



OFFER FOR FENNER PLC

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19 March 2018

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**19 March 2018**

**RECOMMENDED CASH ACQUISITION  
of  
FENNER PLC  
by  
COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA**

**Summary**

- Compagnie Générale des Établissements Michelin SCA ("Michelin") and Fenner plc ("Fenner") announce that they have reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Fenner will be acquired by Michelin. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, each Scheme Shareholder will receive 610 pence in cash for each Fenner Share, valuing Fenner's existing issued and to be issued ordinary share capital at approximately £1.2 billion.
- In addition, Fenner Shareholders will be entitled to receive and retain a proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the Acquisition (the "Interim Dividend").
- The price of 610 pence per Fenner Share represents a premium of 30.7 per cent. to Fenner's share price of 467 pence at the close of business on 16 March 2018, the last business day before this announcement, and a premium of 32.8 per cent. to the volume weighted average of Fenner's share price over the three months prior to this announcement (459 pence).
- The directors of Fenner (the "Fenner Directors"), who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Fenner Directors intend to recommend unanimously that Fenner Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006) (representing approximately 0.45 per cent. of the issued ordinary share capital of Fenner). In providing its advice, Rothschild has taken into account the commercial assessments of the Fenner Directors.
- Michelin has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from the Fenner Directors in respect of 882,697 Fenner Shares representing, in aggregate, approximately 0.45 per cent. of the existing issued ordinary share capital of Fenner. In addition, Michelin has received a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from Teleios Capital Partners LLC in respect of 10,502,969 Fenner Shares representing approximately 5.41 per cent. of the existing issued ordinary share capital of Fenner.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be posted to Fenner Shareholders and (for information only) participants in the Fenner Share Schemes within 28 days of the publication of this announcement and that the Scheme will be effective before the end of the second quarter of 2018, subject to the satisfaction of all relevant

conditions, including the Conditions set out in Appendix 1 to this announcement.

- Consistent with the ambitions set out in Michelin's 2020 strategic plan, the Acquisition strengthens Michelin's engineering capabilities and enhances its customer and solution focus through enabling Michelin to:
  - bring a comprehensive offering to mining clients through: (i) the combination of Michelin's and Fenner's respective tire and conveyor belt, product and services offering; (ii) taking advantage of complementary footprints; and (iii) creating synergies and growth opportunities; and
  - expand Michelin's engineered material division with a complementary high-tech polymer portfolio by: (i) combining mutual expertise in reinforced polymers; and (ii) creating a platform to further expand its polymer activities.
- The Acquisition is expected to be accretive to Michelin's earnings per share in the first full year following the completion of the Acquisition.
- Commenting on today's announcement, Jean-Dominique Senard, Chief Executive Officer and Managing General Partner of Michelin said:

"Michelin values the skills, experience and industry knowledge of Fenner's management and employees. Mastering high-technology materials is key to creating value in the coming years. The acquisition will enable Michelin to accelerate its growth in this area, and to strengthen its position as a key player in the recovering mining markets with a comprehensive offering."
- Commenting on today's announcement, Vanda Murray OBE, Chair of Fenner said:

"Fenner has successfully established itself as a world leader in reinforced polymer technology and the Board remains confident that Fenner's existing strategy would deliver significant value for Fenner Shareholders as an independent company. However, we also believe that the terms of the Acquisition acknowledge the quality of Fenner's businesses and the strength of its future prospects, and as such the Board intends to recommend unanimously the Acquisition to Fenner Shareholders."
- Commenting on today's announcement, Mark Abrahams, Chief Executive Officer of Fenner said:

"We find the cultural fit and business opportunities excellent with Michelin. Both companies have innovation in their DNA and are customer solution oriented."

**This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 3 contains details of the irrevocable undertakings and a letter of intent received by Michelin. Appendix 4 contains the definitions of certain terms used in this summary and the following announcement.**

#### **Conference call**

Michelin will host an analyst/investor conference call today at 5.30 p.m. London time / 6.30 p.m. CET. The conference call will be conducted by Jean-Dominique Senard - CEO, Florent Menegaux - COO, Marc Henry - CFO, Edouard Villatte-De-Peufeilhoux - Head of Investor Relations, Matthieu Dewavrin and Humbert de Feydeau - Investor Relations Officers.

To join the conference call, dial one of the following numbers at any time from 5.15 p.m. London time / 6.15 p.m. CET today:

- From North America: (+1) 844 286 06 43 + pin: 99614005#
- From France: +33 (0)1 72 72 74 03 + pin: 99614005#
- From the UK and the rest of the world: +44 207 194 3759 + pin: 99614005#

A replay of the conference call will be available from 8.00 a.m. London time / 9.00 a.m. CET on 20 March 2018 by dialling one of the following numbers:

- From North America: +1 (646) 722 49 69 + pin: 418745227#
- From France: +33 (0)1 70 71 01 60 + pin: 418745227#
- From the UK and the rest of the world: +44 203 364 5147 + pin: 418745227#

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#### **Further information**

*This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of 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 Fenner in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*Please be aware that addresses, electronic addresses and certain other information provided by Fenner Shareholders, persons with information rights and other relevant persons for the receipt of communications from Fenner may be provided to Michelin during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).*

*Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the FCA, is acting exclusively for Michelin and no-one else in connection with the Acquisition and will not be responsible to anyone other than Michelin for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Rothschild, which is authorised and regulated in the UK by the FCA, is acting exclusively for Fenner and no-one else in connection with the Acquisition and will not be responsible to anyone other than Fenner for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

#### **Overseas jurisdictions**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom or the United States, to vote their Fenner Shares with respect to the Acquisition, or to appoint another person as proxy to vote with respect to the Acquisition on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the 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 of England.*

*Copies of this announcement and formal documentation relating to the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted 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 any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of*

interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

#### **Additional information for US investors**

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Michelin exercises its right to implement the acquisition of the Fenner Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Fenner Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since Michelin and Fenner are located in countries other than the US, and some or all of their officers and directors, or in the case of Michelin members of the supervisory board, limited partners and general partners, may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Michelin or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Fenner Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

#### **Forward looking statements**

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Michelin and Fenner contain statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Michelin and Fenner about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Michelin and Fenner, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Michelin and Fenner believe that the expectations reflected in such forward-looking statements are reasonable, Michelin and Fenner can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in customer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Michelin nor Fenner, nor any of their respective associates or directors, officers or advisers, or in the case of Michelin members of the supervisory board, limited partners or general partners, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, the Market Abuse Regulation (EU No 596/2014) ("MAR") and the Disclosure Guidance and Transparency Rules of the FCA), neither Michelin or Fenner is under any obligation, and Michelin and Fenner expressly

*disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

#### **No Profit Forecasts or Estimates**

*No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Fenner for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Fenner.*

#### **Dealing disclosure requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

#### **Publication on website and hard copies**

*A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Michelin's website at [www.michelin.com](http://www.michelin.com) and Fenner's website at [www.fenner.com](http://www.fenner.com). For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.*

*Michelin shareholders and Fenner Shareholders may request a hard copy of this announcement by contacting Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.*

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**19 March 2018**

**RECOMMENDED CASH ACQUISITION**

**of**  
**FENNER PLC**  
**by**  
**COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA**

**1. Introduction**

Compagnie Générale des Établissements Michelin SCA ("Michelin") and Fenner plc ("Fenner") announce that they have reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Fenner will be acquired by Michelin. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to be set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

**for each Scheme Share                      610 pence in cash**

The Acquisition values Fenner's entire issued and to be issued share capital at approximately £1.2 billion.

