

SUPPLEMENTARY PROSPECTUS DATED 28 JULY 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

The distribution of this document (the “**Supplementary Prospectus**”), the prospectus dated 6 July 2016 (the “**Original Prospectus**”) and/or the Provisional Allotment Letters and/or the transfer of the Nil Paid Rights, the Fully Paid Rights and/or the Melrose Shares, through CREST or otherwise, into jurisdictions outside the United Kingdom may be restricted by law. Persons outside the United Kingdom into whose possession this Supplementary Prospectus and/or the Original Prospectus come should inform themselves about, and observe, any applicable restrictions and legal, exchange control or regulatory requirements in relation to the distribution of this Supplementary Prospectus and the Original Prospectus. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

Subject to the restrictions set out below, if you sell or otherwise transfer or have sold or otherwise transferred all of your Existing Melrose Shares (other than ex-rights) held in certificated form before 8.00 a.m. on 9 August 2016 (the “**ex-rights date**”), you should forward a copy of this Supplementary Prospectus and the Original Prospectus and send any Provisional Allotment Letter (duly renounced), if and when received, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. None of these documents should, however, be distributed, forwarded or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including but not limited to the United States and any of the Excluded Territories (subject to certain exceptions).

If you sell or otherwise transfer or have sold or otherwise transferred only part of your holding of Existing Melrose Shares (other than ex-rights) held in certificated form before the ex-rights date, you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications in Part XI (*Terms and Conditions of the Rights Issue*) of the Original Prospectus and in the Provisional Allotment Letter. If you sell or otherwise transfer or have sold or otherwise transferred all or some of your Existing Melrose Shares (other than ex-rights) held in uncertificated form before the ex-rights date, a claim transaction will automatically be generated by Euroclear, which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

In accordance with section 87G of FSMA, this Supplementary Prospectus has been published following the publication by Melrose of its interim unaudited consolidated financial statements for the six months ended 30 June 2016. This Supplementary Prospectus, which comprises a supplementary prospectus relating to the Melrose Shares prepared in accordance with the Prospectus Rules made under section 73A of FSMA, has been approved by the FCA in accordance with sections 87A and 87G of FSMA and made available, free of charge, to the public in accordance with rule 3.2 of the Prospectus Rules.

This Supplementary Prospectus is supplemental to and must be read in conjunction with the Original Prospectus. Prospective investors should read the whole of this Supplementary Prospectus, the Original Prospectus and any documents incorporated herein and therein by reference. In particular, your attention is drawn to the factors described in the “Risk Factors” section of the Original Prospectus.



Melrose Industries PLC

(incorporated under the Companies Act 2006 and registered in England and Wales with registered number 9800044)

Proposed Acquisition of Nortek

Proposed 12 for 1 Rights Issue of 1,741,612,236 New Melrose Shares at 95 pence per New Melrose Share to raise approximately £1,655 million

Proposed Admission of 1,741,612,236 New Melrose Shares to the premium segment of the Official List and to trading on the London Stock Exchange main market for listed securities and proposed Re-admission or transfer of the Melrose Shares to the standard segment of the Official List

Investec Bank plc

Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and Joint Underwriter

J.P. Morgan Cazenove

Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and Joint Underwriter

BofA Merrill Lynch

Joint Bookrunner and Joint Underwriter

Nomura International PLC

Lead Financial Adviser

Applications will be made to the UKLA for the New Melrose Shares (issued in connection with the Rights Issue) to be admitted to the premium segment of the Official List and to the London Stock Exchange for the admission to trading of the New Melrose Shares on its main market for listed securities. It is currently expected that Admission of the New Melrose Shares will become effective and that dealings (for normal settlement) in the New Melrose Shares will commence on the London Stock Exchange, nil paid, at 8.00 a.m. on 9 August 2016 (whereupon an announcement will be made by the Company to a Regulatory Information Service).

