Ebitda EUR 98.0 million; net profit EUR 18.0 million

Wavin 2011 revenue up 7.8% to EUR 1.3 billion

Zwolle, 29 February 2012 – Following a trading update issued 8 February 2012, Wavin today announces its Second Half Year and Full Year 2011 results.

Full Year 2011

- Revenue EUR 1.3 billion, up 7.8%; 8.3% on a like-for-like basis
- Sharp rise of raw material costs in H1 put significant pressure on margins
- Ebitda EUR 98.0 million, 5.9% below EUR 104.1 million in 2010; Ebitda margin 7.4% (2010: 8.5%)
- Net profit EUR 18.0 million (2010: EUR 7.1 million)
- Net debt EUR 228 million (EUR 256 million in 2010); leverage ratio 2.4

H2 2011

- Growth in Second Half Year levelled off as unrest on financial markets affected construction activity
- Revenue EUR 645.8 million, up 1.3%, or 4.4% on like-for-like basis
- Ebitda EUR 52.0 million (H2 2010: EUR 56.2 million); H2 Ebitda margin 8.1% (8.8% in H2 2010)

H2 2011	H2 2010	change	Wavin Group key figures (€ × 1 million)	FY 2011	FY 2010	change
645.8	637.3	1.3%	Revenue	1,327.1	1,231.3	7.8%
239.6	247.4	(3.2%)	Above Ground	491.1	481.3	2.0%
396.6	374.6	5.9%	Below Ground	808.4	724.4	11.6%
52.0	56.2	(7.5%)	Ebitda[1]	98.0	104.1	(5.9%)
8.1%	*8.8%*		*as % of revenue*	*7.4%*	*8.5%*	
17.8	21.3	(16.4%)	Operating result[2]	35.5	37.9	(6.3%)
13.7	6.9	98.6%	Net profit	18.0	7.1	153.5%
			Net debt	227.9	256.1	(28.2)

All full year figures are audited
All references to like for like reflect organic revenue at constant currencies
[1] *All references to Ebitda reflect operating result before depreciation, amortisation and non-recurring items*
[2] *All references to operating result include non-recurring items*

Henk ten Hove, Wavin CEO:
“After a strong start of 2011, supported by a mild winter, we saw a gradual deterioration of market circumstances in some of our key countries. Scandinavia and Eastern Europe performed well, while results in the UK, France and Italy were disappointing. As already announced, we have taken measures to address this and will reduce total staff in 2012 with 150 FTEs, saving EUR 5 million annually at a one-off cost of EUR 3.5 million.
Good progress was made with the Wavin 2015 strategy. We expanded in Sweden and Czechia, divested continental clay and our French irrigation activities and closed our small business in Spain. We reduced net debt and have extended our financing facility until April 2015, with relaxed covenants, while margins and other conditions remained unchanged.”

Outlook
We remain cautious for 2012. Sentiment differs in our key countries. While the situation in Scandinavia, Germany, Poland and Turkey looks positive, market expectations in the UK and the Netherlands are less encouraging. In 2012 we will grasp the opportunities for growth and pursue local leadership in line with the Wavin 2015 plan. Joining forces with Mexichem, should allow us to further accelerate our strategy.

Markets

Following a good start of the year – supported by a mild winter – the European construction market was adversely affected by weakening consumer confidence. This was fuelled by unrest in the financial markets, cuts in government spending and further mortgage restrictions.
There were notable differences between countries and regions. The markets in Scandinavia, Germany, Poland and Turkey were strong, whereas those in the UK, Italy, the Netherlands and Ireland remained challenging. New residential building activities recovered somewhat in most Western European countries but were weak in Eastern Europe. Residential repair, maintenance and improvement (RMI) was stable, while the non-residential markets did not show signs of recovery. Developments in the civil engineering sectors in various European countries were positive, boosted by infrastructure investments like construction for the Olympic Games in London and the European Football Championships in Poland and Ukraine.

Wavin's performance in 2011

Wavin recorded a 7.8% revenue growth in 2011. Scandinavia, Germany and Poland grew double digit, but performance in Italy, the UK, France and Ireland was disappointing. Operational issues in the South West Europe region, which were addressed in the course of the year, impacted the results negatively.
The Above Ground business benefitted from a slight recovery in several Western European residential markets, our continued focus on Hot & Cold systems (including Surface Heating & Cooling) and the further roll-out of low-noise soil and waste systems.
Our Below Ground activities performed well, due to our strong market positions and the high level of infrastructure investments in especially Poland. The consolidation of our sales joint venture in Czechia and the water business acquired from KWH Pipe Sverige AB further contributed to this positive development.

