

WAVIN DEALS WITH CHALLENGING MARKET CIRCUMSTANCES

Zwolle, 29 August 2008 – Wavin N.V., leading supplier of plastic pipe systems and solutions in Europe, today announces its First Half Year 2008 results:

Financial highlights H1 2008

- Revenue increased 1% to EUR 833.8 million (H1 2007: EUR 824.4 million)
- Organic revenue at constant currency decreased 3%
- Ebitda⁽¹⁾ EUR 91.9 million (H1 2007: 107.3 million)
- Ebitda margin 11.0%, compared to 13.0% in very strong H1 2007
- Restructuring charge of EUR 9.1 million taken for UK/Ireland
- Net profit EUR 24.8 million (H1 2007: EUR 44.5 million)
- Interim dividend EUR 0.12 per share

Operational highlights

- Market conditions in particularly UK/Ireland very difficult
- Varying picture in other Western European markets
- Continued growth in emerging markets of Europe, which account for around a quarter of total revenue
- Workforce reduction of approx. 300 FTE's (4% of total) in ongoing operations compared to same period 2007
- Restructuring measures in Ireland and UK on track, delivering annual savings of EUR 6 million from 2009
- Recently acquired Pilsa Plastic (Turkey) performs ahead of expectations
- High revenue growth in segments Water Management (15%), Hot & Cold (11%) and Cable Ducting (20%)

Wavin Group Key figures in EUR million	H1 2008	H1 2007	Change
Total Revenue	833.8	824.4	1.1%
Revenue breakdown per Business Unit :			
Building & Installation	325.4	310.2	4.9%
Civils & Infrastructure	496.8	495.3	0.3%
EBITDA ⁽¹⁾ as % of revenue	91.9 11.0%	107.3 13.0%	-14.4%
Operating result ⁽²⁾	50.8	70.5	-27.9%
Net profit	24.8	44.5	-44.3%
Net debt	681.4	654.2	4.2%
Per share data (EUR)			
Earnings per share	0.30	0.55	-45.5%
Interim dividend per share	0.12	0.22	-45.5%

⁽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

Philip Houben, Wavin CEO: "The construction markets in Europe have weakened significantly in the first half of 2008, compared to the very favourable conditions in the same period last year. The impact of the credit crunch on building activities is apparent throughout Europe and is affecting us severely in the UK/Ireland region. We have taken immediate action to deal with these negative market developments. The announced restructuring measures in the UK and Ireland are on track and will deliver a structural cost reduction of EUR 6 million in the region. At the same time, we have reduced our workforce on a Group wide level by 300 FTE's. Our latest acquisition, Pilsa Plastic in Turkey, is performing well and has further increased the share of higher growth markets in our portfolio. Around a quarter of our sales now comes from emerging economies in Europe."

Revenue

In the first half year total revenue grew by 1.1% to EUR 833.8 million. Organic revenue at constant currencies decreased by 2.9%. Acquisitions less divestments contributed EUR 45.8 million or 5.5%. Exchange rate differences had a negative impact of 1.5%. All regions, except UK/Ireland, delivered revenue improvement.

In Civils & Infrastructure (below-ground pipe systems and solutions) revenue rose marginally with 0.3% to EUR 496.8 million. Continued growth in Water Management and Cable Ducting was partly offset by a decline in Foul Water systems as a result of negative housing developments in UK, Ireland and to a lesser extent Denmark. In Building & Installation (above-ground pipe systems and solutions) revenue grew by 4.9% to EUR 325.4 million. Growth in the important Hot & Cold segment was 11%, supported by penetration in emerging markets.

Ebitda and Ebitda margin

Ebitda in H1 2008 decreased by EUR 15.4 million or 14.4% to EUR 91.9 million. The impact of currency translation losses on Ebitda was approximately EUR 1.2 million.

Higher costs for raw material, energy and transportation as well as labour, could not be fully offset by volume growth and price increases. As a percentage of revenue, Ebitda amounted to 11.0%, against 13.0% in the first half of 2007.

