

GUINNESS PEAT GROUP PLC
(“GPG” or the “Company”)

Completion of GPG Investment Portfolio Realisation Programme

On 30 September 2013, GPG announced the sale of its entire shareholding (33.6%) in TOWER Limited for £60.7million (NZ\$118.3 million).

TOWER Limited represented the last material investment for GPG (excluding Coats) and the imminent completion of this transaction will mark the end of the GPG investment portfolio realisation programme and fulfillment of a key tenet of the revised GPG strategic plan announced to shareholders on 11 February 2011.

On 1 January 2011, shortly before the announcement of the revised strategic plan, GPG had an investment portfolio (ex-Coats) with a market value of approximately £677 million (NZ\$1,322 million at current exchange rates), consisting of some 55 investments in listed and unlisted businesses in jurisdictions including Australia, New Zealand and the United Kingdom.

It was never intended to embark on a fire sale of the investment portfolio, so considerable time was invested at the commencement of the realisation programme to formulate strategic exit paths and, where possible, do so in co-operation with GPG’s underlying investee companies. Most of GPG’s investment portfolio - in value terms - consisted of significant shareholdings in illiquid companies. The ensuing two and a half year divestment programme has involved a focused effort to realise value through a range of public and private market transactions.

The value realisation programme has been completed within the timetable set by the GPG Board, with total cash proceeds generated since 1 January 2011 of £698 million (NZ\$1,363 million).

Following achievement of this milestone, the GPG Board remains focused on repositioning Coats – the world’s leading industrial thread and consumer textile crafts business – as a stand-alone listed entity. The GPG Board also remains fully committed to overseeing the UK Pension Regulator’s current investigation into the GPG and Coats related pension schemes. This process is likely to continue well into the 2014 calendar year and the GPG Board will keep shareholders informed of any material developments.

Rob Campbell
Chairman
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