In addition, Fenner Shareholders will be entitled to receive and retain a proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the Acquisition (the "Interim Dividend").

If, after the date of this announcement, any dividend and/or other distribution and/or other return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the Fenner Shares, Michelin reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The price of 610 pence per Fenner Share represents a premium of 30.7 per cent. to Fenner's share price of 467 pence at the close of business on 16 March 2018, the last business day before the date of this announcement, and a premium of 32.8 per cent. to the volume weighted average of Fenner's share price over the three months prior to this announcement.

The price of 610 pence per Fenner Share corresponds to an enterprise value multiple of 15.5 times based on Fenner's EBITDA during the fiscal year ended 31 August 2017, excluding the pro forma impact from the £30 million of pre-tax run-rate synergies, expected to arise from the Acquisition.

**3. Recommendation**

The Fenner Directors, who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Fenner Directors intend to recommend unanimously that Fenner Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006) (representing approximately 0.45 per cent. of the issued ordinary share capital of Fenner). Rothschild is providing independent financial advice to the Fenner Directors for the purposes of Rule 3 of the Code. In providing its advice, Rothschild has taken into account the commercial assessments of the Fenner Directors.

Rothschild has given and not withdrawn its consent to the inclusion in this announcement of references to its advice to the Fenner Directors in the form and context in which they appear.

**4. Background to and reasons for the Acquisition**

Michelin believes that the Acquisition has compelling industrial rationale and reinforces Michelin's 2020 strategic plan. The Acquisition will accelerate growth of the Combined Group by utilising the complementary footprint and solutions to provide additional benefits to customers.

Michelin values the current culture and divisional structure of Fenner, and believes that the combination will deliver the following benefits:

- *ECS enables a comprehensive offering to mining clients*

Fenner's Engineered Conveyor Solutions division ("ECS") is a recognised leader in heavy conveyor belts. Michelin believes that the Acquisition will provide a broader product, solutions and services offering to clients in the mining industry. Due to the complementary geographic footprint, the Combined Group will also benefit from an enlarged customer base, resulting in significant commercial opportunities.

- *AEP provides a platform to further expand polymer activities*

The Acquisition will expand Michelin's end-markets coverage, from heavy industrials to industrial devices, consumer goods and medical. Michelin intends to position Fenner's Advanced Engineered Products division ("AEP") as a platform to further develop the

Combined Group's positioning into high-tech polymer markets. Michelin will benefit from enhanced materials expertise, notably in high tech non-rubber polymers, thermoplastic polymers as well as complex textile reinforcements. AEP will also benefit from Michelin's expertise in (i) polymer research and compound design, (ii) performance expertise, modelling and testing, (iii) product performance enhancement through raw material expertise and (iv) metal 3D printing and innovation in manufacturing.

- ***Strengthen Michelin's materials division - 4th dimension strategy***

The addition of Fenner's portfolio will enhance Michelin's coverage of industrial, construction, agricultural and medical spaces. Michelin has developed a fourth business line aiming at developing advanced materials and engineered products, which notably includes Michelin's 3D metal printing activities jointly developed with Fives as well as its synthetic rubber and fuel cell activities. The combination with Fenner will significantly strengthen this activity.

- ***Complementarity enabling strategic development and compelling synergies***

Michelin's initial analysis has identified significant potential for commercial opportunities and cost efficiencies as a result of the Acquisition, which are expected to create significant value for Michelin's shareholders.

Michelin believes that the value of the combination with Fenner is principally in the ability of the latter to benefit from Michelin's scale, customer reach and industrial footprint, in order to better serve customers. At this preliminary stage, Michelin has identified certain areas of synergies:

- Procurement: Fenner to benefit from Michelin's purchasing expertise;
- Industrial processing efficiencies;
- Innovation: cross fertilization between Fenner and Michelin on products, processes and competences;
- Services: leverage respective customer service organizations;
- Footprint: Fenner's access to Latin America and Asia; and
- Offering: providing global customers with a comprehensive range of products and solutions.

Out of identified synergies described above, Michelin has quantified synergies at this stage which would amount to approximately £30 million per annum, on a pre-tax basis, and are mostly related to procurement savings. Michelin expects that it will achieve the run-rate of these synergies within two years of the Effective Date, with limited implementation costs required. Michelin is still working to quantify other areas of synergies identified but not yet quantified.

- ***Significant value creation potential for Michelin's shareholders***

The price of 610 pence per Fenner Share corresponds to an enterprise value multiple of 10.4 times based on Fenner's average EBITDA over the fiscal years ended 31 August 2010 to 31 August 2017, including run-rate synergies.

The Acquisition is expected to create significant value for Michelin's shareholders. It is expected to be accretive to Michelin's earnings per share in the first full year following completion of the Acquisition.

Michelin anticipates that the Acquisition will have no impact on its credit rating profile of A- (Standard & Poors) and A3 (Moody's). The Acquisition is consistent with Michelin's financial policy and preserves its financial flexibility.

## **5. Background to and reasons for the recommendation**

Fenner has successfully established itself as a world leader in reinforced polymer technology. Its two divisions, AEP and ECS, comprise businesses which have developed strong positions in their chosen markets across the world, based on business philosophies which emphasise continued investment in product development, the highest standards of customer service and a network of well-invested and efficient manufacturing facilities.

Fenner responded strongly to the difficult trading conditions seen from 2013 onwards in many of its principal markets, in particular the global mining industry and the oil and gas industry. Fenner's on-going focus on cost reduction and cash generation, combined with continued investment in customer service, product development and operating efficiency, has enabled Fenner to successfully move from recovery towards sustainable growth.

Fenner's results for the year ended 31 August 2017 showed significant positive movements in all key financial indicators, with large increases in profit, margin and earnings accompanied by strong cash generation and materially reduced gearing; these results were achieved despite the Fenner Group's principal markets having shown only patchy improvements. Subsequently in Fenner's Annual General Meeting trading update on 11 January 2018 Fenner reported strengthening trading across the Group and upgraded its expectations for the current financial year.

Fenner's recovery and significantly improved outlook have been accompanied by a significant increase in its share price, which has risen from a low of under 100 pence in February 2016 to 467 pence on 16 March 2018 (being the last business day before this announcement).

In considering the terms of the Acquisition, the Fenner Directors have taken into account a number of factors including that:

- the Acquisition represents an opportunity for Fenner Shareholders to crystallise in cash the value of their holdings at an implied multiple of 15.5 times Fenner's EBITDA for the financial year ended 31 August 2017, excluding the pro forma impact from the £30 million of pre-tax run-rate synergies, expected to arise from the Acquisition;
- the Acquisition represents an attractive premium of approximately 30.7 per cent. to Fenner's share price of 467 pence per share at the close of business on 16 March 2018 (being the last business day before the date of this announcement); and
- Fenner's shareholders will be entitled to receive the Interim Dividend.