The drop in margin was especially felt in the regions UK/Ireland, Nordic Europe and Central and Eastern Europe. In the UK/Ireland region significantly lower volumes could only partly be compensated by cost reductions whilst Nordic Europe was affected by the slowdown in Denmark. The CEE region margin decrease was mainly a result of pressure from dollar-denominated competition and incidental charges.

Non-recurring items in operating result

In response to the sharp sales decline in the UK/Ireland region, a restructuring programme was immediately undertaken. This resulted in a non-recurring charge of EUR 9.1 million and will bring cost savings of EUR 6 million annually from 2009.

Financing costs and tax

Financing costs amounted to EUR 20.0 million versus EUR 17.2 million in the same period last year. This increase was a result of additional net debt for acquisitions as well as foreign exchange losses. In line with the lower operating profit, income tax expense decreased to EUR 9.2 million (H1 2007: EUR 11.7 million). The effective tax rate increased from 20.7% to 27.1% mainly because last year's results included substantial deferred tax rate benefits. Additionally, the H1 2008 geographical spread of results was less favourable from a tax perspective.

Net profit

The lower operational performance, higher financing costs and increased restructuring charges resulted in a net profit in the first half year of EUR 24.8 million, compared to EUR 44.5 million in H1 2007, a decline of 44%.

On a recurring base, net profit amounted to EUR 31.8 million, a decrease of 32%.

The number of outstanding shares in H1 2008 was 79.5 million and the earnings per share came to EUR 0.30 (EUR 0.39 on a recurring basis).

Cash flow

Wavin generates most of its cash flow in the second half of the year. The seasonal peak of working capital requirement was in line with the previous year. Cash flow from operating activities amounted to negative EUR 4.7 million in H1 2008 compared to a cash inflow of EUR 10.5 million in H1 2007. Lower operating results explain this difference.

Net cash used in investing activities amounted to EUR 74.1 million. This includes acquisitions of EUR 47.0 million and capital expenditure, less disposal of assets, of EUR 29.6 million (3.6% of revenue).

Dividend cash out amounted to EUR 9.9 million, out of total declared dividend of EUR 18.8 million.

Net debt

Due to the seasonal nature of the activities and a sizeable acquisition, net debt at the end of the first half year rose to EUR 681.4 million (EUR 654.2 million per 30 June 2007, EUR 542.4 million per 31 Dec 2007).

The company stayed well within the covenants of its EUR 750 million financing facility. The leverage ratio was 3.2 per 30 June 2008 compared to a level of just below 3.0 at the end of H1 2007. The interest coverage at 30 June was 6.2.

The main finance facility does not expire until October 2011. The interest rate risk on EUR 447 million is hedged at an average interest rate of 4.1% and with an average duration of 2.7 years.

Workforce reduction

Excluding the acquisition of Pilsa, Wavin’s workforce was reduced by approx 300 FTE’s (4.0 % of total workforce) compared to 30 June 2007. In light of the changed market circumstances, temporary labour employment has been scaled back substantially. The announced restructuring in the UK/Ireland region (affecting over 100 employees in total) and other efficiency measures will lead to further reductions during the remainder of the year.

Business Unit Developments

Building & Installation

Revenue (EUR million)	H1 2008	H1 2007	Change
Hot & Cold	179.4	161.0	11.4%
Soil & Waste	108.5	110.5	-1.8%
Other Building Systems	37.5	38.7	-3.1%
Total B & I	325.4	310.2	4.9%

The Building & Installation business unit (above-ground plastic pipe systems and solutions) realised 4.9% growth to EUR 325.4 million and represents 39% of total revenue. Whilst the Hot & Cold segment continued to benefit from further substitution of traditional materials by plastics as well as the need for energy efficient indoor climate control, the other segments in this business unit were affected by the contraction in residential construction in a number of countries.

