

THE TAKEOVER PANEL

ARGYLL GROUP PLC/THE DISTILLERS COMPANY PLC

On 2 September 1985, Argyll Group published a statement headed "Argyll Group PLC/The Distillers Company PLC" which included the following:-

"The reports, however, of an imminent bid are inaccurate and Argyll does not intend to make an offer for Distillers at the present time."

This statement was discussed and agreed by Argyll with the Take-over Panel prior to its issue and was made in accordance with Rule 2.2(d) of the Take-over Code which, in certain circumstances, requires that an announcement be made by a potential offeror when there is rumour and speculation about the possibility of a take-over offer or an untoward price movement in the offeree company's share price.

Before making the statement, Argyll's advisers discussed the position with the Take-over Panel. It was accepted that, if a statement in such terms was made, Argyll should not make an offer for a reasonable period, which was agreed to be three to four months, in the absence of a significant change of circumstances.

The Panel attaches considerable importance to the public being able to rely on statements of intention and for this reason it would clearly not be acceptable for a statement of the kind made by Argyll to be followed very shortly thereafter by the announcement of an offer.

10 September 1985