Revenue

Revenue was EUR 1,327 million up 7.8% compared to 2010. On a like-for-like basis, revenue rose by 8.3%. As we generated 60% of our revenue outside the Eurozone, the appreciation of non-Euro currencies had a positive effect of 1.2% on reported revenue. The consolidation of the water business in Sweden, acquired in 2010, contributed 1.2% towards revenue growth.
H2 revenue was up 1.3% (4.4% on a like-for-like basis).

Gross profit

Gross profit amounted to EUR 288.6 million, 1.3% below 2010. Raw material costs rose sharply, only levelling off towards the end of the year. The general economic climate, combined with overcapacity in the industry, caused delays in passing on higher input cost to the market. This put pressure on margins. Price competition was noticeably fiercer in the more generic product ranges and in markets lacking clear market leadership. Our focus on complexity reduction and manufacturing optimisation contributed to further reduction of production costs.

Ebitda

The Ebitda – operating result before depreciation, amortisation and non-recurring items – decreased 5.9% to EUR 98.0 million, from EUR 104.1 million in 2010. The increased operational leverage from volume growth partly compensated higher raw material costs and operational challenges in the UK and France. The Ebitda margin fell to 7.4%, from 8.5% in 2010. The H2 Ebitda margin came in at 8.1% (2010: 8.8%).

Non-recurring items in operating result

Non-recurring items in the operating result were EUR 5.8 million (2010: EUR 6.4 million). Non-recurring costs of EUR 7.8 million (2010: EUR 7.2 million) related mainly to restructuring measures. Non-recurring income of EUR 2.0 million was recorded on sale of assets and the realised negative goodwill related to the acquisition in Sweden.

Operating result

The drop in Ebitda was partly compensated by lower depreciation and non-recurring expenses. The 2011 operating result was EUR 35.5 million, a decrease of EUR 2.4 million or 6.3%, compared to 2010.

Financing costs and tax
Net finance costs were reduced to EUR 28.2 million in 2011, from EUR 34.1 million in 2010. Interest costs were EUR 31.1 million compared to EUR 34.8 million in 2010, due to lower interest margins and a lower average debt. In 2011, the average interest rate paid was 6.4% compared to 7.4% the previous year. The weakening of the Euro against most other currencies resulted in exchange rate losses of EUR 0.4 million (2010: EUR 1.0 million).

An income tax benefit of EUR 6.2 million was booked, compared to a benefit of EUR 1.1 million in 2010. This included the release of a tax provision of EUR 6.8 million related to the sale of associates in 2006.

Associates
Wavin's 40% stake in a joint venture that specialises in pressure fittings for gas and water applications contributed EUR 2.4 million to the results almost equal to last year.

Net profit
Net profit rose to EUR 18.0 million in 2011 from EUR 7.1 million in 2010. Adjusted for one-off charges and benefits, recurring net profit amounted to EUR 10.7 million (2010: EUR 8.9 million). Profits attributable to shareholders increased from EUR 5.8 million in 2010 to EUR 17.1 million in 2011. Earnings per share were EUR 0.34, compared to EUR 0.11 in 2010.

Dividend
Given the limitations on paying dividend sunder the terms of the Finance Facility, the Boards of Wavin have decided to add the 2011 profit attributable to shareholders to the reserves.

Cash flow
Working capital decreased by EUR 21.7 million to EUR 98.2 million. Although input costs were substantially higher, inventories were reduced from EUR 171.9 million to EUR 153.2 million. Accounts receivable were in line with last year, despite revenue growth in emerging markets with longer payment terms. Cash flow from operating activities improved to EUR 101.1 million (2010: EUR 59.3 million), largely due to the working capital reduction. Depreciation and amortisation decreased slightly to EUR 59.0 million, well above the net investment level. Net investments were EUR 50.1 million, compared to EUR 37.6 million in 2010, which included substantially higher divestments of assets.

