RNS Number:6324B
Portmeirion Group PLC
18 April 2006

Portmeirion Group plc
Amendment to the results for the year ended 31 December 2005
Released 16 March 2006 at 08:05 under RNS number 8918Z

The Company today announces the following amendments to its preliminary results for the year ended 31 December 2005 following discussions with its auditors, Deloitte & Touche LLP:

Financial Reporting Standard (FRS) 17 "Retirement Benefits" was implemented in full for the first time for the year ended 31 December 2005. FRS 17 requires a charge for the current service cost of the defined benefit scheme to be included in the profit and loss account, with any cash contributions reflected as funding only and not charged to the profit and loss account. However, we have now discovered that we had incorrectly charged the £348,000 annual cash contribution to the closed defined benefit pension scheme to the profit and loss account for 2005 and the restated profit and loss account for 2004. This understated the profit for 2005 and overstated the restated loss for 2004 both by £348,000.

There is no effect on the consolidated balance sheet or the consolidated cash flow statement. The changes to the preliminary announcement are:

	Amended	Previously	Amended	Previously
	2005	Announced	Restated	Announced
	£'000	2005	2004	Restated

		£'000	£'000	2004
				£'000
In the consolidated profit and loss account				
Operating profit/(loss) before exceptional items	1,507	1,159	(384)	(732)
Operating profit/(loss) after exceptional items	1,223	875	(1,577)	(1,925)
Pre-tax profit/(loss) on ordinary activities before exceptional items	1,699	1,351	(72)	(420)
Pre-tax profit/(loss) on ordinary activities after exceptional items	1,380	1,032	(1,265)	(1,613)
Profit/(loss) on ordinary activities after taxation	1,063	715	(811)	(1,159)

Earnings/(loss) per share	10.57p	7.11p	(7.84p)	(11.20p)
Diluted earnings/(loss) per share	10.54p	7.09p	(7.84p)	(11.20p)
In the statement of total recognised gains and losses				
Profit/(loss) for the financial year	1,063	715	(811)	(1,159)
Total recognised gains and losses for the financial year	744	396	(2,202)	(2,550)
Total recognised gains and losses since the last annual report	(587)	(935)	(2,202)	(2,550)
In the reconciliation of movements in shareholders funds				
Profit/(loss) for the financial year	1,063	715	(811)	(1,159)
Movement in pension scheme liability	(779)	(431)	(1,198)	(850)

In the reconciliation of operating profit/ (loss) to operating cash flows				
Operating profit/(loss)	1,223	875	(1,577)	(1,925)
Contributions to defined benefit pension scheme	(348)	-	(348)	-

As a consequence, the preliminary results for the year ended 31 December 2005 which were announced on 16 March 2006 are to be replaced in full by the amended results for the year ended 31 December 2005 which follow. The Company's annual report and accounts for the year ended 31 December 2005 are now expected be sent to shareholders on 25 April 2006.

For further information please contact:

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Amended results for the year ended 31 December 2005

CHAIRMAN'S STATEMENT

Financial summary for the year

	2005 £000's	Restated (Note 4) 2004 £000's
Turnover	27,552	27,686
Pre-tax profit/(loss) before operating exceptionals	1,699	(72)
Pre-tax profit/(loss)	1,380	(1,265)
Basic earnings/(loss) per share	10.57p	(7.84p)
Dividends per share	13.25p	13.25p

Highlights:

- Annual sales of £27.552 million, 2.7% above the previous year when measured in the same US dollar exchange rate, but level with last year following the sterling/dollar exchange rate movement.

- 2005 pre-tax operating profit £1.699 million compared to a loss of £0.072 million (restated) in 2004.

- Final proposed dividend maintained at 9.95p.

- 2005 earnings per share 10.57p, compared to a loss of 7.84p in 2004.

Exceptional items for the year amounted to £0.319 million compared with £1.193 million in the previous year. Therefore, the total profit for the year, before taxation, was £1.380 million compared with a loss of £1.265 million (restated) the previous year.

