GPG

Guinness Peat Group plc

HALF-YEARLY FINANCIAL REPORT

2009

Contents

Chairman's Statement

GPG recently issued a Market Update as at 10 August 2009, which provides a detailed current profile of the company. This is reproduced in full herewith. The Market Update gives our assessment of the net asset position at 10 August, compared to the IFRS accounts which are prepared as at 30 June.

In respect of the formal half year period to 30 June, there was an accounting loss of £22 million. That includes a loss of £6 million by Coats, a detailed analysis of which is available at www.coats.com or a printed copy can be obtained from any of GPG's offices.

GPG suffered a serious blow in June with the sudden death of Bruce Maclean, our Australian Company Secretary. Bruce was an integral member of our small management team and he is greatly missed by all. Mr Philip Tunstall has joined GPG in Bruce's place.

Ron Langley has been appointed a Director of GPG. Many shareholders will be aware of Ron's long experience and record of achievement in the corporate world and he is a valuable addition to the Board.

It is unlikely there will be any significant improvement in the accounting result for the full year to 31 December but GPG will be well placed to resume its traditional upward trend in 2010.

Ron Brierley
CHAIRMAN
18 September 2009

Condensed Consolidated Income Statement

	Unaudited 6 months to 30 June 2009 £m	Unaudited 6 months to 30 June 2008 £m	Audited Year to 31 December 2008 £m
Continuing Operations			
Revenue	**664**	701	1,381
Cost of sales	**(460)**	(460)	(964)
Gross profit	**204**	241	417
Profit on disposal of investments and other investment income/(expense)	**18**	(5)	61
Distribution costs	**(90)**	(94)	(180)
Administrative expenses	**(113)**	(124)	(276)
Operating profit	**19**	18	22
Share of (loss)/profit of joint ventures	**(9)**	5	1
Share of profit/(loss) of associated undertakings	**3**	(14)	(9)
Finance costs	**(19)**	(24)	(43)
Loss before taxation from continuing operations	**(6)**	(15)	(29)
Tax on loss from continuing operations	**(18)**	(27)	(48)
Loss for the period from continuing operations	**(24)**	(42)	(77)
Discontinued Operations			
Gain on discontinued operations	**–**	1	4
Loss for the period	**(24)**	(41)	(73)
Attributable to:			
EQUITY SHAREHOLDERS OF THE COMPANY	**(22)**	**(42)**	**(50)**
Non-controlling interests	**(2)**	1	(23)
	(24)	(41)	(73)
Loss per Ordinary Share from continuing and discontinued operations:			
Basic (pence)	**(1.36p)**	(2.72p)	(3.24p)
Diluted (pence)	**(1.36p)**	(2.72p)	(3.24p)
Loss per Ordinary Share from continuing operations:			
Basic (pence)	**(1.37p)**	(2.75p)	(3.51p)
Diluted (pence)	**(1.37p)**	(2.75p)	(3.51p)

Condensed Consolidated Statement of Comprehensive Income

	Unaudited 6 months to 30 June 2009 £m	Unaudited 6 months to 30 June 2008 £m	Audited Year to 31 December 2008 £m
Loss for the period	**(24)**	(41)	(73)
Gains on revaluation of fixed asset investments	**8**	10	22
Losses on cash flow hedges	**(1)**	–	(11)
Exchange (losses)/gains on translation of foreign operations	**(33)**	25	114
Actuarial losses on retirement benefit schemes	**(17)**	(4)	(58)
Net (loss)/income recognised directly in equity	**(43)**	31	67
Transfers			
Transferred to profit or loss on sale of fixed asset investments	**(7)**	(9)	(80)
Transferred to profit or loss on sale of businesses	**(2)**	–	(9)
Transferred to profit or loss on cash flow hedges	**2**	–	1
	(7)	(9)	(88)
Net comprehensive expense for the period	**(74)**	(19)	(94)
Attributable to:			
EQUITY SHAREHOLDERS OF THE COMPANY	**(72)**	**(20)**	**(71)**
Non-controlling interests	**(2)**	1	(23)
	(74)	(19)	(94)

