

**Victoria PLC**

('Victoria,' the 'Company,' or the 'Group')

**Manufacturing Reorganisation in Australia and Trading Update**

Victoria PLC, (LSE: VCP) the international designers, manufacturers and distributors of innovative flooring, today announces the next phase of the Group's post-acquisition operational integration.

On 26 June 2017, the Group announced plans to reorganise its UK operations to improve efficiency and increase capacity. Significant progress has been made, with the rationalisation of the UK manufacturing footprint completed, and the strengthened UK logistics network - including the Southern distribution centre - on track to be fully operational later this year.

The Group continues to identify and realise synergy opportunities arising from our acquisitions and is today announcing a consolidation and investment in relation to its underlay business in Australia.

**Streamlining of Australia underlay manufacturing**

The Group acquired its Australian underlay business as part of the purchase of Dunlop Flooring in January 2017. There are currently two manufacturing sites, in Sydney and Melbourne. The Group has decided to focus all manufacturing on the existing site in Sydney and to close the Melbourne operation when the current lease expires in 2019. Together with an investment of approximately A\$2.1m (£1.2m) in new technology, this move is expected to improve raw material processing, finishing and packaging at the Sydney site. The combination of consolidation and investment will increase flexibility and result in a more efficient and productive operation. This project is expected to complete during the second half of 2019.

**Trading update**

Preliminary audited results for the year-ended 31 March 2018 will be announced on 24 July 2018.

In the first two months of the new financial year trading has been robust, with the Group's sales performance showing like-for-like growth over the same period in the prior year of over 3%<sup>1</sup>. With this positive start to the year the Board looks to the 2019 financial year ahead with confidence.

Geoff Wilding, Executive Chairman, Victoria PLC commented:

"Victoria's Australian underlay business is already benefiting, since acquisition last year, from being part of the wider Group, which has brought cross-selling opportunities and sharing of best practice. We have successfully reorganised our manufacturing footprint within the UK, from which the benefits for shareholders are evident, and are now undergoing a similar efficiency drive in Australia.

The Group now has considerable experience in delivering successful operational change, and we will continue to seek synergy opportunities alongside our active acquisition programme".

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