

THE TAKEOVER PANEL

OFFERS BY
LARAGROVE LIMITED ("LARAGROVE")
AND
BARONESS RETAIL LIMITED ("BARONESS")
FOR
DEBENHAMS PLC ("DEBENHAMS")

On 4 August, Laragrove posted an offer to Debenhams' shareholders. On 29 September, Baroness posted an offer to Debenhams' shareholders, such offer to be implemented by way of a scheme of arrangement. Neither offer has yet been declared final and either offer may therefore be increased or otherwise revised.

In order to provide an orderly framework for resolution of the competing offers and in accordance with Rule 32.5, the Panel Executive has ruled, following discussions with the parties, that except with the consent of the Panel Executive:

- if either Laragrove or Baroness wishes to revise or increase its offer (other than in accordance with the following procedure) after 5.00 p.m. on Thursday 30 October then that bidder must lodge any increased offer with the Panel Executive by 4.00 p.m. on Friday 31 October (the "Auction Start Date"), such increased offer to be announced at approximately 5.00 p.m. that day;
- if the bidder with the lower offer at 5.00 p.m. on Thursday 30 October, or if both bidders, announce(s) an increased offer by approximately 5.00 p.m. on the Auction Start Date then an open auction procedure shall begin and the bidder with the lower offer following such announcement(s) shall have until 4.00 p.m. on Saturday 1 November to lodge an increased offer with the Panel Executive, such increased offer to be announced at approximately 5.00 p.m. that day;

- if the bidder with the lower offer after the announcement(s) at approximately 5.00 p.m. on the Auction Start Date, or if both bidders, announce(s) an increased offer on Saturday 1 November, the bidder which then has the lower offer outstanding shall have until 4.00 p.m. on Sunday 2 November to lodge an increased offer with the Panel Executive, such increased offer to be announced at approximately 5.00 p.m. that day. If the bidder with the lower offer after the announcement(s) at approximately 5.00 p.m. on Saturday 1 November, or if both bidders, announce(s) an increased offer on Sunday 2 November, the lower bidder shall have until 4.00 p.m. on Monday 3 November to lodge an increased offer with the Panel Executive, such increased offer to be announced at approximately 5.00 p.m. that day;
- if such an increased offer is announced on Monday 3 November, then the open auction procedure shall cease to operate. Both bidders shall be invited to submit sealed bids to the Panel Executive by 1.00 p.m. on Tuesday 4 November specifying a fixed maximum price that each bidder is prepared to pay. Formula offers will not be permitted. An announcement by the bidder with the highest offer will, unless otherwise agreed by the Panel Executive, be released by 5.00 p.m. that day;
- if, during the open auction, the bidder with the lower offer does not lodge an offer with the Panel Executive by 4.00 p.m. the next day or if a party is the under-bidder in the sealed bid process (as appropriate) then that bidder will not be able to amend its offer thereafter;
- a further announcement will be made regarding the offer timetable once the above process has been completed; and.
- the Panel Executive reserves the discretion to amend the above procedure as appropriate.

Each of the parties has accepted this ruling.

14 October 2003