

RNS Number : 8442B
Portmeirion Group PLC
22 August 2008

Portmeirion Group PLC
('Portmeirion' or 'the Company')

Circular to Shareholders

The Company announces that it will today post a Circular to the shareholders of the Company (the "Shareholders") convening a General Meeting ("GM") to address a technical issue that has arisen in respect of the interim and final dividends for the year ended 31 December 2007 (the 'Dividends'). Shareholders will be asked at the GM to vote on two resolutions, as set out below, to approve the related party transaction and to rectify and ratify the payment of the Dividends which were made in breach of the Companies Act 1985 or the Companies Act 2006 (together the "Acts").

Although the group of companies, of which the Company is the holding company (the 'Group'), had sufficient distributable reserves at the time that the Dividends were paid, these distributable reserves had not been distributed from the other companies within the Group and passed up to the Company at the date of the last annual accounts of the Company, which serve as the reference accounts for the calculation of the distributable reserves of the Company.

Reserves have now been distributed to the Company by its subsidiaries and interim accounts for the six months to 30 June 2008 have been prepared and filed with the Registrar of Companies.

Resolutions will therefore be proposed at the GM to sanction the appropriation of profits to the Dividends; to waive any rights of the Company against shareholders who received the Dividends and to approve the Company entering into a deed of release in favour of such shareholders; and to waive any rights of the Company against both past and present directors of the Company (the "Directors") who approved the payment of the Dividends and to approve the Company entering into a deed of release in favour of such Directors (the "Directors' Deed of Release").

As the Directors' Deed of Release is to be entered into by the Company in favour of the past and present Directors who authorised payment of the Dividends, it will constitute a related party transaction under the AIM Rules for Companies published by the London Stock Exchange plc (the "AIM Rules") (the "Related Party Transaction"). In view of the present Directors' interest in the Directors' Deed of Release, it is not possible for them to provide confirmation required under the AIM Rules that the entering into by the Company of the Directors' Deed of Release is fair and reasonable insofar as its shareholders are concerned. As such the entering into by the Company of the Directors' Deed of Release will require Shareholder approval. Shareholders will therefore be asked to vote on the resolutions set out in the Company's notice of general meeting (the "Resolutions") which will be posted today together with the circular to shareholders to rectify and ratify the payment of the Dividends made in breach of the Acts and to approve the Related Party Transaction the passing of which will put Shareholders and Directors into the position which was always intended.

The Directors of the Company will not be voting on the Resolutions or providing a recommendation as to how Shareholders should vote in view of their interest in the subject matter of these proposals. However, the board of

Directors of the Company unanimously recommends that Shareholders exercise their right to vote on the Resolutions to be proposed at the GM.

The General Meeting of the Company will be held at the Company's head office at London Road, Stoke-on-Trent, Staffordshire ST4 7QQ at 9.00am on Tuesday 16 September 2008.

Further enquiries :

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