

THE TAKEOVER PANEL

Siebe Gorman offer for Tecalemit

The Panel on Take-overs and Mergers met today to hear an appeal by S.G. Warburg & Co. Ltd. on behalf of Siebe Gorman. The appeal was against a ruling by the Panel executive that the announcement made on 1 December of the intention to recommend an increase in Siebe Gorman's final dividend amounted to a revision of the Siebe Gorman share offer and so constituted a breach of Rule 22 and Practice Note 11 of the City Code.

The Panel upheld the executive's ruling. The Panel also considered the consequences which should follow and was satisfied by the evidence that the holders of a majority of Tecalemit's stock were prepared to support the Siebe Gorman offer regardless of the dividend increase and its subsequent withdrawal. Accordingly the Panel ruled that, despite the breach, the offer might be declared unconditional in all respects.

The Panel wishes to record its regret that Warburgs failed to consult the Panel executive before the dividend increase was announced.

5 December 1983

Notes to Editors: Rule 22 of the Code prohibits any amendment of an offer in the final 14 days and Practice Note 11 prohibits any amendment to an offer after the making of a "no increase statement" by the offeror.