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27 September 2011

**Statement re Charter International plc**

On 29 June 2011 Melrose PLC ("Melrose") announced a possible offer for Charter International plc ("Charter") under Rule 2.4 of The City Code on Takeovers and Mergers (the "Code"). Melrose announces it has completed due diligence and has agreed terms with its financing banks. However, in the current climate Melrose is of the view it is not in its shareholders' best interests to proceed and in accordance with Rule 2.8 of the Code, Melrose announces that it will not be making an offer for Charter.

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