



News release

AURELIUS agrees to acquire EMEA Crafts business from Coats plc

Munich, 19 February 2015 – The AURELIUS Group (ISIN DE000A0JK2A8), the listed mid-market pan-European investor, has agreed a binding deal to acquire the EMEA Crafts business of Coats plc, the world's leading industrial thread and consumer textile crafts business.

Coats' EMEA Crafts business is the number one player in European textile crafts with a heritage dating back more than 250 years. The acquisition includes the German headquarters and warehouse facilities as well as the Hungarian production site. In 2013, around 900 employees generated revenues of US\$150.8 million across 18 European countries. The transaction is subject to a limited number of conditions usual for this type of transaction and is expected to complete in the second quarter of 2015.

The sale will enable Coats plc to focus on further growing its successful global Industrial and profitable Americas Crafts businesses. AURELIUS is experienced in complex corporate carve-out situations and focus on businesses with operational improvement potential. AURELIUS' operational experts will be dedicated to give the EMEA Crafts business the undivided attention it requires, and will support the existing management team with the move towards an independent and more flexible enterprise. AURELIUS will supply its highly specialised operational improvement capabilities to the company's current operations, with a core focus on the long-term strategic development of the business.

Ownership of Coats EMEA Crafts brands including Schachenmayr, Patons, Regia, Rowan yarns, Milward, Puppets, Corona, Self Casa, Tre Cerchi and Royal Paris will pass to the new owners on completion of the sale. AURELIUS will sell other Coats-owned brands in Europe under licensing and distribution agreements, which will also cover the 'Make it Coats' brand and European Coats Crafts website content.

Paul Forman, Group Chief Executive, Coats plc said: 'The agreement to sell EMEA Crafts follows a comprehensive review of the business, including its strategic fit within Coats. The decision to sell EMEA Crafts better positions Coats for future profitable growth and allows us to focus management attention on our high performing global Industrial and strong Americas Crafts businesses.'

'I have no doubt that the business will be very successful under the stewardship of AURELIUS and the leadership of the experienced management team. We will continue to work closely with the EMEA Crafts business and the team to ensure a smooth and successful transition and positive cooperation in the future.'

Dr. Dirk Markus, CEO, AURELIUS AG, said: 'The acquisition of Coats' EMEA Crafts business is a classic AURELIUS transaction, as it is a corporate carve-out with a wide European footprint. AURELIUS and its operational experts will not only focus on swiftly completing the highly complex carve-out in 18 jurisdictions but also support the management team in unleashing EMEA Crafts' full potential.'

Christine Bauer, Regional Chief Executive, EMEA Crafts added: 'We are happy to have found in AURELIUS the right partner, who will support us in the future growth of the company with its strong brand portfolio of high quality products. The entire management team and I are looking forward to driving the EMEA Crafts business towards a successful stand-alone future.'

ENDS

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Notes to Editors

About Coats

With a rich heritage dating back to the 1750s, Coats is the world's leading industrial thread and consumer textile crafts business, at home in more than 70 countries, employing over 20,000 people across six continents. Revenues in 2013 were US\$1.7bn.

Our well-known brands and strong relationships with customers and consumers mean our products and services meet current and future needs. Our company-wide understanding of our business partners and consumers, coupled with the deep expertise of our people, builds trust and certainty.

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; extending the crafts offer into new markets and online; and applying innovative techniques to develop products in new areas such as tracer threads, aramids and fibre optics.

- One in five garments on the planet is held together using Coats' thread
- 100 million car airbags are made using Coats' thread every year
- Coats produces enough yarn to knit 70 million scarves a year
- In three and a half hours, Coats makes enough thread to go to the moon and back
- 400 million pairs of shoes are made every year using Coats' thread
- One million teabags using Coats' thread are brewed every 10 minutes
- Thousands of surgical operations take place every day using Coats' thread
- Thomas Edison used Coats' thread in 1879 to invent the light bulb
- Coats produces enough thread to reach around the Equator every 11 minutes
- Coats is the second largest and fastest growing global zip manufacturer

To find out more about Coats visit www.coats.com

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ABOUT AURELIUS

AURELIUS is one of the leading European investment groups. From its offices in Munich, London, Stockholm and Madrid, AURELIUS acquires participations with development potential. Once under the AURELIUS umbrella, the acquisitions are given a long-term strategic orientation in order for them to fully develop their potential.

Currently, the AURELIUS Group consists of 20 subsidiaries with locations in Europe, Asia, and the U.S.A. These include numerous traditional consumer brands, services businesses and a number of industrial enterprises. Companies are acquired based on strict investment criteria without focusing on any particular industry. Shares of AURELIUS AG are listed in the m:access segment of the Munich Stock Exchange and are traded on all German stock markets under ISIN DE000A0JK2A8.

To find out more, visit www.aureliusinvest.com