

N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere

(a public limited liability company incorporated in The Netherlands)

8 for 5 rights offering of 469,920 ordinary shares to eligible existing holders of ordinary shares at an issue price of €13.83 per ordinary share

On 22 May 2008 N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere ("**Royal Delft**" or the "**Company**") announced its intention to acquire all outstanding and issued shares in the capital of B.V. Koninklijke van Kempen & Begeer ("**VKB**") from VKB's sole shareholder Corpeq B.V. ("**Corpeq**"). On 31 July 2008 Royal Delft signed a share purchase agreement to acquire VKB from Corpeq (the "**Acquisition**"). The consideration for the Acquisition consists of three elements, namely (i) an initial cash consideration of €4,660,000 plus an interest component (the "**Initial Cash Consideration**"), (ii) the Earn-out Consideration, and (iii) the Warrant Consideration (all three defined in the chapter headed "Definitions"). The Acquisition is expected to close on 29 September 2008. Royal Delft anticipates to fund the Acquisition with the net proceeds of the Offering (as defined below). Any excess proceeds will be used to fund any costs relating to the integration of VKB and B.V. Leerdam Crystal ("**Leerdam Crystal**") into Royal Delft and for general corporate purposes of Royal Delft.

Royal Delft has resolved to issue, and is offering 469,920 new ordinary shares with a nominal value of €1.00 each (the "**Offer Shares**" and together with the Rights (as defined below), the "**Securities**"). The Offer Shares are initially being offered to the existing holders of ordinary shares in the capital of Royal Delft with a nominal value of €1.00 each (the "**Ordinary Shares**") pro rata to their holdings in the Ordinary Shares, at an issue price of €13.83 per Offer Share (the "**Issue Price**"), subject to applicable securities laws and on the terms set out in this Prospectus (the "**Rights Offering**"). For this purpose, and subject to applicable securities laws, the existing holders of the Ordinary Shares as of the Record Date (as defined below) are being granted transferable subscription rights (the "**Rights**") that will entitle the holders thereof to subscribe for the Offer Shares at the Issue Price, provided that the holder is an Eligible Person (as defined in chapter headed "Definitions"). The Ordinary Shares are listed and traded on an auction traded securities segment of Euronext Amsterdam by NYSE Euronext the regulated market of Euronext N.V. ("**Euronext Amsterdam**") under the symbol "PORF". Application has been made or will be made for the Rights to be traded on Euronext Amsterdam, during the Exercise Period only, on an auction traded securities segment under the symbol "PORRI". Royal Delft expects that trading in the Rights will commence on Euronext Amsterdam on or about 12:00 hours CET on 12 September 2008 and will cease on or about 12:30 hours CET on 22 September 2008, barring unforeseen circumstances.

Each Shareholder (as defined in chapter headed "Definitions") holding Ordinary Shares immediately following the closing of trading on Euronext Amsterdam at 17:40 hours, Central European Time ("**CET**"), on 11 September 2008 (the "**Record Date**"), will be entitled to one Right for each Ordinary Share held. An Eligible Person will be entitled to subscribe for 8 Offer Shares for every 5 Rights held. Accordingly, Eligible Persons will have the right to subscribe for 8 Offer Shares for every 5 Ordinary Shares held on the Record Date. Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares through the exercise of Rights on 12 September 2008 until 15:30 hours CET on 22 September 2008 (the "**Exercise Period**"). If you are an Eligible Person and you have not validly exercised your Rights by the end of the Exercise Period, you will no longer be able to exercise your Rights and your Rights will terminate. The Unexercised Rights Payment (as defined in chapter headed "Definitions"), if any, will be distributed to holders of unexercised Rights as soon as practicable after the closing of the Rump Offering (as defined below) and will be credited to those holders through the facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"). Once you have validly exercised your Rights, you cannot revoke or modify that exercise except as otherwise provided in this Prospectus.

After the Exercise Period has ended, any Offer Shares that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period (the "**Rump Shares**") will be offered for sale on a best effort basis by way of private placements to institutional investors in The Netherlands and elsewhere by Rabo Securities, the global coordinator and sole bookrunner (the "**Global Coordinator**" or "**Rabo Securities**"), subject to the terms and conditions of a placing agreement between Royal Delft and the Global Coordinator dated 10 September 2008 (the "**Placing Agreement**"). The Global Coordinator has agreed to arrange on a best effort basis for the sale of the Rump Shares at a price per Rump Share which will be established on a book-building basis and which will be at least equal to the Issue Price. The Global Coordinator is not purchasing any Rump Shares offered by the Company and is not required to sell any specific number or Euro amount of Rump Shares. Boron Investments N.V. (the "**Underwriter**"), currently holding 51.64% of the Ordinary Shares, has agreed with the Company to (i) duly and timely exercise the Rights granted to it in connection with the Offering and (ii) fully subscribe and pay for any Rump Shares not sold in the Rump Offering at the Issue Price, subject to the terms and conditions of an underwriting agreement between Royal Delft and the Underwriter dated 9 September 2008 (the "**Underwriting Agreement**"). In consideration for this undertaking Royal Delft will issue warrants to the Underwriter on the Closing Date pursuant to the Underwriting Agreement (the "**Underwriter Warrants**"), together with the Consideration Warrants (as defined in chapter headed "Definitions"), the "**Warrants**"). The offering and sale of the Rump Shares is referred to as the rump offering (the "**Rump Offering**") and together with the Rights Offering, the "**Offering**"). References herein to the Offer Shares include the Rump Shares (except where otherwise specified).

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of holders of the outstanding Ordinary Shares have been excluded for the purposes of the Offering.

Royal Delft is not taking any action to permit a public offering of the Rights or the Offer Shares in any jurisdiction outside The Netherlands. The Rights are being granted by us and the Offer Shares are being offered by us only in those jurisdictions in which, and only to those persons to whom, granting of the Rights and offering of the Offer Shares (pursuant to the exercise of Rights or otherwise) may lawfully be made. The Rights and the Offer Shares have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), and may not be offered, granted, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. Accordingly, the Rights are being granted and the Offer Shares are being offered by the Company only in transactions that are exempt from registration under the Securities Act pursuant to Regulation S thereunder ("Regulation S"). Potential investors in the Rights or the Offer Shares should carefully read the chapter headed "Selling and Transfer Restrictions".

Investing in the Offer Shares and trading in the Rights involves certain risks. See the chapter headed "Risk Factors" beginning on page 13 of this Prospectus for a discussion of certain factors that should be considered before investing in the Offer Shares or trading in the Rights.

Application will be made for the listing and trading of the Offer Shares on Euronext Amsterdam. Royal Delft expects that the Offer Shares will be listed, and that trading in the Offer Shares will commence on Euronext Amsterdam on or about 11:30 hours CET on 26 September 2008, barring unforeseen circumstances. It is expected that payment for and delivery of the Offer Shares will be made on or about 26 September 2008 (the "**Closing Date**"). Settlement on the Closing Date will occur in the existing securities codes for our Ordinary Shares (ISIN: NL0000378669 and Common code: 011574866).

The Ordinary Shares are admitted to listing and trading on Euronext Amsterdam under the symbol "PORF". After the close of trading on 10 September 2008, the price of the Ordinary Shares on Euronext Amsterdam was €20.70 per share based on the last closing price. The Rights and the Offer Shares will be delivered through the book-entry facilities of Euroclear Nederland.

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 Rights 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 the Company will be returned, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund in respect of any Rights purchased in the market. All dealings in Rights and Offer Shares prior to the closing of the Offering are at the sole risk of the parties concerned. The Company, the Global Coordinator, the Underwriter and Euronext Amsterdam do not accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext Amsterdam.

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

Global Coordinator and Sole Bookrunner
Rabo Securities

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1. SUMMARY

This summary highlights certain aspects of the Company's business, its financial information and the Offering and must be read as an introduction to this Prospectus. Any decision by an investor to invest in the Rights or the Offer Shares should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference and, in particular, the information in the chapter headed "Risk Factors" and any supplements to this Prospectus required under the applicable laws that are published by us.

This summary does not provide a complete overview and does not contain all the information that you should consider in connection with any decision relating to the Rights or the Offer Shares. No civil liability is to be attached to the Company solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff investor may, under the national legislation of such Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Words and expressions defined elsewhere in this Prospectus have the same meaning in this summary.

In this Prospectus, any reference to "Royal Delft", "the Company", "we", "us" or "our" refer to N.V. Koninklijke Delftsch Aardewerffabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere. Capitalised terms are defined in the chapter headed "Definitions". The "Combination" refers to the combination of Royal Delft including Leerdam Crystal and VKB following the Acquisition.

The business

Royal Delft is the 'sole survivor' of the 32 ceramic factories active in the Delft area in the 17th century. Over time, it has grown into the leading producer of authentic delftware (e.g. Delft Blue) and special ceramic products in small quantities in The Netherlands. Royal Delft's rich corporate history and vast experience in the manufacturing of ceramics attract approximately 150,000 visitors per year from all parts of the world. Royal Delft's current portfolio consists of a broad variety of products, ranging from plates to vases and collectibles, with a strong focus on the tourism market.

After a management change in 2006, Royal Delft formulated a new strategy in 2007, which it is currently implementing into its organisation to become a multi-brand producer of exclusive luxury in home products in the upper segment of the market through various channels (the "**Multi-Brand & Multi-Channel Strategy**"). Royal Delft believes that the Multi-Brand & Multi-Channel Strategy will improve its operating results, enlarge its product portfolio, expand its distribution channels and will give it a more modern image and feel.

As a first step in realising its Multi-Brand & Multi-Channel Strategy Royal Delft acquired Leerdam Crystal on 2 January 2008. This company produces a broad selection of traditionally made crystal design and tableware products.

Background of the Offering

As a second step in realising the Multi-Brand & Multi-Channel Strategy, Royal Delft signed a share purchase agreement with Corpeq on 31 July 2008 to acquire all outstanding and issued shares in the capital of VKB. The consideration for the Acquisition consists of three elements, namely (i) the Initial Cash Consideration, (ii) the Earn-out Consideration, and (iii) the Warrant Consideration. The Acquisition is expected to close on 29 September 2008. Royal Delft anticipates to fund the Acquisition with the net proceeds of the Offering. Any excess proceeds will be used to fund any costs relating to the integration of Leerdam Crystal and VKB into Royal Delft and for general corporate purposes of Royal Delft.

VKB's current mission statement is to design, develop and import highly distinguishable and innovative premium brand products to service the storing, preparing, serving and consuming of food and beverages of domestic and international end users. With net sales of €22.9 million (based on Dutch GAAP) in 2007, VKB is of a substantial size compared to Royal Delft.

Royal Delft believes that the Acquisition is strategically compelling as it will contribute to realising its recently introduced Multi-Brand & Multi-Channel Strategy. In particular, the Acquisition will allow Royal Delft to achieve its strategy by (i) expanding the current product portfolio, (ii) setting up outsourcing

partnerships, (iii) developing additional sales channels, (iv) developing products that appeal to a younger demographic customer base, and (v) realising cost and other operational synergies.

Recent developments

On 31 July 2008 Royal Delft published its half year results of 2008. Royal Delft concluded the first half year with a positive operating result before interest and taxes in the amount of €37,000, based on International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"). This result includes a one-off benefit of €282,000 related to negative goodwill that was realised as a consequence of the acquisition of Leerdam Crystal. This negative goodwill has had a positive impact on the results over the first half year of 2008 in the consolidated figures of Royal Delft.

Corporate information

Royal Delft is a public limited liability company incorporated under, and governed by the law of The Netherlands. The address of its registered office is Rotterdamseweg 196, 2628 AR Delft, The Netherlands. The telephone number is +31 (0)15 251 20 30. Royal Delft is registered in the commercial register of the Chamber of Commerce and Industry in The Hague under the number 27200368.

The Offering

Issuer	N.V. Koninklijke Delftsch Aardewerkfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere
Number of Ordinary Shares outstanding	293,702
Ordinary Shares outstanding after issue of the Offer Shares	763,622
Number of warrants outstanding after issue of the Warrants	99,641
Number of Ordinary Shares after exercise of all Warrants	863,263
Listing of and trading in our Ordinary Shares	<p>Our outstanding Ordinary Shares are listed and traded on an auction traded securities segment of Euronext Amsterdam under the symbol "PORF".</p> <p>Until the closing of trading on Euronext Amsterdam on the Record Date, the Ordinary Shares have traded cum Rights. From 12 September 2008, the Ordinary Shares will trade ex Rights.</p>
Rights	<p>Subject to applicable securities laws, our existing Shareholders as of the Record Date are being granted Rights to subscribe for Offer Shares at the Issue Price, in amounts pro rata to their holdings in our Ordinary Shares. Each Ordinary Share that you hold immediately following the closing of trading on Euronext Amsterdam on the Record Date will entitle you to one Right. An Eligible Person will be entitled to subscribe for 8 Offer Shares for every 5 Rights held on the Record Date. Rights can only be exercised in multiples of 5. No fractional shares will be issued.</p>
Rights Offering	<p>The Rights Offering comprises 469,920 Offer Shares, which are being offered as described in this Prospectus.</p>
Pre-emptive rights	<p>The statutory pre-emptive rights (<i>wettelijke voorkeursrechten</i>) of holders of our outstanding Ordinary Shares, which have been excluded with respect to the Offering.</p>
Issue Price	€13.83 per Offer Share
Trading in the Rights	<p>Barring unforeseen circumstances, the Rights are expected to be admitted to trading on an auction traded securities segment of Euronext Amsterdam and will be traded on Euronext Amsterdam under the symbol "PORRI" on 12 September 2008.</p>
Exercise Period	<p>Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares by exercising their Rights during the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by Eligible Persons may be earlier, depending on the financial intermediary through which Rights are held.</p> <p>Once you have validly exercised your Rights, you cannot revoke or modify that exercise unless we amend a material term of the Offering or amend this Prospectus in any material respect. If you have exercised your Rights,</p>

you will be obliged to pay the Issue Price for any Offer Shares being subscribed for.

If you have not validly exercised your Rights by the end of the Exercise Period at 15:30 hours CET on 22 September 2008, you will no longer be able to exercise or trade your Rights and your Rights will expire. At that time, any unexercised Rights will continue to be reflected in your securities account solely for the purpose of the distribution of Unexercised Rights Payment, if any.

Subscription Agent

Rabo Securities

Paying Agent for the Offering

Rabo Securities

Rump Offering

After the Exercise Period has ended, the Global Coordinator will, subject to the terms and conditions of the Placing Agreement, commence the Rump Offering on a best effort basis, in which it will offer the Rump Shares that were not subscribed for during the Exercise Period, for sale by way of private placements to institutional investors.

The Global Coordinator has agreed to arrange for the sale of the Rump Shares on a best effort basis, which will be established on a book-building basis and at a price per Rump Share, which will be at least equal to the Issue Price. The Global Coordinator is not purchasing any Rump Shares offered by the Company and is not required to sell any specific number or Euro amount of Rump Shares.

The Rump Offering is expected to commence on 23 September 2008 and to end no later than 17:00 hours CET on 23 September 2008.

Underwriter

Boron Investments N.V.

Underwriting

Any Rump Shares not sold in the Rump Offering will be subscribed and paid for at the Issue Price by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

Unexercised Rights Payment

If the aggregate proceeds for the Rump Shares after deduction of any expenses related to arranging the sale (including any value added tax) exceed the aggregate Issue Price for such Rump Shares (such amount, the "**Excess Amount**"), each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in such holder's securities account.

However, if the Excess Amount divided by the total number of unexercised Rights is less than €0.01 per unexercised Right, no Unexercised Rights Payment will be made to the holders of any unexercised Rights and, instead, any Excess Amount will be for the benefit of the Global Coordinator. We will not be entitled to receive any Excess Amount.

Payment

Payment for the Offer Shares to the Subscription Agent must be made no later than on the Closing Date, which is expected to be 26 September 2008. If you hold your

Rights through a financial intermediary, such financial intermediary may require payment by you to be provided to it prior to the Closing Date.

Listing of and trading in the Offer Shares	Application has been or will be made to trade and list the Offer Shares on Euronext Amsterdam. The Offer Shares will be listed and traded on an auction traded securities segment of Euronext Amsterdam under the symbol "PORF". The Offer Shares will, upon issue, rank equally in all respects with our currently outstanding Ordinary Shares. We expect that the Offer Shares will be listed, and that trading in such shares will commence, on Euronext Amsterdam on 26 September 2008, barring unforeseen circumstances.
Codes for the Ordinary Shares (including the Offer Shares)	ISIN: NL0000378669 Common code: 011574866
Codes for the Rights	ISIN: NL0006292864 Common code: 038761501
Ranking and dividends	The Offer Shares will, upon issue, rank equally in all respects with our currently outstanding Ordinary Shares and will be eligible for any dividends which we may declare on our Ordinary Shares in the future; see the chapter headed "Dividends and Dividend Policy".
Global Coordinator, sole bookrunner and Listing Agent	Rabo Securities
Selling and transfer restrictions	The Securities have not been and will not be registered under the Securities Act, and may not be offered, granted, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. Accordingly, the Rights are being granted and the Offer Shares are being offered by us only in transactions that are exempt from registration under the Securities Act pursuant to Regulation S. Potential investors in the Rights or the Offer Shares should carefully read the chapter headed "Selling and Transfer Restrictions".
Delivery	Transfer of the Rights and delivery of the Offer Shares will take place through the book-entry systems of Euroclear Nederland.
Governing law	Dutch law
Lock-up arrangements	Lock-up arrangements have been agreed (i) between Royal Delft and the Global Coordinator as to the issue of new Ordinary Shares (see "Subscription-Lock-up for the Company"), (ii) between Royal Delft and the Underwriter as to the Ordinary Shares which the Underwriter holds at the Closing Date and the Underwriter Warrants (see "Subscription-Lock-up for the Company"), and (iii) between Royal Delft and Corpeq as to the Consideration Warrants (see "The Acquisition of VKB - Share purchase agreement - Consideration").
Conditions to the Offering	The Offering is subject to a number of conditions for the benefit of the Global Coordinator. If any or all of the conditions of the Offering are not met or not waived by the Global Coordinator or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Global Coordinator may terminate the Placing

Agreement, in which case the obligation of the Global Coordinator to arrange on a best effort basis for the sale of any Rump Shares not sold in the Rump Offering will terminate. In such event, the Rights Offering will be withdrawn. Upon withdrawal of the Rights Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and issued. Any subscription payment received by us will be returned promptly, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market. All dealings in Securities prior to settlement and delivery of the Ordinary Shares are at the sole risk of the parties concerned. We, the Global Coordinator, and Euronext Amsterdam do not accept any responsibility or liability for any loss or damage incurred by any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions on Euronext Amsterdam.

Timetable

The timetable below lists certain expected key dates for the Offering. All times referred to are CET.

Record Date	Immediately following the closing of trading on Euronext Amsterdam at 17:40 hours on 11 September 2008
Ex-Rights trading in our Ordinary shares commences on Euronext Amsterdam	12 September 2008
Exercise Period commences	12 September 2008
Trading in the Rights commences on Euronext Amsterdam	12 September 2008 at 12:00 hours CET
Trading in the Rights ceases on Euronext Amsterdam	22 September 2008 at 12:30 hours CET
End of Exercise Period	22 September 2008 at 15:30 hours CET
Rump Offering Period	23 September 2008 and ending no later than 17:00 hours on 23 September 2008
Expected allotment of Offer Shares	23 September 2008
Listing of, and start of trading in, the Offer Shares commences on Euronext Amsterdam	26 September 2008
Payment for and delivery of the Offer Shares	26 September 2008

The results of the Offering will be made public through publication in a Dutch national daily newspaper and in the OPC one Trading Day after allotment of the Offer Shares.

We may adjust the dates, times and periods given in the timetable in which case we will notify Euronext Amsterdam and the AFM and inform you through publication in a Dutch national daily newspaper and in the Daily Official List of Euronext Amsterdam (*Officiële Prijscourant*, the "**OPC**"). Any other material alterations will be published in a press release, in an advertisement in the OPC and a Dutch national daily newspaper and, to the extent required by applicable law, in a supplement to this Prospectus.

Financial information

Royal Delft

This is a summary of the unaudited financial information for the financial half year ended 30 June 2008 (including comparative financial information for the financial half year ended 30 June 2007) of Royal Delft (including Leerdam Crystal for the financial half year ended 30 June 2008) and the audited consolidated financial information for the financial years ended 31 December 2005, 2006 and 2007 of Royal Delft. The summary of the audited consolidated financial information should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditors' reports, which are incorporated by reference in this Prospectus for the financial years ended 31 December 2005 and 2006. The financial statements, including the notes thereto and the related auditor's report, for the financial year ended 31 December 2007 are included in this Prospectus.

The audited consolidated financial statements for the financial years ended 31 December 2005, 2006 and 2007 have been prepared in accordance with IFRS. The reviewed interim financial information for the financial half year ended 30 June 2008 has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union.

Statement of operations (in € thousand)

	Financial year ended 31 December			Financial period ended 30 June	
	2005 (audited)	2006 (audited)	2007 (audited)	2007 (unaudited)	2008 (unaudited)
Net sales	3,556	4,137	3,826	2,102	2,397
Costs of goods sold	650	853	452	200	285
Gross profit	2,906	3,284	3,374	1,902	2,112
Operating costs ²	3,140	3,207	3,257	1,619	2,075
Earning before Interest and Taxes ("EBIT")	-234	77	117	283	37
Net financing costs	-53	-51	-44	-23	-23
Profit before income tax	-287	26	73	260	14
Income tax	86	-13	-20	-65	0
Net loss/profit	-201	13	53	195	14

Earnings per share (in €)

Basic	-0.75	0.05	0.20	0.73	0.05
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Selected balance sheet data (in € thousand)

Cash and cash equivalents	58	73	55	49	147
Working capital (excluding cash)	953	1,070	1,591	1,278	1,201
Total capital	3,682	3,695	4,301	3,890	4,315

Cash Flow Data (in € thousand)

Net cash flow from operating activities	-16	559	127	102	-451
Net cash flow from investing activities	23	-59	-248	-138	-517
Net cash flow from financing activities	0	0	553	0	0

Additional information**(in € thousand)**

EBITDA ¹	-59	214	249	345	137
Capital expenditures	114	59	248	138	157
Divestments	0	0	0	0	0
Depreciation & amortisation	175	137	132	62	100

Note:

1. Calculated by adding EBIT, depreciation and amortization, as the Company does not report EBITDA separately in its financial statements.
2. 30 June 2008 operating costs include a benefit of €282,000 related to negative goodwill that was realised as a consequence of the acquisition of Leerdam Crystal.

VKB

This is a summary of the unaudited financial information for the half year ended 30 June 2008 (including comparative financial information for the financial half year ended 30 June 2007) and the audited consolidated financial information for the financial year ended 31 December 2007 (including comparative financial information for the financial year ended 31 December 2006) of VKB. The summary of the audited consolidated financial information should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditor's report, included in this Prospectus.

The audited consolidated financial statements for the financial year ended 31 December 2007 and the reviewed interim financial information for the financial half year ended 30 June 2008 have been prepared in accordance with Dutch GAAP.

Statement of operations
(in € thousand)

	Financial year ended 31 December		Financial period ended 30 June	
	2006 (audited)	2007 (audited)	2007 (unaudited)	2008 (unaudited)
Net Sales	18,300	22,891	10,592	10,450
Costs of goods sold	10,082	12,600	5,677	5,748
Gross profit	8,218	10,291	4,915	4,702
Operating costs	7,791	8,043	3,940	4,193
EBIT	427	2,248	975	509
Net financing costs	-234	-444	-173	-133
Profit before income tax	193	1,804	802	376
Income tax	-53	-435	-189	-88
Net Profit	140	1,369	613	288

Selected balance sheet data
(in € thousand)

Cash and cash equivalents	67	114	330	33
Working capital (excluding cash)	1,897	2,925	-	3,206
Total Capital	3,717	4,657	4,327	4,927

Cash Flow Data
(in € thousand)

Net cash flow from operating activities	153	1,237	66	424
Net cash flow from investing activities	28	-381	-186	-325
Net cash flow from financing activities	0	-400	0	0

Additional information
(in € thousand)

EBITDA ¹	978	2,764	1,237	764
Capital expenditures	361	381	186	325
Divestments	389	0	0	0
Depreciation & amortisation	551	516	262	255

Note:

1. Calculated by adding EBIT, depreciation and amortization.

Risk Factors

Before investing in the Offer Shares or trading in the Rights, investors should consider carefully, together with the other information contained in this Prospectus, the factors and risks relating to our business, the Acquisition and the Offer Shares and the Rights described in chapter headed "Risk Factors", which include:

Risks relating to the Combination's business

- Slowdowns in the retail and tourism industries, such as those caused by general economic downturns, terrorism, health concerns, strikes or bankruptcies within those industries could reduce the Combination's revenues and production activity levels
- Fluctuations in the value of foreign currencies and inflation could have an adverse effect on the Combination's operations
- Natural gas, the principal fuel used to manufacture the Company's and Leerdam Crystal's products, is subject to fluctuating prices; fluctuations in natural gas prices could adversely affect the Combination's results of operations and financial condition
- If the Combination is unable to obtain sourced products or raw materials at favourable prices, its operating performance may be adversely affected
- The Combination may not be able to rely on long-term contracts with its customers or suppliers
- The Combination may not be able to achieve the objectives of the Multi-Brand & Multi-Channel Strategy
- The Combination may fail to realise the anticipated business growth opportunities, synergies and other benefits anticipated from the acquisition of Leerdam Crystal and VKB as anticipated by the Multi-Brand & Multi-Channel Strategy and the Combination's results of operations, financial condition and the price of the Company's Ordinary Shares may suffer
- The sole member of the Company's executive board and/or the members of its management team may be unable to successfully implement the Multi-Brand & Multi-Channel Strategy and may be unable to attract qualified employees
- The Company's Supervisory Board has not established an audit committee, a remuneration committee and it does not have a chief financial officer or a chief operational officer
- Mr. J.A. Fentener van Vlissingen is a member of the Company's Supervisory Board and has an ultimate controlling interest in Boron Investments N.V., through which entity he controls 151,652 Ordinary Shares, which represent 51.64% of the outstanding Ordinary Shares and consequently may have a conflict of interest in operating the Company
- If the Company attracts a growing number of tourists but fails to sufficiently address the practical implications thereof in terms of providing sufficient parking facilities for touring cars its results of operations could be adversely affected
- Unexpected equipment failures may lead to production curtailments or shutdowns
- The Combination may fail to secure or maintain acceptable levels of profitability in its operations
- The Combination's business requires significant capital investment and maintenance expenditures that it may be unable to fulfil
- The Combination's business requires it to maintain a large fixed cost base that can affect its profitability
- The Company's business may suffer if it does not retain its current management
- The Combination may be unable to attract and retain key personnel such as designers, glassblowers and painters
- Charges related to the Combination's current or former employee pension and postretirement welfare plans resulting from market risk may adversely affect its results of operations and financial condition
- The Company may not be able to successfully renegotiate expired collective bargaining agreements
- Organised strikes or work stoppages by unionized employees may have an adverse effect on the Combination's operating performance
- The Combination's failure to protect its intellectual property or prevail in any intellectual property litigation could adversely affect the Combination's competitive position, reduce revenue or otherwise harm its business
- The Combination is exposed to risks relating to extensive environmental regulations
- The Combination is exposed to risks relating to insurance coverage
- The Combination is exposed to risks relating to litigation
- The Combination is exposed to risks relating to potential tax liabilities

- The Combination's IT environment may not be sufficient to support its current and expected operations
- Leerdam Crystal is dependent on its former parent company
- It may be difficult for VKB to pass on cost increases to its customers
- VKB could incur material costs related to product defects
- VKB is dependent on product innovation
- A decrease in the profits generated by VKB's brand BK and the failure to recoup investments made by VKB in its brand Royal VKB could have a material adverse effect on VKB's business, financial condition and results of operations
- VKB is dependent on an external company for the exploitation of Royal VKB
- VKB's revenues are subject to seasonal fluctuations, that may cause VKB's results of operations to vary
- International economic and political factors could affect demand for imports and exports, which could adversely impact VKB's financial condition and results of operations

Risks relating to the Acquisition

- The Combination might not be able to realise the business benefits and synergies of the Acquisition
- The Company may not be able to effectively integrate VKB and Leerdam Crystal or any future businesses it acquires
- Consummation of the Acquisition may result in adverse tax consequences resulting from a change of ownership of VKB
- You may not be able to effectively compare the Company's historical financial statements to VKB's historical financial statements
- Change of control provisions in VKB's agreements may be triggered upon the completion of the Acquisition and may lead to adverse consequences for Royal Delft, including the loss of significant contractual rights and benefits, the termination of joint venture and/or licensing agreements or the requirement to repay outstanding indebtedness
- The Acquisition creates risks associated with the future impairment of acquisition-related intangible assets

Risks relating to the Rights and the Ordinary Shares

- If the conditions precedent to which the obligations of the Global Coordinator are subject are not met or waived, the Rights Offering may be withdrawn, upon which the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and sold
- The Company will incur substantial transaction and offer-related costs in connection with the Offering
- The Underwriter owns a majority of Ordinary Shares and may have interests that are different from the interests of other Shareholders. The Underwriter may thus be in a position to exercise substantial influence with respect to the decisions made at the General Meeting with which you may disagree
- A limited number of Shareholders may collectively own a substantial percentage of the Ordinary Shares after the Offering, decreasing the size of the free float and could significantly influence matters requiring shareholder approval
- If you do not properly and timely exercise your Rights by the end of the Exercise Period, you will no longer be able to exercise those Rights and you may not receive any compensation for them
- Shareholders in certain jurisdictions may not be able to participate in rights offerings or elect to receive share dividends and may experience dilution of their holdings
- The uncertainties about the effects of the Rights Offering could adversely affect the businesses and operations of the Company and VKB
- The market for the Ordinary Shares and the Rights might be inactive and, if a market does develop for the Rights, the Rights may be subject to greater volatility than Ordinary Shares
- The marketability of the Ordinary Shares may decline and the market price of Ordinary Shares may fluctuate and decline below the Issue Price
- If securities or industry analysts make negative recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could decline
- Future sales or the possibility of future sales of a substantial number of Ordinary Shares by Shareholders may lead to a decline in the price of the Ordinary Shares
- Your shareholding may be further diluted
- A material change in the business of VKB might influence the Offering

2. RISK FACTORS

Prospective investors should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus before making an investment decision with respect to trading in the Rights or investing in the Offer Shares. If any of the following risks actually occurs, our business, results of operations, financial condition or prospects could be adversely affected. In that event, the value of the Rights 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 for the Company and/or the Combination, but these risks and uncertainties are not the only ones we and/or the Combination face. All of these factors are contingencies which may or may not occur. Risks relating to the Acquisition may not be applicable to the Company if the Acquisition is not completed. We may face one or more of the risks described below simultaneously. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business, results of operations, financial condition or prospects could negatively affect the price of the Rights 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 trading in the Rights or investing in the Offer Shares 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 Rights or the Offer Shares.

In this Prospectus, any reference to "Royal Delft", "the Company", "we", "us" or "our" refer to N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere. Capitalised terms are defined in the chapter headed "Definitions". The "Combination" refers to the combination of Royal Delft including Leerdam Crystal and VKB.

Risks relating to the Combination's business

Slowdowns in the retail and tourism industries, such as those caused by general economic downturns, terrorism, health concerns, strikes or bankruptcies within those industries could reduce the Combination's revenues and production activity levels

The Combination's business is affected by the health of the tourism and retail industries. Expenditures in these industries are sensitive to business and personal discretionary spending levels and may decline during general economic downturns. Additionally, tourism is sensitive to safety concerns, and thus may decline after incidents of terrorism, during periods of geopolitical conflict in which travellers become concerned about safety issues, or when travel might involve health-related risks. In addition, demand for glass and ceramic ware in some of the industrial markets to which the Combination supplies has declined in recent years. This decline is due, in part, to a decrease in retail sales of products. Further declines in these sectors may adversely affect the Combination's results of operations. The long-term effects of events or trends such as these could include, among other things, a continuing decrease in demand for the Combination's products. These effects, depending on their scope and duration, which the Combination cannot predict at this time, could adversely impact the Combination's results of operations and financial condition.

Fluctuations in the value of foreign currencies and inflation could have an adverse effect on the Combination's operations

Fluctuations in the value of the U.S Dollar and the Japanese Yen could have an adverse effect on the Combination's operations. For example, if the Euro appreciates against the U.S. Dollar and the Japanese Yen, the purchasing power of tourists from the United States and Japan will reduce against the Euro. This makes products more expensive for these tourists. These fluctuations could adversely affect the results of the Company's key operations and financial condition. However, if the Euro depreciated against the U.S. Dollar, the purchase price of sourced products or raw materials for VKB's products (which for a large part are purchased in U.S. Dollars) will increase and could adversely impact VKB's margins and operating performance. In addition, rising purchase prices as a result of inflation may also impact VKB's margins and operating performance.

Natural gas, the principal fuel used to manufacture the Company's and Leerdam Crystal's products, is subject to fluctuating prices; fluctuations in natural gas prices could adversely affect the Combination's results of operations and financial condition

Natural gas is the primary source of energy in most of the Company's and Leerdam Crystal's production processes. The Combination does not have long-term contracts for natural gas and is therefore subject to market variables and widely fluctuating prices. Consequently, its operating results are linked to the cost of natural gas. For the year ended 31 December 2007 and the nine months ended 30 September 2008, on a historical basis, the Company alone spent approximately €120,000 on natural gas. The Combination has no way of predicting to what extent natural gas prices will rise in the future. To the extent that the Combination is not able to offset increases in natural gas prices, e.g. by passing on the cost to customers, these increases could adversely impact the Combination's margins and operating performance.

If the Combination is unable to obtain sourced products or raw materials at favourable prices, its operating performance may be adversely affected

Sand, calcium carbonate, lead, soda ash, lime, corrugated packaging materials and resin are the principal raw materials the Combination uses. In addition, the Combination obtains glass tableware, metal flatware and hollowware from third parties. The Combination may experience temporary shortages due to disruptions in supply caused by weather, transportation, production delays or other factors that would require it to secure sourced products or raw materials from sources other than the current suppliers. If the Combination is forced to procure sourced products or raw materials from alternative suppliers, it may not be able to do so on terms as favourable as the current terms or at all. Material increases in the cost of any of these items on an industry-wide basis may have an adverse impact on the Combination's operating performance and cash flows if it is unable to pass on these increased costs to customers.

The Combination may not be able to rely on long-term contracts with its customers or suppliers

Neither the Company nor VKB nor Leerdam Crystal have entered into long-term contracts with the majority of customers and suppliers. This is typical for the industry in which the Combination operates. However, as a result, there will not be a large guaranteed off-take quantity of the Combination's products. Also, it cannot be guaranteed that in the long-term the Combination will be able to obtain enough supplies to realise its business objectives.

The Combination, and in particular VKB, generates a significant proportion of its revenues from key customers or contacts. The loss of all or a substantial portion of the Combination's suppliers, the business provided by key customers or a failure to secure future sales contracts could have a material adverse effect on the Combination's business, financial condition and results of operations.

Furthermore, the Combination may assume that a number of contracts are in place where these contracts may not have been properly formatted or may be easily terminated by the other party to the contract. For instance, some contracts with clients or suppliers may not have been properly executed or signed by authorised individuals. Consequentially, agreements on which the Combination relies may not be in place or may be terminated. This could have a material adverse effect on the Combination's business and results of operations.

The Combination may not be able to achieve the objectives of the Multi-Brand & Multi-Channel Strategy

The Company has formulated a strategy to become a multi-brand producer of exclusive luxury interior design products in the upper segment of the market through various channels. This strategy will improve the Combination's current image and will give it a more modern image and feel. The five main pillars whereupon this strategy is built are (i) expanding the current product portfolio (ii) setting up outsourcing partnerships, (iii) developing additional sales channels, (iv) developing products that appeal to a younger demographic customer base, and (v) realising cost and other operational synergies. The Combination must also be successful in reducing its cost structure. The success of this plan will further depend on the ability to increase sales and the successful integration of Leerdam Crystal and VKB. The Combination may not be able to realise this strategic plan. Failure to do so may have an adverse effect on the Combination's business.

The Combination may fail to realise the anticipated business growth opportunities, synergies and other benefits anticipated from the acquisition of Leerdam Crystal and VKB as anticipated by the Multi-Brand & Multi-Channel Strategy and the Combination's results of operations, financial condition and the price of the Company's Ordinary Shares may suffer

There is no assurance that the acquisition of Leerdam Crystal and VKB will achieve the anticipated business growth opportunities, synergies and other benefits anticipated. The Company believes the offer consideration is justified, in part, by the business growth opportunities, synergies, revenue benefits, cost savings and other benefits it expects to achieve by combining its operations with Leerdam Crystal and VKB. However, these expected business growth opportunities, synergies and other benefits may not develop and other assumptions upon which the Company determined the offer consideration may prove to be incorrect.

The sole member of the Company's executive board and/or the members of its management team may be unable to successfully implement the Multi-Brand & Multi-Channel Strategy and may be unable to attract qualified employees

The Company is managed by the sole member of its executive board (the "**Executive Board**"), subject to the supervision of the Company's supervisory board (the "**Supervisory Board**"). The Executive Board may be unable to successfully implement the Multi-Brand & Multi-Channel Strategy which may have an adverse effect on the Combination's business, financial condition and results of operations. If the Executive Board and/or the members of the Combination's management team are unable to successfully implement the new strategy, for instance as a result of the inability to attract qualified employees, the Combination's business could be adversely affected.

The Company's Supervisory Board has not established an audit committee, a remuneration committee and it does not have a chief financial officer or a chief operational officer

The Company's Supervisory Board has not established an audit committee, a remuneration committee and it does not have a chief financial officer or a chief operational officer, nor does it have a clear plan to establish such committees or officers in the near future, the absence of which could have an adverse effect on the Combination's financial condition and ultimately on the continuation of the Company's operations. In addition, being a small listed company, the absence of a chief financial officer and a chief operational officer could adversely affect the Company's ability to successfully implement its strategy, integrate acquisitions, control and operate an increasingly large organisation and implement future legislation which is becoming increasingly complex. Any failure to do so could have a material adverse effect on the Company's business, financial conditions and results of operations, which could result in the requirement of additional funding.

The Combination may be unable to manage the growth of its businesses effectively

To manage the growth of each of its businesses, the Company will be required to integrate and improve its operational and financial systems, procedures and controls, efficiency along the production lines and expand, train and manage a growing employee base. Management will also be required to maintain and expand the Combination's relationships with customers, suppliers and other third parties, as well as attracting and establishing relationships with new customers and suppliers. The Combination's current and planned operations, personnel, systems and internal procedures and controls might be inadequate to support its future operations and growth. If the Combination cannot manage its future operations and growth effectively, it may be unable to take advantage of market opportunities, execute its business strategies or respond to competitive pressures.

Mr. J.A. Fentener van Vlissingen is a member of the Company's Supervisory Board and has an ultimate controlling interest in Boron Investments N.V., through which entity he controls 151,652 of the Company's Ordinary Shares, which represent 51.64% of the outstanding Ordinary Shares and consequently may have a conflict of interest in operating the Company

Mr. J.A. Fentener van Vlissingen is a member of the Company's Supervisory Board and has a an ultimate controlling interest in the Underwriter, through which entity he controls 151,652 Ordinary Shares, which represent 51.64% of the outstanding Ordinary Shares and consequently may have a conflict of interest in operating the Company. Mr. J.A. Fentener van Vlissingen (i) being a Supervisory Board member, (ii) indirectly controlling 51.64% of the Ordinary Shares and (iii) having an ultimate controlling interest in the Underwriter, his operations may not be as advantageous to the Shareholders as they would be absent the conflict of interest. Mr. J.A. Fentener van Vlissingen's interest may not be

aligned with the interest of other Shareholders, which could have an adverse effect on the Company's results of operations.

If the Company attracts a growing number of tourists but fails to sufficiently address the practical implications thereof in terms of providing sufficient parking facilities for touring cars its results of operations could be adversely affected

If the Company realises the anticipated business growth opportunities, synergies and other benefits anticipated from the acquisition of VKB as anticipated by the Multi-Brand & Multi-Channel Strategy, it will, *inter alia*, result in an increasing number of tourists visiting the Company's museum, factory, shop and office located in Delft, requiring an increasing number of parking facilities. If the Company fails to meet this growing demand for parking facilities or the planned changes to the zoning plan (bestemmingsplan) around the premises of Royal Delft take place, tour operators or tourists might decide not to visit us, which may have an adverse effect on the Company's results of operations.

Unexpected equipment failures may lead to production curtailments or shutdowns

The Combination's manufacturing processes are dependent upon critical glass and ceramic-producing equipment, particularly furnaces, forming machines, lehrs and ovens. This equipment may incur downtime as a result of unanticipated failures. The Combination may in the future experience facility shutdowns or periods of reduced production as a result of these equipment failures. Unexpected interruptions in the Combination's production capabilities would adversely affect the Combination's productivity and results of operations for the affected period.

The Combination may fail to secure or maintain acceptable levels of profitability in its operations

The Combination's operations are subject to a number of risks, including general economic conditions and fiscal regimes in the countries in which the Combination operates and compliance with a variety of foreign laws and regulations. The Combination cannot provide any assurance that its operations will become, or (as the case may be) will continue to be, profitable or that the Combination will be able to manage its operations effectively. Any failure to secure or maintain acceptable levels of profitability in the Combination's operations could have a material adverse effect on business, financial condition and results of operations, which could result in the requirement of additional funding.

The Combination's business requires significant capital investment and maintenance expenditures that it may be unable to fulfil

The Combination's operations are capital intensive, requiring it to maintain a large fixed cost base. The Company's total capital expenditures alone were €59,000 for the year ended 31 December 2006, €248,000 for the year ended 31 December 2007 and €157,000 for the period ended 30 June 2008. The Combination's business may not generate sufficient operating cash flow and external financing sources may not be available in an amount sufficient and/or on favourable terms to enable it to make anticipated capital expenditures. This could adversely impact the Combination's financial condition.

The Combination's business requires it to maintain a large fixed cost base that can affect its profitability

The high levels of fixed costs associated with operating glass and ceramic production plants encourage plant managers to maintain high levels of output, even during periods of reduced demand, which can lead to excess inventory levels and exacerbate the pressure on profit margins. The Combination's profitability is dependent, in part, on its ability to spread fixed costs over an increasing number of products sold, and if it reduces its rates of production, as the Company did in 2007, the Combination's costs per unit will increase, negatively impacting its gross margins. Decreased demand or the need to reduce inventories can lower its ability to absorb fixed costs and adversely impact the Combination's results of operations.

The Combination's business may suffer if it does not retain its current management

The Combination depends on its current management. The loss of services of the Combination's current management could adversely affect its business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions, and the Combination may be unable to locate or employ such qualified personnel on acceptable terms, which may have an adverse effect on the Combination's business.

The Combination may be unable to attract and retain key personnel such as designers, glassblowers and painters

The Combination's success depends to a significant extent upon the abilities and efforts of key personnel such as designers, glassblowers and painters. The loss of any of these individuals and difficulty in hiring and retaining key personnel could adversely affect the Combination's business prospects or financial condition, results of operations and ability to pay dividends.

Charges related to the Combination's current or former employee pension and postretirement welfare plans resulting from market risk may adversely affect its results of operations and financial condition

In connection with the Company's, Leerdam Crystal's and VKB's employee pension and postretirement welfare plans, the Combination is exposed to market risks associated with changes in the various capital markets. Changes in long-term interest rates affect the discount rate that is used to measure the obligations and related expense. Changes in the equity and debt securities markets may adversely affect pension plan asset performance and related pension expenses under these plans.

The Company may not be able to successfully renegotiate expired collective bargaining agreements

The collective bargaining agreement with the unionised employees of the Company expired on 31 July 2008. Although the Company is in advanced discussions, it may not be able to successfully finalise new collective bargaining agreements without any labour disruption. If any of the Company's unionised employees were to engage in a strike or work stoppage, since their existing collective bargaining agreement has expired, or if the Company is unable in the future to negotiate acceptable agreements with its unionised employees in a timely manner, the Company could experience a significant disruption of operations. In addition, the Company could experience increased operating costs as a result of higher wages or benefits paid to union members upon the execution of new agreements with the Company's labour unions. The Company could also experience operating inefficiencies as a result of preparations for disruptions in production, such as increasing production and inventories. These factors and any such disruptions or difficulties could have an adverse impact on the Company's operating performance and financial condition.

Organised strikes or work stoppages by unionized employees may have an adverse effect on the Combination's operating performance

Companies upon which the Combination is dependent for raw materials, transportation or other services could be affected by labour difficulties. These factors and any such disruptions or difficulties could have an adverse impact on the Combination's operating performance and financial condition.

In addition, the respective collective bargaining agreements of Royal Delft, Leerdam Crystal and VKB may be consolidated. Such consolidation may lead to significantly higher costs for the Combination. This could adversely affect the Combination's results of operations and financial condition.

The Combination's failure to protect its intellectual property or prevail in any intellectual property litigation could adversely affect the Combination's competitive position, reduce revenue or otherwise harm its business

The Combination's success depends in part on its ability to protect its intellectual property rights. The Combination relies on a combination of rights to trademarks, trade names, designs copyrights, and licenses, confidentiality and other agreements to protect its intellectual property rights. However, this protection may not be fully adequate. The Combination may be particularly susceptible to intellectual property related challenges in countries where legislation aimed at protecting intellectual property rights is still developing or not enforced consequentially.

Restrictions of use

The Combination's intellectual property rights may be challenged or invalidated, an infringement suit instigated by the Combination may not be successful and/or third parties could adopt trademarks, trade names or products similar to those of the Combination. In particular, third parties could design around or copy proprietary furnace, manufacturing and mold technologies, which are important contributors to the Combination's competitive position in the glass, tableware and ceramic industry. Possibly the Combination may be limited in, or excluded from, the use of trademarks or trade names which are key to its business. The scope of protection of certain key trademarks or trade names, which account for a large portion of the Combination's business may be limited.

Licenses

The termination of licenses with third parties who allow the Combination to use their intellectual property rights, or the tolerating of use by third parties of the Combination's own intellectual property rights may preclude the Combination from being able to sufficiently protect intellectual property rights which are key to its business. Where the Combination uses a third party's intellectual property rights on the basis of a license agreement, termination of such agreement, bankruptcy of the licensor or enforcements of pledges could preclude the Combination from using the intellectual property rights it has licensed. Furthermore, the Combination may not be able to protect intellectual property rights which it has licensed from a third party if such license is terminated or if a pledge on the intellectual property rights is foreclosed. In addition where the Combination acts as licensor of intellectual property rights, it may be restricted in its ability to further use, pledge, transfer or license the intellectual property rights used by a licensee.

Security rights

Certain intellectual property rights used by the Combination have been pledged to third parties providing credit facilities. As a result, the Combination may be precluded from using these intellectual property rights in the event that the pledge is enforced. As a result of certain pledge agreements the Combination may be restricted in its ability to license or transfer pledged intellectual property rights.

Infringement

The Combination may be accused of infringing or violating the intellectual property rights of third parties or may be forced to start litigation in order to protect its own rights. Any intellectual property related legal disputes could result in costly litigation, damage claims and divert the efforts of personnel.

The Combination's failure to ensure its ability to use and to protect the intellectual property rights which are key to its business, in particular trade names and trademarks, could adversely affect the Combination's competitive position and reputation, reduce revenue, increase (legal) costs or otherwise harm its business.

The Combination is exposed to risks relating to extensive environmental regulations

The Combination's operations and properties are subject to extensive laws, regulations and other legal requirements relating to environmental protection, including legal requirements governing investigation and clean-up of contaminated properties as well as water discharges, air emissions, waste management and workplace health and safety, particularly in relation to employees. These legal requirements frequently change. The Combination's operations and properties must comply with these legal requirements. These requirements may have an adverse effect on the Combination's operations.

The Company has incurred, and expect the Combination to incur, costs to comply with environmental legal requirements, and these costs could increase in the future. Many environmental legal requirements provide for substantial fines, orders (including orders to cease operations) and criminal sanctions for violations. These legal requirements may apply to conditions at properties that the Combination presently or formerly owned or operated. A significant order or judgment against a member of the Combination, the loss of a significant permit or license or the imposition of a significant fine may have an adverse effect on the Combination's operations. The Combination cannot guarantee that the measures taken to ensure employee health and safety and to ensure compliance with the relevant regulations in the various jurisdictions in which it operates will be sufficient in the future, or that the Combination will not be required to incur significant health and safety-related expenses in the future, either as a result of existing or future laws and regulations. Any such expenses could have an adverse effect on the Combination's business, financial condition and results of operations.

The Combination is exposed to risks relating to insurance coverage

Although the Combination has insured major risks, it can give no assurance that its present insurance coverage is sufficient to meet any claims to which the Combination may be subject, that it will in the future be able to obtain or maintain insurance on acceptable terms or at appropriate levels or that any insurance maintained will provide adequate protection against potential liabilities. In addition, defending a company against such claims may strain management resources, affect the Combination's reputation and require it to incur significant sums of legal costs.

The Combination is exposed to risks relating to litigation

The Combination may be subject to significant legal actions in the future, which may have an adverse effect on its financial condition and results of operations. In particular the Combination may be exposed to intellectual property litigation. In addition, VKB is currently involved in legal proceedings instigated by a former employee who claims to have incurred an occupational disability in the form of carpal tunnel syndrome. No specific amount has yet been claimed by the employee as the amount of damages will be left to the assessment of the court. VKB cannot guarantee that the outcome of these proceedings will not have a material adverse effect on its business.