Net debt
Net debt at year-end was down EUR 28.2 million to EUR 227.9 million, compared to EUR 256.1 million at year-end 2010. The decrease was primarily related to the working capital reduction. The company operated well within the bank covenants. At year-end the leverage ratio (net debt/last twelve months Ebitda) was 2.4, well below the threshold of 3.0. The interest coverage ratio (Ebitda/net interest expense) was 4.2 against a minimum of 2.8. Wavin's main source of funding was a syndicated loan facility of EUR 500 million, which expired in October 2011 and was replaced with a EUR 475 million syndicated loan facility expiring in April 2013. Early 2012 we agreed with our main lending banks to amend and extend the facility to April 2015. The facility was reduced to EUR 440 million and covenants were relaxed, but margins and other conditions remained unchanged. The amended and extended facility provides Wavin with sufficient headroom and flexibility to respond to uncertain market conditions and offers a solid base for executing the Wavin 2015 strategy.

Employees
Year-end 2011, the Wavin Group had a workforce of 6,221 employees, compared to 6,448 the previous year. The decrease is partly due to the divestment of activities in France and the sale of the Euroceramic continental clay operations.

Developments per Business Unit

Wavin is organised in six business units that cover the Above Ground and Below Ground building segments.

Above Ground

H2 2011	H2 2010	% change	Revenue (€ × 1 million)	FY 2011	FY 2010	% change
136.3	144.4	(5.6%)	Hot & Cold	275.8	272.1	1.4%
80.9	77.4	4.5%	Soil & Waste	170.1	159.8	6.4%
22.4	25.6	(12.5%)	Other Building Systems	45.2	49.4	(8.5%)
239.6	**247.4**	**(3.2%)**	**Above Ground**	**491.1**	**481.3**	**2.0%**

Hot & Cold
Hot & Cold water systems are plastic and metal-plastic systems for the distribution of tap water in the house, connections to radiators and systems for surface heating and cooling. Revenue from Hot & Cold systems was EUR 275.8 million, slightly higher than in 2010. Revenue development varied throughout Europe. Solid growth was achieved in Denmark, Germany, the Netherlands, Poland, and Turkey, but new residential markets in the UK and Italy as well as export sales from Turkey, were difficult. In 2011 the new generation Hep2O push-fit fitting system was rolled out in the UK. After a slow start, when the full range of fittings was not yet available, sales recovered well.
Revenues of the Surface Heating & Cooling business grew 9.2 % in 2011. Increased awareness for building sustainability - further supported by international certifications - boosted the demand for our energy efficient solutions.

Soil & Waste
The Soil & Waste business - which addresses indoor waste water discharge - saw revenue increase by 6.4% to EUR 170.1 million. Growth was realised across Europe and is mainly driven by residential and RMI activities, which were relatively stable. Our low-noise systems are used for both residential and non-residential construction and are marketed across Europe.

Other Building systems
Products in this segment (such as roof gutters and electrical conduit pipes) complete the above ground offering in some of Wavin's European markets. Revenue in this segment decreased 8.5% to EUR 45.2 million.

Below Ground

H2 2011	H2 2010	% change	Revenue (€ × 1 million)	FY 2011	FY 2010	% change
202.1	190.7	6.0%	Foul Water Systems	420.0	372.8	12.7%
68.1	74.8	(9.0%)	Water Management	147.2	142.1	3.6%
32.6	27.5	18.5%	Cable Ducting	60.4	53.3	13.3%
93.8	81.6	15.0%	Water & Gas	180.8	156.2	15.7%
396.6	**374.6**	**5.9%**	**Below Ground**	**808.4**	**724.4**	**11.6%**

Foul Water Systems
Foul Water Systems' revenue rose by 12.7% to EUR 420.0 million, excluding the divestment of the continental clay activities growth was 15.3%. Wavin particularly benefited from its strong position in the Scandinavian countries, Germany, Poland and Turkey. Our complete range of inspection chambers continued to substitute those made of concrete. We increased the use of recycled material in our PVC multi-layer pipes, making these products even more sustainable. A good example of our commitment to this is the introduction of Recycore® technology in the UK for the manufacturing of multi-layer, solid-core pipes, made with over 50% recycled content.

