



**Coats
Group plc**

Coats Group plc Annual General Meeting 2015

Thursday 21 May 2015, 14.30 (BST)



Agenda

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- 1 Welcome and Chairman's presentation – Mike Clasper, Chairman**
- 2 Coats' trading update – Paul Forman, Group Chief Executive
- 3 Questions and answers
- 4 Quorum and Notice of Meeting
- 5 Resolutions
- 6 Close of meeting

Welcome

Disclaimer

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Forward-looking statements

This document contains certain forward-looking statements, including statements regarding Coats' plans, objectives and expected performance. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts of licences; fluctuations in demand and pricing in the industry; fluctuations in exchange controls; changes in government policy and taxations; industrial disputes; and war and terrorism. These forward-looking statements speak only as at the date of this document.

Not a profit forecast

The financial information contained in this presentation is based on publicly available historic financial information and is not intended to be a profit forecast or profit estimate under applicable rules.

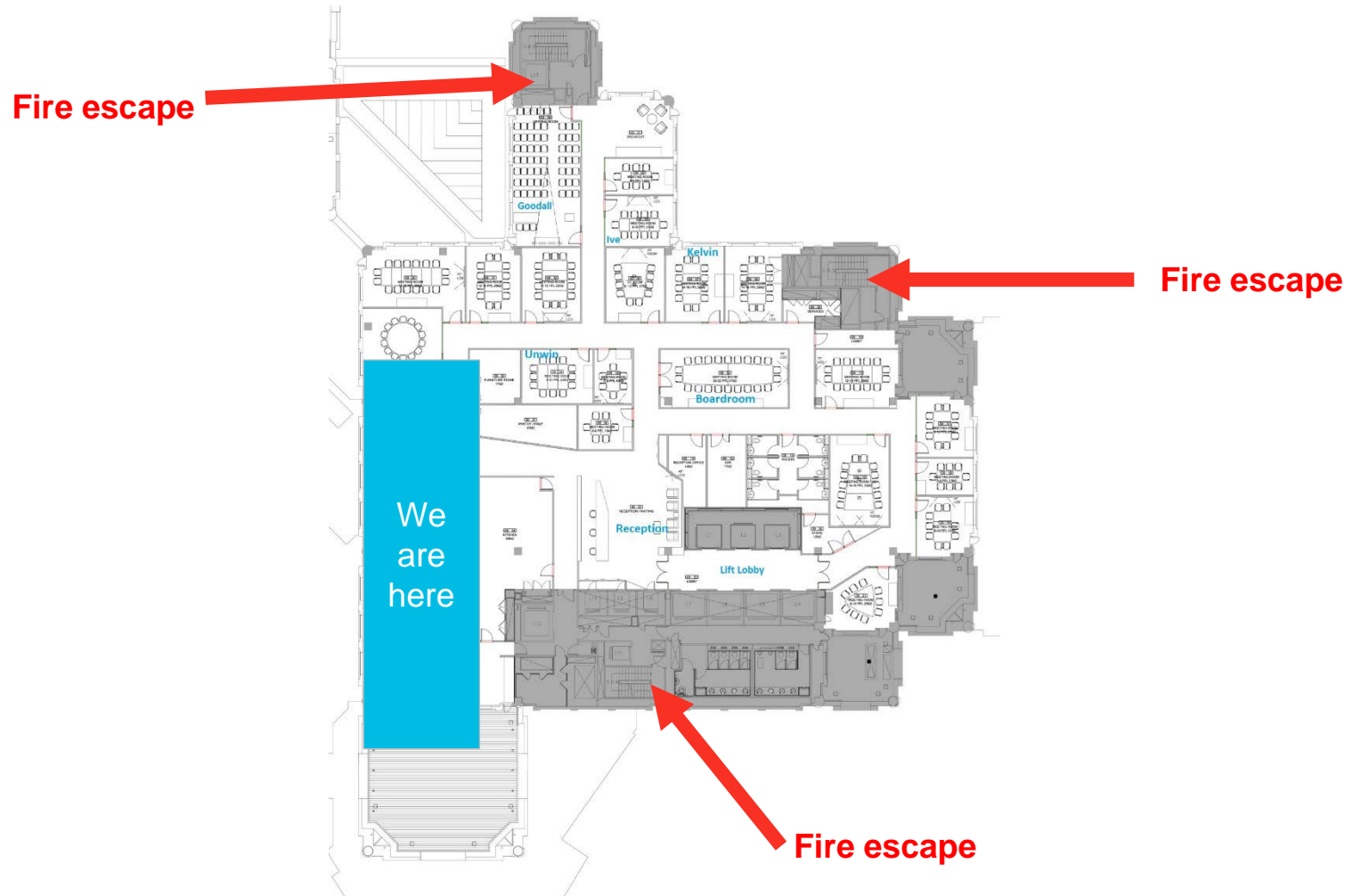
Rounding

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Welcome

Fire escapes

There are three fire escapes located on the 9th floor



Welcome

Audio recording

An audio recording of the meeting will be available on www.coats.com later today

The screenshot displays the Coats Group plc website. At the top, there is a navigation bar with the Coats logo and links for 'About us', 'Our businesses', 'Corporate Responsibility', 'Investors', 'Media', 'People', and 'Coats stories'. Below this, the 'Investors' section is active, showing a list of links including 'Understanding Coats', 'Management', 'Corporate governance', 'News', 'Results, reports and presentations', 'Financial calendar', 'Share price', 'Shareholder Centre', 'General meetings', 'Shareholder details', and 'Investor contacts'. The main content area is titled 'General meetings' and features the '2015 Annual General Meeting' details: 