

THE TAKEOVER PANEL

**EXTEL GROUP PLC ("EXTEL") /
THE DEMERGER CORPORATION PLC ("DEMERGER") /
MR I R MAXWELL**

The full Panel met today to consider an appeal by Kleinwort, Benson Limited, acting for Extel, against a ruling by the executive that Demerger and Mr Maxwell were not acting in concert in relation to the offer by Demerger for Extel, which lapsed on 28 April.

Having heard the evidence, and in particular that bearing on the offer to, and acceptance by, Mr Maxwell on 15 April of a directorship of Demerger, conditional on the success of the offer, the Panel concluded that a sufficient degree of agreement or understanding was thereby evidenced to establish that in all the circumstances Demerger and Mr Maxwell were to be regarded, for the purposes of the Code, as acting in concert. Accordingly, save with the express consent of the Panel, Demerger and Mr Maxwell are precluded under Rule 35 from making a further offer for Extel for a period of 12 months from 28 April 1986.

It will be understood that "acting in concert" does not constitute a breach of the Code.

1 May 1986