Water Management
Wavin offers intelligent solutions for managing rain water runoff from hard surfaces, such as roofs and roads to ground water. As in recent years, most European countries were again faced with the challenges of storm water management in urban areas, with flooding following heavy rainfall causing severe problems. Because of this - and despite the economic situation - the Water Management business expanded in both the residential and non-residential sectors. Despite the divestment of irrigation activities in France, Water Management revenue grew by 3.6% to EUR 147.2 million, from EUR 142.1 million in 2010.
Within this business, the Intesio rainwater management segment grew almost 13%. This successful concept is now available in nine countries and combines a full range of products, with project design and calculation tools for civil engineers and investors

Water & Gas
Revenues in Water & Gas increased by 15.7% to EUR 180.8 million. The acquisition of the Swedish water business of KWH contributed significantly to this result.

Cable Ducting
The cable ducting business experienced strong growth, driven by the development of microduct-based solutions for the telecom industry. Revenue increased to EUR 60.4 million, 13.3% above 2010. A recovery of the telecom market was driven by large projects in Eastern Europe and increasing investments by established companies in ‘fibre to the home’.

Results per region

H2 2011	H2 2010	% change	Revenue and Ebitda[1] *(€ × 1 million)*	FY 2011	FY 2010	% change
645.8	637.3	1.3%	**Total Revenue**	1,327.1	1,231.3	7.8%
52.0	56.2	(7.5%)	**Total Ebitda[1]**	98.0	104.1	(5.9%)
8.1%	*8.8%*		**Ebitda Margin**	*7.4%*	*8.5%*	
			North West Europe			
245.5	207.1	18.5%	Revenue	489.0	405.8	20.5%
20.7	18.5	11.9%	Ebitda	36.8	30.7	19.9%
8.4%	*8.9%*		Ebitda Margin	*7.5%*	*7.6%*	
			South West Europe			
162.7	185.7	(12.4%)	Revenue	356.0	370.1	(3.8%)
1.5	11.6	(87.1%)	Ebitda	5.7	25.7	(77.8%)
0.9%	*6.2%*		Ebitda Margin	*1.6%*	*6.9%*	
			Central & Eastern Europe			
116.1	111.7	3.9%	Revenue	226.9	199.0	14.0%
15.5	16.6	(6.6%)	Ebitda	29.1	28.8	1.0%
13.4%	*14.9%*		Ebitda Margin	*12.8%*	*14.5%*	
			South East Europe			
93.4	97.5	(4.2%)	Revenue	196.8	197.8	(0.5%)
4.9	2.9	69.0%	Ebitda	10.1	9.0	12.2%
5.2%	*3.0%*		Ebitda Margin	*5.1%*	*4.6%*	
			Overseas and other			
28.1	35.3	(20.4%)	Revenue	58.4	58.6	(0.3%)
9.4	6.6	42.4%	Ebitda	16.3	9.9	64.6%

(1) All references to Ebitda reflect operating result before depreciation, amortisation and non-recurring items

North West Europe *(the Netherlands, Germany, Belgium, Denmark, Norway, Sweden, Finland)*
The North West Europe region's revenue rose by 20.5 % to EUR 489.0 million. Ebitda came in at EUR 36.8 million, from EUR 30.7 million in 2010. The Ebitda margin was 7.5%, almost equal to 2010.

After a decline of nearly 30% in the previous two years, the construction market in the Netherlands showed little growth. With consumer confidence remaining low Residential new build and renovation segments stabilised, but the non-residential segment continued to decline. Under these difficult market conditions Wavin maintained its leading position and market share.

In Germany all sectors showed market growth. With its good position in Below Ground applications Wavin benefited from the growth in infrastructure investments, especially in the (bio) gas and water segment. With the completion of the range of fittings for metalplastic pipes system for hot and cold water distribution, Wavin's Hot & Cold business achieved strong revenue growth.

In Belgium the cancellation of tax advantages to stimulate the residential segment and low consumer confidence, resulted in a drop in applications for new building permits and a gradual weakening of the residential demand. This was compensated by increased activity in the non-residential segment. Wavin Belgium performed strongly in the public sector, where demand for projects to separate rainwater from foul water was strong.
In Denmark the residential new build market showed strong growth while RMI residential and infrastructure markets improved. In both Above Ground and Below Ground systems, Wavin Denmark has a market leading position and improved its market share.

In Sweden we successfully integrated the water business acquired from KWH and upgraded the production facility to comply with Wavin's standards. We now have a stronger overall market position and are number two in the Below Ground segment.