The Melrose Shares are currently (and it is expected that the New Melrose Shares will be) admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. As the Acquisition constitutes a reverse takeover under the Listing Rules, upon Completion, the listing of Melrose Shares on the premium segment of the Official List will be cancelled. Further applications will be made to the UKLA for the Melrose Shares (at such time comprising the Existing Melrose Shares and the New Melrose Shares) to be re-admitted to the standard segment of the Official List and to the London Stock Exchange for the re-admission of the Melrose Shares to trading of the Melrose Shares on its main market for listed securities.

It is currently expected that Re-admission will become effective post Completion at 8.00 a.m. on 31 August 2016 (and in any case no earlier than 20 Business Days from the date of the General Meeting) (whereupon an announcement will be made by the Company to a Regulatory Information Service).

Should Completion not occur, the listing of the Melrose Shares will nevertheless be transferred from the premium segment to the standard segment of the Official List on 10 October 2016, whereupon an announcement will be made by the Company to a Regulatory Information Service.

A STANDARD LISTING AFFORDS INVESTORS IN MELROSE A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WHOSE SECURITIES ARE ADMITTED TO THE PREMIUM SEGMENT OF THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES.

IT SHOULD BE NOTED THAT, UPON THE MELROSE SHARES BEING RE-ADMITTED OR TRANSFERRED TO THE STANDARD SEGMENT OF THE OFFICIAL LIST, NEITHER THE UKLA NOR THE LONDON STOCK EXCHANGE WILL HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR MELROSE'S COMPLIANCE WITH ANY OF THE LISTING RULES OR THE DISCLOSURE REQUIREMENTS AND TRANSPARENCY RULES WHICH MELROSE HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY MELROSE TO SO COMPLY.

See the section of the Original Prospectus entitled "*Important Information*" for further details on the consequences of a Standard Listing.

Subject to, among other things, the expiry of the Window Shop Deadline without the occurrence of a Superior Proposal Termination Event, it is expected that Qualifying Non-CREST Shareholders (subject to certain exceptions) will be sent a Provisional Allotment Letter on 8 August 2016, and that Qualifying CREST Shareholders (subject to certain exceptions) will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled as soon as practicable after 8.00 a.m. on 9 August 2016. The Nil Paid Rights so credited in CREST are expected to be enabled for settlement by Euroclear as soon as practicable after Admission. The Underwriters may, in accordance with applicable legal and regulatory provisions and subject to the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the Melrose Shares and/or related instruments for their own account for the purpose of hedging their commitments under the Underwriting Agreement. Except as required by applicable law or regulation, the Underwriters do not propose to make any public disclosure in relation to such transactions.

The expected latest time and date for acceptance of, and payment in full for, the New Melrose Shares by holders of Nil Paid Rights is expected to be 11.00 a.m. on 23 August 2016. The procedures for delivery of the Nil Paid Rights, acceptance and payment are set out in Part XI (*Terms and Conditions of the Rights Issue*) of the Original Prospectus and, for Qualifying Non-CREST Shareholders only, also in the Provisional Allotment Letter. Qualifying CREST Shareholders should refer to paragraph 5 of Part XI (*Terms and Conditions of the Rights Issue*) of the Original Prospectus.

Qualifying Non-CREST Shareholders should retain this Supplementary Prospectus and the Original Prospectus for reference pending receipt of a Provisional Allotment Letter. Qualifying CREST Shareholders should note that they will receive no further written communication from the Company in respect of the Rights Issue. They should accordingly retain this Supplementary Prospectus and the Original Prospectus for, among other things, details of the action they should take in respect of the Rights Issue. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Supplementary Prospectus, the Original Prospectus and the Rights Issue. Holdings of Melrose Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Melrose Shares are not transferable, except in accordance with, and the distribution of this Supplementary Prospectus and the

