

7 July 2016

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

Trading Update

Portmeirion, the manufacturer and worldwide distributor of high quality homewares under the Portmeirion, Spode, Royal Worcester and Wax Lyrical brands updates on prospects for the current year.

Total revenue for 2016 is expected to be ahead of 2015, notably because of the recent acquisition of the Wax Lyrical business. However, pre-tax profits are expected to be materially below the record level of £8.6 million reported for 2015. At the Annual General Meeting we reported an unexpected decrease in demand from Asian markets. In particular, sales to South Korea still show no signs of recovery and the performance of our distributor in India has continued to be extremely disappointing. In addition we have seen negative effects on demand in the UK before and following the leave vote at the EU referendum. The potential benefits of a weaker pound have yet to translate into firm overseas orders. However, the United States continues to perform well.

The Board does believe that this is a short term setback. Accordingly, it is our current intention to increase the 2016 interim dividend by approximately 14% in line with the increase in the final dividend for 2015 and with our previously stated policy. This will mean that dividend cover for 2016 will fall marginally below our historic guideline of two times; our longer term view is that we can accommodate a temporary reduction in cover.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Enquiries:

Portmeirion Group PLC:

Dick Steele <i>Non-executive Chairman</i>	+44 (0) 1782 744721	steele_clan@msn.com
Brett Phillips, <i>Group Finance Director</i>	+44 (0) 1782 744721	bphillips@portmeiriongroup.com

Bell Pottinger:

Dan de Belder	+44 (0) 203 772 2561	ddebelder@bellpottinger.com
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Panmure Gordon

(Nominated Adviser and Broker):

Freddy Crossley/ Duncan Monteith Tom Salvesen	+44 (0) 207 886 2500	Corporate Finance Corporate Broking
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Cantor Fitzgerald Europe

(Joint Broker):

Catherine Leftley/Marc Milmo David Banks	+44 (0) 207 894 7000	Corporate Finance Sales
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