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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

18 April 2018

Melrose Industries PLC (“Melrose”)

Update re Melrose Offer for GKN

As at 12.00 p.m. today Melrose had received valid acceptances representing approximately 84.97 per cent. of the voting rights of GKN.

Earlier today Melrose confirmed that all outstanding Conditions to the Offer, save for the Admission Condition, had been satisfied or waived. The Admission Condition is expected to be satisfied at 8.00 a.m. on 19 April 2018 at which point the Offer will become unconditional in all respects.

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.

Further details:

1. Melrose Offer unconditional in all respects save for Admission Condition

Earlier today Melrose announced that all Conditions to the Offer had been satisfied or waived save for that relating to the admission of the New Melrose Shares to the Official List and to trading on London Stock Exchange (the “**Admission Condition**”).

2. Level of acceptances

As at 12.00 p.m. today Melrose had received valid acceptances of its Offer in respect of 1,460,633,457 GKN Shares, representing approximately 84.97 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 1,718,956,188 GKN Shares in issue (excluding shares held in treasury).

3. Admission

Melrose has made applications to the FCA and London Stock Exchange in respect of:

- (a) the admission of 2,468,470,543 New Melrose Shares to listing on the Official List and to trading on the Main Market of the London Stock Exchange in respect of the share consideration due to GKN Shareholders who have accepted the Offer prior to 12 p.m. on the date of this announcement (“**Admission**”); and

- (b) the block listing of 479,273,498 unallotted New Melrose Shares, representing such number of New Melrose Shares which would, when aggregated with the New Melrose Shares to be admitted as described in (a), equal the full amount of New Melrose Shares to be issued pursuant to the Offer assuming 100 per cent. acceptances of issued GKN shares plus the total number of to be issued GKN Shares (“**Block Listing**”),

such Admission and Block Listing are expected to be effective at 8 a.m. on 19 April 2018, upon which the Admission Condition will have been satisfied and Melrose will declare the Offer unconditional in all respects. The New Melrose Shares will rank pari passu in all respects with the Existing Melrose Shares in issue.

GKN shareholders who hold their shares in uncertificated form and who accepted the offer by 12.00 p.m. today will have their CREST accounts credited with new Melrose shares on 19 April 2018 with the cash element of the consideration to be despatched within 14 days.

4. 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.

Given that Melrose has, by virtue of acceptances of the Offer, acquired GKN Shares carrying over 75 per cent. of the voting rights of GKN, an application will be made to the London Stock Exchange for the cancellation of the trading of GKN Shares on its main market for listed securities and the UKLA will be requested to cancel the listing of GKN Shares on the Official List. Such cancellation of listing and admission to trading will significantly reduce the liquidity and marketability of any GKN Shares not assented to the Offer.

If Melrose receives acceptances under the Offer in respect of both 90 per cent. or more in value of the GKN Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by those shares, Melrose intends to apply the provision of sections 974 to 991 of the Companies Act to compulsorily acquire any outstanding GKN Shares to which the Offer relates and in respect of which the Offer has not been accepted. Any GKN Shares compulsorily acquired will be acquired on the same terms as the Offer.

GKN Shareholders who validly accept the Offer after 12.00 p.m. on the date of this announcement will receive the New Melrose Shares and cash due to them within 14 calendar days following receipt of such acceptance.

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

Enquiries:

Montfort Communications: +44 (0) 20 3514 0897

Nick Miles, Charlotte McMullen +44 (0) 7973 130 669 / +44 (0) 7921 881 800

Rothschild (Financial Adviser to Melrose):

Ravi Gupta, Yuri Shakhmin, Nathalie Ferretti +44 (0) 20 7280 5000

RBC Europe Limited (Financial Adviser to Melrose):

Mark Preston, Chris Squire, Alexander Thomas +44 (0) 20 7653 4000

Investec (Corporate Broker to Melrose):

Keith Anderson, Carlton Nelson

+44 (0) 20 7597 5970

Melrose

Geoffrey Martin (Finance Director)

+44 (0) 20 7647 4500

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.

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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.