the distributing entity. Recent case law by the Court of Justice of the European Communities suggests that an exemption of Dutch dividend withholding tax should be available under the same conditions to certain qualifying entities resident within the European Economic Area. Furthermore, certain entities resident in an EU Member States and not subject to tax on their profits in such EU Member State might be entitled to obtain a full refund of Dutch dividend withholding tax provided they would not have been subject to Dutch corporate income tax would they have been resident in The Netherlands.

The concept of Dividend Stripping, described above, may also be applied to determine whether a holder of Offer Shares may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax, as described in the preceding paragraphs.

Taxes on Income and Capital Gains

General

The description of taxation set out in this section of this Prospectus is not intended for any holder of Offer Shares and/or SETs, who:

- is an individual and for whom the income or capital gains derived from the Offer Shares and/or SETs are attributable to employment activities, including a lucrative interest as defined in Section

3.92b of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), the income from which is taxable in The Netherlands;

- holds a Substantial Interest, or a deemed Substantial Interest in us (as defined below);
- is an entity that is a resident or deemed to be a resident of The Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- is an entity for which the income and/or capital gains derived in respect of the Offer Shares and/or SETs are exempt under the participation exemption (*deelnemingsvrijstelling*) as set out in the Dutch Corporate Income Tax Act 1969; or
- is an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Generally a holder of Offer Shares and/or SETs will have a substantial interest in us (a "**Substantial Interest**") if he holds, alone or together with his partner (statutorily defined term), whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. A holder of Offer Shares and/or SETs will also have a Substantial Interest in us if one of certain relatives of that holder or of his partner has a Substantial Interest in us. If a holder of Offer Shares and/or SETs does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

Residents of The Netherlands

Individuals

An individual who is resident or deemed to be resident in The Netherlands, or who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation (a "Dutch Resident Individual") and who holds Offer Shares and/or SETs is subject to Dutch income tax on income and/or capital gains derived from the Offer Shares and/or SETs at the progressive rate (up to 52%) if:

- the holder has an enterprise or an interest in an enterprise (*onderneming*), to which enterprise the Offer Shares and/or SETs are attributable; or
- the holder derives income or capital gains from the Offer Shares and/or SETs that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*, as defined in the Dutch Income Tax Act 2001).

If conditions (i) and (ii) mentioned above do not apply, any holder of Offer Shares and/or SETs who is a Dutch Resident Individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the Offer Shares and/or SETs. The deemed return amounts to 4% of the average of the values of the holder's net assets as per the beginning and as per the end of the relevant calendar year (including, as the case may be, the Offer Shares and/or SETs) insofar as that average exceeds the exempt net asset amount (*heffingvrij vermogen*). The deemed return is taxed at a flat rate of 30% (rate of 2009).

Entities

An entity that is resident or deemed to be resident in The Netherlands (a "Dutch Resident Entity") will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from the Offer Shares and/or SETs. The Dutch corporate income tax rate is 20% for the first €200,000 and 25.5% for taxable income exceeding €200,000 (rates applicable for 2009 and 2010).

Non-Residents of The Netherlands

A person who is not a Dutch Resident Individual or Dutch Resident Entity (a "**Non-Dutch Resident**") who holds Offer Shares and/or SETs is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the income and capital gains derived from the Offer Shares and/or SETs, provided that:

- such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Offer Shares and/or SETs are attributable or deemed attributable;
- in the case of a Non-Dutch Resident who is an individual, such individual does not derive income or capital gains from the Offer Shares and/or SETs that are taxable as benefits from "miscellaneous activities" in The Netherlands (*resultaat uit overige werkzaamheden*, as defined the Dutch Income Tax Act 2001); and
- such Non-Dutch Resident is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Offer Shares and/or SETs or payments in respect of the Offer Shares and/or SETs are attributable.

Gift, Estate or Inheritance Taxes

No Dutch gift, estate or inheritance taxes will be levied on the transfer of Offer Shares and/or SETs by way of gift by or on the death of a holder, who neither is nor is deemed – including based upon request – to be a resident of The Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions;
- the Offer Shares and/or SETs are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in The Netherlands; or
- the holder of such Offer Shares and/or SETs is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Offer Shares and/or SETs are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of The Netherlands if he has been a resident in The Netherlands at any time during the 12 months preceding the date of the gift.

For purposes of Dutch gift, estate and inheritance tax, if an individual transfers the Offer Shares and/or SETs by way of a gift while he is not and is not deemed to be a resident of The Netherlands and dies within 180 days after the date of such gift, while being resident or deemed to be resident in The Netherlands, such Offer Shares and/or SETs are construed as being transferred on the death of such holder.

Value-Added Tax

In general, there is no Dutch value-added tax payable by a holder of Offer Shares and/or SETs in respect of payments in consideration for the Offer of the Offer Shares and/or SETs.

Other Taxes and Duties

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands by a holder of Offer Shares and/or SETs in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Offer Shares and/or SETs.

Residence

A holder of Offer Shares and/or SETs will not become or be deemed to become a resident of The Netherlands solely by reason of holding these Offers Shares and/or SETs.

THE OFFERING

Introduction

We are offering an aggregate of 325,005,640 Offer Shares in the Offering at an Offer Price of €0.70. The total amount of the Offering will be approximately €227 million. Our shareholders as at the Record Date are being granted SETs in the Rights Offering, which will entitle them to subscribe for the Offer Shares, in amounts pro rata to their respective shareholdings and at the Offer Price, provided they qualify as Eligible Persons. Both the Offer Shares and SETs will be created and issued under Dutch law.

After the Exercise Period for the SETs has expired, the Rump Shares will be available for subscription by way of private placements with institutional and professional investors in The Netherlands and certain other jurisdictions. The Rump Offering will be facilitated by the Global Co-ordinators and will be subject to the terms and conditions of the Underwriting Agreement. References herein to the "Offer Shares" include the Rump Shares. The Rump Offering is expected to commence on 17 July 2009 and to end no later than 17:30 (CET) on 17 July 2009.

After the Exercise Period has ended, we will announce the results of the Rights Offering and the commencement of the Rump Offering (if any) by means of a press release. After the Rump Offering has ended, and the allotment of Rump Shares has taken place, we will announce the results of the Rump Offering by means of a press release, including the aggregate number of Rump Shares validly subscribed and paid for, and any Excess Amount to be distributed.

The statutory pre-emptive rights (*voorkeursrechten*) of our shareholders have been excluded with respect to the Offering since we are not taking any action to permit a public offering of the SETs or the Offer Shares in any jurisdiction outside of The Netherlands. Instead, our shareholders as of the Record Date are being granted non-statutory rights, SETs, which will entitle them to subscribe for the Offer Shares at the Offer Price, provided they qualify as Eligible Persons. The SETs and the Offer Shares are being offered by us only in those jurisdictions in which, and only to those persons to whom, offers of the SETs and the Offer Shares (pursuant to the exercise of the SETs or otherwise) may lawfully be made. See "Selling and Transfer Restrictions".

See "Risk Factors – You will experience dilution as a result of the Offering if you do not or cannot exercise your SETs in full" and "Description of Share Capital and Corporate Governance – Share Capital – Dilution" in respect of the dilution our shareholders who decide not to exercise their SETs in full will experience.

Selling and Transfer Restrictions

We urge you to carefully read the restrictions described under "Selling and Transfer Restrictions". The making or acceptance of the proposed offer to sell Offer Shares to persons with registered addresses in, or who are resident or located in, or citizens of, countries other than The Netherlands may be affected by the laws or regulations of the relevant jurisdiction. Accordingly, any such person who is in any doubt as to his position should consult an appropriate professional advisor without delay.

We reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to us or our agents:

- to have been executed, effected or dispatched from the United States, Canada, Australia or Japan, unless we are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction;
- to involve a potential breach or violation of the laws of any jurisdiction;

- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- to purport to exclude or modify any of the representations and warranties required to be made by an exercising SET holder, as set out in "Selling and Transfer Restrictions".