The Combination is exposed to risks relating to potential tax liabilities

The Combination is subject to income taxes in The Netherlands. Significant judgement is required in determining the Combination's provision for income taxes. In the ordinary course of business there are many transactions where the ultimate tax determination is uncertain. Additionally, the Combination's calculation of income taxes is based in part on its own interpretations of applicable tax laws in the jurisdictions in which it operates. Although the Combination believes its tax estimates are reasonable, there is no assurance that the final determination of its income tax liability will not be materially different from what is reflected in the Combination's income tax provisions and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation, tax litigation or an audit, if the effective tax rate should change as a result of changes in tax laws there could be an adverse effect on the Combination's income tax provision and net income.

The Combination's IT environment may not be sufficient to support its current and expected operations

Although the business of the Combination is not particularly dependent on IT services, like most businesses the Combination is reliant on a certain minimum amount of IT services to run its (administrative) business processes. It cannot be guaranteed that the Combination owns, has licensed or leased sufficient hard- and software to support its current and future business operations. Furthermore, the Combination cannot guarantee that sufficient services and maintenance contracts have been obtained. If the Combination does not have an IT environment which is sufficient to support its business operations this could result in stagnation or disruption of the Combination's business, especially its online sales points, which in turn could have a material adverse effect on the Combination's financial position. The IT environments of the Company, Leerdam Crystal and VKB are expected to be integrated as soon as possible after the Acquisition. Consequentially, it may be necessary to acquire hard- or software in order to maintain the current and/or future operations of the Combination.

Leerdam Crystal is dependent on its former parent company

Leerdam Crystal's former parent company still provides a number of services on which Leerdam Crystal is dependent. In particular, Leerdam Crystal licenses intellectual property rights, is reliant for the provision of IT services and leases its current business premises, free of charge, from its former parent company.

As regards to the intellectual property rights, the former parent company may set certain conditions for Leerdam Crystal's use of such rights including Leerdam Crystal's key trademarks. Discontinuation of such licenses or foreclosure of pledges on intellectual property rights could cause disruption to or have a material adverse effect on Leerdam Crystal's business operations.

Bankruptcy or foreclosure of the former parent company could also lead to the discontinuation of the provision of IT services, the use of the business premises and the use of goods acquired by the former parent company through accession (natrekking), such as production ovens. In such case major investments by Leerdam Crystal would be required. All such circumstances could result in the disruption of Leerdam Crystal's business circumstances and have a material adverse effect on its operations.

It may be difficult for VKB to pass on cost increases to its customers

If VKB's production or operational costs increase, it may be difficult for VKB to pass those costs on to its customers. Whether VKB is able to do so depends, *inter alia*, on product prices of its competitors. This could have an adverse effect on VKB's financial condition and results of operations.

VKB could incur material costs related to product defects

VKB may incur various expenses related to product defects, including product warranty costs, product recall costs and product liability costs. The amount of these costs relative to product sales varies from time to time and could increase in the future. Any significant increase in the rate of these costs could have an adverse effect on VKB's financial condition and results of operations. VKB is not covered by a recall insurance and VKB's Hong Kong subsidiary is not covered by a liability insurance.

VKB is dependent on product innovation

To a large extent, VKB is dependent on product innovation. If VKB is not able to develop and/or produce new successful products this would have an adverse effect on VKB's business, financial condition and results of operations.

A decrease in the profits generated by VKB's brand BK and the failure to recoup investments made by VKB in its brand Royal VKB could have a material adverse effect on VKB's business, financial condition and results of operations

In recent years VKB has made substantial investments in its Royal VKB brand. The Combination cannot assure that VKB will be able to recoup this investment or that it will lead to an increase in business and revenues. In addition, VKB is dependent on the brand BK. In 2007, BK products accounted for 62% of VKB's business. If the BK brand does not continue to generate business at this level or at all, this could have an adverse effect on VKB's business, financial condition and results of operations.

VKB is dependent on an external company for the exploitation of Royal VKB

VKB has signed a license agreement with a marketing and sales agency for the international exploitation of the Royal VKB Brand. If this external party does not successfully exploit the Royal VKB brand, this could have an adverse effect on VKB's business.

VKB's revenues are subject to seasonal fluctuations, that may cause VKB's results of operations to vary

54% of VKB's business is generated during the second half of the year. As a result, a decrease in VKB's business during the second half of the year will have a bigger impact on VKB's business compared to a decrease in the first half of the year.

International economic and political factors could affect demand for imports and exports, which could adversely impact VKB's financial condition and results of operations

VKB's operations may be adversely affected by actions of foreign governments and global or regional economic developments. Global economic events, such as changes in foreign import and/or export policy, the cost of complying with environmental regulations or currency fluctuations, could also affect the level of Dutch imports and exports, thereby affecting VKB's sales. Foreign subsidies, foreign trade agreements and each country's adherence to the terms of these agreements can raise or lower demand for VKB's products. National and international boycotts and embargoes of other countries' or The Netherlands, imports and/or exports, together with the raising or lowering of tariff rates, could affect the level of competition between VKB and its foreign competitors. Foreign competition has, in the past, and may, in the future, result in increased low-cost imports that could drive prices downward.

Risks relating to the Acquisition***The Combination might not be able to realise the business benefits and synergies of the Acquisition***

There is no assurance that the Combination will achieve the anticipated business synergies and other benefits the Company expects. This could have an adverse effect on the Combination's results of operations.

The Company may not be able to effectively integrate VKB and Leerdam Crystal or any future businesses it acquires

On 31 July 2008, the Company signed a share purchase agreement with Corpeq to acquire all outstanding and issued shares in the capital of VKB. The Acquisition will close simultaneously with the Rights Offering. The Company may not be able to effectively integrate VKB or any future businesses the Company acquire, as they are subject to various risks and uncertainties, including:

- difficulties in assessing the value, strengths and weaknesses of acquisition candidates;
- the inability to integrate effectively the operations, products and personnel of the acquired companies and to achieve expected synergies;
- the potential disruption of existing business and diversion of management's attention from day-to-day operations;
- the inability to maintain uniform standards, controls, procedures and policies or correct deficient standards, controls, procedures and policies;
- the failure to discover liabilities for which the Company may be responsible as a successor, owner or operator despite the investigations the Company makes before the acquisition;
- the failure to integrate the IT environments of VKB, Leerdam Crystal and Royal Delft may disrupt the Combination's business. Furthermore, such integration may require significant future investments; and
- the incurrence of contingent obligations that were not anticipated at the time of the acquisitions.

In addition, the Company cannot assure that the integration and consolidation of newly acquired businesses, including VKB and Leerdam Crystal, will achieve any anticipated cost savings and operating synergies. The inability to integrate and consolidate operations and improve operating efficiencies could have an adverse effect on the Combination's business, financial condition and results of operations.

Consummation of the Acquisition may result in adverse tax consequences resulting from a change of ownership of VKB

The Company has had access only to limited information available concerning VKB's tax situation. It is possible that the consummation of the Acquisition may result in adverse tax consequences arising from a change of ownership of VKB. The tax consequences of a change of ownership of a corporation can lead to an inability to carry-over certain tax attributes, including, but not limited to, tax losses, the tax credits and/or tax basis of assets. Moreover, a change of ownership may result in other tax costs not normally associated with VKB's ordinary course of business. Such other tax costs include, but are not limited to, stamp duties, land transfer taxes, franchise taxes and other levies.

You may not be able to effectively compare the Company's historical financial statements to VKB's historical financial statements

The financial information the Company includes in this Prospectus has been prepared on the basis of Dutch GAAP in relation to VKB and IFRS in relation to the Company. Accordingly, you may not be able to easily compare the Company's historical figures to VKB's historical figures. In addition, you may be unable to make the above comparison as a result of some amounts included in this financial information being estimates, requiring the Company to make assumptions with respect to values or conditions that cannot be known with certainty at the time the financial information is prepared. Even though the Company evaluates these policies on an ongoing basis, based upon historical results and experience, consultation with experts and other methods that the Company considers reasonable in the particular circumstances under which the judgments and estimates are made, as well as in light of the Company's forecasts as to the manner in which such circumstances may change in the future to, actual results may differ from these estimates under different assumptions or conditions.

Change of control provisions in VKB's agreements may be triggered upon the completion of the Acquisition and may lead to adverse consequences for Royal Delft, including the loss of significant contractual rights and benefits, the termination of joint venture and/or licensing agreements or the requirement to repay outstanding indebtedness

VKB may be a party to joint ventures, licences and other agreements and instruments that contain change of control provisions that will be triggered upon the completion of the Acquisition. VKB has not provided us with copies of all agreements to which it is a party. Agreements with change of control provisions typically provide for or permit the termination of the agreement upon the occurrence of a change of control of one of the parties or, in the case of debt instruments, require repayment of all outstanding indebtedness. If, upon review of these agreements after completion of the Acquisition, such provisions can be waived by the relevant counterparties, it will need to seek these waivers. In the absence of these waivers, the operation of the change of control provisions, if any, could result in the loss of material contractual rights and benefits, the termination of joint venture agreements and licensing agreements or the requirement to repay outstanding indebtedness. In addition, employment agreements with members of VKB's management and other employees of VKB may contain change of control provisions providing for compensation to be paid in the event the employment of these

employees is terminated, either by VKB or by those employees, following the completion of the Acquisition. Such employment agreements may also contain change of control provisions providing for compensation to be paid following the occurrence of such events even if the employment agreement is not terminated.

The Acquisition creates risks associated with the future impairment of acquisition-related intangible assets

The unaudited pro forma balance sheet of the Company combined with VKB over the first half year of 2008 reports acquisition-related intangible assets in connection with the Acquisition. The acquisition related intangible assets reported by the Company will be tested for impairment at least annually or more frequently if changes in circumstances occur that require the performance of an impairment test. The acquisition-related intangible assets may be impaired depending on the future cash flows of the relevant business. Such impairment could affect the Company's net result and group equity.

Risks relating to the Rights and the Ordinary Shares

If the conditions precedent to which the obligations of the Global Coordinator are subject are not met or waived, the Rights Offering may be withdrawn, upon which the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and sold

The Placing Agreement provides that the obligations of the Global Coordinator are subject to customary conditions precedent. The Placing Agreement also provides that the Global Coordinator may terminate the Placing Agreement upon the occurrence of certain customary circumstances. If any or all of the conditions referred to above are not met or not waived, or if any of the circumstances referred to above occur prior to payment for and delivery of the Offer Shares, the Global Coordinator may terminate the Placing Agreement in which case the agreement with the Global Coordinator to arrange on a best effort basis for the sale of the Rump Shares not sold in the Rump Offering will lapse. In such event the Rights Offering will be withdrawn. Upon withdrawal of the Rights Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and sold. Any subscription payment received will be returned promptly, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund or compensation in respect of any Rights purchased in the market. All transactions in the Rights on Euronext Amsterdam that have not yet been settled, and all transactions in the Offer Shares on Euronext Amsterdam, will be annulled.

The Company will incur substantial transaction and offer-related costs in connection with the Offering

The Company expects to incur a number of non-recurring transaction fees and other costs associated with completing the Offering. These fees and costs will be substantial and include financing, financial advisory, legal and accounting fees and expenses.

The Underwriter owns a majority of Ordinary Shares and may have interests that are different from the interests of other Shareholders. The Underwriter may thus be in a position to exercise substantial influence with respect to the decisions made at the General Meeting with which you may disagree

Immediately following the Offering, the Underwriter will beneficially own a minimum of 51.64% of the Ordinary Shares. The Underwriter could have the ability to exercise a significant control over all corporate actions requiring shareholder approval at the annual or other meeting of shareholders, in respect of how you or the Company's other Shareholders may vote, including the following actions:

- material financing transactions;
- elections of the members of the Executive Board; and
- amendments to the Company's articles of association.

A limited number of Shareholders may collectively own a substantial percentage of the Ordinary Shares after the Offering, decreasing the size of the free float and could significantly influence matters requiring shareholder approval

Certain institutional Shareholders and other investors may acquire a significant part of the outstanding Ordinary Shares following the Offering. This would decrease the size of the free float. These shareholders may, if they act together, exert significant influence over all corporate matters requiring shareholder approval after the Offering, including the election of members of the Executive Board and

the Supervisory Board and the determination of significant corporate actions. These Shareholders may vote at a in a way with which you do not agree and this concentration of ownership could adversely affect the trading volume and market price of the Ordinary Shares or delay or prevent a change of control that could be otherwise beneficial to the Company's shareholders.

If you do not properly and timely exercise your Rights by the end of the Exercise Period, you will no longer be able to exercise those Rights and you may not receive any compensation for them

The Exercise Period for the Rights commences on 12 September 2008 and expires at 15:30 hours CET on 22 September 2008. 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 Rabo Securities in its capacity as 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 Rights, the Company may, depending on the circumstances, reject your exercise of Rights. If you fail to validly exercise your Rights, your Rights will continue to be reflected in your securities account only for the purpose of distribution of Unexercised Rights Payment, if any. The Company cannot assure, however, that there will be Unexercised Rights Payment for distribution to holders of unexercised Rights.

Shareholders in certain jurisdictions may not be able to participate in rights offerings or elect to receive share dividends and may experience dilution of their holdings

The Company may, from time to time, distribute rights to the Company's Shareholders, including rights to acquire Ordinary Shares. However, It will not distribute rights to the Shareholders in jurisdictions where the sale of such rights is restricted. Accordingly, Shareholders in certain jurisdictions, if any, may be unable to participate in rights offerings and, as a result, may experience dilution of their shareholdings. In addition, if the Company is unable to sell rights that are not exercised or not distributed or if their sale is not lawful or reasonably practicable, it may allow the rights to lapse, in which case Shareholders in the relevant jurisdictions will receive no value for these rights. In addition, the Company may from time to time offer a share dividend election to Shareholders, subject to applicable securities laws, in respect of future dividends. However, the Company will not permit Shareholders in certain restricted jurisdictions 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 dilution of their holdings. See chapter headed "Selling and Transfer Restrictions" for the restrictions that apply to the Offering.

The uncertainties about the effects of the Rights Offering could adversely affect the businesses and operations of the Company and VKB

Uncertainty about the effects of the Rights Offering on employees, customers and others may materially and adversely affect the businesses and operations of the Company and VKB. These uncertainties could cause customers, business partners and other parties that have business relationships with the Company and/or VKB to defer the consummation of other transactions concerning the Company or VKB, or to seek to change existing business relationships with the Company or VKB. In addition, employee retention may be challenging until the Rights Offering is completed.

The market for the Ordinary Shares and the Rights might be inactive and, if a market does develop for the Rights, the Rights may be subject to greater volatility than Ordinary Shares

The Ordinary Shares and the Rights are traded on an auction traded securities segment of Euronext Amsterdam under the symbol "PORF". The volume of trading in Ordinary Shares can be low. The price of the Ordinary Shares and the Rights is subject to volatility and investors may be unable to sell their Ordinary Shares and their Rights at or above the price that was paid for them. There is no guarantee that there will be sufficient liquidity in the Ordinary Shares and the Rights to sell or buy any number of Ordinary Shares and the Rights at certain price levels. The Company cannot predict the extent to which an active market for the Ordinary Shares and the Rights will develop or be sustained following the Offering, or how the development of such a market might affect the market price for the Ordinary Shares and the Rights. A non liquid market for the Ordinary Shares and the Rights may result in lower trading prices and increased volatility, which could adversely affect the value of your investment. Prior to the Offering there has been no market for the Rights. The Company cannot assure that an active trading market in the Rights will develop or be sustained on Euronext Amsterdam during that period. If such a market fails to develop or be sustained, this could negatively affect the liquidity and price of the

Rights, as well as increase their price volatility. Accordingly, the Company cannot assure investors of the liquidity of any such market, any ability to sell the Rights or the prices that may be obtained for the Rights. Additionally, because the trading price of the Rights depends on the trading price of Ordinary Shares, the existing volatility of Ordinary Shares may magnify the volatility of the Rights and negatively impact the value of the Rights.

The marketability of the Ordinary Shares may decline and the market price of Ordinary Shares may fluctuate and decline below the Issue Price

The Company cannot assure that the marketability of Ordinary Shares will improve or remain as it was before the Offering. The market price of Ordinary Shares at the time of the Offering may not be indicative of the market price for Ordinary Shares after the Offering has been completed. The market price of Ordinary Shares has been volatile in the past and may continue to fluctuate widely, depending upon many factors beyond the Company's control. These factors include, *inter alia*, actual or anticipated variations in operating results and earnings by the Company and its competitors, changes in financial estimates by securities analysts, market conditions in the Company's products and the general state of the securities market, governmental legislation or regulation, as well as general economic and market conditions, such as recessions. The market price of Ordinary Shares is also subject to fluctuations in response to issues of Ordinary Shares by the Company, the liquidity of trading in Ordinary Shares and capital reduction or purchases of Ordinary Shares by the Company, as well as investor perception of the success and impact of the Offering. As a result of these or other factors, the Ordinary Shares may trade at prices significantly below their market price before the announcement of the details of the Offering. The Company cannot assure that the public trading market price of the Ordinary Shares will not decline below the Issue Price. Should that occur after you have exercised your Rights, which exercise cannot be revoked or modified by you, you will suffer an immediate unrealised loss as a result. Moreover, the Company cannot assure that following the exercise of Rights you will be able to sell your Ordinary Shares at a price equal to or greater than the Issue Price.

If securities or industry analysts make negative recommendations regarding Ordinary Shares, the market price and trading volume of Ordinary Shares could decline

The trading market for Ordinary Shares may be influenced by the future availability and recommendations of research reports covering business. If research analysts make negative recommendations regarding Ordinary Shares, or if negative research is published on the industry or geographic markets which the Company serves, the price and trading volume of Ordinary Shares could decline.

Future sales or the possibility of future sales of a substantial number of Ordinary Shares by Shareholders may lead to a decline in the price of the Ordinary Shares

Future sales of Ordinary Shares by Shareholders could cause a decline in the market price of the Ordinary Shares. The Company cannot predict whether a substantial number of Ordinary Shares will be sold in the market. The sale of a substantial number of Ordinary Shares or the perception that such sales could occur, could adversely affect the market price of the Ordinary Shares and could also impede the Company's ability to raise capital through the issue of equity securities in the future.

Your shareholding may be further diluted

Your shareholding and voting rights in the Company and earnings per Ordinary Share may be further diluted as a result of any future issue by us of Ordinary Shares, any exercise of Warrants by warrant holders or issue of securities convertible into Ordinary Shares or rights to acquire those securities, including issues of Ordinary Shares pursuant to equity offerings to obtain further capital, whilst the Company excludes or limits pre-emptive rights (*wettelijke voorkeursrechten*) pertaining to the outstanding Ordinary Shares. Any issue of Ordinary Shares or exercise of Warrants by warrant holders could have a negative impact on the trading price of the Ordinary Shares and could increase the volatility in the trading price of the Ordinary Shares.

A material change in the business of VKB might influence the Offering

If the business of VKB materially changes before the Closing Date, the Offering might be adversely affected.

3. IMPORTANT INFORMATION

Reliance on information

Potential investors in the Rights and the Offer Shares are expressly advised that an investment in the Rights and the Offer Shares entails financial risk and that they should therefore carefully review the entire content of this Prospectus, including the information incorporated herein by reference.

In addition to your own examination of us and of the Offering, including the merits and risks involved, you should only rely on the information contained in this Prospectus, or incorporated by reference herein, and any supplements to this Prospectus required under the applicable laws that are published by us which may contain different information from that contained in this Prospectus.

No person is or has been authorised to give any information or make any representation in connection with the Offering other than those contained in this Prospectus, or incorporated by reference herein, or any supplement to this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by us or by the Global Coordinator or any of its affiliates or selling agents or the Underwriter. No representation or warranty, expressed or implied, is made by the Global Coordinator or any of its affiliates or selling agents as to the accuracy or completeness of any information contained in this Prospectus, or incorporated by reference herein, and nothing contained in this Prospectus, or incorporated by reference herein, is, or shall be relied upon, as a promise or representation by the Global Coordinator or its affiliates or selling agents as to the past or the future. Neither the delivery of this Prospectus nor any grant, offering, purchase or sale made hereunder shall, under any circumstance, create any implication that there has been no change in our affairs since the date hereof nor that the information in this Prospectus, or incorporated by reference herein, is correct as at any time subsequent to its date.

Although Rabo Securities is a party to various agreements pertaining to the Offering and Rabobank has or might engage into a financing arrangement with Royal Delft, Leerdam Crystal and VKB, this should not be considered as a recommendation by any of them to invest in the Rights or the Offer Shares. You must consider for yourself, with or without the assistance of an advisor, whether an investment in the Rights or the Offer Shares is appropriate in light of your particular investment profile, objectives and financial circumstances.

Forward-looking statements

The Company has made forward-looking statements in this Prospectus, including without limitation in the chapters headed "Business Overview", "New Strategy" and "Operating and Financial Review", which are based on the Company's beliefs and assumptions and on information currently available. Forward-looking statements include, without limitation: the information concerning the Company's expected future results of operations, business strategies, (re)financing plans, competitive position, potential growth opportunities, potential operating performance improvements and expected trends in the industry in which the Company operates. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe", "expect", "plan", "intend", "anticipate", "estimate", "seek", "potential", "continue", "may", "will", "should", "could" or the negative of these terms or similar expressions.

The risk factors stated in the chapter headed "Risk Factors", as well as any cautionary language in this Prospectus, identify certain important factors that could cause actual results to differ materially from those in forward-looking statements and from historical trends. Forward-looking statements involve risks, uncertainties and assumptions and speak only as at the date they are made. Investors should not place undue reliance on any forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our Ordinary Shares may be listed, we have no intention or obligation to update forward-looking statements after we distribute this Prospectus.

Responsibility statements

The Company accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Company further declares that the information contained in this Prospectus is, to the best of its knowledge, 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 date other than the date hereof.

Neither the Underwriter nor Rabo Securities in its capacity as Global Coordinator, sole bookrunner, Listing Agent, Paying Agent and Subscription Agent for the Offering accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with Royal Delft, the Offering or the Securities. Accordingly, Rabo Securities and the Underwriter disclaim all and any liability whether arising in tort or contract or otherwise in respect of this Prospectus or any such statement.

Restrictions of the Offering

The distribution of this Prospectus and the Offering maybe restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of such jurisdictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase any of the Securities, in any jurisdiction in which such offer or invitation would be unlawful or be distributed to any person to whom it is unlawful to make such offer or invitation.

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

This Prospectus is being published in connection with the Offering, solely for the purpose of enabling a prospective investor to consider investing in the Offer Shares or trading in the Rights. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering investing in the Offer Shares or trading in the Rights is prohibited. Each recipient of this Prospectus, by accepting delivery of this Prospectus, agrees to the foregoing.

The contents of this Prospectus are not to be considered or interpreted as legal, financial or tax advice. Each prospective investor should consult his own legal counsel, accountant and other advisors before making an investment decision with regard to the Rights and the Offer Shares and in order to determine whether such prospective investor is lawfully permitted to purchase the Rights and the Offer Shares.

The Rights and the Offer Shares have not been and will not be registered under the Securities Act or under the relevant securities laws of any state of the United States or any other jurisdiction. The Rights and the Offer Shares may not be, directly or indirectly, offered, granted, issued, sold, pledged, taken up, delivered, renounced or transferred in or into the United States and are being granted, offered and sold in reliance on Regulation S only. Non-Dutch shareholders and any persons (including, without limitation, nominees, custodians and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside The Netherlands carefully should read the chapter headed "Selling and Transfer Restrictions".

Market and industry data

We confirm that the information in this Prospectus that has been obtained from a third party has been accurately reproduced and that as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Unless otherwise stated, statements herein regarding market positions of companies (including ourselves) and market conditions are based on good faith estimates of revenue by our management which are derived from our review of internal surveys, as well as the external sources. External sources relate to market data and other statistical information of independent industry publications, government publications, reports by market research firms or other published (independent) sources, press releases and various annual reports. Without prejudice to the statement in the previous paragraph, although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information, we have not independently verified the information and therefore cannot guarantee its accuracy and completeness.

Incorporation by reference

Our articles of association (*statuten*) as in force and effect on the date of this Prospectus (the "**Articles of Association**") shall be deemed to be incorporated in, and form part of, this Prospectus. Our audited consolidated financial statements for the financial years ended 31 December 2005 and 2006, including the notes thereto and the related auditors' reports are also incorporated by reference in this Prospectus. Copies of our Articles of Association and our financial statements can be found on our website www.royaldelft.com. No other document or information, including the contents of our website or of websites accessible from hyperlinks on our website, forms part of, or is incorporated by reference into this Prospectus.

Other

Certain financial and statistical information in this Prospectus has been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the total. This Prospectus is published in English only, except for the chapter headed "Index to Financial Information", which has been prepared in the Dutch language (except for the "Unaudited pro forma combined financial information", which has been prepared in English).

4. PRESENTATION OF FINANCIAL INFORMATION

General

Unless stated otherwise, all financial information in this Prospectus is presented on a consolidated basis. Certain financial and statistical information in this Prospectus has been subject to rounding adjustments and to currency conversion adjustments, where appropriate. Accordingly, the sum of certain data may not conform to the total.

Financial statements

The audited consolidated financial statements for the financial years ended 31 December 2005 and 2006, including the notes thereto and the related auditors' reports of Royal Delft are incorporated by reference. The audited consolidated financial statements for the financial year ended 31 December 2007, including the notes thereto and the related auditor's report of Royal Delft are included in this Prospectus. All these audited consolidated financial statements have been prepared in accordance with IFRS. The audited consolidated financial statements of VKB for the financial year ended 31 December 2007 have been prepared in accordance with Dutch GAAP and are, including the notes thereto and the related auditor's report included in this Prospectus. The reviewed interim financial information for the period ended 30 June 2008 of Royal Delft (including Leerdam Crystal) has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union. The reviewed interim financial information for the period ended 30 June 2008 of VKB has been prepared in accordance with Dutch GAAP. The pro forma combined financial information for the period ended 30 June 2008 of Royal Delft (including Leerdam Crystal) combined with VKB has been prepared in accordance with the accounting policies of Royal Delft and is included in this Prospectus.

Accounting policies and estimates

The preparation of the financial statements requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying our accounting policies. These estimates and assumptions affect the reported amounts of the assets and liabilities and the amounts of the contingent liabilities disclosed in the notes as at the balance sheet date as well as reported income and expenses for the financial year. Among others, we base our estimates on historical experience. The actual results, however, may differ from these estimates.

Currency denominations

Unless otherwise indicated, all references in this Prospectus to "Euro", "EUR" or "€" are to the lawful currency of the European Monetary Union, of which The Netherlands is a Member State.

5. BUSINESS OVERVIEW

History of Royal Delft

Royal Delft is the 'sole survivor' of the 32 ceramic factories active in the Delft area in the 17th century. Over time, it has grown into the leading producer of authentic delftware (e.g. Delft Blue) and special ceramic products in small quantities in The Netherlands. The overview below provides the main market and company events throughout the last few hundred years:

1653	Incorporation of the ceramic factory "De Porceleyne Fles" by Mr. David Anthonisz van der Pieth.
1771 – 1786	Mr. Jacobus Harles introduced the signature on the collection.
1800	The downturn of the Dutch ceramic industry started, mainly due to competition of Wedgewood and other European ceramic factories. Around 1860, De Porceleyne Fles was the only surviving ceramics factory in Delft.
1849 – 1876	Ms. Geertruida Piccard managed to survive the difficult times by introducing new products such as the production of decorative building materials.
1876 – 1884	Mr. Joost Thoof became the new owner of the Company and introduced the current trade mark.
1895	Start of the business unit "Bouwkeramiek", which resulted in attractive assignments such as the "Vredespaleis" in The Hague.
1904	The Company was converted into a public limited liability company (<i>naamloze vennootschap</i>).
1919	The Company received the title "Koninklijke".
1954	Royal Delft obtained a stock market listing on what is currently known as Euronext Amsterdam.
2006	The current management was appointed.
2007	Royal Delft introduced the Multi-Brand & Multi-Channel Strategy.
2008	The acquisition of Leerdam Crystal and VKB.

Royal Delft's rich corporate history and vast experience in the manufacturing of ceramics attract approximately 150,000 visitors per year from all parts of the world and has a strong brand recognition in The Netherlands and abroad, more specifically in the United States and Japan.

Royal Delft product offering

Royal Delft offers a wide variety of ceramic product such as plates, vases, tiles, tableware and souvenirs. The Royal Delft products are being manufactured in Delft based mainly on traditional methods, i.e. hand-painted and made of traditional materials. The collection is divided into two different product lines, the classic line and the contemporary line. The Company offers various products made with different techniques (e.g. Delft Blue, Polychrome and Delft Black) and decors (e.g. flowers, birds, ships, windmills and cities). The price of Royal Delft products ranges from approximately €25 to over €3,000 for large vases.

In order to be able to offer products with the Delft Blue look and feel in the lower segment, the Company offers a collection under the brand name "Westraven", manufactured in Morocco under the supervision of Royal Delft. Westraven is not hand-painted but embellished with decal decorations, i.e. stamps. The Westraven products are sold for approximately one third of the price of other Royal Delft products.

In addition, Royal Delft offers to its customers the possibility to order custom made products tailored to the customer's specifications.

Royal Delft distribution channels and customer groups

The products of Royal Delft are offered through the following channels:

- retail;
- the online-shop; and
- business-to-business.

The retail channel consists of the Royal Delft shop in Delft, the shop-in-shop in Gassan Diamonds in Amsterdam and various resellers in The Netherlands. However, only the shop in Delft offers the

complete assortment of products. Besides the Royal Delft and Westraven products, the shop in Delft also offers third party souvenirs at the lower end of the price range.

The online-shop of Royal Delft (www.royaldelft.nl) offers a wide variety of Royal Delft products.

The sales department of Royal Delft is responsible for the business-to-business sales.

Retail and online customers mainly consist of tourists who account for the largest share of the net sales and can be broken down into tourists visiting via organised tours and individual tourists. Organised tours mainly consist of tourists from the United States, Japan and Europe. The vast majority of individual tourists, on the other hand, come from The Netherlands and other European countries. The tourists are attracted to Royal Delft's museum, factory, and the shop in Delft, which was established in 1916. As a result of an increasing number of tourists visiting Amsterdam each year, Royal Delft opened a shop-in-shop in Gassan Diamonds in Amsterdam. Over 2007, approximately 70% of the total sales in the shop in Delft are Royal Delft products, which are hand-painted and locally made. Another 14% consists of souvenirs, that are mechanically made by third parties that the Company carries in order to offer low price tag items. Finally, the remaining 16% are accounted for by Westraven products.

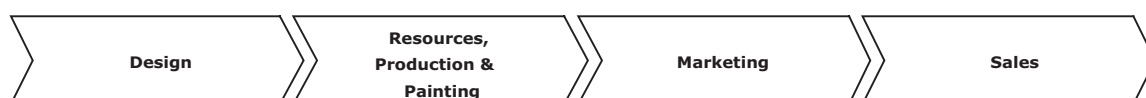
The remainder of the retail customer group consists of souvenir shops and glass, porcelain and tile retailers, which offer products of Royal Delft in their assortment.

The business-to-business customer group mainly consists of governmental bodies, embassies and companies. This customer group purchases custom made products for jubilee, relationship and other event driven gifts.

The strong focus on the tourism market is a result of a strategy change during the 90's of the last century. This change made Royal Delft's business model highly dependent on the tourism market; more specifically on tourists from the United States and Japan. As a result, Royal Delft became vulnerable to foreign currency risk, e.g. the U.S. Dollar and the Japanese Yen, which has negatively impacted Royal Delft's net sales and profit over the last years, as the weakening of these currencies against the Euro resulted in lower spendings by the tourists from the United States and Japan. This dependency made a change in the Company's strategy necessary. This strategy change is further elaborated on in the chapter headed "New Strategy",

The value chain of Royal Delft

The value chain for the products of Royal Delft consists of the following four steps:



Design

During the history of Royal Delft, the Company has manufactured a large number of different products. The Company keeps models of these different products in stock in a model warehouse. These models are used for the reproduction of Royal Delft and Westraven products. New artwork is made for new developed designs by Royal Delft's own designers internally or by external designers such as Marcel Wanders and Piet Hein Eek.

Special designs are made and agreed for customised projects in close cooperation with the customer; typically for the business-to-business customers.

With some exceptions, Royal Delft holds the intellectual property rights for all models.

Resources, production & painting

Every product has its own shape, form and its own decoration. In order to create and reproduce this form, a plaster mould is needed. The production process starts with a composition of clay, made up from approximately ten different raw materials, including kaolin, chalk, feldspar and quartz. The raw materials are carefully mixed with water and become a liquid mass, which is poured into the plaster moulds. After it is sufficiently hardened, the clay, or body, is taken out, dried and fired for the first time. The fired body is called a "biscuit". The biscuits are stored in the warehouse of Royal Delft.

Royal Delft painters have exceptional and unique traditional skills to decorate all the biscuit products. The biscuit products are decorated by hand in the Royal Delft colours and designs. After the painting the product is glazed and fired for the second time. The final product is handled by quality control and put on stock for delivery and sale. The products for business-to-business customers follow the same procedures but are not stored in the warehouse but directly shipped to the customer.

The Westraven collection is manufactured in Morocco under the supervision of Royal Delft and shipped to Delft to be stored in the warehouse after inspection.

Marketing

Royal Delft is undertaking many marketing activities to position the Company and its products in its main markets. Royal Delft has recently introduced a new corporate identity and house style to appeal more to the modern, fashionable customer. Royal Delft works on new product lines with new designers and through new distribution channels in order to broaden its market segment.

The Company's main focus is on the tourism segment, which includes tourists from the United States, Japan and southern Europe, more specifically Italy and Spain. The Company's undertake promotional activities and sales missions to tour operators in the United States and Japan and incoming tour operators in The Netherlands in order to be maintained and or become included in their tour programs.

In its shop and museum in Delft, the Company organises events such as painting demonstrations to offer more variety to its customers.

For business-to-business customers the Company participates in major fairs in The Netherlands and distributes news letters on a regularly basis. To attract business-to-business customers to its shop and museum in Delft, the Company organises company events that consist of a museum tour, painting demonstrations and painting sessions in which customers can participate.

Sales

Most of the Company's net sales are generated in its own shop in Delft, where it has a large showroom where all its products are on display. Sales representatives visit business-to-business customers and the major retailers on a regular basis. The Company's back office unit is handling sales requested by phone and provides the necessary sales support to the sales organisation like handling contract letters, keeping the customer data base up to date, handling the website sales and prepare mailings to customers. They also give orders to the warehouse for packaging and transportation for home delivery services. Recently, the Company has also started with telephone sales: proactive calling of prospects and handling all the follow-up of this activity.

Market trends

The most visible trend in the market affecting the business and operations of Royal Delft is the weakening of the U.S. Dollar and the Japanese Yen against the Euro, which results in (i) fewer tourists from the United States and Japan visiting Europe and (ii) lower spendings by the tourists visiting Europe from the United States and Japan.

Prospects

For the financial year 2008, Royal Delft's immediate priority is to decrease its dependency on the tourism market and to integrate Leerdam Crystal and, following the closing of the Acquisition, VKB into its business. To decrease the dependency on the tourism market Royal Delft aims to add and develop new product market combinations, not only in The Netherlands, but also through exports to foreign countries.

The integration of Leerdam Crystal is well on schedule and will be further effectuated in the next period. The implementation of the Multi-Brand & Multi-Channel Strategy has led to the signing of a share purchase agreement on 31 July 2008 to acquire all outstanding and issued shares in the capital of VKB.

For the remainder of the financial year 2008 and 2009, Royal Delft will focus on turning Royal Delft, Leerdam Crystal and VKB into a single organisation, with its headquarters in Zoetermeer. The new organisation will focus on planning, measurement and execution, and will work on homogenising the processes between the three companies.

Although the integration of Leerdam Crystal and VKB into Royal Delft's organisational structure will be the main focus, Royal Delft does not exclude additional acquisitions to realise its Multi Brand & Multi Channel Strategy.

Management and organisation

As per July 2007, Royal Delft's Executive Board consists of one member, Mr. W.P. Grasso, who started as interim manager in 2006. As the chief executive officer, Mr. W.P. Grasso is responsible for Royal Delft's activities, which include the activities of Leerdam Crystal since 2 January 2008. However, it is the intention of the Company to increase the number of members of the Executive Board in due course.

As per 30 June 2008 Royal Delft employs 48 FTEs (excluding Leerdam Crystal). Approximately 50% of its employees work in production.

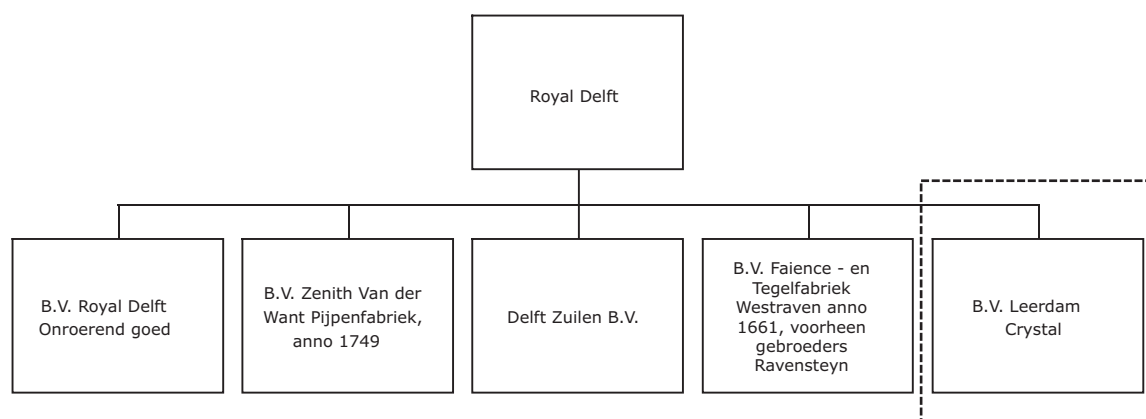
Royal Delft's organisational structure and subsidiaries

Royal Delft also carries out operations through its subsidiaries in which it holds 100% of the share capital. Chart I demonstrates Royal Delft's current organisational structure. Leerdam Crystal has been added as a result of the acquisition on 2 January 2008. Chart II demonstrates Royal Delft's structure after the Acquisition.

Currently, Royal Delft's subsidiaries are:

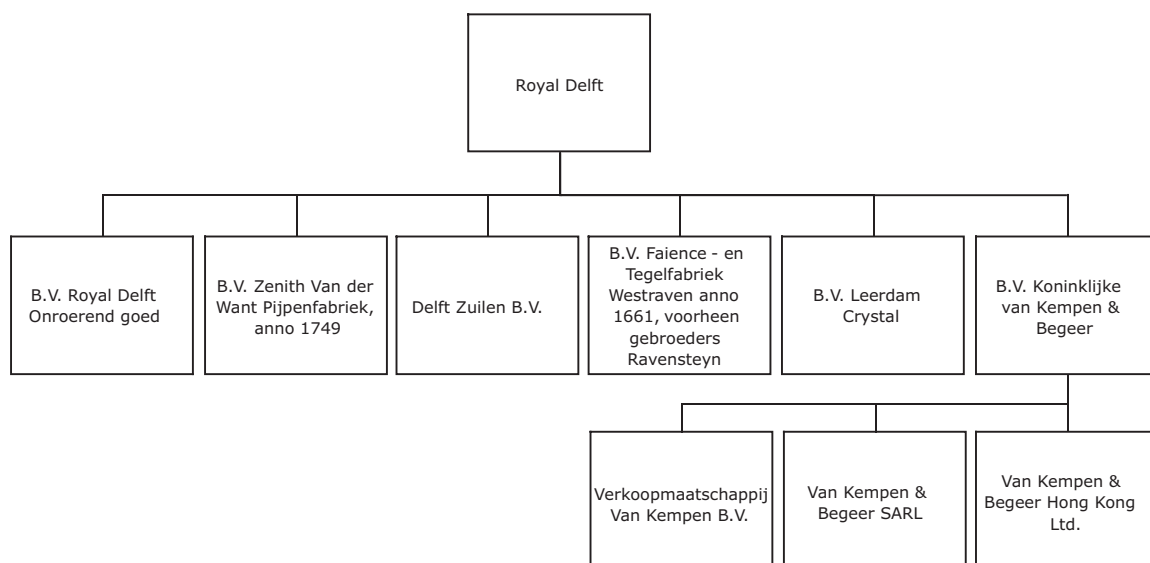
	<i>Place of incorporation</i>	<i>Effective ownership interest</i>
• B.V. Royal Delft Onroerend Goed	The Netherlands	100%
• B.V. Zenith Van der Want Pijpenfabriek, anno 1749	The Netherlands	100%
• Delft Zuilen B.V.	The Netherlands	100%
• B.V. Faience- en Tegelfabriek Westraven anno 1661, voorheen gebroeders Ravenstyn	The Netherlands	100%
• B.V. Leerdam Crystal	The Netherlands	100%

Chart I



The operational activities are executed in Royal Delft. Royal Delft is also the holding company for the premises on the Rotterdamseweg 196 in Delft, The Netherlands. Delft Zuilen B.V. is an empty legal entity and the other two legal entities are empty except for some trade names.

Chart II



Real Property

Royal Delft owns the (real) property on the premises at Rotterdamseweg 196 in Delft, which is subject to a mortgage (*recht van hypotheek*) under the credit facility arrangement with Fortis Bank.

Legal Proceedings

To the best knowledge of the Company and its subsidiaries there are not and have not been any governmental, legal or arbitration proceedings, nor is the Company or its subsidiaries aware of such proceedings threatening or pending, which may have or have had in the 12 months before the date of this Prospectus significant effects on the financial position or profitability of the Company and/or its subsidiaries.

6. NEW STRATEGY

The Multi-Brand & Multi-Channel Strategy

Royal Delft's reputation, its brand, and its international reach provide it with a robust national and international name as a producer of authentic delftware and special ceramic products in a well-known and attractive niche market. A disadvantage of Royal Delft's former strategic focus is its dependency on the volatile tourism market and its lack of product development.

After a management change in 2006, Royal Delft realised that it had to improve the operating results and change its course. To achieve this, the Executive Board formulated the Multi-Brand & Multi-Channel Strategy in 2007, which it is currently implementing into its organisation, to become a multi-brand producer of exclusive luxury in home products in the upper segment of the market through various channels. Royal Delft believes that the Multi-Brand & Multi-Channel Strategy will improve its operating results, broaden its product portfolio, expand its distribution channels and will give it a more modern image and feel.

The Leerdam Crystal acquisition and the Acquisition are pivotal building blocks whereupon the Multi-Brand & Multi-Channel Strategy will be built. The Executive Board firmly believes that the cross-fertilisation of the Combination could realise valuable synergies primarily in five areas, namely (i) design, (ii) resources & production, (iii) marketing, (iv) sales, and (v) general cost and other operational synergies. These synergies are elaborated on in more detail below.

The synergies of the Multi-Brand & Multi-Channel Strategy

Design

Integrating Leerdam Crystal and VKB into the Royal Delft franchise will improve the existing relationships with designers and galleries and Royal Delft will be able to build on the combined business relationships. Additionally, Royal Delft aims to organise events and boost marketing efforts through a combined Royal Delft, Leerdam Crystal, and VKB approach. Royal Delft further anticipates that the Combination will attract more well-known and talented designers through the unique offering of glass, ceramic based products, quality cookware and cutlery products. Royal Delft believes that this is a sound basis for a better proposition vis-à-vis well-known designers.

Resources & production

In order to offer its products at different price levels (reference is made to the paragraph headed "Marketing" below), Royal Delft intends to outsource the "bulk" production of its white and painted product lines. Many producers in the Far East are able to produce these product lines in a far more cost efficient way compared to their European counterparts. With a view to VKB's knowledge and successful experience with outsourcing its production, Royal Delft believes it can leverage VKB's expertise when outsourcing the production of the Royal Delft products. Royal Delft intends to farm out on "bulk" products for Leerdam Crystal in the foreseeable future as well. Royal Delft will, however, preserve the hand-made traditional methods, materials and designs used by both Royal Delft and Leerdam Crystal. Royal Delft believes that by using VKB's outsourcing expertise, it can generate tangible cost savings for the businesses of both Royal Delft and Leerdam Crystal.

Marketing

The current customer group of Royal Delft is dominated by customers in the age group of 50 years and older. In order to appeal to a wider group of customers, Royal Delft plans to expand its current product portfolio to also appeal to a younger customer base in the age group between 30 and 50. In order to successfully approach this age group, Royal Delft believes that its current product portfolio should be expanded. In addition to its current collection, Royal Delft intends to offer a more scalable (i.e. higher volumes and more affordable price levels) high quality classic collection for formal dining and a modern collection inspired by the classic collection for both formal and informal dining. Royal Delft's anticipated product range will consist of four different quality levels: (i) hand-painted, (ii) hand-decorated, (iii) printed and (iv) white. Royal Delft is currently developing a classic and contemporary product collection that will be the cornerstone of its product portfolio. For illustration purposes, examples of a contemporary collection are set forth below.



Leerdam Crystal intends to offer a high quality glass product line in higher volumes and at more affordable price levels to extend its product portfolio to a larger customer base.

VKB has recently launched the brand Royal VKB, which is especially focused on a younger demographic customer base that ranges from 18 to 50 years old. The expertise of VKB in terms of design, product development and marketing will add to the development of new products lines of Royal Delft and Leerdam Crystal, which will have a large overlap with the customer base of VKB and Royal VKB in particular.

Sales

Royal Delft plans to expand its sales for Royal Delft and Leerdam Crystal products through increasing the number of sales points, including shop-in-shops in The Netherlands and through a distribution network abroad in a select number of countries, including Japan and the United States to decrease its dependency on the tourist segment. Chain store retailers and specialty stores in The Netherlands are the most preferable additional sales points in order to become less dependent on the tourist segment. In view of VKB's long standing relationship with chain store retailers and specialty stores in The Netherlands and its international sales channel in over twenty countries, Royal Delft believes that the Acquisition will yield significant synergies in the area of setting up additional sales channels. After the Acquisition, the Combination will have a diversified product portfolio with diversified distribution channels. It is the goal of the Combination to investigate which products can be combined to optimally profit from a joint distribution channel.

General Cost and other operational synergies

In addition to the synergies described above, Royal Delft anticipates that the Combination will also lead to significant cost synergies. Royal Delft will further investigate possible synergies in the area of logistics, warehousing, packaging, administration and systems. Additionally, the Combination will be able to concentrate its operations on one geographical location. This will generate cost savings, *inter alia*, in terms of information technology and holding staff.

7. THE ACQUISITION OF LEERDAM CRYSTAL

History of Leerdam Crystal

Leerdam Crystal is the 'design' part of the traditional glass factory in Leerdam, which was founded in 1765. The overview below provides the main market and company events throughout the last few hundred years.

1765	The first bottle-blowing factory was built in Leerdam. Due to the dark colour of the bottles that are blown, the factory is also called "de Zwarthut" (the black shack).
1878	On 18 June 1878, Mr. Jeekel and Mr. Mijnsen built the 'white shack' next to the existing 'black shack'. It became a glass factory where white glass imported from abroad was processed. Next to bottles and pots, the product range also included crockery, which was manufactured using foreign designs and models.
1891	The factory was given the name N.V. Nederlandsche Glasfabriek Leerdam.
1915	Director Mr. P.M. Cochius hired a team of designers, who needed to make sure that the Leerdam factory would be able to market an aesthetically pleasing range of products. The emphasis was on consumer articles and consumer design products.
1930	In collaboration with the Dutch Vintners Association (<i>De Vereeniging van Nederlandsche Wijnhandelaren</i>), the first designer to be given a permanent position, Mr. A.D. Copier (1910), designed the Gilde Glass.
1938	The N.V. Nederlandsche Glasfabriek Leerdam was assimilated into the N.V. Vereenigde Glasfabrieken. At the same time, it was decided to reinforce its market position by concentrating on household and consumer-design glass.
1949	Floris Meydam (1919) succeeded A.D. Copier as head of design. He designed numerous services, consumer articles, packaging glass, Serica and Unica.
1953	On the occasion of the company's 75th anniversary, the glass factory was granted the honour to call itself " <i>Koninklijke</i> ". On an international level, the trade name 'Royal Leerdam' was introduced.
1958	The first mechanically produced drinking service was produced.
1968	Willem Heesen (1925) became head of design of Leerdam Crystal. His best known service is called Ambassador. In addition, Heesen designed many Serica, Unica, and monumental assignments. In 1977, Heesen left the factory to set up his own glass studio.
2003	Libbey Inc. acquired Leerdam Crystal; Leerdam Crystal celebrated its 125th anniversary.
2008	On 2 January 2008, Royal Delft acquired Leerdam Crystal as a first step in realising its Multi-Brand & Multi-Channel Strategy.

Leerdam Crystal is a small company with net sales of approximately €1.75 million (based on Dutch GAAP) in 2006. Leerdam Crystal produces a broad selection of traditionally made crystal design and tableware products. Since the beginning of the twentieth century, the glass factory has attracted artists and designers to create an aesthetically sound product portfolio. Leerdam Crystal's reputation has been cemented by famous glass designers such as Berlage, De Bazel, Lebeau, Lanooy, A.D. Copier and Meydam. Since a few years, together with Leerdam Crystal's house designer Siem van der Marel, a changing group of (young) designers and artists have committed themselves to the factory, which helps in expanding Leerdam Crystal's image.