'Date: Thursday 21 May 2015' and 'Time: 2:30pm (UK)'. A '2015' section includes a link to '21 May: Register for on demand webcast (Opens in new window)', a '17 April: Notice of Meeting', and a '19 March: Annual Report 2014'. A 'Download' link is also visible. Below the navigation and main content, there is a banner image of a blue fabric roll with a 'COATS epic' label. Underneath the banner, the heading 'Coats Group plc - Annual General Meeting 2015' is followed by a welcome message and a registration form. The form has two sections: 'New Viewer' with fields for Name, Company, and E-mail, and a 'Register' button; and 'Registered Viewer' with an E-mail field and a 'Sign in' button.

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Investors

- Understanding Coats
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General meetings

2015 Annual General Meeting
Date: Thursday 21 May 2015
Time: 2:30pm (UK)

2015

[21 May: Register for on demand webcast](#)
(Opens in new window)

17 April: Notice of Meeting

19 March: Annual Report 2014

Download

Coats Group plc - Annual General Meeting 2015

Welcome to the Coats Group plc - Annual General Meeting 2015. The presentation will take place on Thursday 21st May and an on-demand webcast will be available later the same day.

If you have already registered you can log in below with your email address. Otherwise please complete the registration form and click register.

New Viewer

Name

Company

E-mail

Registered Viewer

E-mail

Welcome

Introductions

Present today we have the members from the Coats Group Board

- **Mike Clasper CBE**, Chairman
- **Mike Allen**, Independent Non-Executive Director
- **Ruth Anderson**, Independent Non-Executive Director
- **Nicholas Bull**, Senior Independent Non-Executive Director
- **Paul Forman**, Executive Director and Group Chief Executive
- **David Gosnell**, Independent Non-Executive Director
- **Richard Howes**, Executive Director and Chief Financial Officer
- **Blake Nixon**, Non-Executive Director
- **Alan Rosling CBE**, Independent Non-Executive Director
- **Rajiv Sharma**, Executive Director and Global CEO, Industrial