Original Prospectus is subject to, the restrictions set out in paragraph 7 of Part XI (*Terms and Conditions of the Rights Issue*) of the Original Prospectus in relation to the United States and the Excluded Territories. No action has been taken by the Company, the Sponsors or the Underwriters that would permit an offer of the New Melrose Shares or rights thereto or possession or distribution of this Supplementary Prospectus and the Original Prospectus or any other offering or publicity material or the Provisional Allotment Letters, the Nil Paid Rights or the Fully Paid Rights in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

This Supplementary Prospectus has been prepared to comply with the requirements of English law, the Listing Rules, the Prospectus Rules and the rules of the London Stock Exchange and information disclosed may not be the same as that which would have been disclosed if this Supplementary Prospectus had been prepared in accordance with the laws of other jurisdictions outside England.

Despite any other provision of this Supplementary Prospectus, the Original Prospectus or the Provisional Allotment Letter, the Company reserves the right to permit any shareholder to take up his rights if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the New Melrose Shares have not been and will not be registered under the relevant federal laws or laws of any state, province or territory of the United States (including the US Securities Act) or the Excluded Territories or under any securities laws of any state or other jurisdiction of the United States or any Excluded Territory and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to the registration requirements of, the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Accordingly, this Supplementary Prospectus and/or the Original Prospectus do not constitute an offer to sell, or solicitation of an offer to buy or to take up entitlements to, Nil Paid Rights, Fully Paid Rights, New Melrose Shares or Provisional Allotment Letters in the United States (unless an exemption from registration under the US Securities Act is available) or in any Excluded Territory (subject to certain exceptions). The Provisional Allotment Letters, Nil Paid Rights, Fully Paid Rights and the New Melrose Shares may at the sole discretion of the Company be made available by the Company in the United States to Eligible US Holders. Any recipient of Provisional Allotment Letters, Nil Paid Rights, Fully Paid Rights or New Melrose Shares pursuant to transactions that are exempt from the registration requirements of the US Securities Act will be required to make such acknowledgements and representations to and agreements with the Company, as the Company may require to establish that they are Eligible US Holders.

None of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the New Melrose Shares, this Supplementary Prospectus, the Original Prospectus or any other offering document has been approved or disapproved by the SEC, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this Supplementary Prospectus or the Original Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the New Melrose Shares, the Nil Paid Rights, the Fully Paid Rights or the Provisional Allotment Letters within the United States by a dealer that is participating in the Rights Issue may violate the registration requirements of the US Securities Act.

All Qualifying Shareholders with an address in, or who are located in, the United States or any of the Excluded Territories and any person (including, without limitation, a custodian, nominee, agent or trustee) who has a contractual or legal obligation to forward this Supplementary Prospectus, the Original Prospectus or any Provisional Allotment Letter to any jurisdiction outside the United Kingdom should read paragraph 7 of Part XI (*Terms and Conditions of the Rights Issue*) of the Original Prospectus.

Each of Investec Bank plc, J.P. Morgan Securities plc (which conducts its investment banking activities as J.P. Morgan Cazenove) ("**J.P. Morgan Cazenove**"), Merrill Lynch International ("**BofA Merrill Lynch**") and Nomura International PLC, each of which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the PRA and the FCA in the United Kingdom, and J.P. Morgan Limited and Evercore Partners International LLP, each of which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for the Company and no one else in connection with this Supplementary Prospectus, the Original Prospectus, the Acquisition or the Rights Issue and will not regard any other person (whether or not a recipient of this Supplementary Prospectus or the Original Prospectus) as their respective clients in relation to this Supplementary Prospectus, the Original Prospectus, the Acquisition or the Rights Issue, save for any responsibility which may arise under FSMA or the regulatory regime established thereunder, and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to respective clients of Investec Bank plc, J.P. Morgan Cazenove, BofA Merrill Lynch, Nomura International PLC, J.P. Morgan Limited and Evercore Partners International LLP as applicable, or for providing advice in connection with the Acquisition or the Rights Issue, the contents of this Supplementary Prospectus or the

