

**26<sup>th</sup> November 2012**

**International Greetings PLC (the “Group”)**

**Pre Close Trading Update**

International Greetings PLC, one of the world's leading designers, innovators and manufacturers of gift packaging and greetings, stationery and creative play products, announces the following trading update.

We continue to enjoy year on year sales growth, both in value and volume. Sales and underlying profits for the Group for the six months ended 30th September 2012 are in line with expectations, with especially strong progress in the United States.

Whilst not without its challenges, the first season following the relocation of our manufacturing facilities in China was substantially completed during the period, with production of over 65 million Christmas crackers expected during 2012. This will contribute to the development of our UK business, where there has been strong top-line growth, providing some mitigation of on-going margin pressures.

Record levels of gift wrap volumes continue to be sold, now supported by new high speed state of the art manufacturing equipment in the Netherlands, which was successfully installed during the Spring. This facility has already begun to bring greater levels of efficiency to help combat the market conditions in Continental Europe.

Performance in our US business has been particularly strong with consistent double digit growth and profitable diversification into new channels and product categories. Good progress was made across the whole of North America in entry and premium level markets.

Our Joint Venture in Australia is now experiencing some of the macro economic market conditions which the Group has successfully managed in recent years in the US, UK and European markets. This has included a voluntary insolvency process by a material customer subsequent to the half year end, which will give rise to an exceptional charge in the interim accounts, although our secured status will mitigate the impact.

Overall the Group's debt reduction programme remains in line with management expectations with the benefit of reduced interest rates being felt as de-leverage targets have been achieved.

**Paul Fineman, CEO commented:**

“Our track record over recent years of prudent investment combined with the provision of innovative and competitive products has enabled us to combat competitive market dynamics across our global customer base underlining the importance of creating efficiencies across the Group, leveraging scale and continuing to balance the geography, product category and seasonality of our activities.

The Board is confident that the Group is well positioned to continue its delivery of profitable growth for shareholders.”

The Group will publish its Interim Results for the six months ended 30th September 2012 on 11th December 2012

**- Ends-**

**For further information, please contact:**

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