Waterford Wedgwood plc
("Waterford Wedgwood" or "the Group")

Interim Results for the six months ended 30 September 2002

	Six months to 30 September 2002	Six months to 30 September 2001
	€million	€million
Sales – total	**471.2**	493.1
- crystal	**158.9**	178.7
- ceramics	**211.1**	236.1
- cookware / other	**101.2**	78.3
Operating profit*	**40.6**	28.8
Pre-tax profit	**39.2**	11.8
Debt	**402.1**	456.6
Earnings per share*	**3.12 cents**	2.22 cents
Earnings per share	**4.50 cents**	1.80 cents
Dividend per share	**0.7 cents**	0.7 cents

**pre profit on sale of fixed asset, goodwill amortisation and gain arising on conversion of $ loans*

- Sales at €471.2 million, equal to prior year at constant exchange rates, despite difficult trading conditions; down 4.6% at prevailing rates (2001: €493.1 million)
- Operating profit €40.6 million – up over 40%
- Operating margin improved 2.8 percentage points to 8.6%
- Inventory reduced by almost €40 million – commitment to further reduction
- Net debt reduced by nearly €55 million to €402.1 million – further improvement expected
- Cookware/other performing strongly – sales up almost 30% to €101.2 million
- Acquisitions of Cash's and Shannon Mail Order have broadened distribution in US market
- Proposed dividend of 0.7 cents, equal to prior year (2001: 0.7 cents)
- Sales for September – October up 6% on prior year

"Waterford Wedgwood has performed extremely well in the period, with significant improvement in profitability and cash flow. Our commitment to reduction in debt and inventory is beginning to show benefits and we will continue to ensure that this remains a priority.

"Our brands continue to perform strongly despite continuing difficult market conditions. We are encouraged that in the September – October period our sales were up 6%.

"We are optimistic that ongoing margin improvements, combined with the new energy we will derive from fresh product introductions, new distribution and our recent acquisitions, will produce continued growth."

Sir Anthony O'Reilly
Chairman
13 November 2002

Dublin: an analyst presentation will be held at **8.00am** on **Wednesday 13 November 2002** at The Merrion Hotel.

London: an analyst presentation will be held at **12.00pm** at College Hill Associates, 78 Cannon Street, on **Thursday 14 November 2002**.

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Waterford Wedgwood plc
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Interim Results for the six months ended 30 September 2002

Introduction

Despite a global softening of retail demand, Waterford Wedgwood performed well in the period under review, with a resilient sales performance and a very significant improvement in profitability. Pleasingly, the Group benefited from profit improvement initiatives announced in November 2001 and from improving cash flow from trading, with net debt reduced by €54.5 million to €402.1 million.

The profit improvement initiatives remain on track and as at 30 September, an annualised profit effect of €28 million has been achieved. The Company remains focused on reducing costs and matching capacity to demand. The Group is on target to produce on-going incremental annual profits of €43.0 million identified last November.

Financial and Strategic

The Group achieved sales of €471.2 million for the six months ended 30 September 2002, level with the prior year at constant exchange rates (2001: €493.1 million), despite difficult trading conditions. Operating profit was up over 40% to €40.6 million (2001: €28.8 million) and pre-tax profit more than trebled at €39.2 million. Earnings per share, before the profit on sale of a fixed asset, goodwill amortisation and the gain arising on conversion of $ loans, rose to 3.12cents (2001: 2.22cents). The Group operating margin was 8.6%, an improvement of 2.8 percentage points year on year.

Net debt is reduced by €54.5 million to €402.1 million (2001: €456.6 million). Inventory levels were reduced by €40 million, and exchange rates contributed €21.7 million to the net debt reduction. Acquisitions totalled €10.2 million during the period.

The success of the inventory reduction initiative – one of the tasks in our profit improvement project – demonstrates the progress that we continue to make in this programme. Group employee numbers have been reduced by 1,100 from an original base of 10,000.

In November, the Group made the strategically important acquisition of Cash's and Shannon Mail Order, for a consideration of €22.04 million, as part of our move to broaden our distribution in the US market. The American department stores continue to be the backbone of our US distribution but, since our acquisition of All-Clad and W-C Designs, we have successfully expanded into specialty retailers such as Williams-Sonoma and value retailers such as J C Penney, so that sales through these channels now constitute some 20% of our total US volume.

The acquisition of Cash's and Shannon brings to the Group in excess of 1 million names and addresses in the US and gives a significant boost to our objective of getting closer to our final customer.

The Directors are proposing an interim dividend of 0.7 cents – equal to last year's interim dividend. A scrip dividend alternative will be available to shareholders.

