

GUINNESS PEAT GROUP PLC
("GPG" or the "Company")

Announcement

Interim Management Statement

GPG today publishes its interim management statement ("IMS") covering the period from 1 January 2012 to 17 May 2012. This IMS has been prepared solely to provide additional information to shareholders to meet the requirements of the UK Listing Authority's Disclosure and Transparency Rules and should not be relied on by any other party or for any other purpose.

Asset Disposals

During the period from 1 January 2012, GPG has completed the disposals of 11 further investments: Turners & Growers, CSR, eServGlobal, Autologic, Capilano Honey, Tasmanian Pure Foods, Farmpride, 333 Holdings, Peanut Company of Australia, Shepherd Neame and Ashley House. Total funds generated in this period from investments, including dividends and capital returns, amounted to £104m giving a cumulative total since 1 January 2011 of £246m. Approximately 32% of the portfolio held on 1 January 2011 has now been realised.

As at 11 May 2012, the investment portfolio (excluding Coats) was comprised of:

	Shareholding	Market Value
Listed investments		(£m)
Tower Limited	34.0%	73
ClearView Wealth Limited	48.1%	60
Ridley Corporation Limited	22.1%	51
Young & Co's Brewery plc Non-Voting	34.2%	34
Young & Co's Brewery plc 'A' Ordinary	15.4%	28
CIC Australia Limited	73.1%	29
PrimeAg Australia Limited	11.6%	21
Capral Limited	47.4%	21
Metals X Limited	6.0%	9
Tandou Limited	28.4%	10
Thwaites (Daniel) plc	9.4%	6
Newbury Racecourse plc	29.9%	5
AV Jennings Limited	7.7%	4
Other listed		3
Non-listed investments*		48
Total		402

**Non-listed investments, which include Green's General Goods (72.5%), Tourism Asset Holdings (10.2%), Gosford Quarry Holdings (100%), Touch Holdings (56.0%) and Tourism Property Investment Group (10.0%), are carried at consolidated book value*

Financial Position

The net asset backing per share stood at 36.51p at 31 March 2012. This compares to 37.10p at 31 December 2011, the most recent year end.

GPG Parent Group cash at 31 March 2012 amounted to £255m (£200m at 31 December 2011) and the Parent Group bank facilities remain undrawn.

The Parent Group cash was denominated in the following currencies:

	31 March 2012	31 December 2011
	£m	£m
GBP	77	73
AUD	19	17
NZD	158	109
Other	1	1
Total	255	200

Following the purchase of the 2008 Capital Notes on 15 March 2012, at 31 March 2012 the liability in respect of Capital Notes was NZ\$350m (£180m). The remaining notes have an election date of 15 November 2012.

Coats

As for the second half of 2011, the state of the global economy has remained fragile in 2012 to date and overall trading conditions have been subdued.

During the first quarter, sales in the Industrial Division overall have been impacted by constrained consumer demand for clothing and footwear, particularly in Europe, and by tight inventory control by retailers. Sales in the Crafts Division have been steady, with our North American business increasingly benefitting from expanded shelf space won with large retail customers.

2011 first half profitability benefitted from a particularly strong first quarter for sales and from the early implementation of selling price increases in the Industrial Division following unprecedented raw material cost increases. To continue to help offset cost increases later in 2011 and ongoing inflationary pressure, price increases have been implemented during the first quarter by the Crafts Division, but the benefit will be weighted towards the second half of the year. Given these factors, 2012 first half profitability will be lower than in 2011 (when first half profit represented the best first half pre-exceptional operating profit performance for the Group under GPG ownership).

Driving growth via innovation, margin protection in the face of inflationary pressures and cash and working capital management remain the key focus.

Despite the ongoing challenging macro-economic environment, Coats expects to make good progress in the second half of the year.

Half-Yearly Results

The Company is scheduled to release its 2012 half-yearly results at the end of August 2012.

The financial information on which this statement is based has not been reviewed or reported on by GPG's auditors.

Chris Healy
Company Secretary
Guinness Peat Group plc

Tel: +44 20 7484 3370

18 May 2012

Enquiry details are:

New Zealand and Australian media:	Geoff Senescall on:	+64 9 309 5659
UK media:	Kevin Smith on:	+44 20 7282 1054
