

# THE TAKEOVER PANEL

## **WITHDRAWAL, ISSUE AND AMENDMENT OF PANEL EXECUTIVE PRACTICE STATEMENTS**

The Panel Executive has today withdrawn Practice Statements Nos 7 (Possible improvement statements), 13 (Timetable extensions – alterations to a predicted date), 14 (Schemes of arrangement) and 17 (The Companies Act 2006).

The Panel Executive has also today issued Practice Statement No. 19 (Rule 19.3 – Unacceptable statements), a copy of which is attached to this Statement.

Practice Statements Nos 1 (Rule 20.1 – Equality of information), 9 (Note 3 on Rule 20.1 – Equality of information to shareholders and the policing of meetings) and 11 (Working capital requirements in cash and securities exchange offers) have been amended by the Panel Executive. The amendments that have been made are not material and do not alter the substance of the Practice Statements.

14 January 2008

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## PRACTICE STATEMENT NO. 19

### RULE 19.3 – UNACCEPTABLE STATEMENTS

Rule 19.3 of the Code states as follows:

“Parties to an offer or potential offer and their advisers must take care not to issue statements which, while not factually inaccurate, may mislead shareholders and the market or may create uncertainty. In particular, an offeror must not make a statement to the effect that it may improve its offer, or that it may make a change to the structure, conditionality or the non-financial terms of its offer, without committing itself to doing so and specifying the improvement or change. In the case of any doubt as to the application of this Rule to a proposed statement, parties to an offer or potential offer and their advisers should consult the Panel.”

Parties to an offer and their advisers should be aware that, during the course of an offer, and especially in a competitive or hostile situation, any suggestion of the possibility of an improvement or change to an offer will be of particular sensitivity since it could lead to a false market being created in the securities of the offeree company. If, however, an offeror wishes to make a holding statement in order to publicise its initial reaction to a particular development, such as an increase in a competing offeror’s offer, it may state, for example, that it is “considering its position” or that it is “considering its options”. It should not, however, use language which implies that it might improve or change the terms of its offer.

*Practice Statements are issued by the Executive to provide informal guidance to companies involved in takeovers and practitioners as to how the Executive normally interprets and applies relevant provisions of the Code in certain circumstances. Practice Statements do not form part of the Code. Accordingly, they are not binding on the Executive or the Panel and are not a substitute for consulting the Executive to establish how the Code applies in a particular case. All Practice Statements issued*

*by the Executive are available on the Panel's website at*  
[www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

14 January 2008