In Norway, where market conditions were stable, we increased our revenues. We are the market leader in the growing water management segment, in cable ducting and in soil & waste.

In Finland, the heating and plumbing market grew strongly, and we retained our leading position in tanks and separators.

South West Europe *(United Kingdom, France and Ireland)*
The performance in the South West Europe region was disappointing due to a combination of challenging market conditions and operational issues that were addressed in the course of the year. Revenue declined by 3.8% to EUR 356 million. In 2011 we divested the Euroceramic continental clay business, the irrigation and geocomposite business (completed in 2012) in France. Excluding these divestments revenue increase was 0.6%. Ebitda was EUR 5.7 million, compared to EUR 25.7 million in 2010. The margin was 1.6%, compared to 6.9% in 2010.

In the UK, the construction market slowed down, with output 2% lower than in 2010. Spending on residential building showed a decline of almost 3% whilst non-residential building declined as cuts in government funding started to take effect. After showing encouraging growth in 2010, the number of new housing starts fell slightly in 2011. Wavin UK's performance was also impacted by the effects of the slow introduction of the next generation Hep2O fittings and the related cost inefficiencies. The full Hep2O range was available as of the second half of the year and market acceptance is good. At the end of the year, we signed a contract to supply Hep2O to British Gas's network of 10,000 installers.

In France, markets slowed down in the second half of the year. Existing housing sales declined sharply, while new build activity declined after a change in tax legislation for investment in rental properties.
Wavin France faced delivery problems at the beginning of the year as a result of the introduction of a new barcode system. These issues were resolved in the course of 2011.

In Ireland, after several difficult years during which GDP shrunk by a cumulative 11.6% in three years, the economy started to stabilise. We maintained our number one position in the market and managed to increase our market share within some categories, including Hot & Cold.

Central & Eastern Europe *(Poland, Czechia, Lithuania, Estonia, Latvia, Belarus, Russia, Ukraine and Slovakia)*

Revenue in the Central & Eastern Europe region rose by 14.0% from EUR 199.0 million in 2010 to EUR 226.9 million in 2011. Ebitda for the year ended at EUR 29.1 million, slightly above the EUR 28.8 million achieved the previous year. The Ebitda margin dropped to 12.8% mainly due to the full year consolidation of the sales joint-venture in Czechia.

In 2011 Poland recorded a relatively high and well-balanced economic growth. The non-residential market increased by nearly 4%. The infrastructure business showed strong growth, partly due to the EU subsidised programs and investments related to the European Football Championships in Poland and the Ukraine. Wavin Poland saw an increase in demand in below ground systems supported by the mild winter. After two strong quarters, however, infrastructure demand leveled off. This was compensated by accelerated growth in, amongst others, the residential Hot & Cold segment.

The Czech market remained weak in 2011. We transferred the responsibility for domestic sales to Wavin Osma, a commercial joint venture 65 % owned by Wavin and 35% by Osma, a German manufacturer of plastic pipe systems. With an improved product portfolio and a stronger organisation, Wavin Osma has successfully maintained its leading overall market position in the Czech market.

The Baltics (Lithuania, Latvia, Estonia) and Belarus enjoyed economic growth, predominantly due to increased exports to EU partners and Russia. In 2011 Wavin, the number two in the region, improved its market positions in Latvia and Lithuania.

South East Europe *(Italy, Turkey Hungary, Romania, Croatia, Serbia)*
In the South East Europe region, revenue was almost the same as in 2010 at EUR 196.8 million. Ebitda increased to EUR 10.1 million from EUR 9.0 million.

The construction sector in Italy declined for the fourth consecutive year. Both residential and non-residential output dropped by more than 6% in 2011. Under these market conditions credit control is extremely important. In this fragmented market with no clear market leader, raw material cost increases were difficult to pass on.

In Turkey, a key growth market for Wavin, the construction market grew by 10% in 2011. We have a strong position in Below Ground and are now focusing to grow our market position in the Above Ground segment. In 2011 good progress was made in this segment. The important export business from Turkey to neighbouring countries was affected by strict credit control. We implemented a number of initiatives to reduce costs and align the organisation to the 2015 strategy.

Hungary's economic climate remained challenging, and construction output dropped for the sixth year in a row. We hold strong market positions in both the Above Ground and Below Ground sectors and were able to increase our overall market share during the year. In December, the Hungarian Competition Authority started an investigation of Hungarian pipe producers suspected of forming a price fixing cartel. We are co-operating actively with the authorities, providing any information required and have no reason to believe that we violated anti-trust rules.

