



The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

THE CHARACTER GROUP PLC

("Character", "Group" or "Company")

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

Trading update

London: Friday, 19 January 2018: The Character Group plc (AIM: CCT), which holds its Annual General Meeting today, publishes the following update ahead of the Meeting, being held today at 11am.

"Following on from our trading statement of 11 October, and the publication of the 2017 Annual Report and Accounts on 21 December 2017, we are pleased to confirm that trading for the first four months of the current financial year, which includes the all-important 2017 Christmas retail sales, were in line with expectations. Whilst international sales were adversely impacted by many factors, not least of which was the global refinancing of one of the world's largest toy retailers, domestic sales continued to perform well, showing growth when compared against the comparable period in the previous year.

Our leading brands, the top five being *Peppa Pig*, *Little Live Pets*, *Stretch*, *Mashems* and *Teletubbies*, continue to trade well. These core ranges will be strengthened as we add innovative product extensions to them. We continue to add exciting new ranges, such as the new line up of *Pokémon* products, which will be launched at retail this summer. The Directors are confident that the performance of our core ranges and these new introductions will positively impact the 2018 calendar year as a whole.

In difficult trading periods, it is reassuring that we can rely on our management to not only read the market well but to react speedily and skilfully to address the impact of the rapidly changing conditions, notably in terms of the Group's commitment to inventory levels. Consequently, under their stewardship, we have emerged from the Christmas period with virtually no excess stocks to deal with in-house, and with our major retailers having experienced a clean sell-through of our products.

We shall be exhibiting our full range of 2018 products at the London Toy Fair, which is being held at Olympia next week. We expect the initial enthusiasm expressed by our major customers to be shared by all trade visitors to our exhibition display and to see it result in further growth in demand for our products and in our sales, both domestically and internationally, in the calendar year.

As reported in the 2017 Annual Report and Accounts, whilst the Group's performance for the half year to 28 February 2018 will reflect the overall lower trading compared to 2017, the Board remains confident that, absent any major external factors, the Group will return to its previous growth pattern during the second half of this calendar year and this will be fully reflected in the strength of the trading for the financial year to 31 August 2019.

A further update on the Group's progress will be made in April, when the financial results for the period ending 28 February 2018 are to be released."

ENQUIRIES:

The Character Group plc

Jon Diver, Joint Managing Director

Kiran Shah, Joint Managing Director & Group Finance Director

Richard King, Chairman

Office: +44 (0) 208 329 3377

Mobile: +44 (0) 7956 278522 (KS)

Mobile: +44 (0) 7831 802219 (JD)

Email: info@charactergroup.plc.uk

FTSE sector: leisure:

FTSE AIM All-share: symbol: CCT.L

Market cap: £95m

Panmure Gordon (*Nominated Adviser and Joint Broker*)

Andrew Godber, Investment Banking

Tom Salvesen, Corporate Broking

Tel: +44 (0) 20 7886 2500

Allenby Capital Limited (*Joint Broker*)

Nick Athanas

Katrina Perez

Tel: +44 (0) 20 3328 5656

TooleyStreet Communications Limited (*Investor and media relations*)

Fiona Tooley

Tel: +44 (0) 7785 703523

Email: fiona@tooleystreet.com