The Acquisition also provides a number of strategic benefits to Fenner's business including:

- the global scale and purchasing expertise of Michelin possesses in certain of Fenner's principal markets (in particular, mining) which will enable Fenner to become even more competitive and grow its shares of existing markets; and
- Michelin's polymer expertise will assist Fenner in enhancing the technical content of the products which it is able to offer to its customers, and assist Fenner in entering new markets.

In considering the recommendation of the Acquisition to Fenner Shareholders, the Fenner Directors have given due consideration to Michelin's intentions for the business, management, employees and locations of business of Fenner.

The Fenner Directors welcome Michelin's intention that, following completion of the Acquisition, existing employment rights, including pension rights, of management and employees of the Fenner Group will be fully safeguarded in accordance with contractual and statutory requirements, as will the contractual rights of any directors and officers who are not employees. The Fenner Directors further welcome the intention of Michelin that Fenner's head office will continue to be based in Hessle, England, and that Michelin does not anticipate any headcount reduction in Fenner's workforce as a result of the Acquisition.

The Fenner Directors remain confident that Fenner's existing strategy would deliver significant value for Fenner Shareholders as an independent company. However, they also believe that the terms of the Acquisition acknowledge the quality of Fenner's businesses and the strength of its future prospects, and as such they intend unanimously to recommend the Acquisition to Fenner Shareholders.

## **6. Irrevocable Undertakings**

Michelin has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from the Fenner Directors in respect of 882,697 Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006), representing approximately 0.45 per cent. of the existing issued ordinary share capital.

The undertakings from the Fenner Directors will cease to be binding if the Acquisition lapses or is withdrawn, or is not effective on or before 14 September 2018, or if the Scheme Document is not posted within 28 days of the publication of this announcement, and remain binding if a higher competing offer for Fenner is made.

In addition, Michelin has received a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from Teleios Capital Partners LLC in respect of 10,502,969 Fenner Shares representing approximately 5.41 per cent. of Fenner's issued ordinary share capital.

In total, therefore, Michelin has received irrevocable undertakings and non-binding letters of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of 11,385,666 Fenner Shares representing approximately 5.87 per cent. of Fenner's issued ordinary share capital.

Further details of these irrevocable undertakings and the letter of intent are set out in Appendix 3 to this announcement.

## **7. Information relating to Michelin**

Michelin is a global leader in tire manufacturing, dedicated to sustainably enhancing its corporate and retail clients' mobility by designing and distributing the most suitable tires, services and solutions. Michelin's growth has been led by technical innovation. As a source of pioneering technological breakthroughs, both in tires and more recently in advanced materials, Michelin has been a key driver of progress in the industry and is recognised as a leader. Headquartered in Clermont-Ferrand, France, and listed on Euronext Paris, Michelin is present in 170 countries, has more than 114,000 employees and operates 70 production facilities in 17 countries which together produced 190 million tires in 2017. The Michelin Group generated revenue of approximately €22 billion in 2017.

## **8. Information relating to Fenner**

Fenner is a world leader in reinforced polymer technology, headquartered in Hessle, England. Fenner uses its expertise to identify, design and manufacture performance-critical polymer products for niche markets around the world.

Fenner operates through two divisions:

- AEP; and
- ECS.



AEP is a group of related growth businesses that use advanced polymeric materials and technical expertise to provide high value-added solutions to its global business customers; its principal product areas are: sealing systems for use in oil & gas and fluid power transmission; belts, hoses and elastomeric solutions used in a wide range of specialist industrial applications; and medical (including biomedical textile components).

ECS is a recognised global leader in the supply of heavyweight conveyor belting and related services to mining and industrial markets. These markets include: the mining of thermal and metallurgical coal, and of iron, copper and other ores; and the extraction, processing and manufacture of industrial materials such as sand/aggregates, timber and concrete. ECS operates in both the Northern and Southern hemispheres, with particular strengths in Australia, Europe and North America.

Fenner's results for its financial year ended 31 August 2017 showed significant improvements over the previous year on all measures. Revenue was £655.4 million (2016: £572.5 million); underlying profit before tax was £45.3 million (2016: £23.2 million) and underlying earnings per share was 17.7 pence (2016: 8.4 pence). Free cash flow increased to £69.0 million (2016: £38.8 million).

In recognition of the strong financial performance by the Fenner Group, the dividend for the year was increased to 4.2 pence per share (2016: 3.0 pence).

At the time of its Annual General Meeting on 11 January 2018, the Fenner Directors reported that all of the Fenner Group's businesses were performing well, with generally increasing order intakes and further benefits from on-going efficiency enhancements. The Fenner Directors also reported that they envisaged the Fenner Group achieving an operating outcome for the current financial year which was above its previous expectations and that the Fenner Directors were increasingly confident about the future progress of the Fenner Group.

## **9. The Combined Group**

Michelin believes that a business combination between ECS and Michelin would create procurement synergies, cross fertilisation benefits and growth opportunities, reflecting the complementary nature of Fenner's and Michelin's businesses.

Michelin positioned itself more than five years ago as a specialist in high performance materials with a number of impressive technical breakthroughs. For example Michelin today is one of the world's leaders in 3D metal printing and speciality polymers. Michelin also sees the Acquisition as a platform to further expand its polymer activities. AEP is expected to be positioned as the cornerstone of Michelin's materials division for highly engineered polymers, benefiting from the mutual expertise of the Combined Group in reinforced polymers.

Therefore, Michelin does not intend to dispose of any material part of Fenner's business following the Acquisition. Michelin also does not envisage any material change to the research and development functions of Fenner as a result of the Acquisition.

Michelin's intention is to seek the cancellation of the trading of the Fenner Shares on the London Stock Exchange from or shortly after the Effective Date.

## **10. Management and employees**

Michelin recognises that it is critical to maintain Fenner's competitive capabilities in technology and engineering solutions and, therefore, to retain the skills, knowledge and expertise within Fenner's existing management and employees. Michelin also believes that Fenner's workforce will benefit from greater opportunities as a result of being part of a larger, more global, Combined Group with a wider range of complementary offerings.

Michelin does not anticipate any headcount reduction in Fenner's workforce as a result of the Acquisition. However, Michelin recognises that a small number of roles associated with Fenner's London listing may need to be redeployed to other roles (based at their current locations) within the Combined Group where their skills can continue to be utilised.

Michelin does not intend to make any material change in the balance of skills and functions of the employees and management of the Fenner Group.

Michelin expects to work with Fenner's existing management team following the Effective Date. Michelin notes that Fenner is due to have a CEO succession take place shortly prior to the expected Effective Date. Although no decision has yet been made, Michelin does not expect the incoming CEO to have a long term role in the management team. Any decisions as to the future role of the incoming CEO would have due regard to his rights under his employment agreement with Fenner.