Wavin Overseas and others
A number of entities of the Wavin Group are not included in the regional structure, including Wavin Overseas, Wavin China, Wavin Technology & Innovation and Group holding companies.
Wavin Overseas is responsible for our commercial activities outside Europe and sells Wavin products and technologies globally through a network of 120 agents and licensees. In 2011, growth was particularly strong in the Middle East and Asia. Wavin Overseas expanded its licensing base of the proprietary Biax technology for PVC pipe systems. This technology enables pipes to be manufactured with less raw material and with better properties than pipes manufactured using traditional methods. In Asia, sales of our patented Compact Pipe system for trenchless pipe rehabilitation grew.

Financial Calendar 2012

14 March	Publication Annual Report 2011 on corporate website
28 March	Registration date for General Meeting of Shareholders
19 April	Trading Update Q1 2012
25 April	Annual General Meeting of Shareholders
23 August	Publication of H1 figures 2012
18 October	Trading Update Q3 2012

About Wavin

Wavin is the leading supplier of plastic pipe systems and solutions in Europe. The company provides essentials: plastic pipe systems and solutions for tap water, surface heating and cooling, soil and waste, rain- and storm water, distribution of drinking water and gas and telecom applications. Wavin is headquartered in Zwolle (The Netherlands) and has a presence in 25 European countries. The company employs approximately 6,200 people and reported revenue of approximately EUR 1.3 billion for 2011. Outside Europe, it has a global network of agents, licensees and distributors. Wavin is listed on the NYSE Amsterdam stock exchange (WAVIN). More details about Wavin can be found at www.wavin.com

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Annexes:

- Consolidated income statement
- Consolidated balance sheet
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Key figures last three years
- Revenue and Ebitda breakdown per region, revenue breakdown per Business Unit

Consolidated Income Statement

(€ × 1 million)	2011			2010		
	Recurring	Non-recurring*	Total	Recurring	Non-recurring*	Total
Total revenue	1,327.1	-	1,327.1	1,231.3	-	1,231.3
Cost of Sales	(1,038.5)	(0.8)	(1,039.3)	(939.0)	(1.1)	(940.1)
Gross profit (loss)	**288.6**	**(0.8)**	**287.8**	**292.3**	**(1.1)**	**291.2**
Other operating income	6.4	2.1	8.5	3.3	1.3	4.6
Selling and distribution expenses	(146.2)	(1.2)	(147.4)	(142.0)	(3.1)	(145.1)
Administrative expenses	(90.3)	(3.6)	(93.9)	(90.1)	(2.5)	(92.6)
Research and development expenses	(8.0)	-	(8.0)	(8.0)	-	(8.0)
Other operating expenses	(9.2)	(2.3)	(11.5)	(11.2)	(1.0)	(12.2)
Result from operating activities	**41.3**	**(5.8)**	**35.5**	**44.3**	**(6.4)**	**37.9**
Finance income	3.3	-	3.3	1.7	-	1.7
Finance expenses	(31.5)	-	(31.5)	(35.8)	-	(35.8)
Net finance costs	**(28.2)**	**-**	**(28.2)**	**(34.1)**	**-**	**(34.1)**
Share of profit of associates	2.4	-	2.4	2.2	-	2.2
Profit on sale of subsidiaries	-	2.1	2.1	-	-	-
Profit before income tax	**15.5**	**(3.7)**	**11.8**	**12.4**	**(6.4)**	**6.0**
Income tax benefit (expense)	(4.8)	11.0	6.2	(3.5)	4.6	1.1
Profit (loss) for the period	**10.7**	**7.3**	**18.0**	**8.9**	**(1.8)**	**7.1**
Attributable to:						
Equity holders of the Company	9.6	7.5	17.1	7.6	(1.8)	5.8
Non-controlling interest	1.1	(0.2)	0.9	1.3	-	1.3
Profit (loss) for the period	**10.7**	**7.3**	**18.0**	**8.9**	**(1.8)**	**7.1**

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

Earnings per share *(€ x 1)*	2011	2010
Basics earnings per share (weighted average)	0.34	0.11
Diluted earnings per share (weighted average)	0.34	0.11