Sector overview

Crystal
Worldwide crystal sales at €158.9 were down only 6.4% at constant rates, despite extremely tough trading conditions, thanks to new product launches, expansion into new distribution channels, and creative marketing programmes.

Overall US market share was maintained at 40% while core share (excluding Millennium products) was up 5 percentage points. Important new product introductions include the Lismore 50th Anniversary collection, the new and exciting 'Flow' range of lighter wine glasses from John Rocha which cater for younger consumers and the 'Watercolour' collection of coloured wine glasses under the Marquis brand. The 'Living Colour' range of six limited edition art pieces by John Rocha priced at €1,750 each, is an exciting and prestigious innovation. Our contemporary ranges, John Rocha at Waterford crystal and Jasper Conran at Stuart Crystal, were up 7% on the previous year.

Ceramics
Sales of ceramic products were €211.1 million, down 7.4% at constant exchange rates. Store refurbishment initiatives in Japan helped to support sales in this important market, while in the US, where Wedgwood is already the Number 2 premium ceramics brand, Waterford China consolidated the Group's leading position in this sector with growing sales.

In an exceptionally difficult retail environment, sales in Germany were down 14.4%, though response to the new Andy Warhol porcelain and glass collections by Rosenthal in this and other markets gives cause for optimism for the future for this brand.

The Group's profit improvement initiatives and employee number reductions in both Wedgwood and Rosenthal, are delivering and will continue to deliver benefits. The Ceramic division's recent affiliation with a Chinese ceramics producer will allow the Group to source extremely high quality stoneware products, thereby ensuring that the Group is well positioned to capture additional volume and market share in its key markets with strong margins as well as providing an opportunity to break into the Chinese market.

Innovation continues to be a key focus. In line with the division's stated strategy as a luxury home lifestyle brand, Wedgwood retained interior designer, Kelly Hoppen, to design a new range of Wedgwood giftware, which has been well received. Jasper Conran at Wedgwood continues to enjoy significant sales success as his ceramic collection is expanded into new markets. The highly successful launch of Vera Wang at Wedgwood consolidated the brand's position in the US bridal market and is an important development for Wedgwood.

Wedgwood's drive to improve consumer demand has been spearheaded by the launch of several new look gifting ranges, such as Spirit and Marrakech, with further ranges scheduled for release over the next few months, including Stephen Webster, the world famous jewellery designer's contemporary jewellery range for Wedgwood, which will be launched in the second half of the year.

The Wedgwood World Master of Culinary Arts competition was a great success in 2002 and Sarah, Duchess of York, continued to extend her promotional activity for Wedgwood into new markets.

Cookware / other
All-Clad and W-C Designs were the stars of our first half year, lifting sales at constant exchange rates for this sector by almost 37% to €101.2 million – a remarkable achievement in tough trading conditions.

All-Clad continues to be a leading US premium cookware brand. In the first six months of the year we focussed on a number of high profile promotional initiatives including the launch of Emeril Lagasse's new stainless steel cookware line.

The Group's focus on new product categories has been boosted by last year's acquisition of W-C Designs which increased linen sales. The US premium linen market continues to grow at a steady rate and is larger than the combined US premium crystal and ceramics markets. We intend to exploit our strong brand names to create a sizeable market share within this category.

The Board

At our Annual General Meeting in Dublin in July 2002, I was delighted to welcome Patrick J Molloy, who is Chairman of CRH plc and former Group Chief Executive of the Bank of Ireland, to our Board.

Trading update

Sales in the September – October period are 6% ahead of last year. As we enter the important holiday sales season, we couldn't be other than cautious against the background of slow demand for all consumer products in our key markets. Nonetheless, we are optimistic that ongoing margin improvements, combined with the new energy we will derive from fresh product introductions, new distribution and our recent acquisitions, will produce continued growth.

Sir Anthony O'Reilly
Chairman
13 November 2002

WATERFORD WEDGWOOD PLC

Consolidated Profit and Loss Account

	Notes	6 months ended (unaudited) 30 September 2002 €m	30 September 2001 €m
Sales by category			
Crystal		**158.9**	178.7
Ceramics		**211.1**	236.1
Cookware/other products		**101.2**	78.3
Total Group sales		**471.2**	493.1
Group operating profit		**40.6**	28.8
Gain arising on conversion of $ loans		**9.7**	-
Profit on sale of fixed asset		**5.0**	-
Goodwill amortisation		**(3.3)**	(3.1)
Group profit before interest		**52.0**	25.7
Net interest payable		**(12.8)**	(13.9)
Profit on ordinary activities before taxation		**39.2**	11.8
Taxation on profit on ordinary activities		**(4.9)**	1.4
Profit on ordinary activities after taxation		**34.3**	13.2
Minority interests		**(0.2)**	0.3
Profit attributable to members of the parent company		**34.1**	13.5
Dividends	3	**(5.5)**	(5.4)
Retained profit for the period		**28.6**	8.1
Earnings per ordinary share before profit on sale of fixed asset, goodwill amortisation and gain arising on conversion of $ loans	4	**3.12c**	2.22c
Earnings per ordinary share	4	**4.50c**	1.80c

