

THE TAKEOVER PANEL

Adepton Limited/Williams Hudson Limited

The Panel has been called upon to consider a proposal for a revised offer (consisting exclusively of already quoted securities) by Adepton for the shares of Williams Hudson. The Panel Executive have not given any ruling upon this and it therefore falls to be dealt with by the full Panel, as at first instance. It is a difficult case which has given rise to many matters of anxiety. We intend later to give a full opinion in writing about the various points which have arisen but we think the crux of the matter so far as concerns this case lies in Rule 31 of the City Code.

On the special facts of this take-over transaction it does not appear to us to be one in which it would be normal to calculate the value of the paper now offered by Adepton by reference to the previous quotations on The Stock Exchange. We have, therefore, to decide whether this paper offer now made can be accepted by the Panel as reasonably matching the price paid by Adepton for the Williams Hudson shares during the period after the announcement of their offer whilst they stood in the market to buy. We are not satisfied that this offer, unless underwritten for cash, can be so accepted. Indeed, in view of the uncertainty as to the amount of additional securities which would have to be issued to satisfy any paper offer reasonably matching the cash price paid in the market, we do not think that in the special circumstances of this case a paper offer not underwritten could be regarded as satisfactory. In the meantime we shall recommend to The Stock Exchange that they should continue to suspend the quotations of Adepton and Williams Hudson whilst Adepton and its advisers consider their position.

26th March 1971.