

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Victoria PLC

('Victoria' or the 'Group')

Update on Bond

The board of Victoria ("the Board"), the international designers, manufacturers, and distributors of innovative flooring, confirms that it has resolved to continue with the Company's existing bank facilities, rather than refinance them with a senior secured note ("the Bond") as proposed last week. Whilst we continue to believe that, in terms of structure, the Bond would have been suitable for the Group to meet its long-term financing objectives, the indicative pricing for the Bond, which was higher than had been anticipated, was such that it did not warrant changing the Group's debt financing arrangements at this time.

Geoff Wilding, Chairman of Victoria PLC, commented:

"We embarked on the Bond process in good faith and with the intention of delivering benefits for all shareholders in the form of long-term funding at an attractive, fixed interest rate.

It is very disappointing that despite the positive, stable credit ratings, the indicative pricing for the Bond moved unfavourably over the course of last week, particularly when there have been no fundamental changes to the Group or its business.

I want to reassure shareholders that, as with our strategy of only paying the right price for acquisitions, the Board applies a high degree of rigour to our long-term financing arrangements. Therefore, as we continue to have a close and positive relationships with our lending banks and operate with significant headroom with respect to covenants under our existing 2-year facilities put in place in August 2018, we will continue with these facilities. The banks have been, and continue to be, very supportive of our strategy and performance. Any suggestion to the contrary is untrue.

Nevertheless, last week was not the Board's finest hour in terms of the clarity of our communication. For the last six years, the Board has endeavoured to maintain an open dialogue, fully appreciating that it is the shareholders who own the company. Unfortunately, we placed too much emphasis on technical guidance and market convention and not enough common sense was applied in terms of communication with shareholders. By failing to communicate clearly last week and in the run-up to the Bond launch, the Company needlessly left shareholders feeling uncertain about the future. Critically, this also left an open goal for those with less than pure motives to spread outrageous untruths. This has damaged the value of the shares, although, of course, there has been no impact on the underlying business, which is high quality and continues to successfully design, manufacture, and distribute flooring products around the world as it always has done.

Victoria's operational management are firmly focused on delivery of our organic strategy. Separately, the Board continues to identify and very selectively pursue attractive acquisition opportunities. We have adapted our usual acquisition structure in such a way that remains attractive to potential vendors but ensures that future acquisitions remain value-enhancing for shareholders by reducing requirements for new equity whilst staying within our internal debt limits. As such we continue to see opportunity to pursue our acquisition strategy to meaningfully enhance the Group alongside organic growth.

The Board continues to believe that Victoria is well placed to deliver growth in shareholder value.

- Ends -

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About Victoria

Established in 1895 and listed since 1963 and on AIM since 2013 (VCP.L), Victoria PLC, is an international manufacturer and distributor of innovative flooring products. The Group, which is headquartered in Kidderminster, UK, designs, manufactures and distributes a range of carpet, flooring underlay, ceramic tiles, LVT (luxury vinyl tile), artificial grass and flooring accessories. Victoria has operations in the UK, Spain, Italy, Belgium, the Netherlands and Australia and employs approximately 3,000 people across more than 20 sites. Victoria is the UK's largest carpet manufacturer and the second largest in Australia, as well as the largest manufacturer of underlay in both regions.

The Group's strategy is designed to create value for its shareholders and is focused on consistently increasing earnings per share via acquisitions and sustainable organic growth.

The Group's trading subsidiaries, as set out segmentally, include:

UK	&	A. & A. Carpets Ltd, Abingdon Flooring Ltd, Alliance Distribution Ltd, Avalon
Europe:		B.V, Ceramica Saloni, S.A.U, Ceramiche Serra S.p.A., Distinctive Flooring Ltd,
		Ezi Floor Ltd, Grass Inc. B.V, Interfloor Ltd, Keraben Grupo S.A., Millennium
		Weavers N.V, Sanicova, S.L.U, Victoria Carpets Ltd, View Logistics Ltd,
		Westex (Carpets) Ltd,

Australia:

Primary Flooring Pty Ltd, Quest Flooring Pty Ltd, The Victoria Carpet Co. Pty Ltd