Holders of our ordinary shares as of the Record Date and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out in "Selling and Transfer Restrictions" on page 170 of this Prospectus are "**Eligible Persons**" with respect to the Offering.

We, the Global Co-ordinators, and any persons acting on behalf of any of us, will rely upon the truth and accuracy of your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability.

If you are a person acting on behalf of another person exercising or purchasing SETs or Offer Shares (including, without limitation, as a nominee, custodian or trustee), you will be required to provide such representations and warranties to us and the Subscription Agent with respect to the exercise or purchase of SETs or Offer Shares on behalf of such person. If you do not provide the foregoing representations and warranties, neither we, nor the Subscription Agent, nor any persons acting on behalf of either of us, will be bound to authorise the allocation of any Offer Shares to you or the person whose behalf you are acting.

Timetable

Subject to acceleration or extension of the timetable for the Offering, the timetable below sets forth certain expected key dates for the Offering. All times referred to below are in CET.

Event	Time and Date
Record Date	After the close of trading at Euronext Amsterdam, at 17:40 (CET) on 6 July 2009
Publication Date	6 July 2009
Ex-SET trading of ordinary shares	09:00 (CET) on 7 July 2009
Start of trading of SETs	09:00 (CET) on 7 July 2009
Start of Exercise Period of SETs	09:00 (CET) on 7 July 2009
End of trading of SETs	13:00 (CET) on 16 July 2009
End of Exercise Period of SETs	15:00 (CET) on 16 July 2009
Rump Offering period	On 17 July 2009 until 17:30 (CET)
Expected Allotment Date	17 July 2009
Admission to trading of Offer Shares on Euronext Amsterdam	09:00 (CET) on 22 July 2009
Issuance of, payment for and delivery of the Offer Shares	22 July 2009

The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which your SETs are held. We may adjust the dates, times and periods given in the timetable and throughout this Prospectus.

If we should decide to adjust dates, times or periods, we will notify Euronext Amsterdam and the AFM, and inform you through publication in a Dutch national newspaper and in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. Any such adjustment will also be announced in a press release and, if necessary, published in a supplement to the Prospectus that is subject to approval by the AFM.

Rights Offering

SETs

Our shareholders as at the Record Date are being granted SETs, which entitle them to subscribe for Offer Shares at the Offer Price, provided they qualify as Eligible Persons. For each ordinary share that a shareholder holds immediately after the close of trading in our ordinary shares on Euronext Amsterdam at 17:40 (CET) on 6 July 2009, which is the Record Date, it will be granted one SET. An Eligible Person (whether a shareholder of ours as of the Record Date or a subsequent transferee of SETs) will be entitled to subscribe for 4 Offer Shares for each SET held. Accordingly, a shareholder of ours as of the Record Date that qualifies as an Eligible Person will be entitled to subscribe for 4 Offer Shares for each ordinary share held on the Record Date.

Only shareholders who qualify as Eligible Persons as of the Record Date will be entitled to take up, exercise, sell or otherwise transfer SETs pursuant to the grant of SETs by us. SETs that are credited to the securities account of an Ineligible Person solely for administrative purposes shall not constitute an offer of Offer Shares to such person and shall not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited SETs. Receipt of this Prospectus by an Ineligible Person shall not constitute an offer of SETs or Offer Shares to such person. A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid the exercise, purported exercise or transfer of any SETs, which may involve a breach of the laws or regulations of any jurisdiction or if we believe, or our agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein. A shareholder with a securities account with a registered address in, or who is resident or located in, the United States will be treated as an Ineligible Person.

If you hold our ordinary shares on the Record Date and are an Eligible Person, the financial intermediary through whom you hold our ordinary shares will customarily give you details of the aggregate number of SETs to which you will be entitled. Your financial intermediary will supply you with this information in accordance with its usual customer relations procedures. You should contact your financial intermediary if you are an Eligible Person entitled to participate in the Offering and exercise SETs to subscribe for Offer Shares but have received no information with respect to the Offering.

Financial intermediaries, including brokers, custodians and nominees, are not permitted to send or otherwise distribute this Prospectus or any other information regarding the Offering to any person that does not qualify as an Eligible Person.

For the avoidance of doubt, the Foundation will not be entitled to receive and exercise SETs.

The statutory pre-emptive rights (*voorkeursrechten*) of our shareholders have been excluded in connection with the Offering.

Record Date

The Record Date for determining the holders of our outstanding ordinary shares whose securities accounts will be credited with SETs (subject to applicable securities laws) is immediately after the close of trading on Euronext Amsterdam at 17:40 (CET) on 6 July 2009. Until the close of trading in the ordinary shares on Euronext Amsterdam on the Record Date, the ordinary shares will trade together with SETs. From 7 July 2009, the ordinary shares will trade ex-SETs.

Trading of SETs

Trading in the SETs on Euronext Amsterdam is expected to commence at 09:00 (CET) on 7 July 2009 and will continue until 13:00 (CET) on 16 July 2009, barring unforeseen circumstances. The SETs will be admitted to trading under the symbol "WAVRI". The transfer of SETs will take place through the book-entry systems of Euroclear Nederland, Euroclear and Clearstream Luxembourg. Persons interested in trading or purchasing SETs should be aware that the exercise of SETs by holders who are located in countries other than The Netherlands is subject to restrictions as described under "Selling and Transfer Restrictions".

Exercise Period

Subject to the restrictions set out below, if you are an Eligible Person (whether a shareholder of ours as of the Record Date or a subsequent transferee of SETs), you may subscribe for Offer Shares by exercising your SETs from 09:00 (CET) on 6 July 2009 up to 15:00 (CET) on 16 July 2009, which is the end of the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given may be earlier, depending on the financial institution through which your SETs are held. If you have not validly exercised your SETs by the end of the Exercise Period, you will no longer be able to exercise your SETs. Once you have exercised your SETs, you cannot revoke or modify that exercise unless a supplement to the Prospectus in the meaning of Section 5:23 of the Dutch Financial Supervision Act is published, in which case you may revoke or modify the exercise of your SETs within two business days after the publication of such supplement to the Prospectus. Even if the market price of our ordinary shares fluctuates below the Offer Price, if you have exercised your SETs, you will be obliged to pay the Offer Price for any Offer Shares being subscribed for.

SETs can no longer be exercised after 15:00 (CET) on 16 July 2009, which is the end of the Exercise Period. At that time, any unexercised SETs will continue to be reflected in your securities account solely for the purpose of the payment of the Excess Amount, if any. Any Offer Shares underlying such non-exercised SETs may be sold by the Global Co-ordinators in the Rump Offering as described below.

Subscription and Payment

If you are an Eligible Person (whether a shareholder of ours as of the Record Date or a subsequent transferee of SETs), and you wish to exercise your SETs, you should instruct your financial intermediary in accordance with the instructions that you receive from it. The financial intermediary will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your exercise instructions. Subject to applicable securities laws, you may instruct your financial intermediary to sell some or all of your SETs, or to purchase additional SETs, on your behalf. See "– Trading of SETs" above. You should pay the Offer Price for the Offer Shares that you subscribe for in accordance with the instructions you receive from the financial intermediary through which you exercise your SETs. The financial intermediary will pay the Offer Price to the Subscription Agent, who will in turn pay it to us. Payment for the Offer Shares to the Subscription Agent must be made no later than the Closing Date (which is expected to be 22 July 2009). Accordingly, financial intermediaries through which you exercise your SETs may require payment by you to be provided prior to the Closing Date.

All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of SETs will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you.

Neither we nor the Global Co-ordinators shall be liable for any action or failure to act by a financial intermediary through whom shareholders hold their ordinary shares or by the Subscription Agent in connection with any subscriptions or purported subscriptions.

Subscription Agent

ABN AMRO will act as Subscription Agent for the receipt of subscriptions for the Offer Shares through the exercise of SETs. The financial institution through which you hold your SETs will be responsible for collecting exercise instructions from you and for informing the Subscription Agent of your subscription in a timely manner.