We also have our Company Secretary, **Stuart Morgan**



Mike Clasper, CBE
Chairman



Mike Allen
Independent Non-Executive
Director



Ruth Anderson
Independent Non-Executive
Director



Nicholas Bull
Senior Independent Non-Executive
Director



Paul Forman
Group Chief Executive



David Gosnell
Independent Non-Executive
Director



Richard Howes
Chief Financial Officer



Blake Nixon
Non-Executive Director



Alan Rosling, CBE
Independent Non-Executive
Director



Rajiv Sharma
Global CEO, Industrial



Stuart Morgan
Chief Legal & Risk Officer and Group
Company Secretary

Chairman's presentation



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5 Resolutions

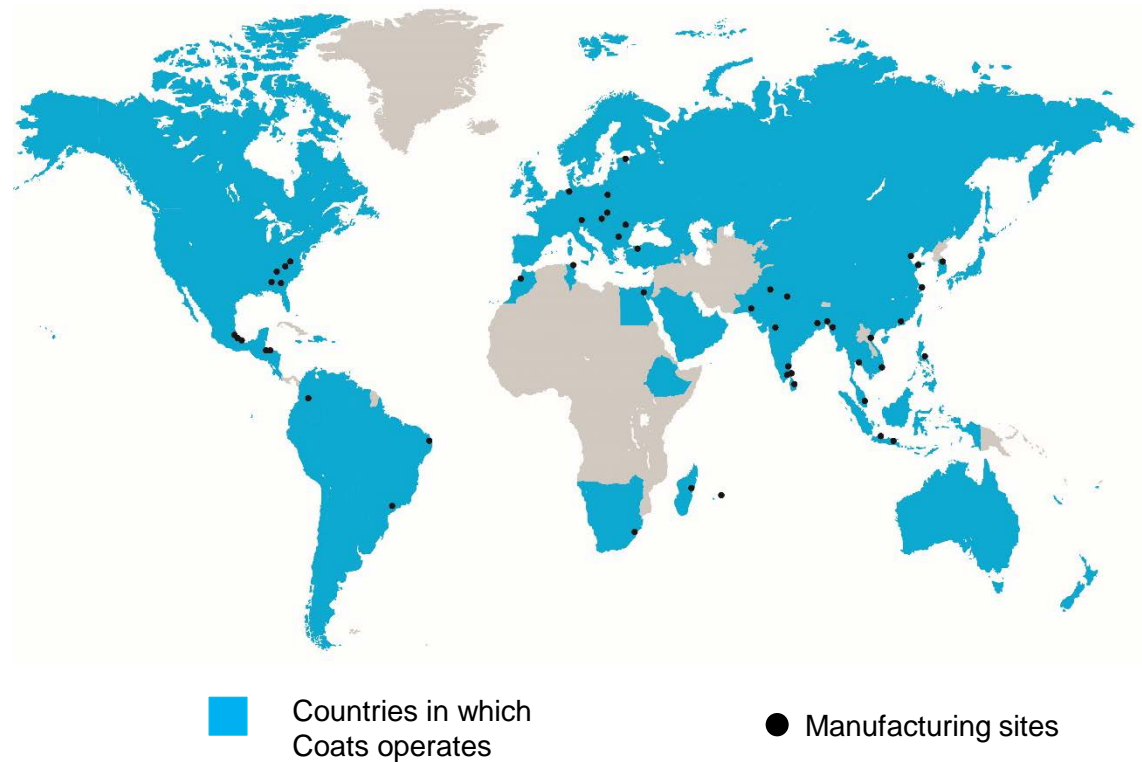
6 Close of meeting

Who we are

Coats Group plc

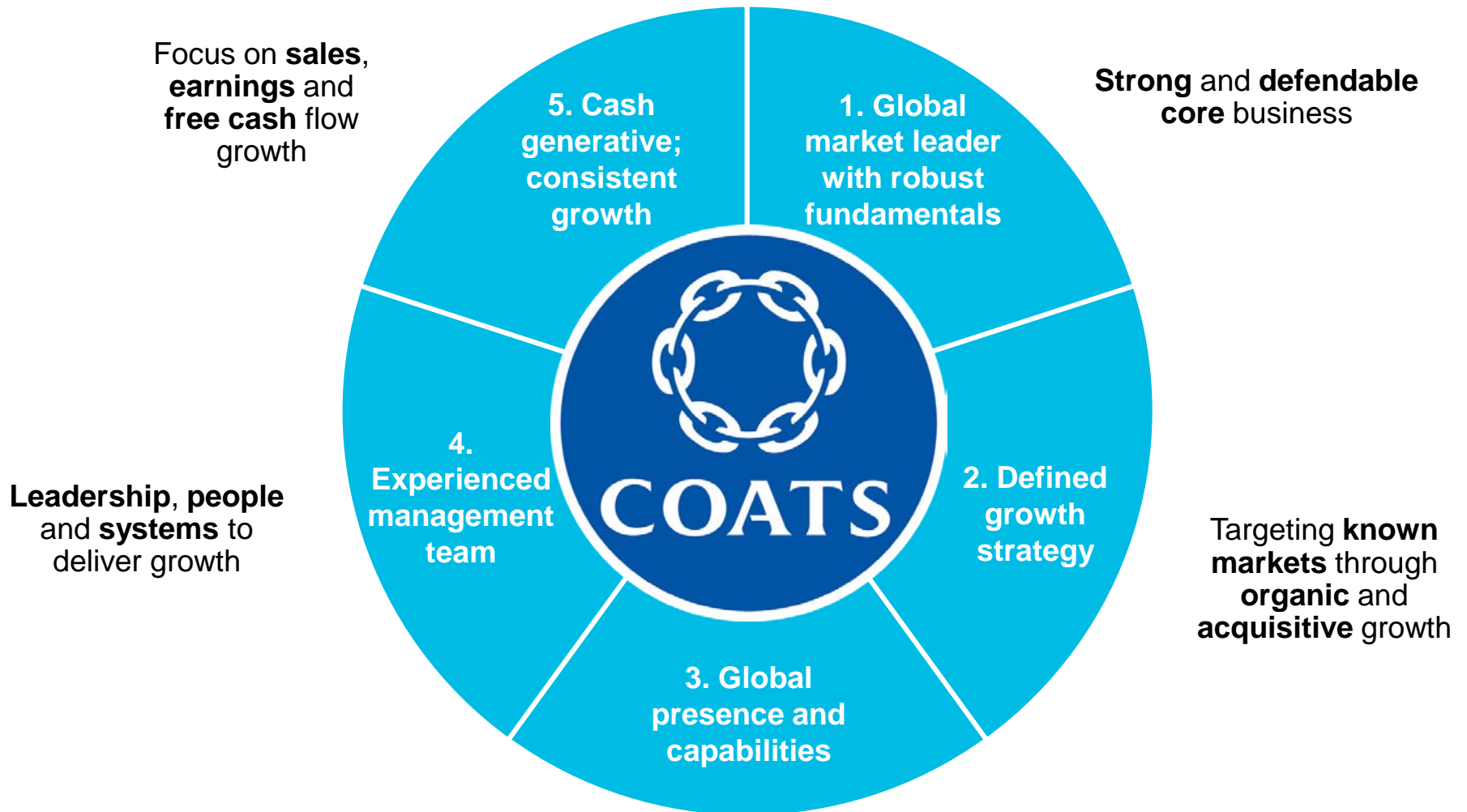
With a rich heritage dating back to the 1750s, Coats is the world's leading industrial thread and consumer textile crafts business employing 20,000 employees in over 70 countries across six continents

- Group revenues of US\$ 1.7bn in 2014
- World's leading industrial thread producer
- Leading and expanding position in Speciality thread and yarn market
- Largest global player in textile crafts
- Headquartered in the UK
- LSE (premium), NZX and ASX listed



Coats has global reach is the world's leading industrial thread and textile crafts business

Five elements to our value



Key **differentiators** that provide a **platform for growth**

Global capabilities: role of innovation

Hemseal

For use in the secure hemming of tailored garments



eCommerce



Flamepro

For use in personal protective equipment



GlasmO SM VO

Glass fibre strength engineered yarn used in telecommunication cables

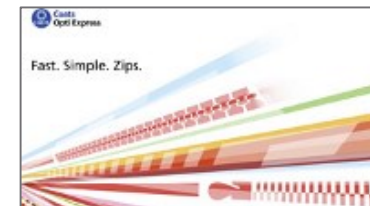


Signal thread

Innovative reflective thread designed for fashion applications as well as outdoor and active wear