WATERFORD WEDGWOOD PLC

CONSOLIDATED BALANCE SHEET

	Notes	As at (unaudited) 30 September 2002 €m	30 September 2001 €m
Fixed assets:			
Intangible assets	5	**111.3**	121.5
Tangible assets		**243.4**	266.6
Financial assets		**15.4**	23.8
		370.1	411.9
Current assets:			
Stocks		**314.8**	354.5
Debtors		**213.2**	224.7
Cash and deposits		**58.2**	45.0
		586.2	624.2
Creditors (amounts falling due within one year)		**(197.4)**	(169.5)
Bank loans and overdrafts		**(26.5)**	(23.3)
Net current assets		**362.3**	431.4
Total assets less current liabilities		**732.4**	843.3
Creditors (long and medium term debt)		**(433.8)**	(478.3)
Other long term creditors		**(35.2)**	(33.6)
Provisions for liabilities and charges		**(1.5)**	(5.4)
		261.9	326.0
Capital and reserves:			
Called up share capital		**55.4**	55.1
Share premium account		**190.2**	190.0
Revaluation reserve		**9.8**	9.8
Revenue reserves		**(0.1)**	65.5
Capital conversion reserve fund		**2.6**	2.6
Shareholders' funds - equity interests		**257.9**	323.0
Minority interests - equity interests		**4.0**	3.0
		261.9	326.0

WATERFORD WEDGWOOD PLC

Consolidated Cash Flow

	6 months ended (unaudited)	
	30 September 2002	**30 September 2001**
	€m	**€m**
Operating profit	**40.6**	28.8
Restructuring spend	**(10.6)**	(7.3)
Depreciation	**20.1**	19.7
Working capital	**(49.9)**	(44.8)
Cashflow from operations	**0.2**	(3.6)
Interest	**(11.3)**	(11.9)
Capital expenditure (net)	**(1.9)**	(12.0)
Taxation paid	**(2.9)**	(9.0)
Dividends paid	**(15.9)**	(15.2)
Other	**0.1**	1.5
Net Group cashflow	**(31.7)**	(50.2)
Exchange	**30.0**	6.9
Royal Doulton investment	**(6.7)**	-
Spring acquisition	**(3.5)**	-
W-C Designs acquisition	**-**	(5.2)
Rosenthal investment	**-**	(5.3)
Opening debt	**(390.2)**	(402.8)
Closing debt	**(402.1)**	(456.6)

WATERFORD WEDGWOOD PLC

Reconciliation of movement in shareholders' funds

	6 months ended (unaudited)	
	30 September 2002 €m	**30 September 2001 €m**
Profit for the period	**34.1**	13.5
Exchange translation effect on net overseas investments	**(12.3)**	(5.2)
Total recognised gains for the period	**21.8**	8.3
Scrip dividend	**1.5**	2.9
Dividend	**(5.5)**	(5.4)
New share capital subscribed	**0.1**	12.7
Shareholders' funds at beginning of period	**240.0**	304.5
Shareholders' funds at end of period	**257.9**	323.0

Notes to the Interim Financial Statements

1. Basis of Preparation of Interim Financial Statements

This interim statement has been prepared applying the accounting policies described on pages 10 and 11 of the accounts for the 3 month period to 31 March 2002.

The results for six months ended 30 September 2002 have been reviewed by PricewaterhouseCoopers.

2. Exchange Rates

The exchange rates used for consolidation purposes between the euro and the principal currencies in which the Group does business were as follows:

	Profit and loss transactions 6 months ended		**Balance sheet as at**	
	30.09.02	**30.09.01**	**30.09.02**	**30.09.01**
U.S. Dollar	**$0.96**	$0.90	**$0.98**	$0.91
Sterling	**£0.63**	£0.62	**£0.63**	£0.62
Yen	**Y117.11**	Y108.27	**Y120.71**	Y108.43

3. Dividends

	6 months ended	
	30.09.02	**30.09.01**
	€m	**€m**
Paid:		
Interim dividend for year ended 31 December 2001	**-**	5.2
Adjustment relating to final dividend*	**0.2**	0.2
Proposed:		
Interim dividend for year ended 31 March 2003	**5.3**	-
	5.5	5.4

*This adjustment reflects the difference between the estimated exchange rate used to calculate dividend payable and the rate prevailing when the dividend was paid.