Condensed Consolidated Statement of Financial Position

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
NON-CURRENT ASSETS			
Intangible assets	**190**	210	218
Property, plant and equipment	**463**	449	508
Investments in associated undertakings	**123**	216	126
Investments in joint ventures	**43**	50	59
Fixed asset investments	**169**	238	177
Derivative financial instruments	**–**	2	–
Deferred tax assets	**13**	13	11
Pension surpluses	**25**	34	29
Trade and other receivables	**24**	33	25
	1,050	1,245	1,153
CURRENT ASSETS			
Inventories	**236**	261	261
Trade and other receivables	**302**	323	302
Current asset investments	**8**	10	7
Derivative financial instruments	**4**	4	7
Cash and cash equivalents	**317**	292	362
	867	890	939
Non-current assets classified as held for sale	**–**	3	7
TOTAL ASSETS	**1,917**	2,138	2,099
CURRENT LIABILITIES			
Trade and other payables	**262**	300	306
Current tax liabilities	**5**	7	8
Capital Notes	**–**	82	–
Other borrowings	**126**	119	109
Derivative financial instruments	**20**	12	20
Provisions	**67**	90	79
	480	610	522
NET CURRENT ASSETS	**387**	280	417

– continued

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 December 2008 £m
NON-CURRENT LIABILITIES			
Trade and other payables	**15**	14	18
Deferred tax liabilities	**20**	12	21
Capital Notes	**167**	132	172
Other borrowings	**248**	270	295
Derivative financial instruments	**3**	–	7
Retirement benefit obligations:			
Funded schemes	**44**	1	32
Unfunded schemes	**58**	54	64
Provisions	**18**	19	19
	573	502	628
TOTAL LIABILITIES	**1,053**	1,112	1,150
NET ASSETS	**864**	1,026	949
EQUITY			
Share capital	**80**	71	71
Share premium account	**61**	61	61
Translation reserve	**83**	38	118
Unrealised gains reserve	**37**	95	36
Other reserves	**275**	290	281
Retained earnings	**267**	373	311
EQUITY SHAREHOLDERS' FUNDS	**803**	**928**	**878**
Non-controlling interests	**61**	98	71
TOTAL EQUITY	**864**	1,026	949
Net asset backing per share:*			
Pence	**49.96**	59.50	56.23
Australian cents	**101.78**	123.39	115.95
New Zealand cents	**127.02**	155.58	138.33

* The net asset backing per share for June 2008 and December 2008 has been adjusted for the 2009 Capitalisation Issue.

Approved by the Board on 28 August 2009
Blake Nixon, Director

Condensed Reconciliation of Consolidated Changes in Equity

6 months ended 30 June 2009

	Share capital £m	Share premium account £m	Translation reserve £m	Unrealised gains reserve £m	Other reserves £m	Retained earnings £m	Total £m
Balance as at 1 January 2008	64	61	13	94	295	424	951
Total comprehensive income and expense for the period	–	–	25	1	–	(46)	(20)
Dividends (note 10)	–	–	–	–	–	(13)	(13)
Capitalisation issue of shares	6	–	–	–	(6)	–	–
Scrip dividend alternative	1	–	–	–	–	8	9
Share based payments	–	–	–	–	1	–	1
BALANCE AS AT 30 JUNE 2008	71	61	38	95	290	373	928
Balance as at 1 January 2008	64	61	13	94	295	424	951
Total comprehensive income and expense for the period	–	–	105	(58)	(10)	(108)	(71)
Dividends (note 10)	–	–	–	–	–	(13)	(13)
Capitalisation issue of shares	6	–	–	–	(6)	–	–
Scrip dividend alternative	1	–	–	–	–	8	9
Share based payments	–	–	–	–	2	–	2
BALANCE AS AT 31 DECEMBER 2008	**71**	**61**	**118**	**36**	**281**	**311**	**878**
Total comprehensive income and expense for the period	**–**	**–**	**(35)**	**1**	**–**	**(38)**	**(72)**
Dividends (note 10)	**–**	**–**	**–**	**–**	**–**	**(14)**	**(14)**
Capitalisation issue of shares	**7**	**–**	**–**	**–**	**(7)**	**–**	**–**
Scrip dividend alternative	**2**	**(2)**	**–**	**–**	**–**	**8**	**8**
Other share issues	**–**	**2**	**–**	**–**	**–**	**–**	**2**
Share based payments	**–**	**–**	**–**	**–**	**1**	**–**	**1**
BALANCE AS AT 30 JUNE 2009	**80**	**61**	**83**	**37**	**275**	**267**	**803**