Rump Offering

Private Placements

After the Exercise Period has ended, the Global Co-ordinators will, subject to the terms and conditions of the Underwriting Agreement, facilitate the Rump Offering, in which the Global Co-ordinators will offer the Rump Shares by way of private placements with institutional and professional investors in The Netherlands and certain other jurisdictions. The Global Co-ordinators has agreed to facilitate the Rump Offering through private placements of any Rump Shares. The Rump Offering, if any, is expected to commence on 17 July 2009 and to end no later than 17:30 (CET) on that date.

Excess Amount

Upon the completion of the Rump Offering, if the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses (including any value added tax) exceed the aggregate Offer Price for such Rump Shares, this Excess Amount will be paid in the following manner:

Each holder of a SET that was not exercised at the end of the Exercise Period will be entitled to receive a part of the Excess Amount in cash proportional to the number of unexercised SETs reflected in such holder's securities account, but only if that amount exceeds €0.01 per unexercised SET.

If we have announced that an Excess Amount is available for distribution to holders of unexercised SETs and you have not received payment thereof within a reasonable time following the closing of the Rump Offering, you should contact the financial intermediary through which you hold unexercised SETs.

We cannot guarantee that the Rump Offering will be successfully completed. Should the Rump Offering take place, we, the Global Co-ordinators, the Subscription Agent or any person procuring subscriptions for Rump Shares will not be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering.

Allotment of Offer Shares

Allotment of Offer Shares issued pursuant to the Offering is expected to take place on 17 July 2009. See "Plan of Distribution – Conditions to the Offering" as to the consequences of any withdrawal of the Offering for the allotment of the Offer Shares.

No Stabilisation

No stabilisation shall be undertaken by the Global Co-ordinators in connection with the Offering.

Payment and Delivery

Payment for and delivery of the Offer Shares is expected to take place on 22 July 2009. Delivery of the Offer Shares will take place through the book-entry systems of Euroclear Nederland, Euroclear, and Clearstream Luxembourg.

Paying Agent

ABN AMRO is the paying agent with respect to our ordinary shares on Euronext Amsterdam.

Listing Agent

Rabo Securities is the listing agent with respect to the SETs and the Offer Shares (the "**Listing Agent**").

Listing and Admission to Trading

Application has been made to list and admit the Offer Shares to trading on Euronext Amsterdam. We expect that Offer Shares will be listed and admitted to trading, and that trading in such shares will commence, on Euronext Amsterdam on the Closing Date, 22 July 2009, barring unforeseen circumstances. All dealings in Offer Shares prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext Amsterdam N.V., the Company, the Global Co-ordinators, the Listing Agent and the Subscription Agent do not accept any responsibility or liability by any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

Our outstanding ordinary shares are traded on Euronext Amsterdam under the symbol "WAVIN" with ISIN code NL0000290856 and common code 026861632. The SETs will be admitted to trading on Euronext Amsterdam under the symbol "WAVRI" with ISIN code NL0009210186 and common code 043891588.

Non-Dutch Stamp Taxes

Purchasers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

Fees and Expenses

In connection with the Offering, we anticipate we will pay a total of €12 million in expenses, fees and commissions, net of taxes.

PLAN OF DISTRIBUTION

Underwriting Arrangements

The Global Co-ordinators, subject to the terms and conditions of the Underwriting Agreement (dated 3 July 2009), have agreed to procure subscribers for any Rump Shares through private placements to institutional investors in The Netherlands and certain other jurisdictions at a price which is at least equal to the Offer Price and any expenses related to procuring such subscribers (including any value added tax). The Global Co-ordinators, severally and not jointly, will subscribe and pay for any Rump Shares not sold in the Offering at the Offer Price pro rata to the following underwriting commitments, in accordance with the terms and subject to the conditions of the Underwriting Agreement:

Global Co-ordinators	Percentage
ABN AMRO	25%
ING	25%
MeesPierson	25%
Rabo Securities	25%
Total	**100%**

In the Underwriting Agreement, we have given certain representations and warranties and undertakings to the Global Co-ordinators. In addition, we have agreed to indemnify the Global Co-ordinators against certain liabilities in connection with the Offering. Each of the parties to the Underwriting Agreement has agreed that it will not offer or sell any securities, or distribute any Prospectus or offering document in connection therewith in violation of the provisions of the Underwriting Agreement.

Conditions to the Offering

The Underwriting Agreement provides that, upon the occurrence of certain events, such as a material adverse change in our financial condition or business affairs or in the financial markets, and under certain other conditions, the Underwriting Agreement will be terminated (provided that the Global Co-ordinators have the right to waive the satisfaction of any such conditions or part thereof). In this event, the Offering will be withdrawn, both the exercised and unexercised SETs will be forfeited without compensation to their holders, and subscriptions for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by us will be returned, without interest. Any such forfeiture of SETs will be without prejudice to the validity of any settled trades in the SETs. There will be no refund in respect of any SETs purchased in the market. All dealings in SETs prior to the closing of the Offering are at the sole risk of the parties concerned. None of Euronext Amsterdam N.V., us, the Global Co-ordinators, the Listing Agent or the Subscription Agent accepts any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in SETs on Euronext Amsterdam.

Lock-up Arrangements

We have agreed with the Global Co-ordinators that, for the period after the execution of the Underwriting Agreement and until 180 days following the Closing Date, we will not, without the prior written consent of the Global Co-ordinators (except for the grant of options under, and the issue of ordinary shares pursuant to options granted under, our existing share option schemes, in each case in accordance with normal practice and the issue of protective preference shares to the Foundation pursuant to the Call Option):

(a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any rights in respect of ordinary shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, ordinary shares; or

(b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any securities of the Company; or

(c) enter into any transaction with the same economic effect as, or agree to, or publicly announce any intention to enter into, any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of securities, in cash or otherwise.

Commitments of Principal Shareholders

A number of our largest shareholders have committed to participate in the Offering through the exercise of SETs granted to them.

Please see "Principal Shareholders and Related Party Transactions – Principal Shareholders" for an overview of our principal shareholders.

Potential Conflicts of Interest

The Global Co-ordinators, which are regulated in the Netherlands by the Dutch Central Bank and the AFM, are acting exclusively for us and for no one else in relation to the Offering and the listing of the Offer Shares and the SETs and will not be responsible to anyone other than to us for giving advice in relation to, respectively, the Offering and the listing of the Offer Shares and the SETs.

The Global Co-ordinators (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their business with us (or any parties related to us) for which they have received or may receive customary compensation. In respect of the above, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations (including those issued by the AFM). As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with investors' and our Group's interests.

The Global Co-ordinators and their respective affiliates may provide such services for us and our respective affiliates in the future. Additionally, the Global Co-ordinators may, in the ordinary course of their business, have held and in the future may hold our securities for investment.

The net proceeds of the Offering will be used to reduce our level of debt, including funds drawn down under our Original Credit Facilities. Subject to completion of the Offering, the Global Co-ordinators (and/or their respective affiliates) are all currently lenders to the Company under our Amended Credit Facilities and Forward Start Facility, and in addition also lead arrangers under these credit facilities. As the lenders and lead arrangers under these credit facilities, they have received and may continue to receive customary fees related to such services and received an arrangement fee in connection with the Forward Start Facility.

As a result of acting in the capacities described above, the Global Co-ordinators may have interests that may not be aligned, or could potentially conflict, with investors' and our Group's interests.

SELLING AND TRANSFER RESTRICTIONS

General

The offer and sale of the SETs and the Offer Shares to persons who have a registered address in, or who are resident or located in, or citizens of, a jurisdiction other than The Netherlands may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept, sell, purchase, exercise or transfer the SETs or subscribe for any Offer Shares. It is the responsibility of all persons outside The Netherlands who receive this document, an allocation of SETs (whether for administrative purposes or otherwise) or any Offer Shares to satisfy themselves as to full observance of the laws of the relevant jurisdiction, including obtaining all necessary governmental or other consents which may be required, observing all other requisite formalities needing to be observed and paying any issue, transfer or other taxes due in such jurisdiction.

