

# THE TAKEOVER PANEL

## **WOOLWORTH HOLDINGS PLC ("WOOLWORTHS") / DIXONS GROUP PLC ("DIXONS")**

The full Panel met today to consider two matters relating to the timetable for the offer by Dixons (advised by S G Warburg & Co Ltd) for Woolworths (advised by N M Rothschild & Sons Ltd).

The Panel was originally convened to consider, on a reference from the executive, whether any general ruling should be made that the timetable of an offer should be extended when a decision as to whether or not the offer should be referred to the Monopolies and Mergers Commission has not been announced by day 39\*. The Panel concluded that it would be preferable not to adopt a general practice for such circumstances on the basis of an examination of a particular case and that, given that an announcement clearing this offer had been made during the morning, and given its views on the second matter before it, there was no need for such a ruling in this case.

The second and interrelated matter arose from a statement issued by Woolworths on 6 June, including a profit forecast, a valuation of the Comet business and a property valuation. The Panel executive had ruled that this statement did not contain information to Code standards (for example the assumptions underlying the profit forecast were not stated) and had not been the subject of consultation with the executive as required by the Code., thus creating a situation in which it would be normal to defer day 39 until the required information had been provided. Rothschilds appealed against that ruling.

The full Panel found that the statement issued on 6 June was materially deficient in Code terms and that in such circumstances day 39 should properly be deferred until the deficiencies had

been made good, in full consultation with the executive. A consequence is that day 46\* and day 60\* will be deferred by the same number of days.

The Panel expressed its surprise that Rothschilds should have advised Woolworths to put out a statement which was materially deficient in Code terms and further that, having done so, the matter should have been made the subject of an appeal to the full Panel.

10 June 1986

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\* NOTE: Days 39, 46 and 60 are the 39th, 46th and 60th days after the initial offer document is posted.

Their significance under the Code is as follows:-

- (i) in the normal course, an offeree company may not, after the 39th day, publish material new information such as profit forecasts or asset valuations;
- (ii) the 46th day is the last date on which an offeror may post a revised offer document;
- (iii) in the normal course the 60th day is the final date on which an offer may become unconditional as to acceptances.