Original Prospectus or any other transaction, arrangement or other matter referred to in this Supplementary Prospectus or the Original Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec Bank plc, J.P. Morgan Cazenove or J.P. Morgan Limited under FSMA or the regulatory regime established thereunder: (i) none of Investec Bank plc, J.P. Morgan Cazenove, BofA Merrill Lynch, Nomura International PLC, J.P. Morgan Limited or Evercore Partners International LLP accepts any responsibility whatsoever and makes no warranty or representation, express or implied, in relation to the contents of this Supplementary Prospectus or the Original Prospectus, including their accuracy, completeness or verification or regarding the legality of any investment in the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares by any person under the laws applicable to such person or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the Melrose Shares, the Acquisition or the Rights Issue; and (ii) each of Investec Bank plc, J.P. Morgan Cazenove, BofA Merrill Lynch, Nomura International PLC, J.P. Morgan Limited and Evercore Partners International LLP accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this Supplementary Prospectus, the Original Prospectus or any such statement.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

None of the Company or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares regarding the legality of an investment in the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares.

Investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Supplementary Prospectus, the Original Prospectus or their investment decision; (ii) they have relied only on the information contained in this Supplementary Prospectus and the Original Prospectus; and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares (other than as contained in this Supplementary Prospectus or the Original Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriters.

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AMENDMENTS TO THE SUMMARY CONTAINED IN THE ORIGINAL PROSPECTUS

This Supplementary Prospectus amends the section of the Original Prospectus entitled “Summary” with the addition of the following information to Elements B.4a and B.7.

Section B—ISSUER																																													
Element	Disclosure Requirements	Disclosure																																											
B.4a	Significant recent trends affecting the Melrose Group and the industries in which it operates	<p>On 28 July 2016, Melrose published its interim unaudited consolidated financial statements for the six months ended 30 June 2016 (the “Melrose 2016 Half Year Results”), an extract of which is set out below:</p> <p><i>“The world economy remains unpredictable and this uncertainty may impact the level of investment in the manufacturing sector.</i></p> <p><i>Brush is not immune to these economic headwinds and current trading conditions remain challenging. However, with strategic and cost structure actions being taken in the business and improving factory loadings, a better trading performance in the second half of 2016 is anticipated in line with our previous expectations. Brush is a high quality business and your Board believes that its medium to long term prospects continue to look attractive.</i></p> <p><i>Economic conditions are difficult to predict at present, but your Board is optimistic about the future and believes that Melrose is very well positioned to continue to create superior value for shareholders.”</i></p>																																											
B.7	Selected historical financial information	<p>The selected financial information set out below has been extracted without material adjustment from the Melrose 2016 Half Year Results:</p> <p>Condensed consolidated income statement</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3"></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Six months ended 30 June</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">2016</th> <th style="text-align: center; border-bottom: 1px solid black;">2015⁽¹⁾</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">£m Unaudited</th> <th style="text-align: center; border-bottom: 1px solid black;">£m Unaudited Restated</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td style="text-align: right;">104.7</td> <td style="text-align: right;">116.4</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">30.3</td> <td style="text-align: right;">35.3</td> </tr> <tr> <td>Operating loss</td> <td style="text-align: right;">(9.5)</td> <td style="text-align: right;">(3.4)</td> </tr> <tr> <td>Headline⁽²⁾ operating profit</td> <td style="text-align: right;">3.9</td> <td style="text-align: right;">5.9</td> </tr> <tr> <td>Loss before tax</td> <td style="text-align: right;">(9.2)</td> <td style="text-align: right;">(13.6)</td> </tr> <tr> <td>Loss for the period from continuing operations</td> <td style="text-align: right;">(8.8)</td> <td style="text-align: right;">(12.3)</td> </tr> <tr> <td>Profit for the period from discontinued operations</td> <td style="text-align: right;">—</td> <td style="text-align: right;">70.0</td> </tr> <tr> <td>(Loss) / profit for the period</td> <td style="text-align: right;">(8.8)</td> <td style="text-align: right;">57.7</td> </tr> <tr> <td colspan="3">Earnings per share</td> </tr> <tr> <td colspan="3">From continuing operations:</td> </tr> <tr> <td>Basic</td> <td style="text-align: right;">(3.2)p</td> <td style="text-align: right;">(1.2)p</td> </tr> <tr> <td>Diluted</td> <td style="text-align: right;">(3.2)p</td> <td style="text-align: right;">(1.2)p</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Restated to include the results of Prelok within discontinued operations.</p> <p>(2) Before exceptional costs, exceptional income and intangible asset amortisation.</p>		Six months ended 30 June		2016	2015 ⁽¹⁾	£m Unaudited	£m Unaudited Restated	Revenue	104.7	116.4	Gross profit	30.3	35.3	Operating loss	(9.5)	(3.4)	Headline⁽²⁾ operating profit	3.9	5.9	Loss before tax	(9.2)	(13.6)	Loss for the period from continuing operations	(8.8)	(12.3)	Profit for the period from discontinued operations	—	70.0	(Loss) / profit for the period	(8.8)	57.7	Earnings per share			From continuing operations:			Basic	(3.2)p	(1.2)p	Diluted	(3.2)p	(1.2)p
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Section B—ISSUER

