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FOR IMMEDIATE RELEASE

19 April 2018

Melrose Industries PLC (“Melrose”)

Melrose’s Offer for GKN has become unconditional in all respects

Offer declared unconditional in all respects

Melrose is pleased to announce that its Offer for GKN is now unconditional in all respects following the satisfaction of the Admission Condition.

Earlier today 2,468,470,543 New Melrose Shares were admitted to listing on the premium segment of the Official List of the UKLA and were admitted to trading on the London Stock Exchange’s main market for listed securities in respect of valid acceptances for 1,460,633,457 GKN shares received as at 12.00 p.m. on 18 April 2018, representing approximately 84.97 per cent. of the voting rights of GKN. The cash element of the consideration will be settled or despatched by no later than 3 May 2018 in respect of valid acceptances received by 12:00 p.m. on 18 April 2018.

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.

Update on GKN

Melrose’s early stage review of GKN has confirmed its Board’s conviction of the extent of the opportunity to improve GKN’s business for the benefit of its shareholders and wider stakeholders. Melrose looks forward to transforming GKN through operational improvements, investment, new leadership and a fundamental change in culture, so that GKN’s businesses can reach their full potential.

Melrose intends, on Tuesday 24 April 2018, to update the markets with a short statement covering GKN trading for the 13 week period from 1 January 2018 to 31 March 2018, a period prior to Melrose ownership. The short GKN trading update next week will be followed by a comprehensive review of GKN performance to be given at the Melrose half year results announcement in early September 2018.

Changes to the Board of GKN

As the Offer has been declared wholly unconditional, Melrose announces that all the members of the Board of GKN have resigned from the Board of GKN plc as of today’s date. Melrose thanks each of the GKN Board members for their commitment to GKN. In accordance with the articles of association of GKN plc, Christopher Miller, David Roper, Simon Peckham, Geoffrey Martin, Jonathon Crawford and Garry Barnes have been appointed to the GKN Board for an interim period until such time as the cancellation of the trading of GKN Shares on the London Stock Exchange’s main market for listed securities and the cancellation of the listing of GKN Shares on the UKLA’s Official List takes effect, expected to be on or around 21 May 2018.

Christopher Miller, Chairman of Melrose said today:

“Today sees the formation of a new manufacturing powerhouse, headquartered in the UK and with diverse operations around the world. Each of these operations has enormous potential and under Melrose ownership we know we can help them fulfil that potential. Every time we have acquired a company, we have found talented and dedicated people at all levels of the business who have been enthusiastic about change. This will be the case at GKN: The knowledge and vision of the GKN teams will find full focus under Melrose and together we will transform the prospects of the business as Melrose has done with all our previous acquisitions.

We have begun our in-depth review and this has confirmed our expectations about the size and scale of the opportunity to create lasting value for shareholders and all stakeholders as we drive the businesses to their full potential.

Investment in R&D, skills, new products and new technology will be at the heart of our programme. As we have said throughout, Melrose manages and operates its businesses as if we were going to own them forever, and we will continue to do so. We will be speaking to customers and suppliers about how we can improve our service to them and drive long term programmes to their satisfaction.

We are pleased to make binding commitments to the UK and other Governments around the world about our commitment to GKN and to national security. We look forward to working closely with those governments as a responsible supplier and corporate citizen.

We would also like to thank GKN for its cooperation over the last three weeks to ensure an efficient transition.”

Further details:

1. Level of acceptances

As at 12.00 p.m. on 18 April 2018, being the last practicable date and time prior to this announcement, Melrose had received valid acceptances of its Offer in respect of 1,460,633,457 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.

Melrose intends to 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 on or around 21 May 2018, being 20 Business Days from today's date. Such cancellation of listing and admission to trading will significantly reduce the liquidity and marketability of any GKN Shares not assented to the Offer.

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).

2. Listing of New Melrose Shares

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, together with the block listing of 479,273,498 unallotted New Melrose Shares, took effect at 8.00 a.m. today.

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 validly accepted the Offer by 12:00 p.m. on 18 April 2018 will receive the Melrose consideration shares to which they are entitled as soon as possible. The cash element of the consideration will be settled or despatched no later than 3 May 2018 in respect of valid acceptances received by 12:00 p.m. on 18 April 2018.

GKN Shareholders validly accepting the Offer after 12:00 p.m. on 18 April 2018 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.

As contemplated by the Offer Document, if Melrose acquires and/or receives valid 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 which it has not already acquired or in respect of which it has not already received valid acceptances. Any GKN Shares compulsorily acquired will be acquired on the same terms as the Offer.

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.

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.