

THE TAKEOVER PANEL

THE BURTON GROUP PLC ("BURTON") / DEBENHAMS PLC ("DEBENHAMS")

The full Panel met today to consider an appeal by S.G. Warburg & Co, acting on behalf of Burton, against a ruling by the executive that variations introduced by Debenhams during the course of the Burton offer into their contracts with a number of "shop-in-shop" concessionaires did not constitute a breach of Rule 21 of the Code.

The Panel concluded that, although the contract variations in question were based on understandable commercial justifications, their extent and timing were also affected by the existence of pre-bid speculation and of the offer itself and that they could not therefore be held without qualification to have been made in the ordinary course of business. The Panel, however, judged that these variations were not so material to the offer as to constitute a breach of the Code and so upheld the ruling by the executive.

The Panel would emphasise that in such situations the precise range and effect of actions taken can be a critical consideration and regret that in the circumstances N.M. Rothschild & Sons, the advisers to Debenhams, did not consult the Panel executive before the contract variations were made.

25 July 1985