

THE TAKEOVER PANEL

S G WARBURG GROUP PLC
MORGAN STANLEY GROUP INC
MERCURY ASSET MANAGEMENT GROUP PLC

On 8 December 1994 S. G. Warburg Group Plc ("Warburgs") and Morgan Stanley Group Inc. ("Morgan Stanley") announced that they were discussing the possibility of combining their businesses.

At present it is not possible to clarify what effect, if any, an agreement between Warburgs and Morgan Stanley would have for the minority shareholders of Mercury Asset Management Group Plc ("MAM"). In view of ongoing market speculation pending clarification of the situation and as a precautionary measure MAM will be deemed to be in an offer period with the result that certain dealings by relevant parties must be disclosed in accordance with the Rules of the Code.

14th December 1994