It is proposed to pay the interim dividend of 0.7 cents per share (2001: 0.7 cents) on 3 March 2003 to all shareholders on the register at the close of business on 10 January 2003. Shareholders will receive the dividend on their ordinary shares (from Irish sourced profit) unless they elect to receive their dividend on their income shares (from UK sourced profit). Elections, once submitted, remain in force unless or until cancelled by the shareholder. It is also proposed to offer a scrip dividend alternative with this dividend and to post scrip dividend election forms to shareholders on 21 January 2003. The last date for receipt of scrip dividend mandates/revocations will be 14 February 2003 and the first date for dealing in new stock units is 3 March 2003.

4. Earnings per Ordinary Share

	6 months to 30 September 2002			6 months to 30 September 2001		
	Profit €m	**No. of shares millions**	**Per share cents**	Profit €m	No of shares millions	Per share cents
Profit for the financial period before profit on sale of fixed asset, goodwill amortisation and gain arising on conversion of $ loans	**23.7**	**758.3**	**3.12**	16.6	748.4	2.22
Gain arising on conversion of $ loans	**9.7**	**758.3**	**1.28**	-	-	-
Profit on sale of fixed asset net of capital gains tax	**4.0**	**758.3**	**0.53**	-	-	-
Goodwill amortisation	**(3.3)**	**758.3**	**(0.43)**	(3.1)	748.4	(0.42)
Profit for the financial period	**34.1**	**758.3**	**4.50**	13.5	748.4	1.80

The calculation of earnings per ordinary share is based on 758.3 million shares, being the weighted average number of shares in issue during the six months ended 30 September 2002 (2001: 748.4 million). On the face of the consolidated profit and loss account, earnings per share are shown both before and after profit on sale of fixed asset, goodwill amortisation and gain arising on conversion of $ loans, due to the unusually large amount thereof. Fully diluted earnings per share are not materially different to the reported earnings per share.

5. Intangible Assets - Goodwill

	€m
Balance at 31 March 2002	123.5
Arising on acquisition of Spring brand	0.7
Goodwill amortised	(3.3)
Exchange	(9.6)
Balance at 30 September 2002	**111.3**

6. Restructuring and rationalisation provisions

The movement on restructuring and rationalisation provisions is as follows:

	€m
Balance at 31 March 2002	22.7
Utilised	(10.8)
Surplus provision credited to profit and loss	(0.6)
Exchange	(0.4)
Balance at 30 September 2002	10.9

7. Net Debt

Net debt at 30 September 2002 comprising finance leases, short and long term borrowings less cash and deposits, amounted to €402.1 million (2001: €456.6 million).

8. Listed Investment

The Group holds 21.16% of the issued share capital of Royal Doulton plc. The market value of this investment at 30 September was €5.6 million, and the book carrying value is €9.7 million.

9. Copies of the Company's interim report will be posted to shareholders in due course.

Information for US Investors (NASDAQ: WATFZ)

The Group prepares its financial statements using generally accepted accounting principles (GAAP) applicable in the Republic of Ireland. The principal differences between US GAAP and Irish GAAP affecting the Group concern the treatment of foreign currency hedging transactions, pension cost, the amortization of goodwill, the provision for deferred taxes and accounting for stock based compensation expense which are further explained in notes (i) to (vi).

	6 months ended (unaudited)	
	30 September 2002	**30 September 2001**
	€m	**€m**
Under US GAAP		
Net sales	**471.2**	493.9
Net income	**57.1**	13.6
Net income per ADS	**75.3c**	18.2c
Shareholders' equity (including unamortized goodwill)	**385.7**	439.8

Each ADS represents 10 stock units. A stock unit comprises one ordinary share of Waterford Wedgwood plc of 6 cents and one income share of Waterford Wedgwood U.K. plc of Stg. 1p.

(i) The Group uses forward currency contracts to hedge foreign exchange exposures on forecasted income and expenditure. Under Irish GAAP, these forward contracts are translated into euros at the contract rate once the actual transaction giving rise to the currency exposure is recognized.

Under US GAAP, changes in derivative fair values are either recognized in the statement of income as offsets to the changes in fair value of related hedged assets, liabilities and firm commitments or, for forecasted transactions, deferred and recorded as a component of other shareholders' equity until the hedged transactions occur and are recognized in the statement of income. The ineffective portion of a hedging derivative's change in fair value is immediately recognized in the statement of income.

