

WATERFORD WEDGWOOD PLC, AS ISSUER
WATERFORD WEDGWOOD LINENS, INC., AS ADDITIONAL GUARANTOR
CASH'S MAIL ORDER LIMITED, AS ADDITIONAL GUARANTOR
JOSIAH WEDGWOOD & SONS (AUST) PTY LTD, AS ADDITIONAL
GUARANTOR
WATERFORD WEDGWOOD CANADA, INC., AS ADDITIONAL GUARANTOR
WATERFORD WEDGWOOD AUSTRALIA LIMITED, AS ADDITIONAL
GUARANTOR AND
WATERFORD WEDGWOOD U.K. PLC, AS GUARANTOR

9 7/8 % MEZZANINE NOTES DUE 2010

THIRD SUPPLEMENTAL INDENTURE
DATED AS OF SEPTEMBER 30, 2004

to

INDENTURE
DATED AS OF DECEMBER 1, 2003

THE BANK OF NEW YORK, LONDON
TRUSTEE

This THIRD SUPPLEMENTAL INDENTURE, dated as of September 30, 2004 (the "*Third Supplemental Indenture*"), by and among Waterford Wedgwood Linens, Inc., a corporation organized under the laws of the State of Delaware, Cash's Mail Order Limited, a company incorporated under the laws of Ireland with registration number 314484, Josiah Wedgwood & Sons (Aust) Pty Ltd, a company organized under the laws of Australia with registration number ACN 000 077 190, Waterford Wedgwood Canada, Inc., a corporation incorporated under the federal laws of Canada, and Waterford Wedgwood Australia Limited, a company incorporated under the laws of England and Wales with registered number 47676 (each an "*Additional Guarantor*" and together the "*Additional Guarantors*"), Waterford Wedgwood plc, a public limited company incorporated under the laws of Ireland (the "*Issuer*"), Waterford Wedgwood U.K. plc, a public limited company incorporated under the laws of England and Wales (the "*Guarantor*"), and The Bank of New York, London, as trustee (the "*Trustee*") under the Indenture.

RECITALS

WHEREAS, the Issuer, the Guarantors (as defined in the Indenture defined below), and the Trustee have heretofore executed and delivered to the Trustee the Mezzanine Indenture dated as of December 1, 2003, as supplemented by supplemental indentures dated as of July 27, 2004 and September 1, 2004 (the Mezzanine Indenture, as supplemented thereby, the "*Indenture*"), providing for the issuance of an aggregate principal amount of €166,028,000 of 9 7/8% Mezzanine Notes due 2010 (the "*Notes*");

WHEREAS, the Issuer and the Guarantors will repay in full amounts outstanding under their existing credit agreement and private placement notes (together, the "*Existing Senior Facilities*") out of the proceeds of borrowings under the facility agreement dated as of September 30, 2004 (the "*New Senior Facility*") among the Issuer, the Original Borrowers (as defined therein), the Original Guarantors (as defined therein), the Original Senior Lenders (as defined therein), the Original Senior Tranche B Lenders (as defined therein), the Original Ancillary Facility Provider (as defined therein), and Burdale Financial Limited, as agent;

WHEREAS, all of the security in respect of the Existing Senior Facilities and the Notes and Guarantees (the "*Existing Security*") will be released simultaneously with repayment in full of the Existing Senior Facilities;

WHEREAS, the Intercreditor Agreement will be replaced by the intercreditor agreement dated September 30, 2004 among the Issuer, the Subsidiary Obligors (as defined therein), the HY Bond Guarantors (as defined therein), Burdale Financial Limited as intercreditor agent and security trustee, the Trustee and the Senior Lenders (as defined therein) (the "*New Intercreditor Agreement*");

WHEREAS, immediately following release of the Existing Security, new security will be granted in favour of the Senior Creditors (as defined in the New Intercreditor Agreement) and, in accordance with the terms of Section 13.1(c) of the Indenture, the Issuer, the Guarantors and the Additional Guarantors will grant Liens securing the Notes and the Guarantees on no worse terms than the Liens securing the Senior Debt owed to the Senior Creditors, provided that such Liens will be subordinated to the Liens securing such Senior Debt on terms no worse than those in the Intercreditor Agreement;

WHEREAS, Section 11.1 of the Indenture provides that the Issuer may designate Restricted Subsidiaries to become Additional Guarantors (as such terms are defined in the

Indenture) by the execution and delivery of a supplemental indenture providing for a guarantee of such Restricted Subsidiary;

WHEREAS, the Guarantees in favour of the Holders will remain in place and, in addition, the Additional Guarantors will guarantee the Notes pursuant to Section 11.1 of the Indenture;

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, any existing Guarantor and the Trustee may amend or supplement the Indenture to provide for any Restricted Subsidiary to become an Additional Guarantor in accordance with Section 11.1 of the Indenture, to add Guarantees with respect to the Notes or to secure the Notes, without the consent of any Holder of the Notes;

WHEREAS, each of the Additional Guarantors is a Restricted Subsidiary of the Issuer;

WHEREAS, pursuant to Articles IX and XIII of the Indenture, the execution and delivery of this Third Supplemental Indenture have been duly authorized by the parties hereto, and all other acts necessary to make this Third Supplemental Indenture a valid and binding supplement to the Indenture effectively supplementing the Indenture as set forth herein have been duly taken.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, Waterford Wedgwood U.K. plc ("WWUK"), the Additional Guarantors and the Trustee each mutually covenant and agree for the equal and rateable benefit of the Holders of the Notes as follows:

Section 1 Capitalized Terms.

