

Boost for Waterford Wedgwood

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The cracks in [Waterford Wedgwood](#), the Irish crystal and china maker, could be repaired after the private equity fund of Lazard Alternative Investments said it would invest €50m (£37m, \$73.7m) in the company through convertible preference shares.

The group, best known for its Waterford crystal and Wedgwood and Royal Doulton ceramics, experienced a slump this year after product shortages and a weak dollar led to falling sales and widening losses.

But on Friday, the New York-based Lazard fund, Corporate Partners II, threw a lifeline to the crystal maker as it subscribed for 5m of the shares and brought the total amount raised by selling the stock up to €160m. Two Lazard nominees will join the board.

A source close to Waterford Wedgwood said: "The investment by Lazard is important because it's a third-party endorsement for the company."

The group said at the start of April that it hoped to raise as much as €200m from shareholders to help finance the development of marketing initiatives such as the "Martha Stewart by Wedgwood" brand, and a new restructuring programme.

It said it aimed to duplicate the success of a cost-cutting plan unveiled in 2005 under which it eliminated jobs and closed factories to help meet a goal of saving €90m a year.

The company said on Friday that the funds would be used partly for cost rationalisation measures.

These include plans announced last month to halve its crystal workforce in Ireland, with the tableware manufacturer outsourcing lower-value items to Slovenia and other cheaper central European suppliers.

About a fifth of the company's crystal production is already outsourced.

Less than half of the Wedgwood production now takes place in the traditional potteries region in the Midlands.

Under the cost-cutting plans, the Irish crystal operations, which in 1987 employed 3,300, will be reduced from 1,000 to 510 workers.

The shares, which have fallen from a high of €0.26 in January 2004, remained unchanged at €0.02 on Friday.

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