No action has been or will be taken to register the SETs or the Offer Shares or otherwise to permit a public offering of the Offer Shares (pursuant to the exercise of SETs or otherwise) in any jurisdiction outside The Netherlands. Accordingly, no SETs or Offer Shares have been or will be offered or sold in or into the United States, Canada, Australia or Japan. Only Eligible Persons may participate in the Offering and exercise SETs to subscribe for Offer Shares.

This Prospectus does not constitute or form part of an offer to issue or sell, or the solicitation or invitation of an offer to purchase or subscribe for SETs or Offer Shares in (i) the United States, Canada, Australia or Japan or (ii) any jurisdiction in which such an offer may not lawfully be made or accepted and, in those circumstances, any person who obtains a copy of this Prospectus is required to disregard it. If you receive a copy of this Prospectus in any jurisdiction other than The Netherlands you may not treat this Prospectus as constituting an invitation or offer to you, nor should you deal in SETs or Offer Shares unless, in the relevant jurisdiction, such an offer, solicitation or invitation could be lawfully be made to you and SETs or Offer Shares can lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements.

No person in possession of this Prospectus, including financial intermediaries, brokers, custodians and nominees, may distribute, forward or transmit this Prospectus or any other materials relating to the Offering, nor disclose any of their contents, to any person who does not qualify as an Eligible Person. If you forward this Prospectus to any other person (whether under a contractual or legal obligation or otherwise) you should draw the recipient's attention to the contents of this "Selling and Transfer Restrictions" section.

The comments set out in this section are intended as a general guide only. If you are in any doubt as to your position you should consult your professional advisor.

Exercise of SETs

Only shareholders who qualify as Eligible Persons will be entitled to take up, exercise, sell or otherwise transfer SETs pursuant to the grant of SETs by us. SETs credited for administrative purposes to the securities account of any shareholder that is an Ineligible Person shall not constitute an offer of any Offer Shares to such shareholder and shall not confer any rights upon such shareholder, including the right to take up, exercise, sell, or otherwise transfer such credited SETs. A financial institution may not acknowledge the receipt of any SETs, and we reserve the right to treat as invalid the exercise, purported exercise or transfer of any SETs which may involve a breach of the laws or regulations of any jurisdiction or if we believe, or our agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described

herein. A shareholder with a securities account with a registered address in, or who is a resident or located in, the United States will be treated as an Ineligible Person.

Exercise instructions or certifications sent from or postmarked in the United States, Canada, Australia or Japan will be deemed to be invalid and the Offer Shares being offered in the Offering will not be delivered to any address inside any of these jurisdictions. We and the Subscription Agent reserve the right to reject any exercise (or revocation of any exercise) in the name of any person that provides an address in the United States, Canada, Australia or Japan for acceptance, revocation of exercise or delivery.

Notwithstanding any other provision of this Prospectus, we reserve the right to permit you to exercise SETs if we in our sole and absolute discretion are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. In any such case, neither we nor the Global Co-ordinators accept any liability for any actions that you take or for any consequences that you may suffer by an acceptance of your exercise of SETs.

Representations and Warranties by Investors in the Offering

Holders of our ordinary shares as of the Record Date and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out below are "**Eligible Persons**" with respect to the Offering.

Each person who (i) takes up, delivers or otherwise transfers SETs, (ii) exercises SETs, or (iii) purchases, subscribes for, trades or otherwise deals in SETs or the Offer Shares being granted or offered, respectively, in the Offering, will be deemed to have given each of the following representations and warranties to us, to the Subscription Agent, to the Global Co-ordinators and to any person acting on our or their behalf, unless in our sole discretion we waive such requirement:

- You were a shareholder in, and held ordinary shares of, Wavin N.V. as at the Record Date, or you lawfully acquired or may lawfully acquire SETs, directly or indirectly, from such a person;
- You may lawfully be offered, take up, exercise, obtain, subscribe for and receive the SETs and/or the Offer Shares in the jurisdiction in which you reside or are currently located;
- You understand that (i) neither the SETs nor the Offer Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the SETs and the Offer Shares may not be offered, sold, resold, pledged or otherwise transferred or delivered, directly or indirectly, in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and (ii) that the SETs and Offer Shares are being offered and sold by the Company only outside the United States in reliance on Regulation S under the Securities Act;
- You are not resident or located in the United States and are not applying to acquire, take up or exercise SETs or subscribe for Offer Shares for the account of a person who is resident or located in the United States unless (a) the instruction to acquire, take up, exercise or subscribe, as the case may be, was received from a person outside the United States and (b) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) it either (A) has investment discretion over such account or (B) is an investment manager or investment company that is applying to acquire, take up or exercise SETs or subscribe for Offer Shares, as the case may be, in an "offshore transaction" within the meaning of Regulation S under the Securities Act;
- You are acquiring the SETs and/or the Offer Shares in an "offshore transaction" in accordance with Regulation S under the Securities Act;

- You have not been offered the SETs or Offer Shares by means of any "directed selling efforts" as defined in Regulation S under the Securities Act;
- You are not acquiring SETs or Offer Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such SETs or Offer Shares into the United States;
- You are not (i) resident or located in, or a citizen of, Canada, Australia or Japan; (ii) accepting an offer to acquire, take up or exercise SETs or Offer Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, Canada, Australia or Japan at the time the instruction to accept was given; or (iii) acquiring SETs or Offer Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such SETs or Offer Shares into Canada, Australia or Japan; and
- You are either located outside the United Kingdom, or you are a person who is a "qualified investor" (as defined in Section 86(7) of the Financial Services and Markets Act 2000 of the United Kingdom, as amended).

A person who can make the representations and warranties described above shall be deemed an Eligible Person for the purposes of the Offering.

We, the Global Co-ordinators, and any persons acting on behalf of any of us, will rely upon the truth and accuracy of your representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject you to liability.

If you are a person acting on behalf of another person exercising or purchasing SETs or Offer Shares (including, without limitation, as a nominee, custodian or trustee), you will be required to provide the foregoing representations and warranties to us and the Subscription Agent with respect to the exercise or purchase of SETs or Offer Shares on behalf of such person. If you do not provide the foregoing representations and warranties, neither we, nor the Subscription Agent, nor any persons acting on behalf of either of us, will be bound to authorise the allocation of any Offer Shares to you or the person whose behalf you are acting.

European Economic Area

In relation to each member state of the European Economic Area ("**EEA**") which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of the SETs or the Offer Shares which are the subject of the Offering contemplated by this Prospectus may not be made in that Relevant Member State other than the offers contemplated in the Prospectus in The Netherlands once the Prospectus has been approved by the AFM, the competent authority in The Netherlands, and published in accordance with the Prospectus Directive as implemented in The Netherlands, except that an offer to the public in that Relevant Member State of any SETs or Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in the relevant entity's last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of the SETs and/or the Offer Shares shall result in a requirement for the publication by us or the Global Co-ordinators of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any SETs or Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information the terms of the offer and the SETs and/or the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for SETs and/or the Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive includes any relevant implementing measure in each Relevant Member State.

Prospective investors from Relevant Member States should be aware that this Prospectus will not be passported into any Relevant Member State.

See the following paragraphs below for specific notices applying to the United States, United Kingdom and Switzerland.

United States

The SETs and Offer Shares have not been and will not be registered under the Securities Act, or under any securities law of any state or other jurisdiction of the United States. Accordingly, none of the SETs or Offer Shares may be offered, sold, resold, pledged, taken up, delivered, renounced, or otherwise transferred in or into the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no offering of the SETs or the Offer Shares in the United States.