Consolidated balance sheet

As at 31 December

(€ × 1 million)	2011	2010
Assets		
Property, plant & equipment	326.5	344.2
Intangible assets	484.2	488.1
Investments in associates	21.6	21.1
Other non-current investments	1.8	0.9
Deferred tax assets	8.9	9.6
Total non-current assets	**843.0**	**863.9**
Inventories	153.2	171.9
Total trade and other receivables	269.5	266.5
Income tax receivable	2.0	2.5
Cash and cash equivalents	76.6	55.8
Assets classified as held-for-sale	2.9	0.3
Total current assets	**504.2**	**497.0**
Total assets	**1,347.2**	**1,360.9**
Equity		
Issued capital	20.3	20.3
Share premium	422.8	422.8
Reserves	(26.0)	(13.8)
Retained earnings	156.1	141.4
Total equity attributable to equity holders of the company	**573.2**	**570.7**
Minority interest	**7.7**	**8.2**
Total equity	**580.9**	**578.9**
Liabilities		
Interest bearing loans and borrowings	287.5	295.4
Employee benefits	12.9	13.6
Provisions	11.4	17.5
Deferred tax liabilities	87.1	101.1
Other non-current liabilities	12.0	7.2
Total non-current liabilities	**410.9**	**434.8**
Bank overdrafts	17.0	16.5
Employee benefits	0.6	0.5
Provisions	8.5	8.8
Income tax payable	4.9	4.7
Trade and other payables	324.1	316.7
Liabilities classified as held-for-sale	0.3	-
Total current liabilities	**355.4**	**347.2**
Total liabilities	**766.3**	**782.0**
Total equity & liabilities	**1,347.2**	**1,360.9**

Consolidated statement of cash flows

For the period ending 31 December

(€ × 1 million)	2011	2010
Profit for the period	**18.0**	**7.1**
Adjustments to reconcile to cash flow from operating activities		
Depreciation, amortisation and impairment	59.0	60.0
Long term incentive plan	0.3	0.2
Capitalised withholding tax	(4.1)	-
Net finance costs	28.2	34.1
Result on sale of property, plant and equipment and intangible fixed assets	(1.9)	(0.6)
Share in profit of associates	(2.4)	(2.2)
Result on sale of subsidiaries	(2.1)	-
Income tax expense (benefit)	(6.2)	(1.1)
Operating profit before changes in working capital and provisions	**88.8**	**97.5**
Change in other receivables and other payables	2.5	(6.2)
Change in working capital	11.0	(33.9)
Change in provisions and employee benefits	(1.2)	1.9
Cash generated from operations	**101.1**	**59.3**
Interest paid thirds	(27.9)	(29.8)
Income taxes paid	(5.4)	(3.1)
Net cash from operating activities	**67.8**	**26.4**
Investments in property, plant & equipment paid	(40.2)	(36.0)
Investments in intangible assets paid	(11.2)	(7.2)
Proceeds from sold property, plant and equipment and intangible assets	1.3	5.6
Dividends received from associates	2.3	3.1
Proceeds from sale of subsidiaries	16.9	-
Acquisition of consolidated companies, net of cash acquired	(5.3)	0.1
Net cash used in investing activities	**(36.2)**	**(34.4)**
Treasury shares purchased	(1.5)	(0.8)
Treasury shares issued	0.3	0.4
New / (repayment of) interest-bearing loans and borrowings	(10.6)	4.1
Use of credit facility	3.4	-
Dividends paid to shareholders of non-controlling interest	(0.5)	(0.5)
Net cash from (used in) financing activities	**(8.9)**	**3.2**
Net increase (decrease) of cash and cash equivalents	**22.7**	**(4.8)**
Cash and cash equivalents at 1 January	55.7	58.6
Effect of exchange rate fluctuations on cash held	(1.8)	1.9
Cash and cash equivalents at 31 December	**76.6**	**55.7**

Consolidated statement of changes in equity

As at 31 December

(€ × 1 million)	2011	2010
Balance at 1 January	**570.7**	**551.7**
Net profit attributable to shareholders of the Company	17.1	5.8
Currency differences	(14.2)	12.0
Fair value changes financial instruments	0.5	1.5
Long term incentive plan	0.3	0.2
Purchase / (issue) of treasury shares	(1.2)	(0.5)
Book value at 31 December	**573.2**	**570.7**