Any capitalized term used herein and not otherwise defined herein shall have the meaning assigned to such term in the Indenture.

Section 2 Agreement to be Bound; Guarantee.

Each of the Additional Guarantors hereby becomes a party to the Indenture as an Additional Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of an Additional Guarantor under the Indenture. The Additional Guarantors each agree to be bound by all provisions of the Indenture applicable to an Additional Guarantor and to perform all of the obligations and agreements of an Additional Guarantor under the Indenture.

Subject to the terms of the Indenture (including, without limitation, Articles XI and XII and Section 14.18 thereof), each of the Additional Guarantors hereby fully, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, jointly and severally with each other Guarantor, to each Holder of the Notes and the Trustee, the full and punctual payment when due, whether at maturity, by acceleration, by redemption or otherwise, of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes and all other payment obligations of the Issuer under the Indenture.

Section 3. Corresponding Amendments to the Indenture.

Pursuant to Section 9.1 of the Indenture, the Issuer, WWUK, the Additional Guarantors and the Trustee hereby amend and supplement the Indenture to reflect the addition of the Additional Guarantors and changes to the Existing Security and related intercreditor agreement, such amendments and supplements to be effective from the date of execution of this Third Supplemental Indenture; such amendments are as follows:

(1) The below definitions to be added to Section 1.1 Definitions:

"*New Senior Facility*" means the Facility Agreement dated as of September [24], 2004 by and among the Issuer, the Original Borrowers (as defined therein), the Original Guarantors (as defined therein), the Original Senior Lenders (as defined therein), the Original Senior Tranche B Lenders (as defined therein), the Original Ancillary Facility Provider (as defined therein), and Burdale Financial Limited, as agent, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified or replaced from time to time.

(2) The definition of Security Documents in Section 1.1 Definitions is replaced in its entirety by the following definition:

"*Security Documents*" means the security agreements and related documents which on the effective date of such documents grant security in favor of the Security Agent as security for, among others (i) obligations under the Notes and the Guarantees (including, without limitation, the Intercreditor Agreement) and (ii) borrowings under the New Senior Facility, and any other security agreements or other instruments by which any of the Company's or a Guarantor's Obligations hereunder (or under the Notes or the Guarantees) are secured by a Lien (whether pursuant to Section 13.1(c), 13.10 or otherwise) as such agreements may be amended from time to time, in each case excluding any security agreements, other instruments and related documents that are released pursuant to or in compliance with Section 13.3 hereof."

(3) The definition of Guarantor in Section 1.1 Definitions is amended to include at the end of clause (1) thereof:

Waterford Wedgwood Linens, Inc., Cash's Mail Order Limited, Josiah Wedgwood & Sons (Aust) Pty. Limited, Waterford Wedgwood Australia Limited and Waterford Wedgwood Canada, Inc.;

(4) Section 10.4 Turnover is amended to delete the words "the Credit Agreement, the Private Placement Notes," and to delete the word "other" from in front of the words "Senior Debt" in the fourth and fifth lines thereof;

(5) Section 10.12 Trust Moneys Not Subordinated is amended to delete the words "and was not established in breach of the Credit Agreement or the Private Placement Notes" from the last sentence thereof and insert the words "and was not established in breach of the New Senior Facility" in their stead;

(6) Clause (1) of Section 12.3 Liquidation, Dissolution and Bankruptcy is amended to delete the words ", including without limitation lenders under the Credit Agreement and

holders of the Private Placement Notes," from the first, second and third lines thereof; to delete the words "the Credit Agreement and the Private Placement Notes or" from the eleventh and twelfth lines thereof; and to delete the word "other" from in front of the words "Senior Debt" in the twelfth line thereof;

(7) Section 12.4 Turnover is amended to delete the words "the Credit Agreement, the Private Placement Notes," from the fourth and fifth lines thereof and to delete the word "other" from in front of the words "Senior Debt" in the fifth line thereof;

(8) Section 12.12 Trust Moneys Not Subordinated is amended to delete the words "and was not established in breach of the Credit Agreement or the Private Placement Notes" from the last sentence thereof and insert the words "and was not established in breach of the New Senior Facility" in their stead;

(9) Section 11.3 Limitation on Liability is amended to add the following clauses:

"(c) any Guarantor incorporated in Canada (a "Canadian Guarantor") acknowledges that certain of the rates of interest applicable to the Senior Subordinated Obligations guaranteed under this Article XI may be computed on the basis of a year of 360 days or 365 days, as the case may be, and paid for the actual number of days elapsed. For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days, as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365, as the case may be. Further, the principle of deemed reinvestment of interest does not apply to any interest calculation applicable to any Senior Subordinated Obligations and the rates of interest applicable to any Senior Subordinated Obligations are intended to be nominal rates and not effective rates or yields.