Leerdam Crystal product offering

Leerdam Crystal offers a broad collection of crystal products, divided into the following categories:

- Design Collection: a wide range of bowls, vases, candleholders, carafes and glasses;
- Designer's Choice;
- Leerdam Design;
- Custom Made Crystal: custom made business gifts;
- Leerdam Serica: art objects produced in limited editions;
- Leerdam Unica: one-of-a-kind free-blown crystal art objects.

Most Leerdam Crystal products are being manufactured in Leerdam based on traditional methods with traditional materials. The company has some experience with outsourcing to eastern Europe, more specifically Czech Republic. The price of Leerdam Crystal products ranges from approximately €20 to over €2,500.

Leerdam Crystal offers the possibility to business-to-business customers to order custom made product tailored to its customer's specifications.

After the integration of Leerdam Crystal, Royal Delft intends to broaden Leerdam Crystal's current product portfolio for the high-end retail segment by offering a high quality crystal product line and gift assortment.

Leerdam Crystal distribution channels and customer groups

Leerdam Crystal has almost the same distribution channels and customer groups as Royal Delft.

The products of Leerdam Crystal are offered through the following channels:

- retail;
- the online-shop; and
- business-to-business.

The retail channel consists of the Leerdam Crystal shop in Leerdam, and various art galleries in other parts of The Netherlands. Only the Shop in Leerdam offers the complete assortment of products.

The online-shop of Leerdam Crystal (www.royalleerdamcrystal.com) offers a wide variety of Leerdam Crystal products.

The sales department of Leerdam Crystal is responsible for the business-to-business sales.

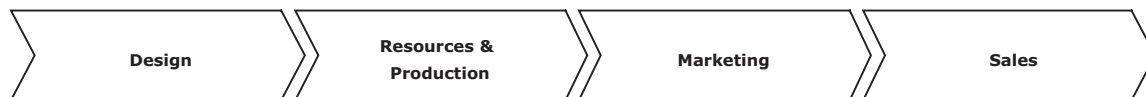
Retail customers consist of Dutch consumers and mainly Dutch tourists.

The business-to-business customer group mainly consists of governmental bodies, embassies and companies (e.g. Philips and Douwe Egberts). This customer group purchases custom made products for jubilee, relationship and other event driven gifts.

The split between retail and online and business-to-business in 2007 amounted approximately 40% for retail and online channels and 60% for the business-to-business channel.

Value chain of Leerdam Crystal

The value chain for products of Leerdam Crystal consists of the following four steps and is very much comparable to that of Royal Delft. The individual steps are elaborated on below.



Design

Most of the products of Leerdam Crystal consist of its own design and Unica's and Serica's made by external designers. New artwork is made for newly developed designs by Leerdam Crystal's own designers or by external designers such as Mr. Marcel Wanders and Mr. Jan des Bouvrie. Special designs are made and agreed for customised projects in close cooperation with the customer, mainly business-to-business customers.

Leerdam Crystal holds, with some exceptions, the intellectual property rights of all its models and designs.

Resources & production

Leerdam Crystal produces mainly crystal glassware which is made from silver sand, red lead oxide, and potash. It has a greater brilliance than ordinary glass and due to its special structure, it is very suitable for cutting and engraving. Leerdam Crystal works with 'Cristal Supérieur', which is the purest crystal in Europe.

The raw materials are mixed in pots of fireproof earthenware and heated to approximately 1400 degrees Celsius. The glassblower dips his blow pipe of cast iron in the liquid crystal (the batch) and draws out the required amount in order to make the object. The drop that remains suspended from the pipe is blown into a bubble, which subsequently is blown into a mould with the desired shape.

The red-hot crystal may also be shaped by hand. This ancient craft makes use of special tools, such as wooden block moulds and metal shears. The wooden moulds used by Leerdam Crystal are manufactured in its own mould-making shop. During the blowing process, the moulds are saturated

with water. The red-hot crystal boils the water causing a layer of steam to develop between the crystal and the wooden mould wall.

The moulded products have a temperature of approximately 600 degrees Celsius, which have to be cooled down to approximately 20 degrees Celsius. This must be done very gradually. The gradual cooling down takes place in a lehrs.

Using vertically and horizontally rotating grinding wheels, the crystal products are given their finishing touch. If desired, grinding motives are applied. The finishing process, from rough grinding to bright polishing, comprises four to five production runs.

To engrave the crystal, special tools are used in combination with carborundum discs. The drill is moved across the glass by hand. The motive is engraved 'dry' without the use of any liquid. However, the best results are obtained using a wheel on a stand, which has fast rotating copper discs, across which a carborundum powder drenched in oil is running. The object to be engraved is moved along the wheel.

The final product is checked for quality control and put on stock for delivery and sale. The products for business-to-business customers can be divided into two types: (i) products not stored but directly shipped to the customer and (ii) products that are manufactured in larger quantities such as jubilee gifts, which are stored and shipped to the customers on demand.

Marketing

As Leerdam Crystal is a relatively small company, the marketing activities are limited due to a limited budget. Leerdam Crystal works on new product lines with new designers and focuses on adding new distribution channels in order to broaden its market.

Since the acquisition by Royal Delft, Leerdam Crystal cooperates in promotional activities.

For business-to-business customers, Leerdam Crystal aims to combine its efforts with Royal Delft to participate in major fairs in The Netherlands and art/designer fairs abroad.

Sales

Most of the retail sales is generated in the shop in Leerdam, where Leerdam Crystal has a large showroom and a large assortment of its products at display.

As Royal Delft and Leerdam Crystal focus on the same business-to-business customers, efforts in this field are combined or planned to be combined, including sales representatives and telephone sales. Sales representatives visit business-to-business customers and art galleries on a regular basis. The back office unit is handling sales' requests by phone and provides the necessary sales support to the sales organisation, e.g. handling contract letters, handling website sales and prepare mailings to customers.

Management and organisation

The organisation of Leerdam Crystal is relatively small, with only 16.4 FTEs as per the end of June 2008. Most of them work either in production, or in direct sales through the store or in business-to-business. The operations are very limited, and a number of services have been outsourced to the former parent company B.V. Koninklijke Nederlandsche Glasfabriek Leerdam, or have already been transferred to Royal Delft.

Share purchase agreement

On 30 November 2007, Royal Delft signed a share purchase agreement with Leerdam Crystal's sole shareholder B.V. Koninklijke Nederlandsche Glasfabriek Leerdam to acquire all outstanding and issued shares in the capital of Leerdam Crystal. This acquisition was consummated on 2 January 2008. The consideration for the acquisition of Leerdam Crystal consisted of two elements:

- *cash consideration*: an amount of €360,258;
- *deferred consideration*: is a maximum amount of €225,000 to be paid to B.V. Koninklijke Nederlandsche Glasfabriek Leerdam for the finished goods sold during a period of 24 months after the consummation of the acquisition on 2 January 2008.

Integration of Leerdam Crystal

During the first months after the acquisition of Leerdam Crystal, Royal Delft developed an integration plan that has resulted in the integration of a number of activities. As at the date of this Prospectus, the following integration efforts have been realised:

- a joint sales approach for business-to-business customers;
- the public relations activities of Leerdam Crystal are coordinated through the public relations department of Royal Delft;
- the art director of Royal Delft has become responsible for both companies, which includes, *inter alia*, development of the product portfolio and attracting and coordinating existing and new designers;
- Royal Delft is responsible for the joint financial administration; and
- production management is being integrated and effectuated within the next couple of months.

8. THE ACQUISITION OF VKB

History of VKB

1789	Mr. J.M. van Kempen became a silversmith and joined the silversmith guild in Utrecht. Shortly thereafter his son joined the same guild, laying the foundations of VKB.
1858	The family opened a new factory in Voorschoten and received the title " <i>Koninklijke</i> " from King Willem III.
1877	The firm started to operate on an international level. It mainly focused on the Dutch East Indies and accounted 300 employees in 1877,
1919	The firm merged with its competitor Begeer en Vos into "Koninklijke Nederlandsche Edelmetaal Bedrijven Van Kempen, Begeer en Vos".
1925	After a reorganisation, a successor of Van Kempen left the firm and started a new company in Zeist, which later obtained a listing on the Amsterdam stock exchange, currently known as Euronext Amsterdam.
1960	Merger with Koninklijke Nederlandsche Edelmetaal Bedrijven Van Kempen, Begeer en Vos resulting in B.V. Koninklijke Van Kempen & Begeer.
1970-1980	VKB acquired the brands BK and Gero.
1985	VKB moved its offices to the current location in Zoetermeer.
1988	Corpeq acquired 100% of the share capital of VKB and delisted the company from Euronext Amsterdam.
1997	The Hong Kong office, "Van Kempen & Begeer Hong Kong Ltd.", opened in order to coordinate the procurement of its sourcing partners in Asia.
2005	VKB introduced the international brand "Royal VKB".
2008	Corpeq signed a share purchase agreement with Royal Delft for the Acquisition

VKB is a stable, mid-sized company in the Dutch market with net sales of €22.9 million (based on Dutch GAAP) in 2007. VKB has three main brands: BK (62% of net sales in 2007), KelGer (22% of net sales 2007) and Royal VKB (11% of net sales 2007). Approximately 5% of its net sales in 2007 is realised with royalties.

VKB's mission statement is to design, develop and import highly distinguishable and innovative premium brand products to service the storing, preparing, serving and consuming of food and beverages of domestic and international end users.

VKB product offering

VKB designs high quality cookware and cutlery and offers its products through retailers, warehouses and wholesalers. The four most important brands of VKB are (i) BK, (ii) Gero, (iii) Keltum and (iv) Royal VKB. These brands are described below.

BK

Under the BK brand (www.bk.nl), VKB offers pans, pots and other kitchen accessories in the medium and top segment of the Dutch market. The BK franchise is the largest brand of VKB and offers a wide range of products with a strong focus on high quality pans and pots. BK's largest product group consists of stainless steel cookware (pans). In 2007, this represented 58% of the total sales. Other products of the BK brand include salt & pepper mills, can openers, serving spoons, whisks, ice cream scoops, cheese slicers, timers, pizza slicers, meat forks, chopping boards, kitchen towels and food boxes.

Q-linair is one of the product ranges which are offered under the BK brand name. Q-linair offers high quality cookware and kitchen utensils. This brand won the Design Plus award in 2002 and the Red Dot design award in 2003. Another product range offered by BK is My Lady, unique Italian style pans, which are made in collaboration with Barazzoni. Other product ranges offered by BK are: Canonical+, Karaat, Robuust and Cuisson.

Gero and Keltum

Under the Gero and Keltum brand, VKB offers cutlery and other kitchen accessories in the medium and top segment of the Dutch market.

Products offered under the Keltum brand (www.keltum.nl) were introduced in 1936. This brand concentrates on producing high quality cutlery for the dining table and has become a well-known cutlery brand in The Netherlands. Keltum offers various ranges of cutlery, ranging from products with a

focus on tradition to products with a focus on modern design. Several silver plated ranges and cutlery sets for children are also included in the product portfolio.

Gero (www.gero.nl), a well-known cutlery brand in The Netherlands, encompasses several ranges of cutlery varying from design and quality to cutlery sets for children. Gero also offers knife sets and electrical salt & pepper mills. The Enjoy, Basic and Zilmeta cutlery range aims at the medium segment and the Zilduro range aims at the top segment of the Dutch market.

Royal VKB

Royal VKB (www.royalvkb.nl), the company's latest brand, was introduced in 2005. It has an international orientation and is associated with a variety of high quality kitchen tools, designed by famous Dutch designers. The products of Royal VKB are known for its unique and innovative features. VKB brings design within reach, and competes with brands like Alessi, Mode, and Eva Solo. Its designs have received various international design awards like the "Red Dot" and "Design Plus" awards.

Four different Royal VKB ranges can be distinguished:

- the "preparing food" range offers amongst other things innovative garlic crushers, bowls, pans, chopping boards, cutting boards, integrated mix & measure bowls and salt & pepper mills;
- the "serving food" range offers amongst other things bowls, plates, fruit bowls, kitchen organisers, self-balancing serving trays and trivets;
- the "consuming food" range offers amongst other things salad bowls, forks, soup bowls and spoons and glass carafes; and,
- the "storing food" range offers amongst other things jars with built-in measuring cups and squeeze bottles.

Famous Dutch designers such as Mr. Gijs Bakker and Ms. Ineke Hans are responsible for the design of Royal VKB products.

VKB's distribution channels and customer groups

The four most important brands of VKB have their own distribution channels and customer base. However, some overlap in distribution channels and customer groups exists.

The BK products are sold mainly through chain store retailers such as Blokker, V&D and the Bijenkorf. These stores have different target groups and, consequently, different subsets of the product range.

The Gero brand serves both the chain store retailer channel as well as the hotel and restaurant industry. Conversely, the focus of the Keltum brand is on tradition and design. Keltum is focused on the high end of the retail spectrum, sales points are retailers such as the Bijenkorf and specialty retail stores.

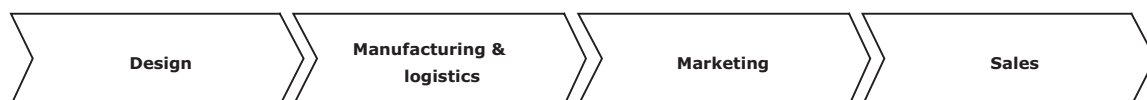
The products of Royal VKB are being sold in over twenty countries worldwide, including The Netherlands, France, Australia, Germany, Hong Kong, Japan, Spain, the United Kingdom and the United States. The Royal VKB products are generally sold through specialty stores (e.g. food, furniture and gift stores) and exclusive department stores.

Currently, online sales are below €100,000 per annum. It should, however, be noted that online marketing efforts are not fully developed yet.

Although VKB has a differentiated customer base, approximately 60% of VKB's revenues are generated by its top ten customers.

Value chain of VKB

The value chain for the products of VKB consists of the following four steps, which are elaborated on below.



Design

Design of all products is originated in Zoetermeer by the product development unit. VKB cooperates on project basis with various well-known Dutch designers. VKB has identified the following critical

success factors in the field of design and product development: focus on product differentiation by increasing the range and quality of the product portfolio and introducing ten new and innovative Royal VKB products per annum.

Manufacturing & logistics

The manufacturing of VKB's product lines is outsourced to the Far East. Procurement and quality control are the main activities of VKB's Hong Kong subsidiary, Van Kempen & Begeer Hong Kong Ltd. Five large Asian suppliers account for approximately 75% of the total procurement of VKB.

The company has three different logistic processes for its product flow. The first product flow is from the producer to the international customers of the company. This flow is primarily used for a small number of orders of Royal VKB products by international customers. The second product flow is from the producer, to the harbour of Rotterdam and subsequently directly to the customers in The Netherlands. This product flow is most often used for large volumes ordered by large customers in The Netherlands as these customers handle logistics themselves. The last product flow is from the producer, to the harbour of Rotterdam, then to the VKB warehouse in Zoetermeer and finally to the customers in The Netherlands. In this case handling and logistics is executed in-house. The Zoetermeer warehouse includes approximately 3,800 square meters of working space.

The activities in Zoetermeer include packaging, logistics management, quality control, storage, showroom, design and development.

Marketing & sales

The company has spent, on average approximately 6% of net sales on marketing activities over the last few years. The brand management department designs and distributes stylish product brochures to introduce its products with its current customers and target customers.

The showroom in Zoetermeer welcomes customers to introduce the latest products offered by VKB. Customers can also directly order products from the brochure. To improve its international positioning the company visits international trade fairs on a regular basis.

Promotional campaigns via loyalty programmes are an important tool to enhance the brand recognition and to realise additional sales. A good example of a successful promotional campaign was the C1000 campaign launched in 2007. Customers of the super market C1000 received vouchers for every purchase and were able to exchange these vouchers for BK pans. The C1000 campaign generated approximately €2.7 million additional sales for the company.

In November 2005, VKB signed a 5-year license agreement with a marketing and sales agency. This agency uses the Royal VKB brand in its worldwide campaigns. This agency receives an annual fee comprising of a fixed and a variable component.

Management and organisation

The management of VKB consists of Mr. H. Schouten, the managing director, and Mr. R. Freriks, the commercial director, both of whom have been with VKB for respectively 19 and 20 years.

VKB's operations are relatively lean and mean, especially as a result of the outsourced production. The company employed an average of 69 employees in 2007 compared to 70 employees in 2006. Almost all employees are located in the Zoetermeer office with approximately 1,400 square meters office space. Roughly 20 employees work in marketing and product development, approximately 15 employees in sales, 20 employees in purchasing and logistics, and 5 employees in administration.

Share purchase agreement

Consideration

Royal Delft signed a binding share purchase agreement with Corpeq to acquire all outstanding and issued shares in the capital of VKB on 31 July 2008. The consideration for the Proposed Acquisition consists of three elements:

- *the Initial Cash Consideration:* the Initial Cash Consideration of EUR 4,660,000, increased with 4% interest (on a yearly basis) on the Initial Cash Consideration over the period starting at 1 July 2008 until closing of the Acquisition. If closing of the Acquisition takes place later than 29 September 2008, the 4% interest will be increased to 6% on a yearly basis;

- *the Earn-out Consideration:* an Earn-out Consideration in cash, equal to 50% of the consolidated net profit of VKB over the period from 1 January 2008 until 31 December 2008. The Earn-out Consideration is expected to be payable in the second quarter of 2009; and,
- *the Warrant Consideration:* the Consideration Warrants to be issued by the Company to Corpeq pursuant to a warrant agreement on the closing date of the Acquisition. Each Consideration Warrant entitles the holder thereof to purchase one ordinary share in the capital of the Company at a price which will be equal to the theoretical ex-rights price in the Offering (the "**TERP**"). The Consideration Warrants will be exercisable during a period starting 180 days after the closing date of the Acquisition and ending five years from the closing date of the Acquisition. The number of Consideration Warrants to be issued by the Company to Corpeq will be equal to 86,109, i.e. the outcome of the following formula:

- $$\text{EUR } 1,000,000 \times (1 + (\text{TERP} - \text{Issue Price}) / \text{Issue Price}) / \text{Issue Price},$$

subject to adjustment, as agreed between the Company and Corpeq or in order to grant anti-dilution protection to the holder of the Consideration Warrants in certain situations. During 180 days after the Acquisition, the Consideration Warrants may only be transferred with the approval of the Company.

Conditions to completion

Completion of the Acquisition is currently subject to the condition precedent that the activities of VKB have been conducted in the ordinary course of business and no material adverse change has occurred.

Acquisition structure and documentation

The Acquisition is structured as a sale and purchase of all outstanding and issued shares in the share capital of VKB. The Acquisition documentation provides for certain customary representations, warranties and indemnities to Royal Delft which are customary for this type of transactions.

Failure to consummate the Acquisition

In the event that the Acquisition, for whatever reason, will not be completed, Royal Delft intends to return the net proceeds of the Offering received by the Company to the Shareholders in the most efficient manner (either through a dividend distribution, a capital reduction or otherwise)

Integration of VKB

Royal Delft has not yet developed an integration plan for the integration of VKB into Royal Delft. The integration process of VKB will be initiated after the consummation of the Acquisition and will primarily focus on cost savings and sharing of know-how.

9. USE OF PROCEEDS

The gross proceeds of the Offering will be €6.5 million. The Company expects to receive approximately €5.6 million after deduction of the expected expenses and commissions and applicable taxes (if any) payable by it in connection with the Offering. Of the net proceeds of the Offering, an amount of approximately €5.1 million, will be used to fund the Initial Cash Consideration for the Acquisition and the expenses related to the Acquisition (see "The Acquisition of VKB - Share purchase agreement").

Any excess proceeds after funding Initial Cash Consideration and the expenses related to the Acquisition for the Acquisition will be used to fund any costs in connection with the integration of Leerdam Crystal and VKB into the Company and for general corporate purposes.

If the Acquisition, for whatever reason, fails to complete, the Company intends to return the net proceeds of the Offering received by the Company to the Shareholders in the most efficient manner (either through a dividend distribution, a capital reduction or otherwise).

10. DIVIDENDS AND DIVIDEND POLICY

Overview

Dividend distributions may only be paid out of the profit as shown in the separate financial statements adopted by the General Meeting. Dividends may not be paid if the distribution would reduce Shareholders' equity below the sum of the paid-up and called part of the issued share capital and any reserves which must be retained according to Dutch law or the Articles of Association.

The Executive Board, after approval of the Supervisory Board, determines the amount that shall be reserved from the profits as disclosed in the adopted annual accounts. From the remaining profits, if any, a dividend may be distributed to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by each of them. The General Meeting may resolve to distribute an interim dividend in accordance with the applicable provisions of Dutch law and the Articles of Association.

Dividends that have not been claimed five years after becoming payable shall be forfeited to Royal Delft.

The General Meeting may only resolve to cancel or distribute a distributable reserve at the proposal of the Executive Board, with the approval of the Supervisory Board.

The Offer Shares, upon issue, will rank equally in all respect with the Ordinary Shares and will be eligible for any dividends which Royal Delft may declare on its Ordinary Shares in the future.

Dividend payments on the Ordinary Shares are subject to withholding tax in The Netherlands. See also "Taxation - Dutch corporate income tax on dividends".

Historical dividends

The Company has not paid out any dividends since the financial year ended 31 December 2001.

Dividend policy

The general dividend policy of the Company is to pay dividends at levels consistent with maintaining a certain reasonable level of liquidity.

11. CAPITALISATION

The following table sets out the consolidated capitalisation of Royal Delft as at 30 June 2008 in accordance with IFRS.

The table should be read in conjunction with the chapter headed "Selected Financial Information" and the historical consolidated financial statements, including the notes thereto and the related auditors' reports, incorporated by reference in this Prospectus.

	As at 30 June 2008	
<i>(in € thousand)</i>	Actual <i>(Unaudited)</i>	Pro Forma for Offering and Acquisition <i>(Unaudited)</i>
Short-term debt	1,172	4,356
Secured	1,172	4,356
Guaranteed	0	0
Unsecured/Unguaranteed	0	0
Long-term debt	0	0
Secured	0	0
Guaranteed	0	0
Unsecured/Unguaranteed	0	0
Total Debt	1,172	4,356
Issued and paid-in capital	293	764
Share premium	1,442	6,456
Accumulated earnings	2,580	4,052
Total shareholder's equity	4,315	11,272
Total capitalisation	5,487	15,628
Cash and cash equivalents		
Restricted cash	0	0
Cash and cash equivalents	147	180
Total	147	180

12. SELECTED FINANCIAL INFORMATION

Royal Delft

This is a summary of the unaudited financial information for the financial half year ended 30 June 2008 (including comparative financial information for the financial half year ended 30 June 2007) of Royal Delft (including Leerdam Crystal for the financial half year ended 30 June 2008) and the audited consolidated financial information for the financial years ended 31 December 2005, 2006 and 2007 of Royal Delft. The summary of the audited consolidated financial information should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditors' reports, which are incorporated by reference in this Prospectus for the financial years ended 31 December 2005 and 2006. The financial statements, including the notes thereto and the related auditor's report, for the financial year ended 31 December 2007 are included in this Prospectus.

The audited consolidated financial statements for the financial years ended 31 December 2005, 2006 and 2007 have been prepared in accordance with IFRS. The reviewed interim financial information for the financial half year ended 30 June 2008 has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union.

Statement of operations (in € thousand)

	Financial year ended 31 December			Financial period ended 30 June	
	2005 (audited)	2006 (audited)	2007 (audited)	2007 (unaudited)	2008 (unaudited)
Net sales	3,556	4,137	3,826	2,102	2,397
Costs of goods sold	650	853	452	200	285
Gross profit	2,906	3,284	3,374	1,902	2,112
Operating costs ²	3,140	3,207	3,257	1,619	2,075
EBIT	-234	77	117	283	37
Net financing costs	-53	-51	-44	-23	-23
Profit before income tax	-287	26	73	260	14
Income tax	86	-13	-20	-65	0
Net loss/profit	-201	13	53	195	14

Earnings per share (in €)

Basic	-0.75	0.05	0.20	0.73	0.05
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Selected balance sheet data (in € thousand)

Cash and cash equivalents	58	73	55	49	147
Working capital (excluding cash)	953	1,070	1,591	1,278	1,201
Total capital	3,682	3,695	4,301	3,890	4,315

Cash Flow Data (in € thousand)

Net cash flow from operating activities	-16	559	127	102	-451
Net cash flow from investing activities	23	-59	-248	-138	-517
Net cash flow from financing activities	0	0	553	0	0

Additional information**(in € thousand)**

EBITDA ¹	-59	214	249	345	137
Capital expenditures	114	59	248	138	157
Divestments	0	0	0	0	0
Depreciation & amortisation	175	137	132	62	100

Note:

1. Calculated by adding EBIT, depreciation and amortization, as the Company does not report EBITDA separately in its financial statements.
2. 30 June 2008 operating costs include a benefit of €282,000 related to negative goodwill that was realised as a consequence of the acquisition of Leerdam Crystal.

VKB

This is a summary of the unaudited financial information for the half year ended 30 June 2008 (including comparative financial information for the financial half year ended 30 June 2007) and the audited consolidated financial information for the financial year ended 31 December 2007 (including comparative financial information for the financial year ended 31 December 2006) of VKB. The summary of the audited consolidated financial information should be read in conjunction with the related audited consolidated financial statements, including the notes thereto and the related auditor's report, included in this Prospectus.

The audited consolidated financial statements for the financial year ended 31 December 2007 and the reviewed interim financial information for the financial half year ended 30 June 2008 have been prepared in accordance with Dutch GAAP.

Statement of operations (in € thousand)

	Financial year ended 31 December		Financial period ended 30 June	
	2006 (audited)	2007 (audited)	2007 (unaudited)	2008 (unaudited)
Net Sales	18,300	22,891	10,592	10,450
Costs of goods sold	10,082	12,600	5,677	5,748
Gross profit	8,218	10,291	4,915	4,702
Operating costs	7,791	8,043	3,940	4,193
EBIT	427	2,248	975	509
Net financing costs	-234	-444	-173	-133
Profit before income tax	193	1,804	802	376
Income tax	-53	-435	-189	-88
Net Profit	140	1,369	613	288

Selected balance sheet data (in € thousand)

Cash and cash equivalents	67	114	330	33
Working capital (excluding cash)	1,897	2,925	-	3,206
Total Capital	3,717	4,657	4,327	4,927

Cash Flow Data (in € thousand)

Net cash flow from operating activities	153	1,237	66	424
Net cash flow from investing activities	28	-381	-186	-325
Net cash flow from financing activities	0	-400	0	0

Additional information (in € thousand)

EBITDA ¹	978	2,764	1,237	764
Capital expenditures	361	381	186	325
Divestments	389	0	0	0
Depreciation & amortisation	551	516	262	255

Note:

1. Calculated by adding EBIT, depreciation and amortization.

13. OPERATING AND FINANCIAL REVIEW

Operating and financial review of Royal Delft

The following discussion of our financial condition and results of operations must be read in conjunction with our audited consolidated financial statements for the years ended 31 December 2005, 2006 and 2007 including the notes thereto included in this Prospectus. See "Index to Financial Information". The following discussion contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the chapter headed "Risk Factors".

Major events since 2005

The events described below had a significant effect on our business, financial condition and results of operations for the years ended 31 December 2005, 2006 and 2007.

2005

As of 2005, the Company prepares its annual accounts on the basis of IFRS instead of Dutch GAAP.

On 1 January 2005 the Company replaced its pension plan “*gecombineerde eindloonregeling*” by “*volledig middelloonregeling*”. This decision was made due to the increasing costs for the Company's pension plan.

The Company issued a profit warning in December 2005, which was already indicated in the half year report for 2005, due to disappointing sales and production problems.

2006

The Company appointed Mr. W.P. Grasso as the interim manager of the Company to further streamline the Company and develop a new strategy.

The Company developed a rationalisation plan. The optimisation of the production department and the outsourcing of part of the production of Westraven to Morocco were the first results.

Plans were developed in combination with the City of Delft to realise a new tourist attraction, “Museumfabriek De Porceleynse Fles”, on the premises of Royal Delft.

2007

As a result of the rationalisation plan of 2006, the outsourcing to Morocco of the production department was further streamlined and the outsourcing of part of the production of Westraven to Morocco was finalised.

On 30 November 2007, the Company signed an agreement for the acquisition of Leerdam Crystal. This acquisition was the first step in the execution of the newly developed strategy of Royal Delft: “to become a multi-brand producer of exclusive luxury interior design products in the higher segment of the market through various channels” (the Multi-Brand & Multi-Channel Strategy).

Results have been achieved in the strategy to realise a new tourist attraction, “Museumfabriek De Porceleynse Fles”, on the premises of Royal Delft. The city council of Delft is expected to treat this topic in the council's meeting in 2008.

The further weakening of the U.S. Dollar and the Japanese Yen against the Euro had a negative impact on the results of Royal Delft.

Major factors affecting results

The cost base of Royal Delft is to a large extent fixed, as a substantial part of our cost base is related to personnel costs. As a consequence, the Company is not able to decrease these costs over a limited period of time. Therefore an adverse development in net sales has a direct impact on the profitability of the Company.

Net sales of the Company is to a large extent dependent on the tourism market and the exchange rates between the Euro and the U.S. Dollar and the Euro and the Japanese Yen. A weakening of the U.S. Dollar and the Japanese Yen, as seen in the last few years, has had a negative effect on the purchasing power of tourists from the United States and Japan and has put our net sales under pressure.

As a result of our fixed cost base and the decrease in purchasing power of tourists from the United States and Japan, our net profit margin has come under pressure.

Interim financial information for the period ended 30 June 2008

Royal Delft's interim financial information for the period ended 30 June 2008 has been prepared in accordance with IAS 34, interim financial reporting, as adopted within the European Union. Since the acquisition of Leerdam Crystal was consummated on 2 January 2008, Leerdam Crystal has been consolidated in the results over the first half year ended 30 June 2008 ("H1 08"). Prior to the acquisition, Leerdam Crystal was a subsidiary of B.V. Koninklijke Nederlandsche Glasfabriek Leerdam and did not, therefore, file stand-alone financial statements. No comparative figures for Leerdam Crystal on a stand alone basis have been included in this Prospectus due to the absence of audited or reviewed financials for the first half year ended 30 June 2007 ("H1 07"). To this end, it should be noted that when comparing the H1 07 financials of Royal Delft with H1 08, Leerdam Crystal's operations are not reflected in the H1 07 financials as opposed to the H1 08 financials. This could make the comparative figures set forth below less suitable for comparative purposes. In H1 08, Leerdam Crystal's sales contribute to approximately 20% of net sales.

Comparative results of operations for the half years ended 30 June 2007 and 2008 of Royal Delft

<i>(in € thousand)</i>	H1 07	H01 08	Year on year change
	<i>(unaudited)</i>	<i>(unaudited)</i>	
Net Sales	2,102	2,397	14%
Changes in work in progress	-62	213	-
Purchase costs	262	72	-73%
Personnel cost	881	1,137	29%
Social security costs	116	210	81%
Pension costs	44	84	91%
Depreciation & amortisation	62	100	61%
Other operating costs	516	826	61%
Goodwill	0	-282	-
Total operating cost	1,819	2,360	30%
Gross profit	283	37	-87%
Net financing costs	-23	-23	-
Profit before income tax	260	14	-95%
Income tax expenses	-65	0	-
Net profit	195	14	-93%

The following developments, which can be derived from H1 08 financial information in comparison with H1 07 financial information, have continued until the date of this prospectus.

Net sales

Net sales increased in H1 08 with €295,000 (14%) compared to H1 07. Leerdam Crystal realised total net sales in this period in the amount of €476,000 and Royal Delft's net sales decreased with €181,000. The decrease of net sales of Royal Delft in H1 08 compared to H1 07 is a result of a decrease in net sales generated through the tourist customer group and the business-to-business customer group. The further weakening of the U.S. Dollar and the Japanese Yen in H1 08 explains, to a certain extent, the drop in net sales. The decline in net sales generated through the business-to-business channel can be attributed to the worsening general economic climate. Despite increased marketing efforts, Royal

Delft was not able to compensate for the decline in number of visitors and average amount spent per customer.

Changes in work in progress

The changes in work in progress amounted to €213,000 in H1 08. This represents an increase of €275,000 from €-62,000 in H1 07. The increase was for an amount of €64,000 a result of the consolidation of the acquisition of Leerdam Crystal. The increase related to Royal Delft amounted to €211,000. The changes in work in progress relate directly to an increase in the stock position of both Royal Delft and Leerdam Crystal as a result of a decrease in net sales. Royal Delft decreased its production by using painters in commercial shop activities but was not able to completely align production and net sales.

Purchase costs

Purchase costs amounted to €72,000 in H1 08. This represents a decrease of €190,000 (73%) from €262,000 in H1 07. The decrease was for an amount of €-73,000 (revaluation of the purchase costs) a result of the consolidation of the acquisition of Leerdam Crystal. The decrease related to Royal Delft amounted to €117,000.

The decrease in purchase costs for Royal Delft is a result of a decrease in production, as Royal Delft had a better alignment between production and net sales and the outsourcing of the production of Westraven. Royal Delft allocated more painters to commercial activities in the shop in H1 08 compared to H1 07, i.e. demonstrations to increase sales instead of spending time and material to produce more finished goods.

Personnel costs

Personnel costs amounted to €1,137,000 in H1 08. This represents an increase of €256,000 (29%) from €881,000 in H1 07. The increase of personnel costs related to the acquisition of Leerdam Crystal amounted to €362,000. Royal Delft has been able to decrease personnel costs with €106,000. The decrease is driven by having painters spent more time on commercial activities in the shop.

Social security costs

Social security costs for H1 08 amounted to €210,000. This represents an increase of €94,000 (81%) from €116,000 in H1 07. The increase of social security costs related to the acquisition of Leerdam Crystal amounted to €46,000.

Pension costs

Pension costs for H1 08 amounted to €84,000. This represents an increase of €40,000 (91%) from €44,000 in H1 07. The increase was for an amount of €46,000 a result of the consolidation of the acquisition of Leerdam Crystal. The increase related to Royal Delft amounted to €-6,000.

Depreciation and amortisation

Depreciation and amortisation for H1 08 amounted to €100,000. This represents an increase of €38,000 (61%) from €62,000 in H1 07. The impact of the Leerdam Acquisition on depreciation and amortisation amounted to €22,000.

Other operating costs

Other operating costs for H1 08 amounted to €826,000 for H1 08. This represents an increase of €310,000 (60%) from €516,000 in H1 07. The increase related to Royal Delft and Leerdam Crystal amounted to €102,000 and €208,000, respectively.

Goodwill

Royal Delft had a one-off benefit related to “negative” goodwill in the amount of €282,000 for H1 08, which was realised as a consequence of the acquisition of Leerdam Crystal.

Net financing costs

Net financing costs in H1 08 did not change compared to H1 07. The average net debt position over H1 07 and H1 08 was approximately the same. The net debt position increased from €562,000 on 1 January 2007 to €574,000 on 30 June 2007 and increased from €112,000 on 1 January 2008 to €1,172,000 on 30 June 2008.

Income Tax

Income tax expenses for H1 08 amounted to €0, as the tax benefit for the loss over the first half year was equal to the charge due to the derecognition of part of the tax compensable losses amounting to €266,000.

Net Profit

The net profit for H1 08 amounted to €14,000. This represents a decrease of €181,000 (93%) from €195,000 in H1 07. Royal Delft realised a net profit of €164,000 and Leerdam Crystal realised a net profit of €-150,000.

Liquidity and capital resources

(in € thousand)

	H1 07 <i>(unaudited)</i>	H1 08 <i>(unaudited)</i>
Cash flow from operations	125	-428
Net financing costs	-23	-23
Net cash flow from operations	102	-451
Cash Flow from investment activities	-138	-517
Cash Flow financing activities	0	0
Total net cash flow	-36	-968

H1 08 against H1 07

The cash flow from operations for H1 08 amounted to €-428,000. This represents a decrease of €553,000 from €125,000 for H1 07. This decrease is driven by the decrease in gross profit.

The change in cash flow from investment activities is mainly related to the acquisition of Leerdam Crystal (€360,000, being the cash consideration) and investments in (in)tangible fixed assets such as a new cash register system (€86,000) in H1 08.

Borrowings

Royal Delft has a credit facility arrangement with Fortis Bank with a maximum credit limit of €1,361,000, with deferred repayment obligations. All trade debts, inventories and the premises at Rotterdamseweg 196 in Delft, are provided as collateral under this credit facility.

(in € thousand)

	31 December 2007 <i>(audited)</i>	H1 08 <i>(unaudited)</i>
Drawings under the credit facility	112	1,172

H1 08 against year ended 31 December 2007

The amount of drawings under the credit facility increased by 946% from €112,000 as per year ended 31 December 2007 to €1,172,000 on H1 08.

As per 11 Augustus 2008, Royal Delft increased its credit facility with Fortis Bank to a maximum amount of €1,961,000. The increase of €600,000 is to be repaid no later than 1 July 2009. All trade debts, inventories and the premises at Rotterdamseweg 196 in Delft are provided as collateral under this credit facility.

Working capital**(in € thousand)**

	31 December 2007 <i>(audited)</i>	30 June 2008 <i>(unaudited)</i>
Inventories	1,779	2,738
Trade- and other receivables	382	858
Short-term debt	112	1,172
Trade- and other payables	458	1,223
Working Capital	1,591	1,201

H1 08 against year ended 31 December 2007

The working capital position for H1 08 decreased with €390,000 from €1,591,000 at year end 2007 to €1,201,000 on H1 08.

The increase in inventories, trade- and other receivables and trade- and other payables as a result of the acquisition of Leerdam Crystal, amounted to respectively to €858,000, €219,000 and €376,000. Without the acquisition of Leerdam Crystal, the working capital position would have been €500,000 on H1 08.

The change in short term debt (€1,060,000) for the major part has been used to finance the negative net cash flow (€-968,000).

Commitments and contingencies not included in the balance sheet**(in € thousand)**

	H1 07 <i>(unaudited)</i>	H1 08 <i>(unaudited)</i>
Financial liabilities	0	0
Rental obligations (office buildings)		
Delft	0	0
Leerdam	0	0
Future minimum lease payments related to vehicles		
Up to 1 year	25	20
1 to 5 years	47	27
More than 5 years	0	0

Royal Delft obtained a rental free period of 10 years for the premises of Leerdam Crystal. Royal Delft has tax compensable losses for an amount of €266,000, which are not recognised against the applicable tax rate of 25.5% in the balance sheet as per H1 08.

Comparative results of operations for the financial year 2006 and 2007 of Royal Delft

<i>(in € thousand)</i>	2006	2007	Year on year change
	<i>(audited)</i>	<i>(audited)</i>	
Net Sales	4,137	3,826	-8%
Changes in work in progress	312	71	-77%
Purchase costs	541	381	-30%
Personnel cost	1,627	1,647	1%
Social security costs	220	223	1%
Pension costs	126	82	-35%
Depreciation & amortisation	137	132	-4%
Other operating costs	1,097	1,173	7%
Total operating cost	4,060	3,709	-9%
Gross profit	77	117	52%
Net financing costs	-51	-44	-
Profit before income tax	26	73	181%
Income tax expenses	-13	-20	-
Net profit	13	53	308%

Net sales

Net sales decreased in 2007 with €311,000 (-8%) compared to 2006. The decrease in sales is a result of a decrease in net sales generated via the tourist customer group, whereas the sales to business-to-business customers remained nearly stable.

The number of tourists visiting the shop in Delft via organised tours decreased slightly and the average amount spent dropped by 14% in 2007 compared to 2006. The number of individual tourists visiting the shops of Royal Delft increased by 10% in 2007 compared to 2006. The average amount spent by this category decreased, however, resulting in an increase of 2% in net sales. Net sales via the point of sales in Amsterdam and via resellers were stable in 2007 compared to 2006.

The Company was able to maintain the increased 2006 sales level to business-to-business customers in 2007.

In general, the absence of an important event in 2007 (the most important event in 2006 was the 400th anniversary of Rembrandt) and the weakening of the U.S. Dollar and the Japanese Yen against the Euro had a negative effect on our net sales.

Changes in work in progress

The changes in work in progress decreased with €241,000 from €312,000 in 2006 to an amount of €71,000 in 2007. The changes in work in progress relate to the changes of stock position in work in progress. This decrease was a result of the ability of Royal Delft to bring production in line with the lower net sales level of 2007.

Purchase costs

Purchase costs in 2007 decreased with €160,000 compared to 2006 from €541,000 in 2006 to an amount of €381,000 in 2007. This decrease is a result of a decrease in production, as Royal Delft had a better alignment between production and the decreased net sales. Royal Delft used painters to spend a considerable amount of time in shop activities in 2007 to provide demonstrations and to increase sales instead of spending time to produce more finished goods. The decrease of purchasing costs is also a result of the further outsourcing of the Westraven production to Morocco.

Personnel costs

Personnel costs increased slightly with €20,000 (1%) from €1,627,000 in 2006 to €1,647,000 in 2007. The 2007 CAO increase amounted to 1% as per July 2007, compared to an increase of the 2006 CAO of 1% as per July 2006 and 0.5% as per January 2007. The average number of employees in 2007 amounted to 68, which was compared to 2006, a decrease of 5 employees. On FTEs basis, the average in both years amounted to 56 employees. Reference is made to "Comparative results of operations for the financial year 2005 and 2006 - Personnel costs".

Social security costs

The increase in social security costs of 1% in 2007 compared to 2006 was in line with the increase in personnel costs.

Pension costs

Pension costs decreased with €44,000 from €126,000 in 2006 to an amount of €82,000 in 2007 as a result of an increase of the discount rate used in the pension calculation.

Depreciation and amortisation

As some assets (e.g. the shop interior) were completely depreciated in 2006 but did not have to be replaced yet, depreciation and amortisation decreased from €137,000 in 2006 to €132,000 in 2007. The effect on depreciation of the investments in 2007 of €248,000 is expected to result in an increase of depreciation in 2008 compared to 2007.

Other operating costs

Other operating costs in 2007 increased with €76,000 compared to 2006 from €1,097,000 in 2006 to €1,173,000 in 2007. Despite the decrease in net sales the other operating costs increased. This increase was driven by marketing costs such as a new logo and a company promotion movie.

Net financing costs

Net financing costs in 2007 amounted to €-44,000, a decrease of €7,000 compared to the previous year. The Company has been able to decrease its debt position with financial institutions from €562,000 year ended 2006 to €112,000 year ended 2007. Despite the decrease in net cash flow from €500,000 in 2006 to €432,000 in 2007, the Company has been able to decrease the debt position with financial institution as a result of the offering of shares in November 2007 for the acquisition of Leerdam Crystal. Of the proceeds of this offering, €360,258 was used for the acquisition of Leerdam Crystal on 2 January 2008 to pay the initial cash consideration of the acquisition.

Income Tax

Income tax increased in 2007 with €-7,000 from €-13,000 in 2006 to €-20,000 in 2007 as a result of the increased profitability of the Company. The effective tax rate changed from 50% in 2006 to 27% in 2007 as a result of an adjustment in applicable tax rates in 2006 and lower amounts of investment allowances.

Net Profit

The net profit improved with over 300% in 2007, from €13,000 in 2006 to a net profit of €53,000 in 2007. The net profit available to the Shareholders amounted to €0.20 per share in 2007.

Comparative results of operations for the financial year 2005 and 2006 of Royal Delft

<i>(in € thousand)</i>	2005	2006	Year on year change
	<i>(audited)</i>	<i>(audited)</i>	
Net Sales	3,556	4,137	16%
Changes in work in progress	82	312	280%
Purchase costs	568	541	-5%
Personnel cost	1,499	1,627	9%
Social security costs	245	220	-10%
Pension costs	104	126	21%
Depreciation & amortisation	175	137	-22%
Other operating costs	1,117	1,097	-2%
Total operating cost	3,790	4,060	7%
Gross profit	-234	77	-
Net financing costs	-53	-51	-
Profit before income tax	-287	26	-
Income tax expenses	86	-13	-
Net profit	-201	13	-

Net sales

Net sales increased in 2006 with €581,000 (16%) compared to 2005. The increase in sales is a result of an increase in net sales via the tourist customer group and an increase in net sales to business-to-business customers.

Retail sales consist of sales to tourists (individual and organised) through (i) the shop in Delft, which offers Royal Delft, Westraven and third party products, (ii) the shop in Amsterdam, which offers Royal Delft and Westraven products and (iii) resellers of our own products. The number of tourists visiting the shop in Delft via organised tours increased slightly and the average amount spent did not change in 2006 compared to 2005. The number of individual tourist visiting the shop of Royal Delft decreased slightly in 2006 compared to 2005. The average amount spent by this category increased slightly. In total, net sales in our shop in Delft increased in 2006 with 7% compared to 2005. Net sales via the point of sales in Amsterdam slightly increased in 2006 compared to 2005. Net sales via resellers increased in 2006 with 36.7% compared to 2005. The main reason for this increase is incidental, as existing distributors started three shops (retail) in 2006, carrying Royal Delft products and, therefore, had to build up an inventory of Royal Delft products.

Royal Delft was able to increase net sales to business-to-business customers in 2006 with 36.7% compared to 2005. This increase is a direct result of a stronger marketing focus on this segment, mainly by visiting a large number of relationship fairs.

In general, the 400th anniversary of Rembrandt had a positive impact on the number of tourists, which positively effected our net sales.

Changes in work in progress

The changes in work in progress increased with €230,000 from €82,000 in 2005 to an amount of €312,000 in 2006. The changes in work in progress relate to the changes of stock position in work in progress. This increase was a direct result of the increase in net sales, while production levels did not change in 2006 compared to 2005.

Purchase costs

Purchasing costs in 2006 decreased with €27,000 compared to 2005 from €568,000 in 2005 to an amount of €541,000 in 2006. This decrease was a result of an improved production efficiency and the start of the outsourcing of the Westraven production to Morocco.

Personnel costs

Personnel costs increased with €128,000 (9%) from €1,499,000 in 2005 to an amount of €1,627,000 in 2006. The 2006 CAO increase amounted to 1% as per July 2006 and 0.5% as per 2007, compared to an 2005 CAO increase of 1% in July 2005. The increase in personnel costs is also related to the dismissal of two employees and the management change in 2006.

The average number of employees of 73 in 2006 did not change in 2005. On FTEs basis the number of employees decreased with one to 56.

Social security costs

Social security costs decreased with €25,000 in 2006 compared to 2005 from €245,000 in 2005 to an amount of €220,000 in 2006. The decrease was mainly driven by a restitution of social security premiums by the UWV over the year 2005.

Pension costs

Pension costs increased with €22,000 from €104,000 in 2005 to an amount of €126,000 in 2006.

Depreciation and amortisation

As some assets (e.g. Exact software ERP tool) were completely depreciated in 2005 but did not have to be replaced yet, depreciation and amortisation decreased with an amount to €38,000 in 2006 from €175,000 in 2005 to an amount of €137,000 in 2006.

Other operating expenses

Other operating costs in 2006 decreased with €20,000 compared to 2005 from €1,117,000 in 2005 to an amount of €1,097,000 in 2006. This decrease was realised as a result of improving cost control.

Net financing costs

The net financing costs in 2006 amounted to €-51,000, a decrease of €2,000 compared to the previous year. The Company has been able to decrease the debt position with financial institutions from €1,047,000 year ended 2005 to €562,000 year ended 2006. The main reason for this decrease is the increase in net sales and, as a result an increase in net cash flow from €7,000 in 2005 to €500,000 in 2006.

Income Tax

Income tax increased in 2006 with €-99,000 from €86,000 in 2005 to €-13,000 in 2006 as a result of the increased profitability of the Company. In 2006, the effective tax rate was 50% due to the adjustment of the deferred tax asset and liability to the applicable tax rate of 25.5% and investment allowances.

Net Profit

The net profit improved from €-201,000 in 2005 to €13,000 in 2006 as a result of the aforementioned. The net profit available to shareholders of Royal Delft amounted to €0.05 per share in 2006.

Liquidity and capital resources

(in € thousand)	Financial year ended 31 December		
	2005 <i>(audited)</i>	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Cash flow from operations	37	610	171
Net financing costs	-53	-51	-44
Net cash flow from operations	-16	559	127
Cash flow from investment activities	23	-59	-248
Cash flow financing activities	0	0	553
Total net cash flow	7	500	432

Financial year 2007 against financial year 2006

The cash flow from operations decreased in 2007 with €439,000 compared to 2006 from €610,000 in year ended 31 December 2006 to €171,000 in 2007. This decrease is mainly driven by the increase of working capital in 2007 compared to 2006.

The change in investment activities is mainly related to an increase of investments in production equipment and investment in buildings and refurbishments in 2007 compared to 2006.

The financing activities in 2007 consist of the offering of shares in relation to the acquisition of Leerdam Crystal. €443,439 of the offering proceeds were used for the cash consideration of the acquisition of Leerdam Crystal, which became due at 2 January 2008.

Financial year 2006 against financial year 2005

The cash flow from operations increased in 2006 with €573,000 compared to 2005 from €37,000 at year ended 31 December 2005 to €610,000 at year ended 31 December 2006. This increase is mainly driven by an improvement of the operating result of €311,000 from €-234,000 in 2005 to an amount of €77,000 in 2006.

Working capital

(in € thousand)	Financial year ended 31 December		
	2005 <i>(audited)</i>	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Inventories	2,122	1,751	1,779
Trade and other receivables	180	213	382
Short-term debt	1,047	562	112
Trade and other payables	302	332	458
Working Capital	953	1,070	1,591

Financial year 2007 against financial year 2006

The working capital position increased in 2007 with €521,000 from €1,070,000 at year end 2006 to an amount of €1,591,000 at year end 2007. The change in working capital was mainly a result of the decrease in short-term debt as a result of the offering in 2007 related to the acquisition of Leerdam Crystal in 2008.

