

THE TAKEOVER PANEL

HOYLAKE INVESTMENTS LIMITED ("HOYLAKE") /

B.A.T. INDUSTRIES p.l.c. ("BAT")

The Panel Executive confirms that it has ruled that various actions which have been taken by BAT in the United States do not constitute a breach of General Principle 7 of the Code requiring such actions to be submitted to the approval of BAT shareholders on the grounds that they were frustrating the Hoylake offer. The Executive also confirms that it has referred to the full Panel without itself making a ruling, Hoylake's request that the Panel should give consent under Rule 35.1 of the Code for Hoylake to make a new offer for BAT within a period of less than twelve months. In this event Hoylake would allow its present offer to lapse pending the obtaining of necessary US regulatory consents.

Hoylake has appealed against the Executive's ruling on General Principle 7. Both the reference and the appeal will be heard by a meeting of the full Panel which is being arranged for 13 September 1989.

6 September 1989