Condensed Statement of Consolidated Cash Flows

	Unaudited 6 months to 30 June 2009 £m	Unaudited 6 months to 30 June 2008 Re-stated* £m	Audited Year to 31 December 2008 £m
Cash (outflow)/inflow from operating activities			
Net cash (outflow)/inflow from operating activities	**–**	(63)	161
Interest paid	**(23)**	(28)	(55)
Taxation paid	**(11)**	(15)	(25)
NET CASH (ABSORBED IN)/GENERATED BY OPERATING ACTIVITIES	**(34)**	(106)	81
Cash outflow from investing activities			
Dividends received from associated undertakings and joint ventures	**6**	2	7
Capital expenditure and financial investment	**(9)**	(12)	(32)
Acquisitions and disposals	**–**	(20)	(23)
NET CASH ABSORBED IN INVESTING ACTIVITIES	**(3)**	(30)	(48)
Cash (outflow)/inflow from financing activities			
Issue of ordinary shares	**2**	–	–
Equity dividends paid to Company's shareholders	**(6)**	(5)	(4)
Dividends paid to minority interests	**(5)**	(2)	(4)
Increase/(decrease) in debt	**7**	108	(8)
NET CASH (ABSORBED IN)/GENERATED BY FINANCING ACTIVITIES	**(2)**	101	(16)
Net (decrease)/increase in cash and cash equivalents	**(39)**	(35)	17
Cash and cash equivalents at beginning of the period	**347**	309	309
Exchange (losses)/gains on cash and cash equivalents	**(1)**	6	21
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**307**	280	347
Cash and cash equivalents per the balance sheet	**317**	292	362
Bank overdrafts	**(10)**	(12)	(15)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**307**	280	347

* Re-stated to reflect certain cash flows arising in the normal course of the Parent Group's investment business as part of operating cash flows, rather than as cash flows from investing activities.

Notes to the Condensed Consolidated Financial Statements

1. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed consolidated financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting, as adopted by the European Union, and comply with the disclosure requirements of the Listing Rules of the UK Financial Services Authority and the Listing Rules of the Australian Securities Exchange.

   After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the forseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed consolidated financial statements.

   Other than the adoption of IAS 1 (2007) ("Presentation of Financial Statements"), IFRS 8 ("Operating Segments") and IFRIC 14 ("IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"), the same accounting policies, presentation and methods of computation are followed in the condensed consolidated financial statements as applied in the Group's latest annual audited financial statements.

2. The information for the year ended 31 December 2008 does not constitute statutory accounts (as defined in section 240 of the Companies Act 1985) but has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The audit report on those accounts did not contain statements under Sections 237(2) or 237(3) of the Companies Act 1985. The audit opinion contained in that report was unqualified but contained an emphasis of matter paragraph drawing attention to the significant uncertainty surrounding the ultimate outcome of the appeal by Coats plc against the European Commission fine of €110.3 million (equivalent to £93.9 million at 30 June 2009 exchange rates). That uncertainty remains as at 30 June 2009 and the independent review report on these condensed consolidated financial statements contains a similar emphasis of matter paragraph. The directors remain of the view that any anticipated eventual payment of the fine is adequately covered by existing provisions.

   The condensed consolidated financial statements for the six months ended 30 June 2009 have been reviewed - see attached independent review report - but have not been audited. The condensed consolidated financial statements for the equivalent period in 2008 were also reviewed but not audited.