Financial year 2006 against financial year 2005

The working capital position increased in 2006 with €117,000 from €953,000 at year end 2005 to an amount of €1,070,000 at year end 2006. The positive effect of a decrease in inventory levels as a result of an increase in the sale of finished goods was compensated for by a decrease in short-term debt.

Borrowings

Royal Delft has a credit facility arrangement with Fortis bank with a maximum credit limit of €1,361,000, with deferred repayment obligations. All trade debts, inventories and the premises at Rotterdamseweg 196 in Delft, are provided as collateral under this credit facility.

(in € thousand)	Financial year ended 31 December		
	2005 <i>(audited)</i>	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Drawings under the credit facility	1,047	562	112

Financial year 2005 against financial year 2006

The amount of drawings under the credit facility decreased by 46% from €1,047,000 in 2005 to €562,000 in 2006.

Financial year 2006 against financial year 2007

The amount of drawings under the credit facility decreased by 80% from €562,000 in 2006 to €112,000 in 2007.

Working capital statement

In our opinion our working capital is sufficient for present requirements, *i.e.* for a period of 12 months from the date of this Prospectus.

Contingent liabilities

The following rights and liabilities were not included in the audited consolidated balance sheets for the years ended 31 December 2005, 2006 and 2007.

(in € thousand)	Financial year ended 31 December		
	2005 <i>(audited)</i>	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Financial liabilities	0	0	0
Rental obligations (office buildings)			
Delft	0	0	0
Future minimum lease payments related to vehicles			
Up to 1 year	15	25	25
1 to 5 years	26	59	34
More than 5 years	0	0	0
Total	41	84	59

Royal Delft owns the building in Delft. Leerdam Crystal was acquired on 2 January 2008 and has its premises in Leerdam. In the share purchase agreement with B.V. Koninklijke Nederlandsche Glasfabriek Leerdam, Royal Delft obtained a rental free period of 10 years for Leerdam Crystal.

Operating and financial review of VKB

The following discussion of the financial condition and results of operations of VKB must be read in conjunction with the audited consolidated financial statements for the years ended 31 December 2007 and 2006 including the notes thereto included in this Prospectus. See "Index to Financial Information". The following discussion contains forward-looking statements, which involve risks and uncertainties. The actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in the chapter headed "Risk Factors".

Major events since 2006

The following major events had significant effect on our business, financial condition and results of operations for the years ended 31 December 2007 and 2006.

2006

As per 1 January 2006, VKB sold all the shares in its subsidiary Koninklijke Begeer B.V. The sale of Koninklijke Begeer B.V. had a negative effect on net sales of 6% compared to 2005. Normalised for the sale of Koninklijke Begeer B.V. net sales would have increased with 8% in 2006 compared to 2005.

2007

In 2007, net sales increased by 25% compared to 2006, which is mainly the result of the success of BK with the C1000 promotion. The new brand Royal VKB has been able to further increase net sales.

In 2007, Corpeq decided to divest VKB and started the actual sale process in November 2007.

Major factors affecting results

We believe that the following factors have and will continue to have material effect on our results of operations and financial position.

The production of VKB has been outsourced to the Far East. During the past few years the weakening of the U.S. Dollar against Euro has been compensated by the increasing production prices in the Far East. Although VKB has the policy to fix the exchange rate via hedging, an adverse development of the exchange rate of the U.S. Dollar against the Euro could in the long run have a direct impact on the profitability of the VKB.

Interim financial information for the period ended 30 June 2008

VKB's interim financial information for the period ended 30 June 2008 has been prepared in accordance with Dutch GAAP, RJ394 "*tussentijdse berichten*" as issued by the Nederlandse Raad voor de Jaarverslaggeving.

Comparative results of operations for H1 07 and H1 08 of VKB

<i>(in € thousand)</i>	H1 07	H1 08	Year on year change
	<i>(unaudited)</i>	<i>(unaudited)</i>	
Net Sales	10,592	10,450	-1%
Purchase costs	5,677	5,748	1%
Personnel cost	1,245	1,292	4%
Social security costs	173	163	-6%
Pension costs	134	135	1%
Depreciation	262	255	-3%
Other operating costs	2,126	2,348	10%
Total operating cost	9,617	9,941	3%
Gross profit	975	509	-48%
Net financing costs	-173	-133	-
Profit before income tax	802	376	-53%
Income tax expenses	-189	-88	-
Net profit	613	288	-53%

Net sales

Net sales decreased in H1 08 with €142,000 (-1%) compared to H1 07 from €10,592,000 in H1 07 to an amount to €10,450,000 in H1 08. Despite the one-off C1000 promotion in 2007, VKB has been able to almost stabilise net sales for H1 08 compared to H1 07.

The net sales for the business unit BK increased from €5,597,000 in H1 07 to €6,996,000 for H1 08. The net sales for the business unit KelGer increased from €2,090,000 in H1 07 to €2,144,000 in H1 08. The net sales for the business unit Royal VKB decreased from €1,029,000 in H1 07 to €916,000 in H1 08. Other sales decreased from €1,876,000 in H1 07 to €394,000 in H1 08 as a result of the absence of large promotions such as the C1000 promotion in 2007.

Purchase costs

Purchase costs in H1 08 increased with €71,000 (1%) compared to H1 07 from €5,677,000 in H1 07 to an amount of €5,748,000 in H1 08. This increase by 1% was in line with the net sales development.

Personnel costs

Personnel costs increased with €47,000 (4%) from €1,245,000 in H1 07 to an amount of €1,292,000 in H1 08. The personnel costs of H1 07 did not include bonus provisions for 2007. In 2008 VKB included bonus provision in personnel costs resulting in an increase in personnel costs.

Social security costs

The decrease in social security costs of -6% in H1 08 compared to H1 07 of €10,000 was a result of the inclusion of a bonus provision in the H1 08 personnel costs, which does not have an impact on social security costs, which were not included in H1 07.

Pension costs

Pension costs increased with €1,000 from €134,000 in H1 07 to an amount of €135,000 in H1 08, which was in line with the development of personnel costs in H1 08 compared to H1 07.

Depreciation

Depreciation decreased with €7,000 from €262,000 in H1 07 to an amount of €255,000 in H1 08. The decrease in depreciation was the result of reduced investments in fixed assets during H1 08 compared to H1 07.

Other operating costs

Other operating costs in H1 08 increased with €222,000 (10%) compared to H1 07 from €2,126,000 in H1 07 to an amount of €2,348,000 in H1 08. The increase was a result of increased sales activities resulting in an increase in sales costs in H1 08 compared to H1 07.

Net financing costs

Net financing costs in H1 08 amounted to €-133,000, a decrease of €40,000 compared to H1 07. The decrease in net financing costs was a direct result of the decrease in average short term debt over H1 08 compared to H1 07.

Income Tax

Income tax decreased in H1 08 with €101,000 from €-189,000 in H1 07 to €-88,000 in H1 08 as a result of the decreased profitability of the VKB, which was directly related to the C1000 promotion in 2007.

Net Profit

The net profit decreased with almost 53% in H1 08, from €613,000 in H1 07 to a net profit of €288,000 in H1 08. The decrease in net profit was a result of the decrease in gross profit margin of 4% in H1 08 compared to H1 07 as a result of increased operating costs of 3% in H1 08 compared to H1 07.

Liquidity and capital resources

(in € thousand)

	H1 07 <i>(unaudited)</i>	H1 08 <i>(unaudited)</i>
Cash flow from operations	239	557
Net financing costs	-173	-133
Net cash flow from operations	66	424
Cash Flow from investment activities	-186	-325
Cash Flow financing activities	0	0
Exchange rate results	0	-18
Total net cash flow	-120	81

H1 07 against H1 08

The cash flow from operations for amounted to €239,000 on H1 07 compared to an amount to €557,000 on H1 08. This represents a increase of €318,000 which is a result of the change in working capital.

Borrowings

VKB has a credit facility arrangement with Coöperatieve Rabobank Vlietstreek-Zoetermeer U.A. and De Lage Landen Trade Finance B.V. with a total maximum credit limit of €6,250,000.

De Lage Landen Trade Finance B.V. credit facility has a maximum of €2,500,000, based upon a maximum of 85% of trade debtors not older than 90 days. All debtors are pledged under this credit facility.

The Coöperatieve Rabobank Vlietstreek-Zoetermeer U.A. credit facility has a cap of €3,750,000, based upon a maximum of 50% of the inventory. The complete inventory is pledged under this credit facility.

<i>(in € thousand)</i>	31 December 2007 <i>(audited)</i>	30 June 2008 <i>(unaudited)</i>
Drawings under the credit facility	3,818	3,656

31 December 2007 against H1 08

The amount of drawings under the credit facilities decreased by 4% from €3,818,000 on 31 December 2007 to an amount of €3,656,000 on H1 08.

Working capital

<i>(in € thousand)</i>	31 December 2007 <i>(audited)</i>	30 June 2008 <i>(unaudited)</i>
Inventories	7,262	6,254
Trade- and other receivables	2,948	2,328
Short-term debt	3,818	3,656
Trade- and other payables	3,467	1,720
Working capital	2,925	3,206

H1 08 against year end 2007

The working capital position increased on H1 08 with €281,000 compared to year end 2007 from €2,925.000 at year end 2007 to an amount to €3,206.000 on H1 08.

The decrease in inventories on H1 08 compared to year end 2007 is a result of the higher than normal inventory level at year end 2007 which have been sold in H1 08. The high inventory level at year end 2007 was a result of an expected price increase. The decrease of trade- and other receivables is a result of seasonal influences, as the last months of the financial year net sales is at its peak levels. The decrease in short-term debt is a result of the profitability of VKB in H1 08. The decrease of trade- and other payables is mainly driven by the decrease in inventory levels in H1 08.

Contingent liabilities

VKB did not include contingent liabilities in the balance sheet for the financial period on H1 08 and audited balance sheet year end 2007. For H1 08 the contingent liabilities amounted to €607,000 for a period between 1 and 10 years. At year end 2007 the contingent liabilities also amounted to €607,000.

Comparative results of operations for the financial year 2006 and 2007 of VKB

<i>(in € thousand)</i>	2006	2007	Year on year change
	<i>(audited)</i>	<i>(audited)</i>	
Net Sales	18,300	22,891	25%
Purchase costs	10,082	12,600	25%
Personnel cost	2,587	2,663	3%
Social security costs	373	334	-10%
Pension costs	242	270	12%
Depreciation	551	516	-6%
Other operating costs	4,038	4,260	5%
Total operating cost	17,873	20,643	15%
Gross profit	427	2,248	426%
Net financing costs	-234	-444	-
Profit before income tax	193	1,804	835%
Income tax expenses	-53	-435	-
Net profit	140	1,369	878%

Net sales

Net sales increased in 2007 with €4,591,000 (25%) compared to 2006 from €18,300,000 in 2006 to an amount to €22,891,000 in 2007. The increased net sales is a result of the one-off C1000 promotion, which generated an additional net sales of approximately €2,700,000. The net sales growth for 2007 compared to 2006 was a result of a decrease in net sales for the business unit KelGer (Keltum & Gero) of 4% (from €5,328,000 in 2006 to €5,093,000 in 2007), an increase in net sales for the business unit BK of 31% (including C1000 promotion) (from €10,883,000 in 2006 to €14,217,000 in 2007) and an increase in net sales for the business unit Royal VKB of 41% (from €1,828,000 in 2006 to €2,581,000 in 2007). The decrease in sales for the business unit KelGer was a result of the decrease in product offering.

Purchase costs

Purchase costs in 2007 increased with €2,518,000 compared to 2006 from €10,082,000 in 2006 to an amount of €12,600,000 in 2007. This increase by 25% was in line with the increase in net sales.

Personnel costs

Personnel costs increased with €76,000 (3%) from €2,587,000 in 2006 to an amount of €2,663,000 in 2007. The 2007 increase was a direct result of increased bonus amounts as a result of the increased profitability of VKB.

Social security costs

Social security costs decreased by 10% in 2007 compared to 2006. The reduction in social security costs is caused by lower personnel costs taxable for social security charges since the increased bonus payments, that resulted in an increase in personnel costs over 2007, are exempted from social security taxes.

Pension costs

Pension costs increased with €28,000 from €242,000 in 2006 to an amount of €270,000 in 2007, which was in line with the development of personnel costs.

Depreciation

Depreciation decreased with €35,000 from €551,000 in 2006 to an amount of €516,000 in 2007. The decrease in depreciation was a result of a net investment in 2006 of €-579,000 and 2007 of €-135,000. Additionally, VKB has divested its subsidiary Koninklijke Begeer B.V. in 2006 for an amount of €389,000.

Other operating costs

Other operating costs in 2007 increased with €222,000 compared to 2006 from €4,038,000 in 2006 to an amount of €4,260,000 in 2007. This increase is a result of an increase in rental costs (€130,000) as VKB rented additional storage space and an increase of sales costs (€118,000), such as print and advertising costs.

Net financing costs

Net financing costs in 2007 amounted to €-444,000, a increase of €210,000 compared to the previous year. The increase in net financing costs was a direct result of the increase in average short term debt over 2007 compared to 2006, the increase of Euribor interest rate and a provision of €99,000 for losses on currency derivatives.

Income Tax

Income tax increased in 2007 with €382,000 from €-53,000 in 2006 to €-435,000 in 2007 as a result of the increased profitability of the Company.

Net Profit

The net profit improved with almost 900% in 2007, from €140,000 in 2006 to a net profit of €1,369,000 in 2007. The increase in net profit was mainly a result of the C1000 promotion.

Liquidity and capital resources

<i>(in € thousand)</i>	Financial year ended 31 December	
	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Cash flow from operations	387	1,681
Net financing costs	-234	-444
Net cash flow from operations	153	1,237
Cash Flow from investment activities	28	-381
Cash Flow financing activities	0	-400
Exchange rate results	-3	-29
Total net cash flow	178	427

Financial year 2007 against financial year 2006

The cash flow from operations increased with €1,294,000 from €387,000 at year end 2006 to an amount of €1,681,000 at year end 2007. The increase is a result of a strong increase in gross profit.

The change in cash flow from investment activities is the result of a positive cash flow from the sale of B.V. Koninklijke Begeer in 2006.

Working Capital

(in € thousand)	Financial year ended 31 December	
	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Inventories	6,176	7,262
Trade- and other receivables	2,752	2,948
Short-term debt	4,198	3,818
Trade- and other payables	2,833	3,467
Working Capital	1,897	2,925

Financial year 2007 against financial year 2006

The working capital position increased at year end 2007 with €1,028,000 compared to year end 2006 from €1,897,000 at year end 2006 to an amount of €2,925,000 at year end 2007. The increase in inventories is a result of two factors: (i) the increased prices lead to a higher value of inventory and (ii) the view of the management of VKB that a further price increase would occur in the first half of 2008 and therefore an increase in the inventory levels. The increase of trade- and other receivables is a result of the increase of payment terms from 30 days to 60 days by Maxeda. The decrease in short-term debt is a result of the increased profitability of VKB in 2007. The increase of trade- and other payables is mainly driven by the increase in inventory in December 2007.

Borrowings

VKB has a credit facility arrangement with Coöperatieve Rabobank Vlietstreek-Zoetermeer U.A. and De Lage Landen Trade Finance B.V. with a total maximum credit limit of €6,250,000.

De De Lage Landen Trade Finance B.V. credit facility has a maximum of €2,500,000, based upon a maximum of 85% of trade debts not older than 90 days. All debts are pledged under this credit facility.

The Coöperatieve Rabobank Vlietstreek-Zoetermeer U.A. credit facility has a maximum of €3,750,000, based upon a maximum of 50% of the inventory. The complete inventory is pledged under this credit facility.

(in € thousand)	Financial year ended 31 December	
	2006 <i>(audited)</i>	2007 <i>(audited)</i>
Drawings under the credit facility	4.198	3.818

Contingent liabilities

VKB did not include contingent liabilities in the audited balance sheet for the financial year ended 2007 and 2006. For 2007 the contingent liabilities amounted to €607,000 for a period between 1 and 10 years. At year end 2006 the contingent liabilities amounted to €723,000.

14. EXECUTIVE BOARD, SUPERVISORY BOARD AND EMPLOYEES

General

Set out below is a summary of certain relevant information concerning the Executive Board, the Supervisory Board and our employees, as well as a brief summary of certain significant provisions of Dutch corporate law in force on the date of this Prospectus and of the Articles of Association related to the Executive Board and Supervisory Board.

Management Structure

We have a two-tier board structure with a separate Supervisory Board (*raad van commissarissen*) and Executive Board (*raad van bestuur*). The Executive Board is responsible for the day-to-day management of the Company and the Supervisory Board monitors and advises the Executive Board. The Executive Board may consist of one or more directors, whereas the number of members of the Supervisory Board may not be fewer than three.

Executive Board

Powers, composition and functioning

The Executive Board is responsible for the Company's day-to-day management. The Executive Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval, as described below.

The Executive Board may perform all acts necessary or useful for achieving our corporate purpose, save for those acts that are prohibited by law or by the Articles of Association. The Executive Board as a whole is authorised to represent us, as is each member of the Executive Board acting individually. The Executive Board may grant a power of attorney to one or more persons (*procuratiehouder*) with the prior approval of the Supervisory Board.

Pursuant to the Code a member of the Executive Board must immediately report any conflict of interest or potential conflict of interest that may be of material significance to us and/or to him, to the chairman of the Supervisory Board and to the other members of the Executive Board, if any. Such member must provide all relevant information. The chairman of the Supervisory Board will decide whether there is a conflict of interest. A member of the Executive Board may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest. Where a member of the Executive Board has a conflict of interest with us, we shall further be represented by other members of the Executive Board or by a member of the Supervisory Board, unless the General Meeting designates another person for that purpose.

Meetings and decision-making

All resolutions of the Executive Board taken in a meeting shall be adopted by a simple majority of votes cast, unless otherwise designated in the Articles in the Association or Dutch law.

Article 13 of the Articles of Association requires that decisions of the Executive Board regarding the following matters be approved by the Supervisory Board:

- a. the issue or acquisition of shares or debt instruments, or of debt instruments issued by a limited or general partnership (*commanditaire vennootschap* or *vennootschap onder firma*) of which we are a fully liable partner;
- b. the co-operation in the issue of depositary receipts for shares (*certificaten van aandelen*);
- c. the application to or withdrawal from listing and trading on any stock exchange of the securities referred above in a. and b.;
- d. the entry into or termination of an alliance or a limited or general partnership partnership, joint venture or by us or a dependent company (*afhankelijke maatschappij*) with another legal entity, if such alliance or the termination thereof is material to our operations;
- e. the participation valued at one-fourth or more of our issued share capital plus reserves, according to our balance sheet and explanatory notes thereto by us or a subsidiary of ours in the capital of another company as well as a significant increase in or reduction of such participating interests;

- f. investments involving an amount equal to one-fourth or more of our issued share capital plus reserves, according to our balance sheet and explanatory notes thereto;
- g. a proposal to amend the Articles of Association;
- h. a proposal to dissolve (*ontbinden*) us;
- i. an application for bankruptcy (*faillissement*) and for suspension of payments (*surséance van betaling*) by us;
- j. the termination of the employment of a significant number of our employees or employees of a dependent company at the same time or within a short timeframe;
- k. a material change in the employment conditions of a substantial number of our employees or employees of a dependent company;
- l. a proposal to reduce our issued share capital;
- m. establishing branches;
- n. the provision of personal security (*borgtochten*);
- o. acting in proceedings, not including preservation measures (*conservatoire maatregelen*);
- p. the entering into a loan arrangement or taking a bank credit, which does not include withdrawing monies under a bank credit agreement (*overeenkomst van bankkrediet*);
- q. the sale or encumbrance of real property (*registergoederen*).

Pursuant to Dutch law, decisions of the Executive Board involving a significant change in our identity or character are subject to the approval of the General Meeting. Such changes include, but are not limited to:

- the transfer of all or substantially all of our business to a third party;
- the entry into or termination of a significant joint venture of ours or of any of our subsidiaries, with another legal entity or company or of our position as a fully liable partner in a limited or general partnership; and
- 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.

Appointment, dismissal and suspension

The number of members of the Executive Board is determined by the General Meeting. The members of the Executive Board are appointed by the General Meeting. The remuneration and other conditions of employment of the Executive Board are determined by the General Meeting following a proposal of the Supervisory Board.

The General Meeting may at any time suspend and dismiss a member of the Executive Board. The Supervisory Board may at any time suspend a member of the Executive Board.

Member of the Executive Board

<i>Name</i>	<i>Present and previous additional positions</i>
Mr. W.P. Grasso Appointed July 2006 Term expires July 2009	Mr. W.P. Grasso is the only member of the Executive Board. He was director of Grasso Holding B.V. Mr. W.P. Grasso is a Dutch National and was born in Curaçao on 17 February 1974.

The business address of Mr. W.P. Grasso is Rotterdamseweg 196, 2628 AR Delft, The Netherlands.

Supervisory Board

General

The Supervisory Board is responsible for supervising the policy of the Executive Board and of us and our business generally. The Supervisory Board advised the Executive Board and the General Meeting. In performing its duties, the Supervisory Board is required to act in the best interests of our business as a whole.

Given its size, the Supervisory Board has not appointed an audit committee, a remuneration committee and a selection and appointments committee to perform certain tasks on behalf of and

under the responsibility of the Supervisory Board. The tasks and functions of the audit, remuneration and the selection and appointments committee are performed by the Supervisory Board as a whole.

Appointment, suspension and dismissal

The number of members of the Supervisory Board is determined by the General Meeting. However, the number of members may not be less than three. The General Meeting appoints the members of the Supervisory Board. The Supervisory Board appoints a chairman from among its members. Given the size of the Company, no secretary has been appointed by the Supervisory Board.

A member of the Supervisory Board is appointed for a maximum period of four years. A member of the Supervisory Board may be reappointed for terms of not more than four years at a time. The Supervisory Board has drawn up a resignation schedule for its members. The Supervisory Board has prepared a profile of its size and composition, taking account of the nature of our business, its activities and the desired expertise and background of the members of the Supervisory Board.

Members of the Supervisory Board may be suspended and dismissed by the General Meeting at any time. As required by the best practice provision IV.1.1. of the Dutch corporate governance code (the "**Code**"), members of the Supervisory Board may be dismissed or suspended by an absolute majority of the votes cast by the General Meeting.

The Supervisory Board has not adopted a supervisory board regulation.

Meetings

A meeting of the Supervisory Board may be convened whenever one of the members of the Supervisory Board deems it appropriate.

The Supervisory Board may also adopt resolutions outside of a meeting if the proposal has been communicated to all members in written form and none of the members opposes to this way of decision making. The resolutions may be adopted by a simple majority of the total number of votes to be cast.

Members of the Supervisory Board

Currently the Supervisory Board has four members.

Name	Present and previous additional positions
Mr. M.C. Udink Appointed 2003 Term expires 2009	Mr. Udink joined us in May 2003 and has been the chairman of the Supervisory Board since 2005. He is also the chairman of the supervisory board of Archeologisch Diensten Centrum N.V. and a member of the supervisory board of Nationaal Natuurhistorisch Museum Naturalis. Mr. Udink is also lawyer with Udink & De Jong advocaten en belastingadviseurs. Mr. Udink is a Dutch national and was born on 12 March 1958.
Mr. J.A. Fentener van Vlissingen Appointed 2005 Term expires 2011	Mr. Fentener van Vlissingen is the chairman of the supervisory board of BCD Holdings N.V. He is also the vice chairman of the supervisory board of SHV Holdings NV, board member of TRX Inc. and member of the supervisory board of Staalstraat Holding B.V. Mr. Fentener van Vlissingen is a Dutch national and was born on 4 March 1939.
Mrs. J. van de Geest-Vogelaar Appointed 2003 Term expires 2009	Member of the supervisory board of Sol Melía, Pour Vous Parfumerie B.V., and IPM/Marketing- en onderzoekbureau. She is the former CEO of Vrij Uit/Thomas Cook. Ms. van de Geest-Vogelaar is a Dutch national and was born on 11 October 1942.

Mr. T.H. Woltman
Appointed 2004
Term expires 2012

Member of the supervisory board of N.V. Luchthaven Schiphol, BCD Holdings N.V., and Koninklijke SAAN.

Mr. Woltman is a Dutch national and was born on 6 January 1937.

There is no family relationship between the members of the Supervisory Board, nor with the sole member of the Executive Board.

The business address of the members of the Supervisory Board is Rotterdamseweg 196, 2628 AR Delft, The Netherlands.

Remuneration

Executive Board

The General Meeting establishes the remuneration of the individual members of the Executive Board at the proposal of the Supervisory Board. The members of the Supervisory Board have not been granted any shares or rights to shares by way of remuneration or any personal loans, guarantees and the like.

The total remuneration for the members of the Executive Board for the financial year 2007 amounted to €106,000. The table set out below shows the fixed, periodically paid remuneration (including social security costs) and the remuneration payable over time (pension) that were borne by Royal Delft in the financial year 2007.

Mr. W.P. Grasso	2007 (in € thousand)	2006* (in € thousand)
Fixed remuneration	101	40
Pension	5	6
Total	106	46

* Mr. W.P. Grasso has been a member of the Executive Board since July 2006.

Members of the Executive Board are provided with a company car and a cost allowance.

Supervisory Board

The members of the Supervisory Board receive a fixed remuneration, which is determined by the General Meeting. The members of the Supervisory Board shall not be granted any shares or rights to shares by way of remuneration. The Company shall not grant any personal loans, guarantees and the like to the members of the Supervisory Board.

In 2007, the members of the Supervisory Board received an aggregate fixed remuneration of €19,500. The chairman of the Supervisory Board received a higher amount than the other members of the Supervisory Board. During the financial years 2006 and 2007 the following fees were paid to members of the Supervisory Board:

(in €)	2007	2006
Mr. M.C. Udink	6,000	6,000
Mr. J.A. Fentener van Vlissingen	4,500	4,500
Mrs. J. van de Geest-Vogelaar	4,500	4,500
Mr. T.H. Woltman	4,500	4,500

Members of the Supervisory Board receive reimbursement of travel and accommodation expenses.

Other information relating to members of the Supervisory Board and the Executive Board

In relation to the members the Supervisory Board and the Executive Board we are not aware of (i) any convictions in relation to fraudulent offences for at least the previous five years, (ii) any bankruptcies, receiverships or liquidations with which such member who was acting in such capacity, was associated for at least the previous five years except for those liquidations in the ordinary course of business or (iii) any official public incrimination and/or sanctions of such member by statutory or regulatory authorities (including designated professional bodies) and as far as we are aware none of such members has ever been disqualified 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.

Shareholdings of the Executive Board and the Supervisory Board

The following provides the number of Ordinary Shares held by each member of the Executive Board and the Supervisory Board.

Executive Board:

- Mr. W.P. Grasso does not hold any Ordinary Shares.

Supervisory Board:

- Mr. M.C. Udink does not hold any Ordinary Shares;
- Mr. J.A. Fentener van Vlissingen indirectly controls 151,652 Ordinary Shares which represent 51.64% of the outstanding Ordinary Shares through his ultimate controlling interest in Boron Investments N.V.;
- Mrs. J. van de Geest-Vogelaar does not hold any Ordinary Shares;
- Mr. T.H. Woltman does not hold any Ordinary Shares.

Potential conflicts of interest

We are not aware of any conflicts of interest or potential conflicts of interest between, on the one hand, the duties of the members of the Executive Board and Supervisory Board, except for Mr. J.A. Fentener van Vlissingen, vis-à-vis Royal Delft and, on the other hand, their private interests or other duties.

Mr. J.A. Fentener van Vlissingen is a member of the Supervisory Board and indirectly controls 51.64% of the Ordinary Shares through his ultimate controlling interest in Boron Investments N.V., the Underwriter. The Underwriter has agreed to subscribe and pay for any Rump Shares not sold in the Rump Offering at the Issue Price and subject to the terms and conditions of the Underwriting Agreement. Mr. J.A. Fentener van Vlissingen has abstained from all meetings in which decisions were taken by the Supervisory Board in connection with the Acquisition and the Offering.

Employees

The following table shows the number of Royal Delft's employees (not including Leerdam Crystal) on an FTE basis as at the dates indicated.

	30 June 2008	Year end 2007	Year end 2006	Year end 2005
Total Number of employees	48	56	56	56

Works council

The Company installed a works council (*ondernemingsraad*) in December 1982. A works council is the representative body of the employees and is elected by the employees of the Company. The Executive Board needs to seek the advice of the works council before taking certain resolutions with respect to the Company, such as those relating to a significant restructuring, change of control or acquisitions. On 4 June 2008, the works council has given a positive advice with respect to the Acquisition. If the consultation procedure is not completed or followed correctly or the advice of the works council is not followed, such could lead to delay in the implementation of such transactions (the Company is obliged to suspend its implementation for a period of one month) and/or court proceedings. The works council has no right of advice on the contemplated issuance of Ordinary Shares.

The works council also has the right to advise on decisions regarding the appointment or dismissal of a member of the Executive Board. However, the Company is not required to suspend the appointment or removal for one month if the works council's advice is negative. Nor is the works council entitled to

lodge an appeal with the Enterprise Chamber of the Court of Appeal of Amsterdam (the "**Enterprise Chamber**") (*Ondernemingskamer van het Gerechtshof Amsterdam*). If, however, the Company fails to properly request the works council's advice, the council may petition the special committee established to handle matters relating to the works council, as referred to above, and, if necessary, the cantonal court thereafter, for the opportunity to present its viewpoint.

Furthermore, the Company is required to obtain the works council's prior consent before establishing, amending or withdrawing, *inter alia*, a pension, profit-sharing or savings plan, rules regarding working hours or holidays and a system relating to remuneration or job classification. If the works council withholds its consent, the Company may request permission from the cantonal court to make the relevant decision notwithstanding the works council's opposition.

Pension plan and other benefits

Royal Delft has pension arrangements for the members of its Executive Board and its employees. The pension arrangement for the employees consists of a defined contribution plan. Under the defined contribution plan, a percentage of the employees' fixed salary is paid to a pension insurer.

The pension arrangements for the members of the Executive Board consist of a fixed amount which is set aside (see paragraph "Remuneration - Executive Board" above).

Nor the Company nor its subsidiaries have entered into an agreement with the members of the Supervisory Board and the Executive Board, which would provide such members with benefits upon termination of their employment.

Liability of the members of the Executive Board and the Supervisory Board

Under Dutch law, members of the Executive Board and the Supervisory Board may be liable to Royal Delft for damages in the event of an improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company 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.

Directors' Insurance and indemnification

In order to attract and retain qualified and talented persons to serve as members of the Supervisory Board and the Executive Board we provide such persons with protection through a directors' and officers' insurance policy.

Management team

Royal Delft has a management team which consists of Ronald Visser (production manager), Qing van Rossum (head tourism and marketing), Richard Lannoye (commercial director), Lida Jeremiasse (financial administration and head human resources), together the Business. The members of the management team together with the sole member of the Executive Board hold management team meetings on a two weekly basis. Every half year, they discuss the strategy of the Company.

15. PRINCIPAL SHAREHOLDERS

Principal Shareholders

As at the date of this Prospectus, the following notifications of a capital interest in our share capital of 5% or more have been notified pursuant to the obligations relating to the disclosure of major shareholdings in terms of the Wft.

Holdings prior to the Offering

<i>Shareholder</i>	<i>Notification date</i>	<i>Percentage Holding</i>
Boron Investments N.V.*	1 November 2006	51.64%
C. Bikkers	6 August 2007	10.11%
Compagnie Financière Néerlandaise (Cofined) N.V.	23 July 2007	5.33%
R.J.H. Kruisinga	1 November 2006	5.05%
Total		72.13%

* Mr. J.A. Fentener van Vlissingen, a member of our Supervisory Board, has an ultimate interest in Boron Investment N.V.

As a result of the Offering the Company will issue 469,920 Ordinary Shares, which will result in dilution for the Shareholders of up to 160%.

The Shareholders do not have different voting rights.

Voting rights

GVB Capital Management B.V. has notified a holding of 10.04% of the voting rights of Royal Delft without holding any Ordinary Shares. The holding of voting rights has been notified to the AFM on 15 August 2007.

Shareholder agreement

The Company has no knowledge of any shareholders agreements.

Shareholdings of members of the Executive Board and the Supervisory Board

As at the date of this Prospectus no member of the Executive Board holds any shares in the share capital of Royal Delft. Of the members of the Supervisory Board, Mr. J.A. Fentener van Vlissingen indirectly controls 151,652 Ordinary Shares through his ultimate controlling interest in Boron Investments N.V.

Participation of the Executive Board and the Supervisory Board

None of the members of the Executive Board will participate in the Rights Offering. Boron Investments N.V., which is ultimately controlled by Mr. J.A. Fentener van Vlissingen, a member of the Supervisory Board, has indicated that it will participate in the Rights Offering in order to maintain its current shareholding.

Related party transactions

The Company has entered into the Underwriting Agreement with Boron Investments N.V., its majority Shareholder. For a description of the contents of the Underwriting Agreement, reference is made to "Subscription - Underwriting arrangement".

16. SHARE CAPITAL

Set out below is a summary of material information relating to the Company's share capital, summaries of certain provisions of its Articles of Association and certain requirements of Dutch law, effective as per date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Articles of Association and the applicable provisions of Dutch law.

General

N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleynse Fles Anno 1653', voorheen Joost Thooft en Labouchere was founded on 28 March 1653. The Company, incorporated under, and governed by the laws of The Netherlands, was converted into a public limited liability company (*naamloze vennootschap*) in 1904. The address of the registered office of the Company is Rotterdamseweg 196, 2628 AR Delft, The Netherlands. The Company is registered in the commercial register of the Chamber of Commerce and Industry in The Hague under the number 27200368. The telephone number of the Company is +31 (0)15 251 20 30. The Articles of Association were last amended by a notarial deed dated 19 December 2003, executed before Mr. Wijnand Matthijs van Eijck, civil law notary (notaris) in Rotterdam.

Corporate purpose

Pursuant to Article 2 of the Articles of Association, the Company's objectives are:

- to manufacture and trade in pottery, porcelain and other ceramic and related products;
- to do anything that is related or conducive to the objectives referred to above, including the participation in similar enterprises.

Share capital

At the date of this Prospectus, Royal Delfts' authorised share capital is €400,000 and is divided into 400,000 Ordinary Shares of €1 each. As at the date of this Prospectus 293,702 Ordinary Shares are issued and outstanding. No preference shares have been issued and are outstanding as at the date of this Prospectus. All issued Ordinary Shares have been fully paid.

Form and transfer of Ordinary Shares

The Ordinary Shares can be in bearer or in registered form at the holder's option. Royal Delft has issued only bearer Ordinary Shares, which are represented by one single share certificate (the "**Global Certificate**") (*het verzamelbewijs*), which is held in custody on behalf of the party or parties entitled to it by Euroclear Nederland. No share certificates are issued for the Ordinary Shares in registered form.

On the occasion of the issuance of Ordinary Shares, the person entitled to receive such shares may submit a written request to us for a registered Ordinary Share. Otherwise, he or she will receive an interest in the Global Certificate.

A Euroclear Nederland beneficiary may at any time, through a Euroclear Nederland participant, require the conversion of one or more bearer Ordinary Shares represented by the Global Certificate, up to the maximum number it is entitled to, into registered Ordinary Shares provided certain conditions, as described in Article 7 of the Articles of Association, have been fulfilled.

The Global Certificate, representing all our bearer Ordinary Shares outstanding from time to time, is held in custody and interests in it are transferred on the basis of the Securities Giro Act of 1977 (*Wet Giraal Effectenverkeer*, the "**Wge**"). For the purposes of the provisions of the Articles of Association, all persons with a share in a collective depot (*verzameldepot*) of a financial institution that is a Euroclear Nederland participant will be treated as holders of bearer Ordinary Shares. The transfer of bearer Ordinary Shares is effected by book-entry. As with all other shares in registered form in the capital of listed companies, registered Ordinary Shares are transferred by means of a deed of transfer and, unless we are a party to the transaction, our written acknowledgement of the transfer of registered Ordinary Shares. A total of 293,702 Ordinary Shares are outstanding at date hereof. All outstanding Ordinary Shares have been fully paid.

Share capital changes

The following table shows particulars of the authorised and issued Ordinary Shares as at 31 December of the years indicated:

	Number of authorised Ordinary Shares	Number of issued Ordinary Shares
2008*	1,468,485	763,622
2007	400,000	293,702
2006	400,000	267,245
2005	400,000	267,245

Note:

* As per the Closing Date of the Offering.

Issue of Ordinary Shares

Royal Delft may only issue authorised Ordinary Shares by virtue of a resolution of the General Meeting. The General Meeting may appoint another corporate body (*vennootschapsorgaan*), each time for a defined period of not more than five years, to issue authorised Ordinary Shares up to a maximum number to be stated in the resolution conferring the power.

On 21 August 2008, the Executive Board was designated by the General Meeting as the corporate body competent to issue Ordinary Shares, including the Offer Shares, and to grant rights to subscribe for Ordinary Shares for a period of 18 months starting on the day of 21 August 2008.

No resolution of the General Meeting or the Executive Board is required for an issue of Ordinary Shares pursuant to the exercise of a previously granted right to subscribe for Ordinary Shares.

Pre-emptive rights

The Shareholders have a *pro rata* pre-emptive right to subscribe for new issues of Ordinary Shares. The pre-emptive subscription right does not exist (i) for issues of Ordinary Shares in return for non-cash consideration, and (ii) for issues of Ordinary Shares to employees of Royal Delft. Pre-emptive rights with respect to the Ordinary Shares may be restricted or excluded by a resolution of the General Meeting or another corporate body empowered for such purposes by the General Meeting for a defined period of not more than five years. For these purposes, the granting of rights to subscribe for Ordinary Shares (including convertible debt, options and warrants with respect to such shares) is treated as an issue of Ordinary Shares, but not the issue of Ordinary Shares to a person exercising a previously obtained right to subscribe for Ordinary Shares.

On 21 August, the extraordinary General Meeting was held at which several resolutions were adopted to approve and enable the Offering, including the granting of authority to the Executive Board to issue Ordinary Shares, to grant the right to subscribe for Ordinary Shares and to limit or exclude the statutory pre-emptive rights in the event of issue of Ordinary Shares.

Acquisition by Royal Delft of shares in its own capital

We may acquire our own fully paid Ordinary Shares or any depository receipts issued for the Ordinary Shares subject to certain provisions of Dutch law and the Articles of Association if (i) shareholders' equity less the payment required to make the acquisition does not fall below the sum of the paid-up and called part of the issued share capital and any reserves required by Dutch law or the Articles of Association and (ii) Royal Delft and its subsidiaries would thereafter not hold or have pledged to them shares in Royal Delft with an aggregate nominal value exceeding fifty percent of Royal Delft's issued share capital. Shares held by Royal Delft or any of its subsidiaries may not be voted on or counted for quorum purposes and do not give the relevant company a right to any distribution.

Acquisitions by Royal Delft of shares in its own share capital for consideration may only take place if the General Meeting has granted to the Executive Board the authority to effect such acquisitions. Such authority may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired.

Capital reduction

The General Meeting may resolve, subject to any relevant provisions of Dutch law and the Articles of Association, to reduce the outstanding share capital of Royal Delft by cancelling shares or reducing the nominal value of shares pursuant to amendment of the Articles of Association.

Dividends and other distributions

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 the Articles of Association.

The Executive Board determines, subject to the prior approval of the Supervisory Board, which part of any profit will be reserved. Any profits remaining after such reservation, if any, 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 annual accounts demonstrating that such distribution is legally permitted. The General Meeting is permitted, subject to certain requirements, to declare interim dividends. The General Meeting may also, upon the proposal of the Executive Board and with the approval of the Supervisory Board, make distributions out of the distributable part of our equity.

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*).

Shareholders' meetings

The annual general meeting of shareholders shall be held within six months following the end of each financial year for the purpose, *inter alia*, of adoption of the annual accounts and the discharge of the members of the Executive Board and the Supervisory Board from liability in respect of their duties for the relevant financial year, to the extent that such duties are evident from the annual accounts or otherwise. Our financial year runs from 1 January to 31 December. A general meeting of shareholders may be convened by the Executive Board or the Supervisory Board. All notices convening a general meeting of shareholders and all announcements to Shareholders and holders of depositary receipts for shares (if any) must be effected through notices in a nationally distributed newspaper with circulation in The Netherlands, and in the OPC.

General meetings of shareholders shall be held in Delft, The Netherlands.

Each holder of registered Ordinary Shares, if any, is required to notify the Executive Board in writing of its intention to attend the General Meeting or have itself represented at the General Meeting by a proxy-holder. Where it concerns book-entry shares, the Shareholders must, at the place indicated in the notice and ultimately on the date indicated in the notice, deposit such evidence of their ownership of shares as is acceptable for Royal Delft. A declaration of the relevant institution associated with Euroclear Nederland will in any way constitute sufficient evidence.

Shareholders representing at least 10% of the issued and outstanding share capital may, pursuant to Dutch law, request that a General Meeting be convened, specifying the items for discussion. If such meeting is not held within six weeks following such request, the Shareholders requesting such meeting are authorised to call such meeting themselves with due observance of the relevant provisions of the Articles of Association. The notice convening any General Meeting must include an agenda indicating the items for discussion, or it must state that the Shareholders or holders of depositary receipts for the Ordinary Shares may review such agenda at our main offices in The Netherlands and at one or more banks indicated in the notice. The explanatory notes to the agenda contain all facts and circumstances that are relevant for the proposals on the agenda. Such explanatory notes will be placed on our website: www.royaldelft.com.

Each Ordinary Share entitles the holder to one vote. Shareholders may vote by written proxy. Resolutions by the General Meeting require the approval of a simple majority of votes validly cast, unless otherwise required by Dutch law or the Articles of Association.

Annual accounts

The Executive Board must prepare and submit the annual accounts and the annual report to the General Meeting within five months of the end of Royal Delft's financial year, unless the General Meeting has extended this term by a maximum of six months due to special circumstances. The Executive Board makes the annual accounts available for inspection at the offices of the Company.

The annual accounts are signed by all members of the Executive Board and the Supervisory Board. If a signature is missing, the reason for this must be disclosed.

The annual accounts are adopted by the General Meeting. The annual accounts cannot be adopted by the General Meeting if the General Meeting has not had the opportunity to examine an auditor's report, unless a lawful reason is reported, explaining the absence of such an auditor's report.

The Company attends to that the adopted annual accounts, the annual report, the preliminary report of the Supervisory Board and all information pursuant to article 2:392(1) of the Dutch Civil Code are available for inspection at the offices of the Company from the day of notice of the General Meeting, as well as in Amsterdam (address to be specified in the notice of the General Meeting). Shareholders and depositary receipt holders can obtain copies free of charge at the above mentioned locations.

As a company listed on Euronext Amsterdam, we are required to make our annual accounts and our semi-annual accounts available to the public within five and four months, respectively, at the end of the respective period. After implementation of Directive 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market into Dutch law (expected to take place by the end of 2008), we will be required to publish our annual accounts and semi-annual reports within four months and two months, respectively, of the end of the period to which such report relates. Also, after implementation of Directive 2004/109/EC twice a year interim management statements must be made public in the period between 10 weeks after the beginning and 6 weeks before the end of the relevant six month period. Furthermore, as a listed company we will also be required to disclose annually a document including or referring to the information we publicly disclosed in the 12 months preceding the publication of our annual report under applicable laws and regulations.

Amendments of the Articles of Association

A resolution of the General Meeting to amend the Articles of Association or to dissolve (*ontbinding*) the Company may be adopted only upon proposal of the Executive Board and approval of the Supervisory Board.

Dissolution and liquidation

In the event of dissolution, the liquidation shall be carried out by the Executive Board under the supervision of the Supervisory Board, unless the General Meeting resolves differently.

During liquidation, the provisions of the Articles of Association will remain in force as far as possible. The balance of the Company's remaining equity after payment of debts will be distributed to the Shareholders in proportion to the number of Ordinary Shares that each Shareholder holds.

Disclosure of holdings by Shareholders

Pursuant to the Wft, each person whose holding of voting rights and/or capital interest, directly or indirectly, in a public limited liability company incorporated under Dutch law of which the (depository receipts) for shares are admitted to listing and trading on a regulated market in the European Economic Area (such as the Company), amounts to 5% or more must notify the AFM immediately by means of a standard form or through the automated notification system of the AFM.

Any person who, directly or indirectly, acquires or disposes of an interest in the Company's capital and/or voting rights must immediately notify the AFM by means of a standard form or through the automated notification system of the AFM if, as a result of this acquisition or disposal, the percentage of capital interest or voting rights held directly or indirectly reaches, exceeds or falls below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. The notification requirements also apply to holders of capital interest and/or voting rights acting in concert.

We are required to notify the AFM of any changes in our share capital and voting rights. More specifically, we are required to notify the AFM without delay of any changes in our share capital if our share capital has changed by 1% or more compared to the previous disclosure in respect of our share capital. We are also required to notify the AFM without delay of any changes in the voting rights, insofar as such changes have not already been notified at the same time as a related change in our share capital. Changes in our share capital and voting rights of less than 1% must also be notified. These changes can be notified at any time but at the latest within eight days after the end of each calendar quarter. The AFM will publish such notifications in a public register. If, as a result of such change, a person's direct or indirect interest in our share capital or voting rights passively reaches, exceeds or

falls below the above mentioned thresholds the person in question must give notice to the AFM no later than the fourth trading day after the AFM has published the change in our share capital and/or voting rights in the public register.

Once every calendar year, holders of a 5% or larger interest in our share capital or voting rights whose interest has, in the period after their most recent notification to the AFM, changed (in composition) as a result of certain acts (including, but not limited to, the exchange of shares for depositary receipts and vice versa, and the exercise of a right to acquire shares) must notify the AFM. The notification must be effected within four weeks after the end of the calendar year.

A person is deemed to hold the interest in our share capital or voting rights that is held by subsidiaries as defined in the Wft. Subsidiaries do not have a reporting obligation under the Wft, as their, direct and indirect, interests are attributed to their (ultimate) parent, which as a result has to notify the interest as an indirect interest. Any person may qualify as a parent for purposes of the Wft, including an individual. A person who disposes of a 5% or larger interest in our share capital or voting rights and who ceases to be a subsidiary for these purposes must immediately notify the AFM. As of that moment, all notification obligations under the Wft will become applicable to the former subsidiary.

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 or voting rights directly held (or acquired or disposed of) by any person, (ii) shares or depositary receipts for shares or voting rights 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 (including a discretionary power of attorney), and (iii) shares or depositary receipts for shares or voting rights 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). As a consequence, the notification should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

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 of the Wft, if such person has, or can acquire, the right to vote on the shares or, in the case of depositary receipts, the underlying shares. If a pledge or usufructuary acquires the voting rights on the shares or depositary receipts for the shares which are the subject of such pledge or usufruct arrangement, this may trigger a corresponding reporting obligation for the holder of the shares or depositary receipts for the shares. Special rules apply with respect to the attribution of shares or depositary receipts for shares or voting rights which are part of the property of a partnership or other community of property.

The Wft and the rules promulgated pursuant thereto contain detailed rules that set out how its requirements apply to certain categories of holders, including, but not limited to (managers of) investment funds, investment managers, custodians, market makers, clearing and settlement institutions, brokers and credit institutions.

Market Abuse Regime

The market abuse rules set out in the Wft, which implements the European Directive (2003/6/EC) of 28 January 2003 on market abuse, is applicable to us, our Directors, our officers, other key employees, our insiders and persons performing or conducting transactions in our securities. Certain important market abuse rules set out in the Wft that are relevant for investors are described hereunder.

We must make price-sensitive information public. Price-sensitive information is information that is concrete and that directly concerns us which information has not been publicly disclosed and whose public disclosure might significantly affect the price of our shares or other derivative securities which pertain to us. We must also provide the AFM with this information at the time of publishing. Further, we must immediately publish the information on our website and keep it available on our website for at least one year.

It is prohibited for any person to make use of inside information within or from The Netherlands by conducting or effecting a transaction in our securities. Inside information is information that is concrete and that directly or indirectly concerns us or the trade in the our shares or other derivative securities which pertain to us, which information has not been publicly disclosed and whose public disclosure might have a significant influence on the price of our shares or other derivative securities which pertain to us.

Our insiders within the meaning of Article 5:60 of the Wft are obliged to notify the AFM when they carry out or cause to be carried out, for their own account, a transaction in our shares or in other securities of which the value is at least in part determined by the value of the shares. Our insiders within the meaning of Article 5:60 of the Wft are: (1) Directors, (2) other persons who have a managerial position with us and in that capacity are authorised to make decisions which have consequences for our future development and prospects and can have access to inside information on a regular basis, (3) spouses, registered partners or life partners of the persons mentioned under (1) and (2), or other persons who live together with these persons as if they were married or as if they had registered their partnership, (4) children of the persons mentioned under (1) and (2) who fall under their authority or children who are placed under the guardianship (*curatele*) of these persons, (5) other relations by blood or marriage of the persons mentioned under (1) and (2) who, on the date of the transaction, have shared a household with these persons for at least one year, and (6) legal entities, trusts within the meaning of Article 1(c) of the Dutch Act on the Supervision of Trust Offices (*Wet toezicht trustkantoren*) (the “Act on the Supervision of Trust Offices”), or partnerships: (a) the managerial responsibility for which lies with a person as referred to under (1) to (5), (b) which are controlled by such a person, (c) which have been incorporated or set up for the benefit of such a person, or (d) whose economic interests are in essence the same as those of such a person.