It is intended that the existing non-executive directors of Fenner will cease to hold office as directors of Fenner with effect from the Effective Date.

Following the Effective Date, the existing employment rights, including pension rights, of management and employees of the Fenner Group will be fully safeguarded in accordance with contractual and statutory requirements, as will the contractual rights of any directors and officers who are not employees. In particular, in respect of the financial year in which the Effective Date occurs, Michelin has acknowledged and agreed that Fenner will pay each participant in Fenner's annual bonus plans (i) a bonus payment equal to the amount accrued by Fenner in respect of the period up to and including the Effective Date as calculated in accordance with the rules of the applicable bonus plan, and (ii) a bonus payment, assessed by reference to Fenner's existing performance metrics for annual bonuses (and calculated on the assumption that those metrics were unaffected (other than favourably) by Fenner then being part of the Combined Group), for the period between the Effective Date and the end of the financial year. Such bonus amounts will be paid in accordance with Fenner's normal annual bonus payment schedule. In addition, in order to further incentivise and retain Fenner's existing

talent, Michelin intends to formulate and implement retention schemes for key management and employees which will be finalised following the Effective Date.

Save as described above, Michelin does not intend to make any material change in the conditions of employment of the employees and management of the Fenner Group.

The Fenner UK Pension Scheme (being the principal pension scheme operated by the Fenner Group) is currently closed to the admission of new members. It is not intended that any changes shall be made to reopen Fenner UK Pension Scheme to the admission of new members. Fenner does not intend to close the Fenner UK Pension Scheme to future accrual or otherwise change benefits under the scheme in the 12 month period following the Effective Date.

Michelin intends that Fenner will continue to meet its existing obligations in respect of the Fenner UK Pension Scheme to fund any pension scheme deficit and the future accrual of benefits in accordance with the actuarial valuation as at 31 March 2017. Michelin has agreed with Fenner that it will provide a guarantee to the Trustee of the Fenner UK Pension Scheme on the terms set out in the Co-operation Agreement.

#### **11. Business locations**

The Combined Group's headquarters will be located at Michelin's head office in Clermont-Ferrand, France, while Fenner's head office is intended to continue to be based in Hesse, England (with no intention or expectation as to any head office redundancies and with those members of Fenner's senior management who are not based at Hesse continuing to be based in their current locations).

Michelin will conduct an integration review after the Effective Date in order to consider where Michelin and Fenner have co-located office or production facilities and where there is scope for consolidation in order to reduce rental and lease expenses, and to enable colleagues of the Combined Group to work more closely together. Michelin does not intend there to be any headcount reduction as a result of this exercise, although a small number of employees may need to be redeployed to other roles (which, for head office employees, would be in their current location) within the Combined Group where their skills can continue to be utilised if consolidation occurs. No other changes are envisaged with respect to the redeployment of Fenner's existing fixed asset base.

No statements made in paragraphs 9, 10 or 11 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

#### **12. Financing**

The cash consideration payable by Michelin under the terms of the Acquisition will be funded from debt to be provided under a Bridge Credit Agreement arranged and fully underwritten by Morgan Stanley. It is currently contemplated that the commitments under the Bridge Credit Agreement will be replaced with a facility arranged by Michelin's existing syndicated banks or by the group's available cash following the Effective Date.

Morgan Stanley, in its capacity as financial adviser to Michelin, confirms that it is satisfied that resources are available to Michelin to satisfy in full the cash consideration payable under the terms of the Acquisition.

#### **13. Fenner Incentive Scheme**

Participants in the Fenner Share Scheme will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to such participants in due course. Details of these proposals will be set out in the Scheme Document and in separate letters to be sent to participants in the Fenner Share Scheme. All outstanding awards under the Fenner Share Scheme will vest in full (with no reduction for time pro-rating) and be settled in cash upon or shortly following the Effective Date.

Participants in the Fenner Cash Scheme will be contacted regarding the effect of the Acquisition on their rights. All outstanding awards under the Fenner Cash Scheme will vest in full (and again with no reduction for time pro-rating) and be settled in cash upon or shortly following the Effective Date.

#### **14. Offer-related Arrangements**

##### *Confidentiality Agreement*

Manufacture Français des Pneumatiques Michelin SCA, a wholly owned subsidiary of Michelin, and Fenner have entered into a confidentiality agreement dated 31 August 2017 pursuant to which each of Manufacture Français des Pneumatiques Michelin SCA and Fenner has undertaken, amongst other things, to: (a) keep confidential information relating to the Acquisition and the other party and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of evaluating, negotiating, advising on or implementing the potential Acquisition. These confidentiality obligations remain in force until 31 August 2019. The agreement also contains provisions pursuant to which each party has agreed not to solicit certain employees of the other party, subject to customary carve-outs, for a period of 12 months from entering into the confidentiality agreement.

##### *Standstill Agreement*

In addition, Manufacture Français des Pneumatiques Michelin SCA and Fenner have entered into a standstill agreement dated 14 November 2017 pursuant to which Manufacture Français des Pneumatiques Michelin SCA has agreed to procure that, subject to customary exceptions (including the Scheme), no member of the Michelin Group may directly or indirectly deal in Fenner Shares

without the prior written consent of Fenner. These standstill obligations remain in force until 14 November 2018.

#### *Co-operation Agreement*

Pursuant to a co-operation agreement between Michelin and Fenner dated 19 March 2018 (the "Co-operation Agreement"), Fenner has agreed to co-operate with Michelin to seek to ensure the satisfaction of the regulatory conditions referred to in Condition 3 of Part A of Appendix 1 to this announcement and Michelin has agreed to provide Fenner with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document.

In addition, pursuant to the Co-operation Agreement, Michelin has made certain commitments in relation to the Fenner UK Pension Scheme as follows:

- employer contributions made by members of the Fenner Group shall, both before and after the Effective Date, continue to be made at the level required from time to time under the rules of the Fenner UK Pension Scheme;
- there will be no proposal to amend current benefit terms or to cease future accrual for a period of at least twelve months from the Effective Date; and
- prior to (but with effect from) the Effective Date, a guarantee of Fenner's obligations under the Fenner UK Pension Scheme will be provided by Michelin in a form which is reasonably satisfactory to the trustee (or, in the event that the form of guarantee has not been agreed by the trustee in time for the Effective Date substantially in the form of the existing guarantee provided in respect of the Michelin Pension and Life Assurance Plan but to cover all present and future obligations of each participating employer to make payments to the Fenner UK Pension Scheme to the extent required to address any funding deficit from time to time calculated on the statutory technical provisions basis (calculated using the methods and assumptions adopted for the 31 March 2017 actuarial valuation or any future methods and assumptions that Michelin has accepted to be reasonable), subject to such modifications as are required under French law to accommodate the fact that Michelin is a French company).

The Co-operation Agreement also contains provisions that will apply in respect of the Fenner Share Scheme and the Fenner Cash Scheme, directors' and officers' insurance and certain other arrangements related to employees and senior management (including directors and officers who are not employees), as well as provisions which pertain to Michelin's and Fenner's agreement in relation to any switch of the Scheme to a Takeover Offer and in relation to the payment of the Interim Dividend.

