



LONDON: Tuesday 19 September 2017

The Character Group plc

("Group" or the "Company")

Designers, developers and international distributors of toys, games and giftware

Trading update

The Board of the Character Group plc (AIM: symbol: CCT.L) is pleased to report that the business has had a solid finish to the 2017 financial year. Accordingly, the Directors anticipate that, Group underlying pre-tax profits for the year ended 31 August 2017 are expected to meet current market expectations. The Group's balance sheet remains strong.

Conditions in the wider market generally remain challenging at the consumer level. This morning, we note the announcement from one of our major customers that its US operations have filed for Chapter 11 bankruptcy protection in the US and Canada and is seeking to restructure its debt. At this early stage, we do not know the extent to which this will impact our trading position with them both in the UK and internationally. Consequently, we do not currently have reliable visibility on the important 2017 Christmas trading period and its effect on the current financial year ending 31 August 2018.

On the positive side, during July we announced a three-year extension to 2020 to our *Teletubbies* Master toy licence, and earlier this month, we were delighted to announce that we have been appointed as the Master toy distributor in UK and Ireland for the globally popular *Pokémon* brand. These exciting lines, together with several product opportunities being considered for next year are expected to positively impact Christmas 2018 trading.

In summary, we continue to develop our strong and diverse portfolio of 'in-demand' products. Character's market leading position in the UK ensures that it remains the 'partner of choice' for many of the leading brand owners and therefore, we remain confident in our ability to further expand our presence both domestically and internationally going forward.

The Company looks forward to updating the market and its shareholders further on trading and the opportunities we are looking at when it announces the preliminary results for the year ended 31 August 2017 during the week commencing 4 December 2017.

ENQUIRIES

The Character Group plc

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FTSE sector: leisure: FTSE AIM All-share: symbol: CCT.L: Market cap: £110m

Copies of this statement can be viewed at www.thecharacter.com.

Product ranges can be viewed at www.character-online.co.uk.

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Market Abuse Regulation (MAR)

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