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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**27 March 2018**

**Melrose Industries PLC (“Melrose”)**

**Final Offer for GKN plc (“GKN”) – Post-Offer Undertakings**

In respect of its Final Offer for GKN, Melrose confirms that it has today agreed with the Panel the form of the following legally binding post-offer undertakings (“**POUs**”):

- an undertaking for a period of five years to maintain the Melrose Group headquarters in the UK by Melrose occupying a designated area in one or more buildings in the UK, one of which buildings is publicly designated as the Melrose Group headquarters and is the registered office of Melrose;
- an undertaking for a period of five years to maintain the listing of Melrose’s shares on the Official List as maintained by the UKLA and admitted to trading on the London Stock Exchange’s main market for listed securities;
- an undertaking for a period of five years that no director will be appointed or reappointed, or recommended to be appointed or reappointed, to the Melrose Board if following such appointment or reappointment a majority of the Melrose Directors would not be resident in the UK;
- an undertaking for a period of five years that the GKN Aerospace and GKN Driveline businesses will continue to retain the same rights (if any) which they have at 26 March 2018 (and which they continue to have as at the Effective Date) to use the GKN Trade Marks; and
- an undertaking that Melrose will procure that expensed research and development spend of the GKN Group during the period from 1 January 2019 to 31 December 2023 will be at least 2.2 per cent. of the aggregate of GKN Group sales for the financial years ending 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023.

Melrose expects the full terms and detailed mechanics of the POUs including the qualifications and conditions attaching to the POUs to be announced shortly.

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## **Important Notices**

Capitalised terms used in this announcement but not defined have the meanings given to them in the Final Offer Document.

### **Financial Advisers**

N M Rothschild & Sons Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Melrose and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

RBC Europe Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Melrose and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Melrose and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

### **Further Information**

This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Melrose pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Offer will be implemented solely pursuant to the terms of the Original Offer Document, as amended by the Final Offer Document and the accompanying Form of Acceptance which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Original Offer Document, Final Offer Document, the New Prospectus Equivalent Document and the Form of Acceptance.

### **Notice to Overseas Shareholders**

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

This announcement has been prepared for the purpose of complying with English law and the City Code, and the information disclosed may not be the same as that which would have been disclosed if

this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

**Important notice for US shareholders**

This announcement does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Melrose does not intend to make a public offering of securities in the United States, but if undertaken any such public offering would need to be made by means of a prospectus that would contain detailed information about the company and management, as well as financial statements. The Offer is being made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder (including any applicable Tier II exemptions).

**Rule 26.1 disclosure**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at [www.melroseplc.net](http://www.melroseplc.net) by no later than 12 noon (London time) on the business day following the date of this announcement.

The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.