

26 January 2015

**The Character Group plc
("Character" or the "Company"))**

**Transaction in own shares
Toy Fair update**

Purchase of Own Shares

Character Group (AIM:CCT.L) announces that, on 23 January 2015, the Company bought back for cancellation 50,000 ordinary shares of 5p each in the capital of the Company ("Ordinary Shares") in the market, at a price of 350 pence per ordinary share, representing approximately 0.23 per cent. of the current issued share capital of the Company (excluding shares held in Treasury).

Toy Fair

The Board is also pleased to report that, at last week's BTHA Toy Fair in London, the Company had an extremely positive reception from both retailers and media to the Company's 2015 season's product portfolio. This follows the statement released on 16 January 2015 which stated the Company has been very encouraged by trading in the run up to the 2014 Christmas season, which saw strong sales at consumer level and were ahead of the Board's expectations. Sales in the current financial year are up approximately 28% over the same period last year. As a result the Directors are confident that the Company will deliver another year of solid progress.

For the purposes of the Financial Conduct Authority's Disclosure and Transparency Rules, the total number of Ordinary Shares in issue as at the date of this announcement (taking into account the Ordinary Shares purchased for cancellation by the Company announced above and excluding Ordinary Shares held in Treasury) is 21,449,914 ("Revised Issued Voting Share Capital"). The Company holds 4,019,456 Ordinary Shares in treasury, representing approximately 18.74 per cent. of the Revised Issued Voting Share Capital, which do not carry voting rights.

The Company has a total unutilised capacity to buy back up to a further 5,270,500 Ordinary Shares under the authority granted at the Annual General Meeting on 16 January 2015.

The figure of 21,449,914 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or change to their interest, in the Company under the Disclosure and Transparency Rules.

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