3. Group foreign exchange movements - during the six months to 30 June 2009, GPG recognised in operating profit £7 million of net foreign exchange gains compared to £7 million of net foreign exchange gains in the six months to 30 June 2008 (£4 million net losses in the year to 31 December 2008).

4. Tax on loss from continuing operations

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
UK Corporation tax at 28.0% (2008: 28.5%)	**–**	2	2
Overseas tax	**(10)**	(10)	(18)
	(10)	(8)	(16)
Deferred tax	**(8)**	(19)	(32)
	(18)	(27)	(48)

5. The Parent Group's significant joint ventures and associated undertakings are as follows:

	30 June 2009	30 June 2008	31 December 2008
Australian Country Spinners Ltd	**50.0%**	50.0%	50.0%
Autologic Holdings plc	**26.2%**	21.5%	23.5%
Green's General Foods Pty Ltd	**72.5%**	72.5%	72.5%
The Maryborough Sugar Factory Ltd	**24.0%**	27.1%	24.0%
MMC Contrarian Ltd	**28.6%**	na	26.4%
Peanut Company of Australia Ltd	**24.8%**	23.8%	23.8%
Rattoon Holdings Ltd	**44.4%**	44.4%	44.4%
Tower Australia Group Ltd	**na**	29.7%	na
Tower Ltd	**35.0%**	35.0%	35.0%

Significant contributions to the (loss)/profit for the period from Parent Group joint ventures and associated undertakings were:

	30 June 2009 £m	30 June 2008 £m	31 December 2008 £m
Australian Country Spinners Ltd	**–**	1	4
Autologic Holdings plc	**1**	(2)	(4)
Green's General Foods Pty Ltd	**–**	(2)	(3)
Rattoon Holdings Ltd	**–**	(14)	(12)
Tower Australia Group Ltd	**na**	4	4
Tower Ltd	**2**	–	5

Other contributions to the (loss)/profit for the period from joint ventures and associated undertakings, held by operating subsidiaries, include a CIC joint venture £9 million loss (6 months to 30 June 2008: £1 million profit; year to 31 December 2008: £3 million profit). The CIC joint venture loss for the period includes an impairment charge of £12 million (6 months to 30 June 2008: £Nil; year to 31 December 2008: £Nil).

6. Segmental Analysis – Analysis by activity

	Investment £m	Thread manufacture £m	Fruit/produce distribution £m	Aluminium extrusion £m	Unallocated £m	Non-operating (see note) £m	Total £m
6 months ended 30 June 2009:							
Revenue:							
External sales	**1**	**443**	**120**	**84**	**16**	**–**	**664**
Operating result:							
Continuing operations	**14**	**12**	**4**	**(9)**	**(3)**	**1**	**19**
6 months ended 30 June 2008:							
Revenue:							
External sales	1	437	120	126	17	–	701
Operating result:							
Continuing operations	(7)	22	8	(2)	(4)	1	18
Year ended 31 December 2008:							
Revenue:							
External sales	2	888	219	241	31	–	1,381
Operating result:							
Continuing operations	35	32	12	(46)	(15)	4	22

Notes to the Condensed Consolidated Financial Statements – continued

6. Segmental Analysis – Analysis by activity *(continued)*

There have been no changes in the segments reported above, following the adoption of IFRS 8.

Other than the impact of foreign exchange rate movements, there have been no significant changes to the segmentation of total assets since the year end.

Note:
Non-operating items comprise interest and investment income in trading subsidiaries, which are not considered to be financial operations.

7. Loss per share - The calculation of loss per Ordinary Share is based on loss after taxation attributable to shareholders and the weighted average number of 1,574,765,001 Ordinary Shares in issue during the six months ended 30 June 2009. The comparatives for the six months to 30 June 2008 and the year to 31 December 2008 have been adjusted for the Capitalisation Issue which took place in June 2009 - see Note 9.

