

Welcome to Portmeirion Investor Relations

PORTMEIRION GROUP PLC TRADING STATEMENT

Portmeirion Group plc (the "Group") announces that following on from its recently published annual report and accounts, sales figures, particularly for the month of April 2004, have been disappointing. Group sales (apart from UK sales) to the end of April are below management's expectations, although they are approximately level with last year.

Year on year, sales in the Group's main markets have continued to recover: in the UK sales are 8% ahead of last year while sales in the USA (in US dollars) are also 9% ahead of last year. However the weak US dollar has impacted on US sales when they are converted back into sterling, reducing the sterling increase to 2% compared with last year. Sales in the Far East (in sterling) are also 10% ahead of last year. Sales in all our other markets (particularly Europe and Canada) are below last year and have the effect of negating these increases.

As a result of the sales figures being below management's expectations, the manufacturing throughput is also below management's expectations. This, combined with some initial production problems with a new product range (which have now been overcome), has meant that the Group's operating profit is also below last year's level. These factors, together with the previously stated additional costs of pension fund contributions and the negative impact of exchange rates, mean that management's expectations as to the first half pre-tax profit is expected to be significantly lower than the first half pre-tax profit of last year.

However the Group's sales projections for the balance of the year remain positive. New ranges are going into the marketplace over the next three months, and the Group has a strong order book in the United States. The Group also has a much stronger gift content in its product range in the second half of the year, and for these reasons the Board believes that the Group's sales performance will improve during the rest of the year particularly as the business has historically been geared towards the second half of the year. Given the Group's strong balance sheet, the Board expects to maintain both the interim and the full year dividends.

Arthur Ralley Chairman 6th May 2004

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