

# THE TAKEOVER PANEL

## **UNITED DRAPERY STORES LIMITED/**

### **WILLIAM TIMPSON LIMITED**

The Panel has completed its investigation into transactions in the Ordinary and "A" Ordinary shares of William Timpson Limited carried out in the market in the period preceding the announcement on 4th October 1972 of offers for both classes of shares by United Drapery Stores Limited.

The Panel is aware that, prior to the announcement on 26th September 1972 of the resignation of the then Chairman, William Timpson Limited, a company then effectively controlled by members of the Timpson family, had been generally regarded in the market as an unlikely recipient of a take-over approach. The announcement of the Chairman's resignation clearly had market implications and, in the Panel's view, resulted in a speculative interest in the Company's shares not specifically related to the subsequent offers from United Drapery Stores Limited.

The announcement of the offers was preceded by the collection of signatures from a considerable number of shareholders to a conditional agreement to sell their shares to United Drapery Stores Limited. While the Panel have found no evidence to suggest that these persons, or any other persons with knowledge of the potential offer, dealt in shares in contravention of Rule 30 of the City Code on Takeovers and Mergers, it is self-evident that the possibility of a leak of information in circumstances of this kind is increased. Rule 7 of the Code stresses the vital importance of absolute secrecy before the announcement of an offer: the Panel expects boards and their advisers to draw this Rule to the attention of persons approached for a commitment before such an announcement.

14th March, 1973.