

THE TAKEOVER PANEL

MEAT TRADE SUPPLIERS PLC

The Panel Executive has ruled that the circular dated 5 October 1989 sent by Meat Trade Suppliers plc ("MTS") to its shareholders was seriously misleading, particularly in its description of the value and effect of the offer currently being made by Twigrealm plc.

The circular contained a comparison of the effects of the Twigrealm offer, which is contested by the board of MTS, with the effects of the Alpha Gamma proposals, which are recommended by the board. The circular stated that the Alpha Gamma proposals offer shareholders a cash exit for a larger percentage of their holdings than the Twigrealm offer and that, on the basis of certain assumptions, the average value of MTS shares under the Twigrealm offer was £3.14 per MTS share. These statements are not correct. The Twigrealm offer is an offer for the whole of the issued share capital of MTS at £3.50 per share. Subject to the offer becoming unconditional, all MTS shareholders are entitled to receive that price in respect of their entire holdings.

In the light of this, the Executive has required that a correcting circular, in a form approved by the Panel, be despatched to MTS shareholders as soon as possible. The board of MTS has agreed, at the request of the Executive, to take all appropriate steps to adjourn the Extraordinary General Meeting of MTS which has been convened for 10 October 1989 in order to give shareholders an opportunity to reconsider, should they so wish, the manner in which they wish their votes to be cast at that meeting.

It is a fundamental requirement of the Code that each document issued to shareholders in connection with an offer must, as is the case with a prospectus, satisfy the highest standards of

accuracy and the information contained therein must be adequately and fairly presented. The circular of 5 October did not satisfy this standard and responsibility for this must lie to a considerable extent with Lloyds Merchant Bank Ltd, the financial adviser to MTS.

6 October 1989