The Co-operation Agreement will terminate if the Acquisition is withdrawn or lapses (other than where Michelin switches the Scheme to a Takeover Offer or Michelin makes a new announcement in accordance with Rule 2.7 of the Code), if prior to 14 September 2018 any Condition becomes incapable of satisfaction, at Michelin's election if the Fenner Directors change in any way their recommendation of the Acquisition, at either party's election if a competing proposal is recommended by the Fenner Directors or otherwise becomes unconditional or effective, if the Scheme does not become effective in accordance with its terms by 14 September 2018 or otherwise as agreed between Michelin and Fenner.

## **15. Structure of the Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Fenner and the Scheme Shareholders under Part 26 of the Companies Act. Under the Scheme, in consideration for the transfer of their Fenner Shares to Michelin, Scheme Shareholders will receive cash of 610 pence per Scheme Share (save as described in paragraph 2 above). The purpose of the Scheme is to provide for Michelin to become the owner of the entire issued and to be issued share capital of Fenner.

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to be set out in the Scheme Document, and will only become effective if, among other things, the following events occur on or before 14 September 2018 or such later date as Michelin and Fenner agree:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders;
- the Special Resolution necessary to implement the Scheme is passed by the requisite majority of Fenner Shareholders at the General Meeting;
- the Scheme is sanctioned by the Court (with or without modification); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Fenner Shares will cease to be valid and entitlements to Fenner Shares held within the CREST system will be cancelled.

If the Scheme does not become effective on or before 14 September 2018 (or such later date as Michelin and Fenner may, with the consent of the Panel, agree), it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Fenner Shareholders. The Scheme Document is expected to be posted to Fenner Shareholders and, for information only, to persons with information rights and to holders of awards granted under the Fenner Share Schemes, within 28 days of the publication of this

announcement. Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective by the end of the second quarter of 2018.

#### **16. Delisting and re-registration**

It is intended that dealings in Fenner Shares will be suspended at 5.00 p.m. London time on the business day prior to the Effective Date. It is further intended that an application will be made to the UK Listing Authority for the cancellation of the listing of the Fenner Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Fenner Shares on the London Stock Exchange's main market for listed securities, with effect as of or shortly following the Effective Date.

It is also intended that, following the Scheme becoming effective, Fenner will be re-registered as a private company under the relevant provisions of the Companies Act.

#### **17. Disclosure of interests in Fenner relevant securities**

Except for the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 16 March 2018 (being the latest practicable date prior to the date of this announcement), neither Michelin, nor any member of the Michelin Group, nor, so far as Michelin is aware, any person acting in concert with Michelin for the purposes of the Acquisition had any interest in, right to subscribe for, or had borrowed or lent, any Fenner Shares or securities convertible or exchangeable into Fenner Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Fenner Shares or in relation to any securities convertible or exchangeable into Fenner Shares.

In the interests of secrecy prior to this announcement, Michelin has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Michelin for the purposes of the Acquisition. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

#### **18. Overseas Shareholders**

The availability of the Acquisition and the distribution of this announcement to Fenner Shareholders who are not resident in the United Kingdom or the United States may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Fenner Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Fenner Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been dispatched.

#### **19. Fenner's issued share capital**

In accordance with Rule 2.9 of the Code, Fenner confirms that it has 194,002,741 Fenner Shares in issue. The International Securities Identification Number for Fenner Shares is GB0003345054.

#### **20. Documents published on a website**

Copies of the following documents will, by no later than 12 noon (London time) on 20 March 2018, be published on Fenner's website at [www.fenner.com](http://www.fenner.com) and Michelin's website at [www.michelin.com](http://www.michelin.com) until the end of the Acquisition:

- (i) the confidentiality agreement between Manufacture Français des Pneumatiques Michelin SCA and Fenner dated 31 August 2017;
- (ii) the standstill agreement between Manufacture Français des Pneumatiques Michelin SCA and Fenner dated 14 November 2017;
- (iii) the irrevocable undertakings and the letter of intent as set out in Appendix 3;
- (iv) the Co-operation Agreement;
- (v) the Bridge Credit Agreement;
- (vi) in relation to the Bridge Credit Agreement, the syndication and flex letter dated 19 March 2018 from Michelin to Morgan Stanley Bank International Limited as Mandated Lead Arranger and Bookrunner;
- (vii) in relation to the Bridge Credit Agreement, the fee letter dated 19 March 2018 from Michelin to Morgan Stanley Bank International Limited; and
- (viii) this announcement.

#### **21. General**

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and the further terms and conditions set out in the Scheme Document when issued.

Michelin reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such an

event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Michelin intends to: (i) make a request to the UK Listing Authority to cancel the listing of the Fenner Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Fenner Shares on its market for listed securities; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Fenner Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Rothschild and Morgan Stanley have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 4.

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## **Further information**

*This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of 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 Fenner in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.*

*Please be aware that addresses, electronic addresses and certain other information provided by Fenner Shareholders, persons with information rights and other relevant persons for the receipt of communications from Fenner may be provided to Michelin during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).*

*Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the FCA, is acting exclusively for Michelin and no-one else in connection with the Acquisition and will not be responsible to anyone other than Michelin for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Rothschild, which is authorised and regulated in the UK by the FCA, is acting exclusively for Fenner and no-one else in connection with the Acquisition and will not be responsible to anyone other than Fenner for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.*

### **Overseas jurisdictions**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom or the United States, to vote their Fenner Shares with respect to the Acquisition, or to appoint another person as proxy to vote with respect to the Acquisition on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the 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 of England.*

*Copies of this announcement and formal documentation relating to the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted 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 any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

### **Additional information for US investors**

*The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provide for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Michelin exercises its right to implement the acquisition of the Fenner Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US laws and regulations.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Fenner Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.*

*It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since Michelin and Fenner are located in countries other than the US, and some or all of their officers and directors, or in the case of Michelin members of the supervisory board, limited partners and general partners, may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Michelin or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Fenner Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made*

regarding the Acquisition, and other information published by Michelin and Fenner contain statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Michelin and Fenner about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Michelin and Fenner, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Michelin and Fenner believe that the expectations reflected in such forward-looking statements are reasonable, Michelin and Fenner can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in customer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Michelin nor Fenner, nor any of their respective associates or directors, officers or advisers, or in the case of Michelin members of the supervisory board, limited partners or general partners, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, the Market Abuse Regulation (EU No 596/2014) ("MAR") and the Disclosure Guidance and Transparency Rules of the FCA), neither Michelin or Fenner is under any obligation, and Michelin and Fenner expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **No Profit Forecasts or Estimates**

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Fenner for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Fenner.

#### **Dealing disclosure requirements**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period

commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Publication on website and hard copies**

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Michelin's website at [www.michelin.com](http://www.michelin.com) and Fenner's website at [www.fenner.com](http://www.fenner.com). For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Michelin shareholders and Fenner Shareholders may request a hard copy of this announcement by contacting Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

## **Appendix 1**

### **A. Conditions and Certain Further Terms of the Scheme and the Acquisition**

#### **Conditions to the Scheme and Acquisition**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than 14 September 2018 or such later date (if any) as Michelin and Fenner may, with the consent of the Panel, agree and (if required) the Court may approve.