This notification must be made no later than the fifth week day after the transaction date on a standard form drawn up by the AFM. The notification obligation within the meaning of Article 5:60 of the Wft does not apply to transactions based on a discretionary management agreement as described in Article 8 of the Dutch Market Abuse Decree (*Besluit marktmisbruik*). The notification pursuant to Article 5:60 of the Wft may be delayed until the moment that the value of the transactions performed for that person’s own account, together with the transactions carried out of the persons associated with that person, reach or exceed the amount of €5,000 in the calendar year in question. Non-compliance with the reporting obligations under the Wft could lead to criminal fines, administrative fines, imprisonment or other sanctions.

Pursuant to the rules against insider trading, we have adopted rules governing the holding of and carrying out of transactions in our shares or other derivative securities which pertain to us by members of our Executive Board and our employees. Further, we have drawn up a list of those persons working for us who could have access to inside information on a regular or incidental basis and will inform the persons concerned of the rules against insider trading and market manipulation including the sanctions which can be imposed in the event of a violation of those rules.

Public registry

The AFM keeps a public registry of and publishes all notifications made pursuant to the Wft.

Takeover Rules

On 28 October 2007 the Dutch Act implementing the European Directive 2004/25/EC of 21 April 2004 relating to public takeover bids (the “**Dutch Takeover Act**”) and the rules promulgated thereunder came into force. The provisions of the Dutch Takeover Act are included in the Wft and the rules promulgated thereunder. In general, under these takeover provisions, it is prohibited to launch a public offer for securities that are admitted to trading on a regulated market, such as our shares, unless an offer document has been approved by, in the case of our Company, the AFM and has subsequently been published. These public offer rules are intended to ensure that in the event of such a public offer, sufficient information will be made available to the holders of our securities, that the holders of our securities will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

The provisions in the Dutch Takeover Act regarding mandatory takeover bids and squeeze out and sell out rules are applicable to us.

A person who, solely or together with others in joint consultation, directly or indirectly, has acquired 30% or more of the Company’s shares or of the Company’s voting rights will be obligated to make a public offer for all issued and outstanding shares in the Company’s share capital. Shareholders who have a controlling interest at the time the Company was admitted to trading on a regulated stock exchange are exempt from the obligation to make such public offer. The obligation to make a public offer will only start to apply to such shareholder once its interest in the Company’s share capital decreases below 30% and then again increases to 30% or more. Shareholders acting in concert who

have a combined interest of at least 30% in the share capital of the Company are also obliged to make a public offer.

The Enterprise Chamber may, at the request of any shareholder or the Company, order a shareholder who has obtained 30% or more of the Company's voting rights or more to make a public offer. The Enterprise Chamber may also, at the request of the Company, determine that such a shareholder is not required to make a public offer when the financial condition of the Company and the business related to it gives rise thereto.

The above mentioned obligation for a person acting solely or together with others to make a public offer does not apply according to the Exemption Decree on Public Offers (*Vrijstellingbesluit overnamebiedingen Wft*) in cases where prior to, but no more than three months prior to, the acquisition of 30% or more of the Company's shares or voting rights, the General Meeting of the Company has approved such acquisition with 95% of the votes cast by others than the acquirer and the person(s) acting with him.

After a public offer, a holder of at least 95% of the outstanding shares and voting rights, which has been acquired as a result of a public bid, has the right to require the minority shareholders to sell their shares. Such a claim must be filed with the Enterprise Chamber 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 proceedings

If a person or group company holds a total of at least 95% of a company's issued share capital by nominal value for its own account, Dutch law permits this controlling entity to acquire the remaining ordinary shares in the company by initiating proceedings against the holders of the remaining ordinary shares. At first instance the Enterprise Chamber shall hear the proceedings. The Enterprise Chamber shall disallow the proceedings against all defendants if, notwithstanding compensation, a defendant would suffer serious tangible loss by such transfer if a defendant is the holder of a share in which, under the articles, a special right of control of the company is vested or if a claimant has renounced as against a defendant his power to institute such proceedings. The Enterprise Chamber shall determine the price of the shares to be transferred.

17. CORPORATE GOVERNANCE

General

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, presented the Code, which came into effect on 1 January 2004. The Code contains 21 principles and 113 best practice provisions for executive 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 provisions of the Code that are addressed to their executive 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 of a company and endorses such company's explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

Compliance with the Code

The Executive Board and the Supervisory Board are aware of developments in regard of the changing position of the General Meeting under the Code. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of Royal Delft and are accountable for this to the General Meeting. Substantial changes to the corporate governance structure are laid before the General Meeting. Royal Delft deviates from certain best practice provisions and principles of the Code. The explanations for these deviations are given below.

Chapter II: management board

II.1.3.-1.4. In accordance with best practice provision II.1.3. the Company has an internal risk management and control system that is suitable for the Company. Royal Delft employs several instruments of the internal risk management and control system. However, notwithstanding best practice provision II.1.4., Royal Delft has been reticent in its annual reports about the internal risk management and control systems employed.

II.2.6. Royal Delft does not comply with best practice provision II.2.6 regarding the regulations for the Executive Board concerning their ownership of and transactions in securities other than securities issued by the Company. The generally applicable provisions of the Dutch Civil Code are considered satisfactory.

Chapter III: supervisory board

III.1.1. According to best practice provisions III.1.1. the Company should prepare a set of regulations that sets forth the division of duties within the Supervisory Board and the procedures of the Supervisory Board. However, given its size, Royal Delft has not prepared such regulations.

III.1.5. Although, on the basis of best practice provision III.1.5, members of the Supervisory Board shall be called to account if they are frequently absent, Royal Delft does not intend to report on the operations of the Supervisory Board members.

III.2.1. All members of the Supervisory Board, with the exception of Mr. J.A. Fentener van Vlissingen, are independent within the meaning of best practice provision III.2.2. Mr. J.A. Fentener van Vlissingen cannot be considered to be independent, as he has an ultimate controlling interest in Boron Investments N.V., which is currently holding 51.64% of Royal Delft's Ordinary Shares.

III.3.5. Pursuant to this best practice provision, a person may be appointed to the Supervisory Board for a maximum of three 4-year terms. The reappointment of the members of the Supervisory Board is not self-evident. All members of the Supervisory Board are reassessed, if they are eligible, at the time of the reappointment. Therefore, Royal Delft has not set a maximum of terms for which the members of the Supervisory Board can be appointed.

III.4.3. Pursuant to best practice provision III.4.3., the Supervisory Board shall be assisted by a company secretary. However, given its size, Royal Delft does not consider the appointment of a company secretary appropriate.

III.5. The Company does not fully comply with principle III.5 of the Code, which recommends that the Supervisory Board appoint an audit committee, a remuneration committee and a selection and appointments committee to perform certain tasks on behalf of and under the responsibility of the

Supervisory Board if the Supervisory Board consists of more than four members. Although its Supervisory Board consists of four members, Royal Delft has not appointed any of the committees. The tasks and functions of the audit, remuneration and the selection committee are performed by the Supervisory Board.

III.7.3. Best-practice provision III.7.3. recommends that the Supervisory Board adopt regulations setting forth rules on the ownership of, and transactions in, securities by members of the Supervisory Board other than the securities issued by a company. Royal Delft does not comply with this provision, as complying with this provision is considered as an infringement of the privacy of the members of its Supervisory Board.

Chapter IV: The shareholders and the general meeting of shareholders

IV.1. Principle IV.1. requires that companies give the shareholders, in so far as possible, the opportunity to vote by proxy and to communicate with all other shareholders. Royal Delft believes that proxy voting does not fit with the character of the Company. Additionally, the number of Shareholders making use of the proxy system is very low, whilst the costs associated with proxy voting are very high.

IV.2. Principle IV.2. on depository receipts does not apply to the Company, as Royal Delft has not issued depository receipts since 2005. Hence, they cannot be used as an anti-takeover measure.

IV.3.9. The Executive Board will not provide a survey of all existing or potential anti-takeover measures in the annual report as required by best practice provision IV.3.9., as Royal Delft does not have any anti-takeover measures in place.

V.3.1. Royal Delft does not employ an internal auditor.

18. EURONEXT AMSTERDAM MARKET INFORMATION

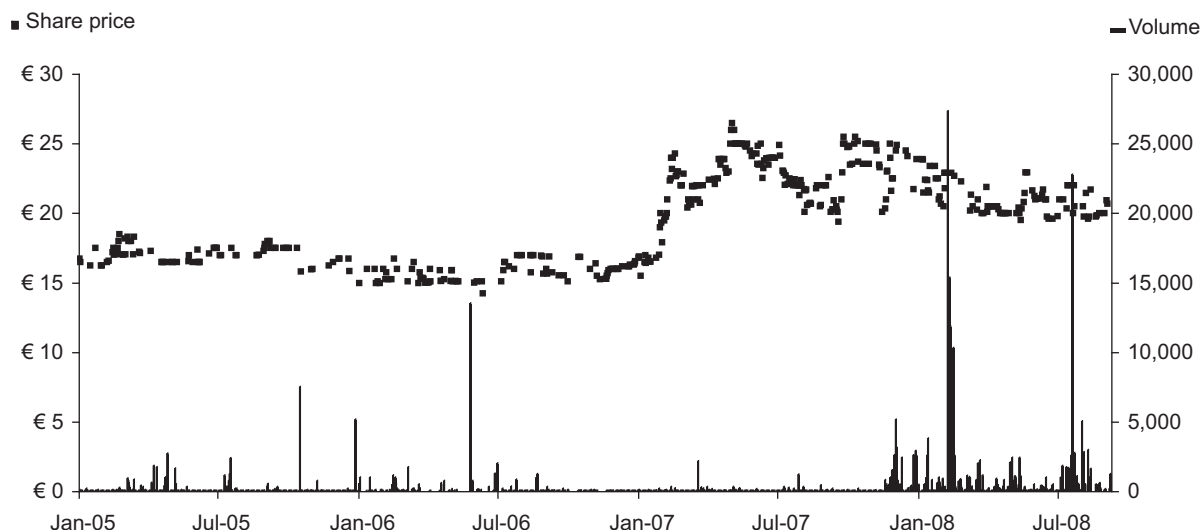
Auction-traded securities

The Ordinary Shares are listed and traded on an auction traded securities segment of Euronext Amsterdam under the symbol "PORF". Orders in the Ordinary Shares are managed through an order book that operates continuously from 07:15 to 17:40 hours CET, but are only matched twice a day during the auction phase at 11:30 hours CET and 16:30 hours CET. During the auction phase, Euronext Amsterdam seeks to match orders in the Ordinary Shares of the Company. If a match occurs within the price thresholds authorised by Euronext Amsterdam, a closing price is quoted. After a closing price is quoted, a trading-at-last phase will be available, during which new orders can be entered and matched only when limited at the last closing price. The trading-at-last phase for the Ordinary Shares will end at 12:00 hours CET and 17:00 hours CET.

Application has been made or will be made for the Rights to be traded, during the Exercise Period only, on an auction traded securities segment of Euronext Amsterdam under the symbol "PORRI". Orders in the Rights will be managed through an order book that operates continuously from 07:15 to 17:40 hours CET, but are only matched twice a day during the auction phase at 12:00 hours CET and 17:00 hours CET. During the auction phase, Euronext Amsterdam seeks to match orders in the Rights of the Company. If a match occurs within the price thresholds authorised by Euronext Amsterdam, a closing price is quoted. After a closing price is quoted, the trading-at-last phase will be available, during which new orders can be entered and matched only when limited at the last closing price. The trading-at-last phase for the Rights will end at 12:30 hours CET and 17:30 hours CET.

The following graph sets out the share price and the trading volume of the Ordinary Shares, on days on which Euronext Amsterdam is open for business, but not including days on which no official closing price for the Ordinary Shares is reported on Euronext Amsterdam (the "**Trading Day**"), as derived from Bloomberg.

The number of Trading Days and the number of Ordinary Shares traded is limited. The table below provides an overview of the Trading Days in 2005, 2006, 2007, and 2008 YTD together with the average traded volume on these Trading Days. After the close of trading on 10 September 2008, the price of the Ordinary Shares on Euronext Amsterdam was €20.70 per share, based on the last closing price.



Year	2005	2006	2007	2008 YTD
Number of Trading Days	77	90	178	87
Average volume per Trading Day	333	427	1138	191

19. TAXATION

General

The following is a summary of the material Dutch tax consequences of the ownership of Offer Shares. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Offer Shares and prospective investors should consult their professional advisors as to the tax consequences of their purchase, ownership and disposition of the Offer Shares.

The Dutch rules applying to holders of a “substantial interest”, in broad terms, foreign entities and individuals who hold or have held directly or indirectly, either independently or jointly with certain close relatives, at least 5% of the votes or Ordinary Shares in the Company or rights to acquire such Ordinary Shares are not addressed in this summary other than in general terms.

The descriptions of the Dutch tax laws and practices set forth below are based on our interpretation of the statutes, regulations, rulings, judicial decisions and other authorities in force and applied in practice on January 1, 2008 all of which are subject to change (possibly with retroactive effect) and differing interpretations. In this description Dutch legal concepts are sometimes expressed in English terms and not in their original Dutch terms. These concepts may not be identical to the concepts designated by the same English term, as they exist under the laws of jurisdictions other than The Netherlands.

In this chapter a distinction is made between residents of The Netherlands and non-residents of The Netherlands. Whether an investor qualifies as a resident of The Netherlands or as a non-resident of The Netherlands is based on facts, as well as on several fictions in Dutch tax legislation. In this chapter are addressed the relevant Dutch dividend withholding tax, personal income tax, corporate income tax and gift, estate and inheritance tax aspects of the ownership of Offer Shares.

Dutch withholding tax on dividends

Dividends (or similar income derived from shares qualifying as such under the Dutch Dividend Withholding Tax Act 1965, hereinafter referred to as income) distributed by the Company are in principle subject to tax at source at the current rate of 15%, which will be withheld and remitted by the Company to the Dutch tax authorities.

The rate of 15% may be reduced under an applicable tax treaty if, among others and depending on which specific treaty might apply, the shareholder can be considered to be the beneficial owner of the dividend. Under Dutch anti-avoidance rules, the recipient of a dividend is not considered to be the beneficial owner if it is plausible that:

- the recipient paid, directly or indirectly, a consideration, in cash or in kind, in connection with the dividend distribution, and the payment forms part of a sequence of related transactions;
- an individual or a company benefitted, in whole or in part, directly or indirectly, from the dividend, and that individual or company would have been entitled to a less favourable relief from Dutch dividend withholding tax than the recipient of the dividend distribution; and
- that individual or company directly or indirectly retains or obtains a position in the shares that is comparable to its position in similar shares before the sequence of related transactions commenced.

Taxation of individuals: Personal income tax in respect of dividends

Under the Personal Income Tax Act 2001, income is divided into three separate “boxes” each of which is governed by its own rules:

- box I (work and private residence) includes business and employment income, income from miscellaneous activities, income from receivables held against, and income from assets made available to a company in which the individual holds a substantial shareholding and income from the main private residence;
- box II (substantial interest) includes dividend income and capital gains from substantial shareholdings; and
- box III (savings and investments) covers passive income from capital.

Losses from one box can, in principle, not be offset against income from another box. A summary of the box system is described below in respect of the Offer Shares.

Resident individuals of The Netherlands

Box I (Work and private residence)

A Dutch resident individual, who owns Offer Shares that can be attributed to the business assets of an enterprise which is, in whole or in part, carried on for the account of this individual, is liable to income tax on the dividends derived from the Offer Shares at the progressive rates of box I, the maximum rate being 52%. Income derived or gains realised that qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*), which include activities with respect to the Offer Shares that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*), are also taxable at the progressive rates of box I.

Box II (Substantial interest)

Dividend income from substantial interests (broadly, shareholdings or voting rights of at least 5% of the Ordinary Shares in the Company including rights to acquire such shareholdings) is taxed in box II. The tax rate amounts to 25% (22% for the first €250,000 in 2007). Losses from a substantial interest may only be offset against income from a substantial interest and not against income from box I (work and private residence) or box III (savings and investments). There is a possibility for a credit for losses not compensated against the income tax liability of box II. Such tax credit is limited to 25% of the amount of the loss, and can only be claimed on condition that the holder of the substantial interest has sold all of that interest and holds no such interest in another entity. Stock dividends received/derived will not be considered to form taxable income in box II at the moment of receipt. The purchase price (tax basis) of such stock dividend will in principle amount to zero.

Box III (Savings and investments)

Income derived from capital (savings and investments) is taxed according to the regime of box III. Taxable income is determined annually on the basis of a fictitious, i.e. deemed, return on capital. This deemed return has been fixed at 4% of average net capital, assets less liabilities at market value, on 1 January and 31 December of any year. In this respect, assets and liabilities relating to income from box I and box II are not taken into account. The taxable income is computed without regard to the actual income and capital gains received. Thus, if actual income exceeds 4%, tax will still only be levied on the basis of 4%. On the other hand, there is no reduction in tax if the actual income is less than 4%. The deemed income is taxed at 30%.

In principle, under the provisions of the Personal Income Tax Act 2001 the Dutch dividend withholding tax can be credited, or refunded, for Dutch residents. This credit is also available against tax under box III. When the recipient of a dividend is not considered the beneficial owner, the withholding tax cannot be credited or refunded. See the discussion on Dutch dividend withholding tax above.

Non-Netherlands resident individuals

Non-resident individual holders of Offer Shares will be taxable in The Netherlands in respect of income or gain from this shareholding if these shares:

- are attributable to the business assets of a permanent establishment or permanent representative in The Netherlands (box I);
- give entitlement to a share of the profit of an enterprise in The Netherlands or a permanent establishment or permanent representative in The Netherlands (box I);
- generate income or gains that qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) in The Netherlands, which include activities in The Netherlands with respect to these shares that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*) (box I); or
- belong to a substantial interest of the shareholder in the company and this substantial interest does not form part of the business assets of an enterprise of the shareholder (box II).

The right of The Netherlands to levy personal income tax on dividends received by non-resident individuals may be restricted under specific provisions of applicable tax treaties.

Taxation of individuals: Personal income tax on capital gains

Residents of The Netherlands

Box I (Work and private residence)

Capital gains derived from the sale of the Offer Shares by an individual Shareholder who resides in The Netherlands are subject to personal income tax at the ordinary progressive rates of box I, currently up to 52%, if the Offer Shares form part of the business assets of an enterprise carried on, in whole or in part, for the account of an individual or if the capital gains realised qualify as “income from miscellaneous activities”, which include activities with respect to the Offer Shares that exceed “regular, active portfolio management”.

Box II (Substantial interest)

Capital gains realised on the disposal of Offer Shares that form part of a substantial interest of an individual are subject to tax in box II at the special 25% rate.

Box III (Savings and investments)

In principle, capital gains derived from the sale of the Offer Shares by an individual Shareholder who resides in The Netherlands are not subject to Dutch personal income tax provided that the Offer Shares do neither form part of a substantial interest nor can be attributed to the enterprise of that individual nor do the capital gains realised qualify as “income from miscellaneous activities”, which include activities with respect to the Offer Shares that exceed “regular, active portfolio management”.

Non-residents of The Netherlands

Capital gains realised by non-resident individuals who are Shareholders are in principle only subject to Dutch personal income tax if these shares:

- are attributable to the business assets of a permanent establishment or permanent representative in The Netherlands;
- give entitlement to a share of the profit of an enterprise in The Netherlands or a permanent establishment or permanent representative in The Netherlands (box I);
- generate income or gains that qualify as “income from miscellaneous activities” (*resultaat uit overige werkzaamheden*) in The Netherlands, which include activities in The Netherlands with respect to these shares that exceed “regular, active portfolio management” (*normaal, actief vermogensbeheer*) (box I); or
- belong to a substantial interest of the shareholder in the company and this substantial interest does not form part of the business assets of an enterprise of the shareholder.

Furthermore, the right of The Netherlands to tax capital gains may be restricted under specific provisions of applicable tax treaties.

Dutch corporate income tax on dividends

Companies resident in The Netherlands

Under the Corporate Income Tax Act 1969, dividends received are in principle taxed at the ordinary Dutch rate. The ordinary corporate income tax rate as of 1 January 2008 is 25.5%, although the first €40,000 of taxable profit is taxed at 20% and the amount of taxable profit between €40,000 and €200,000 is taxed at 23%. A legal entity or a similar entity qualifying as such under Dutch tax law (an entity) that is the beneficial owner of the Offer Shares and who resides, or is deemed to reside, in The Netherlands, is, in principle, able to set off in full the dividend withholding tax withheld against its Dutch corporate income tax or claim a refund if it exceeds corporate income tax due. If, however, a Dutch resident company that is the beneficial owner of the dividend receives a dividend which is exempt in The Netherlands (e.g. under the participation exemption) and tax has been withheld such tax cannot be credited against the corporate income tax due but will be refunded to the company receiving the dividend. An entity resident in The Netherlands that is not subject to Dutch corporate income tax but is the beneficial owner of the dividend can, under certain conditions, request a refund of the dividend tax withheld.

An entity subject to Dutch corporate income tax for which the shareholding in the company qualifies for the participation exemption pursuant to article 13 of the Corporate Income Tax Act 1969 will not be subject to Dutch corporate income tax on income derived from the Offer Shares and dividend tax need not be withheld. The participation exemption normally applies if a Dutch resident entity which is

subject to corporate income tax at the ordinary rate holds an interest of at least 5% of the nominal paid-up share capital of the Company assuming the Company is taxed at the ordinary Dutch rate.

Companies not resident in The Netherlands

If the Offer Shares are attributable to a permanent establishment or permanent representative in The Netherlands of a non-resident resident entity, the income distributed by the Company will, in principle, be subject to corporate income tax at the rate 25.5%, unless the participation exemption of article 13 of the Corporate Income Tax Act 1969 applies with respect to the shareholding in the Company. Any dividend tax withheld can generally be set off against the Dutch corporate income tax due on this income, provided the recipient is the beneficial owner of the dividend.

The State of The Netherlands has concluded tax treaties with a large number of countries. Most tax treaties concluded by the State of The Netherlands provide for a dividend withholding tax rate of 15% for portfolio investment.

If the Offer Shares are not attributable to a Dutch permanent establishment or a permanent representative, dividends paid to non-resident entities which are shareholders of the company are in principle not subject to Dutch corporate income tax (other than the dividend withholding tax mentioned above), unless the non-resident shareholder holds a substantial interest in the Company and the substantial interest does not form part of the business assets of an enterprise of the Shareholder. In broad terms, a substantial interest is present when a tax payer holds shareholdings or voting rights of at least 5% of the Ordinary Shares in the Company including rights to acquire such shareholdings. The right of The Netherlands to tax the dividends may be restricted under specific provisions of applicable tax treaties.

Dutch corporate income tax on capital gains

Companies resident in The Netherlands

If the Offer Shares are held by a Dutch resident entity, any capital gains derived from the sale of the Offer Shares are subject to corporate income tax at 25.5% (although the first €40,000 of taxable profit is taxed at 20% and the amount of taxable profit between €40,000 and €200,000 is taxed at 23%), unless the shareholding in the Company qualifies for the participation exemption of article 13 of the Corporate Income Tax Act 1969.

Companies not resident in The Netherlands

Capital gains realised by non_resident entities that are Shareholders are in principle only subject to Dutch personal income tax or Dutch corporate income tax if these shares:

- are attributable to the business assets of a permanent establishment or permanent representative in The Netherlands;
- give entitlement to a share of the profit of an enterprise in The Netherlands or a permanent establishment or permanent representative in The Netherlands; or
- belong to a substantial interest of the Shareholder in the Company and this substantial interest does not form part of the business assets of an enterprise of the Shareholder.

If the Offer Shares are held by a non-resident entity and can be allocated to a permanent establishment or permanent representative in The Netherlands, the capital gains may be exempt if the participation exemption applies.

Furthermore, the right of The Netherlands to tax capital gains may be restricted under specific provisions of applicable tax treaties.

Gift, estate or inheritance tax in The Netherlands

Generally, gift, estate and inheritance tax will be due in The Netherlands with respect to the gift or inheritance of the Offer Shares if the donor or deceased who owned the Offer Shares is or was a resident or is or was deemed to be a resident of The Netherlands for purposes of Dutch gift and inheritance tax.

No gift, estate or inheritance tax will arise in The Netherlands on a gift of the Offer Shares by, or on the death of, a holder of the Offer Shares who at the moment the gift is made is neither a resident nor deemed to be a resident of The Netherlands for purposes of Dutch gift and inheritance tax, provided that:

- such holder does not die within 180 days after having made a gift, while being on the moment of his death a resident or a deemed resident of The Netherlands, and
- such holder at the time of the gift, or at the time of his or her death did not have, an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which permanent establishment or a permanent representative, the Offer Shares are or were attributable.

If the donor or the deceased is an individual who holds the Dutch nationality, he will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance tax if he has been resident in The Netherlands at any time during the 10 years preceding the date of the gift or his death. If the donor is an individual who does not hold the Dutch nationality he will be deemed to be resident in The Netherlands for purposes of Dutch gift tax if he has been resident in The Netherlands at any time during the 12 months preceding the date of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of The Netherlands.

Furthermore, in exceptional circumstances, the donor or the deceased will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance tax if the beneficiary of the gift, or all beneficiaries under the estate jointly, as the case may be, make an election to that effect.

Value added tax in The Netherlands

No value added tax will be due in The Netherlands in respect of payments in consideration of the issue of the Offer Shares, other than value added tax on the fees payable for services which are not expressly exempt from VAT, such as management, administrative, notarial and similar activities, safekeeping of the Offer Shares and the handling and verifying of documents.

Other taxes

There will be no registration tax, capital tax, transfer tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty due in The Netherlands in respect of or in direct connection with the issue, transfer and/or delivery of the Offer Shares or the execution, delivery and/or enforcement by legal proceedings of the relevant documents or the performance of the Issuer's obligations under the Offer Shares.

20. THE OFFERING

In the Rights Offering, we are offering 469,920 Offer Shares with a nominal value of €1.00 each at the Issue Price of €13.83 per Ordinary Share. Subject to applicable securities laws, existing holders of our Ordinary shares as at the Record Date are being granted Rights to subscribe for the Offer Shares, in amounts *pro rata* to their shareholdings. Following the expiration of the Exercise Period for the Rights, the Global Coordinator, subject to the terms and conditions of the Placing Agreement, will offer the Rump Shares on a best effort basis for sale by way of private placements to institutional investors in The Netherlands and elsewhere, which will be established on a book-building basis and will be at least equal to the total of the Issue Price. Any Offer Shares not subscribed for through the exercise of Rights in the Rights Offering or sold by the Global Coordinator in the Rump Offering will be subscribed and paid for by the Underwriter at the Issue Price, subject to the terms and conditions of the Underwriting Agreement. See "Subscription and Sale".

The total costs of the Offering are expected to amount to approximately €900,000.

For information on applicable selling and transfer restrictions in respect of the Offer Shares and the Rights, see "Selling and Transfer Restrictions".

Timetable

The timetable below lists certain expected key dates for the Offering. All times referred to are CET.

Record Date	Immediately following the closing of trading on Euronext Amsterdam at 17:40 hours on 11 September 2008
Ex-Rights trading in our Ordinary shares commences on Euronext Amsterdam	12 September 2008
Exercise Period commences	12 September 2008
Trading in the Rights commences on Euronext Amsterdam	12 September 2008 at 12:00 hours CET
Trading in the Rights ceases on Euronext Amsterdam	22 September 2008 at 12:30 hours CET
End of Exercise Period	22 September 2008 at 15:30 hours CET
Rump Offering Period	23 September 2008 and ending no later than 17:00 hours on 23 September 2008
Expected allotment of Offer Shares	23 September 2008
Listing of, and start of trading in, the Offer Shares commences on Euronext Amsterdam	26 September 2008
Payment for and delivery of the Offer Shares	26 September 2008

The results of the Offering will be made public through publication in a Dutch national daily newspaper and in the OPC Trading Day after allotment of the Offer Shares.

We may adjust the dates, times and periods given in the timetable in which case we will notify Euronext Amsterdam and the AFM and inform you through publication in a Dutch national daily newspaper and in the OPC. Any other material alterations will be published in a press release, in an advertisement in the OPC and a Dutch national daily newspaper and, to the extent required by applicable law, in a supplement to this Prospectus.

Rights

Subject to applicable securities laws, our existing Shareholders as at the Record Date are granted Rights to subscribe for Offer Shares at the Issue Price. Each Ordinary Share that you hold immediately following the closing of trading on Euronext Amsterdam at 17:40 hours CET on 11 September 2008, which is the Record Date, will entitle you to 1 Right. An Eligible Person will be entitled to subscribe for 8 Offer Shares for every 5 Rights held. Accordingly, Eligible Persons will be entitled to subscribe for 8 Offer Shares for every 5 Ordinary shares held on the Record Date. Rights can only be exercised in multiples of 5. No fractional Ordinary shares will be issued.

If you hold Ordinary Shares on the Record Date, the financial intermediary through which you hold Ordinary Shares will customarily give you details of the aggregate number of Rights to which you will be entitled, subject to applicable securities laws. Your financial intermediary will provide you with this information in accordance with its usual customer relations procedures. You should contact your financial intermediary if you are a holder of Ordinary Shares and entitled to receive Rights but have received no information with respect to the Offering. Only holders of our Ordinary Shares as of the Record Date will be entitled to receive Rights.

The statutory pre-emptive rights of holders of our Ordinary Shares have been excluded with respect to the Offering.

Record Date

The Record Date for determining the holders of our outstanding Ordinary Shares who will receive Rights (subject to applicable securities laws) is immediately following the closing of trading on Euronext Amsterdam at 17:40 hours CET on 11 September 2008. Until the closing of trading on Euronext Amsterdam on the Record Date, the Ordinary Shares will trade with Rights. From 12 September 2008, the Ordinary Shares will trade ex-Rights.

Trading in Rights

Trading in the Rights on Euronext Amsterdam is expected to commence on 12 September 2008, and will continue until 12:30 hours CET on 22 September 2008. The Rights will be traded on Euronext Amsterdam, during the Exercise Period only, on an auction traded securities segment under the symbol "PORRI". The transfer of Rights will take place through the book-entry systems of Euroclear Nederland.

Persons interested in trading or purchasing Rights should be aware that the exercise of Rights by holders who are located in countries other than The Netherlands is subject to restrictions as described under the chapter headed "Selling and Transfer Restrictions".

Exercise Period

Subject to the restrictions set out below, if you are an Eligible Person, you may subscribe for Offer Shares by exercising your Rights from 12 September 2008 up to 15:30 hours CET on 22 September 2008, which is the end of the Exercise Period. The last date and/or time before which notification of exercise instructions may be validly given by you may be earlier, depending on the financial institution through which your Rights are held. If you have not exercised your Rights by the end of the Exercise Period, you will no longer be able to exercise your Rights. Once you have exercised your Rights, you cannot revoke or modify that exercise unless we amend a material term of the Offering or amend this Prospectus in any material respect. Even if the market price of our Ordinary Shares fluctuates below the Issue Price, if you have exercised your Rights, you will be obliged to pay the Issue Price for any Offer Shares being subscribed for.

We are not taking any action outside The Netherlands to permit the exercise and transfer of Rights by the general public. We urge you to carefully study the restrictions described under the chapter headed "Selling and Transfer Restrictions". We reserve the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to us to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if we 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.

Subscription

If you are an Eligible Person and you wish to exercise your Rights, 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. See "The Offering - Subscription Agent" below.

Subject to applicable securities laws, you may instruct your financial intermediary to sell some or all of your Rights, or to purchase additional Rights, on your behalf. See "The Offering - Trading in Rights" above.

All questions concerning the timelines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies you.

We are not liable for any action or failure to act by a financial intermediary through which Eligible Persons hold their Ordinary Shares or by the Subscription Agent in connection with any subscriptions or purported subscriptions.

Method of payment

You should pay the Issue 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 Rights. The financial intermediary will pay the Issue 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 26 September 2008. Accordingly, financial intermediaries may require payment by you, if you are an Eligible Person, to be provided to them prior to the Closing Date.

Subscription Agent

Rabo Securities will act as Subscription Agent to accept subscriptions for Offer Shares through the exercise of Rights. The financial intermediary through which Eligible Persons hold their Rights will be responsible for collecting exercise instructions from them and for informing the Subscription Agent of their exercise instructions.

Unexercised Rights and the Rump Offering

Rights can no longer be exercised after 15:30 hours CET on 22 September 2008, which is the end of the Exercise Period. At that time, any unexercised Rights will continue to be reflected in your securities account solely for the purpose of the distribution of Unexercised Rights Payment, if any.

After the Exercise Period has ended, the Global Coordinator will, subject to the terms and conditions of the Placing Agreement, commence the Rump Offering, in which they will offer for sale by way of private placements to institutional investors in The Netherlands and elsewhere the Rump Shares, being the number of Offer Shares that were issuable upon the exercise of the Rights but that were not subscribed for during the Exercise Period. The Global Coordinator has agreed to arrange on a best effort basis for the sale of the Rump Shares at a price per Rump Share, which will be established on a book-building basis and which will be at least equal to the total of the Issue Price. The Global Coordinator is not purchasing any Rump Shares offered by the Company and is not required to sell any specific number or Euro amount of Rump Shares. The Rump Offering, if any, is expected to commence on 23 September 2008, and to end no later than 17:00 hours CET on 23 September 2008. Any Offer Shares not subscribed for through the exercise of Rights in the Rights Offering or sold by the Global Coordinator in the Rump Offering will be subscribed for by the Underwriter at the Issue Price, subject to the terms and conditions of the Underwriting Agreement. See the chapter headed "Subscription".

Unexercised Rights Payment

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 any expenses related to arranging the sale (including any value added tax), exceed the aggregate Issue Price for such Rump Shares, each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, except as noted below, a part of the Excess Amount in cash proportional to the number of unexercised Rights reflected in each such holder's securities account. If the Excess Amount divided by the total number of unexercised Rights is less than €0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights and, instead, any Excess Amount will be retained by the Underwriter for its own benefit. We will not be entitled to receive any Excess Amount.

The Unexercised Rights Payment, if any, will be distributed to holders of unexercised Rights as soon as practicable after the closing of the Rump Offering and will be credited to those holders through the facilities of Euroclear Nederland. Payments will be made in Euro only, without interest and after the withholding of any applicable taxes. If we have announced that an Excess Amount is available for distribution to holders of unexercised Rights 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 Rights.

We cannot guarantee you that the Rump Offering will take place. Should the Rump Offering take place, neither we, nor the Global Coordinator, nor any other person selling Rump Shares, will be responsible for any lack of Excess Amount arising from any sale 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 23 September 2008. For allotment purposes, it will make no difference through which financial intermediary subscription is made.

Listing Agent and Paying Agent

Rabo Securities is the Listing Agent and the Paying Agent with respect to the Offering.

Payment and delivery

Payment for and delivery of the Offer Shares is expected to take place on 26 September 2008. Delivery of Offer Shares will take place through the book-entry systems of Euroclear Nederland.

Ranking and dividends

The Offer Shares will, upon issue, rank equally in all respects with our currently outstanding Ordinary Shares and will be eligible for any dividends which we may declare on our Ordinary Shares in the future. See the chapter headed "Dividends and Dividend Policy".

Listing and trading

Application has been or will be made to list the Offer Shares and the Rights on an auction traded securities segment of Euronext Amsterdam. We expect that the Offer Shares will be listed, and that trading in such shares will commence, on Euronext Amsterdam on 26 September 2008, barring unforeseen circumstances. Our outstanding Ordinary Shares are listed on Euronext Amsterdam under the symbol "PORF". The Rights will be traded on Euronext Amsterdam under the symbol "PORRI". No application will be made to list the Warrants.

21. SUBSCRIPTION

Placing arrangement

On 10 September 2008, we entered into a Placing Agreement with the Global Coordinator in respect of the Offering.

Subject to the terms and conditions of the Placing Agreement, the Global Coordinator has agreed to arrange on a best effort basis for the sale of the Rump Shares, which will be established on a book-building basis and will be at least equal to the total of the Issue Price. The Global Coordinator is not purchasing any Rump Shares offered by the Company and is not required to sell any specific number or Euro amount of Rump Shares. Any Rump Shares not sold in the Rump Offering and any Offer Shares for which no payment has been made by subscribers for the Offer Shares on the Closing Date will be subscribed and paid for at the Issue Price by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

We have given certain customary representations and warranties and undertakings to the Global Coordinator. In addition, we have agreed to indemnify the Global Coordinator against certain customary liabilities in connection with the Offering. Each of the parties to the Placing 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 Placing Agreement. In addition, the Placing Agreement provides that the obligations of the Global Coordinator are subject to certain conditions precedent and termination rights.

Underwriting arrangement

On 9 September 2008, we entered into a Underwriting Agreement with the Underwriter in respect of the Offering.

Subject to the terms and conditions of the Underwriting Agreement, the Underwriter has agreed with the Company to (i) duly and timely exercise the Rights granted to it in connection with the Offering and (ii) fully subscribe and pay for any Rump Shares not sold in the Rump Offering at the Issue Price. The Underwriter's financial obligations pursuant to this undertaking will be limited to a maximum amount of €6,500,000. In addition, the Underwriter has agreed that any Ordinary Shares held by it as at the Closing Date, will not be sold by it for a period of 180 days following the Closing Date.

Pursuant to the Underwriting Agreement the Company will issue Underwriter Warrants to the Underwriter on the Closing Date. Each Underwriter Warrant entitles the Underwriter to purchase one Ordinary Share at a price which will be equal to TERP in the Offering. The Underwriter Warrants will be exercisable during a period starting 180 days after the Closing Date and ending five years after the Closing Date. The number of Underwriter Warrants to be issued by the Company to the Underwriter will be 13,532.

Conditions to the Offering

The Placing Agreement may be terminated upon the occurrence of certain events, such as a material adverse change in the Company's financial condition or business affairs and under certain other conditions (provided that the Global Coordinator has the right to waive the satisfaction of any such conditions or part thereof). In this event the Rights Offering will be withdrawn. Upon withdrawal of the Rights Offering, the Rights granted will be forfeited without compensation to their holders or the persons entitled to the rights attached thereto and the Offer Shares will not be offered and sold. Any subscription payment received by us will be returned promptly, without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund or compensation in respect of any Rights purchased in the market.

Lock-up for the Company

We have agreed with the Global Coordinator that for a period of 180 days following the Closing Date, save with the prior written consent of the Global Coordinator, we will not, directly or indirectly, issue, agree to issue, offer, list, pledge, transfer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares in us or any securities convertible into or exercisable or exchangeable for our shares or which carry rights to subscribe for or purchase shares in us, or make available any prospectus under the laws of any jurisdiction or enter into any swap, derivative or any other transaction, of whatever kind, which directly or indirectly leads to a total or

partial transfer, legally or economically, to one or more third parties of any interest in, or risk exposure to, any of our shares or any securities convertible into or exchangeable for shares, or which in any way whatsoever fixes, limits or transfers any risk arising from the possibility of price movement, up or down, in respect of such shares or any securities convertible into or exchangeable for shares, whether any such swap, derivative or other transaction is to be settled by delivery of shares or other securities, in cash or otherwise, or announce or undertake any of the foregoing or propose an authorisation of the Executive Board to issue any shares in us or grant rights to subscribe for any shares, or propose an issue of shares or grant of rights to subscribe for shares for approval to the General Meeting.

Lock-up for the Underwriter

We have agreed with the Underwriter that for a period of 180 days following the Closing Date, it will neither sell any Ordinary Shares it holds as at the Closing Date, nor exercise its Underwriter Warrants issued to it pursuant the Underwriting Agreement.

Potential conflicts of interest

One of the members of our Supervisory Board, Mr. J.A. Fentener van Vlissingen controls, indirectly through his ultimate controlling interest in the share capital of Boron Investments N.V., 151,652 Ordinary Shares, which represents 51.64% of our outstanding Ordinary Shares. Boron Investments N.V., has indicated that it will participate in the Rights Offering in order to maintain its current shareholding. In addition, it has indicated that it will subscribe and pay for any and all Rump Shares not sold in the Rump Offering at the Issue Price and subject to the terms and conditions of the Underwriting Agreement. As a consequence, Boron Investments N.V., which is ultimately controlled by Mr. J.A. Fentener van Vlissingen, has the ability to exercise a significant influence on all corporate actions requiring shareholders approval and may use such influence in a way which may not be aligned with the interest of other Shareholders or the Company.

Rabo Securities, which is regulated in The Netherlands by the Dutch Central Bank (*De Nederlandsche Bank*) and the AFM, is acting exclusively for us and for no one else in relation to the Offering and in relation to the listing of the Rights and the Offer Shares, 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.

Rabo Securities, and/or its respective affiliates, have from time to time engaged, and may in the future engage, in commercial banking, investment banking and financial advisory and ancillary transactions in the course of their businesses with us or any parties related to us in respect of which the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of these transactions, these parties may have interests that may not be aligned, or could potentially conflict, with your and our interests.

Rabo Securities is the equity (linked) investment bank of Rabobank, and is acting as the Global Coordinator, sole bookrunner, Paying Agent, Subscription Agent and Listing Agent for the Offering. In addition, Rabobank is acting as a debt provider to us with respect to the existing credit facility of VKB.

22. SELLING AND TRANSFER RESTRICTIONS

General

The grant of Rights and the offer of Offer Shares upon exercise of Rights and the offer of Rump Shares to persons located in, resident in, or who are citizen of, countries other than The Netherlands, may be affected by the laws of the relevant jurisdiction. You should consult your professional advisors as to whether you require any governmental or other consents or need to observe any other formalities to enable you to exercise your Rights or to subscribe for the Offer Shares.

We are not taking any action to permit a public offering of the Securities in any jurisdiction outside The Netherlands. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if you receive a copy of this Prospectus in any territory other than The Netherlands, you may not treat this Prospectus as constituting an invitation or offer to you, nor should you in any event deal in the Securities being offered in the Offering, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to you, or the Securities could lawfully be dealt without contravention of any unfulfilled registration or other legal requirements.

Accordingly, if you receive a copy of this Prospectus you should not distribute or send the same, or transfer Securities to any person, in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If you forward this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), you should draw the recipient's attention to the contents of this chapter.

Except as otherwise expressly noted in this Prospectus:

- the Rights being granted in the Rights Offering may be exercised only by an Eligible Person, subject to applicable securities laws;
- the Rights and the Offer Shares being granted or offered in the Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, jurisdictions outside The Netherlands wherein the Rights and the Offer Shares may not be offered, including, without limitation, the United States, Canada and Japan (the "**Ineligible Jurisdictions**");
- this Prospectus may not be sent to any Shareholder or other person residing in an Ineligible Jurisdiction (the "**Ineligible Person**"); and
- the crediting of Rights to an account of an Ineligible Person does not constitute an offer of the Offer Shares to such person.

In this Prospectus, persons who are not Ineligible Persons are referred to as Eligible Persons.

Representations and warranties by investors in the Offering

If you (i) take up, deliver or otherwise transfer Rights, (ii) exercise Rights to obtain the Offer Shares, or (iii) trade or otherwise deal in the Rights or the Offer Shares granted or offered in the Offering, you will be deemed to have made, and, in some cases, be required to make, the following representations and warranties to us, the Global Coordinator, the Subscription Agent and any person acting on our or their behalf, unless such requirement is waived by us:

- (a) you are not located in an Ineligible Jurisdiction;
- (b) you are not an Ineligible Person;
- (c) you are not acting, and have not acted, for the account or benefit of an Ineligible Person;
- (d) you are:
 - i. located outside the United Kingdom; or
 - ii. a person to whom the Offer Shares being offered in the Offering may be offered and sold, as set out in the paragraph "United Kingdom" below;
- (e) you are located outside the United States and any person for whose account or benefit you are acting is located outside the United States and, upon acquiring Offer Shares in the Offering you and any such person will be located outside the United States;
- (f) you will not offer, sell or otherwise transfer either a Right or an Offer Share to any person located in the United States;
- (g) you may lawfully be offered, take up, subscribe for and receive Rights and Offer Shares in the jurisdiction in which you reside or are currently located; and
- (h) you were an Ordinary Shareholder and held Ordinary Shares at 17:40 hours CET on the Record Date, or you legally acquired Rights.

We, the Global Coordinator and any persons acting on behalf of us will rely upon 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 an eligible holder of the Rights (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 of Rights on behalf of such eligible holder. If you do not or are unable to provide the foregoing representations and warranties, neither we nor the Subscription Agent will be bound to authorise the allocation of any of the Offer Shares being offered in the Rights Offering to you or the person on whose behalf you are acting.

Subject to the specific restrictions described below, if you (including, without limitation, your nominees and trustees) are outside The Netherlands and wish to exercise or otherwise deal in your Rights or subscribe for the Offer Shares being offered in the Offering, you must satisfy yourself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The comments set out in this chapter are intended as a general guide only. If you are in any doubt as to whether you are eligible to exercise your Rights or subscribe for the Offer Shares being offered in the Offering, you should consult your professional advisors without delay.

Rights will initially be credited to the financial intermediaries for the accounts of all Shareholders that hold our Ordinary Shares as of the Record Date in custody through such an intermediary. A financial intermediary may not exercise any Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and will be required in connection with any exercise of Rights to certify to such effect. Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of persons in Ineligible Jurisdictions or to Ineligible Persons does not constitute an offer of the Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Securities being offered in the Offering will not be delivered to addresses inside any Ineligible Jurisdiction. We and the Subscription Agent reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Securities, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to us or our agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, we reserve the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights in the Rights Offering, which appears to us to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if we believe that the same may violate or be inconsistent with applicable legal or regulatory requirements, 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.

Despite any other provision of this Prospectus, we and the Subscription Agent reserve the right to permit you to exercise your Rights if we and the Subscription Agent, in our 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. Applicable exemptions in certain jurisdictions are described further below. In any such case, neither we nor the Subscription Agent accept any liability for any actions that you take or for any consequences that you may suffer by us accepting your exercise of Rights.

United States

The Rights and the Offer Shares have not been and will not be registered under the Securities Act, and may not be offered, granted, issued, sold, taken up, delivered, renounced, or transferred in or into the United States. Accordingly, the Rights are granted and the Offer Shares are offered by us only in transactions that are exempt from registration under the Securities Act pursuant to Regulation S.

European Economic Area

In relation to each Member State which has implemented the Prospectus Directive (each a "**Relevant Member State**"), an offer to the public of the Securities may not be made in that Relevant Member State other than the offer contemplated in this Prospectus in The Netherlands once this Prospectus has been approved by 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 the Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) 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;
- (b) 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 million and (3) an annual net turnover of more than €50 million as shown in its last annual or consolidated accounts;
- (c) by the Global Coordinator to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Coordinator for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall result in a requirement for the publication by us or the Global Coordinator 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 Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for any Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

The Global Coordinator has represented, warranted and agreed that it has (i) only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 received by it in connection with the issue or sale of any of the Securities in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply to us and (ii) complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with regard to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

23. GENERAL INFORMATION

Corporate resolutions

The Offering was authorised by resolution of our Executive Board adopted on 25 July 2008 and adopted by our Supervisory Board on 31 July 2008. The General Meeting granted authority to the Executive Board, subject to the approval of the Supervisory Board, to grant the Rights, to issue the Offer Shares and to limit or exclude the statutory pre-emptive rights of holders of our outstanding Ordinary Shares at the extraordinary General Meeting held on 21 August 2008.

No material adverse change

On the date of this Prospectus there has been no significant change in the Company's or any of the Company's subsidiaries' financial or trading position, and no material adverse change in the Company's or any of the Company's subsidiaries' financial position or prospects since 30 June 2008.

Availability of documents

Copies of our Articles of Association and audited consolidated financial statements, including the notes thereto, and the related auditors' reports for the financial years ended 31 December 2005, 2006 and 2007 are available free of charge at our head office address during normal business hours from the date of this Prospectus for a period of 12 months. Our Articles of Association and audited consolidated financial statements, including the notes thereto, and the related auditors' reports for the financial years ended 31 December 2005, 2006 and 2007 can also be found on our website (www.royaldelft.com).

Copies of this Prospectus and any supplement to this Prospectus (if any) may be obtained at no cost from the date of this Prospectus or the date of the relevant supplement (if any), by sending a request in writing or by fax or email to us or Rabo Securities at the following addresses:

N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere
Rotterdamseweg 196
2628 AR Delft
The Netherlands
Tel: +31 (15) 251 20 30
Fax: +31 (15) 251 20 31
Email: info@royaldelft.com

Rabo Securities
Amstelplein 1
1096 HA Amsterdam
The Netherlands
Fax: +31 (20) 460 4949
Email: prospectus@rabobank.com

In addition, copies of this Prospectus and any supplement to this Prospectus (if any) can be obtained by only Dutch residents through the website of Euronext Amsterdam at www.euronext.com.

Independent auditors

Royal Delft's audited consolidated financial statements for the financial years ended 31 December 2005, 2006 and 2007, as well as VKB's audited consolidated financial statements for the financial year ended 31 December 2007 have been audited by PricewaterhouseCoopers Accountants N.V. ("**PricewaterhouseCoopers**"), independent auditors, with their address at Thomas R. Malthusstraat 5, 1006 BJ Amsterdam, The Netherlands, of which the responsible partner is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut van Registeraccountants*), as stated in their report appearing therein.

PricewaterhouseCoopers have given, and have not withdrawn, their written consent to the inclusion of their reports on Royal Delft for the financial years ended 31 December 2006 and 2005 through incorporation by reference, and to the inclusion of their report for the financial year ended 31 December 2007 in this Prospectus. We confirm that the information in PricewaterhouseCoopers' reports in the annual financial statements set out in "Index to Financial Information" have been accurately reproduced and that as far as we are aware and able to ascertain from information published by PricewaterhouseCoopers, no facts have been omitted which would render PricewaterhouseCoopers' reports inaccurate or misleading.