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IMPORTANT INFORMATION

1. GENERAL

No person has been authorised to give any information or make any representations other than those contained in this Supplementary Prospectus and/or the Original Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by the Underwriters. Neither the delivery of this Supplementary Prospectus, the Original Prospectus nor any subscription or sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Supplementary Prospectus or that the information in this Supplementary Prospectus or the Original Prospectus is correct as at any time subsequent to its respective date.

The contents of this Supplementary Prospectus, the Original Prospectus or any subsequent communication from the Company or any financial adviser or any of their respective affiliates, officers, directors, employees or agents is not to be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

Any reproduction or distribution of this Supplementary Prospectus or the Original Prospectus, in whole or in part, and any disclosure of their contents, or use of any information contained in this Supplementary Prospectus or the Original Prospectus for any purpose other than considering an investment in the Nil Paid Rights, the Fully Paid Rights or the New Melrose Shares is prohibited. By accepting delivery of this Supplementary Prospectus or the Original Prospectus, each offeree of the Nil Paid Rights, the Fully Paid Rights and/or the New Melrose Shares agrees to the foregoing.

Melrose is a public limited company incorporated under the laws of England and Wales. All of the Melrose Directors are citizens or residents of countries other than the United States. Substantially all of the assets of such persons and a significant proportion of the assets of the Company are located outside the United States. As a result, it may not be possible to effect service of process within the United States upon such persons or the Company, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. The United States and the United Kingdom do not have a treaty providing for the reciprocal recognition of judgments (other than arbitral awards) in civil and commercial matters. Consequently, a final and conclusive judgment by any federal or state court of the United States based on civil liability, whether or not predicated solely upon US federal securities laws, would not automatically be enforceable in England and Wales. In addition, it is doubtful whether the courts of England and Wales would accept jurisdiction and impose civil liability if proceedings were commenced in England or Wales in an original action predicated solely upon US federal securities laws.

Without limitation, the contents of the websites of the Company or Nortek do not form part of this Supplementary Prospectus or the Original Prospectus.

2. CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Supplementary Prospectus, including those in the part headed "Amendments to the summary contained in the Original Prospectus" and in the information incorporated by reference herein, constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "continues", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "aims", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Investors should specifically consider the factors identified in this Supplementary Prospectus and the Original Prospectus which could cause actual results to differ before making an investment decision. Undue reliance should not be placed on any forward-looking statements as such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Nortek, Melrose, the Nortek Group, the Melrose Group and/or the Enlarged Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Undue reliance should not be placed on any forward-looking statements as such forward-looking statements are based on numerous assumptions regarding Nortek's, Melrose's, the Nortek Group's, the Melrose Group's and/or the Enlarged Group's present and future business strategies and the environment in which Nortek, Melrose, the Nortek Group, the Melrose Group and/or the Enlarged Group will operate in the future. Among the factors that

