

THE TAKEOVER PANEL

STATEMENTS MADE DURING THE COURSE OF AN OFFER

The Panel is concerned that certain types of statement made during the course of an offer, while not factually inaccurate, may mislead shareholders and the market or may create uncertainty. The Panel therefore issues the following guidance:-

- (a) an offeror should not make a statement to the effect that it may improve its offer without committing itself to doing so and specifying the improvement;
- (b) while an offeror may need to consider its position in the light of new developments, and may make a statement to that effect, it is not acceptable for its position to remain unclarified for more than a limited time, particularly in the later stages of the offer period;
- (c) while a potential competing offeror may make a statement that it is considering making an offer, it is not acceptable for such a statement to remain unclarified for more than a limited time, particularly in the later stages of the offer period.

The above does not detract in any way from the obligation to make timely announcements under Rule 5 of the Code, to which the Panel attaches the greatest importance.

It is proposed to issue a Practice Note on this subject and in the meantime any enquiries about interpretation should be made to the Panel executive.

13 March 1984