According to our Articles of Association, all notices of the General Meetings, announcements of dividends and other distributions and all other communications to the Shareholders will be published in a Dutch national daily newspaper and the OPC. Publications relating to the issue of Offer Shares will also be published in a Dutch national daily newspaper and the OPC.

24. DEFINITIONS

Acquisition	The acquisition by Royal Delft of all outstanding and issued shares in the capital of VKB
AFM	Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Articles of Association	The articles of association of Royal Delft currently in effect and dated 19 December 2003
CET	Central European Time
Closing Date	The date of payment for and delivery of the Offer Shares, which is expected to be 26 September 2008
Code	The Dutch corporate governance code, principles of good corporate governance and best practice provisions
Combination	The combination of Royal Delft including Leerdam Crystal and VKB following the Acquisition
Company	N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere
Consideration Warrants	86,109 warrants to be issued by the Company to Corpeq on the closing date of the Acquisition
Corpeq	Corpeq B.V.
Dutch Takeover Act	The Dutch Act implementing the European Directive 2004/25/EC of 21 April 2004 relating to public takeover bids
Earn-out Consideration	An earn-out consideration in cash, equal to 50% of the consolidated net profit of VKB over the period from 1 January 2008 until 31 December 2008
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eligible Person	Any person who is not an Ineligible Person
Enterprise Chamber	The Enterprise Chamber of the Amsterdam Court of Appeal (<i>Ondernemingskamer</i>)
Euroclear Nederland	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depository and settlement institute, a subsidiary of Euroclear
Euronext Amsterdam	Euronext Amsterdam by NYSE Euronext the regulated market of Euronext N.V.
Excess Amount	The amount by which the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering after deduction of any expenses related to arranging the sale (including any value added tax) exceed the aggregate Issue Price for such Rump Shares
Executive Board	The executive board of Royal Delft (<i>raad van bestuur</i>)
Exercise Period	The period from 12 September 2008 until 15:30 hours CET on 22 September 2008 during which eligible holders of Rights may subscribe for Offer Shares

Exercise Price	The issue price per Offer Share payable by holders of Rights
FTE	Permanent full time equivalent employees
General Meeting	The general meeting of shareholders of Royal Delft (<i>algemene vergadering van aandeelhouders</i>)
Global Certificate	One single share certificate representing all issued Ordinary Shares
Global Coordinator	Rabo Securities
H1 07	Half year ended 30 June 2007
H1 08	Half year ended 30 June 2008
IFRS	International Financial Reporting Standards, as adopted by the European Union
Ineligible Jurisdiction	Any jurisdiction outside The Netherlands, including, without limitation, the United States, Canada and Japan, within which the Rights or Offer Shares may not be offered
Ineligible Person	Any Shareholder or other person residing in an Ineligible Jurisdiction, including, without limitation, the United States, Canada and Japan, or person with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully participate in the Offering
Initial Cash Consideration	The initial cash consideration of Euro 4,660,000, increased with 4% interest (on a yearly basis) on the initial cash consideration over the period starting at 1 July 2008 until closing. If closing of the Acquisition takes place later than 29 September 2008, the 4% interest will increase to 6% on a yearly basis
Issue Price	€13.83 per Offer Share
Leerdam Crystal	B.V. Leerdam Crystal
Listing Agent	Rabo Securities
Member State	Any member state of the European Economic Area
Multi-Brand & Multi-Channel Strategy	Royal Delft's new strategy with which it aims to become a multi-brand producer of exclusive luxury in home products in the higher segment of the market through various channels
Offering	The Rights Offering and the Rump Offering
Offer Shares	469,920 new Ordinary Shares offered at the Issue Price
OPC	The Daily Official List of Euronext Amsterdam N.V. (<i>Officiële Prijscourant</i>)
Ordinary Shares	The ordinary shares in the capital of Royal Delft with a nominal value of €1 each
Paying Agent	Rabo Securities
Placing Agreement	The placing agreement between Royal Delft and Rabo Securities dated 10 September 2008
PricewaterhouseCoopers	PricewaterhouseCoopers Accountants N.V.
Prospectus	This prospectus dated 11 September 2008

Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of the European Union
Rabobank	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
Rabo Securities	The equity (linked) investment banking division of Rabobank
Record Date	17:40 hours CET on 11 September 2008
Regulation S	Regulation S as promulgated under the Securities Act
Relevant Member State	Each Member State which has implemented the Prospectus Directive
Rights	The transferable subscription rights granted to the existing Shareholders of Royal Delft under the Rights Offering, which entitle Eligible Persons to subscribe for 8 Offer Shares for every 5 Rights held
Rights Offering	The offering of Rights to existing Shareholders of Royal Delft, the exercise of which entitles Eligible Persons to subscribe for the Offer Shares at the Issue Price
Royal Delft	N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653', voorheen Joost Thooft en Labouchere
Rump Offering	The private placements with institutional investors in The Netherlands and elsewhere of the Rump Shares
Rump Shares	The Offer Shares that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period
Securities	The Rights and the Offer Shares
Securities Act	The United States Securities Act of 1933, as amended
Shareholders	The holders of Ordinary Shares (unless the context requires otherwise)
Subscription Agent	Rabo Securities acting as subscription agent for the Rights Offering
Supervisory Board	The supervisory board of Royal Delft (<i>raad van commissarissen</i>)
TERP	Theoretical ex-rights price
Trading Day	A day on which Euronext Amsterdam is open for business, but not including a day on which no official closing price for the Ordinary Shares is reported on Euronext Amsterdam
Underwriter	Boron Investments N.V., a limited liability company with its statutory seat on Curaçao, The Netherlands Antilles
Underwriter Warrants	Warrants issued to the Underwriter in consideration for its underwriting undertaking on the Closing Date
Underwriting Agreement	The underwriting agreement between Royal Delft and Boron Investments N.V. dated 9 September 2008

Unexercised Rights Payment	The payment that each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive, following completion of the Rump Offering if there is any Excess Amount
VKB	B.V. Koninklijke van Kempen & Begeer
Warrant Agreement	The warrant agreement entered into by Royal Delft and Corpeq 10 September 2008
Warrant Consideration	Consideration Warrants to be issued by the Company to Corpeq on the closing date of the Acquisition
Warrants	The Consideration Warrants and the Underwriter Warrants
Wft	The Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>)
Wge	<i>Wet Giraal Effectenverkeer</i> (Securities Giro Act 1977)

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1. GECONSOLIDEERDE BALANS PER 31 DECEMBER 2007 VAN ROYAL DELFT

<i>(in duizenden Euro's)</i>	31 december 2007	31 december 2006
ACTIVA		
1 Vaste activa		
1.1 Immateriële vaste activa	19	13
1.2 Materiele vaste activa	2.716	2.606
1.3 Latente belastingvordering	238	249
	<hr/> 2.973	<hr/> 2.868
2 Vlottende activa		
2.1 Voorraden	1.779	1.751
2.2 Handels- en overige vorderingen	382	213
2.3 Liquide middelen	55	73
	<hr/> 2.216	<hr/> 2.037
Totaal activa	5.189	4.905
3 EIGEN VERMOGEN		
3.1 Geplaatst kapitaal	293	267
3.2 Agioreserve	1.442	915
3.3 Overige reserves	2.566	2.513
Totaal eigen vermogen	<hr/> 4.301	<hr/> 3.695
VERPLICHTINGEN		
4 Langlopende verplichtingen		
4.1 Personeelsgerelateerde voorzieningen	129	136
4.2 Latente belastingverplichting	189	180
	<hr/> 318	<hr/> 316
5 Kortlopende verplichtingen		
5.1 Schuld aan kredietinstellingen	112	562
5.2 Handels- en overige schulden	458	332
	<hr/> 570	<hr/> 894
Totaal verplichtingen	888	1.210
Totaal eigen vermogen en verplichtingen	5.189	4.905

2. GECONSOLIDEERDE WINST- EN VERLIESREKENING OVER 2007 VAN ROYAL DELFT

(in duizenden Euro's)

	2007	2006
6. Netto omzet	3.826	4.137
Mutatie onderhanden werk	71	312
Inkoop, grondstoffen en andere ext.kosten	381	541
Lonen en salarissen	1.647	1.627
Sociale lasten	223	220
Pensioenkosten	82	126
Afschrijvingen op materiële vaste activa	129	135
Amortisatie immateriële vaste activa	3	2
6.1 Overige bedrijfskosten	1.173	1.097
Totaal bedrijfslasten	3.709	4.060
Bedrijfsresultaat	117	77
Financiële lasten	-44	-51
Resultaat voor belastingen	73	26
6.2 Belastingen	-20	-13
Netto Resultaat	53	13
Toekomend aan:		
Aandeelhouders Royal Delft	53	13
7. Winst per aandeel (uitgedrukt in € per aandeel)		
Gewoon	0,20	0,05
Verwaterd	0,20	0,05

3. GECONSOLIDEERD MUTATIEOVERZICHT VAN HET EIGEN VERMOGEN VAN ROYAL DELFT

(in duizenden Euro's)

	aandelen kapitaal	agio reserve	overige reserves	totaal eigen vermogen
Stand per 01 januari 2006	267	915	2.500	3.682
Resultaat 2006	13	13
Stand per 31 december 2006	267	915	2.513	3.695
Resultaat 2007	53	53
Aandelenemissie	26	527	..	553
Stand per 31 december 2007	293	1.442	2.566	4.301

4. GECONSOLIDEERD KASSTROOMOVERZICHT VAN ROYAL DELFT

(in duizenden euro's)

	2007	2006
Kasstroom uit operationele activiteiten		
Bedrijfsresultaat	117	77
1.2 Afschrijving materiële vaste activa	129	135
1.1 Amortisatie immateriële vaste activa	3	2
2.2 Mutaties handels- en overige vorderingen	-169	-33
2.1 Mutaties voorraden	-28	371
5.2 Mutaties handels- en overige schulden	126	30
4.1 Mutaties personeelsgerelateerde voorzieningen	-7	28
Operationele kasstroom	171	610
Financiële lasten	-44	-51
Netto kasstroom uit operationele activiteiten	127	559
Kasstroom uit investeringsactiviteiten		
1.2 Investeringsactiviteiten in materiële vaste activa	-239	-47
1.1 Investeringsactiviteiten in immateriële vaste activa	-9	-12
Kasstroom uit investeringsactiviteiten	-248	-59
Kasstroom uit financieringsactiviteiten		
Emissie aandelen	553	0
Kasstroom uit financieringsactiviteiten	553	0
Netto kasstroom	432	500
Aansluiting naar de balans		
Netto kasstroom	432	500
Netto kortlopende schuld begin periode		
2.3 Liquide Middelen	73	58
5.1 Kredietinstellingen	562	1.047
	-489	-989
Netto kortlopende schuld einde periode		
2.3 Liquide Middelen	55	73
5.1 Kredietinstellingen	112	562
	-57	-489
Mutatie boekjaar (netto kasstroom)	432	500

5. TOELICHTING OP DE GECONSOLIDEERDE JAARREKENING

ALGEMEEN

Activiteiten van de vennootschap

De Porceleyne Fles heeft domicilie in Delft, Nederland. De juridische vorm is een N.V., het land van oprichting is Nederland en de statutaire zetel is aan de Rotterdamseweg 196 te Delft.

De activiteiten van de Porceleyne Fles betreffen voornamelijk het produceren en verkopen van handgeschilderd aardewerk.

De aandelen van de vennootschap zijn genoteerd op de Euronext te Amsterdam.

BELANGRIJKSTE WAARDERINGSGRONDSLAGEN

Algemeen

De geconsolideerde jaarrekening is opgesteld in overeenstemming met de International Financial Reporting Standards (IFRS) zoals aanvaard door de Europese Unie.

Nieuwe standaarden en wijzigingen die verplicht zijn met ingang van 2007.

Met ingang van de jaarrekening over 2007 is toepassing van IFRS 7 Financial Instruments: Disclosures verplicht. De standaard introduceert nieuwe vereisten aan de toelichtingen met betrekking tot financiële instrumenten. In samenhang met IFRS 7 is ook IAS 1 Presentation of Financial Statements aangepast. De wijziging van deze standaard houdt in dat additionele toelichtingen dienen te worden opgenomen over doelstellingen, beleid en processen wat betreft het beheer van vermogen. IFRS 7 en IAS 1 zijn van toepassing op de Porceleyne Fles en in deze jaarrekening is met beide rekening gehouden. IFRS 7 en IAS 1 hebben overigens geen gevolgen voor de classificatie en waardering van de financiële instrumenten van de Porceleyne Fles.

De andere nieuwe interpretaties bij bestaande standaarden die verplicht zijn met ingang van de jaarrekening over 2007 (IFRIC 7 Applying the Restatement Approach under IAS 29, IFRIC 8 Scope of IFRS 2, IFRIC 9 Reassessment of Embedded Derivatives en IFRIC 10, Interim Financial Reporting and Impairment) zijn niet relevant voor de Porceleyne Fles.

IFRS 8 Operating Segments is verplicht met ingang van het boekjaar 2009. Hetzelfde geldt voor de wijzigingen in de standaarden IAS 1 Presentation of Financial Statements en IAS 23 Borrowing Costs, IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction en IFRIC 11 Group and Treasury Share Transactions zijn verplicht met ingang van 2008. De mogelijke gevolgen van deze Concession Arrangements en IFRIC13 Customer Loyalty Programmes, waarvan toepassing verplicht is met ingang van de jaarrekening over 2008, zijn niet relevant voor de Porceleyne Fles.

Voorts wordt, voor zover van toepassing, voldaan aan de wettelijke bepalingen betreffende de jaarrekening zoals opgenomen in Titel 9 Boek 2 BW.

Waarderingsgrondslagen

De toegepaste grondslagen voor de geconsolideerde jaarrekening worden hierna toegelicht. De grondslagen die worden toegepast voor de waardering van activa en verplichtingen zijn, voor zover niet anders aangegeven gebaseerd op historische kostprijs. Alle in de toelichting vermelde bedragen zijn in duizenden euro's tenzij anders vermeld.

CONSOLIDATIE

Dochterondernemingen

In de consolidatie worden de financiële gegevens van de Koninklijke Porceleyne Fles betrokken en van ondernemingen waarin zij de beslissende zeggenschapsrechten over het operationele en financiële beleid kan uitoefenen. In het algemeen houdt de Koninklijke Porceleyne Fles hier direct of indirect meer dan de helft van de zeggenschapsrechten. De activa, verplichtingen en resultaten van dochterondernemingen worden volledig geconsolideerd vanaf de datum waarop het beslissende zeggenschapsrecht kan worden uitgeoefend door de vennootschap.

Deconsolidatie vindt plaats op het moment dat beslissende zeggenschapsrechten zijn overgedragen.

De overnamemethode wordt toegepast op de verwerving van dochterondernemingen door de vennootschap. De verkrijgingsprijs van de overgenomen onderneming wordt bepaald door de reële waarde van de activa, de uitgegeven eigen-vermogensinstrumenten en de verplichtingen aangegaan of overgenomen op de transactiedatum, plus de kosten die direct toerekenbaar zijn aan de overname. Identificeerbare activa en (voorwaardelijke) verplichtingen overgenomen in een bedrijfscombinatie worden bij de eerste verwerking in de jaarrekening gewaardeerd tegen de reële waarde per overnamedatum, ongeacht het bestaan van minderheidsbelangen. Het positieve verschil tussen de

verkrijgingsprijs van de overgenomen entiteit en de reële waarde van aan de vennootschap toerekenbare en identificeerbare activa en verplichtingen wordt verantwoord als goodwill. Indien de verkrijgingsprijs van de overgenomen entiteit lager is dan de reële waarde van de aan de vennootschap toerekenbare en identificeerbare activa en verplichtingen van de overgenomen entiteit, dan wordt het verschil direct verantwoord in de winst- en verliesrekening.

Intercompany transacties, balansposten en ongerealiseerde resultaten op transacties tussen dochterondernemingen worden volledig geëlimineerd.

In de geconsolideerde jaarrekening zijn aldus opgenomen de N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleyne Fles Anno 1653' v/h Joost Thooft & Labouchere te Delft alsmede de 100% dochterondernemingen B.V. Faience en Tegelfabriek Westraven v/h Gebroeders Ravesteyn te Delft, B.V. Zenith Van der Want Pijpenfabrieken Anno 1749 te Delft en B.V. Royal Delft Onroerend Goed te Delft.

Door B.V. Royal Delft Onroerend Goed, Rotterdamseweg 196 te Delft wordt onroerend goed op deze locatie aangehouden voor eigen gebruik. De overige vennootschappen hebben geen activiteiten.

Aangezien de eigen winst- en verliesrekening over 2007 van de vennootschap is verwerkt in de geconsolideerde jaarrekening, is volstaan met weergave van een summier winst- en verliesrekening, in overeenstemming met het gestelde in artikel 402 Burgerlijk Wetboek 2.

Segmentatie

De geleverde goederen en diensten door de Koninklijke Porceleyne Fles bestaan in zijn geheel uit aan toerisme gerelateerde en Business-to-Business opbrengsten met een vergelijkbaar risico- en rendementsprofiel.

Vreemde Valuta

De geconsolideerde jaarrekening is opgesteld in euro's, zijnde de functionele en presentatievaluta van de vennootschap.

Transacties in vreemde valuta worden omgerekend naar de functionele valuta tegen de koers op de transactiedatum. Koersverschillen die voortvloeien uit de afwikkeling van dergelijke transacties en van de omrekening per balansdatum van monetaire activa en verplichtingen die in vreemde valuta luiden worden in de winst- en verliesrekening verwerkt, tenzij deze in aanmerking komen voor tijdelijke verwerking in het eigen vermogen als kasstroomafdekkingen of als afdekking van een netto investering.

Per jaareinde bestonden er geen balansposities luidend in vreemde valuta, ook in de verlies en winstrekening zijn geen bedragen verwerkt inzake valutakoersverschillen.

Toelichting op het geconsolideerd kasstroomoverzicht

Het kasstroomoverzicht is opgesteld volgens de indirecte methode. De geldmiddelen in het kasstroomoverzicht bestaan uit de liquide middelen en het bankkrediet opgenomen onder de kortlopende schulden. Ontvangen en betaalde rente zijn opgenomen onder de kasstroom uit operationele activiteiten. Betaalde dividenden zijn opgenomen onder de kasstroom financieringsactiviteiten.

Immateriële vaste activa

De software en het merkenrecht worden gewaardeerd tegen verkrijgingsprijs onder aftrek van lineaire afschrijvingen op basis van de verwachte gebruiksduur en eventuele bijzondere waardeverminderingen (zie toelichting bijzondere waardeverminderingen vaste activa).

Materiële vaste activa

Materiële vaste activa worden gewaardeerd tegen verkrijgings- of vervaardigingsprijs, na aftrek van afschrijvingen en eventuele bijzondere waardeverminderingen. Afschrijvingen vinden plaats volgens de lineaire methode op basis van de geschatte gebruiksduur. Op de grond en de museale collectie wordt niet afgeschreven.

Kosten, gemaakt na eerste verwerking in de jaarrekening, worden inbegrepen in de boekwaarde van het actief dan wel verwerkt als een afzonderlijk actief als sprake is van een afzonderlijk component, indien het waarschijnlijk is dat de toekomstige economische voordelen met betrekking tot het actief

naar de vennootschap zullen vloeien en de kosten van het actief op betrouwbare wijze kunnen worden bepaald. Overige reparatie- en onderhoudskosten worden verantwoord in de winst- en verliesrekening in de periode waarin zij zich voordoen.

De boekwaarde van een actief wordt onmiddellijk afgewaardeerd tot realiseerbare waarde als de realiseerbare waarde onder de boekwaarde van het actief ligt. Restwaarde en gebruiksduur wordt jaarlijks opnieuw beoordeeld (zie toelichting bijzondere waardeverminderingen vaste activa).

De kostprijs van het pand is het per 1 januari 2004 geherwaardeerde bedrag, dat bij "First Time adoption" als kostprijs is aangemerkt.

Bijzondere waardeverminderingen vaste activa

Door de vennootschap wordt op iedere balansdatum beoordeeld of er aanwijzingen zijn dat een vaste actief aan een bijzondere waardevermindering onderhevig kan zijn. Indien dergelijke indicaties aanwezig zijn, wordt de realiseerbare waarde van het actief vastgesteld. Indien het niet mogelijk is de realiseerbare waarde voor het individuele actief te bepalen, wordt de realiseerbare waarde bepaald van de kasstroomgenererende eenheid waartoe het actief behoort. Van een bijzondere waardevermindering is sprake als de boekwaarde van een actief hoger is dan de realiseerbare waarde; de realiseerbare waarde is de hoogste van de opbrengstwaarde en de bedrijfswaarde.

Latente belastingen

Latente belastingen worden opgenomen voor tijdelijke verschillen tussen de fiscale waarden van activa en verplichtingen en de boekwaarden daarvan in de geconsolideerde jaarrekening. Indien een latentie zou ontstaan bij de eerste verwerking in de jaarrekening van een actief of verplichting voortvloeiend uit een transactie (anders dan een bedrijfscombinatie) die noch de commerciële noch de fiscale winst (verlies) beïnvloedt, wordt deze latentie niet verwerkt.

Latenties worden berekend op basis van vastgestelde belastingtarieven (en wetten) die van toepassing zijn of waartoe materieel reeds op balansdatum besloten is en die naar verwachting van toepassing zullen zijn op het moment dat de gerelateerde latente belastingvorderingen gerealiseerd worden.

Latente belastingvorderingen worden verwerkt voorzover het waarschijnlijk is dat er toekomstige fiscale winst beschikbaar zal zijn waarmee de tijdelijke verschillen en beschikbare compensabele verliezen benut kunnen worden.

Voorraden

De voorraad grond- en hulpstoffen alsmede de handelsgoederen worden gewaardeerd tegen de kostprijs of lagere opbrengstwaarde. De kostprijs is de verkrijgingsprijs, of in het geval van halffabrikaat en gereed product, de vervaardigingsprijs, die de ontwerpkosten, grondstoffen, directe personeelskosten, overige directe kosten en een toeslag voor aan de productie gerelateerde indirecte vaste en variabele kosten (op basis van normale bezetting) omvat.

In de kostprijs is geen rente opgenomen. Opbrengstwaarde is de geschatte verkoopprijs in de normale bedrijfsuitoefening, onder aftrek van variabele verkoopkosten.

Handels- en overige vorderingen

Handelsdebiteuren en overige vorderingen worden initieel gewaardeerd tegen reële waarde en vervolgens tegen geamortiseerde kostprijs. Dit komt overwegend neer op waardering tegen nominale waarde. Indien wordt voorzien dat vorderingen niet geheel kunnen worden geïnd, wordt een voorziening getroffen voor oninbaarheid.

Liquide middelen

Liquide middelen bestaan uit kas en bank tegoeden met een looptijd korter dan twaalf maanden. Rekening-courantschulden bij banken zijn opgenomen onder schulden aan kredietinstellingen onder kortlopende verplichtingen.

Aandelenkapitaal

De uitstaande gewone aandelen zijn onderdeel van het eigen vermogen. Als de Koninklijke Porceleyne Fles eigen aandelen inkoopt, wordt de kostprijs van de ingekochte aandelen in mindering gebracht op de overige reserves, totdat deze aandelen worden ingetrokken of worden verkocht. Indien de aandelen

verkocht of opnieuw uitgegeven worden, wordt de opbrengst, onder verrekening van direct toerekenbare kosten, in het eigen vermogen verwerkt dat toekomt aan de aandeelhouders.

Personeelsgerelateerde voorzieningen

Toegezegde pensioenrechten

De Porceleyne Fles heeft een toegezegd-pensioenregeling die is ondergebracht bij een verzekeringsmaatschappij. Hierbij is een pensioen toegezegd aan personeel op de pensioengerechtigde leeftijd welke afhankelijk is van de leeftijd, salaris en arbeidsduur.

De in de balans opgenomen verplichting voor toegezegd-pensioenregelingen is de contante waarde van de verplichting uit hoofde van toegezegd-pensioenregelingen op de balansdatum, minus de reële waarde van fondsbeleggingen. Hiermee worden verrekend de niet-verwerkte actuariële winsten en verliezen en nog niet opgenomen pensioenkosten van verstreken diensttijd. Jaarlijks wordt de verplichting uit hoofde van toegezegd-pensioenregelingen berekend door onafhankelijke actuarissen met gebruik van de projected unit credit-methode. De contante waarde van de verplichting uit hoofde van toegezegd-pensioenregelingen wordt berekend door het contant maken van de geschatte toekomstige kasuitstromen. Daarbij wordt uitgegaan van rentetarieven die gelden voor hoge kwaliteit ondernemingsobligaties, die zijn uitgegeven in dezelfde valuta als waarin de pensioenen betaald zullen worden, en die een looptijd hebben die ongeveer gelijk is aan de looptijd van de gerelateerde pensioenverplichting.

Actuariële winsten en verliezen groter dan 10 procent van de reële waarde van de fondsbeleggingen en/of de contante waarde van de bruto verplichtingen uit hoofde van de toegezegd pensioen rechten, die het gevolg zijn van wijzigingen in actuariële veronderstellingen worden ten gunste of ten laste van het resultaat gebracht gedurende de verwachte, gemiddelde toekomstige dienstjaren van de betreffende personeelsleden.

De nog niet verwerkte pensioenkosten van de verstreken diensttijd worden direct verwerkt in de winst- en verliesrekening, tenzij de wijzigingen in de pensioenregeling afhankelijk zijn van het in dienst blijven voor een bepaalde periode (de wachtperiode). In dit geval worden de lasten over verstreken diensttijd lineair verwerkt gedurende de wachtperiode.

Regelingen jubilea-uitkeringen

De netto verplichting van de Porceleyne Fles met betrekking tot jubileum uitkeringen is volgens een actuariële berekening gebaseerd op de contante waarde van toekomstige uitkeringen op basis van opgebouwde arbeidsjaren.

Handels- en overige schulden

Handelsschulden en overige te betalen posten worden opgenomen tegen kostprijs/nominale waarde.

GRONDSLAGEN VOOR DE BEPALING VAN HET RESULTAAT

Netto omzet

Onder netto-omzet wordt verstaan de opbrengsten (reële waarde) wegens aan derden geleverde goederen en diensten na aftrek van kortingen en omzetbelasting.

Omzet wordt verantwoord zodra alle belangrijke rechten en risico's met betrekking tot de eigendom van de goederen zijn overgedragen aan de koper, derhalve op het moment van overdracht van de goederen. Het verantwoorden van opbrengsten uit de levering van diensten geschiedt naar rato van de geleverde prestaties.

Lonen, salarissen en sociale lasten

Lonen, salarissen en sociale lasten worden op grond van de arbeidsvoorwaarden verwerkt in de winst- en verliesrekening voorzover ze verschuldigd zijn aan werknemers en belastingdienst.

Afschrijvingen

De afschrijvingen op bedrijfsgebouwen en overige immateriële en materiële vaste activa worden gebaseerd op de geschatte gebruiksduur van een actief, rekening houdend met restwaarden. Op terreinen en de museale collectie wordt niet afgeschreven. De museale collectie bestaat uit een

verzameling waardevaste antieke stukken, uit dien hoofde vindt hierop geen afschrijving plaats. De stukken vertegenwoordigen geen commerciële functie, maar vormen de basis van de hedendaagse museumcollectie. Afschrijvingen vinden plaats volgens de lineaire methode op basis van de geschatte gebruiksduur en varieert voor de verschillende onderdelen als volgt:

Categorie	Jaar	Afschrijvingspercentage
Museale collectie	0	0
Terreinen	0	0
Gebouwen	40	2,5
Machines en installaties	5	20
Ovens	10	10
Automatiseringssysteem/software	3	33,3
Verbouwing en Inrichting	5	20

De restwaarden en gebruiksduur van activa worden jaarlijks op de balansdatum beoordeeld en, indien noodzakelijk, aangepast.

Overige kosten

De kosten worden bepaald op historische basis en toegerekend aan het verslagjaar waarop zij betrekking hebben.

Leaseovereenkomsten

Een leaseovereenkomst waarbij de voor- en nadelen verbonden aan de eigendom geheel of nagenoeg geheel bij de lessor liggen wordt als operationele leaseovereenkomst aangemerkt. Betalingen op grond van operationele leaseovereenkomsten worden gedurende de leaseperiode direct ten laste van de winst- en verliesrekening gebracht.

Rentelasten

Rentelasten worden tijdsevenredig verwerkt, rekening houdend met de effectieve rentevoet van de betreffende verplichtingen.

Financieel Risico Beheer

Kredietrisico

Het kredietrisico is het risico op een verlies voor de vennootschap doordat partijen niet aan hun financiële verplichtingen jegens de vennootschap kunnen voldoen. Het kredietrisico vloeit voort uit liquide middelen en verkopen op orderkrediet. Individuele kredietlimieten worden gesteld op basis van door de directie gestelde criteria. Het gebruik van kredietlimieten wordt regelmatig beoordeeld. Verkopen aan particulieren vinden standaard plaats in contanten of met creditcard. Verkopen op rekeningen vinden alleen plaats na gebruikmaking van ervaringen uit het verleden. Zijn deze niet aanwezig, dan vindt levering slechts plaats na vooruitbetaling van het volledige bedrag. Door de onderneming wordt, gelet op de aard, complexiteit en omvang van de activiteiten geen gebruik gemaakt van financiële instrumenten (waaronder derivaten).

Liquiditeitsrisico

Adequate liquiditeitsrisicobeheersing houdt in het aanhouden van voldoende liquide middelen en de beschikbaarheid van financiering door middel van toegezegde kredietfaciliteiten. In verband met de dynamiek van de bedrijfsactiviteiten houdt de Porceleyne Fles flexibiliteit in financiering door het beschikbaar houden van toegezegde kredietfaciliteiten.

Door de onderneming goed te sturen op kasstromen wordt erin geslaagd het liquiditeitsrisico zo veel mogelijk te beperken.

De Porceleyne Fles beschikt over een rekening courant faciliteit van €1.361.000. Per 31 december 2007 is hiervan €112.000 in gebruik. In 2006 bedroeg de kredietfaciliteit €1.421.000. Per 31 december 2006 was hiervan €562.000 in gebruik.

Gedurende de verslagperiode zijn geen kredietlimieten overschreden.

De looptijd van de rekening courant faciliteit is langer dan vijf jaar.

Onderstaande tabel toont de analyse van de financiële verplichtingen van de vennootschap die op nettobasis zullen worden verrekend, onderverdeeld naar relevante vervaldatum, gebaseerd op de resterende periode van balansdatum tot de vervaldatum. De bedragen in de tabel zijn niet – verdisconteerde kasstromen.

De schulden aan leveranciers en handelskredieten zijn als volgt opgebouwd:

	2007	2006
< 30 dagen	218	135
30-60 dagen	22	10
> 60 dagen	218	187
	458	332

Marktrisico

Het marktrisico kan worden onderscheiden in het vreemde valuta risico, prijsrisico en rente risico. Schommelingen in de vreemde valuta, met name in de Dollar en de Yen, hebben direct effect op de besteding voor wat betreft de toeristische markt. Gezien de Porceleyne Fles niet internationaal opereert en er geen investeringen zijn waarover prijsrisico wordt gelopen zijn deze voor de onderneming beperkt. Omdat de Porceleyne Fles geen significante rentedragende activa heeft, zijn het resultaat en de operationele kasstromen grotendeels onafhankelijk van veranderingen in markttrentes.

Ook zijn er geen rentedragende lange termijn leningen die tot een renterisico zouden kunnen leiden. De rente over de rekening courant faciliteit is een vast percentage.

Risicobeheer van het vermogen

De doelstelling van de vennootschap bij het beheersen van het vermogen is het waarborgen van de mogelijkheid om op going concern-basis te opereren ten einde rendementen te behalen voor de aandeelhouders en voordelen voor andere belanghebbenden en om een optimale vermogensstructuur te behouden ten einde de kosten van vermogen te verlagen.

Om de vermogensstructuur te onderhouden of aan te passen kan de onderneming de dividenduitkeringen aan aandeelhouders wijzigen, vermogen terugbetalen aan aandeelhouders, nieuwe aandelen uitgeven of activa verkopen om schulden te verlagen.

De Porceleyne Fles bewaakt haar vermogen met gebruikmaking van de verhouding vreemd vermogen / totaal vermogen. De ratio wordt berekend door de verplichtingen te delen door het totaal vermogen. Het totale vermogen wordt berekend als de som van het eigen vermogen en de verplichtingen zoals opgenomen in de geconsolideerde balans.

De verhouding vreemd vermogen / totaal vermogen per 31 december 2007 en 31 december 2006 waren als volgt:

	2007	2006
Vreemd vermogen	888	1.210
Eigen vermogen	4.301	3.695
Totaal vermogen	5.189	4.905
Verhouding vreemd vermogen / totaal vermogen	0,17	0,25

De solvabiliteit is verbeterd ten opzichte van voorgaand jaar. Dit wordt veroorzaakt door de aandelenemissie in december 2007.

Belangrijkste schattingen en beoordelingen in de jaarrekening

De directie van de Koninklijke Porceleyne Fles formuleert bij de opstelling van de jaarcijfers uitgangspunten en maakt inschattingen voor de toekomst, welke in de praktijk kunnen afwijken van de werkelijkheid.

In dit kader zijn met name voor de inschatting van de waardering van latente belastingvorderingen uit hoofde van compensabele verliezen inschattingen gemaakt ten aanzien van de realiseerbaarheid van fiscale winsten.

Bij de waardering van de toegezegde pensioenregeling wordt gebruik gemaakt van waarderingstechnieken van externe partijen. De daarbij gehanteerde uitgangspunten en inschattingen vormen naar de mening van de directie een goede basis voor de calculaties.

Verondersteld wordt dat de nominale waarde van de handelsvorderingen en -schulden (vanwege het korte termijnkarakter hiervan) de reële waarde ervan benadert.

1.1 Immateriële vaste activa

(in duizenden Euro's)

	software	merken recht	overig	totaal
stand per 01-01-2006				
aanschafprijs	133	0	0	133
cumulatieve amortisatie	-130	0	0	-130
boekwaarde	3	0	0	3
mutaties in de boekwaarde 2006				
Investerings	1	11	0	12
amortisatie	-2	0	0	-2
Saldo	-1	11	0	10
stand per 31-12-2006				
aanschafprijs	134	11	0	145
cumulatieve amortisatie	-132	0	0	-132
boekwaarde	2	11	0	13
mutaties in de boekwaarde 2007				
Investerings	0	4	5	9
amortisatie	-1	-2	0	-3
Saldo	-1	2	5	6
stand per 31-12-2007				
aanschafprijs	134	15	5	154
cumulatieve amortisatie	-133	-2	0	-135
boekwaarde	1	13	5	19
afschrijvingspercentages	33,30%	20%	20%	

De overige immateriële vaste activa bevatten de investeringen in een website welke medio 2008 in bedrijf zal gaan.

1.2 Materiële vaste activa

(in duizenden Euro's)

	gebouwen terreinen	ovens	machines installaties	verbou- wing en inrichting	museale stukken
stand per 01-01-2006					
aanschafprijs	2.238	636	687	799	219
cumulatieve afschrijvingen	-149	-458	-588	-690	0
boekwaarde	2.089	178	99	109	219
mutaties in de boekwaarde 2006					
investeringen	0	5	29	13	0
afschrijvingen	-21	-39	-37	-38	0
saldo	-21	-34	-8	-25	0
stand per 31-12-2006					
aanschafprijs	2.238	641	716	812	219
cumulatieve afschrijvingen	-170	-497	-625	-728	0
boekwaarde	2.068	144	91	84	219
mutaties in de boekwaarde 2007					
investeringen	0	12	157	70	0
afschrijvingen	-21	-32	-57	-19	0
saldo	-21	-20	100	51	0
stand per 31-12-2007					
aanschafprijs	2.238	653	873	882	219
cumulatieve afschrijvingen	-191	-529	-682	-747	0
boekwaarde	2.047	124	191	135	219
afschrijvingspercentages	0 / 2,5%	10%	20%	20%	0%

Het onroerend goed wordt aangehouden voor eigen gebruik. De verkrijgsprijs is, overeenkomstig de overgangsregeling binnen IFRS, gebaseerd op een taxatie per 1 januari 2004. Als zekerheid jegens de bankfaciliteit is een hypotheekrecht verleend op de terreinen en panden voor €3.448.730. Bijzondere waardeverminderingen hebben zich niet voorgedaan. Er zijn ook geen bijzondere waardeverminderingen teruggenomen in het verslagjaar.

1.3 Latente belastingvordering

De mutatie in de latente belastingvordering gedurende het jaar is als volgt:

	2007	2006
Balans per 1 januari	249	252
Gecompenseerd met fiscale winst 2007 (toelichting 6.2)	-11	-3
Balans per 31 december	238	249

Er is rekening gehouden met een tarief van 25,5%

De latente belastingvorderingen houden verband met geheel gewaardeerde compensabele verliezen. Gezien de te verwachten toekomstige resultaten achten wij het aannemelijk deze verliezen binnen de wettelijke termijn van negen jaar te kunnen verrekenen. De daling van de latentie wordt veroorzaakt door realisatie van een deel van de compensabele verliezen als gevolg van de behaalde winst in 2007.

2.1 Voorraden

De specificatie is als volgt:

	2007	2006
Grond- en hulpstoffen	211	211
Onderhanden werk/halffabrikaat	358	312
Gereed product	1.067	1.085
Handelsgoederen	143	143
	1.779	1.751

Per balansdatum heeft geen afwaardering plaatsgevonden naar lagere opbrengstwaarde. Als zekerheid jegens de bankfaciliteit zijn de voorraden voor €711.000 verpand, dit is 40% van de waarde van de voorraden.

2.2 Handels- en overige vorderingen

De specificatie is als volgt:

	2007	2006
Handelsdebiteuren	221	175
Overige vorderingen	161	38
	382	213

Ouderdomsanalyse van de handelsdebiteuren:

	2007	2006
< 30 dagen	192	140
30-60 dagen	2	4
> 60 dagen	27	31
	221	175

Per balansdatum is er (evenals voorgaand jaar) geen voorziening gevormd voor mogelijke oninbaarheid. Volgens de algemene leveringsvoorwaarden bedraagt de betalingstermijn 30 dagen na factuurdatum, de werkelijke gemiddelde betalingstermijn bedraagt 34 dagen. Op 31 december 2007 waren handelsdebiteuren voor een bedrag van €29.000 over de betaaldatum. Dit betreft de handelsdebiteuren ouder dan 30 dagen in bovenstaande ouderdomsanalyse, doch dit heeft niet tot een afboeking geleid. Deze vorderingen hebben betrekking op een aantal onafhankelijke afnemers die niet als wanbetaler bekend staan. Het maximale kredietrisico op balansdatum is de reële waarde van elke post uit de vorderingen zoals bovenstaand beschreven. De vennootschap heeft geen zekerheden verkregen op deze vorderingen. Als zekerheid jegens de bankfaciliteit zijn de handelsdebiteuren tot 70% van het openstaand bedrag verpand ten bedrage van €155.000.

2.3 Liquide middelen

De liquide middelen staan volledig ter vrije beschikking, waarbij de specificatie als volgt is:

Liquide Middelen	2007	2006
Kas	14	28
Bank	17	9
Postbank	24	36
	55	73

3.1 Geplaatst kapitaal

Het maatschappelijk kapitaal van de Vennootschap bedraagt 400.000 gewone aandelen (2006: 400.000) elk van €1 (2006: €1). Het aantal gewone en geplaatste aandelen per 31 december 2007 bedroeg 293.702 (2006: 267.245 stuks). In 2007 zijn 26.457 aandelen onderhands uitgegeven. Alle geplaatste aandelen zijn volledig volgestort. De beurskoers bedroeg per ultimo 2007 €23,90. De beurskoers heeft in 2007 gefluctueerd van €19,40 tot €26,50.

3.2 Agioreserve

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	915	915
Onderhandse plaatsing	535	0
Emissie kosten	-8	0
	1.442	915

In 2007 heeft er een aandelenemissie plaatsgevonden waardoor de agioreserve met €527.000 is gestegen.

3.3 Overige reserves

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	2.513	2.500
Resultaat	53	13
Balans per 31 december	2.566	2.513

Een nadere specificatie van de overige reserves is opgenomen in de toelichting van het eigen vermogen in de enkelvoudige jaarrekening.

4.1 Personeelsgerelateerde voorzieningen

	2007	2006
Balansverplichtingen voor:		
Pensioenvoorziening	114	118
Jubileumvoorziening	15	18
	129	136

De Porceleynse Fles kent een middellood pensioenregeling die geldt voor alle medewerkers.

Pensioenvoorziening

	2007	2006
Contante waarde van aanspraken, volledig gefinancierd	4.759	5.335
Reële waarde van beleggingen	-4.584	-5.137
Tekort/overschot	175	198
Nog niet in aanmerking genomen actuariële winsten/verliezen	-61	-80
Totale balansvoorziening	114	118

Mutatieoverzicht van contante waarde pensioenaanspraken

	2007	2006
Begin van het jaar	5.335	7.594
Aan het dienstjaar toegerekende pensioenkosten	67	105
Rentekosten	219	297
Deelnemersbijdrage	32	29
Netto actuariële winsten / (verliezen)	-529	-2.334
Uitkeringen gedurende het jaar	-365	-356
Einde van het jaar	4.759	5.335

Mutatieoverzicht van reële waarde fondsbeleggingen

	2007	2006
Begin van het jaar	5.137	7.342
Verwachte opbrengst beleggingen	213	289
Actuariële winsten / (verliezen)	-510	-2.248
Bijdragen gedurende het jaar	109	110
Uitkeringen gedurende het jaar	-365	-356
Einde van het jaar	4.584	5.137
Het werkelijke resultaat op fondsbeleggingen	-297	-1.959

In 2006 is bij de actuariële berekening van de pensioenaanspraken en de waarde van de beleggingen rekening gehouden met een onvoorwaardelijke indexatie van 2% in plaats van met een voorwaardelijke indexatie die feitelijk is toegekend. In 2007 is met dit feit rekening gehouden in de berekening en dienovereenkomstig zijn de vergelijkende cijfers in de toelichting aangepast. Een en ander heeft geen effect gehad op de totale balansvoorziening.

De bedragen opgenomen in de winst- en verliesrekening zijn als volgt:

	2007	2006
Aan het dienstjaar toegerekende pensioenkosten	67	105
Rentekosten	219	297
Verwacht rendement op beleggingen	-213	-289
Totaal, opgenomen in personeelskosten	73	113

Mutatieoverzicht pensioenvoorziening

	2007	2006
Balansvoorziening per 1 januari	118	86
Totale last uit winst- en verliesrekening	73	113
Betaalde bijdragen werkgever	-77	-81
Balansvoorziening per 31 december	114	118

Pensioenkosten

	2007	2006
Pensioenrechten	73	113
Pensioenbijdrage management	9	13
	82	126

De belangrijkste actuariële veronderstellingen zijn als volgt:

	2007	2006
Disconteringsvoet per 31 december	5,60%	4,25%
Verwacht rendement op beleggingen	5,60%	4,25%
Toekomstige salaristoename	2,50%	2,50%
Inflatie	2,00%	2,00%
Toekomstige pensioentoename	0,00%	0,00%

Veronderstellingen met betrekking tot de levensverwachting zijn gebaseerd op de gepubliceerde statistieken. De gemiddelde levensverwachting in jaren van een gepensioneerde die op 65-jarige leeftijd met pensioen gaat is als volgt:

	2007	2006
Mannen	18,4	16,4
Vrouwen	20,9	19,9

Er is gebruik gemaakt van de generatietafels AG 2050 met leeftijdsverschuiving 2 jaar voor mannen en 1 jaar voor vrouwen.

Mutatieoverzicht jubileumvoorziening

	2007	2006
Balansvoorziening per 1 januari	18	22
Totale kosten	1	2
Jubilea uitgekeerd in lopend boekjaar	-4	-6
Balansvoorziening per 31 december	15	18

Jubileumkosten

	2007	2006
Toe te rekenen last na één jaar dienstverband	1	1
Toe te rekenen interest	1	1
Actuariële resultaten	-1	0
Totale last	1	2

De belangrijkste actuariële veronderstellingen zijn als volgt:

	2007	2006
Disconteringsvoet per 31 december	5,25%	4,25%
Toekomstige salaristoename	2,50%	2,50%
Inflatie	2,00%	2,00%

De kosten van de jubileumvoorziening zijn in de verlies- en winstrekening verwerkt in de post overige bedrijfskosten.

4.2 Latente belastingverplichting

De latente belastingverplichting heeft betrekking op een passieve latentie voor tijdelijke verschillen tussen het fiscaal en commercieel vermogen ten aanzien van de waardering van het pand als wel de afwijking tussen de fiscale en commerciële afschrijving op dit pand en een actieve latentie voor de voorziening pensioenen. De latente belastingverplichting beslaat een periode van meer dan één jaar.

De latente belastingverplichting kan als volgt worden uitgesplitst:

	2007	2006
Passieve latentie pand	218	210
Actieve latentie pensioenen	-29	-30
	189	180

De mutatie in de latente belastingverplichting gedurende het jaar is als volgt:

	2007	2006
Balans per 1 januari	180	170
Naar winst-en verliesrekening (toelichting 6.2)	9	10
Balans per 31 december	189	180

Toegepast tarief is 25,5%

5.1 Schuld aan kredietinstellingen

De Koninklijke Porceleyne Fles heeft een rekening-courant faciliteit voor de volgende bedragen: Een rekening-courant faciliteit met een limiet van €1.000.000 en een stand-by rekening courant met een limiet van €361.000 ter financiering van de bedrijfsactiviteiten.

	totaal	korter dan één jaar	langer dan vijf jaar	debet rente	krediet Provisie
Rekening-courant faciliteit	1.000.000		1.000.000	5,50%	0,1875%
Stand-by krediet	361.000		361.000	5,50%	0,1875%

Ter zekerheidstelling van deze faciliteiten zijn grond en gebouwen bezwaard met onderpand ter hoogte van de rekening-courant faciliteit. De voorraden zijn tot 40% van de totale waarde ad €711.000 en de debiteuren tot 70% van de totale waarde ad €155.000 bezwaard met onderpand ten behoeve van het stand-by krediet. Per 31 december 2007 is de kredietfaciliteit aangewend tot €112.000 (31 december 2006: €562.000).

5.2 Handels- en overige schulden

De specificatie is als volgt:

	2007	2006
Schulden aan leveranciers en handelskredieten	147	62
Belastingen en sociale verzekeringen	79	89
Overige schulden	23	11
Reservering vakantiegeld/dagen	78	77
Reservering winstuitkering	28	0
Overlopende passiva	103	93
	458	332

6. Netto Omzet

	2007	2006
Omzet direct aan consument	2.535	2.636
Omzet via distributiekkanalen	1.291	1.501
	3.826	4.137

De netto-omzet is met ruim 7% gedaald ten opzichte van 2006. Deze omzet wordt hoofdzakelijk in Nederland gerealiseerd.

6.1 Overige bedrijfskosten

De specificatie is als volgt:

	2007	2006
Verkoopkosten	154	165
Huisvestingskosten	231	233
Algemene Kosten	788	699
	1.173	1.097

6.2 Belastingen resultaat uit gewone bedrijfsuitvoering:

	2007	2006
Acute belastingen	0	0
Mutatie latente belastingvordering (toelichting 1.3)	11	3
Mutatie latente belastingverplichting (toelichting 4.2)	9	10
Belastinglast	20	13

De belasting over de winst voor belastingen wijkt als volgt af van de last die zou ontstaan bij toepassing van het gewogen gemiddelde nominale belastingtarief:

	2007	2006
Resultaat voor belastingen	73	26
Niet aftrekbare kosten	5	0
Fiscaal hogere afschrijving pand	-29	-29
Fiscaal hogere pensioenlasten	-3	32
Investeringsaftrek	0	-11
Belastbaar bedrag	46	18
Belastinglast	20	13
Effectief belasting tarief	27%	50%
Toepasselijk tarief	25,50%	25,50%

N.V. De Koninklijke Porceleyne Fles vormt een fiscale eenheid met haar dochterondernemingen. Het effectieve belastingtarief wijkt in 2007 af van het toepasselijke belastingtarief als gevolg van niet aftrekbare gemengde kosten. De afwijking van het effectief belastingtarief ten opzichte van het toepasselijk belastingtarief over boekjaar 2006 is name ingegeven door de aanpassing van het belastingtarief en de investeringsaftrek.

7. Winst per aandeel

Het resultaat per aandeel wordt berekend door de totale winst die aandeelhouders van de vennootschap toekomt te delen door het gewogen gemiddelde aantal uitstaande gewone aandelen.

	2007	2006
Resultaat toerekenbaar aan houders van aandelen van de NV	53.000	13.000
Gewogen gemiddelde aantal uitgegeven aandelen	269.400	267.245
Gewone winst / verlies per aandeel (€ per aandeel)	0,20	0,05

Er zal geen correctie optreden met betrekking tot de verwaterde winst per aandeel, omdat er geen potentiële aandelen zijn die tot verwatering zullen leiden. Een deel van de overige reserves ten bedrag van €1.464.000 kan niet worden uitgekeerd (zie toelichting op pagina 51 van de vennootschappelijke jaarrekening).

8. Werknemers

Gedurende het jaar 2007 waren gemiddeld 68 werknemers in dienst (2006:73), allen werkzaam binnen Nederland. Dit is inclusief ons bestand van oproepkrachten, die voornamelijk in het hoogseizoen worden ingezet. Omgerekend naar fulltime eenheden bedroeg het gemiddeld aantal werknemers 56 (2006: 56).