Civils & Infrastructure

Revenue (EUR million)	H1 2008	H1 2007	Change
Foul Water	258.2	278.9	-7.4%
Water Management	93.5	81.0	15.4%
Cable Ducting	42.0	34.9	20.3%
Water & Gas	103.1	100.5	2.6%
Total C & I	496.8	495.3	0.3%

The business unit Civils & Infrastructure (below ground plastic pipe systems and solutions) accounts for 60% of total Group revenue. Compared to the exceptionally positive H1 2007, revenue increased marginally with 0.3% to EUR 496.8 million. Water Management and Cable Ducting continued their strong growth trend due to, respectively, the increasing demand for rainwater management solutions and last-mile telecom connections. The Foul Water segment was particularly affected by the sharp decline in housing starts in Ireland, the UK and to a lesser extent Denmark where the company has a relatively strong presence in this segment.

Results per region

Revenue and EBITDA ⁽¹⁾ (EUR million)	H1 2008	H1 2007	Change
Total Revenue	833.8	824.4	1.1%
Total EBITDA ⁽¹⁾	91.9	107.3	-14.4%
UK/Ireland			
Revenue	175.0	226.0	-22.6%
EBITDA ⁽¹⁾	19.9	36.9	-46.1%
Margin	11.4%	16.3%	
North West Europe			
Revenue	171.7	169.6	1.2%
EBITDA ⁽¹⁾	14.0	12.6	11.1%
Margin	8.2%	7.4%	
Nordic Europe			
Revenue	115.6	114.5	1.0%
EBITDA ⁽¹⁾	10.3	12.7	-18.9%
Margin	8.9%	11.1%	
Central and Eastern Europe			
Revenue	117.1	107.5	8.9%
EBITDA ⁽¹⁾	18.1	22.3	-18.8%
Margin	15.5%	20.7%	
South West Europe			
Revenue	96.8	91.8	5.4%
EBITDA ⁽¹⁾	12.6	9.2	37.0%
Margin	13.0%	10.0%	
South East Europe			
Revenue	131.5	86.3	52.4%
EBITDA ⁽¹⁾	10.8	8.6	25.6%
Margin	8.2%	10.0%	
Other			
Revenue	26.1	28.7	-9.1%
EBITDA ⁽¹⁾	6.2	5.0	24.0%

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

Revenue in the **UK/Ireland region** decreased 23% and included a negative currency effect of 8% as well as an estimated impact of destocking by distributors of approximately 5%. The credit crisis has severely impacted this region especially in the new build residential sector. Housing starts in the UK have meanwhile dropped over 25% and in Ireland over 50%. Also the very important RMI segment is increasingly under pressure. The Ebitda margin decreased to 11.4% as lower volumes could only partly be compensated by cost reductions. Restructuring measures in the region are on track and will lead to annual cost savings of EUR 6 million.

In Wavin's **North West Europe** region, revenue grew 1% to EUR 171.7 million. German sales showed some signs of bottoming out whilst Benelux reported moderate growth. In spite of margin pressure in Germany and Belgium, the Ebitda margin in the region went up to 8.2% mainly as a result of improved operating efficiencies in the Netherlands after rationalisation of the manufacturing footprint last year.

The **Nordic Europe** region recorded a 1% increase of revenue to EUR 115.6 million. The results in the weak Danish market were compensated by growth elsewhere in the region. However, the resulting geographic mix and increased transportation costs resulted in a decrease of the Ebitda margin to 8.9%.

Market circumstances in the **Central and Eastern Europe** region continued to be favourable, although less buoyant than in the exceptionally strong first half of 2007. Revenue increased 9% to EUR 117.1 million. As a result of dollar-denominated competition and incidental charges in Russia and Ukraine of around EUR 2 million, the Ebitda margin dropped to 15.5%.

The **South West Europe** region showed a continuation of its robust recovery in recent years. Revenue increased to EUR 96.8 million, growing 5%. The Ebitda margin improved to 13.0% (H1 2007: 10.0%) on the back of product mix improvements and increased efficiency.

The acquisition of Pilsa Plastic, a prominent Turkish manufacturer of plastic pipes and fittings, was the prime contributor to the 52% revenue growth in the **South East Europe** region. In this region, Turkey and Romania report positive market developments whilst Italy and Hungary face more challenging conditions.