The Board is recommending a final dividend of 9.95p bringing the total to 13.25p for the year, unchanged from 2004. The dividend will be paid, subject to shareholders' approval, on 26th May 2006, to shareholders on the register at the close of business on 28th April 2006. We are nearing our short-term goal of ensuring that the dividend is covered by earnings.

RESULTS FOR THE YEAR

I am pleased to report that, following the major re-organisation of the Company's manufacturing plants, a creditable profit improvement of some £2.6 million was achieved. This was also after absorbing approximately £0.5 million in costs due to the further fall, at our hedged rates, in the value of the US dollar to sterling. Since sales in the US account for over a third of the total, the Company hedges exchange rate risk by selling dollars forward. In 2004 the hedged rate was $1.63, and in 2005 $1.78. The Group is largely hedged at $1.82 for 2006, so additional exchange losses should be minimal for the current year.

The 2005 full year cash contribution of £0.348 million to the Group's now closed defined benefit pension scheme has been reviewed, following the scheme's actuarial valuation during 2005. As a result the contribution will remain at the same level for 2006.

Exceptional operating costs in 2005 consisted of £0.284 million following the consolidation of the two manufacturing sites in Stoke-on-Trent to one. The Board also decided to take an impairment charge of the Group's investment in Furlong Mills, a company supplying raw material to the ceramic industry. This impairment is a non-cash write-down of £0.273 million. These exceptional costs were offset by an exceptional gain of £0.238 million following the sale of the vacated manufacturing site.

The 2.7% improvement in sales on a constant exchange rate basis was achieved with an exceptional export performance, which more than offset a disappointing UK market result.

Sales in the US in dollars increased by an impressive 11%, to $18.275 million, representing 37% of total sales in sterling. This was achieved with improved sales of our established classic tableware patterns, plus the addition of lower priced Portmeirion Studio ranges, sourced from overseas. The team at our US subsidiary is to be congratulated on a fine performance in improving market share.

Sales to South Korea increased by a remarkable 41% to £4.670 million, following a major expansion in the number of retail outlets stocking the Company's classic ranges. There is still opportunity for growth with new product ranges to be introduced this year. Apart from Japan, where we changed from selling through a wholly-owned subsidiary to a local distributor, all our other major export markets showed healthy sales increases leading to a total Group export sales increase of 18% on a constant exchange rate basis.

Sales in the UK were 19% below the previous year. Although the performance was affected to some extent by reduced consumer spending, and fewer tourists, I believe this disappointing sales trend will be corrected with the introduction of much needed new product ranges. No fewer than five new ranges are being delivered to our retail customers in the second quarter of this year, which should lead to the essential improvement in sales.

The result of this sales performance and exceptional gains on property disposal has increased the Group's cash balance to £6.3 million at the end of the year. There will be a further cash gain following the sale of our secondary warehousing site when the new warehouse is completed. This will ensure that the Company maintains a strong balance sheet while still investing £3.0 million in capital expenditure for mechanising and equipping the new warehouse.

PRODUCT STRATEGY

The markets in both the UK and US continue to be subjected to retail price

deflation. Low cost retailers and the supermarket groups continue to expand their non-food offering, and our department store customers and independent retailers are responding by offering good quality products at ever lower prices.
The Group's strategy of producing excellent design and quality in new product ranges under the Portmeirion brand, sourced overseas, is now beginning to show results, while the classic ranges continue to be produced at our Stoke-on-Trent factory.

Most notable of the five new products this Spring is a range of ceramic cookware designed by Sophie Conran. This has met with a tremendous response, both in the UK and abroad. I expect this product range to be sold in the US, Japan, Australia and South Korea, and will open up new channels of distribution for Portmeirion.

MANUFACTURING & WAREHOUSE REORGANISATION

As a result of the consolidation of our manufacturing sites, I had anticipated a reduction in annual operating costs of approximately £0.5 million per annum. I am pleased to confirm that approximately half of these savings were achieved in the second half of 2005, and as a result the manufacturing gross margin improved by 3 percentage points compared to the previous year. Further cost reductions have been made at the start of 2006, since the Group is now faced with an increase of at least £0.25 million in energy costs this year. However, the overall level of annual cost reduction should be maintained.