#### **Scheme approval**

2. The Scheme will be conditional upon:
  - (a) approval of the Scheme at the Court Meeting (or at any adjournment thereof, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree) by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing three-quarters or more in nominal value of the Scheme Shares held by those Scheme Shareholders;
  - (b) the Special Resolution being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof, provided that the General Meeting may not be adjourned beyond the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree); and
  - (c) the sanction of the Scheme without modification or with modification on terms acceptable to Michelin and Fenner, provided that the Scheme Court Hearing may not be adjourned beyond the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree) and the delivery of an office copy of the Scheme Court Order to the Registrar of Companies.

In addition, Michelin and Fenner have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived.

#### **Regulatory Conditions**

3. Without limitation to Condition 4 below:
  - (a) all notifications and clearances by the competent competition authorities in:
    - (i) United States of America;
    - (ii) Canada;
    - (iii) Germany;
    - (iv) Austria;
    - (v) South Africa;
    - (vi) Serbia;
    - (vii) Montenegro;
    - (viii) Chile;



- (ix) Kenya; and
- (x) New Caledonia,

required to consummate the Acquisition shall have been made and granted on terms satisfactory to Michelin (acting reasonably) and/or applicable waiting periods in respect of said notifications shall have expired or been terminated; and

- (b) Michelin having received a written notice from the Committee on Foreign Investment in the United States ("CFIUS") to the effect that any review or investigation (as the case may be) of the Acquisition pursuant to the Exon-Florio amendment to the Defense Production Act of 1950 as amended by the Foreign Investment and National Security Act of 2007 has been concluded, and CFIUS having determined that there are no unresolved national security concerns.

#### **General Third Party clearances**

4. All notifications to, and filings with, Third Parties which are necessary having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case in connection with the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Fenner or any other member of the Wider Fenner Group by any member of the Wider Michelin Group or the carrying on by any member of the Wider Fenner Group of any material aspect of its business.
5. No Third Party having intervened (as defined below) and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (to an extent or in a manner which is or would be material in the context of the Fenner Group taken as a whole) to:
  - (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Michelin or any member of the Wider Michelin Group of any shares or other securities in, or control or management of, Fenner or any member of the Wider Fenner Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material conditions or obligations with respect to the Scheme or the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Fenner Shares or the acquisition of control or management of Fenner or the Wider Fenner Group by Michelin or any member of the Michelin Group;
  - (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Michelin Group or any member of the Wider Fenner Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Fenner Group or any member of the Wider Michelin Group;
  - (c) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Michelin Group of any shares or other securities in any member of the Fenner Group;
  - (d) require, prevent or materially delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Michelin Group or by any member of the Wider Fenner Group of all or any portion of their respective businesses, assets or properties or limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
  - (e) except pursuant to sections 974 to 991 of the Companies Act, require any member of the Wider Michelin Group or of the Wider Fenner Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
  - (f) materially limit the ability of any member of the Wider Michelin Group or of the Wider Fenner Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Michelin Group or of the Wider Fenner Group;
  - (g) result in any member of the Wider Fenner Group or the Wider Michelin Group ceasing to be able to carry on business under any name under which it presently does so; or
  - (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Fenner Group or of the Wider Michelin Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

6. All Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Fenner or any other member of the Wider Fenner Group by any member of the Wider Michelin Group or the carrying on by any member of the Wider Fenner Group of its business having been obtained, in terms and in a form reasonably satisfactory to Michelin, from all appropriate Third Parties and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

**Certain matters arising as a result of any arrangement, agreement etc.**

7. Since 31 August 2017 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Fenner Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Fenner or any other member of the Wider Fenner Group by any member of the Wider Michelin Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Fenner Group taken as a whole:
- (a) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Fenner Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability of any member of the Wider Fenner Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
  - (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Fenner Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;
  - (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Fenner Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
  - (d) any asset or interest of any member of the Wider Fenner Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Fenner Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Fenner Group otherwise than in the ordinary course of business;
  - (e) any member of the Wider Fenner Group ceasing to be able to carry on business under any name under which it presently does so;
  - (f) the creation of material liabilities (actual or contingent) by any member of the Wider Fenner Group other than in the ordinary course of business;
  - (g) the rights, liabilities, obligations or interests of any member of the Wider Fenner Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
  - (h) the financial or trading position or the value of any member of the Wider Fenner Group being prejudiced or adversely affected,

and, save as Disclosed, no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would be reasonably likely to result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 7 (again, in each case to an extent which is material in the context of the Fenner Group taken as a whole).

8. Since 31 August 2017 and except as Disclosed, no member of the Wider Fenner Group having:
- (a) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than as between Fenner and wholly-owned subsidiaries of Fenner other than any shares issued or shares transferred from treasury upon the vesting of any awards granted under the Fenner Share Scheme;
  - (b) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital;
  - (c) save for the Interim Dividend, recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue (other than to Fenner or a wholly-owned subsidiary of Fenner);
  - (d) except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries made or authorised any change in its loan capital;
  - (e) (other than any acquisition or disposal in the ordinary course of business or a transaction between Fenner and a wholly-owned subsidiary of Fenner or between such wholly-owned subsidiaries) merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same;
  - (f) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business or except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Fenner Group taken as a whole;

- (g) entered into, varied, or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - (i) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or
  - (ii) could materially restrict the business of any member of the Wider Fenner Group; or
  - (iii) is other than in the ordinary course of business,
 which in any case is material in the context of the Fenner Group taken as a whole;
- (h) except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation or scheme in respect of itself or another member of the Wider Fenner Group otherwise than in the ordinary course of business;
- (i) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Fenner Group, except in a manner approved by Michelin;
- (j) taken any corporate action, or had any legal proceedings instituted or threatened against it or petition presented or order made, for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction;
- (k) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (l) waived or compromised any claim which is material in the context of the Fenner Group taken as a whole, otherwise than in the ordinary course of business;
- (m) made any alteration to its memorandum or articles of association (save pursuant to the Special Resolution);
- (n) made or agreed or consented to:
  - (i) save for changes required by law or otherwise approved by Michelin, any material change to:
    - (A) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
    - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
    - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
    - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
  - (ii) save for changes required by law or otherwise approved by Michelin, any change to the trustees including the appointment of a trust corporation;
- (o) proposed, agreed to provide or modified any material term of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Fenner Group; or
- (p) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 8.