could cause actual results to differ materially from those described in the forward-looking statements are the ability to combine successfully the business of Melrose and Nortek and to realise expected synergies from that potential combination, changes in the global political, economic and/or business sphere, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. Such risks, uncertainties and other factors are set out more fully in the section of the Original Prospectus headed “Risk Factors” and include, among others: risks relating to commodity prices, risks relating to the economic conditions of the markets in which the Melrose Group and Nortek Group operate, challenges in integrating the businesses of the Melrose Group and the Nortek Group and risks relating to the possible volatility of the price of Melrose Shares. Any forward-looking statements contained within this Supplementary Prospectus and/or the information incorporated by reference herein speak only as at the date of this Supplementary Prospectus or the date of such information incorporated by reference, as applicable. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by the Prospectus Rules, Listing Rules and the Disclosure Requirements and Transparency Rules), Melrose expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Supplementary Prospectus to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Forward-looking statements contained in this Supplementary Prospectus do not in any way seek to qualify the working capital statement contained in paragraph 11 of Part XII (*Additional Information*) of the Original Prospectus.

**PART I
SUPPLEMENTARY INFORMATION**

1. HISTORICAL FINANCIAL INFORMATION OF THE MELROSE GROUP

On 6 July 2016, Melrose published the Original Prospectus. Paragraph 5 (*Principal Terms of the Rights Issue*) of Part I (*Information on the Acquisition and the Rights Issue*) of the Original Prospectus explained that a supplementary prospectus would be issued after publication of the Melrose 2016 Half Year Results.

On 28 July 2016, Melrose published the Melrose 2016 Half Year Results, which contain the interim unaudited consolidated financial statements of the Melrose Group for the six months ended 30 June 2016 and which are incorporated by reference into this Supplementary Prospectus in accordance with Prospectus Rule 2.4.1.

Copies of the Melrose 2016 Half Year Results are available for inspection as provided for in paragraph 5 (*Documents available for inspection*) of Part II (*Additional information*) of this Supplementary Prospectus.

2. INTERIM DIVIDEND

On 28 July 2016, the Melrose Board declared an interim dividend of 1.4 pence (2015: 2.8 pence). The interim dividend will be paid on 1 September 2016 to holders of Existing Melrose Shares on the Register at the close of business on 5 August 2016.

3. UPDATES ON THE ACQUISITION

As announced by Melrose on 15 July 2016, early termination of the waiting period under the HSR Act for the Acquisition was obtained from the regulatory authority in the United States on 13 July 2016. Accordingly, all anti-trust conditions in relation to the Tender Offer have been satisfied.

As announced by Melrose on 25 July 2016, the Transaction Resolutions were passed by the requisite majority of Melrose Shareholders at the General Meeting held at 11.00 a.m. on 25 July 2016.

Consequently, the completion of the Tender Offer remains subject to the satisfaction (or waiver, where applicable) of the Tender Offer Conditions set out in paragraph 3 (*Terms of the Acquisition*) of Part I (*Information on the Acquisition and the Rights Issue*) of the Original Prospectus, save for the satisfaction of sub-paragraphs (c) and (j) thereof.

PART II
ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Melrose Directors, whose names appear at paragraph 1 of Part IX (*Directors, Corporate Governance and Employees*) of the Original Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Melrose Directors (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and contains no omission that is likely to affect its import.

