

25 July 2016

IG Design Group plc (“IG Design” or “the Company”)

Placing to raise £5.25 million

IG Design Group Plc, one of the world’s leading designers, innovators and manufacturers, of gift packaging and greetings, social expression giftware, stationery and creative play products, today announces that it has raised £5.25 million (before expenses) by way of a placing of 3,000,000 new Ordinary Shares at a price of £1.75 pence per share. The Company has undertaken the Placing following strong institutional demand from both new and existing Shareholders.

As the Placing Shares represent only 5 per cent. of the existing Ordinary Shares in issue, they are being allotted using the Directors' existing authority to allot Ordinary Shares for cash on a non pre-emptive basis, as granted at the Company’s most recent AGM.

Highlights

- Placing to raise gross proceeds of £5.25 million for the Company.
- The net proceeds of the Placing, will be used to:
 - satisfy working capital requirements for the recent acquisition of Lang Companies Inc ("Lang");
 - support a capital investment project to build the Group's capabilities in the UK to manufacture retail bags not for resale ('Retail Collateral'); and
 - provide the Group flexibility to pursue opportunities to drive further growth whether strategic acquisitions or capital investment.
- Strong support shown from both existing shareholders and new institutional investors, further diversifying the shareholder base and increasing the free float of the Company.
- As set out in the Company’s recent full year results the Company can confirm current trading remains strong and the Group’s outlook remains unchanged. Due to the minimal dilution from the Placing, the Board is maintaining its existing earning per share expectations which were upgraded following the Lang acquisition.

Paul Fineman, Chief Executive Officer, commented:

“We are delighted to raise these funds, with the support shown by shareholders being a testament to the significant progress made within the business. The Company continues to build on its growing momentum following our strong results and recent re-brand, and alongside the acquisition of Lang, this Placing allows us to capitalise on opportunities to drive growth quickly and flexibly, be those organic capital investment or acquisitions.”

“As the Group continues to evolve into a multi-category, design-focused and global business, we look forward to building on the strong foundations already in place, and achieve our vision of further profit growth underpinned by a unique blend of creativity and reliability.”

Introduction and summary

The Company announces that it has raised £5.25 million (gross) by way of a placing of the New Shares with new and existing investors at the Placing Price. The Placing Price represents a discount of 4.8 per cent. to the Company's average mid-market closing price for the 5 business days preceding this announcement. The Placing is conditional on Admission.

Background to and reasons for the Placing

The Transaction is being undertaken to satisfy working capital requirements for the recent acquisition of Lang, completed in July, the design-led supplier of high-quality branded consumer indoor and outdoor home décor and lifestyle products, based in the USA.

In addition, the Company has also approved a capital project in the UK to manufacture 'Retail Collateral', defined as retail bags not for resale. The project, a natural extension of Design Group's product categories, is backed by a commercial agreement with an existing partner already in operating in the retail collateral domain. It complements existing manufacturing capabilities at the Company's factory in China.

Alongside these opportunities, the funds will be used to support the Group's pursuit of further strategic acquisitions and allow further capital investment in existing projects.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cenkos, as agent for the Company, has conditionally agreed to use its reasonable endeavours to procure subscribers for the New Shares at the Placing Price and as agent for the Selling Shareholders to procure purchasers for the Sale Shares.

The Placing Agreement is conditional upon, inter alia, Admission becoming effective on or before 8.00 am on 28th July 2016 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00am on 30 September 2016).

Settlement and dealings

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that Admission will occur on 28 July 2016.

The New Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares following Admission and otherwise *pari-passu* in all respects with existing Ordinary Shares.

Following Admission, the Company will have 62,280,833 Ordinary Shares in issue with voting rights. This figure is the number which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interests in, the Company under the FCA's Disclosure and Transparency Rules.

Placing Statistics

Placing Price	£1.75
Number of Placing Shares	3,000,000
Gross proceeds receivable by the Company	£5.25 million
Estimated proceeds receivable by the Company, net of expenses	£5.00 million
Number of existing Ordinary Shares in issue with voting rights	59,280,833
Number of Ordinary Shares in issue following Admission	62,280,833

New Shares as a percentage of the existing voting Ordinary Shares 5.1 per cent

Expected timetable of principal events

Announcement of the Placing 25 July 2016

Admission 28 July 2016

Where applicable, expected date for CREST accounts to be credited in respect of Placing Shares in uncertificated form 28 July 2016

This announcement contains inside information.

Definitions

"Admission" the admission of to trading on AIM of the New Shares issued pursuant to the Placing, expected to be admitted to trading on AIM on 28th July 2016

"AIM" the market of that name operated by the London Stock Exchange

"AIM Rules" the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time

"Board" or "Directors" the directors of the Company

"Cenkos" Cenkos Securities plc, the Company's nominated adviser and broker

"Company" or "IG Design" IG Design Group plc, a company incorporated and registered in England and Wales with registered number 01401155, whose registered office is at IG Design Group plc, No 7 Water End Barns, Water End, Eversholt, Bedfordshire, MK17 9EA

"CREST" means the relevant system (as defined in the CREST Regulations)

"Group" the Company and its subsidiary undertaking undertakings from time to time

"New Shares" means 3,000,000 new Ordinary Shares proposed to be issued by the Company and subscribed for pursuant to the Placing

"Ordinary Shares" ordinary shares of 5p each in the capital of the Company

"Placing" the placing of the Placing Shares pursuant to the Placing Agreement

"Placing Agreement" the conditional agreement dated 22nd July 2016 and made between Cenkos and the Company

"Placing Shares" the New Shares and the Sale Shares

"Placing Price" £1.75 per Placing Share

"Shareholders"

holders of Ordinary Shares

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