The SETs and Offer Shares have not been approved or disapproved by the SEC, any state securities commission or any other regulatory authority of or in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The SETs and Offer Shares will be offered or sold outside the United States in offshore transactions within the meaning of, and in reliance on, Regulation S under the Securities Act. Accordingly, the Company is not extending the Offering into the United States and this Prospectus does not constitute and will not constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any SETs or Offer Shares in the United States. It is intended that this Prospectus will not be sent to any shareholder with a registered address, or who is resident or located, in the United States.

Until the expiration of a 40-day period beginning on the date of this Prospectus, an offer to sell or a sale of, or acquisition of, the SETs and Offer Shares within the United States by a broker/dealer (whether or not it is participating in the Offering) may violate the registration requirements of the Securities Act.

A shareholder with a registered address in, or who is resident or located in, the United States will be treated as an Ineligible Person and a non-exercising holder and the Global Co-ordinators will endeavour to procure subscribers for the relevant Offer Shares.

United Kingdom

Neither this Prospectus nor any other offering material has been submitted to the clearance procedures of the Financial Services Authority in the United Kingdom. Neither the SETs nor the Offer Shares are being or have been offered or sold in the United Kingdom except to qualified investors. In the immediately preceding sentence, "qualified investors" has the meaning given to it in section 86 of the Financial Services and Markets Act 2000 ("**FSMA**").

The Global Co-ordinators have represented and agreed that:

- they are persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business;
- they have not offered or sold and will not offer or sell either the SETs or the Offer Shares in the United Kingdom other than to qualified investors as defined in section 86 of FSMA;
- they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by them in connection with the issue or sale of the SETs or the Offer Shares in circumstances in which section 21(1) of FSMA does not apply in respect of which an exemption (as set out in Order, as amended) applies; and
- they have complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the SETs or the Offer Shares in, from or otherwise involving the United Kingdom.

Switzerland

The Offer Shares may not be offered or distributed in or from Switzerland on the basis of a public solicitation, as such term is defined under the current practice of the Swiss Federal Banking Commission, and neither this Prospectus nor any supplement thereto relating to the Offer Shares may be offered or distributed in connection with any such offering or distribution.

INDEPENDENT AUDITORS

Our audited financial statements as at and for each of the years ended 31 December 2008, 2007 and 2006 have been audited by KPMG Accountants N.V., independent auditors, as stated in their reports thereon, in each case incorporated by reference into this Prospectus. The unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, have been reviewed by KPMG Accountants N.V., as stated in their review report incorporated by reference into this Prospectus.

KPMG Accountants N.V., independent auditors, are members of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants*).

GENERAL INFORMATION

Available Information

As a result of the implementation of the EU Transparency Directive (2004/109/EC) and a subsequent amendment of Dutch law on 1 January 2009, annually, within four months of the end of our financial year, we are required to prepare and make generally available the annual financial statements consisting of (i) the audited annual accounts, (ii) the annual report, and, in addition thereto, (iii) responsibility statements of each member of the Management Board. We are also required to make generally available as soon as possible, but no later than two months after the end of the first half-year period of the financial year, our half-yearly financial statements consisting of (i) the half-yearly accounts, (ii) the half-yearly report, (iii) responsibility statements of each member of the Management Board and (iv) the auditor's report, if any. Furthermore, we will be required to make generally available interim management statements during each half-year period. The interim management statements will be made generally available in the period between ten weeks after the beginning and six weeks before the end of the relevant half-year period.

The financial information as described above will be made generally available by way of issuing a press release in which publication of the relevant financial information is announced with reference to our website (http://www.wavin.com) where the relevant financial information will be available.

Copies of our unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2009, including the comparative financial information as at and for the three months ended 31 March 2008, our audited consolidated financial statements for the years ended 31 December 2008, 2007 and 2006, the Current Articles, the Deed of Amendment and the Articles of Association are available on our website http://www.wavin.com and may be obtained free of charge by sending a request in writing, by fax or by email to us at our business address: Stationsplein 3, 8011 CW, Zwolle, The Netherlands; by fax: +31 384294238; by email: info@wavin.com.

Copies of this Prospectus may be obtained free of charge by sending a request in writing to our business address as listed above; by fax: +31 384294238; or by email: info@wavin.com or to ABN AMRO, Gustav Mahlerlaan 10, 1082 PP, Amsterdam, The Netherlands; fax: +31 206280004; email: corporate.actions@rbs.com. Alternatively, this Prospectus may be obtained through our website at http://www.wavin.com by Eligible Persons only and through the website of Euronext Amsterdam at http://www.euronext.com by Dutch residents only.

Corporate Resolutions

In addition to the Authority, on 3 July 2009, the General Meeting authorised the Management Board, subject to the approval of the Supervisory Board, to grant the SETs and to issue the Offer Shares and to exclude pre-emptive rights of our shareholders in relation to the Offering. The authorisation to issue the Offer Shares and to exclude the pre-emptive rights in relation thereto is subject to the execution of the Deed of Amendment. On 3 July 2009, with the approval of the Supervisory Board, the Management Board resolved to grant the SETs and to issue the Offer Shares and to exclude pre-emptive rights of our shareholders in relation to the Offering.

Organisational Structure

We are a holding company of a number of operating companies. Our significant subsidiaries and holdings in which we hold a direct or indirect ownership interest of 100%, unless otherwise indicated below, are:

Belgium

Wavin Belgium N.V., Aalter

Bulgaria

Wavin Bulgaria eood, Sofia

China

Foshan Hepworth Acorn Pipe Co. Ltd., Foshan, Beijing, Shanghai

Croatia

Wavin d.o.o., Sesvete (Zagreb)

Czech Republic

Wavin Ekoplastik s.r.o., Kostelec nad Labem

Denmark

Nordisk Wavin A/S, Hammel

Estonia

Wavin Estonia OU, Harjumaa

Finland

Wavin-Labko Oy, Kangasala

France

Wavin France S.A.S., Varennes-sur-Allier

ETS Kulker S.A.S., Sully-sur-Loire

Germany

Wavin GmbH, Twist

Hungary

Wavin Hungary Kft., Zsámbék

Ireland

Wavin Ireland Ltd., Balbriggan (Dublin)

O'Brien Marketing Ltd., Blarney

Italy

Wavin Italia SpA, S. Maria Maddalena

Chemidro SpA, Udine

Latvia

Wavin Latvia SIA, Riga

Lithuania

UAB Wavin Baltic, Vilnius

The Netherlands

Wavin B.V., Zwolle

Wavin Finance B.V., Zwolle

Wavin Staf B.V., Zwolle

Wavin Assurantie B.V., Zwolle

Wavin Nederland B.V., Hardenberg

Wavin Diensten B.V., Hardenberg

Handelsonderneming Schinkel Schouten B.V., Hoogeveen

De Hoeve Kunststofrecycling B.V., Hardenberg (50%)

Wavin Overseas B.V., Dedemsvaart

Wavin Technology & Innovation B.V., Dedemsvaart

EuroCeramic B.V., Belfeld

Norway

Norsk Wavin A/S, Fjellhamar

Wavin Polyfemos AS, Alta

Poland

Wavin Metalplast-Buk Sp.z.o.o., Buk (99%)

Arot Polska Sp.z.o.o., Leszno

MPC Sp.z.o.o., Strzelin (51%)

Portugal

Wavin Portugal-Plásticos S.A., Estarreja

Romania

Wavin Romania s.r.l., Bucharest

Russia

OOO Wavin Rus, Moskou

Serbia

Wavin Balkan d.o.o., Belgrade

Slovak Republic

Wavin Slovakia spoi s.r.o., Banovce

Spain

Aquatecnic Systemas S.A., Madrid (30%)

Sweden

AB Svenska Wavin, Eskilstuna

Switzerland

Georg Fischer Wavin AG, Schaffhausen (40%)

Wavin Swisspipe AG, Bern Liebefeld

Turkey

Pilsa A.S., Adana

United Kingdom

Wavin Plastics Ltd., Chippenham

Hepworth Building Products Ltd., Sheffield

Thermoboard Ltd., Exeter

Warmafloor (GB) Ltd., Sheffield

Ukraine

Wavin Ukraine O.O.O.T.O.V., Kiev

Material Contracts

The following contracts are the only contracts (not being contracts entered into in the ordinary course of business) that we have entered into within the two years immediately preceding the Publication Date which are material or which have been entered into at any other time and which contain provisions under which we have an obligation or entitlement that is material as of the date of this Prospectus:

Underwriting Agreement

For a comprehensive discussion of the Underwriting Agreement, see "Plan of Distribution – Underwriting Arrangements".