**No adverse change, litigation or regulatory enquiry**

9. Since 31 August 2017 and except as Disclosed:
- (a) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Fenner Group which in any case is material in the context of the Fenner Group taken as a whole;
  - (b) no material contingent or other liability of any member of the Wider Fenner Group having arisen or become apparent or increased which in any case is material in the context of the Fenner Group taken as a whole;
  - (c) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Fenner Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Fenner Group which in any case might reasonably be expected to have a material adverse effect on the Fenner Group taken as a whole;
  - (d) (other than as a result of the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or

in respect of any member of the Wider Fenner Group and which might reasonably be expected to have a material adverse effect on the Fenner Group taken as a whole;

- (e) other than with the consent of Michelin, no action having been taken or proposed by any member of the Wider Fenner Group, or having been approved by Fenner Shareholders or consented to by the Panel, which falls or would fall within or under Rule 21.1 of the Code or which otherwise is or would be materially inconsistent with the implementation by Michelin of the Acquisition on the basis contemplated as at the date of this announcement; and
- (f) no member of the Wider Fenner Group having conducted its business in breach of any applicable laws and regulations in circumstances in which such breach might reasonably be expected to have a material adverse effect on the Fenner Group when taken as a whole.

#### **No discovery of certain matters**

10. Michelin not having discovered:

- (a) that any financial or business or other information concerning the Wider Fenner Group disclosed at any time by or on behalf of any member of the Wider Fenner Group, whether publicly, to any member of the Wider Michelin Group or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading (in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole) and which was not subsequently corrected before 16 March 2018 by disclosure either publicly or otherwise to Michelin;
- (b) that any member of the Wider Fenner Group is subject to any liability (actual or contingent) which is not Disclosed and which in any case is material in the context of the Fenner Group taken as a whole; or
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Fenner Group to an extent which is material in the context of the Fenner Group taken as a whole;

11. Michelin not having discovered:

- (a) that any past or present member of the Wider Fenner Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Fenner Group;
- (b) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Fenner Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise; or
- (c) that circumstances exist whereby a person or class of persons would be likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Fenner Group,

in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole.

#### **Anti-corruption, sanctions and criminal property**

12. Michelin not having discovered that:

- (a) any past or present member, director, officer or employee of the Wider Fenner Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Fenner Group or (ii) any person that performs or has performed services for or on behalf of the Wider Fenner Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (b) any asset of any member of the Wider Fenner Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Fenner Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or

- (d) a member of the Fenner Group has engaged in any transaction which would cause Michelin to be in breach of any law or regulation upon its acquisition of Fenner, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states,

in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole.

For the purpose of these Conditions:

- (i) "Third Party" means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental body, authority (including any national or supranational anti-trust or merger control authority) or court (and including, for the avoidance of doubt, the Panel);
- (ii) a Third Party shall be regarded as having "intervened" if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided and "intervene" shall be construed accordingly; and
- (iii) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals, in each case, of a Third Party.

## **B. Waiver and invocation of the Conditions**

The Scheme will not become effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Michelin to be or remain satisfied by no later than the date referred to in Condition 1 in Part A above (or such later date as Michelin and Fenner may, with the consent of the Panel, agree and (if required) the Court may allow).

Subject to the requirements of the Panel, Michelin reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions in Part A above that are capable of being waived.

Under Rule 13.5(a) of the Code (subject to Rule 13.2 of the Code), Michelin may not invoke a Condition so as to cause the Scheme not to proceed, or to lapse, or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Michelin in the context of the Acquisition. Condition 2 of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.

Michelin shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of the Conditions in Part A above by a date earlier than the latest date specified above for the fulfilment of that condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.

The Acquisition will lapse if the acquisition of Fenner by Michelin is referred to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Reform Act 2013 before the date of the Court Meeting.

If the Panel requires Michelin to make an offer or offers for any Fenner Shares under the provisions of Rule 9 of the Code, Michelin may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **C. Implementation by way of Takeover Offer**

Michelin reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement. In such event, such Takeover Offer will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such other percentage (being more than 50 per cent.) as Michelin may decide (subject to the Panel's consent)) (i) in nominal value of the shares to which such Takeover Offer relates; and (ii) of the voting rights attaching to those shares.

## **D. Certain further terms of the Acquisition**

Fenner Shares will be acquired by Michelin fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of this announcement or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the date of this announcement, other than the Interim Dividend.

If, on or after the date of this announcement, any dividend and/or other distribution and/or other return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the Fenner Shares, Michelin reserves the right (without prejudice to any right of Michelin to invoke Condition 8(c) in Part A of this Appendix 1), to reduce the consideration payable under the terms of the Acquisition for the Fenner Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this announcement or in the Scheme Document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Michelin to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by Michelin of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as

constituting any revision or variation of the Acquisition.

The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.

The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. 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. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.

This announcement and any rights or liabilities arising hereunder, the Acquisition, the Scheme, and any Forms of Proxy will be governed by English law and be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

## **Appendix 2**

### **Bases and Sources**

- (a) The value attributed to the existing issued and to be issued ordinary share capital of Fenner is based upon the 194,002,741 Fenner Shares in issue on 16 March 2018 and a maximum of 2,326,348 Fenner Shares which are the subject of awards granted under the Fenner Share Scheme which may vest as a consequence of the Acquisition.
- (b) For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Acquisition.
- (c) Unless otherwise stated, the financial information on Michelin is extracted (without material adjustment) from Michelin's Annual Report and Accounts for the year ended 31 December 2017.
- (d) Unless otherwise stated, the financial information on Fenner is extracted (without material adjustment) from Fenner's Annual Report and Accounts for the year ended 31 August 2017.
- (e) The market prices of the Fenner Shares are the closing middle market quotations as derived from the Daily Official List.
- (f) Earnings per share figures are stated exclusive of exceptional and extraordinary items where these have been disclosed.
- (g) The stated Fenner enterprise value for the fiscal year ended 31 August 2017 to EBITDA multiple of 15.5 times is based on:
  - (i) Fenner's EBITDA for the fiscal year ended 31 August 2017 of £86 million, as extracted (without material adjustment) from Fenner's Annual Report and Accounts for the fiscal year ended 31 August 2017; and
  - (ii) an estimated enterprise value of £1.3 billion, based on the sum of (A) Fenner's net debt of £102 million plus adjustments of £29 million for non-controlling interests and retirement benefit obligations post-tax (based on Fenner's underlying effective tax rate of 24% extracted from Fenner's Annual Report and Accounts for the fiscal year ended 31 August 2017), as at 31 August 2017, adjusted by the value of the Annual Dividend of 2.8 pence per Fenner Share paid on 8 March 2018 and the Interim Dividend of 2.1 pence per Fenner Share, and (B) the value for the existing issued and to be issued ordinary share capital of Fenner of £1.2 billion (as taken from (a) above and the price of 610 pence per Scheme Share under the Acquisition).
- (h) The stated Fenner enterprise value to average EBITDA multiple of 10.4 times is based on:
  - (i) Fenner's average EBITDA over the fiscal years ended 31 August 2010 to 31 August 2017 of £98 million, calculated on EBITDA of £75 million, £111 million, £141 million, £129 million, £102 million, £80 million, £61 million and £86 million, respectively in the fiscal years ended 31 August 2010, 31 August 2011, 31 August 2012, 31 August 2013, 31 August 2014, 31 August 2015, 31 August 2016 and 31 August 2017 as extracted (without material adjustment) from Fenner's Annual Report and Accounts for each such year, plus £30 million of pre-tax run-rate synergies; and
  - (ii) an estimated enterprise value of £1.3 billion, (as taken from (g)(ii) above).