Coats Colour Express



Opti Express

Revolutionary zips sampling

Trading update summary (1/2)

For the period 1 January to 30 April 2015

Group

- In line with management expectations – continued positive momentum in Industrial business
- Sales¹ up 3% year-on-year on LFL basis² (3% decline on actual currency basis)

Industrial (sales up 6% LFL)

- **Asia** - strong sales growth driven by A&F; **Americas** - strong sales growth driven by Speciality growth in North America; **EMEA** - relatively flat due mainly to weaker demand for zips
- **Speciality** - double digit sales growth (14%), growth across all regions with strong performance in automotive, protective clothing and wire & cable markets
- **A&F** sales³ up 4% LFL - volume growth and strong performance in Asia

Crafts (sales down 6% LFL¹)

- Americas business continued to deliver growth in core handknitting product range
- However offset by expected decline in fashion handknitting sales

1 For ongoing operations

2 Like-for-like (LFL) restates 2014 figures at 2015 exchange rates

3 Includes zips, trims and services

Trading update summary (2/2)

For the period 1 January to 30 April 2015

Sale of EMEA Crafts

- Sale expected to be completed during Q2 2015 or very soon thereafter

Lower Passaic River

- Assessing accounting implications, if any, of CPG's April 2015 submission of RI/FS to US EPA

tPR investigations

- Written representations in response to Coats WN will be submitted by end July

Acquisition of GSD (May 2015)

- UK based company - supplies expert management solutions that analyse time, cost and production capability in sewn products sector with focus on maximising productivity and controlling costs
- Becomes part of Coats Global Services - enhances end to end Operational Excellence offering

Outlook

- Made good start to year; on track to at least deliver management expectations (that were outlined in FY14 results in February 2015)

Conclusion

Coats Group plc

- **Global market leader** with robust fundamentals; **strong** and **defendable core**
- Defined growth strategy
 - **Apparel and Footwear**: share gains based on innovation in services and products
 - **Speciality**: growth through global expansion and new products
 - **Crafts**: focus on strong and profitable Americas business
- Supported by **key differentiators**
 - World class asset base, product innovation, service enhancements (including digital), highly engaged workforce and corporate responsibility
- Delivering **attributable profit growth** and **generating significant free cash flow** (\$189m in last 3 years)
- **Improving returns and quality of earnings**
 - ROCE (26%) and ROIC (11%) significantly increased in last 5 years
- **Well positioned** for future sales, earnings and free cash flow growth

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Questions and answers



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Quorum and Notice of Meeting

- There is a quorum present and we can start this part of the meeting
- You may wish to follow proceedings by referring to the Notice of Annual General Meeting which was posted on 17 April 2015
- On today's agenda there are 17 resolutions
 - Resolutions 1 to 12 inclusive and 17 are proposed as Ordinary Resolutions
 - Resolutions 13 to 16 inclusive are proposed as Special Resolutions
- The full text of the resolutions and a brief explanation of each can be found in your Notice of Meeting
- With your permission, I will take the Notice as read

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Resolutions – procedure

- On each resolution the voting will be by way of show of hands
- On a vote by way of show of hands, each shareholder present in person has one vote
- Validly appointed proxies present also have one vote on a show of hands
- Proxy holders who have been instructed to vote different ways by different shareholders have one vote for, and one vote against, the relevant resolution
- After each resolution, I will declare whether the resolution has been passed on a show of hands or not

Resolution 1

Ordinary Resolution

To receive the Accounts and Reports of the Directors and the Auditor for the year ended 31 December 2014

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
1 Receipt of Annual Report 2014	877,734,757 99.98%	206,332 0.02%	62.37%	87,256

Resolution passed

Resolution 2

Ordinary Resolution

To approve the Directors' Remuneration Report (other than the Directors' remuneration policy) for year ended 31 December 2014

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
2 Approval of Remuneration Report	800,774,198 91.25%	76,809,864 8.75%	62.35%	441,138

