

THE TAKEOVER PANEL

CODE COMMITTEE

RESPONSE STATEMENT 14 AND CODE AMENDMENTS

On 30 April, the Code Committee published Public Consultation Papers 13 and 14. The consultation period in respect of PCPs 13 and 14 ended on 11 June and the Code Committee has today issued Response Statement 14 which sets out the results of the public consultation process in respect of PCP 14 and the final text of the proposed amendments to the Code as approved by the Code Committee in respect of that consultation paper. Copies of Response Statement 14 may be obtained from the Panel's website at www.thetakeoverpanel.org.uk or by telephoning the Panel on 020 7382 9026.

The changes to the Code set out in Response Statement 14 are contained in the Appendix to this statement and will take effect immediately. Amended pages of the Code have also been published today.

The Code Committee has considered the responses received in respect of PCP 13 but has deferred publication of Response Statement 13. This is because the Department of Trade and Industry ("the DTI") is considering further whether, in order for the compulsory purchase provisions contained in Sections 428-430 of the Companies Act 1985 to be applied, the law as currently drafted would require an offer to be made in respect of all shares in issue (including those held in treasury) and, if so, whether appropriate amendments should be made to these provisions. The DTI has indicated to the Code Committee that, if it concludes that amending legislation is necessary, it proposes to introduce such legislation prior to 1 December when the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 will come into force. Response Statement 13 will be published following the outcome of the DTI's deliberations and after further consultation, if required.

24 July 2003

APPENDIX

2.10 ANNOUNCEMENT OF NUMBERS OF RELEVANT SECURITIES IN ISSUE

When an offer period begins, the offeree company must announce, as soon as possible and in any case by 9.00 a.m. on the next business day, details of all classes of relevant securities issued by the company, together with the numbers of such securities in issue. An offeror or potential named offeror must also announce the same details relating to its relevant securities by 9.00 a.m. on the business day following any announcement identifying it as an offeror or potential offeror, unless it has stated that its offer is likely to be solely in cash.

Any such announcement should include, where relevant, the International Securities Identification Number ("ISIN") for each relevant security.

If the information included in an announcement made under this Rule changes during the offer period, a revised announcement must be made as soon as possible.

NOTE ON RULE 2.10

Relevant securities

See Note 2 on Rule 8.

NOTES ON DISPENSATIONS FROM RULE 9

"1....

When a waiver has been granted, as described above, in respect of convertible securities, options or rights to subscribe for shares, details, including the fact of the waiver and the maximum number of securities that may be issued as a result, should be included in the company's annual report and accounts until the securities in

respect of which the waiver has been granted have been issued or it is confirmed that no such issue will be made. "

37.3 REDEMPTION OR PURCHASE OF SECURITIES BY THE OFFEREE COMPANY

...

(b) Public disclosure

For the purpose of Rule 8, dealings in relevant securities include the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company.

APPENDIX 1

6. Announcements following shareholders approval

...

(c) Where convertible securities, options or securities with subscription rights are to be issued:-

(i) the announcement of the potential controlling shareholding must be made on the basis of the assumptions described in Section 4(b) above;

(ii) following each issue of new securities a further announcement must be made confirming the number and percentage of shares held by the controlling shareholders at that time; and

(iii) the information in (i) and (ii) should be included in the company's annual report and accounts until all the securities in respect of which the waiver has been granted have been issued or it is confirmed that no such issue will be made.