

# THE TAKEOVER PANEL

## TEACHER (DISTILLERS) LIMITED ("TEACHERS")

The Stock Exchange and the Panel have completed an investigation into dealings in the ordinary shares of Teachers during the period shortly before the announcement on 13th October, 1976 of the bid for Teachers by Allied Breweries Limited. No proof to show that anyone dealt with inside knowledge of the impending bid has been found. However, rumours of a bid for Teachers were circulating several days before the announcement of the offer and the volume of activity in the shares led The Stock Exchange to grant a temporary halt in dealings on 12th October. During the week prior to the announcement of the offer, some 50 shareholders and trustees were consulted on the question of their willingness to give powers of attorney to the directors of Teachers to accept an offer in respect of their shares, it being a term of the negotiations that commitments to accept in respect of over 50% of the shares should be obtained in advance.

Experience has shown that when such a large number of people are approached in advance of the announcement of an offer, it becomes practically impossible to maintain the appropriate degree of security. This was one of several reasons why the Panel and The Stock Exchange issued, on 14th April, their joint statement giving general guidelines on the timing of price sensitive announcements, calling, inter alia, upon companies in receipt of an approach which might lead to an offer to make an announcement as early as possible of that fact, in particular where negotiations or discussions were about to be extended to embrace more than a small group of people. In the light of that statement, the practices now to be followed in such circumstances are considered an adequate safeguard.

7th July, 1977.