Credit Facilities Agreements

Amended Credit Facilities Agreement

On 17 June 2009, we and a syndicate of banks including ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. entered into the Amended Credit Facilities. The effectiveness of the Amended Credit Facilities is subject to the completion of the Offering or another equity issuance which results in gross proceeds of a least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete, and no other equity issuance occurs, the Amended Credit Facilities will not come into effect and the terms of the Original Credit Facilities will continue to apply. The terms of the Original Credit Facilities are summarised below. The Amended Credit Facilities consist of a €250 million committed term loan facility and a €250 million committed revolving credit facility. The maturity date of 16 October 2011 remains unchanged from the Original Credit Facilities. As part of the Amended Credit Facilities, we have negotiated greater headroom under the financial covenants relating to the leverage ratio and interest coverage ratio. These have been amended to provide that, in calculating the level of net debt for testing purposes, we will exclude the cash out restructuring charges from the preceding ten quarters, on a rolling basis, up to a cap of €30 million. We will also exclude the mark-to-market value of interest hedges. In addition, the definition of EBITDA has been adjusted to exclude restructuring costs and asset disposals, which are not capped. Compliance with the amended leverage covenant will be tested on a quarterly basis, and the first testing date will fall on 31 December 2009. The amended leverage ratio will vary from period to period in light of seasonal variations in our business.

The following table sets forth the financial covenants required to be maintained under the Amended Credit Facilities and the Forward Start Facility:

Financial ratios as at	Leverage ratio	Interest coverage ratio
31 December 2009	≤3.80	≥2.40
31 March 2010	≤4.10	≥2.30
30 June 2010	≤5.00	≥2.20
30 September 2010	≤4.90	≥2.20
31 December 2010	≤3.70	≥2.30
31 March 2011	≤3.80	≥2.40
30 June 2011	≤4.30	≥2.50
30 September 2011	≤4.40	≥2.60
31 December 2011	≤3.20	≥2.80
31 March 2012	≤3.30	≥3.00
30 June 2012	≤3.70	≥3.20
30 September 2012	≤3.70	≥3.40
31 December 2012	≤3.00	≥3.70
31 March 2013	≤3.00	≥3.90

Going forward, our borrowings under the Amended Credit Facilities will be secured by certain subsidiaries and the interest margin has been increased to 275 basis points, subject to increase or decrease contingent upon the leverage ratios actually reported to the facilities agent on each testing date. An additional margin of 125 basis points applies under the Amended Credit Facilitities for all lenders which are also party to the Forward Start Facility. The applicable margin will increase or decrease subject to the leverage ratios reported to the facilities agent at each testing date. Excluding the additional margin described above, the applicable margin will range from 400 basis points (if the leverage ratio is more than 4.5) to 175 basis points (if the leverage ratio is equal to or less than 2.0). The margin will be increased to 500 basis points if certain events of default occur and remain uncured. Borrowings under the Amended Credit Facilities will be secured by certain of our subsidiaries.

Our subsidiaries representing at least 75% of our consolidated tangible assets and 80% of our consolidated EBITDA are required to grant security for the obligations under the Amended Credit Facilities in the form of pledges or assignments of moveable assets, third party receivables, intercompany receivables, bank accounts, certain intellectual property rights and mortgages over real property, in addition to pledges over the shares in the various subsidiaries themselves. The Amended Credit Facilities further require that the entirety of the net proceeds of the Offering be applied towards repayment of amounts outstanding under the Original Credit Facilities.

The Amended Credit Facilities also include covenants which restrict certain actions. The acquisition covenant prohibits us from investing or acquiring shares in other entities or investing in or acquiring any business or going concern, other than in accordance with agreed exceptions. Such

exceptions include acquisitions or investments by intra-obligors. Exceptions are also made for acquisitions or investments for which the total consideration and any financial indebtedness remaining in the acquired company or business, when aggregated with any other acquisition that has taken place in the relevant financial year, (i) do not exceed €30 million or (ii) if the leverage ratio following such an acquisition would be less than 2.5, do not exceed €60 million. Under the dividend covenant, we may not pay any annual or interim cash dividend in excess of €0.01 on any share in our capital until 31 December 2011. However, during that period, we may pay dividends in kind to our shareholders and cash dividends to the Foundation, to enable it to meet its possible future interest payment obligations in connection with borrowings used to subscribe for protective preference shares following the exercise of its right to acquire shares in our capital. See "Dividends and Dividend Policy – Dividend Policy".

In connection with the Amended Credit Facilities, we have agreed to pay fees of €6.75 million in the aggregate to the lending banks (excluding other expenses in relation to the debt restructuring). See "Operating and Financial Review – Indebtedness – Amended Credit Facilities and Forward Start Facility" beginning on page 96.

Forward Start Facility Agreement

On 17 June 2009, we and the syndicate of banks including ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. also entered into the Forward Start Facility which is intended to secure financing following the maturity of the Amended Credit Facilities on 16 October 2011, subject to the completion of the Offering or another equity issuance which results in gross proceeds of a least €225 million on or before 1 October 2009 (or such other date as agreed with the syndicate of lending banks). If the Offering does not complete and no other equity issuance occurs, the Forward Start Facility will become unavailable and we will have to seek alternative sources of financing following the maturity of the Original Credit Facilities on 16 October 2011. The Forward Start Facility is intended to provide us with €475 million of debt financing following the maturity of the Amended Credit Facilities. The interest margin under the Forward Start Facility is determined in the same manner as the margin under the Amended Credit Facilities. Under the Forward Start Facility, however, the agreed rates will range from 225 basis points (if the leverage ratio is equal to or less than 1.5) to 525 basis points (if the leverage ratio is more than 4.5). Furthermore, during the term of the Forward Start Facility, the amended financial covenants as set out in the table below and the restrictive covenant relating to acquisitions will continue to apply. Under the Forward Start Facility, we will be required to prepay to the syndicate of lending banks an amount equal to any cash dividend to be paid after 31 December 2011, unless our leverage ratio under the Forward Start Facility is below 2.5 at the time that any such cash dividend is declared. The Forward Start Facility itself will mature in April 2013.

In connection with the Forward Start Facility, we have agreed to pay fees of €4.75 million in the aggregate to the lending banks (excluding other expenses in relation to the debt restructuring). See "Operating and Financial Review – Indebtedness – Amended Credit Facilities and Forward Start Facility" beginning on page 96.

Original Credit Facilities Agreement

In October 2006, we entered into the Original Credit Facilities.

The Original Credit Facilities consist of a €400 million committed term loan facility, a €350 million committed revolving credit facility and a €100 million uncommitted term loan facility. The facilities are unsecured but guaranteed by certain of our group companies. The borrowers and guarantors undertake that our group of companies will meet certain financial covenants as set forth in the Original Credit Facilities. These financial covenants relate to levels of leverage and interest cover. If these financial covenants are not met, this would trigger an event of default which may lead to mandatory repayment of the outstanding advances and cancellation of the facilities. Loans drawn down

under the credit facilities will initially bear interest at EURIBOR in relation to the base currency, and equivalent interbancair interest rates for other optional currencies, plus a maximum margin of 0.90% per annum, with the margin possibly adjusting downwards according to the leverage ratio achieved. The credit facilities are repayable in full in October 2011. The borrowers are allowed to prepay outstanding advances without penalty. Breakage costs will be payable if prepayment is not made on the last day of an interest period. Each such prepayment must be made in minimum amounts of €5 million.

