

Brand Architekts Group Plc

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Swallowfield shares fall as it reports flat revenue due to decline in contract manufacturing business

Shares in Swallowfield plc (LON:SWL) fell on Wednesday morning after the personal care and beauty group said it expects to report flat revenue, due to "single digit" decline in contract manufacturing business.

In a trading update, the AIM-listed firm said it expects pre-tax profit for the full year to be "significantly ahead" of that reported last year, due to strong performance of its Brands business.

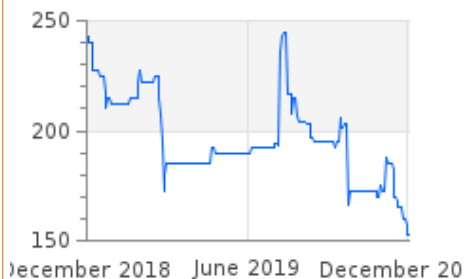
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The company said its brands business has increased revenues by 16%, and full year profitability will be 'significantly' above expectations.

Swallowfield said revenue in contract manufacturing business has declined and was affected by material cost inflations. Also, slower than anticipated start-up of the three major contracts resulted in "significantly reduced" operating margins.

"Whilst cost pressures are anticipated to continue, we expect our contract manufacturing business to return to stronger profitability, as a result of current actions on costs and driven by growth from the new contracts.," the company said.

In morning trading, Swallowfield's shares fell 11.9% to 277.50p.

1 Year Share Price Graph



Share Information

Code: BAR
Listing: LSE
Sector: Fashion & brands
Website: www.swallowfield.com

Company Synopsis:

The company's principal activities are the formulation and manufacture of aerosol and non-aerosol products for retail distributors the contract-filling of aerosols and the formulation and manufacture of cosmetic pencils and other cosmetic products.

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