

21 September 2017

**IG Design Group PLC**  
**(the “Company” or “Design Group”)**

**Acquisition of a leading Australian greetings card business**

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebration, gifting, stationery and creative play products, is pleased to announce that it has signed a contract to acquire the trade and certain assets of Biscay Greetings Pty Limited, a leading greetings card and paper products business based in Australia. Completion will take place on 8 January 2018.

The acquisition, to be made through Design Group's Australian Joint Venture Artwrap, will be satisfied by a cash consideration of AUD9m (£5.5m) using local debt facilities. Stock and fixed assets acquired are estimated at a market value of AUD5.0m (£3.1m) with the balance of the consideration to be treated as intangible assets and goodwill. The consideration represents 2.7x EBITDA for the year ended 30 June 2017 although an injection of working capital of up to AUD3m (£1.8m) will also be required.

Biscay provides greetings cards and related products to an extensive base of almost 2,000 customers through regional, wholesale, and independent retail channels across Australia and New Zealand. With an established and strong reputation for design and excellence in product and customer service that complements the existing attributes of Design Group Australia, this acquisition provides opportunities for even greater engagement and cross-selling with all key National and Independent retailers throughout Australia and New Zealand.

In the year to 30 June 2017 the business generated sales of AUD13.4m with an operating profit before tax of AUD2.9m. The total transaction and restructuring costs are estimated to be AUD0.6m (£0.4m) which will be treated as exceptional costs. While of negligible impact to underlying earnings in 2017/18 due to the timing of completion, the acquisition will be earnings accretive from the next financial year underpinned by synergies in sourcing, design and logistics net of amortization of intangible assets.

**Commenting on the acquisition, Paul Fineman, Chief Executive, said:**

*“This acquisition complements Design Group’s existing operations in Australia and will approximately double the Group’s already strong share in the value channel of the greetings card market there, providing cross selling opportunities and thus an even more compelling proposition to existing and new customers. It will add to our capabilities in this growing and higher margin category for Design Group as well as further diversifying the Group geographically.*”

*“Our decision to pursue this acquisition follows a recently announced record year for Design Group, which included a significant contract win in Australia. This is a further illustration of how we are delivering on our stated strategy, with carefully considered acquisitions across geography, channel or category, complementing the Group’s strong organic growth.”*

This announcement contains inside information

**- Ends -**

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