Dividend

The H1 2008 profit attributable to equity holders of Wavin N.V. amounted to EUR 24.1 million. Reported earnings per share in H1 2008 were EUR 0.30. In accordance with Wavin's dividend policy, 40% of the net profit in H1 will be paid as interim dividend, leading to an interim dividend of EUR 0.12 per share. This dividend will be paid out either fully in cash or fully in shares, at the discretion of each individual shareholder.

As per 1 September 2008, the ordinary shares will be registered ex-dividend. The interim dividend payment will take place on 26 September 2008.

Outlook

Management is increasingly cautious on its outlook for the rest of 2008. We foresee a further deterioration of the construction markets in the UK and Ireland. On the basis of current indicators we also expect other Western European markets to weaken. At the same time, we remain positive about the emerging markets of Europe, where the company has an increasing presence.

Management will continue to take firm actions to respond to local market conditions. Focus will be on tight cost control as well as on managing cash flow by reducing working capital and capital expenditure.

Raw material prices, energy and transportation costs will significantly increase in the second half on the back of higher oil prices. We expect to be able to offset these cost increases in our sales prices, albeit with some delay.

Long term developments such as urbanisation, climate change, smaller households, energy efficiency of buildings and substitution of traditional materials by plastics are in favour of our business and we are confident that our markets will reflect those trends on a structural level.

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 28 European countries, with manufacturing sites in 17 of those. The company employs approximately 7,000 people and reported revenue of EUR 1.6 billion for 2007. Outside Europe, it has a global network of more than 120 agents, licensees and distributors. Wavin is listed on the NYSE Euronext Amsterdam stock exchange (WAVIN). More details about Wavin can be found at www.wavin.com.

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Cautionary note regarding forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are statements that are not based on historical fact, including statements about our beliefs and expectations. Any statement in this announcement that expresses or implies our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Such statements are based on plans, estimates and projections as currently available to the management of Wavin. Forward-looking statements therefore speak only as of the date they are made and we assume no obligation to publicly update any of them in the light of new information or future events.

Financial Calendar 2008 *(Subject to change)*

1 September	Ex-dividend date interim dividend
3 September	Record date for interim dividend entitlement
18 September	End of dividend choice (cash or stock) period
24 September	Announcement of stock dividend conversion ratio
26 September	Payment interim dividend

Annexes:

- Consolidated income statement
- Consolidated balance sheet
- Consolidate statement of cash flows
- Changes in shareholders equity
- Segmentation reporting

The accounting policies applied are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 December 2007

The figures included in this release are unaudited

Consolidated income statement

For the half year ended 30 June 2008

(€ million)	2008			2007*		
	Recurring	Non-recurring	Total*	Recurring	Non-recurring	Total
Continuing operations						
Total revenue	833.8	-	833.8	824.4	-	824.4
Revenue discontinued operations	-	-	-	(7.8)	-	(7.8)
Revenue continuing operations	833.8	-	833.8	816.6	-	816.6
Cost of sales	(617.2)	(4.7)	(621.9)	(591.5)	(5.1)	(596.6)
Gross profit	216.6	(4.7)	211.9	225.1	(5.1)	220.0
Other operating income	3.0	1.5	4.5	3.0	-	3.0
Selling and distribution expenses	(90.1)	(4.2)	(94.3)	(87.3)	(0.1)	(87.4)
Administrative expenses	(57.6)	(1.1)	(58.7)	(54.0)	(1.3)	(55.3)
Research and development expenses	(5.4)	-	(5.4)	(4.3)	-	(4.3)
Other operating expenses	(5.7)	(1.5)	(7.2)	(5.2)	(0.3)	(5.5)
Result from operating activities	60.8	(10.0)	50.8	77.2	(6.7)	70.5
Finance income	5.6	-	5.6	7.9	-	7.9
Finance expenses	(25.6)	-	(25.6)	(25.1)	-	(25.1)
Net finance costs	(20.0)	-	(20.0)	(17.2)	-	(17.2)
Share of profit of associates	3.2	-	3.2	2.4	-	2.4
Profit (loss) on sale of associates	-	-	-	-	-	-
Profit before income tax	44.0	(10.0)	34.0	62.4	(6.7)	55.7
Income tax expense	(12.2)	3.0	(9.2)	(15.8)	4.3	(11.5)
Profit from continuing operations	31.8	(7.0)	24.8	46.6	(2.4)	44.2
Discontinued operations						
Profit (loss) from discontinued operations (net of income tax)	-	-	-	0.3	-	0.3
Profit for the period	31.8	(7.0)	24.8	46.9	(2.4)	44.5
Attributable to:						
Equity holders of the company	31.1	(7.0)	24.1	45.8	(2.4)	43.4
Minority interest	0.7	-	0.7	1.1	-	1.1
Profit for the period	31.8	(7.0)	24.8	46.9	(2.4)	44.5

