

THE TAKEOVER PANEL

GUEST, KEEN AND NETTLEFOLDS LIMITED/

MILES DRUCE AND CO. LIMITED

In its statement of 21st March 1974 (which accompanied the text of rulings given to the parties on 20th March in connection with the offers made by Guest, Keen & Nettlefolds Limited ("GKN") for the issued share capital of Miles Druce & Co. Limited ("Miles Druce") not already owned by GKN) the Panel made it clear that the rulings of 20th March had been based on the situation as it was known to the Panel at the time when they were given to the parties, and that a withdrawal of the offers pursuant to a requirement of the European Commission would create a new situation.

Following a meeting with the Commission on 22nd March, GKN announced on 24th March that it had decided (subject to the permission of the Panel) to withdraw the offers. However, in that announcement, GKN stated its intention to renew the offers, subject to any necessary permission, on or about 8th April.

The Panel has now received a formal application from GKN for permission to withdraw the offers and this has been given. The Panel has also given GKN permission to renew its offers on or about 8th April on the same terms.

The Panel has ruled that, in the circumstances, GKN's announcement of its intention to renew the offers is to be regarded as communication of bona fide offers for the purposes of General Principle 4 of the Code. Accordingly, the board of Miles Druce should not, without the approval of shareholders in general meeting, take any action which would or might prevent GKN from making such offers on or about 8th April or which would or might frustrate those offers once made. At any general meeting of the shareholders of Miles Druce convened for the purpose of giving approval to any such action, no votes may be cast in respect of any of the share capital of Miles Druce owned by GKN.

If a general meeting of shareholders is convened before 8th April, the Panel will make a further ruling to ensure that the status quo is maintained pending the holding of the meeting.

26th March 1974.