As reported in December 2005, the contract has now been placed for the lease of the Group's new warehouse and distribution centre. Construction work has begun, and completion is planned for the end of 2006, with operations commencing in Spring 2007.

MANAGEMENT STRUCTURE

The Group has continued to strengthen the sales and marketing team in 2005, without increasing the overall size of the management team. Resources have been transferred from production and support services, so that the cost base has not increased. This adjustment to the management structure is in anticipation of continued growth in the number of sourced product ranges, and the need to market our classic ranges to new export markets.

CURRENT TRADING & PROSPECTS

I expect 2006 to be another challenging year, with consumer spending on a tight rein. Sales so far this year are below the previous year, but broadly in line with expectations. As I have reported, I expect the sales trend to improve as our new ranges come to market in the second quarter of this year.

Our consumers now require new casual dining products every season, and we will maintain the momentum of new product introductions. This, together with constant improvement in efficiency and productivity, will, I believe, result in continuing improvement in the Group's performance.

I would particularly like to thank the management team and workforce for their contribution to the successful repositioning of the Group in 2005, which will now continue through this year.

Arthur Ralley
Chairman
18th April 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2005

	Notes	Before exceptional items 2005 £000's	Exceptional items 2005 £000's	Total 2005 £000's	As restated Before exceptional items 2004 £000's	As restated Exceptional Items 2004 £000's	As restated Total 2004 £000's
Turnover - continuing operations	5	27,552	-	27,552	27,686	-	27,686
Raw materials and operating costs	2	(26,045)	(284)	(26,329)	(28,070)	(1,193)	(29,263)
Operating profit/(loss) - continuing operations		1,507	(284)	1,223	(384)	(1,193)	(1,577)
Profit on sale of tangible fixed assets	2	-	238	238	-	-	-
Share of profit of associated undertakings		68	-	68	145	-	145
Interest receivable and similar income		207	-	207	211	-	211
Interest payable and similar charges		(2)	-	(2)	(22)	-	(22)
Other finance costs		(81)	-	(81)	(22)	-	(22)
Impairment of investment in associated undertaking	2	-	(273)	(273)	-	-	-
Profit/(loss) on ordinary activities before taxation		1,699	(319)	1,380	(72)	(1,193)	(1,265)

Taxation on profit/(loss) on ordinary activities		(317)	454
Profit/(loss) on ordinary activities after taxation being the profit/(loss) for the financial year		1,063	(811)
Earnings/(loss) per share	3	10.57p	(7.84p)
Diluted earnings/(loss) per share	3	10.54p	(7.84p)
Dividends per share paid and proposed	6	13.25p	13.25p

CONSOLIDATED BALANCE SHEET
As at 31st December 2005

		2005		As restated 2004
	£000's	£000's	£000's	£000's
Fixed assets				
Tangible assets		5,335		6,279
Investments		1,413		1,544
		6,748		7,823
Current assets				
Stocks	5,913		6,054	
Debtors	5,243		5,926	
Cash at bank and in hand	6,294		4,859	

	17,450		16,839		
Creditors: amounts falling due within one year	(3,081)		(2,653)		
Net current assets		14,369		14,186	
Total assets less current liabilities		21,117		22,009	
Provisions for liabilities and charges		(43)		(19)	
Net assets excluding pension deficit		21,074		21,990	
Pension deficit net of related deferred tax		(2,870)		(2,358)	
Net assets including pension deficit		18,204		19,632	
Capital and reserves					
Called up share capital		521		521	
Share premium account		4,580		4,580	
Treasury shares		(964)		(202)	
Profit and loss account		14,067		14,733	
Equity shareholders' funds		18,204		19,632	

PORTMEIRION GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31st December 2005

	Notes	2005 £000's	2004 £000's
Cash inflow from operating activities	8	3,033	48
Returns on investments and servicing of finance	9	148	171
Taxation received/(paid)		54	(604)
Capital expenditure and financial investment	9	292	(414)
Equity dividends paid		(1,330)	(1,368)