## **Appendix 3**

### **Details of Irrevocable Undertakings and Letter of Intent**

The following holders of Fenner Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in relation to the following Fenner Shares:

<b>Name</b>	<b>Number of Fenner Shares</b>	<b>Percentage of issued ordinary share capital of Fenner</b>
-------------	--------------------------------	--------------------------------------------------------------

Mark Abrahams	726,726	0.37%
John Pratt	36,045	0.02%
Michael Ducey	86,450	0.04%
Vanda Murray	19,000	0.01%
Geraint Anderson	1,703	0.00%
Chris Surch	12,773	0.01%

The following holder of Fenner Shares has delivered a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in relation to the following Fenner Shares:

<b>Name</b>	<b>Number of Fenner Shares</b>	<b>Percentage of issued ordinary share capital of Fenner</b>
Teleios Capital Partners LLC	10,502,969	5.41%

#### **Appendix 4 Definitions**

The following definitions apply throughout this announcement unless the context requires otherwise.

"£", "pence" or "p"	the lawful currency of the UK
"€"	the lawful currency of the European Union
"Acquisition"	the direct or indirect acquisition of the entire issued and to be issued share capital of Fenner by Michelin to be implemented by way of the Scheme or (should Michelin so elect, subject to the consent of the Panel) by way of the Takeover Offer
"AEP"	Fenner's Advanced Engineered Products division
"Annual Dividend"	the final dividend of 2.8 pence per Fenner Share declared on 15 November 2017, and paid on 8 March 2018 to Fenner Shareholders on the register at the close of business on 25 January 2018
"Bridge Credit Agreement"	the committed £1.2 billion facility agreement dated 19 March 2018 and made between Michelin as Borrower and arranged and fully underwritten by Morgan Stanley Bank International Limited as Original Lender, Mandated Lead Arranger, Bookrunner and Facility Agent, for the purposes of funding, on a certain funds basis, the Acquisition
"CET"	Central European Time
"CFIUS"	the Committee on Foreign Investment in the United States
"Code"	the City Code on Takeovers and Mergers
"Combined Group"	the enlarged group following the Acquisition, comprising the Fenner Group and the Michelin Group
"Companies Act"	the Companies Act 2006, as amended from time to time
"Conditions"	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
"Co-operation Agreement"	the co-operation agreement dated 19 March 2018, entered into by Michelin and Fenner
"Court Meeting"	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the

	Scheme, including any adjournment thereof
"Court"	the High Court of Justice of England and Wales
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
"Daily Official List"	the daily official list of the UK Listing Authority
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
"Disclosed"	means disclosed by or on behalf of Fenner: <ul style="list-style-type: none"> <li>• in the annual report and accounts of the Fenner Group for the financial year ended 31 August 2017;</li> <li>• in this announcement;</li> <li>• in any other public announcement made by, or on behalf of, Fenner by the delivery of an announcement to a Regulatory Information Service on or after 19 March 2016;</li> <li>• in writing before the date of this announcement by or on behalf of Fenner to Michelin (or its officers, employees, agents or advisers in their capacity as such);</li> <li>• in filings made with the Registrar of Companies and appearing in Fenner's file at Companies House on or after 19 March 2016; or</li> <li>• as otherwise fairly disclosed to Michelin (or its officers, employees, agents or advisers) prior to the date of this announcement in the virtual data room operated by or on behalf of Fenner and which Michelin is able to access in relation to the Acquisition before the date of this announcement</li> </ul>
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"ECS"	Fenner's Engineered Conveyor Solutions division
"Effective Date"	the date upon which the Scheme becomes effective in accordance with its terms
"Excluded Shares"	(i) any Fenner Shares beneficially owned by Michelin or any other member of the Michelin Group; (ii) any Fenner Shares held in treasury by Fenner; and (iii) any other Fenner Shares which Fenner and Michelin agree will not be subject to the Scheme
"FCA"	the Financial Conduct Authority
"Fenner"	Fenner plc
"Fenner Cash Scheme"	the Fenner Cash Long-Term Incentive Plan and the US equivalent of the Fenner Cash Long-Term Incentive Plan
"Fenner Directors"	the directors of Fenner
"Fenner Group"	Fenner and its subsidiary undertakings
"Fenner UK Pension Scheme"	the Fenner Pension Scheme currently governed by a trust deed and rules dated 13 March 2018 (as amended from time to time)



"Fenner Share Scheme"	the Fenner Performance Share Plan 2015, as approved by Fenner shareholders on 14 January 2015
"Fenner Shareholders"	the registered holders of Fenner Shares from time to time
"Fenner Shares"	ordinary shares of 25 pence each in the capital of Fenner
"Forms of Proxy"	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
"General Meeting"	the general meeting of Fenner to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof
"Interim Dividend"	the proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the Acquisition;
"Listing Rules"	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name
"London Stock Exchange"	London Stock Exchange plc
"Michelin"	Compagnie Générale des Établissements Michelin SCA
"Michelin Group"	Michelin and its subsidiary undertakings
"Morgan Stanley"	Morgan Stanley & Co. International plc, financial adviser to Michelin
"Official List"	the official list of the London Stock Exchange
"Overseas Shareholders"	Fenner Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or the United States
"Panel"	the Panel on Takeovers and Mergers
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Fenner Shareholders in that jurisdiction
"Rothschild"	N M Rothschild & Sons Limited, financial adviser to Fenner
"Scheme"	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Fenner and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Fenner and Michelin
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme
"Scheme Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"Scheme Document"	the document to be sent to (among others) Fenner Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and

	General Meeting
"Scheme Record Time"	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Shares"	Fenner Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</li> <li>(c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> but in each case other than the Excluded Shares
"Scheme Voting Record Time"	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
"Special Resolution"	the special resolution to be proposed by Fenner at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of Fenner's articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Fenner Shares
"Substantial Interest"	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking
"Takeover Offer"	if (subject to the consent of the Panel) Michelin elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Michelin to acquire the issued and to be issued ordinary share capital of Fenner on the terms and subject to the conditions to be set out in the related offer document
"treasury shares"	any Fenner Shares held by Fenner as treasury shares
"UK Listing Authority"	the FCA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"United States of America", "United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Exchange Act"	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
"Wider Fenner Group"	Fenner and the subsidiaries and subsidiary undertakings of Fenner and its associated undertakings (including any joint venture, partnership, firm or company in which any member of the Fenner Group is interested or any undertaking in which Fenner and such undertakings (aggregating their interests) have a Substantial Interest)
"Wider Michelin Group"	Michelin and the subsidiaries and subsidiary undertakings of Michelin and its associated undertakings (including any joint venture, partnership, firm or company in which any member of the Michelin Group is

interested or any undertaking in which Michelin and such undertakings (aggregating their interests) have a Substantial Interest)

For the purposes of this announcement, "subsidiary", "subsidiary undertaking", "undertaking", "associated undertaking" have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement. All references to time in this announcement are to London time unless otherwise stated.

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