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FOR IMMEDIATE RELEASE

27 April 2018

Melrose Industries PLC (“Melrose”)

Offer for GKN plc (“GKN”)

Compulsory Acquisition of remaining GKN Shares

Melrose announces that it has now acquired, unconditionally contracted to acquire or received valid acceptances of the Offer in respect of more than 90 per cent. of the value of the GKN Shares to which the Offer relates and more than 90 per cent. of the voting rights carried by such shares. Accordingly, Melrose will now begin the implementation of the compulsory acquisition procedure under Chapter 3 of Part 28 of the Companies Act 2006 (the “**Act**”) to acquire the remaining GKN Shares which it does not already own or has not already acquired, contracted to acquire or in respect of which it has not already received valid acceptances, as contemplated by the Offer Document.

Melrose will shortly despatch formal compulsory acquisition notices under Sections 979 and 980 of the Act (the “**Compulsory Acquisition Notices**”) to GKN Shareholders who have not yet accepted the Offer (the “**Remaining Shareholders**”). These notices will set out Melrose’s intention to apply the provisions of Section 979 of the Act to compulsorily acquire any remaining GKN Shares in respect of which the Offer has not been accepted, on the same terms as the Offer.

Melrose expects that such outstanding GKN Shares will be compulsory acquired by Melrose, on the same terms as the Offer, on or shortly after, the date that is six weeks from the date of the Compulsory Acquisition Notices. The consideration to which those Remaining Shareholders will be entitled will be held by, or on behalf of, GKN on trust for those Remaining Shareholders who have not accepted the Offer and they will be requested to claim their consideration by writing to GKN at the end of the six week period.

Further details:

1. Level of acceptances

As at 3.00 p.m. on 26 April 2018, being the last practicable date and time prior to this announcement, Melrose had received valid acceptances of its Offer in respect of 1,561,321,133 GKN Shares, representing approximately 90.53 per cent. of the voting rights of GKN. So far as Melrose is aware, none of these acceptances has been received from persons acting in concert with Melrose or in respect of shares subject to an irrevocable commitment or letter of intent.

The percentage of GKN Shares referred to in this announcement in respect of which valid acceptances have been received is based on there being a total of 1,724,605,373 GKN Shares in issue (excluding shares held in treasury).

2. De-Listing of GKN

As previously announced, Melrose will procure that GKN applies to the London Stock Exchange for the cancellation of the trading of GKN Shares on its main market for listed securities and to the UKLA for the cancellation of the listing of GKN Shares on the Official List. Such cancellations are expected to take effect at 8.00 a.m. on or around 21 May 2018. Such cancellation of listing and admission to trading will significantly reduce the liquidity and marketability of any GKN Shares not assented to the Offer.

3. Continuation of Offer

The Offer will remain open for acceptance until further notice, and not less than 14 calendar days' notice will be given in respect of the closure of the Offer.

All terms and conditions of the Offer, as set out in the Final Offer Document, continue to apply.

GKN Shareholders who have not accepted the Offer are urged to do so as soon as possible in accordance with the instructions set out in the Final Offer Document.

GKN Shareholders validly accepting the Offer will receive their New Melrose Shares and their cash consideration to which they are entitled within 14 calendar days from the date of their acceptance.

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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. All times referred to are London time, unless otherwise stated.

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.

Notice to Overseas Shareholders

The release, publication or distribution of this announcement, the Original Offer Document, the First Form of Acceptance, the Original Prospectus Equivalent Document, the Final Offer Document, the Second Form of Acceptance or the New Prospectus Equivalent Document 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 a Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

Unless otherwise determined by Melrose or required by the City Code, and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in, into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this announcement, the Original Offer Document, the First Form of Acceptance, the Original Prospectus Equivalent Document, the Final Offer Document, the Second Form of Acceptance or the New Prospectus Equivalent Document and any accompanying document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees)

must not mail or otherwise forward, distribute or send them in or into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction.

The availability of the Offer to GKN Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Any such person should read paragraph 16 of Part 1 of the Final Offer Document and Section D of Part 2 (if such person holds GKN Shares in certificated form) or Section E of Part 2 (if such person holds GKN Shares in uncertificated form) of the Original Offer Document and inform themselves of, and observe, any applicable legal or regulatory requirements.

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 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.