Cash inflow/(outflow) before use of liquid resources and financing		2,197	(2,167)
Management of liquid resources		(1,654)	2,560
Financing	9	(762)	(202)
(Decrease)/increase in cash in the year	7	(219)	191

Reconciliation of net cash flow to movement in net funds

	2005 £000's	2004 £000's
(Decrease)/increase in cash in the year	(219)	191
Cash outflow/(inflow) from increase/(decrease) in liquid resources	1,654	(2,560)
Net funds at 1st January	4,859	7,228
Net funds at 31st December	6,294	4,859

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the year ended 31st December 2005

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2005 £000's	As restated 2004 £000's
Profit/(loss) for the financial year	1,063	(811)
Currency translation differences	380	(291)

Actuarial loss on defined benefit pension scheme	(998)	(1,572)
Related deferred tax	299	472
Total recognised gains and losses for the financial year	744	(2,202)
Prior year adjustment	(1,331)	-
Total recognised gains and losses since the last annual report	(587)	(2,202)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £000's	As restated 2004 £000's
Profit/(loss) for the financial year	1,063	(811)
Movement in pension scheme liability	(779)	(1,198)
Dividends paid	(1,330)	(1,379)
Currency translation differences	380	(291)
Purchase of treasury shares	(762)	(202)
Net reduction in shareholders' funds	(1,428)	(3,881)
Opening shareholders' funds as previously stated	20,963	23,964
Prior year adjustment	(1,331)	(451)
Opening shareholders' funds as restated	19,632	23,513
Closing shareholders' funds	18,204	19,632

NOTES

1. The financial information set out above does not constitute the Company's
statutory accounts for the years ended 31st December 2005 and 2004 but is derived from those accounts. Statutory accounts for 2004 which have been delivered to the Registrar of Companies, contain an unqualified audit opinion
and did not contain a statement under Section 237(2) or (3) of the Companies Act
1985. Statutory accounts for the year ended 31st December 2005 on which the auditors have given an unqualified opinion and do not contain a statement under
Section 237(2) or (3) of the Companies Act 1985 will be delivered to the Registrar of Companies in due course. The principal accounting policies have
been applied consistently except for the change in accounting policies as stated
in Note 4. This announcement was approved by the Board of Directors on 18th April 2006.

2. Exceptional items

The consolidation of manufacturing onto one site referred to in the 2004 annual
report was completed during the six months ended 30 June 2005. The exceptional
operating costs incurred as a result of this move and redundancies were £284,000.

Following the consolidation of manufacturing the vacated freehold premises were
sold. The resulting exceptional gain is analysed as follows:

	£000's
Net proceeds (£700,000 less selling expenses of £12,000)	688
Less: Impaired value of site	(450)
Exceptional gain	238

Furlong Mills is a supplier of raw materials to the ceramic manufacturing industry and, in the light of continuing changes to that industry in the UK, an
impairment review has been carried out which has resulted in an additional impairment provision of £273,000.

3. Earnings/(loss) per share

Basic

The basic earnings/(loss) per share are calculated by dividing the profit after taxation of £1,063,000 (2004 - loss of £811,000 as restated) by the weighted average number of Ordinary shares in issue during the year of 10,057,467 (2004 - 10,350,192).

Diluted

The diluted earnings/(loss) per share is calculated in accordance with Financial Reporting Standard 22 (FRS 22).

This calculation uses a weighted average number of Ordinary shares in issue adjusted to assume conversion of all dilutive potential Ordinary shares and is shown below:

	Earnings £	2005 Weighted Number of Shares	Earnings per Share (Pence)	Loss £	As restated 2004 Weighted Number of Shares	Loss per Share (Pence)
Basic earnings/ (loss) per share	1,063,000	10,057,467	10.57	(811,000)	10,350,192	(7.84)
Effect of dilutive securities: employee share options	-	23,636	-	-	-	-
Diluted earnings/ (loss) per share	1,063,000	10,081,103	10.54	(811,000)	10,350,192	(7.84)

FRS 22 requires presentation of diluted earnings per share when a company could
be called upon to issue shares that would decrease net profit or increase net
loss per share. For a loss making company with outstanding share options, net
loss per share would only be increased by the exercise of out-of-the-money
options. Since it seems inappropriate to assume that option holders would act
irrationally and there are no other diluting future share issues, diluted loss
per share in 2004 equals basic loss per share.

