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Colefax Group plc

(“**Colefax**” of the “**Company**”)

Tender Offer

Colefax today announces a proposed tender offer to buy up to approximately £4.4 million of ordinary shares of 10 pence each in the capital of the Company, representing 9 per cent. of the issued share capital of the Company. The Tender Offer is being implemented under the authority granted by Shareholders at the Company’s Annual General Meeting held on 11 September 2012.

The Company has engaged Peel Hunt to implement the Tender Offer. Pursuant to the Tender Offer, Peel Hunt will purchase, as principal, up to a maximum of approximately 1.1 million Shares (being 9 per cent. of the Company’s issued ordinary share capital).

A circular providing more information in relation to the Tender Offer and setting out the formal terms and conditions of the Tender Offer and Repurchase Agreement is expected to be posted to Eligible Shareholders (see below for definition) today.

Defined terms in this announcement are as those set out in the Circular.

Outline of the Tender Offer

The Tender Offer is being made at the lower of (i) 400 pence per Share; or (ii) 105 per cent. of the average closing mid-market price per Share as derived from the London Stock Exchange Daily Official List over the five business days immediately preceding 11 February 2014.

In accordance with the terms and conditions of the Repurchase Agreement, the Company has granted to Peel Hunt a put option under which Peel Hunt may require the Company to purchase, at the Tender Price, the Shares purchased by Peel Hunt pursuant to the Tender Offer. All of the Shares purchased by the Company pursuant to the Repurchase Agreement would be cancelled.

The purchase of Shares by the Company would be funded from available cash of the Company and would be paid out of the Company’s distributable reserves. If the Tender Offer is taken up in full and the associated Repurchase is completed in full, the Company’s distributable reserves would be reduced by the size of the Tender Offer.

The Company’s issued ordinary share capital will be reduced to approximately 11.2 million Shares, assuming that: (i) the Tender Offer is taken up in full; (ii) the Repurchase Agreement is completed; and (iii) there is no change to the Company’s issued ordinary share capital after 27 January 2014.

The Tender Offer is open to all shareholders on the Company’s register of members at close of business on 7 February 2014 (the “Record Date”) and who do not have a registered address in the United States of America, Canada, Australia or Japan (“Eligible Shareholders”). Peel Hunt, however, reserve the right, at their sole discretion, to extend the Tender Offer to shareholders that are not Eligible Shareholders where such extension will not constitute or give rise to a breach of applicable securities or other legal or regulatory requirements.

The Tender Offer is for up to 9% per cent. of the Company’s issued share capital. Under the Tender Offer, each Eligible Shareholder is entitled to have up to 9% per cent. of his or her shareholding purchased by Peel Hunt at the Tender Price (the “Basic Entitlement”). Eligible Shareholders will be able to decide whether to tender none, some or all of their Shares within the overall limits of the Tender Offer. Tenders in excess of the Eligible Shareholder’s Basic Entitlement will only be accepted to the extent that other Eligible Shareholders tender less than their Basic Entitlement or do not tender any Shares and will, if necessary, be scaled back on a pro rata basis (save for tenders from Eligible

Shareholders who hold less than 1,000 Shares, whose tender will be accepted in full subject to there being capacity to purchase those Shares in accordance with the terms of the Tender Offer).

The Tender Offer is being made at a premium to the closing mid-market price on 24 January 2014 of 13.5 per cent.

Eligible Shareholders do not have to tender any Shares but, once submitted, a tender offer application form is irrevocable and cannot be withdrawn. Eligible Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

The following Directors have informed the Company that they and their connected persons intend to tender the following number of Shares into the Tender Offer:

David Green	401,297
Rob Barker	23,013
Key Hall	18,135
Wendy Nicholls	48,776

In each case acceptance by the Company of an application under the Tender Offer in excess of 9% of the applicant's holding is subject to there being capacity to purchase those Shares in accordance with the terms of the Tender Offer.

Background to and reasons for the Tender Offer

The Company has built up distributable reserves of approximately £7.2 million and in line with the previous intention indicated by the Board, rather than buying back Shares on an ad hoc basis when they become available through the market, it would be appropriate to offer all Eligible Shareholders the opportunity to realise some of their investment in the Company by means of the Tender Offer.

A copy of the Circular has been submitted to the UK Listing Authority's National Storage Mechanism and will shortly be available at www.hemscott.com/nsm.do.

Full details of the Tender Offer are contained in the Circular which will shortly be available on the Company's investor relations website <http://www.colefaxgroupplc.com/>.

For further information:

Colefax Group plc	David Green, Chairman Robert Barker, Finance Director	Tel: 020 7318 6000
Peel Hunt LLP (NOMAD & Broker)	Dan Webster Richard Brown Matthew Armitt	Tel: 020 7418 8900
Biddicks	Katie Tzouliadis Deborah Walter	Tel: 020 3178 6378

Peel Hunt LLP are acting for Colefax in relation to the Tender Offer and no one else and will not be responsible to anyone other than Colefax for providing the protections afforded to the customers of Peel Hunt LLP nor for providing any advice in relation to the Tender Offer.

This announcement does not constitute, or form part of, any offer for or invitation to sell or purchase any securities, or any solicitation of any offer for securities in any jurisdiction. Any acceptance or other response to the Tender Offer should be made only on the basis of information contained in or referred to in the Circular which will shortly be available on the Company's investor relations website <http://www.colefaxgroupplc.com>. The Circular will contain important information, including the full terms and conditions of the Tender Offer and how it may be accepted, which shareholders are urged to read carefully.

The Tender Offer is not being made in or into, and is not capable of acceptance in or from, The United States of America, Canada, Australia or Japan. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in or into the United States of America, Canada, Australia or Japan.