For the calculation of diluted loss per Ordinary Share, the weighted average number of Ordinary Shares in issue is adjusted, where appropriate, to assume conversion of all dilutive potential Ordinary Shares, being share options granted to employees and Capital Notes. All dilutive potential Ordinary Shares were not dilutive during the period.

Calculations of loss per share are based on results to the nearest £000s.

8. The net tangible assets per share figure at 30 June 2009 was 41.95p (30 June 2008: 52.32p, 31 December 2008: 46.78p). The comparatives for 30 June 2008 and 31 December 2008 have been adjusted for the 2009 Capitalisation Issue.

9. Changes in the issued share capital during the six months to 30 June 2009 comprise the following:

	£000
At 1 January 2009	70,940
Employee options exercised	425
Scrip dividend alternative shares issued (15 May 2009)	1,586
Capitalisation Issue (5 June 2009)	7,272
At 30 June 2009	**80,223**

10. Dividends - The directors have not recommended the payment of an interim dividend (6 months to 30 June 2008: Nil). An interim dividend of 0.91p per share, adjusted for the 2009 Capitalisation Issue, was paid during the period in respect of the year ended 31 December 2008. An interim dividend of 0.91p per share, adjusted for the 2008 Capitalisation Issue, was paid during the six months ended 30 June 2008 in respect of the year ended 31 December 2007.

11. Subsequent events - On 28 August 2009, Capral Ltd announced a proposed recapitalisation programme of approximately A$47 million to strengthen its balance sheet, including further investment of A$7.3 million by GPG, and a temporary supplier credit guarantee provided by GPG. Full details of the proposed recapitalisation programme can be found in the Capral Ltd announcement of 28 August 2009 to the ASX.

12. There have been no changes to the principal risks and uncertainties compared to those outlined in note 40 to the Financial Statements in the 2008 Annual Report, comprising risks associated with currency, interest rate, market price, liquidity, credit and capital.

13. Related party transactions - There have been no related party transactions or changes in related party transactions described in the latest annual report that could have a material effect on the financial position or performance of the Group in the first six months of the financial year.

14. Directors – The following persons were, except where noted, directors of GPG during the whole of the period and up to the date of this report:

    Sir Ron Brierley
    A I Gibbs
    R Langley (appointed 28 May 2009)
    B A Nixon
    Dr G H Weiss

15. Interim Management Report - The Chairman's Statement appearing in the half-yearly financial report and signed by Sir Ron Brierley provides a review of the operations of the Group for the six months ended 30 June 2009.

16. Publication – This statement will be available at the registered office of the Company, First Floor, Times Place, 45 Pall Mall, London SW1Y 5GP. A copy will also be displayed on the Company's website on www.gpgplc.com.

Directors' Responsibility Statement

In accordance with a resolution of the directors of Guinness Peat Group plc I state that:

in the opinion of the Directors and to the best of their knowledge:

a. the condensed consolidated unaudited financial statements:

   (i) give a true and fair view of the financial position as at 30 June 2009 and the performance of the consolidated Group for the half-year ended on that date;

   (ii) have been prepared in accordance with IAS 34 "Interim Financial Reporting";

   (iii) comply with the recognition and measurement principles of applicable International Financial Reporting Standards as adopted by the Group; and

b. the half-yearly financial report includes a fair review of the information required to be disclosed by DTR 4.2.7R and DTR 4.2.8R; and

c. there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board
B A Nixon, Director
28 August 2009

Independent Review Report to Guinness Peat Group plc

Introduction

We have been engaged by Guinness Peat Group plc ("the Company") to review the condensed consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2009 which comprise the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed reconciliation of consolidated changes in equity, the condensed statement of consolidated cash flows and related notes 1 to 16. We have read the interim management report (excluding the Guinness Peat Group plc Market Update as at 10 August 2009) and the directors' responsibility statement contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated financial statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2009 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Independent Review Report to Guinness Peat Group plc – continued

Emphasis of matter – uncertainty relating to the amount of a potential liability arising from a European Commission investigation

Without qualifying our conclusion, we draw attention to the disclosures made in note 2 to the condensed consolidated financial statements concerning the European Commission competition investigation into alleged market sharing agreements relating to the European haberdashery market. In September 2007, the European Commission imposed a fine of €110.3 million (equivalent to £93.9 million at 30 June 2009 exchange rates) in relation to these allegations, against which one of the Company's subsidiaries, Coats plc, has lodged an appeal. Significant uncertainty surrounds the ultimate outcome of this matter. The directors are of the view that any anticipated eventual payment of the remaining fines is adequately covered by existing provisions.