* Comparable figures for the reclassification in discontinued operations and exchange rate differences to net finance costs have not been adjusted given the immaterial effect.

Earnings per share	2008		2007*	
	Continuing operations	Total	Continuing operations	Total
Earnings per share (half year)	0.30	0.30	0.55	0.55
Recurring earnings per share (half year)	0.39	0.39	0.57	0.57
Diluted earnings per share (weighted average)	0.30	0.30	0.55	0.55
Earnings per share (weighted average)	0.30	0.30	0.55	0.55

* Comparable figures are not adjusted for the effect of paid stockdividend in 2008.

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Consolidated balance sheet

As at 30 June 2008
before profit appropriation

(€ million)	30-Jun-08	31-Dec-07
Assets		
Property, plant and equipment	404.8	378.5
Intangible assets	506.2	505.1
Investments in associates	18.0	17.4
Other non-current investments	16.0	8.5
Deferred tax assets	9.6	8.8
Total non-current assets	954.6	918.3
Inventories	244.6	214.1
Other current investments	0.1	0.1
Trade and other receivables	459.9	333.2
Income tax receivable	1.3	0.4
Assets classified as held for sale	1.8	5.9
Cash and cash equivalents	17.8	19.5
Total current assets	725.5	573.2
Total assets	1,680.1	1,491.5
Equity		
Total equity attributable to equity holders of the company	375.4	363.2
Minority interest	7.1	6.5
Total equity	382.5	369.7
Liabilities		
Interest bearing loans and borrowings	623.3	515.8
Employee benefits	18.6	21.9
Deferred government grants	0.1	0.1
Provisions	16.3	16.3
Deferred tax liabilities	121.5	122.2
Other non-current liabilities	1.5	1.7
Total non-current liabilities	781.3	678.0
Interest bearing loans and borrowings	47.7	23.0
Bank overdrafts	28.2	23.1
Provisions	14.0	5.7
Employee benefits	3.6	2.4
Income tax payable	12.6	18.5
Trade and other payables	410.2	371.1
Total current liabilities	516.3	443.8
Total liabilities	1,297.6	1,121.8
Total equity and liabilities	1,680.1	1,491.5

The accounting policies applied are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 December 2007

