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Portmeirion Group PLC
05 May 2016

Portmeirion Group PLC
("Portmeirion" or the "Group")

Acquisition of Lighthouse Holdings Limited

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Portmeirion, the AIM listed manufacturer and worldwide distributor of high quality homeware, is delighted to announce that it has acquired the entire issued share capital of Lighthouse Holdings Limited ("Lighthouse") for a total cash consideration of £17.5 million plus surplus cash as at 30 April 2016 estimated to be no greater than £0.5 million (the "Acquisition").

Lighthouse's wholly owned operating subsidiary, Wax Lyrical Limited ("Wax Lyrical"), is the UK's largest manufacturer of home fragrances. Wax Lyrical is based in the Lake District and is both a wholesaler and retailer of its home fragrance products, primarily scented candles and reed diffusers, to both UK and export markets. Manufactured in the UK, its leading brands of Wax Lyrical and Colony are sold in high quality stores together with ranges produced for some of the world's leading luxury brands. Wax Lyrical exports to over 40 countries around the world.

The consideration has been funded from cash reserves and debt draw down on new banking facilities comprising a £10 million loan facility, a £10 million revolving credit facility and a £2 million overdraft facility from Lloyds.

Lighthouse's audited accounts for the year ended 31 December 2015 recorded revenue of £13.8 million, a pre-tax profit of £2.1 million and net assets as at 31 December 2015 of £7.6 million. A dividend of £2.0 million was paid by Lighthouse in 2016 prior to the Acquisition.

Strategic Highlights

The Acquisition brings the following strategic benefits for Portmeirion:

- The Acquisition is expected to be earnings enhancing in the current financial year;
- Wax Lyrical, with its high quality brands and "Made in Britain" pedigree represents a strong strategic fit for Portmeirion;
- The combined Group will benefit from a wider product offering and access to a larger customer base;
- Significant growth opportunities for Wax Lyrical's products are envisaged within the Group's existing markets and distribution channels. In particular, the Group expects to grow Wax Lyrical's sales through Portmeirion's existing UK customers, websites and retail outlets as well as into export markets such as the United States and South Korea.

Wax Lyrical has 122 employees. Joanne Barber, the current Managing Director of Wax Lyrical, will continue to run the business from its existing facilities in the Lake District following the Acquisition.

Lawrence Bryan, Chief Executive of Portmeirion said: "We are proud to acquire a group delivering world class Made in Britain home fragrances. Together with our existing strong brands of Portmeirion, Spode, Royal Worcester and Pimpernel, these new brands will drive our business forward and offer significant opportunities for growth".

Dick Steele, Non-Executive Chairman of Portmeirion, added "This earnings enhancing strategic acquisition by Portmeirion is an ideal fit of products, sales channels and people".

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