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
28 August 2009

Guinness Peat Group plc – Market Update: As at 10 August 2009

The company's profile has not changed greatly since either of the two previous updates.

However, that rather disguises the fact that "things are happening" which are not yet ready for formal reporting. GPG is increasingly recovering a positive outlook on future prospects, both generally and specifically in respect of some investments which have been disappointing in the past.

GPG's Interim Report to 30 June will be issued at the end of the month and will again show an accounting loss for the period. This is mainly due to legacies from the earlier portfolio upheavals and our share of losses incurred by Coats and Capral (both of which have survived a very difficult half year).

The Board is still focussed on returning value to shareholders as announced in 2008 and even if it is not possible to adhere to the original timetable of 2010 it will certainly occur as soon as possible thereafter. In the meantime, we may have to endure another poor result at 31 December 2009.

Share market conditions have greatly improved in recent months but we anticipate further repercussions from the "credit crisis" with opportunities to emerge which will be more favourable than over investing at the present time. GPG's balance sheet and liquidity continues to be a great strength in those circumstances.

Set out below is a detailed internal valuation of GPG as at 10/8/09. It is unaudited and E & OE but is the management working model and unlikely to contain significant error.

Notwithstanding the accounting losses incurred in 2008/09, it is reassuring to note the company's net asset value as per the various Market Updates has held up reasonably well at 47.94p (47.68p at 4/5/09 and 45.59p at 22/12/08).

GPG SIMPLIFIED BALANCE SHEET AT 10/8/09

	£m
Cash at Bank	308
Coats	272
Share Portfolio -	
UK	94
Australia	200
NZ	97
SQ	5
Total Assets	976
Net creditors	(22)
Contingencies, say	(25)
Capital Notes	(162)
NET EQUITY	**£767**

1.60 bn shares on issue = 47.94p per share

Coats

The book value of Coats is £272 million comprising:

	£m
Gross assets	862
Less creditors minorities & provisions	(590)
Net book value	**£272**

The ultimate realisation value of Coats is considered to be significantly in excess of this figure.

Guinness Peat Group plc – Market Update: As at 10 August 2009

UK SHARE PORTFOLIO	Share price	£m
8.9% x Adnams "B"	92.00	2.3
5.9% x AH Medical Properties	0.17	0.6
3.6% x Ashley House	0.81	1.4
26.2% x Autologic	0.33	5.5
4.1% x Brookwell	0.42	0.2
4.6% x Chrysalis Group	0.67	2.1
3.7% x Creative Entertainment	0.00	0.0
6.8% x Daniel Thwaites	1.62	7.0
15.2% x Dawson International	0.03	1.0
11.3% x Dickinson Legg	0.18	0.8
5.7% x Fuller Smith & Turner	4.75	8.8
5.7% x M J Gleeson	0.74	2.2
14.2% x Inspired Gaming Group	0.04	0.4
5.5% x Inspired Gaming Prefs	0.33	1.7
6.5% x Jersey Electricity "A"	69.00	2.6
6.4% x Jersey New Water Works	35.00	0.6
1.1% x M & G Equity	0.02	0.0
7.0% x Nationwide Accident Repair	0.93	2.8
27.7% x Newbury Racecourse	7.25	6.4
3.1% x Shepherd Neame "A"	7.42	2.6
1.1% x Sweet China	0.03	0.0
6.0% x Sysmedia	0.01	0.0
5.7% x Third Advance Value	0.10	0.1
10.9% x 333 Holdings	1.00	0.2
14.2% x Young & Co's Brewery "A"	4.58	18.9
33.7% x Young & Co's Brewery "NV"	4.03	26.0
		£94.2m

