

MELROSE PLC
(“Melrose”)

SALE OF LOGISTEX NORTH AMERICA (the “Disposal”)

Melrose is pleased to announce the sale of FKI Logistex Holdings Inc., the holding company of the Logistex North America business, to Intelligrated Inc for a total consideration of US \$40 million payable in cash on completion. Completion of the Disposal is expected to take place in June 2009.

Logistex North America is a leading provider of automated material handling solutions, supplying its customers with an integrated set of technologies in high-speed sortation, conveyor systems, robotic and conventional palletising, warehouse control systems and baggage handling, among others. Applications include airports, postal facilities, parcel distribution, manufacturing operations and library automation, as well as warehouse and distribution facilities.

In the six months to 31 December 2008, Logistex North America made an operating profit before exceptional costs of US \$1.6 million and had net assets of US \$27.6 million¹ at 31 December 2008.

The sale proceeds will be used to repay group debt.

Christopher Miller, Chairman of Melrose, stated:

“We are pleased to announce the disposal of Logistex US as the next step in our post-acquisition process. We believe that the combination with Intelligrated is an exciting opportunity for both businesses and wish them well for the next stage of their development.”

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¹ Logistex North America had gross assets of US \$104.4 million and liabilities of US \$76.8 million as at 31 December 2008