9. Beloningen directie en Raad van Commissarissen

	2007	2006
Directie (inclusief commercieel directeur)	132.795	133.603
Raad van Commissarissen	19.500	19.500

10. Niet uit de balans blijvende verplichtingen

De volgende verplichtingen blijken niet uit de balans:

	2007	2006
Operationele leaseverplichtingen vervoermiddelen		
Vervallen termijnen binnen 1 jaar	24.492	24.492
Vervallen termijnen binnen 5 jaar	34.405	58.897
Betaalde leasekosten gedurende het boekjaar	24.492	21.430

De Koninklijke Porcelayne Fles vormt geconsolideerd een fiscale eenheid met haar dochter-ondernemingen voor zowel de vennootschapsbelasting als de omzetbelasting. Op grond van de standaardvoorwaarden zijn de vennootschap en de met haar gevoegde dochteronderneming ieder hoofdelijk aansprakelijk voor ter zake door de combinatie verschuldigde belasting.

11. Verbonden partijen

De Porcelayne Fles is voornemens in 2008, in samenwerking met de Gemeente Delft, een stichting op te richten waarin de Museumfabriek ondergebracht zal worden. Voor deze stichting is tot en met 2007 €59.000 aan kosten gemaakt, welke in de balans verantwoord zijn onder de handels- en overige vorderingen. Bij de oprichting van deze stichting zullen deze kosten worden verrekend.

12. Gebeurtenissen na balansdatum

N.V. Koninklijke Delftsch Aardewerfabriek “De Porcelayne Fles Anno 1653” / Royal Delft heeft op 30 november de definitieve koopovereenkomst getekend betreffende de overname van een 100% belang in kristalproducent B.V. Leerdam Crystal (Royal Leerdam Crystal).

B.V. Leerdam Crystal (Royal Leerdam Crystal) is de ‘designtak’ van de traditierijke Leerdamse glasfabriek, die 1878 werd opgericht. Sinds 1953 mag de glasfabriek de naam ‘koninklijk’ voeren. Het bedrijf produceert een breed scala aan kristallen gebruiks- en siervoorwerpen, welke ambachtelijk worden vervaardigd. Al vanaf het begin van de twintigste eeuw trekt de fabriek kunstenaars aan om een esthetisch verantwoord assortiment gebruiks- en sierglas op de markt te brengen. De reputatie van Royal Leerdam Crystal is gevestigd door beroemde glasontwerpers als Berlage, De Bazel, Lebeau, Lanooy, A.D. Copier en Meydam. Naast ontwerper Siem van der Marel is sinds enkele jaren een wisselende groep van (jonge) vormgevers en kunstenaars aan de fabriek verbonden, die mede de uitstraling van Royal Leerdam Crystal bepalen.

Op 2 januari 2008 heeft de feitelijke levering van een 100%-belang in het aandelenkapitaal van Royal Leerdam Crystal plaatsgevonden voor een bedrag van €585.258. De directe kosten met betrekking tot de acquisitie bedroegen €83.181. De verkregen netto activa, verplichtingen en goodwill zijn als volgt:

Aankoopprijs:

Betaald in contanten	360.258
Uitgestelde betaling	225.000
Totale aankoopprijs	585.258
Directe kosten met betrekking tot de acquisitie	83.181
Koopprijs totaal	668.439
Reële waarde van netto activa en verplichtingen	1.002.472
Saldo	-334.033

De activa en verplichtingen van de overname (op basis van voorlopige berekeningen) zijn als volgt:

	Reële waarde	In boeken van overgenomen partij
Liquide middelen	21.247	21.247
Materiële vaste activa	135.882	135.882
Activa	295.049	295.049
Passiva	-422.571	-422.571
Vorraden	687.133	687.131
Handels- en overige vorderingen	171.735	171.735
Handels- en overige crediteuren	-113.753	-113.733
Latente belastingenverplichting	-77.955	
Merk	305.705	
Netto activa en verplichtingen	1.002.472	774.740
Koopprijs	-668.439	
Saldo	334.033	

De verwerking van één en ander zal plaatsvinden in de geconsolideerde jaarrekening van 2008.

6. ENKELVOUDIGE BALANS PER 31 DECEMBER 2007 VAN ROYAL DELFT

(in duizenden Euro's)

	31 december 2007	31 december 2006
(voor voorgestelde winstbestemming)		
ACTIVA		
Vaste activa		
10.1 Immateriële vaste activa	19	13
10.2 Materiele vaste activa	669	538
11.1 Financiële vaste activa	2.045	2.066
11.2 Latente belastingvordering	238	249
	<hr/> 2.971	<hr/> 2.866
Vlottende activa		
12.1 Voorraden	1.779	1.751
12.2 Handels- en overige vorderingen	382	213
12.3 Liquide middelen	55	73
	<hr/> 2.216	<hr/> 2.037
Totaal activa	5.187	4.903
PASSIVA		
13 Eigen vermogen		
13.1 Geplaatst kapitaal	293	267
13.2 Agioreserve	1.442	915
13.3 Herwaarderingsreserve	1.464	1.529
13.4 Overige reserves	1.049	971
Onverdeelde winst boekjaar	53	13
	<hr/> 4.301	<hr/> 3.695
Voorzieningen		
14 Personeelsgerelateerde voorzieningen	129	136
15 Latente belastingverplichting	189	180
	<hr/> 318	<hr/> 316
Kortlopende verplichtingen		
16 Schuld aan kredietinstellingen	112	562
17 Handels- en overige schulden	456	330
	<hr/> 568	<hr/> 892
Totaal verplichtingen	886	1.208
Totaal eigen vermogen en verplichtingen	5.187	4.903

7. ENKELVOUDIGE WINST- EN VERLIESREKENING 2007 VAN ROYAL DELFT

(in duizenden Euro's)

	2007	2006
Resultaat uit deelnemingen na belastingen	0	0
Overige baten en lasten na belastingen	53	13
Netto Resultaat	53	13

8. TOELICHTING OP DE ENKELVOUDIGE JAARREKENING

Algemeen

Grondslagen voor het opstellen van de enkelvoudige jaarrekening

De enkelvoudige jaarrekening van de Koninklijke Porceleyne Fles wordt opgesteld in overeenstemming met de wettelijke bepalingen van Titel 9 boek 2 BW. Hierbij wordt gebruik gemaakt van de door artikel 2.362 lid 8 BW geboden mogelijkheid om in de enkelvoudige jaarrekening de grondslagen van waardering en resultaatbepaling toe te passen die in de geconsolideerde jaarrekening worden gehanteerd.

Grondslagen van waardering en van resultaatbepaling

De grondslagen van waardering en van resultaatbepaling voor de enkelvoudige jaarrekening zijn gelijk aan die voor de geconsolideerde jaarrekening. Indien geen nadere grondslagen zijn vermeld wordt verwezen naar de vermelde grondslagen in de geconsolideerde jaarrekening. Dit leidt tot een verbetering in de verslaggeving van de enkelvoudige jaarrekening. Hiermee blijven het eigen vermogen en het netto resultaat in de enkelvoudige jaarrekening in beginsel gelijk aan het eigen vermogen in de geconsolideerde jaarrekening, wat naar Nederlands gebruik algemeen geaccepteerd is. Tevens leidt het tot een vereenvoudiging van de verslaggeving aangezien de Koninklijke Porceleyne Fles kan volstaan met één set van grondslagen voor haar (te consolideren) deelnemingen.

Alle in de toelichting vermelde bedragen zijn in duizenden euro's tenzij anders vermeld.

Financiële vaste activa

Deelnemingen in dochterondernemingen

Deelnemingen in dochterondernemingen en andere maatschappijen waarin de Koninklijke Porceleyne Fles overheersende zeggenschap kan uitoefenen of waarover zij de centrale leiding heeft, worden gewaardeerd op de nettovermogenswaarde. Deze wordt bepaald door de activa, voorzieningen en schulden te waarderen en het resultaat te berekenen volgens de grondslagen die worden gehanteerd in de geconsolideerde jaarrekening.

Bij de vaststelling van de nettovermogenswaarde wordt rekening gehouden met de overgangsbepalingen voor de vaststelling van waarden en de waarderingsgrondslagen van de eerste toepassing van de grondslagen gehanteerd in de geconsolideerde jaarrekening.

Er wordt onderling geen interest verrekend.

In de enkelvoudige jaarrekening zijn de volgende 100% deelnemingen opgenomen:

B.V. Faience en Tegelfabriek Westraven v/h Gebroeders Ravesteyn te Delft, B.V. Zenith Van der Want Pijpenfabrieken Anno 1749 te Delft en B.V. Royal Delft Onroerend Goed te Delft.

Door B.V. Royal Delft Onroerend Goed wordt onroerend goed aangehouden voor eigen gebruik. De overige vennootschappen hebben geen activiteiten.

10.1 Immateriële vaste activa

(in duizenden Euro's)

	software	merken recht	overig	totaal
stand per 01-01-2006				
aanschafprijs	133	0	0	133
cumulatieve amortisatie	-130	0	0	-130
boekwaarde	3	0	0	3
mutaties in de boekwaarde 2006				
Investerings	1	11	0	12
amortisatie	-2	0	0	-2
Saldo	-1	11	0	10

stand per 31-12-2006

aanschafprijs	134	11	0	145
cumulatieve amortisatie	-132	0	0	-132
boekwaarde	2	11	0	13

mutaties in de boekwaarde 2007

Investerings	0	4	5	9
amortisatie	-1	-2	0	-3
Saldo	-1	2	5	6

stand per 31-12-2007

aanschafprijs	134	15	5	154
cumulatieve amortisatie	-133	-2	0	-135
boekwaarde	1	13	5	19

afschrijvingspercentages 33,30% 20% 20%

De overige immateriële vaste activa bevatten de investeringen in een website welke medio 2008 in bedrijf zal gaan.

10.2 Materiële vaste activa*(in duizenden Euro's)*

	ovens	machines installaties	verbou- wing en inrichting	museale stukken	totaal
stand per 01-01-2006					
aanschafprijs	636	687	799	219	2.341
cumulatieve afschrijvingen	-458	-588	-690	0	-1.736
boekwaarde	178	99	109	219	605
mutaties in de boekwaarde 2006					
investeringen	5	29	13	0	47
afschrijvingen	-51	-37	-26	0	-114
saldo	-46	-8	-13	0	-67
stand per 31-12-2006					
aanschafprijs	641	716	812	219	2.388
cumulatieve afschrijvingen	-509	-625	-716	0	-1.850
boekwaarde	132	91	96	219	538
mutaties in de boekwaarde 2007					
investeringen	12	157	70	0	239
afschrijvingen	-32	-57	-19	0	-108
saldo	-20	100	51	0	131
stand per 31-12-2007					
aanschafprijs	653	873	882	219	2.627
cumulatieve afschrijvingen	-541	-682	-735	0	-1.958
boekwaarde	112	191	147	219	669
afschrijvingspercentages	10%	20%	20%	0%	

11.1 Financiële vaste activa

	2007	2006
Aandelen in dochterondernemingen (100%) gewaardeerd tegen netto vermogenswaarde	953	953
Vorderingen op dochterondernemingen	1.092	1.113
	2.045	2.066

De ontwikkeling van de netto vermogenswaarde dochterondernemingen is als volgt:

	2007	2006
Waarde per 1 januari	953	953
Resultaat dochterondernemingen	0	0
Waarde per 31 december	953	953

De ontwikkeling van de vordering op dochterondernemingen is als volgt:

	2007	2006
Waarde per 1 januari	1.113	1.134
Mutatie	-21	-21
Waarde per 31 december	1.092	1.113

11.2 Latente belastingvordering

De mutatie in de latente belastingvordering gedurende het jaar is als volgt:

	2007	2006
Balans per 1 januari	249	252
Gecompenseerd met fiscale winst 2007	-11	-3
Balans per 31 december	238	249

Er is rekening gehouden met een tarief van 25,5%

De latente belastingvorderingen houden verband met geheel gewaardeerde compensabele verliezen. Gezien de te verwachten toekomstige resultaten achten wij het aannemelijk deze verliezen binnen de wettelijke termijn van negen jaar te kunnen verrekenen. De daling van de latentie wordt veroorzaakt door realisatie van een deel van de compensabele verliezen als gevolg van de behaalde winst in 2007.

12.1 Voorraden

De specificatie is als volgt:

	2007	2006
Grond- en hulpstoffen	211	211
Onderhanden werk/halffabrikaat	358	312
Gereed product	1.067	1.085
Handelsgoederen	143	143
	1.779	1.751

Per balansdatum heeft geen afwaardering plaatsgevonden naar lagere opbrengstwaarde. Als zekerheid jegens de bankfaciliteit zijn de voorraden voor €711.000 verpand, dit is 40% van de waarde van de voorraden.

12.2 Handels- en overige vorderingen

De specificatie is als volgt:

	2007	2006
Handelsdebiteuren	221	175
Overige vorderingen	161	38
	382	213

Als zekerheid jegens de bankfaciliteit zijn de handelsdebiteuren tot 70% van het openstaand bedrag verpand.

12.3 Liquide middelen

De liquide middelen staan volledig ter vrije beschikking, waarbij de specificatie als volgt is:

	2007	2006
Kas	14	28
Bank	17	9
Postbank	24	36
	55	73

Eigen Vermogen

13.1 Geplaatst kapitaal

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	267	267
Mutatie	26	0
Balans per 31 december	293	267

13.2 Agioreserve

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	915	915
Onderhandse plaatsing	535	0
Emissie kosten	-8	0
	1.442	915

13.3 Herwaarderingsreserve

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	1.529	1.594
Afschrijving herwaardering	-65	-65
Balans per 31 december	1.464	1.529

13.4 Overige reserves

Het verloop is als volgt:

	2007	2006
Balans per 1 januari	971	1.107
Mutatie	78	-136
Balans per 31 december	1.049	971

De herwaarderingsreserve komt voort uit de herwaardering van het pand in 1990 en 2004. De herwaarderings-reserve kan niet worden uitgekeerd.

14. Personeelsgerelateerde voorzieningen

	2007	2006
Balansverplichtingen voor:		
Pensioenvoorziening	114	118
Jubileumvoorziening	15	18
	129	136

De Porceleyne Fles kent een middelloon pensioenregeling die geldt voor alle medewerkers.

Pensioenvoorziening

	2007	2006
Balansvoorziening per 01 januari	118	86
Totale last uit winst- en verliesrekening	73	113
Betaalde bijdragen	-77	-81
Balansvoorziening per 31 december	114	118

Jubileumvoorziening

	2007	2006
Balansvoorziening per 01 januari	18	22
Totale last uit winst- en verliesrekening	1	2
Jubilea uitgekeerd in lopend boekjaar	-4	-6
Balansvoorziening per 31 december	15	18

15. Latente belastingverplichting

De mutatie in de latente belastingverplichting gedurende het jaar is als volgt:

	2007	2006
Balans per 1 januari	180	170
Naar winst- en verliesrekening	9	10
Balans per 31 december	189	180

Toegepast tarief is 25,5%

De latente belastingverplichtingen hebben betrekking op tijdelijke verschillen tussen het fiscaal en commercieel vermogen ten aanzien van de waardering van het pand en de voorziening voor pensioenen als wel de afwijking tussen de fiscale en commerciële afschrijving op dit pand. De latente belastingverplichtingen beslaan een periode van meer dan één jaar.

16. Schuld aan kredietinstellingen

De Koninklijke Porceleynse Fles heeft een rekening-courant faciliteit voor de volgende bedragen:

Een rekening-courant faciliteit met een limiet van €1.000.000 en een standby rekening courant met een limiet van €361.000 ter financiering van de bedrijfsactiviteiten.

	totaal	korter dan één jaar	langer dan vijf jaar	debet rente	krediet provisie
Rekening-courant faciliteit	1.000.000		1.000.000	5,50%	0,1875%
Stand-by krediet	361.000		361.000	5,50%	0,1875%

Ter zekerheidstelling van deze faciliteiten zijn grond en gebouwen bezwaard met onderpand ter hoogte van de rekening-courant faciliteit. De voorraden zijn tot 40% van de totale waarde ad €711.000 en de debiteuren tot 70% van de totale waarde ad €155.000 bezwaard met onderpand ten behoeve van het stand-by krediet. Per 31 december 2007 is de kredietfaciliteit aangewend tot €112.000 (per 31 december 2006: €562.000).

17. Handels- en overige schulden

De specificatie is als volgt:

	2007	2006
Schulden aan leveranciers en handelskredieten	147	62
Belastingen en sociale verzekeringen	79	89
Overige schulden	23	11
Overlopende passiva	207	168
	456	330

18. Bestuursbeloningen

	2007	2006
<u>W.J.C.M. van Haaren</u>		
salaris	0	54
pensioen	0	3
tantième	0	0
	0	57
<u>W.P. Grasso</u>		
salaris	101	40
pensioen	5	6
tantième	0	0
	106	46
	106	103

W.J.C.M. van Haaren is in 2006 actief geweest in de periode van 1 januari tot en met 31 juli 2006. W.P. Grasso is als directeur actief sinds 1 juli 2006.

Overeenkomstig de bestaande tantièmeregeling zal er, evenals in 2006, geen tantième over 2007 worden uitgekeerd.

19. Werknemers

Gedurende het jaar 2007 waren gemiddeld 68 werknemers in dienst (2006:73), allen werkzaam binnen Nederland. Dit is inclusief ons bestand van oproepkrachten, die voornamelijk in het hoogseizoen worden ingezet. Omgerekend naar fulltime eenheden bedroeg het gemiddeld aantal werknemers 56 (2006: 56).

20. Beloning van de leden van de Raad van Commissarissen

	2007	2006
J.van de Geest-Vogelaar	4.500	4.500
M.Udink	6.000	6.000
T.H. Woltman	4.500	4.500
J.A. Fentener-van Vlissingen	4.500	4.500

Niet uit de balans blijkende verplichtingen

De volgende verplichtingen blijken niet uit de balans:

Operationele leaseverplichtingen vervoermiddelen

	2007	2006
Vervallen termijnen binnen 1 jaar	24.492	24.492
Vervallen termijnen binnen 5 jaar	34.405	58.897
Betaalde leasekosten gedurende het boekjaar	24.492	21.430

Door de vennootschap zijn ten behoeve van de in de consolidatie betrokken dochterondernemingen aansprakelijkheidsstellingen afgegeven zoals bedoeld in artikel 2:403 BW.

De Koninklijke Porceleynse Fles vormt geconsolideerd een fiscale eenheid met haar dochterondernemingen voor zowel de vennootschapsbelasting als de omzetbelasting. Op grond van de standaardvoorwaarden zijn de vennootschap en de met haar gevoegde dochteronderneming ieder hoofdelijk aansprakelijk voor ter zake door de combinatie verschuldigde belasting.

Gebeurtenissen na balansdatum

Op 2 januari 2008 is een 100% belang in BV Leerdam Crystal overgenomen. Hiervoor wordt verwezen naar de toelichting in de geconsolideerde jaarrekening (zie punt 12 van de toelichting in de geconsolideerde jaarrekening).

9. ACCOUNTANTSVERKLARING JAARREKENING 2007 VAN ROYAL DELFT

Aan de Algemene Vergadering van Aandeelhouders van N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653", v/h Joost Thooft & Labouchere

ACCOUNTSVERKLARING

Verklaring betreffende de jaarrekening

Ingevolge uw opdracht hebben wij de jaarrekening 2007 van N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653, v.h. Joost Thooft & Labouchere te Delft gecontroleerd. De jaarrekening omvat de geconsolideerde en de enkelvoudige jaarrekening. De geconsolideerde jaarrekening bestaat uit de geconsolideerde balans per 31 december 2007, winst- en verliesrekening, mutatieoverzicht eigen vermogen en kasstroomoverzicht over 2007 alsmede uit een overzicht van de belangrijkste grondslagen voor financiële verslaggeving en overige toelichtingen. De enkelvoudige jaarrekening bestaat uit de enkelvoudige balans per 31 december 2007, en de enkelvoudige winst- en verliesrekening over 2007 met de toelichting.

Verantwoordelijkheid van de directie

De directie van de vennootschap is verantwoordelijk voor het opmaken van de jaarrekening die het vermogen en het resultaat getrouw dient weer te geven in overeenstemming met Internationaal Financial Reporting Standards zoals aanvaard binnen de Europese Unie en met Titel 9 Boek 2 BW, alsmede voor het opstellen van het directieverslag in overeenstemming met Titel 9 Boek 2 BW. Deze verantwoordelijkheid omvat onder meer: het ontwerpen, invoeren en in stand houden van een intern beheersingssysteem relevant voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat, zodanig dat deze geen afwijkingen van materieel belang als gevolg van fraude of fouten bevat, het kiezen en toepassen van aanvaardbare grondslagen voor financiële verslaggeving en het maken van schattingen die onder de gegeven omstandigheden redelijk zijn.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht. Dienovereenkomstig zijn wij verplicht te voldoen aan de voor ons geldende gedragsnormen en zijn wij gehouden onze controle zodanig te plannen en uit te voeren dat een redelijke mate van zekerheid wordt verkregen dat de jaarrekening geen afwijkingen van materieel belang bevat.

Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle informatie over de bedragen en de toelichtingen in de jaarrekening. De keuze van de uit te voeren werkzaamheden is afhankelijk van de professionele oordeelsvorming van de accountant, waaronder begrepen zijn beoordeling van de risico's van afwijkingen van materieel belang als gevolg van fraude of fouten. In die beoordeling neemt de accountant in aanmerking het voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat relevante interne beheersingssysteem, teneinde een verantwoorde keuze te kunnen maken van de controlewerkzaamheden die onder de gegeven omstandigheden adequaat zijn maar die niet tot doel hebben een oordeel te geven over de effectiviteit van het interne beheersingssysteem van de vennootschap. Tevens omvat een controle onder meer een evaluatie van de aanvaardbaarheid van de toegepaste grondslagen voor financiële verslaggeving en van de redelijkheid van schattingen die de directie van de vennootschap heeft gemaakt, alsmede een evaluatie van het algehele beeld van de jaarrekening.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Oordeel betreffende de geconsolideerde jaarrekening

Naar ons oordeel geeft de geconsolideerde jaarrekening een getrouw beeld van de grootte en de samenstelling van de N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653" v/h Joost Thooft & Labouchere per 31 december 2007 en van het resultaat en de kasstromen over 2007 in overeenstemming met International Financial Reporting Standards zoals aanvaard binnen de Europese Unie en met Titel 9 Boek 2 BW.

Oordeel betreffende de enkelvoudige jaarrekening

Naar ons oordeel geeft de enkelvoudige jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653" v/h Joost Thooft & Labouchere per 31 december 2007 en van het resultaat over 2007 in overeenstemming met Titel 9 Boek 2 BW.

Verklaring betreffende andere wettelijke voorschriften en/of voorschriften van regelgevende instanties*

Op grond van de wettelijke verplichting ingevolge artikel 2:393 lid 5 onder e BW melden wij dat het directieverslag, voor zover wij dat kunnen beoordelen, verenigbaar is met de jaarrekening zoals vereist in artikel 2:391 lid 4 BW.

Amsterdam, 10 maart 2008

PricewaterhouseCoopers Accountants N.V.

P. Jongerius RA

* Bovenstaande verklaring betreft de oorspronkelijke verklaring zoals afgegeven d.d. 10 maart 2008 bij het jaarverslag van N.V. Koninklijke Delftsch Aardewerkfabriek "De Porceleyne Fles Anno 1653", voorheen Joost Thooft en Labouchere, waarin eveneens het directieverslag was opgenomen. Voor het doel van dit Prospectus is afgezien van het opname van het directieverslag.

10. GECONSOLIDEERDE BALANS PER 30 JUNI 2008 VAN ROYAL DELFT

(in duizenden Euro's)

	30 juni 2008	31 december 2007
ACTIVA		
Vaste activa		
Immateriële vaste activa	277	19
Materiele vaste activa	2.898	2.716
Latente belastingvordering	238	238
	3.413	2.973
Viottende activa		
Vorraden	2.738	1.779
Handels- en overige vorderingen	858	382
Liquide middelen	147	55
	3.743	2.216
Totaal activa	7.156	5.189
EIGEN VERMOGEN		
Geplaatst kapitaal	293	293
Agioreserve	1.442	1.442
Overige reserves	2.580	2.566
Totaal eigen vermogen	4.315	4.301
VERPLICHTINGEN		
Langlopende verplichtingen		
Personeelsgerelateerde voorzieningen	203	129
Latente belastingverplichting	243	189
	446	318
Kortlopende verplichtingen		
Schuld aan kredietinstellingen	1.172	112
Handels- en overige schulden	1.223	458
	2.395	570
Totaal verplichtingen	2.841	888
Totaal eigen vermogen en verplichtingen	7.156	5.189

11. GECONSOLIDEERDE WINST- EN VERLIESREKENING OVER HET EERSTE HALFJAAR 2008 VAN ROYAL DELFT

<i>(in duizenden Euro's)</i>	2008	2007
Netto omzet	2.397	2.102
Mutatie onderhanden werk	213	-62
Inkoop, grondstoffen en andere ext.kosten	72	262
Lonen en salarissen	1.137	881
Sociale lasten	210	116
Pensioenkosten	84	44
Afschrijvingen op materiële vaste activa	82	60
Amortisatie immateriële vaste activa	18	2
Overige bedrijfskosten	826	516
	-282	0
Totaal bedrijfslasten	2.360	1.819
Bedrijfsresultaat	37	283
Financiële lasten	-23	-23
Resultaat voor belastingen	14	260
Belastingen	0	-65
Netto Resultaat	14	195
Toekomend aan:		
Aandeelhouders Royal Delft	14	195
Winst per aandeel (uitgedrukt in € per aandeel)		
Gewoon	0,05	0,73
Verwaterd	0,05	0,73

12. GECONSOLIDEERD MUTATIEOVERZICHT VAN HET EIGEN VERMOGEN VAN ROYAL DELFT

<i>(in duizenden Euro's)</i>	aandelen kapitaal	agio reserve	overige reserves	totaal eigen vermogen
Balans per 1 januari 2007	267	915	2.513	3.695
Resultaat eerste halfjaar 2007	195	195		
Stand per 30 juni 2007	267	915	2.708	3.890
Balans per 1 januari 2008	293	1.442	2.566	4.301
Aandelenemissie			14	14
Stand per 31 december 2007	293	1.442	2.580	4.315

13. GECONSOLIDEERD KASSTROOMOVERZICHT OVER HET EERSTE HALF JAAR VAN ROYAL DELFT

<i>(in duizenden euro's)</i>	2008	2007
Netto kasstroom uit operationele activiteiten	-451	102
Kasstroom uit investeringsactiviteiten		
Investerings in (im)materiële vaste activa	-157	-128
Acquisitie deelneming	-360	-10
	-517	-138
Netto kasstroom	-968	-36
Aansluiting naar de balans		
Netto kasstroom	-968	-36
Netto kortlopende schuld begin periode		
Liquide Middelen	55	73
Kredietinstellingen	-112	-562
	-57	-489
Netto kortlopende schuld einde periode		
Liquide Middelen	147	49
Kredietinstellingen	-1.172	-574
	-1.025	-525
Mutatie periode (netto kasstroom)	-968	-36

14. TOELICHTING OP HET GECONSOLIDEERDE HALFJAARBERICHT

ALGEMEEN

Activiteiten van de vennootschap

De Porceleyne Fles heeft domicilie in Delft, Nederland. De juridische vorm is een N.V., het land van oprichting is Nederland en de statutaire zetel is aan de Rotterdamseweg 196 te Delft.

De activiteiten van de Porceleyne Fles betreffen voornamelijk het produceren en verkopen van handgeschilderd aardewerk.

De aandelen van de vennootschap zijn genoteerd op de Euronext te Amsterdam. De halfjaarcijfers zijn beoordeeld, niet gecontroleerd.

BELANGRIJKSTE WAARDERINGSGRONDSLAGEN

Algemeen

De halfjaarcijfers zijn opgesteld overeenkomstig IAS 34 "Interim Financial Reporting". De halfjaarcijfers dienen in samenhang te worden gelezen met de geconsolideerde jaarrekening 2007 welke is opgesteld op basis van International Financial Reporting Standards (IFRS), zoals aanvaard door de Europese Unie. De gehanteerde waarderingsgrondslagen zijn overeenkomstig de waarderingsgrondslagen welke zijn gehanteerd in de geconsolideerde jaarrekening 2007.

Op 2 januari 2008 zijn de aandelen van Royal Leerdam Crystal overgenomen door de Porceleyne Fles. De cijfers van Royal Leerdam Crystal zijn in de halfjaarcijfers meegeconsolideerd vanaf de datum van overname.

Nieuwe standaarden en wijzigingen, verplicht met ingang van 2008

De wijzigingen in de standaarden IAS 1 Presentation of Financial Statements en IAS 23 Borrowing Costs, IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction en IFRIC 11 Group and Treasury Share Transactions zijn verplicht met ingang van 2008. De mogelijke gevolgen van deze Concession Arrangements en IFRIC13 Customer Loyalty Programmes, waarvan toepassing verplicht is met ingang van de jaarrekening over 2008, zijn niet relevant voor de Porceleyne Fles. Voorts wordt, voor zover van toepassing, voldaan aan de wettelijke bepalingen zoals opgenomen in Titel 9 Boek 2 BW.

Immateriële vaste activa

De immateriële vaste activa per 30 juni 2008 omvat met name de waarde van het merk in verband met de overname van Royal Leerdam Crystal. De waarde van het merk is gewaardeerd tegen verkrijgingsprijs onder aftrek van afschrijvingen. Met op balansdatum verwachte duurzame waardeverminderingen wordt rekening gehouden; dit is het geval als de boekwaarde van het actief (of van de kasstroomgenererende eenheid waartoe het behoort) hoger is dan de realiseerbare waarde ervan.

De merkwaarde zal in tien jaar worden afgeschreven. De aanschafwaarde bedraagt €251.112 en de boekwaarde per 30 juni 2008 bedraagt €238.557.

Daarnaast is er €18.000 geïnvesteerd in de nieuwe website. De boekwaarde per 30 juni 2008 bedraagt €16.500. De website zal in drie jaar worden afgeschreven.

Segmentatie

De geleverde goederen en diensten door zowel de Koninklijke Porceleyne Fles als Royal Leerdam Crystal bestaan in zijn geheel uit aan toerisme gerelateerde en Business to Business opbrengsten.

Materiële vaste activa

In maart 2008 is een nieuw kassasysteem ten bedrage van €86.000 aangeschaft. De boekwaarde per 30 juni 2008 bedraagt €76.445. Het kassasysteem zal in drie jaar worden afgeschreven.

Belastingen

Het toegepaste belastingtarief bedraagt 25,5%.

Schuld aan kredietinstellingen

Per 30 juni 2008 is de kredietfaciliteit aangewend tot een bedrag van €1.172.000 (Per 31 december 2007: €112.000).

Netto omzet

	Koninklijke Porceleyne Fles	Royal Leerdam Crystal	Totaal
Omzet direct aan consument	1.151	197	1.348
Omzet via distributiekkanalen	770	279	1.049
	1.921	476	2.397

Royal Leerdam Crystal heeft een bedrijfsresultaat van €201.822 negatief over het eerste halfjaar van 2008.

Niet in de balans opgenomen rechten en verplichtingen

Royal Leerdam Crystal is per 1 mei 2008 een onderdeel van de fiscale eenheid voor de omzetbelasting met de Koninklijke Porceleyne Fles.

Op grond van de standaardvoorwaarden zijn de vennootschap en de met haar gevoegde dochteronderneming ieder hoofdelijk aansprakelijk voor ter zake door de combinatie verschuldigde omzetbelasting.

In toelichting op de latente belastingvordering heeft de Koninklijke Porceleyne Fles per 30 juni 2008 een bedrag van €266.000 aan fiscaal compensabele verliezen welke niet zijn verwerkt in de balans.

Bedrijfscombinaties

N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653" / Royal Delft heeft op 30 november 2007 de definitieve koopovereenkomst getekend betreffende de overname van een 100% belang in kristalproducent B.V. Leerdam Crystal (Royal Leerdam Crystal).

B.V. Leerdam Crystal (Royal Leerdam Crystal) is de 'designtak' van de traditierijke Leerdamse glasfabriek, die in 1878 werd opgericht. Sinds 1953 mag de glasfabriek de naam 'Koninklijk' voeren. Het bedrijf produceert een breed scala aan kristallen gebruiks- en siervoorwerpen, welke ambachtelijk worden vervaardigd. Al vanaf het begin van de twintigste eeuw trekt de fabriek kunstenaars aan om een esthetisch verantwoord assortiment gebruiks- en sierglas op de markt te brengen. De reputatie van Royal Leerdam Crystal is gevestigd door beroemde glasontwerpers als Berlage, De Bazel, Lebeau, Lanooy, A.D. Copier en Meydam. Naast ontwerper Siem van der Marel is sinds enkele jaren een wisselende groep van (jonge) vormgevers en kunstenaars aan de fabriek verbonden, die mede de uitstraling van Royal Leerdam Crystal bepalen.

Op 2 januari 2008 heeft de feitelijke levering van een 100% belang in het aandelenkapitaal van Royal Leerdam Crystal plaatsgevonden voor een bedrag van €558.258. De directe kosten met betrekking tot de acquisitie bedroegen €83.181.

De verkregen netto activa, verplichtingen en negatieve goodwill zijn als volgt:

Aankoopprijs

Betaald in contanten	360.258
Uitgestelde betaling	225.000
	<hr/>
Totale aankoopprijs	585.258
Directe kosten met betrekking tot de acquisitie	83.181
	<hr/>
Koopprijs totaal	668.439
Reële waarde van netto activa en verplichtingen	950.213
	<hr/>
Saldo	-281.774

De activa en verplichtingen van de overname (op basis van voorlopige berekeningen) zijn als volgt:

		<i>in boeken van overgenomen partij</i>
Liquide middelen	21.247	21.247
Materiële vaste activa	135.882	135.882
Overige vorderingen en overlopende activa	295.049	295.049
Overige schulden en overlopende passiva	-422.571	-422.571
Vorraden	687.131	687.131
Handelsvorderingen	171.735	171.735
Handelsschulden	-103.733	-113.733
Latente belastingverplichting	-56.639	0
Pensioenvoorziening	-29.000	0
Merk	251.112	0
	<hr/>	<hr/>
Netto activa en verplichtingen	950.213	774.740
Koopprijs	-668.439	
	<hr/>	
Saldo (negatieve) goodwill	281.774	

B.V. Leerdam Crystal produceert in een hoog segment handgeblazen kristallen unica. Royal Leerdam ondervond een serieuze uitdaging in het vinden van strategische partijen die, in verband met de activiteiten en de locatie van B.V. Leerdam Crystal, interesse hadden in deze deelneming. Gebleken is dat de Porceleyne Fles de partij was die voldoende aansluiting vindt bij de activiteiten van B.V. Leerdam Crystal om in de toekomst een duurzaam business model te kunnen realiseren. Daarnaast wil de verkopende partij zich met haar producten nadrukkelijk richten op de 'commodity' markt. De Porceleyne Fles heeft deze situatie onderkend en dit heeft geleid tot een, in verhouding tot de over te nemen activa en passiva, aantrekkelijke overnamesom waarbij een post 'negatieve goodwill' is gerealiseerd. Deze negatieve goodwill is ten gunste van het resultaat over het eerste half jaar van 2008 verantwoord. De uitgestelde betaling vormt thans een onderdeel van de aankoopprijs.

Seizoensinvloeden

De verkoop aan de groepsbezoeker is seizoensgebonden. Deze groep genereert in het eerste halfjaar een omzet van ongeveer 70% van de totale omzet aan groepsbezoekers over het gehele jaar.

De verkopen aan de individuele bezoeker daarentegen lopen door tot medio oktober.

Zowel de verkopen aan de retail als business to business zijn niet seizoensgebonden en lopen over het gehele jaar gelijkmatig door met een kleine piek in de maanden november en december.

Gebeurtenissen na balansdatum

N.V. Koninklijke Delftsch Aardewerkfabriek “De Porceleynse Fles Anno 1653”/ Royal Delft verwacht dat eind juli 2008 de definitieve koopovereenkomst zal worden getekend betreffende de overname van een 100% belang in Van Kempen en Begeer B.V. De koopprijs van de aandelen zal bestaan uit een betaling op de overnamedatum, een uitgestelde betaling en de uitgifte van warrants aan de verkoper.

15. BEOORDELINGSVERKLARING HALFJAARBERICHT 2008 VAN ROYAL DELFT

Aan de directie en Raad van Commissarissen van N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653" v/h Joost Thooft & Labouchere.

Beoordelingsverklaring

Opdracht

Wij hebben de in dit halfjaarbericht opgenomen verkorte geconsolideerde tussentijdse financiële informatie van N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles anno 1653", v/h Joost Thooft & Labouchere te Delft bestaande uit de verkorte balans per 30 juni 2008, de verkorte winst-en verliesrekening, het verkorte mutatieoverzicht eigen vermogen, het verkorte kasstroomoverzicht over de periode 1 januari 2008 tot en met 30 juni 2008 en de toelichtingen hierop beoordeeld. De directie van de vennootschap is verantwoordelijk voor het opmaken en het weergeven van de tussentijdse financiële informatie in overeenstemming met IAS34 "Tussentijdse financiële verslaggeving" zoals aanvaard binnen de Europese Unie. Het is onze verantwoordelijkheid een conclusie te formuleren bij de tussentijdse financiële informatie op basis van onze beoordeling.

Werkzaamheden

Wij hebben onze beoordeling van de tussentijdse financiële informatie verricht in overeenstemming met Nederlands recht waaronder Standaard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit". Een beoordeling van tussentijdse financiële informatie bestaat uit het inwinnen van inlichtingen, met name bij personen die verantwoordelijk zijn voor financiën en verslaggeving, en het uitvoeren van cijferanalyses en andere beoordelingswerkzaamheden. De reikwijdte van een beoordeling is aanzienlijk geringer dan die van een controle die is uitgevoerd in overeenstemming met Controlestandaarden en stelt ons niet in staat zekerheid te verkrijgen dat wij kennis hebben genomen van alle aangelegenheden van materieel belang die bij een controle onderkend zouden worden. Om die reden geven wij geen accountantsverklaring af.

Conclusie

Op grond van onze beoordeling is ons niets gebleken op basis waarvan wij zouden moeten concluderen dat de verkorte geconsolideerde tussentijdse financiële informatie tot 30 juni 2008 niet, in alle van materieel belang zijnde opzichten, is opgesteld in overeenstemming met IAS34 "Tussentijdse financiële verslaggeving" zoals aanvaard binnen de Europese Unie.

Amsterdam, 30 juli 2008

PricewaterhouseCoopers Accountants N.V.

A.J. Brouwer RA

16. GECONSOLIDEERDE BALANS PER 31 DECEMBER 2007 VAN VKB

<i>(in duizenden Euro's)</i>	Ref.	2007	2006
Activa			
Vaste activa			
Immateriële vaste activa	10	159	190
Materiële vaste activa	11	1.459	1.563
		<u>1.618</u>	<u>1.753</u>
Viottende activa			
Vorraden	12	7.262	6.176
Vorderingen	13	2.948	2.752
Liquide middelen	14	114	67
		<u>10.324</u>	<u>8.995</u>
Totaal activa		<u>11.942</u>	<u>10.748</u>
Passiva			
Groepsvermogen	15	4.657	3.717
Kortlopende schulden	16	7.285	7.031
Totaal passiva		<u>11.942</u>	<u>10.748</u>

17. GECONSOLIDEERDE WINST- EN VERLIESREKENING OVER 2007 VAN VKB

<i>(in duizenden Euro's)</i>	Ref.	2007	2006
Activa			
Netto Omzet		22.891	18.300
Kosten grond en hulpstoffen		12.600	10.082
Salarissen		2.663	2.587
Sociale Lasten		334	373
Pensioenlasten		270	242
Afschrijvingen		516	551
Overige bedrijfskosten		4.260	4.038
Som der bedrijfslasten		<u>20.643</u>	<u>17.873</u>
Bedrijfsresultaat		2.248	427
Financiële baten en lasten	21	(444)	(234)
Resultaat uit gewone bedrijfsuitoefening voor belastingen		1.804	193
Belastingen resultaat uit gewone bedrijfsuitoefening		435	53
Resultaat na belastingen		<u>1.369</u>	<u>140</u>

18. GECONSOLIDEERD KASSTROOMOVERZICHT VAN VKB

<i>(in duizenden Euro's)</i>	Ref.	2007	2006
Kasstroom uit operationele activiteiten			
Bedrijfsresultaat		2.248	427
Aanpassingen voor: Afschrijvingen	10,11	516	551
Veranderingen in werkkapitaal		(648)	(538)
		2.116	440
Financiële lasten		(444)	(234)
Vennootschapsbelasting		(435)	(53)
Kasstroom uit operationele activiteiten		1.237	153
Kasstroom uit investeringsactiviteiten			
Investerings in materiële vaste activa	11	(345)	(296)
Investerings in immateriële vaste activa	10	(36)	(65)
Desinvesterings in materiële vaste activa	11	-	389
Kasstroom uit investeringsactiviteiten		(381)	28
Kasstroom uit financieringsactiviteiten			
Dividend		(400)	0
Kasstroom uit financieringsactiviteiten		(400)	0
Netto-kasstroom		456	181
Koers- en omrekeningsverschillen		(29)	(3)
Toename geldmiddelen		427	178

19. TOELICHTING OP DE GECONSOLIDEERDE JAARREKENING

Grondslagen voor consolidatie

In de geconsolideerde jaarrekening worden opgenomen de financiële gegevens van Van Kempen & Begeer BV en haar groepsmaatschappijen. De vennootschappelijke winst-en-verliesrekening is opgesteld met inachtneming van artikel 2:402 BW.

In de consolidatie zijn betrokken: Van Kempen & Begeer BV, haar 100%-deelnemingen:

- Verkoopmaatschappij van Kempen en Begeer BV
- Van Kempen & Begeer (HK) Ltd., Hong Kong
- Royal Van Kempen & Begeer SARL, France

Grondslagen voor valutaomrekening

Activa en passiva in vreemde valuta worden omgerekend tegen de valutakoers per balansdatum. De verschillen verband houdende met wijzigingen van wisselkoersen worden in de winst-en-verliesrekening verwerkt.

In de winst-en-verliesrekening zijn omzet, kosten en resultaten omgerekend in euro's tegen de op het moment van de transacties geldende koers. Een uitzondering hierop vormen de omzet, kosten en resultaten van buitenlandse geconsolideerde deelnemingen; deze worden herleid tot bedragen in euro's tegen de gemiddelde koersen.

Een uitzondering wordt eveneens gevormd voor het verschil tussen het resultaat van de deelneming tegen gemiddelde koers en de waarde van de deelnemingswaarde tegen eindkoers. Deze verschillen worden rechtstreeks ten gunste of ten laste van het eigen vermogen gebracht.

7. Grondslagen voor waardering

Immateriële vaste activa

Ontwikkelingskosten

De immateriële vaste activa worden gewaardeerd tegen de verkrijgingsprijs of vervaardigingsprijs verminderd met de cumulatieve afschrijvingen dan wel de lagere realiseerbare waarde.

Activering vindt eerst plaats nadat aan de volgende criteria is voldaan:

- het product is technisch uitvoerbaar en zal beschikbaar komen voor verkoop;
- het product is verkoopbaar en zal waarschijnlijk economische voordelen genereren;
- de uitgaven gedurende de ontwikkeling van het product zijn op betrouwbare wijze vast te stellen.

Afschrijving vindt plaats in 5 jaar (20% per jaar) vanaf het moment dat de betreffende producten gereed zijn voor verkoop.

Materiële vaste activa

Machines en installaties en andere vaste bedrijfsmiddelen

De materiële vaste activa worden gewaardeerd tegen verkrijgingsprijs of vervaardigingsprijs, verminderd met een lineaire afschrijving, variërend van 10 tot 20%, waarbij het percentage gebaseerd wordt op de verwachte economische levensduur, of tegen lagere bedrijfswaarde.

Vooruitbetalingen in vaste activa

Vooruitbetalingen in vaste activa worden opgenomen tegen de betaalde bedragen. Hierop wordt niet afgeschreven tot het moment van ingebruikname.

Vorraden

De voorraden grond- en hulpstoffen, evenals de handelsvoorraden, worden gewaardeerd tegen verkrijgingsprijs en een opslag voor kosten voor zover deze rechtstreeks aan de producten zijn toe te rekenen (= integrale kostprijs) danwel lagere marktwaarde.

Producten in bewerking en gereed product worden gewaardeerd tegen de aanschaffingskosten van de verbruikte grond- en hulpstoffen en de directe productiekosten, vermeerderd met een opslag voor indirecte kosten. Waar nodig wordt rekening gehouden met afwaarderingen wegens incourantheid.

Vorderingen

De vorderingen worden gewaardeerd tegen nominale waarde, voorzover nodig rekening houdend met mogelijke oninbaarheid.

Financiële instrumenten

De financiële instrumenten zijn gewaardeerd tegen actuele waarde.

Overige activa en passiva

Alle overige posten in de balans worden gewaardeerd tegen nominale waarde.

8. Grondslagen voor resultaatbepaling

Onder netto-omzet wordt verstaan de opbrengst uit levering van goederen en diensten aan derden onder aftrek van kortingen en dergelijke en van over de omzet geheven belastingen.

De kosten worden bepaald met inachtneming van de hiervoor al vermelde grondslagen voor waardering en toegerekend aan het verslagjaar waarop zij betrekking hebben. Winsten worden

verantwoord in het jaar waarin de goederen zijn geleverd, c.q. de diensten zijn verricht. Verliezen worden in aanmerking genomen in het jaar waarin deze voorzienbaar zijn.

De afschrijvingen geschieden tijdsevenredig op basis van de verwachte economische levensduur. Op aanschaffingen in het verslagjaar wordt naar tijdsgelang afgeschreven.

De belastingen worden berekend op basis van het verantwoorde resultaat. De met het buitengewoon resultaat samenhangende belastingen worden daaraan rechtstreeks toegerekend.

Pensioenen

BV Koninklijke Van Kempen & Begeer heeft de toegezegd-pensioenregeling bij bedrijfstak-pensioenfondsen PMI verwerkt als zou sprake zijn van een toegezegde-bijdrageregeling. BV Koninklijke Van Kempen & Begeer heeft in geval van een tekort bij dit bedrijfstakpensioenfonds geen verplichting tot het voldoen van aanvullende bedragen in het geval van een tekort, anders dan hogere toekomstige premies.

Vennootschapsbelasting

De vennootschap maakt deel uit van een fiscale eenheid voor de vennootschapsbelasting met een aantal andere vennootschappen in de groep. De verschuldigde vennootschapsbelasting wordt in rekening courant verwerkt met het hoofd van de fiscale eenheid.

9. Toelichting op het kasstroomoverzicht

Algemene grondslagen

Het kasstroomoverzicht is opgesteld volgens de indirecte methode. De geldmiddelen in het kasstroomoverzicht bestaan uit de liquide middelen en het bankkrediet. Koersverschillen inzake deelnemingen worden afzonderlijk in het kasstroomoverzicht getoond. Betaalde dividenden zijn opgenomen onder de kasstroom uit financieringsactiviteiten.

De betaling van de leasetermijnen uit hoofde van het financiële leasecontract zijn voor het gedeelte dat betrekking heeft op de aflossing als een uitgave uit financieringsactiviteiten aangemerkt en voor het gedeelte dat betrekking heeft op de interest als een uitgave uit operationele activiteiten.

10. Immateriële vaste activa

(in duizenden euro's)

Boekwaarde 1 januari 2007	190
Investerings (netto)	36
Afschrijvingen	(67)
	<hr/>
Boekwaarde 31 december 2007	159
	<hr/> <hr/>
Aanschafwaarde	351
Cumulatieve afschrijvingen	192
	<hr/> <hr/>

De geactiveerde bedragen betreffen de ontwikkelingskosten van een nieuwe productlijn.

11. Materiële vaste activa

Het verloop van deze post is als volgt:

(in duizenden euro's)

	Inventaris
Boekwaarde 1 januari 2007	1.563
Investerings (netto)	345
Afschrijvingen	(449)
Boekwaarde 31 december 2007	1.459
Aanschafwaarde	2.726
Cumulatieve afschrijvingen en waardeverminderingen	1.267

12. Voorraden

(in duizenden euro's)

	2007	2006
Grond- en hulpstoffen		
Onderhanden werk/product in bewerking		
Gereed product en handelsartikelen	7.262	6.176
	7.262	6.176

13. Vorderingen

(in duizenden euro's)

	2007	2006
Handelsdebiteuren	2.705	2.486
Belastingen en premies sociale verzekeringen	4	27
Overige vorderingen	239	238
Groepsmaatschappijen	0	1
	2.948	2.752

14. Liquide middelen

(in duizenden euro's)

	2007	2006
Kas, bank	114	67
	114	67

Financiële Instrumenten

In 2007 zijn de volgende valuta opties van de RABO bank gekocht:

Type	Ingangs- datum	Expiratie- datum	Verkoper	Uitoefen- prijsprijs	Bedrag Call	Call valuta	Put valuta
Verkoop call-USD optie	14/06/07	02/01/08	RABO	1,31	USD 1.000.000	Euro	USD
Verkoop call-USD optie	23/10/07	01/02/08	RABO	1,40	USD 250.000	Euro	USD
Aankoop put-USD optie	23/10/07	01/02/08	RABO	1,40	USD 500.000	USD	Euro
Verkoop call-USD optie	23/10/07	03/03/08	RABO	1,40	USD 250.000	Euro	USD
Aankoop put-USD optie	23/10/07	03/03/08	RABO	1,40	USD 500.000	USD	Euro

Deze optiecontracten zijn aangekocht ten behoeve van de goederenaankopen die plaatsvinden in dollars gedurende het eerste half jaar 2008. Deze valuta opties hebben tot doel het risico van toekomstige koersstijgingen van de dollar te beperken. De betaalde premie bedraagt €0,00.