4. Prior year adjustments

In addition to applying FRS 17 "Retirement Benefits" in full the Group has also
applied FRS 21 " Events after the balance sheet date". Under this financial
reporting standard dividends which have been declared after the balance sheet
are not recognised as a liability. Accordingly an adjustment has been made for
the provision of £1,027,000 for dividends in the accounts for the year ended
31st December 2004.

The total of the prior period adjustments arising from the application of FRS 17
and FRS 21 is analysed as follows:

The closing shareholders' funds as at 31st December 2004 were restated as follows:

	£000's	£000's
Shareholders' funds at 31st December 2004 as previously stated		20,963
Pension scheme liability as at 31st December 2004, net of related deferred tax	(2,358)	
Liability for 2004 final dividend not declared at 31st December 2004	1,027	

Total prior period adjustment		(1,331)

Shareholders' funds at 31st December 2004 as restated	19,632
	========

The opening shareholders' funds as at 1st January 2004 were restated as follows:	£000's	£000's
Shareholders' funds at 1st January as previously stated		23,964
Pension scheme liability as at 31st December 2003, net of related deferred tax	(1,486)	
Liability for 2003 final dividend not declared at 31st December 2003	1,035	

Total prior period adjustment		(451)

Shareholders' funds at 1st January 2004 as restated		23,513
		========

Following the application of FRS 17 in full, the 2004 operating loss has been restated to £1,577,000 (previously stated loss of £1,925,000) and the 2004 loss on ordinary activities before tax has been restated to £1,265,000 (previously stated loss of £1,577,000). An other finance charge of £81,000 has been recognised in the 2005 profit and loss account (2004 - £22,000).

The 2004 loss per share has been restated to 7.84p (previously stated loss per share of 10.99p).

FRS 22 "Earnings per share" has also been applied but has no impact.

5. Turnover by destination

Turnover by destination	2005	2004
	£000's	£000's
United Kingdom	9,562	11,848
North America	10,864	10,256
European Union	1,542	1,338
Far East	5,186	3,913
Rest of the World	398	331
	-------	--------
	27,552	27,686
	=======	========

6. Dividends

The Directors propose the payment of a final dividend of 9.95p (2003 - 9.95p) per Ordinary share on 26th May 2006 to shareholders on the register on 28th April 2006.

7. Analysis of net funds

	At 1st January 2005 £000's	Cash flow £000's	At 31st December 2005 £000's
Cash in hand, at bank	1,355	(219)	1,136
Short term money market deposits	3,504	1,654	5,158
Total	4,859	1,435	6,294

8. Reconciliation of operating profit/(loss) to operating cash flows

	2005 £000's	As restated 2004 £000's
Operating profit/(loss)	1,223	(1,577)
Depreciation	952	987
Contributions to defined benefit pension scheme	(348)	(348)
Impairment of tangible fixed assets - operating exceptional	-	977
Exchange gain/(loss)	200	(248)
Loss/(profit) on sale of tangible fixed assets	21	(3)
Decrease in stocks	141	721
Decrease/(increase) in debtors	456	(441)
Increase/(decrease) in creditors	388	(20)
Net cash inflow from operating activities	3,033	48

All of the above relate to continuing operations.

9. Analysis of cash flows for headings netted in the cash flow statement

	2005	2005	2004	2004
	£000's	£000's	£000's	£000's
Returns on investments and servicing of finance				
Interest received	150		193	
Interest paid	(2)		(22)	
	------		-------	
Net cash inflow from returns on investments and servicing of finance		148		171
		=======		========
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(458)		(437)	
Sale of tangible fixed assets	750		23	
	------		-------	
Net cash inflow/(outflow) for capital expenditure and financial investments		292		(414)
		=======		========
Financing				
Purchase of treasury shares	(762)		(202)	
	------		-------	
Net cash outflow from financing		(762)		(202)
		=======		========