The effect of the adjustments for forward contracts and other derivative instruments at 30 September 2002 was to increase net income (under US GAAP) by €24.7 million (2001: increase net income by €7.6 million).

(ii) Under Irish GAAP, the expected cost of providing pensions to employees is charged to the statement of income as incurred over the period of employment of pensionable employees, following triennial actuarial valuations of scheme assets and obligations. Any surplus or deficit of plan obligations over plan assets is amortized, in a systematic manner, to the income statement over the expected future service lives of the active employees. Under US GAAP, any surplus or deficit is determined on an annual basis by reference to the market values of assets and any excess above a predetermined level is amortized to the statement of income over the average remaining service lives of active employees. The effect of the adjustment for pension cost at 30 September 2002 was to decrease net income (under US GAAP) by €2.8 million (2001: decrease net income by €2.6 million).

(iii) Under Irish GAAP, goodwill arising prior to 1 January 1998 was written-off immediately upon acquisition against shareholders' equity. After 1 January 1998, goodwill arising upon acquisition is capitalized and written-off through the income statement over its expected useful life of 20 years. Under US GAAP, accounting for goodwill as an offset against shareholders' equity has always been impermissible. Until 31 December 2001, goodwill was amortized over the period of its expected useful life, subject to a maximum write-off period of 40 years, through the statement of income. Effective 1 January 2002, the amortization of goodwill was suspended under US GAAP. The effect of the adjustment for amortization of goodwill at 30 September 2002 was to increase net income (under US GAAP) by €3.3 million (2001: decrease net income by €2.6 million).

In June 2001, the FASB issued Statement No. 142, "Goodwill and Other Intangible assets", which supersedes APB 17, "Intangible Assets". SFAS 142 addresses how goodwill and other intangible assets arising in a business combination should be accounted for in the consolidated financial statements of an enterprise. The Company adopted SFAS 142 in full as of 1 January 2002. The Company has completed the first step in the two-step process to determine whether an impairment loss arises on adoption of SFAS 142. No impairment loss was identified.

(iv) The Group operates a number of executive option and employee SAYE stock option schemes. The amounts payable under these schemes are determined on the basis of the market price of the shares at the time of grant of the options. However, as certain of the options do not vest until performance targets are achieved, the number of shares that may be acquired is not fully determinable until after the date of grant. Under Irish GAAP, the Group's incentive and employee options do not result in charges against income.

Under US GAAP, the Group follows the measurement principles of APB 25 - Accounting for Stock Issued to Employees ('APB 25'), under which compensation expense is accrued and booked to income over the vesting period. The vesting period commences when it becomes probable that the underlying targets attaching to the options will be achieved and the number of shares will be known and ends with the date when the granting of the shares is not contingent upon the performance of additional services or other conditions. Compensation expense is booked on a period by period basis to reflect the difference between the price payable to acquire the shares under option and the market price of the shares at the end of each accounting period until the final vesting date. The effect of the adjustment for stock based compensation expense at 30 September 2002 was to increase net income (under US GAAP) by €1.0 million (2001: increase net income by €0.8 million).

(v) Under Irish GAAP, income is recognized at the date of sale of an asset which is subject to a subsequent leaseback by way of operating lease. Under US GAAP only the income which represents the excess above the net present value of the future minimum lease payments is recognized at the date of sale. The remaining gain is deferred and amortized over the life of the lease, in proportion to the gross lease rentals. The effect of the adjustment for the sale and leaseback of properties was to decrease net income (under US GAAP) by €1.7 million (2001: decrease net income by €2.7 million).

(vi) Under Irish GAAP, deferred taxes are recognized when there is an obligation to pay or receive tax in the future as the result of the reversal of an originating timing difference. US GAAP adopts an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of all events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, generally all expected future events are considered other than enactments of changes in the tax law or rates. The effect of adjustments for deferred taxes at 30 September 2002 was to decrease net income (under US GAAP) by €1.2 million (2001: decrease net income by €0.3 million).

Reconciliation of US and Irish GAAP

	6 months ended (unaudited) 30 September 2002 cents	30 September 2001 cents
Net income per ADS - Irish GAAP	**45**	18
Unrealized income from hedging transactions	**33**	10
Pension costs	**(4)**	(3)
Amortization of goodwill	**4**	(4)
Stock based compensation expense	**1**	1
Sale and leaseback of properties	**(2)**	(4)
Deferred taxes	**(2)**	-
Net income per ADS - US GAAP	**75**	18