



Monday, 8 September 2014

The Character Group plc
(“Character Group” or the “Group”)
Designers, developers and international distributors of toys, games and giftware
Trading update and Notice of Preliminary results

Trading update

The Directors are pleased to report that growth of UK sales in the year ended 31 August 2014 across several categories have been encouraging. Several of our leading products have performed well, including sales of **Peppa Pig, Minecraft, Shimmer and Sparkle, Teksta** and **Little Live Pets**. In parallel with this, the business has also witnessed increasing revenue growth derived from its international sales, notably with products such as **Peppa Pig** in Europe and Australia and **Doctor Who** in the USA.

Against this backdrop, the Group anticipates it will report that the financial year ended 31 August 2014 has performed in line with management forecasts and therefore expects to deliver results in line with market expectations.

Strategy for growth

As we said at the half way stage, our diverse product portfolio should provide the engine for continued growth. Our strategy remains unchanged, i.e. “to seek out and develop exciting products which meet domestic and international market demand”. Our products currently comprise, and additions to our portfolio will continue to be derived from, both our own developed in-house portfolio, including those produced ‘under licence’, and others sourced through exclusive distribution agreements. As such, we have been negotiating a major worldwide licence and hope to announce an agreement later today.

Commenting on the trading update Executive Chairman Richard King stated: *“Character Group continues to benefit from a strong product range that is also well received by its retail partners; this coupled with the number of new innovative and exciting range launches will reinforce the Group’s position as one of the UK’s leading toy companies with a growing international sales base, providing the Group with the engine for further growth.”*

Notice of Preliminary Results

The Board look forward to updating the market further on developments and trading at the time of its preliminary results announcement for the year ended 31 August 2014, which is scheduled for the first week of December 2014.

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BACKGROUND NOTES

Product names shown in *italics* represent copyright or registered trademarks.

About Character Group:

(AIM: CCT.L) FTSE sector: leisure goods

Market capitalisation: £45m

www.thecharacter.com

Founded in 1991, with offices in London, Oldham, Hong Kong and China, The Character Group plc is a leading UK company with strong growth internationally engaged in the design, development and international distribution of toys, games and giftware. Products are developed in-house, including licensed brands, but also include products sourced through distribution agreements. The last few years have seen the management team concentrate the product portfolio on key ranges. It has a number of notable licenses/brands including *Teksta, Fireman Sam, Postman Pat, Peppa Pig, ScoobyDoo, ChillFactor, Minecraft, TheZelfs, Disney Princess Palace Pets, Shimmer and Sparkle, Little Live Pets and Doctor Who.*

For more information, please contact: Marketing Services on +44 (0) 161 633 9800

or email us at pressoffice@charactergroup.plc.uk

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