As at 31 March 2009 the term loan facility was fully drawn and €220.9 million was drawn under the revolving facility. See "Operating and Financial Review – Liquidity and Capital Resources – Indebtedness".

Statement of Significant Changes in our Financial and Trading Position

Other than as described in "Operating and Financial Review – Trading Update", there has been no significant change in our financial or trading position since 31 March 2009, the date as of which our most recent unaudited condensed consolidated interim financial statements were prepared.

Interests of Persons Involved in the Offering

There is no natural or legal person involved in the Offering and having an interest that is material to the Offering, other than the Global Co-ordinators (and/or their affiliates), who are involved in transactions in connection with the Offering and the financial restructuring of our credit facilities, and our Committed Principal Shareholders.

See "Important Information and Restrictions – Potential Conflicts of Interest" and "Plan of Distribution – Commitments of Principal Shareholders".

GLOSSARY

The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this Prospectus.

AFM	The Netherlands Authority for Financial Markets (*Stichting Autoriteit Financiële Markten*).
Amended Credit Facilities	The secured credit facilities entered into on 17 June 2009 between us and a syndicate of banks including ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. as lead arrangers.
Articles of Association	Our articles of association as they will read after the execution of the Deed of Amendment.
Authority	The irrevocable authority granted to the Management Board by resolution of the General Meeting on 22 April 2009 to issue ordinary shares, or grant rights to subscribe for ordinary shares, up to a maximum of 10% of the outstanding share capital of ordinary shares, with respect to the raising of capital for general purposes, and up to an additional maximum of 10% of the outstanding share capital of ordinary shares with respect to the raising of capital in relation to the financing of possible acquisitions by us, for a period of 18 months from that date.
B&I	Building & Installation.
backfill material	Granular material, such as fine grained soil, sand or clay, that surrounds buried pipes. Backfill functions to mitigate the effects of heat, frost, and earth pressure, and prevents undesirable particles and moisture from entering drainage systems.
C&I	Civils & Infrastructure.
cable ducting	Plastic pipe tubing that carries electric power lines, telephone cables or other conductors. We offer cable ducting with applications for inner city lighting, signalling and power cable protection, high and medium voltage cables, and sophisticated protection for optical fibre cables and bundles.
Call Option	The call option that has been granted to the Foundation by us under the terms of the Foundation Agreement .

CET	Central European Time.
chamber / inspection chamber	A pipe system component (mainly in wastewater and rainwater networks) enabling pipe condition and functionality checks as well as repairs if needed. Sometimes allowing man entry and in that case referred to as a manhole.
Clearstream Luxembourg	Clearstream Banking, *societé anonyme.*
Closing Date	22 July 2009.
Code	The Dutch Corporate Governance Code that was presented by the Dutch Corporate Governance Committee on 9 December 2003.
component	Part of a pipeline, such as a fitting, pipe, or control device.
Conditional Options	A conditional performance option.
Conditional Share	A conditional matching share.
Current Articles	Our articles of association as they read on the Publication Date.
CVC Capital Partners	CVC Capital Partners Advisory Company Limited.
Deed of Amendment	The notarial deed of amendment to amend the Current Articles and to be executed on the Closing Date.
Dividend Stripping	The event whereby the holder of Offer Shares, who is the recipient of dividends will not be considered the beneficial owner of the dividends for this purpose if (i) as a consequence of a combination of transactions, a person other than the Recipient wholly or partly benefits from the dividends, (ii) whereby such other person retains, directly or indirectly, an interest similar to that in the Offer Shares on which the dividends were paid, and (iii) that other person is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient.
Dutch Central Bank	De Nederlandse Bank N.V.
Dutch Financial Supervision Act	The Dutch Financial Supervision Act (*Wet op het financieel toezicht*).
Dutch Resident Entity	An entity that is resident or deemed to be resident in The Netherlands.

Dutch Resident Individual	An individual who is resident or deemed to be resident in The Netherlands, or who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation.
EBITDA	The operating profit before depreciation, amortisation and non-recurring items.
EBITDA margin	The EBITDA as a percentage of total revenue.
EEA	The European Economic Area.
EEA State	Any state party to the European Economic Area.
electrofusion fittings	Fittings suitable for electrofusion welding, one method of jointing HDPE pipes during installation.
Eligible Persons	Holders of ordinary shares in our capital as of the Record Date and subsequent transferees of the SETs, in each case which are able to give the representations and warranties set out in "Selling and Transfer Restrictions" in this Prospectus with respect to the Offering.
Emerging Economies	The Central and Eastern Europe region, the Baltic states, Hungary, Romania, Turkey and the Balkans.
Enterprise Chamber	The Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*).
Euroclear	Euroclear Bank S.A./N.V., as operator of the Euroclear system.
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
Euroconstruct area	The collective of 19 European countries analysed as the European "construction industry" or "construction markets" by Euroconstruct's industry reports: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, The Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, and the UK.
Euronext Amsterdam	Euronext Amsterdam by NYSE Euronext.
Excess Amount	The aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, after deduction of selling expenses (including any value added tax) upon completion of the Rump Offering, minus the aggregate Offer Price for such Rump Shares.

Exercise Period ..... 09:00 (CET) on 7 July 2009 until 15:00 (CET) on 16 July 2009.

Forward Start Facility ..... The forward start facility entered into on 17 June 2009 between us and a syndicate of banks including ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. as lead arrangers.

foul water ..... Wastewater (i.e., water contaminated by human influence), other than surface water.

Foundation ..... The foundation *Stichting Preferente Aandelen Wavin*.

Foundation Agreement ..... The agreement that has been entered into between us and the Foundation.

FSMA ..... The Financial Services and Markets Act 2000.

FTEs ..... Full-time equivalents.

fusion welding ..... For plastic pipe joints, involves heating and softening of the pipe at the joint interface sufficient for the pipes to fuse together. Because of the thermal insulating properties of polymers, the joint faces can reach a high temperature whilst the surrounding pipe stays cool and solid.

General Meeting ..... A general meeting of the shareholders of Wavin N.V. (*algemene vergadering van aandeelhouders*).

grey water ..... Wastewater generated from processes such as washing dishes, laundry and bathing. From the point of view of treatment and pollution prevention, grey water decomposes much more quickly and is easier to treat, eliminate, or recycle than sewage, but is still considered to be a health and pollution hazard if released into the natural environment untreated. Grey water comprises 50-80% of residential "waste" water.

HDPE ..... "High-density polyethylene", a form of the common thermoplastic polymer polyethelene (or polyethene). Made from petroleum, it achieves stronger intermolecular forces and tensile strength than low or medium density polyethylene. It is also harder and more opaque and can withstand higher temperatures. Polyethylene pipes are used in municipal infrastructure and also as cold-water plumbing pipes in buildings.

Hepworth ..... Hepworth Building Products Limited.

IFRS-EU..... International Financial Reporting Standards as adopted by the European Commission for use in the European Union.

in line biaxial stretching ..... A method of substantially improving the mechanical properties of a polymer like PVC by stretching the material above its glass transition temperature in two perpendicular directions. In line means at an integrated down stream processed step in pipe extrusion.

Ineligible Person..... Shareholders as of the Record Date that are not Eligible Persons.

infiltration ..... The process by which water on the ground surface or from buried infiltration systems enters the soil, governed by the force of gravity and by the physical properties of the soil. When rainfall intensity exceeds the infiltration capacity, flooding will begin in urban environments that lack adequate drainage systems.

infiltration crate ..... Rectangular units with a large storage capacity which assembled together form an underground structure for either stormwater storage and/or soakaway applications. The units are normally protected by means of a geo-textile or membrane that is placed around the unit(s).

Insider ..... The members of our Management Board and our Supervisory Board, and any other person who has managerial responsibilities or who has the authority to make decisions affecting our future developments and business prospects and who has regular access to inside information relating, directly or indirectly, to us as described in the Dutch Financial Supervision Act implementing the Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

IPO Date ..... The date of completion of our initial public offering, 12 October 2006.