(d) each Canadian Guarantor acknowledges that it has or will receive direct and indirect benefits from the transactions contemplated by the Indenture and that the guarantee and each of the waivers provided by it in this Article XI is knowingly made in contemplation of such benefits.

(e) if a claim on Josiah Wedgwood & Sons (Aust) Pty Ltd or Waterford Wedgwood Australia Limited under this Article XI results (directly or indirectly) in the receivership, administration, liquidation or winding up (or other analogous proceedings) of either company then the liability of the company the subject of those proceedings (or both companies if both companies are subject to those proceedings) under this Article XI is limited to an amount equal to the liquidation value of the assets of that company less Australian Dollars \$4,500,000. Where the amount determined is a negative number the liability of the relevant company is deemed to be zero."

(11) Clause (a) of Section 13.1 Security Documents is amended to replace the words "on or about the Issue Date," in the seventh line thereof with the words "on or about the date of the New Senior Facility".

(12) Section 14.1 is amended by replacing the words "Attention: Richard A. Barnes" with the words "Attention: Paul D'Alton" in the provision for notices to the Company or any Guarantor.

Section 4. Ratification and Effect.

Except as hereby expressly amended and supplemented, the Indenture is in all respects ratified and confirmed and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

Upon and after the execution of this Third Supplemental Indenture, each reference in the Indenture to "this Indenture," "hereunder," "hereof" or words of like import referring to the Indenture shall mean and be a reference to the Indenture as modified hereby.

Section 5. Governing Law.

THE INTERNAL LAWS OF THE STATE OF NEW YORK SHALL GOVERN THIS THIRD SUPPLEMENTAL INDENTURE, THE INDENTURE (AS SUPPLEMENTED AND AMENDED HEREBY), THE NOTES AND THE GUARANTEES.

Section 6. Notices.

All notices and other communications to any Additional Guarantor shall be given as provided in the Indenture to any Guarantor.

Section 7. Parties.

Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders and the Trustee, any legal or equitable right, remedy or claim under or in respect of the Third Supplemental Indenture or the Indenture or any provision herein or therein contained.

Section 8. Severability.

In case any one or more of the provisions in this Third Supplemental Indenture shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

Section 9. Counterpart Originals.

The parties may sign any number of copies of this Third Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 10. The Trustee.

The recitals in this Third Supplemental Indenture shall be taken as the statements of the Issuer, WWUK and the Additional Guarantors, and the Trustee assumes no responsibility for their correctness. The Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or sufficiency of this Third Supplemental Indenture.

Section 11. Effect of Headings.

The section headings herein are for convenience only and shall not affect the construction hereof.

Section 12. Successors.

All covenants and agreements in this Third Supplemental Indenture by the parties hereto shall bind their successors and assigns, whether so expressed or not.

Section 13. Conflicts.

To the extent of any inconsistency between the terms of the Indenture or the Notes and this Third Supplemental Indenture, the terms of this Third Supplemental Indenture will control.

Section 14. Entire Agreement.

This Third Supplemental Indenture constitutes the entire agreement of the parties hereto with respect to the amendments to the Indenture set forth herein. A memorandum of this Third Supplemental Indenture shall be indorsed by the Trustee on the Indenture and by the Issuer on its duplicate thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed on their respective behalf, by their respective representative thereunto duly authorized, on the date first above written.

WATERFORD WEDGWOOD
LINENS, INC.

as an Additional Guarantor

By: Michael Parkes
Name:
Title:

CASH'S MAIL ORDER LIMITED

as an Additional Guarantor

By: Michael Parkes
Name:
Title:

JOSIAH WEDGWOOD & SONS
(AUST) PTY LTD

as an Additional Guarantor

By: Michael Parkes
Name:
Title:

WATERFORD WEDGWOOD
AUSTRALIA LIMITED

as an Additional Guarantor

By: Michael Parkes
Name:
Title:

WATERFORD WEDGWOOD
CANADA, INC.

as an Additional Guarantor

By: Michael Parks
Name:
Title:

WATERFORD WEDGWOOD U.K.
PLC

By: Michael Parks
Name:
Title:

WATERFORD WEDGWOOD PLC

By: Michael Parks
Name:
Title:

THE BANK OF NEW YORK,
LONDON, as Trustee

By: _____
Name:
Title:

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WATERFORD WEDGWOOD
CANADA, INC.

as an Additional Guarantor

By: _____
Name:
Title:

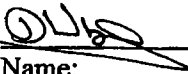
WATERFORD WEDGWOOD U.K.
PLC

By: _____
Name:
Title:

WATERFORD WEDGWOOD PLC

By: _____
Name:
Title:

THE BANK OF NEW YORK,
LONDON, as Trustee

By:  _____
Name:
Title: Daniel Wynne, AVP