The figures included in this release are unaudited

Consolidated statement of cash flows

For the half year ended 30 June

(€ x 1,000)	2008	2007 *
Profit for the period	24.8	44.5
<i>Adjustments to reconcile to cash flow from operating activities</i>		
Depreciation and amortisation	30.9	29.6
Impairment losses	1.7	-
Net finance costs	20.0	16.7
Profit on sale of property, plant and equipment and intangible fixed assets	(1.6)	(0.2)
Share in profit of associates	(3.2)	(2.4)
Income tax expense	9.2	11.7
Operating profit before changes in working capital and provisions	81.7	99.9
Changes in trade receivables	(107.1)	(112.6)
Changes in inventories	(17.7)	(27.5)
Changes in trade payables	9.3	48.6
Changes in other receivables and other payables	23.8	1.1
Changes in provisions and employee benefits	5.3	1.0
Cash generated from operating activities	(4.7)	10.5
Interest received (paid)	(20.3)	(16.4)
Income taxes received (paid)	(18.5)	(3.3)
Net cash from operating activities	(43.5)	(9.2)
Investments in property, plant and equipment paid	(27.8)	(25.6)
Investments in intangible assets paid	(7.9)	(4.8)
Proceeds from sold property, plant and equipment and intangible assets	6.1	-
Dividends received from associates	3.0	2.4
Proceeds from sale of other non-current investments	(0.3)	(0.3)
Paid other non-current liabilities	(0.2)	(0.1)
Acquisitions of consolidated companies, net of cash acquired	(47.0)	(5.9)
Net cash from (used in) investing activities	(74.1)	(34.4)
New long term borrowings	100.0	4.1
Repayment of long term borrowings	-	(0.5)
New short term borrowings	29.4	55.8
Reversal costs share based payments	(0.2)	(1.3)
Purchase of own shares	(2.7)	-
Dividends paid to the company's shareholders	(9.9)	(14.7)
Dividends paid to minority shareholders	(0.6)	(0.1)
Net cash used in financing activities	115.8	43.3
Net increase (decrease) of cash and cash equivalents	(1.7)	(0.2)
Cash and cash equivalents at 1 January	19.5	17.0
Effect of exchange rate fluctuations on cash held	-	1.3
Cash and cash equivalents at 30 June	17.8	18.1

* comparative figures are aligned with the 2007 year end cash flow presentation

The accounting policies applied are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 December 2007

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Changes in shareholders equity

For the half year ended 30 June 2007

(€ million)	2008	2007
Balance at 1 January	363.2	295.4
Net profit attributable to shareholders of the company	24.1	43.4
Share-based payment plans	(0.2)	1.3
Purchase of own shares	(2.7)	-
Dividends paid to shareholders	(9.9)	(14.7)
Currency differences	(4.0)	1.3
Fair value changes financial instruments	5.0	8.0
Other changes in equity	(0.1)	-
Balance at 30 june	375.4	334.7

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The figures included in this release are unaudited

Segmentation reporting

For the half year ended 30 June 2007

Revenue (€ million)	H1 2008	H1 2007	% change
Wavin UK / Ireland	175.0	226.0	(22.6)%
Wavin North West Europe	171.7	169.6	1.2%
Wavin Nordic Europe	115.6	114.5	1.0%
Wavin Central & Eastern Europe	117.1	107.5	8.9%
Wavin South West Europe	96.8	91.8	5.4%
Wavin South East Europe	131.5	86.3	52.4%
Other	26.1	28.7	(9.1)%
Total revenue	833.8	824.4	1.1%

EBITDA (€ million)	H1 2008	H1 2007	% change
Wavin UK / Ireland	19.9	36.9	(46.1)%
Wavin North West Europe	14.0	12.6	11.1%
Wavin Nordic Europe	10.3	12.7	(18.9)%
Wavin Central & Eastern Europe	18.1	22.3	(18.8)%
Wavin South West Europe	12.6	9.2	37.0%
Wavin South East Europe	10.8	8.6	25.6%
Other	6.2	5.0	24.0%
Total EBITDA	91.9	107.3	(14.4)%

Revenue (€ million)	H1 2008	H1 2007	% change
Hot & Cold	179.4	161.0	11.4%
Soil & Waste	108.5	110.5	(1.8)%
Other Building Systems	37.5	38.7	(3.1)%
Total Building & Installation	325.4	310.2	4.9%
Foul Water Systems	258.2	278.9	(7.4)%
Water Management	93.5	81.0	15.4%
Cable Ducting	42.0	34.9	20.3%
Water & Gas	103.1	100.5	2.6%
Total Civil & Infrastructure	496.8	495.3	0.3%
Other	11.6	18.9	(38.6)%
Total Revenue	833.8	824.4	1.1%

The accounting policies applied are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 December 2007

The figures included in this release are unaudited