2. CONSENTS

- 2.1 Investec Bank plc, acting as Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and Joint Underwriter to the Company, has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.
- 2.2 J.P. Morgan Cazenove, acting as Joint Sponsor, Joint Global Co-ordinator, Joint Bookrunner and Joint Underwriter to the Company, has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.
- 2.3 J.P. Morgan Limited, acting as joint financial adviser to the Company, has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.
- 2.4 BofA Merrill Lynch, acting as Joint Bookrunner, Joint Underwriter and joint financial adviser to the Company, has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.
- 2.5 Nomura International PLC, acting as lead financial adviser to the Company, has given and has not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.
- 2.6 Evercore Partners International LLP, acting as adviser to the Company on the Rights Issue, has given and not withdrawn its written consent to the inclusion in this Supplementary Prospectus of the references to its name in the form and context in which they are included.

3. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Melrose Group since 30 June 2016, being the latest date to which the Melrose 2016 Half Year Results were prepared.

4. SOURCES AND BASES OF SELECTED FINANCIAL INFORMATION

- 4.1 Unless otherwise stated, financial information relating to the Company in this Supplementary Prospectus has been extracted (without material adjustment) from the Melrose 2016 Half Year Results.
- 4.2 The financial information concerning the Company and the Melrose Group contained in this Supplementary Prospectus does not constitute statutory accounts within the meaning of section 434 of the Companies Act.

5. DOCUMENTS AVAILABLE FOR INSPECTION

- 5.1 In addition to the documents set out in paragraph 21 (*Documents available for inspection*) of Part XII (*Additional Information*) of the Original Prospectus, copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday, Sundays and UK public holidays excepted) at: (i) the registered office of the Company (being 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT); and (ii) the offices of

Simpson Thacher & Bartlett LLP (being CityPoint, One Ropemaker Street, London EC2Y 9HU) from the date of this Supplementary Prospectus up to and including the date of Re-admission:

- (a) the Melrose 2016 Half Year Results;
- (b) the consent letters referred to in paragraph 2 above; and
- (c) this Supplementary Prospectus.

5.2 The Supplementary Prospectus and the information incorporated by reference into this Supplementary Prospectus may also be viewed via the National Storage Mechanism. This Supplementary Prospectus (subject to certain restrictions regarding Overseas Shareholders) and the Melrose 2016 Half Year Results are also available on the Company's website, at www.melroseplc.net.

6. DEFINITIONS

Capitalised terms contained in this Supplementary Prospectus and not otherwise defined herein shall have the meanings given to such terms in the Original Prospectus.

Dated: 28 July 2016

PART III
DOCUMENTS INCORPORATED BY REFERENCE

In addition to the documents set out in Part XIV (*Documents incorporated by reference*) of the Original Prospectus, the following document contains information which is relevant to the Rights Issue:

1. Melrose 2016 Half Year Results

The Melrose 2016 Half Year Results contain the interim unaudited consolidated financial statements of the Melrose Group for the six month period ended 30 June 2016. The Melrose 2016 Half Year Results are available to Melrose Shareholders at the locations set out in paragraph 5 (*Documents available for inspection*) of Part II (*Additional information*) of this Supplementary Prospectus, including from the Company's website at www.melroseplc.net.

2. Information incorporated by reference

The table below sets out the document which is incorporated by reference into this Supplementary Prospectus, to ensure that Melrose Shareholders and others are aware of all information which, according to the particular nature of the Company and of the New Melrose Shares, is necessary to enable Melrose Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and of the rights attaching to the New Melrose Shares. The table below is in addition to the table set out in Part XIV (*Documents incorporated by reference*) of the Original Prospectus. The below document is available to Melrose Shareholders as set out in paragraph 5 (*Documents available for inspection*) of Part II (*Additional information*) of this Supplementary Prospectus, including from the Company's website at www.melroseplc.net.

<u>Information incorporated by reference into this Supplementary Prospectus</u>	<u>Location of information in this Supplementary Prospectus</u>	<u>Page number(s) in this Supplementary Prospectus</u>
Melrose 2016 Half Year Results, including the unaudited financial statements of the Melrose Group for the six month period ended 30 June 2016	Paragraph 1 (<i>Historical financial information of the Melrose Group</i>) of Part I (<i>Supplementary information</i>)	6