Resolution passed

Resolutions 3 to 9: Re-election and election of Directors

In line with the Company's Articles of Association, one Director must retire from the board at the Annual General Meeting this year, although they may offer themselves for re-election

The Director standing for re-election is Mike Allen

In addition, the Company's Articles of Association require that any person appointed as a Director by the Directors must retire and seek re-appointment at the next Annual General Meeting

Accordingly, Paul Forman, David Gosnell, Richard Howes, Alan Rosling and Rajiv Sharma (who were all appointed 2 March 2015) and Nicholas Bull (appointed 10 April 2015) are retiring and seeking election

Biographical details for all Directors seeking election / re-election can be found in Appendix 1 of the Notice of Meeting

Resolution 3

Ordinary Resolution

To re-elect Mike Allen as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
3 To re-elect Mike Allen as a Director	869,535,302 99.06	8,290,765 0.94%	62.36%	202,278

Resolution passed

Resolution 4

Ordinary Resolution

To elect Nicholas Bull as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
4 Election of Nicholas Bull	869,669,267 99.07%	8,164,235 0.93%	62.36%	194,843

Resolution passed

Resolution 5

Ordinary Resolution

To elect Paul Forman as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
5 Election of Paul Forman	869,460,922 99.05%	8,346,662 0.95%	62.36%	220,761

Resolution passed

Resolution 6

Ordinary Resolution

To elect David Gosnell as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
6 Election of David Gosnell	869,639,037 99.07%	8,173,783 0.93%	62.36%	215,525

Resolution passed

Resolution 7

Ordinary Resolution

To elect Richard Howes as a Director

Resolution	Total proxy votes for		Total proxy votes against		Total proxy votes cast as % of issued share capital	Proxy votes withheld
7 Election of Richard Howes	853,809,846	97.27%	23,971,456	2.73%	62.36%	247,043

Resolution passed

Resolution 8

Ordinary Resolution

To elect Alan Rosling as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
8 Election of Alan Rosling	869,581,493 99.06%	8,237,282 0.94%	62.36%	209,570

Resolution passed

Resolution 9

Ordinary Resolution

To elect Rajiv Sharma as a Director

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
9 Election of Rajiv Sharma	853,777,424 98.97%	8,914,924 1.03%	61.29%	15,335,065

Resolution passed

Resolutions 10 and 11: Auditors

In accordance with UK Company Law, it is necessary for the shareholders to re-appoint the auditors of the Company and to authorise the Directors to fix their remuneration

Resolutions 10 and 11 relate to this.

Resolution 10

Ordinary Resolution

To reappoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
10 Re-appointment of auditor	877,453,543 99.96%	382,436 0.04%	62.36%	192,366

Resolution passed

Resolution 11

Ordinary Resolution

To authorise the Directors to fix the remuneration of the auditors

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
11 Approval of remuneration of auditor	877,339,848 99.94%	565,597 0.06%	62.37%	122,900

Resolution passed

Resolutions 12 to 14: Share capital

The next Resolutions, 12 to 14, deal with the Company's share capital

The full wording of these Resolutions is set out in the Notice of the Meeting along with an explanation of why they are being proposed

Resolution 12

Ordinary Resolution

To authorise the Directors generally to allot relevant securities.

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
12 Authority to allot relevant securities	868,777,044 98.98%	8,970,070 1.02%	62.36%	281,131

Resolution passed

Resolution 13

Special Resolution

To disapply pre-emption provisions

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
13 Disapplication of pre-emption provisions	869,317,160 99.05%	8,334,949 0.95%	62.35%	376,236

Resolution passed

Resolution 14

Special Resolution

To authorise the Company generally to purchase its own shares

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
14 Authority to purchase own shares	870,388,924 99.15%	7,461,735 0.85%	62.36%	177,686

Resolution passed

Resolution 15

Special Resolution

That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice

Resolution	Total proxy votes for		Total proxy votes against		Total proxy votes cast as % of issued share capital	Proxy votes withheld
15 Authority to call general meetings on 14 clear days' notice	781,452,539	89.01%	96,455,105	10.99%	62.37%	120,701

Resolution passed

Resolution 16: Articles of Association

To mark its transition and change of name, the Board has decided to modernise the Articles of Association of the Company to reflect changes to law and regulation and current UK governance practices.