AUSTRALIAN SHARE PORTFOLIO	Share price	A$m
7.7% x A V Jennings	0.34	7.2
10.6% x Babcock & Brown Power	0.08	5.8
71.2% x Canberra Investment Corp	0.55	46.6
9.8% x Capilano Honey	1.20	0.6
75.6% x Capral	0.10	29.4
55.8% x Capral Notes	58.80	16.4
4.7% x CSR	1.99	121.9
19.0% x eServglobal	0.41	15.5
13.0% x Farm Pride Foods	0.27	1.9
5.8% x GME Resources	0.11	1.0
1.3% x IOOF Holdings	4.55	13.2
24.0% x Maryborough Sugar	2.10	23.4
7.6% x MetalsX	0.12	10.3
28.6% x MMC Contrarian	0.43	17.4
12.8% x NSX	0.25	2.4
24.8% x Peanut Co of Aust	4.20	7.6
44.4% x Rattoon Holdings	0.20	4.5
10.0% x Ridley Corp	0.95	29.4
8.7% x Symex Holdings	0.53	5.9
19.9% x Tandou	0.26	4.6
25.0% x Tooth & Co	0.01	0.3
Sundries including Tourism Property Group, Tasmanian Pure Foods and 4 undisclosed listed investments		33.0
		A$398.3m
		=£199.75m

AUSTRALIAN TRADING SUBSIDIARIES AND JOINT VENTURES

Australian Country Spinners (50%)
Greens General Foods (72.5%)
Gosford Quarry (100%)
Touch Networks (56%)

These companies have an aggregate book value of A$57 million. All have had problems of one kind or another which are gradually being resolved but as profitability has not yet been achieved, no value is attributed for the purpose of this update.

Touch Networks (formerly Tafmo) continues to make good progress towards what we believe will ultimately be a very successful investment.

NEW ZEALAND SHARE PORTFOLIO

	Share Price	NZ$m
1.3% x ASB Capital Prefs	0.71	3.2
4.1% x Allied Farmers	0.35	0.5
1.3% x Fisher & Paykel Appliances	0.84	7.3
35.0% x Tower	1.74	118.1
19.4% x Turners Auctions	0.80	4.2
65.6% x Turners & Growers	1.55	107.0
		NZ$240.3m
		=£96.81m

SINGAPORE SHARE PORTFOLIO

	Share Price	S$m
0.3% x Isetan (Singapore)	3.39	0.5
17.3% x Pertama Holdings	0.25	10.6
		S$11.1m
		= £4.61m

Ron Brierley
Chairman
14 August 2009

Company and Registrar Addresses

UNITED KINGDOM

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www.gpgplc.com

Registered in England No. 103548

Registered office – as above

AUSTRALIA

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Telephone: 02 9290 9600 Facsimile: 02 9279 0664

NEW ZEALAND

c/o Computershare Investor Services Limited
Private Bag 92119, Auckland 1142
Telephone: 09 488 8777 Facsimile: 09 488 8787

LOCATION OF SHARE REGISTERS

The Company's register of members is maintained in the UK with branch registers in Australia and New Zealand. Register enquiries may be addressed direct to the Company's share registrars named below:

Register	Telephone and postal enquiries	Inspection of Register
UK Main Register: Computershare Investor Services PLC	PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH Tel: 0870 707 1022 Facsimile: 0870 703 6143	The Pavilions, Bridgwater Road, Bristol BS99 7NH
Australian Branch Register: Registries Ltd	PO Box R67, Royal Exchange, Sydney NSW 1224 Tel: 02 9290 9600 Facsimile: 02 9279 0664	Level 2, 28 Margaret Street, Sydney NSW 2000
New Zealand Branch Register: Computershare Investor Services Limited	Private Bag 92119, Auckland 1142 Tel: 09 488 8777 Facsimile: 09 488 8787	Level 2, 159 Hurstmere Road, Takapuna, North Shore City