Key figures last three years

(€ × 1 million unless otherwise stated)		2011	2010	2009
Consolidated Income Statement				
Total revenue		1,327.1	1,231.3	1,159.6
Ebitda[1]		98.0	104.1	110.4
Ebitda as % of revenue		7.4%	8.5%	9.5%
Result from operating activities[2]		35.5	37.9	32.9
Profit for the period		18.0	7.1	1.8
Consolidated Balance Sheet				
Total equity		580.9	578.9	558.6
Net capital employed		821.7	851.4	820.2
Net debt		227.9	256.1	236.8
Debt to equity ratio	× 1	0.4	0.4	0.4
Leverage ratio	× 1	2.4	2.3	2.0
Interest coverage ratio	× 1	4.2	3.7	4.0
Key data per share[3]				
Number of shares issued (year end)	× 1,000	50,782	50,782	50,782
Dividend per share	€	0.00	0.00	0.00
Earnings per share (year end)	€	0.34	0.11	0.00
Share price at year end	€	9.50	11.40	14.00
Other key ratios				
Innovation rate	%	17.4	14.6	16.0
Service level	%	91.2	90.3	89.4
Greenhouse gas emissions[3]	CO_2/ton	409	433	456
Employees				
Workforce	× 1	6,221	6,448	6,238
Lost time incident frequency	× 1	2.6	2.2	2.9

(1) All references to Ebitda reflect operating result before depreciation, amortisation and non-recurring items
(2) All references to operating result include non-recurring items
(3) The comparative figures have been adjusted to reflect the effect of the reverse stock split
(4) Figures have been restated following a more detailed calculation

Revenue per region

H2 2011	H2 2010	% change	For the period ending 31 December Revenue (€ × 1 million)	FY 2011	FY 2010	% change
245.5	207.1	18.5%	North West Europe	489.0	405.8	20.5%
162.7	185.7	(12.4%)	South West Europe	356.0	370.1	(3.8%)
116.1	111.7	3.9%	Central & Eastern Europe	226.9	199.0	14.0%
93.4	97.5	(4.2%)	South East Europe	196.8	197.8	(0.5%)
28.1	35.3	(20.4%)	Overseas and Other	58.4	58.6	(0.3%)
645.8	**637.3**	**1.3%**	**Total Revenue**	**1,327.1**	**1,231.3**	**7.8%**

H2 2011	H2 2010	% change	Ebitda* (€ × 1 million)	FY 2011	FY 2010	% change
20.7	18.5	11.9%	North West Europe	36.8	30.7	19.9%
1.5	11.6	(87.1%)	South West Europe	5.7	25.7	(77.8%)
15.5	16.6	(6.6%)	Central & Eastern Europe	29.1	28.8	1.0%
4.9	2.9	69.0%	South East Europe	10.1	9.0	12.2%
9.4	6.6	42.4%	Overseas and Other	16.3	9.9	64.6%
52.0	**56.2**	**(7.5%)**	**Total Ebitda**	**98.0**	**104.1**	**(5.9%)**

(1) All references to Ebitda reflect operating result before depreciation, amortisation and non-recurring items

Revenue per Business Unit

H2 2011	H2 2010	% change	Revenue (€ × 1 million)	FY 2011	FY 2010	% change
136.3	144.4	(5.6%)	Hot & Cold	275.8	272.1	1.4%
80.9	77.4	4.5%	Soil & Waste	170.1	159.8	6.4%
22.4	25.6	(12.5%)	Other Building Systems	45.2	49.4	(8.5%)
239.6	**247.4**	**(3.2%)**	**Above Ground**	**491.1**	**481.3**	**2.0%**
202.1	190.7	6.0%	Foul Water Systems	420.0	372.8	12.7%
68.1	74.8	(9.0%)	Water Management	147.2	142.1	3.6%
32.6	27.5	18.5%	Cable Ducting	60.4	53.3	13.3%
93.8	81.6	15.0%	Water & Gas	180.8	156.2	15.7%
396.6	**374.6**	**5.9%**	**Below Ground**	**808.4**	**724.4**	**11.6%**
9.6	15.3	(37.3%)	Unallocated	27.6	25.6	7.8%
645.8	**637.3**	**1.3%**	**Total revenue**	**1,327.1**	**1,231.3**	**7.8%**