As such, Resolution 16 proposes the adoption of new Articles of Association at the AGM. A summary of the principal changes in the new Articles of Association is set out in Appendix 2 of Notice of Meeting.

Resolution 16 is proposed as a Special Resolution.

Resolution 16

Special Resolution

To adopt the new Articles of Association

Resolution	Total proxy votes for		Total proxy votes against		Total proxy votes cast as % of issued share capital	Proxy votes withheld
16 Adopt new Articles of Association	869,337,896	99.08%	8,106,132	0.92%	62.34%	584,317

Resolution passed

Resolution 17: Articles of Association

One of the changes proposed in the new Articles of Association is to increase the amount available for Non-Executive Directors' fees.

In accordance with Australian Listing Rule 10.17 and article 78 of the Company's existing Articles of Association, any proposed increase in the maximum total amount available for Non-Executive Directors' fees must be approved by Ordinary Resolution by the Company in general meeting.

Resolution 17 seeks approval for this purpose.

Resolution 17

Ordinary Resolution

To approve the increase to the limit on Non-Executive Directors' fees

Resolution	Total proxy votes for	Total proxy votes against	Total proxy votes cast as % of issued share capital	Proxy votes withheld
17 Approval to increase limit on Non-Executive Directors' fees	865,682,368 98.69%	11,515,543 1.31%	62.32%	830,434

Resolution passed

Results of the Annual General Meeting ('AGM')

Coats announces that at the AGM, held in London, United Kingdom on 21 May 2015, all the resolutions put to the meeting were duly passed by way of a show of hands by the requisite majority. The following table shows the proxy votes cast on each resolution:

Resolution		Total Votes For		Total Votes Against		Total Votes cast as % of Issued Share Capital	Votes Withheld
			%		%	%	
1	Receipt of Annual Report 2014	877,734,757	99.98	206,332	0.02	62.37	87,256
2	Approval of Remuneration Report	800,774,198	91.25	76,809,864	8.75	62.35	441,138
3	Re-election of Mike Allen	869,535,302	99.06	8,290,765	0.94	62.36	202,278
4	Election of Nicholas Bull	869,669,267	99.07	8,164,235	0.93	62.36	194,843
5	Election of Paul Forman	869,460,922	99.05	8,346,662	0.95	62.36	220,761
6	Election of David Gosnell	869,639,037	99.07	8,173,783	0.93	62.36	215,525
7	Election of Richard Howes	853,809,846	97.27	23,971,456	2.73	62.36	247,043
8	Election of Alan Rosling	869,581,493	99.06	8,237,282	0.94	62.36	209,570
9	Election of Rajiv Sharma	853,777,424	98.97	8,914,924	1.03	61.29	15,335,065
10	Reappointment of Auditor	877,453,543	99.96	382,436	0.04	62.36	192,366
11	Approval of Auditor remuneration	877,339,848	99.94	565,597	0.06	62.37	122,900
12	Authority to allot relevant securities	868,777,044	98.98	8,970,070	1.02	62.36	281,231
13	Authority to disapply pre-emption rights	869,317,160	99.05	8,334,949	0.95	62.35	376,236
14	Authority to purchase own Shares	870,388,924	99.15	7,461,735	0.85	62.36	177,686
15	Authority to call general meetings on clear 14 days' notice	781,452,539	89.01	96,455,105	10.99	62.37	120,701
16	Adoption of new articles	869,337,896	99.08	8,106,132	0.92	62.34	584,317
17	Approval of Non-Executive Directors' Fees	865,682,368	98.69	11,515,543	1.31	62.32	830,434

Total Voting Rights

The total number of Company's ordinary shares in issue and therefore the total number of voting rights as at the close of business (UK time) on 19 May 2015 was 1,407,612,282.

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Close of meeting





Coats
Group plc

Thank you