VKB heeft ultimo 2007 onherroepelijke import accreditieven ter grootte van €0,- Tevens zijn de volgende garanties afgegeven:

- NSI Kantoren BV € 32
- HIBEMA BV €211

15. Groepsvermogen

Het eigen vermogen wordt in de toelichting op de balans in de enkelvoudige jaarrekening nader toegelicht.

16. Kortlopende schulden

(in duizenden euro's)

	2007	2006
Bankkrediet	3.818	4.198
Handelscrediteuren/leveranciers	2.176	1.517
Belastingen en premies sociale verzekeringen	495	240
Schulden aan groepsmaatschappijen	88	400
Overige schulden	492	529
Overlopende passiva	216	147
	<u>7.285</u>	<u>9.037</u>

17. Verstrekte zekerheden

Tot zekerheid van de door de bank verstrekte kredietfaciliteit zijn de volgende zekerheden gesteld:

- bezitloos pandrecht op bedrijfsinventaris en voorraden;
- open pandrecht op vorderingen;
- hoofdelijke aansprakelijkheid tussen de vennootschap en haar dochterondernemingen;
- verpanding van creditgelden;
- verpanding van merknamen en alle daaraan verbonden rechten;
- Vermogensinstandhoudingsverklaring door Beukenhoeve Beheer B.V. tot 35% van garantie-vermogen met een pay-out ratio van maximaal 40%.

18. Niet uit de balans blijkende verplichtingen

Huur, lease

Verder zijn inzake huur, operational lease en dergelijke langlopende financiële verplichtingen aangegaan tot een jaarbedrag van €607.000,- Deze verplichtingen lopen van 1 tot 10 jaar.

19. Verbonden partijen

De cijfers van de geconsolideerde balans en resultatenrekening van VKB worden meegenomen in de groepsconsolidatie Beukenhoeve Beheer. De verhoudingen in de balans (te betalen €88.000) betreffen verhoudingen met dochterondernemingen van Beukenhoeve, voornamelijk Corpeq. Dit zijn reguliere rekening courant verhoudingen als gevolg van doorbelastingen management fees en afrekeningen zakelijke doorbelastingen.

20. Gemiddeld aantal werknemers

Bij de volledig in de consolidatie betrokken maatschappijen waren in 2007 gemiddeld 69 werknemers in dienst (2006: 70), onderverdeeld naar de volgende bedrijfsonderdelen.

(in duizenden euro's)

	2007	2006
BV Koninklijke van Kempen & Begeer	65	64
Verkoopmaatschappij Van Kempen & Begeer BV	0	2
Royal Van Kempen & Begeer SARL	1	1
Van Kempen en Begeer Hong Kong Ltd	3	3
	69	70

21. Financiële lasten

(in duizenden euro's)

	2007	2006
Rentelasten en soortgelijke kosten	336	234
Ongerealiseerd Koersresultaat	99	0
	444	234

20. ENKELVOUDIGE BALANS PER 31 DECEMBER 2007 VAN VKB

<i>(in duizenden Euro's)</i>	Ref.	2007	2006
Activa			
Vaste activa			
Immateriële vaste activa	26	159	190
Materiële vaste activa	27	1.447	1.496
Financiële vaste activa	28	291	73
		<u>1.897</u>	<u>1.759</u>
Vlottende activa			
Vorraden	29	7.153	6.054
Vorderingen	30	2.770	2.899
Liquide middelen	31	4	27
		<u>9.927</u>	<u>8.980</u>
Totaal activa		<u><u>11.824</u></u>	<u><u>10.739</u></u>

<i>(in duizenden Euro's)</i>	Ref.	2007	2006
Passiva			
Eigen vermogen			
Geplaatst kapitaal	32	68	68
Agio	32	5.423	5.423
Wettelijke reserve	32	159	190
Overige reserves	32	(993)	(1.964)
		<u>4.657</u>	<u>3.717</u>
Voorziening	33	235	236
Kortlopende schulden	34	<u>6.932</u>	<u>6.786</u>
Totaal passiva		<u><u>11.824</u></u>	<u><u>10.739</u></u>

(na verwerking resultaatbestemming)

21. ENKELVOUDIGE WINST- EN VERLIESREKENING OVER 2007 VAN VKB

<i>(in duizenden euro's)</i>	2007	2006
Resultaat uit deelnemingen na belastingen	248	(55)
Overige baten en lasten na belastingen	1.121	195
Resultaat na belastingen	<u>1.369</u>	<u>140</u>

22. TOELICHTING OP DE BALANS EN WINST- VERLIESREKENING**25. Algemeen**

Groepshoofd is Beukenhoeve Beheer BV te Haarlem. De grondslagen voor waardering en resultaatbepaling voor de vennootschappelijke jaarrekening zijn gelijk aan de grondslagen die worden vermeld in de toelichting op de geconsolideerde jaarrekening. Geconsolideerde vennootschappen worden gewaardeerd op de nettovermogenswaarde. De vennootschappelijke winst-en-verliesrekening is opgesteld met inachtneming van artikel 2:402 BW.

26. Immateriële vaste activa

(in duizenden euro's)

Boekwaarde 1 januari 2007	190
Investerings (netto)	36
Afschrijvingen	(67)
	<hr/>
Boekwaarde 31 december 2007	159
	<hr/>
Aanschafwaarde	351
	<hr/>
Cumulatieve afschrijvingen	192
	<hr/>

De geactiveerde bedragen betreffen de ontwikkelingskosten van een nieuwe productlijn.

27. Materiële vaste activa

Het verloop van deze post is als volgt.

(in duizenden euro's)

	Inventaris
Boekwaarde 1 januari 2007	1.496
Investerings	345
Afschrijvingen	(394)
	<hr/>
Boekwaarde 31 december 2007	1.447
	<hr/>
Aanschafwaarde	2.668
	<hr/>
Cumulatieve afschrijvingen en waardeverminderingen	1.221
	<hr/>

28. Financiële vaste activa

Het verloop van deze posten is als volgt.

(in duizenden euro's)

	Deelnemingen
Boekwaarde 1 januari 2007	73
Koersverschillen	(29)
Resultaat deelnemingen	248
Deelnemingsvermogen naar voorziening	(1)
	<hr/>
Boekwaarde 31 december 2007	291
	<hr/>

29. Voorraden

(in duizenden euro's)

	2007	2006
Gereed product en handelsartikelen	7.153	6.054
	<hr/>	<hr/>
	7.153	6.054
	<hr/>	<hr/>

30. Vorderingen

(in duizenden euro's)

	2007	2006
Handelsdebiteuren	2.460	2.450
Vorderingen op groepsmaatschappijen	83	201
Overige vorderingen	227	229
Belastingen en premies sociale verzekeringen	-	19
	<u>2.770</u>	<u>2.899</u>

31. Liquide middelen

(in duizenden euro's)

	2007	2006
Kas, bank	4	27
	<u>4</u>	<u>27</u>

Als gevolg van aan de vennootschap verstrekte kredietfaciliteiten staan de liquide middelen niet vrij ter beschikking.

32. Eigen Vermogen

(in duizenden euro's)

	2007	2006
Geplaatst kapitaal		
Geplaatst en volgestort zijn:		
150 gewone aandelen van elk nominaal €454	68	68
	<u>68</u>	<u>68</u>
Agio		
Stand 31 december	<u>5.423</u>	<u>5.423</u>

Wettelijke Reserve

Stand 1 januari	190	173
Investing ontwikkelingskosten	36	65
Verlaging door afschrijving ontwikkelingskosten	(67)	(48)
Stand 31 december	<u>159</u>	<u>190</u>

In verband met de activering van de ontwikkelingkosten dient, op grond van artikel 2:365 lid 2 BW, een wettelijke reserve te worden gevormd.

Overige reserves

Stand 1 januari	(1.964)	(2.084)
Overgebracht van Wettelijke reserve	31	(17)
Resultaat lopend jaar	1.369	140
Dividend	(400)	-
Koersverschillen	(29)	(3)
Stand 31 december	<u>(993)</u>	<u>(1.964)</u>

33. Voorzieningen

(in duizenden euro's)

	2007	2006
Voorzieningen groepsmaatschappijen	235	236

34. Kortlopende schulden

(in duizenden euro's)

	2007	2006
Bankkrediet	3.556	3.949
Handelscrediteuren/leveranciers	2.097	1.496
Groepsmaatschappijen	140	449
Belastingen en premies sociale verzekeringen	440	223
Schulden ter zake van pensioenen	0	0
Overige schulden	483	522
Overlopende passiva	216	147
	6.932	6.786

35. Niet uit de balans blijvende verplichtingen

Verder zijn inzake huur, operational lease en dergelijke langlopende financiële verplichtingen aangegaan tot een jaarbedrag van €607.000,- Deze verplichtingen lopen van 1 tot 10 jaar.

36. Bezoldiging van bestuurders

Aan Corpeq BV is een managementfee betaald van €10.000,-.(2006: €10.000,-).

37. Overige gegevens

38. Statutaire winstbestemmingsregeling

Ingevolge artikel 16 van de statuten staat de winst ter beschikking van de algemene vergadering van aandeelhouders.

39. Winstbestemming 2007

Aan de algemene vergadering van aandeelhouders wordt voorgesteld de winst over 2007 toe te voegen aan de overige reserves.

Dit voorstel is reeds in de jaarrekening verwerkt.

23. ACCOUNTANTSVERKLARING JAARREKENING 2007 VAN VKB

Verklaring betreffende de jaarrekening

Wij hebben de in dit verslag op pagina 6 tot en met 24 opgenomen jaarrekening 2007 van BV Koninklijke Van Kempen en Begeer te Zoetermeer bestaande uit de geconsolideerde en enkelvoudige balans per 31 december 2007 en de geconsolideerde en enkelvoudige winst-en-verliesrekening over 2007 met de toelichting gecontroleerd.

Verantwoordelijkheid van de directie

De directie van de vennootschap is verantwoordelijk voor het opmaken van de jaarrekening die het vermogen en het resultaat getrouw dient weer te geven, alsmede voor het opstellen van het directieverslag, beide in overeenstemming met Titel 9 Boek 2 BW. Deze verantwoordelijkheid omvat onder meer: het ontwerpen, invoeren en in stand houden van een intern beheersingssysteem relevant voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat, zodanig dat deze geen afwijkingen van materieel belang als gevolg van fraude of fouten bevat, het kiezen en toepassen van aanvaardbare grondslagen voor financiële verslaggeving en het maken van schattingen die onder de gegeven omstandigheden redelijk zijn.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht. Dienovereenkomstig zijn wij verplicht te voldoen aan de voor ons geldende gedragsnormen en zijn wij gehouden onze controle zodanig te plannen en uit te voeren dat een redelijke mate van zekerheid wordt verkregen dat de jaarrekening geen afwijkingen van materieel belang bevat.

Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle-informatie over de bedragen en de toelichtingen in de jaarrekening. De keuze van de uit te voeren werkzaamheden is afhankelijk van de professionele oordeelsvorming van de accountant, waaronder begrepen zijn beoordeling van de risico's van afwijkingen van materieel belang als gevolg van fraude of fouten. In die beoordeling neemt de accountant in aanmerking het voor het opmaken van en getrouw weergeven in de jaarrekening van vermogen en resultaat relevante interne beheersingssysteem, teneinde een verantwoorde keuze te kunnen maken van de controlewerkzaamheden die onder de gegeven omstandigheden adequaat zijn maar die niet tot doel hebben een oordeel te geven over de effectiviteit van het interne beheersingssysteem van de vennootschap. Tevens omvat een controle onder meer een evaluatie van de aanvaardbaarheid van de toegepaste grondslagen voor financiële verslaggeving en van de redelijkheid van schattingen die de directie van de vennootschap heeft gemaakt, alsmede een evaluatie van het gehele beeld van de jaarrekening.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

Oordeel

Naar ons oordeel geeft de jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van B.V. Koninklijke Van Kempen en Begeer per 31 december 2007 en van het resultaat over 2007 in overeenstemming met Titel 9 Boek 2 BW.

Verklaring betreffende andere wettelijke voorschriften en/of voorschriften van regelgevende instanties*

Op grond van de wettelijke verplichting ingevolge artikel 2:393 lid 5 onder e BW melden wij dat het directieverslag, voor zover wij dat kunnen beoordelen, verenigbaar is met de jaarrekening zoals vereist in artikel 2:391 lid 4 BW.

Alkmaar, 25 maart 2008,

PricewaterhouseCoopers Accountants N.V.

P.J. Kroon RA

* Bovenstaande verklaring betreft de oorspronkelijke verklaring zoals afgegeven d.d. 25 maart 2008 bij het jaarverslag van B.V. Koninklijke Van Kempen en Begeer, waarin eveneens het directieverslag was opgenomen. Voor het doel van dit Prospectus is afgezien van het opname van het directieverslag.

24. GECONSOLIDEERDE BALANS PER 30 JUNI 2008 VAN VKB

(in duizenden Euro's)

	30 juni 2008	31 december 2007
Activa		
Vaste activa		
Immateriële vaste activa	138	159
Materiële vaste activa	1.550	1.459
	<u>1.688</u>	<u>1.618</u>
Viottende activa		
Vorraden	6.254	7.262
Vorderingen	2.328	2.948
Liquide middelen	33	114
	<u>8.615</u>	<u>10.324</u>
Totaal activa	<u>10.303</u>	<u>11.942</u>
Passiva		
Groepsvermogen	4.927	4.657
Kortlopende schulden	5.376	7.285
Totaal Passiva	<u>10.303</u>	<u>11.942</u>

25. GECONSOLIDEERDE WINST- EN VERLIESREKENING OVER HET EERTSE HALFJAAAR VAN VKB

(in duizenden euro's)

	Eerste halfjaar 2008	Eerste halfjaar 2007	2007
Netto Omzet	10.450	10.592	22.891
Kosten grond en hulpstoffen	5.748	5.677	12.600
Salarissen	1.292	1.245	2.663
Sociale Lasten	163	173	334
Pensioenlasten	135	134	270
Afschrijvingen	255	262	516
Overige bedrijfskosten	2.348	2.126	4.260
Som der bedrijfslasten	<u>9.941</u>	<u>9.617</u>	<u>20.643</u>
Bedrijfsresultaat	509	975	2.248
Financiële baten en lasten	(133)	(173)	(444)
Resultaat uit gewone bedrijfs- uitoefening voor belastingen	376	802	1.804
Belastingen resultaat uit gewone bedrijfsuitoefening	88	189	435
Resultaat na belastingen	<u>288</u>	<u>613</u>	<u>1.369</u>

26. GECONSOLIDEERD KASSTROOMOVERZICHT OVER HET EERTE HALFJAAR VAN 2008 VAN VKB

<i>(in duizenden euro's)</i>	Eerste halfjaar 2008	Eerste halfjaar 2007	2007
Kasstroom uit operationele activiteiten			
Bedrijfsresultaat	509	975	2.248
Aanpassingen voor: Afschrijvingen	255	262	516
Veranderingen in werkkapitaal	(119)	(809)	(648)
	645	428	2.116
Financiële lasten	(133)	(173)	(444)
Vennootschapsbelasting	(88)	(189)	(435)
Kasstroom uit operationele activiteiten	424	66	1.237
Kasstroom uit investeringsactiviteiten			
Investerings in materiële vaste activa	(310)	(173)	(345)
Investerings in immateriële vaste activa	(15)	(13)	(36)
Desinvesteringen in materiële vaste activa	-	-	-
Kasstroom uit investeringsactiviteiten	(325)	(186)	(381)
Kasstroom uit financieringsactiviteiten			
Dividend	-	-	(400)
Kasstroom uit financieringsactiviteiten	-	-	(400)
Netto-kasstroom	99	(120)	456
Koers- en omrekeningsverschillen	(18)	-	(29)
Toename geldmiddelen	81	(120)	427

27. TOELICHTING OP HET GECONSOLIDEERDE HALFJAARBERICHT

Grondslagen voor consolidatie

In de geconsolideerde jaarrekening worden opgenomen de financiële gegevens van Van Kempen & Begeer BV en haar groepsmaatschappijen. De vennootschappelijke winst-en-verliesrekening is opgesteld met inachtneming van artikel 2:402 BW.

In de consolidatie zijn betrokken: Van Kempen & Begeer BV, haar 100%-deelnemingen:

- Verkoopmaatschappij van Kempen en Begeer BV
- Van Kempen & Begeer (HK) Ltd., Hong Kong
- Royal Van Kempen & Begeer SARL, France

De in de halfjaarcijfers toegepaste waarderingsgrondslagen zijn gelijk aan de waarderingsgrondslagen in de jaarrekening 2007.

Gebeurtenissen na balansdatum

Inmiddels is de definitieve koopovereenkomst betreffende de overname van een 100% belang in Van Kempen en Begeer B.V. door N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653"/ Royal Delft getekend.

IMMATERIËLE VASTE ACTIVA

(in duizenden euro's)

Boekwaarde 1 januari 2008	159
Investerings (netto)	15
Afschrijvingen	(36)
	<hr/>
Boekwaarde 30 juni 2008	138
	<hr/>

Aanschafwaarde 366

Cumulatieve afschrijvingen 228

De geactiveerde bedragen betreffen de ontwikkelingskosten van een nieuwe productlijn alsmede de deponeringskosten van de Merken.

MATERIËLE VASTE ACTIVA

Het verloop van deze post is als volgt:

(in duizenden euro's)

	Inventaris
Boekwaarde 1 januari 2008	1.459
Investerings (netto)	310
Afschrijvingen	(219)
	<hr/>
Boekwaarde 30 juni 2008	1.550
	<hr/>
Aanschafwaarde	3.036
Cumulatieve afschrijvingen en waardeverminderingen	1.486
	<hr/>

VOORRADEN

(in duizenden euro's)

	30 juni 2008	31 december 2007
	<hr/>	<hr/>
	6.254	7.262

De Voorraad was ultimo 2007 relatief hoog als gevolg van extra inkopen in verband met verwachte prijsstijgingen alsmede door geëffectueerde prijsverhogingen. Tevens was in december al een gedeelte van de voorraad voor de akties van BK in januari en februari 2008 ingekocht. Gedurende het eerste halfjaar 2008 is de voorraad gedaald als gevolg van valutawijzigingen en uitloop van de extra voorraad.

VORDERINGEN

(in duizenden euro's)

	30 juni 2008	31 december 2007
Handelsdebiteuren	2.071	2.705
Belastingen en premies sociale verzekeringen	2	4
Overige vorderingen	138	239
Groepsmaatschappijen	117	0
	2.328	2.948

De relatief lage stand van Handelsdebiteuren wordt veroorzaakt door seizoensinvloeden (Lagere omzet in de maanden mei en juni, terwijl de omzet piekt in de periode oktober, november en december).

FINANCIELE INSTRUMENTEN

Ultimo juni 2008 zijn er geen derivaten.

KORTLOPENDE SCHULDEN

(in duizenden euro's)

	30 juni 2008	31 december 2007
Bankkrediet	3.656	3.818
Handelscrediteuren/leveranciers	1.064	2.176
Belastingen en premies sociale verzekeringen	304	495
Schulden aan groepsmaatschappijen	-	88
Overige schulden	235	492
Overlopende passiva	117	216
	5.376	7.285

De relatief lage stand van Handelscrediteuren wordt veroorzaakt door seizoensinvloeden (in de periode april – juni wordt er relatief weinig ingekocht als gevolg van de relatief lage omzet: vanaf augustus neemt het bedrag aan inkopen weer flink toe).

VERSTREKTE ZEKERHEDEN

Tot zekerheid van de door de bank verstrekte kredietfaciliteit zijn de volgende zekerheden gesteld:

- bezitloos pandrecht op bedrijfsinventaris en voorraden;
- open pandrecht op vorderingen;
- hoofdelijke aansprakelijkheid tussen de vennootschap en haar dochterondernemingen;
- verpanding van creditgelden;
- verpanding van merknamen en alle daaraan verbonden rechten;
- Vermogensinstandhoudingsverklaring door Beukenhoeve Beheer B.V. tot 35% van garantievermogen met een pay-out ratio van maximaal 40%.

NIET UIT DE BALANS BLIJKENDE VERPLICHTINGEN

Huur, lease

Verder zijn inzake huur, operational lease en dergelijke langlopende financiële verplichtingen aangegaan tot een jaarbedrag van €607.000,- Deze verplichtingen lopen van 1 tot 10 jaar.

FINANCIELE LASTEN

(in duizenden euro's)

	30 juni 2008	31 december 2007
Rentelasten en soortgelijke kosten	133	336
Ongerealiseerd Koersresultaat	-	99
	133	444

28. ENKELVOUDIGE BALANS PER 30 JUNI 2008 VAN VKB*(in duizenden euro's)*

	30-6-2008	31-12-2007
Activa		
Vaste activa		
Immateriële vaste activa	138	159
Materiële vaste activa	1.540	1.447
Financiële vaste activa	373	291
	<u>2.051</u>	<u>1.897</u>
Viottende activa		
Vorraden	6.157	7.153
Vorderingen	2.073	2.770
Liquide middelen	9	4
	<u>8.239</u>	<u>9.927</u>
Totaal activa	<u>10.290</u>	<u>11.824</u>

(in duizenden euro's)

	30-6-2008	31-12-2007
Passiva		
Eigen vermogen		
Geplaatst kapitaal	68	68
Agio	5.423	5.423
Wettelijke reserve	138	159
Overige reserves	(702)	(993)
	<u>4.927</u>	<u>4.657</u>
Voorziening	226	235
Kortlopende schulden	<u>5.137</u>	<u>6.932</u>
Totaal passiva	<u>10.290</u>	<u>11.824</u>

(na verwerking resultaatbestemming)

29. ENKELVOUDIGE WINST- EN VERLIESREKENING OVER HET EERSTE HALFJAAR 2008 VAN VKB*(in duizenden euro's)*

	1e hj 2008	2007
Resultaat uit deelnemingen na belastingen	109	248
Overige baten en lasten na belastingen	179	1.121
Resultaat na belastingen	<u>288</u>	<u>1.369</u>

30. TOELICHTING OP HET ENKELVOUDIGE HALFJAARBERICHT

FINANCIËLE VASTE ACTIVA

Het verloop van deze posten is als volgt.

(in duizenden euro's)

	Deelnemingen
Boekwaarde 1 januari 2008	291
Koersverschillen	(18)
Resultaat deelnemingen	109
Deelnemingsvermogen naar voorziening	(9)
Boekwaarde 30 juni 2008	373

VORDERINGEN

(in duizenden euro's)

	30-6-2008	31-12-2007
Handelsdebiteuren	1.761	2.460
Vorderingen op groepsmaatschappijen	183	83
Overige vorderingen	129	227
Belastingen en premies sociale verzekeringen	-	-
	2.073	2.770

EIGEN VERMOGEN

(in duizenden euro's)

Geplaatst kapitaal

Geplaatst en volgestort zijn:

150 gewone aandelen van elk nominaal €454

	30-6-2008	30-6-2007	31-12-2007
	68	68	68
	68	68	68

Agio

Stand 31 december	5.423	5.423	5.423
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Wettelijke reserves

Stand 1 januari	159	190	190
Investing ontwikkelingskosten	15	13	36
Verlaging door afschrijving ontwikkelingskosten	(36)	(18)	(67)
Stand ultimo	138	185	159

In verband met de activering van de ontwikkelingkosten dient, op grond van artikel 2:365 lid 2 BW, een wettelijke reserve te worden gevormd.

Overige reserves

Stand 1 januari	(993)	(1.964)	(1.964)
Overgebracht van Wettelijke reserve	21	5	31
Resultaat lopend jaar	288	613	1.369
Dividend	-	-	(400)
Koersverschillen	(18)	(1)	(29)
Stand ultimo	(702)	(1.347)	(993)

VOORZIENINGEN*(in duizenden euro's)*

	30-6-2008	31-12-2007
Voorzieningen groepsmaatschappijen	226	235

KORTLOPENDE SCHULDEN*(in duizenden euro's)*

	30-6-2008	31-12-2007
Bankkrediet	3.393	3.556
Handelscrediteuren/leveranciers	1.019	2.097
Groepsmaatschappijen	150	140
Belastingen en premies sociale verzekeringen	235	440
Schulden ter zake van pensioenen	0	0
Overige schulden	223	483
Overlopende passiva	117	216
	5.137	6.932

BEZOLDIGING VAN BESTUURDERS

Aan Corpeq BV is een managementfee betaald van €10.000,- (2007 €10.000,-).

Beide bedragen betreffen een vol jaar.

31. BEOORDELINGSVERKLARING HALFJAARBERICHT 2008 VAN VKB

Beoordelingsverklaring

Opdracht

Wij hebben de in dit halfjaarbericht opgenomen (verkorte) geconsolideerde tussentijdse financiële informatie over de periode 1 januari tot en met 30 juni 2008, van B.V. Koninklijke van Kempen & Begeer te Zoetermeer bestaande uit de balans en de winst-en-verliesrekening met de toelichting beoordeeld. De directie van de vennootschap is verantwoordelijk voor het opmaken en het weergeven van de tussentijdse financiële informatie in overeenstemming met de in Nederland geldende Richtlijn voor de jaarverslaggeving 394 'Tussentijdse berichten'. Het is onze verantwoordelijkheid een conclusie te formuleren bij de tussentijdse financiële informatie op basis van onze beoordeling.

Werzaamheden

Wij hebben onze beoordeling van de tussentijdse financiële informatie verricht in overeenstemming met Nederlands recht, waaronder Standaard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit'. Een beoordeling van tussentijdse financiële informatie bestaat uit het inwinnen van inlichtingen, met name bij personen die verantwoordelijk zijn voor financiën en verslaggeving, en het uitvoeren van cijferanalyses en andere beoordelingswerkzaamheden. De reikwijdte van een beoordeling is aanzienlijk geringer dan die van een controle die is uitgevoerd in overeenstemming met Controlestandaarden en stelt ons niet in staat zekerheid te verkrijgen dat wij kennis hebben genomen van alle aangelegenheden van materieel belang die bij een controle onderkend zouden worden. Om die reden geven wij geen accountantsverklaring af.

Conclusie

Op grond van onze beoordeling is ons niets gebleken op basis waarvan wij zouden moeten concluderen dat de (verkorte) geconsolideerde tussentijdse financiële informatie over de periode 1 januari tot en met 30 juni 2008 niet, in alle van materieel belang zijnde aspecten, is opgesteld in overeenstemming met de in Nederland geldende Richtlijn voor de jaarverslaggeving 394 voor Tussentijdse berichten.

Alkmaar, 19 augustus 2008

PricewaterhouseCoopers Accountants N.V.

P.J. Kroon RA

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma combined financial information and explanatory notes have been prepared to illustrate the financial impact of the acquisition of B.V. Koninklijke van Kempen & Begeer (VKB).

The unaudited pro forma combined balance sheet of the Combined Group illustrates the combined financial position of Royal Delft and VKB as at 30 June 2008, assuming that the Acquisition and the financing thereof occurred at 30 June 2008. The unaudited pro forma income statement for the half-year ended 30 June 2008 illustrates the effects of the Acquisition and the financing thereof as if these had occurred at 1 January 2008.

The unaudited pro forma combined balance sheet and income statement as of and for the half-year ended 30 June 2008 are based on the consolidated balance sheet as of 30 June 2008 and the consolidated income statement for the half-year ended 30 June 2008 of Royal Delft and VKB, adjusted as explained further in the explanatory notes below.

The unaudited pro forma combined financial information should be read in conjunction with the reviewed consolidated interim financial information of Royal Delft for the period ended 30 June 2008, including the notes thereto, that have been prepared in accordance with IFRS as adopted by the European Union (IAS 34), as well as the reviewed consolidated interim financial information for the half-year ended 30 June 2008 of VKB, that have been prepared in accordance with Dutch GAAP. Both sets of interim financial information are included elsewhere in this Prospectus.

The unaudited pro forma combined financial information is included for illustrative purposes only. Because of its nature, the unaudited pro forma combined financial information addresses a hypothetical situation and, therefore, does not represent the Combined Group's actual financial position and results. Royal Delft does not claim or represent that the unaudited pro forma combined financial information is indicative of the financial position and results that would have been achieved had the acquisition of VKB taken place as of the date indicated or that may be achieved in the future. There can be no assurance that the assumptions used in the preparations of the unaudited pro forma combined financial information will prove to be correct.

The unaudited pro forma combined financial information contains forward-looking statements. Forward-looking statements involve risks, uncertainties and assumptions. Undue reliance should not be placed on any forward-looking statements. See also Section 3 Important information (Forward-looking statements).

32. UNAUDITED PRO FORMA COMBINED BALANCE SHEET AS AT 30 JUNE 2008

The following table contains the unaudited pro forma combined balance sheet of the Combined Group as at 30 June 2008.

<i>Amounts in EUR x 1,000</i>	Pro forma Adjustments					Pro forma combined
	Royal Delft 30-6-2008*	VKB 30-6-2008*	Alignment of accounting policies (<i>unaudited</i>)	Acquisition of VKB (<i>unaudited</i>)	Financing (<i>unaudited</i>)	
	IFRS as endorsed by the EU (<i>unaudited</i>)	Dutch GAAP (<i>unaudited</i>)				(<i>unaudited</i>)
ASSETS						
Intangible assets	277	138	183	2,245		2,843
Property, plant and equipment	2,898	1,550	-183			4,265
Deferred income tax assets	238					238
Non-current assets	3,413	1,688	0	2,245	0	7,346
Inventories	2,738	6,254		328		9,320
Trade and other receivables	858	2,328	114			3,300
Cash and cash equivalents	147	33		-5,100	5,100	180
Current assets	3,743	8,615	114	-4,772	5,100	12,800
Total assets	7,156	10,303	114	-2,527	5,100	20,146
EQUITY AND LIABILITIES						
Issued Capital	293	68		-68		293
Share premium	1,442	5,423		-5,423	5,485	6,927
Reserves	2,580	-564		2,036		4,052
Shareholders' equity	4,315	4,927	0	-3,455	5,485	11,272
Borrowings					87	87
Deferred income tax liabilities	243		114	656		1,013
Provision for employee benefits	203					203
Other liabilities				227		227
Non-current liabilities	446	0	114	883	87	1,530
Borrowings	1,172	3,656			-472	4,356
Trade and other payables	1,223	1,720		45		2,988
Current liabilities	2,395	5,376	0	45	-472	7,344
Liabilities	2,841	5,376	114	928	-385	8,874
Total equity and liabilities	7,156	10,303	114	-2,527	5,100	20,146

* The numbers at 30 June 2008 have been derived from the respective reviewed consolidated interim financial statements of Royal Delft and VKB.

33. UNAUDITED PRO FORMA COMBINED INCOME STATEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2008

The following table contains the unaudited pro forma combined income statement of the Combined Group for the half-year ended 30 June 2008.

<i>Amounts in EUR x 1,000</i>	Pro forma Adjustments					Pro forma combined
	Royal Delft 30-6-2008*	VKB 30-6-2008*	Alignment of accounting policies (<i>unaudited</i>)	Acquisition of VKB (<i>unaudited</i>)	Financing (<i>unaudited</i>)	
	IFRS as endorsed by the EU (<i>unaudited</i>)	Dutch GAAP (<i>unaudited</i>)				(<i>unaudited</i>)
Revenue	2,397	10,450	17			12,864
Changes in inventories of finished goods and work in progress	213					213
Raw materials and consumables used	72	5,748	169	164		6,153
Employee benefits expense	1,431	1,590				3,018
Depreciation	82	219	-45			256
Amortisation	18	36	45	86		185
Other expenses	826	2,348	17			3,194
Badwill	-282			-917		-1,199
Total operating expenses	2,360	9,941	186	-667		11,820
Operating profit	37	509	-169	667		1,044
Fair value adjustment of Underwriting warrants					-2	-2
Exchange differences			169			169
Financial income						
Financial expenses	-23	-133		-5	13	-148
Net finance costs	-23	-133	169	-5	11	19
Income before taxes	14	376	0	662	11	1,063
Taxes on income	0	-88	0	64	-3	-27
Net income	14	288	0	726	8	1,036

*The numbers for the half-year ended 30 June 2008 have been derived from the respective reviewed consolidated interim financial statements of Royal Delft and VKB.

34. EXPLANATORY NOTES

Basis for preparation

(a) General

On 31 July 2008, Royal Delft announced the acquisition of VKB through an offer for all of the outstanding share capital of VKB for an initial cash consideration of EUR 4,660,000, an earn-out consideration of EUR 227,000 and a warrant consideration of EUR 555,000 (Fair value as at 31 July 2008).

The unaudited pro forma combined financial information has been prepared on a basis that is consistent with the accounting policies as applied by Royal Delft in preparing its reviewed

consolidated interim financial statements for the half year-ended 30 June 2008 and its audited consolidated financial statements for the year ended 31 December 2007.

The book values of the assets and liabilities of VKB have been adjusted to their estimated fair values as required for preparing the unaudited pro forma combined financial information. The excess of the net assets of VKB (as adjusted to their estimated fair values) over the purchase price has been recorded as negative goodwill.

As of the date of this Prospectus, Royal Delft has not completed all of the detailed valuation studies necessary to arrive at the required estimates of the fair value of VKB's assets and (contingent) liabilities and the related allocations of the purchase consideration, and Royal Delft will continue to assess VKB's accounting policies for any additional adjustments that may be required to conform VKB's accounting policies to that of Royal Delft, other than those noted in the pro forma adjustments described below. Specifically the information in relation to VKB's pension plan will be subject to additional assessments to conform VKB's accounting policies to that of Royal Delft. Furthermore the useful lives of acquired brand names and the income tax consequences of the acquisition related costs and the costs for the offering will be subject to further assessment. Actual results may differ from this unaudited pro forma combined financial information for the above reasons and after the assets and liabilities of VKB have been finally determined and after the transaction-related costs are finally known.

The total purchase consideration of the acquisition is as follows.

	Amounts in EUR x 1,000
Cash consideration	4,660
Earn out consideration ⁽¹⁾	227
Warrant consideration ⁽²⁾	555
Transaction-related costs ⁽³⁾	440
Interest ⁽⁴⁾	45
Total purchase consideration	5,927

Notes:

- (1) An earn-out consideration in cash, equal to 50% of the consolidated net profit of VKB over the period from 1 January 2008 until 31 December 2008. The earn-out consideration is expected to be payable in the second quarter of 2009.
- (2) Warrants to be issued by the Company to Corpeq on the closing date of the Proposed Acquisition. Each Warrant entitles the holder thereof to purchase one ordinary share in the capital of the Company at a price (the "Exercise Price") which will be equal to the theoretical ex-rights price in the Offering (the "TERP"). The Warrants will be exercisable during a period starting 180 days after the admission date of the Offer Shares and ending five years from the admission date of the Offer Shares. The number of Warrants to be issued by the Company to Corpeq will be equal to the outcome of the following formula: $\text{EUR } 1,000,000 \times (1 + (\text{TERP} - \text{issue price of the Offer Shares}) / \text{issue price of the Offer Shares}) / \text{issue price of the Offer Shares}$, subject to adjustment, as agreed between the Company and Corpeq or in order to grant anti-dilution protection to the holder of the Warrants in certain situations. The Warrants may only be transferred with prior approval of the Executive Board and the Supervisory Board of the Company.
- (3) Estimated costs directly related to the acquisition comprised of the Offeror Group's financial advisory, legal and other amounts directly related to the Acquisition.
- (4) Under the Sales and Purchase agreement, the purchase price is increased with 4% interest, accrued from 1 July 2008 to 29 September 2008. In case the Acquisition is not closed before 29 September, 6% interest will be payable with retrospective effect to 1 July. In the above consideration 4% interest is taken into account.

Under the purchase method of accounting, the total purchase consideration as shown in the table above is allocated at 30 June 2008 to the identifiable assets, liabilities and contingent liabilities of VKB based on their fair values.

(b) Other items for the basis of presentation

The pro forma combined financial income and expense has been recalculated as if the financing of the Acquisition, by way of the rights offering, would have been obtained at 1 January 2008.

The pro forma combined tax accruals for corporate income tax do not reflect the amounts that would have resulted had Royal Delft and VKB filed consolidated income tax returns during the period presented.

The unaudited pro forma combined income statement does not take into account any synergy benefits and one-off costs or realising such synergies, nor any adjustments for liabilities that may result from integration activities, as the Executive Board of Royal Delft and the Board of Management of VKB currently are in the process of making these assessments.

Pro forma adjustments

The pro forma adjustments in respect of the balance sheet illustrate the effects of the Acquisition as if it was completed on 30 June 2008.

The pro forma adjustments in respect of the income statement illustrate the effects of the Acquisition as if this had occurred per 1 January 2008.

(a) Alignment of accounting policies

VKB prepared its consolidated interim financial information in accordance with Dutch GAAP. For the purpose of preparing the unaudited pro forma combined financial information, VKB's financial information has been adjusted to conform to the accounting policies of Royal Delft. These adjustments have been made based on estimates of the Executive Board of Royal Delft. These adjustments are unaudited, and may not fully reflect the application of the accounting policies of Royal Delft for the period presented, had VKB prepared its financial information using the accounting policies of Royal Delft. Royal Delft has begun a review of VKB's accounting policies and financial statement classification. This review may lead to additional adjustments and reclassifications being required to further align VKB's financial statements to the financial statements of Royal Delft, based upon the accounting policies of Royal Delft.

Certain VKB balance sheet positions and transactions have been reclassified by Royal Delft to conform to the presentation of Royal Delft's financial statements.

The following narratives give a brief description of the material differences between the accounting policies of VKB and Royal Delft.

Balance sheet as at 30 June 2008 and income statement information for the half-year ended 30 June 2008:

Amounts in EUR x 1.000	Alignment of accounting policies (Unaudited)	Comments to the adjustments
BALANCE SHEET		
Intangible assets	183	Refer to Note A
Deferred income tax liabilities	114	Refer to Note B
INCOME STATEMENT		
Revenues	17	Refer to Note C
Raw materials and consumables used	169	Refer to Note D
Depreciation	45	Refer to Note E

Note A) Reclassification of Software

Under Dutch GAAP VKB presented its software under tangible fixed assets. To align the presentation of software on the balance sheet with Royal Delft, the carrying value of VKB's software as per 30 June 2008, amounting to EUR 183,000, is reclassified to Intangible assets.

Note B) Reclassification adjustment for deferred income tax

VKB is part of a fiscal unity with its shareholder. This shareholder as head of the fiscal unity recorded all deferred tax positions in its financial statements, whereas VKB recorded the related tax expenses in the intercompany account with this shareholder. As a consequence VKB did not separately present its deferred tax position. As a result of the Acquisition by Royal Delft the fiscal unity between VKB and its (selling) shareholder will end. Therefore VKB has to record its deferred tax liability separately in its own accounts.

Since the Sales and Purchase Agreement provides for a settlement provision between seller and purchaser based on the fiscal opening balance, the deferred tax liability of EUR 114,000, as per 30 June 2008, is reclassified from intercompany receivable to deferred tax liability.

Note C) Reclassification adjustment for commissions paid to agents

Commissions paid to agents are presented in VKB's income statement as a reduction to revenues. Based on the accounting policies of Royal Delft such costs are presented as selling expenses. To harmonize the presentation an amount of EUR 17,000 has been reclassified from revenues to selling expenses (part of other operating expenses).

Note D) Reclassification for currency exchange differences

Currency exchange differences for an amount of EUR 169,000 were presented by VKB as part of expenses for Raw materials and consumables used. This amount is reclassified to financial income and expense.

Note E) Reclassification for amortisation of software

VKB presented its depreciation and amortisation as one aggregated amount. Royal Delft distinguishes both. To align this presentation an amount of EUR 45,000 is separately presented as amortisation of software.

(b) Acquisition of VKB

The Executive Board of Royal Delft has allocated the purchase consideration based on certain estimates that are described in this Section. The allocation of the purchase consideration and the estimated useful lives and the estimated first half year pro forma amortisation charge associated with certain intangible assets is as follows.

<i>Amounts in EUR x 1,000</i>	Carrying value 30-6-2008	Fair value 30-6-2008	Pro forma adjust- ment	Comments to the adjust- ment
BALANCE SHEET				
Property, plant and equipment	1,550	1,550	-	
Intangible assets	138	138	-	
Acquisition-related intangible assets	0	2,245	2,245	<i>Note A)</i>
Total non-current assets	1,688	3,933	2,245	
Inventories	6,254	6,582	328	<i>Note B)</i>
Receivables	2,328	2,328	-	
Cash and cash equivalents	33	33	-	
Total current assets	8,615	8,943	328	
Short term borrowings	5,376	5,376		
Deferred income tax liabilities	0	656	656	<i>Note C)</i>
Total current liabilities	5,376	6,032	656	
NET ASSETS ACQUIRED		6,844		
Negative Goodwill		(917)		<i>Note D)</i>
Total purchase consideration		5,927		

Note A) Acquisition-related intangible assets (brand names)

Brand names relate to the four most important brands of VKB (i) BK, (ii) Gero, (iii) Keltum and (iv) Royal VKB. The estimated fair value of brand names is approximately EUR 2,245,000.

These brands are considered to have a definite useful life. The brand names are expected to be amortised on a straight-line basis assuming a remaining useful life of thirteen years. As part of the

finalisation of purchase price allocation management will continue to assess the useful life on the brand names.

In the event that the Executive Board of Royal Delft determines that the value of the brands has been impaired, Royal Delft will incur an impairment charge for the amount of impairment during the period in which the determination is made.

Note B) Fair value adjustment of inventories

The acquired inventories are recorded at their fair values being the expected sales prices net of selling costs, administrative costs, distribution costs and profit to the seller for the risk of holding inventory. Compared to the carrying value the inventory of VKB is revalued for an amount of EUR 328,000. This fair value adjustment is recorded in the pro forma balance sheet per 30 June 2008.

Note C) Deferred tax liability

The tax-effects on the adjustments to fair value are presented under deferred income tax liabilities and amount to EUR 656,000.

Note D) Negative Goodwill

Negative Goodwill represents the excess of the fair value of the net assets acquired over the purchase consideration and is approximately EUR 917,000, based on the adjusted balance sheet of VKB as of 30 June 2008. In accordance with IFRS 3 "Business Combinations", negative goodwill is recognised directly in the income statement as a gain. The negative goodwill of EUR 917,000 based on the preliminary purchase price allocation is included in the pro forma income statement.

Pro forma Income statement adjustments resulting from the above acquisition adjustments

In the pro forma income statement the following adjustments are recognised:

	Pro forma Adjustments financing (unaudited)	Comments to the adjustments
Raw materials and consumables used	164	<i>Note A)</i>
Amortisation	86	<i>Note B)</i>
Finance expenses	5	<i>Note C)</i>
Badwill	917	<i>Note D)</i>
Income tax	64	<i>Note E)</i>

Note A) Raw materials and consumables used

The related amortisation of the fair value adjustment over the period 1 January 2008 to 30 June 2008, amounting to EUR 164,000 has been recognised in the pro forma income statement as an expense presented in Raw materials and consumables used.

Note B)

The first half year pro forma amortisation charge related to the brand names is reflected as a pro forma adjustment to the unaudited pro forma combined income statement as if the Acquisition had occurred per 1 January 2008. The brand names are expected to be amortised on a straight-line basis assuming a remaining useful life of thirteen years. The estimated half-year pro forma amortisation charge on the acquired brand names amounts to EUR 86,000.

Note C) Finance expenses

Part of the consideration for the acquisition consists of an earn-out payable in the second quarter of 2009. The fair value of the earn-out is determined by discounting the expected payment using a 4% interest rate. In the pro forma income statement an interest expense of EUR 5,000 is recognised due to the unwinding of the discount over the period 1 January 2008 to 30 June 2008.

Note D) Badwill

In accordance with IFRS 3 "Business Combinations", negative goodwill is recognised directly in the income statement as a gain. The negative goodwill of EUR 917,000, based on the preliminary purchase price allocation, is included in the pro forma income statement.

Note E) Taxes on income

The income tax of EUR 64,000 represents the tax effect on the amortisation of the fair value adjustment of the inventories.

The tax treatment of costs directly attributable to the Acquisition is under consideration of management. For the pro forma income statement it is assumed that these costs are not tax deductible.

(c) Pro forma financial adjustments

The pro forma adjustments included in the unaudited pro forma combined balance sheet as at 30 June 2008 and income statement for the half-year ended 30 June 2008 related to the financing are as follows.

Amounts in EUR x 1,000	Pro forma Adjustments financing (unaudited)	Comments to the adjustments
BALANCE SHEET		
Short term borrowings	-472	<i>Note A)</i>
Shareholders' equity	5,485	<i>Note B)</i>
Deferred income tax assets	0	<i>Note C)</i>
Borrowings	87	<i>Note D)</i>
INCOME STATEMENT		
Finance expenses	-13	<i>Note A)</i>
Taxes on income	-3	<i>Note E)</i>
Fair value adjustment	-2	<i>Note F)</i>

Note A) Cash and cash equivalents

The expected excess proceeds of the rights offering, estimated at EUR 472,000, after deducting the directly attributable expenses and after payment of the cash consideration of EUR 4,660,000 have been included as a reduction of short term borrowings in the pro forma balance sheet per 30 June 2008.

For the pro forma income statement it is assumed that this excess cash was already available per 1 January 2008. This would result in reduced finance expenses of EUR 13,000.

Note B) Increase in shareholders equity

The gross proceeds of the offering reduced for the directly related costs of the rights offering and reduced for the underwriting fee (in the form of Underwriting Warrants) has been recognised as increase in equity. The total increase in equity per 30 June 2008 is estimated at EUR 5,485,000.

Note C) Deferred income tax assets

The tax treatment of costs directly attributable to the rights offering (including the warrants as disclosed under Note D below) is under assessment of the company's management. For the pro forma income statement it is assumed that these costs are not tax deductible.

Note D) Borrowings

As part of the underwriting agreement the company granted Warrants to the Underwriter as underwriting fee. The expense for the underwriting fee, measured at the fair value of the warrants, is recorded in the pro forma balance sheet in equity as a reduction of the net proceeds of the rights offer. As per the grant date the number of Warrants, and thereby the number of shares that can be obtained,

is variable. Therefore the Warrants qualify as a financial liability. Simultaneous with the recognition of the underwriting expense in equity the financial liability for the warrants is recorded in the pro forma balance sheet at its fair value of EUR 87,000. If the Underwriter exercises its Warrant Right in the future this will result in an increase in equity. A potential exercise of the warrants in the future is not considered as part of the combined pro forma financial information.

Note E) Taxes on income

The tax-effect on the reduced finance expenses is presented under income tax expense and amounts to EUR 3,000.

Note F) Fair value change of Underwriting Warrants

Warrants are granted to the Underwriter as per 31 July 2008. As per the grant date the number of Warrants, and thereby the number of shares that can be obtained, is variable. Therefore the Warrants qualify as a financial liability. This liability will be remeasured each balance sheet date. Any change in the fair value upon remeasurement is recognised in the income statement. The change included in the pro forma income statement is EUR 2,000.

35. ASSURANCE REPORT ON THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

Introduction

We report on the pro forma combined financial information as set out in chapter "Unaudited pro forma combined financial information" as included in this Prospectus. The pro forma combined financial information has been compiled on the basis as described in part headed "Basis of preparation", for illustrative purposes only, to provide information about how the Acquisition of B.V. Koninklijke Van Kempen en Begeer by N.V. Koninklijke Delftsch Aardewerfabriek 'De Porceleynse Fles anno 1653' (the "Company") might have affected the financial position, assuming that the Acquisition and the financing thereof occurred at 30 June 2008 and to provide information about how the Acquisition might have affected the results of the Company assuming that the Acquisition and the financing thereof occurred at 1 January 2008.

The Executive Board of the Company is responsible for the compilation of the unaudited pro forma combined financial information in accordance with the requirements of EU Regulation 2004-809. Our responsibility is to provide a conclusion as required by Annex II item 7 of EU Regulation 2004-809, as to the proper compilation of the pro forma financial information. We are not responsible for drawing any other conclusion on the pro forma combined financial information or on any of its constituent elements.

Scope

We conducted our work in accordance with Dutch Law, including Standard 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including their adjustment to the company's accounting policies nor of the pro forma assumptions stated in the pro forma notes, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the pro forma combined financial information with the Executive Board of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma combined financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work, we conclude that:

- a) the pro forma combined financial information has been properly compiled on the basis stated in chapter "Unaudited pro forma combined financial information" as included in this Prospectus; and
- b) such basis is consistent with the accounting policies of the Company as described in part "Basis of preparation" of this Prospectus.

Emphasis of matter

We draw attention to the fact that, as outlined in part "Basis of preparation" of this Prospectus, this pro forma combined financial information is prepared by using the Executive Board's assumptions. It addresses a hypothetical situation and is therefore not necessarily indicative of the effects on the financial position that would have been attained had the above-mentioned Acquisition and the financing thereof, actually occurred earlier as described in part 26.1 "Basis of preparation" of this Prospectus. Moreover, the pro forma combined financial information is not intended to, and does not, provide all the information and disclosures necessary to present a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU.

Other matters – restriction of use

The unaudited pro forma combined financial information and our assurance report thereon are intended solely for enclosure in the Prospectus and are not suitable for any other purpose.

Amsterdam, 5 September 2008

PricewaterhouseCoopers Accountants N.V.

P. Jongerius RA
Partner

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