

17 November 2015

Coats Group plc

Intention to delist from the NZX and ASX

Coats Group plc ('Coats' or the 'Company'), the world's leading industrial thread and consumer textile crafts business, today announces its decision to simplify its listing structure and delist its shares from both the NZX Main Board ('NZX') and the Australian Securities Exchange ('ASX'). The intended date for delisting is 24 June 2016, at which point Coats shares would only be tradable on the Main Market of the London Stock Exchange ('LSE').

The decision reflects the much reduced shareholder base in the two countries, the benefit of concentrating trading volumes on one market, thus moving towards indexation on the LSE¹, and the transition of the Company from an investment company to a UK headquartered, global industrial manufacturing business. In addition the Company will eliminate the costs and complexities arising from a triple listing and share register structure.

Both the NZX and ASX have advised Coats that they have approved the delisting requests (in the case of ASX, on the in-principle basis which is its standard procedure²), subject to conditions.

Coats will seek shareholder approval to delist from the NZX by way of an ordinary resolution (requiring approval of 50% of votes cast) at next year's Annual General Meeting, scheduled for 18 May 2016. If the resolution is approved the last day on which shareholders will be able to trade Coats shares on the NZX and CDIs³ on the ASX is expected to be 21 June 2016⁴. This timeframe provides a notice period of more than seven months to allow adequate time for New Zealand and Australian shareholders to consider their ongoing ownership of shares before Coats moves to a single LSE listing.

Additional announcements will be made to the NZX and ASX, and notices will be sent to shareholders on the New Zealand branch register and CDI holders on the Australian branch register, outlining the proposed delisting process and their available options. All information will be made available at coats.com/investors/delistings.

Commenting on today's announcement Mike Clasper, Chairman, said:

'We are now a UK headquartered, global industrial manufacturing business, having moved away from our New Zealand investment company past. All major investments apart from the Coats business have been sold, culminating in the Company changing its name from Guinness Peat Group to Coats Group. We have no material operations or executive Directors in New Zealand or Australia and earlier this year Sir Ron Brierley ended his long association with the Company by stepping down from the Board and selling the majority of his shares. These changes have contributed to a significant shift in our shareholder register, with more than 65% of shareholders now UK based and less than 20% in New Zealand and Australia. For these reasons the Board believes the benefits of moving to a single London listing outweigh those of remaining on the NZX and ASX.'

Enquiry details

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Notes

Over the last two years, the number of shares/CDIs³ owned by New Zealand and Australian based investors has significantly declined. New Zealand based shareholders now hold approximately 195 million shares (14% of the total 1,407 million shares outstanding) and Australian CDI holders approximately 70 million shares (5%). This compares to approximately 46% and 9% in October 2013.

1 Becoming eligible for inclusion in the FTSE All Share index.

2 ASX in-principle approval is in accordance with ASX's standard procedures, which involve an initial in-principle approval followed by formal approval upon application to ASX once the conditions specified by ASX have been met - see Coats Group's announcement to ASX today for details of these conditions.

3 Instruments are held in the form of CHESS Depository Interests ('CDIs') on the ASX.

4 The final day of trading on NZX will be 22 June 2016, if NZX moves to a T+2 settlement cycle prior to that date.

About Coats Group plc

Coats is the world's leading industrial thread and consumer textile crafts business. At home in more than 70 countries and employing approximately 20,000 people across six continents, the Company generated revenues of US\$1.7bn in 2014. With a rich heritage dating back to the 1750s, Coats' pioneering history and innovative culture ensure the Company continues leading the way around the world: providing complementary and value added products and services to the apparel and footwear industries; applying innovative techniques to develop new Speciality products; and extending the crafts offer into new markets and online. Headquartered in the UK, and registered in England and Wales, Coats Group has a premium listing on the London Stock Exchange and is also listed on the New Zealand and Australian exchanges. To find out more about Coats visit www.coats.com.