

THE TAKEOVER PANEL

OFFERS BY
ALLIANZ VERSICHERUNGS-AG
AND
BAT INDUSTRIES PLC
FOR
EAGLE STAR HOLDINGS PLC

The full Panel under the Chairmanship of Martin Jacomb met today to consider the position which may arise in connection with the above competitive offers. There has not in the past been any comparable situation where two competing bidders have both remained in the field at the end of the normal Code time limits. These in effect require that no offer may be revised after the 46th day (in this case 30 December 1983) after the posting of the later of the two competing offers. The Panel considers, however, that the existing Rules can effectively govern the present situation with very minor amendment.

In these circumstances the Panel has informed the parties that in accordance with Rule 22 of the Code neither offer may be increased after 30 December 1983. The only minor amendment to the normal procedure which the Panel has allowed is that whereas normally an offer must be posted by the end of the 46th day, in this case any offer by either offeror must be announced before 5.00pm on the 46th day. Any offer on the 46th day must be lodged with the Panel at least 30 minutes before it is announced. The final date for posting any offer is 4 January 1984 (2 business days after the 46th day) and 18 January 1984 will become "the 60th day".

Exceptions to the normal timetable have been permitted in the past where a single offeror has wished to increase an offer after the 46th day to secure the recommendation of the offeree board. The Panel considers that such an exception is not appropriate where there are competing offers. Therefore no further revisions will be permitted unless other exceptional circumstances arise.

Since any offer on the 46th day will be a final offer neither offeror may thereafter purchase shares at a price which would, under the Code, require it to revise its offer.

21 December 1983