

30 August 2016

IG Design Group PLC
(the "Company", the "Group" or "Design Group")

Trading Update

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, is pleased to provide an update on the first quarter's trading period ending 30 June 2016.

Highlights

- First quarter trading is in line with management and market expectations
- Growth across all regions.
- Benefits being delivered from capital investment projects

Across the Group, sales during the first quarter, together with overall customer order levels already received for the balance of the year, are in line with management expectations.

The Group is on track to deliver against market expectations for the full year with opportunities for incremental growth in the second half of the year.

Americas

Sales volumes continue to grow, through our broadening product offering and to our extended customer base. New business includes sales to regional grocery and drug stores in the USA. Exports to Mexico are on track to double and exceed \$2 m during the year.

Operational and commercial integration of the recently acquired Lang Companies Inc. is proceeding well with the business performing in line with management expectations. Synergy opportunities have already been identified and should be largely realised during 17/18.

The phased programme of investment in its US based gift wrap production facilities is already benefiting the Group with enhanced levels of production efficiency being achieved.

Australia

Overall, the business is trading in line with expectations, with growth especially strong in the party ware category.

The Group has won a major new contract for the supply of every day greetings cards, with an estimated annual volume of over ten million cards. This contract is over three years and will roll out towards the end of 2016.

Following its expansion into party ware, the Group has been awarded new licensed categories across all Disney, Marvel and Star Wars franchises.

The Group's installation of new and efficient order picking facilities in its Melbourne Distribution Centre has been implemented on time and on budget. This has underpinned excellent service levels and the Group's ability to manage larger volumes within the Australian market.

UK

Growth has been augmented by increased volumes of party ware products, which further enhances the Group's comprehensive offering of 'Celebrations' focused categories.

Sales of licensed stationery for the "Back to school" period include new licenses, such as the highly popular Paw Patrol, Secret Life of Pets and Finding Dory franchises.

The continued evolution of the product mix sold to the UK market has been supported by investment in automation in China, enabling the Group to further enhance its share in the gift bag and greetings card market, both for everyday and Christmas.

Continental Europe

The Group has achieved record sales and production levels of its core gift packaging product categories, across its existing customer base and to new customers throughout Europe.

Through its standardisation of its wrap manufacturing processes and materials usage, the Group is driving efficiencies and synergies through economies of scale and shared best practice.

Paul Fineman, Group CEO, commented:

"The Group has made a most encouraging start to the year with our order book at record levels and an excellent blend of sales activity across categories, regions and brands, both with new and existing customers.

"We are also pleased to have 'hit the ground running' with the integration of our new business in the US – Lang Companies Inc. Early indications are positive and we are confident of future growth opportunities. This is particularly pleasing alongside the robust organic growth that we are achieving throughout the Group."

- Ends -

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