

Base cost apportionment – for UK capital gains tax purposes only

The basis in shareholders' original investment in Melrose Industries PLC shares needs to be apportioned between the New Melrose shares and the Dowlais shares.

The one-for-three share consolidation on 19th April has no impact upon shareholders' overall basis*.

The demerger of Dowlais on 20th April resulted in an apportionment of existing basis in the ratio of the new holdings' proportionate mid-market closing prices on 20th April. Based upon a closing Melrose Industries price of 413.45p, a closing Dowlais Group price of 117.20p, and the 1 for 1 demerger ratio, shareholders' original basis should be apportioned 77.9% to the New Melrose shares and 22.1% to the Dowlais shares.

e.g. a shareholder with £1 basis in each of three old Melrose shares (total basis of £3) would have basis of 233.7p in each New Melrose share and basis of 66.3p in each Dowlais share.

Please note that this information is for guidance only and is not an opinion. If you require further information regarding the tax treatment of your shares in Melrose or Dowlais, or are in any doubt about your tax position, you should obtain professional advice.

* - As described in the Circular to Shareholders dated 3 March 2023, any 1/3rd or 2/3rd fractional share entitlements sold on shareholders' behalf and donated to charity should not be treated as a part disposal but should instead be treated as a reduction in basis.