

# THE TAKEOVER PANEL

**SCOTTISH AND NEWCASTLE BREWERIES plc ("S&N") /**

**MATTHEW BROWN PLC ("MATTHEW BROWN")**

The full Panel met today to consider an appeal by Schroders on behalf of Matthew Brown against a ruling by the Panel executive that the recent amendment of the Code providing for the announcement of the outcome of an offer to be set at 5.00 pm gave scope for an extension of the closing time of the offer by S&N from 3.30 pm to 5.00 pm on 11 December. At 3.30 pm acceptances to the offer and purchases by S&N amounted to over 47%; but further acceptances and purchases made by 5.00pm were sufficient to carry the total over 50%.

The Panel concluded that the whole emphasis of the documents issued by S&N during the course of the offer was upon a 3.30 pm closing time, repetitions of a "no extension" statement reinforcing this emphasis. The recent Code amendment was not designed to allow a last minute extension to search for further support but to give adequate time for the receiving banker to produce final figures. Most important of all, shareholders in general could not be aware of the extension and Matthew Brown's advisers in particular withdrew at 3.30 pm from the market where they had been active as buyers. There was thus in some degree a false market for a period of time after 3.30 pm.

The Panel accepted that S&N and its advisers acted entirely properly and consulted the executive over this point of interpretation. Nevertheless, in the light of the above considerations, the Panel believed that equity would best be served by overruling the executive's decision to allow the extension.

S&N and Matthew Brown have accepted the Panel's ruling and accordingly the offer has lapsed.

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The Panel observed in addition that some of the telephone contacts with shareholders made during the course of the offer almost certainly went beyond the guidelines relating to such contacts set out in the Code. The Panel wishes to underline once again the importance it attaches to the proper control of such telephone contacts.

12 December 1985