IPO Share Bonus Plan..... A share based bonus plan in which certain of our employees, with the exception of employees who were holding shares in our capital at the IPO Date, were granted the right to participate at the IPO Date.

last mile ..... Cable ducting to guide and protect cables that connect houses (the so called last mile to the home) to main city networks (i.e., city rings and backbones).

Listing Agent..... Rabo Securities.

Long Term Incentive Plan	The new long term incentive plan in respect of our senior management (including the members of the Management Board) as approved at the extraordinary General Meeting on 11 December 2007.
Management Board	The management board (*Raad van Bestuur*) of Wavin N.V.
Market Abuse Decree	The Decree on Market Abuse pursuant to the Financial Supervision Act (*Besluit Marktmisbruik Wft*).
multi-duct	A ducting system with more than one concentric ring, such as a dual ducting system with inner and outer ducts. See "Cable ducting".
multilayer	Piping or tubing of multiple layers, often of different materials and serving different functions. For example, a low noise soil and waste pipe might combine a pipe made of polypropylene with a foam core layer, combining light weight with stiffness, high surface quality and noise reduction properties.
municipal infrastructure	Water, sewerage, electricity, district heating, and other such services that are centrally produced for buildings situated in population centres.
New Code	The updated version of the Code that was presented by the Dutch Corporate Governance Monitoring Committee on 10 December 2008.
Non-Dutch Resident	A person who is not a Dutch Resident Individual or Dutch Resident Entity.
Noon Buying Rate	The noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York.
Offering	The Rights Offering and the Rump Offering together.
Offering Authority	The irrevocable authority granted to the Management Board by resolution of the General Meeting on 3 July 2009 to issue ordinary shares, or grant rights to subscribe for ordinary shares for the purpose of the Offering.
Offer Price	The price per Offer Share of €0.70.
Offer Shares	The 325,005,640 new ordinary shares in the capital of Wavin N.V. with a nominal value of €0.05 each.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

Organic Revenue Growth..... Our organic revenue growth, which we calculate by comparing our revenues in a financial year (after deducting any revenues derived from businesses acquired in that financial year and any revenues derived from businesses acquired in the prior financial year that we did not own for the twelve months during that prior financial year) against our revenues in the prior financial year (after deducting any revenues derived from businesses acquired in that prior financial year that we did not own for the twelve months during that prior financial year, and adjusting for the impact of foreign currency translation).

Original Credit Facilities..... The original credit facilities agreement entered into in October 2006 between us and a syndicate of banks including ABN AMRO Bank N.V., Fortis Bank (Nederland) N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland, and ING Bank N.V. as lead arrangers.

Participant ..... An eligible employee.

PE ..... Polyethylene.

Pilsa ..... Pilsa Products Inc.

plastic pipe ..... A general term referring to various types of pipes made of polymer. Compared to other pipe types, plastic pipes offer many benefits, including easy installation, chemical resistance, durability, and low lifetime cost.

polymer ..... A very large molecule formed by the chemical reaction called polymerisation, and consisting of repeating structural units.

potable water ..... Water of sufficient quality to be used safely as drinking water.

pp ..... Ekoplastik PPr, a fusion welded system on the basis of more rigid PP-random. It is therefore primarily used for potable water applications in residential and commercial buildings. These systems are common in Central and Eastern Europe, the Mediterranean area and in developing countries.

PP ..... "Polypropylene" or "polypropene", is a thermoplastic polymer. PP is flexible and highly resistant to fatigue. It is also considered a heat-resistant material. Polypropylene pipe systems are used both for infrastructural uses and for inside buildings.

PP-random ..... Polypropylene Random is a thermoplastic polymer which is used for hot and cold water supply systems suitable for all sanitary and potable water applications and heating systems. Pipes and fittings are fusion welded ensuring a homogeneous all plastic system.

Pressure pipe ..... Pipes capable of carrying pressurised water from municipal water systems, or sewage.

Prospectus ..... This document.

Publication Date ..... 6 July 2009.

push-fit ..... A method of connecting pipes by simply pushing the pipe into the fitting that contains an automatically activated gripping element providing time and cost savings in the installation of sanitary and heating systems. With push-fit pipe fittings, welding or pressing is not required and the requirement of specialised plumbing knowledge is substantially limited during the installation process.

PVC ..... "Polyvinyl chloride" or "vinyl", a thermoplastic polymer. As a building material, PVC is cost efficient, brings high mechanical performance and is easy to assemble. In recent years, PVC has been replacing traditional building materials such as wood, concrete and clay in a variety of applications. PVC pipes are used widely in municipal infrastructure underground.

Recipient ..... The holder of Offer Shares, who is the recipient of dividends.

Record Date ..... 17:40 (CET) on 6 July 2009.

Relevant Member State ..... An EEA member state which has implemented the Prospectus Directive.

Relevant Persons ..... Persons (a) who have professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Order, or (b) who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2) of the Order; or (c) who we believe on reasonable grounds to be persons to whom Article 43(2) of the Order applies for these purposes, or (d) other persons to whom it may lawfully be communicated.

Rights Offering ..... The offering of the Offer Shares at the Offer Price to Eligible Persons who are holders of ordinary shares in our capital and may lawfully subscribe for the Offer Shares pro rata to their shareholdings.

Rump Offering ..... The offering for sale of the Rump Shares by the Global Co-ordinators by way of private placements in The Netherlands and certain other jurisdictions.

Rump Shares ..... Any Offer Shares that were issuable upon the exercise of the SETs, but have not been subscribed for during the Exercise Period.

SEC ..... The United States Securities and Exchange Commission.

Securities Act ..... The US Securities Act of 1933, as amended.

SETs ..... Transferable subscription rights.

Spot Rate ..... The Bank of England spot exchange rate.

Substantial Interest ..... The holding by a holder of Offer Shares and/or SETs, alone or together with his partner (statutorily defined term), whether directly or indirectly, of the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. A holder of Offer Shares and/or SETs will also have a Substantial Interest in us if one of certain relatives of that holder or of his partner has a Substantial Interest in us. If a holder of Offer Shares and/or SETs does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognising taxable gain.

Summary ..... The summary set out in "Summary" in this Prospectus.

Supervisory Board ..... The supervisory board (*Raad van Commissarissen*) of Wavin N.V.

syphonic ..... A pipe operating as a siphon, which allows liquid to drain from a reservoir through an intermediate point that is higher than the reservoir. The up-slope flow is driven only by hydrostatic pressure without any need for pumping. It is necessary that the final end of the tube be lower than the liquid surface in the reservoir.

solution ..... A combination of products and services to satisfy a specific customer need.

surface water ..... Water on the ground or in a stream, river, lake, sea or ocean; as opposed to groundwater, which is located beneath the ground surface in soil pore spaces and in the fractures of geologic formations.

system ..... A system is a functional whole consisting of components, such as a radiant underfloor heating system.

twin-wall ..... A structured wall pipe for non pressure applications which is manufactured by a twin extrusion process in which two layers are extruded simultaneously, one inside the other, and heat welded together in a continuous process.

Extrusion is the production process that is used to produce plastic pipes. Resin is being heated until it becomes liquid. Then it is pressed into an extrusion head that shapes the pipe. The pipe is then lead to a number of cooling chamber. At the end of the line there is a machine that pulls at the pipe.

U-drain ..... Pipe connections from houses to public sewers.

under slab drain ..... A drainage pipe system located underneath a building's concrete slab foundation.

Underwriting Agreement..... The underwriting agreement between us and the Global Co-ordinators dated 3 July 2009.

Vesting Period ..... The period of three years starting from the date of the grant of the right to receive one Conditional Share for each two ordinary shares purchased, provided that the Participant is still employed by us.

Warmafloor..... Warmafloor Ltd.

WECC ..... Wavin European Consultative Council.

workforce ..... Total FTEs including our own personnel and agency personnel as at the relevant year end.

WMO..... Overijssel Water Board.

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