





4. while the stock market had experienced substantial declines in prices, there was no suggestion that it was not functioning properly;
5. the proposals were opportunistic in that they appeared to be motivated more by the interests of major or controlling shareholders than the market as a whole;
6. they would be seen as favouring big business interests at the expense of other stock market participants and, in fact, may work against their interests; and
7. there was no evidence to indicate that support for the proposals was widespread or that the proposals would boost confidence in the market for the shares of particular companies or the market as a whole.

The Takeovers Panel also noted that off-market company share repurchases, share repurchases by general offer and partial offers that are conducted in compliance with the current provisions of the Takeovers and Share Repurchase Codes, could all be employed to increase a major or controlling shareholder's interest without triggering a mandatory takeover offer. Market participants are reminded that there is a mechanism in the Takeovers Code for shareholders' approval of any partial offers, which could result in the offeror holding 30% or more of the voting rights in the company. These existing provisions of the Takeovers Code allow companies and their major or controlling shareholders to exhibit their confidence in the prospects of the company in a manner that does not violate the fundamental principle of fair treatment of shareholders or give rise to the possible adverse consequences, as described above, and does not require any temporary waiver of important provisions of the Takeovers Code.

End